

Sector-specific opportunities

The UK Department for International Trade (DIT) publishes over 1,000 business opportunities per month across all sectors and over 100 markets. Sign up to receive regular free international export opportunities alerts from its worldwide network, at: www.export.great.gov.uk/

Regional opportunities in Southeast Asia

Southeast Asia is a diverse and distinct region that presents a number of opportunities for the UK. It has a population of over 600 million people across the ten countries of Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Southeast Asian countries are forming a 'single market' through the establishment of the ASEAN Economic Community (AEC). As such, there is an opportunity to advance UK interests by taking a regional approach, in addition to bilateral activities.

Economic and trade policy

Southeast Asian countries collectively rank as the 7th largest economy in the world, and by 2030 the region is predicted to become the 4th largest single market. Over 200 million more people are likely to join the middle class over that time period.

The Southeast Asia Economic and Trade Policy Network works with governments and other stakeholders to promote economic reforms which help boost growth and increase cross-border trade and investment. This includes working on policy issues such as public-private partnerships (PPP) for infrastructure, financial sector reform, and trade and investment liberalisation.

The network also supports countries in moving towards a more rules-based international economic system, thereby helping to improve the business environment for domestic and foreign firms. This includes the work of a dedicated regional intellectual property resource, based in Singapore but covering the whole of the region:
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The Southeast Asia Prosperity Fund

The Southeast Asia Prosperity Fund Programme is one of the network's key tools for promoting UK technical cooperation and the sharing of expertise in the region.

More detail about projects funded by the South East Asia Prosperity Fund Programme can be found at: www.blogs.fco.gov.uk/southeastasiaprospertyfund

The network also produces analysis on regional and national economic and trade policy trends, helping to inform British businesses of the latest developments in this dynamic region. Contact:

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Total UK exports to the six largest countries in Southeast Asia were more than three times the UK's exports to Brazil (a similar-sized economy), twice those to India and 50% more than to Japan in 2012. Predominantly headquartered in Singapore and Malaysia, there are approximately 3,000 UK businesses in the region. The top three goods exports to the region are engines, motorcars and whisky. To learn more, contact:

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Southeast Asia climate change and energy

Southeast Asia is highly vulnerable to the impacts of climate change such as increased flooding, droughts and typhoons. The Asian Development Bank predict the economic impact of climate change in the region could be twice the world average owing to the low-lying coastal areas where most of its 600 million people live and economic activity takes place.

Southeast Asia currently accounts for 12% of global emissions; four times its share of the GDP. Country governments need to take decisive action to move onto a lower carbon pathway. This includes reducing emissions from deforestation, eliminating energy subsidies, improving energy efficiency and finding alternatives to coal for future power generation.

The New Climate Economy report shows that economic growth and action on climate change can be achieved together. The global market for low carbon goods and services is estimated to be worth over £3 trillion and is projected to grow by 4% per year. The Climate Change and Energy Network supports the development of low carbon businesses in the region.

Southeast Asia science and innovation

The UK has extensive scientific collaborations with universities, companies and research institutions in Southeast Asia. For example, over the past decade there have been 6,800 research publications on health with UK and Southeast Asian co-authors.

More widely, the Newton Fund (Newton-Ungku Omar Fund in Malaysia) is enabling the UK to use its strength in research and innovation to promote the economic development and social welfare of partner countries.

The Newton Fund is part of the UK's official development assistance and up to £12 million a year is available to fund collaborations with Indonesia, Malaysia, the Philippines, Thailand and Vietnam to tackle challenges like infectious diseases and food security. It is expected that this will enable genuine partnership to be formed with funding from partner countries, private foundations, multi-lateral organisations and companies.

The Newton Fund has an overarching theme of climate change and sustainable urbanisation, with the following priority areas:

- Health and life sciences
- Environmental resilience and energy security
- Future cities
- Agri-technology
- Digital innovation and creativity

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UK-Southeast Asia Knowledge Partnership

This alliance between the FCO and the British Council promotes the UK as a partner of choice for UK education, research and innovation through increased collaboration and coordination between the UK and Southeast Asia.

The Partnership facilitates UK-Southeast Asia university research collaborations, commissions studies to help universities identify research specialisms in the region and is creating a network of influential UK alumni across the region.

Visit the UK-Southeast Asia Knowledge Partnership website to find out more. See: www.britishcouncil.sg/programmes/education/higher-education/asean-knowledge-partnerships

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[Source: FCO/DIT/gov.uk]

Sector-specific opportunities in Malaysia Business services

The Malaysian Government's Economic Transformation Programme (ETP) aims to grow this sector to £14.53 billion in 2020.

Opportunities for UK companies include:

- establishment of multi-disciplinary practice construction firms
- establishment of data centres

Contact: trade.kualalumpur@fco.gov.uk for more information on opportunities in business services.

[Source: DIT/gov.uk]

Creative industries and information and communications technology (ICT)

Malaysia's ETP aims to enhance its creative industry to produce world-class content and make the country a regional hub for digital content. A creative industries incubator has been set up in Malaysia's National ICT Initiative 'the MSC corridor'. See: www.mscomalaysia.my/what_is_msc_malaysia

Opportunities for UK companies include:

- 'Film-in-Malaysia' incentive is offering a 30% rebate to foreign production houses that spend a minimum of RM 5 million in Malaysia. See: www.filminmalaysia.com/index.php?option=com_content&view=article&id=93&Itemid=582
- establishing advanced data network centres

Contact: trade.kualalumpur@fco.gov.uk for more information on opportunities in the creative industries and ICT sectors.

[Source: DIT/gov.uk]

Education and skills training

Malaysia is fast becoming an 'Educational Hub' of the ASEAN region. British products and services linked to education and training are worth over £280 million a year.

Over 15,000 Malaysian students are studying at UK universities and the UK has the highest number of branch campuses in Malaysia.

Education has always been a deeply contentious matter nationally, with a general consensus that the system needs to be improved. The Malaysian Government understands that education plays a leading role in achieving its goal of becoming a service orientated economy and has opened up the education system and encourages foreign investments at all levels of education (primary to tertiary).

Malaysia's education system operates in a two-tier system (private and public). Due to quality depreciation in public education, the demand on the private system (often UK-based) has significantly increased. Universities such as Nottingham and Southampton establishing their campuses in Malaysia and the prevalence of GCE A-Levels are indicative of the growing demand.

The Malaysian Government's education national key economic area (NKEA) is focused on four prioritised segments based on existing market share and potential for future growth:

- Early childcare and education (ECCE)
- Basic education (primary and secondary)
- Technical and vocational education training (TVET)
- Tertiary education (both domestic and international students)

The early childcare market (birth to four years) is largely untapped, with a low 4% enrolment rate. Although private-sector participation in pre-school education (five to six years) has been more significant, there is increased demand for better quality pre-school education.

Meanwhile, enrolment in international schools has been steadily increasing since 2006, when the government liberalised the intake of Malaysian students. Malaysians now make up nearly 56% of students enrolled in international schools.

On the tertiary front, about 46% of students pursuing tertiary education are enrolled in private higher-education institutions. Malaysia's aspiration to be a major destination for international students is enhanced by broad offerings of programmes and the establishment of branch campuses by internationally-recognised institutions such as Newcastle, Nottingham and Southampton Universities.

With its world-class education system and strong international reputations, Malaysia is an increasingly popular study destination for international students interested in education abroad.

TVET has been identified as a critical enabler for the success of the Economic Transformation Programme (ETP), with nearly one million jobs requiring vocational certificates or diplomas by 2020.

Several initiatives have been introduced to raise the quality of TVET offerings and to ensure the programmes are in line with industry needs and requirements. Additional funds have been allocated to the Skills Development Fund (Perbadanan Tabung Pembangunan Kemahiran – PTPK), giving more students the opportunity to undertake TVET programmes in private skills training institutes.

To-date there are 20 public and 41 private universities and 406 private colleges that offer a wide range of disciplines at every level of education, including short-term and professional courses leading to certificate, diploma, degree, masters and PhD qualifications.

The private sector has also set up educational institutions to supplement the government's efforts to generate a larger pool of professionals and semi-professionals. Among these are institutions of higher-learning and set up by large corporations such as Telekom Malaysia Berhad, Tenaga Nasional Berhad and Petronas which also provide degree-level courses. Various private colleges in Malaysia offer degree programmes on a twinning basis with overseas institutions of higher learning, while foreign universities are setting up campuses in the country.

For more information see:
www.mida.gov.my/home/education-and-industrial-training-services/posts

[Source: MIDA (Nov 2016)]

Features and attributes

- Expected 39% increase in enrolment in private and international schools over the next five years
- Ministry of Education wants Malaysia to be an educational hub for tertiary education. By the year 2020 the Ministry targets to attract over 200,000 international students enrolled in local private tertiary institutions
- 70% income-tax exemption for the first five years of operation for new international schools
- There are currently 128 English-Medium international schools in Malaysia teaching a total of 53,366 students
- The abolishment of the 40% cap on Malaysian citizen enrolment in international schools

[Source: British Malaysian Chamber of Commerce (BMCC)]

Opportunities

Opportunities for UK companies include:

- coaching and mentoring training
- educational partnerships with universities and colleges
- corporate and executive training
- e-learning solutions
- human resource (HR) solutions
- 'soft skills' training
- English language training

Contact: trade.kualalumpur@fco.gov.uk for more information on opportunities in education and training.

[Source: DIT/gov.uk]

Energy

Malaysia has the world's 14th largest natural gas reserves and the 23rd largest oil reserves in the world. It aims to become Asia Pacific's oil and gas hub. Malaysia expects offshore oil and gas production to equal onshore production in the next 15 to 20 years.

Malaysia also aims to grow alternative energy sources, such as nuclear, solar and hydro to cater to growing demands from an increased population.

Opportunities for UK companies include:

- deep water drilling technology
- enhanced oil recovery (EOR) technology
- liquefied natural gas (LNG)
- oil and gas technology
- oil field services and equipment (OFSE) operations
- energy efficiency technology

Contact: trade.kualalumpur@fco.gov.uk for more information on opportunities in the energy sector.

[Source: DIT/gov.uk]

Financial services

Globally, Islamic finance makes up US \$1.67 trillion which is 1% of all the US \$124 trillion financial assets. Malaysia's Islamic banking industry holds US \$69 billion in assets which is 6% of the Global Islamic banking market. Malaysia's Islamic banking Industry is experiencing a growth rate of 18-20% annually which is the fastest-growing industry within the financial sector.

[Source: British Malaysian Chamber of Commerce (BMCC)]

Kuala Lumpur is fast becoming the leading centre for Islamic finance in Asia. Islamic investments recently topped £1.3 trillion, and a new financial district is being established in Kuala Lumpur (Tun Razak Exchange). Tax concessions are available to establish operations.

Opportunities for UK companies include:

- Sharia finance
- legal services

Contact: trade.kualalumpur@fco.gov.uk for more information on opportunities in financial and legal services.

[Source: DIT/gov.uk]

Accountancy

The accountancy profession in Malaysia is regulated by the Malaysian Institute of Accountants (MIA), an agency under the Ministry of Finance reporting directly to the Accountant General Office. As the only accountancy body empowered by law to regulate the accountancy profession in Malaysia, membership is mandatory for those practising in the country. Members are involved in commerce and industry, public practice and government and academia. See: www.mia.org.my/v1 for more information.

Retail

Malaysia's retail sector has grown in recent years due to:

- a sophisticated and cosmopolitan emerging middle class
- increasing number of megamalls and shopping centres
- increasing affluence and growing demand for quality goods and services
- tourist expenditure

Major British brands have a strong presence in Malaysian shopping malls, but there are still huge opportunities for UK companies. These include:

- establishing retail stores
- partnerships with local retailers
- exporting products to Malaysia as import duties are gradually being reduced

Contact: trade.kualalumpur@fco.gov.uk for more information on opportunities in Malaysia's retail sector.

[Source: DIT/gov.uk]

Transportation and infrastructure

Malaysia aims to make Kuala Lumpur and the Greater Klang Valley a world class city.

Construction of a mass rapid transit (MRT) system within the Greater Klang Valley is already underway. The Land Public Transport Commission (SPAD) also aims to build a high-speed rail system (HSR) connecting Kuala Lumpur to Singapore.

There are also plans to develop an efficient solid waste management system.

Opportunities for UK companies include:

- rail construction
- high-technology, green products

Contact the Department for International Trade (DIT) Malaysia at: trade.kualalumpur@fco.gov.uk for more information on opportunities in the transport and infrastructure sectors.

[Source: DIT/gov.uk]

Incentives for tourism industry

Tourism projects, including eco-tourism and agro-tourism projects, are eligible for tax incentives from the Malaysian Government. These comprise of hotel businesses, tourist projects involving in-door and out-door theme parks, construction of holiday camps, recreational projects including recreational camps and the construction of convention centres with a capacity to accommodate at least 3,000 participants.

Hospitality

Malaysia's tourism sector is one of the 12 National Key Economic Areas (NKEAs), which has been identified by the Malaysian Government as one of the contributing prime sectors in Malaysian economic achievement. The Malaysian Government will continue to promote the sector, in line with their aspiration via the Malaysia Tourism Transformation Plan to attract 36 million tourists to Malaysia and generate RM168 billion for the country by 2020.

The Malaysian Investment Development Authority (MIDA) is focusing on high-yield tourism, driving economic and employment growth. The development of hotel and tourism projects is encouraged in line with the promotion of Malaysia as an attractive tourist destination and as a regional centre for trade and commerce. The following

activities in the tourism sector are currently being promoted and are eligible to be considered for incentives under the Promotion of Investments Act (PIA), 1986:

- Establishment of budget hotels (1-3 star)
- Establishment of 4-5 star hotels
- Expansion/modernisation/renovation of existing hotels (1-5 star)
- Establishment of tourist projects
- Expansion/modernisation of tourist projects
- Establishment of recreational camps
- Establishment of convention centres (with a hall of at least 3,000 capacity)

For further information see the Malaysian Government portal at: www.malaysia.gov.my/public/cms/topic/2/, or the Malaysian Investment Development Authority (MIDA) site at: www.mida.gov.my/home

[Source: Malaysia Government/MIDA (Nov 2016)]

Aid funded business (AFB)

The international aid agencies fund projects to improve prosperity in developing countries.

Find more information on the Department for International Trade's (DIT) aid funded business service which helps you identify opportunities to supply products and services to the international aid agencies. See: www.gov.uk/guidance/aid-funded-business

[Source: DIT/gov.uk]

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