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Issue



MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

Selamat  
Hari Raya  
Aidilfitri!



MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY  
**E-NEWSLETTER**

A MONTHLY INDUSTRY UPDATE FOR GLOBAL INVESTORS AND MORE!



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# MIDA Facilitates Overseas Internship for Malaysian Students Abroad

Enhancing the students' employability has always been on top of the human capital development agenda of the Government. This is to ensure that they are industry-relevant, ready to enter the job market and ultimately able to contribute to the economic growth of the country. Various programmes are usually adopted by universities and colleges to increase the employability of their students such as internship, career awareness program, industry talk, curriculum embedment, and lecturer's attachment to industry.

The internship is one of the programs undertaken by universities in the world to expose their students early for industrial training or employment at the actual workplace of companies before they complete their studies. The internship duration varies from one university to another, ranges from 3 months to 9 months. Students can later be offered a permanent job if they meet the criteria or job requirement.

In line with this, as part of the organisation's ongoing efforts

to effectively address investors' talent needs, MIDA through its overseas centres collaborates with JPA and MARA in organising the overseas internship programmes. These programmes aim to facilitate Malaysian sponsored students (under JPA and MARA) studying abroad to secure placement for internships with foreign investors or MNCs that have operations in Malaysia.

For example, MIDA Germany, both Frankfurt and Munich offices have assisted Malaysian students in getting internships with German companies. The number of Malaysian students in Germany quadrupled in the last ten years. Currently, close to 1,000 young JPA, MARA and private Malaysian students study in degree courses in German universities, taking advantage of the cutting-edge science and engineering courses offered there. In collaboration with the JPA and MARA offices based in Frankfurt as well as the Consulat General Office, MIDA Germany has successfully persuaded German companies who have operations in Malaysia to offer internships to Malaysian students. Companies that are working very closely with MIDA include BMW, Infineon, Mühlbauer, Osram, Daimler, Porsche, BASF, B.Braun, Schmidt & Clemens, Esmo Group to name a few.





In 2017, MIDA Paris collaborated with the Malaysian Students Associations in France (MASAF) to organise the Career Fair Weekend 2017 in Paris. The platform served as a meeting avenue for participating French companies to get in touch with Malaysian students who studied in renowned French education institutions. It was also used by the students to find internship offers or recruitment upon graduation. In 2018, MIDA Paris and MASAF co-organised a CV Workshop and Industrial Insights 2018 in Toulouse. The event was successfully attended by 40 Malaysian students and 5 French companies namely GIFAS (aerospace association), PIRIOU Group (shipbuilding and MRO), Daher (aerospace, defence, nuclear and automotive industrial sectors in the fields of manufacturing, services and transport), Orinox (experts in plant engineering digitalisation) and Ciel & Terre (solar energy equipment supplier). These companies were keen on looking for students for internship.

MIDA Seoul is still at an initial stage of promoting overseas internship among Korean companies. As a first initiative, MIDA Seoul together with Korea Industrial Technology Association (KOITA), Embassy of Malaysia, Malaysia External Trade Development Corporation (MATRADE) and Education Department (JPA) co-organised a Seminar on Business Opportunities in Malaysia on 22nd April 2019, and one of the topics presented and discussed during the seminar was on "Malaysian Talent Pool: What Malaysian students can offer".

MIDA Japan (Tokyo and Osaka) has facilitated several Japanese companies in their efforts to employ and train Malaysian students graduated from Japanese universities through close collaboration with the Human Resource Development Counsellor at the Embassy of Malaysia in Tokyo and Malaysian Students' Association in Japan (MSAJ). Some of these companies will provide

trainings in Japan before dispatching the employees back to their Malaysian facility. Companies which have adopted this initiative include Rohm Wako Electronics, Roland Corporation, Taiyo Yuden, Panac and Seiko Electric.

Among the benefits of the overseas internship for companies include gaining access to a broader base of the highly qualified Malaysian talent pool for their operations in Malaysia; reduce costs by placing Malaysians who are already in their home country for training, and leverage on the company's state-of-the-art facilities, infrastructure and operations in their home country. The students on the other hand will gain better opportunity to be employed as they have obtained the necessary practical experience with MNCs/foreign companies which have operations in Malaysia.



MIDA's initiative to enhance the employability of Malaysian overseas graduates is in line with the aspiration of the Government to ensure companies investing in Malaysia are able to secure qualified high knowledge talent with practical experience.

Going forward, MIDA has developed an online platform with the support of JPA and MARA, namely the **Overseas Internship & Management Trainee Program Portal**. The objective of this initiative is to facilitate internship or management trainee opportunities for Malaysian sponsored students (under MARA and JPA) studying abroad and encourage foreign investors and MNCs to provide employment opportunities and industrial trainings. The link to the portal is <https://overseastrainee.mida.gov.my/>. The portal is managed by the **Industry Talent Management And Expatriate Division** of MIDA. For further information, please email to [investmalaysia@mida.gov.my](mailto:investmalaysia@mida.gov.my).



# Progress Updates on FHTP, OECD

MIDA's E-Newsletter in **March 2018 edition** has introduced readers to the Forum of Harmful Tax Practices (FHTP) and its requirements in fulfilling Action 5: Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance. This edition aims to update readers on the **current progress** and **incentive recipients' tax responsibilities**.

## Current Progress

Incentives namely the Pioneer Status for High Technology, Pioneer Status for Contract R&D, Green Technology Services and Principal Hub had been identified for evaluation by FHTP. During the last engagement between Malaysia and FHTP, decision and consensus for the first three incentives were achieved while the latter remains under evaluation. The contract R&D and Green Technology services which are categorised under the non-IP regime were reviewed and amended to ensure that substance is included as part of the incentive criteria and conditions.

Moving forward, all projects approved under the Green Technology Services and Pioneer Status for Contract R&D will subject to substance requirements such as the number of full-time employment and operational expenditures. For further information on these criteria, kindly visit the forms and guideline section of MIDA's website.





## Incentive Recipients' Tax Responsibilities

As for the Pioneer Status for High Technology incentive, the last FHTP meeting agreed for the incentive to be re-classified as 'out of scope' as compared to its earlier classification as an IP Regime. The re-classification was made since the Pioneer Status for High Technology incentive targets the manufacturing segment as opposed to mobile services which is under the purview of FHTP. However, the legislation is required to be amended to exclude Intellectual Property (IP) income. Following this, the necessary amendments were made through Finance Bill 2018 and the Promotion of Investments (Promoted Activities and Promoted Products for High Technology Companies) (Amendment) Order 2018. Through these amendments, the Pioneer Status for High Technology incentive is only applicable for the manufacturing income of the qualifying activity while any form of IP income will be excluded from the incentive.

While future Pioneer Status for High Technology incentive recipients will be informed on the exclusion of IP income from the incentive, it may not be as straightforward as compared to the existing recipients who have been enjoying the incentive. The existing players are given a transition period before they are required to join the bandwagon. The magic date is 30 June 2021. A company which has been granted a Pioneer Status for High Technology incentive and received its Pioneer Certificate can enjoy the incentive until 30 June 2021. On 1 July 2021 onwards, the incentive will only be valid for the exemption of manufacturing income, and any IP income has to be excluded, and a separate account is required to be maintained. Companies are now obliged to identify whether or not there is IP income embedded into the income of their qualifying high technology manufacturing activity. Companies that have IP income which is currently exempted with incentive are advised to talk to MIDA for further consultation on the way forward.

Malaysia's engagement with the FHTP, OECD is a continuous process in ensuring the country remains competitive on a level playing field while ensuring international obligations are met. MIDA's newsletter will furnish our readers with more updates as progress is made. Keep subscribing!

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# Metal Additive Manufacturing

Additive manufacturing technology adds materials and melted it to create a super fine layer of an object which is different from the conservative manufacturing. Conservative manufacturing, often subtract materials via several processes such as milling, machining, grinding and carving in order to produce parts.

There are several materials that can be melted in building the superfine layers of parts.

**Thermoplastic** is the most popular material as it is cheap and can be easily prepared.

**Biochemical healthcare** applications include the use of hardened material from silicon, calcium phosphate and zinc to support bone structures as new bone growth occurs. For more sturdy and hazardous environment application, **metals and metal alloys** such as gold, silver, stainless steel or even titanium are used.

The growth in the additive manufacturing industry is predicted by many to be rapid and substantial. As more companies develop production equipment, more materials become available and more end-user industries adopt the technology.

The findings by Frost and Sullivan suggested that the global value of the additive manufacturing is poised to grow at a compounded rate of 15% from US\$5.31 billion in 2015 to US\$21.50 billion in 2025. The aerospace, automotive and medical industries are expected to account for 51% of the 3D printing market by 2025.

The 2015 Wohler report stated that there have been more advances in the material production for metal printing in the past 10 years compared to plastics in the past 20 years. SmarTech Markets Publishing, through their market assessment, pointed that metal printing machines sales grew a significant amount of 89 percent over the past year, as the metal 3D printing technologies become more matured and shifted from 'R&D' purpose to manufacturing.

There are various technologies used in additive manufacturing such as Sintering, Direct Metal Laser Sintering (DMLS), Direct Metal Laser Melting (DMLM), Electron Beam Melting (ELBM) and



Stereolithographic (SLA). DMLS uses a laser to sinter the powder across the selected surface to fuse the metal particles together. However, the metal does not melt completely. In contrast, the DMLM uses laser while ELBM uses an electron beam to completely melt each layer of metal powder. Both technologies are ideal for the manufacturing of dense, non-porous objects. SLA, on the other hand, uses photopolymerisation to print ceramic objects. The process employs a UV laser that selectively fired into a vat of photopolymer resin.



Additive manufacturing is a vital component of Industry 4.0, a key technology in manufacturing customised products. More manufacturers are beginning to see the benefits of additive manufacturing as it will reduce material wastage, provide shorter time-to-market, and able to create complex parts that are challenging to be manufactured using conventional processes. No doubt that with additive manufacturing, it becomes possible to develop an agile manufacturing environment. While additive manufacturing has been dominated by polymer and thermoplastic materials, the metal-based additive manufacturing is growing fast and provide exciting opportunities and possibilities, not only in the design but also in the choice of materials for the end products.

As at today, based on MIDA's record there is only one company producing metal powders for 3D printers namely Oryx Advanced Materials in Malaysia, and so far, there are no companies producing 3D printers for metal applications. Oryx Advanced Materials is one of the leading metal and alloy producers for hard disk drives and photovoltaic modules. They are expanding their products portfolio by including metal powders for additive manufacturing. Their facility in Penang provides total solutions for metal additives manufacturing from material characterisation & selection, 3D printing services and post-processing processes. Realising the importance of additive manufacturing as one of the disruptors in the manufacturing industry, MIDA

with Oryx had co-organised a one day workshop on metal additive manufacturing in Penang on 10th April 2019. The one-day event featured speakers from EOS, Materialise, Oryx and MIDA. The workshop covered a broad spectrum of additive manufacturing from services, manufacturing up to the angle of policymakers. During the event, Mr. Zabidi Mahbar, the Deputy CEO of MIDA in his keynote address highlighted that additive manufacturing will change the ways of doing business and it will require comprehensive collaboration from all stakeholders to drive the country's digital transformation agenda. Oryx also organised an open factory event in the evening to share their capabilities with the seminar participants.



## Initiatives by the Government

The National Policy on Industry4WRD was launched on 31 October 2018 to drive the country's growth and transformation via digitalisation. Additive manufacturing has been identified by the Government as one of the technology elements under the Industry4WRD.

Related industry players who wish to adopt additive manufacturing technology can utilise the Readiness Assessment (RA) or Domestic Investment-Specific Fund (DISF) facilities provided under the Industry4WRD. The RA will assist the company in

providing a full diagnostic report for their readiness level before adopting the additive manufacturing technology.

The report will identify the gaps, areas of improvement as well as recommending realistic framework and strategies for companies in adopting the technology. Companies can also apply the Industry4WRD DISF if they require monetary assistance in implementing the strategies for adopting additive manufacturing in the manufacturing line.

For companies who would like to automate their production

line, the Government has also announced an Automation Capital Allowance (ACA) in 2015. This is one of the Government's initiatives to further encourage quick adoption of automation especially for industries that are heavily reliant on foreign workers.

The metal additive manufacturing technology is rapidly evolving and disrupting the whole manufacturing value chain. Like many new technologies, early adopters often race ahead and garner early returns.



# The Gaming Industry: A New Game of Growth



The Gaming Industry evolved from a group of young developers into a billion-dollar industry, and with the exponential growth of technology, the trend of playing games has grown from being played on PCs and mobiles, to consoles and virtual reality (VR). A global leader in eSports, games, and mobile intelligence, Newzoo is the leading market intelligence from the Netherlands since the year 2007. It has a partnership with giant tech companies such as Microsoft, Facebook, Warner Bros, Google, Razer and many others. Newzoo has also highlighted in its 2018

Global Games Market Report that the global games market is expected to grow from USD151.9 billion in 2019 to approximately USD180.1 billion in 2021.

The increasing trend in the Gaming Industry has led to a new trend known as Electronic Sports (eSports), a competition using video games. The global revenue for eSports is expected to grow to USD1.5 billion by 2020. Newzoo also highlighted that the Asia-Pacific region accounted for 51 per cent of global eSports enthusiasts in 2017.

The Malaysian National Creative Industry Policies, governed by the Ministry of Communications and Multimedia has identified the gaming industry as one of the ten main categories in the Creative Industry, namely Visual Arts, Performing Arts, Music, Literature, Fashion and Design, Traditional and Cultural Arts, Creative Education, Creative Technologies, Film/TV/Gaming Content, and Culinary Arts. In 2018, the Gaming Industry alone contributed USD100 million to Malaysia's revenue and expected to show an annual growth rate (CAGR 2018-2023) of 10.9 per cent, which will result in a market volume of USD168 million by 2023. Malaysia also ranks 21st worldwide in term of games revenue, with the total amount of USD633 million.

With the massive growth of the creative industries, Malaysians are also jumping on the virtual world's bandwagon to kick-start their careers as game developers. Today, the production of games require a team of highly skilled professionals in

## SEGMENT BREAKDOWN OF GLOBAL GAMES REVENUES

TOWARD 2021



Source : Newzoo



the areas of graphic material digitisation, programming of digital sound and characters, and the creation of creative content. The spur of the Gaming Industry also sparks the interest of other young technology entrepreneurs to venture and explore the Game Development industry. Courses specialising in the game design such as game software development, game art and design as well as game programming are being offered by local universities and college, and institutions namely Universiti Tunku Abdul Rahman, Limkokwing University of Creative Technology, and Management and Science University (MSU).

Malaysian companies are making their mark in the gaming industry. For example, PassionRepublic Sdn. Bhd., a homegrown animation studio based in Malaysia has over 95 employees comprising highly-skilled young talent who are incredibly passionate about digital content creation. PassionRepublic has successfully produced digital

content for leading companies such as Sony, Microsoft Games, Warner Game Brooch and Square Enix. The Company will be expanding its animation studio, building its R&D capabilities and continuing to grow both locally and globally by offering innovative digital content in the gaming industry with the support of MIDA.

The Malaysian Government has recognised the gaming industry as one of the sectors which can boost the economy. Since the year 2015, Malaysia has been hosting the LEVEL UP KL, an annual Southeast Asia games industry event led by Malaysia Digital Economy Corporation (MDEC). The event aims to bring together local and international players at the regional games development scene in Southeast Asia, as well as to provide a platform for players in the industry to interact, learn and share knowledge. Several notable companies in the gaming scene present during this annual event include Sony Interactive

Entertainment, Epic Games, Google, Bandai Namco and Microsoft XBOX. During Budget 2019, a total of RM10 million has been allocated to develop eSports. With the commitment shown by the Government, the eSports in Malaysia is expected to boom this year as Youth and Sports Ministry also aspires Malaysia to be the eSports hub in the region. Esports Malaysia (ESM), a governing body for electronic sports in Malaysia has been reformed to address the concerns of eSports athletes and spearhead the development of eSports in the country.

Moving forward, Malaysia's Gaming Industry will continue to grow, as more and more companies and creative individuals are rapidly exploring this innovative industry. In line with this, MIDA will continue to assume its role to assist and nurture local gaming companies to grow and become regional or global players.



PassionRepublic open-plan office helps the young talent to interact more, sparking fresh ideas and boosting collaboration.

# Our Journey in Malaysia : VAT Group AG

## Malaysia, Key to VAT's Flexible Global Footprint

VAT began work on its Malaysia facility in Penang in 2013 as part of its long-term strategy to move closer to its customers, improve access to its largest market, globalise its business model and give the company more flexibility in its production capacity, cost structure and supply chain. When the project was officially completed, and the plant made fully operational in July 2018, the company could point to one of its biggest successes.

The Swiss-based company is the world's leading supplier of high-performance vacuum valves, mission-critical components that allow the creation of ultra-pure processing environments needed to manufacture high-end semiconductors, flat panel digital displays and solar panels. They are also used in a variety of other high-precision industrial processes, such as the manufacture of medical equipment, as well as in advanced scientific research, especially in particle accelerators.



**Bernd Kirchhoefer,**  
General Manager,  
VAT Group AG

In 2013, the company's main manufacturing site was at its head office in Haag, Switzerland, along with a component manufacturing facility in Romania, and sales and service locations in many other countries. However, most of the company's main customers by this time were in Asia and VAT decided to undertake a major expansion in the region to meet the rapidly changing needs of these customers.



Main Facade



“We emphasise deep working relationships with our customers,” says Bernd Kirchhoefer, VAT’s General Manager in Malaysia. “We typically work with them over many years to develop the exact technology innovations they need. This has been key to building VAT’s clear Number One global market share.”

The search for an Asian hub was extremely comprehensive and covered China, Japan, South Korea, Singapore, Taiwan, Thailand and Vietnam. The final choice fell on Malaysia, particularly Penang Batu Kawan. Penang’s winning competitive advantages were the availability of highly skilled and motivated people, strong local suppliers for mechanical parts and electronic components, an efficient logistics infrastructure and attractive cost level.

“The support from MIDA and other official agencies in Malaysia since the very beginning of the project has also been exemplary,” Kirchhoefer says. “We set ambitious deadlines for completing the 17,000-square-meter facility, and it represented a significant portion of our company’s total capital expenditures in the past several years, so MIDA’s support gave us additional confidence that we could get it done on time.” As of 2018, VAT had invested more than CHF 40 million (MYR 165 million) in the Penang facility, with further investments to come.

The plant currently employs about 260 people and, with demand driven by long-term trends like global digitalisation, the company expects employment could grow to as many as 800 people by the end of 2020. VAT is steadily broadening the scope of products manufactured in Penang, qualifying them with customers in the region and expanding its service and engineering offerings.

That includes VAT Malaysia’s key role as a regional centre for spare parts, valve retrofits and equipment upgrades. The company expects its Malaysia plant to account for some 30% of total global production output.

“Our expansion at Penang has been a real success,” says Kirchhoefer. “Malaysia has become our major base for serving our most rapidly growing market with our latest technology innovations and fast local service. We are convinced this was the right choice and we look forward to continued long-term success.”



# We Invest in Our Home : **Aemulus Corporation**

Aemulus Corporation started operation in 2004, focusing on the tester equipment market for the semiconductor industry. By 2015, Aemulus testers footprint can be found in most of the countries in Southeast Asia, and China, Taiwan, South Korea, Germany, as well as the States. Aemulus was listed in Bursa Malaysia as a public company in the same year. Then in 2017, Aemulus embarked on artificial intelligence platform software development.

Indeed, the choice of location was a great concern for a start-up. The Company had to consider the ecosystem, the talent pool followed by identifying the location to build the right culture for the company.

We knew that we need not go far. We believe that our home — Penang, Malaysia is the best because we can build our corporate culture based on principles and values that mean



**Ng Sang Beng,**  
Chief Executive Officer,  
Aemulus Corporation

to us. Malaysians possess good qualities that are inculcated since young from living in a multi-ethnic society.

Growing up in a multi-ethnic society, Malaysians are not only multilingual and multicultural but, accommodative too. We are open to differences in views and opinions and this attributes to great problem-solving skills. In Aemulus, we are constantly seeking alternatives because having a pool of solutions to the same problem is definitely better than restricted to a few options.





There is a common local proverb, "Usaha tangga kejayaan" and it means success comes with hard work. So, Malaysians have been taught to work hard in order to achieve. While we believe there are many other elements to be successful in life, being hardworking can compensate many shortfalls in life. Working around-the-clock is not uncommon in Aemulus, simply put, our employees are not only accountable but self-motivated too. Our employees serve customers from different parts of the time zone, they make time and manage their workflow.

Over the past 15 years, Aemulus grew rapidly mostly with our local talents. We have set a high benchmark of technical knowledge requirement, because the semiconductor tester market is niche, and it is dominated by the American and Japanese companies. On top of that, we will run a culture fit assessment — their attitudes towards failure and success; their determination to grow; and so forth. Undeniably, talent filtration takes time but we do get qualified talents who meet our requirements and fit our corporate culture.

There was an incident not long ago, one of our customers rejected a project that we had worked on for months. Apparently, the failure was due to a miscalculation of project direction and the management resorted to shutting down the project.

Nonetheless, the team members did not give up. They revisited the project covertly; they analysed the failure, rectified the methods used, and last but not least, worked around the clock to rebuild the project. Their hard work paid off, the same customer approved the new solution. The management was thrilled, the team was exemplary; they had shown the founders' determination and passion.

In fact, we love to have open discussions with our employees, and especially discussions about their future. Employees are the most important asset for a company, with crystallised career pathways in mind, they will fuel and propel the company forward.

We made the right decision to invest in our home and we are proud to call ourselves, a home grown company. Our 5G radio frequency testers and artificial intelligence platform software, Moridaru will need more talents. We did it 15 years ago, and together we shall have many more years to come.

Let's innovate together, Malaysians!



# Malaysia offers new strategic locations for foreign and domestic investors along the ECRL corridor

Malaysia's earliest railway system was established during the British colonial era when the Federated Malay States Railway and the Malaysian Railway Administration operated in 1885. The first railway line connected Taiping to Port Weld (Kuala Sepetang) to transport tin cargo from the mines in the vicinity of Taiping, Larut and Matang.

The railway system at that time was mostly decentralised and concentrated on rail lines within state boundaries in locations such as Perak, Selangor, Johor (Muar), Negeri Sembilan (Sungai Ujong) and Sabah. Currently, Sabah has the only rail transport system operating on the island of Borneo.

Originating in 1896, the rail network in Sabah was known as the North Borneo Railway and was initially intended primarily for the transport of tobacco cargo from the interior to the coast for export.

Historically, the main driver for constructing rail lines was to transport cargo and freight from the source locations to the ports along the coast. In recent years, the Malaysian rail network has vastly expanded to include Keretapi Tanah Melayu Berhad (KTMB), Light Rail Transit (LRT), Express Rail Link – KL Sentral to KLIA (ERL), KL Monorail and Mass Rapid Transit (MRT). The rail transportation in Malaysia has now developed into a system using modern infrastructure improving efficiency and effectiveness.

Recently, the Government's decision to reactivate the East Coast Railway Link (ECRL) project, entails a comprehensive value engineered plan to construct and operate a 640km line extending over five states (Kelantan, Terengganu, Pahang, Negeri Sembilan and Selangor) as well as the Federal Territory of Putrajaya. The ECRL route will span from Kota Bharu (Kelantan) through to Port Klang (Selangor) with 20 stations planned to transport passengers and/or freight.

NO	STATE	STATION LOCATIONS
1.	Kelantan	Kota Bharu
2.		Tok Bali
3.	Terengganu	Kampung Raja
4.		Kuala Terengganu
5.		Pengkalan Berangan
6.		Dungun
7.		Kemasik
8.		Chukai
9.	Pahang	Cherating
10.		Kuantan Port City
11.		Kuantan Port City 2
12.		Kota SAS
13.		Gambang
14.		Maran
15.		Mentakab
16.	Negeri Sembilan	Proposed station to be identified
17.	Wilayah Persekutuan	Putrajaya Sentral
18.	Selangor	Bangi/Kajang
19.		Proposed station to be identified
20.		Port Klang

Infographic: Strategic locations for investment opportunities along the ECRL corridor.



There will be 14 passenger stations, five combined passenger and freight stations as well as one purpose-built freight station. Out of the total number of stations, three have been identified as interchange stations namely;

- Mentakab (Pahang) with KTMB,
- Bangi/Kajang (Selangor) with KTMB, and
- Putrajaya Sentral (Federal Territory of Putrajaya) with ERL/MRT.

This electrified standard gauge, rail network is double tracked and will cruise along at 160km/h to enable a passenger train journey time of four hours from Kota Bharu to Putrajaya. The freight train is planned to run together at 80km/h transporting cargo, and this is forecasted to contribute a significant portion to the economic value of the ECRL. Increased connectivity between rural and urban areas encompassing transportation and logistics within East-West Peninsular Malaysia will be faster and easier upon project completion by December 2026.

With the potential of enormous investment and economic opportunities along the route, a dedicated team within MIDA has been established to facilitate, evaluate and review the implementation of the Economic Accelerator Projects (EAP) along the ECRL corridor.

This follows the signing of the Memorandum of Understanding (MoU) between the Malaysian Investment Development Authority (MIDA) and China Communications Construction Company Ltd. (CCCC) on April 25th 2019 in Beijing, witnessed by YAB Tun Dr. Mahathir Mohamed, Prime Minister of Malaysia and His Excellency Li Keqiang, Premier of the State Council of the People's Republic of China.

Moving forward, the team will engage and strategise various action plans covering promotional activities and engagements with relevant stakeholders, including domestic industries.

These catalytic projects will create a broad spectrum of business and job opportunities, including the development of industrial parks, logistics hub and transit-oriented development along the ECRL corridor.

The ECRL project, which will form the East-West rail transport network is designed to stimulate the commercial, logistic, import and export, as well as tourism development activities along the proposed alignment. With the inflows of Foreign Direct Investment (FDI) and Domestic Investment (DI) and potential growth for industrial, commercial and tourism sectors, the railway will contribute towards bridging the development gap between the east and west coasts of Peninsular Malaysia.

MIDA, together with CCCC, will promote the EAP to maximise its success potential and invite local and international investors to invest in the projects. Both parties will also undertake cooperation and capacity building activities to encourage the industrial and business communities to organise or participate in dialogues, workshops, seminars and conferences; technical assistance to promote and facilitate capacity building and training; and the sharing of best practices.

# Smart Manufacturing takes Centre Stage at SEMICON Southeast Asia 2019

On 7 May 2019, Dr. Ong Kian Ming, Deputy Minister of International Trade and Industry (MITI), officiated the opening of SEMICON Southeast Asia 2019, an annual gathering of the global electronics manufacturing supply chain at MITEC. Held for the second year in Kuala Lumpur, and fifth time in Malaysia, the showcase with the theme 'Fostering a Resilient and Growing Electronics Manufacturing Supply Chain in South East Asia' brings together industry experts from around the world for critical insights into the semiconductor ecosystem, new business opportunities and collaboration.

As the strategic partner to SEMI, MIDA set up a Malaysian Pavilion that consists of 16 companies representing various activities and products in the electronics value chain and ecosystem.

At the event, MIDA launched its first E&E Directory. The Directory seeks to promote and connect all E&E industries in Malaysia including SMEs for their market penetration domestically and globally as well as to expand their business opportunities within the existing ecosystem.



Mr. S.Siva, Executive Director, Investment Promotion, MIDA was one of the panelists in the CxO Speaks: Shaping Malaysia's Electrical & Electronics (E&E) Policies towards a Sustainable Growth Path-Road Mapping towards Success, an interactive session at SEMICON SEA 2019.



MIDA also assisted SEMI in gathering a group of students to participate in SEMI High Tech U (HTU) on the second day of SEMICON SEA 2019. HTU exposes students to the importance of science, technology, engineering and mathematics (STEM) skills through hands-on activities and experiential learning led by industry volunteers.



SEMICON Southeast Asia 2019 has drawn more than 9,000 visitors, an all-time event record, to the new Malaysia International Trade & Exhibition Centre (MITEC). The three-day event (7-9 May 2019) featured three themed pavilions, five global pavilions, inspiring keynote presentations and a host of technology forums to address key trends and issues in the electronics manufacturing supply chain.

For the first time, SEMICON Southeast Asia 2019 showcased a live, fully-fledged smart factory at its Smart Manufacturing Pavilion, allowing delegates to walk through the entire end-to-end microelectronics supply chain. Each component along the smart factory multi-step line was displayed, virtually and with actual equipment on the floor, from design and materials through front-end patterning, packaging and test to final board and system assembly. There was also subject matter experts' attendance as well as a unique augmented reality (AR) interactive human-machine interface for delegates to experience.



## Highlights of May >>>



MIDA had a good meeting with Tourism Malaysia's team on 2 May 2019. Look forward to future collaborations.



On 3 May 2019, Steinweg launched its Integrated Commodities Hub and Malaysia's first European standard Chemical Warehouse in Port Klang, Selangor. MIDA has worked with Steinweg Group since 2014 to bring their expansion project forward.



On 3 May 2019, MIDA Stockholm shared information on business opportunities in Malaysia at a seminar in Oslo organised by Innovation Norway in collaboration with the Ministry of Foreign Affairs, Malaysia.





On 6 May 2019, Xinhua News Agency, represented by Mr. Zhoa Yue, General Manager and Mr. Hu Chuang Wei, Deputy Director of Xinhua Asia-Pacific Regional Bureau based in Hong Kong as well as Mr. Lin Hao, Bureau Chief in Kuala Lumpur paid a courtesy visit to MIDA's new Chairman, Dato' Abdul Majid Ahmad Khan at MIDA HQ.



On 8 May 2019, MIDA Stockholm briefed the members of Finland ASEAN Trade Association on investment opportunities in Malaysia at their annual general meeting. H.E Ambassador John Samuel the Malaysian Ambassador to Finland also delivered his remarks to the members at the event.



On 10 May 2019, MIDA had a good conversation with five Malaysian engineers, currently employed by Roland Manufacturing (M) Sdn.Bhd. They were trained by Roland HQ in Japan for two years. An article on the company will soon be featured in MIDA's e-Newsletter.



On 16 May 2019, the Chairman of MIDA, Dato' Abdul Majid Ahmad Khan and MIDA team had a fruitful meeting with the members of Chinese Enterprises Association in Malaysia (CENAM) led by Mr Zhang Min, President of CENAM who is also the CEO of Bank of China Malaysia.



On 21 May 2019, MIDA Stockholm organised a networking reception, grace by H.E Ambassador Nur Ashikin. The event was well attended by established Swedish companies and associations.



## MIDA IN THE NEWS

- **MIDA team to promote projects along ECRL route**

## MALAYSIA RANKING

- **Malaysia ranks 6th globally**

## ECONOMY NEWS

- **Government allocating significant resources to support SMEs**
- **'Malaysia to feel moderate impact'**
- **Penang attracts RM129.1b investments as of 2018 — MIDA**
- **Taiwanese firms mull moving to Malaysia, ASEAN countries amid US-China tensions**
- **'Malaysia springboard to S-E Asia'**

## INDUSTRY NEWS

- **Amlex ramps up capabilities to tap global semiconductor market**
- **Malaysia, Japan to increase collaboration on smart manufacturing**
- **Malaysia manufacturing PMI rises to 7-month high in April to 49.4**
- **Daibochi acquires flexible plastic packaging player for RM125 mln**
- **YTL cement its position**
- **CE Technology to raise RM12.48 mln to fund expansion plans**
- **Mah Sing plans to set up IBS plant in Southville City**
- **MITI revises anti-dumping duties**
- **Sarawak's first Hydrogen Production Plant to be commissioned May 27**
- **KL still 4th cheapest in building cost**
- **TT Vision bullish on semiconductor sector**
- **Taiwan's machinery industry keen to tap Malaysian market**
- **Sarawak's hydrogen plant ready to go**
- **Seacera inks MoU with S. Korea firm for LED factory**
- **Malaysia's mechanical and electrical exports to reach RM43b in 2020, says deputy minister**
- **Kumpulan Perangsang Selangor buys plastic injection moulding firm for RM311.25m**
- **Elsoft to make embedded controllers for test equipment**
- **Mestron's expansion to more than double production capacity**
- **First phase of Kedah Rubber City to be completed by next year — Mukhriz**
- **Kossan output set to increase**

MIDA  
E-NEWSLETTER



## SERVICES NEWS

- **JBIX eyeing 50 peered firms by year end**
- **Global social media giants now peered to Malaysia's JBIX**
- **UM makes it to top 40 of Asian universities list**
- **Labu to host billion-ringgit green data centre**
- **PKT every24 now a halal-certified logistics provider**
- **Construction of Hyatt Centric hotel to spur Sabah's economy**
- **Banking on renewable energy**
- **World's first Hasbro water theme park to be in Melaka**
- **Pan-Asian telecoms giant in the making**
- **Aiding SMEs in assessing IR4.0 readiness**
- **KL among top e-commerce cities in region**
- **Hubline venturing into O&G air transportation**
- **KKIP aerospace training centre to start ops by May next year**
- **Fusionex boosts multinational manufacturer productivity with IR 4.0 technologies**

## CROSS BORDER NEWS

- **PetChem buys Dutch firm Da Vinci for RM760.8m in specialty chemicals foray**

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**OUR  
 COMMUNICATION  
 TOOLS**

**1**

**Website**

With more than 28,000 unique visitors each month, our website provides useful and relevant information, which serves as a reference for anyone interested in doing business in Malaysia.



Sample of MIDA's homepage at [www.mida.gov.my](http://www.mida.gov.my)

**2**

**E-Newsletter**

With more than 18,000 registered subscribers and growing, our monthly English E-Newsletter contains the latest industry and services updates as well as activities held throughout the month.



Sample of MIDA's E-Newsletter

**OUR  
 COMMUNICATION  
 TOOLS**

**3**

**Digital Signages**

Our digital signages are situated within our HQ building in KL Sentral, which receives heavy number of visitors daily



One of our video walls at MIDA lobby



Some of our LCD TVs at MIDA lobby

**OUR  
 ADVERTISING  
 RATES**

**MIDA's Website**

Homepage .....	RM1,500 per week
Second Page .....	RM1,000 per week/slot

**E-Newsletter**

Full page .....	RM6,000 per issue
Half page .....	RM3,000 per issue
Quarter page .....	RM2,000 per issue

**Digital Signages**

Video Walls .....	RM320 per month
LCD TV .....	RM400 per month

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## Host with us!

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## HALL

## TRAINING ROOM

## MEETING ROOM

Hall Types		Rates (RM)	
		G	P
<b>Perdana Hall</b> (230 pax)	Inclusive of: • VIP Holding Room • PC Room • Basic AV System	5,000	6,000
<b>Banquet Hall</b> (230 pax)	Inclusive of: • Basic AV System	3,000	3,500
<b>Perdana + Banquet Hall</b>	Inclusive of: • VIP Holding Room • PC Room • Basic AV System	7,500	9,000
F&B Packages*		G	P
<b>A</b>	Inclusive of: • Refreshment • Tea Break • Lunch • Hi-Tea	From RM100/pax	
<b>B</b>	Inclusive of: • Refreshment • Tea Break • Lunch	From RM80/pax	
<b>C</b>	Inclusive of: • Refreshment • Tea Break/Hi-Tea	From RM50/pax	

\*Exclusive of:  
GST (0%)  
Service staff, linen, dome, logistic (RM200)  
\*F&B by MIDA's panel caterers

G = Government  
P = Private

Room Types		Rates (RM)	
		G	P
<b>Sigma/Gamma Room</b> (40 pax)	Inclusive of: • Basic AV System • 1 Flipchart • 2 Mahjong Paper • 2 Marker Pens	850	950
F&B Packages		G	P
Inclusive of: • Refreshment • Lunch • Tea Break		RM60/pax	

\*Exclusive of:  
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G = Government  
P = Private



Perdana Hall



PC Room



Boardroom



Japan Room

Room Types		Rates (RM)	
		G	P
<b>Board Room</b> (30 pax)	Inclusive of: • VIP Holding Room • VIP Lounge • AV System	2,000	2,500
<b>USA Room</b> (25 pax)	Inclusive of: • Basic AV System	1,500	1,850
<b>Japan Room</b> (50 pax)	Inclusive of: • Basic AV System	1,500	1,850
F&B Packages*			
<b>A</b>	Inclusive of: • Refreshment • Tea Break • Lunch • Hi-Tea	From RM100/pax	
<b>B</b>	Inclusive of: • Refreshment • Tea Break • Lunch	From RM80/pax	
<b>C</b>	Inclusive of: • Refreshment • Tea Break/Hi-Tea	From RM50/pax	

\*Exclusive of:  
GST (0%)  
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### ABOUT MIDA

The Malaysian Investment Development Authority (MIDA) is the Government's principal promotion agency under the Ministry of International Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Starting operations in 1967, MIDA is the first point of contact for investors who want to take advantages of Malaysia's vibrant economy, world-class infrastructure and business-friendly environment to set up their profit centre in Asia. For more information, visit [www.mida.gov.my](http://www.mida.gov.my) or email us at [investmalaysia@mida.gov.my](mailto:investmalaysia@mida.gov.my).

MIDA, your first point of contact for investments in Malaysia.

#### Malaysian Investment Development Authority

**MIDA Sentral**

**No. 5, Jalan Stesen Sentral 5**

**Kuala Lumpur Sentral**

**50470 Kuala Lumpur**

**Tel: 603 2267 3633 / 2263 2555 / 2263 2549**

**Fax: 603 2274 7970**

**E-mail: [investmalaysia@mida.gov.my](mailto:investmalaysia@mida.gov.my)**

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