

investByte

Your investment window into Malaysia



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EVENTS



INVESTOR CONFIDENCE IN MALAYSIA REMAINS HIGH

The Minister of International Trade and Industry (MITI), YB Dato' Sri Mustapa bin Mohamed said that investors' confidence in Malaysia remain high despite the global economic uncertainty. He said this when launching the World Investment Report (WIR) 2015, titled "Reforming International Investment Governance", compiled by the

United Nations.

The annual flagship publication of UNCTAD, the World Investment Report (WIR) serves as a comprehensive and authoritative source of data and analysis on global trends in investment, enterprise development and related issues for the international investment community. This year represents the fifth year

collaboration between MIDA and United Nations to launch the Report.

According to Dato' Sri Mustapa, the decision by UNCTAD to launch their report in MIDA is a further affirmation of investor confidence in Malaysia, coming as it does on the heels of several other reports by international organisations that underline the fundamental strengths of the economy.

The WIR 2015 puts the spotlight on the future of the international policy environment for cross border investment underscoring the importance of FDI, international investment policy making and fiscal regimes to the implementation of the new development agenda and progress towards the future sustainable development goals.

Malaysia has been developing policies to govern the country's economic growth as well to ensure a balanced development. General issues of sustainability, productivity and efficiency as well as elements of green or low-carbon growth have been addressed and captured in various government programmes.

According to WIR 2015, developing countries accounted for 55% of global FDI inflows in 2014. FDI inflows to South, East and Southeast Asia rose 10% to US\$422 billion, nearly 35% of the global total, even though global FDI inflows declined by 16% in 2014 to US\$1.2 trillion from US\$1.47 trillion in 2013.

Malaysia registered a gross FDI inflow of RM112.1 billion in 2014, an increase of 8.9% from the RM103.9 billion registered in 2013.



Realised private investments in Malaysia for 2014 reached a record RM183.9 billion, up 13.0% from RM162.8 billion previously.

Nevertheless, Malaysia's net inflows last year saw a decrease from RM38.2 billion in 2013 to RM35.3 billion in 2014, a decrease of 7.4% compared to the global decline of 16%. This is attributed to the Malaysian economy's transformation and restructuring. The country's thrust now is to focus on attracting high knowledge, high value added and high technology industries in Malaysia. This is in line with the country's aspirations to establish Malaysia as a high-income economy by 2020.

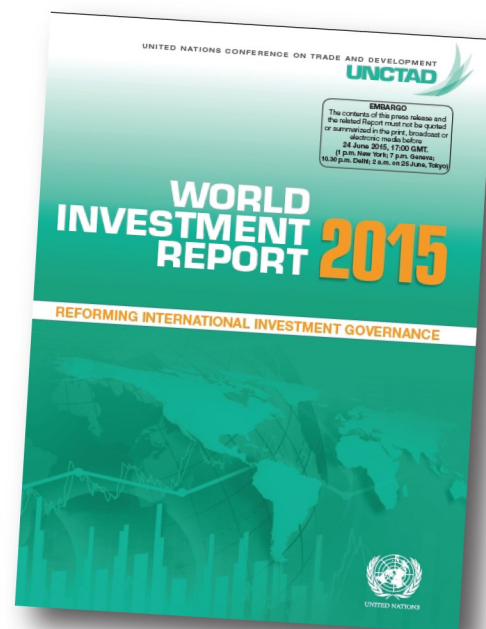


Some examples include Sony Japan working with Sony Malaysia to design and produce their revolutionary LED TV in Bangi, Selangor; the state of the art Hershey chocolate factory in Johor; the dedicated R&D centre by Motorola; the Abbot Manufacturing facility in Penang producing intraocular lenses that are used to treat cataracts and myopia; and the Schlumberger Asia Centre for Reliability and Efficiency to undertake repair, maintenance and servicing of highly technical oilfield equipment.

On the report ranking Malaysia 17th in terms of FDI outflows, Dato' Sri Mustapa said it was further demonstration of Malaysia's economic transformation. Industry players are expected to reduce their investments in low value and labour intensive industries by relocating them abroad, while strengthening their activities in high value added sectors in Malaysia. This is also a reflection of Malaysia's foray into the global arena to seek new market opportunities and it indicates that local firms are capable of competing effectively

with MNCs on the world stage.

The WIR 2015 can be downloaded here :



Powering
Sustainable

BIOMASS Industry in Malaysia

The Malaysian Government has identified biomass as one of the strategic and potential economic drivers for the country. The Government is committed to leverage on the country's rich biomass resources and biodiversity such as fresh fruit bunch, empty fruit bunch (EFB), mesocarp fibres and palm kernel shell to create high-value industries and generate high income employment opportunities. Based on the statistics from the Malaysian Palm Oil Board (MPOB), a total of 135 million metric tonnes of biomass from palm oil mill were

produced and available for further downstream processing in 2013. Given that the world palm oil consumption is significantly rising and Malaysia is the second largest producer of Crude Palm Oil, there is certainly much value in the waste of the country's oil palm plantations.

Biomass is anticipated to contribute an additional RM30 billion to the nation's Gross National Income through the utilisation of biomass from the higher value-added downstream activities in the oil palm sector. Malaysia is expected to produce between

87 and 96 million metric tonnes of biomass annually from 2011 till 2015.

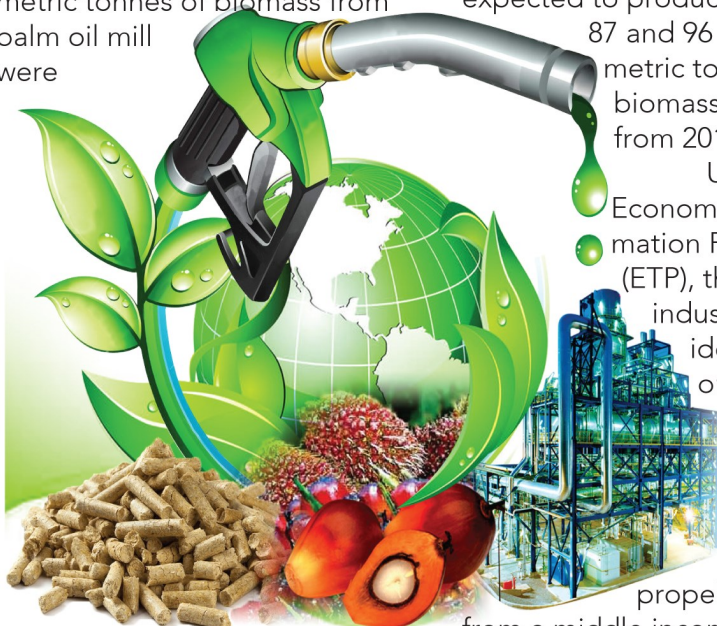
Under the Economic Transformation Programme (ETP), the oil palm industry has been identified as one of the 12 National Key Economic Areas (NKEA) to

propel the country from a middle income nation to

a high income nation by 2020. For the oil palm industry, eight Entry Point Projects (EPP) have been identified, and two of these are related to oil palm biomass. Under EPP 5, all palm oil mills are targeted to have big trapping facilities by 2020, as a measure to ensure that the palm oil mill effluent will be fully utilized to produce renewable energy.

In addition to the ETP, the Government launched the National Biomass Strategy 2020 (NBS2020) in 2011, focusing on oil palm biomass and also biomass from other sources. The NBS2020 has detailed out a roadmap on how Malaysia could maximise the potential of the country's biomass resources through a balanced portfolio of downstream industries ranging from bioenergy, advanced biofuels, biochemical and eventually its end products.

Investments in the biomass industry in Malaysia continue to be encouraging, and this has been reflected in the investments' approvals. In 2014, a total of 12 biomass projects with investments of RM82.9 million were approved compared with 11 projects with investments of RM54.6 million in 2013. Domestic investments amounted to RM71.1 million while foreign investments totalled



RM11.8 million. Approved biomass projects were for utilisation of empty fruit bunches and palm oil mill effluent (POME) to produce organic fertilizer, oil palm pellet, peeled palm lumber and fibre.

As refining and crushing activities have reached maturity levels in the country, they are no longer promoted as growth areas. Therefore, significant opportunities now exist in downstream activities. These activities generate high value-added products in the palm biomass sub-sector, other promoted growth areas are in oleochemical-based products and nutritional foods and ingredients, as well as R&D activities which involve high levels of technology.

The biomass industry development will be nationwide. High potential locations such as Sabah and Sarawak are currently undergoing detailed studies covering localised biomass scanning led by Ministries of Industrial

Development in Sabah and Sarawak under the respective State Planning Units, to define milestone-based action items that can be executed to maximise the States' biomass potential. This collaboration will help to customise ideal downstream portfolios for individual States as the value proposition differs based on biomass availability, present and planned infrastructures, technology and industry readiness as part of the States' Development Plans.

These new and capital-intensive industries are anticipated to bring maximum rewards to the country, and expedite Malaysia's march forward in its goal to become a high-income nation by 2020.

With Malaysia's multi biomass feedstock proposition, geographic location, established infrastructure, facilities and amenities from existing industries like oil and gas, forestry, as well as the drive by the private sector, the country is well positioned to carve a niche in the industry. New biomass-based industries will not only create additional income for the State, but also generate high-income paying jobs for its people.

The communal aspects of the biomass sector are tremendous considering the scalability throughout the entire value chain creating skilled jobs and business opportunities for the rural population, elevating the standards of living in a highly sustainable manner. More importantly, it promotes a more equitable distribution of wealth and lower barrier for participation by the rural community, triggering private sector led infrastructure developments and economic activities.

MIDA in collaboration with Agensi Inovasi Malaysia (AIM) organised the Biomass Conference 2015 'Powering Sustainable Biomass Industry in Malaysia' at its HQ on 10 June 2015.

The full day conference, attended by more than 200 participants, featured three panel discussions and a briefing by speakers from different segments of the biomass industry including McKinsey, Poyry and Lux Research, MIDA, AIM, Malaysia Palm Oil Board (MPOB) and the Ministry of Energy, Green Technology and Water (KeTTHA). Topics discussed include the outlook of the Biomass industry, innovative and smart partnerships as well as navigating the Biomass project financing landscape in Malaysia.



MALAYSIA

Registers RM 57.4 billion of investments in Q1

2015

Malaysia recorded RM57.4 billion of approved investments in the primary, services and manufacturing sectors for the first quarter (Q1) of 2015. The amount represented a 18.8% increase over the same period last year, which recorded RM48.3 billion in approved investments. This increase comes despite the World Bank's lower growth forecast for the Malaysian economy for 2015. It reflects the faith of investors in Malaysia as an attractive investment destination and Malaysia's ability to hold its own in an

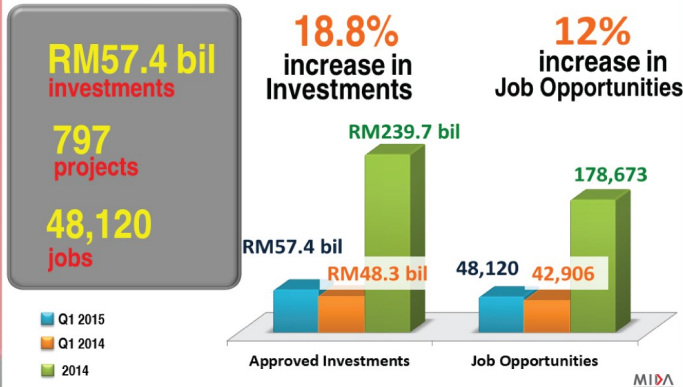
increasingly competitive environment.

While welcoming this first-quarter 2015 performance, the Minister of International Trade and Industry, Dato' Sri Mustapa noted that this is an excellent performance, but the minister also cautioned that as competition is rising globally, there is a need to sustain the momentum and ensure that Malaysia stays one step ahead.

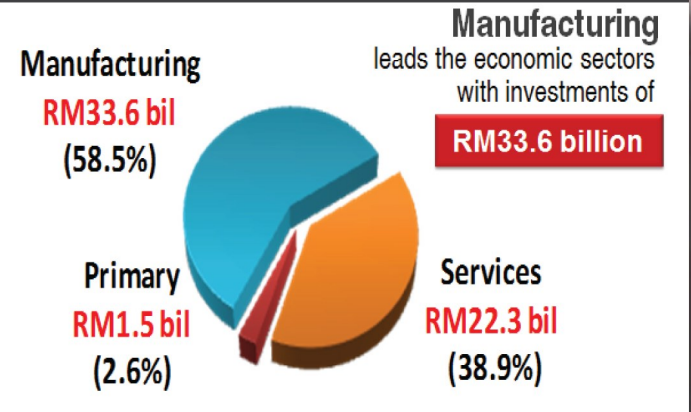
AVERAGE ANNUAL INVESTMENT TARGETS

	RMK10	RMK11
Investment: Average Annual Target	RM148 billion p.a (achieved RM162 billion p.a)	291 billion p.a
Total Investments (RM billion)	810	1,455
Growth rate	12.6%	9.4%

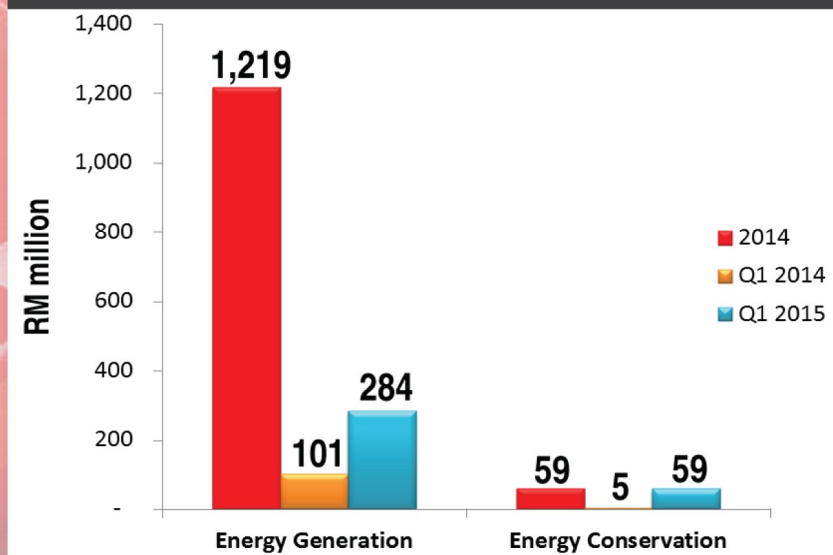
Total Approved Investments in Q1 2015



Total Approved Investments by Sectors in Q1 2015

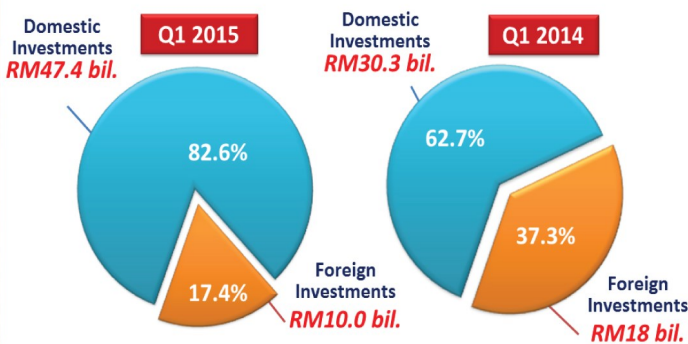


Approved Green Energy Projects for Sustainable Investments



FDI vs DDI Approved Year-on-Year

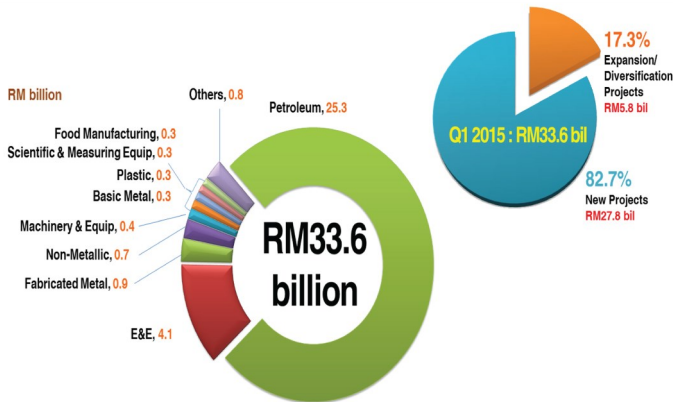
Domestic Investments continue to spearhead private investments



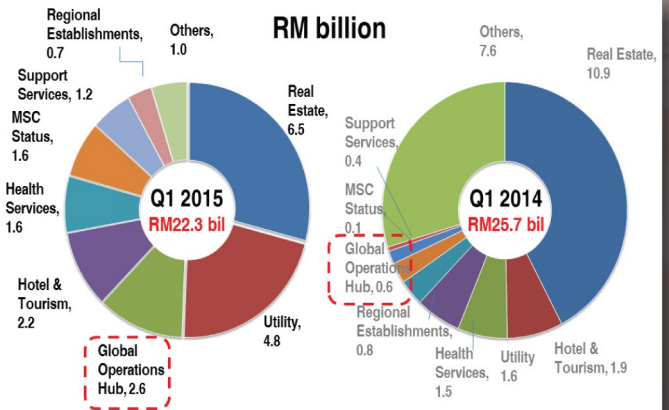
FDI Spin-offs

- Creating & nurturing local companies/ listing on Bursa Malaysia
- Develop local suppliers/vendors to be part of Global Supply Chain
- Building local capabilities & capacities
- Creating local entrepreneurs
- Malaysians helping global MNC operations

Investments in the Manufacturing Sector



Investments in the Services Sector



Jobs for Malaysians



I believe the desire to 'take charge' and 'build something' and passion for innovative engineering is what will drive the technical growth for our country in this new era of economy and world's challenges. This is the culture at NI

Cheah Chin Hong
Principal Hardware Engineer
National Instruments



My project management skill is enhanced, my knowledge in aerospace manufacturing is continuously improved, my leadership capabilities upgraded and my confidence level in interpersonal communication through dealing with customers from all over the world has grown from day to day.



Nik Nurul Azmatun Bt Nik Mohd Yusoff
Senior Engineer
SME Aerospace Sdn Bhd



What makes working for VAT so great is because we get to work with world class tools and equipment.

Salman Bin Shaik Ma'ruf
Technician
VAT Manufacturing Malaysia Sdn. Bhd.



Exposure to MNC work practises and ISO 13485 is great add on to my work experience.

Halisa Mohd Said
Process Engineer
SteriPack Asia Sdn Bhd



I was recruited to the finance function of FMC Wellhead Equipment Sdn Bhd in 2007.. The opportunity to venture into the operation (outside finance) is valuable for me and making me a better and all-rounded controller in a short period.

Lee Teong Teck
Ast. Financial Controller & Director
FMC Wellhead Equipment Sdn Bhd



Developing Sustainable Futures - Sime Darby's guiding principle brilliantly describes the interesting experience and balance benefits when I am being employed at Inokom.

Murni Binti Basir
Engineer
BMW Quality Management System
Inokom Corporation Sdn. Bhd.



A subsidiary of Sime Darby Motors

MIDA IN THE NEWS

Rapid growth seen for biomass sector

INDUSTRY NEWS

New Plant to Turn Nation into Petrochemical Hub

World's 1st Bio-Methionine Plant

Tek Seng expands solar cell production capacity

Construction on first phase of Asia Aerospace City to begin in 1Q16

Jabil Circuits acquires land in Batu Kawan Industrial Park

Agilent plans another facility in Penang

Top Glove to boost nitrile gloves output

SERVICES NEWS

RM2.5bil plant for KHTP

Expansion plan for Kemaman supply base

Brahim's enters MoU with Nippon Express to establish Halal Logistics services

HK Firm Invests up to RM3b in Sarawak

SERVICES NEWS

Malaysia Remains on Hilton's Radar

Colombia Asia in RM185m Batu Kawan pact

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 or e-mail us at investmalaysia@mida.gov.my.

MIDA, your first point of contact for investments in Malaysia



Malaysian Investment Development Authority
MIDA Sentral
No.5, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur Malaysia
Tel: 603 2267 3633 / 2263 2555 / 2263 2549
Fax: 603 2274 7970
Email: investmalaysia@mida.gov.my
Website: www.mida.gov.my

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