

PM: Domestic investment growing despite lower FDI

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KUALA LUMPUR: Despite lower foreign direct investment (FDI) last year, there is no reason for concern by the government because the overall investments in Malaysia have recorded an increase, says Prime Minister Datuk Seri Anwar Ibrahim.

He added the increased overall investments were due to a surge of domestic investments in Malaysia.

"FDIs did decrease last year, but the overall investment was the highest because there was a drastic increase in domestic investments.

"That is why we are not worried.

"The Investment, Trade and Industry Ministry (Miti) announced that the figure this year was much higher than previously projected," he said during the Prime Minister's Question Time (PMQT) at the Dewan Rakyat yesterday.

Anwar was responding to a question from Datuk Idris Ahmad



For the record: Anwar speaking during Prime Minister's Question Time in the Dewan Rakyat. — Bernama

(PN-Bagan Serai) about figures from the Statistics Department (DOSM) stating that FDIs had decreased in 2023 compared to 2022.

Last month, Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz said there was potential for approved investments this year to

exceed last year's RM329.5bil given the positive data from the first quarter of 2024.

He added Malaysia recorded RM83.7bil in approved investments across various sectors in the first quarter, representing a 13% increase from RM74.1bil in the same period last year.

In 2023, Malaysia recorded a

historic high of RM329.5bil in approved investments, marking a 23% increase from RM267.7bil in 2022. Of the 2023 total, 57.2% came from foreign investments, while 42.8% came from domestic sources.

"This year's GDP (Gross Domestic Product) growth is between 4% and 5%, so approved investment should grow at least one time that rate," said Tengku Zafrul.

On a separate note, Anwar said Malaysia is becoming a semi-conductor hub in the region, and the government is focusing on attracting more investments into the country.

He added two challenges have been identified in meeting investment targets, such as ensuring the completion of basic infrastructure and providing local talents.

"More intensive training in technical and vocational education and training (TVET), universities, GiatMara or educational institutions is needed to meet current needs," he added.

Meanwhile, Anwar said the Kerian Integrated Green Industrial Park (Kigip) announced in Budget 2024 last year was to

help improve the livelihood of locals in north Perak and also south Penang.

"Kigip is a Federal Government initiative and a public-private partnership to develop high-technology industrial areas. It will depend on solar energy as its energy source," he added.

He said the first phase of Kigip involves developing 404ha of land.

"The land is owned by Sime Darby, and the Perak state government is expediting the land acquisition process this year as well," he added.

Anwar was responding to Datuk Muhammad Bakhtiar Wan Chik (PH-Balik Pulau), who asked about the direction of Kigip in spurring domestic investments.

Last month, the Federal Government approved RM4bil in allocations to Kigip, as well as to provide treated water supply to northern Perak and Penang.