

**SPEECH FOR YB DR. ONG KIAN MING
DEPUTY MINISTER
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY
SELANGOR INVESTMENT SEMINAR 2019
22 AUGUST 2019, 12.40PM, SELANGOR 2, BALLROOM,
DORSETT GRAND SUBANG HOTEL, SELANGOR**

Salutations

YB Dato' Teng Chang Khim

Senior Executive Councillor for Investment Industry & Commerce and SME & Transportation
State Government of Selangor

Mr Arham Abdul Rahman

Deputy Chief Executive Officer
Malaysian Investment Development Authority (MIDA)

YBhg. Dato' Hasan Azhari

Chief Executive Officer
Invest Selangor Berhad

Distinguished Guests,

Ladies and Gentlemen,

1. Good afternoon. I am pleased to join you at the Selangor Investment Seminar 2019. It is encouraging to see such significant representation from the business community this afternoon.
2. Selangor is close to my heart, as I grew up in this state. As Member of Parliament for Bangi, which is still – at nearly 180,000 voters – the largest constituency in Malaysia, I take a keen interest in how we are developing the state and bringing in better opportunities for people here.

Ladies and Gentlemen,

Why are we here for this Seminar?

3. As regional and global competition intensifies, we need to ensure that our local industry players are consistently at the top of the game.

4. The Government, through MITI and its agencies, has been undertaking various outreach efforts to enhance the capacity building of the local industry players. However, there is still a lack of awareness, especially on the assistance options that are available to the companies.
5. Hence, today's Seminar serves as an excellent platform for participants to gain first-hand information on the Government's latest policies and facilities.
6. For example, getting funding for your business may be one of the major challenges that you are facing. For capital investments and automation, you could consider the Domestic Investment Strategic Fund, DISF, by MIDA; or the Automation and Modernisation Soft Loan Scheme by MIDF.
7. I hope that you have gained valuable insights from the sharing session held earlier on automation technology, talent development, funding assistance and market access, all of which are pertinent in developing your business competencies.

Ladies and Gentlemen,

What makes Selangor an attractive business destination?

8. Selangor has consistently been ranked among the top investment destinations in the country over the last five decades. As at 2018, MIDA has cumulatively approved a total of 9,022 manufacturing projects with investments worth RM216.9 billion for Selangor. These projects have created 798,473 job opportunities mainly in electrical and electronics products, transport equipment, basic metal products and chemical & chemical products.
9. Approved domestic investments in the manufacturing sector totalled RM113.0 billion, accounting for 52.1 per cent of total investments approved for the State, while foreign investments comprise the remaining 47.9 per cent or RM 103.9 billion.

10. In the first half of this year, Selangor recorded RM5.9 billion of total approved investment in the manufacturing sector, 90.3% higher compared with RM3.1 billion, approved in the same period last year. Of this, RM3.8 billion were from foreign investments, representing 64 per cent of Selangor's total approved investments in the manufacturing sector for the period of January to June 2019.
11. Continued interest by investors had enabled Selangor to register a remarkable level of reinvestments by local and foreign companies. As at June 2019, 3,381 or 36.9% of Selangor's manufacturing projects approved were in expansion or diversification activities.
12. A combination of an effective policy framework, a well-developed infrastructure and the provision of education and skills training were among the key instruments that provide a conducive framework to attract investments into the State.
13. As we all know, Selangor houses the country's largest and most sophisticated airport, seaport, highways and other modern facilities. The State is also home to a labour force of 3.4 million employed in various fields, which is the largest workforce in the country.
14. The presence of Multinational Corporations (MNCs) has also stimulated the development of local industries. Major foreign and Large Local Corporations (LLCs) currently operating in Selangor include Spirit AeroSystems, Nestle, IKEA, Panasonic, Q-Cells, KL-Kepong Oleomas, Nippon Electric Glass, Perodua Global Manufacturing, Proton, Top Glove and Hartalega. With the established supply chain and ecosystem that have been created over the years, Selangor continues to be an attractive investment destination in the country.

Ladies and Gentlemen,

How should businesses deal with technological changes?

15. I understand that most companies, especially SMEs, are cautious in adopting new technologies as it requires additional investment. However, with the rapid pace of technological changes happening

around us, local businesses have to act now or risk being left behind. To stay relevant, companies should be investing in three areas.

16. The first response is to start making steps towards automation. Automation will help companies to address most pressing issues concerning businesses, including productivity, labour cost, product quality, traceability and safety. With the launch of Industry4WRD, the National Policy on Industry4.0 in October last year, we intend to use the Readiness Assessment which companies can sign up to, to help SMEs adopt smart manufacturing in a systematic and comprehensive manner.
17. I have also been participating in many roadshows organised by MITI and agencies to increase the adoption of smart manufacturing practices among industrial players in Malaysia. It is crucial for us to share all the benefits and information to the business community. We look forward to more companies coming forward to carry out the Readiness Assessment and to avail themselves of other fiscal incentives for automation offered by the Government.
18. The second crucial factor is to focus on skilled talent and upskilling. This is indeed a critical enabler to drive and sustain Malaysia's economic growth. The availability of a skilled workforce will support the transition of all economic sectors towards knowledge-intensive activities.
19. Every year, the number of manufacturing projects approved by MIDA continues to increase, and with it, the demand for skilled workers and professionals. Therefore, industry-led training for the development of local skilled-workforce and industry-academia cooperation is required to ensure that the offerings are in line with the industry demand.
20. The Apprenticeship Programme, a collaborative effort by MIDA, Ministry of Education (MOE), Skills Development Department, Ministry of Human Resource (MOHR) and the Federation of Malaysian Manufacturers (FMM) is an example in this direction that seeks to produce more certified skilled workers for the manufacturing sector. We look forward to more participation from local companies in this effort. Feel free to step up to connect with me and also MIDA officers if you feel you have something to contribute towards a skills development program.

21. The third response is Innovation. Innovation is the game-changer that will enable businesses to deliver for decades to come. A company that builds a culture of innovation will become more efficient, competitive and sustainable. Local companies are very much encouraged to intensify innovation through research and development (R&D) activities, to exploit new opportunities and bring local creative outputs to the market.

Ladies and Gentlemen,

22. MITI and agencies remain committed in its effort to strengthen and enhance the country's investment climate. I am confident that continuous engagements such as today's event will boost the industrial development in Malaysia, particularly in Selangor. Here's to seeing more opportunities and partnerships formed today, and a bright future for industry in Selangor.

On that note, thank you and have a good day ahead.