

THE LAUNCH OF INDUSTRY4WRD NATIONAL POLICY ON INDUSTRY 4.0

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Venue : PERDANA HALL, MITI

Date : 31/10/2018

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PRIME MINISTER OF MALAYSIA
LAUNCH OF INDUSTRY4WRD NATIONAL POLICY ON
INDUSTRY 4.0
31 OCTOBER 2018, PERDANA HALL MITI**

1. I am glad to be here to deliver the Keynote Address and launch the National Policy on Industry 4.0, or Industry4WRD (Pronounced – Industry Forward) in the presence of eminent industry captains, policymakers and academics who will be pivotal as we move towards shaping the future of Malaysia’s industry and economy.
2. When we introduced Vision 2020, we had set out the challenges that Malaysia needed to overcome, to reach a developed nation status within our own time frame. These challenges calls for Malaysia to be innovative and forward-looking as we seek to build an economy that is competitive, dynamic, robust and resilient, based on the concept of shared prosperity.

3. Given the setback that this country had gone through in the last one and a half decades, it is imperative for us to work even harder and strive with even greater tenacity, greater creativity and effectiveness to ensure very rapid and sustainable growth. We have lagged behind and in order to catch up, we need to run faster than our competitors. It is like a marathon, while we pace ourselves, we still need to be several steps faster or we will be consistently behind.
4. The Industry4WRD is a pivotal step as Malaysia seeks to strengthen its on-going structural reforms to become a developed nation that is equitable, sustainable and inclusive by 2025 or even earlier.

Importance of the Manufacturing Sector

5. Contemporary economies are now dominated by modern service sector activities. However, the most robust and resilient economies globally retain strong manufacturing sectors. We have always maintained that in order to grow our economy, the manufacturing sector, must remain the backbone of our economy, supported by the other sectors such as commodities, services etc.
6. While Malaysia has abundant natural resources and has diversified to the services sector, it is the manufacturing sector that has played a key role in turning Malaysia into a major player in the global value chain apart from rapidly turning the country into an industrialised nation. In the last five years, the manufacturing sector has been contributing about 23% to the GDP. Further, about 98.5% of Malaysian SMEs are in the manufacturing sector. It is the manufacturing sector that allows

Malaysia to consistently demonstrate dynamism and resilience to grow, while attracting foreign direct investments.

Fourth Industrial Revolution

7. Now, comes the Fourth Industrial Revolution where digital, physical and biological spheres converge. The dynamism of this cycle is progressing at an unprecedented pace with a scope that is almost unimaginable. It is almost limitless in terms of capacity. But just like any major technological advancement in human history, this new evolution will bring both promises and challenges.
8. Will this be disruptive to the way we are used to doing things? In case no one took notice of what I had said in my foreword, I will repeat it here.
9. Essentially, the substance of this revolution lies in the application of available new technologies. We have seen how application of information technology and the Internet of Things have opened up market supply chains, easing access to products from the most remote areas, bringing wealth and prosperity to even the rural areas.
10. The Fourth Industrial Revolution can address many issues concerning businesses, including the environment, health and safety of workforce, waste management, efficiency in managing supply chains, resources and delivery systems. The potential for growth is limitless, but it all boils down to knowledge on application.

Industry 4.0

11. In recent decades, the manufacturing sector has seen rapid evolution. From mass production through intensive labour force working in production lines, to the use of robotics to increase efficiency, to more and more infusion of automation, digitalisation and artificial intelligence. Today, the next phase of evolution in the manufacturing sector is referred to as Industry 4.0.

12. Information technology has now become the new imperative for business to grow and improve their performances. Global manufacturing processes are being transformed dramatically with the advent of information technologies. And business models in manufacturing now benefit from data, machines and systems which have now become interconnected throughout the value chain from production shop-floor to final distribution.

13. Manufacturing firms can no longer reap the same yields as in previous decades if they continue to rely on capital and labour as productivity levers. Readiness to adapt to this evolution will have a bearing on economic success. Therefore, Malaysia needs to quickly embrace Industry 4.0 in order to propel productivity and further enhance competitiveness.

Industry4WRD: National Policy on Industry 4.0

14. Industry4WRD is Malaysia's response to Industry 4.0 and beyond, that calls for transformation of manufacturing sector and its related

services to be smarter and stronger, driven, by people, process and technology.

15. A strong manufacturing sector would pave the way to enhanced productivity, job creation, innovation capability, high-skilled talent pool, economic prosperity and societal well-being.
16. Manufacturing firms in Malaysia, especially SMEs, have the potential to gain advantage from the adoption of Industry 4.0. With this in mind, this Policy was developed to propel SMEs forward so that they can be agile and adaptable to meet the challenges posed by the Fourth Industrial Revolution. As part of the Industry4WRD Policy, the Readiness Assessment programme will further assist SMEs to measure their gaps and readiness in order to guide their adoption of Industry 4.0 technologies.
17. Ultimately, the Policy will drive Malaysia to becoming a strategic partner for smart manufacturing and related services in Asia Pacific, primary destination for hi-tech industry as well as a total solutions provider for advanced technology.
18. I believe, this can all be achieved through Industry4WRD which would enable the manufacturing sector to move into Industry 4.0 and along the way contribute to fulfilling Malaysia's commitment to the United Nation's Sustainable Development Goals (SDGs).

19. This Policy is a collaborative effort of both Government and industry. Extensive stakeholder consultations have been undertaken in the past year to develop this Policy.

Way Forward: Aspiration for Malaysia

20. Industry4WRD can be a clear strategic direction for the nation since these technologies apply across the board. Smart Manufacturing will eventually lead to the emergence of Smart Cities, Smart Grids, Smart Services etc. in Malaysia.
21. The necessity for Malaysia to have its own policies to address the Fourth Industrial Revolution is critical and the introduction of Industry4WRD marks the starting point to the wider Industrial Revolution for Malaysia.
22. With this Policy in place, the Government anticipates that by 2025 Malaysia will be one of the primary destinations for high-tech industry and ranked among the top 30 nations in the Global Innovation Index.
23. The success of any Government policy will be measured in turn by the effectiveness of its implementation. Through the Industry4WRD Policy, the Government will act as the enabler in enhancing the ecosystem for Industry 4.0. The industry should step up and speed up its adoption of Industry 4.0 by leveraging on this Policy. I would like to reiterate the Government's commitment in ensuring the success of this policy.

24. As in the on-going government-industry engagements, I hope the industry will continue and intensify its collaboration with the Government in making this Policy a success. I often emphasise that this administration is a Business-friendly administration. The success of your business is our business. Why? Slightly selfish perhaps, but as of today, the Government has a 26% stake in every cent of profit that you make. Therefore it is our business to ensure that you do not fail in yours.

Conclusion

25. I would like to express my appreciation to all parties who have provided their valuable input and support towards formulating this Policy. I look forward to all stakeholders combining strengths to realise the future competitiveness of the Malaysian manufacturing sector.

26. It is my great pleasure to officially launch Industry4WRD, the National Policy on Industry 4.0.

Thank you.

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