



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

PROPOSED BRIEF AND REMARKS

BY

**YB TUAN SIM TZE TSIN
DEPUTY MINISTER OF INVESTMENT, TRADE AND INDUSTRY
OF MALAYSIA**

FOR

**NEW JAPAN-MALAYSIA INDUSTRIAL COOPERATION
SEMINAR**

**31 MARCH 2026 (TUESDAY)
9.00 A.M.- 1.30 P.M.**

EQ HOTEL, KUALA LUMPUR

PROPOSED REMARKS

Salutations

His Excellency SHIKATA Noriyuki

Ambassador of Japan to Malaysia

Yang Mulia Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz

Chairman of the Malaysian Investment Development Authority (MIDA)
and Senior Advisor to the Prime Minister

Mr. KOMIYAMA Yasuji

Director- General for Trade Policy and Economic Cooperation
Ministry of Economy, Trade and Industry (METI) Japan

YBhg. Tan Sri Azman Hashim

President

Malaysia-Japan Economic Association (MAJECA)

Distinguished Guests, Captains of Industry, Senior Officials

Ladies and gentlemen,

Selamat pagi, good morning, Ohayō gozaimasu.

1. It is a great honour to join you at the New Japan-Malaysia Industrial Cooperation Seminar. I extend my sincere appreciation to the Embassy of Japan and all co-organisers for organising this timely gathering.
2. To our Japanese partners, whether present here or joining virtually, your continued engagement demonstrates the strong and vibrant bond between our economies. It is a pleasure to see many familiar faces and to meet new ones.

Why Malaysia is Your Trusted Partner

3. Malaysia and Japan share a relationship built on trust, mutual respect and shared aspirations. This partnership has delivered real results for decades.
4. Our track record speaks for itself. As of December 2025, a total of **2,872 manufacturing projects** have been successfully implemented by Japanese investors in Malaysia. These projects represent **RM107.9 billion** in investment and have created over **347,346 jobs** for Malaysians.

5. This momentum continues, with bilateral trade reached **RM142.96 billion** in 2025 and maintaining steady growth with total trade increasing by 2.3 per cent in the first month of 2026, reaching **RM12.77 billion**.
6. Our trade composition reflects deep industrial complementarity, from energy and electronics to machinery, chemicals and advanced manufacturing inputs. Behind these figures are businesses expanding, supply chains strengthening, and communities benefiting.
7. This success did not happen by accident. It is the result of consistent engagement and a shared commitment to grow together.

Navigating a Changing Global Landscape

Ladies and gentlemen,

8. Today, we operate in a more complex and uncertain global environment. Geopolitical tensions and shifting economic dynamics are reshaping supply chains, investment flows and industrial strategies.
9. In this "polycrisis" era, efficiency alone is no longer sufficient. Resilience and economic security have become equally critical. Industrial policy must now respond to both market forces and geopolitical realities.
10. In this context, Malaysia offers a stable, neutral and strategically located base in ASEAN for diversification. We continue to invest in infrastructure, enhance regulatory efficiency and strengthen connectivity. When you choose Malaysia, your operations will run smoothly and reliably.

Where Malaysia is Heading

11. Malaysia's direction is clear. The MADANI Economic Framework sets out our vision for a competitive and inclusive economy, while the Thirteenth Malaysia Plan (RMK-13) translates this into actionable priorities.
12. For investors, the New Industrial Master Plan 2030 (NIMP 2030) provides a transparent roadmap, highlighting growth sectors, value creation opportunities and areas for strategic collaboration.

Moving up the Value Chain

13. Malaysia is transitioning from traditional manufacturing into higher-value, innovation driven activities, creating new opportunities for Japanese partners.

Electronics and Semiconductors

14. Japan has been instrumental in building Malaysia's electronics and semiconductor ecosystem. Japanese companies were among the first to invest here and you continue to be essential partners across the entire value chain.
15. With the launch of our **National Semiconductor Strategy (NSS)** in May 2024, we are advancing into **IC design, advanced packaging and semiconductor research and development**. We also see **strong opportunities in lithography**, which is a critical part of the semiconductor manufacturing process. We welcome deeper integration and co-innovation within this ecosystem.

Specialty Chemicals and Advanced Materials

16. We are shifting towards high-value specialty chemicals and next generation materials, In specialty chemicals, we are shifting from basic chemicals to high-value specialty chemicals for electronics, healthcare and green technologies. Japanese chemical companies with expertise in these areas are welcome partners.
17. In advanced materials, we are developing champions in graphene, nitinol, rare earth and microcrystalline cellulose polymers. These materials are critical for EVs, aerospace and medical devices. These are sectors where Japanese companies excel.
18. We welcome deeper collaboration with Japanese partners on environmentally friendly and cost-effective rare earth technologies. We are particularly interested in the midstream segment, such as production of Neodymium-Iron-Boron (NdFeB) alloy and the downstream segment for the super-magnet production.

Medical Devices

19. Malaysia is a leading global hub for medical device manufacturing, underpinned by a mature ecosystem, strong regulatory framework and a highly skilled workforce.
20. We are advancing into higher-value segments such as precision instruments, implantable devices, diagnostics and digital health. These are supported by capabilities in design and development, prototyping, advanced materials and regulatory science.

21. With strategic access to ASEAN's fast-growing healthcare market, alongside established supply chains and cost competitiveness, Malaysia offers an ideal base for regional production and innovation. We welcome Japanese companies to leverage their strengths in precision engineering and advanced technologies to co-develop next-generation medical devices for regional and global markets.

Machinery, Equipment and Digital Transformation

22. As Malaysia advances in smart manufacturing and builds its EV and high-tech ecosystems, demand for advanced machinery and equipment is accelerating. This includes high-precision tools, automation systems, robotics, semiconductor equipment, and EV production systems.
23. Japanese manufacturers are global leaders in these fields. Malaysia offers a strong platform for market expansion and localisation through supplier partnerships, regional value chain integration and co-development for ASEAN.
24. To support this, Malaysia is also embracing Industry 4.0 and digital transformation across our manufacturing sector. Our goal is to create 3,000 smart factories by 2030. This will create demand for industrial IoT, AI-driven process optimisation, and advanced automation solutions.
25. We are also nurturing local technology solution providers and aiming to establish Malaysia as a Generative AI hub. Together with Japanese technology firms, we can build Industry 4.0-ready production environments powered by AI, IoT and real-time analytics to enhance productivity and resilience. Japanese firms with proven capabilities in these areas will find a ready market and a supportive ecosystem here.

Building a Sustainable Future

26. Malaysia is committed to achieving **Net Zero emissions as early as 2050**. This is not just a compliance exercise. It is a genuine growth sector.
27. We are building an Electric Vehicle ecosystem from the ground up. This includes batteries, charging infrastructure, power electronics and eventually, locally manufactured EVs. Japanese automotive expertise can play a transformative role here.
28. We are also developing Carbon Capture, Utilisation and Storage (CCUS) as a new industry. Malaysia has unique geological advantages, with sizeable depleted oil fields suitable for carbon storage. This presents

opportunities for Japanese engineering and technology firms to lead in an emerging but rapidly growing sector.

Deepening Cooperation Across Strategic Sectors

Ladies and gentlemen,

29. Beyond these areas, several strategic sectors offer significant opportunities for deeper Malaysia-Japan cooperation.

Critical Minerals

30. Malaysia recognises the **strategic importance of critical minerals, particularly rare earth elements, for high technology industries** including electronics, electric vehicles, aerospace, renewable energy and medical devices. Under NIMP 2030, we are prioritising development of the critical minerals value chain, especially in midstream and downstream segments, to strengthen economic complexity and supply chain resilience while ensuring responsible extraction and domestic optimisation.

31. Malaysia welcomes deeper collaboration with Japanese partners on environmentally friendly, cost-effective REE technologies that meet ESG standards, in particular in the midstream segment and downstream segment for the super-magnet production.

Aerospace Industry

32. Malaysia values our **longstanding aerospace partnership** with Japan. The 2022 Memorandum of Cooperation (MoC) between NAICO Malaysia and METI provides a strong framework for collaboration in supply chains, talent development and research and technology. We welcome Japanese aerospace companies to establish regional manufacturing, maintenance, repair and operations, or engineering support operations in Malaysia as a gateway to ASEAN.

33. With the Asia Pacific region projected to account for a significant share of global aircraft demand growth, Malaysia offers a stable, cost efficient and well-regulated base for Japanese firms expanding into Southeast Asia. This would give practical effect to the 2022 MoC and enable more structured, impactful collaboration.

Supply Chain Resilience

34. Malaysia also looks forward to deepening cooperation with Japan to **strengthen supply chain resilience**. Key areas include knowledge exchange, technical assistance, and capacity building. We particularly seek enhanced cooperation in human capital development through specialised exchange programmes, tailored training modules, and cross-border internships. These initiatives will support talent development and strengthen long-term supply chain resilience.

Building Resilience Together

35. Recent global disruptions have underscored a simple reality: “just-in-time” must now be complemented by “just-in-case.” Malaysia is committed to working with Japan to strengthen supply chain resilience through technology collaboration, talent development and deeper industrial linkages.

What We Ask of Our Japanese Partners

36. Let me now share what we ask of our Japanese partners.
37. **First, invest in our complexity.** We invite you to deepen your integration into our semiconductor ecosystem, not just in assembly, but in IC design, advanced packaging, and research and development. Co-locate your innovation centres here.
38. **Second, invest in localisation.** We encourage you to source from local suppliers, use Malaysian machinery and services and build long-term partnerships. This is not just about cost efficiency. It is about creating shared value and strengthening supply chain resilience.
39. The automotive sector shows how this works. PERODUA, through its collaboration with Daihatsu, has demonstrated how localisation and technology transfer can raise quality and lower costs. Today, a large portion of its components are sourced locally from Malaysian SMEs that have grown into competitive global suppliers. PROTON has also developed a strong local vendor ecosystem with Japanese partners.
40. This model delivers mutual benefits: lower costs, stable supply chains, and stronger local capabilities. We believe similar strategies can be applied to machinery, electronics and EVs. By integrating more deeply with Malaysia's industrial base, you can build operations that are efficient, resilient, and anchored in a long-term partnership.

41. **Third, invest in our green future.** Partner with us in EVs, renewable energy, and CCUS. These are the industries of tomorrow, and we want to build them together.
42. **Fourth, invest in our people.** We have a young, educated, and English-proficient workforce. We want more partnerships in training, more cross-border internships, and more knowledge exchange. When you invest in our people, you invest in your own long-term competitiveness.
43. **Fifth, invest in our local ecosystem.** Work with Malaysian SMEs. Develop local suppliers. Transfer not just technology, but also the management practices that have made Japanese industry world-class. Help us build a supply chain that is resilient, inclusive and deeply rooted in our economy.

Strategic Alignment with Japan's Policy Direction

44. Malaysia's industrial policy demonstrates strong alignment with Japan's strategic priorities. The 17 strategic fields outlined in Japan's Growth Strategy, particularly in semiconductors, green transformation and economic security, present significant opportunities for collaboration.
45. We view the Japan-Malaysia Comprehensive Strategic Partnership as a platform for deepening such cooperation. The partnership we have built over decades provides a strong foundation to explore new frontiers together.

A Shared Responsibility in a Changing World

Ladies and gentlemen,

46. The evolving global situation, including the current tensions and economic instability, serves as a stark reminder that stability cannot be taken for granted.
47. It reinforces the need for countries like Malaysia and Japan to work together to build resilient supply chains, strengthen economic security and advance trusted and transparent partnerships. As NIMP 2030 highlights, the shift from just-in-time to just-in-case is already underway. Nations that prepare early will be best positioned to lead.
48. Allow me to share a Japanese proverb that captures the spirit of our partnership:

“Keizoku wa chikara nari” (継続は力なり) which I was told, means, “continuity is strength”.

49. The Malaysia-Japan partnership has been built on continuity, on decades of consistent engagement, mutual trust and shared growth. But continuity without evolution is stagnation. We must continue to adapt, to innovate and find new ways to create value together.
50. In a world of uncertainty and disruption, resilience is what defines success. Our partnership has weathered challenges before and it will continue to do so, not by standing still but by evolving together.

Conclusion

Ladies and gentlemen,

51. The opportunities before us are significant. The global economy is shifting. Supply chains are being reconfigured. New technologies are emerging. In this environment, the partnerships that thrive will be those built on trust, aligned in vision and committed to mutual growth.
52. I wish you productive discussions today, and I look forward to seeing the new collaborations that emerge from this seminar.

Dōmo arigatō gozaimasu. Thank you.
