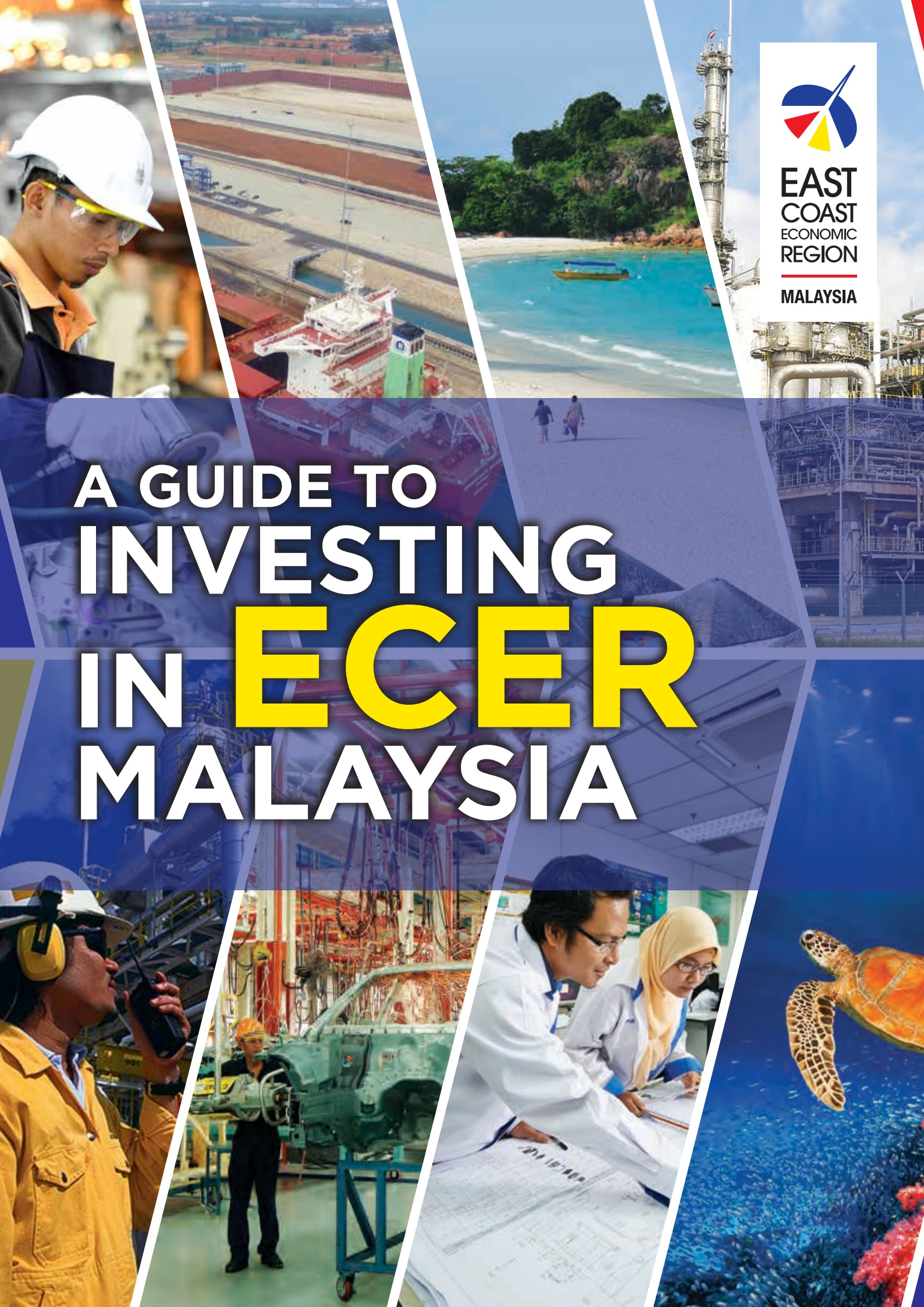




**EAST
COAST
ECONOMIC
REGION**

MALAYSIA

A GUIDE TO INVESTING IN **ECER** MALAYSIA



MESSAGE FROM CEO

The East Coast Economic Region of Malaysia (ECER Malaysia), covering the states of Kelantan, Terengganu, Pahang and the district of Mersing in Johor, is rapidly transforming itself into a distinctive, dynamic and competitive investment destination.

Blessed with vast tracts of land, rich natural resources and solid physical infrastructure, ECER Malaysia offers vast opportunities to both domestic and foreign investors. Its strategic location facing the South China Sea also provides investors with direct access to the burgeoning markets of the Association of South East Asian Nations (ASEAN) and the Asia Pacific region. With a ready pool of trained human capital, strong Government support and attractive incentive packages, investors into ECER Malaysia will have a strong cost-effective base for future growth.

We, at ECERDC, look forward to facilitating your investments and make ECER Malaysia your ideal base for business and quality living.

Baidzawi bin Che Mat

Chief Executive Officer,

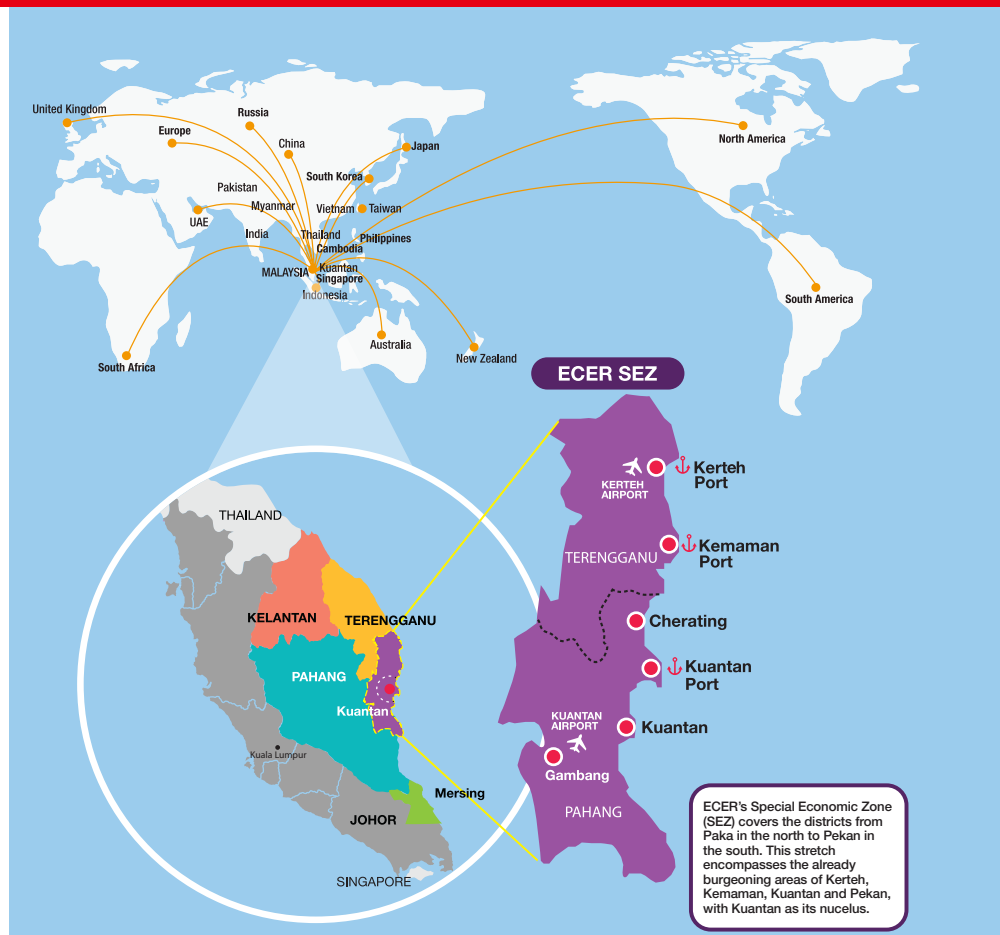
East Coast Economic Region

Development Council (ECERDC)

WELCOME TO THE EAST COAST ECONOMIC REGION (ECER)

ECER covers the states of Pahang, Terengganu, Kelantan and the district of Mersing in Johor. The region's rapid growth offers diverse investment opportunities in six growth areas:

- Manufacturing
- Oil, Gas and Petrochemicals
- Tourism
- Agribusiness,
- Logistics and Services, and
- Human Capital Development



Land area
66,000
sq km

51%
of Peninsular
Malaysia



Potential market
to **4.8 billion**
population
(ASEAN &
the Far East)



Access to a
combined GDP of
USD19
trillion
(ASEAN &
the Far East)



USD2.8
trillion
ASEAN Trade
Volume (2018)



Malaysia's
geographical
location makes
ECER a strategic
investment gateway
to ASEAN, Asia
Pacific and the Far
East

REASONS TO INVEST IN ECER



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



Advantageous geographical orientation becoming the Eastern Gateway of Malaysia to Europe, US and Asia Pacific



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



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



Competitive land prices



Industrial parks ready with infrastructure



Good accessibility and connection by highways, airports, seaports and railways



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



Multilingual workforce - speaking two or three languages including English and Mandarin



Competitive wage rates



Large and established foreign business communities in all business sectors



Tax incentives, facilitation funds and human capital development assistance for investors.

NATURAL RESOURCES



Oil & Gas



Minerals



Islands



Coastal Areas



Rainforests



Palm Oil



Livestock



Fisheries

The ECER is blessed with abundance of natural resources. The Region's rich deposits of oil and gas, iron ore and other minerals, vast tracts of fertile land, beautiful islands and pristine beaches present investors with prime opportunities for long-term growth in the region's various economic clusters.

6 KEY ECONOMIC CLUSTERS

The region's greenfield opportunities are clustered into six sectors:



Manufacturing



Oil, Gas & Petrochemical



Tourism



Agribusiness



Logistics And Services



Human Capital Development

MANUFACTURING

This is a key economic driver in the ECER, with priority given to manufacturing activities that add value to the Region's rich natural resources while creating new jobs and business opportunities for the people. Investors will be able to leverage on Malaysia's free trade agreements and multilateral initiatives such as the ASEAN Free Trade Area (AFTA), Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) and China's 'Belt and Road Initiative'.

PRIORITY SECTORS



AUTOMOTIVE



RENEWABLE ENERGY



MEDICAL DEVICES



SPECIALTY CHEMICALS



FOOD & BEVERAGES



DIGITAL TECHNOLOGY

Many of these parks for Manufacturing are located in the SEZ, that comes with well-developed infrastructure and utilities, and good transportation connectivity like ports, highways and the future East Coast Rail Link.



Pasir Mas Halal Park (PMHP)

- Location : Pasir Mas, Kelantan
- Land size : 44 hectares
- Focus area : Nutraceuticals/herbs, spices, sauces, agro-based and meat-based products

Kerteh Biopolymer Park (KBP)

- Location : Kerteh, Terengganu
- Land size : 250.567 hectares
- Commercial Area : 5 hectares
- Focus area : Bio-economy hub for biopolymer, bio-based chemical products and renewable energy and green technology.

Malaysia-China Kuantan Industrial Park (MCKIP 1 & 2)

- Location : Kuantan, Pahang
- Land size : 897 hectares
- Focus area : High-end and high technology industries such as stainless steel products, electrical and electronics, information and communication technology and renewable energy

MCKIP 3

- Location : Gebeng, Pahang
- Land size : 246.36 hectares
- Focus area : General manufacturing and high value added products

Pahang Technology Park (PTP)

- Location : Gambang, Pahang
- Land size : 461 hectares
- Focus area : Development of Cybertech City, Science Park for IT and science & technology industries

Gambang Halal Park (GHP)

- Location : Gambang, Pahang
- Land size : 68 hectares
- Focus area : Food-based and non-food based halal products

Tok Bali Industrial Park (Planned)

- Location : Pasir Putih, Kelantan
- Land size : 81 hectares
- Focus area : Supply base to support offshore oil and gas activities

Pekan Automotive Park (PAP)

- Location : Pekan, Pahang
- Land size : 96 hectares
- Focus area : Automotive and high technology products

Legend

- Industrial Zone (Existing)
- Industrial Zone (Planned)
- Ports
- ECRL
- ECER's Special Economic Zone (SEZ)

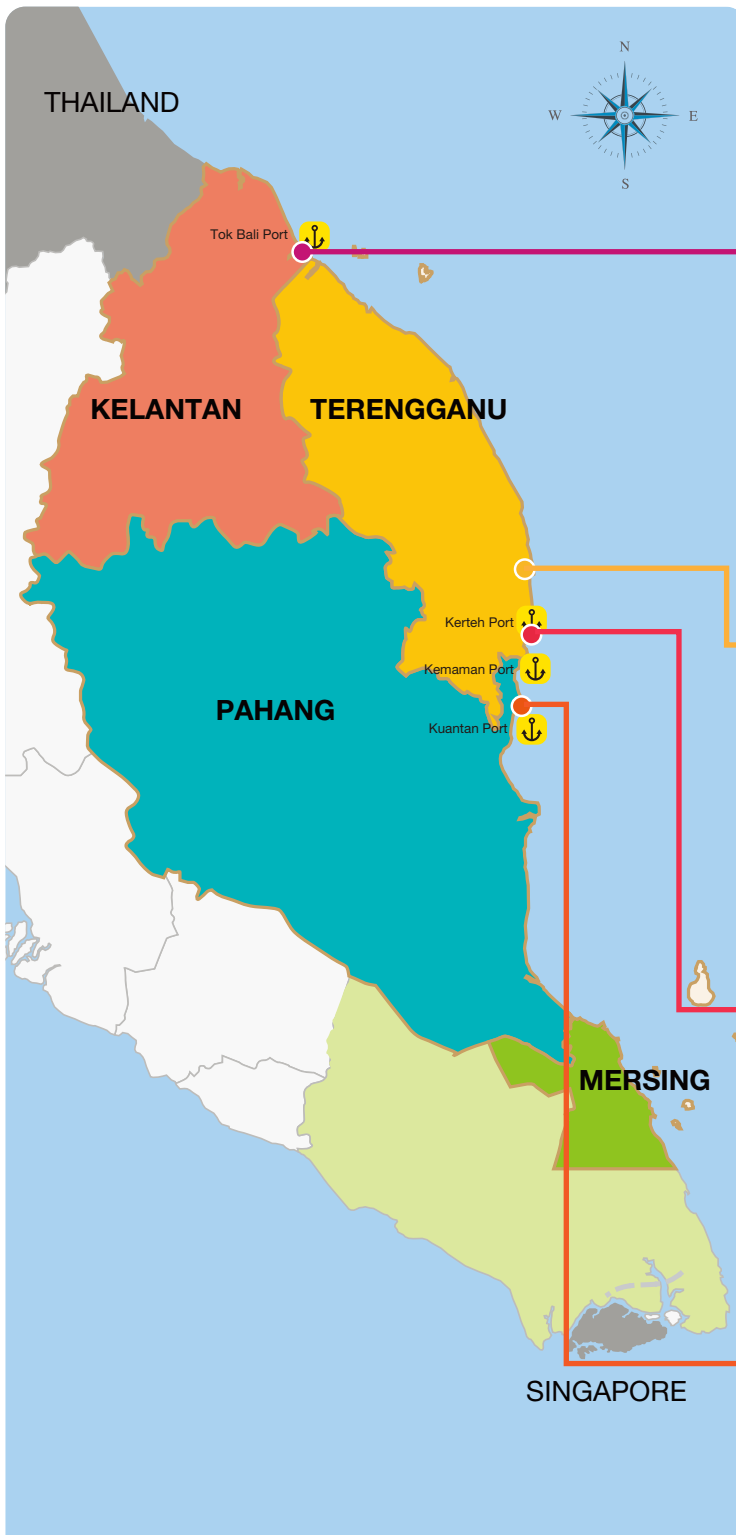
OIL, GAS & PETROCHEMICALS

The Oil, Gas and Petrochemicals (OGP) industry is already well-established with the presence of international players. The region will be further enhanced with focus on high value-added investments in midstream and downstream OGP activities.

Existing Players



DIALOG GROUP BERHAD



FOUR KEY FACILITIES

Tok Bali Supply Base

Tok Bali Supply Base aims to provide a one-stop centre for services-based companies in the Joint Development Area (JDA) and North Malaysia Basin (NMB) and Commercial Arrangement Area (CAA).

Provides integrated support services and facilities with 473 m berthing facilities that can accommodate 5 supply vessels and 3 crew boats.

Land Size: **100 hectares**

Kerteh Integrated Petrochemical Complex

Focus products: Ammonia, Benzene, Butanol, Butyl Acetate, Ethanolamines, Ethoxylates, Ethylene, Butyl Glycol Ethers, Polyethylene Glycols, Monoethylene Glycols, Diethylene Glycols, Paraxylene, Polyethylene, Propylene and Acetic Acid.

Land Size: **5,382 hectares**

Distance to Kerteh Airport: 16.2 km

Distance to Kerteh Port: 3.8 km

Kemaman Supply Base

Kemaman Supply Base is currently owned and operated by Pengkalan Bekalan Kemaman Sdn Bhd.

It is located in a **180-hectare** land area (additional 60 hectares of land bank for future expansion) with an open yard storage facilities, storage tanks and silos for liquid and powder bulk products.

There are more than 200 support service companies; both multinational and locals, with presence and facilities in the base.

Gebeng Integrated Petrochemical Complex

Focus products: Methyl Tert-Butyl Ether, n-Butane, Propylene, Acrylics, Butanediol, Oxo-alcohols, 2-Ethylhexanoic Acid, Highly Reactive Polyisobutene, Citral, Citronellol and L-Menthol.

Land Size: **8,579 hectares (4 Phases)**

Distance to Kuantan Airport: 34 km

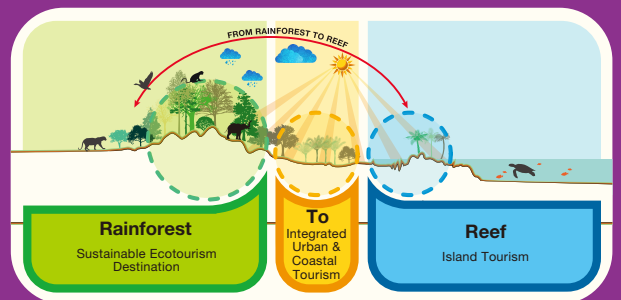
Distance to Kuantan Port: 9 km

TOURISM

The remarkable beauty of ECER's natural and cultural assets presents diverse attractions for a vast range of tourism areas- ecotourism, urban-culture heritage, island tourism, cross-border tourism, integrated resorts, theme and amusement parks as well as art. Nature attractions include pristine beaches and islands, primary rainforests, wetlands and biosphere reserve, and refreshing highland retreats.



The Rainforest-to-Reef (R2R) concept, a development strategy which seamlessly links all products, assets and development from the Endau-Rompin National Park to the world-class beaches, islands and reefs of the coast of Mersing; has been adopted to ensure the ECER becomes a top global tourism destination. This presents numerous options for potential investors into this Region.



TOURISM INVESTMENT OPPORTUNITIES

<p>1</p> <p>Ecotourism</p> <ul style="list-style-type: none"> • 4,343 km² National Park • 900 bird, fish and mammal species 	<p>2</p> <p>Urban and Coastal Tourism</p> <ul style="list-style-type: none"> • 900km coastline • Development of state capital and coastal town 	<p>3</p> <p>Island Tourism</p> <ul style="list-style-type: none"> • 2,010km² marine park • 67 islands 	<p>4</p> <p>Arts, Culture and Heritage Tourism</p> <ul style="list-style-type: none"> • Wood carvings, Wau making, Orang Asli handicraft • Lifestyle, traditional dance, traditional games, traditional fabrics
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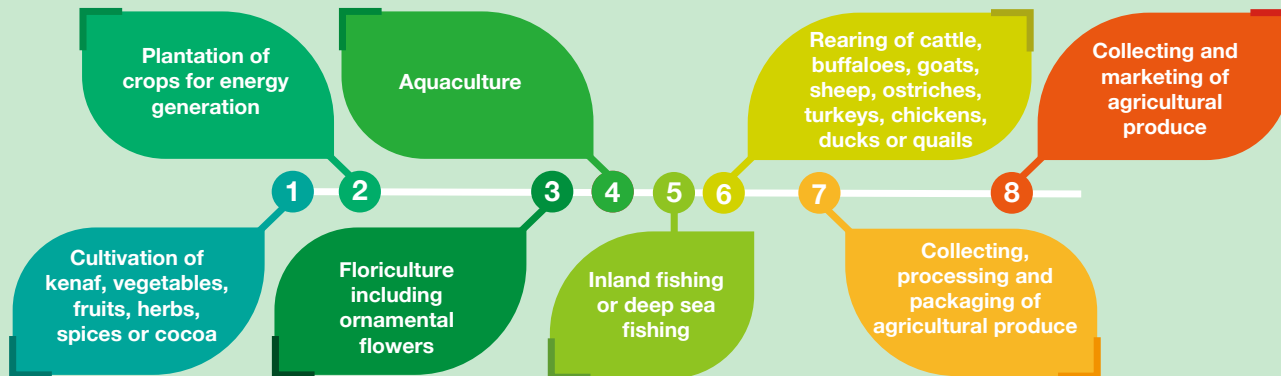
AGRIBUSINESS

Agribusiness
Investment
Focus in ECER



ECERDC also
promotes advanced
agriculture such as
vertical farming

PROMOTED ACTIVITIES



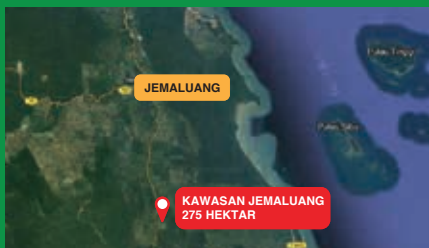
Productivity and technology-based economy in ECER through digitalisation and adoption of Industry 4.0

SOME OF THE AGRIBUSINESS AREAS FACILITATED



MUADZAM SHAH CATTLE RESEARCH AND INNOVATION CENTER (MSCRIC)

The appointment of The Holstein Milk Company Sdn Bhd as the Anchor Company for MSCRIC has led to the successful establishment of a dairy hub in Muadzam Shah. The project has generated positive spill over effects for the local including the Orang Asli community, by creating new job opportunities in addition to becoming home dealers or satellite farmers.



JEMALUANG DAIRY VALLEY

The "Dairy Valley" in Jemaluang is a part of ECERDC's strategy to accelerate the socio-economic transformation and uplift the livelihood in the district. The commercial dairy farm project will be developed on 275 hectare land in Sungai Ambat, which entails the construction of a cattle barn, milking area and milk processing centre, fodder for cattle feed and other necessary components to complement the agrotourism activities.



ROMPIN INTEGRATED PINEAPPLE PLANTATION (RIPP)

Rompin Integrated Pineapple Plantation (RIPP) is a fully integrated project which covers the entire value chain of pineapple production, involving nurseries, plantations and a Collection, Processing and Packaging Centre (CPPC). Rompin Integrated Pineapple Industries Sdn Bhd (RIPI) has been appointed as the Anchor Company by ECERDC to manage the RIPP project.



KUANTAN INTEGRATED FISHERIES PROCESSING PARK (KIFPP)

Located in Tanah Putih, Kuantan, KIFPP began its operation in January 2018. The park carries out fish processing activities. Some of the processing activities conducted here include Individual Quick Freezing (IQF) and fish cutting/filleting. Future plans for the park are to expand into the development of aquaculture and shrimp processing activities.



TOK BALI INTEGRATED FISHERIES PARK (TBIFP)

An integrated fisheries hub that focuses on processed fish-based products. TBIFP is expected to propel Tok Bali as a main fisheries hub for both local and export markets primarily in processing of fish-based products, otoshimi, fishmeal and supporting industries



ENDAU-MERSING FISH PROCESSING PARK (EMFPP)

Located in Endau-Mersing, Johor, the EMFPP is an integrated fisheries hub that provides a platform for SMEs to produce downstream fish-based products and chilling facilities. The first phase of the project will house the main components of the park namely the chill rooms, ice factory, processing factory with food safety standards ready and international tracking system. The park is targeted to be operational by 2021.

STRATEGIC TRANSPORTATION INFRASTRUCTURE AS CATALYST FOR SOCIO-ECONOMIC GROWTH IN ECER



To further catalyse economic growth, ECERDC is enhancing the mobility of its people and goods by improving infrastructure and international links. This involves the construction of new roads and highways and to upgrade existing road, improving rail transport and increasing the capacity of existing ports. Other infrastructure works include ensuring adequate and consistent water and energy supply, as well as fast and efficient communications and connectivity.

The implementation of the East Coast Rail Link (ECRL) is a game changer that will significantly transform the socio-economic landscape of ECER. The enhanced connectivity is expected to attract greater inflow of investments into ECER, which will spur the growth of industrial areas and transit-oriented development, subsequently generating new job and entrepreneurial opportunities including in the logistics and trade facilitation sector.

KUANTAN PORT

Kuantan Port has been expanded to include a new deep-water terminal, under a public-private partnership between Kuantan Port Consortium Sdn Bhd and the Federal Government.

The port is now able to receive bigger bulk carriers of up to 200,000 deadweight tonnage (DWT) in the new terminal and 18,000 twenty-foot equivalent unit (TEU) container ships in its original terminal.

KERTEH PORT

Kerteh Port Sdn Bhd (KPSB) is a wholly owned subsidiary of Petronas Chemical Group and also operates Kerteh Port. The port is a specialised port to handle liquid chemical cargo. Its facilities are fully operational to cater to the needs of chemical-related industries such as loading and unloading of chemicals into and from vessels.

KEMAMAN PORT

Konsortium Pelabuhan Kemaman Sdn Bhd operates Kemaman Port.

The port is capable of handling vessels of up to 150,000 DWT and various types of cargo ranging from general cargo, dry bulk to liquid bulk.

The liquid chemical berth is a specialised terminal to handle liquid chemical cargo. It has space for 50 pipelines and 6 loading arms and is fully equipped with safety features.

HUMAN CAPITAL DEVELOPMENT



ECER TALENT ENHANCEMENT PROGRAMME (ETEP)

ECER Talent Enhancement Programme (ETEP) is a human capital development programme designed to ensure adequate skilled and multilingual workforce that matches the industry's requirements.

The ECER Talent Enhancement Programme (ETEP) is a human capital development programme that ensures there are sufficient skilled and multilingual people in the workforce to meet the needs of industries in the ECER.

The ETEP is a part of the incentives offered to investors in the Region to help them reduce startup costs to train new employees in areas specific to their industry. The ETEP develops a pool of skilled workers among the local communities to meet the human resource needs of investors. The ETEP also aims to enhance the soft skills and technical skills of the graduates, ensuring a pool of workers who have the necessary know-how to match the ECER's growing opportunities.

The ETEP involves strategic collaborations between ECERDC and investors in ECER, where local graduates from various fields are given practical training while working at investor-owned companies. 98% of ETEP participants were absorbed as permanent employees in participating investor companies.



Selected participants undergo training in companies in ECER.



Partial reimbursement of remunerations and training costs of participants.



Training duration of not more than 12 months.



Training module can consist of soft skills, hard/technical skills and on-the-job training.

INSTITUTION OF HIGHER EDUCATION TO DEVELOP SKILLED HUMAN CAPITAL

ECERDC also collaborates with higher learning institutions in Kelantan, Terengganu and Pahang to reskill and certify the East Coast workforce to provide investors with a skilled talent pool.

KELANTAN



Universiti Malaysia Kelantan



Wadi Sofia International School

TERENGGANU



Universiti Malaysia Terengganu



Universiti Teknologi Mara



Universiti Sultan Zainal Abidin

PAHANG



Universiti Malaysia Pahang



International School of Kuantan



International Islamic University Malaysia



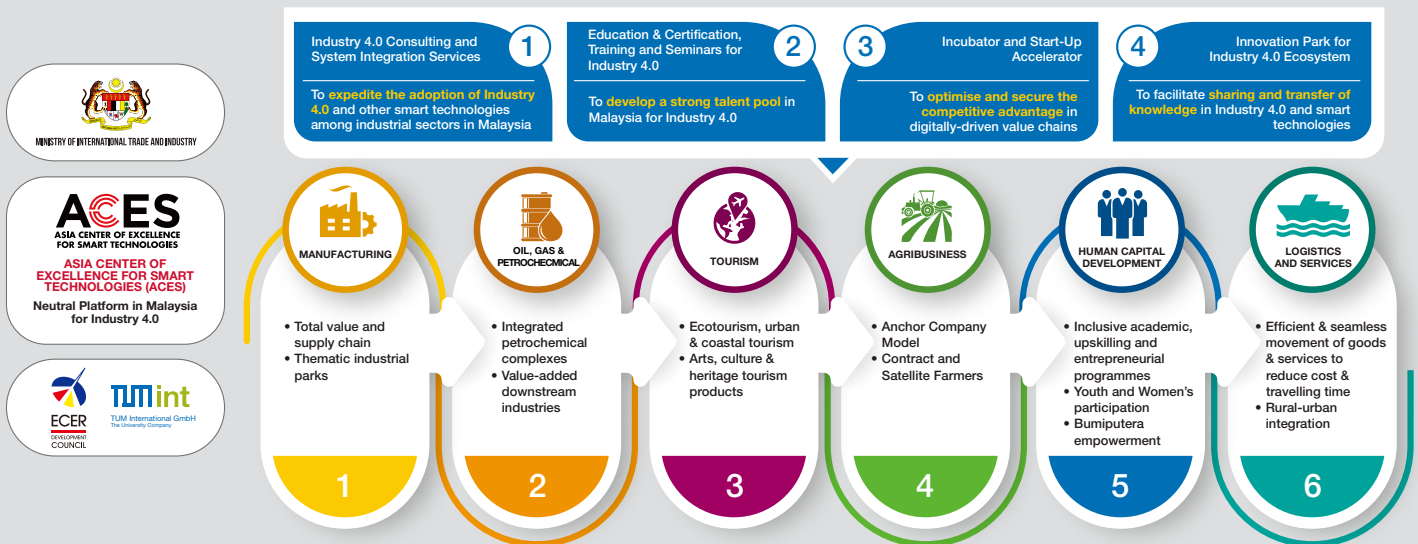
Pahang Skills Development Centre



DRB HICOM University of Automotive Malaysia

As a catalyst to Industry 4.0 in ECER, the Asia Center of Excellence for Smart Technologies (ACES) will provide Industry 4.0 solutions for industries in Malaysia, ASEAN and ASIA, seeking to maximize the capitalization of digitally-driven business opportunities and serve as the gateway for the implementation of smart technologies for the entire region. Based in the Cybercentre in Pahang Technology Park, ACES is a joint initiative by ECERDC and TUM International GmbH (a subsidiary of the Technical University of Munich), providing advisory, consulting and training services through strategic partnerships between industry, academia and government, in line with Malaysia's Industry4WRD initiatives and United Nation's Sustainable Development Goals (SDG).

Productivity and technology-based economy in ECER through digitalisation and adoption of Industry 4.0



ASIA CENTER OF EXCELLENCE FOR SMART TECHNOLOGIES (ACES)

A Joint Initiative by TUM International GmbH and ECERDC for Industry 4.0

SERVICES

1 CENTER OF TECHNOLOGY AND APPLICATIONS



- Development of Technology Roadmaps
- Material Analysis and Testing
- Industrial Scale Up
- Technical Blueprints
- Technology Scouting
- Project Management
- Product Certification
- Process Optimisation

2 QUALIFICATION AND CAPABILITY BUILDING

- Capacity Building Workshops
- Industry Internships
- Individual Mentoring
- Industry 4.0 Certificate Programs for Young Professionals
- Certificate Courses
- Blended Learning Formats
- Entrepreneurial Training
- Internationally Acknowledged Joint University Programs
- Lectures
- Lectures, Case Studies and Challenges for PhD, Master and Bachelor students
- Summer Schools
- Upskilling Programs for Staff in Specific Industry Fields

3 INCUBATOR / START-UP ACCELERATOR



- Provision of Infrastructure for Prototyping, Product Design and Testing
- Provision of Affordable Space and Services
- Know-how Transfer (Mentoring and Trainings)
- Support with Finding Appropriate Financing Opportunities
- Marketing Support
- Access to Important Networks



ECER KEY INCENTIVES

1



100% income tax exemption for **10 YEARS** (from the first year the company derives statutory income)

OR



Investment tax allowance based on qualified capital expenditure incurred in **5 YEARS**

2



STAMP DUTY EXEMPTION on transfer or lease of land or building used for investment projects

3



FLEXIBILITY in employment of expatriates and facilitation of human capital development

4



Facilitate **IMPORT DUTY EXEMPTION** for raw materials, parts, components, machineries, equipment, spare parts and consumables that are not available in Malaysia

5



CUSTOMISED incentives based on the merit of each investment

*Note: Terms and Conditions Apply.

GET IN TOUCH WITH US FOR EXCITING INVESTMENT OPPORTUNITIES IN ECER MALAYSIA



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