

**Y.B. Dato' Teng Chang Khim**  
**Selangor State Senior Executive Councillor (EXCO) for**  
**Investment, Industry and Commerce and SME**

**INVEST SELANGOR – MIDA**  
**INVESTMENT FORUM ON LOGISTICS INDUSTRY**

**'Deepening Logistics Supply Chain in Selangor, Malaysia'**

**Date** : **10<sup>th</sup> July 2018 (Tuesday)**  
**Time** : **9.00am (Arrival of YB Dato' Teng Chang Khim)**  
**Venue** : **Concorde 1, Concorde Hotel Shah Alam**

*In Collaboration:*



*Supported by:*



**Yang Berbahagia Dato' Hasan Azhari Bin Hj. Idris**

Chief Executive Officer  
Invest Selangor Berhad

**Mr. Arham Bin Abd. Rahman**

Deputy CEO II  
Manufacturing & Services Development  
Malaysian Investment Development Authority (MIDA)

**Capt. K. Subramaniam**

General Manager  
Port Klang Authority

**Y.Bhg Dr. Harlina Suzana Jaafar**

Director  
Malaysia Institute of Transport (MITRANS)

**Y.Bhg Dato' Chia Han Teun**

President

Selangor Freight Forwarders & Logistics Association (SFFLA)

Tan Sri-Tan Sri, Puan Sri-Puan Sri, Datuk-Datuk, Datin-Datin

Members of Media,

Distinguished Guests

Ladies and Gentlemen,

A very good morning.

It is such a great honor to be with all logistics players in Selangor here in this hall. First of all, I would like to congratulate to Invest Selangor Berhad and MIDA to make this program success.

This is the first time ever Invest Selangor and MIDA organizing the Investment Forum on Logistics Industry and gathers the logistics players in Selangor. I believe this initiative will be continued in order to position logistics industry in Selangor and make Selangor as a regional hub for logistics. On behalf of Selangor State Government, we want to see more collaboration and cooperation between Invest Selangor and MIDA as well as other related agencies and organization to boost the logistics supply chain in Selangor.

Invest Selangor, the Selangor investment promotion agency, and MIDA Selangor are also always ready to assist industry player on any issues relating to the policies and regulations at both the state and the federal levels.

This collaboration will certainly further propel Selangor to stay as the top investment destination of the country and maintain as The Golden State of Malaysia.

Ladies and Gentlemen,

Selangor performed extremely well in 2017. The latest statistic released by the National Statistic Department shows that the Selangor's contribution to the national GDP has been increased from 22.7% in 2016 to 23% in 2017.

Selangor is the only state that contributed more than 20% of the national GDP followed by Kuala Lumpur which contributed only 15.6% and all other states' respective contribution were below 10%, for instance, Sarawak 9.7%, Johor 9.5%, Sabah 6.8% and Penang 6.6%.

In terms of economic growth, while Malaysia recorded an increase from 4.2% in 2016 to 5.9% in 2017, Selangor, as usual, scored a higher growth of 7.1% in 2017 as compared to 4.8% in 2016. Manufacturing sector contributed about 30% of the Selangor GDP. Furthermore, the manufacturing sector in Selangor had also recorded a growth of 7.9% in 2017. This is excellent!

Based on this statistics, we can see how important the logistics companies in Selangor to support the economic growth.

Ladies and gentlemen,

Selangor had successfully attracted 202 approved manufacturing projects in 2017, translating into total direct investments worth of RM 5.59 billion for which a total of RM 3.43 billion of domestic direct investments (DDI) and RM 2.16 billion was of foreign direct investments (FDI).

Selangor remained the most popular destination for investors with the 202 approved projects although in terms of volume Selangor claimed the fourth position.

The latest figures from MIDA shows that Selangor ranked number one in the first quarter of 2018 in term of number of projects with 35 approved projects in manufacturing sector worth of RM813 millions of proposed capital investment, comprised of RM427 million of Domestic Direct Investments (DDI) and RM386 million of Foreign Direct Investment (FDI).

As for the logistics sector, the statistics from MIDA shows that Selangor also in the ranked number one as at April 2018. 151 logistics companies who cater the Chemical, Oil & Gas, Automotive, E&E and ICT industry enjoyed the incentives given by MIDA. 53 companies enjoyed the incentive of Integrated Logistics Services (ILS), 97 companies received the Status of International Integrated Logistic Services (IILS) and one company received Domestic Investment Strategic Fund (DISF) from MIDA.

Although our working schedule in 2018 had been slightly disrupted by the general election, we are optimistic that we will do well in the future, especially with the new government at the Federal level.

Ladies and gentlemen,

In order to stay ahead and be competitive locally but regionally, we are compelled to embrace the latest technology development. The state government is fully committed to invest in this aspect.

The state government has in fact allocated a sum of approximately RM5 millions on a project to assist the local manufacturer to adopt the technology of Industrial 4.0 with Selangor Human Resource Development Centre (SHRDC) this year.

We look forward to seeing a positive result from the program so that the model can be duplicated in the coming years.

The state government has also continued to set aside a substantial amount of annual budget on technical and vocational training (TVET) and will continue the effort without hesitation.

As for the logistics industry, Selangor moving towards the digitalization, Digital Free Trade Zone (DFTZ) which located in Sepang, Selangor as the new trend in e-commerce and logistics business will creating the new era of logistics industry in Selangor. We also look the opportunity to have more DFTZ in Selangor and I would say, Port Klang is the best area for the next DFTZ.

In order to develop and excel the logistics industry, Malaysia Institute of Transport (MITRANS) initiate the Centre of Excellence for Logistics industry comprises of training, research, R&D and etc. I was told that MITRANS has conducted a new initiative on Malaysia Logistics performance Index (MLPI). The data, measurement and assessment that they have captured are from the players who are most located in Selangor where 70% of the logistics players are in Selangor.

This assessment could assist in the provision of information in an effort to increase the trade competitiveness of the country as to bring greater economic advantage particularly from the reduction of trade transaction cost generated by better facilitation measures. The details of the MLPI will be shared by MITRANS during their briefing later.

I hope it could be synergies with Selangor State's vision on positioning Selangor as Regional Hub for logistics. I look forward for Invest Selangor, MIDA and MITRANS and other related agencies and organization cooperate together to boost the logistics industry in Selangor.

Ladies and gentlemen,

In accordance with the strategy as propounded in the Selangor Industrial Masterplan, the Selangor State Government through Invest Selangor has been focusing on five industrial clusters, namely are electrical and electronics; transport equipment, life sciences, food and beverages and machinery and equipment.

Within these five main clusters and together with the focus on service industry, we emphasize four sub-sectors: the halal industry, e-commerce, biotechnology and aerospace, as part of our initiatives to further boost investment opportunities in the state.

In order to promote these sub-sectors effectively, Selangor State Government has set up four specialist councils, namely, Selangor Information Technology and E-Commerce Council (SITEC), Selangor Aerospace Council, Selangor Bio Council and Selangor Halal Council.

Selangor is a preferred investment destination in Malaysia and becoming increasingly relevant in the ASEAN regional framework. Our infrastructure with 2 major airports and the 12th largest container port in the world, which located in Klang, Selangor and second largest in Southeast Asia after Singapore. Port Klang has grown rapidly to become one of the top ranked ports in the world. In 2017, Port Klang handled 11,978,466 TEUs containers and is continuously improving and upgrading itself to remain competitive in the ports, shipping and maritime industry. The solid infrastructure of airports and seaports has given Selangor an advantage over other states in promoting Selangor as their launching pad or a global trading hub to neighbouring countries and ASEAN countries. In addition, Selangor is also able to deliver in regard to human capital with more than 100 institutions of higher learning, more than 40,000 graduates annually and important soft skills such as a multi-lingual workforce.

Ladies & Gentlemen,

I would like to take this opportunity to share with you that Selangor State will organize the Selangor International Business Summit (SIBS) 2018 from 6 -16 September 2018 at MITEC, Kuala Lumpur (which comprised of 3 events, namely 4th Selangor International Expo, 2nd Selangor ASEAN Business Conference and Selangor Smart City and Digital Economy Convention).

I wish to extend an invitation to all of you to join and take this opportunity and platform to expand your networking through the Business Matching sessions, as they will be a lot of international companies participating in the summit especially the food logistics and halal logistics companies in this hall.

And look forward to continuing an excellent working relationship with all agencies; chambers, association, manufacturers, tech companies and logistics companies to ensure Selangor maintain the first-choice business hub for investors and industries.

Last but not least, I wish this forum could gained a lot of information and ideas about the logistics supply chain in Selangor and Selangor State Government are open for any suggestion and ideas to position the State as a regional hub for this industry.

On that note, congratulation once again the organizing committee, supporters and to all the participants making this event success.

Thank you.