

RM500B BOOST FOR SEMICONDUCTOR SECTOR

PM unveils 5 targets including making nation a global R&D hub for the industry

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THE government is targeting RM500 billion in investments for the first phase of the National Semiconductor Strategy (NSS).

Prime Minister Datuk Seri Anwar Ibrahim, in a keynote address at the Semicon Southeast Asia 2024 conference here yesterday, said the investments were among the five targets of NSS, which was launched in April and spearheaded by the Investment, Trade and Industry Ministry.

He said the first phase would involve domestic direct investments focusing on integrated circuit design, advanced packaging and manufacturing equipment, as well as foreign direct investments focusing on wafer fabrication and manufacturing equipment.

"For the second target, we want to establish at least 10 Malaysian companies in design and advanced packaging, with revenues of between RM1 billion and RM4.7 billion, and at least 100 semiconductor-related companies with revenues close to RM1 billion, creating higher wages for Malaysian workers by Phase 2."

Anwar added that other targets will also see Malaysia being developed as a global research and development (R&D) hub for semiconductors that feature world-class universities, corporate R&D facilities and centres of excellence.

The government, he said, will also train and upskill 60,000 high-skilled Malaysian engineers and allocate at least RM25 billion in fiscal support to operationalise NSS with targeted incentives.

He also said NSS will be structured in three phases, where Phase 1 would leverage the industry's existing capacity and capabilities to support the modernisation of outsourced semiconductor assembly and testing.

"The second phase will focus on the cutting-edge logic and memory chips design, fabrica-



Prime Minister Datuk Seri Anwar Ibrahim speaking at the Semicon Southeast Asia 2024 conference in Kuala Lumpur yesterday, PIC BY ASYRAF HAMZAH

tion and testing.

"(And) the third phase is to continue doubling down by supporting the development of world-class Malaysian semiconductor design, advanced packaging and manufacturing equipment firms."

Anwar also said in reaffirming the country's commitment to becoming a global leader in the semiconductor industry, the National Semiconductor Strategic Task Force, with the Collaborative Research in Engineering, Science and Technology, an agency under Investment, Trade and Industry Ministry, would serve as the secretariat that focuses on fostering innovation, enhancing R&D capabilities and driving the commercialisation of semiconductor technologies.

Meanwhile, Anwar, at the Global Forum on Islamic Economics and Finance earlier, said the Retirement Fund Incorporated was set to inject up to RM3 billion into syariah-compliant investments through its vehicle Dana Pemacu.

He said the initiative aimed to bolster high-growth Malaysian enterprises while stimulating the venture investment landscape.

He said it was part of efforts to boost the country's investment ecosystem.

Anwar, who is finance minister, unveiled four other initiatives, including the establishment of Malaysia's first Social Exchange.

The innovative platform, spearheaded by the Securities Commission Malaysia, offers a structured avenue for private capital participation in projects yielding positive social outcomes.

He said the initiative was aimed at benefiting diverse entities, such as non-governmental organ-

isations, social enterprises and state Islamic religious councils.

"I am also pleased to introduce a new dimension to our sukuk issuance under the Malaysian government via the *wakalah 'bil-khadamat'* structure," he said.

"We plan to finalise this sukuk by 2025, as we work to complete all required arrangements and preparations."

The two other measures comprised innovation on sukuk structures, particularly to best meet the needs of climate and energy transition; and, an initiative by the Labuan International Business and Financial Centre to actively raise and invest funds via its Islamic Digital Asset Centre by initiating Islamic asset-backed tokens and an Islamic digital finance sandbox.

He commended the Islamic banking industry for its pledge of RM2.67 billion in secured financing facilities through the Halal Development Corporation's Halal Integrated Platform to support the development of the country's halal industry.

He said Malaysia will spearhead the development of a global programme for Islamic economists.

He said the programme was aimed at cultivating a group of dynamic and highly-skilled economists with knowledge and expertise in Islamic economics to ideate solutions that address contemporary global challenges.

Anwar also said the government had introduced a pilot programme on Greening Halal Businesses aimed at helping halal businesses in Malaysia transition to greener and sustainable practices.