Investments rising despite M'sia's differing stance on Gaza, says PM

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Investments in Malaysia continue to rise despite the nation's differing stance on the Gaza issue compared to that of European countries, said Prime Minister Anwar Ibrahim.

Anwar pointed out that the increase in investment includes the electrical and electronics (E&E) sector, which continues to be a focus for Malaysia.

"E&E investments from the United States make up a substantial 26 percent, which is significant. Despite strong and differing positions on Gaza that contradict the stance of the United States, both parties continue to maintain their interests in terms of investment.

"Therefore, investment continues to increase, but we are also turning to China where E&E is growing, and electric vehicles (EV) show that China can manage costs and efficiency, particularly in battery production," he said at the Budget 2025 engagement session with players in the E&E industry at SilTerra Malaysia Sdn Bhd's semiconductor foundry today.

The finance minister also said that German Chancellor Olaf Scholz provided strong support for German semiconductor giant, Infineon Technologies AG, to invest significantly in Malaysia, despite differing opinions on Gaza.

In this regard, Anwar explained that although Malaysia's ecosystem is at a good level, the country needs to prepare to further develop the industry, including strengthening the fields of Technical and Vocational Education and Training (TVET), and engineering.

Thus, the prime minister indicated that he will discuss with Higher Education Minister Zambry Abdul Kadir, the possibility of Universiti Utara Malaysia (UUM) establishing a department or faculty of engineering to meet the country's urgent need for skilled workers in the sector, including in Artificial Intelligence (AI).

"However, this is not ordinary engineering; the discipline must be enhanced with a focus on digital AI because AI is dominated by engineers. So, synergy is crucial," he said.

Anwar also emphasised that the recent strengthening of the ringgit adds confidence that Malaysia is on the right track.

He noted that one should not be too complacent, as good figures or data may be misleading, and there are still many steps to be taken for improvement.

Feedback important

Regarding the engagement session, Anwar described it as an opportunity to gather feedback from the industry and stakeholders on policies, incentives, programmes, and implementations before it is brought back for review at the Finance Ministry to be aligned with the Madani 2025 Budget.

“We need to seek your (E&E industry players) input, your advice because as a government, I must say that we do not claim to have all the answers. Sometimes what political leaders lack is humility.

“Your input is important. We will coordinate and try to improve, particularly when we announce our budget in October. This budget is important because, in recent months, Malaysia is now regarded as a semiconductor hub in the region,” he added.

More than 70 E&E industry players from 52 companies based in Kedah, Penang, and Perak attended the engagement session.

Also present were Investment, Trade and Industry Minister Tengku Zafrul Abdul Aziz, and Kedah Chief Minister Muhammad Sanusi Md Nor.

Budget 2025 will be tabled on Oct 18 in the Dewan Rakyat.

- Bernama

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