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CONTINUED INVESTOR CONFIDENCE SEES APPROVED INVESTMENTS UP 18% TO RM160 BILLION FOR MALAYSIA, GENERATING OVER 79,000 NEW JOBS FOR 1H 2024

- *Malaysia attracted **RM160.0 billion** of approved investments in **services (RM97.2 billion), manufacturing (RM60.1 billion), and primary sectors (RM2.7 billion)**. This is a **18.0% increase** as compared to RM135.6 billion approved investments in the same period last year.*
- *An estimated **79,187** new jobs will be created from **2,948 approved projects**, a surge of **49.3%** and **11.0%**, respectively, year-on-year.*
- ***Domestic Investments (DI)** accounted for **53.4%** or **RM85.4 billion** of the total approved investments, while **Foreign Investments (FI)** contributed **46.6%** or **RM74.6 billion**, representing a **double-digit year-on-year growth of 19.1%**, and **16.7%**, respectively.*
- *The **services sector** emerged as the clear frontrunner, commanding a **significant share of RM97.2 billion** or **60.7%** of the total approved investments, an increase of **14.4%** from the same period last year.*
- *While the **manufacturing sector** recorded **37.6%** of the total approved investments, a **significant increase by 34.1%** from last year's H1 2023.*
- ***CIPE** and **MTS Index** for the **manufacturing sector** recorded **higher levels at RM1.8 million** and **42.7%**, respectively, compared to H1 2023. These indicate the investment projects are of higher economic complexity and churning quality jobs.*
- ***Top five (5) sources of FI** were led by Austria (RM30.1 billion), Singapore (RM16.5 billion), The People's Republic of China (PRC) (RM9.8 billion), The Netherlands (RM4.0 billion) and Taiwan (RM2.4 billion).*
- ***Five (5) states that have recorded significant investment value** to the total approved investments include W.P. Kuala Lumpur (RM37.6 billion), Selangor (RM35.0 billion), Kedah (RM31.9 billion), Pulau Pinang (RM13.1 billion) and Johor (RM12.9 billion).*
- *During this period, the **National Investment Aspirations (NIA)** sector contributed **RM81.6 billion**, which accounts for **51.0%** of the total approved investments across various economic sectors.*
- ***76.6%** of manufacturing projects approved **between 2021 to June 2024** have been **implemented**.*

Kuala Lumpur, 4 September 2024 – Malaysia has demonstrated its continued appeal to investors and resilience in the face of global economic uncertainty by attracting a substantial 18-per cent year-on-year increase in approved investments to RM160.0 billion across the services, manufacturing, and primary sectors from January to June 2024 (1H 2024).

This surge in investment is backed by a substantial 2,948 investment projects, which is expected to create a significant 79,187 new job opportunities.

Domestic Investment Leads the Way

Domestic investments (DI) have taken the lead for 1H2024, making up a significant 53.4% of the total approved investments, valued at RM85.4 billion. This is a clear sign of domestic businesses' continued growth and confidence in the country's economic policies.

In contrast, foreign investments (FI) accounted for 46.6% of the total approved investments, worth RM74.6 billion.

While both DI and FI play an important role in supporting Malaysia's economy, the marked increase in DI contribution to the country's growth is a clear indication of local businesses' confidence, which bodes well for the country's economic development.

Top States and Key Foreign Sources of Investments

The top five states that attracted the most investment in Malaysia are W.P. Kuala Lumpur (RM37.6 billion), Selangor (RM35.0 billion), Kedah (RM31.9 billion), Pulau Pinang (RM13.1 billion), and Johor (RM12.9 billion).

A stable MADANI Government and a robust business-friendly environment are among key value propositions for Malaysia to continuously attract foreign investments. Austria led the approved investments with RM30.1 billion, followed by Singapore RM16.5 billion, The People's Republic of China (PRC) RM9.8 billion, the Netherlands RM4.0 billion, and Taiwan RM2.4 billion.

National Investment Aspirations (NIA) Sectors Drive Growth

It is significant to note that sectors aligned with the National Investment Aspirations (NIA) brought in RM81.6 billion, representing 51.0% of total approved investments from 562 projects, set to create 35,780 jobs. This reflects how clear efforts have been expended to attract NIA-aligned investments that enhance economic complexity, create high-value jobs, expand domestic linkages, foster new clusters, and promote inclusivity.

Under the stewardship of MITI and MIDA, 42.0% of the total approved investments, valued at RM67.2 billion from 978 approved projects, will create 35,499 new job opportunities.

YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Investment, Trade and Industry (MITI), said, "Malaysia's strong investment performance of RM160.0 billion, representing an 18.0% year-on-year increase in the first half of 2024 is a testament to our commitment to creating a pro-investment, business-friendly environment that fosters industrial transformation and economic growth. ASEAN is forecast to grow at 4.6% in 2024 and 4.7% in 2025 on solid improvement in both domestic and external demand, and Malaysia is determined to capture this growth. The 1H2024 approved investment figures reflect how investors appreciate Malaysia's clear policies that provide a conducive landscape for companies to thrive. Driven by our robust frameworks, such as the New Industrial Master Plan 2030, the National Semiconductor Strategy and the Green Investment Strategy, more and more global businesses have begun to recognise Malaysia's vast potential. MITI and MIDA will continue to market Malaysia's increasing appeal as a regional manufacturing or services hub to attract high-quality investments and drive sustainable economic growth, while ensuring more business opportunities for our SMEs and higher-skilled jobs for Malaysians."

THE SERVICES SECTOR'S RESILIENCE IN ATTRACTING INVESTMENTS

The services sector, a cornerstone of Malaysia's economy, has not only weathered the storm but continues to thrive, underpinning the nation's economic resilience. Its dominance in approved investments from January to June 2024, accounting for a substantial RM97.2 billion or 60.7% of the total approvals, is a testament to its enduring appeal to investors. It is expected to create 45,249 new jobs.

The growth was led by domestic investments, which made up 72.5% of the total approvals in the services sector at RM70.5 billion. This shows local businesses' capability and strong confidence in the country's economy. Foreign investments recorded RM26.7 billion, or 27.5% of the total, highlighting continued international interest in the sector.

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

- Information and Communications (ICT) – RM45.9 billion
- Real Estate – RM31.0 billion
- Transport Services – RM4.9 billion
- Utilities – RM4.0 billion
- Global Establishments – RM3.6 billion

Notable Ventures in the Services Sector

Notable projects contributing to the sector's growth includes:

- **Asiabina Solar Sdn. Bhd:** The Malaysian company is investing RM200.4 million in a 50 MW Large Scale Solar (LSS) Project in Parit Buntar, Perak, as part of its expansion into the renewable energy sector.

- **President Hotel Sdn Bhd:** Part of the Pan Pacific Hotel Group, the company is investing upwards of RM150 million to upgrade and expand its portfolio of luxury accommodation in Kuala Lumpur via the simultaneous modernisation of PARKROYAL Collection Kuala Lumpur and introduction of Pan Pacific Serviced Suites Kuala Lumpur. This strategic investment aims to meet the growing demand for high-end hospitality services, underlining Kuala Lumpur's emergence as a burgeoning location for luxury travel.
- **NEDA Pekan Sdn. Bhd.:** A RM129 million, 29.99 MW Solar Project under the New Enhanced Dispatch Arrangement (NEDA) Programme in Pekan, Pahang.

The concerted efforts and the whole-of-government approach, have fortified this sector, making it a lucrative avenue for discerning investors and business leaders.

MANUFACTURING SECTOR REMAINS THE COUNTRY'S ECONOMIC BACKBONE

Malaysia's manufacturing sector has emerged as a bright spot in the country's economic landscape, attracting RM60.1 billion in approved investments in the first half of 2024. This represents a significant 34.1% increase from the RM44.9 billion recorded in the same period last year, indicating a strong rebound in investor confidence.

The approved investments are spread across 519 projects, poised to generate an estimated 33,887 job opportunities with 80.0% of the jobs (27,121) reserved for Malaysians.

The majority of new jobs are in high-value fields, with 42.7% in management, professional, technical, supervisory, and skilled labour roles, indicating a focus on upskilling and reskilling the local workforce.

Foreign Investments (FI) take the lead, contributing RM47.6 billion or 79.2%, while Domestic Investments (DI) account for a respectable RM12.5 billion or 20.8%, a clear indication of the sector's ability to attract and retain foreign capital while also nurturing domestic entrepreneurship.

The performance of approved investments in the manufacturing sector is also measured based on the five main pillars of the National Investment Aspirations (NIA), where the fifth pillar of the NIA is to enhance the development of underserved areas and communities to contribute to the socio-economic development agenda. To that end, focus has been given to six States which are Kedah, Kelantan, Perlis, Terengganu, Sabah, and Sarawak.

From January to June 2024, 49 manufacturing projects worth RM36.1 billion were approved for these states, marking a 94.4% significant increase compared to the same period last year. Kedah and Sarawak were among the top five states of approved investments in this sector. These investments are expected to create 6,066 new jobs.

The **electrical and electronics (E&E)** is the major industry underpinning Malaysia's manufacturing economic growth with approved investments of RM36.9 billion. Malaysia is stepping up efforts to set standards with comprehensive business solutions spanning R&D, manufacturing, supply chain management, logistics, and even global HQ functions.

From the total of approved investments in the E&E industry, more than 90% is for the semiconductor subsector, supporting the National Semiconductor Strategy (NSS) agenda, which aims for at least RM500 billion in investments during the first phase of the plan.

The continued investments in the E&E industry further reflects Malaysia's competitive advantage in this segment, based on Malaysia's strong ecosystem and a track record built over the past 50 years.

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

- Transport Equipment: RM4.7 billion
- Non-Metallic Mineral Products: RM3.6 billion
- Chemicals and Chemical Products: RM3.1 billion
- Machinery and Equipment: RM2.8 billion

Notable Projects in the Manufacturing Sector

Notable projects in the manufacturing sector includes:

- **Sena Diecasting Industries Sdn. Bhd.:** Sena Diecasting Industries Sdn. Bhd. has established itself as the leading die casting company in the local market, with a huge presence in international market. The company is investing a substantial amount of investment to expand its capabilities in die casting, powder coating (clean room standard for high-gloss products for premium motorcycle manufacturers), and electroplating.
- **Tengma Textile Sdn. Bhd.:** Tengma Textile Sdn. Bhd. is set to invest RM458 million in developing and producing indigo denim as it aims to bolster its position in the textile industry. The company is also committing to advanced technology and sustainability, with green initiatives aligned with the national sustainable agenda.
- **DELO Malaysia Sdn. Bhd.:** DELO, a company specialising in industrial adhesives, is investing millions of Malaysian Ringgit to establish a new production facility in Malaysia. This project will cater to various high-tech industries, including the semiconductor, automotive, optoelectronics, and consumer electronics sectors.

PRIMARY SECTOR REFLECTS POSITIVE OPPORTUNITIES

The primary sector sees RM2.7 billion in approved investments, constituting 1.7% of the total approvals. Driven by 25 projects, it anticipates creating 51 new jobs, with a focus on mining (RM2.4 billion), and agriculture (RM0.3 billion).

Attracting High-Growth, High-Value Investments

Since beginning of the year, MITI and MIDA have executed 11 High-Level Overseas Investment Missions to key countries such as Germany, France, Australia, Italy, Singapore, India and Japan. This is in addition to the numerous official Overseas Working Visits led by the Prime Minister of Malaysia, YAB Dato' Seri Anwar Ibrahim to meet key global business leaders.

As of 31 August 2024, MIDA is actively pursuing 1,562 proposed projects worth RM54.8 billion, comprising 1,493 projects in the services sector (RM44.8 billion) and 69 projects in the manufacturing sector (RM10.1 billion). While negotiations are ongoing between MIDA and prospect investors for high-potential leads totalling RM53.8 billion.

Datuk Sikh Shamsul Ibrahim Sikh Abdul Majid, Chief Executive Officer of MIDA emphasised, "For the first half of 2024, we have witnessed a remarkable value of approved investments that underscore Malaysia's commitment to inclusivity and national prosperity. These investments are not just figures on paper; they represent our dedication to creating a more equitable and thriving economy. The approvals recorded aligns with Q2's GDP achievement of 5.9%, driven by enhanced investment activities, among others. The true measure of success lies in the implementation of these approved projects, which will drive positive macro-economic performance of the country and spill over effects across communities. MITI and MIDA's focus remains on ensuring that every investment contributes to a more prosperous and inclusive future for all Malaysians, forging a path towards innovation and economic resilience, further strengthening our industrial ecosystem and domestic supply chains."

Realised Investments for the Manufacturing Sector

From 2021 to June 2024, the National Investment Committee (NIC) approved 2,905 manufacturing projects, of which 76.6% or 2,224 projects have been implemented, including those in production, factory construction, or machinery/equipment installation. This is followed by 21.7% in the planning stage, covering projects in planning, site selection, and discussions with developers and consultants. Only 1.7% of the projects remain unimplemented.

The strategic platform of the Invest Malaysia Facilitation Centre (IMFC) at MIDA is instrumental in keeping track and following through approval processes for investment projects by cutting through red tape, while offering indispensable consultation and advisory

services. Meanwhile, TRACK by MIDA offers end to end facilitation services for NCI-approved projects, ensuring smooth transitions from approval to implementation. The On-Track digital system enhances this process by providing real-time project tracking, promoting transparency and accountability. These diligent steps and strategic resource allocation ensure that approved investments transition from paper to reality swiftly. These efforts are pivotal, driving local employment and propelling Malaysia's industrial and economic landscape to new heights.

*****THE END*****

About MIDA

MIDA is the Government's principal investment promotion and development agency under the Ministry of Investment, Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Headquartered in Kuala Lumpur Sentral, MIDA has 12 regional and 21 overseas offices. MIDA continues to be the strategic partner to businesses in seizing the opportunities arising from the technology revolution of this era. For more information, please visit www.mida.gov.my and follow us on X, Instagram, Facebook, LinkedIn, TikTok and YouTube channel.

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