



Session Title: Re-Investment and New FDI into the region

Date & Time: 5 April, 14:45pm-15:35pm

Moderator: Steven Westervelt, Associate Director, Control Risk-South East Asia

Speakers: **Datuk Zainal Amanshah**, CEO, InvestKL
Lynn (D'Silva) Cinelli, Public Policy & Government Relations, MSD International
Datuk Mohd. Rauf Nasir, Country President, Motorola Malaysia
Nelson Samuel, Director, Foreign Investment Promotion Division, MIDA
Amarjeet Singh, Partner, Malaysia Tax Leader, Malaysia TPC Leader, Ernst & Young
Dato' Shamsiah binti Kamaruddin, Director General, Intellectual Property Corporation of Malaysia (MyIPO)

Introduction & Purpose: The topic of discussion aims to look at the different factors involved in attracting foreign investments into the region. It will also allow us to have a rough idea of where the region is headed and perhaps, what needs to be done to be attractive in terms of FDI.

Summary of the session

Speaker : Amarjeet Singh

U.S remains one of top investors in the region with Singapore being the favourite destination. A steady growth of 5.4% in terms of investment in this region is expected in 2018. The manufacturing and services sector is where a bulk of these investments are injected into. Both Malaysia and Singapore remain the top services sector in the ASEAN region.

More than 80% of U.S and Australian based companies are expected to further invest in the ASEAN region. **ASEAN remains a hot spot when it comes to FDI's.** Even with the tax rate cuts in the U.S, a large number of U.S based MNC's would remain in the ASEAN market.

Speaker: Nelson Samuel

U.S is the second largest investor in Malaysia. In this light, there are currently a total of 807 projects approved that provides at least 200,000 employment opportunities in this country.

Malaysia has been moving up the value chain in terms of U.S FDI's while complimenting its neighbors. Case in point would be the manner in which Intel or Honeywell operates in the region.

With the implementation of the Industry 4.0, Malaysia is on a mission to diversify its FDI's into smart manufacturing, sensor technology and data.

Moderator: Kuala Lumpur (KL), is one of the most dynamic cities in the region. How is it setting itself up to attract FDI's?

Speaker: Datuk Zainal Amashah

The long history of U.S based MNC's presence in Malaysia continues to be healthy. **Interestingly however, Malaysia is witnessing a new wave of companies setting up their regional hub in KL.**

There are various reasons to KL being a preferred choice for FDI's from MNC's. Market access remains the top reason. **It also has a proven track record, hosting multiple MNC's operations over a century which denotes market stability.**

KL's ecosystem which is comprised of talent, connectivity and infrastructure are vital factors that will continue to attract FDI's. Additionally, an increase in the quality of life and lifestyle, put together with the ease of doing business in KL will definitely be amongst strong reasons for Malaysia to experience continuous FDI's.

Moderator: One of the more important features of attracting FDI's is intellectual property (IP) protection. What are some of the key things that Malaysia is doing in this sphere?

Speaker: Dato' Shamsiah binti Kamaruddin

Having an IP infrastructure that is par with international standards or treaties is of importance. IP laws have long been established in Malaysia, dating back to 1976. MyIPO continues to implement initiatives with the aim of modernizing the IP ecosystem.

MyIPO has acceded to various international treaties to ensure the harmonization of its IP laws with international ones, which could prove to be business friendly for MNC's operating in Malaysia.

There have also been ASEAN initiatives, whereby we may be able to witness an ASEAN IP registration infrastructure put in place in the future. This is part of the ASEAN harmonization agenda to continue attracting FDI's in the region.

Having said that, the ASEAN initiatives in term of having a common IP infrastructure is still a far cry given the different development of its national IP system resulting from its economic strength.

Moderator: Let's turn into a corporate angle of today's topic. What are some your views?

Speaker: Lynn (D'Silva) Cinelli

One of the things most economy ASEAN included, is focusing on is how to build a stronger bio pharmaceutical industry. The bio pharmaceutical industry is looking for an ecosystem that supports an environment that's needed so it can grow.

A survey was carried out, asking key decision makers factors that they consider when making an investment decision. **Countries like Singapore have topped the list. They have fared well with a significant gap compared to its neighbors do its mature market conditions.**

To attract FDI's from the bio pharmaceutical industry, other nations in region should look into things like a pro innovation regulatory framework and policies that are investment friendly. These are key to the industry as we are looking at an 88% failure rate in terms of innovation or market breakthrough, which effects investment decisions.

IP legislations in the region is one area that needs some work, as it could determine how long an innovation may be protected solely for the benefit of an entity.

Speaker: Datuk Mohd Rauf Nasir

Malaysia is the largest R&D center for Motorola globally. A good partnership with the government and private sector and education are amongst the key drivers to Motorola re-investments decision.

Motorola continues to work with local universities, providing students with an insight of the different skillset required to enable them to be marketable in terms of employment.

Takeaway from the session

- ASEAN's market readiness renders it a compelling destination for FDI's and re-investment.
- The economic agenda as a whole for many nations in the region will be slanting towards technology i.e. data, sensor manufacturing and etc., that helps drive FDI's or re-investment.
- A steady but significant increase in the quality of life in the region will continue to attract FDI's and re-investment.
- Governments in the region should work on closing the economic gap that vastly differ amongst the nation. This is achievable by having a conducive and compelling ecosystem that helps attract FDI's and re-investment. Those with a sound economy i.e. Singapore, could offer advice to its neighbors on matters like policy, regulations and etc.