

Investment Opportunities in Malaysia

17 October 2022

A presentation for



MIDA-Truly International



MIDA's Roles

MIDA's Role

Attracting FDI & DDI

1



Monitoring Project Implementation

3



Project Acceleration and Coordination Unit – Post Invest



Providing Investment Approvals

2

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

Business Facilitation

4



Post Investment Issues



Talent Needs



Local Sourcing of parts/components/modules



Local Engineering Support



Adoption of 4.0 Technologies



Technology Collaboration



Funding Needs



E-Services Portal

New Growth Areas

Manufacturing Sector

ELECTRICAL & ELECTRONICS

- Wafer fab
- IC Design
- Test Programme Development

CHEMICAL AND ADVANCED MATERIAL

- Lithium-ion battery
- Hydrogenated vegetable oil (HVO)
- Green hydrogen
- Chemical and catalyst for semiconductor industry

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

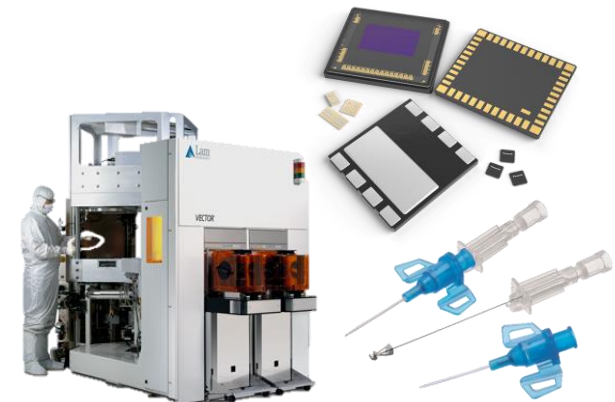
Electric Vehicle (EV): Battery Cell machinery and parts, Battery Pack machinery and parts, Materials related to the production of EV Battery, Machinery to produce other related components for EV.

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 vegetables.

LIFE SCIENCES AND MEDICAL TECHNOLOGY

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



TRANSPORTATION TECHNOLOGY

Automotive

- Vehicle: Electrification and NxGV
- Critical Components of EV and NxGv
- Mobility Services and Supporting Technology
- Large forging and casting

Aerospace

- Components and parts (eg: engine, cabin interiors)
- Base for light aircraft and corporate planes (eg: business aviation, seaplane aircraft, Unmanned Aerial Vehicle (UAV))

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

- Processed Value Food Products
- Food Ingredients / Flavours / Additives
- Palm-based Food Products & Ingredient
- Halal Food
- 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

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
- Glamping
- 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

Steps & Options for Investors

Step 1

**Representative
Office**

**Regional
Office**

Step 2

Sales Office

Service Centre

Step 3

**Global Trading Centre
(GTC)**

Global/regional distribution center to conduct procurement, distribution and trade activities to further support their supply chain

**Principal Hub (PH)/
Operational Headquarter
(OHQ)**

Regional/ global business operations to manage, control and support its key functions

Step 4

**Production
Facility**

**R&D Centre/
Competence Centre/
Centre of Excellence**

Digital Investment
(Infrastructure/
Technologies)

**Tourism/Logistics/
Green Tech/
Healthcare**





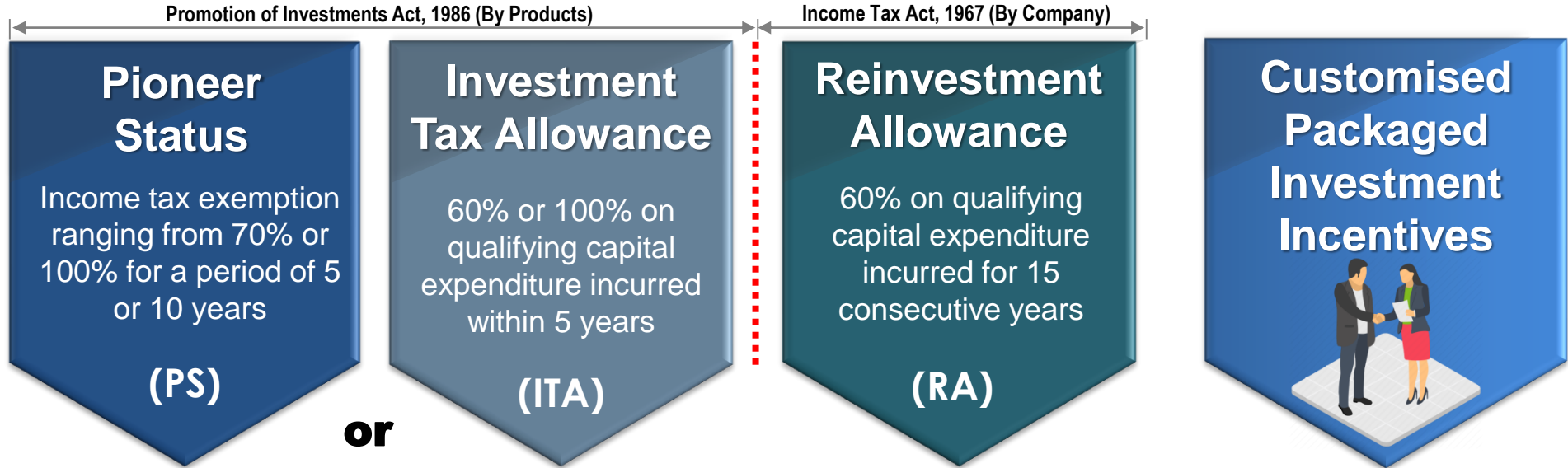
Investment Incentives

Major Incentives

A. Major Incentives

**Additional
Reinvestment
Allowance
(YA 2020-2024)**

penjana
Pelan Jana Semula Ekonomi Negara



B. Special Incentives for Industry 4.0

- Industry4WRD Readiness Assessment
- Industry4WRD Intervention Fund
- Industry Digitalisation Transformation Fund (IDTF)
- Business Loan Guarantee Scheme
- Automation Capital Allowances (Automation CA)
- Digital Transformation Acceleration Programme (DTAP)
- Domestic Investment Strategic Fund/ High Impact Fund
- Smart Automation Grant (SAG)

Special Tax Incentives



Incentives to encourage foreign companies to relocate and to undertake new investment into Malaysia

Eligible Capital Expenditure (RM)	New Company			Existing Company		
	Incentive	Rate	Duration	Incentive	Rate	Duration
300 million – 500 million	Special Tax Rate	0%	10 years	Investment Tax Allowance (ITA)	100%	5 years
500 million and above	Special Tax Rate	0%	15 years			

New Company:

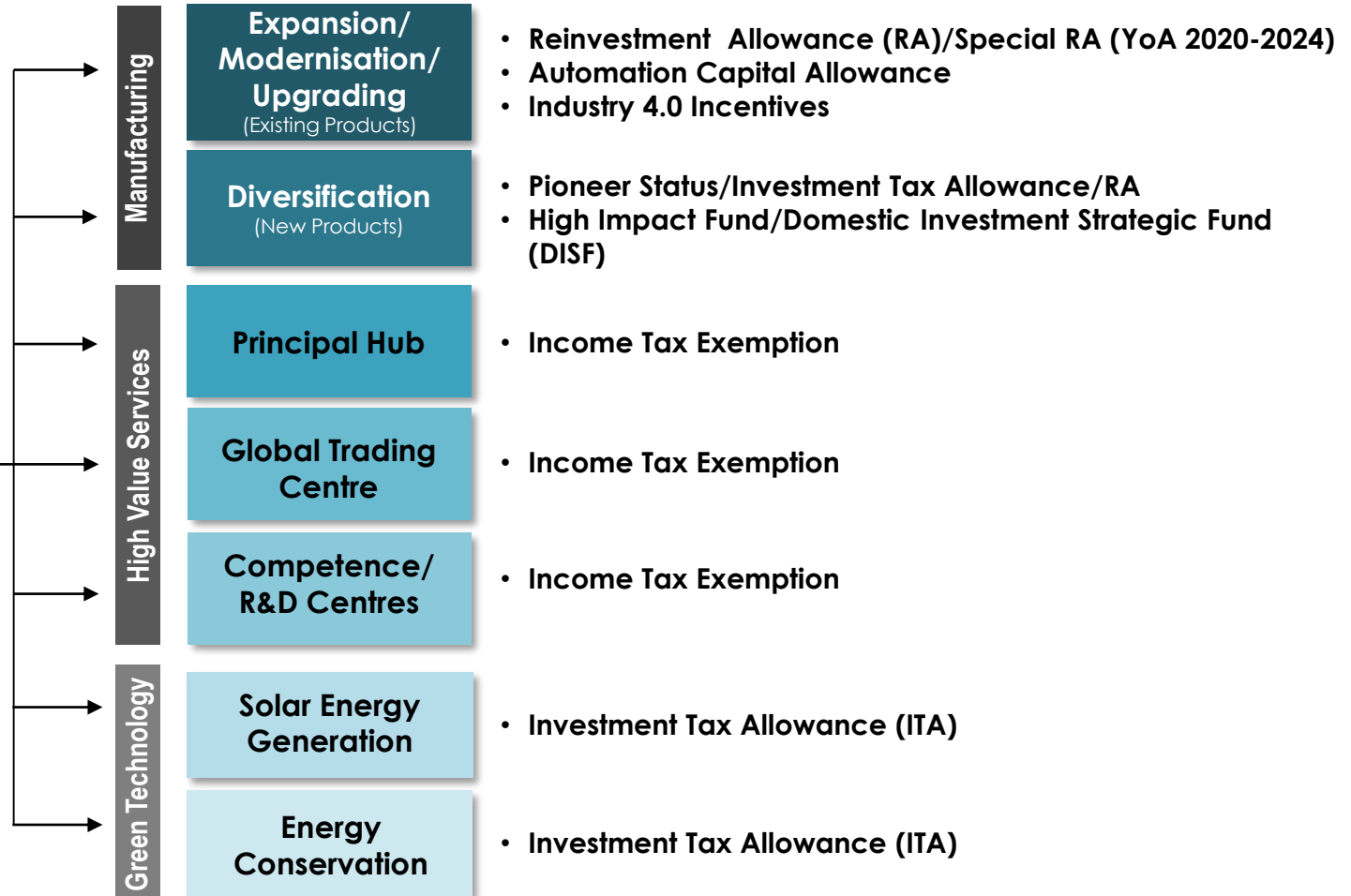
- Do not have existing operation in Malaysia.
- Company **relocating facility** for **eligible activities** from any country to Malaysia; or
- Company **establishing new operation** in Malaysia;

Existing Company:

Foreign or locally owned company that has **existing operation** in Malaysia and relocate **its operation from outside Malaysia for new business segment**. The products from the new business segment are **not an expansion project of existing products**.

Effective Date of Application: 1 July 2020 to 31 December 2022

Driving Reinvestments



*Malaysia's
Unique Value Propositions*

Gateway to ASEAN and Beyond

16
FTAs

Market of 4.2 Billion Population



- 3rd largest market in the world with 622mil people (behind China & India)
- Zero tariff for almost 99% products
- Attracts 11% of global FDI

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

- ✓ Broadens Malaysia's access to new markets such as Canada, Mexico and Peru
- ✓ Provide access to a wider range of high-quality raw materials at competitive prices
- ✓ Increases Malaysia's attractiveness as an investment destination.
- ✓ Offers technical assistance and capacity building programmes



Improving and developing local sectoral capabilities in key industrial areas **automotive, E&E, chemicals, optical and scientific equipment as well as medical devices**

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)

10 ASEAN Countries

5 ASEAN FTAs Partners
China, South Korea, Japan, Australia & New Zealand



THE RCEP CONSISTS

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



Thank You