



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

SPEECH BY

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**AT THE
LAUNCH OF LAM MANUFACTURING MALAYSIA WAREHOUSE**

**TUESDAY, 7 MAY 2024
LAM RESEARCH, BATU KAWAN, PENANG**

Yang Amat Berhormat Sdr Chow Kon Yeow,
Chief Minister of Penang,

Mr Pat Lord,
Executive Vice President and Chief Operating Officer of Lam Research

Mr Lee Eng Keat,
General Manager of Lam Manufacturing Malaysia

Distinguished guests,

Members of the media,

Thank you for inviting me to the launch of the Lam Manufacturing Malaysia Warehouse. I'm really glad to join you in celebrating this key milestone for Lam Research.

I am on a three-day visit to the semiconductor sector in Penang and Kulim with MITI, MIDA, Khazanah, SIRIM officials, as well as representatives from the World Bank, Asia Development Bank and other think tanks. In fact, the group visited Lam Research yesterday.

Semiconductor is the new oil of the world. From smartphones to electric vehicles to smart cities, semiconductors power nearly every aspect of modern life, serving as the building blocks of advanced technologies and innovations.

As a result of the geopolitical competition between the United States and China, massive investments have come to Malaysia and our ASEAN neighbors over the past several years as part of the reorganisation of the global supply chain.

This is a once-in-a-generation opportunity for Malaysia to see a second economic takeoff. The first one being the boom between 1988 and 1997.

The lesson of the first economic takeoff did not happen incrementally. It happened very quickly, exponentially. Yet once the party was over, Malaysia was stagnant for the next 25 years.

I would like all leaders in the semiconductor industry and in government to have a great sense of urgency, that we have a window of opportunity between 5 to 10 years to

- Make the semiconductor supply chain in Malaysia the most secured and resilience,
- Ensure we have the most dynamic and well-paid workforce, and
- Be massively involved in Research and Development to acquire technologies.

In the simplest terms, we must make Penang and Malaysia stick around for a long time for the industry. We must make Penang and Malaysia sticky for the workforce, especially our skilled employees, and we can be sure of having our second takeoff.

We also need to build a dynamic, secure and resilient supply chain.

The Government recognises the importance of the semiconductor industry and the urgency to reshape the industry. A National Semiconductor Strategy Taskforce chaired by MITI Minister Tengku Zafrul Aziz was formed in February, and last month Prime Minister Datuk Seri Anwar Ibrahim has instructed MITI to formulate a Semiconductor Strategy Plan.

Let me say a few words about Lam Research:

- 1) Given the importance of attracting investment from companies engaged in the design and fabrication of semiconductor devices, Lam Research, a wafer fabrication equipment company, plays a key role in helping to attract front-end semiconductor manufacturers to invest in Malaysia. I believe the equipment provided by Lam is crucial for the development of the front-end activities.
- 2) Lam Research is also an example of making Penang and Malaysia as almost a regional control tower with many of its regional activities being done in Penang. Malaysia is not just a manufacturing hub, we are well-suited to be a location for corporate regional headquarters.
- 3) I am well-informed that Lam Research is one of the best paymasters in Penang which offers possibly the best overall packages to its workers. This is something the company should be very proud of. We must all be very clear, for the semiconductor sector, while the world is competing for talents, Penang and Malaysia have no shortage of talents, the problem is pay is too low, and therefore our people ended up working in Singapore. The role of the government is not to find cheap labour and cheap engineers for industry. It must ensure the industries would get all the help to acquire technology and to be resilient while ensuring the workers have better jobs with better pay.

Again, I would like to congratulate Lam Research and I look forward to many more Lam Research to be present in Penang and Kulim to help make the supply chain more complete and resilient, to make Malaysia their companies' regional headquarter, and to compete to pay workers and engineers better.

The semiconductor industry is to power the future. The time to push for exponential growth is now.

Thank you.