



Ministry of International Trade and Industry

Weekly Bulletin

DRIVING TRANSFORMATION, POWERING GROWTH

VOLUME 471

6 FEBRUARY 2018 | NO. ISSN: 2180-0448

CONTRIBUTION OF SWEDISH COMPANIES TO THE MALAYSIAN ECONOMY

I wish to congratulate Swedish Embassy in Kuala Lumpur and Team Sweden in Southeast Asia for the successful hosting of the Sweden-Southeast Asia Business Summit 2018. I am delighted that they have chosen Malaysia as the venue for the second installment of this Summit, following the inaugural one that was held in Singapore in 2016. The decision to have it in Malaysia is testament of our country's economic potential. It also sends a strong signal of confidence that the Swedish business community places in doing business in Malaysia and making us as the gateway for them to penetrate the wider Southeast Asian market.



Sweden is at the forefront of innovation — it has been investing 3.5% of its GDP in Research & Development. Its innovative products have constantly reshaped the world —from Ericsson's first handset phone to solar safe water system, free call through Skype and online music with Spotify. With the impending changes brought about by Industry 4.0, Malaysia is keen to partner with Sweden in developing our knowledge economy which is vital to long-term productivity and competitiveness, and thereby to growth and future prosperity.

Over the years, Swedish companies have contributed significantly to Malaysia's economic development. From 1980 until September 2017, 126 manufacturing projects which involve participation from Sweden with total investments of RM2.7 billion were approved — creating over 8,200 employment opportunities in the country.

About 15 Swedish companies have established their regional hub in our Malaysia. Among the prominent companies include:

- **IKEA** will also invest over RM900 million to establish its Regional Distribution and Supply Chain Centre in Malaysia — the third largest globally. This Centre, once completed will provide support to retailers in Singapore, Thailand, Indonesia, Vietnam, the Philippines and India.
- **Volvo** Car Malaysia with investment close to RM170 million since 1969 and employing around 900 workers. The company exports 50% of its energy-efficient vehicles that were produced here.
- **Brame**, the industry's most experienced spreader manufacturer which has invested RM300 million and created 700 job opportunities. It exports 96% of its products from Malaysia.
- **ABB Malaysia** with investment worth RM13 million and workforce of 640 people. The company has been manufacturing switchgears, capacitors and various electrical products in Malaysia
- **SKF Bearing** has invested over RM400 million and employing around 540 workers. The company produces industrial bearings in which 75% of its products are being exported from Malaysia.
- **Husqvarna** a manufacturer of outdoor power products which has invested over RM230 million. The company also provides sales, marketing and technical support services across the Asia Pacific region.

A total of 25 implemented manufacturing projects with Swedish participation are capitalizing on Malaysia as the base to export over 50% of their products. Majority of them are in the machinery & equipment, chemical and wooden products. We hope to invite more Swedish companies to capitalize on our major infrastructure developed over the last few years and make Malaysia as their center for global distribution.

These quality investments have benefited and will continue to benefit Malaysia on multiple fronts — in terms of jobs creation, transfer of technology, business opportunities for local suppliers and act as the catalyst for economic growth in the areas where they are operating. While Malaysia and Sweden share similar commitment to openness, we also hold the belief that inclusive economic development must be promoted. We hope to strengthen this close relationship with the Swedish business community as we forge ahead.

Dato' Sri Mustapa Mohamed
6 February 2018

MEDIA STATEMENT

MALAYSIA SET TO BECOME AN INTEGRAL PART OF THE GLOBAL AEROSPACE SUPPLY CHAIN

Malaysia continues to strengthen its position at the global aerospace arena through its participation at the Singapore Airshow 2018. Malaysia's presence at Asia's largest aerospace and defence event is important to highlight and promote our capabilities, world class infrastructure and aerospace ecosystem to the world. As an emerging aerospace outsourcing destination in South East Asia, Malaysia aims to attract quality aerospace investments as well as developing strategic partnership with global aerospace players.

The Malaysian Pavilion hosted by the National Aerospace Industry Coordinating Office (NAICO), Ministry of International Trade and Industry (MITI) will showcase Malaysia's capability and strength as part of the global aerospace supply chain. The Pavilion highlights an inter-agency collaboration between NAICO, SME Corporation Malaysia, Malaysia External Trade Development Corporation (MATRADE), Malaysian Investment Development Authority (MIDA), Invest Selangor and Malaysian aerospace industry players namely Malaysia Aerospace Industry Association (MAIA), Malaysia Airports Holdings Berhad (MAHB), Aerospace Malaysia Innovation Centre (AMIC), Asia AeroTechnic and Aviation Group.

The Malaysian delegation also includes 18 small and medium enterprises (SMEs) currently being groomed by SME Corporation Malaysia under the Economic Transformation Program (ETP) known as Entry Point Project No 8 (EPP8): Developing SMEs in the Global Aerospace Manufacturing Industry Programme. The SMEs will be exposed to the dynamic and evolving nature of the aerospace sector globally, and will have the opportunity to position themselves to address future needs of the global aerospace industry.

With more than 50 Malaysian delegates participating in the Airshow from 6 - 11 February 2018, the Deputy Secretary General (Industry), MITI, Datin K. Talagavathi said, "Malaysia's presence in international aerospace events have been promising and gaining momentum in recent years. The increase in demand for Malaysia to cater to the growing global market has prompted us to accelerate our capabilities development in order to remain competitive at the global level".

She added that NAICO has been aggressively promoting the development of the Malaysian aerospace industry based on the Malaysian Aerospace Industry Blueprint 2030. Since the implementation of the blueprint, Malaysia has secured several new projects through its local champions namely UMW Aerospace and CTRM Aero Composites. The products to be delivered from Malaysia by these companies include Engine Fan Casing for Rolls-Royce and A350 Fan Cowl.

A number of Memorandum of Understanding (MoU) and Memorandum of Agreement (MoA) exchanges will be held at the Malaysia Pavilion between Malaysian aerospace players and their global partners. Among the exchange include:

- Malaysia Airport Holdings Berhad (MAHB) and Axis – REIT focusing on building an industrial manufacturing facility for Senior Aerospace UPECA at the Subang Aerotech Park;
- MAHB with Skyways Technics, a company based in Denmark with over 30 years of maintenance experience in ATR aircrafts. The MoA focuses on collaboration efforts to facilitate Skyways Technics expansion plan within the Malaysia Airports aerospace ecosystem spanning the Subang Aerotech Park; and
- MAHB with Asian Business Aviation Association (AsBAA) to support positioning of Subang as Regional Business Aviation Hub under Subang Regeneration Exercise.

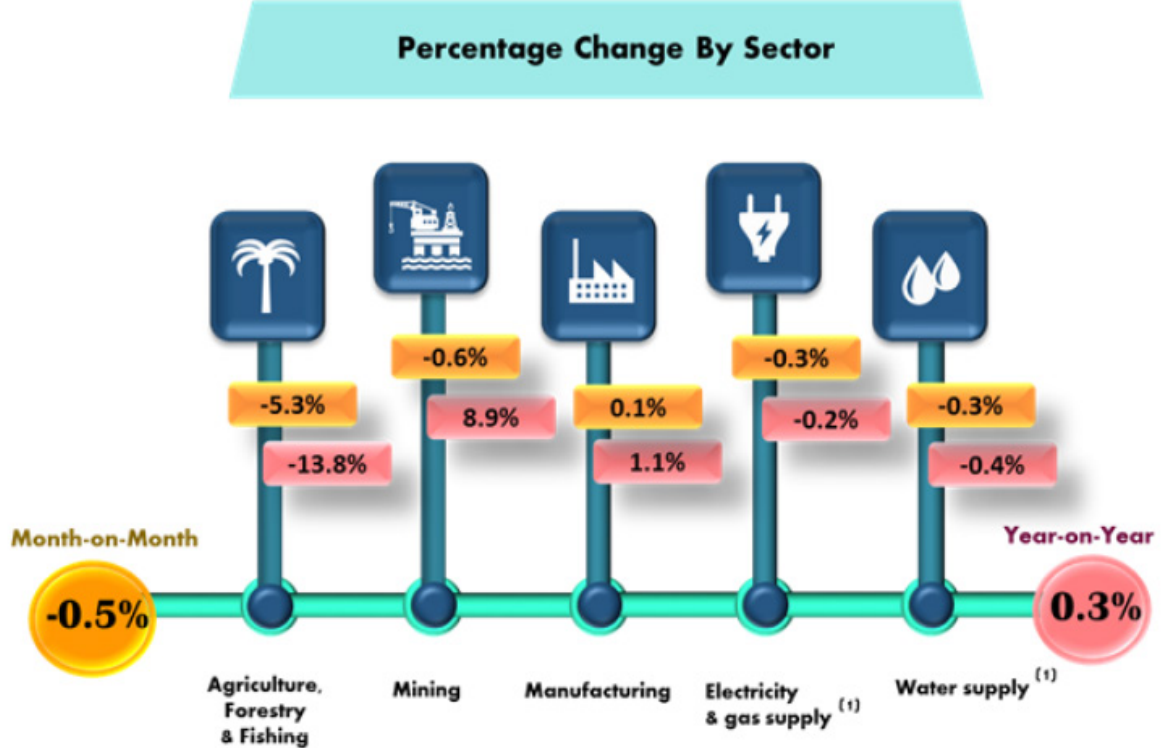
NAICO and MITI agencies namely MIDA, MATRADE and SME Corporation Malaysia will continue to facilitate the implementation of all projects that will contribute to attracting more aerospace investments, accelerate export of aerospace products and services, enhancement of the local supply chain and talent development.

Malaysia's active participation in the Singapore Airshow 2018 shows our commitment in becoming an integral part of the global aerospace eco-system. Our aim is to promote the Malaysian aerospace industry globally and to further develop our local supply chain comprising both international and local industry players. Malaysia also desires to bring in cutting-edge technology to the country in line with the country's Industry 4.0 initiative towards enhancing Malaysia's competitiveness at the global arena.

Ministry of International Trade and Industry
5 February 2018

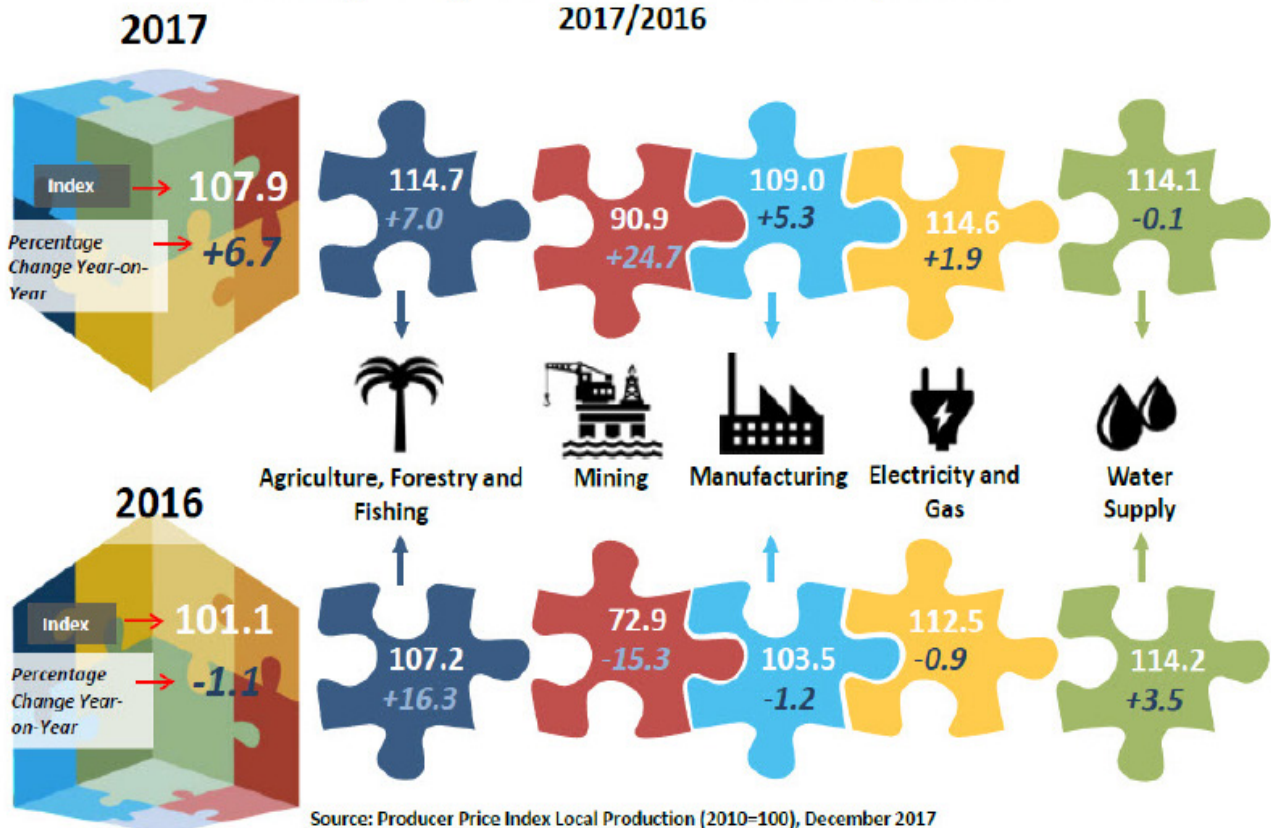
MEDIA RELEASE

Producer Price Index (PPI), December 2017



Note: ⁽¹⁾The price used in the calculation of the index refers to the net transaction prices for sales of output received by producers

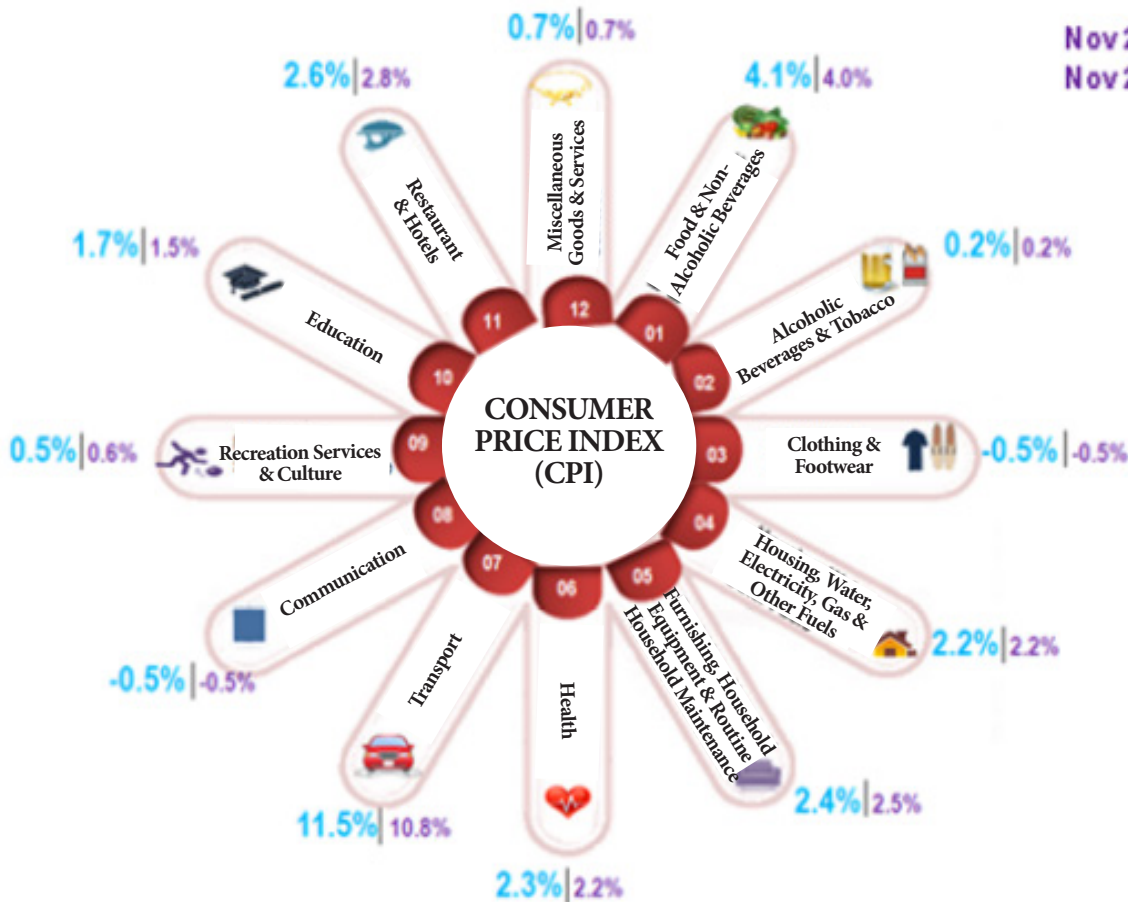
Percentage change of PPI for the period January-December 2017/2016



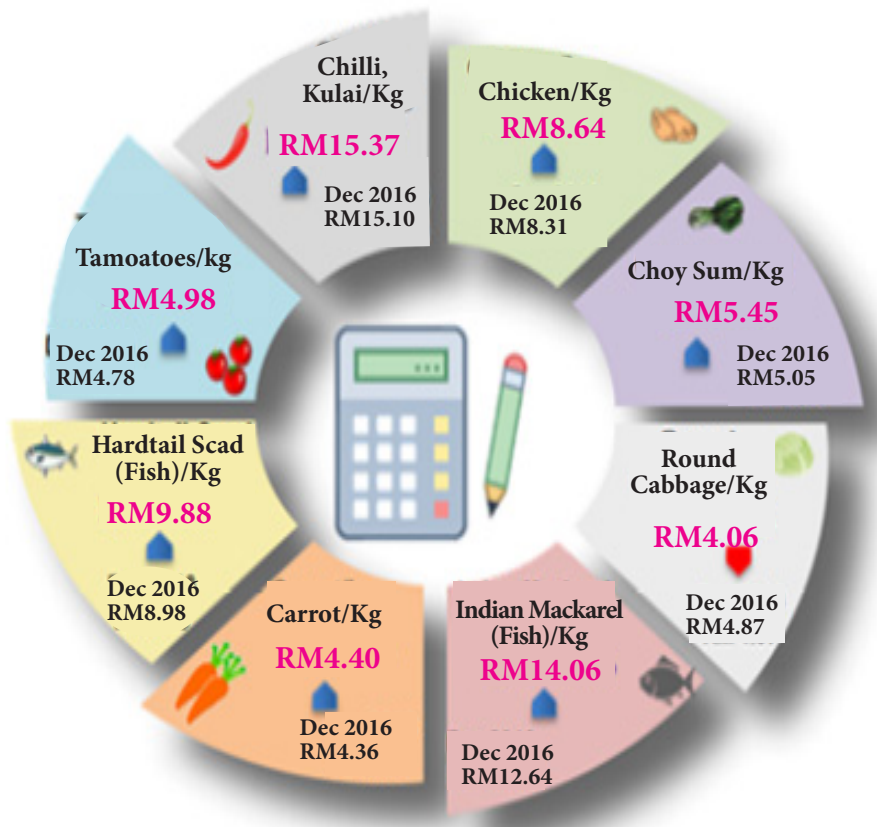
Source: Department of Statistics, Malaysia

Consumer Price Index (CPI), December 2017

CPI rose 3.5% in December 2017 as compared to December 2016



Percentage Change by Main Groups, December 2017/ December 2016
3.5%



Average prices for selected items in Malaysia (Year-on-Year, in RM)

Source: Department of Statistics, Malaysia

International Report

Malaysia as the Largest Exporter of Copper powders, of lamellar structure, and flakes of copper 2016



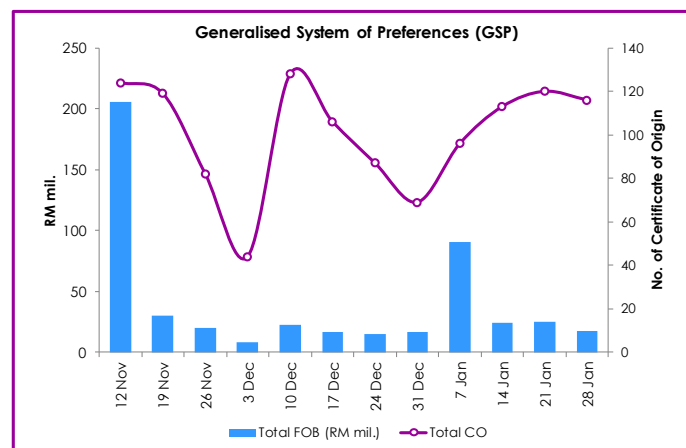
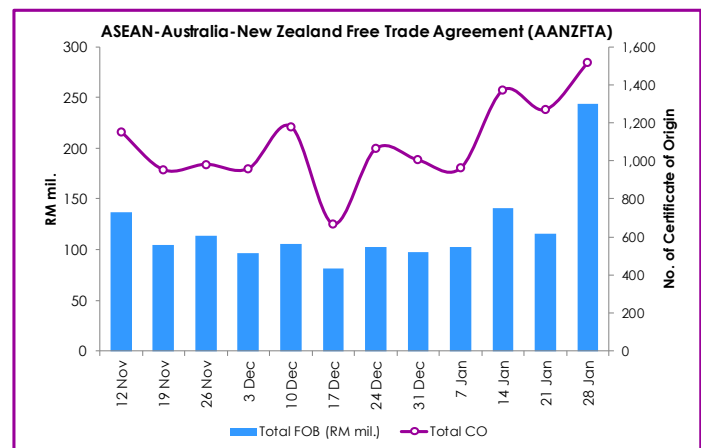
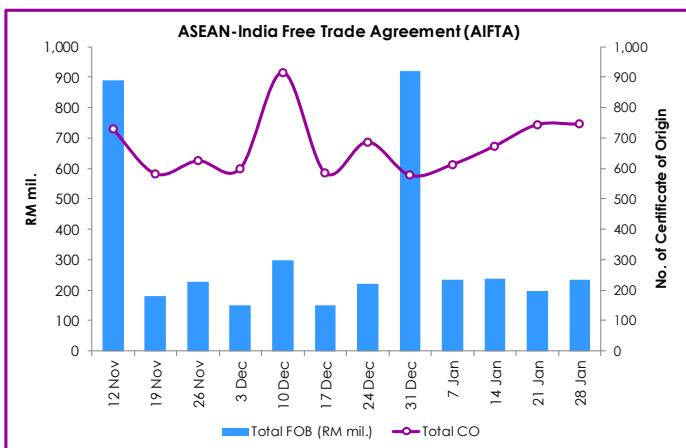
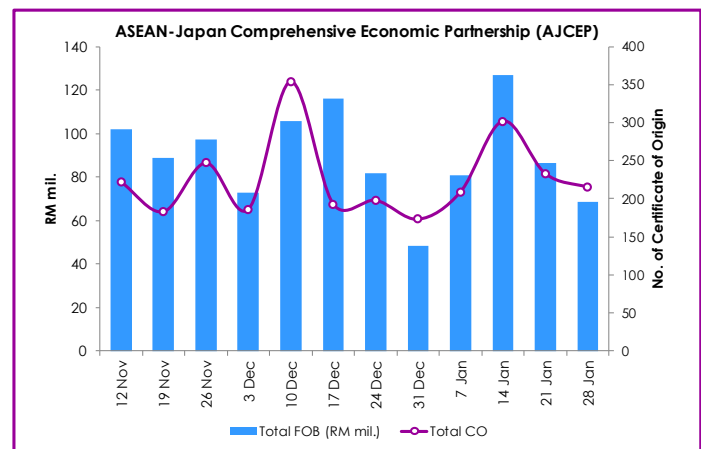
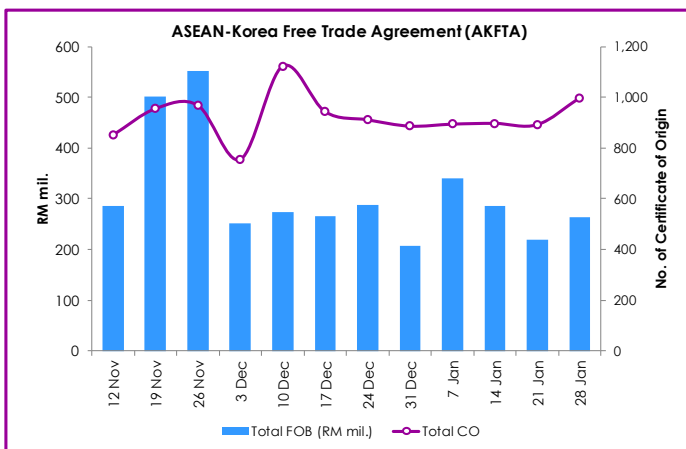
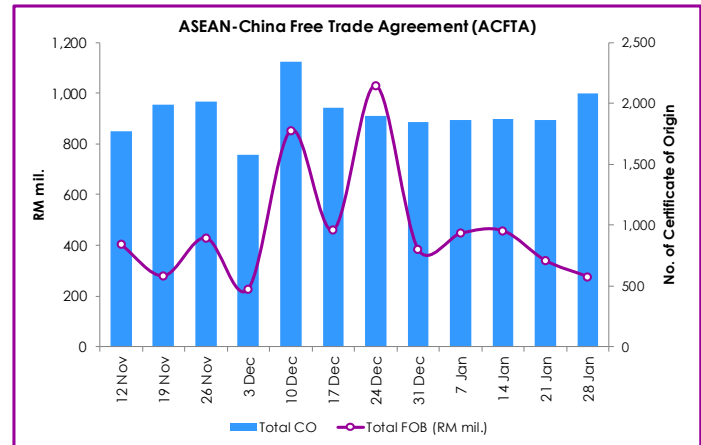
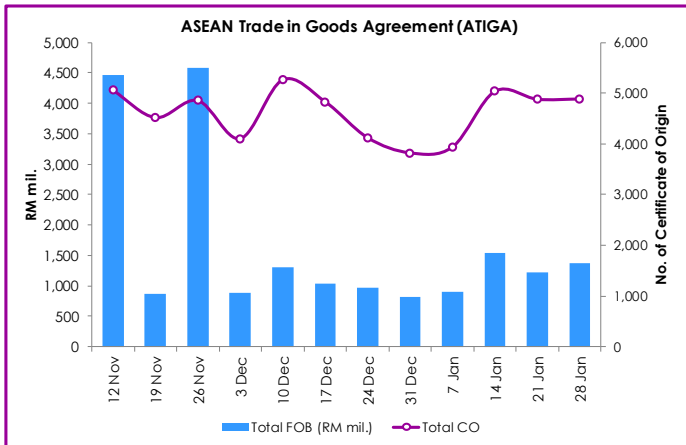
TOP 5 Malaysia's Export Destinations



Note : Refers to HS740620

Source : <http://www.trademap.org/Index.aspx>

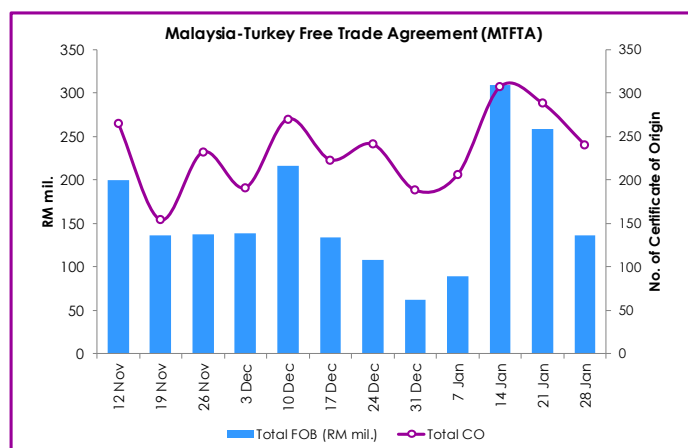
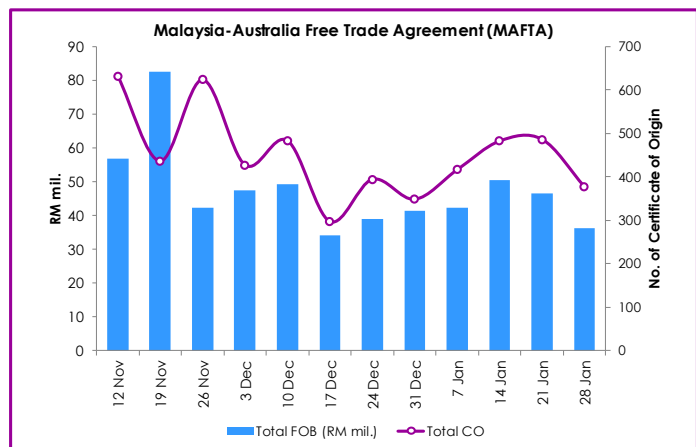
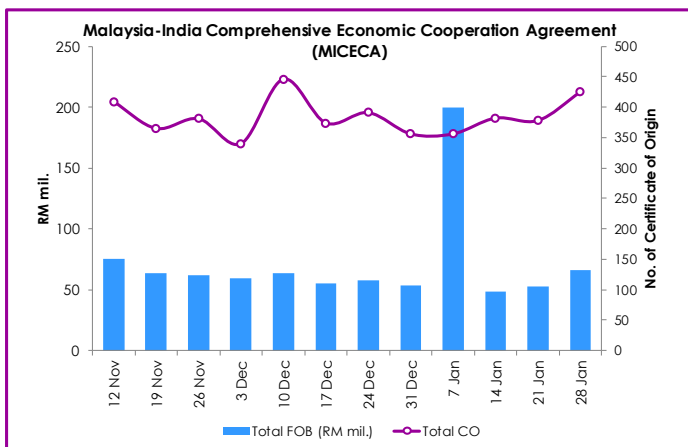
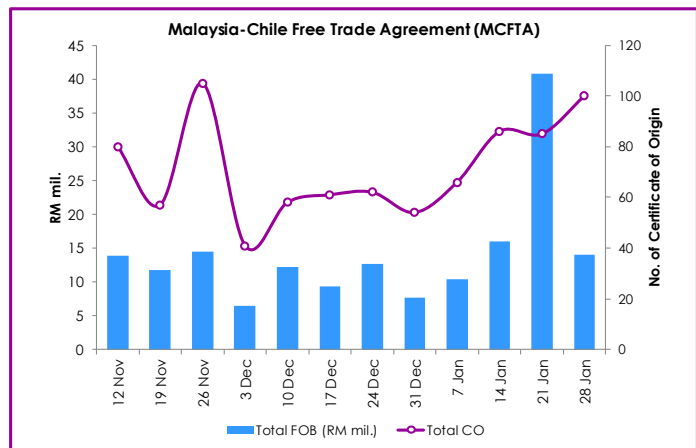
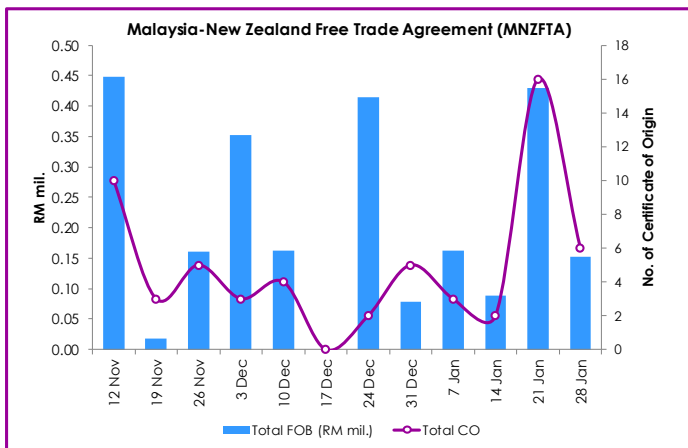
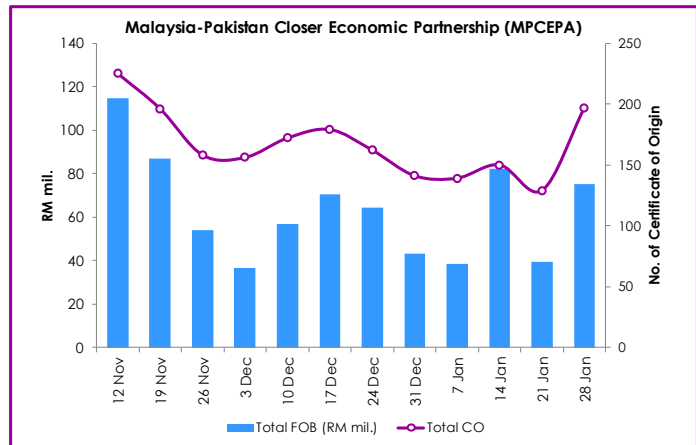
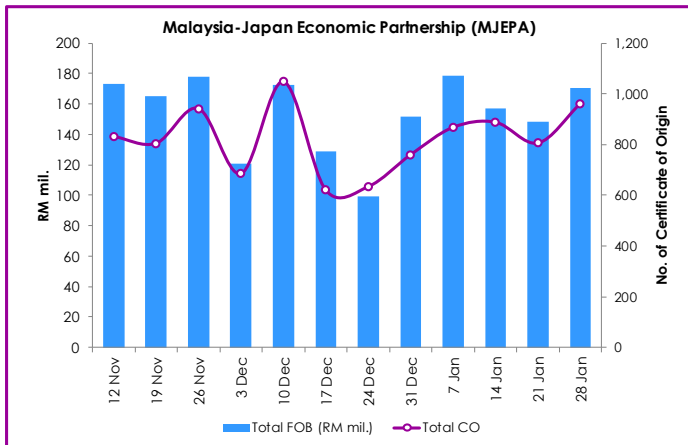
Number and Value of Preferential Certificates of Origin (PCOs)



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

Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

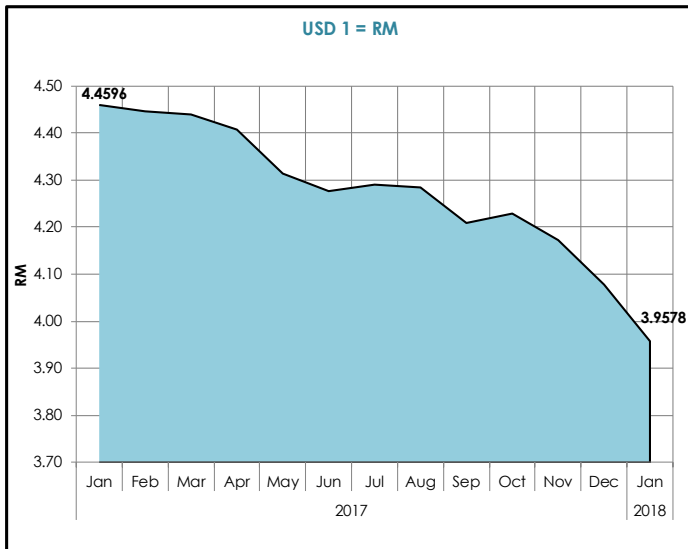
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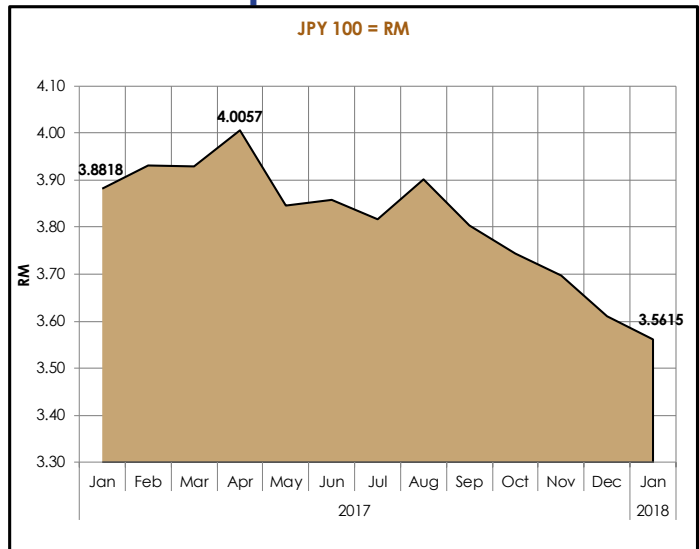
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

Malaysian Ringgit Exchange Rate with Selected Countries, January 2017 - January 2018

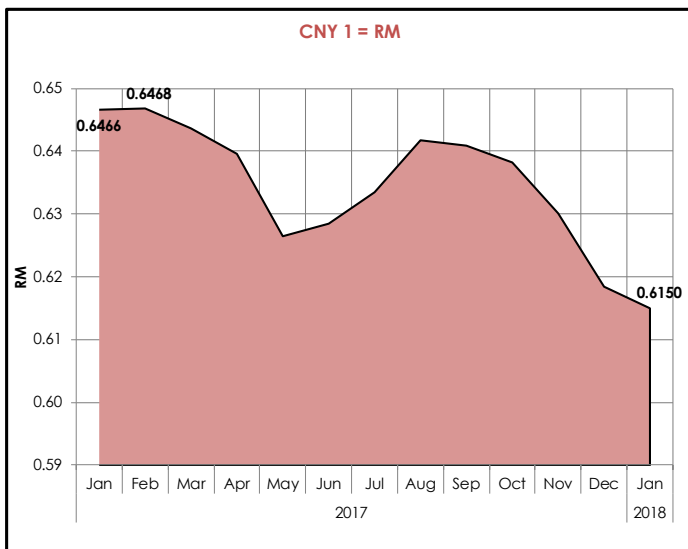
US Dollar



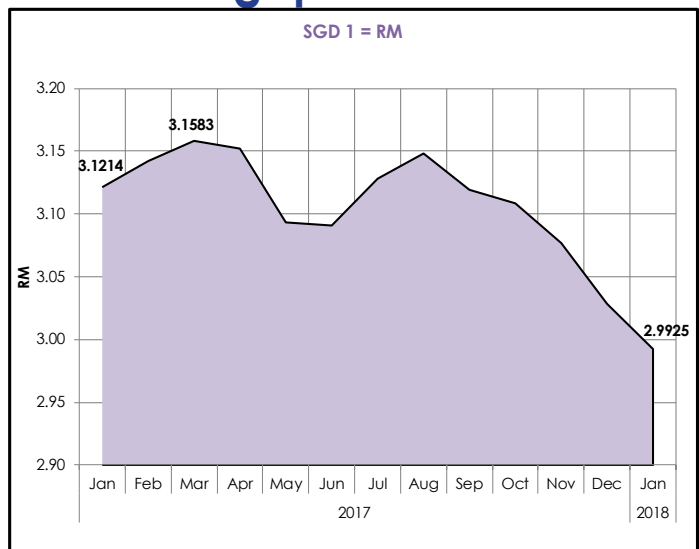
Japanese Yen



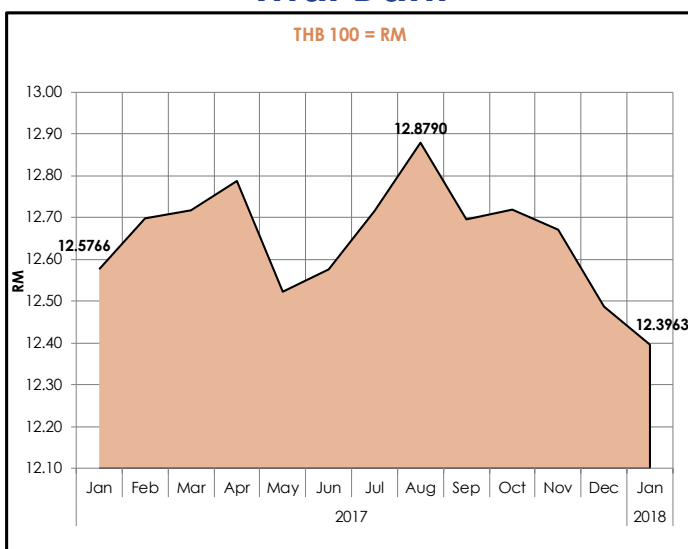
Chinese Yuan



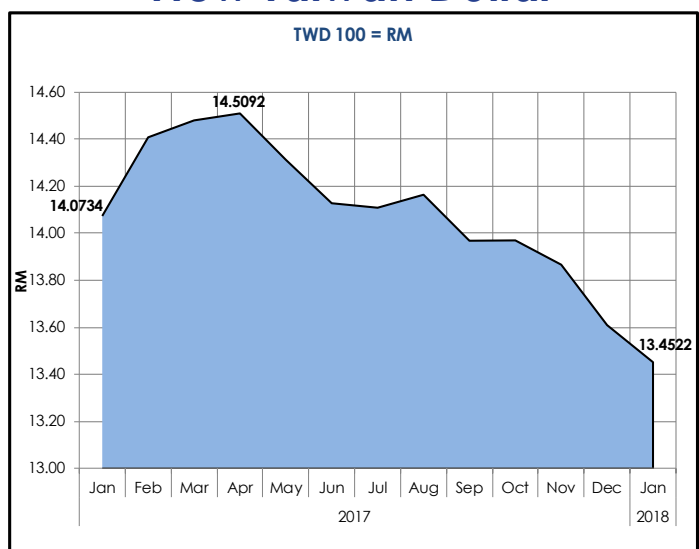
Singapore Dollar



Thai Baht



New Taiwan Dollar



Source : Bank Negara Malaysia

Commodity Prices



CRUDE PETROLEUM (BRENT) -per bbl-

2 Feb 2018 : US\$68.6, ▼ 2.8%*
Average Priceⁱ : 2017: US\$55.0
2016: US\$45.3



CRUDE PALM OIL -per MT-

2 Feb 2018 : US\$671.0, ▲ 0.8%*
Average Priceⁱ : 2017: US\$719.7
2016: US\$702.2



SUGAR -per lbs-

2 Feb 2018 : US¢ 13.6, ▲ 2.0%*
Average Priceⁱ : 2017: US¢15.8
2016: US¢18.2



RUBBER SMR 20 -per MT-

2 Feb 2018 : US\$1,497.0, ▼ 3.2%*
Average Priceⁱ : 2017: US\$1,646.6
2016: US\$1,394.5



COCOA SMC 2 -per MT-

2 Feb 2018 : US\$1,401.6, ▲ 2.5%*
Average Priceⁱ : 2017: US\$1,439.0
2016: US\$1,609.8



COAL -per MT-

2 Feb 2018 : US\$64.8, ▲ 0.4%
Average Priceⁱ : 2017: US\$57.2
2016: US\$45.6



SCRAP IRON HMS -per MT-

2 Feb 2018 : US\$390.0 (high), ▼ 2.5%*
US\$370.0 (low), ▼ 2.6%*
Average Priceⁱ : 2017: US\$314.5
2016: US\$243.2

HIGHEST and LOWEST 2017/2018

Crude Petroleum (Brent) -per bbl-

Highest

26 Jan 2018 : US\$70.5
29 Dec 2017 : US\$66.9



Lowest

5 Jan 2018 : US\$67.6
23 June 2017 : US\$45.5

Crude Palm Oil -per MT-

Highest

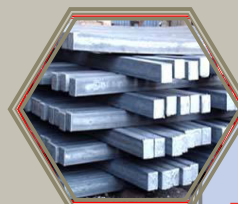
12 Jan 2018 : US\$687.5
20 Jan 2017 : US\$843.0



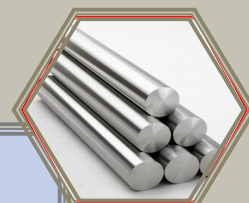
Lowest

26 Jan 2018 : US\$666.0
30 June 2017 : US\$650.0

Domestic Prices 2 Feb 2018



Billets
(per MT)
RM2,300 – RM2,400

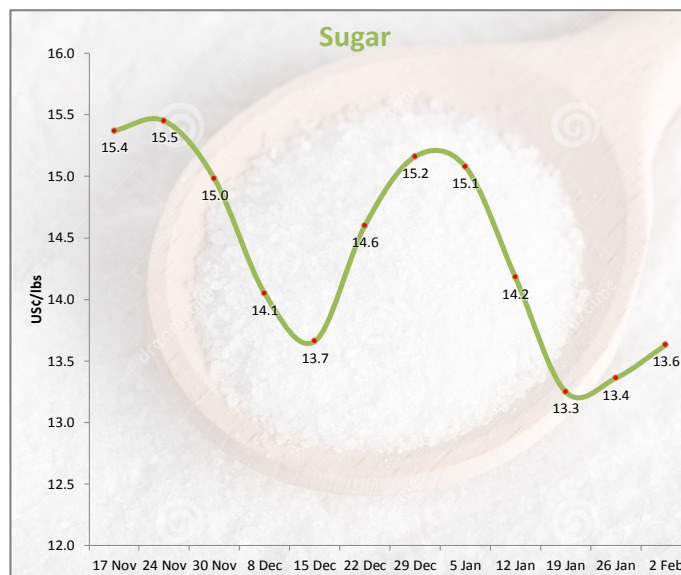
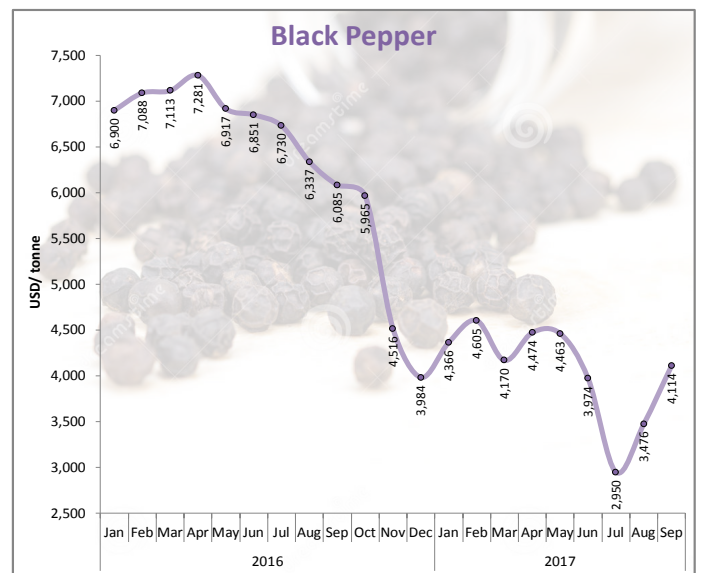
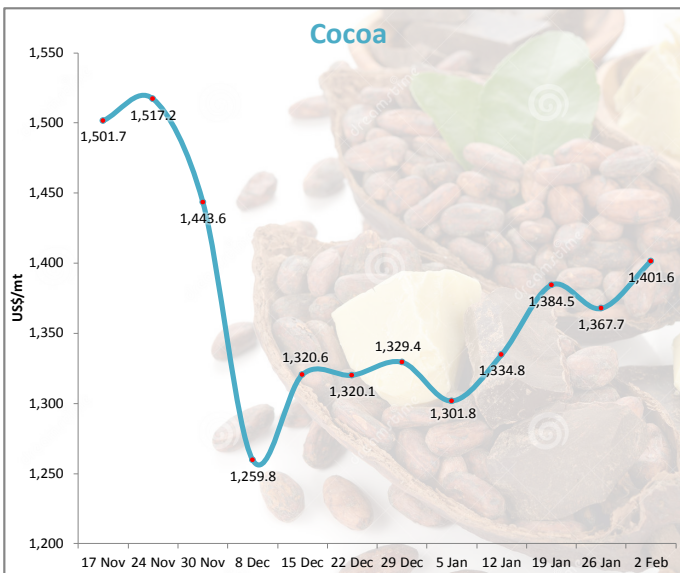
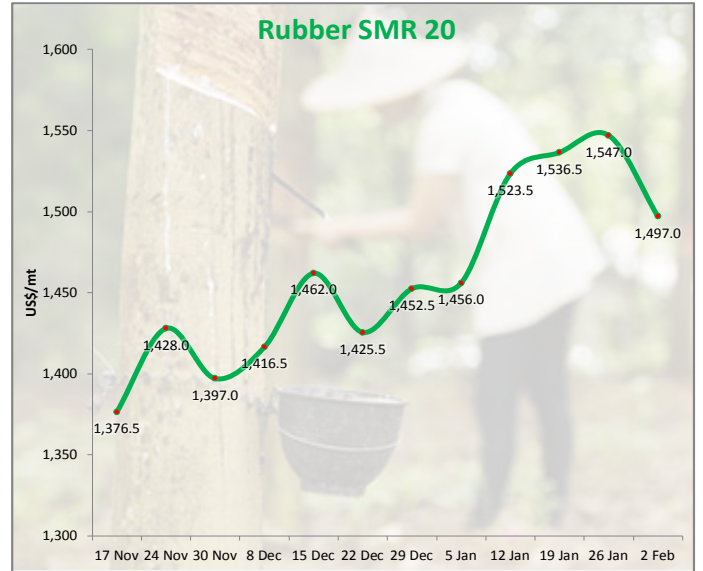
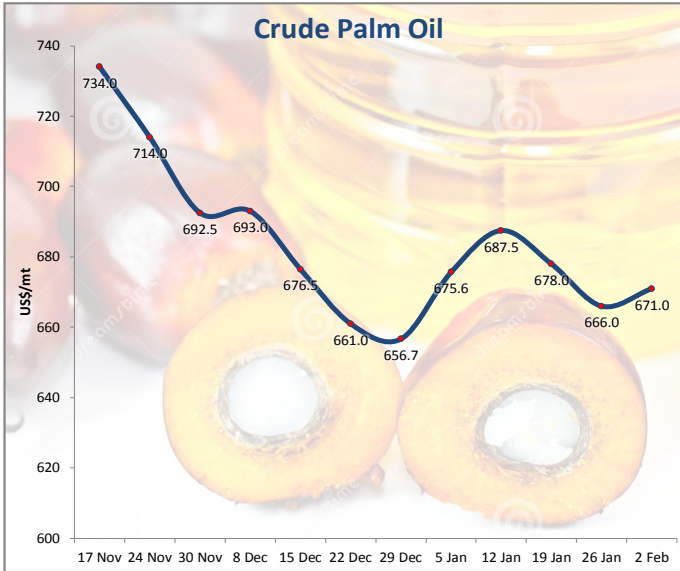


Steel Bars
(per MT)
RM2,600 – RM2,750

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

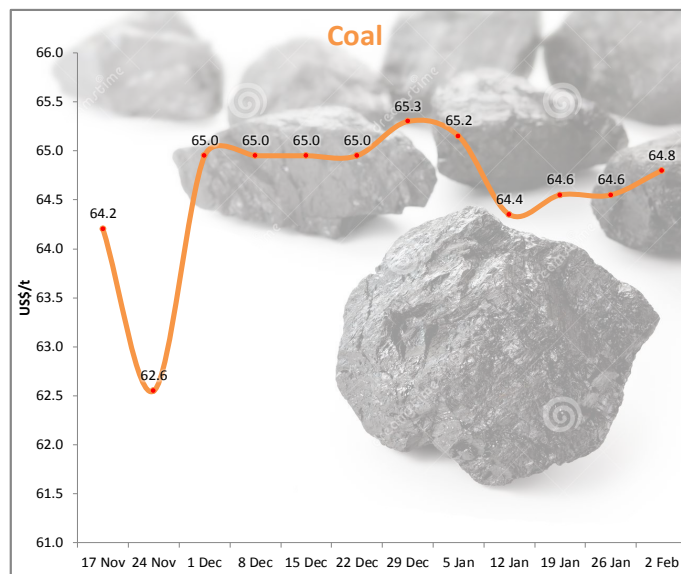
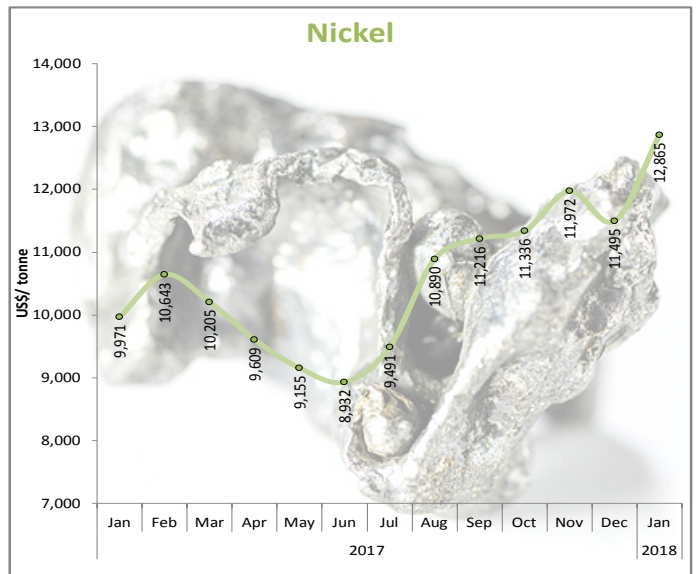
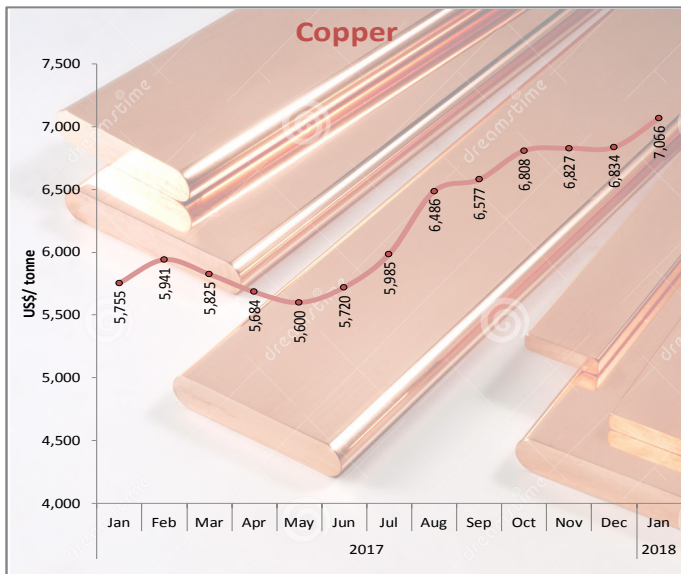
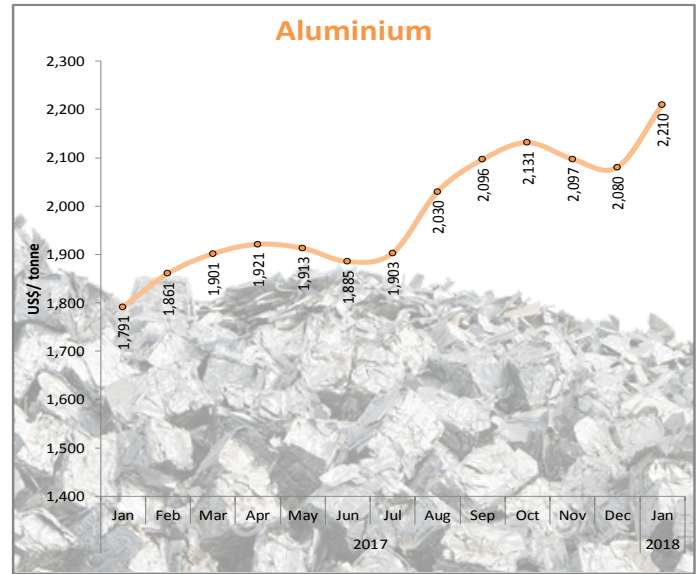
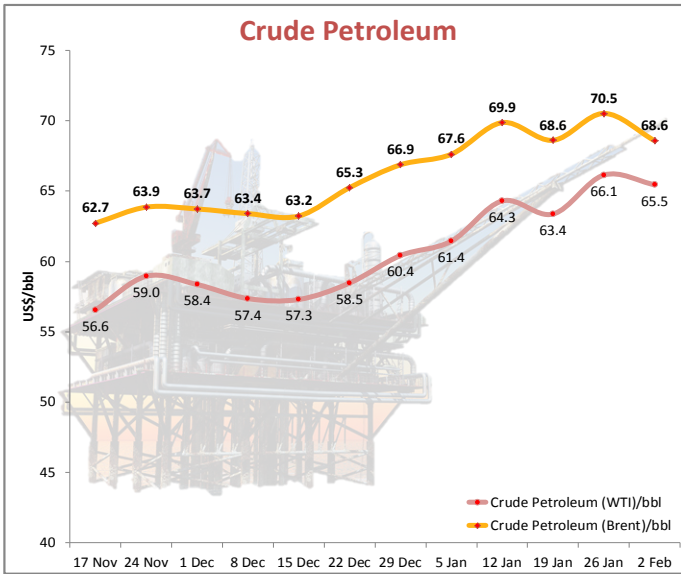
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

Commodity Price Trends



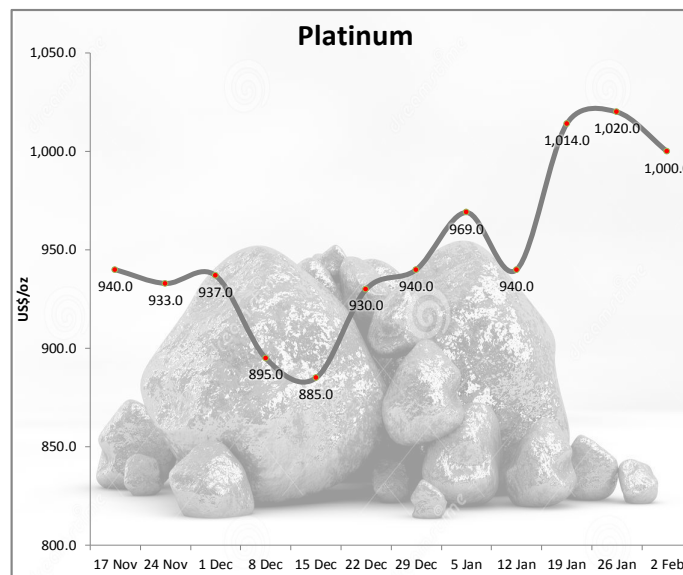
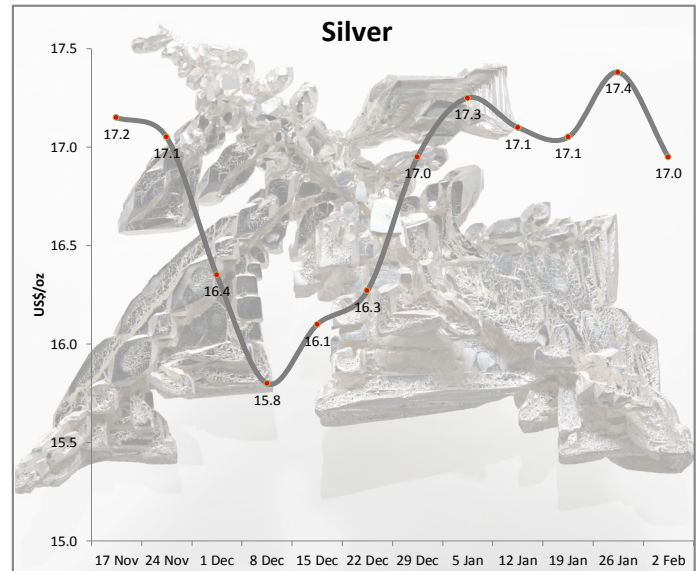
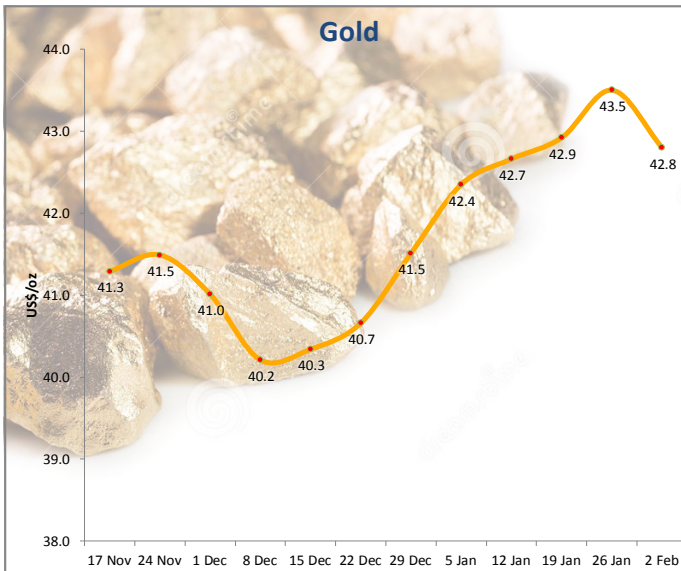
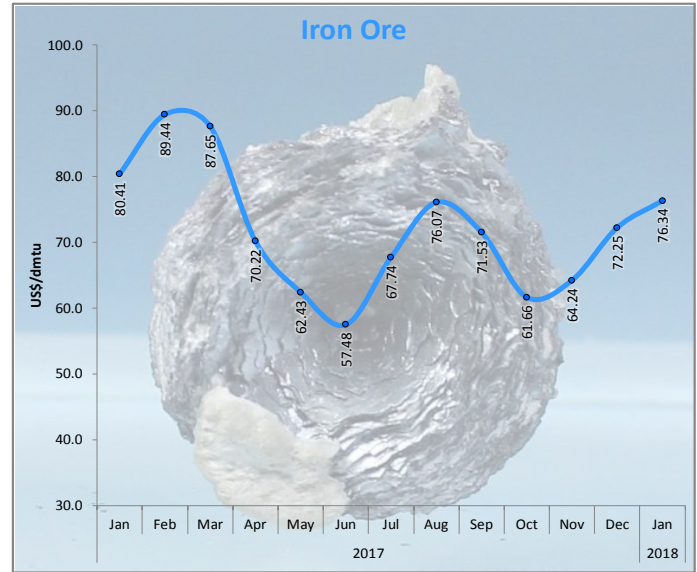
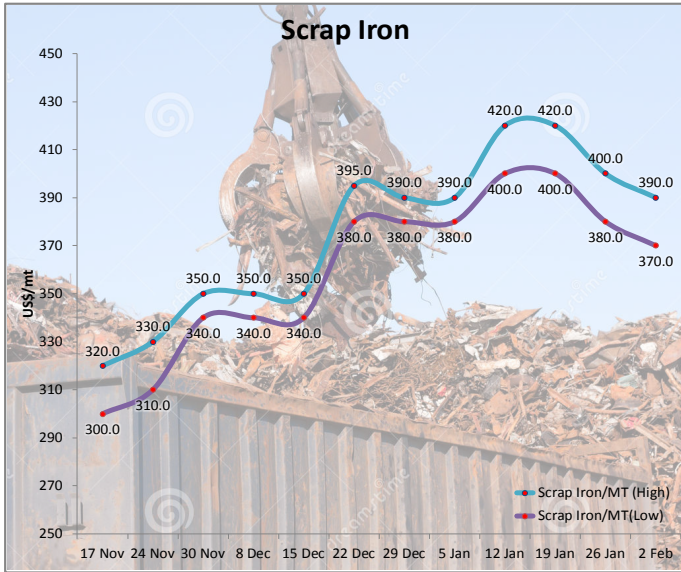
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank.

MITI PROGRAMME

Export Day, 30 January 2018



MITI PROGRAMME

Launch of the National Automotive Cluster by Malaysia Prime Minister 3 February 2018





Congratulations...

**YB Datuk Seri Haji Ahmad Haji Maslan
Deputy Minister (Industry)**

**On being conferred
the Darjah Kebesaran Seri Mahkota Wilayah
(S.M.W)
in conjunction with
the Federal Territory Day 2018**



**YBhg Datuk Khoo Boo Seng
Senior Director of Strategic Planning**

**On being conferred
the Darjah Kebesaran Panglima Mahkota Wilayah
(P.M.W)
in conjunction with
the Federal Territory Day 2018**





Glossary

ATF

Authorised Treatment Facility - are sites that have been licensed to accept end of life vehicle (ELV) and are able to comply with the requirement of ELV regulations. ATFs are more commonly known as dismantlers, scrap yards, salvage yards or breakers yards.

ATIGA

ASEAN Trade in Goods Agreement - The ATIGA was implemented in 2010 as to replace the old CEPT Scheme which was established back in 1993. The ATIGA is a comprehensive agreement for trade in goods in ASEAN which includes trade facilitation measures and safeguard measures provisions.

ATR

ASEAN Trade Repository - provides a single point of access to all the trade-related information of ASEAN Member States. The ATR is an ASEAN-level IT interface linked by means of hyperlinks to a series of interoperable National Trade Repositories (NTRs) that provide and maintain the national-level trade related information and the actual contents.

Autonomous Liberalisation

Refers to measures undertaken unilaterally by WTO Members to liberalise their services sector, as a consequence of their own national liberalisation processes or World Bank/IMF structural adjustment programmes since 1995.

Aviation

Aviation relates to the practical operation and use of air vehicles for civil, commercial or military purposes which includes piloting, airlines, air traffic control, flight management, airport and its management and the likes.

Avionics Manufacturing

Design, component manufacturing, assembly and system integration of aviation electronics systems.

BA

Bankers Acceptance - A Bankers Acceptance (BA) is a Bill of Exchange (draft) drawn by an importer/buyer/exporter/seller on his bank to his order, to finance an underlying trade transaction and accepted by that bank. It is termed "accepted" when the drawee bank signifies acceptance by signing on the Bill of Exchange. The drawee bank thereby undertakes the obligation to meet payment on maturity date.

Balance of Trade

The difference between the value of exports and imports. (ALSO USED: Trade Balance)

Base Period

A period/level used as a base to determine reduction of subsidies. Under current Doha Round it is agreed that base period shall refer to 1995-2000 for Agriculture negotiations.

Source: <http://www.miti.gov.my/index.php/glossary>

**TO BE
CONTINUED...**

ANNOUNCEMENT

**MALAYSIA
DIGITAL
ECONOMY
FORUM 2018**
#MyDEF2018

#MyDEF2018
Transforming Business & Society Through Digitization
▶ 8 February 2018 (Thursday) ▶ 9.00 a.m. - 5.00 p.m.
▶ Perdana Hall, MITI Tower

Jointly hosted by: **MDEC** Driving Transformation, **MATRADE**, **SMECORP** MY, **MITI**

**STRATEGIC TRADE ACT
(AMENDMENTS) 2017 TOWNHALL**
Northern Region

Monday, 12th February 2018 | 8.30 a.m.
Royale Chulan Penang, Penang

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

STA 2010

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

For more information on Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) please visit MITI's website via this link: <http://fta.miti.gov.my/index.php/pages/view/71?mid=40>

Withholding Tax

For more information on Withholding Tax, please visit LHDN's website via this link: http://www.hasil.gov.my/bt_goindex.php?bt_kump=2&bt_skum=6&bt_posi=1&bt_unit=5&bt_sequ=1&bt_lgv=2

Industry 4.0

For more information on Industry 4.0, please visit MITI's website via this link: <http://www.miti.gov.my/index.php/pages/view/industry4.0?mid=559>

Quote of the Day

“Life is boring if you don’t laugh, joke around and be a little crazy every now and then. At the end of the day it’s about being HAPPY...”

MITI Weekly Bulletin (MWB) Mobile Apps



MITI MWB APPS is now available for IOS, Android and Windows platforms. MWB APPS can be download from **Gallery of Malaysian Government Mobile APPS (GAMMA)** at the link: <http://gamma.malaysia.gov.my/#/appDetails/85>

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