

FDI reaches RM65.9b in 2025, up 41% from 2024

KUALA LUMPUR: Malaysia's foreign direct investment (FDI) rose 41.2% to RM65.9 billion in 2025 from RM46.7 billion a year earlier, the Department of Statistics Malaysia (DoSM) said.

Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said the performance was driven by equity injections from foreign investors and inflows into debt instruments.

"Reflecting sustained confidence among foreign investors in Malaysia's economy, the cumulative FDI position expanded to RM1.087 trillion at end-2025, accounting for 53.7% of gross domestic product (GDP), compared with 51.4% in 2024," he said in a statement.

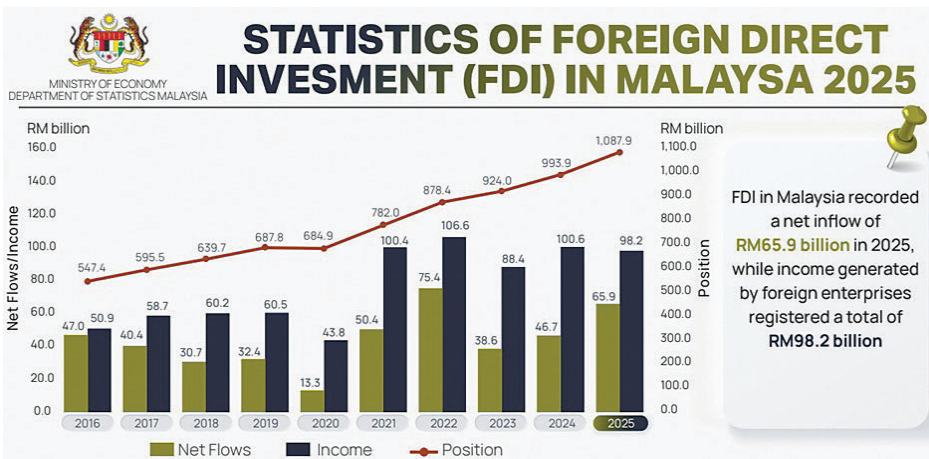
Malaysia's direct investment abroad (DIA) recorded net outflows of RM12.4 billion in 2025, moderating from RM35.5 billion a year earlier, DoSM said.

The total DIA position stood at RM589.3 billion at end-2025, equivalent to 29.1% of GDP, down from 32.2% in 2024.

"Correspondingly, these investments generated income during the year, whereby foreign companies operating in Malaysia posted RM98.2 billion, while Malaysian enterprises abroad recorded earnings of RM39.9 billion.

"Looking at the composition of FDI flows by sector, services was the top recipient in 2025, recording a net inflow of RM59.5 billion, followed by the mining and quarrying sector with RM3 billion and manufacturing at RM2.6 billion," it said.

DoSM said within services, the information and communication sub-sector accounted for 53.6% of total services inflows, reflecting the global shift towards digitalisation and the expansion of data centre infrastructure.



Financial activities also recorded inflows of RM26.1 billion, supported by sustained investor confidence in Malaysia's financial sector.

The manufacturing sector, however, was the largest contributor to FDI income, generating RM55.5 billion.

As at end-2025, the services and manufacturing sectors remained the largest components of Malaysia's FDI stock, valued at RM596.7 billion and RM419.3 billion respectively.

DoSM said Asia remained the largest source of FDI in 2025, contributing RM73.2 billion in inflows and accounting for the largest FDI stock at RM679.2 billion.

Within Asia, Singapore and Hong Kong were the main source economies, while the Americas was the leading region in terms of FDI income at RM45.6 billion, with the United States as the key investor.

Mohd Uzir said net DIA outflows in 2025

were largely driven by the services sector, which recorded RM15.6 billion, mainly in financial activities and transport.

"This (services) sector also accounted for the largest share of income, totalling RM25.3 billion, followed by mining and quarrying at RM7.8 billion. Similarly, the services sector remained the largest contributor to the DIA position, with a cumulative value of RM440.2 billion, while mining and quarrying followed at RM68.9 billion," he said.

DoSM said that, in terms of regional distribution, Africa was the main destination for DIA flows in 2025, at RM7 billion, with investments largely concentrated in the oil and gas industry.

Meanwhile, Asia recorded the highest DIA income at RM22.8 billion and remained the largest region in terms of DIA position, amounting to RM339 billion as at end-2025.

— Bernama