

DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK
PERDANA MENTERI MALAYSIA
PERDANA HALL, LEVEL 10, MIDA SENTRAL, KL SENTRAL, KUALA LUMPUR
03/07/2012
THE OFFICIAL LAUNCH OF MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA) NEW
CORPORATE HEADQUARTERS AND LOGO

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh,
Salam Sejahtera dan Salam Satu Malaysia.

Yang Berhormat Dato' Sri Mustapa Mohamed;
Minister of International Trade and Industry Malaysia,

Yang Berbahagia Tan Sri Amirsham Abdul Aziz;
Chairman of MIDA,

Your Excellencies,

Distinguished guests,

Ladies and Gentlemen.

1. It is my great pleasure to be here this morning at the launch of the Malaysian Investment Development Authority's new building and logo.

2. As MIDA play such a towering role in the industrial development of our economy, it is fitting that they will now be headquartered in this magnificent new tower. It is often said, holistic development can only be achieved by taking an expansive view, so this new building should be a perfect fit!

3. If we were to stand at the top of these skyscrapers we would see the ever-changing landscape of Kuala Lumpur, of new companies headquarters, new hotels or new condo blocks. But the reality is you only need to stand on the ground anywhere in Malaysia to see the transformation underway – from the rural development of Sabah and Sarawak to the first Urban Transformation Centre in Malacca; we are making a difference to Malaysians in all corners of our nation. I am proud of what we have achieved in such a short space of time, but there is much still to be done. I can assure you that we will also be tireless in our efforts to continue to put in place measures under the transformation programmes to ensure that we make the transition from a middle to a high income economy.

4. But to rise to the top in the modern global economy, we have to increase our productivity levels and provide an environment conducive to business. We have already seen significant progress as a result of measures we have implemented to improve the delivery of Government services, increase transparency and increase accountability.

Ladies and Gentlemen,

5. We are the 14th most competitive economy in the world, as ranked by the Institute for Management Development (IMD). We are one of the world's most global trade enabled economies, having moved up to 24th in the "Reducing Supply Chain Barriers" report. And we are the 3rd Most Attractive Location for Outsourcing, 18th for Ease of Doing Business for 2012 and 10th for Foreign Direct Investment Confidence.

6. These are remarkable positions and reflect both investors' confidence in Malaysia and the impact that the government's various initiatives are having. In particular, the Economic Transformation Programme, formulated to create economic opportunities worth 1.3 trillion Ringgit in 12 priority sectors and to transform our nation to developed status by 2020, is fully on track - RM179 billion has been invested, more than 310,000 jobs created and per capita GNI has increased to US\$9,700.

7. Much of this investment has come in high value added industries - for it is no longer enough just to promote assembly type operations and labour-intensive projects. To create new wealth, improve competitiveness and spur economic growth we need to become an innovation economy.

8. It is against this backdrop that MIDA has been looking to attract high technology, knowledge and capital intensive investments that generate multiplier effects and have a significant GNI impact. At the same time, they are also looking for investments that develop new growth areas or industries or introduce new and emerging technologies.

9. This investment drive will also be complemented by both existing Free Trade Agreements and Economic Cooperation Agreements already in place as well as new ones, such as the Trans-Pacific Partnership, that we continue to pursue.

Ladies and gentlemen,

10. In many ways, the transformation policies we have introduced divert from what came before, but nevertheless we should be very grateful to all the leaders from our independence who have contributed so much to our nation. All of their individual achievements are forever written in history, and their influence will forever be felt in our future. After the achievements of the last two years, I am confident that we can all be excited by the change we have brought about collectively.

11. Certain quarters may try and say that progress has been achieved only in their short tenure of administration of the states, but we know to achieve this far, it has to take longer than just few years. The government has an outstanding track record of delivery, as well as a firm and coherent plan for our future.

12. MIDA themselves as a government agency, can be held up as a shining example of having contributed both to our past, as well as having a clear and crucial role as we move forwards on our development path. For 45 years, they have been at the center of industrial development in Malaysia. Over this period around 8,000 multinational corporations from more than 40 countries have invested in our country and made it their offshore location.

13. And as our investment promotion agency, MIDA will be at the forefront of our push to attract investment and become an increasingly important player on the global economic stage. To do so, they will continue to encourage investment in our manufacturing sector, while at the same time spearhead the growth of investment in the services sector. This sector is expected to account for 65% of GDP by 2020 and our competitiveness in services in an increasingly challenging global business environment is paramount. This is why over the last three years I announced the liberalisation of 44 services sub-sectors, making our economy more open and more attractive to foreign investors.

Ladies and Gentlemen,

14. On the local front, the Government has also increased its focus on promoting domestic direct investments to complement the inflows of foreign investment and to ensure sustainable economic growth in the future. The majority of this investment will come from the private sector, and, in turn, the private sector will be the main driver of growth within the economy.

15. Our aim is for direct domestic investment to account for 73 per cent of investment in the economy by 2020, with 27 per cent sourced from FDI. So to further promote the development DDI, I am pleased to announce the following measures which will take effect from today:

- Establishment of a Domestic Investment Strategic Fund of RM1 billion, which will be managed by MIDA to accelerate the participation of Malaysian-owned companies in targeted industries, namely the high value-added, high technology, knowledge-intensive and innovation-based industries. The package of assistance will be granted on a negotiable basis, based on the request of the companies and the merits of each case. The Fund aim to harness and leverage on outsourcing opportunities created by MNCs operating in Malaysia; intensify technology acquisition by Malaysian-owned companies; and enable Malaysia-owned companies to secure international standards/certifications in strategic industries.

- The re-introduction of the incentive for acquiring foreign company for high technology to enable Malaysian-owned companies to acquire state-of-the-art technologies through a leapfrogging approach to move up the value chain or to diversify into new areas. This initiative will facilitate innovation activities among Malaysian-owned companies.

- Malaysian-owned manufacturing companies that are already in operation for a year or less and undertaking promoted products/activities under the Promotion of Investments Act, 1986 are now eligible to apply for tax incentives. This flexibility is to facilitate new investments by Malaysian-owned companies.

- Enhancement of tax incentives for small Malaysian-owned companies eligible to apply for tax incentives under the Promotion of Investments Act, 1986 by increasing the eligibility shareholders' funds threshold from RM500,000 to less than RM2.5 million.

- Introduction of special tax rate to encourage small Malaysian service providers to merge into larger entities to build up the competitiveness of the smaller entities, in light of the Government's efforts to further liberalise the services sector.

Ladies and Gentlemen,

16. Any good investor will tell you to invest for the long-term – and that is precisely why here in Malaysia we are investing in the long-term future of our country. MIDA is playing a pivotal role in this as we continue towards our goal of becoming a developed nation by 2020. Their name is already recognised the world over and I'm confident that the new logo will become synonymous with the agency and the high-quality work that it does.

With the recital word of Bismillahirrahmanirrahim, it is my pleasure to officially launch the new MIDA building and the new logo of MIDA.

Thank you.

Wabillahitaufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh

Source: http://www.pmo.gov.my/?menu=speech&page=1676&news_id=612&speech_cat=2
2012 Copyright Reserved SMPKE, Office of The Prime Minister