

SPEECH BY

**YB SENATOR DATUK LIM BAN HONG
DEPUTY MINISTER
MINISTRY OF INTERNATIONAL TRADE
AND INDUSTRY**

**MID-TIER COMPANIES DEVELOPMENT
PROGRAMME (WAVE 6 & 7)
GRADUATION CEREMONY
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**YBhg. Tan Sri Dr Halim Mohammad
Chairman of MATRADE,**

**Mr Callum Chen
President
Malaysian Consortium
of Mid-Tier Companies (MCMTC),**

**CEOs and Senior Management of Mid-Tier
Companies,**

Distinguished Guests,

Members of the Media,

Ladies and Gentlemen,

A very good morning to everyone.

1. First and foremost, I would like to record my sincere appreciation to MATRADE for inviting me to be part of this auspicious event. I am delighted to meet everyone in this hybrid event, particularly to engage with Malaysian Mid-Tier Companies (MTCs) that have successfully completed their involvements with MATRADE under Mid-Tier Companies Development Programme (MTCDP).

2. I am delighted to see all of you here today despite the challenges posed by the Covid-19 pandemic. I would also like to

congratulate the distinguish panelists from MATRADE and Malaysian Consortium of Mid-Tier Companies (MCMTC) for sharing their insights and knowledge during the “MTCs CEO Conversation” earlier this morning.

3. It has been a year since the pandemic swept across the globe and caused unprecedented impact on global trade. In Malaysia and all over the world, it continues to disrupt markets, productions and supply chains. To overcome these challenges, MITI has been working closely with the industry players, including MCMTC that represents the voice of MTCs in Malaysia, to provide vital support to businesses via stimulus packages and incentives.

4. Moving forward, MITI through MATRADE, has developed the National Trade Blueprint (NTB) 2021 - 2025 to enhance Malaysia's export competitiveness. With the vision to further strengthen Malaysia's position as a leading exporting nation, this 5-year Blueprint will be implemented through four identified key priorities:

- i) Increase export value and number of exporting companies**
- ii) Increase high value export goods**
- iii) Diversify export products**
- iv) Improve export ecosystem**

5. The NTB outlines eight thrusts and forty recommendations which covers multiple areas across the roles of various Ministries and Agencies. One of the

thrusts is promoting Malaysia's brands and products. Under Mid-Tier Programme, for 2021 MATRADE will continue to assist promoting Malaysian brands through branding initiatives in China and Indonesia.

6. The signing of the Regional Comprehensive Economic Partnership (RCEP) among 15 countries including Malaysia is a historic milestone and will provide a huge boost for a robust and swift recovery of Malaysian businesses. Under RCEP, Malaysian companies are expected to benefit in terms of tariff elimination and reduction as well as facilitation of export and import of goods among the RCEP countries. Our exporters will benefit by having access to one third or 29 per cent of

the world's population (2.2 billion people), a market with an estimated GDP of USD 25.8 trillion or 29 per cent of the global GDP, greater integration into the regional value and supply chain as well as greater transparency of rules and cross border trade relating to e-commerce.

Ladies and Gentlemen,

7. It is heartening to see that in spite of the tumultuous year, Malaysia's external trade in 2020 performed fairly well with exports rebounding in the second half of 2020 as compared to the negative growth recorded in the first half of the year. The trade surplus recorded in 2020 marked the fourth consecutive year of double digit growth with an expansion of 26.9% to

RM184.79 billion compared to 2019. This was also the largest trade surplus thus far, representing Malaysia's achievement in sustaining trade surplus for 23 consecutive years since 1998. This could be attributed to the progressive opening of the economy and gradual recovery of external demand. In January 2021, Malaysia's exports maintained its positive growth for five consecutive months, registering an increase of 6.6% to RM89.63 billion compared to January 2020.

8. I assure you that MITI and MATRADE will continue to be at the forefront in facilitating Malaysian businesses especially Mid-Tier Companies to excel in the overseas

markets, which will ultimately drive exports' growth, boost global opportunities and heighten the visibility of Malaysian products and services.

9. The pandemic has also seen the rise of digitalisation among Malaysian companies. The Government through several economic stimulus packages such as PENJANA, PRIHATIN, PERMAI and PEMERKASA has put strong emphasis on “Digitalisation” as one of the new elements to elevate the competitiveness of Malaysian companies, including MTCs. For example, Smart Automation Grant under MIDA is one of the initiatives that have been offered to MTCs, where the maximum grant of RM1 million per company will be given, subject to the

terms and conditions. With the recent announcement by the Prime Minister on additional allocation of RM50 million for Smart Automation Grant under PEMERKASA, I hope more Mid-Tier Companies will take this opportunity to transform their businesses towards operational and manufacturing efficiencies through high-tech processes. The launching of the MyDigital initiative which includes the Malaysia Digital Economy Blueprint by the Prime Minister recently will complement the national development policies such as the Twelfth Malaysia Plan (12-MP) and the Vision for Share Prosperity 2030 (WKB 2030).

Ladies and Gentlemen,

10. The Government has also given much emphasis on the adoption of Industry 4.0 among Mid-Tier Companies (MTCs). Among the areas that in the focus are automation and smart manufacturing. Automation of activities can enable businesses to improve performance, by reducing errors and improving quality and speed, and in some cases achieving outcomes that go beyond human capabilities.

11. Smart manufacturing, leveraging on internet of things (IOT) and real time data capture will also contribute to increasing productivity and efficiency. It will reduce wastage, product/component rejection, able to identify any hiccups and assist the

production team to come out with better solutions. At a time of lackluster productivity growth, this would give a needed boost to economic growth and prosperity.

12. I would like to urge all Mid-Tier Companies (MTCs) to make use of all these facilities and incentives by MITI and its Agencies. It is good to note that MATRADE has become the bridge between MTCs and other agencies to value add their MTCDP offerings, particularly in Industry 4.0, smart manufacturing, best practices and business excellence framework. All these will definitely enhance the competitiveness of MTCs.

Ladies and Gentlemen,

13. Mid-Tier Companies (MTCs) should also be the leader in driving Malaysia's economic recovery. I strongly believe that our MTCs can be the mentor or anchor to our small and medium sized enterprises (SMEs). All of you are definitely used to be SMEs before growing big to be the Mid-Tier status. Please share your experience and facilitate our SMEs during this difficult time to reignite their business, becoming your preferred vendors, and together we collaborate for international projects.

14. As mentioned by The Chairman of MATRADE, there are nearly 10,000 Mid-Tier Companies in Malaysia. Imagine if one MTC can groom at least 10 SMEs, the spill over impact to our GDP will definitely grow

beyond current 40 per cent. MTCs that are located all over Malaysia will also support the socio-economic inclusiveness and sustainability, where both of these are the pillars of 12th Malaysia Plan. MTCs should also continue to invest in new growth sectors, and provide new job opportunities for Malaysians workforce.

Ladies and Gentlemen,

15. On final note, I would like to congratulate all MTCs who have successfully completed the Wave 6 and 7 of the Mid-Tier Companies Development Programme and wish you every success for your exporting journey ahead.

Thank you.