



PENANG INVESTMENT UPDATES

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MIDA Invest Series :
Unfolding States' Business Potential



ALL-IN-ONE



ATTRACTION, DEVELOPMENT & RETENTION OF TALENTS

- Resource centre and point-of-contact for employers and talents
- Policy advocacy on addressing talent gap
- Secretariat for Penang Future Foundation (PFF)



TALENT ATTRACTION & RETENTION

- Awarding scholarships to outstanding and deserving students from the field of Science, Technology, Engineering, Mathematics, Accounting & Finance
- Upon graduation, recipients will become part of the diverse talent pipelines in Penang's workforce



Penang State Government's principal agency for promotion of investment

- ✓ Promotion
- ✓ Planning & Evaluation
- ✓ Facilitation
- ✓ Opportunities for investment



ASSISTING SME TO MOVE UP THE VALUE CHAIN

- Advisory for market intelligence and financial resources from state & national agencies
- Assist in creating new business opportunities and capacity building initiatives to develop SMEs' value proposition



START-UP DEVELOPMENT

- One-stop centre for tech entrepreneurial activities in Penang
- Launch pad of Penang's tech-startup community & innovation labs
- Unique & flexible co-working space, tech events, accelerator & mentorship programme in George Town UNESCO World Heritage Site

About PENANG



Land area: 1,031 sq km



Population: 1.8 mil
68.8% working age group



Multilingual: English, Malay,
Mandarin, Japanese, etc.



Literacy rate: 98.3%



Workforce: 822,200
299,200 in manufacturing



High migration
effectiveness ratio: +58%



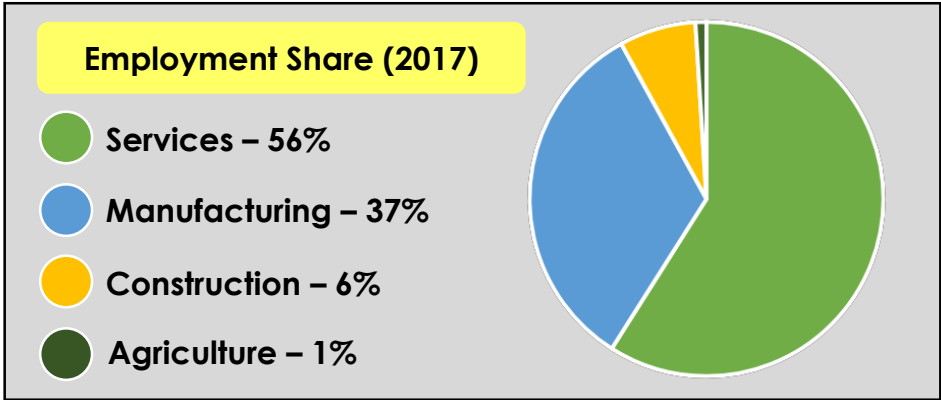
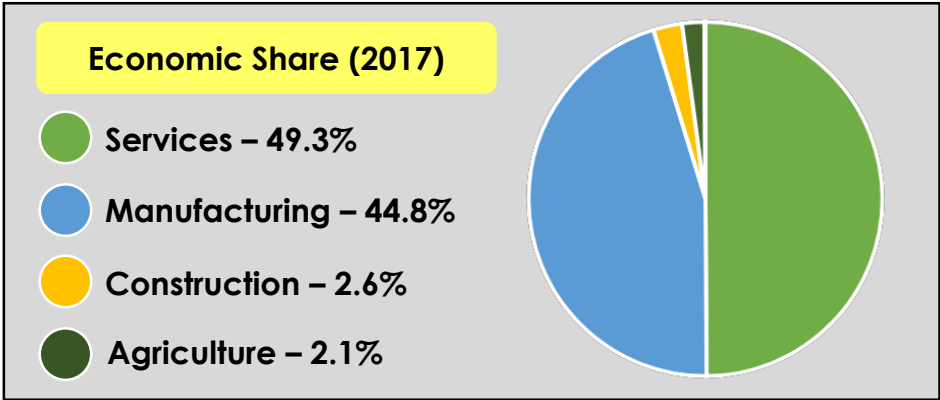
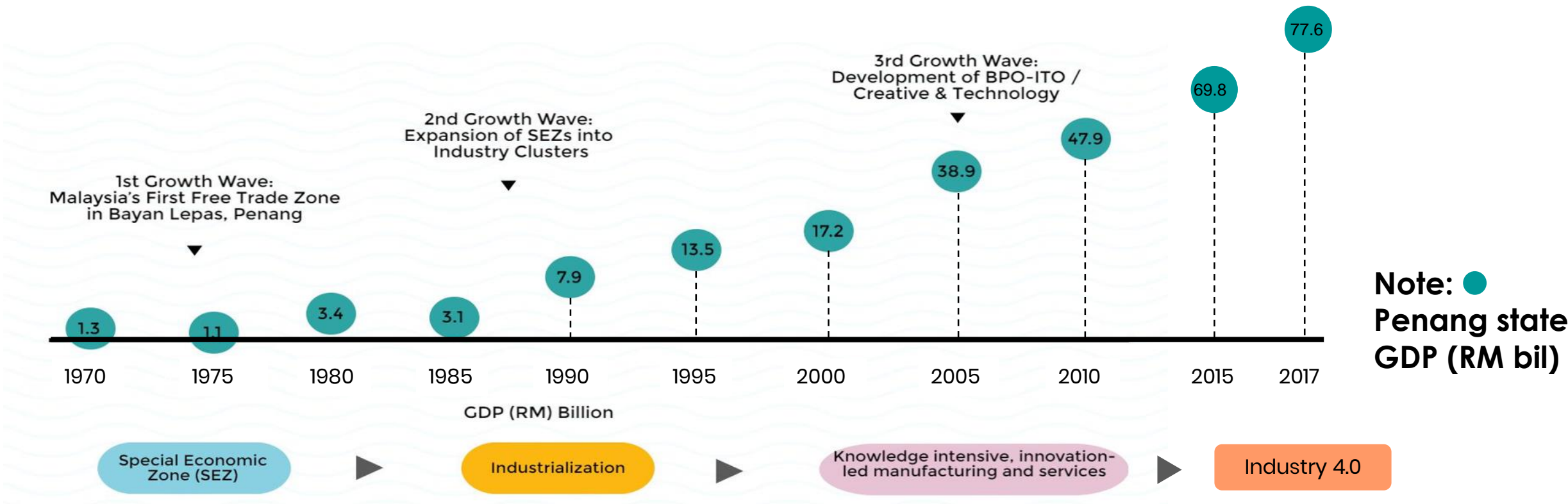
GDP per capita: RM49,873
6.6% of national GDP



50 years of cumulative
industrial intelligence



PENANG – 50 Years Of Transformation Journey



Key Investment Sectors

INDUSTRY

Semiconductor

Electrical & Electronics

Automotive

Electronics Manufacturing Services
(EMS)

Light Emitting Diodes (LED)

Life Sciences / Medical Devices

Aerospace / Avionics

Renewable Energy

Halal & Food Industry

SERVICES

Global Business Services (GBS)

ICT / Software Development &
Creative Multimedia

IC Design & Development

Principal Hub / Operational HQ

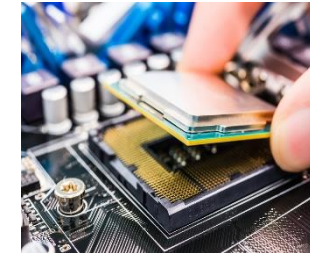
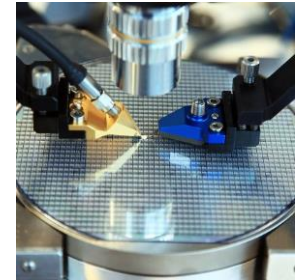
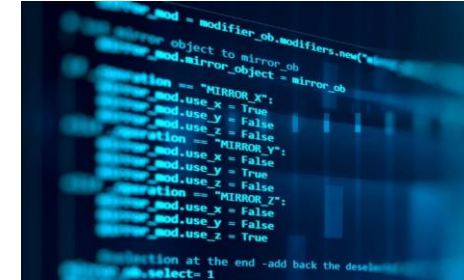
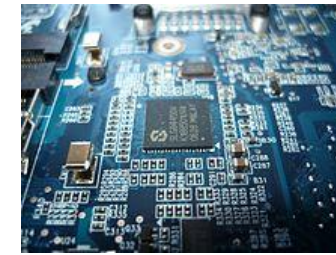
Logistics & Transportation

Healthcare & Wellness Service

International Education




High Value Tourism / Hospitality

Meeting, Incentives, Conferences &
Exhibitions (MICE)



>300 MNCs In PENANG And Counting



NO OF COMPANIES BY COUNTRY	
	>85
	>50
	>15
OTHERS	>150

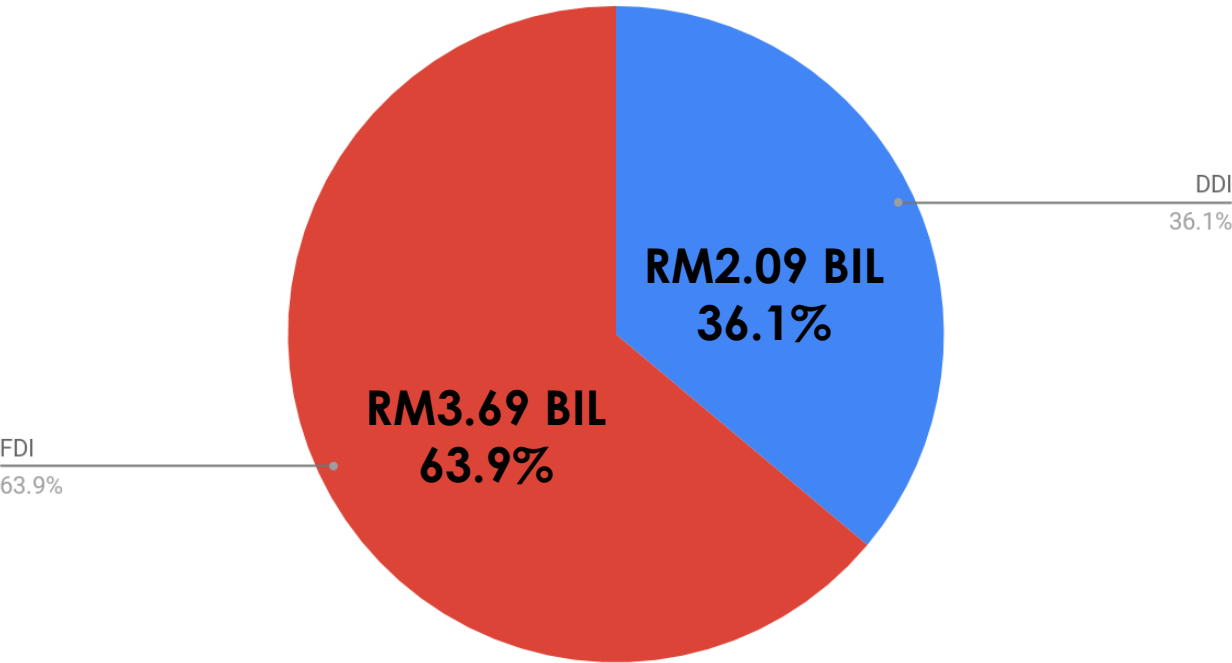
AND MANY MORE!

Total Approved Investments In 2018 – PENANG (Manufacturing)

Investment value in 2018: RM5.78bil (6.6% of total value in Malaysia)

Investment value in 2017: rm10.8 billion

Investment Share



FDI by Country (2018)

Country	Foreign Investment (RM mil)
Japan	1,479
China	755
United States	585
Taiwan	248
Switzerland	183

Notable Projects In 2018 – PENANG (Manufacturing)



US-based semiconductor corporation focusing on products related to dynamic random-access memory, flash memory and solid state drives.
Investment worth **RM1.5 billion** over an initial 5 years to build the **Centre of Excellence for SSD (Solid State Drive) Assembly & Test** in **Batu Kawan Industrial Park**. Expected to create over **1,000 job opportunities**.



Japan-based and one of the **top 3 endoscopic and surgical system manufacturers** in the world.
Re-investment worth **RM76 million**. Created **193 job opportunities**, with expectation to increase to **440 jobs** by **2021**. **91 percent** of the managers, engineers / executives and technicians are **Malaysians**.
The project will involve extensive R&D, technology transfer & adoption of smart manufacturing.



Japan-based **leading manufacturer of medical devices**.
Establishing the **first facility outside of Japan**, with an investment value of **RM70 million**. To produce medical devices for cardiac rhythm management, electro-physiology and cardiovascular surgery.
Expected to **begin operation in 2020** and create **50 high-income and high-skilled jobs** for a start.

PENANG's Niche & Leading Sectors

Penang contributes 8% of global back-end semiconductor output, making it among the world's leading location for micro-electronics assembly, packaging and testing



EMS & local supply chain



LED & local supply chain



Storage & local supply chain



Penang is home for 1/3 of medical devices companies in Malaysia & captures 49% of the country's medical tourism market



Strong Local Supply Chain For The E&E Industry

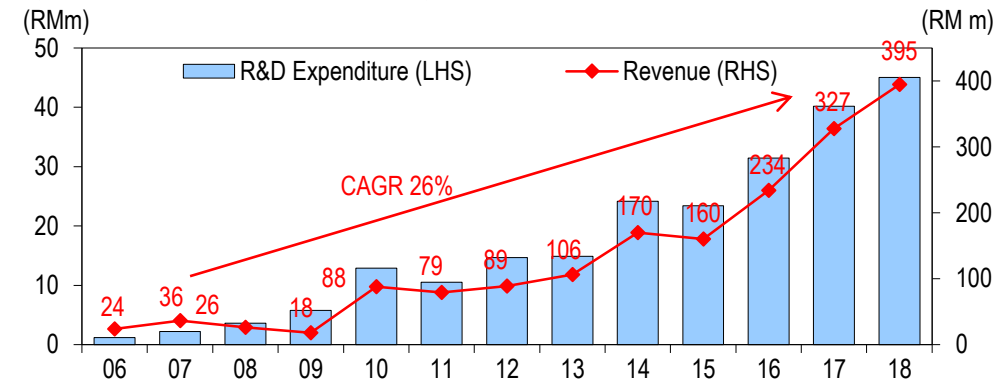
- ✓ Expertise in manufacturing of automated test equipment, providing OSAT and EMS services
- ✓ Top 6 E&E-related listed companies with combined market cap of RM13bil. Many other homegrown companies remain private

Selected homegrown E&E companies



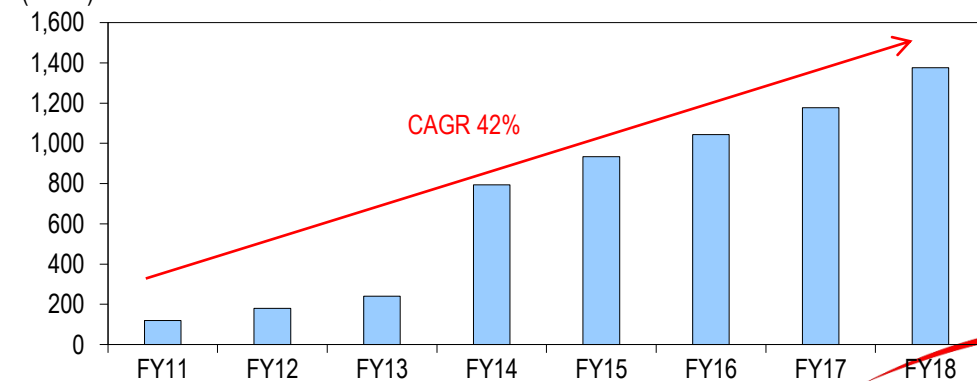
Success Story 1: Vitrox Corp. - Designs & manufactures automated vision inspection systems

Strong Commitment in R&D Expenditure with Sales CAGR of 26% in FY06 - FY18

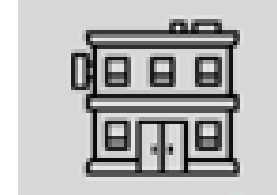


Success Story 2: Inari Amertron - A top OSAT vendor for selected US and EU MNCs with operations in Penang

Sales On A Rising Trend (CAGR 42%) since listed in FY11



Global Business Services (GBS) In PENANG



> 50 GBS / SSO
companies in Penang

> 12,000 high-value
jobs created



Serving **Global & APAC** operations

MSC Cybercentre Development In PENANG

GBS@PDC



TOTAL BUILT UP 80,000 (SQ FT)

READY BY Q1 2020

upcoming



World Congress on Information Technology (WCIT) 2020, Penang, Malaysia

Date : 13 – 16 September 2020

Venue : Setia SPICE



Conference Background

- WCIT 2020 is the 23rd edition of World Congress on Information Technology targeted to **attract 4,000 high level officials, captains of industry, government leaders and academics** across 100 countries (**>300 B2B meets, 500 exhibitors, 160 international speakers**)
- Known as the Olympics of the world's information technology industry, **WCIT 2020 Malaysia** is expected to generate **~RM10bil in investments**.
- This will be the **second time Malaysia has been given the honour to host WCIT**, after successfully hosting the 16th series in 2008 in Kuala Lumpur. Past speakers of WCIT included Al Gore, Bill Clinton, Bill Gates, Margaret Thatcher.
- InvestPenang is the state's lead agency of WCIT 2020 for Penang.



WCIT2020
MALAYSIA
GATEWAY TO SOUTHEAST ASIA



MINISTRY OF COMMUNICATIONS
AND MULTIMEDIA MALAYSIA

PIKOM

MDEC



Penang - A Favourable Medical Tourism Destination

- ✓ Penang is known for cardiology, orthopaedics, oncology, neurology, IVF, ophthalmology & dentistry
- ✓ A top destination for Indonesian health tourists
- ✓ AirAsia Indonesia flies to Penang twice daily from Jakarta, thrice daily from Medan and thrice weekly from Surabaya

Medical Tourist
Arrival (2017)

382,164
(69% of total
national arrival)

Medical Tourism
Revenue (2017)

RM550m (42% of
total national
revenue)

No. Of Public
Hospitals

6
hospitals

No. Of Private
Hospitals

11
hospitals

Selected Private hospitals



Penang Tourism – Culture, Nature, Food & Lifestyle



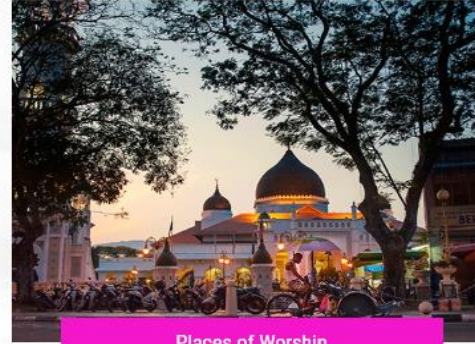
Culture & Heritage



Street Art



Heritage Zones



Places of Worship

Nature & Adventure



Recreation



Parks & Gardens



Adventure & Nature

Food & Lifestyle



Food & Beverages



Shopping & Spa



Entertainment

UNESCO World Heritage Site
(since 2008)

The most livable city in Malaysia
(ECA International, 2015-17)

One of the 19 best spring travel
destinations (CNN, 2019)

Georgetown – Top 10 cities to visit
(Lonely Planet, 2016)

Safe city



Penang Tourism – A Snapshot



International tourist arrivals (via PIA[^])

2018: 1.79m (+16% yoy)

2017: 1.55m (+10% yoy)



Total tourist arrivals (via PIA)

2018: 3.87m (+8% yoy)

2017: 3.58m (+8% yoy)



Passengers at Swettenham Pier

2017: 1.03m (+25% yoy)



Hotels

of hotels: 242 (2018)

of rooms: 20,306 (2018)

Occupancy rate: 60.4% (9M18)



Tourist profile *

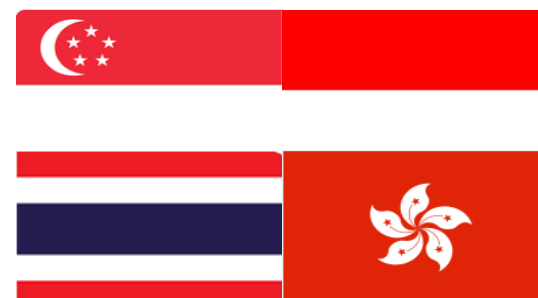
93% independent travellers

59% are for leisure

18-25 years is largest age group

RM 1,166 avg spent

5 nights average stay



Top int. travellers by country

1st: Singapore

2nd: Indonesia

3rd: Thailand

4th: Hong Kong

Note: [^] PIA refers to Penang International Airport

: * Source - Penang Tourist Survey Report 2017

Batu Kawan – To The Future Of Growth

STRONG INDUSTRIAL BASE

Manufacturing base in automotive, engineering, medical devices & electronics



AFFORDABLE HOUSING



Priority to talent and knowledge workers. 11,800 residential units in Batu Kawan

HIGH-END RESIDENCES



3,000 gated and guarded residential houses



Distance
Penang International Airport: 30 km
Penang Port @ Butterworth: 19 km

EMERGING SUPPORTING CLUSTER IN EDUCATION



Degree courses in engineering, business, design and information system

NEW RETAIL & RECREATIONAL FACILITIES



Integrated shopping mall development with offices and residences (March 2019)



Penang Design Village – a world class shopping experience (completed)



Planned theme park and golf resort (ongoing)



Specialist medical centre by a regional hospital



PENANG's Talent Availability And Education Ecosystem

PENANG – The magnet for talents in the northern region

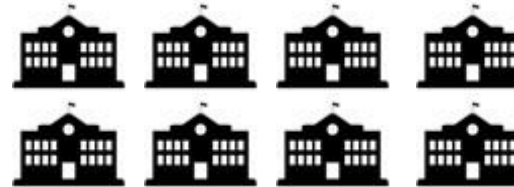
- Malaysia produces > 270,000 university graduates annually
- Approx. 43,000 of those are Engineering graduates



CASE FOR PENANG



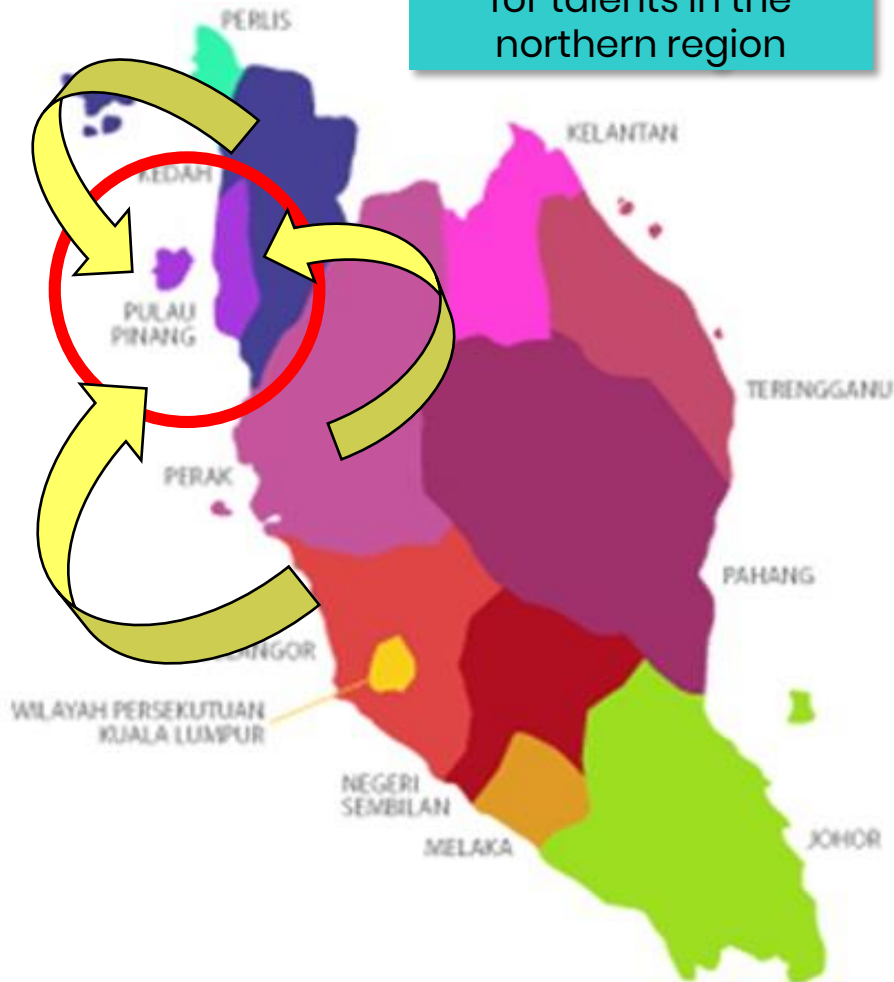
- 2 public universities
- 2 private universities



- >20 university colleges / colleges
- 2 polytechnics
- 6 community colleges



- 4 industrial training institutes
- 1 youth skills development institute
- 2 teacher training institutes



PENANG's Talent & Retention Initiatives



PENANG CAT CENTRE

- Penang State Government's initiative to attract and retain talents
- Matching job seekers with employers
- Policy advocacy on addressing talent gap



MALAYSIA MEISTER PROGRAMME (MMP)

- Vocational training programme to ensure consistent supply of technically competent employees as the talent pipeline for future business needs



PENANG FUTURE FOUNDATION

- Penang State Government's initiative to retain and attract talents
- Awarding scholarships to deserving students in the fields of Science, Technology, Engineering, Mathematics, Accounting and Finance



PENANG AFFORDABLE HOUSING

- Priority for talents and knowledge workers
- Successful applicants are obliged to work in Penang for a minimum of 5 years

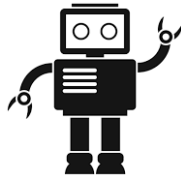
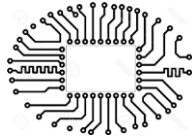


Inspiring Young Minds Towards STEMA



PENANG SCIENCE CLUSTER

- To spur the interest of younger generation in science & technology
- Annual Young Innovator competition, embedded tech mentor programme, STEM classes, science carnivals, local fairs and etc.



TECH DOME PENANG

- To showcase innovation, learning & entertainment to further understand technology
- Galleries on optics, IT, life tech, robotics, exploration zone and transformation of Penang



PENANG DIGITAL LIBRARY

- To re-engineer how information is curated and consumed in today's digital world
- >3,000 e-books collection
- Phase II under construction – to further explore collaborative spaces



@CAT PENANG

- Launchpad of Penang's tech start-up community & innovation labs
- Unique & flexible co-working space, tech events & accelerator / mentorship programmes in the George Town UNESCO World Heritage Site



Connectivity – Airport & Port

PENANG INTERNATIONAL AIRPORT



PENANG PORT



- ✓ 3rd largest airport in Malaysia
- ✓ Capacity: 6.5m passenger p.a. at 120% utilization rate
- ✓ Post expansion capacity: 12m passenger p.a.

Flights

- 283 international direct flights to 19 cities in 7 countries
- 100 flights weekly – Singapore
- 14 flights weekly – Hong Kong
- 24 flights weekly – Bangkok
- 28 flights weekly – Jakarta

Cargo

- 2nd largest cargo hub in Malaysia
- >150,000 tons of annual cargo handling capability

- ✓ 5th largest seaport in Malaysia
- ✓ Container terminal capacity: 2mil TEUs p.a.
- ✓ Container traffic movement: 1.5m TEUs in 2018
- ✓ Cargo traffic movement: 34.4 tons in 2018

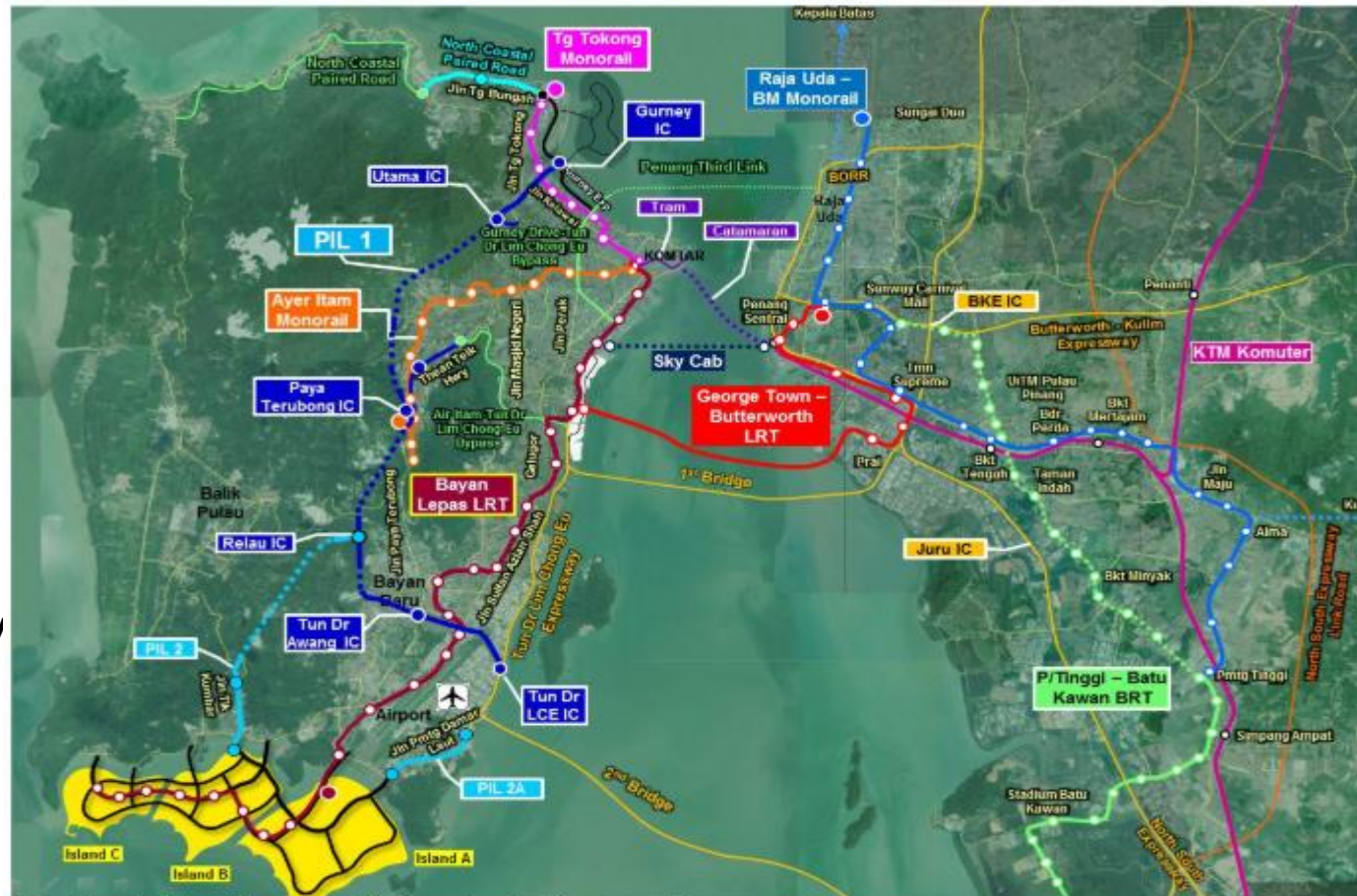
PENANG Transport Master Plan (PTMP)

Penang Island Public Transport

- Bayan Lepas LRT
- Ayer Itam Line
- Tg Tokong Line
- Tram

Highway & Road Network

- PIL 1, 2 & 2A
- Persiaran Gurney Lebuhraya LCE Bypass
- Ayer Itam-Lebuhraya LCE Bypass
- NCPR



*Note: Transit alignment & system subject to review prior to implementation.

Seberang Perai Public Transport

- George Town-Butterworth LRT
- Monorail from Raja Uda to BM / Alma
- BRT from Permatang Tinggi to Batu Kawan

Highway & Road Network

- NSE Link Road Interchanges
- BKE IC
- Juru IC
- Permatang Pasir – Perda
- Bukit Minyak

PENANG TRANSPORT MASTER PLAN:

- Bayan Lepas LRT
 - PIL 1 Highway
 - Ayer Itam-Lebuhraya Tun Dr Lim Chong Eu Bypass
 - Persiaran Gurney-Lebuhraya Tun Dr Lim Chong Eu Bypass
 - North Coastal Paired Road (NCPR)
- Project Delivery Partner

Penang South Reclamation (PSR)

Transforming Penang for the Future



The 1st in Malaysia where a large-scale reclamation development is **helmed and owned by a State Government**.

The objective is to **transform Penang into a world-class state** that is socially progressive, attracts highly-skilled talents, and has an advanced, competitive and sustainable economy.

PENANG 2030

- Address housing affordability and diversity
- Continue to improve public safety and cleanliness
- Enhance welfare and care systems
- Diversify recreation, sports, arts and culture facilities

Increase livability to enhance quality of life

Empower people to strengthen civic participation

- Uplift vulnerable communities and reduce inequalities
- Boost participation of youth, women and seniors in community life
- Create more platforms for public involvement in social development
- Accelerate programme delivery and institutional reform

- Advance readiness of local manufacturing industries for the digital age and the green economy
- Modernise and diversify sustainable agriculture
- Create a variety of quality tourism products across island and mainland
- Foster an ecosystem that nurtures creative industries and niche business services

Upgrade the economy to raise household incomes

Invest in the built environment to improve resilience

- Balance development through effective spatial planning
- Strengthen mobility, connectivity and digital infrastructure
- Integrate municipal services with smart technologies
- Implement climate change adaptation plans





PENANG OFFERS THE RIGHT BALANCE
Invest, Work, Live and Play

investPenang

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www.investpenang.gov.my