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### MALAYSIA CREATES ALMOST 90,000 JOBS FROM RM225.0 BILLION APPROVED INVESTMENTS FOR 9M2023, EXCEEDING FULL-YEAR ANNUAL TARGET

- *Malaysia attracted **RM225.0 billion** of approved investments in services (RM117.7 billion), manufacturing (RM99.8 billion), and primary sectors (RM7.5 billion). This is a **6.6% increase** as compared to RM211.0 billion approved investments in the same period last year.*
- ***Foreign Direct Investment (FDI) accounted for a substantial 55.9% or RM125.7 billion** of the total approved investments, while **Domestic Direct Investment (DDI) contributed 44.1% or RM99.3 billion**. **DDI recorded an impressive surge of 45.2%** as compared to the same period last year.*
- *The **services sector** emerged as the clear frontrunner, commanding a **significant share of RM117.7 billion** or **52.3%** of the total approved investments.*
- ***Top five (5) sources of FDI** was led by The Netherlands (RM35.0 billion), Singapore (RM20.4 billion), The United States (RM18.9 billion) The People's Republic of China (PRC) (RM11.6 billion) and Japan (RM11.2 billion).*
- ***Five (5) states that have recorded significant investment value** to the total approved investments include Wilayah Persekutuan Kuala Lumpur (RM48.9 billion), Pulau Pinang (RM44.9 billion), Selangor (RM41.6 billion), Kedah (RM22.6 billion) and Johor (RM20.0 billion).*
- *With an impressive number of **3,949 projects** approved, a **35.3% increase** as compared to Jan-Sept 2022, these approved projects will generate **89,495 new jobs** in the country.*

**Kuala Lumpur, 6 December 2023** – Malaysia's investment facilitation efforts have helped attract **RM225.0 billion** in **approved investments** across the **services, manufacturing, and primary sectors** for the period from **January to September 2023**. This 6.6% increase in value, backed by **3,949 investment projects**, is set to unlock **89,495 new job opportunities**, showcasing Malaysia's resilience on the back of prevailing global operational uncertainties across various industries.

**Foreign Direct Investment (FDI)** constituted **55.9%** of the total approved investments at **RM125.7 billion**. The Netherlands emerged as the leading source of FDI, contributing RM35.0 billion. Notably, Malaysia also attracted substantial investments from Singapore (RM20.4 billion), the United States (RM18.9 billion), the People's Republic of China (PRC)

(RM11.6 billion), and Japan (RM11.2 billion). This diversity in the investors' base highlights Malaysia's universal appeal as a strategic hub, particularly for the ASEAN region.

**Domestic Direct Investment (DDI)**, on the other hand, contributed **RM99.3 billion**, or **44.1%** of the total approved investments. **This represents an impressive increase of 45.2% year-on-year**, a testament to local players' confidence in the country's prospects.

**Five (5) states which garnered significant investment values** are Wilayah Persekutuan Kuala Lumpur (RM48.9 billion) Pulau Pinang (RM44.9 billion), Selangor (RM41.6 billion), Kedah (RM22.6 billion), and Johor (RM20.0 billion), **Collectively, these states accounted for 60.2%** of the total approved investments for the reporting period.

YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Investment, Trade and Industry (MITI), said, "**RM225 billion**, which represents a **6.6%** increase year-on-year, is Malaysia's **best achievement for the corresponding period over the past decade**, and a marked increase **against the 10-year average of RM222.6 billion for approved private investments**. This achievement **is a testament to Malaysia's continued attractiveness as an investment destination**, as well as our collaborative *whole-of-government* and the *whole-of-nation* efforts in **attracting, facilitating and retaining investments**, while enhancing the ease of doing business under the MADANI Economy framework."

"Investment inflow from countries such as The Netherlands, Singapore, the United States, China, and Japan reflect the type of high-tech, strategic investments that Malaysia is targeting from global players. But this is no time for complacency. **MITI and its agency, MIDA, will continue to position Malaysia as a highly viable and stable destination to strategically capture more inflows** from the redesigning of supply chains in the global investment landscape, in line with our industrial transformation as stipulated in the New Industrial Master Plan (NIMP) 2030," added Tengku Zafrul.

## **SERVICES SECTOR DOMINANCE**

The prominence of Malaysia's services sector has grown steadily over time. This sector led the way in terms of approved investments from January to September 2023, accounting for RM117.7 billion or 52.3% of the total approvals. It is expected to create 40,607 new jobs, which also reflects the sector's attractiveness for investments.

Of the total approved investments in the services sector, RM78.7 billion or 66.8% came from DDI. This also underscores the confidence of domestic players in policy continuity and stability under the MADANI Government. The remaining 33.2% or RM39.0 billion were from foreign sources.

The Information and Communications (ICT) was the largest recipient of investments in the services sector, with RM45.6 billion approved. Other major sub-sectors were Real Estate

(RM44.4 billion) Distributive Trade (RM9.2 billion), Utilities (RM6.3 billion), and Financial Services (RM6.0 billion).

In line with the transition to the green agenda as outlined in the National Transition Energy Roadmap (NETR) and the New Industrial Master Plan (NIMP) 2030, investments in green technology have grown significantly, by 24.6% to RM1.5 billion year-on-year. These investments encompass various green technology initiatives, including renewable energy generation, energy conservation, waste management, green buildings, and green services.

### ***Notable Ventures: Paving the Way for a Digital Economy Hub***

In the services sector, one of the standout ventures include **Envico Enterprises Sdn. Bhd.**, a strategic regional establishment within Malaysia's dynamic services sector and a division of The Valiram Group – a local retailer specialist. Positioned as a crucial hub for expansion, Envico embodies Malaysia's potential on the global stage with a steadfast determination to sustained growth and excellence, echoing the principles of prosperity and sustainability.

### **Diversification Propels Malaysia's Manufacturing Sector**

The manufacturing sector in Malaysia attracted a total of RM99.8 billion in approved investments, accounting for 44.4% of the total approved investments across all sectors. This marks a significant increase of 53.9% from the RM64.9 billion recorded in the same period in 2022.

These investments are spread across 607 projects, poised to generate an estimated 48,496 job opportunities. FDI takes a significant lead, contributing RM84.8 billion or 85.0%, while DDI accounts for RM15.0 billion or 15.0%.

Expansion and diversification projects dominate the landscape, amounting to RM62.0 billion, in addition to RM37.8 billion stemming from new projects. FDI plays a pivotal role in both categories, representing 89.7% of expansion/diversification projects and 77.3% of new projects, respectively.

A notable 83.5% of expansion/diversification projects are concentrated in the electrical and electronics (E&E) industry, aligning with global trends and the resurgence of the technology cycle. Among these large-scale expansion/diversification projects include four (4) projects cumulatively worth RM40.5 billion for the manufacturing of electronic components such as LED chips, sub-assembly devices and semiconductor devices

The decision of foreign global E&E companies to expand their operations in Malaysia is strategically timed to leverage the anticipated recovery in the global technology cycle. Projections from The World Semiconductor Trade Statistics (WSTS) Forecast of Global Semiconductor Sales indicate a positive growth of 11.8% in 2024, following a contraction of

10.3% in 2023. This foresight positions these companies to capitalise on increased exports, particularly in the E&E products domain.

New projects are also led by foreign sources, which is 77.3%, showing the continued confidence of foreign investors in Malaysia as a preferred investment destination that can complement their international business network. Focus industries include E&E and machinery and equipment (M&E), amounting to RM9.9 billion and RM7.8 billion respectively.

One of the investment projects that stood out and underscored the sector's attractiveness and Malaysia's appeal to global manufacturing giants include **Lumileds Malaysia Sdn. Bhd.**, a hefty investment of RM25.7 billion earmarked for the manufacture of LED chips, devices, sub-assemblies, and LED-based lighting products/systems/modules.

Other top-performing industries within the manufacturing sector include M&E (RM10.8 billion), non-metallic mineral products (RM6.9 billion), fabricated metal products (RM5.5 billion), and transport equipment (RM5.4 billion).

The approved investments in the manufacturing sector is expected to create a total of 48,496 potential job opportunities. Among these, a total of 20,610 (42.5%) high-impact jobs will be for the positions in management, professional/technical, supervisory, and skilled worker categories. The remaining distribution includes 19,298 (39.8%) in machine operators and assembly workers; 2,273 (4.7%) in sales, clerical and other roles; as well as 6,315 (13.0%) in general workers.

### **Primary Sector Reflects Positive Opportunities**

The primary sector sees RM7.5 billion in approved investments, constituting 3.3% of the total approvals. Driven by 58 projects, it anticipates creating 392 new jobs, with a focus on mining (RM7.2 billion), and plantation and commodities (RM0.2 billion).

### **Doubling Efforts for Quality Investments**

Datuk Wira Arham Abdul Rahman, Chief Executive Officer of MIDA emphasised, "As Malaysia's investment landscape reaches new heights, the services sector stands as a formidable pillar, embodying our nation's commitment to innovation and sustainable development. The notable surge in approved investments, particularly in Information and Communications Technology (ICT) and green technology, not only highlights the resilience but also amplifies the potential of our local services players. Concurrently, the manufacturing sector's stellar performance, notably the (E&E) industry, strategically positions Malaysia as a pivotal hub for global manufacturing giants. These accomplishments are a testament to the synergistic collaboration between public and private entities in advancing a robust industrial landscape and enablers, forging a path towards a future characterised by innovation, resilience, and economic prosperity and further strengthening our ecosystem."

Malaysia's investment landscape presents bright prospects with a pipeline of proposed investments and lead projects overseen by MIDA. As of November 2023, there are a total of 1,428 projects with proposed investments of RM72.3 billion within MIDA's pipeline. Of these proposed investments, a total of 1,352 projects are from the selected services sector (RM31.8 billion), while 76 projects are from the manufacturing sector (RM40.5 billion), all of which fall under MIDA's purview. Additionally, a total amount of RM161.6 billion in high-potential investment leads are actively being negotiated by MIDA.

In the spirit of relentless commitment, MITI/MIDA unveils a suite of initiatives designed to facilitate investment seamlessly. The Task Force on Investment and Trade Coordination (JTPPP) stands as a beacon of coordination, diligently monitoring and accelerating the execution of strategic projects. The recently launched Invest Malaysia Facilitation Centre (IMFC) stands tall as a symbol of progressive facilitation, augmenting advisory services for businesses at both federal and state levels.

To cap off this momentous achievement, the MIDA CEO asserts, "Our success in attracting RM225.0 billion in investments demonstrates Malaysia's prowess as a global investment destination. The diversified inflow of investments from leading economies and the steadfast commitment by the Government and stakeholders underscore our nation's resilience."

**\*\*\*THE END\*\*\***

## **About MIDA**

MIDA is the Government's principal investment promotion and development agency under the Ministry of Investment, 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](http://www.mida.gov.my) and follow us on X, Instagram, Facebook, LinkedIn, TikTok and YouTube channel.

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