

### PRESENTATION SESSION #2

ΜΙλ

Facilities/Incentives to be covered:

### High Value Added & Complex Product Development Programme (HVA)

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### **Overview**

## ΜΙΝΛ

Malaysia appears to have prematurely de-industrialised since the early 2000s, mainly due to the increased global competition and the slow progress in moving up the value chain...

Manufacturing value-added and employment have grown in aggregate terms



Malaysia's exports have grown in all categories, except for highskill products...

Medium-skill global innovators

High-skill global innovators

Source: World Bank staff calculations based on Comtrade data

2006

20

2002

Malaysia's manufactured exports by category, US\$ billion





#### Challenges

Unsustainable manufacturing growth due to high dependency on foreign inputs

Lack of coordination and monitoring of manufacturing ecosystem development

Lack of effective technology and innovation adoption and development mechanism



### **Overview**

## MIDA

Changes in the nature of work and automatization of global work process will require high skilled talent in the manufacturing sector



<u>Malaysian firms are less likely to</u> invest in upskilling and innovation

Share of firms that invest in training, R&D and product innovation, Percentage



#### Manufacturing Sector is at risk of major automation

Distribution of the Malaysian workforce by risk of automation, Percentage







### Development of High Value Added Products – A National MIDA Agenda

11<sup>th</sup> Malaysia Plan focused on nurturing new growth area and scaling up catalytic subsectors. This scope includes Electrical & Electronics, Machinery & Equipment and Chemical & Petrochemical industries. It is non-exhaustive to other industries. The scope is then further extended under the 12<sup>th</sup> Malaysia Plan

ring	k	To build a <b>future-</b>		To enhance <b>global</b>		To prepare for <b>emerging</b>	
	Objectives	<b>proof</b> industry		footprints		industries	
RMK-12 Manufactu Sector Framewo	Strategic Thrust	<ul> <li>Produce High value- added &amp; complex products</li> <li>Product development in targeted value chain</li> <li>Catalytic sector Industrial Roadmaps</li> </ul>	Accelerate Industry-led Innovation	Increase Global Presence	Balanced & Inclusive participation	Improve Productivity via Technology	Strengthen Network Enablers

<u>High Value Added and Complex Product Development Programme</u> aims to improve the capabilities and competencies of manufacturing sector in developing high value-added and complex products



## **HVA Components**

High Value-added & Complex Product Development Programme (PDP)

To enable the development of high value-added and complex product

Description

**Objective** 

The programme is a form of financial support to enable the development of high value-added and complex product

Activities

- Awareness programme, industry intelligence, research, competency development, technology acquisition, accreditation, certification and testing of high value-added & complex product with industry through recognised:-
  - ✓ Research Institutions (RI)
  - ✓ Institute of higher learnings/Research Universities (IHLs/RU)
  - ✓ Industry (via JV with RI/IHL/RU)

Support type

- Grant
  - Matching Grant

#### Market Development Programme (MDP)

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To bridge the gap for industry to produce high valueadded and complex product

The programme is a form of financial support to scale up and enable the industry to produce high value-added and complex product

- Productivity improvement, capacity building, licensing, standards & certification compliance and promotional activities not exceeding RM950,000 per company paid direct to recognised:-
  - ✓ Service providers approved by MITI
  - ✓ Institutions approved by MITI
- Infrastructure upgrade or purchase of equipment are via soft loan to companies
- Grant

2

Matching Grant

Soft Loan (purchase of equipment)



### Outcome



To improve manufacturing industry capabilities to produce high value-added and complex products via research, talent development, standards development and technology acquisition.



- Create an efficient and competent supply chain
- Increase value-added to manufacturing industry
- Create reliable support system for vendor-supply chain development



## **Eligible Sub-Sectors**





Electrical & Electronic Industry/ ICT Industry



Machinery & Equipment Industry

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Transport Industry



Chemicals & Petrochemical Industry



Pharmaceutical Industry

Oil Palm-Based



Medical Devices Industry



**Rubber Product** Industry



Food Processing



Wood based Industry

Industry



Remanufacturing





## Application Form (1/2)

#### Product Development Program Application Form

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RMK-11: HIGH VALUE ADDED AND COMPLEX PROGRAMME						
PRODUCT DEVELOPMENT PROGRAMME (PDP) YEAR:						
DOCUMENTS/INFORMATION FOR SUBMISSION						
Please send us the following documents:						
1. List of Industry Taker(s)						
2. List of Potential Partner(s)						
3. Quotation/ Pro forma Invoice/ Invoice/ Purchase Contract/ Catalogue for Items to be financed						
APPLICANT DETAILS						
a. Name of RI (Research Institution)						
b. Person in-charge						
c. NHC No.						
d. Designation						
e. Registered Address						
f. Tel. No.						
g. H/P No.						
h. Fax No.						

Title	
TILLE .	
Project Description	
Type of Financing	Grant/ Matching Grant/ Soft Lean
Total Cost of Programme in	RM
2018	(Ringgit Malaysia
Expected Output on these following aspects: (Please elaborate)	a. Industry b. Development of New Technology
	c. Impact Towards Mass Community



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	FUNDING	PROVISIONS				
<b>—</b>	FUNDING PROVISIONS					
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### Forms can be downloaded from:

### https://www.miti.gov.my/index. php/pages/view/4761



## Application Form (2/2)

### Market Development Program Application Form



MARKET DEVELOPMENT PROCRAMME (PDP)

A. Company Name: B. Product Name:

C. Description:

#### Receipend up the following document

List of Industry Taker(s)

List of Potential Pariner(a

Duciation/ Pro-forme Invoice/ Invoice/ Purchase Contract/ Catalogue for Items to be Ananced



constitution/Certification/Product Institute							
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Remarks

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https://www.miti.gov.my/index.php /pages/view/4761



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kindly submit the form and supporting documents to allow it Threakinghuppeums



## Success Story (1/2)

Development of Fuel Cell with **Onboard Hydrogen Generation** by Pulsar UAV Sdn. Bhd.





Completed product (UAV powered by fuel cell with onboard hydrogen generation test run



Product integration with GPS-guided automated fertilizer dispenser backpack for IoT agriculture application

Development of Linen Management Solution by MDT Innovations

Soiled Linen Process



Clean Linen Process









PERALATAN Steady - state solar simulator antara alat ujian yang disediakan di fasiliti pengujian modul Fotovoltan SIRIM QAS International di Seksven 16. Shah

### SIRIM QAS International lancar fasiliti pengujian

KUALA LUMPUR 23 Nov. - SIRIM namun kini boleh melakukan uji-QAS International, anak syarikat an di Malaysia dengan kos lebih



# Success Story (2/2)

#### Development of Battery Monitoring System by Eclimo

Application Interface for Battery Monitoring System Eclimo Electric Scooter







NanoMalaysia Smart Home at NICE 2017 Expo Demonstrator set of Economy class aircraft seating using high tech materials to reduce weight of product







**Contact Details: HVA Secretariat Industrial Development Division, MITI** Email : allrmk11hva@miti.gov.my For more information, kindly visit https://www.miti.gov.my/index.php/pages/view/4 761

