

Malaysia rises to top 10 in FDI sentiment survey

Yow Hong Chieh, Kuala Lumpur, December 8, 2011



FDI inflows to Malaysia grew to RM27.9 billion in 2010. — Reuters pic

Malaysia is now the 10th most attractive destination for foreign direct investment (FDI), jumping 11 spots from 2010 in a recent survey of corporate executives.

AT Kearney's 2011 FDI Confidence Index noted that inflows to Malaysia grew by over five times from 2009 to 2010 to US\$9 billion (RM27.9 billion) and that this figure would likely be surpassed this year.

This upward trend was expected to continue said the report, which ranks the 25 most attractive destinations for FDI according to senior executives.

Other Southeast Asian countries also saw a major upswing in sentiment this year as investors, wary of the eurozone debt crisis, slow recovery in the US and unrest in the Middle East, focus their attention on emerging markets.

"Investors are increasingly turning to the developing world more for its large and rapidly growing consumer markets than for its lower-cost labour," the report said.

Singapore leapt to seventh place from 24th while Indonesia, which attracted US\$13 billion in inflows last year, jumped to ninth from 20th place.

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Vietnam, however, fell two spots to 14th while Thailand came in 16th.

China, India and Brazil dominated the top three spots after India moved up a notch from third to replace the US.

The US, dogged by financial instability and depressed consumer spending, fell to fourth place this year with investors no longer seeing the world's largest economy as a safe bet.