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Penang to continue to be a strong magnet for investments

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PENANG will strive to remain a firm favourite with foreign investors for many more decades, says Chief Minister Chow Kon Yeow.

His confidence stems from the fact that Penang has been punching above its weight at the forefront of industrialisation for many years now.

In the first quarter of this year, Chow said the state recorded RM6.3 billion of approved manufacturing investments to be among the top contributors to the country.

Chow was speaking at Ignition 1972-2022 at E&O Hotel tonight as friends and members of the American Malaysia Chamber of Commerce (AMCHAM), Malaysian-German Chamber of Commerce and Industry (MGCC) and Japanese Chamber of Trade & Industry (JACTIM) gathered to celebrate the start of 50 years of Penang's industrial growth.



Chow (third from left), together with (from left) Bernbeck, Siobhan and Kojima, at the Ignition 1972-2022 celebration.

"This is a humbling testament to the state's robust industrial ecosystem which I hope will continue to attract and retain investments in our key and promoted sectors," Chow said during his speech at the event.

"My deepest appreciation to all industry players for their continued confidence in Penang. Also for the strong support given by chambers like AMCHAM, MGCC and JACTIM, Malaysian Investment Development Authority (Mida), Penang Development Corporation (PDC) and InvestPenang for their concerted efforts in solidifying Penang's position as a preferred investment location through this 50-year industrialisation journey.

"Together, we can propel Penang to greater heights for the next 50 years and beyond."

Looking back, he said Penang's transformational journey began with the arrival of eight pioneer companies, dubbed 'Eight Samurais', from the United States, Germany and Japan five decades ago.

For the record, the eight Samurais are Clarion Malaysia, National Semiconductor (now Texas Instruments), Intel Corporation, Robert Bosch, Advanced Micro Devices (AMD), Litronix (now Osram Opto Semiconductors), Hitachi (now Renesas Electronics) and Hewlett-Packard (HP) (now Keysight Technologies and Agilent Technologies).



Chow conveys his deepest appreciation to all industry players for their continued confidence in Penang.

As the years went by, Chow said Penang became synonymous with manufacturing excellence as well as one of Malaysia's key focal points for investment inflows and external trade.

"As you all know, 2021 was an exceptional year for Penang with a record high of RM76.2 billion in total approved manufacturing investments. In particular, foreign direct investments (FDI) contributed 98% of the total investment inflows, making Penang the highest manufacturing FDI recipient in Malaysia.

"Out of this figure, I am pleased to note that the United States, Japan and Germany remain firmly placed in our list of foreign investors with a combined number of 12 approved projects.

"On the trade front, Penang also topped the nation's list in 2021 with an all-time export value of RM354 billion. Among which products and medical devices made up about 80% of our total exports," he added.

Chow added that in recognition of the industry pioneers who have laid the groundwork for Penang and for the state to capitalise and forge ahead with all stakeholders, a grand dinner on Dec 2 would be held.

He said he hoped that member companies of AMCHAM, MGCC and JACTIM would be present at the dinner to mark "our steps into the next milestone together".

While giving his speech, Chow mentioned the presence of Texcham Group of Companies founder Tan Sri Fumihiko Konishi, whom he said had been in Malaysia for the past 49 years.



Konishi (right) having a discussion with Lee (centre) and another guest at the celebration. Konishi has been doing business in Malaysia for the past 49 years.

Also present were the special investment adviser to the chief minister and InvestPenang director Datuk Seri Lee Kah Choon, Mida Penang director Mudh Ghaddaffi Sardar, who was representing Mida chief executive officer Datuk Arham Abdul Rahman, InvestPenang CEO Datuk Loo Lee Lian, AMCHAM CEO Siobhan M. Das, MGCC CEO Daniel Bernbeck and JACTIM president Kojima Daiji.

Siobhan said the small celebration was hosted to recognise the impact of these pioneers, each of whom ignited a spark and laid the foundation of Malaysia's industrial journey.

"Our three Chambers represent some of the first investors into Penang.

"Today, the US presence is well established with over 80 companies – not just in the E&E sector but increasingly industries that are building on top of the foundation laid down by these early movers – medical devices, automotive and aerospace.

"All supported by an intricate web of local SMEs – all who have seen their presence impacted by this initial spark.

"We wanted to come together as a combined group to celebrate our members' collective contributions to Penang and ultimately Malaysia," Siobhan said.



Bernbeck says other countries are providing stiff competition to Malaysia by offering great incentives to investors.

Bernbeck said 50 years are proof of successful industrial development in Penang and Malaysia, not because of cheap labour, but based on a highly skilled workforce and business-friendly investment conditions.

However, he also cautioned Malaysia that neighbouring countries are luring investors to their countries by offering great incentives. He cited Thailand, as an example, for just launching a new 10-year visa for foreign experts to boost industry and commerce.

"Vocational training is crucial to secure continuous technological innovation and competitiveness.

"The Malaysian talents need to continue focusing on independent problem solving, critical thinking and constant improvement – and a good command of English," Bernbeck said in his speech.



TF-AMD manager (planning) Ooi Seow Chin (left), her colleague, deputy director (operation, facility, construction) Tiang Bih Yeong (right), and Chow at the Ignition 1972-2022.

Kojima said Penang, also known as the Silicon Valley of Asia, is one of the most important manufacturing bases for the E&E industry not only in Malaysia but also in the world.

“Now, 26 JACTIM member companies are operating in Penang.

“This year also marks the 40th anniversary of the Look-East Policy.

“Since 1982, under the advocacy of former prime minister Tun Dr Mahathir Mohamad, we have accepted 26,000 Malaysian people to Japan to learn Japanese values, work ethics, high-technology and environmental solutions.

“JACTIM aims to contribute to Malaysia for the next five, 10 and 50 years,” Kojima said.

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