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FOR more than five decades, Sirim Bhd has worked quietly behind the scenes – testing, certifying and researching products to ensure their safety and readiness to be used across households and the market place.

Sirim's activities are segmented into three core areas – testing, inspection and certification, industrial research, and training and consultancy.

But in the last decade or so, the economy has transformed into a higher-value and more technology-intensive stage, prompting Sirim to pivot and make some solid decisions on where it wants to be in the future.

The exercise for Sirim 3.0 was approved by its shareholder, the Ministry of Finance Inc, this year.

"The idea behind Sirim 3.0 is meant to transform us into a competitive agency that is not only financially stable with improved deliveries, but also one that can double its revenue within five years and increase its profit margins," says president and group chief executive officer Nik Szali Nik Hussin.

Right now, margins are at 3%, while revenue for last year was RM400mil.

Sirim chairman Datuk Khairul Anuar Mohamad Tawi says the agency's revenue streams are mainly from its testing and inspection services.

"Contribution from training and consultancy is growing and we also expect significant contributions from our research and development activities that have been gaining awareness in the local market," he says.

Khairul Anuar points out that many companies are still reluctant to spend on research and development (R&D) even though they are entitled for a double tax deduction should they collaborate with Sirim on this aspect.

The agency, he says, is working hard to balance out its revenue generated from its regulated services, which is about 40% of its revenue currently.

"We need to remain sustainable. At some point, due to trade agreements or market globalisation, these regulated services will become non-regulated. So we need to be ready to enhance our other offerings," he explains.

The Sirim stamp has always been a familiar sight to Malaysians, seen everywhere from food products to electrical appliances.

The stamp has not been just a fashionable requirement, but rather a testament that a product or item has gone through vigorous compliance and safety requirements.

Sirim serves 28,700 companies annually – issuing more than 100,000 certificates via over 100 testing labs under its group of companies.

Interestingly enough, the first product that was certified under Sirim was a motorbike helmet back in 1975.

Nik Szali says Sirim is the body entrusted by 10 different ministries and agencies and thus part of their new strategy is to be able to provide better services.

"Under Sirim 3.0, we want to deliver faster and more efficient services to our ecosystem in order to remain sustainable. Right now, the goal is to reduce

Raising the standards



Nik Szali: With the right kind of attitude combined with our capabilities, we are on the right track for the future ahead.



Khairul Anuar: We need to be ready to enhance our other offerings. – Photos: ART CHEN/The Star

turnaround time by 50%.

"Typically, the whole testing and inspection process up to certification can take days depending on the nature of the product.

"For fire testing, it can be up to a few months in certain cases," Nik Szali tells *StarBiz 7* during a recent interview.

To speed things up, Sirim is creating shift-based lab testing operations, whereby testing is done throughout the day.

The agency is also exploring strategic collaborations with research institutes and higher learning institutions to leverage on their facilities.

A bulk of the labs are located in Shah Alam, but some are also in Penang, Johor, Sabah and Sarawak.

Nik Szali adds that the shared services within the group including human resources, finance, procurement and information technology will be centralised, which will likely reduce at least 10% of its administrative expenses.

The bigger question right now is, are local standards and testing infrastructure ready for the next wave of industrial investment?

Nik Szali says Sirim is on the right track, but not quite there yet. To mitigate that, Sirim is entering a major reinvestment cycle, putting RM60mil over three years into this strategy.

"This RM60mil will be the capital expenditure for the next three years, and will be used for improvements across our labs, digitalisation efforts and upskilling and reskilling our talent," he says.

Nik Szali says Sirim was a large part of the development of the automotive industry, but now that internal combustion engines (ICE) have turned electric, the agency is missing out.

"We want to be a part of the electric vehicle (EV) industry. People are also all talking about medical devices and aerospace. The market has shifted to a more refined electrical and electronics-related industry, which shows us we need to quickly develop our capabilities," he explains.

The group is not short of proving its capabilities.

One its electromagnetic compatibility labs in Batu Kawan, Penang – operated jointly with the Penang Skills Development Centre or PSDC – already has many queuing up to use it since the day it was commissioned.

All this will eventually lead to Sirim returning dividends back to the government.

Nik Szali says bearing in mind that Sirim is a fully-owned subsidiary of the Finance Ministry, he is hopeful that one day it will become non-reliant on government grants and funds.

Another interesting aspect of Sirim is that it already has an international business without actually being abroad.

Nik Szali says Sirim serves customers in some 20 countries.

"These customers send their samples to Malaysia for testing and certification. Customers

include companies from the European Union, Singapore, Brunei, Indonesia, Thailand and Vietnam," Nik Szali points out.

He also says the agency is about to launch its e-learning platform under Sirim Academy, and believes the market will be limitless.

On whether Sirim would open up offices in other countries, Nik Szali says they tested this plan in a few countries before.

"There is an aspiration to go overseas, and we believe this will start from Sirim 3.0.

"With the right kind of attitude combined with our capabilities, we are on the right track for the future ahead."

It's fair to say Sirim has set a standard for itself, as it places emphasis on Sirim 3.0 to accelerate them further.

The transformation will not happen overnight, with 2026 effectively serving as a transition year before the strategy begins to take shape in 2027.

But with RM60mil committed to the journey, Sirim remains clearheaded that its next chapter will not be defined by the stamp it puts on products, but by the capabilities it builds for Malaysia's next wave of industrial growth.

■ **Sirim 3.0 will deliver faster and more efficient services to the ecosystem**

■ **Sirim's new chapter will be defined by what it builds for next wave of industrial growth**

