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MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY
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PostInvest Promotes Ease of Doing Business

To nurture the growth of Foreign Direct Investment (FDI) and Domestic Investment (DI) in the country, MIDA - through its Post Investment and Infrastructure Support Division (PostInvest), provides 'handholding' and 'problem solving' services to assist companies' investment journey in Malaysia.

Established on 3 May 1999, the Division has been entrusted to facilitate companies in implementing their projects as well as providing proactive support services to the manufacturing and services companies. The role includes periodic reviews of arising issues and formulating appropriate measures for smooth operations of existing projects. One of the core functions of PostInvest is acting as a mediator between companies and government agencies/stakeholders in addressing issues or challenges faced by companies during the pre- and post-approval periods.

The Division also provides information on government policies and guidelines, undertakes continuous engagements with utility providers, ensuring the necessary infrastructures in Industrial Estates are well maintained, mitigating labour supplies and facilitating approvals by local authorities.

Biz Clinic and Biz Talk

In 2018, PostInvest introduced a 360-degree outreach programme, namely 'Biz Clinic and Biz Talk'. Despite its short existence, the dual-faceted programme quickly became a key flagship initiative for MIDA, as it promotes a greater connection between investors and stakeholders. Biz Clinic is a one-to-one session between companies and stakeholders that provide a platform to securely and effectively air their grievances, discuss their operational challenges, and seek much-needed clarification, assistance and advice on governmental guidelines. The Biz Talk segment, on the other hand, complements the Biz Clinic through a sharing session on market trends from the stakeholders such as Tenaga Nasional Berhad (TNB) and Telekom Malaysia (TM).

Three MIDA's Biz Clinic and Biz Talk programmes have been planned for 2019. The first one was held in Ipoh on 10 July 2019 followed by Melaka on 24 September 2019.



Both events, which were fully supported by the respective state governments, TNB, Gas Malaysia, NGC Energy and other relevant authorities, were well attended by over 300 participants from various industries. During the consultation sessions that were conducted, among major concerns raised were on power quality, lack of internet connections and local authority approvals for Development Order (DO), Building Plan (BP) and Certificate of Completion and Compliance (CCC). Moving forward, continuous efforts and engagements with all stakeholders will be undertaken to respond to the needs of investors.

By maximising efficiency in ensuring the ease of doing business in Malaysia, the country will continue to earn the trust and respect of decision-makers across the globe. The third and final Biz Clinic and Biz Talk programme for this year will be held in Johor on 14 November 2019.

MIDA's Biz Clinic and Biz Talk Events

Perak 10 July 2019	Melaka 24 September 2019	Johor 14 November 2019
180 participants 85 companies 288 engagements	150 participants 80 companies 199 engagements	Targeting 200 participants from 100 companies
Supported by : InvestPerak, TNB, Gas Malaysia, NGC Energy and PKNP	Supported by : PKNM, TNB and NGC Energy	Join partners : JSIC, TNB, NGC Energy, Maxis Johor, i2M Ventures

Are Malaysians Ready for Future Jobs?



Malaysia's industrialisation has shifted from job creation to becoming a developed nation by 2020. From 2006 to 2018, the government has approved more than 64,000 projects in various economic sectors with investment valued at RM2.2 trillion. These projects have created over 2 million job opportunities. Today, Malaysia has become one of the largest exporters in semiconductor devices, palm oil and furniture, and home to more than 5,000 multinational corporations.

Pro-business government and cultural diversity are among the critical factors in making Malaysia an attractive investment destination in Asia. In realising that human capital is one of the essential components for the industry, the government rolled out the first National Science and Technology Enrollment Policy of 60:40 since the 1970's, which highlights the target in having 60% of students focusing on science and 40% enrolling in arts.

To date, over 1,400 technical and vocational colleges (TVET) have been established under different ministries to support the development of the industry in Malaysia. The government in its National Workforce Human Capital Blueprint has forecasted that Malaysia requires 35% skilled workforce by 2020.

Despite the government's intense efforts in encouraging higher participation in TVET, students in the country still prefer academic courses rather than technical or vocational streams. To reduce the mismatch between the academia and industry, some education and training centres offer short courses to equip the students with the necessary skills required by the industry.

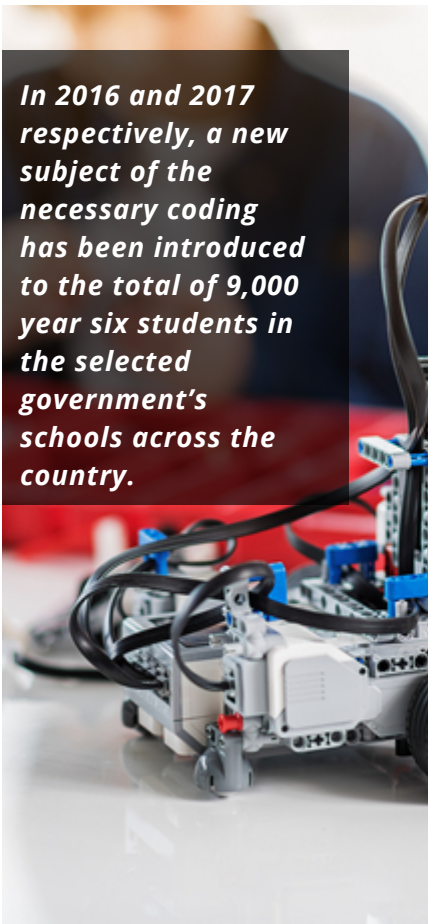
The Apprenticeship Programme introduced by the Malaysian Investment Development Authority (MIDA) is an example of a government-industry-academia initiative to address the shortage of technical skills. The Programme is a trilateral

partnership between MIDA, the Federation of Malaysian Manufacturers (FMM) and the Ministry of Education (MOE). Under the National Dual Apprentice System (NDAS), Human Resource Development Fund bears the course fees of up to RM10,000 per student. The participating company are allowed to utilise its HRDF contribution to pay for the difference.

This is a two-year initiative where 16-year-old students are placed at a vocational college for six months to undergo academic and vocational courses and another six months of practical training in participating companies for two consecutive years. At the end of the programme, the students sit for the Sijil Pelajaran Malaysia (SPM) examination – only for selected subjects. Eventually, the students will receive both SPM and Sijil Kemahiran Malaysia 3 (SKM3) certificates. The participating company will have the first option in hiring the students.



In 2016 and 2017 respectively, a new subject of the necessary coding has been introduced to the total of 9,000 year six students in the selected government's schools across the country.



The government is now promoting Industry4WRD towards achieving Industry 4.0, where it is billed as a looming technological event that would change the landscape of the industry globally. However, it may not be fully realised without the presence of a highly skilled workforce and multi-talented TVET graduates.

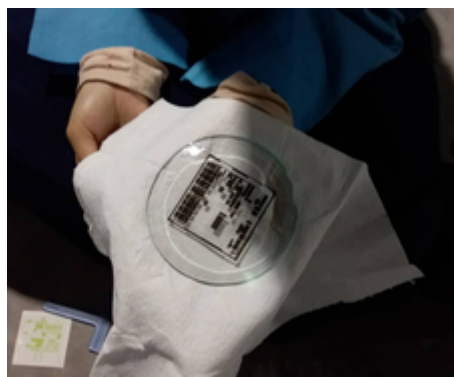
The Industry4WRD introduces connectivity between machines, allowing more advanced automation where companies can run their operations with less human error. Skills required by this new technology are different from what is offered at the current school system. According to the World Economic Forum, an estimated 65% of kids enrolling in primary education today will end up working in jobs that have not been created yet. Essential skills

like programming and coding are to be taught in schools to prepare the students for future Science, Technology, Engineering and Mathematics (STEM) careers. Computational thinking, such as problem-solving, abstract thinking, logical and skilled critical thinking, forms an essential part in the Industry 4.0 era.

In view of this, Malaysia, alongside Singapore, Japan and South Korea are preparing the new generation with the necessary skill sets for future jobs. Launched in 2016, Education Blueprint 2013-2025 (Pre-school to Post-Secondary Education) has established a roadmap for strengthening the STEM's delivery processes across the education system. In 2016 and 2017 respectively, a new subject of the necessary coding has been introduced to the total of 9,000 year six students in the selected government's schools across the country.

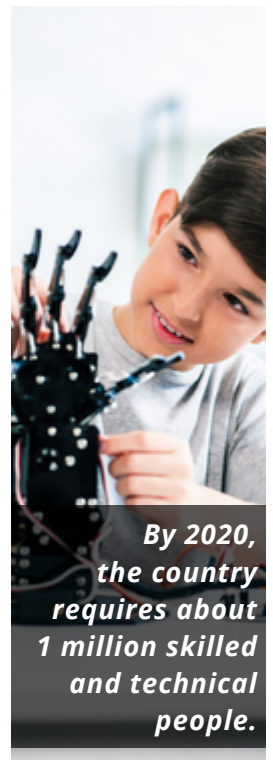
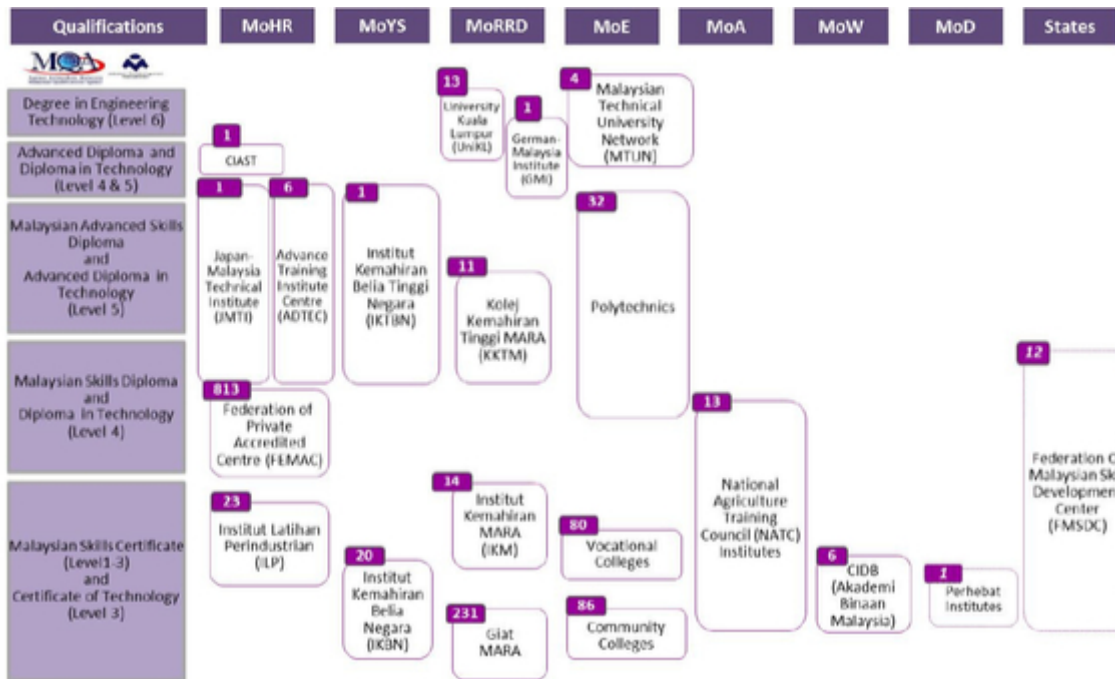
They have been exposed to basic programming; web development using HTML, CSS and JavaScript as well as application's development using LiveCode. Apart from that, students will also be taught to learn HTML5, CSS3 and JQuery Mobile.

From 2020 onwards, algorithms (pseudocode and flow chart) will be included in the Design and Technology subject for senior primary school students (aged 10 – 12 years). Students will learn and be able to develop a simple to more complicated programming. In introducing the robotic and artificial intelligence, Basic Computer Science and Computer Science subjects will be taught for lower and upper secondary school, respectively. They are required to program softwares such as Arduino and Micro Bit, as well as learning to use Scratch, a freeware for coding and other resources.





Institutions for Technical and Vocational Education and Training



According to the Academy of Sciences Malaysia, by 2020, the country requires about 1 million skilled and technical people. Of these, 500,000 will be in support and services, including nurses and ICT personnel; 470,000 implementors, engineers, doctors, architects, scientists, technologists and applied scientists and 30,000 in research and development.

Government agencies, including educational institutions and private sectors, are actively promoting Science, Technology, Engineering and Mathematics (STEM). For example, MIDA, in conjunction with SEMI HI TECH U programme, an interactive programme to expose students to the semiconductor industry by applying the knowledge they have learned in school. The programme was divided into two modules, Microchip and Human Calculators. Microchip's module will require the students to stimulate the layering

process used in wafer fabs, while in Human Calculator's module, students will be taught on "and", "or", and "not" gates. Through "feet on" exercise like the game "Twister," students will be able to visualise the simulation of electron microprocessor flow when binary numbers translate to decimals. The interactive activities provided will help to create interest in STEM and for them to see the semiconductor industry as career prospects.

With the Industrial Revolution, demand for the big data professionals is expected to increase. Yayasan Peneraju, in collaboration with PEOPLElogy, has designed a Big Data Analytics Training and People Development Programme. The programme focuses on assisting young scholars in developing their careers and generating their income. The training, certification and examination fees are covered by Yayasan Peneraju.

Public universities like Universiti Malaya (UM), Universiti Kebangsaan Malaysia (UKM), International Islamic University Malaysia (IIUM), Universiti Sains Malaysia (USM) and Multimedia University (MMU) are some of the universities that offer courses related to Big Data.

In August 2019, a new committee namely Jawatankuasa Kabinet Permerkasaan TVET (JKKPTVET) has been formed to look into the issues and challenges faced by the industry. The formation of JKKPTVET indicates the seriousness of the government in addressing the workforce issues in the country. JKKPTVET comprises ministries of MOE, MOHR, MED, KBS, KPDPNHEP, MOA, KKR and MRD. Malaysia strives to reduce the talent gaps, thereby compelling both industry and academia to refresh their systems, policies, processes and strategic initiatives.

The Malaysian Aerospace Industry - Soaring to New Heights



Malaysia's aerospace industry is one of the rapidly growing industries in the country, energised by the implementation of the National Aerospace Industry Blueprint 2030. With over 230 companies involved in the maintenance, repair and overhaul (MRO), aero-manufacturing, education and training, systems integration, as well as engineering and design activities, the industry is growing at an average of 5% for the past ten years.

As of June 2019, the approved projects in the aerospace sub-sector recorded investments worth RM15.1 billion. Of these, foreign investments represented 71.1% or RM10.7 billion, while the remaining 28.9% were from domestic sources. These approved investments continue to generate highly skilled jobs and develop an ecosystem of suppliers in the country.

Some notable local aerospace companies which have established themselves as part of the global supply chain include UMW Aerospace, SME Aerospace,

CTRM Aero Composite, Asia AeroTechnic and Airod. Malaysia is also home to supporting aerospace companies such as IAC Manufacturing, Asahi Aero Malaysia, Micron Concept Aerostructures and Morrissey Integrated Dynamics.

Cases in Point:

GKN Aerospace has set up their seventh Asian site and its first Engine Systems business in the region at Nusajaya Techpark, Johor with the support from the Government and MIDA. This aircraft engine components repair facility not only specialises in servicing engines with low-pressure compressor (LPC) components but also houses a research centre focused on the application of additive manufacturing (3D-printing) technology in engine parts repair.

Boss Aerosystem Sdn. Bhd., a wholly-owned Malaysian manufacturer and fabricator of aerospace component, expanded its operation in Bukit Minyak Industrial Park, Pulau Pinang.

With over 30 years of experiences in the industry, the company provides a one-stop manufacturing solution to all aerospace original equipment manufacturers (OEMs) in the region. Its capabilities include sheet metal forming, CNC machining, heat treatment, non-destructive testing inspections (NDT) and prime paint shop.

Additionally, **Airbus Helicopters** displayed their commitment with Malaysia as they set up their regional hub for helicopter completion and delivery, MRO and full flight simulation training in April this year, after having 15 years of presence in the country. As a leader in Malaysia's rotorcraft segment, the company is expected to contribute to the development of the helicopter industry in Malaysia and leverage on their competency locally. It has over 100 civil and military helicopters in service in the country. Malaysia represents one of the most important strategic markets for Airbus Helicopters with about 50% market share for rotorcraft locally.



Airbus SE also announced new investments in the country, comprising three initiatives worth over US\$120 million (RM505 million) that would support and further develop the growing aerospace industry. The initiatives include the expansion of the company's wholly-owned MRO facility – Sepang Aircraft Engineering (SAE); the establishment of the Airbus Malaysia Digital Initiative; and an increase in its participation in the Aerospace Malaysia Innovation Centre (AMIC).

Facilitating the Industry Ahead

Undoubtedly, Malaysia aims to be the preferred global aerospace outsourcing centre, particularly for OEM and Tier-1 aerospace companies. MIDA's various facilitation includes the

offering of corporate tax exemption, import duty exemption on machinery, equipment and components as well as funding assistance on training for Malaysian employees.

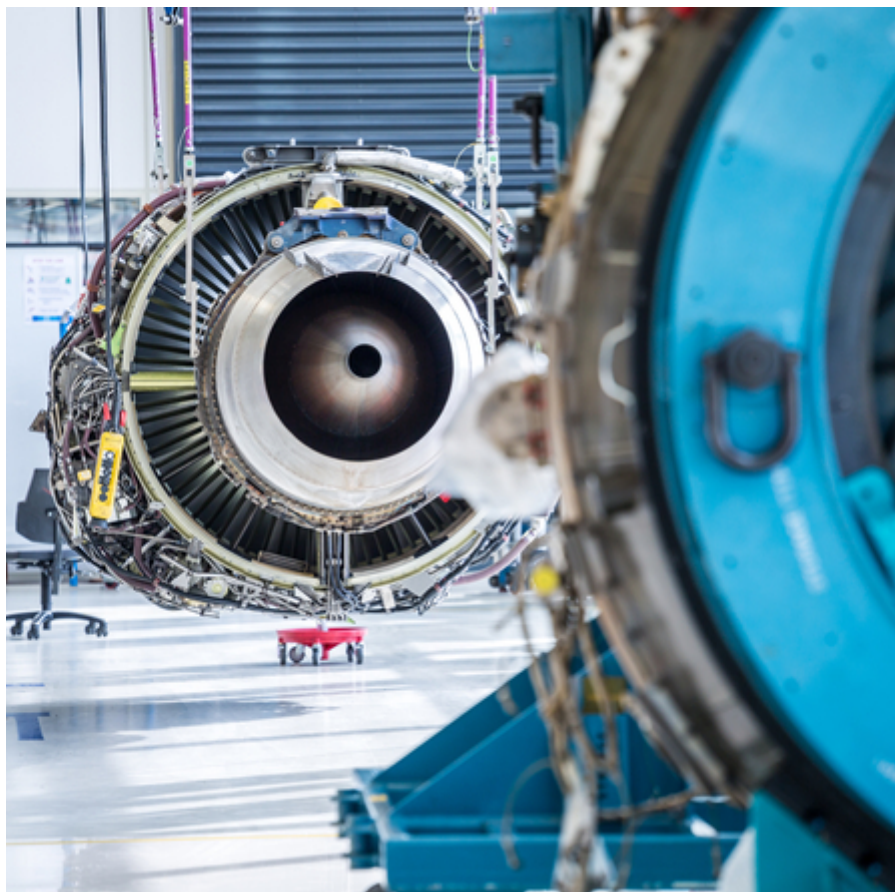
Malaysia offers comprehensive infrastructure for industry players. At present, the country has several aerospace parks namely, Subang Aerotech Park, KLIA Aeropolis, UMW High-Value Manufacturing Park, Senai Airport Aviation Park, Nusajaya Tech Park and Kulim Hi-Tech Park. These parks provide investors with a choice of ready-built facilities or land plots for customised developments to ease the realisation of investments within the country.

In addition, MIDA has continually been a proponent

of supply chain initiatives. For example, MIDA organised an **Industrial Linkages Programme** on aerospace in Turkey last year to enable local companies to explore business and investment opportunities through strategic partnerships and joint ventures. The programme was participated by nine Malaysian companies that seek to adopt best practices and be competitive in the global business landscape. More of such events for aerospace stakeholders will be organised in the future.

Gearing for the Future

Based on a study by the Ministry of International Trade and Industry (MITI) in 2017, the Malaysian aerospace industry labour force comprises of 3,695 employees in composites, 2,710 employees in manufacturing, 1,470 employees



Moving Forward

The Malaysian aerospace industry is moving into new milestones to keep pace with global innovation and demands. The country has all the necessary ingredients to be an important player in the international market, and become the leading aerospace nation in the region. With continuous facilitation by the Government, together with the strong will and commitment on the part of local companies, Malaysia is set to accelerate its local supply chain development and bringing more advanced technology to the country.

in avionics and 269 employees in special processing that supports the industry. These numbers have been consistently growing, and the demand for qualified workforce in the industry has not gone unnoticed.

Malaysia recognises the need to have skilled workforce in establishing a strong aerospace supply chain within the country. Hence, MIDA continues to encourage human capital development efforts by creating links between the industry and academia.

Currently, Malaysia has more than 30 institutions that offer related aviation course for diploma and degree levels at their campuses to suit the industry's needs as well as to

produce industry-ready graduates for the industry. This includes Universiti Putra Malaysia, Universiti Sains Malaysia, UniKL, International Islamic University Malaysia, Universiti Tun Hussein Onn Malaysia and Universiti Teknologi Malaysia.

Several local training institutions such as the Advanced Composite Training Centre (ACTC) at UniKL –Malaysia Institute of Aviation Technology, Malaysian Aviation Training Academy, Advanced Aeronautics Technology Centre and Aero Precision Resources have also embarked on aerospace-related training activities. These centres aim to fill up the industry ranks with the necessary trained and skilled workers.



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IGEM 2019: Towards a Sustainable and Green Malaysia



The International Greentech and Eco Products Exhibition and Conference Malaysia (IGEM) 2019 marks its 10th anniversary as the largest trade event for green technologies and eco-solutions in South East Asia. IGEM is an excellent platform for solution providers and green energy businesses to tap into the fast-expanding ASEAN market by showcasing the latest innovations within the industry. Organised annually by the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC) in collaboration with Malaysia Green Technology Corporation (MGTC), IGEM 2019 is scheduled to be held from 9 to 11 October 2019 at the Kuala Lumpur Convention Centre (KLCC). It is expected to generate RM2.8 billion in business leads.

The theme this year, "Innovating Sustainability through Green Technologies that Empower Climate Action", will explore the integration modes between green economy solutions

and its applications, with the goal of achieving sustainable development in various global industries. Innovations in five key sectors, namely green technology, renewable energy, energy efficiency waste technology and management; and green financing and green manufacturing, will be highlighted. Additionally, pertinent issues such as the "70% global population living in cities by 2050; river pollution; working together to end plastic waste; driving towards cleaner air; reducing greenhouse gas emissions and more efficient LEDs" will be discussed, to draw attention and action from stakeholders within the industry.

Not forgetting, IGEM also serves as a platform for the display of the latest technology and overall promotion of green growth. This boosts the rapid

adoption of green technology within the industry and helps create commercial opportunities for green industry players in Malaysia. Over the years, IGEM has successfully attracted over 400,000 visitors and exhibitors from over 50 countries, generating over RM23 billion in business leads and potentials.

For the 2019 edition, the 3-day event showcasing green technology solutions is expected to draw more than 350 exhibitors and 35,000 global visitors from over 35 countries. The must-visit Pavilions feature the Malaysian state governments alongside their international counterparts from the European Union, Republic of Korea and the People's Republic of China.

Attendees are welcome to participate in the exhibition and business talks, business



matching sessions by MIDA and MATRADE, conferences featuring robust dialogues, and thought-provoking sessions with panel speakers from various industries. Some particular highlights that will be showcased at IGEM this year include the introduction of new sectors, announcement of the Green Booth Awards and the National Environment Agency (NEA) 2019 partnerships as well as a special feature of Expo Dubai 2020. Ultimately, IGEM 2019 is set to be another memorable milestone in its years of running.

IGEM is a significant and essential platform for MIDA to create greater awareness of the facilities and incentives available to promote the nation's green agenda. Since its inception in 2010, MIDA has been a keen supporter of IGEM and became a strategic partner in 2014. During IGEM 2018, MIDA recorded 111 potential green projects worth RM4.1 billion in the manufacturing and services sector. These investments were mainly Renewable Energy (RE), Energy Efficiency (EE) and Green Building and Green Data Centre projects. To date, MIDA has already received the applications from potential investors from IGEM 2018, amounting to RM1.29 billion. This is an indication of the encouraging trend of investment leads in the areas of green technology within the country.



Hence, MIDA continues to engage and participate in this commendable event to encourage more investments in green projects, providing the necessary facilitation to the stakeholders. This is in line with the Government's inspiration to strengthen the role of the green economy and green technology, as catalysts to drive Malaysia's aspirations for sustainable growth.

In conjunction with IGEM 2019, MIDA will be sharing information on the "Investment Opportunities in Green Technology" during the Green Insights session. Companies will have the opportunity to meet

MIDA officials to obtain updates on government policies, incentives, facilities and support services available for investors during the business consultations session, particularly in the following sectors:

- Green Technology
- Building Technology and Lifestyle
- Electrical and Electronics
- Transportation Technology
- Food Technology and Resource-Based
- Advance Technology and Research & Development

For more information on IGEM 2019, please visit: <https://www.igem.my/>

Blueprint For Industry 4.0: **What Manufacturers Must Do Today**

The manufacturing industry is no stranger to misconceptions and buzzwords. Collaborative automation, Industry 4.0, artificial intelligence, blockchain – the real reason we allow ourselves to spin in circles on these topics is because we're inherently hopeful and practical people: we want to build better and believe there is a path to doing so, if only we could find the way.

As part of my series to uncover what leaders in the manufacturing space are actually doing to build better, I sat down with someone at the bleeding edge of evaluating new technologies: Juan L. Aparicio Ojea, head of the research group for advanced manufacturing automation at Siemens. Aparicio Ojea's role grants him unique insight into the latest research across universities, startups, and government agencies. Access to so many different types of technologies that are all working to provide value in one way or another has enabled him to create a simple blueprint for the key requirements of an Industry 4.0 system.

He acknowledges that we're far from seeing completed Industry 4.0 systems in practice, but that there are two steps every manufacturing leader can and should be taking today.

Interoperability: One solution from many parts

Much of the challenge of bringing new technologies to the factory floor is in the interfaces between them. Aparicio Ojea asserted, "Being able to interoperate machines from different vendors is key."

These connections will allow for the flow of previously underutilised data, enabling faster integration and time to value.

There are two schools of thought on this issue. Some, like Aparicio Ojea believe that industry standardisations laid out by industrial consortiums, which includes frameworks for OPC UA and DDS, will be key. Others, like Andrew Scheuermann, CEO of Arch Systems, believe that the industry cannot wait for the long cycle of old equipment to be replaced. Legacy equipment and new-fangled collaborative robots already have to work together, so Arch Systems, who counts top tier electronics manufacturer's among their customers, has built out an extensive library of software and hardware retrofit integrations where



SHENYANG, CHINA: An automated robot production line is seen at a digital workshop of SIASUN Robot & Automation Co., Ltd., which is belonging to Chinese Academy of Science (CAS), on August 27, 2019 in Shenyang, Liaoning Province of China.



manufacturers can expedite a path towards interoperability with what is on their floors today, while leveraging modern standards for their new equipment.

Modularity: One piece that can fit in many places

The second requirement is modularity, or as Aparicio Ojea clarifies, “not having a monolithic approach to manufacturing.” An easy-to-see example of modularity on an electronics factory floor is the SMA (surface mount assembly) line. Instead of one huge machine that can make only one kind of PCB, there are modular machines for each step in the process: solder paste deposition, pick and place machines, reflow ovens, and inspection. But the SMA process has been around for decades, so what does it mean in the modern context? I believe it means that the time for custom-built, single-purpose machines is coming to an end, to be replaced by generalised technologies that can be applied to a much wider variety of products and problems. Universal Robots is tackling this by creating easy-to-program robot arms that can be reprogrammed to different functionality when the program is over, enabling the technology to be viable for products with short life cycles (like consumer electronics).



Digital Twin: Model what matters

Aparicio Ojea believes the third element of the blueprint is the creation and use of a digital twin, or simulation, of factory processes. I'll be honest, “digital twin” is a buzzword that has always made my head spin and sent up my skepticism antennae. Here's the point: if you want better outputs from your process (such as higher yields or higher throughput), as engineers we would measure the inputs (such as individual machine parameters) and to try to use statistics to figure out which variables matter. If you can find a mathematical correlation between the inputs and the outputs, you may be able to “turn the knobs” on the input parameters to get the outputs you need. A digital twin is the concept of doing that at a much larger scale, where the goal is to replicate every single process for a holistic model of the factory.

While it's possible there are successful implementations of true digital twins out in the wilds of the manufacturing world, in general, this is viewed as an aspirational concept. As Aparicio Ojea rationalised, “It is not a greenfield, it is a brownfield” – meaning that most factories already exist and are filled with both legacy equipment and manual processes that are difficult to digitalise. While digital twins might be obtainable for highly automated bottling plants, it feels like fantasy for electronics assembly, which still has hundreds of human hands on the line. In those cases, leaders should focus on wrapping their arms around the data they can get at the highest possible resolution, if not from the process, then from the products themselves. Engineers can use this data to create these correlations the old fashioned way: with experiments, spreadsheets, and statistics.



Flexibility: Pieces that can adapt

Arguably the most exciting element of the blueprint is flexibility. This element is all about reducing waste – not scrap waste, but equipment waste. Single-purpose machines are not easily repurposed and yet are how short life cycle production lines have been able to automate to date. How do we create more flexibility in the production process and the machines we use? AI, computer vision, and robotics can be combined to enable machines that are both more adaptable to variation, and more adaptable from product to product. A quick example is in the quality control process. The industry is moving away from the expensive “one-issue, one-camera” model towards cameras systems that can program themselves to find anomalies more broadly during an inspection – allowing greater inspection coverage than humans or traditional and more reliable quality control. The combination of adaptability, automation, and access to data is a triple threat that will unlock the lion’s share of the potential of Industry 4.0.

Where to start?

How does one adopt Industry 4.0 technologies and embody these smart manufacturing principles? Aparicio Ojea recommends investing in two key areas: digitalisation and strategic partnerships. Without digitalisation there will be no data foundation, a requirement for a wide array of initiatives. Simply decreasing paper processes represents a first step that many can take. When it comes time to adopt innovative technologies, Aparicio Ojea recommends, “viewing vendors as strategic partners and having a co-creation mentality. Partnering with a startup, automation vendor, or university and working together to solve a problem that has a real KPI and a clear goal merits investment now.

“Aparicio Ojea specialises in these types of strategic partnerships for Siemens Corporate Technology. He views partnerships as opportunities for cutting edge technology to solve larger problems that have concrete ROI for big businesses. For instance, Siemens Corporate Technology has partnered with Sewbo, a startup tackling automated garment production by incorporating a solution that stiffens

fabrics, in an ARM-funded project. By reframing the problem of movement and variation, Sewbo (in conjunction with Siemens, UC Berkeley, and Bluewater Defense) has the opportunity to overhaul the status quo manual practices of an entire industry, whose size is similar to that of automotive. Another example is Instrumental, which enables manufacturers with manual or automated processes both to aggregate visual data and line metrics and to leverage flexible, AI-powered tools to discover defects in real-time. Motorola Mobility partners with Instrumental for every smartphone they design, to both speed up ramp of new products and to increase yields while preventing quality escapes.

With so much expensive groundwork, is Industry 4.0 worth all of the buzz? Aparicio Ojea views it as an “evolution, rather than a revolution.” New technologies absolutely merit investment, but he advises that leaders to stick to technologies that make their processes better today and lay the foundation for the future. In order to stay competitive in this ever changing international landscape, it will be technology investments today that differentiate the winners and losers tomorrow.

Writer:

Ms. Anna-Katrina Shedletsky
CEO of Instrumental

www.instrumental.com

Our Journey in Malaysia : OCIM Sdn Bhd

Established in 1959, OCI, with head office in Seoul, South Korea is a global producer of value-added chemicals and materials for a broad range of industries. In March 2008, OCI launched commercial production at Gunsan P1 plant with a nameplate capacity of 5,000 metric tons shortly after polysilicon spot market prices hit a historic high of over USD500/kg. Subsequently, OCI boosted the capacity to 52,000 metric tons by the completion of Gunsan P2 and P3 plant.

In recent years, it has become increasingly clear that we needed a plan to expand our polysilicon production capacity to maintain our current market share. Demand from the global solar PV industry has consistently grown at solid double-digit rates over the past decade.

In 2015, an attractive opportunity presented itself when Tokuyama Corporation, Japan was looking to sell its underperforming polysilicon operations in Samalaju Industrial Park in



Mr. Hu Kwan
CEO & President of OCIM

Sarawak, Malaysia. OCI began discussion to purchase and take over the operation in 2015. The takeover was successfully completed in May 2017.

Following the takeover, OCI focussed to normalise the operations. After the completion of debottlenecking initiatives, the Sarawak P2 capacity reached 17,000 metric tons from 13,800 metric tons. OCI had also been hard at work to get the Sarawak P1





ready for commercial operations. In 2019, the total site capacity for both Sarawak P1 and P2 boosted to 27,000 metric tons.

Having made us the polysilicon industry's No.2 world producer, the Sarawak operations will become an even more valuable strategic asset in the years ahead. First of all, our Sarawak operations benefit from a favourable business environment that includes lower utility, labour and land costs. OCIM employs more than 700 personnel from 19 ethnic backgrounds. The well-trained local employees, as well as the cultural proximity to Korea are another crucial factor for the acquisition of Sarawak operations. Furthermore, the support of the Malaysian government and in particular the Malaysian Investment Development Authority (MIDA) played an important role.

In addition to producing raw polysilicon used to create clean solar power, the plants themselves are powered by renewable energy in the form of hydroelectric power. They give us access to a new customer base not previously served by our Gunsan operations, opening the door for us to expand our market reach. They give us plenty of space to grow

polysilicon production to meet future industry demand and increase market share. The space given to increase also opens up the possibility for us to expand production beyond polysilicon to other core chemical businesses as we pursue opportunities for synergy in this key Southeast Asian manufacturing base.

OCIM facility in Sarawak is not our first manufacturing base in Malaysia. In November 2011, we launched an operation of a metallurgical silicon plant in Banting. Although we closed the uncompetitive facility in November 2017, the practical experience gained from operating in the Malaysian market has been invaluable in the successful takeover transition of the Sarawak polysilicon operations.

OCIM currently produces 14,000 metric tonnes of polysilicon annually which equates to 3.0GW of solar power generation that provides enough electricity to power a brighter tomorrow. Going forward, this local experience combined with our decade of expertise in the polysilicon industry as one of the industry's most cost-competitive markets puts us on track to significantly boost our global production capacity.

Briefing and Sharing Session on **Financing Opportunities**

MIDA in collaboration with local financial institutions organised a Briefing and Sharing Session on Financing Opportunities to facilitate companies, particularly SMEs to gain greater access to financing that will help them scale up their businesses and enhance their productivity. The session was attended by over 140 participants representing related agencies and companies from the manufacturing and services sectors including advisory firms.

MIDA has set up a dedicated team to run an Investment Coordination Platform (ICP) to facilitate companies that plan to expand their businesses and investment portfolios. This unit works closely with equity and corporate advisory firms, as well as local regulators and

technology providers in assisting companies in conducting business-to-business matching, capital raising through debt and equity, M&A, divestments and IPO.

Mr. Ahmad Khairuddin Abdul Rahim, Senior Executive Director Strategic Planning and Development, who officiated the Briefing Session highlighted that the dedicated team in MIDA has so far assisted more than 200 companies in the manufacturing, services and primary sectors, in conducting business-to-business (B2B) matching as well as raising capital through debt and equity, M&A, divestments and IPO. As to date, over 60 B2B meeting sessions have been arranged between anchor companies and their respective local counterparts to discuss on strategic collaborations.

The Briefing and Sharing Session on Financing Opportunities featured speakers from Exim Bank, Bank Islam, Hong Leong Bank and Malaysia Debt Ventures who shared their insights on various innovative financing solutions and models, followed by a breakout session to address enquiries from participants.



Highlights of September ➤



On 3 September 2019, Swedish-Chinese Vinda Group, a leading manufacturer of hygiene products officially launched the construction of its mega project to consolidate two production sites and three warehouses in Malaysia into one modern, state-of-the-art facility in Bukit Raja, Selangor.



Mr Arham Abdul Rahman, Deputy CEO of MIDA participated in a Dialogue Session with 28 Malaysian companies operating in Cambodia on 4 September 2019. The event, was organised in conjunction with the official visit of YAB Tun Dr. Mahathir Mohamad, Prime Minister of Malaysia.



MIDA as the Investment and Business partner of Kuala Lumpur City Hall (DBKL) participated in the World Energy Cities Partnership AGM and Conference in Aberdeen, Scotland from 4-7 September 2019. The event was held in conjunction with the SPE (Society of Petroleum Engineers) Offshore Europe 2019 Conference and Exhibition.



A familiarisation visit, led by YB Dr Ong Kian Ming, Deputy Minister of MITI Malaysia, supported by MIDA officials was organised from 5 – 6 September 2019 to further understand the needs of the industries in the Northern states.



On 7 September 2019, Ms Choo Wai Meng, Executive Director Strategic Planning (Manufacturing) participated as one of the panellists in an engaging conversation on Industry 4.0 and sustainability at Sunway University. The Forum, namely Beyond Tomorrow: Environmental Sustainability and Industrial Revolution 4.0 was organised by Sunway-Project for Asia and International Relations (Sunway-PAIR).



On 10 September 2019, Ms Yusni Md. Yusof, Director of MIDA Pulau Pinang, shared insights on opportunities in the Green Tech industry in Malaysia with Japanese investors at a briefing session held in collaboration with Plus Solar (solution provider) and Kyocera (solar manufacturer).



MIDA was one of the panellists at Tech Conference 2019: Sustainability Within the Plastics Industry organised by PAPER + TOAST in Penang. The conference, held on 11 September 2019, highlighted the need to rethink and look at sustainable solutions for plastic usage.



On 13 September 2019, MIDA Negeri Sembilan collaborated with the National Small Industries Corporation (NSIC) and the Malaysian Association of Hotels (MAH) Negeri Sembilan to organise a Briefing on Incentives and Opportunities for Hotel and Tourism Industry in Port Dickson.



MIDA, led by Mr. S.Siva, Executive Director of Investment Promotion, shared about the exciting investment promotion opportunities in Malaysia with the business delegates of Russian hi-tech companies, held on 13 September 2019.



MIDA organised a Dialogue Session with Textile, Batik and Songket Industries in Kelantan on 17 September 2019. The Dialogue, held in collaboration with MITI, Unit Perancang Ekonomi Negeri (UPEN) Kelantan, Kraftangan Malaysia (Cawangan Kelantan) and SIRIM attracted 110 participants.



On 18 September 2019, The Business Services and Supply Chain Innovation Division of MIDA had an engaging Dialogue session with the relevant ministries and stakeholders at MIDA HQ. Ms.Lim Bee Vian, the Executive Director of Strategic Planning (Services), shared some invaluable insights on positioning Malaysia as a Regional Distribution Center (RDC).



Dato' Azman Mahmud, CEO of MIDA delivered his opening remarks during the 2nd Robotic Process Automation Malaysia held at the Grand Millennium Kuala Lumpur on 18 September 2019. He urged more investors to futureproof their businesses through effective digitalisation and automation to enable them to be more efficient, productive and competitive.



Mr. S.Siva, Executive Director of Investment Promotion, MIDA presented on the Investment Opportunities in Malaysia and Economic Accelerator Projects along the ECRL corridor for the delegates of the China Mainland-Macao Joint Investment Promotion Mission to Malaysia on 20 September 2019.



On 20 September 2019, Scandinavian IBS (SIBS) had its factory grand opening in Pulau Pinang. The project reflects the trust SIBS has on Malaysia's attractive industry ecosystem, ease of doing business and strategic location to further build their presence in the region.



On 24 September 2019, MIDA, led by Ms Jasbir Kaur, Executive Director Manufacturing Development (Non-resources) attended Bruker Malaysia's official launching of its manufacturing and engineering facility at Pulau Pinang. This is the company's first manufacturing facility in Asia.



MIDA together with Perbadanan Kemajuan Negeri Melaka (PKNM), Tenaga Nasional Berhad (TNB) and NGC Energy organised a Biz Clinic and Biz Talk event on 24 September 2019 in Melaka. The event was officiated by YB. Datuk Mohd Rafiq Naizamohideen, Exco for Industry, Trade and Investment, Melaka.



Mr Zabidi Mahbar, Deputy CEO of MIDA, received a courtesy visit by Invest India on 24 September 2019 to discuss potential collaboration opportunities.



YB Datuk Darell Leiking, Minister of MITI Malaysia who led the Malaysian delegation to Italy in September 2019 witnessed the signing of three Letter of Acceptance (LOAs) between Tjian Galaxy Aerospace Consortium (TGAC), Malaysian aerospace company and three Italian companies namely WayForward, Altec and Solves, in Italy. The LOAs are another step forward to spearhead space 4.0 initiatives.



On 28 September 2019, the Malaysian delegation led by YB Datuk Darell Leiking, Minister of MITI Malaysia had a fruitful visit to MASERATI plant in Turin, Italy, and witnessed firsthand smart manufacturing implementation in the automotive industry.



Ms Syakella, Director of MIDA Taipei, made a presentation on business opportunities in Malaysia at the Moving Forward 2020: Introducing Malaysia Market (Negeri Sembilan and Sabah) programme in Taiwan. The event was held on 29 September 2019.

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Keynote Title: Smart Manufacturing Toward I4.0
Dr. Olaf Herzog, VP, Infineon Technologies AG, Munich Germany



Plenary Title: The Challenges of Big Data Analytics in Payment Industry
Dr. Chin Shin Liang, Director Visa Consulting & Analytics



Workshop Title: Smart Meter & Advanced Metering
Ir. Noor Saleha Selamat, Project Manager, TNB Integrated Learning Solution (ILSAS)

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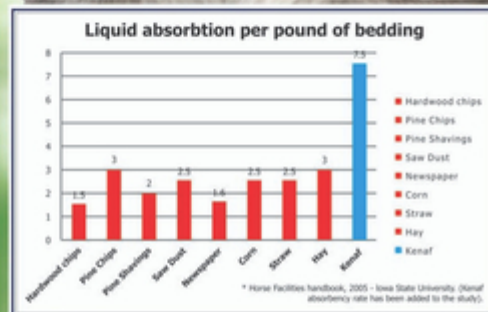
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ECONOMY NEWS

- US investment in Malaysia up sharply as trade row with China drags on
- US investments into Malaysia rising
- ACCCIM: Malaysia is best option for China firms looking to relocate operations
- Malaysia's labour productivity grows at healthy rate in Q2
- More FDIs seen for Malaysia
- Lumos Hill+Knowlton bullish on growth in Malaysia
- China's CPCG leads consortium to invest RM3b in Terengganu
- Malaysia to host High-Level Dialogue on ASEAN Italy Economic Relations 2020

INDUSTRY NEWS

- Medical devices sector deemed important growth area for Malaysia
- Malaysia approves RM2.3 billion investments to make sanitary-related products
- Vinda picks Malaysia for regional hub
- Malaysia's growth set to revive as trade war clouds gather
- Malaysia Book of Records honours LSK as largest natural bedding manufacturer
- Region's biggest steel plant to be built in Sarawak
- Heng Huat to become leader in coconut fibre mat via SKT acquisition
- MATA Aerotech offers drone technology in agriculture sector
- Execujet plans bigger MRO facility
- New plant a game changer for Apex Healthcare
- Rise in IoTs hardware spending benefits semiconductor firms – MIDA
- Inari Amertron partners with Taiwanese firm to make optical transceiver in Penang
- Malaysian furniture sector a winner amid US-China trade war
- RM5bil investment planned for iron and steel industry
- Sarawak Petchem plant to be on stream in 2023
- Ni Hsin ties up with Satumarin to venture into O&G industry
- 'Bosch aims to boost digital tech'
- NAP 2019 to be implemented in three phases until 2030
- New plant to boost HHR's market share
- Khazanah unit secures Rm100mil to build biogas plants
- Electrical + electronics moving up the value chain
- World's biggest Milo plant in Negeri Sembilan
- Dialog launches Phase 3A of Pengerang development
- MQCars to manufacture e-buses



SERVICES NEWS

- Permaisuri, VSolar to collaborate in Seremban solar project
- Russian firm eyes renewable energy opportunities in Malaysia
- Kedah's solar farm to boost industrial & agro activities in state
- Five United Kingdom AI companies has set up operations in Malaysia
- Malaysia appoints DreamEDGE as anchor company for new national car project with advanced tech support by Daihatsu
- Rubber glove industry targets RM20 bln revenue this year
- YTL Hotels to expand AC Hotels by Marriott brand
- Malaysia well-positioned in Southeast Asia for AI R&D
- Aerodyne to develop solutions for telecommunication industry
- Marriott sees huge potential in Malaysia's tourism
- HLFG, TPG seal US\$1.2b regional deal
- Malaysia eyes higher electricity output from renewables sources
- Allianz signs MoU with Solarvest
- Halal logistics services launched
- Growth Spurs Supply-Chain Logistics Investments
- Early start in ICT development has done Malaysia well, says IFAP chair

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Sample of MIDA's homepage at 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
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Quarter page	RM2,000 per issue

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Japan Room (50 pax)	Inclusive of: • Basic AV System	1,500	1,850
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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 or email us at investmalaysia@mida.gov.my.

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