



MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

# ***“Make Malaysia Your Global Supply Chain Hub”***

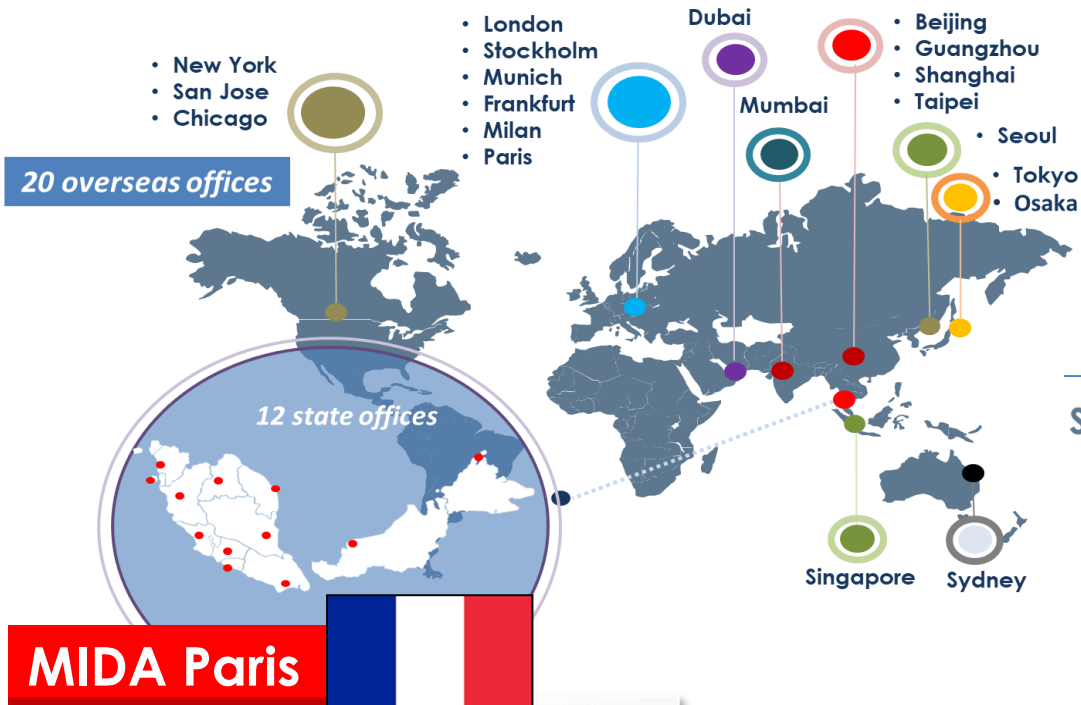
Mr. Arham Abdul Rahman  
Deputy Chief Executive Officer of MIDA

*4<sup>th</sup> September 2020*

A row of social media icons: LinkedIn (blue square with white 'in'), Facebook (blue square with white 'f'), Twitter (blue bird), Instagram (purple and pink camera), YouTube (red play button), and Apple (white apple on a black background). To the right of these icons is the text '@officialMIDA'.

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## Truly International



**Pravinganesha Rajoo**  
 42 Avenue Kleber  
 75116 Paris, France  
 (331) 47276696  
 paris@mida.gov.my



## 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**

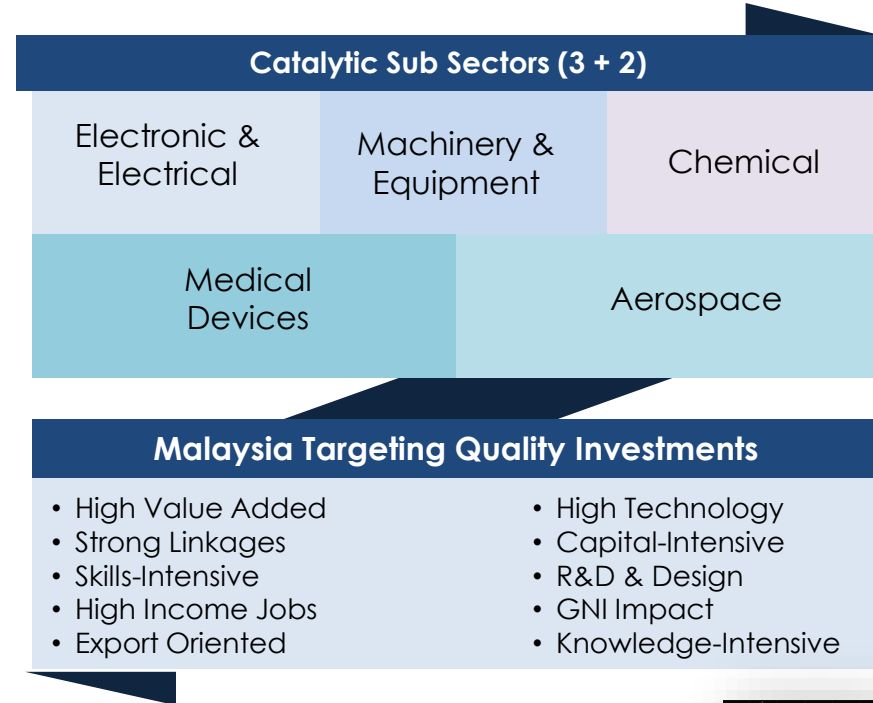
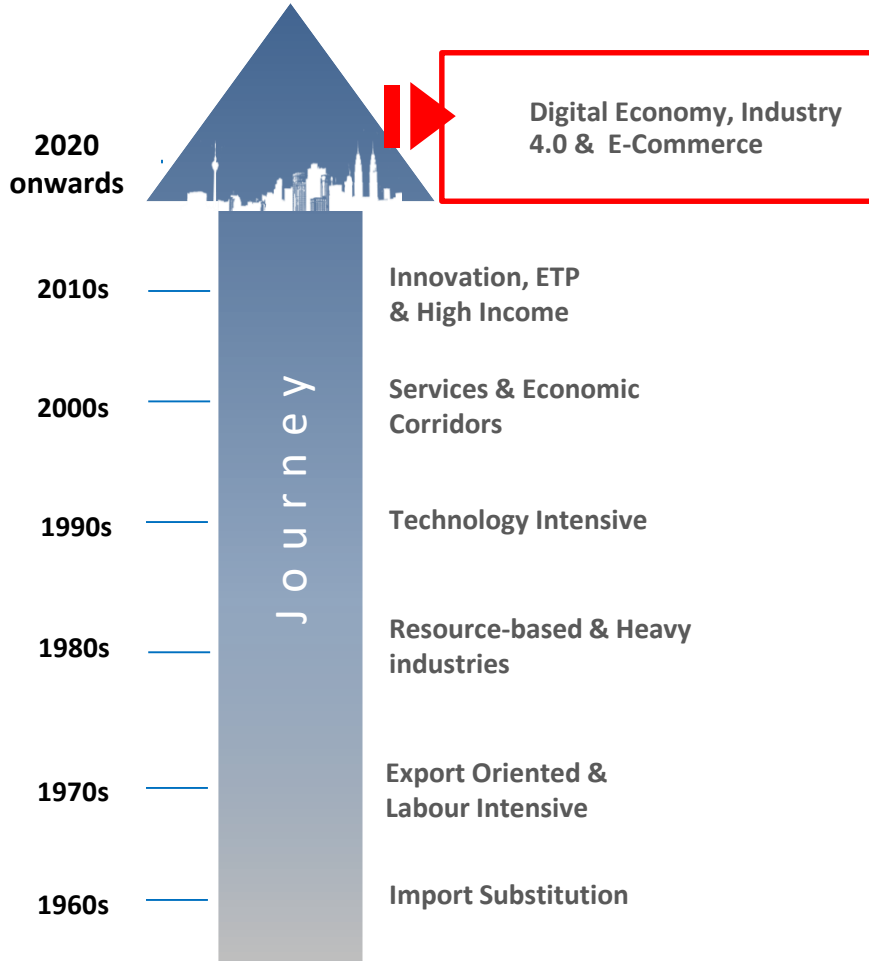
- Manufacturing License
- Tax Incentives
- Expatriate Posts
- Import Duty Exemptions
- Representative/Regional (RE/RO) Office
- Principal Hub/OHQ



**IMPLEMENTATION**

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

# Malaysia's Focus Sector



**Malaysia Embracing IR4.0**

# Malaysia' Value Proposition

## Malaysia as 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

## Strategic Location



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

## Malaysia as Hub



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

# FRENCH COMPANIES IN MALAYSIA



# Business Case: STMICROELECTRONICS



Established in 1974, ST Muar hosts back-end manufacturing and test.

- Back-end manufacturing and test
- 10 production lines
- 37,395 m2 production area



4,371 Employees



Located in Johor

**Activity:**  
*Assembly and testing for advanced packaged integrated circuit*

- One of the largest investor in Malaysia
- Equipped with Automated Robotic Manufacturing
- Supported by more than 300 local vendors
- Work and collaborate with local Universities

# Business Case: Air Liquide



**Air Liquide**

Air Liquide a French company established Smart Innovation Centre (SIO) in Kelana Jaya. Its a Remote Operation Control Center with operators working in shift, 24/7, operating all the plants in Asia Pacific. The centre is supported by our local talent.



### Our stakes

- 1 Enhancing business competitiveness
- 2 Enhancing industrial maturity
- 3 Leverage on great Malaysian talents and infrastructure

### Our mean

**Kuala Lumpur as the Regional Hub for Operations and Shared Services**

### Our ambition

- 1 Develop Industry 4.0 expertise for Large Production Plants
- 2 Invest in local talents to support its regional ambition
- 3 Centralise expertise and introduce new Technologies

**14 countries served in Asia and beyond tomorrow**

# Business Case: Metarom



For more than 60 years, METAROM Group has been an expert in the creation and fabrication of customized flavors for food manufacturers.



**2016**

Approved for Regional Office status by MIDA to conduct feasibility study.



**2018**

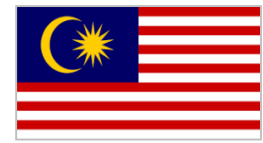
The company established a manufacturing plant in Sungai Buloh to cater for the Halal Market in the Region.



**Current**

- R&D, food technologists and flavourists in Malaysia
- Continue to make Malaysia as hub in ASEAN





## Malaysia's Short-Term Economic Recovery Plan: Pelan Jana Semula Ekonomi Negara (PENJANA)



### 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)



### Automatic Approval of Manufacturing License



### Additional Reinvestment Allowance



# KEY MESSAGES



**Malaysia has more than just a strategic location which offers:**

1. Economic stability
2. Liberal investment policies
3. A pro-business Government
4. Facilitation of investments through MIDA, second to none
5. Malaysia is located in ASEAN a very dynamic and fast growing region
6. Well developed infrastructure/connectivity
7. English speaking, trainable and educated labour force
8. IP protection
9. 50 years-Strong industry base
10. Liveable city for Expat to live

*#staysafe*



**Thank You**



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