PORTUGAL
6TH MARCH 2012

Presentation by :
His Excellency Tan Sri Abdul Aziz Zainal,
Ambassador of Malaysia to France

APRESENTAÇÃO PARCIAL

MALAYSIA GLOBAL HISTORICAL & COMMERCIAL LINK

- CHINA
- INDIA
- **PORTUGAL**
- THE NETHERLANDS
- GREAT BRITAIN
- MIDDLE EASTERN
- NORTH AFRICAN COUNTRIES

GATEWAY TO ASEAN (THE 10 COUNTRIES GEO ECONOMIC ALLIANCE)

MALAYSIA - ASEAN

GATEWAY TO ASEAN AND ASIAN ECONOMIES

- **Strategic location: Malaysia is a gateway to other markets with preferential access through Free Trade Agreements (FTAs)**

ASEAN

- ✓ Potential market of 600 million people
- ✓ Combined GDP of Euro 1.35 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 people
- ✓ Tariff reduction and elimination mostly by 2016

ON-GOING FTA NEGOTIATIONS

TPP, EU, Turkey

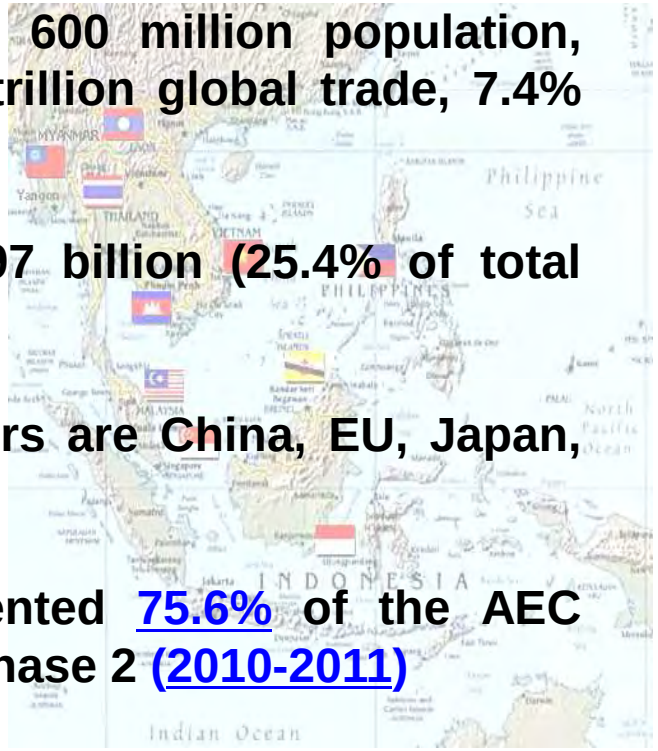
- ✓ Potential market of 1.08 billion people

TOWARDS ASEAN ECONOMIC COMMUNITY
- AN INTEGRATED MARKET -
BUSINESS OPPORTUNITIES

- **The ASEAN region is now being viewed as a single market production base – attractive investment destination – 600 million population, Euro1.35 trillion combined GDP, Euro 1.58 trillion global trade, 7.4% GDP growth (2010)**

  - **2010: Intra-ASEAN trade was Euro 389.97 billion (25.4% of total global ASEAN trade)**

  - **Outside of ASEAN, its top trading partners are China, EU, Japan, Korea and the US**



- **Overall, ASEAN has collectively implemented 75.6% of the AEC measures under Phase 1 (2008-2009) and Phase 2 (2010-2011)**

- **Many initiatives covering trade, services, investment, agriculture, transport, competition policies and SME development have been implemented**

ASEAN ECONOMIC COMMUNITY KEY PRIORITIES

- Enhancing physical & non-physical connectivity – Aviation, maritime & land transport
- Integration of the services sector
- Enhancing trade facilitation – operationalization of the ASEAN Single Window
- Elimination of non-tariff barriers
- Promoting inclusive and sustainable growth – SME development
- Enhancing regional economic partnership with dialogue partners – ASEAN+FTAs
- AEC initiatives are on track and member states are committed towards achieving AEC in 2015

MALAYSIAN ECONOMY

KEY ECONOMIC DATA

	2010	
	MALAYSIA	PORTUGAL
Capital	Kuala Lumpur	Lisboa
Land Area	330,803 sq km	92,090 sq km
Population	28.3 mil	10.5 mil
GDP	Euro 136.2 bil	Euro 172.2 bil
GDP Growth	7.2%	1.3 %
GDP Per Capita	Euro 6,116	Euro 17,479
Inflation	1.7%	1.4%
Total Trade	Euro 272.6 bil	Euro 90.1 bil

- MALAYSIA -
GDP BY INDUSTRIAL ORIGIN

Sector	GDP Contribution (%)	
	1970	2010
Agriculture	33.6	7.3
Mining	7.2	7.2
Construction	3.8	3.3
Manufacturing	12.8	27.7
Services	42.6	57.4

Source : Economic Reports/Bank Negara Annual Report, Malaysia 10/11

BILATERAL TRADE (Jan – Nov 2011)

Major Exports To Portugal	Euro Million	% Share
Crude Rubber	66.92	60.7
Electrical & Electronic Products	13.16	11.9
Textiles & Clothing	6.87	6.2
Rubber Products	4.80	4.4
Total	91.75	

Major Imports From Portugal	Euro Million	% Share
Rubber Products	2.47	19.3
Electrical & Electronic Products	2.18	17.1
Machinery, Appliances & Parts	1.92	15
Paper & Pulp Products	1.22	9.6
Total	7.79	

Portuguese Exports to ASEAN Countries in 2011

Country	Euro Million	% Growth
Singapore	84.2	61
Thailand	20.3	26
Malaysia	12.8	22
Vietnam	12.0	12
Indonesia	11.3	14
Philippines	5.9	75

Portuguese Products Exported to ASEAN Countries in 2011

Product	Euro Million
Electrical machinery & equipment	55.6
Aircraft parts & components	18.9
Machinery, mechanical appliances	11.3
Rubber-pneumatic tyres, articles of unhardened vulcanised rubber	3.3
Articles of plastic, polymer, sheet, film	2.3

REALISED INVESTMENT IN MANUFACTURING SECTOR BY MAJOR COUNTRIES AS AT JUNE 2011

No.	Country	Investment (Euro billion)
1.	Japan	14.3
2.	USA	11.3
3.	Singapore	5.3
4.	Germany	3.9
5.	Taiwan	3.8
6.	Netherlands	3.2
7.	Korea Rep.	2.0
8.	United Kingdom	1.3
9.	Spain	0.9
10.	India	0.8

REALISED INVESTMENT BY EUROPEAN COUNTRIES AS AT JUNE 2011

No.	Country	Investment (Euro Million)
1.	Germany	3,920.7
2.	Netherlands	3,229.7
3.	United Kingdom	1,273.7
4.	Spain	913.7
5.	Switzerland	770.2
6.	France	419.8
7.	Sweden	331.3
8.	Denmark	262.2
9.	Finland	248.3
10.	Norway	146.8

VISION 2020

Preservation And Enhancement Of Unity In Diversity

Effective Delivery Of Government Services

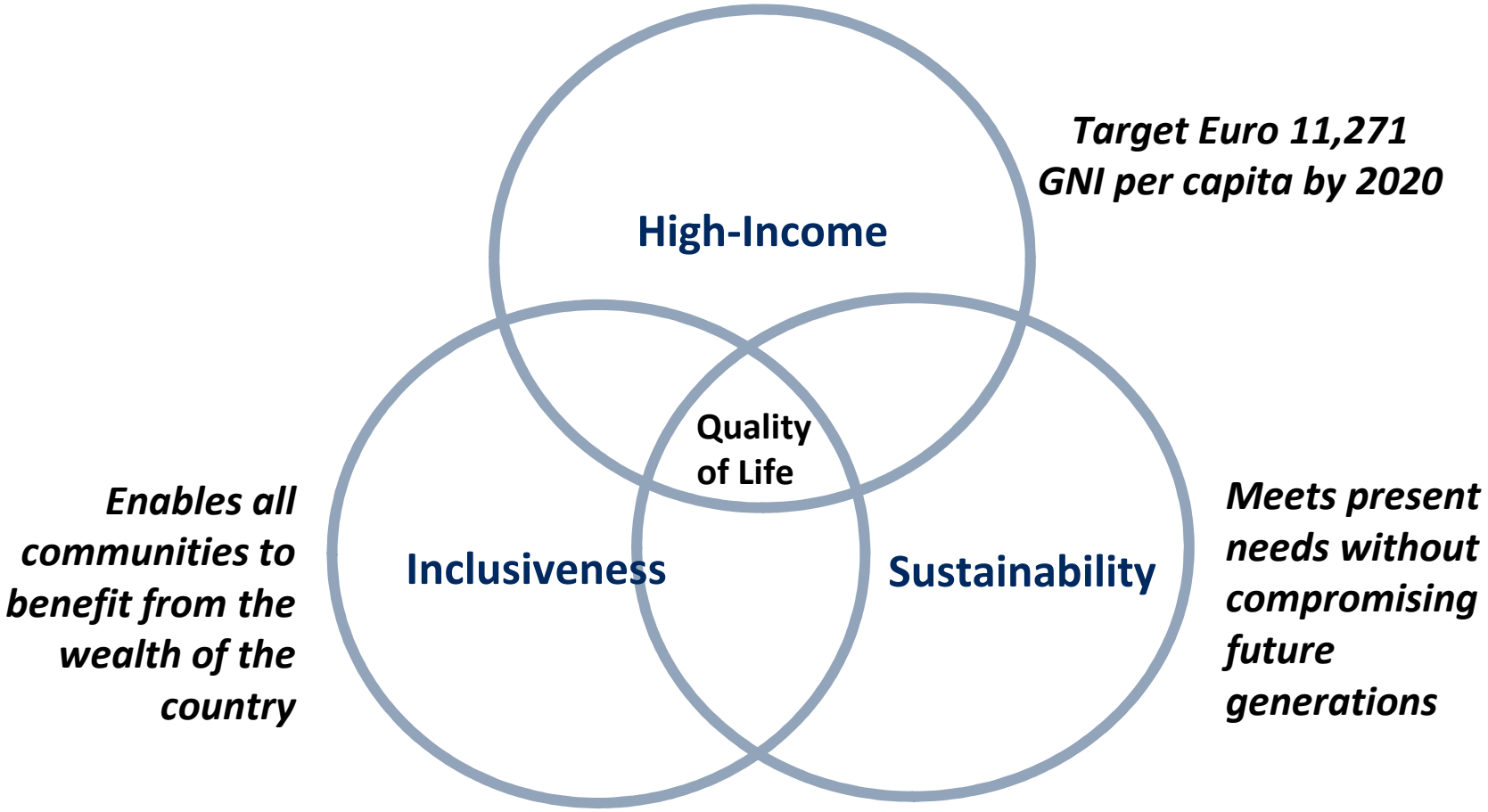
New Economic Model – A high income, inclusive and sustainable nation

Smooth Implementation Of Government's Development Programme

1 Malaysia	Government Transformation Programme (GTP)	Economic Transformation Programme (ETP)	10th Malaysia Plan
People First, Performance Now	*6 National Key Result Areas (NKRAs)*	*6 Strategic Reform Initiatives (SRIs)*	*Macroeconomic Growth Targets & Expenditure Allocation*
April 2009	**January 2010**	**March 2010**	**June 2010**

NEW ECONOMIC MODEL:

Making Us A Rich Country, For Everyone & For A Long Time



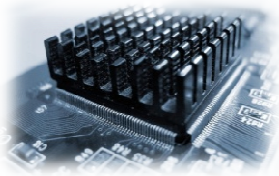
ESTABLISHMENT OF 12 NATIONAL KEY ECONOMIC AREAS (NKEAs)

ECONOMIC TRANSFORMATION PROGRAMME

INVESTMENT OPPORTUNITIES IN THE MANUFACTURING SECTOR

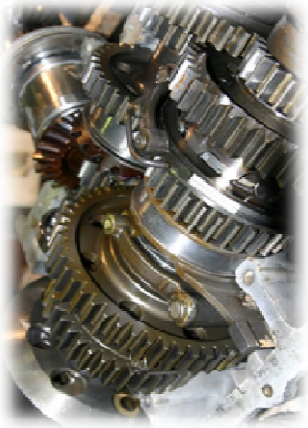
High technology, capital intensive & knowledge driven industries:

- Green Technology
- ICT
- Advanced materials
- Advanced electronics
- Optics and photonics
- Petrochemicals
- Pharmaceuticals
- Medical devices
- Automotive



Industries manufacturing intermediate goods:

- Machinery & equipment
- Components & parts
- Moulds and dies



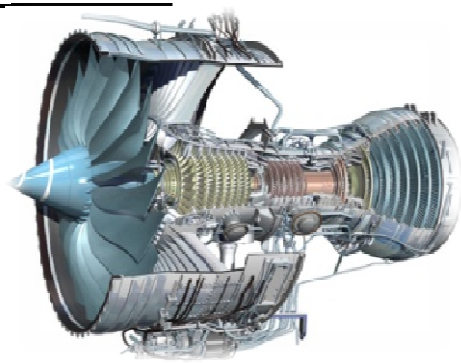
Resource Based Industries:

- Food
- Value-added products from natural resources

INVESTMENT OPPORTUNITIES IN THE NON-NATIONAL KEY ECONOMIC AREAS

Aerospace Industry :

- Maintenance, Repair and Overhaul (MRO)



Petrochemical Industry :

- Alpha-olefins & fatty alcohols, propylene oxide & caprolactam
- Renewable & biodegradable materials

Machinery & Equipment:

- Automated equipment for semiconductor, solar, medical & automotive industries
- Process machinery for food & beverages and oil & gas
- Packaging machinery

INVESTMENT OPPORTUNITIES IN THE SERVICES SECTOR
FIRST PHASE OF LIBERALISATION
(22 APRIL 2009)

27 services sub-sectors

- Computer and Related Services
- Business Services
- Health and Social Services
- Sporting and Other Recreational Services
- Tourism Services
- Supporting and Auxiliary Transport Services
- Rental/Leasing Services Without Operators
- Transport Services

LIBERALISATION OF SERVICES SECTOR

17 more services subsector to be liberalised in phases in 2012

(to allow up to 100% foreign equity)

1. Telecommunication services (Network Service Provider and Network Facilities Provider licences)* - *70%*
2. Telecommunication services (Application Services Providers licence)
3. Courier services
4. Private hospital services
5. Medical specialists services
6. Dental specialists services
7. Private higher education institution with university status

LIBERALISATION OF SERVICES SECTOR

8. International schools
9. Technical and vocational secondary education services
10. Technical and vocational secondary education services (for students with special needs)
11. Skills training centre
12. Accounting and taxation
13. Architectural services
14. Engineering services
15. Legal services* - 40%
16. Departmental stores and specialty stores
17. Incineration services

** Subsectors which do not allow full foreign ownership*

MAJOR INCENTIVES PROVIDED

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

MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

The principal Malaysian Government agency responsible for the promotion and coordination of industrial development in the country

First point of contact for investors who intend to set up projects in the manufacturing and services sectors in Malaysia

2011 : Rebrand as Malaysian Investment Development Authority

27 March 2004 : Government Mandated MIDA to Promote Investments in the Services Sector

Established in 1967 under Act of Parliament, 1965

MIDA'S STATE OFFICES

MULTIMEDIA SUPER CORRIDOR (MSC)

- MSC is an initiative to provide enabling environment to facilitate companies in ICT and multimedia technologies.
- 2,520 companies awarded MSC Status
- More than 52 MSC Status companies listed in MESDAQ
- Nearly 100,000 knowledge workers have been generated

MULTIMEDIA SUPER CORRIDOR (MSC)

MALAYSIAN GOVERNMENT'S BILL OF GUARANTEES
Provide a world-class physical and information structure
Allow unrestricted employment of local and foreign knowledge workers
Ensure freedom of ownership by exempting companies with MSC Malaysia Status from local ownership requirements
Give the freedom to source capital globally for MSC Malaysia infrastructure, and the right to borrow funds globally
Provide competitive financial incentives, including no income tax for up to 10 years or an investment tax allowance, and no duties on import of multimedia equipment

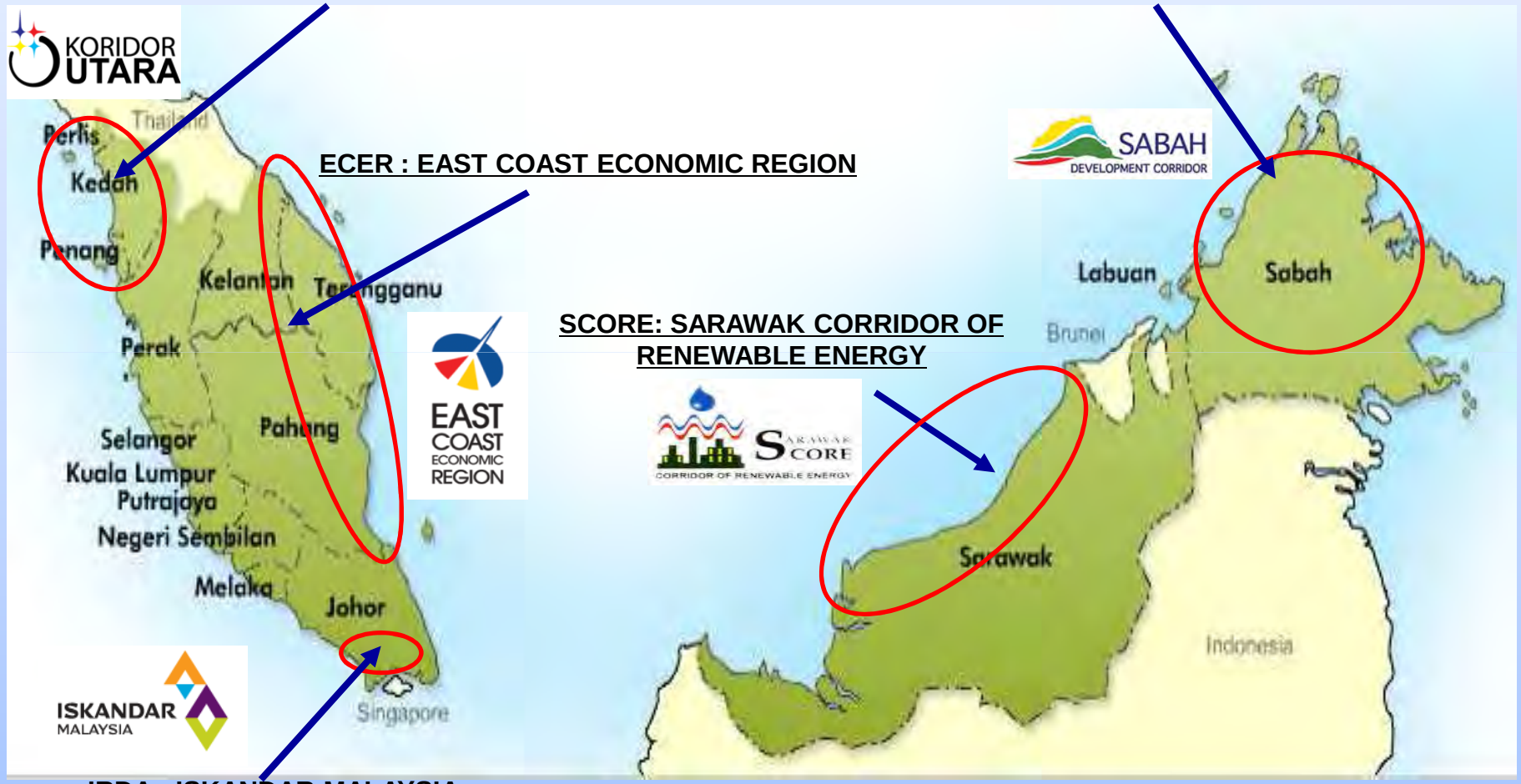
REGIONAL ECONOMIC CORRIDORS IN MALAYSIA

NCER : NORTHERN CORRIDOR ECONOMIC REGION

SDC : SABAH DEVELOPMENT CORRIDOR

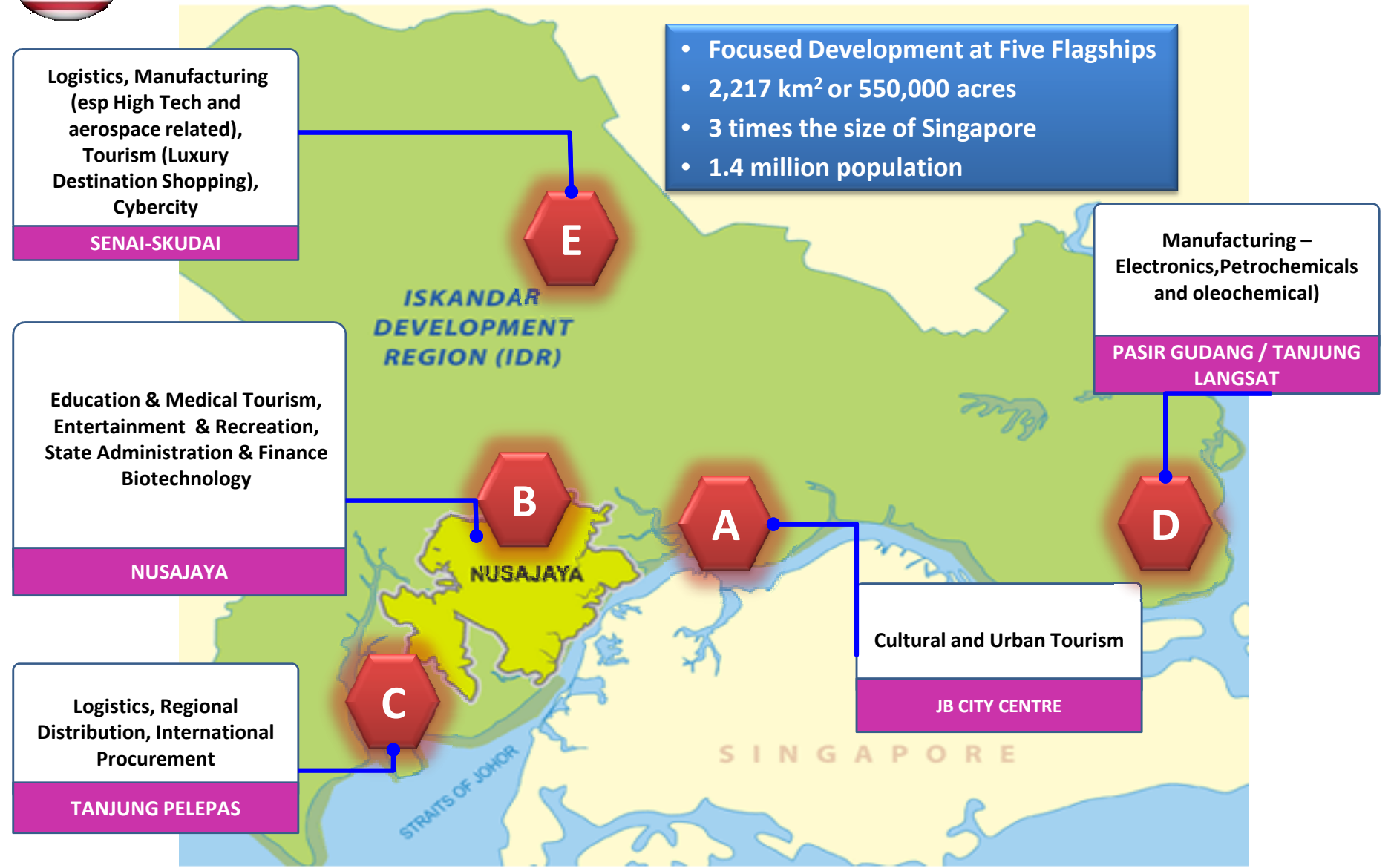
ECER : EAST COAST ECONOMIC REGION

SCORE: SARAWAK CORRIDOR OF RENEWABLE ENERGY



IRDA : ISKANDAR MALAYSIA

ISKANDAR MALAYSIA



ISKANDAR MALAYSIA

- **Focus on the services sector as the key economic driver. Promoted activities are :**

ISKANDAR MALAYSIA

- **Tourism related services**
- **Education services**
- **Healthcare**
- **Logistics**
- **Creative industries**
- **Financial advisory and consulting services**

NORTHERN CORRIDOR ECONOMIC REGION (NCER)

KORIDOR UTARA

Area of Coverage : 17,816 sq km

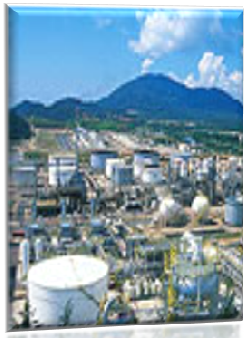
- **Investment Opportunities :-**
  - **Agriculture,**
  - **Manufacturing**
  - **Tourism & Healthcare**
  - **Education & Human capital**
  - **Social Development**

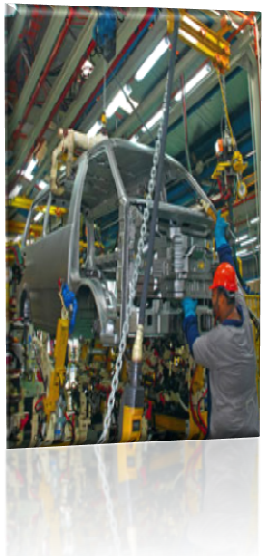
EAST COAST ECONOMIC REGION (NCER)

EAST COAST ECONOMIC REGION

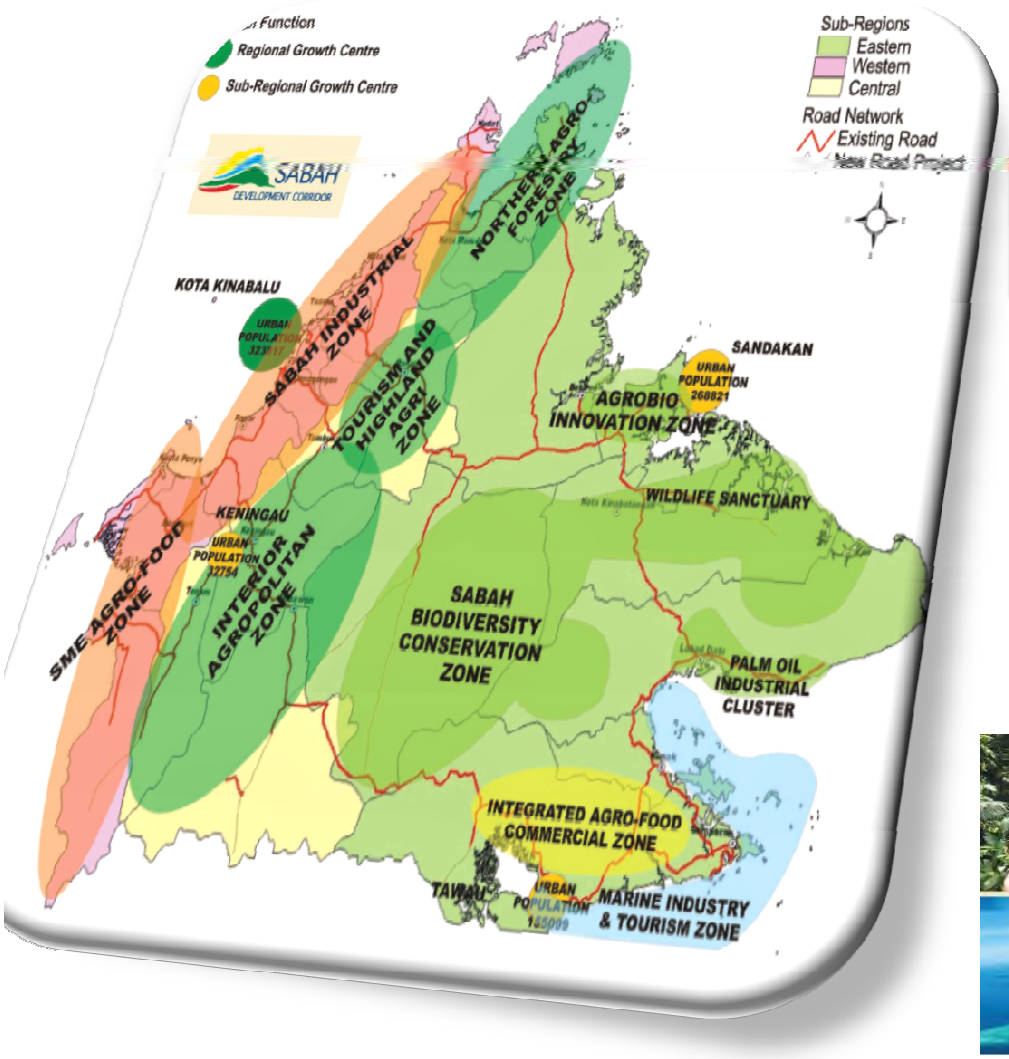
Area of Coverage : 66,736 sq km

- **Investment Opportunities :-**
  - **Tourism**
  - **Oil, Gas & Petrochemical**
  - **Manufacturing**
  - **Agriculture**
  - **Education**





SABAH DEVELOPMENT CORRIDOR (SDC)



SABAH
DEVELOPMENT CORRIDOR
Harnessing Unity in Diversity for Wealth Creation and Social Well Being

Area of Coverage : 73,997 sq km

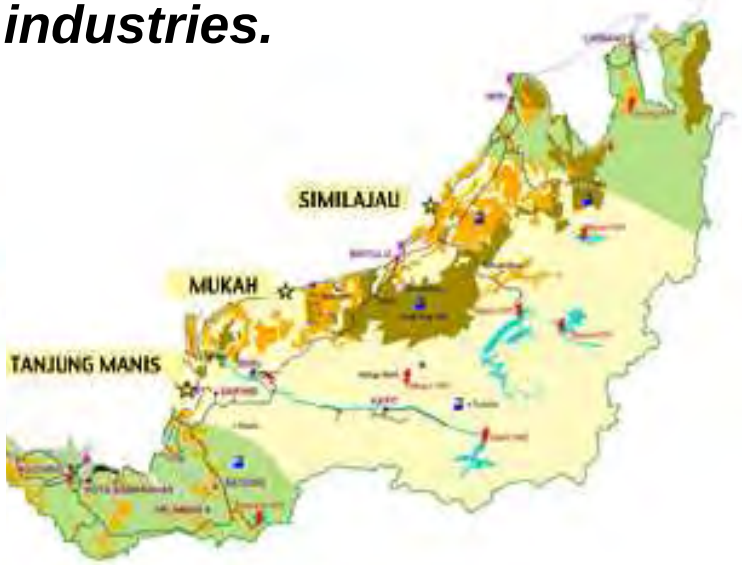
- **Investment Opportunities**
  - **Tourism**
  - **Logistics**
  - **Agriculture**
  - **Manufacturing**

SARAWAK CORRIDOR OF RENEWABLE ENERGY (SCORE)

SCORE
SARAWAK CORRIDOR OF RENEWABLE ENERGY

Area of coverage : 70,709 sq km

- ***The core of the Corridor is its energy resources (28,000 MW), particularly hydropower (20,000 MW), coal (5,000 MW), and others (3,000 MW). This will allow Sarawak to price its energy competitively and encourage investments in power generation and energy-intensive industries.***



MANPOWER

Labour	
History	Malaysia is not accustomed to major/significant labour problems
Law	Employer friendly

Public and Private Universities and Colleges	
Public Universities	20
Private Universities & University Colleges	30
Foreign Universities (Branch Campuses)	4
Private Colleges	78

MANPOWER

Technical Training Institutes	
Ministry of Education	90 Secondary Technical Schools
Ministry of Higher Education	▪ 22 Polytechnics and 36 Community Colleges ▪ German-Malaysian Institute (GMI) ▪ French-Malaysian Institute (FMI) ▪ British-Malaysian Institute (BMI) ▪ Malaysian Institute of Aviation Technology ▪ 13 Mara Vocational Institute
Ministry of Human Resources	▪ 21 Industrial Training Institutes ▪ 4 Advance Technology Centre (ADTEC) ▪ Centre for Instructor and Advanced Skills Training (CIAST) ▪ Japan Malaysia Technical Institute (JMTI)

MANPOWER

1,000,000 **students currently studying,**

producing **250,000** **graduates/year**

MANPOWER

Number of manpower available based on selected field of studies:		
Economics	:	2,157
Business Administration	:	37,784
Accountancy	:	12,062
Information Technology & Communication		14,617
Engineering, Manufacturing & Construction	:	36,366

MALAYSIA MY SECOND HOME PROGRAMME

Open to citizens of all countries recognised by Malaysia regardless of race, religion, gender or age.

Allowed to bring their spouses and unmarried children below the age of 21 as dependants.

Allowed to stay in Malaysia for as long as possible on a multiple-entry social visit pass.

MALAYSIA MY SECOND HOME PROGRAMME

The Social Visit Pass is initially for a period of ten (10) years, and is renewable.

Website: www.mm2h.gov.my

MALAYSIA'S INTERNATIONAL RANKINGS

1st In Getting Credit For Business

– World Bank's Doing Business 2012 Report

3rd Attractive Location For Outsourcing Destinations

– A.T. Kearney Global Services Location Index 2011

4th For Investor Protection

– World Economic Forum 2012, Global Competitiveness Report

Greatest Level Of Opportunity To Global Investors

- International Business Report 2010 (IBR 2010)

10th For FDI Confidence Index 2012

– A.T Kearney

16th Most Competitive Economy In 2011

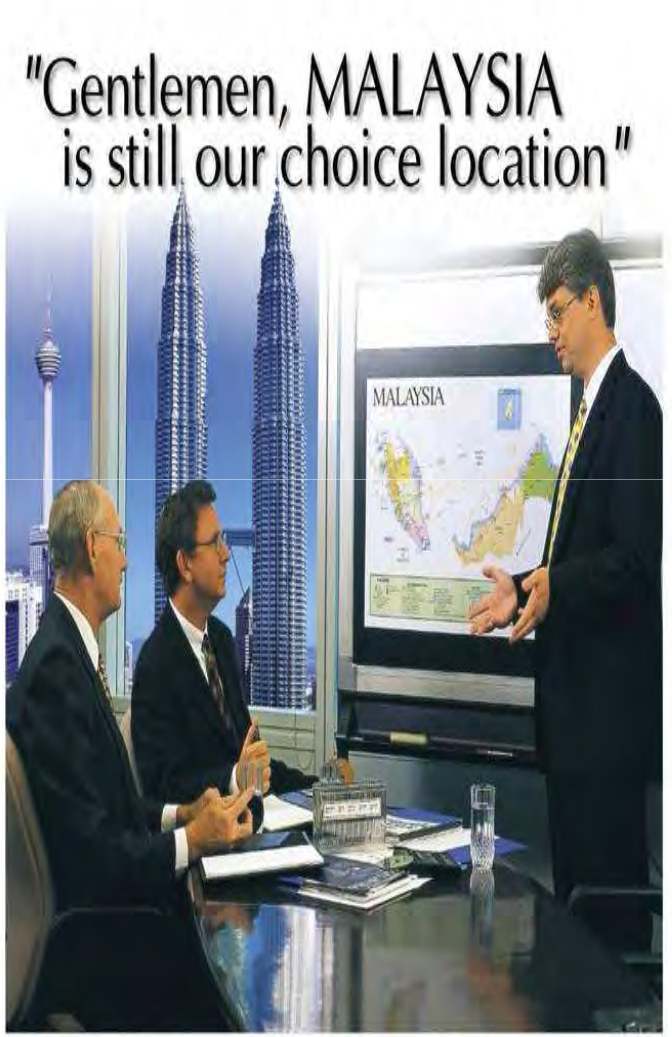
– Institute Management of Development

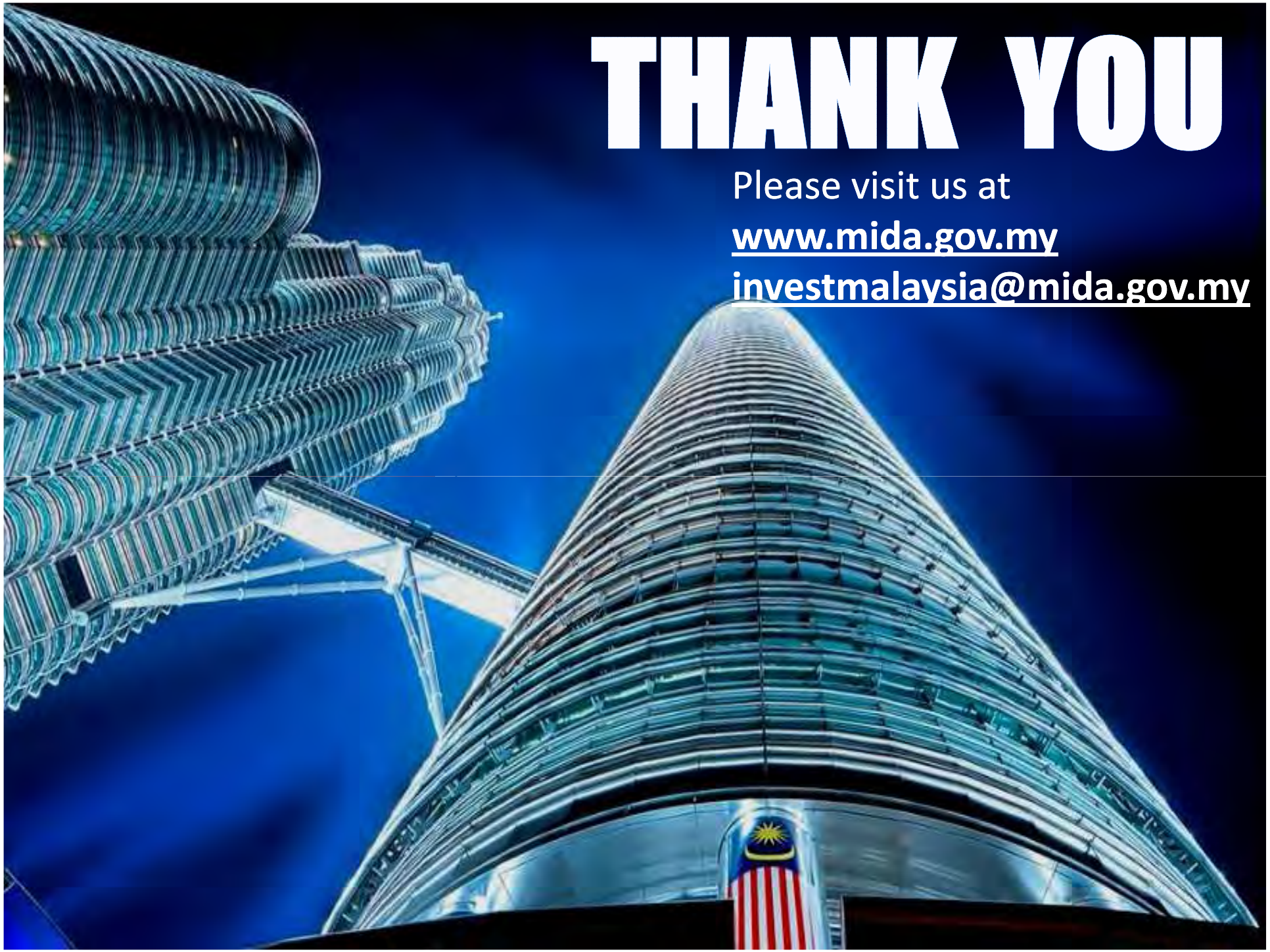
18th For Ease Of Doing Business

– World Bank's Doing Business 2012 Report

WHY MALAYSIA ?

- Political Stability
- Strong Economic Fundamentals
- Pro-business Government
- Liberal Investment Policies
- Attractive Investment Incentives
- Sound Banking System
- English is Widely Spoken
- Good Infrastructure / Connectivity
- Harmonious Industrial Relations
- Skilled Labour Force
- Good Quality of Life
- Strategic Location in ASEAN & ASIA

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