

**Speech for the Guest of Honour,
YBhg. Datuk Seri J. Jayasiri, KSU MITI**

Opening Address for SEMICON Southeast Asia 2018 :

***“Think Smart Make Smart, Fostering a Resilient and Growing
Electronics Manufacturing Supply Chain in Southeast Asia”***

9:30 am, 22 May 2018 (Tuesday)

MITEC, Kuala Lumpur

Mr. Richard Salsman
CFO & Vice President Operations, SEMI

Mr. Ng Kai Fai
President, SEMI SEA

Ladies and Gentlemen,

1. Good Morning and Salam Sejahtera. At the outset, let me thank SEMI (Semiconductor Equipment and Materials International) for their continuous support in organising this event in Malaysia annually since 2015, together with MIDA, an agency under the Ministry of International Trade and Industry Malaysia.
2. SEMICON Southeast Asia is an international flagship event that continues to facilitate and spur robust growth of the electrical and electronics (E&E) industry, as well as complement supporting industries, including the chemical, medical devices and machinery & equipment industries.
3. SEMICON Southeast Asia is not something new to Malaysia. The past 3 editions held in Penang were very well received. Last year's Conference was the largest ever held, with approximately 6,790 visitors and over 305 exhibitors. Today's event marks the first time SEMICON SEA is held in Kuala Lumpur and in this brand new facility. Given the growing numbers of visitors and exhibitors, the move here offers increased accessibility for our international delegates as well as a larger venue to

accommodate the expanding scope of the Conference. A total of 380 exhibitors and 8,500 visitors are expected to attend this years' event.

Ladies and Gentlemen,

4. Malaysia is a dynamic economy in the region. Aside from having just proved to be a resilient nation with functional democracy, the country has also been recognised by Bloomberg's 2018 Emerging Market Scorecard as the most attractive emerging market in Asia and the 5th most attractive emerging market in the world. Malaysia's thriving economy was also recognised by the Swiss-based World Economic Forum in its annual Inclusive Development Index, where Malaysia was ranked 13th among emerging economies.
5. Malaysia has been built on a foundation of orderly systems and institutions that promote a business friendly environment, resulting in strongly anchored economic fundamentals. It is one of the most diversified economies with the manufacturing, services and primary sectors providing the right balance to the economy. The peace and stability which Malaysia has enjoyed over the years has been a major contributor to its current economic development. This has created a resilient and sustainable economy that has withstood and overcome many challenges over the decades.
6. The recent elections has shown that the democratic process is alive in Malaysia with a new government replacing the previous government of 60 years. The transition has been smooth and peaceful. And for investors and business people like you, what should be comforting is that the Prime Minister has maintained that the new government will be business friendly.

Ladies and Gentlemen,

7. The E&E industry in Malaysia has evolved over the years. Starting with only a few global companies in the 1970s that were undertaking labour intensive, low technology and low value added activities, the industry now has a full range of semiconductor, solar and LED clusters with many companies undertaking higher value added products and front-end activities including design, research and development.

8. In 2017, E&E exports represented 36% of Malaysia's total exports. Notably, it is the only industry that recorded a trade surplus for 3 consecutive years. The growth of the E&E industry will continue to spearhead and dominate export earnings for Malaysia as global demand in electronics content is driven by advancement in technology and emergence of the Fourth Industrial Revolution, which is shaping the new ways of doing business.
9. To remain relevant and competitive, many businesses are embracing Industry 4.0, utilizing the cyber-physical system holistically. While bringing disruptions for some, I see Industry 4.0 as a blessing as, with it, businesses are able to future-proof themselves, be a competitive player and continue to remain relevant. This also bodes very well for the electrical and electronics sector as it provides the opportunity to supply the intermediary products and components that is needed for the execution of industry 4.0.
10. While there are many benefits, Industry 4.0 is not without its challenges to industry and policy makers. These include ensuring the availability of the right talent and skills sets among workers, having the right infrastructure to promote technology adoption as well as a supportive business environment. The Malaysian Government is mindful of the need for information and serve as an enabler. MITI, together with relevant Ministries and agencies are aggressively undertaking various efforts to assist industry players in embracing Industry 4.0 through the adoption of automation and smart manufacturing, including providing targeted incentives, various platforms for engagement with industry and formulating strategies and conducting related research.

Ladies and Gentlemen,

11. In developing the industry, Malaysia adopts an ecosystem approach where concerted efforts have been put in place to promote the entire value chain of industry clusters. For example, in the semiconductor segment, Malaysia currently has an almost complete ecosystem, with more than 200 companies that consist of front-end activities ranging from R&D and wafer fabrication up to back-end, such as, assembly packaging and testing, as well as the supporting industries such as Integrated Circuit (IC) design and semiconductor machinery.
12. Malaysia is not the only country in Southeast Asia with a strong electrical & electronics industry. There are various electrical and

electronics hubs growing all across the region. Through platforms like SEMICON, we seek to continuously foster a resilient and robust E&E manufacturing supply chain in Southeast Asia. With the theme, 'Think Smart, Make Smart', I urge all of you to let this become an inspiration for all. Let us connect, exchange knowledge and generate ideas towards the mutual growth of the industry in this region.

Ladies and Gentlemen,

13. The focus of SEMICON SEA 2018 is on the groundbreaking technologies of today and the future in the Electrical and Electronics sector. In addition to the many programmes lined up, Industry 4.0 practitioners and solution providers will be sharing their insights of these technologies during exhibitions and pocket talk sessions. I hope that all of you will take advantage of this platform to network with the experts and further expand and explore opportunities in this sector.
14. On that note, let me once again convey my appreciation to SEMI, MITI and MIDA for their efforts in successfully organising this event and to all participants for your continuous support. I wish you all a very productive conference ahead.

Thank you.