

Let's move away from labour-intensive industries and manufacture more value-added products for the world market

We want to be a developed country. Industry, the manufacturing industry, will help us achieve this ambition. But we need to adopt a different strategy.

When we decided to industrialise, our objective was to give people some income. But we had no knowledge about manufacturing, no capital, no expertise in management and no knowledge of the market. So, we decided on foreign direct investments (FDIs).

It worked, and we can say we have become an industrialised country. Some 80% of our exports now comprise manufactured goods.

But we are still not a developed country. If we look at Japan, South Korea and China, we will notice a difference. They industrialised through the acquisition of technologies and produced their own branded products to compete in the international market. And they succeeded. We now see Sony, Hitachi and Toshiba products from Japan; Hyundai, Kia, Samsung and LG products from South Korea; and Huawei and all kinds of products from China.

We do not have Malaysian branded goods internationally, except gloves, even though we produce sophisticated components for some of the best brands in the world.

It is time for us to change our strategy. We should produce not only for the domestic market but also the global market. We currently dominate the world in the production of rubber gloves. We should be able to identify other products for the world market.

We are blessed with a lot of raw materials. We have rubber and palm oil of course. But we also have tin, silica sand, rare earth elements, bauxite and maybe other minerals. We should identify products that use these raw materials. But if we do, we should aim for the world market. We should be big in the particular product.

There are thousands of products made from rubber. Malaysia should produce all the rubber tyres in the world — airplane tyres, tractor tyres, wheelbarrow and lawn mower tyres, and so on. Like rubber gloves, we should be big in some of these products.

Rare earth elements are much needed for batteries. As we turn to electrification to reduce pollution of CO₂, more and more batteries will be needed. Already motorcars can do 400km per charge. With research, the range will increase. And the millions of cars switching to electric vehicles (EV) will need a huge number of



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batteries that use lithium-ion magnets.

Power plants that use gas depend on many components that we can manufacture. We may not have the raw materials, but we can import them. Already Malaysia can produce solar panels and turbines.

We do not really have a glass industry. The demand for glassware can be met by our abundance of silica sand. We produce sheet glass, but we mainly export silica sand with no added value. There are also industrial uses for glass which we can manufacture.

Our universities should train engineers. Malaysians have a lot of capabilities. Before, we had no knowledge about animation. But now, we produce a number of good animated movies. There is no film involved; everything is electronic now. Apart from entertainment, there is demand for animation in many industries.

Animation makes teaching easier. We can see how the inside of engines work. The parts can be illustrated individually, assembled through animation, sliced through to show how the parts work. We can see how the parts work with animation.

We are already producing composite parts of airplanes. We can do more. Precision engineering can be so precise that the products perform faultlessly.

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South Korea builds cars and lithium-ion batteries for the global market. And it is one of the two biggest producers of microchips in the world.

We are world beaters too. We have been the biggest canned pineapple, tin, rubber and palm oil producers in the world at one time. Now, we are falling behind others in these fields. Yet, we can be very big in manufacturing if we aim at the world market. We have the capacity. There should be a new policy to encourage the manufacturing of products for the global market.

The government should support large locally owned industries so we can be fully industrialised. If we can give tax-free incentives to FDIs, we should be able to do the same for our big industries to supply the world.

Now, we are in the information age. This is a new power that lends itself to the invention of other products, to automation and robotics. Everything that we do today can be enhanced by artificial intelligence.

We don't need labour-intensive manufacturing that is dependent on foreign workers. We need to discourage such industries. We have to replace them with local engineers trained to handle robots and automated machines.

Our oil palm and rubber estates need workers. We should reduce acreage for these estates while depending on other kinds of agriculture. Modern agriculture depends more on technology than on manual workers.

By changing our industries and agriculture to depend less on labour, we will be rid of our foreign workers. It would be painful. Those who depend on foreign workers will scream. The answer is not to increase the quota for foreign workers, but to switch to other industries and automation.

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