

**SPEECH ON**

**MALAYSIA'S INVESTMENT PERFORMANCE IN THE  
MANUFACTURING, SERVICES AND PRIMARY SECTORS  
FOR 2025**

**BY**

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(MITI)**

**06 MARCH 2026  
10.15 AM  
MIDA SENTRAL**

## **Salutations**

**YM Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz,  
Chairman of MIDA and Senior Political Advisor to the Prime Minister**

**Datuk Bahria Mohd Tamil  
Deputy Secretary General (Investment & Management)  
Ministry of Investment, Trade and Industry (MITI)**

**Datuk Sikh Shamsul Ibrahim Sikh Abdul Majid  
Chief Executive Officer of MIDA;**

**Your Excellencies Ambassadors and High Commissioners;**

**State EXCOs and representatives;**

**MIDA Board Members;**

**Distinguished Guests;**

**Members of the Media;**

**Ladies and Gentlemen;**

**Salam Malaysia MADANI and a very good morning to everyone.**

1. It is my privilege to deliver this keynote address on behalf of YB Datuk Seri Johari Abdul Ghani, Minister of MITI.
2. **Transformation in Motion. Securing High-Impact Investment for an Inclusive Economy.**
3. These words define the course Malaysia has set for itself and the standard against which we measure every investment decision, every policy reform, and every project that bears our nation's name.

## **THE GLOBAL LANDSCAPE**

4. We convene today at a moment of considerable consequence for the global economy. The international trading order is under strain from multiple directions. Shifting trade policies, tightening financial conditions, and escalating geopolitical tensions in the Middle East have combined to test the resilience of global markets, unsettle investor confidence, and cloud the outlook for growth well into 2026.

5. Over the course of 2025, the United States moved to impose sweeping reciprocal tariffs on nearly all trading partners. The measures **have since been** subject to ongoing policy and legal developments, their ultimate shape still contested. Yet their effect has been unambiguous: trade policy uncertainty has become a defining, structural feature of the global investment environment.
6. The macroeconomic consequences were both real and measurable. Global growth persisted, but modestly and unevenly. Advanced economies expanded at a restrained pace, while emerging markets, though comparatively resilient, were not immune to the headwinds of shifting trade policy and tightening financial conditions. Global trade, which had shown signs of recovery, is now projected to slow further into 2026 as stockpiling effects dissipate and uncertainty endures.
7. **Global FDI flows** did rise to an estimated **USD1.6 trillion**. But as UNCTAD<sup>1</sup> has observed, much of this growth was channelled through financial intermediaries rather than into productive assets. Greenfield investments and fundamental project commitments are the true measures of investor conviction remained cautious.
8. Yet within this turbulent landscape, one region continued to demonstrate its enduring appeal. **ASEAN maintained its prominence** as a **preferred destination for global capital**, its **structural advantages, policy consistency**, and **geographic centrality** drawing investors who prize stability as much as growth.

## WHERE MALAYSIA STANDS

9. It is within this context that Malaysia's performance assumes its full significance.
10. Malaysia's GDP expanded by **5.2 per cent in 2025**, the strongest growth in three years, accelerating to **6.3 per cent in the fourth quarter**, the fastest pace in twelve quarters<sup>2</sup>. These are the cumulative returns of deliberate reform, disciplined governance, and the sustained confidence of an investment community that has chosen, repeatedly, to put its capital here.
11. The ringgit's trajectory tells a parallel story. Having gained approximately **17 per cent since the start of 2024**, it stands today as **Asia's best-performing currency**, trading at its strongest levels in eight years against the US dollar.

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<sup>1</sup> <https://unctad.org/news/data-centres-are-reshaping-global-investment-landscape>

<sup>2</sup> <https://www.straitstimes.com/business/economy/malaysias-economy-beats-forecasts-with-5-2-growth-in-2025-fastest-pace-in-3-years>

12. Malaysia's 2025 trade performance **surpassed RM3 trillion<sup>3</sup> for the first time in our history**, a threshold that speaks to the depth and reach of our economic integration with the world. Trade and investment are inseparable. Competitive industries demand sustained, high-quality investment. And on that foundation, I am honoured to announce that the investment story is equally historic.

## A HISTORIC MILESTONE

13. For 2025, Malaysia has recorded **RM426.7 billion in approved investments**, the highest figure in our nation's history. This represents an **11.0 per cent increase** over the previous record, set just one year prior, across **8,390 projects** spanning services, manufacturing and primary sectors, with the potential to create **244,902 new jobs** for Malaysians.
14. What is equally telling is the balance of this achievement. **Domestic investments stood strong at RM219.6 billion**, representing **51.5 per cent of total approvals**. When Malaysian companies choose to reinvest and expand at home, it signals something deeper than economic calculation. It signals belief in our institutions, in our direction, in our future. At the same time, **foreign investments surged by 20.9 per cent to RM207.1 billion**.
15. The composition of that foreign investment demonstrates Malaysia's broad-based appeal. **Singapore (RM58.3 billion) and the People's Republic of China (RM58.0 billion)** emerged as equal partners at the summit. This near-parity speaks to Malaysia's deliberate positioning as a nation that commands confidence from East and West alike. **The United States followed at RM15.1 billion**, with **Japan and Hong Kong SAR** rounding out the top five<sup>4</sup>.
16. Geographically, **Johor leads all states with RM110.0 billion**, a performance that speaks to both the inherent strength of its industrial base and the transformative momentum of the Johor-Singapore Special Economic Zone. **Selangor at RM83.9 billion, Kuala Lumpur at RM63.3 billion, Pulau Pinang at RM32.9 billion, and Kedah at RM27.8 billion** complete the top five, each complementing one another in strengthening Malaysia's overall ecosystem.

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<sup>3</sup> <https://www.matrade.gov.my/en/about-matrade/press-release/malaysias-trade-performance-for-2025>

<sup>4</sup> Note: Reporting of foreign investment is based on the ultimate source.

17. But our ambitions have never been confined to our established economic hubs. The **Less Developed States**<sup>5</sup> recorded **RM66.0 billion in approved investments across 941 projects**, with the potential to generate over **23,000 jobs**. Growth must reach every corner of this nation. And it is.

## THE SERVICES SECTOR SUSTAINS ECONOMIC MOMENTUM

18. Malaysia's services sector remains the single largest driver of our investment growth, and in 2025, it delivered decisively. The sector secured **RM281.3 billion** in approved investments **across over 7,000 projects**, expected to generate more than **130,000 new jobs for Malaysians**.
19. At the forefront of this momentum is the information and communication sub-sector<sup>6</sup>, which recorded **RM152.9 billion in approved investments**. This is driven by digital investments in Artificial Intelligence (AI), Big Data, data centres and cloud computing, all pivotal in advancing Malaysia towards becoming an **AI Nation by 2030**.
20. According to UNCTAD, data centres attracted more than **one-fifth of all global greenfield project value in 2025**, with investments exceeding **USD270 billion worldwide**<sup>7</sup>, fuelled by the infrastructure demands of artificial intelligence and expanding digital networks. France, the United States, and South Korea led as host countries. And **Malaysia was identified alongside Brazil, India, and Thailand** as a key emerging destination successfully drawing large-scale digital investments. To be named in that group is a distinction we do not take lightly.
21. A case in point – **Racks Central Group's** state-of-the-art data centre campus in Pasir Gudang, Johor has an estimated total investment value of up to **RM26.6 billion** encompassing infrastructure development and capacity commitments, with a targeted combined capacity of up to **510 megawatts**. Designed to support AI-driven and high-density computing workloads and built to recognised sustainability standards, including the targeted integration of renewable energy, the facilities further support Johor's position as a regional digital infrastructure hub. The projects are anticipated to generate **more than 100 positions** for the local community, with the vast majority designated for Malaysian talent, reflecting the high-value, skilled employment that advanced digital infrastructure brings.

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<sup>5</sup> Less Developed States include Kedah, Terengganu, Perlis, Kelantan, Sabah and Sarawak.

<sup>6</sup> Information and communication comprise of Telecommunications, MSC Status/MD Status and ICT Services

<sup>7</sup> <https://unctad.org/news/global-foreign-investment-14-2025-growth-concentrated-developed-economies>

22. Malaysia has moved with intent. MITI and MIDA have moved on two deliberate fronts, establishing the **Data Centre Task Force** since February 2025, together with the Ministry of Digital to streamline our industry trajectory, and enhancing the **Digital Ecosystem Acceleration scheme** with rigorous sustainability benchmarks, including Power Usage Effectiveness and Water Usage Effectiveness standards, alongside a stronger orientation toward local vendor development, high-value job creation, and collaboration with universities and technical institutes.
23. Because digital expansion without sustainability is an incomplete ambition. And digital investment without local ecosystem development serves only the investor. We intend it to serve Malaysia.

### **A Project That Defines Our Ambition**

24. Allow me to illustrate with a project that captures the spirit of this moment.
25. **DHL Express** has generated **over 200 skilled jobs** through the establishment of one of its most advanced facilities in Southeast Asia, right here in the Free Commercial Zone, KLIA. These positions, **100 per cent filled by Malaysians**, reflect a deliberate commitment to professional, technical, and knowledge-intensive employment, reinforced by an **MTS ratio of 100 per cent**. This **RM300 million investment** represents the company's largest commitment to Malaysia to date. A **fully automated gateway** integrating AI-driven routing, warehouse automation, and green logistics practices that set a new regional benchmark in operational excellence.
26. Through seamless access to DHL's global distribution network, **Malaysian SMEs gain a direct pathway to international markets**. This is what high-impact services investment looks like: technology transfer, local capability building, and a reinforcement of Malaysia's standing as ASEAN's most connected logistics hub.

### **THE MANUFACTURING SECTOR ADVANCES THE VALUE CHAIN**

27. Malaysia's manufacturing sector demonstrated both strength and strategic evolution in 2025, securing **RM131.3 billion in approved investments** across over **1,300 projects**, generating nearly **110,000 new jobs**.
28. What is equally significant is the quality of those new jobs. A commendable **82.3 per cent of these positions are reserved for Malaysians**, and of those, **46.3 per cent are high-value roles** spanning **Managerial, Technical, and Supervisory (MTS) categories**. Beyond the volume, it is the quality of what we are building that defines this moment.

29. The **Electrical and Electronics industry** remains our manufacturing cornerstone at **RM28.5 billion**, leading the top five sectors, followed by **Chemicals and Chemical Products, Transport Equipment, Basic Metal Products**, and **Machinery and Equipment**. Across these industries, the common thread is clear: Malaysia is moving up the value chain, attracting investments that are increasingly sophisticated, high-skilled, and globally integrated.

### **Projects Anchored to Our National Investment Aspirations**

30. Malaysia's 2025 manufacturing approvals speak directly to our **four National Investment Aspirations**: building **economic complexity**, ensuring **inclusive growth**, advancing **sustainability**, and deepening **local participation**. Let me highlight some of the projects that bring these to life.

31. On **economic complexity**, **TF AMD Microelectronics in Penang** exemplifies Malaysia's ascent into high-complexity, high-value manufacturing. Part of Penang's E&E cluster that has attracted **83 projects worth RM11.3 billion**, with 78 per cent from foreign investors.

TF AMD deploys cutting-edge wafer bumping and advanced packaging technologies supporting AI, high-performance computing, and data centre applications backed by a total investment of **nearly RM5 billion** and, employing **over 5,600 people, 86 per cent of whom are Malaysian**. The company has also already surpassed its R&D commitment, investing **RM145 million against an initial target of RM125 million** in wafer bumping and advanced packaging.

32. On **inclusivity**, **Ain Medicare in Kelantan** proves that **high-value industrial ambition belongs to every corner of Malaysia**. With an investment of **RM170.9 million**, this wholly Malaysian-owned company is producing **prefilled syringes, cartridges, and small volume parenteral products, creating 82 high-value jobs** powered entirely by local talent.

33. In Perak, **QL Foods** represents a **RM1.3 billion wholly Malaysian investment** in surimi and agro-food production, **supporting over 4,000 jobs of which 72 per cent are Malaysians, with 64 senior specialists and engineers earning RM10,000 and above**. This project integrates Industry 4.0 technologies and strengthens our food security and export competitiveness.

34. On **sustainability**, **Pengerang Biorefinery** stands as one of the most significant green industrial investments in our nation's history. A strategic joint

venture between PETRONAS, Italy's Enilive, and Japan's Euglena, the facility produces **Sustainable Aviation Fuel** and a range of next-generation green fuels. These are the fuels that will power a decarbonising world. This project will create **182 specialised jobs, with 98 per cent of its workforce being Malaysian and 98 per cent occupying MTS roles.**

35. And on **local participation**, **PROTON's RM1.29 billion** investment in Tanjong Malim, Perak anchors Malaysia's **first dedicated electric vehicle production plant**, the birthplace of the Proton e.MAS series. **Employing more than 7,000 Malaysians, with almost 50% in MTS roles**, Proton has **built a specialised EV vendor base and established 15 collaborative initiatives and programmes with local universities and institutions.** Together, these efforts are transforming Tanjong Malim into a living example of how industrial investment can generate lasting, community-wide economic benefits.

36. These are among the projects that showcase Malaysia's industrial transformation is complex, inclusive, sustainable, and deeply rooted in local participation. All four pillars. All moving forward. Together.

## **PRIMARY SECTOR DEMONSTRATES OPPORTUNITY**

37. For the primary sector, Malaysia secured **RM14.2 billion** in investments across **32 projects** in 2025. These include:

- Mining – **RM14.1 billion**; and
- Agriculture – **RM51.4 million**; and

38. Collectively, these projects will generate over **28 new jobs**, supporting Malaysia's economic diversification.

## **IMPLEMENTATION — DELIVERING ON OUR COMMITMENTS**

39. **Between 2021 and 2025**, the **National Committee on Investment** approved **4,848 manufacturing projects**. Of these, **84.9 per cent have reached various stages of implementation**, from production to factory construction to machinery installation.

40. More than **90 per cent of projects approved between 2021 and 2024 have been implemented**. **Projects approved in 2025** have already recorded a **62.2 per cent implementation rate**, a remarkable trajectory for commitments that by their nature require **18 to 24 months** from approval to operation.

41. This delivery is the product of deliberate facilitation architecture. The Project Implementation and Facilitation Office, or **TRACK**, monitors high-impact projects in real time, addressing delays in approvals, site preparation, utility supply, and workforce requirements before they become obstacles. The Invest Malaysia Facilitation Centre, or **IMFC**, provides investors with a single coordinated touchpoint across federal and state agencies.
42. As of February 2026, MIDA is overseeing a robust pipeline of **172 projects with proposed investments totalling RM29.1 billion**. The pipeline is strong. Investor interest has not abated. And we intend to convert every ringgit of that interest into productive investment on Malaysian soil.
43. In 2025, MITI and MIDA conducted **13 high-level overseas missions** across key economies in the East and West, complemented by strategic engagements led by the Prime Minister himself. That sustained outreach has a value: **RM65.5 billion currently under active negotiation**. Every ringgit of that is a relationship built, a conversation had, a case made for Malaysia.

## **LOOKING AHEAD — MALAYSIA'S COMMITMENT TO THE FUTURE**

44. Records are meaningful. But what matters more is what comes next.
45. The world in 2026 will not be easier. Global growth is projected to moderate further. Trade policy uncertainty remains deeply embedded. The rising geopolitical tensions in the Middle East continue to inject volatility into energy markets and global supply chains, adding yet another layer of complexity to an already uncertain investment landscape. Greenfield investment is expected to stay cautious, with capital concentrating in selected geographies and strategic sectors. In this environment, the advantage belongs to nations that combine policy clarity with execution credibility, nations that investors can rely upon not just to approve, but to deliver.
46. Malaysia is that nation. And we are not standing still.
47. The regional context is otherwise encouraging. ASEAN is expected to sustain growth in 2026 at a pace above the global average, underpinned by domestic demand, public and private investment, and its deepening role in global supply chain reconfiguration. **Malaysia's ASEAN Chairmanship in 2025** provided an important platform to advance economic integration and strengthen coordination among member states, particularly in trade, investment, and digital development. We made substantive progress on the **ASEAN Digital Economy Framework Agreement**, aimed at establishing clearer and more predictable digital trade and investment rules across the region. In an environment where investors are prioritising resilience and

execution certainty, ASEAN's fundamentals have never been more compelling.

48. The frameworks that will define Malaysia's next chapter are already taking shape. The **New Incentive Framework**, effective 1st March 2026 for the manufacturing sector and extending to the services sector in the second quarter of 2026, marks the most significant modernisation of Malaysia's investment architecture in a generation. It is a deliberate shift from volume to value. From approvals to outcomes. From attracting capital to ensuring that capital delivers.
49. Alongside this, the **Industrial Development Act 2026** will replace the Industrial Coordination Act 1975. It introduces a more agile, transparent and facilitative approach, ensuring that regulation keeps pace with technological advancement and evolving investor expectations.
50. And the **Climate Change Bill**, anticipated to be tabled in this parliamentary session, will establish the legal framework for Malaysia's transition to a low-carbon economy.
51. These are imminent realities. And they are anchored by the **Thirteenth Malaysia Plan** — a RM611 billion national commitment over 2026 to 2030, which positions manufacturing and services as the twin engines of inclusive, high-income, and sustainable growth.

## **CLOSING — TRANSFORMATION IN MOTION**

52. We began by recognising the complexity of the global landscape. We close with the confidence that Malaysia has met these challenges with discipline, reform and execution.
53. RM426.7 billion. 8,390 projects. 244,902 jobs. Trade surpassing RM3 trillion. A currency at its strongest in eight years. An economy growing at its fastest pace in twelve quarters.
54. These are the compounding returns of consistent governance, deliberate reform, and the sustained confidence of investors — domestic and foreign alike — who have chosen Malaysia, again and again, as the place to build their future.
55. A future defined not by the volume of capital we attract but by the quality of the economy we build. An economy of high-value industries. Of skilled, well-paid Malaysians. Of supply chains that are resilient, sustainable, and deeply integrated with the world. Of growth that reaches not just our

established centres but every state, every community, every Malaysian who deserves to share in what we are building together. Transformation in Motion is not an aspiration. Today, we have shown you the evidence.

Thank you.