



## **MEDIA RELEASE**

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### **US-MALAYSIA MOC - POSITIVE DEVELOPMENT IN STRENGTHENING SEMICONDUCTOR SUPPLY CHAIN RESILIENCE**

**Kuala Lumpur, 25 MAY 2022** – The recent signing of the US-Malaysia Memorandum of Cooperation (MOC) on Semiconductor Supply Chain Resilience and the launching of the the Indo-Pacific Economic Framework for Prosperity (IPEF) with a dozen initial partners: Malaysia, Australia, Brunei, India, Indonesia, Japan, Republic of Korea, New Zealand, the Philippines, Singapore, Thailand, and Vietnam, will help lower costs by making semiconductor and electronics supply chains more resilient in the long term. These twelve initial countries represent 40% of the world’s GDP.

The industry is experiencing a period of high growth with digital transformation and emerging technologies such as Internet of Things, artificial intelligence, smart factories and autonomous vehicles. Semiconductor companies like Intel, Samsung & TSMC and countries like China, USA & Europe have announced investments over the past one year, exceeding US\$550 billion in fabrication plants to meet the increasing demand for semiconductors. Companies in Malaysia are expanding and increasing capacity to address the shortage in semiconductor. Malaysia is also attracting new investments to strengthen its supply chain. A more resilient and flexible semiconductor supply chain will allow the industry to manage market volatility much better.

The industry must steer a course towards a future where sustainable growth can be achieved through resilience and an open and connected world. This is important as the semiconductor and electronics has the most complex and geographically dispersed value chain in the world.

Malaysia Semiconductor Industry Association (MSIA) President Dato’ Seri Wong Siew Hai stated that *“The US-Malaysia MOC in Semiconductor Supply Chain Resilience and the IPEF is a positive development for the Malaysia Semiconductor and E&E industry and further consolidates Malaysia’s position as one of the critical global semiconductor hubs.”*

Malaysia will continue to be an attractive investment location for semiconductor and E&E companies. Last year, Malaysia recorded approved investments of RM148 billion, which was 9.5x the approved investments in 2020 of RM15.6 billion. The trend for investments is expected to continue with the recent mission by MITI Minister to the US.

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## **About MSIA**

Malaysia Semiconductor Industry Association (MSIA) is an industry association which cover companies incorporated in Malaysia who are involved directly or related to Semiconductor Industry (Electronics and Systems), Semiconductor Industry supply chain, institutions providing significant related services to semiconductor industry such as engineering, finance, legal and those societies, associations, chambers and government - linked agencies.

For more information, please visit <http://www.msia.org.my>.

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