



**KEYNOTE ADDRESS BY YAB TUN DR MAHATHIR BIN MOHAMAD
PRIME MINISTER OF MALAYSIA**

**AT THE 37th MAJECA-JAMECA JOINT CONFERENCE
ON 1st JULY 2019 (MONDAY) AT THE SAPPHIRE ROOM, EQ KUALA LUMPUR**

1. It is indeed a pleasure to be here and to welcome all of you to the Joint Conference between Malaysia and Japan, Economic Association.
2. It is almost a year since I addressed you at the 36th conference in Tokyo under the theme "Moving towards a Renewed Japan-Malaysia Collaboration for the Digital Economy".
3. Between then and now, the Malaysian Government has shown its commitment in establishing a business-friendly framework based on the rule of law. We have spent the better part of the year rebuilding our fiscal policies, revising our economic strategies and restoring some semblance of order over a heap of an unprecedented corruption mess created by the previous administration.
4. This year, the 37th Joint Conference between the two entities, with the theme "Expanding Trade & Investments between Malaysia and Japan in the Innovative Technologies Sectors" will explore ways to introduce specific measures to promote technological renovation and innovation within the region.
5. We would also like to work together to develop a concrete strategy in cultivating highly-skilled human resources which would provide us the edge over other nations.
6. MAJECA and JAMECA are essentially private sector institutions which originated from the call of the Governments of Malaysia and Japan for greater interaction between the two nations. This will without doubt help garner and galvanise investment flows and trade between Japan and Malaysia.
7. This has resulted in Japan becoming among the biggest investors in Malaysia, and this in turn has contributed much towards making Malaysia a leading electrical and electronics goods exporter.
8. The fact that there are more than 1500 Japanese companies operating in Malaysia is testimony to the success of the Malaysia-Japan collaboration.
9. However, global trends in trade and industrialisation are changing rapidly. Malaysia's competitiveness in terms of earlier strategic advantages need reassessment. Coupled with the fact that there is an emphasis on the various aspects of digital economy and the impact of industrial revolution 4.0, there is a dire need to review past successes for us to devise future strategies.
10. Malaysia has already taken serious steps in embracing Industry 4.0 under the Malaysian blueprint for Industry4WRD (Industry Forward) as prepared by the Ministry of International Trade and Industry.
11. Since the launching of Industry4WRD (Industry Forward) on 31 October 2018, the Government has committed RM210 million from 2019 until 2021 to support the transition and migration to Industry 4.0.
12. This is an overall Industry4WRD (Industry Forward) fund, where targeted efforts will be rolled out for human capital development, technology adoption and infrastructure upgrade which will be the foundation of driving Industry 4.0 in our country.

13. In order to support the transformation of the manufacturing sector, the Government has outlined broad strategies and action plans under Industry4WRD (Industry Forward) to provide a holistic ecosystem that facilitates such digital transformation through five (5) strategic enablers of Funding, Infrastructure, Regulatory Framework, Skills and Talent and Technologies or simply F.I.R.S.T.
14. In this regard, Japan has a lead position in smart manufacturing and innovative technological processes. While the Japanese companies operating in Malaysia have absorbed some of these developments, by and large, the adoption by Malaysian companies is still very slow. This is an area for Malaysia to rely on Japan's expertise and proven track record.
15. In the area of digital economy, the Malaysian Government is committed to explore the potential of digital transformation in Malaysia towards achieving greater economic prosperity and societal well-being.
16. In the context of e-Commerce, the establishment of the National E-Commerce Council (NECC) in December 2015 which is jointly led by MITI and the Malaysia Digital Economy Corporation (MDEC), has accelerated Malaysia's e-commerce development and growth.
17. The Digital Free Trade Zone (DFTZ), driven by Malaysia Digital Economy Corporation (MDEC) is an iconic and high impact initiative under the National E-Commerce Strategic Roadmap (NESR). Its objective of empowering Malaysian entrepreneurs to export to global markets will be leveraging on the strength of Alibaba as the global e-Commerce leader which boasts of more than 440 million consumers in over 190 countries.
18. This 37th Conference is structured on the theme of expanding trade and investments between Malaysia and Japan through the adoption of innovative technologies including digital technologies. Malaysia hopes that there will be more and closer cooperation in terms of digital economy between Malaysia and Japan in the future.
19. It cannot be denied that digital technologies are disrupting the way we live and do business, creating a borderless world market for our products and services. The previous industrial processes as we know them will soon become obsolete, and unless we innovate and automate, we will not be competitive in these challenging market systems.
20. Therefore, Malaysia needs to re-structure the country's business and industrial eco-systems to meet the needs of the future with the adoption and application of digital and innovative technologies, coupled with effective management and high value-added skills of our talents. We need to look at new sectors to boost our growth. This is a window of opportunity for us to improve partnership between our two countries.
21. Malaysia also works closely with our neighbouring countries to promote regional development. Investing in Malaysia will also help Japan to expand its market into the ASEAN region.
22. We put high hopes on investment from Japan into high-tech fields and areas which can contribute to developing the manufacturing sector as well as cultivation of human resources.
23. I have always placed great value on learning from Japanese work ethics. Towards this end I hope more Malaysians would work with Japanese personnel in Japan.
24. Finally, I hope this Conference will open up new frontiers for investments and economic collaborations between MAJECA and JAMECA, Japan and Malaysia, for the betterment of both.

Thank you.