

# **A RECORD YEAR**

**for Investment**

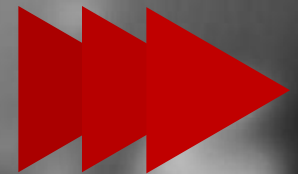


**MALAYSIA INVESTMENT PERFORMANCE REPORT 2014**



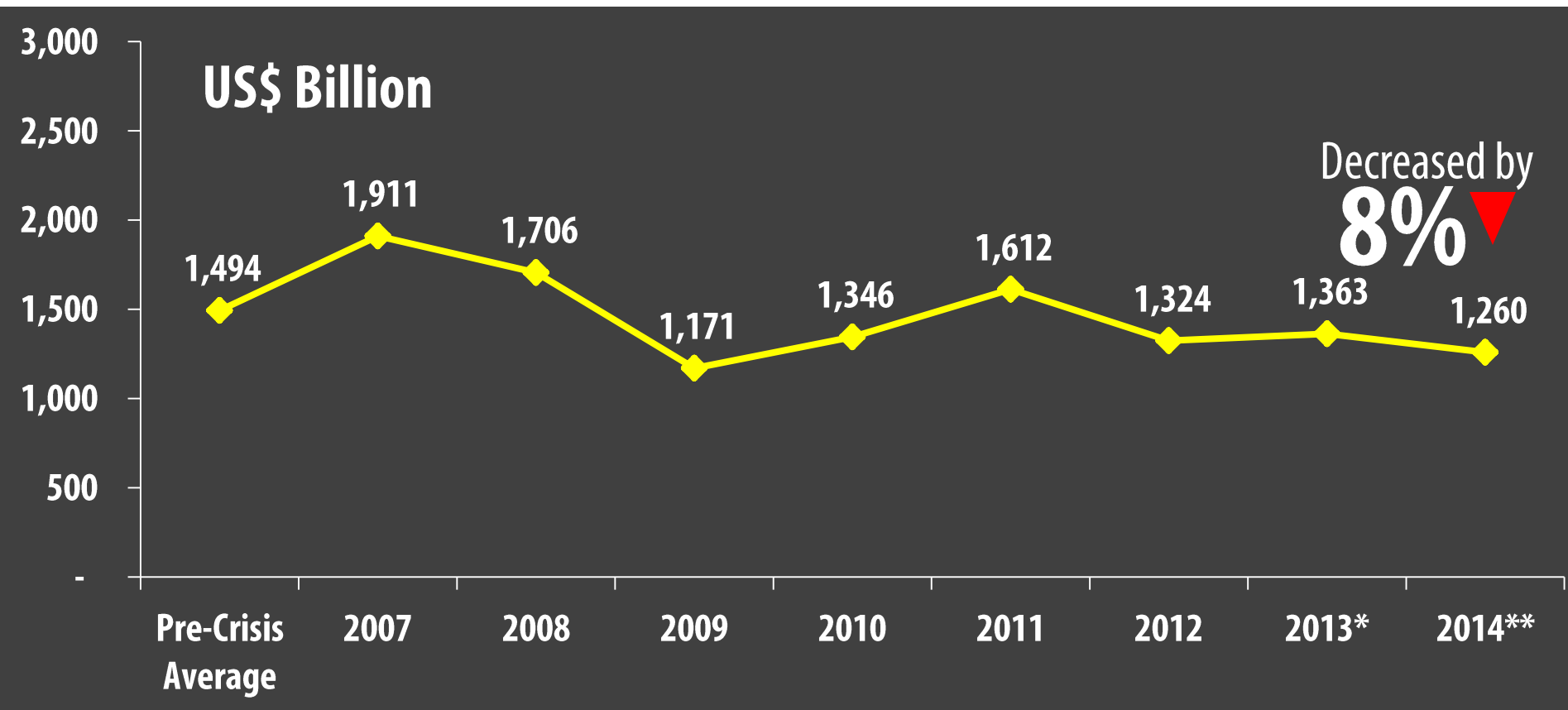
# **MAKING OUR MARK** ***-2014 IN BRIEF***

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# GLOBAL FDI INFLOWS

**Global FDI inflows in 2014  
declined by 8%**

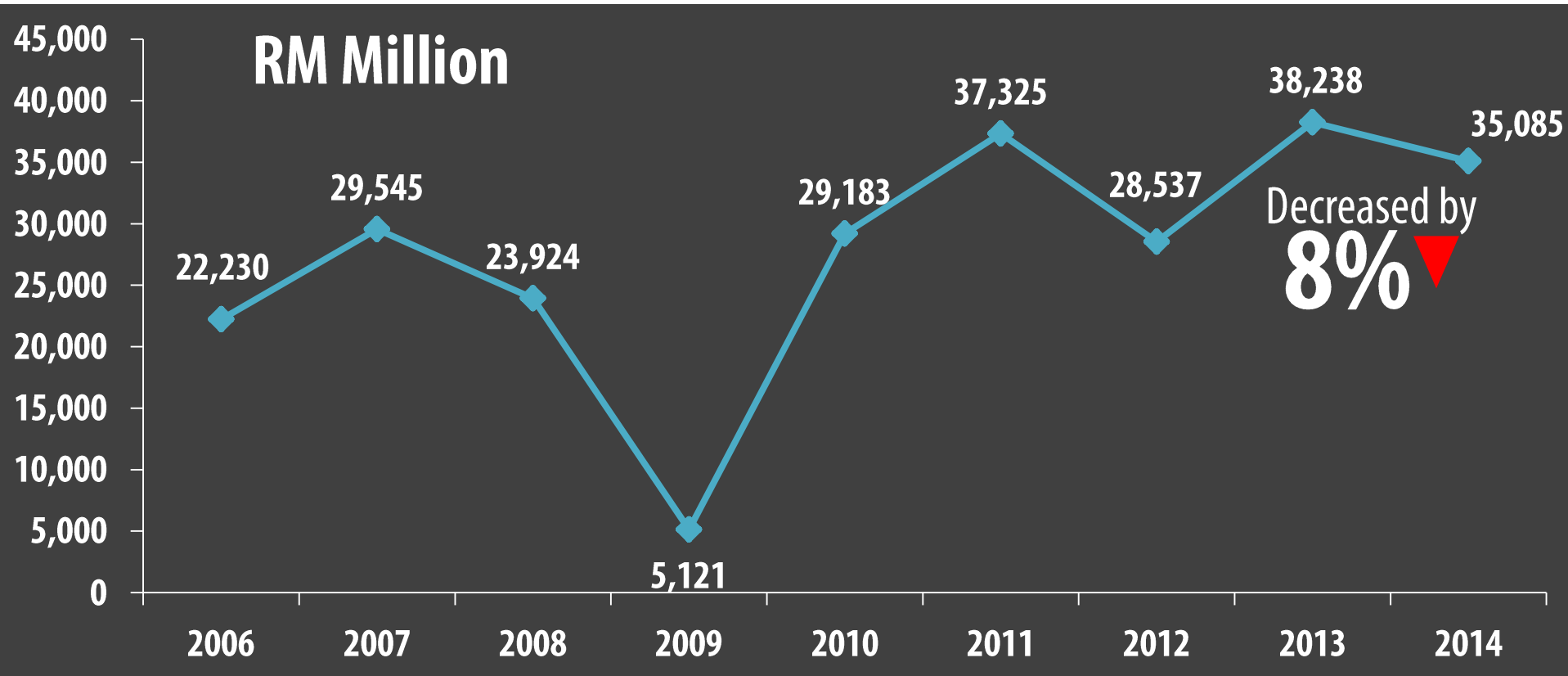


Note: \*Revised \*\*Preliminary Estimates

Source: UNCTAD's Global Investment Trends Monitor, 29 January 2015

# MALAYSIA'S FDI INFLOWS

Global FDI inflows into Malaysia declined by 8% in 2014



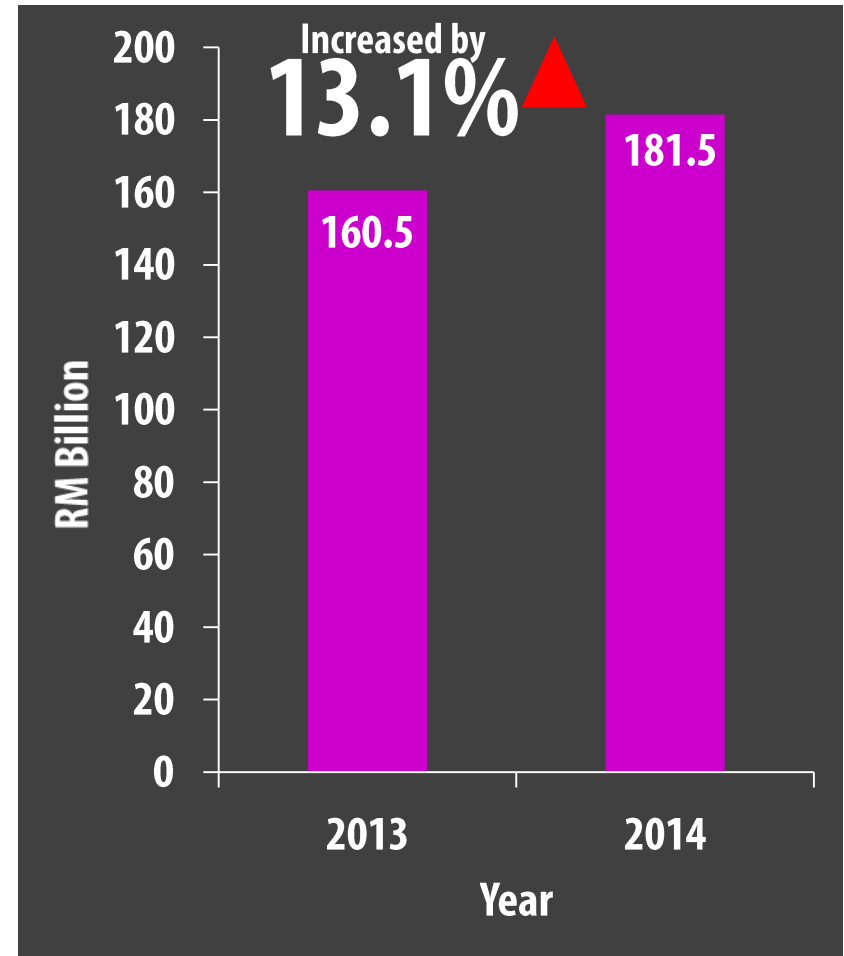
Source: DOSM

# REALISED PRIVATE INVESTMENTS 2014

**Reached a record RM181.5 billion, an increase of 13.1% compared with RM160.5 billion in 2013.**

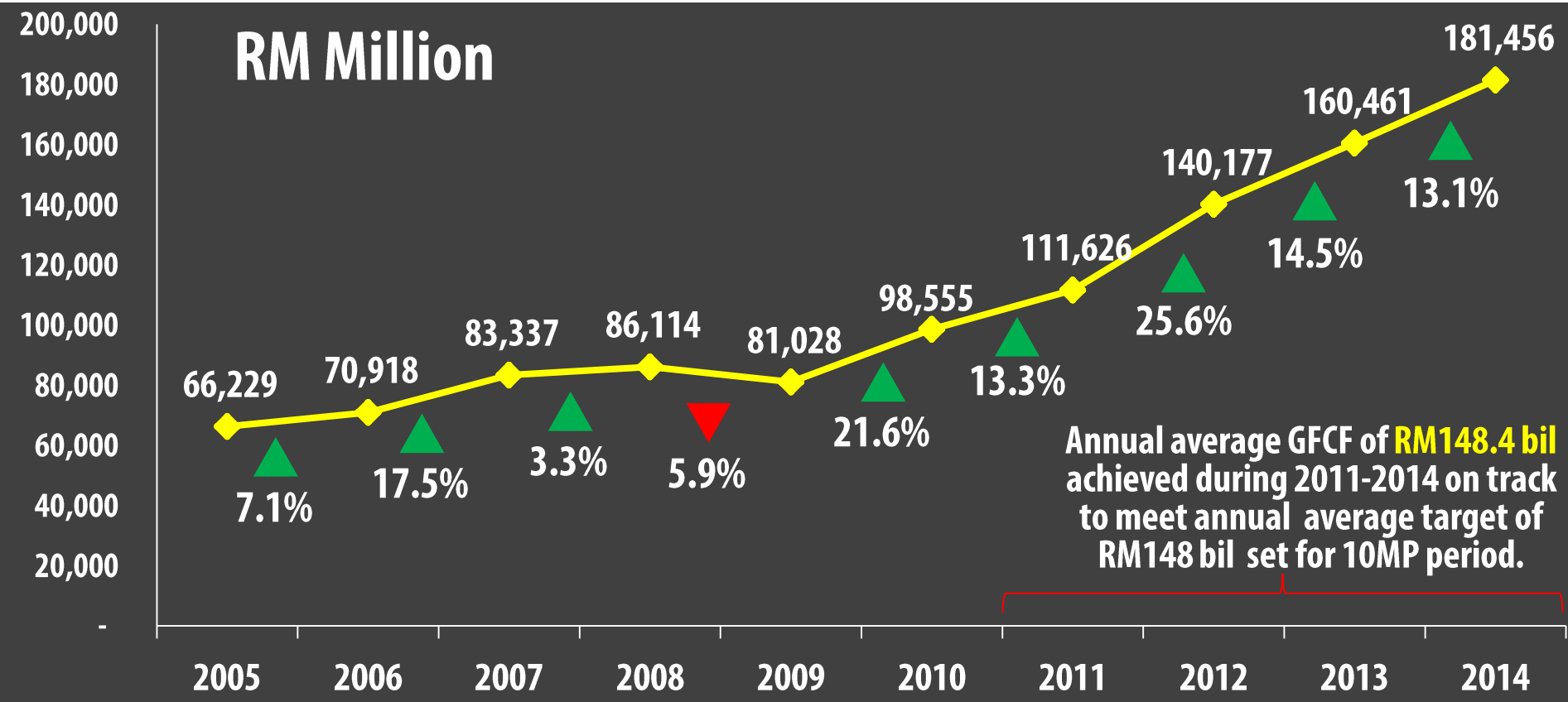
**Surpassing the RM148 billion average annual target at 10.9% growth set under the 10th Malaysia Plan.**

Source: DOSM



# REALISED PRIVATE INVESTMENTS 2014

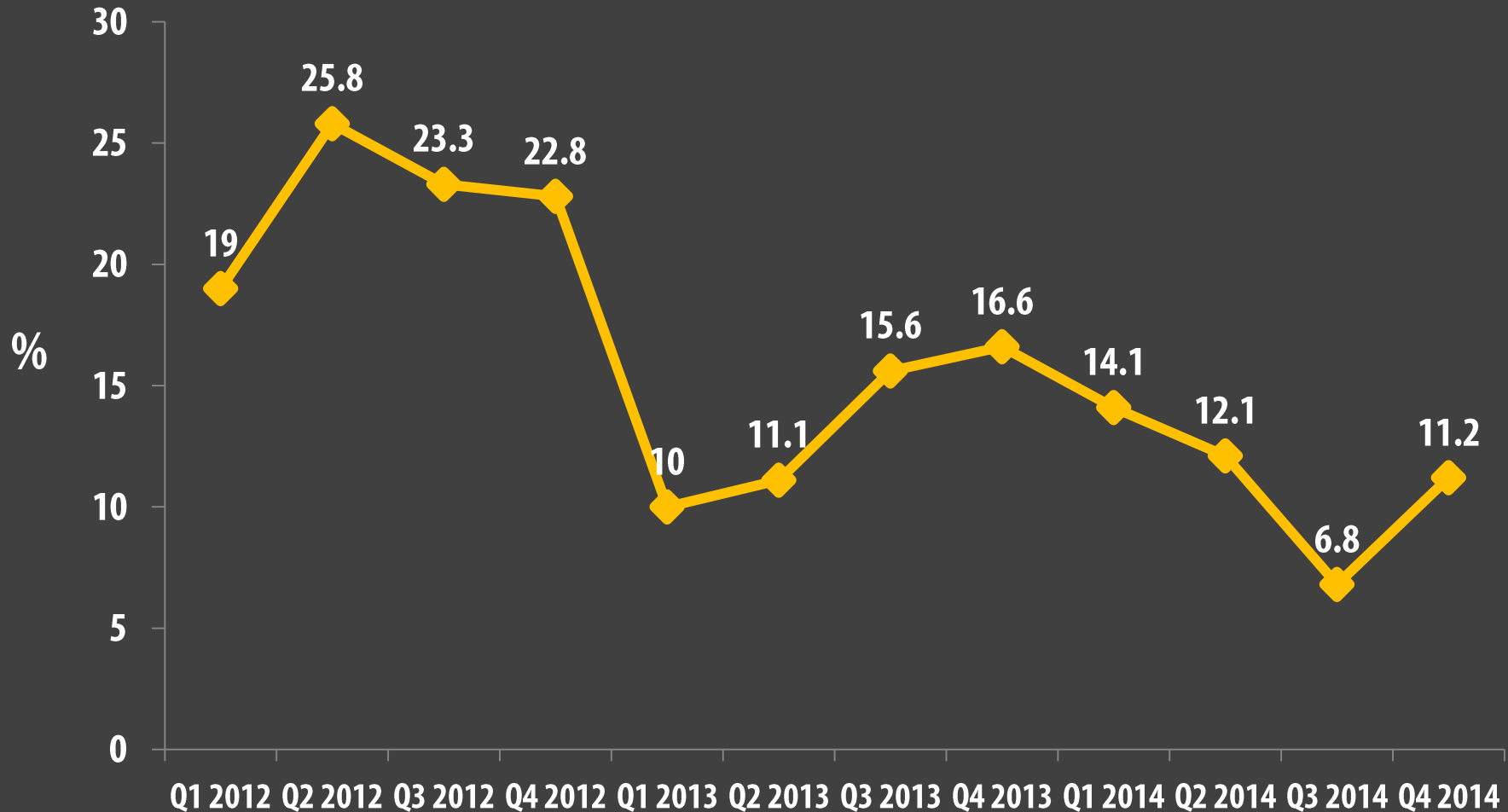
Yearly Gross Fixed Capital Formation (GFCF) consistently registered double-digit growth since 2010



Source: DOSM

# REALISED PRIVATE INVESTMENTS 2014

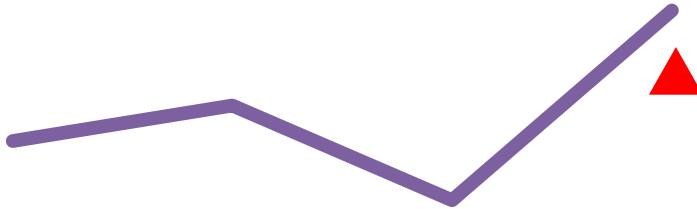
Double-Digit growth over corresponding quarters since Q1 2012



# APPROVED INVESTMENTS

**RM235.9 billion**

A new record for approved investments

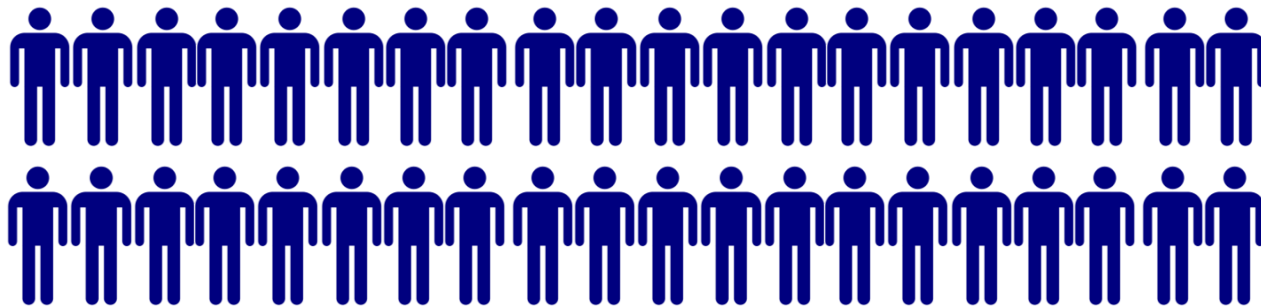
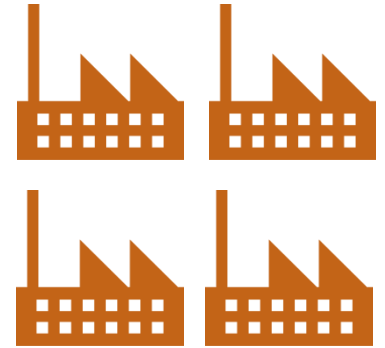


**72.6 : 27.4**

Domestic-Foreign  
investment ratio

**5,942**

Projects Approved



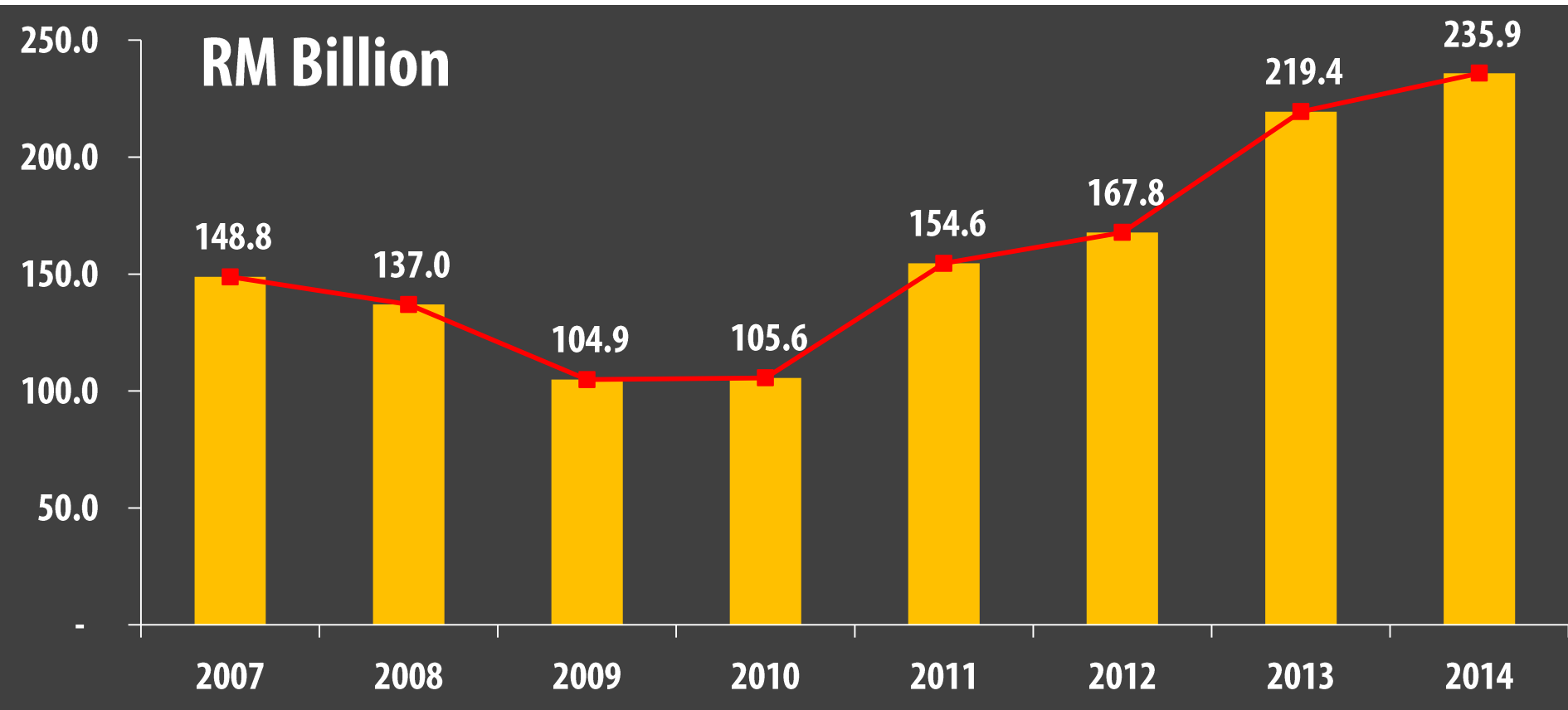
**178,360**

Employment  
opportunities



# TOTAL INVESTMENTS APPROVED IN 2014

Investments in Malaysia reached  
a new record level



# TOTAL INVESTMENTS APPROVED IN 2014



**RM235.9 billion**

Approved investments



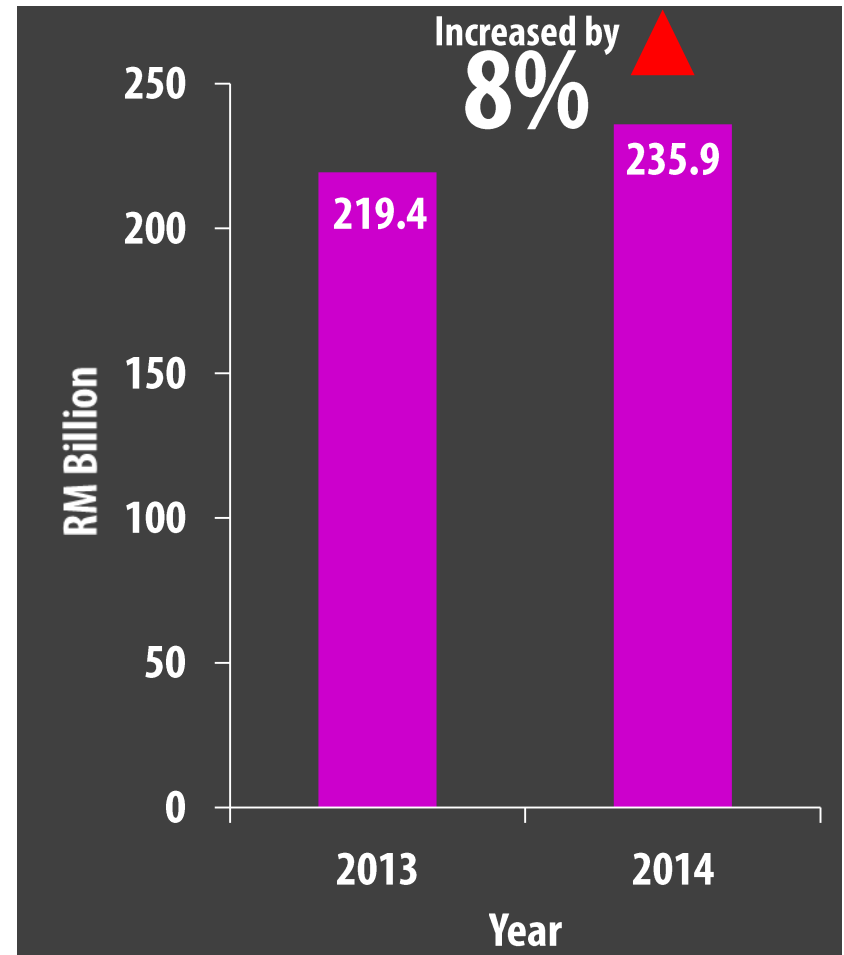
**178,360**

Jobs Created



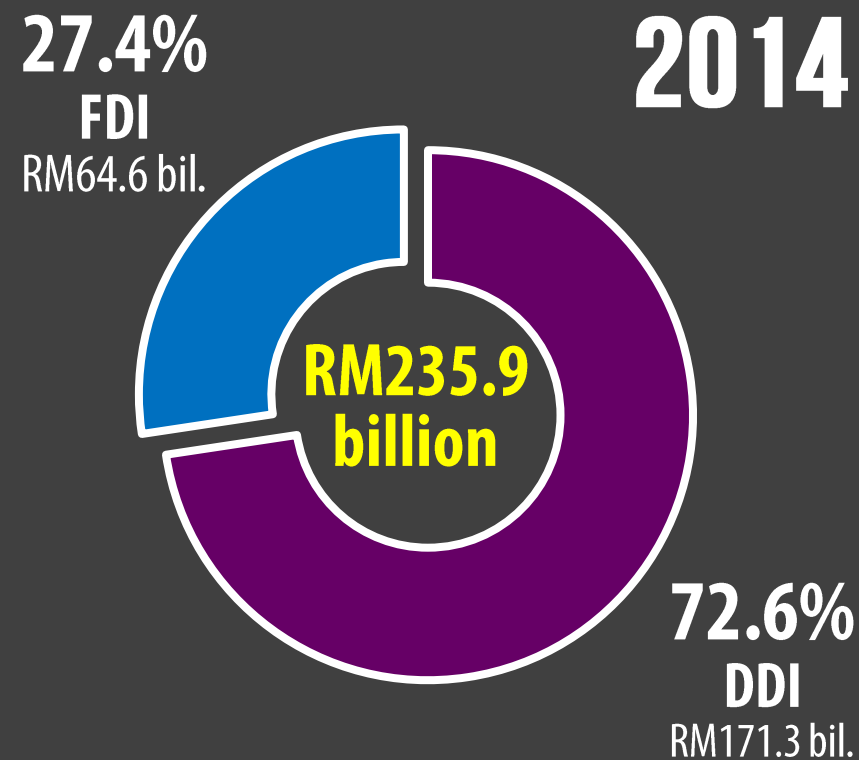
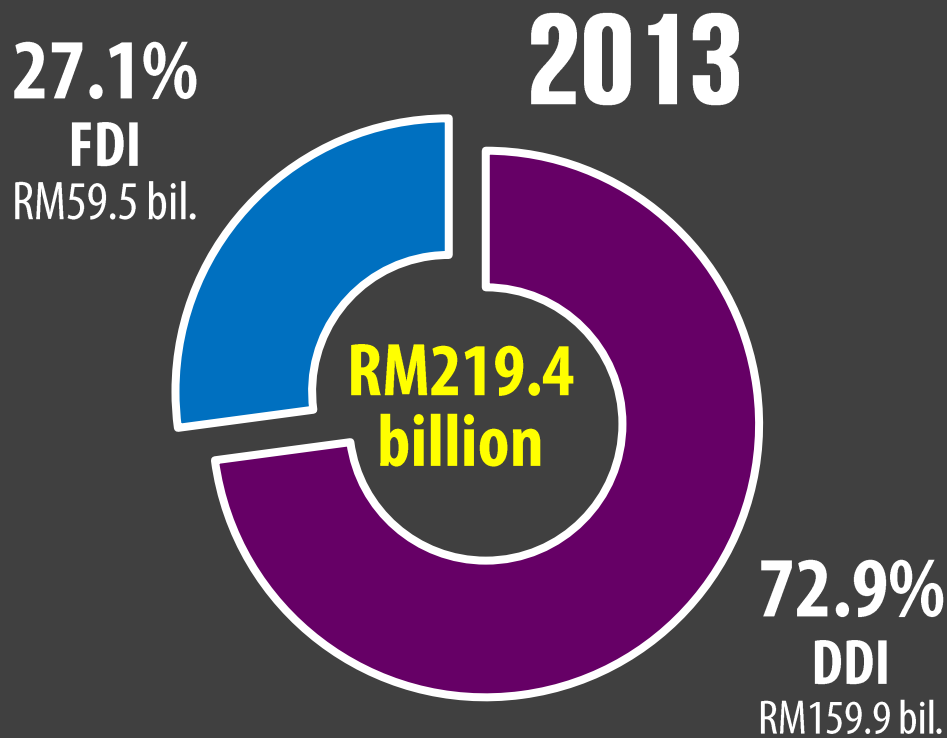
**5,942**

Projects Approved



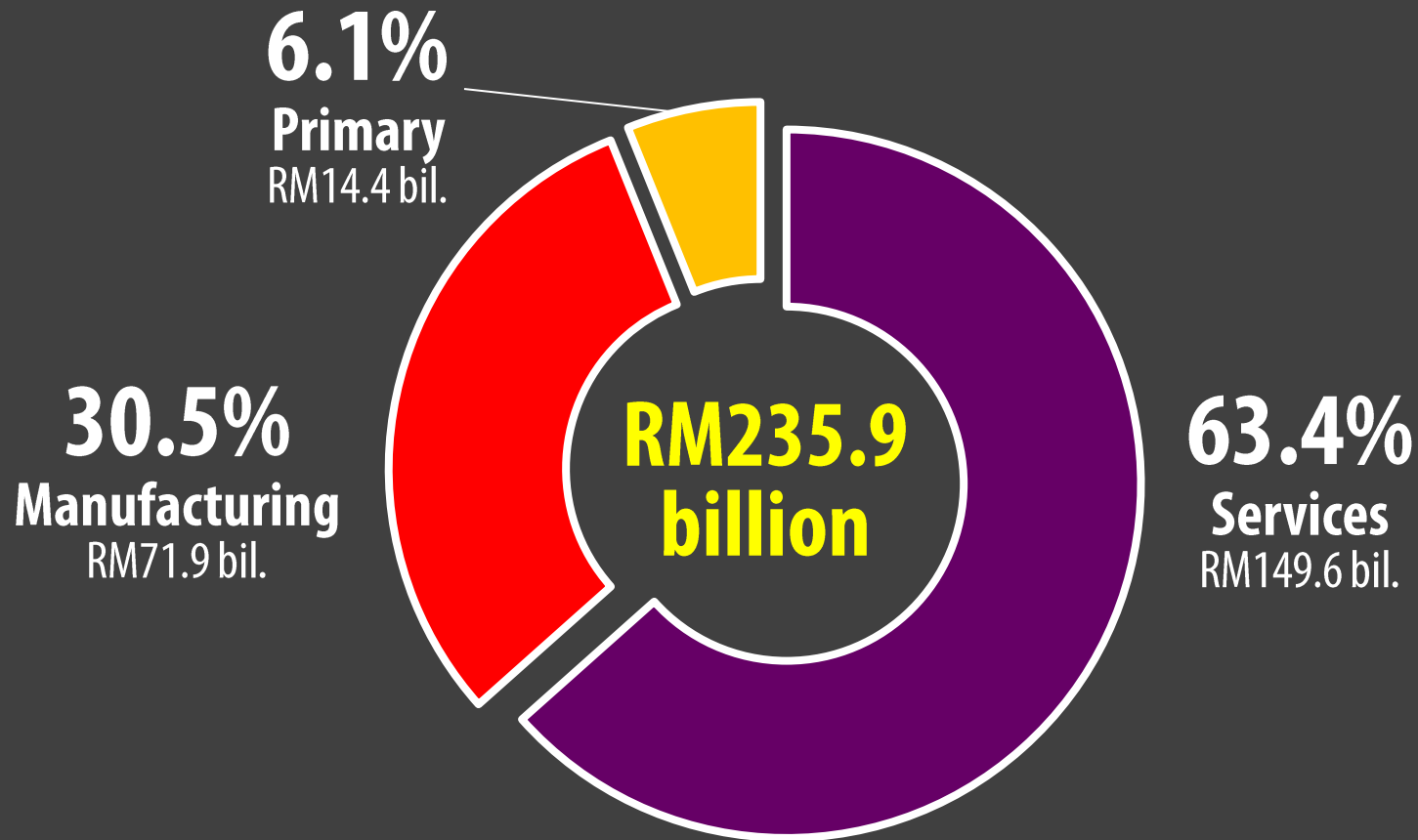
# TOTAL INVESTMENTS APPROVED IN 2014

Both Domestic Investments and  
FDI increased



# TOTAL INVESTMENTS APPROVED IN 2014

Services continues to lead, while Manufacturing contributes significantly in approved investments



# QUALITY PROJECTS APPROVED IN 2014

## Infineon Technologies



- Competence Centre for Megatrend Technologies in Kulim  
(RM780 million for R&D activities, 32 engineers employed full time)
- Expansion of Development Centre in Melaka, focusing on R&D competencies.
- Collaboration in areas of talent development with local universities.
- **EMPLOYMENT :**
  - Current : 9,390**
  - 1,315** engineers
  - 845** managers/professionals/researchers
  - 3,380** skilled workers

**PROJECT COST :**  
**RM4.0 bil.**

**PRODUCT / ACTIVITY :**  
Semiconductors for the automotive, power management and hardware security industries.

**INVESTMENTS :**  
**Existing : RM11 bil. (1 Kulim, 2 Melaka)**  
**Additional : RM4 bil. (Kulim)**

# QUALITY PROJECTS APPROVED IN 2014

## Pengerang Integrated Complex



- An entity of Johor State Pengerang Integrated Petroleum Complex (PIPC) under the ETP to establish new engines of growth for Malaysia.
- Meeting future energy requirement and strengthening PETRONAS' position as a key player in the Asian chemicals market, focusing on differentiated and specialty chemicals.

### PROJECT COST

**US\$27 billion** (2019 Forecast)

### PRODUCT / ACTIVITY :

Refinery and Petrochemical Integrated Development (RAPID) complex and its associated facilities.

### EMPLOYMENT :

**4,000** people (projected employment opportunities during PIC Operations (2019)

**800** Management

**1,600** Technical Professionals

**1,600** Skilled Technicians

# QUALITY PROJECTS APPROVED IN 2014

## Vitrox Technologies Sdn. Bhd.



### *Homegrown SME making its mark*

- Centre of Excellence (COE) for Machine Vision technology. Two main functions of the COE : A R&D/Incubator Centre and a Training Centre.
- The R&D/Incubator Centre enables SMEs to gain access to vision technology for their products.
- The Training Centre provides training to technopreneurs, professionals, researchers and institutions of higher learning on vision machine technology.

#### PROJECT COST :

**RM604.7 mil.**

#### INVESTMENTS :

**Existing : RM621.3 mil.**

**Additional : RM604.7 mil.**

#### PRODUCT / ACTIVITY :

Automated machine vision inspection solution providers

#### EMPLOYMENT :

**Current : 164**

**Additional 2014 : 336**

**2016 – 2020 : 1,000 (forecast)**

**555** engineers

**26** researchers

**152** technicians/skilled workers



# INVESTMENTS APPROVED IN THE MANUFACTURING SECTOR





# MANUFACTURING SECTOR

Approved investments grew  
year-on-year



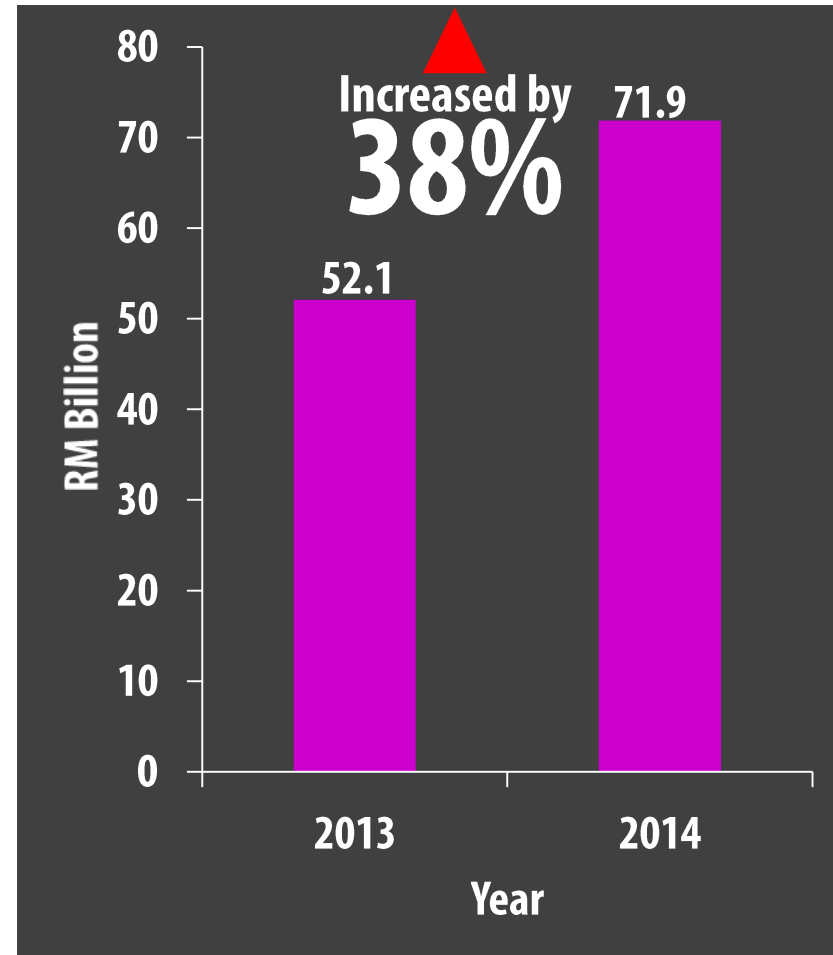
**811 PROJECTS**



**78,340 JOBS**

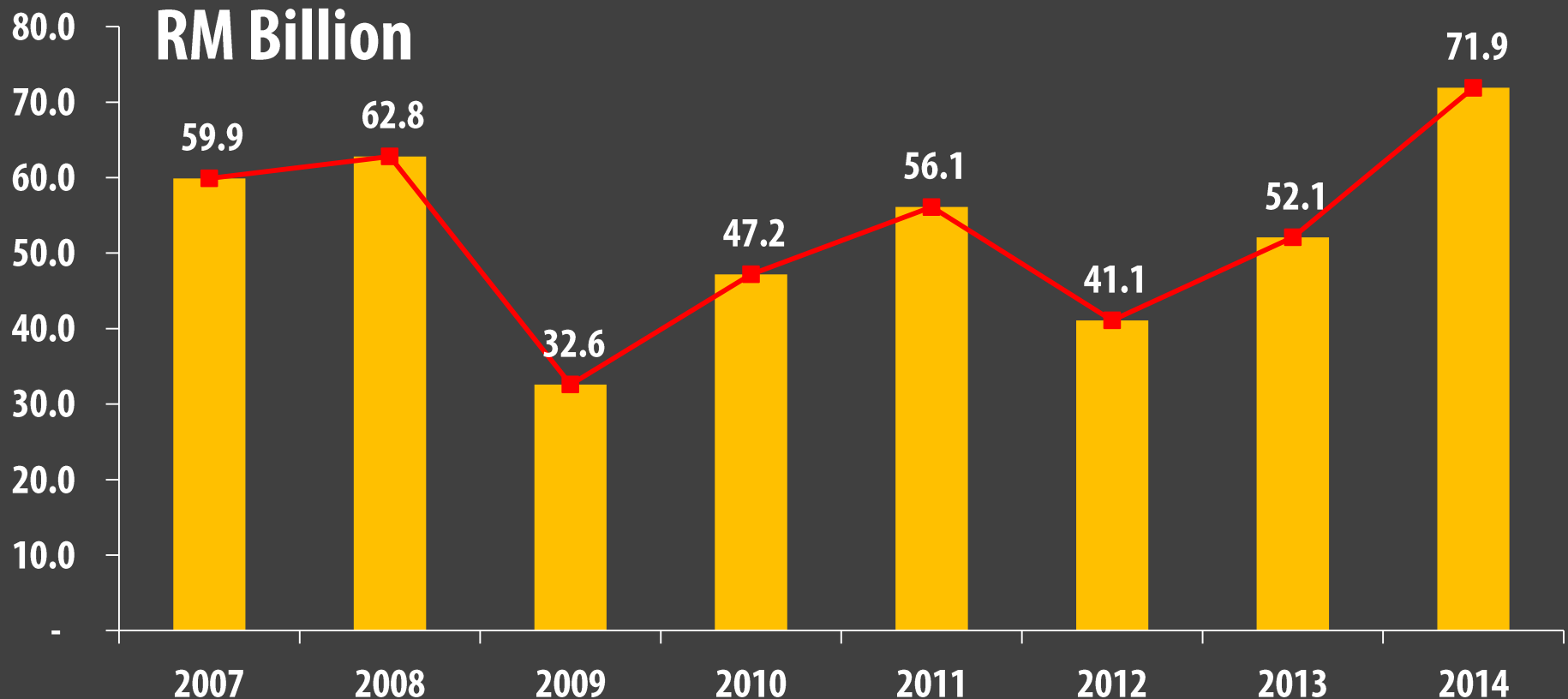
CIPE Ratio of **RM917,155** in  
**2014**, a surge of **64%** from  
**RM560,299** in 2013.

Note : CIPE - Capital Investment Per Employee



# MANUFACTURING SECTOR

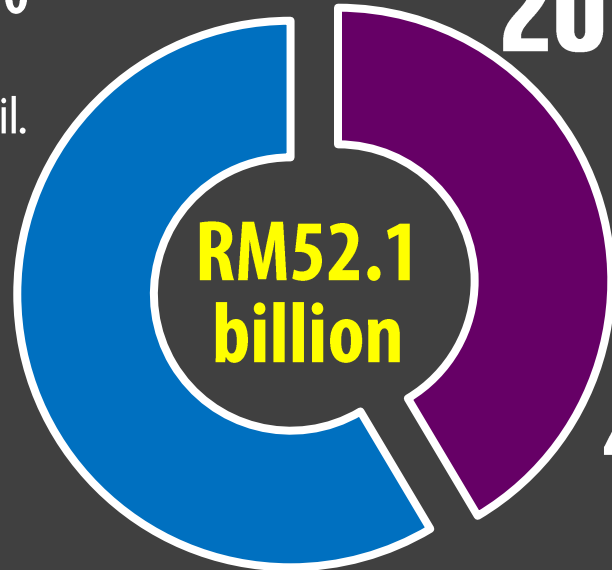
**Investments approved increased by 38%  
in 2014 vis-à-vis 2013 – A new record**



# MANUFACTURING SECTOR

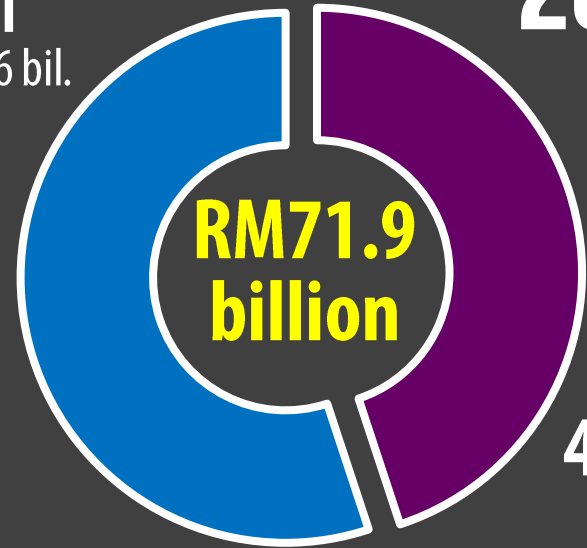
Continued investors' confidence in Malaysia as an investment destination

**58.5%**  
FDI  
RM30.5 bil.



**2013**

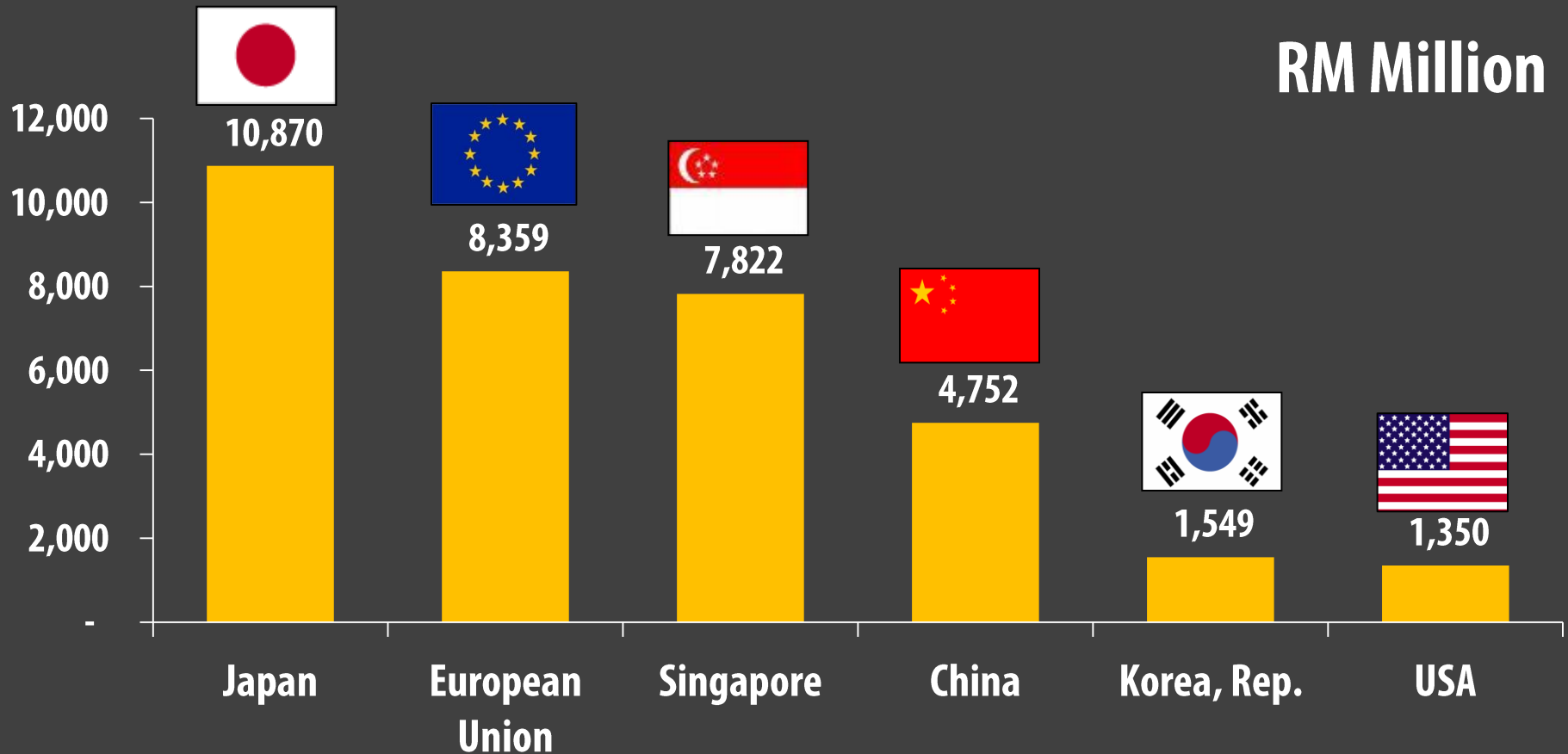
**55.1%**  
FDI  
RM39.6 bil.



**2014**

# MANUFACTURING SECTOR

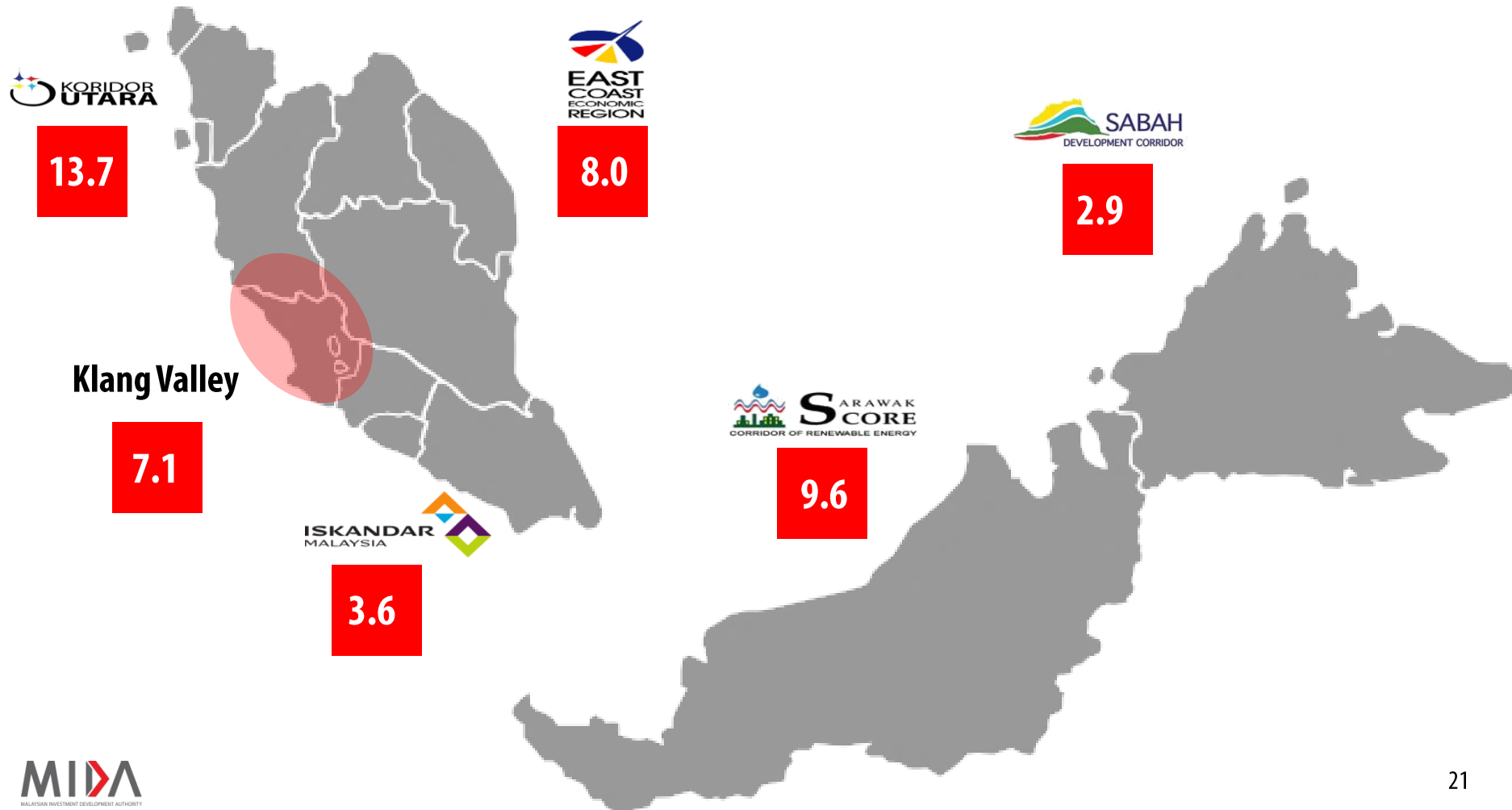
**70.1% of FDI came from Asian Countries  
while 24.5% were from EU and the USA**



# MANUFACTURING SECTOR

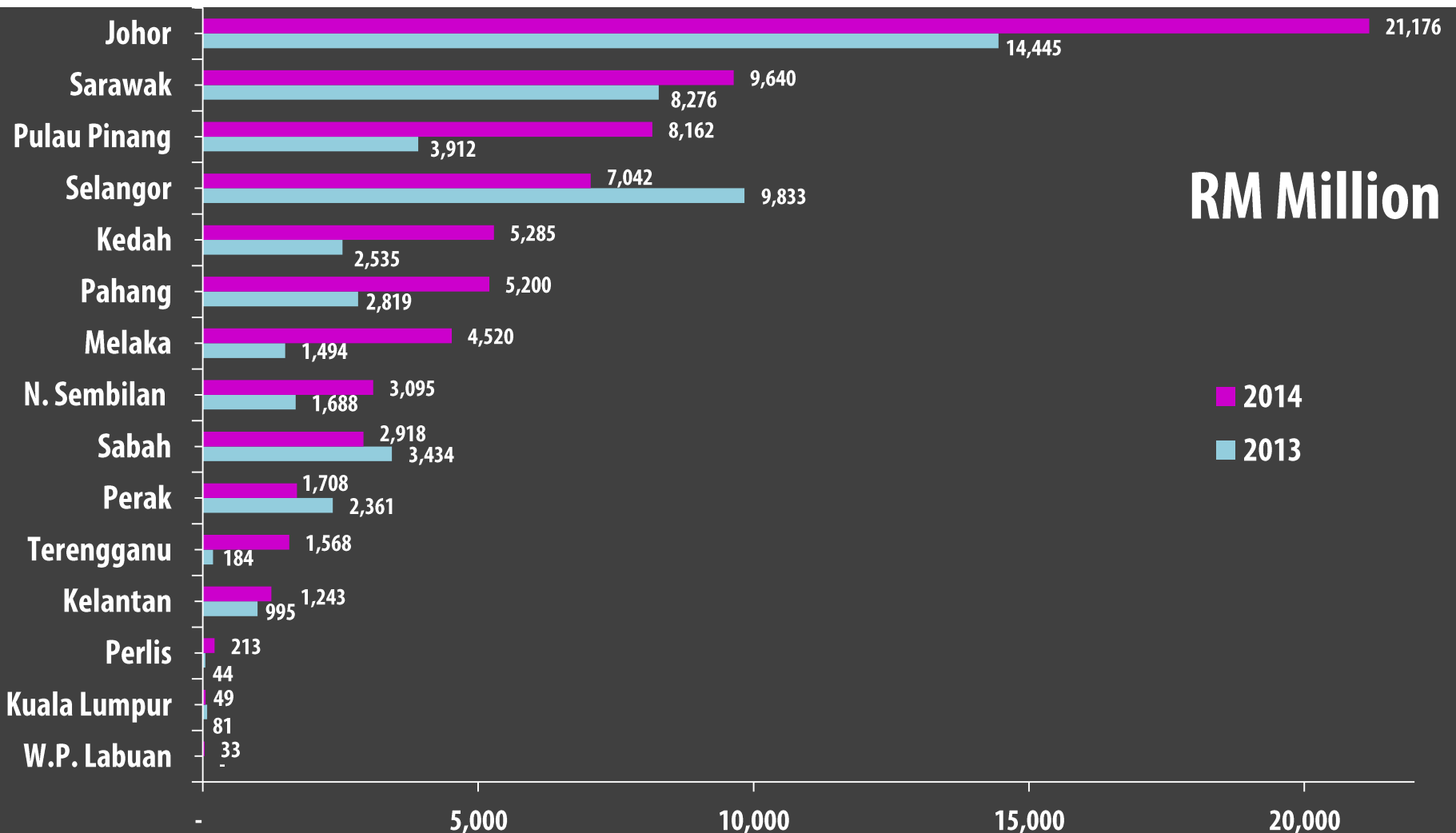
## *Investment Hotspots*

■ Investments Approved (RM bil.)



# MANUFACTURING SECTOR

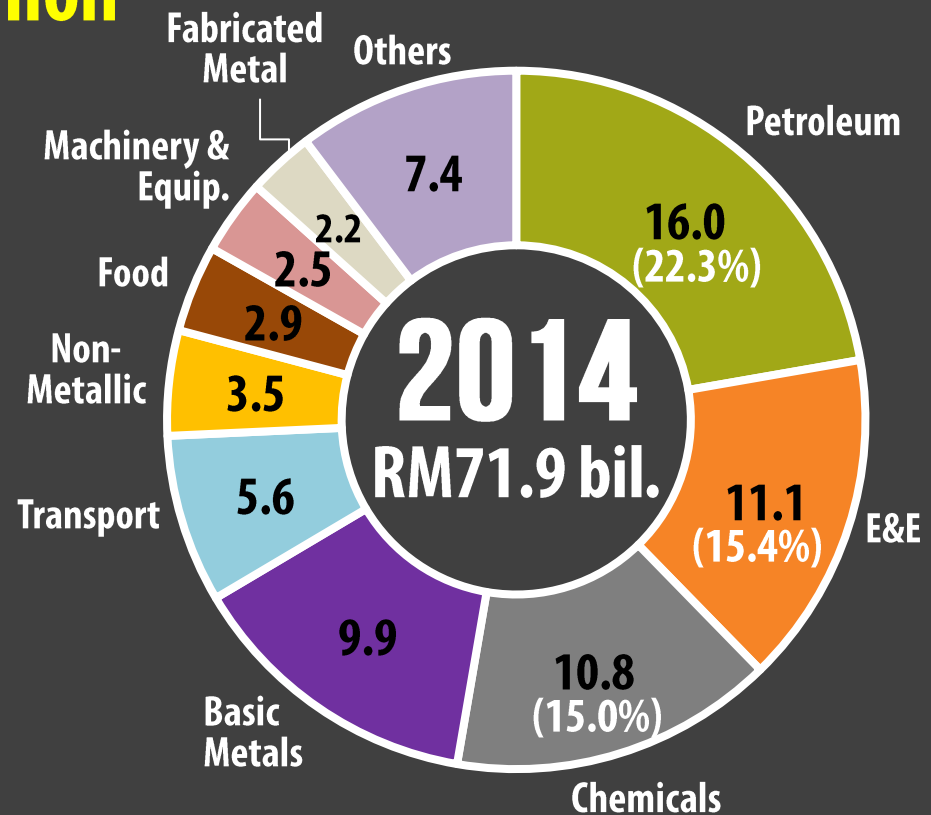
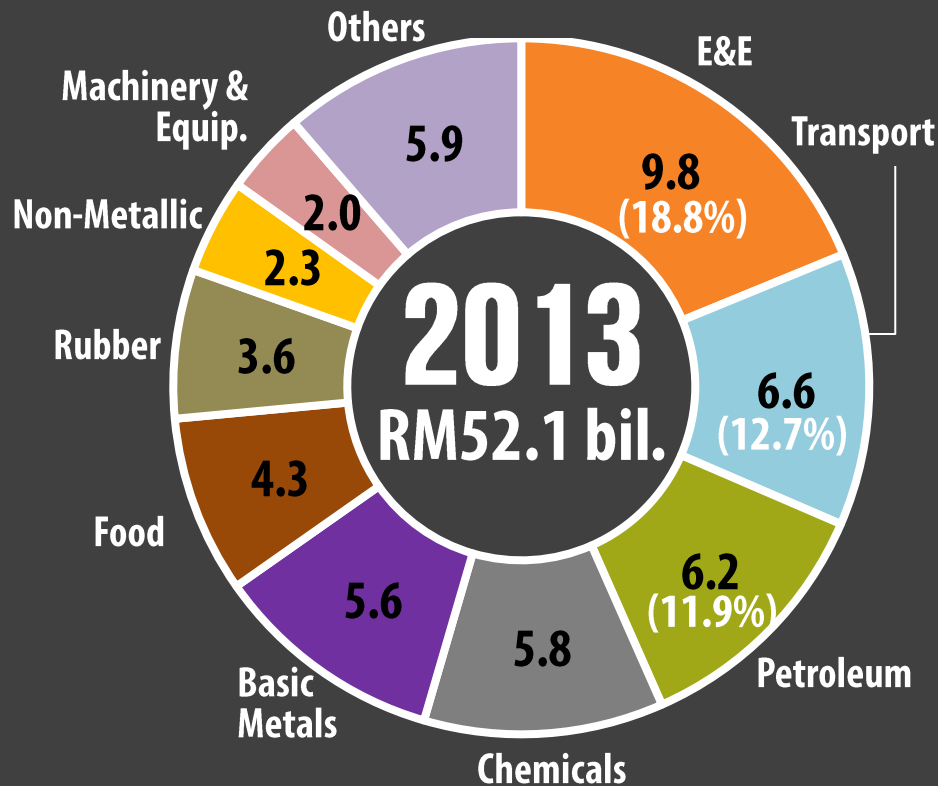
## Investments approved by State



# MANUFACTURING SECTOR

Petroleum, E&E, Chemical, Basic Metal & Transport Industries contribute the lion's share of approved investments in 2014

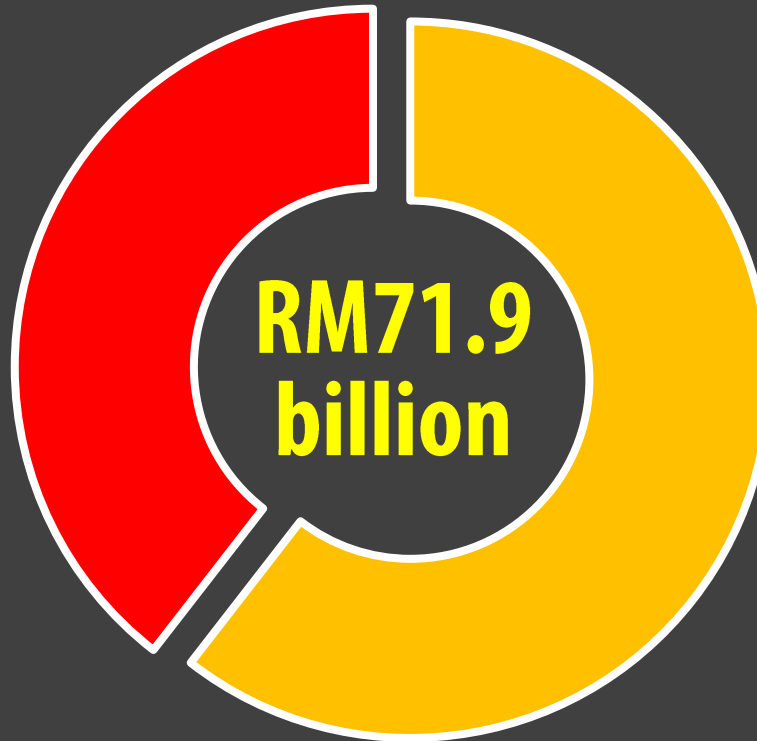
RM Billion



# MANUFACTURING SECTOR

Malaysia remains an ideal location for new investments and sustains existing investors' confidence to reinvest

**39.5%**  
Expansion /  
Diversification  
Projects  
RM28.4 bil.

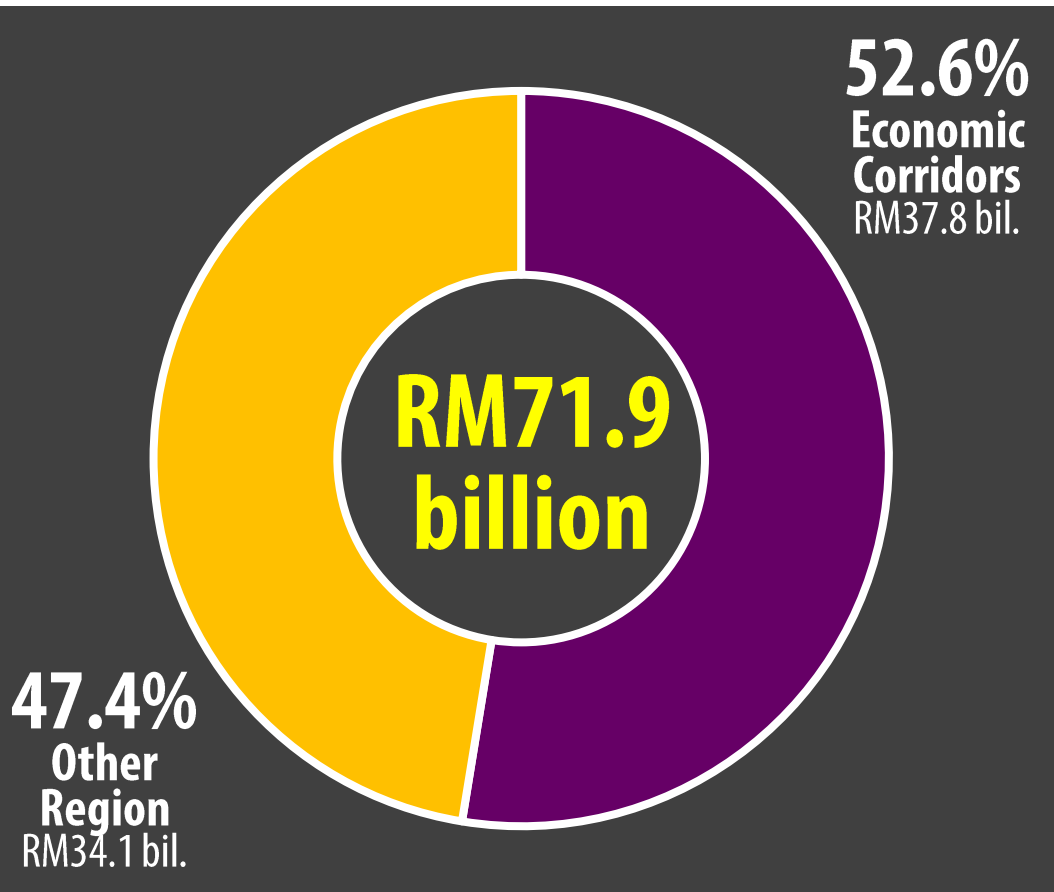


**60.5%**  
New Projects  
RM43.5 bil.



# MANUFACTURING SECTOR

Working together with partners to attract investments



RM13.7 billion



RM9.6 billion



RM8.0 billion



RM3.6 billion



RM2.9 billion



Negeri Sembilan Investment Centre



Johor State Investment Centre



Sarawak Economic Development Corp



Pahang State Development Corporation



Selangor State Investment Centre

InvestMelaka



InvestPenang



InvestPerak



Kedah Investment Centre



Small Medium Enterprise Corporation



Halal Industry Development Corporation



Biotechnology Corporation



Multimedia Development Economic Corporation

# MANUFACTURING SECTOR

## Trade & Investment Missions and Specific Project Missions undertaken in 2014

**Trade And Investment Mission to India**  
26-31 Jan 2014 (Bangalore & Chennai)

**Trade and Investment Mission to Philippines**  
23 May 2014 (Manila)

**Trade and Investment Mission To China**  
26 May – 1 June 2014 (Guangzhou, Xi'an and Beijing)

**Trade and Investment Mission To Australia**  
9-15 August 2014 (Sydney, Melbourne and Adelaide)

**Trade and Investment Mission to Singapore**  
3-4 September 2014 (Singapore)

**Trade and Investment Mission to Canada and USA**  
21-26 September 2014 (Toronto, Boston and New York)

**Trade and Investment Mission to Korea and Japan**  
29 Sept – 3 Oct 2014 (Seoul, Tokyo and Osaka)

**Trade and Investment Mission to Europe**  
11-23 October 2014 (Munich, Dusseldorf, Frankfurt, Milan & Madrid)

**Specific Project Missions : 22**



# MANUFACTURING SECTOR

## Other promotion activities undertaken in 2014

### World Economic Forum 2014

22 - 25 January 2014 (Davos, Switzerland)

### Offshore Technology Conference 2014

5 - 8 May 2014 (Houston, USA)

### World Economic Forum East Asia 2014

21-22 May (Manila, Philippines)

### The 18th China International Fair for Investment and Trade (CIFIT)

8 – 9 September 2014 (Xiamen, China)

### The 11th China ASEAN Expo (CAEXPO)

15 – 19 September 2014 (Nanning, China)

### 10th WIEF Dubai

26 – 30 November 2014 (Dubai, UAE)

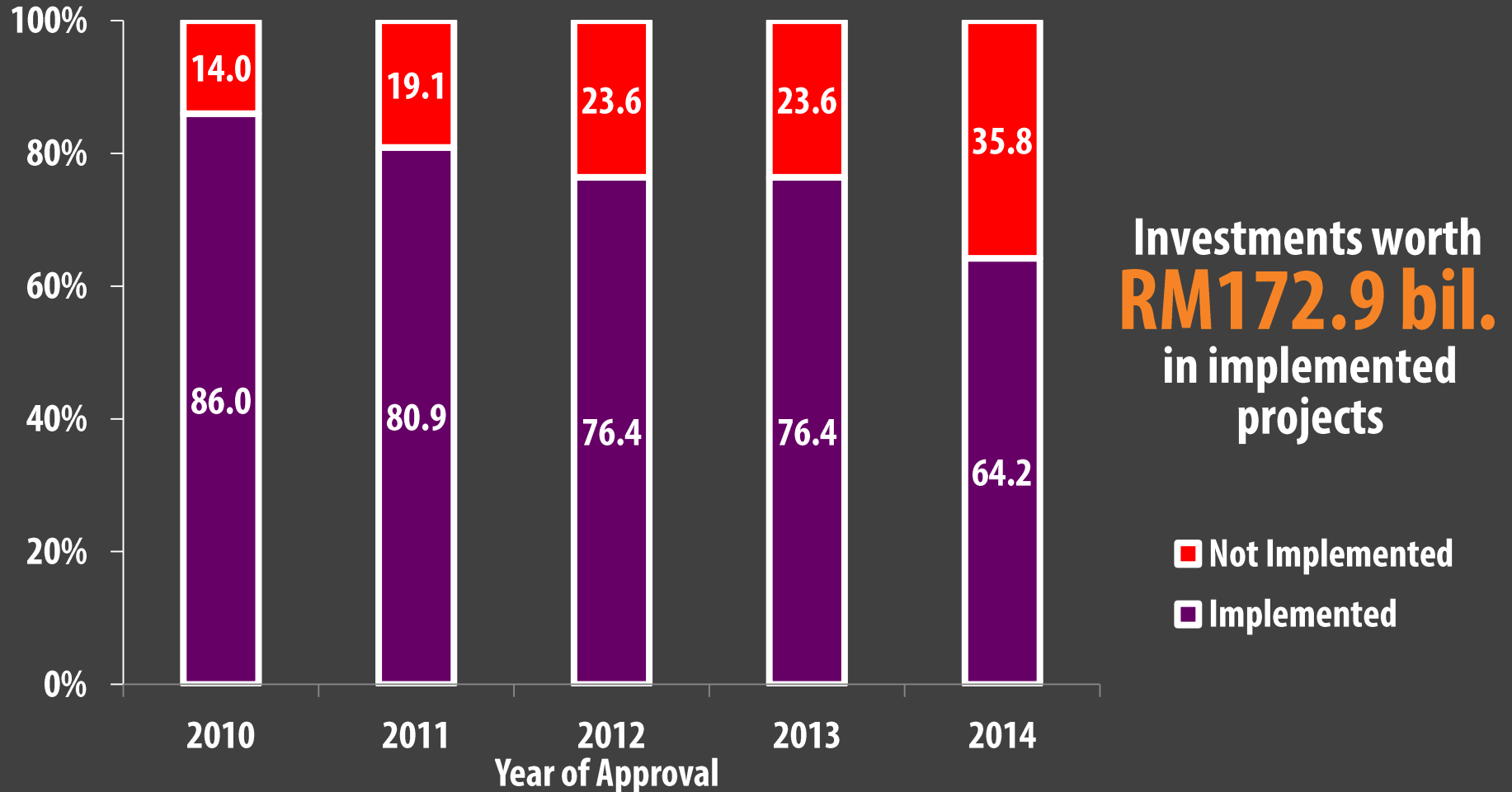
### 14th Asia Pacific Conference For German Business

20-22 November 2014 (Ho Chi Minh City, Vietnam)



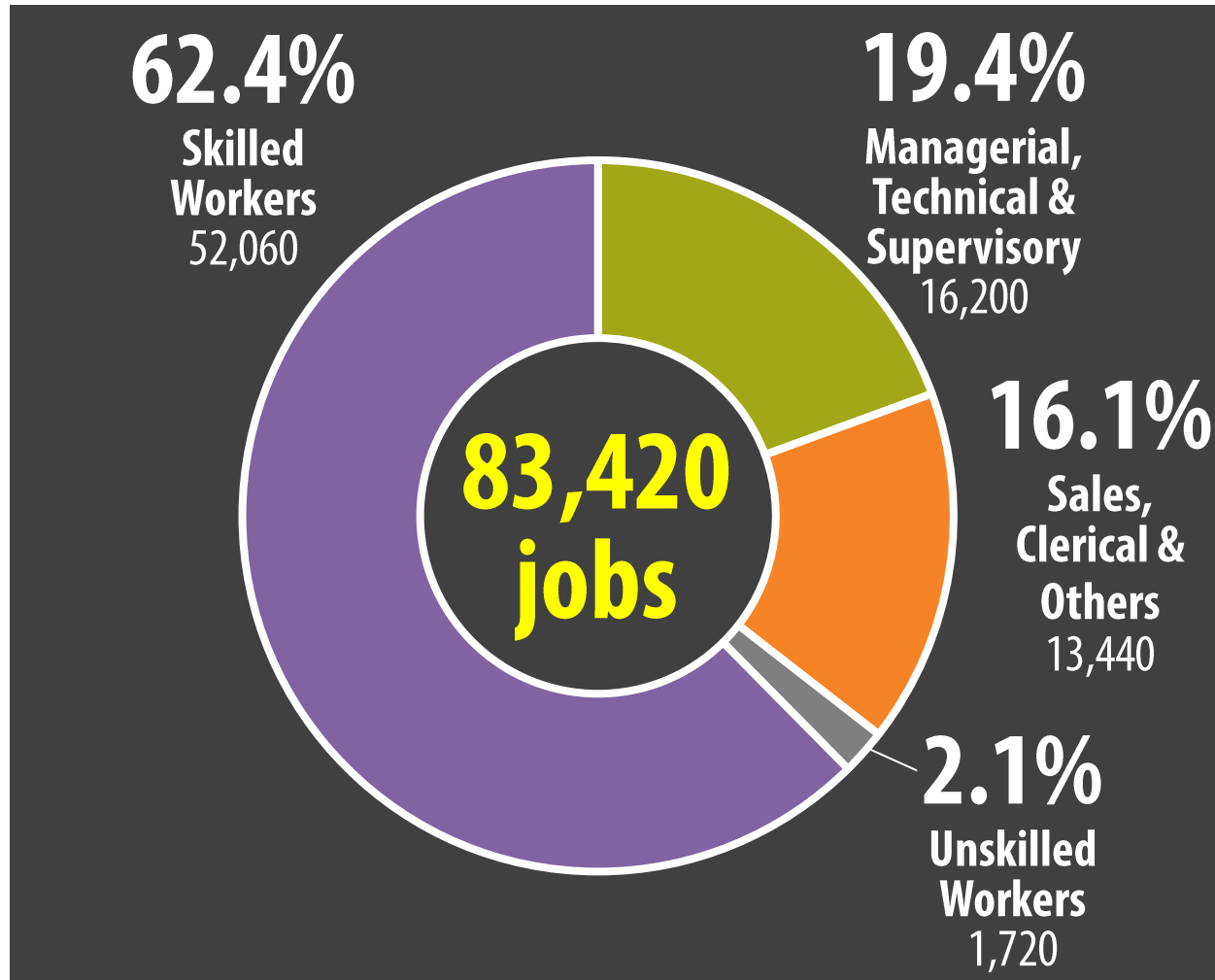
# MANUFACTURING SECTOR

Projects Implemented as at 31 December 2014



# MANUFACTURING SECTOR

**81.8% skilled /  
high-skilled  
employment  
realised in 2014  
from projects  
approved between  
2010 - 2014**





# INVESTMENTS APPROVED IN THE SERVICES SECTOR

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# SERVICES SECTOR

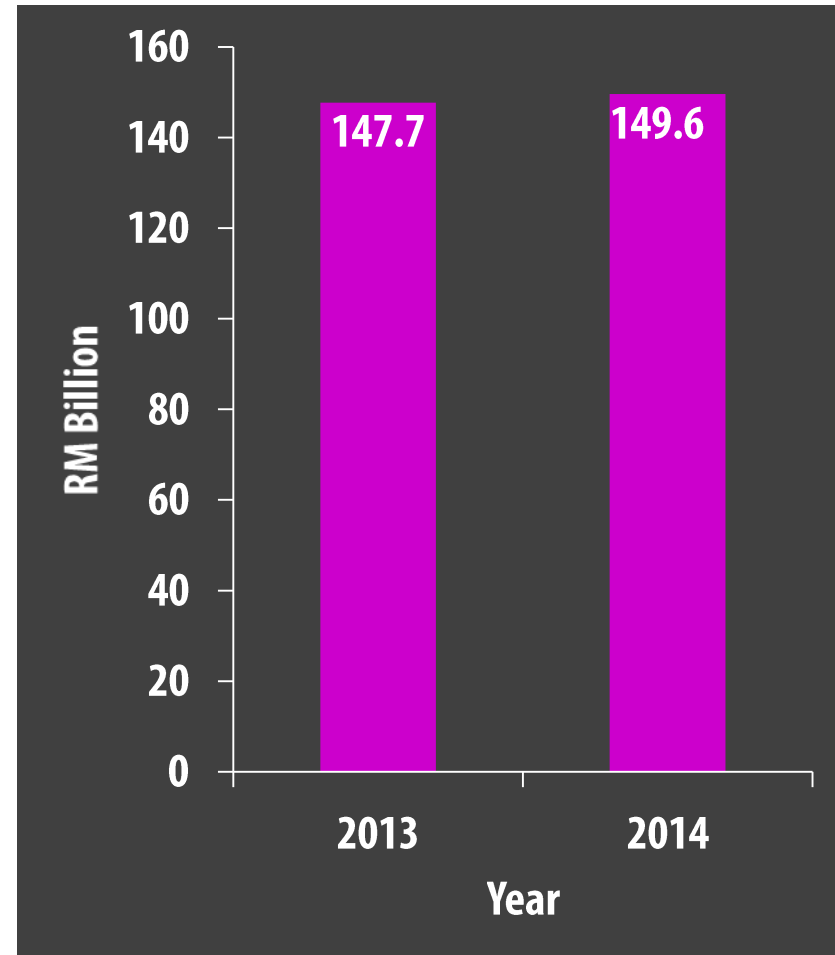
Services sector continues to dominate Malaysia's economy, contributing **63%** of approved investments



**5,059 PROJECTS**

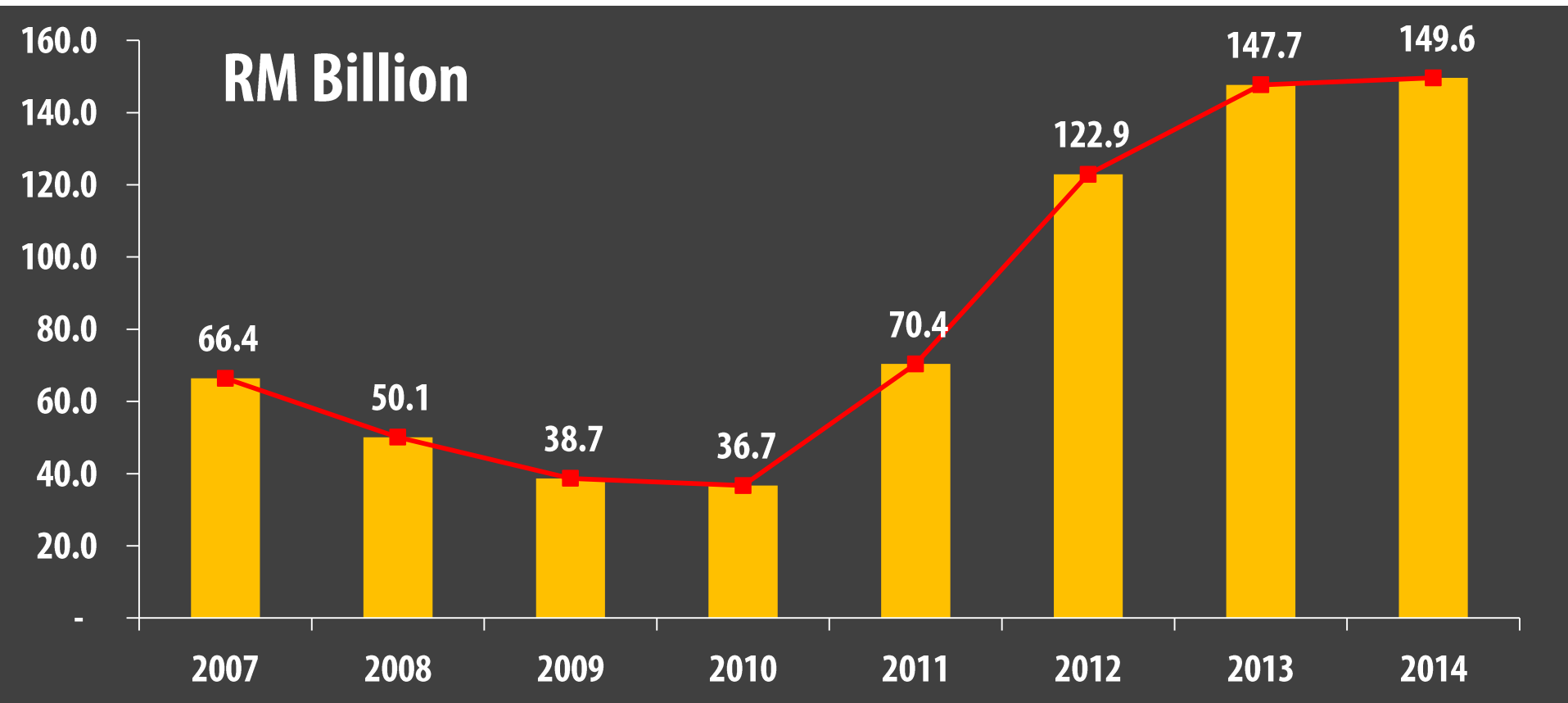


**98,540 JOBS**



# SERVICES SECTOR

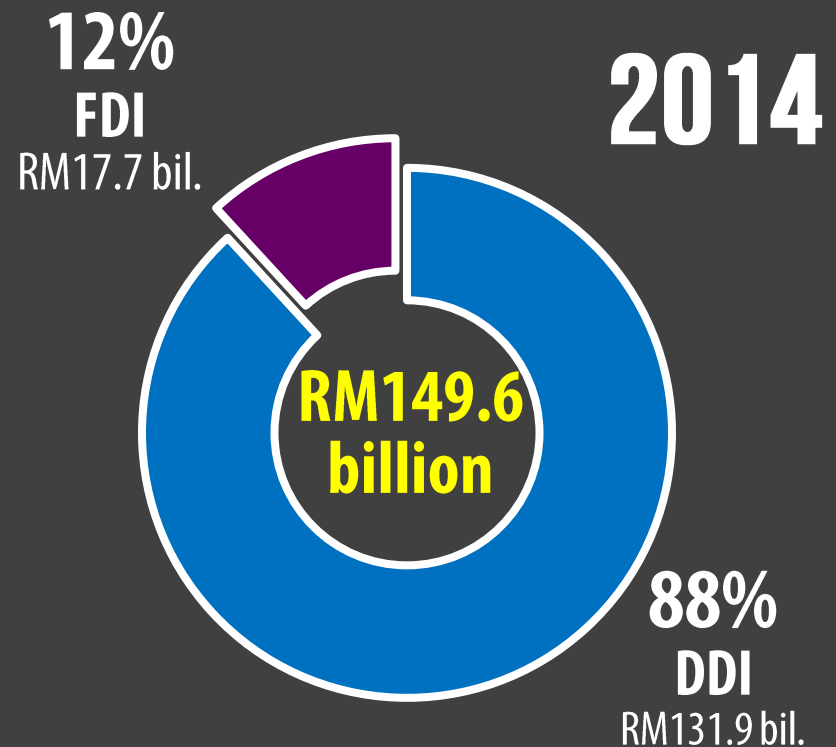
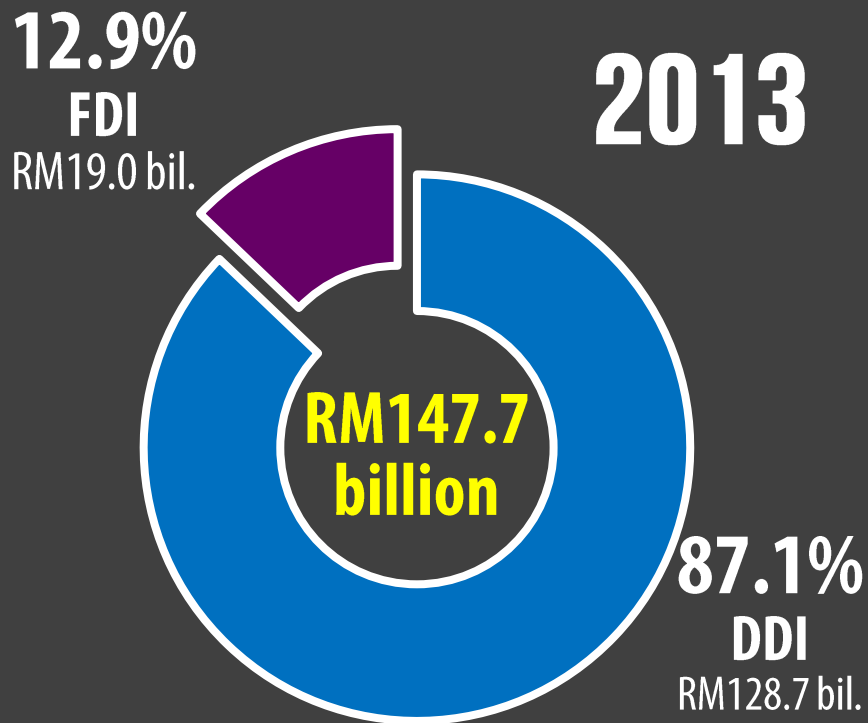
Services sector sustained its investments in 2014





# SERVICES SECTOR

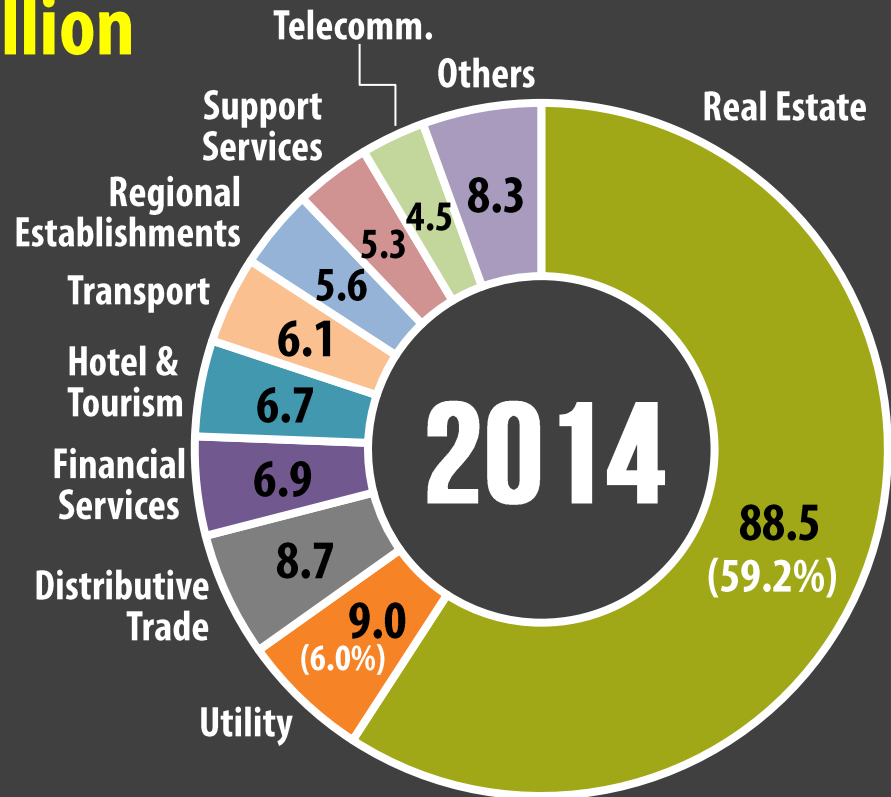
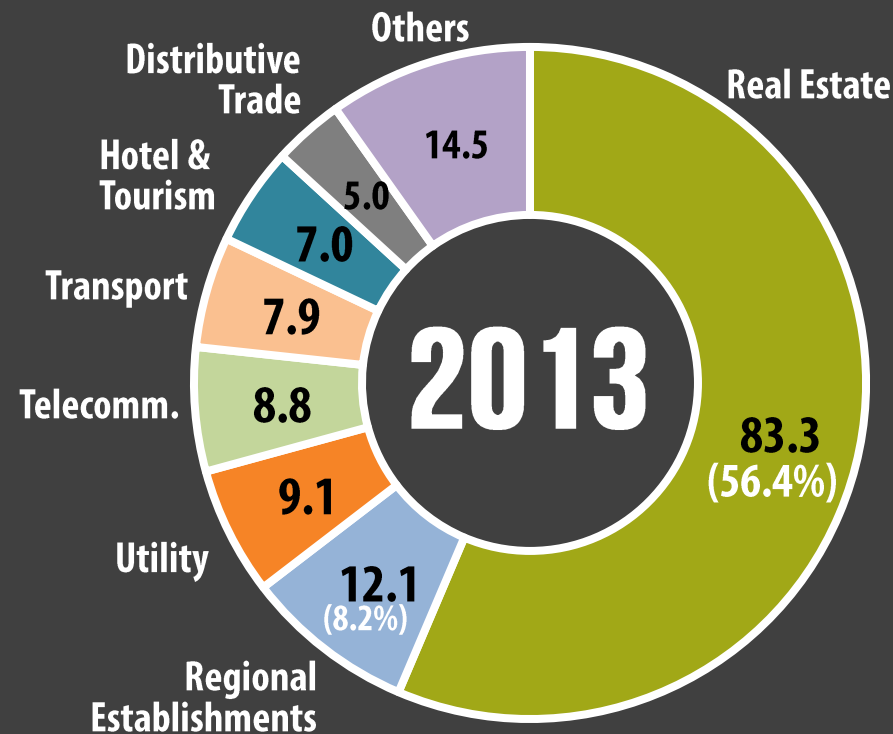
Domestic investments continue to dominate



# SERVICES SECTOR

Real Estate, Utility & Distributive Trade  
were the major sub-sectors

RM Billion



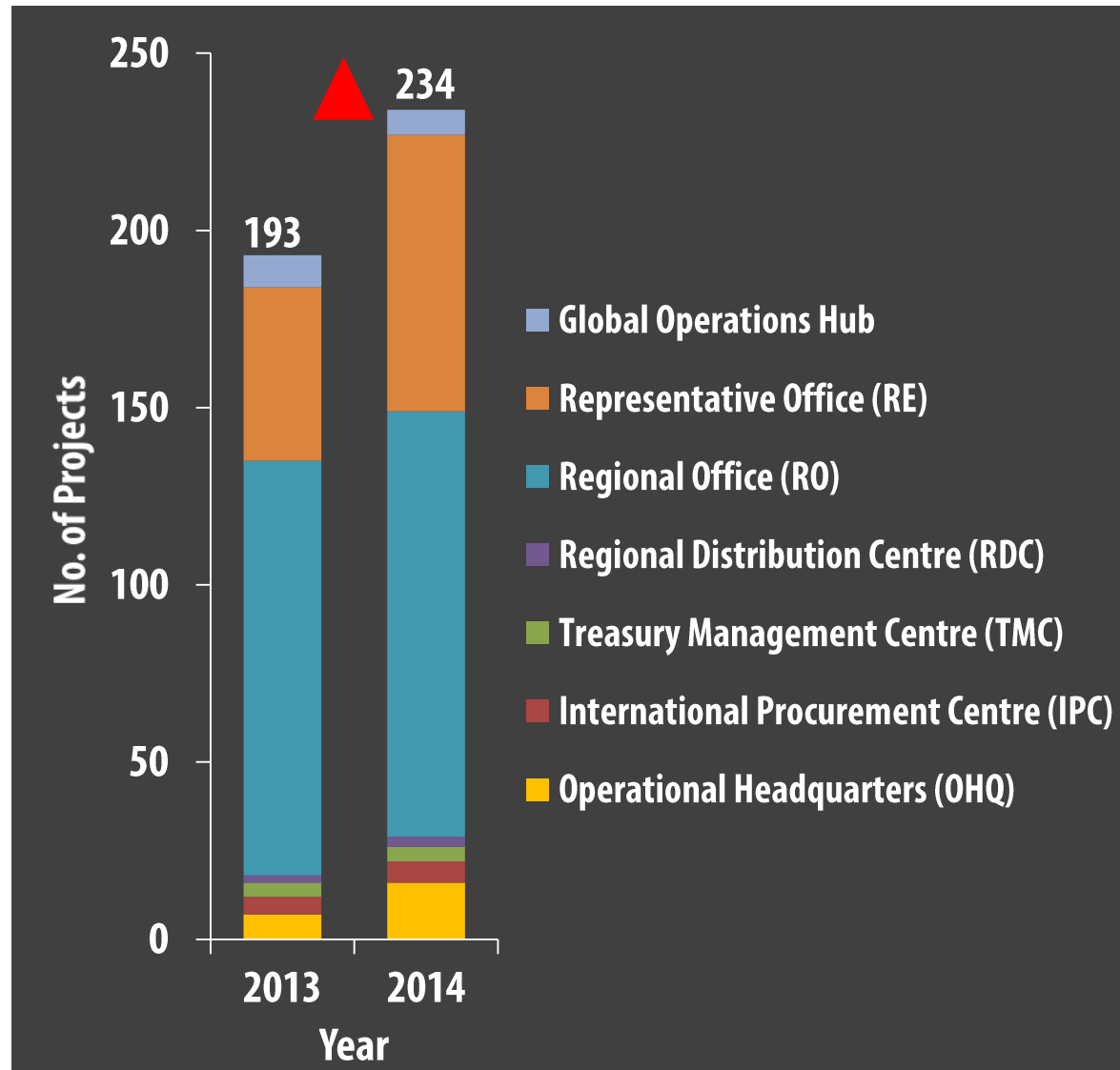
# SERVICES SECTOR

Malaysia continued to strengthen its position as a competitive regional operation base for major MNCs in 2014

**RM 5.6 BIL.**  
**APPROVED INVESTMENTS**

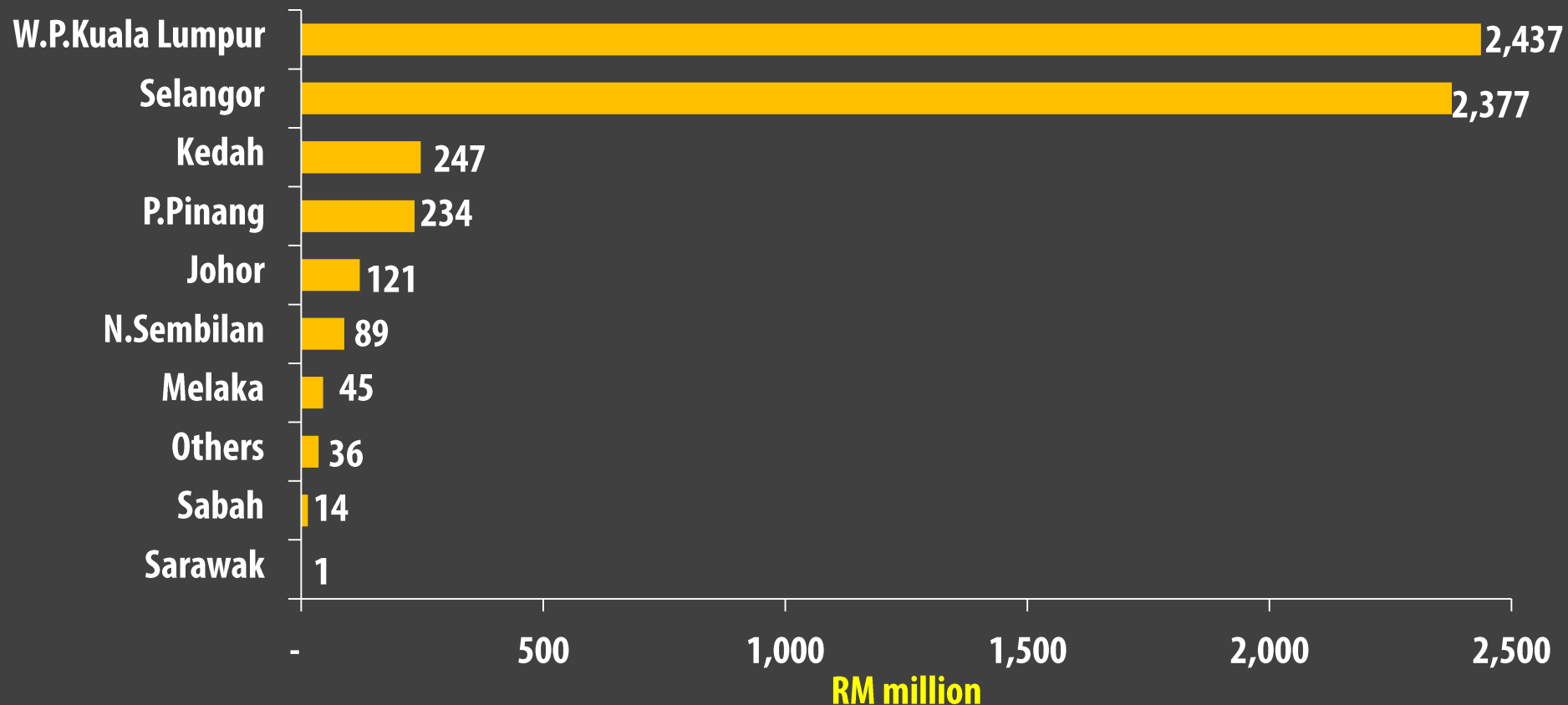


**3,100**  
**JOB**



# SERVICES SECTOR

While predominantly located in FT of Kuala Lumpur and Selangor, Regional Establishments are now making inroads into other States



# SERVICES SECTOR

**Major global operations hub & OHQ approved in 2014**



**Atos Worldline Sdn. Bhd. : Innovation and Management hub**



**SanDisk Corporation : Global Supply Chain Management Centre**



**Zurich : Regional hub – Shared Services**



**Scomi Oiltools Sdn. Bhd. : Regional Headquarters**



**First Solar Inc. : Global Shared Services Centre of Excellence**



# INVESTMENTS APPROVED IN THE PRIMARY SECTOR

# PRIMARY SECTOR

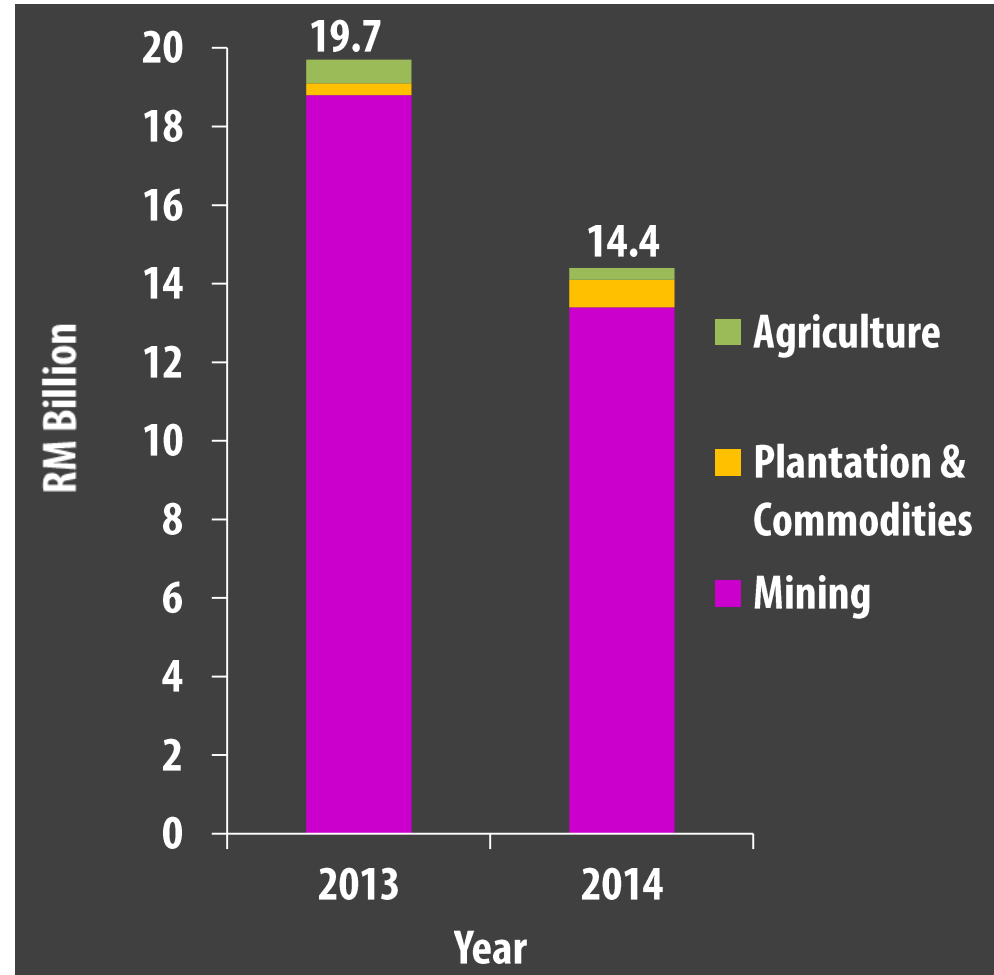
Oil & Gas propels investments in the sector



**72 PROJECTS**



**1,500 JOBS**





# THE WAY FORWARD

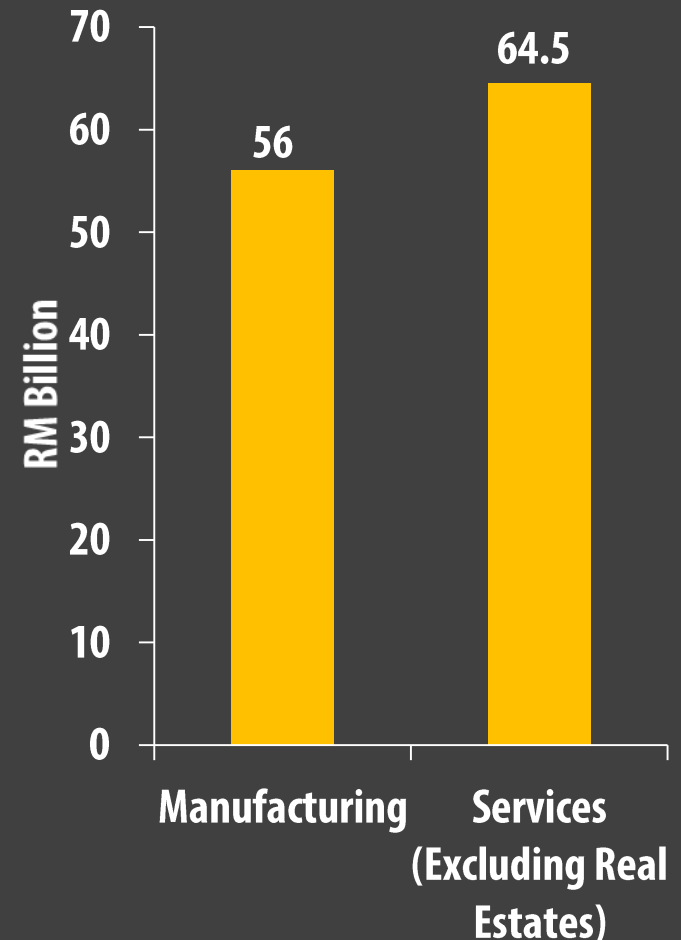


# INVESTMENT OUTLOOK

- IMF World Economic Outlook Update, January 2015 forecasts world output will grow at **3.5%** in **2015**, slightly **lower** than the earlier forecast (3.8%).
- UNCTAD forecasts **uncertainty** in trends of global FDI flows in **2015**. The fragility of the world economy, with growth tempered by hesitant consumer demand, volatility in currency markets and geopolitical instability will act as a deterrent for investors.
- Malaysia's economy is projected to grow between **4.5%** and **5.5%** in **2015**.

Source: IMF / UNCTAD / Ministry of Finance

## APPROVED INVESTMENT TARGETS FOR 2015



# WAY FORWARD

- Amid the current global economic challenges, MIDA, as the **'single window'** for investment into Malaysia, will further enhance its **central coordination functions**.
  - Workshop on Coordination of National Investment Agenda 2015 – **Outcome** :
    - i. Strengthening the coordination of investment promotion activities among IPAs;
    - ii. Enhancing facilitation of approved investments to ensure actualisation of project implementation; and
    - iii. Improving the compilation and dissemination of investment statistics.
- Continue to focus on the **ecosystem approach** for targeted industries.

# WAY FORWARD

- The Government will continue to introduce various measures to **enhance Malaysia's competitiveness**. Among measures addressed in Budget 2015 :
  - i. Tax incentives for principal hubs and projects that invest in innovation, technology and involving the creation of high-income jobs.
  - ii. 200% capital allowance on automation expenditure to encourage automation, especially for labour-intensive industries.
  - iii. Five-year full tax exemption to manage, maintain and upgrade industrial estates.
  - iv. Special locational Incentive packages for less developed areas.
- Projects in the Pipeline (2015) - **RM65.1 billion**

<i>Manufacturing</i>	:	<i>RM51.4 billion</i>
<i>Services</i>	:	<i>RM13.7 billion</i>

## Proposed Trade & Investment Missions & Specific Project Missions in 2015

### **Working Visits to Qatar & Belgium, and Trade and Investment Mission to Spain**

2-6 May 2015 (Doha, Barcelona and Brussels)

### **Trade and Investment Mission to Japan**

7-9 September 2015 (Tokyo and Osaka)

### **Trade and Investment Mission to China**

16-17 September 2015 (Guangdong and Nanning)

### **Trade and Investment Mission to Germany and Turkey**

12 – 16 October 2015 (Stuttgart and Istanbul)

### **Working Visit to Saudi Arabia**

November 2015 (Riyadh/Jeddah)

### **Specific Project Missions : 20**



**THANK YOU**



# **A RECORD YEAR**

**for Investment**



**MALAYSIA INVESTMENT PERFORMANCE REPORT 2014**