

WELCOME TO MALAYSIA



ASQED SYMPOSIUM 2013

INVESTMENT ECOSYSTEM & BUSINESS OPPORTUNITIES IN

Presentation by: **Datuk Frang Ali Sora**
MALAYSIA
Malaysian Investment Development Authority (MIDA)

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MALAYSIA'S KEY ECONOMIC INDICATORS

	2010	2011	2012	Q1 2013
Real GDP (%) Growth	7.2	5.1	5.6	4.1
Inflation (%)	1.7	3.2	1.6	1.5
GNI Per Capita (USD)	8,100	9,700	9,974	10,134 ^f
Unemployment (%)	3.3	3.1	3.0	3.2
International Reserves (USD bil)	106.5	138.3	139.7	141.4*
Retained Imports Equivalent (months)	8.5	9.6	9.5	9.5*

* As at 31st May 2013

Source: Central Bank of Malaysia/Department of Statistics Malaysia/MATRADE

ECONOMIC TRANSFORMATION PROGRAMME

Focus

- 12 NKEAS
- 131 EPPs
- 60 Bos

Gross National
Income (GNI)

- USD15,000 per Capita GNI
- USD523 Billion GNI
- 6% GDP Growth per Annum

Transformational
Actions

**ECONOMIC
TRANSFORMATION
PROGRAMME**

Jobs

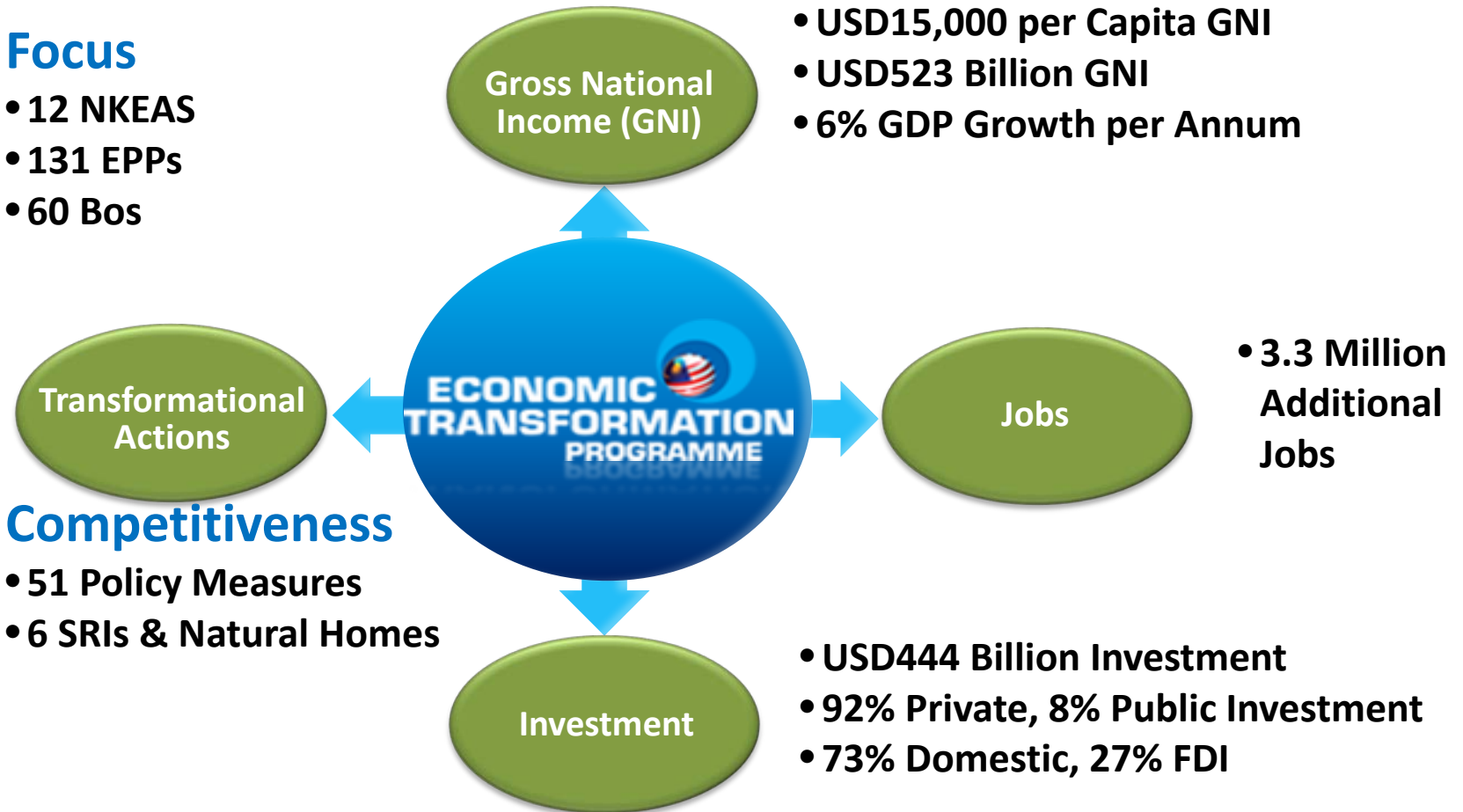
- 3.3 Million
Additional
Jobs

Competitiveness

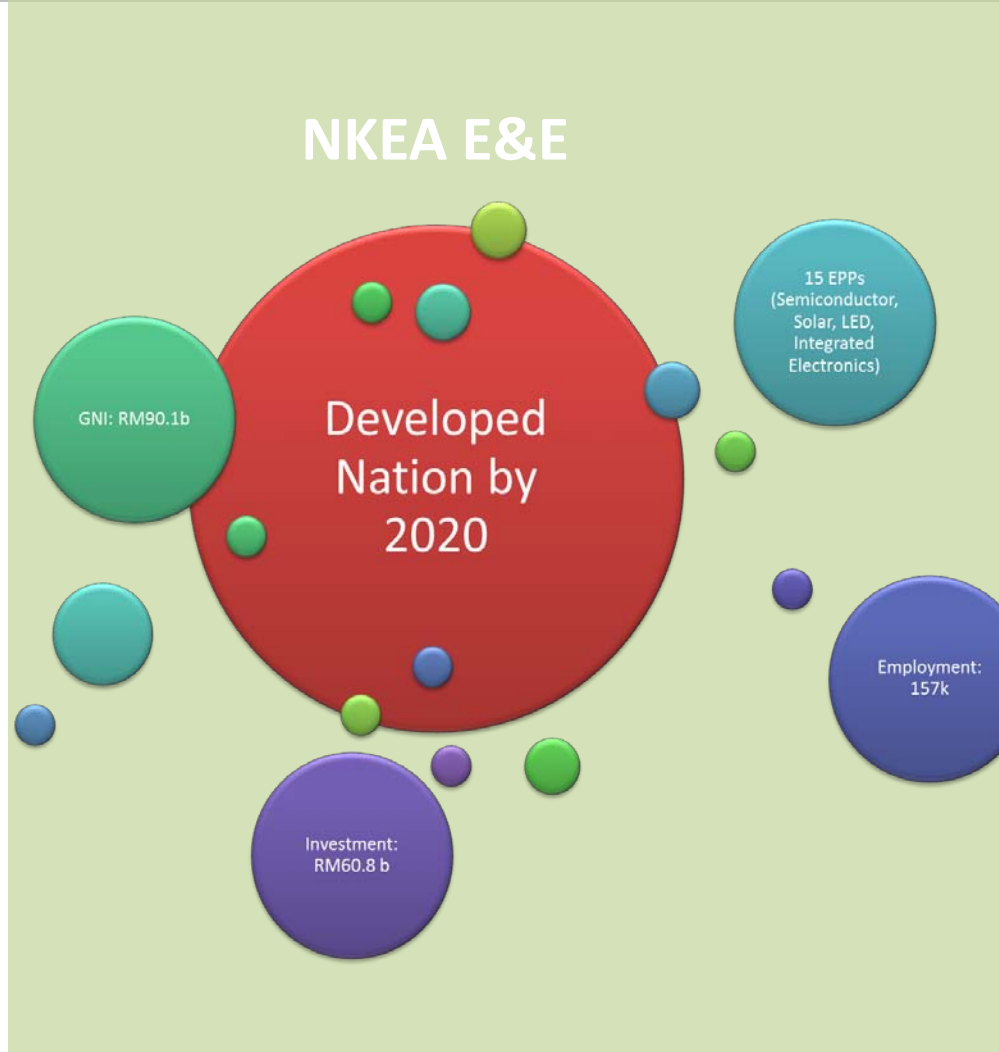
- 51 Policy Measures
- 6 SRIs & Natural Homes

Investment

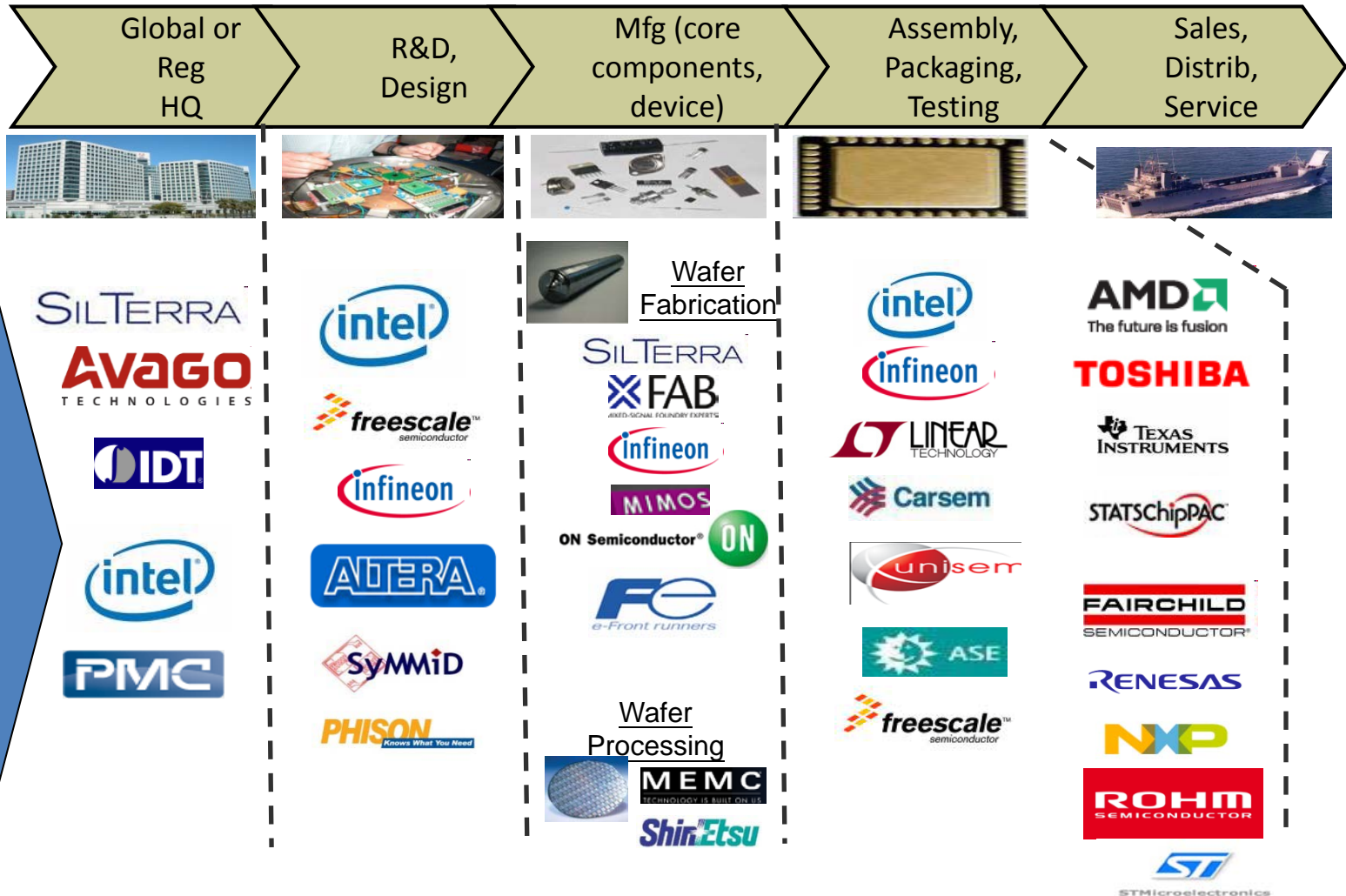
- USD444 Billion Investment
- 92% Private, 8% Public Investment
- 73% Domestic, 27% FDI



ECONOMIC TRANSFORMATION PROGRAMME



Semiconductor Ecosystem



Semiconductor players operating in Malaysia

Solar Ecosystem



Major Solar PV players operating in Malaysia



Ultimate Machining Solutions



Supporting Companies

WHAT TO ATTRACT, TO STRENGTHEN AND TO LET GO



TO ATTRACT

- Higher value added activities:
 - R&D companies
 - New and emerging technologies
 - Global supply chain activities
- Companies which can fill the gaps within the identified ecosystems



TO STRENGTHEN

- The identified ecosystems
- The industries that provide quality jobs
- Industry who plan to move to automation



TO LET GO

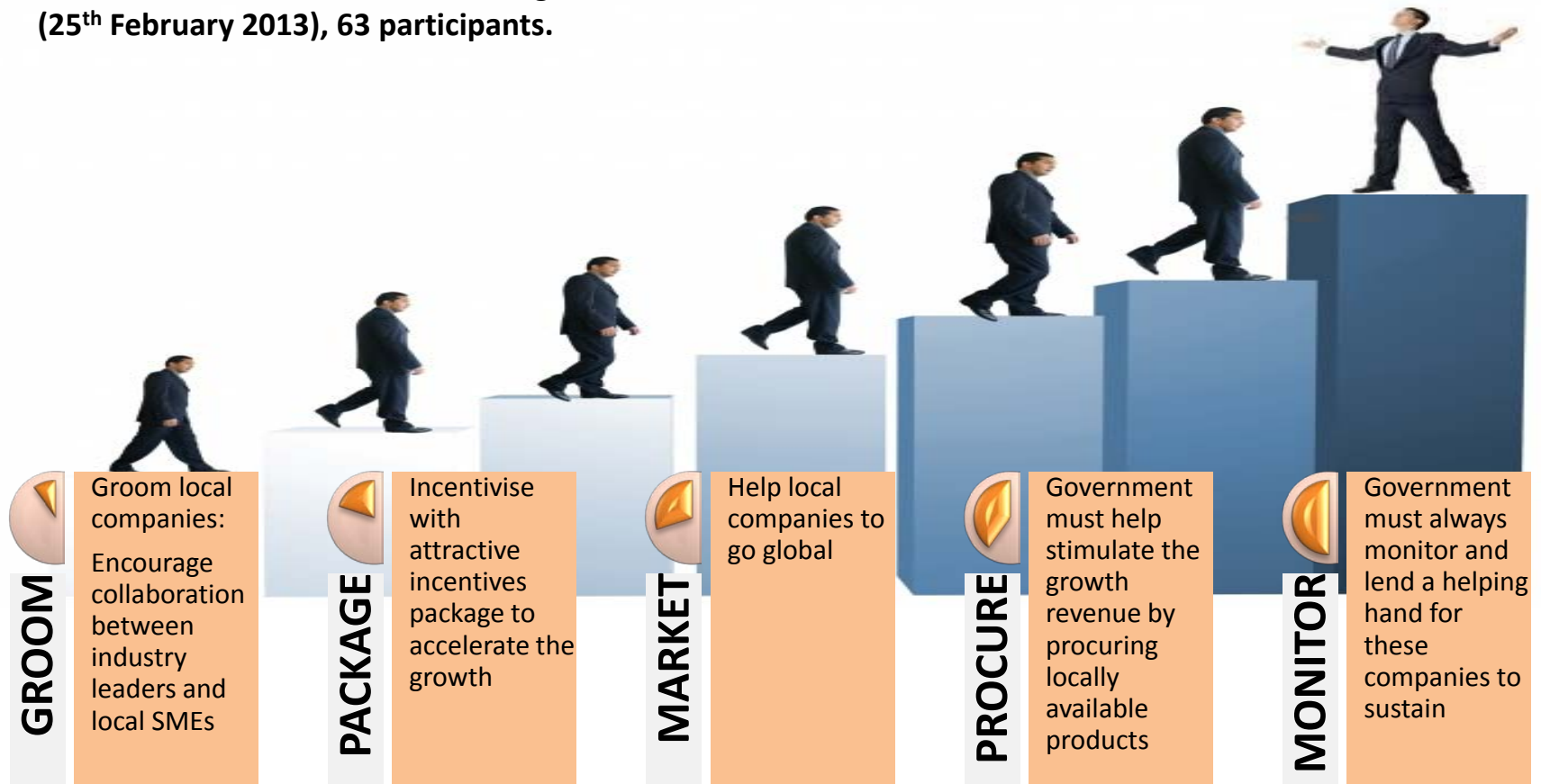
- Labour intensive and low value added industries
 - Low level EMS

**Exit
Policy**

WHAT TO DEVELOP AND TO GROW

Programs to encourage local participation in the industry:

- Outreach programs to and domestic SPMs - get more input on industries issues and further information on companies investments
- Supply chain conference and business matching to create opportunities to local companies to collaborate with industry leaders eg. Equipment makers etc
- Seminar to disseminate information on our target sectors and funds available eg. DISF
 - Recent mini seminar held in Penang on Domestic Investment Initiative (25th February 2013), 63 participants.



Working closely with SME Corp., MATRADE and MITI

INVESTMENT OPPORTUNITIES IN THE MANUFACTURING SECTOR

High technology, capital intensive & knowledge driven industries:

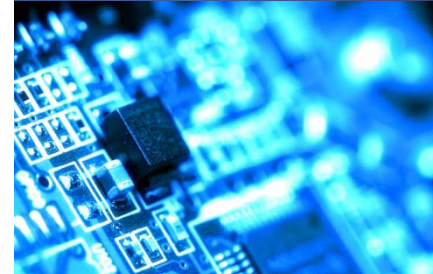
- Alternative Energy Sources
- Aerospace
- ICT
- Advanced materials
- Advanced electronics
- Optics and photonics
- Petrochemicals
- Medical devices
- Pharmaceuticals
- Biotechnology

Industries manufacturing intermediate goods:

- Machinery & equipment
- Components & parts
- Moulds and dies

Resourced-based industries:

- Oil & Gas
- Food & Agro based
- Value-added products from natural resources



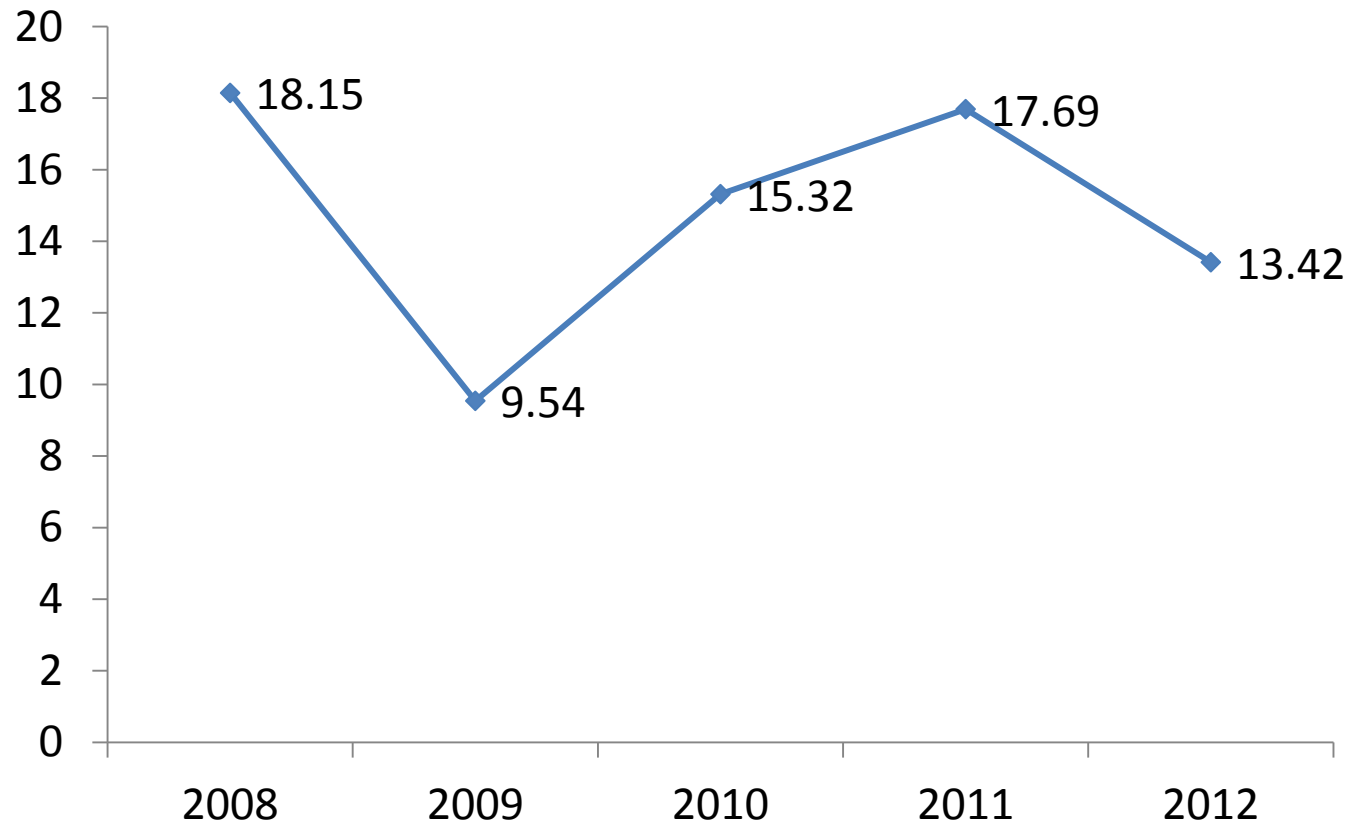
INVESTMENT OPPORTUNITIES IN THE SERVICES SECTOR

- **Regional Establishments**
- **Shared services outsourcing**
- **Data Centre**
- **Healthcare**
- **Logistics**
- **Tourism**
- **Education**
- **Environmental Management**



APPROVED MANUFACTURING INVESTMENTS 2008-2012

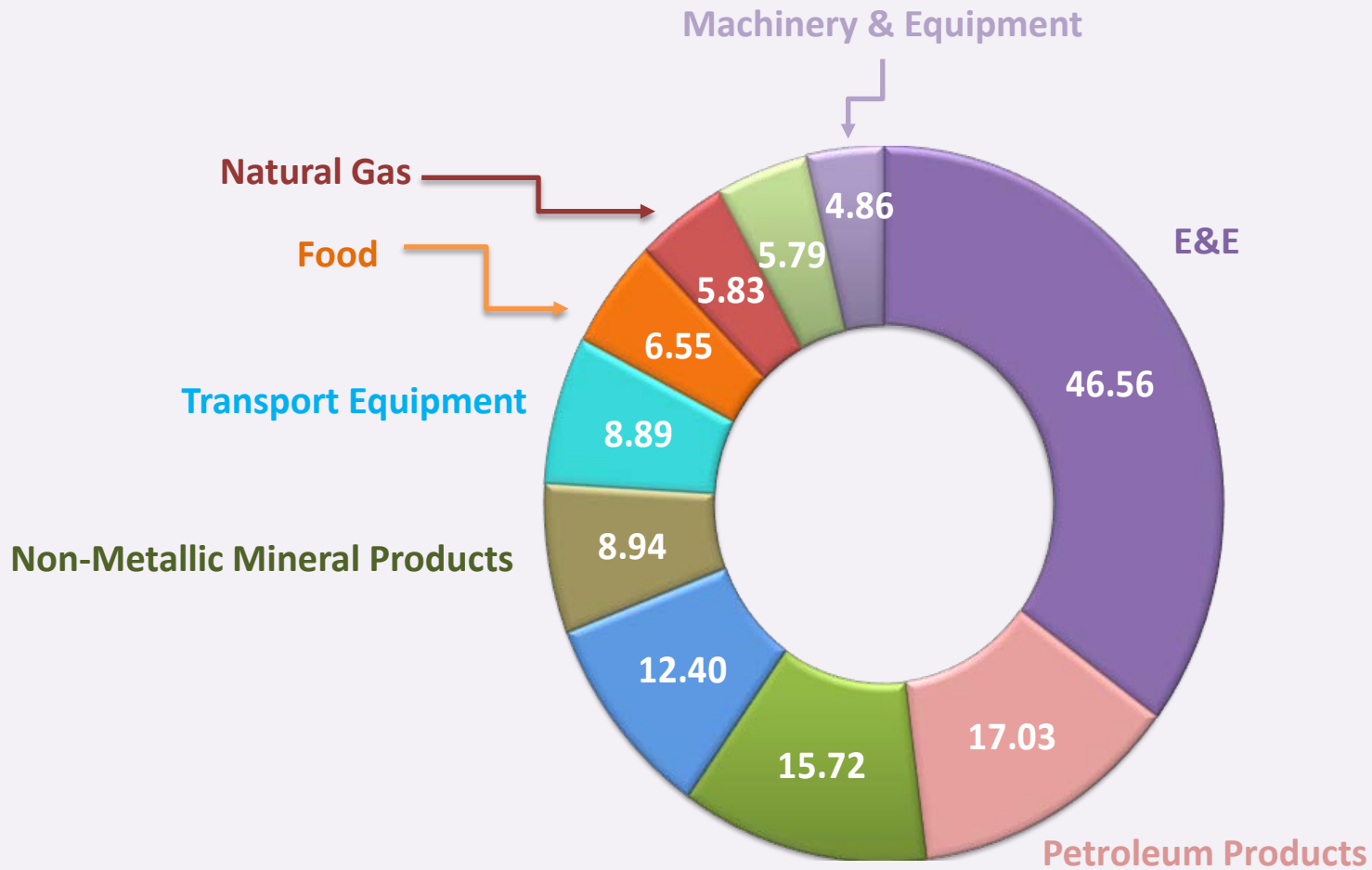
Total Capital Investment (US Billion)



TOP 10 FOREIGN COUNTRIES WITH INVESTMENT IN MALAYSIA AS AT 31 DECEMBER 2012

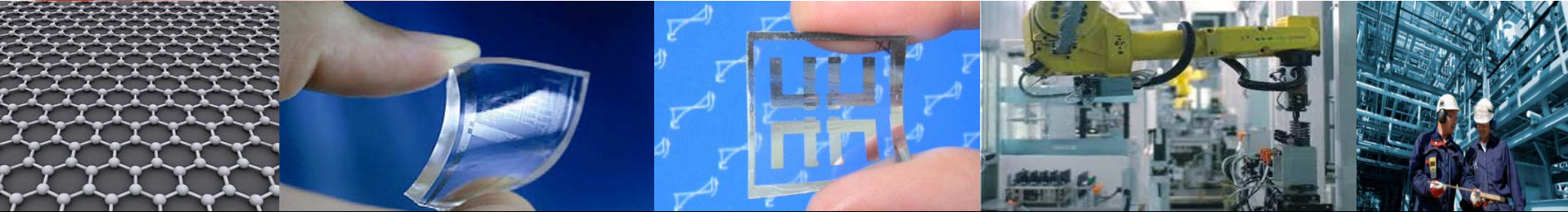
1	JAPAN	USD 21.95 billion
2	USA	USD 18.92 billion
3	SINGAPORE	USD 8.1 billion
4	GERMANY	USD 6.2 billion
5	TAIWAN	USD 5.3 billion
6	NETHERLANDS	USD 4.6 billion
7	SOUTH KOREA	USD 3.9 billion
8	UNITED KINGDOM	USD 1.7 billion
9	HONG KONG	USD 1.6 billion
10	INDIA	USD 1.2 billion

**IMPLEMENTED FOREIGN INVESTMENT IN MALAYSIA, BY INDUSTRIES,
AS AT 31 DECEMBER 2012**



EQUITY POLICY

100% Foreign Equity Manufacturing



44 Services
Sub-Sectors liberalised



MAJOR INCENTIVES PROVIDED

Pioneer Status

Income tax exemption ranging from 70% or 100% for a period of 5 or 10 years

Investment Tax Allowance

60% or 100% on qualifying capital expenditure for 5 years

Incentives

Reinvestment Allowance

60% on qualifying capital expenditure for 15 consecutive years

Import Duty & Sales Tax Exemption

For raw materials/components and Machinery and Equipment

GATEWAY TO ASEAN & ASIAN ECONOMIES

Strategic location: Malaysia is a gateway to other markets with preferential access through Free Trade Agreements (FTAs)



ASEAN

REGIONAL / BILATERAL FTAS



China



Japan



Korea



India



Australia



New Zealand



Chile

- Potential market of 2.7 billion people
- Tariff reduction and elimination mostly by 2016

ON-GOING FTA NEGOTIATIONS



TPP



EU



Turkey

- Potential market of 1.08 billion people

GATEWAY TO ASEAN & ASIAN ECONOMIES



Geographical proximity, over 500 million people
ASEAN, USD2 trillion economy larger than India's and 40% the size of
China

COMPETITIVENESS RANKINGS

4th in Asia as a destination for investment by global multinational companies (MNCs)

- *Asia Business Outlook Survey (ABOS), The Economist Corporate Network, 2013*

12th in ease of doing business

- *World Bank Doing Business Report 2013*

3rd most preferred services location

- *A.T. Kearney's Global Services Location Index 2011*

15th most competitive economy

- *World Competitiveness Yearbook, IMD 2013*

4th in Protecting Investors

- *World Bank Doing Business Report 2013*

WHY MALAYSIA?

- **Political & Economic Stability**
- **Pro-business Government**
- **Liberal Investment Policies**
- **Transparent Policies**
- **Policy of Welcome**
- **Sound Banking System**
- **Well Developed Infrastructure**
- **Harmonious Industrial Relations**
- **Trainable & Educated Labour Force**
- **Quality of Life**
- **Excellent Track Record**

FACILITATION OF INVESTMENT



MIDA as a One Stop Agency :

- **Advisory & consultancy**
- **Approval of projects**
- **After- care services**

Under the National Committee on Investment (NCI)

Evaluation of applications for:

- **Manufacturing licence**
- **Tax incentives**
- **Import duty exemptions on raw materials, components and machinery**
- **Expatriate posts/work permits**
- **Regional establishments such as**
- **Operational Headquarters, International Procurement Centres, etc**



MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY



MIDA Sentral
No.5, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia
www.mida.gov.my

Thank you

