

## MEDIA RELEASE

### DRIVING DOMESTIC INVESTMENT FOR EXPORT OPPORTUNITIES

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A new era of investment and export-led growth is coming. In 2020, Malaysia will be undertaking extensive reforms of the investment process in order to improve the ease of doing business for both foreign and domestic investors. Domestic investors, in particular, will be encouraged to aggressively pursue export opportunities in new overseas markets.

The Ministry of International Trade and Industry (MITI) under the leadership of Minister Datuk Darell Leiking has taken on board the constructive feedback offered by investors and other stakeholders on how to improve the investment process in order to better drive economic growth towards achieving Malaysia's vision of Shared Prosperity 2030.

YB Datuk Darell said that, "Investors can expect red tape to be cut, bureaucracy to be reduced, and the approval process to be streamlined in order to expedite the realisation of investment. MITI recognises that delayed investments mean deferred prosperity. Speed, and quality, is of the essence."

We recognise that Malaysia remains a compelling investment destination due to its stability, good governance, cost competitiveness, and strategic location in the centre of ASEAN. Reforms will help ensure that Malaysia retains its place as a premier destination and home for quality investment.

In doing so, Malaysia seeks to remain true to its ambition to become a preferred investment destination for innovative and knowledge-intensive investments within high-growth and high-value sectors.

Foreign Direct Investment (FDI) has assumed a paramount role in Malaysia's emergence as a dynamic and vibrant industrialising nation. The substantial inflows of FDI in the manufacturing sector over the last 50 years have been instrumental in Malaysia's rapid economic growth. The Government will continue to seek quality FDI with high-value added and high technology features.

At the same time, inspired by the economic example of Japan, South Korea, and China, Malaysia seeks a renewed focus on turning domestic companies into global players.

The Malaysian market on its own is too small to offer the scale needed for global competitiveness, firms must look to regional and world markets and export products with greater added value. MITI, in conjunction with its Malaysia External Trade Development Corporation (MATRADE), is looking closely at diversifying exports to Africa, Central Asia, and Latin America in the coming year.

The government will intensify its efforts in facilitating more domestic direct investments (DDI) with greater specialisation in catalytic subsectors, namely Chemicals & Chemical Products, Electric & Electronics and Machinery & Equipment industries; high-growth subsectors, namely Aerospace and Medical Devices; and, other targeted industries which include Consumer Technology, E-Commerce, Renewable Energy, Smart Agriculture, Smart Technology and the Shared Economy. These sectors stand out due to strong inter-linkages with other sub-sectors and their capability to support the development of the manufacturing sector overall, as well as related services.

“MITI, through the Malaysian Investment Development Authority (MIDA), has been undertaking various domestic investment promotion programmes including spearheading initiatives to connect local companies and SMEs with multinational companies (MNCs) and large local corporations (LLCs) through industrial linkages programmes and supply chain conferences.

“MIDA has also undertaken an initiative known as the Domestic Investment Coordination Platform (DICP) to assist local companies or SMEs by bridging or narrowing their financial and technology gaps through strategic collaborations and joint ventures with financial institutions, equity firms, and technology providers,” said YB Datuk Darell.

MITI will continue to work in close collaboration with Ministry of Finance (MOF), the Central Bank of Malaysia (BNM), and all investment agencies to ensure relevant and specific measures to improve domestic investment are incorporated in the upcoming stimulus package, soon to be announced by MOF.

Along with initiatives under development in MITI’s New Industrial Master Plan (IMP), and a renewed focus on opening up new overseas markets, improvements in the domestic investment landscape will enable more Malaysian companies to become global players. This will lay the foundations for greater prosperity for Malaysian companies and workers as we reach for the heights of economic development.

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**About MITI:**

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation.

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