

Investors' influx key catalyst for Sabah's industrial growth

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KOTA KINABALU: The continued influx of investors has become a key catalyst for the growth of the state's industrial sector, generating high-skilled employment opportunities and also strengthening the local industrial supply chain.

In highlighting this, Universiti Malaysia Sabah (UMS) vice-chancellor Prof Datuk Dr Kasim Mansor said as at the second quarter of last year, Sabah had attracted investments totalling RM11.368 billion, comprising both domestic and foreign sources across the manufacturing, services and primary sectors.

"Of this total, the manufacturing sector recorded the highest investment at RM7.472 billion, followed by the services sector with RM3.139 billion, while the primary sector including industrial activities, tourism and agriculture, contributed RM757 million.

"This achievement places Sabah as the fifth-highest investment recipient in Malaysia, surpassing the total investment recorded in 2024 of RM6.458 billion," he said in a statement on Monday.

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Prof Datuk Dr Kasim Mansor



analyst, said the large-scale investments had imposed a direct impact on the development of supporting industries, including logistics services, raw material supply, and had also strengthened Sabah's overall industrial ecosystem.

Among the major investments driving industrial growth, he pointed out, was the Phase I investment by Singapore-based Estee Enterprise Sabah Sdn Bhd, valued at RM6.592 billion, for the construction of a green steel manufacturing plant at the

Sipitang Oil and Gas Industrial Park.

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"The entry of strategic investors places Sabah on a firmer footing as a destination for industrial investment, in line with long-term development needs and

the state's economic growth aspirations," he said.

Adding on, Kasim viewed Sabah Budget 2026 as having the potential to further accelerate the state's economic development.

"The budget focuses on socio-economic balance, strengthening human capital, enhancing basic infrastructure, and improving the efficiency of the government's service delivery system.

"The government has proposed a 'Supply Expenditure' estimates of RM6.402 billion, with estimated revenue of RM6.430 billion, resulting in a budget surplus of RM28 million.

"The focus of this budget is on long-term development-oriented programmes and activities aimed at generating economic growth, creating employment opportunities and improving public amenities.

"This budget is well-positioned to address the challenges of 2026, supported by stronger fiscal fundamentals and increased investment, driven by the recovery of the tourism sector, growth in trade activities and higher employment levels," he added.