

News Release

UOB Malaysia sees a growing number of its regional corporate clients expanding into Southeast Asia through Penang

Kuala Lumpur, Malaysia, 4 April 2016 – United Overseas Bank (Malaysia) Bhd (UOB Malaysia) expects to facilitate greater foreign direct investment (FDI) into Penang as more of its corporate clients are attracted to the Malaysian state’s conducive business environment and well-established status as a global manufacturing and services hub.

UOB Malaysia estimates that the number of its overseas clients, especially those from the electronics and semiconductor industries, investing in Penang will increase by 30 per cent over the next 12 months. These companies are mainly from China, Taiwan and Singapore who are looking to tap into Penang’s cost-effective manufacturing and electronics infrastructure, and have ambitions to extend their reach in Southeast Asia.

Strategically located at the northern tip of the Straits of Malacca, Penang is one of Malaysia’s most successful investment hubs. It attracts significant foreign investment given its strong business ecosystem including a highly-skilled labour force, stringent intellectual property protection laws, and a robust manufacturing supply chain supported by more than 300 multinational corporates¹. According to the Malaysian Investment Development Authority (MIDA), Penang contributed nearly 20 per cent to Malaysia’s overall FDI inflows in 2015, the highest among the Malaysian states². This is a seven percentage point increase from the previous year’s inflows³.

Mr Kevin Lam, Deputy Chief Executive Officer and Head of Wholesale Banking at UOB Malaysia, said that the Bank’s regional corporate clients see Penang as more than just a manufacturing base.

“Despite the muted global economic outlook, Penang remains an attractive expansion destination for our regional corporate clients. They are tapping into its favourable business conditions and the rising consumption power of Southeast Asia’s growing middle class population to seek long-term growth in the region,” said Mr Lam.

¹ Source: InvestPenang 2015.

² Of the total projects amounting to RM22.9 billion approved during the year, RM4.5 billion came from Penang. Source: MIDA Report 2015.

³ In 2014, Penang contributed 13 per cent to Malaysia’s FDI inflows. Source: MIDA Report 2015.

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To help clients seize business opportunities in Penang, UOB Malaysia partnered government promotion agencies – MIDA and InvestPenang – to share insights on the state’s investment potential during a half-day forum held in Singapore on 30 March 2016. About 100 participants attended the event, which is part of the UOB FDI ASEAN Series that aims to help companies appreciate the different business environments in Southeast Asia. UOB Malaysia will hold its second investment forum in Kuala Lumpur later this year.

UOB Malaysia’s FDI Advisory Unit has also collaborated with MIDA and other agencies such as the Iskandar Regional Development Authority (IRDA), the East Coast Economic Region Development Council (ECERDC) and the Sarawak Corridor of Renewable Energy (SCORE) to position Malaysia as a key investment destination in Southeast Asia.

Established in 2013, the UOB Malaysia’s FDI Advisory Unit provides assistance to foreign enterprises looking to invest and expand their business in Malaysia. Their services include assisting with company incorporations, advising foreign companies expanding into Malaysia and providing access to the Bank’s full suite of corporate and personal banking solutions through its long established regional network.

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About United Overseas Bank (Malaysia) Bhd

United Overseas Bank (Malaysia) Bhd (UOB Malaysia) is a subsidiary of Singapore-based United Overseas Bank Limited and has had a presence in Malaysia since 1951. UOB Malaysia offers an extensive range of commercial and personal financial services through its branches, subsidiaries and associate companies: commercial lending, investment banking, treasury services, trade services, cash management, home loans, credit cards, wealth management, and bancassurance products.

In line with the UOB Group’s regional corporate social responsibility initiatives focusing on children, education and the arts, UOB Malaysia has organised the annual UOB Heartbeat Run since 2008 to raise funds for charity. In 2011, UOB Malaysia established the inaugural Painting of the Year Competition and Exhibition.

For further information, please visit www.uob.com.my.

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