

InvestKL-led China Special Channel initiative to focus on high-impact investments

PICTURES BY PATRICK GOH/THE EDGE

The government's newly launched China Special Channel (CSC) focusing on high-value, high-tech and high-impact investments has already garnered serious interest from Chinese investors. This is a good start for the target of RM4.5 billion in investments from the initiative this year.

InvestKL CEO Muhammad Azmi Zulkifli says, since the initial announcement in October last year, multiple enquiries have come in and some have already crystallised into potential investments.

The CSC was first announced by Minister of Finance Lim Guan Eng during the tabling of Budget 2020 last October, as the protracted trade war between the US and China created a unique opportunity for Malaysia to become the preferred destination for high-value-added foreign direct investments (FDI).

"In that respect, RM4.5 billion is a good start. We are cautiously optimistic of exceeding that target and, the minister says, he sees a lot of opportunities for Chinese companies to invest and grow in Malaysia," Muhammad Azmi says.

As the government's investment promotion agency, InvestKL, via the CSC initiative, will work towards bringing in Chinese companies and global multinational corporations that are looking either to set up new businesses and regional hubs outside of China or relocate their smart manufacturing and high-value services.

Muhammad Azmi says CSC will function as the single window on all investment opportunities from China, with a focus on the The Greater Bay, Beijing and Shanghai regions. "As the lead agency, we will be the ones going on the ground, seeking opportunities and identifying the right ones. Once the right opportunities are identified we will work with other investment agencies — such as The Malaysian Investment Development Authority (Mida) and Malaysia Digital Economy Corporation (MDEC) and state investment promotion agencies — to speed up approval, ensure that we have facilitated the right type of proposals and that the actual business happens in Malaysia."

He says it is important for Malaysia to take the opportunity to attract the right kind of investments, which will enable the creation of better jobs in the country.

"Companies and industries must address the US-China trade tensions and the government sees that as an opportunity.

"Today, could be the US-China trade war. In the future, it could be trade tensions involving other countries. Malaysia is heading towards becoming a developed nation, so it is important that we attract the right investments. This is to ensure opportunities are created for the country and Malaysians.

"We are moving away from low cost, low labour type of activity and into activities that relate to automation, robotics and towards more artificial intelligence in order to move up the value chain.



(From left) CECCM president Zhang Min, InvestKL chairman Datuk Seri Michael Yam, ACCCIM president Tan Sri Ter Leong Yap, Leiking, Muhammad Azmi Zulkifli, Lim, MCBC CEO Teng Kok Liang, Bai Tian and MCCC president Datuk Tan Yew Sing at the signing ceremony

Malaysia recorded an increase in China trade investment



"We have done a comprehensive study of which sectors we should focus on. As we looked at this, we continued to assess what the *Fortune 500* companies are doing, including *Fortune 500* China. What are the mega trends, where are the focus areas and industries that are moving ahead today?" says Muhammad Azmi.

As such, InvestKL will focus on targeting investments in sectors such as consumer technology, smart technology, renewable energy, medical technology, medical devices, electrical and electronics, mechanical engineering, chemical and aerospace.

Minister of International Trade and Industry Datuk Darell Leiking said, "CSC's focus is synergistic with the vision of the smart manufacturing sector as outlined in the Industry4WRD National Policy on Industry 4.0, which was launched by the prime minister in November 2018.

"CSC also plays a pivotal role in

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bringing in quality investors to drive Malaysia's ecosystems forward, creating high-skilled jobs, helping SMEs pivot in the smart manufacturing value chain and increase their capabilities to thrive in Industry 4.0. This will result in more robust and sustainable economic growth for Malaysia," Leiking said at the launch of CSC last month.

The CSC was launched on Jan 20 via a memorandum of agreement signed between InvestKL and four Chinese chambers of commerce and business councils — the Malaysia-China Business Council, China Enterprises Chamber of Commerce in Malaysia, The Associated Chinese Chambers of Commerce and Industry of Malaysia and the Malaysia-China Chamber of Commerce.

China's ambassador to Malaysia Bai Tian said Chinese investors have continued to show support and confidence in Malaysia, given the two countries' long-standing, 45-year bilateral relationship.

"When our investors come to Malaysia, they not only look at the country's fundamentals but also the bilateral relationship between the countries and what they can expect in a long-term investment," he said during the launch.

Bai Tian said, as Malaysia and China have set 2020 as the Year of Culture and Tourism, this should further boost the relationship between the two countries and pave the way for Chinese investors to have a better understanding of the business environment here.

"We believe that with the encouraging investment atmosphere and friendship with Malaysia, we will continue to work closely and create greater awareness of investment opportunities in Malaysia," Bai Tian said.