

PLEASE TRACK AGAINST DELIVERY



SPEECH BY

**YAB DATO' SERI ANWAR IBRAHIM
PRIME MINISTER**

**FOR THE LAUNCH OF THE
NEW INDUSTRIAL MASTER PLAN 2030 (NIMP 2030)**

**1 SEPTEMBER 2023 | 11.00 AM
PERDANA HALL, MITI TOWER**

*Assalamualaikum Warahmatullahi Wabarakatuh, Good morning,
and Salam Malaysia Madani.*

الْحَمْدُ لِلَّهِ الَّذِي أَرْسَلَ رَسُولَهُ بِالْهُدَىٰ وَدِينِ الْحَقِّ لِيُظْهِرَهُ عَلَى الدِّينِ كُلِّهِ وَكُفَىٰ بِاللَّهِ
شَهِيدًا
وَأَصَلِّيَ وَأَسَلَّمَ عَلَى رَسُولِهِ الْكَرِيمِ وَعَلَىٰ آئِلِهِ وَصَحْبِهِ أَجْمَعِينَ ۝

Salutations

YAB Dato' Seri Dr. Ahmad Zahid Hamidi

Deputy Prime Minister

YAB Dato' Sri Haji Fadillah Haji Yusof

Deputy Prime Minister

YB Tuan Anthony Loke Siew Fook

Minister of Transport

YB Datuk Seri Haji Mohamad Sabu

Minister of Agriculture and Food Security

YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz

Minister of Investment, Trade and Industry

YB Dr Zaliha Mustafa

Minister of Health

YB Liew Chin Tong

Deputy Minister of Investment, Trade and Industry

YBhg. Dato' Dr. Zulkapli Mohamed

Director-General of Public Service

YBhg. Datuk Seri Isham Ishak

Secretary General, Ministry of Investment, Trade and Industry

Members of the media

Representatives from the industry

Distinguished guests

Ladies and Gentlemen

1. In July, I announced the *Ekonomi MADANI* framework designed to elevate the dignity and status of our nation. Premised on **restructuring the economy to make Malaysia a regional economic powerhouse**, the framework hinges on the goal of ensuring a **just and equitable distribution of economic wealth** to the Rakyat. *Ekonomi MADANI* therefore incorporates strategies to enhance economic growth, promote investment and strengthen the local industries to become more innovative, competitive and capable of expanding into the global market.
2. The New Industrial Master Plan 2030 (or NIMP 2030) is a key component of *Ekonomi MADANI* as it will support the realisation of economic reforms. It will revitalise the manufacturing sector to ensure Malaysia remains resilient amidst growing challenges and megatrends. The NIMP is designed to drive Malaysia's trajectory as a global leader in industrial development, extend the domestic linkages to create wealth across the nation as well as strengthen its position in the global value chain. This Plan is timely to expedite the transformation of industries in Malaysia, aligning them with the country's vision.

The NIMP 2030's Role In Making Malaysia a Leader in Asian Economy

3. The manufacturing sector stands as a pivotal force to propel Malaysia's economic growth and development, being a significant contributor to the nation's GDP, providing employment for 2.7 million individuals.
4. We must seize the opportunity to expand our base as Malaysia is now well-positioned to capitalise on three key global trends:
 - i. **Firstly**, the global geopolitical situation has driven companies to turn to SouthEast Asia as the "Plus One" destination to ensure economic security and supply chain resilience. This unlocks opportunities for Malaysia to further integrate into the Global Value Chain. We can leverage on our mature industrial infrastructure with good connectivity, strategic location and reputation as one of the top destinations for innovation and doing business.
 - ii. **Secondly**, we need to accelerate our digitalisation efforts to stay ahead in the post-pandemic era as well as step up efforts to develop high-skilled talent and enhance TVET

programmes. These initiatives will empower the Malaysian workforce to enhance efficiency and accelerate innovative capability, thereby creating a larger pool of skilled human capital for the nation.

- iii. **Thirdly**, in facing the challenges of climate change, we need to adopt sustainable practices especially in ESG-sensitive markets to create new growth opportunities in green manufacturing, electric vehicles, and carbon capture, utilisation and storage (CCUS).

Ladies and Gentlemen,

Mission-based Approach of the NIMP 2030

5. Unlike the previous industrial transformations and three industrial master plans since 1986, the NIMP 2030 adopts a **mission-based approach**. It is a horizontal policy with well-defined Missions that will galvanise not only the entire manufacturing ecosystem but also the whole of nation to drive industrial transformation and realise our vision.

6. With a short window of seven years, the NIMP 2030 must take a transformative and expeditious approach to achieve the goals. Based on rigorous assessments and extensive consultations, four Missions have been formulated to drive industry transformation at a large scale:
- i. **Mission 1 is to advance economic complexity**, where industries will be encouraged to innovate and produce more sophisticated products. This will enhance the competitiveness of our nation in the global market.
 - ii. **Mission 2 is to tech up for a digitally vibrant nation**. By embracing **technology and digital transformation**, we can drive innovation, enhance productivity, and create new opportunities for economic growth.
 - iii. **Mission 3 is to push for Net Zero**. This mission emphasises our commitment to address climate change by striving for a **net-zero** future. Through sustainable practices and green initiatives, we aim to reduce carbon emissions and build a resilient and environmentally friendly economy. This Mission is aligned with the initiatives under

the National Energy Transition Roadmap (NETR) which I recently launched.

- iv. **Mission 4 is to safeguard economic security and inclusivity.** This Mission aims to create an enabling environment that ensures supply chain security, supports SMEs and promotes equitable participation in economic activities in all states.
7. These Missions will be supported by **four key enablers** to overcome systemic and institutional challenges. These enablers include **addressing financing challenges, nurturing talent development and acquisition, improving the investor journey, and enhancing governance mechanisms.** To provide the impetus for immediate roll-out of NIMP implementation, several mission-based projects (MBPs) have been identified. These ground-running projects are expected to accelerate the development of an inclusive ecosystem that integrates SMEs into the value chain and rally the entire industry. The NIMP will see more MBPs in the near future as we expect the industry to embrace this new approach and realise the benefits it brings to the company and the spill overs it creates to the economy.

Ladies and Gentlemen,

8. To establish greater economic integration with our neighbouring countries, the NIMP 2030 plans to **establish stronger cooperation with our neighbours** for a more resilient supply chain, with the pursuit for vertical integration of selected industries across the ASEAN countries.
9. It bears stressing the importance of FDIs as they indirectly increase the **Domestic Direct Investments** (or DDIs) as multinational companies based in Malaysia will source products and services from local companies. Strategic DDIs also have the potential to attract more FDIs as investors consider DDIs as a benchmark for domestic investors' confidence and commitment towards strengthening the nation's investment and business landscape.
10. Recognising the importance of ESG considerations and its role in reforming the economic landscape, the NIMP has dedicated an entire chapter - "Push for Net Zero" - as part of its Missions. This aims to **decarbonise Malaysia's industries** to achieve Net Zero emission goals through proactive measures such as implementation of energy efficiency and waste management

initiatives, rapid renewable energy and technology adoption, supported by a robust regulatory framework.

Ladies and Gentlemen,

NIMP 2030's Role in SMEs' Enablement & Capacity-Building in the Manufacturing Sector

11. To ensure inclusivity, the NIMP 2030 will also **create opportunities for Malaysian SMEs to grow in manufacturing**. Our SMEs in manufacturing currently contribute only 8% to GDP and 9% to exports. There is a lot of potential to grow our SMEs in manufacturing, in line with our *Ekonomi MADANI* aspiration to strengthen firms of all sizes.
12. The NIMP 2030 has, for example, specific action plans to build SMEs' capacities to enable them to be positioned higher in global value chains. This, in turn, will help them scale up into mid-tier companies that could help Malaysia earn more foreign exchange earnings.

13. Further, I understand that MITI also has a framework that will be launched in a few weeks' time to build SMEs' ESG capacity. This is important to ensure SMEs' continued participation in ESG-compliant MNC vendor ecosystems, and continued access to ESG-sensitive export markets.

Ladies and Gentlemen,

The NIMP 2030's Role in Elevating Quality of Life for the Rakyat

14. The *Ekonomi MADANI* and NIMP 2030 are both aligned in their focus to improve the lives of the *Rakyat* with the expected higher returns from the country's economic targets. This includes employment with meaningful wages and wealth-sharing to build a more equitable and prosperous society.
15. This creation of high-value job opportunities is crucial to uplift and expand the middle-class society. Global megatrends such as the rising role of Industry 4.0 technologies, climate change and sustainability practices, demographic shifts and globalisation of value chains are changing the nature of jobs.

Skills transformation is key to develop future competencies and this has been set as a focus of our industrial strategy.

16. To meet industry's demands, we will implement a progressive wage system that promotes skill development and career advancement. Public-private collaborations will be enhanced in TVET and STEM programmes, ensuring the acquisition of skills required by the industry.
17. The Government is confident that the strategies in the NIMP 2030 will yield meaningful outcomes and produce big impact to the national economy. Specifically, the NIMP 2030 aims to increase the Manufacturing's value-added to RM587.5 billion by 2030, growing by 6.5% from what it is today. This indicates an increase of 61%, derived by NIMP 2030 interventions for high-impact sectors – E&E, Chemical, EV, Aerospace, Pharmaceutical and Advanced Materials, such as Minerals and Metal.
18. In terms of employment, a projected growth at 2.3% from 2023 is expected, providing livelihood for 3.3 million persons by 2030. The industry's growing employment trajectory is due to the creation of high-skilled jobs as the country advances

towards higher value-added activities and improvement in automation and technological advancements.

19. What is most important is the projection that through NIMP's interventions, the median salary for the Manufacturing sector is expected to grow by 9.6%, to reach RM4,510 from RM1,976, which is below the national average despite the sector's dominant role in the national GDP. This 128% increase from 2021 is driven by the shift of the industry towards higher value-added activities and high-skilled jobs opportunities created.

Ladies and Gentlemen,

A Whole-of-Nation Implementation Approach for NIMP 2030

20. The journey to transform the industry requires swift action by all. Implementation is crucial to convert the NIMP 2030 into tangible actions and measurable outcomes. Hence, the NIMP will be implemented through a whole-of-nation approach that not only involves the Government machinery but also the private sector by working collaboratively to achieve the Vision and Goals. We will form a dedicated National NIMP 2030

Council, with the participation of the relevant Ministries and industry representatives.

21. Public-private governance will be established to ensure timely and effective implementation. A Delivery Management Unit (DMU) under the Ministry of Investment, Trade and Industry (MITI) will be set up to coordinate all efforts and drive cohesive implementation across stakeholders.

22. The Government is fully committed to support the implementation of the NIMP 2030. It will require an estimated total investment of RM95 billion through its seven years, predominantly from the private sector mobilised from private equity, capital and financial markets. Close to 10% will be allocated by the Government to help catalyse and incentivise these investments via the NIMP Industrial Development Fund and the NIMP Strategic Co-investment Fund.

Ladies and Gentlemen,

Closing

23. Yesterday, we celebrated *Hari Kebangsaan* with the theme of *Malaysia Madani: Tekad Perpaduan, Penuhi Harapan*. I strongly believe that there is hope for a better, more dignified Malaysia.
24. I am also confident that the NIMP 2030 will help us fulfil that hope, by providing the necessary guidance and clear direction for the development of the manufacturing sector to strengthen its position as a key driver to national economic growth and prosperity. The Government will ensure that the plan is carried out diligently and benefit not only the private sector through better investment and trade prospects, but also the people through high-skill and high-income job opportunities.
25. I need to stress that the vision of NIMP 2030 can only be successfully realised if we work together in unity, towards achieving the Missions. It is only with the commitment for unity that we can fulfil our hopes for the country.
26. With that, *dengan lafaz Bismillahirrahmanirrahim*, I am pleased to launch the New Industrial Master Plan 2030.

Thank you.