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MALAYSIA'S 1H 2025 APPROVED INVESTMENTS UP BY 18.7% YEAR-ON-YEAR TO RM190.3 BILLION, CREATING OVER 89,000 NEW JOBS

- For January to June 2025 (1H 2025), Malaysia attracted RM190.3 billion of approved investments in services (RM118.6 billion, 62.3%), manufacturing (RM68.4 billion, 36.0%), and primary (RM3.3 billion, 1.7%) sectors. This is a notable 18.7% increase in comparison to the same period last year (1H 2024).
- Foreign Investments (FI) accounted for a significant 56.1% or RM106.8 billion of the total approved investments, while Domestic Investments (DI) contributed 43.9% or RM83.5 billion.
- The services sector's share accounts for RM118.6 billion of the total approved investments, showing a significant 25.6% year-on-year increase [cf. RM94.4 billion in 1H 2024].
- The manufacturing sector's share of approved investments is RM68.4 billion, a robust 13.8% y-o-y growth. This was contributed by a 12.1% increase in foreign investments, 20.2% in domestic investments and a 37.7% increase in new jobs.
- The top five (5) sources of FI are Singapore (RM43.4 billion), the People's Republic of China (RM23.4 billion), the United States of America (RM10.4 billion), the British Virgin Islands (RM6.6 billion), and Italy (RM3.3 billion).
- The five (5) states that recorded the highest approved investments are Johor (RM56.0 billion), Selangor (RM34.7 billion), W.P. Kuala Lumpur (RM30.1 billion), Pulau Pinang (RM18.9 billion) and Sabah (RM11.4 billion).

KUALA LUMPUR, 22 August 2025 – Malaysia has clearly risen above the current geopolitically challenging landscape and maintained its position as an attractive investment destination in the region. The country secured RM190.3 billion in approved investments during the first half of 2025 (1H 2025), an 18.7% increase year-on-year.

A total of 3,011 projects across the manufacturing, services, and primary sectors are expected to generate 89,294 new jobs, highlighting the country's ability to translate investment commitments into real economic impact.

FI surged 43.5% year-on-year, propelled by strong growth in all three (3) sectors: services (+100.7%), manufacturing (+12.1%) and primary (+57.4%). This is also validated by Malaysia's rise from 34th to 23rd position by the IMD World Competitiveness Ranking 2025. The growth and improved competitiveness reflect the government's concerted efforts to enhance service efficiency, implement aggressive trade and investment promotion missions and streamline approval processes. These factors are pivotal in strengthening investor confidence in the country's economic direction and in continuing to attract significant investment inflows.

For approved investments based on foreign sources¹, Singapore emerged as the leading source country with RM43.4 billion, followed by the People's Republic of China (RM23.4 billion), the United States of America (RM10.4 billion), the British Virgin Islands² (RM6.6 billion), and Italy (RM3.3 billion). These foreign investments signal enduring global trust in Malaysia as a strategic base for regional growth.

The state of Johor recorded the highest value of approved investments (RM56.0 billion), followed by Selangor (RM34.7 billion), W.P. Kuala Lumpur (RM30.1 billion), Pulau Pinang (RM18.9 billion) and Sabah (RM11.4 billion).

National Investment Aspirations (NIA) - Driving Malaysia's Long-Term Goals

The focus sectors under the National Investment Aspirations (NIA) contributed a total of RM88.3 billion, representing almost half of the total approved investments (46.4%) across various economic sectors. These approvals span 426 projects and are expected to create 33,891 new employment for Malaysians, demonstrating a strong alignment between the nation's investment strategies and its development goals.

Of the total approved amount, RM106.2 billion or 55.8% falls under the scope of MITI and MIDA. This includes 1,247 projects projected to generate 48,689 jobs.

YB Senator Tengku Datuk Seri Utama Zafrul Aziz, Minister of Investment, Trade and Industry (MITI), said, "Malaysia's 18.7% year-on-year growth in approved investments for 1H 2025 demonstrates foreign and domestic investors' continued trust in our clear policies and long-term industrial reform agenda. These have contributed to Malaysia's strong economic fundamentals, which have clearly held up our economy even amid a challenging global environment. MITI and MIDA are working closely with other relevant Ministries and Agencies to ensure these commitments are implemented expeditiously to deliver meaningful outcomes for the people."

¹ 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.

² Based on declaration by the applicant company in its submission to MIDA and relevant Ministries/Agencies.

He also noted the significance of Johor's growth momentum, "Johor's performance has been especially encouraging, topping the nation in both Q1 2025 (RM30.1 billion) and in 1H 2025 (RM56.0 billion). This reflects the state's strengthening economic fundamentals, driven by initiatives such as the Johor–Singapore Special Economic Zone, one of Malaysia's value propositions as a strategic manufacturing and services hub within the ASEAN region."

Services Sector Powers in Growth, Led by Strong Domestic Investments

The services sector accounted for RM118.6 billion in approved investments, representing 62.3% of the total, comprising 2,476 projects. The sector recorded a year-on-year increase of 25.6%, with an estimated 42,576 new jobs expected to be created.

Domestic investments contributed RM66.6 billion (56.2%) while foreign investments contributed RM52.0 billion (43.8%). This healthy balance reflects foreign and domestic investors' continued confidence and the sector's broad-based appeal.

The top-performing sub-sector under the services sector are:

- Information and communications: RM59.6 billion
- Real estate: RM38.6 billion
- Utilities: RM6.0 billion
- Support services: RM5.9 billion
- Distributive trade: RM4.3 billion

Notable Projects Elevating Malaysia's Services Sector

- **DHL Express (Malaysia) Sdn. Bhd.:** DHL Express (Malaysia) Sdn. Bhd. launched one of its most advanced facilities in Southeast Asia — the Kuala Lumpur Gateway. With a €60 million (RM300.0 million) investment, it is the region's first gateway with a fully automated sorting system, capable of processing up to 10,000 shipments per hour.
- **Adventist Hospital & Clinic Services (M):** Located in Georgetown, Penang, this home-grown, Malaysian-owned healthcare provider is investing RM300.0 million in modern facilities, cutting-edge technology and expanded specialist services to become a leading tertiary healthcare provider for the Malaysian community and international visitors.
- **SM01 Sdn. Bhd.:** With an investment close to RM200.0 million, SM01 Sdn. Bhd. is a flagship solar project in Gurun, Kedah, under the Corporate Green Power Programme led by Japan's Shizen Malaysia, with partners from Solarvest and HSS. Showcasing Malaysia–Japan collaboration, it advances ESG-focused green

investments, delivering green energy to corporate offtaker through large-scale sustainable infrastructure.

- **Base Floating Solar Sdn. Bhd.:** The company is responsible for designing, constructing and operating the Batang Ai Floating Solar Farm, the largest floating solar photovoltaic (FPV) installation in Sarawak, Malaysia, valued at RM184.6 million.

Manufacturing Sector Attracts RM68.4 Billion, Boosting High Value Jobs

Malaysia's manufacturing sector secured RM68.4 billion or 36.0% in approved investments for 1H 2025. The approval of 518 projects is anticipated to yield 46,690 new job openings.

Notably, foreign investments (FI) accounted for 78.0% or RM53.3 billion of the total approved investments in the manufacturing sector, while domestic investments (DI) contributed RM15.1 billion (or 22.0%).

Encouragingly, the share of higher-skilled roles has been rising: the managerial, technical and supervisory (MTS) index climbed to 46.9%, from 42.7% a year earlier. This suggests slow but steady progress in moving up the value chain, a shift that will hinge on the continued upskilling of local talent and accelerating technology adoption.

Top Performing Industries

- Chemical and chemical products: RM15.5 billion
- Electrical and electronics (E&E): RM13.1 billion
- Basic metal products: RM9.8 billion
- Non-metallic mineral products: RM7.1 billion
- Machinery and equipment: RM5.2 billion

Notable Manufacturing Projects Strengthen Malaysia's Industrial Base

- **Pentamaster Technology (M) Sdn. Bhd.** With an investment of RM1.8 billion, the company provides advanced automation manufacturing and technology solutions to high-value industries and is set to become the first Malaysian automation company to design and build advanced test equipment for next-generation semiconductor manufacturing globally.
- **QL Foods Sdn. Bhd.:** A Perak-based agro-food company investing RM1.2 billion over the next ten years. Specialising in surimi and surimi-based products for both domestic and international markets, the company is also adopting sustainable

practices and innovation to support Malaysia's food security and export competitiveness.

- **Chipbond Technology Malaysia Sdn. Bhd.:** RM1.0 billion wafer-level chip scale packaging (WLCSP) facility.
- **Altera Semiconductor Technology (M) Sdn. Bhd.:** RM1.0 billion to manufacture field-programmable gate arrays (FPGAs) and other integrated circuits.
- **Hunan Yuneng New Energy Battery Material Co., Ltd.:** Investing RM560.0 million in Phase 1 to establish a facility in Malaysia for the production of lithium battery cathode materials.
- **Singda Superalloy (Malaysia) Sdn. Bhd.:** A Singapore-based high-tech company will invest about USD80 million (RM336.8 million) in Johor to build South-East Asia's first superalloy manufacturing plant. The facility will produce high-performance superalloy materials for industries including aerospace, oil and gas, new energy, petrochemicals and automotive, creating more than 300 skilled local jobs.
- **NetZero Technology Sdn. Bhd.:** RM340.0 million manufacturing facility in Kedah, producing insulation from recycled glass waste for energy-efficient construction.

Primary Sector Maintains Stability Amid Global Headwinds

The primary sector secured RM3.3 billion in approved investments across 17 projects, mainly in mining. The approved investments are dominated by domestic sources with RM1.8 billion (54.2%); while foreign sources contributed RM1.5 billion (45.8%).

Positive Outlook with Strong Pipeline of High-Impact Investments

From January to June 2025, MITI and MIDA undertook a total of six (6) Trade and Investment Missions (TIMs), two (2) of which were official visits led by the Prime Minister of Malaysia, YAB Dato' Seri Anwar Ibrahim. These engagements covered the United Arab Emirates (UAE), the United Kingdom, Switzerland, India, Russia, Saudi Arabia, Singapore, and the United States of America, serving as platforms to strengthen bilateral ties and engage with prominent global business leaders.

Malaysia's investment outlook remains resilient, supported by a steady flow of quality project proposals. As at **31 July 2025**, MIDA is facilitating a **solid pipeline** of **385** potential projects, collectively valued at **RM22.5 billion**.

- The services sector continues to lead the way, comprising 290 projects worth RM15.7 billion.

- Meanwhile, the manufacturing sector maintains its strong showing with 95 projects valued at RM6.8 billion.

MIDA is also in active discussions for an additional **RM103.8 billion** worth of **high-impact investment leads**—signaling sustained investor interest and confidence in Malaysia’s pro-business policies and long-term economic direction.

High Implementation Rates Reinforce Malaysia’s Investment Credibility

Between **2021 to June 2025**, the National Committee on Investment approved **3,883** manufacturing projects. Of these:

- **85.1% of projects (3,414)** have been implemented, which includes full-scale production, factory construction, and machinery installation.
- **11.9%** remain in the planning phase, focusing on critical activities such as site selection and developer consultations.
- **3.0%** of projects were not implemented due to a change of commercial direction by the investor(s).

Implementation rates for specific periods reinforce this credibility:

- **Over 90%** of manufacturing projects approved in **2021 until 2023** have been implemented.
- **83.5% of 2024’s and 49.6% of January – June 2025’s** projects are already progressing, a commendable rate given the average lead time of 18 to 24 months typical for such developments.

Examples of implemented projects are provided in **Appendix I**.

Consistently high implementation rates signal not only investor trust and policy consistency, but also MIDA’s dedicated investor aftercare services and strong inter-agency collaboration.

Datuk Sikh Shamsul Ibrahim Sikh Abdul Majid, Chief Executive Officer of MIDA, said that Malaysia’s performance in attracting investments for the first half of 2025 is a clear sign of resilience, “Despite a tumultuous global economy, Malaysia’s economy expanded by **4.4% in the second quarter of 2025**³, and investment momentum is holding strong. This clearly reflects the depth of our fundamentals and the trust investors place in our long-term direction. At MIDA, our role is to make that journey from interest to implementation as smooth as possible.”

“Through the Invest Malaysia Facilitation Centre, we bring all the relevant agencies under one roof so decisions can be made quickly, bottlenecks removed, and projects get off the ground swiftly. It’s why over 85% of manufacturing projects approved since 2021 until

³ https://www.bnm.gov.my/-/qb25q2_bm_pr

June 2025 are already being implemented. Every day, we see how this approach helps investors turn plans into action, creating jobs, building capacity, and keeping Malaysia competitive even when global conditions are less than ideal. These are the times when our ability to deliver really counts, and the results in 1H 2025 show that we are delivering,” he added.

Malaysia’s strategic advantage lies in its commitment to strategic reforms, high-impact sectors, and investor facilitation, ensuring the country remains a preferred destination for quality investments for years to come.

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

Explainer: DOSM’s FDI and MIDA’s approved Foreign Investment (FI)

There has been some confusion on the term Foreign Direct Investment (FDI) as reported by the Department of Statistics Malaysia (DOSM), and the approved Foreign Investment (FI) data as captured by MIDA. To clarify, the Government has determined the use of these terms since December 2023, as follows:

- **MIDA reports on approved Foreign Investments (FI)** – These represent proposed investment projects with foreign equity participation that have been granted licenses, incentives, permits, grants, soft loans, etc., by relevant Ministries and Agencies. They are measured based on CAPEX and OPEX, such as land, building, and resources. Approved FI reflects potential investments into the country which will be realised into actual inflows over a specified period, usually across multiple years. On average, 18-24 months is the typical duration to complete the required regulatory steps between approval and implementation, before projects get off the ground. The release of approved FI data serves as a forward-looking indicator of investor’s confidence, the strength of Malaysia’s investment prospects, and the key sectors attracting foreign investors.
- **DOSM reports on Foreign Direct Investment (FDI)** – This figure refers to investments by non-residents via transactions of financial instruments, including equity, reinvestment of earnings and debt instruments (such as inter-company loans and advances, trade credits, etc.). For instance, if a foreign investor buys shares in a Malaysian company, this would be captured by DOSM’s FDI data. FDI statistics for Malaysia are compiled as part of the balance of payments, which is compiled based on the IMF’s BPM6 guidelines.

For further information, please refer to <https://www.mida.gov.my/why-malaysia/investment-statistics/>

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