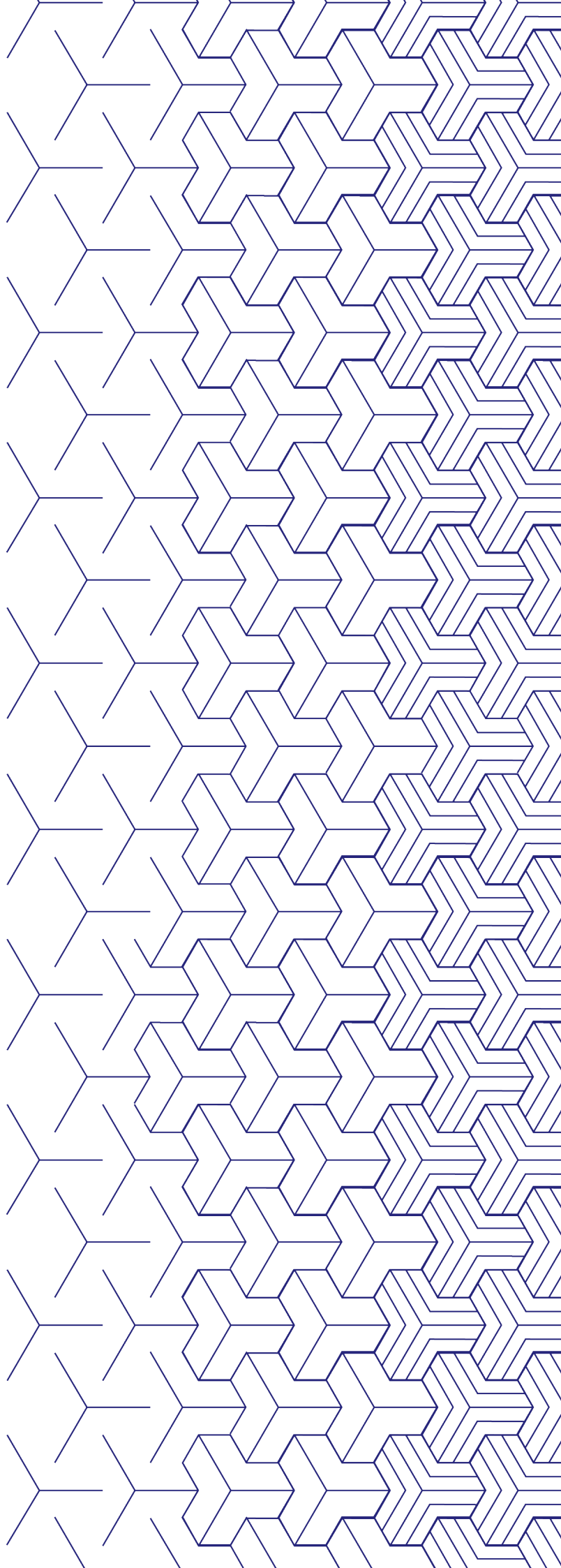


MINISTRY OF INVESTMENT,
TRADE AND INDUSTRY

NEW INDUSTRIAL MASTER PLAN 2030

SUMMARY BOOKLET



Overview of NIMP 2030

The NIMP 2030 is an industrial policy for the Manufacturing and Manufacturing-Related Services sectors, spanning seven years until 2030.

Purpose

- Provide national strategic direction for industrial development
- Provide reference for investors and other economies on Malaysia's position and direction
- Feature the role of the Malaysian Government in shaping the economy

MISSION-BASED APPROACH POLICY



1 "Moonshot Thinking"

Setting ambitious goals with bold solutions to achieve transformative outcomes



2 Whole-of-nation Approach

Galvanises the public and private sectors to realise the Missions



3 Cross-cutting Strategies

Unlocks cross-cutting strategies across the sectors with focused and targeted action plans

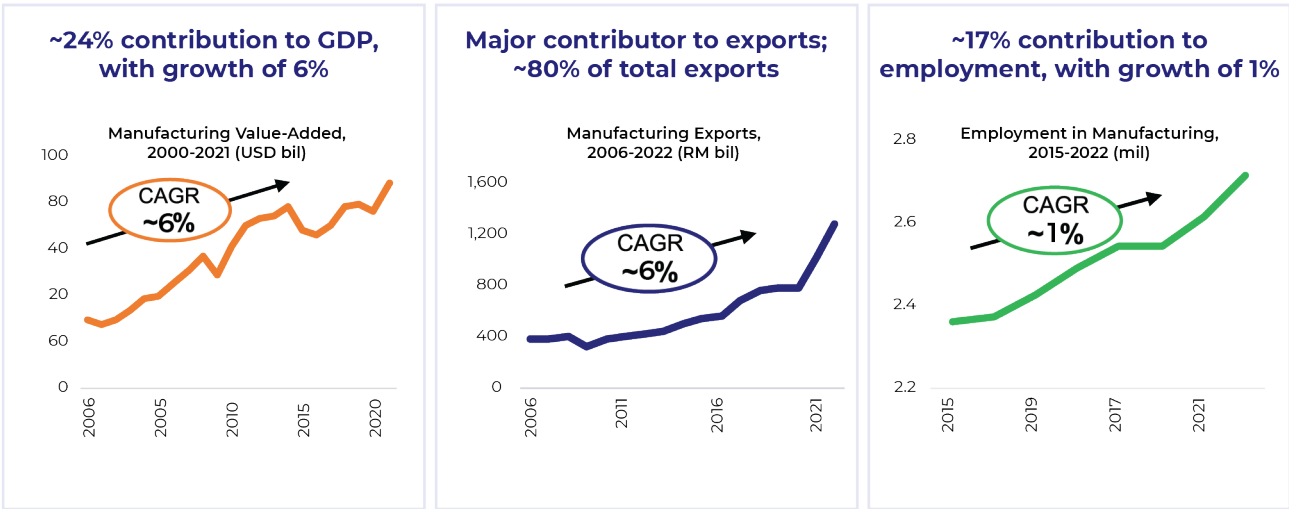


COVERAGE FOR 21 SECTORS



Malaysia's industrialisation today

Malaysia's Manufacturing Key Statistics



12 Key Challenges

 Economic complexity Improved marginally	 Labour productivity Stagnated	 Talent Shortage and skills mismatch	 Reliance on re-exports Increasing	 FTAs¹ by local companies Underutilised	 Product & market diversification Improved marginally
 Non-tariff measures Increasing	 FDIs² & DDIs³ <ul style="list-style-type: none"> • FDI hampering • GVC⁴ participation • DDI decreasing 	 Disparities in manufacturing Rising across States	 MSMEs⁵ participation Limited in GVC Increasing	 Financing for new ventures Insufficient	 Ease of doing business Need to improve

3 Key Trends



- | | | |
|--|--|--|
| <p>Geopolitical Movements</p> <ul style="list-style-type: none"> • “Plus One” Strategy – Southeast Asia as alternative • Capitalise on US-China trade tensions as a neutral party | <p>Digitalisation</p> <ul style="list-style-type: none"> • Malaysia ahead of most Southeast Asia (SEA) countries • Boost digitalisation to keep ahead | <p>Sustainability</p> <ul style="list-style-type: none"> • Global trend towards sustainability • Malaysia to be Net Zero as early as 2050 • New growth opportunities in sustainability |
|--|--|--|

Note: ¹ FTAs – Free Trade Agreements, ² FDIs – Foreign Direct Investments, ³ DDIs – Domestic Direct Investments, ⁴ GVC – Global Value Chain, ⁵MSMEs – Micro, Small and Medium Enterprises

NIMP 2030 Vision

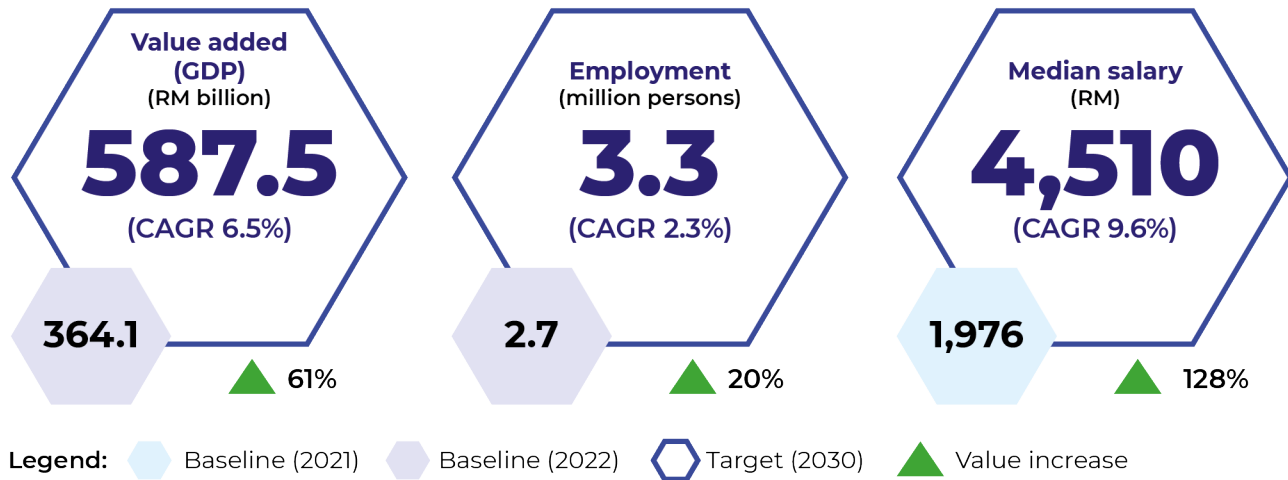


Aimed at delivering **ACCELERATED AND HOLISTIC BROAD-BASED GROWTH** to achieve Malaysia's Vision on:

-  **1 Competitive industry with high economic complexity**
-  **2 High income and skilled workforce**
-  **3 Strong domestic linkages**
-  **4 Well-developed new and existing industry clusters**
-  **5 Balanced and inclusive participation**
-  **6 Sustainable development**

Driving high impact growth

Macroeconomic Targets for Manufacturing Sector (impact-based)

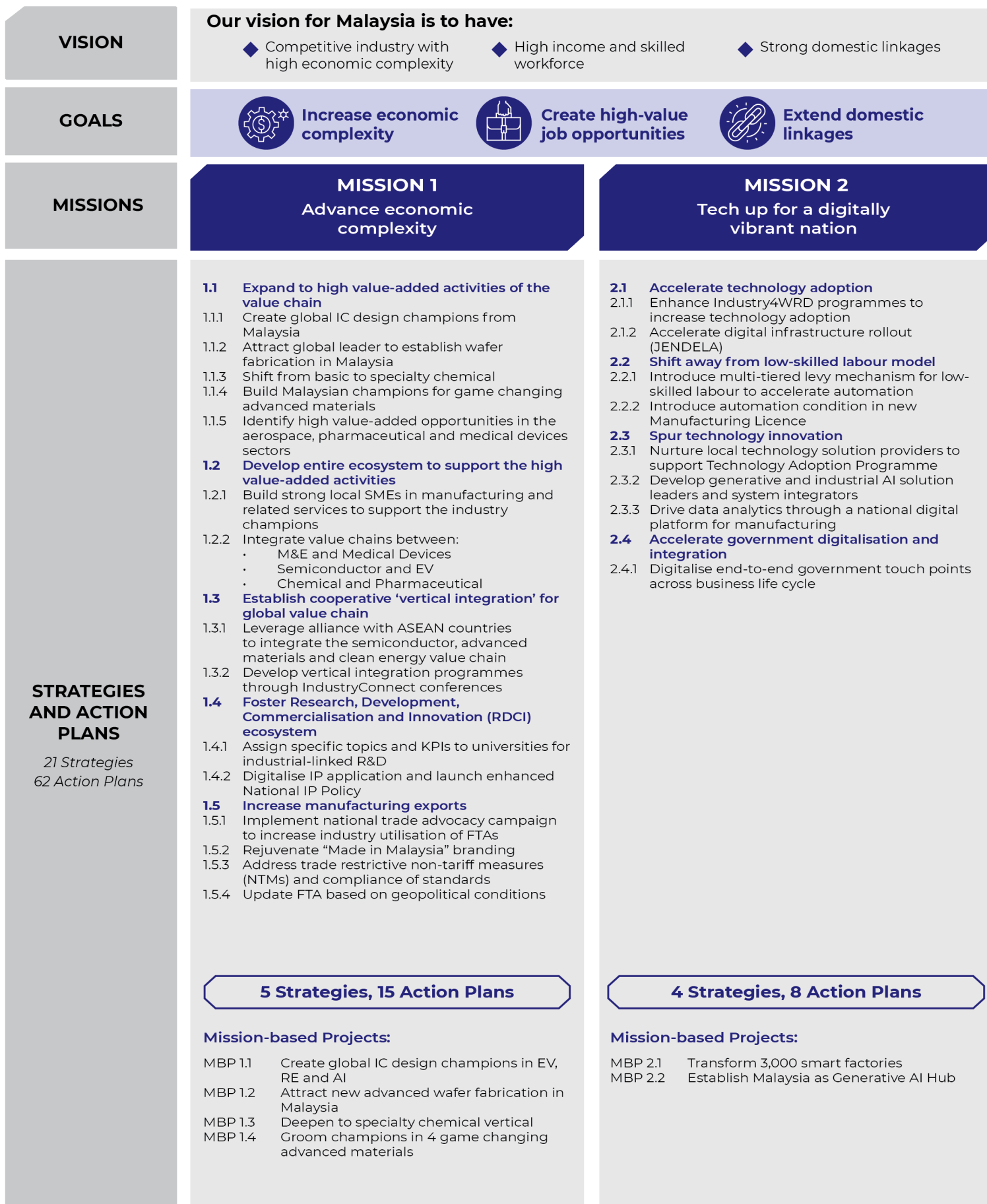


NIMP Goals and Targets (outcome-based)

NIMP GOALS	OUTCOMES	MEASURES	BASELINE (2021)	TARGETS (2030)
Increase economic complexity	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
Create high value job opportunities	High-skilled jobs	Number of jobs created	-	700k jobs from mfg and MRS
	Fair income	Manufacturing median wages	RM1,976	RM4,510
Extend domestic linkages	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%
Develop new & existing clusters	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%
Improve inclusivity	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%
Enhance ESG practices	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: ¹ NDC – National Determined Contributions

NIMP 2030 Strategic Framework



◆ New and existing industry clusters

◆ Balanced and inclusive participation

◆ Sustainable development



Develop new & existing clusters



Improve inclusivity



Enhance ESG practices

MISSION 3
Push for Net Zero

MISSION 4
Safeguard economic security and inclusivity

ENABLERS

3.1 Accelerate transition towards sustainable practices

- 3.1.1 Develop sectoral decarbonisation pathways to guide transition
- 3.1.2 Decarbonise “hard-to-abate” sectors
- 3.1.3 Introduce carbon policy, accounting and tax
- 3.1.4 Launch IESG framework and transition programmes

3.2 Transition to renewable and clean energy

- 3.2.1 Enhance adoption scheme for energy efficiency or renewable energy
- 3.2.2 Accelerate availability and accessibility of renewable energy source for the industry

3.3 Catalyse new green growth areas

- 3.3.1 Catalyse EV as a key growth driver
- 3.3.2 Grow carbon capture, utilisation and storage (CCUS) as a new sector
- 3.3.3 Develop circular economy framework for the industry

3.4 Shift towards green infrastructure

- 3.4.1 Accelerate transformation of industrial estates into eco-industrial parks

4.1 Develop resilient supply chain

- 4.1.1 Identify specific supply chain resilience strategies for critical sectors
- 4.1.2 Establish supply chain cooperation and collaboration through G2G and G2B programme
- 4.1.3 Introduce National Mineral Policy for downstream processing of critical minerals

4.2 Foster climate resilient development

- 4.2.1 Develop sectoral adaptation pathways
- 4.2.2 Foster an adaptation industry to provide adaptation products and services (including exports)
- 4.2.3 Instil climate resilience measures for critical economic infrastructure

4.3 Strengthen industrial clusters for regional development

- 4.3.1 Expand clusters for spillover regional impact
- 4.3.2 Align industrial development plan between Federal and States

4.4 Empower Bumiputera participation and create inclusive workforce

- 4.4.1 Uplift capabilities of *Bumiputera* companies in manufacturing via *Tindakan Pembangunan Bumiputera 2030*
- 4.4.2 Develop programme to increase women participation in high-skilled manufacturing employment

E.1 Mobilise financing ecosystem

- E.1.1 Introduce NIMP Industrial Development Fund and NIMP Strategic Co-Investment Fund
- E.1.2 Boost financing for digitalisation and decarbonisation transition
- E.1.3 Establish green *sukuk* to facilitate transition
- E.1.4 Establish supply chain financing for SMEs
- E.1.5 Increase utilisation of the capital market
- E.1.6 Expand the iMSME platform to show all available funding options including government funding and capital market
- E.1.7 Review government funding for consolidation

E.2 Foster talent development and attraction

- E.2.1 Leverage mynext and MYFutureJobs for strategic workforce planning to address long-term demand-supply requirement
- E.2.2 Introduce progressive wage system policy
- E.2.3 Improve policy to enable fast and hassle-free access to high-skilled foreign talents
- E.2.4 Expand TVET programmes for high-skilled jobs in critical sectors
- E.2.5 Raise profile of high-tech manufacturing career to attract interest in STEM subjects

E.3 Establish best-in-class investor journey for ease of doing business

- E.3.1 Establish a unified investment strategy and align investment evaluation to new parameters under NIA
- E.3.2 Harmonise and streamline functions and KPIs across IPA landscape
- E.3.3 Review and design competitive, agile and relevant incentives
- E.3.4 Improve One-Stop Portal for seamless investor experience

E.4 Introduce whole-of-nation governance framework

- E.4.1 Establish public-private collaborative councils
- E.4.2 Set up NIMP 2030 Delivery Management Unit
- E.4.3 Develop NIMP 2030 dashboard system

4 Strategies, 10 Action Plans

Mission-based Projects:

- MBP 3.1 Create decarbonisation pathway role models
- MBP 3.2 Launch locally-manufactured EV
- MBP 3.3 Deploy large-scale CCUS solutions

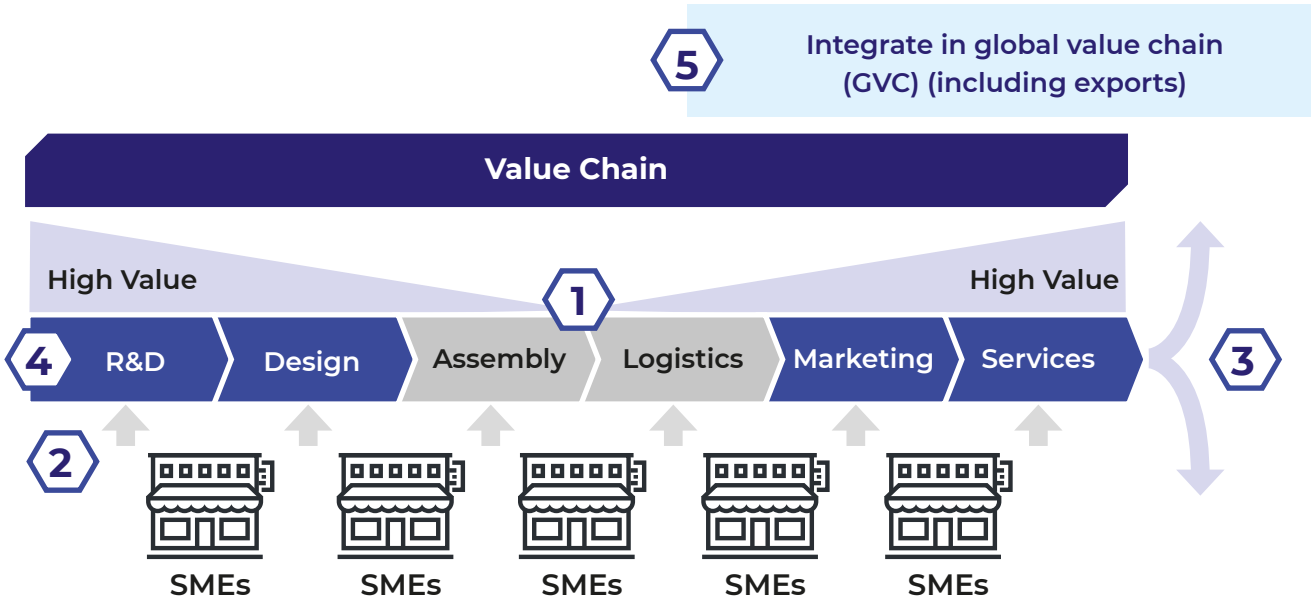
4 Strategies, 10 Action Plans

4 Strategies, 19 Action Plans

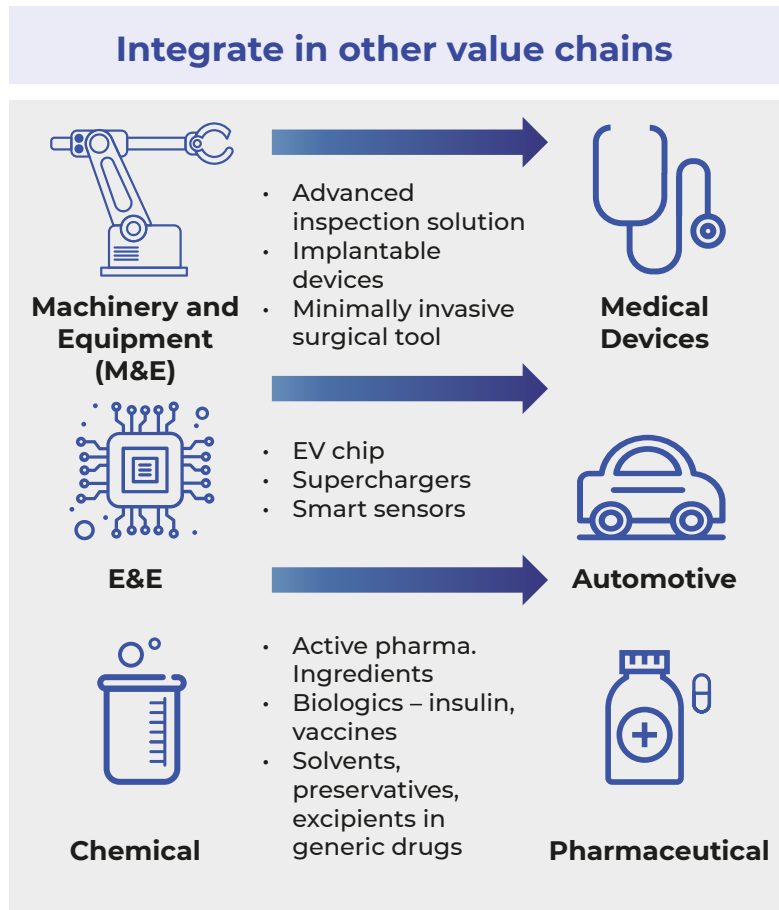
MISSION 1

Advance economic complexity

Mission 1 focuses on encouraging the industry to innovate and produce more sophisticated products to increase economic complexity.

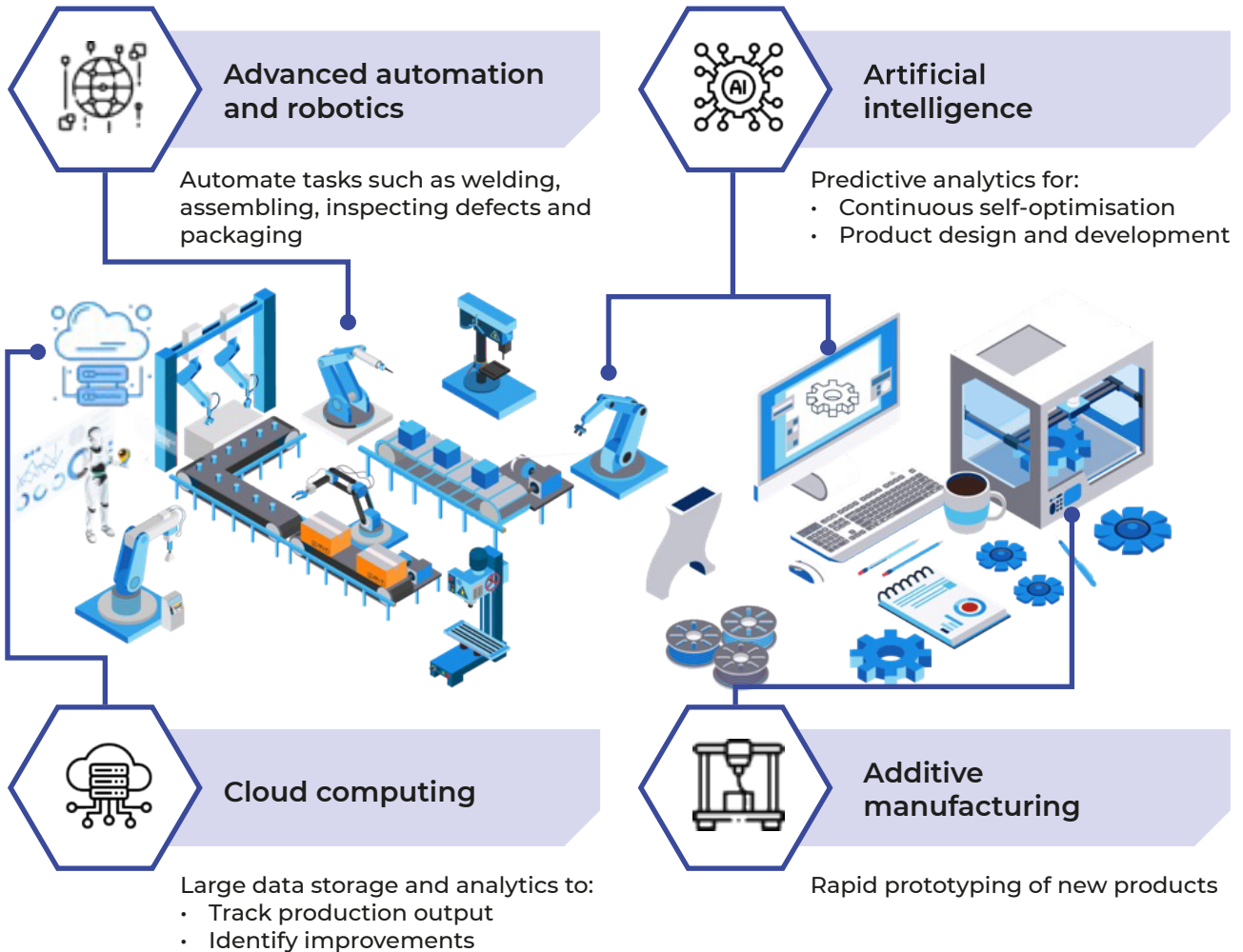


- 1** Expand to higher value-added activities
- 2** Develop ecosystem to support high value-added activities
- 3** Establish 'vertical integration' for GVC
- 4** Foster RDCI ecosystem
- 5** Increase manufacturing exports



MISSION 2 Tech up for a digitally vibrant nation

Mission 2 aims to embrace technology and digitalisation to drive innovation, enhance productivity and create new opportunities for economic growth.



Key areas to drive digitalisation



Accelerate tech adoption

- Automation condition in Manufacturing Licence
- Multi-tiered levy mechanism



Spur innovation by solution providers

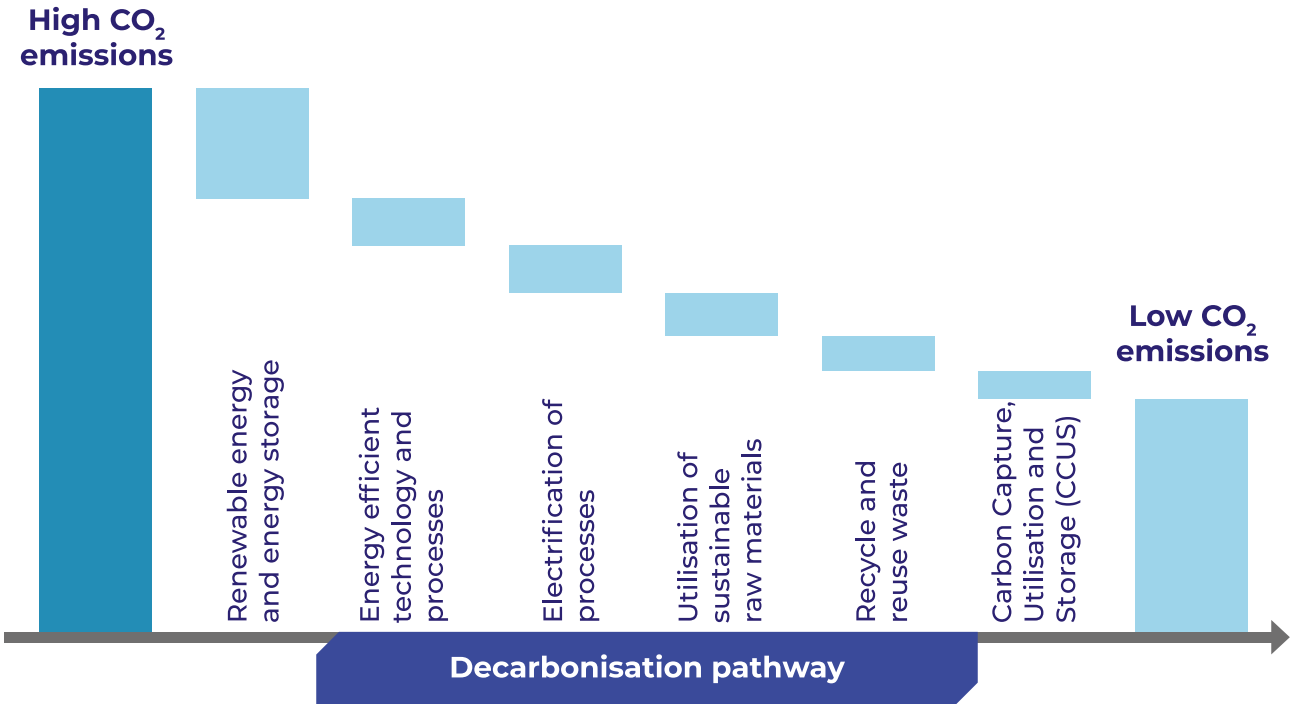


Accelerate Government digitalisation

Develop National Digital Platform for the manufacturing sector

MISSION 3 Push for Net Zero

Mission 3 aims to decarbonise the manufacturing sector to achieve Net Zero emissions as early as 2050 while capitalising on new green growth areas.



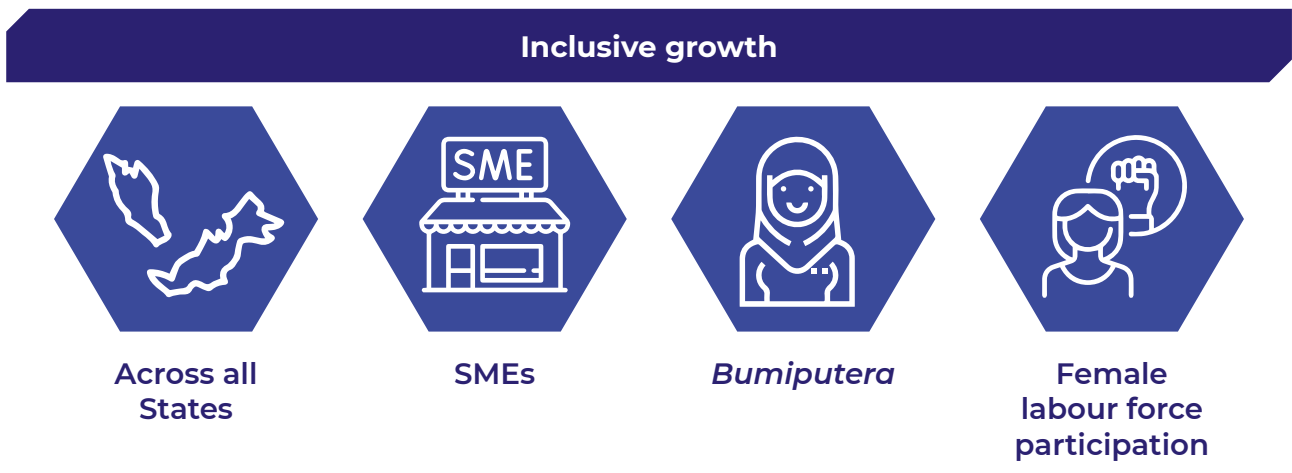
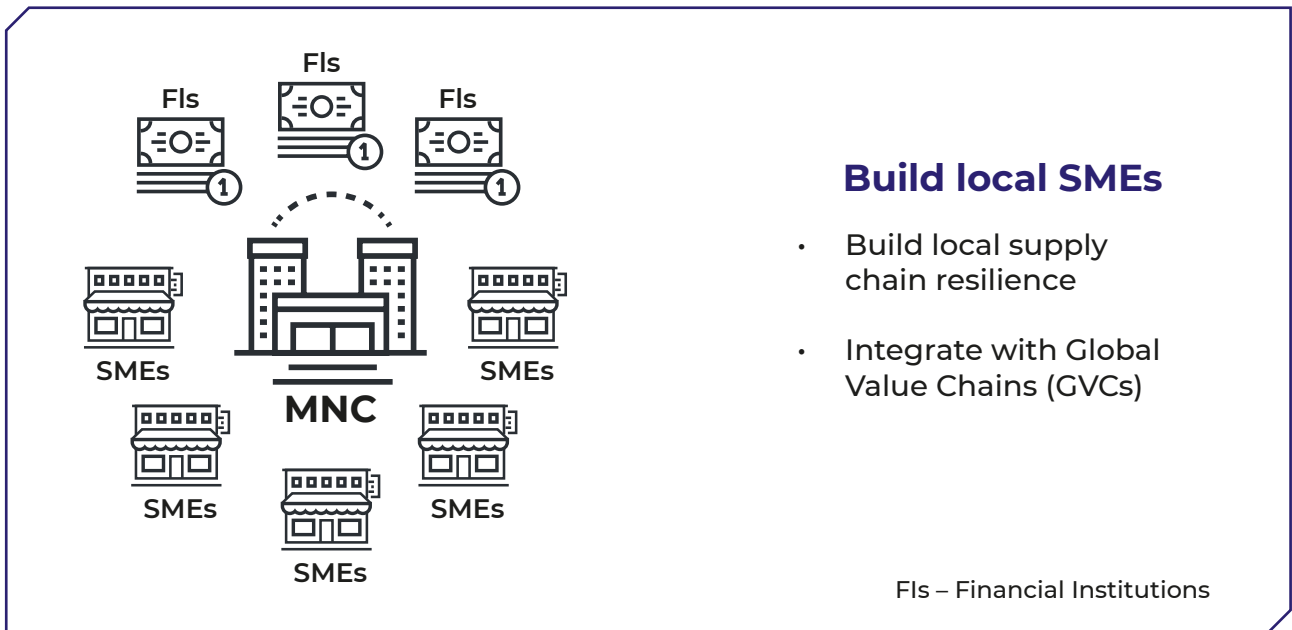
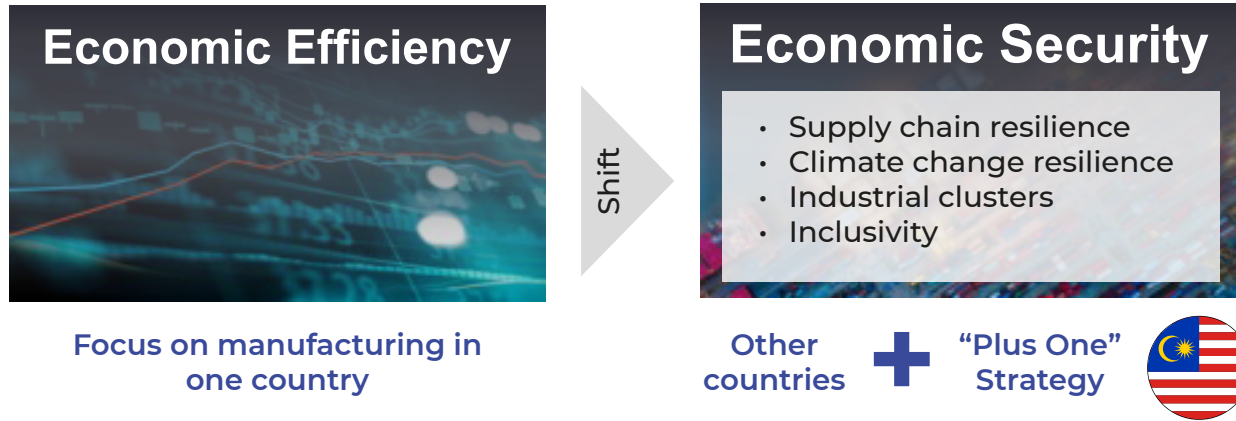
Note: The decarbonisation pathway above is illustrative

Opportunities in new green growth areas

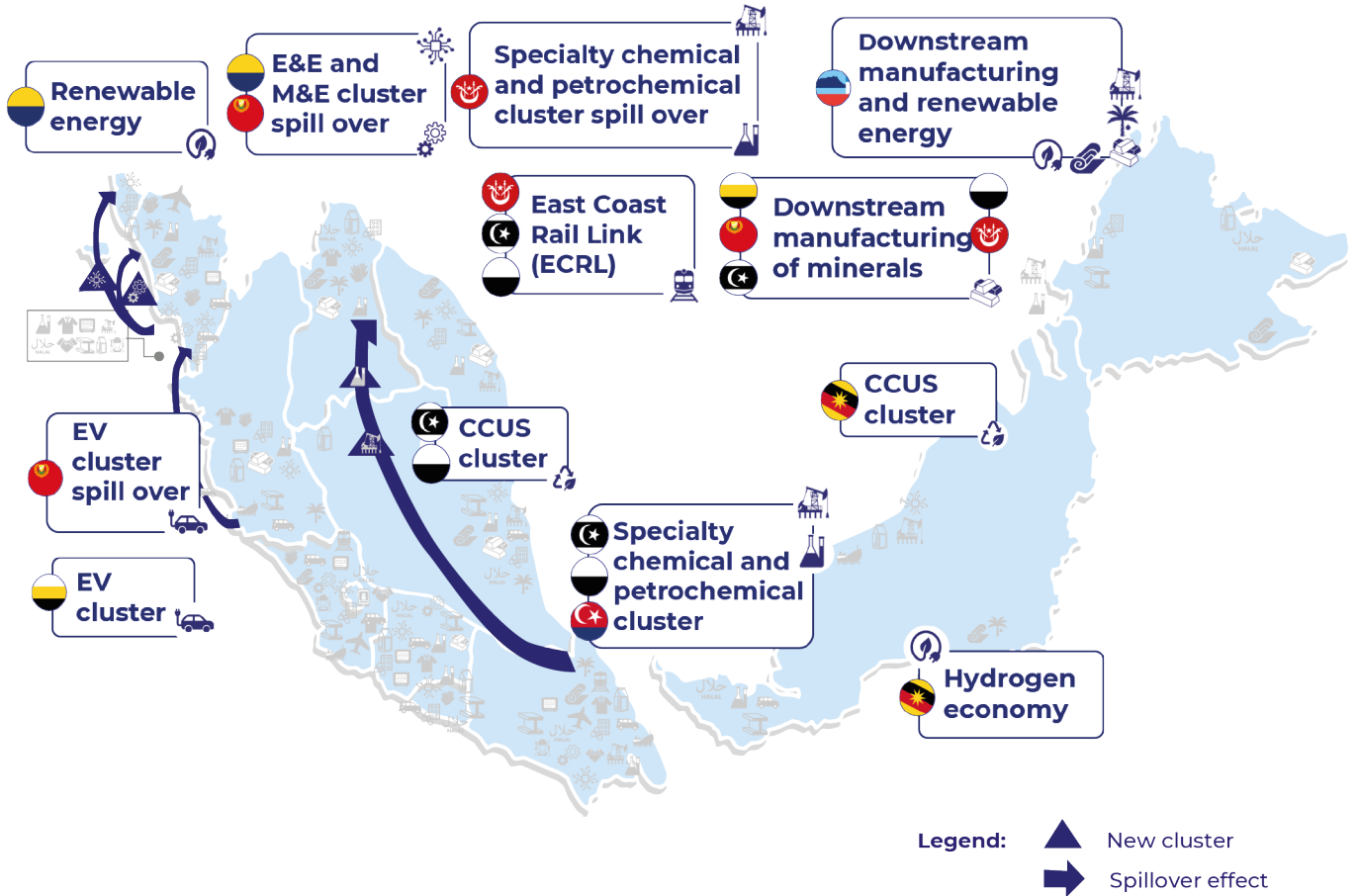


MISSION 4 Safeguard economic security and inclusivity

Mission 4 aims to create an enabling environment with supply chain resilience, fosters entrepreneurship, supports SMEs, and promotes equitable participation in economic activities.



Nationwide industrialisation – across ALL States



Note: The cluster mapping above is illustrative and not drawn to indicate the exact location of each cluster

Current Clusters

	Aerospace		Global Services and Professional Services		Mineral		Shipbuilding and ship repair
	Automotive		Halal		Palm Oil-based Products		Textile, Apparel and Footwear
	Chemical		Machinery & Equipment		Pharmaceutical		Wood, Paper and Furniture
	Digital and ICT		Manufacturing-related Services		Petroleum Products and Petrochemicals		
	Electrical & Electronics		Medical Devices		Rail		
	Food Processing		Metal		Rubber-based Products		

SMEs industrialisation – building the local ecosystem

MISSION 1

Advance economic complexity

- Uplift **SME capabilities** to participate in **higher value-added activities**
- Conduct **IndustryConnect** conferences to integrate SMEs in MNCs/ LLCs supply chain
- Assist SMEs to **export** and **integrate in global value chain**

MISSION 2

Tech up for a digitally vibrant nation

- Encourage SMEs to adopt automation and technology
- Develop **local tech solution providers ecosystem** to provide solutions for SMEs

MISSION 3

Push for Net Zero

- **ESG framework** to **guide transition**, including financing
- Opportunities to **innovate green tech solutions**

MISSION 4

Safeguard economic security and inclusivity

- **Scale up** towards MTCs to build supply chain resilience
- **Industrial development** across States to provide **opportunities** for SMEs **nationwide**

ENABLERS

- **Mobilise financing** from banks and capital market, supported by Government
- Provide access to **stronger talent pool**
- Improve **ease of doing business** for SMEs to invest, contributing to greater DDIs

ENABLER 1

Mobilise financing ecosystem

NIMP 2030 Financing Ecosystem

Banks

Debt financing for industrial projects, such as:

- **Technology adoption** – BNM SME Automation and Digitalisation Facility
- **Green initiatives** – BNM High Tech and Green Facility
- **Supply Chain** – Banks provide facility to MNCs or LLCs, to finance SMEs suppliers in their supply chain

CGC can provide credit guarantee to:

- Reduce risks for banks and capital market
- Increase SME financing accessibility

NIMP Industrial Development Fund (NIDF)


Government funding for industrial development, covering:

- RDCI
- Technology adoption
- Licensing or purchase of new or high technology
- Talent and capacity building
- International standards or certification
- Infrastructure development (eco-industrial parks)
- Regional development (industrial cluster)

Capital Markets

Various financing options across companies' growth cycles

- **RM300 mil** **Bonds and Sukuk** – for large financing requirements
- **RM450-565 mil** **Equity Market** – for mature, late-stage companies
- **RM1.7 mil** **Equity Crowdfunding** – for smaller companies and start-ups
- **RM70k** **P2P Financing** – for growth to late-stage companies raising working capital
- **Varies** **VC and PE** – for start-ups at early to growth states, and late-stage for PE investments

Legend:  Indicates potential total fund size for each company

NIMP Strategic Co-Investment Fund (CoSIF)

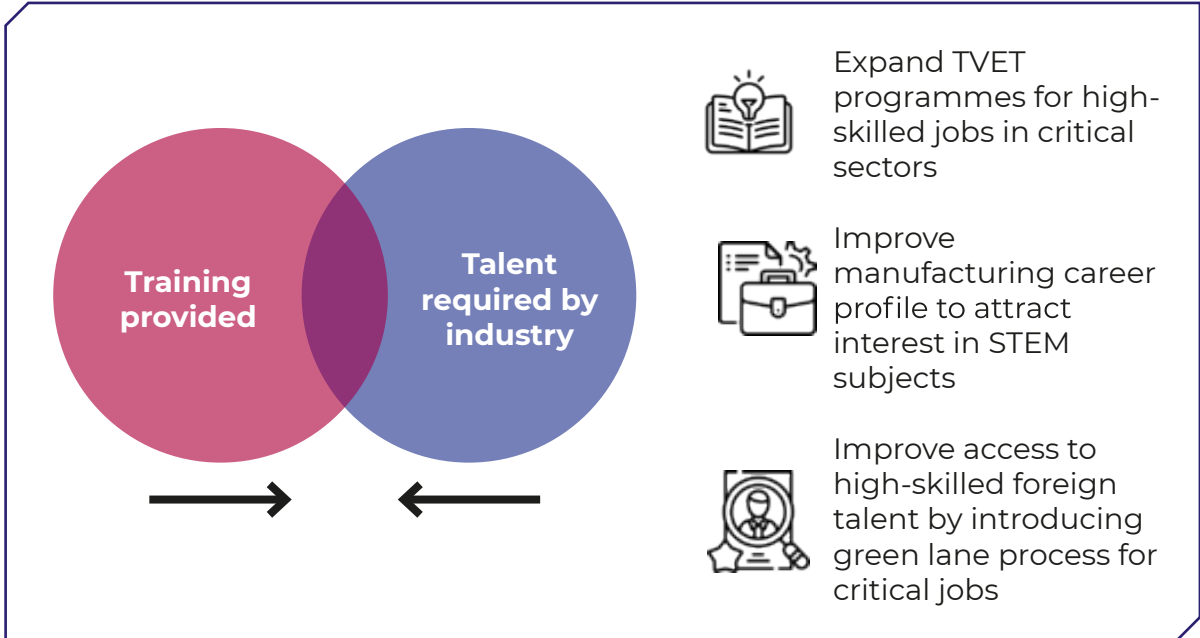
Part-fund between Government and private sector funding

Funds catalytic and high-impact projects, such as Mission-based Projects in:

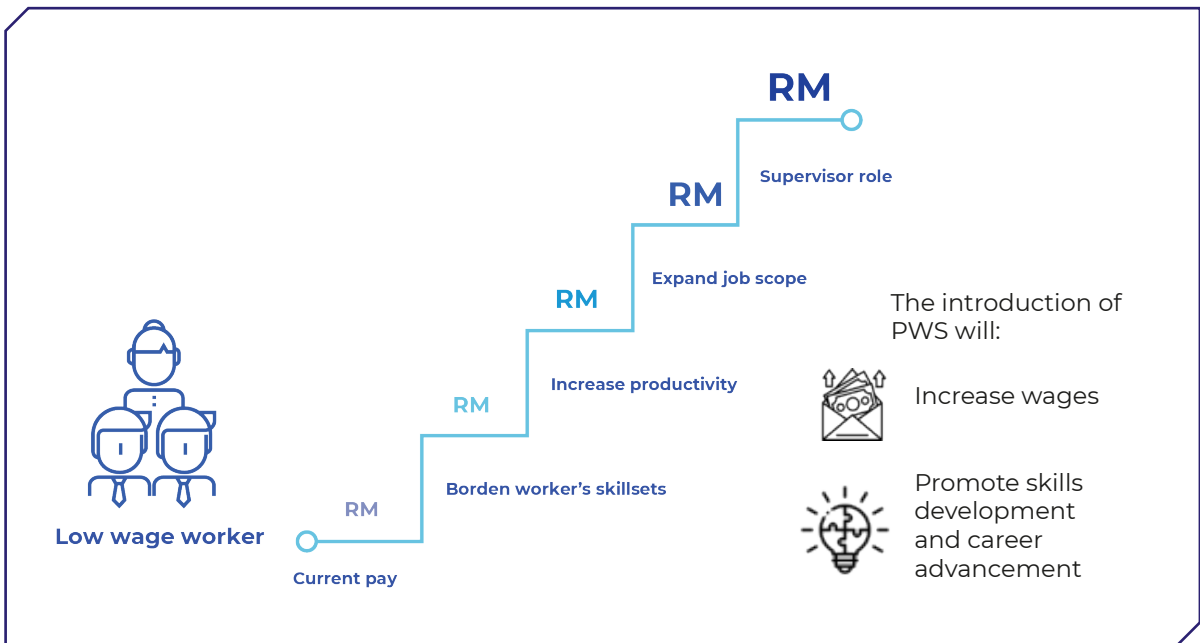
- Electronic and Electrical
- Advanced Materials
- Electric Vehicle
- Chemicals
- Sustainability

ENABLER 2 Foster talent development and attraction

1 Address skills mismatch



2 Progressive Wage System (PWS)



High-skilled jobs



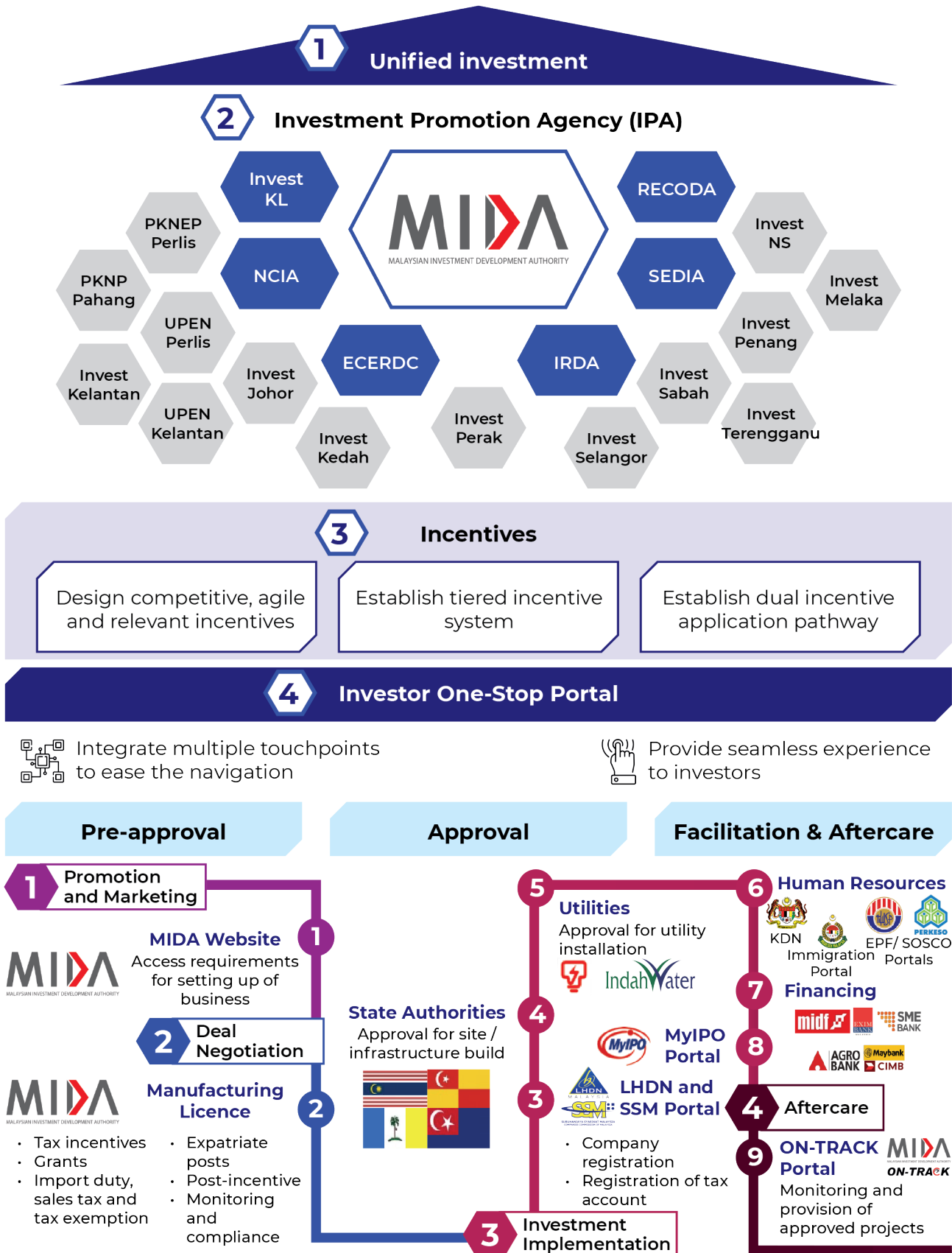
Quality talent



Higher wages

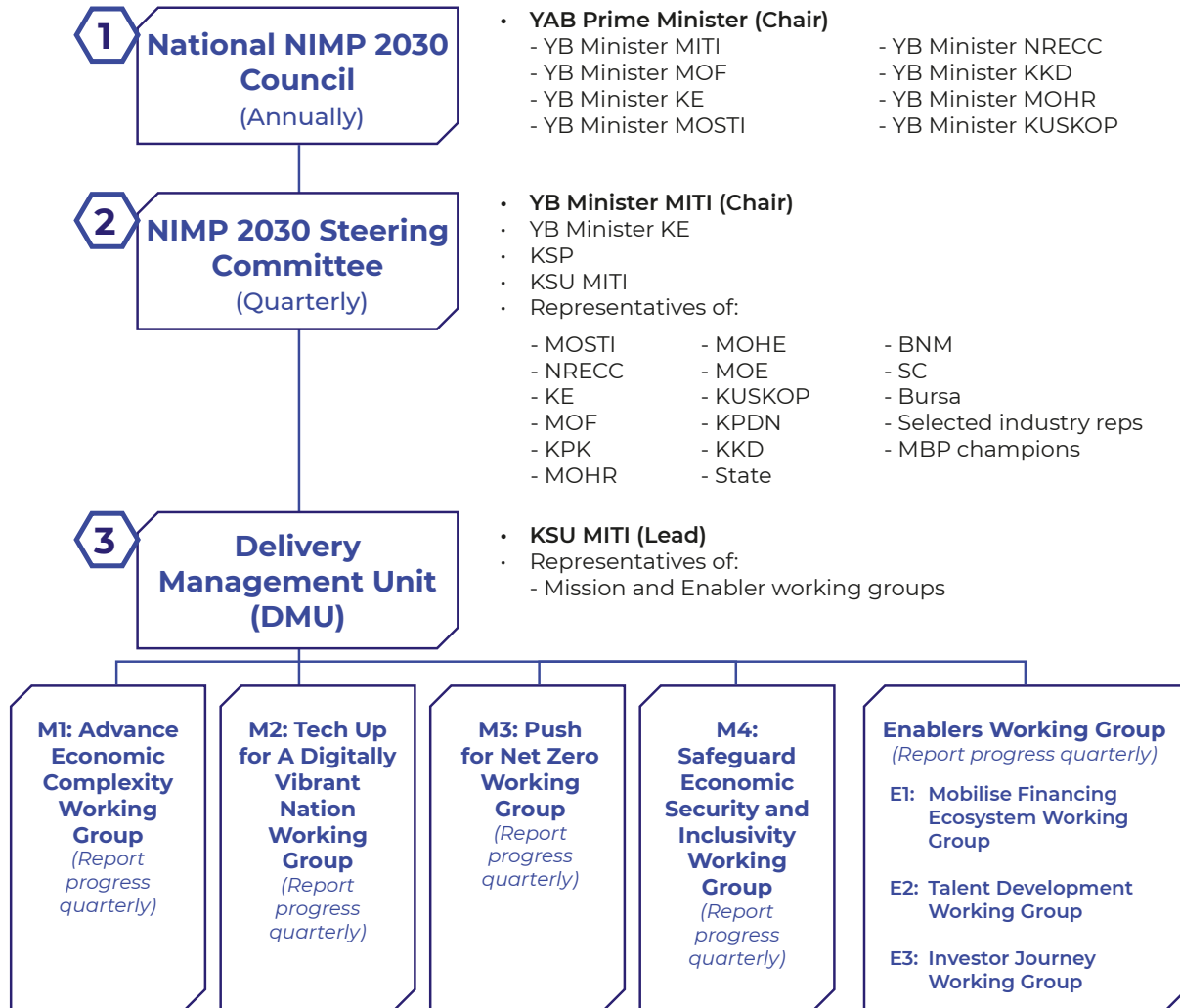
ENABLER 3

Best-in-class investor journey for ease of doing business



ENABLER 4

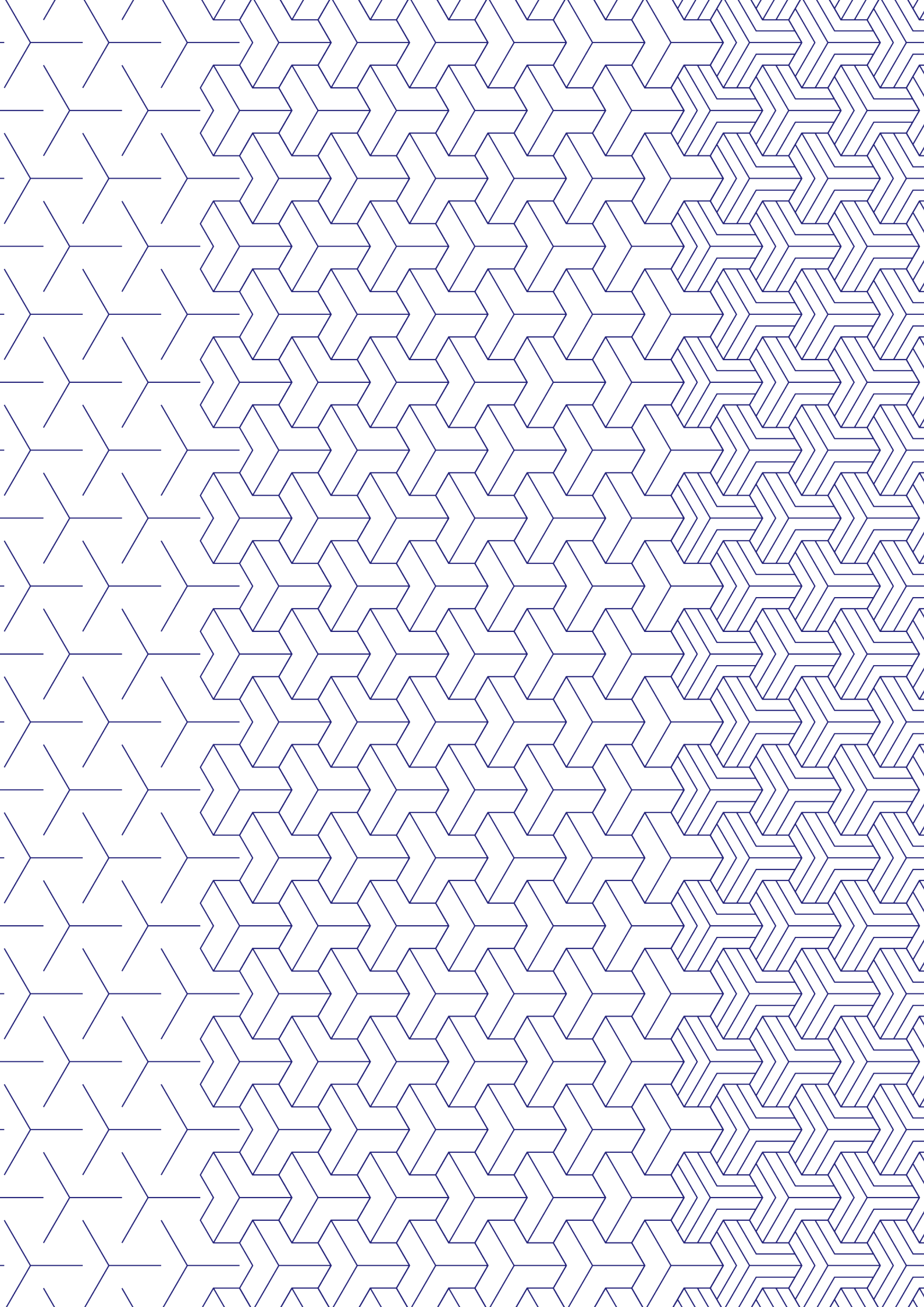
A public-private governance with highest level support

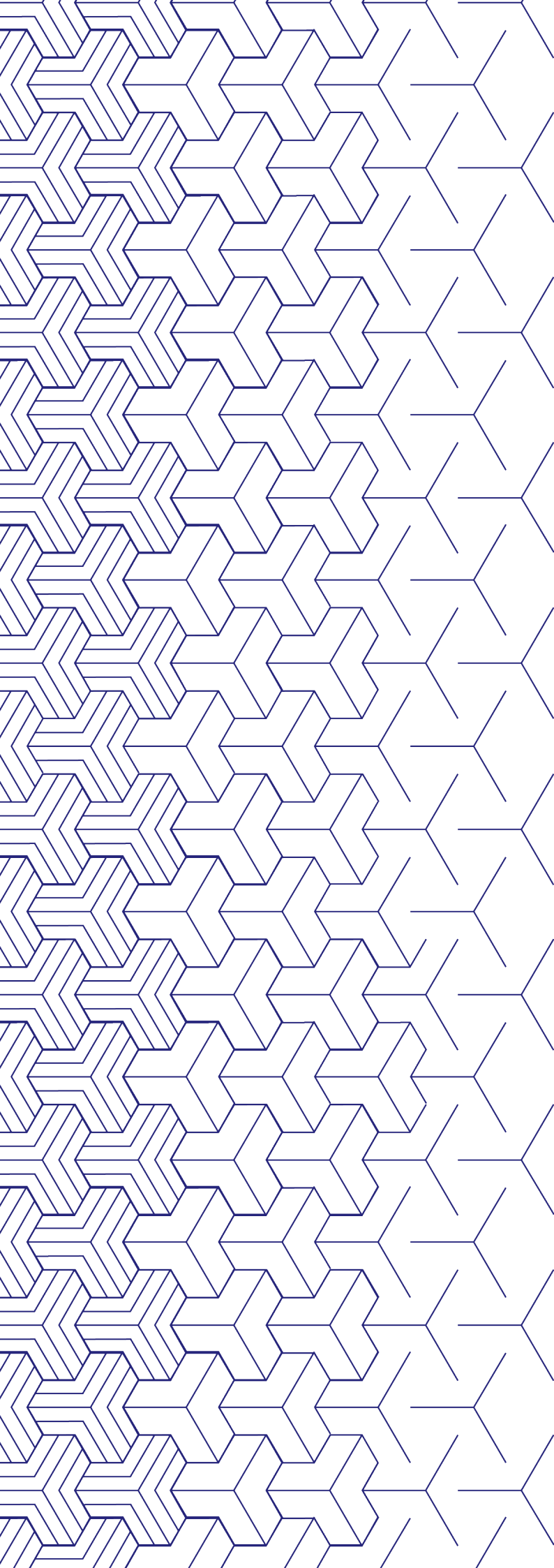


1 YAB PM-led NIMP 2030 – highest level of government oversight

2 Whole-of-nation approach for successful industrial development

3 Delivery Management Unit (DMU) – structured and close monitoring





Scan the QR code to access the
NIMP 2030 related documents



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