MALAYSIA INVESTMENT PERFORMANCE REPORT 2019

Crafting the Future
GLOBAL & MALAYSIA’s FDI INFLOWS
Global FDI registered at $1.39 trillion in 2019, 1% decline from the revised $1.41 trillion in 2018.

For 2019, FDI inflows to developing Asia accounted for one-third of global FDI, despite significant declines in investment to Hong Kong and China from divestments.

Southeast Asia continued to be the region’s growth engine, registering a 19% increase.
Despite the global challenges, Malaysia continues to receive international accolades and good ratings in 2019.

- 12th in the World Bank’s Ease of Doing Business 2020 Report
  - Improved to 4th position in Asia after Singapore, Hong Kong & South Korea

- 27th among 141 countries in Global Competitiveness Index (GCI) by World Economic Forum’s 2019 Global Competitiveness Report
  - Second in ASEAN after Singapore

- 2nd place in Southeast Asia by the US Chamber of Commerce’s Global Innovation Policy Centre’s 7th Annual Intellectual Property (IP) Index

- 5th A3 Moody’s
- A- FitchRatings
- A- S&P Global Ratings
APPROVED INVESTMENTS IN THE ECONOMY, 2019
1.7% increase in approved investments from RM204.4 billion in 2018 to RM207.9 billion in 2019

FDI and DDI increased by 2.9% and 1.1% from RM80.1 billion and RM124.2 billion respectively in 2018

DDI assumes greater role in complementing FDI in driving Malaysia’s investment agenda
Services sector maintained its position as the largest contributor with more than half of the country’s total approved investments.

Manufacturing sector continued to be a major contributor to the nation’s export earnings with 365 export-oriented projects approved, an increase of 65.2% from 2018.

Note: Due to rounding, figures presented in this slide may not add up to the total provided.
USA, PRC and Japan were the largest contributors accounting for 66.3% of total foreign investments.
Selangor recorded the highest approved investments

Selangor, Pulau Pinang, Johor & W. P. Kuala Lumpur contributed more than 60% of total approved investments

Note: The total may not tally as the breakdown by states for the remaining investments are not available
APPROVED INVESTMENTS IN THE ECONOMY

TOP 10 STATES

- **Selangor**: RM 47.8 billion
- **Pulau Pinang**: RM 33.7 billion
- **Johor**: RM 24.4 billion
- **W.P. Kuala Lumpur**: RM 21.6 billion
- **Kedah**: RM 14.7 billion
- **Sabah**: RM 12.4 billion
- **Perak**: RM 10.2 billion
- **Pahang**: RM 9.3 billion
- **Sarawak**: RM 8.9 billion
- **Negeri Sembilan**: RM 7.0 billion
MANUFACTURING SECTOR
Malaysia continued to attract healthy level of investments into the manufacturing sector with a 37.0% increase in number of projects from 721 recorded in 2018 to 988 in 2019.

FDI made up nearly two-third of total investments.

108 projects with investments of RM100 million above, an increase of 33.3% from 2018.

New jobs in managerial, technical and supervisory (MTS) roles increased by 24% to 27,843 from 22,449 in 2018.
Malaysia remained an ideal location for new investors with 535 new projects recorded, or 54.1% of total projects approved. RM45.2 billion or 54.7% from the total approved investments, were new investments.

FDI continued to dominate both new and expansion/diversification projects.

DDI focused on new projects with investments worth of RM18.0 billion, 65.1% higher than expansion/diversification projects.
APPROVED INVESTMENTS IN THE MANUFACTURING SECTOR

BY INDUSTRY

<table>
<thead>
<tr>
<th>Industry</th>
<th>RM billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical &amp; Electronics</td>
<td>25.7</td>
</tr>
<tr>
<td>Paper, Printing &amp; Publishing</td>
<td>10.8</td>
</tr>
<tr>
<td>Transport Technology</td>
<td>8.0</td>
</tr>
<tr>
<td>Non-Metallic Mineral Products</td>
<td>6.9</td>
</tr>
<tr>
<td>Chemicals &amp; Chemical Products</td>
<td>4.8</td>
</tr>
<tr>
<td>Rubber Products</td>
<td>4.6</td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>4.5</td>
</tr>
<tr>
<td>Food Manufacturing</td>
<td>3.8</td>
</tr>
<tr>
<td>Petroleum Products (inc. Petrochemicals)</td>
<td>3.2</td>
</tr>
<tr>
<td>Scientific &amp; Measuring Equipment</td>
<td>2.5</td>
</tr>
<tr>
<td>Plastic Products</td>
<td>2.5</td>
</tr>
<tr>
<td>Fabricated Metal Products</td>
<td>2.0</td>
</tr>
<tr>
<td>Others (wood, basic metal, natural gas, textiles, furniture, miscellaneous)</td>
<td>&lt; 1.0</td>
</tr>
</tbody>
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Top 5 Industries contributed 68.0% of total approved investments in the manufacturing sector.

FDI and DDI for the following industries increased more than 100% from 2018:

- **FDI:**

- **DDI:**
Approved investments increased by 90.2% from RM21.5 billion in 2018 to RM40.9 billion

386 approved projects, an increase of 53.8% from 251 projects in 2018

Capital Investment Per Employee (CIPE) increased by 20.0% from 2018

13,391 new jobs in managerial, technical and supervisory (MTS) roles
PRC and USA accounted for 54.7% of total foreign investments.

PRC was the largest FDI contributor for the last four years (2016-2019).

FDI from Taiwan, USA and Singapore increased seven, four and three folds respectively from 2018.

Note: Excluding Tax Havens
Selangor recorded the highest approved investments for the manufacturing sector.

Selangor, Pulau Pinang, Kedah & Johor contributed nearly 70% of the total approved investments.
2,794 implemented projects with investments worth of RM208.5 billion from the total of 3,809 approved projects from 2015-2019 with investments worth of RM367.0 billion

73.4% of total projects approved have been implemented

214,969 jobs have been created
APPROVED INVESTMENTS IN THE MANUFACTURING SECTOR

NOTABLE PROJECTS

Intel Technology Sdn. Bhd.

Country: USA
Industry: Electrical & Electronics
Investment: Expansion: RM10 billion
Location: Pulau Pinang & Kedah


Country: United Kingdom
Industry: Medical Device
Investment: RM1.51 billion
Location: Pulau Pinang

Manpower:
Total: 793
(783 Malaysians)
Managerial, Technical & Supervisory (MTS) Total: 676 (85.2%)
### Approved Investments in the Manufacturing Sector

#### Notable Projects

**AAC Technologies (Malaysia) Sdn. Bhd.**
- **Country:** People’s Republic of China
- **Industry:** Machinery & Equipment
- **Location:** Johor
- **Investment:** RM72 million
- **Manpower:**
  - Total: 83 (67 Malaysians)
  - Managerial, Technical & Supervisory (MTS) Total: 27 (33%)

**Perusahaan Otomobil Nasional Sdn. Bhd.**
- **Country:** Malaysia
- **Industry:** Automotive
- **Location:** Perak
- **Investment:**
  - Existing: RM1.04 billion
  - Expansion: RM2.60 billion
- **Manpower:**
  - Existing: 4,264
  - Expansion: 766
  - (100% Malaysians)
  - Managerial, Technical & Supervisory (MTS) Total: 327 (42.7%)
SERVICES SECTOR
Total approved investments in the services sector, 2019

RM118.1 billion

- DDI: RM93.4 billion (79.1%)
- FDI: RM24.7 billion (20.9%)

Services sector continued to take the leading lane in the country’s race for approved investments.

The approved investments increased by 11.3% from RM106.1 billion in 2018.

Domestic investments continued to dominate the approved investments in the services sector at 79.1%.

FDI increased by 53.4% from RM16.1 billion in 2018.

DDI increased by 3.8% from RM90.0 billion in 2018.

RM118.1 billion investments
4,087 projects
44,811 new jobs
Real Estate, Utilities, Global Establishments & Distributive Trade sub-sectors contributed more than 80% of total investments approved for services sector.
Investments in Global Establishments increased by **57.3%** from RM7.5 billion recorded in 2018

- 169 projects
- 1,058 new jobs

Investments in Green Technology increased by **33.3%** from RM3.3 billion recorded in 2018

- 439 projects
- 1,024 new jobs
NOTABLE PROJECTS

Telekosang Hydro One (TH1) and Two (TH2)

- **Country**: Malaysia
- **Industry**: Green Technology
- **Location**: Sabah

- **Investment**: RM587.5 million
- **Manpower**
  - Total: 30
  - (100% Malaysians)
  - Managerial, Technical & Supervisory (MTS)
  - Total: 12 (40%)

Daehan Rehabilitation Services Sdn. Bhd.

- **Country**: United Kingdom
- **Industry**: Healthcare
- **Location**: Wilayah Persekutuan Putrajaya

- **Investment**: RM158.16 million
- **Manpower**
  - Total: 465
  - (461 Malaysians)
  - Employees with salary more than RM5,000
  - Total: 54 (11.6%)
APPROVED INVESTMENTS IN THE SERVICES SECTOR

NOTABLE PROJECTS

**Interland Development Sdn. Bhd.**
- **Country:** Malaysia
- **Industry:** Hospitality (5-Star Hotel)
- **Investment:** RM281 million
- **Manpower:** Total: 420 (100% Malaysians)
- **Location:** Sabah

**Air Marine Cargo Agency Sdn. Bhd.**
- **Country:** Malaysia
- **Industry:** Logistic
- **Investment:**
  - Existing: RM176.38 million
  - Expansion: RM114.71 million
- **Manpower:**
  - Total: 273 (89.4% Malaysians)
  - Employees with salary more than RM5,000: Total: 29 (10.6%)
- **Location:** Sarawak

**NOTABLE PROJECTS**

**Country**
- Malaysia

**Industry**
- Logistic

**Investment**
- Existing: RM176.38 million
- Expansion: RM114.71 million

**Manpower**
- Total: 273 (89.4% Malaysians)
- Employees with salary more than RM5,000: Total: 29 (10.6%)

**Location**
- Sarawak
- Sabah
TOTAL APPROVED INVESTMENTS IN THE PRIMARY SECTOR, 2019

- **RM7.0 billion** investments
- **65 projects**
- **1,026 new jobs**

- **FDI**
  - RM3.8 billion (54.3%)
- **DDI**
  - RM3.2 billion (45.7%)

**Mining** sub-sector leads the bulk of investments in primary sector (94.3%). The number of projects increased by 46.2% from 2018.

Approved investments in the **agriculture** sub-sector increased by 96.4% from RM68.8 million in 2018.

**Mining**
- RM6.6 billion

**Plantation & Commodities**
- RM291.4 million

**Agriculture**
- RM135.1 million
STRATEGIC INITIATIVES & KEY MESSAGES
1. **ENHANCEMENT OF NATIONAL COMMITTEE ON INVESTMENT (NCI)**
   - Empowering NCI as the ‘Sole Approving Committee for Investments’ to ensure that investors have a transparent and obstacle-free process when applying for licence and investment incentives.

2. **COST-BENEFIT ANALYSIS (CBA) MODULE**
   - Streamlining and developing the CBA module for the evaluation process of investment projects for all IPAs, based on MIDA’s current CBA.

3. **DOMESTIC INVESTMENT COORDINATION PLATFORM (DICP)**
   - Facilitating in business match-making, access to source of capital (debt and equity), assisting in initial public offering (IPO) as well as coordinating and arranging for mergers & acquisition (M&A), divestments and takeovers.

4. **MIDA-SLDN APPRENTICESHIP PROGRAMME**
   - Collaboration programme between MIDA, FMM and MOE to bridge the gap for technical-skilled workers required by industries.

5. **e-TRANS**
   - Transforming MIDA’s core business functions towards improved efficiency and productivity.

6. **FAST-TRACK MECHANISM**
   - 86.9% of 988 investment projects in the manufacturing sector were approved through fast-track mechanism.
Malaysia’s economy remained resilient despite global headwinds. The country attracted 1.7% more approved investments in 2019, reflecting continued investors’ confidence.

Local investors in the manufacturing sector contributed RM18.0 billion in new projects, indicating investors’ optimism in the domestic business environment.

More than 70% of manufacturing projects approved (for 2015-2019) have been realised.

Investments in the 3 catalytic and 2 high growth sub-sectors (3+2) recorded an increase of 90.2% from RM21.5 billion in 2018 to RM40.9 billion in 2019.

The services sector led the way for total investments approved in 2019, increasing by 11.3% as compared to 2018.

There are currently 750 projects in the pipeline as to date with investments valued at RM55.0 billion in the manufacturing and services sectors under MIDA’s purview.
THANK YOU