



MEDIA STATEMENT

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STATISTICS ON FOREIGN OWNED ESTABLISHMENT (INWARD FATS) AND STATISTICS ON MALAYSIAN AFFILIATES ABROAD (OUTWARD FATS) 2022

Foreign owned establishments accounted for 17.7 per cent to Malaysia's economy, generated a value added of RM316.8 billion in 2022.

PUTRAJAYA, 27 November 2024 – A total of 3,056 foreign affiliates were operating in Malaysia, contributed a value added of RM316.8 billion in 2022, making up 17.7 per cent of Malaysia's economy. Concurrently, Malaysian enterprises registered a turnover of RM341.0 billion from 2,360 affiliates abroad. The Department of Statistics Malaysia (DOSM) reported today in its ***Statistics of Foreign Owned Establishment (Inward FATS) and Statistics on Malaysian Affiliates Abroad (Outward FATS) 2022***.

Explaining on the concepts, the Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin said, "Foreign affiliates refer to enterprises with more than 50 per cent equity owned by a single foreign investor. Inward FATS provide insights into the performance of foreign affiliates in Malaysia, highlighting their contributions to the country's economy in terms of value added, trade and employment by economic activity. Meanwhile, the Outward FATS helps to understand the footprint of Malaysia's enterprises in foreign economies, emphasising their global reach through turnover, number of affiliates and employment by economic activity. Basically, these statistics differ from Foreign Direct

Investment (FDI) and Direct Investment Abroad (DIA). Direct investments capture investment flows, stocks and income, while FATS focus on data related to the operations of enterprises.”

Signalling promising sign of Malaysia’s thriving economy, the number of foreign affiliates in the country increased by 2.3 per cent to 3,056 affiliates. In 2022, these affiliates generated RM316.8 billion in value added, reflecting a 15.5 per cent increase as compared to RM274.3 billion in the preceding year. Additionally, the number of employees engaged in foreign affiliates also expanded by 4.4 per cent on an annual basis to record 923,415 persons. This rise in employment signalling the growing job opportunities from foreign investment. In turn, the compensation of employees in these affiliates also showed a healthy boost, accelerating from RM51.9 billion to RM56.4 billion in 2022.

Looking at the performance of Inward FATS by economic activities, Dato’ Sri Dr. Mohd Uzir Mahidin noted that the Manufacturing sector remained as the main contributor with a value added of RM157.8 billion, making up the highest share of 49.8 per cent in 2022 (2021: share of 48.6%). This sector employed 690,933 persons and paid out RM37.8 billion in compensation, with significant portion coming from Electrical & electronic and optical products sub-sector. The second highest value added was recorded by Mining & quarrying sector at RM81.8 billion or 25.8 per cent shares, surpassing the Services sector (RM73.4 billion) . Nevertheless, the Services sector recorded the second highest number of employees at 188,501 workers with a paid compensation of employees RM14.5 billion.”

Furthermore, the trade performance of foreign affiliates showed a favourable growth in 2022. Exports from these affiliates expanded by 33.8 per cent, while imports grew by 27.3 per cent. Both exports and imports of Inward FATS contributed 36.0 per cent and 32.3 per cent of Malaysia’s trade in goods & services, respectively. Investors from Asia

region registered the highest number of foreign-controlled enterprises in Malaysia, made up 63.7 per cent of the total affiliates.

The Chief Statistician of Malaysia also highlighted the impressive growth of Malaysian-controlled affiliates abroad, which were continuing their upward trajectory. The number of Malaysian affiliates abroad rose by 1.4 per cent from 2,328 to 2,360 in 2022, marking a steady expansion. Malaysian affiliates abroad recorded a 2.1 per cent year-on-year increase in turnover, reaching a total of RM341.0 billion. The number of employees also increased from 412,295 in 2021 to 417,012. This growth contributed to a 4.6 per cent surge in total compensation of employees, amounting to RM25.1 billion compared to the previous year.

Based on the sectoral distribution, “In 2022, the Services sector continued to dominate Malaysia’s Outward FATS, contributing, 67.8 per cent to the annual turnover with RM231.6 billion. It was followed by the sector of Manufacturing (RM58.3 billion), Mining & Quarrying (RM29.3 billion), Agriculture (RM15.9 billion) and Construction (RM5.9 billion).

Meanwhile, the regional breakdown showed that Asia generated the highest turnover with a value of RM201.1 billion, nearly 60 per cent of the overall turnover. Malaysian affiliates operating in Indonesia (RM48.6 billion), Singapore (RM48.1 billion) and United Kingdom (RM43.8 billion) played major roles in boosting Malaysia’s global trade success.

The Department of Statistics Malaysia (DOSM) has launched OpenDOSM NextGen as a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through <https://open.dosm.gov.my>.

The Government of Malaysia has declared National Statistics Day (MyStats Day) on October 20th. MyStats Day theme is “Statistics is the Essence of Life”. DOSM commemorates its 75th Diamond Jubilee in 2024.

Chart 1: Number of Foreign Affiliates in Malaysia, 2012-2022

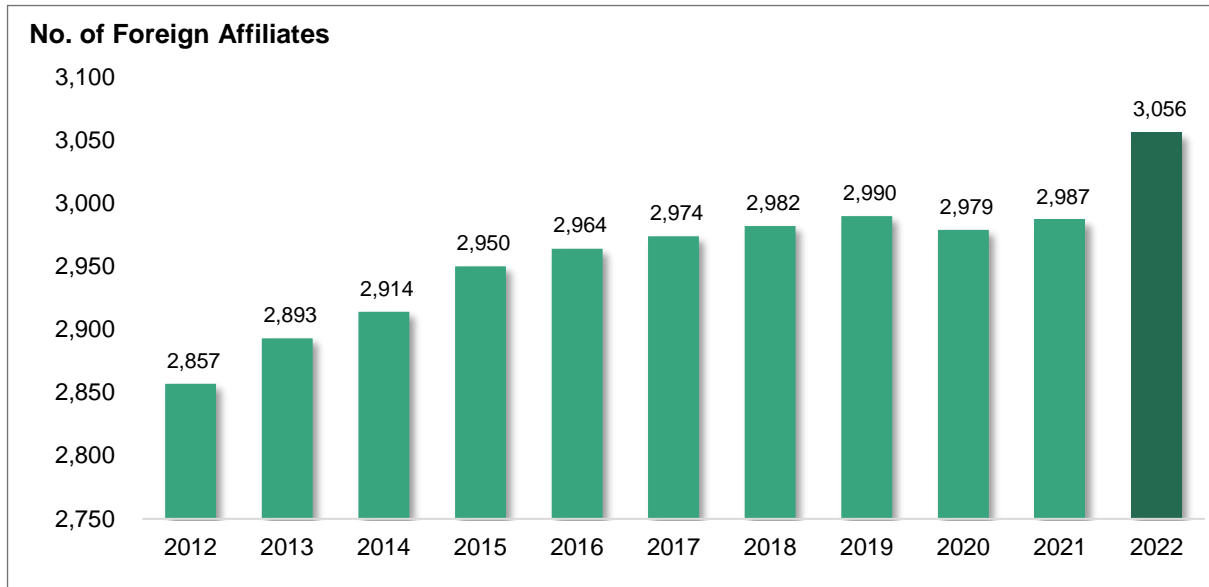


Chart 2: Value Added of Foreign Affiliates in Malaysia, 2012-2022

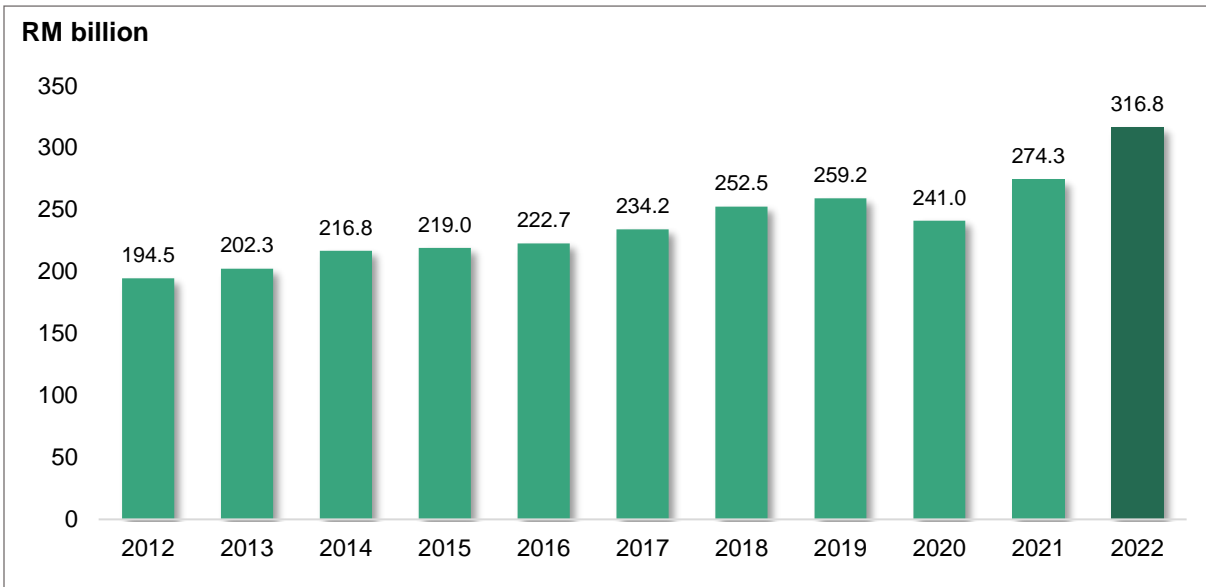


Chart 3: Number of Employees and Compensation of Employees of Foreign Affiliates in Malaysia, 2012-2022

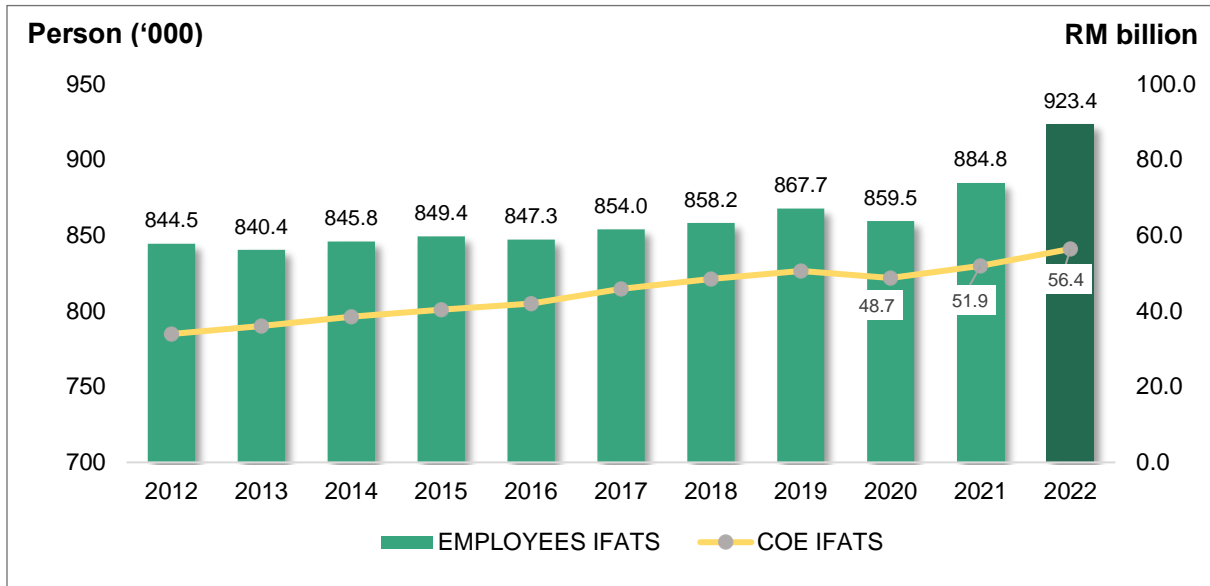


Chart 4: Number of Malaysian Affiliates Abroad, 2012-2022

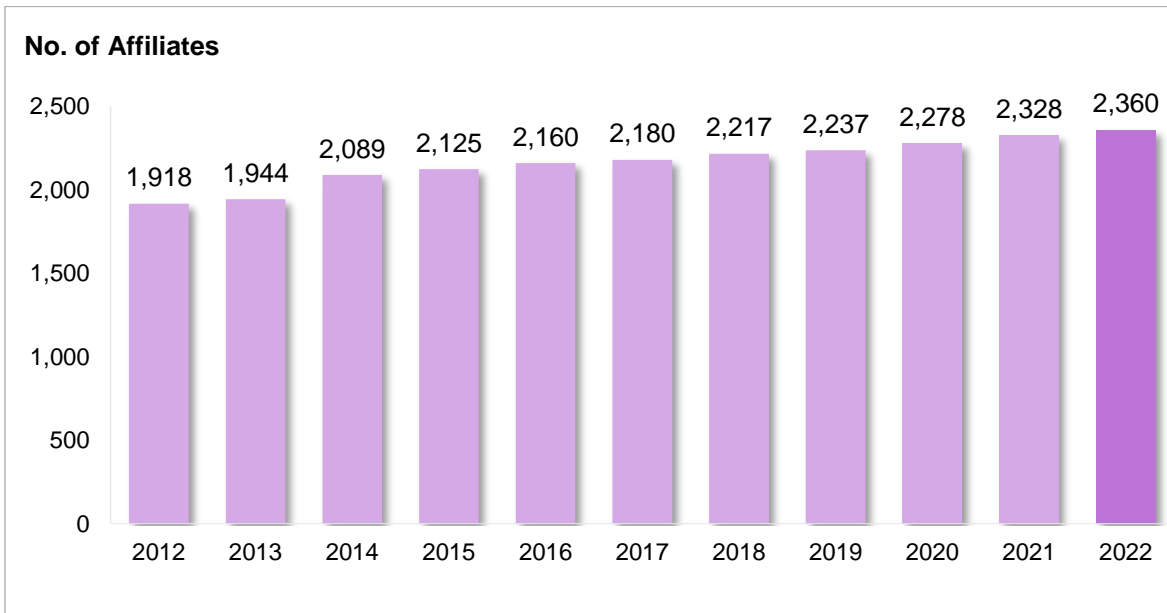


Chart 5: Turnover of Malaysian Affiliates Abroad, 2012-2022

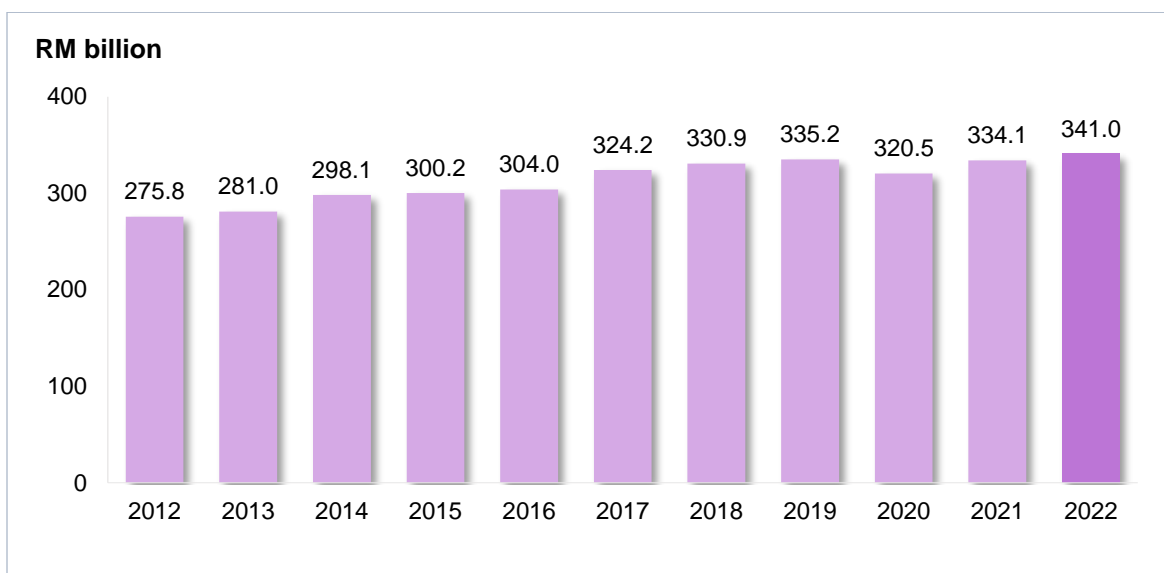
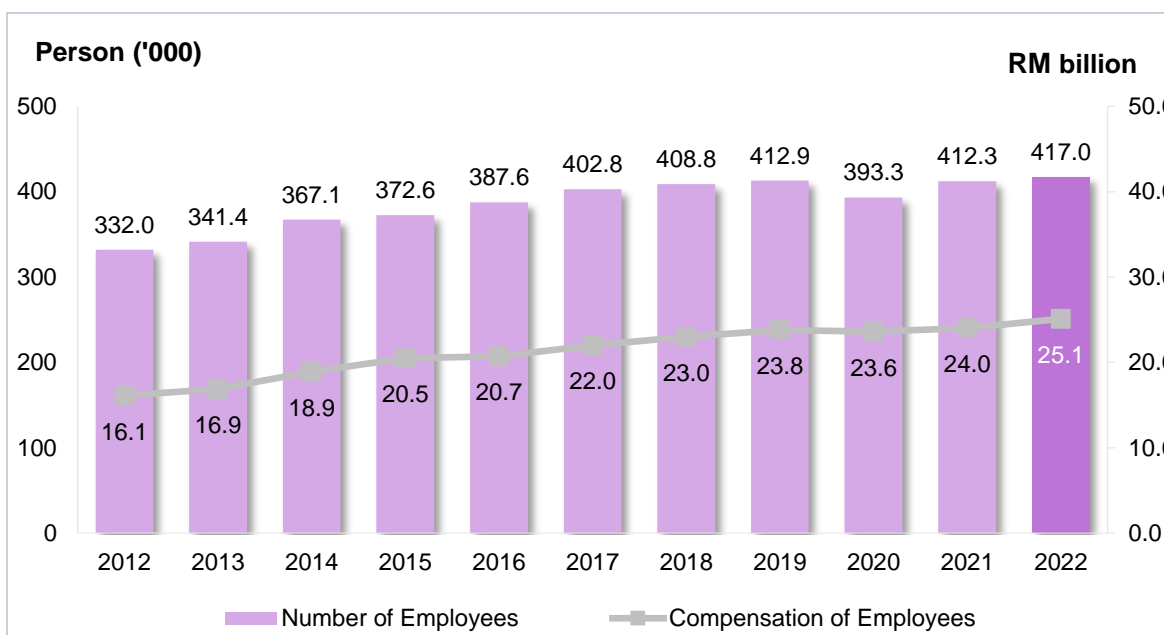


Chart 6: Number of Employees and Compensation of Employees of Malaysian Affiliates Abroad, 2012-2022



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