

**WELCOMING REMARKS BY MR. ARHAM ABDUL RAHMAN
EXECUTIVE DIRECTOR,
INVESTMENT PROMOTION**

MIDA INVEST SERIES: UNFOLDING STATES' BUSINESS POTENTIAL

**A BRIEFING BY
KELANTAN STATE ECONOMIC DEVELOPMENT CORPORATION**

**8 FEBRUARY 2018 (THURSDAY)
PERDANA HALL, LEVEL 10, MIDA**

Salutation

Tuan Haji Mazli Zakuan bin Mohd Noor
Group Deputy Chief Executive Officer (Corporate Affairs)
Kelantan State Economic Development Corporation (KSEDC)

Distinguished Guests

Members of the Media

Ladies and Gentlemen,

1. Good Morning and welcome to the MIDA Invest Series: Unfolding States' Business Potential – our flagship programme in collaboration with state governments and agencies that will feature a total of 13 states throughout 2018.
2. In the previous two sessions, MIDA has featured the states of Perlis and Kedah. Today, our focus will be on Kelantan. We are indeed privileged to have the presence of the Group Deputy Chief Executive Officer of KSEDC himself, who will share with us the latest development and investment opportunities available in Kelantan. Thank you Tuan Haji Mazli for your strong support and cooperation in making this event possible.
3. I would also like to thank all participants representing various industries' associations and chambers for joining us this morning. The fact that many of you are here in this hall, speaks volumes of the eagerness to find out what these opportunities are and how we can best leverage them.

Ladies and Gentlemen,

4. As a state that is blessed with rich natural resources, Kelantan is certainly one of Malaysia's vibrant destinations for investments driven mainly in the services and agriculture sectors.
5. Although Kelantan is not usually associated with large scale industrial enterprises, the manufacturing sector continues to play a significant role in the overall state development, particularly in providing jobs and entrepreneurial opportunities towards increasing the living standards of people in Kelantan.
6. As at September 2017, a total of 292 manufacturing projects have been approved in Kelantan with investments worth RM6.48 billion. Majority of these investments or 78% (RM5.04 billion) were from domestic sources, while the rest were from foreign sources. These projects have created over 38,500 job opportunities, mainly in the non-metallic mineral products, electrical & electronic products, wood and wood products, food manufacturing, machinery and equipment and basic metal products.
7. Notable foreign companies operating in Kelantan include CMNM Mining Group from Singapore, Esquel from Hong Kong, Manakas from Germany and Rohm Wako from Japan. These five companies have invested a total of RM1.1 billion and provided 2,872 jobs for Kelantan. While, our local players include Terang Nusa that manufactures surgical and examination gloves, Ain Medicare in the pharmaceutical industry, and Kompleks Perkayuan Kelantan that produces integrated sawn timber. These 3 local companies contributed total investments of RM336.0 million and provided 3,269 jobs for the state.
8. I am pleased to highlight that Ain Medicare has recently entered into a strategic collaboration with A-Bio, a company established under the Malaysian Industry Government Group for High Technology or MIGHT. This RM20 million investment will see the manufacturing of higher value bio-based products in Kelantan.

Ladies and Gentlemen,

9. The Malaysian Government is committed in ensuring that no one is left behind in the country's journey to become a high income nation. With that in mind, the Federal Government has undertaken on several initiatives to raise the standard of living and quality of life, as well as attain balanced social and economic development across regions and states.
10. MITI and MIDA are certainly an integral part in realising this agenda. We are working closely with the Kelantan state government and agencies, not just in promoting the state at domestic and international forums, but also in addressing fundamental issues towards improving its business ecosystem and attractiveness as an investment destination within Malaysia.
11. To unleash the untapped potential of Kelantan, our MITI Minister YB Dato' Sri Mustapa Mohamed has established a Special Investment Committee in 2014 to further promote investments into Kelantan. This Special Investment Committee, comprising of MITI, MIDA, ECERDC and State Government agencies, is primarily responsible for formulating investment promotion strategies and spearheading promotional programmes, identifying and enhancing the required enablers as well as extending facilitation towards implementation of investment projects. Presently, efforts are also being undertaken to develop full range of basic and quality infrastructure in Kelantan – a factor that often impedes the competitiveness of this state.
12. We are also working together in bringing in more business opportunities to Kelantan through specific development projects such as the Tok Bali Supply Base (TBSB) and Pasir Mas Halal Industrial Park (PMHP).
13. MIDA has established a Task Force to facilitate and monitor the development of Tok Bali Supply Base (TBSB) and we have been actively promoting the area as a strategic oil and gas logistics hub. Today, we are pleased to see that this humble fishing port in Pasir Puteh has been transformed into a significant supply base to support offshore activities, in complementing the other supply bases in Kemaman, Terengganu and Labuan.
14. The Tok Bali Supply Base is envisioned to become a One-Stop Centre for Production Sharing Contracts (PSCs) and services companies in the Joint Development Area and North Malay Basin. The supply base is well equipped to provide bunkering services for fuel and portable water,

mechanical handling and equipment, bonded warehousing and port services to oil and gas companies.

15. MIDA is also collaborating with the ECERDC and KSEDC to attract more private investors to the Pasir Mas Halal Park (PMHP).
16. Taking advantage of the growing demands for halal products, the Pasir Mas Halal Park concentrates on the production of high-value added additives and ingredients that has numerous applications, from food additives to raw materials for food and beverage industry. The project is expected to attract RM611 million in private investments and create more than 4,200 job opportunities by 2020.
17. The Park is ideally situated to take advantage of R&D joint-efforts with the ECER Centre of Excellence (CoEs), namely the Universiti Sultan Zainal Abidin (UniSZA) Malaysia's Regional Centre for Halal Products.

Ladies and Gentlemen,

18. We hope that through the information sharing today, participants will be enticed to consider Kelantan as the next location for your new or expansion projects. In doing so, please leverage on available facilities provided by the Government including the Domestic Investment Strategic Fund (DISF), a grant to accelerate the shift of Malaysian-owned companies in targeted industries to high valued-added, high technology, knowledge-intensive and innovation-based industries.
19. Although the DISF has been in existence since 2012, the fund has not been fully utilised by industry players in Kelantan. As at December 2017, only 2 projects in Kelantan worth RM135.7 million have been approved with DISF of RM9.4 million as compared to the overall DISF approvals of RM1.33 billion accorded to 270 projects.
20. As the principal investment promotion agency of Malaysia, rest assured that MIDA will continue to work closely with the Kelantan State Government as well as other state agencies to develop an inclusive and sustainable economic growth particularly in the targeted sectors.
21. MIDA has an office in Kota Bahru that stands ready to serve the needs of investors on the ground. Please do take advantage of our SME Investment Desk which has been established in MIDA HQ as well as states offices to gain one-on-one advisory services on your project interest and implementation.

22. With that, once again, thank you for your presence, and I wish all of you a productive and fruitful session ahead.

Thank you.