

**Welcome Remarks from En Arham Abdul Rahman, Deputy CEO of MIDA
On Behalf of YBhg Dato' Azman Mahmud, CEO of MIDA
MIDA-SIEMENS SEMINAR ON DIGITAL TRANSFORMATION IN FOOD & BEVERAGES
MANUFACTURING, 'RECIPE FOR THE FUTURE 2018'
19 July 2018, 8.30 am – 2.00 pm
MIDA Perdana Hall, Kuala Lumpur**

SALUTATIONS

**Mr Indranil Lahiri
President & CEO, Siemens Malaysia**

**Mr Adam Yee
Senior Vice President, Digital Factory & Process Industries & Drives Siemens Malaysia**

Distinguished Guests,

Members of the media,

Ladies and Gentlemen,

Good Morning.

1. It gives me great pleasure to join all of you here this morning at the Seminar on Digital Transformation in Food & Beverages (F&B) Manufacturing with the theme, Recipe for the Future 2018. Special thanks to Mr Indranil Lahiri, President and CEO of Siemens Malaysia and his team for their support in making this event a successful one.
2. Dato' Azman Mahmud, CEO of MIDA who very much wanted to join this event, has asked me to convey his regrets for not being able to be with all of us today. I will hereby deliver his address on his behalf.
3. Collaborations are important for transformation to happen and crucial in facilitating innovation. At MIDA, we value public-private partnerships that can translate into tangible solutions for the industry and create economic impact. We trust that our collaboration with Siemens through the Memorandum of Understanding (MoU) will further promote the sharing of technical know-how and marketing of smart manufacturing technology to both foreign and local investors, for the mutual benefit of all relevant stakeholders in Malaysia.
4. Today's event is the first of many as Siemens, a global technology provider with applications in various industries, will kickstart their partnership with MIDA by focusing on the F&B industry.

Ladies and Gentlemen,

5. As the global competition for new products, services and ecosystems raises the stakes for all manufacturers, Malaysia's F&B manufacturing industry has no choice but to think differently and move towards more automated, flexible and efficient operations. Recognising this, MIDA is pleased to partner with Siemens in getting the right ingredients for a recipe that will propel the food and beverage industry in Malaysia to greater heights.
6. Through this platform, we would like the business community to familiarise with the best practices and solutions deriving from Industry 4.0 technologies. We would also like them to get the latest updates on available incentives and facilities to support the implementation of smart manufacturing.
7. Please take full advantage of the speakers from Siemens who will be presenting later on the best solutions towards meeting the needs of your operations. In the afternoon, the session continues with the TechTalk Individual Consulting session with Siemens team.
8. Today, the F&B industry is operating against a backdrop of many challenges and yet tremendous opportunities. Digitalisation of operations will have a dramatic impact on the rise and fall of companies.

Nonetheless, the future of the F&B industry remains resilient to external adversities and is recession-proof. It will continue to grow in tandem with the world population, which continues to rise and is predicted to reach 9.7 billion by 2050 from 7.6 billion in 2016. Hence, demand for food is expected to increase anywhere between 59% to 98% by 2050.

9. In Malaysia, the F&B industry has developed significantly over the years with new technology and innovations in tandem with global economic growth. The advances in processing technology have widened the usage of local raw materials, expanding the range of products and increasing the investment capacity in the food industry. As at March 2018, MIDA approved a total of 2,153 F&B manufacturing projects with investments of RM51.2 billion. These investments generated over 176,000 job opportunities.
10. Based on data from the Department of Statistics Malaysia (DOSM), there are more than 8,000 food manufacturing establishments in the country whereby 80% of them are small medium sized enterprises (SMEs). Exports of processed food products contributed RM19.7 billion to the economy in 2017 and are exported to more than 200 countries. In the same period, imports of processed food amounted RM20.7 billion.
11. While the food processing industry is growing, it only accounts for about 10% of the manufacturing output. We are aware that there are many challenges in this industry, such as maintaining the consistency of product quality, increasing plant efficiency and productivity as well as meeting growing demands from customers.
12. From producers to suppliers, there is a consensus that Industry 4.0 provides unlimited opportunities to overcome these challenges and bring businesses forward, particularly for the F&B manufacturing sector. Manufacturers that focus on optimising their operations and innovating products to offer new value to their customers will end up becoming true winners.
13. As Malaysia moves towards the next phase of development to become a high income nation, we hope to see more companies venture into more complex activities. For example, increasing consumer awareness about health and nutrition values has created demand for functional food ingredients and natural food flavours from plants and seafood. There is a huge potential for further growth in food ingredients such as customised formulations required by food manufacturers, functional ingredients, natural food additives and flavours.
14. To seize such growing opportunities, we encourage more companies to work with technology solution providers such as Siemens and invest in technology, upskilling of talents and R&D activities to create new growth opportunities and maintain your competitiveness.
15. MIDA continues to provide various services, including hand-holding engagement, import duty exemption, talent management, incentives and grants. My colleague Mr Mohd Rasli Muda, Director of Food Technology & Resource Based Industries Division will later elaborate further on the various facilities available under MIDA.

Ladies and Gentlemen,

16. In line with our aspiration for Malaysian industries to embrace smart manufacturing, MIDA will continue to work with strategic partners in our efforts to promote robotics and automation, Industrial Internet of Things and smart manufacturing technology and solutions.
17. Thank you once again to Siemens for your continued confidence and support. This is indeed a rewarding experience for all of us. We look forward to this collaboration in making Malaysia the leading industrial hub of the region.
18. On that note, have a productive day ahead. Thank you.