



## **OPENING REMARKS**

**YB SENATOR DATUK LIM BAN HONG  
DEPUTY MINISTER OF INTERNATIONAL TRADE AND INDUSTRY**

**PRODUCTIVITY CONFERENCE:  
DRIVING PRODUCTIVITY OF THE NATION**

**21 JUNE 2022  
9.00 AM – 12.00 NOON**

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**Yang Berusaha Mr. Ram Ganesan Karthigasu**

Chairman

Malaysia Productivity Corporation (MPC)

**Yang Berbahagia Dato' Abdul Latif bin Haji Abu Seman**

Director General

Malaysia Productivity Corporation (MPC)

MPC Board of Directors

Eminent speakers and moderator of the forum

Distinguished Guests

Ladies and Gentlemen

Good morning and salam sejahtera

## **Welcoming Remarks and Introduction**

1. I am delighted to be here at the Productivity Conference themed “Driving Productivity of the Nation”. This two-day conference includes two distinctive intellectual discourses entitled “Rising Above the Pandemic – Solidifying Productivity and Competitiveness” and “Productivity in Action”. At today’s conference, I am honoured to launch the Productivity Report 2022 and Subsector Productivity Reports in conjunction with the fifth anniversary of Productivity Nexus.
2. This Productivity Conference features the eminent figures from the government, industry, and academia - a unification of leaderships across various sectors tackling a subject paramount to Malaysia’s economy.
3. Thank you, MPC, for bringing all parties together to deliberate on the current and potential state of Malaysia’s productivity through productivity improvement initiatives at the national, sectoral, and enterprise levels. These are the essences of the Malaysia Productivity Blueprint (MPB), reinforced by the Twelfth Malaysia Plan.

## **Malaysia’s Productivity Performance**

Ladies and gentlemen,

4. I am proud to announce that Malaysia’s productivity growth has rebounded to 1.8 per cent in 2021, with RM90,697 per person, from -5.3 per cent at RM89,106 per person in 2020. The country has not returned to its pre-pandemic productivity performance. However, 2021 showed a tremendous

awakening from the slow economic bumps due to the impact of the pandemic.

5. In 2021, the overall growth of subsectors under the nine Productivity Nexus has rebounded to the average of 3.3% from -5.1% in 2020. All the subsectors registered positive growth except for the Retail and Food & Beverages, Tourism, and Professional Services. The Electrical and Electronics subsector registered the highest annual productivity growth at 12 per cent due to the increasing global demand for Electrical and Electronics components. The Chemicals and Chemical Products and Machinery and Equipment subsectors recorded a tremendous increase in productivity growth at 10.3 per cent and 9 per cent, respectively.
6. 2022 began with a promise of higher productivity, which encourages more potential investors, traders, and businesses to operate in Malaysia. This is a driving factor for us to boost the nation's productivity, targeted growth at average of 3.6 per cent annually, from 2021 to 2025 as stated in 12<sup>th</sup> Malaysia Plan (12MP). We are on the right track to economic recovery.
7. The Organisation for Economic Co-operation and Development (OECD) projected that Malaysia's economy would grow at 6.1 per cent this year. OECD's projection was based on the expected sales of electronic goods and health gear, which boost Malaysia's exports and domestic demands, encouraged by benefits gained from the government's support.
8. The projection aligns with the Ministry of Finance (MOF) forecast that our Gross Domestic Product (GDP) will grow between 5.5 to 6.5 per cent in 2022. This is based on potential improvement in global trade, balanced

commodity prices, more vibrant economic activities, and improvement in consumer and business sentiments. The transition into the endemic phase and relaxations of the COVID-19 Standard Operating Procedures (SOP) further enhance the positivism.

9. Alongside, MPC is optimistic that the country will achieve the target of 3.6 per cent productivity growth this year.

### **MPC's Commitment to Boost Productivity**

Ladies and gentlemen,

10. To achieve higher productivity growth, we need to aim on four key productivity drivers: talent, technology, business environment, and subsidy.
11. In the talent development programme, MPC addresses the challenges in the workforce by tackling the issues of shortage of workers, education attainment performance, and employee compensation. The Academy in Factory (AiF) and e-Shared Prosperity Organisation (eSPO) Certificate of Acknowledgement Programmes are ongoing initiatives to ensure the Malaysian workforce is ready to weather the current and future economy. The AiF programme has trained and placed 200 local talents at selected industries. On the other hand, for eSPO, a total of 30,526 organisations have been recognised for successful practices and adoptions of gain sharing of wealth among the employees in the organisation through productivity initiatives.

12. The need to unleash the industry's economic potential through digital transformation is crucial to boost the country's productivity and competitiveness. Various initiatives are in place to leverage digital technology such as MPC's signature Go BIG with Digital which advocates the need for mindset transformation among leaders.
13. MPC works hand-in-hand with the Special Taskforce to Facilitate Business (PEMUDAH) and various government bodies and industries to build a more conducive business ecosystem through quality regulations. Malaysia Mudah or MyMudah initiative, as a platform to review regulations effectively, has been expanded to the federal, state, and local governments by establishing MyMudah Units at the respective organisations. Nationwide implementation of MyMudah aims to reduce the unnecessary regulatory burdens on businesses and the *rakyat* by 25 per cent per annum.
14. I would like to take the opportunity to congratulate nine Productivity Nexus established in 2017 for their fifth anniversary. I hope these nine Nexus have started rationalising their programmes to ensure effective use of resources and high impacts on the respective sector.
15. At the enterprise level, MPC advocates continuous process improvement to increase firm-level productivity, efficiency, and competitiveness. MPC's waterfall effect programme is gaining momentum with more anchor and frontier companies participating in transferring knowledge, skills, and expertise to other firms. The synergy creates clusters of companies, supporting and complementing each other for mutual benefits.

## **Call to Action and Closing Remarks**

Ladies and Gentlemen,

16. Productivity Report 2022 gives more insights and information on what I have shared with you. I urge everyone to go through the report, and we value any feedback on what else can be done to boost Malaysia's productivity and competitiveness.
17. In addition to Productivity Report 2022, specific insights on the manufacturing sector, specifically in the electrical and electronic, chemicals and chemical products, and machinery and equipment subsectors, can be found in the subsectoral report launched today.

Ladies and gentlemen,

18. Throughout the two-day conference, we will be able to learn about the current issues and challenges and, most importantly, best practices and recommendations in productivity from renowned local and international speakers. Today's focus is on Malaysia's productivity, and tomorrow, the conference will deliberate more on sectoral-level productivity.
19. On that note, it is my honour to officiate the Productivity Conference: Driving Productivity of the Nation and launch the Productivity Report 2022 and Subsector Productivity Reports.

Thank you. Stay healthy and stay productive.