



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

**OPENING REMARKS
BY**

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

**FOR
MITI DIALOGUE 2024**

**8.45 - 9.00 AM, 29 JANUARY 2024 (MONDAY)
DEWAN PERDANA, MITI TOWER, KUALA LUMPUR**

YBhg. Dato' Hairil Yahri Yaacob, Secretary General of MITI,

Heads of Government Departments and Agencies,

Presidents of industry associations and business chambers,

YBhg. Tan Sri/ Dato' Seri/ Datuk, distinguished guests, ladies and gentlemen,

Assalamualaikum WBT, Salam Malaysia MADANI and good morning. It is my pleasure to meet all of you today.

1. Welcome to the MITI Dialogue 2024. Today's discussion will help us strategise our action plans to achieve our target outcomes for the year to attract investments, elevate industries and facilitate trade.
2. The world is increasingly polarised, and businesses are burdened by crisis after crisis. Disruption of supply chains, high inflation, high cost of doing business, geopolitical tensions and two major wars: to overcome all these and enhance Malaysia's resilience, all of us MUST have a singular vision, which is now provided by the New Industrial Master Plan 2030 (NIMP2030).

3. MITI is doing its best to implement NIMP as quickly as possible. What does success look like? A vision of future success is a reindustrialised Malaysia, with strong, ESG-compliant industries; solid investments that power up growth while re-creating our middle class; and exports with a higher value add as we enhance our economic complexity, as well as ramp up our productivity as we embrace digital, tech-ing up quickly and optimally.

TRADE, INDUSTRY AND INVESTMENT PERFORMANCE

2023

Ladies and Gentlemen,

4. I would like to briefly recap what we achieved in 2023: **Firstly, on trade:** Although for the period of January to November 2023 total trade declined by 7.5% year-on-year, this was very much in line with the global decline in trade. Notably, however, Malaysia has maintained a trade surplus for the 43rd consecutive month. **What is most important is how we, since last year, we had begun preparing our industries towards NIMP success so they can ride on global recovery in trade this year.**

5. **Secondly, on investments:** We secured almost RM354 billion (USD76 billion) in committed FDIs. Meanwhile, approved investments for the period of January to September 2023 amounted to RM225 billion (USD48.5 billion). These investments are expected to generate almost 90,000 (89,495) new job opportunities. Notably, we attracted sizable investments in target sectors such as Renewable Energy, digital economy including data centres, higher value semiconductors, and electric mobility. **Our key focus this year is to ensure these approved investments are implemented ASAP.**
6. **Thirdly, on empowering industries.** I am sure many of you know about the NIMP's key targets, premised on our mission-based approach. The NIMP is now MITI's North Star, and I have told all MITIans and our agencies to embrace NIMP as our guiding light. Why? Simply because we know a strong manufacturing industry creates a strong foundation for attracting more investments and increasing our export value. I am pleased to share that **quite a few of NIMP's mission-based projects, such as on producing front-end semiconductors, EVs and Carbon Capture Utilisation & Storage (CCUS) have already begun.**

7. **Fourth, in enhancing the investor's journey, and improving the ease of doing business**, we took a few key steps last year, including setting up the Investment & Trade Action Coordination Committee (ITACC/JTPPP). I myself chair this meeting and together with representatives from other ministries and agencies, we meet regularly to iron out the kinks in getting an industrial or service-based project off the ground.
8. On 1 December 2023, we also set up the **Invest Malaysia Facilitation Centre (IMFC)**, where investors can resolve all their administrative issues under one roof. In enhancing the investor's journey, **we want obstacles and roadblocks to be a thing of the past.**
9. **Fifth**, taking stock of global trends, global investment flows, and sectors' convergence, **we are intensifying efforts to propel specific sectors to new heights.** Electric Vehicles (EVs), Renewable Energy technology, and so many other industries today heavily rely on chips. Hence, our move to establish the **National EV Steering Committee** and the **National Semiconductor Strategic Taskforce.**

10. These represent our strong commitment to be more strategic and systematic in attracting the right investments in the right industries, to help us move up the global value chain and increase our export value.
11. Finally, on Free Trade Agreements (FTAs), in 2023, Malaysia successfully **implemented two preferential trade arrangements** for **OIC** and **D-8**, opening access to new markets in the Middle East and Africa for our exporters. We were also actively engaged in negotiating several FTAs with the UAE, EFTA and Canada under the ambit of ASEAN.
12. I wish to highlight that our teams worked hard on **ensuring enhanced or new markets** for your goods and services. So, please **take advantage** of the benefits under all these FTAs. For example, via the **CPTPP**, at end-December 2023, the number of Certificates of Origin (COs) issued for exports under the CPTPP were more than 5,700, valued at RM 2.12 billion.

2024 OUTLOOK

Ladies and Gentlemen,

13. I am sure all of you have read what 2024 might bring, so I will not go into this. All I want to say is this: in the face of a slower global economic growth¹, China's continued economic sluggishness, as well as both political and geopolitical uncertainties, **we must stay the course and keep our eye firmly on the goals of the NIMP!**
14. Malaysia's growth is projected to be around 4% in 2023. In the bigger scheme of things, this is a reasonably good foundation for 2024.
15. I have told MITI and its agencies to be laser-sharp focus on implementation. Hence, from this year, all MITI agencies will begin by mapping their top three key initiatives to NIMP's missions.
16. We are keeping a vigilant eye on downside risks such as weaker-than-expected external demand, and declines in commodity production.

¹ IMF has forecast below 3% global GDP growth for 2024.

17. However, we also remain optimistic due to the stronger expected E&E-tech upcycle, redesigning of global supply chains, and faster implementation of existing and new investment projects. Domestically, multi-year infrastructure projects and measures under Budget 2024 will also provide additional impetus to our economic activity.
18. To maintain the competitiveness of our exports to the global market, MITI will continue its Trade and Investment Missions (TIM) abroad, aimed at promoting Malaysian products and services to global markets, and encouraging Malaysia as a key destination for FDI.
19. This year, we plan to conduct a total of **15 missions to 19 countries**². In fact, I just returned from **Singapore and Italy**, where we successfully secured a combined total of RM5.6 billion potential investments and RM500 millions of potential exports of Malaysian products and services. I also just returned from **Abu Dhabi**, where MITI and the UAE's Ministry of Investment signed an MOU to strengthen our commitment on investment cooperation in the digital space, particularly on data centres, with potential projects anticipated to achieve a total capacity of 500 megawatts.

² ASEAN countries (Singapore, Philippines, Vietnam and Thailand); East Asia (Japan and Republic of Korea); West Asia (UAE and Saudi Arabia); People's Republic of China; United States of America; Europe (Germany and France); Latin America (Brazil and Chile); Africa (South Africa and Egypt); Australasia (Australia and New Zealand) and India.

20. MITI will also continue to actively participate in various international meetings under the WTO, ASEAN as well as the Asia-Pacific Economic Cooperation (APEC), to ensure that Malaysian exporters' interests and market access are always facilitated.
21. In **2024**, we aim to **conclude** some **on-going FTAs**. We also hope to resume negotiations with **Korea** and the **European Union (EU)**. On **CPTPP**, the **UK's entry** into the CPTPP is happening later this year.
22. But, if you really ask me about what my 2024 will look like, it is premised on two key words: DISCIPLINED EXECUTION.

EMPOWERING MALAYSIA'S INDUSTRIES: BURNING INDUSTRY ISSUES

23. Alright, let's cut to the chase and get straight to the issues raised by all of you. The Secretariat received **60** memorandums with **163 issues**. From the 163 issues, **19 issues** are under MITI's DIRECT purview. We have circulated the remaining, **144 issues** to various Ministries and Agencies for their feedback.

24. I know that for all of you sitting here, key concerns include interest rates, and the value of the Ringgit. But for today, **let's focus on factors that are within our control, particularly on those effecting or dependent on industrial reforms**, including the cost of doing business, better incentives, human capital, access to financing, foreign workers, market access, better taxation policy, energy demand and subsidies. Actually, many of these issues are already aimed to be resolved by various action plans outlined in the NIMP 2030.
25. Since the Secretariat, and my KSU, has delegated the responsibility of moderating two of the sessions today, I don't think it is productive for me to comment on those issues at this stage. Dato' Hairil will moderate the second session, as I have to be at Putrajaya for a meeting with the Prime Minister later, but I will be back in time for the third and final session in the afternoon.

CLOSING

26. Without further ado, let's get this show on the road. I look forward to our fruitful discussion today. Thank you.