



**MALAYSIA
INVESTMENT
PERFORMANCE
REPORT
2015**

**DRIVING
SUSTAINABLE
GROWTH**

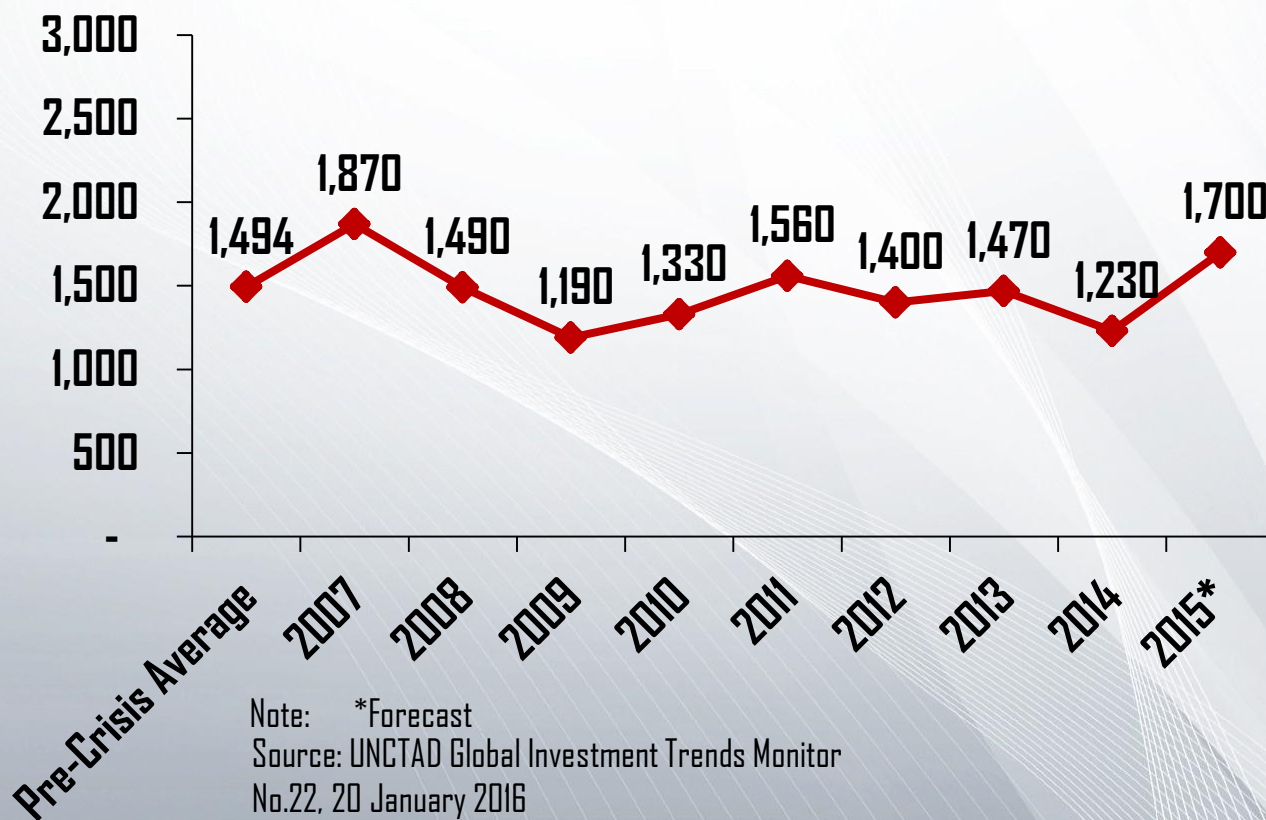
29 February 2016



FDI INFLOWS

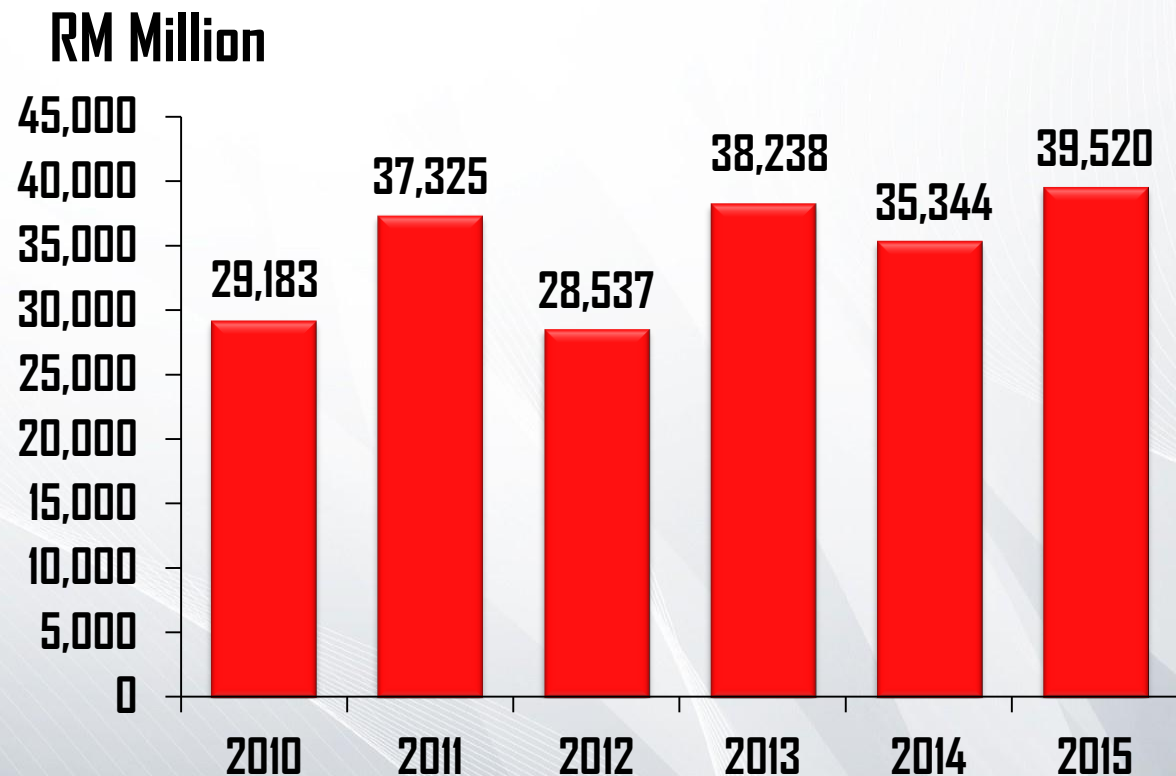
Global FDI Inflows

Cross border M&As largely contributed to the **36%** jump in global FDI flows in 2015 to **~ US\$ 1.7 trillion** in developed economies



Malaysia's FDI Inflows

In 2015, FDI inflows into Malaysia reached **RM39.5 billion**, **11.8%** higher than that recorded for 2014

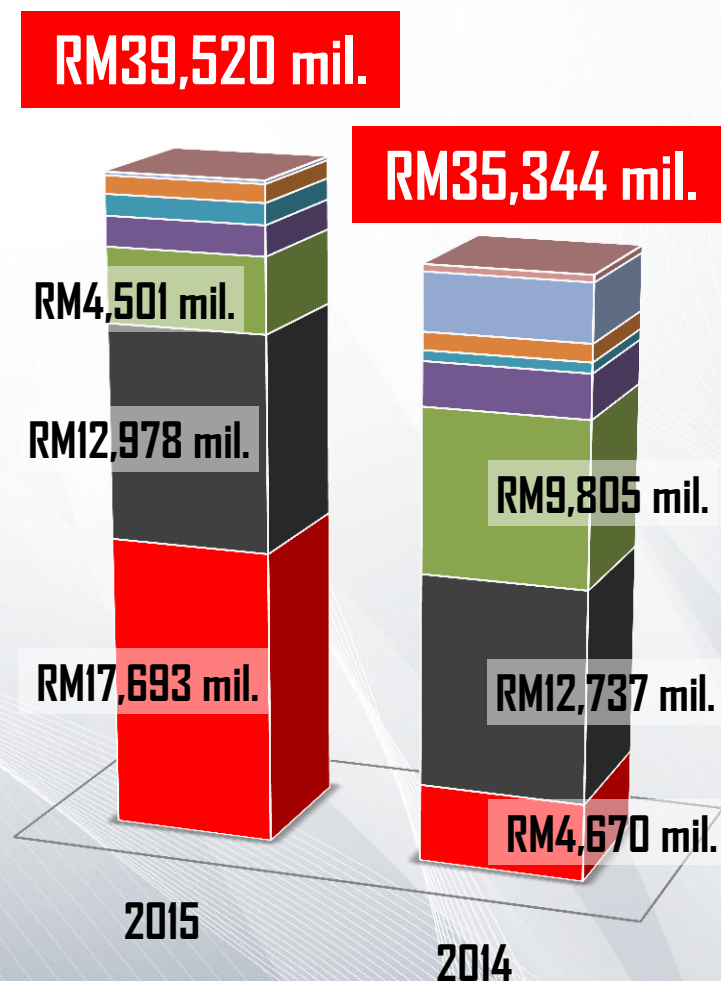


Source: DOSM

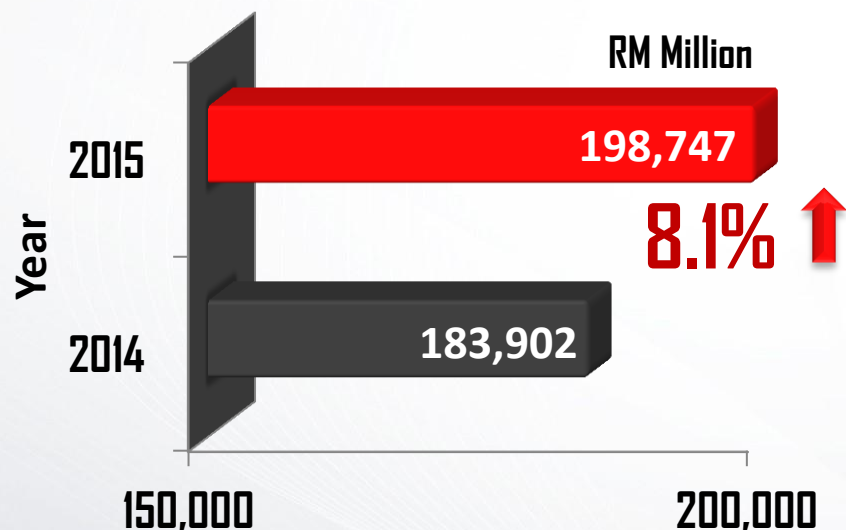
Malaysia's FDI Inflows - By Sector

In 2015, FDI inflows in the **Manufacturing** sector increased to **RM17.7 billion** compared with **RM4.7 billion** recorded in 2014

- Manufacturing
- Mining and Quarrying (including oil and gas)
- Financial and Insurance/Takaful Activities
- Other Services
- Information and Communication
- Construction
- Wholesale and Retail Trade
- Agriculture, Forestry and Fishing



Gross Fixed Capital Formation (GFCF) – Private Investment



10MP:

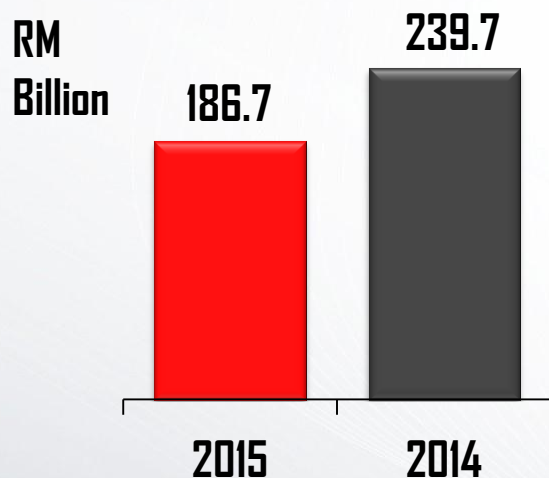
Private investments totalled **RM802.5 bil.** (current price), an **average of RM160.5 bil. p.a.** surpassing the target of **RM148 bil. p.a.**

Year	2011	2012	2013	2014	2015
Current Price (RM mil.)	114,759	142,307	162,815	183,902	198,747
Constant Price (RM mil.)	110,863	134,543	151,749	168,510	179,375



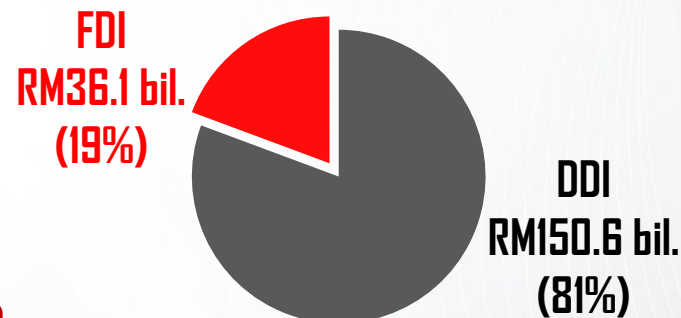
TOTAL APPROVED INVESTMENTS IN 2015

Total Approved Investments



**RM186.7
billion**

4,887
Projects Approved



81 : 19
Domestic:Foreign

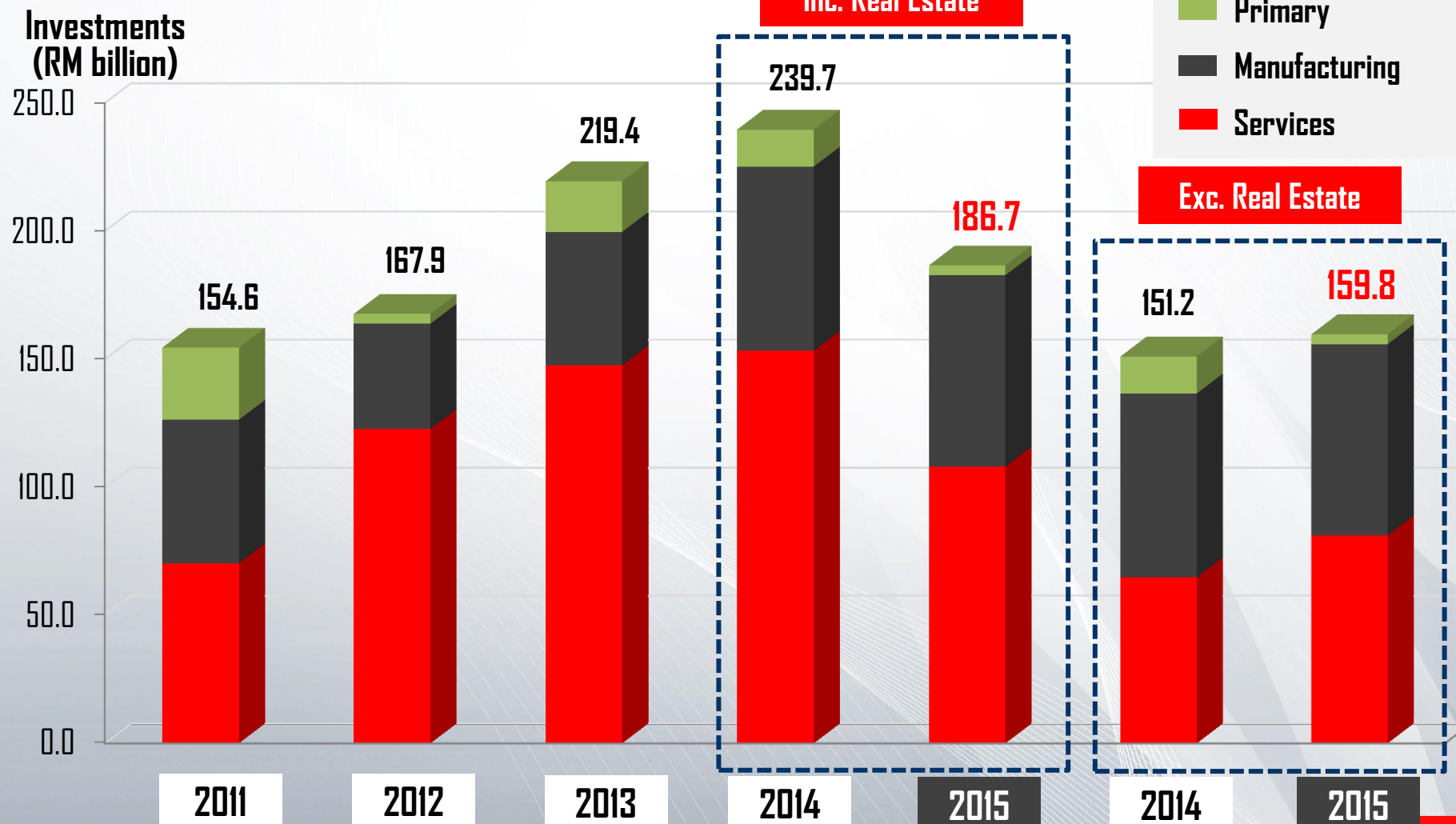
180,240
Employment opportunities

62.2% [112,194] were in Services Sector

Three red human figure icons standing side-by-side, representing employment opportunities.

Total Approved Investments

Cont'd

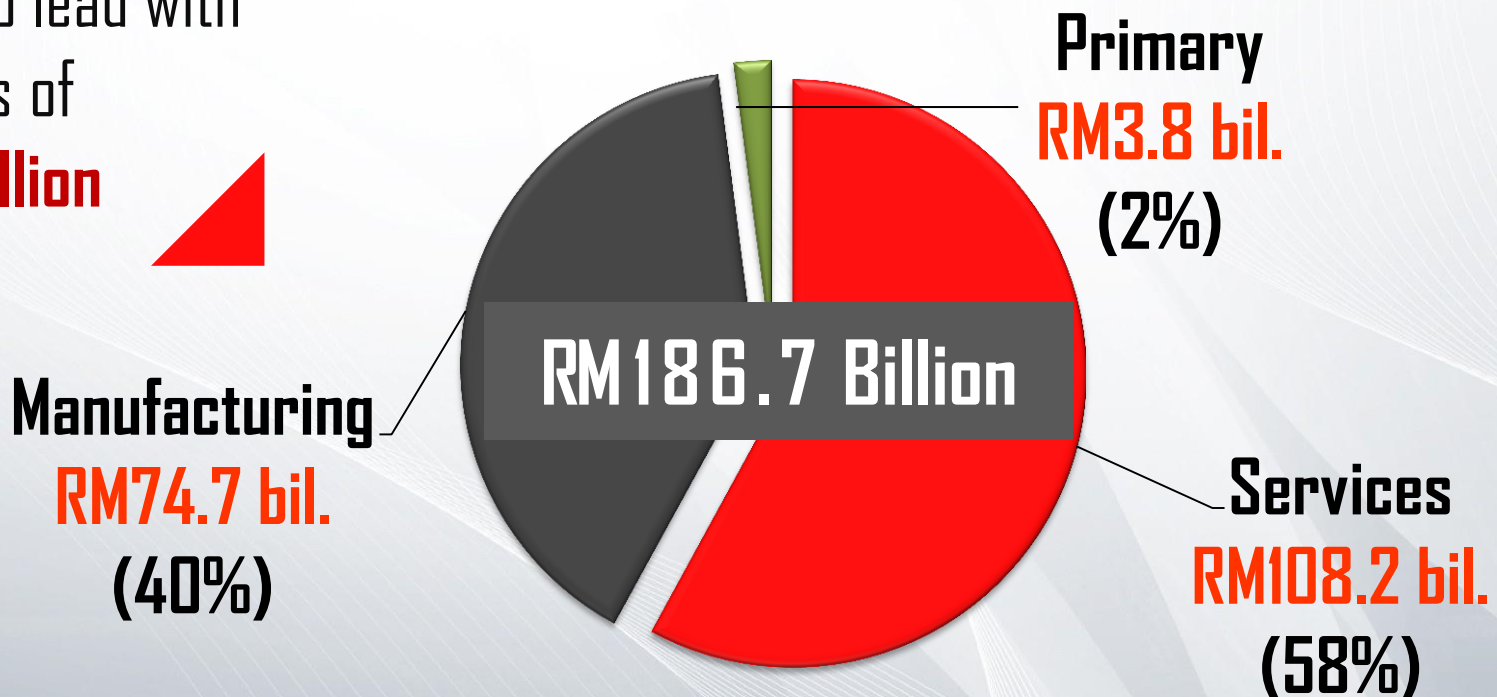


Source: MIDA

Total Approved Investments – By Sector

Services Sector

continues to lead with
investments of
RM108.2 billion

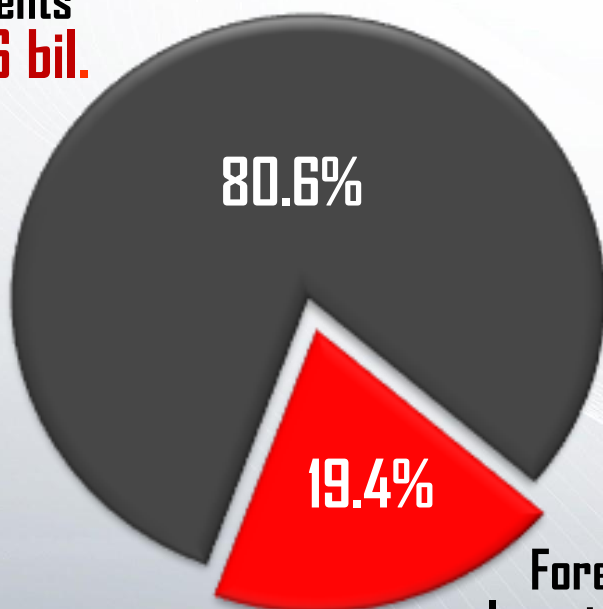


FDI vs DDI Approved

Domestic Investments continue to spearhead private investments

Domestic
Investments
RM150.6 bil.

2015

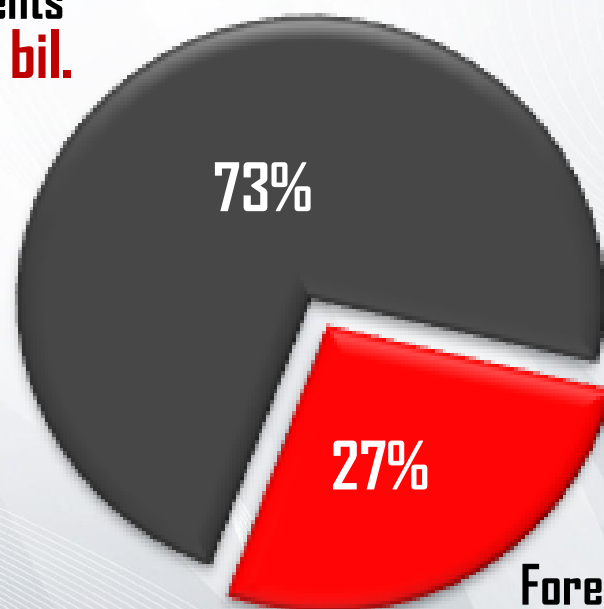


DDI
FDI

Foreign
Investments
RM36.1 bil.

Domestic
Investments
RM175.1 bil.

2014



Foreign
Investments
RM64.6 bil.

Quality Projects Approved

Xinyi Solar (Malaysia) Sdn. Bhd

Investments: RM379.4 million

Product/Activity:

Clear and coated photovoltaic
functional glass

Employment: 453

21 Engineers

34 Management personnel

86 Skilled workers

Location:

Melaka



Highlights:

Leading international high-quality float glass manufacturer. Its R&D Centre conducts research for next generation glass

Tosoh Advanced Materials Sdn. Bhd

Investments: RM325 million

Product/Activity:

Production of **synthetic zeolite** a key ingredient in the automotive, chemical and petrochemical industries.

Employment: 87

23 Management personnel

31 Technical & supervisory personnel

Location:

Telok Kalong Industrial Estate,
Kuala Terengganu

Highlights:

Knowledge-intensive, high value-added activities, First of its kind in Malaysia and Asia (outside Japan),



Quality Projects Approved

Cont'd

Inari Semiconductor Labs Sdn. Bhd.

Investments: RM71.8 million

Product/Activity:

Wafer-level processing, testing and certification of advanced fibre optic components

Employment: 232

77 Engineers/Professional personnel

25 Management personnel

77 Skilled workers

Location:

Melaka

Highlights:

This project will help strengthen the current E&E industry ecosystem in Malaysia, expanding the scope of the value chain of local companies, spanning across both front-end and back-end semiconductor manufacturing.



UMW Aerospace Sdn. Bhd.

Investments: RM247.4 million

Product/Activity:

Fan case for aero engines.

Employment: 166

14 Engineers/Professional personnel

21 Management/Supervisory personnel

131 Skilled workers

Location:

Serendah, Selangor

Highlights:

Tier 1 supplier for **Rolls Royce** to manufacture aircraft parts in Southeast Asia.

First in Asia to manufacture fan cases for Rolls Royce's Trent 1000 and Trent 7000 aero engines.



Quality Projects Approved

Cont'd

Honeywell International Sdn. Bhd.

Investments: **RM254 million**

Product/Activity:
Principal Hub

Employment: **65**

Location:
Kuala Lumpur

Highlights:

Fortune 100 conglomerate and first global company to join Malaysia's Principal Hub to support its business development plan in Malaysia and the region via its state-of-the-art technologies and solutions in aerospace, buildings, homes and industry, automobile, and oil gas industries

Honeywell

A close-up, high-angle shot of a robotic arm's end effector. The arm is primarily blue and white, with a prominent yellow and silver cylindrical component. It is holding a small, clear, rectangular object. The background is blurred, showing industrial lights and structures.

INVESTMENTS APPROVED IN THE MANUFACTURING SECTOR

Approved Investments in the Manufacturing Sector

Approved investments
increased year-on-year

Approved
Investment

RM74.7
billion

Projects

680

Jobs

66,490

RM Million

80,000

70,000

60,000

50,000

40,000

30,000

20,000

10,000

0

74,693

71,852

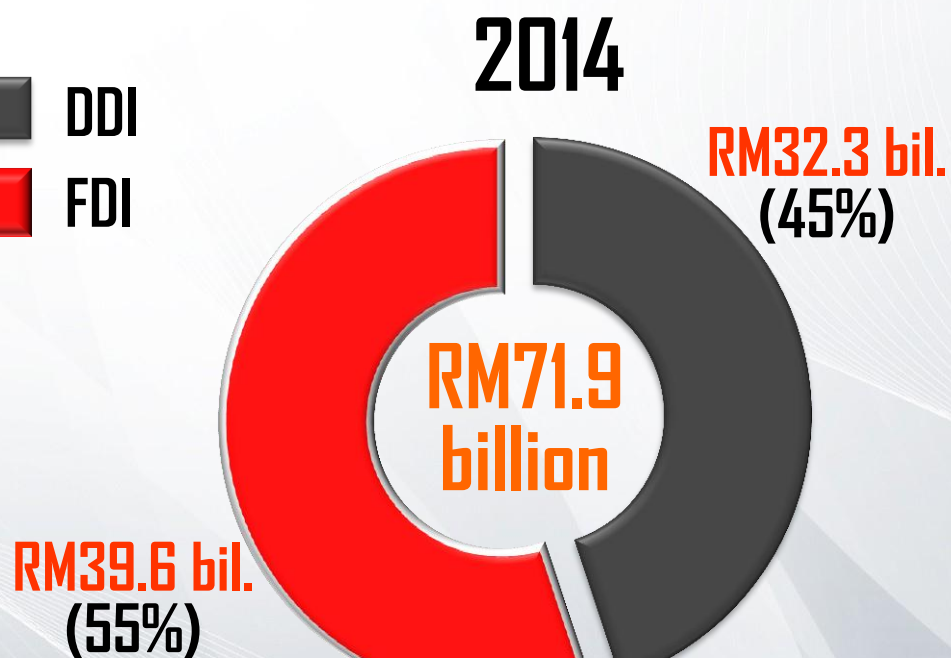
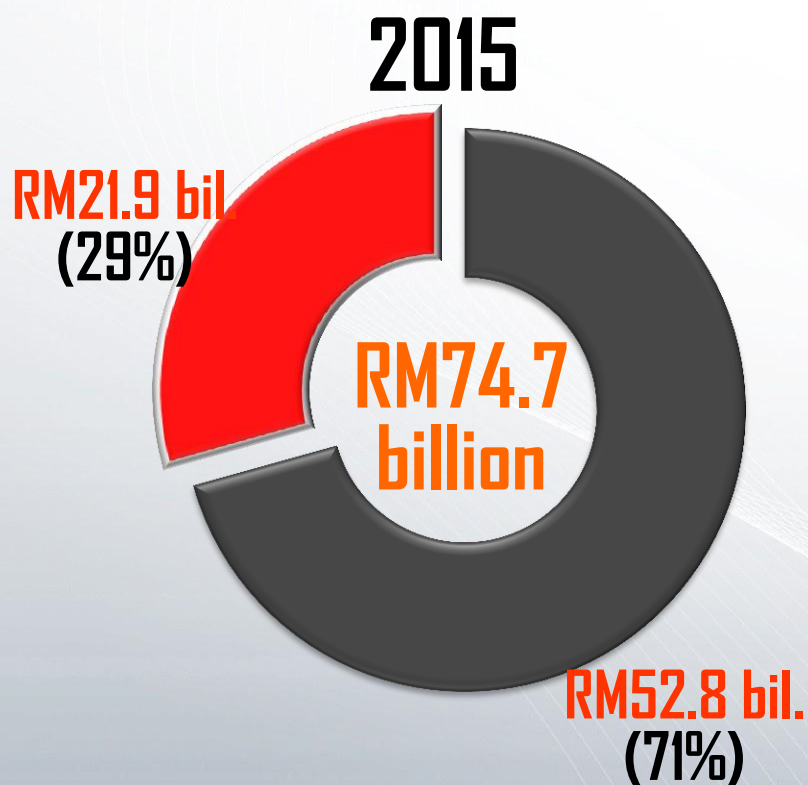
↑ 4%

2015

2014

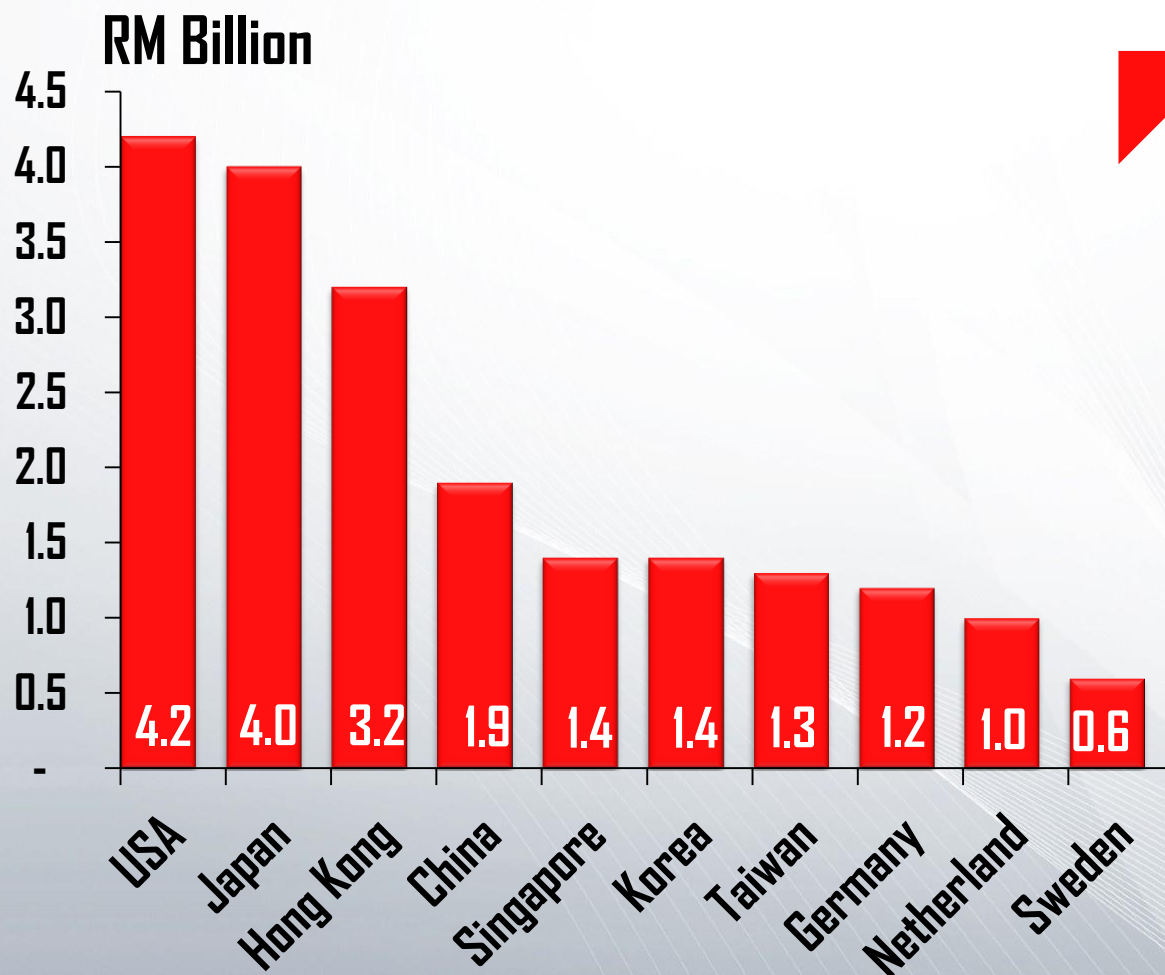
Approved Investments in the Manufacturing Sector DDI vis-à-vis FDI

DDI continues to drive investments



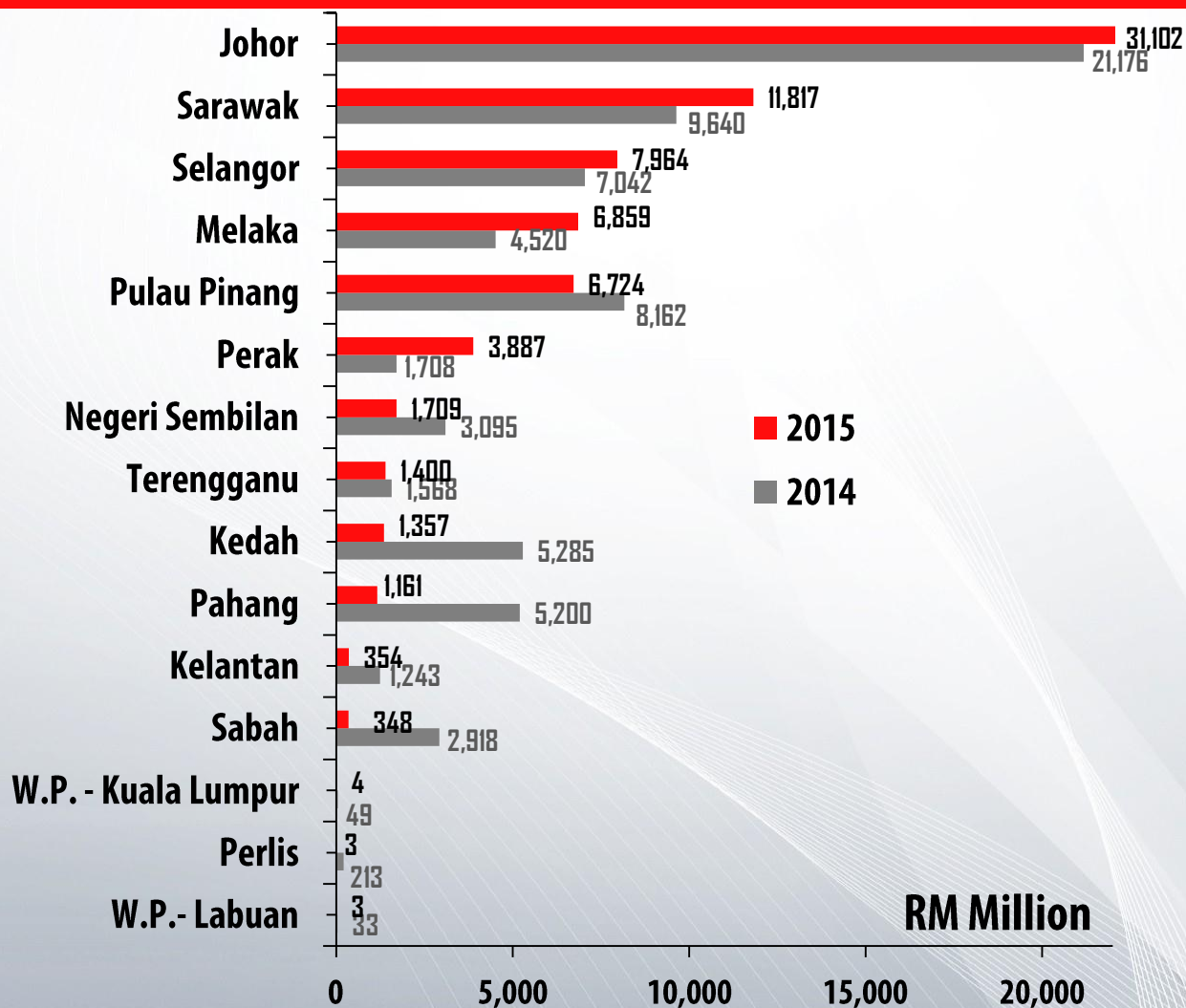
Approved Investments in the Manufacturing Sector

Sources of FDI



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

Approved Investments in the Manufacturing Sector -By State



Approved Investments in the Manufacturing Sector -By Corridor

A total of **RM25.3 billion** investments approved in the investment corridors



RM8.1 bil.



RM2.9 bil.



RM0.3 bil.



RM10.6 bil.



RM3.4 bil.

Approved Investments in the Manufacturing Sector

Major Projects Approved in the Corridors

Fuji Electric (Malaysia) Sdn. Bhd.



Encompass Industry Sdn.Bhd.



Horizon O & G Fabrication Sdn.Bhd.



MSM Sugar Refinery (Johor) Sdn. Bhd.

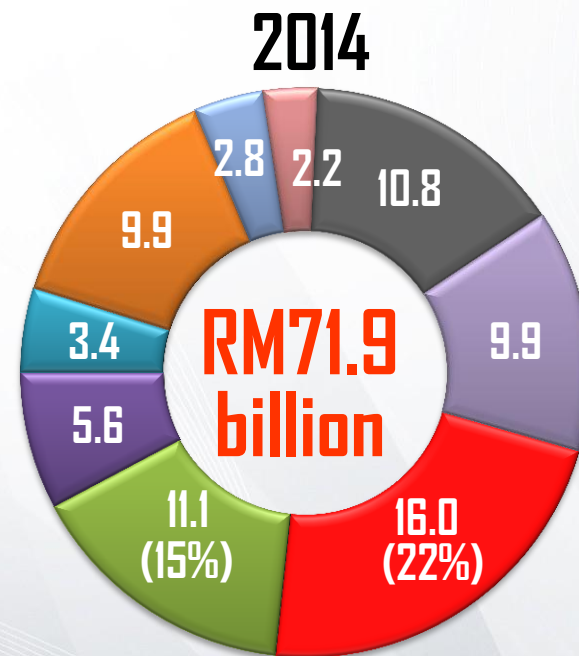
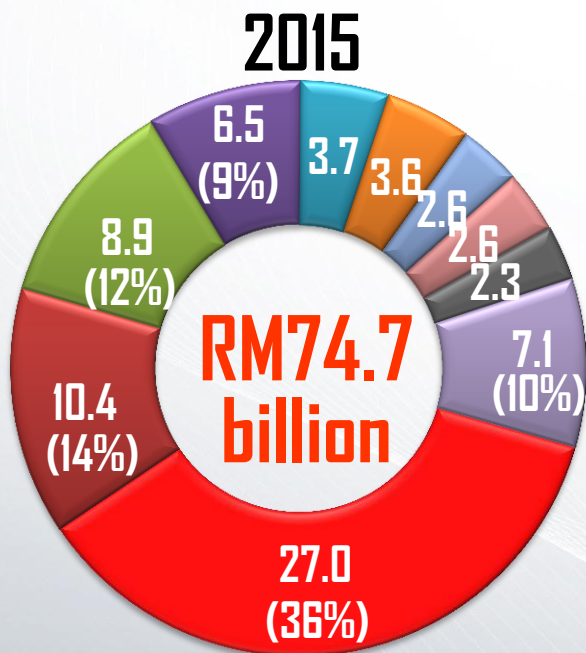


Petronas LNG 9 Sdn. Bhd.



Approved Investments in the Manufacturing Sector -By Industry

The bulk of investments came from Petroleum Products, Natural Gas, E&E, Transport Equipment and Non-Metallic Mineral Products



RM Billion

- Petroleum Products incl Petrochemicals
- E&E
- Non-Metallic Mineral Products
- Food Manufacturing
- Chemical & Chemical Products

- Natural Gas
- Transport Equipment
- Basic Metal Products
- Fabricated Metal Products
- Others

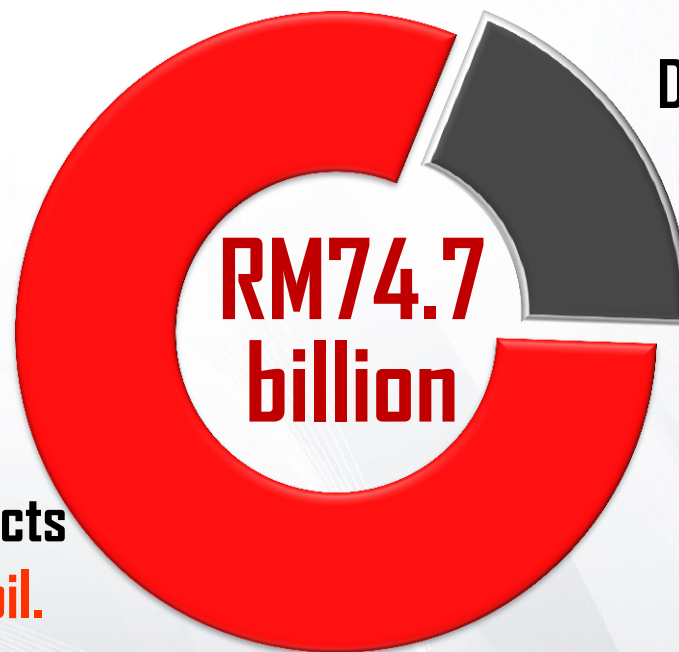
Approved Investments in the Manufacturing Sector

New & Expansion/Diversification Projects

Approved

Malaysia
remains an
ideal
location for
**new
investments**

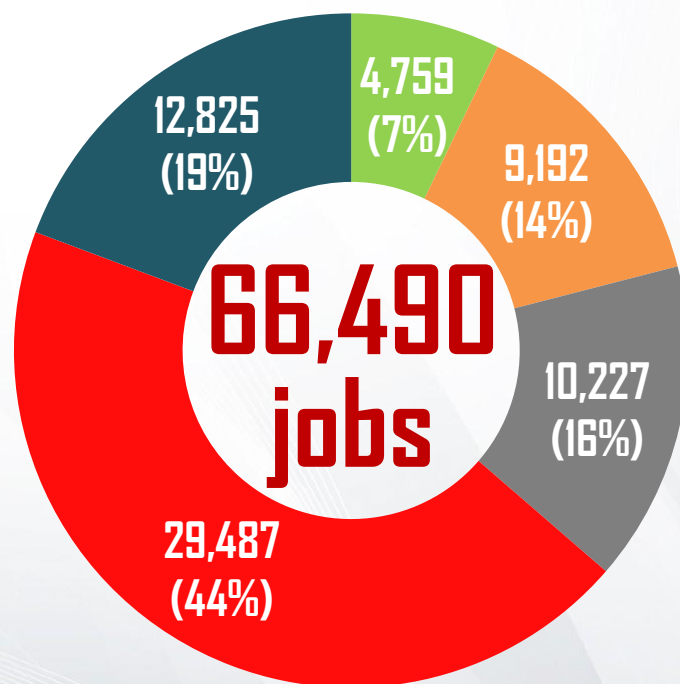
New Projects
RM60.2 bil.
81%



Expansion /
Diversification
Projects
RM14.5 bil.
19%

Approved Investments in the Manufacturing Sector -By Category of Employment

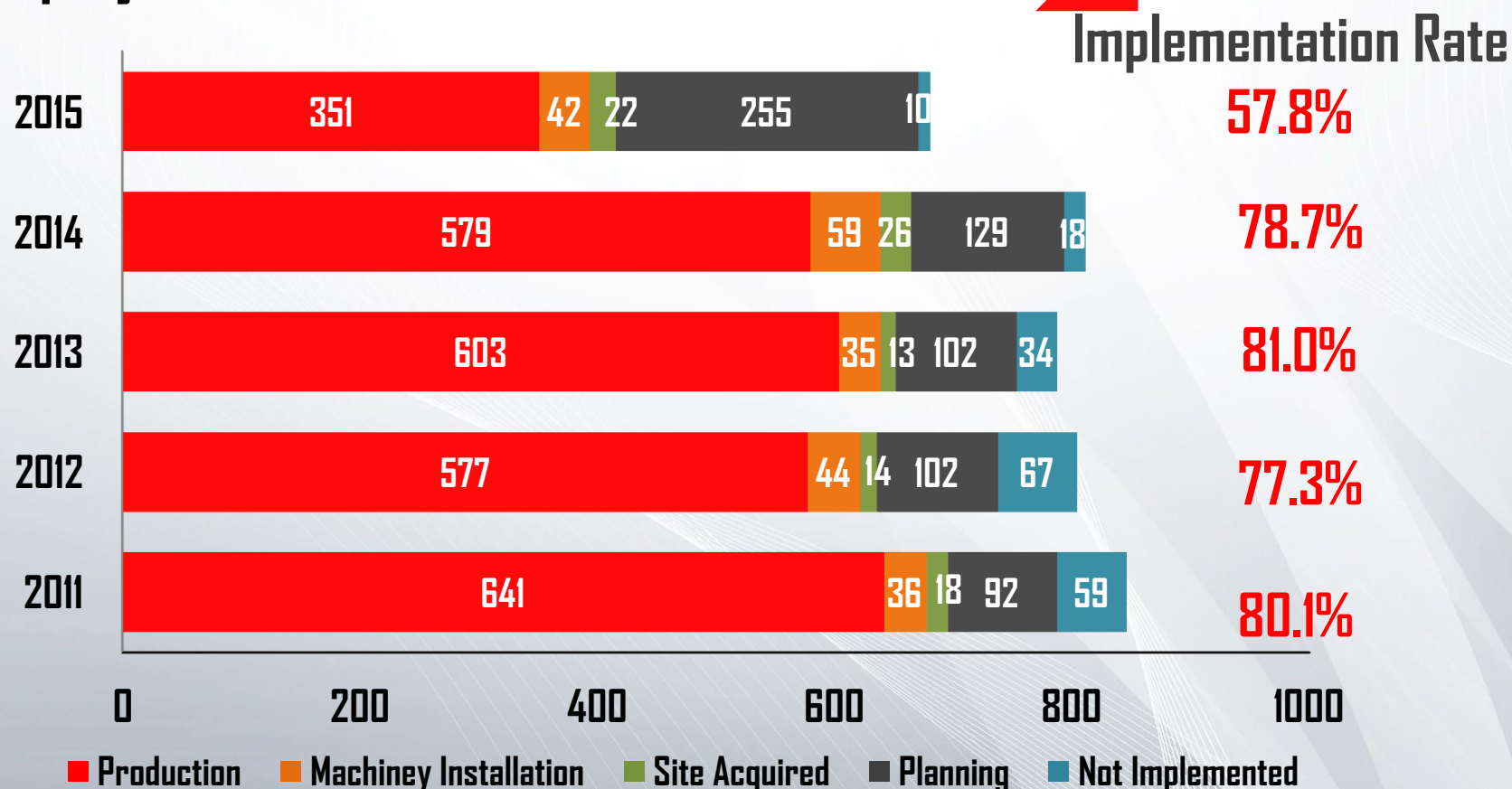
**37% skilled/
high-skilled job
opportunities
created from
projects
approved in
2015**



- Managerial
- Technical & Supervisory
- Craft Skills
- Machine Operators/Assembly Workers
- Sales, Clerical & Others

Approved Investments in the Manufacturing Sector Number of Projects by Status of Implementation, 2011-2015

Investments worth RM175.1 bil. in implemented projects (2011-2015)



Source: MIDA



INVESTMENTS APPROVED IN THE SERVICES SECTOR

Approved Investments in the Services Sector

Services sector contributes
58% of approved investments

Approved
Investment

RM 108.2
billion

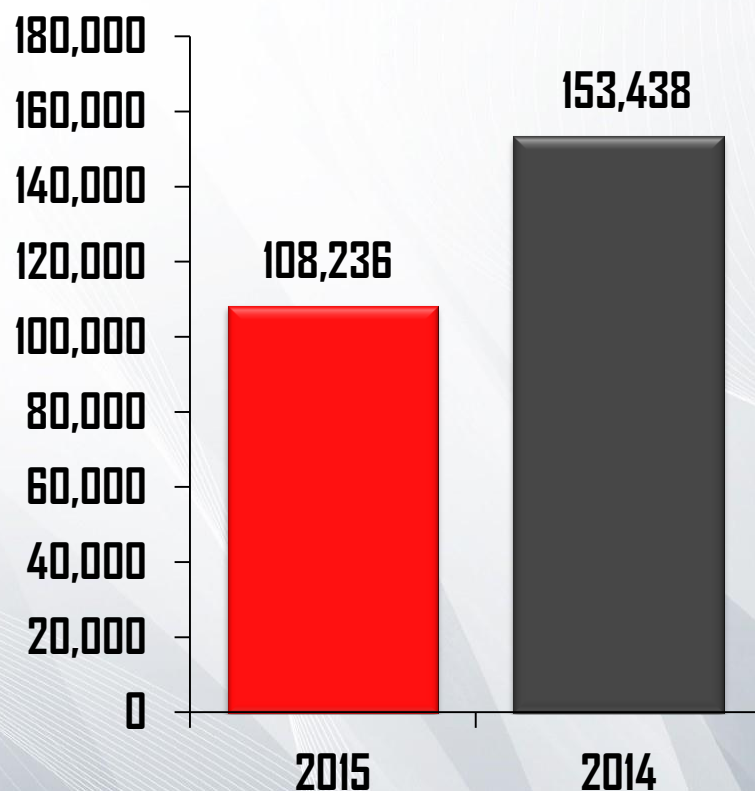
Projects

4,150

Jobs

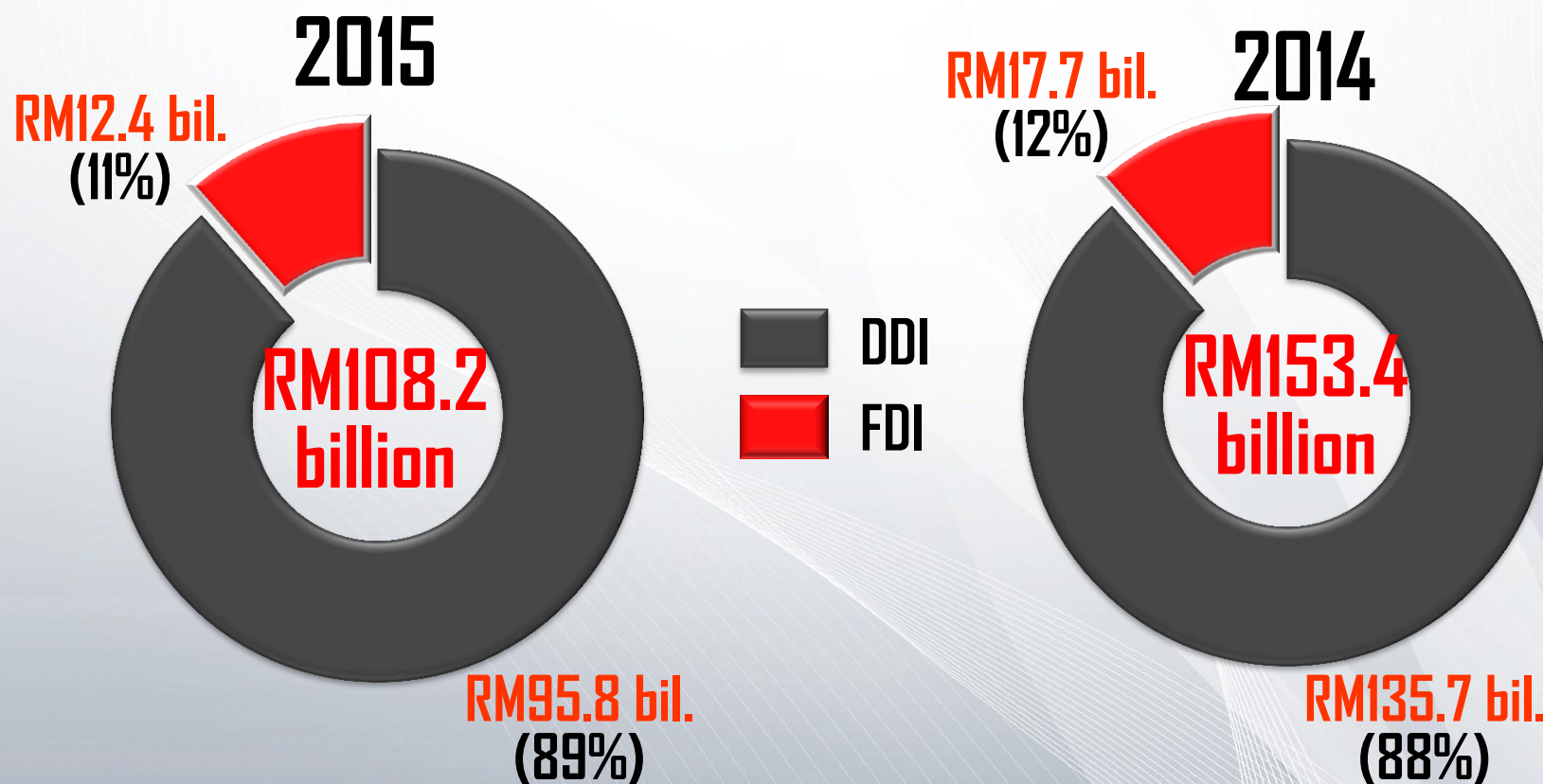
112,194

RM Million



Approved Investments in the Services Sector DDI vis-à-vis FDI

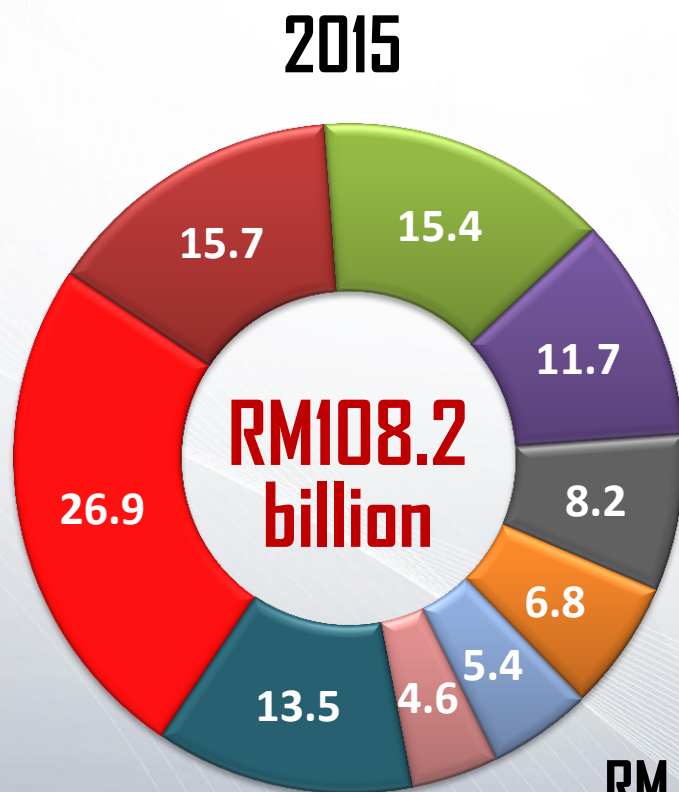
Domestic investments continue to dominate



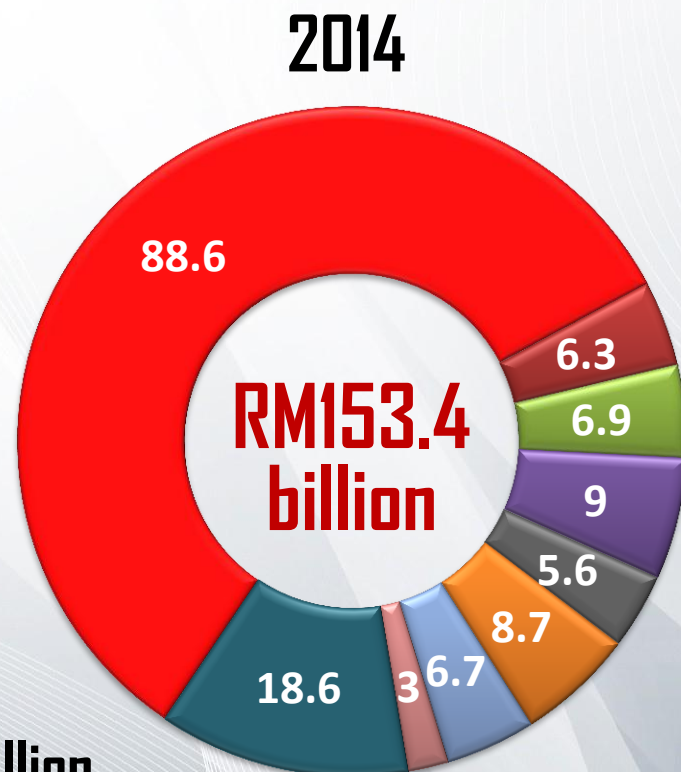
Approved Investments in the Services Sector -By Industry

Real Estate, Transport and Financial Services were the major sub-sectors.

- Real Estate
- Transport
- Financial Services
- Utilities
- Global Establishments
- Distributive Trade
- Hotel & Tourism
- MSC Status
- Others



RM Billion

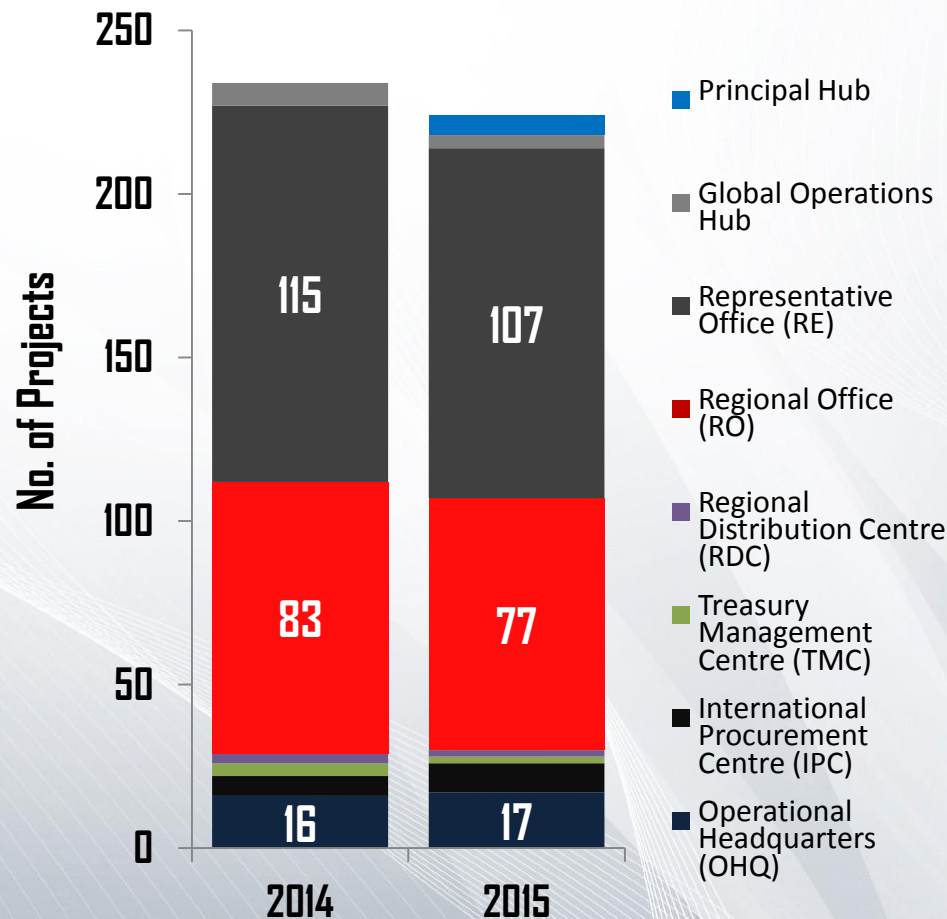


Approved Investments in the Services Sector Global Establishment

Malaysia continues to strengthen its position as a competitive regional operation base for major MNCs in 2015

Rm 8.2 bil.
Approved
investments

4,217
Jobs

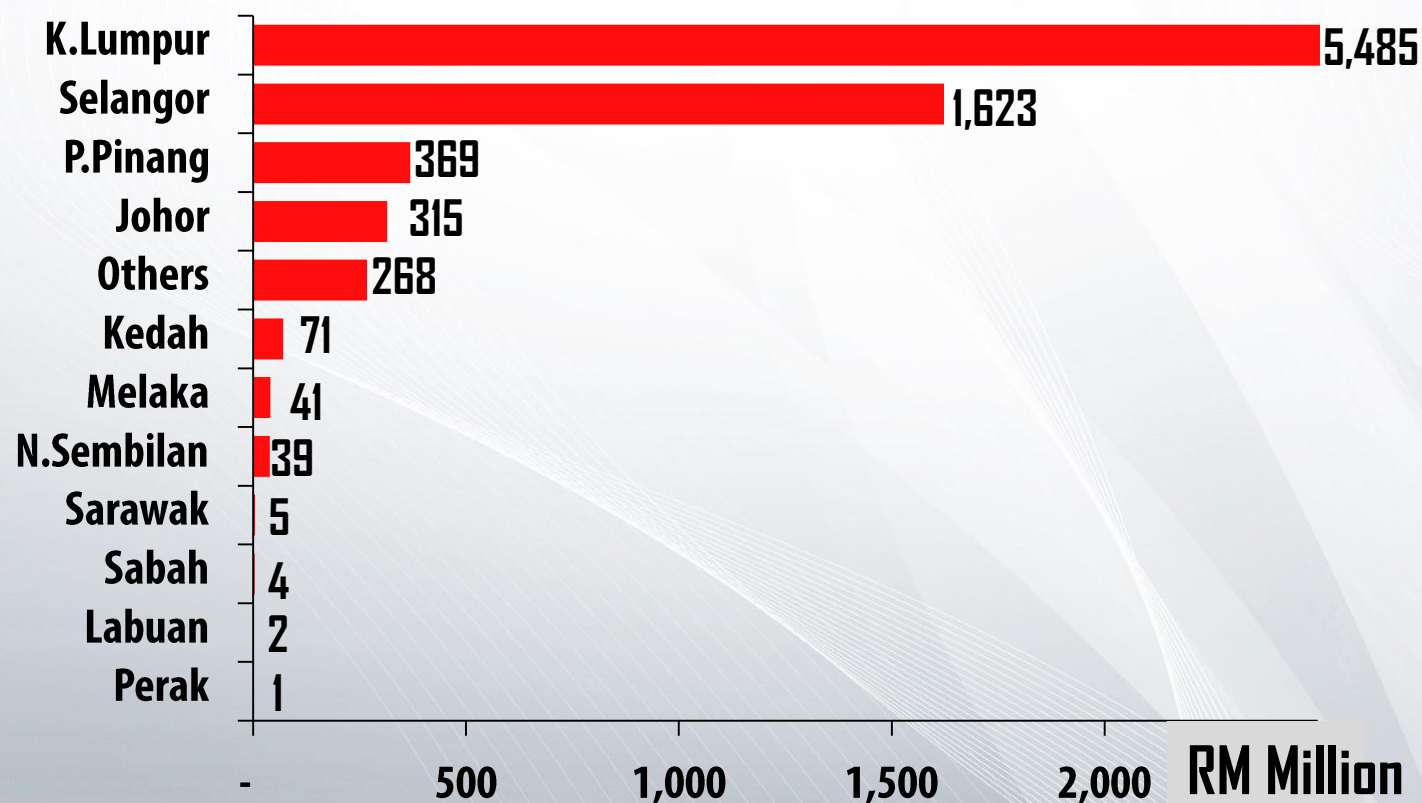


Approved Investments in the Services Sector

Global Establishment

Cont'd

Global Establishments are now making inroads into other States other than FT of Kuala Lumpur and Selangor



An aerial view of a large yellow offshore oil platform in the middle of a dark blue ocean. The platform has multiple levels with various pipes, ladders, and equipment. A tall red and white communication tower is visible on the upper deck. The sky is bright blue with wispy white clouds, and the sun is shining from the top right, creating a lens flare effect.

INVESTMENTS APPROVED IN THE PRIMARY SECTOR

Approved Investments in the Primary Sector

**Approved
Investment**

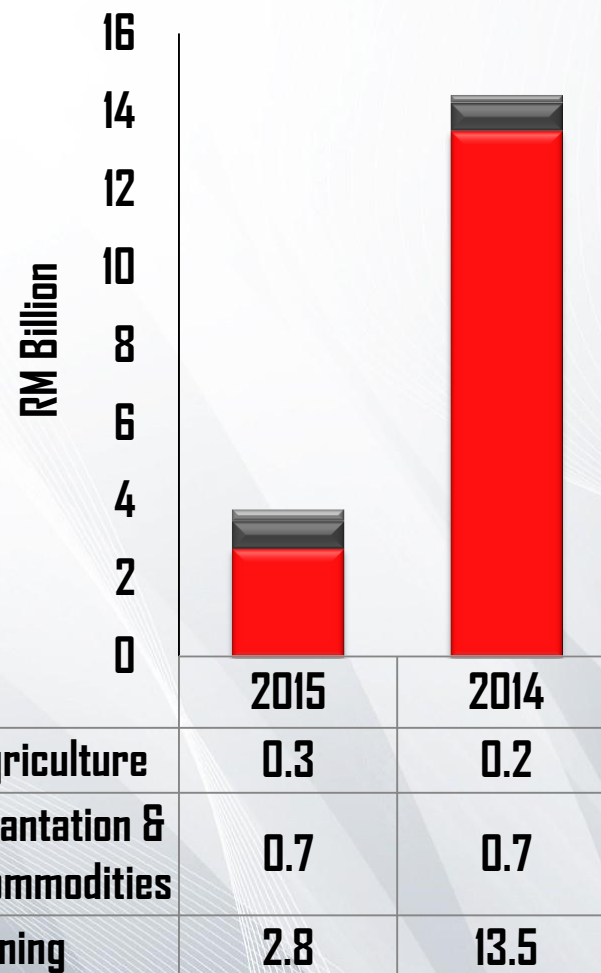
**RM 3.8
billion**

Projects

57

Jobs

1,556





THE WAY FORWARD

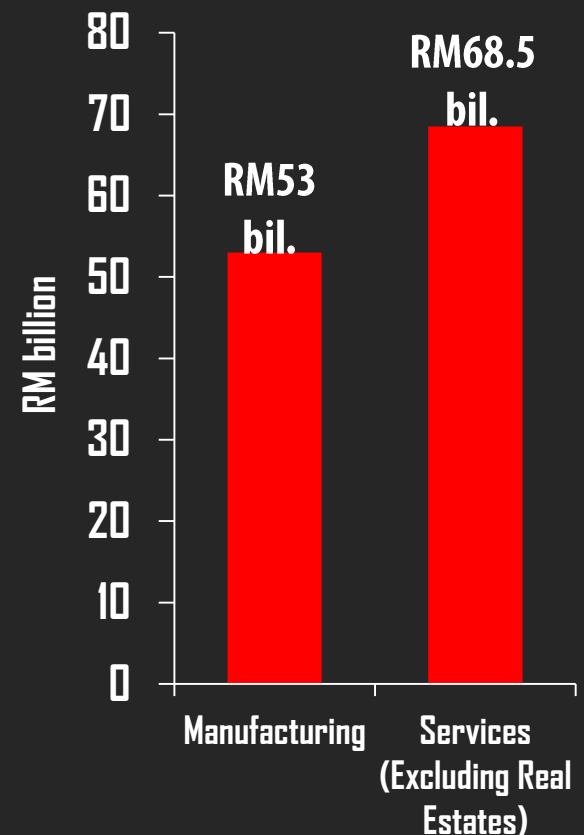
Investment Outlook

IMF World Economic Outlook Update, January 2016 forecasts world output will grow at **3.4%** in **2016** and **3.6%** in **2017**. Emerging Market and Developing Economies are expected to grow at **4.3%** in **2016** and **4.7%** in **2017**

UNCTAD forecasts **FDI flows** are expected to **decline** in 2016 reflecting the fragility of the global economy, volatility of global financial markets, with aggregate demand and a significant deceleration in some large emerging market economies.

The World Bank projects **Malaysia's GDP** to record **4.5% growth** in **2016 and 2017**, a revision from 4.2% that was forecast earlier.

APPROVED INVESTMENT TARGETS FOR 2016



Way Forward

Challenges...

- ❑ Uncertain Global Economic Scenario
- ❑ Currency Volatility
- ❑ Low Energy and Commodity Prices
- ❑ Subdued FDI Outlook
- ❑ China Factor
- ❑ Increasing Costs of Doing Business

Mitigating Strategies

MIDA's investment strategies/policy formulations in the manufacturing sector, would focus **on IIMP's "3+2"** catalytic and growth sectors

Increase efforts to develop and enhance **local supply chain** to support MNCs.

Intensifying promotion of high quality projects with focus on R&D, productivity, green technology and other quality features to locate in Malaysia

To make costs of doing business competitive

Leverage on the **FTA Networks**, **AEC** and **TPPA**, in making Malaysia an investment gateway and to gain better market access

Intensify **handholding** and **facilitation** efforts to **actualise** implementation of approved projects

Carrying out more **direct engagement** and **outreach** programmes with the private sector and relevant stakeholders via *Turun Padang* visits, Roundtable Meetings, etc.

Investments in the Pipeline

As at February 2016

- **Manufacturing (RM24.0 billion)**

- ❖ **Sub-sectors**

- Chemicals & Chemical Products
- Machinery & Metal
- E&E
- Other

- **Services (RM9.8 billion)**

- ❖ **Sub-sectors**

- Global Establishments
- Clean technology
- Others

- **Major Foreign Sources of Investments**

- The Netherlands, United Kingdom, China and Japan

**Manufacturing &
Services:
RM33.8 bil.**



MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

THANK YOU



**MALAYSIA
INVESTMENT
PERFORMANCE
REPORT
2015**

**DRIVING
SUSTAINABLE
GROWTH**

29 February 2016