



# **BUSINESS AND INVESTMENT OPPORTUNITIES IN SARAWAK**

**AT MIDA INVEST SERIES: UNFOLDING STATES' BUSINESS POTENTIAL**





# BUSINESS AND INVESTMENT OPPORTUNITIES IN SARAWAK

*Presented by*

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**PERMANENT SECRETARY**

**MINISTRY OF INDUSTRIAL AND ENTREPRENEUR DEVELOPMENT  
SARAWAK**

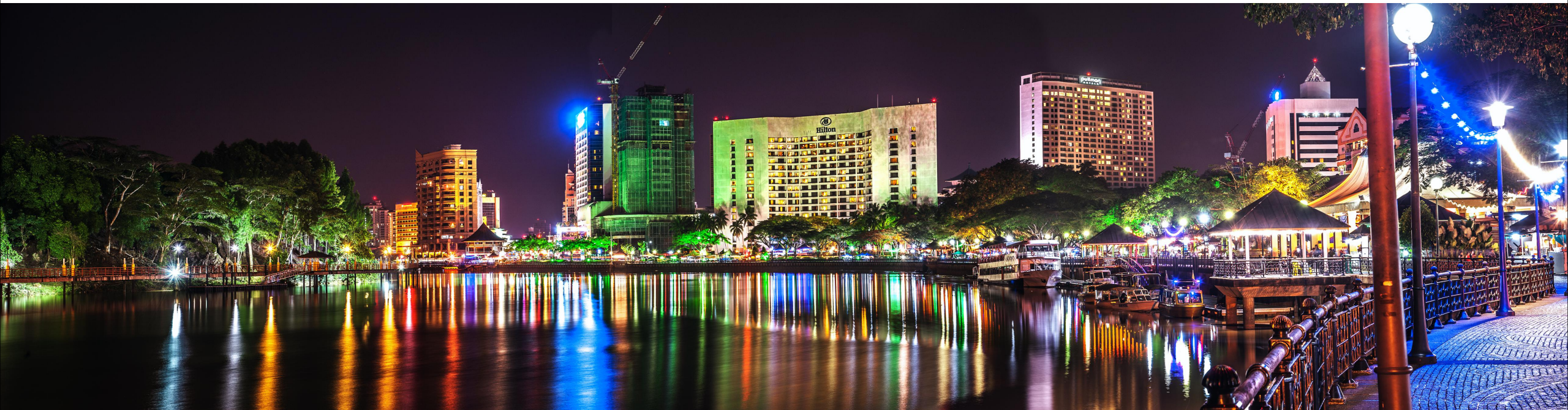
**AT MIDA INVEST SERIES: UNFOLDING STATES' BUSINESS POTENTIAL**







# WELCOME TO SARAWAK LAND OF THE HORNBILLS





# WELCOME TO SARAWAK





# BEAUTIFUL KUCHING CITY OF UNITY





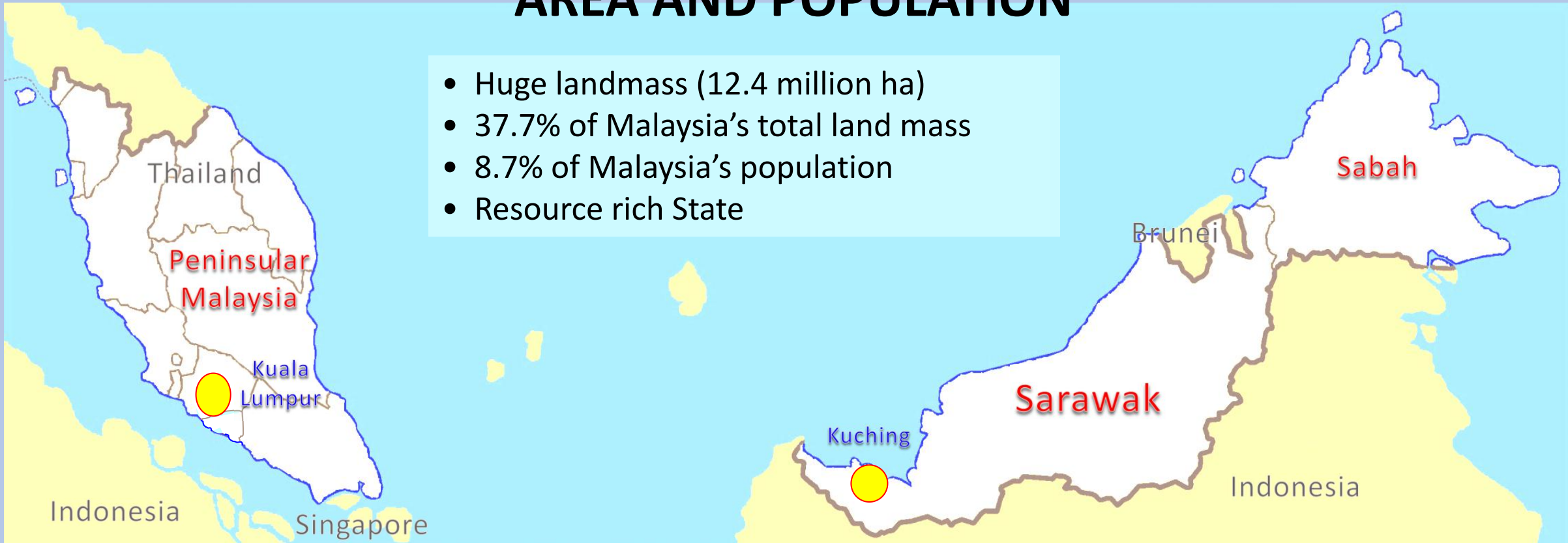






# AREA AND POPULATION

- Huge landmass (12.4 million ha)
- 37.7% of Malaysia's total land mass
- 8.7% of Malaysia's population
- Resource rich State



## MALAYSIA

Area: **330,803 Sq. Km.**

Population: **31.7 Million**

Capital City: **Kuala Lumpur**

Number Of State: **13**

Number Of Federal Territory: **3**

## SARAWAK

Area: **124,450 Sq. Km.**

Population: **2.8 Million**

Capital City: **Kuching**

Number Of Division: **12**

Number Of District: **40**



# ABUNDANT NATURAL RESOURCES







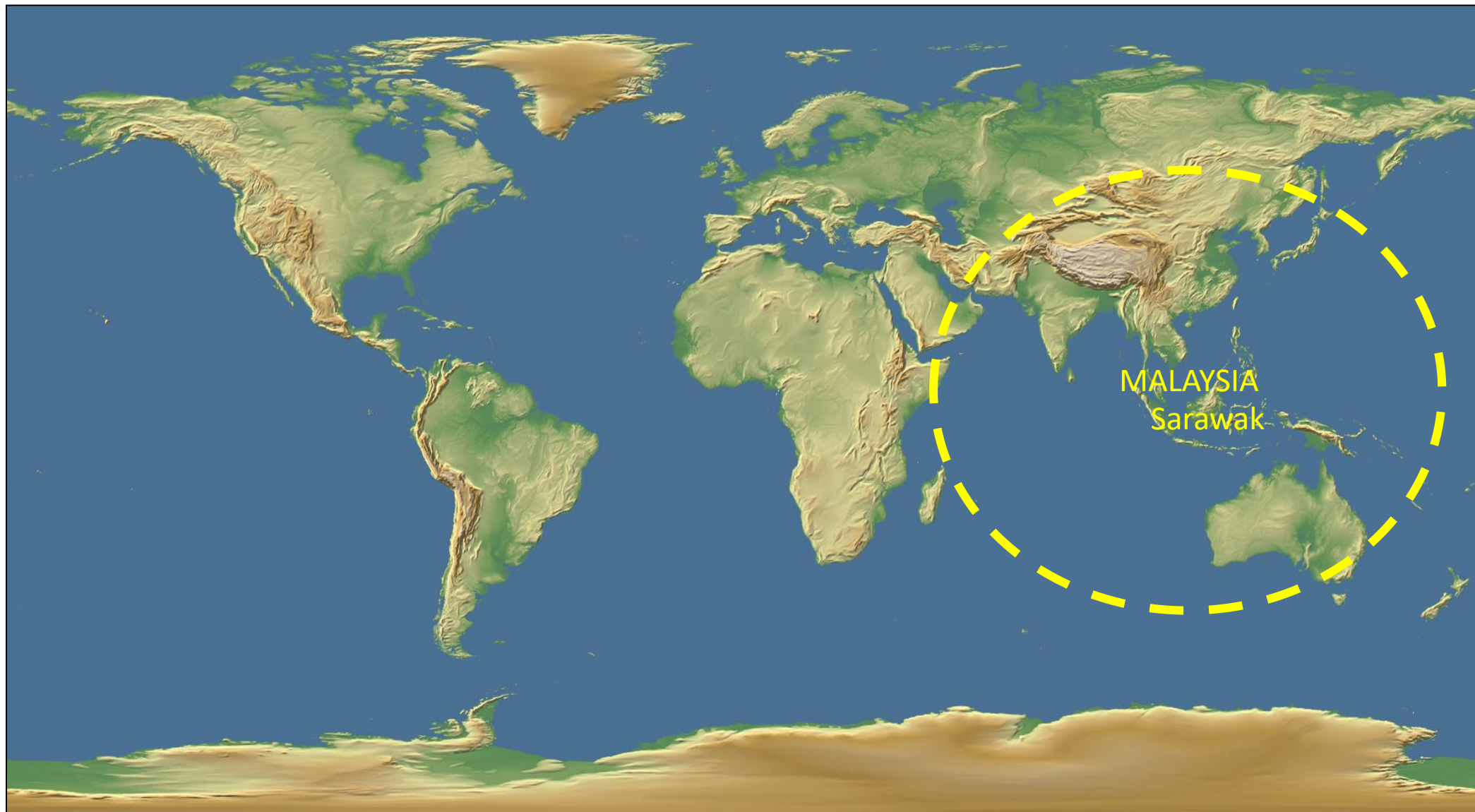
# MULTI-ETHNIC POPULATION







# LOCATION OF SARAWAK



Strategically located in the booming Asia markets...





# OPPORTUNITIES IN ASEAN ECONOMIC COMMUNITY (AEC)

POPULATION  
**625 million**

GDP  
**USD 2,398 Billion**

GDP GROWTH  
**4.4%**

GDP PER CAPITA  
**USD 3,837**

TOURIST ARRIVALS  
**102 Million**  
45% INTRA-ASEAN

TOTAL TRADE  
**USD 2.53 Trillion**

INTRA-ASEAN TRADE  
**USD 608 Billion**  
Ratio to GDP : 104.7%

TOTAL FDI  
**USD 136 Billion**

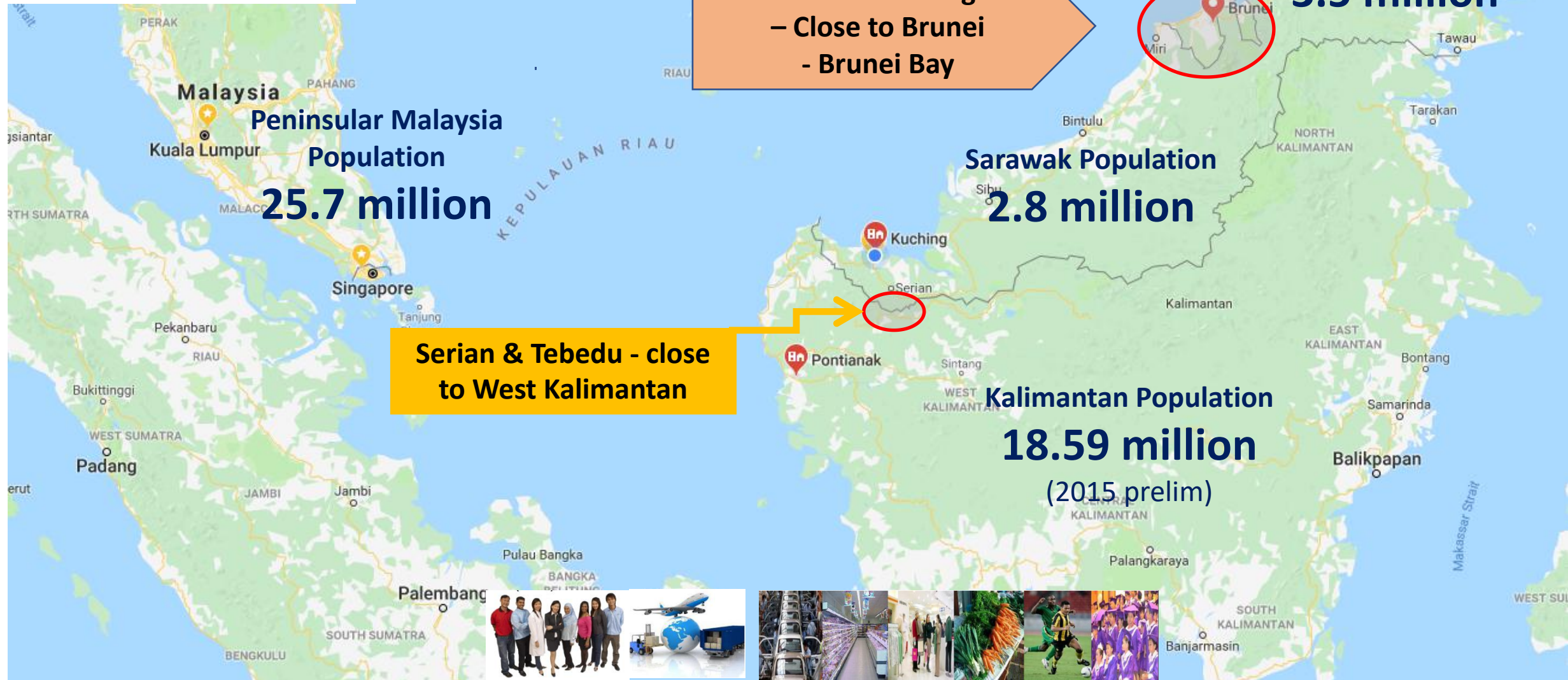
INTRA-ASEAN FDI  
**USD 23 Billion**

**Free movement of goods, services and investments...**



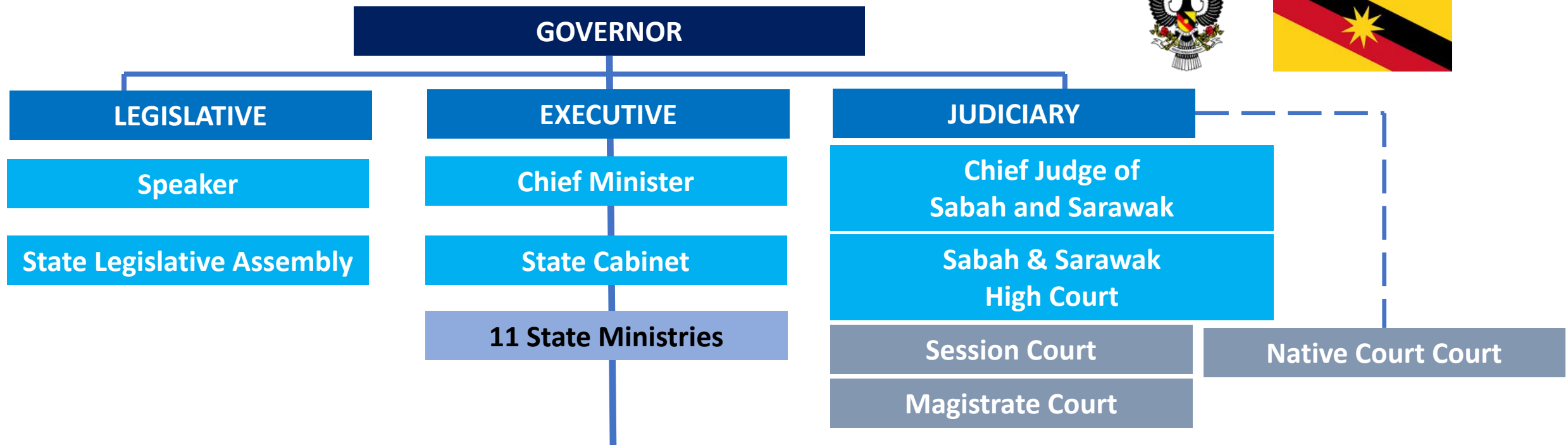


# OPPORTUNITIES FOR CROSS BORDER TRADE





# STRUCTURE OF THE SARAWAK STATE GOVERNMENT

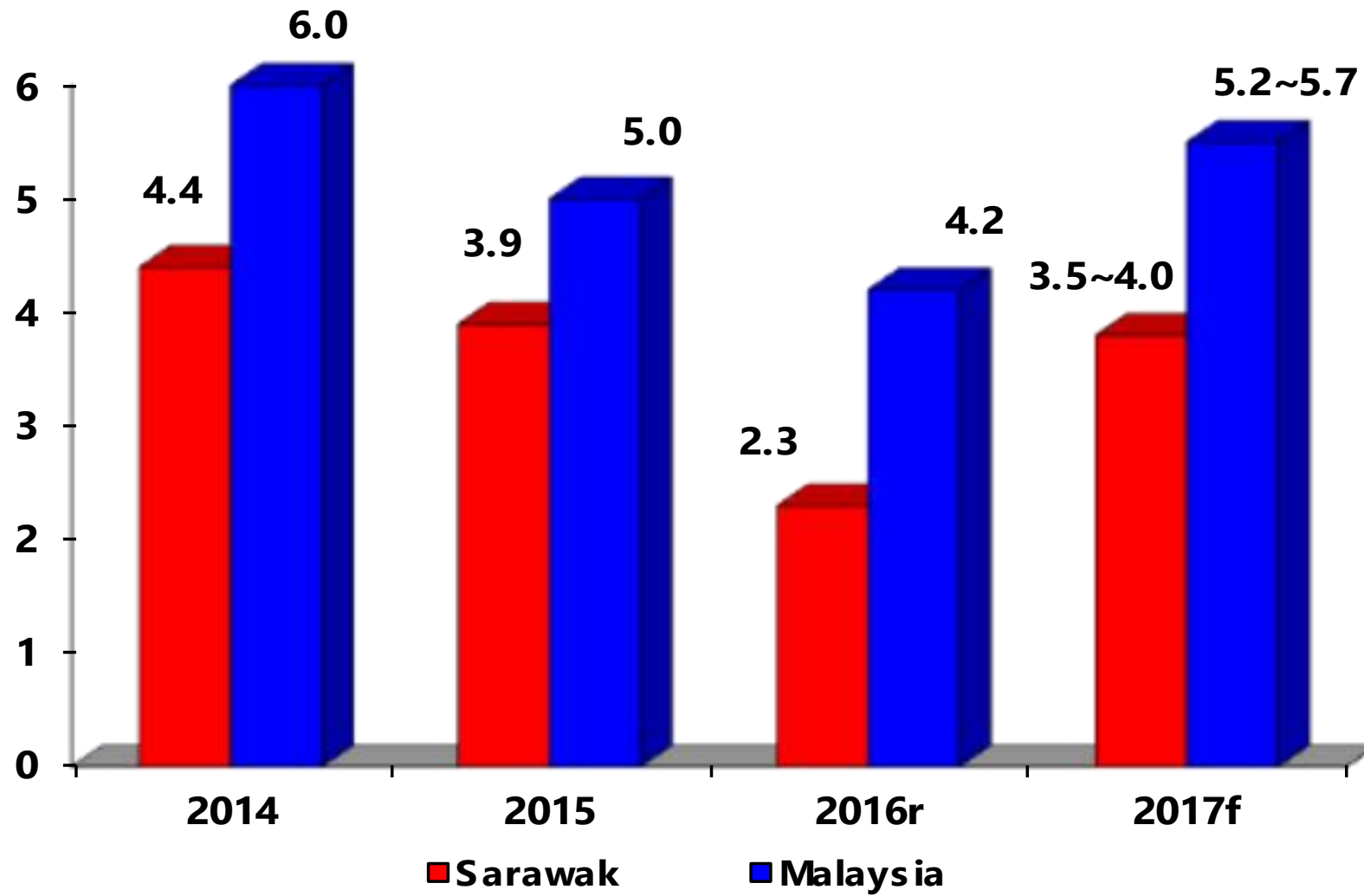


- |   |   |
|---|---|
| 1. MINISTRY OF URBAN DEVELOPMENT AND NATURAL RESOURCES                          | 7. MINISTRY OF LOCAL GOVERNMENT AND HOUSING   |
| 2. MINISTRY OF MODERNISATION OF AGRICULTURE, NATIVE LAND & REGIONAL DEVELOPMENT | 8. MINISTRY OF WELFARE, COMMUNITY WELL BEING, WOMEN, FAMILY AND CHILDHOOD DEVELOPMENT |
| 3. MINISTRY OF INFRASTRUCTURE DEVELOPMENT AND TRANSPORTATION                    | 9. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGICAL RESEARCH                          |
| 4. MINISTRY OF INDUSTRIAL AND ENTREPRENEUR DEVELOPMENT                          | 10. MINISTRY OF UTILITIES   |
| 5. MINISTRY OF INTERNATIONAL TRADE AND E-COMMERCE                               | 11. MINISTRY OF TOURISM, ARTS, CULTURE, YOUTH AND                                     |
| 6. MINISTRY OF FINANCE  |   |



# SARAWAK ECONOMY

GDP Growth  
(%)



**2017**  
**4.7% GDP**  
**Growth**





# SARAWAK NOMINAL GDP RM114 BILLION



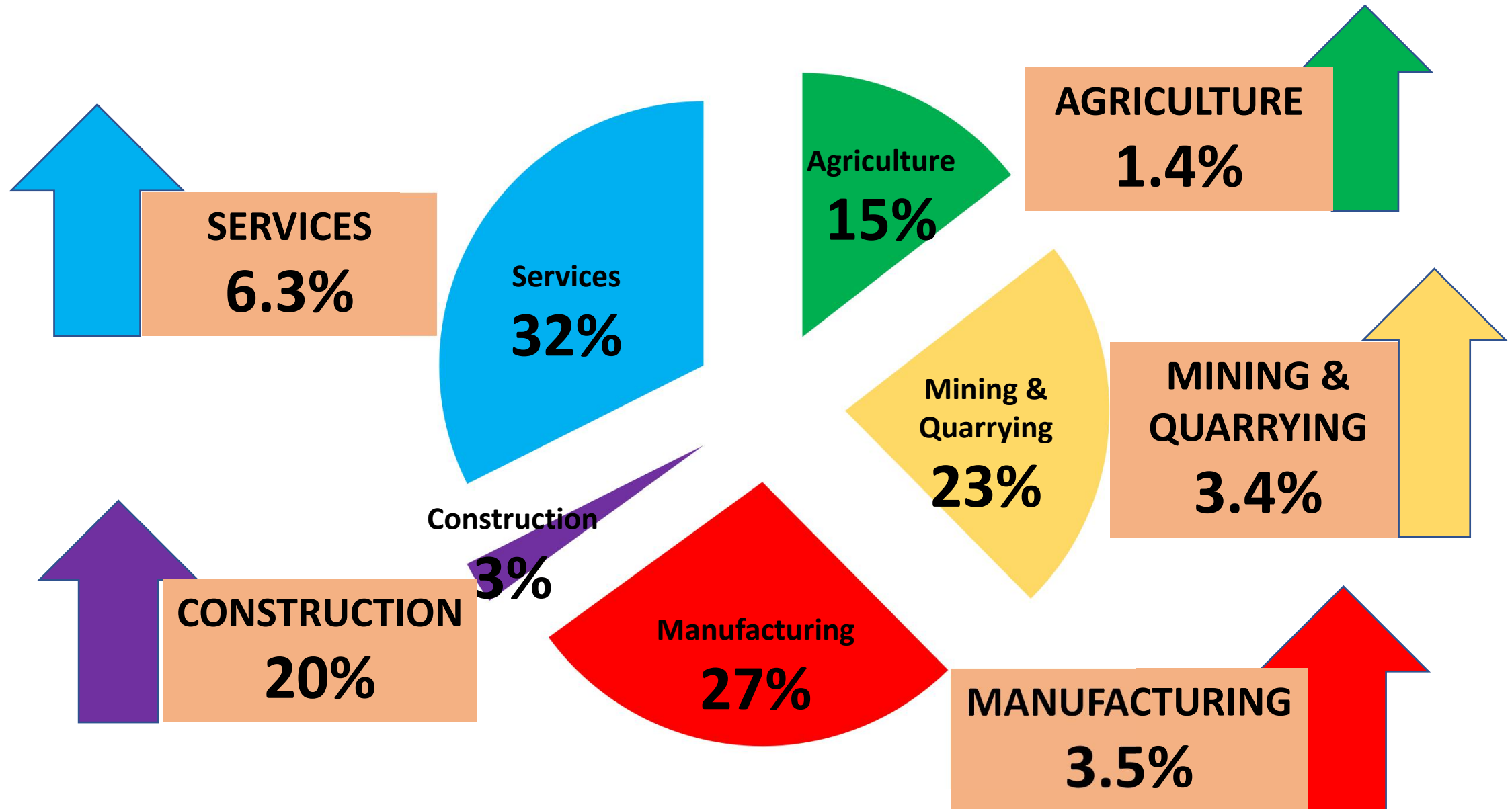


**SARAWAK GDP PER  
CAPITA**

**RM49,327**



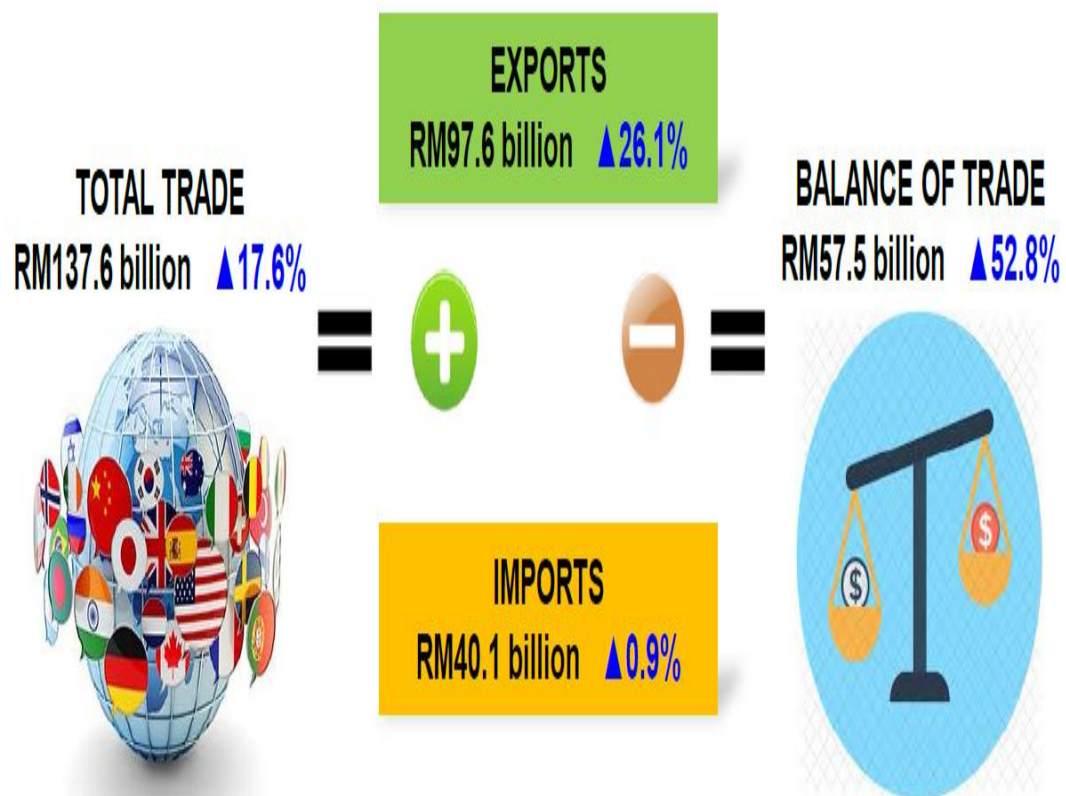
# SARAWAK'S MAIN DRIVERS OF GROWTH





## SARAWAK EXTERNAL TRADE STATISTICS, 2017

Total trade in 2017 was valued at RM137.6 billion, recorded a double-digit growth of 17.6% compared to 2016.



### FIVE EXPORTS OF MAJOR AND SELECTED COMMODITIES



**Liquefied Natural Gas**  
RM41.9 billion (43.0%)



**Palm Oil**  
RM11.0 billion (11.3%)



**Crude Petroleum**  
RM9.7 billion (10.0%)



**Aluminium**  
RM6.5 billion (6.7%)



**Condensate and Other Petroleum Oil**  
RM5.0 billion (5.1%)

### FIVE MAIN IMPORTS BY COMMODITY SECTIONS



**Machinery and Transport Equipment**  
RM13.1 billion (32.6%)



**Chemicals**  
RM6.2 billion (15.5%)



**Manufactured Goods**  
RM5.1 billion (12.7%)



**Food**  
RM4.6 billion (11.5%)



**Crude Materials, Inedible**  
RM3.7 billion (9.3%)





## TOP FIVE TRADING PARTNERS



**Peninsular Malaysia**  
**RM34.7 billion**  
**(25.2%)**



**Japan**  
**RM30.1 billion**  
**(21.9%)**



**People's Republic of China**  
**RM15.7 billion**  
**(11.4%)**

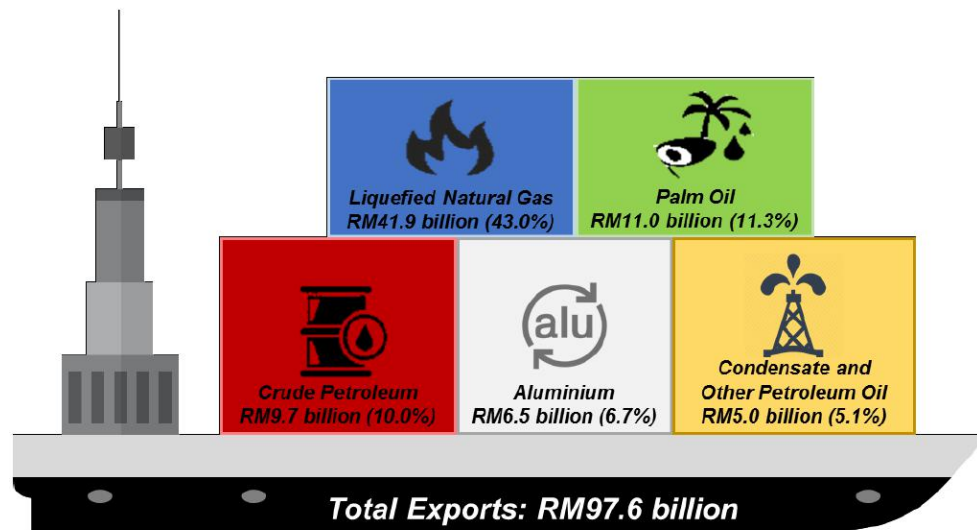


**Republic of Korea**  
**RM9.1 billion**  
**(6.6%)**

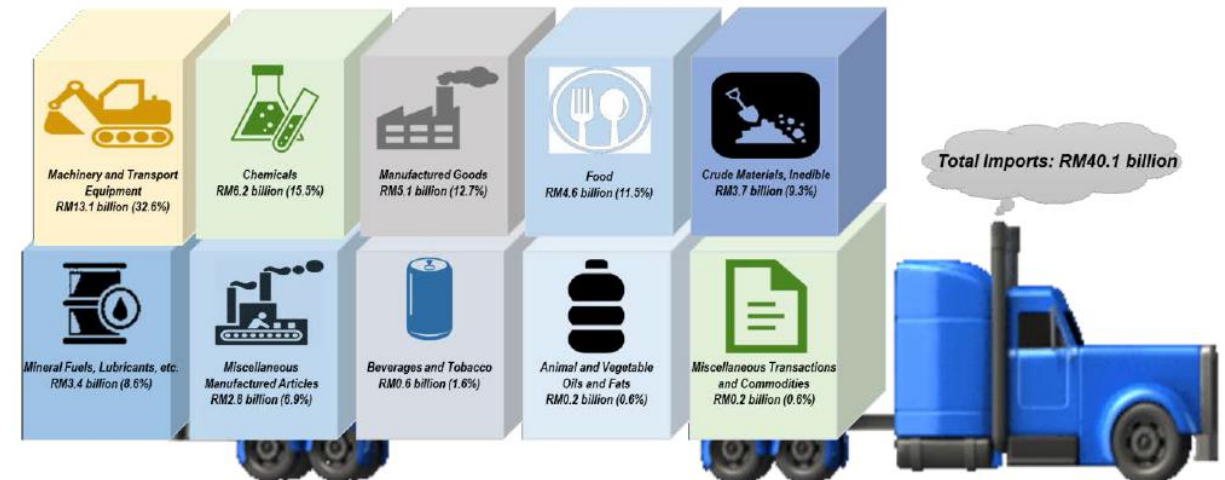


**Taiwan**  
**RM6.9 billion**  
**(5.0%)**

*Top Five Exports of Sarawak Major and Selected Commodities, 2017*



*Sarawak's Imports by Commodity Sections, 2017*





# STATE CREDIT RATING

**Standard &  
Poor's**

A-

Stable  
Outlook

**Moody's  
Investors Services**

A3

Stable  
Outlook

# POLITICAL STABILITY AND BUSINESS FRIENDLY POLICIES







# MODERN INFRASTRUCTURE



BINTULU PORT



SENARI PORT





# YOUNG AND SKILLED WORKFORCE



# EASE OF DOING BUSINESS



## WORLD BANK REPORT 2017

Malaysia Ranking

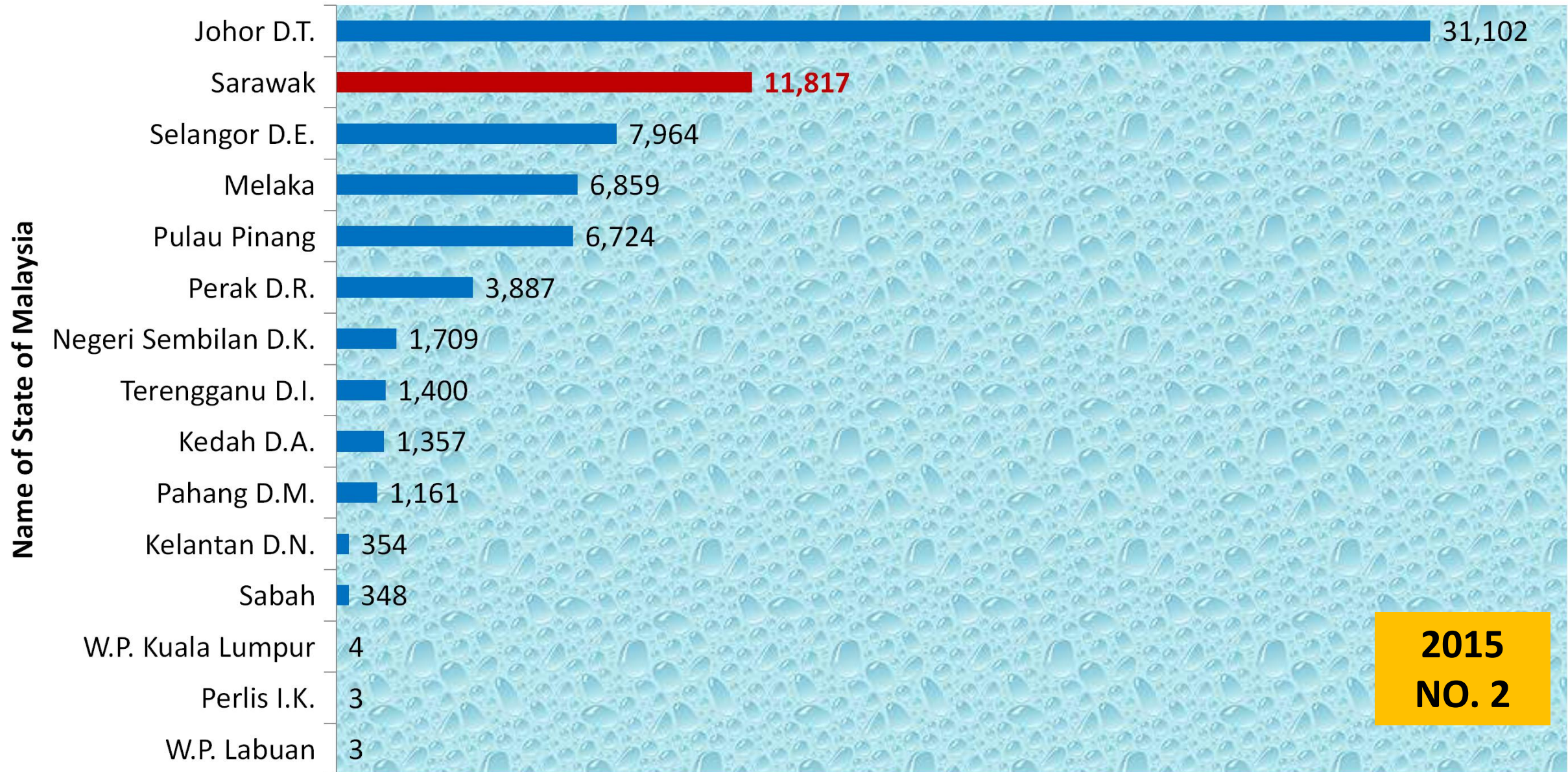
**NO. 2 – ASEAN COUNTRIES**

**NO. 7 – ASIA PACIFIC**





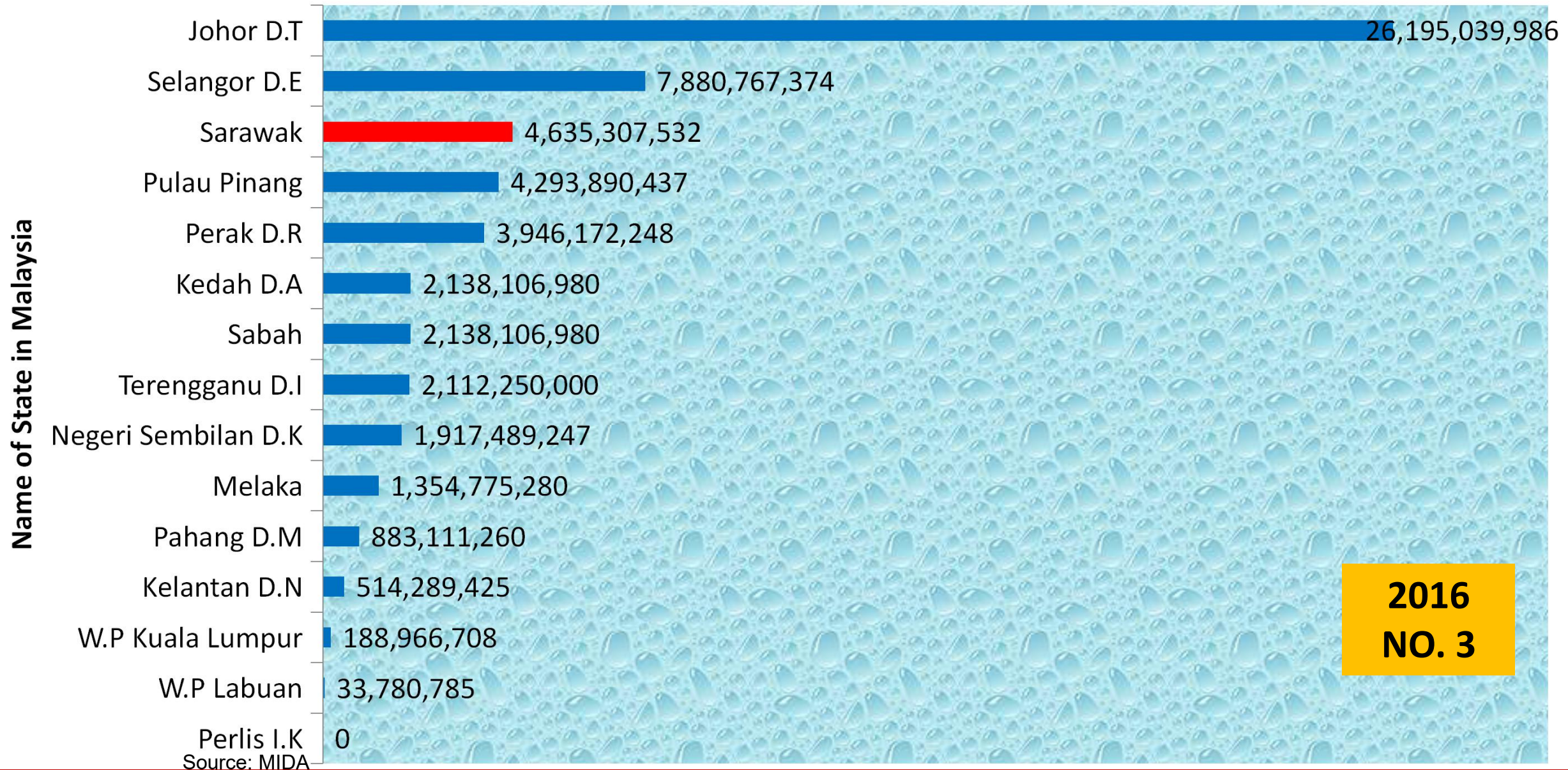
# TOTAL PROPOSED CAPITAL INVESTMENT FOR 2015 (RM MILLION)



**2015  
NO. 2**



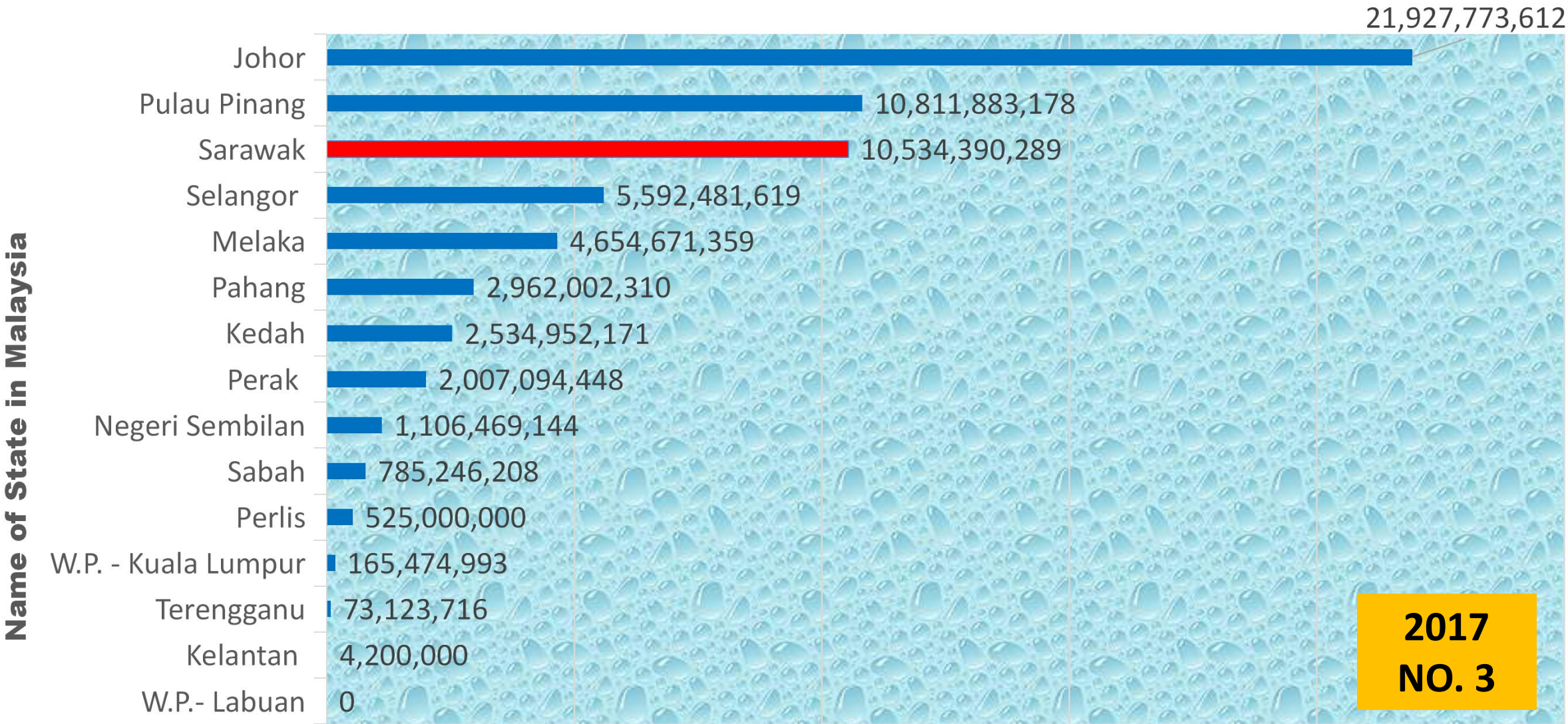
# TOTAL PROPOSED CAPITAL INVESTMENT FOR 2016 (RM MILLION)







# TOTAL PROPOSED CAPITAL INVESTMENT FOR 2017 (RM)



Source: MIDA



# FEDERAL TAX INCENTIVES

<b>PIONEER STATUS*</b>	<b>70%</b> tax exemption on statutory income for 5 years
<b>INVESTMENT TAX ALLOWANCE*</b>	<b>60%</b> allowance on qualifying capital expenditure incurred within 5 years & can be utilised to offset against <b>70%</b> of statutory income
<b>REINVESTMENT ALLOWANCE*</b>	<b>60%</b> allowance on qualified capital expenditure & is free to offset against <b>70%</b> of statutory income
<b>LESS DEVELOPED AREA</b>	<ul style="list-style-type: none"><li>• Income Tax Exemption or Investment Tax Allowance</li><li>• Stamp duty exemption</li><li>• Withholding duty exemption</li><li>• Import duty exemption</li></ul>

**\* Applicable to SMEs – based on MIDA Priority List**



# STATE INCENTIVES

## INDUSTRIAL LAND

- **~RM20 per sq. ft.** with 30% rebates on premium if project is completed and operational within specified period
- Affordable

## POWER SUPPLY

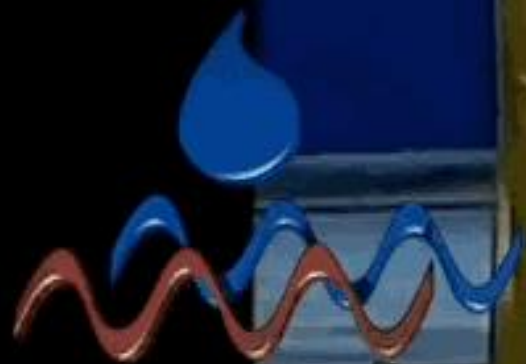
- Among the **cheapest tariff** in the region
- **~75% Green Energy** (Hydro)
- Stable and Reliable
- Power Purchase Agreement (PPA) available for energy intensive and long-term users

## WATER SUPPLY

- Abundant clean water supply
- Treated water



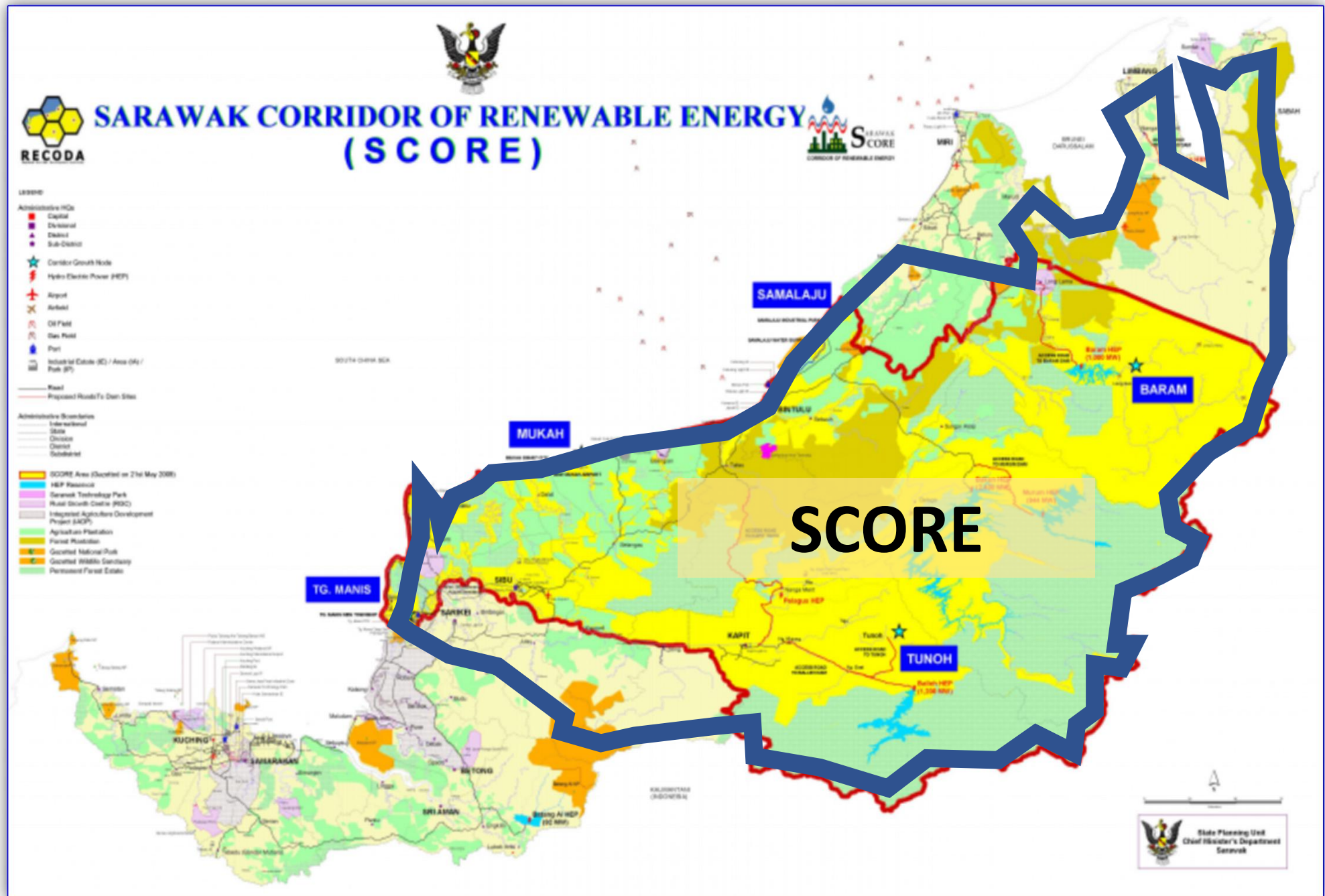
# LAUNCHING OF SCORE 2008 BY TUN ABDULLAH BADAWI



SARAWAK  
SCORE

CORRIDOR OF RENEWABLE ENERGY









**20,000 MW**

renewable hydropower potential

**14 economically viable sites –**  
**8,000 MW** potential



# INSTALLED CAPACITY IN MALAYSIA

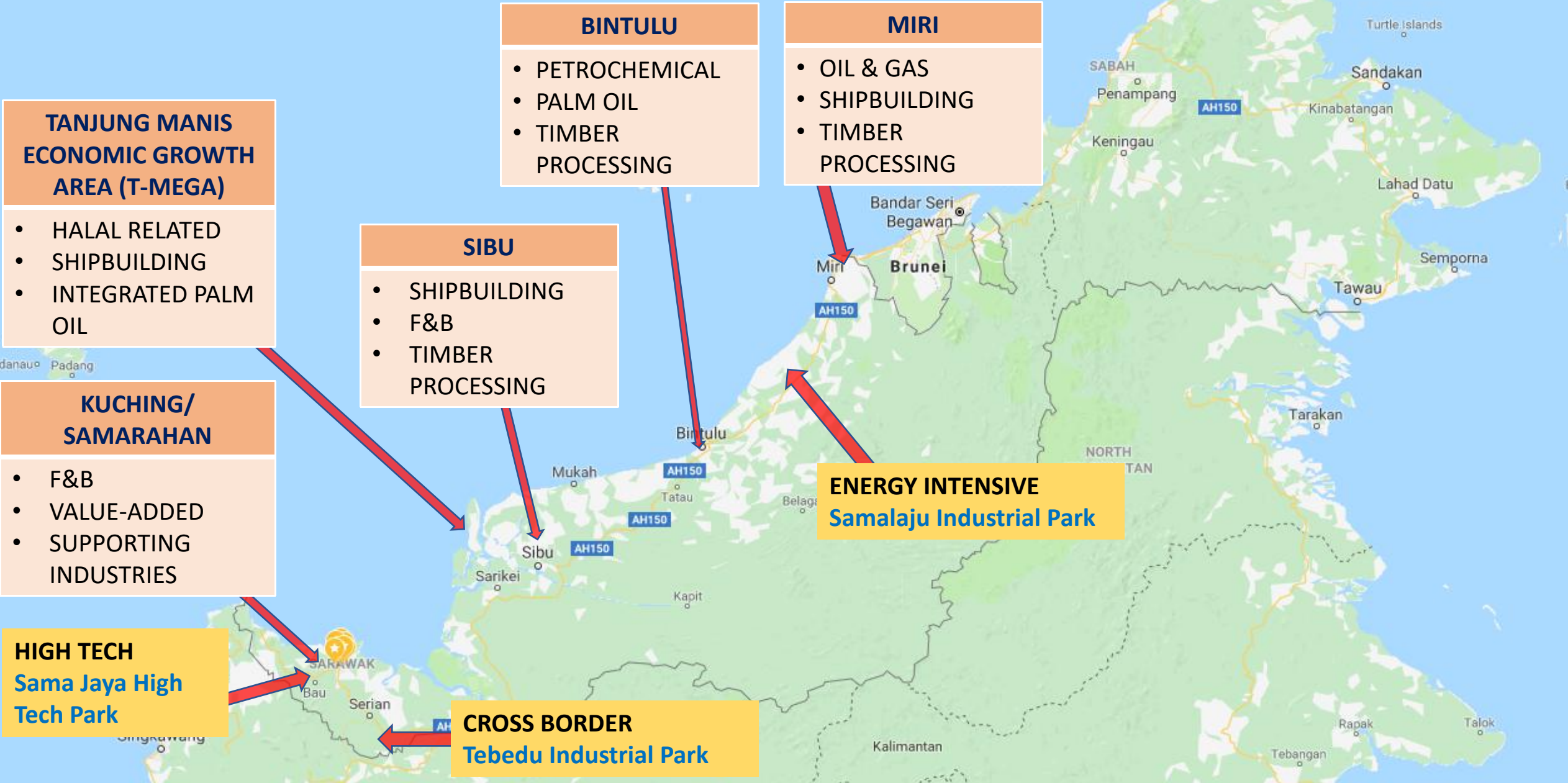


Fuel		PENINSULAR		SABAH		SARAWAK		MALAYSIA	
		Capacity (MW)	%	Capacity (MW)	%	Capacity (MW)	%	Capacity (MW)	%
1	Coal	9,056	38.8	0	0	480	10.3	9,546	32.5
2	Gas	11,324	48.4	968	74.7	595	12.8	12,886	43.9
3	Hydro	2,529	10.8	82	6.3	3,452	74.2	6,602	20.7
4	Diesel/MFO	0	0	187	14.4	114	2.5	301	1.0
5	Biomass	102	0.4	40	3.1	11	0.2	142	0.5
6	Solar	265	1.1	10	0.8			275	0.9
7	Biogas	55	0.2	3	0.2			58	0.2
8	Mini Hydro	44	0.2	6.5	0.5			51	0.2
9	<b>TOTAL*</b>	<b>22,385</b>	<b>100</b>	<b>1,296</b>	<b>100</b>	<b>4,652</b>	<b>100</b>	<b>29,333</b>	<b>100</b>
	<b>RE + Hydro</b>	<b>2,995</b>	<b>12.8</b>	<b>141</b>	<b>10.9</b>	<b>3,463</b>	<b>74.4</b>	<b>6,599</b>	<b>22.5</b>

Note: \* Excludes co-generation and self generation  
(Source: Suruhanjaya Tenaga)



# DISTRIBUTION OF MAJOR MANUFACTURING INDUSTRIES IN SARAWAK







# Summary of Approved Investment By Type of Industry In SCORE

Industry		No. of Project	Investment (RM Bn)
1. Basic Metal Products		17	28.04
2. Chemical and Chemical Products		2	3.46
3. Petrochemical and Polymer Industry		1	0.03
4. Food Manufacturing		2	2.11
Total		22	33.64
5.	SAMALAJU INDUSTRIAL PARK (SIP)	7	USD5.4 B

Bakun - Mile 32 Junction

Samalaju Port

Samalaju Eco-Township

View from Kuala Nyalau

Samalaju Raw Water Intake

# SAMALAJU INDUSTRIAL PARK

*“Centre for Heavy and Energy Intensive Industries”*



- Samalaju Industrial Park has an area of more than 8,000 hectare.
- One of the biggest industrial parks in the country.
- Being developed with the industrial infrastructures including a dedicated port facilities and a new township.



Samalaju Resort Hotel



Samalaju Industrial Port



Polycrystalline Silicon Plant



Aluminium Plant



Ferroalloys Plant





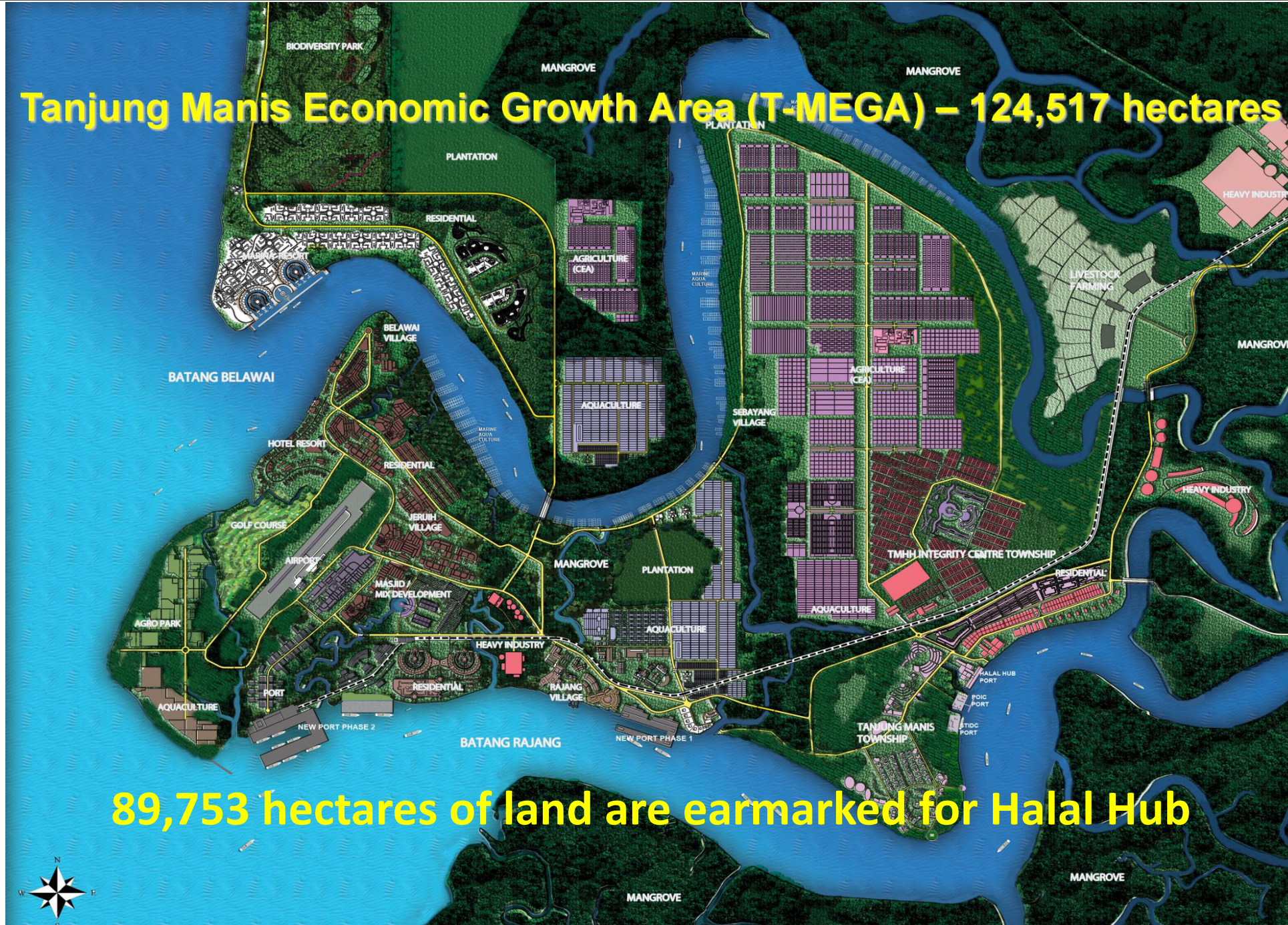
# ENERGY INTENSIVE INDUSTRIES – SAMALAJU IP







# Tanjung Manis Economic Growth Area (T-MEGA) – 124,517 hectares



89,753 hectares of land are earmarked for Halal Hub



# Facilities at Tanjung Manis Economic Growth Area



Palm Oil Industrial Cluster (POIC)



Central Oil Distribution Terminal (CODT)

Oil, Gas & Chemical (OGC) Jetty

Tanjung Manis Integrated Port

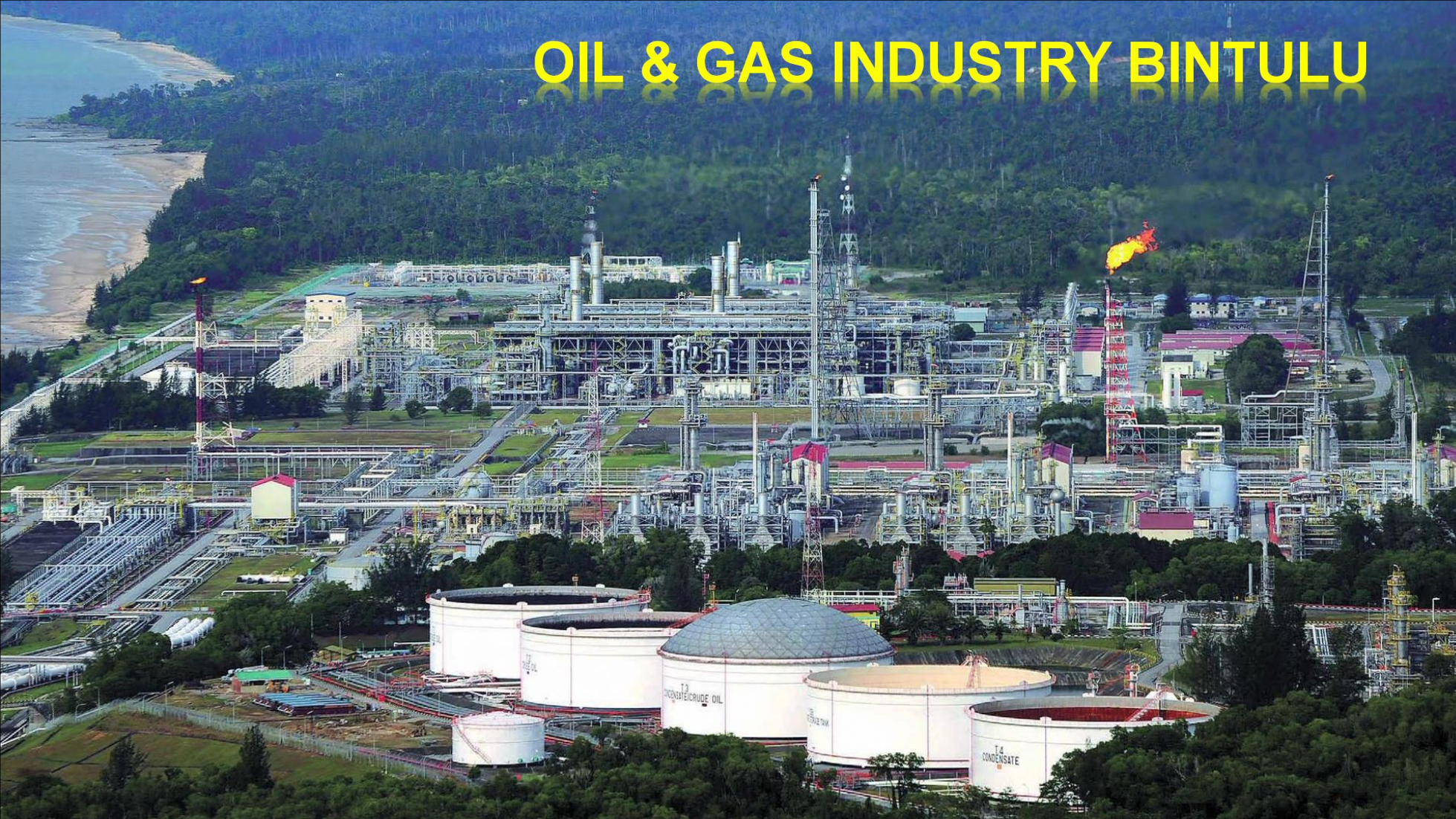


Tanjung Manis Deep Sea Fishery Port





# OIL & GAS INDUSTRY BINTULU



**PETRONAS**



**Shell**



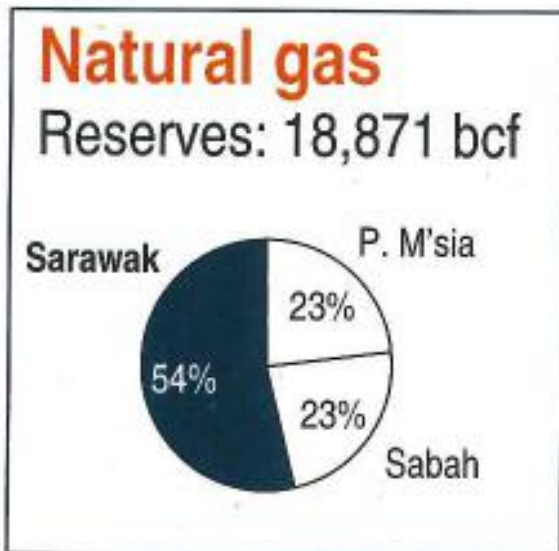
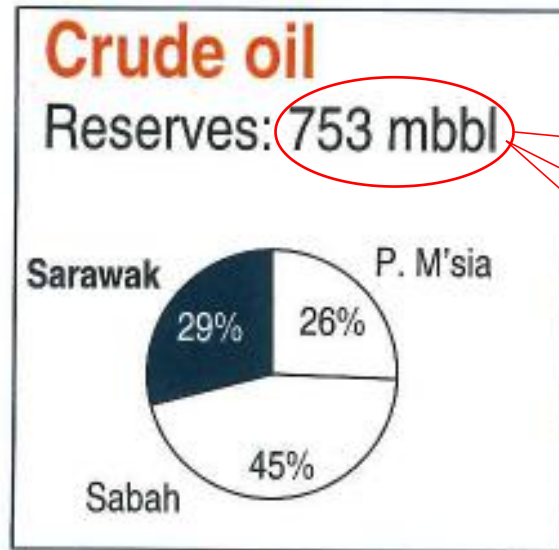
JX Nippon Oil & Energy







# OIL AND GAS RESERVES



Breakdown of oil reserves by field - Sarawak

Category	Field name	Remaining reserves (mmbbl)	
Larger legacy oil	SK309 & SK311	354	79
	Balingian		71
	Balai Cluster		58
	MLNG upstream fields		59
	D35-D21-J4		48
	MLNG Dua upstream fields		39
	SK310		-
	SK308	121	30
	SK10		27
	SK8		25
Small oil fields <sup>1)</sup>	Kumang Cluster		17
	SK305		12
	SK316		10
	Baram Delta	283	283
EOR <sup>2)</sup>			

1) Includes oil fields with remaining reserves of < 30 m bbl; 2) Including all oil fields

Source: Market intelligence reports; Industry interviews; Secondary research; Team analysis

Copyright, Project Strategy and Coordination (Oil & Gas Sector)

Statistics from SPU report

# HIGH TECH INDUSTRIES



Sama Jaya Free Industrial Zone







# HIGH TECH INDUSTRIES



Sama Jaya Free Industrial Zone





# SAMA JAYA HIGH TECH PARK







# SHIPBUILDING



## • Tugboats:

- ✓ Pusher tug,
- ✓ Towing tug,
- ✓ Off Shore Supply Vessel,
- ✓ Anchor Handling Tug,
- ✓ Utility Tug,

## • Barges:

- ✓ Flat top,
- ✓ Self propelled,
- ✓ Chemical,
- ✓ CPO, CPKO
- ✓ Accommodation
- ✓ Platform

- Express passenger boats,
- Pilot boats,
- Cargo ships,
- Crew boat,
- Landing crafts,
- Ferry,
- Supply vessels,
- Dredger





# Shipyards in Sarawak have the capacity and capability to build various type of vessels



**osv**



**bulker**



**near coastal**



**others**







## PRISTINE RAINFOREST



One of the world's oldest rainforests in the world @ 130 million years old





# SARAWAK HAS ONE OF THE WORLD'S OLDEST TROPICAL RAINFORESTS

- 60 gazetted totally protected
- areas including national parks, nature reserves and wildlife sanctuaries,
- covering a land area of 788,886 hectares and
- territorial water of 231,954 hectares.



# INDUSTRIAL TREES – ACACIA PLANTATION



**INDUSTRIAL TREE PLANTING TARGET: 1 MILLION HECTARES**

**CURRENT PLANTED AREA: 400,000 HECTARES (DEC 2017)**







# PLYWOOD AND VENEER





# SARAWAK BIODIVERSITY



Tree Frog





# SARAWAK BIODIVERSITY

- 1,324 species documented with useful traditional knowledge for medicine, food and nutrition, etc.
- 6 plants selected for further R&D and commercialisation.

## PLANTS WITH MEDICINAL VALUE THAT CAN BE COMMERCIALISED





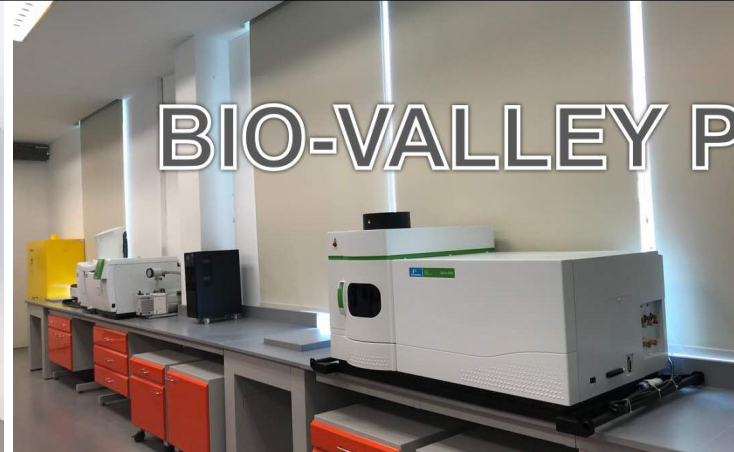
# BIO-VALLEY PARK @ MIRI

Supporting the development  
of new pilot plant scale bio-based  
products and processes



- State Government set up the Bio-Valley Park @ Miri costing **RM60.6 million**
- **Pilot plant facilities** for research and commercialisation.





# BIO-VALLEY PARK @ MIRI



Sample Prep Lab





# 19 MILLION DRY TONNES OF BIOMASS POTENTIAL

## MALAYSIA'S BIOMASS STRATEGY

Forestry

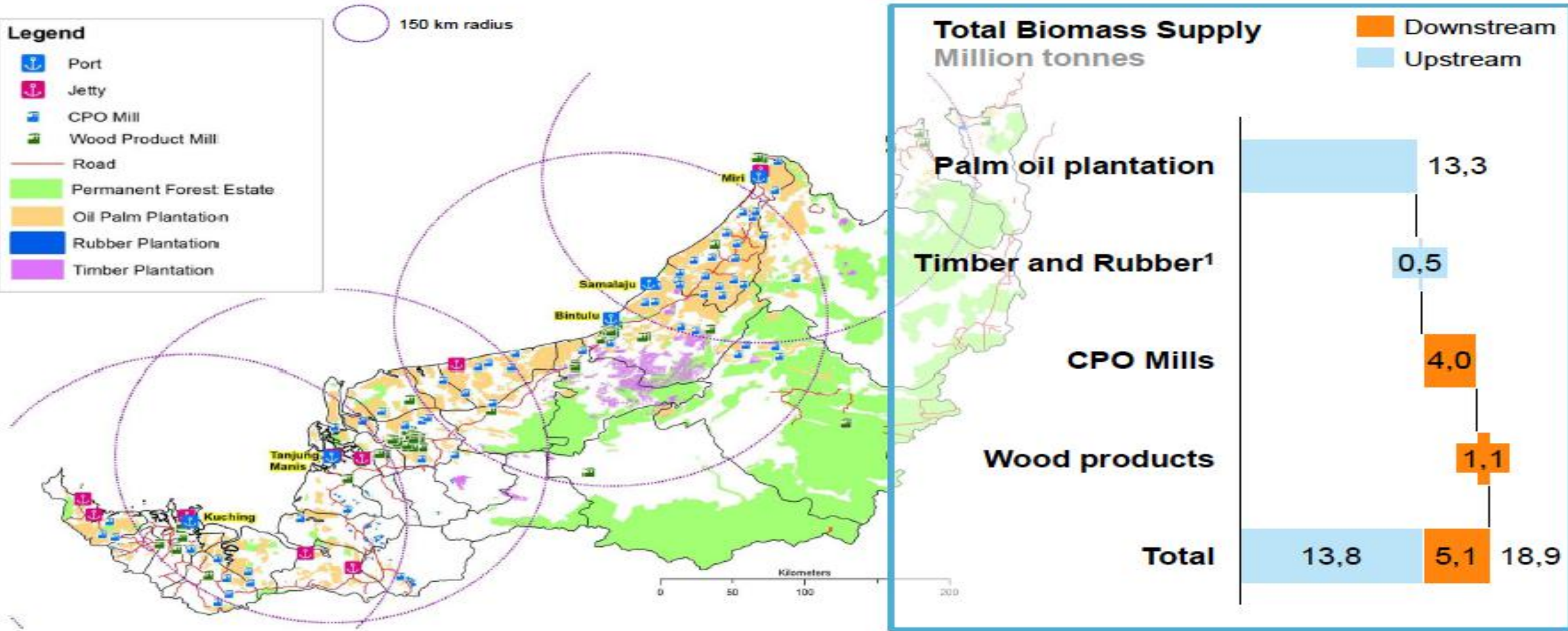
Oil Palm

Short Rotation Crops





SARAWAK HAS A TOTAL SUPPLY POTENTIAL OF 19 MILLION DRY TONNES  
CONCENTRATED IN 4 MAIN CLUSTERS



Note: <sup>1</sup> Biomass of harvesting residues from timber and rubber plantations excluding natural forest





# ECO-TOURISM

## Sarawak has lots to offer

CAN – Culture, Adventure, Nature tourism.



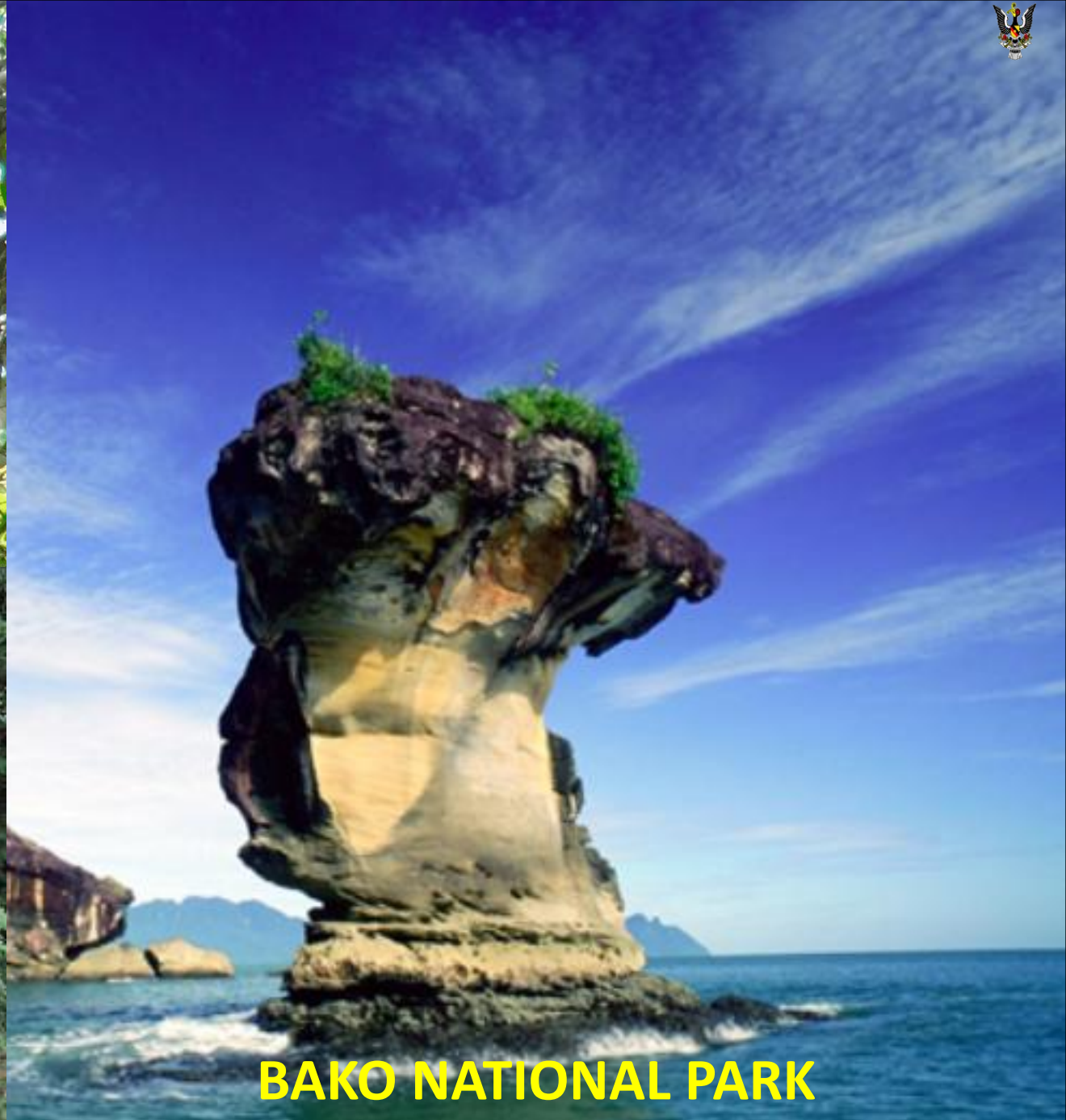


# UNESCO WORLD HERITAGE GUNUNG MULU NATIONAL PARK



© 2015 MIED Sarawak





**BAKO NATIONAL PARK**





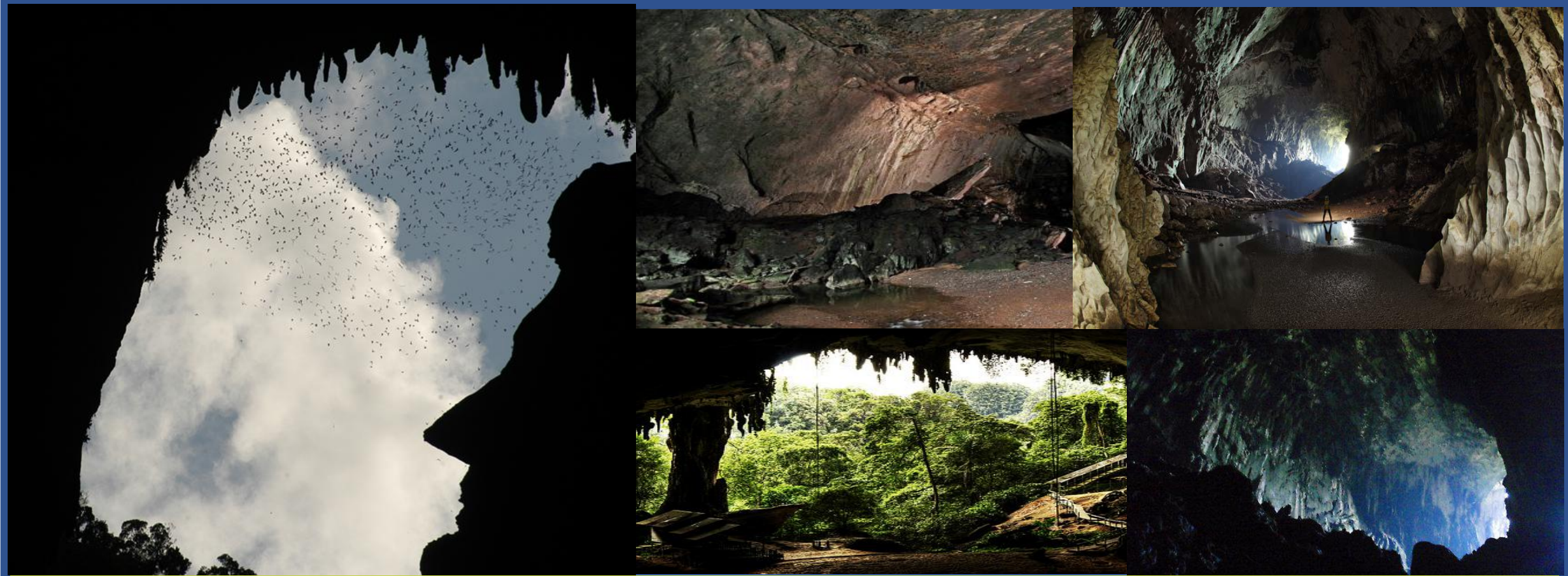


# RAINFOREST WORLD MUSIC FESTIVAL





# ECO-TOURISM



The Sarawak Chamber at Gunung Mulu National Park is home to one of the longest networks of caves in the world. Here lies the world's largest underground chamber, capable of accommodating **40 Boeing 747** aircrafts.





# SARAWAK OFFERS MANY ATTRACTIONS AND COMPARATIVE ADVANTAGES





# INVESTOR-FRIENDLY STATE GOVERNMENT



## SYMBOLIC LAUNCHING

18 May 2017







# GOOD MEDICAL FACILITIES







# PRISTINE GOLF COURSES







# SHOPPING MALLS





# QUALITY EDUCATION

- Good environment for education
- International schools
- Local and foreign branched universities
- Many local technical and vocational colleges







# INTERNATIONAL SCHOOLS

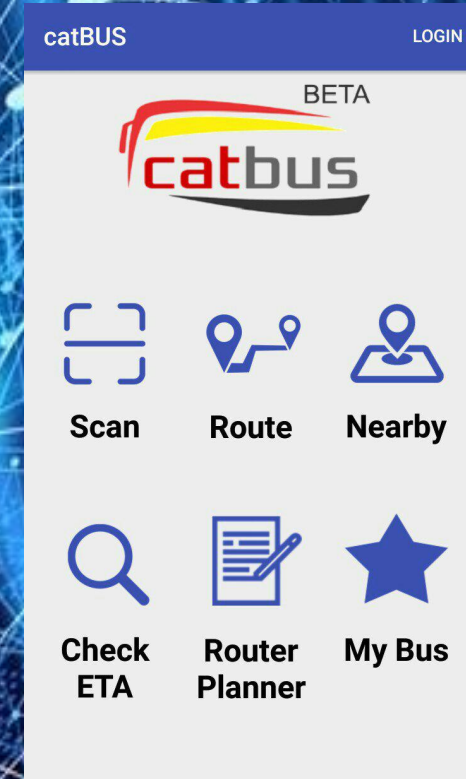
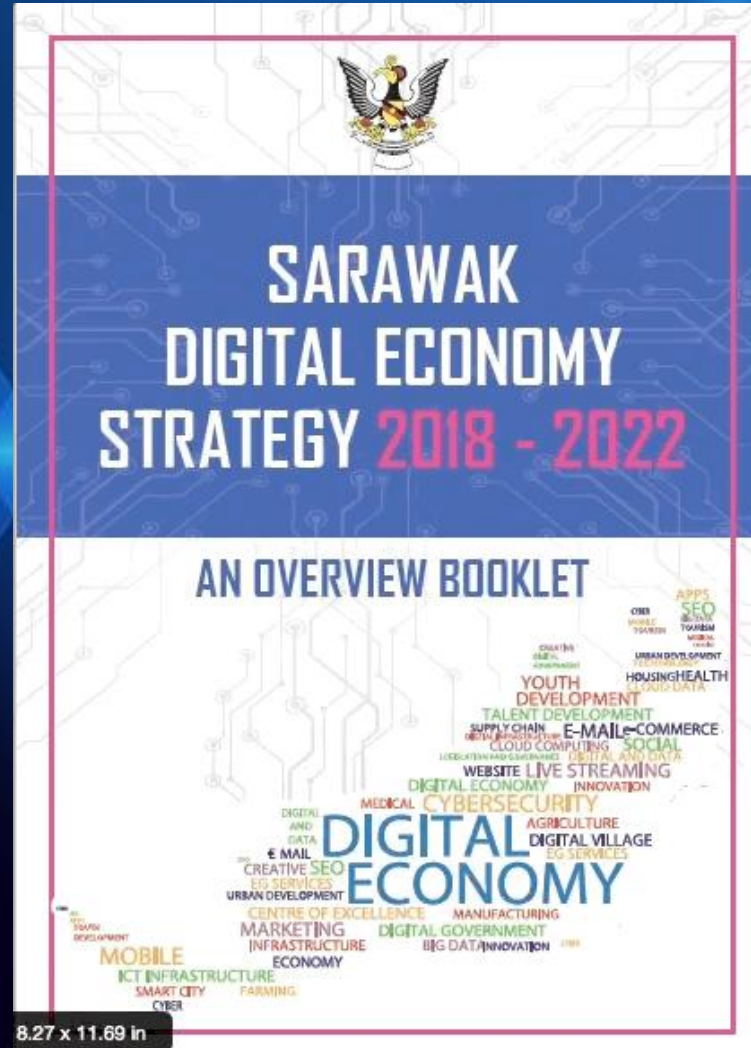








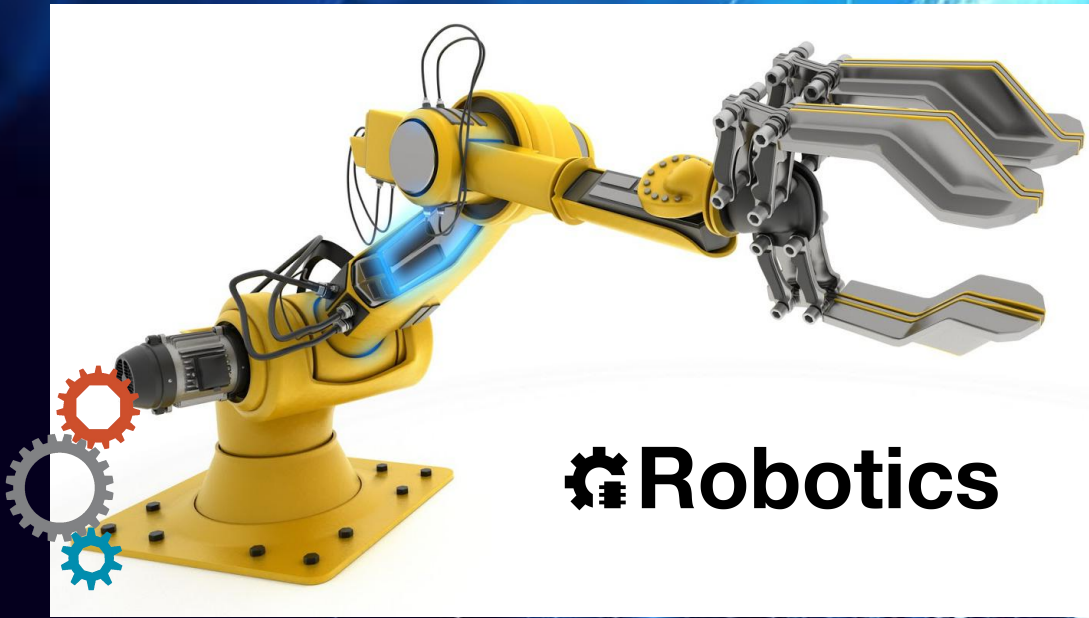
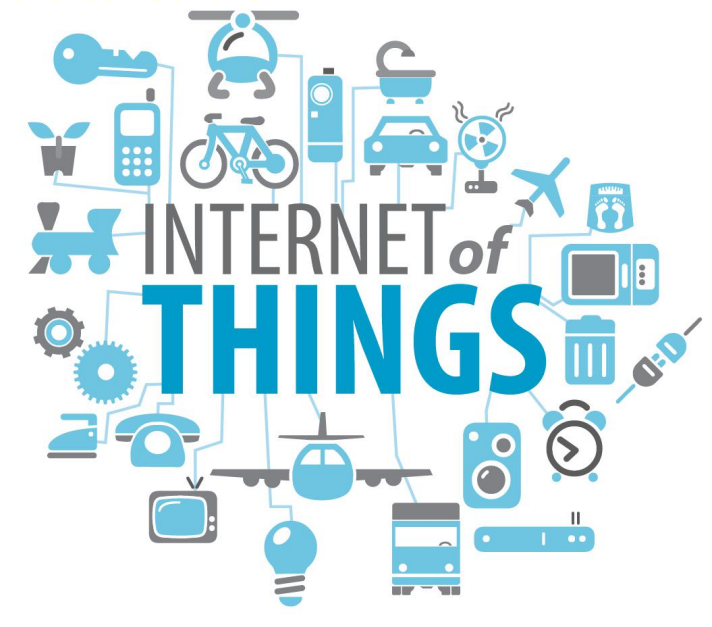
# SARAWAK DIGITAL ECONOMY INITIATIVE







# SARAWAK DIGITAL ECONOMY INITIATIVE



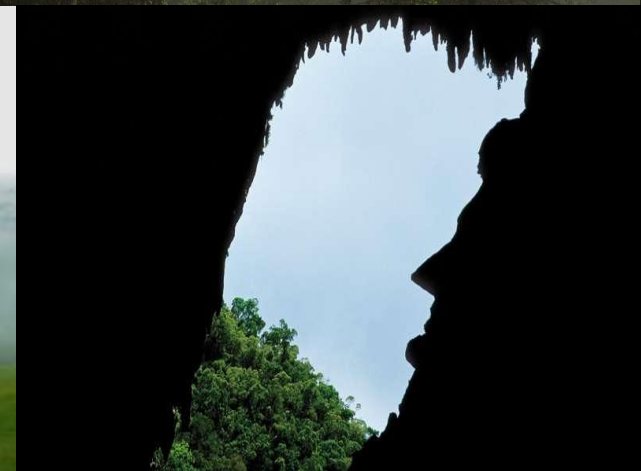




# Sarawak is a beautiful place for investment and Eco-tourism.



## Sarawak welcomes you.







PREPARED BY:

**MINISTRY OF INDUSTRIAL AND ENTREPRENEUR DEVELOPMENT  
SARAWAK**