

## **MEDIA STATEMENT: CONTRIBUTION OF SWEDISH COMPANIES TO THE MALAYSIAN ECONOMY**

1. I wish to congratulate Swedish Embassy in Kuala Lumpur and Team Sweden in Southeast Asia for the successful hosting of the Sweden-Southeast Asia Business Summit 2018.
2. I am delighted that they have chosen Malaysia as the venue for the second installment of this Summit, following the inaugural one that was held in Singapore in 2016. The decision to have it in Malaysia is testament of our country's economic potential. It also sends a strong signal of confidence that the Swedish business community places in doing business in Malaysia and making us as the gateway for them to penetrate the wider Southeast Asian market.
3. Sweden is at the forefront of innovation – it has been investing 3.5% of its GDP in Research & Development. Its innovative products have constantly reshaped the world – from Ericsson's first handset phone to solar safe water system, free call through Skype and online music with Spotify. With the impending changes brought about by Industry 4.0, Malaysia is keen to partner with Sweden in developing our knowledge economy which is vital to long-term productivity and competitiveness, and thereby to growth and future prosperity.
4. Over the years, Swedish companies have contributed significantly to Malaysia's economic development. From 1980 until September 2017, 126 manufacturing projects which involve participation from Sweden with total investments of RM2.7 billion were approved – creating over 8,200 employment opportunities in the country.
5. About 15 Swedish companies have established their regional hub in our Malaysia. Among the prominent companies include:
  - i. IKEA will also invest over RM900 million to establish its Regional Distribution and Supply Chain Centre in Malaysia – the third largest globally. This Centre, once completed will provide support to retailers in Singapore, Thailand, Indonesia, Vietnam, the Philippines and India.

- ii. Volvo Car Malaysia with investment close to RM170 million since 1969 and employing around 900 workers. The company exports 50% of its energy-efficient vehicles that were produced here.
  - iii. Bromma, the industry's most experienced spreader manufacturer which has invested RM300 million and created 700 job opportunities. It exports 96% of its products from Malaysia.
  - iv. ABB Malaysia with investment worth RM13 million and workforce of 640 people. The company has been manufacturing switchgears, capacitors and various electrical products in Malaysia.
  - v. SKF Bearing has invested over RM400 million and employing around 540 workers. The company produces industrial bearings in which 75% of its products are being exported from Malaysia.
  - vi. Husqvarna a manufacturer of outdoor power products which has invested over RM230 million. The company also provides sales, marketing and technical support services across the Asia Pacific region.
6. A total of 25 implemented manufacturing projects with Swedish participation are capitalizing on Malaysia as the base to export over 50% of their products. Majority of them are in the machinery & equipment, chemical and wooden products. We hope to invite more Swedish companies to capitalize on our major infrastructure developed over the last few years and make Malaysia as their center for global distribution.
7. These quality investments have benefited and will continue to benefit Malaysia on multiple fronts – in terms of jobs creation, transfer of technology, business opportunities for local suppliers and act as the catalyst for economic growth in the areas where they are operating. While Malaysia and Sweden share similar commitment to openness, we also hold the belief that inclusive economic development must be promoted. We hope to strengthen this close relationship with the Swedish business community as we forge ahead.

**Dato' Sri Mustapa Mohamed**  
**6 February 2018**