

Deepen bilateral ties in new growth areas, Najib urges UK investors
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Prime Minister Najib Abdul Razak has urged British investors to deepen bilateral ties particularly in new growth areas, a move that will not only have huge benefits for UK companies but also provide high income job for Malaysians.

Among the new growth areas identified were in the emerging technology, high technology, capital-intensive, high-value-added, knowledge-based, skills-intensive and export-oriented sectors.

Najib, who is also finance minister, said as of end-2015, UK investments in Malaysia amounted to £3.4 billion (about RM19.68 billion).

In the manufacturing sector, realised investments totalled £1.1 billion in 433 projects.

Approximately half of the investments are in the chemicals and petroleum products industries while another 14 percent are in electrical and electronics.

"We always welcome more UK companies and investments coming to Malaysia, which is good for investors and good for Malaysia. There is a very real return to Malaysians - these investments provided 36,000 new jobs," said the premier in his keynote address at the Malaysia-UK Investor Showcase, held at Marlborough House, Pall Mall, in London today.

The one-day showcase, aimed at attracting investors, including fund managers to invest in Malaysia, was attended by 188 British companies and 34 Malaysian companies.

Commonwealth Enterprise and Investment Council (CWEIC) chairperson Lord Marland, Commonwealth secretary-general Patricia Scotland, Minister of State for Trade and Investment UK Lord Price, senior government representatives and officials attended the showcase organised by the Malaysian Investment Development Authority and the CWEIC.

Najib also said Malaysia would like to encourage more UK investors to leverage on the country's strategic location.

It would be either by setting up regional establishments to serve related companies in the region, or by using Malaysia as the launch pad to penetrate Asean, already the seventh largest economy in the world.

Close relationship

According to Najib, in 2015, there were 43 new projects approved with proposed investments totalling £44 million and once they are fully implemented, these projects would create an additional 3,700 jobs for Malaysians.

Notable projects from the UK include Owen Mumford - with its new regional hub - and Smiths Detection, the world-leading designer and manufacturer of advanced detection systems - with its new facility, both in the south of Malaysia.

The UK is also one of Malaysia's major investors and trade partners with the country's total trade with the UK stood at £2.76 billion in 2015.

The increasingly close relationship has been reflected in growing levels of investment in both directions with the foreign direct investment (FDI) stock from Malaysia to the UK growing by 161 percent from £1.7 billion in 2009 to £3.7 billion at end 2014.

Malaysian investments in the UK included hotels - Tune and Thistle hotels; healthcare - iGene and Spire; retail - Laura Ashley; and leisure - with Genting and Hong Leong owning casinos and leisure centres across the country.

Malaysian companies and institutions are also among the largest investors in London's commercial and residential property market.

"Malaysia's involvement in the Battersea Power Station Project has generated a great deal of interest. Close to £2 billion worth of property has been sold across the first three phases," said Najib.

This project is driven by support from some of Malaysia's most well-respected and successful property developers and investment businesses, SP Setia Bhd, Sime Darby Bhd and the Employees Provident Fund.

While Malaysian investment has traditionally been focused in London and the South East, one or two major Malaysian institutions are now looking further afield for opportunities.

Najib said the launch of the “Battersea and Beyond” initiative by Prime Minister David Cameron during his visit to Kuala Lumpur last July would further expand Malaysian investment to the rest of the UK.

The prime minister further reiterated that Malaysia had built a resilient, sustainable and inclusive economy.

"You can count on us as your ideal partner for doing business in the region. For those who have not visited Malaysia, please do so to discover for yourself the preferred location in Asia and enjoy our Malaysian hospitality.

"I urge you to further explore Malaysia as your investment destination, not only to capitalise on the business opportunities within the country, but also as a gateway to Asia Pacific and global markets. We look forward to welcoming you," he said.

Competitive location

Citing an example, Najib said in May last year, Najib pointed out that Malaysia had introduced the principal hub scheme to make the country even more attractive for global companies, and to be well-positioned to take advantage of its competitive location in Asean and the Asia-Pacific region.

"I am delighted to say we have already approved 12 principal hub projects. Please come and increase the number," said Najib.

The prime minister also spoke on Asean which is predicted to become the fourth largest economy by 2050 at the latest.

"Malaysia is at the forefront of leading Asean towards that goal. Last November, under Malaysia’s chairmanship, Asean leaders announced the successor to the Asean Economic Community 2015 Blueprint.

"This comprehensive document outlines strategic measures for the integration process over the next 10 years," he said.

Najib also said Asean was now actively negotiating the Regional Comprehensive Economic Partnership Agreement (RCEP) which would become a reality soon with Australia, China, India, Japan, South Korea and New Zealand.

RCEP nations accounted for 49 percent of the global population, 29.3 percent of world Gross Domestic Product and 25.2 percent of global trade.

Engine of growth

Meanwhile, Najib also said Malaysia is committed to delivering on its long-term economic plan despite uncertain times.

"We are doing our best in terms of growth, strong growth," he said in his address at Bursa Malaysia's private breakfast session with fund managers in London.

He said the government would continue to assist the engine of growth, which is the private sector, in their activities.

"We have a plan and we must deliver. Not everything is rosy. There are challenges in the Malaysian economy going forward," he said.

Of concern, he noted, is productivity growth, which he said is below expectations, adding that efforts would be put in to improve it as well as raise the level of skills.

The prime minister, who is on a working visit to the UK from May 15 to 18, also stressed the prevailing political stability in the country despite the 'noise' often heard.

- *Bernama*