



MINISTRY OF INTERNATIONAL
TRADE AND INDUSTRY

MITI WEEKLY BULLETIN

VOLUME 346

07 JULY 2015 | NO. ISSN: 2180-0448



MALAYSIA
CHAIRMAN OF
ASEAN 2015

OUR PEOPLE, OUR COMMUNITY, OUR VISION

MITI in the NEWS

FITCH Outlook Upgrade Clears Up Linger- ing Misperceptions Among Investors



The decision by Fitch to upgrade the outlook for Malaysia from “Negative” to “Stable” is a strong endorsement of the country’s economic fundamentals and the Government’s management of the economy, Dato’ Sri Mustapa Mohamed said.

The Minister of International Trade and Industry continues, “This is also an affirmation of the Government’s prudent, proactive and pragmatic policies under the Economic Transformation Programme to re-structure and diversify the economy.”

Dato’ Sri Mustapa said Fitch’s decision was particularly welcome in helping clear up lingering misperceptions among investors and could further enhance Malaysia’s attractiveness as a preferred investment destination. “This is especially relevant at a time of uncertainty in the global economy and the on going turbulence in geopolitics,” he said.

He pointed out that even before the revised rating, Malaysia was experiencing annual double-digit growth in realised investments. Private investments in 2013 grew by 13.1% and 11% from 2013 to 2014,” he said.

Approved investments in the first quarter of 2015 stood at RM 57.4 billion. “We are striving very hard to maintain the momentum of the past two years, although the world political and economic environment will present additional challenges this year” Dato’ Sri Mustapa said. “All the investments, those approved and implemented as well as those approved but awaiting implementation represent employment opportunities for talented and hard-working Malaysians,” he said.

Dato’ Sri Mustapa stressed that Fitch’s rating comes on the heels of several other reports by independent international organisations that have seen Malaysia continue doing well as the preferred place to do business. These include rankings by IMD, World Bank and World Economic Forum.

“Investors are cognisant of these credible and influential reports. The latest Fitch rating is likely to give an added boost to our efforts in attracting the high-quality and high-value-added investments that are crucial towards achieving our aim of attaining the status of a high-income economy by 2020,” he said.

Dato’ Sri Mustapa also emphasised that Fitch’s decision and the positive reports by other international entities should not lead to any complacency, given the rising competitiveness globally. “Quite the opposite, actually. They should spur us to fix any shortcomings and enhance our efforts to promote Malaysia as a preferred place for doing business,” he said.

Source : Ministry of International Trade and Industry, 2 July 2015

Government Retains AP Policy for Used Cars

The Government still retains the approved permit (AP) policy for the import of used cars, International Trade and Industry Minister Datuk Seri Mustapa Mohamed said. He said the abolishment of the policy was still being studied as it was a rather complex exercise.

“At the moment, the policy still applies. We have yet to resolve a few things,” he told reporters after the breaking of fast with students hosted by the International Trade and Industry Ministry here yesterday.

Meanwhile, Mustapa said the Government had identified the export of vehicle components as a potential sector that could contribute to the growth of the country’s automotive industry, instead of exporting vehicles.

“As the Malaysian market is relatively mature, it is quite difficult for us to achieve a 10% growth. “We feel that there is greater potential in exporting automotive components as several Malaysian companies had already succeeded in doing that,” he said.

Two deputy international trade and industry ministers, namely Senator Datuk Lee Chee Leong and Datuk Hamim Samuri were present. At the event, Mustapa presented Aidilfitri gifts to 30 students from quran memorisation schools, Maahad Tahfiz Darul Muhibbin and Maahad Tahfiz Sains Fatimah Al Zahrah.

Source: Bernama, 6 July 2015

Monetary and Financial Developments May 2014

Price Conditions

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), increased to 2.1% in May (April: 1.8%). However, on a month-to-month basis, the increase of 0.4% was lower than the 0.9% increase in April. During the month, the increase in the CPI also reflected high food prices due to reduced supply of fresh food items amidst the rainy season.

Monetary Conditions

Interbank rates were stable in May. In terms of retail lending rates, the average base rate (BR) of commercial banks was steady at 3.88%. Retail deposit rates were unchanged during the month. Net financing to the private sector grew by 8.3% in May, driven by higher growth of both outstanding banking system loans and net outstanding issuances of private debt securities (PDS). Outstanding business loans registered a higher annual growth rate, with a larger volume of loans disbursed mainly to the finance, insurance and business services; agriculture; real estate; and electricity, gas and water supply sectors during the month. The annual growth in outstanding household loans continued to moderate. Overall loan demand was relatively stable with sustained loan applications from both the business and household sectors. On an annual basis, broad money (M3) growth moderated to 5.7% in May. The expansion in M3 was driven mainly by the extension of credit to the private sector by the banking system. The expansion, however, was partially offset by a decline in net foreign assets following net capital outflows during the month.

Banking System

Banking system remained well capitalised with the Common Equity Tier 1 Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio at 12.3%, 13.1% and 15.1% respectively. The level of net impaired loans was sustained at 1.2% of net loans while loan loss coverage ratio remained above 100%.

Exchange Rates and International Reserves

In May, the ringgit depreciated against the currencies of most of Malaysia’s major trade partners, driven by both external and domestic factors. During the month, most major and regional currencies also depreciated against the US dollar. This was due to a shift in expectations on the timing of US interest rate normalisation. The international reserves of Bank Negara Malaysia amounted to RM390.2 billion (equivalent to USD105.3 billion) as at 15 June 2015, sufficient to finance 8.1 months of retained imports and were 1.1 times the short-term external debt .

Source : Bank Negara Malaysia, 30 June 2015

MALAYSIA

Trade Performance

May 2015 - RM60.5 billion
-6.7% y-o-y growth
Jan-May 2015 - RM304.2 billion
-4.7% y-o-y growth



RM54.9 billion - May 2015
-7.2% y-o-y growth
RM270.4 billion - Jan-May 2015
-2.8% y-o-y growth

Trade Balance

(May 2015)
RM5.5 billion
-2.3% y-o-y growth
(Jan-May 2015)
RM33.7 billion
-17.2% y-o-y growth

Major Exports Contributors: (Jan-May 2015)

E&E
35.0% (RM106.3b)



LNG
7.3% (RM22.3b)

Chemical & Chemical
7.1% (RM21.7b)

Major Imports Contributors: (Jan-May 2015)

E&E
29.0% (RM78.3b)



Petroleum
8.7% (RM23.6b)

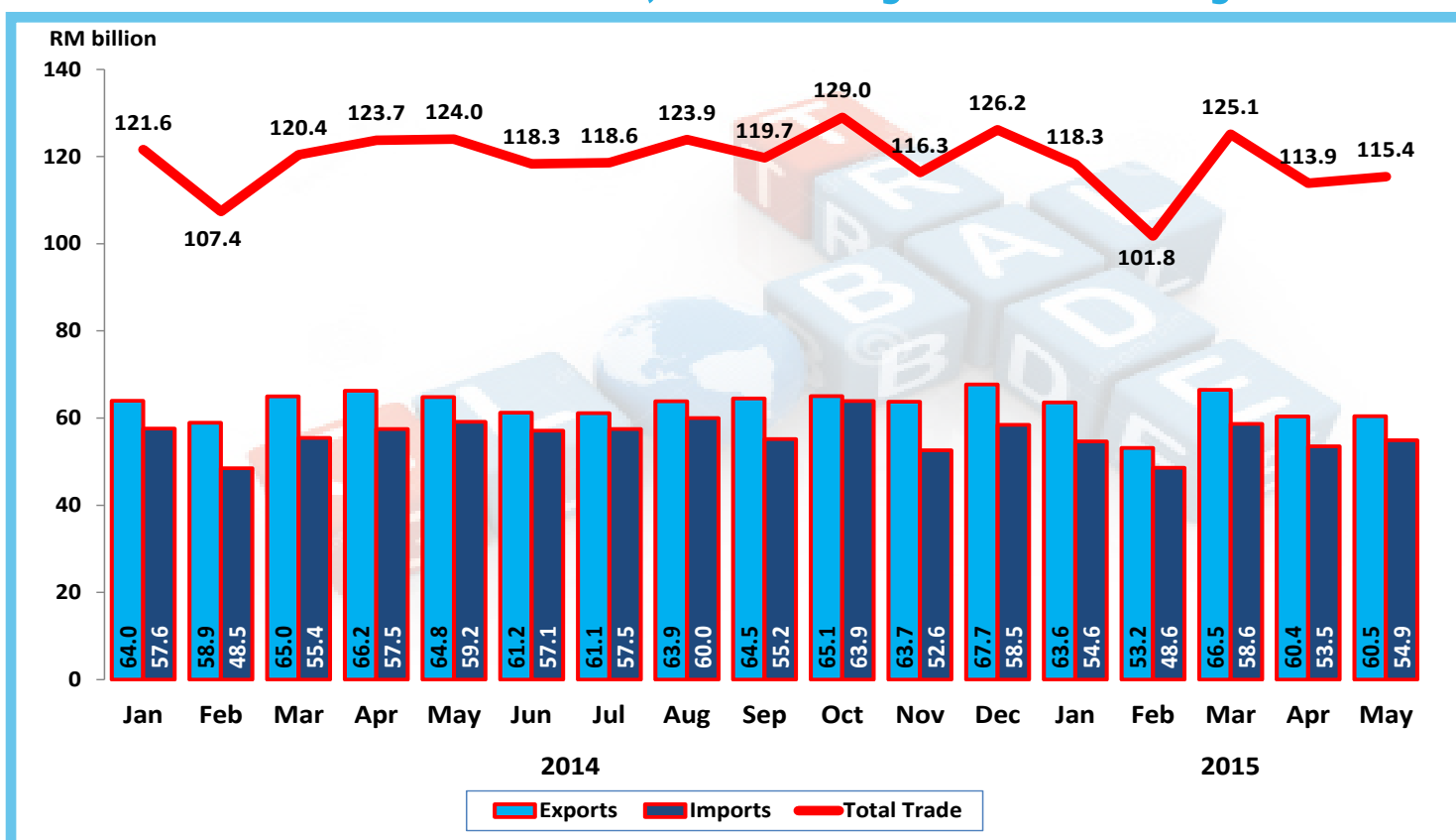
Chemical & Chemical
9.6% (RM25.9b)



Major Trading Partners (Jan-May 2015)

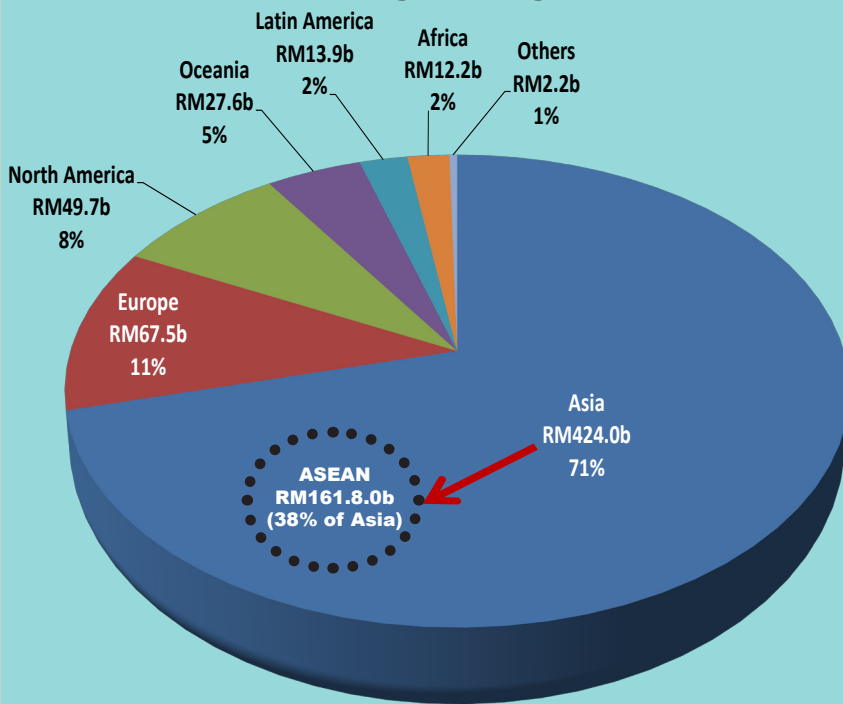
- PRC
RM85.8b
- Singapore
RM74.0b
- Japan
RM53.7b

Trade Performance, January 2014 - May 2015



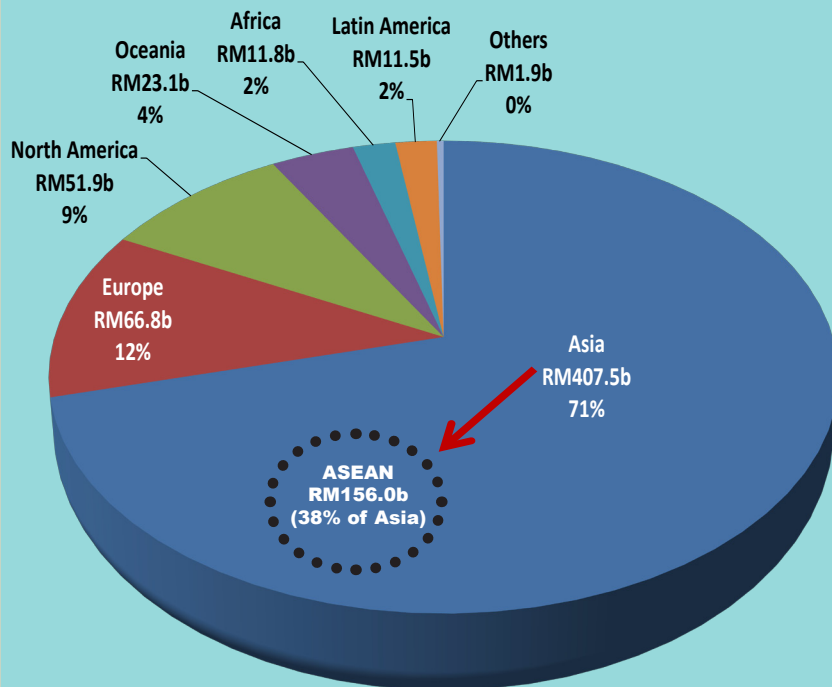
Source : Department of Statistics, Malaysia

Trade by Region January-May 2014



Σ **RM597.1 billion**

Trade by Region January-May 2015



Σ **RM574.4 billion**

Top Five Export Destinations, January-May 2015



Singapore

RM42.3b, 13.9% share, -4.8% growth



PRC

RM36.7b, 12.1% share, -6.1% growth



Japan

RM31.8b, 10.5% share, -12.1% growth



USA

RM28.2b, 9.3% share, 9.1% growth



Thailand

RM17.6b, 5.8% share, 5.9% growth

Export to these countries collectively constituted 51.5% of total Malaysia's export

Top Five Import Sources, January-May 2015



PRC

RM49.1b, 18.2% share, 10.5% growth



Singapore

RM31.7b, 11.7% share, -12.7% growth



Japan

RM21.9b, 8.1% share, -5.3% growth



USA

RM21.2b, 7.9% share, -0.5% growth

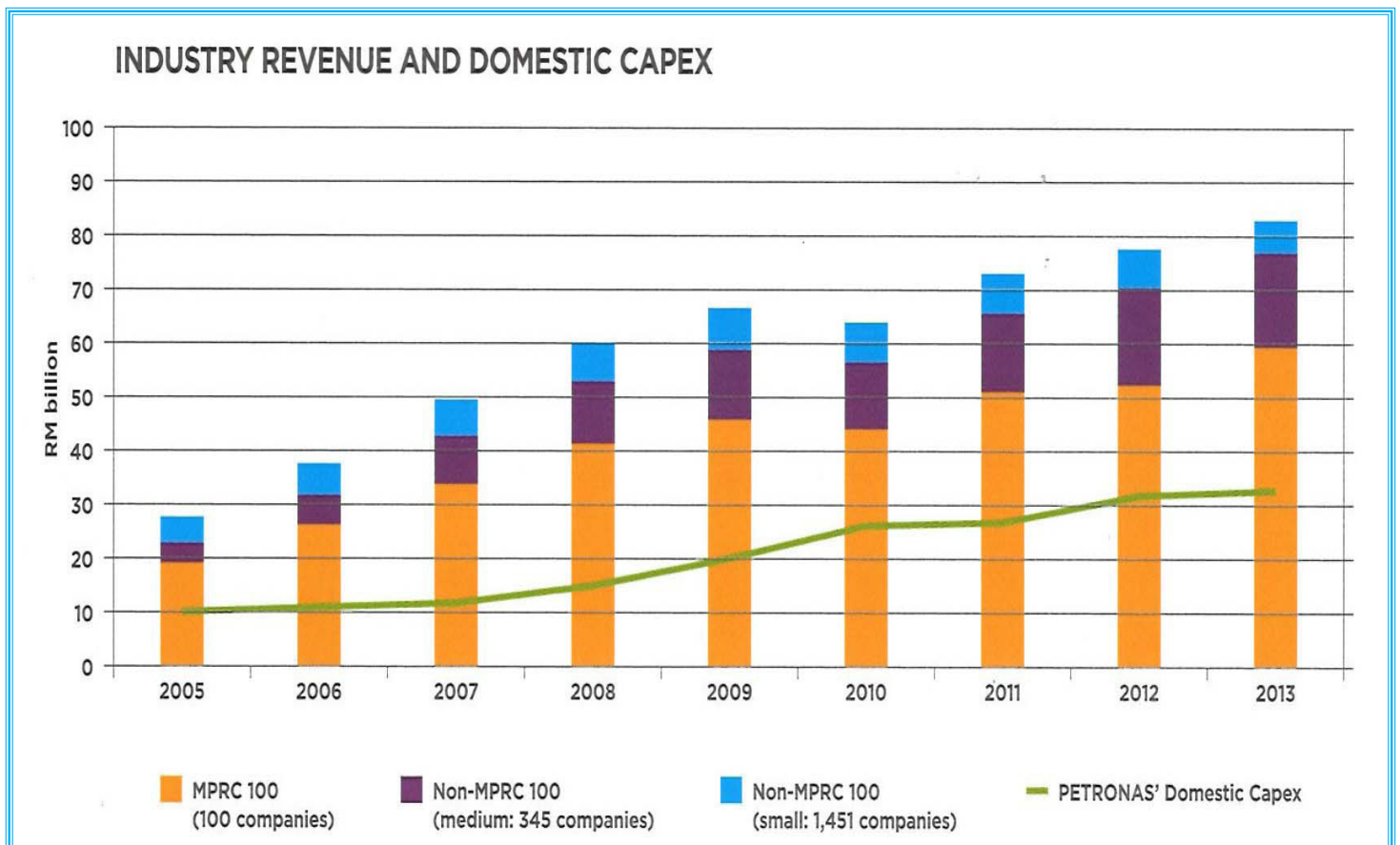
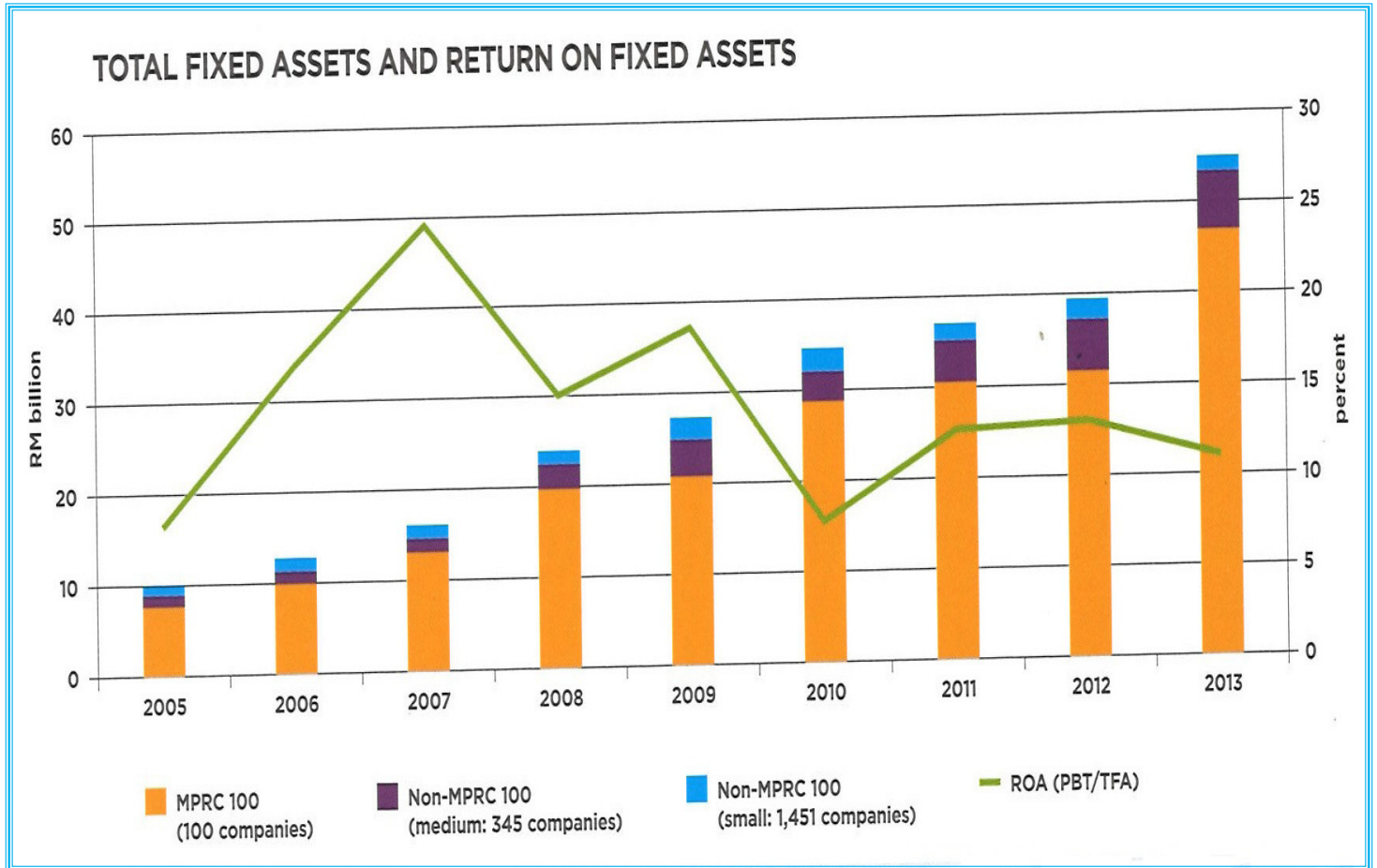


Thailand

RM16.1b, 6.0% share, -1.7% growth

Import from these countries collectively constituted 51.8% of total Malaysia's import

Malaysia Oil and Gas Industry, 2013



Source : Malaysia Petroleum Resources Corporation

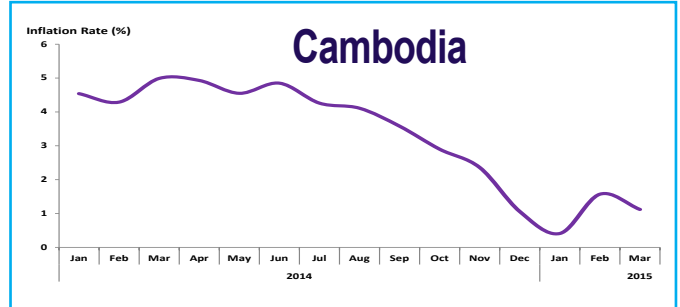
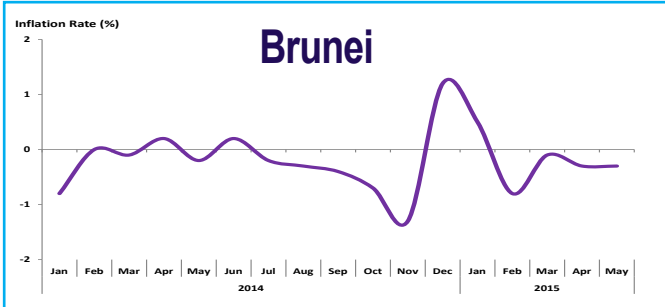
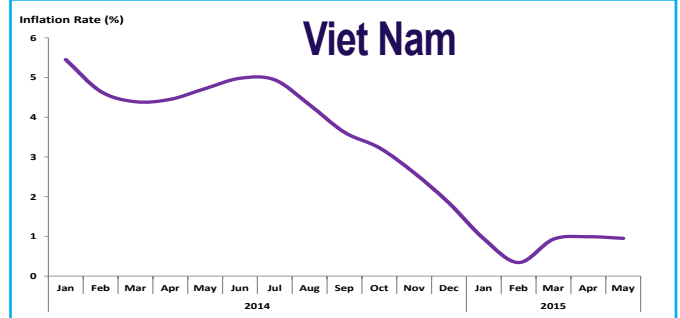
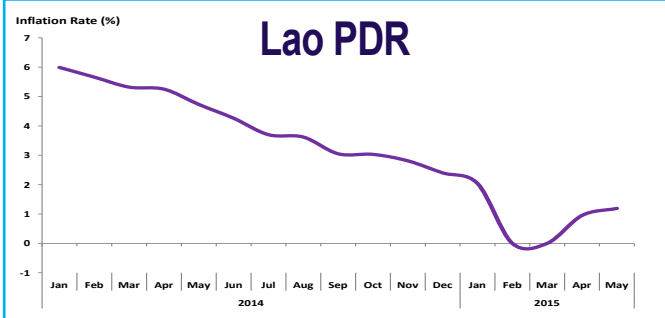
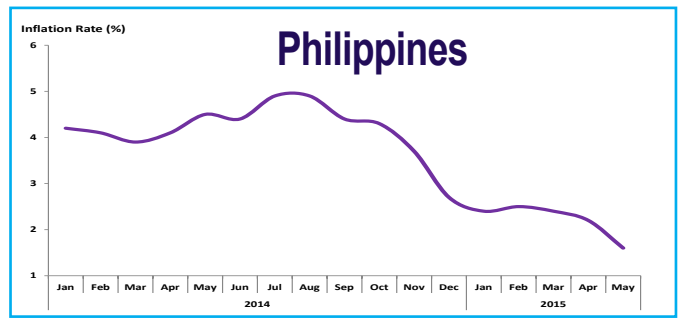
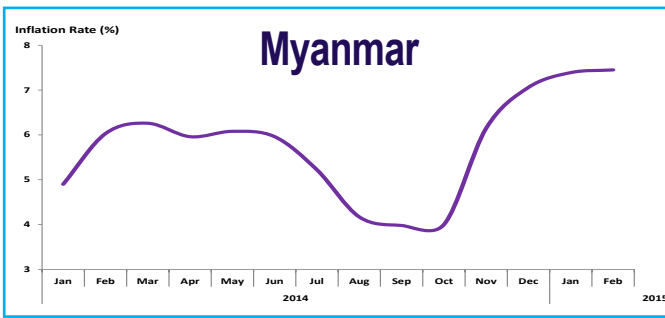
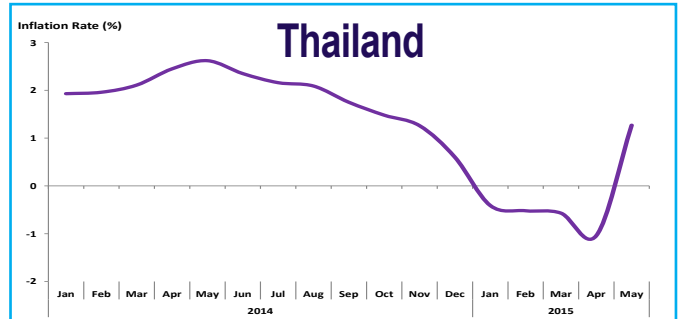
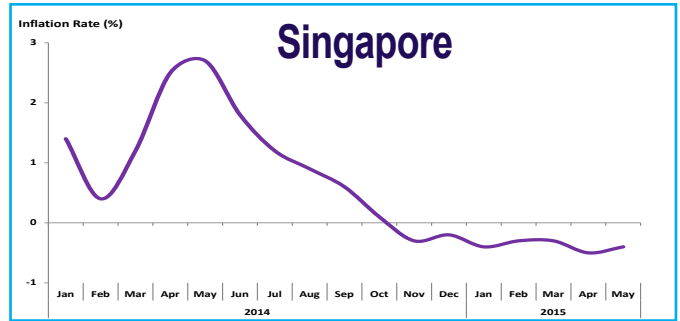
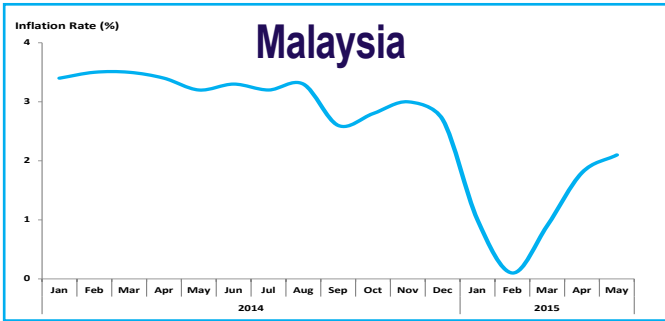


ASEAN and You'



MITI's ASEAN Portal can be accessed via <http://aec2015.miti.gov.my/>

Inflation Rate

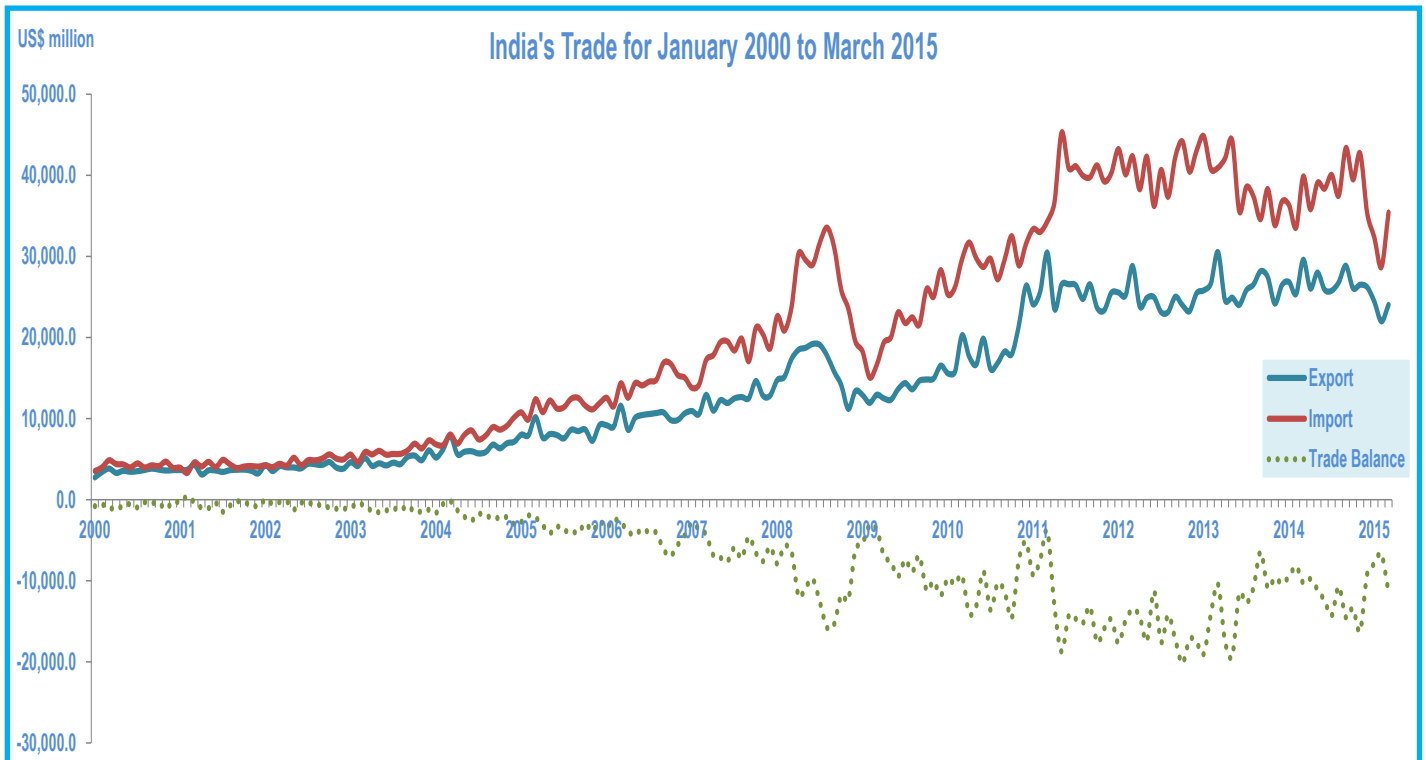
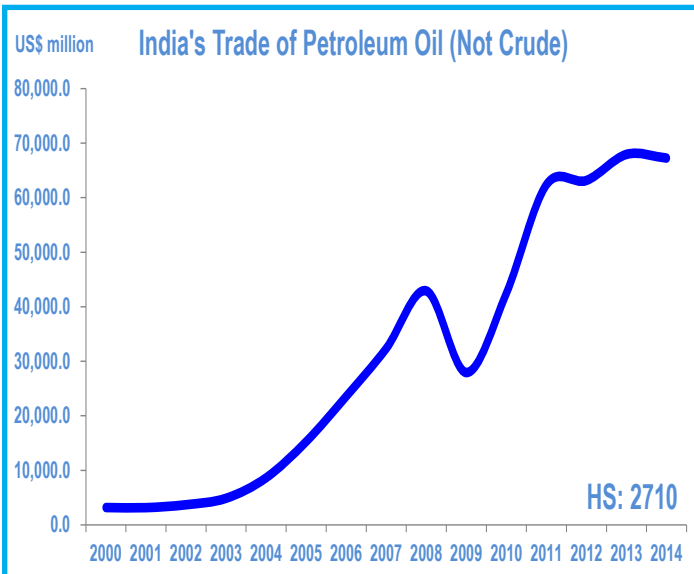
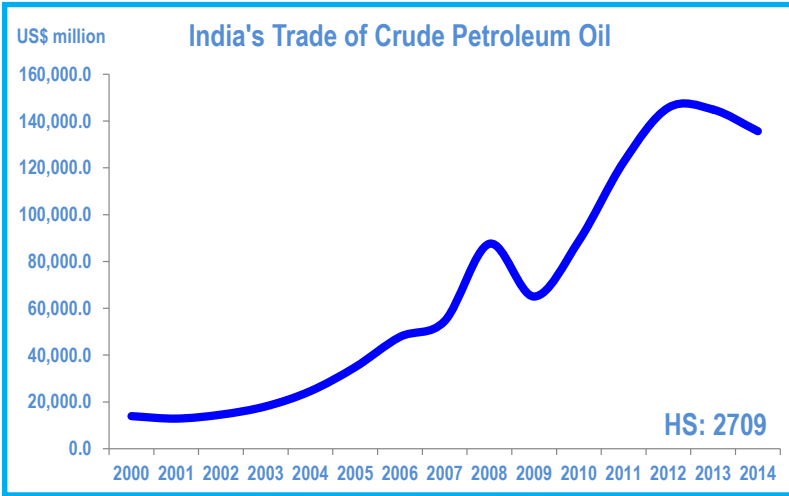


Source: Tradingeconomics.com, Department of Economic Planning and Development Brunei, National Institute of Statistics Cambodia, Statistics Indonesia, Bank of The Lao PDR, Department of Statistics Malaysia, Central Statistics Organization Myanmar, National Statistics Office of Philippines, Statistics Singapore, Bureau of Trade and Economic Indices of Ministry of Finance Thailand, General Statistics Office of Viet Nam



International Report

INDIA



PUERTO RICO



Area
9,104 km²

Population
3.548 million (2014^e)



Economic Indicators

External Trade
(April-July 2015)

Exports US\$57.7b
Imports US\$36.0b
Trade Balance US\$21.7b

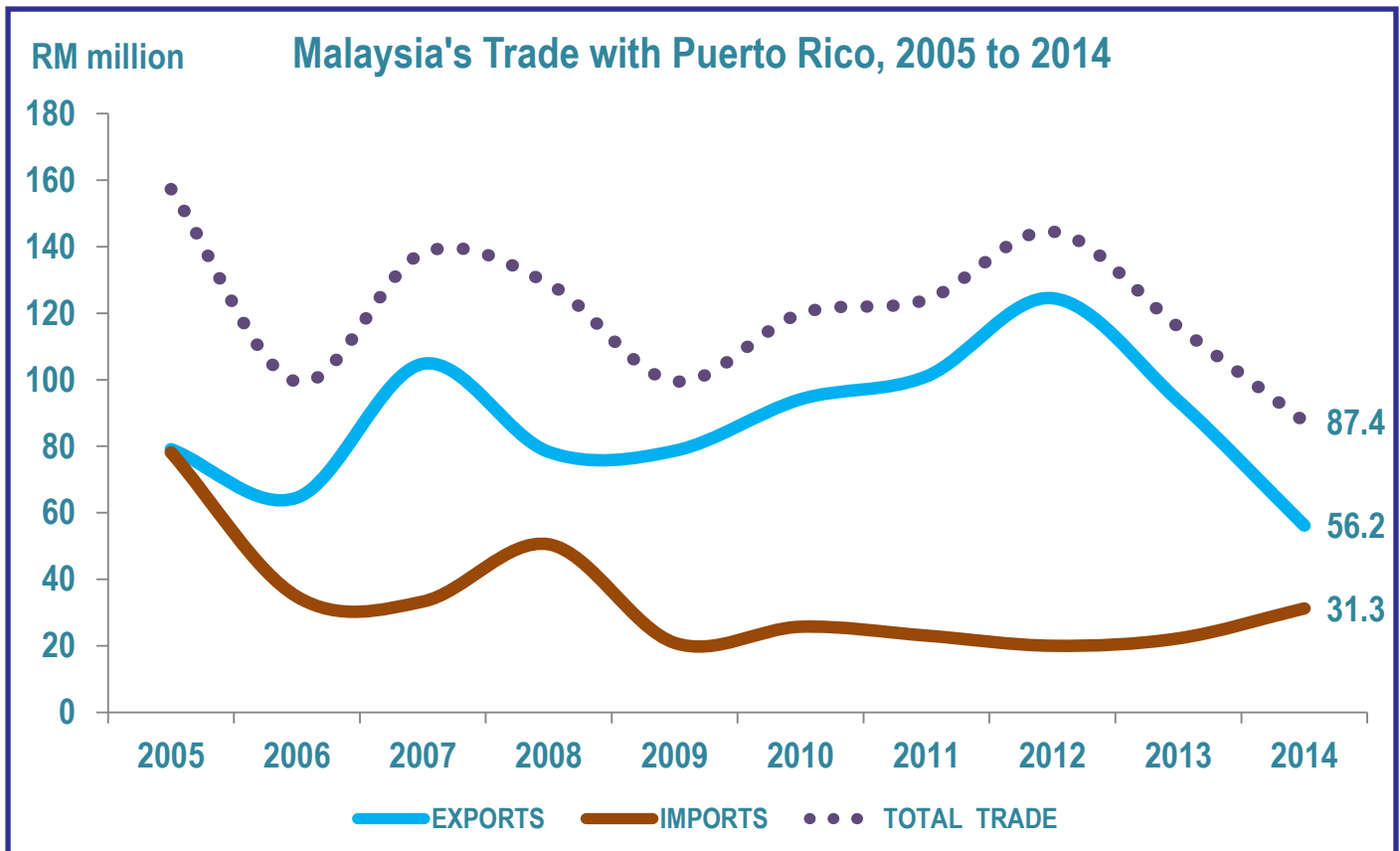
GDP Growth
-0.9% (2014)

Inflation Rate
-0.2% (April-July 2015)

Labour Force
1.138 million (May-July 2015)

Unemployment Rate
13.0% (May-July 2015)

Source : Tradingeconomics, Wikipedia and Puerto Rico Economic Indicators













Source : Department of Statistics, Malaysia

DID YOU KNOW



Foreign Direct Investment (FDI) Ranking, 2014

RANKING		FDI INFLOW		RANKING		FDI OUTFLOW	
2014	2013			2014	2013		
1	2		CHINA	1	1		USA
2	3		HONG KONG	2	5		HONG KONG
3	1		USA	3	3		CHINA
4	9		UK	4	2		JAPAN
5	6		SINGAPORE	5	10		GERMANY
6	7		BRAZIL	6	4		RUSSIA
7	4		CANADA	7	7		CANADA
8	8		AUSTRALIA	8	15		FRANCE
9	15		INDIA	9	6		NETHERLANDS
10	14		NETHERLANDS	10	12		SINGAPORE
11	21		CHILE	11	16		IRELAND
12	12		SPAIN	12	14		SPAIN
13	10		MEXICO	13	13		ROK
14	19		INDONESIA	14	9		ITALY
15	187		SWITZERLAND	15	17		NORWAY
16	5		RUSSIA	16	25		SWITZERLAND
17	185		FINLAND	17	22		MALAYSIA
18	22		COLUMBIA	18	19		KUWAIT
19	11		FRANCE	19	29		CHILE
20	148		POLAND	20	21		TAIWAN

Source : Global Investment Trends, UNCTAD

Number and Value of Preferential Certificates of Origin (PCOs)

Number of Certificates (Provisional data)

	10 May 2015	17 May 2015	24 May 2015	31 May 2015	7 Jun 2015	14 Jun 2015	21 Jun 2015	28 Jun 2015
AANZFTA	689	826	978	774	841	799	836	924
AIFTA	649	636	609	599	605	527	597	662
AJCEP	191	210	236	187	170	196	179	169
ATIGA	4,009	4,872	4,573	4,126	4,390	4,548	4,532	4,202
ACFTA	1,355	1,571	1,659	1,461	1,653	1,319	1,535	1,351
AKFTA	704	934	769	1,173	816	670	851	822
MICECA	335	383	337	289	362	279	328	302
MNZFTA	4	11	15	6	8	2	14	6
MCFTA	51	63	55	43	71	75	55	48
MAFTA	343	410	349	352	494	438	291	435
MJEPA	797	849	930	802	844	687	839	867
MPCEPA	149	115	176	207	138	137	177	167
GSP	110	140	132	131	188	97	105	116

Notes: The preference giving countries under the GSP scheme are Switzerland, the Russian Federation, Norway and Cambodia.



AANZFTA: ASEAN-Australia-New Zealand Free Trade Agreement (Implemented since 1 January 2010)



ATIGA: ASEAN Trade in Goods Agreement (Implemented since 1 May 2010)



AJCEP: ASEAN-Japan Comprehensive Economic Partnership (Implemented since 1 February 2009)



ACFTA: ASEAN-China Free Trade Agreement (Implemented since 1 July 2003)



AKFTA: ASEAN-Korea Free Trade Agreement (Implemented since 1 July 2006)



AIFTA: ASEAN-India Free Trade Agreement (Implemented since 1 January 2010)



MPCEPA: Malaysia-Pakistan Closer Economic Partnership Agreement (Implemented since 1 January 2008)



MJEPA: Malaysia-Japan Economic Partnership Agreement (Implemented since 13 July 2006)



MICECA: Malaysia-India Comprehensive Economic Cooperation Agreement (Implemented since 1 July 2011)



MNZFTA: Malaysia-New Zealand Free Trade Agreement (Implemented since 1 August 2010)

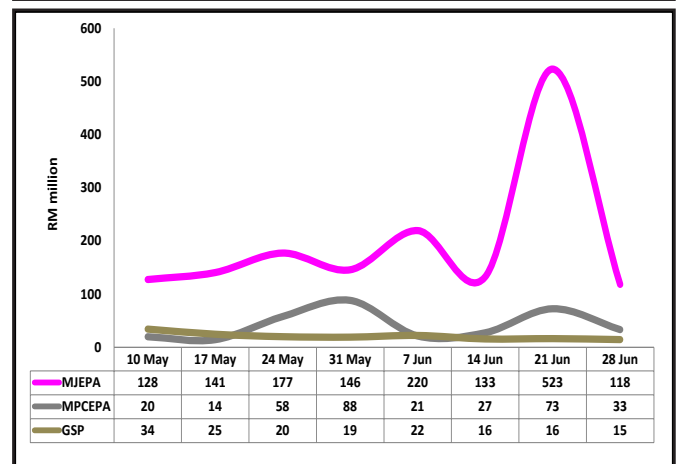
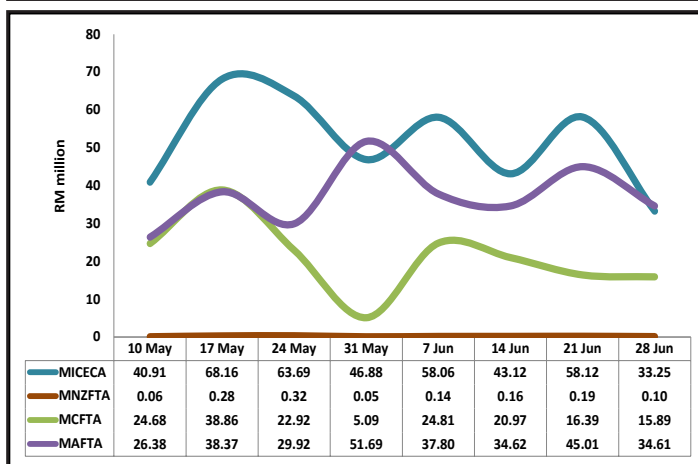
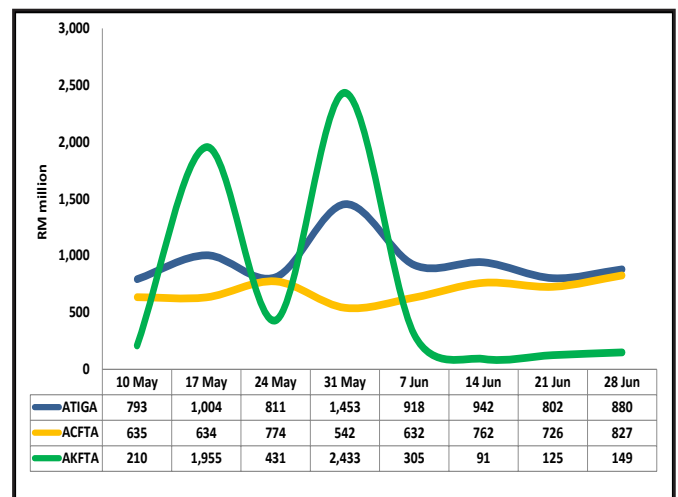
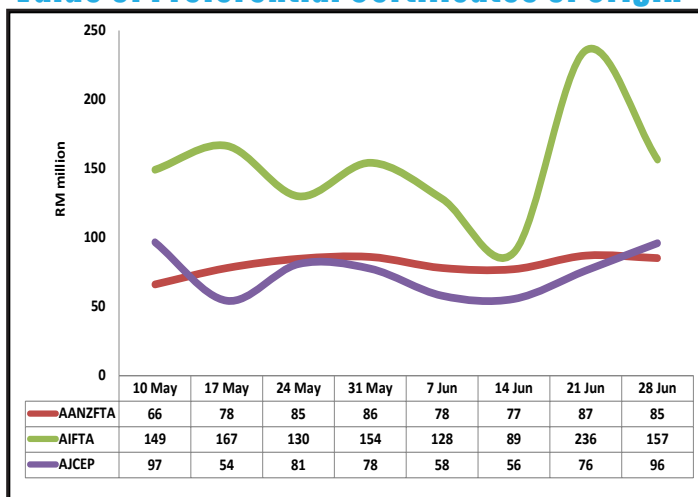


MCFTA: Malaysia-Chile Free Trade Agreement (Implemented since 25 February 2012)



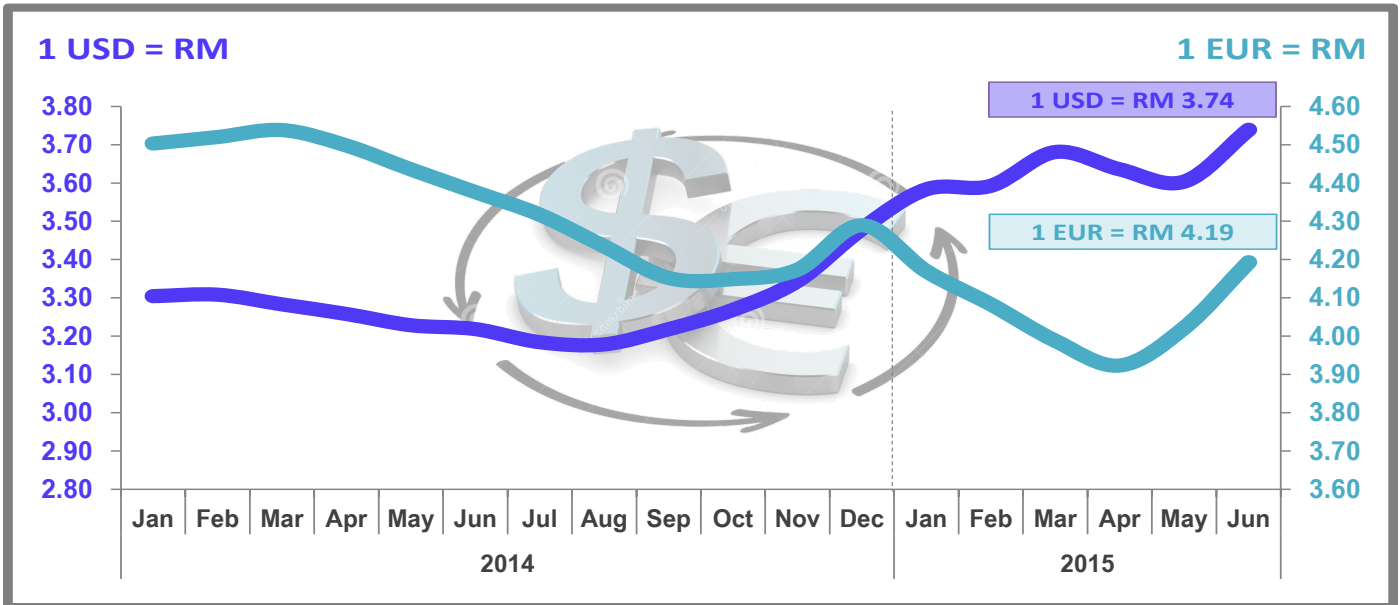
MAFTA: Malaysia-Australia Free Trade Agreement (Implemented since 1 January 2013)

Value of Preferential Certificates of Origin



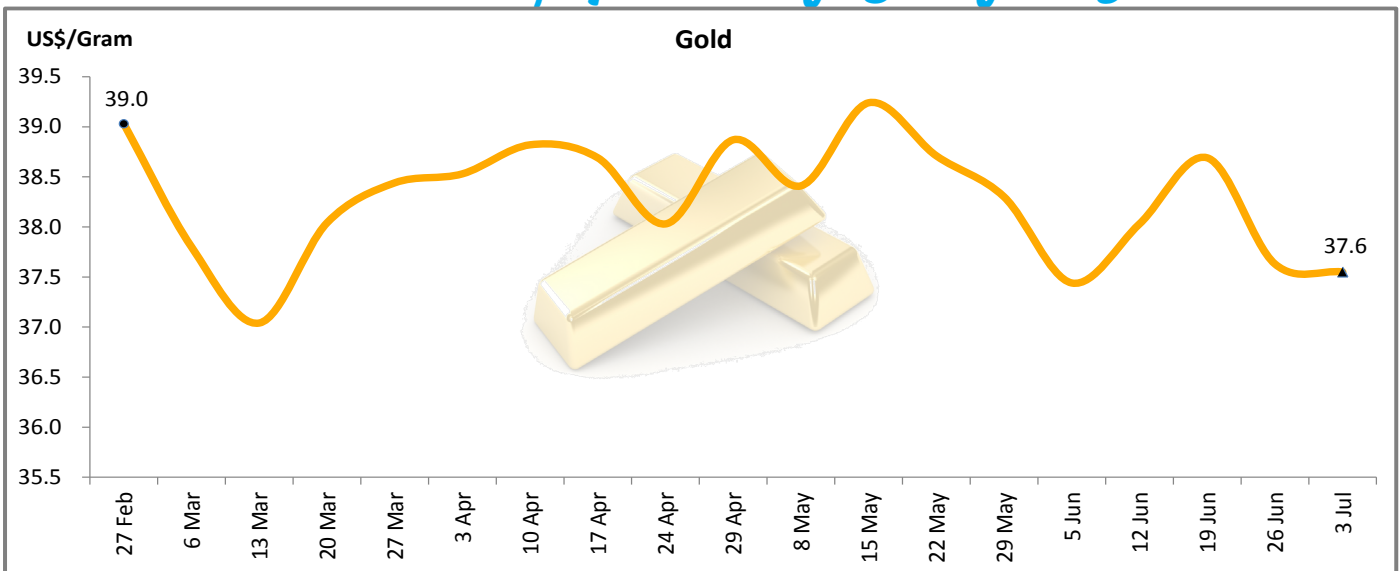
Source: Ministry of International Trade and Industry, Malaysia

Malaysian Ringgit Exchange Rate with US Dollar and Euro



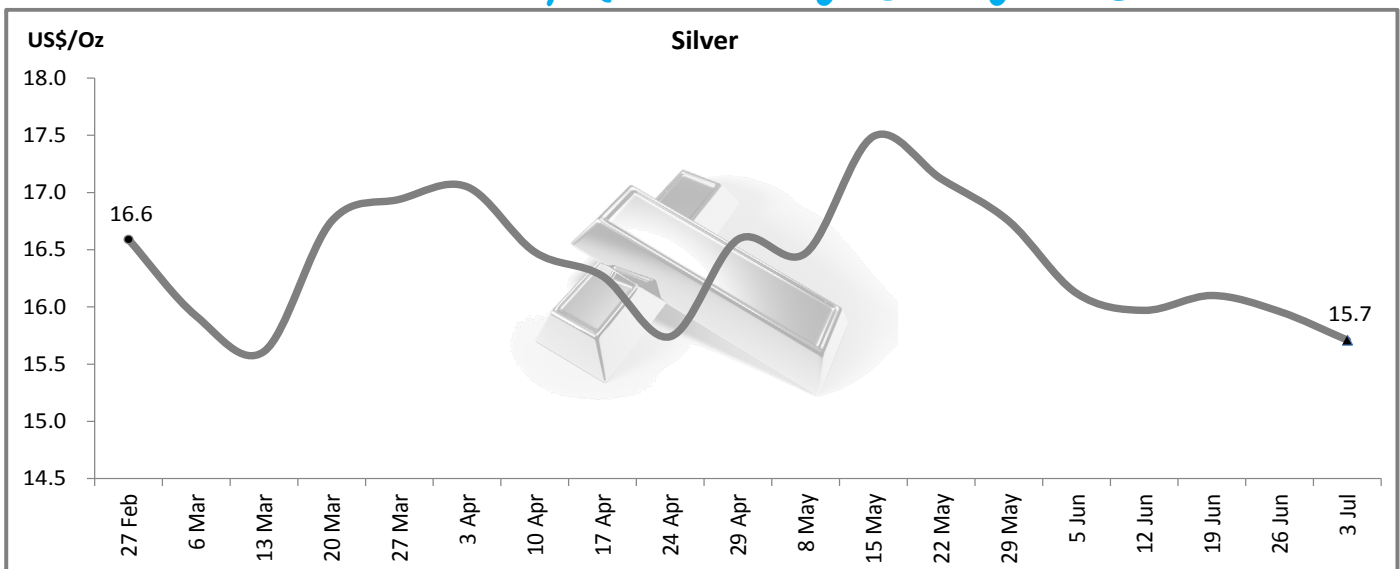
Source : Bank Negara, Malaysia

Gold Prices, 27 February - 3 July 2015



Source : http://www.gold.org/investments/statistics/gold_price_chart/

Silver Prices, 27 February - 3 July 2015



Source : <http://www.hardassetsalliance.com/charts/silver-price/usd/oz>

Commodity Prices



Commodity	Crude Petroleum (per bbl)	Crude Palm Oil (per MT)	Raw Sugar (per MT)	Rubber SMR 20 (per MT)	Cocoa SMC 2 (per MT)	Coal (per MT)	Scrap Iron HMS (per MT)
3 July 2015 (US\$)	56.9	661.5	263.3	1,499.0	2,207.6	44.9	270 (high) 250 (low)
% change*	↓ 4.6	↑ 0.5	↑ 3.3	↓ 3.3	↓ 1.9	↓ 0.9	↓ 3.6 ↓ 3.8
2014 ⁱ	54.6 - 107.6	823.3	352.3	1,718.3	2,615.8	59.8	370.0
2013 ⁱ	88.1 - 108.6	805.5	361.6	2,390.8	1,933.1	..	485.6

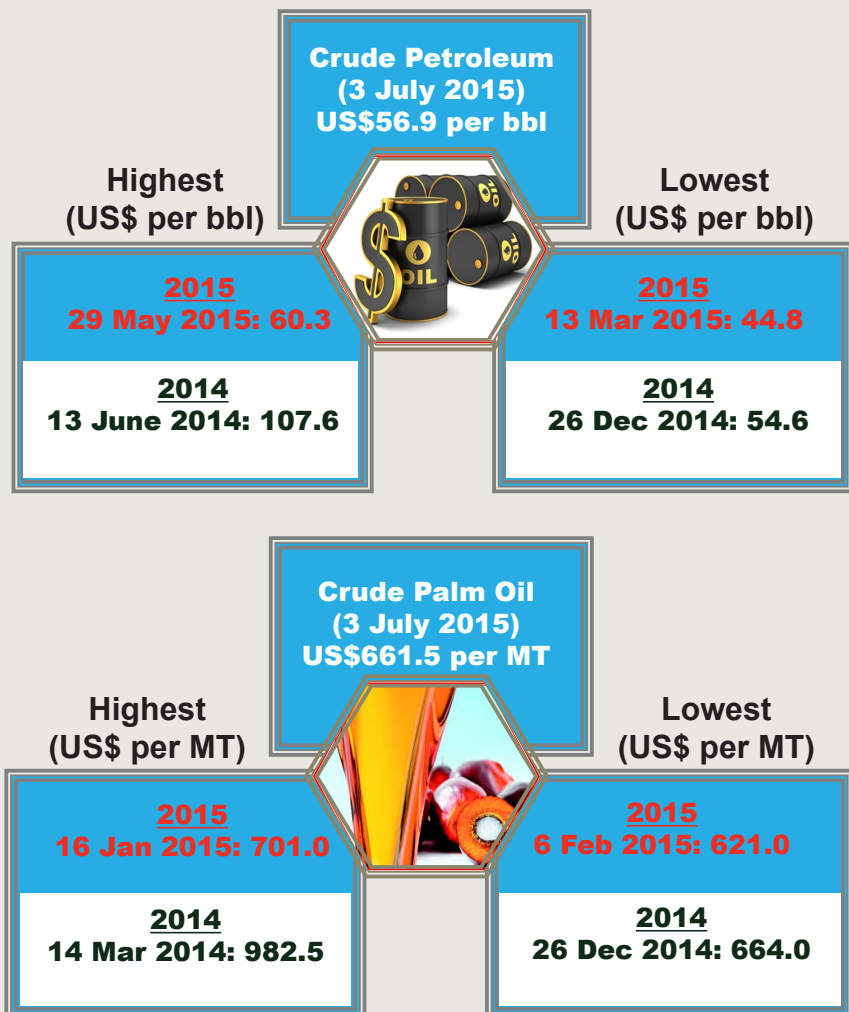
Notes: All figures have been rounded to the nearest decimal point

* Refer to % change from the previous week's price

ⁱ Average price in the year except otherwise indicated

n.a Not available

Highest and Lowest Prices, 2014/2015

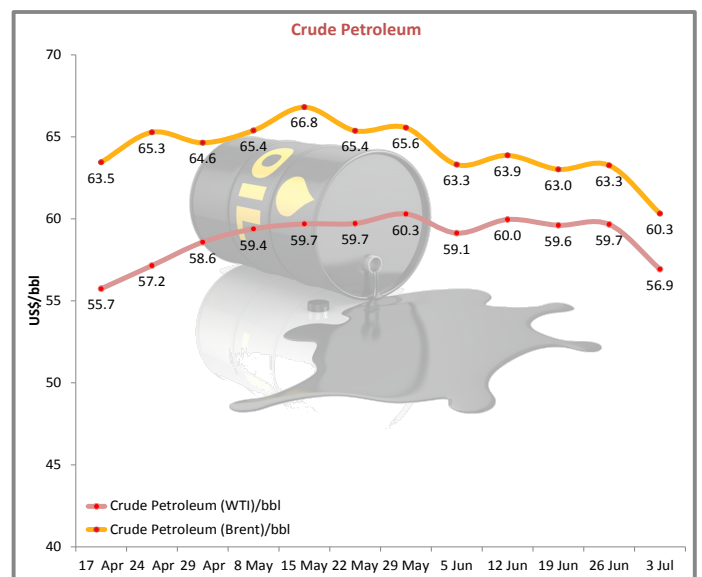
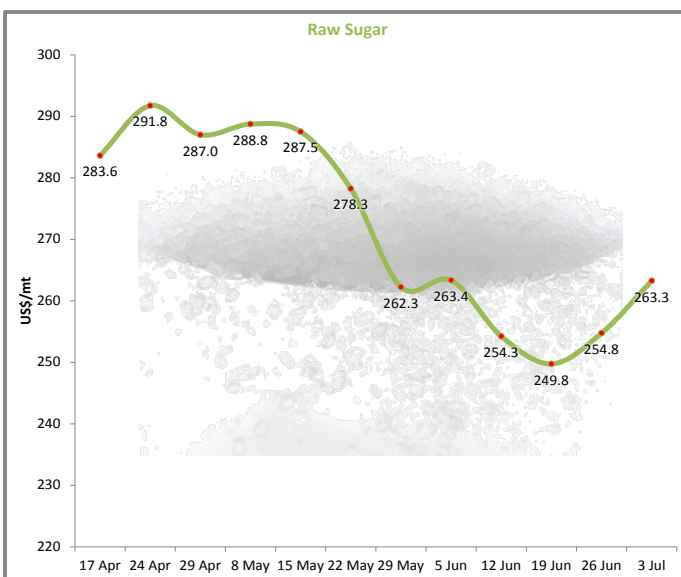
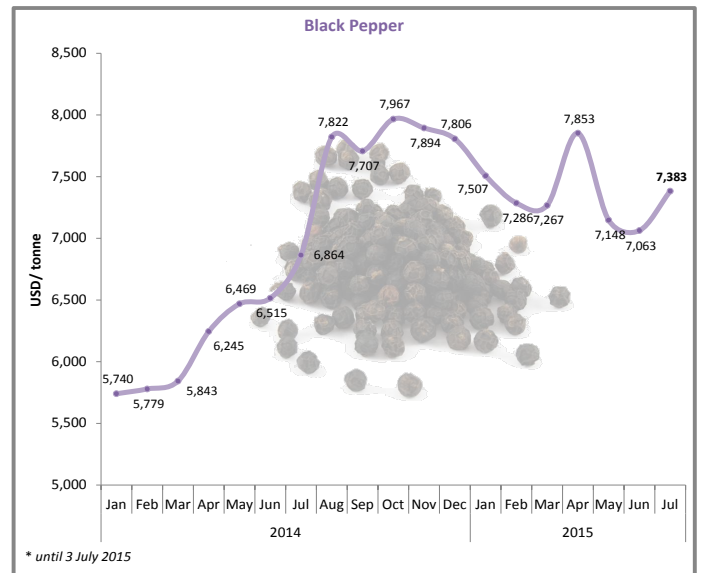
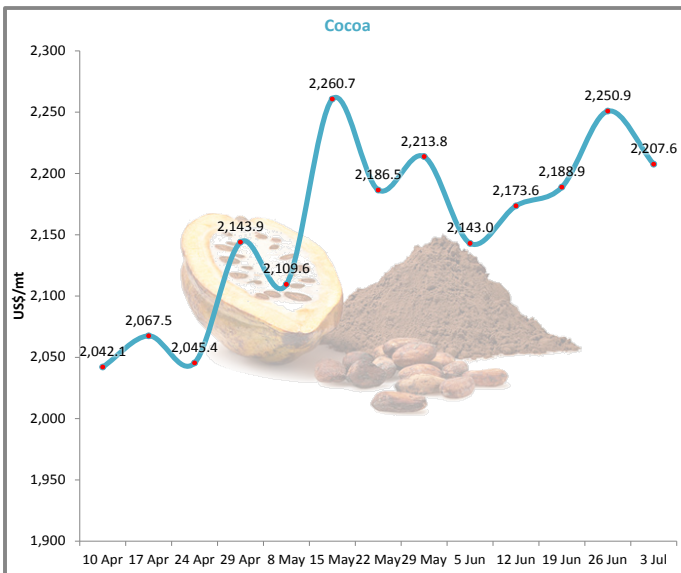
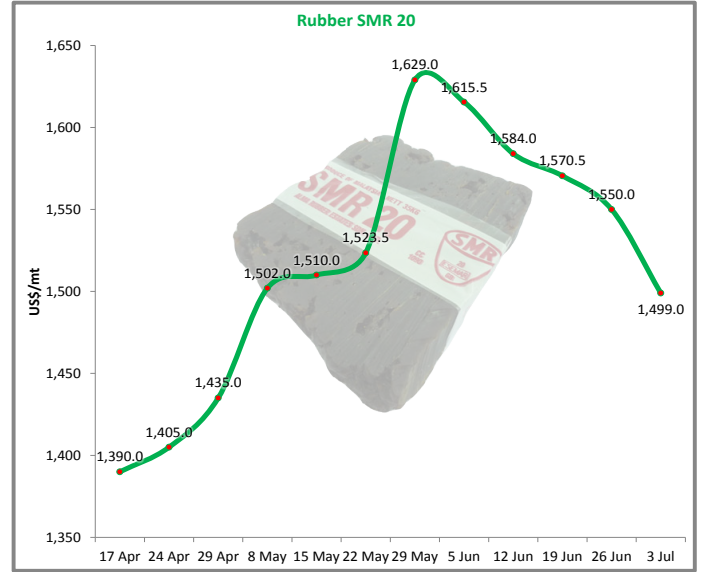
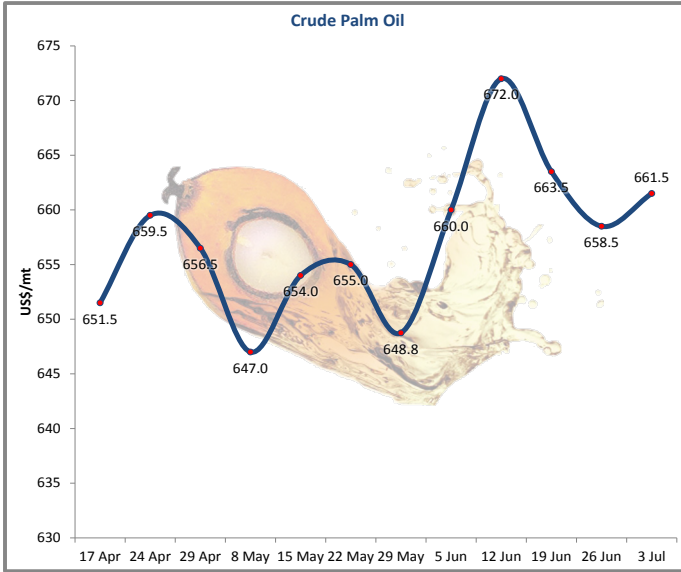


Average Domestic Prices, 3 July 2015



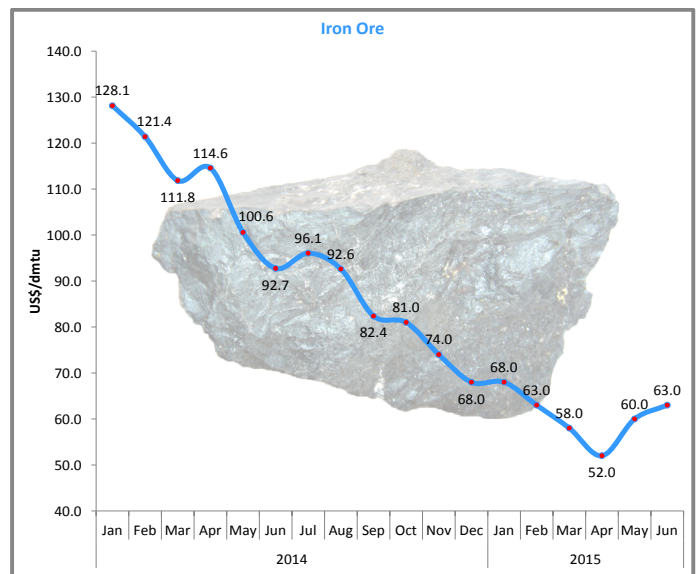
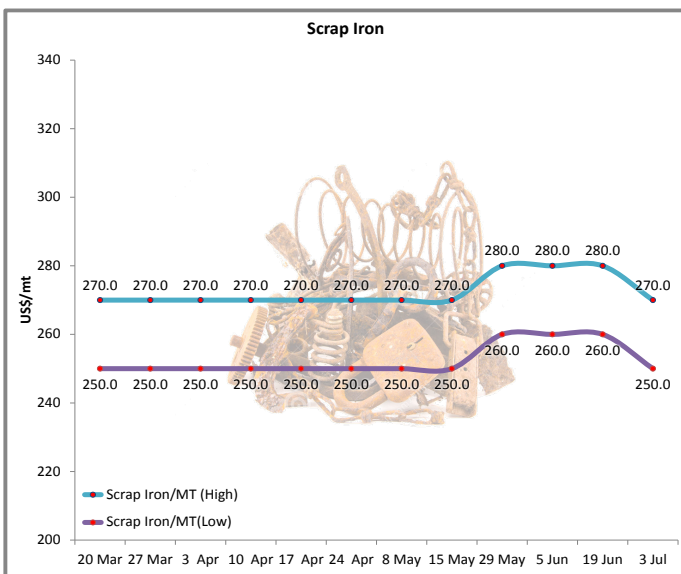
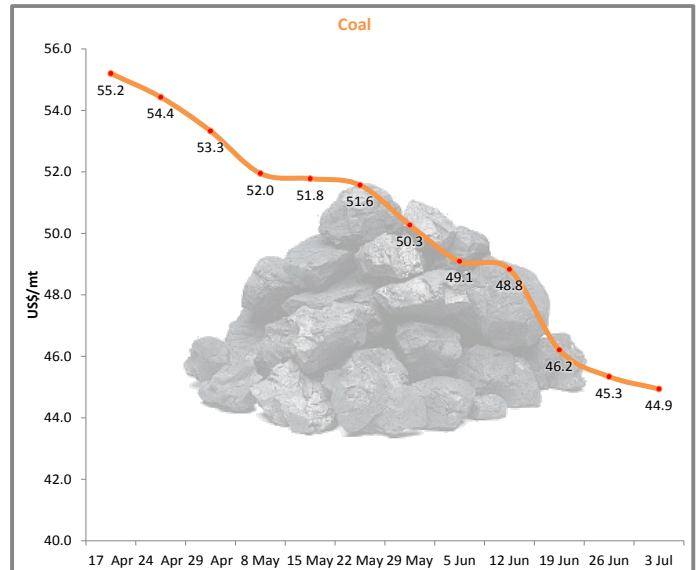
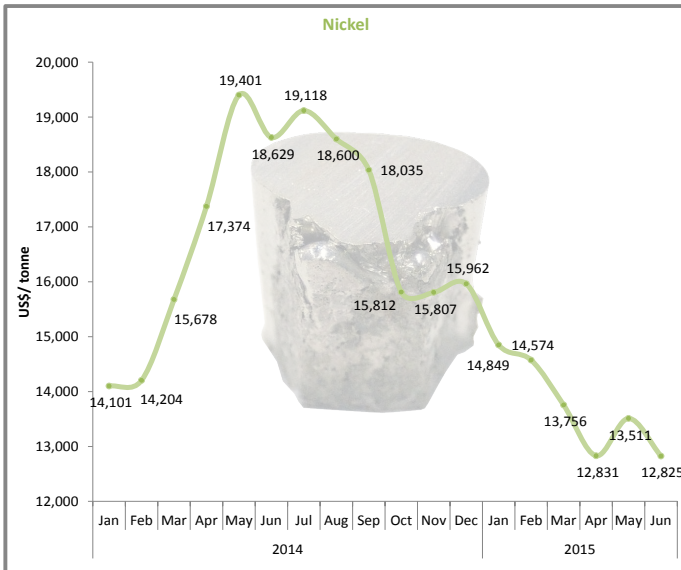
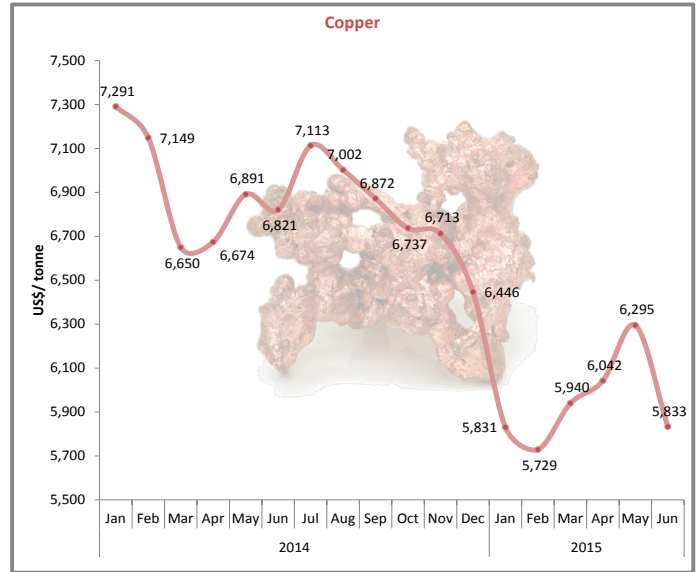
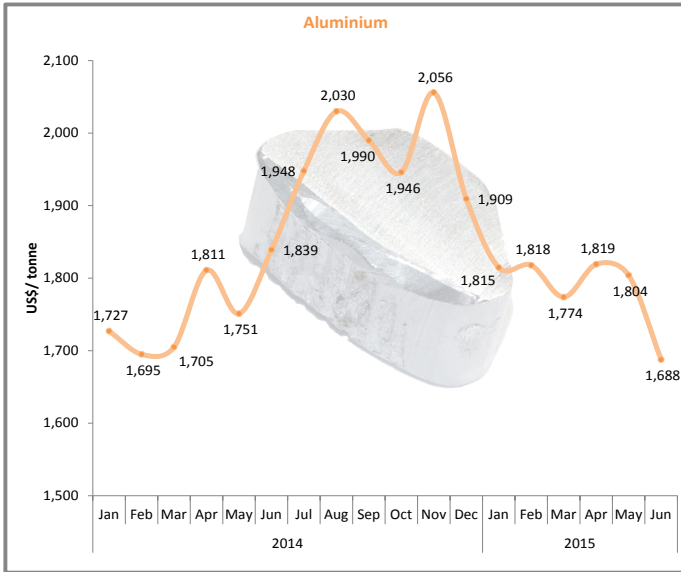
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank.

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank.

SUCCESS STORY



AIMS-GOLBAL ENGINEERING SDN BHD

AIM-Global Engineering Sdn Bhd was incorporated on 12th October 2002 and is based in Kuala Terengganu. We own operate and charter vessels to provide support for exploration, development and production activities for the offshore oil & gas industry.

Key Clients & Projects:

Clients:

- Sapurakencana Allied Marine Sdn. Bhd
- Petronas Carigali Sdn. Bhd.

Projects Name & Work Scope Summary:

- Provision of supply vessel for PCSB

Clients:

- Allied Marine Equipment Sdn. Bhd.
- Petronas Carigali Sdn. Bhd.

Projects Name & Work Scope Summary:

- Provision of supply vessel for SKO KASS SAPL

Clients:

- Ace Marine Services Sdn. Bhd.
- Hess Exploration & Production Malaysia B.V

Projects Name & Work Scope Summary:

- Provision of two(2) utility vessel as a chase boat for PGS APOLLO

Clients:

- Dayang Enterprise Sdn. Bhd.
- Petronas Carigali Sdn. Bhd.

Projects Name & Work Scope Summary:

- Provision of hook-up & commissioning of topside for tangga barat cluster development phase I



Clients:

- Malaysia Engineering & Oilfield Services Sdn. Bhd.
- Petronas Carigali Sdn. Bhd.

Projects Name & Work Scope Summary:

- Provision of accomodation vessel as replacement Duyong 1



Contact US:

AIMS-GLOBAL ENGINEERING SDN. BHD. (595546-H)
No 20 & 21, Blok B, Bestari Centre, Jalan Hiliran, 20300
Kuala Terengganu, Terengganu, Malaysia.

Telephone: +609 – 622 8848, Fax : +609 – 623 8848

Website: www.aimsglobal.com.my

Email: aims@aimsglobal.com.my

MITI Programme

Majlis Berbuka Puasa Bersama YB Menteri, 6 Julai 2015



Malaysia - China Economic Forum at One World Hotel Kuala Lumpur, 29 June 2015



Announcement

You did it!
Congratulations

Fitch's Reaffirmation of Malaysia's A- Rating

The Government welcomes Fitch Ratings' announcement reaffirming Malaysia's long-term foreign currency IDR at 'A-' and revising the Outlook upward from Negative to Stable.

The reaffirmation with a stable outlook reflects a fair and balanced view of the Government's commitment to sound macroeconomic policies and significant fiscal reforms. Fitch Ratings has acknowledged the structural reforms that the Government has undertaken, such as the subsidy rationalisation and revenue diversification, particularly the implementation of the Goods and Services Tax (GST). The Government remains resolute in strengthening public finances and will stay the course of fiscal consolidation path towards achieving a balanced budget by 2020.

The Government's transformation programmes have benefited the economy and the rakyat. These initiatives will be continued through the 11th Malaysia Plan to transform Malaysia into a high-income, inclusive and sustainable economy.

Despite Fitch's concerns on 1MDB, the clarification on its rationalisation plan and options including monetisation of its assets, clearly indicates that 1MDB will not pose a systemic risk to the financial sector. Notwithstanding the challenges in the external environment, the Malaysian economy remains resilient with the private sector driving growth. Investor confidence remains strong as seen in the over-subscription of Malaysia's US\$1.5 billion sukuk issuance in April 2015.

In our view, the latest assessment on Malaysia's credit rating is a recognition of the Government's continuous efforts in embracing structural reforms to build a sustainable, inclusive and competitive economy. It also reflects the strong economic fundamentals and the sound financial position of the country.

Ministry of Finance Malaysia, 1 July 2015

Regional Comprehensive Economic Partnership (RCEP), 12 - 13 July 2015 at Renaissance Hotel Kuala Lumpur

List of Ministers Attending RCEP Meeting:



Brunei
H.E. Pehin Dato Lim Jock Seng
Second Minister of Foreign Affairs and Trade



Cambodia
H.E. Sun Chanthol
Senior Minister and Minister of Commerce



Indonesia
H.E. Rahmat Gobel
Minister of Trade



Lao PDR
H.E. Khemmani Pholsena
Minister of Industry and Commerce



Myanmar
H.E. Dr. Kan Zaw
Union Minister of National Planning & Economic Development



Malaysia
H.E. Dato' Sri Mustapa Mohamad
Minister of International Trade and Industry



Philippines
H.E. Gregory L. Domingo
Secretary of Trade and Industry



Singapore
H.E. Lim Hng Kiang
Minister of Trade and Industry



Thailand
H.E. General Chatchai Sarikalya
Minister of Commerce



Viet Nam
H.E. Dr. Vu Huy Hoang
Minister of Industry and Trade



China
H.E. Gao Hucheng
Minister of Commerce



Japan
H.E. Yoichi Miyazawa
Minister of Economy, Trade and Industry Japan



Korea
H.E. Yoon Sang-Jick
Minister of Trade, Industry and Energy



India
H.E. Nirmala Sitharaman
Minister of State (Independent Charge) for
Commerce and Industry (Independent Charge)



Australia
The Honorable Andrew Robb Ao MP



New Zealand
The Honorable Tim Grosser
Minister of Trade



ASEAN Secretariat
H.E. Le Luong Minh
Secretary General



Penang UNESCO World Heritage Day 7 July 2015



REMEMBRANCE

MH17

May their souls rest in peace...



at your service



Name : Fazilah Hamid
Designation : Assistant Accountant
Job
Description : Consulting & monitoring -
 Managing advisory
 accounting and financial
 management.
Division : Accounts
Contact No : 603-6200 0079
Email : fazilah.hamid@miti.gov.my

Name : Nor Salina Sharuddin
Designation : Assistant Accountant
Job
Description : Financial Accounting -
 Managing processing fees
 and asset accounting.
Division : Accounts
Contact No : 603-6200 0079
Email : salina.sharuddin@miti.gov.my

Comments & Suggestions

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