

Business & Investment Opportunities in Malaysia

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MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

Who We Are

*[MIDA is the **government's principal investment promotion agency** for the development of the manufacturing and services sectors in Malaysia]*

First Point of Contact

Germany & Eastern Europe + Russia : Frankfurt & Munich Office

Truly International

United States

- New York
- San Jose
- Chicago



20 overseas offices

12 State Offices

Europe

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



including Poland

Middle East

Dubai



Mumbai

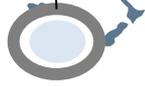


Asia

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



Singapore



Sydney

MIDA Munich

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Germany, Austria & **Eastern
European Countries)**



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Services Provided - Promotion to Implementation



PROMOTION

- *One-On-One Meetings*
- *Seminars and Briefings*
- *Roundtable Meetings (RTM)*
- *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 (RE/RO) Office*
- *Principal Hub/OHQ*



IMPLEMENTATION

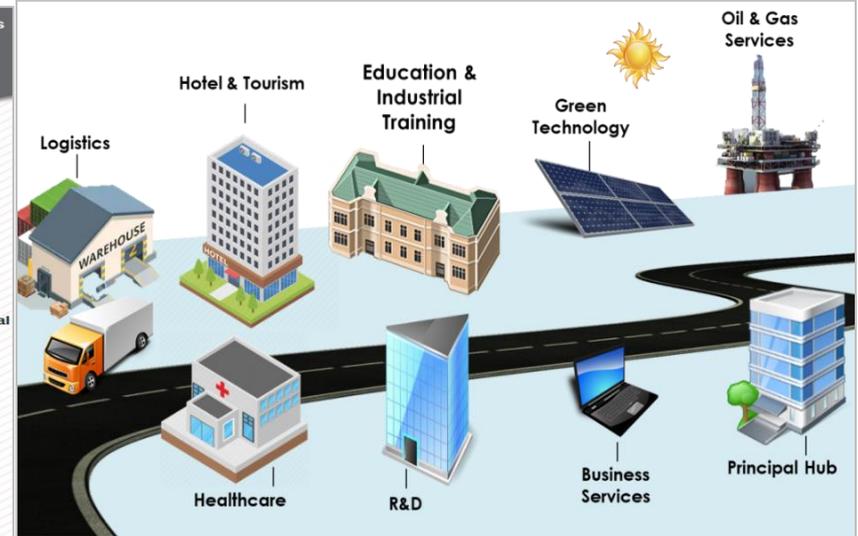
- *Handholding (MIDA State Offices)*
- *Industry Talent Management*
- *Post Investment*
- *Incentives Coordination and Collaboration Office (ICCO)*
- *Compliance and Monitoring*

On Going Focus

Manufacturing

Services

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



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



Steps & Options for Polish Business & 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**

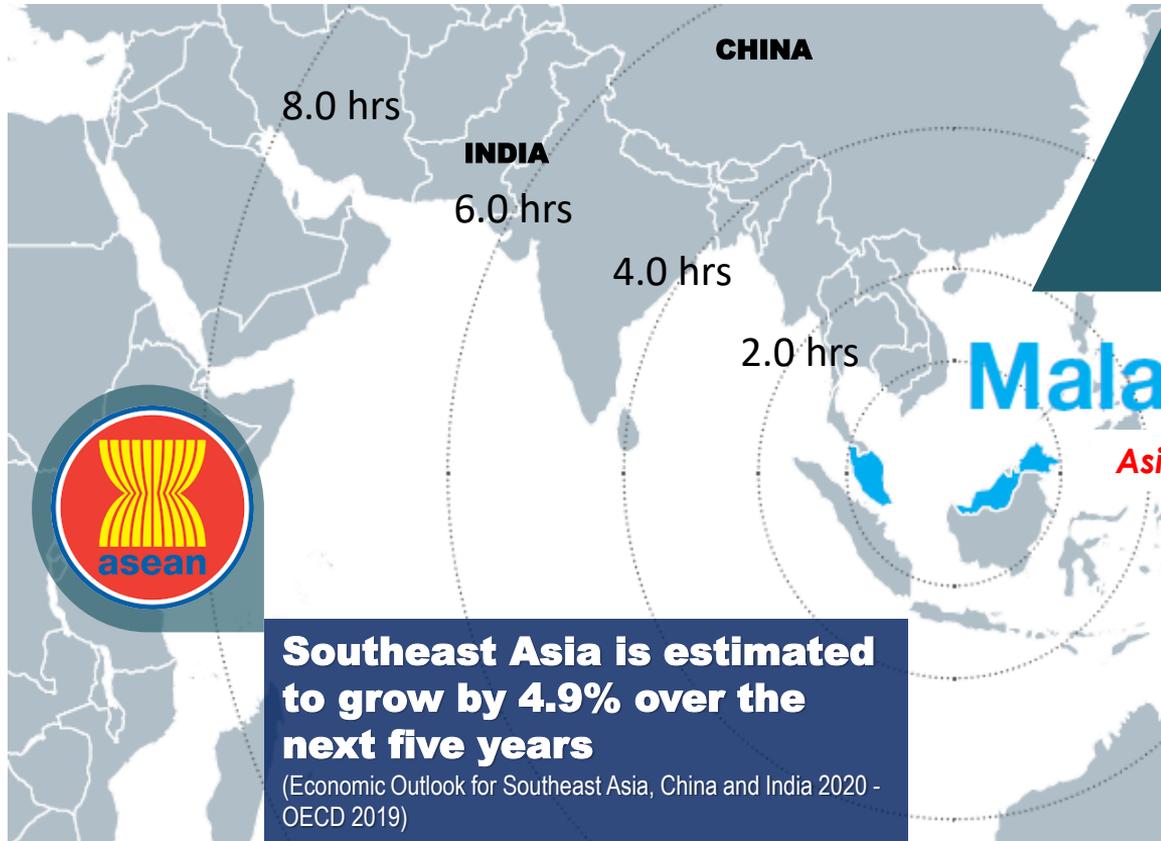
**Training
Centre**

Prominent Foreign Manufacturing Companies



Over 5,000 companies from more than 50 countries

Strategic Location



Southeast Asia is estimated to grow by 4.9% over the next five years

(Economic Outlook for Southeast Asia, China and India 2020 - OECD 2019)

SOUTH EAST ASIA IS THE FASTEST GROWING ECONOMIC REGION IN THE WORLD

(GDP growth of 5.3% over the last 20 years)

Asia powering the global economy

Asia is projected to contribute 48% of global GDP by 2023

Asia is set to remain the world's biggest contributor to global GDP. The region's GDP has jumped from US\$27 trillion in 2007 to US\$55 trillion in 2017¹. Fuelled by the rising opportunities, Asia is expected to shape the global economy in the 21st century.

¹World Economic Outlook (October 2018), International Monetary Fund

By 2030, the region is expected to contribute 60% of global growth

World Economic Forum

Gateway to ASEAN and Beyond

14 Free Trade Agreements

Market of 3.9 Billion Population



- 3rd 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



New Zealand

Strong Engineering Supporting Industry



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



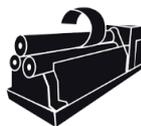
HEAT TREATMENT

- **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

Business Friendly 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 (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



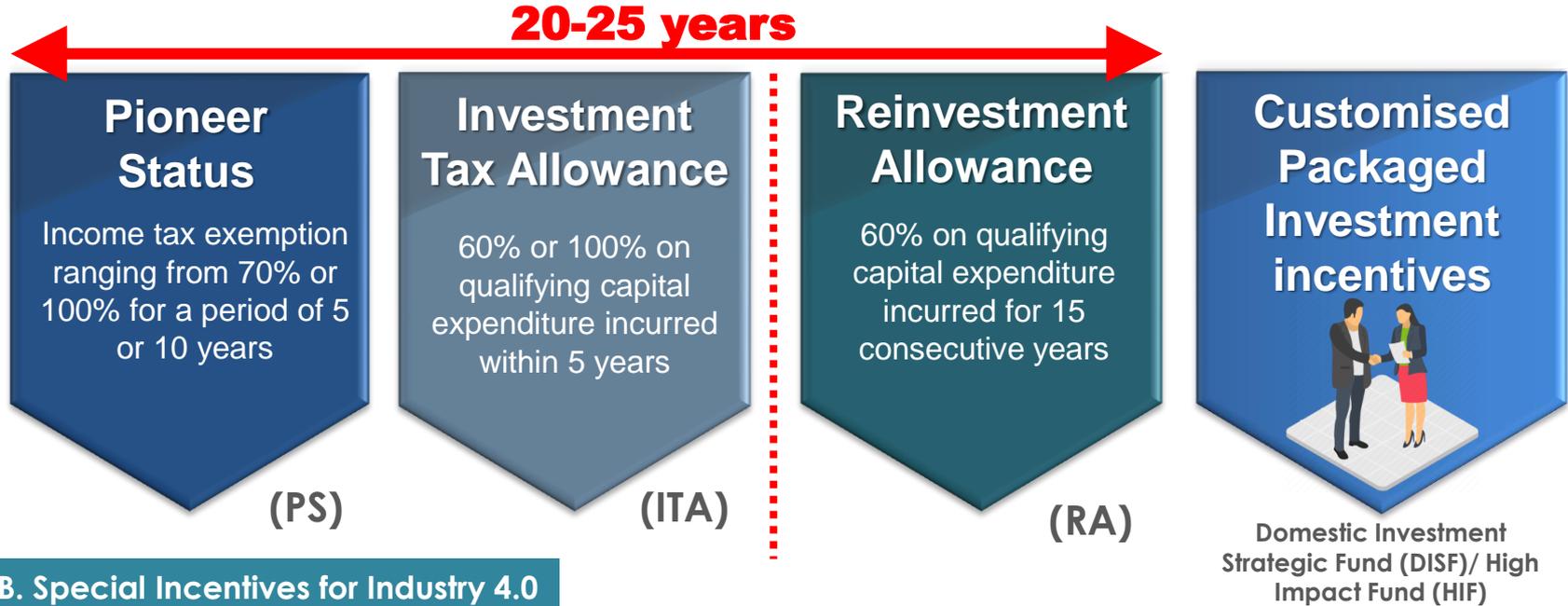
Investment Guarantee Agreements (IGAs)

Malaysia has signed IGAs with more than 60 countries



Competitive Investment Incentives

A. Major Incentives - Manufacturing



B. Special Incentives for Industry 4.0

- Industry4WRD Readiness Assessment
- Industry4WRD Intervention Fund
- Industry Digitalisation Transformation Fund (IDTF)
- Business Loan Guarantee Scheme
- Incentives for Vendor Development Programme
- Automation Capital Allowances (Automation CA)
- Digital Transformation Acceleration Programme (DTAP)
- Domestic Investment Strategic Fund (DISF)/ High Impact Fund (HIF)
- Smart Automation Grant
- Special Incentives for Electrical & Electronics Industry

Conclusion

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

4th

Cost of Doing Business Index
Malaysia has outperformed countries such as China, Japan, Vietnam and India.

KPMG

2nd

Ease of doing business within ASEAN
World Bank Doing Business 2020 Report

Protecting investors
World Bank Doing Business 2020 Report

 WORLD BANK GROUP

5th

Most attractive emerging market in the World
Bloomberg 2018

Bloomberg

16th

2nd
Asia Pacific

Global trade connectivity
DHL Global Connectedness Index 2020



8th

High Tech Manufacturing Exports
World Bank 2018

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12th

Ease of doing business
World Bank Doing Business 2020 Report

 WORLD BANK GROUP

Thank You &

*Welcome to **Malaysia***

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