



SPEECH BY YAB TUN DR. MAHATHIR BIN MOHAMAD, PRIME MINISTER OF MALAYSIA

ANUGERAH KECEMERLANGAN INDUSTRI (AKI) 2018

**ON 19 APRIL 2019 (FRIDAY) AT 8.30 PM
AT THE GRAND BALLROOM, GRAND HYATT KUALA LUMPUR**

1. First of all I would like to thank the Ministry of International Trade and Industry (MITI) for inviting me here tonight.
2. I am indeed delighted to be able to attend the *Malam Anugerah Kecemerlangan Industri 2018* or Industry Excellence Award - during which we will award outstanding companies in Malaysia that have recorded exceptional achievements in their respective areas.
3. As the name of the award suggests the objective of the event, apart from recognising those who had been outstanding last year, is to encourage our industries, companies and businesses to strive for excellence. In essence, our aim is to foster a culture of business excellence in all industries in Malaysia.
4. Despite a volatile global economic landscape, Malaysia's Gross Domestic Product (GDP) has remained strong. It is supported by a diversified economy, resilient external position and stable financial system.
5. Domestic demand continued to stimulate growth primarily as a result of private sector expenditure and consumption. In this regard, it is crucial for the private sector to further accelerate productivity improvement initiatives to support the national economic agenda and to achieve developed nation status.
6. Malaysia is looking at an economic growth rate of between 4.3 and 4.8 percent for 2019, taking into account the challenging external environment. The manufacturing sector is projected to grow at 4.5 percent per annum, underpinned by the shift towards high value-added, diverse and complex products. Meanwhile, the services sector is geared to sustain its growth momentum at an average of 6.3 percent of GDP growth.
7. The economic policy priorities of the Government of the day were deliberated in the Mid-Term Review of the 11th Malaysia Plan through six policy pillars. Pillar number six (6) - **Strengthening Economic Growth** - reiterates the importance of business excellence among all industries in their respective domain. The key focus of the Government is to strengthen sectoral growth and facilitate structural reforms, accelerate innovation and technology adoption, as well as provide quality infrastructure. Towards this end, the Government has intensified efforts in several priority areas.
8. The **first** is to achieve productivity improvements to increase competitiveness; the **second** priority is to increase export capacity to enhance internationalisation; the **third** is to improve market efficiency to promote fair competition; and the **fourth** priority is to facilitate ease of doing business to improve the business climate.
9. Malaysia's growth has been predominantly input-driven through the injection of capital and labour into the economy. This cost minimising type of growth is becoming more difficult to sustain. Every unit of input injected into the economy is yielding less GDP growth compared to the past. Hence, it

- is imperative that we move away from input-driven to productivity-driven growth. This is important to achieve a sustainable economic growth path.
10. In this regard, companies should invest in research and development in order to enhance innovation and identify new high value-added products and services. At the same time, we need to up-skill the labour force and equip them with the latest knowledge and technology. These concerted efforts are vital to improve labour productivity performance in order to become a developed and inclusive nation. We need to break away from our conventional, 'business as usual' practices, and instead, set the country on an accelerated growth trajectory.
 11. The Government recognises the importance of digitalisation. It is an important driver of innovation, competitiveness and growth. New digital trends such as cloud computing, mobile web services, smart grids, and social media, are radically changing the business landscape and reshaping the nature of work. These trends spur innovation in business models, transfer of knowledge and access to international markets.
 12. As of March 2019, a total of 4.3 billion people are connected to the internet and by 2022, this number is expected to increase exponentially to 4.8 billion. Businesses that do not leverage on technological breakthroughs will lose out on growth opportunities, sales productivity and wealth creation for themselves and the economy in general.
 13. Taking into account the need to apply information technology and the internet of things to open up market supply chains, the Government launched the National Policy on Industry 4.0, known as Industry Forward (Industry4WRD) in October 2018. This policy encourages greater technology adoption to achieve efficiency, speed and flexibility towards sustaining competitiveness. Ultimately, Industry Forward (Industry4WRD) envisions Malaysia as a strategic partner for smart manufacturing. Malaysia will become a primary destination for hi-tech industries and total solutions provider for manufacturing and services sectors in the region.
 14. Since its inception in 1991, the *Anugerah Kecemerlangan Industri (AKI)* has proven to be commendable, as it has encouraged Malaysian businesses to uplift productivity. In the midst of facing global challenges and in building resilience, companies are encouraged to be committed in fostering innovation, developing talent and delivering more sophisticated products and services.
 15. The Malaysia Business Excellence Framework (MBEF) that is used for this excellence award provides a tailored and holistic roadmap to establish strong business fundamentals to be at par with an ever-changing business landscape.
 16. The Malaysia Business Excellence Framework (MBEF) will guide visionary and inspirational leaders to achieve stronger financial performance, drive innovation, be customer-centric, raise productivity and reduce operational costs. The adoption of best practices of business excellence will indirectly improve Malaysia's global competitiveness. Thus, a recipient of this *Anugerah Kecemerlangan Industri (AKI)* Award will distinguish the recipients against other companies for implementing best practices and recording significant productivity achievements.
 17. As a testament to the framework, to date, more than 4,100 organisations in Malaysia have adopted the Malaysia Business Excellence Framework (MBEF). The continuous pursuit of innovation, creativity and productivity will enable our companies to be well-positioned to grow, become more competitive and capable in meeting future challenges.
 18. Before I conclude, I would like to thank the Ministry for inviting me. I hope you will enjoy the evening. And my heartiest congratulations to all the deserving winners and those who have participated in *Anugerah Kecemerlangan Industri (AKI)* 2018.

Thank you.