



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

ADDRESS BY

**YB SENATOR TENGKU DATUK SERI UTAMA ZAFRUL
BIN TENGKU ABDUL AZIZ
MINISTER OF INVESTMENT, TRADE AND INDUSTRY (MITI)**

FOR

**MIDA INVEST SERIES: SARAWAK
UNFOLDING ITS BUSINESS POTENTIAL**

**17 JULY 2024 | 3.00 – 5.00 pm
MIDA PERDANA HALL, LEVEL 10**

The Right Honourable Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg,
Premier of Sarawak

The Honourable Datuk Amar Haji Awang Tengah Ali Hasan
Deputy Premier/ Second Minister Natural Resources and Urban Development/ Minister for International Trade, Industry and Investment Sarawak

The Honourable Datuk Dr. Malcolm Mussen Lamoh
Deputy Minister for International Trade, Industry and Investment, Sarawak

The Honourable Datuk Dr. Hazland bin Abang Hipni
Deputy Minister of Ministry of Energy and Environmental Sustainability Sarawak

YBhg. Datuk Bahria Mohd. Tamil,
Deputy Secretary General, MITI

YBhg. Tan Sri Dato' Seri Dr. Sulaiman Mahbob
Chairman of MIDA

YBrs. Tuan Sikh Shamsul Ibrahim Sikh Abdul Majid

Chief Executive Officer of MIDA

Your Excellencies Ambassadors and High Commissioners

Members of the media, Distinguished Guests, Ladies and Gentlemen.

1. Terima kasih, **Premier Sarawak, Yang Amat Berhormat Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg**, kerana sudi hadir memeriahkan majlis MIDA Invest Series ini.
2. I would also like to express my sincere appreciation to all related Ministers, ministries and agencies of the Sarawak Government, as well as MIDA, for their collaboration in making this seminar a success.
3. Today's seminar is all about Sarawak's cutting-edge advancements and innovative thinking to showcase investment opportunities in this state.

MADANI FRAMEWORK TOWARDS ECONOMIC EXCELLENCE

4. Since there are many representatives of foreign chambers and multinationals in the audience, let me first briefly touch on **Malaysia and the bigger picture**. Over the past 50 years, **Malaysia has developed a competitive manufacturing, trade, and supply chain ecosystem**, while also improving the ease of doing business. Although we did well on many counts, there were **key structural issues in our economy that were not addressed for far too long**.
5. This is why the **MADANI Economy Framework** was introduced – and I believe all of you have seen the **slew of reforms that have been implemented** in the past year or so – **from industrial and environmental to political and fiscal**. Malaysia is embarking on a bold journey towards inclusive development and prosperity, driven by a **commitment to socio-economic transformation**.
6. Our MADANI Economy Framework sets **seven (7) key performance indicators**, including placing Malaysia in the **top 30 of the world's largest economies by 2033**.

7. In terms of macro numbers, our **GDP grew 4.2% in the first quarter of 2024**, paving the way for achieving our 4.0 – 5.0% GDP forecast for the year. Our **unemployment rate has fallen to 3.3%** and **inflation remains manageable at 1.7%**. Malaysia's **trade surplus** has expanded, emphasising our strong export sector.¹ Key sectors such as technology and tourism looks set to chart a healthy growth.
8. On the **investment, industrial and export front**, I can assure you that **this government, MITI** in particular, is serious about **building on our natural strengths into key growth levers** for our economy, while also **building new capabilities and capacity**. I believe many of you are aware of the **New Industrial Master Plan (NIMP) 2030** – our overarching policy on increasing Malaysia's economic complexity, revitalising our investment landscape, as well as attracting high-tech, high quality and green investments into the country.
9. To achieve this vision, MITI and MIDA remain steadfast in our efforts to attract quality and sustainable investments in industrial, economic and infrastructure improvements,

¹Source: https://www.bnm.gov.my/documents/20124/14443389/infog1_en.png

leveraging advanced and innovative technologies to drive growth and progress.

10. It has been **almost a year since the NIMP was launched**, and I am pleased to share a few key achievements, including:
 - a. Approved **investments valued at RM329.5 billion²** for 2023, creating almost **130,000 jobs**; and
 - b. Approved **investments of RM83.7 billion** for Q1 2024, up 13% YoY. Out of this, **more than 56% was approved foreign investment**. The total investments approved will create **29,000 new jobs** (a 14.6% increase YoY) for Malaysians.
11. **Sarawak has been a key part of that growth story, attracting RM4.2 billion in approved investments for Q1 2024**, ranking it at **fourth place** in terms of value of investment flow.
12. Thus far, we have seen many **E&E and chemicals** companies establishing their **footprint in Sarawak**, including:

² Foreign and domestic

- a. **OCI**, a global green energy and chemical company (specialising in basic chemicals and renewable energy solutions);
 - b. **X Fab**, a leading analog/mixed-signal and specialty foundry group manufacturing silicon wafers for semiconductor devices,
 - c. **Melexis**, a global supplier of micro-electronic semiconductor solutions, and
 - d. **Taiyo Yuden**, renowned for its electronic components.
13. Together with many other domestic and foreign investors, these investments have **created valuable spillover opportunities for SMEs and our fellow citizens in Sarawak**, proudly contributing to the vibrant economic development of the state, and the nation.
14. **Such achievements reflect the forward-thinking vision of none other than the Premier himself**, who has guided Sarawak through global trends and challenges since 2017. This has ensured that the state not only keeps pace with developments, but also leads in a few sectors.

MITI'S FOCUS ON GREEN INVESTMENTS & SUSTAINABILITY

Ladies and Gentlemen,

15. In the past year and a half, MITI and MIDA have been very **focused and consistent on the types of investments we would like to attract**. The key sectors are clearly laid out in our New Investment Policy and NIMP, including **aerospace, chemical/ petrochemical, digital economy, E&E and pharmaceuticals**.
16. But **climate change is a key global phenomenon that is forcing many countries to take sustainability seriously**. **Malaysia, too, is focused on decarbonising its economy and industries**, guided by not just the **NIMP**, but also the **National Energy Transition Roadmap (NETR)**. Addressing the green funding and investment gap is crucial for us to achieve our net-zero target and other industrial sustainability goals by 2030.

17. On that score, I am happy to share that the most recent National Investment Council – chaired by the PM just two days ago - had approved the **Green Investment Strategy (GIS)** to **attract green investments** to Malaysia and **catalyse sustainable socio-economic development**.
18. The implementation of the GIS will be led by YAB Dato' Sri Haji Fadillah Bin Haji Yusof, Deputy Prime Minister of Malaysia, also the Minister of Energy Transition and Water Transformation, while **MITI is the main implementing Ministry for this**.
19. The GIS focuses on **seven (7) low-carbon thrusts under the NETR and NIMP**, namely **Energy Efficiency, Renewable Energy, Hydrogen, Bioenergy, Green Mobility** (Land, Marine, Aviation), **Carbon Capture, Utilisation and Storage (CCUS)** and **Circular Economy**.
20. The **GIS** aims to **effect Malaysia's energy transition and attract green investment in a more systematic way**. Our aim is **to attract roughly eight times the current value of green investments into Malaysia**, guided by those seven thrusts; as well as **leveraging FDI in green technology and improving the green investment ecosystem**.

21. We want to **stimulate socio-economic growth as well as create new jobs and skills development in the green industry.** This will not only **enhance Malaysia's image and attractiveness as a green investment hub,** but also **position Malaysia as a regional leader in the green technology sector.**
22. To that end, **Sarawak's ambitious green energy agenda, which aims to decarbonise its transport system and transition towards a low-carbon economy,** is highly **complementary** to our **national-level strategy** on green investments.
23. Sarawak's effort is clearly gaining momentum, with great examples such as **Bintulu Port** – a major deep-water port in Malaysia's maritime industry – **that is leading the way in ESG.**
24. Sarawak has also clearly **played to its natural strengths** of having **plenty of natural resources and ample land** for **renewable energy** development, positioning itself well to **attracting and driving green investments in manufacturing.** I am sure all of you have heard all about this, and more, from today's sessions.

25. How is MITI taking all this forward? I am happy to share that apart from **close federal-state collaboration**, we have also rolled out several **funding initiatives**, including the **Domestic Investment Accelerator Fund (DIAF)** and the **Foreign Investment Accelerator Fund (FIAF)**. These funds will support high-value economic activities, as well as encourage innovation, automation, digitalisation, and ESG practices among local manufacturers and service providers.

EXECUTION IS KEY

Ladies and Gentlemen,

26. All these make for great stories and headlines. But **MITI's key priority has always been disciplined execution and implementation**. In the past one year and a half, MITI and its agencies have **upped our game on providing exceptional facilitation and support to our partners and stakeholders**.

27. Apart from the investment numbers I shared earlier, I am also happy to share that **between 2021 to March 2024, roughly 80% of manufacturing projects approved have been implemented**.

28. The high implementation rate has been made possible through initiatives such as the **Invest Malaysia Facilitation Centre (IMFC) at MIDA HQ**, with support from key agencies like the **Royal Malaysian Customs, Immigration, and Inland Revenue Board**, to ease the investors' journey in Malaysia.
29. Stakeholder support has also been deployed in several other ways, such as:
- a. **The Domestic Investment Coordination Platform (DICP)** to better serve our local industry players, with the aim of **bridging financial and tech gaps** by matching these companies with the right financial institutions, equity firms, and technology providers.
 - b. **Assisting companies in B2B matching, business funding opportunities, mergers and acquisitions (M&A), divestment, and initial public offerings (IPO).**
 - c. **Establishing dedicated SME Desks in every state, including Sarawak.** This initiative is a comprehensive

One-Stop-Centre, available right here in MIDA or in various MIDA offices across the state.

30. Indeed, MITI has been focusing on **revamping the whole industrial and investment ecosystem**, including **incentives, talent, infrastructure, as well as regulatory, procedural, and institutional mechanisms**.
31. On **ensuring a sufficient pool of skilled STEM and TVET talent for industries**, we have been **consistent in our narratives on prospects in STEM education**.
32. Related to that, I am happy to share that **this year, almost 51% students have enrolled for science, technology, engineering and mathematics (STEM) streams³**, which is an **almost 10% increase compared to 2019 (41.84%)**.
33. All these policies and achievements will **benefit many sectors Malaysia and Sarawak** are trying to attract. And I am confident that as we focus on reindustrialising ourselves premised on **higher-tech, higher quality, sustainable**

³ According to the Education Ministry, in a written Parliamentary answer on 16 July 2024.

investments, this will create a virtuous cycle of attracting more investments, both domestic and foreign.

CLOSING

Ladies and Gentlemen,

- 34. Despite ongoing challenges, including weaker global demand and geopolitical tensions**, based on our strong policies and equally strong execution, I believe all of you could **remain optimistic about Malaysia's, and Sarawak's economic prospects.**
- 35. As supply chains are being re-shored or friend-shored to Southeast Asia**, I invite all of you to **consider Malaysia and Sarawak as your regional service or investment hub for Southeast Asia or Asia.**
- 36. Together, by leveraging our strengths, harnessing our potential, and working collaboratively, we can achieve our vision of a more prosperous, sustainable, and more inclusive nation.** Let's build a brighter future for Malaysia, because *this is where global starts*. Thank you.