



MEDIA RELEASE

ENGAGEMENT WITH THE MALAYSIAN AUTOMOTIVE ASSOCIATION (MAA) IN ADDRESSING ISSUES RELATING TO AUTOMOTIVE INCENTIVE APPLICATIONS

1. The Ministry of International Trade and Industry (MITI) had a fruitful discussion with members of the Malaysian Automotive Association (MAA) on the 23rd January 2019.
2. The objective of the engagement was to discuss issues relating to Automotive Business Development Committee (ABDC) in particular MAA's recommendations to improve ABDC related processes.
3. Proposals by MAA to improve the ABDC were discussed during the engagement session whereby both MITI and MAA shared the view that a more efficient process of applying for approvals of Industrial Linkage Program (ILP) and Customised Incentives (CI) for Energy Efficient Vehicles (EEVs) is needed moving forward.
4. After much deliberation, MITI together with MAA have agreed on the following points:
 - i. The ABDC Meetings will be held twice a month and dates of the meetings throughout the year will be circulated to industry to reduce turnaround time of applications processing;
 - ii. The present process flow and client charter of ABDC will be strengthened and shared with the industry to ensure timeliness and transparency of the process in evaluating incentives application;
 - iii. The Cost Benefit Analysis (CBA) for EEV Customised Incentives applications will be reviewed to ensure fair and equitable evaluation process; and
 - iv. The ABDC will continue the practice of inviting OEMs to the ABDC Meetings to seek further clarifications if needed.
5. It was also agreed that MITI to consider expanding the scope of ABDC to also include reviewing indirect tax incentive applications. This would involve close consultation with the Ministry of Finance.



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

6. MITI always welcomes constructive feedback from the industry to improve the ABDC processes and will continuously engage industry players to address pertinent issues in order to facilitate the growth of automotive industry in the country.

Ministry of International Trade and Industry

24 January 2019

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About MITI:

The Ministry of Commerce and Industry was established in April 1956 then was renamed as The Ministry of Trade and Industry in February 1972. On 27 October 1990, the Ministry was separated into two Ministries which are; Ministry of International Trade and Industry (MITI) and Ministry of Domestic Trade and Consumer Affairs (KPDN).

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020 .

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