

NIMP outlines Putrajaya's bid to lift manufacturing sector from low-value production

BY CHESTER TAY

The New Industrial Master Plan 2030 (NIMP) lays out the government's strategies for the local manufacturing sector over the next seven years. It aims to set the direction for local industries' investment priorities, in line with Putrajaya's aspirations to create more high-income jobs and as part of its efforts to free the country from the middle-income trap.

As with previous government plans and road maps, the 187-page document highlights a series of goals, strategies and their challenges.

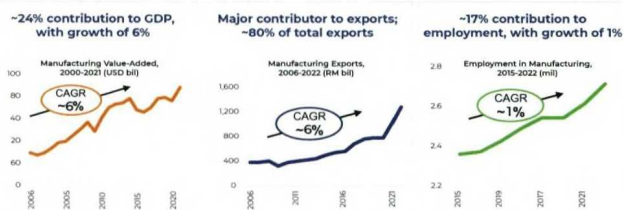
What makes the NIMP different is its outcome-driven approach that encourages inter-ministerial collaboration, breaking down the silos that impede progress seen in the sectoral-focused approach of the past.

Prime Minister Datuk Seri Anwar Ibrahim said the government would set aside close to 10% of the total RM95 billion in investments required for the master plan to materialise. That is equivalent to about RM9.5 billion in taxpayers' money, with more incentives to be announced in the upcoming Budget 2024 in October.

Given the government's stretched fiscal position, getting industries' buy-in will be crucial for the private sector to foot over 90% of the NIMP bill.

Malaysia's industrialisation today

Manufacturing key statistics



12 key challenges

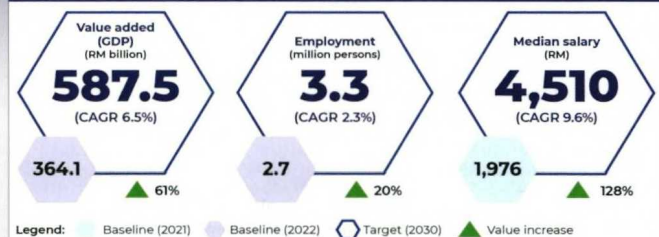


Mission-based projects: Catalytic projects to catapult the mission-based implementation



Driving high-impact growth

Macroeconomic targets for manufacturing sector (impact-based)



NIMP goals and targets (outcome-based)

NIMP GOALS	OUTCOMES	MEASURES	BASELINE (2021)	TARGETS (2030)
	Sophistication in economic value-added	Value added for complex products or high tech mfg. and services	8.1% (2020)	15%
	Regional innovation hub	Gross expenditure on R&D to GDP	1%	3.5% of GDP
	High-skilled jobs	Number of jobs created	-	700k jobs from mfg and MRS
	Fair income	Manufacturing median wages	RM1,976	RM4,510
	Internationally competitive SMEs	Share of SME exports within total exports	11.7%	25%
	Deepened local supply chain integration	Domestic value added in mfg. and services in gross exports	49% (2018)	65%
	Accelerated growth in existing core clusters	Global market share in high tech mfg. exports	3%	6%
	Accelerated growth in emerging markets such as 4IR and digital	Global market share in green and digital exports	2%	4%
	Catalysed sectoral and regional development through investments	Total investments (FDI and DDI realised) as a share of state of GDP	Average 13%	25%
	High manufacturing value added participation by less developed States	Increasing mfg. value added in less developed States	22%	30-35%
	Derisked economy against ESG factors	Country ESG factors rating (Sustainalytics Index)	56.5 (Grade C)	75-100 (Grade A)
	Drive towards Net Zero aspirations	Reduction in Carbon emission intensity based on NDC ¹ goals	33%	45%

Note: NDC – National Determined Contributions

NIMP 2030 strategic framework

