

FDI Growth To Support Six Per Cent GDP Target
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KUALA LUMPUR, June 23 (Bernama) -- A sustainable 5-10 per cent annual increase in foreign direct investments (FDIs) is expected to contribute 0.5 to one percentage point rise in Malaysia's gross domestic product (GDP) growth, making the six per cent GDP target achievable.

Group chief economist of RAM Holdings Bhd, Dr Yeah Kim Leng, said policy framework, business facilitation and economic determinants or drivers must be synchronised to raise Malaysia's competitiveness in attracting FDIs.

"FDIs have significantly contributed to Malaysian economy growth, structural change, employment generation, exports as well as giving the government more revenues, he said at the CEO Forum 2011, themed "Does FDI Still Matter to Malaysia" here today.

Meanwhile, Deputy Minister of International Trade and Industry, Datuk Mukhriz Mahathir, said in view of the important role of FDIs, the government would continue to promote foreign investment especially in the manufacturing and services sectors.

He said the government was aggressively combining FDI and domestic direct investment (DDI) to be one of the growth engines to support the country's growth towards a high-income economy.

"We are also aggressively promoting DDI among local companies. We aim for a ratio of 50:50 and has lined up initiatives to attract local companies to invest in the country," he said.

Mukhriz said in 2010 Malaysia's FDIs in 2010 amounted to RM9 billion, a significant increase compared to the RM1.4 billion in 2009.

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