

# MITI WEEKLY: BULLETINE



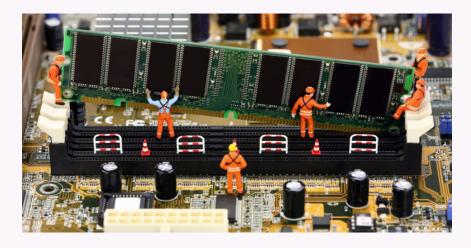
04 MAY 2016 | NO. ISSN: 2180-0448

# MITI in the News Local E&E Players Need to Upgrade Facilities & Processes to Remain Competitive in the Global Supply Chain

"For the Malaysian E&E industry to be more competitive, local industry players have no option but to upgrade their facilities and embrace automation and smart manufacturing such as the Internet of Things (IoT). Return on investments (ROI) in automation may not be apparent in the short term but, in the long term, companies will enjoy greater performance on efficiencies, improved quality products and reduced dependencies on unskilled labour. To better facilitate Malaysian-based companies to be part of the global supply chain, the Government has recently established the Electrical and Electronics Strategic Council (EESC) to strengthen and enhance the E&E industry to the next level. The focus areas include semiconductor, industrial system electronics, solar and cloud computing," said YB Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry at the Opening Ceremony of SEMICON Southeast Asia (SEA) 2016. His speech was read out by Dato' Azman Mahmud, Chief Executive Officer of Malaysian Investment Development Authority (MIDA).

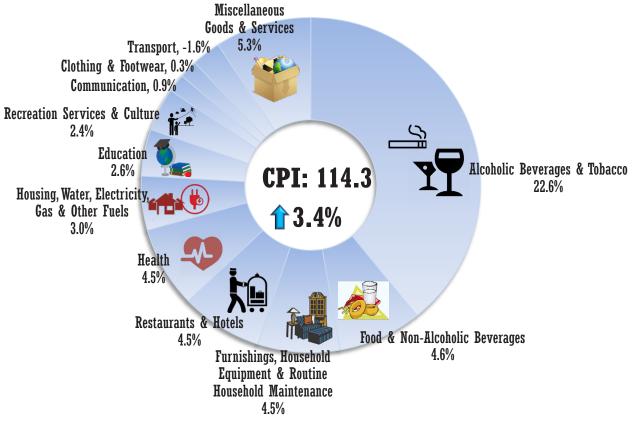
"The E&E industry is a dynamic industry that has contributed significantly to Malaysia's growth, export earnings, investments and employment. In 2015, the industry contributed 6.1% to the GDP. The E&E products in 2015 accounted for 35.6% of total exports. The semiconductor industry in particular, is the largest contributor comprising more than 40% of Malaysia's E&E exports. We are also currently the world's leading location for semiconductor assembly and test operations, accounting for more than 12% of the world installed capacity. 6 out of the 10 largest semiconductor companies in the world have established their presence in Malaysia. Growing the semiconductor sector, especially the front end will certainly spearhead the growth of the E&E industry in Malaysia," the Minister added.

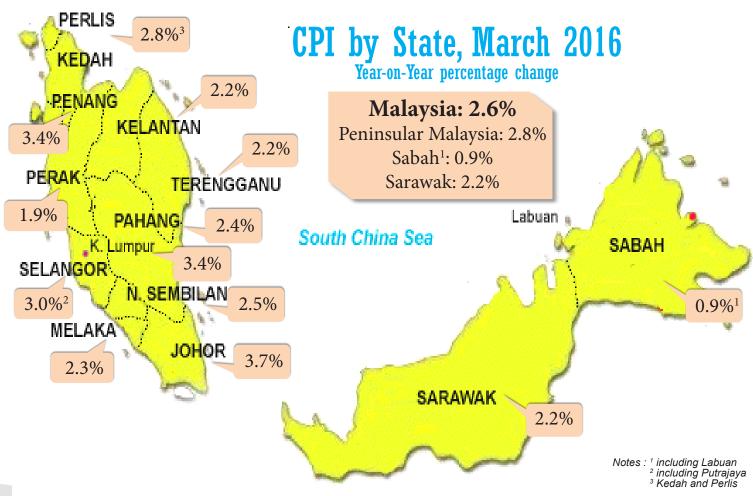
Ministry of International Trade and Industry, 26 April 2016



### Malaysia

## Consumer Price Index (CPI), Q1 2016 Year-on-Year percentage change







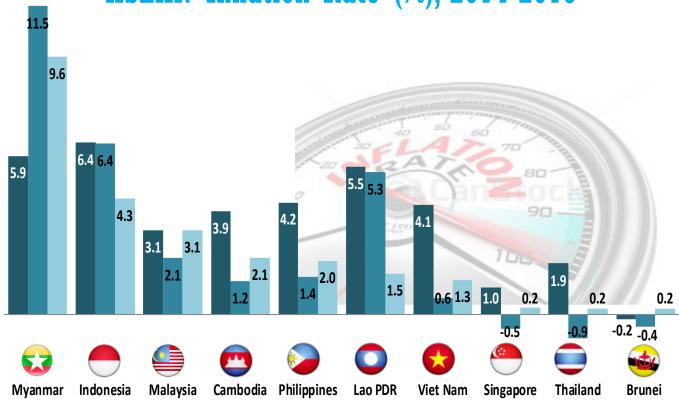
Source: Department of Statistics, Malaysia

## CPI for Main Group, March 2016 Year-on-Year percentage change

	Malaysia	Peninsular Malaysia	Sabah & Labuan	Sarawak
Total	2.6	2.8	0.9	2.2
Food & Non-Alcoholic Beverages	5.0	5.3	1.9	4.4
Alcoholic Beverages & Tobacco	22.7	22.9	23.2	18.4
Clothing & Footwear	0.0	-0.1	1.6	-0.4
Housing, Water, Electricity, Gas & Other Fuels	3.1	3.3	1.6	3.2
Furnishings, Household Equipment & Routine Household Maintenance	4.7	5.0	1.9	2.9
Health	4.2	4.3	4.4	3.5
Transport	-8.2	-8.0	-9.5	-10.5
Communication	0.9	0.9	1.3	0.1
Recreation Services & Culture	2.6	2.6	2.5	1.5
Education	2.6	2.7	1.0	1.5
Restaurants & Hotels	4.5	4.4	6.0	3.8
Miscellaneous Goods & Services	5.1	5.2	3.5	5.7

Source: Department of Statistics, Malaysia

#### **ASEAN** Inflation Rate (%), 2014-2016



**■**2014 **■**2015 **■**2016\*

Note: \* Forecast

Source: World Economic Outlook Database April 2016



#### Sarawak Economic Indicators









Non-Malaysian

Population 2,707,600 persons (2015)
-------------------------------------

15

30 50

Male
1,414,400 persons
Female
1,293,200 persons

	Total	Bumiputera	Chinese	Indians	Others	Citizens
0-14	689.3	535.9	137.2	1.7	4.5	9.9
15-29	791.6	531	159.8	2	1.7	97
30-49	703.2	474.3	159.7	2	0.9	66.3
50-64	347.1	238.2	102.6	1.1	0.5	4.7
651	176.6	120.2	53.5	0.6	0.1	2.2



Share to Malaysia GDP 10.3%

GDP Percapita
RM44,437 (current prices)

			RM billion	(constant 20	10 prices)
	2010	2011	2012	2013	2014
Services	26.0	27.9	29.6	31.3	33.2
Manufacturing	24.1	25.7	26.0	26.7	27.8
Mining & Quarrying	22.6	23.7	22.0	23.4	23.7
Agriculture	11.9	12.9	13.4	13.7	14.9
Construction	2.3	2.3	2.7	2.8	2.6



Exports RM76.4b

Imports RM14.8b

Major Exports (RM billion)				
LNG	47.1			
Palm Oil & Palm-Based products	8.1			
Wood Products	4.1			
Crude Petroleum	3.8			
Manufactures of Metal	2.8			

Major Imports (RM billion)				
Machinery, appliances & parts	3.4			
Chemicals & Chemical Products	3.1			
E & E Products	1.3			
Metalliferous ores and metal scrap	1.1			
Petroleum Products	1.0			



Source: Department of Statistics, Malaysia





#### Social

#### Average income

**RM3,835** 



**RM4,460** 

2025 Target RM10,000

#### **Employment growth**

**0.6 million** 2005



**0.78 million** 2012

2025 Target 1.43 million

#### **Environment**

Improvement of water quality for Sungai Pulai, Sungai Skudai and Sungai Tebrau





Class II

#### Low Carbon Society Project

#### October 2013

Establishment of UTM Asian Centre for Low Carbon Society: Malaysia main centre for LCS covering the whole ASEAN region



#### September 2014

Iskandar Malaysia is recognised as one of the 10 cities and regions under the United Nation SE4ALL project (Sustainable Energy for All)





#### November 2014

Recognition by the United Nations University of Regional Centre of Expertise on Education for Sustainable Development (RCE Iskandar)



#### February 2015

Hosted the Future City International Forum (1st outside Japan)

- Co-hosted the 6th High Level Seminar for Environmentally Sustainable cities
- Launched the Green Economy Guidelines (GEG) for 9 Promoted Sectors



Source: Iskandar Malaysia Report Card 2006 - 2015

## ASEAN and You'

**Merchandise Trade Ranking 2015** 

#### **Exporters**

- Singapore (14) US\$350.5b
- Thailand (21) US\$214.4b
- Malaysia (23) US\$199.9b
- Viet Nam (27) US\$162.1b
- Indonesia (30) US\$150.3b
- Philippines (45) US\$58.6b
- Cambodia (79) US\$12.0b
- Brunei (97) US\$6.6b
- Myanmar (99) US\$6.0b
- Lao PDR (126) US\$2.3b

#### **Importers**

- Singapore (16) US\$296.7b
- Thailand (22) US\$202.7b
- Malaysia (26) US\$176.0b
- Viet Nam (28) US\$166.1b
- **5** Indonesia (30) US\$142.7b
- Philippines (39) US\$69.9b
- Myanmar (82) US\$15.9b
- **8** Cambodia (86) US\$14.4b
- 9 Lao PDR (132) US\$3.7b
- **10** Brunei (147) US\$2.6b

#### **Trading Nation**

- Singapore (15) US\$647.3b
- Thailand (21) US\$417.0b
- Malaysia (24) US\$375.8b
- Viet Nam (28) US\$328.2b
- Indonesia (31) US\$293.0b
- Philippines (40) US\$128.6b
- Cambodia (82) US\$26.4b
- Myanmar (90) US\$21.9b
- **9** Brunei (118) US\$9.2b
- Lao PDR (133) US\$6.2b



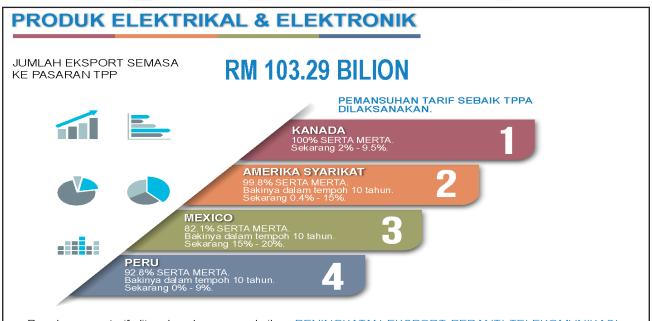
Note: Number in parenthesis is a world ranking Source: World Trade Organization





#### **NEGARA-NEGARA AHLI TPPA**





Penghapusan tarif dijangka akan menyaksikan PENINGKATAN EKSPORT PERANTI TELEKOMUNIKASI DAN PRODUK PENGGUNA KELUARAN MALAYSIA. Sektor pengeluaran produk elektrikal dan elektronik juga akan semakin rancak dalam menjana pekerjaan berpendapatan dan berkemahiran tinggi sejajar dengan Wawasan 2020.



Buku kecil TPPA di dalam versi PDF boleh di muat turun melalui pautan <a href="http://fta.miti.gov.my/miti-fta/resources/MITI">http://fta.miti.gov.my/miti-fta/resources/MITI</a> TPPA.pdf





#### **International Report**

#### Trade Performance, Q1 2016



#### Indonesia

	Value (US\$ billion)	Y-o-Y Growth (%)
Exports	33.6	-14.0%
Imports	31.9	-13.1%
Total Trade	65.5	-13.6%

#### Major Exports

Fats and oils of animal/vegetable - US\$3.9b

Mineral fuels - US\$3.3b

Jewellery/Gems - US\$2.1b

#### **Major Imports**

Machinery & mechanical equip. - US\$5.1b

Machinery & electrical equip. - US\$3.5b

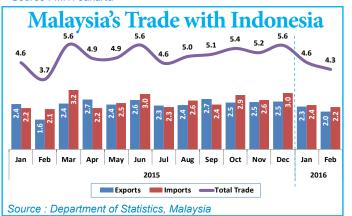
Plastics & plastic goods - US\$1.6b

#### **Major Export Destinations**

1. USA - US\$3.6b 2. Japan - US\$3.2b

3. China - US\$2.8b Malaysia - US\$2.2b

Source : MITI Jakarta





	Value	Y-o-Y
	(US\$ billion)	Growth (%)
Exports	53.8	0.9%
Imports	45.6	-12.0%
Total Trade	99.5	-5.5%

#### **Major Exports**

Motor cars, parts and accessories - US\$6.7b

Precious stones and jewellery - US\$4.7b

Automatic data processing machines and parts - US\$4.1b

#### **Major Imports**

Machinery & parts - US\$4.6b

Electrical machinery & parts - US\$4.1b

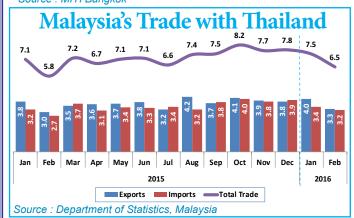
Chemicals - US\$3.4b

#### **Major Export Destinations**

1. USA - US\$5.7b 2. Japan - US\$5.5b

3. China - US\$5.2b Malaysia - US\$2.5b

Source : MITI Bangkok







## Did You Top 10 Countries with the Highest Public Debt in 2015 (% Gross Domestic Product)

	Japan	245.9%
	Greece	197.0%
	Eritrea	137.6%
	Italy	133.1%
	Lebanon	132.4%
	Portugal	127.8%
	Jamaica	124.8%
* * * * * * *	Cape Verde	124.7%
	Bhutan	115.9%
	Gambia	107.7%
	Belgium	106.3%

Note: By looking at level of gross government debt as a percentage of GDP, it can indicate how able a country is to pay back debts without incurring further debt.

Source: http://www.statista.com/statistics/268177/countries-with-the-highest-public-debt/



### Number and Value of Preferential Certificates of Origin (PCOs) Number of Certificates (Provisional data)

	6 Mar 2016	13 Mar 2016	20 Mar 2016	27 Mar 2016	3 Apr 2016	10 Apr 2016	17 Apr 2016	24 Apr 2016
AANZFTA	800	755	899	985	725	816	827	824
AIFTA	588	673	566	641	592	684	680	745
AJCEP	212	201	150	241	189	160	139	200
ATIGA	5,227	4,551	4,586	4,674	4,510	4,262	4,068	4,536
ACFTA	1,642	1,598	1,354	1,425	1,889	1,530	1,483	1,631
AKFTA	921	838	827	890	954	753	853	820
MICECA	308	384	350	320	300	327	332	316
MNZFTA	16	0	5	9	8	6	10	5
MCFTA	71	33	57	65	64	52	67	43
MAFTA	489	461	349	447	430	400	364	361
MJEPA	989	766	708	926	797	823	711	729
MPCEPA	150	156	173	159	176	167	178	148
GSP	149	129	139	89	156	117	119	136
MTFTA	259	196	162	252	181	269	137	196

Notes: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.



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)



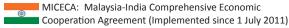
AKFTA: ASEAN-Korea Free Trade Agreement (Implemented since 1 July 2006)

**(S)** 

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

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



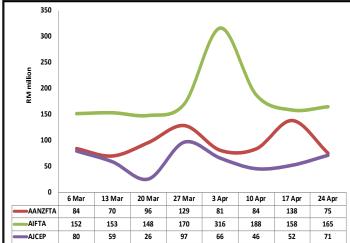
MNZFTA: Malaysia-New Zealand Free Trade Agreement (Implemented since 1 August 2010)

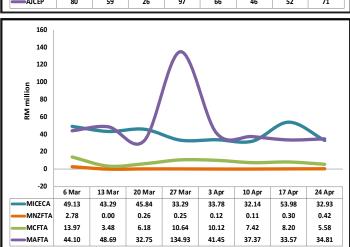
MCFTA: Malaysia-Chile Free Trade Agreement (Implemented since 25 February 2012)

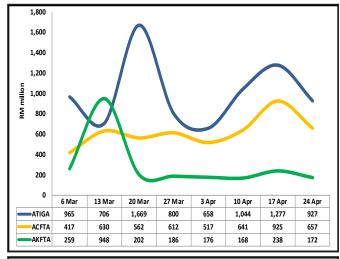
MAFTA: Malaysia-Australia Free Trade Agreement (Implemented since 1 January 2013)

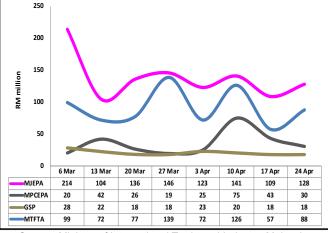
MTFTA: Malaysia-Turkey Free Trade Agreement (Implemented since 1 August 2015)

#### **Value of Preferential Certificates of Origin**





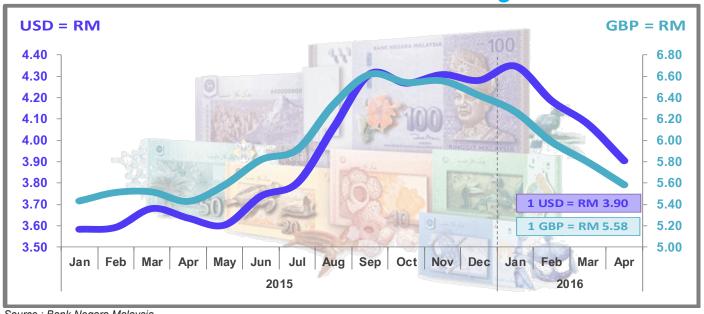




Source: Ministry of International Trade and Industry, Malaysia

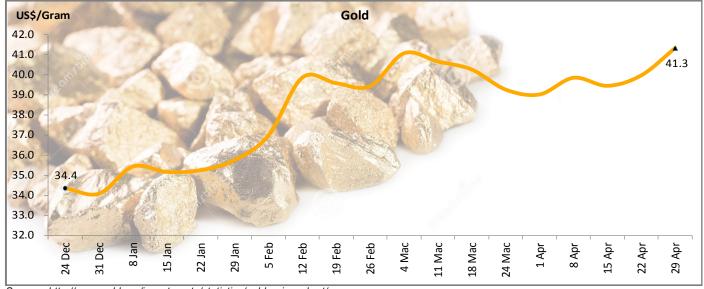


## Malaysian Ringgit Exchange Rate with US Dollar and Pound Sterling



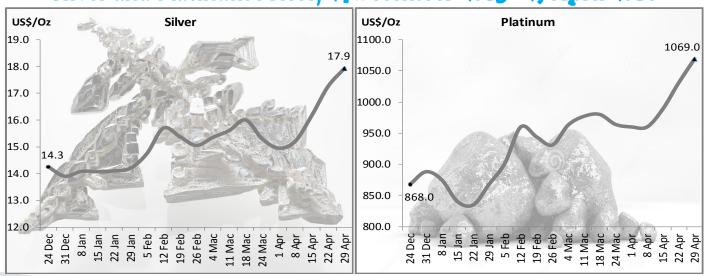
Source : Bank Negara Malaysia

#### Gold Prices, 24 December 2015 - 29 April 2016



Source: http://www.gold.org/investments/statistics/gold\_price\_chart/

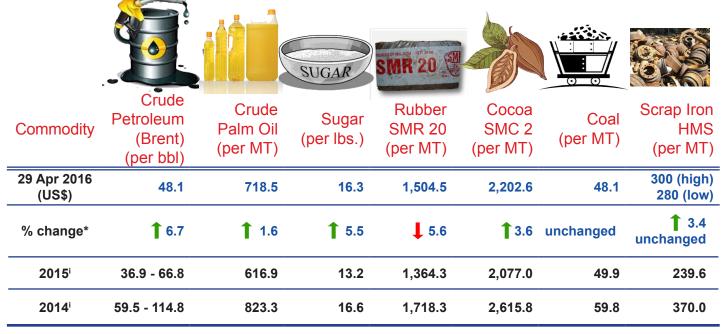
#### Silver and Platinum Prices, 24 December 2015 - 29 April 2016





http://online.wsj.com/mdc/public/page/2\_3023-cashprices.html?mod=topnav\_2\_3023

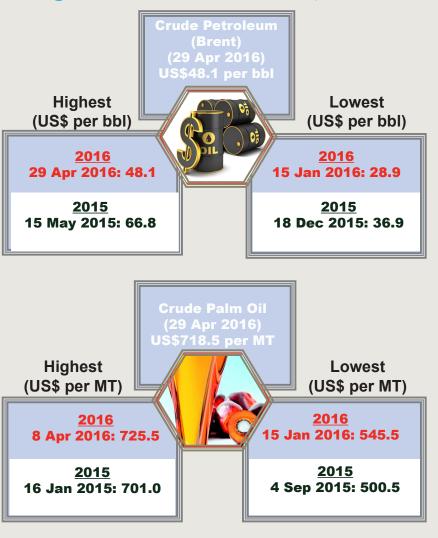
#### **Commodity Prices**



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 availble



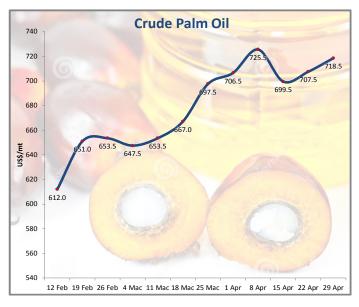


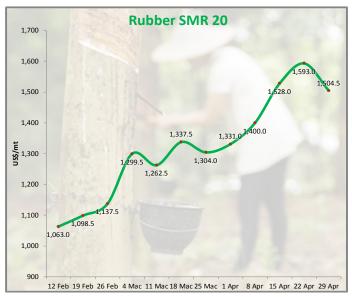


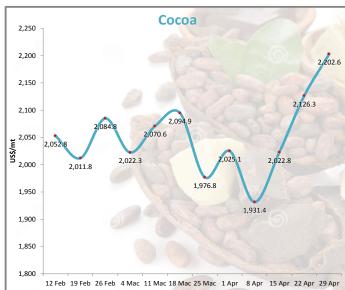
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

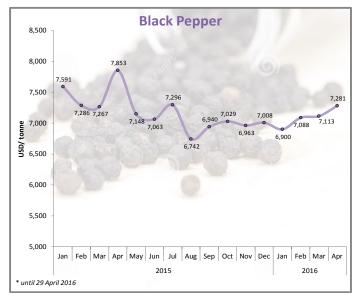


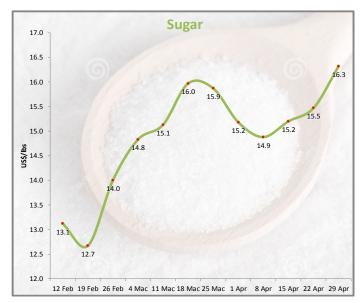
#### **Commodity Price Trends**

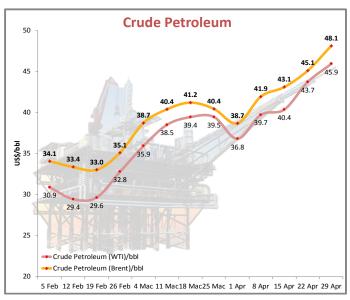








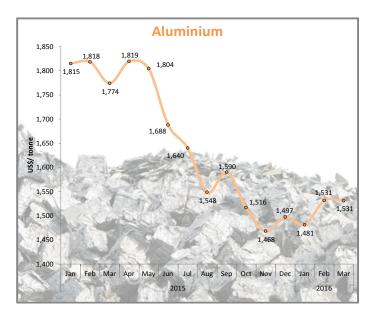


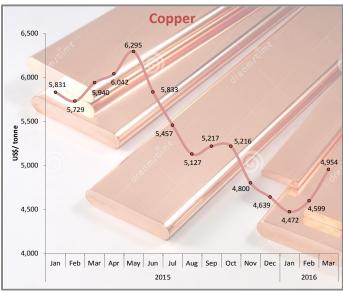


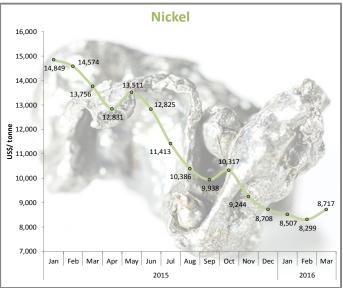
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank.

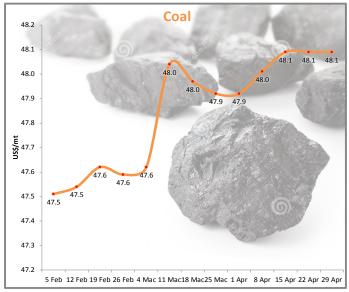


#### **Commodity Price Trends**

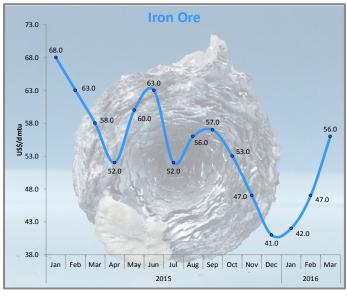












Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank.







#### **Kewpump (M) Sdn Bhd**

As its name suggests, Kewpump (M) Sdn Bhd is a pump manufacturer which provides quality and innovative pumping solutions for various usage. What started as a small family business in 1988 is now one of the leaders in the pump industry in South East Asia.

Kewpump is the pioneer in manufacturing stainless steel centrifugal pumps in Malaysia. The company's array of pump solutions are widely used across industries including palm oil, chemical, water, and various general applications, where reliable and robust pump performance is required.

With its headquarters in Ipoh, Perak, Kewpump has three manufacturing facilities around the city. Its comprehensive plats perform the full scope of manufacturing process from the design of part, costing, machining, assembly, and testing of its products, using the latest technologies. The company has attained the ISO 9001:2000 certification and believes in creating value for its customers, by producing high quality and affordable pump solutions.



Kewpump's core values and its high quality products have successfully enlarged its market share in Malaysia, as well as abroad. More than 55% of its products are exported to 22 countries throughout Asia, South America, Africa, Europe and others. In 2008, Kewpump received the Certificate of Excellent for Exports under the Malaysia Industry Excellence Awards, in recognition of its achievements in the export sector. Kewpump is also the recipient of The Brand Laureate – SME Chapter 2007 & 2008 Award for its brand excellence under the category of Manufacturing-Pump Equipment.



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Email: enquiry@kewpump.com.my Website: www.kewpump.com.my



#### **MITI Programme**

## **Breakfast Meeting with French Companies**28 April 2016













## MITI Secretary General-Visit to Westports and Officiation of Terminal 8, 28 April 2016

















#### **Announcement of Bank Negara Malaysia Governor** by Prime Minister Najib Razak

The Yang di-Pertuan Agong, advised by the Prime Minister, has today appointed Datuk Muhammad Ibrahim as the Governor of Bank Negara Malaysia for a term of 5 years, starting on 1st of May 2016.

I'm confident that under his leadership, Bank Negara Malaysia will continue assisting the government with advice to further strengthen Malaysia's economy, as well as managing monetary policy, and regulating and developing the financial services industry.



Datuk Muhammad Ibrahim has been Deputy Governor of Bank Negara Malaysia since 2010. He holds a master's degree from Harvard University.

On behalf of the Government of Malaysia, I would like to thank Tan Seri Dato' Seri Dr. Zeti Akhtar Aziz for her excellent contributions during her tenure as the 7th Governor of Bank Negara Malaysia.

Bank Negara Malaysia, 27 April 2016



ANNOUNCEMENT BY HONOURABLE PRIME MINISTER IN THE 2016 BUDGET SPEECH
[ 23rd OCTOBER 2015 ]

MINIMUM WAGES RATES: RM1,000 IN PENINSULAR MALAYSIA OR RM920 IN SABAH, SARAWAK AND FEDERAL TERRITORY OF LABUAN COMES INTO OPERATION ON 1st JULY 2016





#### MINIMUM WAGES PORTAL MINISTRY OF HUMAN RESOURCES MALAYSIA





National Minimum Wages For All Employees In The Private Sectors

Private sectors employers in Malaysia are required to pay minimum wages to employees. For more information about the new minimum wages policy, click the appropriate category below.

Find out more in Minimum Wages Portal





#### MITI Weekly Bulletin (MWB) Mobile Apps

MITI MWB APPs is now available for IOS, Android and Windows platforms. MWB APPs can be download from <u>Gallery of Malaysian Government Mobile APPs</u> (GAMMA) by following simple step as provided below:











Name : Salbiah Idris

Designation : Senior Assistant Director

Job Description : Approving the AP application of Vehicles Unit 1 -

Open 1 Sub Unit

Division : Trade and Industry Support

Contact No : 603-6208 4712

Email : salbiah@miti.gov.my





Name : Zakirah Mohd Azamli Designation : Assistant Director

Job Description : Approving the AP application of Vehicles Unit 1 -

Open 2 Sub Unit

Division : Trade and Industry Support

Contact No : 603-6208 4709

Email : zakirah.azamli@miti.gov.my

#### **Comments & Suggestions**

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Kindly click the link below for any comments in this issue. MWB reserves the right to edit and republish letters as reprints.

http://www.miti.gov.my/index.php/forms/form/13



