MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

MEDIA RELEASE

FOR IMMEDIATE RELEASE

MALAYSIA SECURES RM218.5 BILLION IN APPROVED INVESTMENTS IN 1H 2026, WITH DOMESTIC INVESTMENT IN MANUFACTURING UP 23%

Approved projects set to create over 99,000 jobs, with manufacturing driving higher-skilled employment opportunities for Malaysians

- **What this means for Malaysia:** RM218.5 billion in approved investments from January to June 2026, up 11.7% year-on-year (y-o-y), across 2,746 projects expected to create 99,030 jobs (+8.4%).
- **Investment came from both global and Malaysian businesses: Foreign Investment (**FI) contributed for **RM126.9 billion** (**58.1%),** up 18.5% y-o-y, while Domestic Investment (DI) rose **3.5% to RM91.6 billion** (41.9%).
- **Where the investment is going: services** RM149.6 billion (68.5%); **manufacturing** RM51.3 billion (23.5%); **primary** RM17.6 billion (8.0%).
- **Top foreign investment sources[1]: United States** (RM33.1 billion), **Singapore** (RM25.9 billion), **Japan** (RM22.3 billion), **People's Republic of China** (RM16.5 billion), **Cayman Islands** (RM4.1 billion).
- **Top investment destinations: Selangor** (RM70.0 billion), **Johor** (RM59.4 billion), **W.P. Kuala Lumpur** (RM26.6 billion), **Pulau Pinang** (RM20.2 billion), **Sarawak** (RM10.8 billion).

KUALA LUMPUR, 28 August 2026 – Approved investments in Malaysia reached **RM218.5 billion** in the first half of 2026 (1H 2026), covering 2,746 projects across the **services, manufacturing** and **primary sectors**. This is **11.7%** higher than the RM195.5 billion recorded in the same period of 2025. More importantly for Malaysians, **these approved projects** are expected to create **99,030 jobs** once fully implemented, **8.4% more jobs than the first half of 2025**.

The 1H 2026 approvals equal **50.7%** of the RM431.1 billion approved in the whole of 2025. The performance stands out commendably against a softening global backdrop - the **International Monetary Fund's July 2026 World Economic Outlook** put **world growth at 3.0%** for the year, while **Malaysia's economy is projected to expand 4.7%, ahead of both the global and regional averages**.[2]

---

[1] Compilation of foreign investments is based on the ultimate investing source. The ultimate source refers to the home country of the foreign investor that holds control over the decision-making process and investment management, even if the investment flows through several intermediary sources.
[2] https://www.nst.com.my/business/economy/2026/07/1484690/malaysias-economy-seen-growing-47pct-

WHO IS INVESTING IN MALAYSIA

Foreign investments (FI) accounted for **RM126.9 billion,** or **58.1 % of total approved investments, an increase of 18.5% year-on-year. Domestic investments (DI)** contributed **RM91.6 billion, or 41.9%, representing a 3.5% year-on-year growth**. Collectively, the figures reflect continued confidence from both international and Malaysian investors.

The United States was the largest foreign source at RM33.1 billion, followed by **Singapore (RM25.9 billion), Japan (RM22.3 billion), People's Republic of China (RM16.5 billion)** and the **Cayman Islands (RM4.1 billion).** Together these five top sources supplied **more than 80%** of approved FI.

WHERE INVESTMENT IS CREATING OPPORTUNITIES

Investment was spread across key economic states and industries. **Selangor** led with **RM70.0 billion** across 835 projects, the highest number of approved projects among all states. Its services sector attracted digital investments in areas such as AI, big data analytics, cybersecurity, FinTech, cloud computing and IoT. **Johor** followed with **RM59.4 billion**, supported by the JS-SEZ and upcoming RTS Link connectivity. **W.P. Kuala Lumpur** recorded **RM26.6 billion**, including residential and serviced apartment developments linked to urban growth, transit-oriented development (TOD) and demand for more accessible housing. **Pulau Pinang** secured **RM20.2 billion**, led by advanced manufacturing and semiconductors, while **Sarawak** recorded **RM10.8 billion**, mainly from offshore oil and gas exploration projects.

SERVICES: DIGITAL GROWTH, WITH JOBS AND LOCAL OPPORTUNITIES

The services sector attracted the **largest share of approved investments at RM149.6 billion**, **up 21.0%**. Across **1,750 projects, these investments are** expected to create **34,475 jobs**.

FI in services rose **66.7%** to **RM86.9 billion,** while domestic investments **contributed RM62.7 billion (41.9%)**. This mix brings international capital into Malaysia while creating more room for local businesses and suppliers to participate in growing industries.

Information and communications led services growth, with approved investments rising **68.2%** to **RM103.3 billion**. **Data-centre and cloud-computing projects** accounted for **RM95.8 billion**, close to **44.0%** of all approved investments during the period, as **demand for AI computing power** continued to grow across the region.

2026-data-centre-tech-cycle-%E2%80%93

Malaysia, ranked by UNCTAD among **the world's ten largest data-centre destinations**[3], has set a target of becoming an '**AI nation' by 2030**. To manage the pace of expansion, the Data Centre Task Force, a strategic platform to streamline investment approvals on data centres, clears only those with secured power and water and demonstrable green compliance, while giving priority to operators that support the local supply chain.

Other Leading Services Sub-Sectors:

- Real Estate: RM33.5 billion
- Utilities: RM3.0 billion
- Transport Services: RM2.9 billion
- Support Services: RM2.3 billion

Examples of **notable services projects** are provided in **Appendix I**.

MANUFACTURING: MORE PROJECTS AND HIGHER-VALUE JOB OPPORTUNITIES

The manufacturing sector secured **RM51.3 billion** in approved investments across **973 projects**. The number of projects rose **88.2% y-o-y,** meaning more investments are being spread across a broader base of manufacturing activity. Manufacturing approved investments stood at RM51.3 billion in 1H 2026. While this was 25.1% below the exceptionally high level recorded in 1H 2025, the comparison reflects RM18.5 billion in lumpy projects approved in the basic metals, chemicals and non-metallic minerals industries during the same period last year. Excluding these projects, manufacturing approved investments grew 2.6% y-o-y.

Of the RM51.3 billion approved, **RM25.8 billion or 50.3%** came from **new projects**. Another **RM25.5 billion,** or **49.7%**, came from companies **expanding or diversifying existing operations**. **New projects rose 112.2% y-o-y**, while reinvestment by established companies shows that businesses already operating in Malaysia continue to see opportunities to grow here.

FI contributed **RM32.7 billion (63.8%)** of the total approved investments in the manufacturing sector, while **DI** grew strongly by **23.0% y-o-y** to RM18.6 billion.

Manufacturing remained the biggest source of expected new employment, with **64,555 jobs - 65.2%** of all jobs expected from approved investments. The **local MTS component grew 11.0% y-o-y to 21,677 jobs**. This demonstrates that improvements in job quality directly benefits Malaysians. Furthermore, **19.7% of local manufacturing jobs** offer **monthly salaries of RM5,000** and above, up **7.7% y-o-y**.

[3] UN Trade and Development (UNCTAD), Global Investment Trends Monitor No. 50 (January 2026)

Leading Manufacturing Industries:

- Electrical and Electronics (E&E): RM16.6 billion
- Machinery and Equipment (M&E): RM7.5 billion
- Chemicals and Chemical Products: RM5.5 billion
- Transport Equipment: RM4.9 billion
- Food Manufacturing: RM4.9 billion

Examples of notable manufacturing projects are provided in **Appendix I**.

These **five largest industries made up 76.9%** of manufacturing approvals, with **machinery and equipment** (up **44.8%**) and **food manufacturing** (up **40.9%**) **among the fastest-growing**.

Nearly one-third of approved manufacturing projects (31.0% or 302 projects) plan to export at least **80% of their output**. The number of these highly export-oriented projects rose 57.3% y-o-y. E&E, M&E, fabricated metal products, plastic products, transport equipment and food manufacturing, together accounted for **70.9%** of the overall 302 export-oriented manufacturing projects.

"The half-year performance is powered by our two largest economic engines - services and manufacturing sectors, and both showcase quality, not just scale of investments. Services grew 21%, led by digital and information-technology investment that is building the backbone for our AI Nation 2030 ambitions while creating opportunities across the wider economy. In manufacturing, an 88.2% jump in project numbers and the shift of semiconductor investment from back-end assembly towards front-end design and equipment clearly shows the operationalisation of the National Semiconductor Strategy. Investor confidence has also been reinforced by structural reforms that lifted Malaysia's standing in the IMD World Competitiveness Ranking for 2026, 15th place out of 70 economies, Malaysia's best placing in over a decade. Guided by the New Industrial Master Plan 2030, MIDA will continue to prioritise and implement investments that transfer technology, deepen local vendor participation and create high-value jobs for Malaysians."
— *YM Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Chairman of MIDA*

PRIMARY SECTOR: DOMESTIC COMPANIES TAKE ON LARGER ENERGY PROJECTS

The **primary sector surged 414.0% y-o-y to RM17.6 billion, from RM3.5 billion in the same period of 2025.** The **increase came entirely** from **23 offshore oil and gas projects**, and has already exceeded the sector's RM14.2 billion total for all of 2025. **Domestic capital** led the sector at **RM10.3 billion**, **or 58.5%,** highlighting the growing capacity of Malaysian companies to undertake large upstream projects. **Sarawak drew**

the largest share at RM9.0 billion (**51.1%**), followed by **Sabah** at **RM6.1 billion** (**34.9%**). The **increase** came as **prolonged disruption to global energy supply and higher crude prices** pushed Asia-Pacific buyers to diversify their sources. As an **established exporter of liquefied natural gas**, **Malaysia is positioned to attract capital seeking long-term energy security**; its upstream industry is estimated to need RM50 billion to RM60 billion of investment a year, to meet rising demand. The **Malaysia Bid Round 2026**, which offers new exploration blocks in the Sandakan, Western Sarawak and Malay basins, is expected to support further activity.

FROM APPROVALS TO REAL JOBS AND OPERATIONS

Approvals have translated into activity on the ground. **As of 18 August 2026**, the Government approved a total of **5,822 manufacturing projects** between the span of **2021 to June 2026**.

- **87.0%** have reached implementation, from construction through to production;
- **9.8%** are in the planning phase, including site selection and consultations with developers; and
- **3.2%** of projects were not implemented.

Annual data shows that:

- More than **90%** of manufacturing projects approved from **2021 to 2024** have been implemented.
- Projects approved in **2025** and **1H 2026** have already recorded implementation rates of **83.8%** and **65.5%** respectively. These newer projects are still within the typical 18 to 24 months development cycle for completion, depending on project complexity.

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

PIPELINE OF HIGH-IMPACT INVESTMENTS CONTINUED MOMENTUM

As of **10 August, 2026**, MIDA was reviewing **227 proposals** worth **RM72.1 billion**, **128 services projects worth RM36.5 billion** and **99 manufacturing projects worth RM35.6 billion.** A further **RM58.4 billion** in **high-potential leads** was under discussion.

"Securing the commitment is only half the task; the other half is turning it into operating plants and jobs on the ground, and that is where MIDA's facilitation work matters most. Through the Invest Malaysia Facilitation Centre (IMFC) and close coordination across ministries and agencies, we help investors clear regulatory and implementation hurdles quickly, which is reflected in the 86.3% of manufacturing projects approved since 2021 that have already moved into implementation. Our engagement does not end at approvals: we

stay involved to handhold projects and, through #InvestLokal, deepen the participation of SMEs and local vendors, so that each ringgit committed becomes real capacity and skilled employment for Malaysians." **— Datuk Sikh Shamsul Ibrahim Sikh Abdul Majid, Chief Executive Officer of MIDA**

Malaysia's near-term outlook rests on resilient fundamentals, rising domestic participation and a pipeline concentrated in semiconductors, AI infrastructure, renewable energy and medical devices, even as global conditions remain uncertain.

End

About MIDA

The Malaysian Investment Development Authority (MIDA) is the Government's principal investment promotion and development agency under the Ministry of Investment, Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Headquartered in Kuala Lumpur Sentral, MIDA has 12 regional and 20 overseas offices. MIDA continues to be the strategic partner to businesses in seizing the opportunities arising from the technology revolution of this era. For more information, please visit www.mida.gov.my and follow us on X, Instagram, Facebook, LinkedIn, TikTok and YouTube channel.

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

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

- **MIDA reports on approved Foreign Investments (FI)** – These represent proposed investment projects with foreign equity participation that have been granted licenses, incentives, permits, grants, soft loans, etc., by relevant Ministries and Agencies. They are measured based on CAPEX and OPEX, such as land, building, and resources. Approved FI reflects potential investments into the country which will be realised into actual inflows over a specified period, usually across multiple years. On average, 18-24 months is the typical duration to complete the required regulatory steps between approval and implementation, before projects get off the ground. The release of approved FI data serves as a forward-looking indicator of investor's confidence, the strength of Malaysia's investment prospects, and the key sectors attracting foreign investors.

- **DOSM reports on Foreign Direct Investment (FDI)** – This figure refers to investments by non-residents via transactions of financial instruments, including equity, reinvestment of earnings and debt instruments (such as inter-company loans and advances, trade credits, etc.). For instance, if a foreign investor buys shares in a Malaysian company, this would be captured by DOSM's FDI data. FDI statistics for Malaysia are compiled as part of the balance of payments, which is compiled based on the IMF's BPM6 guidelines.

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

Note to Editors: *This media release carries official statements from two (2) MIDA officials — YM Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Chairman of MIDA; and Datuk Sikh Shamsul Ibrahim Sikh Abdul Majid, Chief Executive Officer of MIDA. Media partners are kindly requested to attribute and carry all three quotes in full to ensure balanced representation of the government's perspectives on Malaysia's 1H 2026 investment performance.*

For media enquiries, please contact:

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

NOTABLE APPROVED PROJECTS

First Half 2026 (January–June) Companion reference to the media release

Services Sector:

- **Island Hospital —** Island Hospital - Penang | An expansion of Malaysia’s largest medical-tourism facility and its first Flagship Medical Tourism Hospital, awarded by the Malaysia Healthcare Travel Council. The 600-bed hospital, part of IHH Healthcare Malaysia’s Northern Cluster, has over 130 specialist doctors and 1,400 employees (100% Malaysian workforce), is moving towards quaternary care in complex disciplines including medical and surgical oncology and cardiology.

- **Gamuda Land / ASAI Gamuda Cove Hotel —** ASAI Gamuda Cove ("AGCM") is Gamuda Land's first-ever hotel project, representing Dusit Hotels and Resorts' first hospitality venture in Malaysia under their locally focused ASAI brand. As the first property signed under Dusit's expanded "ASAI Tropical" model, the hotel offers more spacious, family-friendly room configurations and resort-style amenities. AGCM features 280 rooms across various categories and sizes catering to the different needs of visitors, along with dining and bar options, facilities and amenities, and business and event spaces, all with excellent accessibility from Kuala Lumpur City Centre, Kuala Lumpur International Airport, Putrajaya and Cyberjaya. The hotel is situated in Gamuda Cove, a township recognised as Malaysia’s first 5-Diamond Low Carbon City, directly adjacent to a 90-acre Wetlands Arboretum and a 1,111-acre wetlands sanctuary. Emphasising the sustainability milestones, the hotel itself targets GBI (Green Building Index) Silver Certification through eco-features such as solar PV panels, EV charging bays, and rainwater harvesting. With the scheduled opening in 2026, ASAI Gamuda Cove aims to create approx. 100 jobs and to promote responsible eco-tourism through community-based events and local cultural activities.

Manufacturing Sector:

- **Fastrain Technology** — Fastrain, a company based in Perai, Penang, is expanding its operations with an additional investment of approximately RM919.8 million. The expansion spans three facilities dedicated to the manufacture of advanced photonic components and marine communication equipment for applications in high-speed communications, creating over 500 new job opportunities and bringing the company's total workforce in Penang to over 1,200 employees. Fastrain also undertakes R&D activities to further enhance its products and technological capabilities, supporting the rapidly growing demand for high-speed communications applications.

- **Onetest Sdn. Bhd.** — Penang **|** 223 jobs (>80% Malaysian Workforce) **|** An expansion across three Penang sites in high-precision IC test interface boards and probe cards for semiconductor testing, aligned with the NSS and NIMP 2030.

- **Pentamaster Equipment Manufacturing** — RM598 million over 10 years (RM27.8 million capex) **|** Batu Kawan, Penang **|** 159 jobs (>80% local) **|** Pentamaster's iFLEX is an AI-embedded, micro-precision automation platform delivering advanced systems and modules for medical, semiconductor and battery applications, supported by in-house design and programming capabilities. It supplies AI-enabled automation solutions to the semiconductor value chain under the National Semiconductor Strategy (NSS), while advancing smart manufacturing capabilities in support of Industry 5.0 and laying the foundation for future Industry 6.0. The versatility of iFLEX also enables its deployment in humanoid robotics production, supporting precision assembly, inspection, calibration and testing as the adoption of Physical AI continues to advance. The initiative is expected to generate broader positive spillovers for Malaysia's industrial ecosystem by strengthening locally developed engineering, automation and technology capabilities, thereby reinforcing the "Made by Malaysia" proposition and enhancing Malaysia's participation in higher-value segments of the global value chain. It will also create high-value, technology-driven jobs and support Malaysia's transition away from a predominantly low-skilled labour model towards a more knowledge and innovation driven economy. Pentamaster will also deepen collaboration with local SMEs and suppliers to strengthen their technical capabilities, increase participation in advanced manufacturing activities and build a more resilient domestic supply chain. At the same time, the initiative will promote sustainable manufacturing practices through greater energy efficiency, resource optimisation, waste reduction, responsible sourcing and increased automation, supporting a more productive, sustainable and globally competitive manufacturing ecosystem.

- **UWC Technology** — RM115.7 million (RM34.7 million capex) | Penang | 205 jobs (84% local, 74% skilled) | A wholly Malaysian-owned expansion manufacturing complex machinery, modules and parts for front-end semiconductor equipment, moving Malaysia up the value chain from back-end into front-end equipment, while simultaneously creating skilled employment. Beyond investment and manufacturing, UWC is also investing in Malaysia's future talent pipeline. The company actively supports the development of skilled technical talent through apprenticeship sponsorships, TVET initiatives and participation in the *Sistem Latihan Dual Nasional* (SLDN).

- **Techbond Greentech** — RM102.0 million | Negeri Sembilan & Selangor | 58 jobs | Produces specialised industrial adhesives and additives using Industry 4.0 smart sensors and palm-based polyols co-developed with the Malaysian Palm Oil Board, commercialising local research.

- **GoodScience** — RM100 million | Rawang, Selangor | 50 jobs (100% local) | A Bumiputera-owned (Hanan Medicare) generic pharmaceutical diversification project to establish local manufacturing capabilities across 12 new therapeutic indications, including oncology. Nine products are listed on the National Essential Medicines List (NEML). Supported by in-house R&D and strategic technology transfer, the project will strengthen domestic manufacturing, reduce reliance on imported medicines and enhance Malaysia's national medicine security.