

**WELCOMING REMARKS BY
YBHG. DATUK N. RAJENDRAN, DCEO OF MIDA
SUPPLY CHAIN CONFERENCE FOR EAST MALAYSIA
22 NOVEMBER 2017
UCSI HOTEL, KUCHING, SARAWAK**

Salutations

YB Datuk Mohd Naroden Majais
Assistant Minister of Entrepreneur and Small, Medium Enterprise (SME)
Development

YBhg. Tan Sri Datuk Amar Wilson Baya Dandot
CEO of Regional Corridor Development Authority (RECODA)

YBhg. Datuk Mark Rozario
CEO of GE Malaysia

Moderators and Panelists

Distinguished Guests

Members of the Media

Ladies and Gentlemen

1. A very good morning and welcome to the Supply Chain Conference for East Malaysia. I am pleased to see the good turnout today. I believe, this reflects the growing interest of companies in improving their supply chains in order to obtain a competitive advantage in the marketplace.
2. This conference will certainly be a good opportunity for all of us to network, share insights and exchange ideas, particularly on building stronger supply chains in this region. Regular interactions between both the public and private sectors are very essential. It will also allow us to better understand your business needs in order to fine tune our policies and provide a more conducive business environment.
3. With about 300 delegates in this hall, I am optimistic that we will have a fruitful session ahead as we explore the synergies between foreign and domestic industry players in building profitable business linkages.
4. I also would like to take this opportunity to commend the State Government and its agencies, particularly Ministry of Industrial & Entrepreneur Development, (MIED) Sarawak, and Regional Corridor Development Authority (RECODA) for their continuous support in complementing MIDA's efforts to promote sustainable business growth in Sarawak.
5. With the advantage of having a broader spectrum of industrial sectors, the investor-friendly approach adopted by the State Government has successfully transformed Sarawak to be among the attractive investment destinations in Malaysia.

Ladies and Gentlemen

6. Today's supply chain conference is part of the series of nationwide supply chain conferences that MIDA has organised for this year. The supply chain series was kick started with the national level conference held December last year in Kuala Lumpur.
7. Before today's event, MIDA has organised 4 supply chain conferences in various regions in Malaysia, focusing on the respective region's economic strengths. With this initiative, which definitely will continue in the future, we hope that more local players would be able to build up their capacities by integrating themselves into the MNC's supply chain.
8. Today's conference will feature two panel discussion sessions, which will be undertaken concurrently. The first session will be moderated by Tan Sri Datuk Amar Wilson Baya Dandot, CEO of RECODA with key speakers from Sarawak's largest conglomerate, Cahya Mata Sarawak (Dato Issac Lugun, Group Chief Corporate Officer), LONGi (Mr Ngieng Sii Jing, CEO), Press Metal (Dr Siew Eng Fui, Deputy General Manager) and Malaysian Phosphate Additives (Sarawak) (Dr.Mazlan Mohamad, Director)
9. The other session is a dedicated session for GE South Asia & ASEAN. We would like to thank GE for collaborating with MIDA at this event. I am sure many of you will benefit from their sharing on expectations and requirements in becoming part of GE's supply chain in East Malaysia, particularly Sarawak. GE's focus sectors are mainly in Power Generation, Oil & Gas, and Renewable Energy.
10. We trust that the conference will be a great avenue to foster collaboration between multinational corporations (MNCs) and local businesses towards achieving inclusive and balanced growth. We also believe that the initiative with GE will open the right doors for you to form mutually beneficial strategic partnerships in the future.

Ladies and Gentlemen,

11. Sarawak is certainly one of the many appealing investment destinations within Malaysia. To date, a total of 745 manufacturing projects with investments worth RM71.2 billion have been implemented in Sarawak. These projects have provided 102,000 jobs to the state. Out of the total investments, 56% were from local sources and foreign investments made up the balance.
12. Through these projects, we want to create opportunities for SMEs to access the global market. At the same time, we are also encouraging more multinational corporations (MNCs), especially those undertaking large manufacturing projects, to further utilise local products and services.
13. The strong presence of many MNCs and large local corporations (LLCs) located here, and the very fact a few big names such as OCIM, X-Fab, Huchems Fine Chemical, LONGi, Press Metal, Cahya Mata Sarawak and Shin

Yang Industries have made significant investments in Sarawak, hold much promise for business collaboration and opportunities within this region.

14. For example, LONGi alone has made investments more than RM1 billion in setting up an integrated solar plant in Sama Jaya Free Industrial Zone. They have also created more than 2,000 job opportunities for many Sarawakians.
15. I was made to understand that LONGi is aspiring to develop a complete domestic supply chain ecosystem to support their production and to substitute their current imported parts and components. I urge local companies here to capitalise on this opportunity and meet up with LONGi's representatives during the business matching session which will be held later.

Ladies and Gentlemen,

16. Given the on-going technological development globally, SMEs need to raise their efficiency levels, strengthen inter-firm linkages and respond timely to market changes in order to remain relevant and competitive.
17. As many of you are aware, Malaysia is embracing Industry 4.0. With the new wave of technological change that is sweeping across the global manufacturing sector, it is timely for industries in Malaysia to strike quickly and steer towards this direction. The adoption of these technologies will open up opportunities for completely new and efficient business models in manufacturing, and lead to increased productivity and growth.
18. Our local companies, particularly those in the labour intensive industries such as the plantation, biomass and wood-based industry, can reap much benefit by embracing new technologies, including smart manufacturing, robotics and the internet of things (IoT). The migration to the next level could significantly reduce dependency on foreign labour and increase production volume.
19. Recognising the challenges involved, the Government is aggressively undertaking various efforts to assist industry players in the adoption of smart manufacturing in Malaysia. This includes the drafting of a National Policy on Industry 4.0, establishing a National Industry 4.0 Taskforce to spearhead the government's policy and strategy, and conducting an industrial study focusing on Future of Manufacturing 'Industry 3+2 sectors' that is led by MIDA.
20. Under the proposed Budget 2018, the government has agreed to further assist local companies and industry players to accelerate their growth and adoption of smart manufacturing and Industry 4.0.
21. Allocations include:
 - Additional matching grants of RM245 million under the Domestic Investment Strategic Fund (DISF) to upscale Smart Manufacturing facilities;
 - Extend the incentive period for Accelerated Capital Allowance (ACA) on automation equipment year of assessment (YA) 2018 to YA 2020;and
 - Accelerated Capital Allowance (ACA) up to 200% for manufacturing and manufacturing related services sectors.

Ladies and Gentlemen,

22. We would like to encourage the industry players present today to leverage on this event and explore opportunities in joining these companies' supply chains, and also emulate their best practices, particularly in embracing Industry 4.0 technologies. Do take advantage of the Business Matching Sessions held later in the afternoon to gather more insights.
23. I am optimistic that the fruitful relations forged here will pave the way for further growth of domestic investments in the country. MIDA together with MITI and its agencies will continue to work closely with the state government and authorities to create a more conducive business environment for businesses to grow. Please feel free to approach any of our officers should you have any further enquiries.
24. On that note, I wish you all a productive session ahead and look forward to your active participation and feedback.

Thank you.