

Accelerating Innovation: Policy-Driven Transformation in Malaysia's Automotive Industry

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Abstract

The automotive industry plays a pivotal role in Malaysia's economic and social landscape, contributing significantly to GDP, employment, and technological advancement. Accounting for 4% of the nation's GDP, Malaysia stands as the third-largest automotive market in ASEAN. This research focuses on enhancing the growth and competitiveness of the domestic passenger vehicle sector through the exploration of Next Generation Vehicles (NxGV), the adoption of Mobility as a Service (MaaS), and the integration of Industry 4.0 technologies. Key factors influencing industry effectiveness include economic conditions like GDP growth and inflation, government policies and incentives, market demands, consumer preferences, and technological advancements. The study aims to align industry practices with consumer expectations and environmental sustainability, advocating for local production, research and development investments, and the adoption of advanced technologies to reduce import reliance and boost global competitiveness. By addressing these factors, this research aims to ensure the long-term sustainability and growth of Malaysia's automotive sector, positioning it to embrace global trends such as electric and autonomous vehicles. This forward-looking approach seeks to transform Malaysia into a hub for innovative and sustainable automotive solutions, informing the development of a new, impactful National Automotive Policy.

Keywords: automotive policy, industry revolution, malaysia, mobility as a service (MaaS), next generation vehicles (NxGV)