MALAYSIA
Investment Performance Report
Strengthening the Growth Momentum
On the global front

- Significant deceleration in developed market economies led to weak aggregate demand
- Volatile international financial markets, including currency fluctuations
- Sentiments from world events such as Brexit
- Uncertainties around the rebalancing of the Chinese economy
- Commodity prices and global economic activities remain subdued
- Evolving US economic policies on global trade
- Elevated geopolitical risks further amplifies economic challenges
2016: Year of Many Challenges… **Cont’d**

In the Malaysian context

- Continued volatility in the exchange rate
- Over-reliance on foreign workers
- Low productivity levels
- More intense competition from regional peers
- Misperceptions among investors
Despite these challenges and issues, Malaysia still manages to maintain its investment growth momentum.

This is reflected in the following slides on the investment performance of Malaysia’s manufacturing, services and primary sectors for 2016.
Global FDI flows fell 13% in 2016, reaching an estimated US$1.52 trillion, as global economic growth remained weak and world trade volumes posted anaemic gains.

Note: *Estimated
Source: UNCTAD Global Investment Trends Monitor No.25, 2 February 2017
In 2016, Malaysia’s FDI inflows drops slightly by 5% vis-à-vis the more significant drops in global FDI and developing economies of 13% and 20% respectively.

![Graph showing Malaysia’s FDI Inflows (RM Million) from 2012 to 2016.](source: DOSM)
In 2016, FDI inflows in the Services sector increased to RM20.9 bil. compared with RM12.6 bil. recorded in 2015.
FDI by ASEAN countries into Malaysia decreased by 27% to RM7.8 bil. compared to RM10.8 bil. in 2015.

Singapore and Thailand are the major ASEAN countries contributing to the FDI inflow with investment of RM6.7 bil. (16% of the total FDI inflows) and RM1.3 bil. (3% of the total FDI inflows) respectively.
Malaysia FDI Stock

FDI Stock by Sector as at Dec 2016

- Services: 47%
- Manufacturing: 43%
- Agriculture: 2%
- Mining: 7%
- Construction: 1%

FDI Stock as at end of Q4 2016 totaled RM 545.6

<table>
<thead>
<tr>
<th>Year</th>
<th>FDI Stock (RM billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>255</td>
</tr>
<tr>
<td>2009</td>
<td>271</td>
</tr>
<tr>
<td>2010</td>
<td>313</td>
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<tr>
<td>2011</td>
<td>366</td>
</tr>
<tr>
<td>2012</td>
<td>406</td>
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<tr>
<td>2013</td>
<td>446</td>
</tr>
<tr>
<td>2014</td>
<td>475</td>
</tr>
<tr>
<td>2015</td>
<td>505</td>
</tr>
<tr>
<td>2016</td>
<td>546</td>
</tr>
</tbody>
</table>

FDI Stock by Major Sources as at Dec 2016

<table>
<thead>
<tr>
<th>Country</th>
<th>RM billion</th>
<th>% Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Singapore</td>
<td>115.7</td>
<td>21.2</td>
</tr>
<tr>
<td>2. Japan</td>
<td>70.5</td>
<td>12.9</td>
</tr>
<tr>
<td>3. Netherlands</td>
<td>48.2</td>
<td>8.8</td>
</tr>
<tr>
<td>4. Hong Kong</td>
<td>44.1</td>
<td>8.1</td>
</tr>
<tr>
<td>5. USA</td>
<td>36.2</td>
<td>6.6</td>
</tr>
<tr>
<td>6. Switzerland</td>
<td>25.5</td>
<td>4.7</td>
</tr>
<tr>
<td>7. Germany</td>
<td>19.7</td>
<td>3.6</td>
</tr>
<tr>
<td>8. British Virgin Islands</td>
<td>19.3</td>
<td>3.5</td>
</tr>
<tr>
<td>9. Norway</td>
<td>19.1</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Sub-total (top 9 economies)</strong></td>
<td><strong>398.3</strong></td>
<td><strong>73.0</strong></td>
</tr>
<tr>
<td><strong>Total FDI Stock</strong></td>
<td><strong>545.6</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: DOSM
Total Approved Investments

RM207.9 billion

- Domestic: RM148.9 bil. (72%)
- Foreign: RM59 bil. (28%)

Projects Approved

- 2016: 4,972
- 2015: 5,207

Employment opportunities

- 2016: 153,060
- 2015: 180,244
Total Approved Investments in 2016 increased by 7.7%

Total Approved Investments

Source: MIDA
Investments by Sector & Source

Services sector remains strong and continues to lead with investment of RM141.2 bil.

Domestic Investments continue to spearhead private investments.

**Domestic Investments**
- **RM148.9 bil.** (72%)
- **RM156.9 bil.** (81%)

**Foreign Investments**
- **RM59 bil.** (28%)
- **RM36.1 bil.** (19%)

- **Services** RM141.2 bil. (68%)
- **Primary** RM8.2 bil. (4%)
- **Manufacturing** RM58.5 bil. (28%)
- **Primary** RM8.2 bil. (4%)

Investments by Sector & Source
INVESTMENTS APPROVED IN THE MANUFACTURING SECTOR
Malaysia Investment Performance Report 2016

Approved investments declined by **21.7%** year-on-year

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Investments</td>
<td>RM58.5 bil.</td>
<td>RM74.7 bil.</td>
</tr>
<tr>
<td>Projects</td>
<td>733</td>
<td>680</td>
</tr>
<tr>
<td>Jobs</td>
<td>64,120</td>
<td>66,494</td>
</tr>
</tbody>
</table>
Expansion/Diversification projects reflects investors' prevailing confidence in Malaysia's investment environment.

- New Projects: RM27.7 bil. (47%)
- Expansion/Diversification Projects: RM30.8 bil. (53%)

Total Approved Projects: RM58.5 billion

Manufacturing
DDI slightly surpasses FDI in investments approved in 2016.

**2016**
- DDI: RM27.4 bil. (47%)
- FDI: RM31.1 bil. (53%)
- Total: RM58.5 billion

**2015**
- DDI: RM52.8 bil. (71%)
- FDI: RM21.9 bil. (29%)
- Total: RM74.7 billion
China, the Netherlands, Germany, the UK and Republic of Korea were the main sources of FDI, contributing more than half of total foreign investments approved.
ASEAN countries contributed RM2.3 bil. or 8% of total foreign investments approved in manufacturing sector.
38% skilled job opportunities created from projects approved in 2016

Employment by Category

64,120 jobs

Managerial: 11,505 (18%)
Technical & Supervisory: 5,108 (8%)
Skilled Workers: 8,372 (13%)
Craft Skills: 28,231 (44%)
Sales, Clerical & Others: 10,844 (17%)
Unskilled Workers: 60 (0.1%)

Craft Skills:
- Plant Maintenance: 1,664
- Tools & Die Makers: 631
- Machinist: 1,033
- IT Personnel: 718
- Quality Controller: 1,440
- Electrician / Chargeman: 1,198
- Welder: 821
### Lotte Chemical Titan (M) Sdn. Bhd.

**Quality Projects Approved in 2016**

<table>
<thead>
<tr>
<th>Existing Investments: RM 3,995.4 mil.</th>
<th>Additional Investments: RM 1,502.7 mil.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product/Activity:</strong> Expansion of Ethylene, Propylene, Benzene, Toluene</td>
<td></td>
</tr>
<tr>
<td><strong>Existing employment:</strong> 1,074</td>
<td></td>
</tr>
<tr>
<td>574 Engineers/Professional personnel</td>
<td></td>
</tr>
<tr>
<td>306 Management personnel</td>
<td></td>
</tr>
<tr>
<td>194 Skilled workers</td>
<td></td>
</tr>
<tr>
<td><strong>Additional Employment:</strong> 36</td>
<td></td>
</tr>
<tr>
<td>32 Engineers/Professional personnel</td>
<td></td>
</tr>
<tr>
<td>4 Management personnel</td>
<td></td>
</tr>
<tr>
<td>8 Skilled workers</td>
<td></td>
</tr>
<tr>
<td><strong>Location:</strong> Johor</td>
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</tbody>
</table>

**Highlights:**
This expansion project will be using a new technology for cracking naphtha feedstock, based on fluidised catalytic cracking technology which has the flexibility to convert a variety of feedstock into high-value olefins (ethylene, propylene) and aromatics (benzene, toluene). This project is also in line with the 11th Malaysia Plan.

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<table>
<thead>
<tr>
<th>Existing Investments: RM 3,995.4 mil.</th>
<th>Additional Investments: RM 568.4 mil.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product/Activity:</strong> Expansion of Polypropylene</td>
<td></td>
</tr>
<tr>
<td><strong>Existing employment:</strong> 1,074</td>
<td></td>
</tr>
<tr>
<td>574 Engineers/Professional personnel</td>
<td></td>
</tr>
<tr>
<td>306 Management personnel</td>
<td></td>
</tr>
<tr>
<td>194 Skilled workers</td>
<td></td>
</tr>
<tr>
<td><strong>Additional Employment:</strong> 29</td>
<td></td>
</tr>
<tr>
<td>21 Engineers/Professional personnel</td>
<td></td>
</tr>
<tr>
<td>8 Skilled workers</td>
<td></td>
</tr>
<tr>
<td><strong>Location:</strong> Johor</td>
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</tr>
</tbody>
</table>

**Highlights:**
This project will increase the capacity of polypropylene resin to meet the demand of domestic and overseas market. The proposed polypropylene plant will utilise propylene produced by them internally.
### Biocon Sdn. Bhd.

**Existing Investments:** RM577 mil.
**Additional Investments:** RM405.8 mil.

**Product/Activity:**
Insulin and analogues, Therapeutics rDNA Proteins-
Insulin and Analogues, monoclonal Antibodies, small
molecule sterile injectables and drug delivery devices:
auto injectors, vials, cartridges and pens

**Existing Employment:** 450
**Additional Employment:** 81

**Location:**
Nusajaya, Johor

**Highlights:**
A project by a wholly foreign-owned company
manufacturing first Malaysian made recombinant
human insulin. It includes an integrated full-fledged
R&D center. With the commercialization of the project,
potential foreign exchange savings accrue to the
Malaysian economy with the supply of locally
manufactured product for diabetics.

### Ain Medicare Sdn. Bhd.

**Existing Investments:** RM206.7 mil.
**Additional Investments:** RM117.8 mil.

**Product/Activity:**
Intravenous solution and irrigation solution

**Existing Employment:** 869
**Additional Employment:** 130
- All Malaysian
- MTS – 50% (65 workers)

**Location:**
Kota Bharu, Kelantan

**Highlights:**
A project by a Malaysian-owned company to
manufacture intravenous solutions and irrigation
solutions. This project is expected to train more
graduates from local universities, especially in technical
skills. The project has identified approximately 100 local
vendors for vendor development programmes in various
areas such as logistics, packaging, components, raw
materials, engineering and electricals.
Quality Projects Approved in 2016

Assembly Services Sdn. Bhd.

Existing Investments: RM255.9 mil.
Additional Investments: RM1.16 bil.

Product/Activity:
Assembly of Energy Efficient Vehicles (EEVs)

Existing employment: 2,827
Additional Employment: 936
83 - Engineers/Professional personnel
76 - Management personnel
129 - Skilled workers

Location:
Bukit Raja, Klang, Selangor

Highlights:
This expansion project will adopt Toyota’s latest state of the art manufacturing technology with application of smart manufacturing concept. Malaysia’s operation will be one of Toyota’s top global assembly facilities.


Investments: RM95.2 mil.

Product/Activity:
Automated wafer inspection module & machine, automated wafer 3D profiling & thin film measurement module & machine, automated material resistivity measurement module & machine, automated wafer packing/unpacking machine

Employment: 45
29 - Engineers/Professional personnel
8 - Management personnel
5 - Skilled workers

Location:
Melaka

Synergy Integrated Resources is wholly owned subsidiary of Accules Sdn Bhd

Highlights:
This project will help to strengthen and complement the semiconductor industry ecosystem in Malaysia, especially in the front-end equipment manufacturing. Invested heavily in R&D with expenditure reach up to RM84 million in the first 3 years of operation.
Quality Projects Approved in 2016  
Cont’d

Keysight Technologies Malaysia Sdn. Bhd.

- **Existing Investments**: RM503 million
- **Additional Investments**: RM137.4 million

**Product/Activity:**
Microwave & communications, component test, electronics instruments, oscilloscope and protocol and modular solutions

- **Existing Employment**: 2478
- **Additional Employment**: 400
  - 353 Engineers/Professional personnel
  - 47 Management personnel

**Location:**
Bayan Lepas, Penang

**Highlights:**
This project will bring high income jobs and knowledge of frontier technology in test and measurement which is in line with the national agenda of high income and high knowledge.

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ROHM-Wako Electronics (Malaysia) Sdn. Bhd.

- **Existing Investments**: RM919 million
- **Additional Investments**: RM210 million

**Product/Activity:**

- **Existing Employment**: 1834
- **Additional Employment**: 1,000
  - 30% are Science & Technical staff

**Location:**
Kelantan

**Highlights:**
ROHM-Wako Electronics (Malaysia) is the biggest ROHM Group entity in Southeast Asia. Company produces wide-line diodes for automotive sector.
Quality Projects Approved in 2016

**Longi (Kuching) Sdn. Bhd.**

**Investments:** RM1.06 billion

**Product/Activity:** Solar Ingot, Wafer Cells and Modules

**Employment:** 2,360

- 124 Management
- 588 Technical/Supervisory personnel
- 659 Skilled workers
- 200 Sales, Clerical & Others
- 789 Operators

**Location:** Kuching, Sarawak

**Highlights:**
This project will help strengthen the current E&E solar industry ecosystem in Sarawak, expanding the scope and the value chain of front-end activities.

**Jinko Solar Technology Sdn. Bhd.**

**Existing Investments:** RM310 million

**Additional Investments:** RM482.8 million

**Product/Activity:** PV Cells and Modules.

**Existing Employment:** 1,333

**Additional Employment:** 2,552

- 71 Management
- 619 Technical/Supervisory personnel
- 1217 Skills workers
- 1978 Operators

**Location:** Prai, Penang

**Highlights:**
Established operation in Malaysia 2015 with production of solar modules of 1 GW, and now with expansion project the production capacity of solar modules to be increased to 1.5GW
The bulk of investments came from Petroleum Products, E&E Products, Basic Metal Products and Transport Equipment.

2016

- Petroleum Products (Inc. Petrochemicals): 9.2 billion (16%)
- Basic Metal Products: 15.9 billion (27%)
- Natural Gas: 3.1 billion (5.5%)
- Chemical & Chemical Products: 3.0 billion (5.3%)
- Non-Metallic Mineral Products: 2.3 billion (4.1%)
- Rubber Products: 3.7 billion (6.7%)
- Rubber Products: 5.0 billion (9%)
- Others: 3.7 billion (6.7%)

Total: RM58.5 billion (27%)

2015

- Petroleum Products (Inc. Petrochemicals): 10.4 billion (14%)
- Basic Metal Products: 27.0 billion (36%)
- Natural Gas: 6.5 billion (9%)
- Chemical & Chemical Products: 3.6 billion (5.2%)
- Non-Metallic Mineral Products: 2.6 billion (3.5%)
- Rubber Products: 8.9 billion (12%)
- Others: 3.0 billion (4.1%)

Total: RM74.7 billion (27%)

Manufacturing

<table>
<thead>
<tr>
<th>Industry</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum Products (Inc. Petrochemicals)</td>
<td>9.2 billion (16%)</td>
<td>10.4 billion (14%)</td>
</tr>
<tr>
<td>Basic Metal Products</td>
<td>15.9 billion (27%)</td>
<td>27.0 billion (36%)</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>3.1 billion (5.5%)</td>
<td>6.5 billion (9%)</td>
</tr>
<tr>
<td>Chemical &amp; Chemical Products</td>
<td>3.0 billion (5.3%)</td>
<td>3.6 billion (5.2%)</td>
</tr>
<tr>
<td>Non-Metallic Mineral Products</td>
<td>2.3 billion (4.1%)</td>
<td>2.6 billion (3.5%)</td>
</tr>
<tr>
<td>Rubber Products</td>
<td>3.7 billion (6.7%)</td>
<td>8.9 billion (12%)</td>
</tr>
<tr>
<td>Others</td>
<td>5.0 billion (9%)</td>
<td>7.0 billion (10%)</td>
</tr>
</tbody>
</table>
Approved investment in the catalytic and high potential growth sectors contributed to 31.3% of total approved investments in the manufacturing sector in 2016.
Johor’s approved investments of RM26.4 bil. represented 45% of total investments approved in 2016.
Investments by State

**MIDA’s efforts** since the early years, in collaboration with the relevant agencies, contributed to **the investments in the states**

**Investment Missions** led by YAB PM, YAB DPM and YB Minister of MITI promote the attractiveness of Malaysia as the preferred investment destination

**Follow-up investment Missions** by the relevant states and agencies are facilitated by MIDA and its overseas networks

The **success** of the **top states** today as preferred investment destination is largely **contributed** by **investment facilitation efforts** as well as the more developed infrastructure undertaken over the years
Investments of **RM20.1 billion** were approved in the investment corridors.
Projects Implemented as at 31 December 2016
Approved between 2012 – 2016

Investments worth RM207.7 bil. in implemented projects (2012-2016)

- **Not Implemented**: 6% (212 projects)
- **Active Planning**: 11% (430 projects)
- **Site Acquired**: 1% (41 projects)
- **Machinery Installation & Factory Construction**: 3% (122 projects)
- **Production**: 79% (3,010 projects)

Average Implementation rate between 2012 – 2016: 82%

Source: MIDA
INVESTMENTS APPROVED IN THE SERVICES SECTOR
## Approved Investments in the Services Sector

Services sector contributed to **68%** of approved investments in 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approved Investments</strong></td>
<td>RM141.2 bil.</td>
<td>RM114.5 bil.</td>
</tr>
<tr>
<td><strong>Projects</strong></td>
<td>4,199</td>
<td>4,470</td>
</tr>
<tr>
<td><strong>Jobs</strong></td>
<td>88,108</td>
<td>112,194</td>
</tr>
</tbody>
</table>

**Graph:**
- **RM Million**
  - **2016:** 141,210
  - **2015:** 114,548

**Change:**
- **Approved Investments:** 23%
- **Projects:** -6%
- **Jobs:** -22%
Domestic investments continue to dominate. FDI increased by 128% to RM28.3 bil. compared to RM12.4 bil. in 2015.
Real Estate, Global Establishment, Financial Services, Utilities and Distributive Trade were the major subsectors.
Investments in Global Establishments increased by **72%**

**RM 14.1 bil.**

**211 Projects**

Global Establishments
Kuala Lumpur, Penang, Selangor and Johor were the major states approved with investments in Global Establishment.
INVESTMENTS APPROVED IN THE PRIMARY SECTOR
Approved Investments in the Primary Sector

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Investments</td>
<td>RM8.2 bil.</td>
<td>RM3.8 bil.</td>
</tr>
<tr>
<td>Projects</td>
<td>40</td>
<td>57</td>
</tr>
<tr>
<td>Jobs</td>
<td>836</td>
<td>1,556</td>
</tr>
</tbody>
</table>

- **Approved Investments**: RM8.2 bil. (116% increase) vs. RM3.8 bil. (30% decrease)
- **Projects**: 40 vs. 57 (46% decrease)
- **Jobs**: 836 vs. 1,556 (46% decrease)

### Approved Investments by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Plantation &amp; Commodities</td>
<td>0.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Mining</td>
<td>7.6</td>
<td>2.8</td>
</tr>
</tbody>
</table>
INVESTMENTS APPROVED IN THE SERVICES SECTOR

INVESTMENT SPIN-OFFs
Investment Spin-offs

CYPARK RESOURCES BERHAD – Spurring the Growth of Renewable Energy (RE)

A successful player in Renewable energy solar PV, Across multiple locations in Malaysia.

Installed Capacity:

- **2MW**
  - in Pontian, Johor

- **6MW**
  - in Kuala Perlis

- **5.3MW**
  - Selasih Mentari Sdn. Bhd.
  - in Rantau, Negeri Sembilan

- **13MW**
  - in Pajam, Negeri Sembilan

- **3MW**
  - Gaya Dunia Sdn. Bhd.
  - in Bukit Palong, Negeri Sembilan

As part of its “Agriculture Integrated PV” (AIPV) project, the company successfully integrated agriculture into its solar parks, producing both upstream and downstream agriculture based products under the brand name of “eFRUTZ”

With investments of more than **RM300 million**, this is Malaysia’s first integrated solid waste management system using solid waste modular advanced recovery and treatment (SMART) system.

Already completed **12 utility scale solar projects** at six (6) locations in Peninsular Malaysia.

Exported more than **95,000MWh** of green electricity to the grid.

Successfully remediate **600 acres** of contaminated land for all its projects in Peninsular Malaysia.

Venturing into waste-to-energy (WtE), and will be located in Ladang Tanah Merah, Port Dickson, Negeri Sembilan.
FINISAR MALAYSIA SDN. BHD

A leading US technology company, a global technology leader in optical communications.

The world-class products enable high-speed voice, video and data communications for networking, storage, wireless, and cable TV applications.

The investment will include expansion of its 100,000 sq ft facility in Chemor, Perak.

This will bring its total investment in Malaysia to RM1 billion with potential revenue of RM38.5 billion over the next ten years.

US$160 million
Invested in Perak, Malaysia, looking at investing additional RM400 million to expand its business in Malaysia. With a workforce of 6000 employees, Finisar remains the largest employer in Perak contributing to 24% of Perak’s manufacturing GDP.

Future Plans
Expected to invest heavily in sourcing local products as part of its supply chain amounting to RM3 billion over the next ten years.
Investment Spin-offs

SANDISK STORAGE MALAYSIA SDN. BHD.

With its acquisition by Western Digital in 2016, SanDisk will extend its product and technology platform that includes both expertise in rotating magnetic storage and non-volatile memory.

In 2014, SanDisk established a new plant in Batu Kawan, Penang which produces flash memory solutions and made the Malaysian plant the world’s first state-of-the-art vertically integrated solid-state drive (SSD) manufacturing facility. The plant, built on a 30.4-acre land employs 1,000 employees with over 50% of them working in professional and technical positions.

Operation in Malaysia includes in its supply-chain over 100 local suppliers, creating a healthy business climate for the local SSD industry. Through its Global Supply Chain Management Centre, the company it contributes positively to the logistics and financial services sector in Malaysia. Will continue to strengthen the growth of the E&E industry in Malaysia with its continued developments in high-technology manufacturing.
Investment Spin-offs

HONEYWELL

Established its operation in Malaysia since 1985, Honeywell is a world-renowned Fortune 100 diversified technology and manufacturing company.

Created 100 high-value jobs. Of these, half of the workforce are local, with 88% of them holding leadership positions.

September 2016

Has invested RM1.8 billion into this operation.

Principal Hub has utilised RM11.1 million of local ancillary services.

The company’s latest addition to its existing entities is the Principal Hub which will be a coordination centre leveraging on Malaysia’s strategic location to support its expansion into ASEAN market.

With expertise in areas defined as National Key Economic Areas (NKEAs) by the Government of Malaysia, Honeywell’s Principal Hub supports knowledge transfer and creation of an ecosystem that supports these industries.

With the establishment of the Principal Hub in Malaysia, Honeywell is strategically positioned to complete both in the ASEAN region and Greater APAC markets.
According to UNCTAD, fundamentals support a rise in global FDI flows in 2017 but uncertainties abound.

Global economic growth is projected to accelerate to 3.4% in 2017 compared to 3.1% in 2016.

Greater economic activity boost world trade volumes and forecast to expand by 3.8% in 2017 compared to 2.3% in 2015.

UNCTAD projects global FDI flows to increase by 10% over the year.

The World Bank expects Malaysia’s economy to remain resilient to external headwinds, with GDP growth projected around 4.2% in 2016 and 4.3% in 2017.

Source: IMF / UNCTAD / The World Bank
Way Forward

Mitigating Strategies

Implementing the manufacturing sector’s investment strategies/policy formulations on 11MP’s “3+2” catalytic and growth sectors

Increasing efforts to develop and enhance local supply chains 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.

Adopting and adapting to the Fourth Industrial Revolution/ Industry 4.0 or the Smart Manufacturing revolution.

Leveraging on FTA Networks and AEC in making Malaysia an investment gateway and to gain better market access.

Continuously intensify handholding and facilitation efforts to actualise implementation of approved projects.

Continuing with Turun Padang visits, Roundtable Meetings, and other outreach programmes as a means of more direct engagement with the private sector and relevant stakeholders.
Investments in the Pipeline

As at February 2017

- Manufacturing (RM18.8 billion)
  - Sub-sectors
    - Chemicals & Chemical Products
    - E&E
    - Machinery & Metal

- Services (RM16.5 billion)
  - Sub-sectors
    - Global Establishments
    - Healthcare, Education & Hospitality
    - Others

- Major Sources of Foreign Investments
  - The Netherlands, Japan, Singapore, Switzerland and USA
Despite the challenging global economic scenario, Malaysia is well on its way to creating conducive investment landscape and attracting investments.

- Saudi Arabia’s state oil company Saudi Aramco invested RM31 bil. (US$7 bil.) into Malaysia’s Refinery and Petrochemical Integrated Development (RAPID) project in Pengerang in Johor.

- The RAPID project is expected to begin operations in the first quarter of 2019.

- RAPID will contain a 300,000 barrel-per-day oil refinery and a petrochemical complex with a production capacity of 7.7 million metric tonnes.

The project is a testimony of the confidence of investors in the economic policy and potential of Malaysia.
Despite challenges and global uncertainties, Malaysia continues to strengthen its growth momentum and remains as a competitive investment destination.

Some policy alignments are undertaken to address the misperceptions among investors.

Investments projects realised will have substantial effect on the economy;

- forward-and-backward linkages
- development of supporting industries
- transfer of technologies and R&D
- creation of employment opportunities
- local sourcing
- skills development
- generation of foreign exchange earnings
THANK YOU

MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY