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Q12024 APPROVED INVESTMENTS INCREASED BY 13 PER CENT TO RM83.7 BILLION, CREATING 29,000 NEW JOBS FOR MALAYSIANS

- For **January to March 2024 (Q12024)**, Malaysia attracted **RM83.7 billion** of approved investments in **manufacturing (RM43.0 billion, 51.3%)**, **services (RM39.3 billion, 47.0%)** and **primary (RM1.4 billion, 1.7%)** sectors.
- The overall approved investments recorded a notable **13% increase** from the same period last year (Q12023).
- **Foreign investments (FI)** contributed **RM47.0 billion (56.2%)**, while **domestic investments (DI)** were **RM36.7 billion (43.8%)**. Both categories have shown growth compared to Q12023 with **FI** notably increasing by **23.8%**, while **DI** rose by a modest **1.6%**.
- **Top five (5) sources of FI** led by **Austria (RM30.1 billion)**, **Singapore (RM5.6 billion)**, **The Netherlands (RM3.6 billion)**, **The People's Republic of China (RM3.4 billion)**, and **The United States of America (RM632.8 million)**.
- Significant investments were approved in **Kedah (RM31.3 billion)**, **W.P. Kuala Lumpur (RM21.5 billion)**, **Selangor (RM12.4 billion)**, **Sarawak (RM4.2 billion)**, and **Johor (RM4.1 billion)**.
- A total of **1,257 projects approved**, expected to generate **29,027 new jobs** in the country. **Total employment increased** by **14.6%** compared to Q12023.
- **Capital Investment per Employee (CIPE)** and **Managerial, Technical, and Supervisory (MTS)** index for the manufacturing sector recorded **higher levels** at **RM2.4 million** and **44.2%**, respectively, compared to Q12023.
- Notably **77.2% of manufacturing projects approved between 2021 to March 2024** have been **implemented**.

Kuala Lumpur, 21 June 2024 –Malaysia has shown commendable performance for the period January to March 2024 (Q12024) with a total value of RM83.7 billion in approved investments across various sectors. This represents a solid 13% increase from RM74.1 billion in the same period last year (Q12023). These approved investments comprise of 1,257 projects, which are expected to generate 29,027 new job opportunities for Malaysians.

Foreign investments (FI) accounted for 56.2%, or RM47.0 billion of the total investments, while domestic investments (DI) made up the balance of 43.8%, valued at RM36.7 billion.

Austria topped the list of foreign investors by a very wide margin, with RM30.1 billion (64%) in approved investments, followed by Singapore (RM5.6 billion), The Netherlands (RM3.6 billion), The People's Republic of China (RM3.4 billion), and The United States of America (RM632.8 million).

In terms of states, Kedah recorded the highest value of approved investments (RM31.3 billion), followed by W.P. Kuala Lumpur (RM21.5 billion), Selangor (RM12.4 billion), Sarawak (RM4.2 billion), and Johor (RM4.1 billion).

Target sectors stipulated by the National Investment Aspirations (NIA) contributed RM53.7 billion, accounting for 64.1% of the total approved investments across 252 projects, which are expected to create 17,056 new job opportunities. The NIA is built on five robust pillars: enhancing economic complexity, creating high-value job opportunities, expanding domestic linkages, developing new and existing clusters, and promoting inclusivity.

Of the total approved investments, RM47.5 billion, or 56.8%, fall under the jurisdiction of MITI/MIDA, covering 500 projects with 18,517 new job opportunities.

YB Senator Tengku Datuk Seri Utama Zafrul Aziz, Minister of Investment, Trade, and Industry (MITI) said, "Approved investments of almost RM84 billion for Q12024, up by 13% year-on-year, reflect how Malaysia has earned investors' trust. Working closely with MIDA, MITI has delivered not just the investment numbers, but also their speedy realisation to quickly translate these investments into business opportunities for SMEs and jobs for Malaysians. While we acknowledge the usefulness of short-term indicators of our business landscape, the real proof of Malaysia's competitiveness is in the actual, continuous inflow of investments into key target sectors outlined by NIMP 2030, including in high-growth industries such as semiconductors, data centres, renewable energy and electric vehicles. This is why we will also continue to focus on longer-term industrial reforms and other strategic policy efforts to nurture a conducive investment ecosystem, to drive productivity as well as sustainable, inclusive growth that will pave the way for Malaysia to be one of the top 30 largest economies globally by 2033."

Malaysia's Manufacturing Sector Thrives with Substantial Investment Growth

Malaysia's manufacturing sector experienced significant momentum with approved investments of RM43.0 billion, registering a remarkable 174.9% increase compared to the first quarter of last year. A total of 252 projects were approved, which would create 17,991 new employment opportunities. Of these, 80.8% (14,528) are for Malaysians, with 50.6% in management, professional, technical, supervisory, and skilled labour roles.

Foreign investments (FI) accounted for RM38.2 billion or 88.8% of the total approved investments in the manufacturing sector. Domestic investments (DI) contributed RM4.8 billion or representing 11.2% of the total.

Key indices such as Capital Investment per Employee (CIPE) and Managerial, Technical, and Supervisory (MTS) index also recorded higher levels compared to the same period last year. The CIPE stood at RM2.4 million compared to RM1.3 million previously, indicating higher economic complexity in the approved projects. The MTS index also rose to 44.2%, up from 38.3%, reflecting the creation of higher-quality job opportunities.

The **electrical and electronics (E&E)** is the major industry underpinning Malaysia's manufacturing economic growth with approved investments of **RM34.3 billion**. Malaysia is stepping up efforts to set standards with comprehensive business solutions spanning R&D, manufacturing, supply chain management, logistics, and even global HQ functions.

Despite continued geopolitical uncertainties, Malaysia has managed to position itself appropriately to capture more investments in semiconductors, contributing to a more secure and resilient global semiconductor supply chain. Further impetus for this would be provided by the recently unveiled National Semiconductor Strategy (NSS), which targets to attract at least RM500 billion in investments in the first phase of the plan.

Other key industries contributing to the stellar performance of the manufacturing sector include:

- Transport Equipment: RM2.2 billion
- Chemicals and Chemical Products: RM2.1 billion
- Fabricated Metal Products: RM986.7 million
- Food Manufacturing: RM692.3 million

Notable Projects in the Manufacturing Sector:

A notable project contributing to this significant growth is the investment by Infineon Technologies (Kulim) Sdn. Bhd., a global semiconductor leader in power systems and IOT plans to expand with an additional investment of RM30.1 billion (Euro 5 billion) of the original Euro 2 billion investment in its facility in Kulim, Kedah, by building the world's largest 200-millimetre silicon carbide power fabrication plant.

Other quality projects include:

- **Chery Corporate Malaysia Sdn. Bhd.:** With an investment worth RM1.4 billion, Chery, a renowned automotive company, aims to boost its production capabilities in Malaysia.
- **NovaAir Industrial Gases Sdn. Bhd.:** NovaAir specialises in the production of industrial gases. The company is investing RM241.4 million in producing Gaseous Argon, Nitrogen, Oxygen, Helium, High Purity Oxygen, Krypton, Liquid Argon, Liquid Nitrogen, Liquid Oxygen, Neon, and Xenon.
- **Industrial Concrete Products Sdn. Bhd. (ICP) :** With an additional investment of RM250 million, Industrial Concrete Products Sdn. Bhd. (ICP), a subsidiary of IJM Corporation Berhad, will build its largest manufacturing facility at Bestari Jaya, Selangor. This fully automated smart factory will produce pretensioned spun

concrete piles and other precast concrete products, incorporating sustainable practices and significantly reducing labour reliance.

Malaysia's Services Sector Attracts Modest Investments in Q12024

The services sector recorded RM39.3 billion in investments across 994 projects, set to create 10,988 employment opportunities. Domestic investments (DI) accounted for RM30.6 billion (77.9%), while foreign investments (FI) contributed RM8.7 billion (22.1%).

DI's robustness was driven by government incentives, a stable economic environment, strategic national initiatives for digital transformation and infrastructure enhancement, and supportive policies for local enterprise development.

The top-performing sub-sectors within the services sector are:

- Information and Communications: RM17.3 billion
- Real Estate: RM13.6 billion
- Global Establishments: RM3.4 billion
- Financial Services: RM2.3 billion
- Utilities: RM1.8 billion

Malaysia's services sector continues to demonstrate its resilience and attractiveness to investors. The substantial DI underscores the country's stable economic environment and the Government's strategic initiatives for digital transformation and infrastructure enhancement.

With particular strength in the information and communications sub-sectors, especially data centres and cloud computing, as well as global establishments, Malaysia is integrating advanced AI technologies to drive sustainable and innovative growth.

Notable Projects in the Services Sector

Notable projects contributing to the sector's growth include:

- **Kedah Cement Sdn. Bhd.:** With an investment worth RM120 million, Kedah Cement is integrating sustainable technologies into its operations through an innovative 10MW Waste Heat Recovery System (WHRS) derived from the cement clinking process. This pioneering system has significantly reduced the company's carbon footprint and energy consumption.
- **Infinity Logistics & Transport Sdn. Bhd.:** Infinity Logistics, a leader in integrated logistics services, is investing RM245.5 million to develop a smart warehouse in Malaysia.
- **Toyo Tyre Malaysia Sdn. Bhd.:** Toyo Tyre, one of the leading tire manufacturers, is investing an additional RM32.8 million to integrate a 16-megawatt peak (MWp) rooftop solar photovoltaic (PV) system into its operations. This expected generation of 16 MWp of clean energy, allows Toyo Tyre to offset 12,195 tonnes of carbon dioxide annually.

- **GC Forwarding Service Sdn. Bhd.:** GC Forwarding Service, specialising in freight forwarding and logistics solutions, is investing RM19.9 million to establish a new facility in Malaysia. This initiative will enable the company to offer comprehensive services, including freight forwarding, general warehousing, bulk-breaking, and transportation and distribution activities.

Primary Sector Remains Significant

The primary sector secured RM1.4 billion in approved investments across 11 projects, mainly in mining. The approved investments are expected to create 48 new jobs and are dominated by domestic sources with RM1.3 billion (88.7%), while foreign sources contributed RM161.1 million (11.3%).

Attracting Future Investments

Since beginning of the year, MITI and MIDA have executed nine (9) High-Level Overseas Investment Missions to key countries such as Germany, France, Australia, Italy, Singapore and Japan. This is in addition to the numerous official Overseas Working Visits led by the Prime Minister of Malaysia, YAB Dato' Seri Anwar Ibrahim to meet key global business leaders. These proactive efforts have helped Malaysia achieve a significant number of projects and approved investments. These missions are instrumental in exploring economic opportunities, attracting new investments, and fortifying bilateral trade and investment relations with Malaysia.

As of May 31 2024, MIDA is actively pursuing 1,775 proposed projects worth RM68 billion, comprising 1,709 in the services sector (RM44.7 billion) and 66 in manufacturing (RM23.3 billion). While negotiations are ongoing between MIDA and prospect investors for high-potential leads totalling RM60.4 billion.

Effective 1 June 2024, InvestKL has been absorbed under MIDA to streamline functions, reduce investor confusion, and enhance investment facilitation through cumulative expertise. Despite this consolidation, MIDA has guaranteed continued support to new and existing investors procured through InvestKL. Among MIDA's fresh objectives include elevating Malaysia's status as a premier global services hub. This rationalisation exercise embodies the MADANI Government's principles on optimising public resources while also delivering superior services.

Mr. Sikh Shamsul Ibrahim, CEO of MIDA, remarked, "Our stellar Q12024 investment performance is a testament to MITI and MIDA's tireless dedication to attracting investors and nurturing a fertile ground for growth and innovation. We are steadfast in our mission to propel Malaysia to unprecedented economic heights through strategic partnerships with MITI and other key ministries and agencies. Our vision is to shape Malaysia into a leader in technological prowess, sustainable practices, and a thriving investment landscape. With forward-thinking policies and bold initiatives, Malaysia stands as a premier destination for both global and local investors, driving prosperity for the *rakyat*, SMEs, and the wider business community. This united effort will steer us towards a future of unparalleled growth and innovation."

Realised Investments for Manufacturing Sector

Between 2021 and March 2024, the National Committee on Investment has approved 2,638 manufacturing projects. Notably, 77.2% of these projects are already in various stages of implementation, ranging from production to factory construction and machinery installations. While 21.1% are in the planning phase, focusing on initial steps such as site selection and consultations with developers and consultants. A minimal 1.6% remain unimplemented.

The strategic platform of the Invest Malaysia Facilitation Centre (IMFC) at MIDA is instrumental in keeping track and following through approval processes for investment projects by cutting through red tape, while offering indispensable consultation and advisory services. These diligent steps and strategic resource allocation ensure that approved investments transition from paper to reality swiftly. These efforts are pivotal, driving local employment and propelling Malaysia's industrial and economic landscape to new heights.

Poised for Global Leadership in Key Sectors

Malaysia achieved a high ranking in the UNCTAD Technology and Innovation Report 2023, securing the 7th position in the industry rank and placing 32nd among 166 countries in the Frontier Technologies Readiness Index. By combining strategic initiatives, forward-thinking policies, and a commitment to excellence, Malaysia is poised to lead in the global economic landscape.

*****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.

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