

BUSINESS AND INVESTMENT OPPORTUNITIES IN SARAWAK

AT MIDA INVEST SERIES: UNFOLDING STATES' BUSINESS POTENTIAL





BUSINESS AND INVESTMENT OPPORTUNITIES IN SARAWAK

<u>Presented by</u> YBHG. DATU LIAW SOON ENG 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

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BEAUTIFUL KUCHING CITY OF UNITY





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RAN





Sabah

Indonesia

AREA AND POPULATION

Kuching

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

Indonesia Singapore

Kuala

umpur

Thailand

Peninsular

Malaysia

MALAYSIA

Area: **330,803 Sq. Km.** Population: **31.7 Million** Capital City: **Kuala Lumpur** Number Of State: **13** Number Of Federal Territory: **3**

SARAWAK

Sarawak

Area: **124,450 Sq. Km.** Population: **2.8 Million** Capital City: **Kuching** Number Of Division: **12** Number Of District: **40**

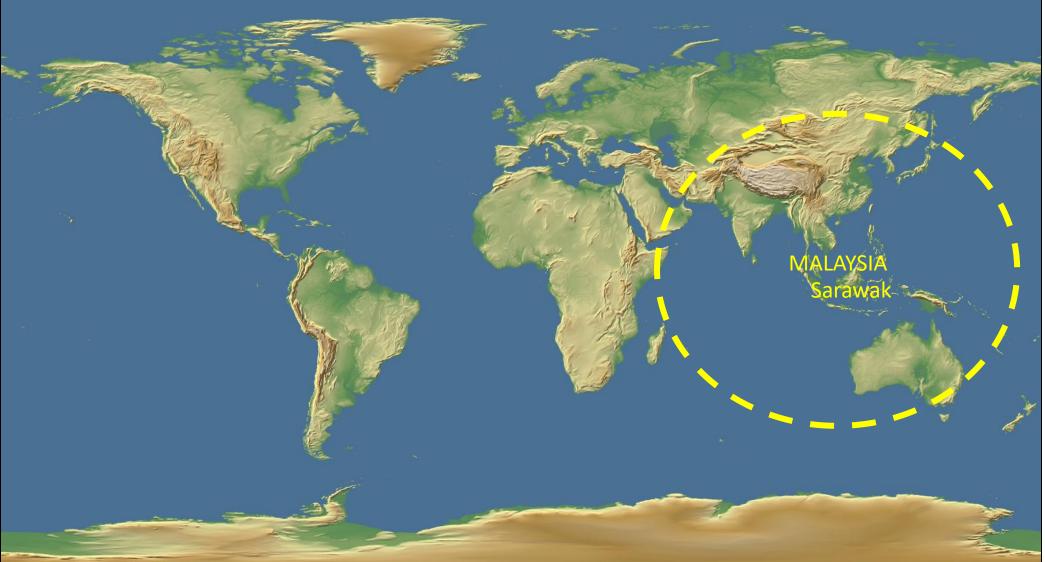
ABUNDANT NATURAL RESOURCES





MULTI-ETHNIC POPULATION

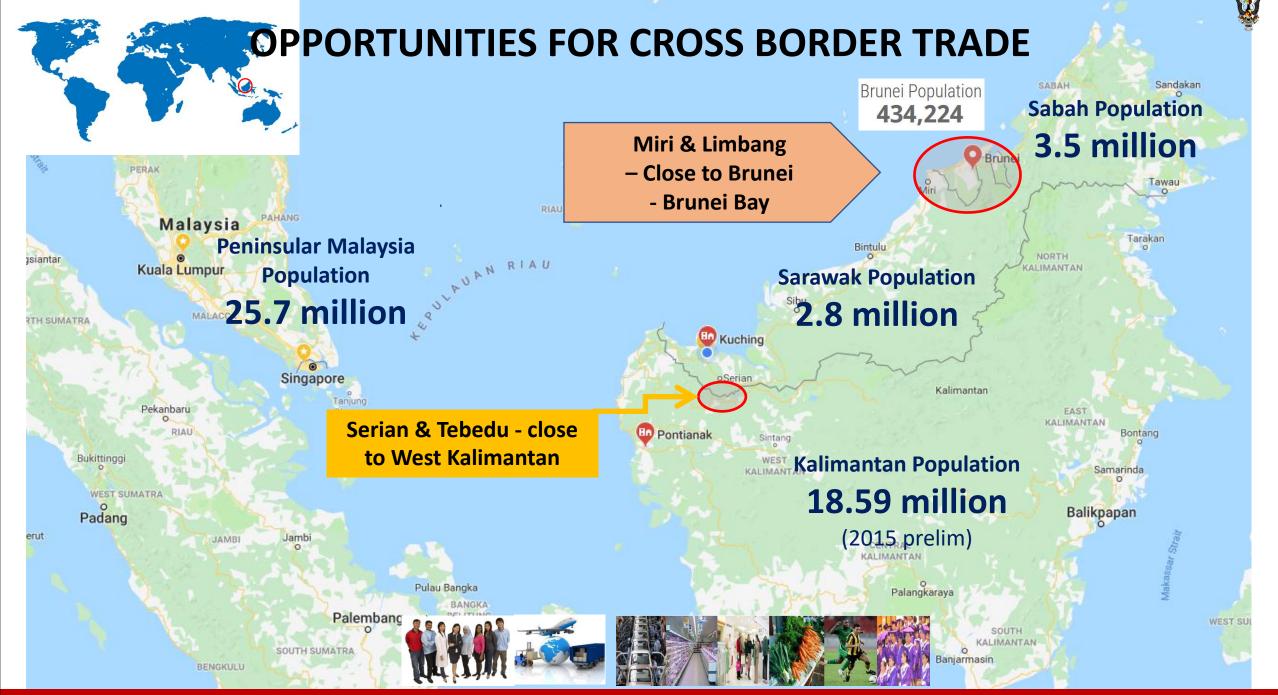




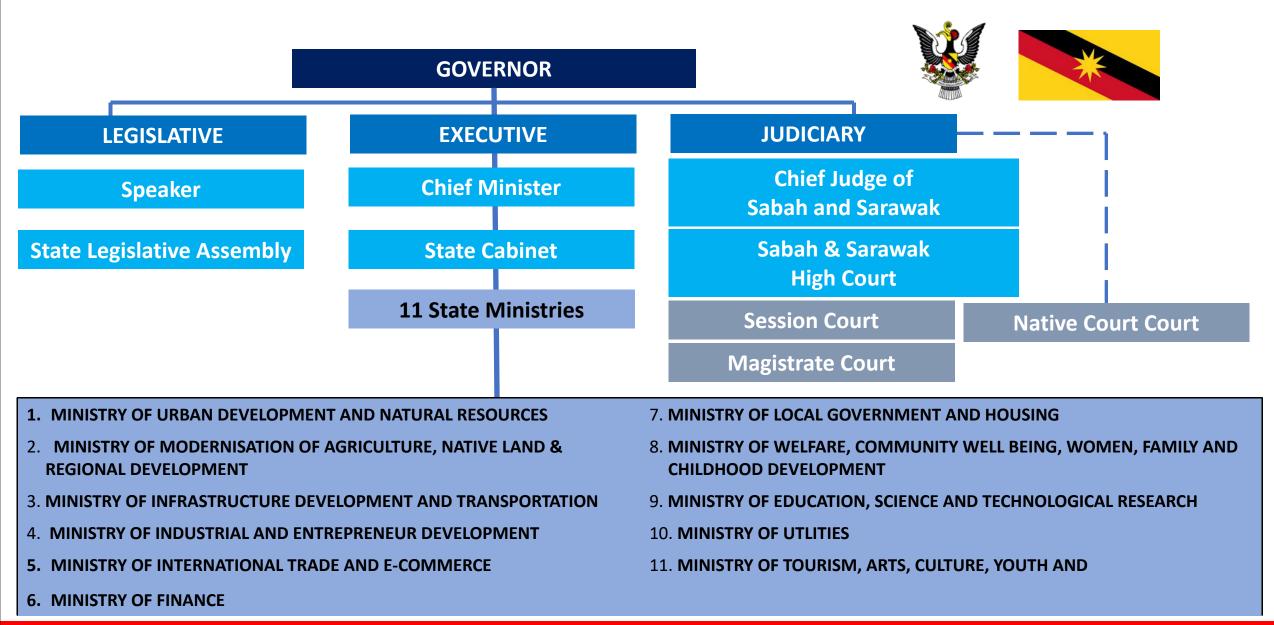
Strategically located in the booming Asia markets...







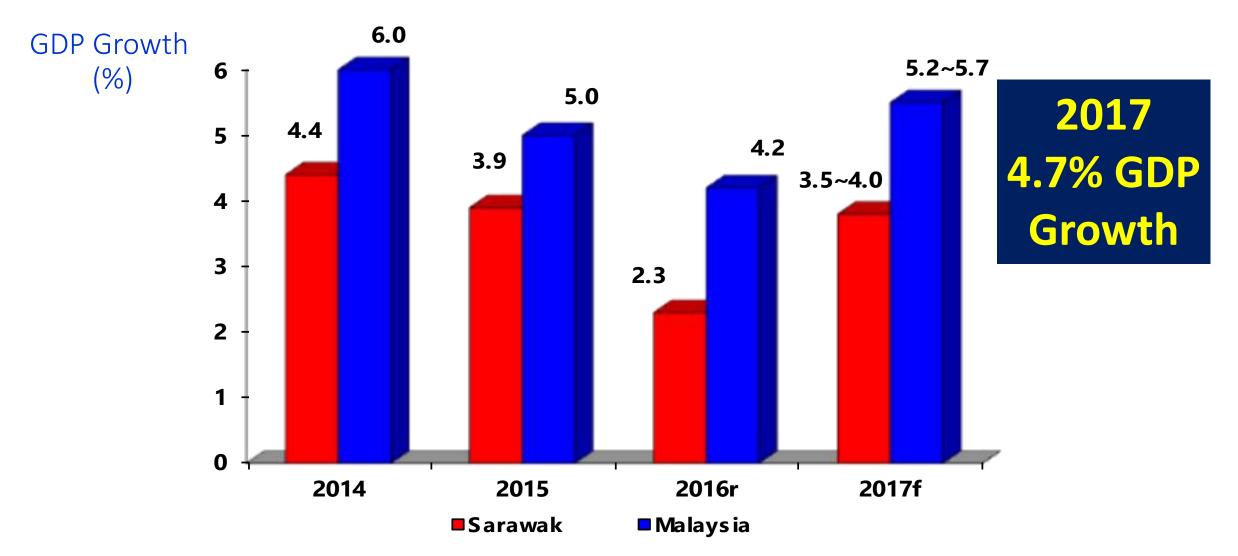
STRUCTURE OF THE SARAWAK STATE GOVERNMENT



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SARAWAK ECONOMY

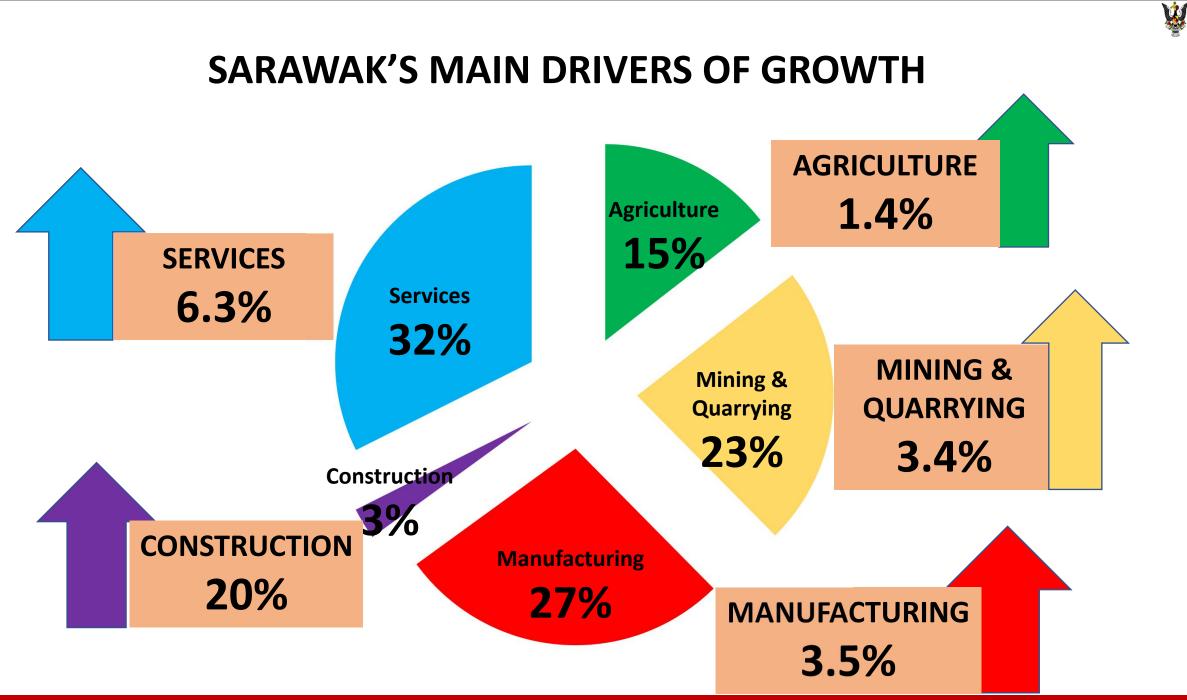






SARAWAK GDP PER CAPITA

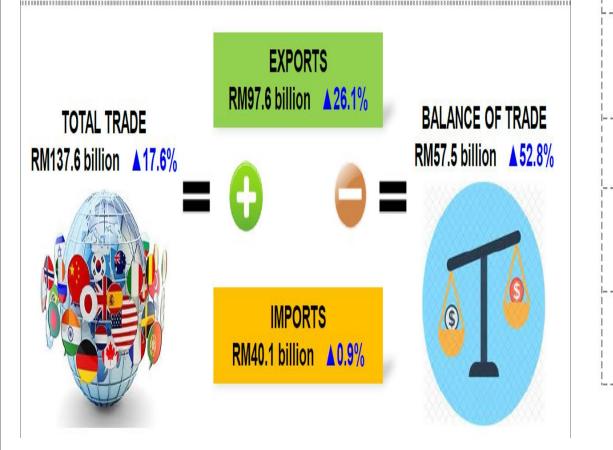
RM49,327





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

Liquefied Natural Gas RM41.9 billion (43.0%)



Machinery and Transport Equipment_ RM13.1 billion (32.6%)

FIVE MAIN IMPORTS BY

COMMODITY SECTIONS

Palm Oil RM11.0 billion (11.3%)



Chemicals RM6.2 billion (15.5%)

Manufactured Goods

RM5.1 billion (12.7%)



Crude Petroleum RM9.7 billion (10.0%)





Aluminium RM6.5 billion (6.7%)









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

TOP FIVE TRADING PARTNERS





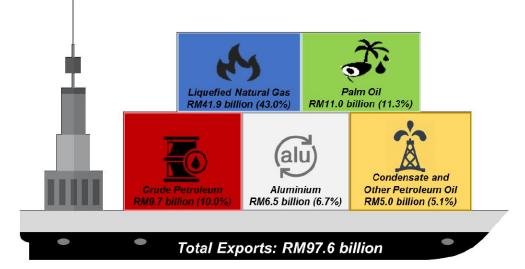
Peninsular MalaysiaJapanRM34.7 billionRM30.1 billion(25.2%)(21.9%)

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

Republic of KoreaTaiwanRM9.1 billionRM6.9 billion(6.6%)(5.0%)

Top Five Exports of Sarawak Major and Selected Commodities, 2017

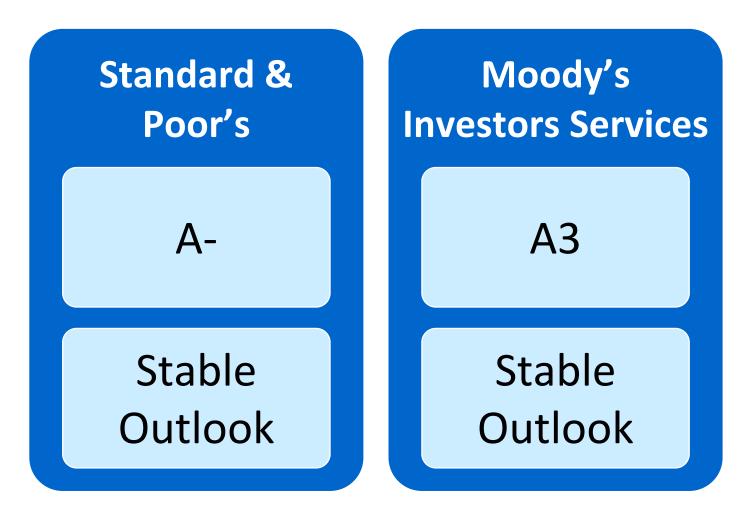
Sarawak's Imports by Commodity Sections, 2017





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STATE CREDIT RATING



POLITICAL STABILITY AND BUSINESS FRIENDLY POLICIES



BINTULU PORT

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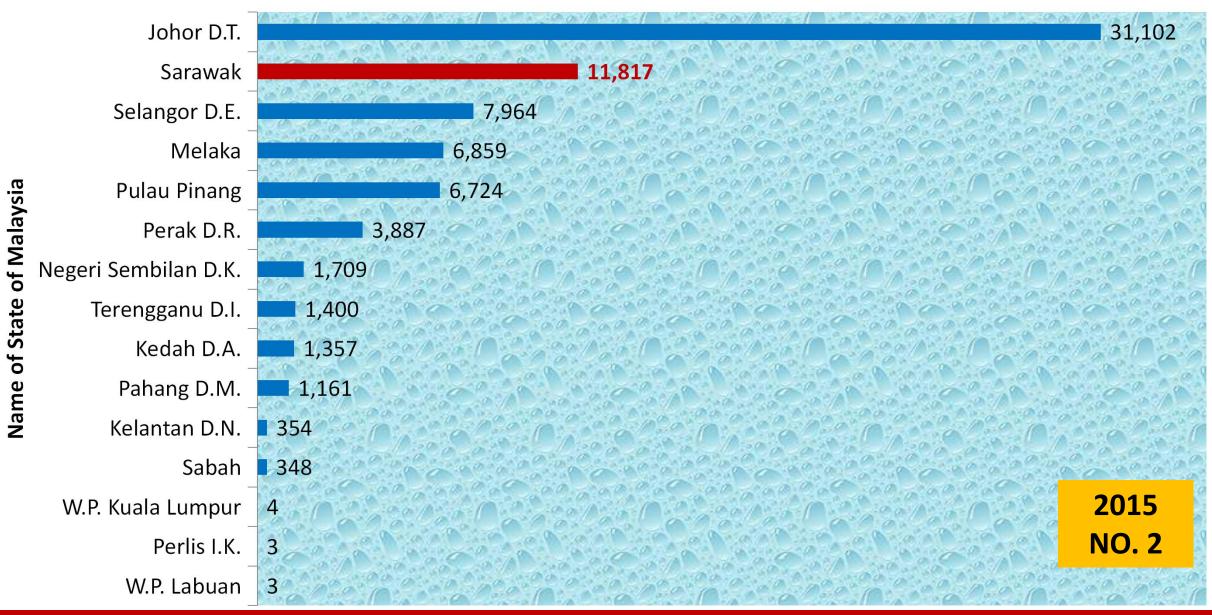




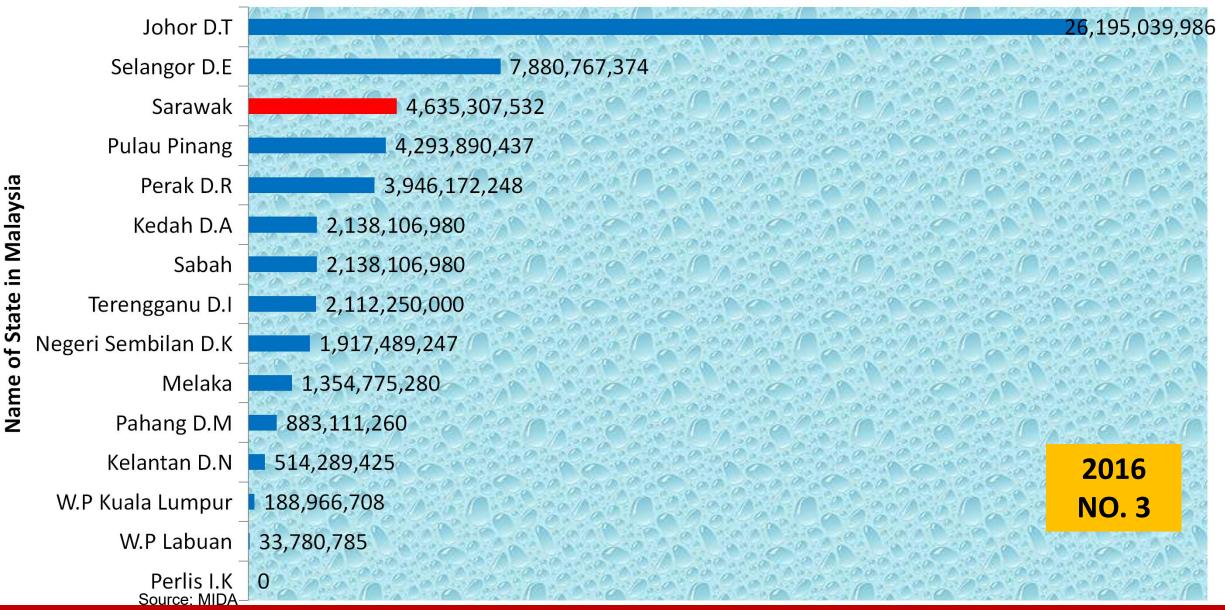
EASE OF DOING BUSINESS



TOTAL PROPOSED CAPITAL INVESTMENT FOR 2015 (RM MILLION)



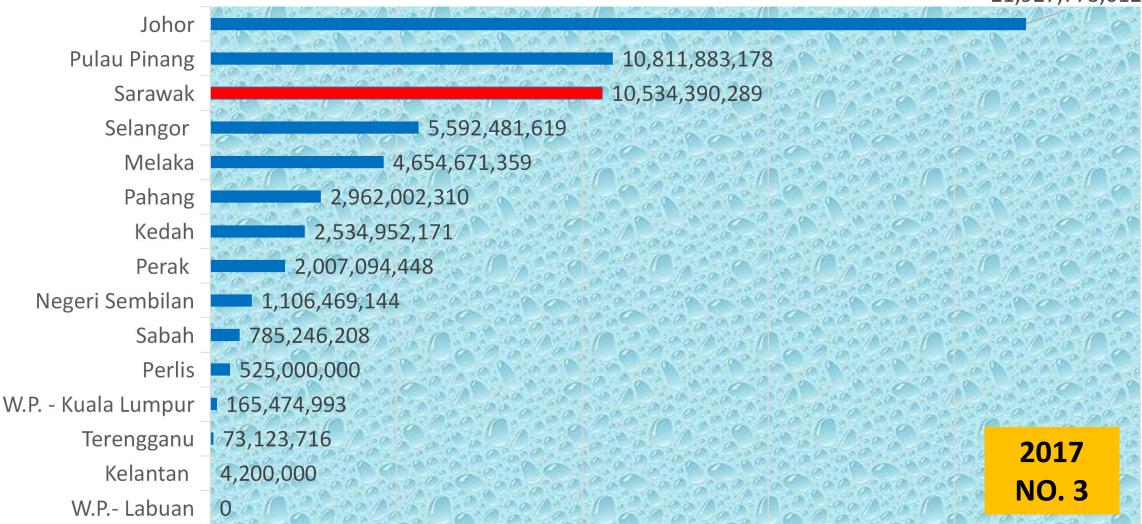
TOTAL PROPOSED CAPITAL INVESTMENT FOR 2016 (RM MILLION)



TOTAL PROPOSED CAPITAL INVESTMENT FOR 2017 (RM)



21,927,773,612



Source: MIDA



FEDERAL TAX INCENTIVES

PIONEER STATUS*	70% tax exemption on statutory income for 5 years				
INVESTMENT TAX ALLOWANCE*	60% allowance on qualifying capital expenditure incurred within 5 years & can be utilised to offset against 70% of statutory income				
REINVESTMENT ALLOWANCE*	60% allowance on qualified capital expenditure & is front to offset against 70% of statutory income				
LESS DEVELOPED AREA	 Income Tax Exemption or Investment Tax Allowance Stamp duty exemption Withholding duty exemption Import duty exemption 				

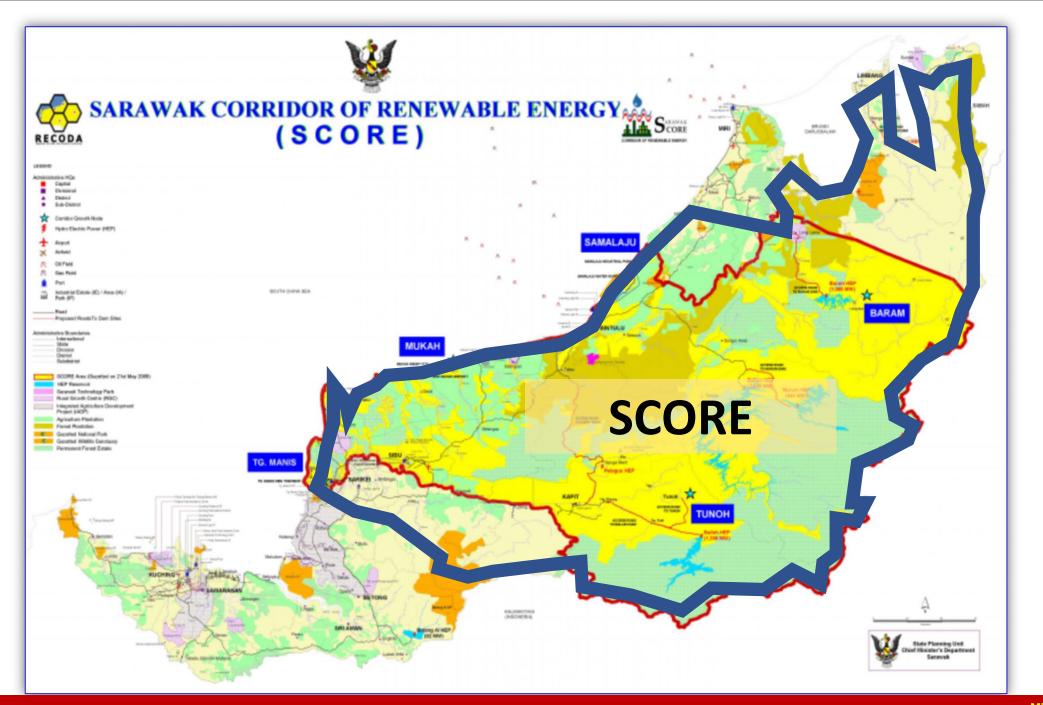
* Applicable to SMEs – based on MIDA Priority List

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) Stabile and Reliable Power Purchase Agreement (PPA) available for energy intensive and long-term users
WATER SUPPLY	Abundant clean water supplyTreated water

LAUNCHING OF SCORE 2008 BY TUN ABDULLAH BADAWI

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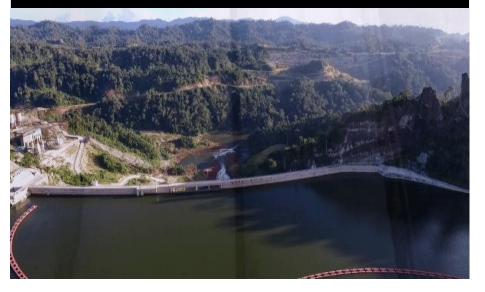
20,000 MW

renewable hydropower potential

14 economically viable sites – 8,000 MW potential



MURUM HEP





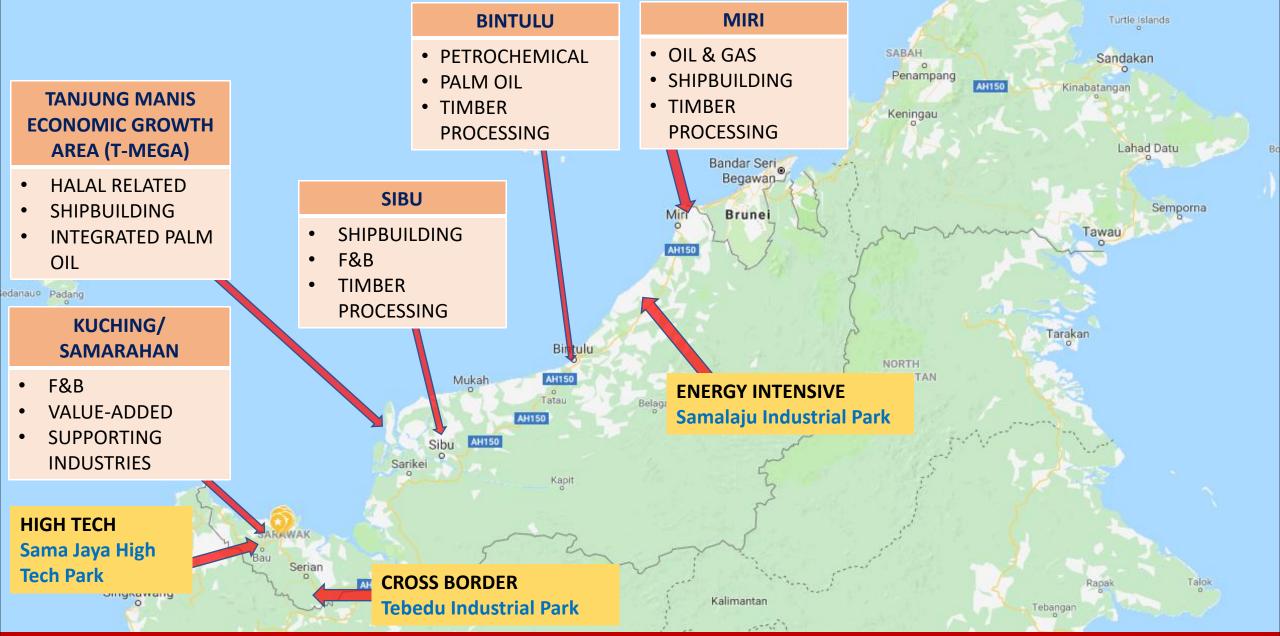
INSTALLED CAPACITY IN MALAYSIA

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	TOTAL*	22,385	100	1,296	100	4,652	100	29,333	100
	RE + Hydro	2,995	12.8	141	10.9	3,463	74.4	6,599	22.5

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

A Start		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	ie 2015
	5.	SAMALAJU INDUSTRIAL PARK (SIP)	7	USD5.4 B	
Bakun - [RESTRICTED		Junction Samalaju Port Samalaju Eco-Township	View from Kuala Nyalau	Samalaju Raw Water MIED SAR	intake AWAK 3

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 Industrial Port



Polycrystalline Silicon Plant





Aluminium Plant

Ferroalloys Plant



ENERGY INTENSIVE INDUSTRIES - SAMALAJU IP















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JX Nippon Oil & Energy







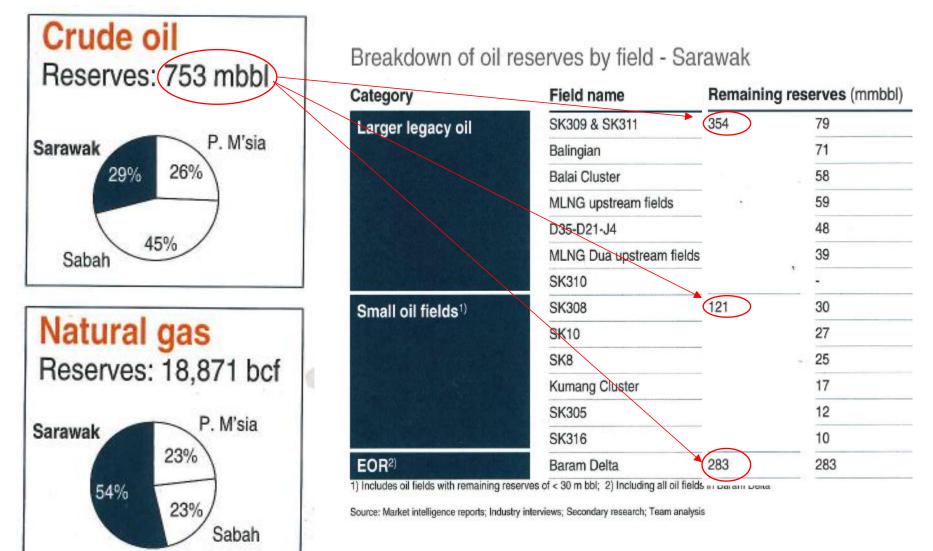




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OIL AND GAS RESERVES



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

<u>Statistics f</u>rom SPU report



Sama Jaya Free Industrial Zone

Sama Jaya Free Industrial Zone

FECH INDUSTRIES

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SAMA JAYA HIGH TECH PARK







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





OSV



near coastal



others





PRISTINE RAINFOREST



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

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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)



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SARAWAK BIODIVERSITY

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



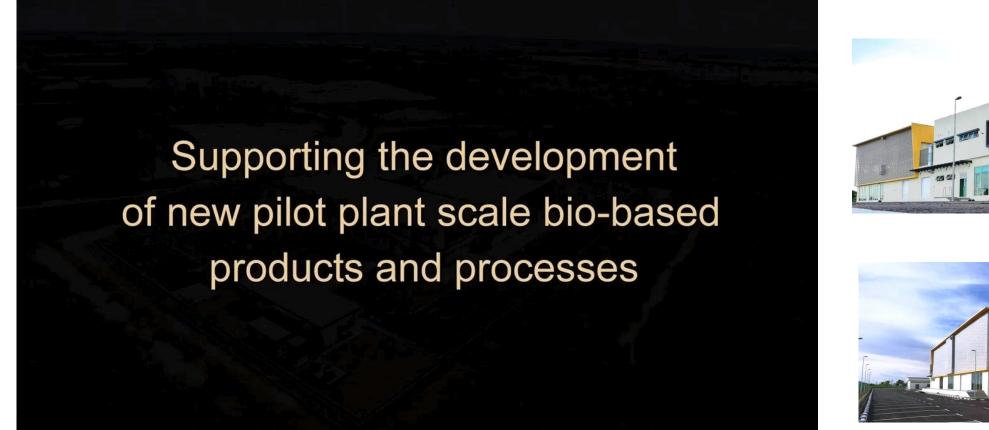






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BIO-VALLEY PARK @ MIRI





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



Sample Prep Lab

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19 MILLION DRY TONNES OF BIOMASS POTENTIAL

Oil Palm

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MALAYSIA'S BIOMASS STRATEGY

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Forestry

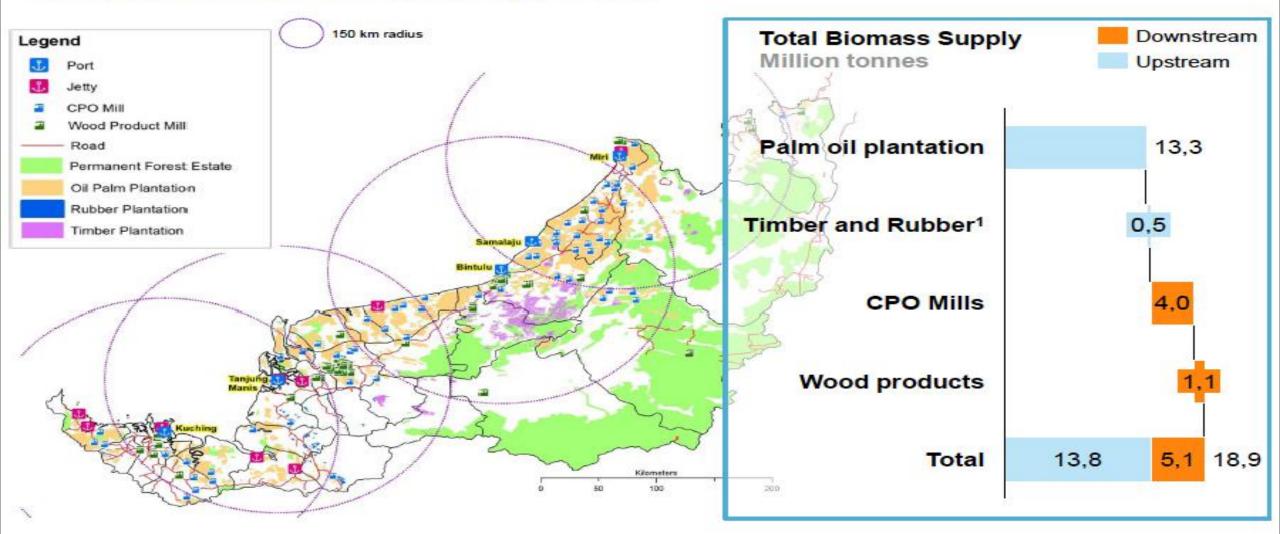
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BIOMASS STRATEGY AND ROADMAP



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



Sarawak Biomass Industry Development Plan

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ECO-TOURISM Sarawak has lots to offer

CAN – Culture, Adventure, Nature tourism.





UNESCO WORLD HERITAGE GUNUNG MULU NATIONAL PARK

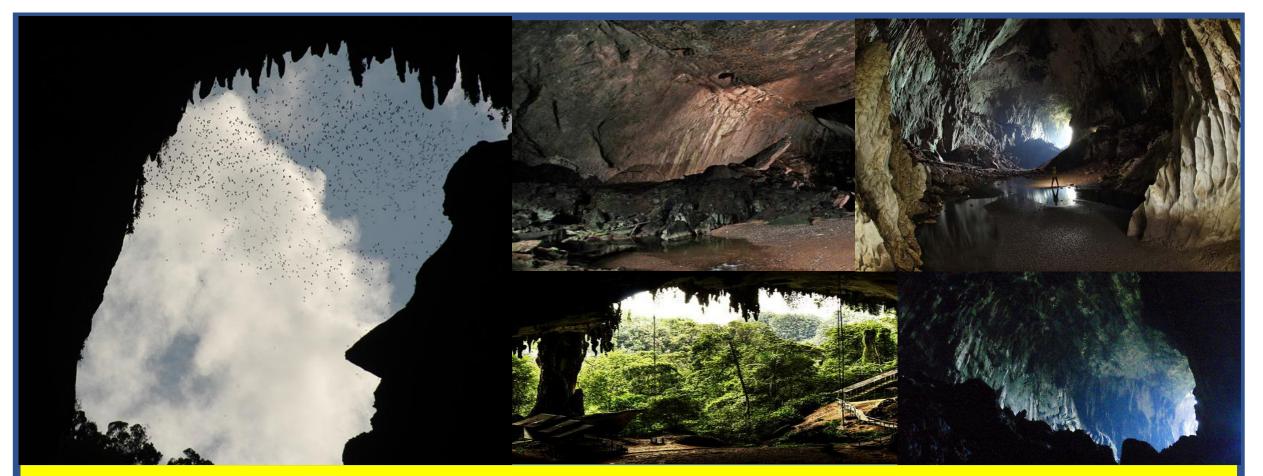




RAINFOREST WORLD MUSIC FESTIVAL

Rainforest World Music Festival





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 Official Opening Ceremony Timber J. Beyond In Conjunction With Imiall Businessan - Buy Ideas **SYMBOLIC LAUNCHING** 18 May 2017



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NORMAH

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BORNEO

MEDICAL CENTRE

PRISTINE GOLF COURSES

SHOPPING MALLS



and in France in such that

QUALITY EDUCATION

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





UNIVERSITI TEKNOLOGI MARA







INTERNATIONAL SCHOOLS



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QUALITY EDUCATION

Australian Universities in Sarawak





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SARAWAK DIGITAL ECONOMY INITIATIVE

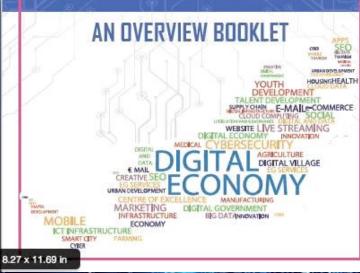




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SARAWAK **DIGITAL ECONOMY** STRATEGY 2018 - 2022





I immediately axived the State Secretary to organise an international conference on the digital economy in Sarawak and spearhead the Digital Economy Transformation. The fint international KCT intrastructure and Digital Economy larawak (DBCS) - Transforming Sarawak through the Digital Economy - was held on the 3rd and 4th of April 2017 in Kuching featuring notable local and international speakers with over 1,500 delegates. During the closing ceremony of the conference, I also announced that Sarawak will set up the Sarawak Multimedia Authority (SMA), the Sarawak Digital Economy Carporation (SDEC), Development Bank of Sarawak (DBCG), as well as a strategic plan for developing the dialtal economy of Sarawak.

I am therefore pleased to present the five year Sarawak Digital Economy Strategy (2018-2022), in which we set out the possible directions Sarawak can take in order to leapfrog into the digital economy to be at the forefront of the digital world. In our search for a practical dialtot strategy for Sarawak, we skilled a lew countries particularly Australia, Britand, Estania, Germany, hance and China. The biggest lesson we learn is that digital economy is not merely about the hontier of the digital lechnology, but also ideas about how society can be organised more efficiently while protecting personal information and privacy which implies vigitance in the great of cybersecurity. Diatio economy is also about being able to apoly technology in a call-effective mannel. Going 'digital' is now a glabal hend, and Sarawak should also be involved in II, ovene to any hits and making whe decision each step of the way.

As such, the digital economy is about the efficacy in which digital technology is applied to our everyday lives. To achieve this, we require diverse talents to create a new way of life for the people of Sarawak. The digital technology can then certainly be used to make our lives easier and simpler, and hapefully richer. It is really up to each and every one of us to embrace dialtal technologies in the best way that we can to make our own tives better. If not the lives at our neighbours,

I certainly see the development of the digital economy to be a calaborative effort between the government, the private business sector and the people of Sarawak. The government's rate is to provide basic but necessary infrastructure to build the digital economy. In the urban selling, the digital infrastructure is adequate for building digital business and other commercial opplications. The challenges in building the digital intraitructure tends to increase going into the more rural and remote areas of Sarawak. These challenges are worth taking up, for us for each remote greas and provide them on avenue to connect with the rest of the world, thereby creating greater economic opportunities.

I am aware that the creation of new business opportunities is a major chattenge for us in Sarawak. Sarawak is small and isolated, which has always been a disadvantage for us in development. Lisee the digital technology as an opportunity for Societal, to remove the constraints of a small and isolated economy. We need to see the patential of opening up our local economy in hopes of strengthening our dialital connection with the rest of the works

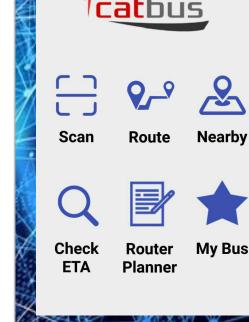
Looking forward to the harbon, the next five years is a time which we shall improve our digital coverage as well as speed. mativate young talents to get involved in coding and product development, businesses to make their presence feit on the internet through their websites and mobile apps, local business participation in global e-commerce platforms, the development of our own electronic payment system called Sarawaking - which will revolutionise making payments, in a more secured and convenient way. I also foresee its use across at local transactions; integrated into all government services online. The jourch of our own big data doing with the shafing of database by the federal Government, this creates more opportunities for our communities and our businesses, drive competitiveness and productivity, and strengthen connectivity across Sarawati. The greater efficiency of mobility and connectivity in the major urban centres, and the general improvement in our local economic environment suggests that there is a better future we can build for Sarawakians.

I hape in the months and years to come, you and I can put our heads together to build a robust and thriving digital economy For Sarawak

The Right Honourable Datuk Palinggi (Dr) Abang Haji Abdul Rahman Johari Bin Tun Datuk Abang Haji Openg CHIEF MINISTER OF SARAWAK

FOREWORD

My fol plotly for Scrawak since becoming the Chief Minister on the 13th January 2017 was to bring about a major paradigm shift in our development strategy. We have so far been relying heavily on non-renewable resources for our economic development and this is clearly not sustainable in the long run. It was cuite abvious then with the whole watd focused on emerging technologies such as gaming and animation, big data, cloud computing, blockchains, attiticial intelligence, autonomous vehicles, and senewable energy we have to enter without healtation into the digital world so that Sarawak will have a chance of enjoying high



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LOGIN

BETA

SARAWAK DIGITAL ECONOMY INITIATIVE



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Sarawak is a beautiful place for investment

and

ico-tourism.

Sarawak relcomes you.





MINISTRY OF INDUSTRIAL AND ENTREPRENEUR DEVELOPMENT SARAWAK