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Industry4WRD

National Policy on Industry 4.0

| by Jessica Kew Jia Sin |

Industry4WRD is a response to the call for digital transformation of the manufacturing sector and its related services in Malaysia. Launched by Prime Minister Tun Dr Mahathir Mohamad on 31 October 2018, Industry4WRD aims to facilitate small and medium-sized enterprises (SMEs), which make up of 98.5% of the manufacturing companies, in embracing Industry 4.0 in a systematic and comprehensive manner and to ensure that the SMEs take full advantage of this policy in this ongoing transformation.

The government will be acting as the strategic enablers by adopting a five-thrust concept: Funding, Infrastructure, Regulations, Skills and Talent and Technology, called “F.I.R.S.T”, with four specific goals to be achieved by 2025:

- (a) Increase the productivity of the manufacturing sector per person by 30% from the current RM106,647 per person;
- (b) Elevate the contribution of the manufacturing sector to the nation economy from RM254 billion to RM392 billion, which is an increase of approximately 54%;
- (c) Strengthen the innovation capacity and capability to achieve global index ranking of top 30; and
- (d) Increase the number of high-skilled workers in manufacturing sector from 18% to 35%.

The primary focus of the policy will be on five sectors that have been identified under the 11th Malaysia Plan as catalytic or high-growth potential sectors, namely:

- (a) Electrical & Electronics;
- (b) Machinery & Equipment;
- (c) Chemicals;
- (d) Aerospace; and
- (e) Medical Devices.

Manufacturers will be able to assess “*where they are, what are the current gaps existing in their manufacturing line and how can they move into Industry 4.0 through targeted intervention of experienced assessors*” through the Industry4WRD Readiness Assessment Programme introduced by the government on the same day.

The policy was echoed two days later in the recent Budget 2019, for which the government has allocated RM210 million for the next three years to support and promote the transition and migration to Industry 4.0.

Click [here](#) to view the “Industry4WRD: National Policy on Industry 4.0” published by the Ministry of International Trade and Industry.

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If you have any queries regarding Industry4WRD, please contact the author or her team partner [Ooi Bee Hong](#) (obh@lh-ag.com).

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