

Speech for YB Dr. Ong Kian Ming
Deputy Minister of International Trade & Industry
Industrial Park & Investment Facilitation Forum
'Strengthening the Manufacturing Ecosystem'
17 December 2018, 9am, Marriott Hotel, Kota Kinabalu, Sabah

Salutations

YB Tuan Chong Chen Bin

Assistant Minister of the Ministry of Trade and Industries, Sabah

Mr Zabidi Mahbar

Senior Executive Director of MIDA

Distinguished guests

Members of the media

Ladies and Gentlemen,

1. I am delighted to join all of you today to talk about industrial parks and investment opportunities in Sabah. Thank you FMM and Sabah state authorities for collaborating with MIDA in organising this gathering of industrial park owners and developers, industry players, service providers and other stakeholders.
2. Given the line up of speakers and activities in store, I trust that this platform will be beneficial towards promoting a holistic approach for the development and management of industrial parks in Sabah.
3. As Malaysia is moving to a new phase of development, we need to attract quality investments – investments that can translate to more opportunities for higher income jobs and transfer of technology to our people. Having been to the industrial parks in many states of Peninsular Malaysia, it is clear that we have to improve our industrial park facilities to cater to new demands and capture new market segments.
4. For today, I would like to highlight three points:
 - a. Sabah has many untapped investment opportunities
 - b. Good industrial parks are needed to attract quality investments
 - c. The Government's dedicated support and facilitation

Ladies and Gentlemen,

Investment Opportunities in Sabah

5. Each region in Malaysia is unique in its comparative and competitive advantages. For Sabah, its abundance of natural and agricultural resources has long made this state a base for industries such as oil & gas, wood, palm oil, cocoa and marine products. Building on these strengths, there are many untapped opportunities for resource-based manufacturing facilities, particularly in moving downstream and producing high quality goods and services.

Approved Investments in Sabah

6. As at December 2017, a total of 761 manufacturing projects with investments worth RM15.1 billion have been implemented in Sabah. More than 90,000 jobs have been created from these projects particularly in the food manufacturing, paper, printing & publishing, wood & wood products, chemical & chemical products, and non - metallic mineral products sectors. For the first 9 months, Sabah continues to attract additional approved investments of RM140.9 million, mainly in basic metal products, food manufacturing, petroleum products including petrochemicals and non-metallic mineral products.

Sabah as an aerospace hub

7. Last month, at the Malaysia Aerospace Industry Seminar in Kota Kinabalu, organised by the National Aerospace Industry Coordinating Office (NAICO), YB Datuk Darell is pushing for Sabah to embark on the aerospace industry and be the hub for Maintenance, Repair and Overhaul (MRO) and other aerospace manufacturing activities.
8. Taking into consideration the extensive rural air services that assist East Malaysians to travel between towns in both Sabah and Sarawak as well as air services for offshore activities, this is a natural progression for Sabah to venture into. We aspire to see Sabah becoming a main aerospace hub within the Brunei, Indonesia, Malaysia, Philippines–East Asean Growth Area (BIMP-EAGA).

Other opportunities in Sabah

9. Sabah also has plenty of opportunities in areas such as fisheries and aquaculture, urea and ammonia production, pharmaceutical and cosmetics, green technology as well as becoming a logistics and trans-shipment hub for this region.

Good industrial parks to attract quality investments

10. This brings me to my second point. Empty land does not produce wealth. Your land may be priced at RM1,000 per square feet but it has no value if it is empty. However, the moment there is a factory on it, we can create jobs and business opportunities.
11. For Sabah to attract the type of quality investments that we desire, the state needs good industrial parks that can meet the requirements of these industries. For example, to make Sabah an aerospace hub, industrial parks such as the Kota Kinabalu Industrial Park (KKIP) need to be enhanced to develop an aerospace industry cluster. Having the upstream and downstream industry players in close proximity improves speed and cost of production.
12. In addition to leveraging on specific industry clusters, industrial parks are distinguished by its infrastructure offerings. It is important to find win-win solutions, and not to keep investors waiting for infrastructure to be built especially in the provision of electricity, water and roads, as these are the basic infrastructure needs for any industry to operate. I urge technical agencies and utility providers such as Telekom Malaysia, Tenaga Nasional Berhad, and Gas Malaysia to come on board and be proactive in supporting investors in these areas.
13. In line with this, I am pleased to highlight that the Government is giving special emphasis in connecting other parts of Sabah such as the continuation of the Sabah Pan Borneo highway. This will contribute to improving road network efficiency and is expected to accelerate growth along the special economic zones in Sabah.

14. For example, the oil and gas industries and industrial parks serving both the Sabah Oil & Gas Terminal (SOGT) at Kimanis, the Sabah Ammonia-Urea Plant (Samur) in Sipitang, and Kota Kinabalu Industrial Park, which are located along the west coast of the highway will benefit greatly from this project. Meanwhile, the palm oil industrial clusters in Sandakan and Lahad Datu, and the integrated agro-bio food & marine industry and tourism sector in Tawau and Semporna will also enjoy greater access along the east coast route.

Ladies and Gentlemen,

Dedicated support and facilitation

15. There is great potential for development in many sectors in Sabah, and by having the industrial park forum here today, we want to stress our commitment in supporting and facilitating industrial development here. It is imperative for us to re-strategise our efforts in attracting quality investments for Sabah that can spur socio-economic spill overs.
16. We need to review the existing industrial parks and streamline federal, state and private sector efforts in enhancing the industrial parks towards raising the profile of investments here. There is much to learn from the success stories of other states such as Penang, Johor and Selangor in promoting investments into the states.
17. For a start, MIDA could make arrangements for local council officials, industrial park developers, and policy makers in Sabah to visit award-winning industrial parks in the Peninsular such as i-Park in Johor or Batu Kawan Industrial park in Penang. Such engagements will contribute to the exchange of knowledge and experience in developing and managing the industrial parks.

Ladies and Gentlemen,

Conclusion

18. YAB Prime Minister, Tun Dr Mahathir Mohamed launched the National Policy on Industry4.0, or Industry4WRD at MITI recently in October. Industry4WRD is an important step in guiding us towards strengthening Malaysia's capabilities as a destination for high-tech investments.
19. This is the current direction of the country, and we need to move fast to ensure that we are on track with this aspiration. Companies including service providers need to invest in talent and technology to improve your productivity and capability, and become future-proof.
20. MITI and its agencies are here to assist. We will intensify our efforts in working closely with the state authorities and relevant stakeholders in facilitating your business development.

On that note, it is my pleasure and honour to declare open the Industrial Park and Investment Facilitation Forum.

Thank you