

# Kedah - Heart of Asia

Affirming Malaysia's investment-grade rating with stable outlook in February 2023, ratings agency Fitch praised the country's "diversified economy with strong medium-term growth prospects" and underlined a "strong growth outlook". The company noted a number of positive factors playing into its decision, including robust current account surpluses, moderate inflation, budgetary consolidation, and near-term political stability. Malaysia's favourable macroeconomic and political situation owes much to its system of governance, which embraces diversity as well as devolution. The country is a federation of thirteen states and three federal territories. States have considerable scope to shape their own policies towards investment and business.

Lyng in the north-west of Malaysia, bordering Thailand and adjacent to the island state of Penang, Kedah lies at the heart of a region that has been the fulcrum of trade routes for millennia. Kedah benefits not only from its enviable strategic location, but an abundance of natural resources, biodiversity, human talent, and physical beauty. These natural advantages are enhanced by what may be the strongest business and investment environment in the country. The state's Kedah Development Plan 2035 (KEDAH2035) seeks to achieve high income status for its people through unleashing Kedah's huge potential, with the private sector playing a leading role.

"To achieve our goals, we want to attract foreign direct investment and new partnerships to Kedah," says Muhammad Sanusi Md Nor, the state's Chief Minister. "We want multinationals to come and set up business here. Our state is known for tourism, agriculture, and manufacturing. We have ample land, great infrastructure, the best connectivity, a skilled talent pool, and very collaborative government agencies. We have fast processes for investors and a strong track record with multinationals already present here. We are the heart and centre of Asia, and springboard to the rest of the continent with economical overheads."

A diverse state with 2m people of Malay, Chinese, and Indian ethnicity, Kedah is a tolerant, welcoming, and peaceful place in a region of global importance. Its historical strengths have come from its location and its fertility - the state has 137,00 ha of rice paddy fields. Today, while retaining a strong agricultural sector, Kedah is home to both one of South East Asia's most revered tourist destinations in the Langkawi archipelago, and a growing range of high-tech and value-added industries. Many are hosted in its industrial parks. These include Kulim High-Tech Park (KHTP) - the state's leading industrial zone - and Kedah Science and Technology Park (KSTP). The latter focuses on new technology in advanced materials, agriscience, green technology, and supporting industries. The recently-founded Kedah Rubber City (KRC) is



**Muhammad Sanusi Md Nor**  
Chief Minister

a huge industrial park dedicated to the rubber industry such as advanced latex products, advanced rubber materials and engineering rubber products. It is expected to contribute \$3.3bn to Malaysia's GDP and create 14,500 jobs within 15 years once it is completed in 2030.

Muhammad Sanusi has made developing new industrial parks a priority, with several more set to launch by 2035. New industrial parks are under development in Sungai Petani and Gurun, both in the centre-west of the state, of 1000 acres and 2000 acres, respectively. The state government is also working on the Bukit Kayu Hitam Special Border Economic Zone (SBEZ) housed in the along the Thai frontier, which Delapan SBEZ is being developed by Northern Gateway Sdn. Bhd., a subsidiary of Ministry of Finance Incorporated. This free trade zone will focus on logistics, data centres, and manufacturing. Also under development is Kedah Aerotropolis consists of a new airport - Kulim International Airport, KXP - which is set to be a cargo and maintenance, repair, and operation (MRO) hub for South East Asia including Sidam Logistics, Aerospace and Manufacturing (SLAM) for avionics, aircraft

interiors, logistics and aerospace industries.

These developments go hand-in-hand with the state's proactive approach to investment as a whole.

"The world is moving fast - if you're slow, you're left behind," says Muhammad Sanusi. "If you want businesses to come, you have to provide everything - we make it easy, we make it fast. We provide the infrastructure for investors. Whatever they ask for, we will be able to provide. We offer fiscal and non-fiscal incentives. We have a huge area of land to offer to any partner, and can provide up to 50 acres [20 ha], when most neighbouring states can offer at most 20 acres."

The state's baseline is that projects will take just nine months from start to completion, and the investor being able to commence production; this is the fastest in Malaysia, the Chief Minister says. Potential investors can contact Invest Kedah Berhad (IKB), the state investment promotion agency which caters to all their needs.

In keeping with Kedah's emphasis on innovation and the natural environment, renewable energy is a major area of focus for the state. The Chief Minister says that by the end of the decade, all products will need to be made using green energy. This is an opportunity more than a challenge - Kedah is the sunniest state in the country, and has ample land, the basic resources for solar development.

Kedah stands out for its world-class business environment as well as its natural advantages, but also leverages being part of a bigger whole, Malaysia. The country is one of the most eye-catching emerging markets globally, while benefiting from a secure political and judicial framework, and consistent policy-making approach supporting value-added in the economy.

"Kedah, Malaysia is a great investment destination," says Muhammad Sanusi. "It's politically stable, and the central government supports us. Malaysia is at the crossroads of the world, and Kedah is the ideal gateway to it."



# GISB Holdings

## Creating a harmonious society through the beauty of Islam

Malaysia's economy grew the fastest in over two decades in 2022, according to data from the Central Bank of Malaysia, which recorded a GDP increase of 8.7%. And with China, Malaysia's largest trading partner, expected to recover its economic momentum in the second half of this year, domestic demand, according to Bloomberg, will continue to power the economy. Additionally, Malaysia's strategic location in the heart of Southeast Asia enables easy access to over 650 million consumers in a market worth a combined GDP of USD 3.2 trillion, according to the country's government agency MIDA, and has attracted 16 free trade agreements with the likes of Japan, Korea, Australia, New Zealand, and India.

Malaysia's economic diversification effort ranked the country first in Southeast Asia for foreign investment on the Milken Institute's Global Opportunity Index 2022. In 2021, Malaysia recorded RM208.6 billion in foreign investments, according to MIDA, up by 68.1% on 2020 and spurred on by high impact, pro-business government initiatives like the National Agrofood Policy 2021-2030, which helped to approve agricultural investments worth RM2.3 billion in its inaugural year. Meanwhile, Malaysia's Education Blueprint 2015-2025 is transforming the country into a regional hub for educational excellence and Industry 4.0 talent. The number of Private Higher Education Institutions (PHEIs) in Malaysia now stands at more than 400 and the PHEI industry alone has the potential to be worth RM65 billion by 2026, according to MIDA.

Global Ikhwan Services and Business Holdings (GISBH) is an Islamic Bumiputera company founded in 2000 by the late Ustaz Ashaari Muhammed to help the Islamic way of life flourish in society. GISBH's diverse portfolio of people-first businesses operates through 22 subsidiaries across eight sectors, including food production, human development, healthcare, manufacturing, and public relations. Amongst GISBH's subsidiaries are Ikhwan TV Network, GISB Bakery, Restaurant, and Catering; GISB Industries; GISB Property and Development; GISB Consultancy & Services; and GISB Medicare.

GISBH's aim to develop the Islamic way of life within each industry it works in is perhaps best expressed by its Ikhwan brand, which provides various award-winning services and sells halal products, such as rice and flour, drinks and coffee, frozen foods, and health and hygiene products. Hence, alongside winning the 'Entrepreneur of the Year' award at the Top Achievers Malaysia 2019 and operating the 'Best International Restaurant Chain' according to the Malaysia Tourism Council Gold Awards 2019, GISBH was also the Gold Sponsor at the Sarajevo Halal Fair 2019, where it won the 'Remarkable Contribution to the Global Halal Industry' award. "Ultimately, we're religiously driven - we practice true Islamic religion, which is about our relationship with God. We think about the people and the love that goes into our products and do our best to give back for everything we receive in life," says GISBH's CEO, Dato' Lokman Hakim Pfordten.

GISBH's market presence spans 17 countries through its restaurant and supermarket branches, including the UK, Germany, the UAE, and Australia.



According to Pfordten, GISBH's early years of comprehensive organic growth remain a platform for the value-accretive expansion it successfully pursues today. Having developed a method to efficiently produce low-fat (0.1%), premium chicken without vaccines or antibiotics, GISBH now plans to enter the poultry industry through its subsidiary GISB Poultry and is looking for global partners. GISB has already ventured into Thailand but is particularly interested in mutually beneficial partnerships with US-based companies that align with its community-centric business ethos. "We've established relationships all over the world, but we always strive to maintain our community values. What we want to do in the future is spread more love and humanity worldwide. That's the most important thing for us; the money follows when you start caring for people," says Pfordten.

Above all, Pfordten attributes GISBH's success to its unique 'equal system' approach to its 5000-plus employees, transforming them into a family of multiskilled, self-sustainable entrepreneurs - everything in GISBH's restaurants, including the furniture, is manufactured in-house. Not only has this been instrumental for GISBH in converting its core strengths to a wide variety of industries, but it also

reflects the company's integrated CSR philosophy, which seeks to nurture an exemplary, well-rounded, generation of Muslim youth to all levels of society, equipped with a dedication to those in need. Most notably, GISBH's company leadership created The Youth Defenders of the Ummah to educate and empower Muslim teenagers through implementing the discipline of the Islamic way of life and skills training in its seven global RPU Training Centers. "Our main goals are not about business; they concern humanity, love, friendship and serving the community - that has always been our goal. We want to make people better day by day," says Pfordten.

GISBH's international mindset and diversity embody that which sets Malaysia apart from its Southeast Asian peers, and its growth strategy aligns with Prime Minister Anwar's effort to strengthen the country's global presence and international brand. "We see it as our task to establish unity within Malaysia's diverse population for the betterment of society. We have to understand each other. We have to have open hearts to accept our differences and walk together into Malaysia's future," says Pfordten.