



Country Profiles MALAYSIA

ICDT 2025

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General data



General info

Capital: Kuala Lumpur
Type of State: Federal Parliamentary Monarchy
Location: Southeast Asia - Area: 330,345 km²
Time Zone: GMT+8

macro economy

GDP: 419 MM USD – 2024 Growth: 3.6 % -2023
GDP per capita: 12 541 USD - 2024
Employment rate of 15 years and over: 62 %

Demography

Population: 35 557 674 - 2024
Natural increase: 1.2 % - 2023
Official language: Malay
Business language: English

International trade

Imports – 2024: USD 300 MM
Exports - 2024: 330 M M USD

Currency

Malaysian Ringgit (MYR)
1 USD = 4.25 MYR – June 2025

FDI

FDI stocks in 2024: 214 MM USD
Inward FDI flows in 2024: 11.2 MM USD

Strong facts

Diversified economy.

World leader in electronic and computer parts

High R&D & Sustained Investments

High per capita income

High tourist potential



GDP growth



In 2024, Malaysia's economy grew by 5.1%, up from 3.6% in 2023, driven by strong domestic demand, robust investment, and a recovering external sector. The first quarter of 2025 saw a 4.4% GDP growth, indicating steady momentum. For 2025, forecasts vary: Bank Negara Malaysia projects growth between 4.5% and 5.5%, while the IMF anticipates a more moderate 4.1%, citing global uncertainties. Overall, Malaysia's economic outlook remains positive, supported by resilient domestic consumption and strategic investments.

Malaysia's economic growth is driven by a diversified economy, including manufacturing (especially electronics), services, agriculture, and natural resources. Strong domestic consumption, supported by a growing middle class, fuels demand. Foreign investment thrives thanks to a stable business environment and strategic geographic location. Infrastructure development and digital transformation boost productivity. Participation in regional and global trade agreements enhances export performance. Sound fiscal policies and a well-regulated banking sector contribute to macroeconomic stability. These combined factors create a resilient economic foundation, allowing Malaysia to maintain steady growth while adapting to global market changes and pursuing long-term development goals.



Doing Business in Malaysia



Malaysia presents an attractive and business-friendly environment for investors, combining political stability, a strategic geographic location, and a well-developed infrastructure. Positioned at the heart of Southeast Asia, Malaysia serves as a gateway to the ASEAN market of over 650 million people. Its open economy supports trade and investment through a robust legal framework, investor-friendly policies, and a relatively efficient regulatory system.

The country offers strong government support for foreign investors, especially in sectors like manufacturing, renewable energy, digital economy, and financial services. Special Economic Zones and government incentives, such as tax holidays and grants, further enhance its appeal. The availability of a skilled, multilingual workforce adds to operational efficiency.

Malaysia's banking and telecommunications sectors are well-developed, and its logistics networks facilitate smooth import-export processes. Additionally, Malaysia is strengthening its digital infrastructure and green economy initiatives, drawing in major international players.

With increasing foreign direct investment inflows and strategic trade agreements, Malaysia continues to solidify its position as a regional investment hub. For businesses seeking a dynamic, cost-effective, and globally connected base in Asia, Malaysia offers a compelling value proposition.



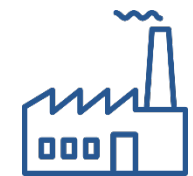


Main sectors of activity



8.2 %

Share of Agriculture in GDP
It employs 10.3% of the population



35.9 %

Share of industry in GDP
It employs 27.0% of the population



54.8 %

Share of Services in GDP
They employ 62.7% of the population



Sector Strategies



Shared Prosperity Vision 2030 aspires to make Malaysia a nation that achieves sustainable growth along with fair and equitable distribution, across income groups, ethnicities, regions and supply chains.



Malaysia is committed to strengthening political stability, increasing the nation's prosperity, and ensuring the unity of the rakyat(Malaysian people) as well as celebrating ethnic and cultural diversity as the foundation of the nation state. The vision revolves around 7 strategic axes:

- Business & Industry Ecosystem (SMEs and VSEs will contribute with 50% of GDP)
- Key Economic Growth Activities (Islamic Finance 2.0, Renewable Energy, Green Economy, Raw Material 2.0, ASEAN Cluster)
- Human capital (35% of highly skilled workforce in the labor force)
- Labor market and employee remuneration (average salary increase at 3/4 of annual productivity value increases)
- Social welfare (Equality in median merit wages)
- Regional inclusion (integrated urban-rural public transportation system, new regional economic hubs)
- Social capital (achieving a positive increase in the unity index, integrity and anti-corruption indicator)





Infrastructure



Maritime

The main ports of the country are those of Kelang (Kuala Lumpur), Penang and Johor, situated on the coast of the Straits.



Airport

The leading airports are Johore Bahru , Penang and Kuala Lumpur.



Road and Rail

Malaysia has a road network of about 65,000 km of roads, highways and trunk roads. Transportation by road accounts for 90% of Malaysia's freight and passenger traffic. The Government has announced the construction of almost 16,000 km of additional toll roads. Malaysia has a rail network of over 2,000 km, mainly located in Kuala Lumpur and along the coast of the Straits of Malacca. Improvements in rail service are ongoing.

Telecom



Malaysia's internet economy is expected to reach USD 26 billion by 2025, over double its current value, according to the Google-Temasek-Bain & Co. report. The government is working to make the country's startup ecosystem attractive, by supporting measures to digitalize its economy and industry, notably the Industry 4.0 Malaysia program.



Promising Sectors



01

Construction Construction industry output is growing at double-digit annual rates. Other factors such as demographic change (annual growth rate of about 2%), migration (encouraged by the Malaysia My Second Home program) and socio-economic growth are also closely linked to the growth of the construction industry.

02

Health: Local clinics meet international standards and provide quality services with doctors trained in the US, Australia or the UK. Opportunities for foreign companies are: electro diagnostic devices, infrared and ultraviolet devices, equipment for

03

Cosmetics: The cosmetics market in Malaysia is worth more than one billion euros, with an annual growth rate of around 6%. The most promising market segments are skin whitening and anti-aging, men's care products, and organic, natural and halal certified products, with interesting development prospects.

04

Oil and gas: Potential opportunities for companies in the hydrocarbon sector are significant, particularly in the upstream sector, as well as for equipment, technologies and services related to the development of deepwater and ultra-deepwater fields (Malaysia is emerging as a regional hub for the offshore deepwater industry).

05

Halal : The Malaysian Halal food market is estimated at USD 358.3 million. As part of the Third Malaysian Industrial Master Plan (IMP3) 2006-2020, one of its objectives was to make Malaysia the "World Halal Hub" for the production and trade of halal products and services. The World Halal Summit is organized by the Ministry of International Trade and Industry, and it is the world's largest platform for the Halal food and beverage industry.

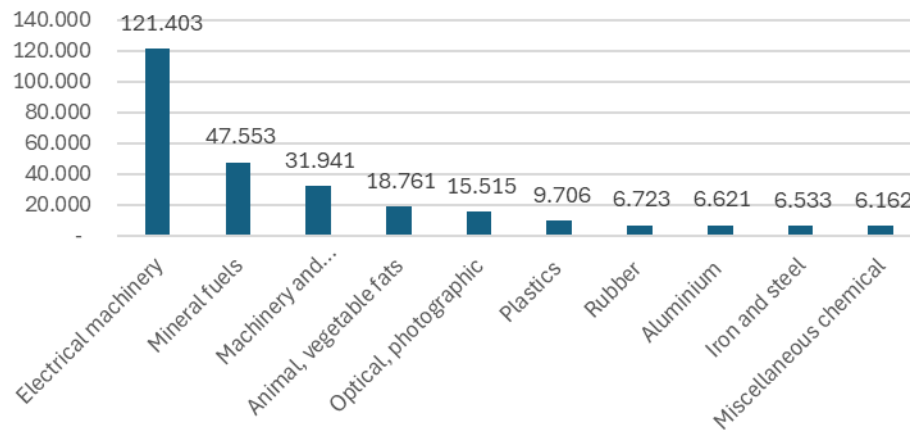
06

Environment/Waste treatment/Energy : According to the government, the potential of the renewable energy sector is supported by the abundance of available resources. Additionally, the following sectors have promising growth prospects , namely: The agricultural waste recycling sector, the wastewater treatment sector and the environmental sector.

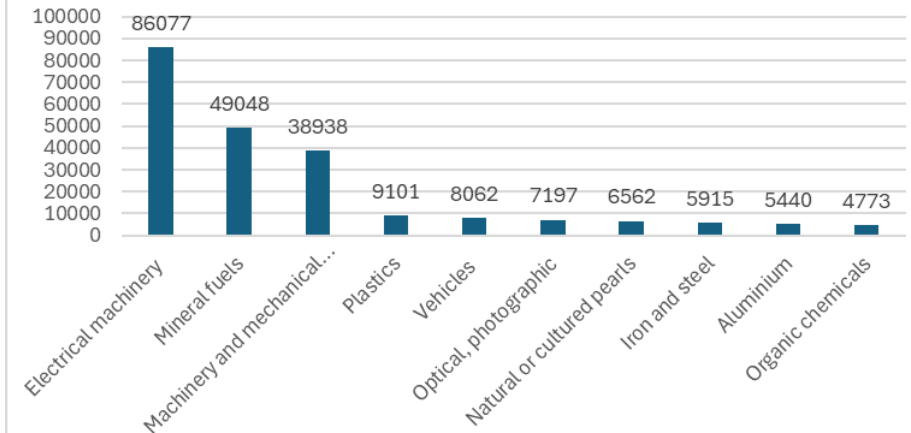


International trade

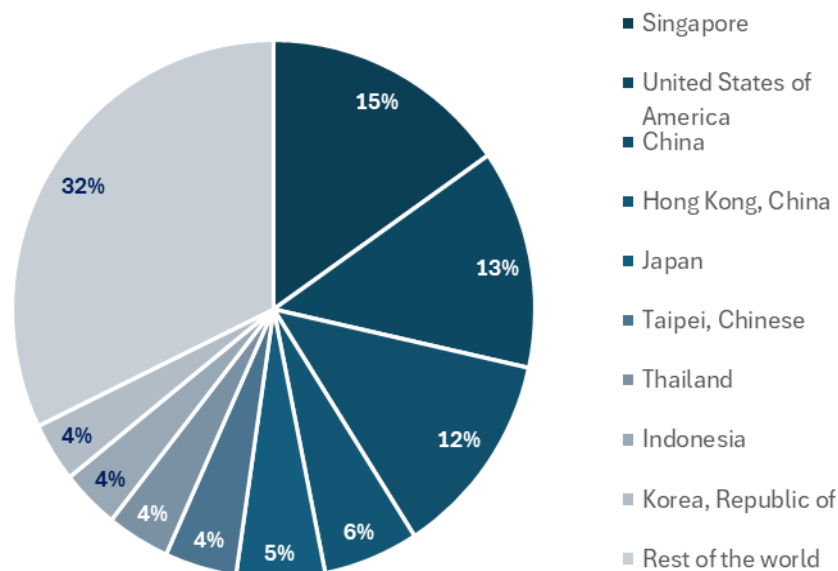
Main Products Exported by Malaysia in 2024
-MUSD



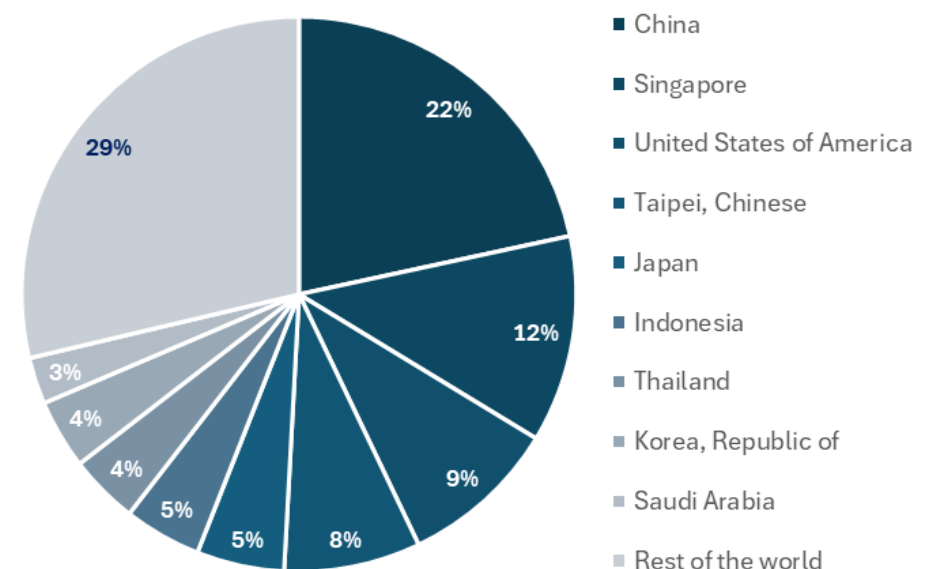
Main Products Imported by Malaysia 2024
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Malaysia's Top Customers in 2024

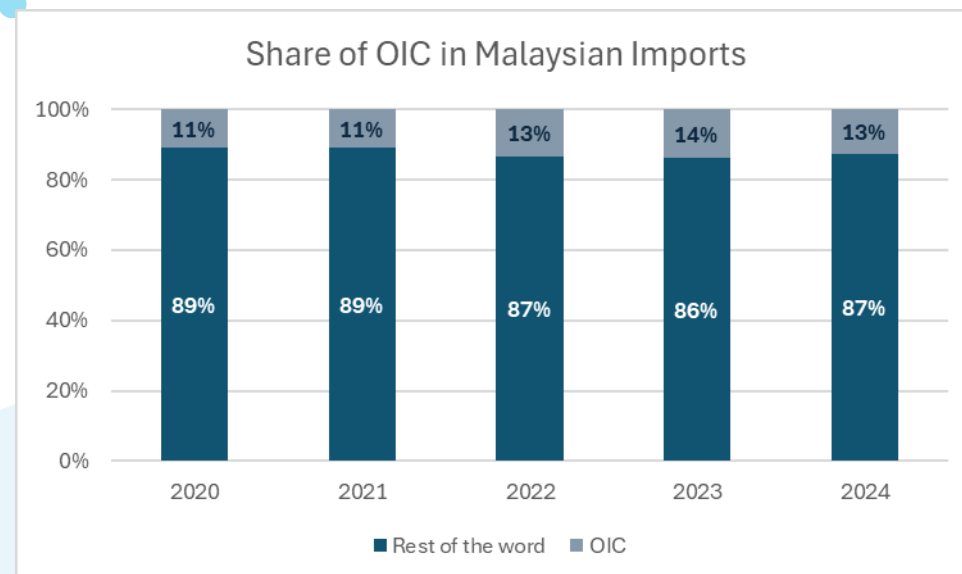
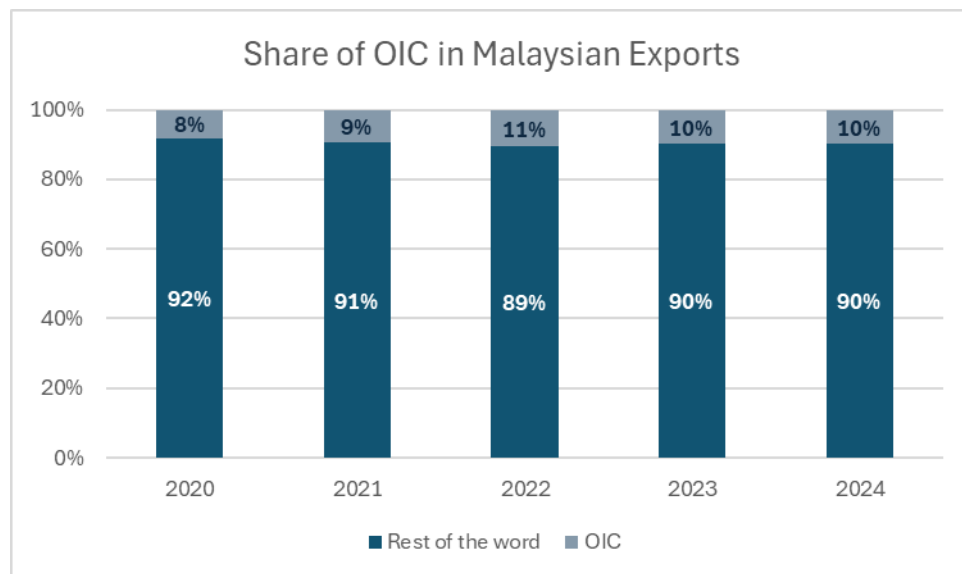


Malaysia's top Suppliers in 2024





Intra-OIC Trade



Top 10 Customers, OIC Members in 2024

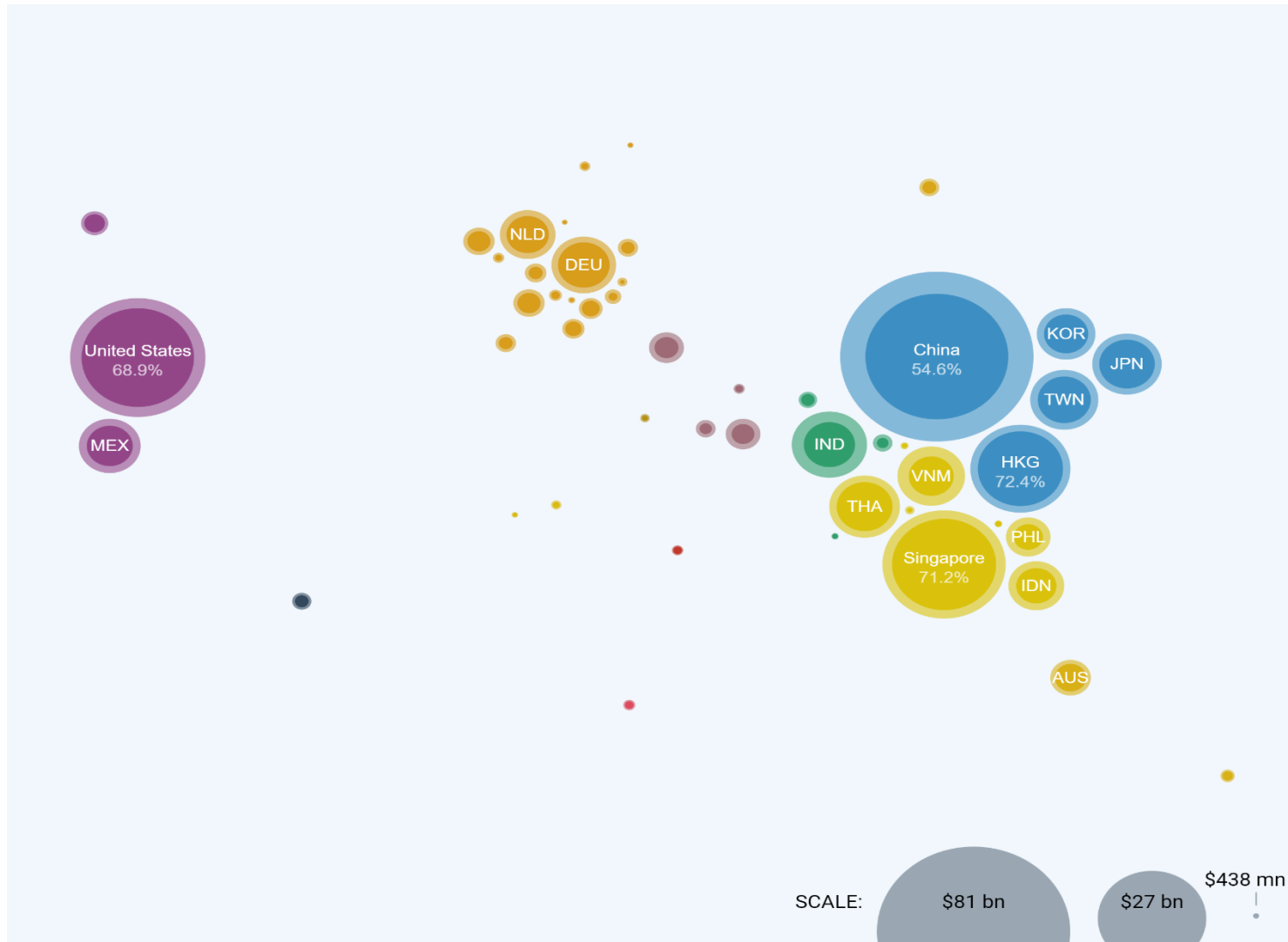
1	Indonesia	6	Brunei Darussalam
2	Türkiye	7	Pakistan
3	United Arab Emirates	8	Egypt
4	Bangladesh	9	Nigeria
5	Saudi Arabia	10	Iran

Top 10 Suppliers, OIC Members in 2024

1	Indonesia	6	Nigeria
2	Saudi Arabia	7	Türkiye
3	United Arab Emirates	8	Cameroon
4	Qatar	9	Oman
5	Cote d'ivoire	10	Gabon



Malaysia's export potential by country of destination



Markets with potential for Malaysia's exports

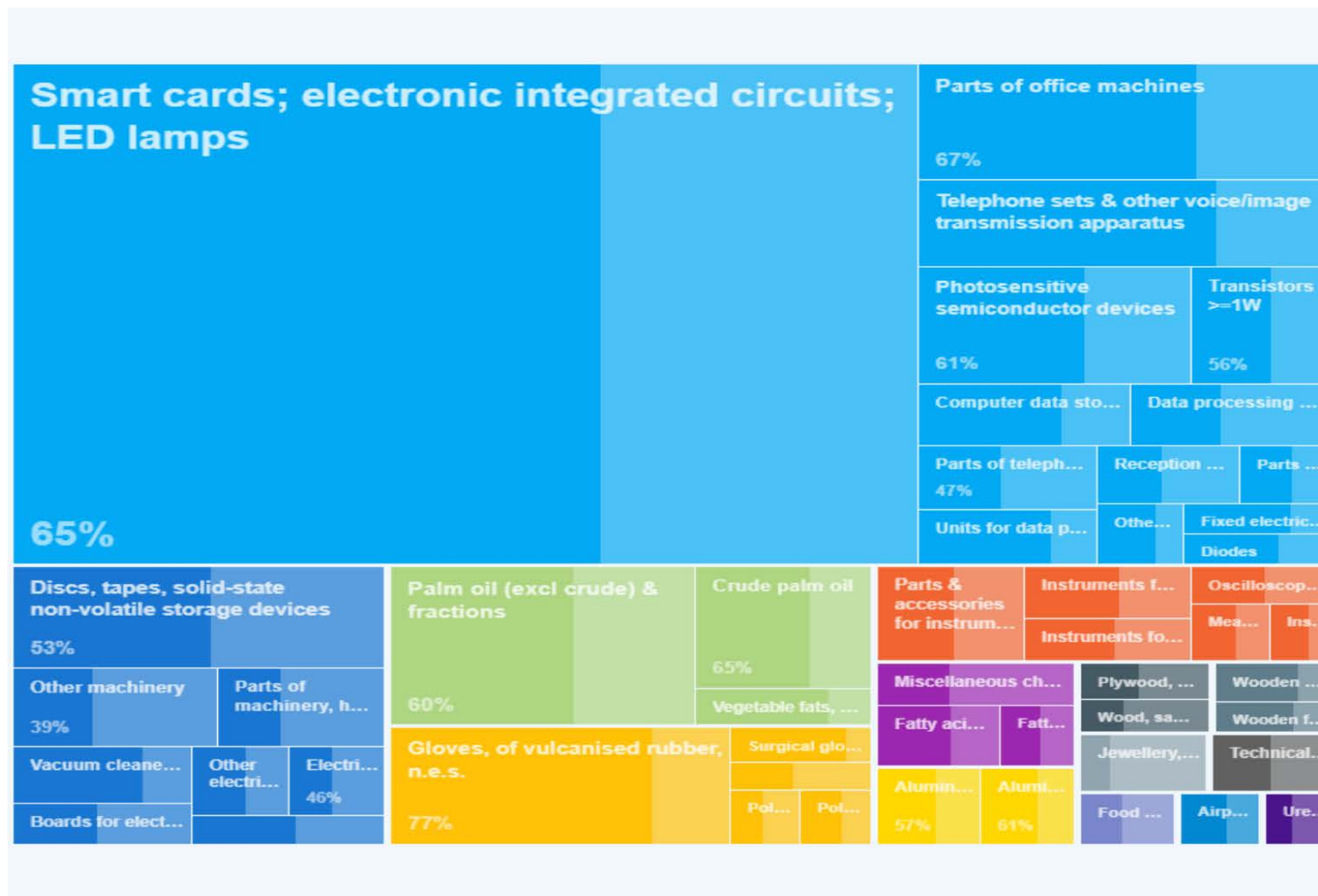
Legend

- Export potential
- Realized potential
- East Asia
- Southeast Asia
- North America
- EU & West Europe
- South Asia
- Middle East
- Pacific
- East Europe & Central Asia
- South & Central America
- Western Africa
- Southern Africa
- Eastern Africa
- Northern Africa

Within the OIC space, the markets with the highest export potential are located in **Southeast Asia** and the **Middle East**.



Malaysia's Export Potential by Product



Malaysia's products with potential

Legend

- Export potential
- Realized potential

- Electronic equipment
- Machinery, electricity
- Vegetable oils & fats
- Plastics & rubber
- Optical products, watches & medical instruments
- Chemicals
- Metals (except ferrous & precious)
- Wood
- Wood products
- Jewellery & precious metal articles
- Natural latex & rubber
- Food products n.e.s. (processed or preserved)
- Aircrafts, spacecrafts & parts
- Fertilisers

The products with the greatest export potential are **electronic equipment, machinery, vegetable oil and fats, plastics and rubber, optics, watches and medical instruments, etc**



Market Access



Customs Duties and Taxes

Average rate: 5.6%

Average rate of agricultural products: 7.9%

Average rate of non-agricultural products: 5.2%

Commercial agreements

- Member of the WTO and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- ASEAN-Australia-New Zealand
- ASEAN - China
- ASEAN - Korea, Republic of
- ASEAN - Hong Kong, China
- ASEAN - India
- ASEAN - Japan
- Chile - Malaysia
- India - Malaysia
- Japan - Malaysia
- Malaysia - Australia
- New Zealand - Malaysia
- Pakistan - Malaysia
- Global System of Trade Preferences among developing countries (GSPC)
- Türkiye - Malaysia
- ASEAN Free Trade Area (AFTA)

Fairs and Exhibitions

For more information, visit the website:

https://www.eventseye.com/fairs/c1_trade-shows_malaysia_1.html

Public markets

Tenders from Malaysia are published on the website:

<https://www.tenderdetail.com/malaysia-tenders>

Investing in Malaysia



Why Malaysia

Malaysia is well positioned in one of the fastest growing economic regions in the world. The Southeast Asian region has recorded an average GDP growth of 5.3% per year over the past 20 years.

Production efficiency and cost management are key factors that enable the industry to deliver tangible results for your business. The Malaysian services industry also combines a multi-disciplinary approach with in-depth, hands-on industry knowledge to address challenges and opportunities.

Special Economic Zones

Malaysian free trade zones are ideal for foreign companies that intend to establish a regional manufacturing or distribution base in Malaysia. Malaysia offers several free trade zones, the most popular ones are (i) Pasir Gudang Free Trade Zone (ii) Port Klang Free Trade Zone (iii) Kulim Hi-Tech Park (iv) Tanjung Pelepas Port Free Trade Zone and (v) Bayan Lepas Free Trade Zone.

Implemented Measures

Incentives for new investments: Direct tax incentives provide partial or total relief from the payment of income tax for a specified period of time, while indirect tax incentives take the form of exemptions from import duties and excise taxes.



Contacts

Ministry of International
Trade and Industry



<https://www.miti.gov.my>

International Chamber of
Commerce and Industry



<https://www.micci.com/>

Royal Malaysian Customs
Department



<http://www.customs.gov.my/>

National Chamber of Commerce and
Industry of Malaysia



<https://www.nccim.org.my>

Malaysian Investment
Development Authority (MIDA)



<https://www.mida.gov.my/>

National Investment Committee



<https://www.investkl.gov.my/>