



MEDIA STATEMENT

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INVESTORS SHOW GROWING CONFIDENCE IN MALAYSIA

MALAYSIA ATTRACTED RM193.7 BILLION (USD41.7 BILLION) OF APPROVED INVESTMENTS IN JANUARY - SEPTEMBER 2022

- *Malaysia attracted RM193.7 billion (USD41.7 billion) of approved investments in services (RM113.3 billion or USD24.4 billion), manufacturing (RM64.9 billion or USD14 billion), and primary sectors (RM15.5 billion or USD3.3 billion), an increase of 2.5 per cent as compared to the same period in 2021.*
- *Foreign Direct Investments (FDI) remained the major contributor to the total approved investments at 67.5 per cent or RM130.7 billion (USD 28.1 billion), an increase of 15 per cent as compared to the same period last year, while Domestic Direct Investment (DDI) contributed 32.5 per cent or RM63 billion (USD13.6 billion).*
- *The People's Republic of China (PRC) dominated foreign investments totalling RM49.2 billion (USD10.6 billion).*
- *Five (5) states that have recorded significant investment value to the total approved investments include Johor (RM63.9 billion) (USD13.8 billion), Wilayah Persekutuan Kuala Lumpur (RM26.1 billion) (USD5.6 billion), Selangor (RM25.7 billion) (USD5.5 billion), Sarawak (RM17.6 billion) (USD3.8 billion) and Kedah (RM12.1 billion) (USD2.6 billion).*
- *The approved investments for this period will generate 98,414 new jobs in the country.*
- *Malaysia's services sector secured projects worth RM113.3 billion (USD24.4 billion) for the period January – September 2022, compared to the RM70.4 billion (USD16.8 billion) it gained for the same period in 2021, a major increase of 60.9 per cent.*

Kuala Lumpur, 14 December 2022 – Malaysia remains a top investment destination among global investors and a hotspot for business expansion. Investors continue to show confidence to invest in Malaysia as the new premier leadership is focused on strengthening the country's economic growth and retain Malaysia's reputation as a stable investment destination.

Malaysia has attracted a total of RM193.7 billion (USD41.7 billion) worth of approved investments in the services, manufacturing and primary sectors involving 2,786 projects from January to September 2022 and is expected to create 98,414 job opportunities in the country. This is a 2.5 per cent increase as compared to the RM188.9 billion (USD45.1 billion) investments approved in the same period last year.

YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of International Trade and Industry (MITI), stated, "Malaysia's success in attracting almost RM194 billion of approved investments in the first nine months of the year is a testament of its established standing as a gateway to ASEAN and an investment destination of choice in Asia. Our robust supply chain network, competitive cost structure, simplified business processes, cutting-edge innovation and technology capabilities, and good talent base are key ingredients in attracting investments and driving sustainable growth in this country. Moving forward, MITI and its agencies will ensure that new investment opportunities will also build the appropriate capacity and talent base in targeted industries to develop the nation's economy in a sustainable manner"

FDI remained the major contributor, at 67.5 per cent or RM130.7 billion (USD28.1 billion), while DDI contributed 32.5 per cent to RM63 billion (USD13.6 billion). It is to be noted that this is a 15 per cent increase as compared to the FDI approved in the same period in 2021.

Of the total investments approved, the People's Republic of China (PRC) dominated foreign investments totalling RM49.2 billion (USD10.6 billion). This is followed by The United States of America (RM16.9 billion) (USD3.6 billion), The Netherlands (RM16.5 billion) (USD3.6 billion), Germany (RM9.2 billion) (USD2 billion) and Singapore (RM8.7 billion) (USD1.9 billion).

Five (5) states that have recorded significant approved investments include Johor (RM63.9 billion) (USD13.8 billion), Wilayah Persekutuan Kuala Lumpur (RM26.1 billion) (USD5.6 billion), Selangor (RM25.7 billion) (USD5.5 billion), Sarawak (RM17.6 billion) (USD3.8 billion) and Kedah (RM12.1 billion) (USD2.6 billion).

In this period, the services sector assumed a significant role towards driving the country's economic recovery, accounting for 58.5 per cent of total approved investments with RM113.3 billion (USD24.4 billion). The stellar service sector performance exceeded expectations for January to September 2022, an increase of 60.9 per cent from the achievement attained in the same period in 2021. The manufacturing sector follows this at RM64.9 billion (USD14 billion) or 33.5 per cent and the primary sector at RM15.5 billion (USD3.3 billion) or 8 per cent.

YBhg. Datuk Wira Arham Abdul Rahman, Chief Executive Officer of MIDA, said, "Malaysia enjoys a strong reputation internationally and investors have confidence in us. The nation has a solid foundation to provide opportunities for investors. With its favourable business climate, the country is poised to become the next major economic hub. Malaysia offers companies what they need to succeed in the international marketplace by capitalising on its strategic location of the Straits of Malacca, comprehensive industrial ecosystem, dotted with abundant natural resources, and having a young, talented and vibrant population."

"The Government is working aggressively to attract more high-quality, high-impact, capital-

intensive projects in the manufacturing and services sectors. These projects are expected to contribute to the country's economic growth. The Government focuses on digital economy, energy and high value manufacturing activities such as transport technology which include electric vehicle and its ecosystem that will have a significant economic potential and sustainable long-term growth.", added Datuk Wira Arham.

Services Sector Takes the Lead

Malaysia is thriving as one of the most technologically equipped economies within Asia. By way of digitalisation, the country has become a hotbed of investment for domestic and international players alike. Digital transformation is imperative for businesses of all sizes and industries. Many businesses are now going digital and equipping themselves for fast expansion. New services have been invented through the invention of the Internet of Things (IoT), artificial intelligence (AI) and cloud computing.

For this period, the services sector accounted for the largest share of the total approved investments, amounting to RM113.3 billion (USD24.4 billion) from 2,167 projects which contributed to the growth of the country's economy. This is a significant increase as compared to the RM70.4 billion (USD16.8 billion) investments approved for the services sector in the same period last year. A total of 39,772 new jobs are expected to be created in the services sector.

Based on the total approved investments for January to September 2022, foreign investments made up the most significant portion, recording RM69 billion (USD14.9 billion) or 60.9 per cent of the total approved investments for the services sector, while the remaining 39.1 per cent or RM44.3 billion (USD9.5 billion) were from domestic sources.

The information and communications sub-sector dominated the services sector, with approved investments valued at RM69.2 billion (USD14.9 billion) or 61.1 per cent. From the total approved investments of this sub-sector, five (5) Information and Communication Technology (ICT) services which includes data centre and cloud computing services were approved with investments totalling RM60.7 billion (USD13.1 billion) or 87.7 per cent.

Among other performing sub-sectors which contributed to the significant amount of investments approved were real estate (RM16.9 billion) (USD3.6 billion), financial services (RM9 billion) (USD1.9 billion), utilities (RM7.5 billion) (USD1.6 billion) and distributive trade (RM3.7 billion) (USD0.8 billion).

Six (6) sub-sectors showed positive development in terms of percentage increment of

approved investments namely information and communications, with an increase of 1,101.1 per cent. Other services follow this with an increase of 244.4 per cent, education services (175 per cent), utilities (15.5 per cent), distributive trade (9.7 per cent) and financial services (3.2 per cent).

Among notable projects approved in the services sector include, data centre projects by Bridge Data Centres Malaysia III Sdn. Bhd., ByteDance System Sdn. Bhd., and YTL Power International Berhad. Such digital infrastructure projects would ignite Malaysia's growth towards the digital-first economy. Apart from digital investments, other key projects in the services sector include Mamee Double Decker Distribution (M) Sdn. Bhd. (Mamee) which set up their Regional Headquarter Hub to manage supply chain activities across the company's manufacturing facilities in the region and consolidate distribution of products to countries globally.

Investments by homegrown companies such as Mamee, demonstrates how DDI plays a pertinent role in helping to build the ecosystem of supporting small and medium-sized enterprises (SMEs) and empowering Malaysia's position of developing capabilities to integrate into a vertically integrated global supply chain.

Manufacturing Sector Remains Competitive

Malaysia continues to attract high-quality investments in the manufacturing sector from January to September 2022, reflecting the country's competitiveness as a preferred location for investment in the region. The manufacturing sector accounted for RM64.9 billion (USD14 billion) (33.5 per cent) from the total approved investments in various economic sectors, as compared to RM103.9 billion (USD24.8 billion) for the same period in 2021. The approval of a few lumpy projects was cited as the reason for the high total approved investments in the manufacturing sector for same period in 2021.

Of the total approved investments in January to September 2022 for the manufacturing sector, FDI amounted to RM50.2 billion (USD10.8 billion) (77.3 per cent), while domestic investments contributed to the remaining RM14.7 billion (USD3.2 billion) (22.7 per cent).

From the RM64.9 billion (USD14 billion) approved investments in the manufacturing sector, investments for expansion/diversification projects showed positive development with an increase of 51 per cent, totalling RM40.2 billion (USD8.7 billion) in January to September 2022, as compared to the same period in 2021. The remaining RM24.7 billion (USD5.3 billion) were recorded from new projects.

In terms of top-performing industries for this period, electrical and electronics (E&E) leads

the manufacturing sector (RM22.6 billion) (USD4.9 billion), followed by transport equipment (RM7.5 billion) (USD1.6 billion), petroleum products (including petrochemicals) (RM5.5 billion) (USD1.2 billion), non-metallic mineral products (RM5.4 billion)(USD1.2 billion), machinery and equipment (RM4 billion) (USD0.9 billion), scientific and measuring equipment (RM3.6 billion) (USD0.8 billion), food manufacturing (RM3.2 billion) (USD0.7 billion) and rubber products (RM3.2 billion) (USD0.7 billion). These industries made up RM54.9 billion (USD11.8 billion) (84.6 per cent) of total approved investments in this sector.

A total of 58,141 potential job opportunities are expected to be created in the manufacturing sector, where it will require 2,631 (4.5 per cent) managerial positions, 6,277 (10.8 per cent) professional/technical and supervisory roles, reflecting the higher value chain transition of the manufacturing sector. The approved manufacturing projects will also require 12,040 (20.7 per cent) skilled employment.

Notable projects approved in the manufacturing sector for this period include:

- Samsung SDI Energy Malaysia Sdn. Bhd. marked a new milestone when it opened a Phase Two EV battery cell manufacturing facility in Malaysia. The Korean semiconductor giant has invested a cumulative RM7 billion investment with Phase One: RM1 billion and Phase Two: RM6 billion as it chooses Malaysia as its first production location in Southeast Asia.
- TF-AMD Microelectronics Sdn. Bhd. announced plans to expand its manufacturing facility in Penang with the construction of a second site at Batu Kawan Industrial Park, Penang. With nearly RM2 billion of capital investment, the new manufacturing facility is expected to create more than 3,000 new jobs in advanced semiconductor engineering, design, and process technologies for high-performance computing solutions. The strategic expansion builds on the significant investments TF-AMD has made in Malaysia over the past 50 years that will support the company's continued growth.
- Ferrotec Holdings Corporation, a global supplier of materials, components, and precision system solutions, has announced its establishment of the new manufacturing facility at Kulim Hi-Tech Park, Kedah. The plant which will be undertaking electromechanical assembly and advanced material fabrication for semiconductor equipment is designed to meet customer needs while also expanding the Group's business globally.
- Smart Glove Holdings Berhad, one of Malaysia's leading innovative glove manufacturers has expanded their manufacturing capacity with an investment of RM2

billion. Their wide range of medical gloves sourced from nitrile, natural rubber, polychloroprene and other synthetic rubber ensures that the native industry of glove manufacturing in Malaysia remains competitive in the global market.

Primary Sector

The primary sector recorded a total of RM15.5 billion (USD3.3 billion) approved investments (8 per cent) of the total approved investments in the various economic sectors from January to September 2022, as compared to RM14.7 billion (USD3.5 billion) approved investments for the same period in 2021. FDI dominated the primary sector with investments valued at RM11.5 billion (USD2.5 billion) (74.2 per cent), while the remaining RM4 billion (USD0.9 billion) (25.8 per cent) is contributed from domestic sources.

The agricultural sub-sector amounted to RM142.9 million (USD30.8 million) in total approved investments, which is a 760.9 per cent increment from the previous RM16.6 million (USD4 million) investments for the same period in 2021. Meanwhile, the plantation and commodities sub-sector recorded RM109.1 million (USD23.5 million) of approved investments, an increase of 28.7 per cent from the previous RM84.8 million (USD20.2 million) investments for the same period in 2021.

As of November 2022, there are 285 projects with proposed investments of RM19.9 billion (USD4.4 billion) within MIDA's pipeline; 247 projects are from the services sector (RM13.7 billion) (USD3 billion), while 38 projects are from the manufacturing sector (RM6.2 billion) (USD1.4 billion), all of which fall under MIDA's purview.

Malaysia's economy has grown rapidly. Due to ongoing reforms and recent digitalisation efforts, the country is experiencing its strongest recovery since the two-year pandemic that shut down the global economy. In collaboration with MITI, MIDA is actively working to attract investments in targeted industries from all over the globe to upgrade Malaysia's industrial ecosystem and trade landscape. These initiatives include giving necessary business facilitation and value network to foreign, local, and start-up companies to ensure they can optimise operations in this dynamic market. The Government is eager to help businesses succeed and make Malaysia the ideal place for them to reach their full potential.

The Government remains resilient to discover new growth areas and empower businesses and local communities while upholding the principles of integrity, good governance, and the rule of law, in addition to promoting inclusivity and sustainable development through principles of SDGs and the New Investment Policy (NIP), under the umbrella of the National Investment Aspirations (NIA).

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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