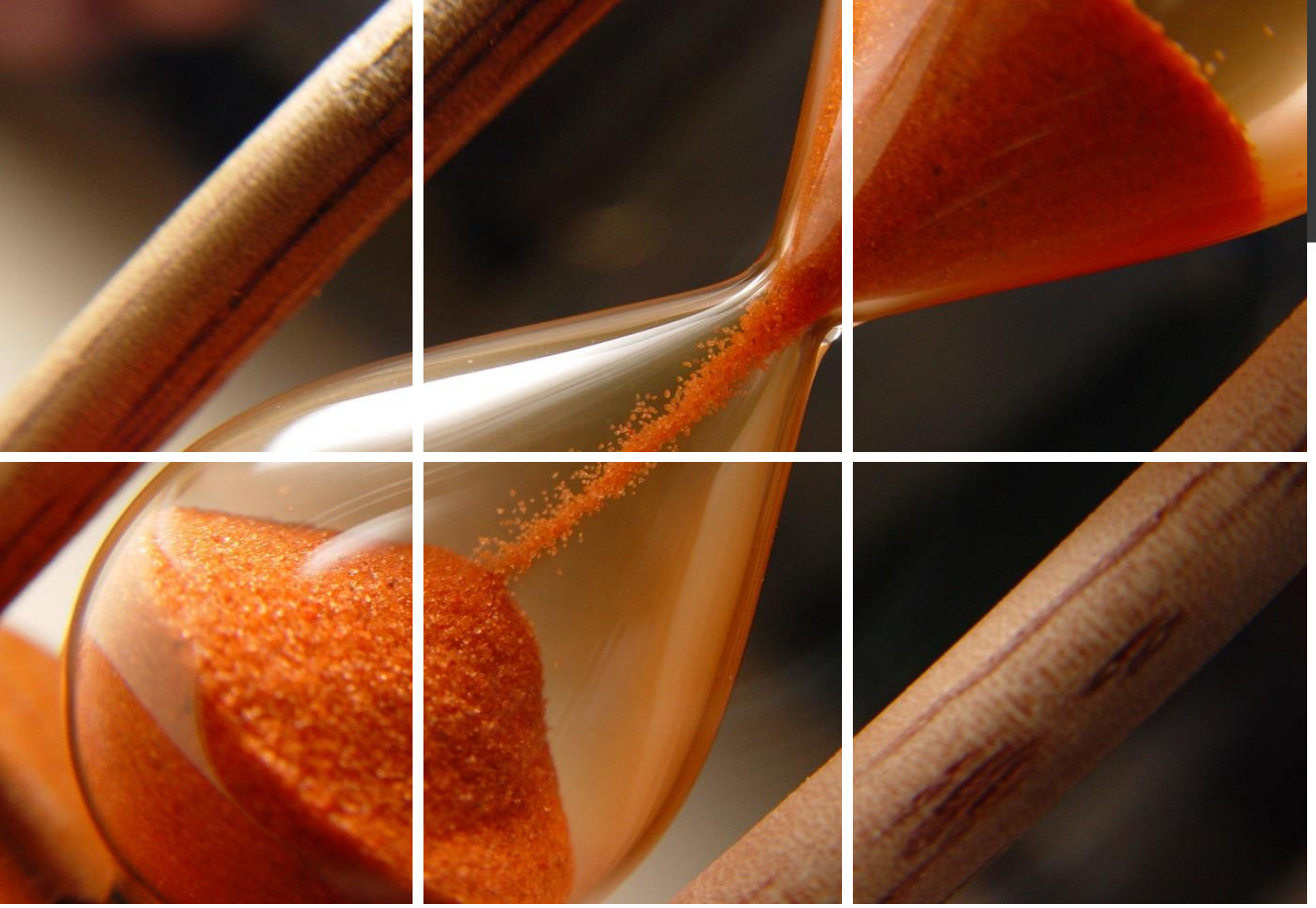
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MIDA
Malaysian Investment Development Authority

Industry4WRD : National Policy on Industry 4.0 and Readiness Assessment

MALAYSIAN INDIAN NETWORK OF ENTREPRENEURS ASSOCIATION(1MINE)
Perdana Hall, MIDA

2 August 2019



NATIONAL POLICY ON INDUSTRY 4.0

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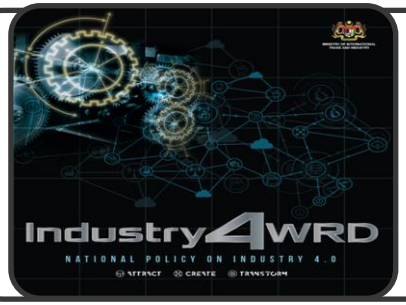
National Policy on Industry 4.0 : Industry4WRD



Launching

- YAB Prime Minister, Tun Dr. Mahathir Mohamad launched the National Policy on Industry 4.0, known as Industry4WRD on 31 October 2018.

Industry4WRD Readiness Assessment

- One of the action plans under Regulatory Framework
- A platform and mechanism to help manufacturing and related services firms, especially SMEs, assess and develop their Industry 4.0 capabilities

National Goals & Targets for 2025

- Level of productivity per person from RM106,647 by 30%
- Elevate contribution of the manufacturing to the economy from RM254 billion to RM392 billion
- Improvement in Global Innovation Index ranking from 35 to top 30
- Increase the number of high-skilled workers in the manufacturing sector from 18% to 35%

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National Policy on Industry 4.0 : Industry4WRD

Attract

Attract stakeholders to Industry 4.0 technologies & processes

Create

Create the right ecosystem for Industry 4.0 technologies to be adopted and to nurture innovations

Transform

Transform capabilities of the manufacturing industry to be Industry 4.0-ready

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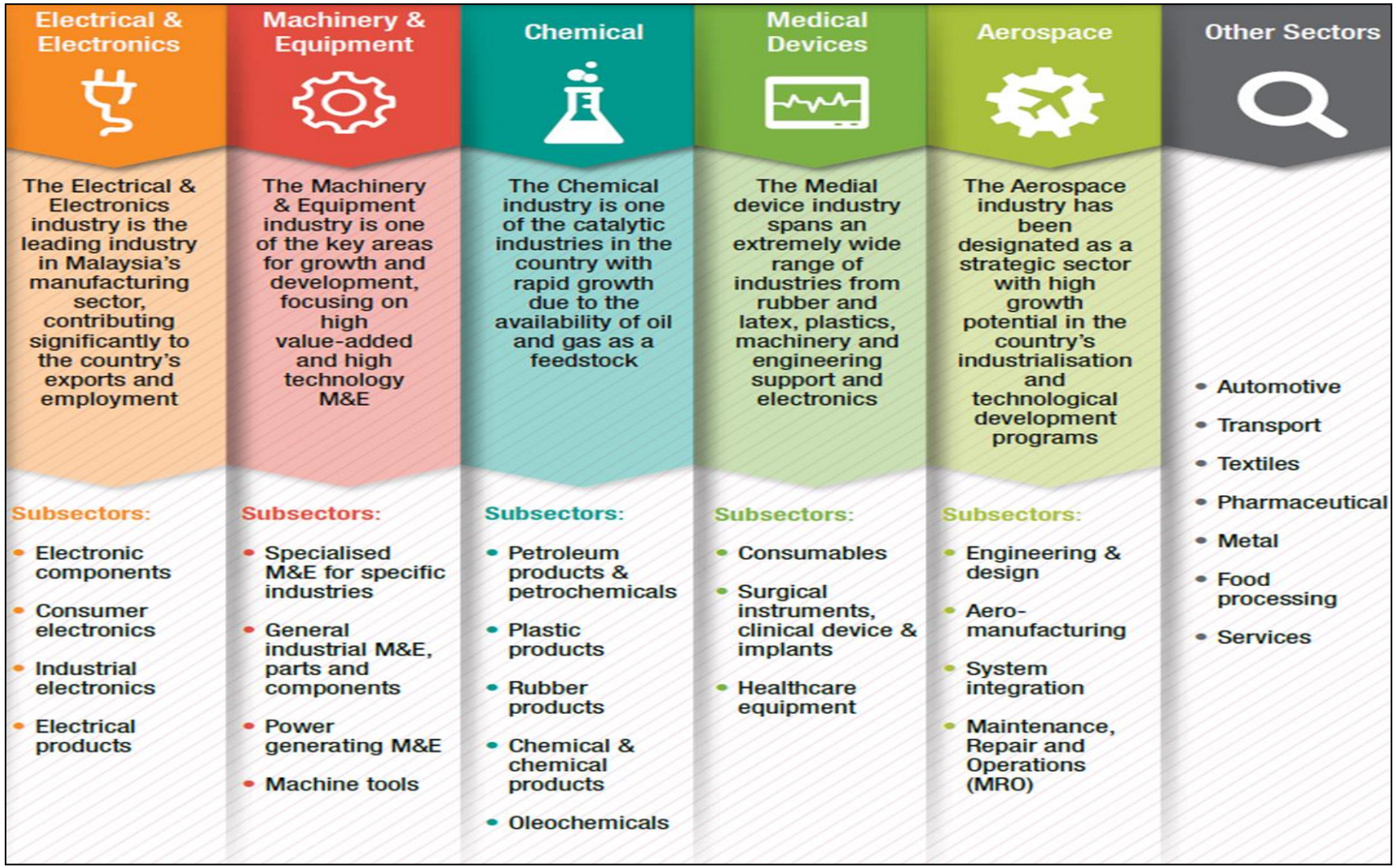
Industry4WRD : Focus Sectors



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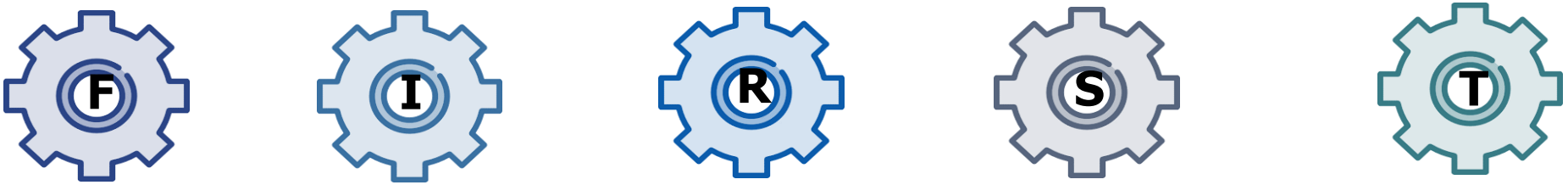
Industry4WRD : The Strategic Enablers



F	**I**	**R**	**S**	**T**
Financing & Outcome-based Incentives	Enabling Ecosystem & Efficient Digital **Infrastructure**	**Regulatory** Framework & Industry Adoption	Up**skill**ing Existing & Producing Future Talents	Access to Smart **Technologies** & Standards
Strategy F1: Provide outcome based incentives, including tax incentives to encourage investments in, and adoption of, industry 4.0 technologies & processes.	**Strategy I1:** Strengthen the digital connectivity in and between industrial, education and training hubs to remove connectivity bottlenecks in adopting industry 4.0 technologies.	**Strategy R1:** Increase awareness of the need, benefits and opportunities of Industry 4.0 technologies and business processes among manufacturing firms	**Strategy S1:** Enhance the capabilities of the existing workforce through national development programmes specially designed for specific manufacturing sectors and support re-skilling and upskilling.	**Strategy T1:** Establish digital/technology labs and collaborative platforms, especially public-private partnerships (PPP), to create awareness and understanding, foster the adoption of new technologies, and facilitate the transfer of knowledge
Strategy F2: Introduce dynamic and innovative financial products to encourage adoption of Industry 4.0 technologies and processes.	**Strategy I2:** Enhance the digitalisation and integration of government processes and infrastructure along supply and manufacturing value chains.	**Strategy R2:** Create a platform and mechanism to help manufacturing firms, especially SMEs, assess and develop their Industry 4.0 capabilities	**Strategy S2:** Ensure the availability of future talent by equipping students with the necessary skillsets to work in the Industry 4.0 Environment.	**Strategy T2:** Establish and implement standards for interoperability, quality and safety for Smart manufacturing and Industry 4.0 technologies.
	Strategy I3: Involve services providers for industry 4.0 and link them to manufacturing firm s to help implement technologies, processes an d skill development.	**Strategy R3:** Improve data integrity, standards, sharing, and security to facilitate seamless integration of manufacturing value chains and to support intra-ministerial coordination for effective Industry 4.0 programs.		**Strategy T3:** Intensify Research, Innovation, Commercialisation and Entrepreneurship (RICE) programmes and activities in specific Industry 4.0 technologies and processes that support and advance priority sectors.

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Readiness Assessment and Online Application

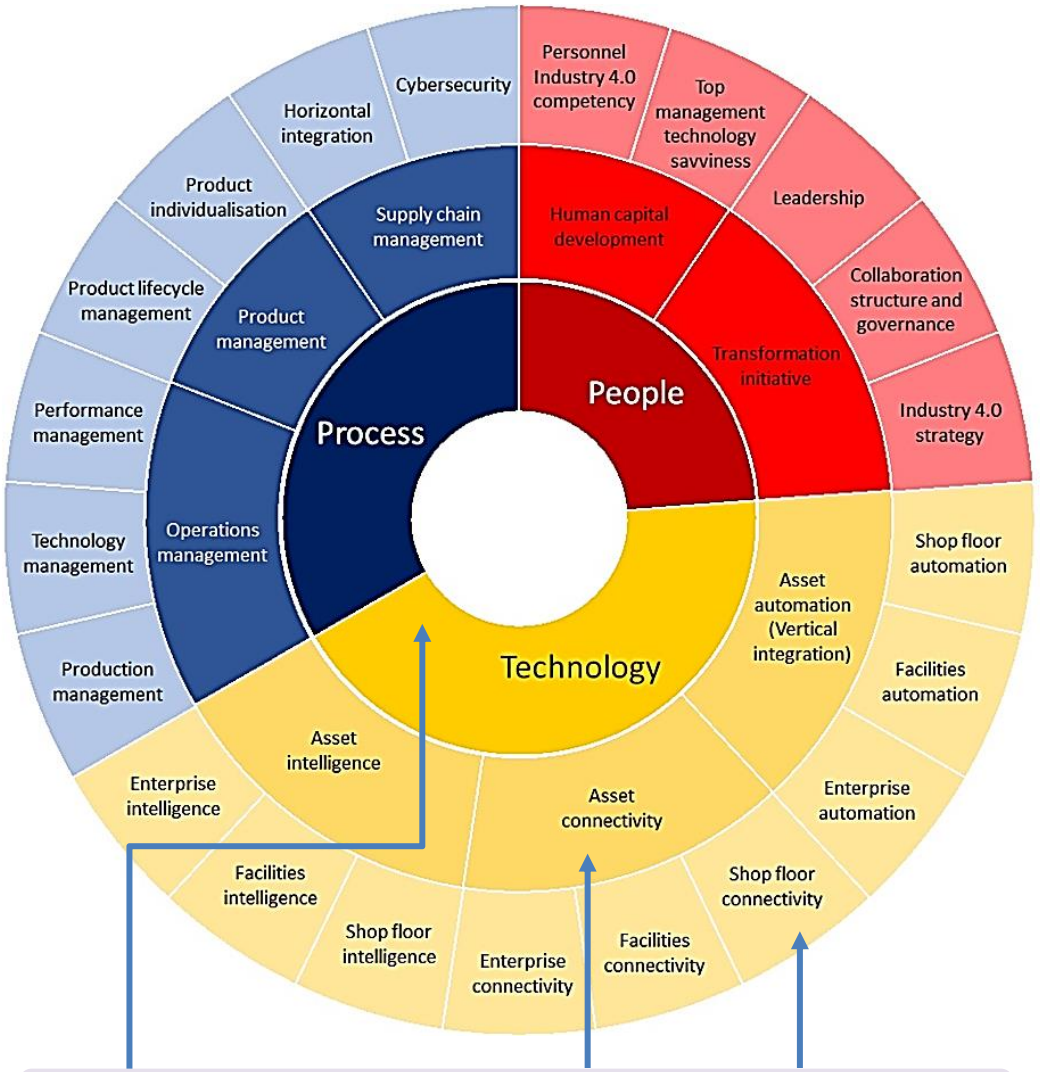
Industry4WRD Readiness Assessment

Industry*4WRD* is aimed to...

1 Assess	2 Gaps	3 Improve	4 National baseline	5 Pre-requisite
Provide **indication on the level of readiness** for an organization in the adoption of Industry 4.0 elements	To **identify areas of improvements** in each dimension	To **recommend** further **actions** to **improve efficiency and productivity**	To develop **industries** adoption **baseline**	Proposed as **pre-requisite** for future industry 4.0 **incentive**

*Register for online application : http://www.miti.gov.my/industry4wrd

Industry4WRD Readiness Assessment Criteria



3 Shifts Factors **8** Thrusts **21** Dimensions

Technology

Focuses on the **application** of intelligent, connected and automated technologies at **3 different layers**

50%

Process

Focuses on the **management system** involved in running business **operations, supply chain & product lifecycle**

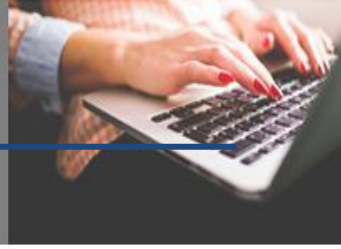
30%

People

Focuses on the **people** and the entire organisation by emphasising on strategies towards having a **suitable** set of **workforce**

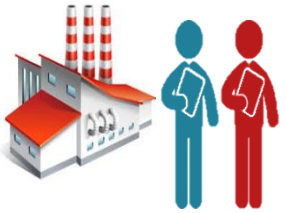
20%

Readiness Assessment Process



Online Application

Industry4WRD-RA ***Technical/ Steering Committee Review***



On-site Assessment

RA report

Table RA report to Technical/ Steering Committee

Inform assessment outcome to company

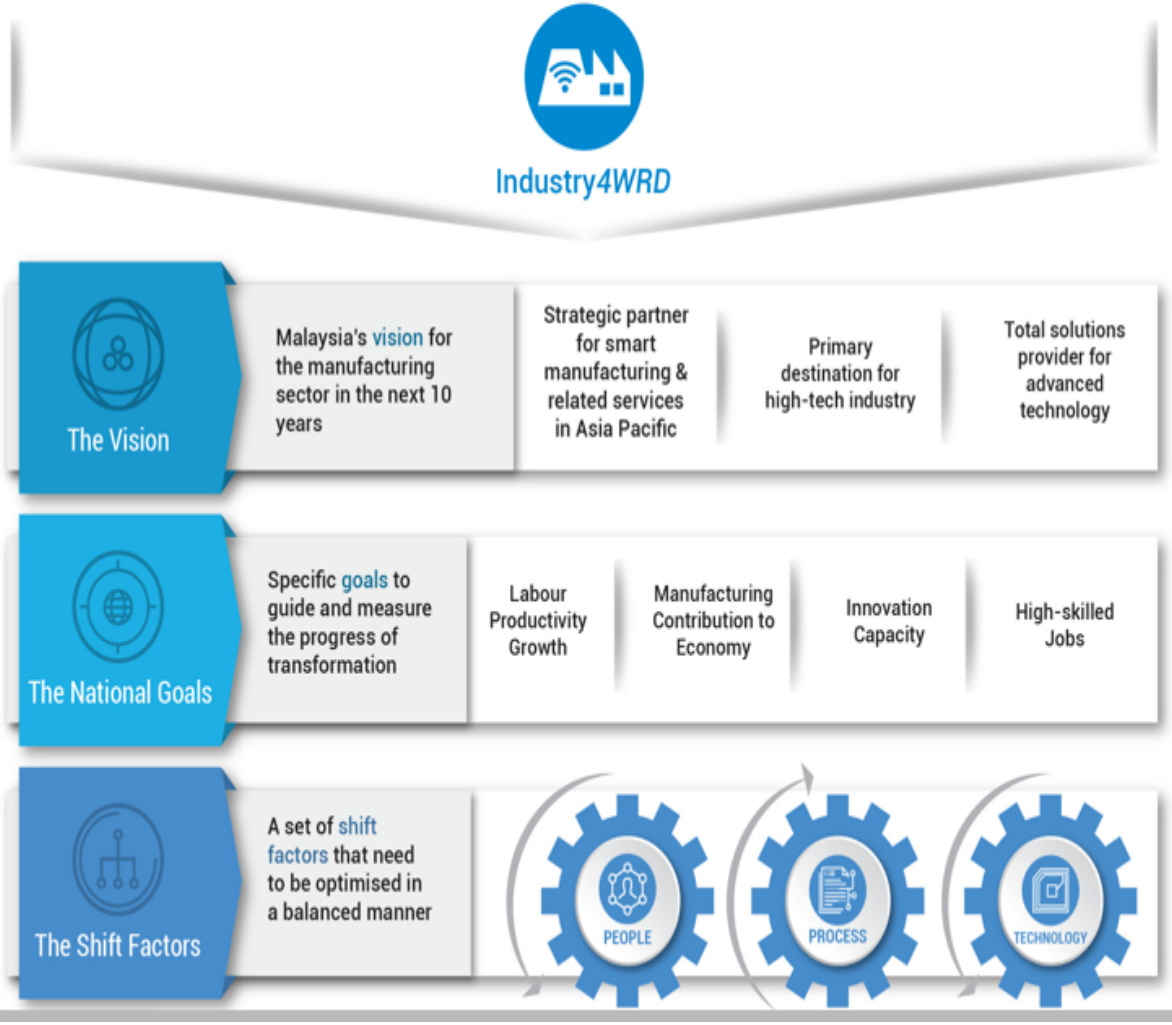
Readiness Assessment – Online Application

Scan me

http://www.miti.gov.my/industry4wrd

Industry4WRD

In response to the Fourth Industrial Revolution (4IR), the Industry4WRD: National Policy on Industry 4.0 was launched on 31 October 2018 to drive digital transformation of the manufacturing and related services sectors in Malaysia. The Policy's framework is as follows:

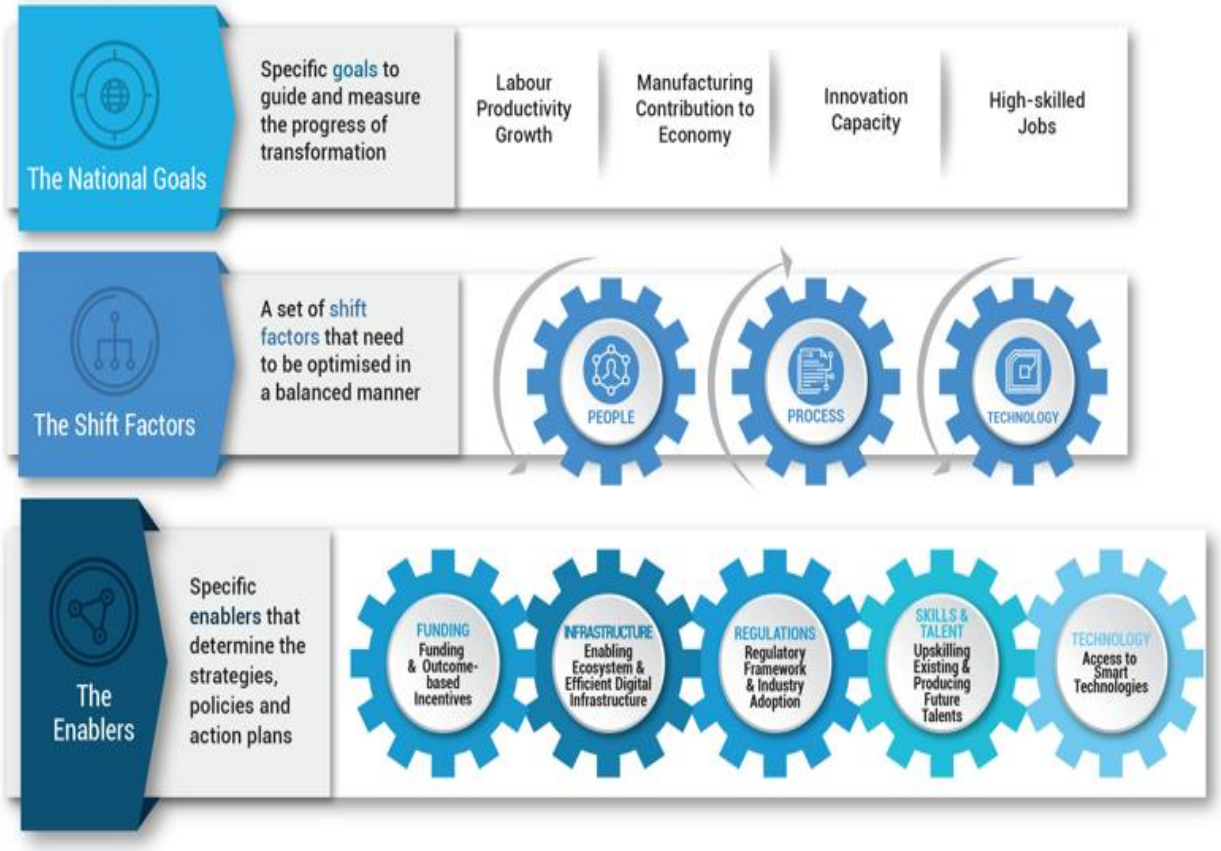


MALAYSIA

CUSTOMS (PROHIBITION OF IMPORTS) ORDER FOR SELECTED CONSTRUCTION MATERIALS

LISTS OF PROMOTED ACTIVITIES & PRODUCTS

MALAYSIA AND THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)



Clik here to download the Policy

Readiness Assessment | RA - Apply Here | Launching Ceremony | Related Events | Media Gallery | Contact Us

Readiness Assessment – Online Application

- **Part 1 of 4 – Company Profile and Main activity**
- **Part 2 of 4 – Interest in Industry 4.0**
- **Part 3 of 4 – Technology Know How**
- **Part 4 of 4 – Term of Agreement**

Part 1 of 4 – Company Profile and Main Activity

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Industry*4WRD* Readiness Assessment for Manufacturers

Industry*4WRD* Readiness Assessment for Manufacturers
Online Application

PART 1 OF 4

1. Company Name : *
2. Company Registration Number :*
3. Date of Incorporation :*
4. Company Representative : *
   Name as per IC
5. Designation : *
6. Email :*

yyyy-mm-dd
e.g.: 1996-02-27

7. Tel. No :*

8. Website : *

Please put "N/A" if your company does not have a website.

9. Manufacturing Division based on 2-digit MSIC-2008*

- 10 - Food products
- 11 - Beverage
- 12 - Tobacco products
- 13 - Textiles
- 14 - Wearing apparels
- 15 - Leather and related products
- 16 - Wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
- 17 - Paper and paper products
- 18 - Printing and reproduction of recorded media
- 19 - Coke and refined petroleum products
- 20 - Chemicals and chemical products
- 21 - Basic pharmaceutical products and pharmaceutical preparations
- 22 - Rubber and plastics products
- 23 - Other non-metallic mineral products
- 24 - Basic metals
- 25 - Fabricated metal products, except machinery and equipment
- 26 - Computer, electronic and optical products
- 27 - Electrical equipment
- 28 - Machinery and equipment n.e.c.
- 29 - Motor vehicles, trailers and semi-trailers
- 30 - Other transport equipment
- 31 - Furniture
- 32 - Repair and installation of machinery and equipment
- Others (please specify) :

10. Location (State) : * -- Please Select --

11. Location (District) :*

Write

N/A

if your company does not have a website.

Part 2 of 4 – Interest in Industry 4.0

PART 2 OF 4

1. Why does your company want to participate in the Industry*4WRD* Readiness Assessment (RA)? (applicants may select more than one option*)*

- ☐ To understand our level of readiness for Industry 4.0 adoption/ digital transformation
- ☐ To use Industry*4WRD* RA report as reference to draft our plan for Industry 4.0 adoption/ digital transformation

2. Why does your company want to adopt Industry 4.0/ digital transformation? (applicants may select more than one option*)*

- ☐ To be eligible for government incentives
- ☐ To follow the global trend of Fourth Industrial Revolution
- ☐ To increase level of automation in production
- ☐ To increase level of productivity and quality of products
- ☐ To transform and survive as a manufacturer
- ☐ Others (please specify) :

3. Where does your company stand in the journey of Industry 4.0 adoption/ digital transformation? *

- ○ We are in the phase of understanding Industry 4.0 adoption/ digital transformation.
- ○ We are trying to implement Industry 4.0 adoption/ digital transformation but do not have a proper plan yet.
- ○ We are drafting a plan for Industry 4.0 adoption/ digital transformation.
- ○ We have a plan for Industry 4.0 adoption/ digital transformation but do not have sufficient financial resources to commence its implementation.
- ○ We are implementing Industry 4.0 adoption/ digital transformation based on our plan.

4. Does your company have an annual budget allocated for operational expenses and capital investment to undertake Industry 4.0 adoption/ digital transformation? *

- ○ No, we do not have any.
- ○ Yes, we have an annual budget allocation which is not specific to operational divisions.
- ○ Yes, we have annual budget allocation for production personnel training.
- ○ Yes, we have annual budget allocation for machinery upgrades.
- ○ Yes, we have annual budget allocation for production personnel training and machinery upgrades.
- ○ Yes, we have annual budget allocation planned specifically for Industry 4.0 adoption/ digital transformation.

PART 3 OF 4

Part 3 of 4 – Technology Know How

PART 3 OF 4

1. Which of the following **technology or solution** is adopted by your company currently? (please check where applicable)

Production*
- ☐ Enterprise Resource Planning (ERP)
- ☐ Supply Chain Management (SCM)
- ☐ Manufacturing Execution Systems (MES)
- ☐ Supervisory Control and Data Acquisition (SCADA)
- ☐ Programmable Logic Controller (PLC)
- ☐ Distributed Control System (DCS)
- ☐ Computerized Numerical Control (CNC)
- ☐ Computer-Aided Manufacturing (CAM)
- ☐ Automation (robotics, conveyor belts, lifts, automated-guided vehicles (AGV), etc.)
- ☐ Quality Control (scanners, vision inspection, CCTV, etc.)
- ☐ Additive Manufacturing (3D Printing, rapid prototyping, etc)
- ☐ None
- ☐ Others (please specify) :

Inventory*
- ☐ Inventory Management
- ☐ Warehouse Management
- ☐ Automated Material Handling
- ☐ Barcode
- ☐ RFID
- ☐ None
- ☐ Others (please specify) :

Digital*
- ☐ Internet-of-Thing (IoT)
- ☐ Big Data Analytic
- ☐ Artificial Intelligence
- ☐ None
- ☐ Others (please specify) :

Part 4 of 4 – Term of Agreement

PART 4 OF 4

1. Would you like to register for the Industry*4WRD* Readiness Assessment (RA)? *
- ○ Yes
- ○ No

2. There are two types of incentives available for companies to undertake Industry*4WRD* RA:

i. Government-funded Industry*4WRD* RA (only available for SMEs); and
ii. Tax deduction on expenditure of Industry*4WRD* RA fees of up to RM27,000.

Would you like to apply for the Government-funded Industry*4WRD* Readiness Assessment? *
- ○ Yes
- ○ No
- ○ Not applicable

I certify that the information contained in this application is correct to the best of my knowledge. I understand any falsification may render this application void and will be cause for rejection, whenever discovered.*
- ○ Yes

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Readiness Assessment – Submission Ticket

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Industry*4WRD* Readiness Assessment for Manufacturers

Submission Ticket : #9221-90

Your application has been received. Thank you.

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Jalan Sultan Haji Ahmad Shah,
50480 Kuala Lumpur, Malaysia. | Location
Tel : 603-8000 8000 | Fax : 03-6206 4693 |

On-site Assessment

01 Opening Meeting

02 Plant Walk-about

03 Interview Session & Documents Sighting

04 Draft Assessment Report

05 Preliminary Findings Presentation

06 End of On-site Assessment

Assessment bands for Shift Factor : Technology

Shop floor intelligence dimension

BAND

0

None

Shop floor assets are **not on any electronic or digital system**

1

Computerised

Shop floor assets apply **pre-programmed logic to perform tasks** on its equipment, m achinery and computer-based system

2

Diagnostics

Shop floor assets are **connected with network sensors and devices** which allows the **i ntegrated system to identify and notify critical problem** and inform **possible causes**

3

Predictive

Shop floor assets can **predict** and notify critical problem and inform possible cause s

4

Adaptive

Shop floor assets can predict, notify critical problem, and **independently execute decisi on** to optimise performance and resource efficiency. Assets are able to undertake correct ive measures

Assessment bands for Shift Factor : Process

Production management dimension

BAND

Unstructured

0

Production processes are done **manually**. No dedicated machine or equipment to run production process. **No operation management system** in place.

Dedicated but unstructured

1

Dedicated machine or equipment are allocated to run production process, but manuf acturing/quality parameters are unstructured.

Dedicated

2

Dedicated machine or equipment are allocated to run production process and manufac turing/**quality** parameters are **controlled.**

Reconfigurable

3

Dedicated manufacturing cells with predetermined **reconfigurable** machines or equipment are allocated to run continuous production process.

Flexible

4

Manufacturing cells are capable of utilising any predetermined machine or equipment f or the purpose of continuous production. **Flexible** manufacturing systems **are highly a utomated.** Machines are **fully integrated** at the shop floor and at enterprise level. Thi s management systems have **analytical and adaptive** capabilities.

Assessment bands for Shift Factor : People

Leadership dimension

BAND

Unfamiliar

0

Management **is unfamiliar with the concept** of the Fourth Industrial Revolution and/or Industry 4.0 product requirements, and/or technology trends. (Traditional leaders)

Reactive

1

Management is **aware** of the changes brought by the Fourth Industrial Revolution and/or Industry 4.0 but adopts a **wait and see** approach of peers before responding or depend on external parties before developing initiatives.

Beginner

2

Management have **strategic perspective and critical analysis** of opportunities and threats posed by the Fourth Industrial Revolution and/or Industry 4.0. Have plans to be early adopters. (Fast follower)

Strategist

3

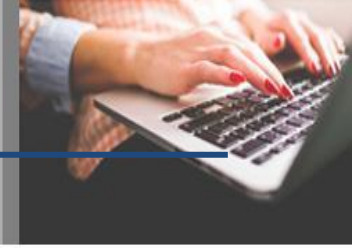
Management **understands application of latest technology and trends**. Management has a sustainable **plan** for **early adoption** which is efficiently organised and resources coordinated to ensure a successful implementation. (Pace setter)

Flexible

4

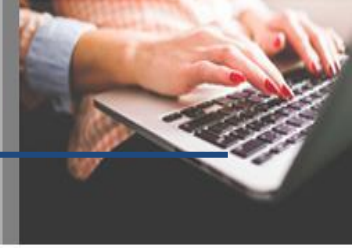
Management can **independently adapt and apply its organisational transformation framework** based on changing needs and technology trends, with a clear vision for Industry 4.0. Sustainable implementation plan is continuously reviewed and monitored. Management is actively engaged with each personnel group.

Scoring and Readiness Profile



SCORE	READINESS PROFILE	GENERAL DESCRIPTION
0% - 20%	Conventional	Operation remains “as is” with no intention or initiative into In dustry 4.0 adoption
21 % - 40 %	Newcomer	Has interest to pursue Industry 4.0 but with none or very min imal efforts or initiatives
41 % - 60 %	Learner	Has interest to pursue pilot line Industry 4.0 adoption in operati on, with existence of planning and strategies, efforts or simple and patches of initiatives being implemented. Ready for some system adoption
61 % - 90 %	Experienced	Has pursued small to medium scale Industry 4.0 adoption initi atives in operation, horizontal integration and ready for large scale system adoption
91 % - 100 %	Leader	Has implemented large scale Industry 4.0 adoption initiatives (company-wide) and system integration

Report Structure



I

Company Profile

Company information including name of organization, product & services, production capacity, contact person

II

Assessment Findings & Opportunity for Improvement

Point scored for 21 dimensions, strengths and opportuni ty for improvement

III

Classification of Organization based on its Readiness Level

Overall score and readiness profile

IV

Assessment Summary

Highlight of pain points in relation to Industry 4.0

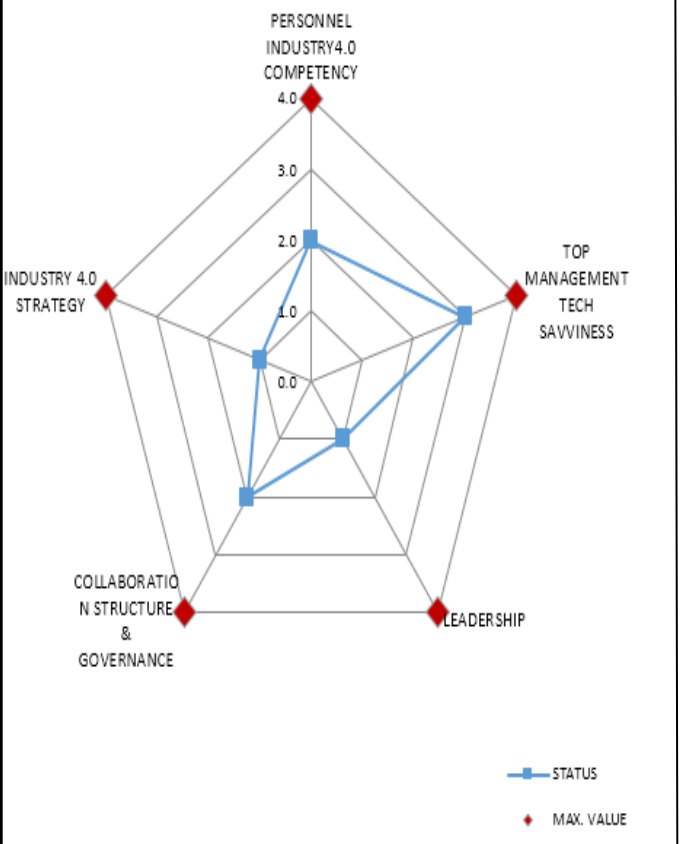
V

Proposed Action Plan

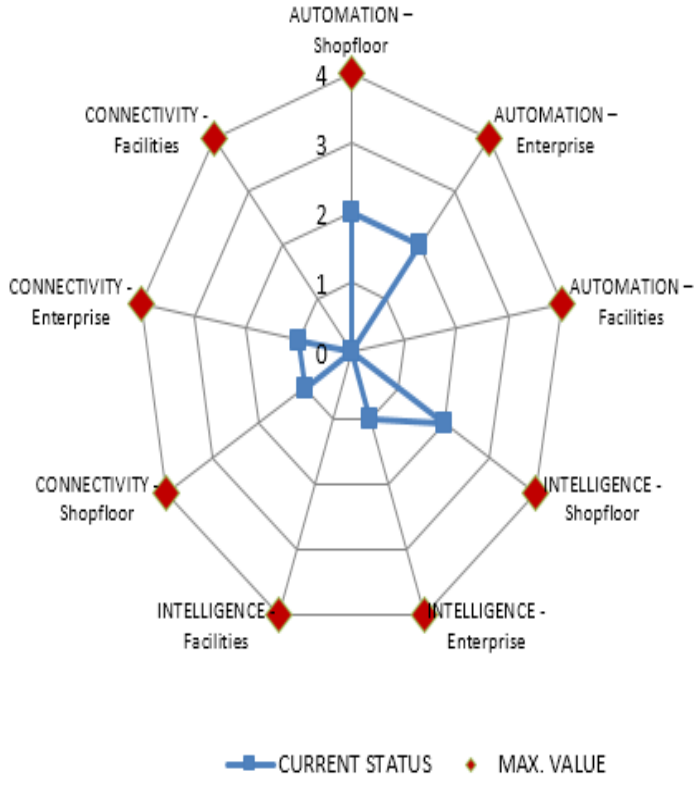
List of possible action plan to address the pain points

Snapshot of Shift Factor Scoring

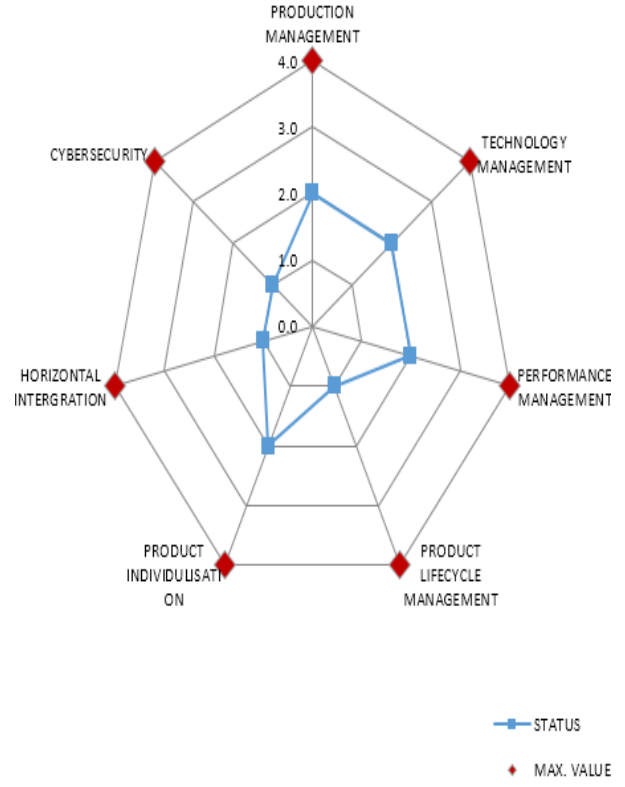
People (20%)



Technology (50%)

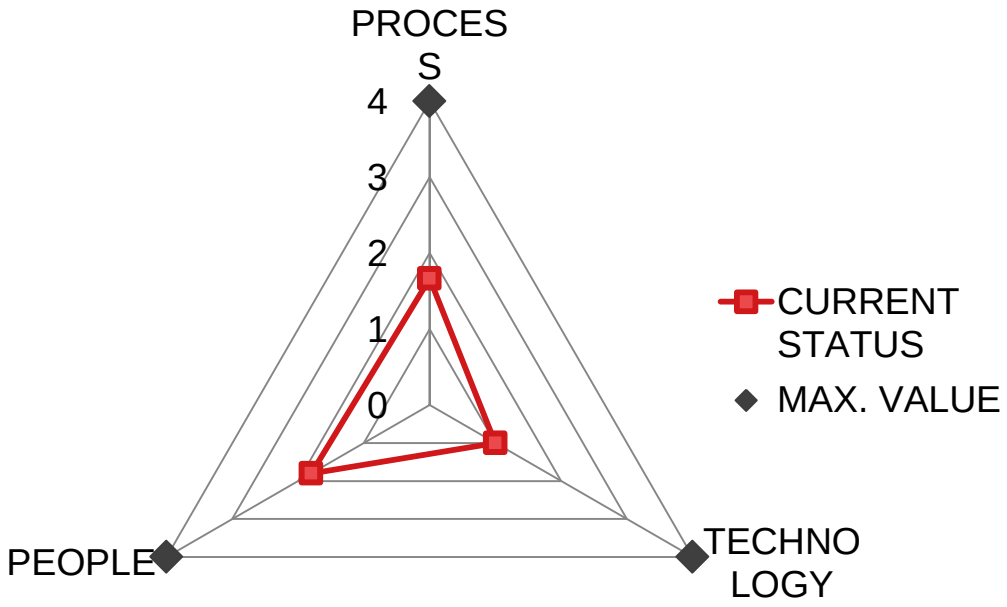


Process (30%)



Report Summary

Company scored overall 34%



Readiness Profile	Points
Conventional	0 %-20 %
Newcomers	21 %-40 %
Learners	41 %-60 %
Experienced	61 %-90 %
Leaders	91 %-100 %

Assessment Summary:

- Overall the company has experience in terms of strategy and technology moving towards Industry 4.0 but currently their focus is on 3 major areas of improvement; product quality, production bottleneck and marketing & branding.
- Currently, some of the machines are Industry 4.0 ready but not fully exploited, due to their priority areas as mentioned. In terms of strategy, they have technology and business roadmaps which states their vision towards becoming an IPO company in 2022.

Snapshot Proposed Action Plan

	0 – 6 Months	6 – 12 Months	> 12 Months
PROCESS	Digitisation of operation process		
TECHNOLOGY	Real time facility monitoring system		
		Product identification and tracking system	
PEOPLE	Knowledge Sharing & Training		

CONTACT US:

MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

ADVANCED TECHNOLOGY AND RESEARCH & DEVELOPMENT DIVISION

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