

investByte

Your investment window into Malaysia



A MIDA Publication for Global Investors



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INDUSTRY

R&D INDUSTRY IN MALAYSIA



As an open economy, Malaysia needs to constantly generate and establish new sources of economic growth in order to remain competitive in the long run. This objective can be achieved if Malaysia is capable of increasing its capacity in the use as well as in the development of science, technology and innovation (STI) through research and development (R&D) programmes.

Therefore, the government of Malaysia has introduced various science and technology programmes for the purpose of encouraging R&D and technological innovation to acquire and to advance technological capability.

The existence of such programmes shows that the government is aware of the importance of R&D towards achieving a more prosperous economy and as such, it has played an active role in promoting R&D in the country.

The government-funded R&D programmes are established for the purpose of generating knowledge, creating wealth, and upgrading societal wellbeing.

MIDA VISIT TO UNMC

On Wednesday August 20, 2014, Malaysian Investment Development Authority (MIDA) visited the University of Nottingham Malaysia Campus (UNMC).

Together with Y. Bhg. Dato' Azman Mahmud, CEO of MIDA and the other team members of MIDA, they were welcomed by Professor Christine Ennew (CEO of UNMC), Professor Graham Kendall (CEO of MyResearch/ Vice-Provost (Research and Knowledge Transfer) of UNMC and Dr. Angelina Yee (Director, (industry collaborator/ operations).

The visit to the campus included a tour of the Engineering Research Laboratories, the Postharvest laboratory, and Biotechnology Research Center (BRC).

The MIDA team also visited the Crop for Future Research Centre (CFFRC), and were welcomed by Dr Sean Mayes (Theme Director for Biotechnology, Breeding and Seed Systems), and Professor Ong Chin Kooi (Research Theme Leader: Field Research Center). Dr. Mayes presented the future plans for CFFRC and the importance of underutilised crops and the effects of global warming.

Overall, MIDA team had an enjoyable visit to UNMC and it was a fruitful visit to visit The UNMC.

MYRESEARCH NETWORKING RECEPTION

Nottingham MyResearch Sdn Bhd has its 3rd networking reception with extensive support by the MIDA on



Professor Christine Ennew presenting a welcoming gift to Y. Bhg. Dato' Azman Mahmud. From the left, Ms Sudiana Muhamad Nawati, Mr Yusri Hasnan Chu Abu Bakar, Dr. Angelina Yee, Mr Mohd Izham, Professor Graham Kendall, Y. Bhg. Dato' Azman Mahmud, Professor Christine Ennew, Ms Noor Aieda Ahmad, Ms Lim Bee Vian, Ms Zalina Zainol, Mr Faizal Jalaludin, Ms Zulina Mohamed, and Mr Jaibalan

10th September 2014. The event was the 3rd networking event by Nottingham MyResearch following the Launch of Nottingham MyResearch Sdn Bhd (November 2013) and another networking reception which was jointly hosted with the UK Trade and Investment (UKTI) during May 2014.

It was a great success with the support of about 150 participants, representing over 30 companies.

The main purpose of the event was to promote Malaysian companies to invest in Research and Development (R&D) and, to introduce Nottingham MyResearch as a special vehicle for companies who are interested in investing in R&D in a tax efficient way. Nottingham MyResearch is a MIDA awarded R&D status company which enables its investors to benefit from the double tax deduction.

Datuk N. Rajendran, Deputy Chief Executive Officer II of MIDA greeted the guests and gave a welcoming speech. "This is a valuable platform for engagement among government

officials, universities and business communities committed to advance excellence in operations through R&D.

Rajendran also shared that MIDA are committed to providing support and assistance to companies, aiming to bridge the gap between academia and industry, and

to further deepen collaboration, and lead to higher levels of research in the commercial sector.

The event also featured with presentations by Professor Chritine Ennew, Provost and CEO of University of Nottingham Malaysia Campus, Professor Graham Kendall, Vice-Provost of UNMC (Research and Knowledge Transfer) and CEO of Nottingham MyResearch Sdn Bhd, and Professor Ian Harrison, Dean of Faculty of Engineering UNMC. The presentations gave the overarching capabilities and strengths of UNMC to the representatives from the companies who attended the networking reception. Nottingham MyResearch showcased its successful university-industry collaborations by holding ceremonies, as part of the networking event, which saw two contracts being signed, involving four industry partners from Malaysia and the UK.

One of the contracts was an agreement on rice mill related R&D with Maju Antara Sdn Bhd and MS Inteq Engineering Sdn Bhd. This was followed by a signing between Nottingham MyResearch Sdn Bhd, Boustead Telok Sengat Sdn Bhd and Azotic Technologies Ltd on research related to Biological Nitrogen Fixation in the Malaysian Oil Palm industry.

The networking reception ended with a networking dinner and many discussions were initiated, which are now being followed up.

The hope is that more companies will become involved in R&D and will benefit from the double tax incentives, whilst getting significant outcomes from the collaborative research between university and industry. 



Professor Christine Ennew having discussion with Y. Bhg. Dato' Azman Mahmud



Malaysia to be Regional Hub for Interactive Media

Multimedia Development Corp (MDeC) is keen turn Malaysia into a regional hub for games and interactive media over the next three years, tapping on the strong global growth in the industry.

The 2014 global games report showed that the international games market will hit US\$100 billion (RM350 billion) mark and touching US\$102.9 billion by 2017, recording an 8.1% compound annual growth rate (CAGR) due mainly to the robust market growth in Asia particularly in mobile gaming, according to MDeC Chief Executive Officer, Datuk Yasmin Mahmood.

Datuk Yasmin was speaking at the signing of a memorandum of understanding (MOU) between creative animation studio, Lemon Sky Animation Sdn Bhd, with Bandai Namco Studios Singapore Pte Ltd in Kuala Lumpur, recently.

She said the country has strong industry players and there are many more talents coming into the industry. The Malaysian talents are also well-positioned for games development art and designs, hence Malaysia has immense potentials to create a good eco-system for the hub, she added.

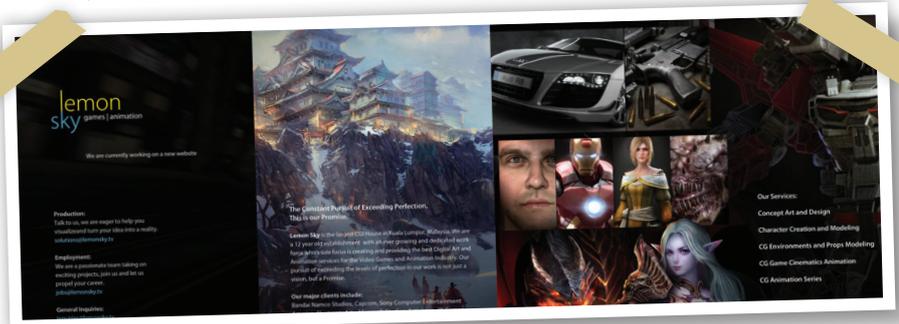
The creative content industry in Malaysia is estimated to be valued at RM10 billion with the creative multimedia cluster itself posting RM6.39 billion in revenue last year, creating over 10,000 jobs.

The industry had attracted some RM470 million of investments last year, an increase of 16% from the preceding year.

She pointed out that there is also an action plan to draw foreign anchor game companies and publishers to partner local players to develop the industry.

The tie-up between Bandai Namco and Lemon Sky, reflected the growth of Malaysian creative content industry and its potential to develop into a world-class creative hub, giving a boost to the development of games development, she said.

Meanwhile, Lemon Sky's Chief Executive Officer, Cheng Fei Wong said the collaboration would hopefully encourage other players in the industry to gain access to the global market. **FB**



MIDA URGES LOCAL ENTREPRENEURS TO GO GLOBAL



The Malaysian Investment Development Authority (MIDA) in collaboration with Dewan Perdagangan Islam Malaysia (DPIM) has organised the *Konvensyen Aspirasi Usahawan Muslim 2014* with the theme *Jutawan Muslim, Fikrah Mukmin Dari Lokal ke Global* at Hotel Pullman, Kuala Lumpur recently.

The event is part of MIDA's outreach programme to encourage and enhance the domestic investment landscape, particularly to facilitate greater Bumiputera participation in the economy.

The one day Convention, which was officiated by YBhg. Tan Sri Amirsham A. Aziz, Chairman of MIDA, has brought together more than 350 participants. This is the first time MIDA has collaborated with DPIM. The initiative aims to update the participants the latest information on investment opportunities,

government assistance and facilities available in order to remain competitive locally as well as to integrate themselves into the global market.

Tan Sri Amirsham said, "Our local players should be willing to embrace adaptable business models that are receptive to changing business environments. The government provides various incentive schemes

for local players to grow their businesses and transform the domestic investment landscape. Our local entrepreneurs should leverage on these facilities. This includes the Domestic Investment Strategic Fund (DISF) that has been launched by YAB Prime Minister in 2012. As at November 2014, MIDA has approved RM577.6 million for 135 projects under DISF. A total of 32 projects (22%) amounting to RM124.5 million, were Bumiputera projects. These Bumiputera companies are involved in the aerospace, automotive, electronics and electrical, solar and oil and gas industries."

The Convention featured presentations from Dato' Ghazali Mohd Yusoff, Executive Chairman and Managing Director of Nusantara Technologies, Haji Romli Ishak, Managing Director of DNA Science Centre and Dr. Mohammad Alinor Abdul Kadir, Secretary General of ASASI. The event also involved six workshop sessions that were conducted by MIDA, MPC, SME Corp, MATRADE, PNS and MARA.



FOUR COMPANIES TO INVEST RM375M IN KHTP

Four companies, Laryngeal Mask Company (Malaysia) Sdn Bhd, Aurelia T Technology Sdn Bhd, Peritone Health Sdn Bhd and Symbiotica Speciality Ingredients Sdn Bhd will invest a total of RM375 million in the Kulim High Technology Park (KHTP) in Kedah.

The investment would include upgrading of facilities and infrastructure in the park, Kedah State Executive Councilor, Norsabrina Mohd Noor said after the companies signed the lease agreement with Kulim Technology Park Corp Sdn Bhd (KTPC) in Kulim, yesterday.

The companies are keen to invest in KHTP as there are six proposed projects in the vicinity of Kulim—the Kulim International Airport (KXP), Kedah Aerocity, Sungai Petani-Kedah Inner Expressway (SPIKE), Kedah Rubber City, Kedah Science and Technology Park and the Kedah Medical Science City.

Aurelia T Director, Datuk Mohamed Farouk Che Ibrahim said KHTP is a matured park, thus investing and expanding there would benefit both the people and investors.

With the proposed airport, KHTP is expected to bring in more technology-intensive investments to the park.

KTPC President, Annuar Mohd Saffar said the state's rapid growth in development and transformation had convinced the investors to be a part of the mega projects in the state.

From January to September this year, Kedah had secured a total of RM4.1 billion in foreign direct investments and RM431.0 million in domestic investments in 35 approved projects, according to data from the Malaysian Investment Development Authority (MIDA).

Going forward, Annuar said KTPC would further intensify efforts and work closely with MIDA, the Northern Corridor Implementation Authority (NCIA) and InvestKedah, to draw more investors, both foreign and local to the state. 



MALAYSIAN COMPANIES TO ENHANCE INVESTMENT INFLOWS

Malaysia wants to ensure the capabilities of domestic companies as a measure to increase investment inflows into the country, Prime Minister Datuk Seri Najib Razak said recently.

Also in line with the country's development goal to reach high-income status in less than six years.

"The 2015 Budget, which I have just announced, contains measures to stimulate exports and investment inflows," said Datuk Seri Najib.

"It also includes special incentive packages for investment projects that provide qualified and knowledgeable employees with high salaries," he added.

At the meeting Najib, who is also Finance Minister, mentioned some of the collaborative partnerships between Malaysian and UAE companies' to date.

The UAE's Aabar Investments PJS is collaborating with 1MDB in the Tun Razak Exchange, a US\$5.5 billion project to

PANASONIC TO SPEARHEAD JICA-FUNDED FEASIBILITY STUDY

Japan's Panasonic Corp together with another Japanese firm, NEWJEC Inc with the support of the Northern Corridor Implementation Authority (NCIA) will undertake a feasibility study on the potential construction of a 50- megawatt (MW) solar farm (photovoltaic power generation (Econation) project) in the Northern Corridor Economic Region (NCER).

The eight month study to be funded by the Japan International Cooperation Agency (JICA) will commence in January 2015.

NCIA in a statement yesterday said the study would cover the development of energy supply and investments derived from photovoltaic energy generation stations (PEGS). Besides looking at the feasibility of the project, the study will also include the operational set-up as well as the financial model of the project.

NCIA Chief Executive, Datuk Redza Rafiq said the northern region of Malaysia has been identified as a strategic location for the project based on its geographical factor, where the sun's irradiance in this region is on average higher than other parts of the country.

He said the NCIA would facilitate the successful execution of the feasibility study, adding that it is keen for the private sector to increase the diversification of the energy industry and encourage the use of renewable energy sources, including solar energy, in tandem with the country's Economic Transformation Programme (ETP).

JICA Director, Takashi Baba said based on the outcome of the survey and subsequent due diligence, JICA would consider financing the project and fund the application of the public-private partnership (PPP) scheme in order to contribute to the development in the NCER.

Panasonic Eco Solutions Co (Japan) General Manager of Global Marketing Division, Okumura said the undertaking would be the Panasonic's new contribution to Malaysia and its people for all the support that the company has received over the years.

Panasonic has a strong presence in Malaysia, having been in the country since 1965. 

turn Kuala Lumpur into a global centre for international finance, trade and services.

The Emirates' International Foodstuffs Co (IFFCO) has been working with Malaysia's FELDA to expand the refining and processing of edible oils to China, Indonesia, the US, South Africa and Turkey.

Early in the year, Oilfields Supply Center Ltd (OSC), in partnership with Johor Corporation, began developing the Tanjung Langsat Port, a project expected to see investments of more than US\$300 million.

"In addition, Dubai's Scitech Ltd has proposed a new oncology research and development centre in Malaysia, to provide cutting-edge solutions for the global healthcare industry," said Datuk Seri Najib.

"These partnerships not only show us the breadth of opportunities for collaboration between Muslim countries, but they are also a vote of confidence in Malaysia's economy," he noted.

The roundtable, organised by the Ministry of International Trade and Industry (MITI) and Malaysian Investment Development Authority (MIDA), was held in conjunction with the 10th World Islamic Economic Forum (WIEF). 

SDSI Showcase Generates Revenue for Entrepreneurs

This is the 9th year of SDSI Showcase 2014, officiated by YB. Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry on December 6, 2014.

SDSI Showcase which was first introduced in 2006 is the largest annual exhibition that brings together the products and services of SDSI throughout the country in an effort to market and promote its products at domestic and international levels.

Also present were Chief Minister Datuk Seri Idris Harun, Director-General Tan Sri Shukry ICU JPM Haji Salleh, Exco-State Executive Council, the Chief Secretary of ministries, departments and agencies of the Federal Government and state.

MITI serves as an organisations in the committee for the promotion and marketing and entrepreneurship development committee to plan, formulate and implement policies on industrial development, international trade and investment.

ICU JPM is the main coordinator of SDSI Programme, supported by the Melaka state of government and other ministries for every field such as the Ministry of Rural and Regional Development (MRRD), Ministry of Agriculture and Agro-based Industry (MOA), and the Ministry of Tourism and Culture (MOTAC).

SDSI programme is implemented based on the concept of product development and services of each



state's identity. The organiser of the SDSI Showcase at the national and zone acting as a platform for entrepreneurs to promote and market their products and services throughout Malaysia, and also to the whole world through buyers / agents of international trade in line with the theme of The Global Malaysia.

In his opening speech, Dato' Sri Mustapa urged SDSI entrepreneurs to keep abreast with the current economic environment and the challenges that demands knowledge, expertise, creativity and innovation.

SDSI Showcase this year involved the participation of over 500 exhibitors from all over Malaysia as well as participants from Cambodia and Thailand.

Various of activities was planned to celebrate this showcase such as exhibitions and sales, Entrepreneurs Clinic, Entrepreneurship Seminar, Business Matching Session, SDSI's Products/Services Demonstration, Performing Arts and Culture, Menu Malaysia, lucky draws for visitors and a variety of activities and attractions too. [FB](#)

CREST & UCSB to Focus on R&D for LED Sector

CREST, a non-profit industry-government-academia company set up to accelerate development in Malaysia's electrical and electronics sector, has tied up with the University of California Santa Barbara (UCSB), a global leading research institute for LED, in a research and development programme to drive the local LED sector up the value chain.

In a media statement on the signing of the collaborative effort, in conjunction with CREST Symposium 2014 in Kuala Lumpur recently, Dato' Azman Mahmud, Chairman of CREST and Chief Executive Officer of the Malaysian Investment

Development Authority (MIDA) said Malaysia is among the largest in the world for back-end processes in LED manufacturing. Hence, the tie-up is very important and timely to provide the needed thrust to move the industry up the value chain, he added.

The collaboration with UCSB was concluded in just over a year following the visit of three UCSB professors – Dr. Shuji Nakamura (2014 Nobel Prize Winner for Physics); Dr. Steven P. Denbaars, Director of the Solid State Lighting Energy Centre; and Dr James Speck of the Materials Department, to CREST late last year.



Dato' Azman Mahmud

CREST Chief Executive Officer, Jaffri Ibrahim, who held talks with the three eminent professors during the visit, said the company is keen to develop the next generation of LED technology.

"It's not just technical knowledge we are looking for but also the methodology and culture that has allowed UCSB to be more than a typical academia-type research centre but one that is more in tune with industry needs," he said.

The tripartite collaboration involves the academia (UCSB, Universti Sains Malaysia (USM), Universiti Malaya (UM), Universiti Malaysia Perlis (UniMAP) and Monash University Malaysia), the industry (various existing LED makers in Malaysia) and the government via CREST.

The joint initiative will focus on epitaxial development (where additional layers of semiconductor crystals are grown on the surface of a wafer). 



MIDA Worldwide Network

The Malaysian Investment Development Authority (MIDA) is the government's principal agency for the promotion of the manufacturing and services sectors in Malaysia. MIDA assists companies intending to invest in the manufacturing and services sectors, as well as facilitates the implementation of their projects. The wide range of services provided by MIDA include providing information on the opportunities for investments, as well as facilitating companies which are looking for joint venture partners.

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