



MEDIA RELEASE

INVESTMENT POLICY REFORMS TO BE ROOTED IN THE NATIONAL INVESTMENT ASPIRATIONS (NIA)

The Cabinet today approved the National Investment Aspirations (NIA), a forward-looking growth framework that will form the basis for comprehensive reforms of Malaysia's investment policies. At its core, the NIA will focus on coherence and cohesiveness, with these aspirations being reflected across all national policy documents and initiatives related to investment, including the Fourth Industrial Masterplan and the 12th Malaysia Plan.

In pursuing investment policy reviews and reforms, the NIA is also guided by the essence of the Shared Prosperity Vision (SPV) 2030. The NIA is a product of comprehensive stakeholder consultations and has taken into account views and feedback from Ministries and Agencies, Government-linked Companies (GLCs) and Government-linked Investment Companies (GLICs), the private sector, as well as research organisations and think tanks.

Senior Minister and Minister of International Trade and Industry (MITI), Dato' Seri Mohamed Azmin Ali underscored that the NIA will be central to revitalise Malaysia's investment climate, attract high quality investments into the country and create high income jobs, particularly in a post-COVID era. He also highlighted the leadership role that will be assumed by MITI in spearheading national-level efforts to review policies and restructure the nation's investment strategies, as mandated by the NIA.

The 5 core parameters framing the NIA will be integral to enhance the nation's competitiveness and ensure that Malaysia remains a preferred investment destination. These aspirations will bear the foundation for Malaysia to become a regional investment hub, which will:



- a) increase economic diversity and complexity through the development of sophisticated products and services, with high local Research and Development (R&D) and innovation;
- b) create high skill jobs to provide better income for the *rakyat*;
- c) expand and integrate domestic linkages into regional and global supply chains, by improving their resiliency;
- d) develop new and existing clusters focusing on high productivity sectors, including local products and services; and
- e) improve inclusivity to contribute towards the socio-economic developmental agenda.

Going forward, Malaysia must adopt a comprehensive approach to reinvigorating the investment ecosystem and respond adequately to emerging mega trends as well as the evolving needs of our investors, the Senior Minister added. Malaysia needs to rise to this challenge by continuously enhancing our unique value propositions, which span across a wide array of elements such as incentives, facilitation, talent, infrastructure, as well as legal, regulatory, procedural and institutional mechanisms.

“In order to enable further diversification and ventures into more complex industries, emphasis should also be accorded towards fostering a robust and dynamic tax and incentives regime, building our talent pool in close collaboration with the relevant industries, improving our licensing and regulatory frameworks and augmenting the facilitation elements such as customs procedures”, said the Senior Minister and Minister of International Trade and Industry.



The NIA also recognises the significant role of investment promotion strategies in attracting quality investments. In this context, the NIA will guide policy and non-policy prescriptions that place a specific emphasis on more targeted, relevant and effective investment promotion and facilitation strategies. This is pivotal to ensure that investments in the identified priority sectors are able to flow into the country and thus lead to positive economic spill over effects.

The NIA focuses on inclusivity and sustainability that is compatible with the Environmental, Social and Governance (ESG) goals, as new investments that are anchored upon these elements will propel growth in the technologically-sophisticated sectors, as well as strengthen forward and backward linkages. This will also provide a pathway for investors to access new market opportunities, particularly in developed countries that mainstream sustainability throughout their value chain. In this context, the NIA takes into account the global interest surrounding carbon-neutrality, including the use of technology to help reduce carbon foot-print.

The NIA will also serve to improve the existing institutional setup, as it mandates the establishment of a National Investment Council, to be chaired by the YAB Prime Minister. The membership of the Council will include relevant Ministries and Agencies, as well as GLCs and GLICs led by Khazanah Nasional. Membership may also be extended to other relevant stakeholders. This Council will be responsible for the formulation of overarching investment policies and resolution of key implementation issues. It will ensure that the NIA is reflected across all Government measures related to investment.

As part of the institutional reforms, and in line with the NIA mandate for better policy coherence, the role of MIDA will be further strengthened. In fulfilling its role as the coordinating central investment promotion agency and a one stop centre for potential investments, MIDA will work collaboratively with the relevant investment promotion agencies to harness the competitive strengths of each and every state within Malaysia.



In the long term, the NIA will encourage sustained flow of quality investments in new and possibly complex growth areas, foster innovation and sophistication, create greater job opportunities and improve income prospects. It will also further build investors' and business confidence in Malaysia, as we continue to remain competitive and serve as the epicentre for economic and business activities in the region.

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI)

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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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