

MEDIA RELEASE

FOR IMMEDIATE RELEASE

MALAYSIA RESILIENT ASCENT - SECURING HISTORIC RM329.5 BILLION IN INVESTMENTS, GENERATING CLOSE TO 130,000 JOBS IN 2023

- *In 2023, Malaysia attracted **RM329.5 billion** of approved investments in services (RM168.4 billion), manufacturing (RM152.0 billion), and primary (RM9.1 billion) sectors. This is a **23.0% increase** as compared to RM267.7 billion approved investments last year.*
- ***Foreign Investments (FI) accounted for a substantial 57.2% or RM188.4 billion** of the total approved investments, while **Domestic Investments (DI) contributed 42.8% or RM141.1 billion.***
- *The **services sector** emerged as the clear frontrunner, commanding a **significant share of RM168.4 billion** or **51.1%** of the total approved investments. This is a **7.2% increase** as compared to **RM157.1 billion** approved investments last year.*
- *The **manufacturing sector**, spearheading with **RM152.0 billion** or **46.1%** of the total approved investments, witnessed an impressive growth of **80.3%**, a **substantial leap** from the RM84.3 billion approved investments recorded last year.*
- ***Top five (5) sources of FI¹** was led by Singapore (RM43.7 billion), The Netherlands (RM35.5 billion), The United States of America (USA) (RM21.5 billion), Cayman Islands (RM17.5 billion) and The People's Republic of China (PRC) (RM14.5 billion).*
- ***Five (5) states that have recorded highest approved investments** include Pulau Pinang (RM71.9 billion), Wilayah Persekutuan Kuala Lumpur (RM58.3 billion), Selangor (RM55.3 billion), Johor (RM43.1 billion) and Kedah (RM28.7 billion).*
- *With an impressive number of **5,101 projects** approved, a **12.9% increase** as compared to 2022, these approved projects will generate **127,332 new jobs** in the country.*

Kuala Lumpur, 29 February 2024 – Amidst a backdrop of anticipated global economic challenges in 2023, including persistently high core inflation², Malaysia's economy defied expectations with a significant surge. Achieving RM329.5 billion in approved investments across the manufacturing, services, and primary sectors, the nation's economy not only thrived but showcased the effectiveness of its pro-business and growth-oriented policies. This remarkable performance, marked by a 23.0% increase over last year's approved investments, reaffirms Malaysia's position as a globally attractive investment destination.

¹ Compilation of foreign investments is based on immediate source country

² <https://www.bnm.gov.my/-/monetary-policy-statement-02112023>

The synergy of Foreign Investment (FI) and Domestic Investment (DI) reaching new heights exemplifies investor confidence and Malaysia's resilience amidst a global economic landscape that, against the odds, presented pleasantly surprising outcomes. This achievement is indeed a testament to Malaysia's strategic maneuvering through potential economic hiccups, marking a year that, despite its challenges, started on a noteworthy of celebration.

YB Tengku Zafrul said, "These stellar results of RM329.5 billion in approved investments show that as a country with strong policies that support growth and investment prospects, Malaysia offers a huge potential for attractive returns alongside the nation's clear vision to become a developed and inclusive economy. MITI and MIDA will continue to remain steadfast in our commitment to fostering an environment conducive to high-quality investments aimed at creating opportunities for our SMEs and high-paying jobs for our *rakyat*."

Of the remarkable RM329.5 billion in approved investments for 2023, 5,101 projects stand ready to generate 127,332 job opportunities for Malaysians, bolstering both economic growth and employment. The distribution of investments showcases a significant leaning towards FI, which represents 57.2% of the total, amounting to RM188.4 billion. DI contributed a substantial 42.8%, or RM141.1 billion, reflecting a balanced and robust investment landscape.

The investment influx was predominantly led by five countries, with Singapore (RM43.7 billion), The Netherlands (RM35.5 billion), the United States of America (USA) (RM21.5 billion), Cayman Islands (RM17.5 billion), and the People's Republic of China (PRC) (RM14.5 billion) together accounting for 70.4% of total FI, or RM132.7 billion. This diversification in foreign investment sources underscores Malaysia's global appeal and the confidence of international investors in its robust investment landscape.

Regionally, Pulau Pinang emerged as the leading beneficiary with approved investments totalling RM71.9 billion, followed closely by Wilayah Persekutuan Kuala Lumpur (RM58.3 billion), Selangor (RM55.3 billion), Johor (RM43.1 billion), and Kedah (RM28.7 billion). These five states collectively attracted RM257.3 billion, representing 78.1% of the overall approved investments in 2023. This geographic distribution of investments not only highlights the strategic importance and economic vitality of these regions but also signifies the nationwide spread of economic development opportunities facilitated by these investments.

The Services Sector at the Forefront of Malaysia's Investment Boom

The prominence of Malaysia's services sector has grown steadily over time. This sector led the way in terms of approved investments, accounting for RM168.4 billion or 51.1% of the total approvals. Anticipated to generate 52,732 job opportunities from 4,143 approved projects, this reflects the sector's attractiveness for investments.

A significant portion of the services sector's investment comes from domestic sources, amounting to RM110.5 billion or 65.6%, with foreign investment contributing the remaining 34.4% or RM57.9 billion. This balanced mix underscores the sector's appeal to both local and international investors.

The Information and Communications sub-sector stands out with RM63.7 billion in approved investments, leading the charge in the services sector's growth. Other key contributors include real estate (RM61.0 billion), utilities (RM11.1 billion), distributive trade (RM11.1 billion), and support services (RM10.5 billion), each playing a vital role in the sector's dynamism and diversity.

The year 2023 continues to showcase the attractiveness of Malaysia's digital infrastructure investment landscape. GDS, a prominent data centre developer and operator in Asia, is establishing a hyperscale data centre campus in Johor, Malaysia, with the goal of transforming it into an AI innovation hub. This development highlights Malaysia's rising significance in the digital economy, underscoring its strategic role as a gateway for technological advancements in Southeast Asia.

Other notable approvals in the services sector include Envico Enterprises Sdn. Bhd., aiming to become a central hub for retail expansion, and Worldwide Holdings Bhd.'s commitment to sustainable solid waste management in Jeram, Selangor, through waste-to-energy technology. These projects reflect Malaysia's dedication to sustainable development and its position as a hub for innovation and investment in the services sector.

The surge in investments within the services sector, particularly in digital infrastructure and sustainable projects, underscores Malaysia's strategic direction towards a resilient and future-ready economy.

Significant Increase in Approved Investments in the Manufacturing Sector

The manufacturing sector in Malaysia attracted a total of RM152.0 billion in approved investments, accounting for 46.1% of the total approved investments across all industries. This marks a significant increase of 80.3% from RM84.3 billion recorded in 2022.

FI was a major force behind this surge, contributing RM128.5 billion or 84.5% of the total manufacturing sector investments, showcasing a striking 94.5% growth from the previous year, while DI, remained substantial at RM23.5 billion or 15.5%. This investment landscape highlights Malaysia's capacity to attract significant foreign capital, reinforcing its status as a competitive manufacturing hub on the global stage. The electrical and electronics (E&E) industry, a cornerstone of Malaysia's manufacturing prowess, secured the lion's share of investments with RM85.4 billion, representing 56.2% of the sector's total. This nearly threefold increase from 2022, is a testament to the strategic expansion of global E&E companies in Malaysia, capitalising on the forecasted recovery in the global technology cycle and the projected 11.8% growth in global semiconductor sales by 2024³. This strategic positioning anticipates bolstering exports, especially in E&E products, affirming Malaysia's role in the global technology supply chain.

Other industries contributing to the manufacturing sector's growth include machinery and equipment (M&E) (RM22.6 billion), chemicals and chemical products (RM8.9 billion), non-metallic mineral products (RM8.8 billion), transport equipment (RM7.1 billion), and plastic products (RM4.1 billion). These industries collectively underscore the manufacturing sector's diversification and its capacity for high-value production.

The surge in manufacturing investments is poised to create 73,939 job opportunities, with a significant emphasis on high-impact roles in management, professional/technical, supervisory, and skilled worker categories (MTS) amounting to 30,407 jobs, of which 91.7% are expected to be filled by Malaysians. The E&E, M&E, and non-metallic mineral products sectors are anticipated to offer the highest number of MTS positions, aligning with the Government's commitment to generating high-quality, high-paying employment for the *Rakyat*.

A noteworthy aspect of 2023's investment influx is the remarkable increase in the capital investment per employee (CIPE) value to RM2.1 million, up by 85.6% from 2022, propelled by the adoption of advanced automation technologies. This shift not only enhances companies' production capabilities but also elevates Malaysia's competitive edge in producing sophisticated products, laying a resilient foundation for sustained national competitiveness.

Highlighting the manufacturing sector's evolution are significant projects by multinational corporations venturing into high-impact and high-technology industries, such as:

- I. **INV New Material Technology (M) Sdn. Bhd.** - The upcoming factory in Penang Technology Park will mark the company's pioneering establishment of a battery separator facility within the ASEAN region. The project's total

³ <https://www.wsts.org/76/103/WSTS-Semiconductor-Market-Forecast>

investment of RM3.2 billion for its first phase will create 2,032 local job opportunities with 32.6% of it at the managerial, technical and supervisory levels. This project will elevate Malaysia as a regional hub for the EV supply chain, further solidifying the country's EV industry ecosystem.

- II. **EVE** - EVE Energy Co., Ltd. (EVE), a China-based lithium battery production company, through its subsidiary EVE Energy Malaysia Sdn. Bhd. has set to build a cylindrical battery production base in Malaysia, with a substantial investment of RM1.924 billion. This project is set to support the electric two-wheelers and power tools manufacturing enterprises in the country and across Asia. The phased construction of the project, slated to be completed within three (3) years, marks a significant milestone for EVE, enhancing its overall competitiveness in the global market for electric two-wheelers and power tools.
- III. **OCIKUMHO Sdn. Bhd.** - a joint venture between OCIM Sdn. Bhd. and South Korea-based Kumho P&B Chemical Inc. is set to produce epichlorohydrin in Sarawak. With a total investment of RM1.1 billion, creating high-value job opportunities with 36.1% in the managerial, technical and supervisory category. The manufacturing of ECH in Malaysia will strengthen the value chain of epoxy manufacturing, contributing towards Malaysia's aspiration to enhance industrial integration and linkages ultimately increasing the competitiveness of the chemical industry in Malaysia. This project also complements Malaysia's Chemical Industry Roadmap 2030 (CIR2030) emphasises enhancing industry integration and increasing value-added from building blocks in a sustainable way.
- IV. **Benchmark Electronics (M) Sdn. Bhd.** - In a strategic move towards further technological excellence in Malaysia, Benchmark has embarked on an ambitious expansion project worth RM802.7 million. The focus lies on high-tech front-end semiconductor machinery and equipment, particularly in areas such as lithography systems and plasma etcher systems. This move aligns with the company's commitment to staying ahead in the fast-paced world of semiconductor technology.
- V. **Infinecs Systems Sdn. Bhd.** - Infinecs is spearheading technological advancements in IC Design and Development services through substantial expansion of investment totalling RM47.15 million. With a workforce of 80 employees in Malaysia, predominantly consisting of 88% Malaysians, the company demonstrates a commitment to empowering the local talent pool. Notably, 70% of employees earn above RM5,000 and within the high-income category, 90% are skilled local workers, showcasing Infinecs' dedication to providing knowledge-based job opportunities for Malaysian engineers.

- VI. **X-Fab Sarawak Sdn. Bhd.** - X-FAB's significant presence for 18 years in Kuching, Sarawak, Malaysia since its establishment in 2006 has contributed to the economic development and technological advancement of the region. And just last year the company continued to grow its capacity and presence in Sarawak with a significant expansion project offering 280 new job opportunities for our locals. The presence of X-FAB in Sarawak has been a source of pride for the local community, fostering technological growth in the area.
- VII. **Sandvik Equipment Sdn. Bhd.** - Sandvik Mining and Rock Solutions is a global leading supplier of equipment and tools, parts, service, digital solutions and sustainability-driving technologies. The company has been a pioneering force in mine electrification, leading innovation in electric equipment for more than 40 years. Sandvik Mining and Rock Solutions has chosen Malaysia as one of its global manufacturing facilities to produce battery-electric and conventional underground mining loaders and battery packs for underground mining equipment. This project marks a significant milestone as the first of its kind in Malaysia. In alignment with the country's commitment to reducing carbon emissions, particularly in the mining and infrastructure sectors, Sandvik provides a sustainable solution to support this initiative.

Primary Sector Reflects Positive Opportunities

The primary sector registered approved investments of RM9.1 billion, constituting 2.8% of the total approvals. Driven by 75 projects, it anticipates creating 661 new jobs, with a focus on mining (RM8.8 billion), and plantation and commodities (RM0.3 billion).

Doubling Efforts for Quality Investments

Malaysia's investment landscape presents bright prospects with a pipeline of proposed investments and lead projects overseen by MIDA. To date, MIDA's pipeline boasts 1,710 projects, with proposed investments reaching RM87.8 billion. Of these proposed investments, a total of 1,648 projects are from the selected services sector (RM52.7 billion), while 62 projects are from the manufacturing sector (RM35.1 billion), all of which fall under MIDA's purview. Additionally, a total amount of RM88.82 billion in high-potential investment leads are actively being negotiated by MIDA.

Realising Approved Manufacturing Projects

In the journey towards elevating Malaysia's investment landscape, strategic initiatives and policies have paved the way for success. Key initiatives include the establishment of the National Investment Council; the Investment and Trade Coordination Action Committee; and the Invest Malaysia Facilitation Centre. These platforms stand as a testament to the nation's commitment to fostering a conducive environment for investments.

MITI and MIDA have showcased exemplary dedication in engaging with stakeholders at both federal and state levels, significantly contributing to the facilitation and realisation of approved investment projects. Between 2021 and 2023, the National Committee on Investment has been instrumental in approving 2,386 manufacturing projects. Remarkably, 74.0% of these projects are already in various stages of implementation, ranging from production to factory construction and machinery installations. An additional 24.7% are in the planning phase, focusing on initial steps such as site selection and consultations with developers and consultants, while a minimal 1.0% are pending initiation, and another 0.3% have been abandoned. Annual project implementation performance observations show that more than 85% of approved manufacturing projects in 2021 and 2022 have been implemented. Notably, 50.1% of projects approved in 2023 have also commenced implementation—a positive trend, given that the completion timeline for manufacturing projects typically spans 18 to 24 months, subject to every project's complexity.

The Chief Executive Officer of the Malaysian Investment Development Authority (MIDA), Datuk Wira Arham Abdul Rahman, expresses immense pride in achieving a significant milestone, stating, “With a record-breaking investment of RM329.5 billion, Malaysia showcases its strong commitment to high-tech, high-value sectors, aligning with our vision for a green, digital, and competitive economy. This remarkable achievement is a clear signal of global confidence in Malaysia as a top-tier investment haven in the region and a tribute to our visionary policies. At MIDA, we are dedicated to supporting our goals under the MADANI Economy Framework, driving quality job creation and economic benefits. Our focus on innovation and sustainability places Malaysia on a path to prosperity and responsible development, making it a global exemplar of progress and environmental stewardship.”

MIDA spearheads the charge towards centralising investment promotion and marketing for Investment Promotion Agencies (IPAs) and Regional Economic Corridors, a strategic move designed to refine and enhance the visibility of Malaysia. With MITI guiding the effort, this initiative promises a more coordinated and effective approach to investment attraction. By eliminating redundancies and boosting the quality of services, MIDA's leadership is set to foster a streamlined environment. This focus on centralisation, especially within regional IPAs, aims to amplify the implementation rate, paving the way for a more conducive investment climate. This effort underscores Malaysia's commitment to delivering a seamless and impactful investment journey, reinforcing its appeal as a premier and competitive investment locale.

This transformative journey marks not just a year of overcoming challenges but a leap into a future where Malaysia stands as a testament to resilience, innovation, and economic prosperity on the global stage.

*****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 and follow us on X, Instagram, Facebook, LinkedIn, TikTok and YouTube channel.

For media enquiries please contact:

Ms. Fatmah Ahmad

Director of Corporate Communications Division
Malaysian Investment Development Authority (MIDA)
Email: fatmah@mida.gov.my | DL: +603-2267 2428