

**OPENING REMARKS BY
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SECRETARY GENERAL OF MINISTRY OF INTERNATIONAL TRADE
AND INDUSTRY**

**AT THE
INDUSTRY4WRD READINESS ASSESSMENT SEMINAR FOR SMEs
28 JANUARY 2019 (MONDAY), PERDANA HALL II, MITI TOWER**

Salutations

Honourable guests

Ladies and gentlemen

A very good afternoon and a warm welcome to MITI

1. First of all, thank you for attending this Industry4WRD Readiness Assessment Seminar for SMEs. I am heartened to see so many representatives of SMEs in today's Seminar. Your presence here marks a significant step of your company's migration to Industry 4.0.
2. And for that reason, through this Seminar, we aim to familiarise you with the Industry4WRD Policy and Readiness Assessment Programme. I assure you that our team is ready to facilitate interested SMEs to enroll in the Industry4WRD RA programme.

Industry4WRD Policy

Ladies and Gentlemen,

3. I believe that most of you present here today have some understanding of Industry 4.0 and the benefits it could offer to your

company, be it in terms of productivity, efficiency or product quality. As such, it is imperative that you take necessary steps to adopt Industry 4.0 to enhance your business and competitiveness, and this is where MITI will assist you in that journey.

4. Allow me to share part of YAB Tun Dr. Mahathir Mohamad keynote address when he launched the National Policy on Industry 4.0 or Industry4WRD in this very same hall about three months ago, *“Manufacturing firms can no longer reap the same yields as in previous decades if they continue to rely on capital and labour as productivity levers... Malaysia needs to quickly embrace Industry 4.0 in order to propel productivity and further enhance competitiveness.”*
5. With this notion, the Industry4WRD Policy was launched, calling for adoption of Industry 4.0 in the manufacturing and related services sectors. Through this Policy, the Government, as an enabler, will undertake numerous programmes to create the right ecosystem to encourage industry players, particularly SMEs, to embrace Industry 4.0.
6. With the five strategic enablers, F.I.R.S.T. outlined in the Policy, the Government will drive the transformation of manufacturing and related services sector by focusing on:
 - i. Funding and outcome-based incentives;
 - ii. Enabling ecosystem and efficient digital Infrastructure;
 - iii. Regulatory framework and industry adoption;
 - iv. Up skilling existing and producing future talent; and
 - v. Access to smart technologies and standards.

SMEs in Malaysia

Ladies and Gentlemen,

7. I always see SMEs as the foundation of our economy, where more than 98% of business establishments in Malaysia are SMEs. You play an important role in propelling our economic development. In 2017, SMEs contributed 37.1% to our GDP, 17.3% to exports and 66% to employment. Given these important contribution, it is crucial that SMEs embrace the change that is progressively taking place from the impact of industry 4.0.
8. Therefore, when developing the Industry4WRD Policy, the Government placed great emphasis on ensuring the development of SMEs. Understanding the challenges you are facing, we have formulated dedicated action plans to assist your adoption of Industry 4.0. SMEs stand to gain the most from this Policy, and this is evident in the Budget 2019 allocation.

Industry4WRD Readiness Assessment

9. As announced in the Budget 2019 speech, the Government has allocated RM210 million from 2019 until 2021 to support the transition and migration of companies to Industry 4.0. Part of this fund will be utilised to carry out the Industry4WRD Readiness Assessment (RA) for 500 SMEs in the manufacturing and related services sectors, which I believe many of you are in this category.
10. Essentially, Industry4WRD RA is a comprehensive programme to help companies assess their capabilities and readiness to adopt Industry 4.0 technologies and processes, by using a pre-determined set of indicators.
11. Upon completion of the assessment, you will understand more clearly the current gaps in your manufacturing line and how you can move into Industry 4.0 through targeted intervention plan.
12. Apart from the Industry4WRD RA, the Government has also lined up other incentives such as Intervention Fund, Domestic Investment

Strategic Fund, High Impact Fund and double tax deduction on expenses incurred by companies participating in the National Dual Training Scheme for Industry 4.0 programmes.

Closing

Ladies and Gentlemen,

13. Embracing 4.0 promises exponential increase in your productivity and efficiency. I assure you that MITI will continue to facilitate the industry, particularly SMEs, in your journey to adopt Industry 4.0. We are always ready to assist SMEs to understand Industry 4.0 and to transform the traditional way of production into doing business through digitalisation.
14. I would like to take this opportunity again to encourage all SMEs to participate in the Industry4WRD Readiness Assessment. Take it as your first step to embrace Industry 4.0, and you may be surprised that Industry 4.0 adoption is not a mission impossible but a strategy which will make your company's long term goals possible.

Thank you.