

TOWARDS A ROBUST MANUFACTURING SECTOR

INTEGRATING SMEs INTO SUPPLY CHAIN

Govt earmarks 10pc of development funding to propel plan, says Tengku Zafrul

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THE implementation of the New Industrial Master Plan (NIMP) is expected to facilitate the integration of small- and medium-scale enterprises (SMEs) into the supply chain ecosystem.

Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz said NIMP 2030 would help shape a more robust manufacturing sector to generate broad-based benefits for various stakeholders.

He said Malaysia was moving towards a liberal approach with its policies that will exert a positive spillover effect on the economy and people.

"When we plan a policy, especially at the ministry, what we want to see is that it ends up being beneficial to the local companies, especially SMEs, in terms of the supply chain.

"Just like in NIMP, we hope we can elevate the status of our SMEs so that they can be part of the supply chain as what the prime minister has said just now. We are now looking at targeting household income to go up higher than what we have today," he told the

NIMP 2030 STRATEGIC FRAMEWORK

VISION	Our vision for Malaysia is to have:						• Competitive industry with high economic complexity	• High income and skilled workforce	• Strong domestic linkages	• New and existing industry clusters	• Balanced and inclusive participation	• Sustainable development
GOALS	Increase economic complexity	Create high value job opportunities	Extend domestic linkages	Develop new and existing clusters	Improve inclusivity	Enhance ESG practices						
MISSIONS	MISSION 1 – Advance economic complexity		MISSION 2 – Tech up for a digitally vibrant nation		MISSION 3 – Push for Net Zero		MISSION 4 –Safeguard economic security and Inclusivity					
STRATEGIES	• Expand to high value-added activities of the value chain • Develop entire ecosystem to support high value-added activities • Establish cooperative 'vertical integration' for global value chain • Foster Research, Development, Commercialisation and Innovation (RDCl) ecosystem • Increase manufacturing exports		• Accelerate technology adoption • Shift away from low-skilled labour mode • Spur technology innovation • Accelerate government digitalisation and integration		• Accelerate transition towards sustainable practices • Transition to renewable and clean energy • Catalyse new green growth areas • Shift towards green infrastructure		• Develop resilient supply chain • Foster climate resilient development • Strengthen industrial clusters for regional development • Empower Bumiputera participation and create an inclusive workforce					

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media at the launch of NIMP 2030 by Prime Minister Datuk Seri Anwar Ibrahim.

Tengku Zafrul said the government was willing to look at progressive policies that would result in a positive spillover effect for Malaysian companies.

The government had earmarked close to 10 per cent of its development funding to propel the plan through the NIMP Industrial Development Fund and the NIMP

Strategic Co-Investment Fund.

Tengku Zafrul added that the funding was derived from the government's fiscal space, which was part of the development budget.

"Part of the details on this will be revealed during (the tabling of) the 2024 Budget as the other part has been revealed previously, which we will elaborate further on in the near future."

On the private sector's involvement, he said various stakeholders from the sector were involved in the negotiations and deliberations during the formulation of the NIMP.

"The amount of money that we

are looking at also includes those from the private sector, in this case both the capital markets and the financial institutions, and then development financial institutions, and how they can assist in this."

He added that there was a need for the plan to be commercially driven as industry players from the private sector will look at the viability of the investment.

"That's why we need to make it commercially viable, and to make it more sustainable and inclusive as well. This will involve all, including GLCs (government-linked companies) and capital investment from their part as well."

With the involvement of the private sector in the plan, the delivery management unit under the ministry will be set up to co-ordinate all efforts and drive cohesive implementation across stakeholders.

This was in addition to the NIMP council, which involves various ministries and agencies that oversee the plan's execution.

Tengku Zafrul added that the unit will ensure timely and effective implementation through periodically released reports to inform internal and external stakeholders, as well as the public, about the progress of NIMP and various other initiatives.