

MPMA-MPA-MIDA Conference on Government Assistance
Keynote Address by
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Acknowledgements

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Distinguished Guest

Ladies and Gentlemen

1. Good morning, and a warm welcome to all participants who have joined us today for the biennial MPMA-MPA-MIDA Conference on Government Assistance. I am delighted by the encouraging attendance for today's event.
2. Thank you to the Malaysian Plastics Manufacturers Association (MPMA) and the Malaysian Petrochemicals Associations (MPA) for collaborating with MIDA once again in putting this event together, with the very relevant theme namely, "Helping Your Business Grow".
3. We have an impressive line-up of speakers from various agencies with us today who are ready to share the available programmes and facilities to assist the growth of your businesses and the plastics industry as a whole.
4. Let us take full advantage of this conference and explore the exciting opportunities that are available to enhance our competitiveness.

Ladies and Gentlemen,

5. The Malaysian plastic products industry is one of the most dynamic industries in the country's manufacturing sector. We have more than 1,300 companies in operation, manufacturing products ranging from common household items, packaging materials and conveyance articles to parts and components for the electrical and electronics (E&E), automotive, telecommunications and construction industries.

6. As of March 2019, MIDA has approved 2,000 plastic manufacturing projects, with approved investments exceeding RM25 billion. Of these, more than **1,500 manufacturing projects in the plastic industries with investments valued over RM18 billion has been implemented** in Malaysia. These projects have created more than **103,000 employment opportunities** in the country.
7. Therefore, it is unsurprising that Malaysia is among the top plastic exporting nation in the ASEAN region. In 2018 only, the total Malaysian exports of plastic products amounted to over RM14.5 billion. The primary export destinations include Europe, China, Singapore, Japan and Thailand.

Ladies and Gentlemen,

8. The growth and sustainability of the domestic downstream plastic sub-sector require the support of a strong upstream industry. As such, continuous efforts by the sector to provide a steady supply of raw materials for the domestic plastic industry are necessary.
9. The positive progress of Refinery and Petrochemical Integrated Development (RAPID) project by PETRONAS in Pengerang, Johor is a great example whereby its development has directly opened up opportunities for plastic manufacturers to expand and develop their products for higher end and complex clientele. Some successful plastic resin manufacturers and compounders currently operating in Malaysia are Polyplastics, Lotte Chemical Titan, Toray, Kaneka and Penfibre as well as our national company, PETRONAS.
10. Simultaneously, there has been an increasing replacement of traditional materials with engineering plastics in industries such as automotive, construction, aerospace and medical in line with the advancements of plastics materials in the market. The need for more efficient, cost-competitive and lean compounding technology has created new innovative gaps in the plastics manufacturing sector in the country.
11. This is in addition to the global sustainability movement of ensuring that the manufacturing of plastics is sustainable. It is no surprise that as more resources are being devoted towards R&D, new technologies will be developed to make plastics that are both biodegradable and compostable, further diversifying the end use of the plastic products across industries.

12. I am proud to say that Malaysia has been a continuous proponent for the specialised and high-end plastics products. Local manufacturers, such as all of you here, have been actively investing and expanding the local technical capabilities within the industry to meet the dynamic demands of the global markets.

Ladies and Gentlemen,

13. In recent year, the plastic products industry has been prescribed with several new policies in line with the changes in global trade practices. Changes are inevitable in any industry.

14. For example, in efforts to implement a circular economy by encouraging the 3R activities –Reduce, Reuse, and Recycle – the Ministry of Science, Technology, Environment and Climate Change (MESTECC) had launched its Roadmap Towards Zero Single-Use Plastics 2018-2030 on 17 October 2018.

15. This resulted in the need for industry players to clarify the misconceptions surrounding plastics and plastic products, as well as to address the challenge of reduced demands for single-use plastic products. However, it also presented industry stakeholders with opportunities to diversify their products offering and move up the value chain to ensure their competitiveness.

16. Additionally, the influx of the importation of plastic waste and scrap for recycling activities in the country following China's ban on plastic imports has had the Ministry of Housing and Local Government actively reviewing the issuance of APs for both existing and new plastic waste and scrap recyclers.

17. Although this has caused our domestic players to re-evaluate the sourcing of their raw materials, it has been favourable to our genuine domestic manufacturers, who are now competing on a level playing field.

18. Despite the current challenges faced, the Government will continuously seek out favourable policies and provide the necessary assistance and facilitation to ensure Malaysia's investment climate remains attractive for businesses.

Ladies and Gentlemen,

19. The Government, through MIDA, is ever ready to assist you to grow your business. MIDA has established an Investment Coordination Platform (ICP) to support local companies or SMEs in narrowing their financial and technology

gaps. The unit works closely with equity and corporate advisory firms as well as local regulators and technology providers in assisting companies in conducting business-to-business matching, capital raising exercise through debt and equity as well as mergers and acquisitions. Thus far, the ICP team has engaged with over 160 manufacturing, services, and plantation companies and 50 strategic technology and funding partners.

20. Additionally, in line with the launching of Malaysia's National Policy on Industry4WRD last October by our honourable Prime Minister, Tun Dr Mahathir Mohamad, our local players should be willing to embrace adaptable business models that are receptive to changing business environments.
21. Given the advances in technology, plastic manufacturers need to prioritise efforts in transitioning the industrial landscape towards the adoption of automation, smart concepts and technologies in its manufacturing processes. These digital industrial technologies offer immense opportunities that could enhance manufacturing productivity and competitiveness. Nonetheless, our approach should not solely focus on technology. We need to also better organise ourselves and strategise on how we can respond more easily to the rapidly changing economic and technological trends.

Ladies and Gentlemen,

22. A strong and effective partnership between the public and private sectors has been tantamount in making Malaysia cost-competitive and contributed to our ability to drive investments into the country.
23. Today's event is therefore an excellent platform to share valuable insights on various facilities that are available in the country, forge new collaborations, and strengthen existing partnerships. I encourage our companies here today to network and share your ideas and experiences, with a view to form strong partnerships with one another, as well as with MIDA and other agencies. By working together, our manufacturing sector can continue to remain competitive and prosper. On that note, I wish everyone a fruitful and engaging session.

Thank you.