



**SENIOR MINISTER
MINISTER OF INTERNATIONAL TRADE AND INDUSTRY**

PRESS RELEASE

**MASSIVE JUMP IN APPROVED INVESTMENTS IN MALAYSIA
SIGNALS CONFIDENCE OF INVESTORS**

*MITI and MIDA Committed to Ensuring Success of
National Investment Aspirations and
Robust and Sustainable Economic Recovery*

Malaysia achieved robust and impressive performance for the first half of 2021 with foreign direct investments (FDI) soaring by 223.1 per cent compared to 1H 2020, signaling the confidence of foreign investors in the country's stable and conducive economic climate and business ecosystem. This augurs well for Malaysia's path to vibrant and sustainable economic recovery.

The stellar performance also demonstrates that Malaysia's strategy of positioning the country as an attractive investment destination of choice and a supply chain hub in ASEAN, particularly for manufacturing operations, is showing positive results. FDI drove the strong and vibrant performance of the manufacturing sector during the period, registering RM58.2 billion in approved investments. The remaining RM8.7 billion approved investments in this sector were from domestic sources.

In terms of total approved investments, Malaysia recorded RM107.5 billion of FDI and domestic direct investments (DDI) in the manufacturing, services and primary sectors, chalking up a massive jump of 69.8 per cent compared to the same period last year. Achieved

amidst a very challenging global economic landscape, the investments involved 2,110 projects and are expected to generate 44,994 job opportunities in the country.

Leveraging on the positive progress on the National Recovery Plan (NRP), improvement in the overall public health situation, and gradual reopening of economic sectors, **Malaysia continues to attract high-value and high-tech investments, bolstered by our capacity and capability in providing high-skilled talents and firm readiness in adopting advanced technology for value-added industries.**

In tandem with our National Investment Aspirations (NIA), Malaysia consistently pursues more capital-intensive projects and those that support the development agenda of the nation, consistent with Environmental, Social and Governance (ESG) goals. This is reflected by the increasing number of capital-intensive projects approved by MIDA. Simultaneously, there is an **emphasis on creating jobs across a wide spectrum of skills for the rakyat.** In this regard, the 367 manufacturing projects worth RM66.9 billion approved during the first half of 2021, will create 32,220 job opportunities **in various positions and roles, leading on the path for high-value and skilled employment.**

The workforce required for the approved investments include 1,367 managerial positions and 4,031 technical professionals such as engineers in the field of E&E, mechanical, chemical and other disciplines, **reflecting the higher value chain transition of the manufacturing sector.** The approved manufacturing projects will also require 4,144 skilled craftsmen. Meanwhile, domestic investments, leading in the services and primary sectors, totaled RM45.0 billion or 41.9% of the total approved investments.

Notable projects approved in 1H 2021 include Republic of Korea's SK Nexilis project for a new copper foil manufacturing plant, Risen Energy's proposed project to produce bi-facial technology solar products, and OCIM's proposed investment to expand the capacity of its solar grade polysilicon plant. **These projects will not only further enhance Malaysia's industry ecosystem but boost employment opportunities**

in the field of high-tech skills as well as enable local businesses to leverage on the global value chain.

Going forward, from the strategic vantage point of the NIA, we will continue to pursue high quality investments to bring value to the nation and people, not just in preserving jobs but in creating new high value-added employment. We are committed towards positioning Malaysia as the ideal partner for investors in the region, enhancing our economic complexity and propelling long term growth for Malaysia through the flow of sustainable quality investments in new and complex growth areas.

With the trajectory of Malaysia's strong economic fundamentals, positive factors underpinning growth prospect as well as expected stronger external demand for our products, the Government is fully committed to ensuring robust and sustainable recovery, equitable economic growth and shared prosperity for Malaysia.

**Dato' Seri Mohamed Azmin Ali
Senior Minister
Minister of International Trade and Industry
13 September 2021**

APPENDIX

Approved Investments in Malaysia Increased by more than 69 %, to Record RM107.5 Billion in the First Half of 2021

During the first half of 2021, Malaysia attracted a total of RM107.5 billion of foreign investments (FDI) and expanded domestic investments (DDI) approved in the manufacturing, services and primary sectors, representing an increase of 69.8 per cent compared to the same period of last year. The approved investments involved 2,110 projects and are expected to generate 44,994 job opportunities in the country.

More than 58.1 per cent of the approved investments were from foreign sources, valued at RM62.5 billion. Singapore, Republic of Korea and the Netherlands were the top three foreign investment sources accounting for nearly 90 per cent or RM54.9 billion of the total approved FDI in the country.

Meanwhile, domestic investments totaled RM45.0 billion or 41.9% of the total approved investments. While FDI dominated the manufacturing sector, investments from Malaysian companies led in the services and primary sectors.

Five states - Kedah, Selangor, W.P. Kuala Lumpur, Sarawak and Johor - contributed RM85.0 billion (79.0%) to the total approved investments with a potential to create 31,395 jobs.

Manufacturing Sector

The manufacturing sector accounted for the largest share of the total investments in 1H 2021, amounting to RM66.9 billion (62.2%), followed by the services sector with RM34.1 billion (31.7%) and the primary sector with RM6.5 billion (6.1%).

A total of 367 manufacturing projects worth RM66.9 billion were approved in first six months of 2021, compared to RM36.4 billion in the same period last year. In terms of top-performing industries in 1H 2021, the electrical

and electronics (E&E) (RM47.1 billion), fabricated metal products (RM5.1 billion), chemicals and chemical products (RM3.8 billion), food manufacturing (RM3.7 billion) and rubber products (RM3.6 billion) made up 94.6 per cent of total approved investments for this sector.

The workforce required for the approved investments include 1,367 managerial positions and 4,031 technical professionals such as engineers in the field of E&E, mechanical, chemical and other disciplines, reflecting the higher value chain transition of the manufacturing sector. The approved manufacturing projects will also require 4,144 skilled craftsmen such as plant maintenance supervisors, tools and die makers, machinists, IT personnel, quality controllers, electricians and welders. The capital investment per employee (CIPE) ratio of the projects approved in 1H 2021 increased to RM2,077,245 from RM1,333,559 during the same period last year.

FDI drove the robust performance of the manufacturing sector during the period, registering RM58.2 billion in approved investments, soaring by 223.1 per cent compared to 1H 2020. The remaining RM8.7 billion approved investments in the sector were from domestic sources.

Notable projects approved in 1H 2021 include Republic of Korea's SK Nexilis project for a new copper foil manufacturing plant, Risen Energy's proposed project to produce bi-facial technology solar products in Malaysia, and OCIM's proposed investment to expand the capacity of its solar grade polysilicon plant in Samalaju, Sarawak.

Services Sector

A total of 1,717 services projects were approved in 1H 2021. These projects are expected to create more than 12,400 job opportunities. The total investments approved in the services sector recorded an increase of nearly 30 per cent from the approvals recorded for the same period in 2020.

Domestic investments made up the larger portion, recording RM31.9 billion or 93.6 per cent of the total approved investments while the remainder, RM2.2 billion were from foreign sources.

The real estate sub-sector remains the largest contributor with RM14.9 billion, recording a 20.6 per cent increase from the corresponding period last year. Following the easing of restrictions on economic activities, the global establishments, support services, transport services, distributive trade, hotel and tourism, financial services and education services sub-sectors have also recorded increases during the period.

Primary Sector

The primary sector contributed RM6.5 billion or 6.1 per cent to the total approved projects in the first half of 2021. The mining subsector continued to lead with approved investments of RM6.4 billion, followed by plantation and commodities with RM79.8 million and agriculture with RM11.5 million. These investments are expected to create 278 job opportunities.

Investments from domestic sources took the lead in the sector with a total amount of RM4.4 billion or 66.9 per cent, while foreign investments contributed RM2.1 billion or 33.1 per cent.

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