

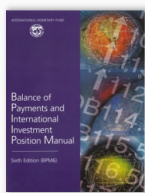
FOREIGN INVESTMENT IN MALAYSIA SERIES 1

A. What is Foreign Direct Investment (FDI)?

Investment from foreign direct investors that owned at least 10 per cent of equity of a company in Malaysia

In the form of financial instruments:

- Equity & Investment fund shares**
- Debt instruments (e.g. debt securities, trade credit, loans, insurance & pension, currency & deposits, other account receivable/payable)**

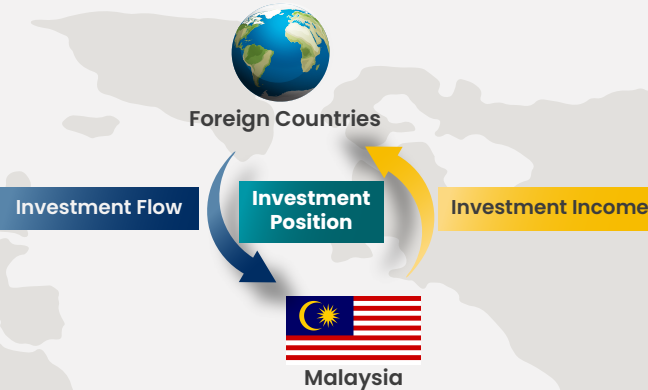
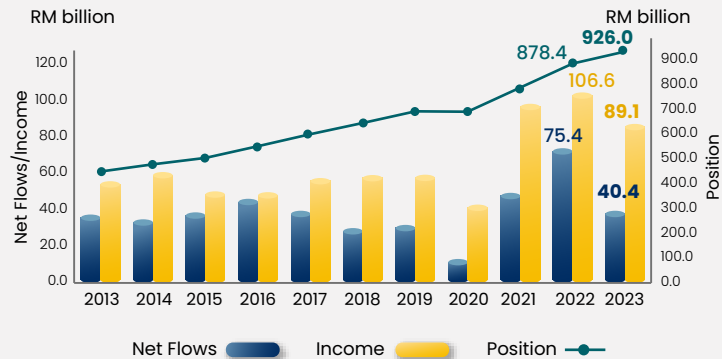


“...the immediate direct investment relationships arise when a direct investor directly owns equity that entitles it to **10 per cent or more** of the voting power in the direct investment enterprise.”

Balance of Payments and International Investment Position Manual Sixth Edition (BPM6)

- The data is compiled and officially published by Department of Statistics Malaysia (DOSM)
- Details published data consists of investment by components, sectors and country of origin.

FDI Performance, 2013–2023



Types of FDI Statistics

FLOW

- Refer to acquisition and disposal of financial instrument
- During a reference period

INCOME

- Returns on Equity & investment shares and debt instruments from companies

Comprises of:

- Dividends** – Distribution of profit to direct investor
- Reinvestment of earnings** – Earnings that are not distributed as dividends/ reinvested back,
- Interests** – Income payable/ receivable arising from debt instruments, debt securities etc.

STOCK (POSITION)

- Total stocks as at the end of reference period
- Also known as Position
- Derived** from **Opening stock, financial transaction** and **Non-Transactional Items** (non-transaction as price changes, exchange rate changes and other changes)

FDI Statistics Official Dissemination



Quarterly BOP Statistics



Quarterly International Investment Position (IIP) Statistics



Annual Statistics of Foreign Direct Investment in Malaysia (FDI)

FDI Statistics Dissemination to International Agencies

- International Monetary Funds (IMF)
- ASEANStats
- UN Trade & Development (UNCTAD)

Source: Department of Statistics Malaysia (DOSM), Malaysian Investment Development Authority (MIDA)

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B. What is Approved Foreign Investment ?

- Foreign Approved Investment is compiled based on new/expansion/diversification project proposals which have been granted approval for license, incentive, permit, status, grant/soft loan by the relevant Ministries and Agencies
- The value of approved investment is derived from the Total Project Cost or Total Operating Expenditure (OPEX)
- The data dimension covers investment by sector (Primary, Manufacturing and Services), country, states, number of projects and number of jobs created

MALAYSIAN APPROVED INVESTMENT PERFORMANCE 2023



Total Approved Investments
RM329.5 billion



Foreign Investments (FI)
RM188.4 billion
(57.2%)



Domestic Investments (DI)
RM141.1 billion
(42.8%)



5,101
Projects



127,332
New Jobs

Investment:

DOSM's Foreign Direct Investment

Cross-border investment in the form of financial instruments following international recommendation guideline BPM6, IMF

- Actual foreign investment flow into country during a specific period
- Lead indicator for policy formulation and economic planning

Minimum 10 per cent of equity ownership

Financial instrument:

- Equity & Investment fund shares
- Debt instruments

Survey on Quarterly International Investment Position by DOSM and BNM

Department of Statistics Malaysia (DOSM)

Official compiler and producer statistics for nation (e.g.: Balance of Payments and FDI Statistics)

Definition

Purpose

Concept

Component

Data Source

Agency producer

Role

MIDA's Approved Foreign Investment

Investment is based on new/expansion/diversification project proposals

Potential investment to the country which may be realised into actual inflows over a certain time period or across multiple year

Based on the apportionment of the total approved investment in accordance with the foreign equity share in the project

- Total Project Cost
- Total Operating Expenditure (OPEX)

Administrative data/record

Malaysian Investment Development Authority (MIDA)

The government's principal investment promotion and development agency under MITI to oversee and drive investments into the manufacturing and services sectors in Malaysia

Source: Department of Statistics Malaysia (DOSM), Malaysian Investment Development Authority (MIDA)

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