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# Inward FDI in Malaysia and its policy context


By

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*Malaysia is still perceived as an important destination for foreign direct investment (FDI). Deregulation by the Malaysian government in 1986 with a new round of Pioneer status tax holidays, tax allowances for expansion projects, liberal rules for firms operating in free trade zones (FTZs), and tax exemptions are encouraging stronger FDI inflows (IFDI). IFDI flows reached a peak in 1988-1993 as export-oriented foreign multinational enterprises (MNEs) relocated manufacturing production operations to Malaysia to benefit from cheap labor, government incentives and liberal conditions for manufacturing FDI. After 1996, due to the Asian financial crisis in 1997-1998, IFDI flows into Malaysia decreased and subsequently recorded the lowest level in 2001 as a result of the world trade recession. Following steady growth in 2002-2007, IFDI in Malaysia fell dramatically in 2008 and 2009 due to the global economic crisis. However, a strong resumption in the first quarter of 2010 and government efforts, including continued liberalization of manufacturing and services, the Government Transformation Programme, promoting new key economic areas, and the active role of the Ministry of International Trade and Industry (MITI), contributed to an increase in inward FDI flows in the second quarter of 2010.*


## Trends and developments

*Country-level developments*


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Malaysia's IFDI stock grew from US$ 53 billion in 2000 to US$ 75 billion in 2009. It fell sharply in 2001 but resumed growth in 2002 with the expansion holding steady until 2007 before the country's IFDI stock fell again in 2008 (annex table 1). IFDI flows into Malaysia generally grew less rapidly than in comparable countries in the region, such as Singapore, Thailand and Indonesia (annex table 2). Malaysia's share of IFDI in total world IFDI flows fell from 0.7% in 2000 to 0.4% in 2009 due to the global economic crisis, among other causes. During 2006-2008, inflows were higher than in other years. The increase in FDI inflows during this period was mainly due to mergers and acquisitions (M&As) by existing MNEs, the establishment of joint ventures and other new investment activities.[1]

IFDI flows into Malaysia fell sharply in 2009 as exports contracted sharply.[2] IFDI faced its worst contraction, 81%, in 2009, when Malaysia fell out of the top ten FDI destinations in Asia. Furthermore, Malaysia attracted the lowest IFDI flows in 2009 compared to Singapore, Thailand and Indonesia (annex table 2). Of the estimated US$ 108 billion in private investment recorded in 2006-2010, 72% was private domestic investment and 28% was from IFDI.[3] Apart from the global crisis, the overall decline in FDI inflows is attributed to two main factors.[4] IFDI in recent years has increasingly flowed into higher value added services sectors (e.g. financial and shared services), which tend not to be located in Malaysia. The scale of investment in services is less than in manufacturing, Malaysia's main recipient sector of FDI, which is more capital-intensive. Secondly, competition among Asian countries, namely India, China, Singapore, Vietnam, and Hong Kong (China) has intensified. Singapore and Hong Kong (China) have established investment centers to attract FDI. Nevertheless, a sharp rise in IFDI flows was recorded in the first quarter of 2010, exceeding US$1.5 billion and related to better growth prospects linked to stronger trade recovery and stronger government promotion initiatives. This suggests that the trend for the next few years will be strong again.

Manufacturing, services and oil and gas still dominated inward FDI in Malaysia during the period 2006-2010.[5] Malaysia recorded US$ 42 billion of cumulative net FDI inflows in 2000-2009. Manufacturing accounted for 41%, while services contributed 37% and the oil and gas sector 17% (annex table 3). Manufacturing remains the largest recipient of FDI. As PETRONAS and its partners explore and become involved in the production of oil and gas, significant investment in upstream activities has been recorded.[6] Nevertheless, the services sector also began to receive considerable FDI inflows in this period due to active government efforts to attract FDI into it. For instance, distributive trade attracted FDI worth US$ 350 million in 2009.[7] There have been notable increases in financial and shared services, outsourcing and communications.[8] The financial sector, including Islamic finance, recorded significant investment following financial liberalization. It is estimated that these sectors received US$ 11.4 billion in 2000-2009.

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[1] *R. M.* Zuraini, M. H. Yusoff and N. Yahya, "Foreign direct investment in Malaysia: findings of the quarterly survey of international investment and services", *Journal of Department of Statistics*, Malaysia, vol 1 (2008), pp.1-9.
[2] Z. A. Mahani and R. Rasiah, *The Global Financial Crisis and the Malaysia Economy: Impact and Responses* (Kuala Lumpur: United Nations Development Programme, 2009).
[3] Malaysia, *The Tenth Malaysian Plan 2011-2015* (Putrajaya: Government Printers, 2010), p. 37.
[4] Bank Negara Malaysia, *Annual Report 2009* (Kuala Lumpur: Bank Negra Malaysia, 2009), p. 36.
[5] Zuraini, Yusoff and Yahya,op. cit..
[6] Bank Negara Malaysia, op. cit., p. 37.
[7] Malaysia, *The Tenth Malaysian Plan 2011-2015,*. op. cit., p.127.
[8] Ibid., p. 37.

In 2000, IFDI flows were mainly from North American economies, as well as from Japan, Germany and Northeast Asian economies. The highest inflows were from the United States, Japan, Germany, and Hong Kong (China). Inflows from the United States fell from US$ 3,644 million in 2000 to US$ 772 million in 2009. In contrast, IFDI from Singapore, Thailand, the Netherlands, and Australia showed an increase between 2000 and 2009 (annex table 4). Bilateral trade agreements and active government attraction of investment from Asia have played a role in attracting FDI from other Asian countries. Singapore, Indonesia, India, and China showed an increase in inflows in 2009. Since developed economies had not yet recovered from the financial crisis at that time, inflows in 2009 from most of these economies were relatively low. However, developed economies still accounted for a large share of FDI inflows to Malaysia in 2009. One exception is Singapore, which invested US$ 1,042 million in 2009.

Unlike in the 1970s and 1980s, when giant electrical and electronics MNEs dominated inward FDI in Malaysia,[9] the top 20 inward investors since 2000 have been in other sectors (table 5). The only major electronics component firm was Ibiden of Japan, the 11th largest of the inward investors in 2008 to Malaysia. The world's biggest iron ore producer, Vale of Brazil, announced plans in 2008 to build a billion dollar iron pellet plant in Malaysia.[10]

Major inward (M&As) have also taken place in Malaysia recently (annex table 5). A firm from United Arab Emirates acquired 25% of the shares in Rashid Husin Bank (RHB) worth US$1.2 billion in 2008.[11] In addition, the government announced on July 31, 2010 that a high-end Republic of Korea company had bought a 72% stake in a local company worth US$ 1 billion.[12] FDI inflows in the second quarter of 2010 show were mainly channelled into manufacturing sub-sectors, particularly electrical, electronics and petroleum-related industries.[13] In the services sectors, the dominant sectors are finance, insurance, business services, and wholesale and retail trade.[14]

Malaysia is one of the key recipients of greenfield investment.[15] In 2008, Malaysia recorded 209 greenfield projects;[16] the announced value of top 20 amounted to US$ 11.5 billion. The top 20 greenfield projects announced in 2008 were fairly mixed sectorally. Manufacturing accounted for seven while minerals and metals accounted for five of the 20 largest investors announced. Real estate and infrastructure accounted for four of the investors. The largest announced was by the Kuwaiti mining company, Gulf Petroleum Investment (GPI), which accounted for US$ 5 billion. The second largest was the Spanish metals company, Acerinox, which announced investments totaling US$ 1.5 billion (annex table 6). The inflow of investments into metals and

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9 The flagship firms of Intel, National Semiconductor, Motorola, Hewlett Packard, Texas Instruments, Advanced Micro Devices, and Hitachi were some of the early export-oriented MNEs to relocate semiconductor assembly and test activities in Malaysia.

10 Reuter (March 13, 2008) "Vale seeks partners for pellets plant in Malaysia", Rio De Janeiro, http://www.reuters.com/article/idUSN1329899920080313, downloaded on October 10, 2010.

11 UNCTAD, *World Investment Report: Transnational Corporations, Agricultural Production and Development* (Geneva and New York: United Nations, 2009).

12 Malaysiakini, "MITI: Government not in denial", by Aidila Razak, July 31, 2010, available at www.malaysiakini.com/news/138861.

13 Bank Negara Malaysia, *Quarterly Bulletin,* Second Quarter 2010, p. 49.

14 Ibid.

15 UNCTAD, *World Investment Report 2010*, op. cit.,, p. 114.

16 UNCTAD, *World Investment Report,* 2009, op. cit., p. 214

pharmaceuticals is a consequence of a deliberate approach by the government to attract large investments to the former, and to promote biotechnology as a strategic industry in the country.[17]

**Effects of the global financial crisis**

Since Malaysia was much less exposed to the financial derivatives that mainly caused the 2008-2009 global financial crises, it was less hard hit than several other countries in Asia.[18] However, the recession in the United States and Europe in 2009 depressed FDI inflows to Malaysia; they started to fall in the third quarter of 2008.[19] In 2007, IFDI declined by roughly US$1 billion to US$ 7 billion and it then shrank sharply to US$ 1 billion in 2009 (annex table 2). The decline of IFDI from traditional sources induced the Malaysian government to seek to diversify its FDI sources. Non-traditional source economies include some in the Middle East, plus China and India. For instance, State Grid Corporation of China and 1Malaysia Development Sdn have signed agreements to develop the Sarawak Corridor of Renewable Energy, while China Harbour Engineering Co is involved in the Penang Bridge projects. Chinese companies were also awarded the Gemas-Johor Baharu double track projects [20] Vivo Biotech Ltd of India signed a memorandum with the Malacca government to develop a research and manufacturing facility worth US$ 133 million.[21] In addition, to mitigate the decline, the Malaysian government is promoting new growth areas, including services and environmental technology. Initiatives to target and promote specific industries were established especially within manufacturing sectors such as biotechnology, aerospace, photonics, nanotechnology, and optics. Other initiatives include empowering the Malaysian Investment Development Authority (MIDA) to negotiate with investors directly, liberalizing the service sectors.

The government responded to the collapse in exports arising from the global financial crisis by implementing two stimulus packages in 2009 and 2010, together totalling around US$ 20.3 billion. Public sector investment was expected to grow by 6.2% per annum over the 2006-2010 period.[22] Recent FDI inflows show that the strong resumption in the first quarter of 2010 and government efforts to promote inward investment led to higher flows in the second quarter of 2010.

**The policy scene**

The Malaysian policy environment for IFDI in the primary and secondary sectors has generally been liberal. MITI is the main government organization undertaking the evaluation and approval of IFDI, as well as investment incentives, since the enactment of the Promotion of Investment Act of 1986. MITI's sub-organization, the Malaysian Industrial Development Authority (MIDA), is the main promotional body that has been instrumental in attracting IFDI to Malaysia. Despite the liberalization efforts under both the Association of South East Asian Nations (ASEAN) Free Trade Area (AFTA) and World Trade Organization initiatives, recent trends show a decline in

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[17] The fifth Prime Minister of Malaysia, Tun Datuk Abdullah Badawi, made biotechnology a strategic industry to seek new sources of growth for the country.

[18] Not only was the stock market in Malaysia only slightly affected by the global financial crisis, the share of non-performing loans in total loans in the country was 2.2% in March and June 2009; see Mahani and Rasiah, *op. cit.*, p. 22.

[19] Ibid, *op. cit.*, pp. 13-15.

[20] *The Star*, "Miti looks to India and China for FDI", February 2, 2010.

[21] Ibid.

[22] Malaysia, *The Tenth Malaysian Plan 2011-2015*, op. cit., p. 38.

FDI flows into Malaysia. Apart from the global recession, reasons for the decline in FDI include rising competition for FDI, especially from other emerging markets. Malaysia's transformation from capital-intensive to knowledge-based industry, while still facing relatively weak human capital development and technological capabilities, adds to the challenge of competing for FDI inflows. Slower growth in manufacturing value added – projected to grow only at average of 2.2% per annum over the period 2006-2010[23] -- and a severe contraction in FDI inflows in 2009 have again driven the government to rethink its FDI policy.[24]

Financial liberalization measures such as the issuance of new licenses, increased foreign equity limits and operational flexibility established in September 2009[25] have helped attract IFDI. Initiatives are under way to attract further FDI with a focus on high value added activities.[26] The ministry is currently identifying further sub-sectors in which to attract more investment. The liberalization of 27 services sub-sectors to attract more FDI inflows was done in 2009. The next round of liberalization is planned for 2011. Malaysia had signed 66 bilateral investment treaties (BITs), 61 double taxation treaties (DTTs) and 22 other international investment agreements (IIAs) by May 2010.[27] These measures are expected to improve FDI inflows into Malaysia. In 2009, the foreign shareholding threshold was raised from 49% to 70% for insurance companies and investment banks. Deregulation has also taken effect in the purchase of real estate by foreigners and full foreign ownership is now allowed in the wholesale segment of fund management.[28]

The New Economic Model (NEM),[29] the 10th Malaysian Plan and the Economic Transformation Programme focus on the absorption of capital and knowledge-intensive activities to move the economy up to the status of a high-income economy by 2020. IFDI is an integral part of achieving this goal of graduating.[30] Since a lack of skills and technological capability is often cited as one of the main reasons for a slowdown in FDI inflows, the announced plans to increase the supply of human capital, innovation capability and technological upgrading are expected to revive FDI inflows. The establishment of a Talent Corporation to attract skilled and professional workers, improvements in government delivery systems and public-private partnerships, revamping the education systems and the identification of new key economic areas are expected to contribute to increase the countries attraction to foreign investors.[31] Government efforts to promoting new key economic areas, the MITI's promotion of industrialization and a stronger macroeconomic environment contributed to increased IFDI flows in the second quarter of 2010.

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[23] Malaysia, "Garis panduan penyediaan pancangan Malaysia kesepuluh, 2011-2015: Prospek economi dan hala tuju strategik", mimeo, Kuala Lumpur, 2009.
[24] Malaysia , *The Tenth Malaysia Plan 2011-2015* , op. cit.
[25] Bank Negara Malaysia, "Liberalization of the financial sector", available at http://www.bnm.gov.my/index.php?ch=8&pg=14&ac=1817
[26] Ibid.
[27] UNCTAD. *World Investment Report 2010, op. cit*.
[28] Ibid., p. 77.
[29] Malaysia, *The New Economic Model* (Putrajaya: Government Printers, 2010).
[30] Ibid.
[31] Malaysia , *The Tenth Malaysia Plan 2011-2015*, op. cit.

## Conclusions

Malaysia has had an open IFDI climate. Inward FDI has been seen as a major element in fostering economic growth and development and has remained a major component of gross fixed capital formation, though it contracted sharply in 2009. The government's planned efforts in the 10th Malaysian Plan, the NEM, the ETP, and GTP in attracting FDI flows (easing the regulatory burden, reducing corporate income tax, upgrading physical infrastructure, providing incentives), have led to better economic growth prospects and the healthy resumption of capital inflows in the first quarter of 2010. Given IFDI's impact on the economy, it will remain an important part of the Malaysian economy. The government's restructuring efforts need to include the transformation of the country's knowledge stimulating organizations – such as universities, polytechnics, R&D labs – to enable the upgrading of firms so that they can engage in high value added activities.

## Additional readings

Jomo, K.S., *Southeast Asia's Misunderstood Miracle* (Boulder: Westview, 1996).

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Malaysia, *The New Economic Model* (Putrajaya: Government Printers, 2010).

Malaysia, *The Tenth Malaysia Plan 2011-2015* (Putrajaya: Government Printers, 2010).

Rasiah, R., *Foreign Capital and Industrialization in Malaysia* (Basingstoke: Macmillan, 1995).

## *Useful websites*

Bank Negara Malaysia, , June 2010, available at http://www.bnm.gov.my/

National Economic Action Council, *www.neac.gov.my (for information on New Economic Model and Economic Transformation Plans)*

Malaysian Industrial Development Authority, information on investment policy available at http://www.mida.gov.my/en_v2/

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# Statistical annex

## Annex table 1. Malaysia: inward FDI stock, 2000-2009

(US$ billion)

| Economy | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Malaysia | 53 | 34 | 38 | 41 | 43 | 45 | 54 | 77 | 73 | 75 |
| Memorandum: Comparator economies | | | | | | | | | | |
| Singapore | 111 | 117 | 133 | 145 | 169 | 195 | 245 | 303 | 326 | 344 |
| Thailand | 30 | 33 | 38 | 49 | 53 | 60 | 77 | 95 | 105 | 99 |
| Indonesia | 25 | 15 | 7 | 10 | 16 | 41 | 55 | 59 | 67 | 73 |

*Source*: UNCTAD's FDI/TNC database, available at: http://stats.unctad.org/fdi/ and websites of national central banks

## Annex table 2. Malaysia: Inward FDI flows, 2000-2009

(US$ billion)

| Economy | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Malaysia | 4 | 0.5 | 3 | 2 | 5 | 4 | 6 | 8 | 7 | 1 |
| Memorandum: Comparator economies | | | | | | | | | | |
| Singapore | 16 | 15 | 6 | 12 | 20 | 14 | 27 | 36 | 11 | 17 |
| Thailand | 3 | 5 | 3 | 5 | 6 | 8 | 9 | 11 | 8 | 6 |
| Indonesia | - 4 | - 3 | 0.2 | - 0.5 | 2 | 8 | 5 | 7 | 9 | 5 |

*Source*: UNCTAD's FDI/TNC database, available at: http://stats.unctad.org/fdi/ and websites of national central banks

## Annex table 3. Malaysia: net cumulative FDI inflows,[a] by sector, 2000-2009

(US$ billion)

| **Sectors / industry** | **% of total net FDI inflows** | **US$ billion**[b] |
|---|---|---|
| All sectors/industries | 100 | 41.7 |
| **Primary** | | |
| Oil and gas | 17 | 7.1 |
| **Secondary** | | |
| Manufacturing | 41 | 17.1 |
| Services | 37 | 15.4 |
| Others | 5 | 2.1 |

*Source:* Bank Negara Malaysia, *Annual Report*, 2009.

[a] Inflows are equity investment and purchase of real estate and loans drawdown/extended to non-residents. Excludes retained earnings.
[b] Values converted using average exchange rate of 3.65 for 2000-2009.

**Annex table 4. Malaysia: Geographical distribution of inward of FDI flows in Malaysia, 2000-2009**

(US$ million)

| **Region/economy** | **Inward FDI[a]** | |
|---|---|---|
| | **2000** | **2009** |
| **World** | | |
| **Developed economies** | | |
| **Europe** | | |
| Belgium | 59.7 | 17.0 |
| Netherlands | 189.2 | 635.4 |
| France | 10.3 | 148.8 |
| Germany | 888.9 | 561.1 |
| Switzerland | 45.0 | 22.8 |
| United Kingdom | 219.7 | 155.8 |
| **North America** | | |
| Canada | 46.1 | 104.1 |
| United States | 3644.5 | 771.9 |
| **Other developed economies** | | |
| Australia | 28.2 | 265.8 |
| Japan | 950.8 | 482.2 |
| **Developing economies** | | |
| **Asia and Oceania** | | |
| China, People's Republic of | 1.32 | 23.4 |
| Hong Kong (China) | 473.2 | 257.0 |
| Indonesia | 13.7 | 105.6 |
| India | 0.79 | 21.9 |
| Korea, Republic of | 5.0 | 73.1 |
| Singapore | 459.5 | 1042.1 |
| Thailand | 2.9 | 380.1 |
| Vietnam | 0.8 | 182.7 |

*Source:* Bank Negra Malaysia, *Monthly Statistics Bulletin,* June 2010, available at http://www.bnm.gov.my/index.php?ch

[a] Balance of payments data - refer to equity investment and purchase of real estate and loans drawdown/extended to non-residents. Excludes retained earnings. Data converted into US Dollar using 3.8 and 3.42 conversion rates.

## Annex table 5. Malaysia: main M&A deals, by inward investing firm, 2007-2009

(US$ million)

| Year | Target company | Acquiror economy | Target primary SIC code description | Acquiror's name | % of shares acquired | Value |
|---|---|---|---|---|---|---|
| 2009 | Cosway(Malaysia)Sdn Bhd | Hong Kong (China) | Drugs, drug proprietaries, and druggists' sundries | Berjaya Holdings(HK)Ltd | 100.00 | 135.55 |
| 2009 | Enterprise Capital Corp | Singapore | Offices of holding companies, nec | Asia Palm Oil Invest Pte Ltd | 100.00 | 110.00 |
| 2009 | PureCircle Ltd | Singapore | Industrial organic chemicals, nec | Olam International Ltd | 10.00 | 53.61 |
| 2009 | Tasek Corp Bhd | Singapore | Cement, hydraulic | Hartwell Pte Ltd | 27.06 | 52.62 |
| 2009 | AirAsia Bhd | Luxembourg | Air transportation, scheduled | Genesis Smaller Cos SICAV | 5.40 | 51.64 |
| 2009 | Undisclosed Multi-specialty | India | General medical and surgical hospitals | Narayana Hrudayalaya Pvt Ltd | 100.00 | 40.85 |
| 2009 | eCosway.com Sdn Bhd | Hong Kong (China) | Retail stores, nec | Berjaya Holdings(HK)Ltd | 40.00 | 33.20 |
| 2009 | Ikea Handel-Warehouse | Unknown | Operators of nonresidential buildings | Undisclosed Acquiror | 100.00 | 25.77 |
| 2009 | Three-A Resources Bhd | Singapore | Investors, nec | Wilmar International Ltd | 16.67 | 13.36 |
| 2009 | Best Impact Ltd | Hong Kong (China) | Automobile parking | Apexwill Ltd | 100.00 | 12.77 |
| 2009 | AM SGB Sdn Bhd | Germany | Power, distribution, and specialty transformers | SGB-SMIT International GmbH | 30.38 | 9.02 |
| 2009 | Merchantrade Asia Sdn Bhd | Japan | Radiotelephone communications | Sumitomo Corp | 20.00 | 8.33 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2009 | KVC Industrial Supplies | Netherlands | Electronic parts and equipment, nec | Otra Development BV | 16.00 | 8.17 |
| 2009 | Bursa Malaysia Derivatives Bhd | United States | Security and commodity exchanges | CME Group Strategic Invest LLC | 25.00 | 5.90 |
| 2009 | Paling Industries Sdn Bhd | Netherlands | Plastics plumbing fixtures | Glynwed Holding BV | 40.00 | 4.58 |
| 2008 | RHB Capital Bhd | Utd Arab Em | Investment advice | Abu Dhabi Commercial Bank PJSC | 25.00 | 1,204.67 |
| 2008 | EON Capital Bhd | Hong Kong (China) | Investors, nec | Primus Pacific Partners Ltd | 20.20 | 412.01 |
| 2008 | Sin Chew Media Corp Bhd | Hong Kong (China) | Books: publishing, or publishing & printing | Ming Pao Enterprise Corp Ltd | 100.00 | 220.73 |
| 2008 | Cognis Oleochemicals(M)Sdn Bhd | Thailand | Chemicals and chemical preparations, nec | PTT Chemical PCL | 50.00 | 152.13 |
| 2008 | Tamco Switchgear Malaysia Sdn | India | Switchgear,switchboard equip | Larsen & Toubro Ltd | 100.00 | 112.17 |
| 2008 | Computer Sys Advisers(M)Bhd | United States | Computer integrated systems design | Computer Sciences Corp | 100.00 | 104.04 |
| 2008 | Ranhill Utilities Bhd | Cayman Islands | Water supply | Investor Group | 26.83 | 85.21 |
| 2008 | AirAsia X | Japan | Air transportation, scheduled | Investor Group | 20.00 | 77.33 |
| 2008 | Nanyang Press Holdings Bhd | Hong Kong (China) | Real estate investment trusts | Ming Pao Enterprise Corp Ltd | 100.00 | 59.64 |
| 2008 | GBD Investment Ltd | Utd Arab Em | Biological products, except diagnostic substances | Dubai Ventures Ltd | 30.00 | 49.04 |
| 2008 | KL-Kepong Cocoa Products Sdn | Switzerland | Chocolate and cocoa products | Barry Callebaut AG | 60.00 | 48.76 |
| 2008 | AmLife Insurance Bhd | United Kingdom | Life insurance | Friends Provident PLC | 30.00 | 46.72 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2008 | Sitt Tatt Bhd | Seychelles | Semiconductors and related devices | Empire Holdings Ltd | 82.76 | 35.35 |
| 2008 | Chase Perdana Bhd | Seychelles | Industrial buildings and warehouses | Empire Holdings Ltd | 91.25 | 32.08 |
| 2008 | Cosway(Malaysia)Sdn Bhd | United States | Drugs, drug proprietary's, and druggists' sundries | Madison County LLC | 10.00 | 30.16 |
| 2007 | Binariang GSM Sdn Bhd | Saudi Arabia | Telephone communications, except radiotelephone | Saudi Telecommunications Co | 25.00 | 3,049.99 |
| 2007 | PPB Oil Palms Bhd | Singapore | Vegetable oil mills, nec | Wilmar International Ltd | 98.99 | 1,124.59 |
| 2007 | Bumiputra-Commerce Hldg Bhd | Japan | Banks | Bank of Tokyo-Mitsubishi UFJ | 3.40 | 381.85 |
| 2007 | MOX | Sweden | Industrial gases | AGA AB | 54.02 | 368.80 |
| 2007 | AMMB Holdings Bhd | Australia | Banks | ANZ Banking Group Ltd | 11.40 | 356.84 |
| 2007 | PGEO Group Sdn Bhd | Singapore | Groceries and related products, nec | Wilmar International Ltd | 65.80 | 318.65 |
| 2007 | Sabah Forest Inds Sdn Bhd | India | Wood products, nec | Investor Group | 97.80 | 262.65 |
| 2007 | Genting Sanyen Industrial | Hong Kong (China) | Paper mills | Paperbox Holdings Ltd | 100.00 | 212.34 |
| 2007 | Commerce Life Assurance Bhd | Singapore | Life insurance | Aviva Asia Pte Ltd | 49.00 | 142.42 |
| 2007 | MAS Hotels & Boutiques Sdn Bhd | Netherlands | Hotels and motels | Kingdom Langkawi BV | 100.00 | 124.11 |
| 2007 | Ireka Hotels Sdn Bhd | British Virgin Islands | Investors, nec | Newood Assets Ltd | 100.00 | 123.65 |
| 2007 | Four Seasons Hotel,Langkawi | Utd Arab Em | Hotels and motels | EHC International Ltd | 100.00 | 115.00 |
| 2007 | Scomi Oilfield Ltd | Hong Kong (China) | Investors, nec | Standard Chartered Private Eq | 19.90 | 99.50 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2007 | Mivan Far East Sdn Bhd | Ireland-Rep | Residential construction, nec | Actis | - | 75.00 |
| 2007 | Ramatex Bhd | Hong Kong (China) | Narrow fabric and other smallwares mills | Amphoteric Capital Ltd | 27.06 | 71.89 |

*Source:* **T**homson ONE Banker; Thomson Reuters.

**Annex table 6: Malaysia: main greenfield projects, by inward investing firm (announced), 2008**

**(US$ million)**

| **Investing company** | **Home economy** | **Announced value** | **Sector** |
|---|---|---|---|
| Gulf Petroleum Investment (GPI) | Kuwait | 5,000 | Coal, oil and natural gas |
| Acerinox | Spain | 1,500 | Metals |
| BSEL Infrastructure Realty | India | 940 | Real estate |
| Sea Party Group | Taiwan Province of China | 581 | Food & tobacco |
| Tokuyama | Japan | 525 | Minerals |
| Carrefour | France | 373 | Food & tobacco |
| Vitol Group | Netherlands | 300 | Warehousing & storage |
| Malladi Drugs & Pharmaceutical | India | 300 | Pharmaceuticals |
| Tesco | UK | 250 | Food & tobacco |
| SGL Carbon | Germany | 220 | Metals |
| Merlin Entertainments Group | UK | 211 | Leisure & entertainment |
| Ibiden | Japan | 194 | Electronic components |
| Technip-Coflexip | France | 184 | Industrial machinery, equipment & tools |

| | | | |
|---|---|---|---|
| Royal Dutch Shell Plc | Netherlands | 150 | Coal, oil and natural gas |
| Mitsui Mining & Smelting | Japan | 145 | Metals |
| Procter & Gamble (P&G) | USA | 141 | Medical devices |
| Vivo Bio Tech | India | 138 | Biotechnology |
| DAMAC Holding | UAE | 122 | Real estate |
| Al-Aqeelah | Kuwait | 100 | Business services |
| Sunil Mantri Realty | India | 100 | Real estate |
| TOTAL | | 11,475 | |

*Source*: fDi Intelligence, a service from the Financial Times Ltd.