



**SPEECH FOR MR. ARHAM ABDUL RAHMAN
DEPUTY CHIEF EXECUTIVE OFFICER I**

**MIDA INVEST SERIES:
UNFOLDING STATES' BUSINESS POTENTIAL
A BRIEFING BY INVEST-IN-PENANG BERHAD**

**15 May 2019 (Wednesday)
Perdana Hall, Level 10, MIDA**

Salutation

YB Dato' Hj Abdul Halim Bin Hussain

Penang State EXCO

International & Domestic Trade, Consumer Affairs and Entrepreneurial Development.

YBhg. Dato' Seri Lee Kah Choon

Special Investment Advisor to Chief Minister of Penang

& Board of Director, InvestPenang

YBhg Dato' Loo Lee Lian

Chief Executive Officer

InvestPenang

Distinguished Guests,

Ladies and Gentlemen,

1. Good Morning. Welcome to the eighth briefing of MIDA's 'Invest Series: Unfolding States Potential'. Since early last year, MIDA has featured Perlis, Kedah, Kelantan, Pahang, Terengganu Sabah and Sarawak in our Invest Series event. The momentum is continued as today, YBhg. Dato' Seri Lee Kah Choon will be sharing with us the latest development and investment opportunities in Penang. I trust that all of us will gain much insight from this information sharing.

Ladies and Gentlemen,

2. Penang has consistently ranked among the top investment destinations in the country over the last five decades. As of 2018 (1980 to 2018), MIDA approved a total of 4,084 manufacturing projects with investments worth RM129.1 billion for Penang. These projects have created over 516,600 job opportunities, mainly in electrical and electronics products, basic metal products, scientific and measuring equipment, machinery and equipment and transport equipment. Approved foreign investments in the manufacturing sector totalled RM90.4 billion, accounting for 70 per cent of total investments approved for the State, while domestic investments assuming the remaining 30 per cent or RM 38.7 billion.

3. Last year alone, a total of 108 manufacturing projects to be located in Penang worth RM5.8 billion were approved by MIDA. One of the quality projects approved was from Boss Aerosystem a homegrown company with investments of RM246 million. The company is involved in the manufacturing of parts and components for aircraft engines, aerostructure, avionics and landing gears. Another local quality project approved last year was from Penang Automation Cluster (PAC), which is jointly owned by three Malaysian companies namely ViTrox, Pentamaster and Walta. The company specialises in high precision metal fabrication components, modules and systems.
4. For manufacturing projects with foreign participation located in Penang, among those approved by MIDA, last year, include projects from Toray Plastics, Frencken International, Pentax Medical and JLL Malaysia.
5. Since the arrival of the eight pioneer foreign companies also known as the '8 Samurais' [National Semiconductors, Intel, Hewlett Packard AMD, Bosch, Clarion, Osram and Hitachi] in Penang, in the 1970s, the state continues to have a strong presence of MNCs and Large Local Corporations (LLCs). Companies such as WD Media (Malaysia), Intel Technology, Jabil Circuits, B Braun Medical Industries, Osram Opto Semiconductor, HP Malaysia, Vitrox Technologies, Inari Group, Southern Steel, and DSEM System Technology hold much promise for business collaborations and opportunities.

Ladies and Gentlemen,

6. I want to take this opportunity to provide some updates on MITI and MIDA's current initiatives. The launch of Industry4WRD policy in October last year has been an important milestone to transform the manufacturing and manufacturing related services sectors by embracing Industry 4.0 technologies and processes.
7. The programmes to support the national vision for the transformation include the Readiness Assessment programme whereby up to 500 qualified SMEs can be part of the programme for free; a loan guarantee programme for companies to invest in automation and modernisation; the double tax deduction initiative to improve the employability of graduates and Industry 4.0 related skill competencies, as well as the Industry 4WRD Vendor Development Programmes.
8. Currently, MIDA facilitates Industry 4.0 related investments through schemes such as Tax Incentives, Domestic Investment Strategic Fund (DISF), Automation Capital Allowance (Automation CA) and High Impact Fund (HIF).
9. Multiple engagements with the business community are currently undertaken to highlight the policy and the Industry4WRD Readiness Assessment (RA) process. Through an online application, companies are encouraged to apply and undergo the RA. It is a comprehensive programme for manufacturing companies to assess their capabilities and readiness to adopt Industry 4.0 technologies and processes.

Ladies and Gentlemen,

10. For many that may not be aware, in addition to our office at the headquarters and overseas, MIDA has dedicated officers at the state level to connect investors with the State Government and other stakeholders along their supply chain. We organise many facilitation and outreach programmes to spur the domestic investment landscape further.
11. Taking into account that the various incentives and grants currently provided by the Government are insufficient to address the need of local companies, MIDA has also established a dedicated team under the Investment Coordination Platform or ICP to assist local companies or SMEs to grow their businesses and investment portfolio. The ICP team works closely with equity and venture capital firms, corporate finance advisory firms, government agencies as well as local regulators and technology providers. Among the advisory services and facilitation provided by the ICP team include business-to-business matching, and access to sources of capital through debt & equity, M&A, divestment and initial public listing or IPO.
12. MIDA has in place the i-Services Portal, a single market place to connect investors/companies interested to obtain services with local companies. I want to urge more local service providers to register their businesses in the portal as this gateway will help domestic players to expand their markets, and further boost their business activities.
13. We also have the i-Incentives Portal, a one-stop online platform which consist information of all incentives offered by the Federal Government of Malaysia. The portal, which covers all types of incentives including grants, tax exemptions and soft loans, cater for the manufacturing, services, and primary sectors. Please leverage this facility so that you can make well-informed investment decisions.

Ladies and Gentlemen,

14. As the principal government agency in charge of promoting investments, MIDA is committed to working hand in hand with various stakeholders to accelerate the transformation of Malaysia as an advanced nation with inclusive growth and sustainable development. Let us continue to work closely in creating a more conducive business environment for businesses to grow. On that note, I wish all of you a productive session ahead. Thank you.