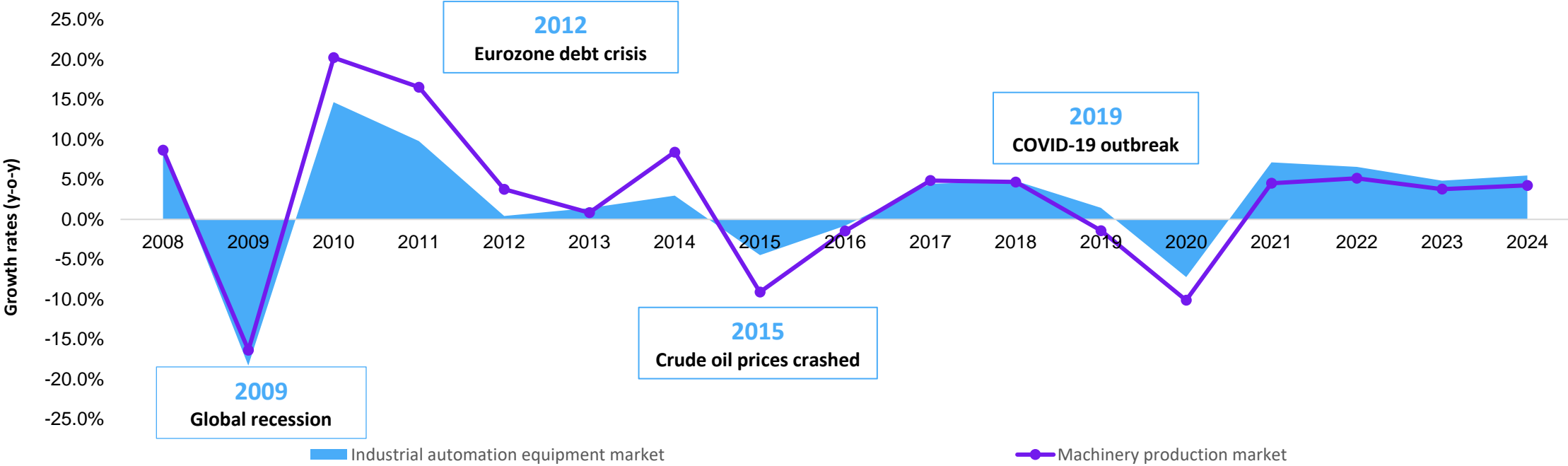


# Southeast Asia manufacturing event survey Participant summary

# Post-pandemic outlook

Industrial automation and machinery production market - World



Source: Omdia

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# Key factors affecting the global industrial market in the near term

## *Supply chain shortage*

Supply chain delays remain unresolved, putting a cap on the growth of the market



## *Input cost increasing*

Raw material procurement costs and transportation costs increase the cost of finished goods and depress profit margins

## *Energy crunch*

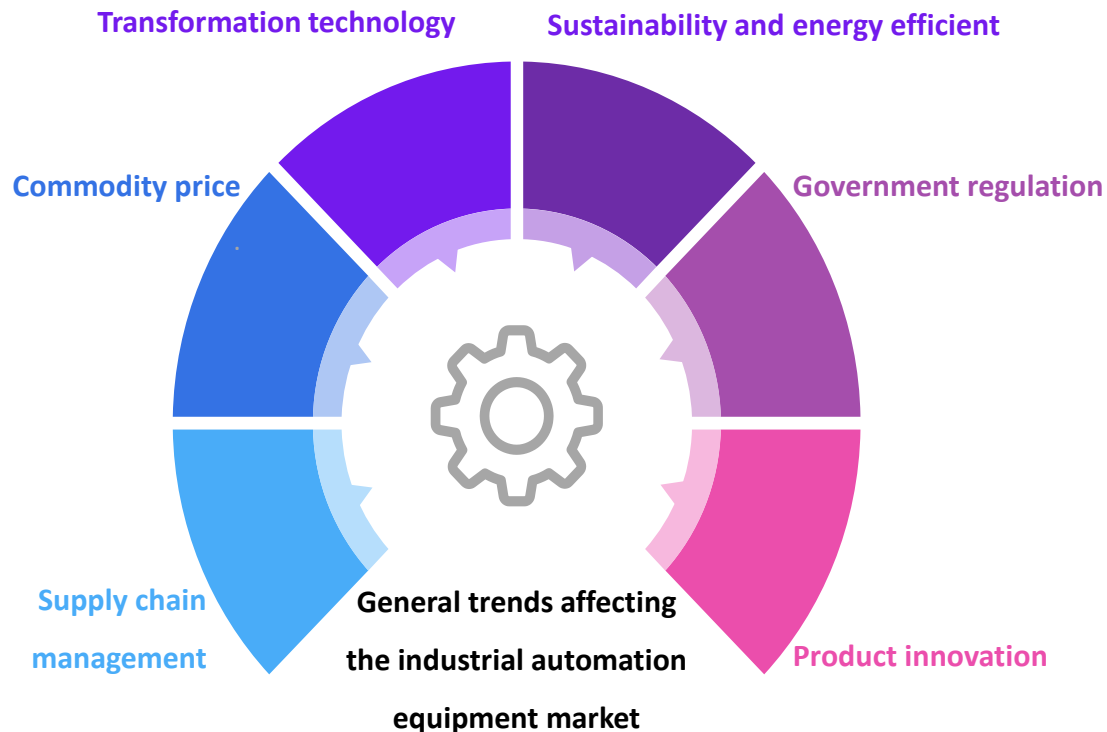
Supply imbalances have made gas, coal, and oil prices soar; energy crunch and soaring prices create a headwind for the global market



## *Orders come back online*

Recovery of downstream industries prompt continued growth in orders to support the market growth

# Global industrial automaton equipment market overview



- The impact of the pandemic on the world continues. It has not only heavily damaged the world economy but also changed the concepts and actions that governments, enterprisers, and citizens adopt.
- The impact of the pandemic has caused more manufacturers to increase or continue to focus on digitization, artificial intelligence (AI), and various other forms of automation funds. Factory automation will become a bright spot in various industries because improved infrastructure is essential to prepare for future similar incidents, such as another pandemic.
- Omdia believes that the factors listed in the figure on the left are key factors that will continue to affect automation product market dynamics in 2021 and the forecast years.

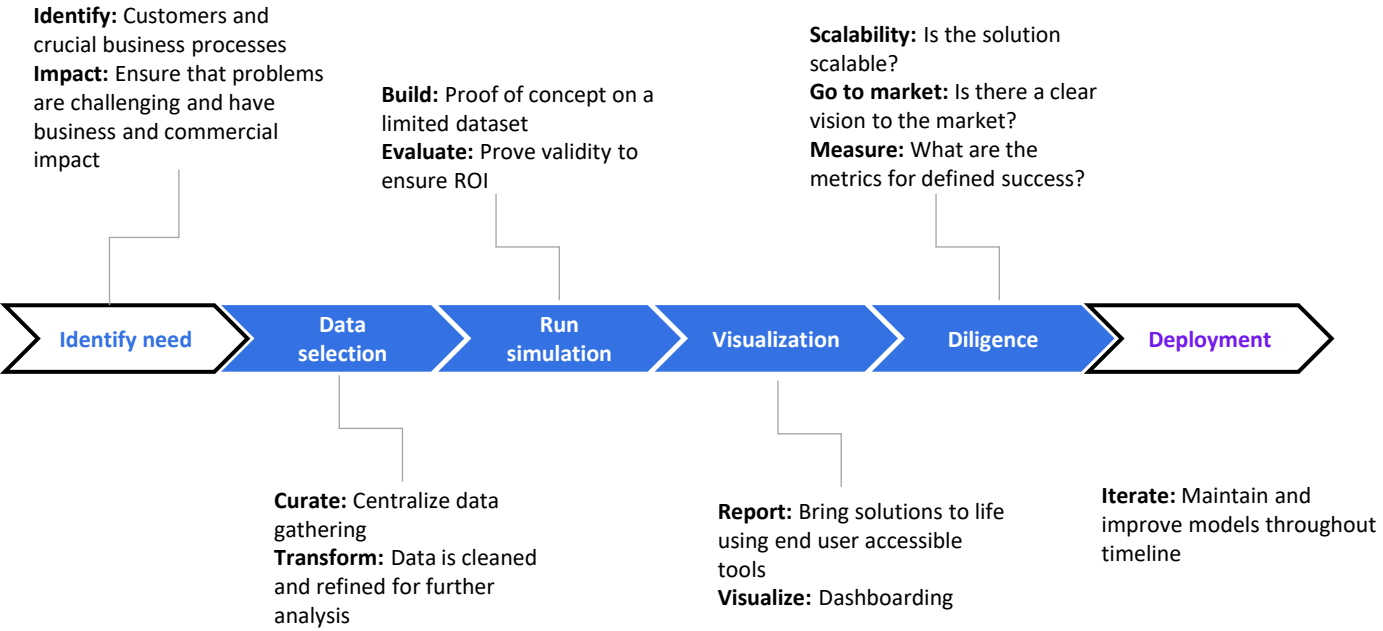
Source: Omdia

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# AI roadmap in global manufacturing

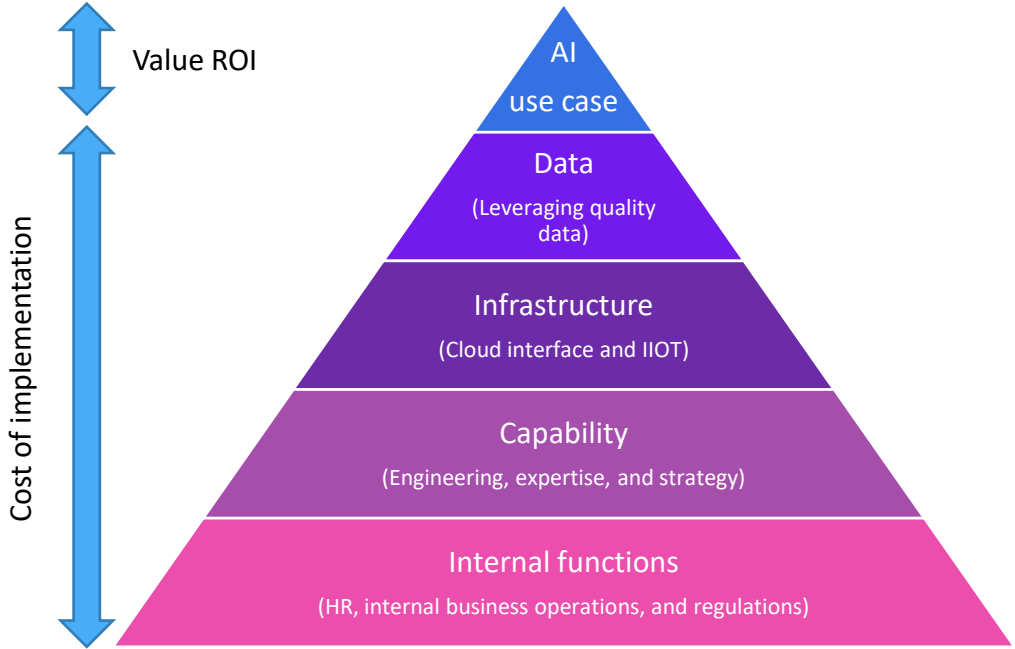
- The use of “big data” and ML has begun to allow businesses and enterprises to develop solutions for increasingly complex applications. Historically, AI’s use cases have been focused on applications that have core value for specific industries. However, creating a strategy for introducing AI requires investments in underlying capabilities and a roadmap for deployment.

## Omdia outlines the key challenges and roadmap for AI implementation in manufacturing



Source: Omdia

## AI’s challenges



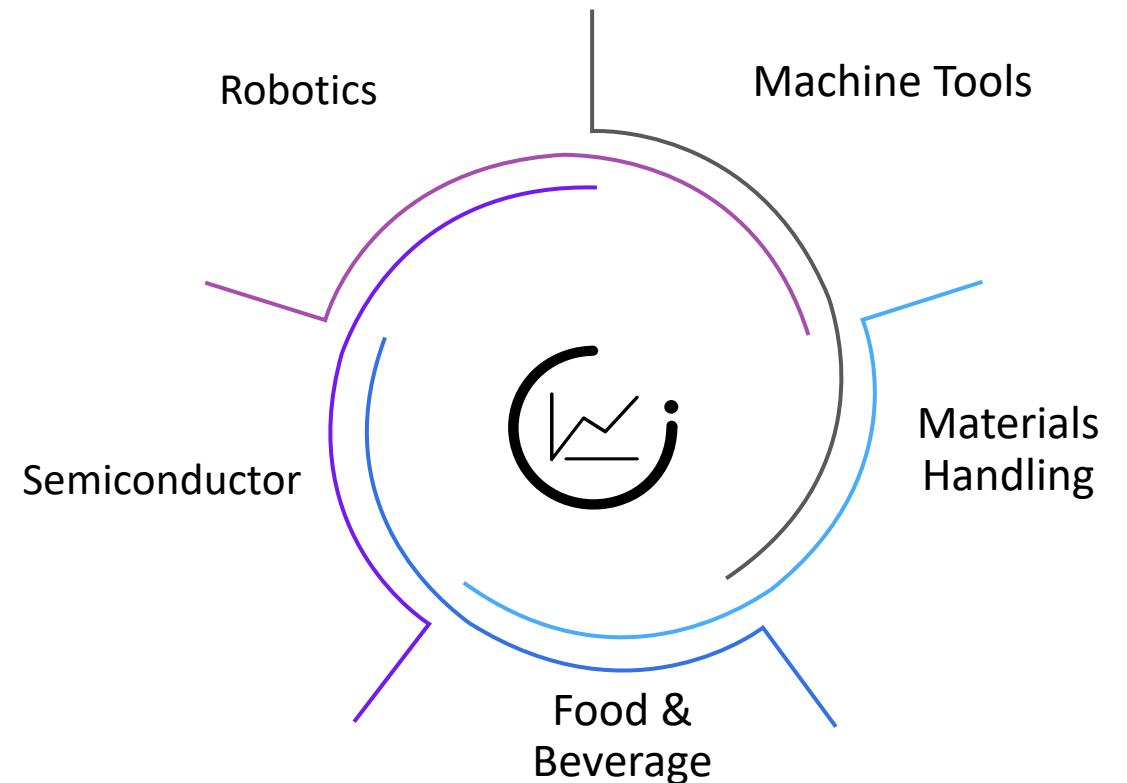
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# Global machinery production market overview

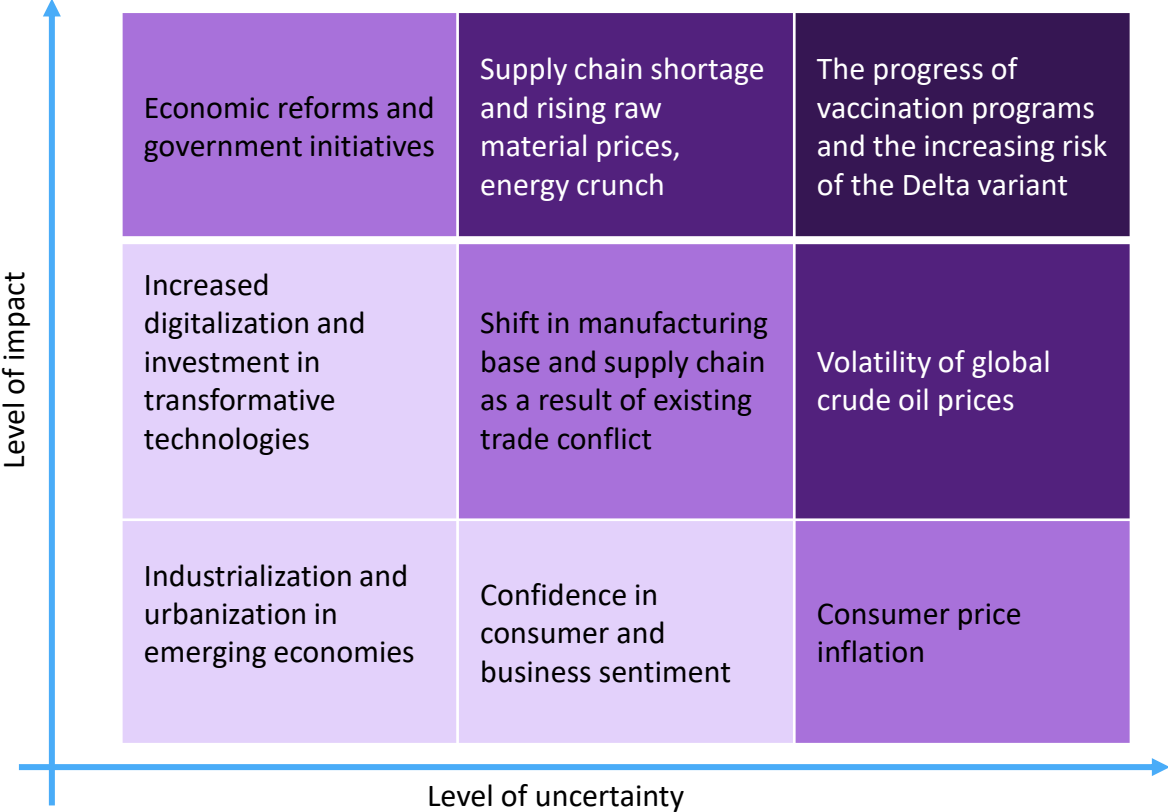
- China, the US, France, and Germany were some of the best-performing countries during April and May 2021 as many manufacturers reported a rebound in orders.
- Although the reported market growth sentiment is currently very high, Omdia maintains a conservative forecast for market growth in 2021 because of concerns over a misalignment between actual demand and orders.
- **Key factors toward marginally revising upward in the forecast:**
  - An improving global economic landscape, compared to the start of 1Q21.
  - Increased confidence from OEMs.
  - Orders look to be inflated in 2021. Omdia sees panic buying, “getting in line,” and filling backorders from 2020 as the main reasons for this.
  - However, as lead times are increasing because of component and logistics constraints, Omdia expects a larger jump in revenue in 2022 when orders are fulfilled.

## Top Machineries by Production Revenue



# Asia & Oceania: analysis

Rest of Asia & Oceania’s market scenario impact matrix



Source: Omdia

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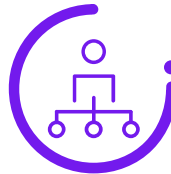
**Global consumer demand rebound**

A strong rebound in global consumer markets, particularly the US and Western Europe, continues to drive manufacturing export growth in the region, supporting continued growth in orders and high levels of investment enthusiasm.



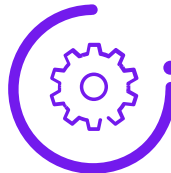
**Chip shortage leads to uncertain market outlook**

Chip shortage is one of the big factors influencing the regional automation market, especially for countries where automotive industry is the mainstay. On the other hand, the chip shortage will also lead to an influx of more investment in the regional semiconductor industry.



**Supply chain shift temporary**

Increasing threats of the spread of Delta variant in South-Eastern Asia will cause a shift in the supply chain within the region, in which manufacturing activities (especially for semiconductor and electronic products) will be ramped up rapidly in less affected countries like China or South Korea.

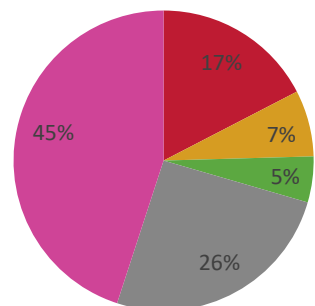


**Manufacturing hub**

In the mid-to-long term, due to companies intending to avoid the impact of trade friction between China and the US, South-Eastern Asia is still the preferred manufacturing hub for manufacturers, which increases investment and creates opportunities for the market.

# Malaysian and Indonesian machinery production markets

## Malaysia : Top 4 Machinery Produced in 2021



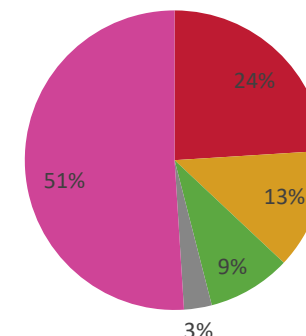
■ Semiconductor ■ Materials Handling ■ Packaging ■ PV ■ Other Machineries

Source: Omdia

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- Malaysian machinery production market was worth \$3.7bn in 2021 (excluding PV and wind).
- Malaysia is the end user of machinery whereby most of the machinery used in the manufacturing sector is imported.
- On the merit of having a large pool of skilled labor, robust logistical infrastructure, and good trade ties, Malaysia's machinery production prospects are growing with a 2020–25 CAGR of 3.2%, despite the prolonged lockdowns. As global trade recovers alongside the boom of the semiconductor manufacturing sector, Malaysia is well-positioned to be a prosperous manufacturing hub for years to come by gradually shifting from a user of machinery to a builder.

## Indonesia : Top 4 Machinery Produced in 2021



■ Materials Handling ■ Packaging ■ F&B ■ Agriculture ■ Other Machineries

Source: Omdia

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- Omdia's preliminary data shows Indonesia's machinery production market was estimated to account for less than 10% of Southeast Asia's machinery production market in 2020.
- Indonesia is a green field market with huge potential for industrial automation vendors and machine builders. The country is still considered to be in the end user market when it comes to machine building. It is estimated that over 80% machinery used in manufacturing are imported.
- Indonesia mainly produces lower end machineries to be supplied to Tier 2 manufacturing activities in the Food and Beverage and Automotive sector.



## Read more...

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# Omdia intro

Omdia is a leading provider of intelligence, industry forums and marketing services to the technology industry.

## IIOT & 5G



## Machine Vision



## Industrials



## Consulting



## Software and services



## Bringing together a global technology and communications market capability

August 2016

June 2018

July 2018

January 2019

August 2019

February 2020



**LightReading**

Media platform Light Reading and specialist research firm Heavy Reading acquired



**UBM  
Tech**

Global exhibitions business with marquis tech assets acquired



Specialist research firm focusing on AI and emerging tech acquired



Informa Tech established



Majority of IHS Markit's technology data and research business unit acquired

**OMDIA**

New Research & Data business launched



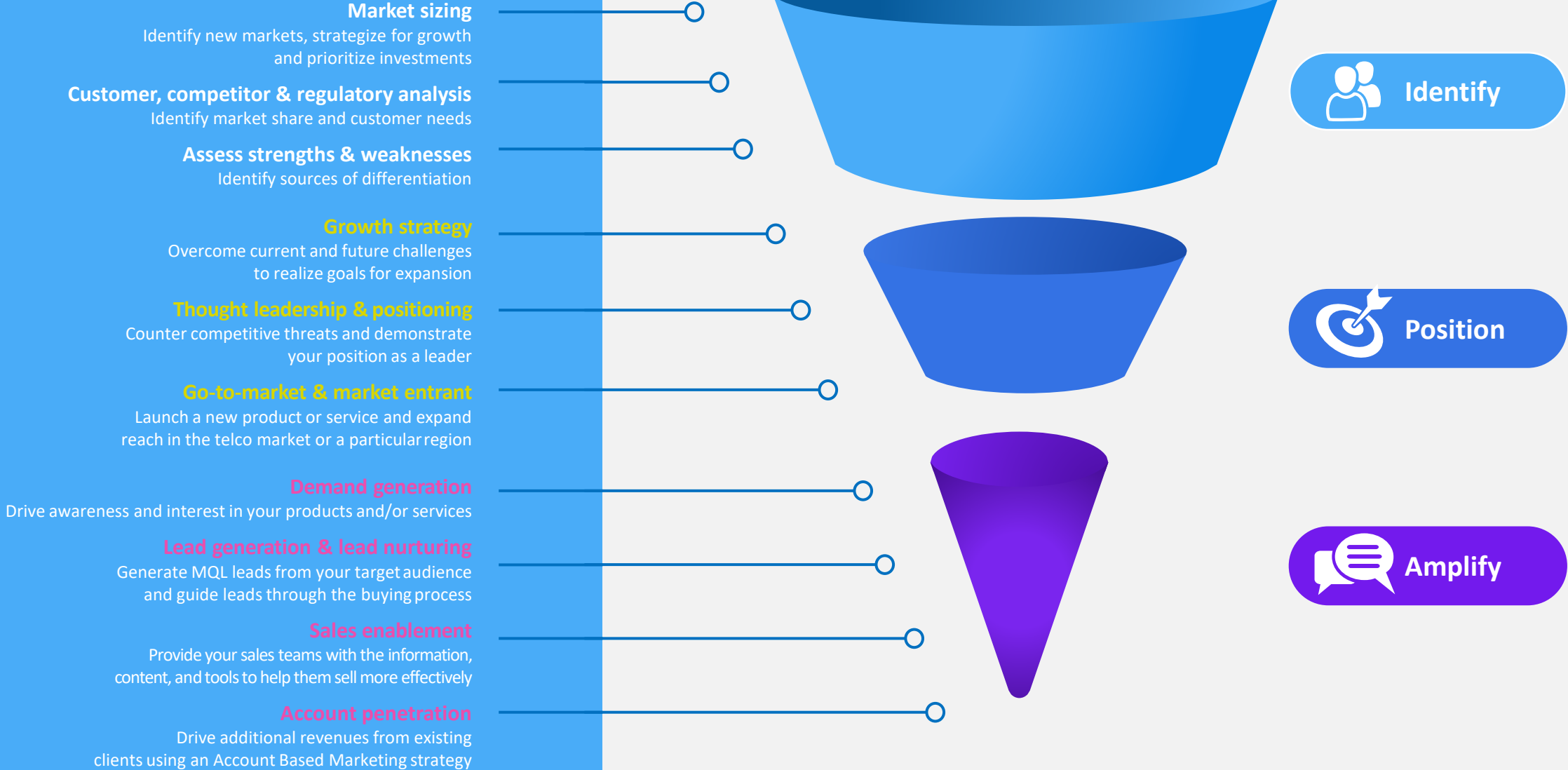
Informa's TMT data, research and advisory business unit

**KNect 365  
TMT**

Informa's TMT event, media and training group



# Capabilities- From Market to Marketing



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