

INVESTMENT POLICIES



Ownership

- Manufacturing & selected services sectors can be wholly foreign-owned



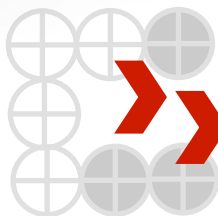
Capital

- Freedom to Repatriate Capital, Interest, Dividends and Profits – No Restrictions



Expatriate Post

- Liberal policy, based on merit of each case



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INVESTMENT POLICIES

Pioneer Status

Income tax exemption ranging from 70% or 100% for a period of 5 or 10 years

Investment Tax Allowance

60% or 100% on qualifying capital expenditure for 5 years

Incentives

Reinvestment Allowance

60% on qualifying capital expenditure for 15 consecutive years

Import Duty & Sales Tax Exemption

For raw materials/components and Machinery and Equipment



ECONOMIC DEVELOPMENT CORRIDORS IN MALAYSIA

CORRIDOR OF DEVELOPMENT IN MALAYSIA

N CER : NORTHERN CORRIDOR ECONOMIC REGION

Focus on:

- Modern Agriculture
- Manufacturing & Design
- Tourism
- Logistics
- Education & Health

SDC : SABAH DEVELOPMENT CORRIDOR

Focus on:

- Agro-based Industry
- Tourism
- Logistics
- Manufacturing

ECER : EAST COAST ECONOMIC REGION

Focus on:

- Tourism
- Oil & Gas
- Manufacturing
- Agriculture
- Education

IRDA : ISKANDAR MALAYSIA

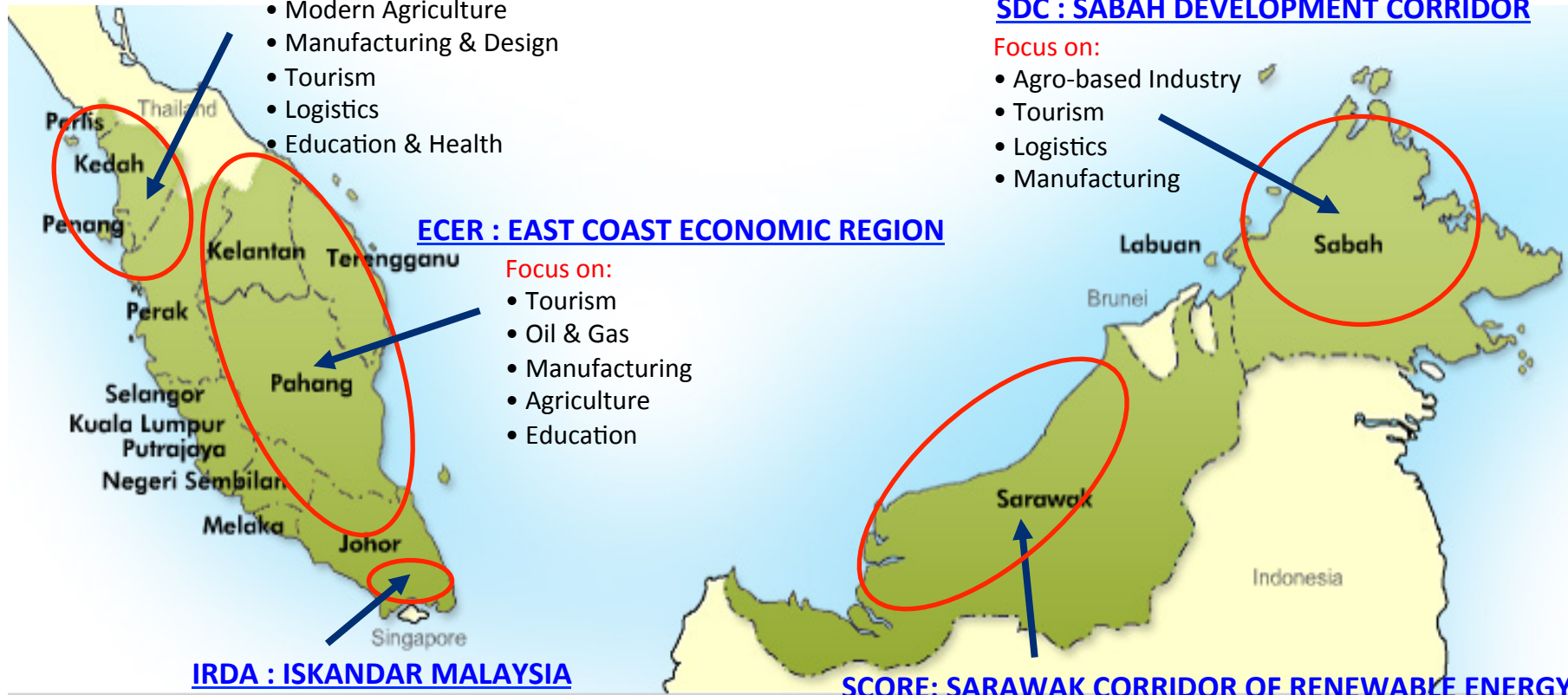
To be a hub for the services sector:

- Creative Industry
- Financial Services
- Education
- Tourism and Logistics Industries
- Healthcare
- Electrical & Electronics Services

SCORE: SARAWAK CORRIDOR OF RENEWABLE ENERGY

Focus on:

- Resource Based Industry
- Energy
- Tourism



POSITIONING MALAYSIA: GATEWAY TO ASEAN AND ASIAN ECONOMIES

- Foreign companies based in Malaysia can enjoy preferential market access via Free Trade Agreements concluded by Malaysia:

ASEAN



- ✓ Potential market of 600 million
- ✓ Combined GDP of USD1.8 trillion, as of 2010
- ✓ Already zero tariffs for 99% of products
- ✓ ASEAN Economic Community and Single market by 2015

REGIONAL / BILATERAL FTAS



China



Japan



Korea



India



Australia



New Zealand



Chile

- ✓ Potential market of 2.7 billion
- ✓ Tariff reduction and elimination mostly by 2016

ON-GOING FTA NEGOTIATIONS



TPP

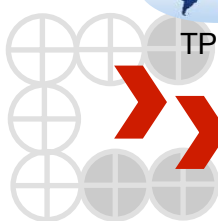


EU



Turkey

- ✓ Potential market of 1.08 billion



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MALAYSIA'S RANKING



*World Bank
Doing Business 2014 Report*

Malaysia ranked 6th most business-friendly country

Malaysia is ranked ahead of other highly regarded economies such as Sweden (14th), Taiwan (16th), Germany (21st), Japan (27th) and Switzerland (29th)

Malaysia is 1st in terms of ease of getting credit

Malaysia is 4th in the world for protecting investors

Malaysia ranked among the top 10 economic reformers in the APEC region



MALAYSIA'S RANKING IN THE WORLD

*World Economic Forum
Global Competitiveness Report 2012-2013*

Malaysia was ranked at 25th position among 144 countries surveyed

Malaysia is in the top 20 per cent of the most competitive countries globally

Malaysia has been upgraded to the transition towards innovation-driven stage from efficiency-driven

Malaysia maintained its 2nd position in ASEAN after Singapore and 8th in Asia Pacific ahead of other ASEAN, China and India



MIDA as a One Stop Agency :

- a) **Advisory & consultancy**
- b) **Approval of projects**
- c) **After- care services**

Under the National Committee on Investment (NCI)

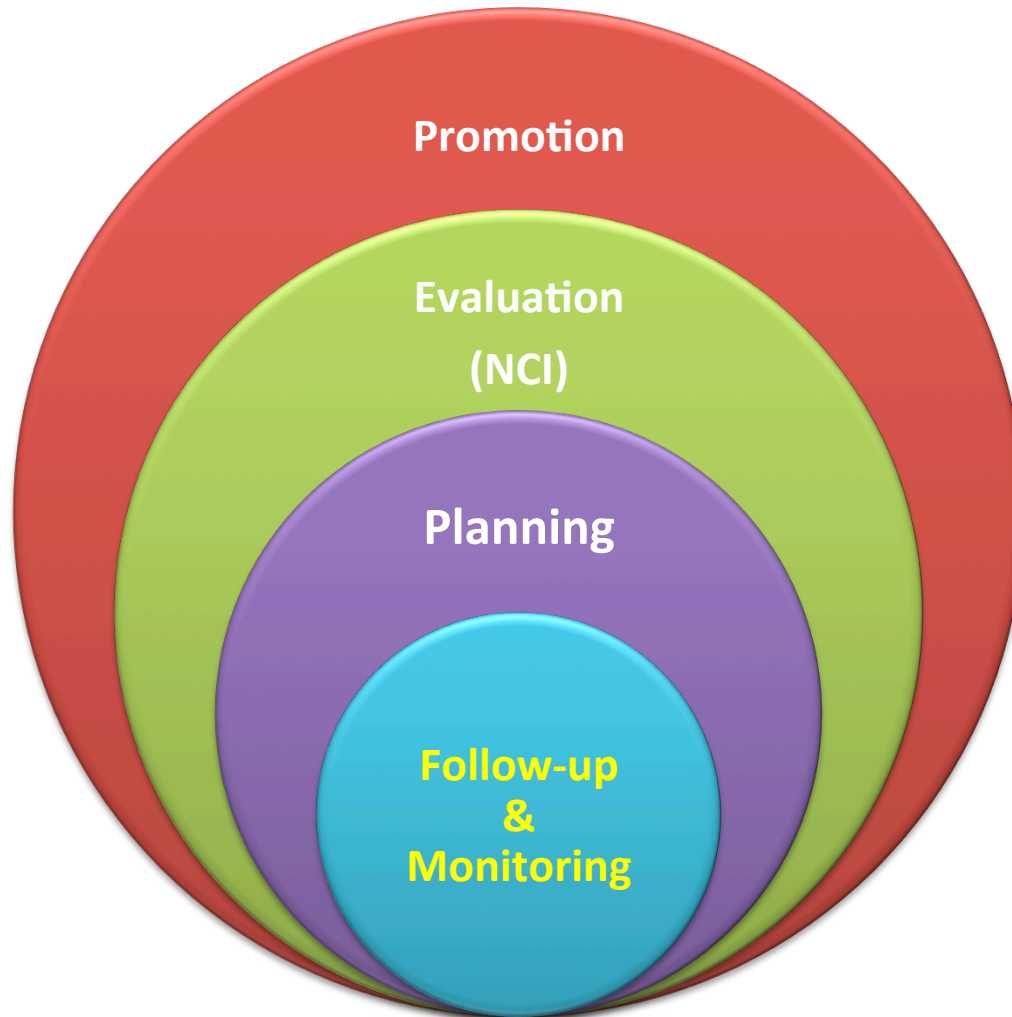
Evaluation of applications for:

- **Manufacturing licence**
 - **Tax incentives**
- **Import duty exemptions on raw materials, components and machinery**
 - **Expatriate posts/work permits**
 - **Regional establishments such as Operational Headquarters, International Procurement Centres, etc**

MITI'S AGENCIES



FUNCTIONS OF MIDA



- National Task Force on Investment
- Foreign Direct Investment
- Domestic Investment
- Business matching through E-Connect
- Manufacturing and Services

- Manufacturing licenses
- Tax incentives
- Expatriate posts
- Duty exemption
- OHQ, RDC, IPC and R&D status

- Planning for industrial development
- Recommend policies and strategies on industrial promotion and development
- Formulation of strategies, programmes and initiatives for international economic cooperation

- Assist companies in the implementation and operation of their projects
- Facilitate exchange & co-ordination among institutions engaged in or connected with industrial development
- Advisory Services

MIDA 'ONES STOP CENTRE'

Based outside of MIDA

- Department of Occupational Safety and Health
- Ministry of Finance
- Ministry of Health
- Ministry of Tourism
- Ministry of Human Resource
- Ministry of Higher Education
- Multimedia Development Corp. (MDeC)
- Construction Industry Development Board of Malaysia (CIDB)

Based In MIDA

- Immigration Department
- Royal Malaysian Customs
- Department of Environment
- Tenaga Nasional Berhad (Electricity)
- Telekom Malaysia Berhad (Telecom)
- Labour Department

MIDA WORLDWIDE NETWORK



24 Overseas Centre



WHY MALAYSIA



**Political and
Economic
Stability**



**Pro-business
Government**



**Liberal
Investment
Policies**



**Well Developed
Infrastructure**



**Trainable and
Educated
Human Resource**



**Sound Banking
System**



Quality of Life



Track Record



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Thank you