

**MALAYSIA'S APPROVED INVESTMENTS GROW 3.7% Y-O-Y, GENERATING OVER 33,300 NEW JOBS, REFLECTING CONTINUED CONFIDENCE IN NATION'S CLEAR INVESTMENT POLICIES**

- *For January to March 2025 (Q12025), Malaysia attracted RM89.8 billion of approved investments in services (RM57.8 billion, 64.4% share), manufacturing (RM30.5 billion, 33.9%), and primary (RM1.5 billion, 1.7%) sectors. This is a 3.7% increase in comparison to the same period last year (Q12024).*
- *Foreign Investments (FI) accounted for a substantial 67.3% or RM60.4 billion of the total approved investments, while Domestic Investments (DI) contributed 32.7% or RM29.4 billion.*
- *The services sector, which commands a significant RM57.8 billion shares of the total approved investments, shows a significant 39.5% y-o-y increase [cf. RM41.4 billion shares in Q12024].*
- *Top five (5) sources of FI\* was led by Singapore (RM28.3 billion), followed by The United States of America (RM9.9 billion), The People's Republic of China (RM7.9 billion), British Virgin Island (RM6.6 billion), and Taiwan (RM1.7 billion).*
- *Five (5) states that have recorded highest approved investments include Johor (RM30.1 billion), followed by W.P. Kuala Lumpur (RM15.0 billion), Sabah (RM10.9 billion), Selangor (RM10.2 billion), and Pulau Pinang (RM9.2 billion).*

**KUALA LUMPUR, 11 June 2025** – The Malaysian Investment Development Authority (MIDA) today announced Malaysia's investment figures for first quarter of 2025 (Q12025), securing RM89.8 billion in approved investments, marking a steady 3.7% year-on-year increase despite a challenging and less favourable global economic backdrop.

These investments, spread across 1,556 projects in manufacturing, services, and primary sectors, are set to generate over 33,300 new employment opportunities for Malaysians. The results reflect continued investor confidence in the country's clear policies and long-term fundamentals, bucking the trend of cautious international capital flows due to geopolitical and macroeconomic volatility, as well as intensifying global competition for fresh investments.

Foreign investments (FI) dominated the investment landscape, contributing RM60.4 billion or 67.3% of total investments, while domestic investments (DI) accounted for RM29.4 billion or 32.7%.

## **Singapore Champions Approved Foreign Investments**

Approved investments based on foreign sources\*, Singapore emerged as the leading foreign investor with RM28.3 billion, followed by the United States (RM9.9 billion), The People's Republic of China (RM7.9 billion), British Virgin Islands\*\* (RM6.6 billion), and Taiwan (RM1.7 billion).

## **Johor Leads in State-Level Approved Investments**

In terms of states, Johor recorded the highest value of approved investments (RM30.1 billion), followed by W.P. Kuala Lumpur (RM15.0 billion), Sabah (RM10.9 billion), Selangor (RM10.2 billion), and Pulau Pinang (RM9.2 billion).

YB Senator Tengku Datuk Seri Utama Zafrul Aziz, Minister of Investment, Trade and Industry (MITI) said, “We are encouraged by the 3.7% y-o-y growth for our 1Q2025 approved investments. While these investments are set to create 33,300 new jobs, what is equally important is the increase in our Managerial, Technical, and Supervisory (MTS) index – from 44.2% in Q12024 to 46.3% in Q12025 – reflecting the nation’s steady success in creating higher-skilled, better-paying jobs for our people. With a better integrated ASEAN economy, which we are working hard on as ASEAN Chair, we are also paving the way for Malaysia’s continued positioning as a manufacturing and services hub to this fast-growing 680-million strong region.”

“The investment environment in 2025 is expected to remain challenging due to continued geopolitical and macroeconomic headwinds stemming from the US-China trade war. Nonetheless, although major markets’ protectionist policies and supply chain frictions continue to weigh in on companies’ investment decisions, Malaysia’s clear policies should be able to attract more investments from Asia’s growing economy, expected to expand to about 42% of global GDP by 2040<sup>1</sup>,” continued Tengku Zafrul.

## **National Investment Aspirations (NIA) in Focus**

The focus sector under the National Investment Aspirations (NIA) contributed a total of RM48.0 billion, representing 53.4% of the total approved investments across various economic sectors. This approval encompasses 176 projects and is expected to generate approximately 12,510 new job opportunities. Notable projects include:

- **Linergy Power Sdn. Bhd.:** With an investment worth RM1.2 billion, Linergy Power focuses on manufacturing the advanced lithium-ion battery.

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<sup>1</sup> <https://www.mckinsey.com/featured-insights/future-of-asia/the-rise-of-asian-global-players>

## **Services Sector: Leading the Way in Investment and Growth**

The services sector has emerged as a powerhouse of economic growth, securing RM57.8 billion in approved investments across 1,342 projects. The sector's performance is highlighted by a robust 39.5% year-on-year growth, and will create 15,051 new jobs, marking a significant milestone in the nation's economic development.

Foreign investors have shown confidence in Malaysia's services sector, with investments surging by 326.6% to reach RM34.5 billion. This skyrocketed increase reflects strong international interest in Malaysia's digital infrastructure, tourism, and logistics capabilities.

### Top-Performing Sub-Sectors:

- Information and Communications: RM35.1 billion
- Real Estate: RM13.6 billion
- Support Services: RM4.5 billion
- Financial Services: RM1.7 billion
- Distributive Trade: RM1.1 billion

The information and communications sub-sector stands out, particularly in data centres and cloud computing. Malaysia is strategically embracing advanced Artificial Intelligence (AI) technologies to drive sustainable and innovative growth in this space.

Of the total amount approved, 91.7% was allocated to data centre projects, which are poised to drive Malaysia's digital economy forward in alignment with the aspirations outlined in the Malaysia Digital Economy Blueprint (MyDIGITAL).

One of the major contributors to this momentum is **Speedmatrix Sdn. Bhd.**, where it undertakes IT Infrastructure-as-a-service (IAAS) activities and provides end-to-end management and operational support for digital infrastructure and cloud systems to its parent company.

The data centres approved investments trajectory affirms Microsoft's outlook, which values Malaysia's data centre market at USD4.04 billion in 2024, with projections indicating it will reach USD13.57 billion by 2030. This reflects an impressive compound annual growth rate (CAGR) of 22.38%.

Building on this momentum, the nation is proactively ensuring that this digital infrastructure boom translates into meaningful economic multipliers across diverse industries and communities. Driving this vital progression is MIDA's flagship DC Nexus programme, an initiative designed to foster a robust data centre ecosystem and forge strategic alliances between multinational corporations and local vendors.

## **Manufacturing Sector: Advancing Towards High-Value Opportunities**

Malaysia's manufacturing sector secured RM30.5 billion in approved investments for Q12025. The approval of 207 projects is anticipated to yield 18,317 new job openings.

Foreign investments (FI) accounted for RM25.5 billion or 83.8% of the total approved investments in the manufacturing sector. Domestic investments (DI) contributed RM5.0 billion or representing 16.2% of the total approved investments in the manufacturing sector.

A key indicator of the sector's transformation is the rise in the Managerial, Technical, and Supervisory (MTS) index, which increased to 46.3% in Q12025, up from 44.2% in the same period last year. This reflects a concerted national effort to move up the value chain and create higher-skilled, better-paying jobs.

### **Top Performing Industries**

For the first time, leading the list of high-performing industries is the basic metal products subsector, which secured RM8.9 billion in approved investments. This subsector plays a critical role in strengthening supply chains, particularly as input for upstream iron and steel products and in supporting significant industries such as the electric vehicle (EV), energy-efficient vehicle (EEV), and solar energy systems. This highlights Malaysia's pivot towards industries that are not only capital-intensive but also strategically aligned with global technological trends. Other strong contributors include:

- Electrical and electronics (E&E): RM8.6 billion
- Chemical and chemical products: RM4.2 billion
- Fabricated metal products: RM2.3 billion
- Machinery and equipment: RM1.4 billion

This strong foundation paves the way for Malaysia's next major leap: The National Semiconductor Strategy (NSS). This phased roadmap aims to elevate Malaysia as a high-value innovation hub by moving up the semiconductor value chain into front-end design, fabrication, and advanced manufacturing equipment. This strategic shift leverages Malaysia's neutrality, strong talent pool, and robust ecosystem of MNCs and SMEs.

Crucial to this evolution is the emphasis on supply chain resilience and sustainability. A key example is MIDA's Supply Chain Programme at SEMICON Southeast Asia 2025, which creates direct pathways for Malaysian suppliers into global supply chains, especially within high-value semiconductor activities, solidifying Malaysia's international market position.

## **Notable Projects from Global Players**

Several multinational corporations have announced significant projects, reaffirming Malaysia's appeal as a manufacturing destination:

- **TF AMD Microelectronics (Penang) Sdn. Bhd.** has committed RM1.5 billion towards integrated circuit and wafer bumping activity.
- **Londian Wason Copper Foil (Malaysia) Sdn. Bhd.** is investing RM1.4 billion in electrolytic copper foil.

## **Primary Sector: Maintaining Fundamental Strength**

The primary sector secured RM1.5 billion in approved investments across 7 projects, mainly in mining. The approved investments are dominated by domestic sources with RM1.1 billion (72.1%), while foreign sources contributed RM0.4 million (27.9%).

## **Promising Outlook and Continued Investment Attraction Efforts**

Malaysia continues to position itself as a top-tier investment destination. As of 10 June 2025, MIDA is actively managing a robust pipeline of proposed projects, collectively valued at RM48.5 billion. The services sector leads this momentum, with 683 projects accounting for RM27.6 billion, while the manufacturing sector, contributing RM20.9 billion across 89 projects.

Complementing this pipeline, an additional RM59.3 billion in high-potential investment leads are currently under negotiation. These figures signal not only a healthy appetite for investment but also growing confidence in Malaysia's economic fundamentals and policy direction.

## **Realised Investments for Manufacturing Sector**

Between 2021 to 2024, the National Committee on Investment approved 3,494 manufacturing projects. Of these:

- 87% (3,042 projects) have progressed into various stages of implementation, including full-scale production, factory construction, and machinery installation.
- 10.2% remain in the planning phase, focusing on critical activities such as site selection and developer consultations.
- Only 2.8% of projects were abandoned—an exceptionally low attrition rate that underscores Malaysia's strong investment facilitation and execution capabilities.

Annual implementation rates reinforce this credibility:

- Over 90% of manufacturing projects approved in 2021 (94.9%) and 2022 (93.6%) have moved into execution.
- 89.9% of 2023's and 75.1% of 2024's projects are already progressing, a robust figure given the average lead time of 12 to 36 months typical for such developments.

This high realisation rate signals not only policy stability but also the efficacy of MIDA's investor services and inter-agency coordination.

Datuk Sikh Shamsul Ibrahim Sikh Abdul Majid, Chief Executive Officer of MIDA, underscored this commitment, "In addition to bringing in good jobs and business opportunities, the projects secured by MIDA for Q12025 support Malaysia's national effort to build a more diversified and resilient economy. To remain a choice location for high-performing companies, we will strengthen our local ecosystem as enablers and prepare our workforce to seize new job and leadership opportunities. By ensuring Malaysia remains relevant in global value chains, we can attract and anchor investments that benefit our economy, enterprises and people for the long haul."

### **Strategic Opportunities Amid ASEAN Chairmanship**

Malaysia's economic outlook for the remainder of 2025 remains promising, with a projected GDP growth rate between 4.5% to 5.5%<sup>2</sup>. The country's role as the Chair of ASEAN for 2025 presents a significant opportunity to further strengthen regional cooperation and integration, enhancing its position as a key economic player within the region. Malaysia's investment-friendly environment, driven by government-backed growth initiatives in high-priority sectors, continues to make it an attractive destination for businesses.

Malaysia has also made significant strides in global accolades:

- Holding the top position in the SEA-5 Data Centre Opportunity Index<sup>3</sup>
- Ranking 36th in the Global Soft Power Index 2025<sup>4</sup>
- Jumping seven spots to 12th place in future growth potential<sup>5</sup>

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<sup>2</sup> <https://www.mof.gov.my/portal/en/news/press-release/4-4-gdp-growth-in-first-quarter-2025-fortifies-malaysias-fundamentals-in-the-face-of-global-uncertainties>

<sup>3</sup> <https://www.nst.com.my/business/corporate/2024/12/1152211/malaysia-ranked-first-sea-5-data-centre-opportunity-index>

<sup>4</sup> <https://www.bharian.com.my/berita/nasional/2025/02/1365770/malaysia-di-kedudukan-ke-36-dalam-global-soft-power-index-2025>

<sup>5</sup> <https://brandfinance.com/press-releases/from-growth-to-governance-malaysias-rising-global-influence#:~:text=A%20major%20highlight%20this%20year,bolstering%20Malaysia's%20optimistic%20economic%20outlook.>

These efforts, coupled with Malaysia's investment-friendly environment, driven by government-backed growth initiatives in high-priority sectors, continue to make it an attractive destination for global and domestic investors and businesses.

**Note:**

*\*Compilation of foreign investments is based on the ultimate investing country. The ultimate source refers to the home country of the foreign investor that holds control over the decision-making process and investment management, even if the investment flows through several intermediary sources.*

*\*\* Based on declaration by the applicant company in its submission to MIDA.*

**\*\*\*The End\*\*\***

## **About MIDA**

The Malaysian Investment Development Authority (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.

## **For media enquiries please contact:**

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