

INVESTMENT OPPORTUNITIES IN MALAYSIA



1



MIDA

First Point of Contact

Truly International

- New York
- San Jose
- Chicago

20 overseas offices

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

Dubai

Mumbai

- Beijing
- Guangzhou
- Shanghai
- Taipei

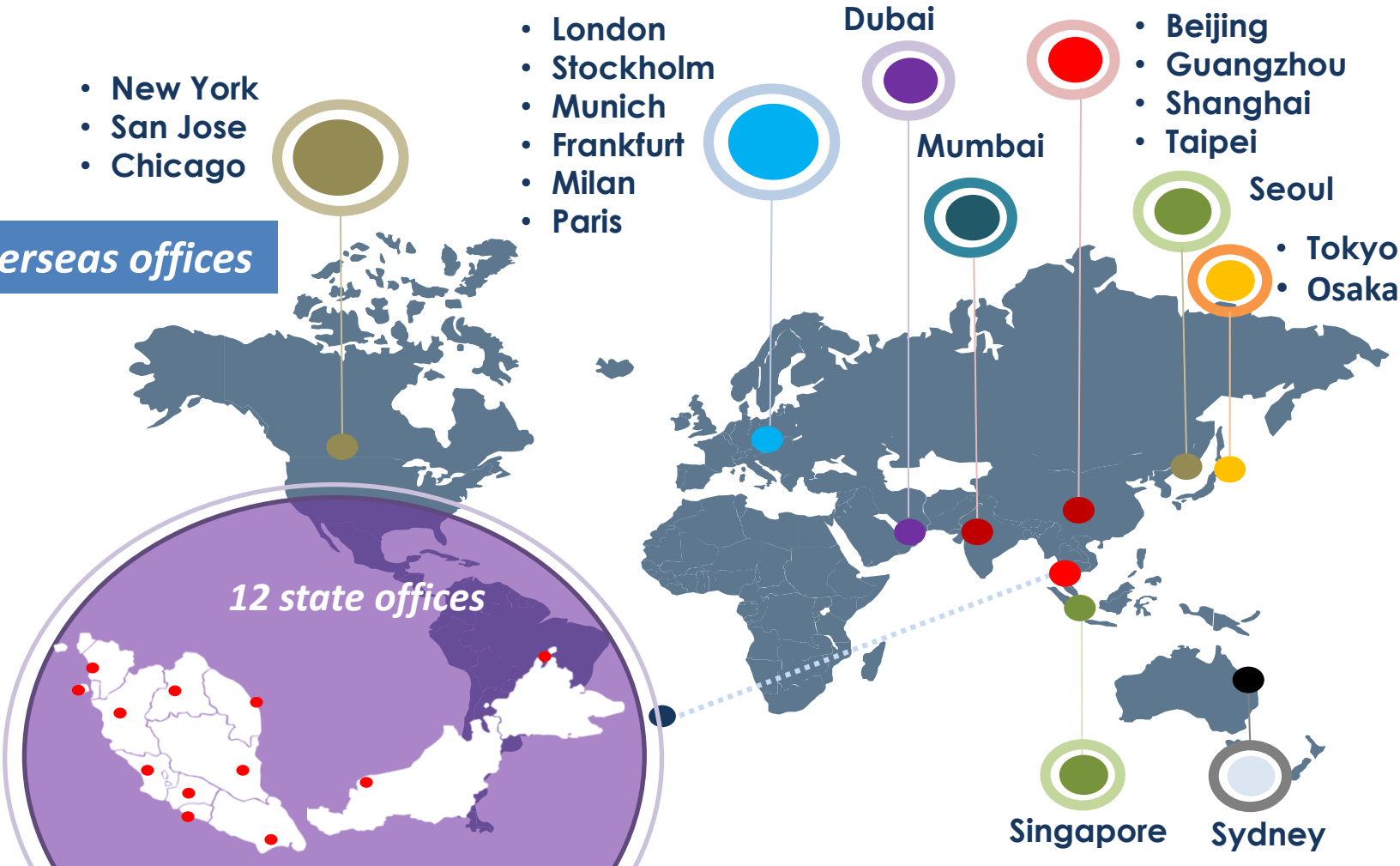
Seoul

- Tokyo
- Osaka

12 state offices

Singapore

Sydney



Services Provided - Promotion to 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***

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

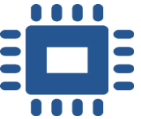
2

Growth Areas

Promoted Products & Activities

Growth Areas

Manufacturing Sector



Advanced Electronics



Machinery & Equipment



Oil and Gas



Specialty Chemicals



Medical Devices



Transportation Technology



Biotechnology



Aerospace



Food Technology



Pharmaceuticals



Advanced Materials

Services Sector



Hotel & Tourism



Medical Tourism



Logistics



Offshore & Outsourcing Activities



Education & training



Green Technology



R&D



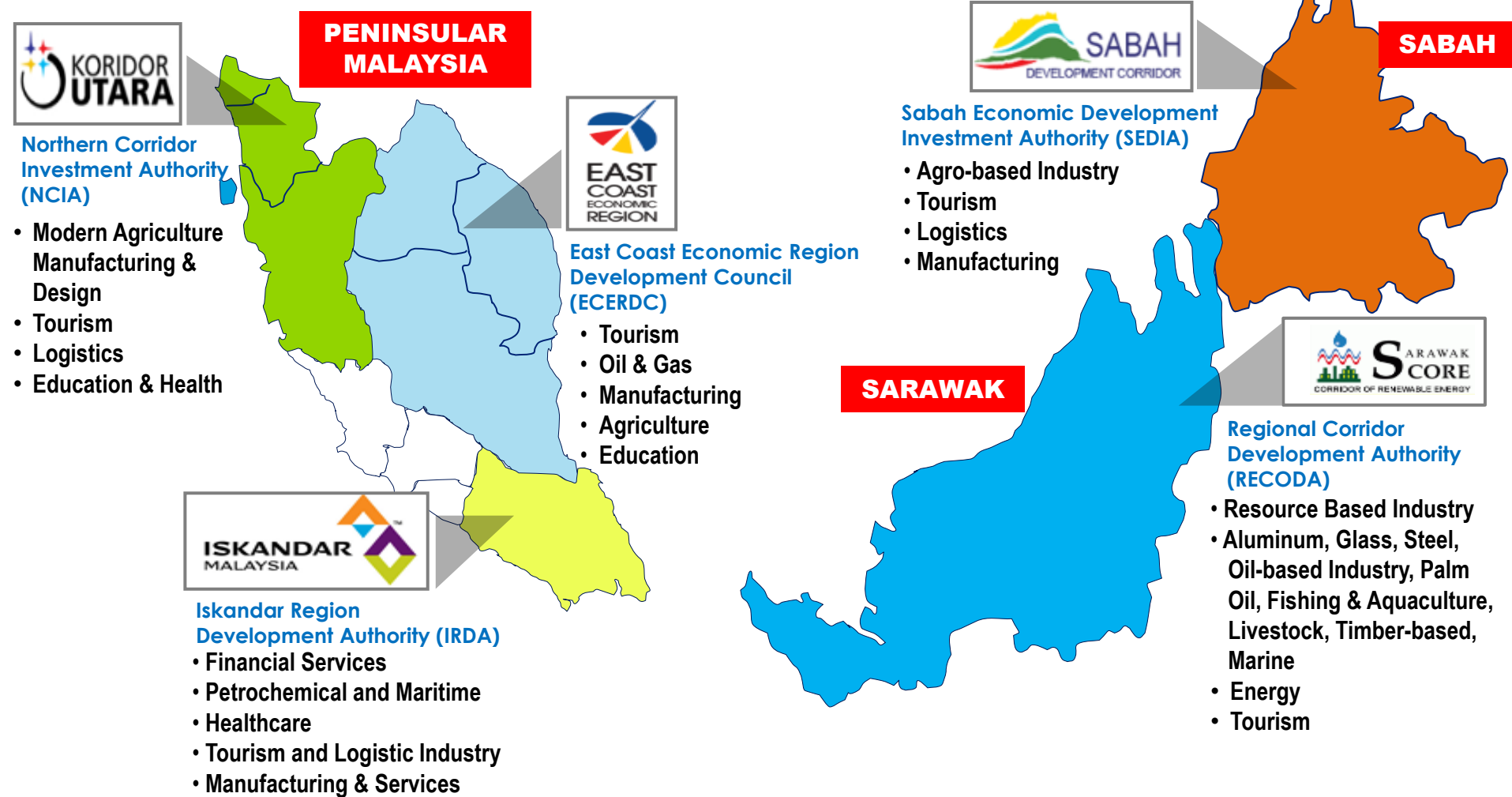
Principal Hub



ICT Services

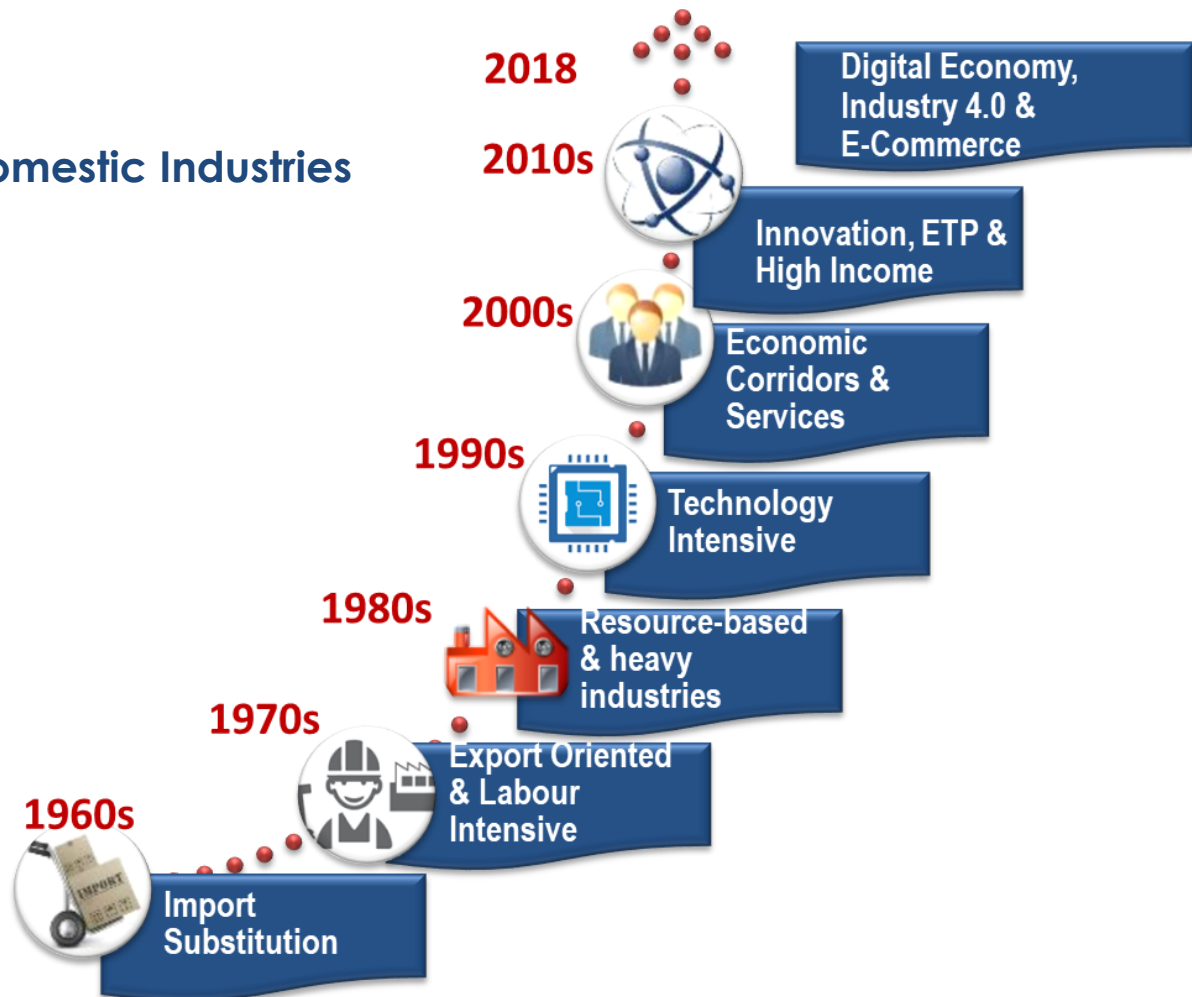
45 Sub Sectors
liberalised since 2009

Regional Corridors

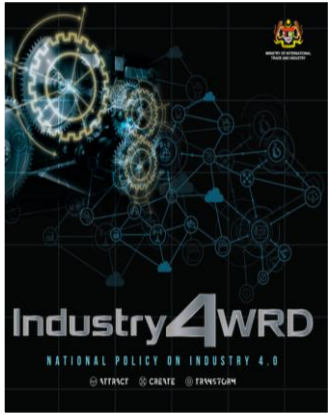


Targeting Quality Investments

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



...with Industry 4.0 Key Technologies



Enhance Global **Competitiveness**



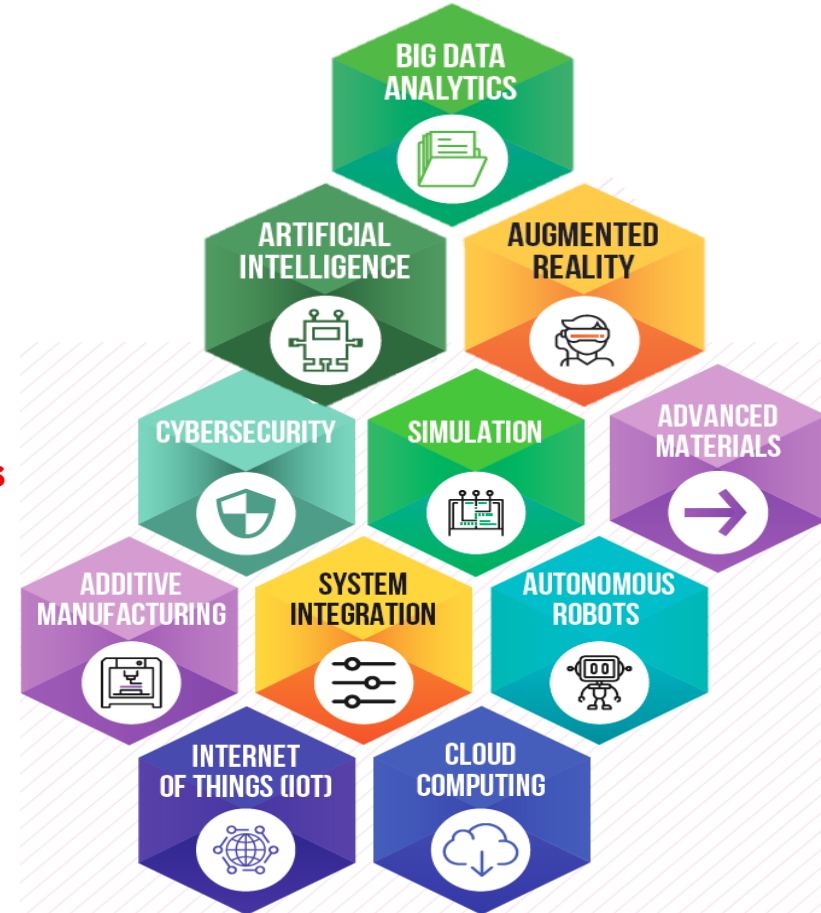
Strengthen **growth** and **productivity** of manufacturing industry



Create new **generation jobs** and reduce dependency on **foreign labours**



Sustaining high levels of **Foreign and Domestic Investments**



Malaysia's Electronic Cluster

Through its strategic initiatives, the Government has created distinct electronics manufacturing clusters which comprise an "eco-system" of semiconductor and components/equipment manufacturers

Semiconductor Back End		
Intel	AMD	Linear
Spansion	Marvell	Globetronic
Osram	Lumileds	Altera
IDT	Avago	ASE
Fairchild	Renesas	Sumitomo
System / Module / Device		
Seagate	Plexus	Knowles
Smart Mo	Molex	Jabil
Sanmina	Kontron	Flextronic
Amphenol	WD Media	
Equipment		
Dell	Solectron	VDO
Agilent	Sanyo	LKT
Inventec	Ben-Q	Pentamaster
Clarion	Bosch	Vitrox

Semiconductor Back End		
Carsem	Unisem	IDS
System / Module / Device		
Murata		

Semiconductor Back End		
On Semi	NXP	
System / Module / Device		
Alps	TDK	NHK
Equipment		
Samsung	Xyratex	

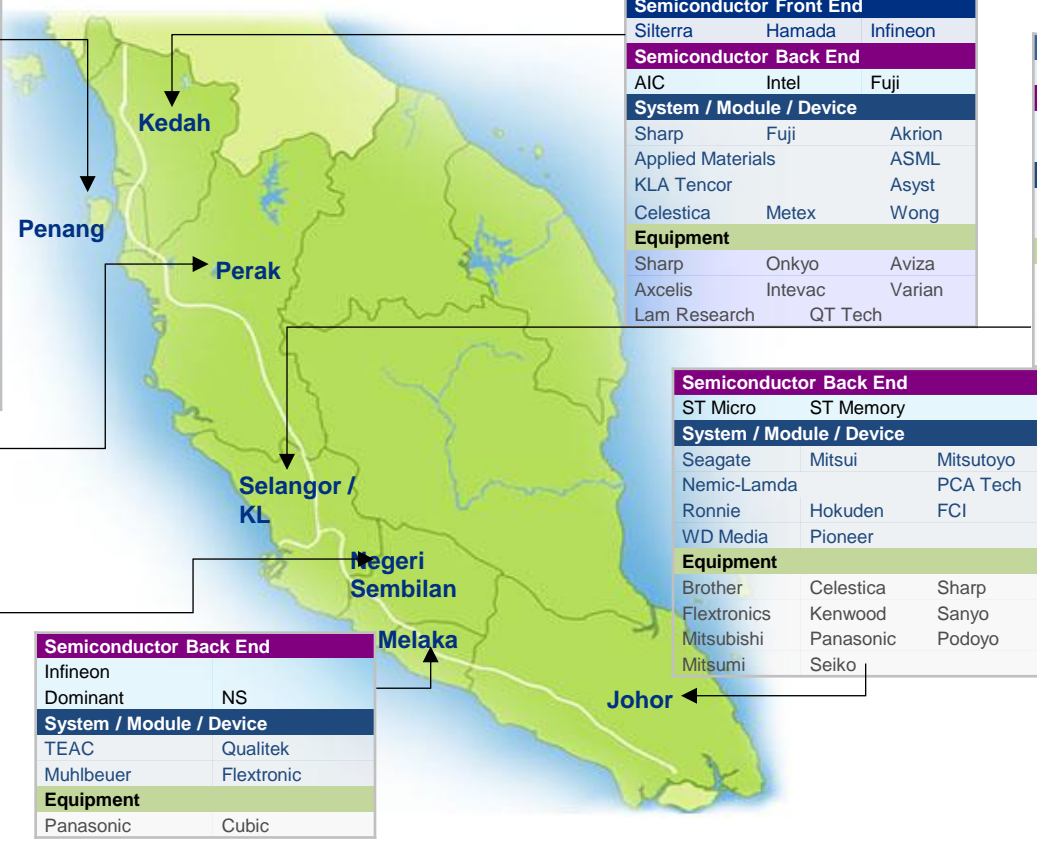
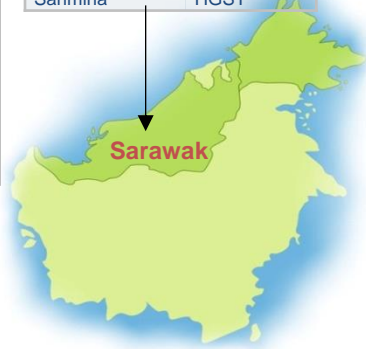
Semiconductor Back End	
Infinion	Dominant
	NS
System / Module / Device	
TEAC	Qualitek
Muhlbeuer	Flextronic
Equipment	
Panasonic	Cubic

Semiconductor Front End		
Silterra	Hamada	Infineon
Semiconductor Back End		
AIC	Intel	Fuji
System / Module / Device		
Sharp	Fuji	Akriion
Applied Materials		ASML
KLA Tencor		Asyst
Celestica	Metex	Wong
Equipment		
Sharp	Onkyo	Aviza
Axcelis	Intevac	Varian
Lam Research	QT Tech	

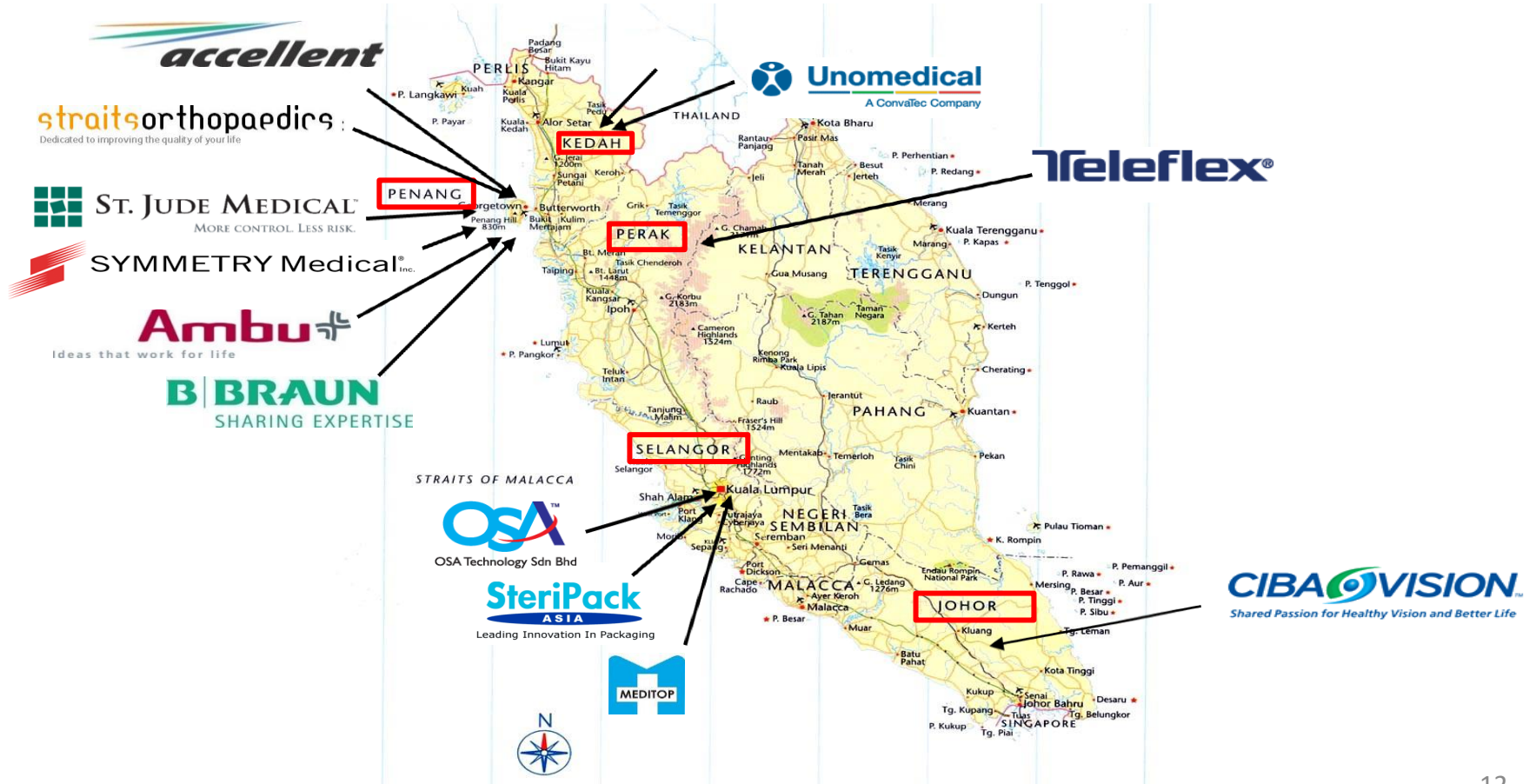
Semiconductor Back End	
ST Micro	ST Memory
System / Module / Device	
Seagate	Mitsui
Nemic-Lamda	PCA Tech
Ronnie	Hokuden
WD Media	Pioneer
Equipment	
Brother	Celestica
Flextronics	Kenwood
Mitsubishi	Panasonic
Mitsumi	Seiko

Semiconductor Front End		
S.E.H.	MEMC	
Semiconductor Back End		
Freescale	TI	Toshiba
Spansion	ChipPack	NEC
System / Module / Device		
Sensata	Flextronic	Nichia
ChungHua		
Equipment		
WD	Epson	Samsung
Panasonic	Sony	Flextronics
Hitachi	Sharp	Onkyo
Canon		

Semiconductor Front End	
X-Fab	
System / Module / Device	
Taiyo Yuden	Toko
Sanmina	HGST



Malaysia's Medical Devices Cluster



3

Investment Friendly Policies

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

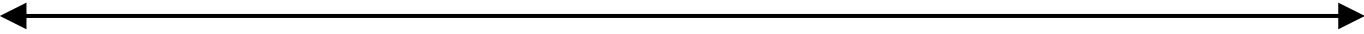
- Member of the World Intellectual Property Protection Organisation (WIPO)
- Signatory of the Paris Convention and Berne Convention which govern IP rights
- Signatory of the Agreement on Trade-Related Aspects of IP Rights (TRIPS) under the WTO

Investment Guarantee Agreements (IGAs)

Malaysia has signed IGAs with more than 60 countries

Major Tax Incentives

20-25 years



Pioneer Status

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

PS

Investment Tax Allowance

60% or 100% on qualifying capital expenditure incurred within 5 years

ITA

Reinvestment Allowance

60% on qualifying capital expenditure incurred for 15 consecutive years

RA

Less Developed Area

100% income tax exemption for up to 15 years or income tax exemption equivalent to 100% of qualifying capital expenditure incurred within 10 years

LDA

4

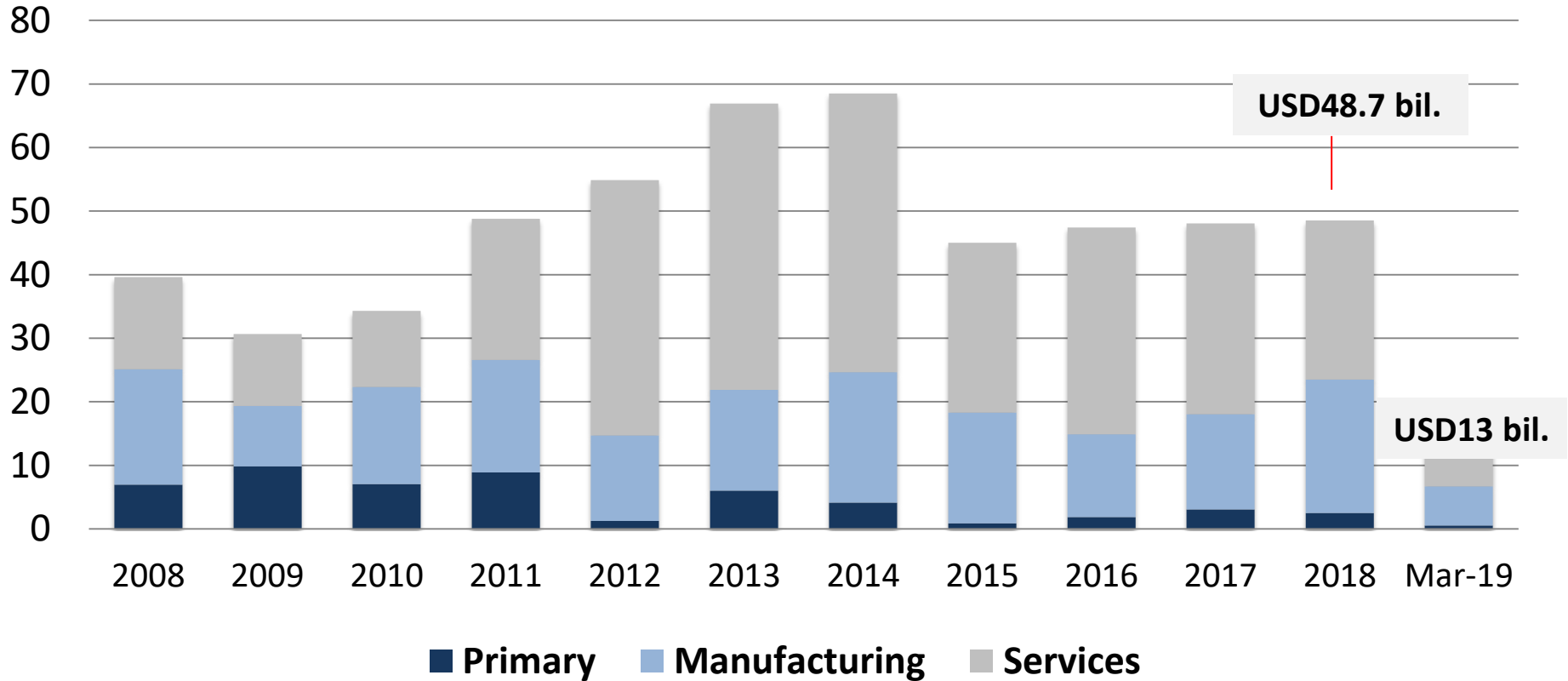


Investment Performance

Investment Approved in the Economy

(2008 – Mar 2019)

USD Billion

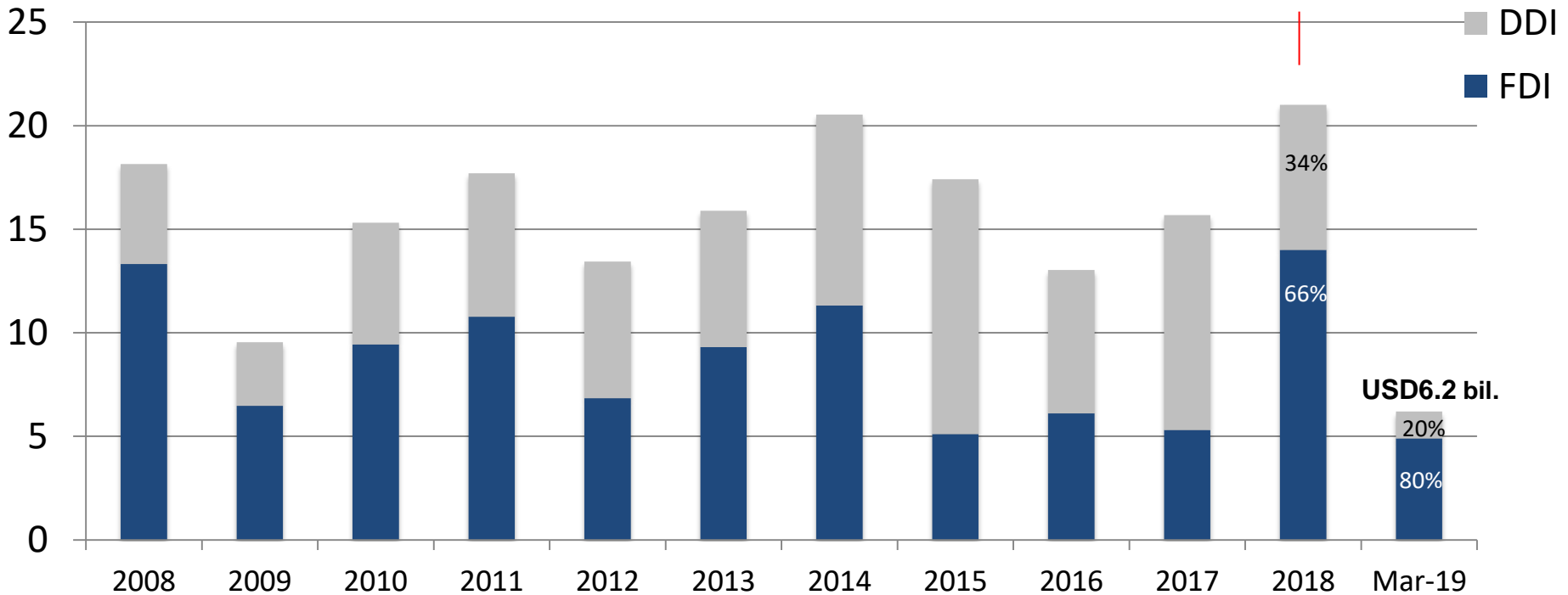


Approved Investments in the Manufacturing Sector

(2008 – Mar 2019)

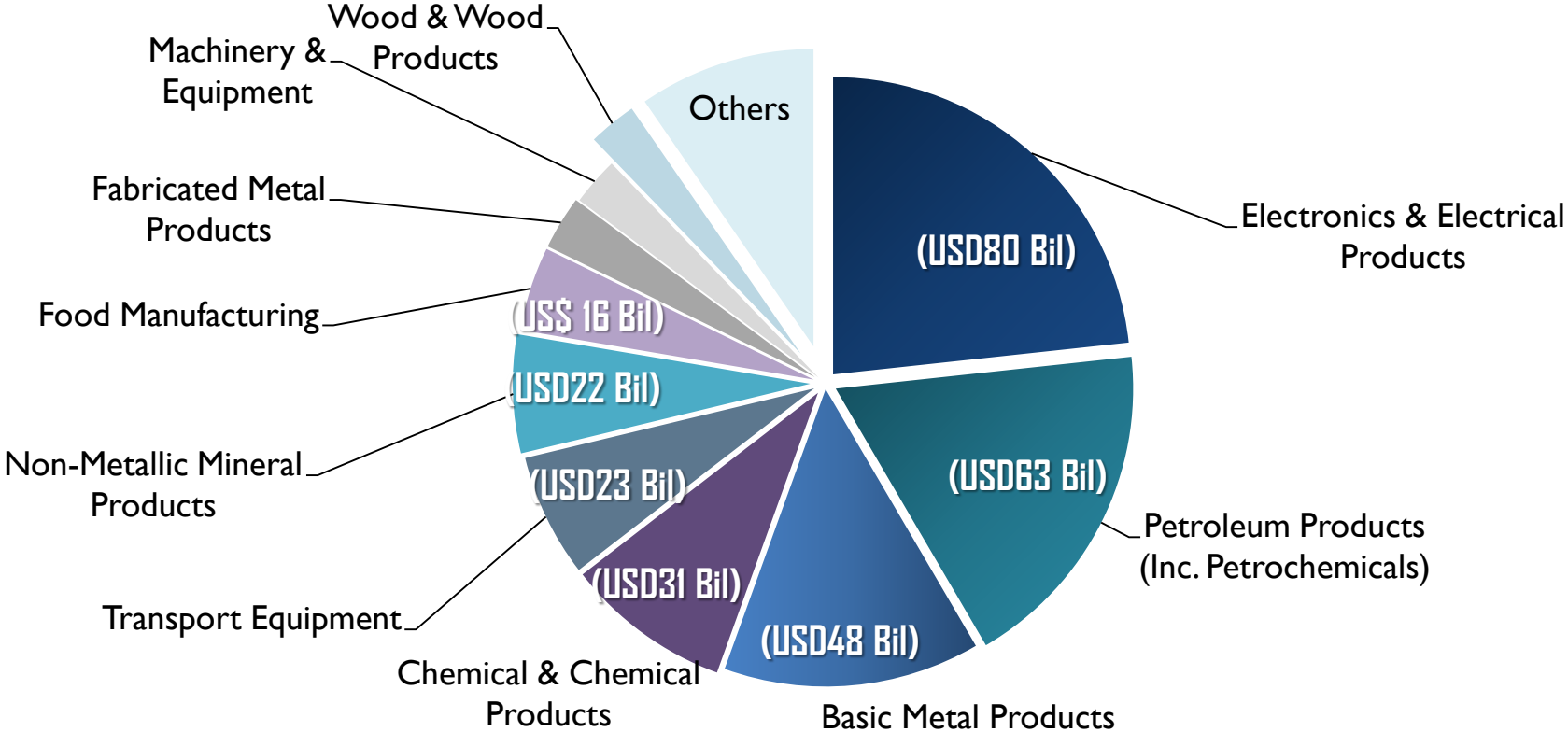
USD Billion

USD21.1 bil.



Approved Investments in the Manufacturing Sector

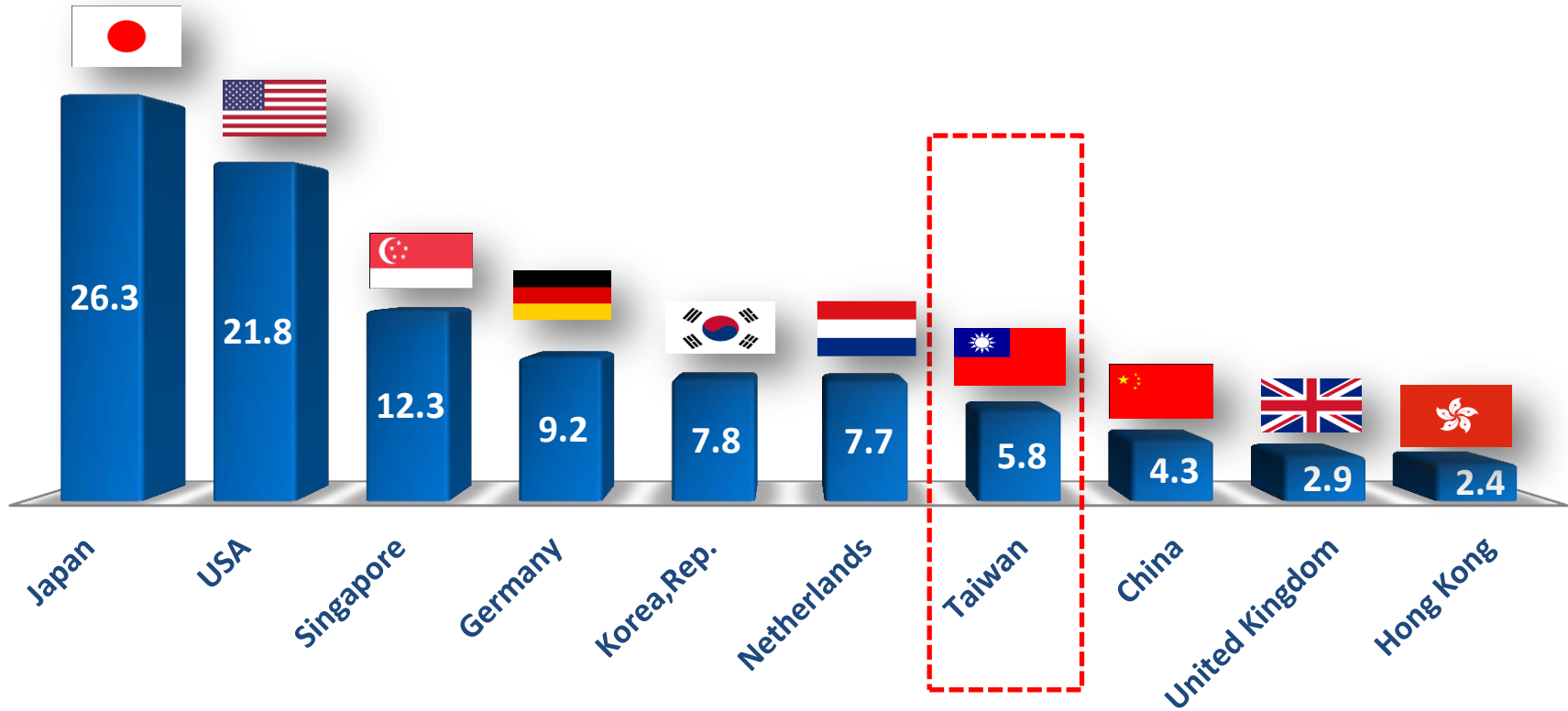
By Industry (2008 – Mar 2019)



Implemented Projects By Major Countries

As at Dec 2018 (Manufacturing)

US\$ Billion



Prominent Foreign Manufacturing Companies



Over 5,000 companies from more than 50 countries

Regional/Global Operations

Global Operations Hubs, Principal Hubs, Regional Headquarters



Regional Distribution Centers / International Procurement Centers



Global Business Services (MSC & Medini)



839

Projects



100

Countries



104,667

Employment



US\$14.3 bil

Investments

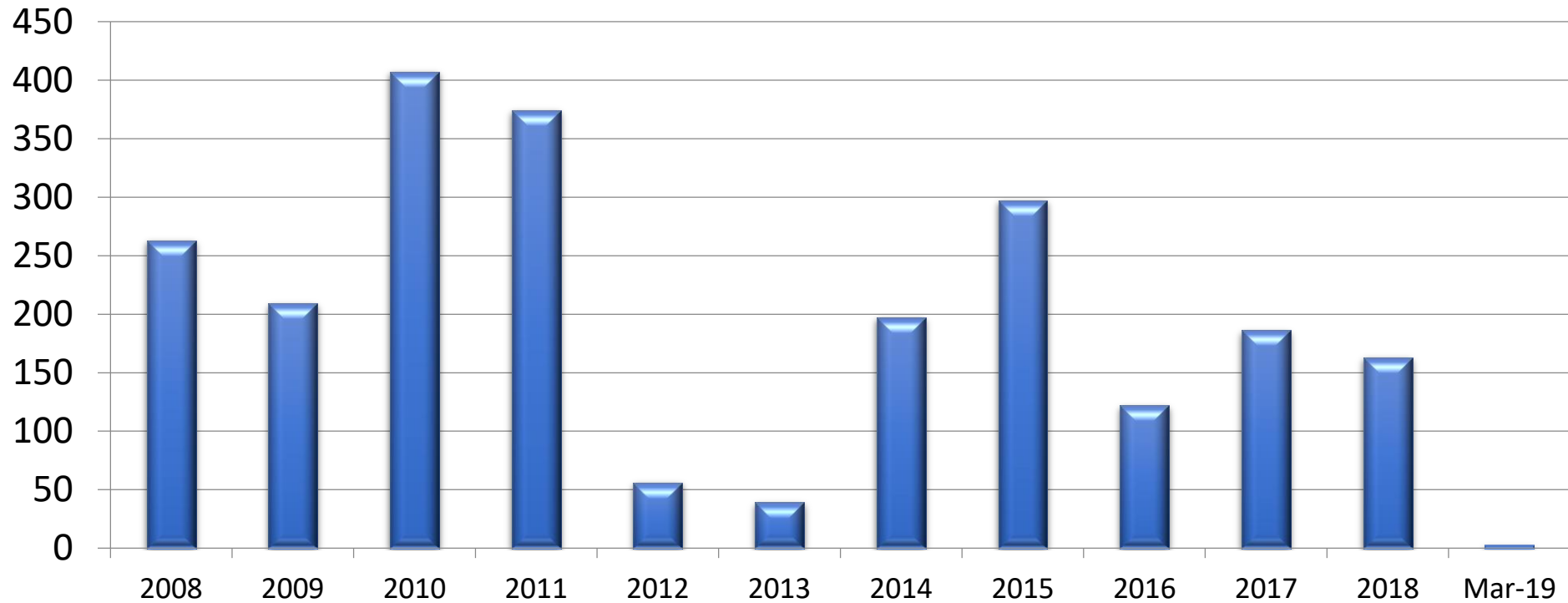
Investment from Taiwan



Approved Investments with Taiwan Participation

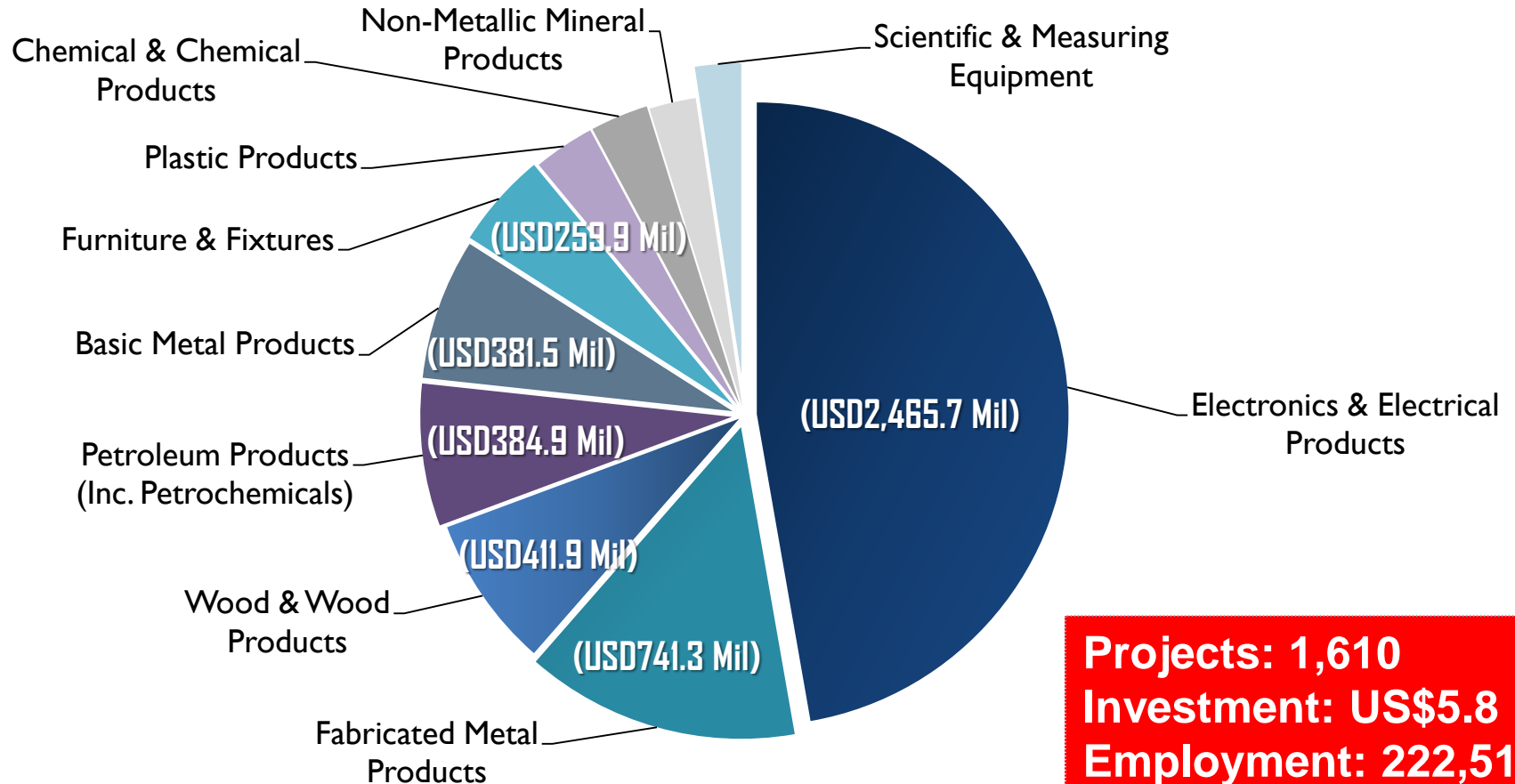
Manufacturing Sector (2008 – Mar 2019)

US\$ Million



Investments in Implemented Projects with Taiwan Participation

Manufacturing Sector (As at Dec 2018)



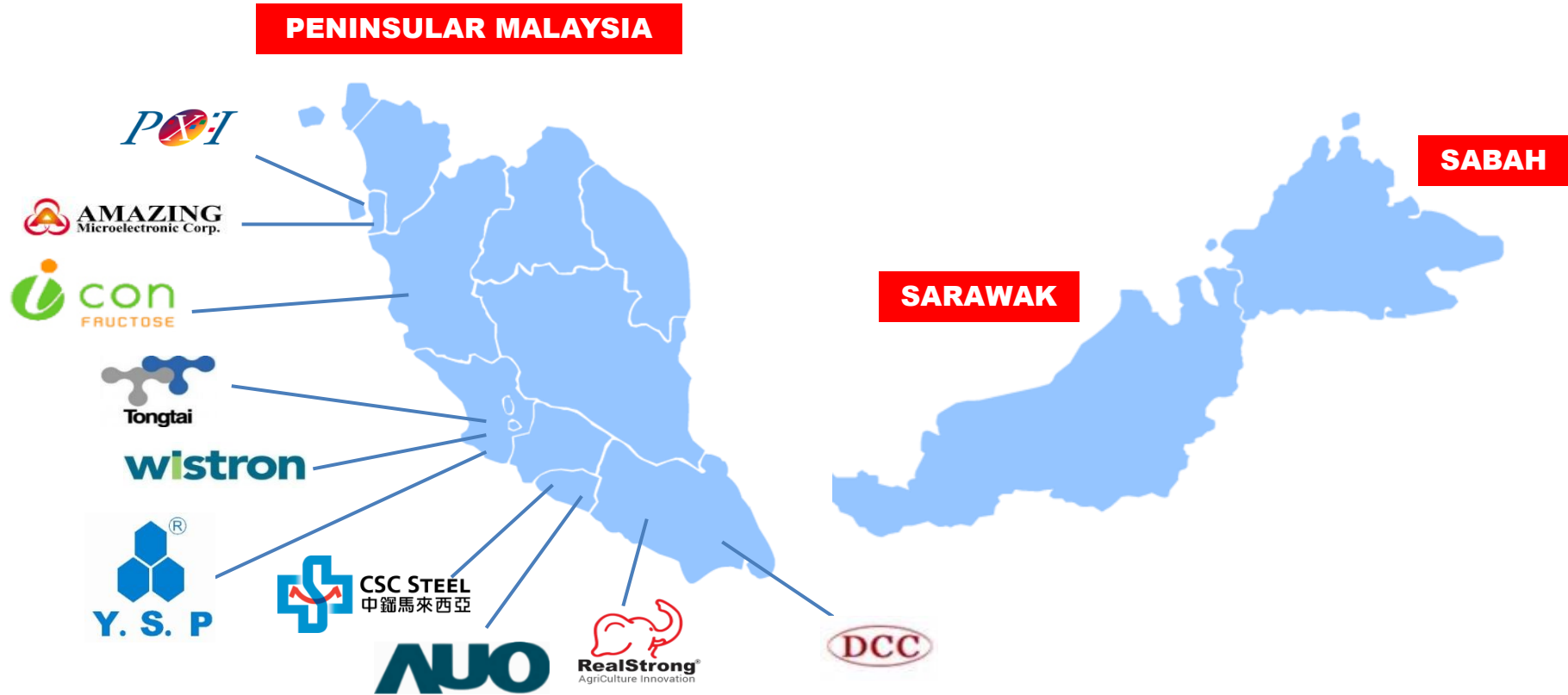
Projects: 1,610
Investment: US\$5.8 bil.
Employment: 222,512

Major Taiwanese Companies in Malaysia

Company	Activities
CSC Steel	Fabricated metal products
Taiwan Fructose	Food manufacturing
Y.S.P. Industries	Pharmaceutical products
All Cosmos Bio-Tech Holding	Organic Fertilizer
Tongtai Group	Machinery
Dairen Chemical	Chemical products
PixArt Imaging Inc	IC Design
Amazing Microelectronic Corp.	IC Design
AUO Group	Electronics & electrical products



...and their location



5

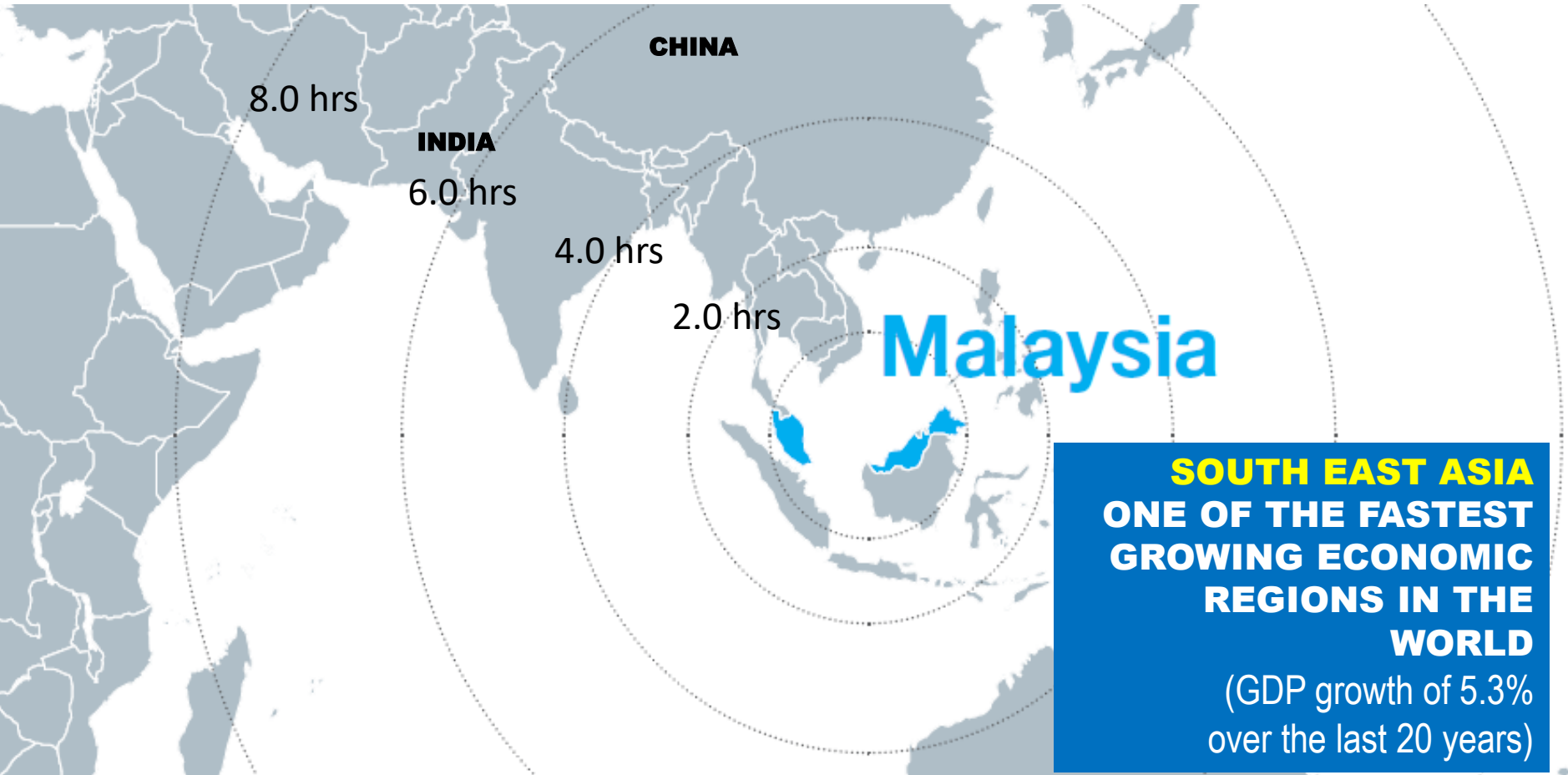
Why Malaysia
Malaysia's Competitive Advantage

1. Strong Economic Fundamentals



	2013	2014	2015	2016	2017	2018	2019(f)
Real GDP Growth (%)	4.7	6.0	5.0	4.2	5.8	4.7	4.8
Inflation (%)	2.1	3.2	2.1	2.1	3.8	1.0	1.7
GDP (USD bil.)	313.2	326.9	272.1	246.9	296.2	297.1	311.1
Per Capita Income (USD)	10,265	10,426	9,291	9,096	9,813	10,564	10,809
Unemployment (%)	3.2	2.9	3.3	3.4	3.4	3.4	3.5
International Reserves (USD bil.)	134.9	115.9	95.3	94.5	102	101.4	102.6

2. Located in the Heart of South East Asia



3. Talented Human Capital



Malaysia Truly Asia

4. Developed Ecosystem (Semiconductor)

FOREIGN

LOCAL



	R&D / IC DESIGN	WAFER FABRICATION	ASSEMBLY	TEST	EMS
FOREIGN					
LOCAL					

TALENT

ENABLERS

...with 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



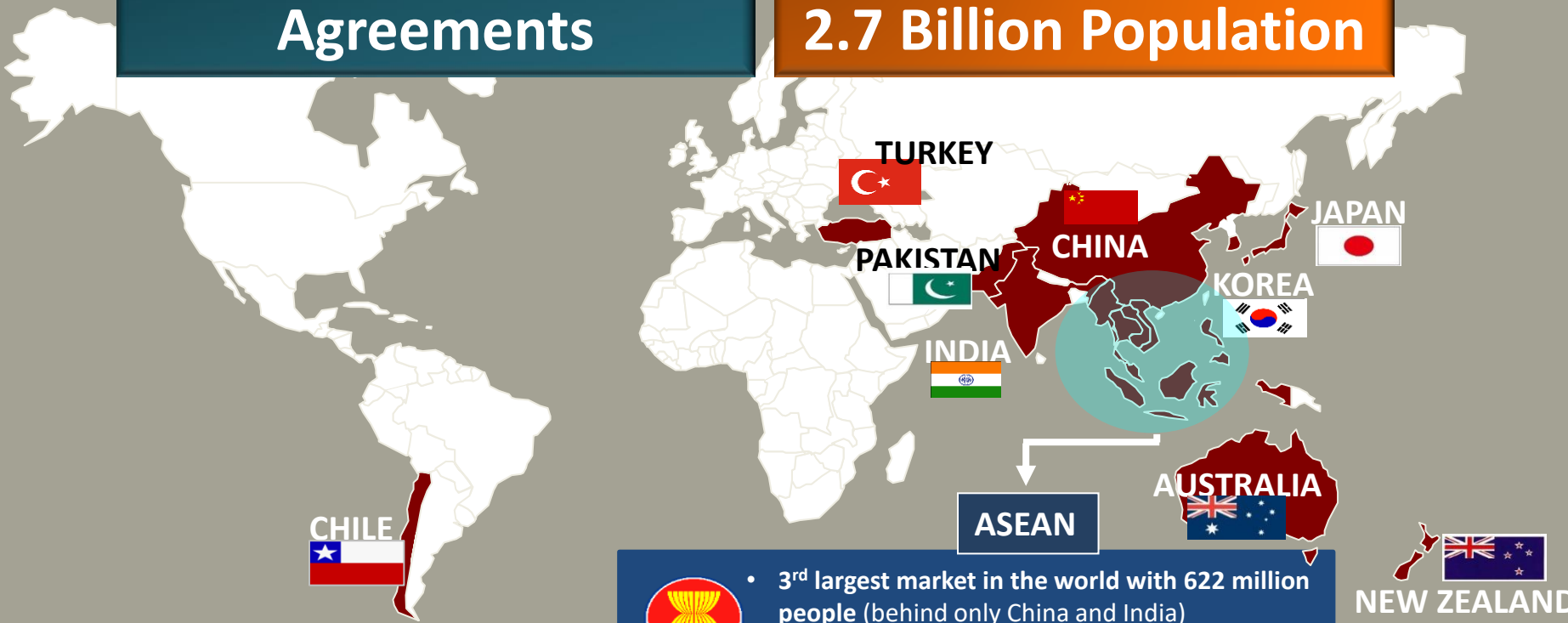
METAL FABRICATION

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

5. Greater Market Access

13 Free Trade Agreements

MARKET
2.7 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

6. 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

Best countries to invest

*CEOWORLD Magazine.
Ranked number 1 among 67 countries*

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

5th

Most attractive emerging market in the World

Bloomberg 2018

12th

Manufacturing Value Added

Bloomberg Innovation Index 2017

15th

Doing Business Report 2019-Ease of doing business

World Bank Doing Business Report, 2019

22nd

Most competitive economy in overall performance

IMD's World Competitiveness Yearbook 2019



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