

MALAYSIA : THE FDI GATEWAY TO ASEAN



The Deal Book



MIDA Chicago: Your Trusted Gateway to Invest and Grow in Malaysia

MIDA is Malaysia's principal investment promotion and facilitation agency, responsible for attracting and facilitating quality investments into Malaysia.

MIDA's FACILITATION

✓ Market Intelligence & Advisory

Custom market assessments, industry mappings, and structured regulatory advice.

✓ Site Selection Assistance

Frictionless facilitation of site visits to prime industrial zones, technology parks, and custom factory spaces.

✓ Incentive Advisory

Negotiating targeted, outcome-based fiscal & no fiscal incentives

✓ Ecosystem Matching

Active matchmaking with vetted local technical sub-contractors, engineering services, and joint-venture partners.

✓ Post – Investment Support

We provide necessary interventions for any post investment issues in Malaysia



Regional office
covering the U.S.
Midwest and
Southwest regions



**Strengthening economic
and investment ties**
between U.S. companies and
Malaysia



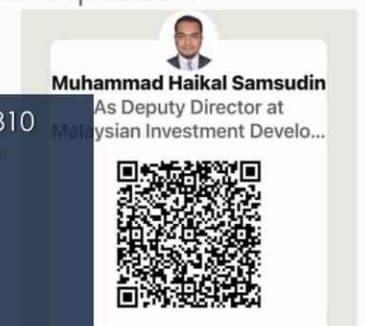
Supporting companies exploring ASEAN expansion opportunities, Supply chain diversification, Manufacturing footprint optimization and Regional headquarters establishment

The Team

Contact our team today to explore how we can expedite your ASEAN manufacturing and services / supply chain expansion.



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Malaysia: Your Strategic ASEAN Platform for Growth, Resilience and Innovation

STRATEGIC MACRO THESIS

Direct Access to a 680M+ Consumer Market

Strategic geographical access to rapidly growing Southeast Asian economies, facilitating frictionless logistics and nearshore hub distribution.

Over 5,000 multinational companies (MNCs) have successfully expanded and scaled operations in Malaysia's mature manufacturing landscape.

Proven reputation as a highly business-friendly investment environment with transparent commercial laws and a highly skilled, multilingual workforce.

ESTABLISHED MANUFACTURING CLUSTERS

Highly Integrated Industrial Ecosystems

Global manufacturing clusters are deeply entrenched in **electronics (E&E), precision engineering, aerospace, automotive, and medical devices**.

A robust regional network of local ancillary suppliers conforms to global standards, ensuring immediate parts availability and lower shipping costs.

U.S. investors can optimize footprints and diversify supply chains away from **tariff-sensitive corridors using Malaysia as a secure, stable base**.

Malaysia's New Industrial Master Plan (NIMP) 2030

A national-level industrial strategy focused on moving Malaysia towards high-value, advanced manufacturing.

1. Economic Complexity



Shifting traditional assembly toward **advanced manufacturing, high-value production, and innovation-driven R&D sectors.**

2. Digital Transformation



Promoting rapid integration of **Industry 4.0, advanced automation, robotics, AI systems, and smart factory technologies.**

3. Sustainability



Providing institutional support for **green manufacturing, decarbonization, strict ESG compliance, and solar/renewable energy adoption.**

4. Domestic Linkages



Strengthening local supplier networks, **accelerating technology transfers, and fostering deep collaboration with U.S. partners.**

NIMP 2030 Core Focus Areas & Priority Sectors

Electrical & Electronics

Semiconductor Focus

Expanding local backend assembly into front-end IC design, advanced packaging, and substrate manufacturing.



Advanced Manufacturing

Automation Engine

Deepening precision engineering, high-end tooling, industrial robotics, CNC machinery, and smart systems.



Aerospace Capability

MRO & Structures

A leading regional cluster for commercial aviation components, structural fabrications, and technical MRO.



Automotive & Mobility

Next-Gen Vehicles

Facilitating key investments in the electric vehicle (EV) supply chain, batteries, charging, and smart mobility.



Medical Devices

Precision Tech

Manufacturing world-class clinical equipment, high-tolerance surgical components, and precise lab disposables.



Malaysia: A World-Class Ancillary Supply Chain & Ecosystem

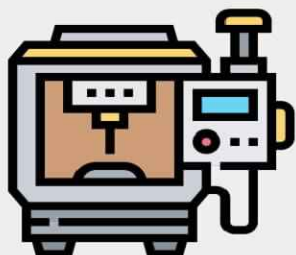
Established Supply Chain

Complete Local Ancillaries

Hundreds of **local precision machining** shops with mature raw materials sourcing.

Turnkey **metal fabrication, stamping, surface finishing, and tooling** industries.

Abundant **chemical processing** and **specialized industrial gas networks**.



Advanced Capabilities

High-Tolerance Machining

High-axis CNC machining, EDM, high-speed stamping, and advanced plastics injection.

Fully **automated production lines** with smart sensors and conveyor integration.

In-house technical tooling design and prototyping services conforming to exact specs.



Global Standards

Certified Quality Systems

Ecosystem **fully supports Automotive certification standard **IATF 16949****.

Aerospace **standard **AS9100** widely held by major industrial suppliers**.

Comprehensive **ISO-certified operations for medical class and high-reliability products**.

Halal Standards (MS 1500) a Global benchmark for halal food, pharmaceuticals, and cosmetics.

Palm Oil & Agri-commodity: Certified via MSPO (Malaysian Sustainable Palm Oil) standards.

Malaysia's Targeted, Outcome-Based Incentive Framework

CO-INVESTING IN INNOVATION

A Shifting Incentive Paradigm

Malaysia has **modernized its incentive structure, moving away from standard flat-rate tax holidays to specialized, outcome-based packages.**

MIDA actively assisting U.S. firms by identifying suitable packages based on their **business model, industry sector, investment structure and economic impact** that will be brought to the country.

Whether setting up custom tooling capabilities or establishing advanced software development centers, our team is equipped to negotiate packages that maximize ROI of the company.

CORE INCENTIVE CONSIDERATIONS

✓ High-Value Job Creation

Incentives scale with the creation of highly-skilled, high-paying engineering, design, and technical positions.

✓ Technology & R&D Commitment

Significant support is provided for local research and development, smart technology labs, and product development units.

✓ Local Supply Chain Enhancement

Custom tax rebates and capital grants are available for firms actively developing local ancillary suppliers and sub-contractors.

✓ Green & ESG Commitments

Bonus tax allowances are provided for companies investing in carbon reduction, energy efficiency, and solar integration.

A Complete & Integrated Business Ecosystem

Government Support

Seamless Coordination

Seamless inter-agency coordination between the Ministry of Investment, Trade and Industry (MITI), MIDA, and local state governments ensures **rapid business setup, expedited visa processing, and transparent administrative pathways.**

Engineering Talent

Active Technical Pipelines

Direct collaboration between world-class technical universities, vocational & training institutions, and global manufacturers. Our pipeline feeds thousands of **qualified mechanical, electronic, and software engineers into the workforce annually.**

World-Class Infra

Specialized Industrial Zones

Frictionless setup in **designated Free Industrial Zones (FIZs) or modern technology parks.** Backed by highly reliable power grids, stable high-bandwidth fiber optic connectivity, and excellent proximity to major shipping ports.

Seamless Connectivity

Connecting to last mile delivery

The region offers excellent connectivity, with road links to all major cities and states, **an international seaport strategically located along the important vessel route through the Strait of Malacca,** and rail connections to **major ASEAN countries,** including Singapore, Malaysia, Thailand, and Vietnam.

Attractive Incentive Plan

Outcome based and long term stability

Malaysia offers a **comprehensive package of attractive incentives** for investors which is designed to accelerate investment and business growth

FDI Strategic Growth Paths Through Malaysia

ASEAN Manufacturing Hub

- Serve regional Asian customers directly with zero tariff barriers and short freight distances.
- Seamless movement of raw materials and people within ASEAN

Supply Chain Partnership

- Form contract partnerships with certified Malaysian precision manufacturers.
- Leverage existing local tooling, cleanroom, and CNC capabilities on day one.
- Maintain an asset-light posture while building robust inventory buffers.

Technology & R&D Center

- Expand engineering capacity by setting up a regional co-innovation technical center.
- Leverage highly competent local technical talent at lower operational costs.
- Collaborate directly with Malaysian universities on specialized applied research projects.

MALAYSIA : THE POWERHOUSE OF ASEAN



	2018	2019	2020	2021	2022	2023	2024	2025
Real GDP Growth (%)	4.7	4.3	-5.6	5.7	8.7	3.7	5.1	5.2
Inflation (%)	1.0	1.2	1.9	2.5	3.3	2.5	1.8	1.4
GDP (USD bil.)	297.1	311.1	333.0	367.4	339.4	333.2	431.1	472
Per Capita Income (USD)	10,564	10,809	10,553	11,399	11,950	9,886.0	12,288.7	13,950
Unemployment (%)	3.4	3.4	4.5	4.6	3.6	3.4	3.2	3.0
International Reserves (USD bil.)	101.4	104.3	107.6	116.9	114.6	113.5	116.2	125.5

ADVANTAGES OF MALAYSIA

Why Malaysia

Supply Chain Resilience: Diversified supply chains and stronger regional sourcing capabilities

Advanced Manufacturing: Opportunities in semiconductors, electrical and electronics, aerospace, medical devices, automotive, and other high-value industries

Investment Incentives: Outcome-based incentives focused on attracting high-value investments

Industrial Ecosystem: A well-established network of multinational corporations, suppliers, SMEs, and supporting industries

Talent and Infrastructure: A skilled workforce supported by world-class logistics, infrastructure, and connectivity

