

Seizing the Investment Opportunities in Malaysia

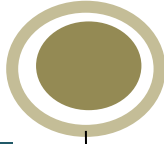
*Mr. Sivasuriyamoorthy Sundara Raja
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MIDA Truly international

United States

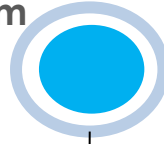
- New York
- San Jose
- Chicago



20 overseas offices

Europe

- London
- Stockholm
- Munich
- Frankfurt
- Milan
- Paris



Middle East

Dubai



Mumbai



Asia

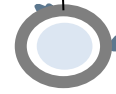
- Beijing
- Guangzhou
- Shanghai
- Taipei
- Seoul
- Tokyo
- Osaka



Singapore



Sydney



12 state offices



Your First Point of Contact



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Steps & Options for Investors

STEP 1

Representative Office

Regional Office

Sales Office

STEP 2

Principal Hub/Operational HQ

Regional and global businesses and operations to manage, control, and support key functions including management of risks, decision making, strategic business activities, trading, finance, management and human resource.

STEP 3

Production Facility

R&D/
Competence Centre

Training Centre

Services Provided - Promotion to Implementation



PROMOTION

- Data on Industries
- Seminars and Briefings
- One-On-One Meetings
- Roundtable Meetings
- 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 (RE/RO) Office
- Principal Hub/OHQ



IMPLEMENTATION

- Handholding (MIDA State Offices)
- Industry Talent Management
- Post Investment
- Incentives Coordination and Collaboration Office (ICCO)
- Compliance and Monitoring

MIDA Organisation Structure

Promotion

Evaluation and Approval of Project (Manufacturing Licence/Tax Incentives/Expatriate Posts Status Approval)

Implementation

Compliance Facilitation



Foreign Direct Investment

Domestic Direct Investment

- Electrical & Electronics
- Machinery & Metal
- Building Technology & Lifestyle
- Transportation Technology
- Chemical & Advanced Materials
- Food Technology & Resource Based Industries
- Life Sciences & Medical Technology

- Oil & Gas, Maritime & Logistics Services
- Green Technology
- Healthcare, Education & Hospitality
- Business Services & Regional Operations
- Advanced Technology and R&D

Industry Talent Management

MIDA State Offices

Tariff

Licensing & Incentive Compliance

Post-Investment

Evaluation and Approval of Customs Duty Exemption







Manufacturing

Services

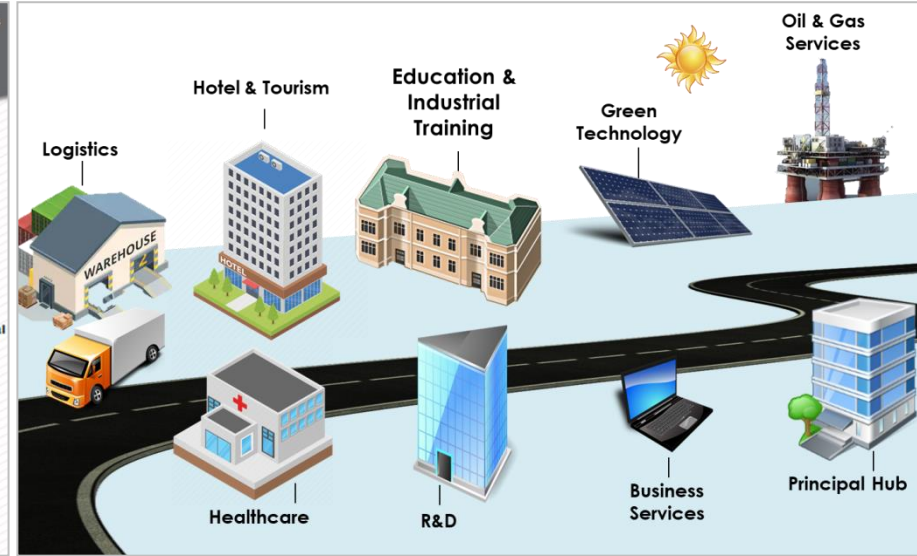
Investors Journey

On Going Focus

Manufacturing

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>	 <ul style="list-style-type: none"> Automotive Transport Textiles Pharmaceutical Metal Food processing Services
<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) 	

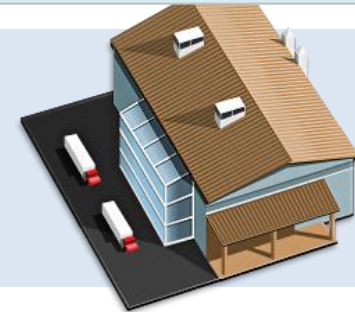
Services








Targeting Quality Investments

- High Value Added
- Strong Linkages
- Skills-Intensive
- High Income Jobs
- Export Oriented

- High Technology
- Capital-Intensive
- R&D & Design
- GNI Impact
- Knowledge-Intensive



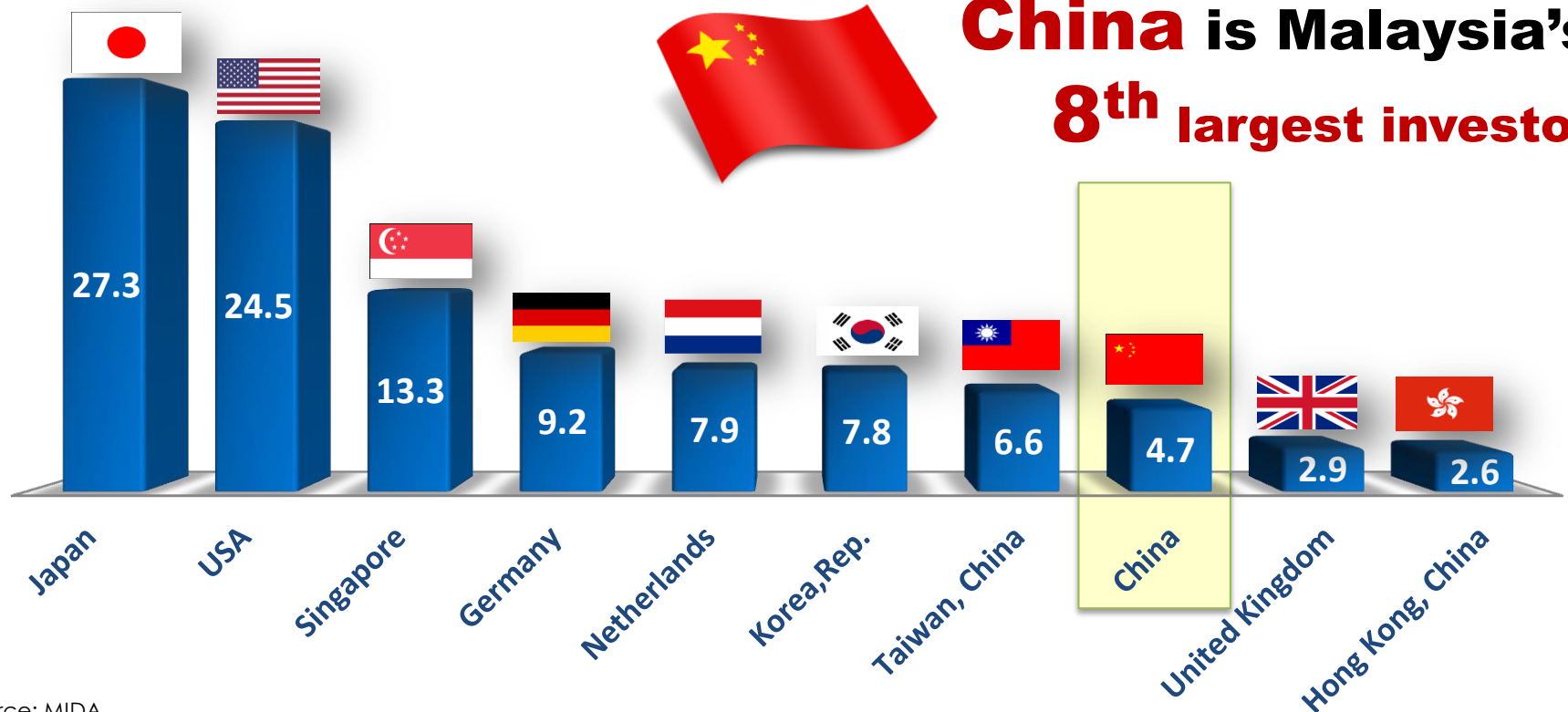
National Aspirations

Increase Economic Complexity	Create High Value Jobs	Create Malaysian Conglomerates & Extend Domestic Linkages	Develop New Clusters	Improving Inclusivity
<ul style="list-style-type: none"> • Attract companies that develop complex products • High local R&D and innovation intensity • Enhance reach to high value-added markets 	<ul style="list-style-type: none"> • High-skilled, high income employment for locals • High Opportunities for graduates • Employment of domestic workers 	<ul style="list-style-type: none"> • Create local conglomerates • Expand breath and depth of domestic supply chain • Collaborate with local institutions • Nurture technology adoption 	<ul style="list-style-type: none"> • Expand development of high-productivity sectors • Develop new products and services locally 	<ul style="list-style-type: none"> • Address regional economic imbalances • Development in underserved regions areas and communities
				

Implemented Projects By Major Economies

Manufacturing As at 31 December 2019

USD Billion



China is Malaysia's 8th largest investor

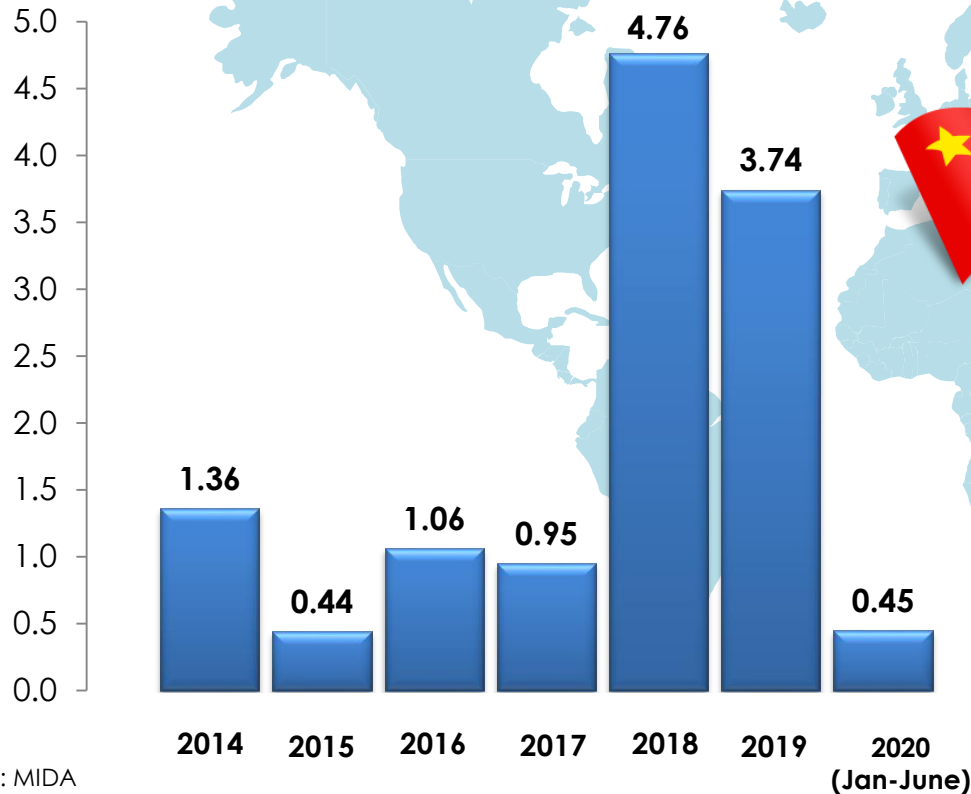
Source: MIDA

Approved Chinese Investments

is on the Rising Trend

China was the largest FDI contributor over the last four years (2016-2019)

USD Billion



Major China Companies In Malaysia



High Profile China Companies in Targeted Sectors in Malaysia

21

China companies of **Fortune Global 500** in Malaysia

vanke 万科
赞美生命 共筑城市

Haier

Tencent 腾讯


中國銀行
BANK OF CHINA


Alibaba Group
阿里巴巴集团

54

China companies of **Fortune China 500** in Malaysia


GEELY


JAC
MOTORS


SINOTRANS

美的 Midea

105

Global Establishments with total investment of USD28.4 million


HUAWEI

KINGFA


中信
CITIC

WEICHAI
潍柴

CEC 中国电科
CHINA ELECTRONICS TECHNOLOGY GROUP CORPORATION

Malaysia As a Global Supply Chain Hub



Fortune Global 500 Fortune China 500













To target market leader with ability to create / enhance the value chain and ecosystem in Malaysia.

Unicorns

To attract global unicorns in the area of high technology, manufacturing, creative and new economy.



Made in China 2025

- Robotics 
- Maritime Equipment & Hi-Tech Ships 
- New Energy & Energy Saving Vehicles 
- Biopharma and Hi-Tech Medical Devices 
- Energy Equipment 
- New Generation Information Technology 
- Railway Transport 
- Aviation and Aerospace Equipment 
- New Materials 
- Agriculture Equipment 

Malaysia's Value Proposition

A High Tech Hub



Malaysia has its advantage with its strong E&E base, established local engineering supporting cluster and talented workforce.

8th

Malaysia Ranked Exports of High Technology Products 2018



Malaysia's machinery and equipment (M&E) industry among the largest and strongest in ASEAN.

Strong and reliable local suppliers and MNCs' supply chain network

Gateway to ASEAN and beyond



Malaysia ranking **second highest in Southeast Asia and 12th out of 169 countries** for trade connectivity, says the DHL Global Connectedness Index (GCI) report



Located within a 5 hour by air between the ASEAN countries



FTAs

Potential market size of 3.9 billion.



Over 500 industrial estates and Free Zones developed

Secured Investment



Malaysia's IP laws are in conformance with international standards



Equity Ownership
Foreigners are allowed to hold 100%



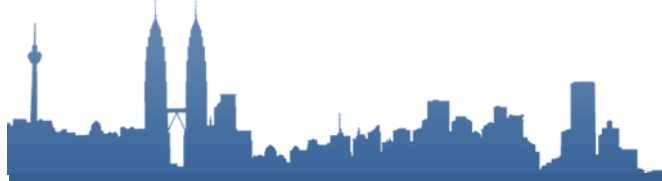
Repatriation of Income: Freedom to repatriate capital, interest, dividends and profits.



World recognised HALAL certification



Investment Guarantee Agreement (IGA) With France since 1975



Latest Offer to Investors



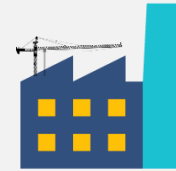
Incentives to Encourage Foreign Manufacturing Companies to relocate to Malaysia

New Company:

- ❑ 0% tax rate for 10 years for new investment in manufacturing sectors with capital investment between **RM300 - RM500 million**
- ❑ 0% tax rate for 15 years for new investment in manufacturing sectors with capital investment above **RM500 million**

Existing Company:

- ❑ 100% Investment Tax Allowance for 5 years for existing company in Malaysia relocating overseas facilities into Malaysia with capital investment above **RM300 million**



Project Acceleration and Coordination Unit (PACU)



Fast Track Approval of Manufacturing License



Additional Reinvestment Allowance

Business Case: LONGI SOLAR



Founded in 2000, LONGi Green Energy Technology Co., Ltd (“LONGi Group”) is the world’s most valuable solar technology company.

Products : monocrystalline cells, ingots, wafer and modules.



World’s **first fully vertically integrated monocrystalline solar manufacturing in one facilities** in Kuching, from silicon ingot, crystal pulling, slicing, cell production and module manufacturing.



Collaborates with local technical institution to produce skilled and technical manpower required by industries. As for now, more than 94% of LONGi Kuching’s employees are local Malaysians.



Kuching Port as the hub for LONGi Solar products to be shipped to worldwide with lower cost in logistics, packaging and the production process.



Business Case: **CAMEL**



Camel Power Malaysia is part of the Camel Group of China, the largest SLI (starting, lighting, ignition) battery manufacturer in Asia. As Asia's largest battery manufacturer, Camel Power has started their operation in Malaysia-China Kuantan Industrial Park (MCKIP) in 2019.



OEM Customers:

Commands **46%** of the OEM market and **25%** aftermarket share in China.

OEM customers as:



PEUGEOT

Annual Capacity:
5 million units batteries

Market:
80% Export
United States, Australia, New Zealand, Africa and Middle East;
Contributed to all major cities across China
20% sold in Malaysia

Total Employment:
693 manpower – **94% local workers**

Products:
Manufactures and distributes **full range of automotive batteries** for cars, trucks, buses and agricultural equipment.



PROTON
INSPIRING CONNECTIONS



Largest batteries suppliers for **Geely Automobile Holdings Ltd**, to supply batteries for **PROTON X70** and future models



International Standing

1st

World's Best countries to invest

CEOWORLD Magazine 2019
Ranked number 1 among 67 countries

CEOWORLD Magazine

Most attractive emerging market in Asia

Bloomberg 2018

Bloomberg

2nd

Ease of doing business within ASEAN

World Bank Doing Business 2020 Report

Protecting investors

World Bank Doing Business 2020 Report



3rd

Global offshoring destination

A. T. Kearney Global Services Location Index™ 2016

ATKearney

5th

Most attractive emerging market in the World

Bloomberg 2018

Bloomberg

8th

High Tech Manufacturing Exports

World Bank 2018



12th

Ease of doing business

World Bank Doing Business 2020 Report



Thank You



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