



**ECONOMIC/THEMATIC RESEARCH:
MALAYSIAN STATES'
ANALYSIS
GDP & INVESTMENT**

Prepared by:
Lynette Lee
Mazlina Abdul Rahman
Syed Mohamad Bukhari Syed Bakeri

SMEBank-EconomicResearch@smebank.com.my

(603) 2615 2020





5 out of 14 states outperformed national GDP growth rate



However, only 4 out of 14 states have returned to pre-pandemic level GDP...



...where the recovery wasn't standardized across sectors



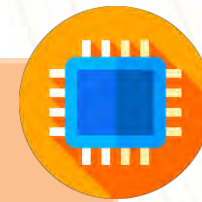
Regardless, mining sector remain a laggard in all states



Wholesale & retail trade, F&B and accommodation dominate services sector in 8 states...



...while government services lead services sector in Perlis and Kelantan



8 states focus on E&E and optical products as their main manufacturing activities...



...while petroleum, chemical, rubber & plastic dominate manufacturing sector in Melaka, Pahang, Terengganu and Sarawak

Investment in manufacturing sector recorded at RM84 bil, 57% short of what it was in 2021

Johor made up the largest share (17%) of total manufacturing investment, followed by Pulau Pinang (16%) & Selangor (15%)...

...may have been propelled by investment in E&E as it is the focus industry

Some states (e.g. Kedah, Negeri Sembilan & Melaka) identify aerospace as emerging industry and provide opportunities



Belanjawan 2023

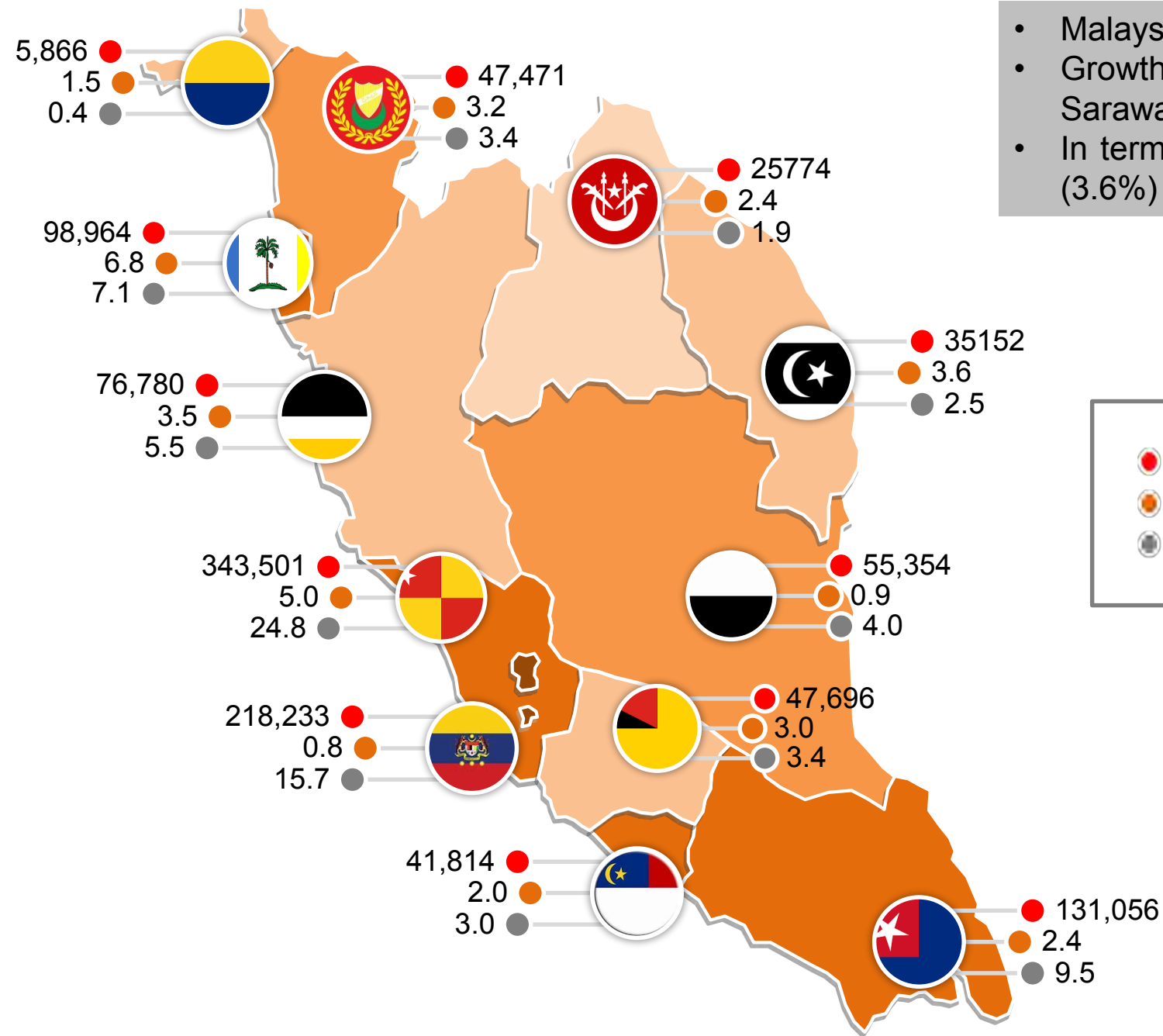


- **Extend tax incentives to mfg. companies that move operations to Malaysia**
 - **15% tax rate to C-Suites until 2024 to attract investment into Malaysia**
- **Extend income tax incentives & investment tax allowances until 2025**

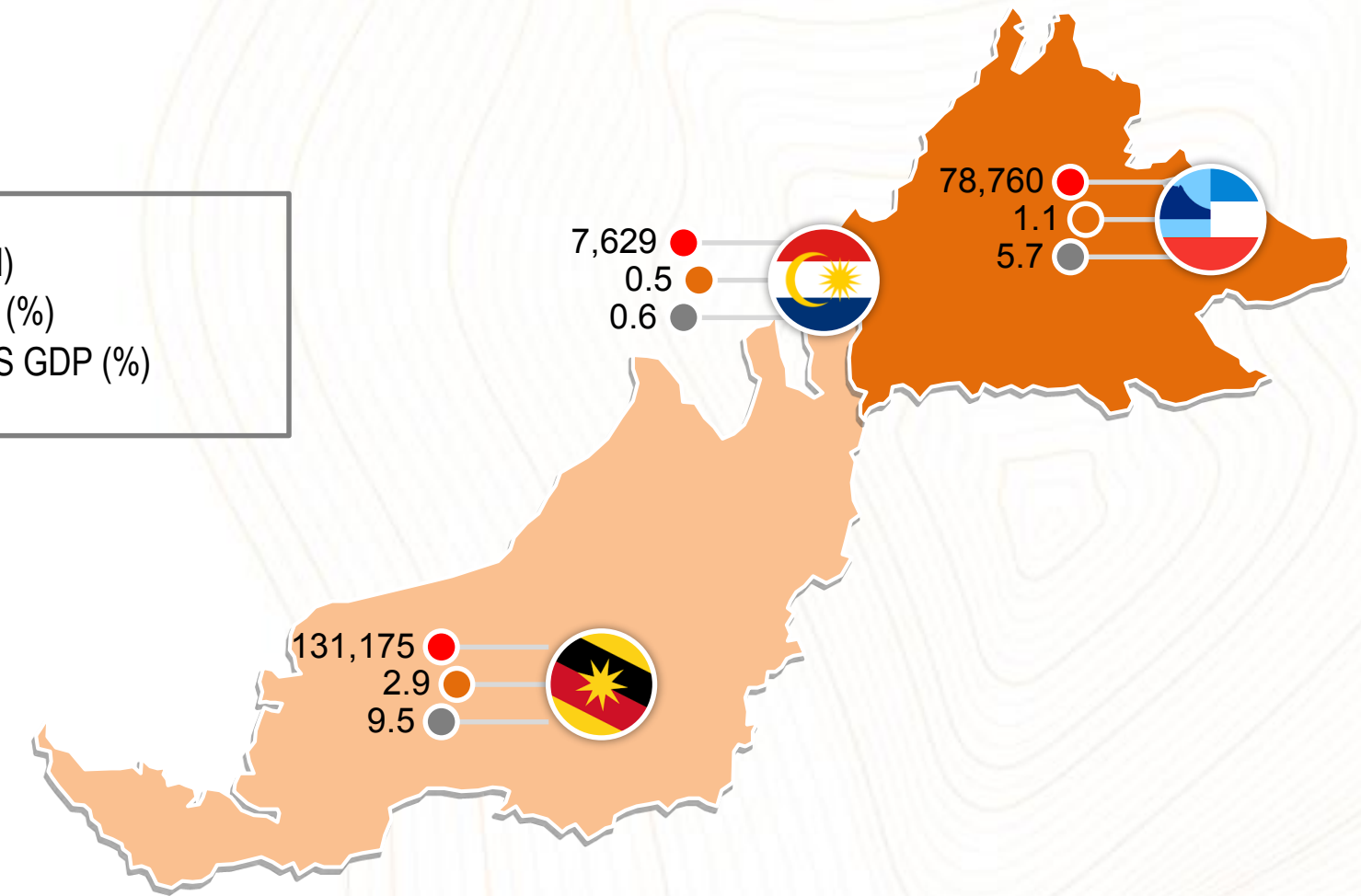
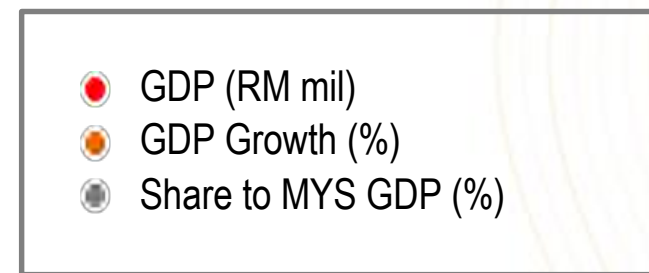
Note 1: States include Kuala Lumpur Federal Territory.

Note 2: Latest available GDP data by state are as of 2021 while investment are as of 2022.

Gross Domestic Product (GDP): Malaysia



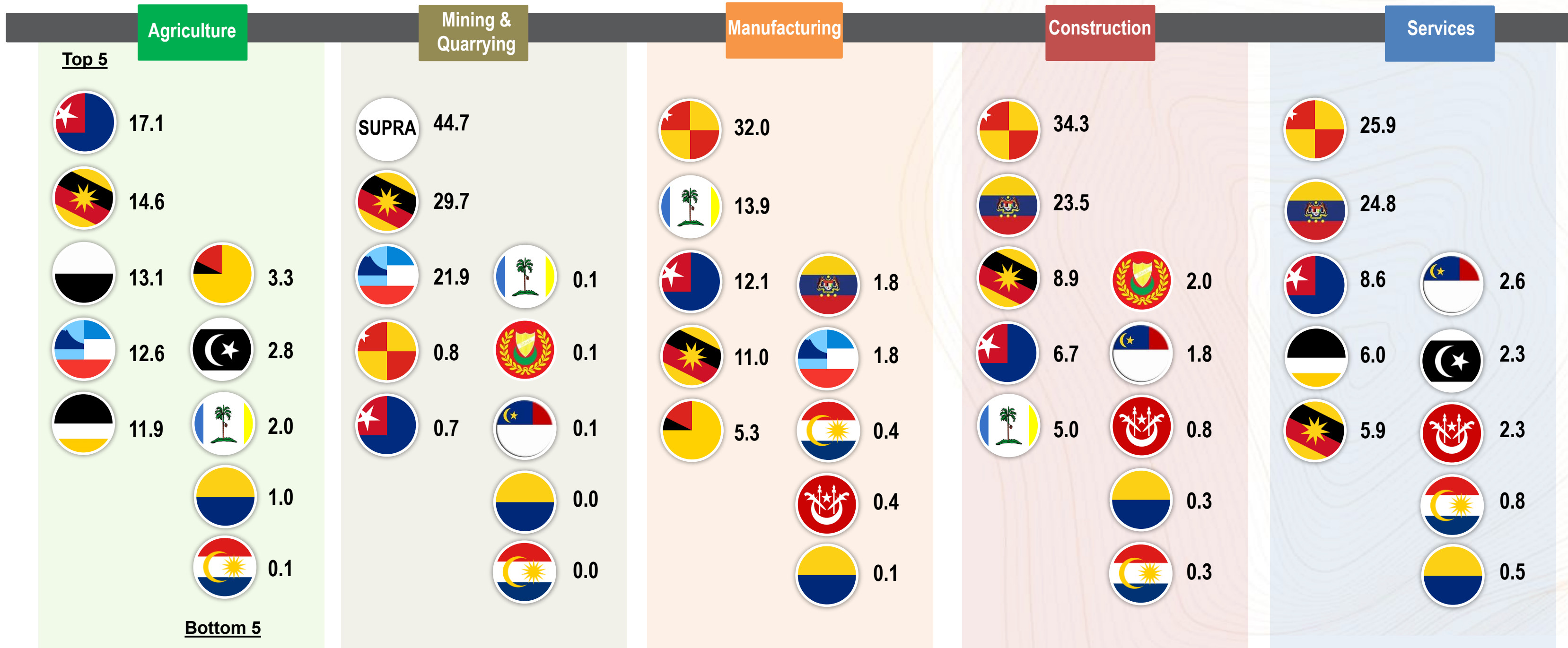
- Malaysia's GDP growth advanced to 8.7% YoY in 2022, up from 3.1% in 2021 (2020: -5.5%).
- Growth in 2021 was mainly contributed by Selangor (1.2 ppt.), Pulau Pinang (0.5 ppt.) and Sarawak (0.3 ppt).
- In terms of annual growth rate, Pulau Pinang (6.8% YoY), Selangor (5.0%) and Terengganu (3.6%) grew the most from 2020 levels and have also **performed above national level.**



Note: W.P. Kuala Lumpur includes W.P. Putrajaya

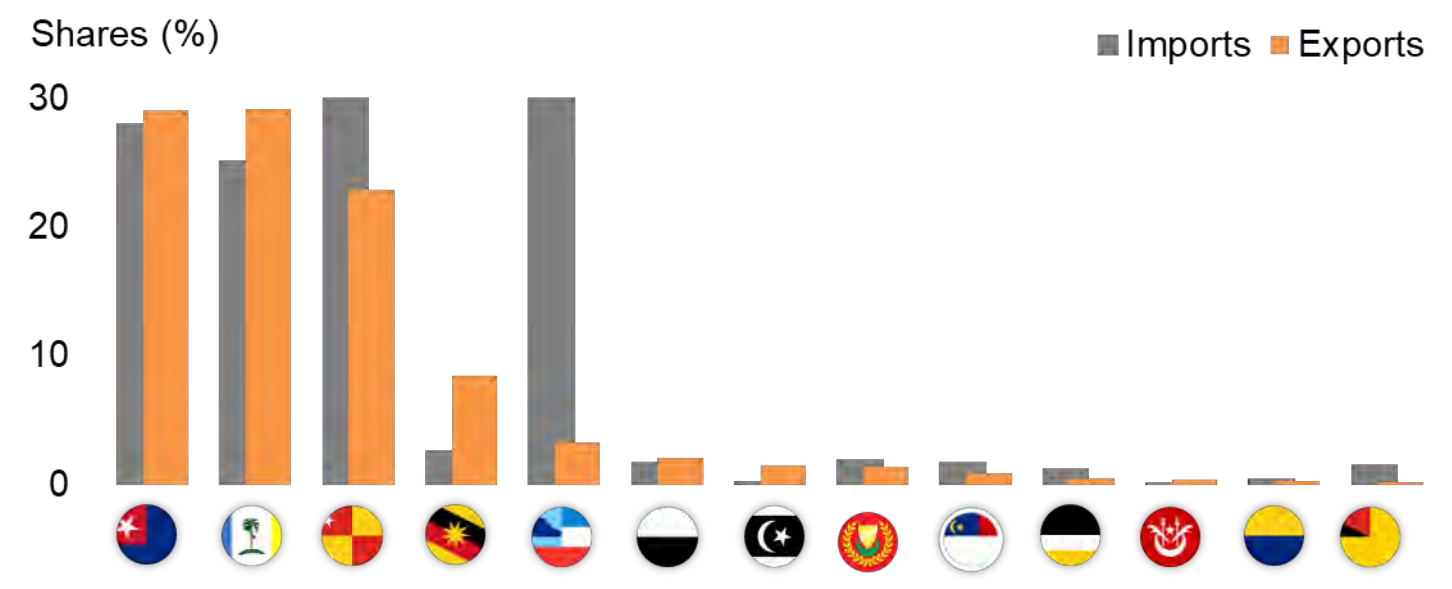
State's share to GDP (%) by Sector, Top 5 & Bottom 5

- **Selangor** has the **biggest contribution in construction** (34.3%), **manufacturing** (32%) and **services** (25.9%) sector. **The gap with the 2nd largest contributor** in both manufacturing & construction is **quite substantial**. Despite having vigorous E&E activities and being top exporter of the country, Pulau Pinang's manufacturing share is not even half of Selangor's.
- **Johor** contributes the most in **agriculture** and followed closely by Sarawak. **Sarawak** also **dominates mining & quarrying** sector.



*Supra state covers production activities that are beyond the center of predominant economic interest for any state

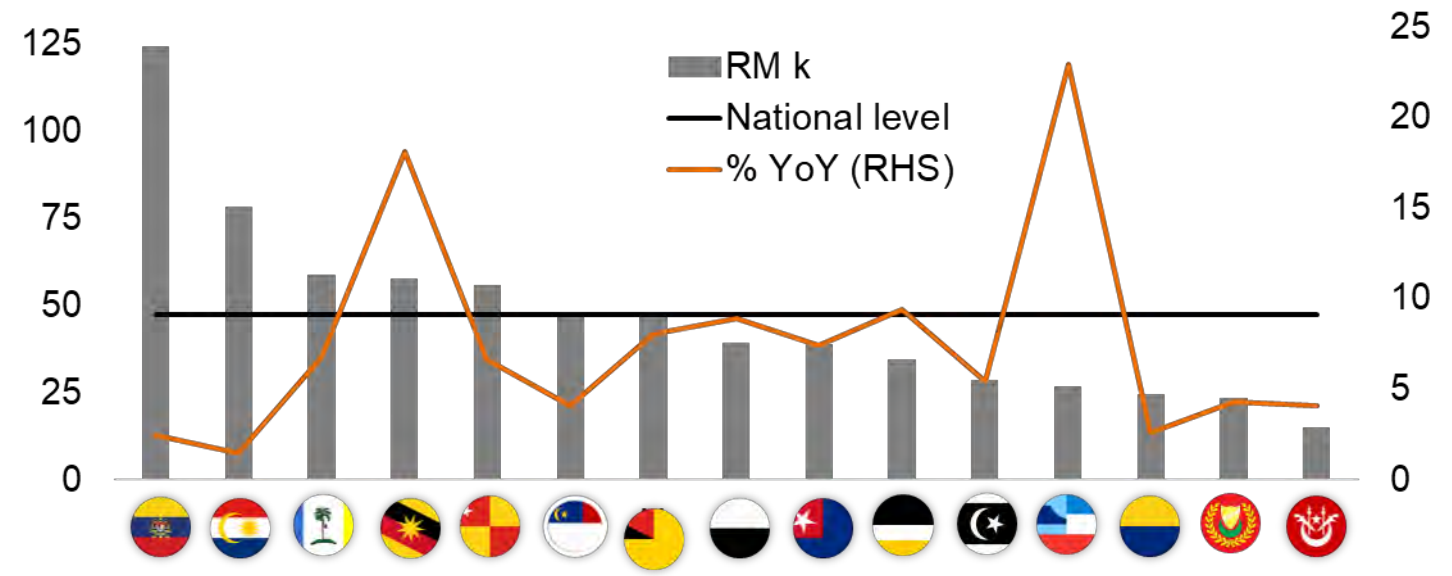
Johor & Pulau Pinang exports the most in 2022, reflecting their roles in global supply chain.



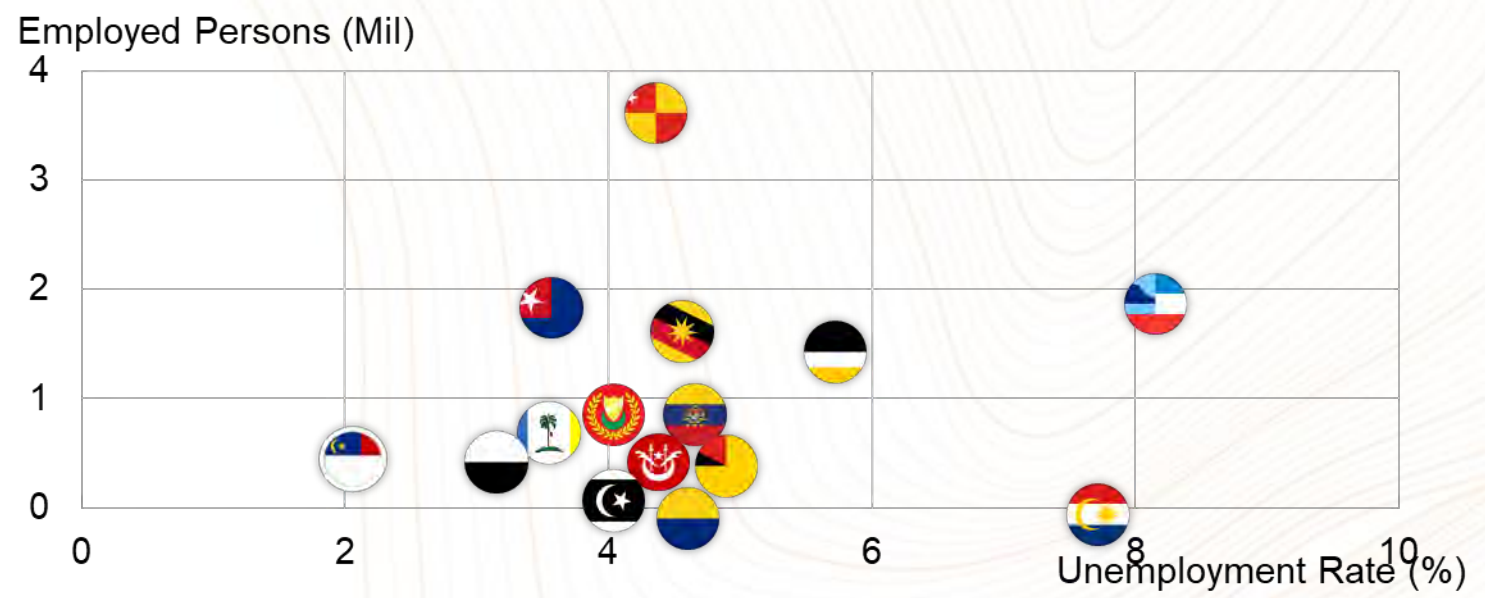
Highest inflation in Putrajaya (7.3%) and Selangor (4.2%), exceeded national level of 3.4% in 2022.



KL GDP per capita is 2.6x above national figure but remain below pre-pandemic level (RM129.7k)



Sabah has the highest unemployment rate but it also has one of the largest number of employment

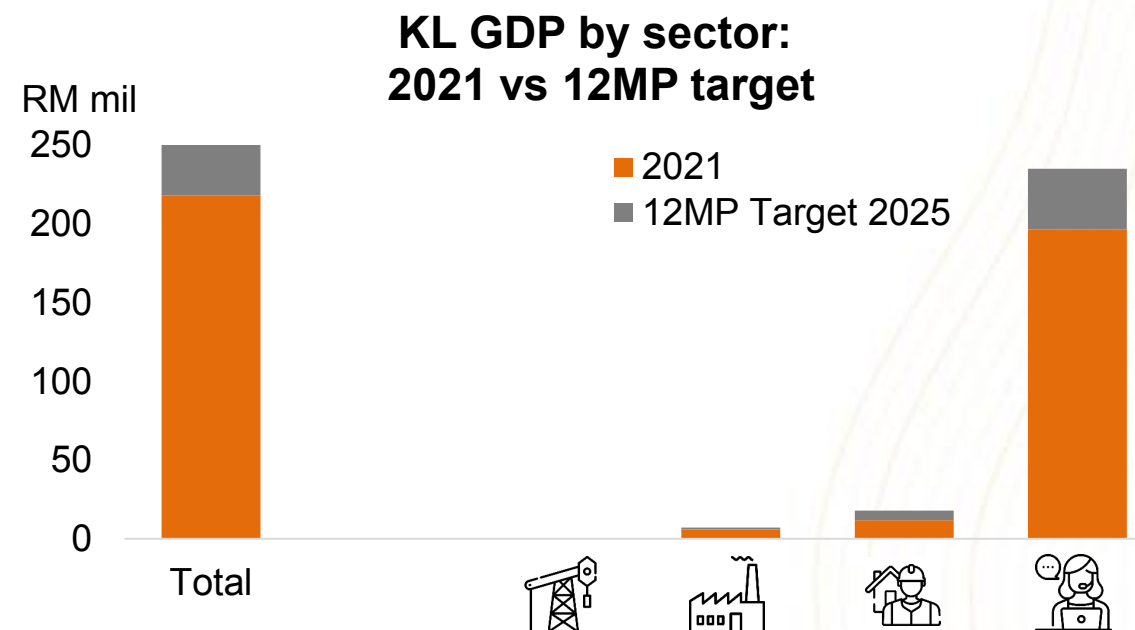
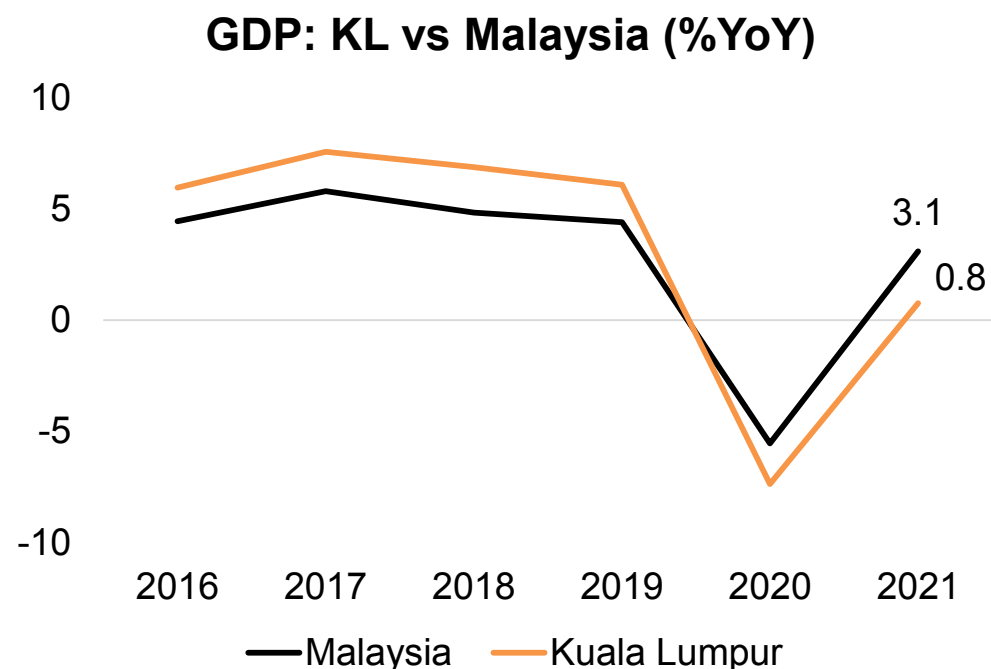


JHR MLK SWK NSN PHG TRG SBH PNG PRK KTN PLS SGR KDH LBN KUL PJY

Note: Data are average of 2022 except for GDP per capita & unemployment rate in 2021

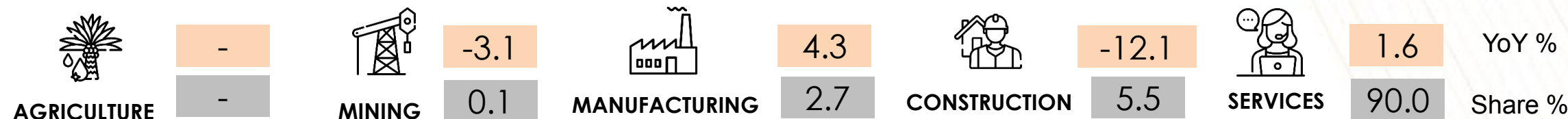


Kuala Lumpur's GDP growth underperformed national level GDP and its 12MP average growth target of 4.2%.



Note: 12MP average growth for 2021-2025

Kuala Lumpur GDP breakdown by sector



Subsectors

YoY %	Subsector	Share %
0.8	Wholesale & retail trade, food & beverage and accommodation	39.8
0.5	Finance & insurance, real estate and business services	28.7
5.8	Government services	14.7
4.0	Utilities, transportation & storage, information and communication	12.2

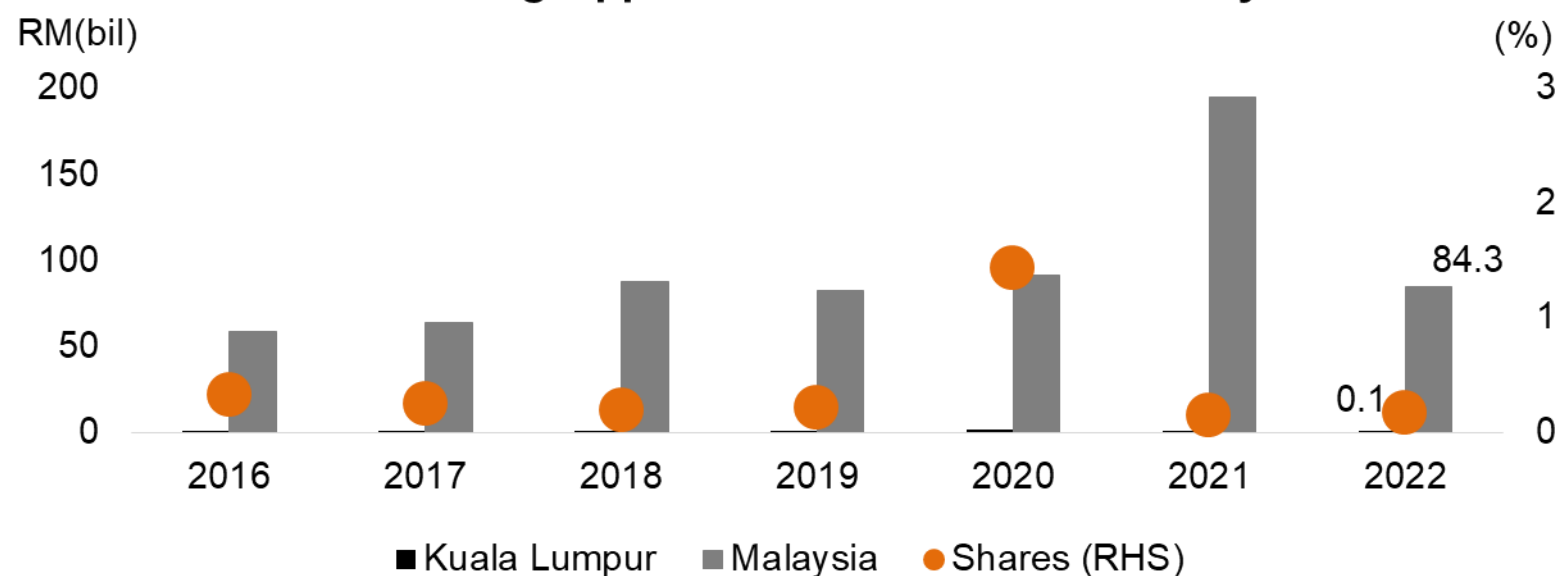


Subsectors

YoY %	Subsector	Share %
1.6	Other manufactures	36.1
7.5	E&E and optical products	24.5
11.4	Vegetable & animal oils & fats, food processing, beverages & tobacco	16.5
-2.8	Wood products, furniture, paper products and printing	13.4

- KL's economy has not fully recovered to pre-pandemic level, (-6.7% YoY vs 2019). All four sectors remain below 2019's level.
- Assuming GDP grow by 4.2% for the next 4 years (2022-2025), it will **still fall short of 12MP target** (RM265.2 bil in 2025) by **circa 3.0%**.
- More global companies are establishing their **global service hub in KL** due to robust infrastructure and dynamic pool of talent, among others – reflects high dependency on services sector (90% of GDP) – which continue providing support to economic growth moving forward.
- Some of the latest presence were British public-listed software development company Endava Plc, and Baxter Southeast Asia.
- Moreover, government has mandated Tun Razak Exchange (TRX) as Malaysia's international financial hub to attract high quality foreign investment from the global financial industry.
- Besides that, Microsoft Corp has announced plans to establish its first data centre region in the country – USD1 bil (RM4.12 bil) commitment/investment to Malaysia over the next 5 years – include building and setting up the data centre.

Manufacturing Approv. Investment: KL vs Malaysia



- Manufacturing approved investment in KL contracted by -49.9% YoY in 2022 (2021: -78.7%), in line with national level (-56.8%)
- KL's low investment in manufacturing sector is consistent with its share to national manufacturing GDP (0.2% in 2022).
- This is in line with its focus industries which are **skewed more to regional business & shared service centres, logistics, transportation, & mobility, digital economy, e-commerce, green tech**, etc.
- In 2021, KL secured **RM2.46 bil in investments** through **13 global services hubs** by leading multinationals (MNCs) and fast-growing companies – making it the best performing year in the last decade.
- State government has targeted **RM35 bil of investments by 2030** (currently based on available data: RM18.3 bil since 2011).

Top manufacturing investments in 2021:

Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Paper, printing & publishing	95.0	0.0	95.0
Food manufacturing	54.8	0.0	54.8
Chemicals & chemical products	36.6	1.6	38.2
Plastic products	34.4	0.0	34.4
Textiles and textile products	21.8	2.7	24.4
Transport equipment	5.0	0.0	5.0
Fabric metal products	0.8	0.0	0.8
Other	25.7	0.0	25.7
Total	274.1	4.3	278.4

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.

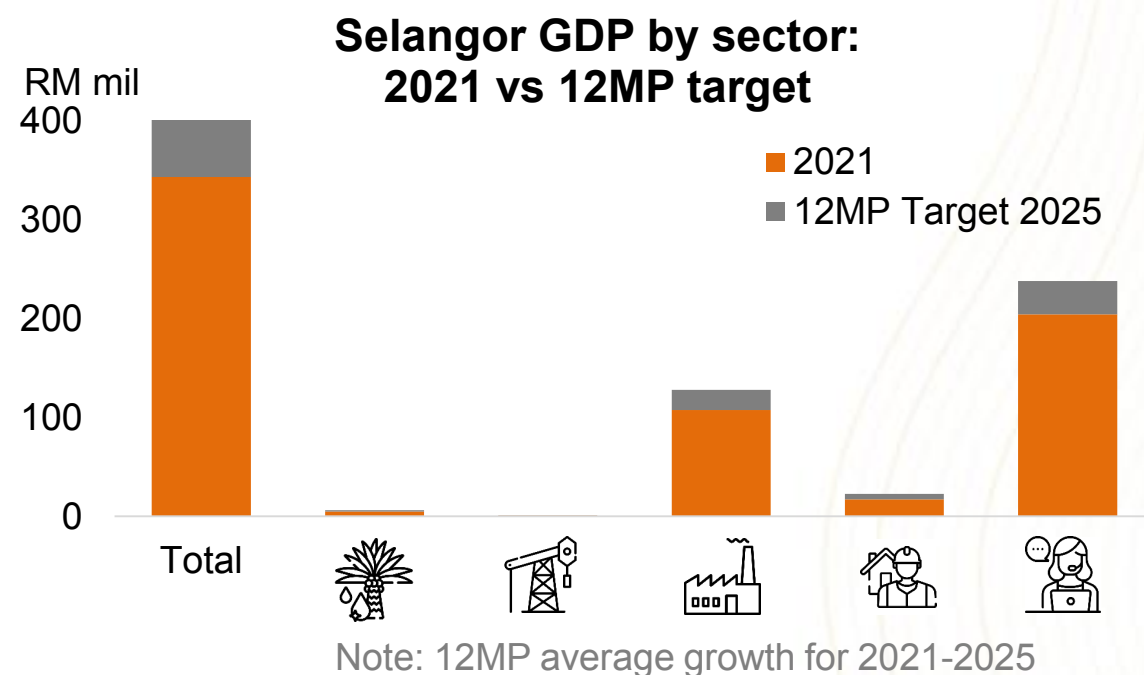
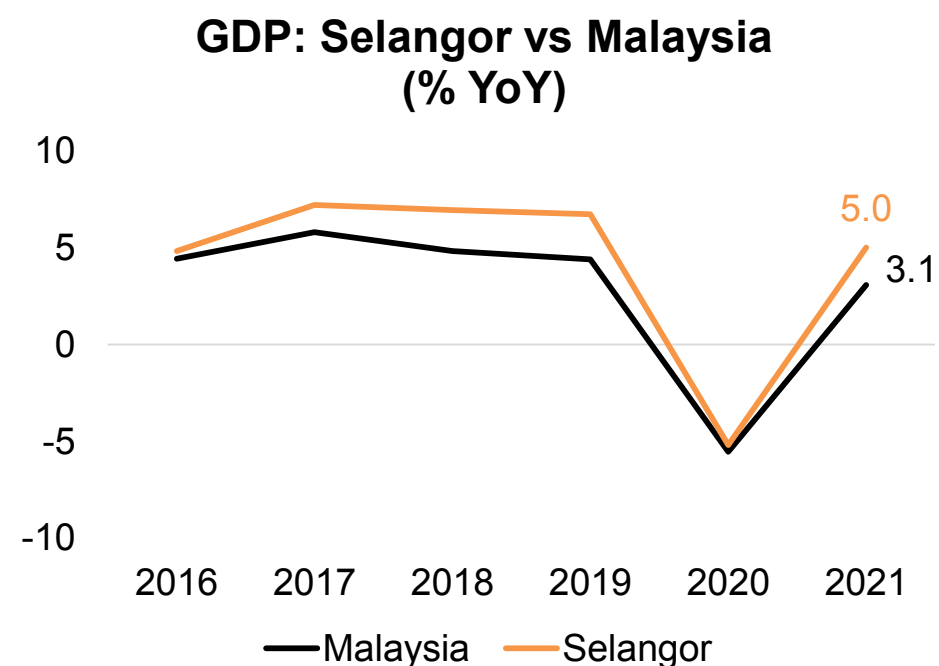


Ongoing/Upcoming Key Projects

- 1 AstraZeneca global business services hub (2023)
- 2 Bukit Bintang City Centre Phase 2 & 3 (2025)
- 3 Arnott's Group (food mfg) Asia Hub 3-stage expansion
- 4 Microsoft Data Centre (2026)



Selangor's GDP growth outperformed national level GDP and its 12MP average growth target of 4.3%.



Selangor GDP breakdown by sector

Sector	YoY %	Share %
AGRICULTURE	4.9	1.4
MINING	-3.0	0.2
MANUFACTURING	13.1	31.4
CONSTRUCTION	-6.6	5.1
SERVICES	2.2	59.5

Subsectors (Services)

YoY %	Subsector	Share %
0.5	Wholesale & retail trade, food & beverage and accommodation	35.6
4.2	Utilities, transportation & storage, information and communication	29.5
2.7	Finance & insurance, real estate and business services	18.7
5.7	Government services	9.1

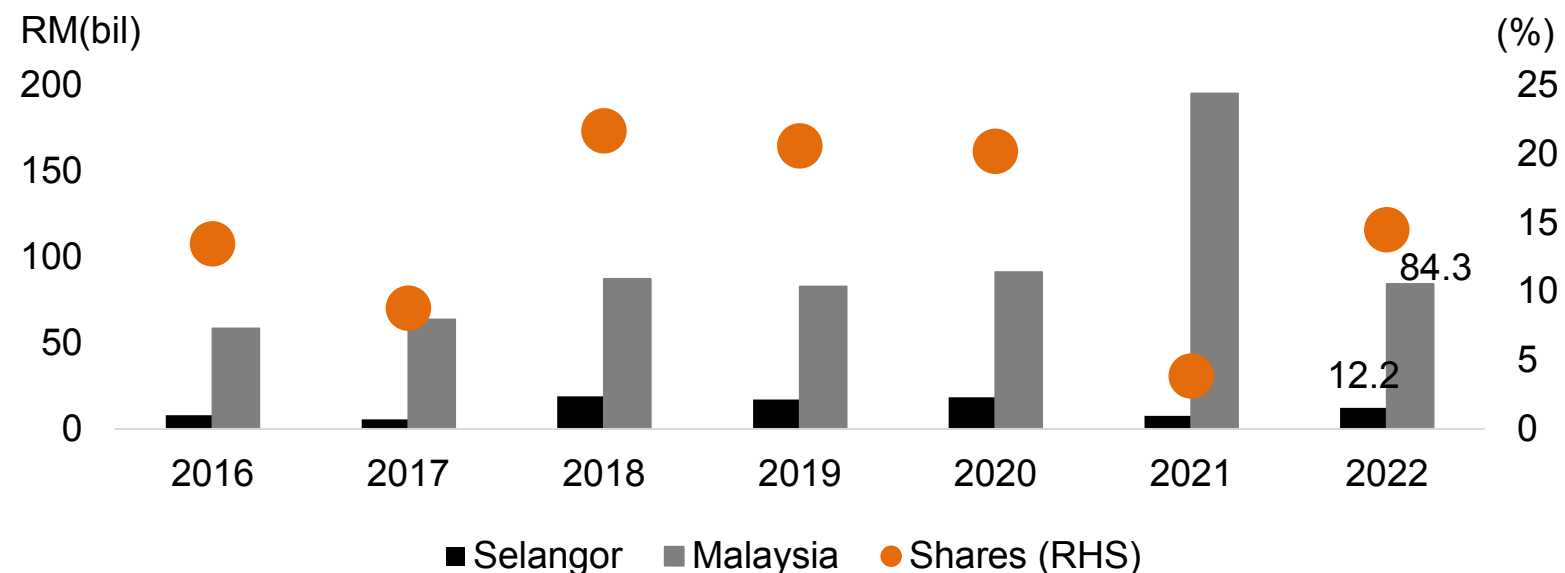
Subsectors (Manufacturing)

YoY %	Subsector	Share %
22.0	E&E and optical products	29.3
6.8	Other manufactures	23.4
23.6	Petroleum, chemical, rubber and plastic products	18.5
9.2	Vegetable & animal oils & fats, food processing, beverages & tobacco	16.1

- Selangor's economy remains **slightly below pre-pandemic level**, (-0.4% YoY vs 2019).
- Nonetheless, manufacturing sector has recovered while agriculture was not affected significantly in the first place.
- Selangor seems to be **on track in achieving 12MP target of RM404 bil in 2025**.
- Selangor has the highest share in construction GDP (34.3%) but the sector has yet to return to its pre-pandemic level in 2021.
- Nonetheless, the performance is anticipated to be **more brisk from 2022** onwards benefitting from full economic reopening along with various development and mega projects (e.g. LRT3, KVDT II, West Coast, redevelopment of Shah Alam stadium) – spill over effects to other sectors such as transportation and sports & amusement & recreation activities.
- Real estate activities remains on recovery path and continue to offer opportunities to the state – Selangor dominated the market, accounting for about 24% of total residential property transactions in Malaysia in 3Q 2022



Manufacturing Approv. Investment: Selangor vs Malaysia



- Manufacturing approved investment in Selangor doubled by 62.5% YoY in 2022 (2021: -59.2%), in contrast to national level (-56.8%).
- It has also surpassed RM10 bil target set by the state government. Share to total manufacturing approved investment also went up to 12.2% (2021: 7.5%) – the 3rd largest recipient by state.
- In 2021, the biggest contributor (29.1%) came from **rubber products**, followed by **chemicals & chemical products** (17.3%) and **E&E** (15%), broadly in line with some **focus areas of the state**, namely 1) **E&E** and 2) **Life sciences** which include specialty chemicals.
- Additionally, **2 new industries (logistics services & digital investment)** have been identified – have the potential to boost Selangor as an investment destination.

Top manufacturing investments in 2021:

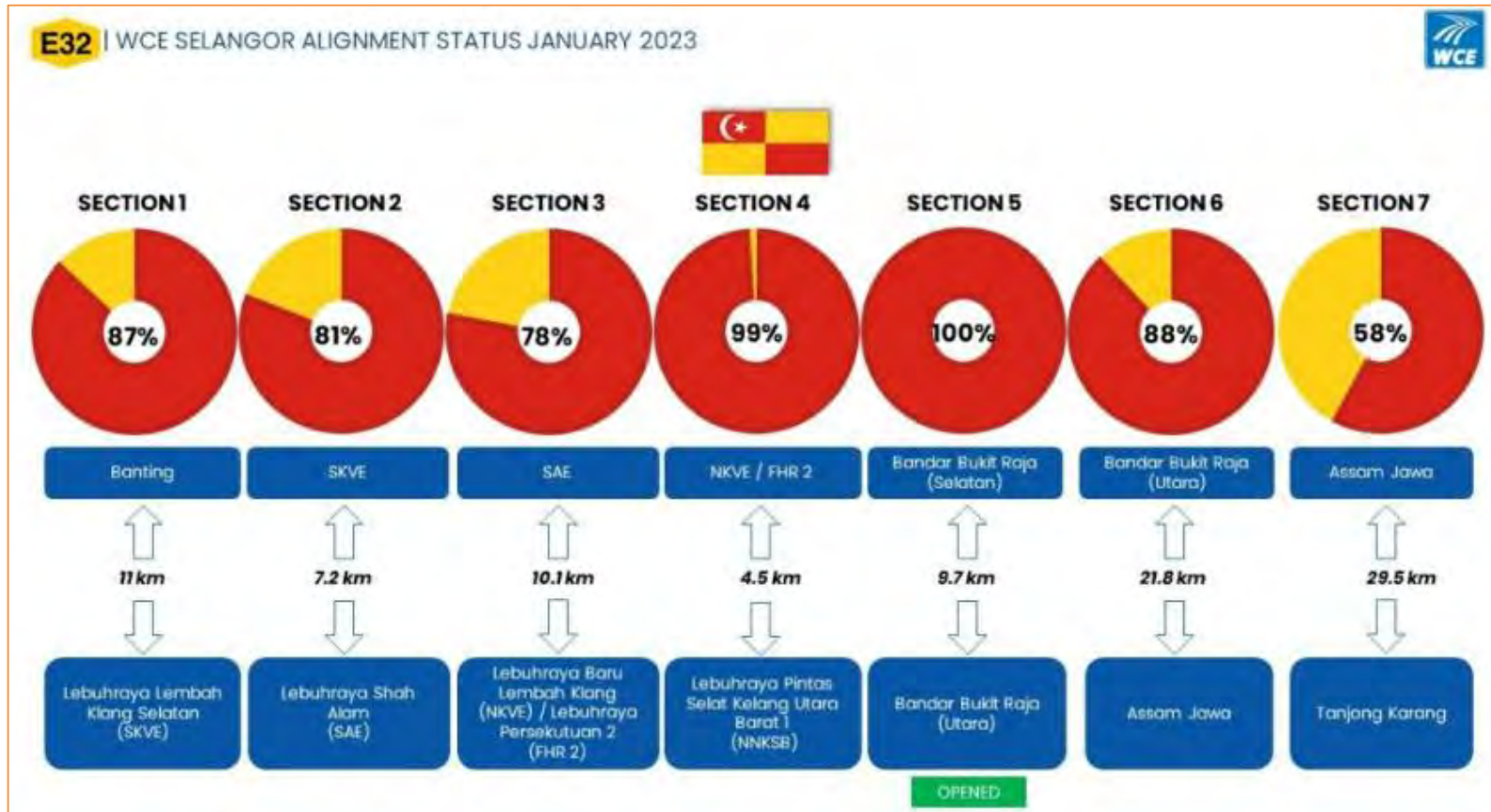
Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Rubber products	2,135.6	47.6	2,183.2
Chemicals & chemical products	1,170.2	130.5	1,300.7
Electrical & electronic products	284.6	844.6	1,129.2
Transport equipment	743.4	2.2	745.6
Food manufacturing	444.7	32.1	476.7
Fabric metal products	330.8	45.8	376.7
Paper, printing & publishing	185.5	85.1	270.6
Basic metal products	164.7	74.4	239.1
Plastic products	121.6	46.7	168.3
Furniture & equipment	104.8	26.2	131.0
Others	366.8	123.2	490.0
Total	6,052.8	1,458.3	7,511.0

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.



Ongoing/Upcoming Key Projects

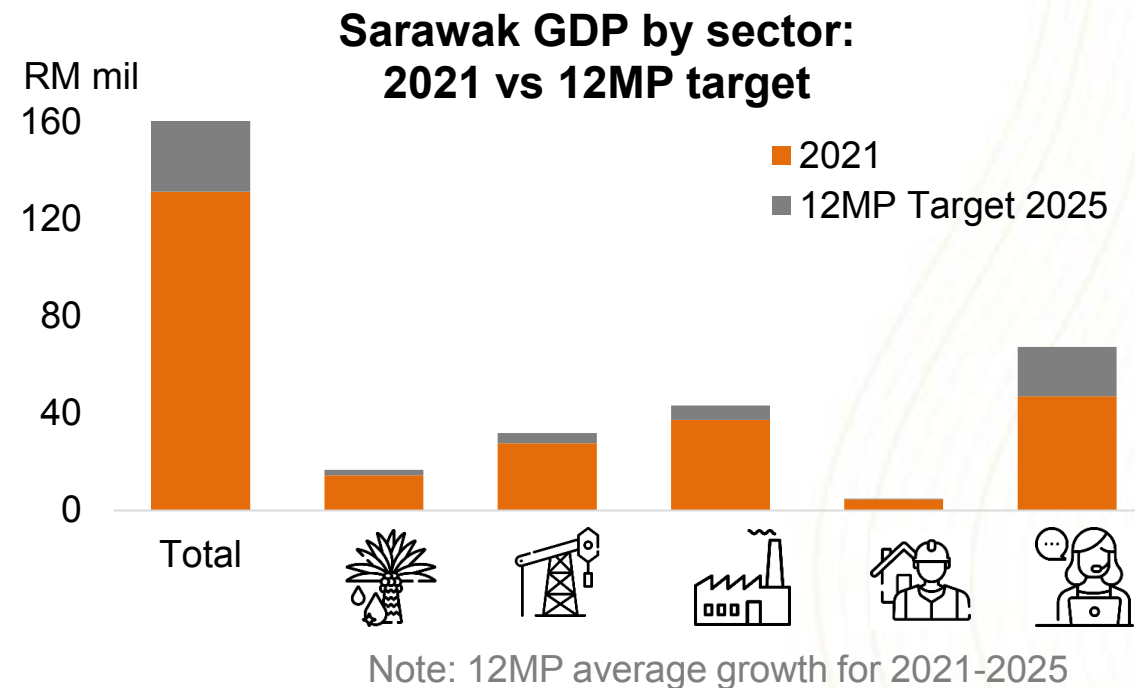
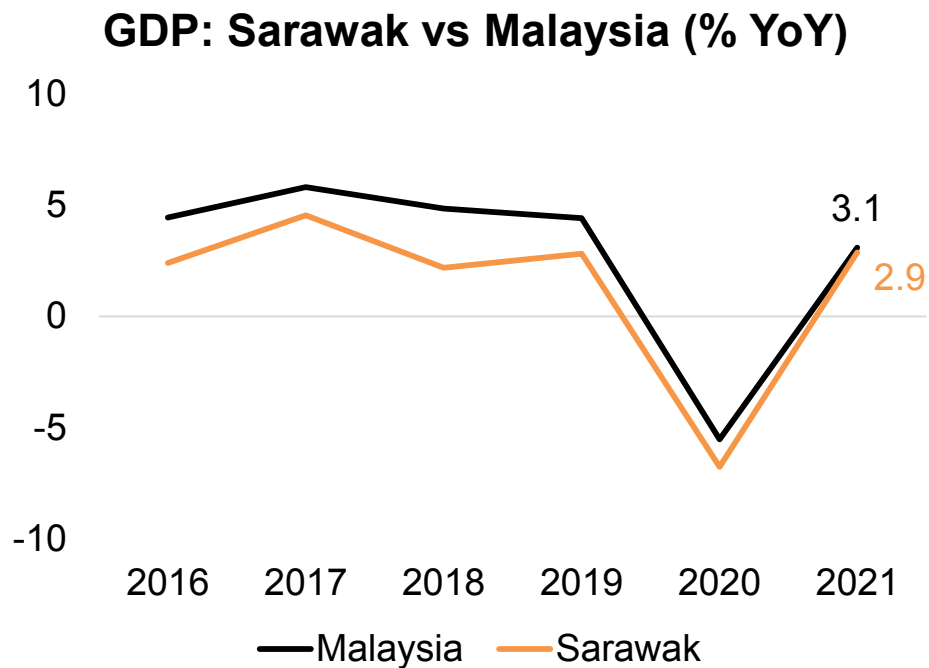
- 1 4 new schools: SK Cyberjaya 2, SMK Denai Alam, SMK Johan Setia, SK Setia Alam
- 2 LRT 3 (expected to complete in Feb 2024)
- 3 Rasau water treatment plant (June 2025)
- 4 Klang Valley Double Track Phase II (2026)
- 5 West Coast Highway (2026)
- 6 ECRL (Dec 2027)
- 7 Selangor Maritime Gateway (2031)



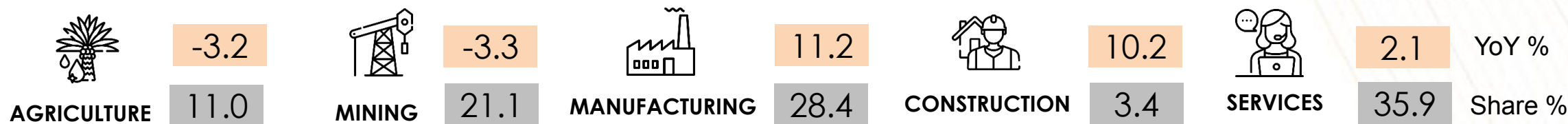
- Expected to be fully completed by the end of 2024, except for a 10 km stretch from Section 7B which is expected to be completed by June 2026.
- An economic catalyst for small towns in both Selangor and Perak.
- Provide opportunities for manufacturers and SMEs to relocate their factories to areas along the new highway as time taken to get to these areas will be reduced.
- Additionally, there will be many opportunities for small businesses to grow especially tourism related.



Sarawak's GDP growth underperformed national level GDP and its 12MP average growth target of 5.3%.



Sarawak GDP breakdown by sector



Subsectors (Services)

Subsector	YoY %	Share %
Wholesale & retail trade, food & beverage and accommodation	0.0	30.1
Utilities, transportation & storage, information and communication	3.4	21.9
Government services	5.4	20.3
Finance & insurance, real estate and business services	2.3	19.7

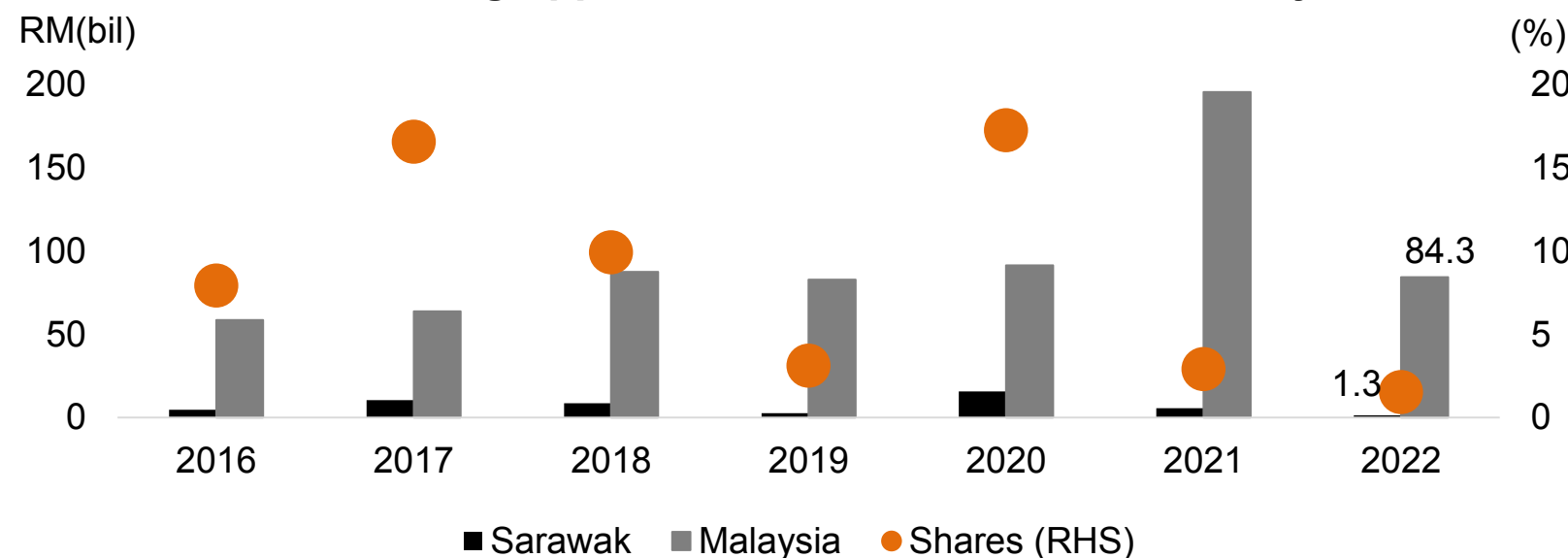
Subsectors (Manufacturing)

Subsector	YoY %	Share %
Petroleum, chemical, rubber and plastic products	15.1	82.1
Transport equipment, other manufacturing and repair	-2.2	12.4
Wood products, furniture, paper products and printing	-7.5	5.5

- Sarawak's economy **has not fully recovered to pre-pandemic level**, (-4.10% YoY vs 2019).
- Manufacturing and construction sectors have recovered.
- Assuming the GDP grow by 5.3% for the next 4 years (2022-2025), it will still **fall short of 12MP target** (RM164.3 bil in 2025) by **circa 1.9%**.
- Price of commodities remain supportive to Sarawak's continuous recovery but severe labor shortage particularly in the palm oil sector remain a major concern.
- Besides that, ongoing mega projects such as **Sarawak Coastal Road** and **Pan Borneo Highway** will provide further support to the state's recovery.
- Government also plan to develop cities bordering Kalimantan, Indonesia such as Ba'kelalan, Sarawak.
- Moreover, there are significant rooms for developing basic infrastructure – roads, bridges, water & electricity supply, and telecommunication network.
- Development project of Halal Hub Center at Tanjung Manis – will develop competitiveness and sustainability of local companies – to offer quality, innovative and competitive halal products



Manufacturing Approv. Investment: Sarawak vs Malaysia



- Manufacturing approved investment in Sarawak declined -77.3% YoY in 2022 (2021: -64.0%), worse than national level (-56.8%)
- Its share to total approved investment in the sector is also among the lowest at 1.5% (2021: 2.9%; 5-year average: 9.9%).
- This is quite inconsistent with its significant contribution to national manufacturing GDP in 2021 at 11% i.e., the **4th largest**.
- In 2021, 74% of the manufacturing investments in Sarawak were in **E&E** products followed by **chemicals & chemical products** (25.1%) – both entirely from foreign sources.
- Socio-Economic Transformation Plan (2016-2030) – driven by Sarawak Corridor of Renewable Energy (SCORE) with **10 priority industries** such as **aluminum-based, steel & other metal-based, solar-based and tourism focused on new hydro-power lakes**.

Top manufacturing investments in 2021:

Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Electrical & electronic products	0.0	4,193.0	4,193.0
Chemicals & chemical products	0.0	1,425.0	1,425.0
Basic metal products	37.4	0.0	37.4
Wood & wood products	12.0	0.0	12.0
Fabric metal products	0.5	0.0	0.5
Total	49.9	5,618.0	5,667.9

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.



Ongoing/Upcoming Key Projects

- 1 Sarawak Coastal Road - Muara Lassa Bridge, Mukah (2024)
- 2 Bintulu-Samalaju gas pipeline (2025)
- 3 Kuching Urban Transportation System (KUTS) Phase 1 (2025)
- 4 Baleh Hydroelectric (2027)
- 5 Sarawak-Sabah Link Road (SSLR) Phase II (2027)
- 6 Pan Borneo Highway Phase 2 / Northern Coastal Highway (2028)



NORTHERN COASTAL HIGHWAY

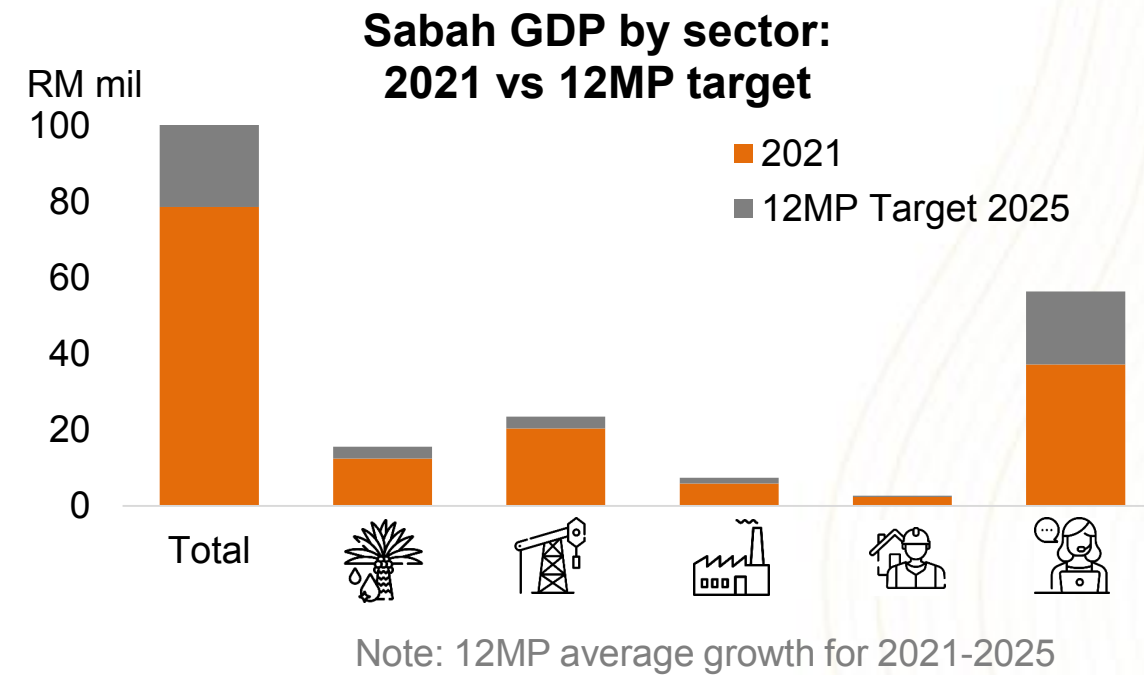
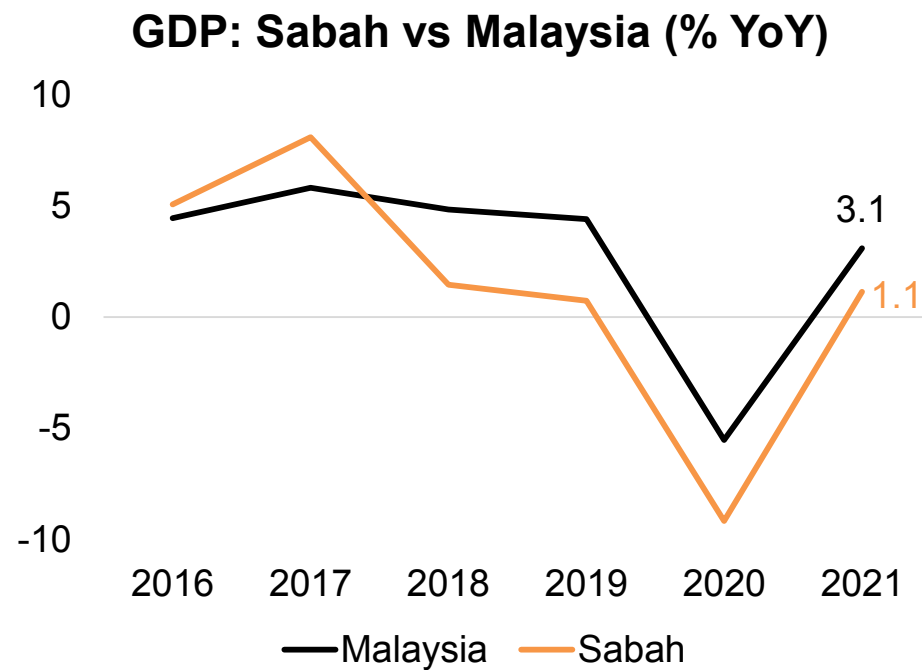
*Connecting Sarawak's
Northern Powerhouse*



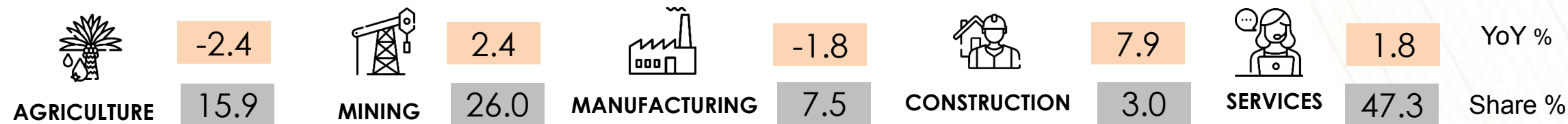
- Stretching approximately 89km across Limbang and Lawas
- 4-lane dual carriageway of JKR R5 standard
- Provide connectivity for road-users travelling on the Pan Borneo Highway Sarawak (from Telok Melano to Miri) through neighbouring Brunei and onwards to the Pan Borneo Highway Sabah.



Sabah's GDP growth underperformed national level GDP and its 12MP average growth target of 6.5%.

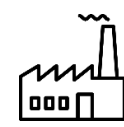


Sabah GDP breakdown by sector



Subsectors

YoY %	Subsector	Share %
-0.8	Wholesale & retail trade, food & beverage and accommodation	34.4
6.1	Government services	25.0
2.6	Utilities, transportation & storage, information and communication	18.0
2.1	Finance & insurance, real estate and business services	14.3



Subsectors

YoY %	Subsector	Share %
-8.1	Vegetable & animal oils & fats, food processing, beverages & tobacco	67.1
25.0	Wood products, furniture, paper products and printing	12.7
5.6	Non-metallic mineral products, basic metal and fabricated metal products	11.4
11.4	Transport equipment, other manufacturing and repair	8.8

- Sabah's economy has not fully recovered to pre-pandemic level, (-8.1% YoY vs 2019).
- Assuming GDP grow by 6.5% for the next 4 years (2022-2025), it will still **fall short of 12MP target** (RM106 bil in 2025) by **circa 4.6%**.

- The primary sectors (agriculture and mining) contribute a substantial share to the state's GDP. With commodity prices (e.g. CPO & crude petroleum) above pre-pandemic levels, despite trending downward in recent months, it remains supportive to Sabah's recovery.

- However, acute labor shortage especially in palm oil sector is unlikely to be fully resolved this year hence remain a critical concern.

- Meanwhile, **tourism services** are expected to continue its momentum amid space capacity and on the prospect of returning tourists from China – makes up the majority of foreign travelers coming into Sabah (± 15% of total in 2019).

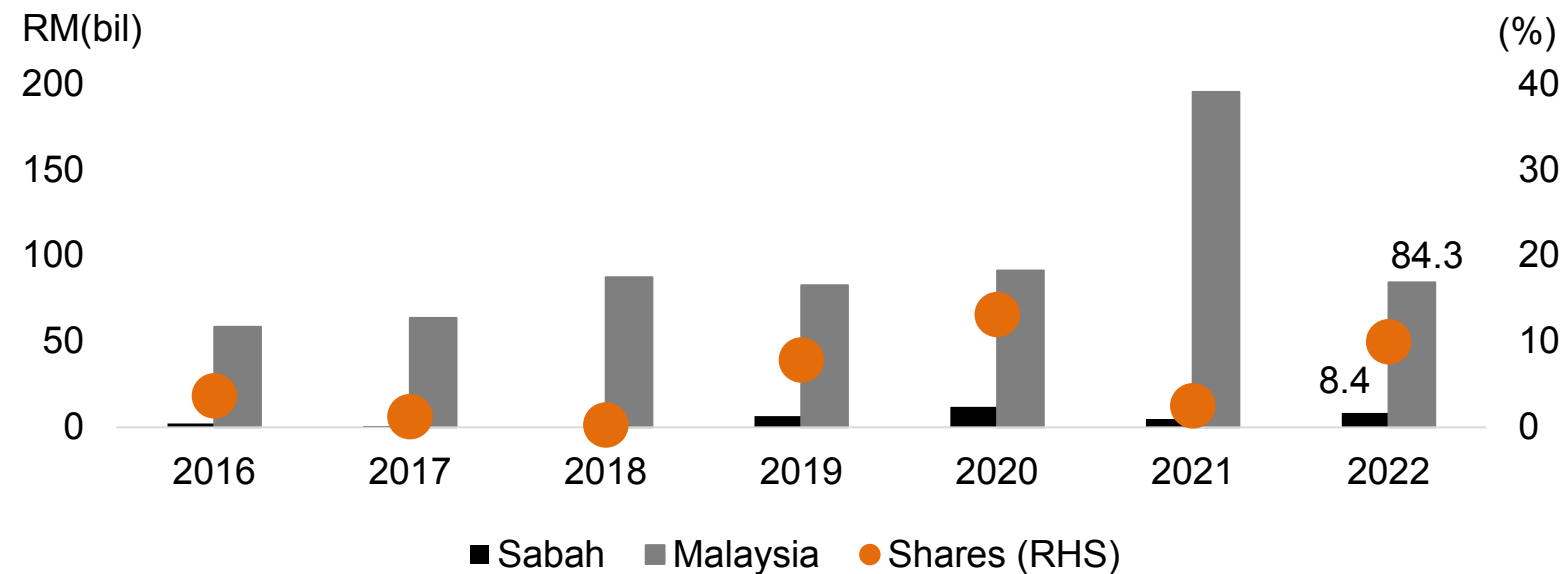
- In addition, port activities remain bright with expansion of Sepanggar Bay Container Port – will be able to handle 1.25 mil twenty-foot equivalent units (TEUs) from 500k at present.



Government also plan to develop cities bordering Kalimantan, Indonesia such as Kalabakan, Sabah



Manufacturing Approv. Investment: Sabah vs Malaysia



- Manufacturing approved investment in Sabah soared 72.4% YoY (2021: -59.3%), in contrast to national level (-56.8%).
- In 2021, close to 90% of the manufacturing investments in Sabah were in **basic metal products** – entirely from foreign source.
- Sabah is more reliant on mining & quarrying (26% of GDP in 2021) and agriculture (15.9%) to be compared with manufacturing (7.5%)
- Nonetheless, Sabah Maju Jaya (SMJ) Development Plan for 2021 to 2025 has outlined **manufacturing as 1 of its 3 main economic sectors focus**.
- In line, more related investments are seen coming in e.g. **Construction of solar glass panel manufacturing plant** from China’s Kibing Group and **copper foil factory** from SK Nexilis.

Top manufacturing investments in 2021:

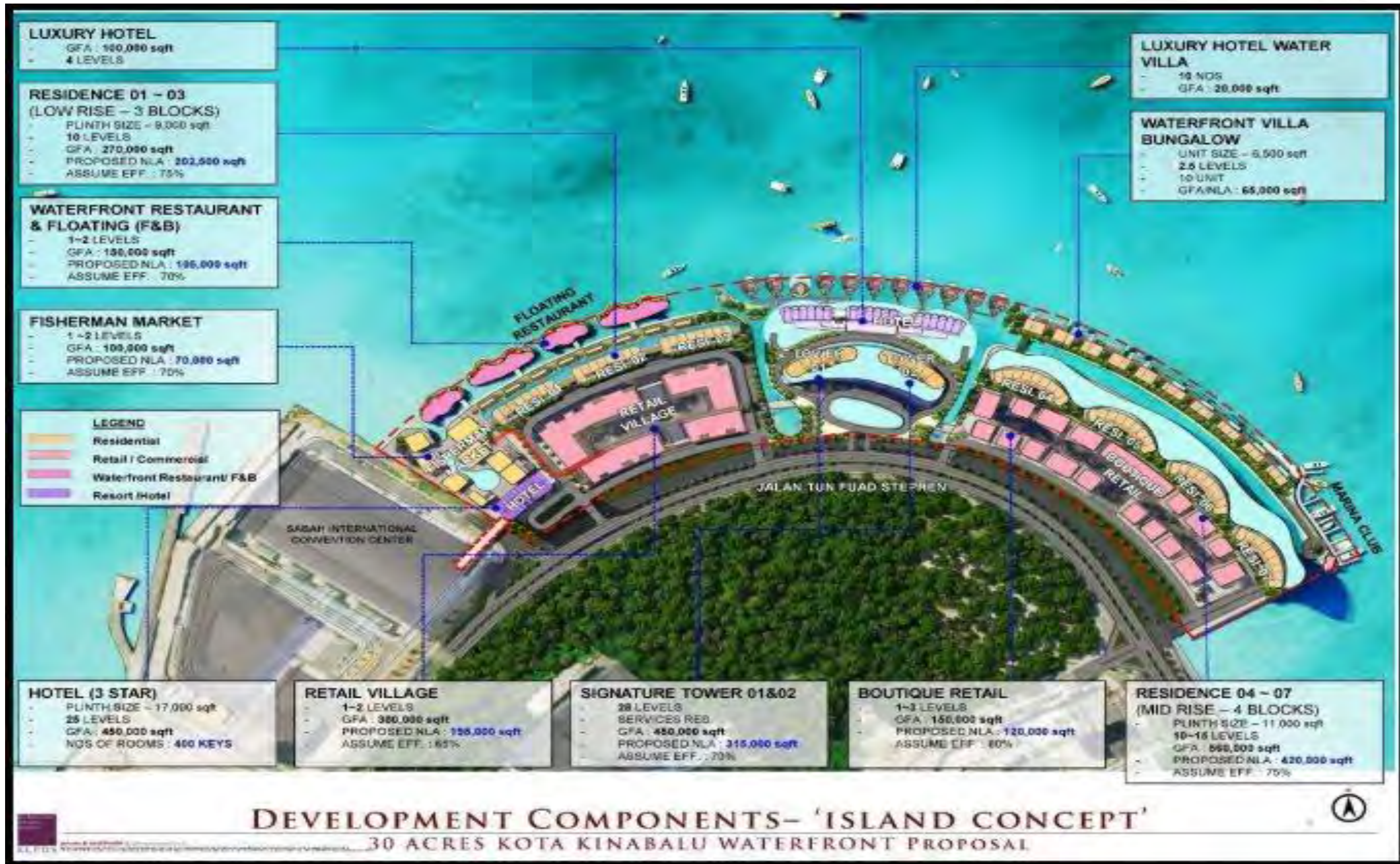
Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Basic metal products	0.0	4,286.3	4,286.3
Food manufacturing	254.6	13.3	268.0
Chemicals & chemical products	160.0	79.8	239.8
Fabric metal products	31.2	0.0	31.2
Plastic products	15.5	0.0	15.5
Beverages & Tobacco	9.4	0.0	9.4
Transport equipment	7.3	0.0	7.3
Machinery & equipment	4.0	0.0	4.0
Total	482.0	4,379.5	4,861.4

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.



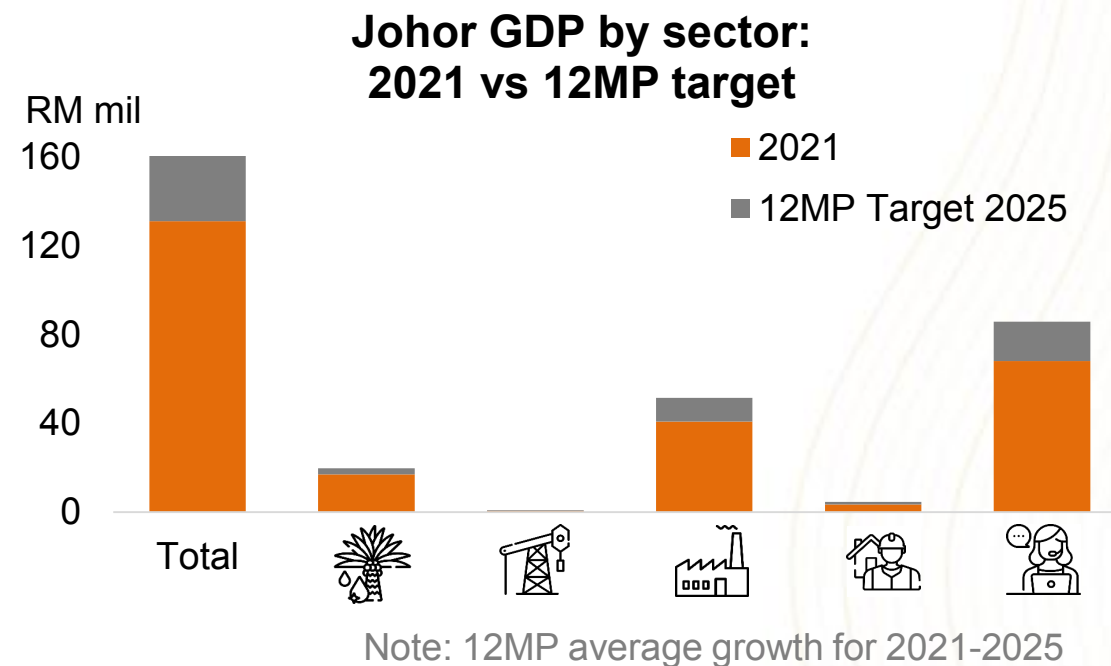
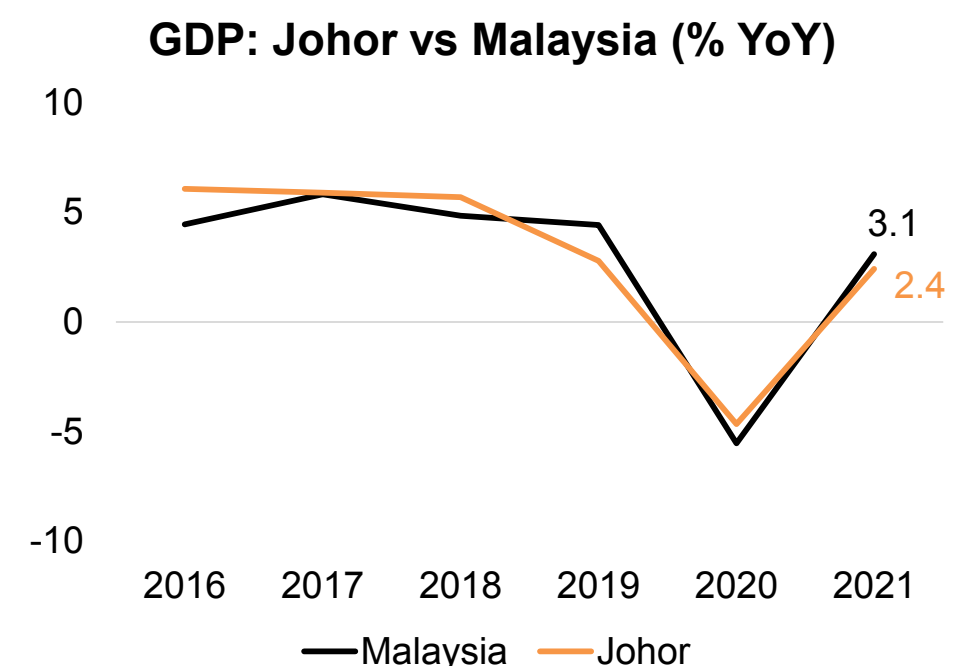
Ongoing/Upcoming Key Projects

- 1 Pan Borneo highway (2024)
- 2 Phase 4: Gumusut-Kakap-Geronggong-Jagus East deepwater offshore (2024)
- 3 Sand silica project to produce solar panels (2024)
- 4 Expansion Sepanggar Bay Container Port (Feb 2025)
- 5 Pavilion Harbour City project (2032)





Johor's GDP growth underperformed national level GDP and its 12MP average growth target of 5.1%.



Johor GDP breakdown by sector

Sector	YoY %	Share %
AGRICULTURE	0.6	12.9
MINING	-7.5	0.5
MANUFACTURING	5.5	31.1
CONSTRUCTION	-18.0	2.6
SERVICES	2.6	51.9

Subsectors (Services)

Subsector	YoY %	Share %
Utilities, transportation & storage, information and communication	6.7	26.9
Wholesale & retail trade, food & beverage and accommodation	-1.4	26.6
Finance & insurance, real estate and business services	2.0	19.5
Government services	5.9	17.4

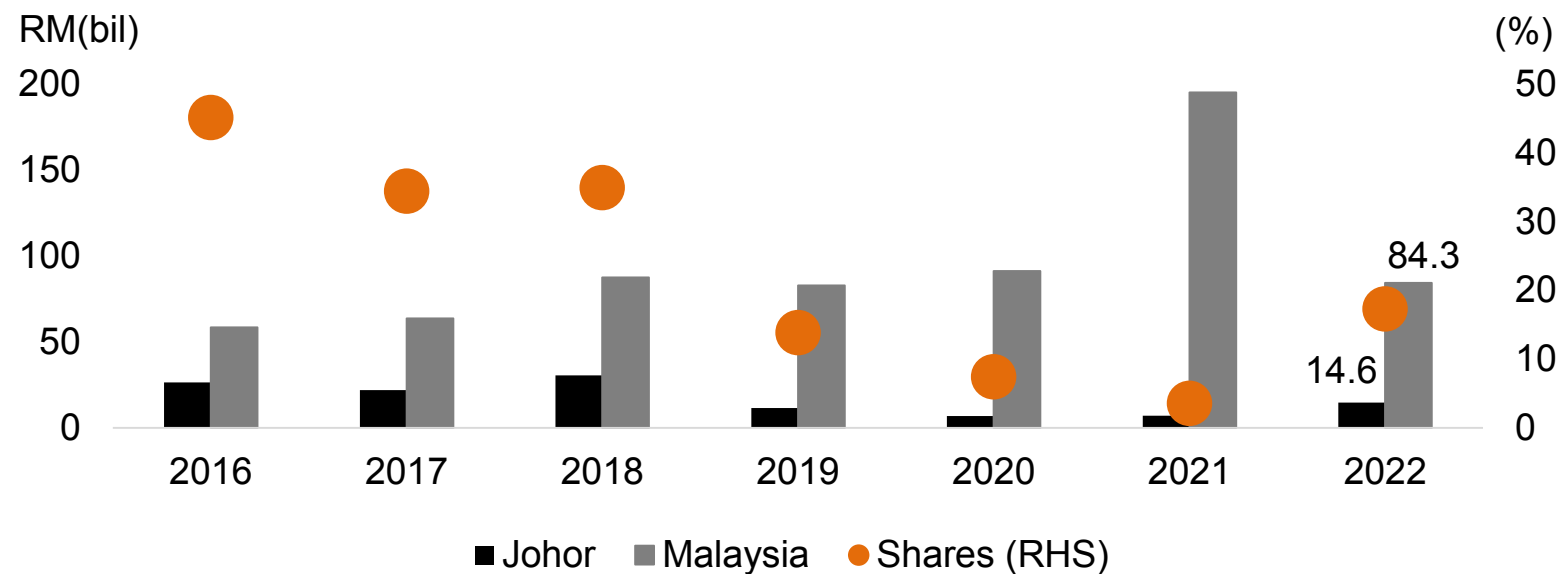
Subsectors (Manufacturing)

Subsector	YoY %	Share %
E&E and optical products	7.0	32.9
Petroleum, chemical, rubber and plastic products	9.0	22.0
Transport equipment, other manufacturing and repair	7.6	19.6
Vegetable & animal oils & fats, food processing, beverages & tobacco	-2.5	13.0

- Johor's economy **has not fully recovered to pre-pandemic level**, (-2.4% YoY vs 2019).
- Manufacturing sector has recovered while agriculture was not really affected in the first place.
- Assuming the GDP grows by 5.1% for the next 4 years (2022-2025), it will still **fall short of the 12MP target** (RM164.2 in 2025) by **circa 2.6%**.
- Given the proximity to Singapore, Johor will **benefit from the reopening of the Malaysia-Singapore border** as Singapore tops the list of tourist arrivals in Malaysia for the first 3Q 2022 at around 54% of the total.
- Ongoing mega projects** such as Johor Baru-Singapore Rapid Transit System (RTS) and Electrified Double Track (Gemas - JB) will **provide further support** to the state's recovery.
- Demand for ICT related services remain intact with Bridge Data Centres expanded into Johor (Kidex Sedenak business park) – span 3 buildings with combined capacity of 100MW where phase 1 has completed in 2022 – next to look out for is phase 2.
- Industries viewed to be benefitting from datacentres include supply of components (e.g. generator, servers, storage, cables, desktops)



Manufacturing Approv. Investment: Johor vs Malaysia



- Manufacturing approved investment in Johor surged 109.7% YoY in 2022 (2021: 2.5%), in contrast to national level (-56.8%)
- Share to total approved manufacturing investment have reversed its downward trend (2019-2021) by clocking at 17.3% (2021: 3.6%) – the largest recipient by state.
- In 2021, the biggest contributor (22.2%) were basic metal products, followed by chemical & chemical products (20.5%) and E&E products (18.9%).
- The top 10 investments were somewhat in line with **focus industries** of the state, such as **E&E, rubber-based product and petrochemical, oil & gas.**
- There are also some **emerging industries** (expected to drive the state’s economic growth in the next 2 decades) such as **1) finance, insurance, real estate & business services; 2) healthcare; 3) ICT**, among others which are mainly centred in the Iskandar Malaysia.

Top manufacturing investments in 2021:

Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Basic metal products	-	1,541.5	1,541.5
Chemicals & chemical products	679.9	745.3	1,425.2
Electrical & electronic products	895.7	418.1	1,313.8
Rubber products	454.5	102.5	557.0
Food manufacturing	283.2	200.8	484.07
Machinery & equipment	80.0	291.8	371.8
Plastic products	126.2	173.6	299.9
Petroleum products (including petrochemicals)	182.0	38.8	220.8
Fabric metal products	82.7	124.8	207.5
Transport equipment	123.1	42.4	165.6
Others	198.1	167.9	366.1
Total	3,105.4	3,847.5	6,953.3

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.

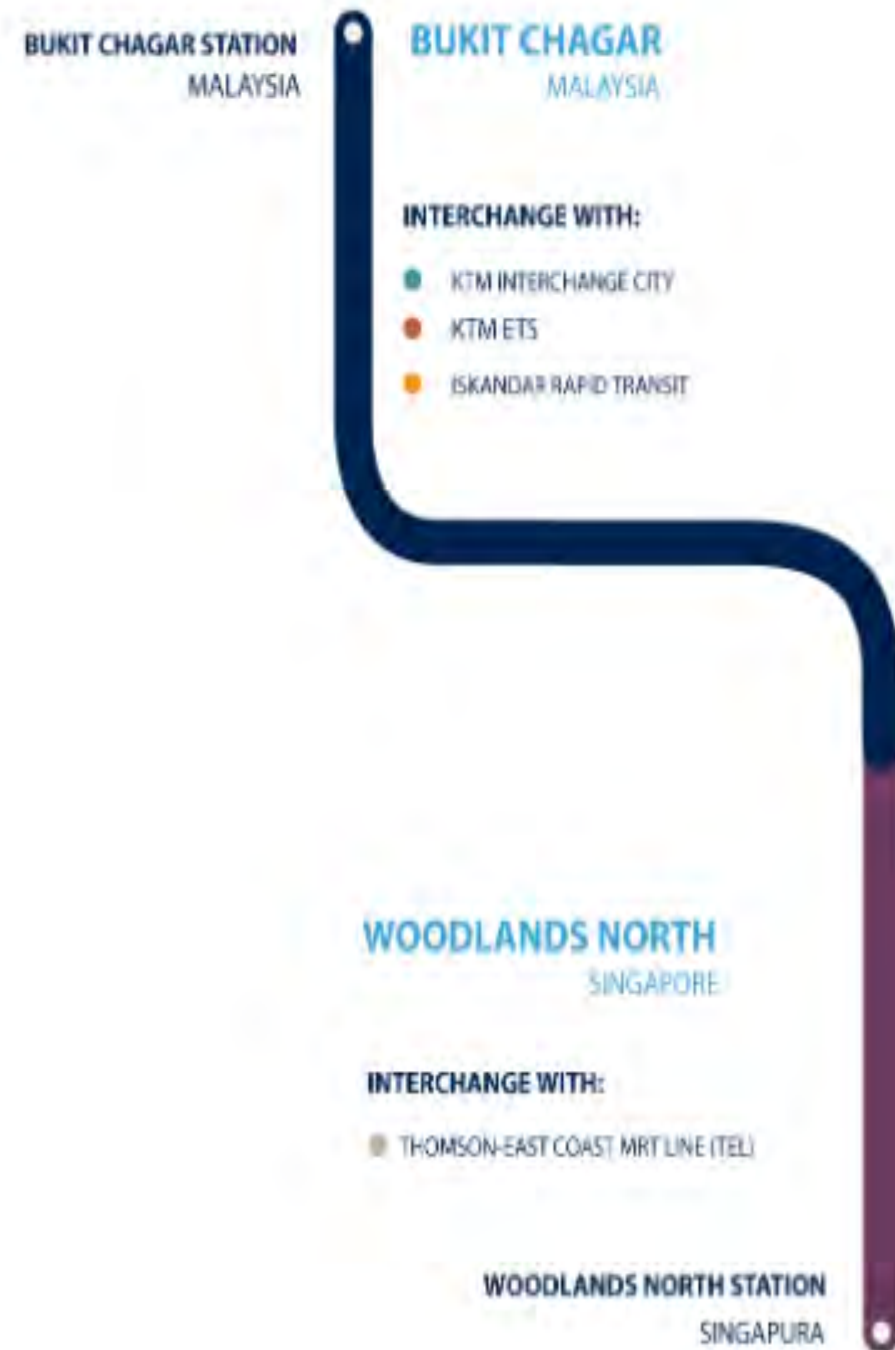


Ongoing/Upcoming Key Projects

- 1 Electrified Double Track (Gemas - JB) (expected to complete in June 2023)
- 2 Equinix Inc - International Business Exchange (IBX) data centre (2024)
- 3 Hospital Pasir Gudang (2024)
- 4 Related to Integrated Bekok Oil project (2024)
- 5 Rapid Transit System Link (RTS) Johor – Singapore (2026)
- 6 Mixed-income housing (MIH) project in Iskandar Puteri (2026)



RTS LINK



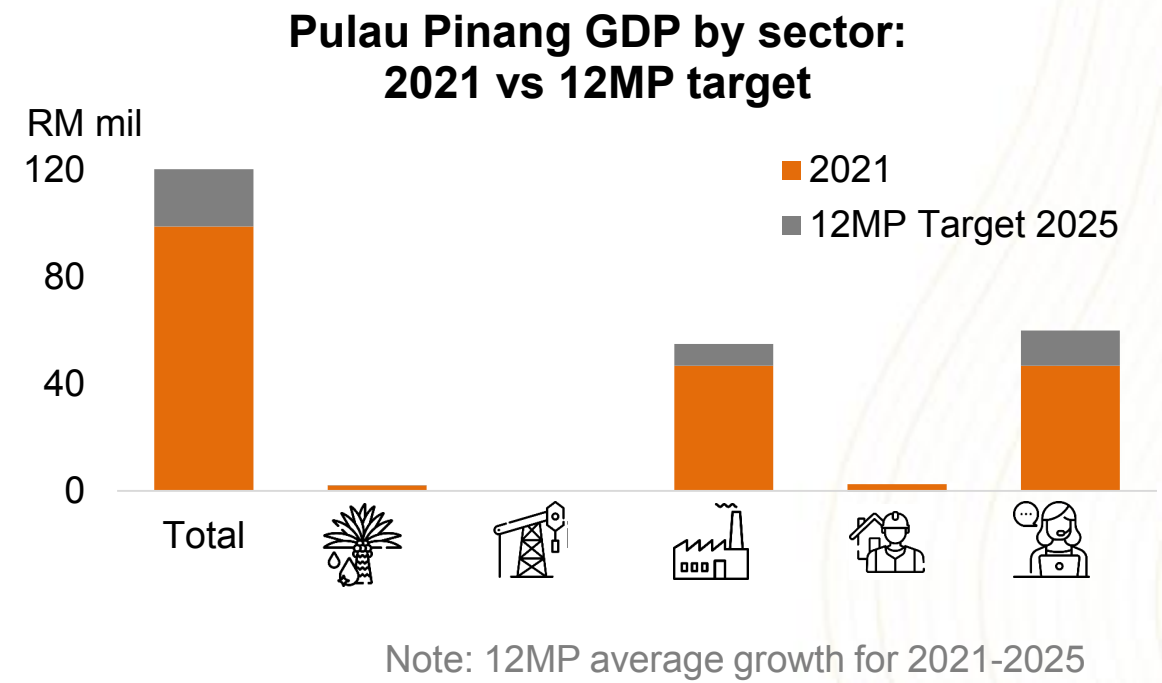
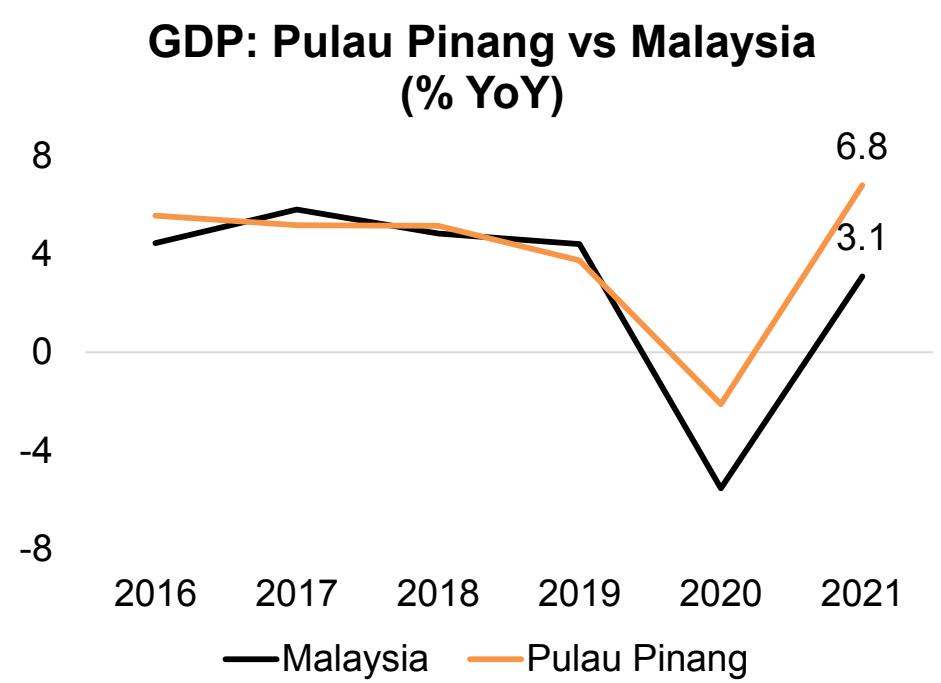
Interesting Features Of The Project

Total Length	Number of Stations	Universal Accessibility Design	Train	Speed
4km in length (Malaysia: 2.7km and Singapore: 1.3km)	2 stations (Malaysia: Bukit Chagar Station and Singapore: Woodlands North Station)	RTS Link facilities will be equipped with OKU friendly facilities that comply with MS 1184 : 2014	4 cars per train set	Maximum operation speed is 80 km/h
Train Capacity	Ridership	Journey Time	Frequency	Depot
10,000 passengers per hour per direction	Estimated to carry 40,000 passengers per day upon opening	The estimated train journey time is 6 minutes between stations.	3.6 minutes (Ultimate) during peak hour	RTS Link Maintenance Depot will be located at Wadi Hana, Johor Bahru.

- Upon completion, RTS will reduce congestion on Johor-Singapore Causeway and encourage more visitors into Malaysia including those of business.
- Government also plans to improve the highway facilities to Pengerang through the construction of an overtaking lane on the Senai Desaru Expressway.
- Government will upgrade the North-South Highway in Senai Utara-Sedenak, Johor Bahru from 4 to 6 lane.
- All these improvements in transportation and connectivity will encourage tourism activities besides having potential to increase real estate activities with Singaporeans buying properties in the state, addressing the glut of unsold luxury homes – as of 3Q 2022, Johor has the highest volume of overhang houses at 5,348 units



Pulau Pinang's GDP growth outperformed national level GDP and its 12MP average growth target of 5.4%.



Pulau Pinang GDP breakdown by sector

Sector	YoY %	Share %
AGRICULTURE	-2.4	2.0
MINING	-4.1	0.1
MANUFACTURING	12.4	47.3
CONSTRUCTION	12.9	2.5
SERVICES	2.1	47.4

Subsectors (Services)

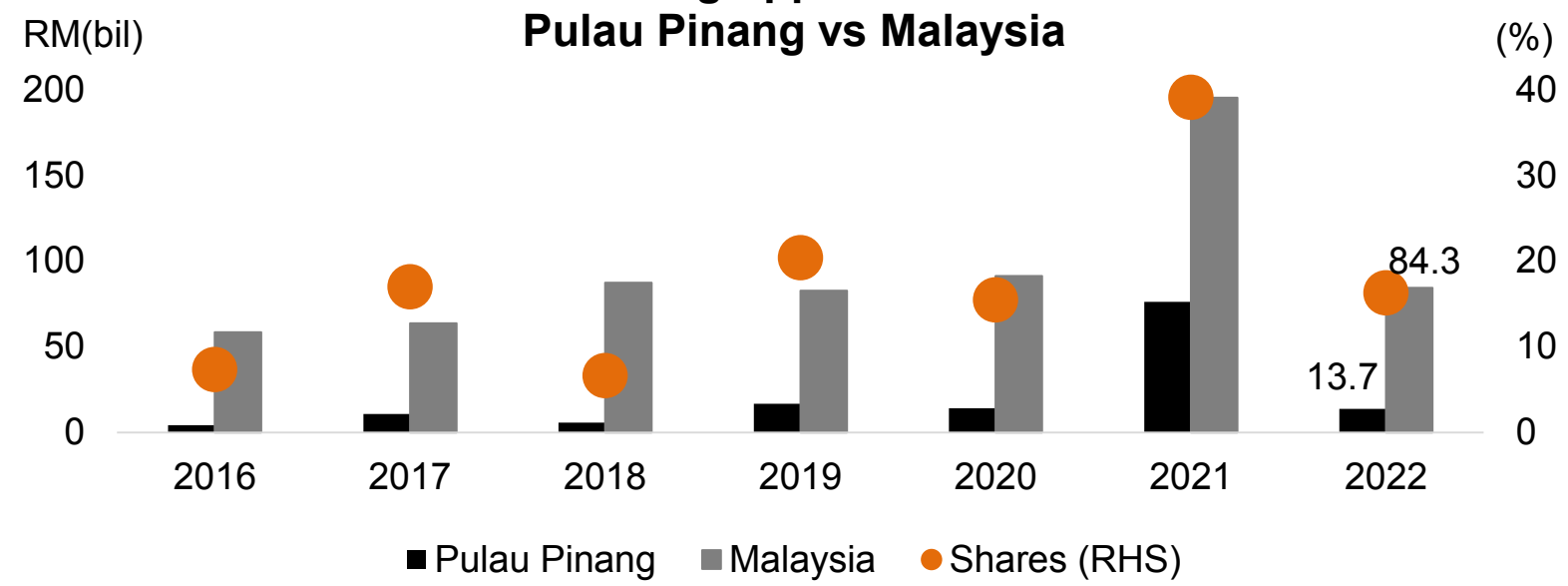
YoY %	Subsector	Share %
-1.7	Wholesale & retail trade, food & beverage and accommodation	30.3
5.4	Utilities, transportation & storage, information and communication	24.6
4.0	Finance & insurance, real estate and business services	19.8
4.5	Government services	14.4

Subsectors (Manufacturing)

YoY %	Subsector	Share %
16.5	E&E and optical products	71.0
-0.2	Transport equipment, other manufacturing and repair	12.7
5.0	Petroleum, chemical, rubber and plastic products	9.0
7.8	Non-metallic mineral products, basic metal and fabricated metal products	7.3

- Pulau Pinang's economy has **fully recovered to pre-pandemic level** (4.6% YoY vs 2019), solely driven by manufacturing sector.
- It seems to be on track in achieving 12MP target of RM120.4 bil in 2025.
- As the state's economic structure is dominated by 2 main sectors: services & manufacturing (94.7% of GDP) – should benefit from the **spillover effect of E&E investment and FDI diversion to ASEAN** amid ongoing US-China tension – but high competition with Vietnam.
- Although global demand for E&E is currently slowing down after pandemic boom (US's Intel has been laying off workers since last year), Malaysia is less affected due to competitive cost relatively e.g. to US based operation. The medium and long term prospects of the E&E sector are still intact driven by the global technology upcycle.
- There are also some **emerging industries** (expected to drive the state's economic growth in the next decades) such as **construction – Penang Transport Master Plan by 2030** (state govt project).
- The RM46 bil project will consist of construction of **undersea tunnel, LRT, monorail, highways, tram, cable cars and Bus Rapid Transit (BRT)**.
- Among plans to finance the project is through reclamation of **Penang South Islands** (upcoming construction/real estate project to generate RM16.1 bil of revenue) – also involving relocation of villages along the site

**Manufacturing Approv. Investment:
Pulau Pinang vs Malaysia**



- Manufacturing approved investment in Pulau Pinang fell by -82.0% YoY in 2022 to RM13.7 bil (2021: 440.1%) – worse than the national level (-56.8% YoY).
- Likewise, share to total approved investment in the sector went down to 16.3% in 2022 (2021: 39.1%) – but still the 2nd largest among the states.
- In 2021, almost the entire manufacturing investment came from E&E (97%).
- The top investment was in line with the **focus industry** of the state which is **E&E** – dubbed “The Silicon Valley of the East” due to its critical function to the global E&E supply chain.
- The state contributes **>5% of global semiconductor sales** and **~60% of Malaysia's overall E&E exports**.

Top manufacturing investments in 2021:

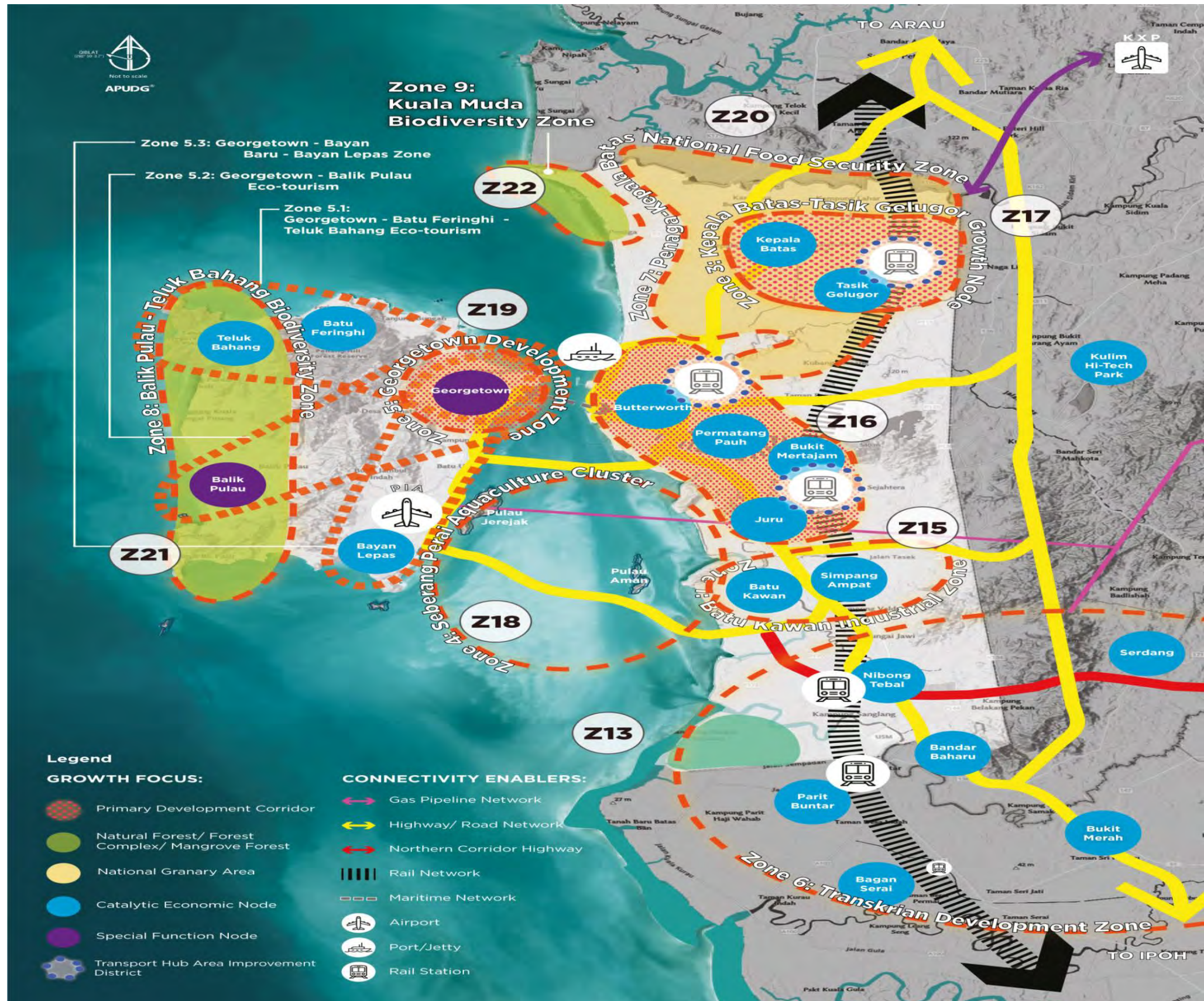
Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Electrical & electronic products	408.4	73,494.4	73,902.8
Fabricated metal products	579.3	252.0	831.3
Machinery and equipment	331.8	448.9	780.7
Food manufacturing	179.3	6.5	185.8
Scientific and measuring equipment	59.9	70.8	130.7
Transport equipment	50.9	65.0	115.9
Chemicals & chemical products	29.9	79.8	109.7
Plastic product	54.0	10.8	64.8
Wood & wood products	35.7	0.0	35.7
Paper, printing and publishing	33.3	0.0	33.3
Others	22.0	11.0	33.0
Total	1,784.6	74,439.1	76,223.7

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.



Ongoing/Upcoming Key Projects

- 1 Northern Corridor Highway (NCH)
- 2 Penang International Airport expansion
- 3 Oyster Farming
- 4 NCER Single Campus Initiative
- 5 Penang Transport Master Plan (2030)



Z13 – Transkrian Development Zone

Z15 – Batu Kawan Industrial Zone

Z16 – Greater Butterworth – Permatang Pauh – Bukit Mertajam Growth Corridor

Z17 – Kepala Batas – Tasik Gelugor Growth Node

Z18 – Seberang Perai Aquaculture Zone

Z19 – George Town Development Zone

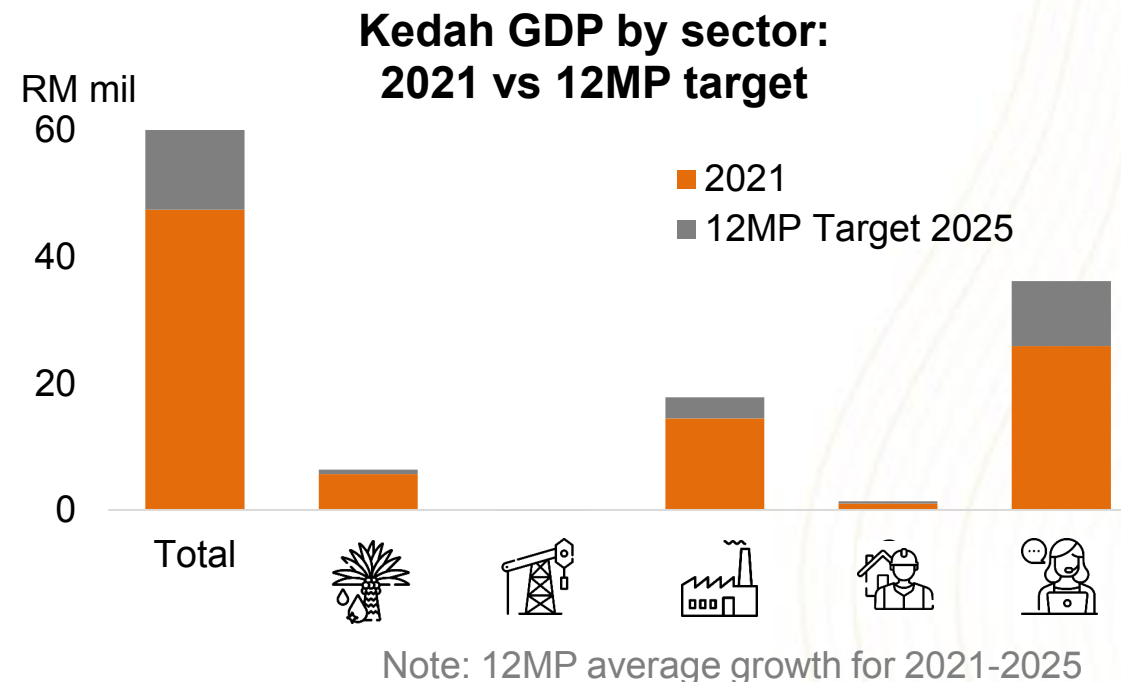
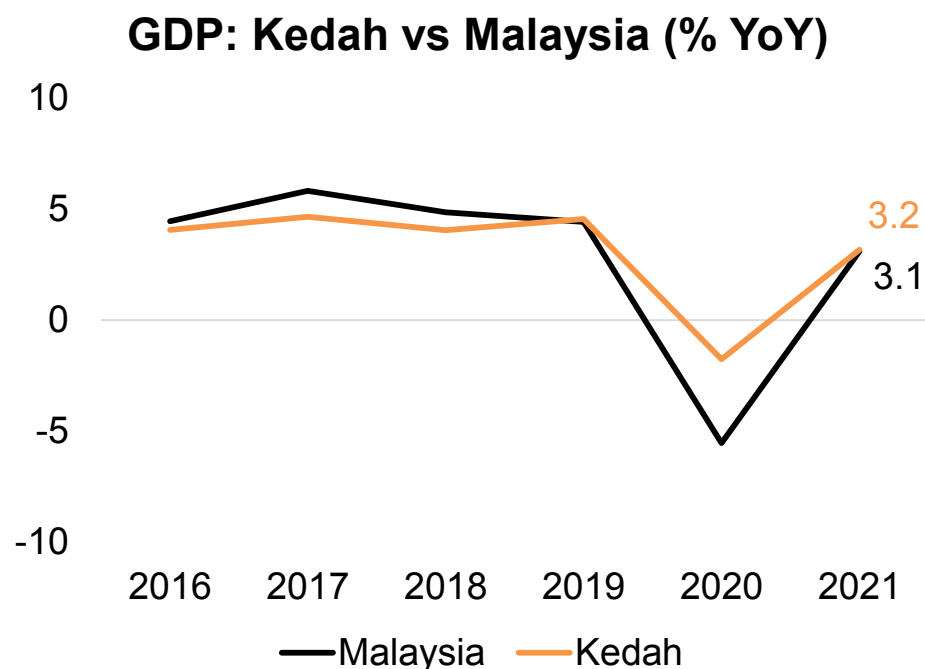
Z20 – Penang Kepala Batas National Food Security Zone

Z21 – Balik Pulau – Teluk Bahang Biodiversity Zone

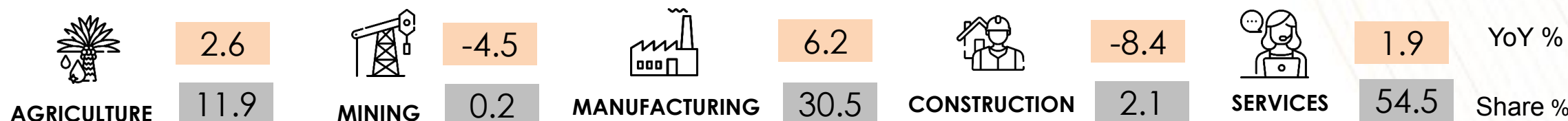
Z22 – Kota Kuala Muda



Kedah's GDP growth outperformed national level GDP, yet underperformed 12MP average growth target of 6.2%.



Kedah GDP breakdown by sector



Subsectors

YoY %	Subsector	Share %
-2.4	Wholesale & retail trade, food & beverage and accommodation	28.5
4.1	Government services	27.1
6.0	Utilities, transportation & storage, information and communication	17.8
3.2	Finance & insurance, real estate and business services	14.0

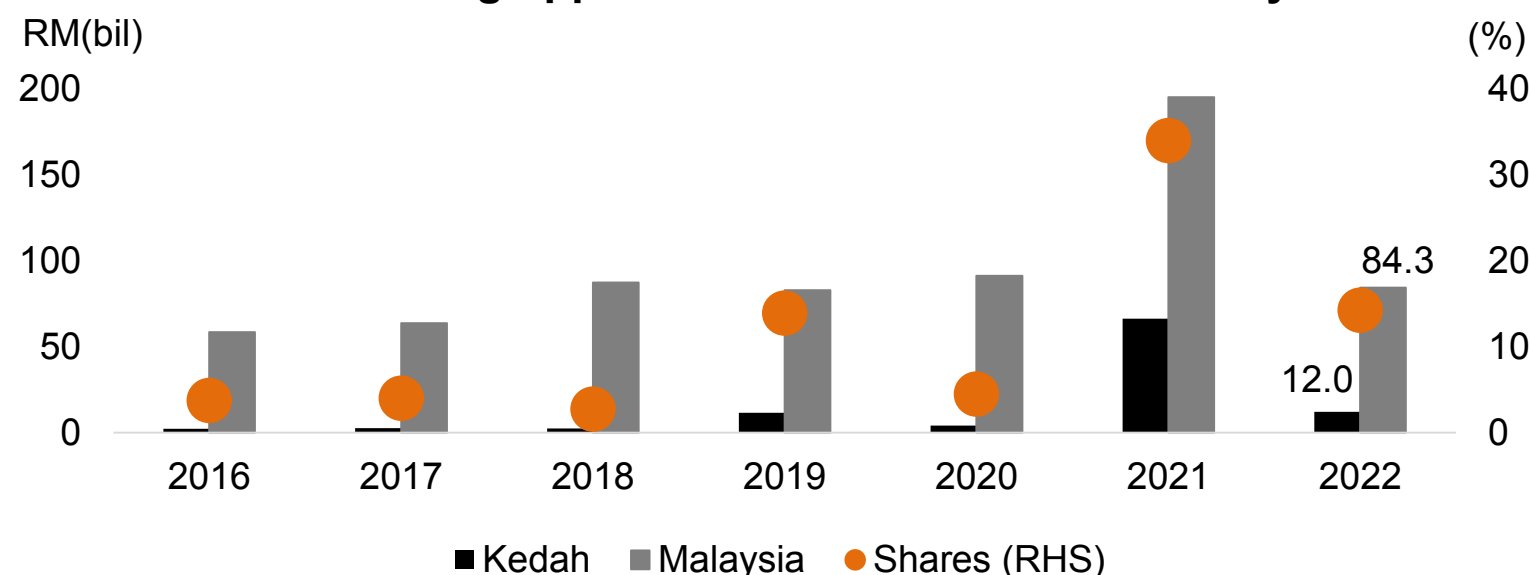
Subsectors

YoY %	Subsector	Share %
10.6	E&E and optical products	49.5
8.8	Other Manufactures	21.1
-3.8	Petroleum, chemical, rubber and plastic products	19.6
-4.5	Non-metallic mineral products, basic metal and fabricated metal products	5.4

- Kedah's economy has returned to pre-pandemic level, (1.0% YoY vs 2019) backed by manufacturing and agriculture sector.
- Nonetheless, assuming the GDP grows by 6.2% for the next 4 years (2022-2025), it will still be a short of 12MP target (RM62.2 bil in 2025) by circa 2.9%.
- Inflow of investments amid spill over from Pulau Pinang's E&E value chain (Kulim Hi-Tech Park) and reopening of international borders will help uplift lagged recovery sectors including services - the biggest chunk of the state's GDP share.
- Moreover, the state offered vast tourist attractions including Langkawi island, Kilim Geoforest Park, Ulu Muda Eco Park, Payar island, Dayang Bunting lake, Bujang Valley Archaeology Museum, Baling mountain and Lata Bayu waterfall.
- Ongoing/incoming high impact projects such as Kedah Rubber city and Pulau Bunting development (hub for tourism, industrialised offshore aquaculture, petrochemical and renewable energy) will further boost the state's growth.
- Kedah's Aerotropolis project (airport and aerospace industry) is expected to spur economic activity (total cost > RM7 bil). However, federal government decided to halt the project due to high cost.



Manufacturing Approv. Investment: Kedah vs Malaysia



Top manufacturing investments in 2021:

Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Electrical & electronic products		63,756.0	63,782.7
Scientific	-	1,947.0	1,947.0
Chemicals & chemical products	50.6	85.4	136.0
Rubber products	117.4	1.7	119.1
Food manufacturing	72.3	-	72.3
Fabric metal products	32.8	34.7	67.6
Basic metal products	31.3	-	31.3
Transport equipment	20.8	-	20.8
Plastic product	17.0	-	17.0
Drinks & Tobacco	13.8	-	13.8
Others	3.1	8.6	11.7
Total	385.9	65,833.4	66,219.3

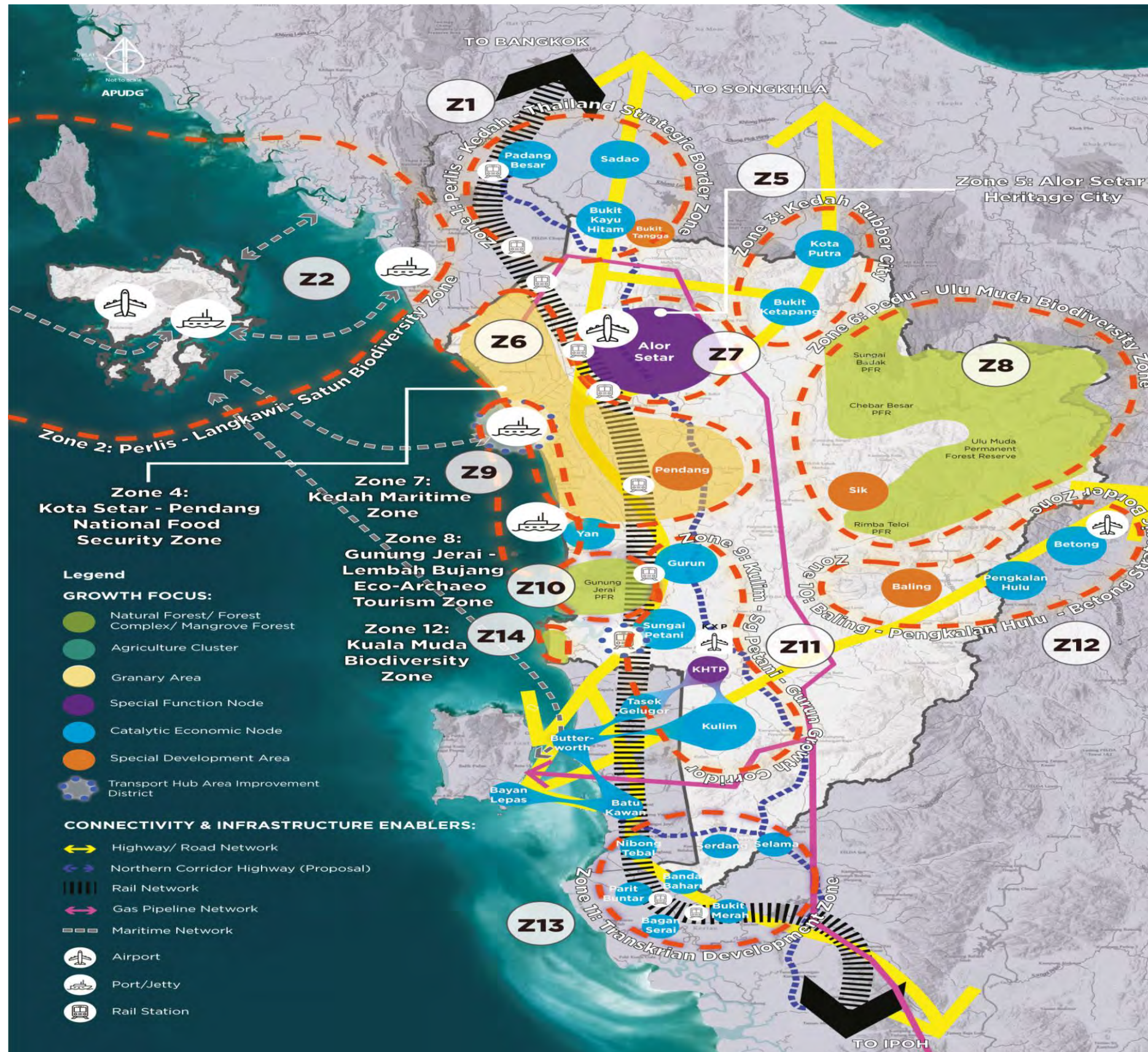
Note: Latest available data for mfg. approv. investment by state and industry is in 2021.

- Manufacturing approved investment in Kedah shrank -81.9% YoY in 2022 to RM12.0 bil (2021: 1,528.9%). Likewise, its share to national level narrowed sharply to 14.2% (2021: 33.9%).
- In 2021, the investment was driven almost totally by FDI (99.4%) where E&E sector contributed 96.8%.
- As the state offers low costs of industrial land and office rent, this could attract investors and leverage on the **spillover from E&E hub** and land scarcity in Pulau Pinang.
- Meanwhile, Kedah remained an **attractive destination for global automakers** through **Inokom manufacturing facilities** (assembly brands like Porsche, BMW, KIA, Mazda, Hyundai, Mini Cooper, Peugeot, etc.)
- **Some emerging industries** such as **oil & gas** are expected to drive the state's economic growth in the next decades.



Ongoing/Upcoming Key Projects

- 1 Pulau Bunting development (2025)
- 2 Bukit Kayu Hitam Special Border Economic Zone (2025)
- 3 Northern Corridor Highway (NCH)
- 4 Kedah Aerotropolis (2035)
- 5 Kedah Rubber City (2035)

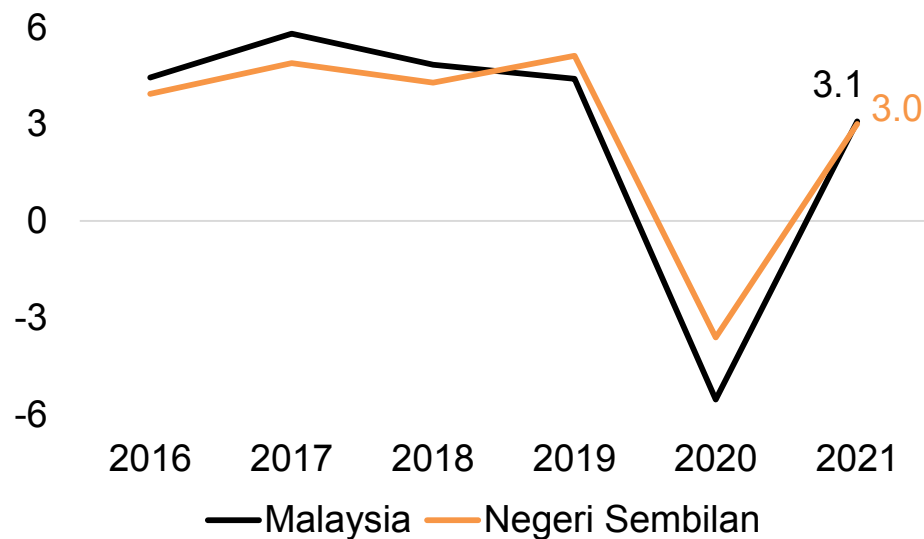


- Z1 – Bukit Kayu Hitam Special Border Economic Zone
- Z2 – Perlis – Langkawi – Satun Biodiversity Zone
- Z5 – Kedah Rubber City
- Z6 – Kota Setar – Pendang National Food Security Zone
- Z7 – Alor Setar Heritage City
- Z8 – Pedu – Ulu Muda Biodiversity Zone
- Z9 – Kedah Maritime Zone
- Z10 – Gunung Jerai – Lembah Bujang Eco – Archaeo Tourism Zone
- Z11 – Kulim – Sungai Petani – Gurun Growth Corridor
- Z12 – Baling – Pengkalan Hulu – Betong Border Zone
- Z13 – Transkrian Development Zone
- Z14 – Kuala Muda Biodiversity Zone

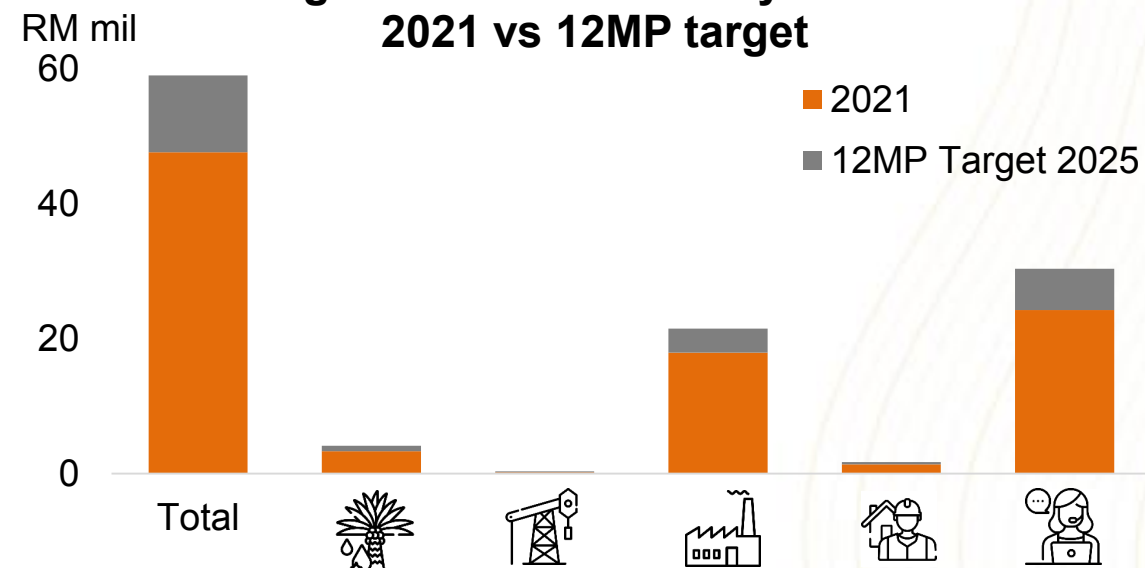


Negeri Sembilan's GDP growth underperformed national level GDP and its 12MP average growth target of 5.0%.

GDP: Negeri Sembilan vs Malaysia (% YoY)

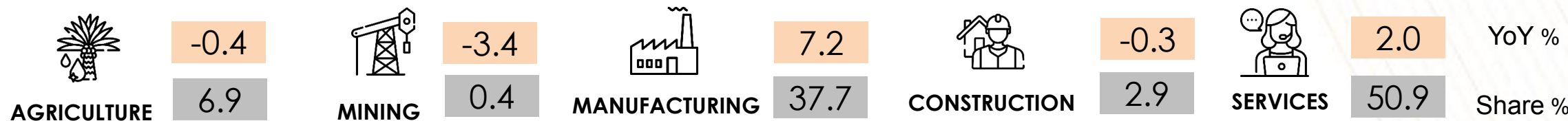


Negeri Sembilan GDP by sector: 2021 vs 12MP target



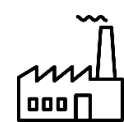
Note: 12MP average growth for 2021-2025

Negeri Sembilan GDP breakdown by sector



Subsectors

YoY %	Subsector	Share %
1.8	Utilities, transportation & storage, information and communication	31.9
-1.1	Wholesale & retail trade, food & beverage and accommodation	26.0
5.3	Government services	19.8
6.7	Finance & insurance, real estate and business services	12.6



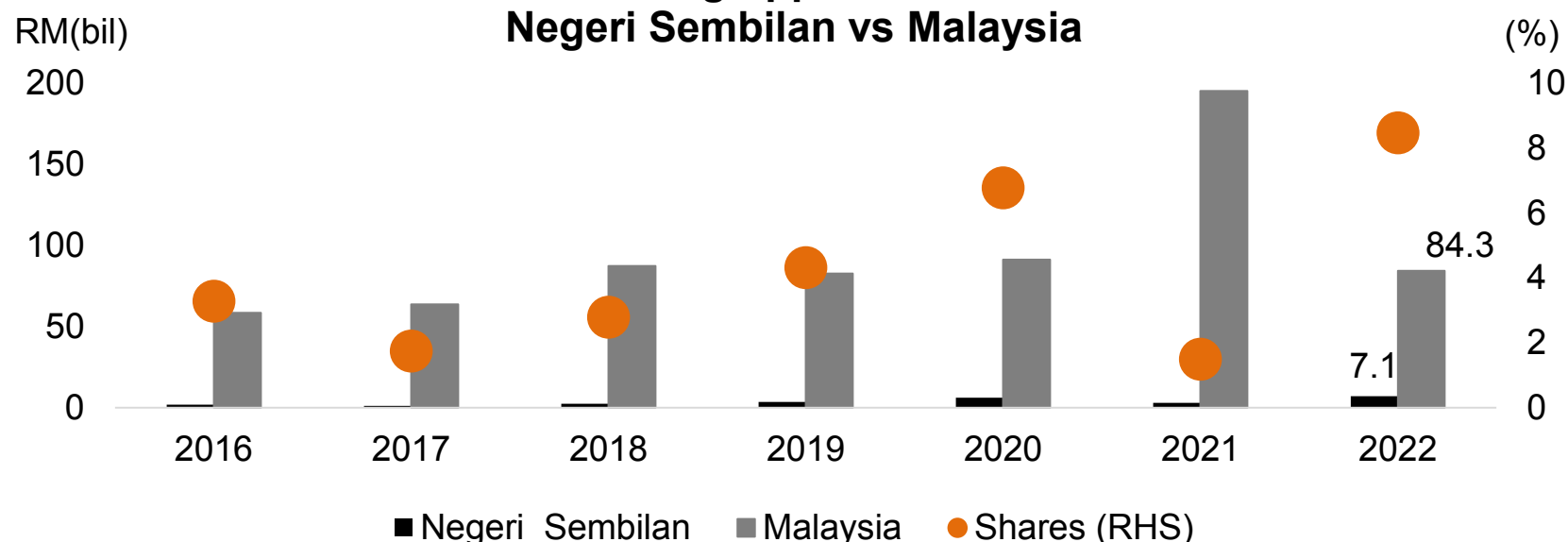
Subsectors

YoY %	Subsector	Share %
9.7	E&E and optical products	36.2
10.6	Petroleum, chemical, rubber and plastic products	33.8
3.5	Other manufactures	21.8
-5.9	Vegetable & animal oils & fats, food processing, beverages & tobacco	8.2

- Negeri Sembilan's economy has not fully recovered to pre-pandemic level, (-0.7% YoY vs 2019).
 - Nonetheless, services and manufacturing sectors have recovered.
 - Assuming the GDP grow by 5% for the next 4 years (2022-2025), it will still be a short of 12MP target (RM59.1 bil in 2025) by circa 1.8%.
 - Malaysia Vision Valley (MVV) 2.0**, a state-led & private sector-driven development – a major catalyst for the state's long term growth, spans over 30-year – expected to generate 6.2% - 7.3% annual GDP growth.
 - Various sectors (e.g. construction, real estate, aerospace manufacturing, IT, healthcare, tourism) to benefit from the MVV 2.0 development.
 - A memorandum of understanding with Turkish Aerospace Industries has been signed to set up a helicopter assembly plant at the MVV 2.0 – development of aerospace component manufacturing, maintenance, repair and overhaul.
- Acknowledging big potential in aerospace, Government:
- extend tax incentives to aerospace manufacturing companies moving operations to Malaysia and 15% tax rates to the C-Suite until 2024.
 - extend income tax incentives and investment tax allowances until December 31, 2025 to promote capacity expansion in existing companies and attract investment from new company.



Manufacturing Approv. Investment: Negeri Sembilan vs Malaysia



- Manufacturing approved investment in Negeri Sembilan surged 145.8% YoY in 2022 (2021: -53.0%), in contrast to national level (-56.8%).
- Likewise, its share to total approved investment in the manufacturing sector jumped to 8.5% (2021: 1.5%; 5-year average: 3.4%).
- The state government has an **ambitious target of RM35 bil investments for 2023** contributing by various sectors including manufacturing to drive it up – claimed to have reached 90% in that direction.
- The target said to be achieved via the implementation of **various high-impact investments**, such as **aerospace, maritime development, and semiconductor**.
- The biggest contributor (34.5%) in 2021 came from **transport equipment**, followed by **food manufacturing** (18.6%) and **rubber products** (14.6%), broadly in line with some focus industries of the state, such as **aerospace**.

Top manufacturing investments in 2021:

Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Transport equipment	0	1,001.50	1,001.50
Food manufacturing	7.0	532.9	539.9
Rubber products	339.7	84.0	423.7
Electrical & electronic products	0.3	304.8	305.1
Textiles and textile products	0.0	150.0	150.0
Mineral & non-metallic products	80.9	37.1	117.9
Basic metal products	18.8	82.5	101.3
Fabric metal products	4.0	86.6	90.6
Plastic products	0.0	57.4	57.4
Chemicals & chemical products	31.9	9.6	41.4
Others	45.3	27.1	72.4
Total	527.8	2,373.4	2,901.2

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.

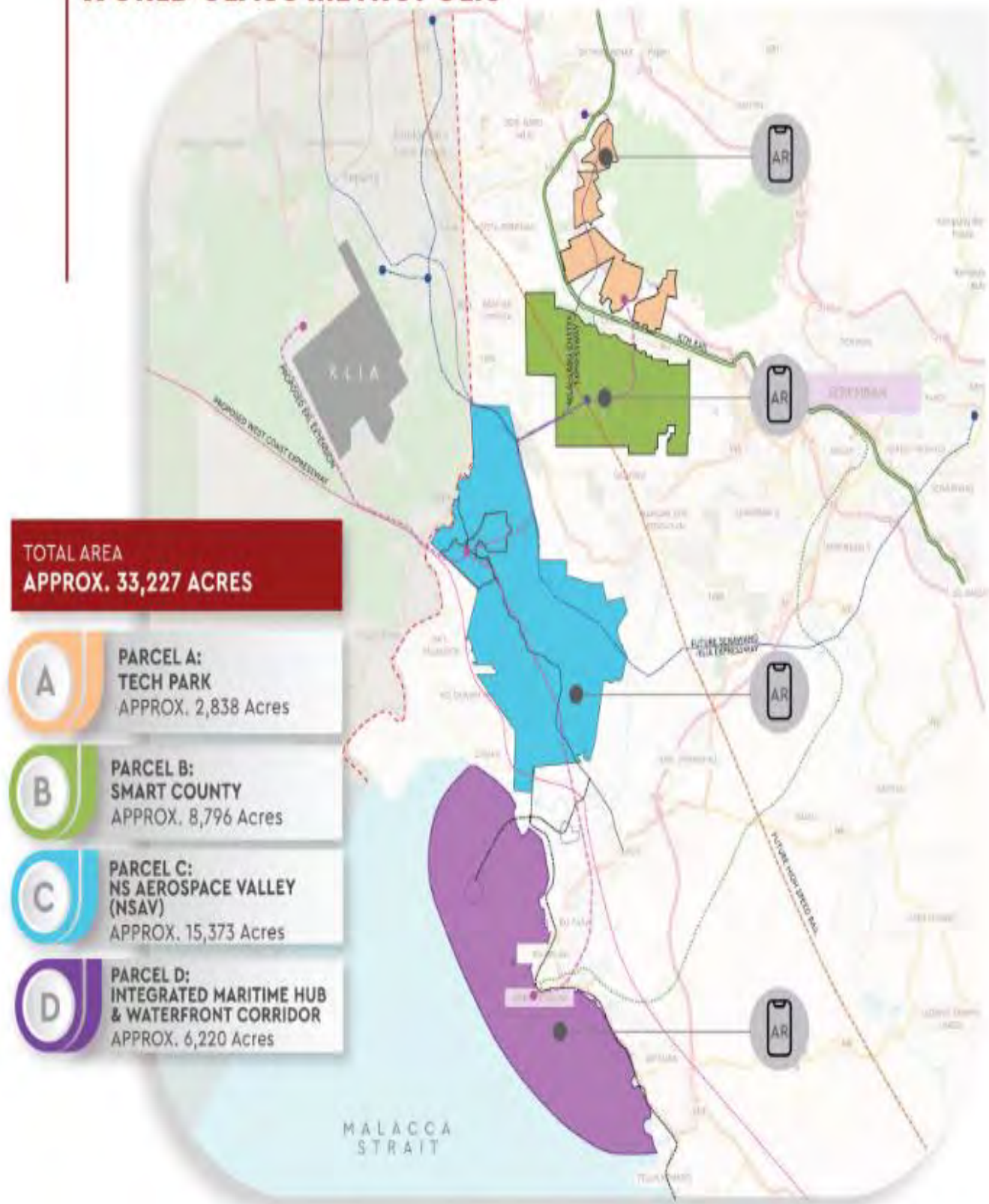


Ongoing/Upcoming Key Projects

- 1 Electrified Double Track (Gemas - JB) (June 2023)
- 2 Additional blocks at Hospital Ampuan Najihah, Kuala Pilah (2024)
- 3 Central Spine Road (2026)
- 4 Klang Valley Double Track Phase II (2026)
- 5 Malaysia Vision Valley 2.0 (2045)



MALAYSIA VISION VALLEY 2.0 WORLD CLASS METROPOLIS



Future proof Plans

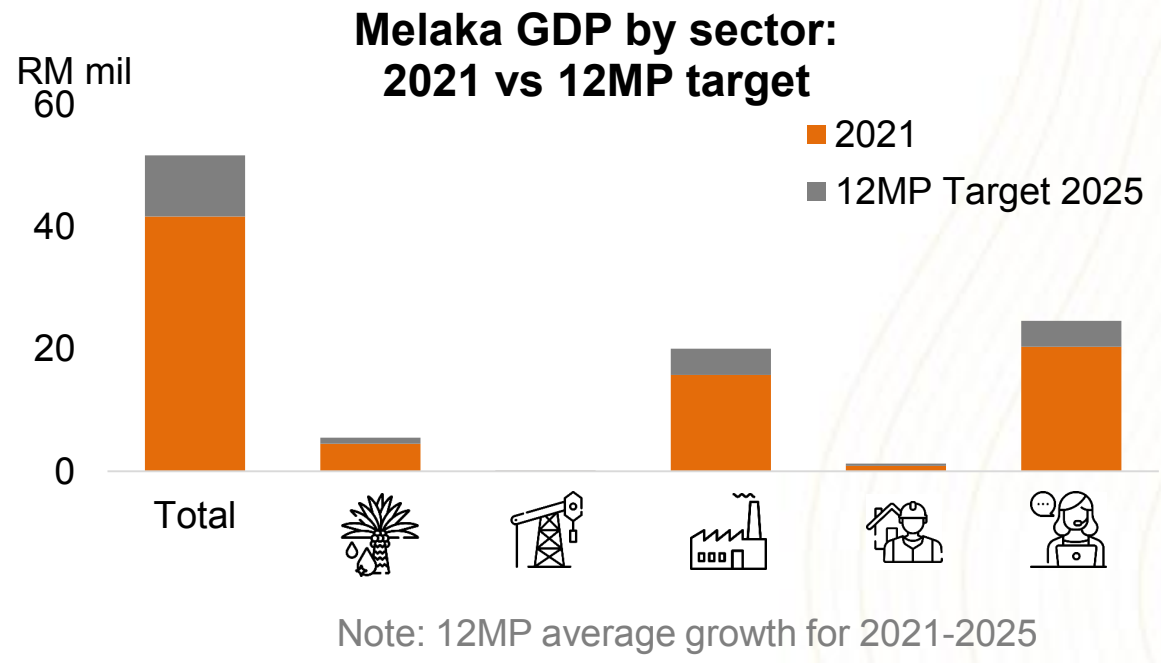
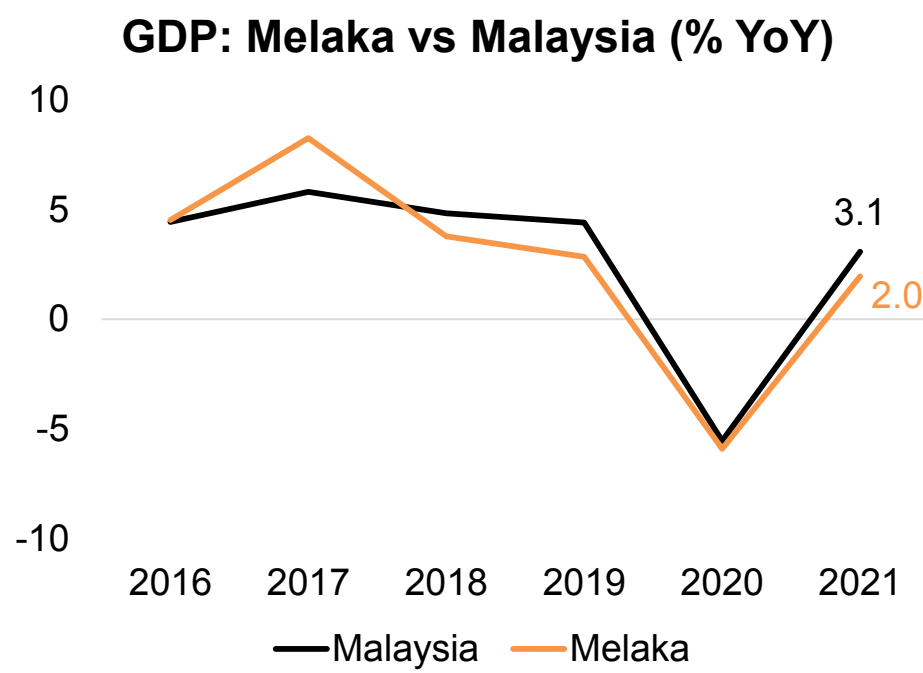
NS Aero City is a smart city that is designed to bring the digital and physical worlds together where rapid development and environmental sustainability coexist.

In business or leisure, the futuristic features of this city will take the community to even greater heights. It will spur a culture of innovation among the society that will propel the economy.





Melaka's GDP growth underperformed national level GDP and its 12MP average growth target of 4.8%.



Melaka GDP breakdown by sector

Sector	YoY %	Share %
AGRICULTURE	-0.6	10.9
MINING	-4.4	0.1
MANUFACTURING	3.3	37.9
CONSTRUCTION	-9.5	2.1
SERVICES	2.3	48.8

Subsectors (Services)

YoY %	Subsector	Share %
-0.0	Wholesale & retail trade, food & beverage and accommodation	35.6
6.4	Utilities, transportation & storage, information and communication	21.0
5.6	Government services	18.3
2.8	Finance & insurance, real estate and business services	13.5

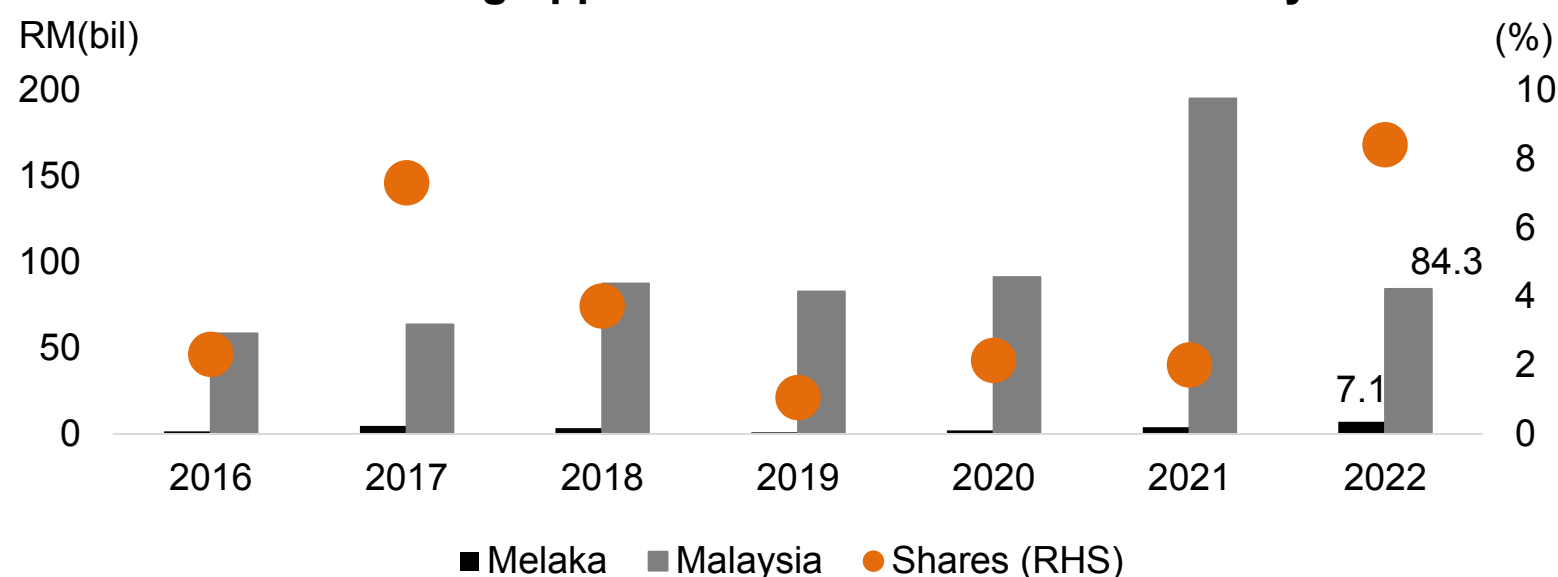
Subsectors (Manufacturing)

YoY %	Subsector	Share %
6.7	Petroleum, chemical, rubber and plastic products	30.2
5.2	E&E and optical products	29.2
-1.3	Motor vehicles & transport equipment	22.6
1.1	Other manufactures	18.0

- Melaka's economy **has not fully recovered to pre-pandemic level**, (-4.1% YoY vs 2019). By sector, only agriculture has recovered.
- Assuming the GDP grows by 4.8% for the next 4 years (2022-2025), it will still **fall short of the 12MP target** (RM51.8 bil in 2025) by **circa 2.7%**.
- On top of being KL, Selangor and Negeri Sembilan's weekend tourists spot, the state should also benefit from the **spillover effects of the reopening of Malaysia-Singapore border**.
- The tourism prospects remain bright with various efforts to boost tourism sector including Malaysia-Indonesia collaboration via 'Tukar-Tukar Rasa' tourism package to attract tourists from Riau.
- In line, Government will upgrade Jalan Tun Hamzah to Semabok intersection at Lebu AMJ Melaka Tengah District to reduce congestion issue that have been affecting tourist hotspots.
- In addition, Government will extend the Stage Bus Service Transformation (SBST) program to the cities of Melaka.
- Many proposals across sectors were also made e.g. world-class industrial area in Alor Gajah; military-styled theme park, and if materialised, will contribute significantly to economic growth



Manufacturing Approv. Investment: Melaka vs Malaysia



- Manufacturing approved investment in Melaka expanded 80.8% YoY in 2022 (2021: 100.5%), in contrast to national performance (-56.8%).
- It has also surpassed the state government’s target of RM5 bil.
- Although investments can be lumpy, share to total approved investment in the manufacturing sector rose to 8.4% (2021: 2%; 5-year average: 3.2%).
- In 2022, most of the manufacturing investments were into the **electronics and semiconductor** sector – in line with **the state’s main focus area which is the E&E**. This is a continuation from previous trend in 2020 and 2021 where E&E investments made up more than 80% share of manufacturing investment in the state – almost all were foreign.
- While the state also offers **opportunities** in areas such as **automotive and aerospace**, investments in these were meagre.

Top manufacturing investments in 2021:

Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Electrical & electronic products	10.9	3,255.0	3,265.9
Machinery & equipment	34.4	288.6	321.0
Rubber products	131.4	0	131.4
Food manufacturing	105.5	0	105.5
Paper, printing & publishing	38.4	0	38.4
Mineral & non-metallic products	9.8	9.4	19.1
Plastic products	17.2	0	17.2
Transport equipment	8.5	1.6	10.1
Fabric metal products	9.4	0	9.4
Others	2.0	0	2.0
Total	367.4	3,554.6	3,922.0

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.



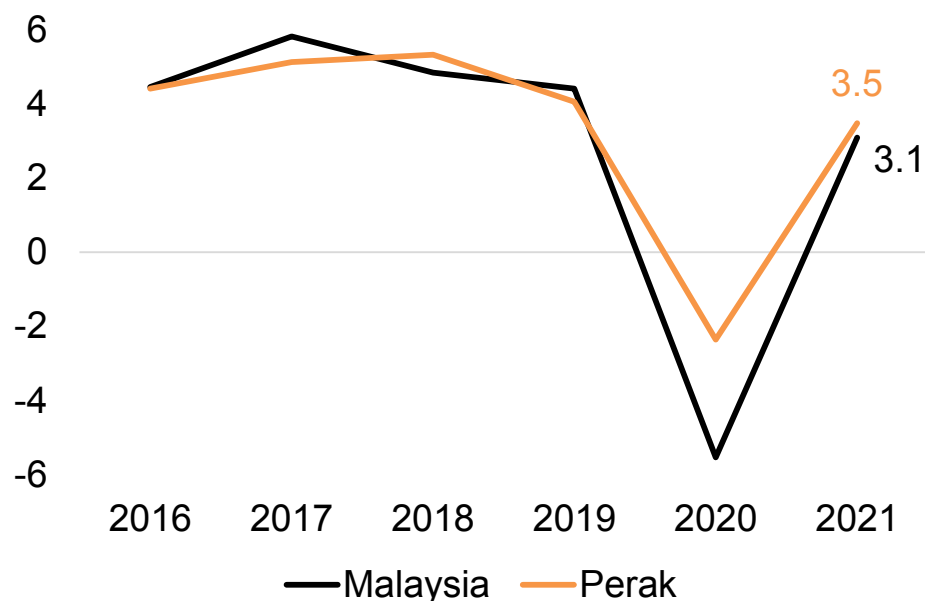
Ongoing/Upcoming Key Projects

- 1 Takungan Air Pinggiran Sungai (TAPS)
- 2 Reclamation project – artificial island (2027)
- 3 D-8 Education City – Phase 1 (2027)
- 4 Expansion of microchip factory, Koa Denko (2027)

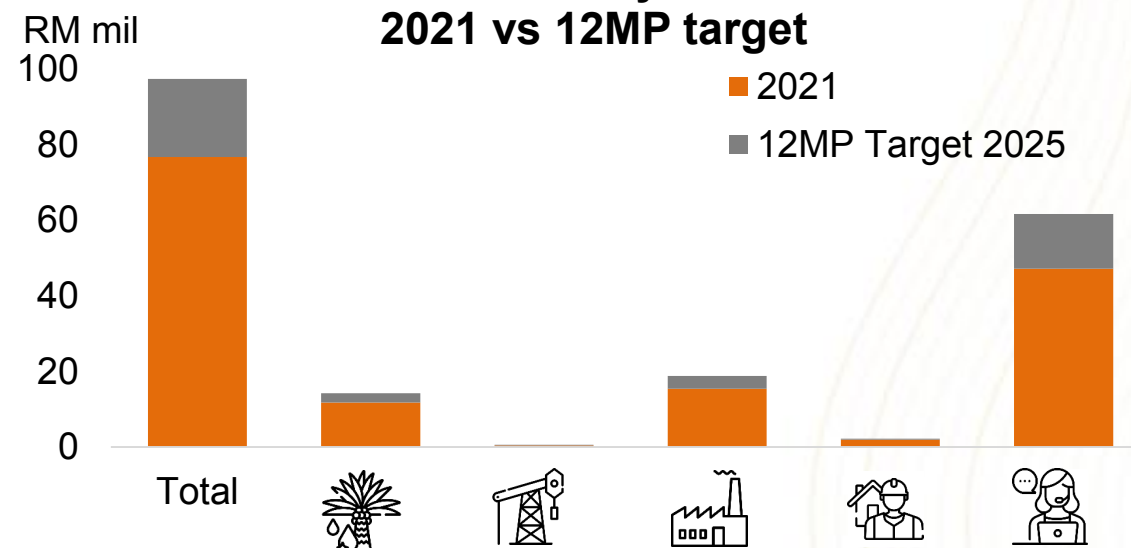


Perak's GDP growth outperformed national level GDP, yet underperformed 12MP average growth target of 5.6%.

GDP: Perak vs Malaysia (% YoY)

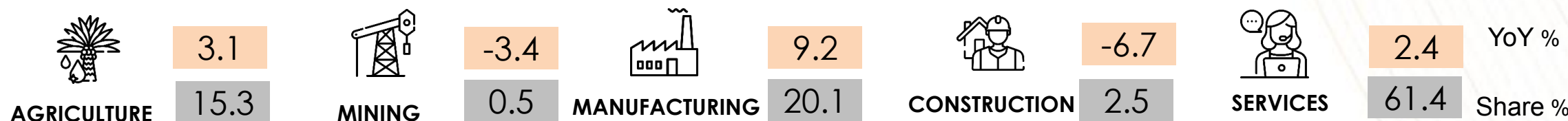


Perak GDP by sector: 2021 vs 12MP target



Note: 12MP average growth for 2021-2025

Perak GDP breakdown by sector



Subsectors

YoY %	Subsector	Share %
4.3	Utilities, transportation & storage, information and communication	32.2
-1.0	Wholesale & retail trade, food & beverage and accommodation	27.5
5.6	Government services	19.6
4.0	Finance & insurance, real estate and business services	12.5



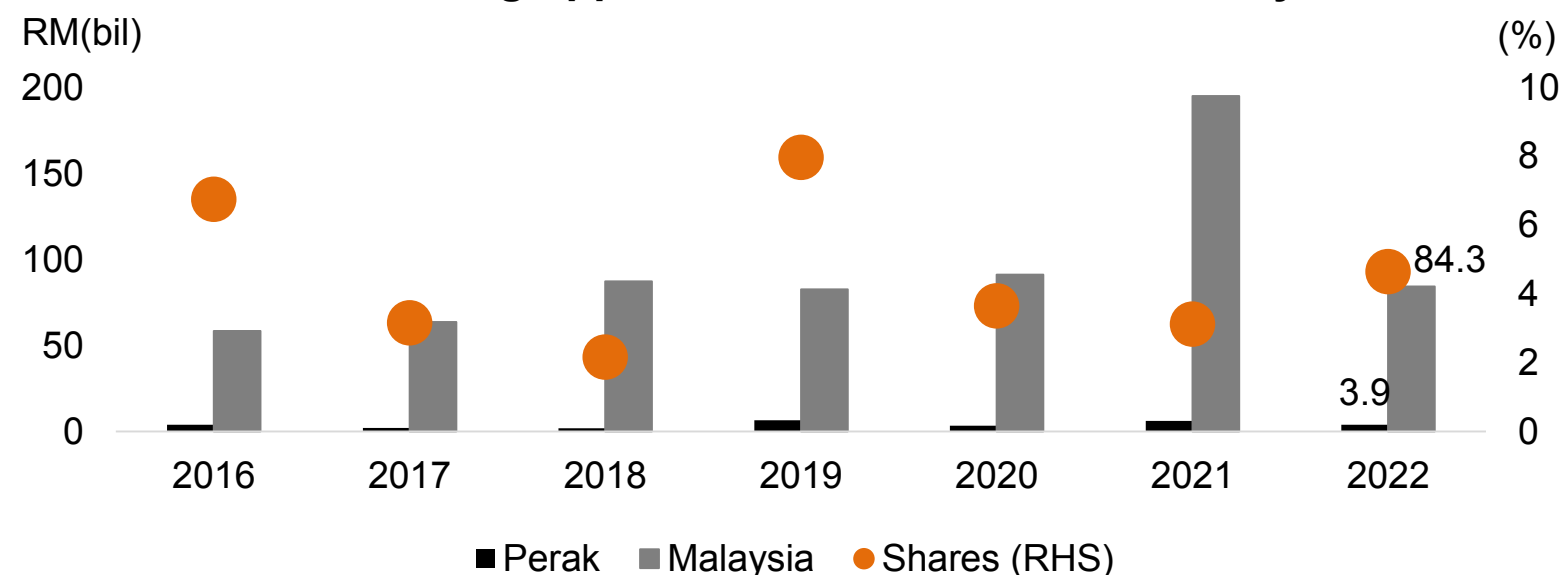
Subsectors

YoY %	Subsector	Share %
9.0	E&E and optical products	33.6
18.0	Petroleum, chemical, rubber and plastic products	24.8
3.4	Vegetable & animal oils & fats, food processing, beverages & tobacco	15.8
4.7	Non-metallic mineral products, basic metal and fabricated metal products	15.2

- Perak's economy has returned to the pre-pandemic level, (1.0% YoY vs 2019).
- Manufacturing and agriculture have fully recovered while services, construction, and mining & quarrying sectors are still catching up.
- Nonetheless, assuming the GDP grows by 5.6% for the next 4 years (2022-2025), it will **still fall short of the 12MP target** (RM97.4 in 2025) by **circa 2.0%**.
- Prior to pandemic (2019), **Perak received the most domestic tourists** in Malaysia at 10.1 mil. In 2021, the state recorded 4.5 mil tourists (2020: 13.2 mil). 22% of the tourists were from Selangor, while 18.2% from KL. 56.7% of the trips were made to visit relatives & friends then followed by for holidays (31.1%)
- Picked as the feature destination at the MATTA fair, Perak has **abundant tourist attractions** e.g. Royal Belum, Matang mangrove, Geopark Lembah Kinta & Lenggong, Taiping zoo night safari, Menara Condong, Ipoh and Pangkor Island.
- Ongoing high impact projects such as **SilverValley technology park** and **DRB-Hicom Automotive High-Technology Valley** will provide further support to the state's growth.
- It also has quite a strong **agriculture activities**;
 - The largest Mango producer (25.1%)
 - 2nd largest guava producer (40.8%) after Johor (41.8%)



Manufacturing Approv. Investment: Perak vs Malaysia



Top manufacturing investments in 2021:

Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Food manufacturing	7.2	3,029.1	3,036.3
Rubber products	1,605.9	653.8	2,259.7
Chemicals & chemical products	75.9	308.5	384.5
Plastic products	102.6	0.0	102.6
Transport equipment	14.0	78.5	92.5
Electrical & electronic products	84.6	0.0	84.6
Wood & wood products	32.5	13.7	46.2
Mineral & non-metallic products	25.5	0.0	25.5
Paper, printing & publishing	14.7	0.0	14.7
Fabric metal products	13.0	0.6	13.7
Others	20.5	0.5	21.0
Total	1,996.5	4,084.8	6,081.3

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.

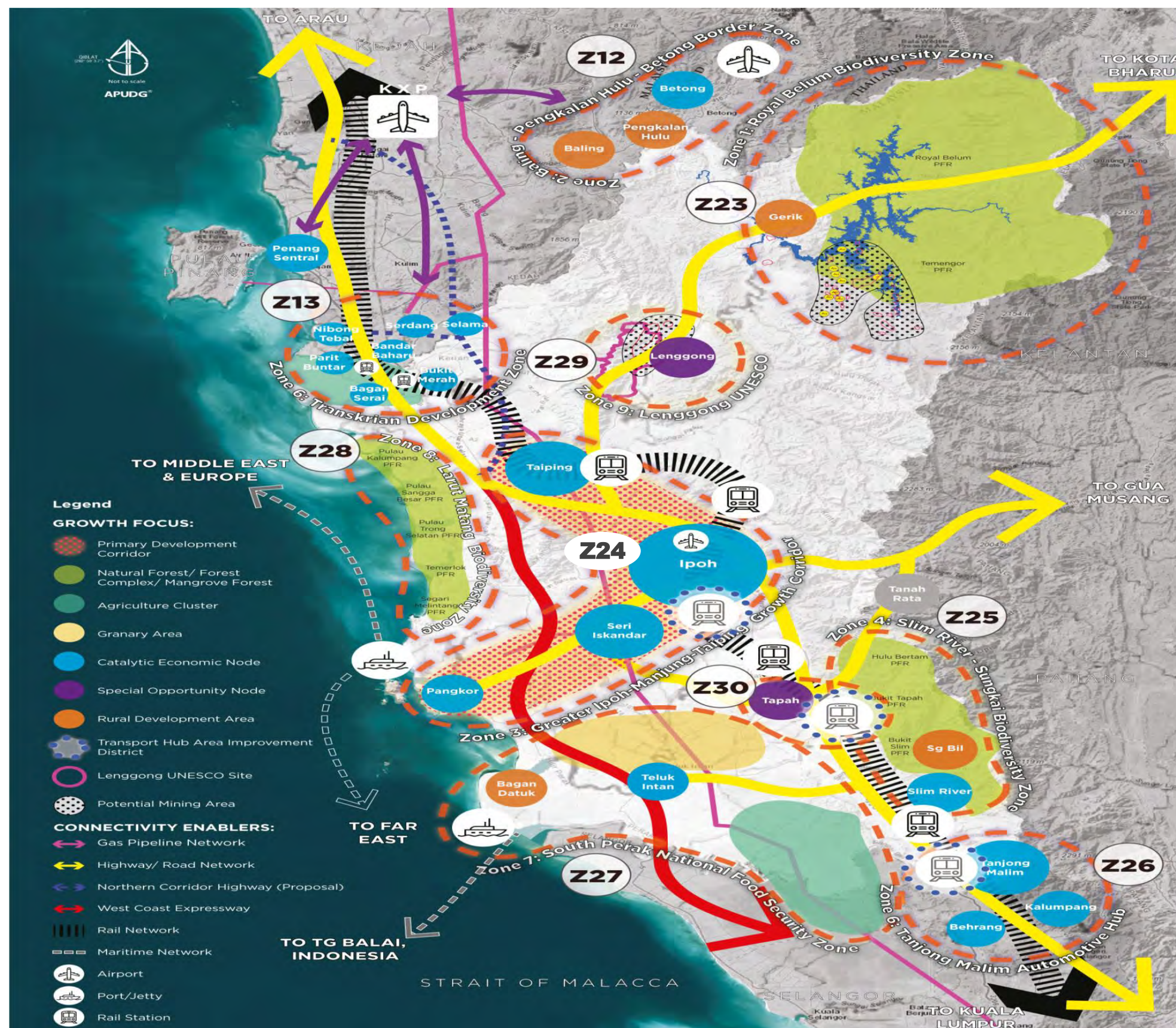
- Manufacturing approved investment in Perak declined by **-35.6% YoY** in 2022 (National level: -56.8% YoY).
- Share to total approved investment in the sector have reversed its downward trend (2019-2021) by clocking at 4.6% (2021: 3.1%).
- In 2021, the biggest contributor was **food manufacturing (49.9%)** followed by rubber products (37.2%), and chemical & chemical products (6.3%).
- Perak is the home for ASEAN's biggest "Surimi" food manufacturer (e.g, fish cake, fish ball, fish snack) QL Food. This has spill over effect to the fisheries industry- outsource from local fishermen.
- Meanwhile, it also has big players in sectors such as **E&E**: Unisem, Carsem, Yamaha, **automotive**: PROTON and China Railway Rolling Stock Corp. **rubber**: Top Glove
- The top 10 investments were somewhat in line with **focus industries** of the state, such as **E&E, food manufacturing, chemical, rubber and plastic products.**



Ongoing/Upcoming Key Projects

- 1 SilverValley Technology Park (2023)
- 2 Lumut Maritime Terminal 2 & 3 (2023)
- 3 Construction of Perak Contingent Police New Headquarter and police quarters
- 4 Ipoh Raya Industrial Park (2028)
- 5 Ipoh Smart City (2030)





Z12 – Baling – Pengkalan Hulu – Betong Border Zone

Z13 – Transkrian Development Zone

Z23 – Royal Belum Biodiversity Zone

Z24 – Greater Ipoh – Taiping – Pangkor Growth Corridor

Z25 – Slim River – Sungkai Biodiversity Zone

Z26 – Tanjung Malim Automotive Hub

Z27 – Hilir Perak National Food Security Zone

Z28 – Larut Matang Biodiversity Zone

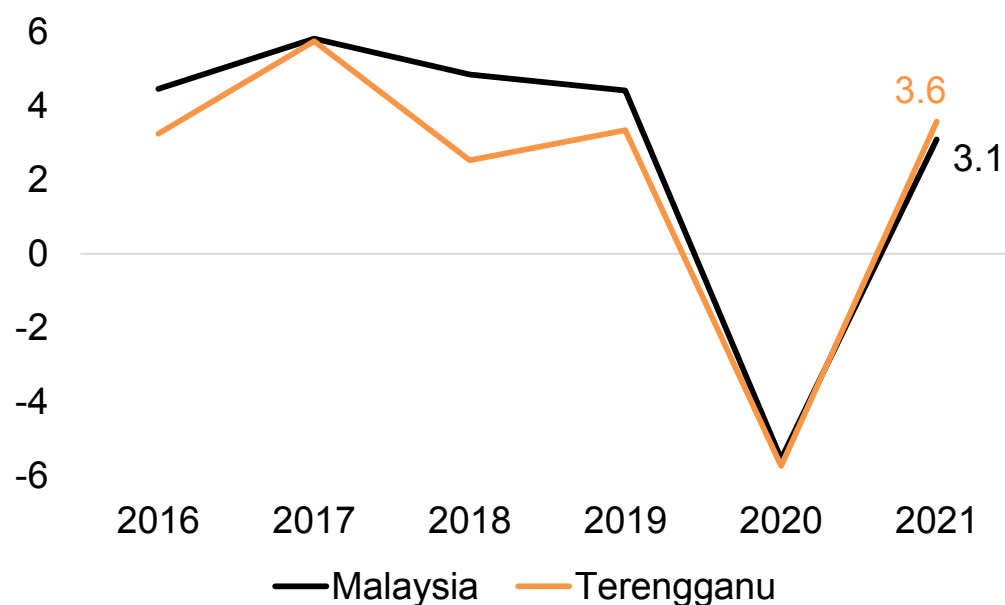
Z29 – Lenggong Unesco

Z30 – Tapah Education City

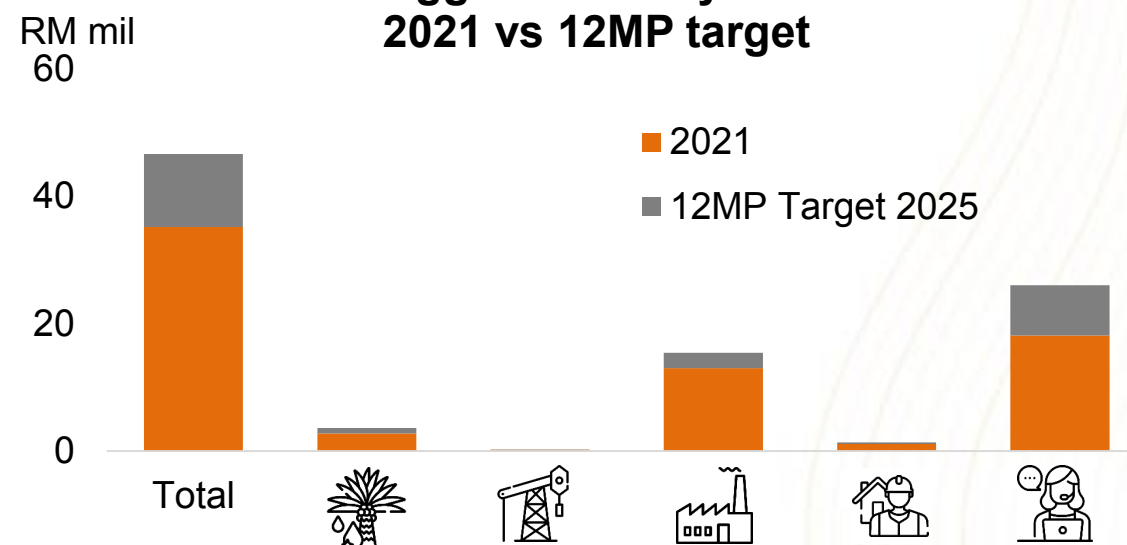


Terengganu's GDP growth outperformed national level GDP, yet underperformed 12MP average growth target of 6.6%.

GDP: Terengganu vs Malaysia (% YoY)

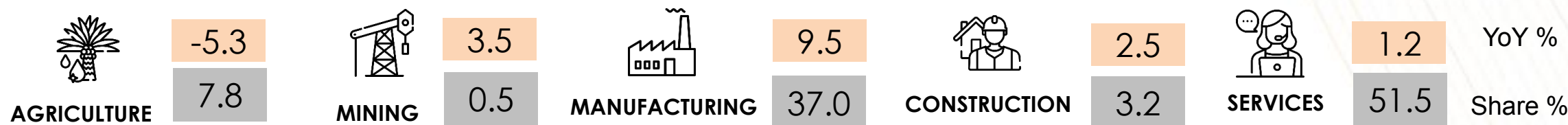


Terengganu GDP by sector: 2021 vs 12MP target



Note: 12MP average growth for 2021-2025

Terengganu GDP breakdown by sector



Subsectors

YoY %	Subsector	Share %
-0.7	Utilities, transportation & storage, information and communication	31.4
4.6	Government services	30.0
-1.0	Wholesale & retail trade, food & beverage and accommodation	22.3
3.6	Finance & insurance, real estate and business services	8.3



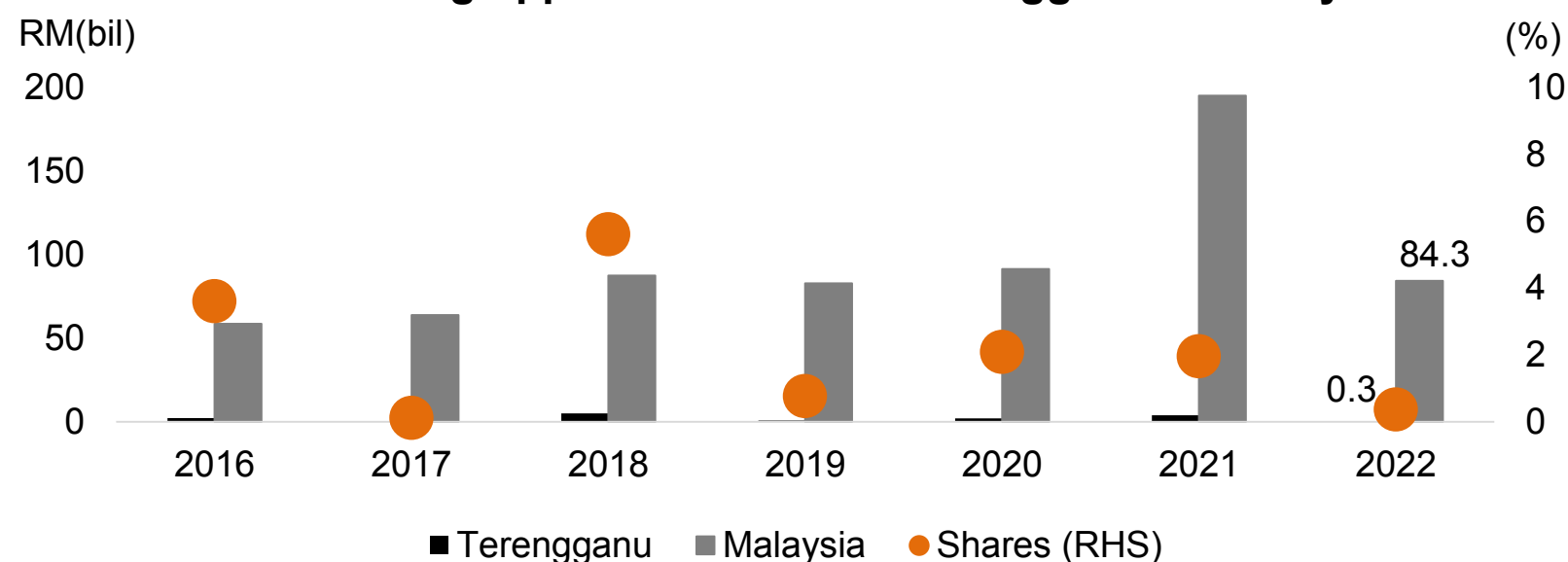
Subsectors

YoY %	Subsector	Share %
10.0	Petroleum, chemical, rubber and plastic products	94.6
-1.3	Other manufactures	3.4
8.4	Non-metallic mineral products, basic metal and fabricated metal products	2.1

- Terengganu's economy **has yet to fully recovered to pre-pandemic level**, (-2.4% YoY vs 2019) as all sectors underperformed.
- Assuming the GDP grows by 5.1% for the next 4 years (2022-2025), it will still **fall short of the 12MP target** (RM164.2 in 2025) by **circa 2.6%**.
- Terengganu is known for **petroleum & chemical hub in Kerteh** – led by Petronas. Petronas Gas Kerteh has processing capacity of 1.75 bil standard cubic feet per day which provide 76% of total gas demand in peninsular Malaysia.
- Apart from that, **tourism** is also among the **key sectors** for the state supported by a list of destinations from inland to islands such as Kenyir Lake duty-free zone, **Southeast Asia's 1st tower drawbridge**, islands (e.g. Redang, Perhentian, Kapas, Lang Tengah).
- Malaysia's **first green energy islands** will be Pulau Redang and Pulau Perhentian, getting 24-hour low-carbon electricity supply by 2025 – solar
- Moreover, with a cost of RM66.02 bil, **East Coast Rail Link (ECRL)** will provide high spill over effect connecting Terengganu with Klang Valley – boost tourism activity, develop rural & sub urban area, logistic/cargo
- **Other ongoing/upcoming high impact projects** such as **East Coast Highway project (LPT3)** and **Mayang Mall** (Sogo 1st branch outside Klang Valley) will **further spur economic activity in the state**.



Manufacturing Approv. Investment: Terengganu vs Malaysia



- Manufacturing approved investment in Terengganu dropped by 91.9% YoY in 2022 – worse than the national level (-56.8% YoY).
- Only RM310 mil manufacturing investment was recorded – the 3rd lowest in the country (0.4% share), after Kuala Lumpur (0.2%) and Perlis (0.0%).
- In 2021, almost the entire manufacturing investment in Terengganu were in basic material products (98%), funded entirely by foreign investments.
- The state also is **the hub of Kerteh refinery** with capacity of 124k barrels per day (bpd) < Pengerang 300k bpd. Raw material source – Kerteh (local), while Pengerang (50%-70% from Saudi Aramco).
- The state also has **13 industrial parks** (nationwide: ~600) mainly, on wood & products, F&B, oil & gas, chemical, and E&E. **Kerteh Biopolymer Park (KBP)** – hub for biopolymer and bio-based chemical products including global brand CJ Bio (Korean global leading bio-ingredient producer for feed and food).

Top manufacturing investments in 2021:

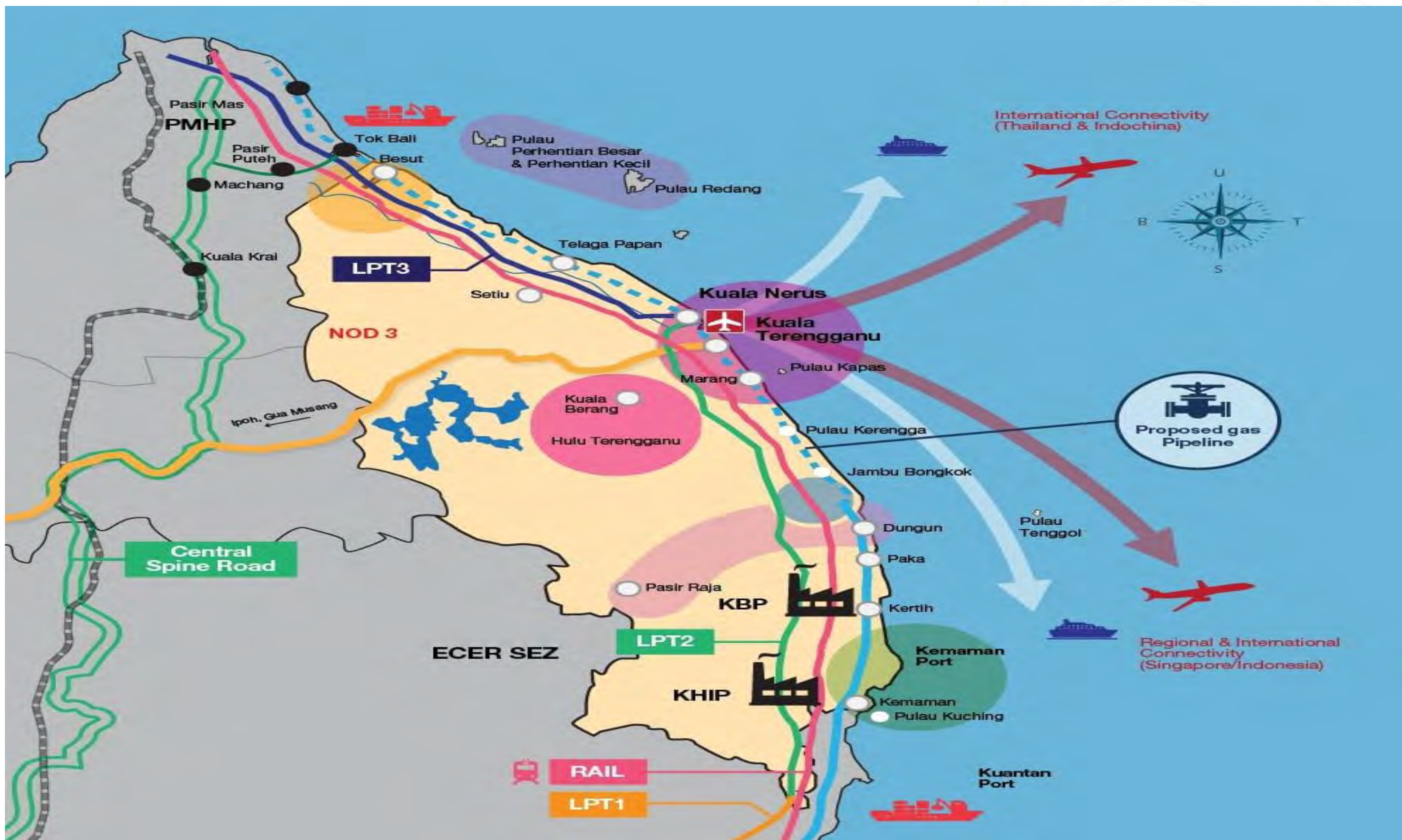
Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Basic material products	5.3	3,747.4	3,752.7
Wood & wood products	27.6	-	27.6
Transport equipment	19.0	-	19.0
Machinery and equipment	11.1	-	11.1
Fabricated metal products	7.3	-	7.3
Chemicals & chemical products	6.9	-	6.9
Food manufacturing	6.8	-	6.8
Total	84.0	3,747.4	3,831.4

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.



Ongoing/Upcoming Key Projects

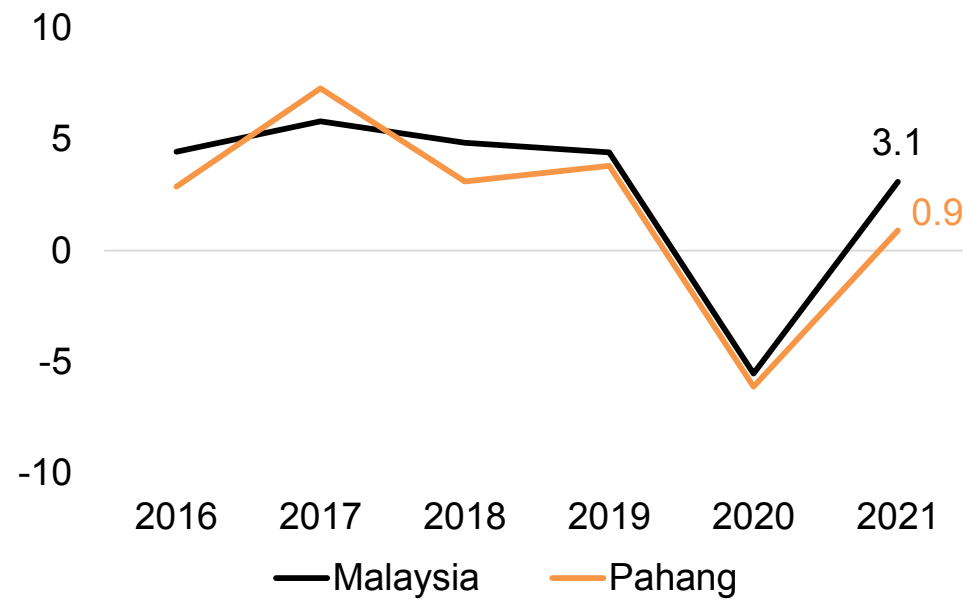
- 1 Mayang Mall (2023)
- 2 Dungun Town Coastal Tourism
- 3 Teluk Lipat Coastal Protection Works
- 4 Upgrading of Hybrid Solar System Pulau Kapas
- 5 East Coast Rail Line (ECRL) 2026



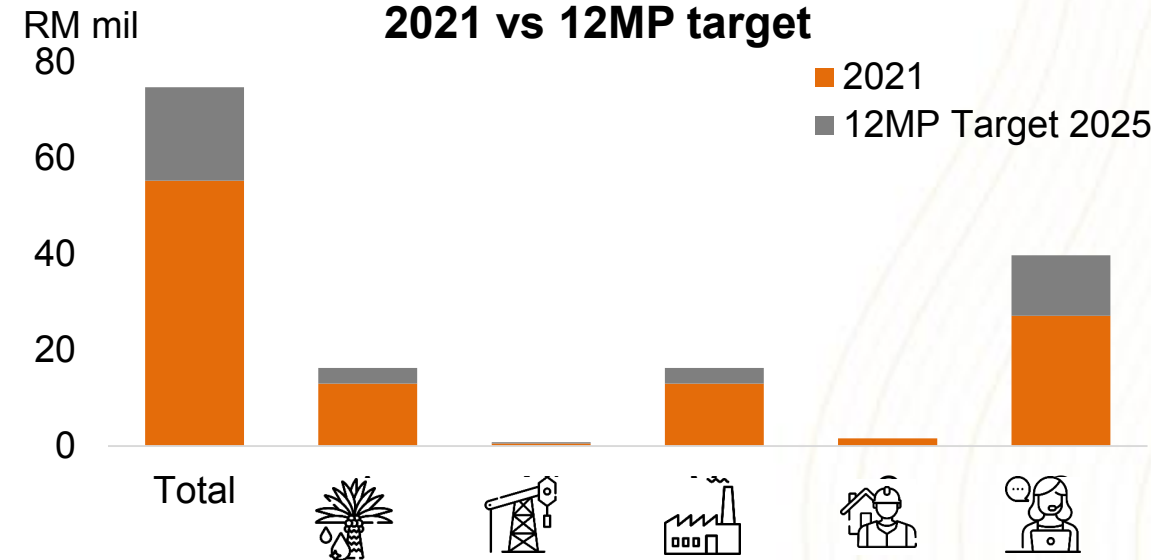


Pahang's GDP growth underperformed national level GDP and its 12MP average growth target of 6.3%.

GDP: Pahang vs Malaysia (% YoY)

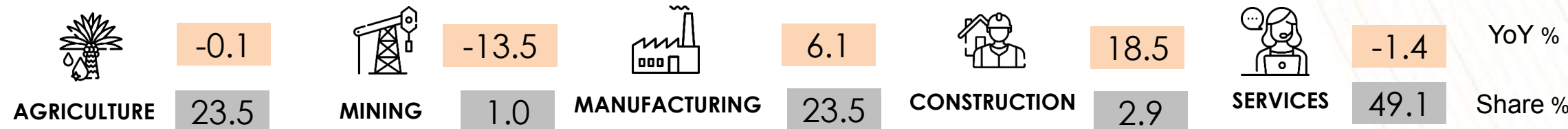


Pahang GDP by sector: 2021 vs 12MP target



Note: 12MP average growth for 2021-2025

Pahang GDP breakdown by sector



Subsectors

YoY %	Subsector	Share %
-1.4	Wholesale & retail trade, food & beverage and accommodation	35.4
5.4	Government services	26.4
-19.5	Other services	13.8
3.7	Utilities, transportation & storage, information and communication	13.4



Subsectors

YoY %	Subsector	Share %
5.4	Petroleum, chemical, rubber and plastic products	46.8
11.7	Motor vehicles & transport equipment	23.6
14.9	Other manufactures	16.2
-8.5	Vegetable & animal oils & fats, food processing, beverages & tobacco	13.5

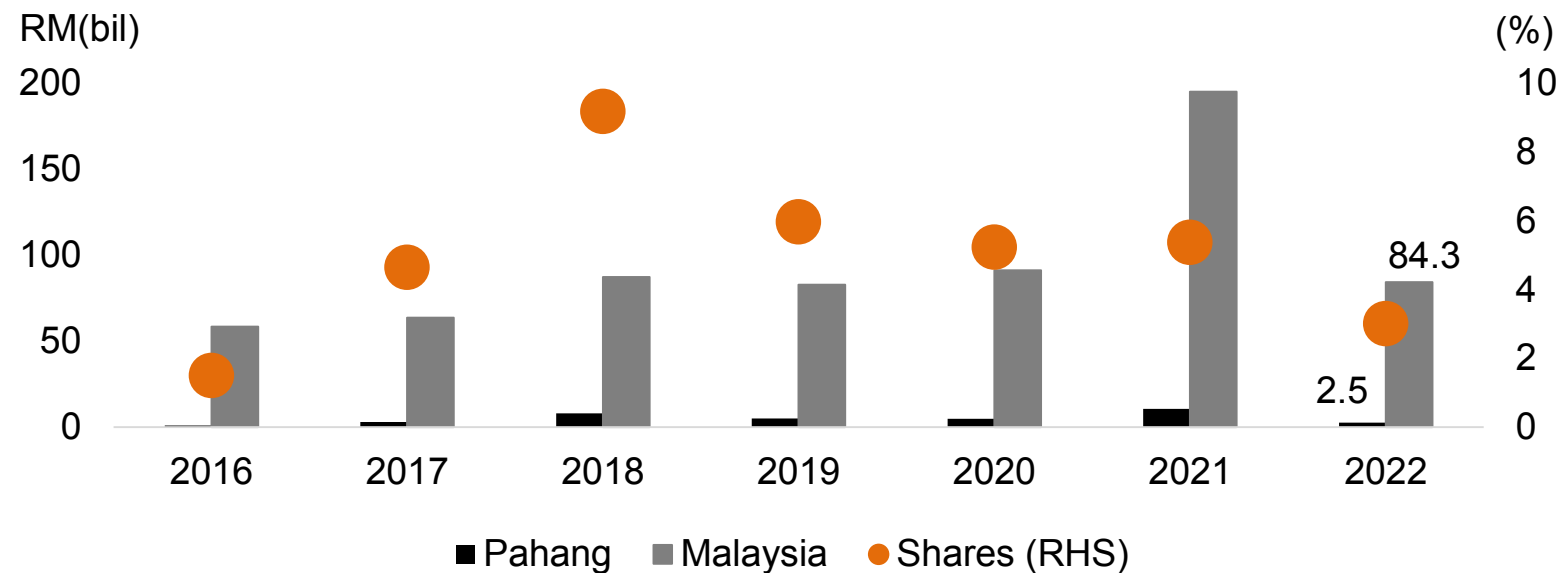
- Pahang's economy has not fully recovered to pre-pandemic level, (5.3% YoY vs 2019).
- Manufacturing sector has recovered while agriculture was not affected in the first place.
- Assuming the GDP grows by 6.3% for the next 4 years (2022-2025), it will still be short of 12MP target (RM74.8 bil in 2025) by circa 5.5%.
- Pahang is the home of cold weather tourism attractions in peninsular e.g. Genting Highland, Cameron Highland, Fraser Hill, and Bukit Tinggi. The state is also rich in natural attractions e.g. Taman Negara, Pahang River and Janda Baik.
 - 3rd most visited state by tourist in 2021 after Johor and Perak.
 - 5 top destinations; 1) Pantai Cherating, 2) Cameron Highlands, 3) East Coast Mall, 4) Janda Baik dan 5) Pantai Teluk Cempedak
- In line with higher agricultural share-to-GDP, Pahang is the 3rd largest crude palm oil (CPO) producer in Malaysia (3.3 mil tonnes) behind Sabah (4.3 mil) and Sarawak (4.0 mil) in 2022.
- Price of CPO remain supportive to Pahang's continuous recovery but severe labor shortage particularly in the palm oil sector remain a major concern.



Ongoing/upcoming major projects such as ECRL and new road from Habu to Tanah Rata in Cameron Highlands will provide further support to the state's growth.



Manufacturing Approv. Investment: Pahang vs Malaysia



- Manufacturing approved investment in Pahang decreased by **-75.8% YoY** in 2022, worse than the national level (-56.8%).
- In 2021, 90% of the manufacturing investment were in basic metal products, funded entirely by foreign investment.
- Pahang is the **biggest supplier (Lynas) of rare earth elements (REEs)** in Malaysia which are used in a variety of industrial applications, including electronics, clean energy, aerospace, automotive and defence.
- Besides **Gebeng Industrial Estate** (hub for chemical and petrochemical), **Pekan Automotive Park** is the hub for manufacturing of automotive, among the largest after Kedah (foreign automakers) which are currently occupied by Mercedes Benz, Isuzu, Suzuki and Volkswagen.

Top manufacturing investments in 2021:

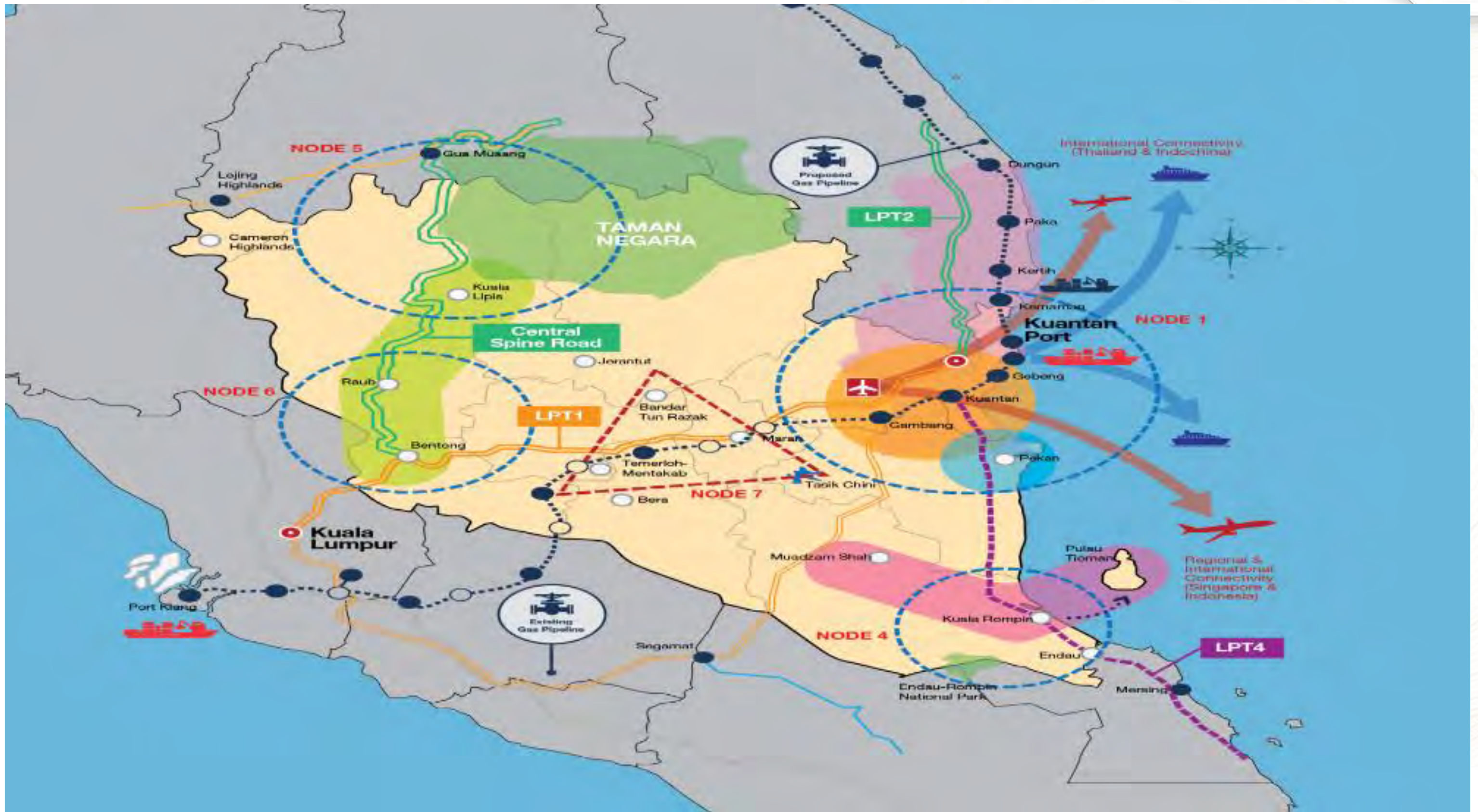
Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Basic metal products	0.0	9,440.6	9,440.6
Chemicals & chemical products	0.0	617.8	617.8
Food manufacturing	146.7	0.0	146.7
Wood & wood products	0.0	123.0	123.0
Fabricated metal products	85.0	0.0	85.0
Paper, printing and publishing	0.0	67.7	67.7
Minerals products and non-metal	8.0	0.0	8.0
Rubber product	0.0	1.6	1.6
Total	239.7	10,250.7	10,490.4

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.



Ongoing/Upcoming Key Projects

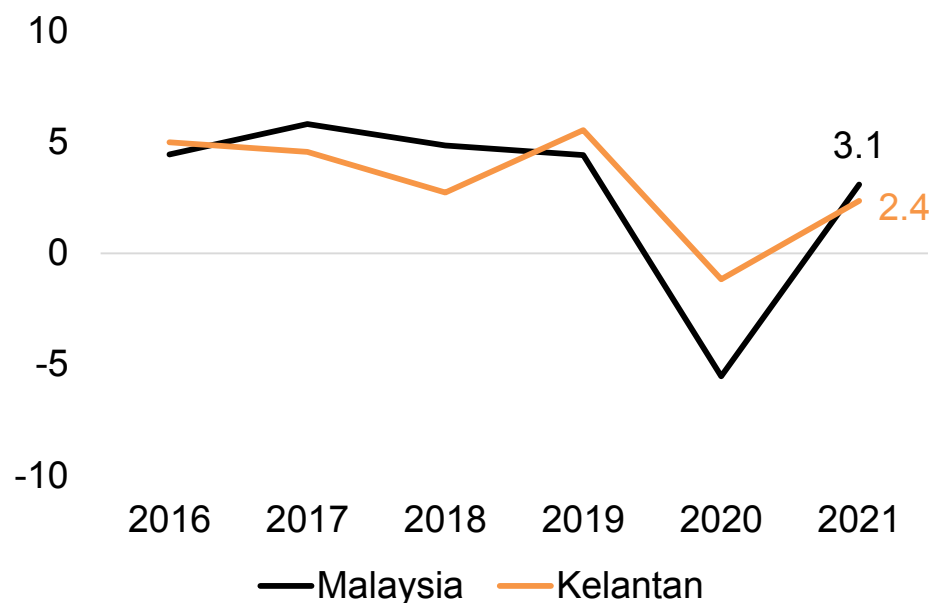
- 1 Kemaman-Gebeng Water Distribution Pipeline
- 2 Development of Pantai Hiburan, Rompin
- 3 Tanjung Agas Maritime Park Phase 3 (2025)
- 4 Central Spine Road (2026)
- 5 Pahang Aerospace City (2026)



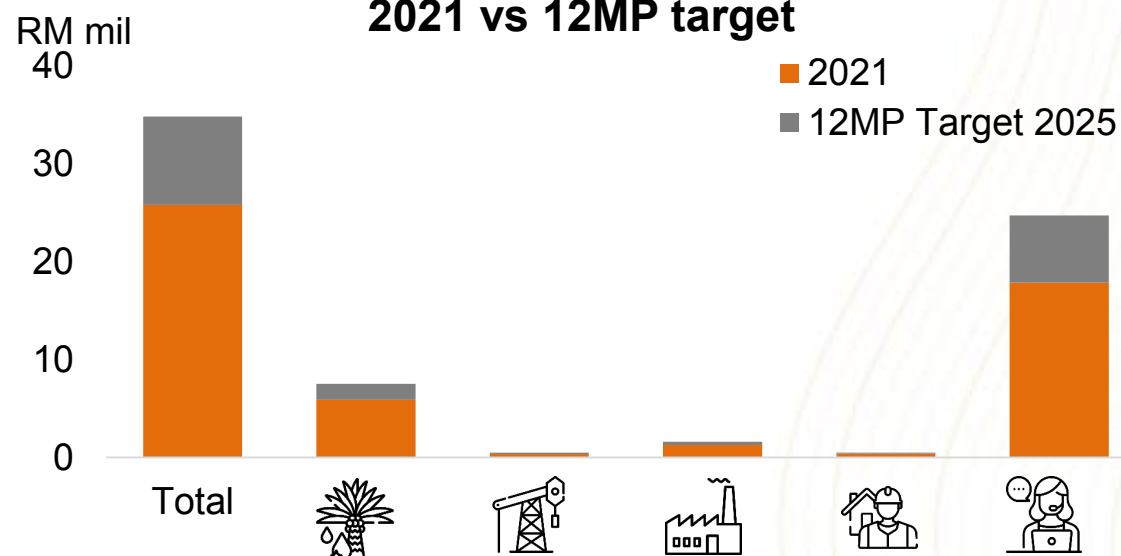


Kelantan's GDP growth underperformed national level GDP and its 12MP average growth target of 6.7%.

GDP: Kelantan vs Malaysia (%YoY)

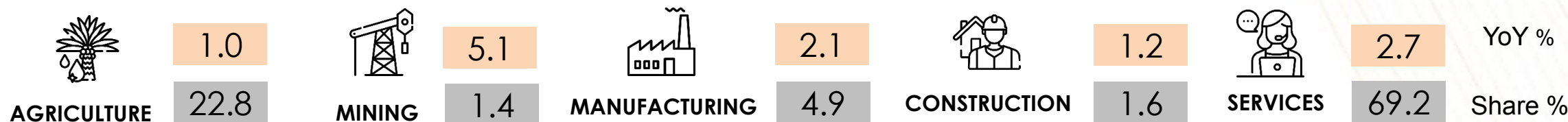


Kelantan GDP by sector: 2021 vs 12MP target



Note: 12MP average growth for 2021-2025

Kelantan GDP breakdown by sector



Subsectors

YoY %	Subsector	Share %
4.5	Government services	37.1
-1.0	Wholesale & retail trade, food & beverage and accommodation	30.0
5.7	Utilities, transportation & storage, information and communication	13.9
1.7	Other services	10.6



Subsectors

YoY %	Subsector	Share %
6.2	Other manufactures	38.6
6.9	E&E and optical products	24.9
0.6	Petroleum, chemical, rubber and plastic products	20.6
-10.8	Vegetable & animal oils & fats, food processing, beverages & tobacco	15.9

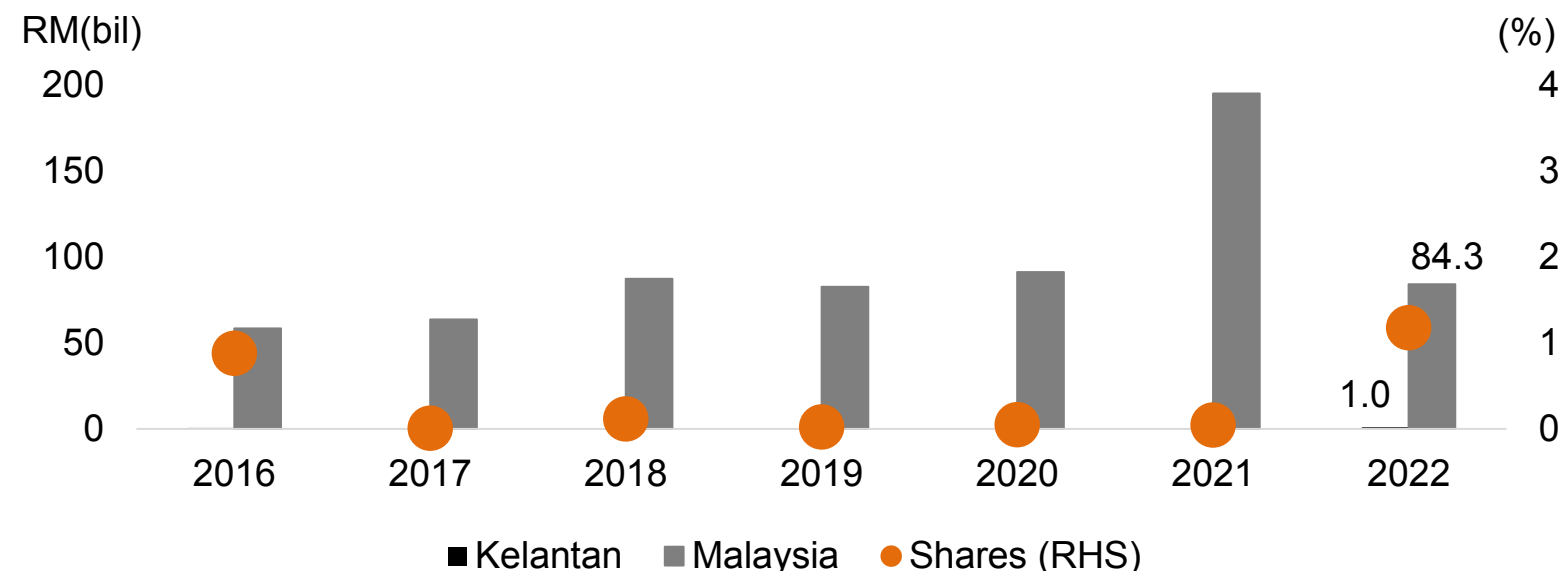
- Kelantan's economy **has recovered to pre-pandemic level**, (+1.2% vs 2019) driven by services, construction and agriculture.
- Nonetheless, assuming the GDP grows by 6.7% for the next 4 years (2022-2025), it will still be **short of 12MP target** (RM34.8 bil in 2025) by **circa 4%**.
- **Kelantan is known as shopping destination** e.g. **free duty zone in Pengkalan Kubor and Rantau Panjang**. Various products such as dishes, food, clothes and home furnishings can be bought at a cheaper price.
- With the reopening of Malaysia-Thailand border, economic activities along the borders should recover. However, it could be limited by ringgit depreciation against Thai Baht.
- The 2nd largest sector is agriculture (2021: 22.8% of GDP). Kelantan was **the largest producer for Chili** in 2021 (24.7% of national production). National Self-sufficiency ratio for Chili (29.3<100 – insufficient).
 - **The largest Watermelon producer** (30.7%).
 - **2nd largest rice producer** (13.7%) after Kedah (37.3%).
 - **3rd largest Durian producer** (9.3%) after Johor (27.2%) and Pahang (24.0%).



Upcoming high impact projects such as 1) bridges across the Golok River, 2) Integrated River Basin Development of Golok River Phase 3 (flood mitigation), and 3) Tok Bali industrial park (fisheries) will **provide further support** to the state's growth.



Manufacturing Approv. Investment: Kelantan vs Malaysia



- Manufacturing approved investment in Kelantan surged by **994.3% YoY** in 2022 (national level: -56.8%), the 3rd consecutive year of expansion.
- In 2022, it increased quite significantly to RM1.0 bil compared to its historical trend (<RM100mil) – likely to be contributed by **Rohm Semiconductor**'s investment of RM0.91 bil. (**Rohm's global ranking: 33rd by revenue**)
- Likewise, its share to total approved investment in the sector increased to 1.2%, above historical trend (2016- 2021: 0.3%).
- Despite a relatively small manufacturing sector contribution (4.9% of GDP), **top global semiconductor player** – Rohm Semiconductor - has factory **in Kelantan since 1988**. In 2022, the company has proceeded to expand its overall production capacity by 1.5 times.
- In 2021, the state recorded 2 manufacturing investments: 1) rubber (share of 89.6%), 2) chemical & chemical products (10.4%).

Top manufacturing investments in 2021:

Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Rubber products	81.3	0	81.3
Chemicals & chemical products	9.5	0	9.5
Total	90.7	-	90.7

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.



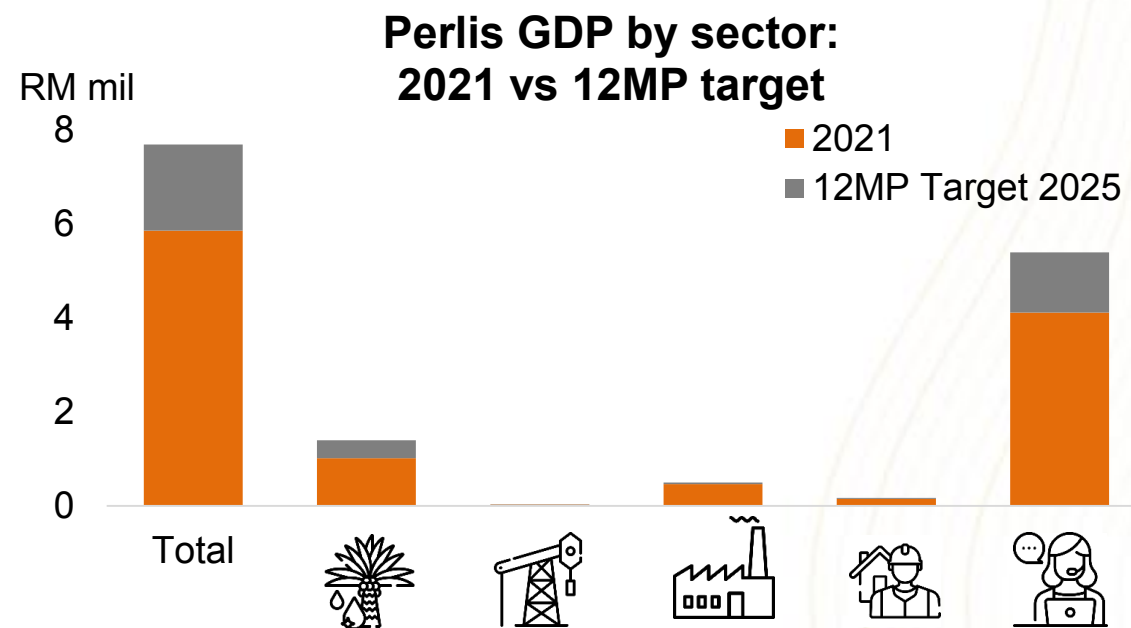
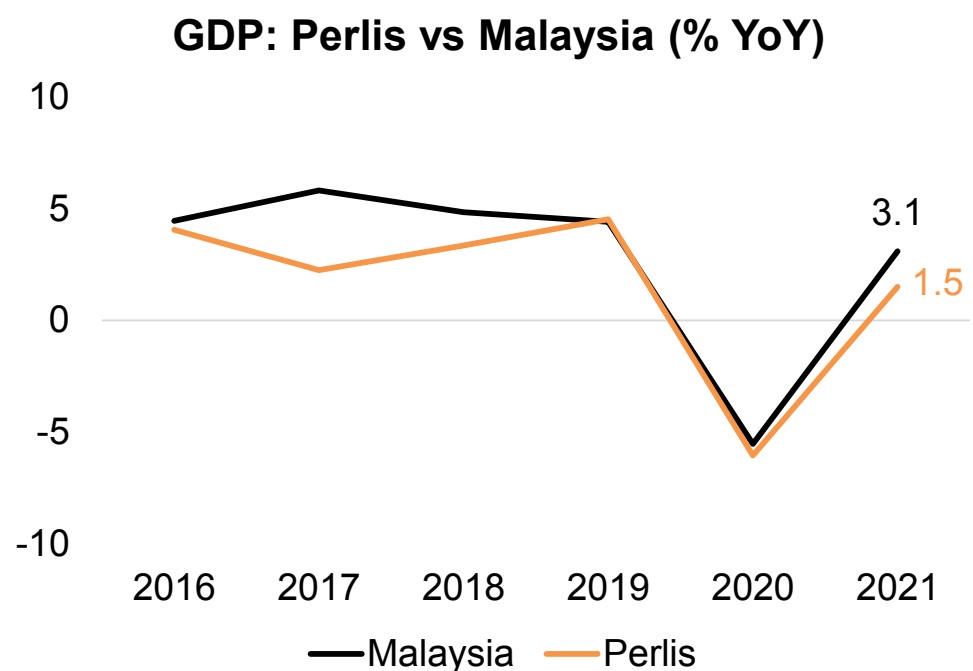
Ongoing/Upcoming Key Projects

- 1 Tok Bali Integrated Fisheries Park
- 2 Tok Bali Industrial Park
- 3 Redevelopment of Pasar Terapung
- 4 Palekbang-Kota Bharu Bridge
- 5 Central Spine Road (2026)



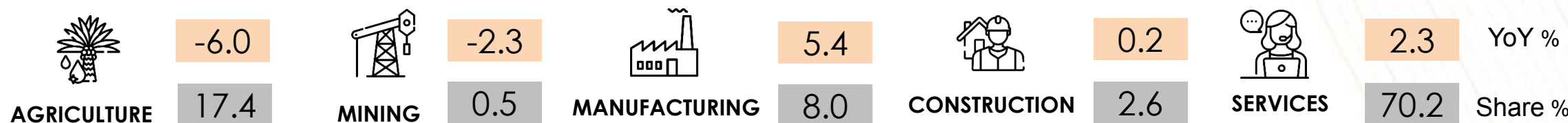


Perlis's GDP growth underperformed national level GDP and its 12MP average growth target of 5.8%.



Note: 12MP average growth for 2021-2025

Perlis GDP breakdown by sector



Subsectors

YoY %	Subsector	Share %
4.8	Government services	39.7
2.1	Utilities, transportation & storage, information and communication	24.3
-0.8	Wholesale & retail trade, food & beverage and accommodation	17.5
1.6	Finance & insurance, real estate and business services	10.0

Subsectors

YoY %	Subsector	Share %
0.4	Non-metallic mineral products, basic metal and fabricated metal products	30.7
12.6	Vegetable & animal oils & fats, food processing, beverages & tobacco	25.4
2.2	Petroleum, chemical, rubber and plastic products	23.4
8.6	Other manufactures	20.5

- Perlis's economy has not fully recovered to pre-pandemic level, (4.6% YoY vs 2019). Only services sector has recovered but that could be due to government services which dominates the sector (close to 40% share of services sector).
- Assuming the GDP grow by 5.8% for the next 4 years (2022-2025), it will still be a short of 12MP target (RM7.7 bil in 2025) by circa 4.5%.

- Perlis should benefit from the reopening of Malaysia-Thailand border. Perlis main export destination was Thailand in 2021 (62.3% of total state export).

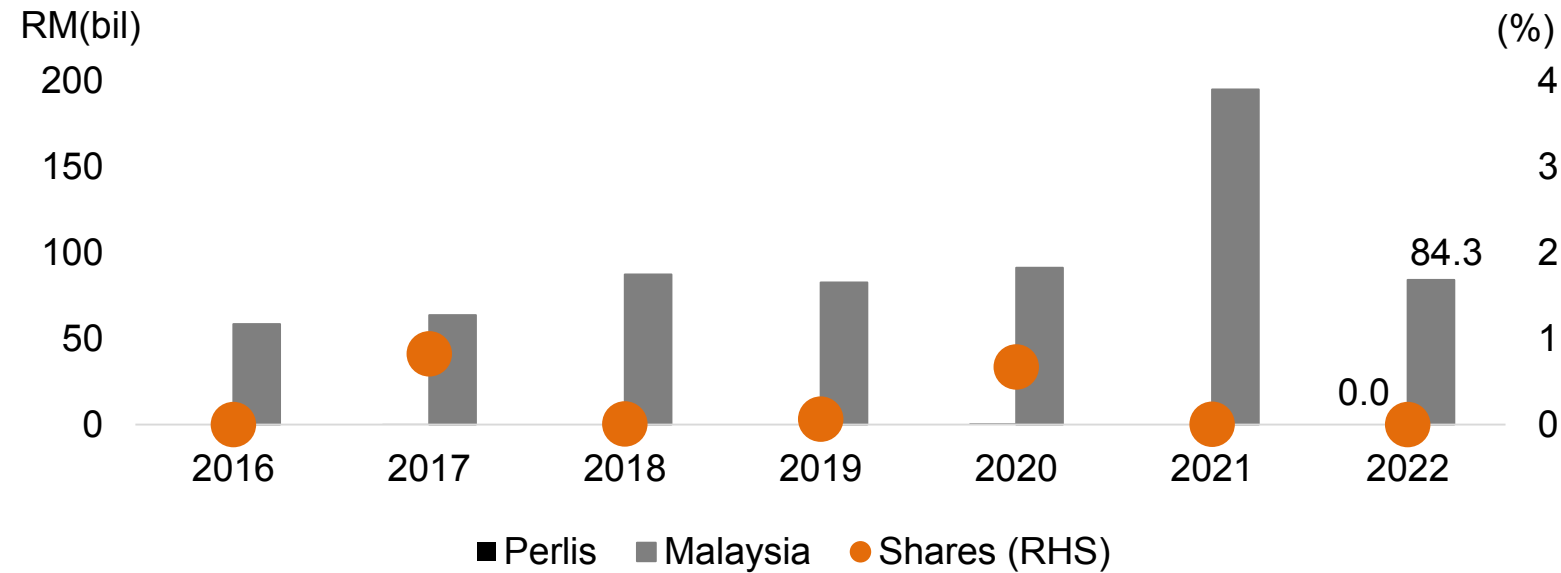


Government has announced plan to develop Sanglang port which will add value to the state economy – to handle petroleum and bulk cargo.

- Besides that, Perlis is known for agricultural product such as mango "Harum manis". In overall, Perlis is the 3rd largest mango producer after Perak and Sabah.
- Ongoing major projects such as Perlis Inland Port and Chuping Valley Industrial Area (hub for green manufacturing, Halal industries, renewable energy generation, and automotive) will provide further support to the state's recovery.



Manufacturing Approv. Investment: Perlis vs Malaysia



- There was no inflow of manufacturing approved investment in Perlis in 2022, leaving the state at the bottom of the investment ranking.
- In 2021, there was only one manufacturing investment which is in the food subsector.
- Compared to year 2020, Perlis received some investments in chemical, mineral, metal, and machinery.
- Meanwhile, industries such as **logistics and seaport hub** are expected to drive the state’s economic growth in the next decade in addition to the state’s focus on **tourism, halal hub, and agriculture**.

Top manufacturing investments in 2021:

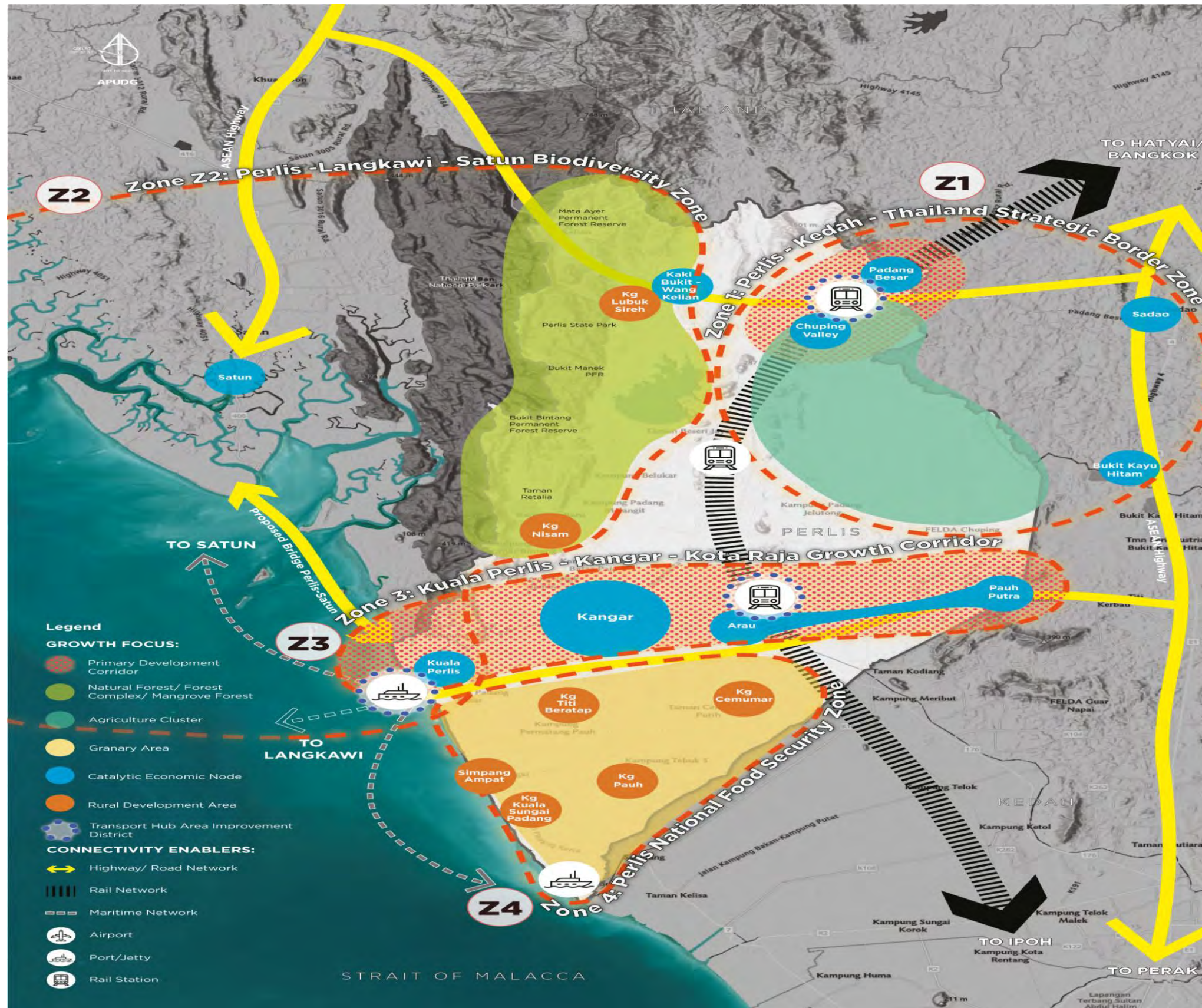
Industry	Domestic (RM mil)	Foreign (RM mil)	Total (RM mil)
Food manufacturing	-	12.3	12.3
Others	-	-	-
Total	-	12.3	12.3

Note: Latest available data for mfg. approv. investment by state and industry is in 2021.



Ongoing/Upcoming Key Projects

- 1 Perlis Inland Port (PIP)
- 2 Chuping Valley Industrial Area (CVIA)
- 3 FGV Dairy Farm Chuping
- 4 Perlis Maritime Corridor
- 5 Kangar Sentral



- Z1 – Perlis – Kedah – Thailand Strategic Border Zone
- Z2 – Perlis – Langkawi – Satun Biodiversity Zone
- Z3 – Kuala Perlis – Kangar – Kota Raja Growth Corridor
- Z4 – Perlis National Food Security Zone

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Small Medium Enterprise Development Bank Malaysia Berhad 49572-H

Menara SME Bank, Jalan Sultan Ismail, 50250 Kuala Lumpur

Tel: 03-2615 2020 **Faks:** 03-2698 1748

