

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

**MIDA INVEST SERIES:
UNFOLDING STATES BUSINESS POTENTIAL
A BRIEFING BY PAHANG STATE DEVELOPMENT CORPORATION**

23 FEBRUARY 2018 (FRIDAY), PERDANA HALL, MIDA

Acknowledgment:

YH. Dato' Haji Ahmad Sabri bin Hussin
Deputy Chief Executive Officer, Operation
Pahang State Development Corporation

Distinguished Guests,

Ladies and Gentlemen,

1. A very good morning and welcome to MIDA Invest Series: Unfolding States Business Potential. Already into its fourth run, this event seeks to highlight the competitive advantages of each state as a unique investment location in Malaysia.
2. Today, our focus will be on Pahang, the largest state in Peninsular Malaysia. We are pleased to have with us today, our distinguished guest, YH. Dato' Haji Ahmad Sabri bin Hussin, Deputy Chief Executive Officer, Operation, Pahang State Development Corporation whom will enlighten us on investment opportunities in the state.

Ladies and Gentlemen,

3. As at September 2017, a total of 698 manufacturing projects have been approved in Pahang with investment worth RM43.1 billion. Majority of these investment or 56% (RM24.0 billion) were from foreign sources, while the rest (44% or RM19.1 billion) were from domestic sources. These projects have created over 90,000 job opportunities, mainly in the petroleum products, basic metal products, chemical

and chemical products, electronics and electrical products, and non-metallic mineral products.¹

4. Notable companies operating in Pahang include BASF Petronas Chemical, RP Chemicals, Kinsteel Berhad, CSWind Malaysia (formerly known as Eco Tower), Straits Cement, Polyplastics Asia Pacific and Kaneka.² Besides creating job opportunities, these large manufacturing companies have contributed to the development of the industrial ecosystem as well as business opportunities for small and medium sized companies (SMEs).
5. Much of these successes are the direct result of the close working relationship between the federal and state Government to develop and improve the state's standing in the country. These efforts, particularly in delivering the high-impact projects and public infrastructures as what I will mention next, have been ongoing, big and strong.
6. First, the East Coast Railway Line (ECRL) project. This world-class infrastructure project will be the game changer for industries and existing developments on the east coast region. It will provide additional trade routes and become the transport backbone to drive sustainable development in Peninsular Malaysia. The ECRL project, which is expected to be completed in 2024, will link several key east coast industrial hubs such as Kertih Port, Kemaman Port and Kuantan Port directly to the west coast of the peninsular.³
7. Second, the Malaysia-China Kuantan Industrial Park (MCKIP). This is the first industrial park in Malaysia to be accorded 'National Industrial Park' status.⁴ MCKIP targets heavy industry as well as high end and high technology industry such as steel and non-ferrous metals; machinery and equipment manufacturing; clean technology and renewable energy; oil and gas; petrochemical; electrical and electronics as well as research and development. MCKIP will grow to become an important economic driver with the aim of creating 19,000 jobs by 2020.⁵
8. Third, the Kuantan Port. This multi-cargo port had succeeded in strengthening its position as a leading petrochemical hub port and container terminal in the east coast region. Kuantan Port's advantage lies in its strategic location facing the

1 E-Investment System, Statistics Division

2 E-Investment System, Statistics Division and confirmed by MIDA Pahang

3 The Star Article: Unlocking the value of our east coast dated 28 July 2017

4 HKTDC Research : Prospects for the Malaysia-China Kuantan Industrial Park and Kuantan Port dated 16 May 2017

5 The Star Article: Kuantan Port set to spur economy dated 20 Nov 2017

South China Sea, one of the busiest shipping lanes in the world. The port that is currently undergoing expansion work to include a New Deep Water Terminal (NDWT) will double its capacity to 52 million freight weight tonnes (FWT)⁶ and is expected to emerge as one of the fastest routes to major ports in China and Asia-Pacific Markets.⁷ This will place MCKIP as a key investment hub in Asia Pacific.

9. Last but not least, the Tanjong Agas Maritime Park (formerly known as Tanjong Agas Oil & Gas and Logistic Industrial Park). This project is set to become the supply base and marine services hub for modern and complete facilities for the oil and gas industry. Its ideal location will help to spur economic development and attract additional investments in Malaysia's maritime and oil and gas business sectors that is expected to contribute RM30 billion to the Gross National Income⁸ and create 30,000 jobs by 2020.⁹
10. We are optimistic that these projects will be an impetus to attract more quality investments into Pahang, particularly in targeted sectors. Not only do they strengthen the state's comprehensive ecosystem; but they also improve the production and logistical efficiency; reduce the cost of doing business, and support greater flow of trades and investments into the state. We trust that these projects will further stimulate Pahang's economic growth and create high value jobs for its people.

Ladies and Gentlemen,

11. With so much room available for new investment, expansion and diversification, we look forward to more companies taking advantage of the established ecosystem and facilities that Pahang has to offer.
12. The Government, through MIDA has established a Domestic Investment Strategic Fund (DISF) to accelerate the shift of Malaysian-owned companies in targeted industries to high value-added, high technology, knowledge-intensive and innovation-based industries. Under this scheme, MIDA has approved 270 projects with investments of RM13 billion as at December 2017. For Pahang, a total of RM29.2 million was granted for 6 projects worth RM1.1 billion. These

6 The Star Article: Kuantan Port set to spur economy dated 20 Nov 2017

7 NST Article: Pahang becoming top investors destination dated 4 July 2017

8 Pemandu Website : Tanjong Agas Oil & Gas and Logistics Industrial Park dated 30 Nov 2010

9 Utusan Online Article: Tanjong Agas Oil & Gas and Logistics Industrial Park to be one-stop centre dated 1 Dec 2010

projects were in oil and gas services, transportation technology, chemical and advanced material.

13. MIDA has an office in Kuantan that is ever ready to serve the needs of investors on the ground. We also have established an SME Investment Desk at all our state offices. Investors including SMEs are encouraged to visit our state office to find out more about our services or if you require facilitation at any stage of your project implementation.
14. MIDA will continue to work closely with the Pahang State Government as well as other government agencies to ensure the conducive business environment.
15. I would like to encourage everyone to leverage on facilities provided by the state government and to consider Pahang as the next location for your new or expansion projects.
16. With that, I wish all of you a productive session ahead. Thank you.