'Move towards local innovation'

Sim: Made-by-Malaysia shift needed to stay competitive in global economy

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KUALA LUMPUR: Local businesses must shift from the traditional "Made in Malaysia" to a "Made by Malaysia" model driven by local talent, design and innovation.

Entrepreneur Development and Cooperatives Minister Steven Sim, who made the call, said the shift was necessary as Malaysia could no longer rely on its traditional low-cost model to remain competitive in the modern global economy.

He said the shift was due to technology developing at an extremely rapid pace, not just nationally but on a global scale, such as the growth of AI.

"Many companies around the world are already finding that the cost of implementing AI technology has suddenly increased.

"This week you pay a subscription for AI. Two weeks later, that AI is already outdated, as your competitors have better AI, and you have to keep catching up," he said at the inauguration of the BrandQuest Programme 2026 here yesterday.

The national branding event aims to elevate Malaysian enterprises to global standards, featuring masterclasses, expert panel talks and networking with industry leaders and government stakeholders.

Sim said that intensifying competitiveness among regional rivals in offering low-cost labour and other production operating costs is a growing concern.

Closer look: Sim (centre) visiting a booth after the inauguration of the BrandQuest Programme 2026 in Kuala Lumpur. — Bernama

He said Malaysia's longstanding reliance on price-driven competition had become too risky as businesses continuously undercut one another to attract customers.

"This is a competition that can only lead one way – to the bottom – which means we will no longer have a competitive pricing edge in the long term," he added.

The minister said Malaysian brands should reflect value while giving consumers confidence in the safety, health and cleanliness of their products.

He said the ongoing global instability also presented an opportunity for Malaysia to reposition itself as a safe destination for businesses, investment and products.

"In these times of global instability, the best opportunity the Malaysian brand has now is to reflect value, safety and health over just price. We have to move beyond imitation to innovation," he said.

Sim said the government was also providing financial resources for businesses facing challenges while supporting companies seeking to expand, innovate and move up the value chain, citing the ministry's PowerUp10K programme, which aims to provide up to RM15bil in financing for local entrepreneurs by the year-end.

He said as of July, RM9bil had been approved and was in the process of being channelled to 250,000 entrepreneurs nationwide.

Sim said the funds were intended not only to help entrepreneurs survive economic challenges but also support companies seeking growth and opportunities.

He also said SME Corp Malaysia had allocated RM230,000 to help SMEs obtain their necessary business certifications under the Malaysian Brand certification programme.

He said about 40 companies had benefited from the allocation during 2025 and 2026, with the ministry looking to assess whether the allocation should be increased in the future.