

FDI Section 马来西亚

Malaysia: targeting new economic milestones



Photo: Shutterstock

Bolstered by its role as Chair of the Association of Southeast Asian Nations (ASEAN) for 2025, Malaysia's success in attracting inward investment is securing its reputation as a key economic player within the region.

Foreign direct investment (FDI) has amplified Malaysia's growth in recent years. The government announced a record \$74 billion in approved FDI in 2023—with a further \$36 billion by mid-2024—an achievement that has not only cemented Malaysia's pivotal role within ASEAN but also boosted its appeal to global investors. It is easy to see how Malaysia's fertile investment climate, accelerated by government-backed growth initiatives in high-priority sectors, makes the country a rewarding place to do business. But the nation's appeal is further augmented by its highly developed technology infrastructure and impressive, cross-sector manufacturing ecosystem. These advantages are

anchored by Malaysia's strategic location in the South China Sea—a factor that also facilitates potentially lucrative trade opportunities with non-ASEAN partners, including India and Australia.

This trade-focused approach mirrors a broader shift among governments looking to benefit from the widespread proliferation of global value chains. In Malaysia, the focus on digital innovation, specifically on high-value sectors like semiconductors, is already paying off in the sheer volume of exports. For investors, this makes Malaysia the smart and strategic choice, offering a convenient gateway to Southeast Asia while being well equipped to navigate the complexities of an increas-

ingly interconnected global economy. The government's commitment to structural reform and to its green transition, under the administration's New Industrial Master Plan 2030, will further propel the country toward a more inclusive, resilient and sustainable economy—as reflected by International Monetary Fund (IMF) projections which forecast Malaysia's output to grow by 4.7% in 2025. The IMF's confidence is well-placed: Malaysia has done much to promote economic growth and poverty reduction over the past few decades, as the country redoubles its efforts in anticipation of transitioning to high-income nation status by the end of the decade.



Prime Minister Anwar Ibrahim attends MCA Chinese New Year gathering.
Photo: Official website of the Prime Minister's Office of Malaysia



Photo: Maybank

Why invest in Malaysia in 2025?

With a robust economic outlook, business-ready climate and dynamic workforce, Malaysia continues to prove itself as a competitive investment destination.

Malaysia is rapidly becoming the overseas hub of choice for shared services and leading technology industries. The country's established infrastructure and regulatory stability offer the assurance organisations seek, while its skilled workforce and commitment to fostering

innovation mean businesses have ready access to talent that can match industry demands. "Malaysia is likely one of the best-performing markets in Southeast Asia," says Dato' John Chong, Group CEO of Global Banking for Maybank. "We are witnessing an influx of foreign direct investments into Malaysia."

The nation's role within the Association of Southeast Asian Nations (ASEAN) further heightens Malaysia's appeal, allowing investors easy access to the region's interconnected economies, which represent more than 672 million people. Over the past decade, ASEAN's economic growth means that the bloc is now the third-largest economy in Asia and the fifth-largest in the world. "With

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Maybank

Malaysia's role as Chair of ASEAN for 2025, we have a significant opportunity to strengthen regional cooperation," comments Dato' John.

Leading Voices

领袖之声

Harnessing innovation for growth



Photo: Ministry of Science, Technology and Innovation

Malaysia's Ministry of Science, Technology and Innovation (MOSTI) is targeting high-tech nation status by supporting technological advancements through policy and regulation, while also prioritising agile governance to increase the country's competitiveness on the global stage. A key goal is to develop science, technology and innovation (STI) enablers and to respond to national imperatives by building ambitious, sustainable sector capacity.

Appointed to the role in 2022, Minister of Science, Technology and Innovation Chang Lih Kang's background in engineering, coupled with his passion for innovation, make him ideally placed to further Malaysia's tech ambitions. Here he shares his vision for a ministry that drives technological advancement within a model of effective and inclusive governance to create a better future for all Malaysians.

Q: How are you cultivating the talent Malaysia needs to develop AI?

Our AI Roadmap outlines strategies to foster AI talent, focusing on offering comprehensive and inclusive AI education, reskilling and upskilling the existing workforce, as well as attracting and retaining AI talent. Investment in research and development (R&D) is another key strategy.

Q:



"Malaysia's many technology centres facilitate innovation and growth."

Chang Lih Kang
Minister of Science, Technology and Innovation

Q: What are the opportunities for collaboration between Malaysia and China?

Recent agreements between Malaysia and China open up several promising opportunities for collaboration in the technology sector, including the Malaysia Startup Ecosystem Roadmap, empowering startups to tap into potential opportunities; the KL20 Action Plan, designed to attract international investors to invest in Malaysian

technology-based startups; and MRANTI Park technology hub.

Q: How is Malaysia developing its innovation ecosystem to attract FDI?

The National Technology and Innovation Sandbox enables researchers and entrepreneurs to test products in a live environment. It also offers grants to accelerate the transition from R&D to market readiness. Similarly, a 5G Experience Centre features a prototyping, testing and demo lab to showcase industry-specific applications. MRANTI's autonomous vehicle experimental lab is focused on research and testing for autonomous and next-generation vehicles.

Q: What advantages can Malaysia offer to Chinese investors in STI?

The government offers a variety of incentives for foreign STI investors, including tax breaks, grants and funding schemes under the Malaysian Investment Development Authority and MOSTI. Malaysia is known for its political stability and pro-business policies and has a large pool of STEM talent, with top-tier universities and research institutions.

Q: Why is Malaysia becoming such a valued environment for investors?

Over the past two years, a total of US\$14.5 billion has been committed to the development of data centres in Malaysia by tech giants such as Google, Microsoft, NVIDIA and Amazon. Malaysia's many technology centres facilitate innovation and growth through collaborative spaces, funding opportunities and industry connections.

Q: How significant is the renewables sector for Malaysia's future economy?

Malaysia's Hydrogen Economy and Technology Roadmap (HETR) is poised to significantly impact the country's economic landscape. The growth potential for the hydrogen sector is substantial, with projections that it could generate up to US\$2.71 billion in revenue and contribute up to US\$13.65 billion to GDP by 2030, creating over 45,000 jobs. The HETR is a crucial component of Malaysia's strategy to become a leader in energy transition and renewable energy.

Malaysia's green vanguard



Nik Nazmi Nik Ahmad
Minister of Natural Resources and Environmental Sustainability

Minister of Natural Resources and Environmental Sustainability Nik Nazmi Nik Ahmad is guiding Malaysia through an ambitious ecological transition, blending modern environmental policy with practical action. Globally recognised for proactive biodiversity measures and bold climate commitments, he remains optimistic about Malaysia's environmental future. His strategies—integrating Indigenous groups into conservation efforts, employing ecological fiscal transfers and pushing forward a landmark climate bill—reflect a nuanced vision for sustainability in Southeast Asia.

Q: What initiatives has your ministry undertaken to protect Malaysia's biodiversity?

We are happy that our ministry's team managed to integrate our report on protecting biodiversity with the Kunming-Montreal Global Biodiversity Framework at COP15. We increased consultations between state and federal governments regarding land, forests and water sources within state powers. Without their support, effective measures on the ground wouldn't be possible. We also distributed money from the federal to state governments for conservation. This started with RM60 million in 2019 and is now up to RM250 million for 2025. We actively engage with Indigenous communities, Orang Asli and Orang Asal, because they live on the frontlines of the forests. They've been effective in fighting poachers. We started with 1,000

community rangers and will reach 2,500 next year, a significant increase. Aside from Indigenous people, we also include military veterans and police retirees to safeguard our wildlife against poachers. We also work closely with civil society on numerous conservation projects. The idea is for people to value the forest as it is rather than see it as timber or plantation land for palm oil. Recent data from national agencies shows deforestation has fallen significantly, although much work remains.

Q: What are the key points of your proposed climate change bill under the Twelfth Malaysia Plan?

We are committed to reducing the intensity of greenhouse gas emissions across the economy by 45% based on GDP in 2030 compared to 2005 levels—that is our nationally determined contribution. And we are committed to reaching net zero by 2050; we want to be a beacon of climate ambition. We've started public consultations online for the climate change bill and aim to bring it to Parliament next year. The bill will legally bind our Paris and net-zero targets for 2050.

"We are committed to reaching net zero by 2050; we want to be a beacon of climate ambition."

Q: How do you want the international community to perceive Malaysia in terms of climate strategy?

While Malaysia is small in size, we are ambitious with our climate goals. We are one of the most megadiverse countries in the world. As we transition from being a low-value, low-wage economy to a high-value, green-growth economy, significant investment is required, which can only happen through strong foreign partnerships.

Pioneering durian production



Photo: DRS Taiko Berhad

Established in 2017, DSR Taiko operates a complete orchard-to-consumer supply chain, harvesting, processing and distributing quality durian products to an international market. Co-founder and CEO Dato' Lian Poh Ng and Chief Technical Officer Ts. Ajmain Bin Kasim share their goals and aspirations.

Q: What is your vision for DSR Taiko?

Dato' Lian: To position DSR as the go-to national brand for durian and durian-based products. We believe that the value is higher and more sustainable in the long term as a value-added product rather than just a commodity.

Q: How do you ensure consistent quality?

Dato' Lian: We have developed a system in collaboration with Sirim called the Musang King Standards and Musang King Integrated Trading Tracking System. This ensures quality, helping to create and maintain brand value.

Q: What are your plans for expanding in the Chinese market?

Dato' Lian: Our goal is to have direct access to the Chinese market. We need more orchards to meet demand. Branding—and certification—is crucial to verify that our

products are original and contain genuine Musang King raw materials.

Q: How are you planning to maintain your edge in the market?

Dato' Lian: By focusing on technology adoption. We collaborate with research institutions and higher learning centres to develop better systems, such as biosensors, renewable energy solutions and species tracing. Ts Ajmain: We are creating a knowledge-based centre to support our integrated structure and business sustainability model across all aspects. This will lead to more innovative findings in agricultural development and advancements.

Q: What are your sustainability strategies?

Dato' Lian: Our first initiative is the implementation of the Sirim ESG Management System for DSR. We are also collaborating with a research institution on renewable energy for our orchards. Additionally, we are working with the Forest Research Institute to address carbon emissions related to durian trees.

Q: What are your expectations for revenue growth?

Dato' Lian: We are very confident in our future performance. Our



"We are very confident in our future performance."

Dato' Lian Poh Ng
Co-Founder & CEO,
DSR Taiko Berhad



"Our goal is to have direct access to the Chinese market."

Ts. Ajmain Bin Kasim
Chief technical Officer
(Ts. A), DSR Taiko Berhad

profit stands at RM18.29 million for the financial year that ended in June 2024. The Chinese market is enormous, and the Musang King—which only comes from Malaysia—presents huge potential, giving us a competitive advantage.

Boosting bilateral trade

China Enterprises Chamber of Commerce in Malaysia (CECCM) was created in 2002 to expand bilateral trade in a fair and collaborative way. New CECCM President Ni Qingjiu shares his vision and explains the role of the organisation in promoting cooperation between the two countries for mutual benefit.

Q: What are CECCM's current priorities?

We've been working more closely with Malaysian government agencies to get extra support for our members, helping them stay competitive. At the same time, we've been boosting our efforts in public welfare to build a stronger community presence and improve how people see us. We continue to uphold our principles of coordination, networking, promotion, research, information and rights protection. International cooperation benefits everyone.

Q: What role do you play in strengthening bonds between China and Malaysia?

As we celebrate 50 years of diplomatic relations between the two countries, our focus is on fostering business collaborations, supporting digital transformation and advocating for policy improvements. This includes our planned collaboration with Malaysia Digital Economy Corporation and our strategic partnership in the Malaysia-China Summit last December.

Q: What were the main objectives of the summit?

The summit was an important opportunity to deepen the relationship between Malaysia and China, focusing on long-term economic growth. CECCM views this an important moment to reinforce our ongoing efforts in these areas and align our strategies with the broader goals of both nations. The agreements we



2024 General Chamber of Commerce Annual Dinner.
Photo: China Enterprises Chamber of Commerce in Malaysia (CECCM)

reached set the stage for ongoing economic cooperation, helping both countries thrive in an increasingly complex global market.

Q: What makes China such an important trading partner?

According to 2024 statistics, China continues to be Malaysia's largest trading partner, making up 17% of Malaysia's total trade.

Q: What benefits can members expect from CECCM?

The majority of our members are Chinese investors who have set up businesses in Malaysia, along with local companies—law firms, medical centres and hotels—that provide services to these enterprises. We act as a bridge, connecting our members with key stakeholders in China and helping them build a strong and respected presence there.

Q: How has your leadership influenced CECCM's vision?

Since stepping into the role, I've



"China continues to be Malaysia's largest trading partner."

Ni Qingjiu
President, China Enterprises Chamber of Commerce in Malaysia (CECCM)

been working to make sure everything we do at CECCM matches up with the goal of improving business between China and Malaysia, to better support our members as things change rapidly.