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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

REPLIES TO QUESTIONS POSED BY THE UNITED KINGDOM¹ REGARDING THE NEW AND FULL NOTIFICATION OF MALAYSIA²

The following communication, dated and received on 16 April 2024, is being circulated at the request of the delegation of Malaysia.

Malaysia appreciates the questions posed by the United Kingdom on Malaysia's 2023 subsidy notification.

Pioneer status: Question 1

Could Malaysia please clarify which products and activities in the manufacturing and manufacturing services sectors are eligible for approval under the scheme? Are there any products or activities that are exempt from support?

Investment Tax Allowance: Question 2

Could Malaysia please clarify which products and activities are eligible for approval under the scheme? Are there any products or activities that are exempt from support?

Reply to questions 1 and 2:

The Pioneer Status (PS) and Investment Tax Allowance (ITA) are mutually exclusive. Eligibility for PS and ITA is based on certain priorities, including the level of value-added, technology used and industrial linkages. Eligible activities and products under PS and ITA are termed as "promoted activities" or "promoted products".

A company may apply for the incentive of either PS or ITA if they intend to manufacture the promoted products/activities categorised under the (i) General List, (ii) High-Technology Companies, (iii) Small Scale Companies, (iv) Selected Industries, and (v) Promoted Activities and Products for Reinvestment. The list of promoted activities and products can be accessed at: <https://www.mida.gov.my/setting-up-content/promoted-activities/>.

¹ [G/SCM/Q2/MYS/28](#)

² [G/SCM/N/401/MYS](#)