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## **FMM and MOSTI Exchange Views on Strengthening Industry R&D, Innovation and Digitalisation**

**Kuala Lumpur, February 27, 2026** - The Federation of Malaysian Manufacturing (FMM) led by its President Mr Jacob Lee Chor Kok and members of the FMM Presidential Committee, paid a courtesy call on YB Datuk Chang Lih Kang, Minister of Science, Technology and Innovation (MOSTI), on February 25, 2026 to strengthen collaboration and exchange views on initiatives to enhance research, development and innovation (RDI) participation and intensity among Malaysian industries, in support of building a more complex, high value and technology-driven economy, in line with the aspirations of the New Industrial Master Plan 2030.

The engagement provided an important platform to discuss measures to promote deeper and more effective industry–academia collaboration, as well as to support the adoption of emerging technologies, digitalisation and innovation across the manufacturing sector.

FMM highlighted that closer and more structured collaboration between manufacturers, universities and research institutions, particularly in applied research, commercialisation and problem-driven innovation, will be critical in accelerating Malaysia’s transition towards more complex, higher value-added and technology-intensive products. These efforts are aligned with the objectives of the NIMP 2030 and the 13th Malaysia Plan (RMK-13), which emphasise productivity, technological upgrading and stronger domestic capabilities.

During the meeting, FMM raised the following key areas and recommendations for MOSTI’s consideration:

- **Strengthening industry-driven RDI and commercialisation** – FMM emphasised the need to build stronger innovation capabilities among SMEs and Tier-1 and Tier-2 suppliers to support upgrading, localisation and participation in global value chains. This includes more accessible and SME-friendly incentives, dedicated outcome-driven funding under Budget 2027, structured industry–academia collaboration, a more inclusive and flexible interpretation of R&D to better recognise SME-driven activities such as process innovation and incremental improvements, simplified tax and grant mechanisms, and enhanced commercialisation, common-user facilities and matching grants to crowd in private-sector investment.
- **Enhancing industrial linkages, localisation and domestic capabilities** – FMM underscored the importance of strengthening resilient domestic supply chains through the scaling of the FMM–MIDA Industrial Linkage Programme, embedding innovation, advanced technologies and ESG into supplier upgrading, promoting cluster-based ecosystems and a National Vendor Programme, and accelerating localisation, import substitution and anchor-led technology transfer in high-value and strategic sectors.
- **Accelerating AI adoption, smart manufacturing and SME digital transformation** – FMM highlighted the need for a coordinated one-stop advisory ecosystem, structured readiness assessments and digital roadmaps, simplified incentives and micro-grants, shared smart infrastructure, collaborative digitalisation models, and stronger talent development in smart manufacturing, data, cybersecurity and automation, supported by initiatives such as FMM’s collaboration with SIRIM to

onboard 3,000 companies under the NIMP 2030. FMM also highlighted the importance of sustained ecosystem-wide efforts to address perception challenges around STEM and TVET, strengthen industry involvement in career awareness by exploring pilot initiatives on science enculturation with industry to build early career awareness and interest in science and technology fields.



**Mr Jacob Lee Chor Kok**  
**President, Federation of Malaysian Manufacturing**

***FMM Advocates Transparency, Integrity, Accountability and No Corruption***

**About FMM**

The Federation of Malaysian Manufacturing (FMM) (formerly known as Federation of Malaysian Manufacturers) has been the voice of the Malaysian manufacturing sector since 1968, advocating policies and initiatives that drive industrial growth, competitiveness and workforce development. Representing over 13,300 member companies (4,200 direct and 9,100 indirect) from the manufacturing supply chain, FMM is actively engaged with government and its key agencies at Federal, State and local levels. FMM is also well-linked with international organisations, Malaysian businesses and civil society. Apart from benefitting from FMM's advocacy, FMM members enjoy value-added services including training, business networking and trade opportunities as well as regular information updates.

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