



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

SPEECH BY

**YB SENATOR TENGKU DATUK SERI UTAMA ZAFRUL
TENGKU ABDUL AZIZ**

FOR

**ANUGERAH VENDOR TERBAIK
PERSATUAN PEMBEKAL PERODUA**

VENUE : MANDARIN ORIENTAL

TARIKH : 8 JANUARY 2024 (MONDAY)

TIME: 8.00 PM

Assalamualaikum and good evening

Yang Berbahagia Tan Sri Asmat Kamaludin
Perodua Chairman

Yang Berbahagia Dato' Hairil Yahri
MITI Secretary General

Yang Berbahagia Dato' Sri Zainal Abidin Ahmad
Perodua President and Chief Executive Officer

Yang Berbahagia Datuk Ahmad Suhaimi Hashim
Advisor, Perodua Suppliers Association (P2SA) & Vice President,
Perodua Auto Corporation Sdn. Bhd.

Yang Berusaha Tuan Haji Musa Zahidin Tan Sri Ahmad Zaidee
Deputy President, P2SA

Yang Berbahagia Datuk Noraini Soltan
Vice President, P2SA
P2SA Members

Senior Management of Perodua

Ladies and gentlemen

1. Thank you for inviting me and for the warm welcome. Allow me to wish everyone here a happy 2024. It is a pleasure to start the new year by

engaging with one of the biggest manufacturing associations in the country as well as the top management from PERODUA. On behalf of MITI, I wish to thank everyone for working closely with us, and other related Ministries for making the year 2023 achieved the total vehicle production and sales beyond the target.

2. As mentioned by Tan Sri Asmat in his speech, PERODUA has broken its sales records continuously in the previous years, and this gave the local automotive vendors a boost in terms of economies of scale. Congratulations to PERODUA for its success.
3. The automotive industry is important to us. It is a strategic part of the country's manufacturing sector, of which its ecosystem contributed 4% to our country's GDP, and Malaysia continues to be the third largest automotive market in ASEAN. In line with National Automotive Policy 2020, the Government aims to grow the industry to achieve a Total Industry Volume (TIV) of 1.22 million units, RM28.3 billion exports of automotive parts and components, as well as 323,000 job opportunities by the year 2030.
4. Anyhow, with the limited vehicle markets in the country and the availability of sources to import parts and components globally, the competition among the local vendors is becoming intense. Therefore, our local vendors especially under PERODUA need to invest some of your profits in R&D, provide new and right skills training for your employees, and invest in automation and digitalisation. These measures will among others help our vendors to remain competitive and productive. There is an opportunity for

our vendors to move up their capability to a higher level and participate in the global supply chain, and not focus only on the domestic market. Under NAP2020, the Government aims to groom 360 globally competitive suppliers. So, are you ready to be one of them?

5. The current global trend is now emphasising on “green agenda” be it at global and regional levels. With the transition from Internal Combustion Engine (ICE) Vehicles to Electric Vehicles (EVs), some of your current business models might be affected. As we know the total parts/components for a car have been drastically reduced for EVs. It means some of the components such as the engine are no longer required for EVs. But at the same time, the electronic components are increasing for an EV. If we look at it positively, there are new opportunities and playing fields.
6. Moving forward, I hope both PERODUA and P2SA will continue to carry out high-value-added activities. This move will attract highly skilled and knowledgeable workers into Malaysia, including attracting our people back from other countries besides growing your respective brands abroad.
7. Looking at other advanced economies, especially those with less natural resources such as Singapore, it is obvious that talents are the treasure of the country. To ensure our workers are competitive globally, the Government provides courses and training for the industry which should be maximised to upgrade your workers.

8. As you are aware, the Government has launched the New Industrial Master Plan 2030 on 1 September 2023 and one of the mission projects is to develop EV locally, whereby PERODUA has been appointed to be the champion of the project. Therefore, I hope that P2SA and its members can continue to play a proactive role in achieving this objective. There are at least two government facilities under MITI that our local vendors can take advantage this year to support the EV ecosystem. One of them is the Sustainable Mobility Biz Financing (SMBF) under MIDF, and the other one is EV Training under MARii. These facilities are offered to help our local vendors change or transform their businesses to cater to the potential demand for EVs in the future.
9. MITI are open to hearing from your ideas or proposals to increase the country's competitiveness in the years to come as well as to achieve our common goal of being a fully developed country. To move from a middle-income economy to an advanced economy means all of us still have a lot of work to do including encouraging more value-added activities in the country. Let us work hand in hand to make it happen.
10. May 2024 prove to be another successful year for all of us.

Thank you.