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Eliminate uncertainty to attract more investments

The Star, Malaysia



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AS a PhD student in politics and economics, I took particular interest when the Malaysian Investment Development Authority (Mida) announced in February that Malaysia had garnered a remarkable RM378.5bil in approved investments for 2024 – the highest on record.

Politics and the economy often go hand in hand, and last year's stellar investment performance reflects the political stability and comprehensive policies under Prime Minister Datuk Seri Anwar Ibrahim's Madani government.

But we cannot assume that this strong performance will continue without addressing several economic issues that may erode investor confidence.

A key factor in sustaining investment momentum is the implementation of clear and consistent policies.

To the government's credit, initiatives such as the New Industrial Master Plan 2030 and the National Semiconductor Policy are widely seen as major drivers of investment, particularly in the manufacturing, technology, and digital sectors.

That said, there is room for improvement in terms of policy clarity and execution.

A case in point is Tenaga



Keeping the momentum: Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz unveiled the nation's 2024 investment performance in the manufacturing, services, and primary sectors on Feb 25. We cannot assume that this stellar performance will continue without addressing several economic issues that may erode investor confidence.

Nasional Berhad (TNB)'s proposed tariff hike. Last December, TNB announced plans for a significant 14% increase in the base electricity tariff for the 2025–2027 period.

Following public backlash, Energy Transition and Water Transformation Minister Datuk Seri Fadillah Yusof denied that the tariff adjustment had been approved by the Energy Commission. The PM later dismissed the notion that the hike would be as steep as 14%.

This lack of coordination creates a two-fold problem.

First, inconsistency between government agencies sows confusion among investors, making

it difficult for them to plan and budget with confidence. This uncertainty risks discouraging further investment.

Second, the proposed 14% increase, if implemented, would significantly impact the operational costs of energy-intensive industries such as semiconductor manufacturing and data centres, both key drivers of recent investment. While it is reasonable to adjust tariffs in response to rising fuel costs, such hikes must be balanced and not punitive to the end users.

These examples underscore the need for the government to manage economic signals more carefully as we position Malaysia on the global investor radar.

With last year's stellar investment performance giving us a solid foundation, we are in a prime position this year to leverage our Asean 2025 Chairmanship to continue drawing in more investments for years to come.

Malaysia must maintain its investment momentum.

We cannot afford to squander this opportunity through unclear policy direction and needless politicking.

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