

CEMENT

I. Status of Industry

a. Types of Products

- Ordinary Portland Cement (OPC) – HS 2523.29.900
- White Cement – HS 2523.21.000
- Hydraulic Cement – HS 2523.90.000
- Blended Cement

b. Types of Blended Cement in Malaysia

- Portland Slag Cement
- Portland Silica Fume Cement
- Portland-Fly Ash Cement
- Portland-Limestone Cement
- Portland Composite Cement
- Composite Cement
- Masonry Cement

c. Cement Production and Consumption (as of October 2016)

Total Projects	18
Total Cement Producers (By Group)	7
Installed Capacity (mil MT)	38.83
Total Production (mil MT)	19.18
Total Consumption (mil MT)	17.97
Excess Capacity (mil MT) (Installed capacity – Total Consumption)	20.86

Source: KPDNKK

- In 2015, the aggregated ASEAN grinding capacity was 293.53 million tons while the demand was 202.48 million tons as shown in the table below:

Unit: Million tons

Cement Installed Capacity	293.53
Cement Consumption	202.48
Excess Capacity (Total Installed Capacity minus Consumption)	91.05

Source: AFCM

**Data excluded Cambodia, Laos & Myanmar*

II. Policy

- Two (2) types of cement projects:
 - Integrated project (*manufacturing of clinker and cement*); and
 - Non-integrated project (*manufacturing of only one product either clinker or cement*).
- Manufacturing License
 - New project: Must be an integrated project (manufacturing of own clinker)
 - Existing project: Expansion and diversification
 - Equity Condition: At least 70% Malaysian
 - Approval based on case by case basis.
- Effective 1 September 2016, the issuance of export licences (Approved Permit-AP) for clinker and cement has been transferred from MITI to the Ministry of Domestic Trade, Cooperation and Consumerism (MDTCC).
- AP application must be accompanied by a No Objection Letter (NOL) from the Cement and Concrete Association (C&CA).
- Imports of cement are subject to the issuance of Certificate of Approval (COA) by CIDB. It must comply with the Malaysian Standards specifications.

III. Investments

	2014 (RM mil)	2015 (RM mil)	2016 (RM)
Projects	2	1	0
Domestic Investment (RM)	1,745.41	0.35	0
Foreign Investment (RM)	15.52	0.94	0
Total (RM)	1,760.94	1.29	0

**Proposed investments by cement industry from 1980-2016: RM10.7 billion*

Source: MIDA

IV. Trade Data

	Export		Import		Source of Import (2016)	Export Destination (2016)
	2015 (RM)	2016 (RM)	2015 (RM)	2016 (RM)		
OPC	174.4 mil	182.1 mil	170.9 mil	122.3 mil	1.Taiwan 2.Viet Nam	1. Singapore 2. Sri Lanka 3. Myanmar
Clinker	51.6 mil	58.1 mil	530.4 mil	256.6 mil	1.Viet Nam 2.China 3.Korea	1. Australia 2. Bangladesh 3. Sri Lanka
TOTAL	226.0 mil	240.2 mil	701.3 mil	378.9 mil		

Source: MATRADE

V. Major Industry Players

- There are a total of 8 major group cement manufacturers as below:
 - Lafarge Malaysia Berhad
 - YTL Cement Berhad
 - CIMA
 - CMS Cement Sdn Bhd
 - Tasek Corporation Bhd
 - Holcim (M) Sdn Bhd
 - Hume Cement Sdn Bhd
 - Aalborg White Cement Sdn Bhd

CERAMIC

I. Status of Industry

a. Traditional Ceramics

- Heat insulation and refractory products
- Tableware
- Tiles
- Formers
- Ceramic insulators

b. Advanced Ceramics

- Fine ceramics
- Advanced technical ceramic
- High performance ceramics
- Special ceramics
- New ceramics

II. Policy

- Equity condition does not apply for manufacturing license application.
- The importation of ceramic products for construction purpose such as unglazed & glazed ceramic tiles, sanitary wares (ceramic & plastic and ceramic clay pipes and pipe fittings is subject to the issuance of Certificate of Approval (COA) by CIDB. It must comply with the Malaysian Standards specifications, as follows:
 - i. Ceramic Tiles : MS ISO 13006
 - ii. Clay Pipes and Pipe Fittings : MS 1061, PART 1:1999
 - iii. Sanitary Wares (Ceramic and Plastic) : MS 147/ MS 1522/ MS 795

III. Investments

	2014 (RM mil)	2015 (RM mil)	2016 (Jan - Mar) (RM)
Projects	6	2	3
Domestic Investment	88.48	20.04	18.66
Foreign Investment	360.25	0	50.42
Total	448.73	20.04	69.08

Source : MIDA

IV. Trade Data

Export		Import		Source of Import (2015)	Export Destination (2015)
2015 (RM mil)	2016 (RM mil)	2015 (RM mil)	2016 (RM mil)		
1098.0	1098.0	1344.9	1512.2	1. China 2. Japan 3. Philippines	4. Australia 5. Japan 6. Singapore

Source : MATRADE

V. Major Industry Players

a. Top 5 Malaysian Glass Manufacturers

No.	Name	Location	Product
1.	Mediceram Sdn. Bhd.	Negeri Sembilan	Ceramic hand formers
2.	White Horse Ceramic Industries Sdn. Bhd.	Johor	Ceramic floor & wall tiles.
3.	Malaysian Mosaics Berhad	Selangor	Ceramic tiles.
4.	Guocera Tiles Industries Sdn.Bhd.	Johor	Ceramic wall tiles
5.	Kim Hin Ceramic (Seremban) Sdn. Bhd.	Negeri Sembilan	Ceramic floor tiles.
6.	Clay Tan Industries Sdn. Bhd.	Johor	Ceramic Sanitary Wares

Source : MIDA

b. Top 5 Foreign Glass Manufacturers Operating in Malaysia

No.	Name	Country	Location	Product
1.	Roca Malaysia Sdn. Bhd.	Spain	Selangor	Ceramic sanitary fixtures, ceramic bathroom accessories & ceramic insulators.
2.	Smci Globetronics Technology Sdn.Bhd.	Japan	Penang	Ceramic substrates or packages.
3.	Maruwa (M) Sdn.Bhd.	Japan	Selangor	Advanced ceramic components for electrical & electronic industries
4.	Niro Ceramic (M) Sdn. Bhd.	Denmark	Johor	Ceramic tiles.
5.	Venus Ceramic Industry Sdn. Bhd.	Taiwan	Johor	Ceramic wall and floor tiles.

Source : MIDA

VI. Incentives

- Ceramic products are under MIDA's Promoted List and can be considered for either Pioneer Status (PS) or Investment Tax Allowance (ITA) incentives up to 70% or 100% subject to approval for:
 - High alumina or basic refractories
 - Laboratory, chemical or industrial wares
 - Absorbent mineral clay
 - Artware, ornaments and articles of ceramic (small scale)
 - Abrasive products for grinding, polishing and sharpening (small scale)
 - Fine ceramic/ advanced ceramics (high technology)

GLASS

I. Status of Industry

- There are six (6) types of glass products produced in Malaysia:

a) Float/Flat Glass

Float glass is a sheet of glass made by floating molten glass on a bed of molten metal. This method gives the sheet uniform thickness and has very flat surfaces.

b) Low emissivity (Low-E) Glass

Low-emissivity glass (or low-e glass as it is commonly referred to) is a type of energy-efficient glass designed to prevent heat escaping through windows. Low-e glass has an invisible coating which dramatically reduces heat transfer and reflects interior heat back into the room.

c) Coated Glass

Surface coatings can be applied to glass to modify its appearance and has advanced characteristics such as low maintenance, special reflection/ transmission/ absorption properties, scratch resistance, corrosion resistance, etc; either through online coatings or offline coatings.

d) Fiberglass

Fiberglass is the common name for glass-reinforced plastic (GRP) or alternatively glass-fibre reinforced plastic (GFRP).

e) Glass Fabricated Products

An assortment of fabrication techniques are used on glass, including cutting, grinding, drilling and laminating. Other common glass fabricating operations are insulation, edge work, polishing and bending.

f) Glass Recycling

Glass recycling is the process of turning waste glass into usable products. Glass waste should be separated by chemical composition, depending on the end use, local processing capabilities, and colours differentiation.

II. Policy

- Equity condition does not apply for the manufacturing license application.
- The importation of glass products for construction purpose such as float glass, reflective glass, wired glass as well as glass fibre (including wools) is subject to the issuance of Certificate of Approval (COA) by CIDB. It must comply with the Malaysian Standards specifications, as follows:

Types of Product	Malaysian Standards (MS)
Float Glass (7005.29.900)	MS 1135:2009
Reflective Glass/Low-e Glass (7005.10.900)	MS 2397:2016 – Specification (First Revision) – to be included in 4th Schedule of CIDB Act 520
Safety Glass (7005.30.000)	MS 1498:2011
Wired Glass (7005.30.000)	MS 1498:2011
Insulation Material, Fibre Glass (7019.90 100)	(MS 1020:2010)

III. Investments

	2014 (RM mil)	2015 (RM mil)	2016 (Jan - Mar) (RM mil)
Projects	5	6	1
Domestic Investment	2.08	13.93	0
Foreign Investment	713.79	2,161.80	0
Total (RM)	715.87	2,175.73	0

Source: MIDA

IV. Trade Data

Glass & Glassware Products Chapter 70

Exports		Imports		Source of Import (2016)	Export Destination (2016)
2015 (RM mil)	2016 (RM mil)	2015 (RM mil)	2016 (RM mil)		
1862.4	1750.6	3087.7	3536.7	1. China 2. Viet Nam 3. Japan	1. Korea 2. Singapore 3. China

Source: MATRADE

Float Glass Product HS 7005

Exports		Imports		Source of Import (2016)	Export Destination (2016)
2015 (RM mil)	2016 (RM mil)	2015 (RM mil)	2016 (RM mil)		
24.9	30.5	954.6	952.8	1. Viet Nam 2. Indonesia 3. China	1. Singapore 2. Thailand 3. Indonesia

Source: MATRADE

VII. Major Industry Players

a. Top 5 Foreign Glass Manufacturers Operating in Malaysia

No.	Name	Ownership	Location	Product
1.	Nippon Electric Glass (M) Sdn. Bhd.	Japan	Selangor	Glass fibre.
2.	Malaysian Sheet Glass Sdn. Bhd.	Japan	Johor	Float glass
3.	DDG Glass Sdn. Bhd.	Singapore	Johor	Glass fabrication
4.	Saint-Gobain Malaysia S/B.	France	Kedah	Cover glass for solar photovoltaic modules.
5.	PUM Cullet Sdn. Bhd.	Singapore	Johor	Recycling of glass to produce recycled cullet glass.

Source: MIDA

b. Top 5 Malaysian Glass Manufacturers

No.	Name	Ownership	Location	Product
1.	Ajiya Safety Glass Sdn. Bhd.	Malaysia	Johor	Safety glass
2.	Kien Safety Glass Sdn. Bhd.	Malaysia	Selangor	Safety glass
3.	Innoglass Sdn. Bhd.	Malaysia	Selangor	Automotive glass
4.	Topline Safety Glass (M) Sdn. Bhd.	Malaysia	Selangor	Coated Low-E glass
5.	Polymer Composite Asia Sdn. Bhd.	Malaysia	Negeri Sembilan	Fiberglass reinforced polyester (FRP) products

Source: MIDA

V. Incentives

- Glass and glass products are under MIDA's Promoted List and can be considered for either Pioneer Status (PS) or Investment Tax Allowance (ITA) incentives up to 70% or 100% subject to approval for:
 - Crystallized or moulded glass such as bricks, tiles, slabs, pellets, paving blocks and squares.
 - Laboratory, chemical or industrial wares.

- The following products are considered as high value added products.
 - Fibre Glass
 - Composite Fibre Glass
 - Coating Glas
 - Solar Glass

INDUSTRIALISED BUILDING SYSTEM (IBS)

I. Status of Industry

- Industrialised Building System (IBS) refers to a technique of construction whereby components are manufactured in a controlled environment – either onsite or offsite – placed and assembled into construction works. The term IBS is used in Malaysia, elsewhere it is known as Pre-fabricated/Pre-fab Construction, Modern Method of Construction (MMC) and Off-site Construction.
- IBS will lead to reduction of unskilled workers, especially foreign workers on the construction site. IBS has been introduced in Malaysia to overcome the dependency of foreign workers in the construction industry.
- Common types of IBS in Malaysia
 - a) Precast concrete framing, panel and box systems;
 - b) Steel framework systems;
 - c) Prefabricated timber framing systems;
 - d) Steel framing systems;
 - e) Blockwork systems; and
 - f) Innovative system.
- Equity condition does not apply for manufacturing license application.

II. Incentive

- Effective 10 September 2015, the industrialised building system components is eligible for a tax incentive for new and existing company undertaking expansion project.

I. Incentive Package One : At least three (3) of the basic IBS components/ products – Partial Incentive

- a) Pioneer Status (PS)
 - Income tax exemption of **70%** for a period of **5 years** or ITA of **60% on the qualifying capital expenditure.**

II. Incentive Package Two : At least four (4) to five (5) basic IBS components/ products – Full Incentive

- a) Pioneer Status (PS)
 - Income tax exemption of **100%** for a period of **5 years** or ITA of **60% on the qualifying capital expenditure** incurred within **5 years.**

- Approval for both PS and ITA will be considered based on the criteria of value-added (VA), managerial, technical and supervisory (MTS) index, investment value and additional criteria.
- These incentives are effective for applications received by MIDA from 10 September 2015 until 31 December 2020 based on the CITP Roadmap.