

**DRAFT SPEECH BY**  
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**PRIME MINISTER OF MALAYSIA**  
***ANUGERAH KECEMERLANGAN INDUSTRI 2018***  
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Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh and Salam Sejahtera.

**YB DATUK DARELL LEIKING**

Minister of International Trade and Industry

**YB DR. ONG KIAN MING**

Deputy Minister of International Trade and Industry

**YBHG. DATO' LOKMAN HAKIM ALI**

Secretary General of the Ministry of International Trade and Industry

**YBHG. TAN SRI DATO' SRI AZMAN HASHIM**

Chairman of the *Anugerah Kecemerlangan Industri* Council

Distinguished Guests,

Ladies and Gentlemen.

Good evening and salam sejahtera,

1. I am delighted to be here tonight at the *Malam Anugerah Kecemerlangan Industri 2018* where we will award outstanding companies in Malaysia that have recorded exceptional achievements in their respective areas. Our aim is to foster a culture of business excellence in all industries in Malaysia.
2. Malaysia's Gross Domestic Product (GDP) has remained strong supported by a diversified economy, resilient external position and stable financial system. Domestic demand continued to stimulate growth primarily as a result of private sector expenditure and consumption. In this regard, it is crucial for the private sector to further accelerate productivity improvement initiatives to support the national economic agenda and to achieve developed nation status.
3. Moving forward, Malaysia is aiming towards an economic growth rate of between 4.3 and 4.8 percent for 2019, taking into account the challenging external environment. The manufacturing sector is projected to grow at 4.5 percent per annum, underpinned by the shift towards high value-added, diverse and complex products. Meanwhile, the services sector is geared to sustain its growth momentum at an average of 6.3 percent of GDP growth.
4. The economic policy priorities of the Government of the day were deliberated in The Mid-Term Review of the 11<sup>th</sup> Malaysia Plan through six policy pillars. Pillar six (6), **Strengthening Economic Growth**, reiterates the importance of business excellence among all

industries in their respective domain. The key focus of the Government is to strengthen sectoral growth and facilitate structural reforms, accelerate innovation and technology adoption, as well as provide quality infrastructure. Towards this end, the Government has intensified efforts in several priority areas:

5. The **first** priority is to achieve productivity improvements to increase competitiveness; the **second** priority is to increase export capacity to enhance internationalisation; the **third** priority is to improve market efficiency to promote fair competition; and the **fourth** priority is to facilitate ease of doing business to improve the business climate.

Ladies and Gentlemen,

6. Malaysia's growth has been predominantly input-driven through the injection of capital and labour into the economy. This cost minimizing type of growth is becoming more difficult to sustain. Every unit of input injected into the economy is yielding less GDP growth compared to the past. Hence, it is imperative that we move away from input-driven to productivity-driven growth. This is important to achieve a sustainable economic growth path.
7. In this regard, I strongly urge companies to invest in research and development in order to enhance innovation and identify new high value-added products and services. At the same time, we need to up-skill the labour force and equip them with the latest knowledge and technology. These concerted efforts are vital to improve labour

productivity performance in order to become a developed and inclusive nation. We need to break away from our conventional, 'business as usual' practices, and instead, set the country on an accelerated growth trajectory.

8. The Government recognises the importance of digitisation. It is an important driver of innovation, competitiveness and growth. New digital trends such as cloud computing, mobile web services, smart grids, and social media, are radically changing the business landscape and reshaping the nature of work. These trends spur innovation in business models, transfer of knowledge and access to international markets.
9. As of March 2019, a total of 4.3 billion people are connected to the internet and by 2022, this number is expected to increase exponentially to 4.8 billion. Businesses that do not leverage on technological breakthroughs will lose out on growth opportunities, sales productivity and wealth creation for themselves and the economy in general.
10. Taking into account the need to apply information technology and the internet of things to open up market supply chains, the Government launched the National Policy on Industry 4.0, known as Industry4WRD in October 2018. This policy encourages greater technology adoption to achieve efficiency, speed and flexibility towards sustaining competitiveness. Ultimately, Industry4WRD envisions Malaysia as a strategic partner for smart manufacturing.

Malaysia will become a primary destination for hi-tech industries and total solutions provider for manufacturing and services sectors in the region.

Ladies and Gentlemen,

11. The AKI is a praiseworthy programme that has spurred Malaysian businesses to uplift productivity over the past 28 years since its inception in 1991. In the midst of facing global challenges and in building resilience, companies are encouraged to be committed in fostering innovation, developing talent and delivering more sophisticated products and services. The Malaysia Business Excellence Framework or MBEF, a tool used by the AKI, provides a tailored and holistic roadmap to establish strong business fundamentals to be at par with an ever changing business landscape.
12. The MBEF will guide visionary and inspirational leaders to achieve stronger financial performance, drive innovation, be customer centric, raise productivity and reduce operational costs. The adoption of best practices of business excellence will indirectly improve Malaysia's global competitiveness. Thus, receiving an AKI Award will distinguish the recipients against other companies for implementing best practices and recording significant productivity achievements.
13. As a testament to the framework, to date, more than 4,100 organisations in Malaysia have adopted MBEF. I encourage more

businesses to come forward and take up the challenge through AKI, to drive higher productivity performance at the enterprise, sectoral and national levels. The continuous pursuit of innovation, creativity and productivity will enable our companies to be well-positioned to grow, become more competitive and meet future challenges.

14. With that, I wish all of you an enjoyable evening. My heartiest congratulations to all the deserving winners and those who have participated in AKI 2018.

Thank you.