

Modern services key to high-income economy

KUALA LUMPUR: Malaysia's ambition to become a modern services hub is pivotal to its transition to a sustainable high-income economy, says Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz.

Speaking at InvestKL Malaysia's Paving the Way to a Modern Malaysia dinner on Thursday, he said the nation's efforts to attract global investments had significantly transformed its business landscape over the past two years.

"Despite global challenges, Malaysia has consistently outperformed its regional peers, particularly in terms of gross domestic product (GDP) growth, political stability and ease of doing business. We also possess world-class digital and physical infrastructure, which provides a solid foundation for our emphasis on modern services," he said.

Tengku Zafrul said the modern services sector, encompassing digital, government, finance,

healthcare and education services, was essential for Malaysia's progression to a sustainable high-income economy.

"In advanced economies, modern services elevate the manufacturing sector beyond labour-intensive activities. A well-implemented modern services sector will not only complement Malaysia's manufacturing industry, but also drive innovation and economic complexity, while catalysing national development," he said, adding that the nation's future as a modern, inclusive and prosperous country hinged on attracting high-impact investments and strengthening trade relationships.

With strong policies, world-class infrastructure and a resilient economy, Tengku Zafrul expressed confidence that Malaysia would continue to thrive on both regional and global stages.

InvestKL chief executive officer Datuk Muhammad Azmi Zulkifli praised Malaysia's remarkable

transformation from an agriculture-based economy to one driven by manufacturing and services.

"Today, 60 per cent of our GDP is contributed by the services sector, reflecting global trends towards automation, advanced technologies, and artificial intelligence. This is the new frontier of modern services, embracing digitalisation, sustainability and knowledge-based activities," he said.

He said that Kuala Lumpur was at the forefront of the services industry, bolstered by digital solutions, innovation and a dynamic talent pool.

"Malaysia's prime location, robust infrastructure and skilled workforce continue to position us as a top destination for foreign investments. MITI has been committed to enhancing the ease of doing business and introducing forward-looking policies that have begun to yield results," he added.

Azmi also pointed to recent investment announcements from



Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz receiving a souvenir from InvestKL chief executive officer Datuk Muhammad Azmi Zulkifli at the 'Paving the Way to a Modern Malaysia' dinner in Kuala Lumpur on Thursday. With them is Kuala Lumpur Mayor Datuk Seri Maimunah Mohd Sharif. PIC BY

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prominent tech companies, highlighting Malaysia's strong value proposition and its ability to attract leading global firms.

"InvestKL has secured investments from over 140 multinational companies, contributing billions of ringgit to the economy and creating more than 30,000 high-skilled executive jobs in Greater Kuala Lumpur," he said.

These investments, he said, had generated significant economic benefits nationwide, positioning modern services as a

major contributor to Malaysia's GDP.

Malaysia attracted RM160 billion of approved investments, which was an 18 per cent increase compared with RM135.6 billion approved investments in the same period last year.

The services sector emerged as the clear frontrunner, commanding a significant share of RM97.2 billion, or 60.7 per cent of the total approved investments, an increase of 14.4 per cent from the same period last year