

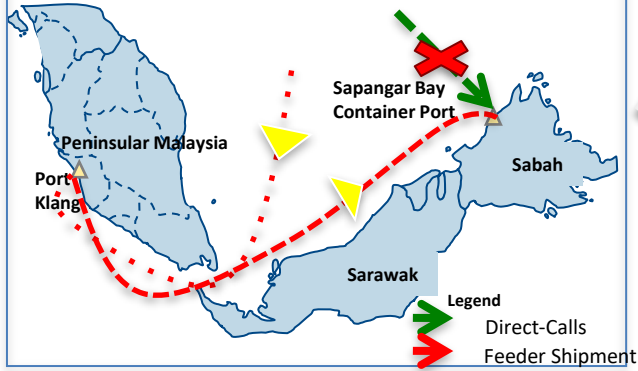


BIMP-EAGA Challenges and Investment Opportunities in Sabah



Logistic Challenges

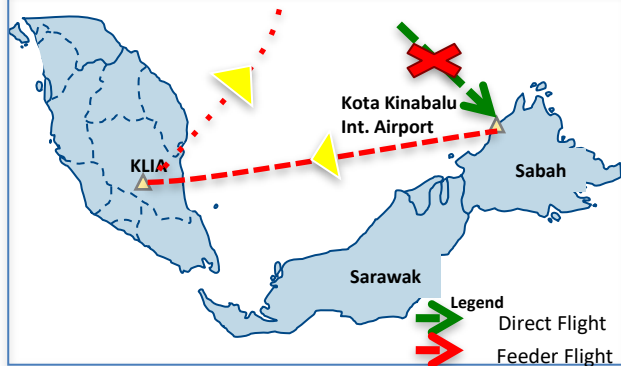
No International Port for Direct Shipment



No Highway / Rail Connectivity to Major Cities, Towns & Industrial Estates



No International Air Freight Logistic Hub



OPPORTUNITIES

Slow Internet Speed



Other Challenges

**Very Few High Value-Add Downstream & Manufacturing Activities
(CPO & Crude Petroleum alone contributes 74% of Sabah's Total Export)**

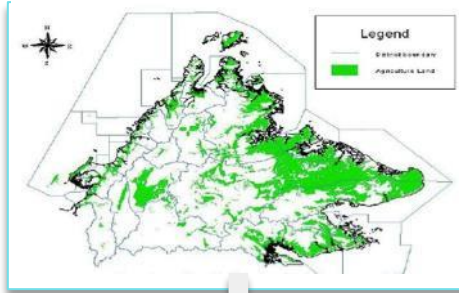
Although being the highest CPO producer, Sabah has no oleo chemical plants



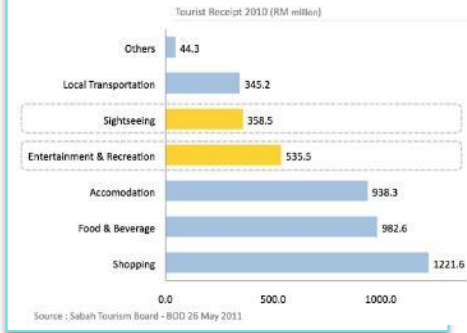
Total Malaysia

Palm Oil plantations (in Hectares)	4.7 m
Number of mills	416
Number of crushers	43
Number of refineries	51
Number of oleochemical plants	18
Number of Bulking installations	34
Number of Biodiesel Plants	25

Only 30% of Sabah's land is suitable for agriculture



Only 20% tourist receipt from "core tourist products"



OPPORTUNITIES

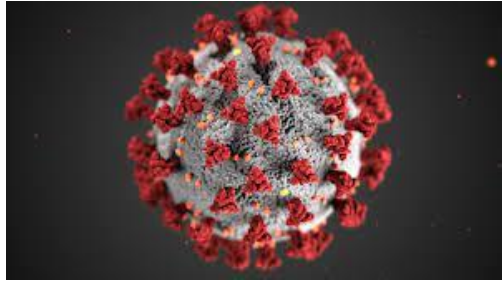
Traffic congestion in Kota Kinabalu City



Sabah has yet to fulfill its potential in the OGE value chain



ADAPTING TO A NEW GLOBAL CONTEXT WITH MULTIPLE CHALLENGES.....



Covid-19



US - China Trade War



Russia - Ukraine War



China - Taiwan Conflict



Supply chain disruptions

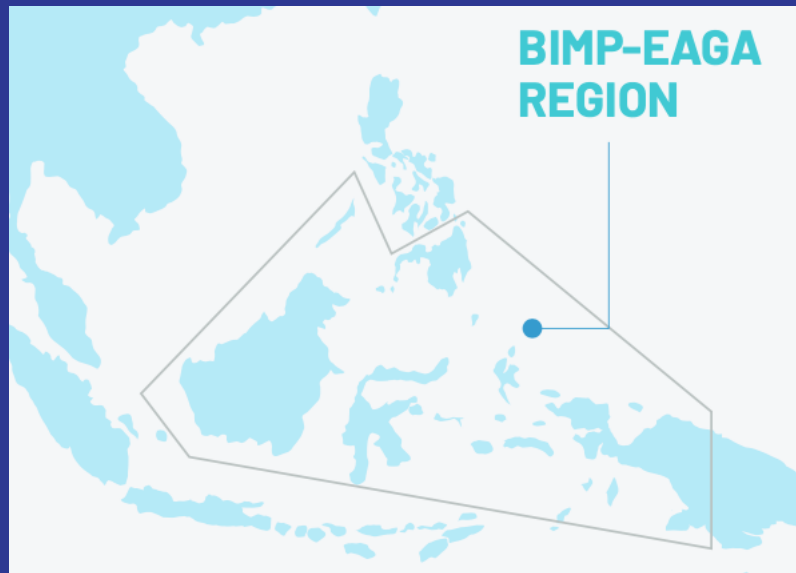


Exacerbating Inflation



Rising food prices

SABAH: GATEWAY TO BORNEO



- Strategic location of Sabah within Brunei-Indonesia-Malaysia-Philippines-East Asia Growth Region region and proximity to Indonesia's new capital city Nusantara;
- Market access to approximately 24 million peoples in the island of Borneo

GDP GROWTH

USD\$18 BIL

Despite the impact of the COVID-19 pandemic, Sabah still managed to record GDP growth upwards of USD\$18 billion in 2020.

TOP 3 CONTRIBUTORS



SERVICES
47.1%



MINING & QUARRYING
25.4%



AGRICULTURE
16.5%



PROTECTED FORESTS & CONSERVATION AREAS

1.9 MIL HA

Sabah is endowed with abundant natural resources and biodiversity, home to unique and precious wildlife. The state also has over 40 percent of Malaysia's protected terrestrial and marine areas within three terrestrial parks, six marine parks, and 1.9 million hectares of protected forests and conservation areas.

MAJOR SHIPPING ROUTE



MARKET ACCESS

23.88 MILLION CONSUMERS



MAJOR TRADING PARTNERS

Peninsular Malaysia, China, Australia, India, Singapore, Philippines, Thailand, Indonesia, Vietnam, and Brunei.



Game Changer - Direct International Connectivity

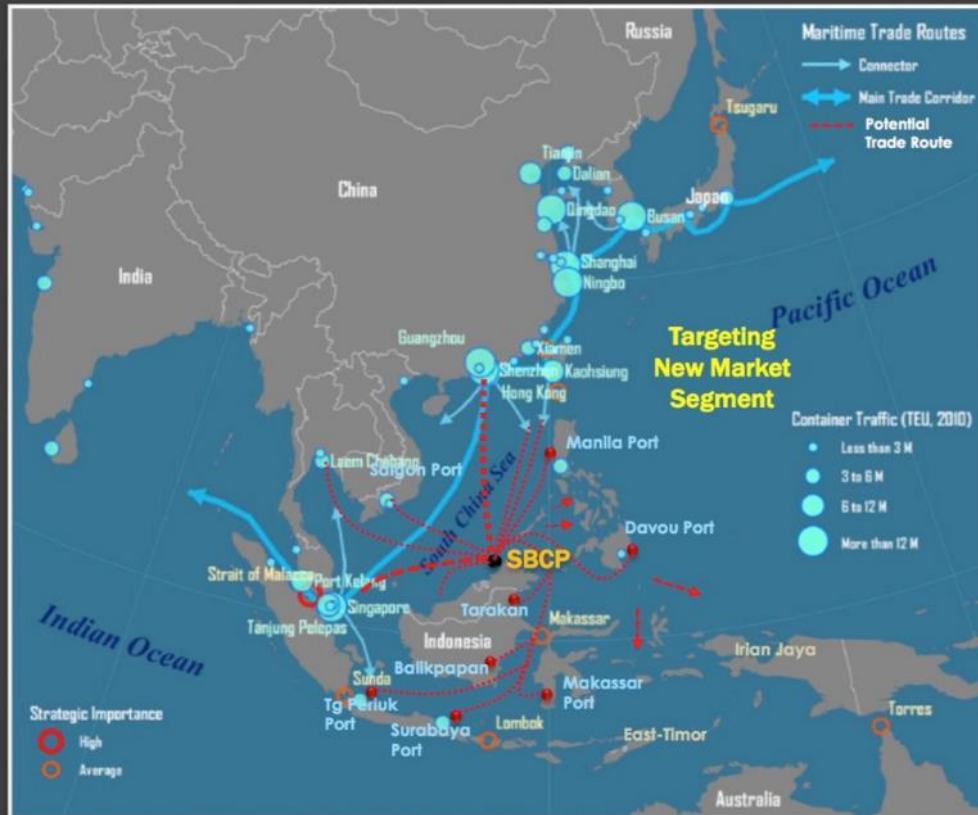
THE POTENTIAL TRANSHIPMENT CARGOES IN BIMP-EAGA REGION AND FAR EAST

EXISTING CARGO

- Singapore
- Port Klang
- Hong Kong

LOCAL FEEDER

- Tawau
- Sandakan
- Lahad Datu
- Sarawak
- Brunei



FAR EAST CARGO

- China
- Taiwan
- Japan
- South Korea

NEW/EMERGING ECONOMIES

- Philippines
- Indonesia
- Vietnam
- Thailand
- Cambodia
- West Papua

SABAH'S STATE CAPITAL

KOTA KINABALU



Kota Kinabalu is a vibrant and business centric city undergo transformation to cater for increasing demand.

- Accessible to major Asian cities
- Financial institution
- High end residential
- Private and International schools
- Signature Offices
- Hotels, Resorts and Golf Courses



Kota Kinabalu International Airport



Sapangar Bay Port



WHAT SABAH HAS TO OFFER

INFRASTRUCTURE



Access Road:

Complete road network linking all major town in west coast and east coast of Sabah

INDUSTRIAL PARKS



Industrialization:

Sabah has five industrial parks equipped with infrastructures and utilities.

CONNECTIVITY



Flight Access:

KKIA being Nation's 2nd busiest airport has direct connectivity to many international cities within.

LABOR



Human Capital:

Young workforce and training institution to fulfil the industry demand

CURRENT GLOBAL TRENDS

DEMAND FOR FOOD



World population
7.8 billion

The East Asia & Pacific population stands at 2.36 billion. That is approximately one-third of the World population at 7.8 billion



Share of urban population in developing economies
52%

World population has increased by **2.5 billion people** in the last **30 years**



By 2050, an additional **2 billion people** will live on earth



INCREASING CONSUMER DEMANDS

We have to produce more food in the next 40 years that we have harvested in the past 1000 years



Fresh



Healthy



Safe



Local



PROMOTED SEGMENT



COLD CHAIN LOGISTICS IN SABAH

Growing demand for Sabah's renowned seafood products and the increase in e-commerce services have called for greater cold chain logistic solutions to service the Asia-Pacific market.

Cold chain logistics suppliers can also take advantage of Malaysia's well-recognised Halal certification by setting up a packaging base in one of Sabah's industrial parks.



MANUFACTURING IN SABAH

Sabah offers multiple industrial parks with sound infrastructure, strategic location, and accessible logistics to facilitate manufacturing activities across a variety of sectors. Currently, the state is expanding its port infrastructure to capitalise on its location in the Brunei Indonesia Malaysia Philippines East ASEAN Growth Area (BIMP EAGA) region, opening opportunities to service the larger Asia-Pacific production base whose increasing population and incomes are stimulating a growing market for goods and services.

Sabah offers multiple industrial parks with sound infrastructure, strategic location, and accessible logistics to facilitate manufacturing activities across a variety of sectors.



AGRI-PROCESSING IN SABAH

Sabah offers opportunities across agri-processing including aquaculture, horticulture, seaweed and halal processing.



AQUACULTURE



HORTICULTURE



SEAWEED



HALAL PROCESSING



TOURISM IN SABAH

From beaches to mountains to rainforests, Sabah offers endless investment opportunities in tourism. The state's large and growing tourism market offers significant opportunities for investment across a wide range of tourism activities and sectors. Its strategic location in the Northeast corner of Borneo, coupled with its tropical climate, rich cultural heritage, and reputation for hospitality has made Sabah a favourite vacation destination for millions of world travellers.

Sabah's large and growing tourism markets offer significant opportunities for investment in a wide range of tourism activities and sectors.

Through its accelerated COVID-19 vaccination roll out and travel bubbles, Malaysia is looking to promote domestic and international travel. Pent-up demand for outdoor destinations and experiences will reinvigorate tourism opportunities, and it is expected that Sabah will see a significant increase in tourist arrivals.

COLD CHAIN LOGISTICS: GROWING DEMAND

"In year 2022 and beyond, Sabah is expected to have a total of 11 new hotels development in the pipeline with an estimation addition of 3,500 rooms. The hotels are Alila Dalit Bay, Hyatt Centric Kota Kinabalu, Crowne Plaza KK Waterfront, Citadines, i-Hotel Jesselton Quay, Club Med, Avani Kota Kinabalu, Echarm Plus, Grand Liberty, Double Tree by Hilton and Sheraton Hotel."

Source: Sabah Tourism Board (November 2021)

"Cold chain services are considered a niche market, there are not many providers that offer service for the Malaysian market."

Source: Tan, Y., & Li, C. Y. (2018). Logistics in Malaysia Market overview and M&A trends.

"Cold Logistics Supply Chain industry's future in Malaysia was promising, though several areas were still underserve and needed to be explored."

Source: Hassan, et al. (2021): The State of Cold Logistics Supply Chain in a Developing Asian Country

"Demand from pharmaceutical sectors also vital in Malaysia, where some of the raw materials used need cold storage and special attention immediately."

Source: Abideen, A., & Mohamad, F.B. (2020). Improving the performance of a Malaysian pharmaceutical warehouse supply chain by integrating value stream mapping and discrete event simulation.

"Customers nowadays are demanding high-quality, fresh, healthy food products, and thus the usage of cold chain has become a necessity rather than an option."

Source: Shashi et al., 2018. Food cold chain management: From a structured literature review to a conceptual framework and research agenda.

LOGISTICS DEVELOPMENT UNDER SDC

Sapangar Bay Container Port Expansion



- Regional Transshipment Hub with 1.25m TEUS
- 892 Reefers
- State of Art container handling equipment

KKIP Free Economic Zone



- Free Economic Zone for Logistic, EV, Aerospace
- Industrial Linked Road to Sapangar Bay Container Port (SBCP)

POIC Lahad Datu



- 50,000 TEUs container terminal handling capacity
- Dry Bulk Terminal
- Liquid Bulk Terminal
- Barge Berth

Development of Border Town



- Custom Immigration Quarantine Security (CIQS)
- Proposed inland Dry Port at Sindumin and Kalabakan

RECIRCULATING AQUACULTURE SYSTEM (RAS)



Environmental benefits

- Closed-loop RAS system, limiting water discharge and avoiding water pollution from feed and waste.
- Utilisation of solar energy.
- Closer to markets and, thus, less transport CO₂ emissions.



Year-round harvesting

- RAS systems allow for easier control of supply, including ability for partial or staggered harvesting, compared to traditional open-net pen or cage systems.



Location independent

- Ability to locate anywhere independent of sea temperatures, and close proximity to markets – resulting in lower GHG emissions from transport, cost savings & longer shelf life.



Full bio-security

- Zero risk of farmed fish escaping into the wild, and zero need for antibiotics or chemical treatment with high trace amounts of harmful substances.



Faster growth

- Ability to constantly control water parameters, maintain optimum oxygen / CO₂ levels, and higher feed conversion rates, facilitates a faster salmon growth rate as compared to the wild.



Production cost advantage

- Significant cost of production advantages compared to traditional open-net pen or cage farming, including no requirement for expensive sea net licences.



✓ Barramundi



✓ Sea Bream



✓ Striped Bass



✓ Sea Bass



✓ Shrimp*



✓ Rainbow Trout



HORTICULTURE



Indoor Farming

This method of cultivation is fully controllable and predictable for taste and contents, and allows food to be produced close to the consumer, even in locations with extreme climates.



Energy

Efficient use of energy sources is extremely important for a successful and profitable business. We offer solutions for a stable regulation of energy sources, efficient energy management and energy saving.



Water

Sustainable use of water is essential for the cultivation of your crops. We offer a wide range of solutions in the field of water management. From precise irrigation and reliable water disinfection to unique closed-loop systems.



Supply Chain

Uniting in a cluster determines the successful position and the competitive advantage of the Dutch horticulture in the world market. We offer a complete ecosystem consisting of science, enterprise, education, and government.



Autonomous Greenhouse

Data-driven horticulture revolves around the combination of data, plant physiology with today's technology. This enables growers to improve the quality and yield of their crops and to grow more sustainably.



Human Capital

Investing in staff means staff can grow. We advise you on how to invest in Human Capital, including investing in knowledge, talent, experience, and appreciation to retain motivated and engaged staff.

We are an agency that directly supports investors throughout their changing investment needs, including facilitating licensing and incentive as well as business expansions.

Let SEDIA Investment Promotion assist you

1 GATHER THE INFORMATION YOU NEED



Provide essential information on investment opportunities in Sabah including data on competitive sectors and industries, as well as business and investment related government initiatives.

2 HANDS-ON SUPPORT THROUGH APPLICATION TO APPROVALS



Assist investors from start to finish with all investment-related applications including registration, licensing, permits and tax incentives.

3 CONNECTING INVESTORS WITH STRATEGIC PARTNERS IN SABAH

Help investors identify local business partners, suppliers and vendors for specific industries/sectors.



Engage with relevant Federal and State government agencies and local authorities where required, such as to facilitate collaboration, expedite licensing and registration, and customise assistance.

4 ASSIST INVESTORS IN IDENTIFYING PREFERRED BUSINESS LOCATIONS IN SABAH



Provide essential information on investment opportunities in Sabah including data on competitive sectors and industries, as well as business and investment related government initiatives.

5 CONTINUED, PERSONALISED INVESTOR SUPPORT POST-BUSINESS ESTABLISHMENT



Work closely with investors from establishment, through getting started, and towards expansion to ensure investors receive a positive business experience in Sabah.

For more information please reach out to us

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Level 26 -28, Menara Tun Mustapha,
Yayasan Sabah Headquarters Complex, Likas Bay,
88817 Kota Kinabalu, Sabah, Malaysia.

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