

Penang The next metropolis?



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What makes a **great** metropolis?



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Top 10 cities

From rejuvenated classics to under-the-radar destinations, our travel experts say these charismatic cities deserve a spot on your wish list for 2016.

START

WHAT'S YOUR
TRAVEL
DESTINY?

TAKE THE QUIZ >

TOP CITY

#1



Kotor

#2



Quito

#3



Dublin

#4



George Town

#5



Rotterdam

#6



Mumbai

#7



Fremantle

#8



Manchester

#9

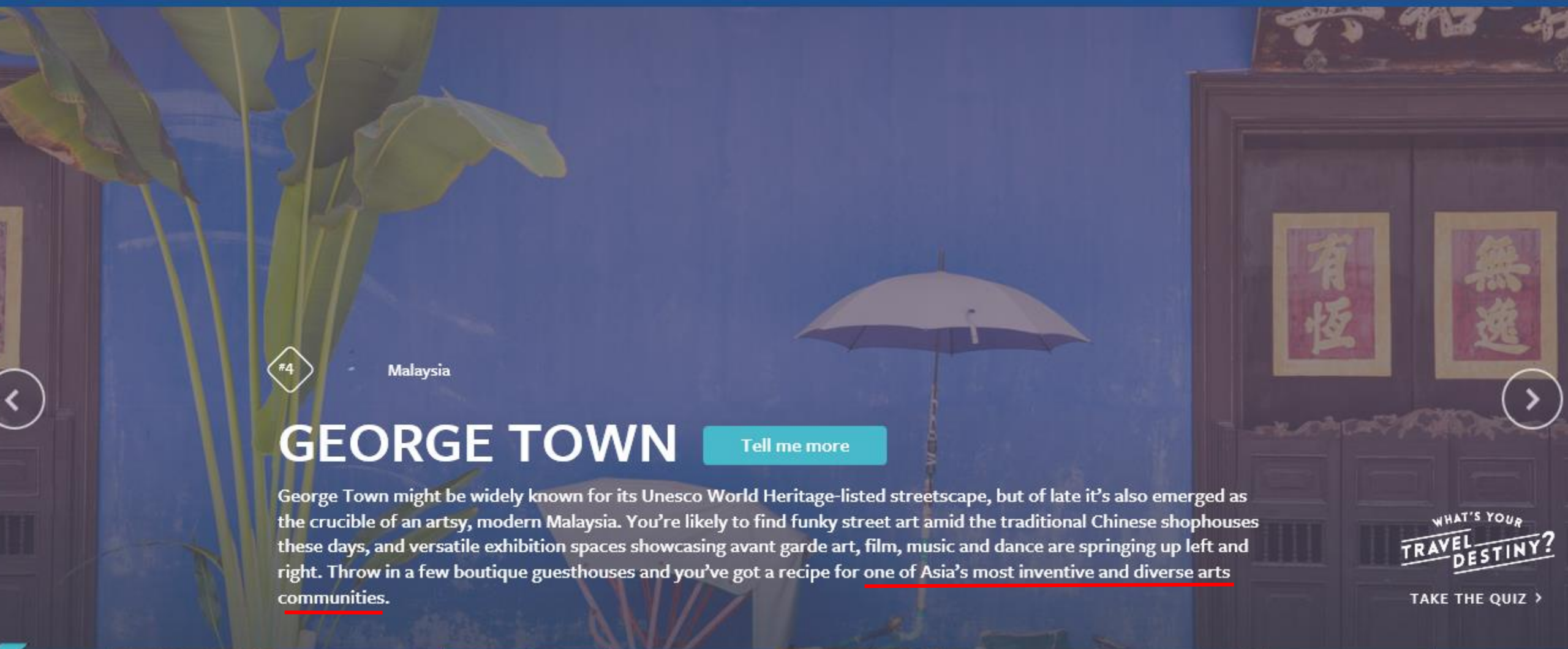


Nashville

#10



Rome



#4

Malaysia

GEORGE TOWN

[Tell me more](#)

George Town might be widely known for its Unesco World Heritage-listed streetscape, but of late it's also emerged as the crucible of an artsy, modern Malaysia. You're likely to find funky street art amid the traditional Chinese shophouses these days, and versatile exhibition spaces showcasing avant garde art, film, music and dance are springing up left and right. Throw in a few boutique guesthouses and you've got a recipe for one of Asia's most inventive and diverse arts communities.

WHAT'S YOUR
TRAVEL
DESTINY?
TAKE THE QUIZ >





Geography:
1,050 sq km area

Demography:
1.7 million population
▪ 68.5% working age group
▪ 94.1% literacy rates
▪ 250,000 industry workforce

Economy:
▪ **RM 63 billion GDP**
▪ 7% contribution to national GDP
▪ 2.1% inflation rate

Languages:
Multilingual - English widely spoken, Malay, Mandarin, Japanese, etc.

Development:
▪ **40 years** of cumulative industrial intelligence
▪ Home to **>300 MNCs**



- | | |
|------------|------------------------|
| Timur Laut | Seberang Perai Utara |
| Barat Daya | Seberang Perai Tengah |
| | Seberang Perai Selatan |



LIVEABILITY & SUSTAINABILITY

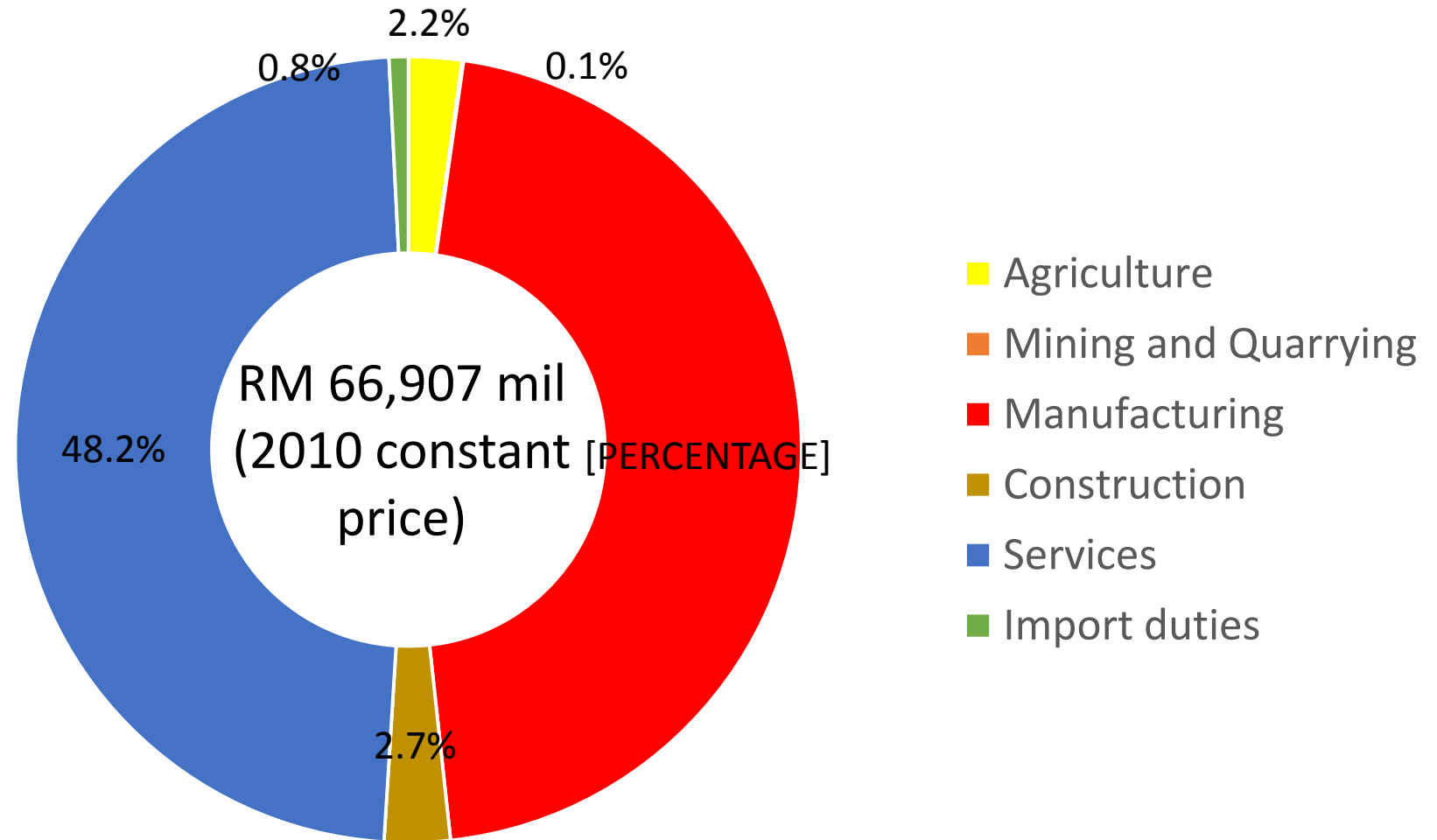
- ❖ Top 4 Best city to visit in 2016 (Lonely Planet)
- ❖ The 5th best place to retire outside of the U.S. (Lifehacker, 24th Mar 2015)
- ❖ The 16th most livable city in Asia (ECA Intl., Jan 2015)
- ❖ UNESCO World Heritage Site since 2008
- ❖ *George Town Festival is making its name as major Asian arts event* - The New York Times
- ❖ Top 15 best street art in the world (The Guardian 2013)
- ❖ Top culinary spot (Lonely Planet 2014)
- ❖ Top 8 islands in the world 'You must see before you die' (Yahoo! Travel, Feb 2011)



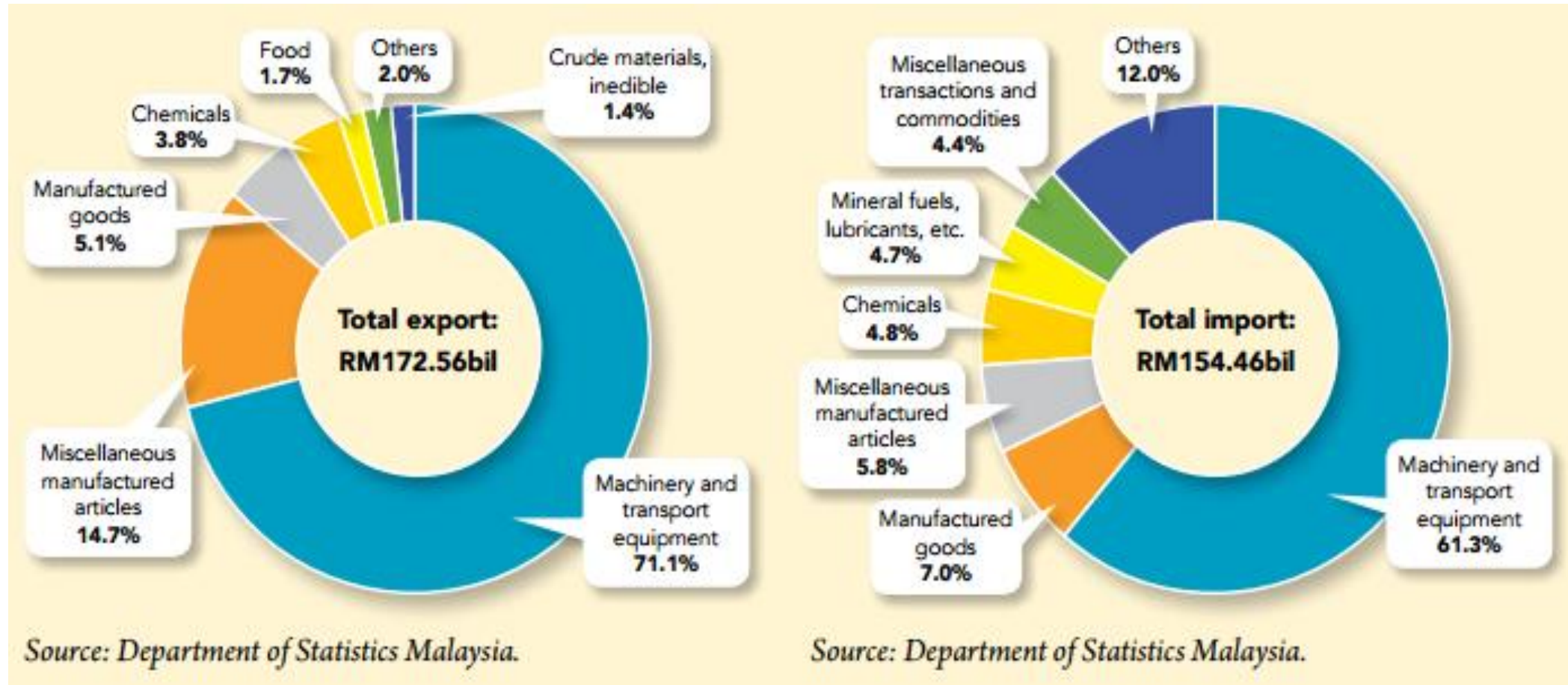
ECONOMIC DYNAMISM

- ❖ Gateway to North West ASEAN: ASEAN – market of more than 620 million people with GDP exceeding USD2 trillion
- ❖ Established manufacturing cluster and support services hub with deep talent pool
- ❖ Multi-lingual workforce with strong English proficiency
- ❖ Excellent infrastructure & clean governance

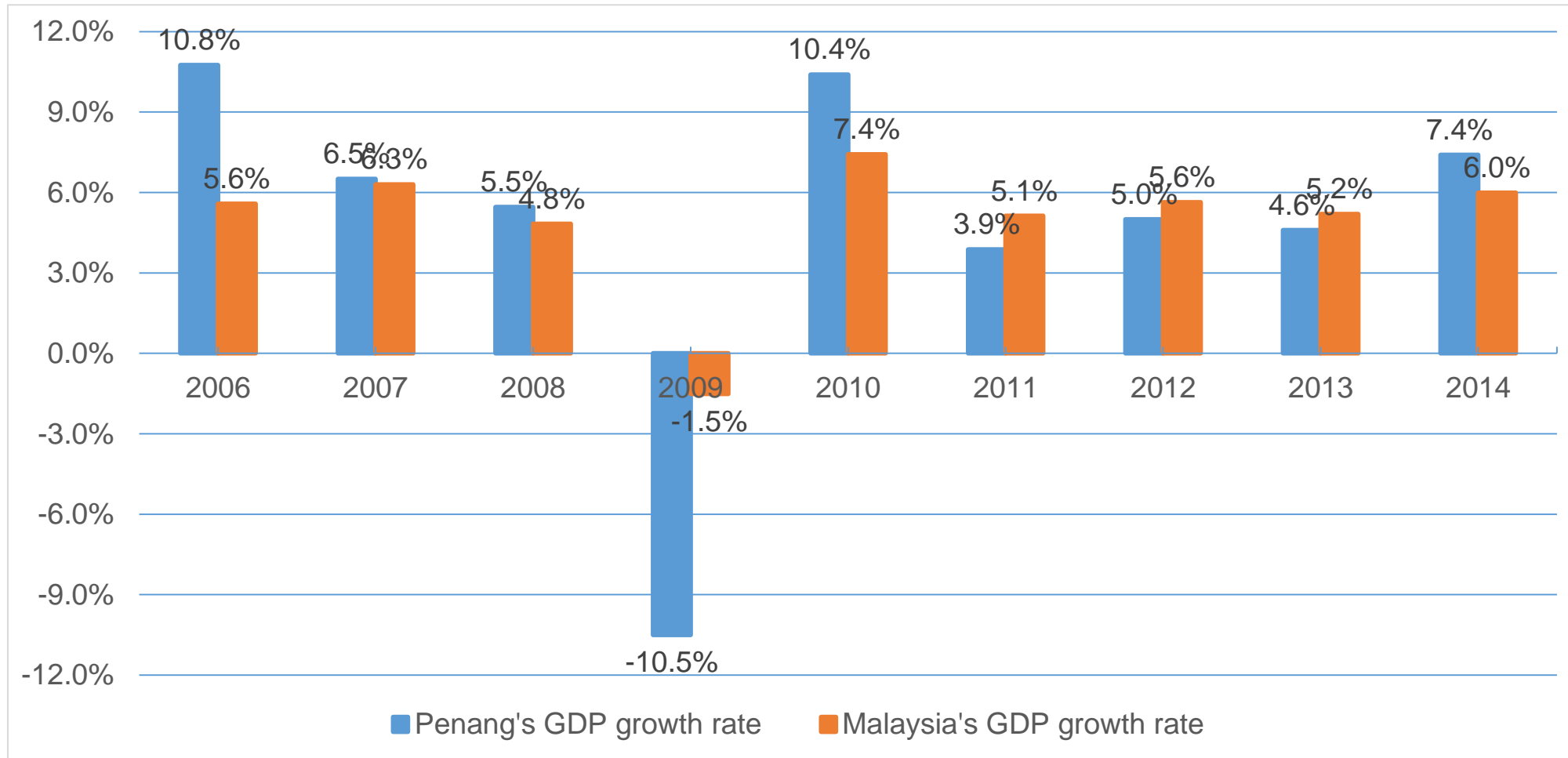
Economic Sectors – Penang, 2014



External Trade – Penang (2014)



GDP growth rate, Penang vs. Malaysia



Source: Economic Planning Unit and Eleventh Malaysia Plan (2016-2020).

Penang's output in Malaysia

(2010 constant price)

Sector	Penang 2014		Malaysia 2014		Penang's sector share in Malaysia
	RM billion	Sector share	RM billion	Sector share	
Agriculture	1.5	2.2%	93.0	9.2%	1.6%
Mining and Quarrying	0.0	0.1%	90.6	9.0%	0%
Manufacturing	30.8	46.0%	232.9	23.0%	13.2%
Construction	1.8	2.7%	43.2	4.3%	4.2%
Services	32.3	48.2%	541.2	53.5%	6.0%
Import duties	0.5	0.8%	11.6	1.1%	4.5%
Total	66.9	100%	1,012.5	100%	6.6%

Source: Department of Statistics and Economic Planning Unit.

Penang contributes 21.8% of Malaysia's Balance of Trade Surplus

DESCRIPTIONS	2014 (RM billion)		
	Export	Import	Balance
FOOD	3.0	6.6	-3.6
BEVERAGES AND TOBACCO	0.3	0.6	-0.3
CRUDE MATERIALS, INEDIBLE	2.5	4.5	-2.0
MINERAL FUELS, LUBRICANTS, ETC.	0.8	7.7	-6.9
ANIMAL AND VEGETABLE OILS AND FATS	0.9	0.1	0.8
CHEMICALS	6.6	7.8	-1.3
MANUFACTURED GOODS	8.9	11.3	-2.4
MACHINERY & TRANSPORT EQUIPMENT	122.8	99.4	23.4
MISCELLANEOUS MANUFACTURED ARTICLES	25.4	9.4	16.0
MISCELLANEOUS TRANSACTIONS AND COMMODITIES	1.5	7.2	-5.7
TOTAL	172.6	154.5	18.1

Malaysia's
Trade Surplus:
RM 83.1 bn

Source: Department
of Statistics.

Projected growth 2016-2020

Under the 11th Malaysia Plan:

Growth:	Malaysia	Penang
Manufacturing	5.10%	6.50%
Services	6.90%	6.10%
GDP per capita (RM, in current prices)	54,890	67,544

Key growth sectors

Industry

- Electronics & electrical
- Medical devices
- Aerospace
- Halal food

Services

- Medical tourism
- SSO/BPO
- ICT
- Creative industries
- MICE
- Logistics & transportation

Penang's Future Roadmap

THE PENANG PARADIGM

THE FRAMEWORK FOR
CREATING AN INTERNATIONAL
AND INTELLIGENT STATE



فَارَادِيكُم قَوْلُو قَيْنَغ

• 檳城典範 • பிணங்கின் புதிய பரிமாணம்



For complete info, please visit
penangparadigm.com

THE 3 DRIVERS OF PROGRESS

PENANG PARADIGM
TOWARDS 2023

IDEAS

IDEAS ON

- Freedom, justice and equity
- Individual rights, social responsibilities and global welfare
- Aesthetics and nature
- Innovation and entrepreneurship

PRIVATE INVESTMENT

PRIVATE INVESTMENT TO DRIVE EFFICIENCY IN

- Production, and
- Distribution

subject to regulations to maximize social welfare

PUBLIC INFRASTRUCTURE

PUBLIC SECTOR TO ADMINISTER

- The soft infrastructure (state institutions), to govern society and economy efficiently and fairly; and
- The hard infrastructure (like communications) to provide high quality, cost-effective services



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THE 3 SYSTEMIC PROPERTIES

HORIZONTAL
INTEGRATION OF
THE 3 DRIVERS OF
PROGRESS CREATES
PROCESSES
THAT PRODUCE
3 SYSTEMIC
PROPERTIES

**ECONOMIC
DYNAMISM,
LIVEABILITY &
SUSTAINABILITY
AND SOCIAL
DEVELOPMENT &
INCLUSION**

ECONOMIC DYNAMISM (ED)

- 1 The Growth Fundamentals
- 2 High-Tech Manufacturing
- 3 Modern Services
- 4 Moving SMEs up the Value Chain
- 5 Providing the Required Hard Infrastructure
- 6 Science & Technology Policy

LIVEABILITY & SUSTAINABILITY (L&S)

- 1 Sustainable Planning
- 2 Transport System
- 3 Affordable Housing
- 4 Environment
- 5 Public Spaces
- 6 Heritage, Culture & Arts

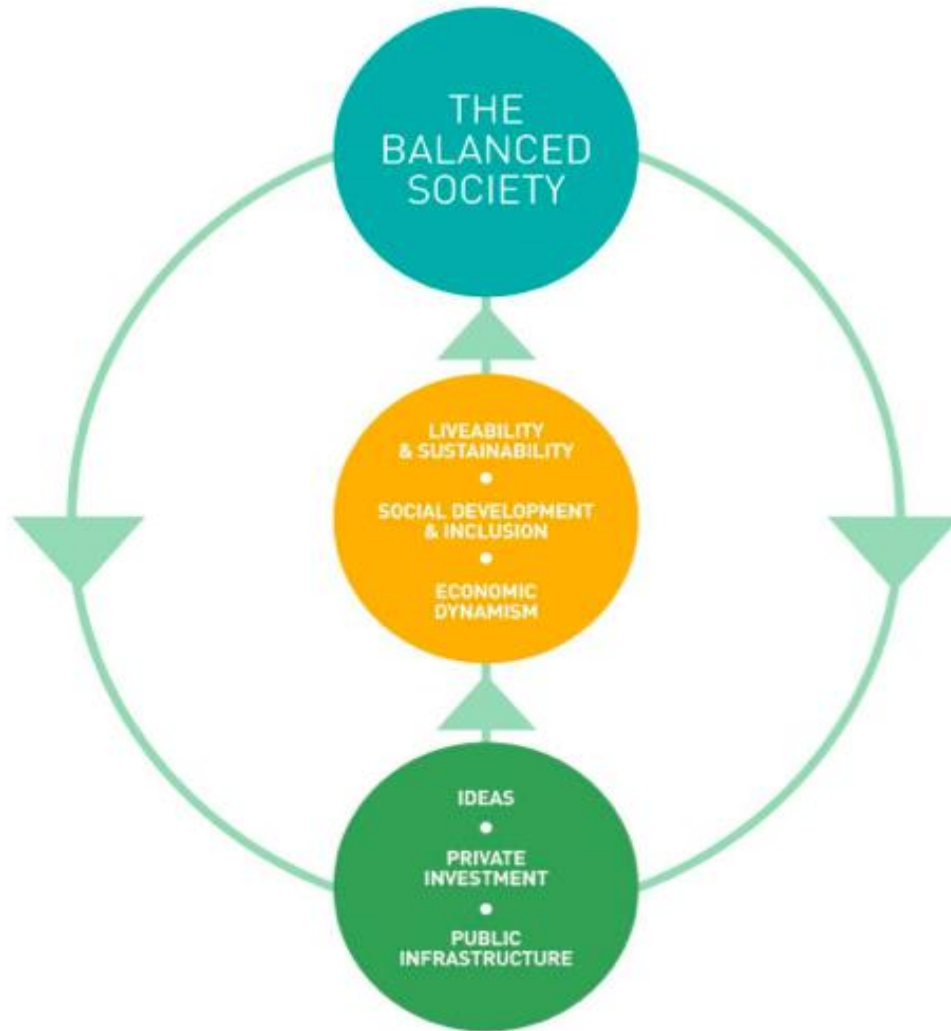
SOCIAL DEVELOPMENT & INCLUSION (SD&I)

- 1 Combatting Poverty, Inequality and Discrimination
- 2 Family and Community Support
- 3 Economic Empowerment through Education
- 4 Democratic Empowerment



For complete info, please visit
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Penang Paradigm: Self Sustaining Cycle



- Livability & Sustainability
- Social Development & Inclusion
- Economic Dynamism

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THE SIX TRAITS CREATE THE ATMOSPHERE CONDUCTIVE TO THE FORGING OF A **HOLISTIC PARTNERSHIP** OF PUBLIC INFRASTRUCTURE, PRIVATE INVESTMENT AND CIVIL SOCIETY



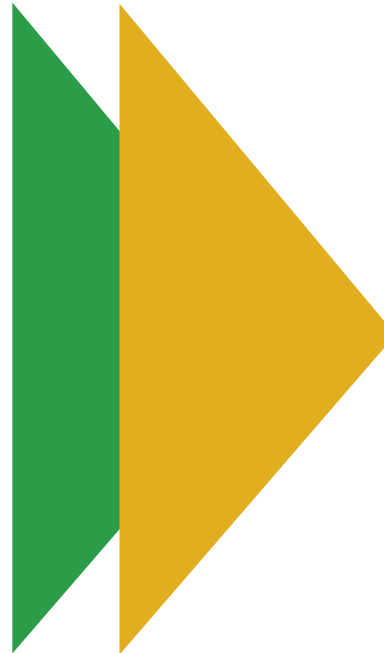
PENANG
PARADIGM

THE 3 DRIVERS OF PROGRESS

IDEAS

PRIVATE
INVESTMENT

PUBLIC
INFRASTRUCTURE



THE 3 SYSTEMIC PROPERTIES

**ECONOMIC
DYNAMISM (ED)**

**LIVEABILITY
& SUSTAINABILITY (L&S)**

**SOCIAL DEVELOPMENT
& INCLUSION (SD&I)**

Penang Paradigm Strategies

Ideas

- Strengthening talent pipeline
- German Dual Vocational Training
- Penang Future Foundation scholarships
- Penang Education Hub Batu Kawan
- Penang Science Cluster/Science Fair
- Penang Tech Dome

Private investment

- FDIs / Private health care facilities
- Integrated industrial parks
- BPO Prime – Bayan Baru, 1.2m sq ft
- BPO Park – Bayan Lepas, 3m sq ft
- Penang International Technology Park, Batu Kawan – Temasek, 200 ac
- Batu Kawan Industrial Park – PDC 1,500 ac

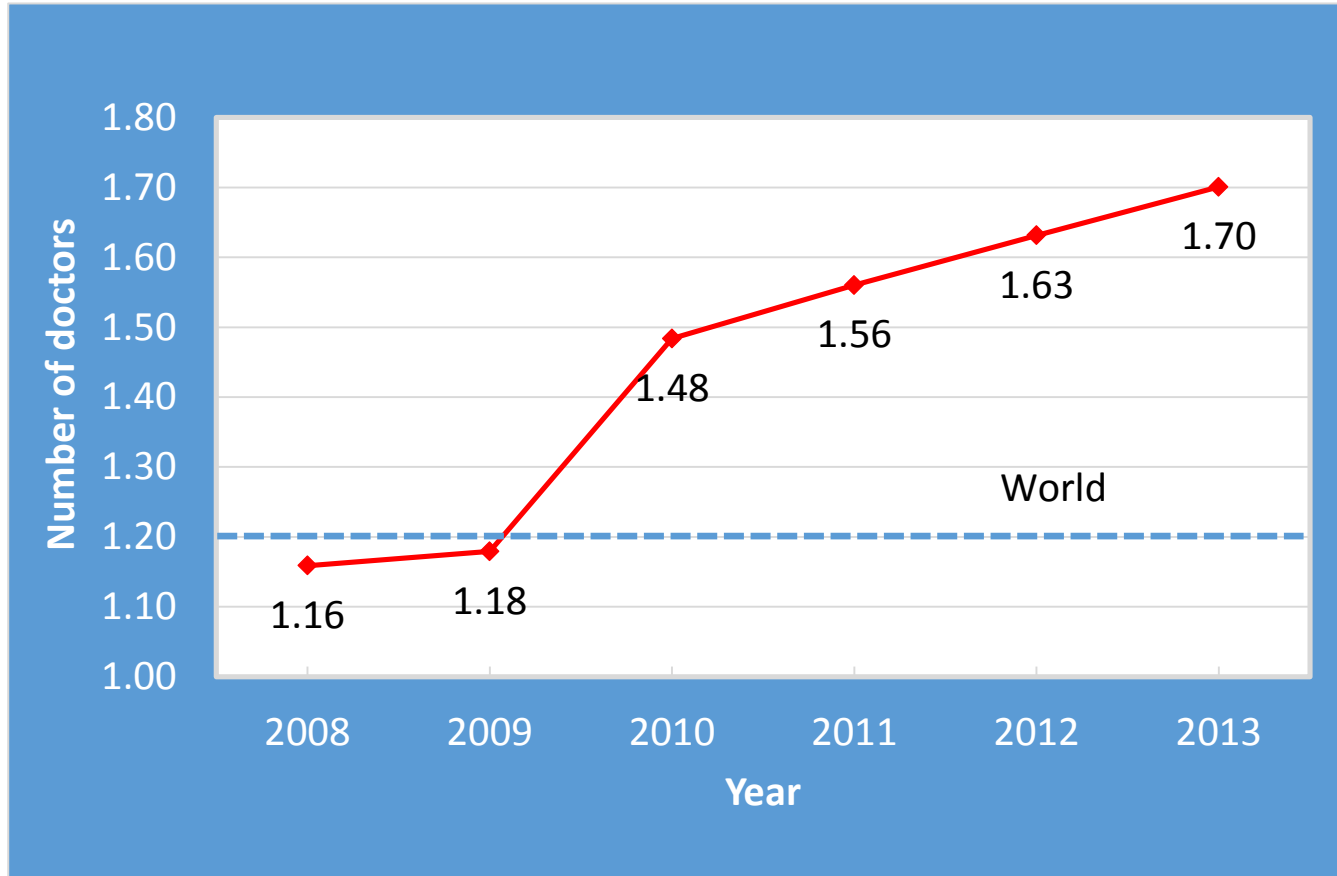
Penang's manufacturing investment by industry, 2014

Industry	No.	Employment	Domestic		Foreign		Total Capital	
			RM million	share (%)	RM million	Share (%)	RM million	share (%)
Food Manufacturing	9	734	123.8	4.1	49.0	1.0	172.7	2.1
Beverages & Tobacco	1	90	6.0	0.2	0.0	0.0	6.0	0.1
Wood & Wood Products	5	54	15.9	0.5	8.9	0.2	24.9	0.3
Furniture & Fixtures	2	33	5.3	0.2	0.0	0.0	5.3	0.1
Paper, Printing & Publishing	2	247	9.1	0.3	0.7	0.0	9.8	0.1
Chemical & Chemical Products	8	500	48.0	1.6	102.8	2.0	150.8	1.8
Petroleum Products (Inc. Petrochemicals)	2	83	90.1	3.0	97.5	1.9	187.6	2.3
Rubber Products	1	34	1.6	0.1	0.0	0.0	1.6	0.0
Plastic Products	10	1,060	164.1	5.4	0.0	0.0	164.1	2.0
Non-Metallic Mineral Products	1	57	0.0	0.0	29.5	0.6	29.5	0.4
Basic Metal Products	5	568	288.4	9.5	23.4	0.5	311.8	3.8
Fabricated Metal Products	32	941	251.1	8.2	13.8	0.3	264.9	3.2
Machinery & Equipment	29	1,791	1,301.9	42.7	63.9	1.2	1,365.8	16.7
Electronics & Electrical Products	34	7,557	337.1	11.1	4,470.6	87.4	4,807.6	58.9
Transport Equipment	6	331	125.5	4.1	18.3	0.4	143.8	1.8
Scientific & Measuring Equipment	18	3,505	272.5	8.9	235.3	4.6	507.8	6.2
Miscellaneous	4	311	8.4	0.3	0.0	0.0	8.4	0.1
Total	169	17,896	3,048.8	100.0	5,113.6	100.0	8,162.4	100.0

Source: Malaysian Investment Development Authority (MIDA).

Penang Healthcare:

Above average doctors per 1,000 persons

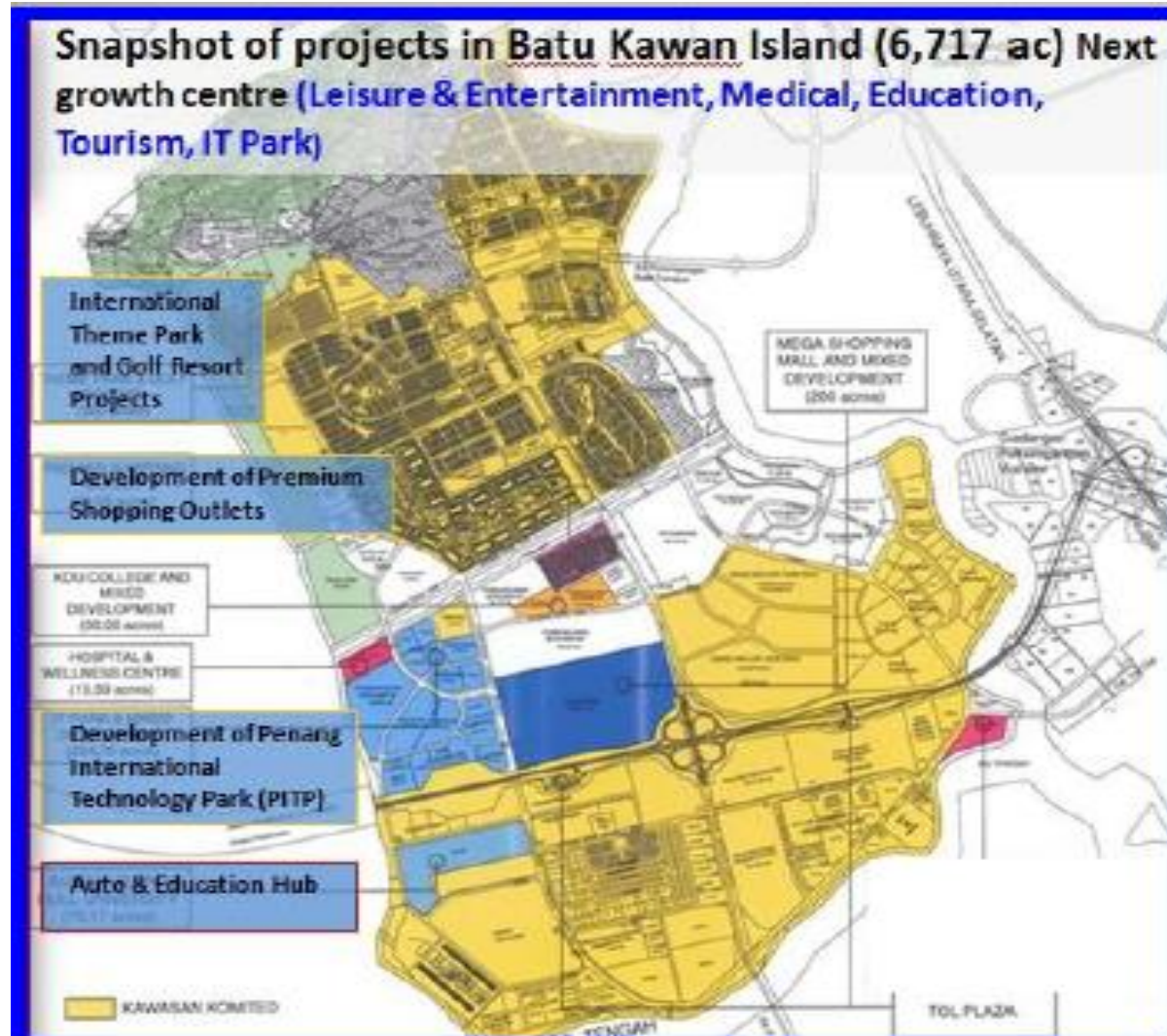


Further investments by:

- Gleneagles Medical Centre
- Hospital Lam Wah Ee
- Island Hospital
- Loh Guan Lye Specialists Centre
- Mount Miriam Cancer Hospital
- Pantai Hospital Penang
- Penang Adventist Hospital
- Penang General Hospital (main)
- Columbia Hospital (future)

Source: Penang Health Department.

Batu Kawan



- Comprehensive master plan
 - Eco-friendly township – work, live & play
 - World class technology and innovation led industries
 - Supply chain at SME Village
 - Education hub
 - Affordable housing – 11,800 units
- Education Hub & Talent Pool**

UNIVERSITY OF Hull

KDU
UNIVERSITY COLLEGE

Innovation Led Manufacturing

VAT

Seagate

BOSE

AL
AUTOMOTIVE LIGHTING

hp

HAEMONETICS
YOUR Blood Management Connection

HONDA

JABIL

SanDisk

BPO PRIME / BPO Park



- Penang BPO Prime - Bayan Baru (2.75 ha / 6.8ac)
- Mixed-use development project with an estimated gross development value (GDV) of around S\$500 million (RM1.2 billion) on a 2.7 hectare site
- Timeline: Q1 2015-Q12017
- Penang BPO Park, Bayan Lepas (28 ha / 70ac)
- To capitalize on second bridge link, completing a multi-node live-work-play and learn environment.

Penang International Technology Park (PITP)

Integrated Work-Live-Play Township Model



- ✓ Strategic waterfront and directly next to 2nd Penang Bridge
- ✓ Integrated and complementary land uses
- ✓ Employment opportunities close to home
- ✓ Provision of facilities and amenities for residents and workers
- ✓ Heart of the “The Greater Penang”
- ✓ 80 ha; GFA: 1.8million sqm
- ✓ Advanced manufacturing / technology park, residential space, mixed used & commercial (business space / retail space)

Penang Paradigm Strategies

Public Infrastructure

Hard infrastructure

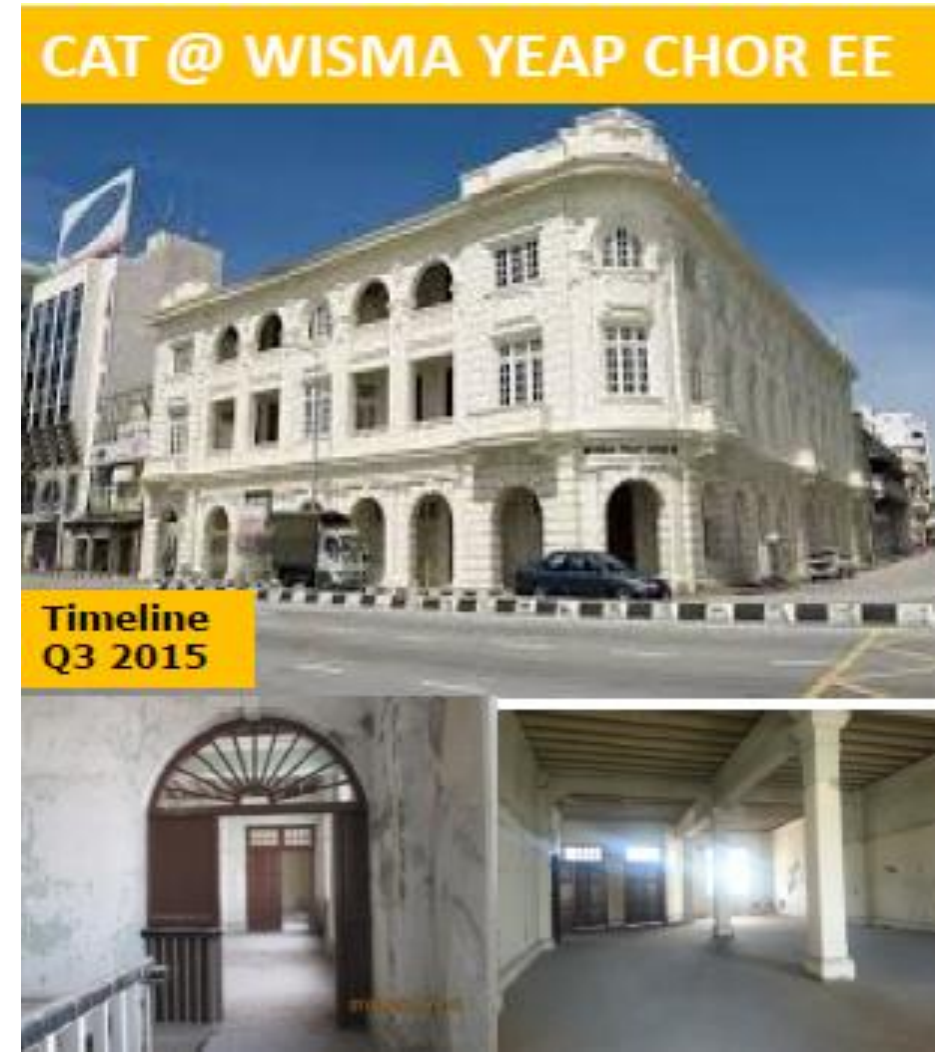
- Penang Master Transport Plan
- Penang Heritage Arts District – Ilham Penang @ Sia Boey
- Creative Animation Triggers – Wisma Yeap Chor Ee
- Komtar refurbishment
- Changkat Byram south of Batu Kawan (5,000 acres acquired; Sime Darby JV)

Soft infrastructure

- Governance: Competency
Accountability Transparency
- Open tender system
- Public declaration of assets
- Prudent state financial management
- Aga Khan Trust for Culture - George Town Conservation and Development Corporation (GTCDC),

Creative Animation Triggers

- Rejuvenation of George Town
- 100 year old buildings retrofitted with state of the art infrastructure and deco, while maintaining old colonial charm
- To incubate and provide subsidized office space for creative sector (animation, interactive content, mobile content, IOT etc)
- GF: ~12,000 sqft (Penang Science Council)
- 1st Floor: ~12,000 (Creative Animation Triggers)
- 2nd Floor: ~12,000 (Creative and Technology Accelerator)



Changkat Byram



Expansion of BKIP

~ LAND ACQUISITION
IN PROGRESS
750 Acres

- LAND ACQUISITION
IN PROGRESS
5,000 Acres

About us...

- We are the Penang State Government public policy think tank, with research focusing on economics, socio-politics, urban studies, heritage and Nusantara.
- Thank you!
- www.penanginstitute.org