



MALAYSIA

MALAYSIA: FDI & DIA STATISTICS

A stylized world map in shades of blue and white, overlaid with a grid of small squares and lines. Some squares are highlighted in red and blue, suggesting data points or specific regions of interest. The map is centered on the Atlantic Ocean, with North and South America visible on the left and Europe and Africa on the right.

**QUARTERLY
BULLETIN**

THIRD QUARTER 2020

JABATAN PERANGKAIAN MALAYSIA
DEPARTMENT OF STATISTICS, MALAYSIA

Key Highlights on FDI & DIA in Third Quarter 2020

FDI in Malaysia recorded a net outflow of **RM0.8 billion**, a turnaround from net inflow of RM2.2 billion in Q2 2020.

Malaysia's DIA recorded a lower net outflow **RM2.2 billion** as compared to RM3.5 billion in previous quarter.

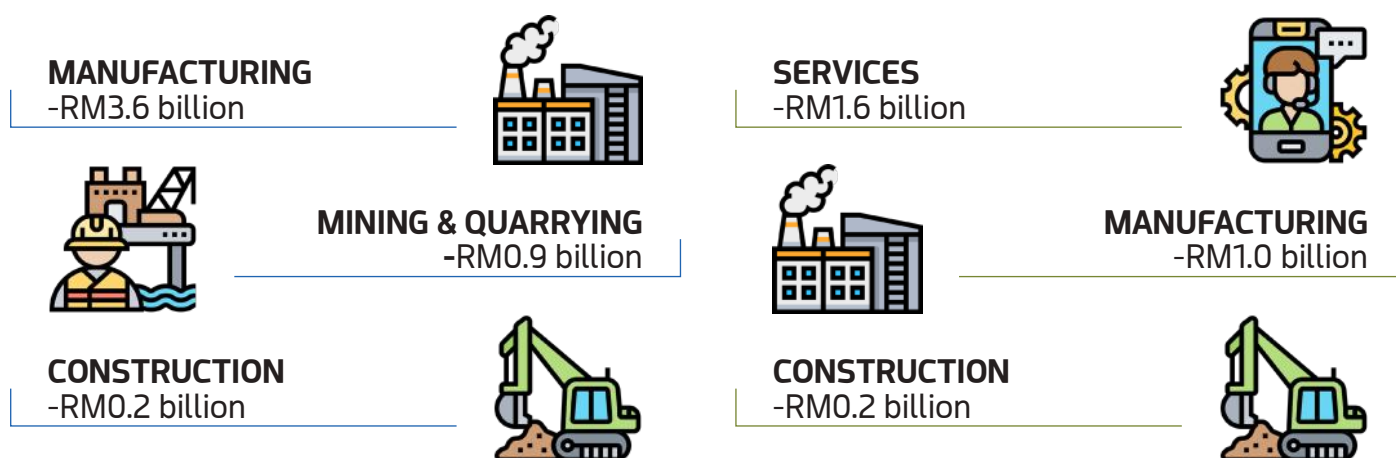
FDI

DIA

FLOWS BY REGION



TOP SECTOR



TOP COUNTRY



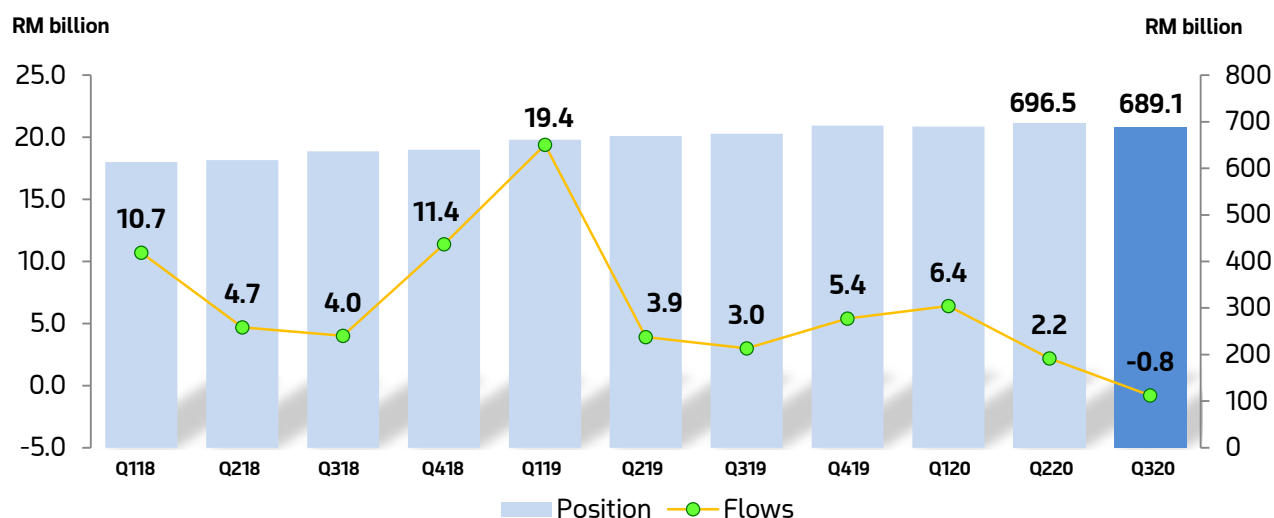
Notes:

- Negative value refers to net outflow
- 'b' refer to billion
- Any differences in the aggregated data are due to rounding

HIGHLIGHTS

- FDI in Malaysia switched **to an outflow of RM0.8 billion** in Q3 2020 after recording continuous inflow since 2010, due to trade credits and loans extension provided by Multinational Manufacturing companies.
- In terms of position, FDI decreased to **RM689.1 billion** as at end of September 2020, as depicted in **Exhibit 1**.

Exhibit 1: Foreign Direct Investment in Malaysia, Q1 2018 – Q3 2020

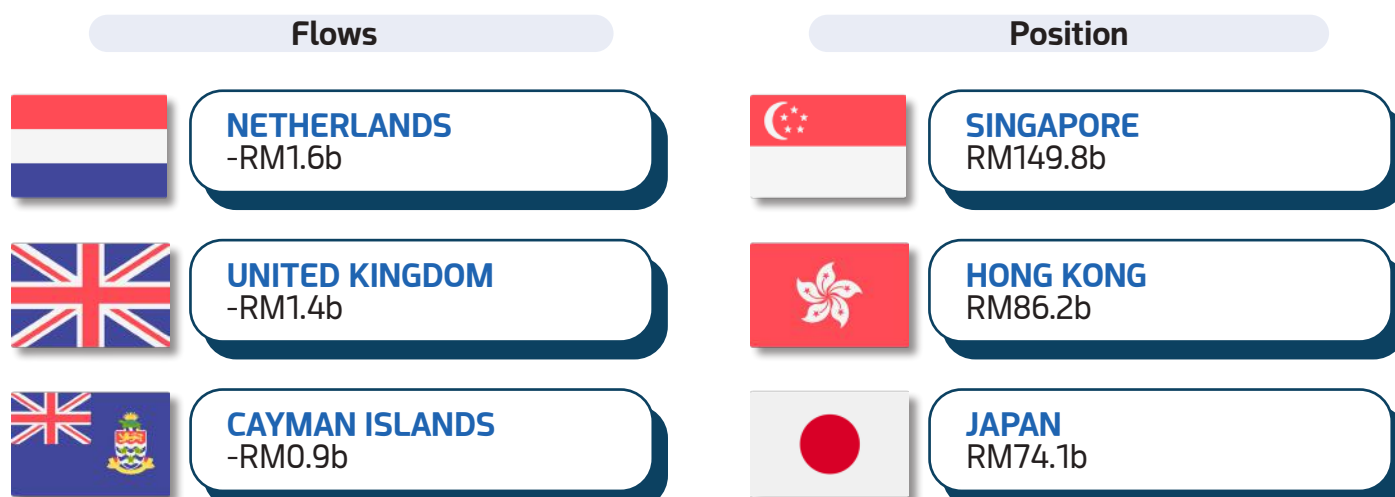


FDI by Top Country

In Q3 2020, the outflow of FDI was mainly to Netherlands at RM1.6 billion, followed by United Kingdom (-RM1.4 billion) and Cayman Islands (-RM0.9 billion). In line with the exports performance of Electrical & Electronic products in this quarter, some of these companies have extended trade credits and loans to their affiliates abroad that contributed to the reverse trend in total FDI.

As for FDI position, Singapore remained the largest country of investor with RM149.8 billion (21.7%), followed by Hong Kong (RM86.2 billion) and Japan (RM74.1 billion). These three countries contributed 45.0 per cent to total FDI position (**Exhibit 2**).

Exhibit 2: FDI by Top Country, Q3 2020



FDI by Region

In Q3 2020, Europe contributed to the outflow by region at RM3.4 billion, while Americas and Africa recorded -RM0.3 billion and -RM0.2 billion, respectively as shown in **Exhibit 3**.

Meanwhile, Asia region remained the largest FDI position with a cumulative share of 54.0 per cent, followed by Europe at 29.0 per cent and Americas at 15.3 per cent. These three regions contributed 98.3 per cent of total FDI position.

Exhibit 3: Share of FDI by Region, Q3 2020

| AMERICAS | | | EUROPE | | | ASIA | | |
|----------|----------|-------|----------|----------|--------|----------|----------|---------|
| Flows | -RM0.3b | 36.9% | Flows | -RM3.4b | 398.7% | Flows | RM3.0b | -358.1% |
| Position | RM105.6b | 15.3% | Position | RM200.1b | 29.0% | Position | RM372.3b | 54.0% |
| AFRICA | | | OTHERS | | | OCEANIA | | |
| Flows | -RM0.2b | 29.2% | Flows | RM0.1b | -5.8% | Flows | RM0.0b* | -0.9% |
| Position | RM0.9b | 0.2% | Position | RM0.5b | 0.1% | Position | RM9.7b | 1.4% |






Notes: *Less than RM50 million.

FDI by Sector

Total outflow of FDI in Malaysia mainly channelled to Manufacturing sector, recorded RM3.6 billion, as shown in **Exhibit 4**. This investment involving extension of trade credits and loans to their affiliates abroad.

FDI position as at end of Q3 2020 was mainly in Services sector which accounted for 52.1 per cent or RM359.3 billion, driven by Financial and Real estate activities. This was followed by Manufacturing sector at 38.6 per cent (RM266.0 billion).

Exhibit 4: Share of FDI by Sector, Q3 2020

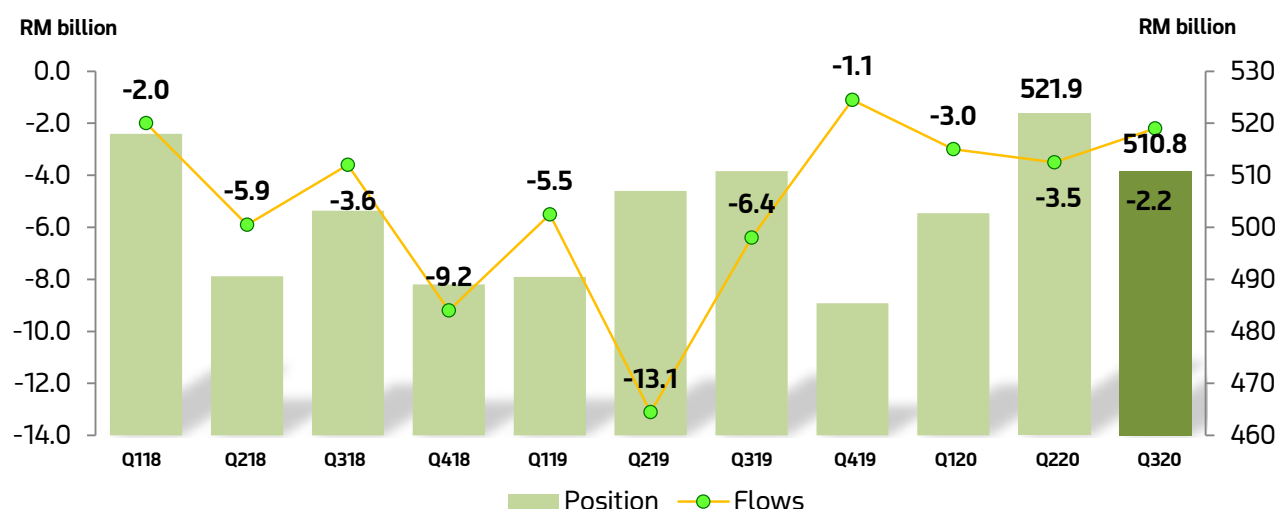
| | | Flows (RM billion) | | Position (RM billion) | |
|---|--------------------|--------------------|------------------|-----------------------|------------------|
| | | Q220 | Q320 | Q220 | Q320 |
|  | Agriculture | 0.1 (-3.9%) | 0.0* (-5.5%) | 11.6 (1.7%) | 11.1 (1.6%) |
|  | Mining & quarrying | 2.0 (88.2%) | -0.9 (108.6%) | 45.9 (6.6%) | 41.9 (6.1%) |
|  | Manufacturing | -0.3 (-15.0%) | -3.6 (427.7%) | 271.0 (38.9%) | 266.0 (38.6%) |
|  | Construction | -0.1 (-6.2%) | -0.2 (28.0%) | 10.5 (1.5%) | 10.8 (1.6%) |
|  | Services | 0.8 (36.9%) | 3.9 (-458.8%) | 357.5 (51.3%) | 359.3 (52.1%) |

Notes: *Less than RM50 million.

HIGHLIGHTS

- Overseas investment made by Malaysian investors recorded **RM2.2 billion**, fell RM1.3 billion due to lower investment in equity.
- Similarly, DIA position decreased to RM510.8 billion as at end of third quarter shown in **Exhibit 5**.

Exhibit 5: Malaysia's Direct Investment Abroad, Q1 2018 – Q3 2020

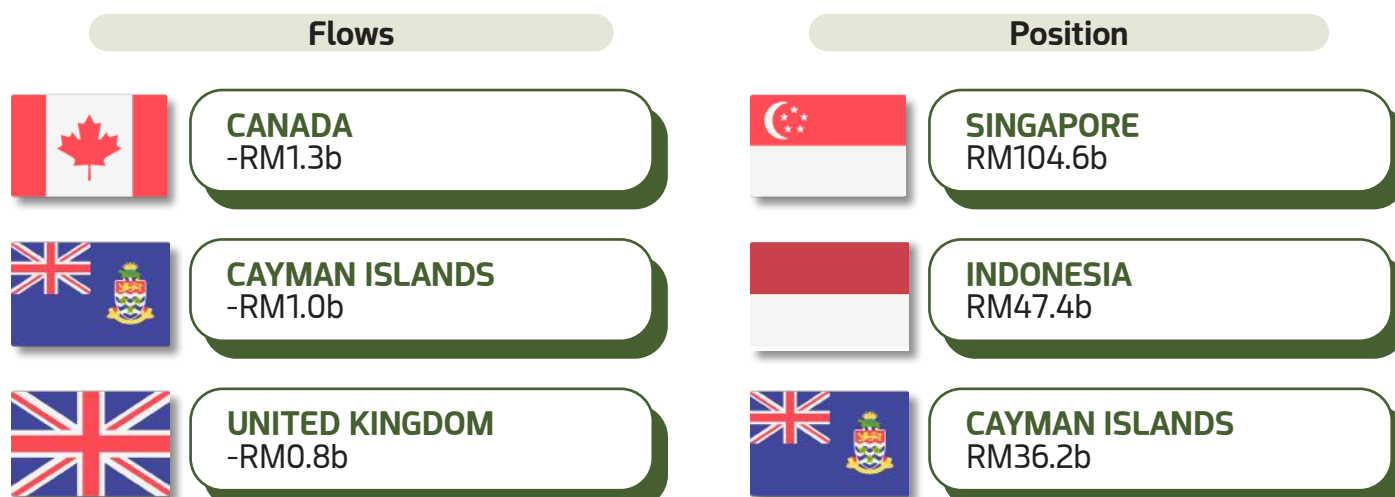


DIA by Top Country

DIA by Malaysian investors was also affected by global scenario, recorded RM2.2 billion due to lower investment in equity abroad. Flows were mainly to Canada (RM1.3 billion), followed by Cayman Islands (RM1.0 billion) and United Kingdom (RM0.8 billion), as shown in **Exhibit 6**.

In terms of position, Singapore took the biggest chunk of direct investment from Malaysia with RM104.6 billion, followed by Indonesia (RM47.4 billion) and Cayman Islands (RM36.2 billion). These three countries accumulated 36.9 per cent of total DIA position.

Exhibit 6: DIA by Top Country, Q3 2020



DIA by Region

Americas was the leading region for DIA flows with a value of RM2.8 billion, followed by Europe at RM1.9 billion.

DIA position was predominantly in Asia, amounting to RM263.5 billion (51.6%) and followed by Americas (24.4%).

Exhibit 7: Share of DIA by Region, Q3 2020

| AMERICAS | | | EUROPE | | | ASIA | | |
|----------|----------|--------|----------|----------|-------|----------|----------|--------|
| Flows | -RM2.8b | 125.0% | Flows | -RM1.9b | 84.7% | Flows | RM0.7b | -29.8% |
| Position | RM124.5b | 24.4% | Position | RM93.4b | 18.3% | Position | RM263.5b | 51.6% |
| AFRICA | | | OTHERS | | | OCEANIA | | |
| Flows | RM1.2b | -52.0% | Flows | -RM0.0b* | 0.3% | Flows | RM0.6b | -28.2% |
| Position | RM5.6b | 1.1% | Position | RM0.0b* | 0.0% | Position | RM23.7b | 4.6% |






Notes: *Less than RM50 million.

DIA by Sector

Services remained the largest contributor in Malaysia's DIA flows with a share of 71.5 per cent, mostly in Financial activities, followed by Manufacturing as shown in **Exhibit 8**.

The Services sector constituted RM347.6 billion (68.0%) of investments made, mainly allocated in Financial activities. This was followed by Mining & quarrying and Agriculture.

Exhibit 8: Share of DIA by Sector, Q3 2020

| | | Flows (RM billion) | | Position (RM billion) | |
|---|--------------------|--------------------|-----------------|-----------------------|------------------|
| | | Q220 | Q320 | Q220 | Q320 |
|  | Agriculture | 0.1 (-2.5%) | -0.0* (0.2%) | 43.9 (8.4%) | 43.9 (8.6%) |
|  | Mining & quarrying | -0.1 (2.8%) | 0.6 (-25.2%) | 83.1 (15.9%) | 74.4 (14.6%) |
|  | Manufacturing | -0.8 (22.1%) | -1.0 (44.0%) | 36.6 (7.0%) | 37.2 (7.3%) |
|  | Construction | -0.4 (10.8%) | -0.2 (9.5%) | 7.9 (1.5%) | 7.8 (1.5%) |
|  | Services | -2.3 (66.7%) | -1.6 (71.5%) | 350.4 (67.2%) | 347.6 (68.0%) |

Notes: *Less than RM50 million.

TIME SERIES TABLE, Q1 2018- Q3 2020

Time Series of FDI, Q1 2018 – Q3 2020 (RM Million)

| Year | Q118 | Q218 | Q318 | Q418 | Q119 | Q219 | Q319 | Q419 | Q120 | Q220 | Q320 |
|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Flows | 10,654 | 4,738 | 3,999 | 11,350 | 19,389 | 3,880 | 2,985 | 5,439 | 6,371 | 2,231 | -846 |
| Position | 613,525 | 617,793 | 636,824 | 639,713 | 661,546 | 669,687 | 674,358 | 691,554 | 689,622 | 696,535 | 689,099 |
| Income | 12,593 | 15,396 | 15,905 | 16,300 | 13,034 | 13,778 | 15,078 | 16,802 | 9,645 | 8,425 | 11,949 |

Time Series of DIA, Q1 2018 – Q3 2020 (RM Million)

| Year | Q118 | Q218 | Q318 | Q418 | Q119 | Q219 | Q319 | Q419 | Q120 | Q220 | Q320 |
|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Flows | -2,011 | -5,859 | -3,584 | -9,183 | -5,536 | -13,066 | -6,431 | -1,082 | -2,977 | -3,478 | -2,223 |
| Position | 518,022 | 490,641 | 503,163 | 488,972 | 490,483 | 507,000 | 510,829 | 485,386 | 502,653 | 521,885 | 510,811 |
| Income | 5,556 | 6,479 | 5,203 | 9,694 | 5,920 | 9,239 | 7,203 | 6,477 | 4,336 | 5,997 | 2,933 |

Notes:

- Flows refers to acquisition and disposal of financial assets and liabilities during a reference period.
- Position refers to total stock of direct investment as at end of reference period.
- Income refers to repatriation of earnings to direct investors.

BANCI PENDUDUK & PERUMAHAN MALAYSIA 2020

DATA ANDA MASA DEPAN KITA



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www.mycensus.gov.my

