

The background image is a composite of industrial scenes. On the left, a robotic arm is shown in a blue-tinted environment. In the center, a worker in a blue uniform and cap is holding a tablet, which displays a control interface with various icons and graphs. To the right, a welding process is shown with bright orange sparks emanating from a point of contact. The overall color palette is dominated by blues and oranges, creating a high-tech industrial feel.

SMART AUTOMATION GRANT (SAG) UNDER MIDA

13 January 2021

What is SAG?

Newly launched on 2 December 2020

SAG will be given on a **matching basis (1:1)** based on eligible expenditures, up to a maximum grant of **RM1 million per company**

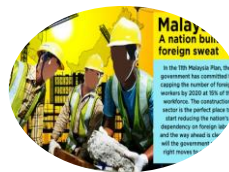
SAG is part of the RM100 million announced Under PENJANA



- to automise and digitalise operations, production and trade channels



- to improve efficiency in the manufacturing and services sector



- to reduce reliance on low-skilled foreign workers



- to enhance SMEs competitiveness at international level

What are the eligibility criteria?



1. Incorporated under the Companies Act, 1965/ 2016.



2. Malaysian owned (at least 51%).



3. Possesses a valid Business Licence



4. The company must engage in the following activities:

a. Manufacturing activity in compliance with the Industrial Co-ordination Act, 1975; or

b. Services activities which must be regulated by specific acts/ regulations or governed by relevant ministries/ agencies.



5. Eligible for SMEs and MTCs only.



6. In operation for at least 12 months.



7. Meet at least one of the Committed Deliverables



What are the Committed Deliverables?



REDUCTION OF UNSKILLED WORKERS

Percentage of reduction of workers after the use of equipment/machine/software

$$(W1 - W2)/W1 \times 100$$

Examples of documents to be audited (before and after):

- Organization chart
- Monthly report on work sheet schedule



REDUCTION IN MAN HOURS

Percentage of reduction in number of hours worked to produce 1 item or batch of item after the use of equipment/machine/software

$$(M1 - M2)/M1 \times 100$$

Examples of documents to be audited (before and after):

- Employee record (punch card/ID card/thumb print record)
- Relocation of employees (transfer order)



INCREASE IN PRODUCTION VOLUME

Percentage of increase in production volume as a result of the use of equipment/machine/software

$$(V2 - V1)/V1 \times 100$$

Examples of documents to be audited (before and after):

- Yield / Production report
- Sales Order / Clients Oder
- Delivery Order
- Inventory Report



QUALITY IMPOROVEMENT – REDUCTION IN DEFECT RATE

Percentage reduction of defect rate as a result of the use of equipment/machine/software

$$(D1 - D2)/D1 \times 100$$

Examples of documents to be audited (before and after):

- Monthly QC report
- Quality Control records/ analysis/ statistic (i.e. sampling, defect collection or handling clients complaint)



INCREASE IN SERVICES DELIVERY

Percentage of increase in services delivery as a result of the use of equipment/machine/software

$$(S2 - S1)/S1 \times 100$$



REDUCTION OF MAN HOURS IN DELIVERING SERVICES

Percentage of reduction in number of hours worked to deliver after the use of equipment/machine

$$(M1 - M2)/M1 \times 100$$



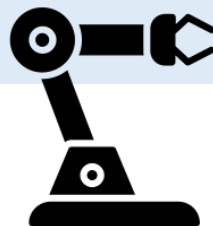
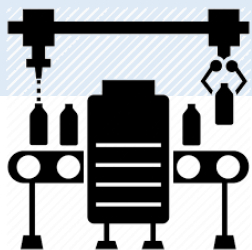
Company is required to meet at least one of the Committed Deliverables

What are the Eligible Expenditures?

Eligible Expenditures



Automation machine/ equipment/ software that are used directly in the overall value chain of manufacturing and services activities.



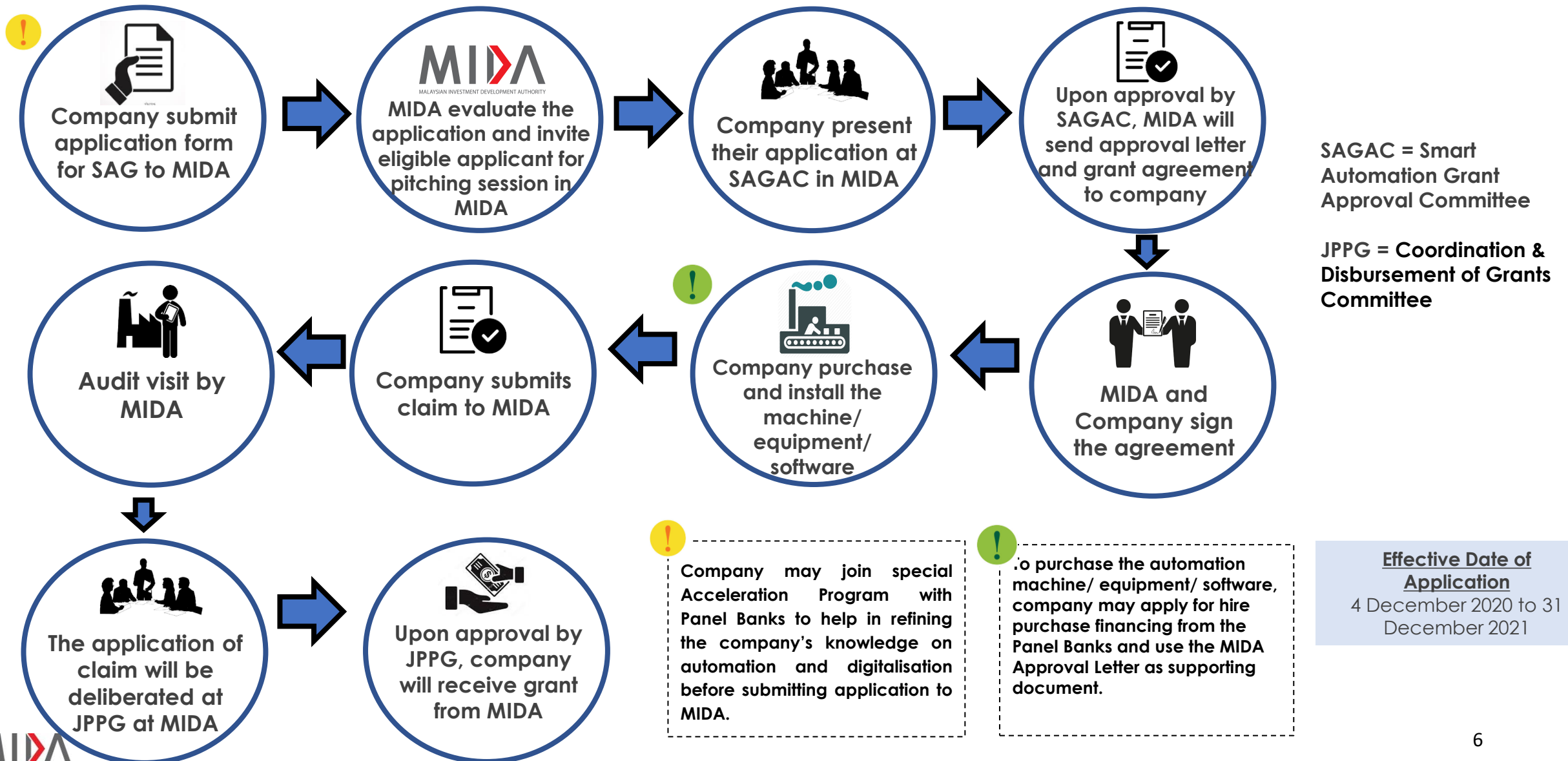
Non Eligible Expenditures



- Purchase or rental of land / building / office / vehicles / furniture
- Rental of automation machine/ equipment/ software
- Purchase or rental of second hand or refurbish automation machinery / equipment / software
- Maintenance and repair costs including renovation of premise
- Wages paid to employees
- Employee benefits programs
- Legal and stamp duty fees
- Insurance
- Collateral or loan including its interest paid for purpose other than smart automation
- Office expenses and supplies including general purpose computers & peripherals and mobile phones
- Utility expenses
- Research & development expenses
- Advertising and marketing expenses

**This list is not meant to be exhaustive and will be reviewed from time to time.*

What is the process workflow?



What are the documents needed?

- ✓ Application Form (PENJANA SAG)
- ✓ Latest Financial Statement (audited)
- ✓ Latest SSM Company Profile (e-Info) by Companies Commission of Malaysia (SSM)
- ✓ A copy of Business Licence from Local Authority
- ✓ A copy of Manufacturing Licence (ML) OR Letter of Exemption from ML from MIDA under Industrial Co-ordination Act, 1975 (Applicable for **manufacturing** company only)
- ✓ A copy of License/ Permit/ Support letter from relevant ministries/ agencies which govern the activities. (Applicable for **services** company only)



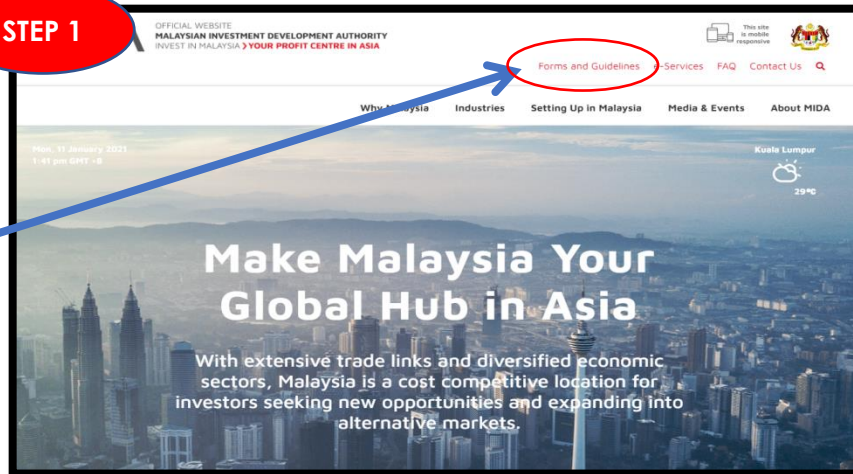
Submit applications (hardcopies) to:
Chief Executive Officer
Malaysian Investment Development
Authority (MIDA)
MIDA Sentral,
No. 5, Jalan Stesen Sentral 5,
Kuala Lumpur Sentral, 50470 Kuala Lumpur.

How to get the documents?

Application Form, Guidelines & Process Workflow are available in MIDA Website:

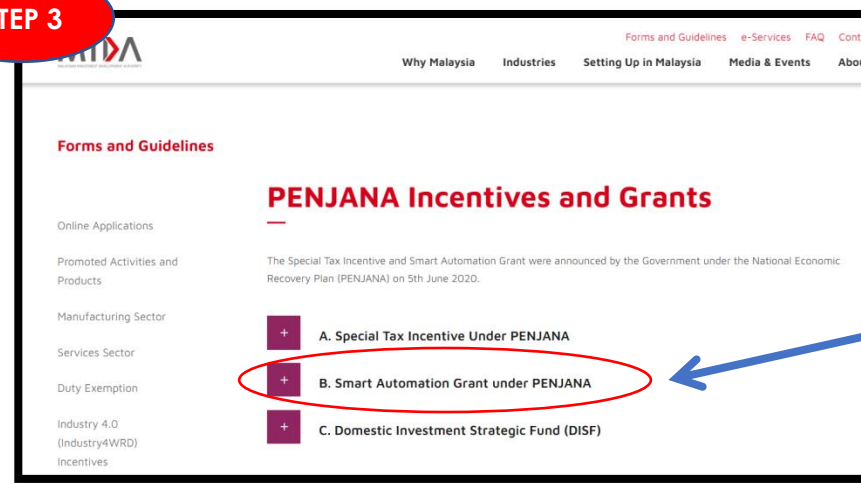
<https://www.mida.gov.my/forms-and-guidelines/>

STEP 1



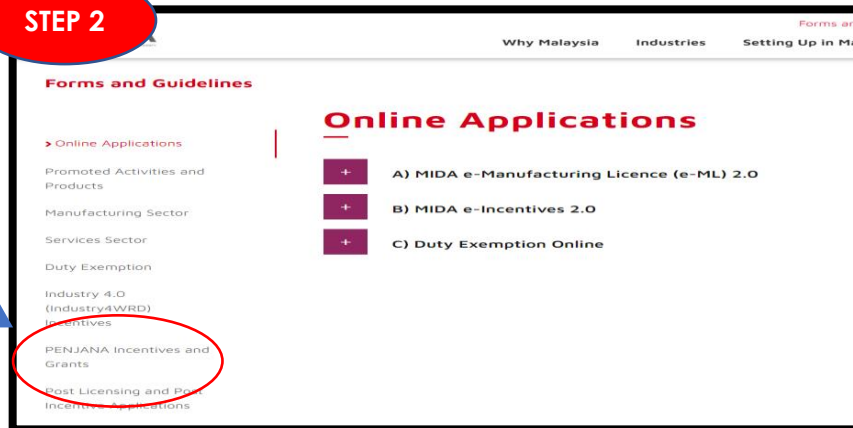
Click 'Form and Guidelines' at the front page of MIDA Website

STEP 3



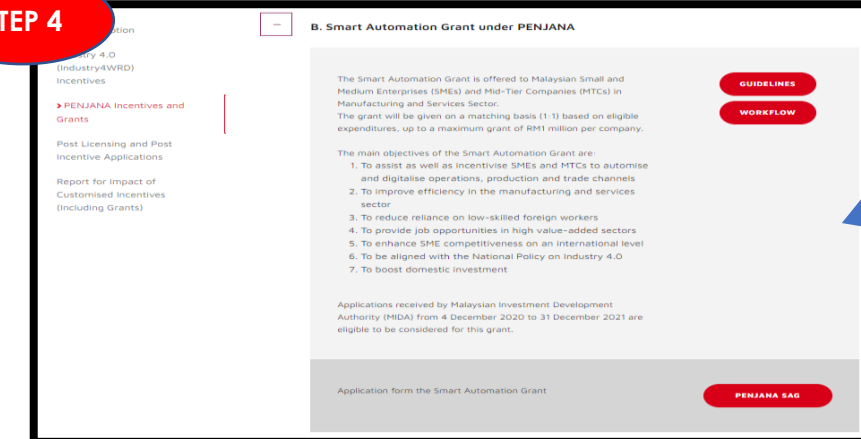
Click 'Smart Automation Grant under PENJANA'

STEP 2



Click 'PENJANA Incentives and Grants'

STEP 4



All the documents are available here

How to contact us?

1) Malaysian Investment Development Authority (MIDA)

MIDA Sentral

No. 5 Jalan Stesen Sentral 5, KL Sentral

50470 Kuala Lumpur

Tel: 603 – 2267 3633

Fax: 603 – 2273 8468

Email: investmalaysia@mida.gov.my

Website: www.mida.gov.my

2) Manufacturing and Services Divisions

Staff Directory: <https://www.mida.gov.my/contact-us/>

Visit our Business Information Centre (BIC) at
2nd Floor, MIDA Sentral, KL Sentral

Opening hours:
Monday - Friday
8.30 a.m - 5.00 p.m

For more information, please visit www.mida.gov.my and follow our social platforms:

Social Media

URL: @officialMIDA

MIDA is now on Facebook, Twitter, Instagram and Youtube! We're just a scan away! Follow us on our social media platforms for notifications and insights on our events as well as the latest news and information about the investment landscape of Malaysia.



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THANK YOU

