

OPENING SPEECH

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

**LAUNCH OF MALAYSIA NATIONAL ELECTRICAL &
ELECTRONICS (E&E) FORUM 2021**

12 OCTOBER 2021 (TUESDAY)

9.00 – 9.30 AM

YANG BERUSAHA ENCIK RAM GANESAN KARTHIGASU

Chairman of Malaysia Productivity Corporation (MPC),

YANG BERBAHAGIA DATO' ABDUL LATIF HAJI ABU SEMAN

Director-General of Malaysia Productivity Corporation (MPC),

YANG BERBAHAGIA DATO' SERI WONG SIEW HAI

President of Malaysia Semiconductor Industry Association (MSIA) and
Champion of Electrical and Electronics Productivity Nexus (EEPN),

Speakers, Panellists and Moderators,

Heads of Government Departments and Agencies,

Captains of Industry,

Members of Media,

Distinguished Guests,

Ladies and Gentlemen,

Salam Sejahtera and a very good morning.

1. It is my pleasure to welcome all of you to the Malaysia National Electrical & Electronics (E&E) Forum 2021. It is indeed an honour to be part of today's event organised by E&E Productivity Nexus (EEPN) and Malaysia Semiconductor Industry Association (MSIA), an annual forum organised since 2019. On behalf of the Ministry of International Trade and Industry (MITI), I would like to thank everyone for your presence.
2. The theme of the forum "Fueling the Semiconductor Renaissance" is the most apt as we envision the expanding opportunities of the semiconductor industry fuelled by the current and future disruptive technologies. Semiconductors are expected to become increasingly important in the current and future game-changing technologies, resulting in significant value creation and catalysing the industry's growth.

Ladies and Gentlemen,

3. For decades, the E&E industry has been Malaysia's largest export earners. E&E industry continues to be the key driver of industrial development and in 2020 contributed 5.6 percent to National Gross Domestic Product (GDP). Malaysia is the largest semiconductor trading partner of the United States. As a prominent player in the global semiconductor supply chain, it registered E&E exports at 39.4 percent or RM386.29 billion of Malaysia's total exports, which was 3.5 percent higher than the previous year.
4. In terms of productivity, the E&E sub-sector recorded a 4.5 percent growth in 2020, the highest among the nine priority sub-sectors. Approved investments for the E&E sector in 2020 were valued at RM15.6 billion for 148 E&E projects, whereby these projects are expected to create 19,541 jobs.
5. According to the World Semiconductor Trade Statistics (WSTS), the worldwide semiconductor market is expected to show an outstanding growth of 25.1 per cent in 2021. For 2022, the global semiconductor market is projected to grow by 10.1 per cent to US\$ 606 billion, driven by a double-digit growth of the Memory category. All regions, including the Asia-Pacific are expected to show positive growth again.

Ladies and Gentlemen,

6. The Malaysian Government has been promoting and facilitating research and development (R&D), as well as boosting the development of our semiconductor ecosystem, making the investment environment more conducive, and supporting Small and Medium Enterprises (SMEs) in their digital industry 4.0 (i4.0) transformation journey. To remain competitive, SMEs need to reap the benefits of disruptive technologies and innovation to create dynamic and efficient business models that can increase productivity and remain resilient.

7. MITI is committed in building a holistic ecosystem for manufacturing and its related services sector through the implementation of various initiatives under the Industry4WRD Policy. The Malaysia Productivity Corporation (MPC) has been entrusted with the mandate to carry out the Readiness Assessments (RAs) to assist SMEs to migrate to industry 4.0 technologies.
8. I would like to commend MPC for its role in facilitating and accelerating the SMEs' digital transformation. The establishment of MyReskill IoT Programme, recently launched on 2nd September 2021, is vital for existing workers to remain relevant in the labour market to ensure the local talent pool is sustainable and able to meet the industry's growing and ever-changing needs.

Ladies and Gentlemen,

9. Under the Twelfth Malaysia Plan (RMKe-12), E&E has been identified as one of the eight strategic and high impact industries to boost economic growth by accelerating the growth of the industry through high value-added products and quality investments. Game Changer II aims to mitigate the current and future challenges of E&E industry by leveraging advanced technologies, digitalisation and niche capabilities. The measure resonates with our current efforts to realign E&E growth in a sustainable trajectory as well as strengthening Malaysia's position in the global supply chain. This is also in line with the new national investment policy framework being formulated in line with our National Investment Aspiration to be the preferred investment destination for high economic complexity investments that can serve to enhance existing industry clusters and develop new growth clusters.
10. While the onslaught of the COVID-19 pandemic has battered our economy and disrupting industry supply chains including the E&E sector particularly with the onset of the third wave of infections, I believe towards the end of the year and beyond, we will witness a stronger

recovery of the economy and promising growth prospects for the semiconductor industry. Sustainable long-term recovery will hinge on measures for business reorientation and innovation. It calls for a great reset for businesses to quickly redeploy talent, launch new business models, enhance productivity, develop more medium and long-term strategies to prepare the industry for the new normal.

11. I believe that the synergistic efforts of government and the industry associations, to leverage on the unique chip innovation ecosystem will facilitate even greater R&D collaboration and catalyse critical new innovations in the semiconductor technology. The rise and return of the semiconductor industry will be on stronger footing and remain as Malaysia's main economic contributor.
12. I would also like to take the opportunity to convey that the Government will continue to engage the industry and governments along the supply chain to ensure minimal disruption to the supply of semiconductors given Malaysia's prominence as a global supplier of semiconductors. Any public health measures taken will be balanced with the economic impact of these measures.
13. On that note, ladies and gentlemen, I take great honour to officiate the Malaysia National E&E Forum 2021: "Fueling the Semiconductor Renaissance".

Thank you.