



INVEST MALAYSIA



HIGHLIGHTS

Malaysia Records a Historic High RM378.5 Billion in Investments, with 14.9% Y-O-Y Growth, Generating Over 207,000 Jobs in 2024

INDUSTRY

Artificial Intelligence (AI): Disruptions or Opportunities

SERVICES

Powering Up: Navigating the Energy Crossroads of Malaysia's Data Centre Boom

From the CEO's Desk

Dear valued partners and esteemed readers,

Malaysia's economic resilience and growth remain a testament to our nation's strength, driving us towards greater investment opportunities. I am pleased to share this edition of the InvestMalaysia e-Newsletter, highlighting pivotal moments in our nation's investment journey.

In 2024, Malaysia secured a record RM378.5 billion in approved investments - reflecting the MADANI Economy Framework's success and global investor confidence.

Building on this momentum, we spotlight the transformative potential of the Smart Logistics Complex (SLC) incentive, introduced under the 2025 National Budget. This initiative is set to revolutionise Malaysia's logistics landscape, accelerating economic growth and generating high-value employment, while solidifying our position as a premier regional logistics hub.

Our Industry Focus section takes a nuanced look at the booming influence of Artificial Intelligence (AI), exploring its dual nature as both a disruptor and an enabler. While AI presents unparalleled opportunities for innovation and efficiency, it also necessitates a thoughtful approach to address the ethical and social considerations that accompany its widespread adoption.

In our Services section, we explore Malaysia's ambition to be a preferred digital hub while maintaining a steadfast commitment to sustainability. Robust regulations, renewable energy adoption, and strategic partnerships are key to ensuring Malaysia's data centre growth aligns with our carbon neutrality commitment.

Further illustrating our commitment to global competitiveness, we showcase AFI BRAKE, a local champion in automotive braking technologies. Their strategic global expansion and attainment of the prestigious E-Mark (E11) certification, exemplify Malaysia's dedication to quality and adherence to international standards.

This edition also sheds light on the Northern Corridor Economic Region (NCER), unveiling its vast investment potential and reinforcing its pivotal role in the ASEAN economic landscape.

Recent strategic initiatives have further strengthen our investment ecosystem. Notably, the landmark Memorandum of Understanding (MoU) between MIDA and BEYOND4, aims at accelerate talent development and enterprise innovation, underscoring our commitment to nurturing a vibrant digital innovation and entrepreneurship hub. Similarly, the inauguration of the Invest Malaysia Facilitation Centre Johor (IMFC-J) in Forest City, Johor, highlights our dedication to streamlining investment processes and enhancing investor confidence within the Johor-Singapore Special Economic Zone (JS-SEZ).

From the CEO's Desk

Furthermore, the MIDA Invest Series, in collaboration with the Perlis State Government and the Northern Corridor Implementation Authority (NCIA), showcased Perlis's strategic potential as one of the key investment hubs in Northern Malaysia, attracting significant interest from both domestic and international investors.

Malaysia continues to forge strategic partnerships and implement facilitative measures to enhance its overall investment appeal. These efforts, driven by a commitment to fostering innovation and streamlining processes, are crucial in positioning Malaysia as a premier destination for global investment.

I invite you to explore these transformative developments and discover the wealth of investment opportunities shaping Malaysia's future.

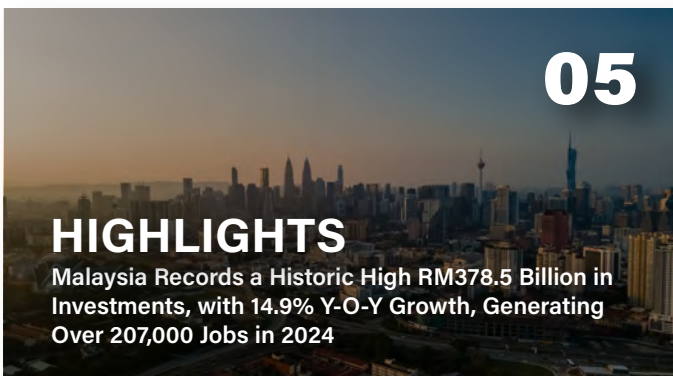
DATUK SIKH SHAMSUL IBRAHIM SIKH ABDUL MAJID

Chief Executive Officer

Malaysian Investment Development Authority (MIDA)



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Malaysia Records a Historic High RM378.5 Billion in Investments, with 14.9% Y-O-Y Growth, Generating Over 207,000 Jobs in 2024

Malaysia recorded a commendable milestone with RM378.5 billion in approved investments in 2024, the highest in the nation's history, marking a 14.9% year-on-year growth. Spanning 6,700 projects across key sectors, these investments will generate over 207,000 new jobs, reinforcing Malaysia's position as a premier investment destination.



RM378.5 billion
(2023: RM329.5 billion)

Total Approved Investments

55 : 45

Domestic-to-Foreign Investment Ratio

A Breakdown of Investment Success

Domestic investments (DI) led the way in 2024, accounting for 35.0% of total approved investments, valued at RM208.1 billion.



RM208.1 billion
(2023 : RM141.1 billion)
Domestic Investments (DI)



RM170.4 billion
(2023 : RM188.4 billion)
Foreign Investments (FI)



6,700
(2023 : 5,101)
Projects








207,241
(2023 : 127,332)
New Jobs

Due to rounding, figures presented in this infographic may not add up precisely to the totals provided.

HIGHLIGHTS

The top five (5) states that have recorded significant investment value include:

Five Major States

	RM (Bil)	Manufacturing RM (Bil)	Services RM (Bil)	Primary RM (Bil)
 Selangor	101.1 (2023 : RM55.3 Bil)	18.8	82.3	38.7 mil
 W.P. Kuala Lumpur	91.5 (2023 : RM58.3 Bil)	0.3	91.2	-
 Johor	48.5 (2023 : RM43.1 Bil)	14.2	34.0	0.2
 Kedah	45.8 (2023 : RM28.7 Bil)	44.1	1.7	*
 Pulau Pinang	32.0 (2023 : RM71.9 Bil)	17.3	14.7	*

Note*: Total investment less than RM250 thousand.

In contrast, foreign investments (FI) accounted for 45.0% of total approved investments, worth RM170.4 billion. The top five (5) sources of FI were:

Top Five Foreign Investors*

	RM (Bil)
 The United States of America	RM32.8
 Germany	RM32.2
 The People's Republic of China	RM28.2
 Singapore	RM27.3
 Hong Kong SAR	RM7.4

Note*: Reporting of foreign investment is based on the ultimate source.

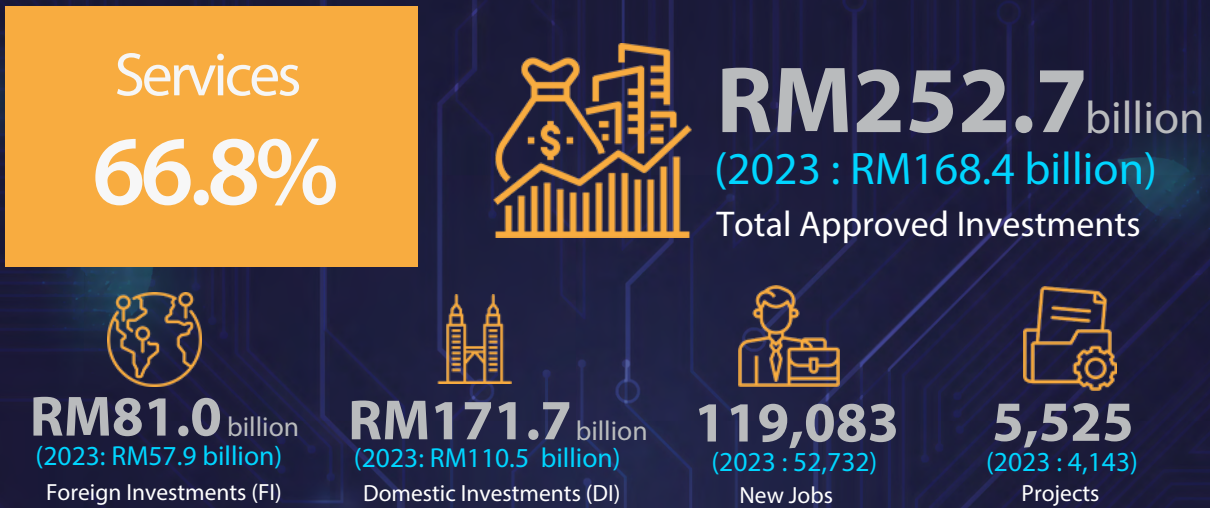
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HIGHLIGHTS

Services Sector Leads with RM252.7 Billion In Approved Investments

The services sector continues to be a key driver of Malaysia's economic expansion, securing RM252.7 billion in approved investments, accounting for 66.8% of total approvals. These investments are set to generate 119,083 new jobs, further reinforcing the sector's leading role as the backbone of Malaysia's economy.

A significant portion of the services sector's investment comes from domestic sources, amounting to RM171.1 billion or 67.9%, with foreign investment contributing the remaining 32.1% or RM81.0 billion. This investment mix highlights the sector's appeal to both local and international investors.



Top Services Sub-Sectors*



Note*: Data for the information & communications, transport services, financial services, utilities and mining subsectors is only available up to September 2024.

Sustainability and Green Investment Take Center Stage

Malaysia remains at the forefront of sustainable industrial development, with green technology integration playing a pivotal role in shaping the nation's future. One such initiative is NUR Renewables' RM250.0 million solar farm in Kulim, which combines clean energy solutions with Industry 4.0 technology. This project sets new benchmarks for sustainable industrial practices by incorporating advanced digital systems to optimise energy efficiency and enhance renewable energy adoption.

Further strengthening Malaysia's logistics and supply chain ecosystem, Singapore-based YCH Group is investing RM500.0 million in Supply Chain City Malaysia in Bukit Raja, Selangor. This strategic development leverages Malaysia's robust infrastructure and prime location to enhance the nation's standing as a regional logistics powerhouse.

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HIGHLIGHTS

Manufacturing Sector Secures RM120.5 Billion

Beyond the services sector, Malaysia's manufacturing sector continues to demonstrate strength and resilience, securing RM120.5 billion in approved investments, accounting for 31.8% of total approved investments in 2024. These investments are spread across 1,108 projects and are set to generate close to 88,000 new jobs, of which 82.2% (72,116 jobs) are specifically for Malaysians.

Manufacturing
31.8%



RM120.5 billion
(2023: RM152.0 billion)
Total Approved Investments



RM88.9 billion
(2023: RM128.4 billion)
Foreign Investments (FI)



RM31.6 billion
(2023: RM23.5 billion)
Domestic Investments (DI)

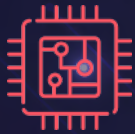


87,695
(2023: 73,939)
New Jobs



1,108
(2023: 883)
Projects

Top Manufacturing Sub-Sectors



Electrical and
Electronics (E&E)

RM55.8 Bil
(2023 : RM85.4 Bil)



Transport
Equipment

RM15.8 Bil
(2023 : RM7.1 Bil)



Chemicals and
Chemical Products

RM10.6 Bil
(2023 : RM8.9 Bil)



Machinery &
Equipment

RM10.6 Bil
(2023 : RM22.6 Bil)



Food
Manufacturing

RM6.1 Bil
(2023 : RM3.2 Bil)

Primary Sector Demonstrates Opportunity

The primary sector registered approved investments of RM5.3 billion, constituting 1.4% of the total approvals. Driven by 67 projects, it anticipates creating 463 new jobs, with a focus on mining (RM4.5 billion), agriculture (RM766.8 million) and plantation and commodities (RM71.6 million).

Primary
1.4%



RM5.3 billion
(2023 : RM9.1 billion)
Total Approved Investments

Primary Sub-Sectors



RM0.5 billion
(2023: RM2.0 billion)
Foreign Investments (FI)



RM4.8 billion
(2023: RM7.1 billion)
Domestic Investments (DI)



463
(2023 : 661)
New Jobs



67
(2023 : 75)
Projects



Mining
RM4.5 Bil
(2023 : RM8.8 Bil)



Agriculture
RM766.8 Mil
(**2023)



Plantation and Commodities
RM71.6 Mil
(2023 : RM312.6 Mil)

Note**: No projects approved for agriculture

Due to rounding, figures presented in this infographic may not add up precisely to the totals provided.

HIGHLIGHTS

Continued Focus on Quality and Sustainable Investments Attraction

Malaysia's investment landscape continues to thrive with strong investment pipelines and high-potential projects, reinforcing its position as a top investment destination. As of 31 January 2025, MIDA is overseeing a robust portfolio of 1,049 projects with proposed investments totaling RM58.8 billion.

- The services sector leads with 995 projects, valued at RM31.8 billion.
- The manufacturing sector follows closely, with 54 projects worth RM27.0 billion.

Additionally, RM63.5 billion in high-potential investment leads are currently under active negotiations by MIDA, reflecting strong investor confidence in Malaysia's economic fundamentals.

Implementation of Approved Manufacturing Projects

Malaysia's investment success lies in both approvals and effective implementation. Key initiatives like the National Investment Council, the Investment and Trade Coordination Action Committee, and the Invest Malaysia Facilitation Centre enhances the investment ecosystem. MITI and MIDA actively engage stakeholders to facilitate projects.

From 2021 to December 2024, the National Committee on Investment approved 3,494 manufacturing projects:

- 84.5% (2,950 projects) are in various implementation stages.
- 13.0% are in the planning phase.
- Only 2.5% were abandoned, demonstrating Malaysia's high project realisation rate.

A Future Built on Resilience, Innovation, and Economic Prosperity

Malaysia's transformative investment journey represents a bold step towards a resilient, innovative, and prosperous future. With a well-positioned policy framework, proactive facilitation, and unwavering investor confidence, Malaysia is poised to strengthen its global standing as a premier investment destination.



Smart Logistics Complex (SLC) Incentive: A Game-Changer for Malaysia's Logistics Industry

The global logistics sector is the backbone of trade and commerce, ensuring the seamless movement of goods across borders. As demand for rapid and efficient delivery surges – driven by the expansion of e-commerce, customer expectations, and environmental concerns, the industry is undergoing a profound transformation.

To stay ahead, businesses are turning to smart warehouses that leverage cutting-edge technology to automate operations and optimise inventory management. These innovations not only boost efficiency and cost reductions but also enable companies to keep pace with shifting consumer demands. Recognising the critical role of smart logistics in economic growth and national competitiveness, the Malaysian Government has introduced the Smart Logistics Complex (SLC) incentive under the 2025 National Budget.

A Milestone in Malaysia's Logistics Evolution

The introduction of the SLC incentive marks a major milestone in Malaysia's efforts to establish itself as a leading regional logistics hub. By integrating advanced technologies and sustainable practices, SLCs are set to transform the logistics landscape, stimulate economic growth, and generate high-value job opportunities. As the nation's principal investment promotion agency in driving this initiative, MIDA remains committed to support

investors and facilitating the development of world-class logistics infrastructure in Malaysia. This initiative, in line with the Twelfth Malaysia Plan (12MP), National Investment Aspirations (NIA), New Industrial Master Plan (NIMP) 2030 and National E-Commerce Strategic Roadmap (NESR) 2.0; strives to attract high-value investments by prioritising digitalisation and innovation as well as strengthening logistics infrastructure to support e-commerce growth.

Advancing Industry 4.0 and Green Logistics

In support of the Government's Industry4WRD initiative, with the aspiration to transform Malaysia's manufacturing sector and related services into a high-technology, high-value-added economy, qualifying smart warehouse facilities under the SLC incentive must adopt at least three (3) Industry 4.0 technology elements. These include:

- Big data analytics
- Cloud computing
- Augmented Reality
- Artificial intelligence
- Cybersecurity
- Internet-of-Things (IoT)
- Autonomous robotics
- Additive manufacturing
- System integration and simulation
- Advanced materials

Furthermore, to align with Malaysia's aspiration to become a sustainable and carbon-neutral nation by 2050, smart warehouse complexes must integrate at least



one (1) green technology which includes utilising renewable energy sources such as solar, biomass, biogas, mini hydro, installing rainwater harvesting systems, and adopting Green Building initiatives to support sustainability efforts.

Beyond improving logistics efficiency, the SLC incentive will also stimulate local economic growth. To achieve this, companies must comply with specific requirements, including:

- Creating high-value job opportunities for Malaysians
- Providing internship and training programs for local talent
- Engaging local contractors for construction and development
- Utilising Malaysian seaports and airports for logistics operations
- Forming partnerships with local logistics firm

These measures will strengthen Malaysia's trade competitiveness while fostering a resilient and future-ready logistics ecosystem. As a result, Malaysia is poised to become a preferred gateway for regional and global trade, generating higher revenue from transport, warehousing and supply chain management services.

Application Process and Deadline

Eligible companies are encouraged to submit their applications to MIDA until 31st December 2027. For more information, visit www.mida.gov.my or contact the Oil and Gas, Maritime and Logistics Services Division, MIDA at <https://www.mida.gov.my/staffdirectory/oil-and-gas-maritime-and-logistics-services-division/>.





Artificial Intelligence (AI): Disruptions or Opportunities

Artificial Intelligence (AI) represents the cutting edge of computer science, where machines perform tasks that were once exclusive to human intelligence. From learning and reasoning to complex problem-solving, AI systems now match—and in some cases exceed—human capabilities in specific domains. The technology spans from machine learning, where systems evolve through experience, to natural language processing, enabling human-like communication. Today, AI's impact extends from creative content generation to industrial optimisation, fundamentally reshaping how businesses operate and people live.

The AI market is projected to reach USD243.7 billion in 2025 and surge to nearly USD826.7 billion by 2030 (Statista, 2024). In 2023, the United States led private investment in AI (USD58.1 billion), followed by China (USD6.7 billion). The EU and the United Kingdom (UK) together attracted USD8.3 billion worth of private investment in 2023 (Stanford University, 2024). This remarkable growth reflects AI's increasing importance - not just as a tool for efficiency, but as a driver of innovation, economic development and competitiveness.

As Malaysia stands at the cusp of technological transformation, mastering AI's dual nature—both as a disruptive force and a growth catalyst—is essential for sustainable development. This understanding will shape the nation's competitive advantage in the digital age.

The Apparent Disruptions of AI

The widespread adoption of AI technologies triggers fundamental shifts across economic and social landscapes, demanding strategic responses from governments, industries, and workforce sectors.

Job Displacement and Workforce Transformation

AI automates tasks previously performed by humans, particularly in areas like content creation, customer service and design. AI-powered tools are already generating articles, producing marketing visuals and optimising engineering designs which raises concerns about job displacement across various sectors. To remain competitive, Malaysia has no choice but to prioritise reskilling and upskilling initiatives, preparing talent for roles that require human creativity, critical thinking, and complex problem-solving—skills that AI cannot easily replicate.

Ethical and Social Concerns

AI's ability to generate realistic synthetic media, such as deepfakes ('deep learning' and 'fake') presents significant ethical challenges. Deepfakes, which are manipulated videos or images, can be used to spread misinformation, manipulate public opinion, and even blackmail individuals, which erodes public trust. This underscores strong regulatory frameworks to guide the responsible development and application of AI technologies in Malaysia.

Intellectual Property and Copyright Issues

AI can produce content that closely resembles existing works, raising questions about intellectual property rights and ownership. Creators may find their work being replicated or transformed by AI without proper attribution or compensation, leading to potential legal disputes. We may see machinery and equipment designs being astoundingly duplicated, mimicking the style of the real machine, which could lead to debates about ownership, patents and the rights of the real designers.

Leveraging the Opportunities

Despite these disruptions, AI offers transformative opportunities that Malaysia can harness to strengthen its economy and future-proof its industries.

Enhanced Creativity and Innovation

AI can augment human creativity across sectors, from manufacturing to creative industries. It can accelerate product development, personalise consumer experiences, and inspire new design concepts. By integrating AI into industrial processes, businesses can push the boundaries of innovation, enhancing productivity and global competitiveness.

Boosting Efficiency and Reducing Costs

As in industrial AI, it can streamline processes, improve efficiency, and reduce costs across various industries. It can optimise production lines by reducing labour costs, minimising

errors, increasing production speed, reducing waste and improving product quality. This can be achieved by introducing specific criteria and constraints. Research and Development (R&D) can now be more effective through powerful algorithms and natural language processing (NLP) tools by simulating complex processes and predicting the outcomes based on the hypothesis and research direction obtained from existing data and research.

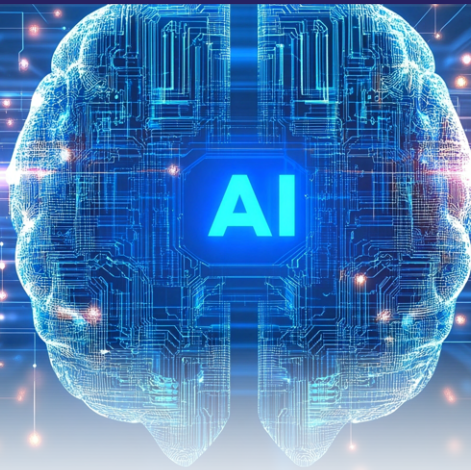
Enhancing Education and Skills Development

AI-powered education platforms offer personalised learning experiences, enabling real-time feedback and adaptive training programmes. These capabilities can enhance workforce development, making skills training more accessible and effective, particularly in high-tech and complex industrial environments.

Building a New Value Chain

AI deployment needs a special architecture as the enabler. Due to its deep learning function, it requires high-performance processes like graphic processing units (GPUs) that are compatible with its software frameworks. Looking at its ecosystem, this is one of the many essential components to enable AI, presenting a significant opportunity for Malaysia. New investment pertaining to AI could build a stronger ecosystem and offer significant spill over to the economy including strengthening vendor capability, enhancing talent readiness, better infrastructure and higher salary workforce.





Embracing AI: Malaysia's Path Forward

Malaysia has taken notable steps to embrace AI as part of its national development agenda. Ranked 29th out of 181 countries in the Oxford Insights Government AI Readiness Index 2022, Malaysia is leveraging its digital capacity, infrastructure, and industrial ecosystem to move forward. To achieve a higher position, the Government of Malaysia together with various stakeholders including industries and academia has worked through various initiatives to achieve the goal of being the hub for AI in the region.

To name a few initiatives, in the **New Industrial Master Plan (NIMP) 2030** launched on 1 September 2023, the Government has set out the initiative to embrace AI through Mission 2 of Action Plan 3.2 which is to develop generative and industrial AI solution leaders and system integrators. Mission 1 is also focused on several important sectors such as IC design, wafer fabrication, specialty chemicals and advanced materials that support the development of AI in Malaysia.

The masterplan was further enhanced by the formation of the **National Semiconductor Strategy (NSS)** announced in May 2024 which also supports IC design, advanced packaging, machinery & equipment and its ecosystem. NSS sets out various strategies including talent readiness, supply chain, R&D, industrial parks and incentive packages in accepting high-tech investment in the semiconductor industry, which indirectly covers AI development in Malaysia.

While both initiatives focus on the manufacturing sector, the latest effort by MyDigital under the National AI Office marks a significant step forward with the launch of the **National AI Blueprint** on December 12, 2024.

This blueprint underscores Malaysia's commitment to becoming a regional AI hub by developing the entire AI value chain—from manufacturing AI-related components and equipment to integrating AI into consumer experiences. Among the available funding under this initiative includes AI R&D Grants with RM600 million, AI Education and Workforce Development fund with RM50 million and AI Startups and Innovation fund with RM300 million under the National Fund-of-Fund through venture capital investments. To support this initiative, several funding programme have been introduced, including:

- **AI R&D Grants** – RM600 million
- **AI Education & Workforce Development Fund** – RM50 million
- **AI Startups & Innovation Fund** – RM300 million (via the National Fund-of-Funds for venture capital investments)

Beyond these efforts, Malaysia has long supported AI-related projects through special tax incentives and double tax deductions for AI-focused research and development (R&D).

These strategies are built upon Malaysia's strong foundation as the sixth-largest exporter of semiconductors, contributing 13% of the global market in semiconductor packaging, assembly, and testing.

AI brings both disruptions and immense opportunities. For Malaysia, the challenge lies in balancing these forces—managing risks while seizing growth prospects. With strategic planning, targeted investment, and continuous talent development, Malaysia is on the path to harnessing AI as a driver of economic growth, technological leadership, and global competitiveness.



Powering Up: Navigating the Energy Crossroads of Malaysia's Data Centre Boom

Malaysia's ambition to become a digital powerhouse has placed data centres at the forefront of its economic strategy. These facilities, the backbone of cloud computing, artificial intelligence, and a myriad of other digital advancements, are essential to the nation's goal of establishing itself as a regional tech hub. The influx of global tech giants like AWS, Microsoft, Google, Bridge Data Centres, GDS, Airtrunk, and Vantage Data Centres into strategic locations like Greater Kuala Lumpur and Johor underscores this commitment. Data centres are more than just infrastructure; they are the engines driving innovation across crucial sectors - from finance and healthcare to logistics and education, representing a significant investment in Malaysia's future, promising to unlock new economic vistas and enhance the lives of its rakyat.

However, this digital revolution comes with a significant energy footprint. The very technologies that promise progress also demand substantial power, creating a complex challenge for Malaysia. Projections indicate that data centre energy consumption could surge to over 5,000 MW by 2035, a figure representing a staggering 40% of Peninsular Malaysia's current power capacity. This rapid increase in demand

raises concerns about the strain on the national grid and, more critically, the environmental implications. With total energy supply applications already exceeding 11,000 MW, the writing is on the wall: Malaysia must forge a sustainable path forward that balances digital ambitions with environmental commitments.

Balancing Growth with Sustainability

The tension between economic growth and environmental responsibility is a defining challenge of our era. For Malaysia, this tension is particularly acute as it strives to achieve carbon neutrality by 2050. The rapid expansion of data centres, traditionally reliant on fossil fuel-based energy sources, poses a direct threat to this goal. Without careful management and a decisive shift towards sustainable practices, the very infrastructure designed to propel Malaysia forward could inadvertently undermine its environmental commitments. This is not to suggest that Malaysia should shy away from its digital ambitions. On the contrary, embracing the digital economy is essential for long-term prosperity. The key lies in finding innovative

solutions that mitigate the environmental impact of data centre operations. Fortunately, Malaysia has recognised this challenge and is taking proactive steps to address it.

Government initiatives and regulatory frameworks have been implemented to balance the growth of data centres with environmental objectives. A key measure introduced by the Ministry of Investment, Trade, and Industry (MITI) is the incorporation of **Power Usage Effectiveness (PUE)** and **Water Usage Effectiveness (WUE)** metrics into its sustainability guidelines. These metrics aim to enhance energy and water efficiency in data centre operations, with PUE measuring total energy consumption against energy used for IT equipment and WUE tracking water usage in cooling processes. Recently announced as part of the **Digital Ecosystem Acceleration Scheme (DESAC)**, these metrics now serve as critical criteria for data centre incentives, further reinforcing sustainability in the sector.

The Shift to Renewable Energy

As data centres continue to grow in both number and energy demand, their reliance on sustainable energy solutions becomes increasingly critical. Transitioning to renewable energy sources not only supports the National Energy Transition Roadmap, which aims for 70% of Malaysia's energy to come from renewable sources by 2050, but also addresses the high energy demands of data centres, helping to reduce their carbon footprint.

Malaysia's data centre sector has attracted RM184.7 billion in investments in data-centre-related projects from 2021 to December 2024, with companies like Amazon & YTL pledging to power their global data centres with 100% renewable energy. These commitments set a benchmark for other operators in Malaysia. Furthermore, technological innovations such as AI-powered cooling systems, which adjust temperatures in real time, are becoming essential. Implemented



by industry leaders, these systems have achieved up to 40% energy savings, demonstrating how advanced solutions can significantly improve energy efficiency and reduce environmental impact. By integrating sustainable practices, advanced technologies, and regulatory frameworks, Malaysia ensures its data centre industry remains competitive, resilient, and aligned with its environmental goals.

The transition to renewable energy is another crucial piece of the puzzle. Malaysia's National Energy Transition Roadmap, with its ambitious target of 70% renewable energy by 2050, provides a strong foundation for this shift. Data centres, with their massive energy demands, have a vital role to play in achieving this target. Existing programmes such as the Corporate Green Power Programme (CGPP) and Large-Scale Solar (LSS) provide access to renewable energy. Moreover, the Corporate Renewable Energy Supply Scheme (CRESS), launched in September 2024 offers a mechanism for data centre operators to procure green power directly from renewable energy developers (RED) like TNB, Solarvest and Samaiden Group via the national grid, aligning their operations with national sustainability goals.

However, technology alone is not enough. Effective collaboration between the government, energy providers, and technology companies is essential to navigate the complex

energy landscape of the data centre boom. Balancing rapid development with the availability of renewable energy solutions requires careful planning and coordination. Integrating sustainability metrics into incentive frameworks, as MIDA is doing through DESAC, is a crucial step in this direction. By harmonising technological advancements with robust sustainability strategies, Malaysia can create a virtuous cycle, where data centres drive economic growth without compromising environmental goals. This approach aligns stakeholders towards a shared goal.

The challenge before Malaysia is significant, but it is not insurmountable. By embracing innovation, fostering collaboration, and prioritising sustainability, Malaysia can transform its data centre boom from a potential environmental liability into a powerful engine for green growth. The decisions made today will shape not only the future of Malaysia's digital economy but also the health of its environment. Malaysia stands at a critical crossroads. Choosing the path of sustainable development is not just an environmental imperative; it is an economic one. It is the only way to ensure that the digital revolution truly benefits all Malaysians, now and in the generations to come.

To learn more, please reach out to the **Business Services and Regional Operations Division** at <https://www.mida.gov.my/staffdirectory/business-services-and-regional-operations-division/>.

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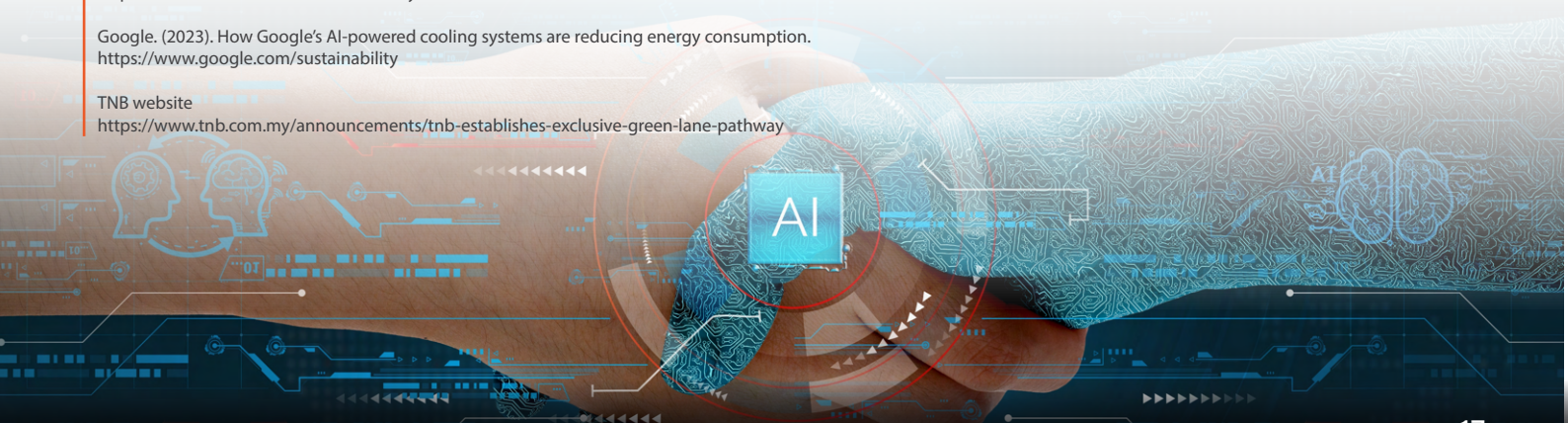
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AFI BRAKE: A Local Innovator with Global Standards

Established in 1997, AFI Brake Manufacturing Sdn. Bhd. (AFI Brake) has distinguished itself as a leading integrated producer of automotive braking friction products, catering primarily to the aftermarket sector. Situated in Kuala Terengganu, Malaysia—just a short 45-minute flight from Kuala Lumpur International Airport—AFI Brake operates at the cutting edge of braking friction product manufacturing.

The company meticulously manages every facet of its manufacturing operations, from the creation of moulds and metal stamping to the formulation of friction materials, packaging, and comprehensive research and development. Its commitment to excellence drives continual technological advancement, ensuring the delivery of superior products.

The company's commitment to excellence is validated by multiple certifications, including the prestigious MS ISO 9001 Quality Management System and the internationally recognised E-Mark ECE R90 standard certification (E11). In 2011, AFI Brake's outstanding performance earned them the Golden Bull Award, ranking them among Malaysia's top 100 exceptional SMEs.

Government Assistance

The implementation of advanced systems, supported by MIDA's Domestic Investment Strategic Fund (DISF) grant, has revolutionised AFI Brake's operations. Automated weighing batching, enhanced press processes, and the sophisticated INFOR CSI ERP system have streamlined production while reducing costs. These technological advancements place AFI Brake at the forefront of Industry 4.0 adoption in Malaysia.

Going Global

AFI Brake strategically expanded globally to tap into the increasing demand for automotive disc brake pads in international markets. The company achieved a significant milestone with its E-Mark (E11) certification, a testament to its commitment to quality and compliance with stringent European safety standards. This certification not only enhanced the company's credibility but also opened doors to markets with rigorous regulatory requirements, such as those in the United States, China, Japan, and Korea. Additionally, by participating in prominent global events like the Automechanika exhibitions, AFI Brake strengthened its international brand presence and established itself as a trusted player in the global automotive aftermarket.

Additional Support from the Government

The company has made significant strides in international markets by actively exporting to regions such as Egypt, Saudi Arabia, Jordan and Turkey. In recognition of its achievements and contributions to Malaysia's export industry, AFI Brake was proudly featured in MATRADE's MDG (Market Development Grant) Success Story, highlighting its commitment to international expansion. This acknowledgement underscores the company's role as an exemplary Malaysian manufacturer making an impact globally.


AFI Brake is dedicated to gaining further exposure and expanding its customer base by actively participating in both local and international exhibitions. These events serve as vital platforms for showcasing its high-quality products, building strategic partnerships, and enhancing Malaysia's reputation as a hub for innovative manufacturing.

Community Impact and Local Development

The company is committed to supporting the local community by actively hiring people from Terengganu to improve their quality of life and reduce reliance on foreign workers. By offering skilled and administrative job opportunities alongside training programmes, AFI Brake aims to foster sustainable employment and contribute to the region's economic growth while continuously innovating and enhancing its production capabilities.

Making it Big

For companies considering investing in the industry and pursuing global expansion, conducting thorough market research is crucial to understand demand, competition, and emerging trends. Building strong local partnerships by hiring and training local talent not only reduces operational costs but also fosters community ties and aligns with government assistance. Prioritising quality through stringent production standards and investing in research and development ensures competitiveness and compliance with international regulations. Additionally, adopting sustainable practices is essential, as global markets increasingly favour eco-friendly businesses that contribute positively to environmental and social well-being.



Mr. Chong Tze Liang
Managing Director

KEDAH RUBBER CITY

Leveraging ASEAN 2025, The Northern Corridor Economic Region Offers Value Creation for Investors

ASEAN stands at the forefront of global economic transformation, with Malaysia assuming the Chairmanship in 2025. Within this dynamic landscape, the Northern Corridor Economic Region (NCER) emerges as a strategic hub, uniquely positioned to drive regional integration, sustainable growth and investment-led economic expansion. Under the theme of "Inclusivity and Sustainability", Malaysia's leadership provides a pivotal moment to highlight NCER's robust investment ecosystem and its role in shaping ASEAN's future economic trajectory.

Why Invest in NCER?

Thriving Industrial Ecosystem

At the heart of its appeal is a diverse and thriving industrial landscape home to flagship projects such as the NCER Innovation and Technology Centre (NTIC), Kedah Rubber City (KRC), Chuping Valley Industrial Park (CVIA) and Perlis Inland Port (PIP). These strategic initiatives attract multinational corporations (MNCs) and high-value industries fostering seamless cross-border trade and supply chain integration. Additionally, the availability of industrial parks with ready infrastructure and investor-friendly incentives further enhances NCER's appeal as an attractive destination for high-value investments.

Enhancing Regional Trade and Connectivity

Beyond its industrial strengths, NCER's integrated transport and digital infrastructure network enhances cross-border commerce, logistics efficiency, and access to ASEAN's growing consumer base. The region's strong connectivity with Thailand, Indonesia, and other ASEAN markets makes it a gateway for investors seeking regional expansion. Future infrastructure projects, including enhanced railway and highway connectivity, will further reduce logistical barriers and improve trade efficiency across borders.

High-Value Sectors with Growth Potential

In addition to its logistical advantages, NCER is at the forefront of Malaysia's industrial development, particularly in Electrical and Electronics (E&E), advanced manufacturing, digital economy, and agribusiness, all of which play a crucial role in ASEAN's economic expansion. The presence of global industry leaders in Penang and Kulim Hi-Tech Park reflects NCER's growing appeal as a destination for high-impact investments.

Furthermore, NCER is taking significant strides in spurring the development of its semiconductor sector, starting with Advanced Packaging, Wafer Fabrication, and IC Design. These initiatives aim to position the region as a hub for next-generation semiconductor innovation, ensuring that Malaysia remains competitive in the global supply chain. A key

enabler of this ambition is the Advanced Packaging Institute and Research Centre (APIRC), which serves as a catalyst for industry-academia collaboration, talent development, and cutting-edge R&D in semiconductor packaging technologies. Additionally, NCER fosters a dynamic start-up and innovation ecosystem, providing a conducive environment for tech-driven investments, research collaborations, and talent development to support future industries.

Expanding High-Growth, High-Value Services Sectors in NCER

Beyond its strength in manufacturing and industrial development, NCER holds significant potential in high-growth, high-value service sectors that enhance regional competitiveness and drive sustainable economic expansion. The digital economy and global services (GS) sector present opportunities in AI, IoT, big data analytics, blockchain, and cloud solutions, enabling high-value employment and digital transformation. Logistics and e-commerce leverage NCER's strategic location to strengthen regional supply chains through integrated logistics solutions, smart warehousing, and cross-border trade facilitation.

While the tourism and hospitality sector, with its rich cultural and natural assets, can be further enhanced into premium offerings such as medical tourism, eco-tourism and heritage tourism. Additionally, healthcare and wellness services have strong potential, with

opportunities to establish world-class medical facilities, elderly care services, and healthcare innovation hubs to attract both domestic and international patients. By integrating these service sectors with NCER's industrial and infrastructure ecosystem, the region is well-positioned as a comprehensive investment hub that supports future-ready, high-value industries in alignment with Malaysia's broader economic aspirations.

Sustainable and Inclusive Development

To complement its economic strengths, the region remains deeply committed to sustainable industrialisation and human capital development. Programmes such as the Advanced Technology and Meister Programme (ATMP) develops skilled talent, fostering a competitive workforce that meets global industry demands. By integrating green technologies, sustainable infrastructure, and renewable energy solutions, NCER aims to become a model for responsible economic development in ASEAN.

Competitive Investment Incentives

Investors in NCER benefit from various government incentives, including tax breaks, grants, and customised facilitation support to ensure a smooth investment process. The ease of doing business, coupled with Malaysia's strong economic fundamentals, provides an ideal environment for investors looking to expand into ASEAN's fast-growing markets.





NCER as a Strategic Investment Hub

Aligning with ASEAN 2025's vision of an economically integrated and resilient region, NCER offers world-class infrastructure, industry-focused economic zones, and policies tailored to support investment growth. Strategic investments in high-value sectors continue to enhance regional and global value chains, further strengthening NCER's position as a compelling choice for investors.

NCER's Role in ASEAN's Economic Future

NCER actively contributes to ASEAN's broader economic agenda through participation in initiatives such as the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) and regional investment forums. By fostering international collaborations, NCER enhances regional trade synergies and economic partnerships, ensuring long-term, sustainable growth that benefits investors, businesses, and communities alike.

Seizing the Opportunity

As Malaysia leads ASEAN in 2025, NCER presents an unparalleled opportunity for investors to capitalise on its high-growth potential. By aligning economic priorities with ASEAN's vision, NCER invites investors, industry leaders, and policymakers to collaborate in shaping a future-ready, competitive, and resilient economy. The continued support of both public and private sectors will be instrumental in unlocking the full potential of NCER's strategic industries, driving long-term economic gains for Malaysia and ASEAN as a whole.

For more information on investment opportunities, visit NCER's website or contact at +604 5020708 or via email at sce@ncer.com.my



Disclaimer: All figures in this article are under the purview of NCER and are for informational purposes only. For specific details regarding investments and initiatives, please refer to official NCER communications.



MIDA and BEYOND4 Partner to Accelerate Malaysia's Talent Development and Enterprise Innovation Ecosystem

On 12 February 2025, MIDA and BEYOND4 Sdn. Bhd. formalised a strategic partnership through the signing of a Memorandum of Understanding (MoU) to drive talent development and support high-growth SMEs across Malaysia. The collaboration aims to strengthen Malaysia's position as a hub for digital innovation and entrepreneurship, helping local companies adopt tech-driven business models and equipping the workforce with future-ready skills, in line with NIMP 2030.

MIDA CEO, Datuk Sikh Shamsul Ibrahim Sikh Abdul Majid highlighted the role of this partnership in enabling SMEs and startups to scale globally, supported by MIDA's Domestic Investment Coordination Platform (DICP) for access to funding, technology, and industry linkages.

BEYOND4 CEO, Mr. S.T. Rubaneswaran, reinforced the shared goal to accelerate Malaysia's high-potential enterprises and talent pipeline. Through this partnership, MIDA and BEYOND4 will provide integrated support for local businesses, including financial assistance, collaboration opportunities with MNCs and research institutions, skills development, and improved digital infrastructure. By fostering innovation and global market access, the initiative is set to create high-value jobs and bolster Malaysia's economic resilience through increased domestic and foreign investments.



EVENT HIGHLIGHTS



IMFC-J to Drive Realisation of Investments Into JS-SEZ, Streamlining Facilitation Processes for Investors

On 18 February 2025, the Invest Malaysia Facilitation Centre Johor (IMFC-J) officially opened in Forest City, Johor, to simplify and accelerate investment processes within the Johor-Singapore Special Economic Zone (JS-SEZ).

Officiated by HRH Tunku Ismail Ibni Sultan Ibrahim, Regent of Johor, and attended by key leaders including Johor Menteri Besar, YAB Dato' Onn Hafiz Ghazi and MITI Minister, YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, the launch reflects Johor's ongoing transformation into a regional economic powerhouse.

With MIDA, IRDA, and Invest Johor working together under one roof, IMFC-J reduces bureaucratic hurdles and enhances investor confidence by serving as a single point of contact for project facilitation. MIDA CEO, Datuk Sikh Shamsul Ibrahim Sikh Abdul Majid reaffirmed MIDA's commitment to improving the ease of doing business, ensuring the JS-SEZ evolves into one of the region's premier investment destinations.



EVENT HIGHLIGHTS



Perlis Showcases Business and Investment Opportunities at MIDA Invest Series

On 20 February 2025, Perlis took centre stage at the MIDA Invest Series, held in collaboration with the Perlis State Government and the Northern Corridor Implementation Authority (NCIA). Over 200 participants, including local and foreign investors gathered to explore Perlis's strategic potential as an investment hub in northern Malaysia.

Perlis Chief Minister, YAB Tuan Mohd Shukri Ramli, highlighted the state's commitment to driving economic growth through key projects such as the Chuping Valley Industrial Area (CVIA) and the Perlis Inland Port (PIP), while Deputy MITI Minister, YB Liew Chin Tong, reinforced the state's role in supporting regional development under the New Industrial Master Plan (NIMP) 2030 and National Energy Transition Roadmap.

MIDA CEO, Datuk Sikh Shamsul Ibrahim Sikh Abdul Majid emphasised Perlis's strategic location and infrastructure readiness to attract high-value investments, particularly in logistics, advanced manufacturing, and green technology.

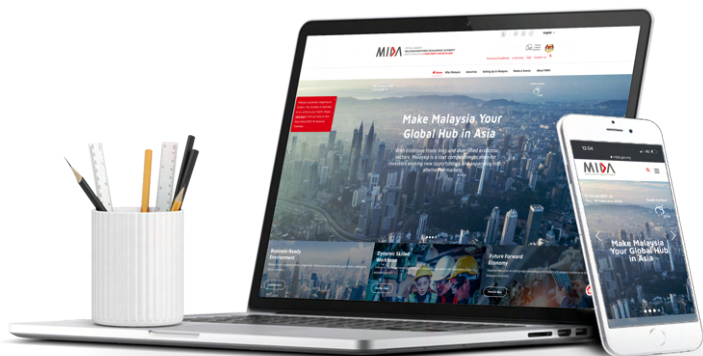
The event also saw the exchange of MoU and MoC agreements involving Bina Darulaman Berhad and MAERSK Logistics & Services Malaysia, paving the way for enhanced trade connectivity and logistics efficiency.

With strong Government support and a focus on talent development through institutions like UniMAP, Perlis is well-positioned to become a competitive and sustainable investment destination in northern region.

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MIDA WEBSITE

With more than 60,000 average visits per month, our website provides useful and relevant information, serving as a reference for potential investors in doing business in Malaysia.

E-NEWSLETTER

With more than 40,000 registered subscribers and growing, our monthly English e-Newsletter contains the latest industry and services updates, as well as activities held throughout the month.



DIGITAL SIGNAGES

Our digital signages are situated within our HQ building. Located in the heart of Kuala Lumpur, MIDA's headquarters sees hundreds of visitors through its lobby every day.

Location

1. MIDA Lobby, Ground Floor
2. Business Information Centre (BIC), Level 2
3. Perdana Hall, Level 10
4. Corporate Reception Floor, Level 18



Refer next page for the price >>>

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Branded Content to be published in Invest Malaysia e-Newsletter, and amplified on MIDA digital platforms:

- » 1 Full Page Full Colour (Advertorial/Editorial) x 1 insertion (estimated between 250-300 words; content brief to be provided by client)
- » An exclusive landing page in MIDA website for the advertorial/editorial
- » Advertisement on MIDA digital signages - MIDA Sentral

Traffic drivers to the article:

- » Ads web banner on MIDA Website Home Page (4 weeks)
- » 2 x Postings on Facebook, X, LinkedIn, Instagram

RM18,000

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Branded Content to be published in Invest Malaysia e-Newsletter, and MIDA digital platforms:

- » 2 Full Page Full Colour (Advertorial/Editorial) x 1 Insertion (estimated between 500-600 words; content brief to be provided by client)
- » An exclusive landing page in MIDA website for the advertorial/ editorial
- » Advertisement on MIDA digital signages - MIDA Sentral

Traffic drivers to the articles:

- » Ads web banner on MIDA Website Home Page (4 weeks)
- » 4 x Postings on Facebook, X, LinkedIn, Instagram

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- » 2 Full Page Full Colour (Advertorial/Editorial) x 2 Insertion (estimated between 500-600 words; content brief to be provided by client)
- » An exclusive landing page in MIDA website for the advertorial/ editorial
- » Advertisement on MIDA digital signages - MIDA Sentral

Traffic drivers to the articles:

- » Ads web banner on MIDA Website Home Page (8 weeks)
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About MIDA

MIDA is the Government's principal investment promotion and development agency under the Ministry of Investment, Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Starting operations in 1967 with a relatively small set up of 37 staff, MIDA has grown to become a strong and dynamic organisation of over 700 employees. Headquartered in Kuala Lumpur Sentral, MIDA today has 12 regional and 21 overseas offices. MIDA continues to be the strategic partner to businesses in seizing the opportunities arising from the technology revolution of this era. For more information, please visit www.mida.gov.my and follow us on X, Instagram and Facebook, LinkedIn, TikTok and YouTube channel.

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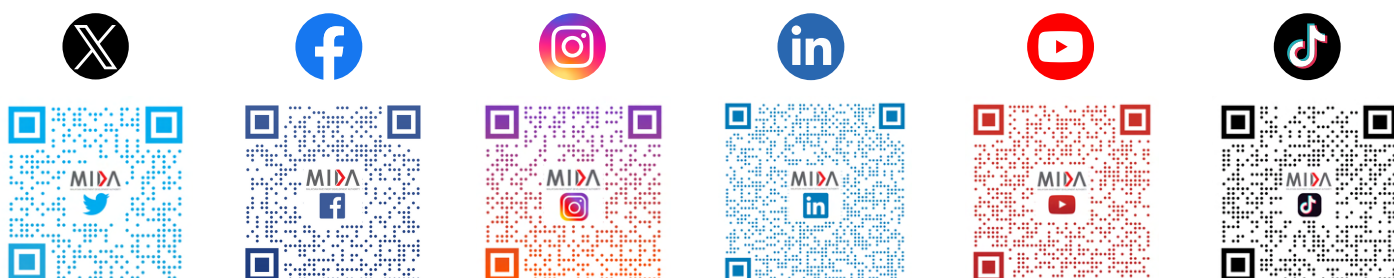
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