
Malaysia and Saudi to invest USD 2.5 billion in JV

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Reuters reported that Malaysia and Saudi Arabia's PetroSaudi International are set to announce a JV company to invest USD 2.5 billion in Malaysia.

The reports on Bernama and the Malaysian Insider website said the venture with government owned 1Malaysia Development would target renewable energy. The reports did not detail the investment split or when and where the fund would invest.

Mr Shahrol Halmi CEO of 1Malaysia Development CEO said "The joint venture is set to further increase foreign direct investment from the Middle East in particular Saudi Arabia."

Malaysia has struggled in recent years to attract investment and has recorded negative direct investment flows since the Q2 of 2008.

Economists said Malaysia, burdened by what is expected to be its biggest budget deficit this year since 1987 needs to reduce government development spending and boost lacklustre private sector investment.

The government is considering plans for its 2011 to 2015 economic plan to cut government development spending by 10% to MYR 180 billion.

(Sourced from Reuters)

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