

## **MITI formulates framework for EV development**

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**By SHAFIQQUL ALIFF / Pic by TMR FILE PIX**

INTEGRATING environmental, social and governance (ESG) elements into businesses can drive long-term value creation, encourage sustainable business practices, and attract more viable investors.

The International Trade and Industry Ministry (MITI) has formed the National Level Inter-Ministry Electric Vehicle (EV) task force to discuss the strategy and implementation of the development of EV and its whole ecosystem nationwide.

Its minister Datuk Seri Mohamed Azmin Ali said the investment framework, which is premised on ESG, will focus on attracting high economic complexity and technology-intensive industries that would include next-generation mobility.

“The resilience of the automotive industry is closely linked to the continuous and uninterrupted supply of important electrical and electronic parts and components, especially the very important integrated circuits (ICs). In this regard, Malaysia remains a major player in the global semiconductor supply chain.

“Although there was minimal disruption in the global vehicle production due to shortage of ICs, localisation of manufacturing or assembly of EV could benefit the important presence of the semiconductor industry in the country,” he said yesterday.

Mohamed Azmin added that there is still room for greater EV market expansion particularly in the Asean region and towards that end, the region must address the low maturity level of technology, which leads to high costs of production, lack of infrastructure support and scarce market acceptance.

He said creating a conducive environment and putting the country on track to become a regional leader in the next-generation mobility sector has been translated through several policies and initiatives.

These include the National Automotive Policy, National Transportation Policy and Low Carbon Mobility Blueprint, which are set to establish a sound and comprehensive ecosystem to promote the manufacturing and assembly of energy-efficient vehicles.

“This includes EV, investment in charging infrastructures, development and promotion of standards and regulations, as well as facilitation into research, development, commercialisation, and innovation to spur technology transfer and develop know-how for the local automotive industry,” he added.

Mohamed Azmin said the government's focus is not only to attract and encourage investment in car manufacturing and assembly including spare parts and components related to next-generation vehicles but also to recognise the need to stimulate consumer demand.

Under Budget 2022, the government introduced tax exemptions on the import of EVs, road tax exemption for EVs and personal tax relief of up to RM2,500 for costs relating to EV charging stations, in efforts to boost EV usage in Malaysia.

This would not only benefit consumers but also allow participation from EV manufacturers to populate their EV brands into the country.

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