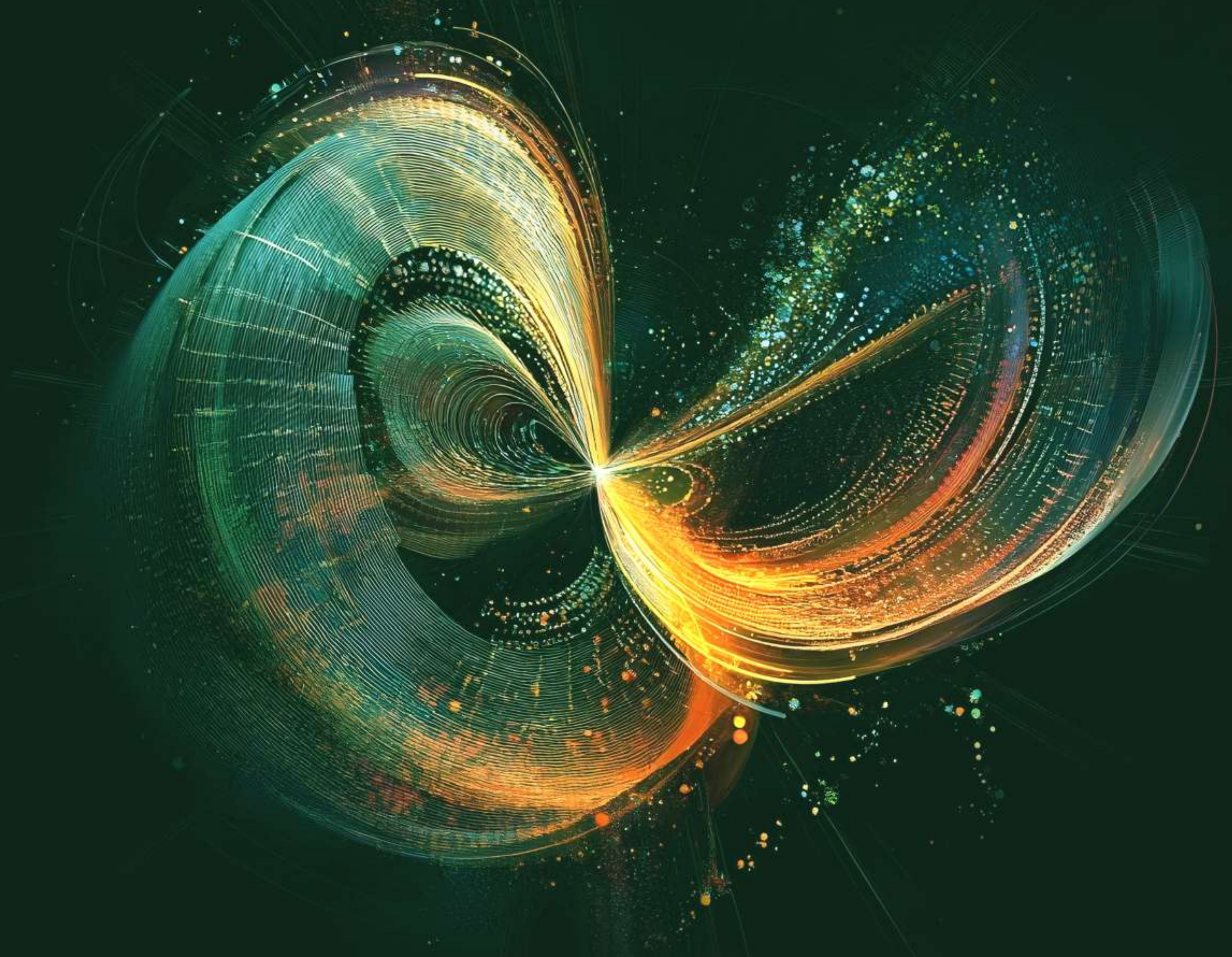
MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

MALAYSIA INVESTMENT PERFORMANCE REPORT 2025



TRANSFORMATION IN MOTION

SECURING HIGH-IMPACT INVESTMENT FOR AN INCLUSIVE ECONOMY

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Ultimate: Reporting of foreign investment is based on the ultimate source.
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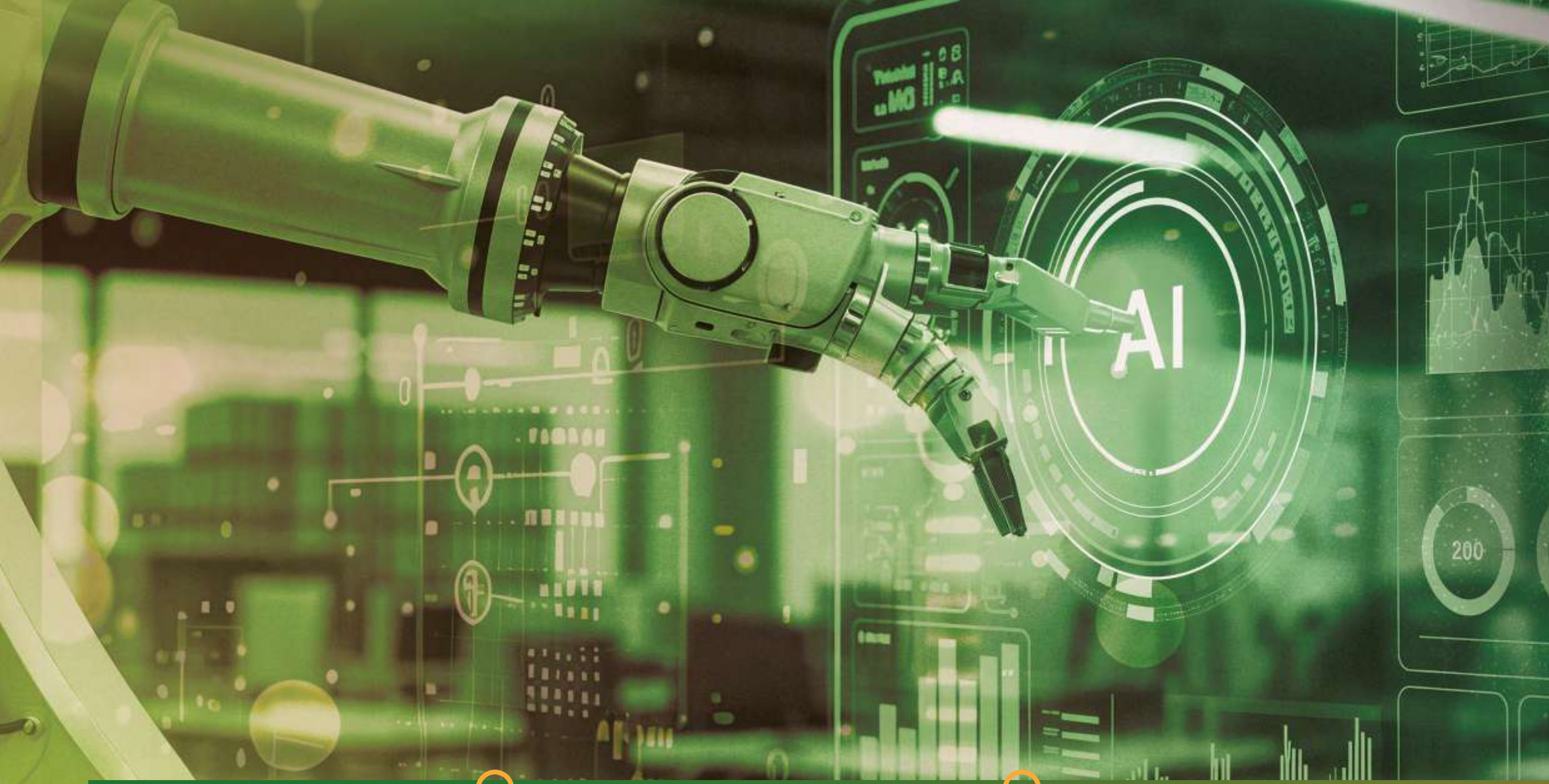

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YEAR IN REVIEW 2025

RESILIENCE AMID GLOBAL SHIFTS

Global growth in 2025 persisted at a resilient yet subdued pace, with the World Bank estimating it at 2.7 per cent, a marginal moderation from 2.8 per cent in 2024, and projecting a further easing to 2.6 per cent for 2026. This aligns with the International Monetary Fund's (IMF) assessment of 3.3 per cent growth for the year, highlighting a consensus of resilient but modest expansion.

The underlying picture remained starkly uneven, with advanced economies expanding at 1.7 per cent, while emerging market and developing economies (EMDEs) grew at a more robust 4.2 per cent. This divergence, however, masked significant variations within EMDEs. India remained the standout performer with growth estimated at 7.2 per cent, whereas the World Bank reported The People's Republic of China (PRC) expansion at 4.9 per cent, forecasting a further slowdown amid structural headwinds.

Inflation pressures continued to ease, projected at 1.6 per cent in 2025, providing some policy space across the region.

Elevated policy uncertainty and intensifying trade friction were primary forces shaping this outlook. The World Bank highlighted that the average effective tariff rate imposed by the United States of America (the USA) increased significantly, contributing to a projected marked deceleration in global trade growth from 3.4 per cent in 2025 to 2.2 per cent in 2026 as temporary stockpiling faded. Major institutions maintained a cautious baseline, emphasising pronounced downside risks. The World Bank warned that growth could falter if trade tensions escalate, barriers rise further, or financial market sentiment deteriorates. Other cited risks included a substantial tightening in global financial conditions and the disruptive impact of escalating geopolitical conflicts. Amid these headwinds, global inflationary pressures eased. The IMF reported that global headline inflation moderated to an estimated 4.1 per cent in 2025, and was forecast to decline further, helped by softening demand and lower energy prices. Consequently, the global environment for trade and investment in 2025 was characterised by resilient but slowing growth, receding inflation, heightened uncertainty, and shifting supply chains, creating both challenges and opportunities for export-oriented economies.

Growth in developing Asia in 2025 remained comparatively strong, with the Asian Development Bank revising its regional forecast upward to 5.1 per cent, supported by resilient domestic demand and steady export performance in technology-oriented economies.

This momentum is expected to moderate in 2026, with growth easing to 4.6 per cent as higher tariffs imposed by the United States of America (the USA) and softer global demand weigh on external-facing sectors. Inflation pressures continued to ease, projected at 1.6 per cent in 2025, providing some policy space across the region. Trade conditions, however, remained demanding. Despite selective tariff rollbacks and new bilateral agreements, effective tariffs applied by the United States of America (the USA) on developing Asia stayed elevated at 27 per cent, reinforcing exposure to policy uncertainty. As a result, regional growth increasingly reflected adaptation through supply chain reconfiguration, selective market access, and investment relocation rather than broad-based export expansion.

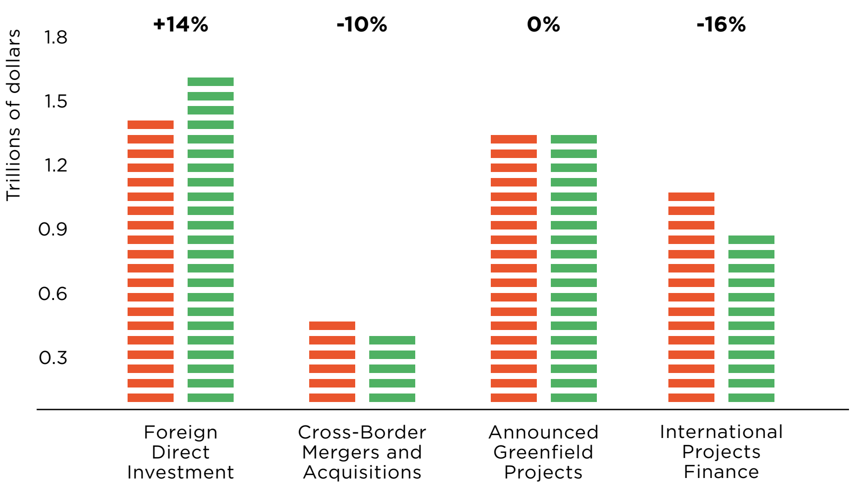
Global FDI Flows Show Measured Growth Amid Divergent 2025 Trends

Global foreign direct investment (FDI) increased by 14 per cent to an estimated US$1.6 trillion in 2025, marking a recovery from the subdued levels of recent years, according to the UNCTAD Global Investment Trends Monitor. This growth was partly supported by increased financial flows through major international hubs. However, the overall rise reflects a mixed pattern across regions and investment types. While developed economies recorded strong gains, FDI flows to developing economies saw a slight decline. The data indicate that fundamental project activity, including new investment announcements, pointed to a cautious global investment environment amid ongoing economic and policy uncertainties.

Regional performances varied, with developing Asia continuing to attract significant investment, accounting for more than half of global FDI inflows. Within the region, countries such as India and Thailand posted notable gains, even as flows to some larger economies moderated. The ASEAN bloc remained a prominent destination for FDI, reflecting its established role in global production networks. Nevertheless, international project finance and greenfield investment announcements were weaker overall, suggesting that investor sentiment remains measured.

Global foreign direct investment (FDI) increased by 14 per cent to an estimated USD1.6 trillion in 2025

Global Investment Trends, 2025 vs 2024



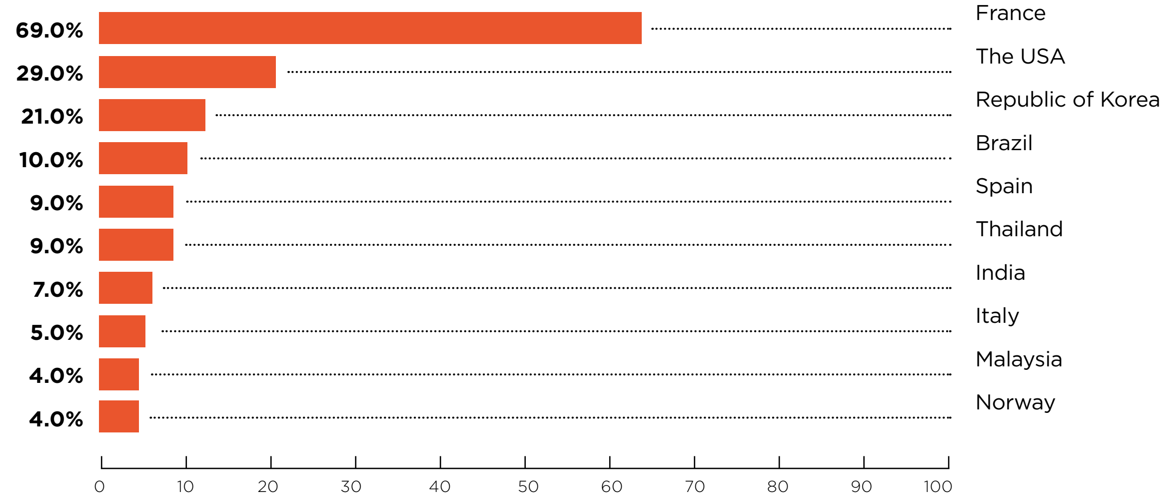
Source: UNCTAD, based on information from The Financial Times, fDi Markets (www.fDimarkets.com) and LSEG Data & Analytics.

In 2025, the global foreign direct investment (FDI) landscape was significantly shaped by the expansion of data centres. Investment flows into the sector grew by US$125 billion through greenfield project announcements and by US$30 billion through international project finance. Greenfield investment constituted the majority of this growth, marking a notable shift from the previously dominant role of project finance in telecommunications-related investments. This change reflects the rising strategic importance of proprietary infrastructure, driven in part by heightened competition in artificial intelligence (AI) technologies.

Total greenfield investment in data centres exceeded US$270 billion, accounting for over 20 per cent of the value of all investment projects announced worldwide. The primary destinations for these investments were France, the United States of America (the USA), and the Republic of Korea. A number of emerging economies also featured prominently, with Brazil, Thailand, India, and Malaysia all ranking among the top ten host countries for data centre projects. Key investors included MGX of the United Arab Emirates, which announced a US$43 billion AI campus in France, followed by investors from the United States of America (the USA) (US$74 billion in announced projects), The People's Republic of China (US$28 billion), and Canada (US$25 billion).

Investment flows into the sector grew by US$125 billion through greenfield project announcements and by US$30 billion through international project finance.

Major Recipients of Data Centre Investments, 2025*



Source: UNCTAD, information from The Financial Times Ltd, fDi Markets (www.fDimarkets.com)
Note: the data covers the first three quaters of 2025.

Recalibrating Amid Global Headwinds

Following the directional principle, Malaysia's Direct Investment Abroad (DIA) position declined to RM587.4 billion in Q4 2025, compared with RM615.8 billion in the previous quarter. The moderation reflects portfolio recalibration rather than a broad-based retreat in overseas investment activity.

The services sector continued to account for the largest share of Malaysia's DIA position, amounting to RM440.2 billion or 74.9 per cent of the total. This was followed by mining and quarrying at RM67.6 billion (11.5 per cent) and agriculture at RM43.7 billion (7.4 per cent).

In terms of regional distribution, Asia remained the primary destination for Malaysia's outward direct investment, accounting for RM336.9 billion, or 57.4 per cent of the DIA position. Singapore recorded the largest country exposure at RM151.5 billion (25.8 per cent), followed by Indonesia at RM65.9 billion (11.2 per cent) and the Cayman Islands at RM41.7 billion (7.1 per cent).

Despite the moderation in DIA, Malaysia continues to strengthen its global integration through new trade frameworks. The newly signed Malaysia - UAE Comprehensive Economic Partnership Agreement (CEPA) and Malaysia-EFTA Economic Partnership Agreement (MEEPA) offer expanded market access, reduced trade barriers, and stronger positioning within global value chains.

MIDA has intensified efforts to prepare local industries for international expansion, recognising that a strong domestic foundation is key to global success. MIDA has established a dedicated Cross-Border Investment Division to facilitate Malaysian companies in exploring global technology and investment opportunities.

In addition, MIDA collaborates with Enterprise Singapore to manage the Malaysia-Singapore Third Country Business Development Fund (MSBDF). This joint effort encompasses the evaluation of business associations and companies' applications for Joint Trade Missions, Feasibility Studies and Pilot Projects, aimed at creating new avenues for business growth and international collaboration.

Sectoral Contribution to Malaysia's Direct Investment Abroad (DIA), 2025

Services Sector
74.9% **RM440.2 bil**
Led by financial services, insurance and takaful

Mining & Quarrying
11.5% **RM67.6 bil**
Resource-based overseas investments

Agriculture
7.4% **RM43.7 bil**
Long-term agricultural and supply-related activities

Manufacturing
4.5% **RM26.5 bil**
Overseas production and industrial investments

Construction
2.5% **RM14.6 bil**
Project-based overseas activities

Balancing Growth and Stability

Malaysia's economy expanded quite well in 2025, supported by firm domestic demand, fiscal measures such as SARA programme, and sustained investment flows.

Overall, the Malaysian economy expanded by 4.4 per cent in the first quarter of 2025, with the economy growing to an outstanding 6.3 per cent in the fourth quarter which concluded to a full year GDP growth at 5.2 per cent in 2025, reflecting stable economic activity despite the United States of America (the USA) reciprocal tariff. The services and manufacturing sectors remain key contributors, driven by higher consumer spending and strong industrial output.

Malaysia's resilience demonstrates strong economic fundamentals, supported by diversified growth drivers and a stable investment climate. The FDI registered a net inflow of RM53.5 billion. Inflation averaged around 2.0 per cent for the year, with stable global cost conditions and controlled domestic price pressures despite the subsidy rationalisation for Diesel and RON95. Bank Negara Malaysia (BNM) reported that inflation pressures were largely stable, with headline and core inflation averaging 1.8 per cent for the year. In the fourth quarter, inflation was recorded at 1.3 per cent, reflecting controlled price pressures amid stable global commodity prices and steady domestic demand[2].

Foreign Direct Investment (FDI) registered a net inflow of RM53.5 billion in 2025 an increase from RM51.5 billion in 2024.

The ringgit's improved performance is largely supported by the US Federal Reserve's easing of monetary policy and the announcement of trade agreements between the United States of America (the USA) and its trading partners, including Malaysia.

Malaysia is expected to navigate ongoing uncertainty through the signing of the Agreement on Reciprocal Tariffs (ART), which sets tariff rates and provides greater clarity for investors. The ART is expected to enhance policy predictability, support investor confidence, and reaffirm Malaysia's commitment to stable trade relations.

[1] BNM (2025). Prestasi Ekonomi Suku 14 November 2025 Ketiga Tahun 2025 (p. 3)
[2] BNM (2025). Prestasi Ekonomi Suku 14 November 2025 Ketiga Tahun 2025 (p. 13)

OVERALL PRIVATE INVESTMENTS IN MALAYSIA, 2025

Services Take Centre Stage, Manufacturing Sustains Industrial Depth

In 2025, the services sector accounted for the largest share of approved investments, reflecting Malaysia's continued shift toward a more digital and services-oriented economic structure. Investments in digital infrastructure, information and communication services, and business-related services reinforced the sector's role as the main driver of capital formation and productivity gains. Manufacturing continued to anchor Malaysia's position within global value chains, attracting high-technology foreign investment in areas such as semiconductors and advanced electronics. These investments focused on higher-value activities rather than scale expansion, strengthening industrial depth and technological capability. The combined performance of services and manufacturing points to a more diversified growth model, with domestic-led services expansion and foreign-led high-tech manufacturing supporting resilience and longer-term upgrading.

Private Investments in 2025

8,390
Projects Approved
(2024: 7,682)

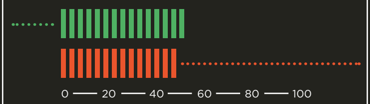
RM426.7 bil
Total Investments
(2024: RM384.4 bil)

244,902
Employment Opportunities
(2024: 207,718)

Domestic vs Foreign Investments

An increase of
3.1%
(2024: RM213.1 bil)

Domestic Investments
51.5%
RM219.6 bil



Foreign Investments
48.5%
RM207.1 bil

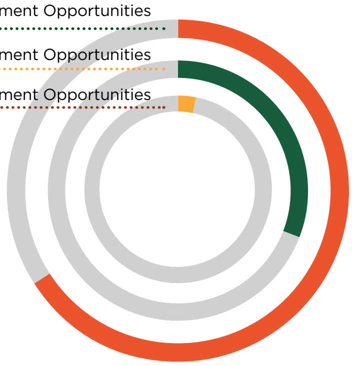
An increase of
20.9%
(2024: RM171.3 bil)

Private Investments by Sectors in 2025

Services
65.9% RM281.3 bil
7,004 Projects Approved **134,926** Employment Opportunities

Manufacturing
30.8% RM131.3 bil
1,354 Projects Approved **109,948** Employment Opportunities

Primary
3.3% RM14.2 bil
32 Projects Approved **28** Employment Opportunities



Malaysia Investment Landscape

Top Five Approved Investments in Various Economic Sectors with Foreign Participation (Based on Ultimate Source), 2025

Singapore
RM58.3 bil

The People's Republic of China
RM58.0 bil

The United States of America (The USA)
RM15.1 bil

Japan
RM7.6 bil

Hong Kong SAR
RM7.1 bil

Top Five Approved Investments in Various Economic Sectors with Foreign Participation (Based on Immediate Source), 2025

Singapore
RM93.2 bil

The People's Republic of China
RM41.9 bil

The Netherlands
RM13.8 bil

Hong Kong SAR
RM13.5 bil

Japan
RM8.9 bil

Approved Investments in the Top Five Malaysian States in 2025

Johor
RM110.0 bil

Selangor
RM83.9 bil

Wilayah Persekutuan Kuala Lumpur
RM63.3 bil

Pulau Pinang
RM32.9 bil

Kedah
RM27.8 bil

Johor's strong performance was supported by its logistics connectivity, JS-SEZ momentum, and rapid expansion in data centres and advanced manufacturing ecosystems. Selangor and Kuala Lumpur benefited from service-sector dynamism, digital economy growth, and innovation-led business activities.

∞ Panel discussion on the JS-SEZ and its role in advancing cross-border investment and regional economic integration.

SUMMARY BY SECTORS IN 2025

Manufacturing

High-Impact Industrial Transformation

In 2025, Malaysia's manufacturing sector underwent a strategic consolidation, transitioning decisively from volume-driven growth to higher-value, technology-intensive production. While total approved investments and project numbers moderated compared to the exceptional highs of 2024, the sector's focus sharpened on advanced manufacturing, automation, and sustainable practices. This evolution, driven by both domestic and foreign investors, solidifies manufacturing's irreplaceable role as a catalyst for economic complexity and industrial innovation.

This qualitative shift is the direct implementation of the New Industrial Master Plan 2030 (NIMP 2030), which prioritises moving Malaysia's industrial base from assembly-based operations to design-led, technologically sophisticated production. The data reflects a sector optimising for resilience and higher impact.

Foreign Investment (FI) constituting 76.6 per cent of the sector's total, reaffirms Malaysia's entrenched position in global supply chains for strategic industries. This inflow of foreign capital is increasingly selective, targeting complex production, R&D, and supporting ecosystems rather than simple capacity expansion.

Approved Investments in the Manufacturing Sector in 2025

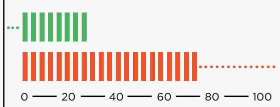
RM131.3 bil
Total Investments
(2024: RM120.5 bil)

1,354
Projects Approved
(2024: 1,108)

109,948
Employment Opportunities
(2024: 87,695)

Domestic vs Foreign Investments

Domestic Investments
23.4%
RM30.7 bil
(2024: 26.2%
RM31.6 bil)



Foreign Investments
76.6%
RM100.6 bil
(2024: 73.8%
RM88.9 bil)

Top Five Manufacturing Sub-Sectors in 2025

Electrical & Electronics
RM28.5 bil

Chemicals & Chemical Products
RM24.9 bil

Transport Equipment
RM14.9 bil

Basic Metal Products
RM11.1 bil

Machinery & Equipment
RM11.0 bil

The Electrical and Electronics (E&E) sector, which attracted the largest share of approved investments at RM28.5 billion, continues to anchor this transition. This investment is actively driving a repositioning of Malaysia within the global semiconductor value chain, moving the nation beyond backend assembly and testing into higher-value domains such as chip design, wafer-fabrication support, and advanced packaging.

Services

Digital Services Driving Structural Change

Malaysia's services sector growth in 2025 reflected a structural shift towards higher value-added activities, moving away from extensive, input-driven growth.

Advances in digital technologies, including cloud computing, artificial intelligence, and data-driven services, supported Malaysia's transition towards a more knowledge- and services-based economy, with approved investments in the sector accounting for 65.9 per cent of total national approvals. This shift has tangible spillover effects, creating higher-skilled employment, expanding opportunities for local firms in digital and logistics services, and improving productivity across manufacturing and e-commerce. The build-up of capital-intensive digital infrastructure is also reshaping Malaysia's freight and logistics ecosystem, supporting faster, more efficient supply chains and widening access to digital-enabled services for businesses and communities.

This shift has tangible spillover effects, creating higher-skilled employment, expanding opportunities for local firms in digital and logistics services, and improving productivity across manufacturing and e-commerce.

Approved Investments in the Services Sector in 2025

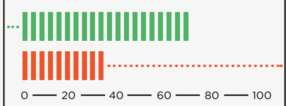
RM281.3 bil
Total Investments
(2024: RM255.8 bil)

7,004
Projects Approved
(2024: 6,499)

134,926
Employment Opportunities
(2024: 119,560)

Domestic vs Foreign Investments

Domestic Investments
63.0%
RM177.2 bil
(2024: 68.4%
RM174.9 bil)



Foreign Investments
37.0%
RM104.1 bil
(2024: 31.6%
RM80.9 bil)

Top Five Services Sub-Sectors in 2025

Information & Communications
RM152.9 bil

Real Estate
RM78.2 bil

Utilities
RM13.7 bil

Support Services
RM12.6 bil

Distributive Trade
RM10.8 bil

The surge in information and communication investments reflects Malaysia's emergence as a digital and data-driven economy, driven by strong demand for cloud services, artificial intelligence, and cybersecurity. Data centres have become a major source of foreign direct investment, supported by Malaysia's investment ecosystem, regulatory clarity, and regional connectivity. These capital-intensive, long-term projects signal firm investor commitment, generating significant economic value through upstream demand for construction and utilities and by enabling downstream digital transformation across the domestic economy.

To manage the sector's resource intensity and mitigate risks, Malaysia has established a proactive governance framework. Led by a dedicated Data Centre Task Force that oversees a range of facilitation, including policy advocacy, fiscal incentives, sustainability benchmarks like Power and Water Usage Effectiveness (PUE/WUE) and renewable energy adoption in line with the National Energy Transition Roadmap (NETR). This ensures the sector's expansion drives long-term industrial resilience, green infrastructure investment, and progress toward the national net-zero 2050 goal, rather than creating external imbalances.

Primary

Sustainability-led Growth in Resource-Based Industries

Malaysia's primary sector continued to evolve in response to shifting industry trends and sustainability priorities, reinforcing its role in economic development. Resource-based industries remained integral to production activities, with a stronger emphasis on balancing commercial growth amid responsible environmental management.

The sector's transition aligns with global ESG expectations, positioning Malaysia to attract sustainability-focused investors while safeguarding long-term ecological resilience.

Approved Investments in the Primary Sector in 2025

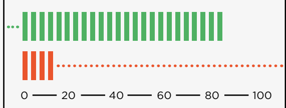
RM14.2 bil
Total Investments
(2024: RM8.1 bil)

32
Projects Approved
(2024: 75)

28
Employment Opportunities
(2024: 463)

Domestic vs Foreign Investments

Domestic Investments
82.4%
RM11.7 bil
(2024: 81.5%
RM6.6 bil)



Foreign Investments
17.6%
RM2.5 bil
(2024: 18.5%
RM1.5 bil)

Malaysia's Global Ranking

Strengthening Malaysia's Standing in Competitiveness and Innovation

The rankings given below are according to reputable world organisations and agencies.

1st Best country in Southeast Asia for the Energy Transition Index 2025
- World Economic Forum (WEF)

4th Most affordable country to live in, (Global Living Index) in terms of utility cost 2025
- Utility Bidder

23rd World Competitiveness Ranking 2025
- International Institute for Management Development (IMD)

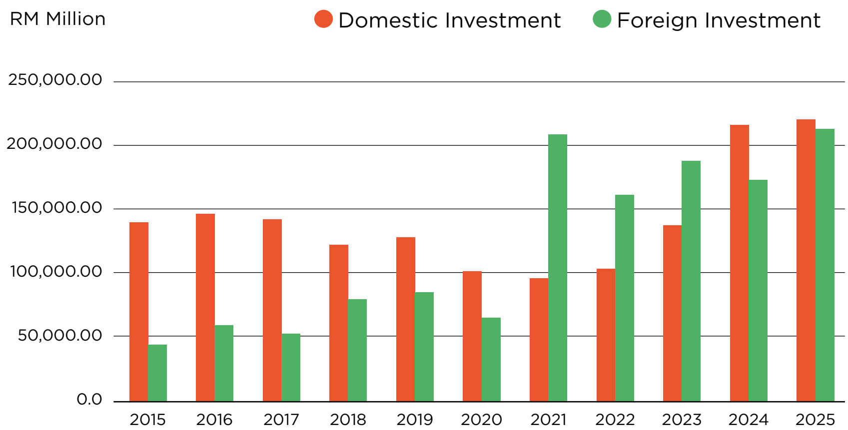
34th Global Innovation Index 2025
- World Intellectual Property Organization

These global rankings reaffirm Malaysia's position as a stable, competitive, and innovation-oriented economy strengthening its narrative as a high-potential investment destination in Asia.

DOMESTIC INVESTMENT ANCHORING NATIONAL GROWTH

The performance of Domestic Investment (DI) in recent years reflects a narrative of growing resilience and strategic importance, especially in the face of persistent global economic uncertainties.

Approved Investment in Various Economic Sectors, 2015-2025



The role of DI evolved qualitatively, focusing on deepening the nation's industrial foundations rather than merely matching foreign capital volume.

In 2025, DI provided strategic capital and a long-term commitment that builds local economic resilience. While headline investment figures captured a surge in foreign capital, the role of DI evolved qualitatively, focusing on deepening the nation's industrial foundations rather than merely matching foreign capital volume. Totalling RM219.6 billion, this capital was strategically channelled into developing critical infrastructure, strengthening integrated local supply chains, and cultivating a high-skilled talent pool; the essential ecosystem that enables high-value economic activity to take root.

The impact of this anchored investment was most visible in its sectoral direction and multiplier effects. Domestic investment flowed decisively into technology-driven manufacturing and services aligned with national priorities, including Electrical and Electronics, digital infrastructure, and global business services. This pattern enabled local firms to move beyond basic supplier roles into critical partners, delivering specialised components, advanced engineering services, and operational support for large-scale projects. Government facilitation frameworks and localisation requirements reinforced closer integration between foreign investors and domestic firms. As a result, domestic investment in 2025 converted capital inflows into durable domestic capability, retaining knowledge, creating higher-value employment, and securing Malaysia's self-sufficiency within advanced global value chains.

MIDA's Strategies and Initiatives

MIDA has shifted its investment approach from a volume-based model to an outcome-driven and ecosystem-based model. Contrary to the misperception that MIDA focuses exclusively on FI, MIDA is equally dedicated to nurturing DI, recognising a robust local industrial base as the cornerstone of national economic resilience. MIDA's current strategy promotes total investment through strategic exposure, industrial ecosystem development, enhancing facilitation, promoting business enhancement and technology adoption, with various strategic initiatives deployed.

Focus Area | **Key Initiative / Action** | **Core Objective / Target & Engagement Metric**

1 Strategic Policy & Facilitation

Key Initiative / Action:

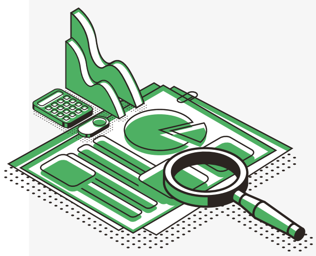
Drive NIMP 2030 implementation through the four (4) core missions, namely

- **Advancing Economic Complexity**
- **Tech-Up for a Digitally Vibrant Nation**
- **Pushing for Net Zero**
- **Safeguarding Economic Security and Inclusivity.**

Core Objective / Target & Engagement Metric:

Align investment with national goals, helping Malaysia move up the value chain while ensuring industrial growth is resilient, inclusive, and sustainable in a competitive global economy.

2 Customised Support & Incentives



Key Initiative / Action:

Offer tailored investment packages for strategic projects. Promote ESG incentives (GITA, GITE) and the Domestic Investment Accelerator Fund (DIAF) and conduct the Enterprise Growth Programme (EGP).

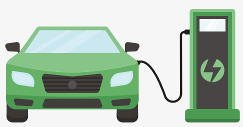
Core Objective / Target & Engagement Metric:

Boost Malaysia's sustainability and competitiveness while improving the cost efficiency for companies adopting sustainable practices.

In 2025, MIDA successfully organised 107 EGP programmes, reaching 1,070 SMEs nationwide.

3 SME & Vendor Development

Key Initiative / Action:



Facilitate supply chain matchmaking, such as Vendor Development Programme (VDP) between MNCs/LLCs and local suppliers. MIDA ensures that major investments in strategic sectors such as semiconductors, electric vehicles (EV), and other priority industries are translated into tangible outcomes by connecting anchor investors with qualified local suppliers.

Core Objective / Target & Engagement Metric:

Strengthen SME competitiveness and capabilities and integration into global value chains.

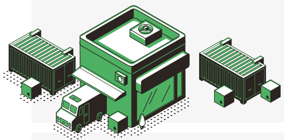
In 2025, MIDA successfully executed seven (7) supply chain programmes across: the semiconductor, automotive/EV, data centre and digital infrastructure, as well as food sectors.

Focus Area	Key Initiative / Action	Core Objective / Target & Engagement Metric
	∞ The Future of Supply Chains forum, co-hosted by MIDA and Ally Logistic Property (ALP) on 16 January 2025, gathered over 150 industry leaders to explore the future of logistics through digitalisation and automation.	**These initiatives engaged more than 1,200 participants with over 250 structured business matching sessions organised towards strengthening domestic supply chain integration.**

Focus Area	Key Initiative / Action	Core Objective / Target & Engagement Metric
4 Financial & Technology Bridging	Operate the Investment Coordination Platform (ICP); hosted PrimePitch programme. Act as a strategic matchmaker to connect firms with investors (GLICs, VCs, PE).	**Bridge financial and technological gaps for local companies to scale and access markets. (PrimePitch 2025 in pharma & medical devices sectors: 188 senior attendees from 21 entities generated due diligence by 13 organisations and partnership talks with 4 others.)**

∞ The MIDA Investment Pitching Day 2025, held on September 2, 2025, brough together over 180 investors and decision-makers to connect capital with high-potential, investment-ready projects in Malaysia.

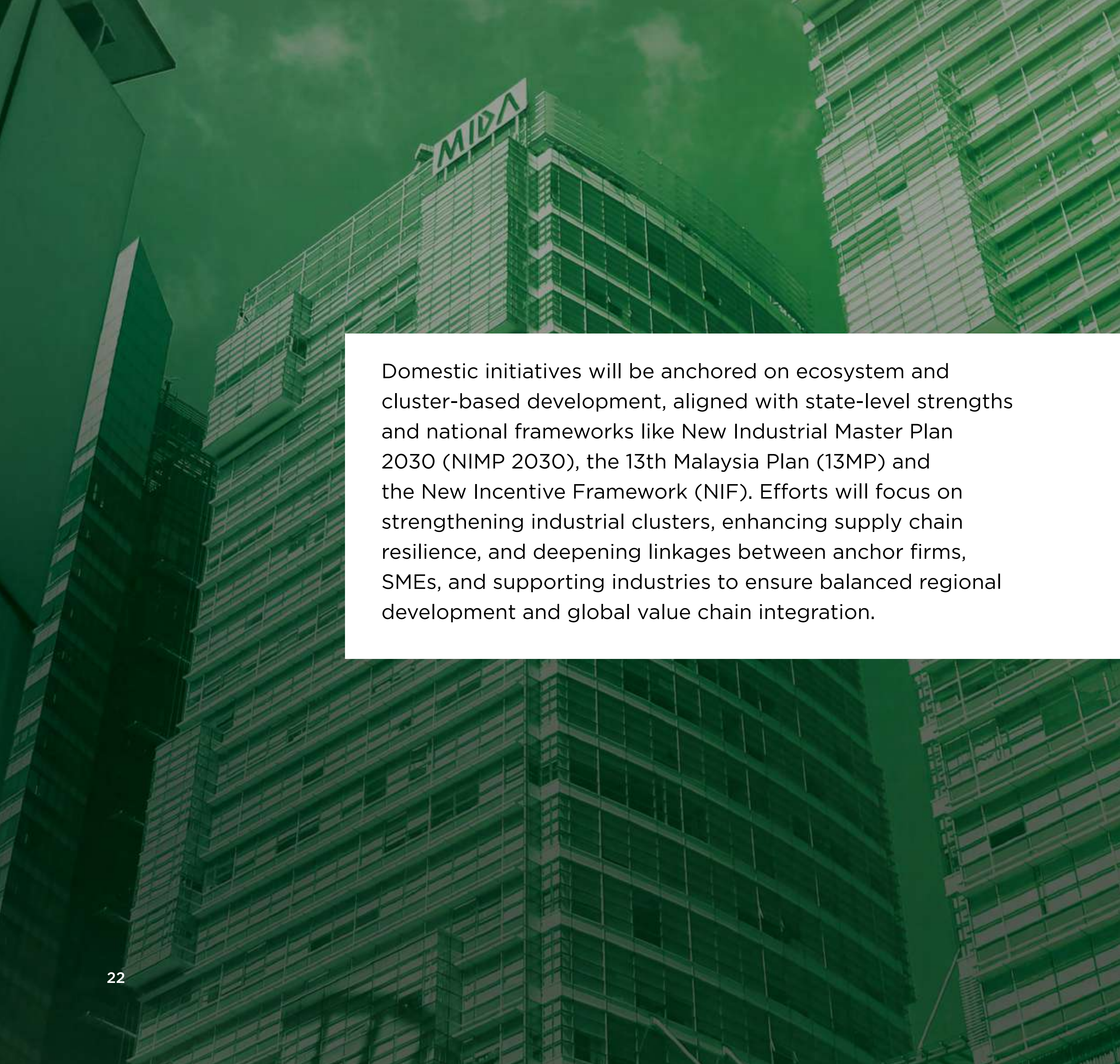
Focus Area	Key Initiative / Action	Core Objective / Target & Engagement Metric
5 Infrastructure & Ecosystem Development	The MySite Selection Portal promotes new-generation industrial parks and a National Industrial Park Star Rating Framework.	**Ensure sustainable, competitive industrial infrastructure and provide transparent site information. (275 industrial parks listed on the portal as of 2025.)**
6 Regional & Cluster Growth	Lead the Industrial Cluster Development Initiative in the Central Region. The Economic Accelerator Projects (EAP) framework leverages the East Coast Rail Link (ECRL) as a growth catalyst.	**Develop high-potential industry clusters (E&E, Aerospace) and unlock structured regional economic growth. (Central Region was launched with ~1,000 senior representatives at the flagship seminar in Nov 2025.)**



∞ Key industry leaders share insights on industrial clusters, supply chains, and smart industry transformation at the MIDA Flagship Investment Seminar for the Central Region 2025.

STRATEGIC DIRECTION

Moving forward, domestic investment promotion will be recalibrated to reflect a more ecosystem-based, region-led, and lifecycle-oriented approach. This shift aligns with MIDA's strategic role as a long-term partner to investors, recognising that quality investments require strong industrial ecosystems, integrated value chains, and continuous engagement beyond one-off facilitation.



Domestic initiatives will be anchored on ecosystem and cluster-based development, aligned with state-level strengths and national frameworks like New Industrial Master Plan 2030 (NIMP 2030), the 13th Malaysia Plan (13MP) and the New Incentive Framework (NIF). Efforts will focus on strengthening industrial clusters, enhancing supply chain resilience, and deepening linkages between anchor firms, SMEs, and supporting industries to ensure balanced regional development and global value chain integration.

This action plan helps to enable the "Made by Malaysia" agenda by facilitating investments that embed technology, innovation, and value creation within local enterprises.

MIDA will adopt the "investor journey" engagement model, providing tailored support to companies from establishment through expansion, innovation, and sustainability adoption. This will involve targeted policy dialogues and multi-agency consultations to address constraints in financing, talent, infrastructure, and regulatory clarity.

Building on the services sector's role as a primary engine of economic value, 2026 strategies will target high-value segments including global business hubs, international headquarters, and digital services. These segments will be developed as essential enablers to augment manufacturing and strengthen Malaysia's overall economic ecosystem.

Concurrently, promotion will integrate enablers of future readiness, including digitalisation, smart logistics, ESG adoption, talent development, and New Generation Industrial Parks. These elements are intended to enhance investor confidence and ensure domestic investments remain competitive and resilient.

Success will depend on the effective implementation of NIMP 2030, fostering local entrepreneurship, and deeply integrating major investments into the domestic economy. This holistic approach is designed to strengthen Malaysia's resilience, support self-sustaining growth, and enhance global competitiveness.

THE RISE OF SMART LOGISTICS TO ACCELERATE GLOBAL SUPPLY CHAIN

MIDA is advancing Malaysia's logistics transformation through a coordinated approach that links policy direction, investment facilitation and technology adoption. This has translated into the development of Smart Logistics Complexes (SLCs), supporting a more integrated, digitally enabled and efficient logistics ecosystem through advanced warehouses, e-fulfilment hubs and distribution centres built on automation, robotics and digital technologies.

Investment momentum was demonstrated in 2021-2025, with RM 2.7 billion secured for regional e-fulfilment hubs under the National E-Commerce Strategic Roadmap (NESR), establishing scale and strengthening investor confidence. Investment mobilisation, targeted facilitation and incentive alignment have encouraged collaboration across the sector and supported the shift towards higher-value logistics activities, laying the foundation for long-term logistics modernisation.

Smart Logistics Complex (SLC) Incentive Framework

Eligibility Criteria

- **Qualifying Activities:**
  - i. Regional Distribution Center (RDC);
  - ii. Integrated Logistics Services (ILS);
  - iii. Cold Chain Facility: and
  - iv. Dangerous goods Storage.
- Development of smart warehouses with a **minimum built-up area of 30,000 sqm.**
- Integration of at **least three Industry 4.0** digital technologies
- Adoption of at **least one green technology** (e.g. renewable energy or energy-efficient systems)

Fiscal Support

Income tax exemption via a 60% Investment Tax Allowance on qualifying capital expenditure for five years, offset against up to 70% of statutory income

The introduction of the SLC incentive signals the Government's commitment to strengthening Malaysia's logistics capabilities in line with national development priorities New Industrial Master Plan 2030 (NIMP2030), the 13th Malaysia Plan (13MP) and the National Investment Aspirations (NIA). Collectively, they **reinforce Malaysia's ambition to be a regional hub for high-value, digitally enabled, and sustainable logistics.**

DHL Express (M) Sdn. Bhd.
Connecting Malaysia to the World

Fully Auto-sort gateway:
The company's first of its kind in Malaysia and second in Southeast Asia

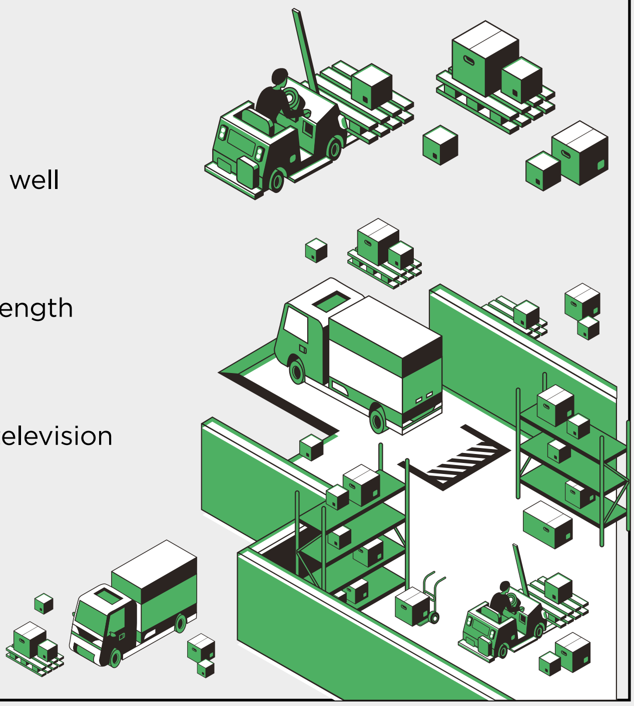
400% boost in pieces processing:
Capable of processing 10,000 pieces per hour vs 2,400 at current KL Gateway

15200m2 floor area:
Triple the size of current KL Gateway

Served by two dedicated aircrafts:
Five weekly flights to and from Hong Kong as well as four weekly flights to and from Singapore

Conveyor length:
Equipped with a total of 2067m of conveyor length to automate operations processes

State-of-the-art security:
Equipped with more than 400 closed circuit television and high-speed X-ray recovering systems



Activity: Smart Logistic Transit Hub

RM300.0 mil
Total Investments

224
Employment Opportunities

- DHL Express has invested RM217.8 million in Kuala Lumpur Gateway, its largest investment in Malaysia to date.
- Located at KLIA's Terminal 1 Air Cargo Facility, the facility acts as a key international link for facilitating goods movement between the Klang Valley and international markets, with two flights connecting it to the Central Asia Hub in Hong Kong and the South Asia Hub in Singapore.
- DHL Express's first gateway facility in Southeast Asia with a fully automated sorting system, increasing processing capacity from 2,400 to 10,000 shipments per hour.
- This facility enables seamless connectivity with major global trade flows, including the United States, China, Hong Kong, Japan, Singapore, Australia, Germany and the United Kingdom.
- DHL Express has 20 service centres, approximately 170 retail locations, over 300 delivery vehicles, more than 60 weekly flights, four aircraft, and a workforce of 1,300 people.

2.0

INVESTMENT IN NEW INDUSTRIAL MASTER PLAN 2030 SECTORS

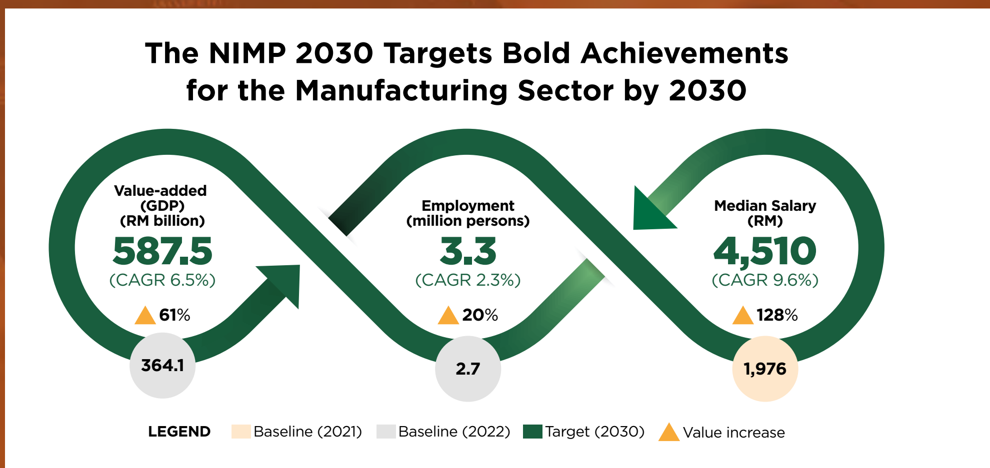
OVERVIEW OF INVESTMENT IN THE NIMP 2030 SECTORS

Malaysia's New Industrial Master Plan 2030 (NIMP 2030) represents a bold, structured blueprint to transform the nation into a high-value, innovation-driven economy. The plan is defined by a clear, phased execution strategy that mobilises the public and private sectors under a unified "whole-of-nation" framework, with the objective of reshaping Malaysia into a more resilient and sophisticated industrial economy.

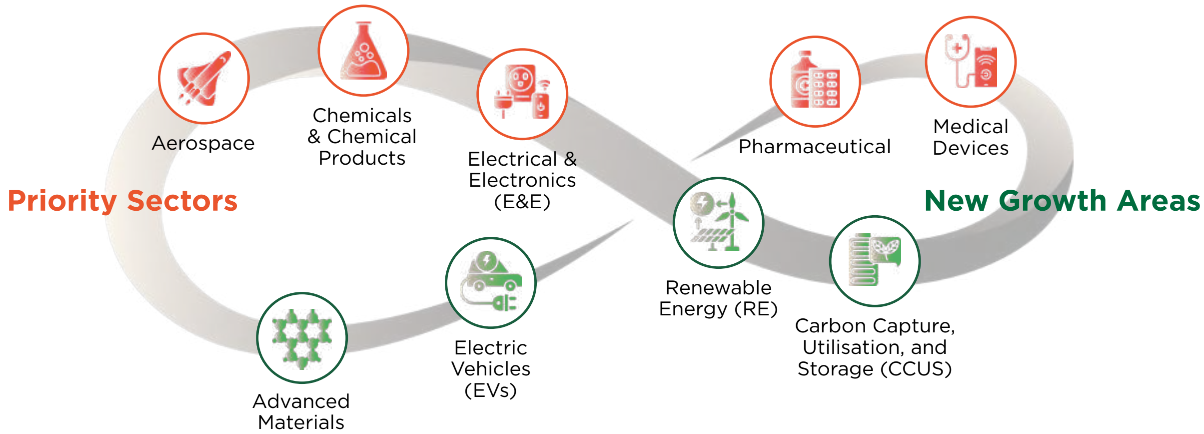
NIMP 2030 combines strategic patience with operational urgency, ensuring that its ambitions are supported by a credible and transparent pathway to delivery.

The early emphasis on governance structures and mission-based projects establishes the necessary scaffolding for implementation, while creating visible proof points, including national initiatives on electric vehicles and smart factories, to sustain policy momentum and investor confidence during the long build-up phase.

The NIMP 2030 set specific targets to achieve manufacturing sector value added (GDP) of RM587.5 billion, the creation of 3.3 million job opportunities and an increase in median salary to RM4,510 by 2030.



The NIMP 2030 covers 21 sectors for industrial growth but highlights the following as priority sectors and new growth areas to achieve its targets:



NIMP 2030 Implementation at a Glance

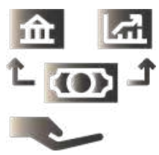
Component	Key Details
Overall Approach	"Whole-of-nation" approach – public and private sectors for shared accountability and transparency.
Timeline	7-year implementation plan (2023–2030), divided into two phases with a mid-term review in 2026.
Phase 1: Strengthen Foundation (2023–2026)	Set up governance and formal processes Secure funding and industry collaboration Launch initial Mission-Based Projects (MBPs) Mid-term review in 2026 to assess and recalibrate
Phase 2: Sustain Growth & Resilience (2027–2030)	Scale up implementation Diversify economic base Drive long-term industrial resilience

Key Early Progress Areas

Establishing Governance

- National NIMP 2030 Council – chaired by Prime Minister
- NIMP 2030 Steering Committee – chaired by MITI Minister
- Delivery Management Unit (DMU) – for structured monitoring

Mobilising Financing

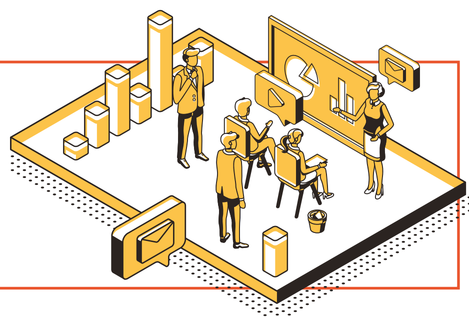


- RM8.2 billion allocated (2024–2030)
- Co-Investment Fund (CoSIF) – for Mission-Based Projects
- Industrial Development Fund (NIDF) – research, development commercialisation and innovation (RDCI), technology adoption, talent, eco-industrial park, and industrial cluster development.

Mission-Based Projects (MBPs)

- 9 high-impact projects to catalyse high-value added activities across key sectors
- Examples: launching a locally-manufactured electric vehicle (EV) and transforming 3,000 factories into smart factories by 2030

Initial progress is focused on establishing foundational mechanisms and launching catalytic Mission-Based Projects (MBPs) designed to spur high-value-added activities across priority sectors.



ALIGNING INVESTMENT IN NIMP 2030 SECTORS WITH THE NATIONAL INVESTMENT ASPIRATIONS (NIA)

NIMP 2030 incorporates the principles of the National Investment Aspirations (NIA) as a core framework, with priority given to investments that build industrial capability and support long-term economic value rather than short-term gains.

The performance of investments in NIMP 2030 sectors, based on the NIA pillars, is summarised as follows:

1. Increase Economic Complexity

Investments are assessed based on their ability to diversify the industrial base and expand higher-value, knowledge-intensive activities. Manufacturing projects are required to meet minimum performance thresholds, including a Capital Investment per Employee (CIPE) of RM140,000 and a Value-Added contribution of at least 40 per cent, to support productivity gains and capital intensity.

The approved investments in 2025 reflect Malaysia's continued progress in strengthening industry competitiveness. Performance across the NIMP 2030 priority sectors varied, particularly in capital investment intensity and value-added contribution.

Average CIPE and Value-Added Contribution in the NIMP 2030 Priority Sectors in 2025

Sector	CIPE	Value-Added
Chemicals & Chemical Products	**RM3.9 mil**	**53.7%**
Medical Devices	**RM1.2 mil**	**59.6%**
Electrical & Electronics (E&E)	**RM1.0 mil**	**47.8%**
Pharmaceuticals	**RM0.8 mil**	**55.4%**
Aerospace	**RM0.6 mil**	**59.6%**

Overall, the five sectors averaged an impressive RM1.5 million in CIPE and 55.2 per cent in Value-Added, far surpassing the national minimum requirements.

The data reveals a clear diversification in Malaysia's industrial strengths, with each priority sectors demonstrating a distinct strategic profile. While some sectors excel in deploying massive capital to build industrial scale, other sectors are pioneering exceptional value creation through advanced technology and innovation, collectively forming a robust and complementary high-value manufacturing ecosystem.

2. Create High-Value Job Opportunities in the Manufacturing sector

The quality of employment is a key metric, with investments evaluated on their ability to generate higher-skilled, better-paying roles particularly in managerial, technical, and supervisory functions linked to advanced manufacturing systems, artificial intelligence (AI), automation, digitalisation, engineering, and green technology solutions. This focus directly supports NIMP 2030's shift toward a knowledge-intensive industrial base. Approved investments in 2025 reflect this priority, having generated 41,653 potential job opportunities in the NIMP 2030 priority sectors.

Managerial, Technical and Supervisory (MTS) Index in the NIMP 2030 Priority Sectors, in 2025

Aerospace **76.7%**

Chemicals & Chemical Products **45.4%**

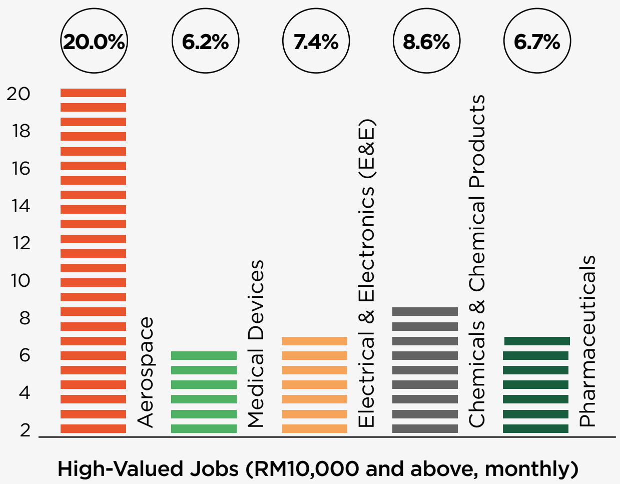
Electrical & Electronics (E&E) **42.9%**

Pharmaceuticals **42.3%**

Medical Devices **33.1%**

The MTS Index recorded a major performance improvement in 2025, climbing to 42.8 per cent from 41.6 per cent in 2024, reflecting a significant 29.1 per cent growth in high-skilled jobs as the total number of MTS positions rose from 36,488 to 47,111.

High-Valued Jobs (RM10,000 and above, monthly) in the NIMP 2030 Priority Sectors, in 2025



The proportion of high-paying jobs across priority sectors further highlights the transition toward high-value economic activity. The distribution of these roles aligns closely with the sectors requiring the most advanced technical expertise and innovation, reinforcing the link between industrial sophistication, capital investment, and workforce remuneration. This trend is a direct indicator of rising productivity and Malaysia's ascent into more complex segments of global supply chains.

3. Extend Domestic Linkages

A core pillar of the strategy is to extend domestic linkages by boosting the role of local companies in high-value industries. NIMP 2030 aims to increase the domestic contribution to manufacturing value-added to 65 per cent, a goal that necessitates deeper integration of Malaysian SMEs into advanced supply chains. This is being pursued by actively supporting local firms in adopting automation, digitalisation, and sustainable practices to meet the stringent standards of multinational partners and compete in global markets.

Approved Investments of Malaysian-owned projects[1] in the NIMP 2030 Priority Sectors, in 2025

Electrical & Electronics (E&E)
RM4.8 bil

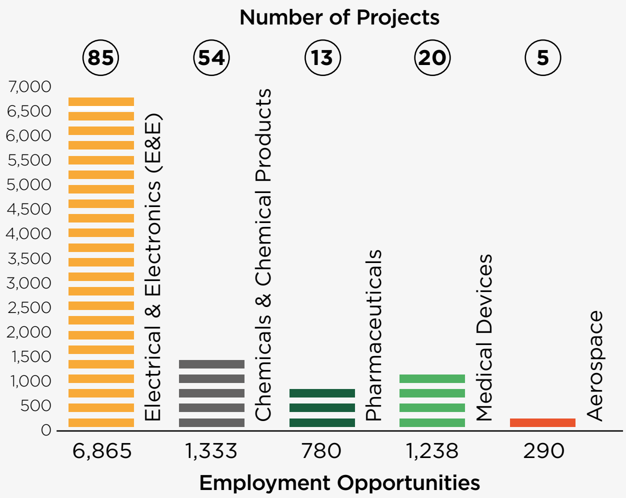
Chemicals & Chemical Products
45.4%

Pharmaceuticals
RM0.7 bil

Medical Devices
RM0.6 bil

Aerospace
RM0.2 bil

[1] Malaysian-owned refer to approved investments undertaken by companies that are majority-owned or wholly owned by Malaysians.



Malaysian-owned companies are proving instrumental in building a resilient industrial base, with their investments directly strengthening domestic supply chains, generating skilled employment, and enhancing Malaysia's competitiveness in high-value sectors.

While investment scale varied across sectors, domestic participation remained most visible in industries where technological capability, process control, and regulatory compliance are critical, reflecting a gradual shift towards more sophisticated industrial activities.

Electrical & Electronics (E&E)
RM4.8 bil

85
Projects Approved

6,865
Employment Opportunities

Strategic Role
Anchors advanced manufacturing and global supply chain integration.

Chemicals & Chemical Products
RM1.7 bil

54
Projects Approved

1,333
Employment Opportunities

Strategic Role
Supports downstream industries (plastics, pharma, electronics) and creates skilled jobs.

Pharmaceuticals
RM0.7 bil

13
Projects Approved

780
Employment Opportunities

Strategic Role
Builds domestic production capacity to reduce import reliance while generating skilled employment in technical and compliance roles.

Medical Devices
RM0.6 bil

20
Projects Approved

1,238
Employment Opportunities

Strategic Role
Expands into high-demand, tech-driven medical equipment manufacturing.

Aerospace
RM0.2 bil

5
Projects Approved

290
Employment Opportunities

Strategic Role
Builds local expertise in high-precision manufacturing, including machining, components production, and MRO services.

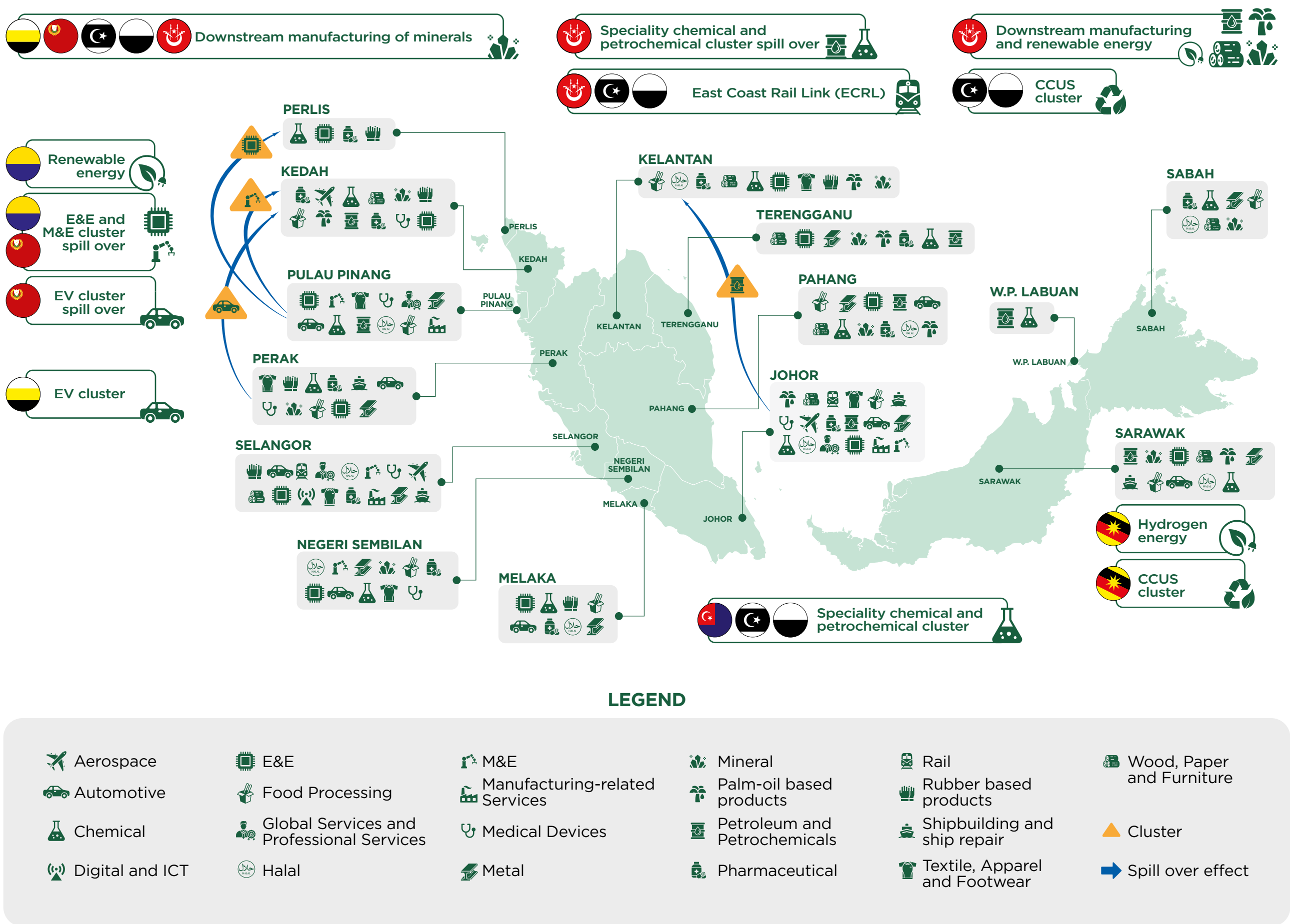
Domestic investment is strategically concentrated to fortify Malaysia's industrial core. The Electrical and Electronics (E&E) sector leads in capital commitment, reflecting strong local expertise in advanced manufacturing and integration into global supply chains.

Investments in the Chemical sector demonstrate broad domestic participation, strengthening key downstream industries while generating substantial skilled employment. Projects in Pharmaceuticals and Medical Devices continue to build critical domestic production capacity and create high-skill technical roles. Although smaller in scale, Aerospace investments remain significant, developing niche, high-value capabilities in precision engineering and maintenance, repair and overhaul (MRO) services. These developments signal the rising capability of Malaysian firms in technology-driven sectors, enhancing supply chain resilience and supporting the country's longer-term industrial competitiveness.

4. Develop New & Existing Economic Clusters

Economic Clusters in Malaysia

**The NIMP 2030 emphasises on industrialisation across all States.
Existing clusters have the potential to create regional spillover impact**

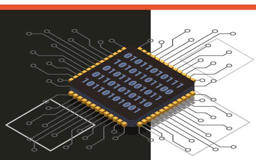


Source: New Industrial Master Plan 2030

Investment activity in Malaysia continued to concentrate within specialised economic clusters, namely the Electrical and Electronics (E&E) cluster in Penang, the Automotive cluster in Tanjong Malim, the Chemical and Petrochemical cluster across Pengerang, Tanjung Langsat and Pasir Gudang.

These clusters accounted for a significant share of approved investments in high-value and technology-driven activities.

Electrical & Electronics Cluster in Penang



Penang's established E&E cluster continues to command high-value investment, attracting inflows that solidify its position as a leading semiconductor hub in Asia. Two major investments from US and Chinese firms in advanced integrated circuit manufacturing demonstrate global confidence in the ecosystem, ensuring the region's continued relevance in the evolving technology supply chain.

Investment Overview

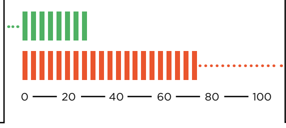
RM11.3 bil
Total Investments

83 Projects Approved

12,798 Employment Opportunities

Domestic vs Foreign Investments

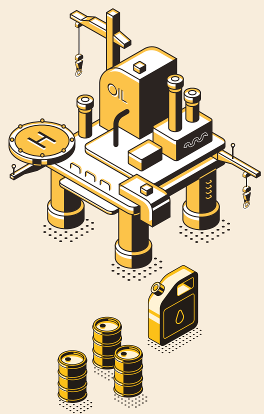
Domestic Investments
22.0%
RM2.5 bil



Foreign Investments
78.0%
RM8.8 bil

Chemical and Petrochemical Cluster in Pengerang, Tanjung Langsat and Pasir Gudang

Investment activity within the Chemical and Petrochemical cluster across Pengerang, Tanjung Langsat and Pasir Gudang in 2025 reflected a balanced mix of foreign and domestic participation, supporting the development of higher-value downstream activities. A notable investment within this cluster involves the production of Sustainable Aviation Fuel (SAF), Hydrogenated Vegetable Oil (HVO), Bio-Naphtha, and Bio-LPG in Pengerang, Johor, supporting Malaysia's transition towards cleaner energy and sustainable industrial development.



Investment Overview

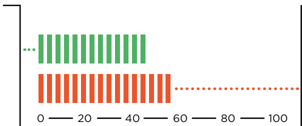
RM8.0 bil
Total Investments

13 Projects Approved

740 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
41.5%
RM3.3 bil



Foreign Investments
58.5%
RM4.7 bil

Automotive Cluster in Tanjong Malim

The Automotive cluster in Tanjong Malim entered a new phase of development in 2025, driven largely by domestic investment and focused on electric and energy-efficient vehicle manufacturing. One of the approved projects involved new investment from China in the manufacturing and assembly of Electric Vehicles (EVs), Energy Efficient Vehicles (EEVs), and Plug-in Hybrid Electric Vehicles (PHEVs), in line with the growth priorities outlined under NIMP 2030.

Investment Overview

RM3.6 bil
Total Investments

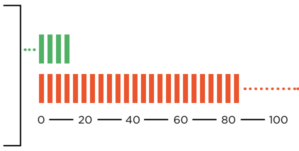
6
Projects Approved

2,863
Employment Opportunities

Key Growth Area
Electric and energy vehicle manufacturing and assembly

Domestic vs Foreign Investments

Domestic Investments
18.1%
RM0.7 bil



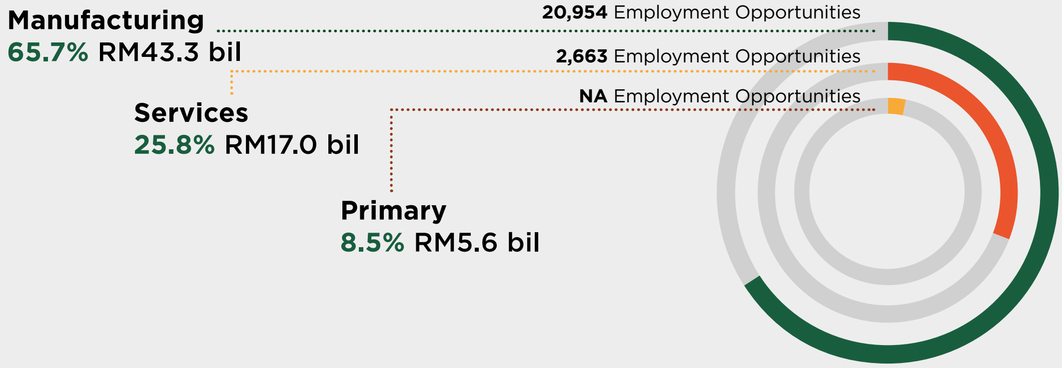
Foreign Investments
81.9%
RM2.9 bil

The development of Proton's electric vehicle (EV) assembly plant in Tanjung Malim is expected to create more than 3,000 job opportunities and support downstream automotive activities, including component manufacturing, logistics, and related services.

5. Improve Inclusivity

Promoting inclusive and regionally balanced development remains a key national priority under the **Twelfth Malaysia Plan (12MP)**. The Plan which covers period from 2021 until 2025, identifies **Perlis, Kedah, Terengganu, Kelantan, Sabah, and Sarawak** as **Less Developed States (LDS)**, ensuring these regions receive targeted development allocations to reduce socio-economic disparities. In alignment, the **National Investment Aspirations (NIA)** positions inclusivity as a core pillar, encouraging investment flows that strengthen economic participation and uplift communities in less-developed regions.

Investment Distribution in Less Developed States

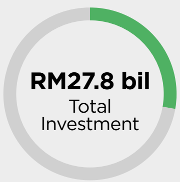


Investment activity in LDS reflected a clear emphasis on productive, employment-generating sectors led primarily by manufacturing-based projects. This sectoral concentration supports the creation of industrial capacity beyond established growth centres, while services and primary activities complement regional economic diversification. Overall, the distribution of investments indicates steady progress in extending industrialisation and job creation to underdeveloped regions, reinforcing national efforts to promote more balanced and inclusive economic development.

Investment Overview: Kedah

397 Projects Approved

14,705 Employment Opportunities

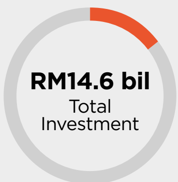


In 2025, Kedah was the largest recipient of approved investments among the LDS, continuing the trend observed in 2024, with approved projects translating into significant employment creation.

Investment Overview: Sabah

159 Projects Approved

2,874 Employment Opportunities



Sabah recorded the second-highest approved investment among the LDS and continues to benefit from investments in manufacturing, resource-based activities, and services that support regional economic growth.

Investment Overview: Sarawak

208 Projects Approved

2,424 Employment Opportunities

Sarawak ranked third among the LDS, showing steady progress in strengthening its industrial and services base.

The government is committed to narrowing regional disparities by promoting equitable economic growth, with focused efforts on empowering MSMEs and broadening participation from underserved communities within the national industrial ecosystem. These measures are essential for achieving balanced and inclusive development.

∞ Ichia Technologies, Inc., leader in electronic components manufacturing with over 40-year of industry experience, proudly announces the grand opening of its second state-of-the-art manufacturing facility at Kulim Hi-Tech Park (KHTP), Kedah. The RM490 million investment expects to create approximately 600 job opportunities with a strong emphasis on high-skilled talent.

The next phase of Malaysia's economic development, steered by the Thirteenth Malaysia Plan (13MP), will intensify efforts to reduce regional disparities and advance inclusive growth, with greater emphasis on economic integration between states and sub-regions. Investment activity will be intensified within major cross-state clusters such as Greater Kuala Lumpur, Negeri Sembilan and Melaka, while targeted industrial development will be accelerated in the East Coast, Sabah, Sarawak and the Northern Region. This approach is intended to support more balanced and resilient national economic development.

The alignment of NIMP 2030 and the New Incentive Framework anchored by the pillars represents a New Deal for Malaysian industry. **MIDA's "Transformation in Motion" is the catalyst that will turn these policy documents into realised prosperity, securing Malaysia's position as a preferred investment destination that offers not just a place to do business, but a partner in sustainable and inclusive growth.**

A PREMIER GATEWAY TO ASEAN'S FASTEST-GROWING MARKETS

The Johor–Singapore Special Economic Zone (JS-SEZ) marks a new phase in economic cooperation between Malaysia and Singapore, reflecting a deliberate effort to strengthen coordination and enhance the region's appeal to global investors. Formalised on 8 January 2025 during the 11th Annual Leaders' Retreat, the signing of the Memorandum of Agreement sets out a framework to align investment facilitation and policy direction along the Johor–Singapore corridor, translating a bilateral commitment into a seamless, innovation-led and investment-ready ecosystem that bridges Malaysia's industrial strengths with Singapore's global connectivity and financial prowess.

The JS-SEZ is structured to unlock economic value creation by facilitating the movement of goods, services, and talent across the border while linking Malaysia's manufacturing and industrial base with Singapore's connectivity, financial networks and access to global markets. The zone is also poised to become a magnet for high-value investment, with an integrated framework, creating a single, attractive proposition for investors seeking a unified platform for regional growth, technology adoption, and supply chain integration.

Strategic Pillar

1

Investment Targets & Strategy

- **Target:** 50 projects in 5 years; 100 projects over 10 years.
- **Strategy:** Joint promotion to enhance economic complexity, integrate supply chains, and accelerate tech adoption.
- **Focus:** Green growth, net-zero solutions, and digital industries for long-term, innovation-led investment.

2

Sectoral Priorities

11 key sectors: **Manufacturing, Digital Economy, Logistics, Food Security, Tourism, Energy, Financial Services, Business Services, Education, Health, Green Economy.**

3

Flagship Zones

9 designated zones: **Johor Bahru City Centre, Iskandar Puteri, Tanjung Pelepas–Tanjung Bin, Pasir Gudang, Senai–Skudai, Sedenak, Forest City, Pengerang Integrated Petroleum Complex (PIPC), Desaru.**
Focus on specialised ecosystems (e.g., aerospace, electronics, healthcare).

4

Ease of Doing Business

- **Invest Malaysia Facilitation Centre Johor (IMFC-J):** One-stop centre co-managed by MIDA, Invest Johor, and Iskandar Regional Development Authority (IRDA) for approvals, advisory, and priority support.
- **Early Results:** Over SGD 5.5 billion committed; 1,500+ skilled jobs expected; ~1,200 inquiries received.

5

Special Financial Zone

Forest City Special Financial Zone (FC-SFZ): Duty-free island combined with a special financial zone, aimed at attracting multinational banks, fintech firms, and capital providers.

6

Fiscal Incentives

- **Corporate Tax:** 5% rate for up to 15 years for eligible sectors (AI, quantum supply chains, aerospace, medical devices, global services).
- **Talent Incentive:** 15% personal tax rate for eligible knowledge workers for up to 10 years.

7

Promotion & Engagement

- **Joint Investment Forum (JIF) – Apr 2025, Johor Bahru:** ~1,000 attendees; focused on supply chain opportunities and SME-anchor matching.
- **Joint Investment Forum (JIF) – Oct 2025, Singapore:** ~900 attendees; MITI announced 5 key initiatives aimed at s**trengthening bilateral collaboration** in financing, talent, and facilitation.
  - Beyond the ASEAN region, the JS-SEZ was introduced to the Chinese market through a joint investment mission to Wuxi and Ningbo in September 2025, jointly promoted by MIDA and Singapore's Economic Development Board (EDB), further reinforcing the zone's position as a unified, cross-border investment corridor.

8

Bilateral Governance Framework

- The Malaysia–Singapore Joint Ministerial Committee for Iskandar Malaysia (JMCIM) was elevated into the Johor–Singapore Cooperation Ministerial Committee (JSCMC).

- The JSCMC provides a high-level platform to oversee the implementation of priorities under the Johor–Singapore Special Economic Zone (JS-SEZ) and support bilateral coordination on global investment matters.

9

Innovation-Driven River Economy

- The JS-SEZ Investment Blueprint and Master Plan, set for launch on 30 March 2026, is poised to fundamentally reshape Johor's economic landscape by transitioning it into an advanced, innovation-driven river economy with a target GDP of RM260 billion by 2030. This transformative blueprint aims to deliver high-impact outcomes through the creation of over 20,000 high-skilled jobs over the next decade. By integrating Malaysia's economic potential with Singapore's global capital, the blueprint and master plan focuses on raising productivity, enhancing cross-border connectivity, and offering specialised incentives in selected sectors to ensure long-term, high-quality economic growth for the region.

Creating Success Beyond Investment

The success of the JS-SEZ will depend on effective execution, particularly the ability to translate policy commitments and promotional efforts into consistent, on-the-ground facilitation for investors. Continued, detailed coordination between Malaysia and Singapore will shape whether the zone develops into a credible cross-border platform for high-value investment, sustainable activities and deeper industrial integration with the potential to emerge as ASEAN's next major engine of industrial growth.

Pengerang Biorefinery Sdn. Bhd.

Located within the Pengerang Integrated Complex in Johor, Pengerang Biorefinery Sdn. Bhd. stands as a landmark high-technology venture dedicated to bio-refining and renewable fuel production. This project represents a powerful strategic collaboration between three global industry leaders: PETRONAS Mobility Lestari Sdn. Bhd., Italy's Enilive S.p.A., and Japan's Euglena Sustainable Investment Limited. By combining international expertise with local vision, the facility is set to become a cornerstone for the domestic production of Sustainable Aviation Fuel (SAF), Hydrogenated Vegetable Oil (HVO), bio-naphtha and bio-LPG.

Operations are expected to commence in 2028 generating 182 high-value positions of which 98 per cent of these roles to be filled by Malaysians creating skilled employment opportunities in technical, engineering and managerial fields.

As an anchor for the Pengerang renewable fuel hub, the project is engineered to catalyse significant economic spillover through the local sourcing of feedstocks, utilities, and core bio-refining operations, as well as logistics and maintenance services. This integrated approach ensures that the benefits of the project extend deep into the domestic supply chain.

Furthermore, the Pengerang Biorefinery is a vital contributor to Malaysia's MADANI Framework and national decarbonisation targets. By advancing green growth in the aviation and transport sectors, the project promotes sustainability through the production of low-carbon fuels and fosters innovation via cutting-edge refining technologies. This alignment not only supports global environmental goals but also ensures the development of high-skilled Malaysian talent and the seamless exchange of technical expertise between the three collaborating partners.

Approved investments for JS-SEZ in 2025

RM77.0 bil Total Investments

393 Projects Approved

18,406 Employment Opportunities

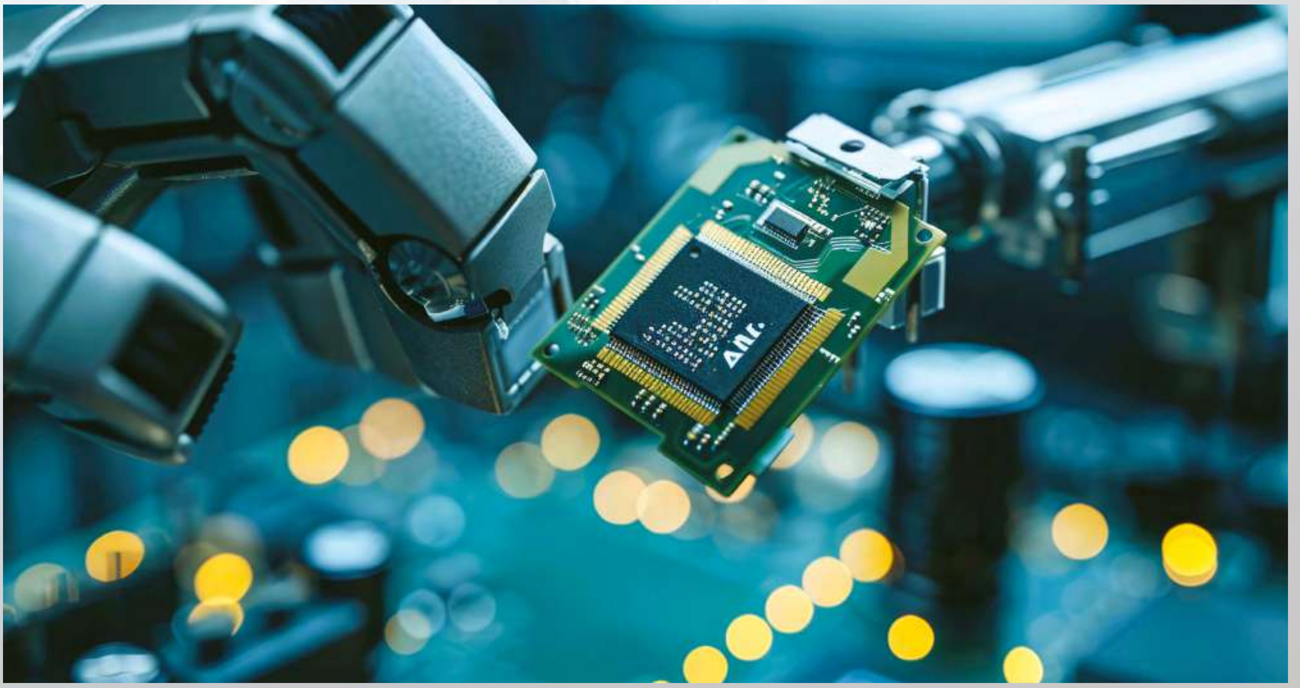
Brooks Automation Malaysia Sdn. Bhd.

Brooks Automation, a global leader in semiconductor automation and robotics, has established a USD60 million facility in Pasir Gudang, Johor, spanning 180,000 square feet, further strengthening Johor's position as a high-technology manufacturing hub supported by a robust industrial ecosystem and infrastructure.

To date, the company has invested over RM235 million in developing its Johor manufacturing centre, equipping it with advanced manufacturing systems and automation capabilities. The facility currently employs over 300 personnel across engineering, manufacturing and operations functions, with its workforce projected to expand to approximately 420 employees by 2026 and up to 550 by 2035, reflecting strong long-term growth confidence.

The investment has generated significant high-value employment opportunities, including more than 160 high-income positions offering salaries of around RM4,000–and above, prioritising local Johor talent. In line with the Johor Talent Development Council (JTDC)'s aspirations, these roles support the creation of future-ready, high-skilled employment aligned with advanced industry requirements. The company also provides continuous industrial training to enhance technical capabilities and workforce readiness.

Beyond employment creation, Brooks Automation has engaged 29 local vendors, strengthening domestic supply chain linkages and stimulating local economic activities. The project contributes directly to the NIA by increasing economic complexity through advanced semiconductor technologies, creating high-value employment, expanding domestic participation, and supporting sustainable industrial development.



3.0

PRIORITY AND NEW GROWTH AREAS

FROM MANUFACTURING DEPTH TO DESIGN-LED VALUE CREATION

Malaysia's semiconductor industry is a core pillar of the electrical and electronics sector and the broader advanced manufacturing base. Built over more than five decades, the ecosystem spans key segments of the semiconductor value chain, including integrated circuit (IC) design, wafer fabrication, assembly, testing, and electronics manufacturing services. This breadth has established Malaysia as a globally significant semiconductor hub, particularly in back-end manufacturing, while providing the industrial depth and talent base required to expand participation in higher-value front-end activities.

The scale of this national effort in 2025 is transformative. Major venture funds and expanded Budget 2025 tax incentives are being deployed to accelerate innovation and target high-value design activities in Malaysia. The ecosystem's momentum is amplified by flagship industry events such as SEMICON Southeast Asia 2025, which aligns national R&D with global advancements in AI chips and advanced packaging. This concerted public-private strategy, supported by the New Industrial Master Plan 2030 (NIMP 2030), fully operationalises the "Made by Malaysia" vision. It systematically positions the country to achieve its defining milestone of producing its first fully owned, locally designed chip by the end of the decade, as well as transforming Malaysia into a recognised originator of semiconductor intellectual property.

This concerted public-private strategy, supported by NIMP 2030, fully operationalises the "Made by Malaysia" vision.

Semiconductor Value Chain Positioning in Malaysia

Integrated Circuit (IC) Design

Ecosystem Enabler
Front-end activity defining product architecture and intellectual property, enabling higher value capture through specialised design capability and closer alignment with fabrication and testing requirements. MIDA-ARM Holdings: Expands access to industry-standard IP, tools and training to accelerate advanced IC design and domestic IP development.

Emerging Companies
- ∞ Oppstar Technology Sdn. Bhd.
- ∞ Skyechip Sdn. Bhd.
- ∞ Maistorage Technology Sdn. Bhd.

Wafer Fabrication (Foundry)

Ecosystem Enabler
Malaysia hosts a meaningful wafer fabrication presence, with a local foundry (SilTerra) serving as a strategic national asset that supports domestic IC design and front-end manufacturing capabilities, while complementing multinational fab operations.

Emerging Companies
- ∞ Silterra Malaysia Sdn. Bhd.
- ∞ X-Fab Sarawak Sdn. Bhd.
- ∞ On Semiconductor Malaysia Sdn. Bhd.
- ∞ Infineon Technologies (Kulim) Sdn. Bhd.

Outsourced Semiconductor Assembly and Test (OSAT)

Ecosystem Enabler
Malaysia is one of the world's largest OSAT hubs, playing a critical role in supporting complex chip architectures and performance-critical applications across global semiconductor supply chains

Emerging Companies
- ∞ Inari Technology Sdn. Bhd.
- ∞ Carsem (M) Sdn. Bhd.
- ∞ Globetronics Sdn. Bhd.
- ∞ Unisem (M) Sdn. Bhd.
- ∞ KESM Industries Berhad
- ∞ ASE Electronics (M) Sdn. Bhd

In 2025, the Electrical and Electronics (E&E) sector recorded total approved investments of RM28.5 billion, of which RM23.7 billion were foreign investments and RM4.7 billion were domestic investments. The semiconductor sub-sector accounted for RM16.9 billion of the total approved investments.

This pattern indicates investor preference for Malaysia as a base for capital- and technology-intensive semiconductor activities aligned with higher value-added segments.

The Capital Investment per Employee of RM0.9 million in the E&E sector further reflects a shift towards advanced processes and equipment, where productivity gains are driven by technology rather than workforce expansion. This supports higher-quality employment outcomes and reinforces Malaysia's positioning within global semiconductor production networks.

Approved Investments in the Semiconductor Industry in 2025

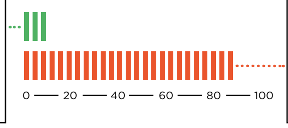
RM16.9 bil
Total Investments

59
Projects Approved

12,461
Employment Opportunities

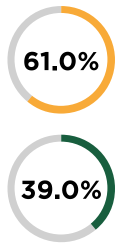
Domestic vs Foreign Investments

Domestic Investments
13.7%
RM2.3 bil



Foreign Investments
86.3%
RM14.6 bil

Expansion / Diversification vs New Projects



33 Expansion/ Diversification
RM10.3 bil
8,544 Employment Opportunities

26 New Projects
RM6.7 bil
3,917 Employment Opportunities

Total Investments
RM16.9 bil

Notable Projects in 2025

TF AMD Microelectronics (Penang) Sdn. Bhd.

Project Type: New Projects

Project Profile:
Focuses on strengthening technological leadership through the deployment of advanced wafer bumping and advanced packaging technologies. These advancements enable TF-AMD to support increasingly complex semiconductor designs required for high-performance computing, AI, gaming, and data centre applications.

Investment Highlights:

- RM1.5 billion commitment for front-end semiconductor R&D.

Key Contributions:

- Creates over 1,200 high-skilled engineering jobs.
- Elevates Penang as a global hub for semiconductor design.
- Advances National Semiconductor Strategy (NSS) goals.

Linergy Power Sdn. Bhd. (Ampace Subsidiary)

Project Type: New Projects

Project Profile:
New smart manufacturing facility for advanced lithium-ion batteries.

Investment Highlights:

- RM1.5 billion investment by a global battery technology leader.
- Leverages automation & digitalisation for high-efficiency production.

Key Contributions:

- Fills a critical gap in Malaysia's EV and energy storage supply chain.
- Accelerates technology transfer in advanced battery manufacturing.
- Supports national clean energy and industrial goals under NIMP 2030.

From Malaysia to the World

Infineon Technologies (Kulim) Sdn. Bhd.

Project Profile:
Additional RM30.1 billion investment to establish the world's largest 200mm silicon carbide power semiconductor fabrication facility in Kulim.

Investment Highlights:

∞ Establishes the world's largest 200mm SiC power semiconductor fab.
∞ Strengthens Malaysia's position as a regional hub for advanced semiconductor manufacturing.

Key Contributions:

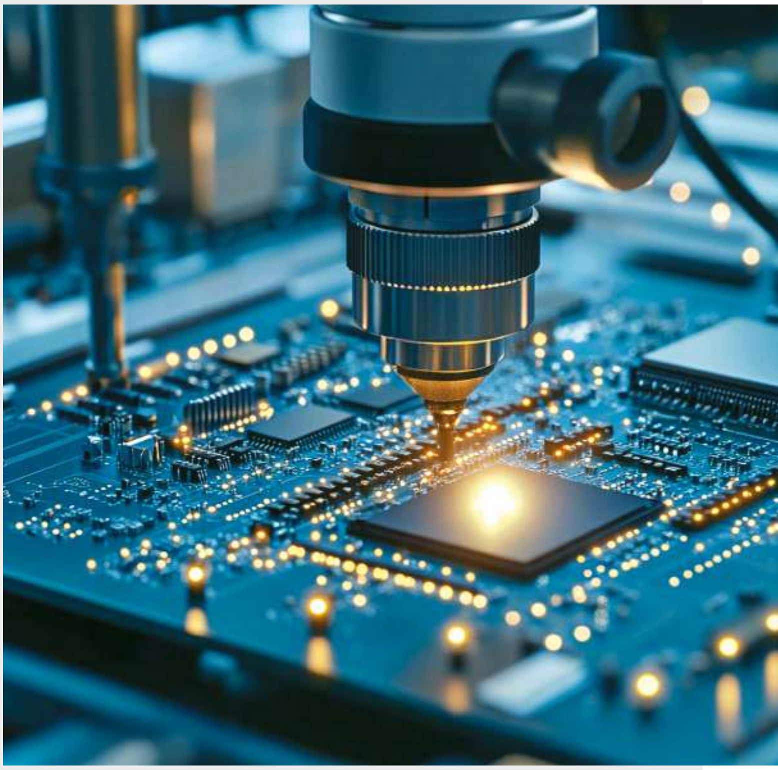
∞ Creates 4,000 high-value manufacturing & engineering jobs.
∞ Positions Malaysia as the global hub for advanced power semiconductors.
∞ Aligns with national net-zero and industrial goals.

∞ MIDA's top management and officers promote national policies that support the investment ecosystem and facilitate engagement with stakeholders throughout the investors' journey.

In 2026, demand is expected to concentrate on power semiconductors for electric vehicles, advanced packaging for high-performance computing, and application-specific devices for industrial and medical uses.

Future Direction

Based on market analysis by Mordor Intelligence, Malaysia's semiconductor market was estimated at US$10.85 billion in 2025 and is projected to expand to US$16.51 billion by 2030, reflecting a compound annual growth rate (CAGR) of 8.76 per cent. In 2026, demand is expected to concentrate on power semiconductors for electric vehicles, advanced packaging for high-performance computing, and application-specific devices for industrial and medical uses. Value capture from these trends will hinge on effective alignment across design capability, specialised fabrication, and assembly and testing functions within a coherent ecosystem. Policy and industry actions are therefore expected to emphasise capability-led expansion, higher-quality investment, and closer integration with global semiconductor production networks, supporting the translation of market growth into durable industrial outcomes.



To secure leadership in these high-growth segments and capture forward-looking value, Malaysia will continue to focus on developing its semiconductor sector as a strategic driver of high-value industrial growth under 13MP, prioritising capability-led development, strengthening design, fabrication, and advanced packaging capacities, while integrating local SMEs and multinational investors into a cohesive ecosystem. The strategy must now extend to next-generation platforms, actively cultivating capabilities in chiplet design and 3D heterogeneous integration to serve future AI and high-performance computing (HPC) markets, investing in silicon photonics for data-centric infrastructure, and fostering ecosystems for ambient IoT and bio-electronics.

Success will depend on synchronising the maturation of its front-end design initiatives with targeted advancements in materials (like glass substrates) and advanced test protocols, ensuring the domestic ecosystem is not only aligned with 2026 demand but is already building the foundations for 2030 innovation.

PHARMACEUTICAL INDUSTRY

FORGING MALAYSIA'S PHARMACEUTICAL EDGE

According to PricewaterhouseCoopers (PwC) in its 2026 report, *Breakthroughs at Scale: The Future of Pharma,* the global pharmaceutical industry is undergoing a profound transformation. The consultancy argues that investors now signal "innovation alone is no longer enough" for growth and leadership. Instead, the future will be defined by integrating breakthrough science with intelligent operations and patient-centric ecosystems, evolving the industry from medicine makers into holistic health partners. This inexorable global shift presents a critical challenge to Malaysia's pharmaceutical industry and, at the same time, the clearest pathway to its future growth.

Malaysia's pharmaceutical industry has successfully built a resilient ecosystem centred on multi-dosage generic drug manufacturing. This capability continues to serve domestic needs while providing contract manufacturing services to foreign customers. According to BMI Country Risk & Industry Research (BMI), market growth is expected to increase from RM15.7 billion in 2025 to RM21.4 billion by 2029, with a five-year compound annual growth rate (CAGR) of 6.4 per cent.

Domestic investors accounted for 96.6 per cent of the total RM724.8 million approved investments, indicating that sector growth has been driven primarily by local capital. Expansion/ diversification projects attracted RM511.1 million, or 70.5 per cent of total investment.

Investment patterns in 2025 point to strong domestic confidence and a shift towards capability expansion. Domestic investors accounted for 96.6 per cent of the total RM724.8 million approved investments, indicating that sector growth has been driven primarily by local capital. Expansion/ diversification attracted RM511.1 million, or 70.5 per cent of total investment, reflecting a focus on establishing new capabilities rather than expanding existing operations.

Approved Investments in the Pharmaceuticals Industry in 2025

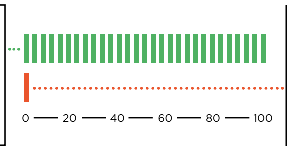
RM724.8 mil
Total Investments

15 Projects Approved

872 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
96.6%
RM700.0 mil



Foreign Investments
3.4%
RM24.8 mil

Expansion / Diversification vs New Projects

70.5%
6 Expansion/ Diversification
RM511.1 mil
443 Employment Opportunities

29.5%
9 New Projects
RM213.7 mil
429 Employment Opportunities

Total Investments
RM724.8 mil

Malaysia is advancing longer-term capability development through the planned establishment of a biopharmaceutical cluster in the central region, covering Negeri Sembilan, Selangor, Melaka, and Wilayah Persekutuan Kuala Lumpur.

Shifting Industry Orientation

Malaysia is advancing longer-term capability development through the planned establishment of a biopharmaceutical cluster in the central region, covering Negeri Sembilan, Selangor, Melaka, and Wilayah Persekutuan Kuala Lumpur. This initiative which was approved by the National Investment Council (NIC) and to be led by MIDA aims to strengthen innovation aims to strengthen innovation capacity, attract targeted pharmaceutical investments, and shift industry orientation from meeting domestic demand towards export-driven growth.

A key milestone was the Flagship Investment Seminar held on 12 November 2025, where officials from the four states engaged with a prospective foreign technical partner during the pharmaceutical industry breakout session. The proposed development of a Biopharmaceutical Science Park is intended to support higher-value manufacturing, research activity, and regional market integration, while strengthening Malaysia's profile as a pharmaceutical and biopharmaceutical hub.

In 2025, MIDA led two ecosystem cross-agency business missions (EBM) to the People's Republic of China and the Republic of Korea with the aim of identifying and diversifying essential drug suppliers, securing strategic technical partners for vaccine technology transfer and development, and accelerating the growth of clinical research services and innovation in Malaysia.

Enhancing Regional Medicine Security

Recent years have exposed structural vulnerabilities across ASEAN, including rising medicine costs and supply constraints for essential and life-saving drugs. Supply chain disruptions during the COVID-19 pandemic, particularly shortages of active pharmaceutical ingredients (APIs) due to border closures, highlighted the region's dependence on external sources and the associated risks to generic medicine production.

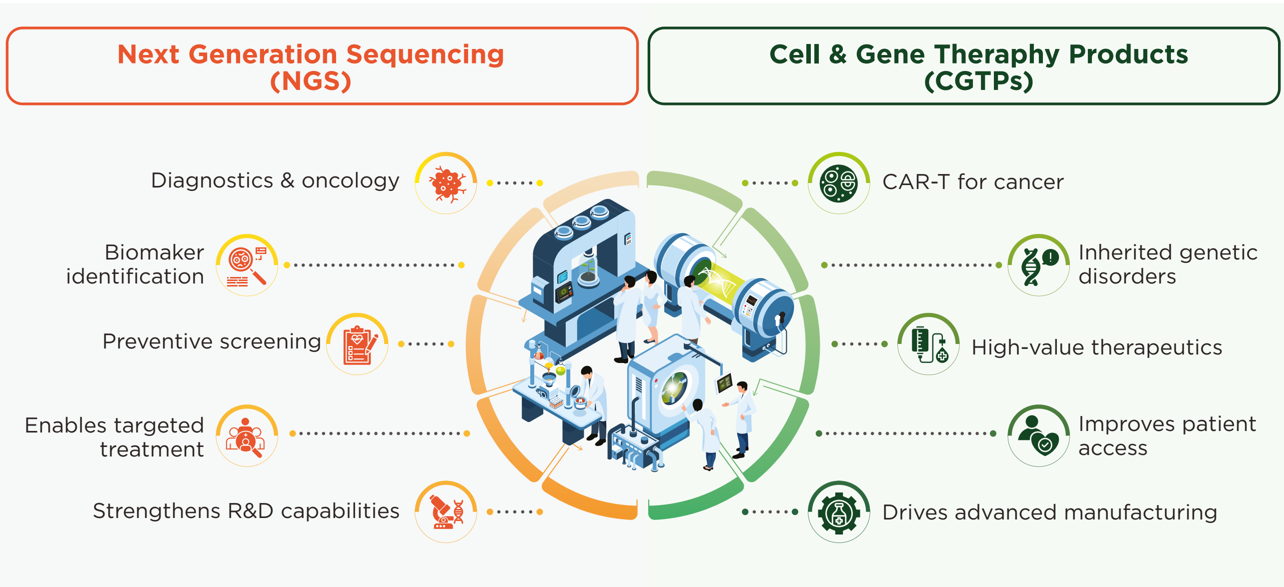
In response, ASEAN established the Regional Collaborative Strategy on ASEAN Drug Security and Self-Reliance (ADSSR) to strengthen the regional pharmaceutical ecosystem through regulatory harmonisation, coordinated procurement, and closer collaboration in research and development. Under the ASEAN Health Cluster III (AHC3) Work Programme on Strengthening Health Systems and Access to Care, Malaysia was mandated to lead the ADSSR initiative as a facilitator, enabling local manufacturers to access a broader and more immediate regional market through pooled procurement mechanisms, supporting the regional self-reliance agenda.

Future Trajectory

Malaysia's pharmaceutical industry faces growing pressure to move beyond low value-added manufacturing and prepare for the production of more advanced medicines.

This shift requires a coordinated national agenda focused on building a knowledge-driven ecosystem, supported by higher R&D investment and closer collaboration with established global technical partners. Industry arrangements such as Contract Development and Manufacturing Organisations (CDMOs), Contract Manufacturing Organisations (CMOs), joint ventures, distribution partnerships, and targeted greenfield investments by multinational companies are increasingly relevant in enabling this transition and supporting Malaysia's longer-term objective of reducing reliance on medicine imports.

Advances in medical technology are shifting the focus from diagnostics to therapeutics, with NGS enabling the rise of CGTPs.



Moving forward, Malaysia's pharmaceutical sector is expected to operate in a more competitive environment moulded by regulatory change, cost pressures, and technological upgrading. The balance between affordability and supply security, alongside greater market openness following the Malaysia–United States Reciprocal Trade Agreement, will place additional pressure on local manufacturers. Firms will need to adapt by strengthening quality, efficiency, and compliance, while redirecting investment towards higher-value segments such as active pharmaceutical ingredients, biologics, and biosimilars.

Halal Pharmaceuticals

The Malaysian government introduced MS2424:2012 Halal Pharmaceutical Guidelines in 2012 to establish a clear framework for the manufacturing and handling of halal pharmaceuticals. This regulatory initiative, among the earliest in the ASEAN region, enabled Malaysian-produced, halal-certified pharmaceuticals to enter neighbouring markets such as Singapore and Indonesia, as well as the wider global Muslim market.

The standard underwent a comprehensive revision in 2019, replacing the earlier guideline with MS2424:2019, which expanded its scope to include vaccine products. Within this framework, Malaysia is developing home-grown vaccine production by leveraging foreign technical expertise, with the longer-term objective of extending halal certification to these products.

As the halal pharmaceutical industry in Malaysia continues to expand, local companies increasingly use halal certification to integrate into global value chains. The regulatory and institutional framework recognises the technical and compliance requirements across the pharmaceutical production chain.

From raw materials, excipients and overall manufacturing process, a strategic synergy has been established between representatives of academia, government regulatory bodies, healthcare practitioners and industry players, fostering a culture of information exchange. This collaborative effort addresses current technical hurdles and reinforces Malaysia's pioneering role in upholding the Halal gold-standard within the pharmaceutical sector.

Within this framework, Malaysia is developing home-grown vaccine production by leveraging foreign technical expertise, with the longer-term objective of extending halal certification to these products.

Notable Projects in 2025

Ain Medicare Sdn. Bhd.

Project Type: Diversification

Product:
Prefilled Syringes, Cartridges and Small Volume Parenteral

RM171 mil
Total Investments

82
Employment Opportunities

Highlights:

The company's diversification project aligns with NIMP 2030, particularly for Mission 1: Advancing economic complexity. At present, the company will be the sole pharmaceutical prefilled syringe (PFS) manufacturer in Malaysia once commercialised. Its innovative technical know-how stems from its core strength in liquid products such as irrigation solutions ultimately leading up to PFS, thus moving up the value chain and expanding into a different product. The amount of investment is also significantly large within this industry, especially considering it is entirely domestic-driven. The company has also managed to create 100% local jobs, even more so by hiring talents in Kelantan.

MEDICAL DEVICES INDUSTRY

HARMONISING REGIONAL FRAMEWORKS

The global medical device industry was valued at US$572.31 billion in 2025 and is projected to reach US$1.03 trillion by 2034, expanding at a compound annual growth rate (CAGR) of 6.9 per cent, according to Fortune Business Insights. North America accounted for the largest market share in 2025, reflecting its established healthcare infrastructure and high adoption rates of advanced medical technologies, while Asia Pacific recorded strong growth driven by rising prevalence of chronic diseases and sustained increases in healthcare expenditure. The Association of Malaysian Medical Industries (AMMI) highlighted that, within Southeast Asia, Malaysia represents the largest medical device market, with an estimated market size of RM10.6 billion in 2023, and the industry is projected to expand at an average annual rate of 7.9 per cent between 2023 and 2028, reaching an estimated value of US$4.8 billion by 2028. Malaysia's manufacturing base has moved beyond basic consumables and now encompasses a diversified range of higher-value products, including minimally invasive devices, surgical tools, advanced diagnostic systems, high-precision implantable devices, and point-of-care technologies integrated with Industry 4.0 applications such as sensors and Internet of Things-enabled systems.

Public-sector spending continues to shape demand conditions. Budget 2026 allocated RM46.5 billion to the Ministry of Health, compared with RM45.3 billion previously, with funding directed towards hospital and clinic upgrades, medical equipment modernisation, and capacity-strengthening initiatives, which directly increase procurement demand for diagnostic devices, surgical instruments, patient monitoring systems, and related technologies. In parallel, Malaysia's total health expenditure is forecast by BMI Country Risk and Industry Research to grow at an average annual rate of 8.7 per cent between 2023 and 2028, reinforcing medium-term demand visibility.

At the regional level, Malaysia's 2025 ASEAN Chairmanship advanced regulatory alignment in the medical device sector under the ASEAN Medical Device Directive, as member states expanded regulatory-reliance practices and strengthened coordinated post-market surveillance frameworks, reducing approval uncertainty, improving regulatory consistency, and supporting ASEAN's progression towards a more integrated medical technology regulatory environment that facilitates market access for regional manufacturers.

Approved Investments in the Medical Devices Industry in 2025

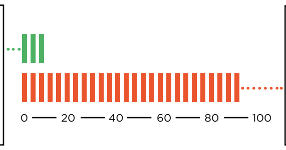
RM4.0 bil
Total Investments

46 Projects Approved

3,393 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
15%
RM0.6 bil



Foreign Investments
85%
RM3.4 bil

Expansion / Diversification vs New Projects

18.3%

25 Expansion/ Diversification
RM0.7 bil
1,238 Employment Opportunities

81.7%

21 New Projects
RM3.3 bil
2,155 Employment Opportunities

Total Investments
RM4.0 bil

Notable Projects in 2025

Fushan Medical Appliances (Malaysia) Sdn. Bhd.

Project Type: New Project

Project Profile:
Manufacturing of essential surgical and medical consumables, including speculums, retractors, and feeding tubes

Investment Highlights:

Portfolio Diversification
Expands Malaysia's medical device output into essential health-support and surgical consumables.

Supply Chain Resilience
Strengthens the domestic supply base for routine but critical hospital and clinical supplies.

Key Contributions:

Supply Chain Development
Broadens the local manufacturing base for single-use medical devices, reducing import reliance.

Employment
Creates new manufacturing jobs, contributing to local economic activity.

Evolving Forward

The NIF requirements will channel new investments towards higher value-added product segments such as minimally invasive devices, orthopaedics, advanced diagnostics, and digitally enabled medical technologies, while reducing reliance on low-margin consumables. Manufacturers will respond by strengthening product design capability, validation capacity, and compliance readiness to meet higher regulatory and export standards.

Parallel efforts to deepen local supplier networks will strengthen component availability, reduce import dependency, and improve production resilience.

Technology adoption will define competitiveness. Firms will expand the use of automation, embedded sensors, data connectivity, and software-based systems across manufacturing and product development to meet regulatory, quality, and traceability requirements in global markets. The Regulatory Sandbox for Medical Devices will support this process by enabling controlled testing of digital and data-driven medical technologies, shortening development timelines while maintaining clinical, technical, and patient safety safeguards. Parallel efforts to deepen local supplier networks will strengthen component availability, reduce import dependency, and improve production resilience.

Execution will depend on coordination across the ecosystem. Public agencies, industry players, and research institutions will intensify workforce development through targeted TVET programmes, specialised training, and applied research collaboration. Regulators will expand regulatory-reliance practices, streamline approval pathways, and leverage free trade agreements to facilitate market access. These conditions will reinforce Malaysia's role as the largest medical device market in ASEAN and support deeper, higher-value participation in global medical technology supply chains.

CHEMICALS INDUSTRY

EMPHASISING SUSTAINABLE INNOVATION

In 2025, the global chemical industry operated in a more challenging and tightly constrained environment. Trade patterns were disrupted by tariff adjustments and geopolitical tensions, while supply chains continued to shift towards regionalised structures to manage risk exposure. At the same time, progress in the energy transition slowed as funding constraints, cost pressures and competitive dynamics affected investment decisions, alongside tighter regulatory requirements governing hazardous substances. These conditions weighed on industry sentiment and moderated growth expectations, shaping a more cautious operating climate during the year.

Approved Investments in the Chemicals Industry in 2025

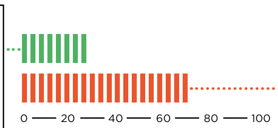
RM24.9 bil
Total Investments

113 Projects Approved

7,102 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
23.2%
RM5.8 bil



Foreign Investments
76.8%
RM19.1 bil

Expansion / Diversification vs New Projects

7.8%
46 Expansion/ Diversification
RM2.0 bil
1,393 Employment Opportunities

92.2%
67 New Projects
RM22.9 bil
5,709 Employment Opportunities

Total Investments
RM24.9 bil

Within this context, Malaysia's chemical industry aligned its focus by placing greater emphasis on higher-value, sustainable and technology-oriented activities. This shift is parallel with the Chemical Industry Roadmap 2030 (CIR 2030), which prioritises downstream development, specialty chemicals and advanced materials as part of a broader move away from commodity-based production.

Investment in the chemical industry has increasingly shifted towards specialty chemicals and advanced materials. The change has taken place gradually, with activity moving away from commodity-based production towards more specialised segments. Approvals have included specialty chemicals linked to the automotive and energy storage sectors, such as electrolytes and anode and cathode materials for electric vehicles. Investment has also been recorded in renewable and green chemicals, including Sustainable Aviation Fuel (SAF) and Hydrogenated Vegetable Oil (HVO), alongside electronic chemicals supporting semiconductor fabrication and high-precision manufacturing.

Malaysia's chemical industry aligned its focus by placing greater emphasis on higher-value, sustainable and technology-oriented activities. This shift is parallel with the Chemical Industry Roadmap 2030 (CIR 2030)

Notable Projects in 2025

Taiyo Koko Malaysia Sdn. Bhd.

Project Type: New Project

Project Profile:
Recycling of Spent Catalyst to Recover Molybdic Acid and Vanadium Pentoxide

RM0.3 bil Total Investments

52 Employment Opportunities

Investment Highlights:

- Taiyo Koko Malaysia Sdn. Bhd. is establishing Southeast Asia's first integrated Spent Catalyst Recovery Facility (SCaRF) at Gebeng Industrial Park, Pahang, with an approved investment of about RM350 million.
- Malaysia will be the first country in the region to have this advanced facility, with the nearest comparable technology located in Japan.
- The Taiyo Koko SCaRF project will adopt proven recycling technologies from Japan to recover valuable metals from spent catalysts, reducing reliance on landfills and eliminating the need to transport hazardous waste across borders.

Key Contributions:

- The project will create around 52 jobs, of which more than 90 per cent will be Malaysians, and aims to enhance recycling capabilities while setting a benchmark for sustainable and responsible practices in the sector.
- Furthermore, the project also aligns with NIMP 2030 by enhancing Malaysia's industrial sophistication through advanced recycling technologies, promoting low-carbon and sustainable practices, and developing high-skill local employment, with 29 percent of the Malaysian workforce at the Managerial, Technical & Supervisory (MTS) level, and boosting economic resilience and competitiveness by retaining value-added processing within the country.

INV New Material Technology (M) Sdn. Bhd.

(Officially launched and commenced operations in June 2025)

Project Type: New Project

Investment Highlights:

- Malaysia is the company's first manufacturing site in South East Asia (SEA).
- Patented Technology: Holds key patents and licenses for advanced lithium-ion battery separator technology.
- World-Class Production: Operates the world's most efficient single-line production system for these critical components.
- Strategic Market Entry: Establishes Malaysia as a key production hub for the company in the high-growth Southeast Asian region.

Key Contributions:

EV Supply Chain Development:

- Critical Gap Filler: Addresses a critical gap in Malaysia's domestic electric vehicle (EV) supply chain.
- Value-Chain Integration: Introduces production of a key advanced material components in Malaysia

Strategic & Industrial Impact:

- Policy Alignment: Directly supports national goals under the **New Industrial Master Plan 2030 (NIMP 2030)** and the **Chemical Industry Roadmap 2030 (CIR 2030)**.
- Catalytic Effect: Aims to set a new benchmark for high-tech manufacturing and stimulate broader industrial growth by attracting complementary global and domestic players.

Transitioning Forward

The outlook for the chemical industry in 2026 remains challenging, although conditions are expected to stabilise toward the latter part of the cycle. Malaysia is positioned to capture selective growth as demand recovers across construction, semiconductor, automotive and consumer segments, while domestic priorities centre on closing supply chain gaps and strengthening strategic materials capability. This includes growth in electronic chemicals, advanced battery materials such as electrolytes, agrochemicals, and the early development of rare earth element (REE) processing as a critical input for electric vehicles, renewable energy systems and advanced manufacturing. Sustainability continues to define the long-term trajectory, with investment in low-carbon production, responsible resource processing and stringent ESG compliance forming the new baseline for global competitiveness.

ELECTRIC VEHICLES (EV) INDUSTRY

BUILDING DOMESTIC CAPABILITIES

In 2025, Malaysia's electric vehicle (EV) segment entered a more established phase of development. While overall automotive demand moderated after the record performance of 2024, EV registrations expanded rapidly, supported by fiscal incentives, wider model availability, including the entry of national brands and continued improvements in charging infrastructure. EV registrations reached 44,813 units, lifting EV penetration to 5.2 per cent of Total Industry Volume (TIV). The introduction of competitively priced battery electric vehicles by Proton and Perodua lowered entry barriers and extended demand beyond premium segments, marking a structural change in the market.

Policy implementation and investment activity in 2025 point toward a clear transition to local EV production and regional integration. National manufacturers introduced their first battery electric models, while several foreign OEMs commenced or expanded local assembly operations with confirmed export plans, positioning Malaysia as a right-hand-drive production base for ASEAN markets. The government has implemented policies to support the growth of the national EV ecosystem that are aligned to position the EV segment as a key lever in the automotive industry's transition from consumption-led growth toward manufacturing-led expansion.

Total industry volume rose 6.6% year-on-year in 2025, reflecting strong performance in the final quarter. Despite the slowdown earlier in the year, EV sales surged in the final quarter of 2025 as consumers accelerated purchases of fully imported models ahead of changes to tax exemptions in 2026, peaking in December with a record 8,123 units registered.

EV registrations expanded rapidly, supported by fiscal incentives, wider model availability, including the entry of national brands and continued improvements in charging infrastructure.

National EV Ecosystem

National EV Steering Committee (NEVSC)

Guides strategic planning and policy coordination for the national EV ecosystem.

National Electric Vehicle Task Force (NEVTF)

Supports implementation and coordination of EV-related initiatives across infrastructure, incentives, and industry growth.

National Automotive Policy (NAP 2020)

Provides foundational framework for automotive industry transformation, emphasising value chain deepening, technology adoption, and reduced import dependence.

A resilient local supply chain is vital for Malaysia's EV ambitions. To ensure long-term investment sustainability, the government is actively bridging the technology gap for local vendors, fostering high-level partnerships and knowledge acquisition from regional industry leaders.

Approved Investments in the Transport Equipment - Automotive Sub-Sector in 2025

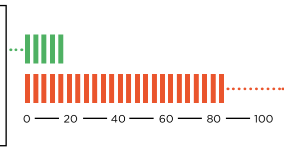
RM13.0 bil
Total Investments

95 Projects Approved

10,782 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
19.2%
RM2.5 bil



Foreign Investments
80.8%
RM10.5 bil

Expansion / Diversification vs New Projects

31.8%

45 Expansion/ Diversification
RM4.1 bil
3,353 Employment Opportunities

68.2%

50 New Projects
RM8.9 bil
7,429 Employment Opportunities

Total Investments
RM13.0 bil

Approved Electric Vehicle Investments in 2025

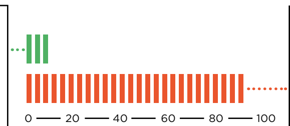
RM14.6 bil
Total Investments

33 Projects Approved

7,362 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
13.6%
RM2.0 bil



Foreign Investments
86.4%
RM12.6 bil

Notable Projects in 2025

CosMX Technology Malaysia Sdn. Bhd.

Project Type: Diversification

Core Activity:
Local manufacturing of lithium-ion batteries for electrified vehicles (EVs, HEVs) and energy storage systems.

RM583 mil
Total Investments

Tier Credential:

Tier-1 supplier in the global EV battery supply chain

Key Contributions:

- Strengthens Malaysia's position as a regional battery production hub
- Supports domestic EV assembly and energy transition goals
- Attracts downstream battery pack and module integrators
- Enhances local supply chain resilience for critical EV components

Proton Group (Perusahaan Otomobil Nasional Sdn. Bhd. & PROTON Tanjung Malim Sdn. Bhd.)

Project Type: Expansion

Core Activity:
Expansion of Tanjung Malim complex for New Energy Vehicle (NEV) and core component manufacturing

RM1.29 bil
Total Investments

Key Contributions:

- Establishes local production capacity for NEVs and key EV subsystems
- Expands manufacturing of transmission components, passenger cars, MPVs, and metal stamping
- Anchors the national automotive ecosystem's transition to electrified mobility
- Reinforces Malaysia's strategic readiness for Next Generation Vehicle (NxGV) production

Multi-Code Electronics Industries (M) Berhad (MCE)

Project Type: Diversification

Core Activity:
Upgrading capacity for high-value automotive electronics, including ADAS ultrasonic sensors, multimedia head units, and digital instrument clusters

RM62 mil
Total Investments

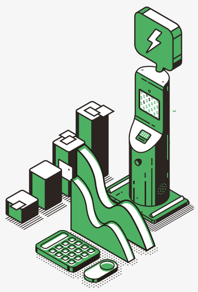
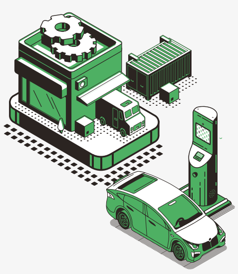
Key Contributions:

- Boosts indigenous capabilities in smart vehicle electronics and mechatronics
- Aligns with NAP 2020 goals for technology adoption in NxGV and smart cockpits
- Strengthens Malaysia's Tier-1 supply base for advanced driver-assistance systems (ADAS)
- Enhances local content in next-generation vehicles assembled in Malaysia

Charting the Future

Malaysia's EV industry will pivot from market stimulation toward industrial consolidation. Policy adjustments, sustained investment, and continued infrastructure expansion will anchor the next phase of growth in local assembly, supply chain deepening, and regional integration. The expiration of tax exemptions for imported EVs tilts the competitive landscape toward domestically assembled models, a shift reinforced by ongoing CKD incentives, expanding fast-charging networks, and initiatives to strengthen local manufacturing capability.

2026 Outlook: Key Policy, Infrastructure And Supply Chain Drivers

Focus Area	Key Development	Impact & Outlook for 2026
1 Policy & Cost Structure 	**Road Tax Implementation** ∞ Full exemption ended Dec 2025 ∞ New tiered (power-based) system begins Jan 2026	Supports mass adoption by offering rates lower than the legacy ICE framework, despite removal of full exemption.
	Import/Excise Duty Expiration ∞ CBU EV exemptions ended Dec 2025	Increases prices of imported models, enhancing competitive advantage for locally assembled (CKD) vehicles.
	Continued CKD Incentives ∞ Full tax exemptions for CKD EVs extended to Dec 2027	Core incentive for automakers to establish local production, driving technology transfer and industrial consolidation.
	New Customised Incentive Mechanism (NCM) ∞ For the excise duty reduction calculation	To support the production of EV and its critical components and make Malaysia more competitive as an EV hub
2 Infrastructure 	**Charging Network Status (as of 31 December 2025)** ∞ 5,624 operational chargers (1,923 DC fast, 3,701 AC)	Strong foundational growth, while the 10,000-unit target for 2025 was aspirational.
	2026 Mandate ∞ Rapid scale-up of DC fast chargers on major highways	Directly addresses range anxiety-the primary adoption barrier-enabling broader EV use and intercity travel.
	Regional Context ∞ ASEAN EV market: USD 0.86B (2023) USD 3.54B (2028) CAGR: 32.73%	Positions Malaysia to leverage rapid regional growth as a right-hand-drive production and export hub.
3 Supply Chain Development 	**Strategic Focus Areas** ∞ High-value EV components: lithium batteries, motors, powertrains, ADAS sensors, digital clusters	Upgrade and enhancing capabilities to diversify into EV specific technology
	Key 2025 Investments ∞ CosMX Technology - lithium batteries ∞ Proton Tanjung Malim - next-gen powertrains	Early-stage capacity building to support 2026–2027 localisation push
	Current Gaps ∞ Battery cell manufacturing ∞ High-tech power electronics	New Incentive Framework (NIF) to better support high-impact project that deliver substantial value-add and generate transformative economic spillovers across Malaysia's industrial landscape.

MACHINERY AND EQUIPMENT (M&E) INDUSTRY

REINFORCING COMPETITIVE ADVANTAGE

As Malaysia's economy continues to modernise, the Machinery and Equipment (M&E) industry gained traction in 2025, with investment increasingly concentrated in higher-value and technology-intensive segments. This reflects the sector's role across the primary, manufacturing, and services segments of the economy, particularly where automation, precision equipment, and advanced processes are required. Investment has shifted from broad-based expansion toward targeted specialisation in high-value subsectors. While general industrial machinery maintains a steady baseline for automation, the primary growth is now driven by specialised machinery. This is particularly evident in the semiconductor equipment segment, where investments in advanced technical capabilities are generating significantly higher value-added investment.

Within ASEAN, Malaysia's M&E industry is among the largest and most established, offering customised products, end-to-end manufacturing capabilities, and total solution packages that meet demand from both domestic and global manufacturing activities. Industry activity is concentrated in Pulau Pinang, the Klang Valley, Melaka, and Johor, forming an integrated manufacturing base that supports complex production and supply chain requirements.

The industrial base is supported by a well-developed ecosystem, with more than 90 per cent of firms in the Engineering Supporting Industries (ESI) made up of small and medium-sized enterprises (SMEs). This network enables competitive cost structures, close operational linkages, and reliable supply chains for larger manufacturers. Based on MIDA-approved projects, the M&E industry includes around 151 high-technology manufacturers and service providers with capabilities in advanced handling systems, factory automation, and specialised process equipment. These players serve as key enablers in achieving the NIMP 2030 target of establishing at least 3,000 smart factories.

The industry also maintains a high-skill, high-wage profile, with over 70 per cent of employment in managerial, supervisory, and technical roles, reflecting its contribution to quality employment.

The industrial base is supported by a well-developed ecosystem, with more than 90 per cent of firms in the Engineering Supporting Industries (ESI) made up of small and medium-sized enterprises (SMEs).

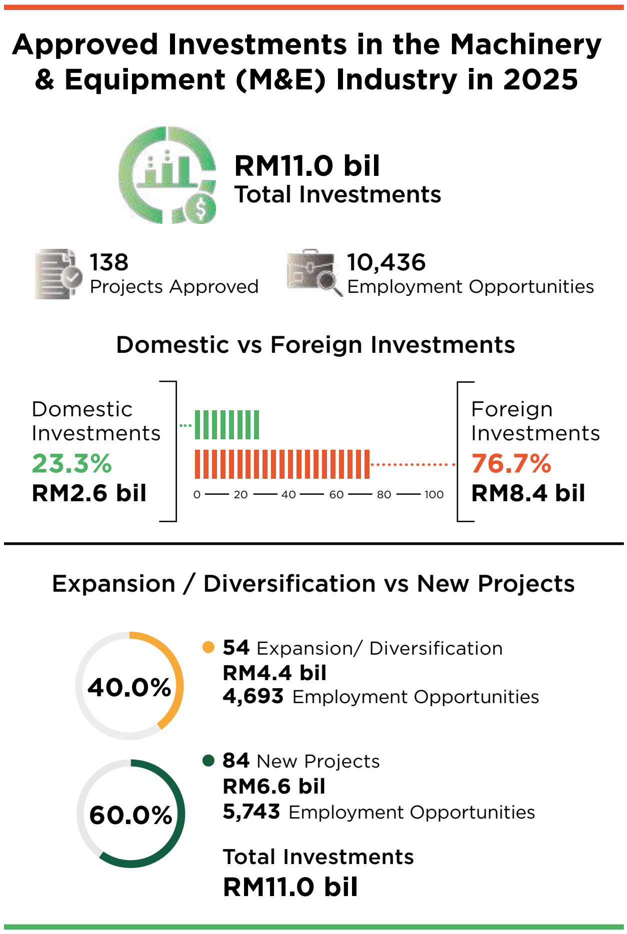
This transformation towards high-value manufacturing is clearly reflected in the presence of global leaders alongside rapidly ascending local champions.

Strategic Transformation and Global Presence

The Machinery and Equipment (M&E) industry is moving up the value chain by increasing its role in front-end semiconductor equipment, automation, and complex machinery modules. This shift marks a departure from Malaysia's traditional strengths in back-end assembly, testing, and packaging (ATP), positioning local capabilities more closely within global front-end semiconductor supply chains. Malaysia now hosts a mix of established international manufacturers and growing domestic firms, reflecting the industry's expanding technical depth and relevance to advanced manufacturing activities.

This transformation towards high-value manufacturing is clearly reflected in the presence of global leaders alongside rapidly ascending local champions. Malaysia hosts world-renowned M&E manufacturers such as LAM Research, VAT, COHU, UCT, BESI Apac, Ferrotec and UMS Group, demonstrating the country's appeal as a high-tech manufacturing base.

Simultaneously, Malaysian-owned companies like Vitrox, Pentamaster, Greatech Integration, Coraza and UWC Berhad have grown into internationally recognised solution providers, offering integrated solutions in material handling, automation and complex machinery modules for smart manufacturing operations and the semiconductor industry. These Malaysian-owned companies have recorded strong growth, with the number of local factory automation firms more than doubling since 2010. In 2025, leading M&E companies listed on Bursa Malaysia collectively reflected substantial market value, signalling growing investor confidence in the industry.



Approved investments in the Machinery and Equipment (M&E) industry reached RM11.0 billion in 2025, with foreign investors accounting for almost 77 per cent of the total. Capital intensity stood at RM1.05 million per employee, indicating a shift towards more automated, precision-based production rather than labour-intensive operations. Such capital deployment reflects higher productivity per worker and a stronger emphasis on skilled technical roles within the industry.

Investment in the industry has shifted towards higher-value specialisation, with growth driven by specialised machinery, particularly in semiconductor equipment where technical complexity and customised production are moving Malaysia up the global manufacturing value chain. Rising investment in machinery modules and industrial components reflects stronger supply chain integration and deeper local participation. This trend support more embedded manufacturing operations, reduces exposure to labour constraints, and strengthens Malaysia's strategic position in export-oriented machinery production.

Notable Projects in 2025

ViTrox Technologies Sdn. Bhd.

Project Type: Diversification

Core Activity:
Design and manufacturing of advanced machine vision systems and automated inspection equipment for the global semiconductor and electronics industries.

Investment Highlights:

Homegrown Technology Champion
A major RM 250 million diversification by a leading Malaysian technology firm into high-value capital equipment.

Global Market Integration
Develops cost-effective, innovative solutions destined for integration into global technology supply chains.

Key Contributions:

Value Chain Advancement
Elevates Malaysia's role from a user to a developer and exporter of technology, capturing greater value within the semiconductor ecosystem. This reinforces the national value chain by advancing high-value manufacturing, fostering Industry 4.0 innovation, cultivating specialised talent, and strengthening a resilient, high-tech local supply chain.

Technological Branding
Reinforces Malaysia's reputation as a source of sophisticated engineering and innovation, moving beyond assembly to high-end equipment design and manufacturing.

UWC Technology Sdn. Bhd.

Project Type: Expansion & Diversification Project

Core Activity:
Manufacturing of precision machinery, modules, and components for front-end semiconductor production equipment.

Investment Highlights:

Capability Validation
This successfully implemented project proves that local Malaysian manufacturers can meet the extreme precision and quality standards of the global semiconductor equipment sector.

Sectoral Transformation Benchmark
Demonstrates the successful shift of the M&E industry into a critical, high-margin product segment.

Key Contributions:

Blueprint for Industry Evolution
Provides a proven model for other Malaysian firms to follow, directly validating the pathway outlined by the National Semiconductor Strategy (NSS).

Talent and Expertise Development
Cultivates a highly skilled workforce with mastery over complex manufacturing processes, raising the base level of technological capability in the domestic industry.

Ferrotec Silicon Materials (Malaysia) Sdn. Bhd.

Project Type: New Project

Core Activity:
Manufacturing of high-purity silicon products and components essential for semiconductor chip fabrication.

Investment Highlights:

Strategic Supply Chain Investment
Establishes a new, high-value facility (RM 256 million) to produce critical raw materials for the semiconductor industry in Pasir Gudang, Johor

Precision Manufacturing Anchor
Strengthens the foundational ecosystem for advanced semiconductor manufacturing in Malaysia.

Key Contributions:

Supply Chain Sovereignty
Reduces import reliance by localising the production of essential silicon products and components, enhancing the resilience of Malaysia's semiconductor sector.

Ecosystem Integration
Directly supports and deepens the local precision manufacturing supply chain, creating a more integrated and competitive industrial cluster.

Ferrotec Manufacturing Malaysia Sdn. Bhd

Project Type: Diversification

Core Activity:
Advanced electromechanical assembly and fabrication of critical components for front-end semiconductor manufacturing equipment.

Investment Highlights:

Front-End Ecosystem Entry
The successful operation of this facility (commenced Jan 2024) positions Malaysia within the most complex and high-value segment of the semiconductor equipment supply chain.

Strategic Alignment
A direct realisation of NIMP 2030 goals, moving the nation's manufacturing capabilities up the global value chain.

Key Contributions:

Stronger Front-End Ecosystem
This project mitigates dependency on imported critical components. Strengthening domestic capabilities not only secures the supply chain but also bolsters Malaysia's competitive standing within the global semiconductor landscape.

Cluster Development Catalyst
Acts as a magnet for further high-tech investments, solidifying regions like Kulim Hi-Tech Park as strategic nodes for the global semiconductor industry.

Government Strategy and Future Outlook

Key Growth Segments

Robotics, factory automation systems, and front-end semiconductor equipment are expected to remain the main growth segments of the M&E industry from 2025 to 2030.

Policy Alignment

This direction aligns with the New Industrial Master Plan 2030 (NIMP 2030) and the National Semiconductor Strategy (NSS), supported by targeted programmes implemented by MIDA.

Industry Shift

The industry is shifting from traditional OEM-based activities towards advanced, complex, and higher-value equipment driven by technology, innovation and research and development (R&D)

Supply Chain Objective

Priority is placed on developing a more self-sufficient supply chain for specialised materials, components, and modules required for high-precision M&E equipment.

The New Industrial Master Plan 2030 (NIMP 2030), the National Semiconductor Strategy (NSS), and targeted MIDA programmes emphasise robotics, factory automation, and front-end semiconductor equipment as priority areas for Malaysia's Machinery and Equipment (M&E) sector over the 2025–2030 period. This direction supports the expansion of advanced and complex equipment production while reducing reliance on traditional Original Equipment Manufacturer (OEM) activities, which requires stronger engineering capability, technology adoption, and applied innovation.

MIDA applies an anchor company approach, in which selected multinational manufacturers act as anchor firms within the ecosystem. These companies provide technology exposure, set production and quality standards, and create demand for local suppliers, supporting capability development and integration into global supply chains.

The Memorandum of Understanding (MoU) between MIDA and the Machinery & Engineering Industries Federation (MEIF), signed in October 2025, provides a framework for cooperation on industry capability development and engagement initiatives. The collaboration focuses on addressing capability gaps among local M&E companies by aligning development programmes with NIMP 2030 and NSS priorities, strengthening research and development linkages, and coordinating investment promotion with market access efforts.

As these initiatives progress, local M&E companies are increasingly supplying higher-value and digitally enabled products for Industry 4.0 investments. Capability development is concentrated in robotics, automation, AI-enabled systems, and advanced materials, supporting deeper participation in regional supply chains. The continued expansion of the robotics and factory automation segment supports Mission 2 of the NIMP 2030 ("Tech Up for a Digitally Vibrant Nation") and keeps Malaysia's manufacturing base aligned with the technology requirements of global producers.

AEROSPACE INDUSTRY

SCALING THE FRONTIER

The rollout of the Malaysian Aerospace Industry Blueprint 2030 (MAIB 2030) and the New Industrial Master Plan 2030 (NIMP 2030) have strengthened Malaysia's aerospace development framework, translating into steady industry progress in 2025. With a focus on scaling capabilities and strengthening global supply chain integration, industry developments during the year align with MAIB 2030's targets of achieving RM55.2 billion in annual revenue and creating 32,000 high-income jobs by 2030.

The sector's performance was driven by persistent recovery in regional air traffic and higher aircraft fleet utilisation. These favourable market conditions transformed into steady demand across manufacturing, Maintenance, Repair and Overhaul (MRO), and training services, generating an estimated RM30 billion in industry activity for the year.

The defining development of 2025 was the acquisition of Spirit AeroSystems' Malaysian operations by Composites Technology Research Malaysia (CTRM). This move consolidated large-scale aerostructure manufacturing for key Airbus and Boeing platforms under Malaysian ownership. The transaction directly strengthens national sovereignty over a critical industrial asset, secures over 1,000 high-skilled jobs, and enhances Malaysia's position as an integrated partner within global aerospace supply chains for major aircraft platforms, including the A220, A320, A350, Boeing 737 and 787.

Equally significant is the continued maturation of Malaysia's Tier-1 supplier base, exemplified by UMW Aerospace. Its scope has broadened from fan case core kits to include the rear fan case for Trent 1000 and Trent 7000 engines, which localises a more sophisticated segment of the engine value chain. This expansion was supported by new investments in advanced capabilities, such as chemical milling, which enabled the project to continue generating spillovers. These included upskilling Malaysians in high-precision manufacturing and advanced welding, enhancing collaboration with local SMEs and institutions, and creating sustainable, high-income career pathways.

In parallel, Asia Digital Engineering (ADE), the MRO arm of Capital A, has secured two landmark long-term agreements with Air France and Air France Industries KLM Engineering & Maintenance (AFI KLM E&M). Under these deals, ADE will provide heavy maintenance and aircraft modification services for Air France's Airbus A330-200 fleet and manage a long-term component support programme for AirAsia Group's rapidly expanding A321neo fleet, with AFI KLM E&M supplying component support. These flagship projects, together with ADE's plan to expand its hangar capacity from 16 lines today to around 40 lines within three to five years to serve both AirAsia and third-party airlines, provide anchor platforms around which local SMEs and supporting industries can be further developed.

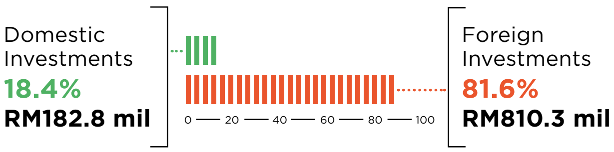
Approved Investments in the Aerospace Industry in 2025

RM993.1 mil
Total Investments

16 Projects Approved

1,593 Employment Opportunities

Domestic vs Foreign Investments



Expansion / Diversification vs New Projects

17.1%

5 Expansion/ Diversification
RM169.6 mil
235 Employment Opportunities

82.9%

11 New Projects
RM823.4 mil
1,358 Employment Opportunities

Total Investments
RM993.1 mil

Notable Projects in 2025

My Nafco Precision Sdn. Bhd.

Parent Company:
National Aerospace Fasteners Corporation (NAFCO), Taiwan

Project Type: New Projects

Core Activity:
Manufacturing of high-precision aerospace fasteners and machining components

Key Customers:
GE Aerospace, Safran

Investment Highlights:

- Strategic Milestone: Marks NAFCO's first strategic production base in Malaysia.
- Supply Chain Integration: Positions Malaysia as a critical supplier for leading global aircraft engine manufacturers.
- High-Complexity Manufacturing: Focuses on precision components for high-value aerospace applications.

Key Contributions :

Supply Chain Development:
- Prioritises sourcing from qualified Malaysian suppliers.
- Aims to broaden and strengthen the domestic aerospace value chain.

Talent & Workforce Development:
- **Academic Ties:** Established long-term partnerships with local institutions.
- **Proven Training:** Intern/Trainee programs have a >90% retention rate, developing over 12 professionals.
- **Strong Localisation:** 95% local workforce, including one manager, 14 engineers, and 17 professional staff

Emerging Potential

Global aerospace demand continues to expand, supported by fleet replacement and growth in air travel, particularly in Asia-Pacific. Boeing's long-term outlook of 43,600 aircraft deliveries by 2044 points to a steady increase in production and maintenance requirements over the next two decades. This has direct implications for the MRO segment, where the commercial aircraft MRO market is projected to grow from about US$118 billion in 2025 to over US$160 billion by 2035. Asia-Pacific remains the fastest-growing region, with MRO demand expected to increase from roughly US$24 billion to more than US$32 billion by 2030.

At the same time, aerospace manufacturers and Tier-1 suppliers are adjusting their operating models in response to capacity constraints and concentration risks within existing supply chains. Production and MRO activities are increasingly distributed across multiple locations to improve resilience and cost efficiency. This shift creates room for Malaysia to diversify its aerospace activities, as higher-value segments such as engine and landing-gear maintenance, nacelle components, avionics and surface treatment become more geographically dispersed, aligning with Malaysia's cost structure, industrial base and regulatory environment.

Therefore, the convergence of long-term demand growth and this structural shift toward more resilient supply chains presents a clear strategic window for Malaysia's aerospace industry. To move decisively into higher-value segments and secure a stronger regional role, a focused and actionable roadmap is required. The following framework outlines the four core strategic pillars essential for capitalising on this window and strengthening Malaysia's position as a competitive aerospace hub in the Asia-Pacific region.

Strategic Pillar

Attracting Strategic Investments

Secure new Tier-1 and Tier-2 projects that bring complex, high-value work packages and systematically integrate local SMEs into global aerospace programmes.

Building MRO Depth

Develop comprehensive capabilities to establish Malaysia as a regional one-stop centre for heavy airframe maintenance, modifications, painting, and advanced component repairs.

Embracing Digital Transformation

Accelerate the adoption of advanced manufacturing, automation, and digital MRO tools (e.g., predictive maintenance) to meet stringent OEM standards for quality, cost, and delivery.

Future-Proofing the Industry

Prepare the local ecosystem to support and lead in emerging growth areas, such as Sustainable Aviation Fuel (SAF)-ready fleets, lighter materials, and next-generation platforms.

NECESSITATING GREEN INVESTMENT

Global climate risks, rising greenhouse gas emissions, and increasing exposure to extreme weather events reinforced the urgency of decarbonisation. At the same time, Malaysia's relatively modest share of global emissions, at 0.77 per cent, allowed the country to prioritise transition measures that balance sustainability with economic competitiveness. Third GHG Emission Reduction (Nationally Determined Contribution, NDC 3.0), including emission reductions of 15 to 30 million tonnes of carbon dioxide equivalent by 2035 from peak levels, framed green investment as a structural necessity rather than a compliance exercise.

Investment activity during the year aligned closely with national frameworks as follows:

- National Climate Change Policy 2.0 (NCCP 2.0)
- Long-Term Low Emissions Development Strategy (LT-LEDS)
- National Energy Transition Roadmap (NETR)
- New Industrial Master Plan 2030 (NIMP 2030)
- Green Investment Strategy (GIS)
- Circular Economy Policy Framework
- Thirteenth Malaysia Plan 2026-2030

Renewable energy, energy efficiency, and low-carbon manufacturing attracted growing investor interest, supported by Malaysia's progress in achieving 31 per cent renewable energy installed capacity in 2025. The expansion of solar capacity through Large-Scale Solar (LSS) programmes, Corporate Green Power Programmes (CGPP), Net Energy Metering (NEM), and rooftop solar initiatives reflected a shift towards cleaner power generation and lower emissions intensity in the electricity supply sector.

The expansion of renewable energy capacity is expected to reduce carbon emissions intensity in the electricity supply sector by 45 per cent by 2030 and 60 per cent by 2035

Malaysia's green investment agenda in 2025 also reflected a regional dimension. ASEAN-wide supply disruptions during the COVID-19 pandemic underscored the importance of resilience, prompting greater emphasis on regional cooperation through initiatives such as the ASEAN Common Carbon Framework (ACCF). Efforts to harmonise carbon markets, promote nature-based solutions, and support cross-border climate initiatives strengthened Malaysia's role in shaping regional sustainability mechanisms.

Malaysia has also strengthened efforts to reduce reliance on fossil fuels while expanding renewable energy capacity, particularly in solar, biomass, biogas, and mini-hydro. These efforts align with Malaysia's target to increase the share of committed renewable energy installed capacity to 40 per cent (18 gigawatt, GW) by 2035. The expansion of renewable energy capacity is expected to reduce carbon emissions intensity in the electricity supply sector by 45 per cent by 2030 and 60 per cent by 2035.

To achieve the 2050 net-zero emissions target, as outlined under the Long-Term Low Emissions Development Strategy (LT-LEDS) and the National Energy Transition Roadmap (NETR), Malaysia requires total investment of approximately RM2.6 trillion across the economy. Of this amount, an estimated RM1.2 to RM1.3 trillion is required specifically for the energy transition component under the NETR.

Scaling Green Economy

The progress recorded in 2025, as confirmed by the Ministry of Energy Transition and Water Transformation (PETRA) under the National Energy Transition Roadmap (NETR), provides a stronger base for scaling capacity and strengthening grid integration in the year ahead. In 2026, expansion efforts are expected to remain concentrated on solar deployment through LSS programmes, extensions of NEM, that is continued rollout of Solar ATAP (Accelerated Transition Action Programme). The Government is expected to launch LSS 6 in early 2026, introducing additional capacity quotas, including allocations for biogas, biomass, and small hydro under the Feed-in Tariff (FiT), while further growth is anticipated through the Corporate Renewable Energy Supply Scheme (CRESS). These measures support Malaysia's longer-term objective of increasing renewable energy capacity to 70 per cent by 2050, while improving energy security and reducing emissions intensity.

Budget 2026 supports this direction through fiscal and financing measures, including the proposed 100 per cent Green Investment Tax Allowance (GITA) and the RM1 billion Green Technology Financing Scheme (GTFS 5.0), extended through 31 December 2026, to facilitate green technology adoption and project implementation.

Malaysia has also continued to strengthen the regulatory and institutional foundations supporting the green economy. In 2025, progress was made towards developing a National Climate Change Bill (RUUPIN) to establish a legal framework for climate action, including governance arrangements, green economy measures, and participation in carbon markets under Article 6 of the Paris Agreement. The Carbon Capture, Utilisation and Storage (CCUS) Act 2025, which came into effect on 1 October 2025, further expanded Malaysia's transition toolkit by introducing a comprehensive regulatory regime for CCUS activities, including licensing, the establishment of a national CCUS agency, and provisions for carbon dioxide import and storage, with the first permit issued to Petronas CCS Ventures Sdn. Bhd. These developments were complemented by advances in the circular economy agenda through the launch of the Circular Economy Blueprint for Solid Waste (2025–2035) and a Circular Economy Policy Framework for Manufacturing, strengthening resource efficiency, Extended Producer Responsibility, and controls on plastic waste imports.

Approved Green Investments in 2025

Under MIDA's purview

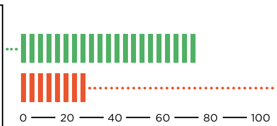
RM7.2 bil
Total Investments

998 Projects Approved

572 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
79.3%
RM5.7 bil



Foreign Investments
20.7%
RM1.5 bil

A total of 998 green projects, with a combined investment value of RM7.2 billion, were approved in 2025. These comprised renewable energy (969 projects), energy efficiency (10 projects), green buildings (7 projects), integrated waste management (2 projects), green services (9 projects), and solar leasing (1 project).

Domestic investors accounted for RM5.7 billion, or 79.3 per cent of total approved green technology project and services investments under MIDA's purview in 2025, affirming a shift towards locally driven execution. The concentration of domestic capital across a large number of projects, particularly in renewable energy and related activities, translated policy direction into deployed capacity.

The execution of green technology projects through local players keeps wealth and operational expertise within our borders, making the sector more resilient to global market shifts. This alignment enables more seamless policy transmission, as domestic developers are more responsive to local regulatory frameworks and the NETR initiatives, thereby accelerating our transition to a low-carbon economy. This localised approach further enhances policy effectiveness, ensuring that government incentives—such as the Green Investment Tax Allowance (GITA)—translate directly into measurable domestic capacity.

Foreign investment amounted to RM1.5 billion, or 20.7 per cent of total approvals, and was concentrated in higher-value and more capital-intensive segments, particularly the Circular Economy and sustainable technology driven. Although smaller in share, this investment brought scale and technical depth into segments that require more complex integration and longer development horizons.

Overall, the 2025 investment profile reflects a clear functional structure. Domestic capital drives deployment and coverage, while foreign participation supports higher-value segments, creating scope for domestic firms to move into more advanced green activities over time.

Renewable Energy

In 2025, 969 renewable energy projects were approved with total investments of RM5.9 billion, of which 75.8 per cent was contributed by domestic investments and 24.2 per cent by foreign investments.

Solar energy projects made up the majority of the approval with 956 projects and investments amounting to RM5.7 billion. These projects comprises 924 solar self-consumption projects worth RM834.5 million, 32 business purpose projects either from large-scale solar or Corporate Green Power Programme (CGPP)/ New Enhanced Dispatch Arrangement (NEDA) with total capital investments of RM4.9 billion. Among the notable project for solar with total investment above RM150 million are Manjung Solar Park Sdn. Bhd., Cahaya Petra Sdn. Bhd., SM 01 Sdn. Bhd. and Base Floating Solar Sdn. Bhd.

Approved Investments in Solar in 2025

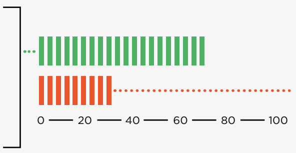
RM5.7 bil
Total Investments

969 Projects Approved

316 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
75.8%
RM4.3 bil



Foreign Investments
24.2%
RM1.4 bil

Approved Investments in Biogas in 2025

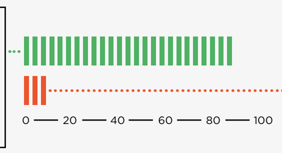
RM203.2 mil
Total Investments

14 Projects Approved

105 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
86.6%
RM176.0 mil



Foreign Investments
13.4%
RM27.2 mil

Notable Projects in 2025

Worldwide TG12 WTE Sdn. Bhd.

Project Type: New Projects

Core Activity:
Development of an integrated solid waste management project through a waste-to-energy (WTE) facility in Kuala Langat, Selangor.

Investment Highlights:

RM1.1 billion project advancing Malaysia's waste management and circular economy objectives.

Key Contributions :

Landfill Diversion
Reduces waste to landfill by 90%, alleviating pressure on existing sites.

Ecosystem Growth
Drives local economic growth by engaging Malaysian companies in engineering, logistics, and environmental services.

Climate & Energy Impact
Treats 1,800 daily tonnes of waste to generate 38 MW of dispatchable renewable energy and cuts carbon emissions by 528,235 tCO_2e annually.

Waste Management

Through this initiative, a circular approach of waste management can be established in working towards zero waste production. This project will encourage a greener economy and the adoption of the circular economy when the company starts to be operational. This is also in line with MITI's Circular Economy Policy Framework (CEPF) and Circular Economy Blueprint for Solid Waste (2025–2035). This waste management project will contribute to the Government's national recycling target.

Approved Investments in Waste Management in 2025

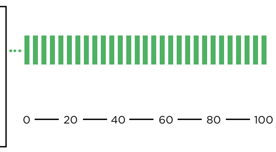
RM1.1 bil
Total Investments

2
Projects Approved

55
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
100.0%
RM1.1 bil



Energy Efficiency (EE)/Energy Conservation (EC)

In recent years, investments in energy efficiency (EE) / energy conservation (EC) projects have been very promising, given the fact that the demand and consumption for energy are growing rapidly for industrial and commercial sectors. Investment in energy efficiency presents great opportunities for more competitive industries to undertake energy cost savings through the implementation of new energy-efficient technology, and provides employment opportunities through international best practices.

Approved Investments in Energy Efficiency in 2025

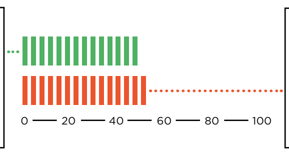
RM93.5 mil
Total Investments

9
Projects Approved

11
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
48.0%
RM44.9 mil



Foreign Investments
52.0%
RM48.6 mil

In 2025, a total of 10 EE/EC projects were undertaken by the industrial and commercial sectors, involving total investments of RM93.5 million. The majority of investments were contributed by foreign sources, amounting to RM48.6 million of total investments approved, while domestic sources contributed RM44.8 million. A total of 11 employment opportunities, offering robust job growth across diverse roles such as auditors, analysts, installers, engineers, and consultants, were to be created by these projects. These positions are predominantly high-income technical and professional roles, reflecting the sector's demand for skilled talent in engineering, energy management, and sustainability consulting.

Green Services

For the year 2025, nine green services activities with total capital investments of RM25 million were approved and created 67 quality job opportunities that require specific skills or knowledge and genuinely contribute to a more sustainable world. The green services activities approved were solar PV system integrators and service providers related to energy efficiency

Approved Investments in Green Services in 2025

RM25.0 mil
Total Investments

9 Projects Approved

67 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments	Foreign Investments
94.6%	5.4%
RM23.6 mil	RM1.4 mil

Green Building

Buildings are currently responsible for 39 per cent of annual global CO_2 emissions, 28 per cent from operational emissions from energy needed to heat, cool and power them and the remaining 11 percent from materials and construction. Green buildings have emerged as a solution to keep emissions in check while enabling large-scale urbanisation, which would not only reduce the negative impacts of development but also positively impact the sustainability of the surrounding environment.

In 2025, seven green building projects were approved, located in various locations in the Klang Valley, Sabah, Pulau Pinang, Johor and Perak. The projects involved total capital investments of RM37.8 million related to incremental green costs.

Approved Investments in Green Building in 2025

RM37.8 mil
Total Investments

7 Projects Approved

11 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments	Foreign Investments
89.2%	10.8%
RM33.7 mil	RM4.1 mil

Achievement of Green Investment Strategy (GIS) by Lever 2024-2025

Levers	2024 – 2025				
	No. of Projects	Potential Employment	Domestic Investment	Foreign Investment	Total Investment
Bioenergy	31	690	RM507.4 mil	RM326.8 mil	RM834.2 mil
Circular Economy	75	4,162	RM5,459.6 mil	RM2,793.9 mil	RM8,253.5 mil
Energy Efficiency	52	384	RM1,039.6 mil	RM891.7 mil	RM1,931.3 mil
Green Mobility	48	7,847	RM2,802.9 mil	RM11,315.6 mil	RM14,118.5 mil
Renewable Energy	3,800	3,463	RM6,850.6 mil	RM2,522.8 mil	RM9,373.4 mil
Hydrogen	1	17	RM89.6 mil	-	RM89.6 mil
Total	4007	16,563	RM16,749.6 mil	RM17,850.9 mil	RM34,600.5 mil

Note: The Green Investment Strategy (GIS) spanning seven levers across the manufacturing and services sectors

Towards a Greener Future for Sustainable Growth

Moving forward green investment in Malaysia is expected to gain further traction as policy execution, regulatory clarity, and financing mechanisms converge across the energy, industrial, and sustainability agendas. Investment focus is likely to shift from capacity build-up towards project delivery, grid integration, and the commercialisation of low-carbon solutions, particularly in renewable energy, energy efficiency, and emerging areas such as carbon management and circular economy activities. At the same time, stronger emphasis on sustainability practices and compliance with environmental, social, and governance (ESG) standards is expected to shape investment decisions, especially for export-oriented and multinational-linked projects. With clearer rules, targeted incentives, and expanding regional linkages, green investment is set to play a more integral role in Malaysia's economic transition, supporting emissions reduction while maintaining cost competitiveness and investor confidence in a

DIGITAL SERVICES INDUSTRY

HARNESSING INTELLIGENT ECONOMY

Malaysia's digital services sector has become essential infrastructure for a modern, competitive economy, powering advancements across all other sectors. According to the e-Conomy SEA 2025 report, Malaysia is now Southeast Asia's fastest-growing digital economy, a status underscored by a 19% surge in its Gross Merchandise Value (GMV) to approach US$39 billion.

Between 2021 and 2025, approved digital investments projects reached RM425.7 billion, validating the success of the 'Whole-of-Government' approach in positioning Malaysia as a high-impact regional investment destination. Digital infrastructure projects, primarily data centres, cloud computing, and data hosting, were the main catalyst for this growth.

This transition is driven by the strategic build-out of critical digital infrastructure, including hyperscale data centres and advanced cloud computing platforms. The scale of this build-out is reflected in targeted initiatives such as MIDA's Digital Ecosystem Acceleration Scheme (DESAC), which alone captured RM75.8 billion in approved investments in 2025. Key growth verticals such as e-commerce, which expanded by 21 per cent, and digital financial services (fintech) continue to expand rapidly on this foundation, transforming consumer markets and business models. Simultaneously, the rise of artificial intelligence (AI) and data analytics is creating new frontiers in "as-a-service" models, where businesses access sophisticated capabilities from cybersecurity to predictive logistics on demand, driving efficiency and enabling new forms of value creation.

Key growth verticals such as e-commerce, which expanded by 21 per cent, and digital financial services (fintech) continue to expand rapidly on this foundation, transforming consumer markets and business models.

Malaysia's strategic "active neutrality" amidst global tech tensions has accelerated the construction of this digital backbone. By positioning itself as a stable, "de-risked" hub, Malaysia has attracted billions from global tech giants. This creates "data gravity," drawing in a complete ecosystem of cloud providers, software developers, and AI start-ups.

Approved Investments in the Digital Services Industry in 2025

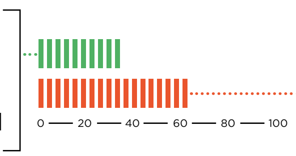
RM150.1 bil
Total Investments

620
Projects Approved

32,028
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
39.7%
RM59.6 bil



Foreign Investments
60.3%
RM90.5 bil

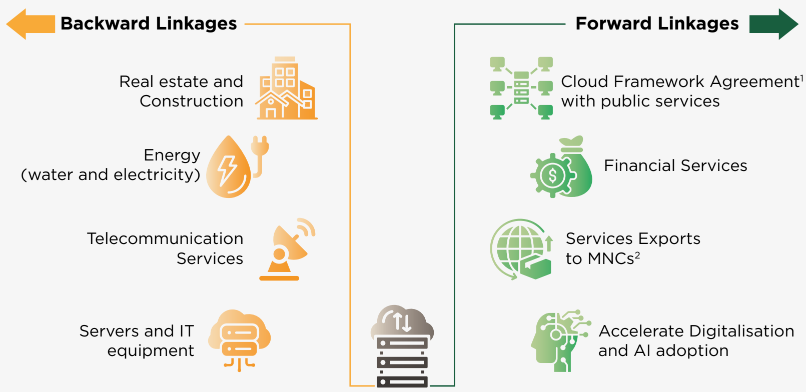
Data Centre Resource Optimisation

The economic role of data centres has shifted significantly from their earlier function as cost-driven infrastructure assets. Today, data centres operate as capital-intensive platforms that anchor digital ecosystems, support cloud computing and artificial intelligence services, and influence how value is created across the economy. Investment dynamics have also evolved.

On one level, operators compete on engineering performance, focusing on energy efficiency, cooling systems, and resource management in response to cost, climate, and regulatory constraints. On another level, global cloud service providers use data centres to deliver integrated digital services, embedding themselves within national economies and shaping how businesses, governments, and consumers access digital capabilities. As a result, data centres now carry broader policy and economic significance, affecting data sovereignty, industrial competitiveness, and supply chain resilience.

At the same time, sustainability considerations have become integral to project design, with operators financing renewable energy capacity and water reclamation infrastructure to manage resource intensity. This evolution positions data centres as strategic assets that influence digital development, environmental outcomes, and long-term economic positioning rather than serving solely as passive digital infrastructure.

Today, data centres operate as capital-intensive platforms that anchor digital ecosystems, support cloud computing and artificial intelligence services, and influence how value is created across the economy.



[1] Cloud Framework Agreement is a formal agreement between the Malaysian Government and selected Cloud Service Providers (CSPs) and Managed Service Providers (MSPs) to deliver cloud services to public sectora gencies.

[2] MNCs refer to multinational corporations

Source: Adapted from MDEC, Copenhagen Economics 'Finland's Economic Opportunities from Data Centre Investment', Shimona Shodipo 'The Digital Value Chain: Risk and Unintended Consequences', Tech UK 'Data Centre: Engines of Growth' and Bank Negara Malaysia engagements

Source: BNM Box Article: From Bytes to Bucks: The Economics of Data Centres in Malaysia

Data centre investments constitute a strategic high-value sector, generating significant multiplier effects across the Malaysian economy. These projects stimulate upstream industries including construction, engineering, and utilities during development, while their operational presence creates essential downstream digital infrastructure. This infrastructure directly enables public sector modernisation under initiatives like the Cloud Framework Agreement and empowers businesses, particularly SMEs, to adopt cloud and AI solutions for enhanced productivity. As the scale of investment has expanded, a marked evolution towards sustainable and disciplined growth has emerged. Leading projects in 2025 demonstrate this shift through substantive commitments: securing long-term renewable energy contracts, deploying cutting-edge energy-efficient cooling technologies, and pioneering large-scale water reclamation. These measures directly address national resource sustainability goals while ensuring the sector's long-term viability, positioning Malaysia's data centre ecosystem as a benchmark for integrating digital growth with environmental stewardship.

Case Studies of SMEs' Utilising Data Centre Capabilities

Industries	Challenges	Results
1 **Advanced Mfg.** 	**Supply Chain Management:** Fluctuations in demand and lead times compromised stock management and profits	**Integrated AI-driven model to forecast sales,** reducing inventory costs while improving efficiency
	Operational efficiency: Manual data processing and analysis	**Adopted AI data analytics platform** to collect, process and analyse operational performance. This reduced manual tasks, allowing strategic resource reallocation
2 **Retail** 	**Payment systems:** Labour intensive and prone to delays, especially during peak retail demand hours	**Leveraged cloud-based services** to centralise and automate payment processing across different outlets
	E-commerce Marketing: Difficulty in customer retention and targeting	**Utilised AI solution** to segment and prioritise customers, improving targeting of marketing campaigns
3 **Services** 	**Work Environment:** Rigid office setups	**Cloud services** enable flexible remote works arrangements and improving access to job information
	Communication: Timely updates to caregivers to ensure client needs are met accurately	**Streamlined operations with cloud computing,** ensuring support for remote care while enhancing data security to comply with regulations

Source: BNM Box Article: From Bytes to Bucks: The Economics of Data Centres in Malaysia

From Infrastructure to Impact

Data centre investments in Malaysia have shifted their focus from basic infrastructure to green operations, high-skilled job creation, and the uplifting of the local supply chain.

Amazon Web Services (AWS)

AWS Asia Pacific (Malaysia) Region - AWS's first local infrastructure cluster and 13th Region in Asia Pacific, launched in 2024 to accelerate Malaysia's digital economy.

Investment Highlights:

- **Represents a** high-value spillover with long-term investment.
- **Estimated to add** $12.1 billion (MYR 57.3 billion) to Malaysia's GDP through 2038.

Key Contributions:

- **Employment Opportunities:** Supports 3,500 full-time jobs at local businesses annually through 2038.
- **Digital Acceleration:** Enables cloud and AI innovation for local businesses and startups.
- **Skill Development:** Has trained over 100,000 Malaysians in cloud skills since 2017.
- **Sustainability Milestone:** In November 2025, announced one of its largest global water projects, a reclaimed water initiative to deliver 6.5 billion litres annually for data centre cooling, supporting its water positive by 2030 goal and Malaysia's Water Transformation Roadmap 2040, in partnership with the Ministry of Energy Transition and Water Transformation (PETRA), Air Selangor, Indah Water Konsortium (IWK) and Central Water Reclamation Sdn Bhd (CWR).

AirTrunk

Key Sites:
Data centre campus in Johor Bahru, designed to support high-density computing and AI workloads.

Investment Highlights:

- Sets an industry efficiency benchmark with a design Power Usage Effectiveness (PUE) of 1.15.
- Deploys direct-to-chip liquid cooling technology for optimal performance.
- Entered a Virtual Power Purchase Agreement (VPPA) for 30MW of renewable energy.

Key Contributions:

- **Energy Efficiency:** The low PUE and liquid cooling system reduce energy consumption by up to 23%, a critical innovation for tropical climates.
- **Renewable Energy Commitment:** The VPPA strengthens its use of renewable energy as part of Malaysia's Corporate Green Power Programme.

DayOne Data Centres

Key Sites:
Hyperscale campuses in Nusajaya and Kempas, Johor. Focuses on sustainable energy and water solutions for data centers.

Investment Highlights:

- Signed Malaysia's first Bilateral Energy Supply Contract (BESC) under the national CRESS scheme.
- Landmark 21-year agreement with TNB to secure up to 500MW of renewable energy.

Key Contributions:

- **Energy Decarbonisation:** Directly supports national grid decarbonisation by sourcing clean energy from new solar capacity.
- **Water Sustainability:** Launched Malaysia's first river water treatment system at Kempas Tech Park, treating water from Sungai Tebrau River to reduce reliance on potable water.

Bridge Data Centres (BDC)

Key Sites:
Constructing Malaysia's first data centre water reclamation plant (WRP) to achieve water stewardship.

Investment Highlights:

- Pioneering initiative in sustainable water management for the data centre industry.
- Strategic partnerships with public water entities Johor Special Water (JSW) and Indah Water Konsortium (IWK).

Key Contributions:

- **Water Conservation:** Significantly reduces reliance on potable water by repurposing treated municipal effluent for cooling operations.
- **Technology & Quality:** Uses advanced membrane and reverse osmosis technology to produce high-grade industrial water.
- **Industry Pathway:** Paves the way for more sustainable data center operations and sets a new standard for the industry in Malaysia.

Malaysia's Digital Backbone

Malaysia's success in attracting investment in data centres is essential to its digital backbone and supports its economic transformation. This effort aligns with the goals of the New Industrial Master Plan 2030 (NIMP 2030), which aims to establish 3,000 smart factories, and the National Semiconductor Strategy (NSS), which seeks to position Malaysia as a hub for semiconductor research and development (R&D).

These data centres are high-tech data hubs that rely on advanced technologies such as Artificial Intelligence (AI), Big Data analytics, and the Internet of Things (IoT). This creates a powerful domestic demand loop, ensuring that multi-billion-ringgit data centre investments are immediately anchored in the local economy and driving Malaysia's shift to high-impact manufacturing.

Accelerating Capacity Uptake

According to TNB, 49 data centres had signed Electricity Supply Agreements (ESA) by September 2025, representing a total maximum demand of 7.1 GW. While this capacity will be utilised in phases over 5 to 10 years, immediate demand is accelerating. Actual load utilisation hit 710 MW in September 2025, a sharp 75 per cent increase from the 405 MW recorded at the end of 2024.

Policy Support & Green Energy

Addressing energy concerns head-on, the Corporate Renewable Energy Supply Scheme (CRESS) aligns data centre operations with the National Energy Transition Roadmap's (NETR) goal of 70 per cent renewable capacity by 2050, offering investors direct access to green electricity. To meet the surging demand from data centres, TNB has committed to delivering 5 GW of dedicated data centre capacity by 2035 and achieving 10 GW of renewable energy capacity by 2030, anchored by strategic investments in 500 MW of solar and 2.5 GW of floating solar initiatives.

Additionally, to enhance commercial viability, the government has significantly reduced System Access Charges (SAC) under CRESS by lowering firm supply fees to 20 sen/kWh (from 25 sen/kWh) and non-firm charges to 40 sen/kWh (from 45 sen/kWh), thereby reducing the cost barrier for green power procurement.

Governance: Data Centre Task Force (DCTF)

Further strengthening the ecosystem, the government established the Data Centre Task Force (DCTF) in February 2025. The DCTF, co-chaired by the Minister of MITI and the Minister of Digital, functions as a high-level strategic platform to streamline the approval process and ensure rigorous project selection. By consolidating inputs from key agencies, including the Energy Commission (ST), TNB, and the National Water Services Commission (SPAN), the DCTF ensures that only projects with clear execution roadmaps and secured resources are approved. Simultaneously, this initiative streamlines approval processes via MIDA and enforces strict sustainability guidelines, ensuring that all new data centre developments adhere to global green standards and contribute directly to the local supply-chain ecosystem agenda. This mechanism effectively filters out speculative proposals, prioritising "AI-Ready" infrastructure.

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From Digital to Dominant

Having established itself as Southeast Asia's fastest-growing digital economy, Malaysia's strategy for 2026 advances from building infrastructure to securing strategic autonomy and broadening economic participation. The integrated Initiatives framework outlined in Budget 2026 is designed to ensure the sector's explosive growth translates into tangible industrial upgrading, a sustainable energy footprint, and deeper integration of Malaysian talent and businesses. This commitment to fostering a cohesive local ecosystem was demonstrated at landmark events like Data Centre Nexus 2025, which convened 400 industry stakeholders to strengthen Malaysia's role in the global data economy. This next-phase approach moves the digital services industry from a high-growth sector into the intelligent core of the national economy, directly supporting the nation's ambition to become a regional leader in the AI era.

Budget 2026 establishes a commitment to accelerate Malaysia's position as an AI-driven digital economy. The strategy links sovereign digital infrastructure, sustainable energy mandates, and a reformed investment framework to ensure economic gains are widely shared. This proactive approach directly converts the data centre boom of 2025 into sustainable growth, local supply chain integration, and enhanced global competitiveness.

An Integrated Commitment for Malaysia's AI-Driven Future in 2026

Build Sovereign Digital Capability

Core Action: Launch a national AI Cloud and major connectivity project.

Key Detail / Target:

∞ **RM2 bil** for a Sovereign AI Cloud.
∞ **RM2 bil** for the SALAM submarine cable to link East and West Malaysia.

Power Growth Sustainably

Core Action: Guarantee green energy for data centres and enforce efficiency.

Key Detail / Target:

∞ **CRESS scheme** reduces green power costs.
∞ **TNB** to supply **5,000 MW** for data centres by 2035, backed by a target of **10 GW** from renewables by 2030.
∞ **Mandatory** global efficiency standards (PUE/WUE).

Integrate & Reward Local Value

Core Action: Link local firms to global value chains and incentivise high-quality projects.

Key Detail / Target:

∞ **"Build by Malaysia"** strategy connects local vendors with global operators.
∞ **New Incentive Framework NIF** rewards job creation & ESG impact, not just capital spent.
∞ **RM180 mil NIDF** and **RM200 mil CoSIF** fund SMEs and bridge critical supply chain gaps.

Develop Talent & Trust

Core Action: Fund AI skills and cybersecurity to secure the ecosystem.

Key Detail / Target:

∞ **~RM20 mil** for the National AI Office (talent).
∞ **RM30 mil** for CyberSecurity Malaysia.
∞ **RM7 mil** for MIMOS (blockchain, deepfake detection).

SMART AUTOMATION GRANT (SAG): REVOLUTION FOR SMEs

The Government introduced the Smart Automation Grant (SAG) in 2020 under the National Economic Recovery Plan (PENJANA) to accelerate the adoption of automation and digitalisation in the manufacturing and services sectors. MIDA has taken responsibility for implementing the programme, with participation from small and medium enterprises (SMEs) and mid-tier companies (MTCs).

The grant aimed to assist and provide incentives to SMEs and MTCs in automating and digitalising manufacturing and services operations, while improving operational efficiency and productivity across the manufacturing and services sectors. The SAG formed part of wider recovery measures to strengthen industrial capability during the implementation period.

Operated on a 1:1 matching basis and capped support at RM1.0 million per company, the SAG concluded in 2022 and benefited 187 companies that completed approved automation projects and received full disbursements totalling RM102.8 million.

This project has been recognised as the Smart Automation Grant programme in 2025 as a Best Practice Grant Programme by the The Jawatankuasa Kerja Penilaian Outcome (JKPO) citing its outcome-based grant-awarding mechanism with evaluation criteria defined at the approval stage and embedded within the grant agreements.

All approved companies completed their automation projects within the 12 month implementation period and achieved at least one committed deliverable, in line with the programme's outcome-based requirements. Performance results showed measurable changes across workforce composition, operational efficiency, production capacity, service delivery, and product quality.

Key Outcomes of Smart Automation Grant programme, 2025

Key Performance Area	Metric	Number of Companies	Average Impact
Reduction of Low-Skilled Workers	Positions Reduced	121	**30.0%** Average Reduction (1,346 total positions)
Operational Efficiency	Manufacturing Hours Reduced	76	**54.1%** Average Reduction
	Service Delivery Hours Reduced	14	**69.8%** Average Reduction
Productivity & Capacity Expansion	Manufacturing Capacity Increased	105	**201.2%** Average Increase
	Service Delivery Output Increased	10	**211.8%** Average Increase
Quality Improvement	Defect Rate Reduction	52	**70.9%** Average Reduction

These outcomes demonstrate that the SAG programme successfully met its objectives to automate and digitise manufacturing and services operations, as well as delivered substantial impact in advancing automation and digital transformation across Malaysian industries.

Conducted under the Implementation Coordination Unit of the Prime Minister's Department, the 2024 JKPO evaluation assesses the extent to which programmes and projects achieve their intended objectives by measuring outcomes and effectiveness. This recognition was announced in September 2025 reflects an emphasis on strengthening programme governance, accountability, and delivery discipline across the public sector.

SMEs Breaking Barriers Through Smart Automation

Boon Food Sdn. Bhd.

Location: Selangor

Sector: Food processing

Impact of Automation Adoption:

A company, with **50% women ownership**, has successfully increased its profits after the automation adoption.

The production volume increased 165% demonstrating a substantial improvement in productivity and operational efficiency.

Dormez Fabrication Sdn. Bhd.

Location: Selangor

Sector: Textile & Textile Products

Impact of Automation Adoption:

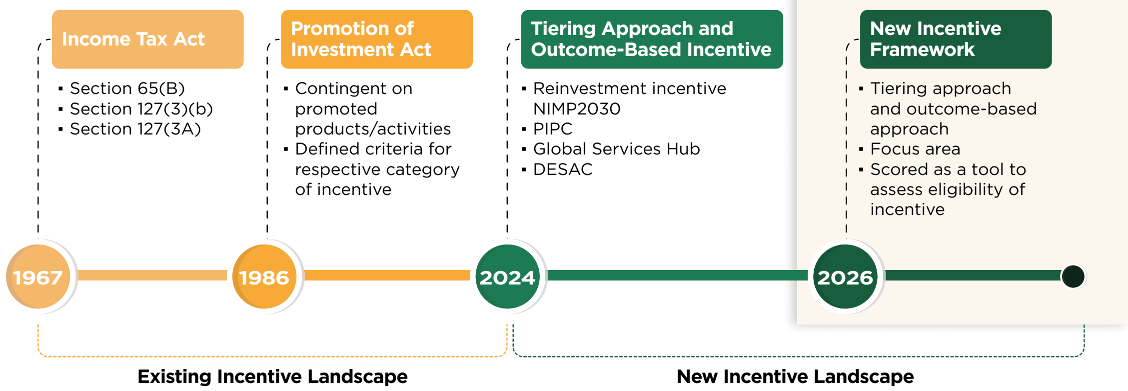
The company achieved strong financial growth, with revenue increasing 192% , while net profit more than doubled (+101%) driven by market expansion and improved productivity.

Operational efficiency improved significantly, with up to 92% reduction in man hours and a 94% decrease in defect rates, resulting in more consistent output and fewer reworks.

DRIVING HIGH-IMPACT INVESTMENT THROUGH STRATEGIC INCENTIVES

Malaysia's New Incentive Framework (NIF) reflects a shift in how the country positions itself in the competition for global capital. The National Budget 2026 officially announced in October 2025 the implementation of NIF, a reform as a response to a changed investment environment, where the Global Minimum Tax has reduced the effectiveness of traditional tax incentives and competition for technology-driven and sustainable projects has intensified. In place of broad fiscal concessions, the NIF adopts a more selective approach by prioritising high-quality investment, linking government support to clearly defined economic outcomes. This alignment ensures that incentives support value creation, in line with Malaysia's long-term development priorities under the National Investment Aspirations (NIA) and the New Industrial Master Plan 2030 (NIMP 2030).

Evolvement of Tax Incentive Offerings



The core mechanism of the NIF is its focus on six (6) key outcome pillars (NIA Pillars), which transform incentives into performance-based instruments aligned with national development priorities

NIA Outcome Pillar	Strategic Objective	Target Metrics & Investor Focus
1 **Increase Economic Complexity**	Move the economy into sophisticated high-value activities.	**R&D intensity, advanced technology adoption.**
2 **Create High-Valued Jobs**	Build a skilled workforce and raise income levels.	**Creation of high-skilled, high-wage positions for Malaysians; median salary levels.**
3 **Extend Domestic Linkages**	Deepen roots of local participation in ecosystem.	**Usage of local inputs, integration into domestic supply chains, participation in vendor development.**
4 **Develop New and Existing Clusters**	Foster productive, interconnected industrial ecosystems.	**Strengthening high-productivity sectors and supporting local innovation in new product development.**
5 **Improve Inclusivity**	Ensure balanced, equitable growth across groups.	**Opportunities for vulnerable populations, broad human capital development.**
6 **Enhance Sustainability Practices**	Align growth supporting sustainable business.	**Commitment to net-zero goals, sustainable resource management (water, waste), and responsible business conduct.**

Ultimately, the NIF aimed at attracting a higher calibre of investment. Priority is placed on quality, measured through innovation, skills development, and sustainability, rather than investment volume alone.

As the principal agency responsible for investment promotion and facilitation, MIDA plays a central role in operationalising the NIF. With this landmark shift, MIDA remains the nation's anchor—turning policy into impact and ensuring the NIF becomes a powerful engine driving Malaysia's next wave of high-quality, future-ready investments.

4.0

SNAPSHOT BY INDUSTRY

CATALYSING INDUSTRIAL EXPANSION

Although early-year projections pointed to modest growth in global FDI for 2025, increasing economic and policy uncertainties have led to a more cautious outlook. The escalation of a new tariff war, along with deteriorating investor sentiment, has led to downward revisions in key FDI determinants: global GDP growth, capital formation, trade and exchange rate stability.

In 2025, global manufacturing is expected to transition from volume-driven growth to a more selective, technology-intensive and sustainability-focused expansion, favouring locations that offer resilience, skilled talent, and policy certainty. Investment is increasingly concentrated in advanced manufacturing, including semiconductors, electronics, medical devices, electric vehicles, batteries, and aerospace. Companies are accelerating supply chain diversification, near-shoring and "China+1" strategies to manage risk. ASEAN, South Asia, and parts of Eastern Europe are benefiting from these shifts.

Malaysia's manufacturing sector thrives in 2025 despite heightened global uncertainty and uneven external demand. Approved investments reached RM131.3 billion, accounting for 30.8 per cent of total approved investments nationwide. These approvals covered 1,354 projects and are expected to generate more than 109,948 employment opportunities. Foreign investors contributed 76.6 per cent, or RM100.6 billion, reflecting continued interest in Malaysia's manufacturing base. Manufacturing approvals also contributed to the 9.0 per cent year-on-year increase in total approved investments. This reflects the sector's continued shift toward advanced manufacturing, with investments focusing on automation, high-value industries and sustainable practices. Strong participation from both domestic and foreign investors highlights confidence in Malaysia's industrial ecosystem, supported by strategic policies and targeted incentives. These developments strengthened the sector's role as a catalyst for economic growth and industrial innovation.

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Highlights of the Manufacturing Sector

The year-on-year comparison points to a clear rebalancing in Malaysia's industrial investment profile. The exceptionally large Electrical and Electronics (E&E) approvals recorded in 2024 were followed in 2025 by stronger capital allocation into upstream and intermediate manufacturing segments. Basic metal products recorded a substantial increase, entering the top five industries and indicating growing investment in materials processing and supply chain depth. Chemicals and chemical products investments also rose sharply, reflecting increased focus on industrial inputs that support downstream manufacturing and green technology applications. While E&E remained the largest recipient of investment, the overall pattern suggests a gradual broadening of Malaysia's manufacturing base towards more complex, vertically integrated activities, consistent with the objectives of the New Industrial Master Plan 2030 to raise economic complexity and strengthen Malaysia's role in global value chains.

Approved Investments in the Manufacturing Sector: 2025 and 2024

1,354
Projects Approved
(2024: 1,108)

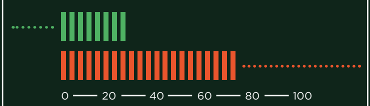
RM131.3 bil
Total Investments
(2024: RM120.5 bil)

109,948
Employment Opportunities
(2024: 87,695)

Domestic vs Foreign Investments

A decrease of
2.8%
(2024: RM31.6 bil)

Domestic Investments
23.4%
RM30.7 bil



Foreign Investments
76.6%
RM100.6 bil

An increase of
13.1%
(2024: RM88.9 bil)

Leading Industries in Investment

Electrical & Electronics (E&E)
RM28.5 bil
(2024: RM55.8 bil)

Chemicals & Chemical Products
RM24.9 bil
(2024: RM10.6 bil)

Transport Equipment
RM14.9 bil
(2024: RM15.8 bil)

Basic Metal Products
RM11.1 bil
(2024: RM1.6 bil)

Machinery & Equipment
RM11.0 bil
(2024: RM10.6 bil)

Under the New Industrial Master Plan (NIMP 2030), Malaysia has successfully diversified its foreign investment profile to attract capital, as well as complex industrial capabilities and strategic value chains. The concentration of investments from Singapore, The People's Republic of China, and Hong Kong SAR positions Malaysia as an integrated hub within regional production networks, where speed, proximity, and market access are critical.

At the same time, Malaysia's ascent into higher-value global systems is evidenced by investment from the United States of America (the USA) and Japan. These sources, though fewer in number, commit significantly larger sums per project, focusing on capital-intensive and technology-heavy manufacturing. Far from relying on cost arbitrage alone, this structure of foreign investment confirms that international firms value Malaysia for its ability to support sophisticated manufacturing, regional coordination, and long-term production commitments.

The following table details the top five foreign investments (immediate source) in the manufacturing sector.

Top 5 Foreign Investment (Immediate Source) in 2025

	Singapore	The People's Republic of China	Hong Kong SAR	The United States of America (The USA)	Japan
Investment	**RM29.6 bil**	**RM27.6 bil**	**RM12.4 bil**	**RM6.1 bil**	**RM3.9 bil**
Projects Approved	**219**	**193**	**79**	**46**	**44**
Employment Opportunities	**23,037**	**18,867**	**14,382**	**6,275**	**2,344**

Domestic investment behaviour in 2025 reflects a period of consolidation rather than retreat. Local investors focused on foundational and essential sectors such as food processing, metals, and plastics, strengthening supply chain continuity, supporting import substitution, and reducing exposure to external disruptions. This approach builds on domestic strengths, including familiarity with local demand, established distribution networks, and close integration with small and medium-sized enterprises across the supply chain. While leadership in technology-intensive manufacturing has largely been driven by foreign capital, the current pattern creates scope for a differentiated role for domestic firms, either as stable operators in essential industries or as partners and specialised suppliers to foreign-led projects in advanced sectors such as electric vehicles and semiconductors. The reallocation of domestic capital highlights an opportunity for targeted policy support to facilitate movement back into higher-value activities through co-investment structures, risk-sharing mechanisms, or focused R&D support, enabling domestic investors to build complementary capabilities alongside foreign players rather than competing directly on scale.

Top 5 Manufacturing Industry in 2025

Electrical & Electronics (E&E)
RM28.5 bil
(2024: RM55.8 bil)

Chemicals & Chemical Products
RM24.9 bil
(2024: RM10.6 bil)

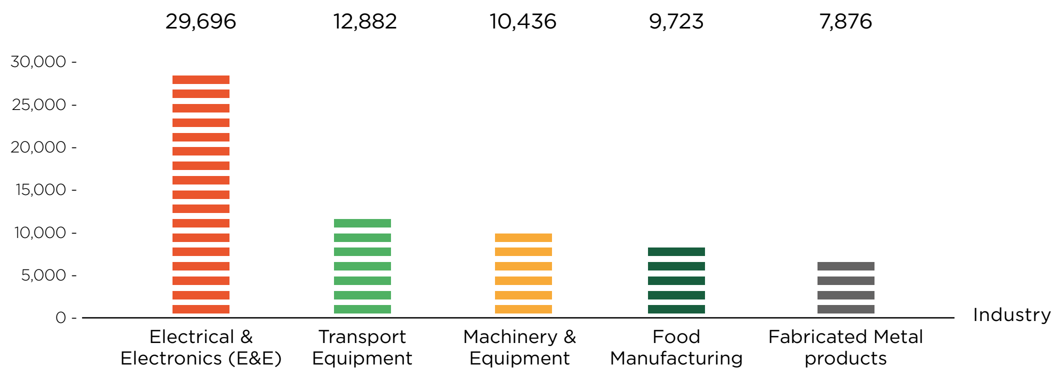
Transport Equipment
RM14.9 bil
(2024: RM15.8 bil)

Basic Metal Products
RM11.1 bil
(2024: RM1.6 bil)

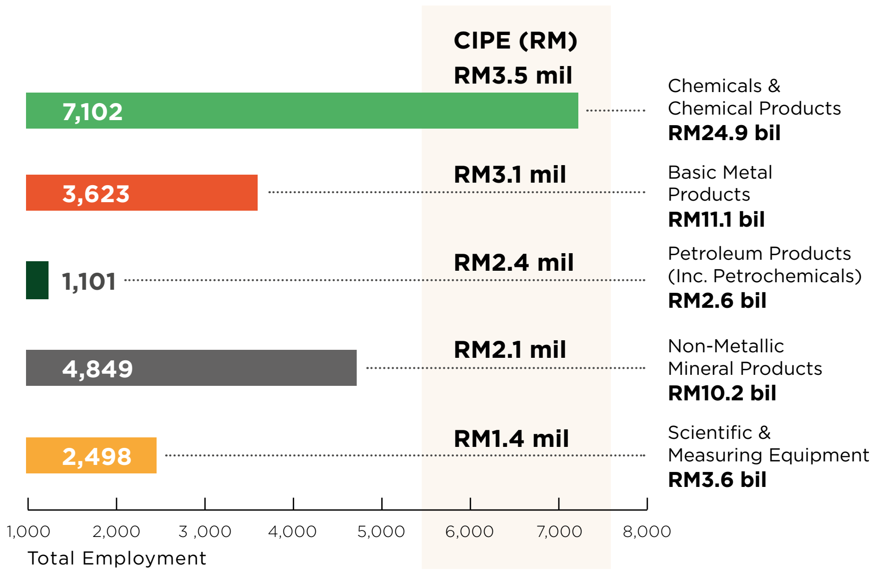
Machinery & Equipment
RM11.0 bil
(2024: RM10.6 bil)

The composition of manufacturing investments shows a clear emphasis on technology-intensive and higher-value activities. Approved projects concentrated on electric vehicles, semiconductors, critical minerals processing, and advanced manufacturing, supporting deeper supply chain participation rather than conventional assembly. This direction is reflected in the employment profile, where 45.0 per cent of new manufacturing jobs fall within managerial, professional, technical, and supervisory roles, indicating rising skills requirements across the sector.

Major Industries Contributing to Employment Opportunities



Capital Investment Per Employee (CIPE)



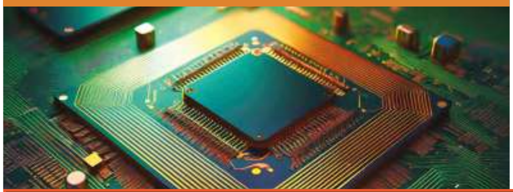
The significant capital outlay enabling this high-value transformation is evident in the Capital Investment Per Employee (CIPE). The amount of the total approved manufacturing investment reveals that capital intensity is highest in sectors involving complex processing and advanced technology.

Higher capital deployment per job supports production models that rely on automation, advanced machinery, and specialised systems. This raises productivity potential, supports higher value output, and increases demand for skilled labour across engineering, electronics, and energy-related functions, aligning manufacturing activity with longer-term industrial development objectives.

Overview of Approved Investments in 2025 (Manufacturing)

Manufacturing Sub-Sector Performance

Electrical & Electronics (E&E)



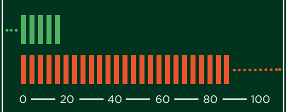
RM28.5 bil Total Investments

245 Projects Approved

29,696 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
16.6%
RM4.7 bil



Foreign Investments
83.4%
RM23.7 bil

Expansion / Diversification vs New Projects

51.1%
48.9%

- **51.1%** Expansion/ Diversification
  RM14.5 bil
- **48.9%** New Projects
  RM13.9 bil

Total Investments
RM28.5 bil

Sub-Sectors: E&E

Electronic Components/ Semiconductor

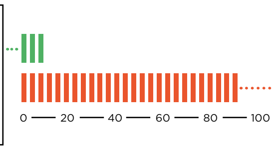
RM16.9 bil Total Investments

59 Projects Approved

12,461 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
13.7%
RM2.3 bil



Foreign Investments
86.3%
RM14.6 bil

Expansion / Diversification vs New Projects

60.7%
39.3%

- **60.7%** Expansion/ Diversification
  RM10.3 bil
- **39.3%** New Projects
  RM6.6 bil

Total Investments
RM16.9 bil

Electrical Components

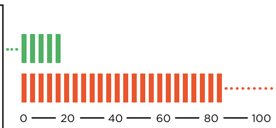
RM4.9 bil Total Investments

48 Projects Approved

6,316 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
18.5%
RM0.9 bil



Foreign Investments
81.5%
RM4.0 bil

Expansion / Diversification vs New Projects

26.8%
73.2%

- **26.8%** Expansion/ Diversification
  RM1.3 bil
- **73.2%** New Projects
  RM3.6 bil

Total Investments
RM4.9 bil

Industrial Electronics

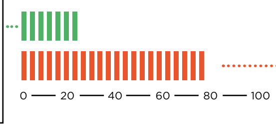
RM4.0 bil Total Investments

58 Projects Approved

6,969 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
20.5%
RM0.8 bil



Foreign Investments
79.5%
RM3.2 bil

Expansion / Diversification vs New Projects

28.8%

71.2%

28.8% Expansion/ Diversification
RM1.2 bil

71.2% New Projects
RM2.8 bil

Total Investments
RM4.0 bil

Electrical Appliances

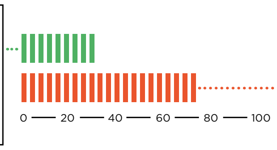
RM1.4 bil Total Investments

36 Projects Approved

2,046 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
25.1%
RM0.4 bil



Foreign Investments
74.9%
RM1.0 bil

Expansion / Diversification vs New Projects

85.6%

14.4%

85.6% Expansion/ Diversification
RM1.2 bil

14.4% New Projects
RM0.2 bil

Total Investments
RM1.4 bil

Industrial Electrical

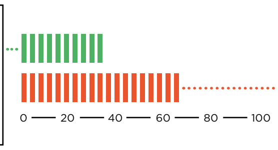
RM789.4 mil Total Investments

24 Projects Approved

1,293 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
36.0%
RM284.5 mil



Foreign Investments
64.0%
RM504.9 mil

Expansion / Diversification vs New Projects

28.0%

72.0%

28.0% Expansion/ Diversification
RM221.0 mil

72.0% New Projects
RM568.4 mil

Total Investments
RM789.4 mil

Consumer Electronics

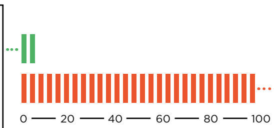
RM403.3 mil Total Investments

20 Projects Approved

611 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
6.4%
RM25.8 mil



Foreign Investments
93.6%
RM377.6 mil

Expansion / Diversification vs New Projects

86.0%

14.0%

86.0% Expansion/ Diversification
RM346.7 mil

14.0% New Projects
RM56.6 mil

Total Investments
RM403.3 mil

Transport Equipment

RM14.9 bil Total Investments

119 Projects Approved

12,882 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
22.3%
RM3.3 bil

0 — 20 — 40 — 60 — 80 — 100

Foreign Investments
77.7%
RM11.6 bil

Expansion / Diversification vs New Projects

30.6%

69.4%

- **30.6%** Expansion/ Diversification
  RM4.6 bil
- **69.4%** New Projects
  RM10.3 bil

Total Investments
RM14.9 bil

Sub-Sectors: Transport Equipment

Automotive

RM13.0 bil Total Investments

95 Projects Approved

10,782 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
19.1%
RM2.5 bil

0 — 20 — 40 — 60 — 80 — 100

Foreign Investments
80.9%
RM10.5 bil

Expansion / Diversification vs New Projects

31.8%

68.2%

- **31.8%** Expansion/ Diversification
  RM4.1 bil
- **68.2%** New Projects
  RM8.9 bil

Total Investments
RM13.0 bil

Aerospace

RM1.0 bil Total Investments

16 Projects Approved

1,593 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
18.4%
RM0.2 bil

0 — 20 — 40 — 60 — 80 — 100

Foreign Investments
81.6%
RM0.8 bil

Expansion / Diversification vs New Projects

17.1%

82.9%

- **17.1%** Expansion/ Diversification
  RM0.2 bil
- **82.9%** New Projects
  RM0.8 bil

Total Investments
RM1.0 bil

Ship Building / Ship Repairing (SBSR)

RM920.6 mil Total Investments

7 Projects Approved

462 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
71.4%
RM657.1 mil

0 — 20 — 40 — 60 — 80 — 100

Foreign Investments
28.6%
RM263.5 mil

Expansion / Diversification vs New Projects

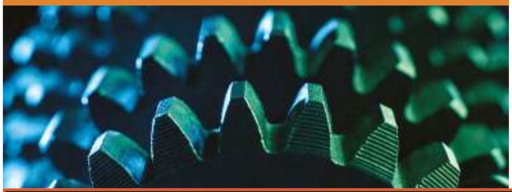
28.6%

71.4%

- **28.6%** Expansion/ Diversification
  RM263.5 mil
- **71.4%** New Projects
  RM657.1 mil

Total Investments
RM920.6 mil

Basic Metal Products



RM11.1 bil
Total Investments

21
Projects Approved

3,623
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
4.4%
RM0.5 bil

0 — 20 — 40 — 60 — 80 — 100

Foreign Investments
95.6%
RM10.6 bil

Expansion / Diversification vs New Projects

7.6%
92.4%

- **7.6%** Expansion/ Diversification
  RM0.8 bil
- **92.4%** New Projects
  RM10.3 bil

Total Investments
RM11.1 bil

Machinery & Equipment (M&E)

RM11.0 bil
Total Investments

138
Projects Approved

10,436
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
23.3%
RM2.6 bil

0 — 20 — 40 — 60 — 80 — 100

Foreign Investments
76.7%
RM8.4 bil

Expansion / Diversification vs New Projects

40.0%
60.0%

- **40.0%** Expansion/ Diversification
  RM4.4 bil
- **60.0%** New Projects
  RM6.6 bil

Total Investments
RM11.0 bil

Sub-Sectors: M&E

General Industrial Machinery, Equipment & Parts

RM4.7 bil
Total Investments

66
Projects Approved

3,402
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
28.8%
RM1.4 bil

0 — 20 — 40 — 60 — 80 — 100

Foreign Investments
71.2%
RM3.3 bil

Expansion / Diversification vs New Projects

48.0%
52.0%

- **48.0%** Expansion/ Diversification
  RM2.3 bil
- **52.0%** New Projects
  RM2.4 bil

Total Investments
RM4.7 bil

Specialised Machinery & Equipment for Specific Industries

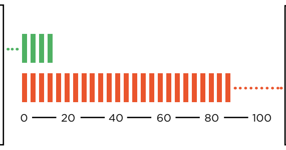
RM3.7 bil Total Investments

31 Projects Approved

3,980 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
16.4%
RM0.6 bil



Foreign Investments
83.6%
RM3.1 bil

Expansion / Diversification vs New Projects

43.6%
56.4%

- **43.6%** Expansion/ Diversification
  RM1.6 bil
- **56.4%** New Projects
  RM2.1 bil

Total Investments
RRM3.7 bil

Machinery / Equipment Modules or Industrial Parts / Components M&E

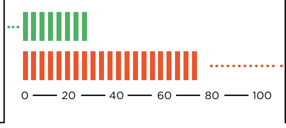
RM2.6 bil Total Investments

38 Projects Approved

2,977 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
23.6%
RM0.6 bil



Foreign Investments
76.4%
RM2.0 bil

Expansion / Diversification vs New Projects

21.4%
78.6%

- **21.4%** Expansion/ Diversification
  RM0.6 bil
- **78.6%** New Projects
  RM2.0 bil

Total Investments
RM2.6 bil

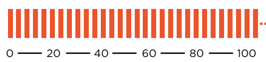
Power Generating Machinery & Equipment

RM62.2 mil Total Investments

2 Projects Approved

70 Employment Opportunities

Domestic vs Foreign Investments



Foreign Investments
100.0%
RM62.2 mil

Expansion / Diversification vs New Projects

100.0%

- **100.0%** New Projects
  RM62.2 mil

Total Investments
RM62.2 mil

Maintenance, Upgrading or Reconditioning of M&E

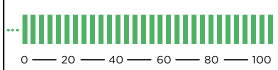
RM1.2 mil Total Investments

1 Projects Approved

7 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
100.0%
RM1.2 mil



Expansion / Diversification vs New Projects

100.0%

- **100.0%** Expansion/ Diversification
  RM1.2 mil

Total Investments
RM1.2 mil

Fabricated Metal Products

RM6.2 bil
Total Investments

157
Projects Approved

7,876
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
42.3%
RM2.6 bil

Foreign Investments
57.7%
RM3.6 bil

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

- **39.0%** Expansion/ Diversification
  RM2.4 bil
- **61.0%** New Projects
  RM3.8 bil

Total Investments
RM6.2 bil

Textiles and Textile Products

RM657.6 mil
Total Investments

28
Projects Approved

1,222
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
47.9%
RM315.2 mil

Foreign Investments
52.1%
RM342.4 mil

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

- **50.4%** Expansion/ Diversification
  RM331.6 mil
- **49.6%** New Projects
  RM326.0 mil

Total Investments
RM657.6 mil

Leather and Leather Products

RM5.2 mil
Total Investments

1
Projects Approved

35
Employment Opportunities

Domestic vs Foreign Investments

Foreign Investments
100.0%
RM5.2 mil

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

- **100.0%** New Projects
  RM5.2 mil

Total Investments
RM5.2 mil

Non-Metallic Mineral Products

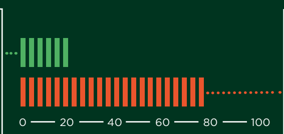
RM10.2 bil
Total Investments

54
Projects Approved

4,849
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
20.3%
RM2.1 bil



Foreign Investments
79.7%
RM8.1 bil

Expansion / Diversification vs New Projects

- **74.7%** Expansion/ Diversification
  RM7.6 bil
- **25.3%** New Projects
  RM2.6 bil

Total Investments
RM10.2 bil

Miscellaneous

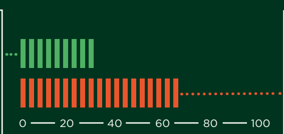
RM1.0 bil
Total Investments

46
Projects Approved

3,750
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
36.6%
RM0.4 bil



Foreign Investments
63.4%
RM0.6 bil

Expansion / Diversification vs New Projects

- **38.0%** Expansion/ Diversification
  RM380.5 mil
- **62.0%** New Projects
  RM621.9 mil

Total Investments
RM1.0 bil

Scientific and Measuring Equipment

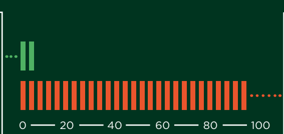
RM3.6 bil
Total Investments

37
Projects Approved

2,498
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
5.7%
RM0.2 bil



Foreign Investments
94.4%
RM3.4 bil

Expansion / Diversification vs New Projects

- **10.0%** Expansion/ Diversification
  RM0.4 bil
- **90.0%** New Projects
  RM3.2 bil

Total Investments
RM3.6 bil

Food Manufacturing

RM6.3 bil
Total Investments

115
Projects Approved

9,723
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
64.8%
RM4.1 bil

Foreign Investments
35.2%
RM2.2 bil

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

54.8%
45.2%

- **54.8%** Expansion/ Diversification
RM3.5 bil
- **45.2%** New Projects
RM2.9 bil

Total Investments
RM6.3 bil

Beverages and Tobacco

RM139 mil
Total Investments

4
Projects Approved

520
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
81.3%
RM113 mil

Foreign Investments
18.7%
RM25 mil

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

60.7%
39.3%

- **60.7%** Expansion/ Diversification
RM84.2 mil
- **39.3%** New Projects
RM54.4 mil

Total Investments
RM139 mil

Furniture and Fixtures

RM482.7 mil
Total Investments

30
Projects Approved

1,567
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
67.3%
RM324.7 mil

Foreign Investments
32.7%
RM157.9 mil

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

22.2%
77.8%

- **22.2%** Expansion/ Diversification
RM107.0 mil
- **77.8%** New Projects
375.7 mil

Total Investments
RM482.7 mil

Wood and Wood Products

RM342.6 mil
Total Investments

22
Projects Approved

620
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
50.9%
RM174.4 mil

Foreign Investments
49.1%
RM168.2 mil

Expansion / Diversification vs New Projects

23.6% Expansion/ Diversification
RM80.8 mil

76.4% New Projects
RM261.8 mil

Total Investments
RM342.6 mil

Chemicals & Chemical Products

RM24.9 bil
Total Investments

113
Projects Approved

7,102
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
23.2%
RM5.8 bil

Foreign Investments
76.8%
RM19.1 bil

Expansion / Diversification vs New Projects

7.8% Expansion/ Diversification
RM2.0 bil

92.2% New Projects
RM22.9 bil

Total Investments
RM24.9 bil

Sub-Sectors: Chemical and Chemical Products

Chemical Products

RM23.9 bil
Total Investments

89
Projects Approved

5,766
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
20.9%
RM5.0 bil

Foreign Investments
79.1%
RM18.9 bil

Expansion / Diversification vs New Projects

5.0% Expansion/ Diversification
RM1.2 bil

95.0% New Projects
RM22.7 bil

Total Investments
RM23.9 bil

Pharmaceutical

RM724.8 mil
Total Investments

15
Projects Approved

872
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
96.6%
RM700.0 mil

Foreign Investments
3.4%
RM24.8 mil

Expansion / Diversification vs New Projects

70.5% Expansion/ Diversification
RM511.1 mil

29.5% New Projects
RM213.7 mil

Total Investments
RM724.8 mil

Biotech

RM117.9 mil Total Investments

1 Projects Approved

15 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments **11.5%** **RM13.6 mil**

Foreign Investments **88.5%** **RM104.3 mil**

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

100.0%

100.0% Expansion/ Diversification **RM117.9 mil**

Total Investments **RM117.9 mil**

Cosmetics & Toiletries

RM114.3 mil Total Investments

7 Projects Approved

318 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments **25.7%** **RM29.4 mil**

Foreign Investments **74.3%** **RM84.9 mil**

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

49.7%

50.3%

49.7% Expansion/ Diversification **RM56.8 mil**

50.3% New Projects **RM57.5 mil**

Total Investments **RM114.3 mil**

Medical Devices

(Under Chemicals and Chemical Products Industry)

RM40.0 mil Total Investments

1 Projects Approved

132 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments **100%** **RM40.0 mil**

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

100.0%

100.0% Expansion/ Diversification **RM40.0 mil**

Paper, Printing & Publishing

RM732.5 mil Total Investments

38 Projects Approved

1,845 Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments **57.5%** **RM421.1 mil**

Foreign Investments **42.5%** **RM311.4 mil**

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

46.6%

53.4%

46.6% Expansion/ Diversification **RM341.6 mil**

53.4% New Projects **RM390.9 mil**

Total Investments **RM732.5 mil**

Petroleum Products (Including Petrochemicals)

RM2.6 bil
Total Investments

50
Projects Approved

1,101
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
47.9%
RM1.2 bil

Foreign Investments
52.1%
RM1.4 bil

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

61.2%
38.8%

- **61.2%** Expansion/ Diversification
  RM1.6 bil
- **38.8%** New Projects
  RM1.0 bil

Total Investments
RM2.6 bil

Plastic Products

RM4.8 bil
Total Investments

115
Projects Approved

5,325
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
26.5%
RM1.2 bil

Foreign Investments
73.5%
RM3.6 bil

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

16.8%
83.2%

- **16.8%** Expansion/ Diversification
  RM0.8 bil
- **83.2%** New Projects
  RM4.0 bil

Total Investments
RM4.8 bil

Rubber Products

RM3.8 bil
Total Investments

21
Projects Approved

5,278
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
15.4%
RM0.6 bil

Foreign Investments
84.6%
RM3.2 bil

0 — 20 — 40 — 60 — 80 — 100

Expansion / Diversification vs New Projects

26.7%
73.3%

- **26.7%** Expansion/ Diversification
  RM1.0 bil
- **73.3%** New Projects
  RM2.8 bil

Total Investments
RM3.8 bil

THE INTELLIGENCE IMPERATIVE IN SERVICES

Services dominated global economic activity in 2025, underlining a structural shift toward knowledge-based, digitally delivered and professionally intensive activities. Growth has been supported less by cyclical recovery factors and more by sustained demand for business services, information and communications technology, logistics, finance, healthcare, and real estate-related services, alongside the continued outsourcing of non-core functions by firms across advanced and emerging economies.

Based on estimates by The Business Research Company, the global services market reached US$17.4 trillion in 2025 and is projected to expand at a compound annual growth rate of 8.4 per cent from 2025 to 2030, approaching US$26 trillion by the end of the decade. Asia-Pacific accounted for the largest share of activity, supported by population scale and rising domestic demand, while North America recorded the fastest expansion, driven by strong uptake of high-value, technology-enabled services.

Changes within services activity have become increasingly evident. Growth has been concentrated in segments that integrate digital infrastructure, data analytics, and automation into service delivery. Professional and business services now place greater emphasis on decision support, operational continuity, and regulatory compliance, particularly in enterprise IT, supply chain management, and advisory functions. This has shifted value creation away from transactional execution toward capability-intensive and knowledge-based provision. Information services have taken on greater economic significance within this trajectory.

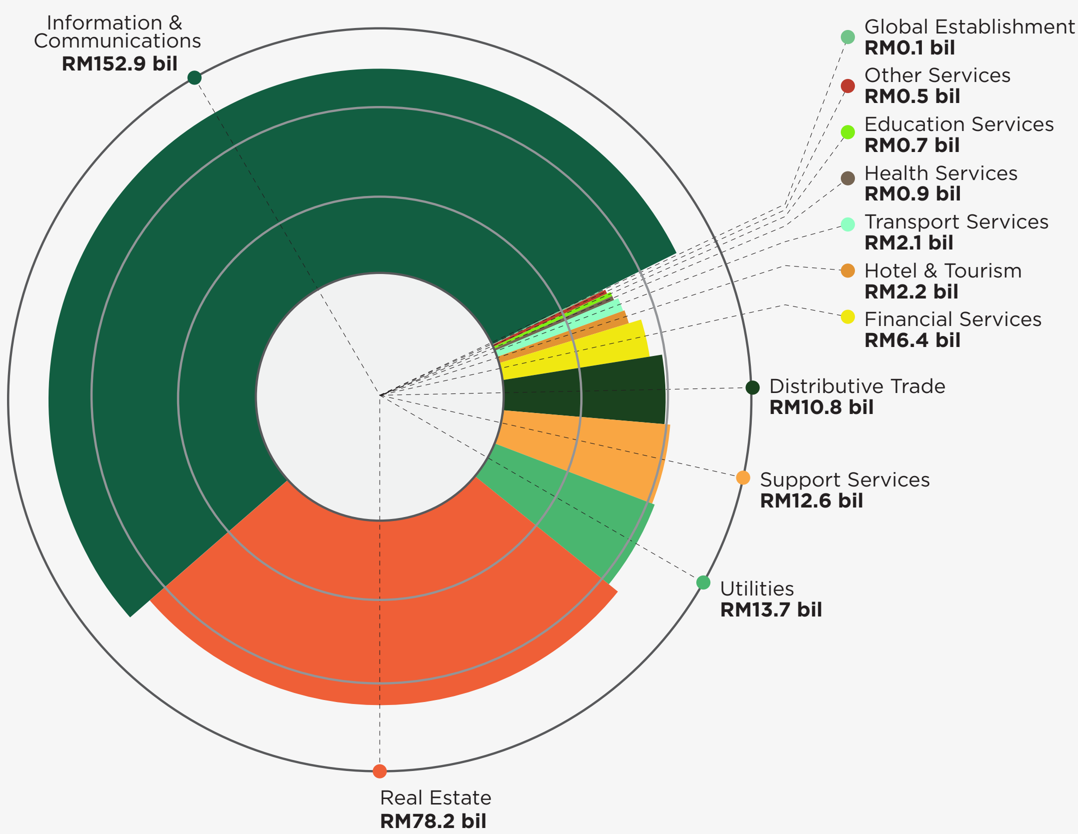
Valued at US$179.7 billion in 2025, this segment has expanded steadily as firms rely more heavily on real-time data, analytics, and sector-specific intelligence. Demand has been strongest in regulated industries such as finance, healthcare, and legal services, where compliance requirements and risk exposure necessitate continuous monitoring and interpretation rather than static information access.

Valued at US$179.7 billion in 2025, this segment has expanded steadily as firms rely more heavily on real-time data, analytics, and sector-specific intelligence.

Highlights of the Services Sector

The services sector has become a key pillar of Malaysia's economic activity, supporting the country's structural shift towards a more advanced and resilient economy. In 2025, the sector operated within a more competitive environment shaped by rising expectations for digital capability, knowledge intensity and service quality, particularly in business-facing segments. Investment activity reflected a clear orientation towards higher-value services that improve productivity, strengthen firm-level efficiency and support technology adoption across the wider economy. This pattern aligns with national priorities under the New Industrial Master Plan 2030 (NIMP 2030), where services are increasingly positioned as enablers of industrial upgrading, supply chain sophistication and long-term economic sustainability rather than stand-alone sources of growth.

Total Approved Investment in the Services Sector in 2025



Alongside this, the Financial Services and Distributive Trade sectors saw robust gains of 47.1 per cent and 33.7 per cent respectively, reflecting a shift toward digital financial systems and resilient consumer markets.

In 2025, total approved investments in the services sector increased by 10.0 per cent to RM281.3 billion, with growth largely attributable to a small number of sectors linked to digital infrastructure, real estate and utilities. The Information and Communications sector remained the primary contributor to the services sector, accounting for more than half of the total approved investments and reinforcing its pivotal role in driving Malaysia's digital and services economy forward. Approved investments in this sector recorded a solid growth of 12.4 per cent, to RM152.9 billion from RM136.0 billion in 2024. This reflected continued capital inflows into data centres, cloud-related infrastructure and supporting digital services.

The surge in investment across Malaysia's service sectors in 2025 highlights a maturing, diversified economy characterised by double-digit growth and high investor confidence. This expansion was anchored by the Hotel and Tourism sector, which emerged as the fastest-growing segment with a 51.6 per cent increase; this momentum is directly tied to the strategic preparations and heightened visibility surrounding the Visit Malaysia 2026 campaign, which has successfully catalysed capital commitments in hospitality infrastructure. Alongside this, the Financial Services and Distributive Trade sectors saw robust gains of 47.1 per cent and 33.7per cent respectively, reflecting a shift toward digital financial systems and resilient consumer markets. The rapid acceleration in tourism, finance and distributive trade signals a strategic pivot toward an experience-driven and service-oriented economic landscape.

Overview of Approved Investments in 2025 (Services)

Services Sub-Sector Performance

Information and Communications

RM152.9 bil
Total Investments

761
Projects Approved

32,028
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
40.8%
RM62.4 bil

Foreign Investments
59.2%
RM90.5 bil

0 — 20 — 40 — 60 — 80 — 100

Sub-Sectors: Information and Communications

Information and Communications Services

RM75.8 bil
Total Investments

7
Projects Approved

501
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
37.1%
RM28.1 bil

Foreign Investments
62.9%
RM47.7 mil

0 — 20 — 40 — 60 — 80 — 100

MSC/MD Status

RM74.3 bil
Total Investments

613
Projects Approved

31,527
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
42.3%
RM31.4 bil

Foreign Investments
57.7%
RM42.9 bil

0 — 20 — 40 — 60 — 80 — 100

Telecommunications

RM2.9 bil
Total Investments

141
Projects Approved

Domestic vs Foreign Investments

Domestic Investments
100.0%
RM2.9 bil

0 — 20 — 40 — 60 — 80 — 100

Real Estate

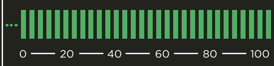
RRM78.2 bil
Total Investments

1,123
Projects Approved

14
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
100.0%
RM78.2 bil



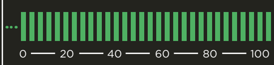
Utilities

RM13.7 bil
Total Investments

32
Projects Approved

Domestic vs Foreign Investments

Domestic Investments
100.0%
RM13.7 bil



Support Services

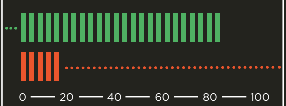
RM12.6 bil
Total Investments

3,219
Projects Approved

8,144
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
81.3%
RM10.3 bil



Foreign Investments
18.7%
RM2.3 bil

Distributive Trade

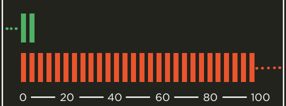
RM10.8 bil
Total Investments

1,510
Projects Approved

86,998
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
7.7%
RM0.8 bil



Foreign Investments
92.3%
RM10.0 bil

Financial Services

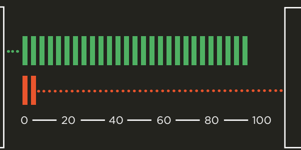
RM6.4 bil
Total Investments

46
Projects Approved

340
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
91.1%
RM5.9 bil



Foreign Investments
8.9%
RM0.5 bil

Hotel and Tourism

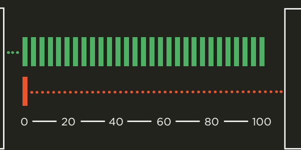
RM2.2 bil
Total Investments

32
Projects Approved

2,498
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
98.1%
RM2.2 bil



Foreign Investments
1.9%
RM43.4 mil

Transport Services

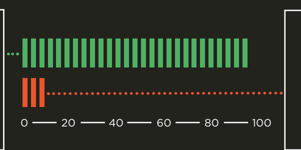
RM2.1 bil
Total Investments

53
Projects Approved

950
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
90.5%
RM1.9 bil



Foreign Investments
9.5%
RM0.2 bil

Health Services

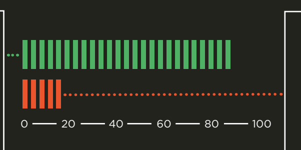
RM870.8 mil
Total Investments

4
Projects Approved

2,213
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
82.9%
RM721.9 mil



Foreign Investments
17.1%
RM148.9 mil

Education Services

RM707.1 mil
Total Investments

119
Projects Approved

954
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments	Foreign Investments
97.4%	2.6%
RM689.0 mil	RM18.1 mil

Global Establishments

RM145.1 mil
Total Investments

70
Projects Approved

787
Employment Opportunities

Domestic vs Foreign Investments

Foreign Investments
100.0%
RM145.1 mil

Other Services (Bionexus)

RM453.2 mil
Total Investments

35
Projects Approved

Domestic vs Foreign Investments

Domestic Investments	Foreign Investments
95.2%	4.8%
RM431.5 mil	RM21.7 mil

MINING DOMINANCE

Primary sector investment activity in 2025 accounted for 3.3% of total approved investments, with a total of RM14.2 billion in approvals. Investment activity was concentrated largely in mining, which accounted for nearly all approved projects, reflecting continued interest in capital-intensive, resource-based developments.

Domestic investment constituted the majority of approvals, while foreign investment recorded selective participation, directed entirely towards the mining sub-sector. Agriculture recorded limited approvals and accounted for all employment generated within the sector, while plantation and commodities did not register new projects during the year. Overall, the investment profile indicates a more capital-driven and narrowly focused primary sector, with emphasis on resource development rather than labour-intensive activities.

Overview of Approved Investments in 2025 (Primary)

32
Projects Approved

RM14.2 bil
Total Investments
(2024: RM8.1 bil)

28
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
82.4%
RM11.7 bil

Foreign Investments
17.6%
RM2.5 bil

0 — 20 — 40 — 60 — 80 — 100

Agriculture

RM51.4 mil
Total Investments

6
Projects Approved

28
Employment Opportunities

Domestic vs Foreign Investments

Domestic Investments
100.0%
RM51.4 mil

0 — 20 — 40 — 60 — 80 — 100

Mining

RM14.1 bil
Total Investments

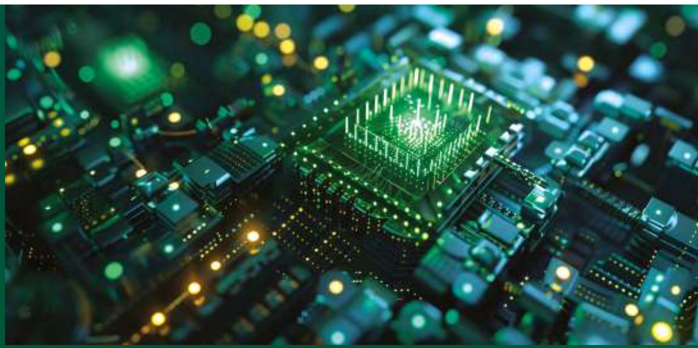
26
Projects Approved

Domestic vs Foreign Investments

Domestic Investments
82.3%
RM11.6 bil

Foreign Investments
17.7%
RM2.5 bil

0 — 20 — 40 — 60 — 80 — 100

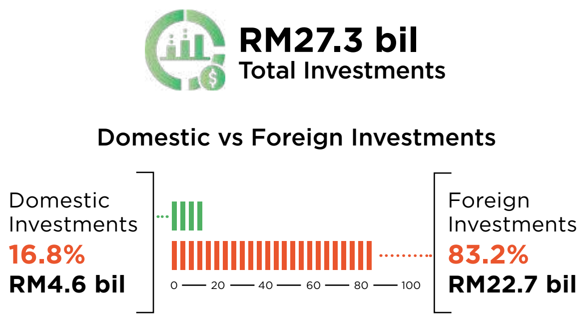


NSS: BRIDGING TECHNOLOGY FOR MALAYSIA'S SHARED TOMORROW

The National Semiconductor Strategy (NSS), introduced in 2024, solidifies Malaysia's semiconductor policy towards higher-impact activities, placing greater emphasis on integrated circuit design and advanced manufacturing alongside assembly, testing and packaging. The strategy reflects a policy judgement that long-term competitiveness requires domestic participation in segments with higher value capture, including design, system integration and intellectual property, rather than continued reliance on back-end manufacturing.

Approved investments under the NSS from 2024 to 2025, amounting to RM85.0 billion, are increasingly directed towards activities that raise technical intensity, deepen production complexity, and anchor longer-term capabilities within the domestic ecosystem. Foreign Direct Investment accounted for RM76.5 billion, or 89.9 per cent of total approvals, reflecting Malaysia's position as a preferred location for multinational firms restructuring supply chains and reallocating advanced manufacturing capacity across Asia. Investment concentration in these segments indicates a shift towards activities that generate ecosystem spillovers rather than stand-alone manufacturing enclaves.

Approved Manufacturing Investments under MIDA's Purview in 2025 for NSS



Diversified Growth: Beyond Electrical & Electronics (E&E), the Machinery & Equipment and Chemical sectors contributed a combined, demonstrating the cross-sectoral impact of the NSS in strengthening the broader manufacturing value chain.

Domestic Participation: Domestic Investment (DI) contributed RM4.6 billion, reflecting the ongoing efforts to integrate local companies into the global semiconductor supply chain and develop local champions in niche equipment and services.

Top Five Sectors in 2025

Sector	Domestic Investments	Foreign Investments
Electrical & Electronics (E&E)	RM1.7 bil	RM13.8 bil
Machinery & Equipment	RM2.0 bil	RM4.6 bil
Chemicals & Chemical Products	RM80.1 mil	RM3.8 bil
Fabricated Metal Products	RM585.3 mil	RM81.9 mil
Plastic Products	RM38.3 mil	RM109.0 mil

NSS Spillover Effects Across the Semiconductor Ecosystem

Firm-Level Impact

- ∞ Higher productivity & wages.
- ∞ More skilled, specialised workforce.

Industry-Wide Impact

- ∞ Higher-value, complex exports.
- ∞ Stronger local supply chains & globally competitive champions.

Economy-Wide Impact

- ∞ Investment Stickiness: Embedded investments are resistant to withdrawal or divestment with intensive capital investment and high complexity projects
- ∞ Value Retention & Capture: Moving up the value chain (design, front-end) to retain more economic value within Malaysia.

NSS-linked ecosystem initiatives, including structured firm engagements and the MIDA–Infineon and MIDA–Texas Instruments Supply Chain Programmes, translate foreign investment presence into domestic capability formation. Enhanced technical standards, quality systems, and workforce readiness raise productivity per worker through the integration of more complex tasks and higher-skilled roles. Growth increasingly shifts towards technology-driven activities, reducing exposure to labour and cost pressures. Anchoring critical capabilities locally strengthens supply-chain resilience and positions Malaysia as an integrated semiconductor manufacturing base rather than a peripheral production site.

Within the semiconductor ecosystem, local firms are increasingly positioned in roles that require sustained technical engagement rather than transactional supply. Functions such as equipment servicing, process troubleshooting, yield optimisation, and precision engineering are becoming embedded locally, shortening response times and reducing operational dependence on offshore technical support. Integration between multinational facilities and domestic suppliers has strengthened, improving coordination, reliability, and continuity across production cycles. This level of operational integration supports a shift towards higher-specification components and services, where performance consistency, compliance, and process capability shape export competitiveness more than cost considerations alone.

As reliance on locally embedded capabilities increases, investment behaviour also adjusts. Multinational operations become more closely tied to domestic engineering services, calibrated equipment support, and qualified supplier networks, raising the cost and complexity of relocation. Capital commitments extend beyond physical assets to include accumulated process knowledge, workforce familiarity, and supplier integration. This reinforces investment commitment and increases the likelihood of reinvestment and functional upgrading within global semiconductor production networks.

5.0

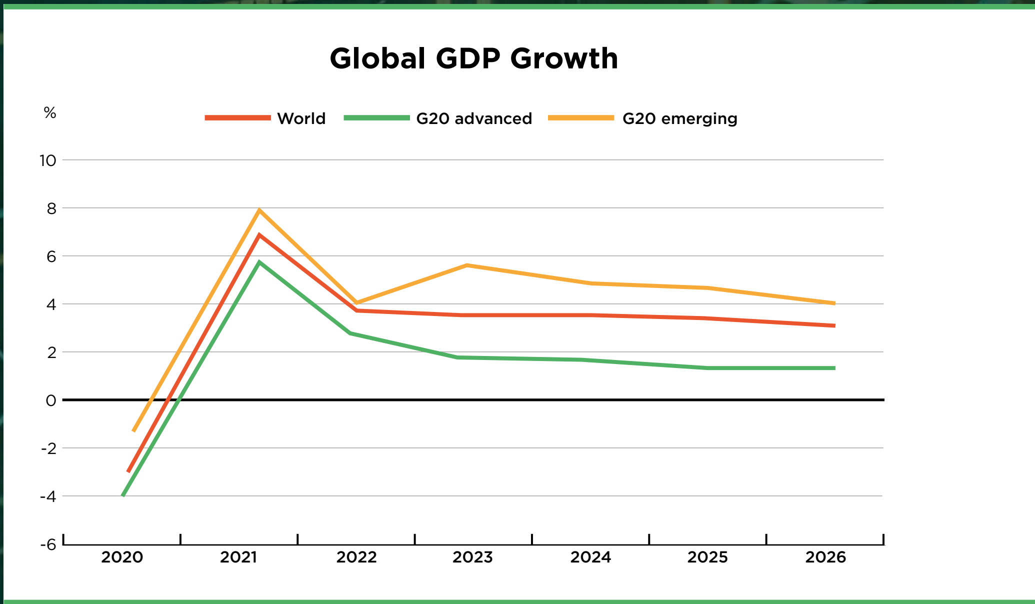
ADAPTING TO THE CHANGING LANDSCAPE

NAVIGATING FRAGMENTED WORLD ECONOMY

The Global economy is expected to adapt and recalibrate as trade frictions, policy uncertainty, and higher effective tariffs increasingly shape investment decisions. Unlike earlier post-pandemic disruptions, these pressures are becoming more embedded and structural in nature, influencing long-term location, sourcing, and capital allocation strategies.

Tariff measures involving the United States of America (the USA) and the People's Republic of China (PRC) are likely to raise operating costs and dampen demand, constraining global expansion. According to the OECD Economic Outlook Report (December 2025), global GDP growth is projected to be moderate around 2.9 per cent in 2026, marking a shift from post-pandemic normalisation towards a more constrained growth environment.

OECD projections show global growth moderating into 2026, with advanced economies experiencing weaker momentum while emerging market economies continue to contribute a larger share of global expansion.



The growth profile illustrated reflects a more uneven global recovery path. Advanced economies continue to face subdued expansion, while emerging market economies provide a relatively stronger contribution to global growth. This divergence highlights the increasingly fragmented nature of the global economy, where growth outcomes are shaped less by synchronised global cycles and more by region-specific policy conditions, sectoral resilience, and execution capacity rather than broad-based expansion.

Despite these pockets of resilience, the broader global outlook is weighed down by investment and structural uncertainty. UN Trade and Development (UNCTAD) notes that geopolitical tensions, shifting trade policies, and weak investment continue to stifle momentum, with high debt and persistent cost pressures posing particular challenges for developing economies. UNCTAD projects global growth to slow to around 2.7 per cent in 2026, slightly below the 2025 estimate and beneath the pre-pandemic average of about 3.2 per cent, reflecting subdued investment, structural headwinds, and ongoing policy uncertainty. UNCTAD further cautions that without stronger international policy coordination, these pressures risk entrenching a lower-growth trajectory, particularly for developing and climate-vulnerable economies, as tight fiscal space, uneven disinflation, and weakening multilateral cooperation continue to weigh on investment and long-term development prospects.

Investment conditions mirror this divergence. While overall foreign direct investment momentum remains subdued, capital continues to concentrate in strategic sectors and selected geographies. Advanced economies are experiencing greater investment polarisation, with Europe facing weaker inflows, while North America continues to attract capital into AI-enabled activities, particularly semiconductors and data infrastructure. In Asia, investment flows are holding up comparatively better, supported by supply chain reconfiguration and regionalisation strategies.

For investment planning in 2026, this environment places greater emphasis on market access, supply chain positioning, and exposure to demand segments that remain more resilient amid global uncertainty.

Greenfield investment activity is expected to remain cautious, especially in supply-chain intensive manufacturing segments such as electronics, machinery, and automotive components. Investors are prioritising resilience, proximity to markets, and execution certainty over scale-driven expansion. This environment favours locations that combine cost competitiveness with policy clarity, infrastructure readiness, and effective facilitation.

Sustaining Growth

ASEAN is expected to sustain growth in 2026 at a pace above the global average, supported by domestic demand and consumption, public and private investment, and its role in global supply chain reconfiguration. While the region remains exposed to external headwinds, production diversification strategies, including China-plus-one and regionalisation, continue to underpin investor interest.

Investment flows into ASEAN are increasingly directed towards manufacturing, digital services, and energy transition-related activities, reflecting a shift towards higher-value and more resilient investment profiles. Regional policy priorities in 2026 are centred on strengthening supply chain connectivity, improving logistics and infrastructure capacity, accelerating digital adoption, and raising labour productivity to support medium-term growth.

The Ministry of Finance (MOF) projects that Malaysia's economic growth for 2026 will remain at a commendable rate of between 4.0 and 4.5 per cent.

The International Monetary Fund (IMF) indicates that Malaysia's growth outlook remains steady, supported by resilient domestic demand and continued investment realisation. The Ministry of Finance (MOF) projects that Malaysia's economic growth for 2026 will remain at a commendable rate of between 4.0 and 4.5 per cent, reflecting sustained household spending, stable labour market conditions, and ongoing private sector investment, despite a softer external environment.

Investment momentum in 2026 is expected to be supported by the translation of previously approved manufacturing and services projects into realised investments. Accordingly, the focus of investment policy and facilitation will increasingly shift from approvals towards implementation, coordination, and execution. Proactive policy reforms and investor facilitation will therefore remain crucial to maintaining Malaysia's investment momentum.

Reshaping Development

The trajectory of Malaysia's economic transformation will be dictated by the precise execution of the 13MP over the 2026–2030 period.

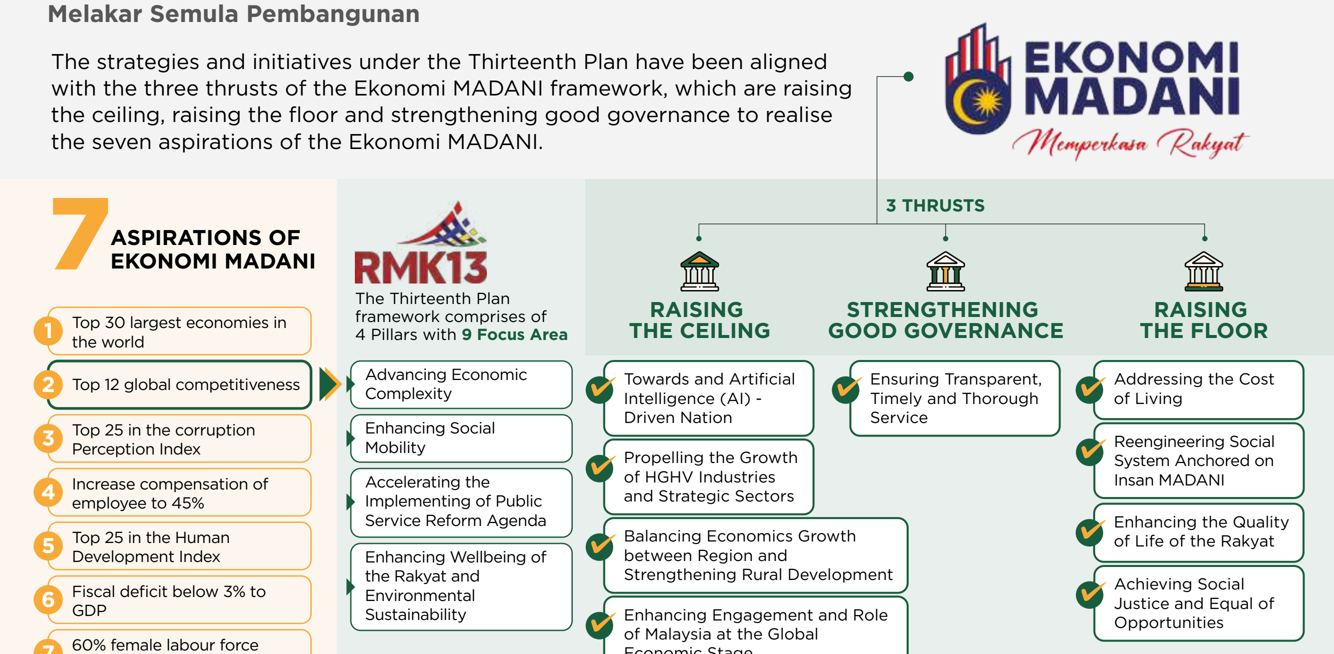
Shifting from traditional growth drivers to a high-value, knowledge-intensive economy is an operational imperative. This imperative has begun to translate into observable investment outcomes. Approved investments in 2025 reached RM426.7 billion, providing an early indication of how capital is aligning with 13MP priorities. The investment pattern provides an early indication of how capital allocation is expected to evolve under 13MP. Manufacturing approvals amounting to RM131.3 billion were concentrated in higher-value segments, including advanced electronics, semiconductor packaging, and new energy vehicles. This concentration points towards a continued shift into more complex production activities and sets the basis for further industrial upgrading and capability development over the 13MP implementation.

At the same time, services approvals amounted to RM281.3 billion, with significant allocations to digital infrastructure and information and communication services. Rather than operating as a standalone growth pillar, services investment increasingly supports productivity across the wider economy by enabling digitalisation, connectivity, and more efficient business operations.

Aspirations of the Thirteenth Plan

Melakar Semula Pembangunan

The strategies and initiatives under the Thirteenth Plan have been aligned with the three thrusts of the Ekonomi MADANI framework, which are raising the ceiling, raising the floor and strengthening good governance to realise the seven aspirations of the Ekonomi MADANI.



Source: Ministry of Economy, Malaysia

This transformation is supported by a total allocation of RM611 billion over five years, comprising government development expenditure (RM430 billion), financing from Government-Linked Investment Companies (GLICs) (RM120 billion), and private sector participation via Public-Private Partnerships (PPP) and Private Finance Initiatives (PFIs) (RM61 billion).

As Malaysia's lead investment promotion agency, MIDA assumes a central role across all four pillars. Its mandate extends beyond approvals to ensuring capital translates into productive capacity and long-term competitiveness. **MIDA will drive investment into high-growth, high-value (HGHV) sectors, scale local firms, develop talent, and strengthen innovation and productivity as well as deepening sectoral ecosystems, fostering collaboration between multinational corporations (MNCs) and local enterprises, and ensuring a coherent investor experience.**

Economic Sector Focus

The execution of 13MP will be defined by performance across five critical channels: digital capability, high-value services, the creative and halal industries, financial markets, and logistics modernisation. Under the 13MP the Manufacturing and Services sectors are positioned as key engines of inclusive, sustainable, and high-income growth, delivering direct and indirect benefits to Malaysians.

Industrial Development Bill

In line with the strategic objectives of the 13MP, as well as other national policy frameworks such as the New Industrial Master Plan (NIMP 2030) and the National Energy Transition Roadmap (NETR), the Government is updating the regulatory framework through the review of existing legislation and the introduction of new laws. A key element of these reforms is the proposed Industrial Development Bill, which is intended to replace the Industrial Co-ordination Act 1975 (ICA).

The Bill seeks to broaden the scope of the industrial development and regulatory framework by extending coverage to key investment enablers, including industrial parks, and other identified areas for improvement. This expanded scope is intended to support more orderly development and strengthen the foundations for sustainable industrial growth.

In 2026, the introduction of the Industrial Development Bill, supported by the adoption of digital technologies and process streamlining, will enhance regulatory predictability and provide clearer visibility for investors. This is expected to support higher-quality investments and strengthen the monitoring of industrial capacity in line with national development priorities.

Climate Change Bill

Another key reform is the proposed Climate Change Bill, which is anticipated to be tabled during the first meeting of the 2026 parliamentary session. The Bill is intended to establish a comprehensive legal framework to support Malaysia's transition towards a low-carbon economy.

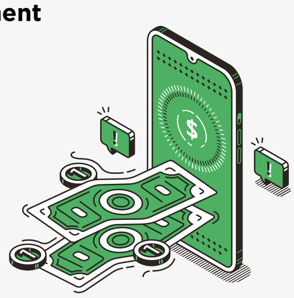
Under the proposed legislation, an independent regulatory body will be established to oversee compliance, data governance, and the implementation of carbon reduction mechanisms. The regulator will also be responsible for developing a carbon quota system, including the allocation of carbon credits and emissions allowances across industries. In parallel, the Government is finalising the design of a carbon tax mechanism, which is scheduled for implementation in 2026 and will be administered using the monitoring, reporting, and verification framework provided under the Bill.

Revenue generated from the carbon tax is to be channelled towards green technology development.

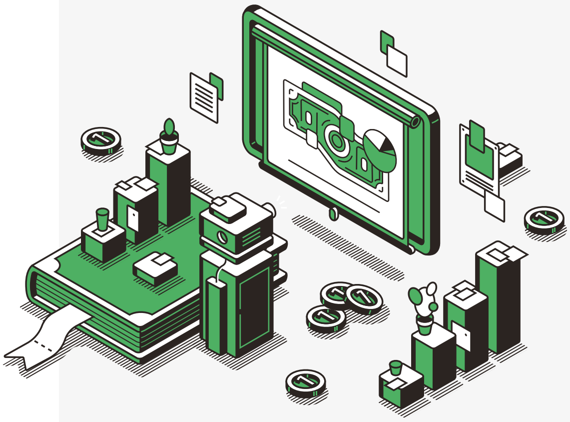
These measures support the objectives of the NETR by strengthening climate governance, providing clearer market signals for decarbonisation, and directing resources towards renewable energy, efficiency improvements, and other priority transition projects. The framework also incentivises industries to adopt sustainability-led investment and innovation practices.

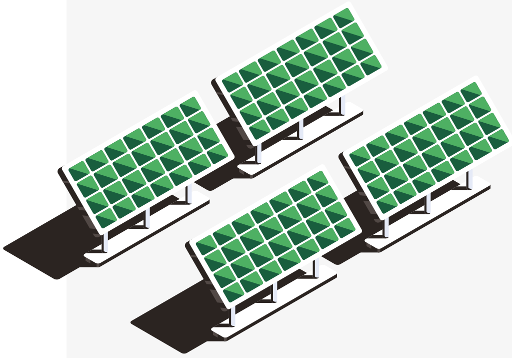
Budget 2026: Implementing Structural Change

Budget 2026 indicates a clear reorientation from post-pandemic stabilisation to the active, fiscal implementation of the 13MP and the Ekonomi MADANI agenda. Designed for structural change, its measures form a synergistic ecosystem in which strategic public capital de-risks private investment in complex sectors, refined outcome-based incentives enhance investment quality, and a sustainability framework supports long-term viability. The overarching objective is to increase Malaysia's economic complexity by shifting productive capabilities into more sophisticated and higher-margin segments of the global value chain. Complementing the broader structural and policy reforms outlined under 13MP, Budget 2026 provides the fiscal backbone for implementation. The key highlights of the National Budget 2026 are outlined below.

	Initiative	Details
1	**New Incentive Framework (NIF)**	The NIF framework will be fully implemented for the manufacturing sector in Q1 2026 and the services sector in Q2 2026.
2	**Investor Pass** 	The Investor Pass, managed by MIDA, provides foreign investors with a Multiple Entry Visa valid for up to 12 months. The scheme eases the entry and movement of foreign investors and business visitors into Malaysia to facilitate their business and investment activities.
3	**Extension of R&D Commercialisation Incentive** 	The tax deduction scheme for companies investing in subsidiaries that commercialise non-resource-based R&D outputs from research institutions, public universities, and private higher education institutions will be extended for five years. **Effective Date** For applications received by MIDA from 1 January 2026 to 31 December 2030.
4	**Green Investment Tax Allowance (GITA) Assets (for Own Consumption** 	100 per cent investment tax allowance is granted to companies that utilise green technology products within a locally manufactured supply chain certified with the MyHIJAU Mark.
5	**Accelerated Capital Allowance (ACA) on Capital Expenditure for Plants, Machinery, and ICT Equipment** 	Capital expenditures eligible for the Accelerated Capital Allowance (ACA) under the Inland Revenue Board of Malaysia (IRBM) can be fully claimed by companies over a period of two (2) years as follows:

Eligible Expenditure	Capital Allowance Rate
Procurement of heavy machinery from local manufacturers	Early Allowance: 20% Yearly Allowance: 40%
Procurement of plants and general machinery from local manufacturers	
Purchase of ICT equipment and computer software	
Consultancy, licensing, and fees related to custom computer software development	

	Initiative	Details
6	**Support for High-Value Sectors** 	Support for high-value sectors will be given as follows: ∞ Allocation of RM200 million under the Strategic Co-Investment Fund (CoSIF) under the NIMP 2030, administered through Equity Financing (ECF) and Peer-to-Peer Financing (P2P) platforms, for SMEs and Mid-Tier Companies that strengthen key sector supply chains. ∞ Allocation of RM180 million under the NIMP 2030 Industrial Development Fund (NIDF) to fund industrial development programmes in strategic sectors such as pharmaceuticals, semiconductors, AI, digital and sustainability. ∞ Investment by RM550 million by Khazanah and KWAP in the semiconductor ecosystem in an effort to increase collaboration between local firms and multinational companies. ∞ Provision of RM500 million in financing under the National Semiconductor Strategy (NSS) by Bank Pembangunan Malaysia Berhad (BPMB) to support high value-added activities such as R&D, particularly for local companies that contribute to the E&E ecosystem. ∞ Launch of SemiconStart, an incubator programme by the Malaysian Technology Development Corporation (MTDC) in collaboration with global incubators, that will support early-stage startups obtain mentorship, access to global financing, discounted prototyping and a network of customers.
7	**Development of Strategic Sectors through GLIC Investments** 	To spur the growth of strategic sectors, GLICs will channel investments towards local companies and markets at the expansion stage: ∞ KWAP has allocated RM1.2 billion under the Dana Pemacu to co-invest with private fund managers (co-GP) in emerging companies and markets within priority sectors such as energy transition, food security, and the digital economy. ∞ Khazanah's Mid-Tier Companies Programme provides RM250 million to strengthen the capabilities of mid-tier companies.
8	**Energy Transition Agenda** 	The NETR sets a target of achieving 70 percent of electricity generation capacity from renewable energy sources by 2050. The NETR is supported by the RM150 million National Energy Transition Facility. Large-scale solar generation projects with a combined capacity of nearly 2 gigawatts are being implemented under the LSS six (6) programmes, involving an estimated RM6 billion in private investment.

	Initiative	Details
8	**Energy Transition Agenda** 	GLICs and GLCs are mobilising RM16.5 billion in investments for 2026. For example, UEM Lestra is developing solar farms in Segamat, Melaka, and Selangor, and collaborating with PLUS to expand EV charging infrastructure. Renewable energy from biogas, biomass, and small hydropower will be expanded through an additional 300-megawatt quota under the Feed-In Tariff programme, with expected commissioning as early as 2028. The Corporate Renewable Energy Scheme (CRESS) is expected to generate investments of RM3.5 billion through participating companies that will produce 500 megawatts of renewable energy. The Solar Accelerated Transition Action Programme (Solar ATAP) enables consumers to generate electricity for their own use and sell excess energy to utility companies as an offset on their electricity bills. This initiative allows consumers to contribute to increasing renewable energy generation through solar installations of up to 500 megawatts. The Green Technology Financing Scheme (GTFS) 5.0 is open until 31 December 2026, offering Government guarantee incentives of up to 80 per cent for green technologies in the waste sector, and up to 60 per cent for other sectors such as energy, water, transport, and manufacturing, with a total financing value of RM1 billion.
9	**ASEAN Business Entity (ABE) Status**	The Government will introduce the ASEAN Business Entity (ABE) Status, coordinated by the Securities Commission (SC). This status will be granted to public-listed companies with a strong market presence across ASEAN, as well as mid-sized companies with the potential to expand their operations. The ABE will facilitate the movement of skilled talent, thereby supporting the growth of Malaysian companies within the ASEAN region.

The RM470 billion public investment commitment, next-generation incentives, and focus on high-growth sectors support a constructive investment outlook for 2026.

These measures signal a more mature investment environment oriented towards quality capital rather than volume. Strategic de-risking in complex sectors, reinforced by greater fiscal certainty and a credible sustainability framework, strengthens Malaysia's capacity to attract foreign direct investment and mobilise domestic capital, accelerating the transition towards a more knowledge-based, high-income economy.

Positioning Malaysia for Resilient and High-Value Growth

The confluence of digital transformation, the global green transition, and ongoing supply chain realignment presents a strategic window for Malaysia to strengthen its regional competitiveness. A clear emphasis on advanced manufacturing, digital services, and renewable energy infrastructure supports national priorities under the 13MP, NIMP 2030 and NETR.

In 2026, Malaysia's growth trajectory will depend less on cyclical recovery and more on execution. With global growth remaining uneven and investment flows increasingly selective, positioning within resilient segments of regional and global value chains becomes more critical. Investment quality, technology adoption, and the translation of commitments into productive capacity will shape outcomes more than headline approval figures.

Recent adjustments to investment, industrial, and regulatory frameworks reflect this shift. Greater clarity in incentives, updated regulatory structures, and clearer sustainability signals are shaping a more predictable environment for high-growth and high-value activities, particularly in advanced manufacturing, global services, and energy transition-related industries. These changes also encourage closer links between multinational and domestic firms, supporting ecosystem-based development.

Fiscal alignment under Budget 2026 provides the necessary implementation support for these reforms. Public capital is deployed selectively to crowd in private investment, while clearer governance and regulatory processes reduce execution risk for longer-term projects. These elements support a gradual shift towards a more complex and diversified economic structure.

In 2025, the Malaysian ringgit demonstrated notable strength, emerging as one of Asia's best-performing currencies reflecting growing investor confidence in Malaysia's economic fundamentals. The currency's rally was supported by robust GDP growth, fiscal discipline, strong export performance, and sustained inflows into local debt and equity markets, making Malaysia an attractive destination for both portfolio and direct investment. This improved macroeconomic resilience, coupled with stable monetary policy and narrowing interest-rate differentials, helped the ringgit hold firm even as global uncertainties persisted, and market observers expect the positive trajectory to continue into 2026 amid favourable external conditions and continued capital flows. The ringgit's comparative outperformance against other ASEAN currencies underscores Malaysia's status as a stable and credible growth story in the region, reinforcing trade and investment linkages as confidence in the country's long-term prospects strengthens.

Overall, Malaysia's outlook for 2026 reflects a transition from recovery-driven growth towards a more structurally anchored expansion. The durability of this transition will depend on consistent policy delivery, institutional coordination, and the ability to sustain investment quality in a more competitive global environment.

ASEAN MALAYSIA 2025
INCLUSIVITY AND SUSTAINABILITY

DRIVING REGIONAL LEADERSHIP: MALAYSIA'S ASEAN CHAIRMANSHIP AND ECONOMIC MOMENTUM

In 2025, Malaysia assumed the Chairmanship of the Association of Southeast Asian Nations (ASEAN) under the theme "Inclusivity and Sustainability." Under the ASEAN Economic Pillar "Priority Economic Deliverables" (PED), Malaysia's leadership delivered concrete, forward-looking outcomes that strengthened regional trade architecture, accelerated economic integration and reinforced ASEAN's attractiveness as an investment destination. Fifteen PEDs have been successfully completed, and the remaining three are strategically targeted for completion by the first quarter of 2026.

Key Economic Milestones under the 18 Priority Economic Deliverables (PEDs)

Key Priority Areas

- Trade Facilitation
- Digital Economy
- Sustainability
- MSME Development
- Human Capital

18 PEDs anchored on Four Key Thrusts

a. Enhancing Trade and Investment

1. Conclusion of the Negotiation and Signing of the 2nd Protocol to Amend the ASEAN Trade in Goods Agreement (ATIGA)
2. Signing of the ASEAN-China Free Trade Area 3.0 Upgrade Protocol
3. Substantial Conclusion of the Review of ASEAN-India Trade in Goods Agreement (AITIGA)
4. Joint Declaration on Economic Cooperation between the Association of Southeast Asian (ASEAN) and the Gulf Cooperation Council (GCC)

b. Creating an Inclusive & Sustainable Pathway

5. Adoption of the ASEAN Sustainable Investment Guidelines (ASIG)
6. Catalysing Access to Financing for a Climate-Resilient and Just Transition in ASEAN
7. Accelerating the Growth of More Sustainable, Connected and Inclusive ASEAN Capital Market
8. Development of Policy Recommendations and Guidelines to Support ASEAN EV Implementation Roadmap
9. Endorsement of the ASEAN Plan of Action for Energy Cooperation 2026-2030
10. ASEAN Vision of Agriculture: Towards 2045
11. ASEAN Centre of Excellence of MSMEs in Green Transition
12. ASEAN Minerals Development Vision and Action Plan to Progressively Promote the Region as a Sustainable Minerals Investment Destination

c. Promoting Integration & Connectivity of Economies

13. ASEAN Framework for Integrated Semiconductor Supply-Chain (AFISS)
14. Development of ASEAN Tourism Outlook

d. Building a Digitally Resilient ASEAN

15. Substantial Conclusion of the ASEAN Digital Economy Framework Agreement (DEFA) Negotiation
16. Establishing ASEAN Technology Startup Ignite
17. Declaration on the Establishment of an ASEAN AI Safety Network (ASEAN AI SAFE)
18. Fostering Inclusive Instant Payment Connectivity in ASEAN

Malaysia's stewardship of ASEAN in 2025 has delivered a substantial and lasting impact, successfully translating the PEDs into a concrete roadmap to enhance the bloc's resilience, attract investment, and accelerate digital and green transformation. This leadership has solidified ASEAN's role as a cohesive and forward-looking global economic hub.

Key achievements include fortifying ASEAN's core trade architecture through landmark agreements like the upgraded ASEAN Trade in Goods Agreement (ATIGA) and ASEAN-China FTA 3.0, while expanding its global reach with the ASEAN-GCC Joint Declaration. Simultaneously, Malaysia propelled the bloc into future-critical sectors, evidenced by the adoption of the ASEAN Sustainable Investment Guidelines (ASIG), the ASEAN EV Roadmap, and the near-completion of the Digital Economy Framework Agreement (DEFA). These strategic milestones, alongside frameworks for semiconductors and AI safety, collectively position ASEAN for competitive, resilient, and sustainable growth in the decades ahead.

Key Impact on Malaysia's Investment Performance

The Priority Economic Deliverables (PEDs) has a significant positive impact on Malaysia's investment opportunities, primarily by **enhancing policy clarity, attracting high-value foreign direct investment (FDI), and integrating Malaysia into resilient regional supply chains.**

Increased FDI Inflows:

According to the ASEAN Investment Report (AIR) 2025, ASEAN's foreign direct investment (FDI) inflows demonstrated remarkable resilience, growing by 8.5 percent to US$226 billion, despite global economic headwinds. Intra-ASEAN investments accounted for an increasing 14 percent share, surging by 45 percent to approximately US$31 billion, underscoring deepening regional integration. Intra-ASEAN investment into Malaysia also remained a meaningful component of the country's inward FDI, amounting to around US$5 billion, reflecting sustained investor confidence in Malaysia as a competitive and stable investment destination within ASEAN.

Targeted High-Value Sectors:

The Priority Economic Deliverables (PEDs) focus on high-value and future-oriented sectors where Malaysia holds strong competitive advantages, particularly in the digital economy and semiconductors, thereby strengthening the country's position within regional and global value chains.

- The **ASEAN Framework for Integrated Semiconductor Supply-Chain (AFISS)** leverages Malaysia's strength in assembly, testing and packaging, positioning the country as a critical hub for high-tech investment and R&D.
- The **Digital Economy Framework Agreement (DEFA)** aligns with Malaysia's MyDIGITAL blueprint, attracting significant data center and digital infrastructure investments.

Sustainability and Green Investment:

The adoption of the ASEAN Sustainable Investment Guidelines (ASIG) and the creation of the ASEAN Centre of Excellence for MSMEs in Green Transition channel investments into sustainable practices and green technology sectors. This supports Malaysia's National Energy Transition Roadmap and encourages businesses to adopt ESG compliance.

Enhanced Trade Facilitation:

The upgrade to the ASEAN Trade in Goods Agreement (ATIGA) reduces non-tariff barriers and lowers business costs, making Malaysia a more efficient and attractive base for manufacturing and export-oriented industries within the regional supply chain.

As reflected during the 47th ASEAN Summit and Related Summits, the conclusion of Malaysia's ASEAN Chairmanship underscores ASEAN's capacity to remain steadfast, cohesive and responsive amid global uncertainty. While recognising that no single chairmanship can resolve all challenges, Malaysia's leadership has strengthened ASEAN's institutional resilience, deepened cooperation with partners and reinforced the foundations for sustained regional economic growth. As ASEAN enters a new chapter under the incoming Chair, Malaysia remains committed to supporting continued economic integration, investment facilitation and collective resilience, in line with ASEAN's long-term vision for a stable, inclusive and future-ready regional economy.

From an investment standpoint, Malaysia's ASEAN Chairmanship 2025 has delivered tangible outcomes that strengthen regional integration, improve investment certainty and support future-ready growth. These achievements also reflect Malaysia's commitment to advancing the Regional Investment Promotion Action Plan (RIPAP), through strengthened ASEAN-wide investment facilitation, the promotion of quality and sustainable investments, and the reinforcement of ASEAN's positioning as a cohesive, competitive and future-ready investment region.

MIDA TRANSFORMATION: SHAPING MALAYSIA'S NEXT WAVE OF INVESTMENTS

The Ekonomi MADANI framework, the 13th Malaysia Plan (13MP) and the New Industrial Master Plan 2030 (NIMP 2030) set clear national priorities for inclusive growth, higher value development and sustainable industrial upgrading. Achieving these priorities depends on a modernised investment ecosystem that can respond effectively to changes in how and where global investments are made.

The global investment environment has shifted in practical ways. Supply chains are being reorganised as companies adopt digital technologies, automate production and adjust to geopolitical risks, while sustainability and the energy transition increasingly influence investment decisions. In this context, investors place greater importance on clarity, speed, reliable data and consistent support from initial engagement through to project implementation.

In Malaysia, internal assessments highlighted potential opportunities to strengthen investor clarity and confidence. These include streamlining investor journeys, enhancing consistency in policy interpretation, strengthening post-investment support, improving cross-sector coordination and advancing integrated data systems. Ongoing efforts to reinforce Federal–State collaboration and establish a coordinated investment strategy are required to further enhancing clarity for investors. These measures align with regional peer practices and prevailing reform trends and aim to position Malaysia as a competitive peer, accelerating the institutional and digital transformation required for a modern, high-value economy.

MIDA embarked on a transformation initiative across 2024 and 2025, which received approval in principle from National Investment Council (NIC) in July 2025 and Cabinet endorsement in November 2025. The decision empowered MIDA to activate a new operating model and agile organisational structure with several major initiatives, including:

- Develop a **unified national investment branding** under 'InvestMalaysia',
- Lead the development of Malaysia's **One-Stop Portal (OSP)** for investment; and
- Coordinate **national investment data** across ministries and agencies.

End-to-End Investment Journey Reform

MIDA's transformation reflects a shift towards a more integrated, outcome-driven operating model with stronger institutional coordination.

1. Outcome-Driven KPIs

Performance measurement shifts from activity-based metrics to outcome-based that prioritise realised quality investments, economic impact, high-skilled jobs creation, and supply chain resilience.

2. Ecosystem-Driven Model

Siloed industry-based functions are replaced with four interconnected clusters: Advanced Manufacturing & Technology; Energy & Chemical; Healthcare & Life Sciences; Digital & Services - supported by the Strategic Investor Facilitation Taskforce (SIFT).

3. Specialised Workforce

Roles are redesigned with clearer ownership and accountability at each stage of the investment lifecycle, enabling more informed and timely decision-making while establishing clearer career pathways and professional progression.

4. Enhanced Governance and Delegated Decision-Making

Governance and decision-making are streamlined through clearer delegation of authority, standardised operating procedures and strengthened oversight mechanisms, enabling faster decisions, reduced bottlenecks and more consistent execution across the organisation.

5. Data Custodianship

MIDA acts as the central custodian of national investment intelligence through centralised investment-related data, providing predictive analytics and a 'single source of truth' for reporting, while strengthening its role as Malaysia's lead Investment Promotion Agency (IPA).

For investors, these changes translate into a more seamless, predictable and supportive experience across the full investment lifecycle.

1. One-Stop Portal (OSP)
A central gateway for all enquiries, applications and real-time project tracking, which reduces bureaucracy and provides full visibility over timelines.

2. Unified National Branding
Investment marketing strategy across Federal and State agencies are synergised under a single 'InvestMalaysia' brand, optimising resources and rationalising promotion efforts through a unified narrative.

3. Dedicated Investor Relationship Management
Strategic investors receive dedicated relationship leads who act as a single accountable contact point to resolve issues and facilitate long-term aftercare.

4. End-to-End Investment Journey Support
Support does not stop at approvals; it is strengthened across implementation, fulfilment, aftercare and reinvestment to reduce execution risk and improve investment realisation.

5. Faster and More Predictable Evaluation
Centralised evaluation with clear workflows and defined service standards significantly improves speed and consistency of approvals, while giving investors clear visibility on timelines and requirements.

6. Ecosystem and Value Chain Support
Facilitation extends beyond individual projects to address supplier readiness, talent availability and ecosystem gaps, enabling investors to embed their operations more sustainably in Malaysia.

Ecosystem Cluster Approach in the New MIDA
Core Framework of Unified National Branding Initiative

Unified Branding
Apply a single, credible brand identity across all investor-facing communications and touchpoints nationwide.

Unified Promotion
Ensure all federal and state agencies present a single, coordinated message to global investors, based on a shared national strategy.

Unified Facilitation
Provide investors with seamless end-to-end support: MIDA leads national coordination, while state and regional IPAs handle local implementation.

Unified Image Building
Strengthen Malaysia's global reputation through synchronised campaigns that showcase national strengths and key sectors.

Digital Transformation for a Modern Investment Ecosystem

Technology is the foundational engine of the MIDA Transformation Initiative, designed to create a faster, more transparent and intelligence-driven investment ecosystem. The strategy introduces integrated digital platforms to replace fragmented systems, providing end-to-end visibility and data-driven decision-making for investors and government agencies alike.

Core Technology Pillar

One-Stop Portal (OSP)

The central, unified and digital platform for all investor interactions from enquiries to approvals and tracking. It streamlines communication across agencies, reduces duplication and provides real-time project status, significantly enhancing transparency and predictability.

Investment Data Lakehouse

A centralised repository that consolidates data from all ministries, states and regulators. It breaks down data silos, enables powerful analytics and predictive insights, and strengthens national investment intelligence for strategic planning.

Upgraded IT Architecture

A modern, secure and scalable technological backbone that ensures seamless interoperability between MIDA, federal and state systems. It supports whole-of-government integration and future growth.

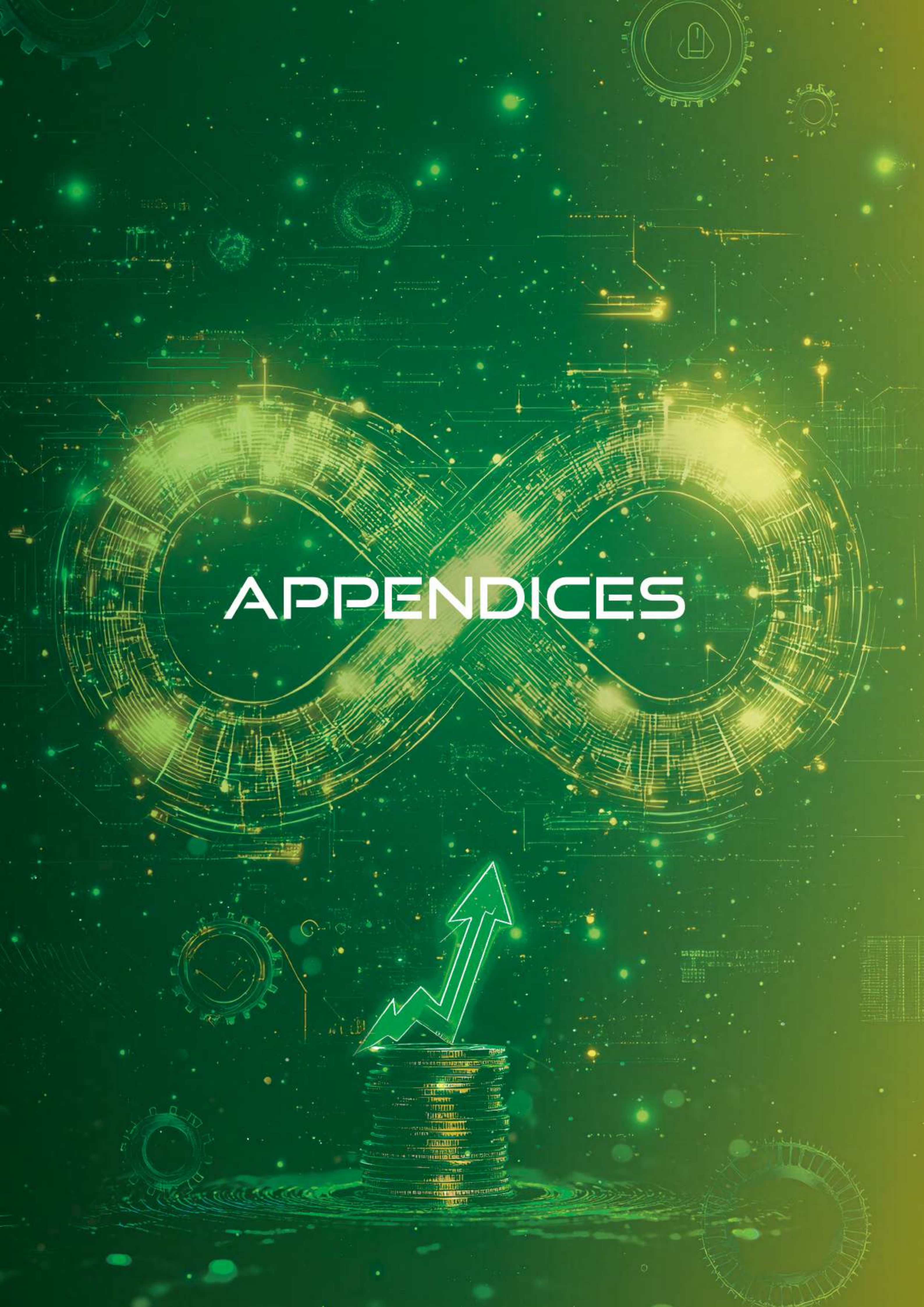
Integrated KPI Dashboard

A performance monitoring tool that tracks key metrics across the entire investment lifecycle from lead generation to aftercare. It enhances accountability, enables proactive management and ensures consistent service standards.

By unifying policy, facilitation, data, and accountability under a single national framework, MIDA's transformation strengthens investment governance and prioritises quality, impact, and skilled job creation. This shift driving a more dynamic, ecosystem-based investment environment focused on long-term value creation.

The transformation of MIDA marks a pivotal shift in how the nation competes, anchored in intelligence, powered by technology and reinforced by a whole-of-Government commitment to deliver a seamless investor experience.

APPENDICES



APPENDIX 1: Approved Investments in Various Economic Sectors by Main Sector, 2025 and 2024

MAIN SECTOR	2025**					2024 (R)				
	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)
Primary	32	28	11,670.3	2,492.5	14,162.8	75	463	6,620.5	1,525.9	8,146.3
Manufacturing	1,354	109,948	30,721.1	100,576.0	131,297.1	1,108	87,695	31,591.8	88,891.7	120,483.6
Services	7,004	134,926	177,221.5	104,055.5	281,277.0	6,499	119,560	174,894.1	80,856.1	255,750.2
Total	**8,390**	**244,902**	**219,612.8**	**207,124.0**	**426,736.8**	**7,682**	**207,718**	**213,106.4**	**171,273.7**	**384,380.1**

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Selected data for the transport services, financial services, utilities, and information & communications subsectors is only available up to September 2025
(R): Revised Figures

APPENDIX 2: Approved Investments in Various Economic Sectors by State, 2025 and 2024

STATE	2025**					2024				
	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)
Johor	1,348	24,584	49,512.2	60,518.9	110,031.1	795	20,064	18,814.5	29,031.5	47,846.1
Selangor	2,562	61,311	48,852.7	35,063.7	83,916.4	2,009	66,357	75,898.9	25,891.7	101,790.6
W.P. Kuala Lumpur	1,115	82,985	39,883.5	23,379.2	63,262.7	1,106	56,088	49,754.7	39,454.9	89,209.6
Pulau Pinang	745	28,570	14,727.7	18,149.9	32,877.6	520	20,433	15,565.7	16,421.2	31,986.9
Kedah	397	14,705	4,796.4	22,994.8	27,791.2	224	9,385	2,972.3	45,013.1	47,985.3
Negeri Sembilan	295	3,845	14,698.7	4,430.9	19,129.6	208	4,684	3,818.0	3,430.8	7,248.9
Perak	560	10,704	10,548.1	5,207.3	15,755.3	336	4,353	8,426.5	332.1	8,758.6
Melaka	312	4,612	6,255.9	8,429.1	14,685.1	251	16,818	5,133.0	3,130.8	8,263.8
Sabah	159	2,874	7,931.7	6,618.3	14,550.0	151	2,165	5,377.2	1,080.6	6,457.8
Sarawak	208	2,424	5,277.2	8,916.3	14,193.6	292	4,666	12,158.1	4,077.4	16,235.5
Pahang	280	2,707	2,770.5	5,340.2	8,110.7	197	1,440	2,836.5	1,747.9	4,584.4
Terengganu	76	3,141	1,379.7	6,201.0	7,580.7	49	376	612.4	4.7	617.0
Kelantan	88	399	1,643.4	0.4	1,643.8	66	585	1,664.8	492.8	2,157.7
W.P. Putrajaya	17	394	823.1	39.9	863.0	28	16	1,254.9	3.7	1,258.7
W.P. Labuan	36	580	141.3	330.7	472.0	36	215	259.6	114.3	373.9
Perlis	13	74	217.2	0.0	217.2	9	73	123.3	3.5	126.8
Undecided***	179	993	10,153.5	1,503.4	11,656.9	1,405	0	8,435.8	1,042.7	9,478.5
Total	**8,390**	**244,902**	**219,612.8**	**207,124.0**	**426,736.8**	**7,682**	**207,718**	**213,106.4**	**171,273.7**	**384,380.1**

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Selected data for the transport services, financial services, utilities, and information & communications subsectors is only available up to September 2025
*** : Proposed state details not available
(R): Revised Figures

APPENDIX 3: Top 10 Approved Investments in Various Economic Sectors with Foreign Participation by Foreign Investors, based on Ultimate*** Source, 2025 and 2024

FOREIGN INVESTOR***	2025**			2024 (R)		
	No.	Potential Employment	Foreign Investment* (RM Million)	No.	Potential Employment	Foreign Investment* (RM Million)
Singapore	342	20,031	58,345.3	315	21,899	24,906.9
The People's Republic of China	351	40,222	57,981.0	190	20,171	28,441.0
The United States of America (USA)	84	9,370	15,124.1	69	8,304	33,515.7
Japan	208	53,085	7,614.7	211	28,464	4,555.4
Hong Kong SAR	106	12,664	7,089.7	65	16,024	7,416.1
British Virgin Islands (BVI)	12	1,153	6,681.4	10	358	294.2
The Netherlands	22	1,009	5,694.8	28	6,310	5,362.2
Taiwan	69	7,265	4,121.1	58	5,243	5,578.1
Italy	12	410	3,284.9	10	311	206.3
Cayman Islands	16	2,915	3,112.1	11	747	6,641.7

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Selected data for the transport services, financial services, utilities, and information & communications subsectors is only available up to September 2025
*** : Reporting of foreign investment is based on the ultimate source
**** : The compilation of data on approved investments in various economic sectors by ultimate source started in 2024
(R) : Revised Figures

APPENDIX 4: Top 10 Approved Investments in Various Economic Sectors with Foreign Participation by Foreign Investors, based on Immediate Source, 2025 and 2024

FOREIGN INVESTOR***	2025**			2024 (R)		
	No.	Potential Employment	Foreign Investment* (RM Million)	No.	Potential Employment	Foreign Investment* (RM Million)
Singapore	540	42,973	93,178.1	496	35,493	42,174.4
The People's Republic of China	328	29,707	41,889.1	187	13,771	14,200.0
The Netherlands	31	2,206	13,845.8	35	4,108	4,970.4
Hong Kong SAR	145	17,677	13,492.1	74	14,201	12,986.2
Japan	219	53,789	8,917.7	216	28,930	3,382.2
The United States of America (USA)	91	9,388	7,515.0	68	9,752	30,424.2
Taiwan	89	7,756	3,803.4	72	7,199	5,290.9
Italy	14	426	2,967.0	10	323	154.0
Hungary	2	925	2,867.5	2	90	27.1
Cayman Islands	14	1,360	2,832.7	16	432	6,472.2

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Selected data for the transport services, financial services, utilities, and information & communications subsectors is only available up to September 2025
*** : Reporting of foreign investment is based on the immediate source
(R) : Revised Figures

APPENDIX 5: Approved Manufacturing Projects by Status, 2025 and 2024

	2025			2024 (R)		
	New	Expansion / Diversification	Total	New	Expansion / Diversification	Total
Number	796	558	1,354	691	417	1,108
Potential Employment	66,232	43,716	109,948	50,502	37,193	87,695
Total Investment* (RM Million)	86,378.1	44,919.0	131,297.1	49,768.8	70,714.8	120,483.6
Domestic Investment* (RM Million)	16,585.2	14,135.9	30,721.1	17,192.5	14,399.3	31,591.8
Foreign Investment* (RM Million)	69,792.9	30,783.1	100,576.0	32,576.3	56,315.5	88,891.7

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided

(R) : Revised Figures

APPENDIX 6: Approved Manufacturing Projects by Industry, 2025 and 2024

INDUSTRY**	2025					2024 (R)				
	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)
Electrical and Electronics	245	29,696	4,720.3	23,737.9	28,458.2	153	30,888	2,497.1	53,309.5	55,806.5
Chemicals and Chemical Products	113	7,102	5,775.4	19,075.4	24,850.8	92	4,476	4,207.6	6,417.5	10,625.1
Transport Equipment	119	12,882	3,337.2	11,598.2	14,935.4	110	9,675	3,560.1	12,265.2	15,825.3
Basic Metal Products	21	3,623	491.8	10,610.2	11,102.0	10	1,334	1,180.0	384.8	1,564.8
Machinery and Equipment	138	10,436	2,556.9	8,427.9	10,984.8	139	9,053	4,472.8	6,103.8	10,576.6
Non-Metallic Mineral Products	54	4,849	2,072.2	8,151.7	10,223.9	56	2,905	3,069.3	2,223.6	5,292.9
Food Manufacturing	115	9,723	4,109.3	2,232.5	6,341.8	110	5,839	4,048.2	2,060.5	6,108.6
Fabricated Metal Products	157	7,876	2,619.5	3,578.5	6,198.0	131	6,936	2,519.5	1,176.8	3,696.2
Plastic Products	115	5,325	1,285.7	3,564.0	4,849.7	91	4,363	864.0	900.9	1,764.9
Rubber Products	21	5,278	585.3	3,221.3	3,806.6	11	1,372	493.1	112.0	605.1
Scientific and Measuring Equipment	37	2,498	203.3	3,376.1	3,579.4	21	1,758	246.4	1,105.4	1,351.8
Petroleum Products (Inc. Petrochemicals)	50	1,101	1,248.3	1,356.6	2,604.9	10	268	1,793.7	913.3	2,706.9
Paper, Printing and Publishing	38	1,845	421.1	311.4	732.5	39	2,547	299.5	578.4	877.9
Textiles and Textile Products	28	1,222	315.2	342.4	657.6	19	1,356	629.8	664.1	1,293.9
Furniture and Fixtures	30	1,567	324.7	157.9	482.7	39	2,005	488.2	204.6	692.7
Wood and Wood Products	22	620	174.4	168.2	342.6	36	1,553	645.9	353.6	999.5
Beverages and Tobacco	4	520	113.3	25.2	138.6	12	302	144.4	6.5	150.9
Leather and Leather Products	1	35	0.0	5.2	5.2	3	98	45.1	0.0	45.1
Miscellaneous	46	3,750	367.1	635.3	1,002.4	26	967	387.1	111.5	498.6
Total	**1,354**	**109,948**	**30,721.1**	**100,576.0**	**131,297.1**	**1,108**	**87,695**	**31,591.8**	**88,891.7**	**120,483.6**

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Reporting of data is guided by the Malaysia Standard Industrial Classification 2008 (MSIC 2008)
(R) : Revised Figures

APPENDIX 7: Approved New and Expansion/Diversification Manufacturing Projects by Industry, 2025 and 2024

INDUSTRY**	2025						2024 (R)					
	New		Expansion/ Diversification		Total		New		Expansion/ Diversification		Total	
	No.	Total Investment* (RM Million)	No.	Total Investment* (RM Million)	No.	Total Investment* (RM Million)	No.	Total Investment* (RM Million)	No.	Total Investment* (RM Million)	No.	Total Investment* (RM Million)
Electrical and Electronics	106	13,919.7	139	14,538.6	245	28,458.2	75	12,322.7	78	43,483.8	153	55,806.5
Chemicals and Chemical Products	67	22,921.6	46	1,929.3	113	24,850.8	64	7,793.4	28	2,831.7	92	10,625.1
Transport Equipment	68	10,362.8	51	4,572.7	119	14,935.4	61	6,558.1	49	9,267.2	110	15,825.3
Basic Metal Products	14	10,257.5	7	844.6	21	11,102.0	4	58.1	6	1,506.6	10	1,564.8
Machinery and Equipment	84	6,586.1	54	4,398.7	138	10,984.8	87	6,289.4	52	4,287.2	139	10,576.6
Non-Metallic Mineral Products	32	2,587.9	22	7,636.0	54	10,223.9	38	2,668.5	18	2,624.4	56	5,292.9
Food Manufacturing	81	2,864.1	34	3,477.7	115	6,341.8	73	3,953.4	37	2,155.2	110	6,108.6
Fabricated Metal Products	102	3,783.8	55	2,414.2	157	6,198.0	99	2,531.5	32	1,164.7	131	3,696.2
Plastic Products	68	4,032.6	47	817.1	115	4,849.7	57	1,150.8	34	614.1	91	1,764.9
Rubber Products	10	2,791.8	11	1,014.8	21	3,806.6	3	32.1	8	572.9	11	605.1
Scientific and Measuring Equipment	18	3,223.1	19	356.3	37	3,579.4	14	1,164.1	7	187.7	21	1,351.8
Petroleum Products (Inc. Petrochemicals)	45	1,011.3	5	1,593.5	50	2,604.9	7	2,515.3	3	191.7	10	2,706.9
Paper, Printing and Publishing	23	390.9	15	341.6	38	732.5	16	395.4	23	482.6	39	877.9
Textiles and Textile Products	16	326.0	12	331.6	28	657.6	13	666.3	6	627.6	19	1,293.9
Furniture and Fixtures	19	375.7	11	107.0	30	482.7	27	478.2	12	214.6	39	692.7
Wood and Wood Products	15	261.8	7	80.8	22	342.6	26	729.1	10	270.5	36	999.5
Beverages and Tobacco	3	54.4	1	84.2	4	138.6	6	91.2	6	59.7	12	150.9
Leather and Leather Products	1	5.2	-	-	1	5.2	2	45.1	1	-	3	45.1
Miscellaneous	24	621.9	22	380.5	46	1,002.4	19	326.1	7	172.5	26	498.6
Total	**796**	**86,378.1**	**558**	**44,919.0**	**1,354**	**131,297.1**	**691**	**49,768.8**	**417**	**70,714.8**	**1,108**	**120,483.6**

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Reporting of data is guided by the Malaysia Standard Industrial Classification 2008 (MSIC 2008)
(R) : Revised Figures

APPENDIX 8: Top 10 Approved Manufacturing Projects with Foreign Participation by Foreign Investors, based on Ultimate*** Source, 2025 and 2024

FOREIGN INVESTOR**	2025			2024 (R)		
	No.	Potential Employment	Foreign Investment* (RM Million)	No.	Potential Employment	Foreign Investment* (RM Million)
The People's Republic of China	226	28,373	43,727.7	122	15,654	22,983.4
Singapore	97	7,973	8,925.2	95	7,211	5,838.9
The United States of America (USA)	46	5,665	7,190.9	28	5,831	7,245.1
Hong Kong SAR	51	9,558	6,736.8	22	10,209	6,243.4
British Virgin Islands (BVI)	3	705	6,646.9	2	97	112.7
Taiwan	37	5,961	3,953.4	32	3,354	4,151.4
Italy	3	230	3,234.1	3	272	179.3
Cayman Islands	11	1,916	2,943.5	7	659	521.1
Hungary	2	925	2,867.5	-	-	-
Ireland	2	362	2,621.0	2	31	13.3

Note
* : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Reporting of foreign investment is based on ultimate source
*** : The compilation of data on approved investments in various economic sectors by ultimate source started in 2024
(R) : Revised Figures

APPENDIX 9 : TOP 10 Approved Manufacturing Projects with Foreign Participation by Foreign Investors, based on Immediate Source, 2025 and 2024

FOREIGN INVESTOR**	2025			2024 (R)		
	No.	Potential Employment	Foreign Investment* (RM Million)	No.	Potential Employment	Foreign Investment* (RM Million)
Singapore	219	23,037	29,583.6	178	16,842	15,069.8
The People's Republic of China	193	18,867	27,610.3	107	9,871	9,762.7
Hong Kong SAR	79	14,382	12,440.1	33	12,799	12,750.9
The United States of America (USA)	46	6,275	6,054.5	27	6,315	10,383.9
Japan	44	2,344	3,887.0	38	1,412	938.0
Taiwan	45	6,435	3,711.0	41	5,225	3,860.8
Italy	3	230	2,928.8	3	270	147.4
Hungary	2	925	2,867.5	1	69	11.3
Ireland	2	315	2,515.1	4	119	15.8
The Netherlands	6	978	2,041.1	5	408	301.5

Note
* : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Reporting of foreign investment is based on the immediate source
(R) : Revised Figures

APPENDIX 10 : Approved Manufacturing Projects by State, 2025 and 2024

STATE	2025					2024 (R)				
	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)
Kedah	84	14,017	1,787.2	22,832.2	24,619.4	58	8,808	1,421.4	42,629.1	44,050.5
Johor	323	21,070	5,850.2	18,726.9	24,577.1	274	17,538	5,046.3	8,510.1	13,556.4
Pulau Pinang	232	24,633	7,210.8	15,164.6	22,375.4	182	16,254	3,529.0	13,784.0	17,313.0
Selangor	410	24,957	6,004.2	12,132.1	18,136.3	338	18,804	8,054.3	10,682.0	18,736.3
Perak	98	10,010	4,422.5	4,966.2	9,388.7	61	3,614	3,454.2	280.2	3,734.4
Sabah	20	1,935	1,000.1	6,605.8	7,605.9	14	1,198	1,507.2	962.3	2,469.6
Terengganu	11	2,939	353.2	6,189.1	6,542.3	3	247	205.6	0.1	205.6
Pahang	25	2,341	809.7	5,087.8	5,897.5	31	1,077	1,014.0	1,511.0	2,525.0
Negeri Sembilan	55	2,733	958.8	4,382.5	5,341.3	49	4,076	1,967.2	3,389.0	5,356.2
Sarawak	27	1,772	553.5	3,120.2	3,673.7	30	3,244	2,330.4	3,698.8	6,029.2
Melaka	48	2,724	669.5	1,326.3	1,995.8	44	11,274	1,526.4	2,912.0	4,438.4
Kelantan	5	231	782.5	0.0	782.5	7	543	1,224.0	492.8	1,716.8
W.P. Kuala Lumpur	12	437	184.4	40.7	225.1	16	958	301.5	40.3	341.8
Perlis	2	60	102.4	0.0	102.4	1	60	10.2	0.0	10.2
W.P. Labuan	2	89	32.1	1.6	33.7	-	-	-	-	-
Total	**1,354**	**109,948**	**30,721.1**	**100,576.0**	**131,297.1**	**1,108**	**87,695**	**31,591.8**	**88,891.7**	**120,483.6**

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
(R) : Revised figures

APPENDIX 11 : Approved Services Projects by Sector, 2025 and 2024

SECTOR	2025					2024 (R)				
	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)
Information and Communications	761	32,028	62,406.8	90,512.9	152,919.7	2,404	48,576	75,043.5	60,967.7	136,011.2
Real Estate	1,123	14	78,250.0	0.0	78,250.0	1,349	N/A	64,549.4	0.0	64,549.4
Utilities	32	N/A	13,731.8	0.0	13,731.8	25	N/A	11,067.9	0.0	11,067.9
Support Services	3,219	8,144	10,275.8	2,369.8	12,645.6	979	1,567	11,966.3	896.1	12,862.3
Distributive Trade	1,510	86,998	830.8	10,004.6	10,835.4	1,411	54,678	1,461.2	6,642.6	8,103.9
Financial Services	46	340	5,857.6	572.6	6,430.2	46	215	3,330.4	1,040.4	4,370.7
Hotel and Tourism	32	2,498	2,184.2	43.4	2,227.6	17	1,072	814.0	654.9	1,468.9
Transport Services	53	950	1,842.1	218.3	2,060.4	83	11,186	4,830.8	6,591.8	11,422.6
Health Services	4	2,213	721.9	148.9	870.8	2	1,192	1,219.7	0.0	1,219.7
Education Services	119	954	689.0	18.1	707.1	96	640	594.0	19.5	613.5
Global Establishment	70	787	0.0	145.1	145.1	84	434	0.0	4,043.2	4,043.2
Other Services	35	0	431.5	21.7	453.2	3	0	16.9	0.0	16.9
Total	**7,004**	**134,926**	**177,221.5**	**104,055.5**	**281,277.0**	**6,499**	**119,560**	**174,894.1**	**80,856.1**	**255,750.2**

Note N/A : Data is not available
* : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Selected data for the tember 2025
(R) : Revised figures

APPENDIX 12 : Approved Primary Projects by Sector, 2025 and 2024

SECTOR	2025					2024 (R)				
	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)	No.	Potential Employment	Domestic Investment* (RM Million)	Foreign Investment* (RM Million)	Total Investment* (RM Million)
Mining	26	0	11,618.9	2,492.5	14,111.4	35	27	5,782.0	1,525.9	7,307.9
Agriculture	6	28	51.4	0.0	51.4	14	369	766.8	0.0	766.8
Plantation and Commodities	-	-	-	-	-	26	67	71.6	0.0	71.6
Total	**32**	**28**	**11,670.3**	**2,492.5**	**14,162.8**	**75**	**463**	**6,620.5**	**1,525.9**	**8,146.3**

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
(R) : Revised figures

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