INTRODUCTION OF EAST COAST ECONOMIC REGION DEVELOPMENT COUNCIL (ECERDC), MALAYSIA

34TH JAMECA-MAJECA JOINT CONFERENCE

“DEEPENING AND STRENGTHENING THE ECONOMIC COLLABORATION BETWEEN MALAYSIA & JAPAN”

TOKYO, JAPAN. 1st June 2016, WEDNESDAY
About ECERDC

The East Coast Economic Region Development Council (ECERDC) is a statutory body established under an Act of Parliament, the East Coast Economic Region Development Council Act 2008 (Act 688).

OUR ROLE

• To drive the implementation projects and key programmes identified in the ECER Master Plan to make ECER a developed region by 2020.
• To provide the proper direction, policies and strategies in relation to the development within the East Coast Economic Region.
• To facilitate the coordination between Government entities in the promotion of trade, investment, tourism and development activities within the East Coast Economic Region (ECER).

The main objective of the ECER Master Plan is to bridge the regional disparity by:
• Developing the economy of the East Coast Region in a competitive, balance and sustainable manner.
• Implementing programmes and projects to raise income levels and eradicate poverty by generating job prospects and entrepreneurialism through high impact projects and investments to spearhead the development of the Region.

ECER’s Vision as stated in the Master Plan

A Developed Region by 2020
(Distinctive – Dynamic – Competitive)

Key Drivers:
- Agriculture
- Tourism
- Manufacturing
- Oil, Gas & Petrochem
- Human Capital Development

Enablers:
- Logistic, ICT, Finance and Support Services
- Physical Infrastructure and Education & Training
Leveraging of Key Strengths of ECER

Economic growth in ECER leverages on abundant local natural resources and human capital.
The East Coast Economic Region (ECER)’s advantageous geographical location makes it strategic investment gateway to ASEAN, Asia Pacific and the Far East and even the Americas.

This provides an excellent opportunity for the business community from around the world to further enhance the regional positioning.
The region is rich with an abundance of natural resources which form the basis for transforming the economy.
KUANTAN PORT: New Deep Water Terminal (NDWT)

- Upgraded & expanded as the main gateway to the Asia Pacific Region.
- Include construction of a new deep water terminal

Commencement date: April 2013
Completion date: August 2017

- 18-metre draught
- 200,000 DWT vessels
- 4,700 m length of breakwater
- 700 m arrival / turning basin
- 2.6 km stopping distance
- 6,040 m berth length
- 295 ha land area
The strategic location of Kuantan Port, fronting the South China Sea making it as the investment gateway to ASEAN and the Far East that has a combined GDP of USD17 trillion.
The ECER SEZ stretches from the district of Kertih, Terengganu in the north to the district of Pekan, Pahang in the south.

- The SEZ is being developed in line with the objective of achieving concentrated decentralization.
- It is envisioned to be the key engine of economic growth in ECER and serves as the growth centre where liveability will be elevated to world class standards through improvements in infrastructure, public transport and logistics.
**Location**
- Comprises of 10 districts.
- State capital – Kota Bharu
- Border state to Thailand and the Indo-China Region. Important cross-border tourism and trade centre.

**Economic Activities**
- Agro-based activities - fisheries, aquaculture, herbal cultivation and poultry production.
- Halal food and product manufacturing

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**Location**
- Comprises of 7 districts
- State capital - Kuala Terengganu

**Tourism Gateway to ECER**
- Urban and coastal tourism, island tourism, ecotourism, cultural and heritage tourism.

**Oil, Gas, & Petrochemical cluster**
- Kertih Integrated Petrochemical Complex's (KIPC) 11 plants attracting global petrochemical players to its shore.

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**Location**
- Largest state in Peninsular Malaysia.
- Comprises of 11 districts.
- State capital – Kuantan
- Ranges from mountainous country in its west to its coastline in the east.
- Kuantan Port – one of the major port in Malaysia.

**Industrial & Logistic Hub**
- Resource based downstream manufacturing activities.
- Hub for automotive manufacturing, assembly and distribution.

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**Location**
- One of the district which located on the North East Coast of Johor.

**Tourism Gateway**
- Highly developed tourist facilities
- A centre for ecotourism - gateway the Endau Rompin National Park.
- Point of embarkation to the islands of Pulau Tioman, Pulau Besar, Pulau Rawa, Pulau Aur, Pulau Sibu and Pulau Pemanggil, all known for their pristine beauty.
Japan Companies in ECER

Why ECER Malaysia

- Free from Major Natural Disasters
- Competitive Cost of Doing Business
- Educated Work Force
- No Restriction on Foreign Equity
- Multilingual and Multiracial
- Political & Social Stability
- No Restriction of Foreign Executive
Japan Companies in ECER

**Kaneka Malaysia Group** consists of five companies in Malaysia. Chemical, PVC and Paste Manufacturer in Pahang State. 20 years of operation in Malaysia.

**Rohm Wako Electronic Sdn Bhd**
the largest overseas operator in Kelantan, manufactures electronic components.

**Mitsubishi FUSO Malaysia**
The world’s largest commercial vehicle manufacturer. Assembly Plant in Pekan. Automotive Park, Pahang. 11 years of operation in Malaysia

**Tosoh Corporation**’s first overseas facility of high silica zeolite (HSZ®). Terengganu state in Malaysia was chosen for the reliability and stability of customer supply.

**Suzuki Malaysia Automobile Sdn. Bhd.** consists of three subsidiaries. Manufacturing and assembly of Motorcycle. 45 years of operation in Malaysia

**Daikin Malaysia Sdn Bhd** one of the leading manufacturer of HVAC products (heating, ventilation and air-conditioning). In Pahang. 25 years of operation in Malaysia.

**Polyplastics Asia Pacific Sdn.Bhd.** Solution platform for engineering plastics. 19 years of operation in Pahang.

**Terrengganu Silica Consortium Sdn. Bhd.** located in Terengganu state, The largest silica resource proven reserve of more than 60 million ton of high purity grade silica.

**Nankai Nikke (Terengganu) Sdn Bhd** located in Terengganu state, a recognized internationally Japan company involved in wool industry.

**Toyo Engineering & Construction Sdn Bhd.**
Located in Pahang state, providing services in Engineering. 30 years of operation in Malaysia.

**Toray BASF PBT Resin Sdn Bhd** is a 50:50 joint venture between BASF SE and Toray Industries Inc. of Japan. The two companies partnered to build and operate a world-scale Polybutylene Terephthalate (PBT) plant in Pahang.
Japan Manufacturer in Malaysia

- SUMITOMO CHEMICAL
- Hitachi Chemical
- Hirata
- muRata
- MCNS
- Yakult
- Polyplastics
- Bridgestone
- ShinEtsu
- KYOCERA
- FUJITSU
- MITSUI CHEMICALS
- TERENGA SIlica
- JV TOYOTA TYUSHO & MALAYSIA SILICA
- CANON
- Panasonic
- NSK
- ASAHI BEST BASE
- KANKE
- SUZUKI
- TEIJIN
- ISETAN
- TOHTONKU
- NIPPON STEEL & SUMITOMO METAL
- JV BASF & TODA KOGYO CORP
- JFE SHOJI STEEL
- SUMITOMO ELECTRIC
- FUSO
- TOSOH
- UMW
- NIPPPON PAINT
- OHTA PRECISION
- KAMAYA ELECTRIC
- ROHM SEMICONDUCTOR
- TANAKA
- MAZDA
- LION
- MYTOYOTA
- ENKEI
- HONDA
- AON
- UNIQLO
- Taisho Pharmaceutical
- HINO
- DAIHATSU
- SMK ELECTRONICS
- PROTAGAM FOOD
Competitive Incentive Packages

The following incentives can be granted to qualified investors in ECER:

100% INCOME TAX EXEMPTION FOR 10 YEARS

Commencing from the year company derives statutory income

**Fiscal Incentives**

- (or) Income tax exemption equivalent to 100% of qualifying capital expenditure (Investment tax allowance) for 5 years
- Stamp duty exemption for industrial park development, agriculture and tourism projects
- Import duty and sales tax exemption on raw materials, components, machinery, equipment, spare parts and consumables that are not produced locally and used directly in the production activity
- UKAS Facilitation Fund

**Non-Fiscal Incentives**

- Competitive Land Prices
- Industrial park ready with infrastructure
- Flexibility in employment of expatriates
- Facilitation of human capital development
Industrial Parks in ECER
Kertih Biopolymer Park (KBP)

- **Area**: 420 Acres
- **Private Investment by 2020**: RM5 billion
- **New jobs in 2020**: 750

**Accessibility**
- Kertih Airport - 8km
- Kertih Port - 3km
- Kuantan Seaport - 87km

**Types of Preferred Industry**
- Biomass, Biopolymer/Chemicals, Polymer, Petrochemicals

**Industrial Land**
- Size: 58.265 acre
  - Status: Owned by investor (CJ)
- Size: 42.278 acre
- Size: 24.983 acre
- Size: 24.739 acre
- Size: 21.959 acre
  - Status: Reserved
- Size: 57.666 acre

**SME Complex**

**Steam Producing Plant**

**Thiochemicals Plant**
Industrial Parks in ECER

Fully integrated industrial parks complete with supporting industries and common services. Equipped with primary infrastructure.

Each park is managed by a Park Manager corporation. Well-connected by highways, airports, and sea ports.

Manufacturing
Agribusiness
Integrated Development
Pekan Automotive Park (PAP)

- **Location**: Pekan Peramu, Pahang
- **Size**: 881 acres
- **Accessibility**:
  - 35 km to Kuantan Airport
  - 50 km to Kuantan Seaport
  - 30 km to Kuantan Town
  - 260 km to Kuala Lumpur

- **Focusing on** automotive sector, manufacturing and training
- **Phase 1**: Fully taken up
- **Phase 2**: 87 acres remaining
- **Phase 3**: Planned future expansion

**Existing Players in PAP:**
- Mercedes-Benz
- Volkswagen
- Suzuki
- Mitsubishi
- Johnson Controls
- DRB-Hicom
- DEFTech

**Activities in Pekan Automotive Park**
- Assembly
- Parts and components
- R&D Center

**Vehicle Produce/assemble in Pekan Automotive Park**
- Passenger
- Commercial
- Military
With the development of the PTP, Gambang will become the first high-tech and cyber city in the ECER.
Kuantan Integrated Bio Park (KIBP)

<table>
<thead>
<tr>
<th>Size</th>
<th>245 ha / 605 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility</td>
<td></td>
</tr>
<tr>
<td>• Kuantan Port</td>
<td>5km</td>
</tr>
<tr>
<td>• Kuantan City</td>
<td>15km</td>
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<tr>
<td>• Kuantan Airport</td>
<td>20km</td>
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<tr>
<td>• Connection to East Coast Highway</td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td></td>
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<tr>
<td>• Water, electricity, sewerage</td>
<td></td>
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<tr>
<td>• Telecommunications</td>
<td></td>
</tr>
<tr>
<td>• Marketing office, support services</td>
<td></td>
</tr>
<tr>
<td>Preferred Industry</td>
<td></td>
</tr>
<tr>
<td>• Biomass-based products, i.e. biochemicals, phytonutrients, biofertilizers, advanced carbohydrates, food/feed, surfactants.</td>
<td></td>
</tr>
</tbody>
</table>
Gambang Halal Park (GHP)

Accessibility
- Kuantan town - 30km
- Kuantan Seaport - 53km
- Kuantan Airport - 15km

Types of Preferred Industry
- Halal food and non-food
- Nutraceuticals / Herbs
- Pharmaceuticals
- Agro-based products
- Meat-based products
- Spices and Sauces

194 Acres
Area

RM2 billion
Private Investment by 2020

7,500
New jobs in 2020
Pasir Mas Halal Park (PMHP)

Industrial Zone

Warehouse

Logistics Hub

Commercial Zone

EBC

CPCC

Accessibility
- Rantau Panjang - 10km
- Kota Bharu - 21.5km
- Kota Bharu Airport - 30.1km

Types of Preferred Industry
- F&B Ingredients
- Snack, Spices & Sauces
- Halal food-based products
- Nutraceuticals/herbs
- Agro-based products
- Meat

108 Acres
Area

RM611 million
Private Investment by 2020

4,200
New jobs in 2020
Tok Bali Development

Tok Bali Integrated Fisheries Park (TBIFP)

- **Total Area**: 257 acres

**Types of Preferred Industry**
- Fish Landing Port
- Primary Processing
- Downstream Processing
- Ice Making and Supply
- Commercial Areas
- Tourism Activities
- etc.

**FUTURE DEVELOPMENT**
**TOK BALI INDUSTRIAL PARK**

**AVAILABLE LOTS**
- Upstream (Fish landing)
- Shared facilities
- Industrial lots
- Logistics

**Tok Bali Town**

**Tok Bali Port**
Malaysia – China Kuantan Industrial Park (MCKIP)

- **Accessibility**
  - Existing Kuantan Port - 5km
  - Kuantan City - 15km
  - Kuantan Airport - 20 km
  - Connected to East Coast Highway

- **Types of Preferred Industry**
  - Equipment for plastic and metal industries
  - Automotive components
  - Fibre cement board
  - Stainless steel products
  - Carbon fibre
  - Electric & Electronic (E&E)
  - Information Communication Technology (ICT)
  - Renewable energy
  - Petrochemical
  - Non-ferrous metal

- **Area**
  - 1500 acres

- **Private Investment by 2020**
  - RM7.5 billion

- **New jobs in 2020**
  - 8,500
Tourism is one of the key contributors to the economic growth of ECER. Blessed with pristine beaches, beautiful islands, ancient forests and other natural assets, tourism’s potential to attract investments and promote economic development of the Region is immense.

### Segments of Tourism in ECER

1. **Heritage & Culture**
   - Wood carving, wau making, traditional boats, native crafts
   - Lifestyle, dances, games, traditional foods

2. **Urban & Coastal Tourism**
   - 900 km Beachfront

3. **Environment & Ecotourism**
   - 4,343 km² Taman Negara
   - 900 Species of birds, fish and mammals

4. **Island Tourism**
   - 2,010 km² Ocean Park
   - 67 islands
Tourism Investments in ECER’s States

Japanese Village
The world’s First Japanese Tea House in the Tropical Forest.
- Investment from Berjaya Corporation Berhad.
- Located 3,500 feet above sea.
- Level and the air here is cold. Its’ garden was designed by Kaio Ariizumi, this garden is in a tropical rainforest and the main attractions here are Japanese Tea House, Botanical Garden, Tatami Spa, Ryo Zan Tei Japanese Restaurant and Ume Tatami Suite

20th Century Fox World Genting theme park, Pahang
- Investment from United States.
- Located 6000 feet in the highlands will be 25 acres in size and will feature around 25 thrill rides and attractions based on films and franchises from popular movies and cartoons.

Ramada Hotel at Plaza Tok Bali
- Investment by Dyan Duta Sdn. Bhd.
- 7-storey Ramada Hotel at Plaza Tok Bali which is 3.8 acres in size. The resort consist of 8 units of chalets and 224-key four star resort in Plaza Tok Bali

Mövenpick Hotels & Resorts
- Investment from Switzerland.
- 30-storey Mövenpick Hotel Kota Bharu, Kelantan, a 453-key five-star resort in Kelantan
Tourism Attractions in ECER’s States – TERENGGANU

- Development components include Theme park, Entertainment, retails outlet and Commercial and residential. It Integrates the existing Kuala Terengganu urban areas by merging them into a vibrant Heritage Waterfront City.

- KTCC will be linked across the estuary by the KTCC drawbridge, an iconic landmark, the first in South East Asia housing an observation platform, gallery and cafés.

Endau-Rompin National Park

- The Endau-Rompin National Park is the second largest national park in Peninsular Malaysia and is well positioned to be:
  I. A great eco-tourism destination
  II. The Region’s Rainforest to Reef (R2R) ecotourism concept which is based on the connectivity between a clutch of rainforest destination and world class beaches, islands and reefs.

Kenyir Lake

- The largest man-made lake in South East Asia with an area of 260,000 hectares.
- Home to numerous species of freshwater fishes and exotic wildlife. With a water catchment area of 38,000 hectares.
- Successfully developed for eco-tourism with resorts on its shore.
The East Coast Rail Line (ECRL) is part of the infrastructure development plan for ECER which involves a 620km rail track from Tumpat in Kelantan to Kuantan Port in Pahang and connecting to Kuala Lumpur.

ECRL will be integrated into the Mid Line of Trans Asia Railway, starting from Kunming, China, connecting all of the countries of mainland Southeast Asia, to Singapore.
Human Capital Development Program in ECER
Collaborating with investors & other government agencies.

i.e., TalentCorp and BiotechCorp to develop customised human capital programme to meet investors’ requirements.

![Collaboration with investors & other government agencies.](image)

**Human Capital Development**

- TalentCorp and BiotechCorp to develop customised human capital programme to meet investors’ requirements.

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**Malaysia**

185,000

10,000

20,000

2,000

**Science and Technical Graduates**

Source: Ministry Higher Education, 2010

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**Einleitung**

- TalentCorp und BiotechCorp entwickeln eine angepasste personalentwicklung programm zu erfüllen die Anforderungen der Investoren.

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**Diagramm**

- 185,000 Gesamtgraduierte
- 10,000 Naturwissenschaften und Technologiegraduierte
- 20,000
- 2,000

**Quelle:** Ministerium für Hochschulbildung, 2010
ETEP OBJECTIVES

- To increase job opportunities and quality of life of the local
- Committed investment will contribute to 70,000 job opportunities
- To train labor to meet investor demand
- The collaboration with private sector in expertise and cost Ratio of 50:50

ETEP Recipients:

64 Participants involved from Kaneka(M) SB at Gebeng, Pahang.

100 ETEP Participants involved from HICOM Manufacturers (M) SB at Pekan, Pahang.
The development approach in ECER consists of commercial, residential, education, industries, service & knowledge components that are closely interlinked where liveability will be elevated to world class standards.
East Coast Region is rich with serene beaches, pristine islands, impressive highlands, beautiful resorts, golf courses, and natural heritages such as caves, National Park that has amongst world’s oldest rainforest.
Amenities & Lifestyle

Genting Highland

Colmar Tropicale French Theme Resort

Gambang Water Park

Pekan Interactive Museum
Amenities & Lifestyle in ECER

Teluk Cempedak

Redang Island

Tioman Island

Serene beaches, and pristine islands.

Kota Gelanggi Cave

Cameron Highland

National Park

Impressive Highlands and Natural Heritages
Kuala Lumpur, one of world’s most beautiful metropolises, is easily accessible from ECER.
10 Reasons to invest in ECER

- Strong support from Federal and State Governments with pro-business and liberal investment policies

- Competitive wage rates compared to the West Coast states

- Advantageous geographical orientation - Eastern Gateway of Malaysia to Europe, US & Asia Pacific

- Multilingual workforce speaking two or three languages, including English & Mandarin

- Strong resources endowment - crude oil, natural gas, tin, timber, palm oil, rubber and others

- Large & established foreign business community in all business sectors

- Abundance of land to set up diverse range of business facilities

- Market-oriented economy - exporter of resource based & manufacturing products

- Good accessibility and connection by highways, airports, seaports and railway

- ECERDC is the One-Stop Center for investor management facilitating the incentive application for approval
-THANK YOU-
COME AND DISCOVER ECER.
YOUR UNIQUE INVESTMENT DESTINATION.

We invite individuals and corporations to explore the various business opportunities in ECER, especially in Tourism, Oil, Gas & Petrochemical, Manufacturing, Agriculture and Education.

For more information please contact:

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