

Malaysia making inroads on global investment map

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■ **By Rupa Damodaran**
news@nst.com.my

KUALA LUMPUR: Malaysia is back on the global investment map.

A record RM46 billion was invested in 1,077 approved manufacturing projects last year by local and foreign investors, a 48 per cent jump from the RM31 billion invested in 2005.

Last year's figures, the highest level chalked up to date, exceeded Malaysia's Third Industrial Master Plan target. Projects approved during the period are expected to create close to 90,000 jobs.

International Trade and Industry Minister Datuk Seri Rafidah Aziz announced this when releasing the Malaysian Industrial Development Authority's annual report on the performance of the manufacturing and services sectors.

"Despite the increasing global competition, Malaysia

continues to attract global foreign investment, reflecting the country's cost-competitiveness as a manufacturing and export base."

Foreign investments in manufacturing totalled RM20.2 billion, compared with RM17.9 billion in 2005 and RM13.1 billion in 2004.

Domestic investments amounted to RM25.8 billion, making up 56.1 per cent of the total approved investments, compared with RM13.1 billion or 42.2 per cent in 2005.

Existing companies also continued to expand and diversify their operations in Malaysia, reflected in the approval of 424 expansion or diversification projects with investments of RM16.6 billion.

"These re-investments by existing companies are a testimony to their continued confidence in the investment climate in Malaysia," Rafidah said.

The Capital Investment Per

Employee Ratio (CIPE) ratio, increased from RM270,000 in 2005 to RM517,000 in 2006, reflecting the manufacturing industry's move towards high value-added, high technology and capital intensive investments.

Projects approved in 2006 will create 88,952 jobs, of which 66 per cent will be in the managerial, technical, supervisory and skilled manpower categories.

Rafidah said the encouraging level of domestic investments approved indicated the growing capacity and capabilities of Malaysian companies to compete in the regional and global markets.

Japan led the foreign direct investments (FDIs) inflow last year with RM4.4 billion, followed by The Netherlands (RM3.3 billion), Australia (RM2.6 billion), the United States (RM2.5 billion) and Singapore (RM1.9 billion).

During the year Malaysia

was able to attract several prominent international companies to establish their regional headquarters, including General Electric (US), Ependorf AG (Germany), Aker Kvaerner Group (Norway) and Nippon Electric Glass and Bridgestone Group (Japan).

Rafidah said the global competition for foreign investments was intense, particularly from countries that offered large markets and an abundant supply of labour, and added that for Malaysia to sustain its competitiveness, the government would ensure that the business environment remained attractive.

She said Prime Minister Datuk Seri Abdullah Ahmad Badawi's decision to establish a high-powered 23-member task force to promote quicker reform of the delivery system indicated the government's seriousness in wanting to make the country an attractive investment destination.

