

E-NEWSLETTER
JUNE - JULY 2026 ISSUE



**MALAYSIA
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INVEST MALAYSIA

HIGHLIGHTS

Accelerating Talent Mobility:
Strengthening Malaysia's
Expatriate Framework for
High-Value Investments

INDUSTRY

Malaysia: Your Launchpad
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SERVICES

Data Centre Nexus (DCN)
2026: Advancing AI-Driven
Digital Infrastructure &
Sustainable Ecosystems

From the CEO's Desk

Depth, Not Volume.

Dear Valued Partners and Esteemed Stakeholders,

Welcome to the June/July 2026 edition of MIDA's Invest Malaysia E-Newsletter. As Malaysia moves into the Thirteenth Malaysia Plan (RMK-13) our focus extends beyond attracting investment volume—we are focused on building deep, resilient ecosystems, driving high-tech innovation, and fostering high-value human capital.

A resilient economic landscape requires robust, interconnected supply chains. In this issue, we highlight the progress of our **Central Region Industrial Cluster Development Initiative**. Moving beyond state-by-state promotion, this initiative brings together **Selangor, Negeri Sembilan, Melaka, and the Federal Territories** as an integrated industrial ecosystem focused on four priority sectors: **Electrical and Electronics (E&E), aerospace, pharmaceuticals, and food manufacturing**.

Building on RM22.03 billion in approved investments across 831 projects in 2025—which are slated to create 20,164 new jobs—the Central Region is shifting from project attraction to deeper ecosystem building, ensuring anchor projects translate into long-term opportunities for domestic suppliers and talent.

On 14 September we will convene **Data Centre Nexus 2026**, under the theme "Advancing AI-Driven Digital Infrastructure and Sustainable Ecosystems". GPU-as-a-Service, AI factories and cloud platforms will be on the agenda, alongside the critical considerations of energy and water sustainability that underpin their growth.

Aerospace is on a similar trajectory. At MyAERO Summit 2026 held from 25 to 27 June, the discussion moved beyond location and cost to supplier readiness, certification and developing the next generation of engineering talent. More than 20 institutions offer aerospace-related courses. Malaysia is positioned not only as a place to operate but as a base for building regional reach.

A sustainable economy hinges on a high-performing workforce. To align talent mobility with our national ambitions, the Government introduced the **2026 Revised Employment Pass (EP) Salary Policy** (effective 1 June 2026) alongside the enhanced **MIDA Expatriate System (MES)**. By calibrating EP salary thresholds and tenure rules across Categories I, II, and III, we are actively encouraging technology transfer, promoting structured localisation plans, and opening high-growth technical and managerial careers for Malaysian professionals.

Our commitment to local industry growth is exemplified by **EMZI Health Science Sdn. Bhd.** at Kedah Halal Park. Supported by MIDA's Smart Automation Grant (SAG), EMZI has integrated smart automation into halal functional food and beverage production, strengthening its position as a globally competitive manufacturer.

Meanwhile, MIDA, in collaboration with Perodua, recently organised an **ESG Awareness Session** for approximately 50 local automotive component vendors to strengthen ESG readiness across Malaysia's automotive supply chain. Building on the successful Digital

From the CEO's Desk

Transformation Ecosystem (DTE) Programme, the session equipped participants with practical knowledge on ESG implementation, sustainability reporting, the B Impact Assessment (BIA) framework and available government support, including MIDA's Domestic Investment Accelerator Fund (DIAF) – ESG Adoption.

On the international front, MIDA Seoul represented Malaysia at AI EXPO KOREA 2026, presenting "Embracing AI: Malaysia's Path Forward". The engagement highlighted investment opportunities under the New Industrial Master Plan (NIMP) 2030 and the National Semiconductor Strategy (NSS), promoting cross-border collaboration in AI-driven manufacturing and semiconductor value chains.

Key talent and value-chain initiatives such as the Feytech-CAuto MoU for electric vehicle (EV) talent development and the MIDA-GreatASIC Value Chain Programme reflect our commitment to bridging industry needs with academic excellence and local technology capabilities.

GreatASIC has recruited 20 Malaysian engineers working on chip design and is collaborating with Xenith on driver assistance systems. Feytech has five public technical universities supporting its EV talent programme through CAuto.

The event also featured the inaugural #BorakBersamaCEO (BBC) session, an initiative hosted by the MIDA CEO that shifts the focus from policies to the people driving Malaysia's industrial growth. The session offered an opportunity to hear firsthand from industry talents, reinforcing MIDA's commitment to placing people at the heart of the nation's investment journey.

At MIDA, we remain committed to facilitating your investment and nurturing a sustainable, high-tech industrial landscape in Malaysia. We invite you to explore the featured articles in this edition to learn more about how Malaysia is shaping the future of global investment. Thank you for your continued partnership and trust in Malaysia.

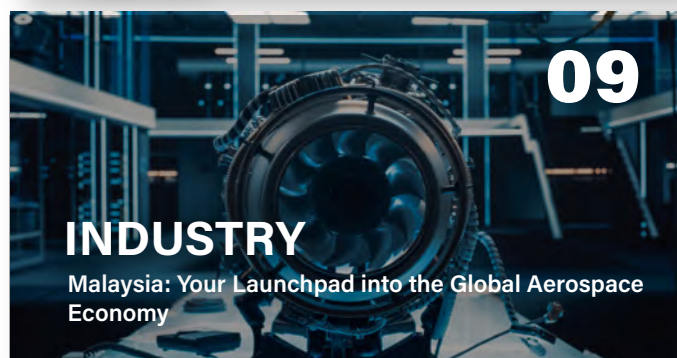
DATUK SIKH SHAMSUL IBRAHIM **SIKH ABDUL MAJID**

Chief Executive Officer

Malaysian Investment Development Authority (MIDA)



In this issue





Accelerating Talent Mobility: Strengthening Malaysia's Expatriate Framework for High-Value Investments

Malaysia's ambitions under the Thirteenth Malaysia Plan (RMK-13) and Malaysia MADANI rest on a simple truth — quality investment goes where the talent is. That means growing our own skilled workforce while giving businesses the global expertise they need to thrive here.

Central to achieving this vision are two complementary initiatives: The Revised Employment Pass (EP) Salary Policy (which came into effect on 1 June 2026) and the enhanced MIDA Expatriate System (MES). Together, these measures reinforce Malaysia's commitment to attracting high-value investments, promoting knowledge transfer, and creating greater opportunities for Malaysia talent.

Supporting High-Value Investment Through Talent Development

The Ministry of Home Affairs (MOHA)'s revised employment pass supports Malaysia's long-term workforce development objectives by ensuring that expatriate employment complements local talent development.

Effective 1 June 2026, the revised Employment Pass categories are as follows:

- **Category I :** Minimum monthly salary of RM20,000 and above, with passes issued up

to 10 years. These positions are intended for executive leadership and highly specialised professionals who contribute strategic expertise and technology transfer.

- **Category II :** Monthly salary ranging from RM10,000 to RM19,999 with passes issued for up to 10 years and supported by mandatory localisation plan to facilitate knowledge transfer to Malaysian employees.
- **Category III :** Monthly salary ranging from RM5,000-RM9,999, with a minimum monthly salary of RM7,000 for the Manufacturing and Manufacturing-Related Services. Category III Employment Passes are valid for a cumulative maximum of 5 years and require a structured succession plans to support the localisation of specialised skills.

The revised framework reinforces the principle that expatriates should complement, rather than replace, the local workforce. By encouraging capability development and succession planning, it also ensures companies retain access to specialised professionals who may not yet be readily available locally.

Enhancing Efficiency Through the MIDA Expatriate Process Workflow

Complementing the revised salary policy is the enhanced MIDA Expatriate System (MES),

HIGHLIGHTS

which streamlines the management of expatriate applications through a more integrated and transparent process.

Evolution to a Single Integration Platform (Xpats Gateway)

Under the enhanced framework, MIDA now processes and approves Employment Pass Categories I, II and III, as well as Professional Visit Pass (PVP) and Dependant Pass applications within its purview through MES. This integration enables end-to-end application tracking, improves transparency and inter-agency coordination, reduces administrative duplication, and provides better visibility of companies' foreign talent requirements.

Beyond improving efficiency, the enhanced process supports Malaysia's commitment to developing talent by ensuring expatriate appointments are aligned with genuine industry needs and accompanied by appropriate localisation measures.

Prioritising Malaysian Talent

The enhanced expatriate framework incorporates several safeguards to ensure Malaysians continue to receive priority considerations for employment opportunities.

1. **The Local-First Mandate (MYFutureJobs):** Companies are required to advertise vacancies on the MYFutureJobs portal for at least 14 working days, before applying for expatriate positions, giving qualified Malaysians the first opportunity to fill available roles.
2. **Limited Exemptions:** Exemptions are limited to specific circumstances, including key leadership positions and highly specialised roles that meet prescribed salary thresholds (RM15,000 and above). Where appropriate, employers may also be required to obtain certification from SOCSO (PERKESO), confirming that suitably qualified local talent is not readily available.
3. **Rigorous Evaluation:** Applications submitted through MES are evaluated by the Technical Committee on Expatriates (JTPDPS), which assesses workforce requirements, knowledge transfer initiatives, and succession planning before approvals are granted.
4. **Immigration Integration:** Following MIDA's approval, applications proceed to Immigration for endorsement.

This coordinated approach balances business needs with national workforce priorities, enabling companies to access specialised global talent while supporting the long-term development of Malaysian professionals.





Looking Ahead

Malaysia's revised Employment Pass Salary Policy and the enhanced MIDA Expatriate System represent more than regulatory improvements. Together, they reflect the nation's commitment to building a competitive, resilient, and future-ready workforce.

By balancing access to specialised global expertise with stronger localisation, knowledge transfer, and workforce development initiatives, these measures support the growth of high-value industries while creating greater opportunities for Malaysians in higher-skilled, higher-income jobs.

As Malaysia continues to strengthen its investment ecosystem, MIDA remains committed to facilitating quality investments and supporting businesses through transparent, efficient, and investor-friendly processes that contribute to sustainable economic growth, and strengthen long-term national competitiveness.

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



Malaysia: Your Launchpad into the Global Aerospace Economy

Aerospace investment decisions are rarely made on cost or location alone, investors need confidence that suppliers can meet exacting standards, talent can support increasingly sophisticated technologies, and the wider ecosystem can remain reliable as aircraft programmes expand. Against this backdrop, Malaysia's proposition is clear: it is not simply an operating base, but a springboard for aerospace companies to build regional reach and participate more deeply in global value chains.

This proposition came to life at **MyAERO Summit 2026**, where MIDA participated through its dedicated booth and engaged with investors, industry players, government agencies, academia and other stakeholders. Rather than serving only as a showcase, the summit created space for practical conversations on investment, supply chain participation, capability development, talent needs and regional expansion.

For government and industry stakeholders, the significance of these conversations lies in the shift from promotion to execution. Events such as MyAERO bring policy direction, business needs and investment facilitation into the same room. They help turn Malaysia aerospace ambitions into practical pathways for companies considering where to invest, what partnerships to pursue and how to expand.

From Participation to Integration: Malaysia's Aerospace Proposition

Malaysia's next phase of aerospace development will be measured not only by the number of businesses operating in the country, but by the depth of their engagement and integration into the local ecosystem. As aircraft programmes become more complex and supply chains more distributed, global companies are looking for locations that can offer dependable operations, capable suppliers, skilled talent and the capacity for long-term growth.

For investors, the practical question is therefore no longer simply, "Why Malaysia?" but "How can Malaysia help us build, source and scale?" The answer lies in regional connectivity, established industrial capabilities and an ecosystem that can support both new investments and the expansion of existing operations.

The opportunities extend across the aerospace value chain, including parts and component manufacturing, aircraft interiors, composites, precision engineering, avionics, tooling and equipment support, as well as maintenance, repair and overhaul (MRO), engineering services and digital solutions.

MRO remains a natural growth area as airlines and aircraft operators need reliable, strategically located service providers that can reduce turnaround time while maintaining quality and cost competitiveness. Malaysia's position in Southeast Asia gives MRO companies a practical base from which to serve regional demand and build closer relationships with operators across the Asia-Pacific market.

The opportunity extends beyond MRO. Malaysia's strengths in electrical and electronics, precision manufacturing, automation and engineering support can be applied to increasingly technology-driven aerospace activities. For investors, this means access to capabilities that already exist across related industries, reducing the need to build every element of the supply chain from the ground up.

Talent and Technology: Turning Capacity into Capability

Industrial capacity alone is not enough to sustain aerospace competitiveness. Long term success depends on engineers, technicians, quality specialists, digital professionals and managers who understand the industry's demanding standards. As companies adopt automation, advanced materials, data-driven maintenance and more integrated production systems, the ability to develop and retain the right talent becomes even more important.

Investors ask not only whether workers are available, but whether teams can be trained, certified and scaled as programmes mature. This is where closer alignment between industry, training institutions and government becomes essential. Companies need to communicate the skills they require; education and training providers need to translate those needs into relevant programmes; and supporting agencies need to connect investment plans with talent development.

When these links are strong, talent becomes more than a workforce advantage. It becomes a reason for companies to place higher-value functions in Malaysia, including engineering support, process development, digital operations and regional management. This is also how Malaysia can move from providing capacity to building distinctive capabilities that are difficult to replicate elsewhere. Currently, Malaysia's aerospace talent pipeline is supported by more than 20 institutions of higher learning offering aerospace-related courses, complemented by specialised technical academies and aviation training providers.

Collaboration That Moves Projects Forward

Collaboration is not an additional feature of aerospace development. It is how capability is built. Partnerships between multinational companies, local suppliers, training institutions, industry associations and government agencies create opportunities for technology transfer, supplier upgrading and participation in larger global programmes.





MIDA works with investors throughout their investment journey, helping them navigate and connect with the relevant parts of the ecosystem. The value of this support lies in its continuity from the early exploration of an investment idea through establishment and implementation to future expansion. For investors entering a complex and highly regulated industry, having a clear route to the right agencies, partners and support mechanisms can make the difference between interest and execution.

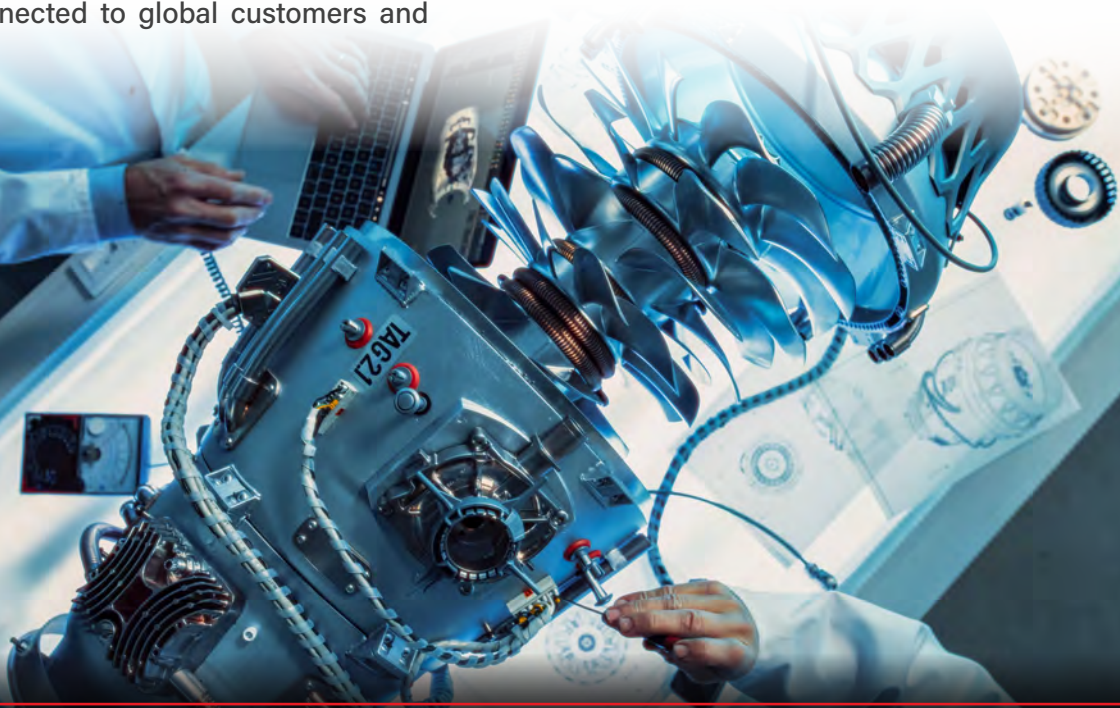
Malaysia as a Regional Launchpad

Malaysia's aerospace advantage does not rest on any single factor. It comes from the way strategic location, industrial depth, talent, infrastructure and public-private collaboration work together. This combination gives companies a platform to serve Southeast Asia and the wider Asia-Pacific region while remaining connected to global customers and programmes.

The next stage must focus on anchoring more high-value aerospace activities in Malaysia. This includes strengthening local supplier readiness, accelerating technology adoption, developing industry-relevant talent and encouraging companies to undertake more complex functions. Growth should not be measured only by the scale of investment, but also by the knowledge, capabilities and market access that each project adds to the ecosystem.

The invitation to industry is practical: use Malaysia to build capability, connect with regional opportunities and grow into global aerospace programmes.

Malaysia is not merely participating in the global aerospace economy. It is positioning itself as a launchpad for companies ready to build, innovate and expand from the heart of Southeast Asia.





Data Centre Nexus (DCN) 2026: Advancing AI-Driven Digital Infrastructure & Sustainable Ecosystems

Malaysia has become one of Southeast Asia's leading destinations for digital infrastructure investment, drawing hyperscalers, cloud service providers and colocation operators. Its strategic location, strong connectivity and pro-business investment ecosystem have made it a preferred hub for digital investment.

As digital technologies reshape industries, the role of data centres is evolving rapidly. Modern facilities now underpin artificial intelligence (AI), cloud computing, high-performance computing and next-generation digital services. Recognising this shift, Malaysia is focused on attracting investments that generate greater economic value and strengthen the nation's digital capabilities, including advanced computing infrastructure such as **GPU-as-a-Service, AI factories, AI training and inference infrastructure** and **cloud platforms** that allow enterprises, researchers and innovators to develop and deploy AI solutions at scale.

Even as AI advances, Malaysia is determined to ensure that its rapid growth is sustainable and resilient. The Government places equal emphasis on responsible infrastructure development that balances economic growth with long-term environmental stewardship, including the sustainable use of energy and water resources.

Against this backdrop, MIDA will host Data Centre Nexus (DCN) 2026 on 14 September 2026 at the Hilton Kuala Lumpur. Building on its inaugural edition in 2025, this year's event broadens the focus from data centre investment alone to the wider AI-driven technology ecosystem. Held under the theme "**Advancing AI-Driven Digital Infrastructure & Sustainable Ecosystems**", DCN 2026 will convene industry and government to shape the next phase of Malaysia's digital infrastructure development.

Key Themes and Highlights at DCN 2026

The conference will bring together **more than 400 participants**, including policymakers, hyperscalers, cloud service providers, colocation operators, technology companies, Malaysian manufacturers and suppliers, financial institutions and ecosystem partners, to exchange insights, strengthen partnerships and explore new investment opportunities.

Discussions will be organised around four pillars:

- **AI-Driven Digital Infrastructure;**
- **Sustainable & Resource-Efficient Infrastructure;**
- **Local Ecosystem & Industrial Spillovers;** and
- **Digital Technology Accessibility & Adoption.**

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These pillars anchor a one-day programme that opens with a keynote address by **YB Datuk Seri Johari Abdul Ghani, Minister of Investment, Trade and Industry (MITI)**, followed by seven thematic sessions. The programme features panel discussions on Malaysia's compute and connectivity future, data centre supply chain development, and the country's connectivity and network ecosystem, including submarine cable infrastructure. It also includes fireside chats on cloud access, dedicated sessions on green infrastructure solutions and digital infrastructure financing, an Executive Spotlight Series, as well as investment engagement and networking sessions.

Empowering the Domestic Tech Ecosystem

Beyond global investments, DCN 2026 is dedicated to strengthening Malaysia's domestic tech ecosystem. Malaysia is encouraging greater participation of local manufacturers, engineering firms, technology providers and professional service providers throughout the sector's value chain. By building domestic capabilities, facilitating technology transfer and strengthening supply chain integration, Malaysia aims to maximise the economic spillover from these investments and open new business opportunities for Malaysian companies.

The event will also emphasise how greater access to AI, cloud computing and advanced digital technologies can speed adoption among local enterprises, mid-tier companies, SMEs, startups and R&D researchers.

Business Matching Session

A highlight of DCN 2026 will be the **Business Matching Session**, which connects technology companies directly with Malaysian suppliers. Through curated meetings, hyperscalers, cloud service providers, colocation operators and technology partners will meet Malaysian manufacturers, engineering firms and service providers to explore collaboration, strengthen local supply chains and unlock new business opportunities.

Event Details

Data Centre Nexus (DCN) 2026

Advancing AI-Driven Digital Infrastructure & Sustainable Ecosystems

14 September 2026 (Monday)
Hilton Kuala Lumpur

Registration link:
<https://form.evenesis.com/DCN2026>

Follow MIDA's official channels for the latest updates and join us at DCN 2026 to explore new investment opportunities, forge strategic partnerships and help shape a sustainable, AI-driven digital future for the region.



DCN 2026

DATA CENTRE NEXUS

Advancing *AI - Driven* Digital Infrastructure & Sustainable Ecosystem



14 September 2026 (Monday)



Hilton Kuala Lumpur

KEY FOCUS AREA



AI-Driven
Digital
Infrastructure



Sustainable &
Resource-Efficient
Infrastructure



Local Ecosystem &
Industrial
Spillovers



Digital Technology
Accessibility &
Adoption

Follow MIDA's official channels for the latest updates and join us at DCN 2026 to explore emerging investment opportunities, forge strategic partnerships and help shape a sustainable, AI-driven digital future for the region.

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SCAN ME



EMZI Health Science Sdn. Bhd.

Smart Automation, Halal Innovation, and the Making of a Global Functional F&B Manufacturer

The global health and wellness industry is evolving rapidly as consumers seek scientifically validated, halal-certified products manufactured to the highest standards of quality and consistency. This growing demand presents significant opportunities for manufacturers capable of delivering innovative, high-quality functional food and beverage (F&B) solutions. EMZI Health Science Sdn. Bhd. is one such company.

Established under the EMZI Group of Companies, the company produces health supplements and functional F&B products from its integrated facility at Kedah Halal Park, a strategic industrial development under the Kedah State Development Corporation (PKNK). The facility supports research, product development, manufacturing, quality assurance, and exports while contributing to local economic development through skilled employment opportunities.

From Crisis to Capability: The Birth of EMZI Health Science

Established in 2020 amid the disruptions of the COVID-19 pandemic, EMZI Health Science was born out of strategic necessity. While the EMZI Group had already built strong e-commerce capabilities under the EMZI Care brand, surging demand exposed the limitations of relying on OEM manufacturers for production.

The decision to establish an in-house manufacturing facility strengthened supply chain resilience, improved quality control, accelerated product development and enabled the company to respond more effectively to growing market demand. More importantly, it laid the foundation for EMZI's long-term ambition to become a globally competitive halal functional F&B manufacturer.

Today, EMZI Health Science operates under a comprehensive quality management framework encompassing Halal certification, Good Manufacturing Practice (GMP), Hazard Analysis and Critical Control Point (HACCP), and ISO 22000 standards, reinforcing its commitment to manufacturing excellence, product safety, and consumer confidence.

Smart Automation, Smarter Manufacturing

A major milestone in EMZI Health Science's growth came in 2022, when the company received support through the Smart Automation Grant (SAG) facilitated by MIDA. The grant enabled the company to invest in advanced smart automation technology, significantly enhancing its manufacturing capability and accelerating its transformation into a modern, technology-driven production facility.

With smart automation integrated into its production line, EMZI Health Science is capable of producing a finished unit in under three seconds—a benchmark that reflects not only manufacturing speed, but also the precision, consistency, and scalability required to serve both domestic and international markets.

The investment has improved production efficiency, manufacturing consistency, and operational scalability, while strengthening confidence among customers, business partners, and potential investors.

Research-Led Innovation: Science at the Core

Innovation remains central to EMZI Health Science's growth strategy. Through the EMZI Nano Core Laboratory, established in collaboration with Universiti Teknologi MARA (UiTM) Pulau Pinang Branch, Permatang Pauh Campus, the company conducts formulation, scientific evaluation, and pre-commercialisation research to ensure its products are scientifically substantiated.

EMZI Health Science also collaborates with Universiti Islam Antarabangsa Sultan Abdul Halim Mu'adzam Shah (UniSHAMS) in Kuala Ketil, Kedah to conduct clinical studies on selected products, strengthening scientific substantiation, product credibility, and consumer confidence.

Products Built for the Health-Conscious Global Consumer

Under the EMZI Care brand, the company manufactures a growing portfolio of functional F&B products developed to meet the evolving needs of health-conscious consumers. Supported by structured manufacturing processes, internationally recognised quality certifications, and scalable production capabilities, EMZI Health Science continues to strengthen its capacity to serve both domestic and export markets. Key offerings include:

- Kopi Ala Kazim
- Olive Tin
- Teh Tarik Mahmudi
- Muglova Instant Cupcake
- Other innovative wellness products

Going Global: The GCC Strategy and Abu Dhabi Foothold

EMZI Health Science's international expansion is driven by the growing global acceptance of Malaysian-made halal functional food and beverage products. Building on its strong manufacturing foundation, the company has expanded into the Gulf Cooperation Council (GCC) region, including Saudi Arabia, while establishing an operational office in Abu Dhabi, United Arab Emirates (UAE), as a strategic hub for regional business development, partnerships, and market expansion.





The company's international presence has been further strengthened through participation in globally recognised platforms such as **Gulfood 2026** and the **Makkah Halal Forum**, where EMZI introduced its products to international buyers, distributors, and strategic partners. These efforts have helped strengthen the growing reputation of Malaysian-made halal functional F&B products on the global stage.

While expanding internationally has presented challenges—including regulatory compliance, product registration, market entry requirements, and varying consumer preferences across different regions—these experiences have strengthened EMZI's capabilities and preparedness to compete globally.

A Model for Malaysia's High-Value Manufacturing Future

Reflecting on its growth journey, EMZI Health Science believes that successful global expansion

begins with strong manufacturing fundamentals, continuous innovation and strategic collaboration. Investments in automation, internationally recognised certifications, research and development, and partnerships with government agencies and academic institutions have enabled the company to compete beyond Malaysia's borders.

Today, EMZI Health Science's transformation from a pandemic-driven manufacturing initiative into an internationally expanding halal functional F&B manufacturer reflects Malaysia's broader shifts towards higher-value, technology-driven, and innovation-led manufacturing. Supported by strategic government initiatives, strong industry-academia collaboration, and a clear international growth strategy, the company continues to strengthen its position in the global marketplace while contributing to Malaysia's aspiration to become a recognised regional hub for high-value halal health and functional food manufacturing.



Seminar Pelaburan Wilayah Pantai Timur 2026

Memacu Pembangunan Pelaburan dan
Bumiputera di Koridor Pantai Timur

8 September 2026
AC Hotel, Kuantan, Pahang



Daftar Sekarang



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Malaysian Investment
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MALAYSIA > YOUR PROFIT CENTRE IN ASIA



Building an Integrated Industrial Ecosystem: The Central Region Advances into Its Next Phase of Growth

Global manufacturers no longer choose locations on cost or production capacity alone. As supply chains are reshaped by resilience, technological advancement and geopolitical shifts, investors are placing greater emphasis on the depth of an ecosystem—its supply chain capabilities, talent pipeline, innovation capacity and long-term growth potential. Malaysia's Central Region is responding by strengthening an integrated industrial ecosystem designed to support high-value manufacturing and long term investment growth.

Spanning Selangor, Negeri Sembilan, Melaka and the Federal Territories, the region brings complementary industrial strengths across four priority sectors—Electrical and Electronics (E&E), aerospace, pharmaceuticals and food manufacturing—alongside the engineering support and ecosystem industries that underpin them. By bringing together the complementary strengths of each state, the initiative presents the region as a connected production base where companies can access integrated supply chains, specialised capabilities and coordinated investment facilitation.

The Industrial Cluster Development Initiative, introduced at MIDA's Flagship Investment Seminar in November 2025, established a common platform for state governments, investment promotion agencies and industry stakeholders. It also marked the beginning of a longer-term effort to deepen industrial linkages and strengthen the region's competitiveness beyond individual investment projects.

The region's industrial strengths are already reflected in its strong investment performance. In 2025, it recorded **RM22.03 billion** in approved investments across the priority and ecosystem industries under MIDA's purview, spanning **831 projects**. Foreign investment accounted for **RM14.77 billion**, while domestic investment contributed **RM7.25 billion**. These projects are expected to generate **20,164 new employment opportunities**, including **16,131 positions** for Malaysians, with **8,065** are managerial, technical and supervisory roles.

From Investment Promotion to Ecosystem Development

While attracting investments remains important, the next phase focuses on strengthening the ecosystem that enables those investments to grow.

Major approvals in wafer fabrication, semiconductors, energy storage and aerospace maintenance serve as anchor investments around which broader industrial capabilities can be developed. Rather than representing the end of the investment journey, these projects provide opportunities to nurture local suppliers, strengthen industrial partnerships and integrate Malaysian companies more deeply into global value chains.

Efforts are underway to map capability gaps across supply chains, talent, infrastructure and innovation, drawing on established cluster models such as Brainport Industries Campus in

the Netherlands. The aim is to achieve wider local participation in higher-value segments and reduce dependence on imported capabilities over time.

Strengthening Semiconductor Capabilities Through the Arm Partnership

Malaysia's strategic collaboration with Arm supports the development of a more complete semiconductor ecosystem, and the country's transition towards higher-value activities. Under the national-level agreement signed with MIDA on 3 March 2025, the collaboration focuses on three areas: training 10,000 engineers, providing selected Malaysian companies with access to Arm's compute platforms and intellectual property portfolio and developing semiconductor products designed in Malaysia. Thirty-two technology-access allocations have been made available nationally, comprising 25 ARM Flexible Access (AFA) licences and seven Compute Subsystem (CSS) allocations, with five approvals involving local companies reported as of May 2026. Beyond expanding access to technology, the collaboration has the potential to shorten product-development timelines, reduce research and development risks and help Malaysian companies move from design capability to successful tape-outs, commercial products, intellectual-property ownership and participation in regional and global markets.

For the Central Region, this collaboration complements the region's established semiconductor capabilities. Negeri Sembilan

hosts front-end wafer fabrication facilities, Melaka has developed strong semiconductor manufacturing capabilities, Selangor continues to strengthen industrial electronics and systems integration, while Kuala Lumpur is expanding its role in regional headquarters, research and development, and global business services.

Together, these capabilities create an integrated semiconductor value chain—from intellectual property and chip design through to advanced manufacturing and commercialisation across the Central Region.

The benefits extend well beyond semiconductor design itself. Growth in IC design stimulates demand across precision engineering, tooling, specialised materials, testing and measurement, electronics services and advanced manufacturing support, and creates new opportunities for local companies to move into higher-value segments of the global semiconductor supply chain.

Talent development is equally central to this transformation. With its concentration of universities, technical institutions and specialised training centres, the Central Region is well positioned to develop a highly skilled engineering workforce. Through collaboration between MIDA, industry partners and higher learning institutions, national talent development initiatives can strengthen regional capabilities and give investors confidence in the long-term availability of skilled professionals.





Delivering the Next Phase

As the initiative progresses, greater emphasis is being placed on tangible outcomes that strengthen industrial competitiveness.

Planned programmes include supply chain development initiatives, structured business matching between multinational corporations and local companies, ecosystem-focused investment missions, participation in major industry platforms, alternative financing pathways for promising local enterprises, and the organisation of a Central Region Investment Summit to further promote collaboration across the industrial ecosystem.

These efforts are supported by a governance framework that brings together federal and state stakeholders through a Special Committee and dedicated working groups covering each priority industry and talent development. This collaborative model enables coordinated implementation while leveraging the respective strengths of participating states and agencies.

Strengthening the Region's Long-Term Investment Proposition

The Central Region's competitive advantage extends beyond its strategic location or industrial scale. Its greatest strength lies in the depth of its ecosystem—bringing together manufacturing capabilities, supply chain integration, skilled talent, research capacity and coordinated facilitation across the region.

As industries continue to move towards greater technological sophistication and supply chain resilience, this integrated approach positions the Central Region to support increasingly complex, innovation-driven investments while creating greater opportunities for Malaysian companies to participate in higher-value global production networks.

Companies interested in exploring investment opportunities across Selangor, Negeri Sembilan, Melaka and the Federal Territories, or learning more about the Central Region Industrial Cluster Development Initiative, are encouraged to contact MIDA's Domestic Investment Division at <https://www.mida.gov.my/staffdirectory/domestic-investment-division/> for further information.



MIDA BUSINESS CONDITIONS SURVEY (BCS) Q4 2025 / OUTLOOK Q1 2026

Now available - with timely insights on sales performance, employment trends, market engagement, operational capacity and Q1 2026 outlook for Malaysia's manufacturing sector at <https://e-statsdata.mida.gov.my>



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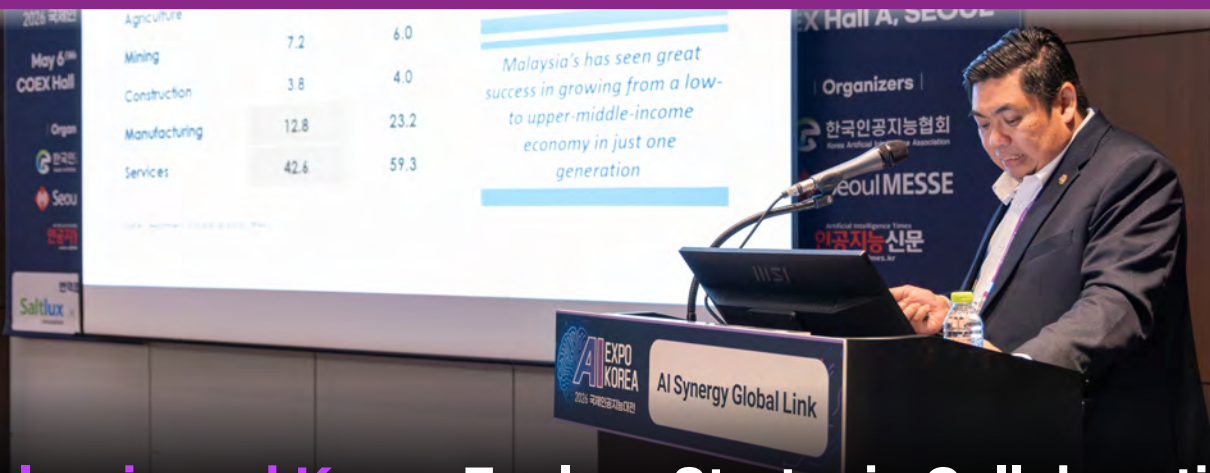
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Malaysia and Korea Explore Strategic Collaboration Opportunities in AI and Semiconductor Ecosystems

MIDA Seoul

MIDA Seoul participated in the “AI Synergy Global Link” seminar, held as part of AI EXPO KOREA 2026—one of the country’s leading artificial intelligence exhibitions and industry platforms. The event was co-organised by the Korea Artificial Intelligence Association, Seoul MESSE Co., Ltd., and the Artificial Intelligence Times.

Held from 6 to 8 May 2026 at COEX Seoul, AI EXPO KOREA 2026 brought together approximately 350 companies, 600 booths, and 50,000 visitors, providing a major platform for showcasing developments in artificial intelligence (AI), digital innovation, and next-generation technologies.

The “AI Synergy Global Link” seminar featured presentations by embassies, investment promotion agencies, and industry representatives on global AI trends, overseas market opportunities, investment ecosystems, and strategic initiatives supporting international expansion and cross-border collaboration.

Showcasing Malaysia’s AI Vision

During the seminar, Mr. Redzuan Abd Rahman, Director of MIDA Seoul, delivered a presentation titled “Embracing AI: Malaysia’s Path Forward”, highlighting Malaysia’s growing role in the regional AI and semiconductor landscape.

The presentation outlined Malaysia’s strategic initiatives under the New Industrial Master Plan (NIMP) 2030 and the National Semiconductor

Strategy (NSS), which aim to strengthen the country’s semiconductor ecosystem, digital capabilities, talent development, and AI-driven industrial transformation. Mr. Redzuan also shared insights on the Government support, measures and incentives available to Korean companies, while highlighting opportunities for collaboration in AI-driven manufacturing, semiconductor supply chains, advanced technologies, and digital innovation.

Malaysia and Korea already enjoy a longstanding investment partnership. As of 2025, Korea has implemented investments totalling RM49.5 billion across more than 400 projects in Malaysia, creating nearly 50,000 jobs. These investments span strategic sectors including chemicals and chemical products; basic metal products; transport equipment; electrical and electronics products; and petroleum products, underscoring Korean companies’ continued confidence in Malaysia’s investment ecosystem.

Building on Malaysia’s AI and Semiconductor Strengths

As part of its broader industrial transformation agenda, Malaysia is steadily advancing its ambition to become a regional hub for AI, advanced manufacturing, and next-generation technologies. Under NIMP 2030, the Government places strong emphasis on digitalisation, industrial upgrading, and technology-driven economic growth, with key focus areas including AI, advanced automation, cloud computing, robotics, and additive manufacturing.

Malaysia's growing focus on the digital and AI ecosystem is supported by strong national policy direction and ecosystem development. Ranked 38th globally in the Oxford Insights Government AI Readiness Index 2025, Malaysia's strategy to become a leading AI powerhouse by 2030 is anchored in Malaysia Digital 2030 (MD2030) and supported by the AI Technology Action Plan 2026–2030. These frameworks outline key initiatives to accelerate AI adoption, strengthen digital governance, and enhance innovation across industries.

Complementing this ambition is Malaysia's long-established semiconductor ecosystem, particularly in semiconductor assembly, testing, and advanced packaging activities, built on decades of manufacturing expertise, an extensive industrial supply chain network, and a conducive business environment. These established capabilities provide a foundation for Malaysia's broader AI and digital ambitions, especially as global demand for semiconductors and advanced computing infrastructure continues to grow alongside accelerating AI adoption worldwide.

Strengthening Malaysia - Korea Collaboration

Against this backdrop, Malaysia and Korea are well-positioned to deepen collaboration across the evolving AI and semiconductor landscape.

Both countries possess complementary strengths that create opportunities for mutually beneficial partnerships across the value chain.

Korean companies are globally recognised for their advanced semiconductor manufacturing capabilities, technological leadership, and innovation-driven industries. Meanwhile, Malaysia offers a strategic gateway into Southeast Asia, a competitive manufacturing environment, a robust industrial ecosystem, and expanding digital infrastructure. Together, these complementary strengths create opportunities for collaboration in AI-driven manufacturing, semiconductor supply chain development, advanced materials, IC design, advanced packaging technologies, cloud and data centre ecosystems, talent development, and broader digital innovation initiatives.

As industries worldwide continue to accelerate AI adoption and digital transformation, Malaysia remains committed to being a reliable strategic partner for Korean companies seeking regional expansion opportunities in Southeast Asia.

Through continued engagement with Korean industry stakeholders, MIDA Seoul will continue to facilitate strategic collaborations that strengthen innovation, supply chain resilience, and sustainable growth across the regional technology ecosystem.



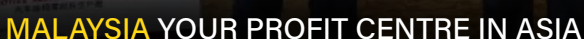


A highly skilled workforce remains a key enabler of Malaysia's transition towards electric vehicles (EVs) and smart manufacturing. Feytech Holdings Berhad signed a Memorandum of Understanding (MoU) with the Consortium Automotive of Malaysian Universities (CAuto), witnessed by MIDA, to strengthen industry-academia collaboration and prepare engineering graduates for the future of mobility.

hands-on exposure to electric vehicle (EV) manufacturing, smart production technologies and real-world industry challenges, while creating opportunities for internships, final-year projects and potential employment within Feytech's ecosystem. The initiative also supports closer alignment between academic programmes and industry needs as the automotive sector continues to evolve.

Led by **Universiti Malaysia Pahang Al-Sultan Abdullah (UMPASA)**, CAuto brings together five leading public technical universities to establish structured pathways for industrial training, work-based learning and graduate employment under the **Ministry of Higher Education's Research and Industry-Infused Incubator (MRI3) framework**. The collaboration will provide students with

The collaboration highlights the importance of stronger industry-academia partnerships in developing future-ready talent, supporting automotive innovation and enhancing Malaysia's competitiveness in next-generation manufacturing.





MIDA-GreatASIC Programme Strengthens Malaysia's Semiconductor Value Chain

Developing strong local technology companies and fostering strategic industry partnerships are central to the aspirations of the New Industrial Master Plan 2030 (NIMP 2030) and the National Semiconductor Strategy (NSS) to move Malaysia further up the global semiconductor value chain. Reflecting this commitment, MIDA hosted the **MIDA-GreatASIC Value Chain Programme**, bringing together government, industry and ecosystem partners to strengthen collaboration across the semiconductor ecosystem.

A key highlight of the programme was the strategic collaboration between homegrown integrated circuit (IC) design company **GreatASIC Technology Sdn. Bhd.** and **Xenith Technology Malaysia Sdn. Bhd.**, aimed at advancing semiconductor design capabilities, fostering knowledge transfer and supporting the development of next-generation technologies, including Advanced Driver Assistance Systems (ADAS).

The programme also featured a **#BorakBersamaCEOMIDA** fireside chat with 20 newly recruited Malaysian engineers from GreatASIC, highlighting the importance of nurturing local engineering talent and equipping the future workforce with exposure to advanced semiconductor design and global industry trends.

The initiative reflects MIDA's continued commitment to facilitating high-value partnerships that strengthen local supply chains, accelerate technology transfer and expand opportunities for Malaysian companies in high-growth sectors. By connecting Malaysian technology companies with global industry players, MIDA supports the development of local capabilities while reinforcing Malaysia's position as a leading semiconductor hub in the region.





MIDA and Perodua Advance ESG Readiness for Malaysia's Automotive Supply Chain

As sustainability becomes an increasingly important requirement in global supply chains, strengthening the ESG capabilities of local suppliers is essential to sustaining Malaysia's long-term industrial competitiveness. In support of this objective, MIDA and Perodua jointly organised an **ESG Awareness Session** to help local automotive component vendors accelerate their ESG adoption and prepare for evolving international market expectations.

Held at Perodua Headquarters in Rawang, Selangor, the programme brought together approximately 50 Perodua vendors to gain practical insights into ESG implementation, sustainability reporting and available government support. The session builds on the successful **MIDA-Perodua Digital Transformation Ecosystem (DTE) Programme**, expanding the collaboration beyond digitalisation to include sustainable business practices.

Participants benefited from industry sharing sessions on the business value of ESG adoption, practical approaches to integrating ESG into operations, and the use of the B Impact Assessment (BIA) framework to measure and improve sustainability performance. MIDA also highlighted the Domestic Investment Accelerator Fund (DIAF) – ESG Adoption, which provides financial assistance to support Malaysian companies in strengthening their ESG capabilities.

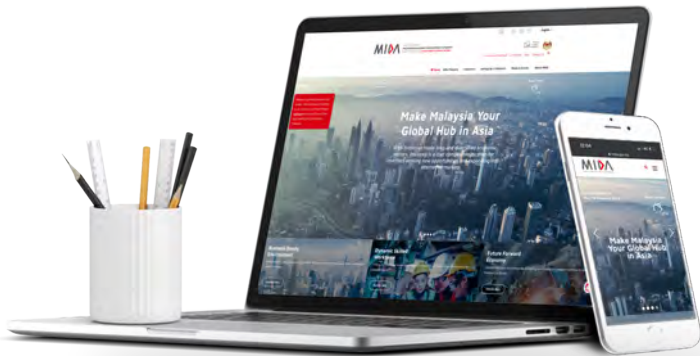
The initiative reflects MIDA's continued commitment to empowering local suppliers through strategic partnerships and targeted facilitation programmes, enabling Malaysian companies to build more resilient, sustainable and future-ready manufacturing capabilities in line with the National Investment Aspirations (NIA) and the #InvestLokal initiative.



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With more than 70,000 average visits per month, our website provides useful and relevant information, serving as a reference for potential investors in doing business in Malaysia.

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With more than 40,000 registered subscribers and growing, our monthly English e-Newsletter contains the latest industry and services updates, as well as activities held throughout the month.



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Our digital signages are situated within our HQ building. Located in the heart of Kuala Lumpur, MIDA's headquarters sees hundreds of visitors through its lobby every day.

Location

1. MIDA Lobby, Ground Floor
2. Business Information Centre (BIC), Level 2
3. Perdana Hall, Level 10
4. Corporate Reception Floor, Level 18



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Branded Content to be published in Invest Malaysia e-Newsletter, and amplified on MIDA digital platforms:

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- » Advertisement on MIDA digital signages (4 weeks)

Visibility:

- » An exclusive landing page in MIDA Website for the advertorial
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- » Advertisement on MIDA digital signages (8 weeks)

Traffic drivers to the articles:

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About MIDA

MIDA is the Government's principal investment promotion and development agency under the Ministry of Investment, Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Starting operations in 1967 with a relatively small set up of 37 staff, MIDA has grown to become a strong and dynamic organisation of over 700 employees. Headquartered in Kuala Lumpur Sentral, MIDA today has 12 regional and 21 overseas offices. MIDA continues to be the strategic partner to businesses in seizing the opportunities arising from the technology revolution of this era. For more information, please visit www.mida.gov.my and follow us on X, Instagram and Facebook, LinkedIn, TikTok and YouTube channel.

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Malaysian Investment Development Authority

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