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More manufacturers expected to relocate to Penang in 2023, boosting growth



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GEORGE TOWN, Nov 1 (Bernama) -- Penang expects to welcome more manufacturers to relocate to the state next year, said special investment advisor to Penang Chief Minister, Datuk Seri Lee Kah Choon.

He said the relocations would boost the state's economic growth, thanks to its business-ready infrastructure.

"It is safer for the companies to relocate their facilities here as the state and Malaysia, in general, are considered green zones.

"Taiwan, for example, is a red zone country with earthquakes and typhoons. Malaysia is a much safer place, and plus, we already have the supply chain, so this could be the wild card for us," he told Bernama after officiating at the opening of NI Malaysia Sdn Bhd's new supply chain distribution hub here today.

Lee said the state has started receiving inquiries from foreign companies (currently based in China) to relocate here due to the ongoing US-China tussle.

Nevertheless, he cautioned that manufacturers should expect business to be a little quiet in 2023, in line with the global market expectations, taking into account a possible recession.

Asked about Penang's July-December 2022 approved manufacturing investments, Lee predicted the state would register the same amount as in the first half of the year, making a return to the pre-pandemic level.

Earlier, Lee was reading the speech by Chief Minister Chow Kon Yeow, who was confirmed positive for COVID-19.

In his speech, Chow said Penang topped the nation's list in 2021 with an all-time high export value of RM354 billion, where electrical and electronics (E&E) products and medical devices made up about 80 per cent of the state's total exports.

"Penang was among the top contributors to the country from January to June 2022, with RM7.9 billion in approved manufacturing investments.

"In January to August 2022, Penang's export value climbed 30 per cent year-on-year to RM291 billion, representing 29 per cent of the country's total.

"And, it has lately led the nation's list once again with a total of RM14.4 billion or 33.2 per cent of the nation's total exports in September 2022," said the Chief Minister.

Meanwhile, NI managing director Selvam Chinappan said the completion of its Penang distribution hub would play a critical role in strengthening the company's global footprint.

"The facility will also serve as a global distribution centre for its software-connected automated test and automated measurement systems.

"When fully operational, the facility will further enable NI's growth for products related to Industry 4.0 Megatrend applications, including Internet of Things (IoT), 5th Generation (5G) and Automotive (Advanced Driver Assist Systems and Autonomous Driving) technology," he said.

NI Penang's new wing is part of the broad-based expansion plan that NI announced in 2019, which includes US\$40 million in capital investment and the creation of 250 new jobs across research and development, manufacturing and sales capabilities.

Commenting on the launch of NI's new global supply chain distribution hub, Malaysian Investment Development Authority (MIDA) chief executive officer Datuk Wira Arham Abdul Rahman said moving forward, MIDA plans to push for even greater productivity and sustainability outcomes.

"We want to create higher-skilled jobs that command higher wages, guided by the National Investments Aspirations," he said.

NI is an American multinational company that produces automated test equipment and virtual instrumentation software and began its operations in Penang in 2009.