



PRESS RELEASE MINISTRY OF FINANCE MALAYSIA

THE 48% INCREASE IN 2018 APPROVED FDI TO RM80.5 BILLION AND THE 3.2% RISE IN THE INDUSTRIAL PRODUCTION INDEX (IPI) FOR JANUARY 2019 IS CONSISTENT WITH OVERALL POSITIVE FIGURES OF ENCOURAGING ECONOMIC GROWTH

Malaysia is enjoying encouraging economic growth and this is reflected by the strong 48% increase in approved foreign direct investment (FDI) across all sectors to RM80.5 Billion for the whole of 2018. Approved FDI is an important leading indicator that can provide crucial information about the health of the economy.

The FDI growth is augmented by a healthy 3.2% year-on-year expansion in January 2019 for the Industrial Production Index (IPI), which is better than the market consensus of 2.3% as compiled by Bloomberg. This is consistent with the overall positive numbers Malaysia is recording and the trend will likely continue in the near future despite external challenges.

The steady hands provided by the government in steering the economy has helped raised approved FDI over the course of last year. In the first half of 2018, approved FDI for all sectors was only RM26.5 Billion but in the second half, it was significantly higher at RM54.0 Billion (see Table 1).

Table 1: Approved FDI for 2018

Period	Total approved FDI across all sectors
First half 2018	RM26.5 Billion
Second half 2018	RM54.0 Billion
Total for 2018	RM80.5 Billion

The marked increase in approved FDI also highlights the crucial role Malaysia plays as a stable regional manufacturing hub, as well as a safe haven for international supply chains amid the continuing trade war between China and the United States. Indeed, FDI planned by manufacturers from China rose 410.8% or RM15.8 Billion from RM3.9 Billion in 2017 to RM19.7 Billion in 2018. At the same time, approved manufacturing investment from the United States grew by 184.9% or RM2.1 Billion from RM1.1 Billion in 2017 to RM3.2 Billion.

But it is not just China and US manufacturers that are widening their footprints in Malaysia. Indonesian investors intended to invest RM9.0 Billion in 2018 from a mere RM0.5 Million in 2017, which makes Indonesia the second largest source of foreign manufacturing investment after China.

The Government will continue with its reforms to raise the quality of growth and to ensure that the fruits of Malaysian growth are shared across all segments of society.

Sayangi Malaysiaku!

Lim Guan Eng
Minister of Finance

Ministry of Finance Malaysia
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