

DOMESTIC DIRECT INVESTMENTS TO BE PART OF KPI, SAYS PM

It has potential to attract more FDI as foreign investors use it as benchmark of confidence

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THE government has set domestic direct investment (DDI) as one of the key performance indica-

tors (KPI) to generate total national investment, following the second National Investment Council Meeting (NICM) here yesterday.

Prime Minister Datuk Seri Anwar Ibrahim said strategic DDI had the potential to attract more foreign direct investment (FDI) because foreign investors always considered DDI as a benchmark of confidence, and the commitment of domestic investors towards the government's policies in strengthening the country's investment and business landscape.

"The Investment, Trade and Industry Ministry (Miti) has committed to balance both FDI and DDI to stimulate sustainable and balanced development throughout the country.



Improvements on domestic direct investment may be achieved through cooperation and strategic involvement by government-linked investment companies and government-linked companies. FILE PIC

"The existence of a more strategic domestic industrial ecosystem is very important not only to generate sustainable gross domestic product (GDP) growth, but also to empower the domestic economic ecosystem in the face of various global challenges, including the threat of climate change, as well as various post-pandemic and geopolitical challenges that cause supply chains to be disrupted, rising cost of raw material prices and high global inflation rates," he said.

Anwar said the government had implemented various initia-

tives to encourage an increase in DDI, but believes that efforts to improve DDI needed to be more comprehensive.

This, he said, could be achieved through cooperation and strategic involvement by government-linked investment companies (GLICs) and government-linked companies (GLCs) to empower DDI. He said that GLICs managed investment assets worth more than RM1.7 trillion, and played an important role not only in driving the development of critical infrastructure and enabling the growth of various new economic

sectors, but also in helping to attract foreign investors.

"Although several studies have confirmed the benefits of FDI to the country, the empowerment of high-quality domestic investment is equally important and must continue to be facilitated in driving the national economy as well as developing the industrial chain structure, especially the development of micro-, small- and medium-scale enterprises (MSMEs)," he said.

For last year, a total of RM267.7 billion in investments from 4,517 approved projects in various economic sectors, including services, manufacturing and primary industries, was expected to generate 140,440 job opportunities. Anwar said DDI contributed as much as RM104.4 billion, or 38.9 per cent to the amount.

For the first quarter this year, the FDI to DDI ratio was 52.5 per cent for FDI and 47.5 per cent for DDI, from investment commitments amounting to RM71.4 billion, an increase of 59.7 per cent in a year-on-year basis, he said.

"The increase in the DDI ratio reflects the increased confidence of local companies and businesses in the current government policy," said Anwar.

The NICM also discussed the best mechanism in streamlining the landscape of the country's Investment Promotion Agency by Jan 1.