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# Higher approved investment seen in 2013

It's expected to exceed last year's performance based on encouraging H1 results

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**KUALA LUMPUR:** The approved investment for the whole of 2013 is expected to exceed last year's performance based on the encouraging results of the first six months of the year, said Malaysian Investment Development Authority (Mida) chief executive officer Datuk Noharuddin Nordin.

"Investors continue to have confidence in the conducive business environment prevailing in Malaysia. The country recorded RM97.4bil of approved investment in the first half of the year as compared to RM75bil in the corresponding period last year, despite weaker global economic growth.

"It is envisaged that this trend in the first half of the year would be sustained, as Mida is currently negotiating projects with potential investments of RM39.7bil that is expected to be realised in the second half of the year," Noharuddin said at a briefing on the investment update in the country.

He said the services sector constituted the bulk of the investment approved in the first half of the year, amounting to RM58.1bil or 59.7% of the total, followed by the manufacturing sector at RM22.5bil or 23.1% and the primary sector at RM16.8bil or 17.2%.

The investment in the primary sector was mainly from 22 projects related to oil and gas activities.

"Domestic investment amounted to RM66.7bil or 68.5% of the total approved investment, while foreign investment totalled RM30.7bil.

"A total of 90,881 job opportunities are



Noharuddin (left) and Mida deputy chief executive officer 1 Datuk Azman Mahmud at the briefing.

expected to be generated from the 2,652 projects approved in the first half of this year," he said.

Noharuddin added that the investment services sector was mainly in real estate, hotel and tourism, transportation and global operations hub.

On the manufacturing sector, he said 336 projects had been approved at an investment totalling RM22.5bil.

"Of this, 80% was from new projects while the balance was re-investments in expansion or diversification projects by existing investors."

While domestic investment continued to dominate, with investment totalling RM50.2bil or 86.4% of the investment approved, Noharuddin said he was pleased that foreign investment had doubled to RM7.9bil in the first half of the year from a year ago.

"This is partly due to the Government's efforts in working closely with the private sector to create more innovative service products to meet the demands of a growing economy," he said.

Going forward, he said Malaysia would continue to promote multinational companies to



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set up regional or global operation hubs in the country.

"Investment from these global operations totalled RM4.6bil in the first half of the year, surpassing the amount recorded for the whole of last year.

"This includes the setting up of a world-class global service centre by Intel Microelectronics (M) Sdn Bhd, which would support Intel's operation worldwide," he said.

On the balance of payment (which tracks the real spending from the initially approved investment amount) by foreign direct investors, Noharuddin said it increased by 14.1% in the first half of the year as compared to the corresponding period last year.

"Currently, our rate of implementation (from the approved investment amount) hovers around 70% to 80%, which is good, but we are striving for it to be better," he said.