



**INNOVATION
& GROWTH:
CHARTING THE
NEXT PHASE OF
MEDICAL DEVICES**



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INNOVATION & GROWTH: CHARTING THE NEXT PHASE OF MEDICAL DEVICES

The medical devices industry in Malaysia is poised for growth and development, well supported by a conducive environment for manufacturing and investment, and a healthcare system that is mature and globally recognised. Notably, Malaysia's healthcare system has been lauded by the World Health Organisation (WHO) as a sustainable model which is accessible and affordable by all, served by both the public and private sectors. The Government continues to prioritise national health and wellbeing as it has been laid out as one of the three main themes under the Twelfth Malaysia Plan (12MP) 2021-2025 and one of the priority area under the New Industrial Master Plan 2030 (NIMP 2030). This initiative will undertake a medium-to long-term reform of its healthcare sector

while gradually aiming to increase healthcare spending every year towards maintaining a world-class healthcare system.

Establishing a manufacturing base in Malaysia offers the perfect opportunity to tap into the burgeoning Asia Pacific healthcare market. It is predicted that over 60 per cent of the world's population will be living in Asia by 2030 with one in four people aged of 60 or older. As more emphasis is placed on healthcare and wellness, driven by the needs

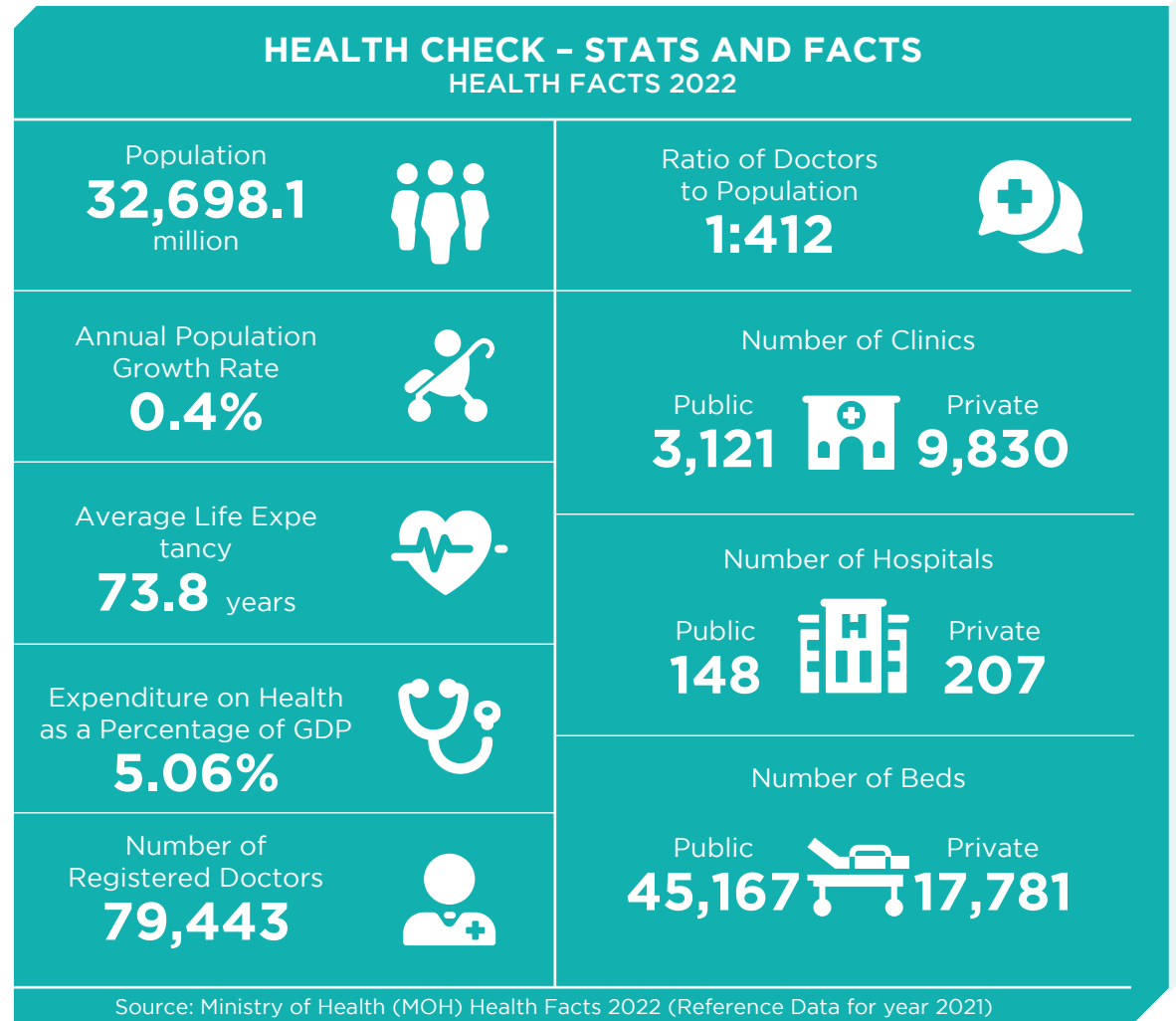
of an ageing population and the growing medical tourism industry, it is projected that the demand for access to advanced medical devices such as point-of-care, smart wearables and consumables such as syringes, test kits, rubber gloves, and personal protective equipment (PPE) will continue to rise.



A SNAPSHOT OF MALAYSIA

Strategically located at the heart of the ASEAN region, Malaysia comprises 13 states and 3 Federal Territories - Kuala Lumpur, the capital city; Putrajaya, the administrative centre; and Labuan, the offshore financial centre. A growing centre of excellence for a wide range of business and investment opportunities, the country's infrastructure is well developed with a comprehensive network of roads, airways, and ports as shipping gateways to the global market. Malaysia's commitment in creating a safe investment environment has convinced more than 4,000 international companies from over 50 countries to make Malaysia their offshore base.

Starting out as an economy reliant on natural resources such as rubber, tin and palm oil, Malaysia is today a major exporter of manufactured goods. These include electrical and electronic items, machinery and appliances, chemicals and chemical products as well as iron, steel and metal products. Major exports also include petroleum products, liquefied natural gas and palm oil. Meanwhile imports comprise mainly intermediate goods such as primary and processed industrial supplies, thermionic valves and tubes, parts and accessories of capital goods, primary and processed fuel lubricants, and parts and accessories for transport equipment.



A THRIVING ECOSYSTEM AND LANDSCAPE



Malaysia's medical device industry produces a wide range of products and equipment ranging from medical gloves, implantable devices, orthopaedic devices and dialysers. It also includes diagnostic imaging equipment and minimally invasive surgery equipment as well as other devices used for surgical, dental, optical and general health purposes. Malaysia is the largest market for medical devices in the ASEAN region with an estimated total market size of USD1.8 billion. Over 90 per cent of the medical devices manufactured in Malaysia are exported to its top 10 export destinations namely the United States of America (the USA), Germany, Singapore, Japan, Belgium, People's Republic of China (PRC), the Netherlands, Brazil, the United Kingdom (UK) and Australia.

The industry is moving up the value chain as higher value-added and complex products are being manufactured in Malaysia. These

include pacemakers, defibrillators, surgical instruments, medical electrodes, endoscopes, dialysis solutions, radiographic and ultrasound diagnostic systems, in-vitro diagnostic devices and health monitoring devices. Furthermore, the sector extends to the production of hospital support systems, including medical gases, anaesthesia sets, fixed operation theatre and examination tables, as well as disposable wearable surgical gear. Medical glove manufacturers have diversified into higher quality and specialty gloves, such as accelerator-free and chemotherapy special function gloves and antimicrobial gloves. As a rubber-producing nation, Malaysia remains the world's leading manufacturer and exporter of catheters and surgical and examination gloves, supplying 80 per cent of the world market for catheters and 60 per cent for rubber gloves, inclusive of those for medical use.

In order to compete globally in an increasingly competitive industry, Malaysian medical

device manufacturers are expanding their base into higher value products and moving into product and process research and development (R&D) as well as design and prototyping. The adoption of higher technology processes and the use of new materials, better coating for improved performance and increased automation is moving the manufacturing of medical devices towards Industry 4.0.

Malaysia is evolving as a major production hub for medical devices in the region as well as globally, with more than 200 medical devices manufacturing companies thriving in a well-connected industry ecosystem. Thirty of these companies are multinationals that have made Malaysia their manufacturing base. Among these MNCs are reputable names such as Abbott, B-Braun, Boston Scientific and Smith+Nephew. The industry employs over 70,000 skilled workers who represent the human capital of the industry.

MAJOR FOREIGN COMPANIES OPERATING IN MALAYSIA:



EUROPE

- › Ambu
- › B. Braun
- › SteriPack
- › Smith & Nephew

AUSTRALIA

- › Ansell
- › Cochlear
- › Resmed

ASIA

- › Medipro
- › Meditop
- › Sagami
- › Hoya Lens

USA

- › Ciba Vision
- › Boston Scientific
- › Becton, Dickinson (BD)
- › Tecomet
- › Haemonetics
- › Abbott
- › Lake Region
- › Mediquip
- › Teleflex
- › Johnson & Johnson
- › Dexcom
- › Insulet
- › Masimo













MAJOR DOMESTIC COMPANIES OPERATING IN MALAYSIA:







- › Top Glove
- › Hartalega
- › Supermax Corporation
- › Muzamal Industry
- › LKL Advance Metaltech
- › Cross Protection
- › OSA Technology
- › Granulab
- › Straits Orthopaedics
- › ABio Orthopaedics
- › Ideal Healthcare
- › Allen Healthcare
- › Epsilon
- › Kossan



The COVID-19 pandemic has created an upswell in the demand for hospital support equipment such as anaesthesia sets, fixed operation theatre and examination tables as well as disposable items like surgical gowns, drapes and packs, surgical and medical caps, and masks that are manufactured locally. Some of the more complex medical devices manufactured locally add value to the nation as they require higher-end knowledge and skills, which shift-up Malaysia's medical device value chain.

In addition to this, MIDA encourages local companies to intensify R&D activities in developing state-of-the-art technologies to produce high-end medical devices products which has higher complexity and added value in treating critical illnesses in the areas of cardiology and renal dysfunction, as well as related advanced surgical equipment. The following categories of medical devices have been earmarked by MIDA as having good growth potential.

HIGH VALUE ADDED AND COMPLEX MEDICAL DEVICES PRODUCED IN MALAYSIA			
 Pacemakers	 Defibrillators	 Orthopaedic Products	
 Patient Monitors	 Surgical Instruments	 Medical Electrodes	
 Endoscopes	 Dialysis Solutions	 Diagnostic Radiographic Equipment	
 Ultrasound Diagnostic System	 Drug Delivery Devices	 In-Vitro Diagnostic Devices	 Health Monitoring Devices

COMPRISING OF THE SEGMENT OF 6 PRIORITY AREAS IN MEDICAL DEVICES	
 Consumables	 Surgical instruments, implants and clinical devices
 Health Equipment	 Point-of-Care
 Non and minimally invasive products	 Medical devices from the convergence of technologies

A GROWING NETWORK OF A COMPLEMENTARY ECOSYSTEM

One of the key success factors for the growth of the medical device industry in Malaysia is the presence of a complete and complementary high-tech manufacturing ecosystem which includes sterilisation services, medical packaging, engineering supporting services i.e. precision engineering, moulds, tool and dies, precision plastic injection moulding, machinery fabrication, electronics manufacturing services, universities, research and training institutes as well as testing and accreditation bodies.

The growing network of local suppliers representing various supporting industries to conforming to world-class standards that support the country's medical devices industry are as follows:

MACHINERY AND EQUIPMENT (M&E)

Machining specialists and design houses for industrial automation processes, conceptualising and building specialised automation equipment including heavily engaged in R&D to develop new automation processes.

PRODUCTS

- › Packaging machinery
- › Labelling equipment
- › Heat sealing machines
- › Printing/barcoding equipment
- › Testing machinery
- › Automation systems
- › Assembly systems
- › Cleanroom engineering
- › Laboratory equipment
- › Medical refrigeration equipment
- › Specialised M&E for medical industry

COMPANY

Kobay Technology Berhad, Genetec Technology Berhad, LKT, Pentamaster, Upeca

PLASTIC PARTS & COMPONENTS

Projects involving the activities of injection moulded parts and components are for medical device producers.

PRODUCTS

- › Plastic injection moulded parts & components and sub-assemblies thereof for the medical devices industry
- › Cleanroom, medical & ESD flexible packaging product

EXAMPLE OF COMPANIES

Tip Corporation Sdn. Bhd.,
Cal Comp (Malaysia) Sdn. Bhd.

ELECTRONICS MANUFACTURING SERVICES (EMS)

EMS companies provide vital support to the medical devices, semiconductor, consumer electronics, computer and peripherals, communications and data storage industries. They also manufacture products and parts for Original Equipment Manufacturers (OEMs) and Original Design Manufacturers (ODMs). They also provide total manufacturing solutions by undertaking product design, manufacturing and distribution services for customers.

PRODUCTS

- › Design, development and manufacture; and remanufacturing of PCB assemblies and complete products (box built) and system integration for microprocessor applications, industrial, telecommunication including healthcare and medical devices
- › High end computing & information storage system, medical, test & scientific

EXAMPLE OF COMPANIES

Flextronics (Malaysia) Sdn. Bhd., Sanmina-SCI, Celestica Malaysia Sdn. Bhd., Jabil Circuit Sdn. Bhd. and Plexus Manufacturing Sdn. Bhd.

ENGINEERING SUPPORTING SERVICES (ESS)

Capabilities in a diverse range of products/activities namely, moulds and dies, metal casting, machining, metal stamping, surface engineering and metal fabrication. Other capabilities include producing components and subassemblies, and total solutions to meet the stringent requirements by the medical devices industry.

PRODUCTS

- › Precision machining
- › Investment casting parts
- › Die casting parts
- › Metal injection moulding
- › Powder metallurgy parts
- › Moulding and extrusions
- › Surface engineering
- › Instrumentation control and Quality Control (QC)
- › Tubing
- › Sterile medical packaging
- › Medical compounds

STERILISATION SERVICES

Sterilisation services that are available locally include gamma, electron beam and ethylene oxide.

PRODUCTS

- › Gamma
- › Ethylene Oxide
- › Electron Beam

EXAMPLE OF COMPANIES

Synergy Sterilisation (Malaysia) Sdn. Bhd., MINTec-Sinagama (under the Malaysian Nuclear Agency), KHTP Sterilisation Services Sdn. Bhd., Worldwide Medivest Sdn. Bhd.

EFFICIENT LOGISTICS AND WELL-DEVELOPED INFRASTRUCTURE

Malaysia continues to drive the development and upgrading of infrastructure to support the nation's overall growth. Integrated logistics have ensured that Malaysia's medical device products are able to reach markets in Asia and beyond, enabled by the extensive infrastructure that includes world-class airports, seaports and a sophisticated telecommunications network.



Malaysia has over 600 industrial estates that cater to the needs of companies across a broad range of industries. To date, there are 22 Free Industrial Zones (FIZs) that has been developed throughout the country. FIZs are export processing zones which have been developed to cater to the needs of export-oriented industries such as the medical

devices industry. Companies in the FIZs enjoy duty-free imports of raw materials, components, parts, machinery and equipment directly required in the manufacturing process. However, if FIZs is not available, companies can establish Licensed Manufacturing Warehouses (LMWs) instead.



Many medical device manufacturers are clustered in specialised high-tech industrial parks which cater to the technology and research-intensive nature of these activities, and are equipped with state-of-the-art buildings and fully integrated high technology features. The top five are as below:

KULIM HI-TECH PARK (KHTP)

- First high-tech park in Malaysia, established in 1966
- Located in the state of Kedah, northwest Malaysia
- Connectivity to world-class infrastructure
- Incorporates various mixed development zones

For further information, visit www.khtp.com.my

PENANG SCIENCE PARK

- Located 23km from the Penang Port, 5km from the North-South Highway, and 10km from Butterworth
- Infrastructure and amenities designed for high-tech, biotech and halal industries and SMI Park

For further information, visit www.pdc.gov.my

PORT KLANG FREE ZONE (PKFZ)

- Located adjacent to Westport and close to Kuala Lumpur, 45 minutes from KLIA
- International cargo distribution and consolidation centre
- Enter port trade and manufacturing for export
- Links to 120 countries and 500 ports around the world

For further information, visit www.pkfz.com

ENSTEK

- Techpark@enstek is located 10 minutes from KLIA and 38 minutes from downtown Kuala Lumpur via the ERL.
- World-class tech hub designed for eco-conscious industries, such as biotechnology, green technology and information technology.
- Ready infrastructure and amenities

For further information, visit techpark.enstek.com

SPECIALISED PARKS DEVELOPED BY THE MALAYSIA GOVERNMENT AGENCIES



Picture: Map of Peninsular and East Malaysia showing locations of specialised high-tech parks

NUSAJAYA

- Located in the South Economic Corridor in the Iskandar Development Region, Johor
- Comprises 7 developments including Kota Iskandar, the southern industrial and Logistics clusters (SILC), Puteri Harbour Waterfront Development, EduCity Residences, Afiat Healthpark, Medini Iskandar Malaysia, International Destination Resort and Nusajaya Residences.
- Centres of excellence and medical R&D

For further information, visit www.nusajayacity.com

GETTING STARTED REGULATING THE INDUSTRY

THE MEDICAL DEVICE AUTHORITY (MDA)

The Medical Device Act 2012 (737), based on recommendations from the World Health Organisation (WHO), was enacted to regulate the medical device industry and outlines the requirements of the registration of medical devices and the Conformity Assessment Body (CAB). With the enforcement of the Medical Device Act 2012, all medical devices manufactured, imported or sold in Malaysia are required to be registered with the Medical Device Authority (MDA), a body under the Malaysian Ministry of Health, responsible for regulating the medical devices industry.

The Medical Devices Regulations 2012 is aimed at protecting patients and other customers from substandard and unregistered medical devices.

The MDA implemented the Medical Device Regulations 2019 from 1 July 2020, formulated to drive standards and compliance for adverse event (AE) reporting within the current registration system and also encourage stronger post-market vigilance. These regulations came into effect to align with the ASEAN Medical Device Directive (AMDD) which lays out a common set of rules for MedTech regulation in the region. Although it is not a law in ASEAN countries, all member countries will be required to pass laws with similar provisions. This will increase market access and support regional growth in Asia.

ASSESSMENT AND REGISTRATION MATTERS

In Malaysia, medical devices are classified similarly to the classification scheme used in the European Union, which relates to the level of associated risks, depending on the intended purpose of the device and the effectiveness of the risk management techniques during design, manufacture and use.

Based on a set of rules, medical devices are classified into four risk classes. In general, low-risk devices are those that are applied externally to the body; and if applied correctly, involve minimum risk to the patients. Higher risk devices are those that penetrate the human body, involve a high-energy source, or are used to sustain life. Medical devices are categorised into classes A, B, C and D depending on the risk level and intended use.



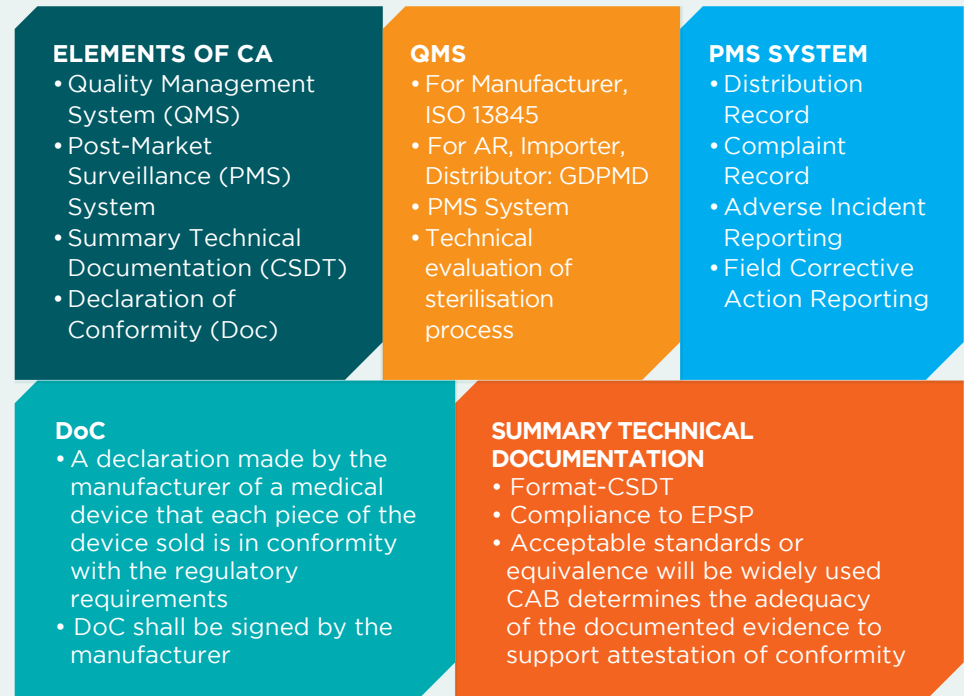
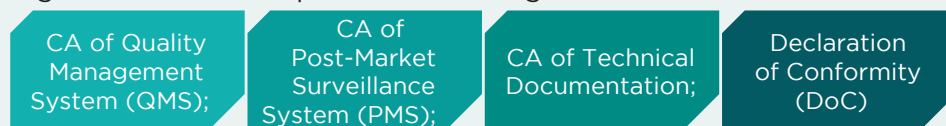
GENERAL CLASSIFICATION SYSTEM FOR MEDICAL DEVICES		
CLASS	RISK LEVEL	DEVICE EXAMPLES
A	Low Risk	Simple surgical instruments, tongue depressor, thermometer, examination light, simple wound dressing, oxygen mask, stethoscopes
B	Low-Moderate Risk	Hypodermic needles, suction equipment
C	Moderate-High Risk	Lung ventilator, orthopaedic implants, defibrillator
D	High Risk	Pacemakers and their leads, implantable defibrillators, heart valves, vascular prostheses, stents

All applications for Establishment Licensing and Medical Device Registration shall be made online via MeDC@st 2.0 which is a web-based registration system.

CONFORMITY ASSESSMENT

Part of the medical device registration process is the Conformity Assessment (CA), which is a systematic examination of evidence generated and procedures undertaken by the manufacturer under the requirements established by the Regulatory Authority to determine that a medical device is safe and performs as intended by the manufacturer and, therefore, conforms to the Essential Principles of Safety and Performance for Medical Devices.

Elements of Conformity Assessment for the purpose of medical device registration shall comprise the following elements:



CONFORMITY ASSESSMENT PROCEDURES FOR MEDICAL DEVICES APPROVED BY RECOGNISED COUNTRIES

Section 7 of Act 737 requires that a medical device is subject to conformity assessment by a registered CAB prior to its registration. However, medical devices that have already been assessed and approved in countries recognised by MDA, will be given certain exemptions.

For more information on registration and the licensing of medical devices, please visit the MDA's portal at <https://portal.mda.gov.my/faq/registration-licensing-enforcement.html>

ACCREDITATION - ISO 13485

Medical device manufacturers need to obtain the ISO 13485 Quality Management System (QMS) for Medical Devices. ISO 13485 is an international standard that serves as a model for medical device manufacturers to meet regulatory requirements. It includes specific requirements for medical devices and excludes some requirements in ISO 9001 that are not applicable. This standard applies for organisations that design, develop and produce medical devices. Certification to the standard requires that an organisation's quality management system pass a third-party Medical Device Single Audit Program, or "MDSAP" Audit. The accreditation services are offered by SIRIM, an agency under the Ministry of Investment, Trade and Industry (MITI) as well as third-party certification bodies such as TUV SUD and BSI Services Malaysia Sdn. Bhd.

INTELLECTUAL PROPERTY PROTECTION

Malaysia has strong IP protection mechanism and is committed to safeguarding IP on inventions. To align its IP with international standards and provides adequate protection for both local and foreign investors, Malaysia is a signatory to the following treaties:

World Intellectual Property Organisation (WIPO) 1967;
Paris Convention for the Protection of Industrial Property 1883;
Berne Convention for the Protection of Literary and Artistic Works (1886);
Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement;
Patent Cooperation Treaty (PCT) 1970.

TYPES OF IP:



Patents



Trademarks



Industrial Designs



Copyrights



Geographical Indications



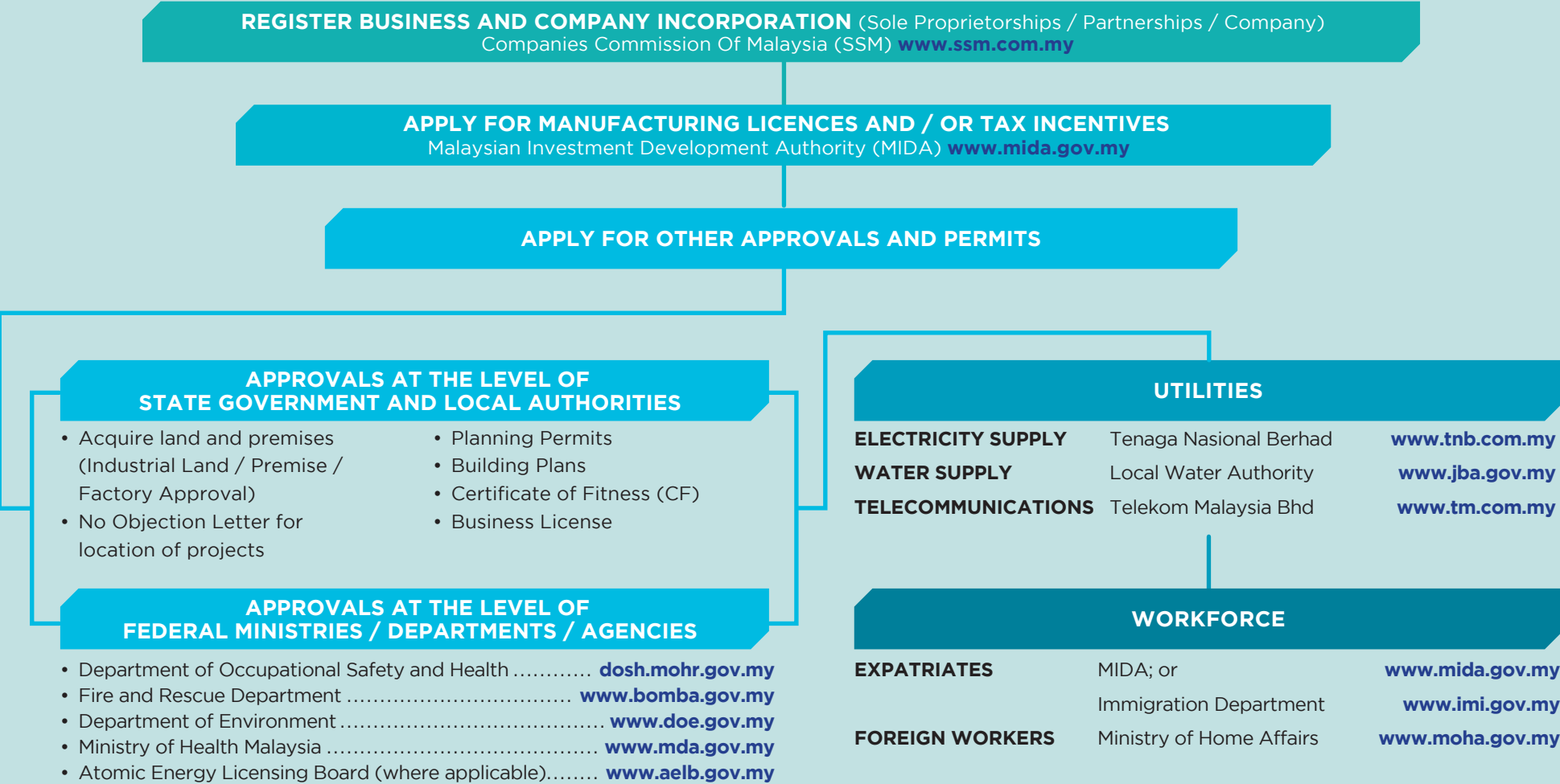
ID Layout Designs

Registration of Intellectual Property (IP) with MyIPO in Malaysia allows the company exclusive rights to the brand, protection from unauthorised use that will enable legal action to be taken against infringers. This promotes strengthening of brand identity, builds value, and boosts consumer trust. It opens doors to commercial opportunities like licensing and franchising, while facilitating access to government support programmes. Registration of trademark secures IP and contributes to business sustainability in Malaysia.

For further information on IP protection in Malaysia, please visit the Intellectual Property Corporation of Malaysia at www.myipo.gov.my

GUIDE TO SETTING UP YOUR BUSINESS

Establishing a business is a transparent and straightforward process, as outlined below.



CRITERIA AND GUIDELINES OF EXPATRIATE POST APPLICATIONS

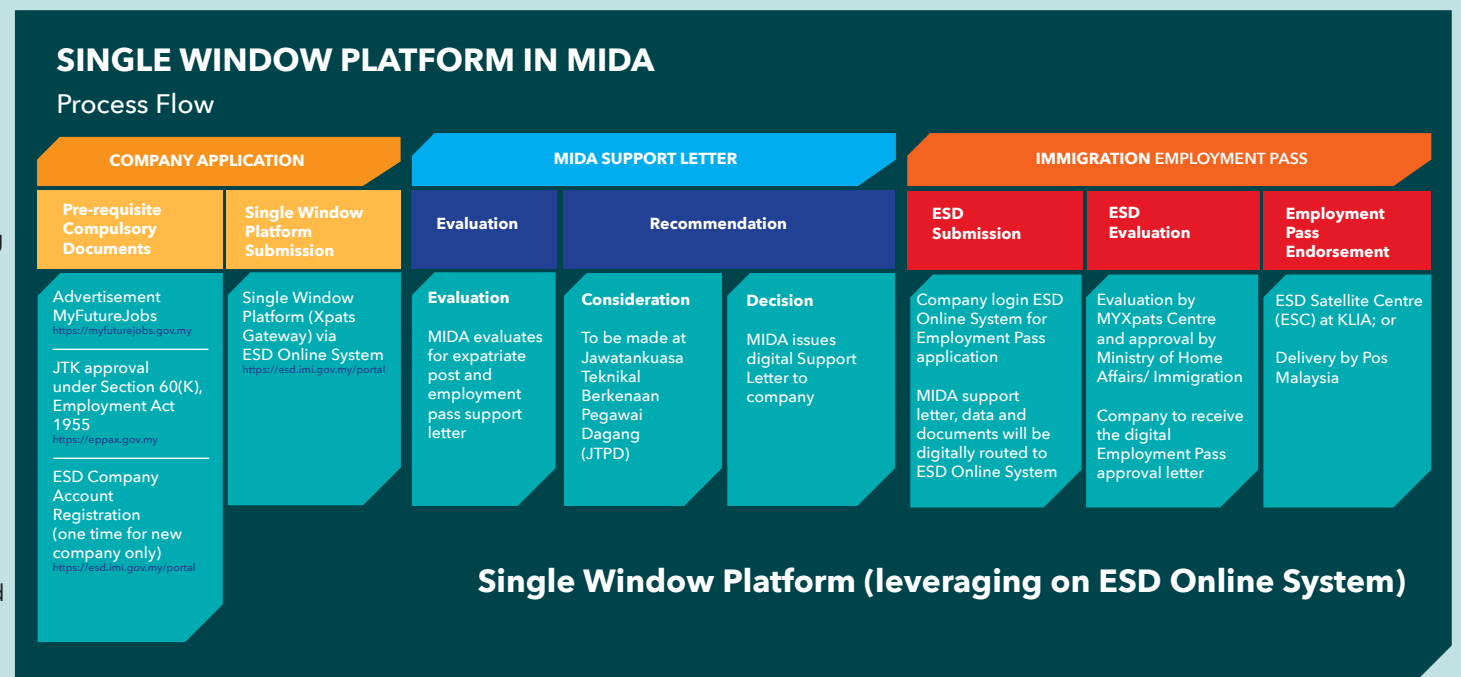
Manufacturing companies are allowed to bring in expatriate personnel to man “key posts” and term posts where there is a shortage of trained Malaysians as well as to safeguard their investments in the country. Key posts refer to posts that are permanently filled by expatriates, while term posts are posts approved for a stipulated period up to five (5) years. S

Starting from 15th June 2023, the application for the expatriate Employment Pass (EP) has been centralised and fully implemented through Single Window Platform (SWP) known as Xpats Gateway System. Companies can now apply for expatriate posts and employment passes (EP) through the Xpats Gateway System accessible via the ESD online system at esd.imi.gov.my. Further details on the guidelines, please refer to SWP guideline.

APPROVAL OF MANUFACTURING PROJECTS

Under the Industrial Co-ordination Act 1975 (ICA) manufacturing companies are required to apply for a manufacturing licence, approved by the Ministry of Investment, Trade & Industry (MITI). This refers to manufacturing companies with shareholders’ funds of RM2.5 million and above, or engaging 75 or more full-time paid employees.

Foreigners are allowed to hold 100% equity ownership in the manufacturing and selected services sub sector



KEY INCENTIVES AVAILABLE FOR MEDICAL DEVICE INDUSTRY

Major tax incentives available for the medical devices industry are as follows:

- I. INCENTIVES FOR MANUFACTURING COMPANIES (GENERAL)
- II. INCENTIVES FOR HIGH TECHNOLOGY PROJECTS
- III. INCENTIVES FOR STRATEGIC PROJECTS
- IV. INCENTIVES FOR RESEARCH AND DEVELOPMENT (R&D)
- V. AUTOMATION CAPITAL ALLOWANCE (AUTOMATION CA)
- VI. REINVESTMENT INCENTIVES UNDER THE NIMP 2030
- VII. DUTY EXEMPTIONS

INCENTIVES FOR MANUFACTURING COMPANIES

Pioneer Status (PS) with income tax exemption of 70% of statutory income for five (5) years; or

Investment Tax Allowance (ITA) of 60% of qualifying capital expenditure incurred within a period of five (5) years. (to be offset against 70% of statutory income for each assessment year).

INCENTIVES FOR HIGH TECHNOLOGY COMPANIES

Pioneer Status (PS) with full income tax exemption of statutory income for five (5) years; or

Investment Tax Allowance (ITA) of 60% of qualifying capital expenditure incurred within a period of five (5) years. (to be offset against 100% of statutory income for each assessment year).



INCENTIVES FOR STRATEGIC PROJECTS

Pioneer Status (PS) with full income tax exemption of statutory income for 10 years; or

ITA of 100% of qualifying capital expenditure incurred within a period of 5 years (to be offset against 100% of statutory income for each assessment year).

This incentive depends on:

- Level of investment
- High Technology / technology transfer
- Linkages with local ecosystem / vendor development
- High income employment / technical skills
- Level of R&D undertaken locally

INCENTIVES FOR RESEARCH AND DEVELOPMENT (R&D)

CONTRACT R&D COMPANY

- Pioneer Status with 100% income tax exemption of statutory income for five (5) years; or
- ITA of 100% of qualifying capital expenditure incurred within 10 years (to be offset against 70% of the statutory income in each year of assessment).

R&D COMPANY

- ITA of 100% of qualifying capital expenditure incurred within 10 years and to be offset against 70% of the statutory income for each year of assessment.

AUTOMATION CAPITAL ALLOWANCE EXPENDITURE (ACA)

Manufacturers are also eligible to apply for Automation Capital Allowance. This incentive is the key factor to encourage automation in labour intensive industries for manufacturing and services sector.

Categories for Automation Capital Allowance:

Category 1

High labour-intensive industries (rubber products, plastics, wood, furniture and textiles), an automation capital allowance of 200% will be provided on the first RM10 million expenditure incurred within the year of assessment 2023 to 2027.

Category 2

For other industries including services sector, automation capital allowance of 200% will be provided on the first RM10 million expenditure incurred within the year of assessment 2023 to 2027.

- Scope of automation to include the adaptation of Industry 4.0 elements; and
- Capital expenditure threshold for categories 1 and 2 be aligned and increased up to RM10 million

REINVESTMENT INCENTIVES UNDER THE NEW INDUSTRIAL MASTER PLAN 2030 (NIMP 2030)

The Government through Budget 2024 has introduced the incentive for reinvestment under the New Industrial Master Plan (NIMP) 2030 with a tiered and outcome-based approach. This provides opportunity for existing companies that have exhausted their RA under the Schedule 7A of Income Tax Act, 1967 to continue to increase their capacity and investment in the country.

The Type of Incentives

TIER 1:

Investment Tax Allowance of 100% on the qualifying capital expenditure (excluding land cost) incurred for a period of 5 years to be offset against up to 100% of statutory income.

TIER 2:

Investment Tax Allowance of 100% on the qualifying capital expenditure (excluding land cost) incurred for a period of 5 years, to be offset against up to 70% of statutory income.

Application received by MIDA from 1 January 2024 until 31 December 2028 are eligible to be considered for this incentive.

DUTY EXEMPTIONS

- Exemption from Import Duty on Raw Materials / Components
- Exemption from Import Duty and Sales Tax on Machinery / Equipment, Spare Part and Consumables

For further information on duty exemption please visit <https://www.mida.gov.my/forms-and-guidelines/>



WHY GLOBAL BUSINESS LEADERS CHOOSE MALAYSIA AS THEIR NEW HOME FOR RELOCATION

Overall, Malaysia stands out in ASEAN as the best location in attracting prospective medical device companies, considering the robustness of the regulatory framework, sophisticated logistics and distribution networks.

There is a significant manufacturing support ecosystem for medical devices ranging from machinery and equipment (M&E) industries, engineering supporting industries, electronic manufacturing services, and sterilisation services to research and development and human capital development.

Malaysia is well-positioned to serve as a hub for global medical technology companies, particularly in the Asian region. At current, it has the highest concentration of MedTech multinationals in the region, emphasising its recognition as an offshore manufacturing hub for the industry.

Ten (10) of the top global companies have established their presence in Malaysia, namely B. Braun, Dexcom, Abbott-St. Jude Medical, Boston Scientific, Smith & Nephew, Insulet, Masimo, Teleflex, ResMed and Ambu, positioning Malaysia as a global hub alongside Puerto Rico, Ireland and Costa Rica.



WHY MALAYSIA

SUPPORTIVE GOVERNMENT POLICIES

- Pro-business policies
- Responsive government
- Liberal investment policies
- Attractive tax and investment incentives
- Liberal exchange control regime
- Intellectual property protection

EDUCATED HUMAN CAPITAL

- Talented, educated and productive workforce
- Multilingual workforce, with English widely spoken
- Comprehensive vocational system and industrial training, including advanced skills training
- Harmonious industrial relations with minimal trade disputes

DEVELOPED INFRASTRUCTURE

- Network of well-maintained highways and railways
- Well-equipped seaports and airports
- High quality telecommunications network and services
- Fully developed industrial parks, including free industrial zones, technology parks and the MSC Malaysia
- Advanced MSC Malaysia Cybercities and Cybercentres

VIBRANT BUSINESS ENVIRONMENT

- Market oriented economy
- Well-developed financial and banking sector
- Wide use of English, especially in business and corporate sector
- Legal and accounting practices based on the British system
- Large local business community with a long history in international business links
- Large foreign business community in all business sectors
- Extensive trade links and regional trade agreements

QUALITY OF LIFE

- Friendly and hospitable Malaysians
- Safe and comfortable living environment
- Excellent housing, modern amenities, good healthcare and medical facilities
- Excellent educational institutions
- World class recreational and sports facilities
- Excellent retail environment

SUCCESS STORIES

SMITH & NEPHEW

Smith & Nephew plc, also known as Smith + Nephew, is a British multinational medical equipment manufacturing company headquartered in Watford, England. Its establishment in 1856 started with a small pharmacy in Whitefriargate, UK and it has transformed into a global supplier of advanced medical equipment with approximately 16,000 employees worldwide.

At present, the company serve its customers through three global business unit namely orthopaedics, sports medicine + ENT and advanced wound management. Its main portfolio is a medical technology business focused on repair, regeneration of soft and hard tissue. In 2020, Smith + Nephew accounted for 11% of the global market share for hip and/or knee implant.

In 2019, the ompany expanded its global operations to Penang, Malaysia with investment valued at RM1.488 billion for a full stretch of 15 years. The orthopaedics implant manufacturing plant, located in Batu Kawan, marked Smith + Nephew's first manufacturing venture in Southeast Asia. The facility operates with a total manpower of 793, with 98% being local Malaysian skilled in various technical disciplines within the scientific and engineering fields. Notably, 99.5% of the products manufactured at this facility are exported globally. Smith+Nephew's presence in Malaysia contributes not only to its own global footprint but also to the growth of local companies and the overall medical devices industry's ecosystem. This, in turn, will strengthen our reputation as an ideal med-tech manufacturing hub in ASEAN.



SUCCESS STORIES

B. BRAUN

Established in 1972, B. Braun is a pioneer foreign investor in the northern state, which has evolved into the nexus for the medical device industry in Malaysia. Occupying a 193,285 square metre (47.8 acres) site in Penang's Free Industrial Zone, B. Braun Medical Industries is one of the largest production sites of the Group, with over 7,600 employees. The site houses three production plants dedicated to manufacturing intravenous access solutions, pharmaceutical products and surgical instruments for the global markets. Additionally, it serves as the Group's global Centre of Excellence for Intravenous Access equipped with full R&D capabilities as well as the regional headquarters B. Braun's Asia Pacific.

In 2006, B. Braun Medical Industries Sdn. Bhd. (BMI), Penang plant was recognised as the Global Centre of Excellence (CoE) for Intravenous Access products including R&D and production technology. Products manufactured in B. Braun Medical Industries Penang are exported to the US, Japan, Germany, and several other major markets around the world.



B. Braun expanded its Global Test Centre for Medical Devices in Penang in June 2020, proving Malaysia's capabilities in scientific measurement. The Global Test Centre based in Penang has managed to triple its scientific measurements for medical devices related to intravenous access and drug delivery systems to more than 600,000 per year. In addition, the medical devices for infusion systems, central venous puncture and pain control, which are being manufactured in Germany, have also been added to the portfolio being tested in Penang. This success has been attributed to the proven competencies, strong product knowledge and efficiency displayed by the local team of Malaysian engineers.

KEDAH & PERLIS

Director

Malaysian Investment Development Authority

Level 4, East Wing, No. 88
Menara Bina Darulaman Berhad
Lebuhraya Darulaman, 05100 Alor Setar
Kedah Darul Aman, Malaysia
Tel: (604) 731 3978 | Fax: (604) 731 2439
E-mail: kedah@mida.gov.my

PULAU PINANG

Director

Malaysian Investment Development Authority

Unit 14.01, 14th Floor, Menara Boustead Penang
39, Jalan Sultan Ahmad Shah
10050 Pulau Pinang, Malaysia
Tel: (604) 228 0575 | Fax: (604) 228 0327
E-mail: penang@mida.gov.my

PERAK

Director

Malaysian Investment Development Authority

Level 4, Perak Techno Trade Centre (PTTC)
Bandar Meru Raya, Off Jalan Jelapang
P.O.Box 210, 30720 Ipoh, Perak Darul Ridzuan, Malaysia
Tel: (605) 5269 962 / 961 | Fax: (605) 5279 960
E-mail: perak@mida.gov.my

MELAKA

Director

Malaysian Investment Development Authority

Level 3, Menara MITC
Kompleks MITC, Jalan Konvensyen
75450 Ayer Keroh, Melaka, Malaysia
Tel: (606) 232 2877 | Fax: (606) 232 2875
E-mail: melaka@mida.gov.my

NEGERI SEMBILAN

Director

Malaysian Investment Development Authority

Suite 13.01 & 13.02, 13th Floor
Menara Zurich, 70200 Seremban
Negeri Sembilan, Malaysia
Tel: (606) 762 7921 | Fax: (606) 762 7879
E-mail: nsembilan@mida.gov.my

JOHOR

Director

Malaysian Investment Development Authority

Unit 13-05, Tingkat 13, Menara Tabung Haji
Jalan Ayer Molek, 80888 Ibrahim International
Business District, Johor Darul Ta'zim, Malaysia
Tel: (607) 224 5500 / 5057
Fax: (607) 224 2360
E-mail: johor@mida.gov.my

PAHANG

Director

Malaysian Investment Development Authority

Tingkat 10 KLM, Menara Zenith
P.O.Box 178, Jalan Putra Square 6, Putra Square
25200 Kuantan, Pahang Darul Makmur, Malaysia
Tel: (609) 513 7334 | Fax: (609) 513 7333
E-mail: pahang@mida.gov.my

KELANTAN

Director

Malaysian Investment Development Authority

Level 5-C, Menara Pejabat Kelantan Trade Centre
Jalan Bayam, 15000 Kota Bharu
Kelantan Darul Naim, Malaysia
Tel: (609) 748 3151 | Fax: (609) 744 7294
E-mail: kelantan@mida.gov.my

SELANGOR

Director

Malaysian Investment Development Authority

Level 22, Wisma MBSA, Persiaran Perbandaran
40000 Shah Alam, Selangor, Malaysia
Tel: (603) 5518 4260 | Fax: (603) 5513 5392
E-mail: selangor@mida.gov.my

TERENGGANU

Director

Malaysian Investment Development Authority

Level 5, Menara Yayasan Islam Terengganu
Jalan Sultan Omar, 20300 Kuala Terengganu
Terengganu, Malaysia
Tel: (609) 622 7200 | Fax: (609) 623 2260
E-mail: terengganu@mida.gov.my

SABAH

Director

Malaysian Investment Development Authority

Lot D9.4 & D9.5, Tingkat 9, Block D
Bangunan KWSP Karamuning
P.O Box 11915, 88100 Kota Kinabalu, Sabah, Malaysia
Tel: (6088) 211 411 / 230 411 | Fax: (6088) 211 412
E-mail: sabah@mida.gov.my

SARAWAK

Director

Malaysian Investment Development Authority

4th Floor, Bangunan Bank Negara Malaysia Kuching
Jalan Satok, P.O. Box 716
93714 Kuching, Sarawak, Malaysia
Tel: (6082) 254 251 / 237 484 | Fax: (6082) 252 375
E-mail: sarawak@mida.gov.my

ASIA PACIFIC

SINGAPORE

Counsellor (Investment) / Director
Malaysian Investment Development Authority
 No. 7, Temasek Boulevard, 26 - 01
 Suntec Tower One, Singapore 038987
 Tel: (65) 6835 9326 / 9580 / 7069
 Fax: (65) 6835 7926
 E-mail: singapore@mida.gov.my

**JAPAN
TOKYO**

Director
Malaysian Investment Development Authority
 32F, Shiroyama Trust Tower, 4-3-1, Toranomon
 Minato-ku, Tokyo 105-6032, Japan
 Tel: 81 (3) 5777 8808 | Fax: 81 (3) 5777 8809
 E-mail: tokyo@mida.gov.my

OSAKA

Director
Malaysian Investment Development Authority
 Mainichi Intecio 18F, 3-4-5 Umeda
 Kita-ku, Osaka 530-0001, Japan
 Tel: 81 (6) 6451 6661 | Fax: 81 (6) 6451 6626
 E-mail: osaka@mida.gov.my

REPUBLIC OF KOREA

Counsellor (Investment) / Director
Embassy of Malaysia
(Malaysian Trade and Investment Centre)
Malaysian Investment Development Authority
 17th Floor, Standard Chartered Bank Korea
 Limited Building, 47, Jong-ro, Jongno-Gu
 Seoul 03160, Republic of Korea
 Tel: 82 (2) 733 6130/6131 | Fax: 82 (2) 733 6132
 E-mail: seoul@mida.gov.my

AUSTRALIA

Consul (Investment) / Director
Consulate of Malaysia (Investment Section)
Malaysian Investment Development Authority
 Level 6, 16 Spring Street, Sydney N.S.W. 2000, Australia
 Tel: 61 (02) 9251 1933
 E-mail: sydney@mida.gov.my

TAIWAN

Director (Investment)
Malaysian Friendship & Trade Centre
Malaysian Investment Development Authority
 12F, Suite A, Hung Kuo Building
 No. 167, Tun Hua North Road
 Song Shan District 10549, Taipei, Taiwan
 Tel: 886 (2) 2718 6094 | Fax: (8862) 2514 7581
 E-mail: taipiei@mida.gov.my

INDIA

Consul (Investment) / Director
Consulate General of Malaysia (Investment Section)
Malaysian Investment Development Authority
 81 & 87, 8th Floor, 3rd North Avenue, Maker Maxity
 Bandra Kurla Complex, Bandra (E), Mumbai 400051, India
 Tel: (9122) 2659 1155/ 1156 | Fax: (9122) 2659 1154
 E-mail: mumbai@mida.gov.my

UNITED ARAB EMIRATES

Director
Consulate General of Malaysia (Investment Section)
Malaysian Investment Development Authority
 1704A, 17th Floor
 Business Central Tower, Tower A
 Dubai Media City
 PO Box 502876, Dubai
 United Arab Emirates
 Tel: (9714) 5774 413 / 376 / 331 / 376
 E-mail: dubai@mida.gov.my

**PEOPLE'S REPUBLIC OF CHINA
SHANGHAI**

Director
Consulate General of Malaysia (Investment Section)
Malaysian Investment Development Authority
 Units 808-810, Level 8, Tower 1
 Shanghai Kerry Centre
 No. 1515, Nanjing Road (West)
 Shanghai, 200040
 People's Republic of China
 Tel: 86 (21) 6289 4547
 Fax: 86 (21) 6279 4009
 E-mail: shanghai@mida.gov.my

GUANGZHOU

Director
Malaysian Investment Development Authority
 Unit A2, Room 3501, 35th Floor
 Guangzhou International Commercial Center (ICC)
 No. 235, Tianhe North Road
 Guangzhou 510620 People's Republic of China.
 Tel: (8620) 8752 0739
 Fax: (8620) 8752 0753
 E-mail: guangzhou@mida.gov.my

BEIJING

Counsellor (Investment) / Director
Embassy of Malaysia (Investment Section)
Malaysian Investment Development Authority
 Unit C, 12th Floor, Tower A, Gateway Plaza
 No.18 Xiaguangli, East Third Ring North Road
 Chaoyang District, 100600 Beijing
 People's Republic Of China
 Tel: (8610) 8440 0071 / 0072
 Fax: (8610) 8440 0076
 E-mail: beijing@mida.gov.my

EUROPE

UNITED STATES OF AMERICA

FRANCE

Director
Malaysian Investment Development Authority
 5, Place Tristan Benard (Level 3)
 75017 Paris, France
 Tel: (331) 4727 6696

FRANKFURT

Consul (Investment) / Director
Consulate General of Malaysia (Investment Section)
Malaysian Investment Development Authority
 Level 9, HAT 64, Bleichstrasse 64-66
 60313 Frankfurt Am Main, Germany
 Tel: (4969) 8700 679-0
 Email: frankfurt@mida.gov.my

ITALY

Deputy Director
Consulate of Malaysia (Investment Section)
Malaysian Investment Development Authority
 2nd Floor, Via Alberico Albricci, 9
 20122 Milan (MI), Italy
 Tel: (3902) 8909 3824 | Fax: (3902) 8909 5418
 E-mail: milan@mida.gov.my

SWEDEN

Deputy Director
Malaysian Investment Development Authority
c/o Embassy of Malaysia
 Karlavaegen 37, P.O. Box 26053
 S-10041 Stockholm, Sweden
 Tel: (46) 8440 8400/ (46) 8440 8416
 Fax: (46) 8791 8761
 E-mail: stockholm@mida.gov.my

UNITED KINGDOM

Counsellor for Investment / Director
High Commission of Malaysia
Malaysian Investment Development Authority
 17, Curzon Street, London W1J 5HR
 United Kingdom
 Tel: (4420) 7493 0616
 Fax: (4420) 7493 8804
 E-mail: london@mida.gov.my

TÜRKİYE

Consul (Investment) / Director
Consulate General of Malaysia (Investment Section)
Malaysian Investment Development Authority
 Büyükdere Caddesi N. 191
 Apa Giz Plaza Kat 12 N. 24,
 34330 Levent - İstanbul
 Republic of Türkiye
 Tel: +90 212 905 11 00
 E-mail: istanbul@mida.gov.my

SAN JOSE

Director
Malaysian Investment Development Authority
 226 Airport Parkway
 Suite 480, San Jose, California 95110
 United States of America
 Tel: (1408) 392 0617
 E-mail: sanjose@mida.gov.my

CHICAGO

Director
Malaysian Investment Development Authority
 John Hancock Center, Suite 1810
 875, North Michigan Avenue, Chicago, IL 60611
 United States of America
 Tel: (1312) 787 4532
 Fax: (1312) 787 4769
 E-mail: chicago@mida.gov.my

NEW YORK

Consul (Investment) / Director
Consulate General of Malaysia (Investment Section)
Malaysian Investment Development Authority
 313 East, 43rd Street, New York, NY 10017
 United States of America
 Tel: (1212) 687 2491
 Fax: (1212) 490 8450
 E-mail: newyork@mida.gov.my



MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

HEADQUARTERS

MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

MIDA Sentral, No.5, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, MALAYSIA

Tel: (603) 2267 3633 | Fax: (603) 2274 7970 | E-mail: investment@mida.gov.my

Website: www.mida.gov.my

For more information, please contact:

LIFE SCIENCES & MEDICAL TECHNOLOGY DIVISION

Malaysian Investment Development Authority

Level 28, MIDA Sentral, No. 5, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, MALAYSIA

Tel : (603) 2267 3495 | Fax : (603) 2274 5611 | E-mail: investment@mida.gov.my

Website: www.mida.gov.my



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