

Miti justifies 81 percent FDI plunge
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The Ministry of International Trade and Industry (MITI) today justified the 81 percent FDI plunge in 2009, saying that this is mostly because Malaysia is at a different development stage from its neighbours.

The United Nation Conference on Trade and Development's World Investment Report released last Friday showed that Malaysia performed poorly last year, trailing behind countries like the Philippines, Thailand and Indonesia in attracting foreign investment.

Malaysia's severe FDI contraction was even larger compared to the dip of 37 percent in global FDI flows due to the global crisis.

"The other (Southeast Asian) countries attract infrastructure investments like for roads and power supply.

NONE"Malaysia has excess power supply, so we are investing in these areas instead," International Trade and Industry Minister Mustapa Mohamed (right) told reporters after an industry dialogue today.

He also said that it was more a case of quality over quantity, as the country is attracting better-value investments.

"We are attracting quality investments which generate benefits. There is a company which invested only RM200 million but created 1,500 jobs for our graduates," he said.

Being at a different level of the development scale also makes us uncompetitive in attracting investments in certain sectors.

"We cannot compete on textiles, apparel, low-end furniture production and other labour-intensive low-end manufacturing areas," he said.

He added that Malaysia is set to attract more FDI in 2010, with figures for the first five months matching the total in 2009.

"I am the sponsor for the electric and electronics laboratory and I can tell you that there are already concrete proposals for investments which will move us up the value chain," he said.

'Mahfuz made wild claims'

Meanwhile, Mustapa expressed disappointment over the "wild allegations" made by PAS vice-president Mahfuz Omar, who said that foreign investors are shunning Malaysia due to rampant graft.

"(He) has to be specific. We don't want to be shooting ourselves in the foot.

"I am saddened that Malaysians would make such accusations, (but urge him) to bring the matter to the Malaysian Anti-Corruption Commission if he has specific claims," he said.

