



**MINISTRY OF
INVESTMENT, TRADE**

SPEECH ON

**MALAYSIA'S INVESTMENT PERFORMANCE IN THE
MANUFACTURING, SERVICES AND PRIMARY SECTORS
FOR 2024**

BY

**YB SENATOR TENGKU DATUK SERI UTAMA ZAFRUL
BIN TENGKU ABDUL AZIZ**

**MINISTER OF INVESTMENT, TRADE AND INDUSTRY
(MITI)**

25 FEBRUARY 2025

Datuk Hanafi Sakri

Deputy Secretary General (Industry)

Ministry of Investment, Trade and Industry (MITI)

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;

Distinguished Guests;

Members of the Media;

Ladies and Gentlemen;

**Assalamualaikum warahmatullahi wabarakatuh, Salam
Malaysia MADANI and a very good afternoon to everyone.**

1. I would like to start by thanking all our valued industry partners, and stakeholders for your support in driving strategic investments and propelling Malaysia's economic growth.

[SLIDE 2]

2. Yesterday, MITI just shared its 2024 Report Card, which presented **how the NIMP targets are right on track to future-proof Malaysia's industrial sector**. We track metrics such as how many SMEs can be shifted from traditional industries to high-value industries like advanced manufacturing and emerging technologies. We want to **create 3,000 smart factories by 2030**, by collaborating with SMEs, LLCs, and MNCs to build a resilient, sustainable supply chain.
3. MITI, together with its agencies like MIDA, have strongly implemented a **whole-of-nation approach to drive reforms related to investments and industries**. We have also been mindful to ensure that **industrial and economic transformation** also bring real impact to the *rakyat*, and our SMEs.
4. This whole-of-nation approach is important, because while the **MADANI Government implements policies and provides direction**, it is the **industries, investors and businesses that give life to that policy vision**, through their operations and innovation that drive growth.

The Reality We Face

Ladies and gentlemen,

5. Let us acknowledge the reality: This is not an easy time for businesses. The global economic landscape is evolving rapidly, shaped by four major forces namely:
 - **Geopolitical and trade alignments** that disrupt supply chains and redefine global partnerships.
 - **Tech advancements** such as automation, Artificial Intelligence (AI), and Internet-of-Things (IoT) that are reshaping industries.
 - The increasing use of **state-driven policies and subsidies** as emerging countries compete to attract investments and build up key industries.
 - The **global push for sustainability**, where ESG compliance and the green economy are no longer optional but essential.
6. These forces intersect and converge to shape how businesses operate. To stay competitive, we must not only adapt but stay ahead of these changes. And, despite these

challenges, our **MADANI Government's approach is yielding results**. Our investment numbers tell a story I am proud to share with you today.

Strong Economic Growth and Global Recognition

7. **Our GDP grew 5.1% in 2024** — a significant improvement from 3.6% in 2023. The **successful implementation of both new and ongoing investment projects** has directly contributed to this growth.
8. The **projected GDP growth for 2025 is 4.7%**. This will be driven by **strong domestic (private) consumption, rising private investment, and ongoing recovery in exports**. In terms of exports, we expect strategic industries like **electrical and electronics (E&E) and semiconductors** to continue anchoring Malaysia's position in the global supply chains.
9. Notably, our **sovereign credit ratings** have been **reaffirmed** by agencies such as **S&P (A-), Fitch (BBB+), and Moody's (A3)**. All of them have also confirmed Malaysia's outlook as **stable and promising**.¹ Additionally, the **Milken Institute's Global Opportunity Index (GOI)**

¹ <https://www.investmalaysia.gov.my/invest-in-malaysia/sovereign-credit-rating-snapshot/>

2024 has also ranked Malaysia as the top emerging and developing nations in Asia for overall investment conditions.

Record Approved Investments, Leading to Transformative Growth

Ladies and gentlemen,

10. A quick **recap of what we achieved in 2023**: with **RM329.5 billion** in approved investments, we set **a fresh record high with a 23% increase**. I am happy to share that **97.4% of the total manufacturing projects** approved in 2023 have been **implemented** or are in the planning stage.
11. We have been very focused on the implementation of these investment projects because **we want to quickly realise the creation of jobs for Malaysians**. Additionally, the faster these projects get off the ground, the faster they can help boost Malaysia's exports, and generate wider economic spillovers that benefit communities and businesses, especially SMEs.

[SLIDE 3]

12. For **2024**, I am glad to share that despite global headwinds, **Malaysia has again, reached another milestone**. A total of **RM378.5 billion of approved investments - the highest on record!**

[SLIDE 4]

13. This represents a **14.9% year-on-year increase**, covering **6,700 projects** across the manufacturing, services, and primary sectors. These investments will create **over 207,000 (207,241) new job opportunities** for Malaysians – reaffirming the MADANI Economy Framework’s vision to ‘raise the floor’ of our economy for our people.

[SLIDE 5]

14. What is particularly encouraging is that **55% (or RM208.1 billion)** of the approved investments came from **domestic investors**. For the past two years, we are happy to see the **rising trend of Malaysian investors increasing their investments in Malaysia. Nothing can be more powerful than the endorsement of our own people in our industrial reform and growth policies**. I believe that domestic investors and players’ confidence is also a barometer for international investors to consider investing in Malaysia.

[SLIDE 6]

15. As for **foreign investments**, these contributed **45% (or RM170.4 billion)** of approved investments. I must also highlight that we have **a healthy blend of investors from both the East and the West**, reinforcing Malaysia's position as a preferred investment destination. Our top foreign investors² are:

- The United States of America – RM32.8 billion
- Germany – RM32.2 billion
- People's Republic of China – RM28.2 billion
- Singapore – RM27.3 billion
- Hong Kong SAR – RM7.4 billion

[SLIDE 7]

16. Across Malaysia, the top **five states** that have emerged as **key investment destinations** are:

- Selangor, leading with RM101.1 billion
- Kuala Lumpur – RM91.5 billion
- Johor – RM48.5 billion
- Kedah – RM45.8 billion, and
- Penang – RM32.0 billion.

² *Note: Reporting of foreign investment is based on the ultimate source.

17. We realise that these have been roughly the same recipients of major investments for many years. We are addressing this issue through our **inclusive growth initiatives as outlined in the New Industrial Master Plan (NIMP) 2030.**

[SLIDE 8]

18. A case in point is **E Concern Borneo's RM739-million³** investment in Sabah's Scheduled Waste Management Hub, which will enhance environmental sustainability and industrial resilience. Another example is **OCI TerraSus's almost RM800-million⁴** expansion in Sarawak for polycrystalline silicon manufacturing. Both are reinforcing NIMP's strategic positioning of Malaysia in the renewable energy sector.

³ Actual figure: RM739.3 million.

⁴ Actual figure: RM799.8 million.

The Services Sector Leads Malaysia's Growth

Ladies and Gentlemen,

[SLIDE 9]

19. In terms of sectors, in 2024, the Services sector secured **RM252.7 billion** in approved investments, or **66.8%** of the total. These investments are set to generate nearly **120,000⁵ new jobs**, reaffirming the sector's role as the backbone of our economy, driving solid growth and job creation.
20. Under this sector, the **information and communication sub-sector⁶** attracted **RM136.0 billion** in investments. This made up **53.8%** of total approved investments for the service sector, highlighting the growing adoption of digital technologies across sectors such as agriculture, healthcare, finance, tourism, and the Halal economy.

⁵ Actual estimate: 119,083

⁶ **Information and communication** comprise of Telecommunications, MSC Status/MD Status and ICT Services

21. This positive trend extends to other vital areas, such as real estate, which saw RM64.5 billion in investments, support services with RM12.9 billion, utilities at RM11.1 billion, and transport services receiving RM8.5 billion.⁷ **Increased investments have clearly resulted in spillover economic impact**, benefitting many domestic companies and SMEs.

22. At the heart of this momentum is Malaysia's proactive positioning as Southeast Asia's premier data centre hub. Our **Digital Investment Office (DIO)**, jointly run by MIDA and MDEC, has delivered **RM133.3 billion in digital investments in 2024**. This has effectively surpassed our RM130-billion national digital investment target set for 2025, with **total approved investments reaching RM278.0 billion between 2021 and December 2024**.

⁷ **Support Services** comprise of R&D, Logistics Services, Green Technology, Design Services, Professional Services and Other Support Services; **Utilities** comprise of Energy and Water; and **Transport Services** comprise of Maritime, Aviation and Road

[SLIDE 10]

23. Allow me to share a few notable projects on these digital investments:
- **STT GDC's** commitment to building a world-class sustainable digital infrastructure. Located in Johor, this project is poised to advance our vision for the **Johor Singapore Special Economic Zone (JS-SEZ)** as a hub for innovation, technology, and investment.
24. As data centres grow, so does their **demand for clean, renewable energy**. This is **industrial transformation and sectoral convergence in action** — where digital progress fuels sustainable energy development.
25. Our **commitment to green growth** has been clearly outlined in our **Green Investment Strategy (GIS)**. Initiatives like the **Corporate Renewable Energy Supply Scheme (CRESS)** support industries' transition to clean energy solutions. Our GIS outlines the building of an entire sustainable ecosystem:
- This is where **NUR Renewables** demonstrates this approach well. Their **RM250-million** solar farm in Kulim combines clean energy with Industry 4.0 technology,

setting new standards for sustainable industrial development.

26. Next, **a strong, modern logistics backbone is essential for trade and economic competitiveness**, particularly as e-commerce, manufacturing, and global supply chains evolve very quickly. Thanks to our improving reputation as an efficient, reliable and well-connected logistics hub, **Malaysia ranks 26th globally in terms of connectedness** in the 2024 DHL Connectedness Index.
27. A prime example of Malaysia's growing stature as a logistics powerhouse is:
 - The expansion of Singapore-based **YCH Group**. They are investing **RM500 million** in the development of **Supply Chain City** Malaysia in Selangor. This is a strong endorsement of the country's clear industrial reform policies, and strong growth prospects.

The Manufacturing Sector Remains Significant

Ladies and Gentlemen,

[SLIDE 11]

28. In 2024, Malaysia's manufacturing sector continued to showcase its strength and resilience. This sector secured **RM120.5 billion** in investments, or **31.8%** of total approved investments. Involving 1,108 projects, these will create nearly 88,000 (87,695) new jobs. Notably, **82.2% (or over 72,000 jobs⁸) are reserved for Malaysians.**
29. What is even more encouraging is that **41.6% of these positions are high-value roles – spanning management, technical, and skilled labour categories.** This strongly supports our NIMP's goal of nurturing a highly skilled workforce for key industries. In fact, several key industries are leading the way in high-value job creation – **72.6% of jobs in aerospace are high-value positions.** The figure is **44.4% in chemicals and chemical products, 40.6% in electrical and electronics (E&E), 37.0% in pharmaceuticals, and 34.4% in medical devices.**

⁸ Actual estimated figure: 72,116

30. The **E&E industry** remains the backbone of our manufacturing sector, securing **RM55.8** billion in approved investments. Of this, **86.2% is made up of the semiconductor subsector.**
31. This is also a reflection of **how clearly we have communicated our National Semiconductor Strategy's (NSS), and its RM500-billion investment target.** As per the decision made by our recent National Investment Council (*Majlis Pelaburan Negara*), we have a clear strategy on advancing high-value **front-end activities** such as world-class **integrated circuit (IC) design, developing IC design clusters, and attracting leading global players to establish wafer fabrication facilities** in Malaysia.
32. Beyond semiconductors, other industries that have significantly contributed to our investments in manufacturing, and in turn, our economy are:
- **Transport Equipment – RM15.8 billion;**
 - **Chemicals and Chemical Products – RM10.6 billion;**
 - **Machinery and Equipment – RM10.6 billion;**
 - **Food Manufacturing – RM6.1 billion.**

[SLIDE 12]

33. Among the notable projects that showcase the dynamism of our manufacturing sector:
- a. **EVE Energy Malaysia's RM6.8-billion** expansion into lithium-ion battery production for electric vehicles in Kedah;
 - b. **MKS Instruments Malaysia's RM2.2 billion** super centre factory in Penang;
 - c. **F&N Agrivalley's RM1.7 billion** integrated dairy farming and manufacturing of dairy products in Negeri Sembilan;
 - d. **Chery Corporate Malaysia's RM1.4 billion** assembly plant in Selangor;
 - e. **Plexus Manufacturing's RM1.0 billion** sixth facility in Penang and
 - f. **Dominant Opto Technologies' RM1.0 billion** investment in automotive LED manufacturing facility in Malacca.

34. One of the most important developments is how MITI and MIDA initiatives have **strengthened domestic supply chains**. As outlined by NIMP, we have rolled out numerous vendor development programmes that foster long term partnerships between local businesses and MNCs:
- One great example is our collaboration with **Infineon**, which has enabled **139 local suppliers** to enhance their technological capabilities and meet international standards.
 - Secondly, the **Chery** supply chain programme has successfully integrated **33 Malaysian automotive vendors and 19 China-based vendors under Chery Technical Group (CTG)**, opening doors for deeper collaboration, technology transfer and technical skills enhancement.
 - Third, our partnership with **BMW** has propelled **34 local suppliers** to global vendor status – proof that Malaysian companies can compete at international levels.

[SLIDE 13]

Investment in the Primary Sector

35. For the sake of completion, we have included a slide on the primary sector, which attracted RM5.3 billion in investments across 67 projects in 2024. I will not elaborate on these, as the slide is self-explanatory.

[SLIDE 14]

From Approval to Impact - Ensuring Successful Investment Implementation

Ladies and Gentlemen,

36. Approving investments is just the first step. What really matters is turning those commitments into reality. Malaysia has a **proven track record** of ensuring that approved projects are executed smoothly, to create tangible economic impact as quickly as possible. **From 2021 to 2024, we achieved an 84.5% success rate in implementing manufacturing projects.** This success is driven by investor-friendly initiatives such as:

- The Project Implementation and Facilitation Office (**TRACK**), ensuring seamless project execution.

- Our **whole-of-Government** approach, which streamlines processes for investors.
 - The Invest Malaysia Facilitation Centre (**IMFC**), to address challenges proactively.
 - Our **strong collaboration** with regional economic corridors and investment promotion agencies (IPAs) at both federal and state levels.
37. MIDA is currently **evaluating 1,049 high-potential projects valued at RM58.8 billion**. The services sector leads with RM31.8 billion across 995 projects, while manufacturing contributes 54 projects worth RM27.0 billion. Even more promising, an additional **RM63.5 billion worth of investment prospects** are currently under **active negotiations**.

[SLIDE 15]

Building Global Partnerships- Advancing Trade and Investment Through Diplomacy

Ladies and Gentlemen,

38. Thanks to our Prime Minister YAB Datuk Seri Anwar Ibrahim, his strategic international engagements have yielded **impressive potential investment returns**.
39. Through his official visits, we have generated substantial potential investment leads amounting to **RM480.16 billion, both from the East** (like Saudi Arabia, Japan and China) **to the West**, encompassing countries like Germany and the United States.
40. Our **clear policies, strength of execution and political stability** are among factors that have attracted these potential investments, paving the way for improved economic ties with various countries.
41. Aside from investments, the recent signing of the **Malaysia-UAE Comprehensive Economic Partnership Agreement (CEPA)** has also **opened exciting new avenues** for trade, investment and economic cooperation, given the **UAE's position as a major gateway to the Middle Eastern market**.

42. MITI is also working on its forward-looking **New Investment Incentive Framework, as announced in Budget 2025**. This framework is designed to attract high-value investments, focusing on key strategic sectors that can foster innovation, technology transfer, and the creation of high-skilled jobs for Malaysians.
43. As Malaysia takes on the **ASEAN Chairmanship in 2025**, we recognise the **importance of intra-ASEAN investments and trade** in building a more resilient and prosperous region. By encouraging more investments and trade among ASEAN countries, we can create **a stronger, more self-sustaining regional economy that taps into each nation's unique strengths**. This approach fits in with our Inclusivity and Sustainability theme.
44. Among the initiatives that we aspire to advance substantially this year is the negotiations on the **ASEAN Digital Economy Framework Agreement (DEFA)**, which, once implemented, could **add USD2 trillion to the region's digital economy by 2030**.

45. Aside from that, once our **Priority Economic Deliverables (PEDs) for 2025** are officially endorsed by the ASEAN Economic Ministers, **Malaysia could effectively build a better foundation for ASEAN to be a more competitive and connected economic bloc.**

Conclusion

Ladies and Gentlemen,

[SLIDE 16]

46. The **global economic landscape is increasingly complex and challenging**, marked by significant structural shifts, near-term uncertainties, and resource constraints.
47. To secure our nation's future, we must **intensify our focus on sustainable economic growth and industrial reforms, push the boundaries of innovation**, and grow Malaysia's standing as a premier investment destination in this region.

48. **A skilled and highly trainable workforce; the ease-of-doing business for investors; the rule of law; our strong execution and Malaysia's strategic geographical position** form a great blend of factors to continue attracting quality and sustainable investments to our shores.
49. Looking ahead, **while challenges persist, businesses anticipate a relatively stable operating environment over the next three months**, reflecting measured confidence in Malaysia's economic resilience.
50. In conclusion, the **MADANI Government's leadership and approach have significantly contributed to Malaysia's investment success story**. Aside from building a strong and resilient economy, we are also focused on ensuring approved and implemented investments translate into tangible benefits for Malaysians.

Thank you.