Selangor, Malaysia special

Foreign investment bolstered by location, workforce

With over 30 years of business, the Malaysian state of Selangor continues to attract Japanese investors

As one of the major economic players in the Association of Southeast Asian Nations (ASEAN) region, Malaysia has been supporting foreign business for decades and, consequently, achieved some of the strongest economic growth in Asia. Now, the Malaysian state of Selangor is seeking more investment from Japanese and other foreign companies, and The Japan Times spoke with Tuan Amirudin Bin Shari, chief minister of Selangor State Government to learn more about what makes Selangor such an attractive business environment.

Could you provide us with an overview of Selangor?

Strategically located around Malaysia's capital city of Kuala Lumpur, Selangor is the country's primary port of entry as well as its most developed and progressive state. With a 23 percent contribution to Malaysia's gross domestic product, Selangor is the country's largest economy and enjoys highly developed infrastructure for major industry clusters, making it a well-established investment haven backed by excellent state government support and an advanced commercial ecosystem.

Known for its highly skilled and innovative knowledge-workforce as well as an attractive cosmopolitan living standard, Selangor is a beacon of abundance and prosperity. A diverse manufacturing base, high concentration of industrial activity, central location to markets and a skilled labor force, and good access to transport and infrastructure has made Selangor a fully developed and industrialized state.

How conducive is the business environment?

The friendly business environment in Selangor has made the state one of the region's top investment destinations for manufacturing operations. Its supportive and pro-business policies as well as attractive investment incentives have helped foreign companies to flourish and grow their business in Selangor with minimum regulation. To date, Selangor has attracted more than 5,000 foreign investment projects from more than 60 countries, many of which have expanded and diversified their operations.

What are the advantages for a Japanese company of setting up business there?

The state is proud to host Japanese companies that have been operating in Selangor for more than 30 years. Since 1987, there has been 25.98 billion Malaysian ringgits (around ¥684 billion) worth of investments by Japanese companies in various manufacturing sectors through 1,159 approved projects, evidence of Japanese companies' confidence in Selangor and its excellent business prospects.

Apart from being the country's primary port of entry, Japanese companies have been eager to move their operations to Selangor due to its excellent connectivity to Kuala Lumpur city center and relatively low risk of natural disasters. For example, Japanese companies based in Thailand have been diversifying their businesses here due to uncertain weather conditions such as heavy floods that have been hitting Bangkok. The state's investment promotion agency, Invest Selangor, has assisted Japanese companies from the insurance industry to evaluate potential risks and encourage their clients to set up businesses in Selangor.

Japanese companies will also be able to introduce existing smart technologies into Selangor, since this is supported by the state government's Smart Selangor initiative to prioritize technology infrastructure. The excellent connectivity into ASEAN makes it the perfect business environment for Japanese companies to also display their technol-



Tuan Amirudin Bin Shari, chief minister of Selangor State Government

ogies and expand their market in the region.

What sort of land infrastructure is available?

Selangor now boasts the best infrastructure and connectivity in Malaysia, including rail, highways, world-class seaports and airports. In addition to the Kuala Lumpur International Airport and Subang Skypark airport, the Golden State is also well connected to several major highways.

Industries are mainly located in over 200 industrial estates or parks. New sites fully equipped with infrastructure facilities such as roads, electricity and water supplies, as well as telecommunications, are continuously being developed by the state government to meet demand and are maintained in line with international standards. Newer industrial parks in Selangor are focusing on high-value manufacturing sectors such as biotechnology, medical devices and aerospace.

What is Selangor's primary seaport? Strategically located along the Straits of

excellent connectivity into ASEAN makes it the perfect business environment for Japanese companies to also display their technoling the world's busiest shipping lane due to its easy accessibility. Port Klang is not only a leading port in Southeast Asia, but also one of the top ports in the world in terms of productivity.

Currently the 12th busiest port in the world, shipping volumes at Port Klang have increased by more than 30 percent over the years, making it one of the fastest-growing ports in the region. In 2016 alone, the port has handled over 13 million TEU (twenty-foot equivalent units) to meet increasing demand as the national load and transhipment center. The Selangor state government is also studying its potential of being a second Digital Free Trade Zone, which could attract more investment and logistics players.

What sort of workforce can companies employ?

Foreign companies investing in Selangor can rely on a diversified workforce that is skilled, talented and multilingual. The state is home to a labor force of 3.4 million employed in various fields, the largest in Malaysia. Skilled workers are the foundation of Selangor's economic growth, equipping it with the adaptive flexibility to manage technological and economic changes. This is due to the fact that there are more than 160 institutions of higher learning, producing approximately 40,000 graduates per year.

As one of the fastest-growing states in the country, Selangor continues to attract the right talent to supply foreign companies that are in need of talent with specialized skills. The Selangor Human Resource Development Centre has been contributing to the upskilling and talent development of the Selangor workforce, particularly in information and communications technology; industrial automation; solar technology; microsystems; aviation maintenance, repair and overhaul; mechatronics; as well as leadership and change management. This enables the Selangor workforce to be better equipped and industry-ready for the everchanging landscape of the manufacturing sector.



The second edition of the Selangor International Business Summit in 2018 INVEST SELANGOR BERHAD

How is the quality of life for foreign nationals?

Selangor is able to provide an excellent quality of life in Malaysia due to its worldclass infrastructure, education facilities, central location and close proximity to Kuala Lumpur and Putrajaya. Compared with many other higher-cost areas in the region, Selangor boasts a relatively high standard of living at a lower cost, along with cultural diversity and racial harmony. Residents in Selangor enjoy a safe and comfortable living environment with 21st-century facilities, excellent health care and medical conveniences, outstanding educational institutions, and world-class recreational and sports facilities.

Foreign nationals are able to explore the myriad number of shopping and tourist destinations throughout the state. Education facilities such as international schools with various curriculums are available to ease transitions for expats with younger children moving to Selangor. This includes the Japanese School of Kuala Lumpur located in Shah Alam, Selangor, which is the only school in Malaysia offering primary and secondary education using the Japanese curriculum.

How can companies learn more about doing business in Selangor?

The Selangor International Business Summit 2019 is a great platform for Japanese companies to participate, explore and establish business ventures in the state of Selangor, and to discover more investment opportunities across the ASEAN region. Scheduled to be held from Oct. 10 to 13, 2019, at the Malaysia International Trade and Exhibition Centre (MITEC), Kuala Lumpur, the four-day event will bring together some of the most innovative companies and brands, including knowledgeable and influential speakers on the key issues that impact international trade, especially within the ASEAN region.

For more information on the upcoming Selangor International Business Summit 2019, please visit https://www.selangorsummit. com/.



Selangor is Malaysia's most developed state and largest economy, with a wealth of cultural, culinary and natural attractions. Last year, over 3 million foreign travelers. including nearly 200,000 Japanese travelers, visited Selangor to experience the offerings of Malaysia's most progressive state, attesting to its popularity as a top tourist destination. Centrally located in close proximity to the country's capital, Kuala Lumpur, Selangor is Malaysia's primary port of entry and is home to two international airports and the country's largest seaport. The state's economy is booming, contributing around 23 percent of Malaysia's gross domestic product, and provides its citizens with a high standard of living while boasting the lowest poverty rate in the country. Selangor is one of Malaysia's fastest-growing states and continues to attract investment, especially from Japanese companies in various manufacturing sectors that have operated in the region for decades. Selangor is situated in the west of Peninsular Malaysia, overlooking the Strait of Malacca, and has large stretches of permanent reserve forest that account for nearly 32 percent of the state's land. These forest areas, some of which are protected by the state in order to preserve biodiversity, are home to various wildlife, including migratory and residential birds, Nile hippos, crocodiles and silver leaf monkeys, which have made the region an ideal ecotourism destination.





Rich cultural heritage

Among Selangor's nine districts, the Klang district is particularly beloved for its architectural and cultural gems.

The Sultan Abdul Aziz Royal Gallery, located in a classic British colonial-style building constructed in 1909, houses a



 $The Sky\,Mirror\,is\,a\,beach\,that\,creates\,mirror-like\,reflections\,of\,the\,sky. \quad {\tt TOURISM\,SELANGOR}$

plethora of artifacts centered on the history and heritage of the Sultanate of Selangor. This and other attractions, including the grand Alam Shah Palace and the majestic Tengku Kelana Indian Muslim Mosque and Church of Our Lady of Lourdes, can be appreciated on the Royal Klang Heritage Walk, a free guided walking tour that highlights Klang's historical riches. Visitors can also relish local Klang delicacies such as Bak Kut Teh Klang, a popular pork rib dish, and delectable seafood from the fishing island of Pulau Ketam.

Natural treasures abound

One of Selangor's most popular destinations is Sasaran Beach in the Kuala Selangor district. Commonly referred to as "Sky Mirror," the beach is only accessible twice a month — during the new moon and full moon periods — when the tide ebbs just enough to cover a large stretch of flat island. During this natural phenomenon, the shallow water produces pristine, mirror-like reflections of the sky, offering visitors a marvelous visual wonder and unusual photography opportunities.

While in Kuala Selangor, travelers can visit other natural treasures, such as the Kuala Selangor Nature Park, where migratory birds are found from September to March, and the Kampung Kuantan Fireflies Park, featuring boat rides for visitors to admire the fireflies flickering among trees along the riverbanks.

Blue Mosque

No trip to Selangor is complete without a visit to the stunning Blue Mosque located in Selangor's capital city of Shah Alam. The mosque's most distinguishing feature, its enormous blue and silver dome, is the largest religious dome in the world and is surrounded by four towering minarets. The second-largest mosque in Southeast Asia, Selangor's Blue Mosque accommodates up to 24,000 people and is visible from several vantage points in Kuala Lumpur.

The mosque's design incorporates elements of Malay and Islamic architecture, with decorative Arabic calligraphy and other intricate patterns on doorways, windows and walls. The structure, which overlooks the landscaped Garden of Islamic Arts, exudes a tranquil ambiance, accentuated by the blue stained glass of its windows that illuminate the interior with calm bluish hues.

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+ More trade visitors and buyers are invited to the hosted buyers programme of Selangor International Expo 2019

+ Industry talks and workshops to value-add the engagement in Selangor International Expo 2019

+ Prominent ASEAN industry leaders' participation as speakers and attendees

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