

NIMP 2030 poised to attract more investments

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PETALING JAYA: The current investing focus on environmental, social and governance (ESG) and sustainability will likely help the New Industrial Master Plan 2030 (NIMP 2030) attract further targeted investments into the country.

The plan also appears to aim to capitalise on the opportunities from the recent shift in investments away from China due to the global trade tensions.

According to CGS-CIMB Research, the NIMP 2030 is a comprehensive plan, noting that the government appears to understand the limitations and hurdles of the current industrial setting such as the reliance on cheap foreign labour and low research and development adoption.

“If this strategy works, ESG-conscious companies could be more interested in investing in Malaysia such as Tesla.

“We also see a new set of industries being emphasised, in particular electric vehicles (EVs) and carbon capture, utilisation and storage, which capitalise on Malaysia’s existing strength and advantages,” CGS-CIMB Research said.

However, it also noticed certain sectors were receiving less emphasis than in previous plans such as biotechnology, although pharmaceutical, a subset of biotechnology, was highlighted in the report.

“A few policy suggestions in the NIMP 2030 are not new, for instance, the multi-tier levy system for foreign workers, which has been delayed, given the pushback by industry players. Hence, successful execution is key,” it said.


“Thus far, the NIMP 2030 certainly improves the long-term prospects for gross domestic product (GDP) growth, but we maintain our 2023 GDP growth forecast at 4% year-on-year and 4.6% in 2024,” the research house added.

Meanwhile, UOB Kay Hian (UOBKH) Research said it believes the electrical and electronics (E&E) industry is poised to be the largest beneficiary of the plan.

“The NIMP 2030 is a catalyst for trade diversion for foreign direct investment, the creation/entrenchment of regional champions, and new emerging industry clusters such as EV and renewable energy (RE),” UOBKH Research said.


It noted the E&E industry, which accounts for some 40% of the country’s exports, is poised to grow further from the NIMP 2030 catalyst.

“The well-strategised plan targets to enhance the sector’s value-add, employment and wage dynamics by deepening the economic complexity of the supply chain, upskilling and support for small and medium enterprises,” UOBKH Research said.

“While we await the granularity of incentives and rollouts, our top manufacturing picks include Cape EMS Bhd, [Inari Amertron Bhd](#)  and NationGate Holdings Bhd,” UOBKH Research said.

These companies are noted for their alpha growth on strong visibility of better order loadings from their new and key customers from the supply chain reconfiguration amid the trade diversion, it said.

For the outsourced semiconductor assembly and test players, it likes Inari for its strong growth trajectory premised on its new flagship programme, inventory replenishment and the fruition of its new business collaboration.

Other companies such as [Greatech Technology Bhd](#)  are noted for their solid order-book backlogs with more than 50% exposure to the high-margin EV and RE sectors alongside their unique value proposition while other beneficiaries include packaging company L&P Global Bhd, it said.

Meanwhile, Hong Leong Investment Bank Research said the NIMP 2030 is a positive move, but noted the key to its success will depend on the strong cooperation across multiple key stakeholders that cuts across federal and state governments as well as agencies.