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## **FMM Congratulates the Government on Malaysia's Rise to 15th in the 2026 IMD World Competitiveness Ranking**

**Kuala Lumpur, June 19, 2026:** The Federation of Malaysian Manufacturing (FMM) congratulates the Government on Malaysia's advance to 15th place out of 70 economies in the 2026 International Institute for Management Development (IMD) World Competitiveness Ranking. The eight-place jump from 23rd in 2025 is Malaysia's strongest standing in recent years and continues the upward trajectory from 34th in 2024.

The improvement was broad-based, with Malaysia recording gains across all four pillars assessed by the IMD. The country ranked 4th globally in economic performance, while government efficiency rose 11 places to 14th and business efficiency advanced 16 places to 16th. Infrastructure also improved, rising two places to 33rd. At the sub-factor level, Malaysia's international trade ranking strengthened to 5th globally, while the domestic economy ranking improved four places to 11th, reflecting the country's continued economic resilience and strong trade performance.

These outcomes reflect sustained reform efforts and closer coordination between the public and private sectors. FMM has contributed directly to this process through its participation in the Special Task Force to Facilitate Business (PEMUDAH) and other government-industry engagement platforms. Over the years, FMM has consistently advocated improvements in regulatory processes, trade facilitation, tax administration, logistics efficiency, port operations and the reduction of compliance burdens on businesses. Progress in areas such as business licensing, customs procedures, digitalisation of government services and stakeholder consultation mechanisms has contributed to a more conducive operating environment for businesses. The marked gains in government efficiency and business efficiency demonstrate the positive impact of sustained reform efforts and public-private collaboration.

For the manufacturing sector, a higher competitiveness ranking carries real significance. It strengthens Malaysia's position as a destination for foreign direct investment, supports the country's integration into regional and global supply chains, and reinforces investor confidence at a time of heightened geopolitical and trade uncertainty. The 5th-place ranking in international trade is especially relevant for FMM members, who depend on open and efficient trade channels for both inputs and exports.

FMM notes that the result aligns with the Government's stated ambition to place Malaysia among the world's 12 most competitive economies by 2033. Achieving this target will require continued focus on infrastructure development, logistics efficiency, trade facilitation, workforce readiness and the broader cost of doing business. While Malaysia has made significant progress, further improvements in transport connectivity, port performance, digital infrastructure, energy reliability, regulatory predictability and the speed of project approvals will be important in sustaining competitiveness and attracting higher-value investments.

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FMM remains committed to working closely with the Government to sustain this momentum and further strengthen Malaysia's competitiveness. Through PEMUDAH and its own industry platforms, FMM will continue to provide data-driven industry feedback and practical policy recommendations on issues affecting business competitiveness, including trade facilitation, logistics efficiency, tax administration, regulatory reform, raw material security and Industry 4.0 adoption. Continued collaboration between the public and private sectors will be critical to translating these gains into stronger investment, higher productivity, quality job creation and a more resilient manufacturing sector.



**Mr Jacob Lee Chor Kok**  
**President, Federation of Malaysian Manufacturing**

***FMM Advocates Transparency, Integrity, Accountability and No Corruption***

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### **About FMM**

The Federation of Malaysian Manufacturing (FMM) (formerly known as Federation of Malaysian Manufacturers) has been the voice of the Malaysian manufacturing sector since 1968, advocating policies and initiatives that drive industrial growth, competitiveness and workforce development. Representing over 13,300 member companies (4,200 direct and 9,100 indirect) from the manufacturing supply chain, FMM is actively engaged with government and its key agencies at Federal, State and local levels. FMM is also well-linked with international organisations, Malaysian businesses and civil society. Apart from benefitting from FMM's advocacy, FMM members enjoy value-added services including training, business networking and trade opportunities as well as regular information updates.

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