



MEDIA STATEMENT

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Malaysia Attracted RM264.6 Billion (USD59.9 Billion) in Approved Investments for 2022, to Focus on Investments that Promote Sustainable Economic Growth and Prosperity for the People

- *The Malaysia Madani concept emphasises the concepts of innovation, inclusivity and sustainability, where economic growth is achieved in a balanced and equitable manner, taking into account environmental, social and governance (ESG) factors. In this context, the positive trend in approved investments across Malaysia's services, manufacturing, and primary sectors is a promising sign for the country's focus towards achieving a more sustainable economy.*
- *In 2022, Malaysia recorded approved investments totalling RM264.6 billion (USD59.9 billion). This translates to 4,454 projects, with 140,370 job opportunities to be created.*
- *The services sector is the major contributor with RM154 billion (USD34.8 billion), followed by a RM84.3 billion (USD19.1 billion) boost in manufacturing sector, and RM26.3 billion (USD6 billion) in the primary sector.*
- *Foreign Direct Investment (FDI) remained the major contributor to the total approved investments at 61.7% or RM163.3 billion (USD36.9 billion), while Domestic Direct Investment (DDI) contributed 38.3% or RM101.3 billion (USD23 billion).*
- *The People's Republic of China (PRC) dominated foreign investments totalling RM55.4 billion (USD12.5 billion) or 33.9% and followed by The United States of America (17.9%), The Netherlands (12.5%), Singapore (8.3%) and Japan (7%).*
- *Five (5) states that have recorded significant investment value to the total approved investments include, Johor (RM70.6 billion) (USD16 billion), Selangor (RM60.1 billion) (USD13.6 billion), Sarawak (RM28.2 billion) (USD6.4 billion), Wilayah Persekutuan Kuala Lumpur (RM25 billion) (USD5.7 billion) and Pulau Pinang (RM16.3 billion) (USD3.7 billion).*
- *Malaysia's services sector secured a total of 3,581 projects worth RM154 billion (USD34.8 billion) for the period of 2022.*

Kuala Lumpur, 8 March 2023 – With the announcement of RM264.6 billion in approved investments for 2022, the Malaysian Investment Development Authority (MIDA) has demonstrated Malaysia's status as a preferred investment destination. Under the theme "Sustainable Investments for Growth," the country's manufacturing, services, and primary sectors have demonstrated resilience in the face of a challenging economic landscape, proving that Malaysia continues to inspire confidence and remains a preferred destination for global investors seeking stable, long-term opportunities.

During the Annual Media Conference (AMC), YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of International Trade and Industry (MITI) emphasised the importance of investing in sustainable technologies. He stressed, "As the world increasingly confronts the realities of climate change, the urgency of investing in sustainable technologies and solutions cannot be overstated. MITI is taking sustainability seriously as we craft policies to incentivise companies and industries to help us lay the groundwork for a more sustainable and equitable world. This must be a whole-of-nation effort, as we want to attract the right investments that will support local SMEs and supply chains, as well as give the *rakyat* more job opportunities. Ultimately, it is all about achieving inclusive socio-economic benefits to secure a brighter future for all Malaysians."

Of the approved investments of RM264.6 billion (USD59.9 billion), this include a total of 4,454 projects, and expected to create 140,370 job opportunities for Malaysians.

Foreign Direct Investment (FDI) accounted for 61.7% of total investments, or RM163.3 billion (USD36.9 billion). Domestic Direct Investment (DDI) recorded 38.3%, or RM101.3 billion (USD23 billion).

The People's Republic of China (PRC) led the way in total approved investments with RM55.4 billion (USD12.5 billion), followed by The United States of America (RM29.2 billion) (USD6.6 billion), The Netherlands (RM20.4 billion) (USD4.6 billion), Singapore (RM13.5 billion) (USD3.1 billion), and Japan (RM11.4 billion) (USD2.6 billion).

Five (5) states have seen significant investment activity, with Johor having the most approved investments, totaling RM70.6 billion (USD16 billion). This is

followed by Selangor (RM60.1 billion) (USD13.6 billion), Sarawak (RM28.2 billion) (USD6.4 billion), Wilayah Persekutuan Kuala Lumpur (RM25 billion) (USD5.7 billion) and Pulau Pinang (RM16.3 billion) (USD3.7 billion).

YBhg. Tan Sri Dato' Seri Dr. Sulaiman Mahbob, Chairman of MIDA, in his Welcome Remarks stated that the significant investment results are the outcome of a collective effort by stakeholders in promoting economic growth, social stability, talent development, sustained economic inclusivity and the advancement of Malaysia's digital economy.

The AMC theme reflects MIDA's incorporation of the New Investment Policy (NIP) and Environmental, Social and Governance (ESG) principles into its strategies. The goal is to produce sustainable, long-term investments, as well as to collaborate with partners who prioritise "impact investment".

Services Sector Dominates the Investment Landscape

Malaysia's services sector recorded 3,581 projects worth RM154 billion (USD34.8 billion). This represents a 58.8% increase over the previous year's investments of RM97 billion (USD23.3 billion), which is expected to create 63,464 new jobs.

Foreign investment accounted for 55.1% of total approved investments in the services sector, or RM84.9 billion (USD19.2 billion), with domestic investment accounting for the remaining 44.9%, or RM69.1 billion (USD15.6 billion).

The information and communications sub-sector dominated the services sector, with approved investments worth RM84.7 billion (USD19.2 billion), or 55%. There were five (5) projects related to Information and Communication Technology (ICT) services, including data centres and cloud computing services, with an investment value of RM72.4 billion (USD16.4 billion), or 85.5% of the approved investments in the information and communication sub-sector.

Real estate (RM28.9 billion) (USD6.5 billion), financial services (RM11.2 billion) (USD2.5 billion), utilities (RM10.8 billion) (USD2.4 billion), and distributive trade (RM6.2 billion) (USD1.4 billion) were among the other sub-sectors that contributed to the amount of investments approved.

Investment in Manufacturing Sector

Malaysia's attraction as a top investment destination in the region remains strong, with a steady influx of high-quality investments in the manufacturing sector. This sector contributed RM84.3 billion (USD19.1 billion), or 31.9% of total approved investments in various economic sectors.

FDI accounted for 78.3% of total approved investments, totalling RM66 billion (USD14.9 billion), with DDI contributed for the remaining 21.7% (or RM18.3 billion) (USD4.2 billion).

The number of approved expansion/diversification projects in the manufacturing sector recorded 385 projects worth RM49.3 billion (USD11.2 billion), while the number of new projects approved were 416, with a value of RM35 billion (USD7.9 billion).

Electrical and electronics (E&E) are the top-performing industries in the manufacturing sector (RM29.3 billion) (USD6.6 billion), followed by machinery and equipment (RM8.4 billion) (USD1.9 billion), transport equipment (RM8 billion) (USD1.8 billion), chemical and chemical products (RM7.4 billion) (USD1.7 billion), petroleum products (including petrochemicals) (RM5.9 billion) (USD1.3 billion), non-metallic mineral products (RM5.8 billion) (USD1.3 billion), scientific and measuring equipment (RM4.7 billion) (USD1.1 billion) and rubber products (RM3.6 billion) (USD0.8 billion). These industries comprise for RM73.1 billion (USD16.5 billion), or 86.7% of total approved investments in this sector.

A total of 76,093 potential new job opportunities is expected to be created in the manufacturing sector, where it will require 27,894 (36.7%) positions for managerial, professional/technical/supervisory and skilled employment, reflecting the higher value chain transition of the manufacturing sector.

Investment in Primary Sector

The primary sector registered a total of RM26.3 billion (USD6 billion) in approved investments, or 9.9% of total approved investments in the various

economic sectors, an increase of 52.3% from RM17.3 billion (USD4.1 billion) in 2021.

Domestic investment dominated the primary sector, accounting for RM13.9 billion (USD3.1 billion), or 52.9%, with foreign investment recording for the remaining 47.1%, or RM12.4 billion (USD2.9 billion).

The plantation and commodities sub-sector recorded RM2.2 billion (USD0.5 billion) of approved investments (2021: RM211.4 million or USD50.7 million). Meanwhile, the agricultural sub-sector attracted RM154.4 million (USD34.9 million) in total approved investments (2021: RM20.5 million or USD4.9 million).

MITI and MIDA Continues to be at the Forefront in Attracting Investments

Despite the global economic landscape's challenges, Malaysia has shown unwavering determination in navigating these difficult times. MITI and MIDA have continued to play a proactive role in ensuring a steady flow of domestic and foreign investment, which has contributed to the country's resilience.

MIDA has a number of promising projects in the works, with potential investments totalling RM14.6 billion (USD3.3 billion), indicating great potential for the Malaysian economy. The manufacturing sector has 31 projects with a potential investment of RM10.6 billion (USD2.4 billion), while the services sector has 218 projects with a potential investment of RM4 billion (USD0.9 billion). Moreover, the recent commitment by Tesla and Amazon Web Service (AWS) to invest in Malaysia is a testament to Malaysia's political stability and institutional strengths. Overall, this reflects MITI's and MIDA's commitment to promoting sustainable economic growth and job creation in Malaysia.

"Moving forward, as Malaysia strives to become Asia's investment gateway, we are making every effort to quickly emerge as ASEAN's digital hub, owing to our highly developed ICT infrastructure, talented STEM pool, strong intellectual property protection framework, and rule of law. The revised New Industrial Master Plan 2030 will set the tone for Malaysia's industrial development by outlining new growth opportunities, improving ease of doing business, and attracting high-quality digital investments. To reduce our carbon footprint and promote sustainable development, we will prioritise investments that benefit

the people, planet, and profit, as well as funding for green projects and renewable energy. Our goal is to create high-paying jobs for Malaysians while also ensuring that growth is equitable and beneficial to all stakeholders." added Tengku Zafrul.

MITI and its agencies, such as MIDA, will continue to work hard to attract high-quality digital investments, generate more value and opportunities for growth through data and cloud-based technologies, and create high-paying jobs for Malaysians. As the country aspires to become Asia's investment gateway, the Government will also ensure that growth is balanced and beneficial to all stakeholders via sustainable economic growth and prosperity for the *rakyat*.

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About MIDA

MIDA is the Government's principal investment promotion and development agency under the Ministry of International Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Headquartered in Kuala Lumpur Sentral, MIDA has 12 regional and 21 overseas offices. MIDA continues to be the strategic partner to businesses in seizing the opportunities arising from the technology revolution of this era. For more information, please visit www.mida.gov.my and follow us on Twitter, Instagram, Facebook, LinkedIn, TikTok and YouTube channel.

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