MIDA
MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

Strategic Initiatives in Shaping Nation's Investment Agenda

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Investment Promotion and Facilitation
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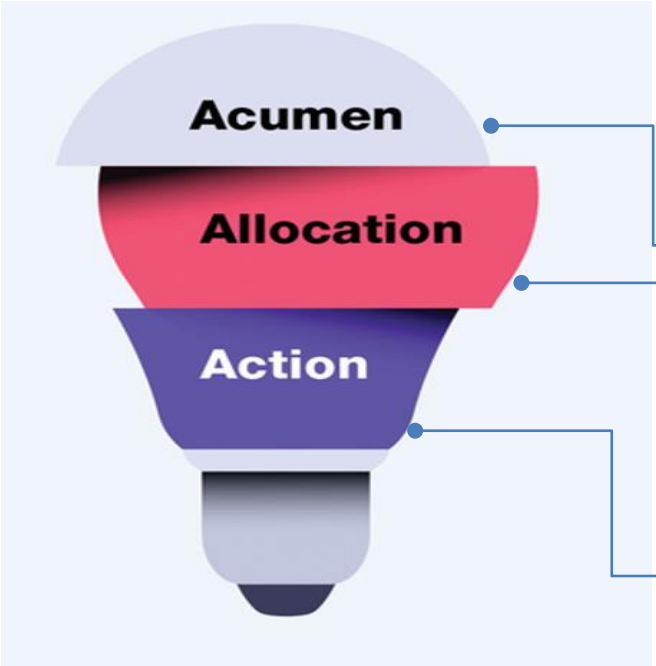
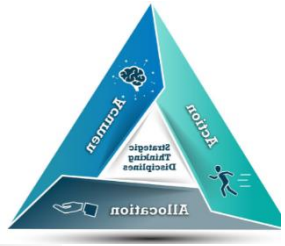
Strategic Thinking

Basic Fundamentals



Rich Horwath is a New York Times, Wall Street Journal and USA Today best-selling author on strategy



Generating key business insights/ new ideas for the overall success of the business and lead to competitive advantage

Resource allocation is the core of strategy. Discussions of strategy boil down to how to allocate limited resources to maximize business potential.

To articulate an action plan and their effectiveness in executing the planned strategies.

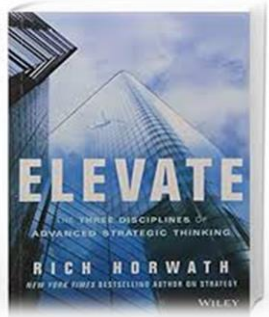
Strategic thinking

Defined as the generation and application of business insights on a continual basis to achieve competitive advantage.

Vs

Strategic Planning

Channeling of business insights into an action plan to achieve goals and objectives.



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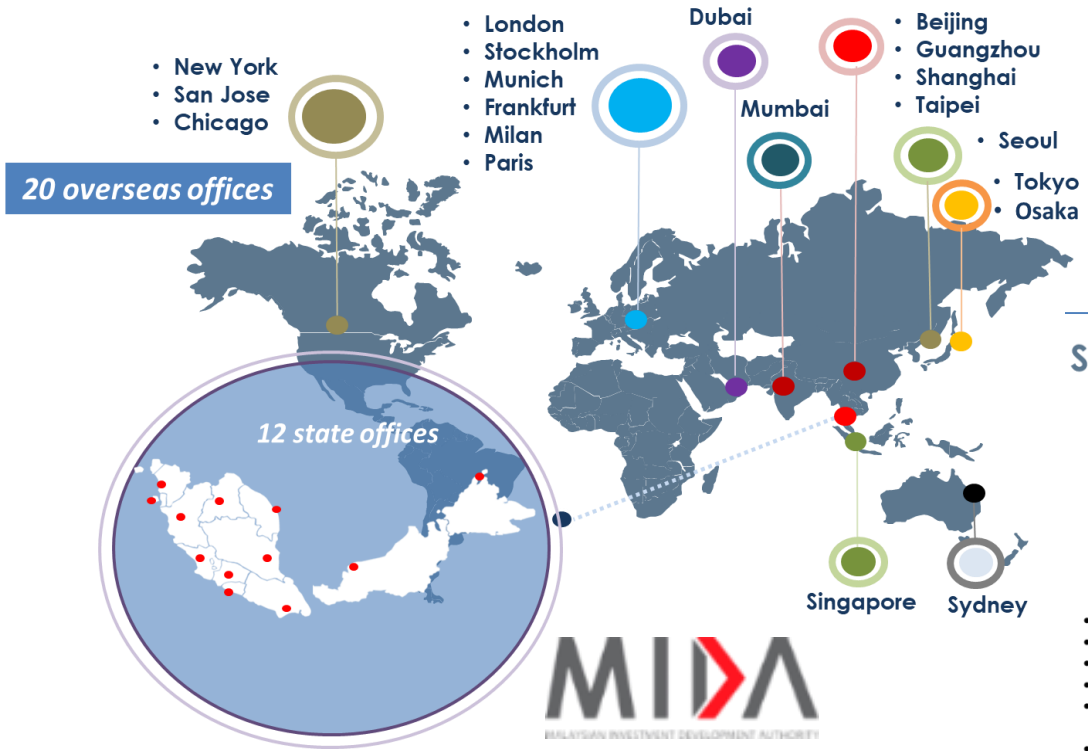
MIDA-Who We Are

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

Malaysian Investment Development Authority (MIDA)

First point of contact

Truly International



Established in 1967

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*

MIDA's Organisation Structure

MIDA

Planning

- Planning for industrial development
- Recommend policies & strategies on industrial promotion and development
- Formulation of strategies, programmes and initiatives for International Economic Cooperation
- Undertake Industrial Studies

Promotion

Foreign Direct Investment Promotion

Domestic Direct Investment Promotion

Evaluation and Approval of Project

(Manufacturing License/Tax Incentives/Expatriate Posts Status Approval)

- Electrical & Electronic
- Machinery & Metal
- Building Technology & Lifestyle
- Transportation Technology
- Chemical & Advanced Materials
- Food Technology & Resource Based Industries
- Life Sciences & Medical Technology

Manufacturing

- Oil & Gas, Maritime & Logistics Services
- Green Technology
- Healthcare, Education & Hospitality
- Business Services & Regional Operations
- Advanced Technology and R&D

Services

Industry Talent Management

Implementation

MIDA State Offices

Tariff

Evaluation and Approval of Customs Duty Exemption

Compliance

Licensing & Incentive Compliance

Post Investment

Issues

Investor's Journey

Business Facilitation

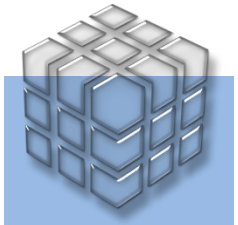
Post Investment Issues

Talent Needs

Local Sourcing of parts/ components/ modules

Local Engineering Support

Adoption of I4.0 Technologies



Technology Collaboration

Funding Needs

E-Services Portal

Setting-Up Project-How MIDA Fit In

Companies Commission of Malaysia

Incorporation of Company (Two Weeks)

Promotion, Evaluation, Approval, Facilitation & Monitoring

- Promotion
- Approval
  - Manufacturing License
  - Tax Incentives
  - Grants
  - Expatriate Posts
  - Status Approval (Representative/ Regional Office/R&D)
  - Customs Duty Exemptions
- Facilitation
  - MIDA State Office
  - Talent
  - Post Invest
- Monitoring

Department of Environment (DOE)

- Preliminary Site Assessment (2 Weeks Approval)
- Environmental Impact Assessment (EIA)
- Detailed Environmental Impact Assessment (DEIA)

Local Authorities (At the State Levels)

- Business License
- Planning Approval, Building Plan and Certificate of Completion & Compliance (CCC)

Department of Labour (JTK), Employment Provident Fund (EPF), Social Security Organisation (SOCSO) & Inland Revenue Board (IRB)

- JTK - Manpower registration
- EPF - Saving Fund
- SOCSO - Security Insurance
- IRB - Income Tax

Telekom Malaysia (TM), Malaysian Electricity Company (TNB), GAS Malaysia & Department Of Occupational Safety and Health (DOSH)

Utilities

- TM-Telephone (1 month)
- Water (1 Month)
- TNB- Electricity (1 Month)
- Gas Malaysia – Natural Gas (1 month)

Machinery

- DOSH –Machinery Registration (1 month)

Customs and Fire & Rescue Department of Malaysia

Customs

- Machinery and Raw Materials (Import Duty Exemptions)
- Licensed Manufacturing Warehouse (LMW)

BOMBA

- Fire Protection System

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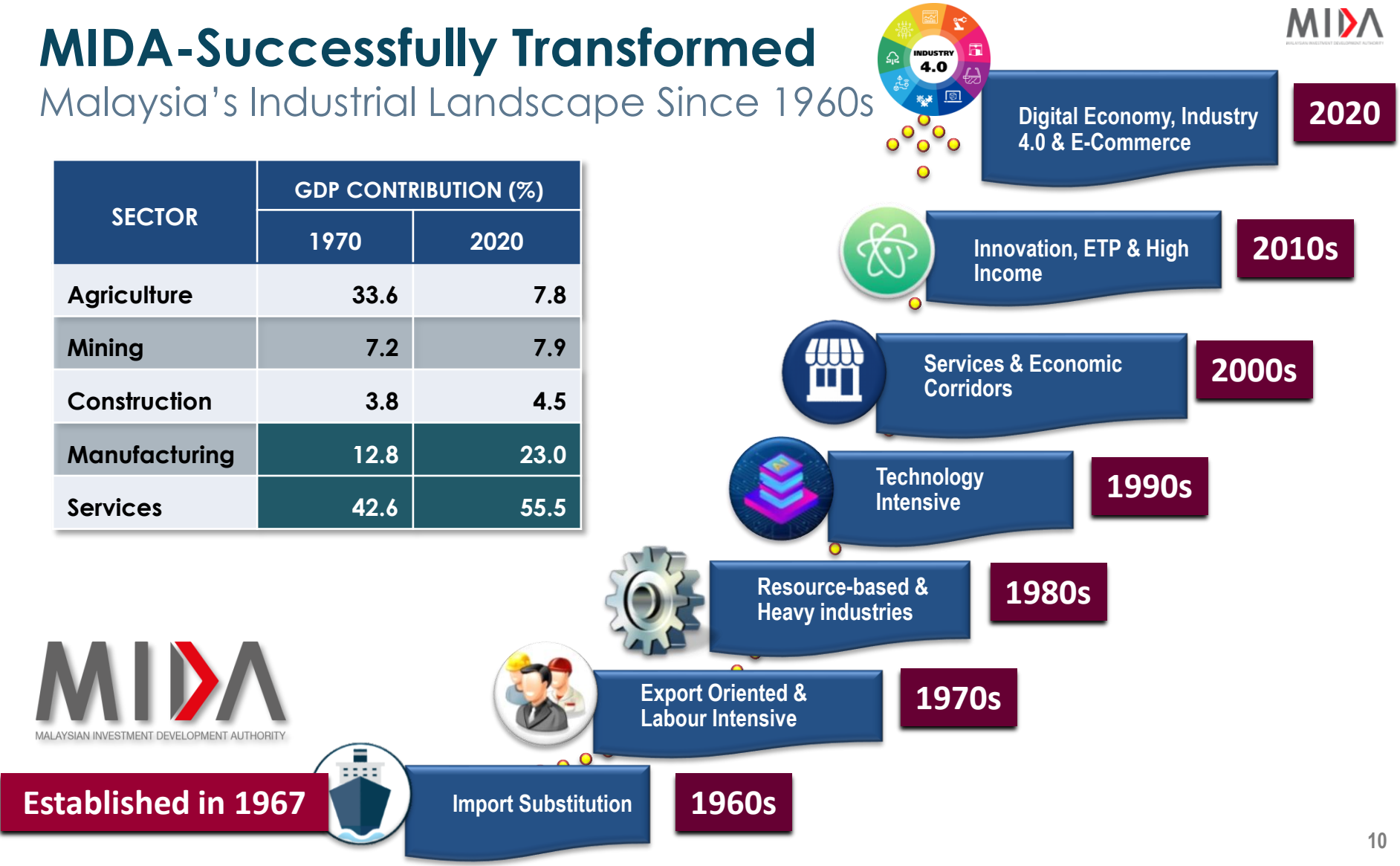
MIDA- Transforming the Economy

MIDA-Successfully Transformed

Malaysia's Industrial Landscape Since 1960s

SECTOR	GDP CONTRIBUTION (%)	
	1970	2020
Agriculture	33.6	7.8
Mining	7.2	7.9
Construction	3.8	4.5
Manufacturing	12.8	23.0
Services	42.6	55.5



MIDA - Charting Industrial Policies Since 1960s

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1960's

Import Substitution & Labour Intensive Industries

1970's

Export-oriented Industries

- Establishment of Free Trade Zone - 8 Samurai (Fairchild, Intel, Agilent, AMD, Bosch, Clarion, Osram and Renesas)
- Introduction of the Industrial Coordination Act (ICA) 1976

1980's

Heavy Industries

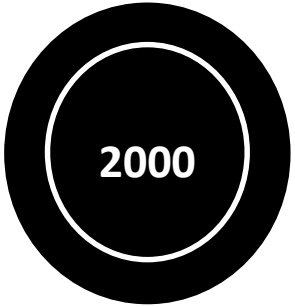
- Establishment of Proton, HICOM and Perwaja Steel
- Introduction of Promotion of Investments Act (PIA) 1986

During this period, MIDA, with its strategic effort was able to attract large scale electronic industries such as Fairchild, Intel, Hewlett Packard and etc. to kick start manufacturing landscape in Malaysia.

Cont…

Hi- Tech Industries

- Developed high technology sectors
- Selective and targeted approach
- Introduction of customised incentive



Services Sectors

- Promotion of services sector - OHQ, Hotel & Tourism, Green Technology, Education, Healthcare, R&D, Logistic and Oil & Gas

ETP & High Income

- Promotion of services sector - OHQ, Hotel & Tourism, Green Technology, Education, Healthcare, R&D, Logistic and Oil & Gas

MIDA has assumed the critical and pivotal roles in contributing significantly to Malaysia's rapid industrial development particularly in the manufacturing and services sectors by promoting investments, both FDI and DDI.

Cont…

2012

Domestic Investment Initiative

- Introduction of Domestic Investment Strategic Fund (DISF)

2015

Global Services

- Principal Hub incentive
- Establishment of ICCO

2020

Industry 4.0

- Smart manufacturing
- E – Commerce
- Digital Economy

MIDA's investment strategies have gone through various transformations, in-line with the changing dynamics of the global and domestic economic landscapes.

As a result, Malaysia Host Over 5,000 Companies from More than 60 Countries in the Manufacturing Sector

Regional/Global Operations

Regional/Global Operations/Principal Hubs

Honeywell
GE
BROADCOM
MUSIC TRIBE
DAIKIN
OSRAM
Nestlé
SMART Modular Technologies
AMBTarsus EVENTS GROUP
HUNTSMAN
Enriching lives through innovation
IDT
Besi
IOI GROUP
Super
PACIFIC INTER-LINK
McDERMOTT
Ansell
PureCircle
Frencker
ONWARDS MEDIA GROUP
LOTTE CHEMICAL
SHARP
JCY HDD
Roland
NORGREN
Apical
Wilhelmsen Ship Management
QSR BRANDS
HUAWEI
PALMTOP
ShinEtsu
SAINT-GOBAIN
HALYARD
TOSHIBA
JobStreet.com
TARPON A PTW COMPANY
eASIC
LAFARGE

Procurement Hubs

SMART Modular Technologies
SHARP
Nestlé
Panasonic
B|BRAUN SHARING EXPERTISE
intel
OSRAM
JABIL
Ansell
QSR BRANDS

Distribution Hubs

BMW
Boston Scientific
IKEA
DECATHLON
Big Dutchman
DAIKIN
DU PONT
LOTTE CHEMICAL
MONIN

839 Projects

100 Countries

104,667 Employment

US$14.3 bil Investments

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Investment Strategies

Our Game Plan

Foreign Direct Investment (FDI)

Positioning Malaysia as a Hub for R&D, High Technology Industries and Global Services

Domestic Direct Investment (DDI)

Transforming Domestic Investment Landscape

Regional Development

Achieving Balanced Regional Economic Development

Key Strategic Direction

New Sources of Investment Opportunities

- Leveraging on the Megatrends development, Industry 4.0, Digital Economy and E-Commerce
- Demographics – Fast growing Gen Y & Z population in Asia

Targeting Niche Technologies

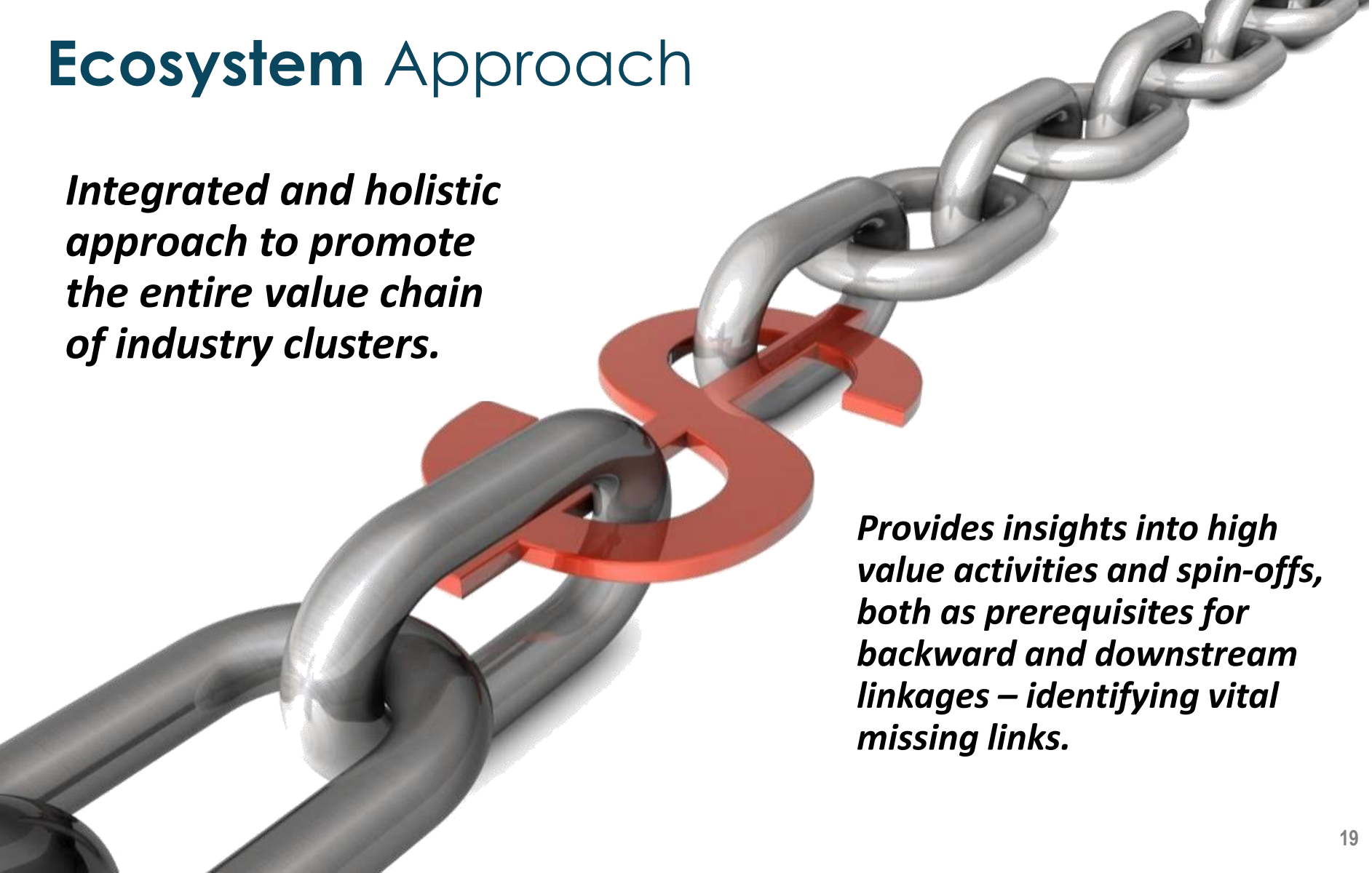
Targeting niche products, technologies and services
Identifying the gaps and complete the value chain

Driving Existing Companies to Reinvest

- Identifying opportunities for reinvestment into high value added products and activities
- Transforming Malaysian companies to become global players

Ecosystem Approach

Integrated and holistic approach to promote the entire value chain of industry clusters.



Provides insights into high value activities and spin-offs, both as prerequisites for backward and downstream linkages – identifying vital missing links.

On Going Focus

Targeting Quality Investments
(Promoted Products/Activities)

- High Technology
- R&D & Design
- High Value Added
- Strong Linkages
- Skills-Intensive

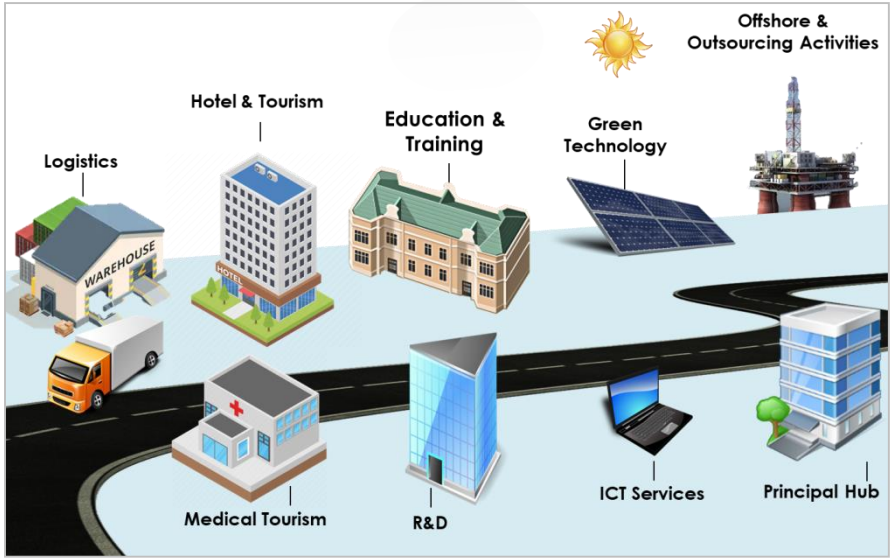
- High Income Jobs
- Export Oriented
- Capital-Intensive
- GNI Impact
- Knowledge-Intensive

Manufacturing

3 + 2

Electrical & Electronics	Machinery & Equipment	Chemical	Medical Devices	Aerospace	Other Sectors
The Electrical & Electronics industry is the leading industry in Malaysia's manufacturing sector, contributing significantly to the country's exports and employment	The Machinery & Equipment industry is one of the key areas for growth and development, focusing on high value-added and high technology M&E	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	The Medial device industry spans an extremely wide range of industries from rubber and latex, plastics, machinery and engineering support and electronics	The Aerospace industry has been designated as a strategic sector with high growth potential in the country's industrialisation and technological development programs	
Subsectors:	Subsectors:	Subsectors:	Subsectors:	Subsectors:	
• Electronic components • Consumer electronics • Industrial electronics • Electrical products	• Specialised M&E for specific industries • General industrial M&E, parts and components • Power generating M&E • Machine tools	• Petroleum products & petrochemicals • Plastic products • Rubber products • Chemical & chemical products • Oleochemicals	• Consumables • Surgical instruments, clinical device & implants • Healthcare equipment	• Engineering & design • Aero-manufacturing • System integration • Maintenance, Repair and Operations (MRO)	• Automotive • Transport • Textiles • Pharmaceutical • Metal • Food processing • Services

Services



Semiconductor Industry

Semiconductor Industry is Key to the Future of Electric Vehicles

R&D / IC DESIGN	WAFER FABRICATION	ASSEMBLY	TEST	EMS
FOREIGN				
BAYSAND, intel, WHiZZ SYSTEMS, Microsemi, NXP, PHISON, IDT, UST Global	OSRAM Opto Semiconductors, ON Semiconductor, FAB, e-Front runners, Infineon	intel, AMD, Amkor Technology, Infineon, STMicroelectronics, NXP, Micron, ASE GROUP, Texas Instruments, RENESAS	JABIL, Celestica, PLEXUS, flex, FOXCONN, VENTURE, SANMINA	
LOCAL				
KeyASIC, OPPSTAR, INFINECS, ICmic, SyMMiD	SILTERRA, MIMOS	unisem, Carsem, Inari Amertron Berhad, Globetronics Technology Bhd.	V.S. Industry, K-One, SKP, BGM, NationGate, SMT	

Talent: TalentCorp Malaysia, USM Universiti Sains Malaysia, HRDF Malaysia, UPM Universiti Putra Malaysia, FMSDC, UTM Universiti Teknologi Malaysia, University of Malaya, Kementerian Pendidikan Malaysia

Enablers: MIMOS, PSDC, CREST Catalyst for Malaysia's E&E, USM Universiti Sains Malaysia, MTDC Malaysian Technology Development Corporation, Technology Park Malaysia

Development of New Industry

A Case in Point – Photovoltaic/Solar Ecosystem

Came into existence only in 2006

R&D	Metallurgical Silicon	Poly-Silicon	Ingot	Wafer	Cell	Modules	Balance of System
FOREIGN							
SUNPOWER					JinKO Solar (Multi-crystalline)	JinKO Solar	ABB
Hanwha Q CELLS		OCI	LONGi 隆基	AUO (N-Type Mono-Crystalline)	JA SOLAR (Multi-crystalline)	First Solar (Cadmium Telluride Thin Film Module)	HUBER+SUHNER
JinKO Solar				LONGi 隆基 (N/P Type Mono-Crystalline)	Hanwha Q CELLS (Multi-crystalline)	flex (OEM Multi-crystalline)	Schneider Electric
					SUNPOWER (N—Type Mono-Crystalline)	LONGi 隆基	BARYSOL
					LONGi 隆基	Hanwha Q CELLS	JinKO Solar
LOCAL							
SERI						SolarTIF (Multi-crystalline)	Innotech Synergy
HB						PVHITECH	sti tech

Supporting Industries	Chemical & raw material	Equipment / machinery	Industrial gas	Production supply	System Integrator	New Sources of Growth
	SAINT-GOBAIN	ULVAC	Linde	IRE TEX	Eco-Gallery, phoenix SOLAR, SOL	

Today, Malaysia is the second largest solar cell producer in the world after China.
Created a new industry, virtually from thin air.

Intensifying Collaboration with
Investment Ecosystem Partners

Confidential

MoU Partners | **Business Chambers** | **Banks** | **Consultants** | **Industry Associations** | **International IPAs**

EU-Malaysia Chamber of Commerce and Industry
American Malaysian Chamber of Commerce
IMBA Italy Malaysia Business Association
AHK Malaysian-German Chamber of Commerce and Industry Deutsch-Malaysische Industrie- und Handelskammer
MDBC Malaysian Dutch Business Council
ADVANTAGE AUSTRIA WKO
NORWAY CONNECT
JACTIM
MNZCC
Swiss Malaysian
FICCI Federation of Indian Chambers of Commerce and Industry
MRBC MALAYSIA-RUSSIA BUSINESS COUNCIL
CCI FRANCE
KOCHAM KOREAN CHAMBER OF COMMERCE MALAYSIA
MABC
中总 ACCCIM
MIBC
MASBA THE MALAYSIAN - SWEDISH BUSINESS ASSOCIATION
US-ASEAN BUSINESS COUNCIL, INC
马来西亚中资企业协会 PERSATUAN PERUSAHAAN CHINA DI MALAYSIA CHINA ENTERPRISES ASSOCIATION IN MALAYSIA
马来西亚-中国商务理事会 Malaysia - China Business Council
MALAYSIA-CHINA CHAMBER OF COMMERCE

HSBC
Standard Chartered
UOB
ALLIANCE BANK
Maybank
CIMB BANK
HongLeong Bank Berhad
ICBC 中国工商银行 INDUSTRIAL AND COMMERCIAL BANK OF CHINA
SMBC SUMITOMO MITSUI BANKING CORPORATION
中国银行 BANK OF CHINA

ITRI Industrial Technology Research Institute
MIMOS
SIRIM
CREST

JETRO JAPAN EXTERNAL TRADE ORGANIZATION
kotra Korea Trade-Investment Promotion Agency
TAITRA Taiwan External Trade Development Council
ITA ITALIAN TRADE AGENCY
SBC Small & medium Business Corporation
Australian Government Austrade

KPMG
Deloitte.
pwc
EY Building a better working world

FEDERATION OF MALAYSIAN MANUFACTURERS
CEO Clubs Network
NCCIM
MICCI
oav GERMAN ASIA-PACIFIC BUSINESS ASSOCIATION

NCER MALAYSIA
EAST COAST ECONOMIC REGION
ISKANDAR MALAYSIA
SARAWAK CORE CORRIDOR OF RENEWABLE ENERGY
SABAH DEVELOPMENT CORRIDOR

KHAZANAH NASIONAL
KWSP EPF
PNB Permodalan Nasional Berhad
ekuinas EKUITI NASIONAL BERHAD
KWAP

DHL
MAERSK
ECOWORLD CREATING TOMORROW & BEYOND
GAMUDA LAND
Sime Darby

exyte
HASKELL MALAYSIA SERVICES SDN. BHD
PMCC Your Trusted Project Partner
MEINHARD
Turner & Townsend

CnetG
MONROE CONSULTING GROUP
careerXcell
PERSOLKELLY
FSG | TG

Talent Requirements

Malaysian Engineers – Made in Germany

More than 1,000 students	Field of studies (Technical & Engineering)	All across Germany	Industries Driven Attributes
• Majority Malaysian Government Funded (MARA & JPA) • Private students • Language study • Undergraduate • Master • Doctorate	• Mechanical / Mechatronics • Electrical & Electronics • Automotive • Chemical • Environment Technology • Process engineering • Biomedical engineering • Automation technology • Power engineering & renewable • Aeronautics	• From Hamburg to Munich, Cologne to Dresden	• Dual vocational study system • Minimum 6 months working experience internship with leading German companies

University / Technical University / Fachhochschuler (FH)

Technische Hochschule Nürnberg Georg Simon Ohm
RWTH Aachen University
Universität Duisburg Essen – Offen im Denken
Hochschule Schmalkalden University of Applied Sciences
Hochschule Zittau/Görlitz University of Applied Sciences
OTH Ostbayerische Technische Hochschule Regensburg
Hochschule Coburg
Fachhochschule Dortmund University of Applied Sciences and Arts
FH-W-S Hochschule für angewandte Wissenschaften Würzburg-Schweinfurt
FH FFM Fachhochschule Frankfurt am Main University of Applied Sciences
TUM Technische Universität München
Hochschule Augsburg University of Applied Sciences
hochschule mannheim
Universität der Bundeswehr München
HTW Hochschule für Technik und Wirtschaft Dresden University of Applied Sciences
THM Technische Hochschule Mittelhessen

B Braun – Sharing Expertise
Mühlbauer – High Tech International
Infineon
Mercedes-Benz
PacTech – member of nagase group
X-FAB – Mixed-Signal Foundry Experts
BMW
SGL Group – The Carbon Company
OSRAM
Schmidt + Clemens Gruppe
Messer
Bosch
BASF – The Chemical Company

Effective Strategies & Action Plan

MIDA as One Stop Center

Provides comprehensive services, i.e. **promotion, approval, implementation and post investment**

Establishment of **Immigration office** in MIDA's building

Placement of representatives from Royal Customs Department, Immigration, TNB, TM Net, and Department of Labour in MIDA

Empowerment and Corporatisation of MIDA

Rename of MIDA to reflect extended scope of responsibility

Custom Duty Exemptions

- Real time approval

National Committee on Investments (NCI)

- Central Investment Approving Authority
- Negotiation for projects
- Real time approval

Transform MIDA as an effective investment promotion agency to compete and attract quality investments, in line with 10th MP and ETP.

Enhance Delivery System

MIDA embarks on a **digital transformation initiative** to **re-engineer its business processes and functions** through its **Investmalaysia portal**.

Customised Incentive

Introduction of **Customised Incentive** to attract quality FDI and DI

- High Impact Fund
- DISF

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COVID-19:
Turning A Setback Into A Comeback

[Continue to attract high levels of FDI & DDI in the economy]

Malaysia's Approach Combating the Pandemic

Movement Controls & Lockdowns

Mitigation Measures

The Government has taken pro-active and responsive measures in balancing public health, economic sustainability and the livelihood of the people by allowing several economic sectors to operate subject to strict adherence to health and safety guidelines.

List of Essential Products

Food and beverage items including imported items

- Rice
- Sugar
- Vegetable, animal oils and fats
- Flour and all grain mill products
- Bread and confectionery
- Water
- Dairy products- milk, infant formula
- Condiments and Spices
- Canned food
- Meat
- Chicken
- Animal feed
- Processed fruits and vegetable
- Dry food such as instant noodles and biscuits
- Coffee and tea

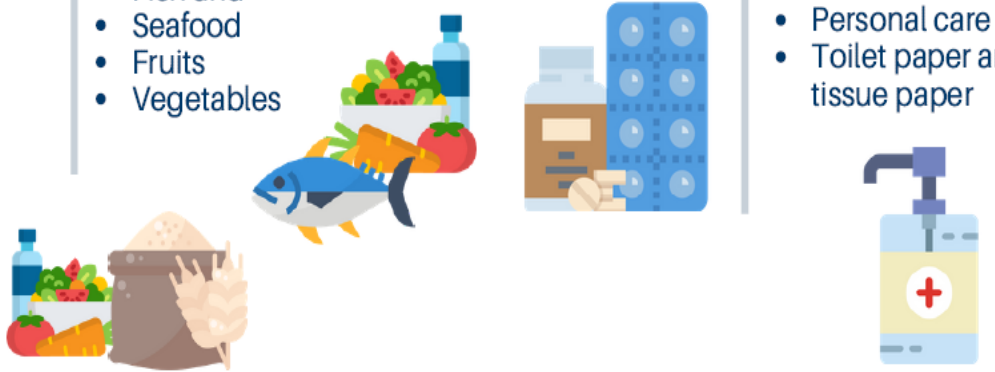
Agriculture and fisheries including imports

- Fish and
- Seafood
- Fruits
- Vegetables

Pharmaceutical- all chemicals and drugs production

Household products

- Detergents
- Disinfectants
- Sanitisers
- Personal care items
- Toilet paper and tissue paper



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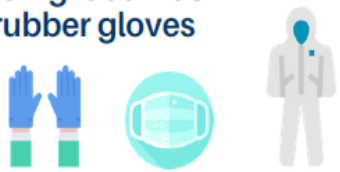
Mitigaton Measures

List of Essential Products

Personal Protective Equipment (PPE) including Fire Safety Equipment and Medical Attire including face mask and rubber gloves



Packaging materials and printing including ink for food, medical and pharmaceutical products

Medical and surgical devices

Parts for medical devices, components for ventilator machine

List of Products that are Part of the Supply Chain of Essential Products

Oil and Gas

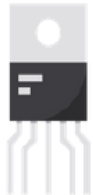
Petrochemicals

- PTA and PET RESINS
- Polyester fibres and filaments
- Polypropylene and polyethylene
- ABS and MABS resin
- Maleic Anhydride
- PVC Paste resin
- Expanded EPE
- Impact modifiers and processing aids
- Styrene Monomer
- Styrene Butadiene Latex
- Polystyrene

3 PVC

Chemical and Chemical Products - Fertiliser and Pesticide

Electrical and Electronics (E&E) including semiconductor



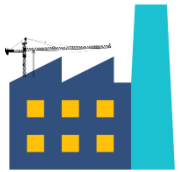
Bold Measures

Malaysia's Short-Term Economic Recovery Plan

penjana
Pelan Jana Semula Ekonomi Negara

Additional Reinvestment Allowance

Automatic Approval of Manufacturing License



Project Acceleration and Coordination Unit (PACU)

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**

Investment Promotion Programme

Investment Promotion -Going Digital

WEBINAR

International Business Chambers

MINISTRY OF INTERNATIONAL TRADE & INDUSTRY

With participation of YBMK MITI

- Webinar with Foreign Chambers in Malaysia and Overseas
- Webinar with Asia House UK
- Webinar with MEDEF International France
- Webinar with US-ASEAN Business Council
- Webinar with Ambrosetti Italy

With participation of MIDA Management

American Malaysian Chamber of Commerce

马来西亚中资企业协会 PERSATUAN PERUSAHAAN CHINA DI MALAYSIA CHINA ENTERPRISES ASSOCIATION IN MALAYSIA

JACTIM

MABC

Bank

HSBC

Standard Chartered

11th June 2020

Consultant

KPMG

pwc

Deloitte.

EY

Online Meeting with Potential Investors

KINESTRAL

LithiumWerks New Energy. New World.

PSA GROUPE

LG

AIRBUS

DAIMLER

wistron

KSK Group

PORSCHE

MITSUI & CO

Schneider Electric

YCP Solidiance

ibn

SK

New Initiative to Keep the Wheels Turning

One Stop Centre (OSC) for Business Travellers

Assumes a vital role in ensuring Malaysia continues to welcome investors to do business in Malaysia amid pandemic and Malaysia remains steady on economic recovery and growth; while balancing public health and livelihoods.

One Stop Centre

OSC Committee

Represented by the Ministry of International Trade and Industry (MITI), Malaysian Investment Development Authority (MIDA), Ministry of Health (MOH) and the Immigration Department of Malaysia (IMI).

Business Travellers Centre (BTC)

Consists of:
- Green Lane Services
- Registration Counter
- Dedicated COVID-19 Rapid RT-PCR Lab
- Business Lounge
- Duty/Liaison Officers

Website

Consists of:
- Guidelines
- Procedures
- Applications
- FAQs

Types of Business Travellers

Long Term Stay

MY ENTRY SYSTEM
- Frequent Foreign Business Travellers (Exit Return)
- New and Existing Expatriates (Stranded Abroad)
- Foreign Technical Experts (PVP)

MY TRAVEL PASS SYSTEM
- Social Visit Pass Holders (15-90 days)
- Frequent Malaysian Business Travellers (Exit Return)
- Permanent Resident Pass Holders (PR)
- Malaysia My2nd Home Social Visit Pass Holders (MM2H)

New Category

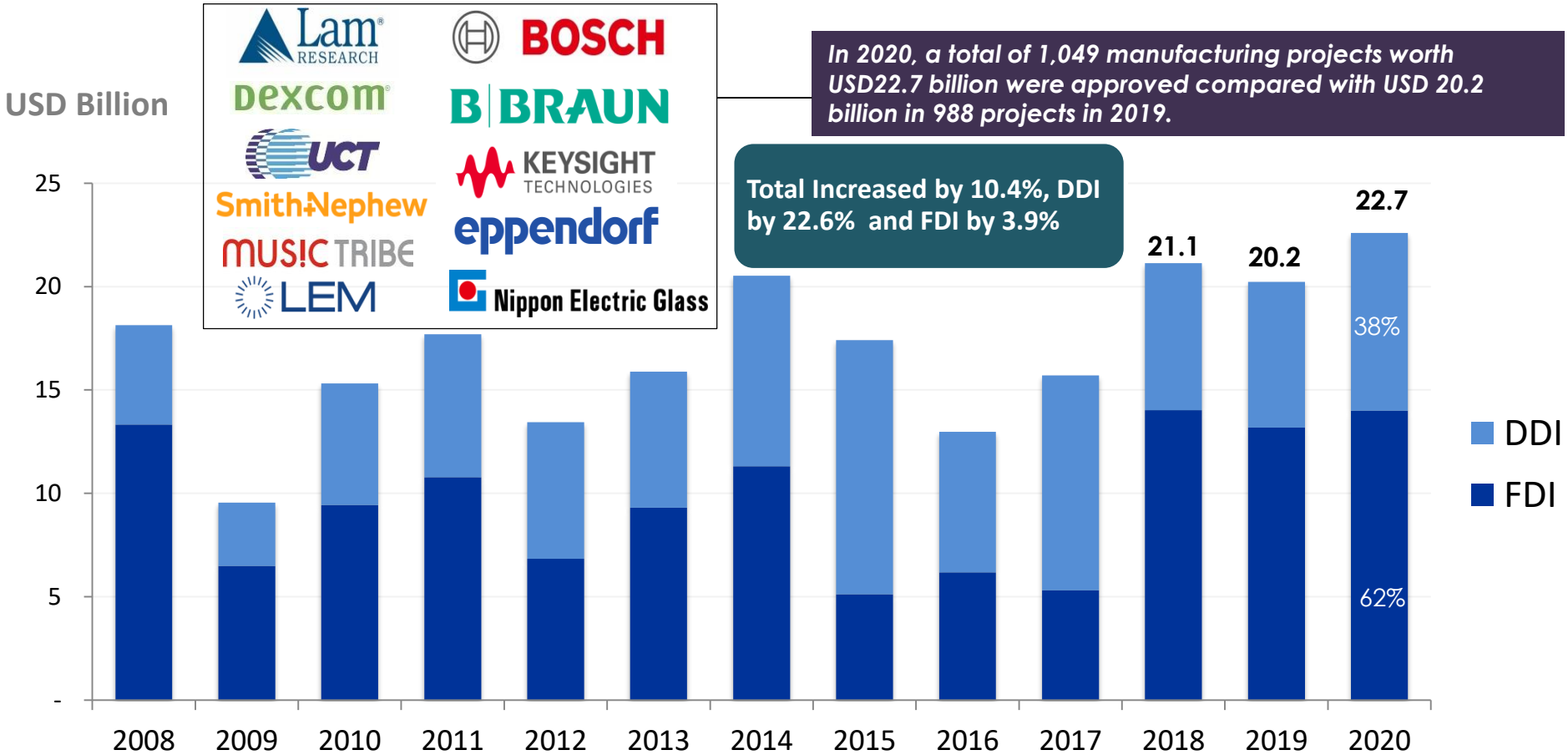
Short Term Stay (14 Days and Less)

MIDA-MY ENTRY SYSTEM
- Potential Investors
- Existing Investors (Chairman/Board members/etc)
- Technical Experts
- Business Customers

39 PROJECTS	USD115.75 Billion

Investments In The Manufacturing Sector in 2020
Surged Amid Global Pandemic

In 2020, a total of 1,049 manufacturing projects worth USD22.7 billion were approved compared with USD 20.2 billion in 988 projects in 2019.



Source: MIDA

DDI- Domestics Direct Investment
FDI – Foreign Direct Investment

MIDA
MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

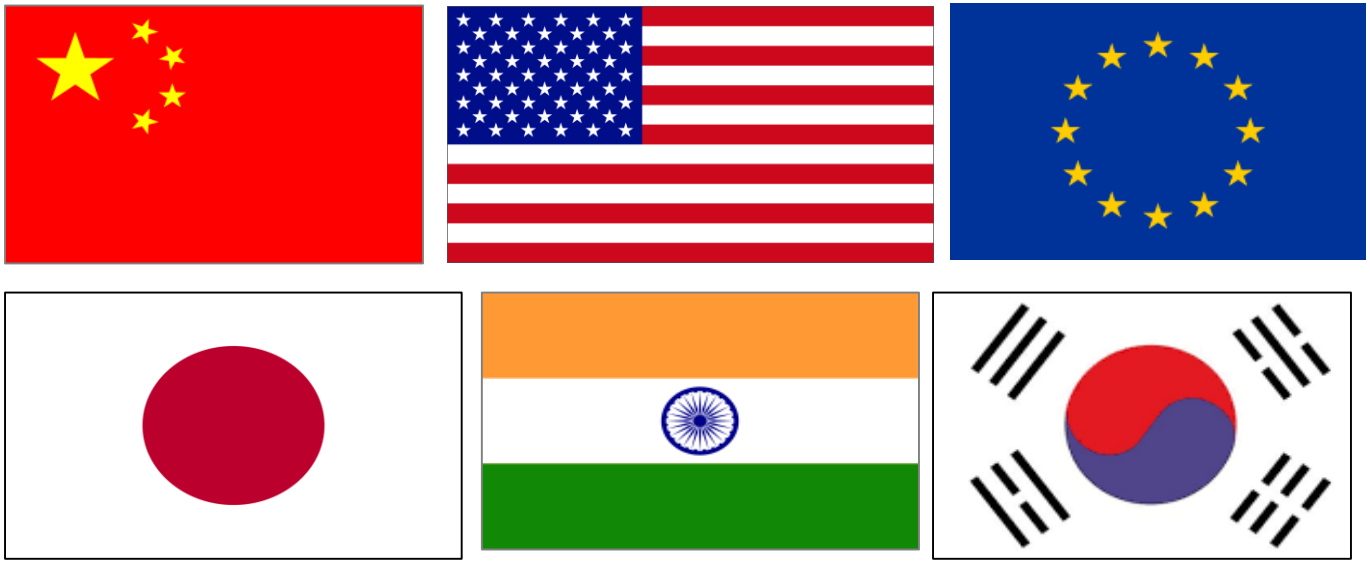
Moving Forward

MIDA-Ahead of the Curve

Scanning top 50 technologies which will drive global innovation and commercial growth

Country Specific Investment Promotion Strategies

- **MIDA has formulated regional/country specific investment strategies to attract high technology investments based on the strength of the industry in the respective region/country and the geopolitical factors such as US China Trade War and Brexit.**



China – A Case in Point

Strategy 1:

Leveraging on Current Chinese Government Policies **- Belt & Road Initiative (BRI)** and **supply side structural reform**

Strategy 2:

Leveraging on **Made in China 2025** (to target 10 priority sectors - automated machines and robotics; aerospace and aeronautical; biopharma and medical devices; advanced information technology; new materials; and new energy vehicles and equipment.)

Strategy 3:

Opportunities from **US-China Trade War** :-

- Promote import substitutions by US with Malaysian products
- Promote relocation of targeted companies trying to mitigate trade friction in China to Malaysia
- Facilitate redeployment of investment and production to Malaysia by major companies who have existing operations both in China and Malaysia.
- Facilitate expansion/reinvestment by existing companies operating in Malaysia to cater for the increasing import by US

Strategy 4:

Targeting **High Profile Companies** in Targeted Sectors (Fortune China 500)

Policy Formulation

Enhance liberalisation in the services sector as currently, there are still high levels of restrictions for FDI in the various services sub-sectors.

- **Open up the services sectors that currently do not have any domestics players as there will be no impact of competition to the local firms**
- **Liberalize services sectors where local service providers are already competitive**
- **To gradually open up sectors where we are not competitive in order to encourage Joint Ventures, Technology or Know-how transfers or market acquisition.**

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End Game

End Game- National Investment Aspirations

Increase Economic Complexity

- Attract companies that develop complex products
- High local R&D and innovation intensity
- Enhance reach to high value-added markets

Create High Value Jobs

- High-skilled, high income employment for locals
- High Opportunities for graduates
- Employment of domestic workers

Create Malaysian Conglomerates & Extend Domestic Linkages

- Create local conglomerates
- Expand breath and depth of domestic supply chain
- Collaborate with local institutions
- Nurture technology adoption

Develop New and Existing Clusters

- Expand development of high-productivity sectors
- Develop new products and services locally

Improving Inclusivity

- Address regional economic imbalances
- Development in underserved regions areas and communities

MIDA Contributed to the Major Share of the Approved Investments In 2020

Approved Investment Projects Under MIDA's Purview

MIDA
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RM91.3 Bil.

Manufacturing

RM8.6 Bil.

Services

MIDA contributed 59.7% of approved investment

Approved Investment under MIDA

RM99.9 Bil.

Approved Investment in the economy

RM167.4 Bil.

International Standing

MIDA

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

2nd

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

Protecting investors
World Bank Doing Business 2020 Report

WORLD BANK GROUP

16th

2nd Asia Pacific

Global trade connectivity
DHL Global Connectedness Index 2020

DHL

8th

High Tech Manufacturing Exports
World Bank 2018

WORLD BANK GROUP

4th

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

KPMG

5th

Most attractive emerging market in the World
Bloomberg 2018

Bloomberg

12th

Ease of doing business
World Bank Doing Business 2020 Report

WORLD BANK GROUP

MIDA
MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY
Thank You