



# Rebranding Malaysia

Newly-minted International Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz is on a 100-day journey to come up with a fresh narrative to market the nation to the rest of the world

"Our mission is to convince investors why Malaysia is the right market to invest in and how they can benefit when the economy picks up again in 2024."

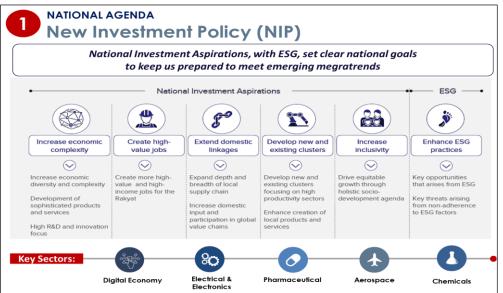
Tengku Datuk Seri Zafrul Abdul Aziz



"The game plan is simple: First, **get the story right**. Then, get all the
stakeholders – from industry leaders to
other government agencies and the
people – to understand and buy-in to
the vision, and then, go out and sell the
story."

"We have to be more focused this time on the areas that are important to us. We may be ahead in some sectors, but what we need is to be ahead in the 'future' sectors."

Source: The Star, Saturday, 10 Dec 2022





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**GAME** 

**CHANGER** 







Electronics (E&E)







Aerospace Creative



Tourism



**Global Services** 

(GS)

Hala





Smart Farming

Biomass

## Malaysia Madani - What it means

The Malaysia Madani concept - or 'civil society' - espoused by Prime Minister Datuk Seri Anwar Ibrahim envisions a country which emphasises humanity and good values like fair, just and effective governance. The word Madani is an acronym derived from the six core values of the policy keMampanan (Sustainability), KesejAhteraan (Prosperity), Daya cipta (Innovation), hormAt (Respect), keyakiNan (Trust) and Ihsan (Compassion). Among the points that were highlighted under the policy are:



Minorities will not be marginalised under any government policy. All policies will involve ethics and morals propagated by all religions.

There will be good The government will governance, with a remain committed to concerted bid to resolving more issues prevent leakages and under the MA63. end weakness and poor management.

A humane economy. which looks into the needs of the people especially the poor and marginalised, will be prioritized.

'Real progress' will be emphasised, looking at the effects on the people and not just economic growth and foreign investments.



development gap Embracing the circular economy

development

Multiplying growth in less developed states

Enhancing digital connectivity for inclusive

Improving TVET ecosystem to produce future-ready

especially Sabah and Sarawak to reduce



Digital Investment Office (DIO) was established on 22 April 2021 to accelerate the growth of digital investment.







Data

Cable

Dark Fibre

Broadband

5G

## Digital Ecosystem Acceleration Scheme (DESAC) Incentives



1. New Company - Income tax rate of 0% to 10% for up to 10 years.

2. Existing company undertakes diversification of new services/new segment - income tax rate of 10% for up to 10 years.

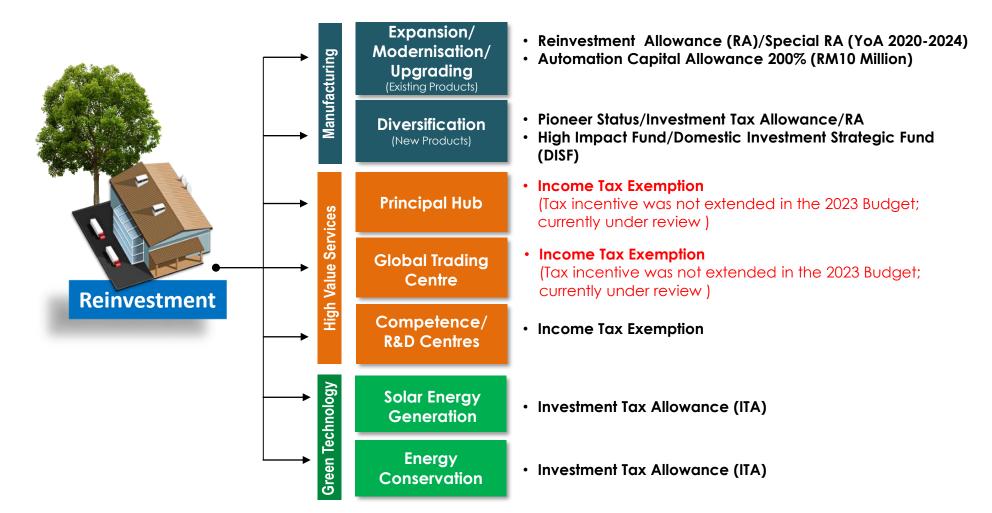
**Digital Infrastructure Provider** ata centers, broadband, and submarine cables. ELIGIBLE COMPANY: MTC / MNCs / Large Firms

Investment tax allowance of 100% on capital

expenditure for qualifying activities for up to 10 years. This allowance can be offset against up to 100% statutory



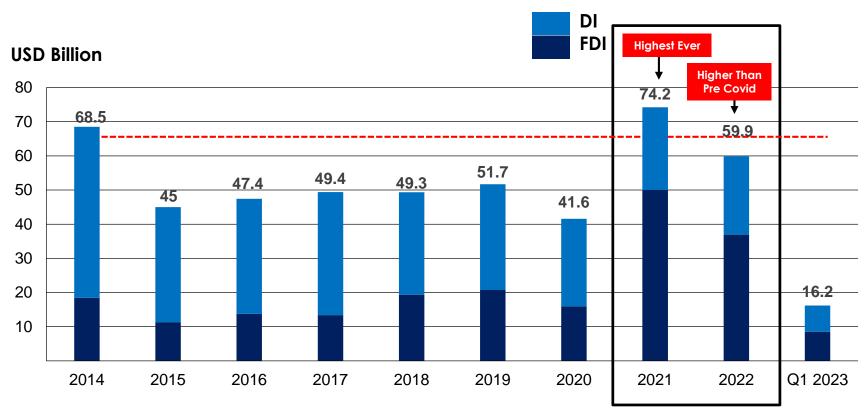
# **Driving Reinvestments** by Existing Companies





# **Approved Private Investments**

In Various Economic Sectors, 2014-2022



<sup>\*</sup> Private Investments consist of Manufacturing, Services and Primary sectors.



# **Prominent Dutch Companies in Malaysia**

As of March 2023, a total of 410 manufacturing projects had been approved worth RM145.5 billion (USD35.9 billion) and estimated to create a total of 89,782 potential employment opportunities.

# nexperia

# actiforce

















## MIDA

# Trade & Investment Mission 2023





# MIDA's Role in Attracting Investments

## Attracting FDI & DDI



## **Providing Investment Approvals**

## **Manufacturing License** (ML)



- Require ML if the Paid-up Capital/Shareholders' Fund is RM2.5 Million and above; or employing 75 or more full time employees
- · Exempted from ML- If below the above threshold

Investment **Incentives** 



- Tax Incentives
- **Matching Grants**

## **Customs Duty Exemptions**



- Raw materials
- Machinery & equipment

## **Expatriate Posts**



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

## **Monitoring Project Implementation**



Project Acceleration and Coordination Unit - Post Invest





## **Business Facilitation**







/modules



Support

Adoption Engineering of 14.0 Technologies





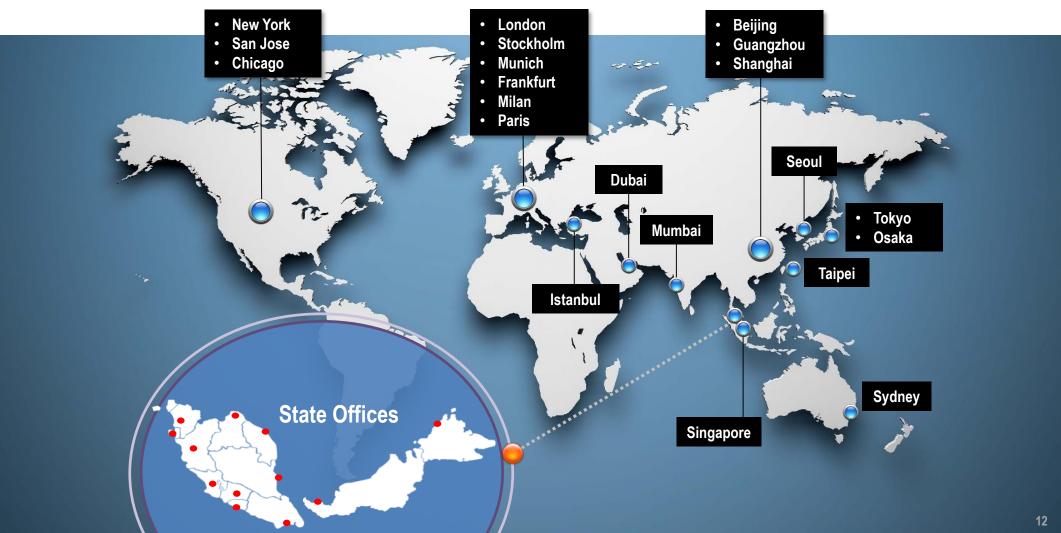


**Funding** Needs

**E-Services** Portal

# MIDA-Truly International







# **State** Offices



























## **Manufacturing Sector**

### **ELECTRICAL & ELECTRONICS**

- Wafer fab
- IC Design
- Test Programme Development

### CHEMICAL AND ADVANCED MATERIAL

- Lithium-ion battery
- Hydrogenated vegetable oil (HVO)
- Green hydrogen

**Automotive** 

NxGv

Aerospace

Technology

· Chemical and catalyst for semiconductor industry

**TRANSPORTATION** 

**TECHNOLOGY** 

Vehicle: Electrification and NxGV

Mobility Services and Supporting

(ea: engine, cabin interiors)

aircraft, Unmanned Aerial

(ea: business aviation, seaplane

Large forging and casting

Components and parts

corporate planes

Vehicle (UAV))

· Base for light aircraft and

Critical Components of EV and

### MACHINERY AND METAL TECHNOLOGY

Semiconductor (Front End Semiconductor M&E) -Slicing and Polishing of Wafer, Photolithography, Etching, Rapid Thermal Processing, Deposition, Wafer Burn-In, Fluid and Gas Delivery

Electric Vehicle (EV) - Battery Cell machinery and parts, Battery Pack machinery and parts, Materials related to the production of EV Battery, Machinery to produce other related components for EV.

Robotics: Robot Arms, Collaborative Robot (COBOT), Tools related to the production of Robotics i.e motor, sensor, connectivity devices

Agriculture: Machinery for Poultry, for Farming for encompasses crops, livestock, fisheries, fruits and veaetables.

## LIFE SCIENCES AND MEDICAL TECHNOLOGY

- Vaccines
- Consumer Medications and Drugs
- · Diagnostic and Point of Care
- Non-Invasive / Minimally-Invasive Solutions
- Convergence Medical Technologies



## **Services Sector**

### **BUSINESS SERVICES & REGIONAL OPERATIONS**

- . Center of Excellences (COE) for **Digital Solutions**
- · Digital Tech Smart Innovation Hubs
- Hyperscale Data Centres
- · Digital Technology Providers

### HEALTHCARE

- · Digital healthcare/ Telemedicine
- Traditional and Complementary Medicine (TCM)
- · Senior Living/Aged Care

### HOSPITALITY

- Sport Tourism
- Glampina
- Recreational Vehicle (RV)

### **OIL AND GAS**

### Oil & Gas (Upstream)

**Exploration:** Geological services, Seismic survey, Remote monitoring

**Development:** Well services: well intervention, pipeline services such as MRO, Remote monitoring

### MARITIME

Shipbuilding and Ship Repair: LNG fueled vessels, Dual-fuel engine. Hydrogen operated vessels. Ballast free ship design, Electric propulsion system, Digital twin

### LOGISTICS

### Logistic Services :

Integrated logistic, Smart warehouse including e-fulfillment, Blockchain

# ADVANCED TECHNOLOGY AND

- RESEARCH & DEVELOPMENT
- · Bioscience Technology Advanced Intelligent Systems
- Advanced Materials
- Blockchain
- Additive Manufacturing

### **GREEN TECHNOLOGY**

### **New RE Sources**

- Geothermal
- · Onshore and offshore wind

### **Energy Storage Solutions**

- · Battery storage
- · Hydrogen solution

## **Digital Investment**

# **Technology**

## Q

Robotic

Integration



Cybersecurity

Manufacturing

**Cloud Computing** 



**Augmented Reality** 





**□** Big Data Analytics



**Internet of Things** 

# **Infrastructure**

**Additive** 

**Data Centre** 

**Broadband** 

**Artificial Intelligence** 

**Horizontal & Vertical** 



**Submarine Cable** 



🗼 Satellite



**Dark Fibre** 

## **BUILDING TECHNOLOGY**

Industrial Building System (IBS)

**Development Of High Technology** Glass: Smart Glass Windows, Smart Glasses

### LIFESTYLE

Textiles: Functional Fabric, Medical Textiles, Natural Fibres and Yarns and Eco-Friendly Textiles

## CIRCULAR

- **BIO-ECONOMY**
- Biofuel & Bioplastic Sustainable Aviation Fuels (SAF)
- Green Hydrogen
- Micro Algae to Biofuels



### FOOD TECHNOLOGY

### Food Technology

- Alternative/ Artificial Meat Industry
- · Ready to Eat (RTE) / Convenience Foods Industry

## **RESOURCE-BASED INDUSTRIES**

### Oil Palm Biomass

- Pulp & paper
- Animal feed
- Fertilizer
- · Oil Palm Trunk: timber / wood / engineered wood



# 1. Strong Economic Fundamentals





	2016	2017	2018	2019	2020	2021	2022
Real GDP Growth (%)	4.2	5.8	4.7	4.3	-5.6	5.7	8.7
Inflation (%)	2.1	3.8	1.0	1.2	1.9	2.5	3.3
GDP (USD bil.)	246.9	296.2	297.1	311.1	333.0	367.4	339.4
Per Capita Income (USD)	9,096	9,813	10,564	10,809	10,553	11,399	11,950
Unemployment (%)	3.4	3.4	3.4	3.4	4.5	4.6	3.6
International Reserves (USD bil.)	94.5	102	101.4	104.3	107.6	116.9	114.6

Source: BNM

# 2. Business Friendly Investment Policies



## **Equity Ownership**

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



## **Repatriation of Income**

Freedom to repatriate capital, interest, dividends and profits.



## **Employment of Expatriates**

- Key posts
- Term posts

# Intellectual Property (IP) 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



# **Investment Guarantee Agreements** (IGAs)

Malaysia has signed IGAs with more than 60 countries



# 3. Advanced Ecosystem

A Case in Point - Semiconductor



RENESAS

6 out of 12 of the largest semiconductors companies currently operation in Malaysia

R&D/ **IC DESIGN** 

**WAFER FABRICATION** 

**ASSEMBLY** 

**TEST** 

Amkor Technology®

NO

**EMS** 

**FOREIGN** 

Microsemi.









**≫**FAB

**(infineon** 



















































K-One

































# 4. Strong Engineering Supporting Industry



## **MOULD & DIE**

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



## SURFACE ENGINEERING

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



## **METAL CASTING**

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



## **HEAT TREATMENT**

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



## **MACHINING**

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



## **FORGING**

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



## **METAL STAMPING**

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



## **METAL FABRICATION**

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



# 5. Talented Human Capital

Multi Racial & Multi Cultural







Malaysia ranks #28 in World **Talent Ranking** 

IMD World Talent Ranking 2021

Annual Graduates: 130,000

## Year 2021 **Accountancy** 8,014 402 **Aerospace** 3,119 **Civil Engineering Electrical Engineering** 6,220 **Mechanical Engineering** 5,613 **Chemical Engineering** 2,667 Other Engineering 2,031

## Local Universities in Malaysia

































## International Universities in Malaysia









**UNIVERSITY OF** 

**TECHNOLOGY** 

















# 6. Gateway to ASEAN and Beyond

# 16 FTAs -Market of 4.2 Billion Population



- ASEAN- 3<sup>rd</sup> largest market in the world with 622 million people (behind only China and India)
- Already zero tariffs for 99% of products
- Attracts 11% of global FDI

# Regional Comprehensive Economic Partnership (RCEP)

**New MEGA FTA** 



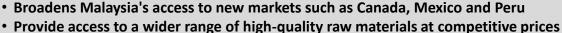


- · World's largest Free Trade Agreement
- Covering 15 countries with 2.2 billion or a third (29.7%) of the world's population
- Represents US\$24.8 billion or a third (28.9%) of the world's GDP (2018)

## THE RCEP CONSISTS

- Elimination or reduction of import duties
- Promotion, facilitation, protection and investment liberalisation
- 3 Protection of intellectual property rights, facilitation in e-commerce
- 4 Economic and technical cooperation





- Increases Malaysia's attractiveness as an investment destination
- Offers technical assistance and capacity building programmes

**CPTPP** 

# 7. International Standing



# 1st Bloomberg

Top Country in Emerging Southeast Asia for Foreign Investment

Global Opportunity Index Bloomberg 2022



Top City in Asia-Pacific Region (Kuala Lumpur)

Global Technology Industry Survey 2021, KPMG 1st MILKEN INSTITUTE

Most Potential to Attract Foreign Investors in The Emerging Southeast Asia

2022 Milken Institute Global Opportunity Index

13th NIKKEI Asia

On infection management, Vaccine rollouts and social mobility

Nikkei Covid-19 Recovery Index

3rd



Most Innovative Upper Middle-income Economy In the World

Global Innovation Index 2021, World Intellectual Property Organisation (WIPO)



16th

Global Trade Connectivity

2nd Asia Pacific

DHL Global Connectedness Index 2020



Most Competitive Country in the World

World Competitiveness Yearbook 2022, IMD



