

Malaysia's sound fundamentals underpin its conducive investment environment

Malaysia recorded a total of US\$19.5 billion worth of approved investments in Q1 2021, a surge of 95.6% from the same period last year. These investments involved 993 projects in the manufacturing, services, and primary sectors and expected to create 32,557 jobs. Meanwhile, Hong Kong, recorded as the fifth-largest FDI approved in this period for overall economic sectors, amounted to US\$73 million.

"This impressive investment performance is a testament of the confidence of foreign investors including Hong Kong firms in Malaysia's economic prospects, strategic location, comprehensive global trade agreements, competitive cost of doing business, multi-faceted talent pool as well as business-friendly policies. Malaysia is committed to continuing to become a preferred destination for high value-added activities and we want to partner with Hong Kong firms in making this country a hub for innovation, hi-tech and future-ready industries. Malaysia also presents an attractive location for Hong Kong manufacturers, including opportunities to tap into virtual manufacturing and Industry 4.0 opportunities," said Arham Abdul Rahman, CEO of the Malaysian Investment Development Authority (MIDA).



Arham Abdul Rahman, CEO of MIDA

Malaysia continues to be a competitive investment destination as it ranked 2nd amongst ASEAN countries and 12th globally in ease of doing business in the World Bank's Doing Business 2020 Report. The DHL Global Connectedness Index (GCI) 2020 also positioned Malaysia 2nd amongst ASEAN countries and 16th out of 169 countries globally for trade connectivity. In addition, a joint study by KPMG and The Manufacturing

Institute in the US titled Cost of Manufacturing Operations around the Globe ranked Malaysia 4th amongst 17 economies, positioning the country ahead of countries in Asia such as China, Japan, Vietnam, and India.

The government of Malaysia has long adopted a business-friendly environment and investment policies to attract businesses and investments from abroad, including Hong Kong.

The foreign companies are allowed to hold 100% equity ownership in the manufacturing

and selected services sectors. The companies are also allowed to repatriate capital, interest, dividends and profits with no restrictions. In addition, Malaysia's Intellectual Property laws are in conformance with international standards and the country has an Investment Guarantee Agreement (IGA) with China since 1988.

Malaysia has also signed 16 Free Trade Agreements (FTAs) and 14 FTAs have been implemented so far. More than 90% of the products are at 0% import duty under these FTAs. Malaysia's participation in the Regional Comprehensive Economic Partnership (RCEP) would also contribute towards this direction which would effectively create a Global Value Chain amongst the 15 RCEP participating countries. This will help re-engineer both demand and supply to boost recovery as well as spurring further growth of economies across the RCEP region.



One Stop Centre for Business Travellers

Malaysia welcomes business travellers to Malaysia whilst keeping everyone safe by introducing a Business Travellers Centre (BTC) at the Kuala Lumpur International Airport (KLIA). The BTC is one of the key components of the One Stop Centre (OSC) initiative by the Malaysian Government to ease the movement of Business Travellers from entry to exit point in Malaysia. The Centre assumes a vital role in ensuring that the Malaysian Government is very 'pro-business' and welcomes the entry of business travellers to carry out business operations amidst the pandemic. Malaysia's Safe Travel portal was also launched on 3 March 2021 which contains information and advisory services to facilitate business travellers' entry into Malaysia. Both Short and Long Term Business Travellers may apply for entry permission through the dedicated portal at <https://safetravel.mida.gov.my>.

Hong Kong-Malaysia Investment & Trade Corridor Webinar - Connecting your business to Malaysia

MIDA, in collaboration with Standard Chartered Bank, had successfully organised a webinar on 3 June 2021 on the investment opportunities in Malaysia for Hong Kong companies. Mr. Sivasuriyamoorthy Sundara Raja, Deputy Chief Executive Officer of MIDA, delivered a presentation on Malaysia's latest economic development, investment policies and incentives amidst the COVID-19 pandemic. The webinar, attended by over 100 companies from various industries in Hong Kong, gave insights into Malaysia's investment opportunities, such as looking at it as a competitive location to establish their global or regional headquarters. It also introduced the Principal Hub Scheme, where firms can consider setting up a second headquarters to control and support their key functions from one single location. This scheme caters to various business models and has successfully attracted companies from across sectors to establish variations of hubs from 'Digital Tech/ Smart Innovative Hubs', 'R&D Hubs' or 'Centres of Excellence' in Malaysia. The webinar also touched on where Hong Kong companies can explore and establish their Global Trading Hubs in Malaysia with the country's strategic geographical location and the increasing adoption of technology making the supply chain process seamless and efficient.

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For more information, please visit www.mida.gov.my or e-mail to Investmalaysia@mida.gov.my

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Why Malaysia

Supportive Government Policies	Well-Developed Infrastructure	A Dynamic Business Environment	An Educated Workforce	IP Protection	Sound Banking System	Quality of Life	Good Track Record
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