



MEDIA STATEMENT

Malaysian Industrial Development Authority

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**MIDA ANNUAL MEDIA CONFERENCE
ON THE PERFORMANCE OF THE
MANUFACTURING AND SERVICES SECTORS
IN 2007,
19 FEBRUARY 2008**

STATEMENT BY:

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MINISTER OF INTERNATIONAL TRADE
AND INDUSTRY**

The manufacturing sector expanded by 2.3 per cent in the first three quarters of 2007. This sector is estimated to contribute 30.3 per cent to GDP and is expected to account for about 29.3 per cent of total employment in 2007. The services sector is expected to contribute 46.2 per cent (excluding Government services) to the country's GDP and 51.4 per cent of the total employment in 2007.

Malaysia's exports of manufactured products amounted to RM452.5 billion and accounted for 74.8 per cent of Malaysia's total exports in 2007.

The manufacturing sector recorded a productivity growth of 2.7 per cent in 2007, and this was mainly attributed to the expansion in the resource-based industries and selected domestic-oriented industries.

All services sub-sectors recorded positive productivity growth in 2007. The transport, storage and communications sub-sector recorded a productivity growth of 4.4 per cent, electricity, 4.3 per cent, wholesale and retail trade, 2.1 per cent, education and training, healthcare and professional services, 1.5 per cent.

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Since 2006, MIDA has begun to collate information on investments in the services sector. Activities in the services sector are regulated by various Ministries and Government Agencies. With this collation of information, MIDA is able to present, today, the total investments approved in the manufacturing and services sector.

In 2007, investments amounting to RM125.3 billion were approved for projects in the manufacturing and services sector, compared with RM101.5 billion in 2006. Investments in 2007 surpassed the annual target of RM73.4 billion per annum set in the Third Industrial Master Plan (IMP3) for these sectors. The projects approved in both sectors are expected to generate 147,443 employment opportunities.

INVESTMENTS IN THE MANUFACTURING SECTOR

In the manufacturing sector, a total of RM59.9 billion in investments were approved in 2007, compared with RM46.0 billion in 2006. Investments last year were the highest recorded to date and were more than double the target of RM27.5 billion per annum set in the IMP3.

The increased investments in the manufacturing sector were mainly due to capital intensive projects, particularly in the electronics and electrical industry, petroleum products including petrochemicals, basic metal products and paper, printing and publishing. There were 11 projects with investments of more than RM1 billion. Investments in these projects totalled RM29.9 billion or 49.9 per cent of the approved investments for 2007.

Foreign investments amounted to RM33.4 billion or 55.8 per cent of total investments. FDI inflows into the manufacturing sector in 2007 were the highest recorded to date. This marked the fourth consecutive year of increase, compared with RM20.2 billion in 2006, RM17.9 billion in 2005 and RM13.1 billion in 2004.

Domestic investments in 2007 were RM26.5 billion, and were also the highest recorded to date, compared with RM25.8 billion in 2006, RM13.2 billion in 2005 and RM15.6 billion in 2004.

Foreign and domestic investors have responded positively to the Government's initiatives towards promoting investments in capital intensive, high value-added and high technology projects. This is reflected in the increase in the number of capital intensive projects received in 2007. As a result, the Capital Investment Per Employee (CIPE) ratio also increased from RM517,054 in 2006 to RM613,600 in 2007.

Projects approved are expected to generate a total of 97,673 employment opportunities. When these projects are implemented, there will be increased demand for Malaysian electrical and electronics engineers, design engineers, R&D engineers, chemical engineers, metallurgists, biotechnologists, microbiologists, pharmacists and software engineers. These projects will contribute to the overall development of human resources in the country.

Malaysia continues to be a cost-competitive location for new manufacturing projects. Of the 949 projects approved, 625 were new projects involving investments of RM31.1 billion or 51.9 per cent of the total investments. Foreign investments in these projects amounted to RM17.3 billion or 55.6 per cent of total investments.

Existing foreign companies have also continued to show their confidence in Malaysia through their reinvestments. Foreign investments in expansion and diversification projects amounted to RM16.3 billion.

Domestic investments also comprised both new and expansion projects. The petroleum products including petrochemicals industry, and the basic metal industries attracted substantial investments. This development was attributed to the increase in the global petroleum prices and the sustained demand for steel products. Investments in these industries will result in an

expansion in production capacities and the upgrading of technology, particularly in the steel sector.

Malaysia continues to attract export-oriented companies to establish their global operations in the country. A total of 323 projects with investments of RM28.8 billion, proposed to export 80 per cent of their output. These export-oriented projects were mainly in:

- electronics and electrical;
- chemicals and chemical products;
- furniture and fixtures;
- machinery manufacturing;
- and
- food manufacturing.

INVESTMENTS IN MAJOR INDUSTRIES

Since the establishment of the semiconductor industry in the early 70s, the electronics industry has rapidly developed to be a major industrial sub-sector. Continued investments by foreign and Malaysian companies have transformed the industry from labour intensive activities to capital and skills intensive and high technology operations, incorporating research and development and design and development.

In 2007, the industry continued to receive substantial investments. Investments in the industry increased by 51 per cent to RM15.1 billion compared with RM10 billion in 2006. The investments were mainly in electronic components, RM10.7 billion, consumer electronics, RM1.9 billion, electrical products, RM1.7 billion, and industrial electronics, RM0.8 billion.

The major projects approved in the electronic components industry were for the production of semi conductor devices, memory modules, solar modules and disk drives. In the industrial electronics sub-sector, investments were mainly in measuring and

testing equipment, telecommunications, computers and computer peripherals and optics and photonics. There was increasing interest in the consumer electronics sub-sector, particularly in the manufacture of LCD televisions and colour monitors.

There is growing interest, globally, in the renewable energy sector, and this is one of the new areas identified for promotion in Malaysia, particularly the manufacture of solar cells and modules. One of the leading manufacturers in the world has decided to locate its operations in Malaysia to produce thin-film solar modules. Currently, MIDA is also negotiating with several leading global manufacturers and their suppliers of materials, components and services to set up their operations in Malaysia. These initiatives will result in the establishment of a solar industry cluster in the country.

In 2007, significant investor interest was seen in the basic metal products industry. Investments increased from RM2.7 billion in 2006 to RM12.2 billion in 2007. Domestic investments accounted for 59.0 per cent and most of the investments were in the steel sub-sector. New and existing companies proposed multi-billion dollar ventures to produce better quality hot-rolled coils and cold-rolled coils to cater for high-end applications in the automotive and E&E industries.

Other industries that attracted considerable investments in 2007 were in petroleum products including petrochemicals, chemicals and chemical products, paper printing and publishing and food products.

MAJOR SOURCES OF FOREIGN INVESTMENTS

Japanese investments in the manufacturing sector have been increasing significantly since 2003, and reached its peak in 2007, with investments amounting to RM6.5 billion, compared with RM4.4 billion in 2006. Existing Japanese companies proposed to

invest RM5.4 billion, reflecting their continued confidence in Malaysia as an offshore location. Japanese investments were mainly in the electronics and electrical industry, non-metallic mineral products and petroleum products including petrochemicals.

Germany was the second largest source of foreign investments. German investments, which amounted to RM3.7 billion, were mainly in the electronics and electrical and petroleum products including petrochemicals industries.

Investments from the USA increased from RM2.5 billion in 2006 to RM3 billion in 2007, registering a growth of 20 per cent. These investments were in 33 projects, 13 of which were new projects, while 20 were expansion and diversification projects.

In 2007, India emerged as an important source of FDI, as a result of two major acquisitions valued at RM2.9 billion. The two major Indian investments were in the textiles and paper and paper products industries.

Other major sources of FDI were Iran, Singapore, China, Netherlands, Australia and Korea.

IMPLEMENTATION STATUS OF MANUFACTURING PROJECTS APPROVED

The Government has put in place numerous measures to expedite the implementation of approved manufacturing projects. Among them include, the establishment of One Stop Centres at Local Authorities, District Industry Implementation Units, Project Implementation and Coordination Unit (PICU) and the appointment of Special Project Officers in MIDA to facilitate the implementation of projects.

These measures have contributed to the increase in the implementation rate from 75.8 per cent to 79.4 per cent during the period 2002-2007. Of the 5,911 manufacturing projects approved, 4,432 projects or 75 per cent have commenced production, while 259 projects are at various stages of implementation. The total capital investment in these 4,691 projects amounted to RM117.4 billion. In 2007 alone, 737 projects commenced production.

MITI, as the coordinating Ministry, and MIDA, will continue to work in close collaboration with the Federal and State governments to ensure investors are assisted in the implementation of their projects in the country.

INVESTMENTS IN THE SERVICES SECTOR

The services sector remains an important source of growth in the Malaysian economy. In 2007, a total of 2,439 projects with investments of RM65.4 billion were approved compared with RM55.5 billion in 2006. Investments in 2007 surpassed the IMP3 annual target of RM45.9 billion per annum by RM19.5 billion.

Within the services sector, the real estate sub-sector accounted for the largest share of investments with RM21.6 billion or 33.0 per cent of the total investments, followed by the transport sub-sector with investments of RM16.7 billion or 25.5 per cent. The other sub-sectors, which received considerable investments, were support services, RM6.2 billion, energy, RM5.5 billion, and telecommunications, RM3.9 billion. Projects approved in 2007 are expected to generate 49,770 employment opportunities.

Domestic investments accounted for RM54.6 billion or 83.5 per cent, while foreign investments were RM10.8 billion or 16.5 per cent of the total approved investments. Foreign investments were mainly in transport, RM4.5 billion, distributive trade, RM1.95 billion, real estate, RM1.7 billion, and MSC status companies, RM1.3 billion.

Regional Establishments

Malaysia continues to attract multinational companies to set-up their regional operations in the country. In 2007, a total of 163 regional establishments were approved, to be set-up in Malaysia, with a proposed annual business spending of RM700.5 million. These operations will create a total of 2,557 employment opportunities for Malaysians at managerial, professional and technical levels. Of the 163 approvals, 133 were regional and representative offices (RE/RO), 17 were operational headquarters (OHQs) and 13 were international procurement centres (IPCs) and regional distribution centres (RDC).

The IPCs approved in 2007 are projected to have an annual sales turnover of RM2.7 billion, and will result in increased business opportunities for Malaysia's seaports, airports and the logistics sector. As the IPCs proposed to procure RM937.9 million in goods and services from local companies, including SMEs, opportunities will be created for Malaysian companies to integrate into the MNCs global supply chain network.

Multimedia Super Corridor (MSC) Companies

In 2007, a total of 266 companies were granted the MSC status with investments amounting to RM3.7 billion compared with RM2.9 billion in 2006. Domestic investments were RM2.4 billion or 65 per cent of the total investments, while foreign investments amounted to RM1.3 million or 35 per cent of the total investments.

MSC status companies approved in 2007 will be engaged in six main activities, namely, creative multimedia, internet-based business, shared services and outsourcing, application software and mobility embedded hardware (MeSH) and institutions of higher learning.

Biotechnology

Efforts undertaken by the government to promote the biotechnology sector have been successful. In 2007, a total of 35 companies were awarded the Bionexus status with proposed investments of RM565.2 million. Domestic investments amounted to RM487.0 million or 86.0 per cent, while foreign investments were RM78.2 million.

Among the types of activities proposed to be undertaken by these companies are plant propagation through tissue culture, biofertiliser and soil enhancer, medical diagnostics and devices and tissue and stem cell engineering.

INVESTMENTS IN THE PRIMARY SECTOR

Since 2006, MIDA has also been collating the statistics for the primary sector, comprising the agriculture, mining and plantation and commodities sub-sectors. Investments in the primary sector increased from RM9.8 billion in 2006 to RM22.5 billion in 2007 and were in:

- agriculture RM1.7 billion
- mining RM19.2 billion
- plantation and RM1.6 billion
commodities

Foreign investments totalled RM10.9 billion or 48.4 per cent, while RM11.6 billion or 51.6 per cent were from domestic sources.

The high level of investments in the mining sector last year was attributed to a RM10.5 billion project to develop a new oil field in Sarawak. The agriculture sector attracted an investment of RM1.5 billion for a project in deep-sea fishing.

MALAYSIA'S INTERNATIONAL RANKINGS

Many international organisations and consulting companies rank countries for their business competitiveness and investment environment. In 2007 and 2008, Malaysia was ranked favourably by several international organisations:

- 21st most competitive economy out of 131 countries by the World Economic Forum;
- 23rd most competitive country among 55 countries surveyed by the Institute of Management Development, Switzerland;
- 24th on Ease of Doing Business by the World Bank;
- 3rd among the top growth centres in emerging markets from 2006 – 2020 by Deutsche Bank;
- AT Kearney ranked Malaysia:
 - 3rd in the Global Services Location Index
 - 16th in the FDI Confidence Index
 - 23rd out of 70 countries surveyed in the Globalisation Index
- 14th preferred destination for FDI by UNCTAD;
- 2nd largest in stock and flows of FDI as a percentage of GDP by Heidrick & Struggles and the Economic Intelligence Unit;
and
- Kuala Lumpur was ranked as the 6th cheapest place in the world out of 137 places for rents according to DTZ Research's Global Occupancy Cost Survey. It costs USD3,120 per annum to set up a work station for an employee in Kuala Lumpur compared with USD16,220 in Singapore and USD27,540 in Hong Kong.

The positive rankings by these international organisations reflect Malaysia's business competitiveness as an offshore location for foreign investments.

INVESTMENT OUTLOOK FOR 2008

Global developments will continue to have an impact on investment inflows into the manufacturing and services sector in Malaysia. In 2008, intense competition for FDI will continue, as many countries are further fine-tuning their investment policies and strategies. Current high oil prices globally, and uncertainties in the US economy will affect global FDI outflows and inflows.

The Malaysian Government has already implemented several measures to sustain the country's competitiveness. These include:

- a reduction of corporate tax from 26 per cent in 2008 to a further 25 per cent in 2009;
- a government allocation of RM236 million to support the biotechnology industry;
- strengthening the human capital with emphasis on education and skills training. An allocation of RM2 billion will be channelled to various government agencies to increase the number and quality of workers;
- intensifying research, development and commercialisation of home grown R&D. In 2008, RM1.1 billion for the science and techno fund and for research institutions has been allocated;
- ensuring speedy approvals on applications for customised incentives in the manufacturing and services sectors through a high-level committee for special incentives in MITI and the Cabinet Committee on Investments for High Impact Projects;
and
- establishment of PEMUDAH to improve the public sector delivery system.

The Immigration Unit in MIDA has commenced operations since December 2007. The Unit assists expatriates in applications pertaining to employment passes, dependents passes, student endorsement for children of expatriates and identification cards for expatriates. Companies, whose expatriate posts have been

approved by MIDA, are encouraged to use the services of this Unit.

The Advisory Services Centre in MIDA has also been expanded to include senior representatives from Telekom Malaysia, Ministry of Human Resources, Ministry of Finance and Department of Environment. In addition, to assist investors in obtaining information on the services sector, liaison officers from the Malaysian Communication and Multimedia Commission, Construction Industry Development Board, and Ministries of Health, Tourism and Higher Education have been appointed. Potential and existing investors are encouraged to use the services of these officers at the Advisory Services Centre and the liaison officers, based in their respective agencies.

MITI and its agencies, such as MIDA and MATRADE, will intensify their promotional activities through Trade and Investment Missions to attract investments from targeted countries. In 2008, a total of nine Trade and Investment Missions will be organised to countries in Asia, Europe and the USA. MIDA will also be organising nine Specialised Project Missions to capital exporting countries to target specific companies. The private sector is invited to participate in these missions to explore business opportunities.

MIDA's overseas centres have been directed to focus their attention in attracting quality investments in the countries under their coverage. To date, a total of 1,048 companies have been identified by MIDA's 16 overseas centres. These companies are in biotechnology, medical devices, pharmaceuticals, high-end electronics products, machinery and equipment, ICT and promoted activities in the services sector. Selected companies will be offered customised incentives to attract them to set-up their operations in Malaysia.

Companies investing in technology and knowledge-intensive operations are demanding attractive incentive packages and quick

decision making from the host countries. The Malaysian government has been able to respond quickly to these requests for special incentives through the approvals given by the High Level Committee for Special Incentives in MITI and the Cabinet Committee on High Impact Projects. In 2007, a total of 36 projects were offered customised incentives involving investments of RM33.1 billion.

The State Governments also need to offer competitive incentive packages to complement the Federal Government's efforts to attract investments. In particular, State Governments need to continuously upgrade facilities in their industrial estates to meet international standards and investor expectations.

Under the Ninth Malaysia Plan, the Government has allocated RM429.75 million for upgrading of infrastructure of industrial estates. To date, RM241.64 million has been disbursed to the State Governments. The infrastructure fund, which was previously managed by the Economic Planning Unit, is now under the purview of MIDA. The Government has also endorsed the establishment of another high-tech park in Senai, Johor, to be developed by the private sector in addition to the Kulim High Tech Park and Perak High Tech Park.

MIDA and MITI will continue to intensify efforts to increase the participation of domestic investors in the manufacturing and services sector. In 2008, five seminars will be organised to update domestic investors on the business opportunities available in the Northern Corridor Economic Region (NCER), Eastern Corridor Economic Region (ECER), Iskandar Development Region (IDR) and the Sabah Development Corridor (SDC). In addition, MIDA will also be organising four specific industry seminars on the electronics, food processing, medical devices and machinery and engineering supporting industries.

Domestic entrepreneurs are also encouraged to undertake business ventures abroad as these investments will result in economic benefits to the country. These include, accessing new and larger markets, gaining access to raw material inputs and components, tapping new investment opportunities and acquiring new technologies.

In 2008, MIDA will be organising 15 Cross Border Investment seminars and missions to targeted countries in identified sectors. Eight investment seminars will be conducted on business opportunities covering China, India, Indonesia, Syria, Tunisia, Egypt, Mozambique and Rwanda. The seven Cross Border missions planned are to Vietnam, China, Bosnia, Egypt, Sudan, Uganda and Nigeria.

In 2007, the Government was successful in ensuring increased levels of investments into the manufacturing and services sectors as evidenced by the results. However, in light of global uncertainties, the ability to continue to attract sizable investments is going to be increasingly challenging. Therefore, the support from all Ministries, Government Agencies and State Governments are critical, if Malaysia is to maintain its competitiveness and sustain high levels of foreign and domestic investment inflows.

The Government is receptive to feedback from the foreign and local business communities to further improve the business environment in the country. The channels of communication are always open for views and exchange of ideas in formulating effective policies and strategies for the benefit of the business community in general, and the country as a whole.

APPENDIX 1

INVESTMENTS APPROVED IN THE MANUFACTURING AND SERVICES SECTOR IN 2007

Manufacturing	RM 59.9 billion
Services	RM 65.4 billion

Total	<u>RM 125.3 billion</u>
Employment	147,443

Manufacturing Sector

Foreign Investments	RM 33.4 billion
Domestic Investments	RM 26.5 billion
Employment	97,673

Services Sector

Foreign Investments	RM 10.8 billion
Domestic Investments	RM 54.6 billion
Employment	49,770

APPENDIX 2

MAJOR SOURCES OF FOREIGN DIRECT INVESTMENTS IN THE MANUFACTURING SECTOR IN 2006 AND 2007

<u>Country</u>	<u>2007</u> <u>(RM million)</u>	<u>2006</u> <u>(RM million)</u>
1. Japan	6,552.7	4,411.6
2. Germany	3,756.8	232.3
3. Iran	3,067.8	Nil
4. USA	3,020.0	2,476.6
5. Singapore	2,952.2	1,884.7
6. India	2,923.7	8.3
7. China	1,883.2	134.1
8. Netherlands	1,690.4	3,284.2
9. Australia	1,685.1	2,560.1
10. Rep. of Korea	1,118.8	437.8

APPENDIX 3

APPROVED INVESTMENTS IN MAJOR SECTORS IN 2006 AND 2007

Projects approved were mainly in the following industries:

<u>Industry</u>	<u>(RM billion)</u>	
	<u>2007</u>	<u>2006</u>
• Electronics and electrical products	15.1	10.0
• Petroleum products (incl. petrochemicals)	13.8	11.4
• Basic metal products	12.2	2.7
• Chemical and chemical products	3.8	9.1
• Paper, printing and publishing	2.9	0.7
• Food manufacturing	2.4	1.6
Total	50.2	35.5

APPENDIX 4

FOREIGN AND DOMESTIC INVESTMENTS BY MAJOR SECTORS IN 2007

Foreign investments were mainly in:

- | | |
|---|----------------|
| • electronics and electrical products | RM13.7 billion |
| • petroleum products incl. petrochemicals | RM5.3 billion |
| • basic metal products | RM4.9 billion |
| • paper, printing and publishing | RM1.8 billion |
| • chemicals and chemical products | RM1.6 billion |
| • textile and textile products | RM1.3 billion |
| • machinery and equipment | RM1.2 billion |

Domestic investments were mainly in:

- | | |
|---|-----------------|
| • petroleum products incl. petrochemicals | RM8.5 billion |
| • basic metal products | RM7.2 billion |
| • chemicals & chemical products | RM2.2 billion |
| • food manufacturing | RM2.0 billion |
| • electronics and electrical products | RM1.4 billion |
| • transport equipment | RM889.4 million |
| • machinery and equipment | RM545.7 million |

APPENDIX 5

APPROVED INVESTMENTS IN THE SERVICES SECTOR IN 2006 AND 2007

Sub-Sector	<u>(RM million)</u> <u>2007</u>	<u>(RM million)</u> <u>2006</u>
• Regional Establishments	700.5	950.0
• Support Services	6,184.9	318.8
• MSC Status Companies	3,698.7	2,918.0
• Real Estate (Housing)	21,612.7	18,042.6
• Transport	16,740.5	11,577.1
• Energy	5,536.8	4,599.6
• Telecommunications	3,927.4	4,803.0
• Distributive trade	2,907.7	2,667.9
• Hotel & Tourism	1,311.8	2,431.0
• Financial Services	1,298.0	6,982.0
• Health Services	1,012.6	155.5
• Education Services	347.9	75.1
• Biotechnology	150.7	-
Total	65,430.2	55,520.6

APPENDIX 6

LIST OF SELECTED MANUFACTURING AND RELATED SERVICES PROJECTS APPROVED IN 2007

Electronics and Electrical Products

Significant projects approved were:-

- A new project by Osram Wafer Technologies (M) Sdn Bhd to produce 4-inch fabricated wafers (LEDs).
- A new project by Seagate International (Johor) Sdn. Bhd., a wholly foreign-owned company, to produce substrates for data storage devices, involving an investment of RM892.0 million.
- An expansion project by Panasonic AVC Networks Malaysia Sdn. Bhd. to produce LCD television receivers with an investment of RM97.8 million.
- An expansion project by Silterra Malaysia Sdn. Bhd., a Malaysian-owned entity, to produce semiconductor fabricated wafers with investments amounting to RM221.0 million.

Transport Equipment Industry

- Sepang Aircraft Engineering Sdn. Bhd., a new Malaysian-owned project with an investment of RM100.0 million for maintenance, repairs and overhaul activities.

Machinery Manufacturing Industry

Specialised M&E for Oil and Gas Industry

Major projects approved were:

- Asiaflex Products Sdn Bhd, a new foreign-owned project with an investment of RM692.8 million, to manufacture flexible pipes for offshore oil and gas production.
- Halliburton Manufacturing Technology (M) Sdn Bhd, a new foreign-owned project with an investment of RM115 million, to manufacture oil well completion and downhole tools and products.
- Continental Alloys & Services (M) Sdn Bhd , a new foreign-owned project with an investment of RM53.2 million, to manufacture machined parts
- MIR Valve Sdn Bhd, a new joint venture project with an investment of RM50 million, to manufacture valves & actuators for the oil and gas industry.

Specialised M&E for Electrical and Electronics Industry

Major projects approved were:

- Pac Tech Asia Sdn. Bhd., a new foreign-owned project with an investment of RM57.9 million, to manufacture laser equipment, wafer assembly equipment, MEMS manufacturing equipment and services for wafer level packaging.

General M&E, M&E Modules and Industrial Parts

Major projects approved were:

- Galaxy Energy Technologies Sdn. Bhd., a new foreign-owned project with an investment of RM92 million, to manufacture blades for gas and steam turbines for the oil, gas, petrochemical, refining and power generation industries.
- Tanjung Offshore Services Sdn. Bhd., a new Malaysian-owned project with an investment of RM61.8 million, to manufacture control systems, fire and gas systems and emergency shutdown systems.
- HUB Technologies (M) Sdn Bhd, a new Malaysian-owned project with an investment of RM36.2 million, to manufacture aerosol fire suspension systems and parts.

Basic Metal Products Industry

Major projects approved were:

- A new RM4.5 billion majority foreign-owned project by Eastern Steel Sdn Bhd to manufacture pig iron, flat iron, billets, blooms, hot rolled coils, plates, cold rolled coils and hot rolled bars.
- A new majority Malaysian-owned integrated steel project by Lion Group, with an investment totalling RM3.4 billion, to manufacture liquid hot metal, pig iron, iron ore pellets, furnace slags, furnace gas, coke, coke breeze, crude tar, ammonia, benzol, coke oven gas, slabs, plates, hot and cold rolled coils, ductile iron pipes, welded pipes, galvanised coils and sheets.
- A new RM1.2 billion Malaysian majority-owned project by Fresh Rewards Sdn Bhd to manufacture pig iron.

- A new RM830 million wholly Malaysian-owned integrated steel project by Ann Joo Integrated Steel Sdn. Bhd. to manufacture liquid hot metal, pig iron, steel slabs, blast furnace gas and blast furnace slags.

Fabricated Metal Products Industry

- A new Malaysian-owned majority project by Muhibbah Steel Industries Sdn Bhd, with investments of RM114.9 million to manufacture platforms and jackets.

Textiles and Textile Products Industry

- Acquisition of Hualon Corporation (M) Sdn Bhd by Reliance Industries Limited, India with an investment of RM1.2 billion to manufacture polyester resin, fibres, yarn and fabrics and to undertake the activity of finishing of fabrics. In the textiles industry, the company is the largest polyester fibre and yarn producer in the world.

Paper and Paper Products Industry

- An expansion/diversification project by Sabah Forest Industries Sdn Bhd with an investment of RM1.9 billion to manufacture pulp. This project was the result of the acquisition by Ballapur Industries Ltd. (BILT) in 2007.

Medical Devices Industry

- HWG Venture Sdn Bhd, a wholly Malaysian-owned company with an investment of RM131 million, to produce disposable dialysis filters (dialyzers).
- Symmetry Medical Malaysia Sdn Bhd, a RM56 million project, to manufacture medical sterilising cases, medical instruments and orthopaedic implants.

- Scandinavian Wireless Electronics Sdn Bhd, a RM40 million project, is a pioneer in Malaysia to produce dialysis monitoring alarm units and dialysis monitoring sensors.

Agriculture and Food Processing Industry

- PML Dairies Sdn Bhd, a wholly-owned company of Fraser and Neave Holdings Bhd. (F&N), to produce dairy products, with an investment of RM457 million.
- Lion Eco Chemicals Sdn Bhd, with an investment of more than RM200 million, to produce methyl ester sulfonates.
- Oleon Sdn Bhd, with an investment of RM139.1 million, to produce industrial esthers from fatty acids.

Petroleum Products (incl. Petrochemicals) Industry

Major projects approved included:

- SKS Refinery Sdn. Bhd., with an investment of RM9.9 billion, for the expansion of production capacity of LPG, gasoline, kerosene and diesel and production of additional products, namely coke and sulphur.
- An expansion project by a Malaysian company, with investments of RM2.4 billion to expand its refinery and production of liquefied petroleum gas, chemical naphtha, gasoline, dual purpose kerosene/jet fuel, diesel, fuel oil, sulphur, lube base stock, asphalt and coke.
- A new project by Spolchemie (M) Sdn. Bhd. with an investment of RM192.5 million to produce epichlorohydrin. The project will be the first world-scale project to commercially produce epichlorohydrin using glycerine from palm oil. The project will be

one of the pioneers in the usage of natural materials from renewable sources for the production of engineering plastics.

Regional Establishments

Operational Headquarters (OHQs)

- IBM Group to expand its shared services to its related entities to provide a wide range of common services to its related entities in Australia, New Zealand, Japan, Korea, China, Hong Kong and USA.
- Baker Hughes Incorporated has established a shared service centre in Malaysia for its oil fields' activities supporting operations in the Middle East, Asia Pacific Region, Australia, Bermuda, USA, Panama, Cayman Islands, Singapore, Indonesia, New Zealand and Thailand.
- Philip Morris (M) Sdn Bhd, a subsidiary of FTR Holdings from Switzerland and one of the largest tobacco manufacturers in the world, to render services to its companies in the Philippines, Indonesia, Korea, Australia, Hong Kong and Switzerland.
- NOL Group Services Centre Sdn Bhd, a subsidiary of Neptune Orient Lines Ltd., which is Singapore's national shipping company, will serve as a "Global Finance" and "Regional Administrative" and provide support services to 150 related companies around the world.

International Procurement Centres (IPCs)

- Asahi Sangyo (M) Sdn Bhd, a subsidiary of Asahi Sangyo Kaisha Ltd, is a trading company from Japan. The company will be exporting and importing raw materials, industrial products and electrical and electronics components to its clients in different countries.

- Jackspeed Leather Special Manufacturer (M) Sdn Bhd, a subsidiary of Jackspeed Corporation Ltd. from Singapore, a manufacturer of leather products, aims to make Malaysia a procurement and distribution centre for raw materials and finished goods for the Group.
- Knowles International (M) Sdn Bhd, the world's largest manufacturer of balanced amateur transducers for hearing aids and other high quality acoustic applications, will procure RM862.5 million worth of products from local companies, including SMIs.

