

WONG
CHUN WAI
newsdesk
@thestar.com.my



Of Tesla, Anwar and Jokowi

Malaysia has scored in getting billionaire's investment in the country.

Comment

IT'S been three weeks since Tesla announced its plan to set up the electric vehicle regional headquarters in Malaysia, yet the decision by American billionaire Elon Musk has continued to be raging hot news in Indonesia.

The republic's social media is demanding to know how Indonesia, which was so sure the deal was in its pocket, lost out to Malaysia.

Naturally, the country is upset that our Prime Minister Datuk Seri Anwar Ibrahim managed to persuade Musk to choose Malaysia instead.

An annoyed Indonesian Maritime Affairs and Investment Coordinating Minister Luhut Panjaitan now wants a meeting with Musk.

He has announced his plan to fly to Texas on Aug 2 as "we would like to finalise Tesla's investment in Indonesia", according to *Jakarta Globe*.

But as the "controversy" drags on, online portal, *thevocket.com* headlined the news "Indonesia 'Meroyan' Tesla Pilih Buka Ibu Pejabat di Malaysia".

CNN Indonesia chose the heading "Tesla Pilih Buka Kantor Cabang di Malaysia, Indonesia Gigit Jari".

CNBC Indonesia asked "Media

Asing Sorot Jokowi, Ungkap Kenapa Tesla Pilih Malaysia".

Nikkei Asia ran an article which said Tesla's decision "came as a big embarrassment for Indonesia as a ground-moving development for South-East Asia's cultivation of the electric vehicle industry".

Indonesian President Jokowi Widodo had personally travelled to Texas in May 2022 to meet with Musk.

Lin Newman, the managing director of Indonesia's American Chamber of Commerce, wrote in Nikkei Asia that "Indonesian officials have said that the US company (Tesla) has been on the verge of announcing a billion-dollar investment in batteries and other production in the country", but Tesla never confirmed such plans publicly.

To put it simply, Anwar pulled off an incredible feat to get Tesla to set up shop in Selangor.

In the words of Tesla regional director Isabel Fan, the company's plan is in response to "forward-looking policies" from the government of Anwar, who held a call with Musk last month.

Newman wrote that "Joko Widodo is bound to feel jealous, as he has ardently courted Tesla much longer".

Asia Times reported that Anwar revealed nothing when Luhut Panjaitan accompanied Jokowi to Kuala Lumpur in early June but



Selling point: Malaysia may be smaller than Indonesia, but we have a higher income per capita, which means more EV sales, and better road infrastructure.

"sources close to Panjaitan said he only had an inkling of Musk's move several days before the announcement but did little to diminish his annoyance at being blindsided".

But Malaysia's bold decision to wrap up the deal was simply because Anwar made a more attractive pitch.

Tesla doesn't have to deal with local middlemen, unlike Indonesia, and got a guarantee that the company wouldn't have to work with or share profits with a local partner.

Jokowi's promise of incentives ranging from tax breaks to a concession to mine nickel, an essential component for EV batteries,

wasn't enough for Musk in the end.

Indonesia's cause wasn't helped either by it blocking X - the social media platform formerly known as Twitter - in Indonesia, under the country's strong curbs on "negative content", which reportedly affected 24 million users in the republic.

According to Newman, the arrangement with Malaysia also encompasses a range of other pledges, including building a network of service centres and charging points, which would translate into thousands of jobs for Malaysians "and an important step towards better green credentials for the country".

Tesla began selling its car last month in Malaysia at about RM200,000, which is a quarter of the retail price in Singapore and Indonesia.

He said Malaysia's well-trained and tech-savvy workforce was another winning factor which has "long drawn interest from high-end investors".

The lesson here for Asean countries, including Malaysia, is that stringent rules which discourage serious investors won't work anymore. It has cost Indonesia the Tesla deal.

With its myriad of rules that often work against foreign investors, it will be tough for Indonesia to remove these obstacles overnight, so Anwar deserves credit for his readiness to move forward and hasten the deal.

While Panjaitan openly complained of Musk's demands, saying he was dictating, Anwar and his team worked the ground quietly and effectively, and no one could resist the PM's charms.

Malaysia may be smaller than Indonesia, but we have a higher income per capita, which means more EV sales, and better road infrastructure.

For Malaysia to move forward, we need to remain focused and be competitive, and certainly not dwell on the politics of race and religion, which will spook and drive investors away.