

DOING BUSINESS IN MALAYSIA

Your Profit Centre in Asia



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MIDA Germany



- **In the very heart of South East Asia**
- **Between India and China**
- **Borders 5 countries (Thailand, Singapore, Indonesia, Brunei and Philippines)**



The City – Kuala Lumpur (KL)





The People (...the young ones)





...and the not so young ones

Multi racial and multi cultural



Malaysia truly Asia

The Economy





2010

GDP Growth	7.2%
Per Capita Income	€ 5,872
Population	28.9 million
Work Force	12.2 million
Unemployment	3.6%
Inflation	2.25%
International Reserve	€ 77.4 billion

Trade and Foreign Direct Investment





- **Malaysia is the 19th largest trading nation in the world.**
- **Manufactured goods constitutes almost 85 per cent of total exports.**
- **Multinational corporations from more than 60 countries have invested in over 6,000 projects in Malaysia's manufacturing sector.**



Total Approved Manufacturing Projects

In 2010, MIDA approved investments amounting to €11.1billion in 910 projects (€6.9 *billion*–2009)

- **Foreign investments – €6.8 billion (61.7%)**
- **Domestic investments – €4.3 billion (38.3%)**

Source: MIDA



Major Foreign Investors 2010

Country	FDI (€ million)
USA	2,771.4
Japan	951.3
Hong Kong	653.1
Singapore	509.2
Germany	457.2

Source: MIDA



Major European Companies Operating in Malaysia





Promoted Sectors



Manufacturing Sector

High technology, capital intensive and knowledge driven industries:

- **Photovoltaic**
- **Machinery and Equipments**
- **Biotechnology**
- **Medical devices**
- **Advanced electronics**
- **Optics and photonics**
- **Wireless technology**
- **Display technology**
- **Petrochemical**
- **Pharmaceutical**
- **ICT**

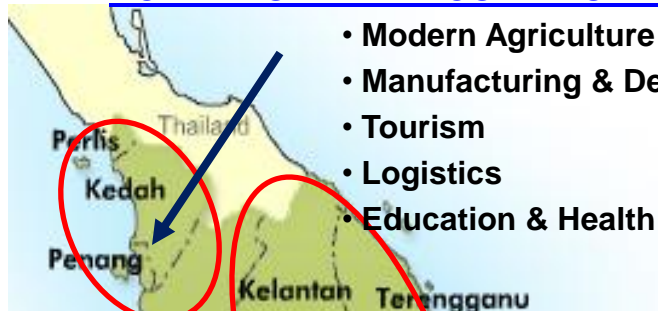


Services

- **Operational Headquarters (OHQ)**
- **Regional Distribution Centre (RDC)**
- **International Procurement Centre (IPC)**
- **Regional Office (RO)**
- **Representative Office (RE)**

CORRIDOR OF DEVELOPMENT IN MALAYSIA

NCER : NORTHERN CORRIDOR ECONOMIC REGION



- Modern Agriculture
- Manufacturing & Design
- Tourism
- Logistics
- Education & Health

ECER : EAST COAST ECONOMIC REGION



- Tourism
- Oil & Gas
- Manufacturing
- Agriculture
- Education

IRDA : ISKANDAR MALAYSIA

- Financial Services
- Tourism and Logistic Industry
- Electrical & Electronics Services
- Education

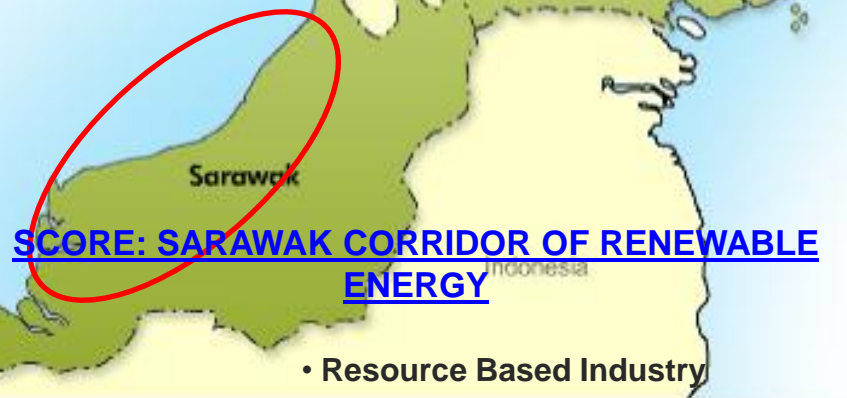
- Healthcare
- Creative Industry

SDC : SABAH DEVELOPMENT CORRIDOR

- Agro-based Industry
- Tourism
- Logistics
- Manufacturing



SCORE: SARAWAK CORRIDOR OF RENEWABLE ENERGY



- Resource Based Industry
- Energy
- Tourism



National Key Economic Activities (NKEA)

- **Wholesale & Retail**
- **Oil, Gas & Energy**
- **Palm Oil**
- **Healthcare**
- **Financial Services**
- **Greater KL**
- **Agriculture**
- **Tourism**
- **Education**
- **Electrical & Electronics**
- **Business Services**
- **Communications & Content Infrastructure**

Incentives Offered





Manufacturing Sector

- **Pioneer Status (PS) with income tax exemption up to 100% for 5 to 10 years; or**
- **Investment Tax Allowance (ITA) up to 100% for 5 years. Allowance can be offset against 100% of statutory income.**
- **Reinvestment Allowance of 60% for a period of 15 years (For reinvestment).**



Facilities

- **Exemption from import duty and sales tax on raw materials/components**
- **Exemption from import duty and sales tax on production machinery and equipment**
- **Free Zone (FZ) / License Manufacturing Warehouse (LMW)**
- **Free Commercial / Industrial Zone**

Investment Policies





Incorporation of a Legal Entity

- **Need to set up a company (*Sdn.Bhd*) and to be undertaken through company secretary**



Manufacturing License

- **Will be issued if the paid-up capital is RM2.5 million (Euro 500,000) and above or full time workers are 75 and above**



Equity Ownership

- **Foreigners are allowed to hold 100% equity ownership in the manufacturing and related services sectors.**



Employment of Expatriates

- Foreign companies are allowed to bring in expatriate personnel to hold
 - **key posts** (*posts that are permanently filled by foreigners*)
 - **term posts** (*posts that are filled by foreigners for a period of 1-5 years*)

Why Malaysia?





- **Political and Economic Stability**
- **Strong Government Support**
- **Liberal Investment Policies**
- **Transparent Policies**
- **Security of Intellectual Property**
- **Well Developed Infrastructure**
- **Excellent Financial Institutions**
- **Strong Supporting Industries**
- **Trainable, Educated Workforce**
- **Quality of Life**
- **Good Track Record**

ASEAN

- Population of 560 million consumers.
- Combined GDP of Euro 0.8 trillion





Free Trade Agreement

- **Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)**
- **Japan-Malaysia Economic Partnership Agreement (JMEPA)**
- **Malaysia-Chile FTA (MCFTA)**
- **Malaysia-New Zealand FTA (MNZFTA)**
- **ASEAN-China Free Trade Area (ACFTA)**
- **ASEAN-Japan Comprehensive Economic Partnership (AJCEP)**
- **ASEAN-Korea Free Trade Area (AKFTA)**
- **Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA).**

Thank you for your kind attention

