MIDA
MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

MALAYSIA INVESTMENT PERFORMANCE REPORT 2024

# DRIVING TRANSFORMATION AND VALUE CREATION

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Being an open economy, Malaysia prides itself on doing business with the entire world, and we have benefitted greatly from being a vital node in globalised supply chains.

**YAB Dato' Seri Anwar Ibrahim**
Prime Minister of Malaysia
2024 Eastern Economic Forum

# 1.0

# YEAR IN REVIEW 2024

# NAVIGATING A FRAGILE GLOBAL ECONOMY

In 2024, the global economy navigated a challenging and complex landscape. Whilst growth persevered, it remained below historical averages shaped by persistent inflationary pressures. Despite easing in several regions, these pressures continued to strain household incomes and business operations. Elevated interest rates, maintained by central banks to stabilise inflation, further constrained economic activity.

The withdrawal of pandemic-era stimulus measures added to global economic fragility, limiting many economies' ability to respond effectively to emerging challenges. Geopolitical shifts and policy adjustments influenced the global outlook, prompting investors to reassess opportunities amid changing market conditions. According to the World Bank's Global Economic Prospects, global growth stabilised at 2.6 per cent, a rate below the pre-pandemic decade average of 3.1 per cent. As inflationary pressures eased, modest expansions in trade and investment helped sustain momentum.

Advanced economies experienced moderate growth in 2024 with steady productivity, cautious business investment, and tighter financial conditions. The Organisation for Economic Co-operation and Development (OECD) Economic Outlook highlighted structural weaknesses, including slow technological adoption, labour market inefficiencies and ageing demographics, which placed additional pressure on workforce participation and social safety nets. Fiscal constraints further limited public investment in critical areas, such as infrastructure, research, and digitalisation, impeding long-term economic expansion. The Eurozone struggled with low consumer confidence while the United States of America (the USA) economy continued to expand due to resilient domestic demand and government incentives supporting high-tech industries.

According to the World Bank, global inflation moderated to 4.4 per cent in 2024 as supply chain disruptions eased and commodity prices stabilised. However, inflation rates remained uneven across economies. The OECD reported that inflation among its member countries declined from 5.4 per cent in 2023 to 3.8 per cent in 2024, largely due to restrictive monetary policies.

Central banks, including the Federal Reserve in the United States of America (the USA) and the European Central Bank, maintained higher interest rates for an extended period, prioritising price stability over growth. In emerging markets, inflation trends varied, with some economies benefitting from currency stabilisation, while others faced renewed cost pressures due to policy adjustments and external vulnerabilities.

In 2024, global economies continued their post-pandemic recovery, adjusting to shifting economic conditions as industries identified new growth opportunities. While many regions experienced steady expansion, an evolving geopolitical landscape introduced uncertainties in trade and investment flows. At the same time, technological advancements and a stronger emphasis on sustainability continued to influence investment patterns and reshape industries. Driven by increasing climate commitments, global markets are increasingly adopting clean energy, advanced manufacturing technology, and circular economy initiatives. As countries work towards carbon neutrality and sustainable development, these shifts are contributing to long-term economic stability and influencing investment priorities.

## ANCHORING GLOBAL RECOVERY

Developing Asia's economic momentum was supported by robust domestic demand, sectoral diversification and strategic policy interventions. The region accounted for nearly 60.0 per cent of global growth, with economic expansion outpacing most other regions.

The People's Republic of China (the PRC) recorded a 4.5 per cent growth in 2024, easing from 5.2 per cent of the previous year. Slower property market activity, cautious private investment, and corporate debt concerns influenced overall performance, though targeted policy measures provided support for domestic industries and infrastructure projects. Despite these adjustments, the economy continued to advance, reflecting efforts to maintain stability while navigating structural shifts.

Meanwhile, South Asia recorded a 6.4 per cent growth, led by India's expanding manufacturing base, increased infrastructure spending, and strong private sector investment. According to the World Bank, South Asia remained the fastest-growing sub-region globally, due to a growing middle class, technological advancements and export diversification.

In Emerging Asia, economic activity remained uneven. Southeast Asia's growth reached 4.5 per cent, as reported by the Asian Development Bank (ADB). Strong domestic investment and recovering tourism in key markets like Thailand and Indonesia helped sustain demand, although slower global trade and weak external demand for electronics inhibited manufacturing expansion. Countries with high exposure to commodity exports faced price volatility, while infrastructure development and digital economy investments continued to attract capital inflows.


Inflation across Developing Asia moderated in 2024, reflecting lower energy prices, improved supply chain conditions, and stable food costs. The ADB reported that regional inflation declined to 2.8 per cent, though currency depreciation and fiscal adjustments in certain economies led to localised price pressures. Inflation trends varied across sub-regions, with South Asia experiencing more persistent price pressures due to supply chain constraints while Southeast Asia saw a notable easing in price growth amid stabilised commodity prices.

The economic performance of 2024 reflected divergent growth paths among major economies in the region. The PRC's economic moderation was counterbalanced by India's rapid expansion whilst Southeast Asia's investment in infrastructure and digital transformation helped sustain its competitiveness.

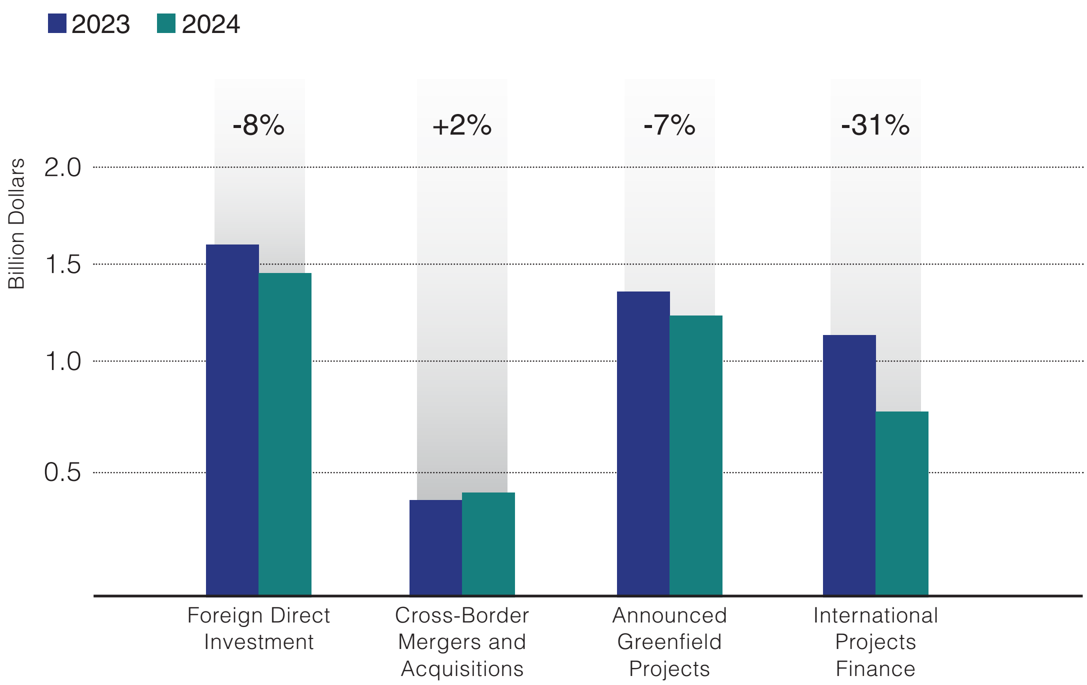
## GLOBAL FDI UPTURN

Global foreign direct investment (FDI) rose 11.0 per cent in 2024, reaching US$1.4 trillion, according to the United Nations Conference on Trade and Development (UNCTAD) in its Global Investment Trends Monitor No. 48, January 2025. However, when excluding flows through conduit economies, such as Luxembourg and the Netherlands, global FDI declined by 8.0 per cent, reflecting persistent investor caution and geopolitical uncertainties. Although developed economies saw a 43.0 per cent increase in FDI, this was largely influenced by multinational capital flows through financial hubs, masking an underlying 15.0 per cent decline in real investment activity.

Investment trends varied across regions, with North America recording a 13.0 per cent rise in FDI, driven by a 10.0 per cent increase in the United States of America (the USA) and an 80.0 per cent surge in mergers and acquisitions (M&A) values. In contrast, Europe experienced a 45.0 per cent decline, with Germany, Italy, Spain, and France posting lower inflows. In developing economies, FDI to Asia and Latin America contracted, weighed down by weaker greenfield investments and project financing while Africa recorded an 84.0 per cent increase, primarily due to a megaproject in Egypt. ASEAN's FDI rose by 2.0 per cent, reaching a record US$235 billion, demonstrating steady investor confidence.

Despite some fluctuations in sectoral investment patterns, there are promising signs of resilience and growth. It had been announced that Greenfield investment experienced a decline of 8.0 per cent in amount and 7.0 per cent in value while international project finance faced temporary setbacks in infrastructure, agri-food and water-related projects. However, importantly, the strength of investments in semiconductors and AI-related industries provided some stability, keeping overall values close to 2023 levels.

### GLOBAL INVESTMENT TRENDS, 2024 VS 2023




Source: UN Trade and Development (UNCTAD), based on information from The Financial Times, fDi Markets (www.fDimarkets.com) and LSEG Data & Analytics.

## DIVERSIFYING BEYOND BORDERS

In 2024, Malaysia's Direct Investment Abroad (DIA) totalled RM36.4 billion, reflecting the continued expansion of local companies into global markets. Investments were directed towards high-growth industries, with businesses seeking opportunities in services, manufacturing, and resource-based sectors. The strategic allocation of capital across key industries highlights Malaysia's efforts to enhance global competitiveness, strengthen trade linkages, and diversify investment portfolios.

The total DIA position in the services sector reached RM461.0 billion, accounting for 74.6 per cent of Malaysia's total accumulated outward investment, followed by mining and quarrying (RM66.1 billion) and agriculture (RM46.4 billion). This trend reflects a long-term commitment to international expansion, ensuring Malaysian firms remain resilient and adaptable in evolving market conditions.

Acknowledging the importance of sustained outward investments, Malaysia continues to create a supportive ecosystem for businesses to expand internationally. Government-led efforts focus on facilitating access to financing, fostering industrial capabilities, and equipping businesses with the necessary tools to succeed in foreign markets. These measures are designed to broaden Malaysia's global presence while ensuring that industries remain competitive, agile, and well-positioned to seize emerging opportunities.

MIDA has intensified efforts to prepare local industries for international expansion, acknowledging that a strong domestic foundation is key to global success. Through initiatives such as DIA Seminars and Missions, Malaysian companies have gained market intelligence and strategic insights while the Domestic Investment Coordination Platform (DICP) has facilitated alternative financing solutions to support cross-border growth.

In 2024, Malaysian companies invested **RM36.4 billion abroad**

Investment remained strong in 2024, with **foreign direct investment (FDI) totalling RM47.4 billion**, reflecting investor confidence and expanding opportunities across key sectors. Inflation averaged 1.8 per cent for the year, with stable global cost conditions and controlled domestic price pressures.

## BALANCING GROWTH AND STABILITY

Malaysia's economy expanded by 5.1 per cent in 2024, improving from 3.6 per cent in 2023, driven by firm domestic demand, stable external trade, and investment inflows in high-value industries and infrastructure.

The services and manufacturing sectors contributed significantly, with services benefiting from increased consumer spending, tourism recovery, and digital economy expansion. The manufacturing sector saw higher industrial output, supported by strong demand for electrical and electronics (E&E) products, improved supply chains, and rising automation adoption.

Bank Negara Malaysia (BNM) reported that inflation pressures were largely contained, with headline and core inflation averaging 1.8 per cent for the year. In the third quarter, inflation was recorded at 1.9 per cent, reflecting controlled price pressures amid stable global commodity prices and steady domestic demand. The ringgit's performance continued to be influenced by external developments, particularly global interest rate differentials and policy shifts in major economies. Despite periodic financial market volatility, Malaysia's strong economic fundamentals and ongoing structural reforms provided underlying support for growth and macroeconomic stability.

## OVERALL PRIVATE INVESTMENTS IN MALAYSIA IN 2024

### Private Investment Maintains Upward Trend

Rising domestic investments and consistent foreign investments in 2024 signalled strong investor confidence, supported by a stable policy framework and a resilient investment ecosystem.

An increase of **14.9%** (2023: 329.5 bil)

**RM378.5 bil**
Total Investments

**6,700**
Projects Approved

An increase of **31.3%** (2023: 5,101 projects)

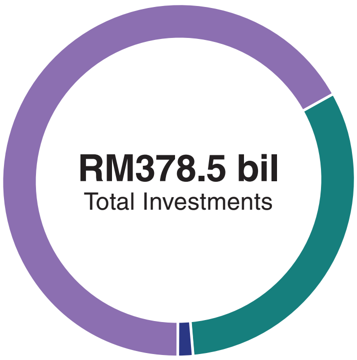
### Domestic vs Foreign Investments

**55%**
RM208.1 bil
Domestic Investments

**45%**
RM170.4 bil
Foreign Investments

**207,241**
Employment Opportunities
An increase of **62.8%**
(2023: 127,332)

## PRIVATE INVESTMENTS BY SECTORS




| | Employment | Projects |
|---|---|---|
| **SERVICES** RM252.7 bil \| 66.8% | 119,083 | 5,525 |
| **MANUFACTURING** RM120.5 bil \| 31.8% | 87,695 | 1,108 |
| **PRIMARY** RM5.3 bil \| 1.4% | 463 | 67 |

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# MALAYSIA INVESTMENT LANDSCAPE

## INVESTMENTS FROM THE TOP FIVE FOREIGN INVESTORS BASED ON IMMEDIATE SOURCE

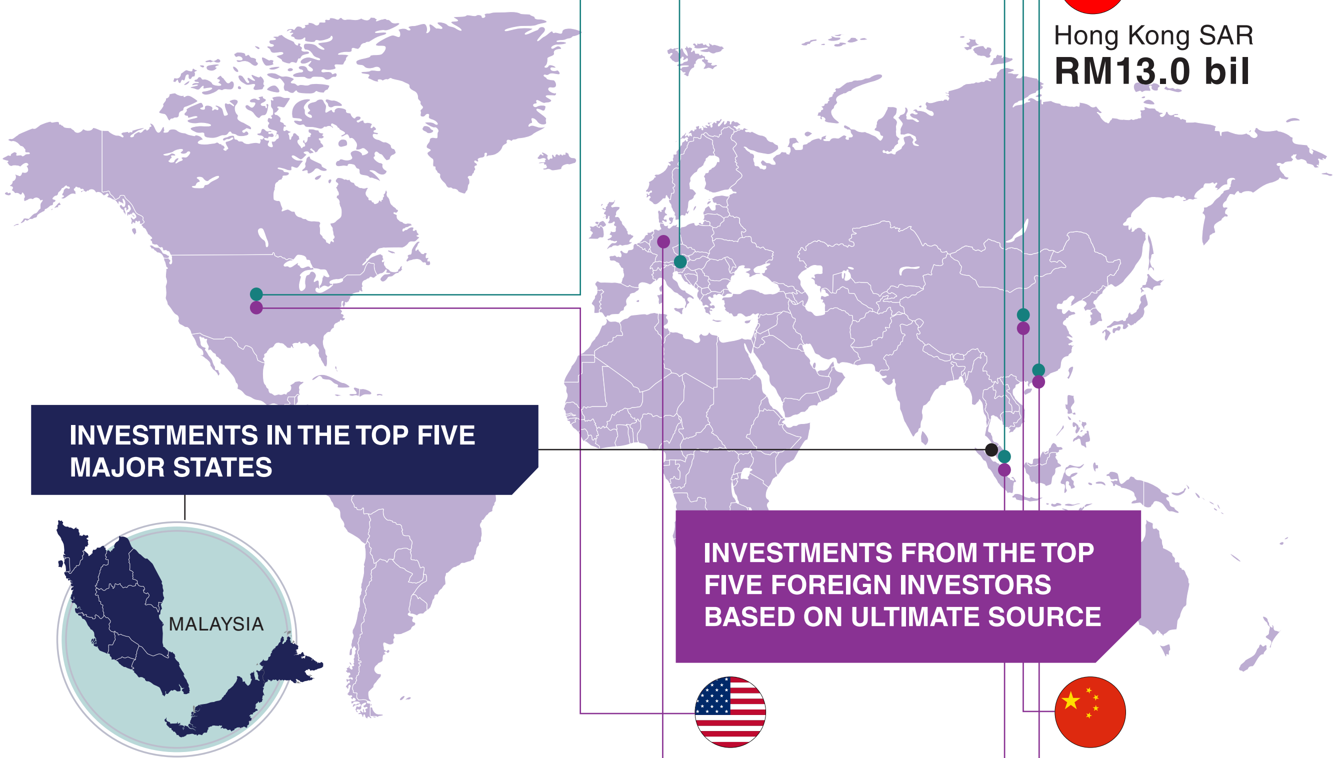
Austria
**RM30.1 bil**

The United States of America
**RM29.7 bil**

Singapore
**RM44.5 bil**

The People's Republic of China
**RM14.2 bil**

Hong Kong SAR
**RM13.0 bil**




## INVESTMENTS IN THE TOP FIVE MAJOR STATES

Selangor I **RM101.1 bil**

W.P. Kuala Lumpur I **RM91.5 bil**

Johor I **RM48.5 bil**

Kedah I **RM45.8 bil**

Pulau Pinang I **RM32.0 bil**

## INVESTMENTS FROM THE TOP FIVE FOREIGN INVESTORS BASED ON ULTIMATE SOURCE

The United States of America
**RM32.8 bil**

Germany
**RM32.2 bil**

The People's Republic of China
**RM28.2 bil**

Singapore
**RM27.3 bil**

Hong Kong SAR
**RM7.4 bil**

## SUMMARY BY SECTORS IN 2024

## MANUFACTURING

In 2024, Malaysia's manufacturing sector affirmed its strategic importance by attracting more approved projects and generating higher employment opportunities than the previous year. This reflects the sector's continued shift toward advanced manufacturing, with investments focusing on automation, high-value industries and sustainable practices. Strong participation from both domestic and foreign investors highlights confidence in Malaysia's industrial ecosystem, supported by strategic policies and targeted incentives. These developments strengthened the sector's role as a catalyst for economic growth and industrial innovation.

### Investments in the Manufacturing Sector

**RM120.5 bil**
Total Investments

**1,108**
Projects Approved

**Domestic vs Foreign Investments**

**26.2%**
RM31.6 bil
Domestic Investments

**73.8%**
RM88.9 bil
Foreign Investments

**87,695**
Employment Opportunities
2023: 73,939

### Top Five Manufacturing Sub-Sectors in 2024

- Electrical and Electronics (E&E) RM55.8 bil
- Transport Equipment RM15.8 bil
- Chemicals and Chemical Products RM10.6 bil
- Machinery and Equipment (M&E) RM10.6 bil
- Food Manufacturing RM6.1 bill

## SERVICES SECTOR

Malaysia's services sector thrived on advancements in digital technologies, logistics expansion, and global business integration in 2024. Innovations in artificial intelligence (AI), the Internet of Things (IoT), 5G networks and cloud services, supported by initiatives such as MyDIGITAL, propelled the sector toward a knowledge-based economy. The strategic location of Malaysia facilitated the growth of logistics services, with rising e-commerce and demand for last-mile delivery solutions driving technological innovation and strengthening its position as a regional logistics hub.

### Investments in the Services Sector

**RM252.7 bil**
Total Investments
**66.8%** of total approved investments

**5,525**
Projects Approved

**Domestic vs Foreign Investments**

**67.9%**
RM171.7 bil
Domestic Investments

**32.1%**
RM81.0 bil
Foreign Investments

**119,083**
Employment Opportunities
2023: 52,732

### Top Services Sub Sectors in 2024

- Information and Communications RM136.0 bil
- Real Estate RM64.5 bil
- Support Services RM12.9 bil
- Utilities RM11.1 bil
- Transport Services RM8.5 bil

## SUMMARY BY SECTORS IN 2024

## PRIMARY SECTOR

Malaysia's primary sector continued to adapt to shifting industry trends and sustainability priorities, sustaining its contribution to economic development. Resource-based industries remained integral to production activities, with a stronger emphasis on balancing commercial growth amid responsible environmental management. Investments in sustainable land use, efficient resource utilisation, and value-added processes reflect ongoing efforts to enhance long-term productivity while aligning with global regulatory standards.

**Investments in the Primary Sector**

**RM5.3 bil** Total Investments

**67** Projects Approved

**Domestic vs Foreign Investments**

**90.2%** RM4.8 bil
Domestic Investments

**9.8%** RM0.5 bil
Foreign Investments

**463**
Employment Opportunities
2023: 661

## MALAYSIA'S GLOBAL RANKING

The rankings given below are according to reputable world organisations and agencies.

**2nd** Best country in Southeast Asia for the Energy Transition Index
*World Economic Forum (WEF)*

**1st** Top Islamic banking market in Asia Pacific for the next two years
*S&P Global Ratings*

**2nd** Best-performing ASEAN country (World Bank Logistics Performance Index (LPI), 2024)
*World Bank Logistics Performance Index (LPI) 2024*

**4th** Most affordable country to live in (Global Living Index)
*Utility Bidder*

**20th** Most financially inclusive market (Global Financial Inclusion Index, 2024)
*Principal Financial Services, Inc (Principal)*

**34th** World Competitiveness Ranking 2024
*International Institute for Management Development (IMD)*

**33th** Global Innovation Index 2024
*World Intellectual Property Organization*

# BOOSTING DOMESTIC CONFIDENCE

Malaysia's domestic investment figures in 2024 reflect the growing confidence of local businesses in the country's economic stability and potential. Domestic Investment (DI) plays a significant role in shaping Malaysia's future development, supporting the growth of key sectors, creating employment opportunities and driving innovation.

DI complements FI by supporting local industries and advancing regional development, positioning Malaysia for sustainable and inclusive growth. The government's focus on empowering domestic investors is evident through its policies and initiatives, which aim to create a conducive environment for local players to expand and thrive.

This dual focus on domestic and foreign investment promotes sustainable economic development, ensuring a balanced approach that considers both local needs and global interconnectedness.

## A DECADE OF ACHIEVEMENT

Domestic investments accounted for 54.6 per cent of total approved investments over the past decade, reflecting the critical role of local companies in Malaysia's economic progress.

DI

From 2015 to 2024, **DI contributed RM1.4 trillion** to approved investments, spanning **51,930 projects** and creating over **1.4 million jobs**.

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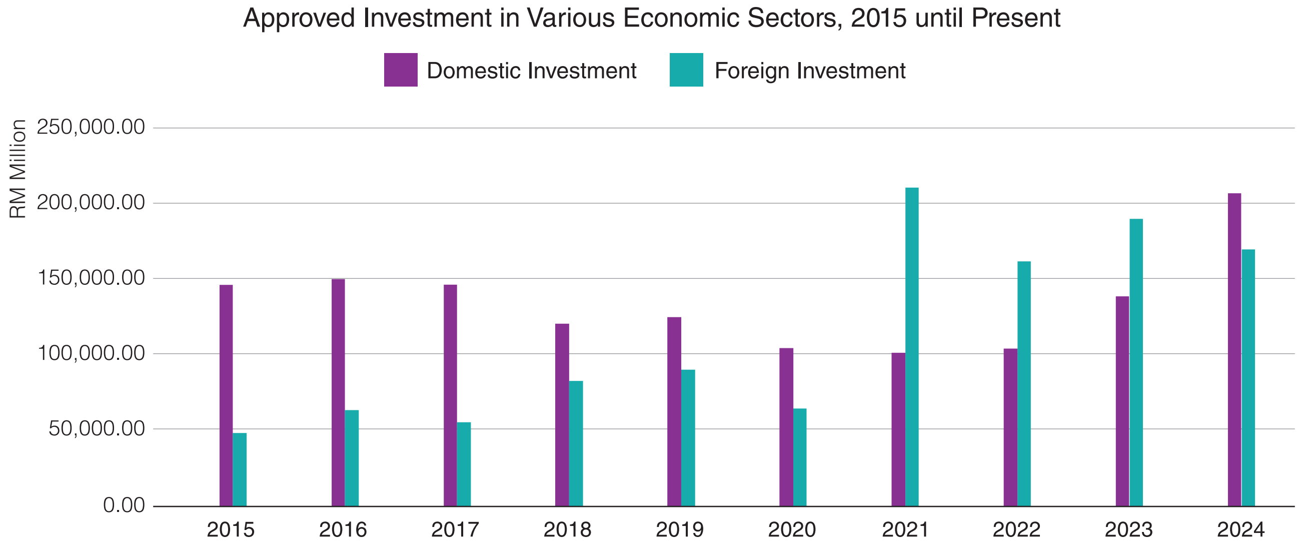
## APPROVED INVESTMENTS




The services sector dominated domestic investments, with a cumulative contribution of RM992.9 billion, highlighting Malaysia's growing focus on areas such as ICT, logistics, and renewable energy. The manufacturing sector recorded RM290.1 billion, showcasing investments in high-value industries like electrical and electronics (E&E). At the same time, the primary sector contributed RM67.2 billion, reinforcing the importance of agriculture and natural resources to the nation's economic framework.

## CATALYST FOR SUCCESS

Malaysia's ability to attract and sustain domestic investments is bolstered by strategic frameworks and targeted initiatives designed to address the unique needs of local players.

MIDA's strategic engagements with the business community, encompassing small and medium enterprises (SMEs), multinational corporations (MNCs), and large local companies (LLCs), focus on fostering collaboration, sharing opportunities, and supporting growth.

A key event in 2024 was the **MIDA-FMM National Domestic Investment Seminar: Re-Energising Domestic Investment**, held in collaboration with the Federation of Malaysian Manufacturers (FMM) and strategic partners including Malaysian Industrial Development Finance Berhad (MIDF). Bringing together over 300 participants, the seminar highlighted investment opportunities and strategies to strengthen Malaysia's domestic investment ecosystem.

Initiatives like **MIDA's MYSite Selection Portal** simplify the investment process for local players by offering tools such as location-based mapping and real-time analytics. These efforts streamline site selection and encourage local companies to reinvest in Malaysia's industrial ecosystem.

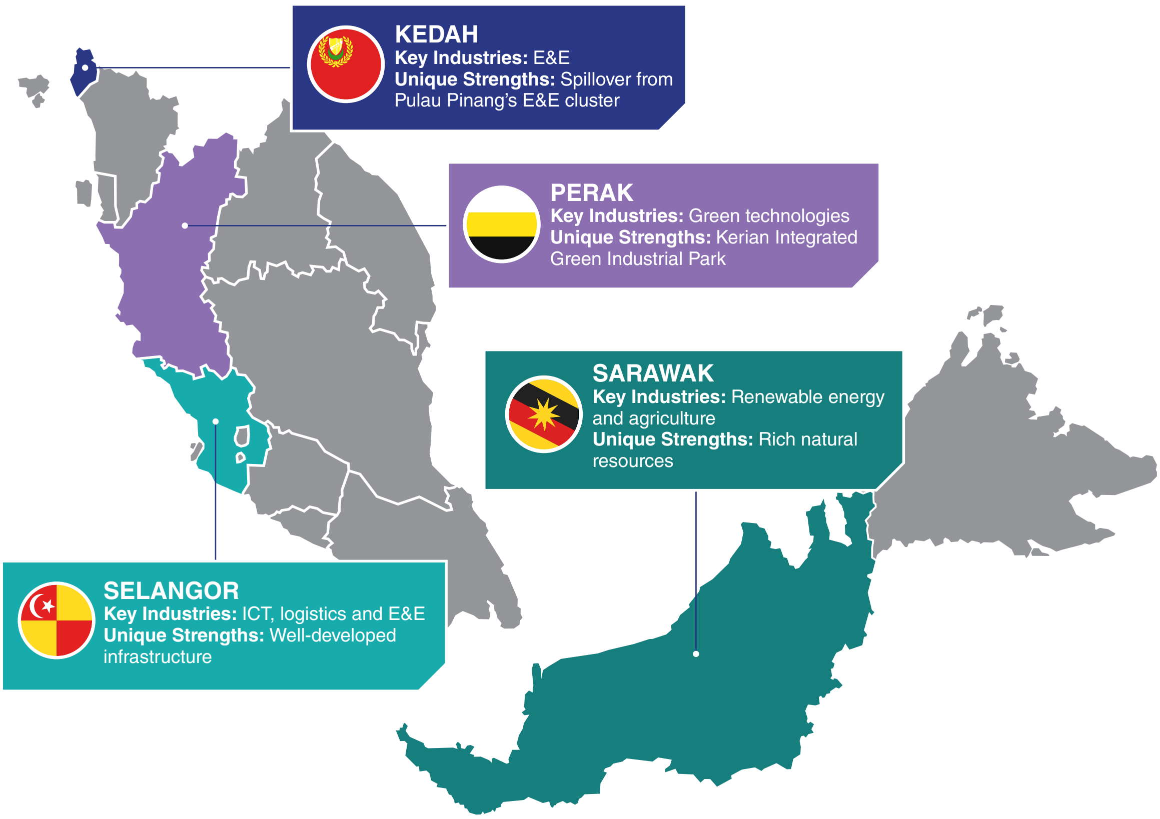
The **MIDA Supply Chain Programme** is indeed playing a crucial role in empowering local suppliers by connecting them with global markets and advanced technologies as well as helping bridge the gap between local businesses and global players. By participating in collaborative initiatives with multinational corporations, local companies gain opportunities to enhance their competitiveness and scale their operations.

Some of the key programmes in 2024 that demonstrated this effort included BMW's Supplier Day, INTEL - Advanced Packaging Supply Chain Business Matching, and MIDA-Perodua Digital Transformation Ecosystem (DTE) Benchmarking Visit to South Korea.

The **Domestic Investment Coordination Platform** (DICP) connects local players with alternative financing sources, including venture capital and government-linked investment companies. In 2024, pitching sessions during national investment seminars provided local companies with opportunities to secure funding and expand into strategic sectors.

MIDA's proactive **Domestic Specific Project Missions** (DSPM) initiative emphasises direct engagement with local and foreign companies operating in Malaysia, enabling the agency to identify opportunities for expansion and reinvestment. Through tailored support and strategic guidance, MIDA ensures these investments can overcome challenges, optimise growth, and contribute to the nation's economic development.

## MIDA INVEST SERIES HIGHLIGHTS BY STATE




The **MIDA Invest Series** Series highlights the distinct strengths and opportunities each state offers, from Selangor's status as a digital innovation hub to Sarawak's advancements in renewable energy. The series encourages a more balanced distribution of economic activity while fostering regional inclusivity. It provides investors with updates on government incentives, sector-specific opportunities and infrastructure developments.

Although attracting foreign investment remains crucial, the Invest Series also places equal emphasis on boosting domestic investment. The programme's broader objectives include diversifying investment across Malaysia, promoting economic growth in all regions, creating a competitive investment environment and supporting the nation's long-term economic development.

In addition, the **East Coast Rail Link (ECRL)** is unlocking the economic potential of the East Coast region by integrating industrial parks and logistics hubs along its corridor. This initiative creates new opportunities for local players while enhancing connectivity and boosting regional competitiveness.

## DRIVING DOMESTIC INVESTMENT

### Key Initiatives to Promote Domestic Investment

| INITIATIVES | OBJECTIVES | OUTCOMES |
|---|---|---|
| MIDA-FMM National Domestic Investment Seminar: Re-Energising Domestic Investment. | The seminar highlighted investment opportunities and strategies to strengthen Malaysia's domestic investment ecosystem. | Facilitate potential investors with comprehensive information on Government latest incentives and policies. |
| MYSite Selection Portal. | Streamline industrial site selection. | Simplifies decision-making for investors. |
| Domestic Investment Coordination Platform (DICP). | Connect local players with financing. | Enables growth in strategic sectors. |
| Supply Chain Programme. | Integrate SMEs into global supply chains. | Enhances local competitiveness. |
| Domestic Specific Project Missions (DSPM). | Streamline processes and facilitate the investment journey of businesses. | Opportunities for expansion and reinvestment. |
| MIDA Invest Series. | Highlights the distinct strengths and opportunities offered by each state to attract investment. | Promoting investment opportunities from each state and facilitate potential investment. |

A strong investment ecosystem thrives on accessibility, collaboration, and strategic expansion. Clear pathways to growth, seamless connectivity, and targeted support drive competitiveness, ensuring sustainable economic progress and resilience.

# REINVIGORATING EXCELLENCE

## FORTIFYING DOMESTIC PLAYERS

Domestic investment (DI) has made substantial progress over the years, contributing significantly to Malaysia's economic growth and development. While foreign investment (FI) has grown significantly, there is now a renewed focus on revitalising local investments and strengthening the role of domestic players in the industrial ecosystem.

The New Industrial Master Plan (NIMP) 2030 provides a comprehensive framework to address this challenge, focusing on enhancing economic complexity, improving local supply chains, and addressing regional development disparities. These strategies aim to position Malaysia as a competitive and sustainable economy while promoting balanced and inclusive growth.

## ENHANCING INVESTMENT FACILITATION

Efforts to strengthen DI in Malaysia have led to several initiatives aimed at improving the investment environment and providing targeted support to domestic enterprises.

Launched in December 2024, the MYSite Selection Portal is a collaborative effort between MIDA and the Federation of Malaysian Manufacturers (FMM). This digital platform combines advanced geospatial analytics with comprehensive industrial data, offering investors real-time information about industrial parks across all Malaysian states. Features include infrastructure details, connectivity options and sustainability metrics, enabling businesses to identify locations that align with their operational needs.

MIDA has established the SME Investment Desk across its state offices to serve as a single contact point for Malaysian businesses and SMEs. This desk provides guidance and advice on government initiatives and facilities, promoting sustainable business collaborations through supply chain development at local, regional and global levels. In 2024, MIDA organised over 44 programmes, including roundtable meetings, networking sessions and outreach programmes, to engage with SMEs and provide in-depth information on policies, incentives, and support mechanisms.

To further assist investors, MIDA plans to introduce a Star Rating System for industrial parks, offering greater transparency and insights into infrastructure quality and connectivity. This initiative aims to ensure that investments are directed toward high-potential areas, aligning with the strategic goals outlined under the NIMP 2030.

## EXPANDING REGIONAL DEVELOPMENT

Economic clusters remain integral to Malaysia's approach to fostering industrial growth and reducing regional disparities. Established clusters such as the M&E hub in Batu Kawan and the Automotive cluster in Proton City showcase the impact of targeted investments in driving local ecosystems and creating employment. Emerging clusters, such as the Kerian Integrated Green Industrial Park (KIGIP) and the Johor-Singapore Special Economic Zone (JS-SEZ), are set to strengthen industries like advanced manufacturing, green technologies, and digital innovation.

Strategic infrastructure projects, such as the East Coast Rail Link (ECRL), complement these clusters by enhancing regional connectivity and supporting the development of industrial estates and logistics hubs. These initiatives not only unlock economic potential in less-developed areas but also contribute to more equitable growth across the country.

The Batu Kawan Industrial Park (BKIP) in Penang attracted global manufacturers such as Boon Siew Honda, VAT Group AG and Western Digital Corporation. These investments have transformed BKIP into a hub for M&E, fostering local ecosystems and generating employment opportunities.

In the automotive sector, the Tanjung Malim area in Perak is undergoing a transformation into the Automotive High-Tech Valley (AHTV). A collaboration between DRB-Hicom and Geely, AHTV aims to establish a comprehensive automotive hub encompassing research and development, manufacturing, and associated services. This initiative is set to enhance Malaysia's position in the automotive industry, particularly in next-generation vehicle technologies.

Emerging projects like the Kerian Integrated Green Industrial Park (KIGIP) in Perak highlight Malaysia's commitment to sustainable industrial development. Launched in June 2024, KIGIP is designed to be a high-tech industrial area powered primarily by solar energy, aiming to attract investments in electrical and electronics, semiconductors, logistics, and knowledge-based industries.

The Johor-Singapore Special Economic Zone (JS-SEZ) represents a significant bilateral initiative to enhance economic integration between Malaysia and Singapore. Announced in January 2025, the JS-SEZ is expected to attract high-value investments across various sectors and create 20,000 skilled jobs within five years, leveraging the strengths of both nations to promote innovation and regional competitiveness.

## NURTURING LOCAL CHAMPIONS

MIDA has implemented initiatives to fortify domestic industry linkages, particularly through the MIDA Supply Chain Programme. This initiative has strengthened partnerships between local SMEs, multinational corporations (MNCs) and large local companies (LLCs), enabling local businesses to integrate into global supply chains. These partnerships have facilitated knowledge transfer in advanced technologies, best practices and market access. Consequently, local companies have enhanced their operational capabilities and competitiveness, building a more resilient and globally integrated domestic industrial ecosystem that supports long-term sustainable growth. Additionally, MIDA's identification of high-potential domestic companies as Local Champions has further strengthened domestic investment, reinforcing Malaysia's industrial capacity in line with NIMP 2030's vision.

Addressing financial challenges faced by domestic players, particularly SMEs, has been another focus of MIDA's efforts. Through the Domestic Investment Coordination Platform (DICP), MIDA has connected businesses with funding sources, including government-linked investment companies (GLICs), banks, venture capital firms, private equity and international sovereign funds. This initiative has successfully secured financing for companies such as YBS International Berhad, KL Wellness City and Limpahan Engineering Sdn. Bhd., allowing them to enhance their capabilities and expand their participation in the global supply chain. Looking ahead, MIDA plans to build on these partnerships by organising targeted pitching sessions, where selected local companies can present their business potential to institutional investors, unlocking the resources needed to drive growth and competitiveness.

Recognising the diverse strengths of Malaysia's states, MIDA has actively collaborated with state governments to unlock unique investment opportunities. The MIDA Invest Series Programme provide a platform for the states to showcase their investment prospects to strategic audiences.

MIDA's strategies remain closely aligned with Malaysia's broader economic vision of fostering domestic investment to drive sustainable and inclusive growth. The emphasis on sustainability, as reflected in green industrial parks and future-ready infrastructure, ensures that Malaysia's economic progress is both responsible and impactful.

"MITI and MIDA will continue to market Malaysia's increasing appeal as a regional manufacturing or services hub to attract high-quality investments and drive sustainable economic growth while ensuring more business opportunities for our SMEs and higher-skilled jobs for Malaysians.

**YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz**
Minister of Investment, Trade and Industry

# 2.0

# SNAPSHOT BY INDUSTRY

# SEAMLESS INTEGRATION

Malaysia's manufacturing sector maintained its growth trajectory in 2024, driving industrial development and economic expansion. Amid inflationary pressures stemming from subsidy rationalisation, an upward revision in service tax and escalating commodity and energy costs exacerbated by geopolitical uncertainties, the economy expanded by 5.1 per cent in 2024. This momentum was primarily supported by vigorous investment activity and resilient export performance, particularly within the manufacturing sector's export-oriented clusters.

As a key contributor to industrial output, the manufacturing sector remained concentrated in advanced industrial hubs across Pulau Pinang, Kedah, Selangor, Kuala Lumpur, and Johor. These regions continued to attract high-value investments, particularly in electrical and electronics (E&E), machinery and chemicals. The Industrial Production Index (IPI) for the manufacturing sector recorded a 4.6 per cent year-on-year increase in 2024, with notable contributions from E&E (9.4%), food, beverages and tobacco products (7.7%), and metallic mineral products, basic metal and fabricated metal products (6.0%) subsectors.

The global semiconductor and electronics market is projected to reach RM5.4 trillion by 2030, supported by the rise of advanced technologies such as artificial intelligence (AI), next-generation mobility solutions and ultra-fast connectivity networks, all of which require high-performance semiconductor components.

Persistent global supply chain disruptions have highlighted the need for greater resilience. In response, leading manufacturers are accelerating automation and digitalisation initiatives to enhance supply chain forecasting, manage cost pressures and optimise production efficiency. Firms that proactively integrate these technologies are better positioned to navigate economic headwinds and sustain long-term competitiveness.

Malaysia's industrial advancement is shaped by the mission-based approach outlined in the New Industrial Master Plan (NIMP) 2030, which prioritises high-value and complex manufacturing activities. Complementary policy frameworks, including the MADANI Economy framework and the National Energy Transition Roadmap (NETR), further underline Malaysia's industrial transformation by promoting inclusive and sustainable growth while accelerating the transition to renewable energy and sustainable industrial practices.

## HIGHLIGHTS OF THE MANUFACTURING SECTOR

The manufacturing sector secured RM120.5 billion in approved investments across 1,108 projects, accounting for 31.8 per cent of Malaysia's total approved investments of RM378.5 billion.

**RM120.5 bil**
Manufacturing approved Investments
(2023: RM152.0 bil)

**31.8%**
RM378.5 bil
Malaysia's total approved investments

**The chemicals and chemical products and transport equipment industries recorded strong investment growth in 2024, driven by rising demand for high-value manufacturing and emerging industry opportunities.** Chemicals and chemical products attracted RM10.6 billion, up from RM8.9 billion in 2023, while transport equipment saw a significant increase to RM15.8 billion from RM7.1 billion. In contrast, the E&E and M&E sectors saw lower growth in approved investments with E&E recording RM55.8 billion (RM85.4 billion in 2023) and M&E registering RM10.6 billion (RM22.6 billion in 2023), reflecting market adjustments and shifting global demand dynamics.

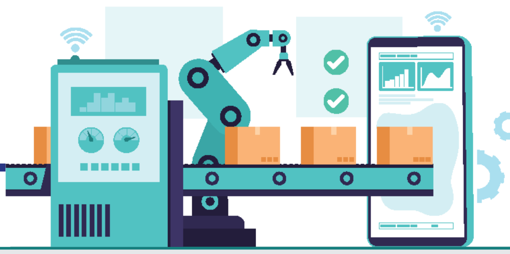
Foreign investments remained the primary driver, totalling RM88.9 billion or 73.8 per cent of total approved manufacturing investments.

**Domestic vs Foreign Investments**

**26.2%**
RM31.6 bil
Domestic Investments

**73.8%**
RM88.9 bil
Foreign Investments

**1,108** Projects Approved



## LEADING INDUSTRIES IN INVESTMENTS

Electrical and Electronics (E&E)
**RM55.8 bil**
(2023: RM85.4 bil)

Transport Equipment
**RM15.8 bil**
(2023: RM7.1 bil)

Machinery and Equipment (M&E)
**RM10.6 bil**
(2023: RM22.6 bil)

Chemicals and Chemical Products
**RM10.6 bil**
(2023: RM8.9 bil)

Food Manufacturing
**RM6.1 bil**
(2023: RM3.2 bil)

## FOREIGN INVESTORS REAFFIRM CONFIDENCE

Government policies prioritising industrial innovation, sustainable practices and investment facilitation continued to enhance the country's competitiveness. With a well-established ecosystem, strong infrastructure and pro-business regulatory framework, Malaysia remains an attractive destination for global investors seeking stability, efficiency and long-term growth opportunities.

The following information indicates the top five foreign investments by sub sectors and investors by ultimate source in the manufacturing sector.

### TOP FIVE FOREIGN INVESTMENTS

Electrical and Electronics (E&E)
**RM53.3 bil**

**90.3%**
of total FI

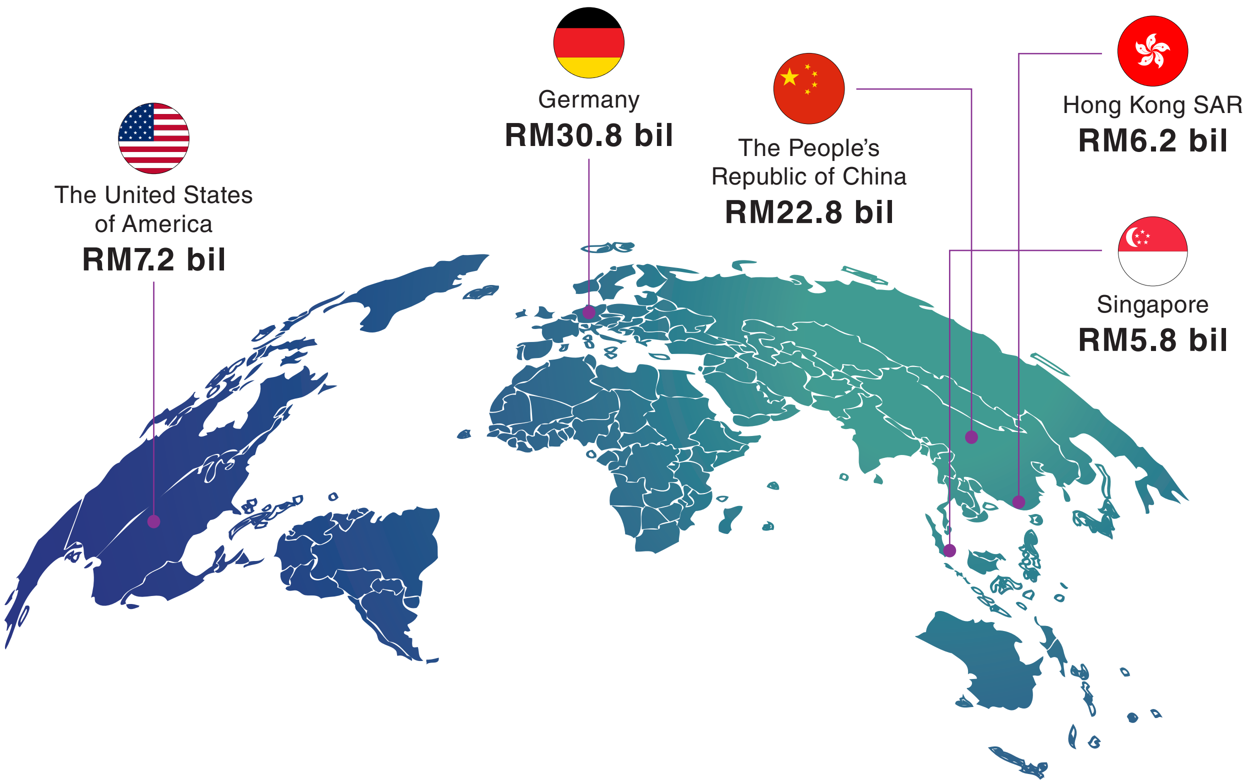
Transport Equipment
**RM12.3 bil**

Chemicals and Chemical Products
**RM6.4 bil**

Machinery and Equipment (M&E)
**RM6.1 bil**

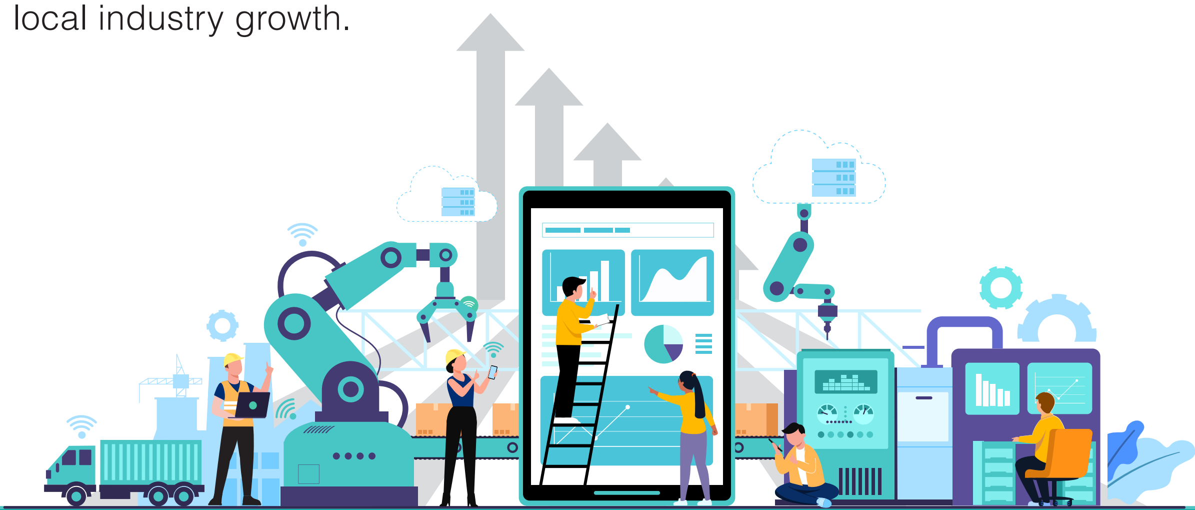
Non-metallic Mineral Products
**RM2.2 bil**

### TOP FIVE FOREIGN INVESTORS BASED ON ULTIMATE SOURCE



## DOMESTIC INVESTORS' CEMENTING IMPACT

Domestic investments continue to fortify Malaysia's industrial ecosystem, fostering deeper local value chain integration, innovation, and entrepreneurship. Strengthening domestic linkages under NIMP 2030 is key to developing a robust Malaysia value chain, driving collaboration, knowledge-sharing, and innovation to enhance global integration and local industry growth.



**The Food Manufacturing sector saw a notable increase in approved investments, reaching RM4.0 billion in 2024, a significant rise from RM1.7 billion in 2023. This reflects the growing demand for advanced food processing capabilities and value-added production, further reinforcing Malaysia's position as a competitive player in the agri-food industry.** Investments in chemicals and chemical products, non-metallic mineral products, and fabricated metal products also contributed to strengthening domestic industrial capacity, supporting long-term economic resilience and sectoral diversification.

### TOP FIVE DOMESTIC INVESTMENTS

Machinery and Equipment (M&E)
**RM4.5 bil**
(2023: RM5.6 bil)

DI
**61.4%**
of total DI

Chemicals and Chemical Products
**RM4.2 bil**
(2023: RM2.7 bil)

Transport Equipment
**RM3.6 bil**
(2023: RM2.0 bil)

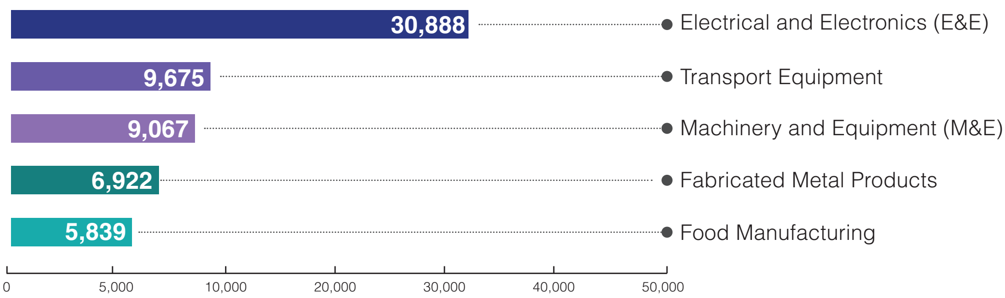
Food Manufacturing
**RM4.0 bil**
(2023: RM1.7 bil)

Non-metallic Mineral Products
**RM3.1 bil**
(2023: RM2.5 bil)

## ELEVATING MALAYSIA'S WORKFORCE

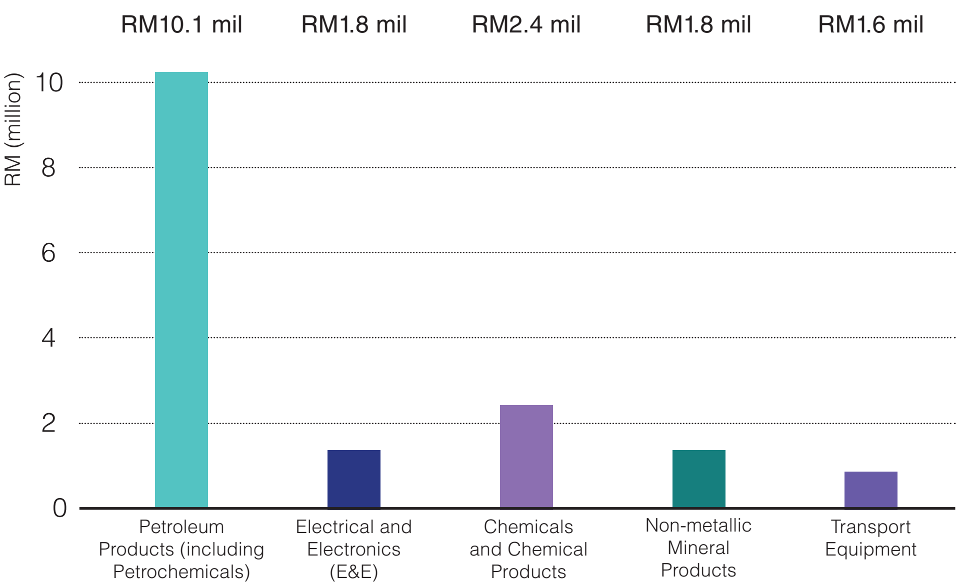
As Malaysia moves towards a knowledge-driven economy, the shifting from labour-intensive industries to higher-skilled, value-added sectors remains essential in securing long-term economic resilience.

## TOP FIVE INDUSTRIES CREATING EMPLOYMENT OPPORTUNITIES




These industries are expected to create more than 60,000 new employment opportunities.

## HIGHER CAPITAL INVESTMENT PER EMPLOYEE (CIPE) INDICATES HIGH-QUALITY INVESTMENTS




CIPE 2024
**RM1.4 million**

Malaysia is transitioning towards high-value, technology-driven industries, to improve industrial capabilities, enhance productivity and strengthen the development of sophisticated and complex products.

1
2
3
4
5

# OVERVIEW OF APPROVED INVESTMENTS IN 2024 (MANUFACTURING)

## ELECTRICAL AND ELECTRONICS (E&E)

**RM55.8 bil** Total Investments

**153** Projects Approved

**Domestic vs Foreign Investments**

- **4.5%** RM2.5 bil — Domestic Investments
- **95.5%** RM53.3 bil — Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments **RM55.8 bil**

- 78 Expansion/ Diversification/ Extension — **RM43.5 bil** — 77.9%
- 75 New Projects — **RM12.3 bil** — 22.1%

**30,888** Employment Opportunities

## E&E SUB-SECTORS

### ELECTRONIC COMPONENTS/ SEMICONDUCTOR

**RM48.1 bil** Total Investments

**46** Projects Approved

**Domestic vs Foreign Investments**

- **3.2%** RM1.6 bil — Domestic Investments
- **96.8%** RM46.5 bil — Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments **RM48.1 bil**

- 20 Expansion/ Diversification/ Extension — **RM41.0 bil** — 85.2%
- 26 New Projects — **RM7.1 bil** — 14.8%

**21,722** Employment Opportunities

### CONSUMER ELECTRONICS

**RM459.5 mil** Total Investments

**16** Projects Approved

**Domestic vs Foreign Investments**

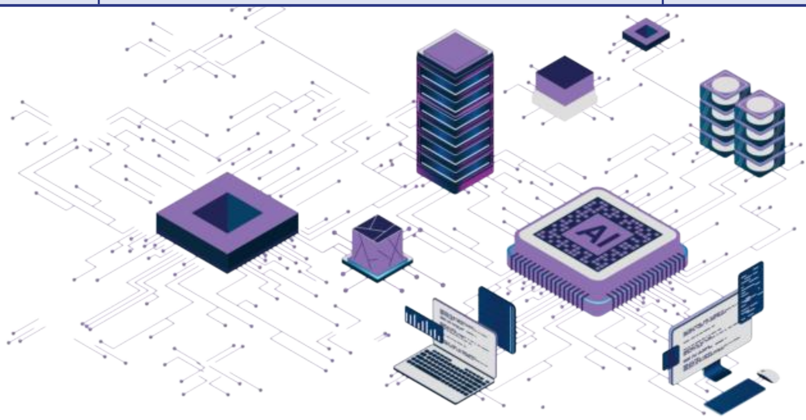
- **4.0%** RM18.3 mil — Domestic Investments
- **96.0%** RM441.2 mil — Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments **RM459.5 mil**

- 14 Expansion/ Diversification/ Extension — **RM311.7 mil** — 67.8%
- 2 New Projects — **RM147.8 mil** — 32.2%

**1,704** Employment Opportunities



## INDUSTRIAL ELECTRONICS

**RM2.6 bil** Total Investments

**25** Projects Approved

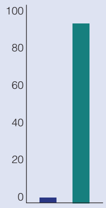
### Domestic vs Foreign Investments

**9.8%** RM0.2 bil — Domestic Investments

**90.2%** RM2.4 bil — Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments **RM2.6 bil**




- 14 Expansion/ Diversification/ Extension **RM0.2 bil** 8.7%
- 11 New Projects **RM2.4 bil** 91.3%

**2,168** Employment Opportunities

## ELECTRICAL COMPONENTS

**RM4.3 bil** Total Investments

**38** Projects Approved

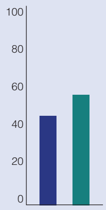
### Domestic vs Foreign Investments

**13.2%** RM0.6 bil — Domestic Investments

**86.8%** RM3.7 bil — Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments **RM4.3 bil**




- 16 Expansion/ Diversification/ Extension **RM1.8 bil** 43.0%
- 22 New Projects **RM2.5 bil** 57.0%

**4,180** Employment Opportunities

## ELECTRICAL APPLIANCES

**RM45.2 mil** Total Investments

**9** Projects Approved

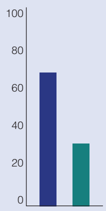
### Domestic vs Foreign Investments

**12.6%** RM5.7 mil — Domestic Investments

**87.4%** RM39.5 mil — Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments **RM45.2 mil**




- 7 Expansion/ Diversification/ Extension **RM31.5 mil** 69.7%
- 2 New Projects **RM13.7 mil** 30.3%

**292** Employment Opportunities

## INDUSTRIAL ELECTRICAL

**RM278.1 mil** Total Investments

**19** Projects Approved

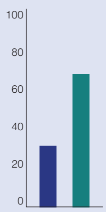
### Domestic vs Foreign Investments

**32.0%** RM89.0 mil — Domestic Investments

**68.0%** RM189.1 mil — Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments **RM278.1 mil**




- 7 Expansion/ Diversification/ Extension **RM99.7 mil** 35.8%
- 12 New Projects **RM178.4 mil** 64.2%

**822** Employment Opportunities

## TRANSPORT EQUIPMENT

**RM15.8 bil**
Total Investments

**110**
Projects Approved

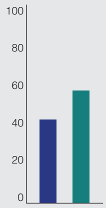
**Domestic vs Foreign Investments**

**22.5%**
RM3.5 bil
Domestic Investments

**77.5%**
RM12.3 bil
Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments
**RM15.8 bil**




- 49 Expansion/ Diversification/ Extension
  **RM9.3 bil**
  41.1%
- 61 New Projects
  **RM6.5 bil**
  58.9%

**9,675**
Employment Opportunities

## TRANSPORT EQUIPMENT SUB-SECTORS

### AEROSPACE

**RM1.5 bil**
Total Investments

**9**
Projects Approved

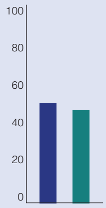
**Domestic vs Foreign Investments**

**28.7%**
RM0.4 bil
Domestic Investments

**71.3%**
RM1.1 bil
Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments
**RM1.5 bil**




- 2 Expansion/ Diversification/ Extension
  **RM0.8 bil**
  51.4%
- 7 New Projects
  **RM0.7 bil**
  48.6%

**707**
Employment Opportunities

### AUTOMOTIVE

**RM13.9 bil**
Total Investments

**94**
Projects Approved

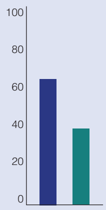
**Domestic vs Foreign Investments**

**19.4%**
RM2.7 bil
Domestic Investments

**80.6%**
RM11.2 bil
Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments
**RM13.9 bil**




- 47 Expansion/ Diversification/ Extension
  **RM8.5 bil**
  61.2%
- 47 New Projects
  **RM5.4 bil**
  38.8%

**8,789**
Employment Opportunities

### RAIL

**RM390 mil**
Total Investments

**1**
Projects Approved

**Domestic vs Foreign Investments**

**100%**
RM390 mil
Domestic Investments

**27**
Employment Opportunities

## SHIP BUILDING / SHIP REPAIRING (SBSR)

**RM50.4 mil**
Total Investments

**6**
Projects Approved

**Domestic vs Foreign Investments**

**100%**
RM50.4 mil

Domestic Investments

**152**
Employment Opportunities

## BASIC METAL PRODUCTS

**RM1.6 bil**
Total Investments

**10**
Projects Approved

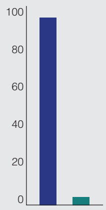
**Domestic vs Foreign Investments**

**75%**
RM1.2 bil
Domestic Investments

**25%**
RM0.4 bil
Foreign Investments

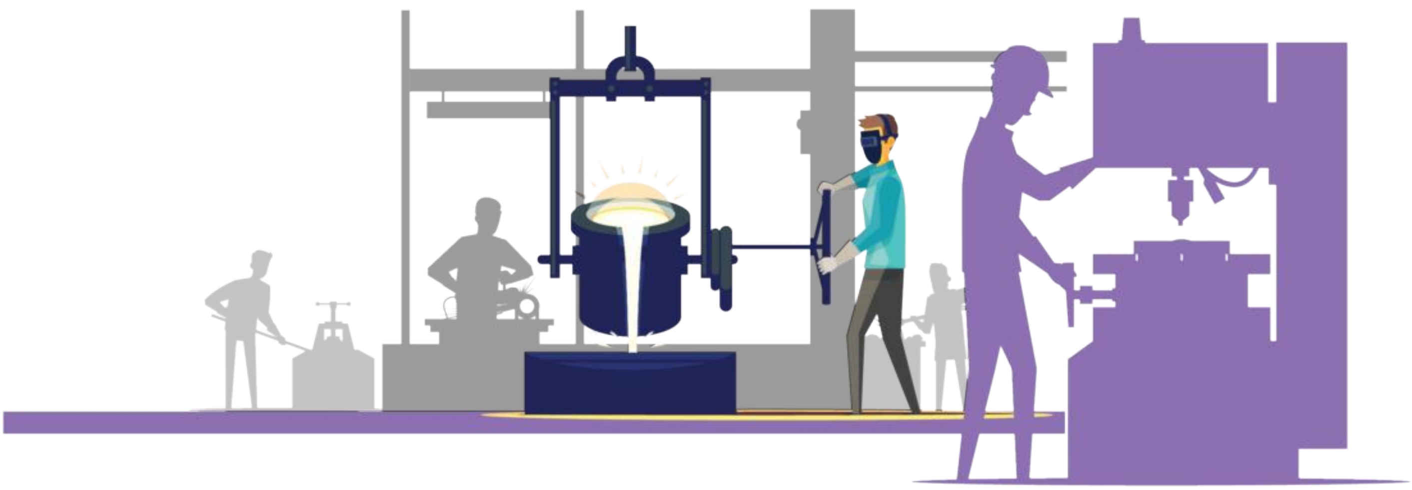
**Expansion / Diversification vs New Projects**

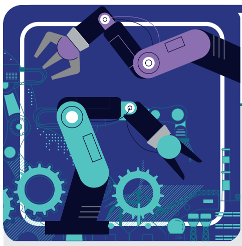
Total Investments
**RM1.6 bil**




- 6 Expansion/ Diversification/ Extension
  **RM1.5 bil**
  96.3%
- 4 New Projects
  **RM0.1 bil**
  3.7%

**1,334**
Employment Opportunities





## MACHINERY AND EQUIPMENT (M&E)

**RM10.6 bil** Total Investments

**142** Projects Approved

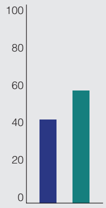
**Domestic vs Foreign Investments**

42.6% RM4.5 bil — Domestic Investments

57.4% RM6.1 bil — Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments **RM10.6 bil**




- 56 Expansion/ Diversification/ Extension **RM4.3 bil** 40.8%
- 86 New Projects **RM6.3 bil** 59.2%

**9,067** Employment Opportunities

## M&E SUB-SECTORS

### MACHINERY / EQUIPMENT MODULES OR INDUSTRIAL PARTS / COMPONENTS

**RM4.2 bil** Total Investments

**45** Projects Approved

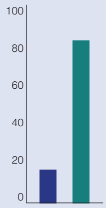
**Domestic vs Foreign Investments**

12.7% RM0.5 bil — Domestic Investments

87.3% RM3.7 bil — Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments **RM4.2 bil**




- 17 Expansion/ Diversification/ Extension **RM0.6 bil** 15.5%
- 28 New Projects **RM3.6 bil** 84.5%

**4,009** Employment Opportunities

### SPECIALISED MACHINERY & EQUIPMENT FOR SPECIFIC INDUSTRIES

**RM3.9 bil** Total Investments

**33** Projects Approved

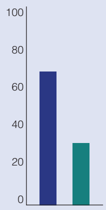
**Domestic vs Foreign Investments**

61.5% RM2.4 bil — Domestic Investments

38.5% RM1.5 bil — Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments **RM3.9 bil**




- 18 Expansion/ Diversification/ Extension **RM2.7 bil** 68.2
- 15 New Projects **RM1.2 bil** 31.8%

**2,461** Employment Opportunities

### GENERAL INDUSTRIAL MACHINERY, EQUIPMENT & PARTS

**RM2.4 bil** Total Investments

**56** Projects Approved

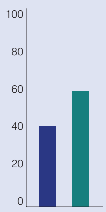
**Domestic vs Foreign Investments**

64.4% RM1.5 bil — Domestic Investments

35.6% RM0.9 bil — Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments **RM2.4 bil**




- 14 Expansion/ Diversification/ Extension **RM1.0 bil** 40.5%
- 42 New Projects **RM1.4 bil** 59.5%

**2,459** Employment Opportunities

## MAINTENANCE, UPGRADING OR RECONDITIONING OF M&E

**RM51.3 mil** Total Investments

**7** Projects Approved

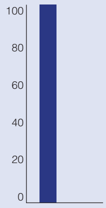
### Domestic vs Foreign Investments

**2.1%** RM1.1 mil — Domestic Investments

**97.9%** RM50.2 mil — Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments **RM51.3 bil**




- 7 Expansion/ Diversification/ Extension **RM51.3 bil** 100%

**88** Employment Opportunities

## WEAPONSAND AMMUNITION

**RM46.5 mil** Total Investments

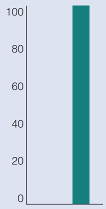
**1** Projects Approved

### Domestic vs Foreign Investments

**100%** RM46.5 mil — Domestic Investments

### Expansion / Diversification vs New Projects

Total Investments **RM46.5 mil**




- 1 New Projects **RM46.5 mil** 100%

**50** Employment Opportunities

## FABRICATED METAL PRODUCTS

**RM3.7 bil** Total Investments

**128** Projects Approved

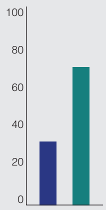
### Domestic vs Foreign Investments

**67.5%** RM2.5 bil — Domestic Investments

**32.5%** RM1.2 bil — Foreign Investments

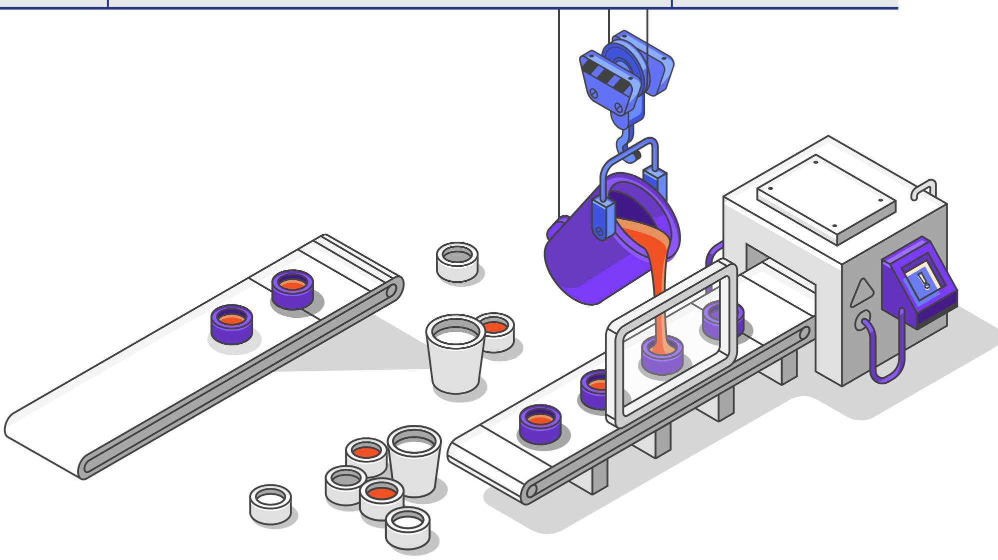
### Expansion / Diversification vs New Projects

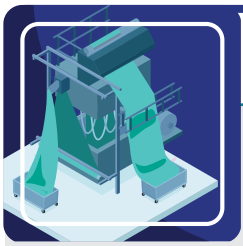
Total Investments **RM3.7 bil**




- 28 Expansion/ Diversification/ Extension **RM1.1 bil** 30.7%
- 100 New Projects **RM2.6 bil** 69.3%

**6,922** Employment Opportunities





## TEXTILES AND TEXTILE PRODUCTS

**RM1.3 bil** Total Investments

**19** Projects Approved

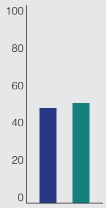
**Domestic vs Foreign Investments**

48.7% RM0.6 bil — Domestic Investments

51.3% RM0.7 bil — Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments **RM1.3 bil**




- 6 Expansion/ Diversification/ Extension **RM0.6 bil** 48.5%
- 13 New Projects **RM0.7 bil** 51.5%

**1,356** Employment Opportunities

## LEATHER AND LEATHER PRODUCTS

**RM45.1 mil** Total Investments

**3** Projects Approved

**Domestic vs Foreign Investments**

100% RM45.1 mil — Domestic Investments

**98** Employment Opportunities

## NON-METALLIC MINERAL PRODUCTS

**RM5.3 bil** Total Investments

**56** Projects Approved

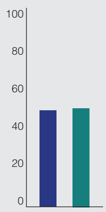
**Domestic vs Foreign Investments**

58.0% RM3.1 bil — Domestic Investments

42.0% RM2.2 bil — Foreign Investments

**Expansion / Diversification vs New Projects**

Total Investments **RM5.3 bil**




- 18 Expansion/ Diversification/ Extension **RM2.6 bil** 49.6%
- 38 New Projects **RM2.7 bil** 50.4%

**2,905** Employment Opportunities

## MISCELLANEOUS

**RM498.6 mil** Total Investments

**26** Projects Approved

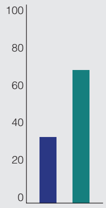
**Domestic vs Foreign Investments**

Domestic Investments: **77.6%** RM387.1 mil

Foreign Investments: **22.4%** RM111.5 mil

**Expansion / Diversification vs New Projects**

Total Investments **RM498.6 mil**




- 7 Expansion/ Diversification/ Extension **RM172.5 mil** 34.6%
- 19 New Projects **RM326.1 mil** 65.4%

**967** Employment Opportunities

## SCIENTIFIC AND MEASURING EQUIPMENT

**RM1.4 bil** Total Investments

**21** Projects Approved

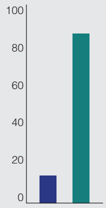
**Domestic vs Foreign Investments**

Domestic Investments: **18.2%** RM0.3 bil

Foreign Investments: **81.8%** RM1.1 bil

**Expansion / Diversification vs New Projects**

Total Investments **RM1.4 bil**




- 7 Expansion/ Diversification/ Extension **RM0.2 bil** 13.9%
- 14 New Projects **RM1.2 bil** 86.1%

**1,758** Employment Opportunities

## FOOD MANUFACTURING

**RM6.1 bil** Total Investments

**110** Projects Approved

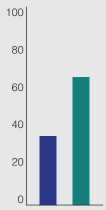
**Domestic vs Foreign Investments**

Domestic Investments: **66.3%** RM4.0 bil

Foreign Investments: **33.7%** RM2.1 bil

**Expansion / Diversification vs New Projects**

Total Investments **RM6.1 bil**




- 37 Expansion/ Diversification/ Extension **RM2.2 bil** 35.3%
- 73 New Projects **RM3.9 bil** 64.7%

**5,839** Employment Opportunities

## BEVERAGES AND TOBACCO

**RM150.9 mil**
Total Investments

**12**
Projects Approved

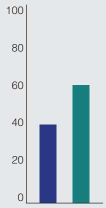
### Domestic vs Foreign Investments

**95.7%**
RM144.4 mil
Domestic Investments

**4.3%**
RM6.5 mil
Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments
**RM150.9 mil**




- 6 Expansion/ Diversification/ Extension
  **RM59.7 mil**
  39.6%
- 6 New Projects
  **RM91.2 mil**
  60.4%

**302**
Employment Opportunities

## FURNITURE AND FIXTURES

**RM692.7 mil**
Total Investments

**39**
Projects Approved

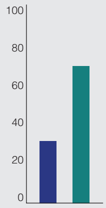
### Domestic vs Foreign Investments

**70.5%**
RM488.2 mil
Domestic Investments

**29.5%**
RM204.5 mil
Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments
**RM692.7 mil**




- 12 Expansion/ Diversification/ Extension
  **RM214.6 mil**
  31.0%
- 27 New Projects
  **RM478.1 mil**
  69.0%

**2,005**
Employment Opportunities

## WOOD AND WOOD PRODUCTS

**RM999.5 mil**
Total Investments

**36**
Projects Approved

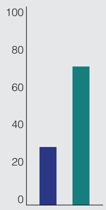
### Domestic vs Foreign Investments

**64.6%**
RM645.9 mil
Domestic Investments

**35.4%**
RM353.6 mil
Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments
**RM999.5 mil**




- 10 Expansion/ Diversification/ Extension
  **RM270.5 mil**
  27.0%
- 26 New Projects
  **RM729.0 mil**
  73.0%

**1,553**
Employment Opportunities

## CHEMICALS AND CHEMICAL PRODUCTS

**RM10.6 bil** Total Investments

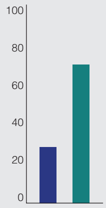
**92** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 39.6% RM4.2 bil | 60.4% RM6.4 bil |

**Expansion / Diversification vs New Projects**

Total Investments **RM10.6 bil**




- 28 Expansion/ Diversification/ Extension **RM2.8 bil** 26.7%
- 64 New Projects **RM7.8 bil** 73.3%

**4,476** Employment Opportunities

## CHEMICALS AND CHEMICAL PRODUCTS SUB-SECTORS

### CHEMICAL PRODUCTS

**RM10.3 bil** Total Investments

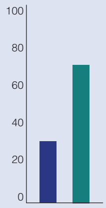
**84** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 40.5% RM4.2 bil | 59.5% RM6.1 bil |

**Expansion / Diversification vs New Projects**

Total Investments **RM10.3 bil**




- 24 Expansion/ Diversification/ Extension **RM2.8 bil** 27.0%
- 60 New Projects **RM7.5 bil** 73.0%

**4,206** Employment Opportunities

### PHARMACEUTICALS

**RM343.5 mil** Total Investments

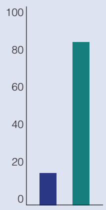
**7** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 12.3% RM42.2 mil | 87.7% RM301.3 mil |

**Expansion / Diversification vs New Projects**

Total Investments **RM343.5 mil**




- 4 Expansion/ Diversification/ Extension **RM56.4 mil** 16.4%
- 3 New Projects **RM287.1 mil** 83.6%

**262** Employment Opportunities

### BIOTECH

**RM12.8 mil** Total Investments

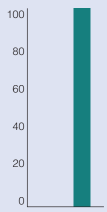
**1** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 51.0% RM6.5 mil | 49.0% RM6.3 mil |

**Expansion / Diversification vs New Projects**

Total Investments **RM12.8 mil**




- 1 New Projects **RM12.8 mil** 100%

**8** Employment Opportunities

1 2 3 4 5

## PAPER, PRINTING AND PUBLISHING

**RM877.9 mil** Total Investments

**39** Projects Approved

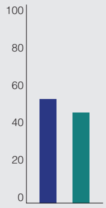
### Domestic vs Foreign Investments

**34.1%** RM299.5 mil
Domestic Investments

**65.9%** RM578.4 mil
Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments **RM877.9 mil**




- 23 Expansion/ Diversification/ Extension **RM482.6 mil** 55.0%
- 16 New Projects **RM395.4 mil** 45.0%

**2,547** Employment Opportunities

## PETROLEUM PRODUCTS (INCLUDING PETROCHEMICALS)

**RM2.7 bil** Total Investments

**10** Projects Approved

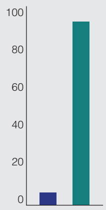
### Domestic vs Foreign Investments

**66.3%** RM1.8 bil
Domestic Investments

**33.7%** RM0.9 bil
Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments **RM2.7 bil**




- 3 Expansion/ Diversification/ Extension **RM0.2 bil** 7.1%
- 7 New Projects **RM2.5 bil** 92.9%

**268** Employment Opportunities

## PLASTIC PRODUCTS

**RM1.8 bil** Total Investments

**91** Projects Approved

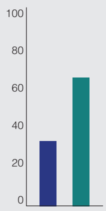
### Domestic vs Foreign Investments

**49.0%** RM0.9 bil
Domestic Investments

**51.0%** RM0.9 bil
Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments **RM1.8 bil**




- 34 Expansion/ Diversification/ Extension **RM0.6 bil** 34.8%
- 57 New Projects **RM1.2 bil** 65.2%

**4,363** Employment Opportunities

## RUBBER PRODUCTS

**RM605.1 mil**
Total Investments

**11**
Projects Approved

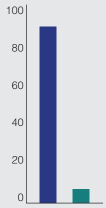
### Domestic vs Foreign Investments

**81.5%**
RM493.1 mil
Domestic Investments

**18.5%**
RM112.0 mil
Foreign Investments

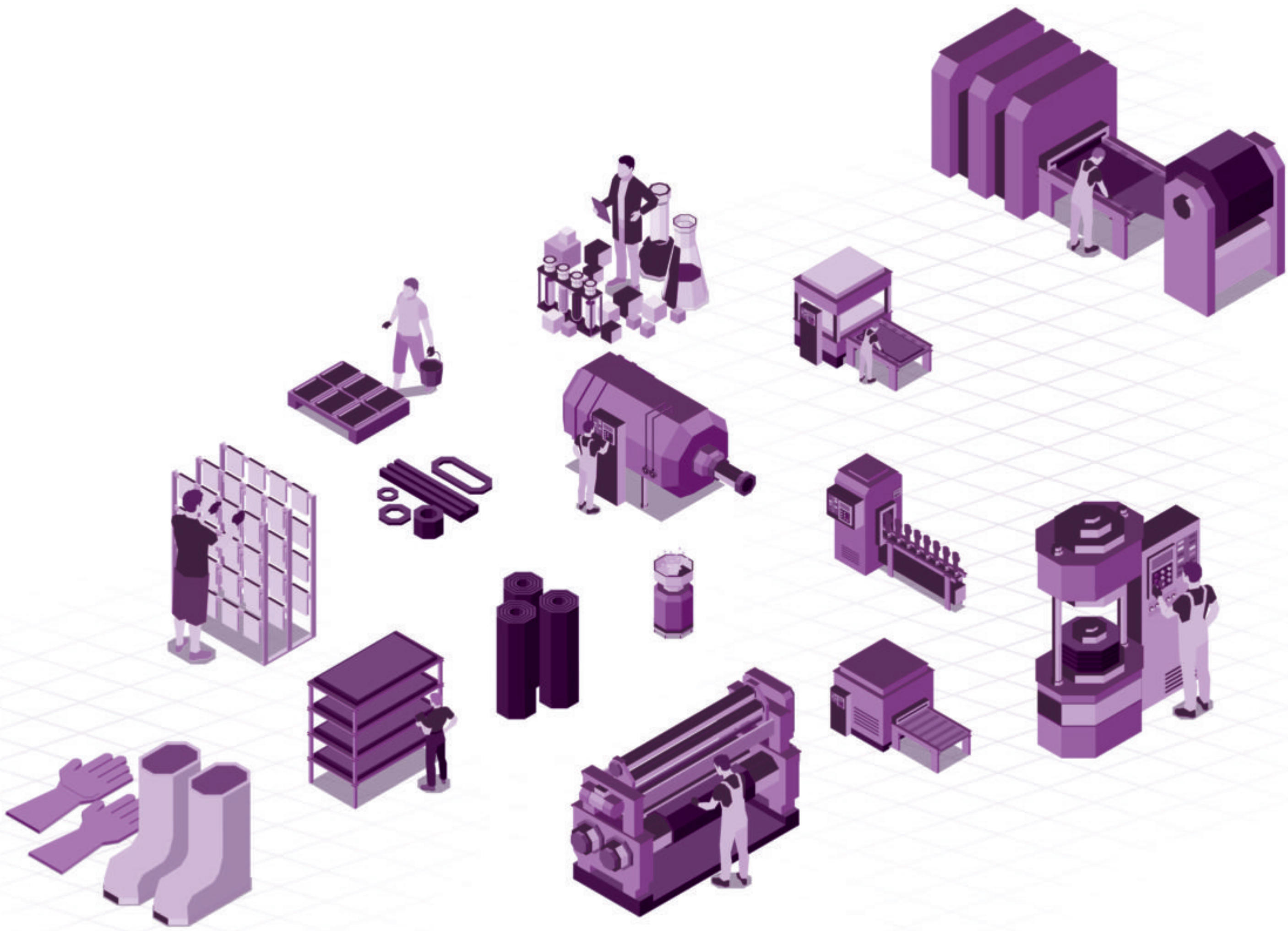
### Expansion / Diversification vs New Projects

Total Investments
**RM605.1 mil**




- 8 Expansion/ Diversification/ Extension
  **RM573.0 mil**
  94.7%
- 3 New Projects
  **RM32.1 mil**
  5.3%

**1,372**
Employment Opportunities



# EMBRACING NEW DYNAMICS

According to The Business Research Company's 'Services Global Market Report 2024', the global services market has experienced strong growth in recent years, expanding from US$15.4 trillion in 2023 to US$16.7 trillion in 2024, at a compound annual growth rate (CAGR) of 8.7 per cent (The Business Research Company, 2024). This expansion has been driven by favourable economic conditions, regulatory developments, shifting consumer preferences, urbanisation and increasing healthcare needs. Key trends shaping the industry include the adoption of digital transformation services, personalised offerings, Artificial Intelligence (AI) integration and subscription-based service models. As technology advances, the sector is expected to sustain its momentum, with the market projected to reach US$23.1 trillion by 2028 at a CAGR of 8.5 per cent.

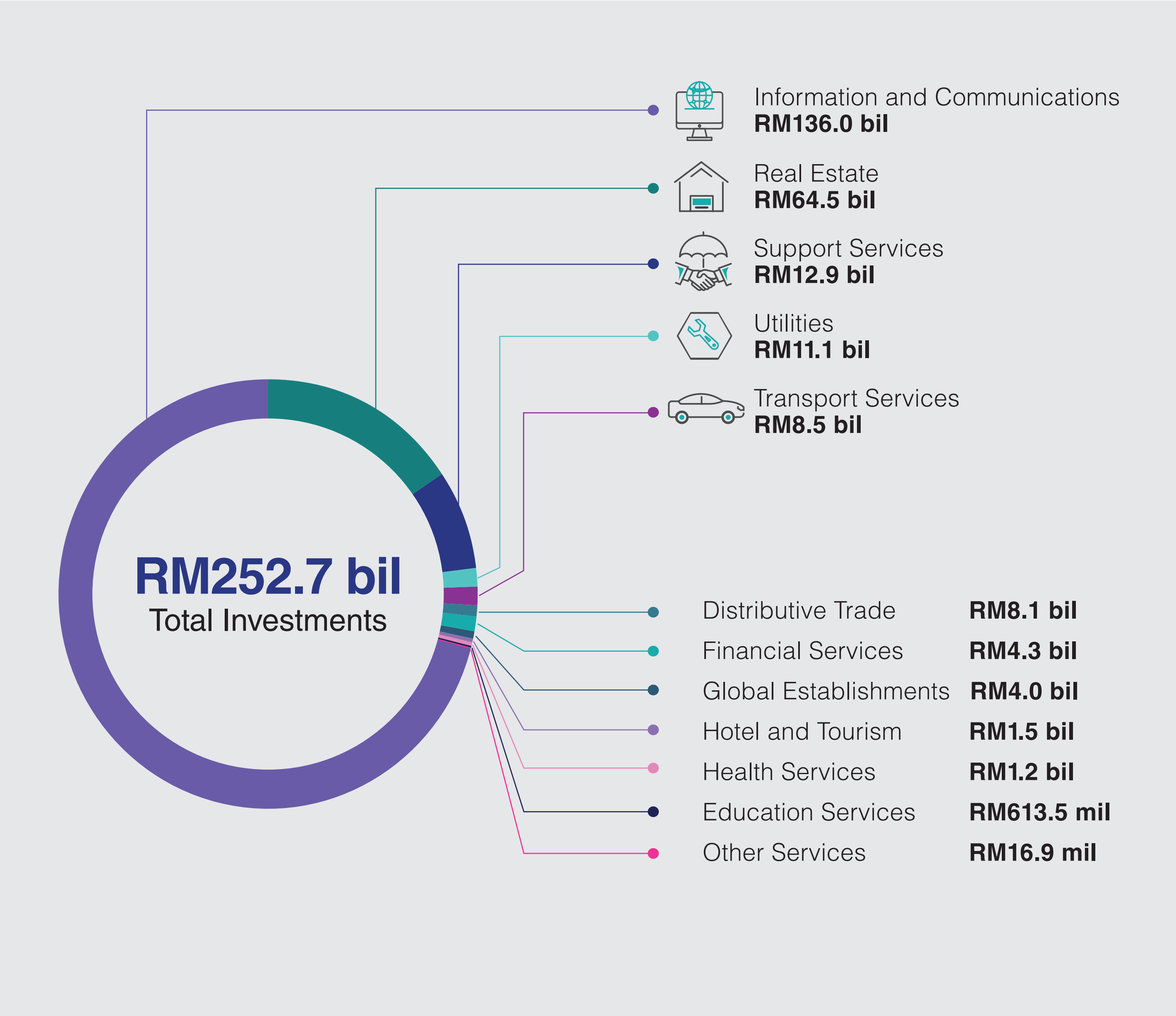
Technological advancements continue to fuel innovation, particularly in electronic equipment, automobiles, and digital services, leading to greater demand for high-value service industries. The rise of 3D printing, AI, big data analytics, and IoT applications has enhanced productivity, reduced operating costs and improved business efficiency, enabling companies to expand into new markets and diversify their service portfolios.

With policy-driven incentives and emerging global megatrends, Malaysia's services sector continues to attract both domestic and foreign investments, fostering innovation, bolstering economic resilience and supporting long-term growth. As digital adoption and sustainability initiatives gain traction, the nation remains well-positioned to capitalise on new opportunities in the evolving global services industry. The Government's strategic focus on high-value service industries, guided by NIMP 2030 and the National Investment Aspirations (NIA), has further strengthened Malaysia's appeal as a regional hub for advanced services. Investments in healthcare, education, and tourism services have directed ongoing efforts to enhance human capital development and improve social well-being. The push towards sustainable practices and circular economy initiatives has aligned Malaysia's services sector with global environmental and economic trends.

## HIGHLIGHTS OF THE SERVICES SECTOR IN 2024

Malaysia's services sector continued to attract substantial investments in 2024, securing RM252.7 billion in approved projects. Information and Communications led the sector with RM136.0 billion, driven by expanding digital infrastructure, cloud computing adoption and the rollout of 5G networks. The real estate sector recorded RM64.5 billion in investments, reflecting ongoing developments in commercial properties, smart city initiatives and sustainable construction. Simultaneously, investments in transport services, utilities and financial services highlighted shifting industry priorities, with increased funding directed towards sustainable mobility solutions, energy transition efforts and digital financial services.

## TOTAL APPROVED INVESTMENTS IN THE SERVICES SECTOR



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# OVERVIEW OF APPROVED INVESTMENTS IN 2024 (SERVICES)

## INFORMATION AND COMMUNICATIONS

**RM136.0 bil**
Total Investments

**1,439**
Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 53.4% RM72.7 bil | 46.6% RM63.3 bil |

**48,650**
Employment Opportunities

## INFORMATION AND COMMUNICATIONS SUB-SECTORS

### DIGITAL INDUSTRY

**RM133.3 bil**
Total Investments

**1,015**
Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 52.5% RM70.0 bil | 47.5% RM63.3 bil |

**48,650**
Employment Opportunities

### TELECOMMUNICATIONS

**RM2.7 bil**
Total Investments

**424**
Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments |
|---|
| 100% RM2.7 bil |

## GLOBAL ESTABLISHMENTS

**RM4.0 bil** Total Investments

**84** Projects Approved

**Domestic vs Foreign Investments**

100% RM4.0 bil

Foreign Investments

**434** Employment Opportunities

## GLOBAL ESTABLISHMENT SUB-SECTORS

### PRINCIPAL HUB

**RM3.9 bil** Total Investments

**3** Projects Approved

**Domestic vs Foreign Investments**

100% RM3.9 bil

Foreign Investments

**177** Employment Opportunities

### REGIONAL/REPRESENTATIVE OFFICES (ROs/REs)

**RM187.8 mil** Total Investments

**81** Projects Approved

**Domestic vs Foreign Investments**

100% RM187.8 mil

Foreign Investments

**257** Employment Opportunities

1
2
3
4
5

## SUPPORT SERVICES

**RM12.9 bil** Total Investments

**979** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 93.0% RM12.0 bil | 7.0% RM0.9 bil |

**1,567** Employment Opportunities

## SUPPORT SERVICES SUB-SECTORS

### RESEARCH AND DEVELOPMENT (R&D)

**RM26.7 mil** Total Investments

**18** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments |
|---|
| 100% RM26.7 mil |

**27** Employment Opportunities

### GREEN TECHNOLOGY

**RM3.7 bil** Total Investments

**846** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 94.8% RM3.5 bil | 5.2% RM0.2 bil |

**440** Employment Opportunities

### LOGISTICS SERVICES

**RM9.0 bil** Total Investments

**112** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 92.3% RM8.3 bil | 7.7% RM0.7 bil |

**653** Employment Opportunities

## PROFESSIONAL SERVICES

**RM12.9 mil** Total Investments

**2** Projects Approved

**Domestic vs Foreign Investments**

**100%** RM12.9 bil

Foreign Investments

**417** Employment Opportunities

## OTHER SUPPORT SERVICES

**RM97.5 mil** Total Investments

**1** Project Approved

**Domestic vs Foreign Investments**

**100%** RM97.5 mil

Domestic Investment

**30** Employment Opportunities

## HEALTH SERVICES

**RM1.2 bil** Total Investments

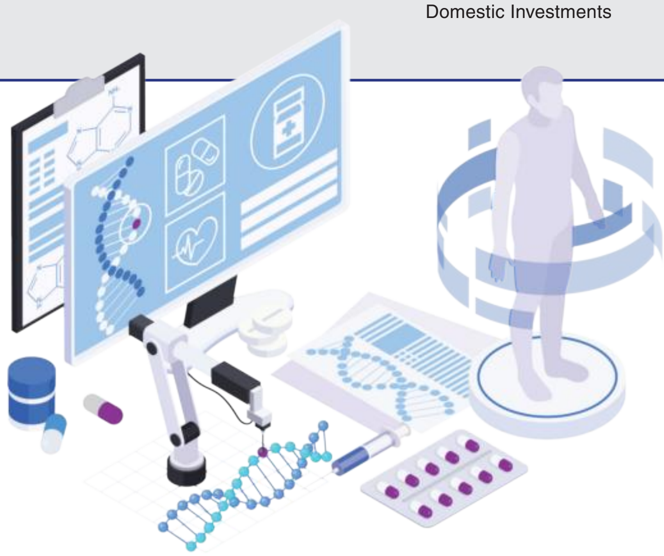
**2** Projects Approved

**Domestic vs Foreign Investments**

**100%** RM1.2 bil

Domestic Investments

**1,192** Employment Opportunities



## EDUCATION SERVICES

**RM613.5 mil**
Total Investments

**96**
Projects Approved

**Domestic vs Foreign Investments**

**96.8%**
RM594.0 mil
Domestic Investments

**3.2%**
RM19.5 mil
Foreign Investments

**640**
Employment Opportunities

## HOTEL AND TOURISM

**RM1.5 bil**
Total Investments

**17**
Projects Approved

**Domestic vs Foreign Investments**

**55.4%**
RM0.8 bil
Domestic Investments

**44.6%**
RM0.7 bil
Foreign Investments

**1,072**
Employment Opportunities

## TRANSPORT SERVICES

**RM8.5 bil**
Total Investments

**75**
Projects Approved

**Domestic vs Foreign Investments**

**48.1%**
RM4.1 bil
Domestic Investments

**51.9%**
RM4.4 bil
Foreign Investments

**10,635**
Employment Opportunities

## REAL ESTATE

**RM64.5 bil**
Total Investments

**1,349**
Projects Approved

**Domestic vs Foreign Investments**

**100%**
RM64.5 bil
Domestic Investments

## UTILITIES

**RM11.1 bil**
Total Investments

**25**
Projects Approved

**Domestic vs Foreign Investments**

**100%**
RM11.1 bil
Domestic Investments

## DISTRIBUTIVE TRADE

**RM8.1 bil**
Total Investments

**1,411**
Projects Approved

**Domestic vs Foreign Investments**

**18.0%**
RM1.5 bil
Domestic Investments

**82.0%**
RM6.6 bil
Foreign Investments

**54,678**
Employment Opportunities

1
2
3
4
5

## FINANCIAL SERVICES

**RM4.3 bil**
Total Investments

**45**
Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 76.0% RM3.3 bil | 24.0% RM1.0 bil |

**215**
Employment Opportunities

## OTHER SERVICES (BIONEXUS)

**RM16.9 mil**
Total Investments

**3**
Projects Approved

**Domestic vs Foreign Investments**

100%
RM16.9 mil
Domestic Investments

# OPTIMISING RESOURCE UTILISATION

Investment in Malaysia's primary sector in 2024 displayed strong domestic participation, with local capital driving the majority of approved projects. While foreign interest was present, its scale suggested a selective approach, influenced by sector-specific regulations, resource availability, and long-term viability. This trend highlights the sector's continued importance in supporting national economic priorities, particularly in resource-based industries.

The mining sub-sector remained the primary investment recipient, characterised by capital-intensive projects with minimal employment creation, indicating increasing mechanisation and efficiency-driven operations. Agriculture, meanwhile, saw steady domestic investment, with project distribution suggesting a focus on modernisation and productivity enhancement. Plantation and commodities, though attracting smaller investments, exhibited diversification efforts, which indicates the sector's adaptability to shifting market demands.

Overall, the primary sector's investment trends highlight a reliance on domestic capital, reflecting confidence in its long-term potential. Future growth will depend on balancing resource sustainability with industrial needs, leveraging technological advancements, and ensuring continued investor confidence.

# OVERVIEW OF APPROVED INVESTMENTS IN 2024 (PRIMARY)

## PRIMARY

**RM5.3 bil** Total Investments

**67** Projects Approved

### Domestic vs Foreign Investments

| Domestic Investments | Foreign Investments |
|---|---|
| 90.2% RM4.8 bil | 9.8% RM0.5 bil |

**463** Employment Opportunities

## PRIMARY SUB-SECTORS

### AGRICULTURE

**RM766.8 mil** Total Investments

**14** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments |
|---|
| 100% RM766.8 mil |

**369** Employment Opportunities

### MINING

**RM4.5 bil** Total Investments

**27** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 88.3% RM4.0 bil | 11.7% RM0.5 bil |

**27** Employment Opportunities

### PLANTATION AND COMMODITIES

**RM71.6 mil** Total Investments

**26** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments |
|---|
| 100% RM71.6 mil |

**67** Employment Opportunities

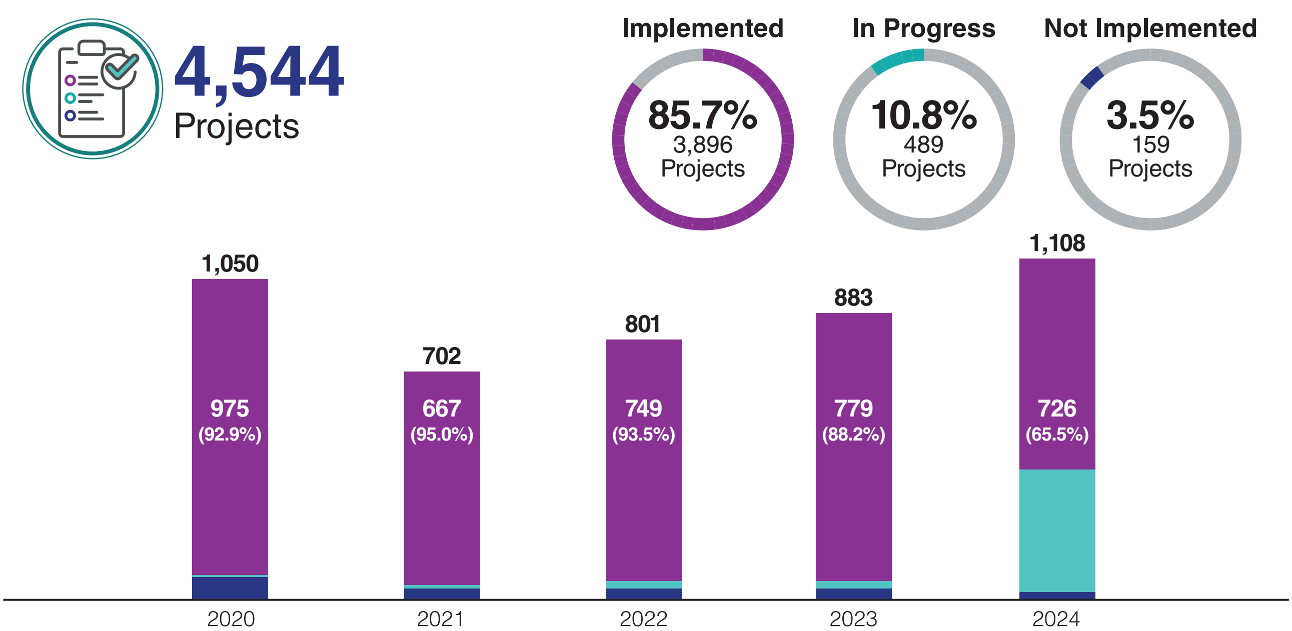
# THRIVING INVESTMENT ECOSYSTEM

Malaysia has demonstrated a strong commitment to translating investment approvals into tangible outcomes through the establishment of the Project Implementation and Facilitation Office (TRACK) and the Invest Malaysia Facilitation Centre (IMFC). The TRACK, introduced in 2020 under the National Economic Recovery Plan (PENJANA), streamlines project execution by addressing operational hurdles and coordinating stakeholders. The subsequent launch of the IMFC in December 2023 further enhances this effort by fostering seamless collaboration between federal and state agencies, expediting approvals and creating a more conducive investment environment.

These initiatives have yielded significant results. In 2024, a total of 4,544 manufacturing projects had been approved, with 85.7 per cent (3,896 projects) progressing to the implementation stage. This demonstrates a high level of project execution efficiency, surpassing global norms for industrial project implementation. Notably, over 90.0 per cent of manufacturing projects approved in the past three years are now operational, and 88.2 per cent of 2023 approvals have commenced, with 65.5 per cent of 2024 approvals already underway.

Such achievements are particularly noteworthy given the challenges often faced by manufacturing projects, which require long construction timelines, advanced machinery installation and adherence to strict technical standards. The support provided through TRACK and IMFC ensures that investors can navigate these complexities effectively. Coordinating efforts across multiple agencies helps optimise project timelines while minimising operational challenges.

## STATUS OF IMPLEMENTATION IN THE MANUFACTURING SECTOR (FOR PROJECTS APPROVED FROM 2020 - 2024)




Data generated as at 31 January 2025

## ENHANCING PROMOTION EFFICIENCY

The National Investment Council (NIC) has approved the rationalisation of the Investment Promotion Agency (IPA) by centralising and streamlining the roles and functions of promotion and marketing to MIDA from the three Regional Economic Corridors IPAs in Peninsular Malaysia, namely, Iskandar Regional Development Authority (IRDA), Northern Corridor Implementation Authority (NCIA), East Coast Economic Region Development Council (ECERDC).These agencies together with other IPAs at the state government including Regional Corridor Development Authority (RECODA) and Sabah Economic Development and Investment Authority (SEDIA) will now focus on key areas: investment facilitation, aftercare services, and project monitoring to ensure the successful implementation of approved projects. This streamlined approach seeks to improve efficiency, leverage each agency's strengths and create a more cohesive environment for attracting and facilitating investments.

This rationalisation aligns with the New Industrial Master Plan 2030 (NIMP 2030) by facilitating business operations and enhancing the investor journey. Furthermore, the establishment of the Invest Malaysia Facilitation Centre – Johor (IMFC-J), a one-stop centre involving government agencies and local authorities, is expected to significantly accelerate project implementation and boost investor confidence in the region.

Looking ahead, Malaysia plans to further enhance its investment facilitation framework. Some of the planned measures include the introduction of advanced digital tools for real-time tracking of project progress, greater collaboration between federal and state agencies and expanded investor support. These initiatives aim to sustain high implementation rates and ensure responsiveness to the evolving demands of global manufacturing. Malaysia continues to position itself as a top investment destination in the region through a steadfast commitment to operational efficiency.

> We have seen through history how countries break out of this middle-income trap. And it is a combination of four things, invest in education, in people, in human capital, invest in infrastructure. These days digital infrastructure is hugely important. It has to be equitable. Invest in governance, rule of law, transparency, and accountability to the public, and cooperate. Learn from others, engage with others.

**Kristalina Georgieva**
Managing Director
The International Monetary Fund (IMF)

# 3.0

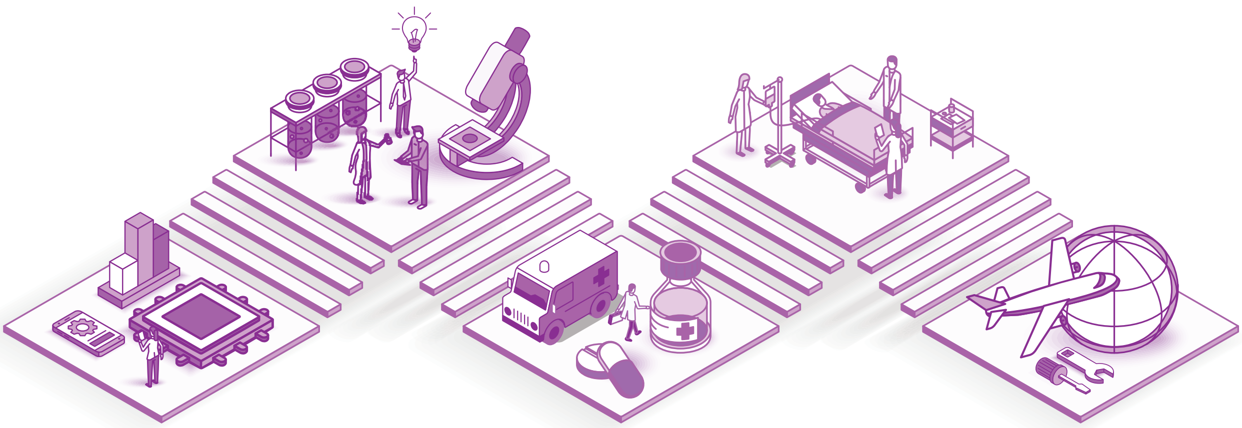
# INVESTMENT IN THE NEW INDUSTRIAL MASTER PLAN 2030 SECTORS

# OVERVIEW OF INVESTMENT IN THE NIMP 2030 SECTORS

The New Industrial Master Plan (NIMP) 2030 sets out to transform Malaysia's industrial sector by capitalising on emerging global trends and advancing a sustainable, innovation-driven economy. Launched in 2023, the plan addresses key challenges such as reliance on low-value industries, disruptions in global supply chains and the growing importance of environmentally sustainable practices. NIMP 2030 focuses on strengthening high-value sectors and aligning Malaysia's industrial strategies with global demands for technological and green development.

The NIMP 2030 is forecasted to boost the manufacturing sector's annual growth rate to 6.5 per cent, translating into an estimated RM587.5 billion contribution to Malaysia's GDP by 2030.

The NIMP 2030 outlines 21 sectors for industrial growth and places special emphasis on five priority sectors namely Electrical and Electronics, Chemical, Pharmaceutical, Medical Devices and Aerospace.






## SECTORS COVERED IN NIMP 2030

| SECTOR | INDUSTRY | RELEVANT SECTOR-SPECIFIC POLICIES |
|---|---|---|
| PRIORITY SECTORS | 1. Aerospace<br>2. Chemical<br>3. Electrical and Electronics (E&E)<br>4. Pharmaceutical<br>5. Medical Devices | 1. Aerospace Industry Blueprint 2010<br>2. Chemical Industry Roadmap 2030<br>3. Malaysia Plastics Sustainability Roadmap 2021-2030<br>4. E&E Roadmap 2021-2030<br>5. Malaysian National Medicines Policy |
| SECTORS | 6. Digital and Information and Communication Technology (ICT)<br>7. Automotive<br>8. Food Processing<br>9. Global Services and Professional Services<br>10. Halal<br>11. Machinery and Equipment (M&E)<br>12. Manufacturing-Related Services (MRS)<br>13. Metal<br>14. Mineral<br>15. Palm Oil-based Products<br>16. Petroleum Products and Petrochemicals<br>17. Rail<br>18. Rubber-based Products<br>19. Shipbuilding and Ship Repair (SBSR)<br>20. Textile, Apparel and Footwear<br>21. Wood, Paper and Furniture | 6. Industry4WRD: National Policy on Industry 4.0<br>7. Malaysia Digital Economy Blueprint<br>8. Malaysia National Artificial Intelligence Roadmap<br>9. National Automotive Policy 2020<br>10. National Agrofood Policy 2.0 2021-2030<br>11. Halal Industry Master Plan 2030<br>12. Foresight Study on the Iron and Steel Industry<br>13. National Mineral Policy<br>14. National Mineral Industry Transformation Plan 2021-2030<br>15. National Advanced Materials Technology Roadmap<br>16. National Agri-commodity Policy 2021-2030<br>17. Malaysian Rail Supporting Industry Roadmap 2030<br>18. National Timber Industry Strategic Plan 2021-2025 |

Source: New Industrial Master Plan 2030

# INDICATORS OF THE NATIONAL INVESTMENT ASPIRATIONS (NIA) PILLARS

Incorporated with a mission-driven strategy, the NIMP 2030 will position Malaysia on a progressive industrial trajectory. Recognising the need for a balance between attracting investments and achieving sustainable growth, the government has introduced a Scorecard framework to evaluate the quality of investments more comprehensively. This framework, aligned with the National Investment Aspirations (NIA), prioritises projects that make meaningful contributions to Malaysia's long-term economic and social objectives.

**The Scorecard focuses on six key indicators that reflect the NIA pillars:**

## 1 INCREASE ECONOMIC COMPLEXITY

Investments are evaluated for their potential to diversify Malaysia's industrial base and integrate advanced technologies. Projects that drive innovation, support high-value manufacturing, and expand the nation's capacity in complex industries are given priority. This approach aligns with Malaysia's goal of shifting from commodity-based activities to higher-value, knowledge-intensive industries under the NIMP 2030 framework.

To support this transition, all manufacturing sector investments are required to meet specific benchmarks, including a minimum **Capital Investment per Employee (CIPE) of RM140,000** and **a Value-Added (VA)** contribution of **at least 40.0 per cent**. These thresholds ensure adequate capital is allocated per worker, fostering productivity improvements that are essential for driving economic growth and closely linked to GDP expansion.

The approved investments in 2024 highlights Malaysia's progress in these areas. The manufacturing projects approved during this period achieved an average CIPE of RM1.8 mil with the Chemical sector leading at RM2.4 mil followed by the Aerospace sector at RM2.1 mil, Electrical and Electronics (E&E) sector at RM1.8 mil, Pharmaceuticals sector at RM1.3 mil and the Medical Devices sector at RM0.7 mil.

### AVERAGE CIPE AND VALUE-ADDED CONTRIBUTION IN THE MANUFACTURING SECTOR IN 2024

| Sector | CIPE | Value-Added |
|---|---|---|
| Chemicals | RM2.4 million | 57.6% |
| Aerospace | RM2.1 million | 81.8% |
| Electrical and Electronics (E&E) | RM1.8 million | 43.5% |
| Pharmaceuticals | RM1.3 million | 60.2% |
| Medical Devices | RM0.7 million | 51.9% |

## 2 CREATE HIGH-VALUE JOB OPPORTUNITIES IN THE MANUFACTURING SECTOR

The creation of high-value employment is central to Malaysia's vision of transitioning from low-skilled labour to knowledge-intensive roles. This transition supports societal advancement by offering high-income opportunities and nurturing a skilled workforce. Investments in the manufacturing sector are evaluated based on their potential to create high-quality employment and develop expertise in advanced manufacturing, artificial intelligence and green technologies, which are key to enhancing Malaysia's competitiveness in the global labour market.

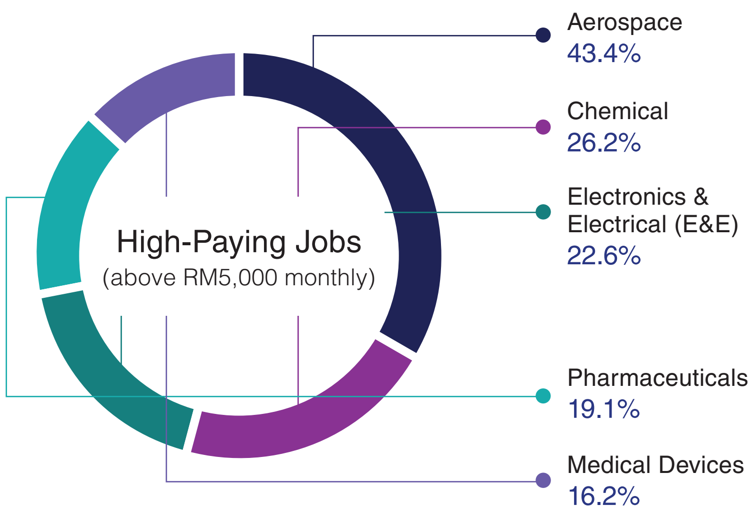
In 2024, approved investments in the manufacturing sector generated 87,695 potential employment opportunities, reflecting the sector's significant contribution to employment growth. The Managerial, Technical, and Supervisory (MTS) Index, which measures the proportion of skilled roles, showed that 41.6 per cent of jobs created in the sector were in these categories. Additionally, 21.0 per cent of the jobs offered monthly salaries exceeding RM5,000, highlighting the focus on high-paying opportunities.

### MANAGERIAL, TECHNICAL AND SUPERVISORY (MTS) INDEX IN THE NIMP PRIORITY SECTORS IN 2024

**MTS Index**

| Sector | MTS Index |
|---|---|
| Aerospace | 72.6% |
| Chemical | 44.4% |
| Electrical and Electronics (E&E) | 40.6% |
| Pharmaceuticals | 37.0% |
| Medical Devices | 34.4% |

These outcomes demonstrate the manufacturing sector's ability to drive the creation of skilled, high-value jobs, in line with the government's vision to achieve greater economic progress, ensure sustainable growth and strengthen Malaysia's role in global value chains.



# 3 EXTEND DOMESTIC LINKAGES

Malaysia's ability to enhance competitiveness depends on strengthening domestic linkages and encouraging greater participation from local companies in high-value industries. The NIMP 2030 targets a 65.0 per cent increase in domestic contribution to the manufacturing value-added, emphasising the need for stronger integration of local businesses into global supply chains. To achieve this, MIDA is encouraging small and medium enterprises (SMEs) to embrace automation, digitalisation and sustainable practices, ensuring they meet the requirements of large companies and align with global sustainability goals.

The strong performance of Malaysian-owned projects, particularly in the Chemical sector, highlights the role of local companies in advancing high-technology industries and participating in global supply chains. These investments encourage collaboration between SMEs and larger corporations, ensuring that the benefits of foreign investments reach a broader spectrum of the economy. This strategy supports the development of a resilient local ecosystem, enabling Malaysia to strengthen its role in high-value industries and drive sustainable growth.

## APPROVED INVESTMENTS OF MALAYSIAN-OWNED PROJECTS IN THE NIMP 2030 SECTORS IN 2024

**RM7.6 billion**
Total Investments

Chemical
**RM3.9 bil**

Electrical and Electronics (E&E)
**RM2.6 bil**

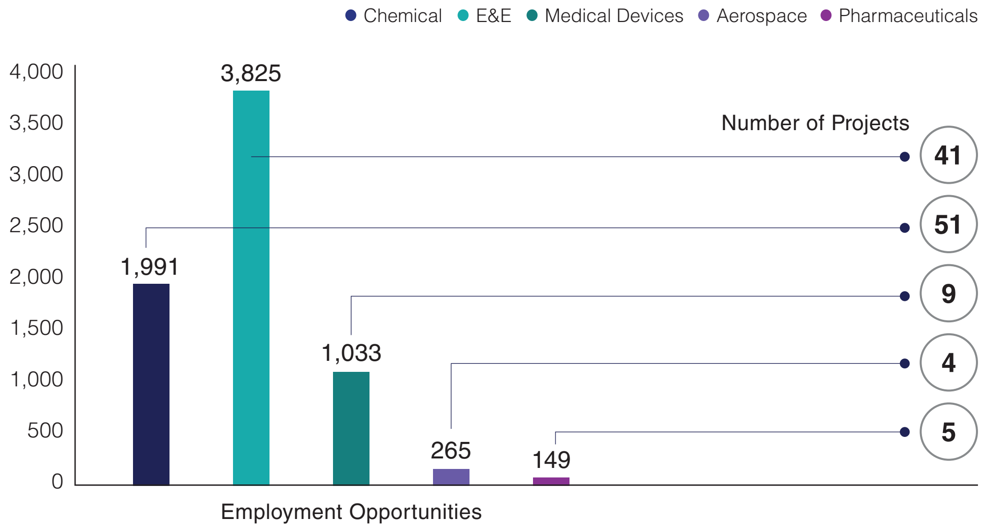
Medical Devices
**RM0.7 bil**

Aerospace
**RM0.4 bil**

Pharmaceuticals
**RM38.5 mil**

**7,263**
Total Employment Opportunities

**110**
Total Number of Projects



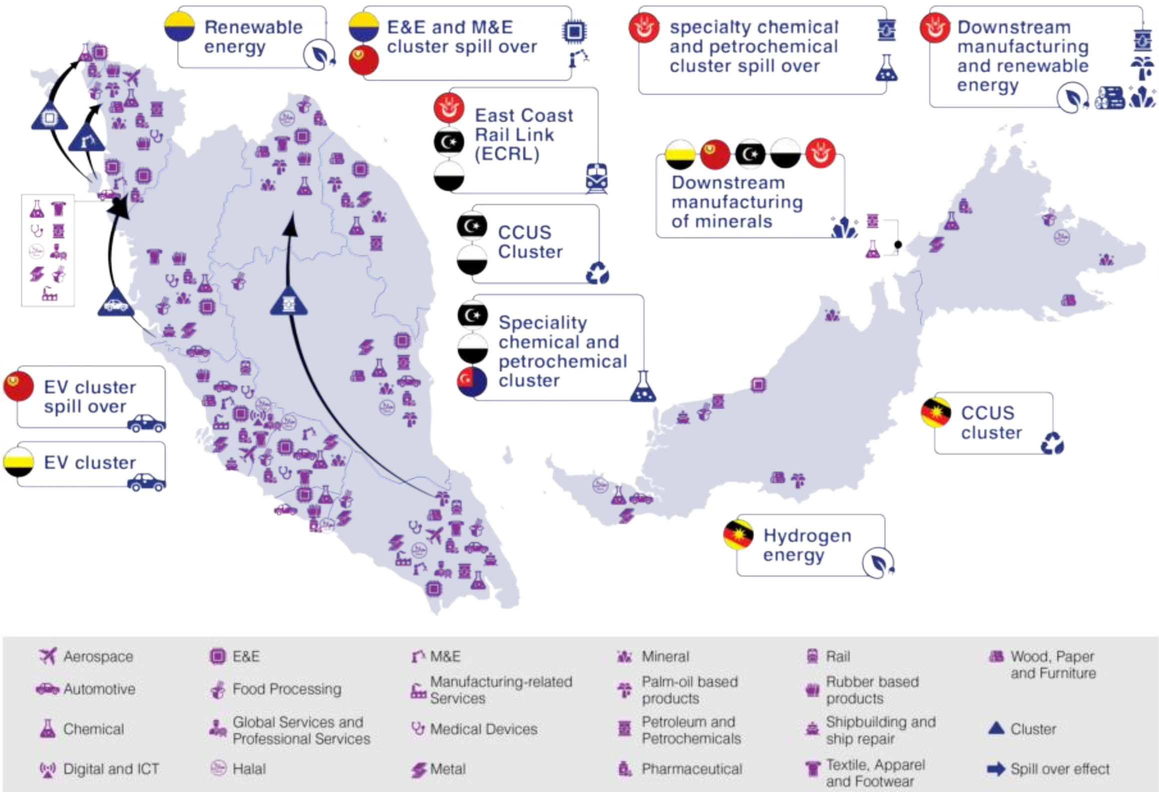
# 4 DEVELOP NEW & EXISTING ECONOMIC CLUSTERS

The development and enhancement of economic clusters focus on maximising regional strengths to encourage collaboration between industries, stimulate economic growth, and attract investments in complementary sectors. Existing industrial clusters in Malaysia have demonstrated strong potential to spur growth and development across multiple industries. For example, the M&E cluster in Batu Kawan supports high-precision manufacturing, while the Automotive cluster in Kulim and Proton City drives innovation in automotive technology.

The Petrochemical cluster in Tanjung Langsat and Pasir Gudang plays a significant role in advancing the chemical industry. The Digital Economy clusters in Iskandar and Cyberjaya further reinforce Malaysia's leadership in digital innovation, particularly in data centres and artificial intelligence development. Similarly, the upcoming economic cluster being developed is the E&E cluster in Kerian Integrated Green Industrial Park and the special cluster in Johor-Singapore Special Economic Zone (JS-SEZ).

## ECONOMIC CLUSTERS IN MALAYSIA

The NIMP 2023 emphasis industrialisation across all states.
Existing clusters have the potential to create regional spillover impact




Source: New Industrial Master Plan 2030

## MACHINERY AND EQUIPMENT CLUSTER IN BATU KAWAN, PULAU PINANG

The demand for automation and digitalisation indicates M&E's opportunity to further develop and extend the existing cluster. Pulau Pinang has hosted several big players in the M&E industry: ViTrox, Pentamaster, Walta Engineering, UMS Group, Towa-M, VAT, BBS Automation, Frencken, Sanmina, NationGate, and Greatech Engineering.

### INVESTMENT OVERVIEW: MACHINERY AND EQUIPMENT CLUSTER, BATU KAWAN

**RM1.2 bil** Total Investments

**13** Projects Approved

**Domestic vs Foreign Investments**

**44.0%** RM517.9 mil
Domestic Investments

**56.0%** RM657.9 mil
Foreign Investments

**695** Employment Opportunities

## AUTOMOTIVE CLUSTER IN GURUN AND TANJONG MALIM

The automotive cluster in Gurun and Tanjong Malim experienced further expansion with the approval of new projects, strengthening Malaysia's position in the sector. Notably, one of the projects focuses on the manufacturing and assembly of electric and energy vehicles, aligning with the growth areas outlined in NIMP 2030.

### INVESTMENT OVERVIEW

**RM606.0 mil** Total Investments

**5** Projects Approved

**Key Growth Area**
Electric and energy vehicle manufacturing and assembly.

**Domestic vs Foreign Investments**

**7.0%** RM39.4 mil
Domestic Investments

**93.0%** RM566.6 mil
Foreign Investments

**1,058** Employment Opportunities

## PETROCHEMICAL CLUSTER IN TANJUNG LANGSAT AND PASIR GUDANG

In 2024, the Petrochemical Cluster in Tanjung Langsat and Pasir Gudang successfully **secured four (4) projects in the petrochemical sector** with a **total investment value of RM668.7 million, with 100 per cent foreign investment.** These projects are expected to generate **162 new job opportunities**. This underscores the cluster's ability to attract significant domestic and international interest, further cementing its role as a hub for the petrochemical industry.

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## ELECTRICAL AND ELECTRONICS CLUSTER IN THE KERIAN INTEGRATED GREEN INDUSTRIAL PARK

The Kerian Integrated Green Industrial Park (KIGIP) is a new industrial park in Perak, Malaysia, designed to attract investments in the electrical and electronics (including semiconductors), logistics, ICT, green technology and knowledge-based industries. It aims to be a major hub for the E&E industry in the northern region of Malaysia, complementing the existing E&E cluster in Penang and Kulim Hi-Tech Park (KHTP) in Kedah.

The park is strategically located near the North-South Expressway, providing easy access to major logistics hubs. It will also be powered by solar energy, making it an attractive location for companies looking to reduce their environmental footprint. The E&E cluster in KIGIP is expected to create a variety of job opportunities and contribute to the economic growth of the region.

SD Guthrie Berhad (SD Guthrie) in collaboration with its largest shareholder, Permodalan Nasional Berhad (PNB) will develop the KIGIP sspanning a total area of 8,000 acres. The first phase of development covers 1,000 acres, with 660 acres allocated for a solar farm. The entire project is expected to be fully developed and operational by 2030.

The project is progressing as planned and is under the close supervision of the Special Task Force, led by MITI and Perak's Economic Planning Unit. MIDA plays a key role within the Task Force, offering strategic insights to attract investments and strengthen the industry ecosystem in KIGIP. Furthermore, SD Guthrie has officially set up a showroom to showcase the KIGIP development, which is temporarily located at SD Guthrie Tower. These developments will help to attract foreign investment into Malaysia.

## JOHOR-SINGAPORE SPECIAL ECONOMIC ZONE (JS-SEZ)

The Johor-Singapore Special Economic Zone (JS-SEZ) is poised to become a major economic driver in Southeast Asia. Encompassing a vast area in southern Johor, including Iskandar Malaysia and Pengerang, this ambitious initiative aims to strengthen business ties and boost cross-border trade between Malaysia and Singapore. Key focus industries for the JS-SEZ will include logistics, financial and business services, tourism, food security, education, healthcare, the digital economy, energy and manufacturing.

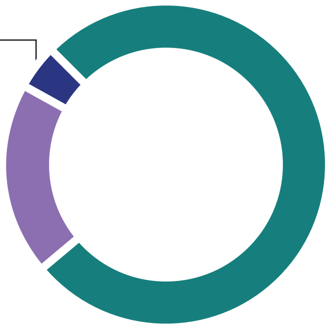
The JS-SEZ introduces special tax arrangements, simplified customs procedures, and a range of incentives to create a supportive business environment. This joint initiative between Malaysia and Singapore capitalises on the strengths of both nations to drive innovation, boost economic growth, and enhance regional competitiveness.

## 5 IMPROVE INCLUSIVITY

The Twelfth Malaysia Plan (12MP) has designated Perlis, Kedah, Terengganu, Kelantan, Sabah, and Sarawak as Less Developed States (LDS), prioritising them for development budget allocations to promote equitable growth across Malaysia. In line with this, the National Investment Aspirations (NIA) also emphasises inclusivity as a core pillar, ensuring investments are distributed fairly to support sustainable development in these regions.

In 2024, the LDS attracted **114 approved projects with a total investment value of RM54.5 billion**, representing 14.4 per cent of the country's total approved investments during the period. These projects are expected to generate **14,174 job opportunities**, contributing significantly to economic development in these states. This distribution highlights the focus on industrial growth while supporting services and primary activities to create a balanced and inclusive economic foundation in the LDS.

## INVESTMENT DISTRIBUTION IN LESS DEVELOPED STATES




### KEDAH

Kedah recorded the highest approved investment among the six Less Developed States (LDS), with projects including wafer fabrication expansion in Kulim High Tech Industrial Park, a new E&E project, and the manufacturing and assembly of electric and energy-efficient vehicles in Gurun. The E&E sector led in investment value, contributing to job creation, higher-paying opportunities, and improved well-being for the local population.

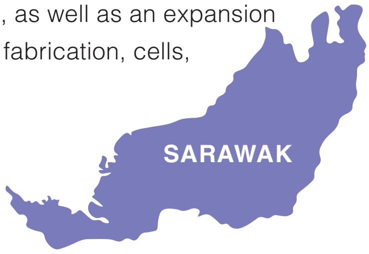
### INVESTMENT OVERVIEW: KEDAH

**RM45.8 bil**
Total Investments

**223**
Projects Approved

**9,459**
Potential Job Creation

Sarawak, the second highest in approved investment among the Less Developed States (LDS), saw projects focused on urea and melamine production, as well as an expansion in solar ingots, wafer fabrication, cells, and modules.

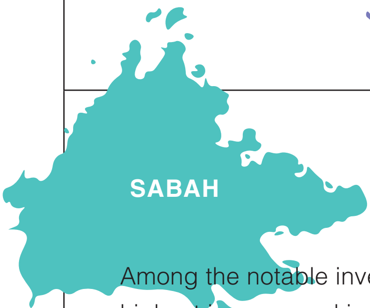



## INVESTMENT OVERVIEW: SARAWAK

**RM16.1 bil**
Total Investments

**291**
Projects Approved

**4,666**
Potential Job Creation




Among the notable investments in Sabah, the third highest in approved investment among the Less Developed States (LDS), is an expansion project for solar photovoltaic glass production in Kota Kinabalu Industrial Park, which will support employment growth and industrial advancement.

## INVESTMENT OVERVIEW: SABAH

**RM6.5 bil**
Total Investments

**151**
Projects Approved

**2,165**
Potential Job Creation

The government is committed to reduce regional disparities and support equitable economic growth. Initiatives that uplift under-served communities, strengthen micro, small, and medium enterprises (MSMEs), and include under-represented groups within the industrial ecosystem are key to achieving a more inclusive and balanced development across the nation.

# SUSTAINABLE DIGITAL INVESTMENT IN MALAYSIA

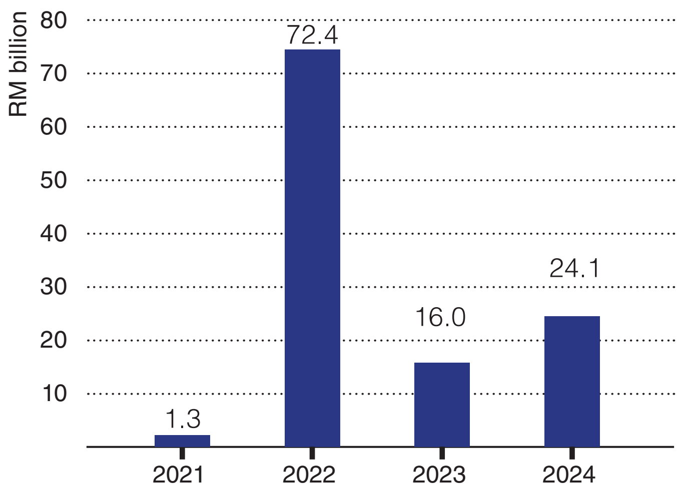
As the global economy transitions to low-carbon strategies, the importance of sustainable infrastructure has become more pronounced. Advancements in cloud computing, the Internet of Things (IoT), and 5G technologies drive demand for robust digital infrastructure, particularly data centres. From 2021 to 2024, Malaysia attracted RM113.8 billion in digital infrastructure investments, such as data centres, cloud computing and data hosting projects, establishing itself as a key player in Southeast Asia's digital economy. These projects have committed substantial investments by leveraging Malaysia's competitive energy costs, robust digital infrastructure, and progressive policies to support their global operations from Malaysia.

Malaysia's data centre industry has grown rapidly, with major projects reflecting its appeal as a regional hub.

## MALAYSIA'S DATA CENTRE INVESTMENT LANDSCAPE (2021–2024)

**RM113.8 billion**

Total Investments




Another significant advantage is the nation's location, which provides convenient access to Asian markets. Government initiatives, such as the Malaysia Digital Economy Blueprint and the New Industrial Master Plan 2030, have improved the country's competitiveness by fostering a favourable environment for investment. These efforts, combined with a strong focus on infrastructure, are creating opportunities for businesses to adopt advanced technologies and contribute to Malaysia's economic transformation.

## SUSTAINABILITY AT THE FOREFRONT

While data centres offer significant economic benefits, their energy-intensive nature raises sustainability concerns. Recognising this, Malaysia has integrated renewable energy strategies into its digital infrastructure policies. Efficiency energy standards such as Power Usage Effectiveness (PUE) and Water Usage Effectiveness (WUE) play a vital role in supporting sustainability efforts. PUE measures energy efficiency, ensuring that most energy is used for IT operations, while WUE addresses water consumption, which is particularly critical in areas with limited freshwater resources.

Another key initiative, the Corporate Renewable Energy Supply Scheme (CRESS), launched in September 2024, enables data centres to source renewable energy directly from producers, reducing their carbon footprint. These steps align with Malaysia's commitment to achieving net-zero carbon emissions by 2050, ensuring the growth of the digital economy does not compromise environmental priorities.

## DIGITAL TRANSFORMATION AND SUSTAINABLE PROGRESS

Malaysia's approach to digital transformation emphasises sustainable development, as highlighted by its collaboration with global organisations such as the World Economic Forum. This partnership has promoted initiatives that integrate sustainability into digital strategies, creating a framework that balances technological advancement with environmental responsibility. These initiatives reflect Malaysia's long-term vision of building a resilient and sustainable digital economy.

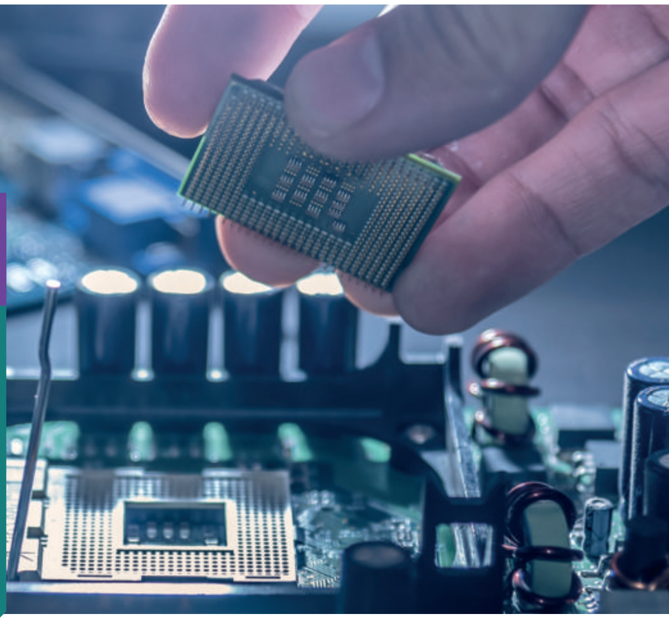
Global commitments to sustainability are also shaping the landscape significantly. Global data centre giants are committed to achieving net-zero goals and initiatives like RE100, which advocate for the adoption of 100% renewable energy. Their investments are driving demand for green energy, accelerating Malaysia's energy transition, and encouraging other sectors to adopt similar practices. The synergy between government policies and corporate commitments is creating an ecosystem that promotes sustainable growth while positioning Malaysia as a leader in regional digital innovation.

Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship, and strengthen governance.

**Ban Ki-moon**
Former Secretary-General of the United Nations

# 4.0

# PRIORITY AND NEW GROWTH AREAS



**SEMICONDUCTOR INDUSTRY**

# UNPRECEDENTED ADVANCEMENT

The semiconductor industry is undergoing a period of significant change, driven by the rapid adoption of cutting-edge technologies like artificial intelligence (AI), 5G communication and electric vehicles. In 2024, the global market experienced considerable growth, reaching an estimated value of US$627 billion, according to the World Semiconductor Trade Statistics (WSTS) organisation. This represents a significant 19.0 per cent increase compared to the previous year, reflecting the growing dependence on digital infrastructure and the crucial role semiconductors play in enabling innovation across various sectors. As nations prioritise supply chain resilience and sustainable energy solutions, the semiconductor industry has become a key area for investment and development worldwide.

The semiconductor industry's rapid evolution is not just transforming global technology but also reshaping economic priorities for many nations.

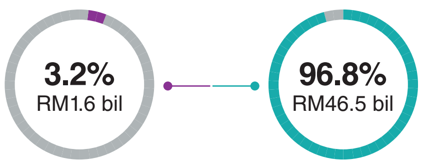
> Regionally, the Americas and Asia Pacific are leading the recovery, with growth rates of 38.9 per cent and 17.5 per cent, respectively. In contrast, Japan is expected to see modest growth of 1.4 per cent, while Europe faces a decline of 6.7 per cent. Malaysia's role in this global movement is becoming increasingly prominent, thanks to its strategic investments, robust ecosystem and alignment with emerging trends.

## APPROVED INVESTMENTS IN THE SEMICONDUCTOR INDUSTRY IN 2024

**RM48.1 bil**
Total Investments

**46**
Projects Approved

### Domestic vs Foreign Investments

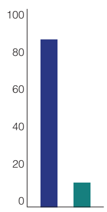



Domestic Investments

Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments
**RM48.1 bil**




- 20 Expansion/Diversification
  15,571 Employment opportunities
  **RM41.0 bil**
  85.2%
- 26 New Projects
  6,151 Employment opportunities
  **RM7.1 bil**
  14.8%

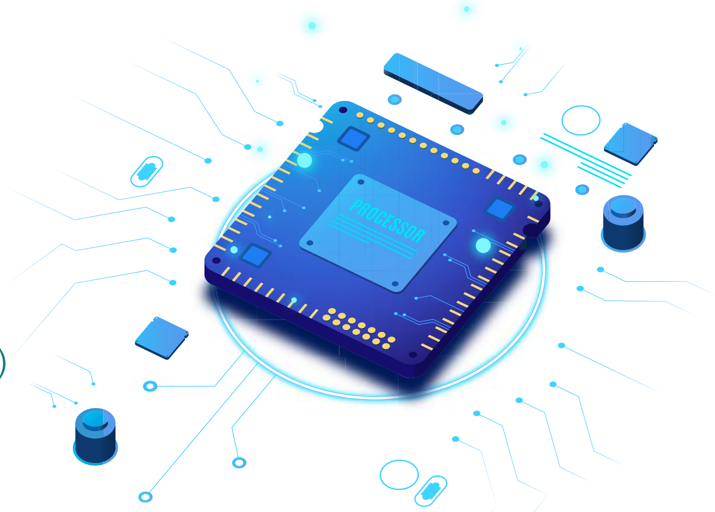
**21,722**
Employment Opportunities

## ONWARD AND UPWARD

The government's forward-thinking policies and commitment to innovation have further enhanced the country's appeal to investors. Initiatives like the National Semiconductor Strategy (NSS) and the New Industrial Master Plan (NIMP) 2030 were designed with the aim of positioning Malaysia as a leader in next-generation semiconductor manufacturing while supporting long-term industry growth.

The NSS demonstrates Malaysia's commitment to becoming a global leader in the semiconductor industry, offering investors a clear framework to capitalise on emerging opportunities. The focus on advanced packaging, chip design and front-end manufacturing addresses critical areas of the value chain while aligning with global demand for transformative technologies such as AI, IoT, and electric vehicles. These priorities position Malaysia as a strategic partner for businesses seeking expansion in high-growth sectors.

Talent development remains a key part of Malaysia's approach. To address talent shortages in the semiconductor sector, the government has set plans to train 60,000 high-skilled engineers by 2030. This initiative includes enhancements to technical and vocational training, a push to increase STEM enrolment and efforts to encourage greater female participation in STEM fields. Partnerships with industry leaders have resulted in training programmes tailored to meet the evolving demands of the sector, cultivating a significant pool of skilled professionals.




The establishment of the Advanced Semiconductor Academy of Malaysia (ASEM) further strengthens this focus. Recent pledges of RM100 million from educational stakeholders underscore Malaysia's dedication to preparing its workforce for the challenges of the global semiconductor landscape. These efforts not only address immediate industry needs but also lay the groundwork for sustained talent availability.

## NOTABLE PROJECTS IN 2024

**Expansion**

**Plexus Manufacturing Sdn. Bhd.**

**Products:**
Manufacture and re-manufacture of PCB assemblies and complete products (box build) for microprocessor applications, industrial, telecommunication including network equipment, medical devices, aerospace application, mechatronics, oil & gas and renewable energy

**Investment**
**RM1.0 billion**

**1,800** Job Opportunities

**Expansion**

**Dominant Opto Technologies Sdn. Bhd.**

**Products:**
Surface Mount Light Emitting Diode (LED)

**Investment**
**RM1.0 billion**

**1,575** Job Opportunities

## SEMICONDUCTOR'S COMPETITIVE ADVANTAGE

Sustainability and innovation remain central to Malaysia's semiconductor growth strategy. The second Sustainability & ESG Conference 2024, hosted by the Malaysia Semiconductor Industry Association (MSIA), showcased the sector's commitment to Environmental, Social and Governance (ESG) principles. The government's promotion of green technologies and sustainable practices aligns Malaysia's semiconductor ecosystem with global environmental goals, making it an attractive choice for forward-thinking investors.

Global players continue to demonstrate confidence in Malaysia's ecosystem. Intel Corporation's US$7 billion investment in advanced packaging facilities in Penang and Infineon Technologies AG's RM25 billion expansion in fabrication capacity illustrates the country's capability to support large-scale, high-value projects. These investments reflect Malaysia's readiness to address the rising global demand for advanced technologies.

For investors, Malaysia's commitment to developing a skilled workforce and fostering innovation presents a compelling opportunity. The country's well-established ecosystem, supported by a strong electrical and electronics (E&E) supply chain, offers a competitive advantage. With extensive industrial parks, a skilled workforce, and seamless integration into regional and global markets, Malaysia provides an environment conducive to high-impact projects. Its emphasis on advanced packaging and integrated circuit (IC) design ensures its continued relevance in high-value semiconductor activities.

The NSS offers a clear roadmap for long-term growth that will enable the industry to adapt to global demands and technological advancements. With projections of 11.4 per cent annual growth over the next five years and a targeted market size of US$27.48 billion by 2029, Malaysia's semiconductor sector offers investors a rare combination of stability, innovation and significant growth potential.

### THE GOVERNMENT'S EFFORTS TO ENHANCE KEY AREAS IN THE SEMICONDUCTOR INDUSTRY

| | |
|---|---|
| Strengthening Front-End Capabilities | • **Investment in IC Design:** Promote education and training programmes focused on IC design; establish partnerships with universities and tech institutes for specialised curricula.<br>• **Wafer Fabrication Development:** Attract FDI from established wafer fabrication companies; provide incentives like grants and tax breaks to local firms.<br>• **Manufacturing Equipment Innovation:** Encourage R&D in semiconductor manufacturing equipment; collaborate with global leaders to establish local production capabilities and reduce import dependency. |
| Supporting Local Corporations and SMEs | • **Cultivation of Large Corporations:** Identify and support the growth of 10 large local semiconductor companies with funding, mentorship, and access to advanced technology.<br>• **Empowering SMEs:** Assist 100 related SMEs with grants, training, and access to networks; encourage collaboration among SMEs to share resources and knowledge. |
| Enhancing Research and Development | • **R&D Investment Incentives:** Offer tax incentives for companies investing in R&D; create innovation hubs focusing on semiconductor technologies.<br>• **Collaboration with Research Institutions:** Partner with local and international research institutions to drive advancements in semiconductor technology. |

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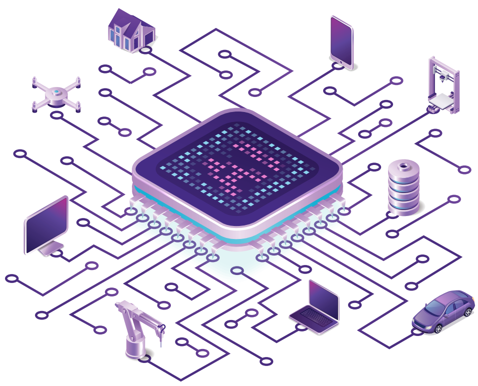
|---|---|
| Creating a Robust Ecosystem | **Industrial Park Development:** Expand specialised industrial parks dedicated to semiconductor firms to foster synergy and innovation.<br>**Supply Chain Diversification:** Encourage local companies to engage in the supply chain for semiconductor materials and components, reducing reliance on external sources. |
| Government Support and Policy Framework | **Implementation of NSS Goals:** Actively pursue the National Semiconductor Strategy (NSS) with regular assessments and adjustments.<br>**Regulatory Support:** Streamline regulations and processes to facilitate quicker business operations and investment. |
| Focus on Sustainability and Emerging Technologies | **Sustainable Practices:** Promote environmentally friendly manufacturing practices and materials in the semiconductor industry.<br>**Adoption of Emerging Technologies:** Encourage investments in AI, IoT, and 5G to position Malaysia as a hub for next-generation semiconductor solutions. |
| International Collaboration and Market Expansion | **Global Partnerships:** Establish strategic partnerships with leading semiconductor nations to share knowledge, technology, and market access.<br>**Export Development Programs:** Support local companies in exploring international markets through resources for market research and participation in global trade shows. |

## TAKING THE NEXT LEAP

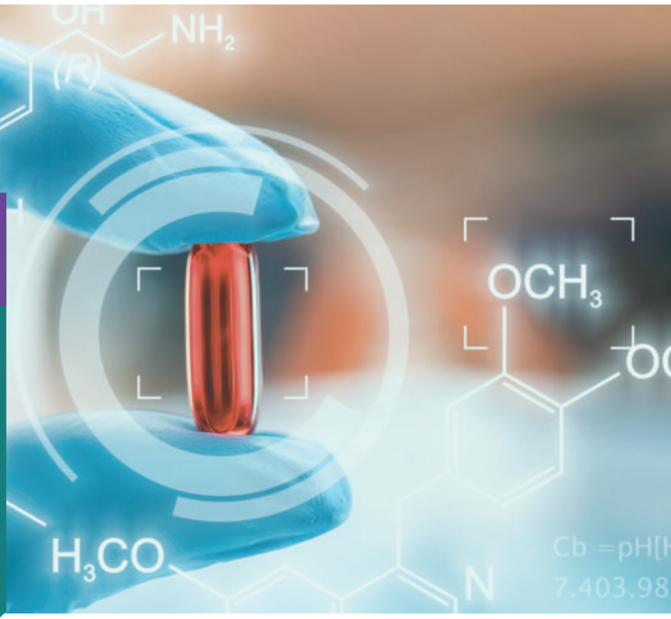
Malaysia's semiconductor industry is poised for further progress in 2025, as global demand for advanced technology continues to evolve. With rapid developments in artificial intelligence, next-generation computing and electrification, the industry must position itself beyond traditional strengths by deepening capabilities in front-end manufacturing, advanced packaging and IC design. The ability to integrate seamlessly into emerging semiconductor value chains will determine Malaysia's long-term competitiveness.



A key priority moving forward will be enhancing supply chain resilience. As geopolitical shifts and market disruptions continue to impact semiconductor production worldwide, Malaysia must take a proactive approach in diversifying its ecosystem. Strengthening upstream capabilities, increasing localisation of critical components and reinforcing partnerships with global industry leaders will help mitigate risks.

At the same time, workforce development remains crucial in sustaining industry momentum. The accelerating adoption of automation, artificial intelligence and digitalisation across semiconductor manufacturing requires a highly skilled talent pool equipped for advanced fabrication and design processes.

Additionally, sustainability and ESG adoption will continue to shape the industry's future. The growing emphasis on energy-efficient manufacturing and responsible resource management presents an opportunity for Malaysia to strengthen its position as a sustainable semiconductor hub. Companies investing in net-zero strategies, green production practices, and ethical sourcing of raw materials will gain a competitive edge in securing long-term investor confidence.




PHARMACEUTICAL INDUSTRY

# ENHANCING CAPACITIES AND CAPABILITIES

Under the NIMP 2030, the pharmaceutical industry has been identified as a strategic growth area to strengthen Malaysia's healthcare ecosystem and attract high-quality investments. The government's focus is on building the industry's capacity to produce high-value products, create skilled employment opportunities, and support the country's goal of improving access to advanced healthcare solutions. This direction reflects a deliberate effort to transition Malaysia's pharmaceutical sector beyond generic drug production to more innovative and sustainable segments.

> The 2024 budget allocated RM41.2 billion to healthcare, marking a 13.5 per cent increase from the previous year. Of this, RM6.1 billion is earmarked for developing healthcare infrastructure, including upgrading hospitals and clinics, particularly in rural areas. These initiatives aim to meet the growing demand for better healthcare services driven by an ageing population and the increasing prevalence of non-communicable diseases (NCDs).

Malaysia's pharmaceutical market is valued at approximately US$1.7 billion in 2024, driven by oncology drugs (US$264 million), immunology treatments (US$242 million), and diabetic medications (US$167 million). This growth is supported by expansions in healthcare infrastructure, rising public healthcare expenditure, and the growing demand for speciality medications. The sector's long-term potential lies in reducing reliance on imported innovator drugs by enhancing domestic production capabilities and fostering innovation.

## CAPITALISING ON DOMESTIC STRENGTH

Malaysia's pharmaceutical industry is leveraging its domestic capabilities to transition from generics to high-value biologics, biosimilars and active pharmaceutical ingredients (APIs), in line with NIMP 2030. Strengthening local R&D ecosystems through industry-academia collaboration is critical to advancing innovation and production capacity. Expanding domestic manufacturing will enhance self-sufficiency and reduce dependency on imports, ensuring a more resilient pharmaceutical supply. Global partnerships will accelerate technology transfer, enabling local firms to compete in international markets. The T&CM sector, projected to contribute up to RM28 billion by 2027, alongside the health supplement market's expected growth to US$1.7 billion by 2028, presents further opportunities to drive domestic value creation, strengthen industry resilience, and meet evolving consumer health demands.

## APPROVED INVESTMENTS IN THE PHARMACEUTICAL INDUSTRY IN 2024

**RM343.5 mil**
Total Investments

**7**
Projects Approved

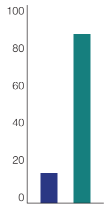
### Domestic vs Foreign Investments

**12.3%**
RM42.2 mil
Domestic Investments

**87.7%**
RM301.3 mil
Foreign Investments

### Expansion / Diversification vs New Projects

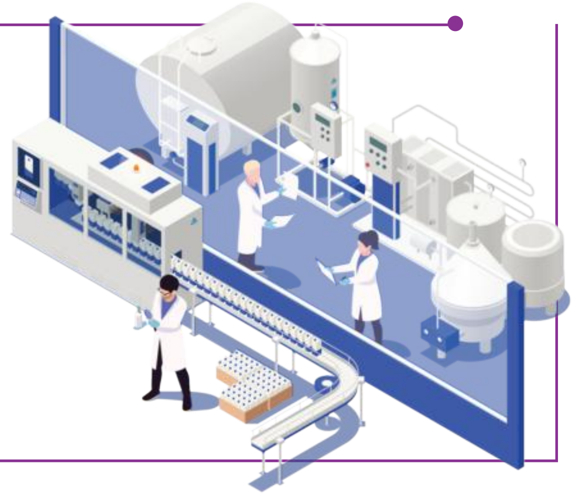
Total Investments
**RM343.5 mil**




- 4 Expansion/Diversification
  67 Employment opportunities
  **RM56.4 mil**
  16.4%
- 3 New Projects
  195 Employment opportunities
  **RM287.1 mil**
  83.6%

**262**
Employment Opportunities

Despite these achievements, challenges persist due to the country's reliance on imported innovative drugs and biologics. Addressing this dependency requires strategic policies and investments in domestic manufacturing capabilities to support long-term growth and sustainability. Building expertise in high-value segments, such as biosimilars and APIs, will be essential for achieving these objectives.



## NOTABLE PROJECTS IN 2024

**New Project**
**Colorcon Malaysia Sdn. Bhd.**

**Products:**
Dry release film coatings

**Investment**
**RM200.0 million**

**Key Growth Area**
- Generics
- Biologics
- Innovative Drug

**88** Job Opportunities

## EMERGING TRENDS

In 2025, Malaysia's pharmaceutical sector will focus on scaling up biopharmaceutical manufacturing and producing high-value medications for NCDs. Government policies, including the off-take initiative announced in Budget 2025, are designed to support this shift by guaranteeing the procurement of domestically produced National Essential Medicine List (NEML) products. This creates a stable environment for investors and encourages greater collaboration between academia, research institutions, and the private sector.

Sustainability will remain a priority as pharmaceutical companies adopt greener manufacturing practices to align with global Environmental, Social, and Governance (ESG) standards. Emerging trends in T&CM and health supplements will also shape the industry's direction. With a growing focus on holistic health and preventive care, the sector is poised to expand its offerings in these segments.

MEDICAL DEVICES INDUSTRY

# TRANSFORMING HEALTHCARE SOLUTIONS

In 2024, Malaysia continued to attract leading medical device manufacturers and suppliers, establishing itself as a key hub alongside global players such as Ireland, Puerto Rico, and Costa Rica. Strategically located in Southeast Asia, Malaysia provides easy access to regional and global markets, making it an ideal base for companies looking to establish their footprint. Its strong economic growth and proactive government approach to healthcare development create an environment where innovation and investment in the MedTech sector can thrive.

The nation's commitment to modernising healthcare infrastructure further enhances its appeal. Recent initiatives include substantial investments in digital health systems, hospital upgrades, and advanced medical facilities. The Ministry of Health's budget saw a 13.5 per cent increase in 2024, with healthcare receiving the second-highest allocation and further increased 10.0 per cent in the 2025 budget. These efforts reflect Malaysia's commitment to improving medical technology and creating a strong ecosystem that supports the demands of global industry leaders.

Malaysia's reputation as a leading medical tourism destination in ASEAN also adds to its growing stature in the MedTech industry. Patients from neighbouring countries, particularly Indonesia, seek out Malaysia for its high-quality, affordable care. This influx of medical tourists reflects the synergy between Malaysia's advancements in MedTech and its healthcare services.

Malaysia's medical device market is the largest within the Southeast Asia region and ranked among the top ten markets in Asia. In 2023, Malaysia's market size reached US$2.3 billion (RM10.6 billion), followed by Thailand's US$1.9 billion and Vietnam's US$1.8 billion.

## SCALING NEW HEIGHTS

The NIMP 2030 has set the foundation for the medical devices industry to scale new heights. Malaysia is prioritising the development of extensive manufacturing ecosystem for medical devices to address global healthcare demands. The country has identified six key segments as focus areas: high-value consumables, surgical instruments and implants, health equipment, point-of-care devices, minimally invasive products and medical devices that leverage advanced technologies.

The country's readiness to provide comprehensive manufacturing solutions is further evidenced by its well-established industries, including Electronic Manufacturing Services (EMS), Engineering Supporting Services (ESS), and sectors specialising in plastics, rubber, sterilisation, automation, and ICT solutions. Together, these elements simplify the supply chain for MedTech companies and enable streamlined production processes, enhancing efficiency and scalability.

Growth is anticipated in critical market segments, including diagnostic imaging, patient monitoring, cardiology, orthopaedics, and in-vitro diagnostics, driven by rising healthcare expenditure, an ageing global population, and the increasing adoption of advanced medical solutions.

> Malaysia aims to enhance domestic production capabilities and reduce dependency on imports while aligning with international standards and regulatory frameworks to expand the industry globally.

Domestic industry players must leverage government support to enhance their expertise and move up the value chain. This includes taking advantage of research and development incentives, forming partnerships with international MedTech leaders, and adopting advanced manufacturing technologies. Such efforts will enable local manufacturers to establish a stronger foothold in high-value segments and contribute meaningfully to the global MedTech ecosystem.

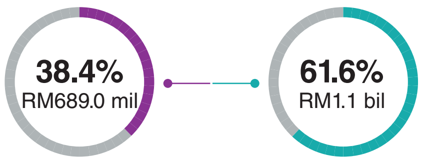
For investors, Malaysia's focus on high-quality medical devices under the NIMP 2030 provides a timely opportunity to tap into a dynamic and evolving industry. The country's integrated ecosystem-spanning electronic manufacturing services (EMS), engineering support services (ESS), automation, and sterilisation solutions, ensure seamless production processes and efficient supply chains.

## APPROVED INVESTMENTS IN THE MEDICAL DEVICES INDUSTRY IN 2024

**RM1.8 bil**
Total Investments

**23**
Projects Approved

### Domestic vs Foreign Investments

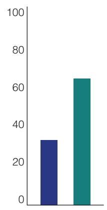



Domestic Investments

Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments
**RM1.8 bil**




- 9 Expansion/Diversification
  871 Employment opportunities
  **RM630.4 mil**
  35.1%
- 14 New Projects
  1,754 Employment opportunities
  **RM1.2 bil**
  64.9%

**2,625**
Employment Opportunities

## NOTABLE PROJECTS IN 2024

**New Project**

**Antmed Malaysia Sdn. Bhd.**

**Products:**
Percutaneous Transluminal Coronary Angioplasty (PTCA) Products

**Investment**
**RM610 million**

**Key Growth Area**
- Non and minimally invasive products

**1,024** Job Opportunities

## RESHAPING THE FUTURE

Malaysia's medical device sector is set for strong growth in 2025, driven by rising healthcare expenditure, technological advancements, and government support. BMI, a Fitch Solutions company, projects a CAGR of 7.8 per cent, reaching US$3.3 billion by 2028, placing Malaysia ahead of regional peers. Budget 2025 allocates RM45.3 billion to healthcare, a 10.0 per cent increase, with RM1.3 billion for hospital upgrades and RM300 million for rural clinic refurbishments, boosting procurement and R&D. Additive manufacturing and 3D printing are advancing customised implants, prosthetics, and diagnostic tools, while Industry 4.0 technologies, including IoT and AI, enhance manufacturing efficiency. Sustainability remains a priority, with green manufacturing practices and the Domestic Investment Accelerator Fund (DIAF) - ESG supporting businesses in meeting global ESG standards.

CHEMICALS INDUSTRY

# FUELLING FUTURE GROWTH

The global chemicals market, valued at US$138.09 million in 2023, is forecasted to grow to US$204.17 million by 2031, with a compound annual growth rate (CAGR) of 5.01 per cent. This growth is due to increasing demand from key sectors such as automotive, electronics, pharmaceuticals, and construction. Additionally, the rise of industries like electric vehicles (EVs) and renewable energy highlights the need for specialised chemicals that support advanced manufacturing and sustainable solutions.

In Malaysia, the chemicals industry accounts for 6.0 per cent of GDP and remains a significant contributor to the economy. Historically focused on basic chemicals and intermediates, the sector now faces growing global demands for higher-value and more innovative products. The NIMP 2030 prioritises the chemicals sector as a key driver of economic transformation, aiming to shift the industry toward advanced production, sustainability, and technological innovation. However, challenges such as supply chain vulnerabilities and dependency on imported raw materials highlight the need for domestic capacity building to remain competitive on a global scale.



Malaysia's dependence on imported materials like silicon carbide, rare gases, and other speciality chemicals has exposed the sector to price volatility and supply chain disruptions. Moreover, limited investment in research and development (R&D) has constrained local innovation, making it difficult for companies to diversify into high-value products. These issues highlight the need for strategic interventions to strengthen the industry's foundation and unlock future growth potential.

## UNLOCKING OPPORTUNITIES

Malaysia's chemicals industry has the potential to capitalise on global demand for speciality chemicals, particularly those required in high technology sectors like semiconductors and EVs. The global semiconductor and electronics market is projected to reach RM5.4 trillion by 2030, creating significant opportunities for Malaysian producers to supply essential chemicals such as etching agents, photolithography materials, and advanced coatings. These components are critical for processes like integrated circuit packaging and wafer fabrication, which are foundational to the semiconductor value chain.

The EV sector presents another avenue for growth. Chemicals used in battery production, energy storage systems and electric motor components are in high demand, offering Malaysian producers a chance to establish themselves as key suppliers to this fast-growing market. Building domestic capabilities in these areas would not only reduce reliance on imports but also create a more self-sufficient and resilient chemical ecosystem.

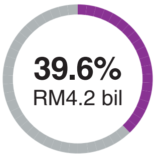
The focus on advanced materials, particularly rare earth elements (REEs), will also enhance Malaysia's position in high-tech industries. With 18.2 million tonnes of non-radioactive REE reserves valued at RM747.2 billion, the country can support renewable energy and EV technologies.

## APPROVED INVESTMENTS IN THE CHEMICALS INDUSTRY IN 2024

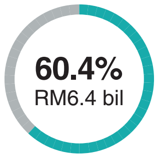
**RM10.6 bil**
Total Investments

**92**
Projects Approved

### Domestic vs Foreign Investments



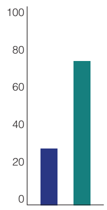

Domestic Investments




Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments
**RM10.6 bil**




- 28 Expansion/Diversification
  612 Employment opportunities
  **RM2.8 bil**
  26.7%
- 64 New Projects
  3,864 Employment opportunities
  **RM7.8 bil**
  73.3%

**4,476**
Employment Opportunities

## NOTABLE PROJECTS IN 2024

### Expansion

**OCI TerraSus Sdn. Bhd**

**Products:**
Polycrystalline Silicon, Mixed Acid, Hydrogen, Fumed Silica, Trichlor-Silane, Silicon Tetrachloride, Hydrochloric Acid, Caustic Soda, Hydrogen Chloride, Chloride (Liquefied) and Sodium Hypochlorite

**Investment**
**RM799.8 million**

**61** Job Opportunities

### New Project

**Dingtek (Malaysia) Sdn. Bhd.**

**Products:**
Chemical Mechanical Polishing (CMP) Pad and CMP Slurry

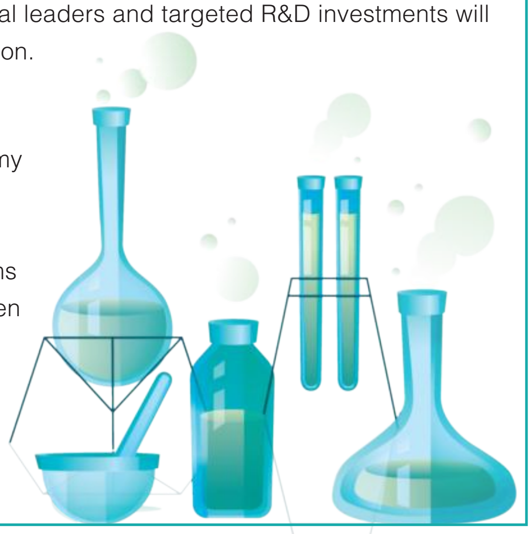
**Investment**
**RM128.5 million**

**30** Job Opportunities

## EXPLORING NEW FRONTIERS

In 2025, Malaysia's chemicals industry is set to advance in high technology sectors like semiconductors, EVs and renewable energy. Strengthening local production of speciality chemicals to meet rising demand in these markets is of utmost importance. Partnerships with global technical leaders and targeted R&D investments will play a key role in bridging technology gaps and fostering innovation.

Another promising growth area is the green hydrogen economy. The Malaysian government has established the Hydrogen Economy and Technology Roadmap (HETR) to unlock new investment opportunities and position the country as a leader in the global hydrogen supply chain. Launched in October 2023, the HETR aims to generate up to RM12.1 billion in revenue and contribute between RM49 billion and RM61 billion to the gross domestic product by 2030, creating over 45,000 employment opportunities. Malaysia seeks to tap into the global green hydrogen market, projected to reach USD 189.19 billion by 2050.



**ELECTRIC VEHICLES INDUSTRY**

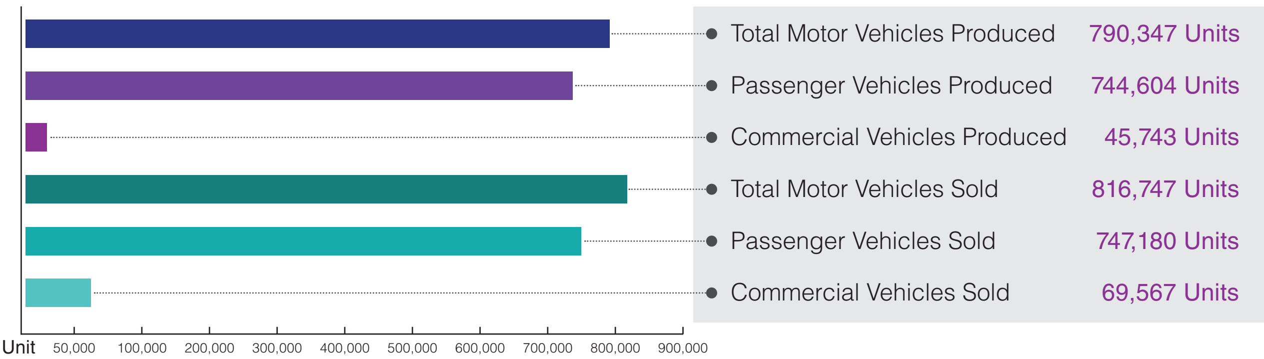
# CULTIVATING DOMESTIC CAPABILITIES

Over the years, Malaysia's transportation sector has consistently supported economic growth through modernisation and strategic investments. Collaborations between the government and private sector have led to improved infrastructure, fostering accessibility and economic development across urban and rural areas. These advancements enhance Malaysia's domestic capabilities and strengthen its competitive edge in global markets.

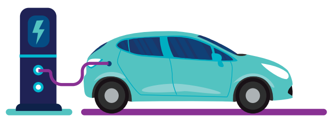
With increasing concerns about global warming and environmental sustainability, countries worldwide have pledged to achieve the United Nations' Sustainable Development Goals (SDGs). In line with this, Malaysia is prioritising sustainable transportation solutions to address climate change and reduce its carbon footprint. The global shift towards green mobility has accelerated the adoption of Electric Vehicles (EVs) as a key strategy for achieving a low-carbon future.

Malaysia's automotive industry is the second largest in Southeast Asia and the 23rd largest in the world, producing over 740,000 automobiles per year. The automobile industry contributes 4.0 per cent of Malaysia's GDP, valued at RM40 billion, and employs over 700,000 people across the country. In a significant milestone, Malaysia has overtaken Thailand as ASEAN's second-biggest auto market, reflecting the sector's continued expansion and growing demand for vehicles.

## MALAYSIAN AUTOMOTIVE INDUSTRY PRODUCTION AND SALES IN 2024




Malaysia's automotive production grew by 2.0 per cent in 2024, reaching 790,347 units, up from 774,600 units in 2023.



Hence, Malaysia intensified efforts to expand the EV ecosystem, with significant investments in infrastructure such as EV charging stations, incentives for manufacturers, and tax exemptions for consumers in 2024.

This also includes establishing comprehensive policies such as the NETR that supports the country's energy transition agenda and the National Automotive Policy (NAP) 2020 which aims to enhance the automotive sector's competitiveness and sustainability.

The government has also established the National EV Steering Committee (NEVSC) and the National Electric Vehicle Task Force (NEVTF) to accelerate EV adoption and position Malaysia as a regional hub for EV manufacturing where the NEVSC oversees strategic planning to advance Malaysia's EV goals. Meanwhile, NEVTF provides a holistic approach to policy development, ensuring the alignment of industrial growth with consumer adoption.

## GROWING DEMAND FOR DIVERSE SEGMENTS

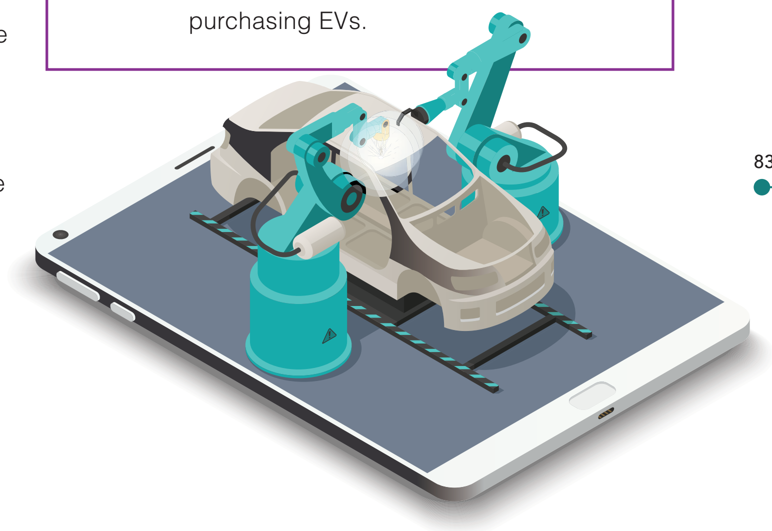
The global shift towards sustainable mobility is pushing Malaysia to accelerate its transition to electric vehicles (EVs). Malaysia aims to have EVs account for 15.0 per cent of the total industry volume (TIV) by 2030 and 80.0 per cent by 2050. Investors should capitalise on the government's proactive measures, which not only lower entry barriers but also enhance the overall appeal of Malaysia's EV market.

In addition to fiscal incentives, the government's plan to install 10,000 public charging stations by 2025 highlights its commitment to creating a comprehensive EV ecosystem. This ambition creates avenues for investments in charging infrastructure, battery technology and innovative energy storage solutions. The focus on reducing range anxiety through infrastructure expansion, coupled with incentives for two-wheeled EVs (2WEVs) and affordable electric cars, presents opportunities to tap into the growing demand for diverse EV segments. These initiatives aim to cater to various market needs, from individual consumers to fleet operators.

According to projections, the ASEAN EV market is anticipated to grow from US$0.86 billion in 2023 to US$3.54 billion by 2028, with a compound annual growth rate of 32.73 per cent during this period. With global automotive players entering the Malaysian market and local manufacturers exploring affordable EV models, the industry offers fertile ground for long-term investment in sustainable mobility solutions.

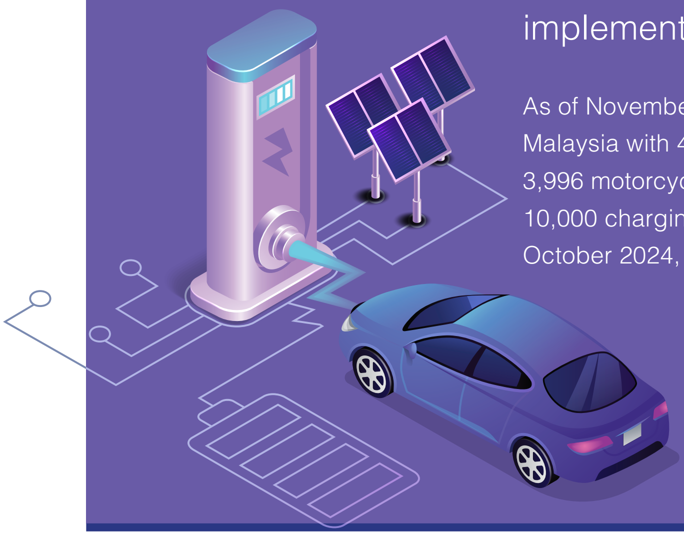
### VARIOUS INCENTIVES TO STIMULATE EV ADOPTION AND PRODUCTION

1. Full exemptions on import duties, excise duties, and sales tax for locally assembled EVs until 31 December 2027.
2. Full exemptions on import duties and excise duties for imported EVs until 31 December 2025.
3. Road tax exemptions for EVs, personal income tax relief for EV charging facilities, and tax deductions for companies leasing non-commercial EVs.
4. Special tax incentives for the development of critical EV components and charging equipment, offering up to 10 years of tax exemptions.
5. The Electric Motorcycle Usage Incentive Scheme, introduced in the 2024 Budget, further enhances accessibility by providing cash rebates for consumers earning below RM120,000 annually for purchasing EVs.



The Government has many policies in place to encourage both the growth of xEV manufacturing as well as the take-up of xEVs domestically. For instance, the latest one is the National Energy Transition Roadmap, xEV sales target by 2030 is 20.0 per cent of total industry volume, 50.0 per cent by 2040 and 80.0 per cent by 2050. This is in tandem with The Twelfth Malaysia Plan (2021-2025) and the Low Carbon Mobility Blueprint (2021-2030) to accelerate the nation's green and sustainable growth agenda. In addition, to drive the nation's goals and objectives, the New Industrial Master Plan 2030 (NIMP 2030) lays out the strategies and action plans to be implemented.

As of November 2024, 44,423 units of xEVs have been registered in Malaysia with 40,385 units being passenger and commercial vehicles, 3,996 motorcycles and 42 buses. Malaysia is also committed to installing 10,000 charging stations by 2025 to accelerate EV adoption, and as of October 2024, there are 3,354 public charging stations at bay.

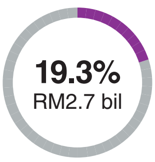


## APPROVED INVESTMENTS IN THE AUTOMOTIVE SUB-SECTOR IN 2024

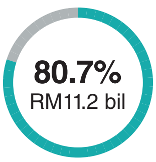
**RM13.9 bil**
Total Investments

**93**
Projects Approved

### Domestic vs Foreign Investments



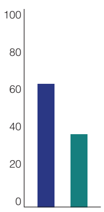
**19.3%**
RM2.7 bil
Domestic Investments



**80.7%**
RM11.2 bil
Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments
**RM13.9 bil**




- 47 Expansion/Diversification
  3,834 Employment opportunities
  **RM8.5 bil**
  61.3%
- 46 New Projects
  4,808 Employment opportunities
  **RM5.4 bil**
  38.7%

**8,642**
Employment Opportunities

1
2
3
4
5

## NOTABLE PROJECTS IN 2024

**New Project**
**Chery Corporate Malaysia Sdn. Bhd**

**Products:**
Energy Efficient Vehicles (EEVs), including electric passenger vehicles

**Investment**
**RM1.4 billion**

**75** Job Opportunities

**New Project**
**CosMX Technology Malaysia Sdn. Bhd.**

**Products:**
Lithium Battery For Electrical Vehicle And/ Or Hybrid Vehicles And/ Or Energy Storage Batteries

**Investment**
**RM921.0 million**

**474** Job Opportunities

**New Project**
**Perodua Sales Sdn. Bhd.**

**Products:**
Manufacture and assembly of Energy Efficient Vehicles (EEVs), including Electric Vehicles (EVs) and Next-Generation Vehicles (NxGVs)

**Investment**
**RM785.0 milion**

**82** Job Opportunities

**Expansion**
**EVE Energy Malaysia Sdn. Bhd.**

**Products:**
Specialising in lithium ion battery production

**Investment**
**RM6.8 billion**

**1,012** Job Opportunities

## STEERING AHEAD

In 2025, the government is expected to prioritise initiatives that enhance local manufacturing capabilities, expand EV infrastructure, and attract foreign and domestic investments. Key trends indicate a shift toward creating a self-sustaining EV ecosystem that caters to both local and regional markets.

The focus on local manufacturing is likely to intensify, with targeted efforts to boost the production of EV components such as batteries, electric motors, and powertrains. These initiatives aim to reduce reliance on imports and establish Malaysia as a competitive player in the EV supply chain. Collaboration between government agencies, industry leaders, and research institutions is anticipated to play a critical role in developing advanced manufacturing capabilities and fostering innovation in EV technologies.

Additionally, incentives for local assembly of EVs and the introduction of more affordable models are expected to drive consumer adoption. These efforts will not only support Malaysia's net-zero emissions goals but also create opportunities for new business ventures in EV manufacturing, maintenance, and ancillary services. By aligning policy initiatives with industry needs, Malaysia's EV sector is set to gain momentum, offering long-term growth prospects for investors and stakeholders alike.

## MACHINERY AND EQUIPMENT (M&E) INDUSTRY

# DELIVERING INNOVATIVE SOLUTIONS

In 2024, Malaysia's M&E industry has embraced technological advancements such as robotics, software integration and automation. The 12th Malaysia Plan (12MP) and the New Industrial Master Plan 2030 (NIMP 2030) provide a clear framework for the industry's growth.

From its early roots in servicing equipment for resource and agriculture-based industries in the 1970s, the M&E industry has transformed into a key economic driver. Today, it produces high-value, high-tech machinery tailored to low-volume, high-complexity manufacturing requirements. The industry prioritises modular manufacturing, research and development (R&D) and design and development (D&D), ensuring its ability to adapt to market demands and deliver innovative solutions across various sectors.

The robotics and factory automation segments are among the industry's areas of strength, with approximately 120 companies developing advanced automated handling systems featuring intelligent robotics and machine-to-machine (M2M) communication. These capabilities make Malaysia's M&E sector an integral part of the broader manufacturing and services ecosystem, supporting the development of advanced materials, electronics and software-driven solutions. Investors have opportunities to back the development of cutting-edge technologies and smart manufacturing practices, which are essential for driving productivity and maintaining competitiveness in an increasingly digitalised global market.

## OVERVIEW OF M&E INDUSTRY

The M&E industry plays a pivotal role in Malaysia's economic development, driving growth across the primary, manufacturing, and services sectors.


**Industry Revolutions**
Integration of advanced technologies i.e robotics, electronics and software

**Government Support**
The government is committed to supporting local players in enhancing their capabilities

**High impact industry**
As an enabler in various national masterplan i.e NIMP 20230, 12thMP

**Employment Opportunity**
As at 2024, M&E industry provides job opportunity approximately 147,725 across 2,561 projects.

## ALIGNING WITH GLOBAL TRENDS

The M&E industry offers substantial opportunities for investors, driven by growing demand for precision engineering, automation and green technologies. As industries worldwide embrace higher standards of innovation and sustainability, Malaysia is taking active steps to align its M&E sector with these global trends.

Key areas such as semiconductor machinery, renewable energy equipment, and agricultural technology are shaping the industry's future. With an expanding emphasis on research and development (R&D), local manufacturers are developing tailored solutions that cater to advanced manufacturing needs.

Malaysia's focus on green energy has opened doors for machinery and equipment manufacturers to explore renewable energy applications, such as solar panel components and EV battery systems. Similarly, advancements in precision farming technologies and sustainable agricultural equipment are reducing dependency on imports while addressing food security challenges.

## POTENTIAL / OPPORTUNITIES IN M&E INDUSTRY

**Green Energy M&E**

Opportunity in Hydrogen generation, EV infrastructure and battery production, solar, biomass, wind turbine etc.

**Front-end semiconductor M&E**

Opportunities especially in

- wafer fabrication M&E i.e deposition lithography, etching, thermal processing Metrology/ Cleaning/ Teasting
- Silicon Extraction & Wafer Production

**Agriculture M&E**

Opportunity in smart farming, mechanisation of palm oil harvesting, smart fertilising process etc

| SECTOR | OPPORTUNITIES | KEY BENEFITS FOR INVESTORS |
|---|---|---|
| Front-End Semiconductor Machinery and Equipment | • **Growing Demand for Semiconductors** Increasing global need for semiconductors in electronics and AI-driven smart devices.<br>• **R&D Investments** Government and private sector funding to advance semiconductor technologies. | • Complementing and leveraging the established back-end assembly and testing semiconductor manufacturing ecosystem.<br>• Opportunities for specialised M&E supply. |
| Machinery and Equipment for Green Energy | • **Renewable Energy Equipment** Manufacturing solar panels, wind turbine components, and biomass boilers to support renewable energy growth.<br>• **EV Infrastructure and Batteries** Producing factory automation systems and machinery for EV battery manufacturing and recycling.<br>• **Sustainable Agricultural Machinery** Precision farming tools, organic fertiliser processors, and water-efficient irrigation systems.<br>• **Hydrogen Generation** Developing equipment for hydrogen production to meet clean energy demand. | • Integration into Malaysia's sustainability initiatives and green mobility push.<br>• High-value opportunities in renewable energy, EV manufacturing, and hydrogen technologies.<br>• Alignment with food security goals through agricultural innovation. |

| SECTOR | OPPORTUNITIES | KEY BENEFITS FOR INVESTORS |
|---|---|---|
| Agricultural Machinery & Equipment | • **Modernisation of Agriculture** Adoption of precision farming, automation, and smart technologies.<br>• **Crop Diversification** Growing demand for specialised machinery to support high-value cash crops. | • Ability to tap into Malaysia's government-led modernisation efforts.<br>• Enhanced productivity and reduced reliance on imports. |

## APPROVED INVESTMENTS OF THE M&E SECTOR IN 2024

**RM10.6 bil**
Total Investments

**142**
Projects Approved

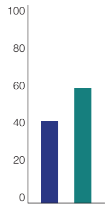
### Domestic vs Foreign Investments

**42.6%**
RM4.5 bil
Domestic Investments

**57.4%**
RM6.1 bil
Foreign Investments

### Expansion / Diversification vs New Projects

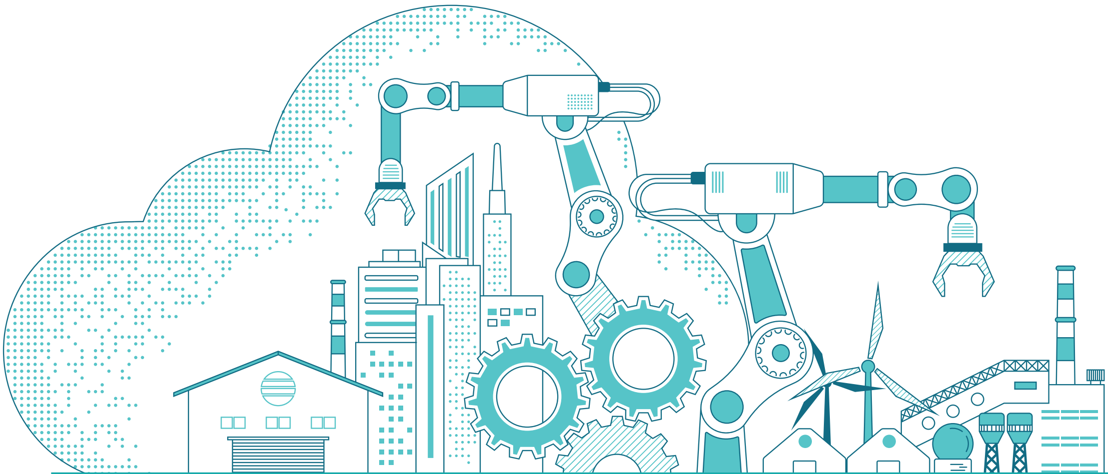
Total Investments
**RM10.6 bil**




• 56 Expansion/Diversification
2,755 Employment opportunities
**RM4.3 bil**
40.8%

• 86 New Projects
6,312 Employment opportunities
**RM6.3 bil**
59.2%

**9,067**
Employment Opportunities



The Malaysian government supported the M&E sector in 2024 through targeted policies and investment facilitation. Efforts to promote automation, sustainability, and industrial expansion enabled businesses to improve efficiency and scale production. With a steady flow of foreign and domestic investments, the sector continued to move towards high-value manufacturing and deeper supply chain integration.

## NOTABLE PROJECTS IN 2024

**New Project**

**MKS Instruments Malaysia Sdn. Bhd.**

**Products:**
Modules, Components and Parts for the Front-end Semiconductor Industry

**Investment**
**RM2.2 billion**

**1120** Job Opportunities

**Diversification and Expansion project**

**Alliance Contract Manufacturing Sdn. Bhd.**

**Products:**
Modules, Components and Parts for the Front-end Semiconductor Industry

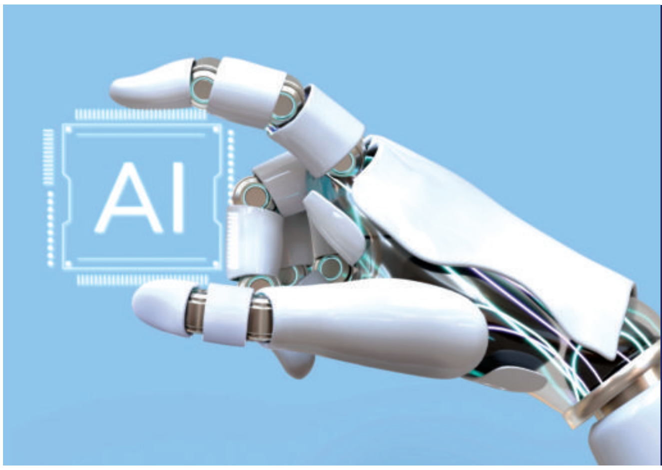
**Investment**
**RM1.5 billion**

**570** Job Opportunities

## SMART INDUSTRIAL SOLUTIONS

In 2025, Malaysia's M&E industry is expected to transition from traditional manufacturing to an ecosystem driven by digital innovation, sustainability, and high-value specialisation. The adoption of Industry 4.0 technologies—IoT, AI, and big data—will not only enhance operational efficiency but also enable manufacturers to anticipate and adapt to global market demands. This shift reflects the increasing necessity for smart manufacturing to cater to growing sectors like semiconductors and electric vehicles, where precision and innovation are non-negotiable.

These advancements also align with Malaysia's goals to transform the sector into a globally competitive, high technology industry and establishing itself as a regional hub for sustainable industrial solutions.




The industry's focus on energy-efficient and eco-friendly machinery will continue to address global sustainability pressures while fulfilling local ESG commitments. Automation, particularly through collaborative robots (cobots), will redefine productivity standards, improving safety and meeting high-complexity demands. Moreover, the emphasis on local sourcing and digital supply chain resilience tackles the vulnerabilities exposed by global disruptions.

AEROSPACE INDUSTRY

# MEETING RISING DEMAND

The global aerospace industry has grown significantly, increasing from US$308.67 billion in 2023 to US$369.24 billion in 2024, driven by rising air travel demand, economic progress in emerging markets, and technological advancements. Airbus and Boeing, the leading manufacturers, project strong demand for new aircraft over the next decade, with Airbus forecasting 43,975 new planes and Boeing predicting 42,430. This reflects the growing needs of the passenger and cargo segments, emphasising the industry's expanding role in global connectivity. As of December 2024, Airbus has delivered 766 aircraft, while Boeing has supplied 348, highlighting their efforts to meet the demand for modern, fuel-efficient planes.

Strategic government initiatives, expanding manufacturing capabilities, and a strong maintenance, repair and overhaul (MRO) sector are key to the industry's growth. These factors have allowed the industry to align with global advancements and meet rising demands in both passenger and cargo aviation.

Over time, Malaysia has leveraged its strategic location and developed a well-established infrastructure to support the aerospace sector. Recent advancements include Asia Digital Engineering Sdn. Bhd.'s 14-line MRO facility at KLIA Aeronautical Support Zone 1 and ExecuJet MRO Services' expansion at Subang Airport.

## EXPANDING SPACE ECONOMY

The aerospace sector offers extensive opportunities for growth and investment, driven by rising global passenger demand, advancements in digital technologies and the expanding space economy. The International Air Transport Association (IATA) reported an 8.1 per cent increase in revenue passenger kilometres (RPKs) in November 2024 compared to the previous year, with Asia-Pacific airlines leading the way with a 19.9 per cent rise in demand. Alongside this, Original Equipment Manufacturers (OEMs) project a need for over 42,000 new aircraft by 2043, signalling a vibrant global aerospace market.

> Technological advancements are reshaping the aerospace landscape, creating strategic opportunities for investors. The integration of digital technologies such as artificial intelligence and real-time analytics in Maintenance, Repair, and Overhaul (MRO) operations is transforming efficiency and improving customer satisfaction.

These innovations enable predictive maintenance and streamlined processes for companies specialising in digital MRO solutions. Similarly, the growth of electric vertical take-off and landing (eVTOL) aircraft, drones and Advanced Air Mobility (AAM) platforms. These technologies are increasingly applied in construction, logistics and urban transportation, drawing significant investor confidence and cross-industry collaborations.

However, the sector is not without challenges. Supply chain disruptions, rising costs, and a shortage of skilled workers remain pressing issues. These challenges, while complex, created opportunities for investment in supply chain visibility solutions, workforce development programmes and resilient manufacturing practices. Malaysia's development of aerospace hubs, including the Subang Aerotech Park and Selangor's expanding MRO facilities, offers significant advantages for the industry. These strategic locations enhance the nation's ability to attract global players, support high-value manufacturing, and provide a competitive edge in the MRO sector.

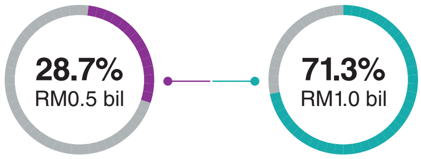


## APPROVED INVESTMENTS IN THE AEROSPACE INDUSTRY IN 2024

**RM1.5 bil**
Total Investments

**9**
Projects Approved

### Domestic vs Foreign Investments

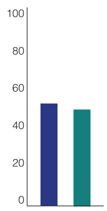



Domestic Investments

Foreign Investments

### Expansion / Diversification vs New Projects

Total Investments
**RM1.5 bil**




- 2 Expansion/Diversification
  65 Employment opportunities
  **RM0.7 bil**
  51.4%
- 7 New Projects
  642 Employment opportunities
  **RM0.8 bil**
  48.6%

**707**
Employment Opportunities

## NOTABLE PROJECTS IN 2024

**New Project**
Safran Landing Systems Expansion

**Location:**
Sendayan Tech Valley

**Investment Highlight**
Focused on sustainability, integrating low-carbon technologies, and adopting 100% green electricity for operations.

**Key Contribution**
Reducing greenhouse gas emissions and supporting sustainable production processes in aerospace manufacturing.

## SOARING BEYOND

The year 2025 looks promising for Malaysia's aerospace industry, driven by technology adoption, sustainability goals and growing international collaborations. With air travel steadily recovering and demand for advanced aircraft rising, Malaysia is positioning itself to meet these global needs while bolstering its domestic capabilities.

MRO services continue to be a vital component of Malaysia's aerospace sector. Facilities in key hubs like Subang and Senai are meeting increasing regional demand, reflecting the country's established reputation in supporting aviation operations across the region.

Malaysia also prioritises sustainable aviation fuels and energy-efficient technologies to align with global decarbonisation efforts. The government aims to achieve significant emissions reductions in aviation by 2050, opening doors for investments in green technologies and supply chain advancements.

GREEN INVESTMENT

# ACCELERATING SUSTAINABLE DEVELOPMENT

The effects of climate change have highlighted the urgent need for sustainable practices worldwide. More countries are intensifying efforts to advance green investments, integrating economic growth with environmental responsibility.

As the population grows, energy demand escalates, heightening the need for sustainable solutions to meet future challenges. According to the World Energy Investment 2024 report, Southeast Asia, home to 9.0 per cent of the global population, is projected to experience a 42.0 per cent rise in energy demand by 2030. With the region's population expected to reach nearly 800 million by 2050, countries are accelerating their commitments to carbon neutrality. Malaysia, alongside Singapore and four others, has set a target of achieving net-zero emissions by 2050, ahead of Indonesia (2060) and Thailand (2065).

The potential for a green economy in Southeast Asia is immense, valued at USD300 billion annually by 2030, as highlighted in Southeast Asia's Green Economy 2024 report. Supported by progressive policies, a strong regulatory framework and innovative financial instruments, Malaysia is establishing itself as a key destination for green investments, aligning economic growth with environmental sustainability.

In response to the global shift towards sustainable development, the Government introduced the Green Investment Strategy (GIS) in 2024 to drive its green economic agenda. The GIS sets a bold target of attracting RM305 billion (approximately US$69 billion) in green investments by 2030, reflecting Malaysia's ambition to build a sustainable economic future. This strategy is aligned with key national policies, including the New Investment Policy (NIP), the New Industrial Master Plan (NIMP) 2030 and the National Energy Transition Roadmap (NETR). The GIS focuses on seven low-carbon levers namely Green Mobility, Renewable Energy, Circular Economy, Energy Efficiency, Bioenergy, Hydrogen, and Carbon Capture, Utilisation and Storage (CCUS).

The Government is prioritising high-value-added and technology-driven sectors within the green technology landscape. These strategic investments are expected to generate positive spillover effects on the economy, including the creation of green jobs, a significant reduction in greenhouse gas (GHG) emissions, and increased capital inflows into sustainable industries. Malaysia is well-positioned to drive long-term economic growth while advancing its commitment to net-zero emissions and environmental stewardship.

## APPROVED INVESTMENTS IN THE GREEN INVESTMENTS IN 2024

**RM20.8 bil** Total Investments

**943** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 44% | 56% |
| RM9.1 bil | RM11.7 bil |

**8,413** Employment Opportunities

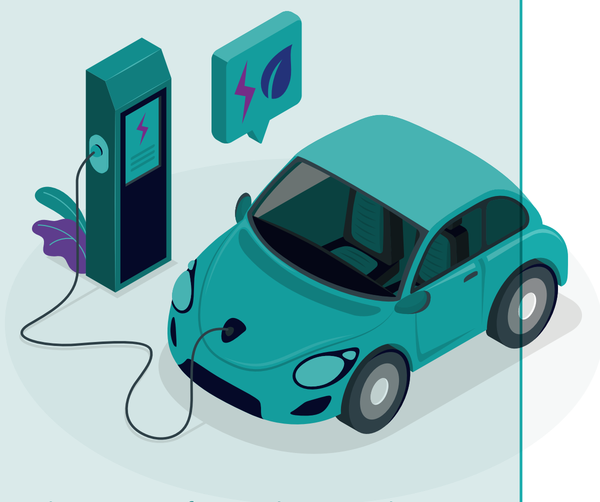
## APPROVED INVESTMENTS BY LEVERS IN 2024

| | | |
|---|---|---|
| Green Mobility | RM10.8 bil | 52.1% |
| Energy Efficiency | RM1.6 bil | 7.5% |
| Circular Economy | RM4.6 bil | 22.3% |
| Bioenergy | RM0.7 bil | 3.2% |
| Renewable Energy | RM3.0 bil | 14.5% |
| Hydrogen | RM0.1 bil | 0.4% |

**The progress of respective low-carbon levers in 2024 is outlined as follows:**

## GREEN MOBILITY LEVER

Investments in Green Mobility are primarily driven by advancements in electric vehicles (EVs), sustainable aviation, and green marine transportation, reflecting a concerted shift towards low-carbon and energy-efficient transport solutions. As a leading producer of electrical and electronics (E&E) in Southeast Asia, Malaysia has established strong capabilities in manufacturing high-value components critical to the EV supply chain, making it an attractive destination for investors in sustainable mobility.



Malaysia's extensive E&E ecosystem supports the manufacturing and assembly of EVs and Autonomous Vehicles (AVs). This integrated supply chain enables technology transfers, enhances local expertise and strengthens the automotive sector while advancing the nation's transition to sustainable transportation.

## APPROVED INVESTMENTS IN GREEN MOBILITY LEVER IN 2024

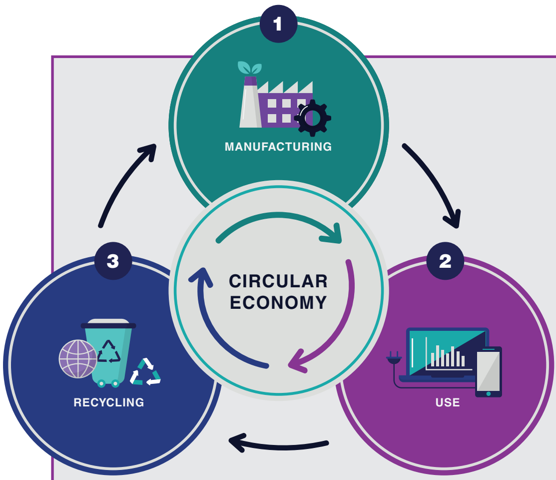
**RM10.8 bil** Total Investments

**27** Projects Approved

**Domestic vs Foreign Investments**

| Domestic Investments | Foreign Investments |
|---|---|
| 16.2% | 83.8% |
| RM1.7 bil | RM9.1bil |

**3,978** Employment Opportunities




# CIRCULAR ECONOMY LEVER

The strong investment figures reflect the growing emphasis on the Circular Economy across various industries such as chemicals and chemical products, plastic products, and food manufacturing as businesses increasingly recognise its role in promoting resource efficiency and sustainability. This approach involves rethinking production and consumption patterns to reduce waste, recycle materials and extend the lifecycle of products.

By leveraging advanced technologies and innovative processes, businesses can transform waste materials into high-value goods. This approach not only minimises environmental impact but also enhances economic potential by creating new markets and boosting local industries.

## APPROVED INVESTMENTS IN CIRCULAR ECONOMY LEVER IN 2024

**RM4.6 bil**
Total Investments

**59**
Projects Approved

**Domestic vs Foreign Investments**

**88.4%**
RM4.1 bil
Domestic Investments

**11.6%**
RM0.5 bil
Foreign Investments

**3,076**
Employment Opportunities

## NOTABLE PROJECTS IN 2024

**New Project**
E Concern (Borneo) Sdn. Bhd.

**Products:**
Integrated Scheduled Waste Management Facility

**Investment**
**RM739.0 million**

**Lever**
Circular Economy

**270** Job Opportunities

The government prioritises sustainability and low-carbon initiatives as part of its long-term economic strategy. For 2024 itself, the Ministry of Investment, Trade and Industry (MITI) has made a significant step by introducing the Circular Economy Policy Framework to promote sustainable growth and drive a shift towards environmentally responsible practices across the manufacturing value chain.

The framework seeks to transition Malaysia from resource-intensive economic models to approaches that emphasise sustainability and green growth. It encourages the adoption of extended producer responsibility (EPR), requiring producers to take accountability for the entire lifecycle of their products, from production to disposal. This approach supports Malaysia's broader environmental objectives while fostering innovation and sustainable growth within the economy.

## RENEWABLE ENERGY LEVER

Malaysia has long depended on fossil fuels, particularly natural gas and coal, to meet its energy demands. This reliance has made the country vulnerable to fluctuating fuel prices, supply chain disruptions and environmental challenges caused by high carbon emissions. As global energy priorities shift toward sustainability and emissions reduction, it has become essential for Malaysia to reassess its energy strategies.

Investments in renewable energy (RE) offer an opportunity to reduce fossil fuel dependence while diversifying Malaysia's energy mix to address future demands and mitigate risks. Incorporating solar, wind and hydroelectric power into the energy system strengthens the grid's stability and enhances its capacity to withstand market volatility and environmental challenges.

Under the renewable energy lever, it encompasses both manufacturing and services activities such as solar photovoltaic, hydropower development, transmission and distribution, as well as battery storage solutions.

## APPROVED INVESTMENTS IN RENEWABLE ENERGY LEVER IN 2024

**RM3.0 bil**
Total Investments

**806**
Projects Approved

**Domestic vs Foreign Investments**

**62.8%**
RM1.9 bil
Domestic Investments

**37.2%**
RM1.1 bil
Foreign Investments

**692**
Employment Opportunities

## NOTABLE PROJECTS IN 2024

**New Project**
Nur Renewables Sdn. Bhd.

**Products:**
Large scale solar farm

**Investment**
**RM250.0 million**

**Lever**
Renewable Energy

**7** Job Opportunities

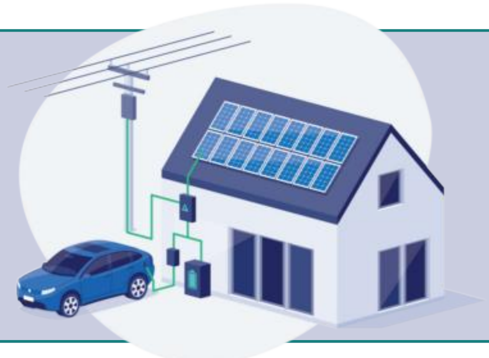
Under this lever, Green Technology projects have played a significant role, contributing 68.3 per cent of total approved investments. Solar energy has been the dominant driver, accounting for 801 out of 806 approved renewable energy projects. The remaining projects include two mini-hydro, two green services, and one solar photovoltaic glass manufacturing project. This diverse portfolio underscores Malaysia's strategic approach to green energy development and reinforces its steadfast commitment to expanding the renewable energy sector.

The Corporate Renewable Energy Supply Scheme (CRESS), introduced in September 2024, enables large corporate consumers to purchase renewable energy directly from independent power producers (IPPs). As part of the initiatives to facilitate and accelerate the use of renewable energy (RE) the Malaysia Government introduced the Corporate Green Power Programme (CGPP) in 2022 which enables businesses or corporate organisations to have a virtual power purchase agreement with RE developers for the use of green electricity in their operation. The CRESS provides an avenue for Green Consumers to procure green electricity directly from the Renewable Energy Developer (RED) through Open Access to the Grid System.

This initiative supports Malaysia's goal of reaching 31.0 per cent renewable energy capacity by 2025, 40.0 per cent by 2035 and 70.0 per cent by 2050. CRESS addresses the growing demand for clean energy while offering a simple mechanism for companies to meet sustainability goals. The scheme also encourages investments in renewable infrastructure, making green energy more accessible and attractive to corporate entities.

To further enhance the programme, the Ministry of Energy Transition and Water (PETRA) announced key improvements effective 1 March 2025, including, opening participation to existing electricity users seeking direct green electricity supply from RE generators, maintaining the System Access Charge (CAS) for three years under the regulatory period of Incentive Based Regulation (IBR) and limiting CAS variation rates to a maximum of 15.0 per cent per regulatory period to ensure long-term cost stability for investors.

Diversification is also critical to ensuring energy security and supporting sustainable economic growth. Malaysia's natural conditions-abundant sunlight in rural and northern areas, extensive waterways for hydroelectric projects and favourable coastal and highland locations for wind energy-offer significant potential for renewable energy expansion. The utilisation of these resources will help in lowering the country's carbon emissions as well as stabilising energy costs and contributing to global climate change efforts.



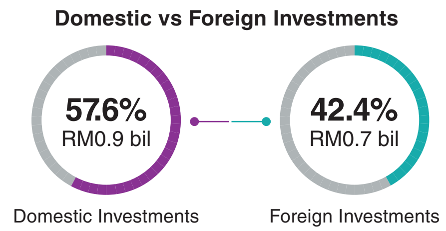
## ENERGY EFFICIENCY LEVER

Energy efficiency spans critical areas such as green buildings and cogeneration (co-gen), driving sustainable energy use, cost savings, and optimised resource management for a low-carbon future.

### APPROVED INVESTMENTS IN ENERGY EFFICIENCY LEVER IN 2024

**RM1.6 bil** Total Investments

**33** Projects Approved




**127** Employment Opportunities

Amid growing energy demands and environmental concerns, adopting energy-efficient solutions has become essential. These technologies and practices reduce operational costs, address ecological challenges and enhance competitiveness in a market increasingly focused on sustainability. They also enable businesses to optimise resource use, modernise operations and build resilience in a shifting economic environment.

For investors, energy efficiency offers significant opportunities to support sustainable growth. Backing these initiatives drives the advancement of innovative technologies and infrastructure while aligning with global environmental goals.

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## BIOENERGY LEVER

The Bioenergy lever is dedicated to harnessing renewable energy from biomass and biogas, playing a crucial role in sustainable power generation. Key projects under this lever include the development of biomass power plants, biogas production from agricultural and industrial waste, and the manufacturing of biofuels such as pellets.

These efforts not only contribute to a low-carbon economy but also enhance energy security, optimise waste utilisation, and drive Malaysia's transition towards a more sustainable and resilient energy ecosystem.

## APPROVED INVESTMENTS IN BIOENERGY LEVER IN 2024

**RM0.7 bil**
Total Investments

**17**
Projects Approved

**Domestic vs Foreign Investments**

**61.5%**
RM0.4 bil
Domestic Investments

**38.5%**
RM0.3 bil
Foreign Investments

**523**
Employment Opportunities

Malaysia's bioenergy sector has seen steady growth, driven by its abundant biomass resources and agricultural strengths. Biomass, a key component of the bioenergy industry, is increasingly recognised for its potential to support renewable energy generation and sustainable material production. As the government pushes towards meeting its 2030 carbon reduction targets, bioenergy has become an essential part of Malaysia's strategy to transition to cleaner energy production.

As the world's second-largest producer of palm oil, Malaysia generates a substantial amount of palm biomass from its 5.89 million hectares of oil palm plantations. This includes over 94.7 million tonnes of biomass annually, making palm oil the primary biomass source in the country. Key by-products include oil palm fronds (OPF), oil palm trunks (OPT), empty fruit bunches (EFBs), palm kernel shells (PKS), mesocarp fibre (MF), palm kernel cake (PKC) and palm oil mill effluent (POME), all of which are derived from plantation and milling operations.

In addition to palm-based biomass, other sources such as wood and forestry residues, including sawdust, logging waste and wood chips, contribute significantly to the industry. Agricultural by-products like rice husks, sugarcane bagasse and coconut husks and shells further enhance the biomass supply chain. Biomass is utilised in a variety of applications, including energy production through Combined Heat and Power (CHP) plants and as feedstock for biofuels such as Sustainable Aviation Fuel (SAF), biodiesel, bioethanol and biogas captured from methane in POME.

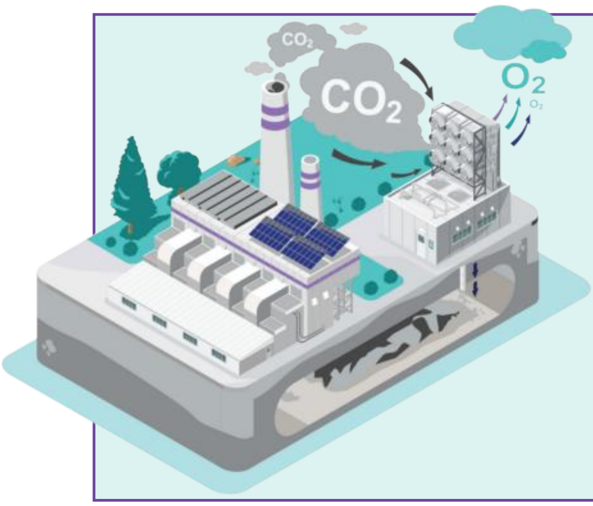
## HYDROGEN LEVER

Green hydrogen offers a clean energy alternative capable of decarbonising sectors such as transportation, industry and power generation. With access to vast renewable energy resources, including solar and hydropower, Malaysia has significant potential to develop green hydrogen through electrolysis powered by these sustainable sources. This aligns with the global push for cleaner energy systems while addressing the challenges of energy security and emissions reduction.


The government has intensified its focus on hydrogen development with the implementation of the Hydrogen Economy and Technology Roadmap (HETR) which provides a comprehensive framework to establish hydrogen production facilities, infrastructure and applications.

The HETR aims to position Malaysia as a competitive player in the global hydrogen economy by promoting public-private partnerships and encouraging investments in technology and infrastructure. The roadmap promotes public-private partnerships and encourages investments in advanced technologies and infrastructure to facilitate the production and utilisation of green hydrogen. It outlines strategic initiatives to integrate hydrogen into domestic industries, such as heavy industry and transport, while also creating export opportunities to meet international demand.

In 2024, the Hydrogen lever attracted RM0.1 billion in investments from a single domestic manufacturing project dedicated to producing electrolysers and related components. This pioneering initiative is expected to create 17 employment opportunities and marks a significant milestone in Malaysia's hydrogen industry, setting the stage for future advancements and positioning the country as a key player in the global hydrogen economy.




## CARBON CAPTURE, UTILISATION AND STORAGE (CCUS) LEVER

Malaysia recognises the critical role of CCUS in addressing climate challenges and achieving its net-zero carbon emissions target by 2050. As part of the NETR, the country aims to establish three CCUS hubs by 2030, with a shared storage capacity of up to 15 million tonnes per annum. These hubs will facilitate the capture, utilisation, and storage of carbon emissions from industrial activities, strengthening Malaysia's efforts to lead regional decarbonisation initiatives.

In 2024, the government reinforced its commitment to CCUS by drafting a CCUS Bill to establish a regulatory framework for these activities. The legislation will govern the capture, transportation, utilisation and permanent storage of greenhouse gases, including the potential for importing carbon dioxide from other countries. This framework is designed to provide clarity for stakeholders, encourage investment in CCUS projects and ensure the safe and sustainable development of the industry.

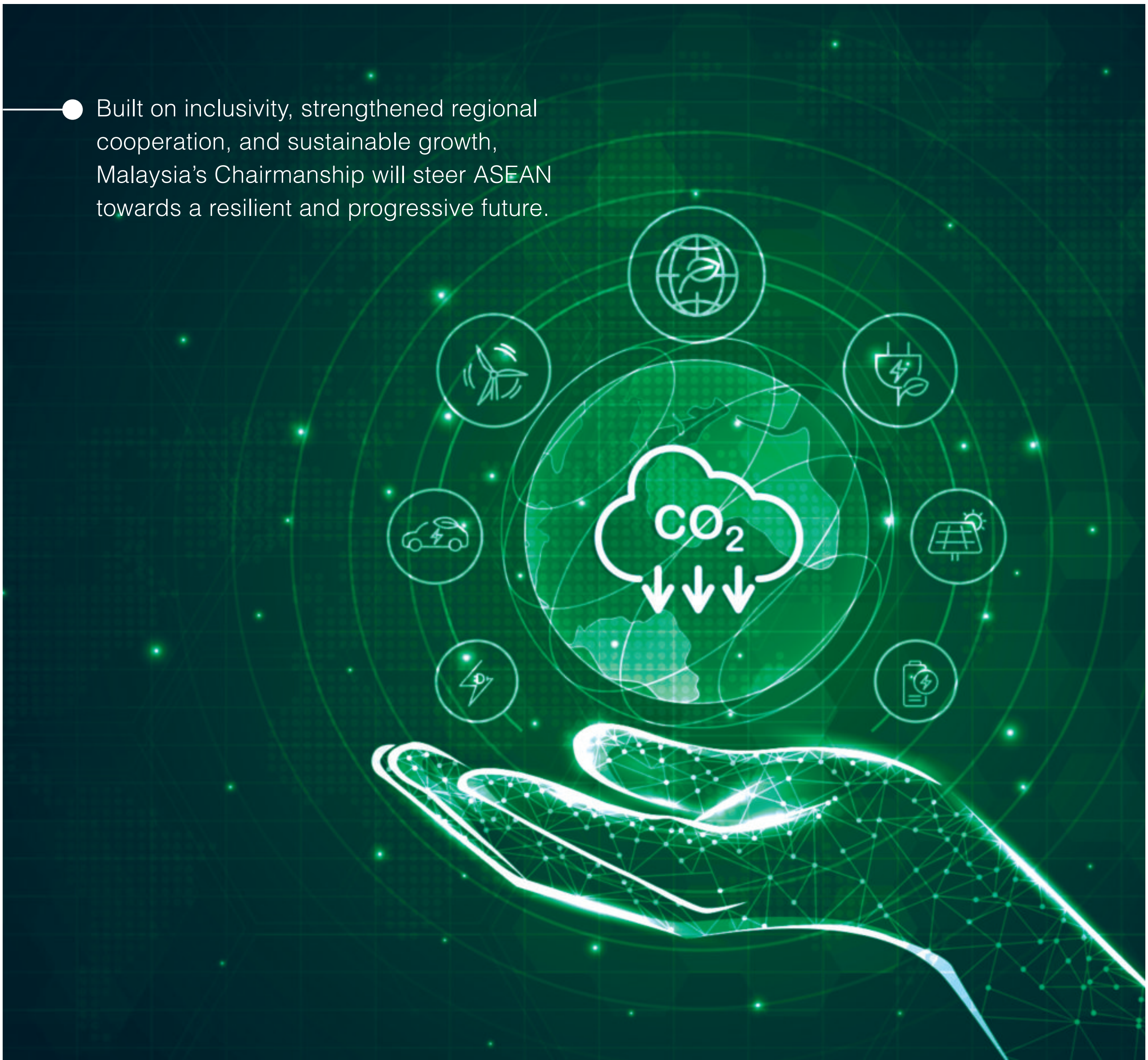
Malaysia's extensive carbon storage capacity, supported by geological assessments, provides a strong foundation for CCUS projects. Ongoing partnerships with industry stakeholders are contributing to the development of infrastructure and technology, enabling the country to expand its capacity for carbon management. These efforts are expected to attract investment, support innovation and create economic opportunities while addressing emissions from energy-intensive sectors.

## FORGING A GREENER FUTURE

As Malaysia assumes the ASEAN Chairmanship in 2025 with the theme "inclusivity and sustainability", the country is poised to play a leading role in promoting sustainable development in the region that aligns with the growing importance of green investments for the region's economic growth.

It is also worth noting that in the National Budget 2025, the government has committed to implement a carbon tax on the iron, steel and energy industries by 2026. The proposed implementation of a carbon tax will create more opportunities for green investments with companies seeking to minimise their carbon tax burden, as well as motivate them to invest in cleaner, more energy-efficient technologies. This will significantly nurture a sustainable physical and business environment amidst the ever-evolving ESG environment in Malaysia and abroad. It also highlights the government's commitment to reducing the country's carbon emissions.

In conclusion, green investments are of paramount importance to Malaysia as the country seeks to balance economic development with environmental sustainability. By investing in clean energy, sustainable industries, and eco-friendly technologies, Malaysia can address pressing environmental challenges, boost economic growth, create jobs, attract international capital, and improve the well-being of its citizens. With a strong focus on sustainability, Malaysia can build a greener, more resilient economy that meets the needs of both current and future generations.




Built on inclusivity, strengthened regional cooperation, and sustainable growth, Malaysia's Chairmanship will steer ASEAN towards a resilient and progressive future.


DIGITAL INDUSTRY

# DIGITAL INTEGRATION FOR PROGRESS

In 2024, the Malaysian government continued to strengthen its efforts to drive digital adoption through comprehensive policies such as the Twelfth Malaysia Plan (2021-2025), the Malaysia Digital Economy Blueprint (2021-2030), the National Fourth Industrial Revolution (4IR) Policy, and the New Industrial Master Plan (NIMP) 2030. These policies emphasise digital infrastructure development, integration of advanced technologies, and upskilling the workforce, which will facilitate seamless digital transformation across various sectors and enhance Malaysia's position in the global digital economy.

A key milestone in Malaysia's artificial intelligence development was achieved with the establishment of the National AI Office (NAIO) on 28 August 2024. NAIO, under MyDigital Corporation, coordinates AI governance, investments, and strategic direction to support structured industry adoption. The initiative aligns policy frameworks with industry needs, integrating AI solutions across key sectors to strengthen Malaysia's role in the digital economy. NAIO aims to enhance public service efficiency and expand access to AI-driven advancements, ensuring responsible implementation that supports national digital transformation.

The establishment of NAIO reflects Malaysia's commitment to advancing its digital sector, reinforcing the role of government-led policies in accelerating the adoption of digital solutions nationwide. This structured approach not only strengthens economic growth but also positions Malaysia as a leading force in the digital sphere.

## FUTURE CONVERGENCE

Malaysia has established itself as a key player in the Southeast Asian data centre sector. Research from Arizton Advisory & Intelligence highlights the strong growth trajectory for Malaysia's data centre market, which is valued at US$4.0 billion (RM17.7 billion) in 2024. This market is projected to reach US$13.6 billion (RM59.6 billion) by 2030, with a compound annual growth rate of 22.4 per cent between 2025 and 2030. This impressive growth reflects Malaysia's strategic investments in digital infrastructure and its favourable environment for data centre development.

The global AI market is driving unprecedented demand for robust digital infrastructure. Malaysia is strategically positioning itself as a key player in this AI revolution, attracting significant data centre investments. Major data centres and cloud service providers are establishing their presence in Malaysia, drawn by the country's strategic location, stable power supply, and supportive government policies. The convergence of AI advancement and data centre expansion in Malaysia creates a symbiotic ecosystem that strengthens the country's position as a regional digital hub. This infrastructure development not only supports domestic digital transformation but also attracts international technology investments, creating high-skilled job opportunities and fostering innovation across various sectors.

The government is also actively addressing sustainability concerns by integrating renewable energy strategies such as the Corporate Renewable Energy Supply Scheme (CRESS), which allows data centres to source renewable energy directly from producers and adopting efficiency standards like Power Usage Effectiveness (PUE) and Water Usage Effectiveness (WUE) to optimise energy and water consumption in digital operations. These measures not only mitigate the environmental impact of energy-intensive data centres but also support the development of a resilient digital infrastructure. Ultimately, these initiatives are key to Malaysia's commitment to achieving net-zero carbon emissions by 2050 while simultaneously fostering robust economic growth and innovation.

## BRIDGING BOUNDARIES

To enhance the country's digital ecosystem, initiatives have been introduced to attract quality digital infrastructure investments and accelerate the growth of the digital economy value chain. The Digital Ecosystem Acceleration Scheme (DESAC), introduced through Budget 2022, supports industry adoption and strengthens Malaysia's digital foundation. Meanwhile, Malaysia Digital (MD) status, launched on 4 July 2022 under Malaysia Digital Economy Corporation (MDEC), aims to create economic spillover by expanding access to digital tools, knowledge, and income opportunities.

Total digital investment reached RM133.3 billion in 2024, spanning 1,015 projects and generating 48,650 high-value job opportunities. As technological and economic boundaries continue to expand, Malaysia is emerging as a competitive digital hub, driving innovation and long-term growth.

### APPROVED INVESTMENTS IN THE DIGITAL INDUSTRY IN 2024

**RM133.3 bil**
Total Investments

**1,015**
Projects Approved

## POWERING INTELLIGENCE

The digital economy is projected to contribute 25.5 per cent to Malaysia's GDP by 2025, reflecting widespread digital adoption across industries and strengthening the country's technological foundation.

Building on Industry4WRD, NIMP 2030 drives the adoption of Industry 4.0 technologies, including AI, cloud computing, robotics, and additive manufacturing. The target of 3,000 smart factories by 2030 is expected to boost productivity, lower costs, and enhance global competitiveness.

The increasing demand for AI-driven solutions, such as machine learning and NLP, is expanding the need for hyperscale data centres, highlighting Malaysia's growing reliance on high-performance computational infrastructure for large-scale data processing.

A report by the Malaysia Centre for Fourth Industrial Revolution (Malaysia Centre4IR), The Economic Impact of Generative AI: The Future of Work in Malaysia, highlights the vast potential of generative AI, estimating it could generate up to US$113.4 billion (RM529.8 billion) in productive capacity. With its sizeable workforce and high labour demand, the manufacturing sector is set to be a major beneficiary, driving nearly half of these gains.

Phase 2 of the National Digital Network (JENDELA) (2023–2025) focuses on expanding digital accessibility, extending internet coverage to the remaining 3.0 per cent of populated areas and increasing gigabit-speed fixed-line broadband access to 9 million premises. The rollout of 5G, along with low-earth orbit satellite connectivity, strengthens Malaysia's digital infrastructure. A reliable network is essential to meeting the growing demands of AI applications and data centres, enabling new digital services, improving remote work capabilities, and supporting the expansion of Malaysia's digital economy.

# PAVING THE WAY FOR SUSTAINABLE GROWTH

Green investment reshapes the economic landscape, merging environmental sustainability with long-term growth opportunities. Acknowledging the dual imperatives of climate action and economic diversification, Malaysia is driving its Green Investment Strategy (GIS) to achieve net-zero carbon emissions by 2050. Guided by frameworks such as the National Energy Transition Roadmap (NETR) and the New Industrial Master Plan (NIMP) 2030, these efforts exemplify Malaysia's commitment to a low-carbon future.

Launched on 19 August 2024, the GIS, spearheaded by the Ministry of Investment, Trade and Industry outlines a roadmap for Malaysia's green aspirations to position Malaysia as the prime green investment destination by 2030, centred on seven low-carbon levers: carbon capture, utilisation, and storage (CCUS), hydrogen, renewable energy, energy efficiency, green mobility, bioenergy, and the circular economy.

Malaysia's renewable energy initiatives, including the Large-Scale Solar (LSS) scheme, have been key growth drivers. Emerging sectors such as green mobility especially electric vehicles are gaining traction, supported by government incentives. Meanwhile, hydrogen and CCUS are the promising and truly sustainable technologies that Malaysia wishes to advance.

## MALAYSIA'S GREEN INVESTMENT STRATEGY BY 2030

**Malaysia's Green Investment Ambition ...**

**Malaysia:**
Prime green investment[1] destination by 2030 guided by net zero and socia-economic ambition (NETR, NIMP)

**... to achieve overall national priorities ...**

| Investment competitiveness | | 2030 emission goal | | Socio-economic growth | |
|---|---|---|---|---|---|
| Top 17 in Global Competitiveness Index[2] (2023: 27th) | Top 20 in Global Opportunity Index[3] (2023: 27th) | 45% carbon intensity reduction[4,5] per GDP (2021: 33%) | "Grade A" in Sustainalytics Ratings[5] (2021: "Grade C") | RM 80bn GDP impact | 350k additional high-skilled jobs[6] |

**... through implementing 7 lever-specific strategies, each requiring specific strategic unlocks to accelerate investments ...**

| CCUS | Hydrogen | Renewable Energy | Energy Efficiency | Green Mobility | Bioenergy | Cicular Economy |
|---|---|---|---|---|---|---|
| **Capture immediate Carbon Storage opportunity** with foreign emitters, leverage returns to **develop domestic Capture and Utilisation** in the future | **Priotise export** demand of Green $H_2$ to key export countries and **scale domestic** demand | **Sustain positive momentum** and scale up solar, upgrading grid and debottleneck small hydro | **Move up Energy service value chain** & capture EECA[7] demand | **Continue local EV remp-up**[8] and attract investors leveraging REE[9]/ semiconductor strengths, **prepare to scale marine/ aviation fuel** for future demand | **Enhance biomass/biogass economics** and consolidate synergies between power operators and feedstock suppliers | **Grow new re-manufacturing** sector where there is large local supply base (e.g. EV, solar panels) |

**... supported by 5 cross cutting enablers to strengthen Malaysia's Green Investment Ecosystem ...**

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| **Green investment promotion** Leverage Green narrative to market Malaysia as prime Green Investment destination | **Fiscal and Financial incentives** Implement targeted incentives while balancing growth potential and budgetary prudence | **Green synergies** Develop Green levers collectively to catalyse Green Investment and infrastructure buildout for accelerated technology adoption | **Talent and capabilities** Cultivate domestic green talent pool and bolster intitutional capabilities to support Green Investment | **Governance** Ensure effective acceleration of Green investment strategis, leveraging whole of government approach |

1. Green investment includes beyond the 7 levers, through this study only focuses on NETR and NIMP levers; 2. MADANI's goal to rank in the Top 12 countries in 2033; 3. Milken Institute; 4. Based on Nationally Determined Contributions (NDC) goals compared to 2005 levers; 5. Featured in NIMP; 6. NETR and CE; 7. Energy Efficiency Conservation Act; 8. Electric vehicles include 2-wheelers and 4-wheelers; 9. Rare earth elements; strategy in line with ongoing exploratory efforts on assessing Malaysia's REE potential by NRES

*Source: NETR, NIMP, CE*

## ENABLING FACTORS FOR SUCCESS

The GIS outlines five cross-cutting enablers essential for advancing Malaysia's green economy namely green investment promotion, fiscal and financial incentives, green synergies, talent and capabilities and governance. These elements form the foundation for driving innovation, strengthening industry capabilities and enhancing Malaysia's competitiveness.

### SUMMARY OF CROSS-CUTTING ENABLERS AND KEY ACTIONS TO SUPPORT GREEN INVESTMENT STRATEGY

**Investment Promotion**
Leverage green narrative to market Malaysia as prime Green Investment destination
**Key Actions:**
- Focus on targeted **G2G negotiations**
- Leverage **upcoming platforms** to promote

**Fiscal & Financial Incentives**
Implement targeted incentives while balancing growth potential and budgetary prudence
**Key Actions:**
- **Enhance existing** and **introduce novel catalytic financing instruments**
- **Introduce carbon pricing** to price in externalities of emissions

**Integrated Development**
Develop Green levers collectively to catalyse investment and infrastructure buildout for accelerated technology adoption
**Key Actions:**
- Leverage planned **industrial parks as flagship projects** to pilot cross-lever connections
- **Enhance governance and incentives** to attract green investors into the industrial park

**Talent Development**
Cultivate domestic green talent pool and bolster institutional capabilities to support Green Investment
**Key Actions:**
- Mass **talent upskilling and retention initiatives**
- **Capability building** for the Government of Malaysia
- Cascade Green Investment narrative throughout MIDA, **upgrade technical expertise**

**Governance**
Ensure effective acceleration of strategies through an integrated approach
Ensure effective acceleration of Green investment strategies, leveraging whole of government approach
**Key Actions:**
- **Green Investment Delivery Management Unit (DMU)** as a working committee to oversee the implementation of GIS
- **DMU** shall **report to the Steering Committee** on Green Investment

## PROPELLING MALAYSIA'S GREEN ECONOMY

The GIS is a strategic blueprint that integrates national priorities to decarbonise key sectors while capitalising on emerging green technologies. In 2024, Malaysia's progress highlighted its commitment to achieving a low-carbon future, demonstrating its ability to unlock socio-economic benefits such as employment opportunities, increased investments and reduced greenhouse gas emissions.

Malaysia strives to position itself as a prime destination for green investments, both foreign and domestic, addressing the funding gap required to support the NETR. These efforts are stimulating economic growth in green industries, fostering skills development and preparing the workforce for a sustainable future.

At the same time, Malaysia's green strategies are contributing significantly to its net-zero emission goals while enhancing global competitiveness and attracting investors.

Going forward, growth of the Malaysian economy will be driven by robust expansion in investment activity, continued improvement in exports, and resilient household spending.

**YBhg. Dato' Abdul Rasheed Ghaffour**
Governor
Bank Negara Malaysia

# 5.0

# OUTLOOK FOR INVESTMENT

# LEADING THROUGH CHANGE

The global economy in 2024 faced significant uncertainty and transformation against a backdrop of geopolitical tensions, volatile energy markets and persistent trade barriers.

However, the Organisation for Economic Co-operation and Development (OECD) projections suggest cautious optimism. Global GDP growth is forecast at 3.2 per cent for 2024 and is predicted to increase slightly to 3.3 per cent in 2025 and 2026. These figures highlight the adaptability of economies in a shifting global context.

According to UNCTAD's Global Investment Trends Monitor (2025), foreign direct investment (FDI) is projected to expand moderately in 2025, driven by improved financial conditions and renewed M&A activity. Investment flows remain sensitive to regulatory shifts and geopolitical risks, which continue to shape global investor sentiment and capital allocation strategies.

Growth trajectories vary across regions. In the United States of America (the USA), growth is expected to reach 2.8 per cent in 2024, softening to 2.4 per cent in 2025 and dropping to 2.1 per cent in 2026 as tighter monetary policies take effect. Meanwhile, the Eurozone is projected to see growth rise from 0.8 per cent in 2024 to 1.5 per cent in 2026, supported by fiscal stimulus and renewed consumer confidence.

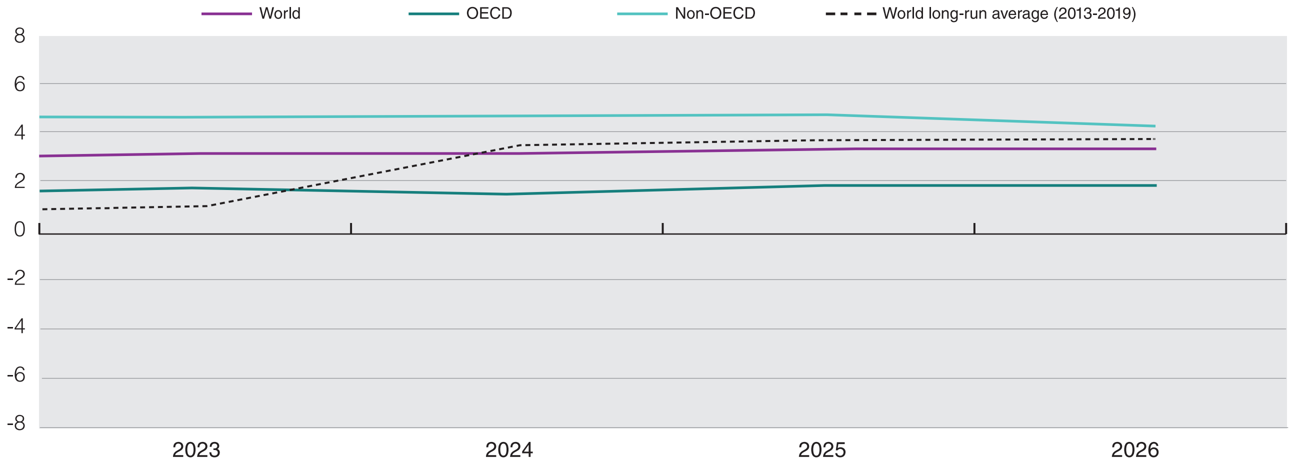
Asia continues to drive global economic activity, propelled by strong domestic demand in India and Indonesia. Developing Asia displayed resilient growth in 2024 driven by high-demand sectors like semiconductors, fuelled by global interest in artificial intelligence (AI). The industrial performance in the ASEAN-4 (Indonesia, Malaysia, the Philippines, and Thailand) economies, in particular, was reported as robust, with Malaysia and the Philippines benefitting from substantial gains in the machinery, metallic products, electronics and construction sectors. The Asian Development Bank projects growth of 5.0 per cent in 2024 and 4.9 per cent in 2025, reflecting the region's ability to adapt economic strategies towards innovation and long-term viability.

Asia's growth also continues to be supported by key policy interventions, such as in the People's Republic of China (PRC) and Japan. The PRC has introduced a 10 trillion yuan (US$1.4 trillion) refinancing programme for local governments and implemented housing incentives to stabilise its real estate market. Japan, meanwhile, has unveiled a 17 trillion yen (US$113 billion) stimulus package, including tax cuts, cash transfers and subsidies, to support household spending and mitigate inflationary pressures.

## GDP GROWTH FORECASTS BY SUB-REGION

**Global growth is expected to remain modest**

Real GDP growth (%)




Note: The long-run average covers annual world GDP growth from 2013-2019
Source: OECD Economic Outlook 116 database

## STRATEGIC REFORMS AND INNOVATION

Global recovery in 2025 is expected to hinge on nations' abilities to enhance economic stability, foster regional partnerships, and invest in high-value sectors while addressing underlying structural issues.

Against the uncertain global backdrop, Malaysia maintains a positive outlook for 2025, as per the projections by the World Bank and the International Monetary Fund (IMF).

The World Bank forecasts Malaysia's economic growth for 2024 at 4.9 per cent following Malaysia's stronger-than-anticipated performance in the first half of the year due to the robust growth in consumption, investment and trade activity.

The International Monetary Fund (IMF) also notes Malaysia's strong economic performance in 2024. In its 2025 Article IV Mission to Malaysia, the IMF commended the economic reforms which were undertaken under the Economy MADANI Framework, such as the introduction of the Public Finance and Fiscal Responsibility Act (FRA) 2023, and the successful implementation of electricity and diesel subsidy reforms. These reforms are expected to support the Government's agenda of creating a more inclusive and resilient economy.

The IMF projects Malaysia's growth to moderate from 5.0 per cent in 2024 to 4.7 per cent in 2025, influenced by external risks such as geo-economic fragmentation which may lead to slower investment growth in Malaysia. However, upside risks could arise from the fast-paced implementation of large investment projects in Malaysia, including multi-year infrastructure projects, as well as the realisation of approved investments in previous years.

## THE FOUNDATION FOR INCLUSIVE GROWTH

The Government continues to implement the MADANI Economy Framework as it lays the foundation for Malaysia's future growth. The thrust of 'Raise the Ceiling' reflects the Government's focus on promoting high-value economic activities driven by digitalisation and advanced technology. This approach aims to elevate Malaysia's standing as an economic leader in Asia while enhancing its global competitiveness. The strategy not only sustains foreign investment momentum but also emphasises strengthening domestic investment to cultivate more local industry champions.

As part of this initiative, the Government-linked Enterprises Activation and Reform Programme (GEAR-uP) has been introduced, with RM120 billion allocated by government-linked companies (GLCs) and government-linked investment companies (GLICs). These funds are directed towards high-growth sectors such as energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals.

The Government has also intensified efforts to improve living standards for all Malaysians. This includes creating high-income jobs, enhancing education, and promoting skills development to ensure wider access to opportunities.

In 2025, the Government has taken on the monumental exercise of developing the 13th Malaysia Plan (13MP) that will chart the nation's course for the year 2026 until 2030. Building on the successes of the 12MP, the 13MP is designed to propel Malaysia towards becoming a high-income, inclusive and environmentally sustainable nation. Its key priorities include:

**Economic Transformation:** Expanding high-growth, high-value industries, driving innovation, and leveraging advanced technologies and digitalisation for global competitiveness.

**Social Development:** Enhancing healthcare, education, housing, and poverty reduction initiatives to improve the quality of life.

**Sustainable Practices:** Strengthening climate resilience, reducing carbon emissions, and ensuring sustainable resource management.

**Governance Reforms:** Advancing fiscal sustainability, promoting digital government services, and ensuring transparent public administration.

Comprehensive stakeholder engagement has been integral in the development of the 13MP, ensuring its alignment with Malaysia's long-term vision while addressing emerging global megatrends.

# BUDGET 2025: LAYING THE GROUNDWORK FOR PROGRESS

The Government has unveiled Budget 2025, its most forward-looking financial plan to date, **allocating RM421 billion to drive Malaysia's economic advancement**. Of this, RM335 billion is dedicated to operating expenditure, while RM86 billion is earmarked for development. This budget indicates a clear intent to strengthen investments, expand trade opportunities and improve socio-economic conditions nationwide.

## MAJOR INITIATIVES IN BUDGET 2025

Malaysia continues to pledge its commitment to attracting targeted quality investment and enhancing the competitiveness of the business community, making Malaysia a preferred investment destination in the Southeast Asia region. This is reflected through key initiatives announced in the Budget 2025.

| INITIATIVES | DETAILS |
|---|---|
| **Global Minimum Tax (GMT)** | In preparing for the implementation of the GMT in 2025, the Government will introduce a streamlined tax framework while exploring the feasibility of a Strategic Investment Tax Credit. |
| **New Investment Incentive Framework** | Shifts the focus to high-value sectors such as integrated circuit (IC) design and advanced materials, with a concentration on targeted incentives aimed at spurring investment and its enablers, developing economic clusters and narrowing the economic gap between regions. |
| **Supply Chain Resilience Initiative** | Promotes local sourcing by multinational enterprises (MNEs) with tax deductions, performance-based tax incentives, and over RM100 million in funding available through equity crowdfunding. |
| **Strategic Investment Fund** | Allocates RM1 billion to nurture talent development and encourage high-value activities. |
| **State-Focused Industrial Development** | Supports targeted industrial growth, through projects such as the expansion of the Kulim Hi-Tech Park in Kedah and development of the Batu Kawan Industrial Park 3 in Pulau Pinang. |
| **Johor-Singapore Special Economic Zone (JS-SEZ)** | To enhance the connectivity and business ecosystem, the Government offers incentives for investments and employment opportunities in the JS-SEZ, including the Forest City. |
| **Smart Logistics Complex (SLC)** | Provides a 60% Investment Tax Allowance over five years to modernise logistics infrastructure using Industry 4.0. |
| **Carbon Capture, Utilisation, and Storage (CCUS)** | Offers tax incentives for CCUS projects, alongside a new regulatory framework under development. |
| **Electric Vehicles (EV)** | Revamps tax incentives to promote local assembly of EVs and support affordable CKD electric motorcycles. |

## FUTURE-PROOFING MALAYSIA'S TALENT

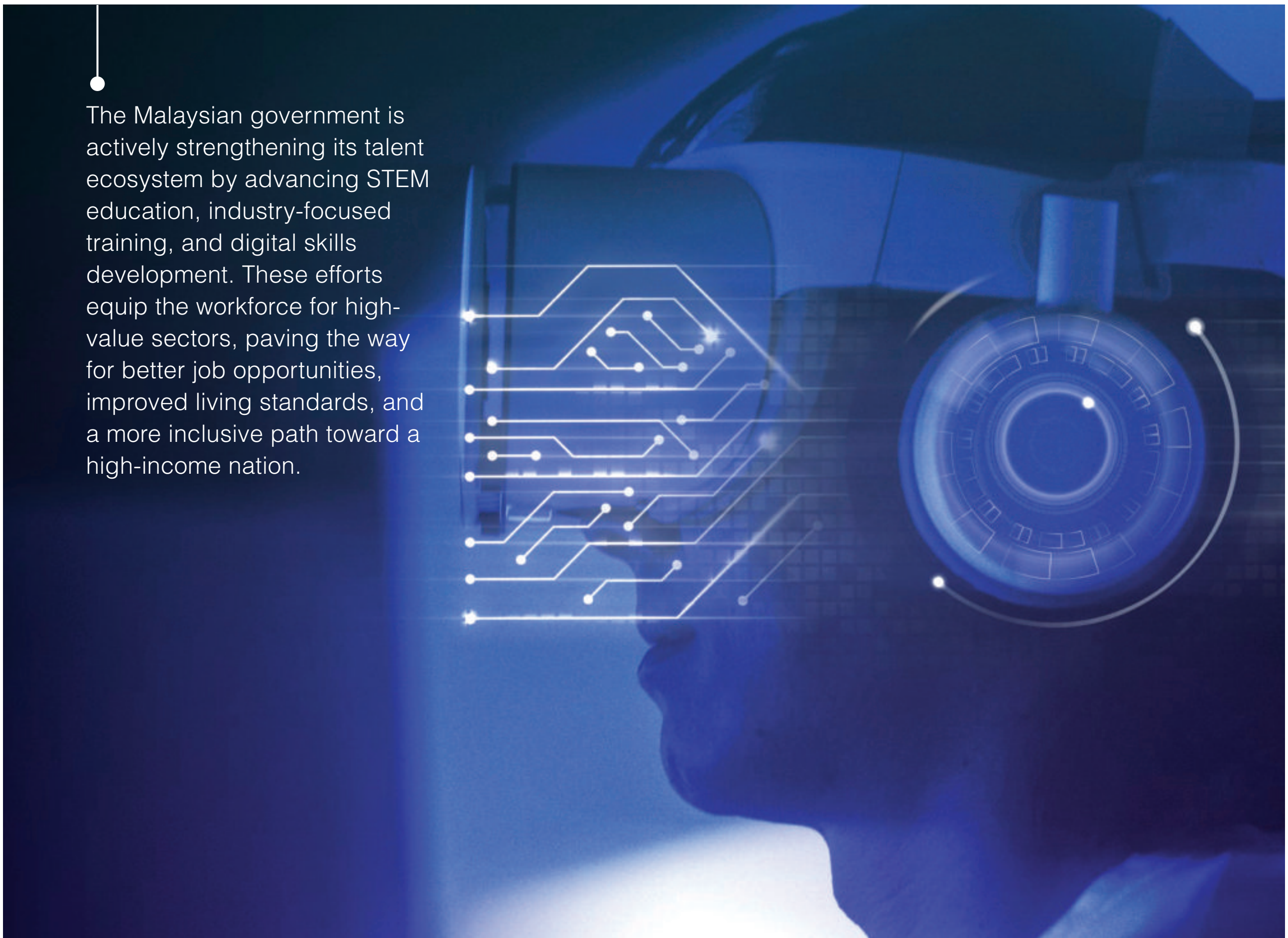
The 'Raise the Floor' thrust under the MADANI Economy Framework focuses on improving the quality of life for all Malaysians through equitable opportunities, better livelihoods and stronger social protection. The Budget 2025 incorporates talent development initiatives aimed at meeting the human capital needs of strategic sectors alongside global technological developments.

These include targeted measures to bridge the gap between industry demands and workforce capabilities. Tax incentives are provided to private higher learning institutions (IPTS) to develop specialised programmes in transformative fields: AI, robotics, digital technology, the Internet of Things (IoT), fintech and sustainable technology. These efforts aim to create a steady pipeline of skilled talent to meet the needs of high-tech industries.

The Government has allocated an additional RM20 million to Universiti Teknologi MARA (UiTM) to produce more E&E engineers and increase Bumiputera participation in the semiconductor sector. Universiti Sains Malaysia (USM) is focusing on semiconductor AI, collaborating with global technology leaders such as Intel and Infineon to strengthen Malaysia's position as a global semiconductor hub.

To further empower the workforce, Budget 2025 also introduces initiatives to improve livelihoods. Effective 1 February 2025, the minimum wage has increased from RM1,500 to RM1,700, benefitting low-income workers in the country. Additionally, for the first time, the Ministry of Human Resources will publish starting salary guidelines for all employment sectors based on the Malaysia Standard Classification of Occupations (MASCO). These guidelines will act as a reference for both workers and employers, ensuring fair compensation and supporting the development and retention of skilled talent in Malaysia.

The Government is preparing Malaysians to fully capitalise on opportunities arising from foreign and domestic investments by equipping them with future-ready skills, addressing critical gaps in high-tech fields, and ensuring the workforce is primed to support Malaysia's advancement in technology-driven industries.



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# UPDATES ON THE NATIONAL ENERGY TRANSITION ROADMAP (NETR)

The Budget 2025 also reinforces Malaysia's commitment to the National Energy Transition Roadmap (NETR), allocating RM300 million through the National Energy Transition Facilitation Fund to accelerate key initiatives. The substantial increase from the RM100 million allocated in 2024 highlights the Government's prioritisation of renewable energy expansion, energy efficiency, and carbon management as part of its comprehensive sustainability agenda.

Malaysia achieved several milestones in 2024 under the NETR, illustrating its dedication to decarbonising the energy sector and striving towards net-zero carbon emissions by 2050.

## KEY ACHIEVEMENTS OF THE NATIONAL ENERGY TRANSITION ROADMAP (NETR) IN 2024

| ACHIEVEMENT | | | |
|---|---|---|---|
| **Commissioning of Biomass Co-Firing System** | **Corporate Renewable Energy Supply Scheme (CRESS)** | **Large-Scale Solar Programme (LSS5)** | **Hybrid Hydro-Floating Solar Projects** |
| A 2.0 per cent biomass co-firing system was successfully commissioned at the Tanjung Bin Power Plant, reducing carbon intensity by 45% by 2030 and increasing the renewable energy mix to 70% by 2050. | Launched in July 2024, CRESS enables businesses to directly source renewable energy through the Peninsular Malaysia Electricity Supply Network. | The fifth phase of the LSS programme targets 2,000 MW of solar PV capacity by 2026, contributing to the growth of renewable energy. | Tenaga Nasional Berhad (TNB) began hybrid hydro-floating solar projects, starting with a 30 MW installation at the Chenderoh dam, with plans to expand to other dams. |

Malaysia is on the right track to achieving its energy transition and sustainability goals. The implementation of the NETR, complemented by the Green Investment Strategy (GIS), is key to driving the nation's energy transformation while supporting greater sustainability ambitions.

The investment outlook remains positive, fuelled by increasing interest from domestic and international stakeholders in renewable energy, energy efficiency and innovative technologies.


## NAVIGATING FUTURE UNCERTAINTY

In 2025, Malaysia remains committed to pro-business policies despite escalating global trade tensions and a potentially fragmented trade landscape. Recognising its heavy reliance on trade and integration into global supply chains, Malaysia will proactively navigate economic uncertainty by prioritising strong bilateral and multilateral relations.

A key focus is creating a conducive and investor-friendly environment by streamlining regulations, reducing bureaucracy, and enhancing transparency. Addressing trade concerns of strategic partners, particularly through adherence to international standards, is crucial for maintaining investor confidence.

Malaysia is actively targeting investment in key growth sectors, namely advanced manufacturing, renewable energy, digital technologies, the rapidly expanding AI sector, and services. Tailored incentives and infrastructure development, will support this effort in attracting high-value projects that contribute to sustainable growth. Promoting green investment, including renewable energy, green technology, and sustainable infrastructure, is also a priority.

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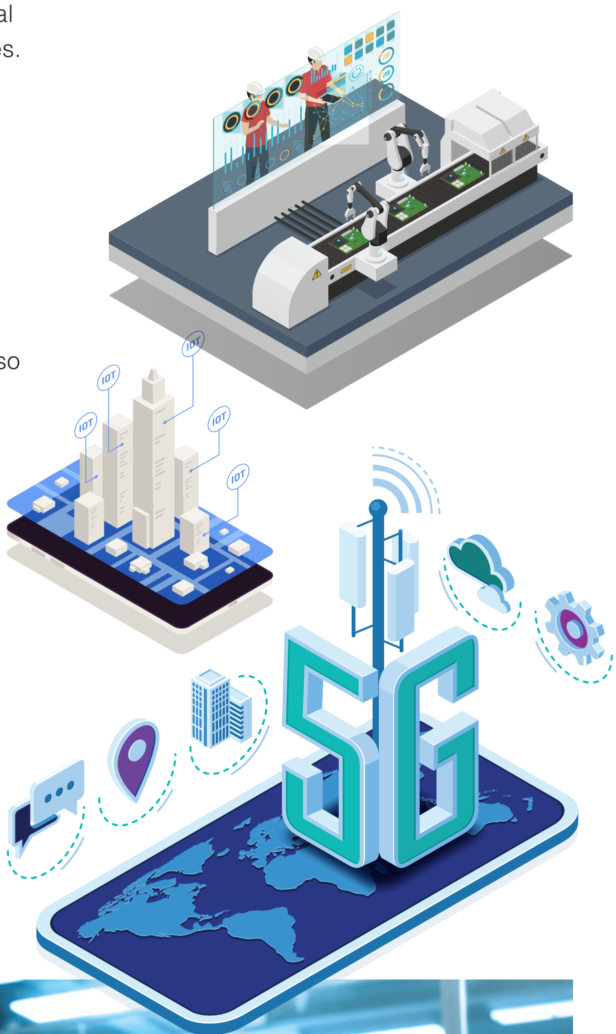
Domestic investors are encouraged to diversify into higher value-added manufacturing, the digital economy, and services to enhance competitiveness amidst rapid technological advancements.  The government is committed to fostering digital economy growth through innovation support, infrastructure development, and digital skills training, enabling businesses to leverage digital technologies. This includes attracting investment in digital infrastructure like 5G networks, data centres, and AI-focused facilities.

In recognising semiconductors' critical role in AI and the broader digital economy, Malaysia is strengthening its semiconductor industry by attracting investment in manufacturing, design, and packaging, and fostering academia-industry collaboration for talent development.  The services sector, particularly high-value digital services that drive cross-sector digital transformation, is also actively promoted.




The Malaysian government is committed to supporting businesses pursuing these growth opportunities, including initiatives promoting green technologies, circular economy practices, digital transformation, and services sector development.  Attracting targeted investment in these strategic priorities, especially AI and the underpinning semiconductor industry, remains a core objective.

# MALAYSIA'S ASEAN CHAIRMANSHIP 2025

## BUILDING AN INCLUSIVE AND SUSTAINABLE FUTURE

With a collective GDP of US$3.8 trillion and a population of approximately 680 million, ASEAN is a significant economic bloc with growing global influence. Malaysia's ASEAN Chairmanship in 2025 will be an opportunity to shape the region's trajectory by focusing on sustainability, inclusivity and economic progress. The chairmanship coincides with the conclusion of the ASEAN Economic Community (AEC) Blueprint 2025, offering a platform to deepen regional integration, address key challenges and advance shared priorities.

Malaysia's ASEAN Chairmanship in 2025 will focus on four key priorities: enhancing trade and investment, advancing sustainability and inclusivity, strengthening regional connectivity, and accelerating digital transformation.

### MALAYSIA'S ASEAN 2025 PRIORITIES

**Enhancing Trade and Investment**

Malaysia will work to strengthen ASEAN's trade agreements with key partners such as China, India, and the Gulf Cooperation Council (GCC). These agreements are expected to unlock new markets and support economic growth across the region.

**Advancing Sustainability and Inclusivity**

Green finance, energy security, and sustainable agricultural practices will be prioritised. Support will also be extended to micro, small and medium enterprises (MSMEs) to help them adopt eco-friendly practices, fostering more inclusive economic growth.

**Strengthening Regional Connectivity**

Plans include the ASEAN Semiconductor Supply-Chain Framework to enhance the region's presence in advanced technologies. Efforts to facilitate cross-border travel and promote sustainable tourism through the ASEAN Tourism Outlook will also be key initiatives.

**Accelerating Digital Transformation**

Malaysia will prioritise finalising the Digital Economy Framework Agreement (DEFA), enhancing digital trade and cybersecurity. Support for start-ups, AI governance and digital payment systems will integrate ASEAN further into the global digital economy.

## BOLSTERING THE REGION'S ECONOMIC RESILIENCE

Malaysia's leadership will focus on strengthening ASEAN's trade agreements with key partners, including the People's Republic of China (PRC), India and the Gulf Cooperation Council (GCC). Initiatives are underway to formalise an ASEAN-GCC free trade agreement, which aims to strengthen economic ties between the regions and expand market access for member states. Malaysia has also prioritised enhancing existing agreements with China and India to reflect evolving trade dynamics and improve mutual benefits.

Improving cross-border transactions and harmonising trade standards will remain crucial to these initiatives. These measures aim to reduce bureaucratic barriers, facilitate smoother trade flows and encourage greater participation from businesses across ASEAN. Streamlined trade processes are expected to result in increased efficiency and competitiveness for the bloc.

Addressing the regulatory challenges and fostering sustainable investments will remain key priorities. This includes improving cross-border trade frameworks, promoting transparent investment policies, and addressing barriers to economic integration. Malaysia will further advance the ASEAN Economic Community (AEC) agenda, which seeks to establish a single market and production base, strengthen regional economic integration, and enhance competitiveness among member states. Facilitating trade, investment and the seamless movement of goods, services, skilled labour and capital is essential to sustaining economic growth and deepening ASEAN's integration into global value chains.

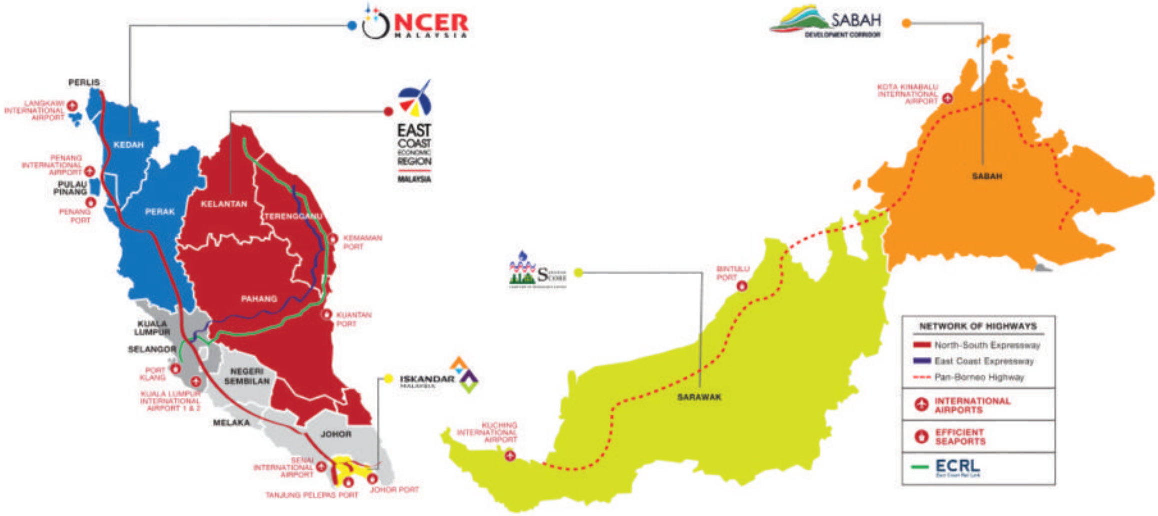
Under the theme of "Inclusivity and Sustainability," Malaysia will prioritise structural reforms to enhance trade efficiency, drive sustainable growth and accelerate digital transformation. Strengthening economic connectivity and regulatory alignment will improve the region's investment climate, while initiatives in green finance, digital trade, and innovation-driven industries will support long-term resilience. These efforts are expected to expand market opportunities, enhance economic competitiveness and strengthen ASEAN's global standing.

# MIDA'S GAME-CHANGING TRANSFORMATION

## A UNIFIED APPROACH TO INVESTMENT PROMOTION

Led by Malaysian Investment Development Authority (MIDA), Malaysia's diverse network of Investment Promotion Agencies (IPAs) covers various types of IPAs that operate with distinct focuses at the regional or state level as well as sectoral-based. IPAs are instrumental in driving economic growth, however overlapping functions and fragmented strategies have posed challenges to efficiency and effectiveness.

Recognising the need for a cohesive framework, the Malaysian government initiated a major rationalisation of IPAs in 2024. Approved by the National Investment Council (NIC), chaired by Prime Minister YAB Dato' Seri Anwar Ibrahim, the mandates are to centralise investment promotion and marketing functions of the three regional economic corridors of IPAs in Peninsular Malaysia, namely Iskandar Regional Development Authority (IRDA), East Coast Economic Region Development Council (ECERDC) and Northern Corridor Implementation Authority (NCIA) under MIDA as well as the absorption of Invest KL Corporation (InvestKL). Furthermore, the primary mandate focuses on the restructuring and transformation of MIDA itself. This centralised approach by the MADANI government was aimed at creating a cohesive and streamlined investment ecosystem, aligning processes with national economic objectives while eliminating inter-agency redundancies. It would also optimise resource allocation, enhance efficiency and strengthen Malaysia's capacity to attract high-value, technology-driven and sustainable investments.




## ENHANCING ORGANISATIONAL AGILITY

To ensure the success of this consolidation, MIDA has embraced a comprehensive transformation strategy aimed at improving agility, responsiveness and operational efficiency. A key component of this strategy was the establishment of the Transformation Project Management Office (TPMO) on 9 July 2024. Tasked with overseeing this rationalisation, the TPMO engaged extensively with stakeholders, including employees and industry leaders, to identify opportunities for operational enhancement and to ensure the smooth integration of roles across agencies. In 2024, initiatives such as the Transformation Trailblazers mini town hall sessions have created a platform for open dialogue, allowing MIDA's team to provide input on its strategy, governance, employment benefits and service delivery improvements.

The year 2025 will be a key moment in MIDA's transformation, as it begins a major plan for restructuring to reshape Malaysia's investment landscape through a dedicated MIDA Transformation Initiative. The agency's year-long transformation agenda will centre on seven critical work streams: strategy, governance, organisational design and talent, process optimisation, technology adoption, change management as well as customer management and branding. These focus areas are essential for ensuring that MIDA remains responsive to investor needs while aligning with the government's aspirations for economic progress.

## A BRIGHT FUTURE FOR MALAYSIA

MIDA's transformation agenda envisions a revitalised investment ecosystem designed to attract high-impact investments that promote sustainable growth and drive the nation's economic development. Through an integrated approach, MIDA is committed to enhancing its internal capabilities and solidifying Malaysia's position as a leading destination for high-impact, technology-driven investments, paving the way for a brighter economic future.

# APPENDICES

## APPENDIX 1: Approved Investments in Various Economic Sectors by Main Sector, 2024 and 2023

| MAIN SECTOR | 2024** | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) |
| Primary | 67 | 463 | 4,782.9 | 520.4 | 5,303.2 | 75 | 661 | 7,103.7 | 1,977.3 | 9,081.1 |
| Manufacturing | 1,108 | 87,695 | 31,591.8 | 88,891.7 | 120,483.6 | 883 | 73,939 | 23,529.5 | 128,438.2 | 151,967.7 |
| Services | 5,525 | 119,083 | 171,711.3 | 81,001.6 | 252,712.9 | 4,143 | 52,732 | 110,456.3 | 57,949.9 | 168,406.2 |
| **Total** | **6,700** | **207,241** | **208,086.0** | **170,413.8** | **378,499.7** | **5,101** | **127,332** | **141,089.6** | **188,365.4** | **329,455.0** |

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Data for the mining, transport services, financial services, utilities, and information & communications subsectors is only available up to September 2024

## APPENDIX 2: Approved Investments in Various Economic Sectors by State, 2024 and 2023

| STATE | 2024** | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) |
| Selangor | 2,007 | 65,854 | 75,236.5 | 25,891.4 | 101,127.8 | 1,319 | 33,085 | 37,926.0 | 17,337.4 | 55,263.4 |
| W.P. Kuala Lumpur | 1,106 | 56,162 | 49,723.1 | 41,805.8 | 91,528.9 | 768 | 25,684 | 27,790.1 | 30,559.7 | 58,349.8 |
| Johor | 796 | 20,196 | 18,814.5 | 29,686.5 | 48,501.1 | 751 | 19,053 | 12,053.7 | 31,002.2 | 43,055.9 |
| Kedah | 223 | 9,459 | 2,952.9 | 42,829.1 | 45,782.1 | 238 | 9,737 | 4,648.1 | 24,079.9 | 28,728.0 |
| Pulau Pinang | 518 | 20,433 | 15,565.4 | 16,420.9 | 31,986.3 | 415 | 20,701 | 10,230.6 | 61,651.3 | 71,881.9 |
| Sarawak | 291 | 4,666 | 12,039.6 | 4,077.4 | 16,117.0 | 267 | 2,492 | 13,502.6 | 7,814.7 | 21,317.3 |
| Perak | 335 | 4,279 | 8,426.5 | 317.9 | 8,744.4 | 356 | 3,584 | 6,404.5 | 2,100.4 | 8,504.9 |
| Melaka | 249 | 16,770 | 5,054.1 | 3,124.2 | 8,178.2 | 189 | 3,670 | 3,240.2 | 2,767.4 | 6,007.6 |
| Negeri Sembilan | 208 | 4,684 | 3,818.0 | 3,430.8 | 7,248.9 | 189 | 3,250 | 4,053.7 | 6,037.5 | 10,091.2 |
| Sabah | 151 | 2,165 | 5,377.2 | 1,080.6 | 6,457.8 | 126 | 1,161 | 11,213.5 | 132.7 | 11,346.3 |
| Pahang | 196 | 1,308 | 2,836.5 | 1,092.9 | 3,929.4 | 165 | 742 | 2,087.9 | 887.5 | 2,975.4 |
| Kelantan | 66 | 585 | 1,664.8 | 492.8 | 2,157.7 | 87 | 497 | 1,182.1 | 0.1 | 1,182.1 |
| W.P. Putrajaya | 28 | 16 | 1,254.9 | 3.7 | 1,258.7 | 29 | 183 | 1,016.7 | 1.0 | 1,017.7 |
| Terengganu | 49 | 376 | 612.4 | 4.7 | 617.0 | 52 | 3,253 | 841.3 | 2,907.7 | 3,748.9 |
| W. P. Labuan | 36 | 215 | 259.6 | 114.3 | 373.9 | 31 | 214 | 85.3 | 449.4 | 534.6 |
| Perlis | 9 | 73 | 123.3 | 3.5 | 126.8 | 28 | 26 | 188.1 | 0.3 | 188.4 |
| Undecided*** | 432 | 0 | 4,326.5 | 37.2 | 4,363.7 | 91 | 0 | 4,625.2 | 636.4 | 5,261.6 |
| **Total** | **6,700** | **207,241** | **208,086.0** | **170,413.8** | **378,499.7** | **5,101** | **127,332** | **141,089.6** | **188,365.4** | **329,455.0** |

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Data for the mining, transport services, financial services, utilities, and information & communications subsectors is only available up to September 2024
*** : Proposed state details not available

### APPENDIX 3: Top 10 Approved Investments in Various Economic Sectors with Foreign Participation by Foreign Investors, based on Ultimate**** Source, 2024

| FOREIGN INVESTOR*** | 2024** | | |
|---|---|---|---|
| | No. | Potential Employment | Foreign Investment* (RM Million) |
| The United States of America (USA) | 67 | 8,304 | 32,819.8 |
| Germany | 49 | 2,560 | 32,186.5 |
| The People's Republic of China | 189 | 20,067 | 28,249.6 |
| Singapore | 316 | 21,973 | 27,257.8 |
| Hong Kong SAR, China | 65 | 16,024 | 7,416.1 |
| Cayman Islands | 11 | 747 | 6,641.7 |
| Taiwan | 59 | 5,347 | 5,769.4 |
| The Netherlands | 28 | 6,310 | 5,362.2 |
| Japan | 208 | 28,464 | 4,548.4 |
| United Kingdom (UK) | 37 | 2,447 | 3,643.1 |

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Data for the mining, transport services, financial services, utilities, and information & communications subsectors is only available up to September 2024
*** : Reporting of foreign investment is based on the ultimate source
**** : The compilation of data on approved investments in various economic sectors by ultimate source started in 2024

### APPENDIX 4: Top 10 Approved Investments in Various Economic Sectors with Foreign Participation by Foreign Investors, based on Immediate Source, 2024 and 2023

| FOREIGN INVESTOR*** | 2024** | | | 2023 | | |
|---|---|---|---|---|---|---|
| | No. | Potential Employment | Foreign Investment* (RM Million) | No. | Potential Employment | Foreign Investment* (RM Million) |
| Singapore | 497 | 35,567 | 44,525.3 | 303 | 28,845 | 45,877.2 |
| Austria | 7 | 913 | 30,088.4 | 2 | 59 | 9.4 |
| The United States of America (USA) | 66 | 9,752 | 29,728.4 | 62 | 11,054 | 21,531.2 |
| The People's Republic of China | 187 | 13,771 | 14,200.0 | 120 | 10,282 | 12,280.8 |
| Hong Kong SAR, China | 74 | 14,201 | 12,986.2 | 65 | 7,312 | 5,133.6 |
| Cayman Islands | 16 | 432 | 6,472.2 | 15 | 2,644 | 17,465.4 |
| Taiwan | 72 | 7,199 | 5,290.9 | 45 | 6,301 | 2,940.7 |
| The Netherlands | 35 | 4,108 | 4,970.4 | 37 | 1,824 | 35,513.6 |
| Japan | 212 | 28,930 | 3,374.9 | 148 | 9,995 | 13,645.7 |
| United Kingdom (UK) | 46 | 2,686 | 2,638.6 | 26 | 1,518 | 1,235.5 |

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Data for the mining, transport services, financial services, utilities, and information & communications subsectors is only available up to September 2024
*** : Reporting of foreign investment is based on the immediate source

## APPENDIX 5: Approved Manufacturing Projects by Status, 2024 and 2023

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | New | Expansion / Diversification | Total | New | Expansion / Diversification | Total |
| Number | 691 | 417 | 1,108 | 435 | 448 | 883 |
| Potential Employment | 50,502 | 37,193 | 87,695 | 36,626 | 37,313 | 73,939 |
| Total Investment* (RM Million) | 49,768.8 | 70,714.8 | 120,483.6 | 56,451.5 | 95,516.3 | 151,967.7 |
| Domestic Investment* (RM Million) | 17,192.5 | 14,399.3 | 31,591.8 | 14,095.1 | 9,434.4 | 23,529.5 |
| Foreign Investment* (RM Million) | 32,576.3 | 56,315.5 | 88,891.7 | 42,356.3 | 86,081.9 | 128,438.2 |

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided

## APPENDIX 6: Approved Manufacturing Projects by Industry, 2024 and 2023

| INDUSTRY** | 2024 | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) |
| Electrical and Electronics | 153 | 30,888 | 2,497.1 | 53,309.5 | 55,806.5 | 120 | 23,121 | 3,003.0 | 82,424.3 | 85,427.3 |
| Transport Equipment | 110 | 9,675 | 3,560.1 | 12,265.2 | 15,825.3 | 50 | 4,931 | 1,990.2 | 5,076.6 | 7,066.8 |
| Chemicals and Chemical Products | 92 | 4,476 | 4,207.6 | 6,417.5 | 10,625.1 | 80 | 4,902 | 2,687.9 | 6,218.2 | 8,906.1 |
| Machinery and Equipment | 142 | 9,067 | 4,509.8 | 6,087.8 | 10,597.7 | 103 | 6,636 | 5,594.5 | 16,963.7 | 22,558.2 |
| Food Manufacturing | 110 | 5,839 | 4,048.2 | 2,060.5 | 6,108.6 | 79 | 4,679 | 1,731.4 | 1,443.0 | 3,174.4 |
| Non-Metallic Mineral Products | 56 | 2,905 | 3,069.3 | 2,223.6 | 5,292.9 | 48 | 6,921 | 2,457.8 | 6,295.8 | 8,753.6 |
| Fabricated Metal Products | 128 | 6,922 | 2,482.4 | 1,192.7 | 3,675.2 | 153 | 7,509 | 1,926.6 | 2,156.8 | 4,083.5 |
| Petroleum Products (Inc. Petrochemicals) | 10 | 268 | 1,793.7 | 913.3 | 2,706.9 | 7 | 179 | 919.2 | 20.3 | 939.5 |
| Plastic Products | 91 | 4,363 | 864.0 | 900.9 | 1,764.9 | 81 | 4,249 | 866.1 | 3,271.7 | 4,137.8 |
| Basic Metal Products | 10 | 1,334 | 1,180.0 | 384.8 | 1,564.8 | 4 | 673 | 26.5 | 2,345.1 | 2,371.5 |
| Scientific and Measuring Equipment | 21 | 1,758 | 246.4 | 1,105.4 | 1,351.8 | 20 | 2,807 | 354.0 | 953.0 | 1,307.0 |
| Textiles and Textile Products | 19 | 1,356 | 629.8 | 664.1 | 1,293.9 | 19 | 832 | 197.2 | 44.7 | 241.8 |
| Wood and Wood Products | 36 | 1,553 | 645.9 | 353.6 | 999.5 | 16 | 782 | 264.2 | 128.8 | 392.9 |
| Paper, Printing and Publishing | 39 | 2,547 | 299.5 | 578.4 | 877.9 | 37 | 1,950 | 408.7 | 200.0 | 608.8 |
| Furniture and Fixtures | 39 | 2,005 | 488.2 | 204.6 | 692.7 | 35 | 1,191 | 197.9 | 222.4 | 420.3 |
| Rubber Products | 11 | 1,372 | 493.1 | 112.0 | 605.1 | 13 | 1,200 | 726.7 | 171.1 | 897.8 |
| Beverages and Tobacco | 12 | 302 | 144.4 | 6.5 | 150.9 | 2 | 96 | 18.9 | 8.3 | 27.2 |
| Leather and Leather Products | 3 | 98 | 45.1 | 0.0 | 45.1 | 1 | 145 | 0.0 | 235.0 | 235.0 |
| Miscellaneous | 26 | 967 | 387.1 | 111.5 | 498.6 | 15 | 1,136 | 158.7 | 259.4 | 418.1 |
| **Total** | **1,108** | **87,695** | **31,591.8** | **88,891.7** | **120,483.6** | **883** | **73,939** | **23,529.5** | **128,438.2** | **151,967.7** |

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Reporting of data is guided by the Malaysia Standard Industrial Classification 2008 (MSIC 2008)

## APPENDIX 7: Approved New and Expansion/Diversification Manufacturing Projects by Industry, 2024 and 2023

| INDUSTRY** | 2024 | | | | | | 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | New | | Expansion/ Diversification | | Total | | New | | Expansion/ Diversification | | Total | |
| | No. | Total Investment* (RM Million) | No. | Total Investment* (RM Million) | No. | Total Investment* (RM Million) | No. | Total Investment* (RM Million) | No. | Total Investment* (RM Million) | No. | Total Investment* (RM Million) |
| Electrical and Electronics | 75 | 12,322.7 | 78 | 43,483.8 | 153 | 55,806.5 | 42 | 11,737.3 | 78 | 73,690.0 | 120 | 85,427.3 |
| Transport Equipment | 61 | 6,558.1 | 49 | 9,267.2 | 110 | 15,825.3 | 18 | 5,788.5 | 32 | 1,278.3 | 50 | 7,066.8 |
| Chemicals and Chemical Products | 64 | 7,793.4 | 28 | 2,831.7 | 92 | 10,625.1 | 37 | 7,380.5 | 43 | 1,525.7 | 80 | 8,906.1 |
| Machinery and Equipment | 86 | 6,273.5 | 56 | 4,324.2 | 142 | 10,597.7 | 50 | 18,140.9 | 53 | 4,417.3 | 103 | 22,558.2 |
| Food Manufacturing | 73 | 3,953.4 | 37 | 2,155.2 | 110 | 6,108.6 | 47 | 1,301.1 | 32 | 1,873.3 | 79 | 3,174.4 |
| Non-Metallic Mineral Products | 38 | 2,668.5 | 18 | 2,624.4 | 56 | 5,292.9 | 33 | 5,189.5 | 15 | 3,564.2 | 48 | 8,753.6 |
| Fabricated Metal Products | 100 | 2,547.5 | 28 | 1,127.7 | 128 | 3,675.2 | 80 | 2,996.6 | 73 | 1,086.9 | 153 | 4,083.5 |
| Petroleum Products (Inc. Petrochemicals) | 7 | 2,515.3 | 3 | 191.7 | 10 | 2,706.9 | 2 | 37.8 | 5 | 901.7 | 7 | 939.5 |
| Plastic Products | 57 | 1,150.8 | 34 | 614.1 | 91 | 1,764.9 | 32 | 1,289.2 | 49 | 2,848.6 | 81 | 4,137.8 |
| Basic Metal Products | 4 | 58.1 | 6 | 1,506.6 | 10 | 1,564.8 | 1 | 26.5 | 3 | 2,345.1 | 4 | 2,371.5 |
| Scientific & Measuring Equipment | 14 | 1,164.1 | 7 | 187.7 | 21 | 1,351.8 | 6 | 248.5 | 14 | 1,058.5 | 20 | 1,307.0 |
| Textiles and Textile Products | 13 | 666.3 | 6 | 627.6 | 19 | 1,293.9 | 8 | 151.2 | 11 | 90.7 | 19 | 241.8 |
| Wood and Wood Products | 26 | 729.1 | 10 | 270.5 | 36 | 999.5 | 12 | 360.1 | 4 | 32.8 | 16 | 392.9 |
| Paper, Printing and Publishing | 16 | 395.4 | 23 | 482.6 | 39 | 877.9 | 30 | 574.9 | 7 | 33.9 | 37 | 608.8 |
| Furniture and Fixtures | 27 | 478.2 | 12 | 214.6 | 39 | 692.7 | 24 | 399.8 | 11 | 20.5 | 35 | 420.3 |
| Rubber Products | 3 | 32.1 | 8 | 572.9 | 11 | 605.1 | 8 | 593.8 | 5 | 304.0 | 13 | 897.8 |
| Beverages and Tobacco | 6 | 91.2 | 6 | 59.7 | 12 | 150.9 | - | - | 2 | 27.2 | 2 | 27.2 |
| Leather and Leather Products | 2 | 45.1 | 1 | 0.0 | 3 | 45.1 | - | - | 1 | 235.0 | 1 | 235.0 |
| Miscellaneous | 19 | 326.1 | 7 | 172.5 | 26 | 498.6 | 5 | 235.3 | 10 | 182.7 | 15 | 418.1 |
| **Total** | **691** | **49,768.8** | **417** | **70,714.8** | **1,108** | **120,483.6** | **435** | **56,451.5** | **448** | **95,516.3** | **883** | **151,967.7** |

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Reporting of data is guided by the Malaysia Standard Industrial Classification 2008 (MSIC 2008)

## APPENDIX 8: Top 10 Approved Manufacturing Projects with Foreign Participation by Foreign Investors, based on Ultimate*** Source, 2024

| FOREIGN INVESTOR** | 2024 | | |
|---|---|---|---|
| | No. | Potential Employment | Foreign Investment* (RM Million) |
| Germany | 14 | 1,307 | 30,768.7 |
| The People's Republic of China | 121 | 15,550 | 22,792.0 |
| The United States of America (USA) | 28 | 5,831 | 7,245.1 |
| Hong Kong SAR, China | 22 | 10,209 | 6,243.4 |
| Singapore | 95 | 7,211 | 5,838.9 |
| The Netherlands | 4 | 2,729 | 4,962.7 |
| Taiwan | 33 | 3,458 | 4,342.7 |
| Japan | 29 | 1,319 | 1,270.5 |
| France | 4 | 932 | 1,168.9 |
| Korea, Rep. | 6 | 402 | 924.3 |

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided

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

*** : The compilation of data on approved investments in various economic sectors by ultimate source started in 2024

## APPENDIX 9: Top 10 Approved Manufacturing Projects with Foreign Participation by Foreign Investors, based on Immediate Source, 2024 and 2023

| FOREIGN INVESTOR** | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | No. | Potential Employment | Foreign Investment* (RM Million) | No. | Potential Employment | Foreign Investment* (RM Million) |
| Austria | 1 | 630 | 30,073.0 | - | - | - |
| Singapore | 178 | 16,842 | 15,069.8 | 122 | 15,293 | 12,870.2 |
| Hong Kong SAR, China | 33 | 12,799 | 12,750.9 | 30 | 4,525 | 3,708.8 |
| The United States of America (USA) | 27 | 6,315 | 10,383.9 | 27 | 6,063 | 18,119.7 |
| The People's Republic of China | 107 | 9,871 | 9,762.7 | 64 | 9,305 | 11,992.0 |
| Taiwan | 41 | 5,225 | 3,860.8 | 22 | 5,540 | 2,890.3 |
| British Virgin Islands (BVI) | 6 | 2,175 | 1,344.7 | 3 | 895 | 219.7 |
| France | 5 | 941 | 1,168.7 | 8 | 445 | 254.5 |
| Japan | 38 | 1,412 | 938.0 | 32 | 5,262 | 10,186.5 |
| Korea, Rep. | 9 | 443 | 927.6 | 8 | 1,223 | 3,709.3 |

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Reporting of foreign investment is based on the immediate source

**APPENDIX 10: Approved Manufacturing Projects by State, 2024 and 2023**

| STATE | 2024 | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) |
| Kedah | 59 | 8,882 | 1,421.4 | 42,643.3 | 44,064.7 | 63 | 9,627 | 2,775.3 | 24,050.1 | 26,825.4 |
| Selangor | 339 | 18,852 | 8,126.9 | 10,682.0 | 18,808.9 | 234 | 12,568 | 5,634.3 | 13,675.1 | 19,309.3 |
| Pulau Pinang | 182 | 16,254 | 3,529.0 | 13,784.0 | 17,313.0 | 149 | 17,623 | 3,285.7 | 60,134.9 | 63,420.6 |
| Johor | 275 | 17,670 | 5,046.3 | 9,165.1 | 14,211.4 | 243 | 17,171 | 5,183.5 | 9,433.8 | 14,617.3 |
| Sarawak | 30 | 3,244 | 2,330.4 | 3,698.8 | 6,029.2 | 28 | 2,241 | 1,112.8 | 6,586.3 | 7,699.1 |
| Negeri Sembilan | 49 | 4,076 | 1,967.2 | 3,389.0 | 5,356.2 | 38 | 3,146 | 1,589.7 | 6,011.9 | 7,601.7 |
| Melaka | 43 | 11,226 | 1,453.8 | 2,912.0 | 4,365.8 | 25 | 3,459 | 555.0 | 2,765.6 | 3,320.6 |
| Perak | 60 | 3,540 | 3,454.2 | 266.0 | 3,720.2 | 43 | 2,857 | 800.1 | 1,970.5 | 2,770.6 |
| Sabah | 14 | 1,198 | 1,507.2 | 962.3 | 2,469.6 | 19 | 876 | 1,493.4 | 16.6 | 1,510.0 |
| Pahang | 30 | 945 | 1,014.0 | 856.0 | 1,870.0 | 15 | 637 | 494.6 | 885.7 | 1,380.2 |
| Kelantan | 7 | 543 | 1,224.0 | 492.8 | 1,716.8 | 11 | 462 | 168.9 | 0.0 | 168.9 |
| W.P. Kuala Lumpur | 16 | 958 | 301.5 | 40.3 | 341.8 | 5 | 149 | 69.7 | 0.0 | 69.7 |
| Terengganu | 3 | 247 | 205.6 | 0.1 | 205.6 | 10 | 3,123 | 366.5 | 2,907.7 | 3,274.1 |
| Perlis | 1 | 60 | 10.2 | 0.0 | 10.2 | - | - | - | - | - |
| **Total** | **1,108** | **87,695** | **31,591.8** | **88,891.7** | **120,483.6** | **883** | **73,939** | **23,529.5** | **128,438.2** | **151,967.7** |

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided

## APPENDIX 11: Approved Services Projects by Sector, 2024 and 2023

| SECTOR | 2024** | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) |
| Information and Communications | 1,439 | 48,650 | 72,653.3 | 63,318.6 | 135,971.8 | 338 | 23,829 | 15,151.3 | 48,546.8 | 63,698.1 |
| Real Estate | 1,349 | NA | 64,549.4 | 0.0 | 64,549.4 | 1,565 | NA | 60,950.1 | 0.0 | 60,950.1 |
| Support Services | 979 | 1,567 | 11,966.3 | 896.1 | 12,862.3 | 722 | 2,687 | 7,469.8 | 2,987.8 | 10,457.6 |
| Utilities | 25 | NA | 11,067.9 | 0.0 | 11,067.9 | 48 | NA | 11,143.9 | 0.0 | 11,143.9 |
| Transport Services | 75 | 10,635 | 4,069.9 | 4,386.4 | 8,456.3 | 37 | 690 | 1,344.3 | 0.0 | 1,344.3 |
| Distributive Trade | 1,411 | 54,678 | 1,461.2 | 6,642.6 | 8,103.9 | 1,145 | 21,701 | 7,311.7 | 3,818.1 | 11,129.8 |
| Financial Services | 45 | 215 | 3,298.8 | 1,040.4 | 4,339.1 | 42 | 178 | 4,624.4 | 1,689.6 | 6,313.9 |
| Global Establishment | 84 | 434 | 0.0 | 4,043.2 | 4,043.2 | 83 | 648 | 745.5 | 132.6 | 878.2 |
| Hotel and Tourism | 17 | 1,072 | 814.0 | 654.9 | 1,468.9 | 13 | 678 | 787.8 | 394.2 | 1,182.0 |
| Health Services | 2 | 1,192 | 1,219.7 | 0.0 | 1,219.7 | 4 | 710 | 347.5 | 379.9 | 727.4 |
| Education Services | 96 | 640 | 594.0 | 19.5 | 613.5 | 143 | 1,611 | 563.9 | 1.0 | 564.9 |
| Other Services | 3 | 0 | 16.9 | 0.0 | 16.9 | 3 | 0 | 16.1 | 0.0 | 16.1 |
| **Total** | **5,525** | **119,083** | **171,711.3** | **81,001.6** | **252,712.9** | **4,143** | **52,732** | **110,456.3** | **57,949.9** | **168,406.2** |

Note NA : Data is not available
* : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided
** : Data for the transport services, financial services, utilities, and information & communications subsectors is only available up to September 2024

## APPENDIX 12: Approved Primary Projects by Sector, 2024 and 2023

| SECTOR | 2024** | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) | No. | Potential Employment | Domestic Investment* (RM Million) | Foreign Investment* (RM Million) | Total Investment* (RM Million) |
| Mining | 27 | 27 | 3,944.4 | 520.4 | 4,464.8 | 47 | 110 | 6,791.2 | 1,977.3 | 8,768.5 |
| Agriculture | 14 | 369 | 766.8 | - | 766.8 | - | - | - | - | - |
| Plantation and Commodities | 26 | 67 | 71.6 | - | 71.6 | 28 | 551 | 312.6 | - | 312.6 |
| **Total** | **67** | **463** | **4,782.9** | **520.4** | **5,303.2** | **75** | **661** | **7,103.7** | **1,977.3** | **9,081.1** |

Note * : Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided

** : Data for the mining subsector is only available up to September 2024

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