

NIMP 2030: The second economic takeoff

Growth model aims to get SMEs into the reconfigured global supply chain and lower the dependence on cheap foreign labour



ECONOMY

By LYDIA NATHAN
lydia.sheena@thestar.com.my

KUALA LUMPUR: The recently launched New Industrial Master Plan 2030 (NIMP 2030) will be a unique one because of the government's decision to move away from the old approach and focus on a newer mindset instead, says Deputy Investment, Trade and Industry Minister Liew Chin Tong.

Liew said the old approach was about announcing how much investment Malaysia had achieved each year, but the NIMP 2030 will aim to create a dashboard that monitors overall strategies, its action plans and even the smaller investments, which can have a ripple effect.

"This plan came at a good time because of the various investment opportunities Malaysia has due to China's economy," he said during the "Powering up Malaysia's SMEs: Realising Your Business Opportunities in the 2020s" seminar yesterday.

According to Liew, this plan will aim to create a second economic takeoff with an interest in Malaysian businesses and its workers.

"Between 1988 and 1997, our economy grew by 9% per year. In the 1990s, local talent who went to the United Kingdom, Australia and the United States came back to Malaysia to work because business was booming and opportunity was aplenty. Hopefully, we can recreate this," he said.

Liew added that a large part of this plan included getting small and medium enterprises (SMEs) to be a part of the reconfig-

"Now companies are looking for shorter and more secured supply chains for which they are willing to pay more. SMEs can leverage on this."

Liew Chin Tong

ured global supply chain.

"For a long time now, even multinational companies didn't source from local vendors but mostly from China.

"But things have changed, now companies are looking for shorter and more secured supply chains for which they are willing to pay more. SMEs can leverage on this," he said.

A while ago, how much exports Malaysia was achieving was important, but today, Liew said major global companies have asked the government to hold supply chain conferences.

He added another strategy the NIMP 2030 will look at is bringing banks and the financial sector closer to the manufacturing industry.

"The financial sector has an understanding now that it needs to be more familiar with the manufacturing industry, how it works and what it needs.

"This shift will be able to provide more opportunities for SMEs financially," he said.

Liew explained this was part of the broader revamping strategy that the ministry will implement for grants as well.

"The Investment, Trade and Industry Ministry is requesting for more funds from

the government but we also want to avoid taking a pure grant approach. Eventually, we want to move into interest rate subsidies and soft loans," he said.

On foreign labour, Liew said part of the new approach being taken by the government included rejecting the older model that relied on unskilled workers.

He said the NIMP 2030 will look at creating an economy that doesn't depend on cheap labour any longer.

"While we have been relying on foreign labour, Malaysians have been bearing the cost of this. There are social and political costs to this as well," he said.

Liew said data revealed Malaysians do not want to work in these sectors because of the low wages and turn to the gig economy for work instead.

"Working as a Grab driver and Foodpanda delivery rider is not meant to be a long-term job. So what the nation needs is continuous growth for the economy to double, and therefore, allow workers to be paid better wages," he said.

Liew added it was important for a whole-nation approach, whereby a similar goal and vision was exemplified through action plans and strategies.

"Take for example, Sweden. It is a small

country but they are very rich. This is because they found a formula to accommodate businesses and their workers together. We too can do this," Liew said.

Meanwhile, Malaysia-China Chamber of Commerce honorary member Ong Kian Ming said Malaysia already had a strong manufacturing ecosystem that SMEs could utilise.

When referring to levelling up in the technology sector, he said any sort of factory would require people in the service system, including those in the artificial intelligence and software industries.

"These SMEs don't only need to be part and parcel of the process, but can also increase their profile to become regional players that can take advantage of future global opportunities," he said.

He explained that Tesla was a good example of a renowned company that looked to Malaysia for its global supply chain.

"Malaysia has a sophisticated completely-knocked-down system and our supply chain is good from an automotive standpoint. If we can replicate it, whether supplying seatbelts or car parts, we will benefit from it," he said.

Ong added that this will subsequently spill over to the electric vehicle (EV) industry as well.

"Malaysia's strength in the electronics and electrical sector will boost the EV industry, whether it is through servicing EV vehicles or charging stations," he said.

He lauded the NIMP 2030, stating the ministry will try its best to achieve its targets, as the country aims to attract more capital and grow its SMEs.

"The goal is to turn Malaysia into a high-value country that has jobs with high wages," he said.