



**MINISTRY OF INVESTMENT, TRADE AND INDUSTRY (MITI)**

**SPEECH**

**BY**

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**THE LAUNCHING CEREMONY OF THE SIEMENS XCELERATOR  
EXPERIENCE CENTER AND SIGNING OF THE MEMORANDUM  
OF UNDERSTANDING (MOU) BETWEEN MALAYSIA  
PRODUCTIVITY CORPORATION (MPC) AND  
SIEMENS MALAYSIA SDN. BHD.**

**20 FEBRUARY 2025 (THURSDAY)  
5.00 PM – 6.30 PM  
SIEMENS MALAYSIA SDN. BHD. OFFICE,  
LEVEL 35, THE MET CORPORATE TOWER,  
JALAN DUTAMAS 2, KUALA LUMPUR**

**Mr. Tindaro Danze**

President and CEO Siemens Malaysia

**Datuk Hanafi Sakri**

Deputy Secretary General (Industry), MITI

**Datuk Kamaruzzaman Johari**

Chairman

Malaysia Productivity Corporation (MPC)

**Mr. Zahid Ismail**

Director General

Malaysia Productivity Corporation (MPC)

Distinguished guests

Ladies and gentlemen

Salam Malaysia MADANI and good evening.

## **INTRODUCTION: THE IMPERATIVE OF FASTER PRODUCTIVITY GROWTH**

1. A very good morning. Thank you all for joining us. Today's event unites us around a singular purpose – to advance Malaysia's industry and economy for higher productivity and competitiveness through collaboration, talent development, and innovation.

2. I would like to start by pointing out a challenge at hand: **Malaysia's productivity has grown well, but not fast enough**, especially in comparison to other economies that were once on par with us.
3. Take South Korea. Both Malaysia and South Korea transformed from low-income to middle-income nation, both with high-income ambitions. In the 70s, both relied heavily on agriculture and natural resources.
4. Between **1996 and 2022, South Korea's productivity level grew at an average pace of 2.9 per cent annually. Malaysia's productivity**, on the other hand, rose at a more modest pace of **1.6 per cent per year**.
5. **While Malaysia's steady growth must not be discounted, we can do more**, particularly with the solid foundation we have built through our industry reform initiatives under the New Industrial Master Plan 2030, and other policy measures under MITI.
6. All these initiatives have **attracted a steady amount of high-quality foreign investment (FI), particularly in semiconductors, aerospace, and the digital economy**. Through these FI's, we want to ensure technology transfers in areas such as automation, robotics, and artificial intelligence (AI), to build a sustainable and resilient industrial base.

7. And how do we know the NIMP is on track? I am happy to inform you that we have made progress under all three key goals of the NIMP2030:
- a. **Firstly**, the manufacturing sector's value-added contribution to our GDP rose by 4.7% (or RM4.2 billion) in Q2 2024 year-on-year.
  - b. **Secondly**, we added 200,000 people (up 0.9%) to the manufacturing sector in Q2 2024 year-on-year.
  - c. **Third**, median salary of workers in manufacturing grew by 8.2%<sup>1</sup> in Q1 2024 year-on-year – this metric is a real measure of how investment benefits trickle down to our people.
8. But we must move faster, be nimbler and execute our industrial initiatives more quickly. Because **time and tide, and also technology, will wait for no one!**
9. China's DeepSeek has rocked the AI world – particularly with its reasoning capacity – with an investment of only USD6 million! And yet, all this is only the beginning!

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<sup>1</sup> RM201

## **PUBLIC-PRIVATE PARTNERSHIP IN SHAPING MALAYSIA'S INDUSTRIAL FUTURE**

Ladies and Gentlemen,

- 10. Policy alone is insufficient. It must be matched by disciplined execution, and a whole-of-nation approach.** One key success factor for **South Korea** is its R&D investments. This is at over **four per cent of its GDP – powered mainly by the private sector, versus Malaysia's one per cent, and mostly government-driven.**
- 11. The Human Capital Theory, coined in the 1960s and still a subject of interest among economists, emphasises that investments in education and training increase productivity and earnings.<sup>2</sup> The work by the Institute for Fiscal Studies (IFS) showed that an increase of 5 percentage points in the proportion of workers trained raised value added per employee by 4 per cent.<sup>3</sup>**
- 12. Malaysia's skilled workforce currently stands at around 30%, behind more advanced economies. If we aim to match countries like South Korea, we must increase this percentage quickly.**

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<sup>2</sup> Multidimensional Human Capital and the Wage Structure, David Deming, Harvard Kennedy School, March 2023

<sup>3</sup> Skills Pay: The contribution of skills to business success, September 2004

13. Through NIMP2030, we are focusing on **developing more industrial talent and encouraging more public private partnerships**. Today's event demonstrates that the public and private sectors can co-create solid solutions to propel Malaysia's industrial sector to global competitiveness.
14. So, I am pleased to share **two transformative milestones** today: the **Siemens Xcelerator Experience Center launch** and a **strategic collaboration between Siemens and MPC**.
15. Platforms like the Siemens Xcelerator Center are **crucial for driving sustainability through innovation and technology adoption**. It is a **forward-looking hub** designed to help industries adopt digital technologies – from analytics to automation, quickly and effectively.
16. **It offers a practical environment for companies**, including small and medium-sized enterprises (SMEs), to **explore, test, and implement scalable digital solutions** previously accessible only to major multinationals. The Center's approach reflects our national vision for inclusive innovation, and NIMP's mission to help Malaysian companies move higher up the value chain.

17. We also have a **Memorandum of Understanding between Siemens and the MPC**. This MOU will help ramp up our industrial initiatives on talent development, industrial upskilling, productivity recognition, and industry-driven work-based learning.
18. Industry 4.0 technologies demand a new generation of data analysts, software engineers, and robotic specialists. Traditional roles also need an upgrade; even machine operators must learn to interface with digital systems and interpret analytics-based feedback.
19. The **Siemens-MPC collaboration bridges academic theory with the immediate needs of industry**. With work-based learning, employees learn by solving real-world problems.

## **MITI'S ROLE IN SHAPING MALAYSIA'S INDUSTRIAL FUTURE & LEADERSHIP FOR THE ASEAN ECONOMIC PILLAR**

20. As the Ministry of Investment, Trade and Industry, MITI's responsibilities range from crafting investment-friendly policies to shaping the industrial strategies that drive Malaysia's long-term economic progress. We aim to place Malaysia on the global stage

while ensuring that growth benefits all segments of society.

21. MITI's efforts thus far have **attracted a wave of high-quality foreign investments (FDI)**, bringing new projects in target sectors such as **E&E and semiconductors, aerospace, chemicals and the digital economy**.
22. This year, **MITI is also driving the Economic Pillar under Malaysia's 2025 ASEAN Chairmanship**. As we **steer ASEAN to become a global hub for trade and industry**, Malaysia's leadership will also be measured by our ability to **integrate top-tier technologies and skilled talent into fast-growing, resilient supply chains across Southeast Asia**.
23. On the private sector side, Malaysia's industries must demonstrate global leadership by showing that sustainability can coexist with profitability. To that end, I welcome platforms like the Siemens Xcelerator Center, which are **crucial stepping stones towards driving sustainability through innovation and technology adoption across ASEAN**.



## CONCLUSION

Ladies and Gentlemen,

24. In conclusion, based on the NIMP's sustainable growth approach, **when technology, talent development, and sustainability converge, the possibilities for our nation become limitless.**
25. To Siemens, we sincerely thank you for believing in Malaysia's potential and establishing this cutting-edge Experience Center.
26. To all stakeholders – industry, government agencies, investors – know that MITI stands ready to facilitate and scale up every promising initiative.
27. May the Siemens Xcelerator Experience Center and the Siemens-MPC MOU blaze a trail for countless other partnerships, guiding our economy towards a future of innovation, talent, and sustainable prosperity.
28. Thank you.