



Presentation by Northern Corridor Implementation Authority (NCIA)

STRATEGIC TOURISM INVESTMENT DESTINATIONS IN THE NORTHERN CORRIDOR ECONOMIC REGION (NCER)

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12th February 2023

AGENDA



1

● **Tourism Video** ▶



2

● **Introduction to Northern Corridor Economic Region (NCER)**



3

● **Strategic Tourism Investment Destinations in NCER**




4

● **NCER Incentives and Programmes**

AGENDA

 2

- Introduction to Northern Corridor Economic Region (NCER)



Langkawi

SKY BRIDGE

**The Longest Free Span and Curved
Bridge in the World**

Picture courtesy of Tourism Malaysia

THE NORTHERN CORRIDOR ECONOMIC REGION (NCER)



4 STATES
NORTHERN CORRIDOR ECONOMIC REGION

Total Land Area
32,404 km²

Population (2021)
6.7 mil.

GDP as at 2020
(at 2015 constant price)
RM218.7 bil.

Mean Household Income (2020)
RM5,477

Total Employment (Q2 2021)
3.1 mil.

Source: DOSM, Analysis by PwC



ABOUT NCIA

Northern Corridor Implementation Authority (NCIA) was established under the Northern Corridor Implementation Authority Act 2008 (Act 687) to promote and accelerate the development of the NCER (Perlis, Kedah, Pulau Pinang and Perak) into a world-class economic region, technology hub and a choice destination for investment, work and living.

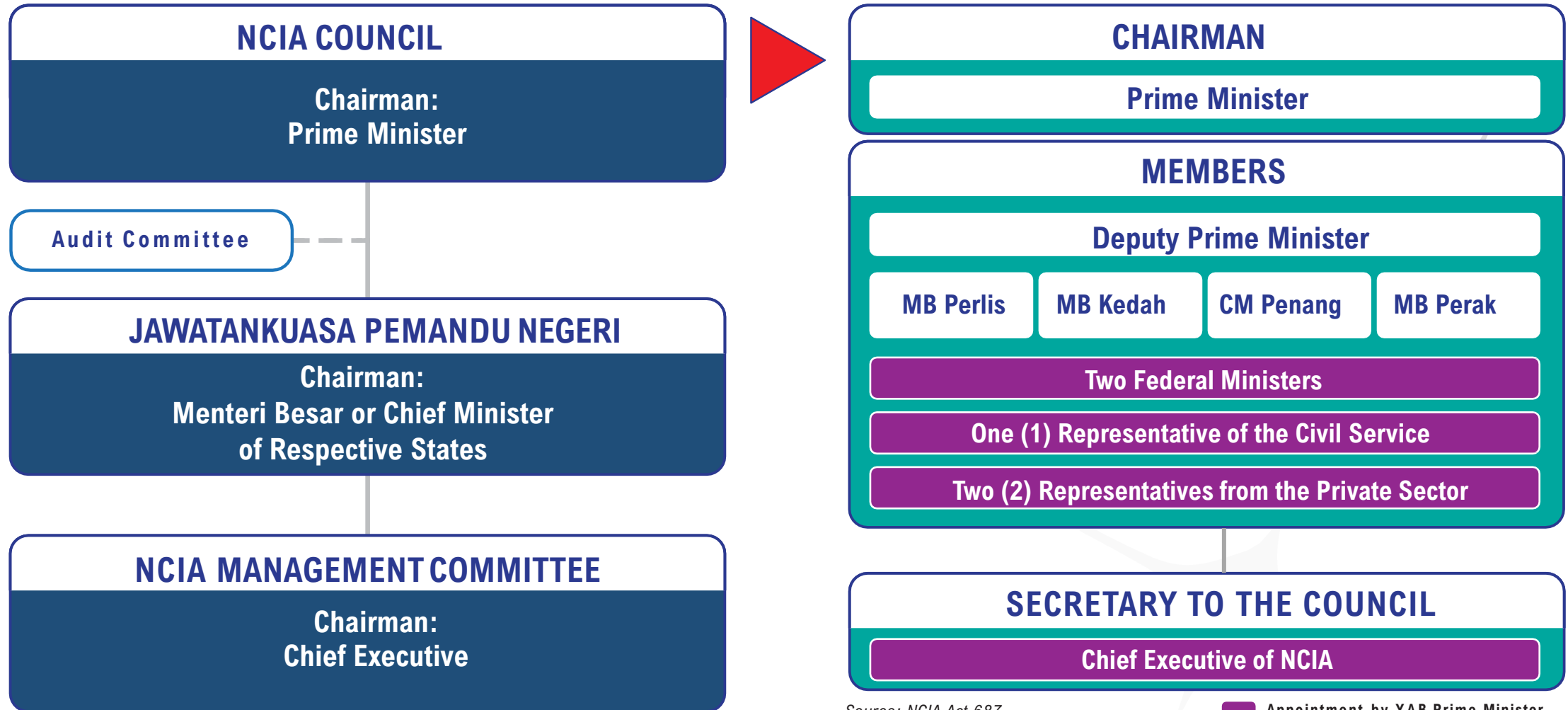
KEY FUNCTIONS OF NCIA

- To coordinate the performance of the activities carried out by Government Entities in NCER
- To promote, stimulate, facilitate and enhance the international competitiveness of NCER
- To establish direction, policies and strategies in relation to development within NCER
- To promote, stimulate, facilitate, coordinate, undertake economic and social development in NCER

OBJECTIVES OF NCER

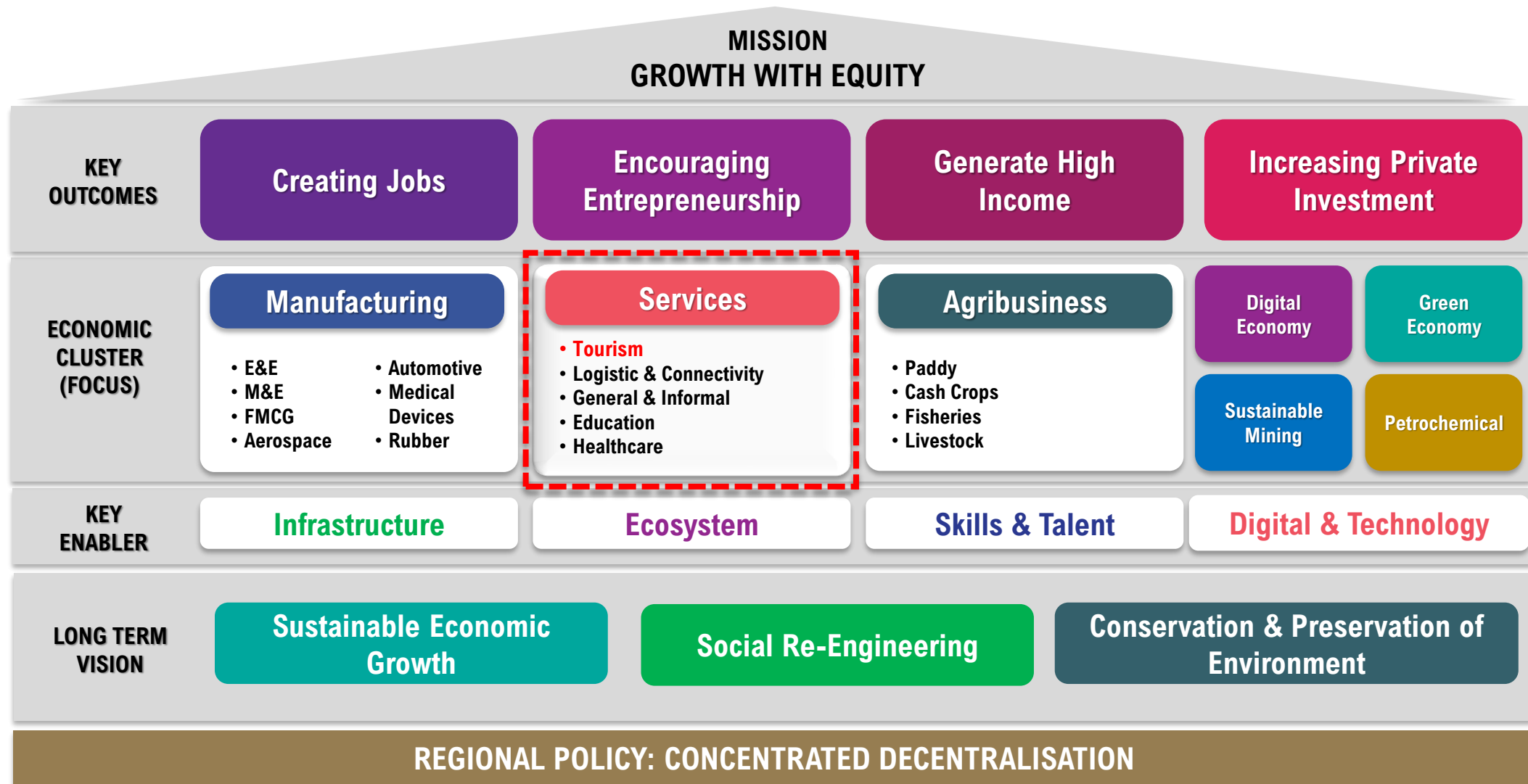
| | | | |
|--|--|--|---|
| <p>Accelerate the socioeconomic recovery of rakyat and businesses post COVID-19</p> | <p>Boost economic potential through catalytic projects and high-impact programmes</p> | <p>Address uneven development and regional imbalances</p> | <p>Promote equitable economic growth</p> |
|--|--|--|---|

NCIA GOVERNANCE STRUCTURE



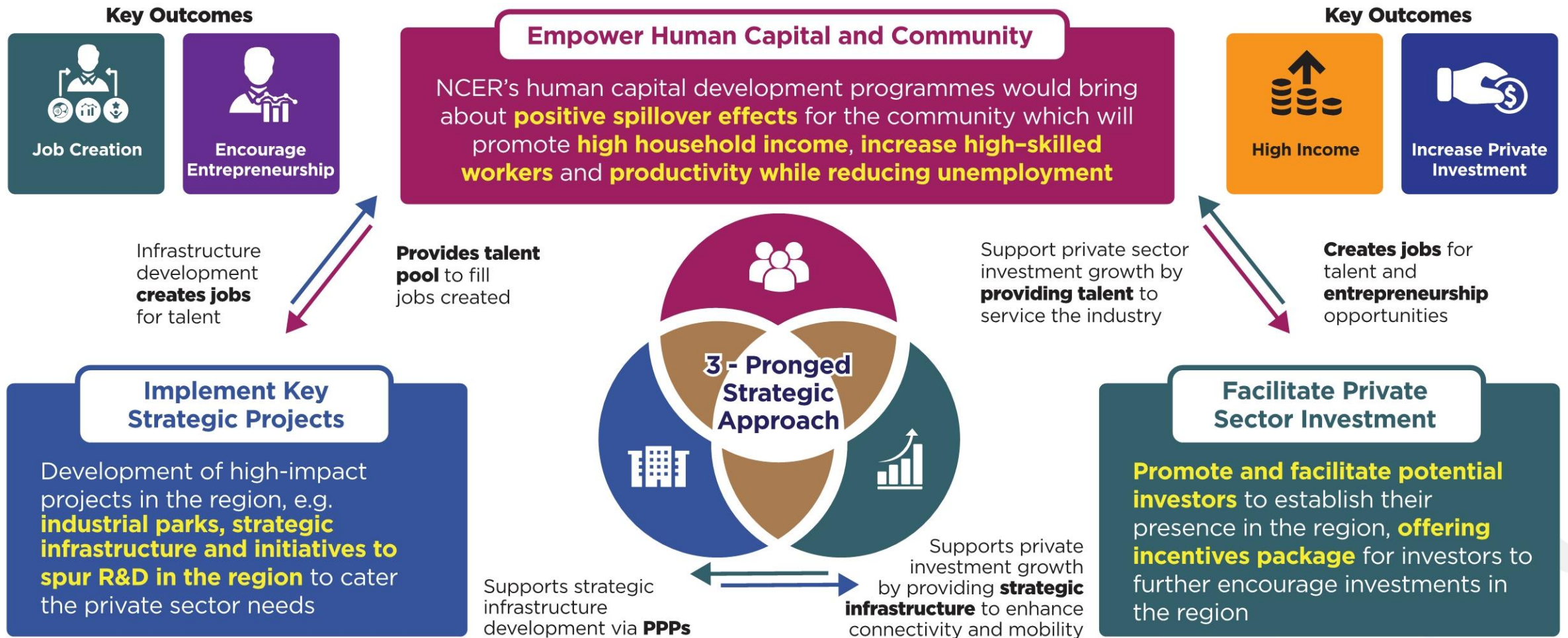
Source: NCIA Act 687

NCER STRATEGIC DEVELOPMENT FRAMEWORK 2021 - 2025



Various initiatives are being planned and implemented based on the NCER Strategic Development Framework to ensure rapid and holistic socio-economic recovery

NCIA'S INTEGRATED OPERATING MODEL



Integration of projects and programmes with collaborative Public-Private Partnership will be essential to the success of achieving the intended outcomes

AGENDA



3

- **Strategic Tourism Investment Destinations in NCER**

Kilim GEOFOREST PARK

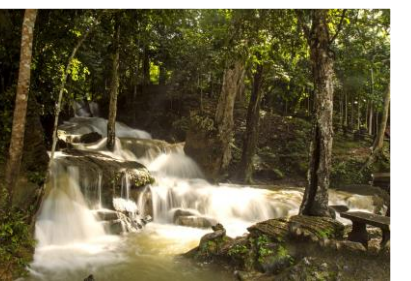
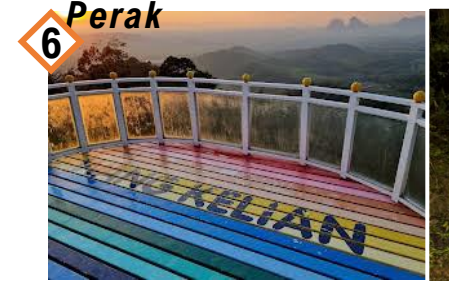
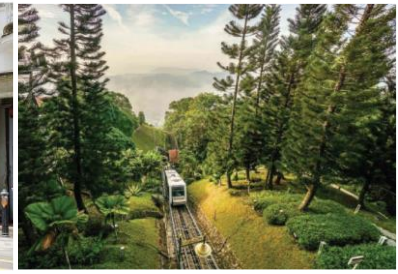
A place with an ancient geological heritage, countless natural wonders, home to a myriad of flora and fauna, and a vibrant local community of Kilim Village

Picture Courtesy of Tourism Malaysia



STRATEGIC TOURISM INVESTMENT DESTINATIONS IN NCER

NCER is blessed with diverse attractions; nature, food, culture and many more which offers various opportunities in tourism industry and creating a dynamic tourism ecosystem in NCER



*The destination list above is not exhaustive

TOURISM INVESTMENT OPPORTUNITY IN LANGKAWI

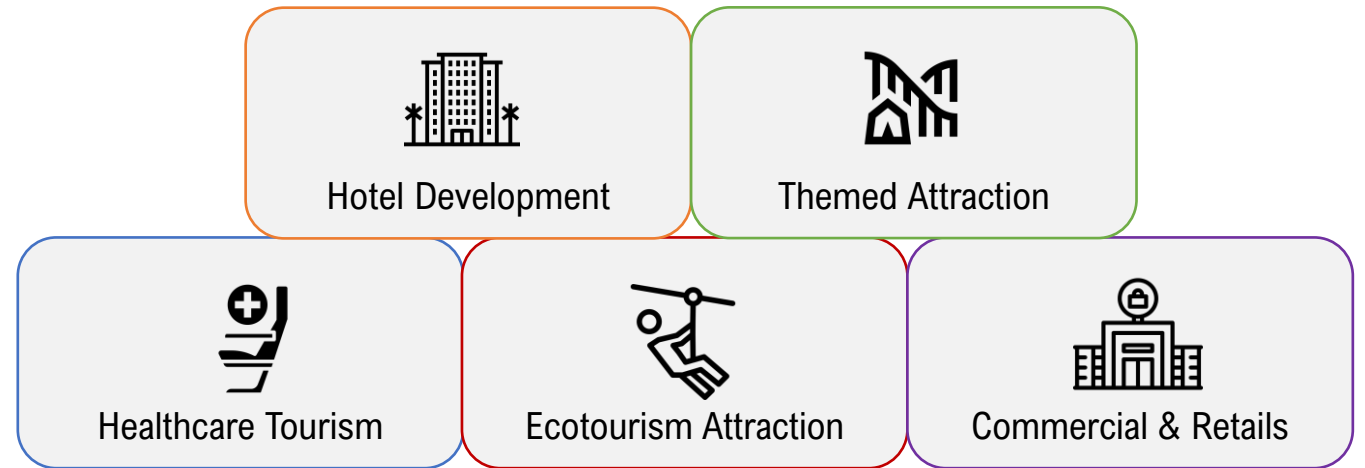
Langkawi has huge potential in tourism development and NCIA is ready to complement with various incentives and programmes to develop a holistic ecosystem

Attractions



- Beautiful Beaches
- Duty-Free Island
- Nature
- International Events
- Local Heritage
- Local Handicrafts
- Seafood Cuisine
- Cruise

Investment Opportunity as an Investor

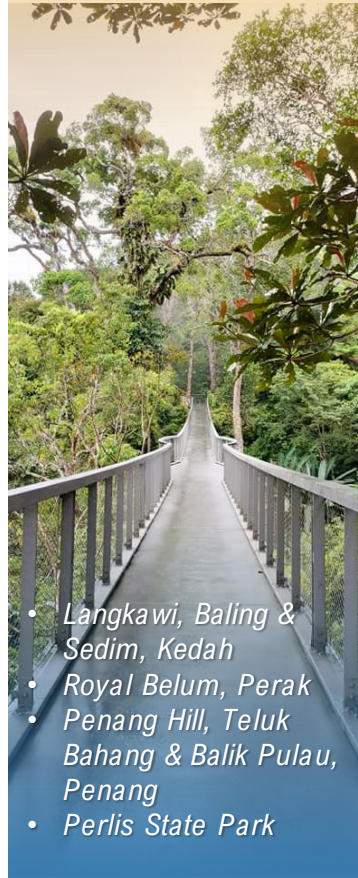


NCER facilitation available in luring private investments in Tourism and Hospitality sector

- Broad-based incentives for priority sectors
- Incentives for Specific Projects
- NCER Talent Enhancement Programme (NTEP)
- Dana Usahawan (DU)@NCER

TOURISM FOCUS CLUSTERS IN NCER

Ecotourism



- Langkawi, Baling & Sedim, Kedah
- Royal Belum, Perak
- Penang Hill, Teluk Bahang & Balik Pulau, Penang
- Perlis State Park

Heritage Tourism



- Alor Setar, Kedah
- Ipoh, Perak
- George Town, Penang
- Taiping, Perak
- Arau, Perlis

Archaeo Tourism



- Lembah Bujang & Sg Batu, Kedah
- Guar Kepah, Penang
- Lenggong, Perak

Geotourism



- Langkawi UNESCO Global Geopark, Kedah
- Jerai National Geopark, Kedah
- Kinta Valley National Geopark, Perak

Healthcare Tourism



- Private Hospitals in Penang Islands
- Potential: Langkawi, Pangkor & Ipoh

Niche Tourism



- MICE
 - LIMA
 - Langkawi International Convention Center
- Agrotourism
 - Oyster Farming in Kedah & Penang
 - Superfruits Valley in Chuping
- Sports Tourism
- Halal Tourism

Duty Free



- Langkawi
- Pangkor

AGENDA



4

● **NCER Incentives and Programmes**

NCER INCENTIVES AND PROGRAMMES FOR TOURISM INDUSTRY

1

Fiscal: Tourism Tax Incentive Package



KEDAH



PERLIS



PERAK



PENANG

Income Tax Exemption

| | | |
|---------------------------------------|----------------------------------|----------------------------------|
| First 5 or 10 years | Second 5 years | Third 5 years |
| 0% or 5% income tax rate | 10% income tax rate | 15% income tax rate |

OR

Investment Tax Allowance

100% or 70% allowance for **10 years** and this allowance will be set-off against **up to 100% or 70%** of the statutory income

Hotel Business

- Hotels
- Resorts
- Integrated resort and villa operation
 - New investment or expansion
 - Refurbishment, modernization of existing hotels

Tourism Projects

- Theme parks
- Integrated Eco-tourism
- Amusement and family entertainment centres

Medical Tourism

- Hospital and Medical Centre
- Rehabilitation Centre
- Wellness Treatment

Business Tourism

- International exhibition/event
- MICE

2

Non-Fiscal : NCER Facilitation Programmes



Job opportunities coupled with training program for fresh graduates



- Advanced Technology Meister Programme (ATMP)
- Centre of Excellence (CoE) Programme
- Technology & Innovation (T&I) Programme



Provision of grants covering 15% or maximum of RM2 million from total qualifying project cost to Bumiputera companies



Financial and business expansion guidance assistance to MSMEs

FOCUSED NCER TAX INCENTIVES PACKAGE: BUSINESS TOURISM

Product / Activity



**Tax Exemption for
Promoting International
Conference & Trade
Exhibitions**

Criteria for Consideration

- MICE is a type of tourism in which large groups, usually planned well in advance, are brought together for a particular purpose
- Covers the organization that brings in international exhibition or event into NCER
- Proposed International / National events should fall under one of the following categories:

Meetings

**Corporate
Activities**

**Association
Conventions**

**Trade
Conferences**

Exhibition

- The company is an approved MYCEB or PCEB exhibition;
- The event/ exhibition:
 - Should be organised by a professional event or exhibition organiser and be of quality that meets international standards;
 - Should meet industry demands and requirements as well as be at the forefront of introducing innovative products and services for the industry represented;
 - Should generate trade for the industry and economic spin-off in terms of business deals to companies;
 - Should attract minimum of 3,000 participants inclusive of minimum 300 foreign participants.
 - Only income from the event organize in NCER will be exempted.
 - Significant business spending; and
 - The exhibition is new exhibition held in NCER.

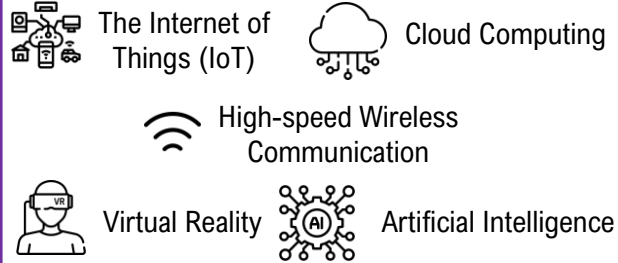
**For projects located in Ipoh and Penang Island, additional condition will be imposed such as minimum investment, minimum OPEX, higher MTS, minimum R&D expenditure or any outcome-based conditions.*

NCER TECHNOLOGY INNOVATION CENTRE (NTIC): UPSKILLING TALENT IN DIGITAL TOURISM

Digital or Smart Tourism

The goal of smart tourism is to boost the efficiency of the tourism sector through application of cutting-edge technologies

Applies Advanced Technologies:



This Concepts Serve:

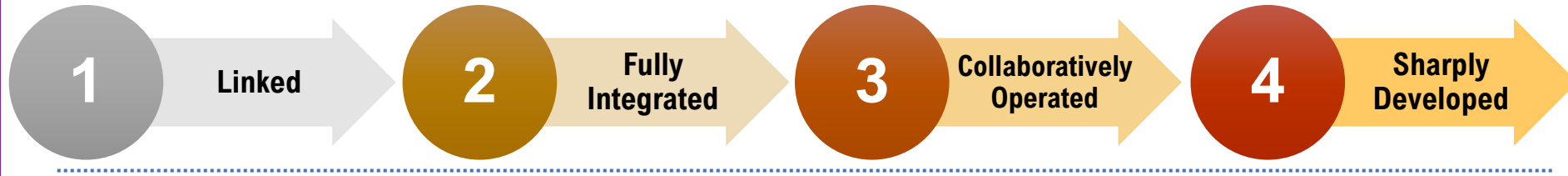


Advantages:

1. Provide real-time information
2. Intelligent services in tourism
3. Boost efficiency



Smart Tourism goals includes four (4) aspects:



NCER Initiative in Supporting Smart Tourism Talent Development

NCER TECHNOLOGY INNOVATION CENTER



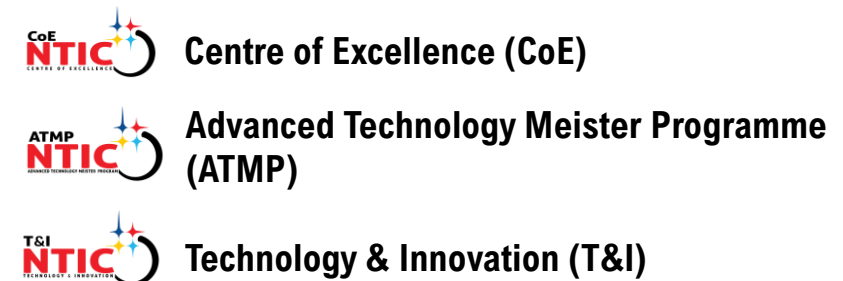
NCER Technology Innovation Centre (NTIC) is one of the programs under NCER's "Tech Valley" initiative focusing on mission to develop talent and industry ecosystem. We act as technology enablers and platform for MNC, LLC, SME, technocrats, young entrepreneur and start-up to undertake impactful technology innovation activities.

NTIC SERVICES



NTIC is focusing on five thriving sectors as core enablers to drive innovative and sustainable economic development by using the "Quadruple helix" innovation model (Government, Society, Academia, Business)

NTIC Programmes in Helping Address Industry Challenges





Tanjung Rhu

BEACH

**A 2.5 km white-sand beach kissed
by the aquamarine waters of the
Andaman Sea**

Picture Courtesy of Tourism Malaysia



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ECONOMIC REGION & TECHNOLOGY HUB**

