E-NEWSLETTER
APRIL 2025 ISSUE

MALAYSIA MADANI

MIDA

INVEST MALAYSIA

HIGHLIGHTS

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From the CEO's Desk

Dear valued partners and esteemed readers,

As we welcome you to the April 2025 edition of the MIDA e-Newsletter, I am reminded of how far we have journeyed together—through disruption, recovery, and now into a decisive era of transformation. The world around us continues to evolve with remarkable speed. Yet amid uncertainty, Malaysia remains steadfast: positioning itself as a resilient, future-ready hub where sustainable, high-value investment is not just welcomed—it is actively cultivated.

At MIDA, our work is focused on delivering this outcome—through policy alignment, sector development, and active investment facilitation.

This month, I'm excited to highlight key sectors that are shaping the future of Malaysia's industrial development, with a strong emphasis on sustainability and future-readiness. From the growth of data centres to green initiatives in the services sector, our focus remains on positioning Malaysia as a resilient and forward-looking investment destination.

In our Highlights section, we spotlight **MIDA's involvement in Expo 2025 Osaka**. During MITI Week at the Malaysia Pavilion, Expo 2025 Osaka, MIDA successfully secured RM4.68 billion in potential investment leads from strategic engagements with Japanese companies across Kyoto, Kobe, Osaka, and Tokyo. Through targeted one-on-one meetings and a dedicated seminar on green investment strategies, MIDA engaged with key players in smart logistics, semiconductors, chemicals, and green technology — reaffirming Malaysia's position as a preferred regional hub for sustainable, high-value industries.

This section also unravels **Malaysia's latest guidelines for data centres**, underscoring the country's commitment to advancing sustainability in digital infrastructure. As the global demand for data centres surges, Malaysia is ensuring that its infrastructure is not only digitally robust but also ecologically sound. This signals a move beyond the binary of development versus sustainability. Malaysia aims to host data centres that are energy-efficient, climate-aligned, and embedded within a circular economy framework. This strategic orientation places the country in lockstep with global capital flows increasingly seeking destinations with green credentials and digital readiness. Malaysia's positioning here is timely—and intentional.

We also feature efforts to **bridge the gap between academia and industry**, showcasing Malaysia's initiatives to connect Malaysia's future talents with industry leaders in Germany, ensuring that our workforce is equipped for the demands of the modern economy, and future-proof our talent pipeline.

While it may not command the headlines like semiconductors or biotech, **fibreglass emerges in MIDA's industry feature as a silent enabler of transformation**. Its adoption across sectors—from construction to mobility—exemplifies the country's commitment to leveraging

From the CEO's Desk

materials that balance performance, durability, and cost-efficiency. In an economy that prizes both innovation and sustainability, fibreglass is emblematic of the materials science revolution Malaysia is poised to harness.

In the Services segment, we explore how **environmental, social, and governance (ESG) principles**—along with greenhouse gas (GHG) reductions—are increasingly pivotal for long-term business competitiveness and to thrive in today's global landscape.

Meanwhile, the Going Global section highlights the success story of **Mega Fortris**, a Malaysian company **expanding its global footprint in security solutions**. This is complemented by a feature on SEDIA in our Economic Corridors section, detailing Sabah's renewable energy initiatives and the region's emerging investment potential.

As we detail in our Events section, **MIDA continues to engage directly with investors, fostering dialogue and building partnerships across borders**. We are guided by one belief that economic growth must be sustainable, inclusive, and human-centered.

To our valued partners and stakeholders, thank you for your trust, resilience, and shared ambition. We hope this edition inspires confidence in Malaysia's evolving investment landscape, and reaffirms our collective commitment.

DATUK SIKH SHAMSUL IBRAHIM SIKH ABDUL MAJID
Chief Executive Officer
Malaysian Investment Development Authority (MIDA)

E-NEWSLETTER APRIL 2025

In this issue

MIDA Secures RM4.68 Billion in Investment Leads From Japan at Expo 2025 Osaka

MIDA has attracted RM4.68 billion in potential investments through strategic one-on-one engagements with Japanese companies in Kyoto, Kobe, Osaka, and Tokyo. These engagements took place from 12-19 April 2025, were part of MIDA's participation during MITI Week at the Malaysia Pavilion, Expo 2025 Osaka.

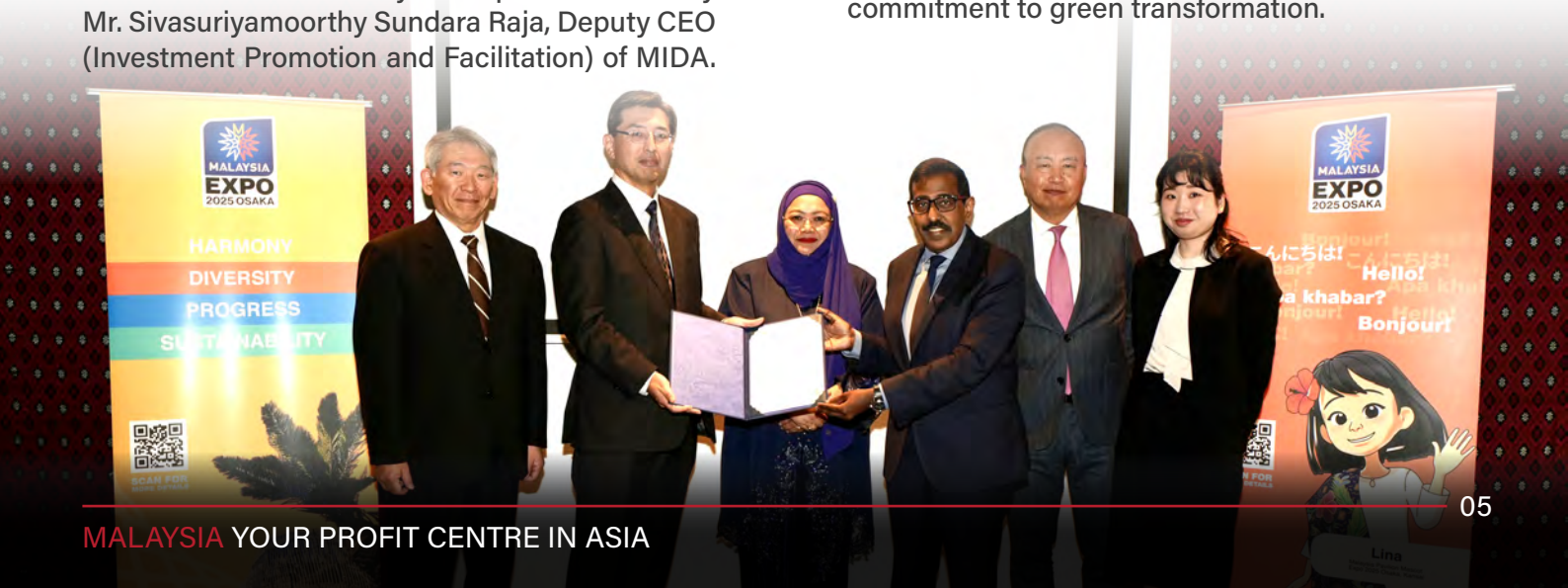
The sessions brought together eight (8) Japanese companies — namely Shizen Energy, Horiba Stec, Shimadzu Corporation, Sysmex Corporation, Screen Holdings, Preceed, Kanomax, and Hirata Corporation — alongside other prospective investors in smart logistics, chemicals, semiconductors, and green technology. These one-on-one engagements underscored growing interest in Malaysia as a regional hub for sustainable, high-value industries.

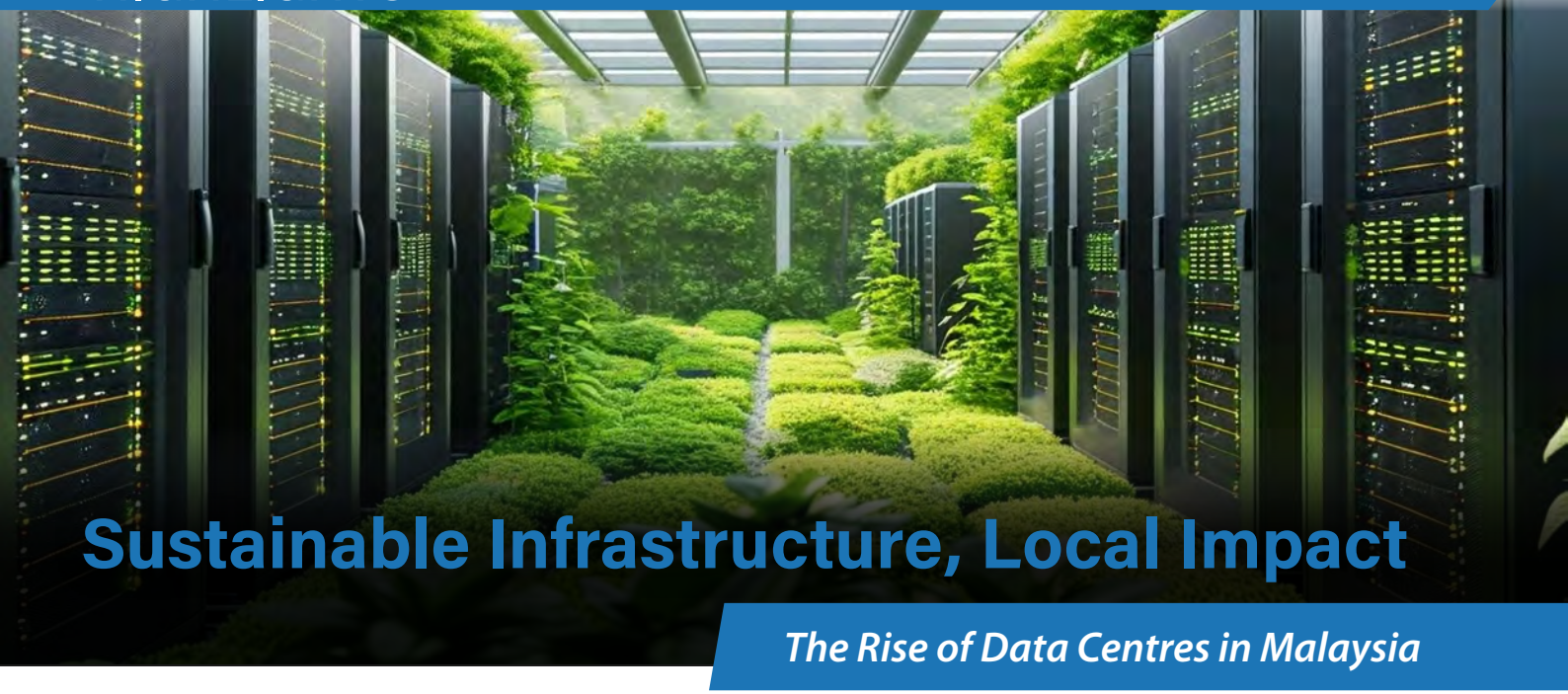
MIDA also hosted a dedicated seminar titled "Explore Malaysia 2025: Investment Opportunities in High-Growth, High-Value Industries – Green Investment Strategies", which featured a keynote presentation by Mr. Sivasuriyamoorthy Sundara Raja, Deputy CEO (Investment Promotion and Facilitation) of MIDA.

With 55 participants from leading Japanese companies, the session included experience -sharing by Nippon Electric Glass and attracted interest from industry leaders including ROHM Semiconductor, Kaneka Corporation, and Kasumigaseki Capital.

A notable highlight from the week was the formal handover of a manufacturing licence and MIDA's approval letter to Taiyo Koko and Shizen Energy — a joint venture between Japan's Shizen Energy, Malaysia's Solarvest Holdings, and HSS Engineering — further signalling Malaysia's appeal as a clean energy and advanced manufacturing destination.

These engagements support Malaysia's broader ambitions under the National Investment Aspirations and the New Industrial Master Plan 2030, positioning the nation as a forward-looking partner for sustainable and innovation-driven growth. The strong bilateral outcomes also reflect Malaysia and Japan's long-standing economic ties, built on mutual trust, technology collaboration, and shared commitment to green transformation.





Sustainable Infrastructure, Local Impact

The Rise of Data Centres in Malaysia

Malaysia has established itself as a leading digital hub in Southeast Asia, outperforming its regional peers, according to real estate consultancy firm **Knight Frank's Data Centre Research Report 2024**. To strengthen its position, the Malaysian Government introduced the **Digital Ecosystem Acceleration (DESAC) Scheme** under Budget 2022, aiming to attract strategic investments in advanced digital infrastructure, including data centres and cloud computing projects.

Strategic Policies and Standards for Data Centres

The DESAC Scheme offers attractive tax incentives designed to encourage data centre operators who adopt sustainable practices such as energy and water efficiency equipment as well as renewable energy (RE). These initiatives aim to attract strategic investments in advanced digital infrastructure while embedding environmental, social, and governance (ESG) principles into industry practices.

Complementing this effort, the Ministry of Investment, Trade and Industry (MITI) launched the **Guidelines for Sustainable Development of Data Centres in December 2024**. These guidelines provide data centre operators with a well-defined sustainability framework to qualify for tax incentives under the DESAC scheme, incorporating internationally recognised best practices and regulatory standards.

These guidelines **aim to ensure that data centres in Malaysia are not only high-performing but also environmentally sustainable.**

Key objectives of the guidelines:

1. **Positioning Malaysia** as the leading data centre hub in Southeast Asia by attracting investment from sustainable data centre organisations;
2. **Enhancing energy efficiency** in the design and operation of data centres to unlock greater capacity and reduce waste;
3. **Accelerating renewable energy adoption** to power data centre operations with clean, low-carbon sources; and
4. **Fostering innovation** to improve water efficiency in data centre infrastructure.

This strategic shift towards sustainable development offers a unique opportunity to align the country's digital economy with ESG goals, paving the way for long-term economic resilience, responsible investment, and national decarbonisation.

These benchmarks promote greater transparency and accountability in managing critical resources, reflecting Malaysia's commitment to responsible and efficient infrastructure growth.

These initiatives are aligned with Malaysia's commitment to advancing green technology and promoting the **integration of RE in data**

centre operations. This supports the national target of achieving 70% RE capacity by 2050, as outlined in the National Energy Transition Roadmap **(NETR).** These efforts are further reinforced through the **Corporate RE Supply Scheme (CRESS)**, which enables **data centre providers to access RE from third parties**, ultimately reducing operational costs and enhancing long-term competitiveness.

Building A Competitive and Inclusive Ecosystem

The impact of data centre investments extends beyond infrastructure, spurring the growth of a broader ecosystem of vendors, service providers, innovators, and manufacturers.

In addition, data centre projects create opportunities for local manufacturers to integrate into the data centre supply chain, offering them a platform to scale up and expand into global markets. These projects also serve as a magnet for international manufacturers and suppliers supporting the data centre industry, encouraging them to establish operations in Malaysia. The operational demands of data centres and cloud services further stimulate the local economy by creating business opportunities for a wide range of support services, including architectural, construction, engineering, and electrical contractors. This leads to increased productivity and growth for local companies through partnerships. Moreover, data centre and cloud services companies are instrumental in accelerating the digital transformation of Small and Medium Enterprises (SMEs) by providing them with greater agility, scalability, cost efficiency, enhanced security and reliability, and access to valuable data analytics capabilities.

Application Process and Deadline

Eligible companies are encouraged to submit their applications to **MIDA under the DESAC Scheme,** which is available until 31st December 2027.

Applications will be assessed to ensure that proposed projects demonstrate strong linkages to the local economy and comply with sustainability standards to qualify as sustainable data centres.

For more information, contact the **Business Services & Regional Operations Division, MIDA at https://www.mida.gov.my/staffdirectory/business-services-and-regional-operations-division/.**

Knight Frank: Malaysia is number one again for data centres in Southeast Asia after tech giants' RM105b investments Source Malay Mail: https://search.app/A5QhDBSWVePG3L3N6https://search.app/A5QhDBSWVePG3L3N6

MITI finalising sustainable development guidelines for data centres
Source: The Star https://www.thestar.com.my/business/business-news/2024/10/23/miti-finalising-sustainable-development-guidelines-for-data-centres

Bridging the Gap between Academia and Industry: Malaysia's Future Talents Meet Industry Leaders in Germany

As Malaysia continues to strengthen its position as a preferred investment destination in the region, the development of future-ready talent continues to play a vital role in sustaining our country's economic competitiveness. Recognising that investors today are increasingly seeking locations with a strong talent pipeline, MIDA is committed to bridging the gap between academia and industry—both locally and globally.

In March 2025, through a joint effort by MIDA, JPA and MARA offices in Frankfurt, Germany; and in conjunction with a working visit by MIDA's Talent Development and Expatriate Division, an industrial linkage programme was organised for Malaysian students currently pursuing their studies in Germany.

The initiative aimed to provide real-world insights, spark aspirations, and create career pathways through direct engagement with globally renowned companies. As part of the programme, 26 Malaysian students had the opportunity to engage directly with three renowned multinational companies—SCHOTT, WILO, and Nexperia—to gain first-hand exposure to cutting-edge technologies, global workplace cultures, and the evolving talent landscape of engineering, manufacturing, and semiconductors.

Exploring Innovation at SCHOTT

At SCHOTT's headquarters in Mainz, students were introduced to the company's diverse applications in specialty glass and glass-ceramics – products widely used in the pharmaceutical, aerospace, home appliances and augmented reality sectors. Schott, which operates state-of-the-art production facilities in Penang and Kulim, Kedah; also hosted an interactive session with senior company representatives from HR, R&D and production units.

"Malaysia is critical for SCHOTT's future growth and innovation capabilities. We need the best talent in Malaysia to pioneer in areas like Augmented Reality and to succeed in highly complex markets such as Optical Industries. The visit of the Malaysian official delegation and students to our SCHOTT Headquarters in Mainz is a testament to our strong partnership with Malaysia to develop talent and a competitive business environment."

Dr. Henrik Hopp
Head of HR BU Advanced Optics,
BU Lighting & Imaging and Global Head of Culture & Diversity

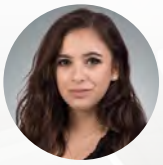
WILO: Pioneering Sustainable Water Solutions

In Dortmund, the Malaysian officials and students visited WILO, a global leader in water management and pump solutions. The company, which operates an assembly plant in Malaysia, demonstrated its innovations in energy-efficient smart water technologies – key components of sustainable urban development. WILO representatives also provided career insights and highlighted opportunities within the global water industry.

"In line with our corporate strategy and commitment to foster global connections, we look forward to welcoming guests from all over the world and getting them excited about the topics of water and energy efficiency, among other things. Wilo has a high level of expertise in these fields and works closely with Malaysia, especially in the areas of wastewater and flood control. It was a pleasure to host such high-skilled students here at the Wilopark!"
Aaron Linnhoff
Project Manager Government & Public Affairs

High-Tech Manufacturing at Nexperia

At Nexperia in Hamburg, a leading semiconductor manufacturer specialising in efficient power and signal conversion solutions, students were given an inside look at the clean room production processes that enable the development of high-performance electronic components used in automotive, industrial, and consumer applications. Discussions with Nexperia's technical experts shed light on the evolving semiconductor industry and the growing demand for skilled engineers and technologists, while the HR experts conducted mentoring sessions, including personalised CV reviews and job application tips.



"We were inspired by the students' curiosity and academic focus. These are exactly the skills we need in our industry, and we are excited to show the next generations what a future at Nexperia can mean for them. We value our longstanding engagement in Malaysia and recognise the country as a key partner in our global strategy. These connections are the building blocks of long-term collaboration."
Maritza Kompatzki
Senior Manager Advocacy & Alliances Nexperia

Preparing the Next Generation of Talent

The participating students acknowledged that the programme contributed to their transformative experience. many of whom shared that the visit helped them bridge the gap between classroom knowledge and real-world industry practices. Offering them a practical understanding of industry operations and future career possibilities. More importantly, the exposure helped solidify their aspirations to contribute to Malaysia's industrial development, whether through future employment or collaborative research.

What the Students had to say about the Industry Linkage Programme

"The company visit to SCHOTT AG and, in a similar programme two years ago with OSRAM, organised by MIDA, were eye-opening experiences. I gained valuable insights into glass and semiconductor technologies, as well as the strong industrial ties between Germany and Malaysia. As a mechanical engineering master's student, these visits broadened my understanding of real-world applications and my perspective on future career opportunities in high-tech industries."

Lee Zhi Xin
Studying Mechanical Engineering
Technical University Darmstadt

"I had the opportunity to visit Wilo SE, a leading company in pump systems for buildings and water management. The visit included a tour of the production facility, where I observed the assembly of various products. Wilo is investing in digital technologies and is committed to sustainability, especially through the use of hydrogen energy to reduce power consumption. I found their future plans and career prospects inspiring. Many thanks to the MIDA team for organising the visit and providing valuable industry insights."

Muhammad Naqiuddin
Studying Mechatronics
Bochum University of Applied Sciences

"Joining the industrial visit organised by MIDA, to Nexperia in Hamburg was an inspiring and eye-opening experience that offered valuable insights into the global semiconductor industry. We gained a comprehensive understanding of Nexperia's operations, technologies, and innovation culture, which helped bridge the gap between academic knowledge and real-world applications. The visit also highlighted exciting internship and job opportunities for international students, with practical advice on how to stand out in the application process. A particularly beneficial part of the program was the personalised CV review session with Nexperia's HR team, where we received constructive feedback to strengthen our professional profiles. Overall, the visit was highly impactful and motivating, reinforcing my career ambitions, and encouraging me to pursue opportunities in the international job market."

Sheikh Muhammad Adib Sh Abu Bakar
Studying Embedded
System Engineering
Fachhochschule Dortmund

MIDA's Ongoing Commitment to Talent and Industry Linkages

This initiative marks another important step in MIDA's ongoing efforts to cultivate a globally competent, industry-ready Malaysian workforce. By connecting students abroad with leading global companies, MIDA continues to support Malaysia's goal of becoming not only an investment hub—but also a centre of innovation, excellence, and human capital development.

As the world's rapidly evolve with advanced technologies, so too must the pathways we create for future talent. MIDA remains steadfast in working with our partners—at home and abroad—to nurture a new generation of Malaysians ready to lead in high-value, technology-driven industries.

For more information, please contact **Industry Talent Management and Expatriate Division, MIDA at https://www.mida.gov.my/staffdirectory/industry-talent-management-and-expatriate-division/**

Fibreglass: The Future of Preferred Material for Industrial Applications

Understanding Fibreglass

Fibreglass, or glass-reinforced plastic (GRP), is a composite material made of fine glass fibers embedded in a resin matrix. This combination produces a material that is both lightweight and incredibly strong. First developed in the 1930s, fibreglass has undergone significant advancements, evolving into a highly versatile solution for industries ranging from aerospace to construction, automotive and renewable energy.

The synergy of its core components which are fiberglass and resins, results in a material that performs exceptionally well under diverse stress conditions. Fibreglass offer tensile strength and durability, while resin ensures rigidity and resistance to moisture and chemicals.

Key Advantages of Fiberglass in Industrial Applications

One of the most compelling advantages of this composite is its high strength-to-weight ratio, which is crucial in sectors like aerospace, where reduced weight translates into better fuel efficiency and lower emissions.

Beyond strength, it offers exceptional resistance to corrosion, making it particularly valuable in the marine, oil and gas, and chemical processing sectors. Unlike metal, it does not rust or degrade when exposed to moisture, salt, or chemicals, which makes it suitable for application in the oil and gas sector.

Due to its low thermal conductivity and non-conductive properties, fibreglass serves as an excellent insulator. It is increasingly used in electrical housings, high-voltage environments, and thermal barriers, where heat resistance and electrical safety are crucial.

Fibreglass manufacturing methods include moulding, pultrusion, and lamination that enable highly customisable shapes and forms of the material. This allows for architectural freedom and the creation of intricate or aerodynamic structures that is not possible with metal or concrete. This flexibility is being harnessed in urban development projects, enabling the use of lightweight, modular, and sustainable construction components.

Significant Investments in Fiberglass

To date, Malaysia has attracted RM5.2 billion of investment in the fibreglass industry. At the moment, the only upstream player in Malaysia's fibreglass ecosystem is Nippon Electric Glass (M) Sdn. Bhd., a subsidiary of Nippon Electric Glass Co., Ltd. (Japan). The company produce glass fibre in chopped strand and roving form to serve diverse industries globally since 1998.

On the downstream side, 38 companies are active in manufacturing fibreglass products for use in the automotive, construction, maritime, and oil & gas sectors. Among them, CRT Manufacturing Sdn. Bhd., established in 2019, has made a name for itself with eco-friendly construction materials, including non-metallic fibreglass rebar—a game-changing alternative to steel reinforcement.

Future Outlook of Fibreglass in Malaysia

The global movement towards sustainability underpins the wider acceptance of fibreglass. Its longevity, resource-efficient production methods and recyclability potential position it as a compelling alternative for conventional materials and a "green alternative". Fibreglass is playing an increasingly significant role in Malaysia's industrial landscape, a trend that strongly supports the ambitions of the New Industrial Master Plan 2030 (NIMP 2030).

The plan's emphasis on advanced materials and enhanced local manufacturing is directly addressed by the growing demand for fiberglass in the various sectors. As demand rises for robust and sustainable infrastructure, domestic production and innovation in this field are set to increase, generating skilled employment and driving technological advancement.

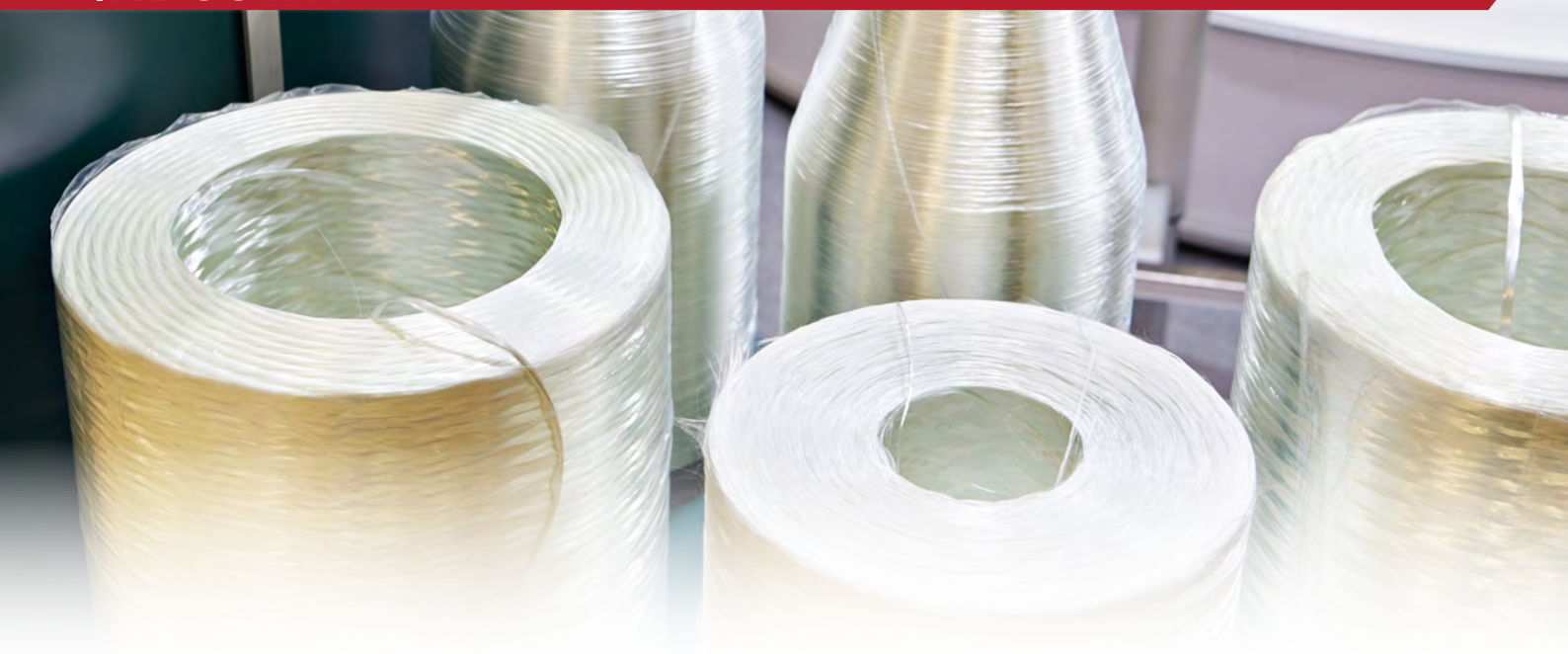
Electric Vehicles (EVs): The EV sector is central to NIMP 2030, and lightweight materials like fibreglass are essential for EV design. Malaysian fibreglass producers are well-positioned to supply components for this rapidly growing industry, both domestically and internationally.

Construction: Fibreglass is increasingly being adopted as a sustainable and efficient alternative to traditional materials like steel and concrete in construction, offering benefits such as lower lifecycle costs, recyclability, and greater design flexibility for complex structures. Companies like CRT Manufacturing Sdn. Bhd. are already making strides with eco-friendly fibreglass rebar. With continued commitment of the industry players and support from Government policies, fibreglass is well positioned to play a crucial role in the future of eco-friendly building in Malaysia.

Oil and Gas: Fibreglass (GRP) tanks and piping systems offer superior longevity and lower maintenance costs compared to traditional materials in the oil and gas sector, boosting operational efficiency. Its resistance to corrosion makes it particularly valuable in these environments. Its inherent longevity, resource-efficient production methods, and recyclability potential have positioned fibreglass as a compelling substitute for conventional materials.

Aerospace: Fibreglass's high strength-to-weight ratio is crucial in aerospace for better fuel efficiency and lower emissions.

Electrical and Thermal Insulation: Its low thermal conductivity and non-conductive properties make it an excellent insulator for electrical housings, high-voltage environments, and thermal barriers.



Fibreglass is not just a Material, it's the Future

Malaysia holds all the right cards to become a regional hub for fibreglass manufacturing and innovation. Through government agencies like MIDA, Malaysia offers investment incentives and facilitations that support high-value industries. Fibreglass, sitting at the crossroads of sustainability and industrial utility, stands to benefit immensely.

As industries globally evolve towards sustainable, high-performance, and cost-efficient solutions, fibreglass has moved beyond being a mere alternative to becoming a cornerstone material for modern industrial development. From constructing resilient bridges to the manufacturing of electric vehicles (EVs), and reinforcing cement to insulating high-voltage systems, fibreglass is shaping the future of industrial applications. Malaysia, with its strategic industrial goals, supportive ecosystem, and pioneering industry players, is poised to drive this transformation.

MIDA recognises fibreglass as a future preferred material for industrial applications. Investors are encouraged to further explore the promising investment opportunities offered by this high-potential material by engaging with the dedicated team from **the Building Technology and Lifestyle Division at https://www.mida.gov.my/staffdirectory/building-technology-lifestyle-division/**

Driving Sustainability in the Services Sector: Why ESG and GHG Reductions Matter More Than Ever

Since 2020, sustainability has transitioned from a buzzword to a business imperative. Global awareness of environmental, social and governance (ESG) issues has intensified, due to growing recognition of climate change, biodiversity loss, pollution, and social inequality. This evolving landscape is reshaping how businesses operate, pushing them toward more responsible and sustainable models.

While sustainability efforts have traditionally focused on resource-intensive industries such as manufacturing, the services sector must no longer be considered a bystander. Despite its lower direct emissions, this sector plays a significant role in global economic activity and, increasingly, in greenhouse gas (GHG) emissions.

Rethinking the Environmental Impact of Services

The perception that the services sector has a minimal environmental impact due to its intangible nature is outdated. Services encompass diverse activities, from data centres and healthcare to logistics and hospitality—each with varying levels of energy consumption and emissions. Notably, the European Union reports that the services sector accounts for a significant portion - 13.4% of final energy consumption, surpassing even agriculture and forestry when indirect emissions from electricity usage, business travel and supply chains are included.

The rapid digitalisation of economies further amplifies this issue. Data centres, essential for cloud services and artificial intelligence (AI) applications, are significant energy consumers. The World Economic Forum reports that data centres and transmission networks contribute approximately 1% of global energy-related GHG emissions—a figure expected to double by 2026[1]. Consequently, IT service providers and technology companies face increasing pressure to adopt renewable energy and improve energy efficiency.

ESG as a Competitive Imperative

Global regulatory shifts and investor expectations are accelerating the integration of ESG into business strategies. Governments worldwide are introducing stricter policies, including carbon pricing and mandatory sustainability reporting. Simultaneously, investors and financial institutions are

1 https://www.weforum.org/stories/2025/01/6-ways-data-centres-can-cut-emissions/

increasingly embedding ESG considerations into decision-making processes, favouring companies with robust sustainability commitments.

Furthermore, multinational corporations (MNCs) are raising the bar within their supply chains, requiring partners to align with ESG criteria, including the tracking of Scope 3 emissions. As a result, ESG practices are transitioning from optional value-adds to essential business requirements—especially for companies seeking to collaborate with listed entities or large corporations.

Malaysia's Growing Emphasis on ESG Integration

In Malaysia, the drive towards ESG is gaining substantial regulatory and institutional support. Bursa Malaysia has mandated ESG reporting for listed companies, moving towards globally recognised frameworks, such as the Task Force on Climate-related Financial Disclosures (TCFD) and International Sustainability Standards Board (ISSB), with the aim of enhancing transparency, comparability, and accountability in sustainability reporting.

Importantly, the implications extend beyond listed companies. Supply chain transparency is now a key reporting requirement, compelling vendors—including small and medium-sized enterprises (SMEs), to provide ESG data. Listed firms are expected to assess their suppliers on factors such as carbon emissions, waste management, labour practices, and governance. Vendors with strong ESG credentials will likely gain a competitive edge, while those lacking compliance risk exclusion from supply chains.

Bridging the ESG Gap for SMEs and Service Providers

Recognising that SMEs in the services sector might face challenges in ESG adoption due to limited resources, Bursa Malaysia introduced the Simplified ESG Disclosure Guide (SEDG). Complementing this effort, MIDA offers the Domestic Investment Accelerator Fund for ESG Adoption (DIAF-ESG). This fund provides matching grants of up to RM500,000 to eligible SMEs and Mid-Tier Companies (MTCs) in manufacturing and selected services until December 2025, supporting crucial activities including validation, certification, ESG disclosures and the adoption of ESG data tracking technologies.

Leveraging ESG Opportunities in the Services Sector

As demand for sustainable services increases, there are clear opportunities for services sector players to lead the way. Companies that proactively develop ESG capabilities—such as reducing energy usage, enhancing labour practices, and improving governance—will find themselves better positioned in the market.

For instance, logistics companies can gain recognition by optimising delivery routes and transitioning to low-emission fleets. IT service providers may enhance their value proposition by ensuring energy-efficient data centres and responsible e-waste disposal. Clients increasingly expect their partners to contribute to their ESG goals—not just comply.

There is also growing investor interest in ESG-aligned businesses. Major institutional investors in Malaysia, such as the Employees

Provident Fund (EPF) and Retirement Fund Inc. (KWAP), are setting ambitious ESG targets. EPF aims for a fully ESG-compliant portfolio by 2030 and net-zero carbon emissions by 2050. KWAP, meanwhile, plans to invest RM20 billion in transition assets, including clean technologies and sustainable infrastructure. The government, too, has allocated RM2 billion for energy transition projects, demonstrating its commitment to decarbonising the economy.

The Time to Act Is Now

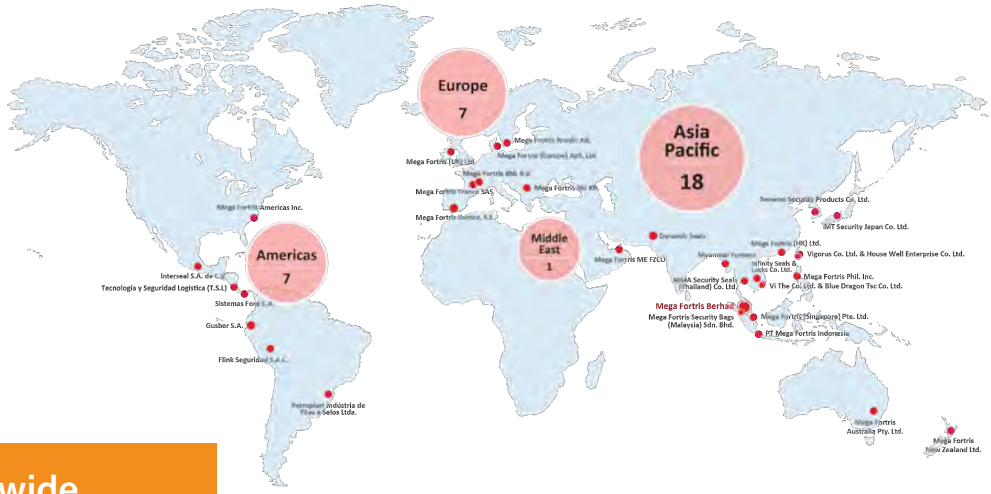
As Malaysia targets net-zero GHG emissions by 2050, all sectors must contribute meaningfully. While regulatory mandates are tightening, the real motivator is market competitiveness. Businesses that delay ESG adoption risk being left behind as sustainability becomes central to procurement, investment and public trust. Service providers—especially those in supply chains of listed companies—should not wait. ESG readiness is no longer just about compliance; it is a catalyst for innovation, growth, and resilience.

For more information on the Domestic Investment Accelerator Fund for ESG Adoption (DIAF-ESG), please contact the Sustainability Division, **MIDA at https://www.mida.gov.my/staffdirectory/sustainability-division/.**

Mega Fortris: Expanding Global Security Solutions

MEGA FORTRIS GROUP

GLOBAL PRESENCE



Securing Businesses Worldwide

Mega Fortris, a Malaysian-grown company, is dedicated to delivering top-tier security solutions that span the globe. Specialising in security seals, tamper-evident labels, and related products, Mega Fortris has become a trusted partner for diverse sectors such as logistics, postal services, cash-in-transit operators, and the food security industry. Their focus on innovation and sustainability ensures that their solutions deliver not only security, but also unmatched durability and reliability, empowering businesses to protect their operations with the highest standards of integrity.

Expanding Horizons

Mega Fortris, isn't content with simply maintaining its current standing; the company is actively charting a course of ambitious expansion and innovation on the global stage. A significant step in this journey involves major upgrades to their existing facility in Selangor. By integrating automated production lines, the company is poised to enhance product quality, ensure consistent output, and significantly boost overall efficiency. Simultaneously, to strengthen its global reach, Mega Fortris is also establishing new production facilities in the United Kingdom (UK), complete with centralised warehouses and automated lines. This strategic expansion is designed to optimise production, reduce lead time and logistics costs, ultimately enabling the company to serve key markets across Europe, the Americas, the Middle East, and Africa with greater agility and effectiveness.

Driving Global Growth

These strategic decisions reflect Mega Fortis' commitment to continuous growth and innovation. Over the years, the company has expanded its product range, anticipating and meeting the evolving market demands of industries worldwide. By investing in cutting-edge technologies, Mega Fortris delivers reliable, tamper-evident products tailored to a diverse array of applications.

Beyond its Malaysian roots, the company has strategically established key production facilities and warehouses in the UK and other regions. This global network enhances supply chain efficiency, minimises lead times, and enables the provision of localised solutions, ensuring the company remains responsive to the unique security needs of customers across the world.

Furthermore, Mega Fortris is strategically diversifying into new markets, broadening its customer base while solidifying its leadership in logistics, food security, and banking sectors.

Our Journey in International Investment

Mega Fortris' commitment to securing global supply chains is clearly reflected in its extensive international presence. With a robust network comprising 12 subsidiaries and 20 distributors strategically located worldwide, the company is well-equipped to provide tailored security solutions across diverse markets.

However, expanding globally comes with challenges. Entering new territories necessitates careful navigation of varied market conditions, legal frameworks, and regulatory requirements, all while ensuring compliance and operational efficiency. Logistics also poses a hurdle, requiring innovative solutions to ensure timely and cost-effective delivery of products across numerous regions.

To address these challenges, Mega Fortris has made strategic investments in local production capabilities. The establishment of a manufacturing facility in the UK is a prime example, poised to streamline supply chains, reduce lead times, and better serve customers in Europe and the Americas.

Strategic Insights for Global Growth

Mega Fortris' journey offers valuable insights for Malaysian companies aspiring to expand their reach into international markets. Their experience underscores that successful global expansion requires more than just ambition; it demands a strong internal foundation and the cultivation of strategic partnerships.

At its core, a company's global success is intrinsically linked to its people. Developing a skilled and knowledgeable workforce at home provides the bedrock for sustainable international growth, ensuring long-term success in new and diverse markets.

Additionally, leveraging local expertise is key. When entering a new market, partnering with established local players provide immediate access and invaluable insights into regulations, business practices, and customer needs. Mega Fortris' entry into New Zealand, through a collaboration with Security Seals Ltd., perfectly illustrates how such partnerships can streamline market entry and amplify impact.

By prioritising talent at home and forging strategic alliances overseas, Malaysian companies can pave their way to lasting global success, following the impactful example set by Mega Fortris.

Harnessing Renewable Energy in Sabah: Opportunities and Investment Prospects

As the world accelerates towards a low-carbon economy, Sabah is emerging as one of Southeast Asia's most promising renewable energy (RE) frontiers. Located on the northern tip of Borneo, the state is entering a transformative era driven by abundant natural resources, strong institutional frameworks, and forward-looking energy policies. With an ambitious target to achieving 35% RE in its electricity mix by 2030, Sabah is positioning itself as a compelling destination for clean energy investments in Southeast Asia[1].

Backed by strategic policies such as the Renewable Energy Act 2011 and the Feed-in Tariff (FiT) mechanism, Sabah offers viable pathways for private sector participation in sustainable energy development. Despite existing challenges such as grid connectivity and financing, the state's vast hydro, solar, biomass, and geothermal resources present unparalleled investment opportunities. Despite existing challenges such as grid connectivity and financing, the state's vast renewable resources—including hydroelectric potential estimated at up to 1.1 GW across 12 identified sites—position Sabah as a promising hub for sustainable energy development[2].

ENERGY COMMISSION OF SABAH

A Strategic Blueprint for Energy Transformation

Launched in September 2023, the Sabah Energy Roadmap and Master Plan 2040 (SE-RAMP 2040) outlines Sabah's ambition to become a regional green energy hub. Key targets include over 50% renewable energy (RE) capacity by 2035 and 80% by 2050[3], supporting Malaysia's National Energy Transition Roadmap (NETR) and ensuring reliable, affordable, and sustainable power for industrial and residential growth.

Further reinforcing Sabah's energy autonomy, the state assumed full regulatory control over its electricity and RE sectors in January 2024. The establishment of the **Energy Commission of Sabah (ECoS)** enables direct oversight of licensing, approvals, and policy execution—streamlining processes and boosting investor confidence.

1 https://ecos.gov.my/news/sabah-launches-energy-roadmap-and-master-plan
2 https://ember-energy.org/latest-insights/solar-and-grid-flexibility-critical-for-malaysia
3 https://ecos.gov.my/news/sabah-launches-energy-roadmap-and-master-plan

Expanding RE Capacity Through Large-Scale Projects

Sabah's commitment to expanding its RE portfolio is evident in the approval of **15 large-scale solar (LSS) projects** totalling 199 MW under the LSS Sabah 2024 bidding exercise[4]. Distributed across the West and East Coasts, these projects are integral to reaching the state's 35% RE target and underscore the proactive role of ECoS in accelerating clean energy growth, **presenting viable opportunities for investors interested in sustainable energy projects.**

High-Potential Sectors for Renewable Investment

Sabah's RE potential spans several high-growth sectors:

- **Biomass and Bioenergy:** With 129 palm oil mills generating 26.2 million tonnes of biomass annually, of which only 5% is currently utilised - Sabah's East Coast is primed for scalable bioenergy development[5]. Public-private partnerships (PPPs) are encouraged in biomass processing, Sabah Green Grid (SGG) integration, and downstream bio-based manufacturing. SE-RAMP estimates the sector's investment value at **RM13.5 billion**, with potential to create **25,000 jobs.**
- **Solar Energy:** Boasting Malaysia's highest levels of solar irradiance and an estimated capacity of **99.4 GW**, Sabah is ripe for solar ventures. Projects in **Kudat, Beaufort, Tawau, and Sandakan** reflect the state's ongoing momentum. Opportunities include large-scale solar farms, rooftop solar systems, and Virtual Power Purchase Agreements (VPPAs), enabling off-site corporate participation.
- **Hydropower:** Sabah has identified more than **1.1 GW** of hydropower potential, including large- and small-scale facilities. Flagship initiatives such as the **Ulu Padas Hydroelectric Project** are pivotal in the state's future energy mix, inviting investment via EPC contracts, equity participation, and green finance models[6].

Priority Investment Sectors in Renewable Energy

- **Geothermal Energy:** Sabah is reviving geothermal development, particularly around the Tawau area, with a 100 MW potential[7]. A transparent bidding process is underway, offering a new entry point for investors seeking stable baseload RE assets.
- **Energy Efficiency and Smart Infrastructure:** The **Sabah Energy Efficiency Action Plan (SEEAP)** is fostering demand for energy-efficient technologies, smart meters, and co-generation systems. Private sector participation is welcomed in digital energy solutions, energy audits, and industrial optimisation tools—paving the way for sustainable growth while meeting Environmental, Social and Governance (ESG) benchmarks[8].

4 https://www.thestar.com.my/business/business-news/2024/12/12/sabah-awards-lss-projects-with-199mw-capacity-to-15-bidders?
5 https://bepi.mpob.gov.my/index.php/import/1177-number-capacities-of-palm-oil-sectors-2024
6 https://gamuda.com/2024/10/gamuda-wins-rm3-048bil-contract-for-ulu-padas-hydroelectric-project-in-sabah/news/
7 https://www.dailyexpress.com.my/news/246083/hopes-for-geothermal-nuclear-power-as-option
8 https://www.dailyexpress.com.my/read/6029/energy-efficiency-action-plan-for-big-users/

Market Readiness and Demand

Sabah's energy demand is growing at a compound annual growth rate (CAGR) of 4.8%, driven by industrial development, tourism recovery, and population growth (projected to reach 4.7 million by 2030). This upward trend underscores the urgency for a diversified, resilient, and sustainable energy supply.

Sabah's integrated approach—combining policy reforms with technical readiness—ensures that investors in the renewable energy space benefit from clear regulations, long-term project pipelines, and a supportive industrial base.

More than just renewable potential, Sabah offers project certainty, institutional clarity, and a coordinated development plan backed by strong political will.

Building a Green Future, Together

For investors looking to build meaningful, profitable, and climate-resilient energy portfolios, Sabah represents a golden opportunity. The state's vision is to build a future-ready energy landscape — one that balances economic growth, environmental protection, and social well-being.

Sabah's energy transition is not just about power—it's about partnership, innovation, and impact. By engaging in this journey, investors contribute not only to financial success but to reshaping Southeast Asia's clean energy future. Whether you're a clean-tech innovator, a solar farm developer, or a sustainable financier, **Sabah invites you to be part of its energy revolution.**

Explore investment opportunities at investmentpromotion.sedia.com.my Or connect directly with the **Investment Promotion Unit at +6088 892 000** to learn how you can participate in shaping Sabah's clean energy future.

"Sabah is not only investing in infrastructure but building an energy ecosystem that rewards innovation and sustainability"

Datuk Seri Panglima Maximus Ongkili
Chairperson, Energy Commision of Sabah (ECos)

Integrated 40mw Small Hydropower Plant In The Telekosang River Basin, Tenom, Sabah

Disclaimer: All figures in this article are under the purview of SEDIA and are for informational purposes only. For specific details regarding investments and initiatives, please refer to official SEDIA communications.

Advancing Cross-Border Investment: JS-SEZ Business and Investment Forum 2025

The Johor-Singapore Special Economic Zone (JS-SEZ) Business and Investment Forum, held on 21–22 April 2025 at Persada Johor Convention Centre, brought together nearly 1,000 business leaders and policymakers, spotlighting the JS-SEZ's potential as ASEAN's next investment and services hub.

Jointly organised by MITI Malaysia, MTI Singapore, and the Johor State Government, with support from MIDA, IRDA, Invest Johor, EnterpriseSG, and EDB, as well as strategic partners namely CIMB and Maybank, the forum underscored the shared ambition to transform the JS-SEZ into ASEAN's next investment powerhouse.

MIDA assumed a central role, reaffirming its commitment to driving strategic investments and cross-border collaboration. MIDA CEO, Datuk Sikh Shamsul Ibrahim, participated in the high-level panel discussion "ASEAN's Next Investment Powerhouse", positioning the JS-SEZ as a model for regional integration and investor facilitation.

On Day 2, MIDA led the "Unlocking Supply Chain Opportunities for Local Companies" seminar, which drew over 250 participants. The session featured anchor companies from the E&E, data centre, and medical device sectors, highlighting localisation prospects, supplier onboarding, compliance standards, and strategies for SMEs to scale globally. MIDA also facilitated 114 business matching meetings with seven anchor companies, involving around 75 local SMEs—unlocking tangible opportunities for local supply chain integration.

The forum reinforced the JS-SEZ's potential to drive high-value investments, foster innovation, and deepen regional economic integration through strong public-private collaboration.

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www.mida.gov.my

MIDA Sentral, No. 5, Jalan Stesen Sentral 5, KL Sentral,
50470 Kuala Lumpur, Malaysia
Tel: +603 2267 3633
E-mail: investment@mida.gov.my