

MITI'S ANNUAL SESSION WITH AMBASSADORS AND HIGH COMMISSIONERS

**14 MARCH 2017 | TUESDAY | 2.30 – 4.30 P.M.
PERDANA HALL, MITI TOWER**

OUTLINE OF PRESENTATION



MINISTRY OF
INTERNATIONAL TRADE & INDUSTRY

OUR GLOBAL FOOTPRINT

**THE ECONOMY 2016: TRADE AND INVESTMENT
PERFORMANCE**

2017 PRIORITIES

UPCOMING EVENTS AND ACTIVITIES



OUR GLOBAL FOOTPRINT

MAJOR MALAYSIAN COMPANIES IN ASEAN



MINISTRY OF
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PETRONAS



ZICOLaw
Trusted Business Advisor



Kencana Petroleum



SINCE 1955



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smarter choice



Your One-Stop Healthcare Centre



SINCE 1975



advancing asia



KHAZANAH
NASIONAL

MALAYSIAN COMPANIES IN SAUDI ARABIA



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technology for sustainable future

Shuaibah Independent Water & Power Project is the largest desalination plant in the world, with capacity of 1,030,000 m³/day water production.



'Driving Transformation, Powering Growth'



MALAKOFF



MAJOR MALAYSIAN COMPANIES IN CHINA



MALAYSIAN COMPANIES IN JAPAN



Petrochemical forwarding



Job recruitment agency



Airlines services



Resort Development & Management



Processed food



Permodalan Nasional Berhad

Fund Management



Logistics – Airline operator



Industrial packaging



Industrial fastener

MALAYSIAN COMPANIES IN EUROPE



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YTL HOTELS
Treasured Places. Treasured Moments

Pelikan 

PETRONAS
LUBRICANTS
FRANCE 



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 **FELDA IFFCO**

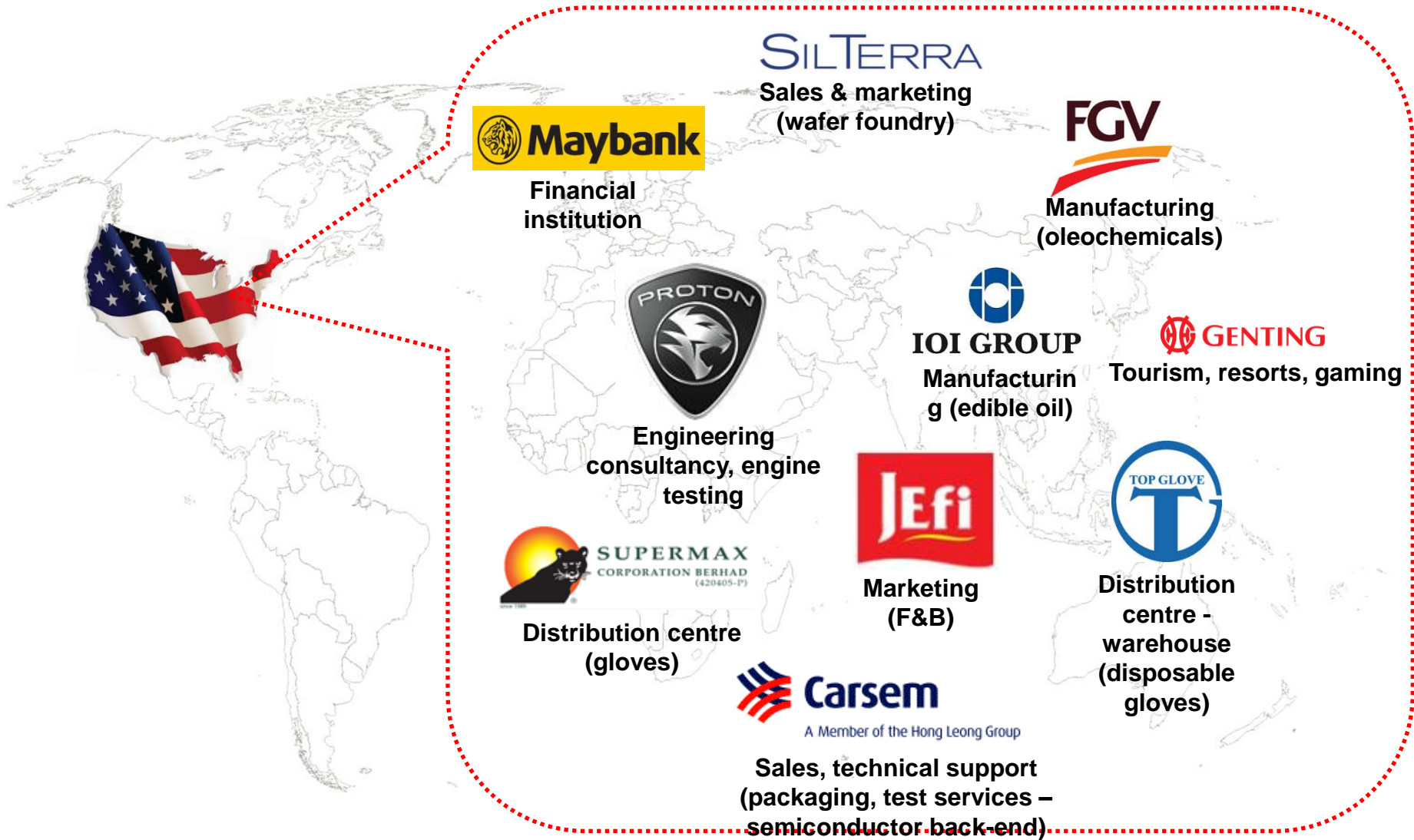
Ab&Artho



Ornel' Soie
Transmission des connaissances
Capital de savoir faire


Cotiplás
BRINQUEDOS

MALAYSIAN COMPANIES IN THE USA



MALAYSIAN COMPANIES IN AUSTRALIA



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- **SP Setia**

Setia

SP SETIA BHD GROUP

- **UEM Group**

UEM



- **Eco World Group
Development Berhad**

ECOWORLD

CREATING TOMORROW & BEYOND

- ***Malaysian Resources
Corporation Berhad***

MRCB

MALAYSIAN COMPANIES IN NEW ZEALAND



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- Sime Darby
- Dialog Group Berhad
- Rimbunan Hijau Group
- Samling Group
- UEM Edgenta Berhad



A member of UEM Group



MALAYSIAN COMPANIES IN INDIA



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- Air Asia India
- IJM Corporation Berhad
- Sime Darby
- Khazanah Nasional
- Sunway Group

Air Asia

India



KHAZANAH
NASIONAL



SUNWAY



Plantation

MALAYSIA IS HOME TO MANY MNCs



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2



3



2

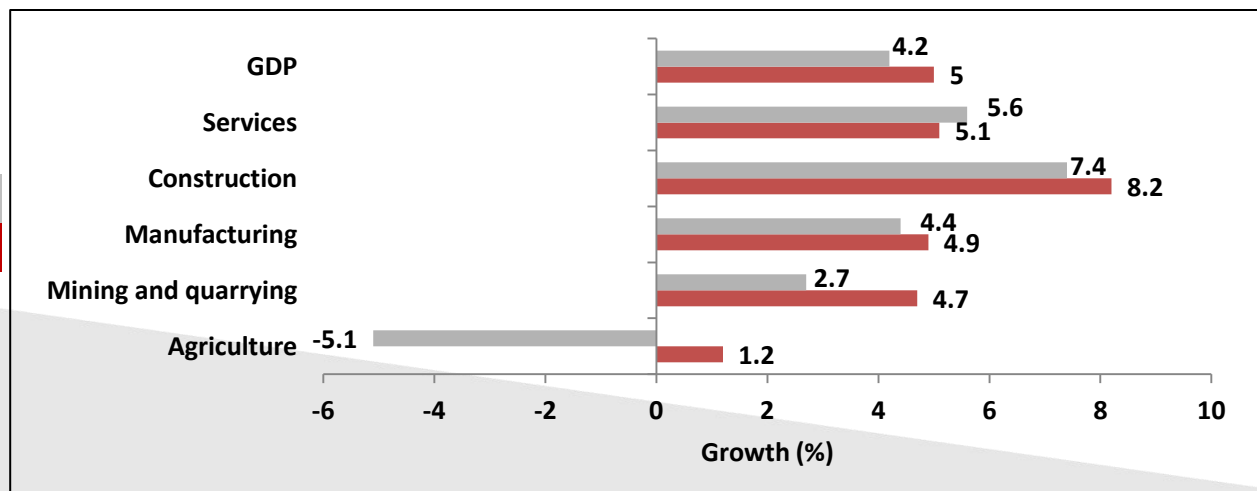
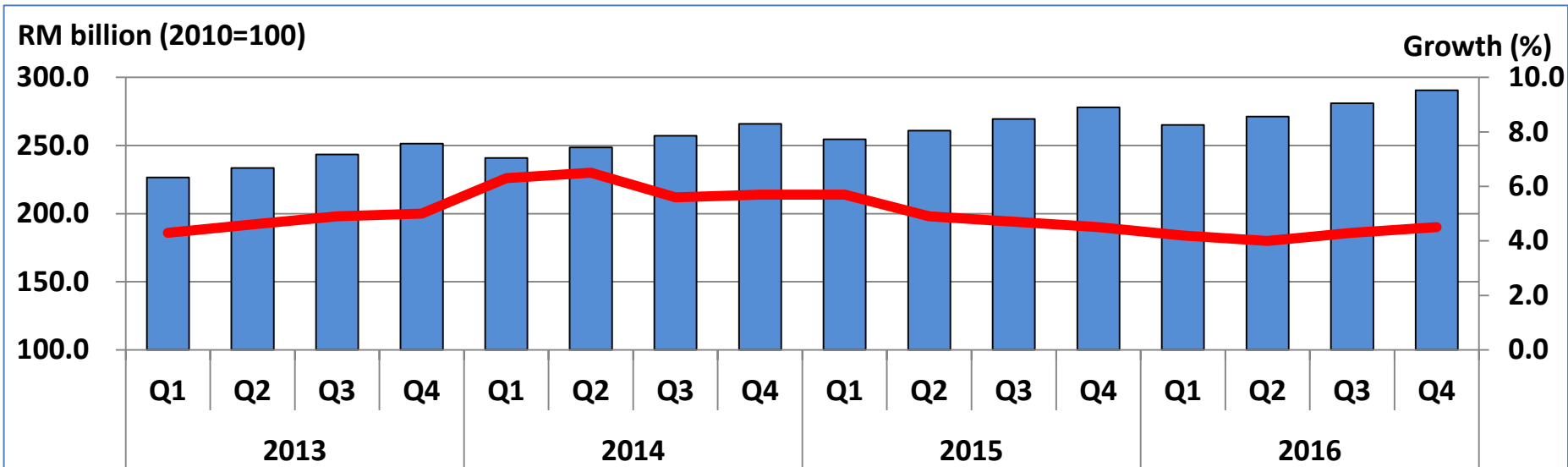


THE ECONOMY : 2016

MALAYSIA'S ECONOMY GREW BY 4.2%...



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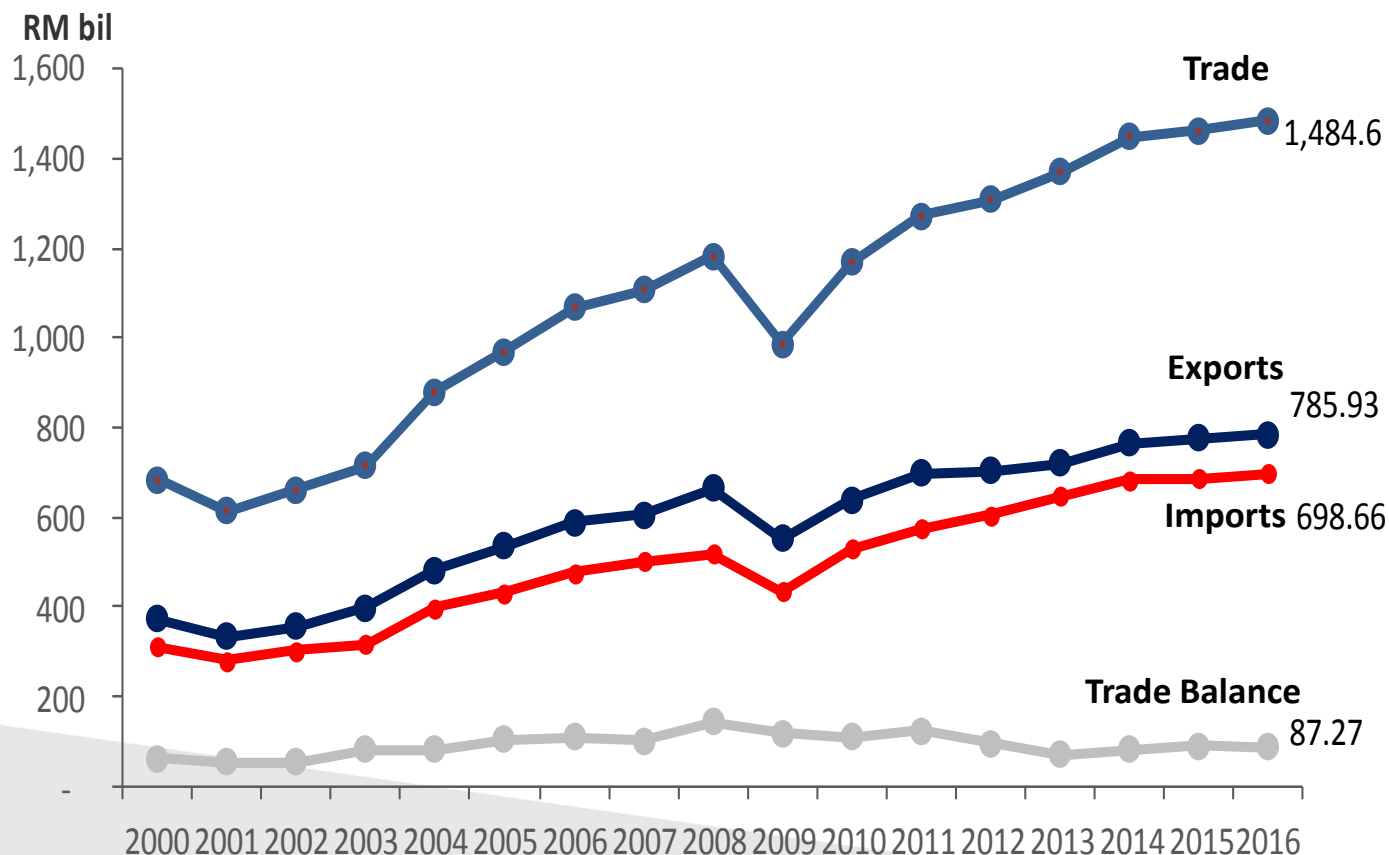


TRADE



OVERALL TRADE GREW BY 1.5%

19th consecutive year of trade surplus



Trade

↑ 1.5%

Exports

↑ 1.1%

Imports

↑ 1.9%

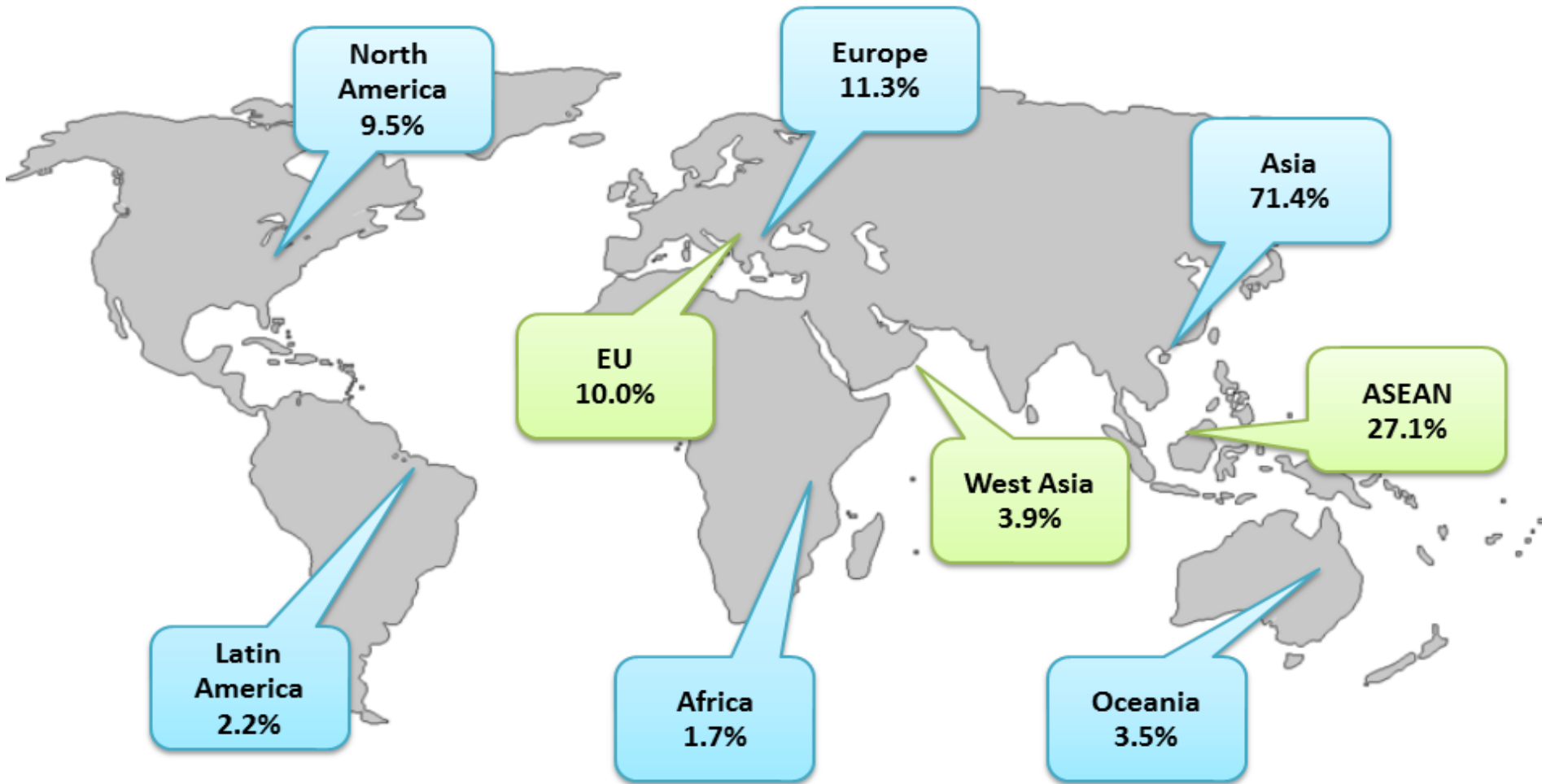
Trade Balance

RM87.27 bil
(US\$21.02)

SHARE OF TRADE BY REGION



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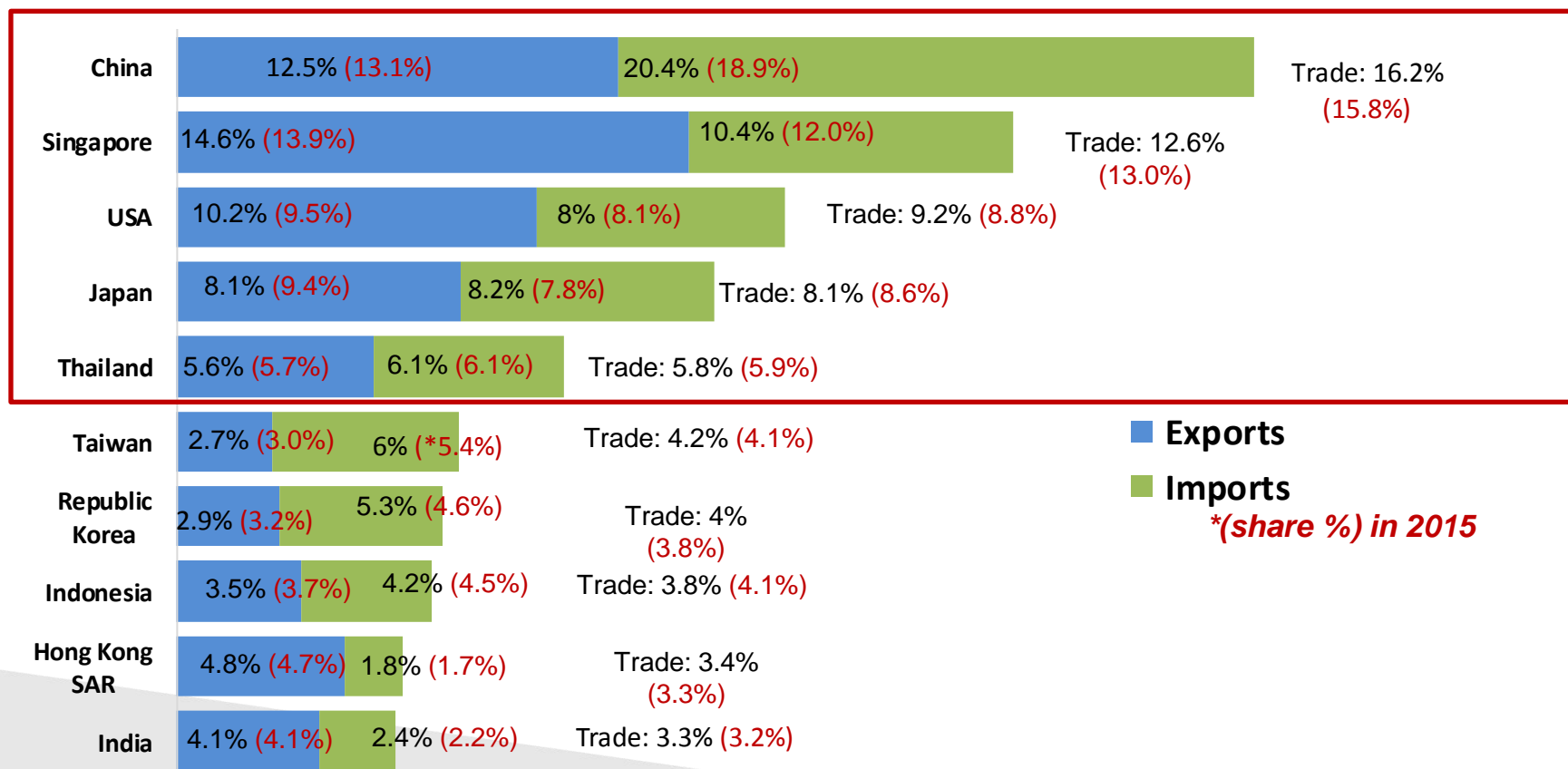


TOP 5 ECONOMIES REPRESENTED HALF OF TRADE



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Trade Composition of Major Countries (share %)

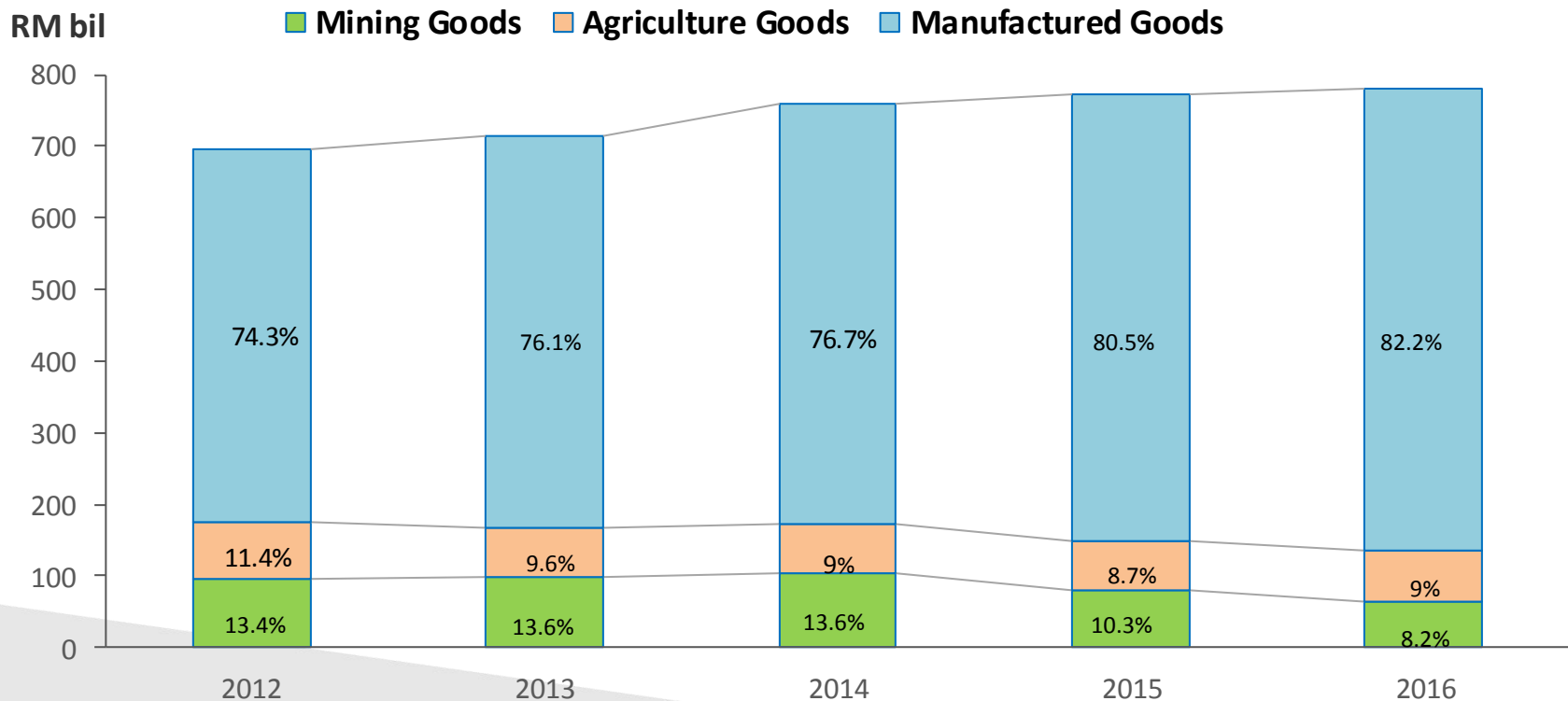


EXPORT SECTORS - MANUFACTURED GOODS CONTINUED TO DOMINATE EXPORTS



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*Higher exports of manufactured ($\uparrow 3.2\%$) and agricultural goods ($\uparrow 4.7\%$)
offset the lower performance of mining goods ($\downarrow 19.8\%$)*



IMPORTS - GREW MODERATELY BY 1.9% TO RM698.66 BIL

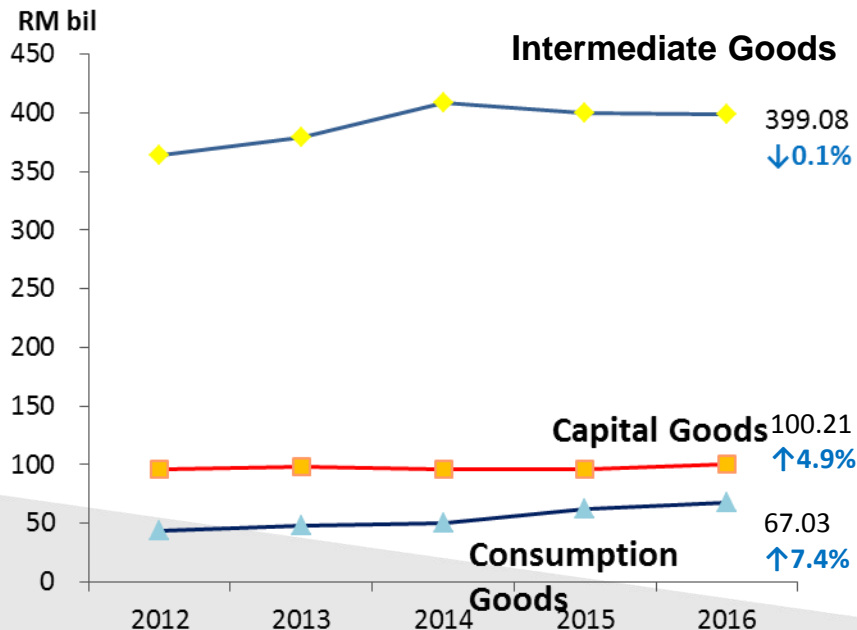


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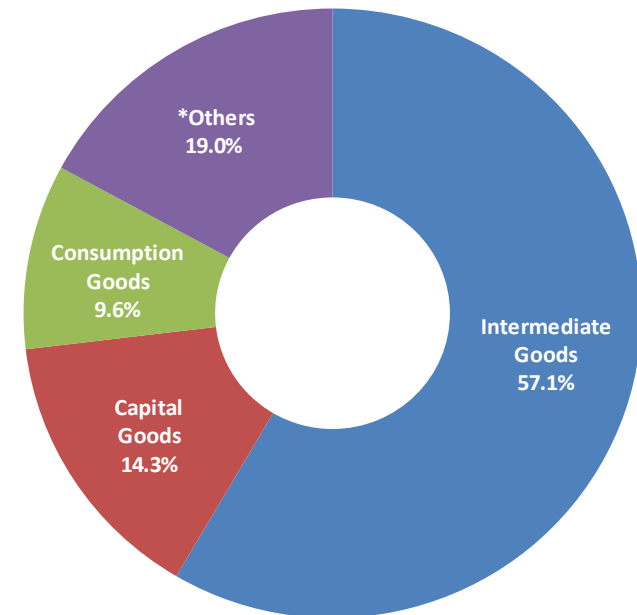
Imports driven by higher uptake of capital goods (↑4.9%) and consumption goods (↑7.4%)

The largest imports were intermediate goods (57.1%) followed by capital goods (14.3%) and consumption goods (9.6%)

Import Trend (2012-2016)



Major Imports By End Use 2016 (share %)



* Mainly re-exports and dual goods

EXPORTS OF MANUFACTURED GOODS



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Manufactured Goods 2016 (share %)

- E& E Products (Share of manufactured exports - 44.6%)
- Chemical & chemical products (9.1%)
- Petroleum products (8.4%)
- Machinery equipment & part (5.8%)
- Manufactures of metal (5.25%)
- Optical & scientific equipment (4.5%)

Manufactured goods exports driven by E&E, followed by Chemical Products, Petroleum Products, Machinery, Equipment & Parts, Manufactures of Metal & Optical & Scientific Equipment

E&E contributed 44.6% of manufactured exports, while contribution to Malaysia's export was 36.6%

SERVICES TRADE IN 2016 INCREASED BY 4.4%



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Services trade trend (2012-2016)



Other business services includes professional & consultancy services

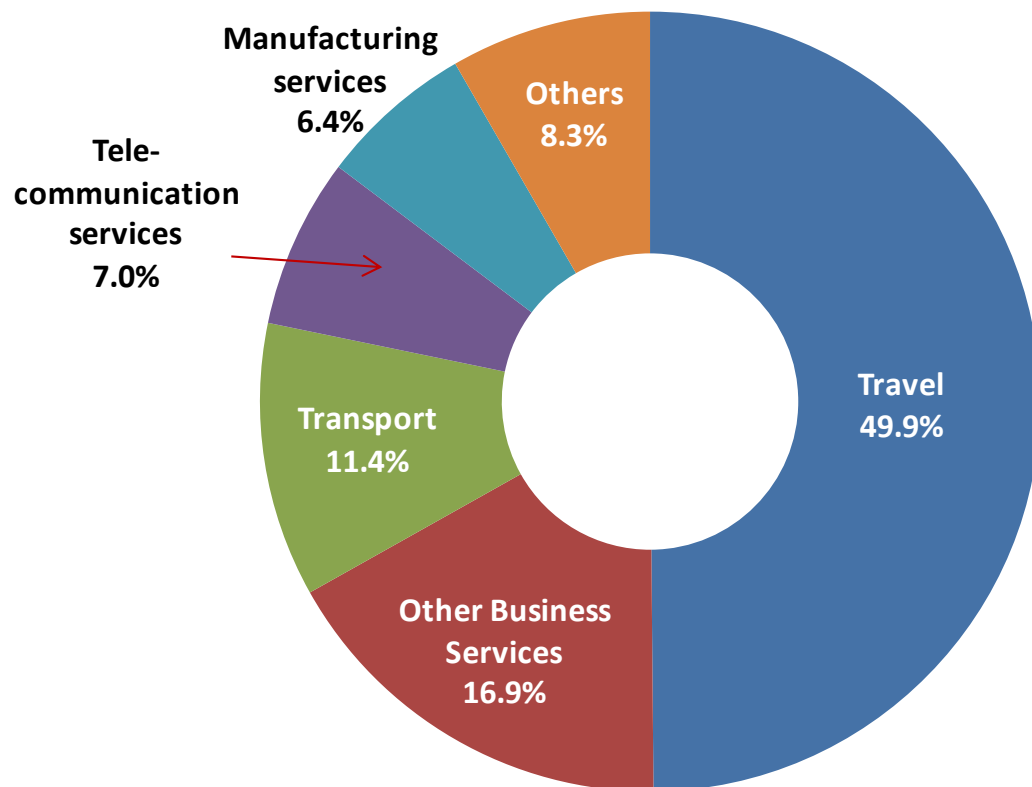
Source: MATRADE

KEY SECTORS DRIVING SERVICES EXPORTS IN 2016



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Major Export Services 2016 (share %)



Travel constituted the largest export component with 49.9% share, followed by other business services (17%), transport (11.4%), telecommunication services (7%) and manufacturing services (6.4%).

*Includes professional & consultancy services



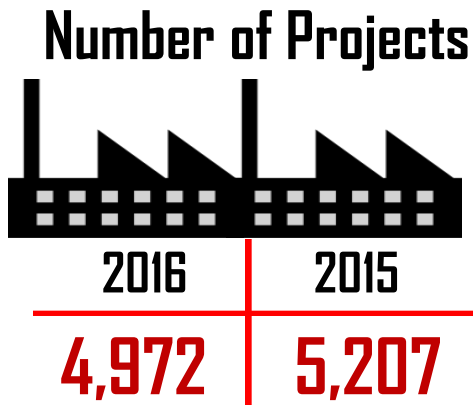
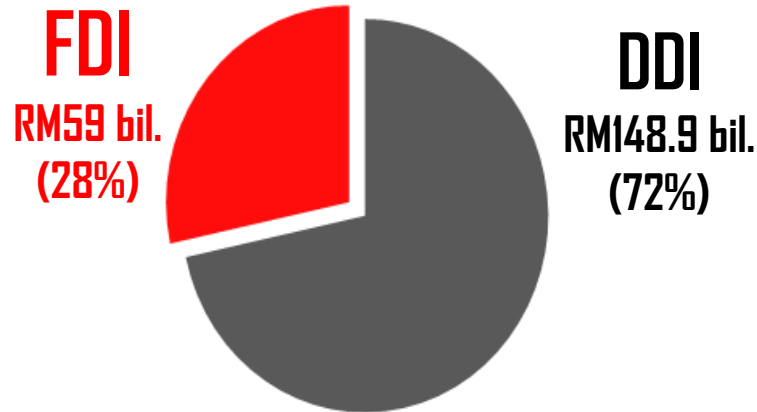
INVESTMENT

RM207.9 BILLION APPROVED INVESTMENTS



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RM207.9 billion



MALAYSIA CONTINUES TO BE A COMPETITIVE DESTINATION FOR MANUFACTURING PROJECTS



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	IMPLEMENTED (1980-2016)	APPROVED 2016
Value	RM692.3 bil	RM58.5 bil.
Projects	20,610	733
Jobs	2,253,888	64,120

THE SERVICES SECTOR ACCOUNTED FOR THE LARGEST SHARE (68%) OF THE TOTAL INVESTMENTS IN 2016



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Year	2016	2015
Approved Investments	RM 141.2 bil	RM 114.5 bil
Projects	4,199	4,470
Jobs	88,108	112,194

FDI INTO MALAYSIA (STOCK)

As at Dec 2016: **RM546 billion**

Top 5 Countries

Singapore	RM 115.7 billion
Japan	RM 70.5 billion
Netherlands	RM 48.2 billion
Hong Kong	RM44.1 billion
USA	RM 36.2 billion

DIA STOCK

As Dec 2016: **RM569.4 billion**

Top 5 countries

Singapore	RM88.5 billion
Indonesia	RM54.4 billion
Australia	RM29.3 billion
United Kingdom	RM28.5 billion
Hong Kong	RM15.8 billion
Thailand	RM14.3 billion
China	RM10.3 billion

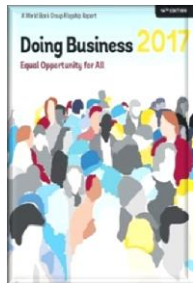


COMPETITIVENESS

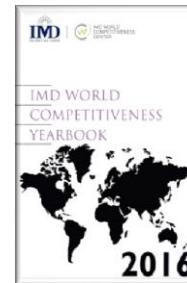
HOW DO WE RANK?



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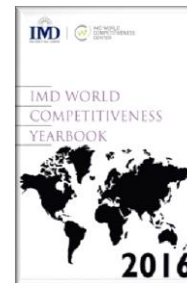
23rd in Ease of Doing Business (2017)
(World Bank - 190 Economies)



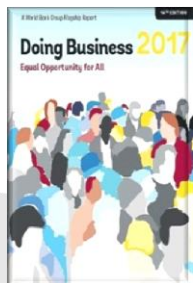
19th most competitive economy in overall performance (2016)
(IMD - 61 Economies)



25th most competitiveness nation in the world (2016/17)
(WEF - 138 Economies)



19th IMD world talent rankings (2016)
(IMD - 61 Economies)



3rd best in protecting investors (2017)
(World Bank - 190 Economies)



3rd most favoured global offshoring destination (2016)
(AT Kearney - 55 Economies)



2017 PRIORITIES

2017 PRIORITIES INCLUDE...



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1

- **Strengthening Manufacturing Sector Resilience & Competitiveness**

2

- **Digital Economy**

3

- **Building Competitive SMEs**

4

- **Promoting Halal Malaysia Globally Through International Collaborations**

2017 PRIORITIES INCLUDE...



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5

- **Strengthening of ASEAN Economic Community: focus on removing non-tariff barriers & harmonising the standards**

6

- **Pushing for the timely conclusion of Regional Comprehensive Economic Partnership**

7

- **Opening New Markets**

(1) STRENGTHENING MANUFACTURING SECTOR RESILIENCE & COMPETITIVENESS



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Manufacturing sector's contribution to GDP

	2016	2020 (RMK-11)
Manufacturing	RM2.55 billion (23%)	RM310 billion (22.1%)
All Sectors	RM0.255 trillion	RM1.4 trillion

CATALYTIC SUBSECTORS

- Electrical & Electronics (E&E)
- Machinery & Equipment (M&E)
- Chemicals

POTENTIAL GROWTH AREAS

- Aerospace
- Medical Devices

MAJOR INITIATIVES IN 2017 FOR MANUFACTURING



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**Implementation of RMK11 Manufacturing Projects:
High Value-added and Complex Product Development Programme**



**Implementation of the National Aerospace Blueprint initiatives
Development of National Aerospace Research & Technology Roadmap**



Formulation of the National Remanufacturing Policy



Promoting the consolidation of the Iron and Steel industry



National Policy on Industry 4.0

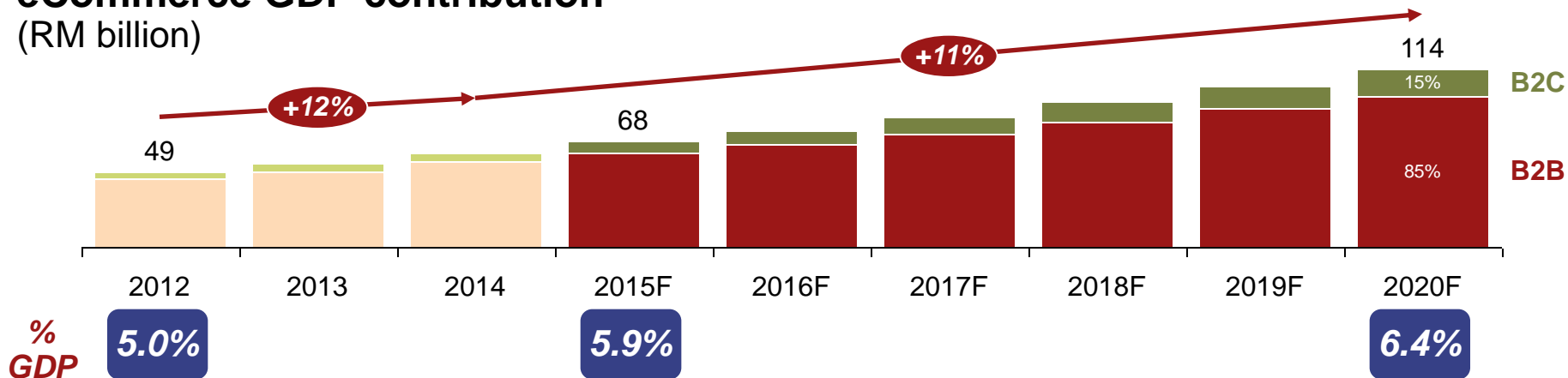


(2) DIGITAL ECONOMY - eCommerce in Malaysia projected to grow at 11% CAGR

There is potential to double this growth...

eCommerce GDP contribution

(RM billion)



Additional government interventions will drive higher GDP contribution

Critical Success Factors

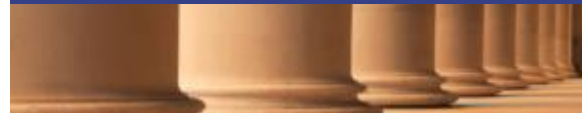
Favourable demographic & economic trends



Ready infrastructure and ecosystem



Specific government interventions



Sources: 2012 – 2013 data from DOSM; 2014 – 2020 data from EPU, MDeC, Euromonitor, WorldBank, A.T. Kearney analysis



Role of NeCC

- ✓ Develop the Malaysian eCommerce ecosystem.
- ✓ Oversees implementation of the National eCommerce Strategic Roadmap (NeSR).
- ✓ Address issues related to the eCommerce eco-system.
- ✓ Strengthen cooperation and coordination between Ministries, agencies and industry on eCommerce

**National eCommerce
Council**
Chaired by MITI Minister
Joint Secretariat :
MITI and MDEC

(3) BUILDING COMPETITIVE SMEs

Capacity building

Human capital
development



Innovation



ICT
development



Market access



Financing

MOU PARTNERSHIP TO DRIVE SME AGENDA AT GLOBAL FRONT

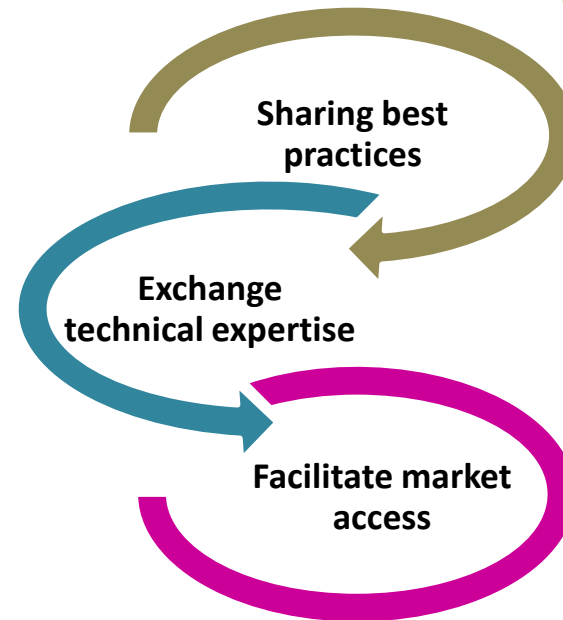


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EXISTING MOU PARTNERS



SCORE
SME COMPETITIVENESS RATING FOR ENHANCEMENT
SME CORPORATION MALAYSIA



Others

Kingdom of Saudi Arabia
Mauritius
Ghana
India
Papua New Guinea
Suriname

BILATERAL WITH SAUDI ARABIA



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CEO of SME Corp. was invited as a speaker at the Saudi International SME Forum 2013, in Riyadh, Saudi Arabia to share on "Propelling Malaysian SMEs into Higher Economic Contributor"

28-29 May
2013

29 August
2016

Working Visit by BADIR Technology Incubator came to visit SME Corp., to learn and exchange knowledge on our SME development ecosystem in general and on our Incubator initiative in specific

24 January
2017

Working Visit by International Islamic Trade Finance Corporation (ITFC), based in Saudi to learn on our SME Development Ecosystem and propose on future collaboration

27 February
2017

Working Visit by Governor of Small and Medium Enterprise Authority, Saudi Arabia to SME Corp. Malaysia

Signing of MoU between MITI and Ministry of Commerce & Investment

28 February
2017

Follow-Up Discussion on Collaboration with Small and Medium Enterprise Authority, Saudi Arabia



BILATERAL WITH BRUNEI DARUSSALAM



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SME Corp previously had a Memorandum of Understanding (MoU) with Entrepreneurial Center (EDC) Brunei under the then Ministry of Industry and Primary Resources (MIPR) since June 2010 which lapsed on 31 May 2013

June 2010-
May 2013

28-29 January
2013

SME Corp. Malaysia visited Brunei as an initiative under the MoU between SME Corp & Entrepreneur Development Centre (EDC)

29 June-2 July
2013

SME Corp. Malaysia conducted a training programme on SCORE in Brunei Darussalam.

7 October 2016

Working Visit By Energy And Industry Department, Prime Minister's Office, Brunei Darussalam to SME Corp. Malaysia

27 November
2016

Signing of MoU between SME Corp. Malaysia and Darussalam Enterprise (DARE)



(4) PROMOTING HALAL MALAYSIA GLOBALLY THROUGH INTERNATIONAL COLLABORATIONS



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**7.5% contribution to the
Country's GDP
(2015)**

Note: Estimated based on halal promoted sectors as per the HIMP (2008 – 2020)

**RM11.9 billion investment
into HALMAS Halal Parks
(As of 2016)**

Note: Based on declaration made by companies operating within HALMAS Halal Parks

**RM39.3^f billion export of
halal products
(2016)**

Note: Forecasted based on average contribution (5.04%) to total estimated Country's export in 2016 (RM779.8 billion)

**1,401^f exporting
companies
(2016)**

Note: Forecasted based on 5% increased from 1,331 companies in 2015

**248,508 employment
(As of 2015)**

Note: Based on study by ILMIA

**9,000 certified Halal
Knowledge Personnel
(As of 2016)**

Note: Trained by HDC only

MOVING FORWARD – HALAL MALAYSIA PROGRAM



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6 Focus Areas:-

Objectives:-

1 Enhance halal industry economic contributions

2 Make Malaysia as the global reference centre for halal

● Halal Industry Policy and Legislation

● International Footprint

● Halal Enterprise Development

● Bumiputera Development

● Human Capital Development

● Halal Brand and Promotions

HALAL COLLABORATION WITH JAPAN



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- **Joint Collaboration between Malaysia and Japan on halal matters – including Tokyo Summer Olympics 2020**
- **On-going collaboration with existing partners namely, JETRO, Bank of Tokyo Mitsubishi UFG, Kumamoto City, Kyoto Chamber of Commerce, Inspire Corporation, A-Commerce and consulting firms on halal awareness matters, halal training, promoting of trade and investments**

HALAL COLLABORATION WITH CAMBODIA



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- **Upcoming visits by 44 representatives from Cambodia to understand the halal eco-system**
- **HDC to assist Cambodia in developing the halal eco-system**
- **HDC signed MOU with SLN Meat Supplies Pty Ltd (SLN) to share expertise, knowledge on agriculture, halal best practices and standards on Halal**

(5) STRENGTHENING OF ASEAN ECONOMIC COMMUNITY



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ASEAN: PROMISING ECONOMIC REGION



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➤ GDP

- ✓ Collective GDP reached US\$2.43 trillion in 2015.
- ✓ **Outlook:** Real GDP growth projected to remain solid at 4.5% in 2016 supported by strong public and private consumption, and expected to further increase to 4.7% in 2017.
- ✓ ASEAN is the **6th largest** economy after China, US, Japan, Germany and UK.

➤ Merchandise Trade

- ✓ Total trade: US\$2.28 trillion, of which 24% is intra-ASEAN in 2015.
- ✓ Major markets: ASEAN (24%), China (15.2%), Japan (10.5%), EU (10%), US (9.3%).

➤ Investment

- ✓ Total FDI inflows in 2015 stood at US\$120 billion.
- ✓ Major FDI sources: Intra-ASEAN (18.5%), EU (16.4%), Japan (14.5%), US (10.2%), China (6.8%).
- ✓ Services sector remained the largest FDI recipient at 62.5% in 2015.

ASEAN Economic Community Blueprint 2025



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- ASEAN Economic Community (AEC) **Blueprint 2025** was **adopted** by the ASEAN Leaders in **2015** as part of the *ASEAN 2025: Forging Ahead Together*.
- **Characteristics of the AEC 2025:**





MALAYSIA'S PRIORITIES

- ✓ **Continuous engagements with stakeholders**
- ✓ **Promotion of e-commerce, GVC and GRP**
- ✓ **Elimination of NTBs**
- ✓ **Pushing for timely conclusion of Regional Comprehensive Economic Partnership**
- ✓ **Conclusion of ASEAN-Hong Kong FTA**
- ✓ **Implementation of ASEAN-Wide Self-Certification Scheme**
- ✓ **Completion of AFAS 10 Package**
- ✓ **Full implementation of ASEAN Single Window**

HARMONIZING STANDARDS



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- Harmonization of standards and technical requirements on:
 - ❑ **20 priority products & 81 standards** for safety and specification requirements covering electrical and electronics equipment, rubber gloves and condoms, rubber-based and prepared foodstuff products;
- MRAs have been established for **Electrical and Electronic Equipment, ASEAN Cosmetics Directive, ASEAN Medical Device Directive, Traditional Medicines and Health Supplements.**
- **Priorities for 2017:**
 - ❑ **Complete signing of MRA on Bio-Equivalence Study Report**
 - ❑ **Sign MRA for Inspection & Certification Systems on Food Hygiene for Prepared Foodstuff Products**
 - ❑ **Finalise MRA for Type Approval of Automotive Products; and**
 - ❑ **Finalise Building and Construction Materials.**

AEC 2025

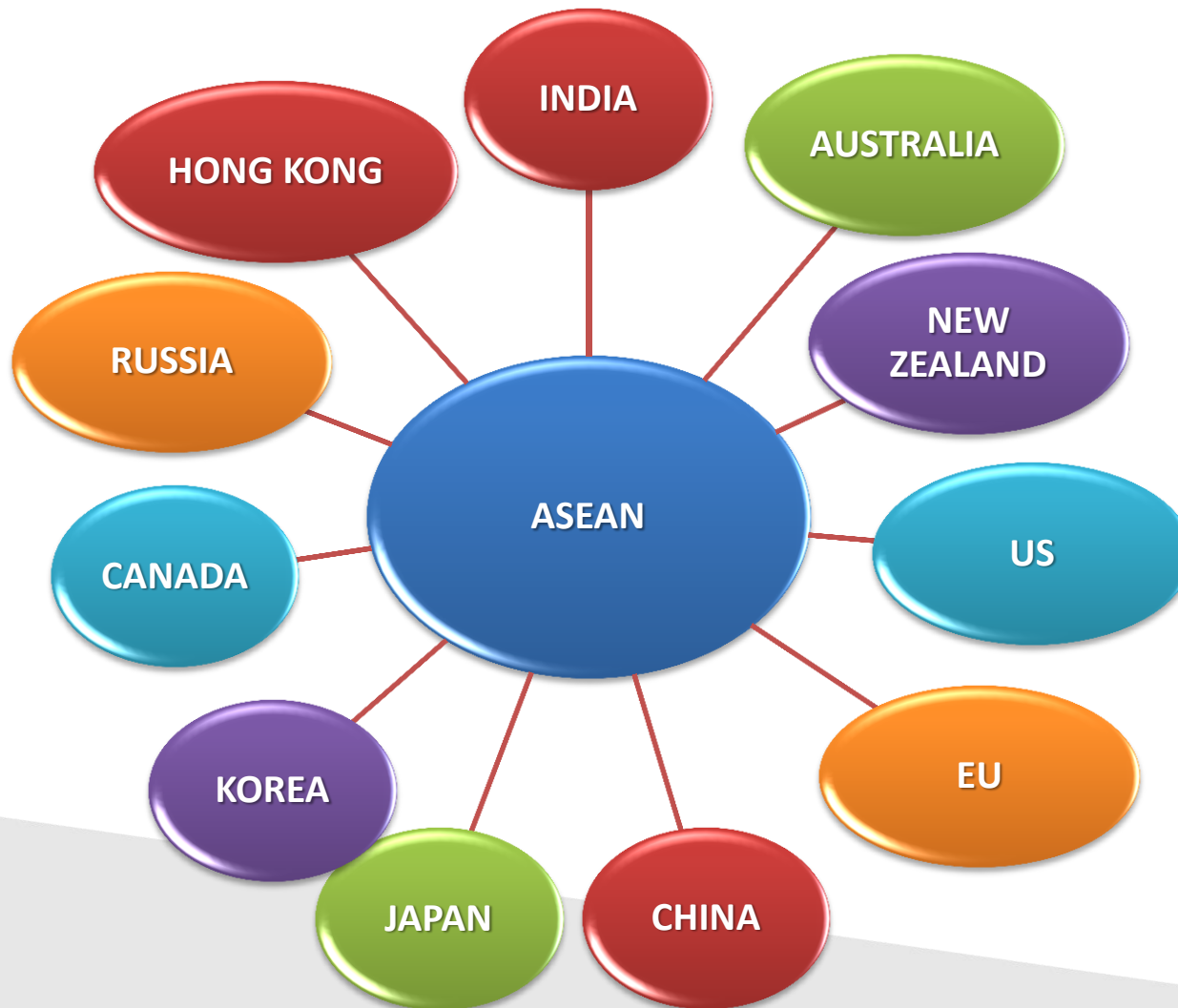
- Harmonization of standards and technical regulations in ASEAN through MRAs.
- Enhancing mobility of professionals by streamlining procedures and removing unnecessary restrictions.

**Standard and Conformance Strategic
Action Plan (2016-2025)**

ASEAN STRATEGIC ENGAGEMENTS WITH LEADING TRADING NATIONS



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Concluded FTAs:

- ASEAN-China
- ASEAN-Japan
- ASEAN-Korea
- ASEAN-India
- ASEAN-Australia-New Zealand

On-going FTA negotiations:

- RCEP
- ASEAN-Hong Kong

Under consideration / resumption:

- ASEAN-EU
- ASEAN-Canada
- ASEAN-EAEU

(7) OPENING NEW MARKETS



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2017 FTA FOCUS & PRIORITIES

Pursue bilateral FTAs with potential FTA partners

Continued engagements with stakeholders on FTAs

Consulting other partners on the future of TPPA



2017: CHALLENGES & FORECAST

- **Global economic slowdown and sluggish external trade activity in recent years impact Malaysia's open economy.**
- **China's domestic rebalancing, economic slowdown of advanced countries/major trading partners, uncertain impact of Brexit, uncertainties in US policies, fluctuations in oil price and commodity prices.**
- **Moderate pick up in global growth (projections for 2017)**
 - ✓ **World Bank: 2.7%**
 - ✓ **IMF: 3.4%**
- **Higher world trade volume (projections for 2017)**
 - ✓ **IMF: to increase by 3.8%**
 - ✓ **WTO: 1.8-3.1%**
- **Commodity prices (projections in 2017):**
 - ✓ **Oil prices projected to average USD55 per barrel**
 - ✓ **Palm oil price to strengthen between RM2,700 to RM2,800**



Welcomes You To.....

SME RELATED EVENTS



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MITEC
15 – 17 November 2017
*Showcase, Conference and
Business Matching*

SME
week
Small Business
Big Ideas

Nationwide
17 – 26 May 2017
*Spotlight on SMEs and
Entrepreneurship*

**Pocket
Talks**



Periodically
*Awareness and outreach
with various domestic &
international partners*

MALAYSIA INTERNATIONAL HALAL SHOWCASE



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The 14th Malaysia International Halal Showcase

the world's largest halal event

5-8 April 2017
Kuala Lumpur Convention Centre

- 
ISLAMIC FINANCE
- 
HALAL FOOD
- 
HALAL TOURISM
- 
HALAL LOGISTICS
- 
HALAL PHARMACEUTICALS
AND COSMETICS
- 
HALAL DIGITAL

CELEBRATING THE 50TH ANNIVERSARY OF ASEAN



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ASEAN will celebrate its 50th Anniversary on 8 August 2017. Coordinating ministries of ASEAN Community pillars (Ministry of Foreign Affairs, MITI and Ministry of Tourism and Culture) will organize a series of promotional events to continue socializing ASEAN in Malaysia.

“myAPEC YouthConnect” TALENT PROGRAMME



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MyAPEC YouthConnect

A talent mobility programme (Malaysia’s pilot project) for 4-12 months of work placements at leading companies in Malaysia and APEC economies.



**PACK YOUR BAGS.
OPPORTUNITY AWAITS.**
SHORT-TERM WORK PLACEMENTS
AVAILABLE IN 21 APEC COUNTRIES.

Since the launch on 18 October 2016, a total of 247 youth from 11 APEC economies have applied (Malaysia, Brunei, Chile, Indonesia, Mexico, South Korea, Philippines, Thailand, Canada, China & Vietnam)

51 Participating Companies

AIA	CIMB BANK	RHB	AirAsia	Sime Darby	IJM
Maybank	CAPSTONE FINANCIAL	malaysia airlines	UEM		
astro	axiata	celcom	GE	Pfizer	F&N
maxis	TM	digi	Scomi	PETRONAS	Nestlé
					ZUellig PHARMA MALAYSIA
BDO	Deloitte	EY	KPMG	pwc	Roche
					nielsen
Agilent Technologies	BOSCH	intel	IBM		
ST	IHS Markit	MOTOROLA SOLUTIONS	iflix		
OSRAM	OSRAM	PLEXUS	JABIL	Schindler	MDEC
ON Semiconductor	ON	SILTERRA	YJC		

Collaboration between



TalentCorp
MALAYSIA

MINISTRY OF INTERNATIONAL TRADE &
INDUSTRY

‘Driving Transformation, Powering Growth’

LATAM BUSINESS DAY, 2017



- **Date: 2nd Half 2017**
- Create awareness of business opportunities between Malaysia and LATAM
- **Programmes:**
 - Business seminars
 - Workshops
 - Table-top exhibitions
 - Advisory services
 - Industry visits



THANK YOU