



Malaysia: Your Gateway to ASEAN

~ To Know Malaysia is to Love Malaysia ~



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Support for European Business in South East Asia Markets
Malaysia Component

Implemented by:



Agenda

- About Malaysia
 - Her People
 - Her Economy
- Malaysia – Your Gateway to ASEAN
- Supporting your expansion



About Malaysia: *Her People & Lifestyle*



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An Introduction to Malaysia



329,847 Km²
Total Land Area

31.0 Million
Population (In 2015)

+/- 70%
in Working Age

Official Language:
Bahasa Malaysia



Ethnic Diversity:

- Malay 50.1%,
- Chinese 22.6%,
- Indigenous 11.8%,
- Indian 6.7%,
- Others 0.7%

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Choose Your Living Lifestyle

City Living



Beach escapes



“Kampung”
Life



Mountain
air



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Diversity in Food





About Malaysia: *Her Economy*



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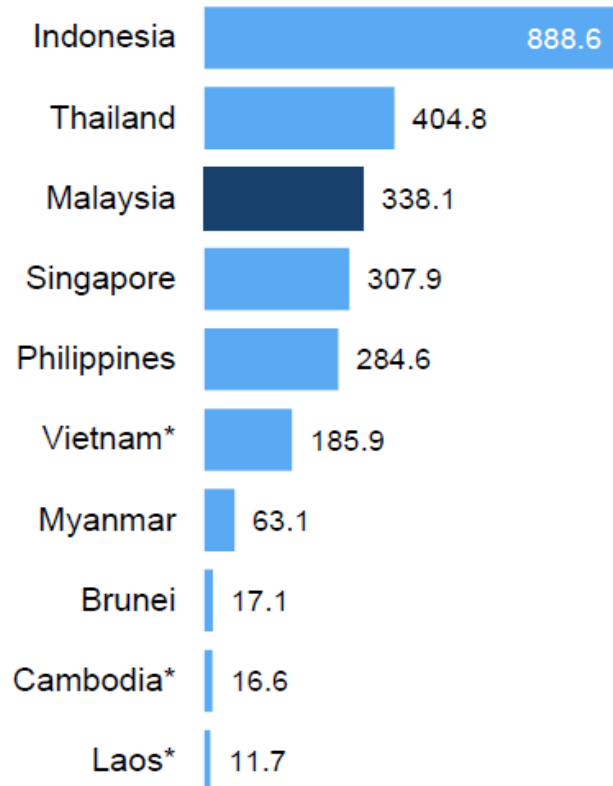
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The 3rd largest Economy in ASEAN

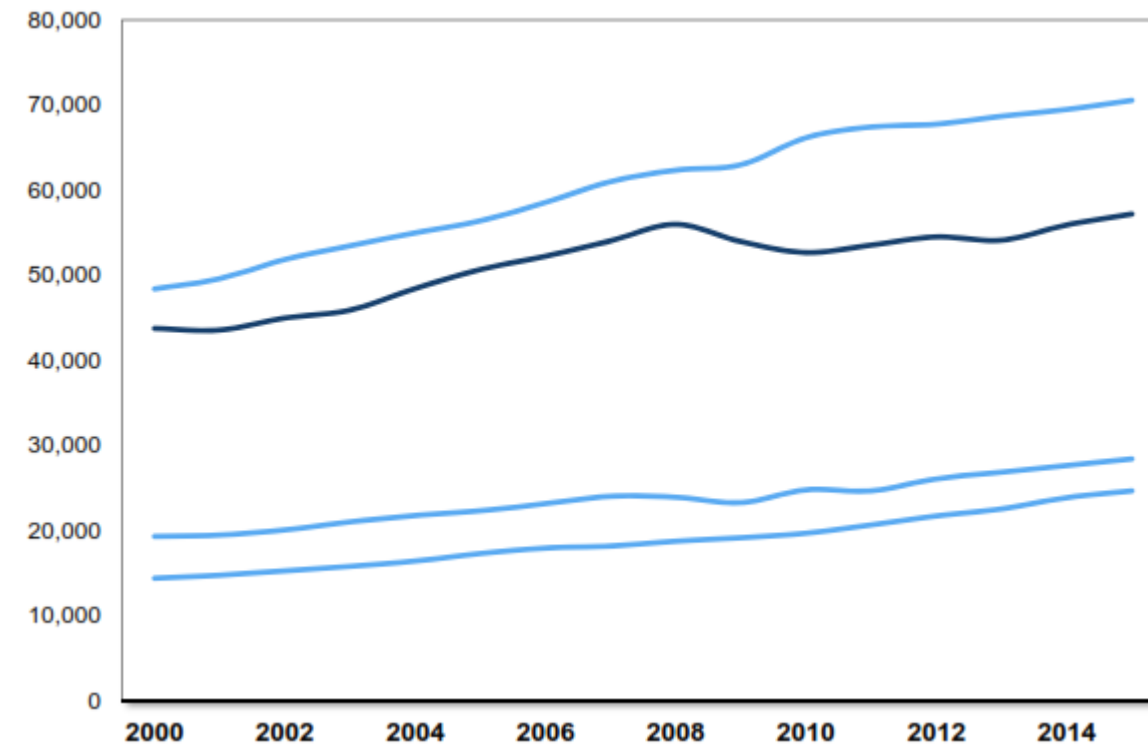
2014 GDP

USD billion



Labour Productivity

Per person employed in 2014 (US \$)



Cumulative Annual Growth Rate, 2000-2015

South Korea (2.5%)

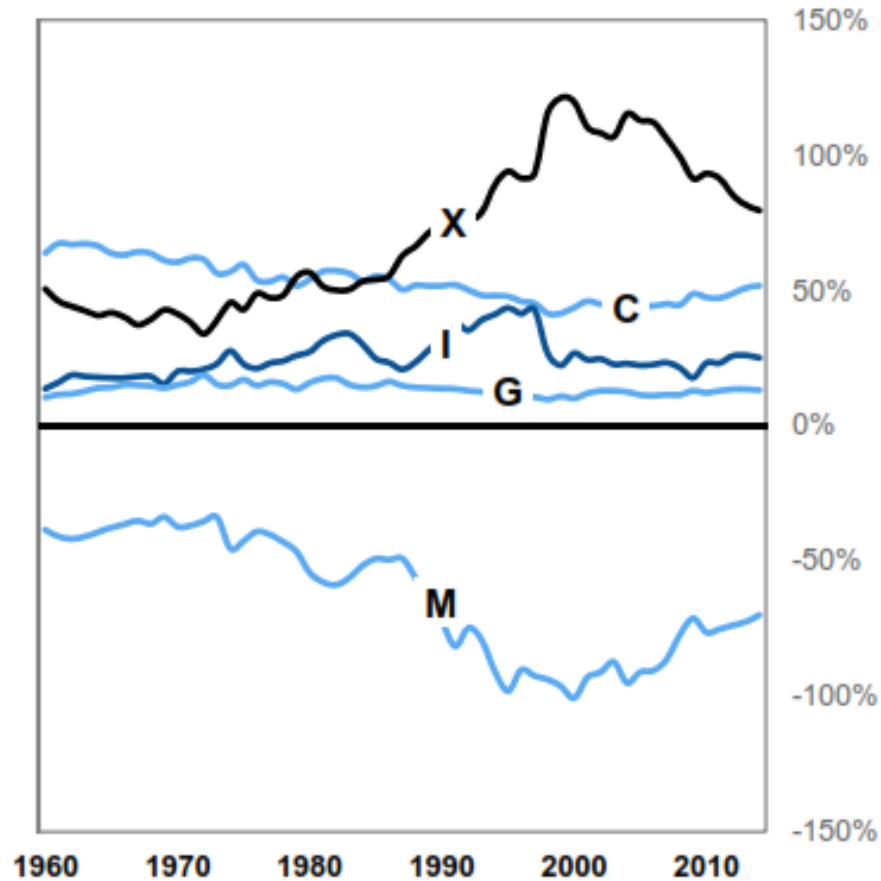
Malaysia (1.8%)

Thailand (2.6%)

Indonesia (3.7%)

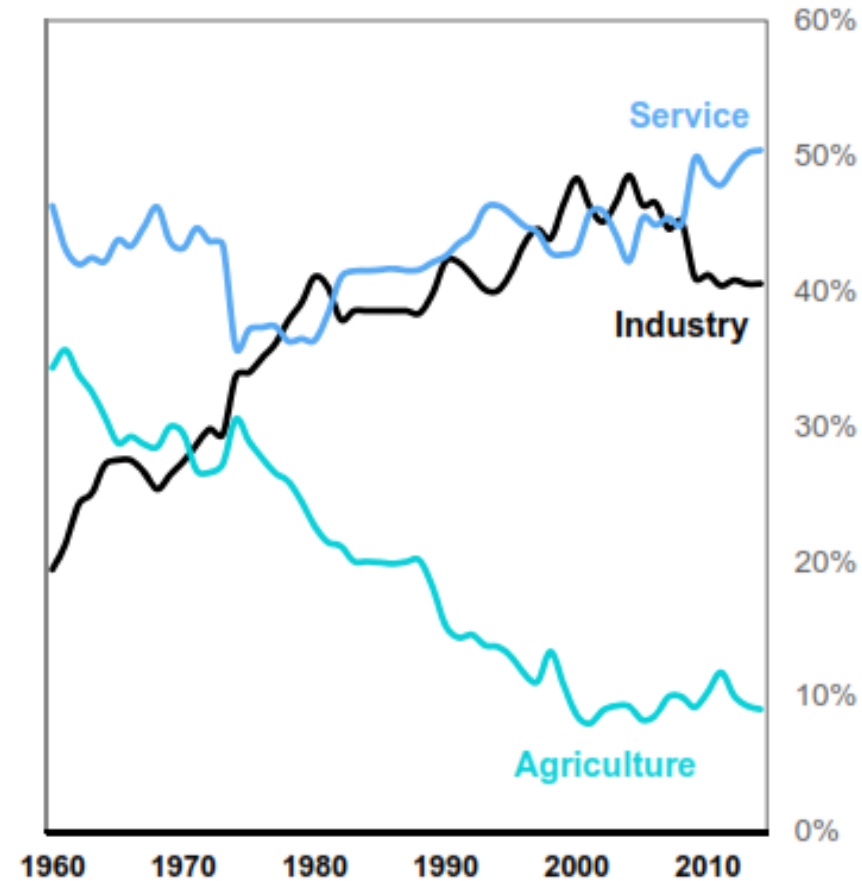
GDP COMPOSITION – EXPENDITURE*

1960-2014, % of total

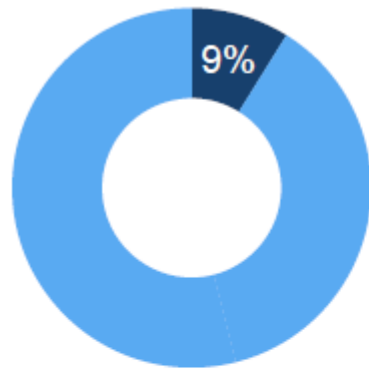


GDP COMPOSITION – PRODUCTION

1960-2014, % of total

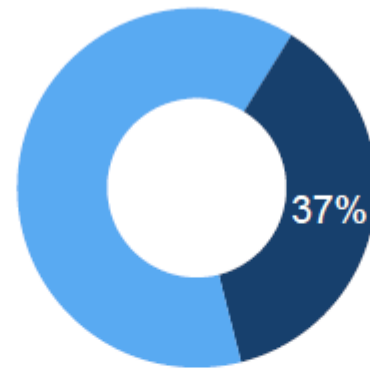


**From a
export-
dependent
towards a
service-based
economy!**



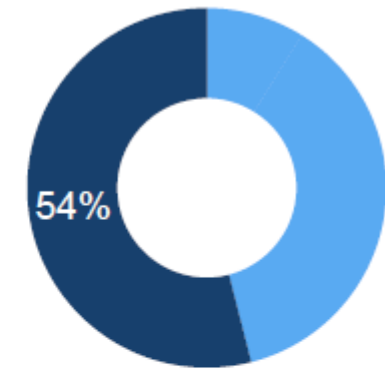
AGRICULTURE

Oil palm	3.7%
Other agriculture	1.8%
Marine fishing	1.1%
Livestock	1.1%
Forestry	0.8%



INDUSTRY

Mining	9.9%
Petroleum products	7.5%
Electrical and electronic	4.6%
Construction	4.4%
Mineral and metal products	2.7%

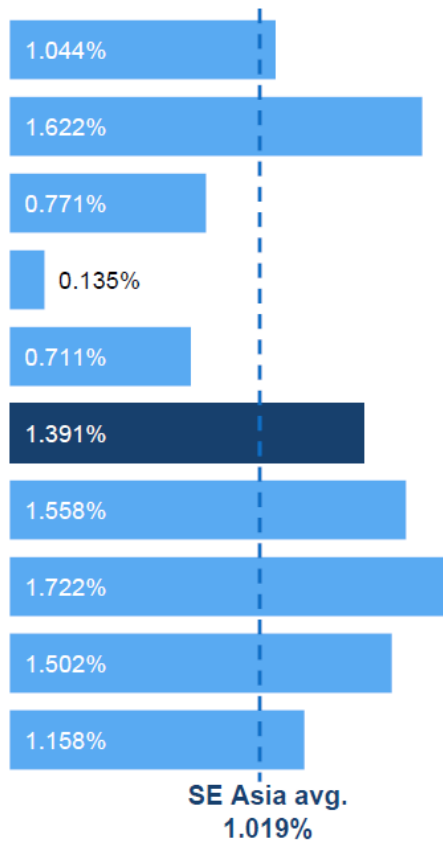


SERVICE

Trade	15.0%
Government services	8.6%
ICT	5.1%
Finance	5.1%
Transportation and storage	3.4%

Population Growth

Avg. Annual Rate of Change, Medium fertility, 2015-2020



**Malaysia's Population is
Around 30 million people**

**By 2020, 75% of Malaysia's
population will live in cities
or urbanized areas**

Contribution to GDP in 2014

Private consumption: 51%

Public consumption: 6%

Private consumption growth

6.0% in 2015

(2014: 7.0%)

➔ **Households adjust spending**

- Increasing cost of living (GST Implementation)
- Depreciation in ringgit



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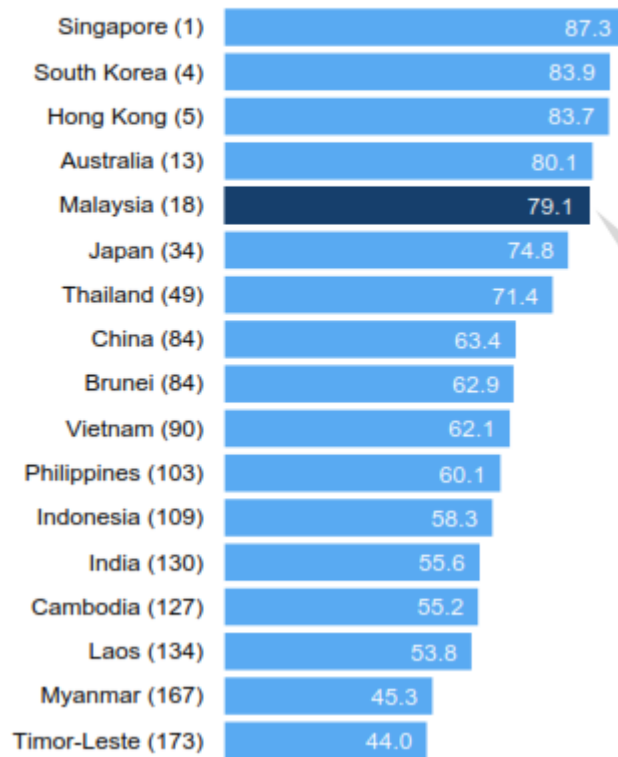
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Ease of Doing Business Ranking

Selected economies, () = 2016 rank, DTF* score



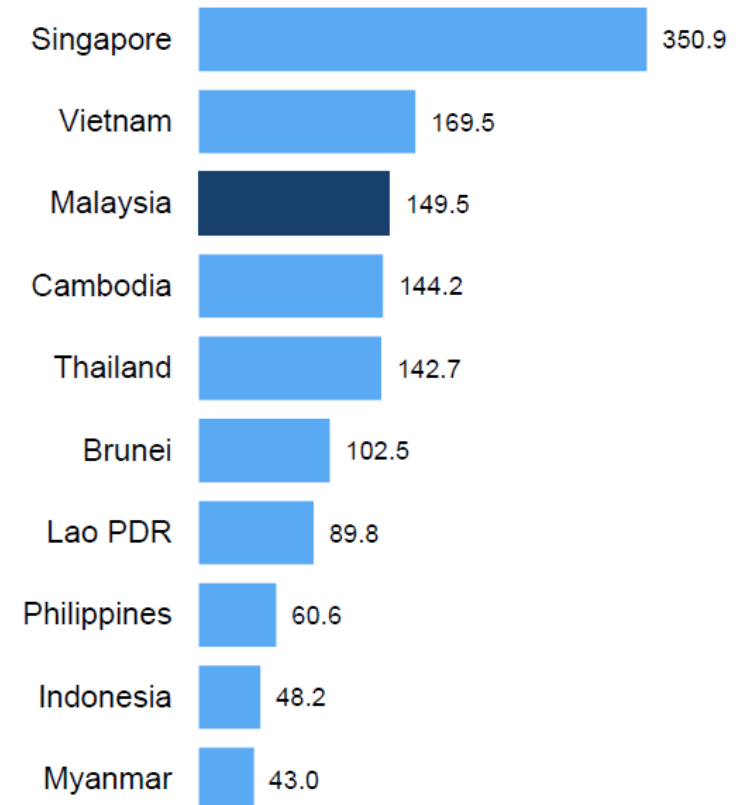
Malaysia's DTF* score

2016 vs 2015

TOPICS	DB 2016	DB 2015	Change
Starting a Business	95.3	95.3	↑
Dealing with Construction Permits	81.1	81.1	↑
Getting Electricity	90.1	90.1	↓
Registering Property	76.3	76.4	↓
Getting Credit	70.0	70.0	→
Protecting Minority Investors	78.3	78.3	→
Paying Taxes	84.3	83.9	↑
Trading Across Borders	86.7	86.7	→
Enforcing Contracts	66.6	66.6	→
Resolving Insolvency	62.5	62.5	↑

TRADE OPENNESS

Trade / GDP, 2014, %



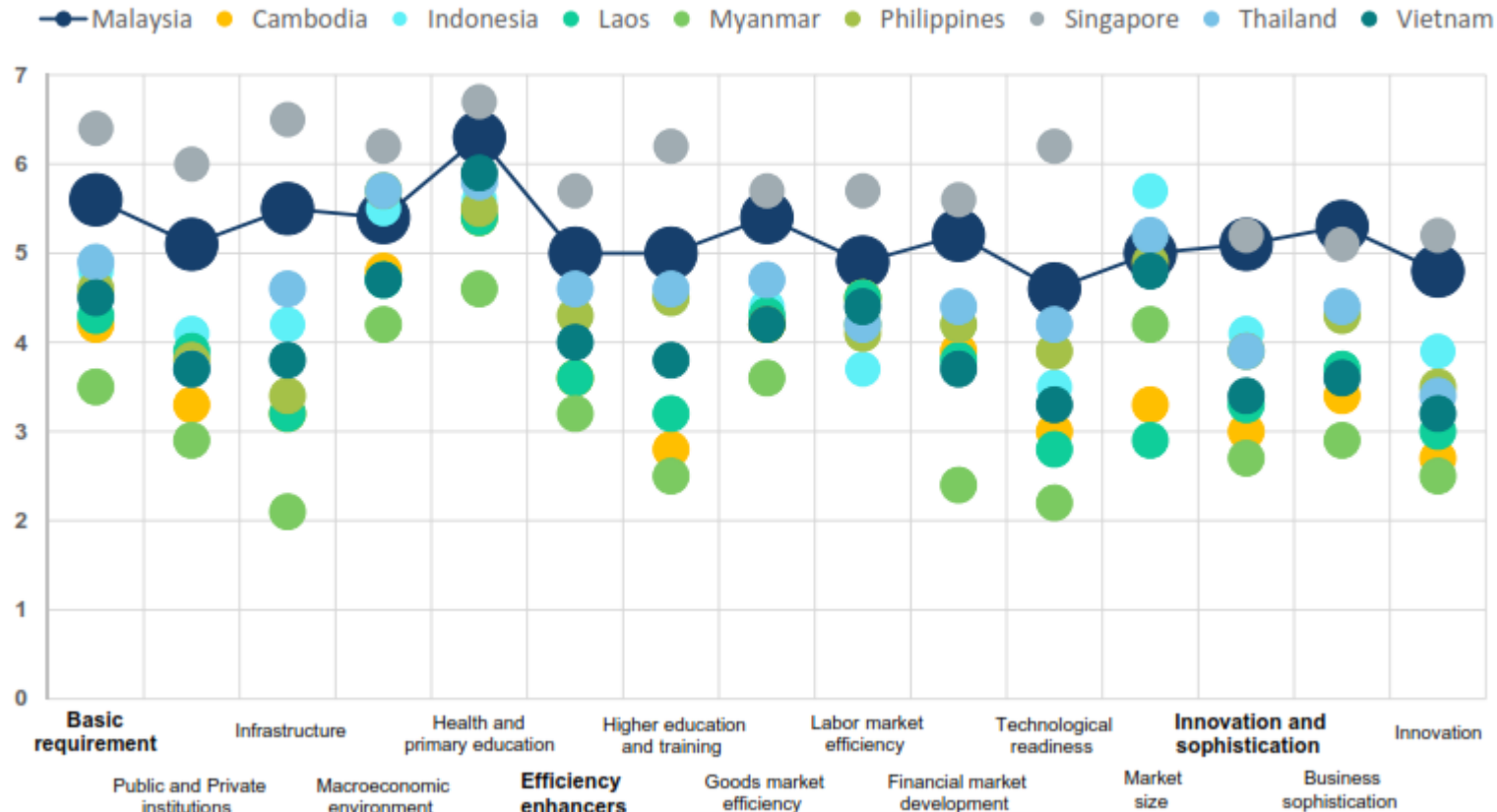
Note: (*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: ILO Global Wage Report 2014/15, CIA World Fact Book

Malaysia's Competitiveness in ASEAN

The Global Competitiveness Index

2015-2016, ASEAN, score = 0-7



Areas where Malaysia is doing exceptionally well

- Infrastructure
- Market Efficiency
- Financial Market Development
- Innovation



Malaysia is performing a great deal better than its ASEAN neighbours!



Supporting Your Expansion to Malaysia



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2nd

Largest trade partner

€1597 billion Total trade in goods 2004 - 2014

14%

Trade shares held by EU

59.4% Growth rate of Trade in Goods 2004 - 2014

45%

Growth rate of ASEAN exports to EU 2004 - 2014

Challenges vs Opportunities

Market Challenges

- **Duty rates and systems of import permits in protected industries**
- **Government restrictions hamper foreign investments**
- **Halal Standards are comparably strict in Malaysia**
- **Even though progress recent years, still IPR Issues**

Market Opportunities

- **Purchasing Power is amongst the highest in Asia**
- **Malaysia's level of economic development drives demand for products and services**
- **Several Government Action Plans in implementation (NEM, ETP, GTP, 11MP)**
- **High potential sectors are Construction, Infrastructure, Engineering, and Green & Efficient Energy**
- **ASEAN Economic Community (AEC) fully established until 2020**

- A foreign company may carry on business in Malaysia by either:
 - Incorporating a local company with the Companies Commission of Malaysia (SSM); or
 - Registering the foreign company in Malaysia with SSM.
 - Cost subjected to share capital – Starting from RM 1000 (EUR 222)
- Definition of SME :
 - **Manufacturing:** Sales turnover not exceeding RM50 million OR full-time employees not exceeding 200 workers.
 - **Services and Other Sectors:** Sales turnover not exceeding RM20 million OR full-time employees not exceeding 75 workers.

- Malaysian Industrial Development Authority (MIDA) Act
- Malaysia's cutting-edge, dynamic and pioneering force in opening pathways to new frontiers around the globe.
- Role:
 - Assists companies which intend to invest in the manufacturing and services sectors
 - Facilitates the implementation of their projects
- Services provided:
 - Providing information on the opportunities for investments
 - Facilitating companies which are looking for joint venture partners

- **Mission:**

- To promote, support and develop EU business interests in Malaysia
- Facilitate trade, commerce and investments between EU and Malaysia.

- **Roles & Activities**

- To develop and enhance EU position and image in Malaysia
- High profile lobbying/dialogue with Institutions, Government
- Speed up decisions and actions within the ministries and authorities
- Promote and market EU technologies, SMEs products and services in Malaysia
- Facilitate the dialogue between the European private sector and Malaysian government



Thank you for your attention

<http://www.eumcci.com/project-sebseam-m>



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