

Investment growth in 1Q due to political stability, PM says

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Political stability as well as economic policies that are clear and encouraging led to stronger investments in various economic sectors in the first quarter (1Q) of 2023, said Prime Minister Anwar Ibrahim.

Anwar, who is also the finance minister, said approved investments for 1Q 2023 totalled RM71.4 billion, a 60 percent increase from the RM44.7 billion recorded in 1Q 2022.

“I feel the political stability has boosted investor confidence and spurred investments to flow in stronger than previously, but what is important is not just announcements (of investments) and memoranda of understanding but also the implementation,” he said.

He was speaking during a question-and-answer session in the Dewan Rakyat today.

This was in reply to supplementary questions from Hamzah Zainudin (PN-Larut)

and Lim Guan Eng (PH-Bagan) on investor confidence and Malaysia's key economic policies.

Anwar cited Amazon Web Services' plan to invest RM25.5 billion as well as investments from Tesla in electric vehicles, China-based Rongsheng Petrochemical Co Ltd in petrochemicals, and Geely/Proton (smart automotive city in Tanjung Malim).

The prime minister said if the country's economic policies were confusing, Malaysia's economic growth would not have outpaced those of Indonesia, Vietnam, and China.

Malaysia's economy grew by 5.6 percent in 1Q 2023, better than countries in the region such as Indonesia (5.0 percent), China (4.5 percent) and Vietnam (3.3 percent).

The growth was also stronger than Bank Negara Malaysia's forecast of between 4.0 percent and 5.0 percent for 2023, Anwar noted.

"If our policies are confusing, we would not have seen investments coming; and these are serious investments. Following my visit to China, Geely decided to accelerate the Automotive Hi-Tech Valley (AHTV) project in Proton City, Tanjung Malim," he said.

In addition, he said, confidence in the government's economic management is proven by credit rating agencies Fitch Rating (February 2023) and Moody's Investors Service's (April 2023) affirmation of Malaysia's sovereign credit ratings.

On 1Malaysia Development Bhd (1MDB), Anwar said work on getting the US\$1.8 billion settlement by the International Petroleum Investment Company (IPIC) will continue.

"As everyone knows, the Crown Prince of Abu Dhabi (Sheikh Khaled Mohamed Zayed Al Nahyan) is in Malaysia now to continue the discussion, as well as to discuss investments," he said.

The 1MDB settlement is part of the government's effort to strengthen governance to ensure positive progress.

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