



SPEECH BY

**HIS EXCELLENCY TUN DATO' SERI UTAMA
AHMAD FUZI BIN HAJI ABDUL RAZAK
YANG DI-PERTUA NEGERI PULAU PINANG**

**OPENING CEREMONY OF PENANG WEEK, EXPO 2020 DUBAI,
DUBAI, UAE
17th JANUARY 2022 (MONDAY)
AT MALAYSIA PAVILION**

Bismillahirrahmanirrahim

The Hon. Dato' Haji Abdul Halim bin Hussain

Penang State Exco for Trade, Industry and Entrepreneur Development

Mr. Aziz Bin Bakar

Chief Executive Officer

Penang Development Corporation

Distinguished guests,

Members of the press, Ladies and Gentlemen,

Assalamualaikum wbt and a very good afternoon.

1. It gives me great pleasure to be invited to attend the EXPO 2020 Dubai and to officiate the opening ceremony of Penang Week themed "Entrepreneurship and Energy".
2. The theme speaks well to Penang's current focus and aspirations.
3. I would like to congratulate YB. Dato' Abdul Halim Hussain, the Penang State Exco for Trade Industry and Development for his leadership in the organization of Penang Week.
4. My heartfelt thanks also go to all representatives of the participating State agencies and industry players, whose presence here in Dubai made it possible for Penang to showcase our products and technologies at the international arena.

5. We are also grateful to the Ministry of Science, Technology and Innovation Malaysia (MOSTI), the lead Ministry, for facilitating Penang's participation at the EXPO.

Ladies and gentlemen,

6. Let me now touch on Penang.

7. The state of Penang, nestled along the northwest coast of Peninsular Malaysia, needs no introduction in the global electrical and electronics (E&E) sector.

8. Despite its diminutive stature with just over 1,000 square kilometers of land area and a 1.8 million-strong population, Penang commanded an estimated 5% of global semiconductor sales and is a key regional hub for E&E equipment manufacturing.

9. Proudly, Penang is also a hub for medical device industry in the region, having the highest concentration of medical technology companies in Malaysia and Southeast Asia.

10. In 2020, Penang generated US\$74 billion (RM310 billion) of export and US\$26 billion (RM110 billion) of trade surplus. This represented 32% and 60% of Malaysia's total, respectively, punching well above its weight.

11. In terms of direct manufacturing investment, Penang has clocked in our second highest record of all time of RM14 billion in 2020, after achieving an all-time high of RM17 billion in 2019.

12. While we were clouded by the repercussions of the pandemic, such performance underscores investors' confidence in Penang's ability to navigate the crisis.

13. As for 2021, Penang is on track to break the record that we have achieved in 2019, following the investment of a mega semiconductor project at the end of last year.

14. In terms of the services sector, Penang is a vibrant location for Global Business Services (GBS) activities in the country. According to a recent report from Global Data Findings, Malaysia's GBS market is estimated to reach US\$1.5 billion (RM6 billion) by 2024.

15. Being one of the key players in Malaysia's GBS landscape, Penang is indeed in a good position to attract more knowledge-driven GBS investments, such as Robotic Process Automation, Artificial Intelligence, Big Data Analytics and Cybersecurity.

16. The State's score on numerous tourism accolades, including medical tourism, have made Penang and Malaysia well known to the world. Just earlier this month, Penang is chosen by CNN as one of the 22 world's best destinations to travel.

17. In addition, Penang's capital, George Town, was named as an UNESCO World Heritage Site since 2008 and Penang Hill was designated a UNESCO Biosphere Reserve in September last year. Moreover, being a hotspot for medical tourism, Penang is a key contributor for Malaysia's frequent recognitions by the International Medical Travel Journal as "Medical Travel Destination of the Year".

18. While the tourism industry took a hit during the pandemic, Penang is ready to make a strong comeback in the post Covid era, underpinned by the cultural varieties and vibrant attractions that the State possesses.

Ladies and gentlemen,

19. Penang has been making quantum leaps forward since our industrialization journey began in 1972. The key success factors for Penang include our robust industrial ecosystem and strong talent pool that are imbued with advanced technology and future-proof offerings, alongside all-rounded state initiatives that support the ecosystem.

20. As 2022 marks the Golden Jubilee of industrialisation in Penang, the State government has incubated a year-long event to showcase our transformation journey, and more importantly, our focus and opportunities ahead.

21. In the post covid era, leveraging on digitalization towards new opportunities is a must. Thanks to the 50 years of experience and excellence in the E&E industry, Penang's ecosystem has the right ingredients to enable the adoption and participation of all stakeholders in the digitalization and Fourth Industrial Revolution (IR4.0) road maps. We believe that incorporating digitalization in every aspect, is the only way for us to compete in the global arena.

22. The State's competitive edges in E&E, Medical Technology and Digital Economy & Global Business Service (GBS) serve as an enabler in the digitalization journey among businesses and governmental bodies into the future. Aside from these, Penang is also exploring the opportunities in the food and space technology that are ripe for the picking.

23. Penang Digital Transformation Masterplan 2021-2023, which covers the 4 pillars of the economy, infrastructure, governance and community, will be instrumental in spearheading our technological leap forward. These digitalization initiatives are important for us to leverage technology in achieving the Penang2030 Vision and to capture the numerous opportunities arising from Digital Economy.

24. Although Penang has been focusing on talent capability building all this while, we will be even more aggressive in championing talent pool expansion, moving forward. Specifically, we have been seeing a fast pace of industry evolution over the past 2 years. The combination factors of the incoming new strategic projects, prominent rise of homegrown entrepreneurs and growth in the startup landscape, have sparked the creation of many high value job opportunities.

As such, we expect the composition of our workforce to be significantly skewed towards knowledge workers, which will in turn poise the path for Penang to becoming a high-income economy.

Ladies and gentleman,

25. Penang's conducive environment has not only led the country in attracting foreign direct investments (FDIs), but also created more and more success stories of locally-employed engineers turned technopreneurs, founding and building companies that have grown to become internationally renowned in their own right.

26. It is noteworthy to share that there is an emerging layer of young, fast-growing local E&E companies that provide IC design and IC test design services in Penang. These companies have moved away from manufacturing, and instead, established themselves as upstream solution providers in the E&E value chain.

27. Similar to many other local large companies in Penang's E&E industry, these young companies are founded by engineering talent with global exposure. Through their work experience in Malaysia and abroad, they have been able to see opportunities and commercialisable ideas and solutions that fill gaps in the ecosystem.

28. The uprising of local technopreneurship has well-attested Penang's entrepreneurial environment that offers a competent platform for the local players to participate and thrive. Toward this end, the Penang State government is committed to continue nurturing and promoting homegrown companies, and will continue to cultivate and facilitate supply chain localisation opportunities, particularly among the multinational corporations.

29. Sustainability has been thrust into the limelight with growing concerns from the society in recent years. It is worth noting that sustainability measures go beyond protection and preservation, into generating greater business potential for the companies. In particular, environmental, social and governance (ESG) compliance has become an important element for industry players to be integrated into the global supply chain. Importantly, consumers are more tactful on the brands' commitment in ESG nowadays.

30. With half-a-century of industrialisation, I believe we can convincingly attest to industry players' transformation and shift towards sustainable manufacturing. The drivers and the implementation of this global practice have been dominating most aspects of business and society, and we are witnessing increasing numbers of manufacturing firms integrating sustainability into their buildings as well as operations. Notably, some of our industry players have been accredited by sustainability certifications, including Leadership in Energy and Environmental Design (LEED), Responsible Business Alliance (RBA) and Green Building Index (GBI).

Ladies and Gentlemen,

31. Penang possesses the elements of opportunity spotting, risk taking, and value creation. We believe that Penang offers investors both the ecosystem, and the institutions of rule of law and intellectual property protection, where you can develop not just a new product, but also a fresh new platform that will be a market game changer.

32. Penang can indeed be described as an 'entrepreneurial state' – where we provide the physical and digital infrastructure, talent as well as liveable environment, which are all imperatives for businesses to grow.

33. Looking forward, investing in the areas of research and development, innovation as well as retraining and upskilling of talent are key to entrench Penang's position as the destination of choice for high quality investments. The global supply chain reconfiguration, technological advancement and the new way of living as a result of the pandemic have moved the needle in terms of business establishment. Corporates are now moving towards practices that ensure reliability, consistency and sustainability.

34. To remain competitive in the global arena in the new normal circumstances, the Penang State government is committed to being the leader, the enabler and the propeller by offering a competent platform for players across different industries to scale and thrive.

35. Importantly, we acknowledge that incorporating a tripartite Public-Private-People partnership is crucial in paving the way to becoming a high-income economy and creating quality jobs. We believe that the convergence of such tripartite partnership in Penang would help us shape a progressive economic policy incorporating pro-business, investment-led and good governance elements to drive the State's long-term growth and productivity.

36. I am encouraged to learn that initiatives are being made by prominent Malaysian entrepreneurs and business entities to enhance their presence in Penang with the support of their foreign partners. Such partnership would no doubt help Penang enhance it's position and image as a important global business, tourist and investment destination.

37. I hope the holding of the Penang Week at the Dubai EXPO would generate new awareness and interest amongst key entrepreneurs to explore the vast business opportunities available in Penang.

38. Please rest assured that, as businessmen and investors, you are always welcome to visit Penang to explore and experience our potential. Let us be part of your business and investment journey where we can make your dreams come true, together.

39. Penang welcomes and awaits you.

Thank you.

Wabillahitaufik Walhidayah Wassalamualaikum Warahmatullahi
Wabarakatuh.