

Malaysia's AI chip leap

Looking to the future:

Anwar posing together with (from left) Chief Secretary to the Government Tan Sri Shamsul Azri Abu Bakar, Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz, Rafizi, Arm chief executive officer Rene Haas, Arm executive vice-president and chief commercial officer Will Abbey and Arm North America sales vice-president CK Tseng at the launch of Malaysia's silicon vision strategic collaboration in semiconductor industry in Kuala Lumpur. — FAIHAN GHANI/The Star



Anwar: Jobs, innovation and growth expected with latest shift

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KUALA LUMPUR: Malaysia is heading for a fundamental shift in semiconductors and technology with a move to produce AI chips locally, says the Prime Minister.

Datuk Seri Anwar Ibrahim described the partnership deal inked yesterday with UK-based Arm Limited as the start of a second semiconductor wave.

"Through a comprehensive partnership with Arm, we have conceived one of the most ambitious technological plans Malaysia has ever seen - to pioneer Made by Malaysia AI chips.

"These chips will be designed, manufactured, tested and assembled here, and sold to the rest of the world," he said in his keynote address at the launching ceremony of strategic collaborations in the semiconductor industry here.

The partnership has three key features, which includes establishing comprehensive training programmes for 10,000 IC design engineers to create a robust talent pipeline for local semiconductor industries.

"All relevant agencies in the public and private sectors, education institutions and universities must focus and start this programme immediately," Anwar said.

Selected Malaysian companies will also have access to Arm's technology and intellectual property (IP) portfolio.

"The partnership will also facilitate the development of locally designed semiconductor products, advancing the nation's goal of producing more advanced chips in Malaysia," he said.

The Prime Minister said Arm will also set up its first Asean office in Kuala Lumpur, with the aim of expanding outreach to the Asean, Australia and New Zealand markets.

Anwar acknowledged the cross-ministerial efforts by the Investment, Trade and Industry Ministry, Malaysian Investment Development Authority (Mida), and the Finance and Economy ministries for working to make the partnership a reality.

"Together, these ministries have worked diligently to secure Malaysia's position as a semiconductor leader.

"I am confident that we will create economic multipliers that are not confined by the beautiful shores of Malaysia," he remarked.

The landmark MOU and contract with Arm seeks to establish an ecosystem-wide partnership on semiconductors.

The projected ecosystem impact of a complete Arm Compute Subsystem lifecycle is approximately RM133bil.

Economic spillovers are expected in innovation, job creation, wage growth, exports and investment.

Earlier, Economy Minister Datuk Seri Rafizi Ramli told Bloomberg Television that the 10-year agreement aimed to push Malaysia beyond its traditional role in chip assembly and testing, enabling local companies to design and develop their own semiconductors to compete in the global market.

Meanwhile, the Prime Minister's Office (PMO) said Anwar would be chairing special state development meetings with key state government leaders and agencies.

Anwar's senior press secretary Tunku Nashrul Abaidah said the

Prime Minister had made it clear that the agenda to eradicate hardcore poverty remains his top priority.

"Since this agenda was announced in Budget 2023, he has mobilised all political secretaries to the states to ensure that efforts and assistance are systematically delivered to hardcore poor groups.

"These efforts include increasing the income of targeted groups, providing job opportunities, improving access to education, healthcare and housing, as well as enhancing the living standards and well-being of impoverished households.

"As of Dec 31 last year, Putrajaya, Negri Sembilan, Melaka and Perlis have successfully achieved zero hardcore poverty, and this success will be extended to the other states," Tunku Nashrul said during the daily PMO briefing yesterday.