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## HIGHLIGHTS

### YB MITI MINISTER LED TRADE AND INVESTMENT MISSION TO INDIA AND SRI LANKA IN MAY 2016



YB Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry (MITI) led a six-day trade and investment mission to Delhi, Vijayawada, Hyderabad in India and Colombo, Sri Lanka in a continuous effort to promote Malaysia as a profit and regional centre for businesses and investments.

The Minister of MITI was accompanied by Datuk N. Rajendran, Deputy Chief Executive Officer of MIDA and top officials from Malaysia External Trade Development Corporation (MATRADE), Ministry of Works, Malaysia and India Business Councils as well as private companies.

The programme during the mission included individual meetings with prominent Indian and Sri Lankan companies with strong investment interests, business seminars in Delhi and Colombo on investment opportunities in Malaysia, visits to projects undertaken by Malaysians, gatherings with Malaysian professionals and diaspora, as well as business matching events.

During the meeting in Delhi, among the issues discussed by YB Minister with the Honorary Nirmala Sitharaman, Minister of State for Commerce and Industry were the Regional Comprehensive Economic Partnership (RCEP), Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA) and ASEAN-India Free Trade Agreement (AIFTA).

# HIGHLIGHTS

Both Ministers agreed on the importance to conclude the negotiations of RCEP by end of 2016. RCEP is expected to contribute significantly to regional and global economic integration, provide for equitable economic development and strengthen economic cooperation. On MICECA, both Ministers consented to review the agreement in ensuring the objective fulfills mutual benefits for the two nations.



In Vijayawada, YB Minister met with the Honorary Chandrababu Naidu, Chief Minister Andhra Pradesh on the collaboration between the state and the Performance Management and Delivery Unit (PEMANDU) to develop, implement and monitor the state government's programmes and strategic development plans. Malaysia welcomed the Andhra Pradesh Economic Development Board (APEDB) interest to explore the establishment of a regional representative office in Malaysia. Both MIDA and APEDB agreed to work closely to facilitate investments both ways.

In Colombo, YB Minister had initial discussions with the government of Sri Lanka to explore a Free Trade Agreement between the two countries.

Malaysia has a strong presence in India, particularly in the infrastructure development. Meanwhile, Indian companies have shown strong interest in exploring investment opportunities in Malaysia.

Throughout the mission, the Indian and Sri Lankan businessmen were welcomed to make Malaysia as the regional hub for investments and to use Malaysia as a springboard to expand their market potentials to South East Asia and to Asia.

# HIGHLIGHTS

## MIDA RECEIVES TOP INVESTMENT PROMOTION AGENCY AWARD 2016

MIDA has once again won the Top Investment Promotion Agency award in the Asia-Pacific National category by the Site Selection, together with the Korea Trade-Investment Promotion Agency (KOTRA). MIDA also received the award in 2015 and notably for this year, MIDA is the only investment promotion agency (IPA) in ASEAN to receive this recognition.

Site Selection is an internationally circulated business publication covering corporate real estate and economic development, published six times a year by Conway Data Inc. This award was published by Site Selection magazine in May as part of their Global Best to Invest series.

MIDA was awarded based on the following set of criteria:

- Most professionally responsive to inquiries;
- Staff possessing the best knowledge and language diversity;
- Offering access to user-friendly databases of sites and incentives for both general and specific sectors;
- Readily available information on timing expectations of permitting and other processes;
- Access to recent investors in the region for testimonials;
- Best reputation for protecting investor confidentiality;
- Reputation for after-care services;
- IPA's Web site: easy to navigate, offer a wide breadth of data, and have the cleanest, most efficient design.



# INDUSTRY

## OPHTHALMIC & CARDIOVASCULAR MEDICAL DEVICES IN MALAYSIA

According to the World Health Organisation, the world population of individuals aged 65 and above is estimated to reach 1.5 billion (16% of global population) by 2050. In Malaysia, the demographic shows that the elderly make up about 5.9% of the population and this number is expected to rise to 11.3% by the year 2020. With the increasing number of ageing population, the world is facing a potential increase in the ophthalmic (eye) and cardiovascular (heart) related issues.



# INDUSTRY

In global healthcare industry, both ophthalmology and cardiology fields witnessed an unprecedented growth for the past 10 years in terms of patient awareness and acceptance of surgical procedures. The global cardiovascular medical devices market is estimated at USD55 billion while ophthalmic medical devices is forecast to reach USD22.1 billion in 2019. The technological advancements are also expected to grow at a faster pace due to the changing lifestyles and rising per capita incomes globally, especially among Asians.



Ophthalmic medical devices cover a wide range of applications such as glasses, contact lenses, intraocular lenses, implants, lasers, liquid solutions and surgical instruments, while cardiovascular medical devices includes pumps and heart-lung machines, diagnostics, defibrillators and implantable. Global players in ophthalmic medical devices are dominated by companies such as Alcon Inc. (Switzerland), Carl Zeiss Meditec AG (Germany), Abbott Medical Optics, Bausch & Lomb Inc. and Johnson & Johnson (US). As for the cardiovascular medical devices industry, notable producers include Medtronic, St. Jude Medical and Boston Scientific (US).

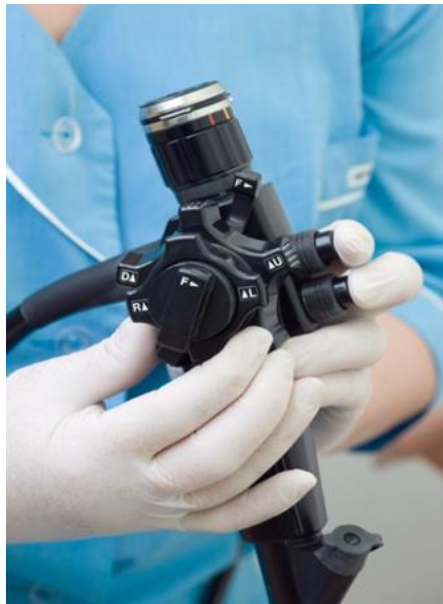
Currently Malaysia has four companies actively producing ophthalmic medical devices including Ciba Vision and Hoya Lens. Recently, Malaysia witnessed the opening of Abbott's Medical Optics Intraocular Lenses (IOLs) plant in Kulim, Kedah. This is in line with the government's efforts to promote high-value medical devices manufacturing in the country. This state-of-the-art ophthalmic

project is capable of producing up to 4 million IOLs a year. Being a knowledge and research intensive company, Abbott requires highly skilled and technical talents in the field of medical technology which will generate a total of 300 employment opportunities at full capacity, whereby majority will be filled by Malaysians. This project will be a catalyst to boost the development of the medical device ecosystem in the country. It is poised to attract not just players in this industry but also pharmaceutical and food supplement companies.

The ground breaking of Boston Scientific's new manufacturing plant in Batu Kawan, Penang marked a significant milestone for Malaysia's cardiovascular segment. Before that, St. Jude was the only company producing cardiovascular devices in Malaysia. Boston Scientific began its construction work of their regional manufacturing hub in April this year and it is expected to be completed by the fourth quarter of 2017. Being Boston Scientific's first manufacturing plant in Asia, it will produce structural heart components, medical optical fibres and endoscopy biopsy devices. It will also be a capital equipment service and repair depot in Malaysia. As this involved the manufacturing of high value products, it will in turn enhance the knowledge of local workers through training programmes and the transfer of advanced technology into Malaysia.



# INDUSTRY

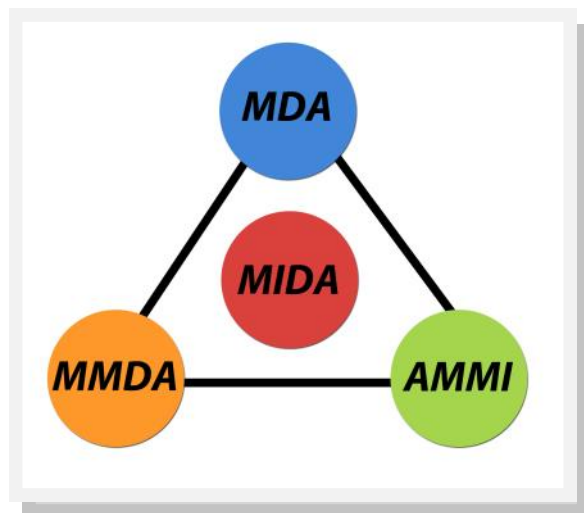


The ophthalmic and cardiovascular segments have become key growth areas in the medical devices industry. With the concerted effort by all stakeholders and high growth initiatives, it is envisaged that Malaysia will propel the medical devices industry to the next level. In fact, under the 11th Malaysia Plan, medical devices has been identified as one of the high potential growth industries due to its strong linkages to other manufacturing subsectors as well as capabilities and potential to deliver more complex and high value added products. To date, Malaysia is hosting more than 200 medical devices manufacturers with some notable players such as Haemonetics, B. Braun Medical, St. Jude Medical, CR Bard, CIBA Vision and Toshiba Medical Systems.

MIDA as the principal investment promotion agency works closely with key stakeholders in the medical devices industry such as the Medical Devices Authority (MDA), the Association of Malaysian Medical Industries (AMMI) and

the Malaysia Medical Device Association (MMDA), and the private sector in growing the industry. Malaysia has recorded a total of RM8.6 billion investment of implemented projects since 1980s. In 2015, a total of 30 projects with total investments of RM1.8 billion were approved and is expected to generate employment opportunities for 7,870 people.

MIDA's investment development strategy for the manufacturing of medical devices is to promote the entire value chain through an ecosystem approach. Therefore, there is much room for growth, and industry players are encouraged to leverage on Malaysia's excellent competitive advantage and develop expertise in all aspects including research and development, commercialisation, distribution and sales.



# SERVICES

## SUCCESS STORY: FMC WELLHEAD EQUIPMENT- DEVELOPING LOCAL TALENT

Despite challenges in the global economy, the long-term needs of industries have to be kept in focus. Talent availability is one of the key components in the investment ecosystem approach adopted by MIDA to attract high-technology, knowledge-based and quality projects. The availability of highly skilled talents especially technicians and engineers is essential to support the growth of the oil & gas industry in Malaysia. While Malaysia is very privileged to have an abundant supply of talented workforce and resources that are able to meet the needs of various industries, there is still a need to intensify efforts in developing a critical skill base that is more innovative and are industry ready.

# SERVICES

The Government has put in place comprehensive programmes to enhance productivity and competitiveness in the workforce. These include the setting up of Centres of Excellence, the introduction of MyMSc and MyPhD under the MyBrain15 programmes which are designed to encourage more engineers and scientists to pursue post-graduate studies, providing resident passes for expatriates with the appropriate talents to work in Malaysia, and reviewing a new education blueprint to improve local education standards.



Besides these initiatives, the knowledge and skills of our local talents are further augmented through structured training and development programmes by the private sector. Companies are aligning their business and talent strategies with the emerging markets to better achieve its business goals. Large multinationals have the advantage to offer training opportunities in various locations in the world. A good role model in Malaysia is FMC Technologies.

FMC Technologies Malaysia has established its presence in Pasir Gudang in 1990. Since then, FMC Technologies Malaysia has grown to become an 800-strong workforce. They now own manufacturing and engineering facilities in Nusajaya, Labuan, Kemaman and Kuala Lumpur. The company has also shifted its Asian Hub and Product Centre of Excellence from Singapore to Malaysia, a testament to Malaysia's competitiveness and strategic vantage points.

## ***Early Days***

One key element to FMC's success in Malaysia is the skill and talent of its local workforce. During the early stages, its Malaysian workforce was hired prior to project implementation in areas such as project management, manufacturing, and engineering. This pioneer group was then sent on international assignments to the US, Norway, and Singapore for training towards the project execution stage.

Mr. Abdul Gafoor Hussain, FMC Technologies' regional Drilling Systems Business Manager explains, "Upon starting the project, subsequent batches were hired and trained as well, but my colleagues who were part of the 'seed batch' were instrumental in many ways. The success of our project depended on the pioneer group absorbing knowledge and then taking it back to Malaysia to train others."

## ***Current Approach***

FMC's approach to the training and development of its employees consist 3 main pillars: Onboarding Programme, Talent Advancement Programme (TAP), and FMC Technologies University.



## SERVICES

The company's strategy for developing talent begins with a comprehensive 90-day Onboarding Programme whereby hiring managers are held accountable to ensure newly hired employees receive the required training, and results are maintained in personnel files upon completion. Key elements of this programme include full Health, Safety, Environment (HSE) training, orientation, and familiarisation with FMC core values and work culture.



Under FMC's extensive Talent Advancement Program, all employees are mentored throughout their careers, whereby talent is also identified and given opportunities for career advancement. This has been successful in minimising the company's reliance on expatriate talent. In fact, within the last few years, FMC Technologies has provided several Malaysians with the opportunity to be expatriates in its Australia and US offices. Similar to the 'seed batch' in the early days, these Malaysians are able to contribute new experience and knowledge back to Malaysia, which benefits the local staff as well.

FMC Technologies University (FMCTU) is the global knowledge management platform to conduct the company's training. Joseph Lai, an FMC Technologies veteran based in Kuala Lumpur and coordinator for the programme's Asia Pacific region says, "FMCTU provides the knowledge-base and real-world training that our employees need to succeed in areas like engineering, project management, procurement, leadership, and communications. It is vital that we build the current generation into the leaders of tomorrow."

Like the rest of the global workforce, the future of FMC Technologies' Malaysian employees is unlimited, and with the company's investment in talent development for over 25 years, the company expects to continue to see global leadership from its Malaysian leaders in the decades to come.

## EVENTS

### **Leverage on Malaysia as Gateway to ASEAN Market and Beyond, says MITI Minister II**



"In the context of ASEAN, we would like to encourage investors to look at Malaysia as your gateway to the enormous ASEAN market and beyond. Malaysia offers tantalising advantages in terms of its location in the heart of ASEAN, its unmatched connectivity and our pragmatic, prudent and business-friendly policies," said YB Dato' Seri Ong Ka Chuan at the Seminar on Malaysia Your Competitive Business Hub in ASEAN held on 3 May 2016 in MIDA HQ.

"As a further incentive, Malaysia has already put in place several schemes such as the Regional Office, Representative Office and Principal Hub to complement the increasing trend of global off-shoring activities. Many foreign MNCs today have chosen Malaysia as the base for their regional operations. Some of the renowned companies are Honeywell, BMW, Panasonic, Intel and B Braun," he further elaborated.



During the event, the Minister launched the ASEAN Service Providers Confederation (ASPC) as part of Malaysia's continuous momentum of promoting ASEAN integration. ASPC is a platform dedicated for the unification of the regional services providers, where it acts as the conduit for these service providers to voice their concerns to the public sector in formulating policies.

Also present at the event was Tan Sri Dr. Mohd Munir Abdul Majid, Co-Chair of ASEAN Business Advisory Council (ASEAN-BAC) & Chairman of ASEAN-BAC Malaysia; Dato' Azman Mahmud, CEO of MIDA; Mr. Fermin Fautsch, Chairman of the EU Malaysia Chamber of Commerce and Industry (EUMCCI); and Ir. Choo Kok Beng, President of Malaysian Service Providers Confederation (MSPC).

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## MIDA Partners with ICBC to Produce Promotional Materials

MIDA signed a Memorandum of Understanding (MoU) with the Industrial and Commercial Bank of China (ICBC) on 4 May 2016 that will serve their mutual interests in fostering closer Malaysia-China economic ties. Under the MoU, ICBC will support the production of the Mandarin version of MIDA's investment promotional video and selected publications. The MoU was signed by Dato' Azman Mahmud, CEO of MIDA and Mr. Yuan Bin, CEO of ICBC (Malaysia) Berhad at MIDA HQ.



According to Dato' Azman, "MIDA has been producing promotional materials since the 1970s. Over the years, we have kept up with the trends and continually produce materials that are relevant to our target audience. These materials are available in multiple languages besides our national language, such as Mandarin, Japanese, Korean, German, French and Spanish. The initiative between MIDA and ICBC is a positive model of how government and private sector from both countries can work together to promote mutually beneficial partnerships. I hope more from the private sector will come forward and emulate ICBC to support the cross border investments drive promoted by their respective countries."

"ICBC Malaysia has been actively acting as financial gateway in promoting bilateral investments between China and Malaysia since its establishment. The cooperation with MIDA in producing promotional video and publications will meaningfully add value to ICBC's on-going efforts to promote bilateral investments between China and Malaysia. We shall continue to look for more opportunities to work together in achieving such common goal," said Mr. Yuan Bin.

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## MIDA Holds Job Fair in Jeli, Kelantan



Following the success of *Karnival Kerjaya Kelantan 2014*, MITI and MIDA once again organised a Job Fair in conjunction with the Entrepreneurial Expo in Jeli, Kelantan on 28 May 2016. More than 1,000 visitors attended the event, which was part of the initiatives to serve the human capital needs of investors through direct channelling of job seekers to projects approved by MIDA.

A total of 1,374 vacancies across various industries were on offer from 21 companies and 3 government agencies. Some of the top employers included Finisar, Texas Instruments, Ain Medicare, Terang Nusa, Admal Aviation, Perodua, Skim Latihan 1 Malaysia (SL1M), TalentCorp and Jabatan Tenaga Kerja (JTK). The vacancies offered were for positions such as engineers, technicians, sales/ marketing executives, administration and production workers. The event also involved career exhibition; open interviews; career talk; and résumé clinic to impart knowledge on social and interview ethics, leadership and communication skills.



## Less Developed Area Incentive, a Boon for Investments in Perlis



"Investors should take advantage of the incentive for Less Developed Area (LDA), which was introduced by the Government last year. This incentive was designed to assist states that received lower investments compared with more developed states. Under this scheme, newly established or existing companies that expand operations into less developed areas will be eligible for 100% income tax exemption for up to 15 years," said Datuk N. Rajendran, Deputy CEO of the MIDA at the Seminar on Investment Opportunities in Perlis held in Hotel Seri Malaysia Kangar, Perlis. The seminar organised by MIDA together with the Perlis State Economic Planning Unit on 31 May 2016, was graced by YAB Dato' Seri Azlan Man, Chief Minister of Perlis.

Datuk N. Rajendran further elaborated, "Investors should leverage on all programmes and facilities provided by the Government. For example, as at April 2016, MIDA has approved RM905.8 million of Domestic Investment Strategic Fund (DISF) for 207 projects worth a total of RM10.2 billion. However, this grant has yet to be taken up by any companies in Perlis. We would like to see more companies here to discuss with us on the possibilities of getting all the available incentives."

As at December last year, a total of 49 manufacturing projects have been implemented in Perlis, with investments of RM1.0 billion. Majority of these investments were from domestic sources recording a total of RM676.5 million or 65% while the rest were from foreign sources. These projects, which have created over 6,000 job opportunities, were mainly in Electronics & Electrical products, Food Manufacturing, Non-Metallic Mineral products, and Plastic products.



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## Investors to Leverage on Robust Medical Device Ecosystem in Malaysia

“Malaysia has developed a comprehensive local supply chain that consists of both global and local industry players. The existence of strong medical device supporting industries has positioned Malaysia as an outsourcing destination and a medical device manufacturing hub within ASEAN. With the rise of our local vendors, we are confident that more foreign companies will be attracted to Malaysia and avail themselves to the supply chain and ecosystem that have been created over the years,” said Datuk N. Rajendran, Deputy CEO of MIDA at the Supply Chain Programme for Medical Device Industry, held at MIDA HQ on 1 June 2016.



He further added, “We are excited that Abbott, KLS Martin and a.p.s Medical are committed in developing local suppliers towards a sustainable ecosystem in the medical device industry. This demonstrates the companies’ strong level of confidence in Malaysia’s local supporting industry capabilities. To drive this industry to the next level, we have recently established the Medical Device Investment Advisory Panel (MDIAP) with focus areas that include electro medical equipment; cardiovascular devices; orthopedic devices; in-vitro diagnostic products; wound care products; contract manufacturing for R&D, medical devices and equipment; and products from convergence of technologies. Through this platform, we can better facilitate Malaysian-based companies including SMEs to becoming global champions.”

The one-day conference, jointly organised by MIDA and SME Corporation Malaysia (SME Corp) received an overwhelming response with the attendance of more than 100 participants from over 50 local and foreign companies. Other than presentations by MIDA, SME Corp, anchor companies namely Abbott, KLS Martin and a.p.s. Medical, the conference also featured a business matching session with the participation of 20 potential local suppliers in the areas of fabrication, tooling and jigs, machining, packaging, electronic and manufacturing service, and consumables.



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## MIDA Partners with UM and UTEM to Embark on a Study on Future Manufacturing

In keep pace with the rapid and radical changes in the manufacturing industry, MIDA is collaborating with the University of Malaya (UM) and the Universiti Teknikal Malaysia Melaka (UTEM) on a study on ‘Future of Manufacturing in Malaysia’. The study was launched on 2 June 2016 by YB Dato’ Sri Mustapa Mohamed, Minister of International Trade and Industry (MITI) at the recent World Economic Forum (WEF) ASEAN.



# EVENTS

Speaking at the media conference organised in conjunction of MIDA's WEF ASEAN business luncheon, Datuk Phang Ah Tong, Deputy CEO of MIDA said, "The continued growth of the manufacturing sector in Malaysia relies strongly on the adoption of smart manufacturing processes and technologies. For Malaysia to be more competitive, our manufacturing sector is increasingly being encouraged to adopt and embrace automation and smart manufacturing concepts. As MIDA aims at generating quality investments in new and emerging technologies, the outcome of the study will aid our efforts in strategising for the future roadmap and ecosystem for Malaysia as a



natural FDI destination, together with relevant domestic investments. This will later translate into recommendations and action plans such as suitable incentive packages, promotional strategies and targeted industries. This study will also be used to identify emerging technologies to be adopted and industry areas to be enhanced as a better understanding of the requirements for enablers and regulatory bodies."

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## ABOUT MIDA

The Malaysian Investment Development Authority (MIDA) is the Government's principal promotion agency under the Ministry of International Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Starting operations in 1967, MIDA is the first point of contact for investors that want to take advantage of Malaysia's vibrant economy, world-class infrastructure and business-friendly environment to set up their profit centre in Asia. For more information, visit [www.mida.gov.my](http://www.mida.gov.my) or e-mail us at [investmalaysia@mida.gov.my](mailto:investmalaysia@mida.gov.my).



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