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MALAYSIA MAINTAINS ITS STATUS AS A PREFERRED INVESTMENT HUB

RM71.4 BILLION OF APPROVED INVESTMENTS CEMENT ITS POSITION AS THE PREMIER HUB FOR HIGH-TECH VENTURES, PAVING THE WAY FOR THRIVING JOB OPPORTUNITIES

- *Malaysia has attracted RM71.4 billion in approved investments for the period of January to March 2023.*
- *With an impressive number of 1,265 projects approved, it is expected that these projects will generate 23,977 new job opportunities across the manufacturing, services, and primary sectors.*
- *The services sector ranked top in Q12023 with RM53.6 billion of approved investments, with over 12,000 job opportunities.*
- *Malaysia's manufacturing sector remains resilient in Q12023 with RM15.6 billion investments and over 11,900 new jobs.*
- *The primary sector attracted RM2.2 billion of investments with promising spillover impact.*
- *Foreign Direct Investments (FDI) contributed RM37.5 billion or 52.5% of the total approved investments.*
- *Domestic Direct Investments (DDI) accounted for RM33.9 billion, representing 47.5% of the total approved investments.*

Kuala Lumpur, 29 May 2023 –Malaysia attracted RM71.4 billion in approved investments for the period of January to March 2023 (Q12023), once again proving its value as a preferred investment destination. With an impressive number of 1,265 projects approved, it is expected that these projects will generate 23,977 new job opportunities across the manufacturing, services, and primary sectors.

With its conducive investment landscape, Malaysia continues to capture more Foreign Direct Investments (FDI) than Domestic Direct Investments (DDI). FDI contributed RM37.5 billion, representing 52.5% of the total approved investments.

Singapore took the lead with RM11.5 billion, and the British Virgin Islands was second at RM7.1 billion, followed closely by the People's Republic of China (PRC) at RM6.5 billion. Hong Kong SAR and the Republic of Korea contributed RM2.9 billion and RM2.5 billion, respectively.

Notably, DDI accounted for RM33.9 billion, representing 47.5% of the total approved investments, clearly reflecting domestic investors' renewed confidence in Malaysia's

economic progress and prospects.

For approved projects by state, the top five (5) states that attracted a significant portion of the approved investments for Q12023 were the W.P. Kuala Lumpur with RM21.8 billion, followed by Johor (RM10.6 billion), Selangor (RM7.4 billion), Perak (RM7.1 billion), and Sabah (RM6.3 billion).

YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Investment, Trade and Industry (MITI) stated, "Our ability to attract RM71.4 billion in approved investments for the first quarter of 2023 underscores Malaysia's continued appeal as an investment powerhouse. Both foreign direct investments and domestic investments almost match each other in value. From a domestic perspective, this clearly reflects renewed confidence in Malaysia's growth prospects. All these will have positive spillover impact particularly on the SMEs in our domestic supply chain, and on the *rakyat* in terms of better-paying jobs, which will help support our economy in the face of various global challenges this year."

Services Sector Ranked Top in Q12023 with RM53.6 Billion Approved Investments and Over 12,000 Job Opportunities

In Q12023, the services sector surpassed all other sectors in terms of approved investments, registering RM53.6 billion, which accounted for 75.1% of the total approved investments. This represented an impressive 226.8% year-on-year growth over the previous year's figure of RM16.4 billion for Q12022. The RM53.6 billion represents an impressive 1,058 approved projects, expected to create 12,051 new job opportunities.

Within the services sector, the information and communications sub-sector stood out prominently, attracting approved investments valued at RM24.9 billion, representing a substantial 46.5% share. Second was the real estate sub-sector, securing RM15.5 billion (28.9%), followed by distributive trade with RM6.7 billion (12.5%), financial services with RM2.2 billion (4.1%), and support services with RM1.8 billion (3.4%).

Notable projects approved within the services sector include:

- GDS IDC Services (Malaysia) Sdn. Bhd.: An investment of RM2.2 billion in a hyperscale data centre project.
- Seri Yakin Logistics Sdn. Bhd.: A RM1.4 billion investment for the development of a smart warehouse, including an e-fulfillment hub.

The government made good on its intention to focus on green investment, with several projects approved under green technology for renewable energy initiatives, such as those by Columbia Asia Sdn. Bhd., Smiths Detection Centre Sdn. Bhd., Iriichi (Malaysia) Sdn. Bhd., and Tian Seng Hang Trading Company Sdn. Bhd.

These projects highlight the diverse and promising opportunities within the services sector, attracting significant investments and contributing to Malaysia's economic growth.

Malaysia's Manufacturing Sector Remains Resilient in Q12023 with RM15.6 Billion Investments and Over 11,900 New Jobs

In Q12023, Malaysia continued to attract a healthy level of investments in the manufacturing

sector, with a substantial value of RM15.6 billion or 21.8% of the total approved investments. This commitment was evident through the approval of 192 manufacturing projects, slated to generate over 11,900 new job opportunities.

A majority of the approved investments in the manufacturing sector were allocated to key industries. Transport equipment took the lead with RM4.4 billion (28.2%), followed by machinery and equipment with RM2.6 billion (16.6%), basic metal products with RM2.3 billion (14.7%), electrical and electronics (E&E) with RM2.1 billion (13.2%), and non-metallic mineral products with RM1.6 billion (10.3%). Together, these industries accounted for a significant 83.1% of the total approved investments in the sector.

Notably, the manufacturing sector in Malaysia received approval for several innovative, high value-added and high-technology projects, showcasing MIDA's serious intent to utilise investments to reorientate our industry technologically, redefine Malaysia's industry standards and fuel future economic growth sustainably. These projects include:

- EVE Energy Malaysia Sdn. Bhd.: An investment of RM4.2 billion to develop cutting-edge Cylindrical Li-Ion batteries for power tools and E-bikes. This project reflects a commitment to sustainable energy solutions and positions Malaysia as a leader in advanced battery technology.
- LOTTE EM Malaysia Sdn. Bhd. (formerly known as IMM Technology Sdn. Bhd.): With an investment worth RM2.3 billion, LOTTE EM Malaysia is set to revolutionise lithium-ion batteries by introducing Electro-deposited copper foil. This breakthrough innovation promises enhanced performance and reliability, contributing to the evolution of the electric mobility industry.
- Xinyi Solar (Malaysia) Sdn. Bhd.: A significant RM1.5 billion investment to produce Photovoltaic functional glass (coated). This project signifies Malaysia's dedication to renewable energy and showcases its capability to manufacture state-of-the-art solar components.

These high-value projects underscore Malaysia's commitment to technological advancement, fostering a thriving ecosystem for innovation and attracting more global investments. By pushing boundaries and embracing cutting-edge technologies, the manufacturing sector in Malaysia continues to position itself as a hub for high-value, high-tech ventures with immense growth potential.

Primary Sector Attracts RM2.2 Billion Investments and Promising Opportunities

In Q1 2023, the primary sector in Malaysia drew investments valued at RM2.2 billion. Despite the modest quantum, these investments have the capacity to drive positive economic impact. Here are the key highlights:

- Mining Sub-sector: Approved investments of RM2.1 billion were allocated to mining projects, underscoring our established capacity to extract and utilize valuable minerals from Malaysia's resource-rich landscape.
- Plantation & Commodities: Garnering investments of RM65.1 million, the plantation and commodities sub-sector demonstrates ongoing efforts to enhance productivity and sustainability in agricultural practices.

While the primary sector's contribution may be modest compared to services and manufacturing, what is key is that these investments pave the way for future growth and innovation.

Thriving Pipeline and Lead Projects Reflect Investor Confidence in Malaysia

Malaysia's investment landscape presents bright prospects with a pipeline of proposed investments and lead projects overseen by MIDA. There are currently a total of 878 projects and proposed investments amounting to RM35.9 billion for pipeline projects, and RM150.4 billion for lead projects, reflecting businesses and investors' confidence in Malaysia's potential.

The manufacturing sector took the lead with 78.8% (RM28.3 billion) of pipeline projects, while the services sector accounted for 21.2% (RM7.6 billion), showcasing a diversified investment portfolio.

"This robust pipeline and lead project portfolio solidify Malaysia's reputation as an attractive and thriving investment destination, fueled by its strategic location, robust infrastructure, skilled workforce, and supportive business policies," says Datuk Wira Arham Abdul Rahman, Chief Executive Officer of the Malaysian Investment Development Authority (MIDA). "As the main Investment Promotion Agency in Malaysia, MIDA remains committed to fostering a conducive environment for businesses and investors, and these impressive figures reflect the confidence they have in Malaysia's potential for long-term growth and success."

Moving forward, MITI and MIDA aim to sustain this momentum by attracting new investments that are aligned to the objectives of the New Investment Policy, towards sustainable and inclusive economic growth for Malaysia.

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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, Tik Tok and YouTube.

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