Global FDI Inflows

Note: *Revised  **Preliminary Estimates

Source: UNCTAD’s Global Investment Trends Monitor
Malaysia’s FDI Inflows

Source: DOSM
# Gross Fixed Capital Formation (GFCF) – Private Investment

## Yearly Comparison

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>1H 2014</th>
<th>1H 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Price (RM mil.)</strong></td>
<td>142,307</td>
<td>162,815</td>
<td>183,902</td>
<td>53,967</td>
<td>56,999</td>
</tr>
<tr>
<td><strong>Constant Price (RM mil.)</strong></td>
<td>134,543</td>
<td>151,749</td>
<td>168,510</td>
<td>49,596</td>
<td>51,540</td>
</tr>
</tbody>
</table>

Source: DOSM
Private Investments in 1H 2015 grew by 5.6%
Total Approved Investments – 1H 2015

RM113.5 billion
Approved investments

2,487
Projects Approved

101,785
Employment opportunities

59.7% [60,750] were in Services Sector

FDI, 21.3, 19%
DDI, 92.1, 81%

81.1 : 18.9
Domestic-Foreign investment ratio

RM 113.5 billion
– 1H 2015

113.5
112.0

RM Billion
1H 2015 1H 2014

101,785

Employment opportunities

59.7% [60,750] were in Services Sector

Investment Performance 1H 2015
Total Approved Investments – 1H 2015

Services leads with investments of RM61.7 bil.

Manufacturing RM49.5 bil. 44%

Services RM61.7 bil. 54%

Primary RM2.3 bil. 2%

RM113.5 Billion
FDI vs DDI Approved

Domestic Investments continue to spearhead private investments

1H 2015
- Domestic Investments: RM92.1 bil.
- Foreign Investments: RM21.4 bil.
- Domestic: 81.1%
- Foreign: 18.9%

1H 2014
- Domestic Investments: RM75.5 bil.
- Foreign Investments: RM36.5 bil.
- Domestic: 67.4%
- Foreign: 32.6%
Lower approved FDI in 1H 2015 vis-a-vis 1H 2014.
INVESTMENTS APPROVED IN THE SERVICES SECTOR
Approved Investments in the Services Sector – 1H 2015

Services sector contributes 54.4% of approved investments

RM61.7 billion
Approved investments

2,071 Projects

60,753 Jobs
Domestic investments continue to dominate

Approved Investments in the Services Sector – 1H 2015

1H 2015
- RM61.7 billion
- 88%

1H 2014
- RM58.8 billion
- 87%
<table>
<thead>
<tr>
<th>Subsectors</th>
<th>Jan-June 2014 (RM mil)</th>
<th>Jan-June 2015 (RM mil)</th>
<th>Change(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Establishments</td>
<td>2,346.9</td>
<td>3,035.9</td>
<td>29.4</td>
</tr>
<tr>
<td>Global Operations Hub</td>
<td>762.7</td>
<td>2,633.3</td>
<td>245.3</td>
</tr>
<tr>
<td>Support Services</td>
<td>911.9</td>
<td>2,443.0</td>
<td>167.9</td>
</tr>
<tr>
<td>MSC Status</td>
<td>1,116.8</td>
<td>3,339.5</td>
<td>199.0</td>
</tr>
<tr>
<td>Transport</td>
<td>3,033.4</td>
<td>12,759.0</td>
<td>320.6</td>
</tr>
<tr>
<td>Real Estate</td>
<td>29,070.2</td>
<td>15,871.6</td>
<td>-45.4</td>
</tr>
<tr>
<td>Utility</td>
<td>3,603.2</td>
<td>5,969.2</td>
<td>65.7</td>
</tr>
<tr>
<td>Telecommunications*</td>
<td>2,898.3</td>
<td>1,272.6</td>
<td>-56.1</td>
</tr>
<tr>
<td>Distributive Trade</td>
<td>4,388.7</td>
<td>2,089.8</td>
<td>-52.4</td>
</tr>
<tr>
<td>Hotel &amp; Tourism</td>
<td>3,533.6</td>
<td>4,024.0</td>
<td>13.9</td>
</tr>
<tr>
<td>Financial Services</td>
<td>4,820.4</td>
<td>4,263.5</td>
<td>-11.6</td>
</tr>
<tr>
<td>Health Services</td>
<td>1,673.1</td>
<td>2,636.3</td>
<td>57.6</td>
</tr>
<tr>
<td>Education Services</td>
<td>404.0</td>
<td>808.4</td>
<td>100.1</td>
</tr>
<tr>
<td>Others</td>
<td>261.0</td>
<td>539.8</td>
<td>106.8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>58,824.3</strong></td>
<td><strong>61,686.0</strong></td>
<td><strong>4.9%</strong></td>
</tr>
</tbody>
</table>

*Jan-March 2015 Figures Only

Cont’d...
INVESTMENTS APPROVED IN THE MANUFACTURING SECTOR
Approved Investments in the Manufacturing Sector – 1H 2015

Approved investments grew year-on-year

RM49.5 billion
Approved investments

388 PROJECTS

39,994 JOBS

Approved investments in the Manufacturing Sector – 1H 2015

1H 2015
1H 2014

RM Million

49,509
43,080

Investment Performance 1H 2015
Approved Investments in the Manufacturing Sector – 1H 2015

DDI drives investments in the manufacturing sector

1H 2015

- DDI: 26%
- FDI: 74%
- RM49.5 billion

1H 2014

- DDI: 55%
- FDI: 45%
- RM43.1 billion

Cont’d…
Approved Investments in the Manufacturing Sector – 1H 2015

Major Investments

Malaysian-owned Companies

- PRPC Refinery and Cracker Sdn. Bhd (liquefied petroleum product)
- Faidhi Resources Sdn Bhd (Composite Cylinders)
- Golden Star Services Sdn Bhd (Air Compressors)
- KJM Aluminium Can Sdn Bhd (2 layer can for beverages)
- KAREX (Medical Devices)

Foreign-owned Companies

- Delong JC Sdn Bhd (Hot rolled narrow strips)
- Faidhi Resources Sdn Bhd (Composite Cylinders)
- Penang Seagate (Hard Disk Drives)
- Nippon Electric Glass (Malaysia) SDN BHD (High-Tech Precision Glass)
Approved Investments in the Manufacturing Sector – 1H 2015

Hong Kong, Japan and USA were the main sources of FDI, contributing more than half of total investments

- Hong Kong: 3.1 RM billion
- Japan: 2.6 RM billion
- USA: 2.2 RM billion
- China: 1.2 RM billion
- Singapore: 0.7 RM billion

Cont’d…
## Approved Investments in the Manufacturing Sector – 1H 2015

<table>
<thead>
<tr>
<th>Economic Corridor</th>
<th>1H 2014 (RM Million)</th>
<th>1H 2015 (RM Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Corridor Economic Region (NCER)</td>
<td>7,761</td>
<td>5,455</td>
</tr>
<tr>
<td>Eastern Coast Economic Region (ECER)</td>
<td>6,628</td>
<td>1,689</td>
</tr>
<tr>
<td>Sabah Development Corridor</td>
<td>2,613</td>
<td>338</td>
</tr>
<tr>
<td>Sarawak Corridor of Renewable Energy (SCORE)</td>
<td>7,741</td>
<td>81</td>
</tr>
<tr>
<td>Iskandar Malaysia</td>
<td>1,611</td>
<td>1,284</td>
</tr>
</tbody>
</table>
Investments approved by State

- **Johor**: 15.59 billion (1H 2015)
- **Melaka**: 0.78 billion (1H 2015)
- **Pulau Pinang**: 6.20 billion (1H 2015)
- **Selangor**: 3.21 billion (1H 2015)
- **Perak**: 0.90 billion (1H 2015)
- **Kedah**: 1.10 billion (1H 2015)
- **Pahang**: 4.98 billion (1H 2015)
- **Negeri Sembilan**: 1.00 billion (1H 2015)
- **Sarawak**: 1.27 billion (1H 2015)
- **Terengganu**: 0.60 billion (1H 2015)
- **Sabah**: 0.42 billion (1H 2015)
- **Kelantan**: 0.40 billion (1H 2015)
- **Perlis**: 0.30 billion (1H 2015)
- **W.P. - Kuala Lumpur**: 0.20 billion (1H 2015)
- **W.P. - Labuan**: 0.21 billion (1H 2015)
- **Approved Investments in the Manufacturing Sector – 1H 2015**

Cont’d…
# Approved Manufacturing Subsectors 1H2015

<table>
<thead>
<tr>
<th>Subsectors</th>
<th>Jan-June 2014 (RM mil.)</th>
<th>Jan-June 2015 (RM mil.)</th>
<th>Change(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum Products incl Petrochemicals</td>
<td>12,681</td>
<td>25,369</td>
<td>100.0</td>
</tr>
<tr>
<td>Transport Equipment</td>
<td>1,138</td>
<td>5,358</td>
<td>370.8</td>
</tr>
<tr>
<td>E&amp;E</td>
<td>3,506</td>
<td>4,484</td>
<td>27.9</td>
</tr>
<tr>
<td>Fabricated Metal Products</td>
<td>1,238</td>
<td>4,182</td>
<td>237.8</td>
</tr>
<tr>
<td>Non Metallic Mineral Products</td>
<td>1,893</td>
<td>3,179</td>
<td>67.9</td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>492</td>
<td>1,498</td>
<td>204.5</td>
</tr>
<tr>
<td>Chemicals &amp; Chemical Products</td>
<td>9,932</td>
<td>1,339</td>
<td>-86.5</td>
</tr>
<tr>
<td>Food Manufacturing</td>
<td>1,338</td>
<td>954</td>
<td>-28.7</td>
</tr>
<tr>
<td>Paper, Printing &amp; Publishing</td>
<td>220</td>
<td>706</td>
<td>220.9</td>
</tr>
<tr>
<td>Basic Metal Products</td>
<td>7,108</td>
<td>702</td>
<td>-90.1</td>
</tr>
<tr>
<td>Plastic Products</td>
<td>430</td>
<td>591</td>
<td>37.4</td>
</tr>
<tr>
<td>Scientific &amp; Measuring Equipment</td>
<td>491</td>
<td>372</td>
<td>-24.2</td>
</tr>
<tr>
<td>Rubber Products</td>
<td>917</td>
<td>252</td>
<td>-72.5</td>
</tr>
<tr>
<td>Wood &amp; Wood Products</td>
<td>186</td>
<td>240</td>
<td>29.0</td>
</tr>
<tr>
<td>Others</td>
<td>1,509</td>
<td>283</td>
<td>-81.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>43,080</strong></td>
<td><strong>49,509</strong></td>
<td><strong>14.9</strong></td>
</tr>
</tbody>
</table>
Malaysia remains an ideal location for new investments and sustains existing investors’ confidence to reinvest.

- **Expansion / Diversification Projects**: RM8.7 Bil, 18%
- **New Projects**: RM40.8 Bil, 82%

Total Approved Investments in the Manufacturing Sector – 1H 2015: RM49.5 billion
Approved Investments in the Manufacturing Sector – 1H 2015

84% skilled / high-skilled employment from projects approved in 1H 2015

Approved Investments in the Manufacturing Sector – 1H 2015

39,994 Jobs

- Machine Operators/Assembly Workers, 20,453 (51.1%)
- Technical & Supervisory, 6,216 (15.6%)
- Managerial, 3,015 (7.5%)
- Sales, Clerical & Others, 6,409 (16%)
- Craft Skills, 3,901 (9.8%)
Implemented Projects in the Manufacturing Sector

Implemented as at 31 December 2014

Investments worth RM172.9 bil. in implemented projects

Year of Approval

<table>
<thead>
<tr>
<th>Year of Approval</th>
<th>Implemented</th>
<th>Not Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>14.0%</td>
<td>86.0%</td>
</tr>
<tr>
<td>2011</td>
<td>19.1%</td>
<td>80.9%</td>
</tr>
<tr>
<td>2012</td>
<td>23.6%</td>
<td>76.4%</td>
</tr>
<tr>
<td>2013</td>
<td>23.6%</td>
<td>76.4%</td>
</tr>
<tr>
<td>2014</td>
<td>35.8%</td>
<td>64.2%</td>
</tr>
</tbody>
</table>
INVESTMENTS APPROVED IN THE PRIMARY SECTOR
Approved Investments in the Primary Sector – 1H 2015

RM2.3 billion Approved investments

28 Projects

1,038 Jobs

<table>
<thead>
<tr>
<th></th>
<th>1H 2015</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Plantation &amp;</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Commodities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining</td>
<td>1.5</td>
<td>9.7</td>
</tr>
</tbody>
</table>
THE WAY FORWARD
Investments in the Pipeline

• **Manufacturing (RM13.8 billion)**
  
  — **Sectors**
  
  • Food Manufacturing
  • Transportation Technology
  • Chemicals & Advanced Materials
  • E&E
  • Others

  
  • **Services (RM8.0 billion)**
  
  — **Sectors**
  
  • Oil & Gas Services
  • Healthcare, Education & Hospitality
  • Regional Establishments & Logistics
  • Others

  
  • **Major Foreign Sources of Investments**
  
  • Australia, Japan, Singapore, India, China, Korea
Challenges

- Uncertain Global Economic Scenario
- Currency Volatility
- Low Commodity Prices
- Subdued FDI Outlook
- China Factor
- Increase in Costs of Doing Business
Mitigating Strategies

- Intensify handholding and facilitation efforts to actualise implementation of approved projects.
- Increase efforts to develop and enhance local supply chain to support MNCs.
- Carrying out more direct engagement and outreach programmes with the private sector and relevant stakeholders via *Turun Padang* visits, Roundtable Meetings, etc.
- To make costs of doing business competitive.