



INVESTMENT OPPORTUNITIES IN MALAYSIA

Functions of MIDA



MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY 馬來西亞投資發展局



Established in 1967
under Act of Parliament, 1965
根據1965年國會法，於1967年成立

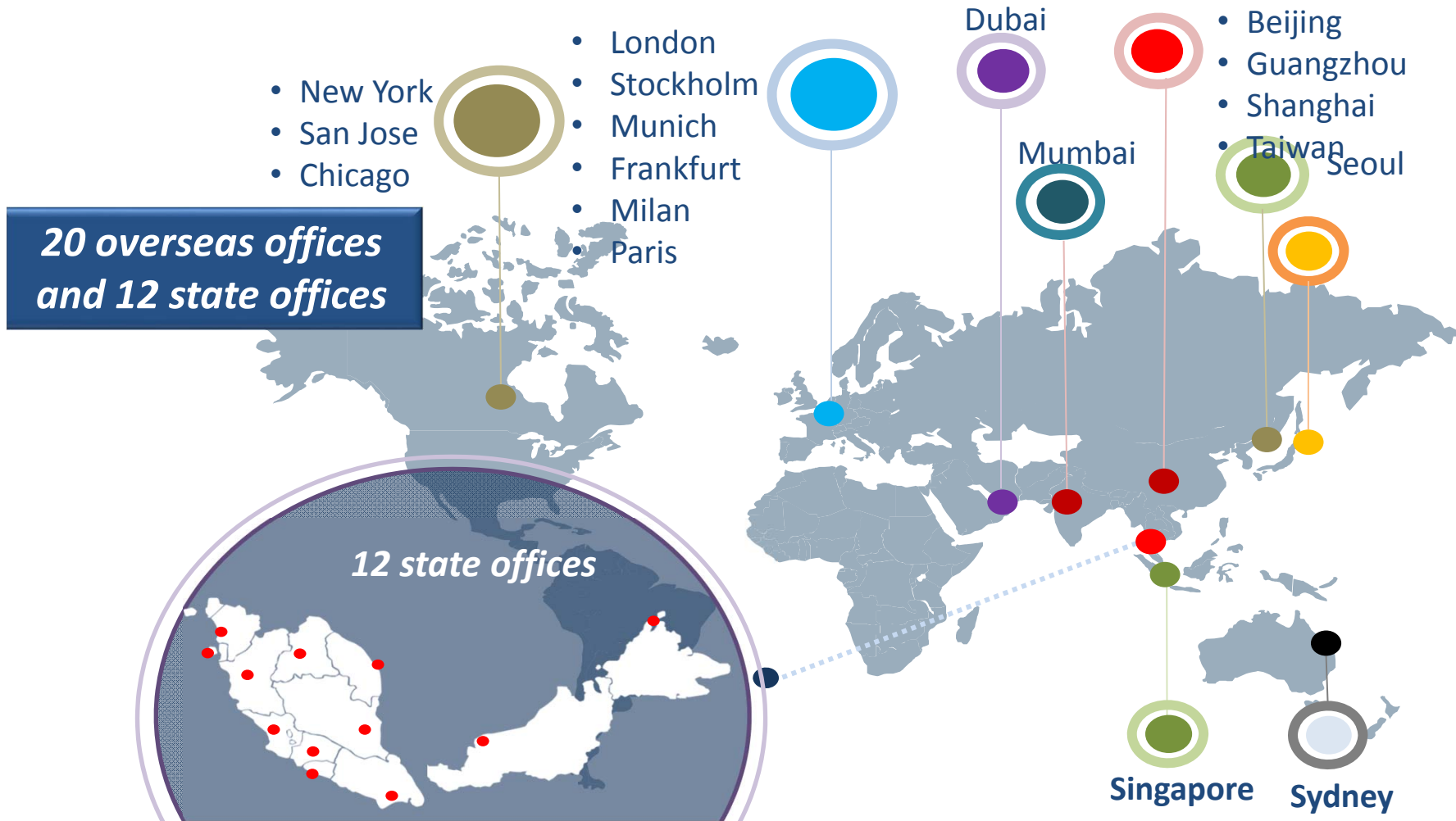
The principal Malaysian Government agency responsible for the promotion of investments and coordination of industrial development and selected services sectors in the country.

負責促進投資、協調工業發展的主要政府單位

1st point of contact for investors who intend to set up projects in the manufacturing and services sectors in Malaysia.

有意投資馬來西亞製造業及服務業的投資者第一個聯絡點

Truly International



Services provided-Promotion to beyond implementation



PROMOTION

- *One-On-One Meetings*
- *Seminars and Briefings*
- *Data on industries*
- *Meetings with companies operating in Malaysia*
- *Visits to production facilities and service providers*
- *Visits to potential locations*



APPROVAL

- *Manufacturing License*
- *Tax Incentives*
- *Expatriate Posts*
- *Import Duty Exemptions*
- *Representative/ Regional Office*
- *Principal Hub/OHQ*



IMPLEMENTATION

- *Handholding by MIDA State Offices*
- *Industry Talent Management*
- *Post Investment*

One Stop Centre



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY



Based in MIDA



Immigration
Department



Royal Malaysian
Customs



Labour
Department



Telekom Malaysia
Berhad





Investment Policies & Incentives



Targeting Quality Investments

- ✓ High Value Added
- ✓ High Technology
- ✓ Strong Linkages with Domestic Industries
- ✓ Capital-Intensive
- ✓ Skills-Intensive
- ✓ R&D & Design
- ✓ High Income Jobs
- ✓ GNI Impact
- ✓ Export Oriented
- ✓ Knowledge-Intensive



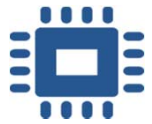
Quality Investments



Promoted Activities

Manufacturing Sector

Services Sector



Advanced Electronics



Machinery & Equipment



Oil and Gas



Specialty Chemicals



Medical Devices



Transportation Technology



Biotechnology



Aerospace - MRO



Food Technology



Pharmaceuticals



Advanced Materials



Hotel & Tourism



Medical Tourism



Logistics



Offshore & Outsourcing Activities



Education & training



Green Technology



R&D



Principal Hub



ICT Services

45 Sub Sectors
liberalised since
2009

Investment Policies



Equity Ownership

Foreigners are allowed to hold 100% equity ownership in the manufacturing and selected services sectors



Repatriation of Income

Freedom to repatriate capital, interest, dividends and profits. No restrictions



Employment of Expatriates

Key posts (posts that are permanently filled by foreigners)
Term posts (posts that are filled by foreigners for a period of 1-5 years)

Intellectual Property Protection

Malaysia's IP laws are in conformance with international standards

- Member of the World Intellectual Property Protection Organisation (WIPO)
- Signatory of the Paris Convention and Berne Convention which govern IP rights
- Signatory of the Agreement on Trade-Related Aspects of IP Rights (TRIPS) under the WTO

Business Friendly Policies

Investment Guarantee Agreements (IGAs)

Malaysia has signed IGAs with more than 60 countries



Major Tax Incentives

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

Reinvestment Allowance

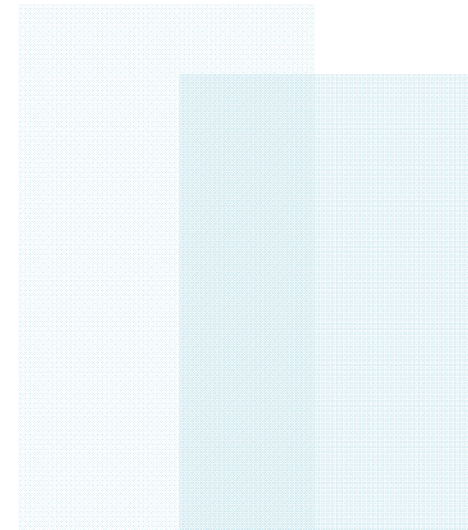
60% on qualifying capital expenditure for 15 consecutive years

Import Duty Exemption

For raw materials / components and machinery and equipment



Less Developed Area
100% income tax exemption for up to 15 years



NATIONAL POLICY ON INDUSTRY 4.0

Industry 4.0 Policy Framework

Industry 4.0 Key Technologies



Enhance Global Competitiveness



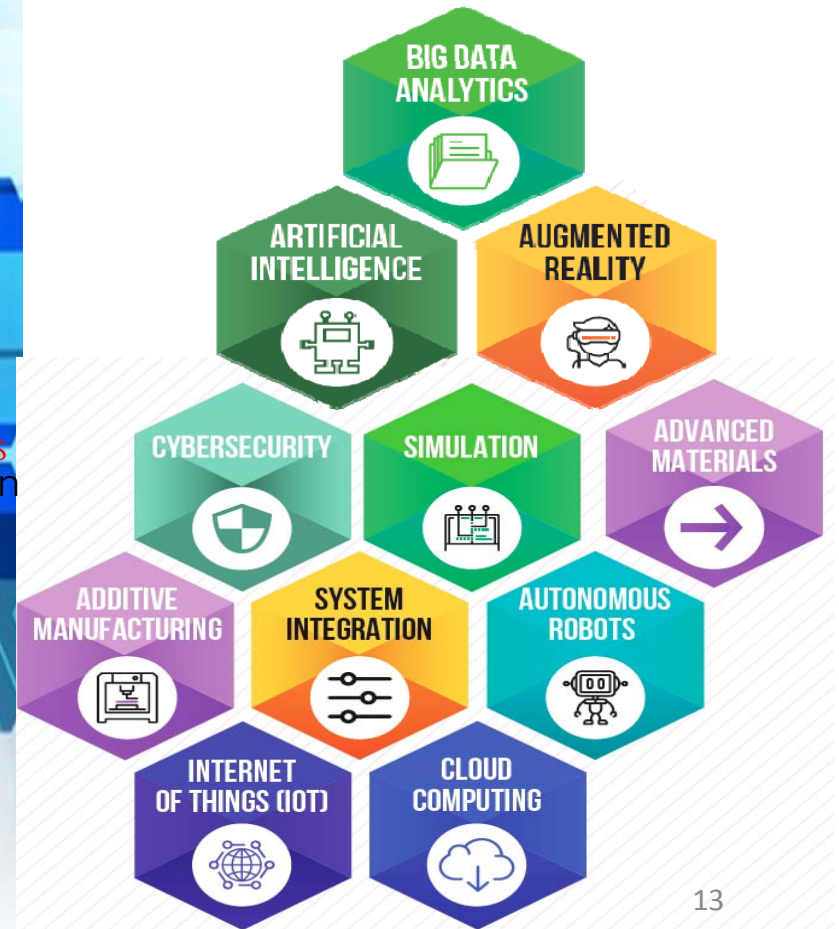
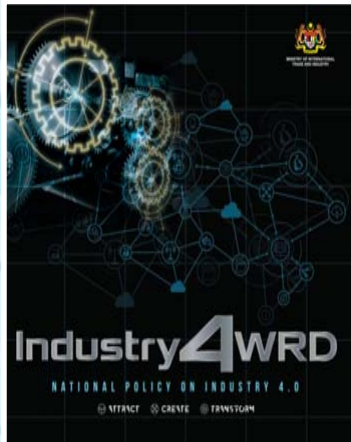
Strengthen growth and productivity of manufacturing industry



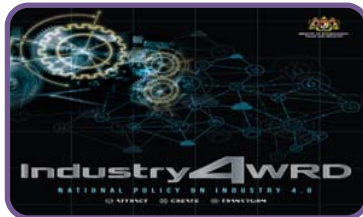
Create new generation jobs and reduce dependency on foreign labours



Sustaining high levels of Foreign and Domestic Investments



National Policy on Industry 4.0 : Industry4WRD



Launching

- YAB Prime Minister, Tun Dr. Mahathir Mohamad launched the National Policy on Industry 4.0, known as Industry4WRD on 31 October 2018.



Industry4WRD Readiness Assessment

- One of the action plans under Regulatory Framework
- A platform and mechanism to help manufacturing and related services firms, especially SMEs, assess and develop their Industry 4.0 capabilities



National Goals & Targets for 2025

- Level of productivity per person from RM106,647 by 30%
- Elevate contribution of the manufacturing to the economy from RM254 billion to RM392 billion
- Improvement in Global Innovation Index ranking from 35 to top 30
- Increase the number of high-skilled workers in the manufacturing sector from 18% to 35%

National Policy on Industry 4.0 : Industry4WRD



Attract

Attract stakeholders to Industry 4.0 technologies & processes



Create

Create the right ecosystem for Industry 4.0 technologies to be adopted and to nurture innovations

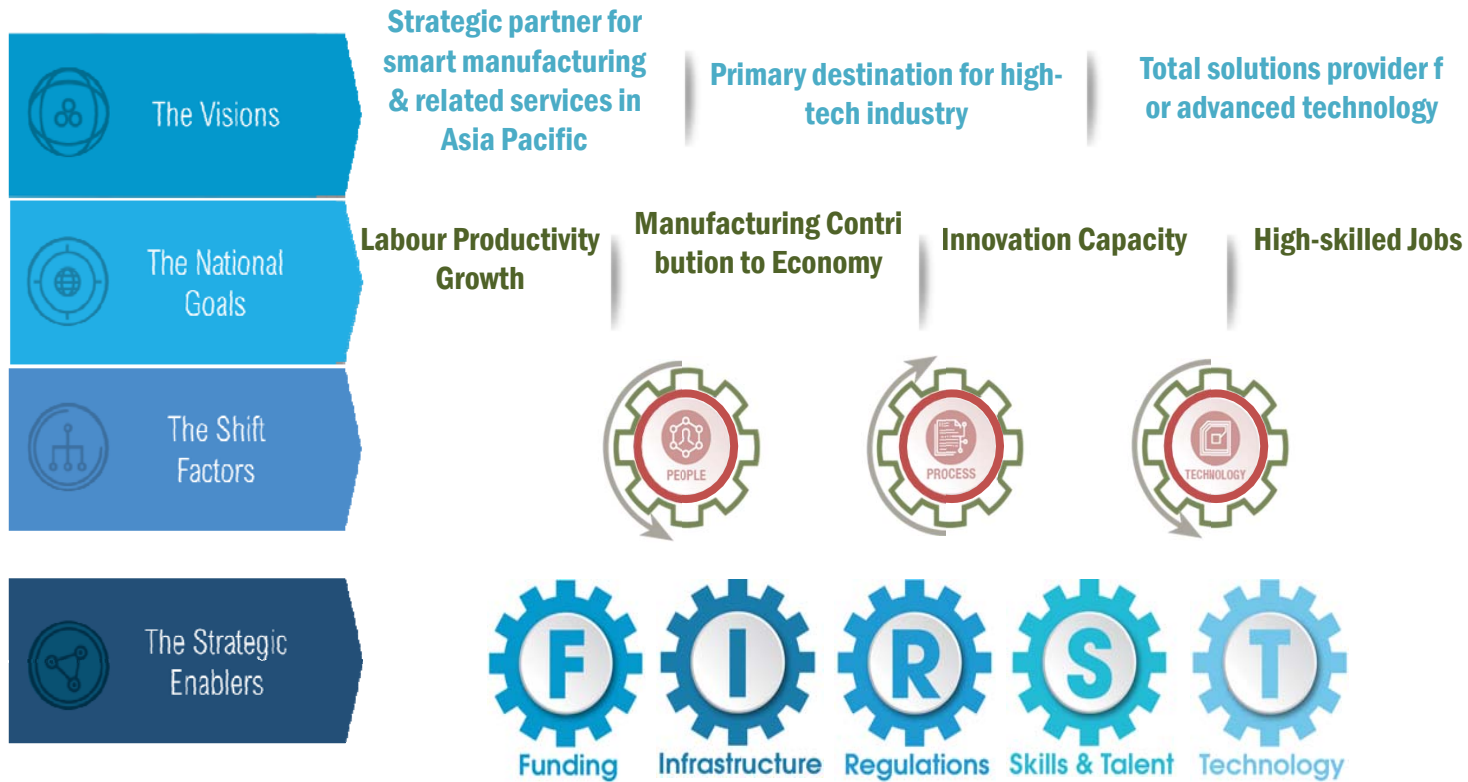


Transform







Transform capabilities of the manufacturing industry to be Industry 4.0-ready



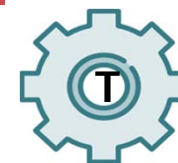
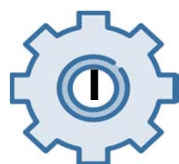
Industry4WRD : The Framework



Industry4WRD : Focus Sectors

Electrical & Electronics	Machinery & Equipment	Chemical	Medical Devices	Aerospace	Other Sectors
 <p>The Electrical & Electronics industry is the leading industry in Malaysia's manufacturing sector, contributing significantly to the country's exports and employment</p>	 <p>The Machinery & Equipment industry is one of the key areas for growth and development, focusing on high value-added and high technology M&E</p>	 <p>The Chemical industry is one of the catalytic industries in the country with rapid growth due to the availability of oil and gas as a feedstock</p>	 <p>The Medical device industry spans an extremely wide range of industries from rubber and latex, plastics, machinery and engineering support and electronics</p>	 <p>The Aerospace industry has been designated as a strategic sector with high growth potential in the country's industrialisation and technological development programs</p>	
<p>Subsectors:</p> <ul style="list-style-type: none"> • Electronic components • Consumer electronics • Industrial electronics • Electrical products 	<p>Subsectors:</p> <ul style="list-style-type: none"> • Specialised M&E for specific industries • General industrial M&E, parts and components • Power generating M&E • Machine tools 	<p>Subsectors:</p> <ul style="list-style-type: none"> • Petroleum products & petrochemicals • Plastic products • Rubber products • Chemical & chemical products • Oleochemicals 	<p>Subsectors:</p> <ul style="list-style-type: none"> • Consumables • Surgical instruments, clinical device & implants • Healthcare equipment 	<p>Subsectors:</p> <ul style="list-style-type: none"> • Engineering & design • Aero-manufacturing • System integration • Maintenance, Repair and Operations (MRO) 	<ul style="list-style-type: none"> • Automotive • Transport • Textiles • Pharmaceutical • Metal • Food processing • Services

Industry4WRD : The Strategic Enablers



Financing & Outcome-based Incentives	Enabling Ecosystem & Efficient Digital Infrastructure	Regulatory Framework & Industry Adoption	Upskilling Existing & Producing Future Talents	Access to Smart Technologies & Standards
<p>Strategy F1: Provide outcome based incentives, including tax incentives to encourage investments in, and adoption of, industry 4.0 technologies & processes.</p> <p>Strategy F2: Introduce dynamic and innovative financial products to encourage adoption of Industry 4.0 technologies and processes.</p>	<p>Strategy I1: Strengthen the digital connectivity in and between industrial, education and training hubs to remove connectivity bottlenecks in adopting industry 4.0 technologies.</p> <p>Strategy I2: Enhance the digitalisation and integration of government processes and infrastructure along supply and manufacturing value chains.</p> <p>Strategy I3: Involve services providers for industry 4.0 and link them to manufacturing firms to help implement technologies, processes and skill development.</p>	<p>Strategy R1: Increase awareness of the need, benefits and opportunities of Industry 4.0 technologies and business processes among manufacturing firms</p> <p>Strategy R2: Create a platform and mechanism to help manufacturing firms, especially SMEs, assess and develop their Industry 4.0 capabilities</p> <p>Strategy R3: Improve data integrity, standards, sharing, and security to facilitate seamless integration of manufacturing value chains and to support intra-ministerial coordination for effective Industry 4.0 programs.</p>	<p>Strategy S1: Enhance the capabilities of the existing workforce through national development programmes specially designed for specific manufacturing sectors and support re-skilling and upskilling.</p> <p>Strategy S2: Ensure the availability of future talent by equipping students with the necessary skillsets to work in the Industry 4.0 Environment.</p>	<p>Strategy T1: Establish digital/technology labs and collaborative platforms, especially public-private partnerships (PPP), to create awareness and understanding, foster the adoption of new technologies, and facilitate the transfer of knowledge</p> <p>Strategy T2: Establish and implement standards for interoperability, quality and safety for Smart manufacturing and Industry 4.0 technologies.</p> <p>Strategy T3: Intensify Research, Innovation, Commercialisation and Entrepreneurship (RICE) programmes and activities in specific Industry 4.0 technologies and processes that support and advance priority sectors.</p>

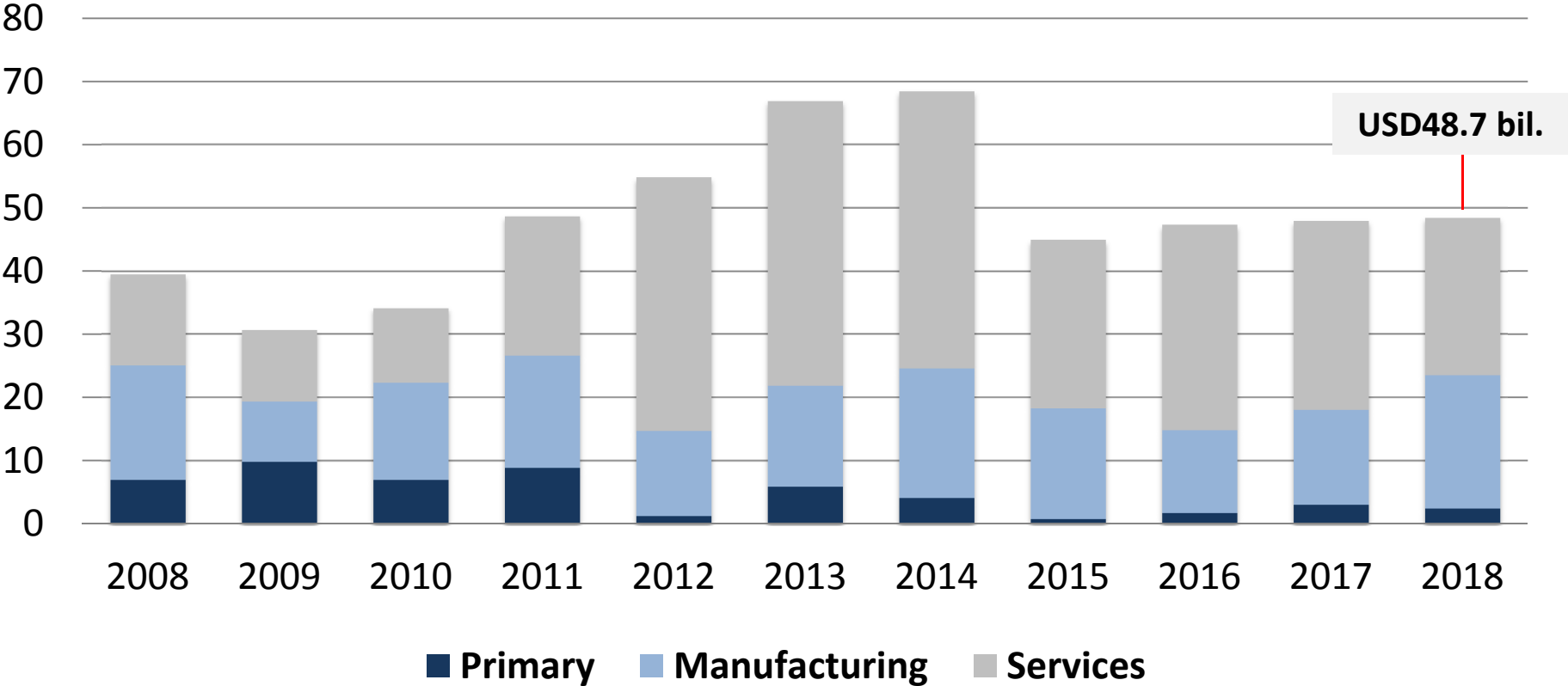
A blue-tinted image showing a close-up of a pen pointing to a line graph on a document. The graph has a grid and a jagged line. To the right of the graph, there is a table with columns for 'Pct. chg. Day' and '20%'. The text 'Economic Performance' is overlaid in white on a dark blue horizontal band across the middle of the image.

Economic Performance

Overall Investment Approved in the Economy (2008 – 2018)

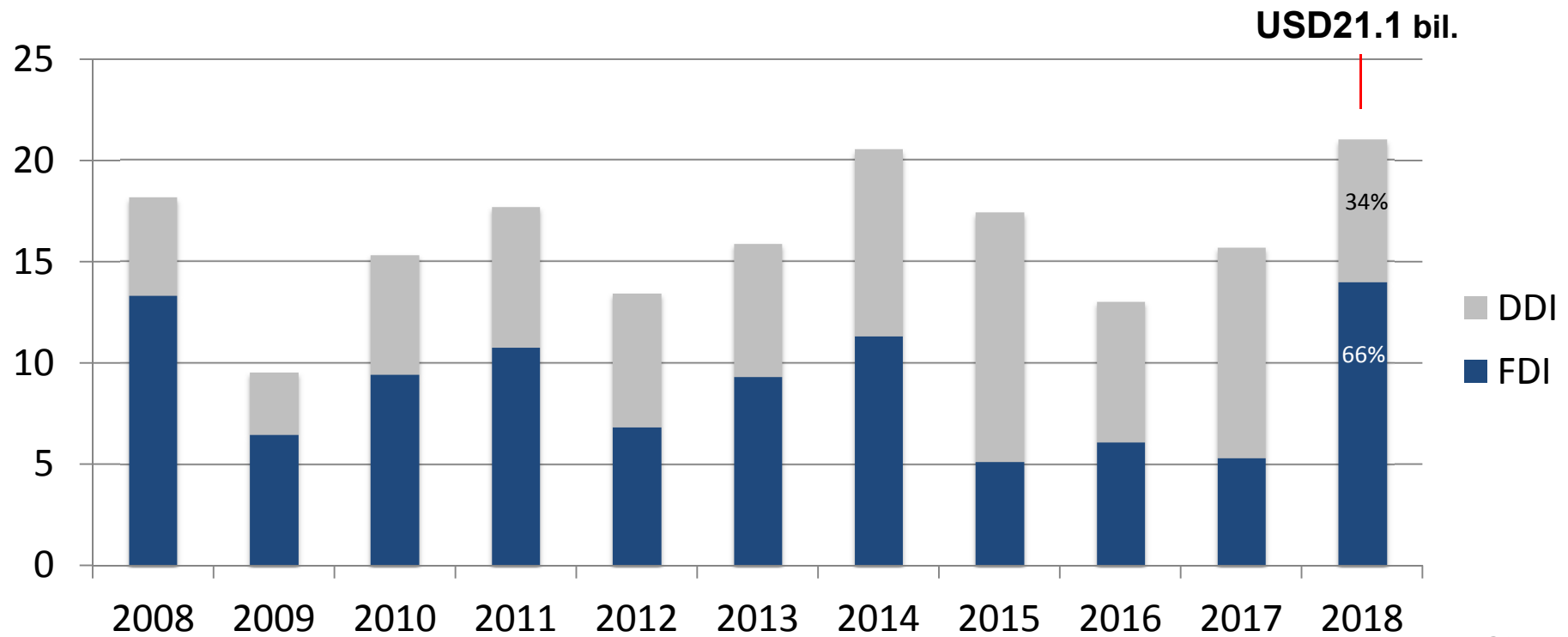


US\$ Billion



Approved Investments in the Manufacturing Sector (2008 – 2018)

US\$ Billion



INVESTMENT FROM TAIWAN

Investment from Taiwan (Approved Manufacturing Projects, 1980-2018)

- For the period 1980 to 2018, a total of 2,514 manufacturing projects were approved with potential investments amounting to USD12.35 billion (RM35.74 billion). Taiwan is ranked as the 8th largest investor for this period. These projects were expected to create 379,718 jobs.
- From 1980 to 2018, approved manufacturing projects from Taiwan were mainly focused in the following industries:
 1. Electronics & Electrical Products
 2. Basic Metal Products
 3. Textiles & Textile Products
 4. Petroleum Products (Inc. Petrochemicals)
 5. Fabricated Metal Products

MAJOR TAIWANESE COMPANIES IN MALAYSIA

在馬來西亞主要的台資企業

Company	Activities
CSC Steel 中鋼	Fabricated metal products
AUO Group 友達光電	Electronics & electrical products
PixArt Imaging Inc 原相科技	IC Design
Amazing Microelectronic Corp. 晶焱科技	IC Design
Taiwan Fructose 環泰企業	Food manufacturing
Wistron Corporation 緯創資通	Electronics & electrical products
Tongtai Group 東台精機集團	Machinery
Y.S.P. Industries 永信藥品控股	Pharmaceutical products
All Cosmos Bio-Tech Holding 全宇生技控股	Organic Fertilizer
Dairen Chemical 大連化學工業	Chemical products

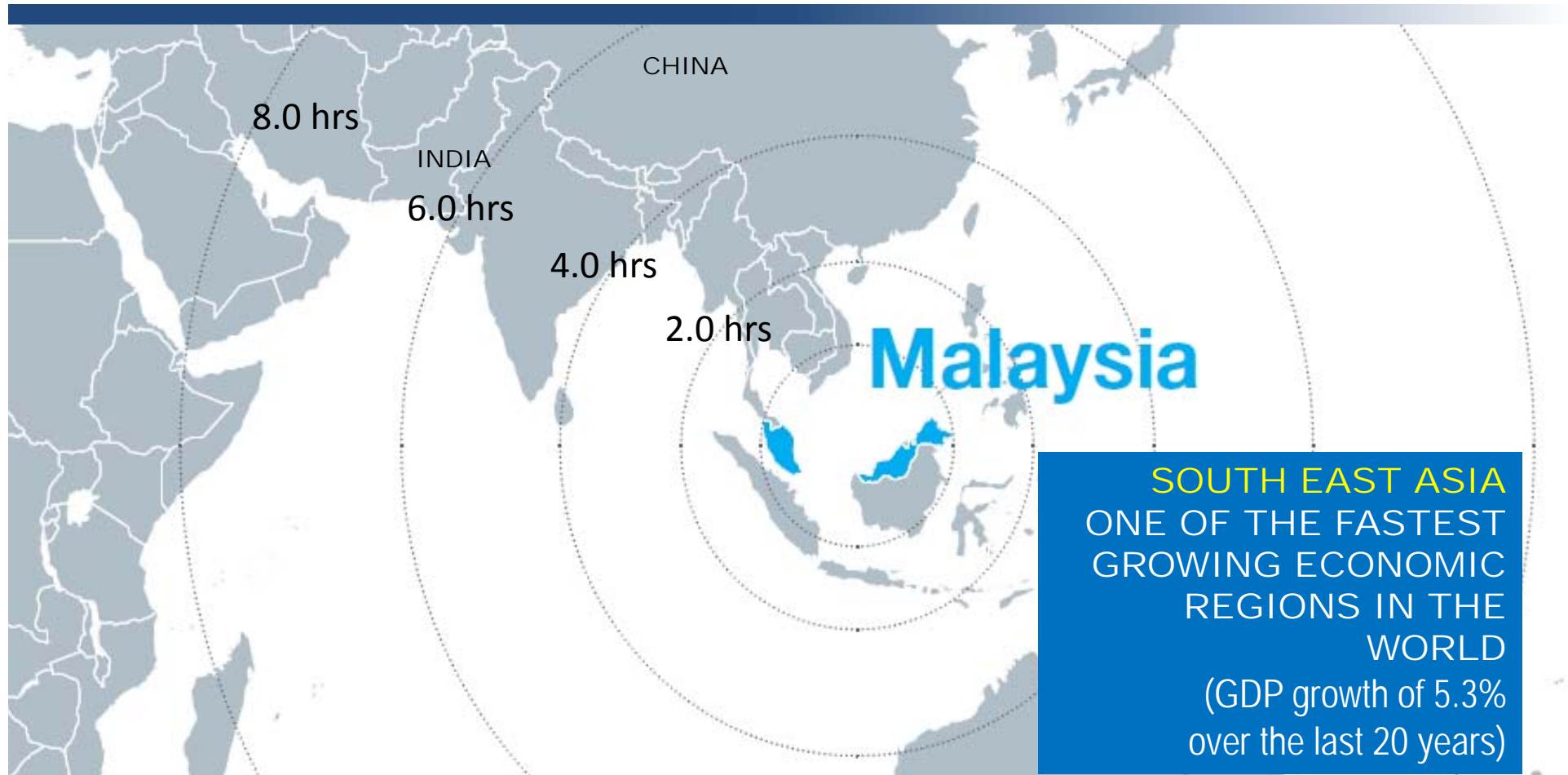


Source:
MIDA



Conclusion - Why Malaysia?

1. Located in the Heart of South East Asia



2. Strong Economic Fundamentals



	2014	2015	2016	2017	2018	2019 (f)
Real GDP Growth (%)	6.0	5.0	4.2	5.8	4.7	4.8
Inflation (%)	3.2	2.1	2.1	3.8	1.0	1.7
GDP (USD bil.)	326.9	272.1	246.9	296.2	297.1	311.1
Per Capita Income (USD)	10,426	9,291	9,096	9,813	10,564	10,809
Unemployment (%)	2.9	3.3	3.4	3.4	3.4	3.5
International Reserves (USD bil.)	115.9	95.3	94.5	102	101.4	102.6

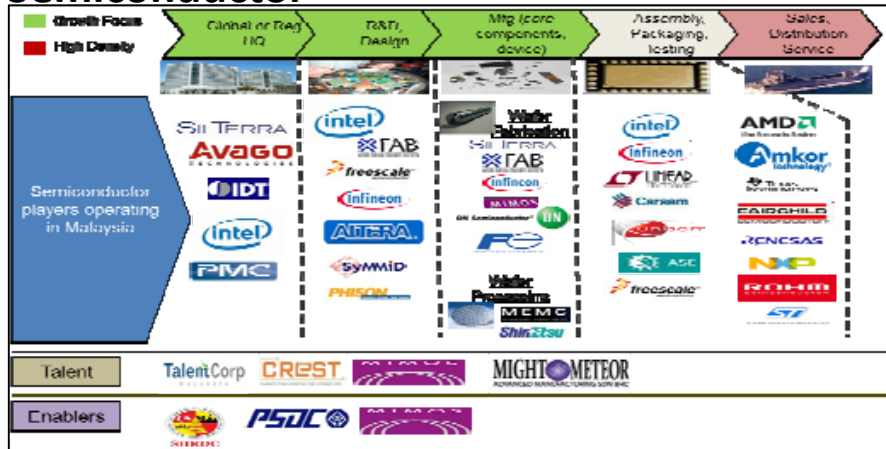
3. Talented Human Capital



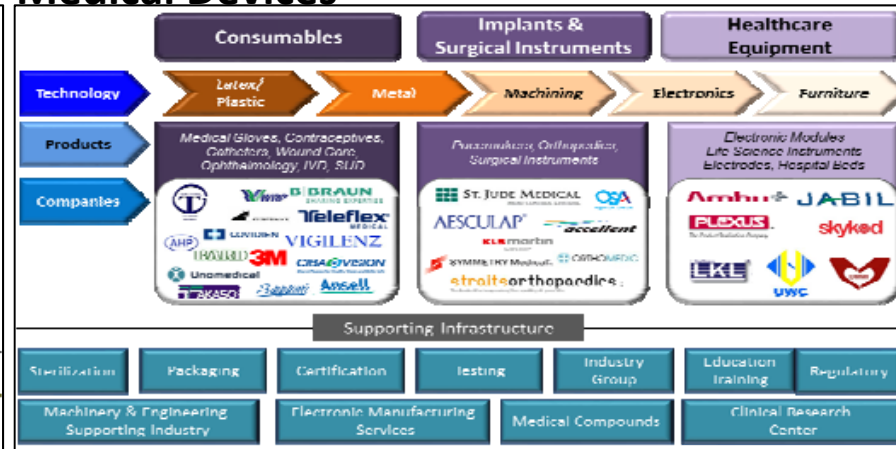
Malaysia Truly Asia

4. Developed Ecosystem

Semiconductor



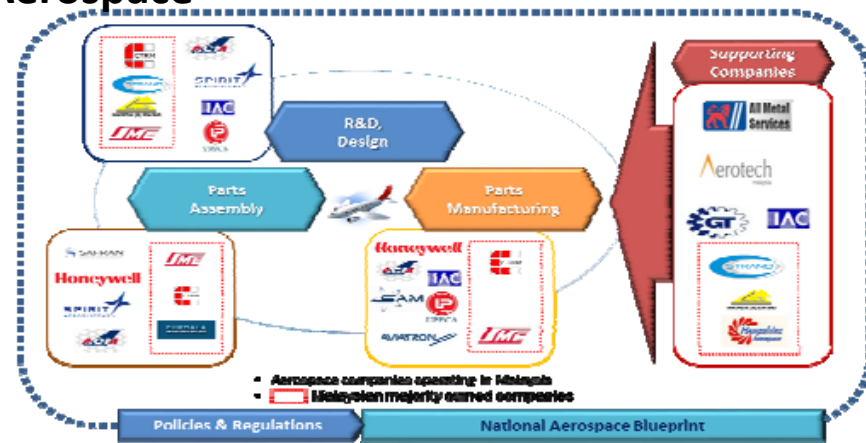
Medical Devices



Oil & Gas



Aerospace



Strong Engineering Supporting Industries



MOULD & DIE

- 446 companies
- Precision specifications by international semiconductor industry requirements
- End-user industry: Automotive, E&E



METAL CASTING

- 95 foundries
- Mass production high-pressure and low-pressure die casting
- End-user industry: Automotive, Telecommunication



MACHINING

- 325 companies
- Precision up to 1 μ and size up to 2 mtr
- End-user industry: Semiconductor, E&E, Aerospace, Oil & Gas



METAL STAMPING

- 148 companies
- Precision tolerances less than 1 μ , presses capacity up to 600 tons
- End-user industry: E&E, Automotive



SURFACE ENGINEERING

- 125 companies
- 85% are foreign owned/JV
- Electroplating, Phosphating, Anodizing
- End-user industry: Semiconductor, E&E, Automotive



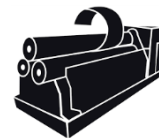
HEAT TREATMENT

- 17 companies
- Carburizing, nitriding, vacuum handling, quenching, annealing, normalizing, tempering
- End-user industry: Automotive, Shipyard, Cement, Aluminium Extrusion



FORGING

- 8 companies
- Mostly small parts (less than 10MT)
- Open, drop, press, roll and cold forging
- End-user industry: Automotive, E&E



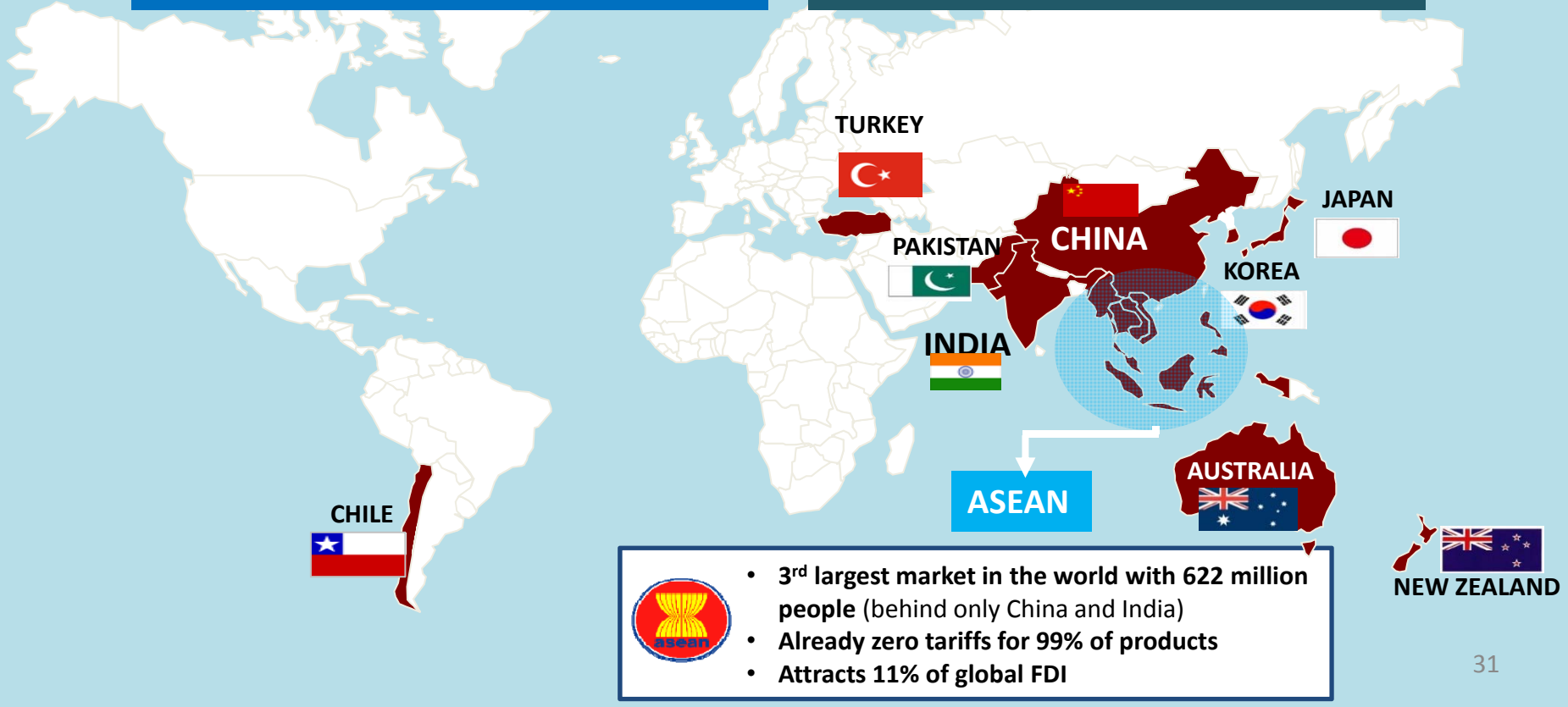
METAL FABRICATION

- 800 companies
- Simple household items to steel structure for skyscrapers and offshore oil drilling platform

5. Market Access

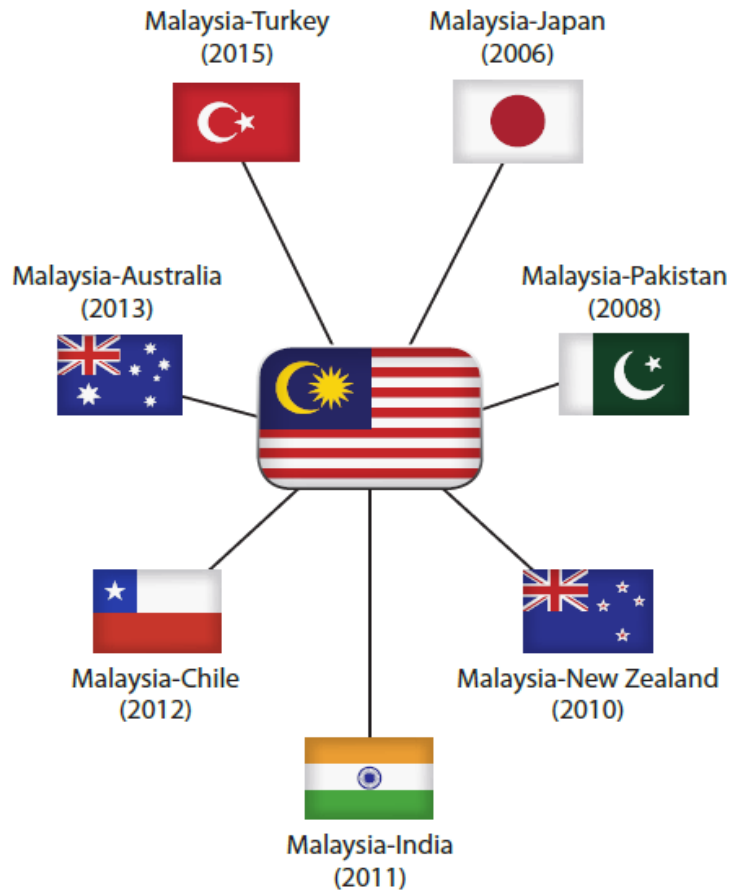
14 Free Trade Agreements

MARKET
2.7 Billion Population



Market Access

SEVEN BILATERAL FTAs

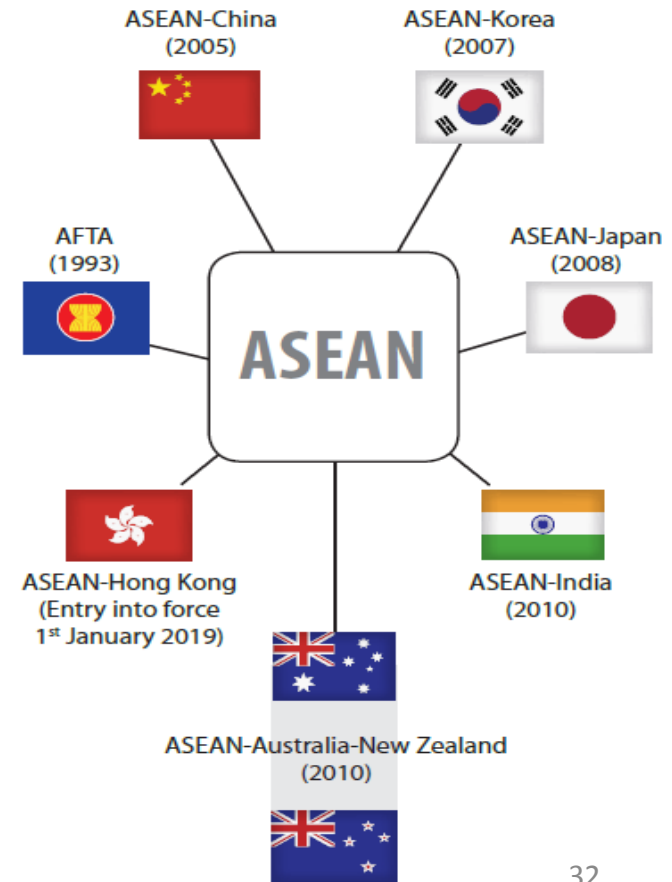


MALAYSIA IS THE STRATEGIC GATEWAY TO KEY MARKETS LEVERAGING ON FTAs

14 Free Trade Agreements

MARKET 2.7 Billion Population

SEVEN REGIONAL FTAs



6. Our International Standing

1st

Most attractive emerging market in Asia

Bloomberg 2018

Best countries to invest

BAV Consulting and the Wharton School of the University of Pennsylvania 2017

2nd

Doing Business Report 2019 - Ease of doing business within ASEAN

World Bank Doing Business Report, 2019

Protecting investors

World Bank Doing Business 2019 Report

3rd

Global offshoring destination

A.T. Kearney Global Services Location Index™ 2016

15th

Doing Business Report 2019-Ease of doing business

World Bank Doing Business Report, 2019

5th

Most attractive emerging market in the World

Bloomberg 2018

12th

Manufacturing Value Added

Bloomberg Innovation Index 2017

22nd

Most competitive economy in overall performance

IMD's World Competitiveness Yearbook 2018

Thank you



MALAYSIA... Your Profit Centre in ASIA



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