



Press Release

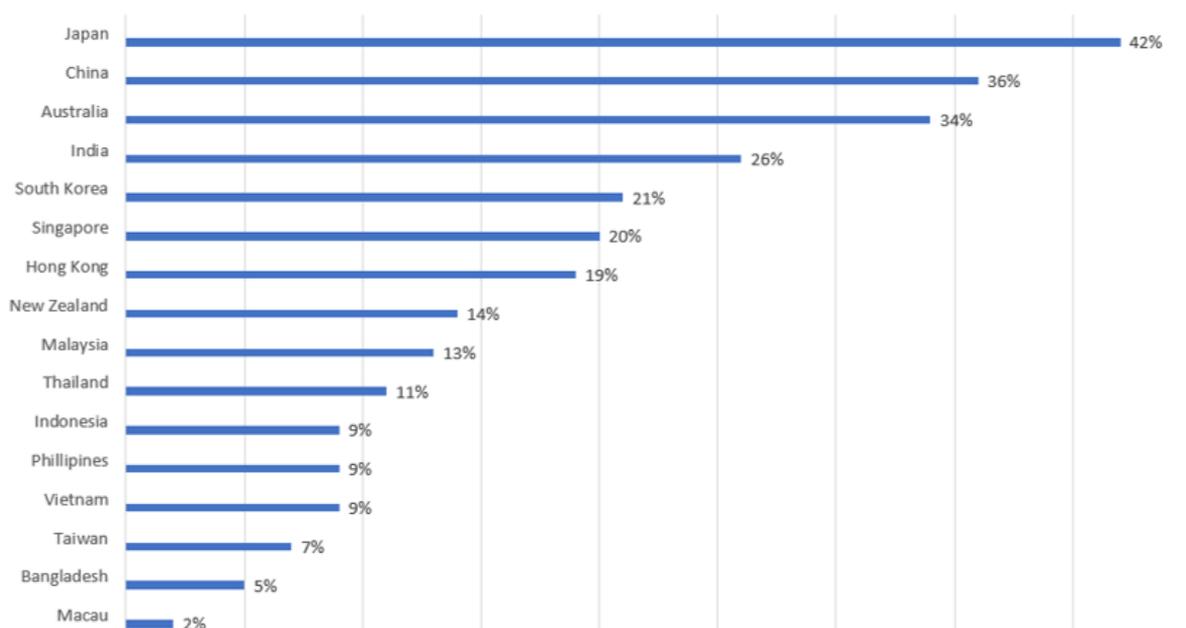
Malaysia ranks as second most favourable country for foreign investment in Southeast Asia

24 March, Kuala Lumpur – According to a Standard Chartered study, '[Borderless Business](#)', European and US companies ranked Malaysia second most favourable Southeast Asian country for opportunities to establish or expand their sourcing, selling or operations over the next six to twelve months.

CFOs and Treasurers in the US, the UK, Germany and France indicate that, despite uncertainty caused by the global pandemic and its associated economic repercussions, overseas markets remain key to growth. The study also revealed incremental emphasis towards investing in digital technology, unlocking trapped cash and increased focus on environmental, social and governance (ESG) issues in relation to trade and supply chains.

With regulations noted as the number one concern amongst respondents looking to expand overseas, it could suggest an opportunity for Malaysia to potentially increase foreign investment through greater awareness of the ease of doing business locally.

Respondents who considered Asia as the most promising growth region identified the following markets favourably



Source: Borderless Business: Grow in the fastest growing markets, Standard Chartered

In 2020, the Malaysian Investment Development Authority (MIDA) reported that foreign direct investments in Malaysia stood at MYR64.2 billion. The government's newly launched Malaysia Digital Economy Blueprint (MyDigital) is poised to accelerate Malaysia's ambition to become a technologically advanced economy, bolstering the support for high profile foreign investment projects, including Fortune 500 companies in the manufacturing and services sector. These will account to a combined potential investment value of MYR81.9 billion.

Asia remains a major growth region (with over 85% operating and implementing in Asia or considering it for business activities). Africa and the Middle East also saw marginal increase (up 4%) as potential growth markets over the next six to twelve months. Despite the ambition to expand internationally, understanding the regulatory requirements in overseas markets remains the greatest obstacle (35%) for companies who are looking to expand or strengthen their international operations. This is followed by the need to build relationships with suppliers and adapt supply chain logistics (21%).

As companies look ahead into a post pandemic environment, the respondents' top three priorities have indicated slight shifts away from issues including supply chain failure (50%) and the need for liquidity (47%) to an increase in investing in digitisation to mobilise liquidity (66%) and ESG (23%).

Abrar A Anwar, Managing Director and Chief Executive Officer, Standard Chartered Malaysia, said: "Building on our strong legacy of 146 years in Malaysia, we are deeply committed to facilitate the economic growth of the nation. Malaysia is an important growth market for Standard Chartered and we will continue to invest in technology to help our Retail, Commercial and Institutional Banking clients prosper and grow. Such increased confidence in the country coupled with Standard Chartered's strong presence in Asia, Africa and the Middle East – right at the heart of global trade routes – readily connects the world to Malaysia and Malaysia to the world."

Abrar adds. "Sustainability, digitisation and the need to understand regulation are not just key to how business will be conducted, they are also opportunities for companies to increase operational efficiency, grow internationally and stay ahead of the competition."

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About the Borderless Business Study

Conducted between November and December 2020, over 1,000 CFOs and senior treasury professionals of companies with a turnover exceeding \$500m located in USA, UK, Germany and France took part in the survey.

- Each country was equally represented with 25% of respondents.
- 50% of respondents represented companies with a turnover of \$500m - \$1bn; the remaining 50% represented companies with a turnover exceeding \$1bn.
- The technology sector comprised 16% of responses. Thereafter, other industry sectors representation varied between 6-8%. Financial services were excluded from the survey.

Standard Chartered Malaysia

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