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## Accelerating digitalisation through National 4IR Policy to raise competitiveness

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Have you ever wondered what makes Google, Facebook, Amazon and Alibaba so dominant? Big data analytics and cloud computing! Those are just a handful real-life examples of the pervasive Industrial Revolution 4.0 (4IR) technologies in our everyday life.

Well, the 4IR list is practically endless. It has transcended the manufacturing domain by today's definition. What started as the darling of the manufacturing environment is now shaping the future of EVERY industry, plus the way we work, live and communicate, leading some to

even argue that Industry 4.0 is now a subset of the reimagined 4IR ecosystem.

## **The National 4IR Policy**

4IR is today a compelling national agenda. It is ushering in the next wave of innovations, inevitably and unstoppably. The question is - how ready are we?

"The 4IR involves the transformation of the entire ecosystem, across and within companies, industries, society and countries. It emphasises and shapes the way technology and society co-exist and contribute to one another," remarked Dato' Sri Mustapa Mohamed, Minister in the Prime Minister's Department (Economy), during the official unveiling of The National 4IR Policy, which goes in tandem with the Malaysia Digital Economy Blueprint (MyDIGITAL) that was launched earlier in February.

The National 4IR Policy is jointly spearheaded by the Economic Planning Unit (EPU) of Prime Minister's Department in collaboration with the Ministry of Science, Technology & Innovation (MOSTI) and other ministries – in which the National 4IR Policy is aligned with the National Policy on Science, Technology and Innovation (DSTIN) 2021-2030 that aims to develop Malaysia as a high-tech nation by 2030.

## **Riding on digital age**

"The National 4IR Policy is a testament to the Government's commitment towards realising the digital revolution. The policy is built on a whole-of-nation approach through people-private-public partnerships to address and optimise the challenges and opportunities that the digital age will have on our economy, society and environmental development," said Khairy Jamaluddin, Minister of MOSTI, who jointly officiated the launch with Mustapa.

"A comprehensive 4IR policy is necessary to provide and equip the Rakyat with 4IR knowledge and skillsets whilst also boosting workforce productivity. Therefore, it is important for our workforce to harness 4IR

technology and embark on digital innovation to thrive in a fast-changing work environment," he added.

## **Improving productivity through digitalisation**

According to Mustapa, 4IR and digital economy are interdependent and mutually reinforcing. That is because digitalisation enables more sophisticated technology applications, innovations and the emergence of new business models across all sectors while the wide adoption of 4IR technologies will accelerate the growth of digital economy.

"The emergence of 4IR is estimated to increase productivity by 30% across all sectors by the year 2030," he quoted one of the aspirations that the National 4IR Policy aims to achieve, while hoping Malaysia could make it to the Top 20 in the Global Innovation Index by 2030.

## **Four policy thrusts**

In order to achieve the 4IR aspirations, we need four fundamental thrusts: human capital development (reskill and upskill people with 4IR knowledge and skill sets), infrastructure improvement (e.g. digital infrastructure), regulatory framework (regulations that are aligned with technological changes), and technology adoption and innovation (among businesses especially SMEs, members of the society, and the government itself, concurrently).

So, apart from manufacturing, transportation and logistics, healthcare, education, agriculture, utilities, finance and insurance, wholesale and retail trade, real estate, scientific and technical services, information and communication services, entertainment and recreation services are among the key focus sectors under the National 4IR Policy.

## **Elevating competitive edge**

Put simply, 4IR revolves around the Internet of Things (IoT) where cloud computing, big data analytics, blockchain, artificial intelligence, virtual reality, drone and robotics, are among the powerful technologies that

steer the entire 4IR ecosystem into the future – with optimised efficiency, productivity, profitability and sustainability – for businesses, people and even the environment.

According to Dato' V Valluvan Veloo, Director, Manufacturing Industry, Science and Technology Division, Economic Planning Unit (EPU), Prime Minister's Department, the National 4IR Policy was developed through various engagements with 25 ministries, 51 agencies, state governments and the private sector including 460 companies, 22 industry associations and 33 technology providers through focused meetings, surveys and workshops.

### **New value creation**

"4IR technologies give rise to the convergence of the physical, digital and biological (human) domains. It impacts all economic sectors and aspects of life. It creates new business opportunities and new job creation while bringing new value creation to all stakeholders," he explained, pointing to the improved quality of life in the end.

In a nutshell, the National 4IR Policy champions the use of digital technology to advance our socioeconomic capacity and capability to support other national development policies, pushing 4IR awareness and adoption across the nation towards a more connected and competitive landscape, both locally and globally.

More insights into the National 4IR Policy are available [here](#).

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