



**SPEECH FOR MR. ARHAM ABDUL RAHMAN
DEPUTY CHIEF EXECUTIVE OFFICER I**

**MIDA INVEST SERIES: UNFOLDING STATES' BUSINESS POTENTIAL
A BRIEFING BY SELANGOR STATE GOVERNMENT AGENCIES**

**07 AUGUST 2019 (WEDNESDAY)
PERDANA HALL, LEVEL 10, MIDA**

Salutation

YBhg. Dato' Hasan Azhari
Chief Executive Officer
Invest Selangor Berhad

Mr. Tan Beng Teong
Chief Executive Officer
Selangor Human Resource Development Centre (SHRDC)

Mr. Mohamad Razif Abdul Wahad
Chief Executive Officer
Central Spectrum (M) Sdn Bhd

Dr. Fahmi Ngah
Managing Director
Smart Selangor Delivery Unit

Mr. Syaiful Azmen Nordin
Managing Director
Selangor Maritime Gateway

Mr. Sivasuriyamoorthy Sundara Raja
Executive Director, Investment Promotion, MIDA

Distinguished Guests,

Ladies and Gentlemen,

1. Good Morning. Welcome to the ninth briefing of MIDA's 'Invest Series: Unfolding States Potential'. For today's session, it is organised in collaboration with the state agencies of Selangor.
2. As many of you are aware, we have featured Perlis, Kedah, Kelantan, Pahang, Terengganu, Sabah, Sarawak and Penang since early last year. We will continue the momentum today by highlighting the competitive and comparative advantages of Selangor.
3. YBhg. Dato' Hasan Azhari, together with representatives of few other Selangor State agencies are with us to share the latest development and investment opportunities in Selangor. I trust that we will gain many insights from the sharing session later.

Ladies and Gentlemen,

4. The beginning of Selangor as an industrialised state dates back to the 1970s where significant changes were made to its economic policy with preference given to industrial, housing and recreational development. During the period, both the federal and state government had worked together to formulate policies to push the State towards capital-intensive and high-tech industries.
5. The three Industrial Master plans have provided a solid foundation to develop the country, including Selangor. While the first Industrial Master Plan had developed the manufacturing sector to become the leading growth sector of the economy, the second and third Master Plan contributed to further development of the manufacturing and services sectors through transformation and innovation.
6. For Selangor, as of March 2019, a total of 9,097 projects with investments of RM218.4 billion were approved by MIDA in the manufacturing sector, creating more than 802,000 employment opportunities. Majority of the employment was in the electrical and electronics (E&E) (196,158) followed by transport equipment (91,752), rubber products (82,055) and machinery and equipment (52,620) industries.
7. Selangor is indeed one of the most preferred investment locations for manufacturing activities. Continued interest by investors had enabled Selangor to register a remarkable level of reinvestments by local and foreign companies, whereby reinvestments constituted 40.3% of total investments in the sector for the state.
8. For example, from 2010 to March 2019, 902 or 39.6% manufacturing projects were approved in expansion or diversification activities. Reinvestment by existing manufacturers contributed RM37.6 billion or 41.9% of the total investment approved in the manufacturing sector.
9. This achievement comes in no surprise as Selangor houses the country's largest and most sophisticated airport, seaport, highways and other modern facilities. Apart from the infrastructure and connectivity advantages of the state, Selangor also can attract the right and diversified workforce that are skilled, talented and multilingual.
10. Currently, Selangor is home to a labour force of 3.4 million employed in various fields, the largest workforce in Malaysia. These skilled workers are the foundation of Selangor economic growth, with the adaptive flexibility to manage technological and economic changes.
11. The strong presence of MNCs and Large Local Corporations (LLCs) in the State such as Spirit AeroSystems, Nestle, IKEA, Panasonic, Q-Cells, KL-Kepong Oleomas, Nippon Electric Glass, Perodua Global Manufacturing, Proton, Top Glove and Hartalega hold much promise for business collaborations and opportunities.

Ladies and Gentlemen,

12. The Federal Government, through MITI and MIDA, is continuously intensifying its efforts to attract more high level and quality investments to all states including Selangor, through the

provision of fiscal and non-fiscal incentives which are available for both foreign and domestic Investors. These incentives are fine-tuned periodically to suit the investor's needs.

Industry4WRD

13. I would like take this opportunity to highlight one of the initiatives under the Government and MIDA, namely on the Industry 4.0. As most of you are aware, our Prime Minister has launched the Industry4WRD" policy, which outlines broad strategies to transform the manufacturing and manufacturing related services sectors by embracing Industry 4.0 technologies and processes by the year 2025.
14. Currently, MIDA facilitates Industry 4.0 related investments through schemes such as Tax Incentives, Domestic Investment Strategic Fund (DISF), Automation Capital Allowance (Automation CA) and High Impact Fund (HIF). Various engagements with the business community is currently undertaken to highlight the policy and the Industry4WRD Readiness Assessment (RA) process. Through an online application, we encourage companies to undergo the RA. It is a comprehensive programme for manufacturing companies to assess their capabilities and readiness to adopt Industry 4.0 technologies and processes.
15. Companies, which incur expenses to carry out structured training and internship programmes for students in engineering and technology, are now eligible for a double tax deduction to improve the employability of graduates and to enhance Industry 4.0-related skill competencies.
16. Anchor Company that develop local vendors in implementing the Industry4WRD Vendor Development Program can apply for Double deduction incentive on expenses they incurred. The expenses include operating expenditure on costs of product development, upgrading capabilities of vendors and skill training of vendors.
17. To incentivise SMEs to invest in automation and modernisation, a total of RM2 billion has been allocated under the Skim Jaminan Pembiayaan Perniagaan (SJPP) loan guarantee program where the Government will provide a guarantee of up to 70% of the amount financed.
18. The Government has also created an RM3 billion Industry Digitalisation Transformation Fund with a subsidised interest rate of 2.0% through Bank Pembangunan Malaysia Berhad (BPMB) to accelerate industry adoption of Industry 4.0 related technologies which include robotics and artificial intelligence.
19. I would like to encourage all of you to take advantage of all facilities that are available, and adopt innovative new technologies and processes to keep up with the trajectory of the broader industry.

Ladies and Gentlemen,

i-Incentives Portal

20. MIDA acknowledges that accessibility of information at the fingertips is indispensable to assist investors in making well-informed investment decisions. Therefore, MIDA has established an i-Incentives Portal that provides comprehensive information on all incentives offered by various Ministries and Agencies concerning the manufacturing, services and primary sectors. This

portal allows the business community to obtain real-time information on the latest available facilities.

21. The Portal currently features 124 incentive schemes that are managed by 12 ministries and 28 government agencies. These incentives include tax exemptions, grants, soft loans and equity financing.

i-Services Portal

22. Another initiative by MIDA is the introduction of MIDA's i-Services Portal. This portal is a single market place to link investors and companies interested to source for domestic services from local service providers. Please register your business in the portal as this is an effective, cost-efficient medium to showcase your capabilities and expertise. This gateway will also help you to expand your markets and further boost business activities. To the government agencies present today, I hope you can help us to amplify the information of this Portal.

Investment Coordination Platform (ICP)

23. In addition to the incentives and facilities mentioned just now, MIDA has a set-up of a dedicated team, namely the Investment Coordination Platform (ICP) to facilitate companies to grow their businesses and investment portfolio.
24. We are happy to facilitate all interested parties as the unit works closely with equity and corporate advisory firms as well as local regulators and technology providers.
25. The team assists companies to conduct business-to-business matching, capital raising exercise through debt & equity, M&A, divestment and initial public listing or IPO.

Ladies and Gentlemen,

26. MIDA maintains close co-operation with all stakeholders, including relevant state and local authorities. MIDA has established 12 state offices in the country to assist investors in implementing their manufacturing and services projects.
27. Our state office actively monitors the progress of projects and provides handholding services to companies which have decided to establish their operation by resolving issues with the municipal councils and other agencies which translates into a more efficient approval process. For Selangor, our state office is located in Shah Alam.
28. In short, please discuss your project interests with us at MIDA headquarters or our state offices closest to you. We are ever ready to assist you in growing your business in the country. On that note, I wish all of you a productive session ahead.

Thank you.