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Greater Kuala Lumpur Records the Highest Investments Approved in 2020

High-Value Services Sector Continues to Provide a Positive Impact to the Malaysian Economy

Highlights:

- *Investments in services totalled RM66.7 billion through 3,527 approved services projects, amounting to 40.7% of total investments in the economy.*
- *High-value services such as telecommunications, MSC status projects and support services brought in RM14.3 billion (or 21.4%) of sector investments.*
- *The approved services projects are expected to create 33,652 jobs for the Malaysian economy.*

Kuala Lumpur, 4 March: Greater Kuala Lumpur (comprising Selangor and Kuala Lumpur) recorded the highest investments approved last year, totalling RM 55.8 billion, with Selangor bringing in RM38.7 billion and Wilayah Persekutuan Kuala Lumpur (RM17.1 billion). Sarawak brought in RM19.6 billion, while Penang garnered RM16 billion. These five states alone contributed over 60% of total approved investments for 2020.

The Services sector continued to be a key driver of the Malaysian economy, contributing to more than 40% of total investments in the economy in 2020, with high-value services contributing **21.4% or RM14.3 billion** of investments in this sector.

According to the 2020 investment report by the Malaysian Investment Development Authority (MIDA), the top five contributors of approved investments in the services sector were real estate (RM31.2 billion), utilities (RM10.8 billion), support services (RM5.2 billion), telecommunications (RM5.2 billion) and MSC status projects (RM3.9 billion).

As defined by MIDA, the support services industry comprises integrated logistics, research and development, green technology, integrated circuit design, oil and gas services and licensed warehouses.

“High-value services such as telecommunications, support services and MSC status projects remained a key driver of the Services sector in 2020, despite the pandemic weighing down on the

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global economy and overall domestic economic sentiment last year,” **said InvestKL Chief Executive Officer, Muhammad Azmi Zulkifli.**

“In fact, the information and communication and transportation and storage segment recorded a revenue increase of 3.4% to RM61.9 billion in the fourth quarter of 2020, as compared to the previous quarter. The Department of Statistics Malaysia attributed this increase to the information and communication sub-sector with 9% (an increase of RM3.2 billion). This shows that the high-value and high-impact services sub-sector is on an uptrend despite the contraction in the overall services sector,” he added.

Azmi highlighted also that the over **33,000 projected jobs** for the services sector augurs well for the sector’s future revenue and profitability, and will also ease the country’s unemployment rate, which currently stood at 4.5% as at end 2020.

“The good news is that high-technology sectors will continue expanding and hiring, which will create more jobs for Malaysians, ultimately boosting productivity and the domestic economy, which will in turn boost economic growth,” he added.

According to MIDA, the country recorded RM164 billion in approved investments in the manufacturing, services and primary sectors last year. These investments are expected to create 114,673 new jobs in various sectors of the Malaysian economy once implemented.

“At InvestKL, the next 100 companies we aim to attract are technological driven, innovative, yet sustainable. These high-value, high-impact and high-technology investments will boost the growth of many sub-sectors and complements the national priorities towards long-term economic success,” Azmi said.

Last year, InvestKL achieved its mandate of attracting 100 MNCs by 2020 to establish their regional services hubs in Greater Kuala Lumpur. As at end October 2020, these MNCs have contributed investments of RM15.2 billion, as well as created more than 15,000 regional, high-skilled jobs.

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About InvestKL

InvestKL is an investment promotion agency under the Ministry of International Trade and Industry. It is tasked to attract global multinational companies to set-up their regional headquarters or business services hub in Greater Kuala Lumpur, to strategically grow in Asia.

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