

'FOCUS ON HIGH-TECH INDUSTRIES'

This is to attract FDIs in areas such as AI, blockchain, says Malaysia-China business group

KUALA LUMPUR

THE Covid-19 pandemic has severely affected the global economy and financial markets.

In the post-epidemic era, economic recovery is urgently needed, said the Malaysia-China Chamber of Commerce (MCCC).

In view of this, the MCCC said it had submitted a proposal to the Finance Ministry on the 2021 Budget, which touches on attracting foreign direct investments (FDIs), revitalising the economy, boosting the agriculture sector by leveraging technol-

BELANJAWAN



ogy and the digital economy.

MCCC said it had proposed that the government focus on high-value high-technology industries to attract FDIs in areas such as artificial intelligence, blockchain, virtual/augmented/extended reality, Internet of Things, automation and 3D printing.

"The growth of these sectors will not only help push the economy into the high-tech high-value sector but also aid local electrical and electronic industries toward a smooth integration with the global supply chain."

MCCC called on the government to unlock and capitalise under-utilised technology/in-

dustrial parks by providing financial incentives to encourage foreign investors to rejuvenate the existing parks via technology transfer, research and development, as well as innovative activities.

MCCC suggested that the government enhance its collaboration with China's technology parks through the Special China Channel, making Malaysia its preferred regional expansion hub to the global market.

"(The government should) allow more enterprises from China to participate in the establishment of free-trade zones, with the full support of all required licences and tax-free incentives for up to 30 years."

MCCC said close collaboration between government agencies and industries, as well as trade associations, was important to move the economy forward efficiently.

MCCC said there was a need to vitalise the economy by increas-

ing growth via the consumption of local goods.

"It is best to improve the rakyat's purchasing power by ensuring that they have jobs.

"This can be done by participating in domestic economic activities.

"It is vital for the government to provide more financial and tax incentives to encourage local companies to enter the global market via online platforms."

MCCC said that due to changing tourism and consumption patterns, expansion of digital services was crucial to transform the travel industry.

"The pandemic has changed the way visitors behave and 'consume' travel products.

"The government could provide financial assistance in (the form of) a digital travel platform and underscore (the need for businesses to) stay ahead of the curve by adapting to the changing needs of tourists."

The MCCC suggested that the

government provide a tax holiday and low-interest loans for travel agencies, hotels and resorts and tourist hotspots for this year and 2021.

It also called on the government to implement short-term contingency measures for this year and 2021, including temporarily abolishing the tourism tax on foreign tourists and waiving the Tourist Visa Entry requirement for Chinese nationals, which will encourage more tourists and business travellers from China to visit Malaysia.

In terms of the agriculture sector, MCCC suggested that the government modernise it by leveraging technology.

MCCC said this could be done by allocating funds to boost the agricultural smart technology infrastructure and ecosystem.

The chamber also called on the government to expedite the deployment of 5G infrastructure as it could unlock the potential of the digital economy.