



MINISTRY OF INTERNATIONAL  
TRADE AND INDUSTRY

# MITI WEEKLY BULLETIN

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## *Greeting from the Minister of International Trade and Industry*



Once again, we approach yet another joyous occasion, where our fellow Malaysians in the States of Sabah and Sarawak of Kadazandusun and Dayak heritage will celebrate Keamatan and Gawai respectively. These festivities are part and parcel of the rich social fabric of Malaysia, where diversity is embraced and time-honoured cultural traditions are heralded and celebrated.

In Sabah, Tadau Ka'amatan, the annual harvest festival is celebrated by the ethnic Kadazandusun and this month long celebration culminates on 31 May 2015. I understand that this celebration originated as a dedication to the Bambazon (rice spirit) either as a thanksgiving for a plentiful harvest or an appeasement in the event of a poor harvest. Today, it is held mostly to welcome the new Harvest Season.

Gawai Dayak, a festival celebrated in Sarawak on 1 June 2015 is both a religious and social occasion. It is celebrated by all ethnic Dayak in Sarawak at the end of rice harvesting and marks the renewal of their rice growing season. This is the day where whole villages, in a spirit of camaraderie and togetherness, prepare feasts of thanks-giving for bountiful harvests. The festival is also a symbol of unity, aspiration and hope for the Dayak community and is an integral part of Dayak social life. As can be seen, we in Malaysia, as a people-centric economy with diversity as our core strength, celebrate the major religious and social events of our ethnic groups with great joy and inclusiveness.

Going beyond Malaysia's borders, this spirit of inclusiveness is also clearly evident. As Chair of ASEAN 2015, Malaysia has carefully chosen inclusiveness and integration as the core of ASEAN with the theme 'Our People, Our Community, Our Vision' as we strive towards the realisation of the ASEAN Economic Community (AEC) at the end of this year. In realising the ASEAN Economic Community, business and trade facilitation continues to be an important element at the core of the ASEAN Vision. In this, I am happy to note that the ASEAN Trade Facilitation Joint Consultative Committee (ATFJCC) has been re-activated, this time with the inclusion of the private sector as participants. I look forward to key deliverables for the ATF JCC for inclusion into the AEC Post 2015 Agenda.

Inclusiveness also features prominently in the recently announced 11th Malaysia Plan 2016-2020 with the theme 'Anchoring Growth on People', which is the last lap to Vision 2020 that will see the nation achieve a high income economy. The Ministry of International Trade and Industry (MITI) is indeed very excited with this new development plan in which one of the identified six thrusts of the Plan focuses on re-engineering economic growth. Implementation and performance are keys to the success of the Plan and MITI will now quickly establish work programmes to carry out the economic growth strategies encapsulated in the Plan. And I give the assurance here that MITI will ensure that



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the private sector continues to play a pivotal role in these work programmes as its investments will drive the economy and create higher quality and higher paying employment, so that prosperity can be enjoyed by all. As can be seen, this year continues to be an exciting year for the country.

In conclusion, let me wish everyone, particularly the Kadazandusun and Dayak communities, a very Happy Hari Keamatan and Hari Gawai. And let us all hope that this bounty of economic growth that has been enjoyed by the people in this country for many years since independence continues to be realised as we achieved a developed nation status in 2020.



## More Push Needed for Professional Services Exports: Mustapa



A more aggressive push is required to get Malaysian exports of professional services to other ASEAN countries, said International Trade and Industry Ministry Dato' Sri Mustapa Mohamed.

"We are faced with a big deficit when it comes to professional services as there are a lot more imports than exports," he said, adding that the pace has been very slow to date. For instance, in the area of legal professional services, only two large legal firms have made the move to expand their services in the region.

The ministry has highlighted the services masterplan for the growth of services in ASEAN. Two other professional services, engineering and architecture, have been earmarked too. The ministry is the secretariat to oversee the services blueprint, which also covers consultancy, IT and education.

The ASEAN-India Trade in Services and Investments Agreement, which takes effect in July, provides business opportunities in skills development, knowledge-related, food and agriculture processing, urban infrastructure, energy and renewable power, biotech and tourism. India's ASEAN ambassador Suresh K. Reddy said the growing middle class population in the region is a boost to the growth of services.

"The promotion of cross border services is a question of perception and generally, there is resistance to (interested) services providers." However, Suresh was confident that the demand from the population would also create the market.

"Movement of people across borders is sensitive as professionals like doctors or chartered accountants may find their jobs threatened. But when looked at the value addition (in terms of benefits to the economies), it would be mutually accepted."

Many Indian companies are already in Malaysia to headquarter the operations for their services business. This include Tech Mahindra which provides jobs for 600 Malaysians and similar Indian experiences are seen in the Philippines and Indonesia.

"The component of services in our economies has gone up. In India, we have ambitious plans and one of the key projects is Digital India where we propose to take digital technology to at least 1.3 million homes in India. This is an opportunity offered to ASEAN member states as the project is just too large for Indian companies to handle."

Reddy also said awareness is the main reason for the slower growth of services. "The ASEAN-India FTA on trade in goods has been in existence for five years but not all the industries are aware of it and it will be similar in the case of services."

ASEAN-India Business Council co-chair Datuk Ramesh Kodammal said yesterday's business forum can be taken to other countries in the region to enable small and medium enterprises to get away. Not only are the SMEs less well-versed with free trade pacts and how to utilise them, they are also not aware of the full potential of the huge middle class markets growing in ASEAN as well as India.

He described India as a grey market and opportunities abound with the Indian government's thrust now attract foreign investments. Exporters from Singapore, Malaysia and Thailand are also working together to enter the market.

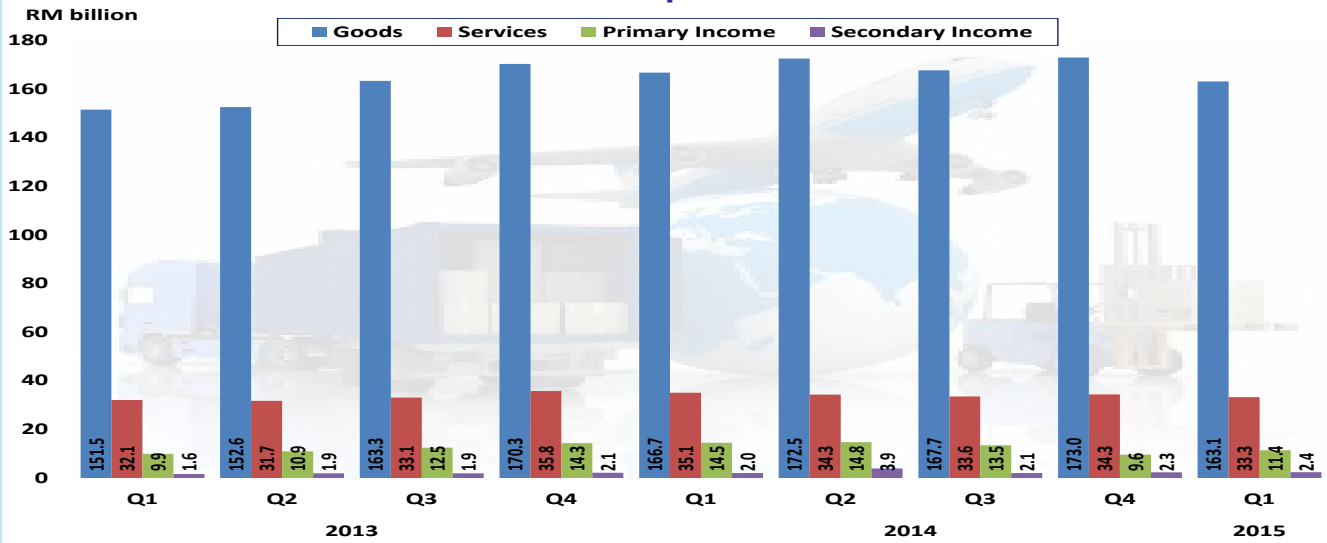
*Source: New Straits Times, Thursday 21 May 2015*



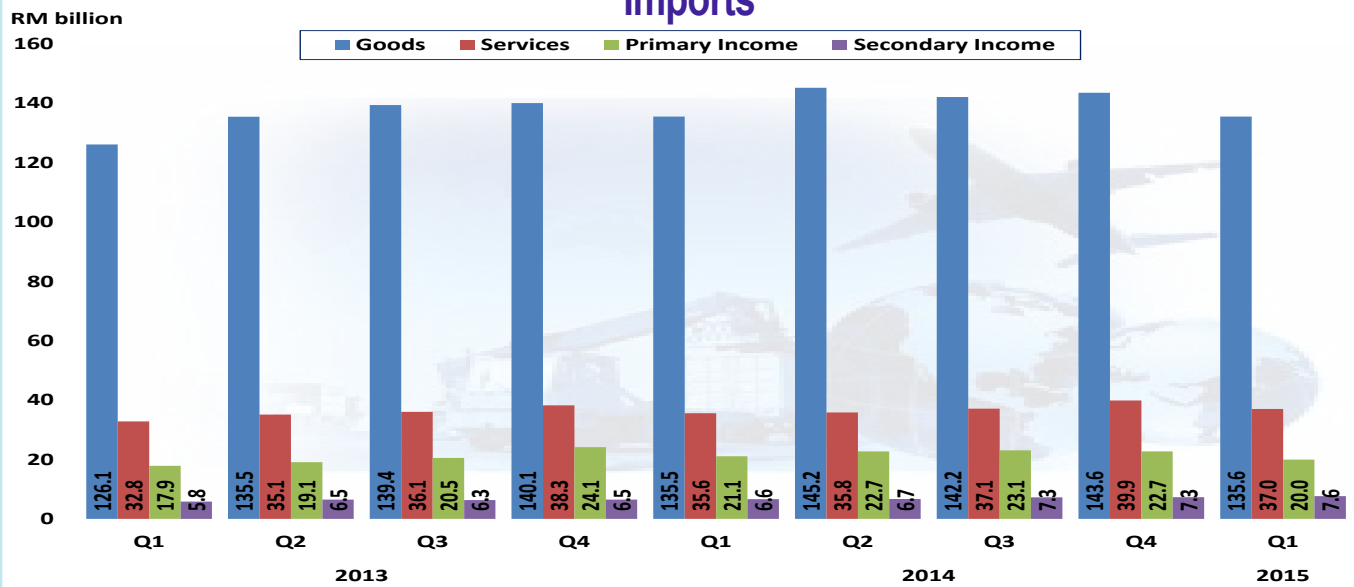
# MALAYSIA

## Current Account Components in Balance of Payments (BOP), Q1 2013 - Q1 2015

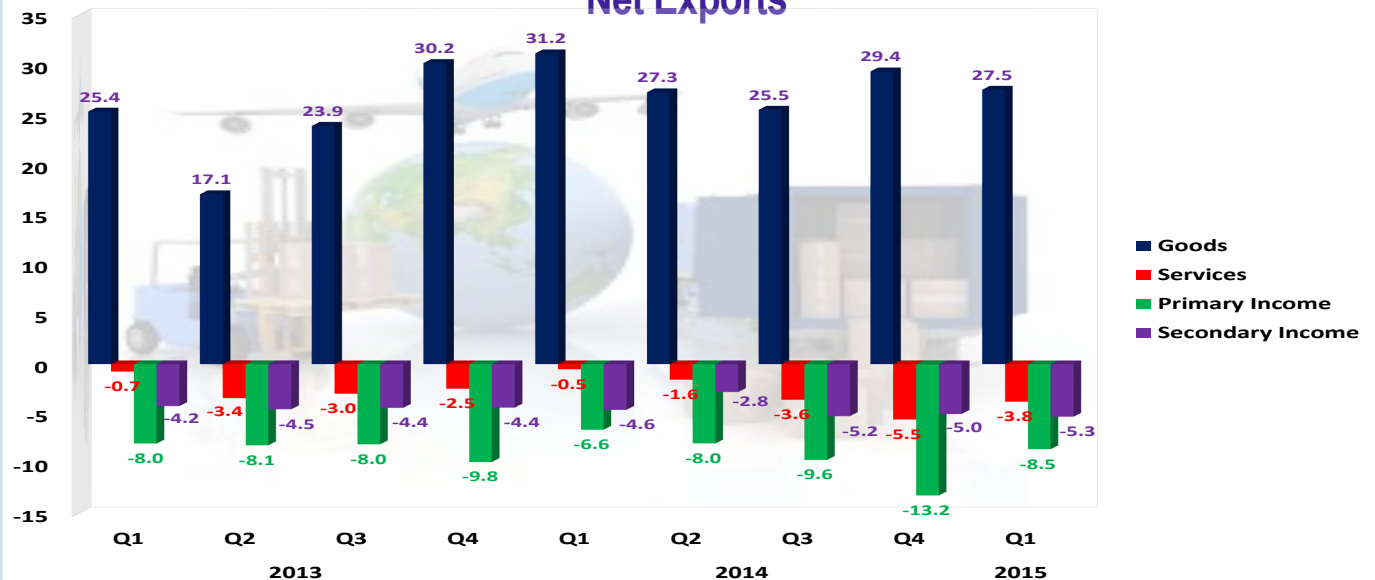
### Exports



### Imports



### Net Exports





# Export of Services, Q1 2015

**Travel**  
RM17.4b., -9.0%

**Transport**  
RM3.8b., -4.1%

**Telecommunications**  
(includes computer and information services)  
RM2.5b., 11.7%

**Total Exports**  
RM33.3b.

**Others**  
RM2.0b., 19.4%

Other Business Services: RM5.3b., -13.7%

Construction: RM0.7b., 27.5%

Maintenance & Repair: RM0.3b., 21.9%

Insurance & Pension: RM0.3b., -19.8%

Financial: RM0.3b., 52.3%

Personal, Cultural & Recreational:  
RM0.2b., 22.5%

Government: RM0.08b., 51.5%

Charges for the use  
of intellectual property  
RM0.07b., 41.8%

**Manufacturing Services on Physical  
Inputs Owned by Others\***  
RM2.1b., 18.6%

"DRIVING Transformation, POWERING Growth"



# Import of Services, Q1 2015

**Travel**  
RM10.2b., 10.5%

**Transport**  
RM9.9b., 2.1%

**Telecommunications**  
(includes computer and information services)  
RM2.7b., 12.4%

**Total Imports**  
RM37.0b.

**Others**  
RM2.0b., 19.4%

Other Business Services: RM6.7b., -6.1.7%

Insurance & Pension: RM2.2b., -3.9%

Charges for the use  
of intellectual property  
RM1.3b., 5.8%

Personal, Cultural & Recreational:  
RM0.7b., -15.7%

Financial: RM0.3b., 7.7%

Maintenance & Repair: RM0.3b., -18.0%

Government: RM0.1b., -17.4%

**Construction**  
RM2.5b., 32.8%

**Manufacturing Services on Physical  
Inputs Owned by Others\***  
RM0.05b., 7.8%

Notes: Y-o-Y Growth

\* New component in Trade in services using manual BPM6

Source : Department of Statistics, Malaysia





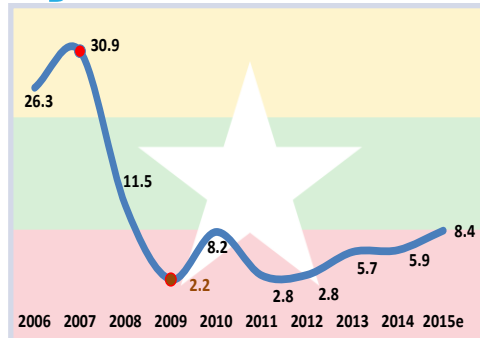
# 'ASEAN and You'



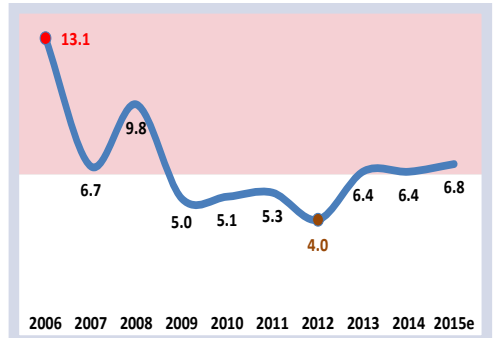
## Inflation Rate (%) 2006 - 2015<sup>e</sup>



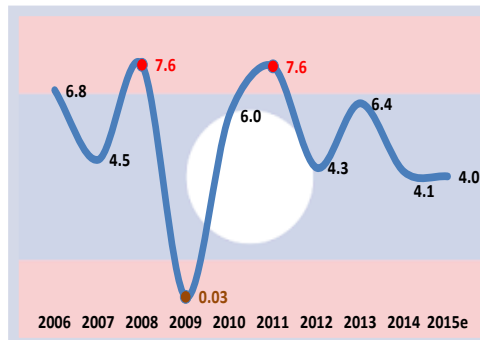
### Myanmar



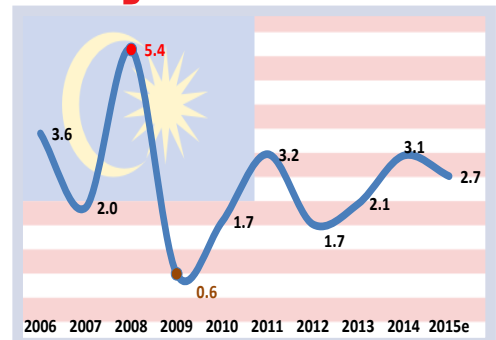
### Indonesia



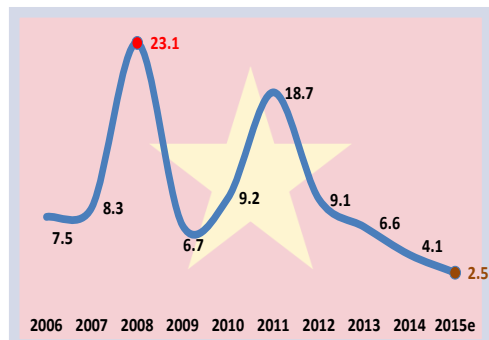
### Lao PDR



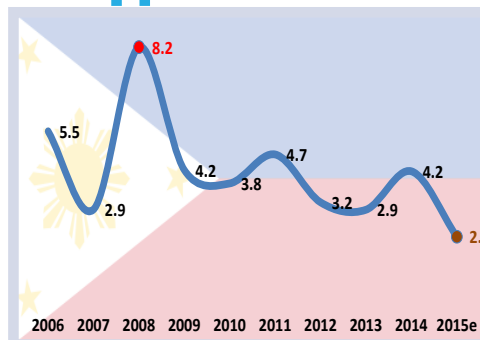
### Malaysia



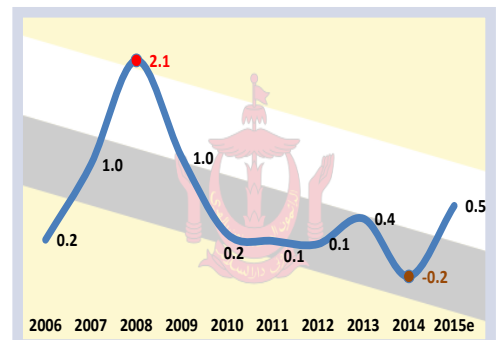
### Viet Nam



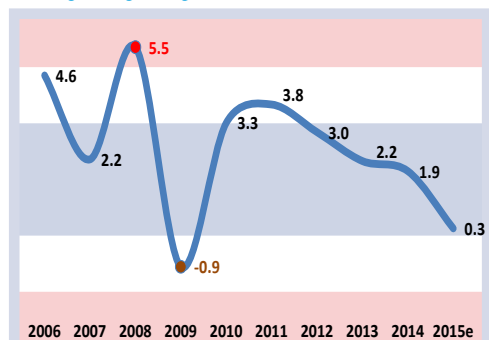
### Philippines



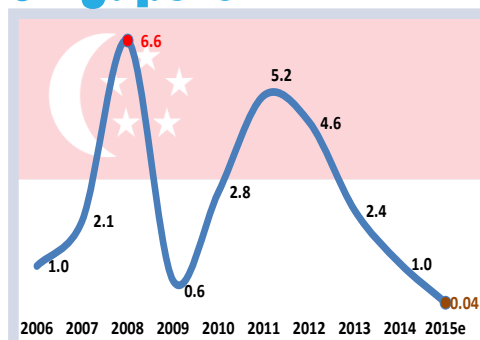
### Brunei



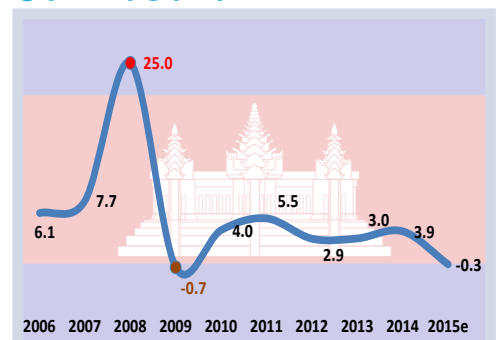
### Thailand



### Singapore



### Cambodia



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Source : International Monetary Fund

MITT's ASEAN Portal can be accessed via <http://www.miti.gov.my/cms/aec2015.jsp>



MITI Weekly Bulletin / [www.miti.gov.my](http://www.miti.gov.my)

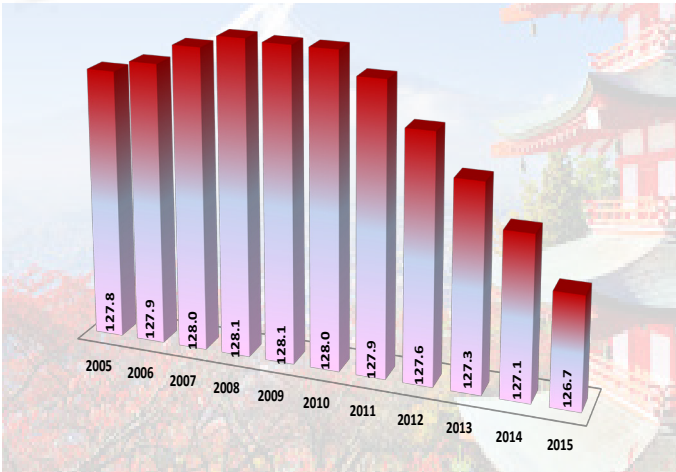
# International Report



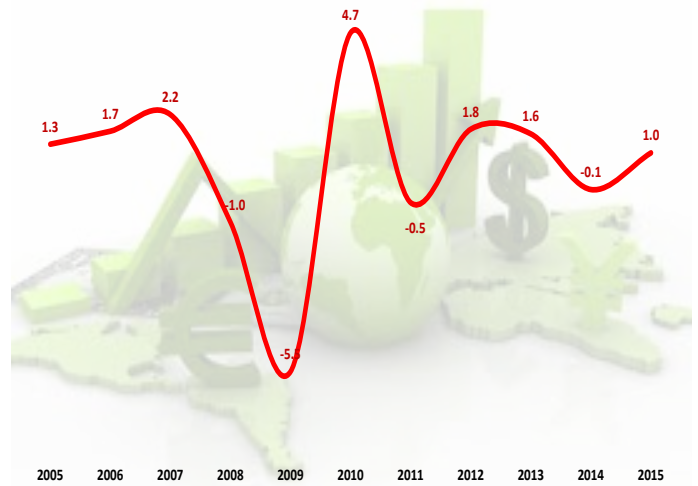
# Japan

## Key Economic Indicators

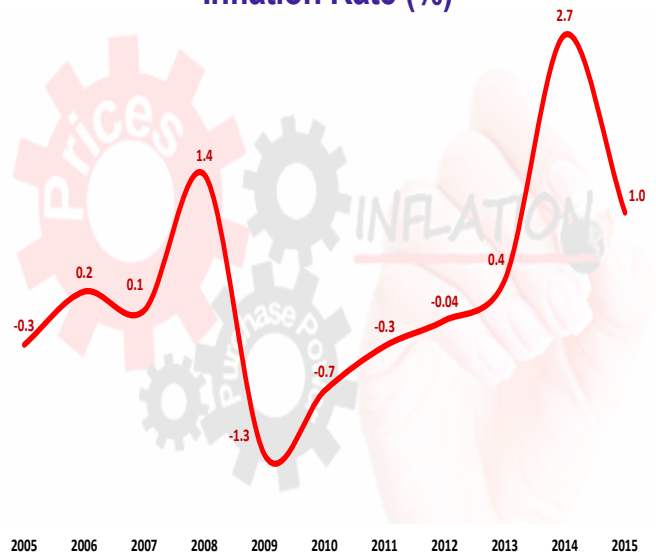
Population (million persons)



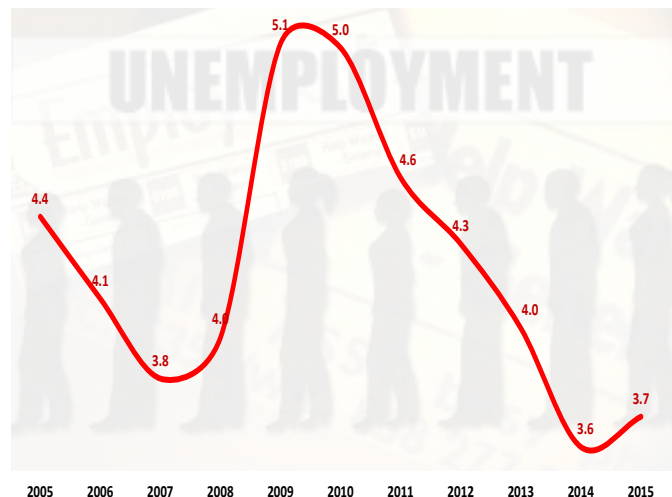
GDP Growth Rate (%)



Inflation Rate (%)



Unemployment Rate (%)



### Malaysia's Trade with Japan

	2014	Q1 2015
<b>Exports</b>	RM82.7 bil.	RM21.8 bil.
<b>Imports</b>	RM54.7 bil.	RM13.3 bil.
<b>Total Trade</b>	RM137.4 bil.	RM35.1 bil.
<b>Trade Balance</b>	RM28.0 bil.	RM8.5 bil.

#### Major Export Products, Q1 2015

1. LNG RM11.3 bil.
2. E&E Products RM4.6 bil.
3. Wood Products RM0.8 bil.

#### Major Import Products, Q1 2015

1. E&E Products RM3.9 bil.
2. Machinery, Appliances & Parts RM1.9 bil.
3. Manufactures of Metal RM1.6 bil.

Source : Department of Statistics, Malaysia

Source : International Monetary Fund

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# Did You Know?

## 2015 TEN BEST CARS

THESE CARS ARE GUARANTEED TO ENTERTAIN AND DELIGHT ANY DRIVER

**BMW M235I**



**MAZDA 3**



**CADILAC CTS**



**MAZDA 6**



**CHEVROLET CORVETTE STINGRAY**



**PORCHE BOXSTER/CAYMAN**



**FORD MUSTANG GT**



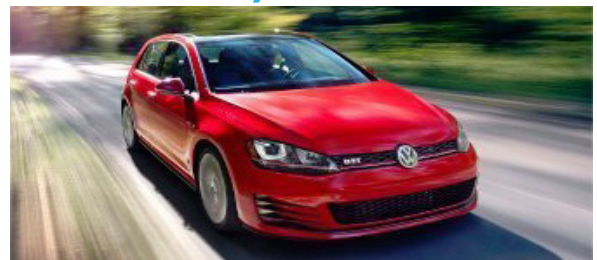
**TESLA MODEL S60**



**HONDA ACCORD**



**VOLKSWAGEN GOLF/GTI**



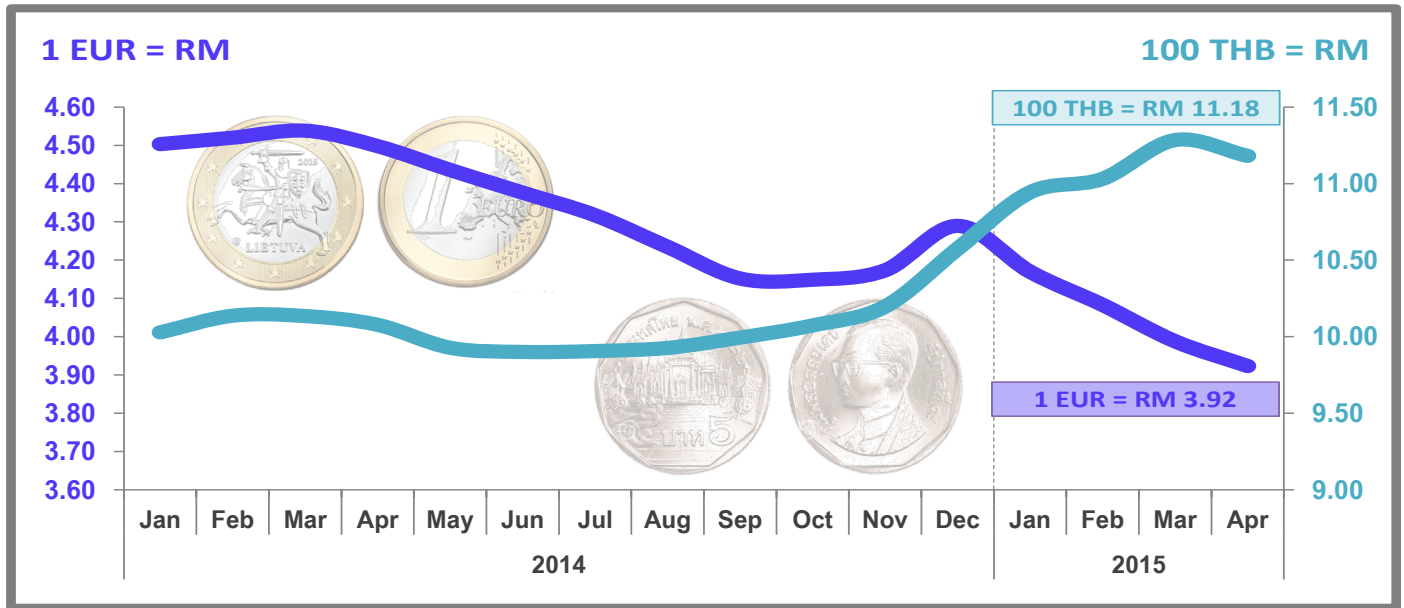
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Source: <http://www.caranddriver.com/features/the-10best-cars-of-2015-feature>

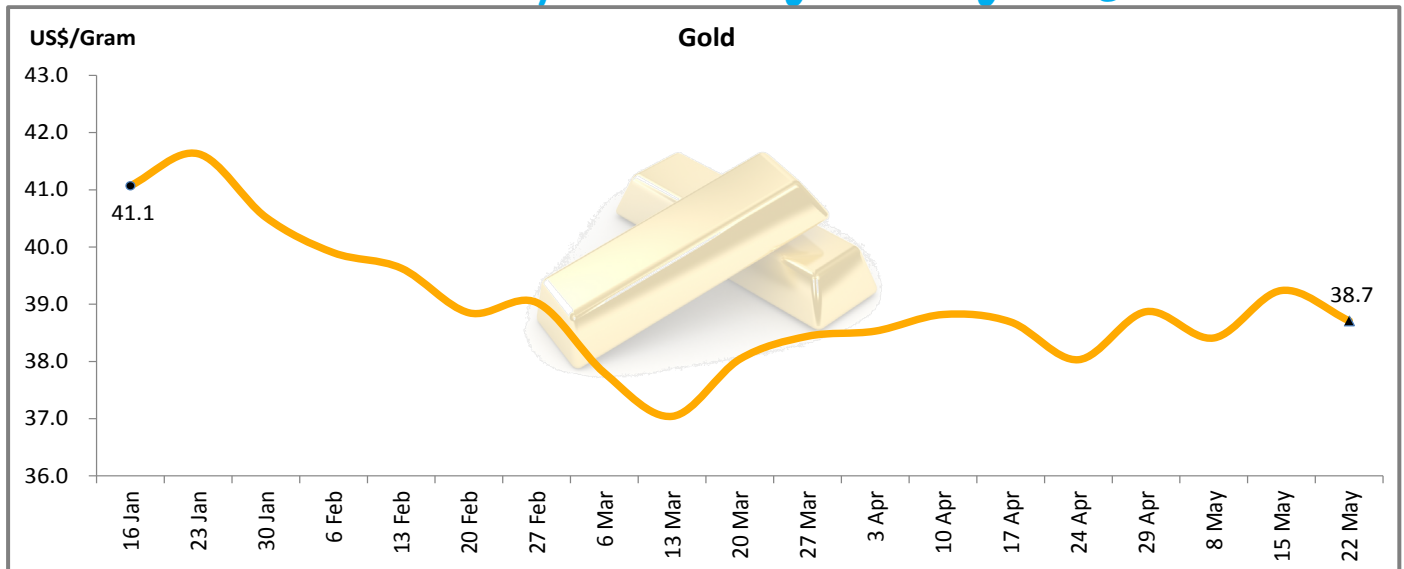
MITI Weekly Bulletin / [www.miti.gov.my](http://www.miti.gov.my)

# Malaysian Ringgit Exchange Rate with Euro and Thai Baht



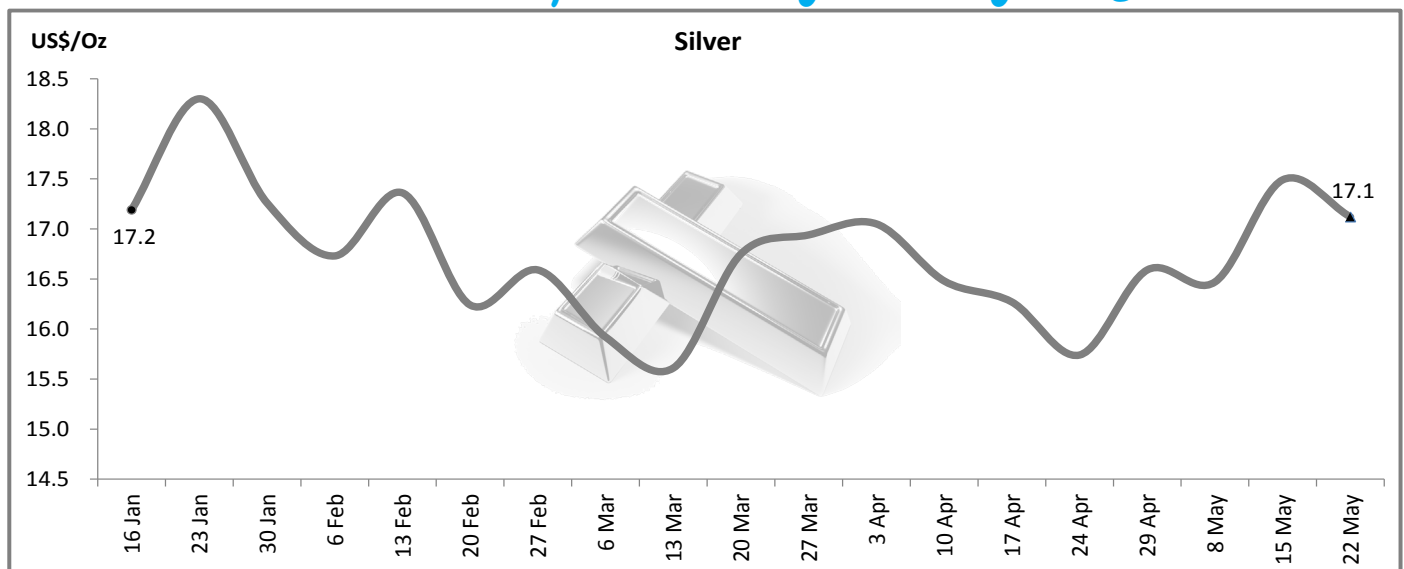
Source : Bank Negara, Malaysia

## Gold Prices, 16 January - 22 May 2015



Source : [http://www.gold.org/investments/statistics/gold\\_price\\_chart/](http://www.gold.org/investments/statistics/gold_price_chart/)

## Silver Prices, 16 January - 22 May 2015



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

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

## Number of Certificates (Provisional data)

	29 Mar 2015	5 Apr 2015	12 Apr 2015	19 Apr 2015	26 Apr 2015	3 May 2015	10 May 2015	17 May 2015
AANZFTA	910	869	770	903	804	640	689	826
AIFTA	529	708	462	616	533	507	649	636
AJCEP	177	209	163	181	209	121	191	210
ATIGA	4,322	4,496	3,719	4,001	4,231	3,325	4,009	4,872
ACFTA	1,569	1,464	1,484	1,763	1,618	1,196	1,355	1,571
AKFTA	782	767	661	759	941	650	704	934
MICECA	289	385	322	335	338	262	335	383
MNZFTA	14	3	6	6	16	2	4	11
MCFTA	52	52	54	80	46	57	51	63
MAFTA	336	402	290	466	428	317	343	410
MJEPA	838	836	819	632	866	659	797	849
MPCEPA	165	160	125	250	141	112	149	115
GSP	112	164	68	102	134	104	110	140

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



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)

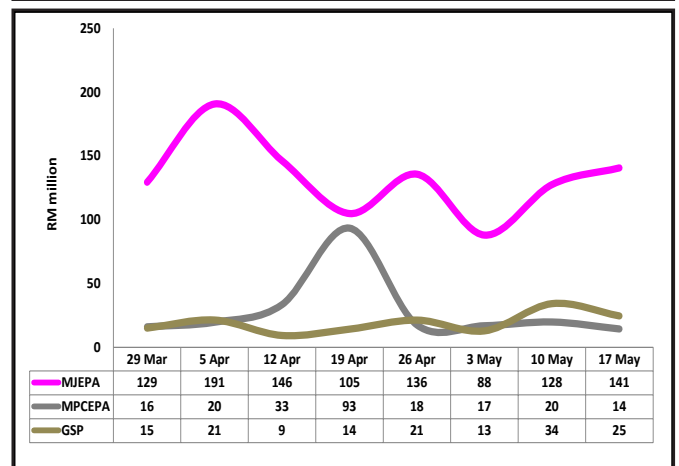
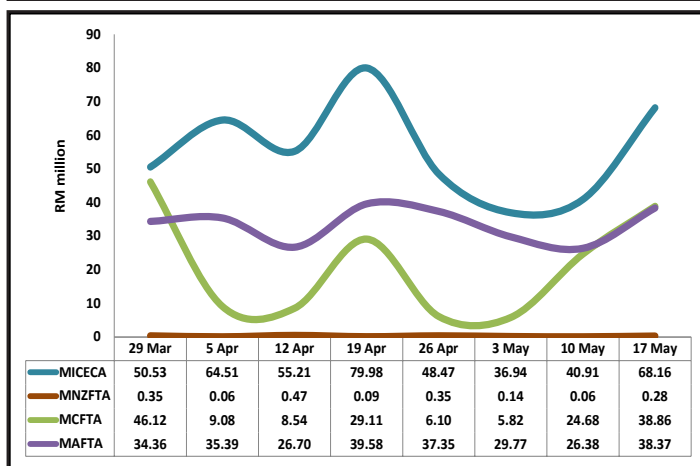
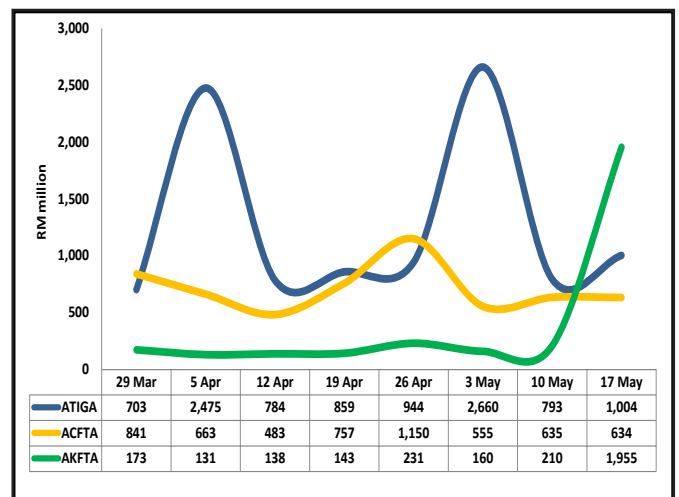
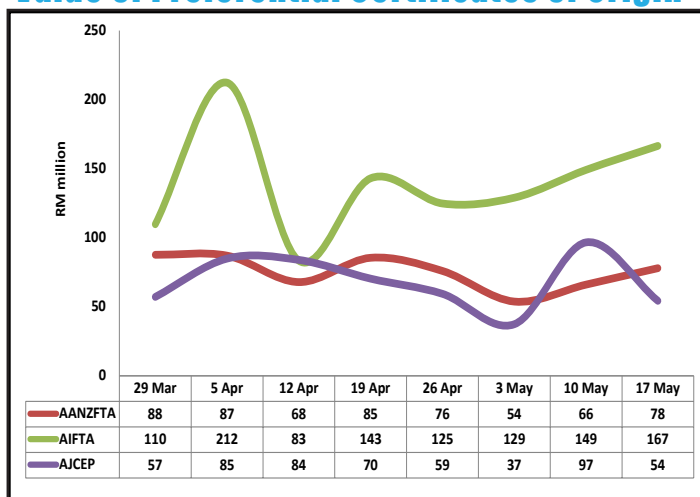


MCFTA: Malaysia-Chile Free Trade Agreement (Implemented since 25 February 2012)



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

## Value of Preferential Certificates of Origin



# 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)
22 May 2015 (US\$)	59.7	655.0	278.3	1,523.5	2,186.5	51.6	270 (high) 250 (low)
% change*	↑ 0.1	↑ 0.2	↓ 2.6	↑ 0.9	↓ 3.3	↓ 0.4	unchanged unchanged
2014 <sup>i</sup>	54.6 - 107.6	823.3	352.3	1,718.3	2,615.8	59.8	370.0
2013 <sup>i</sup>	88.1 - 108.6	805.5	361.6	2,390.8	1,933.1	..	485.6

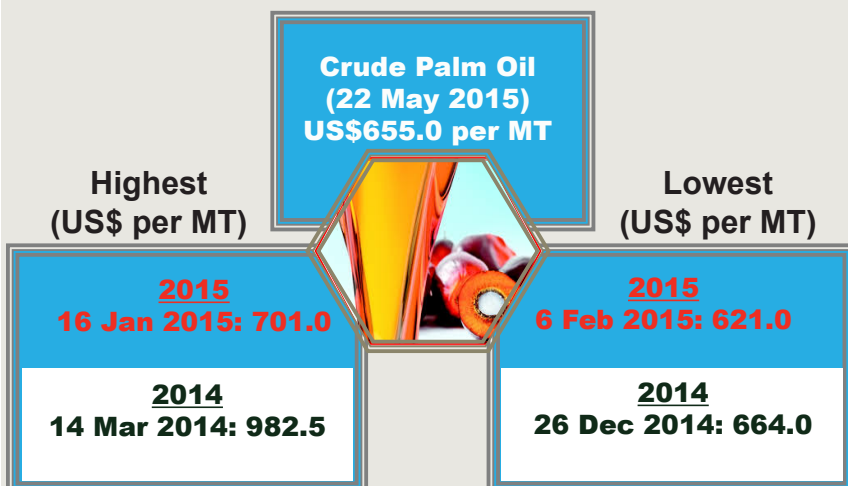
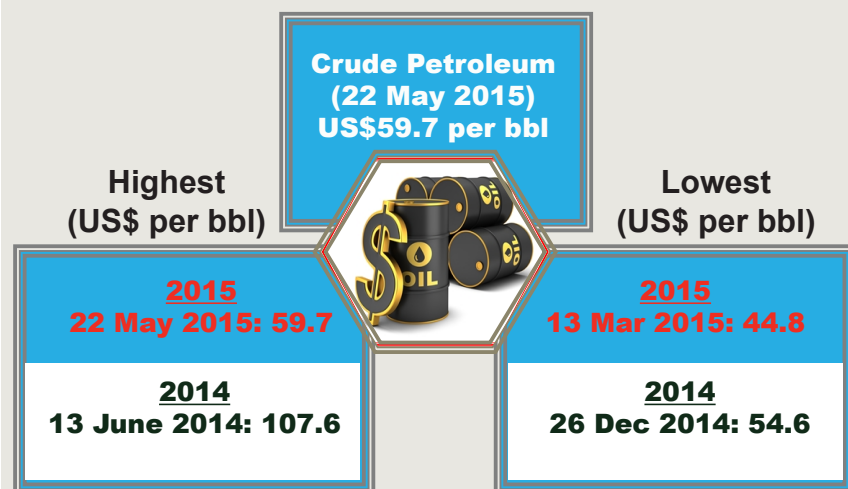
Notes: All figures have been rounded to the nearest decimal point

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

<sup>i</sup> Average price in the year except otherwise indicated

n.a Not available

## Highest and Lowest Prices, 2014/2015



## Average Domestic Prices, 15 May 2015

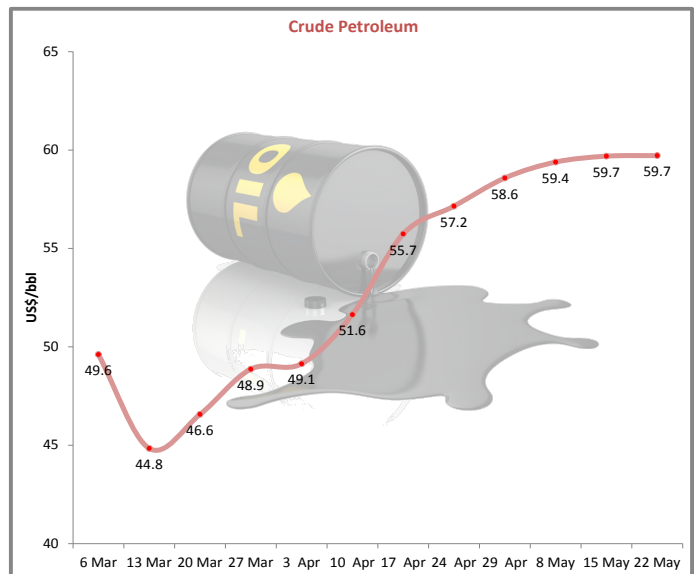
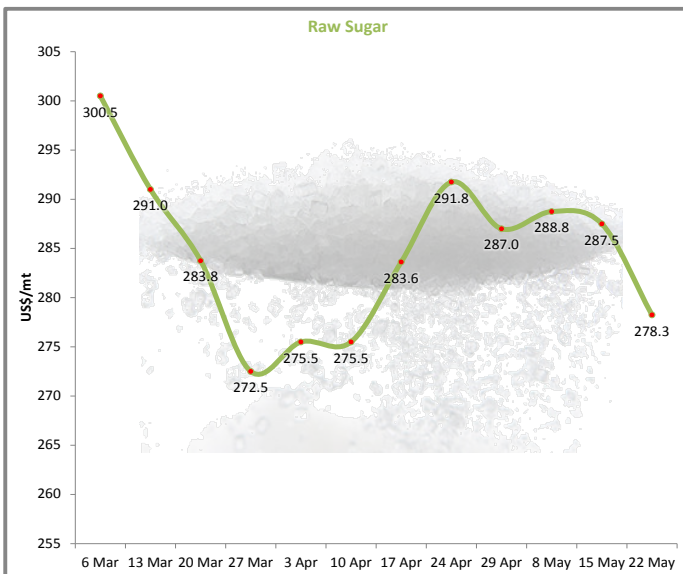
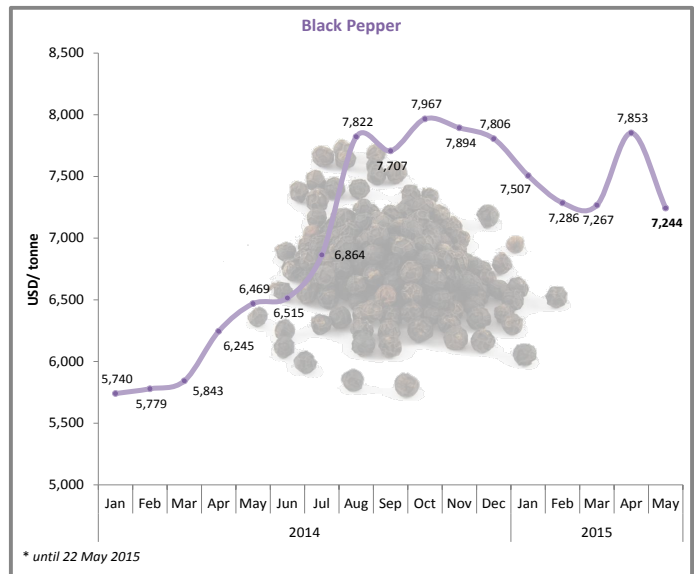
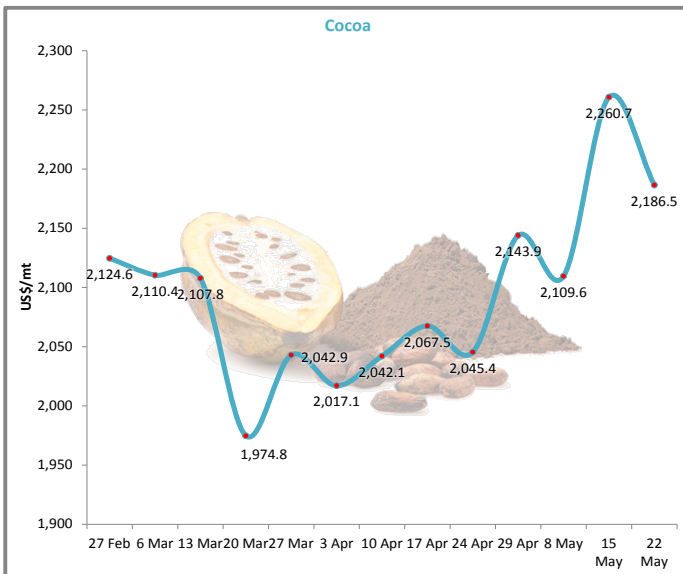
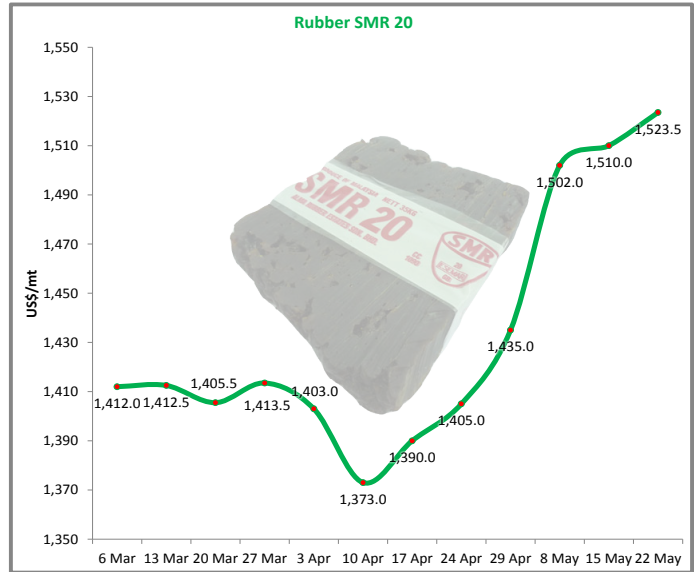
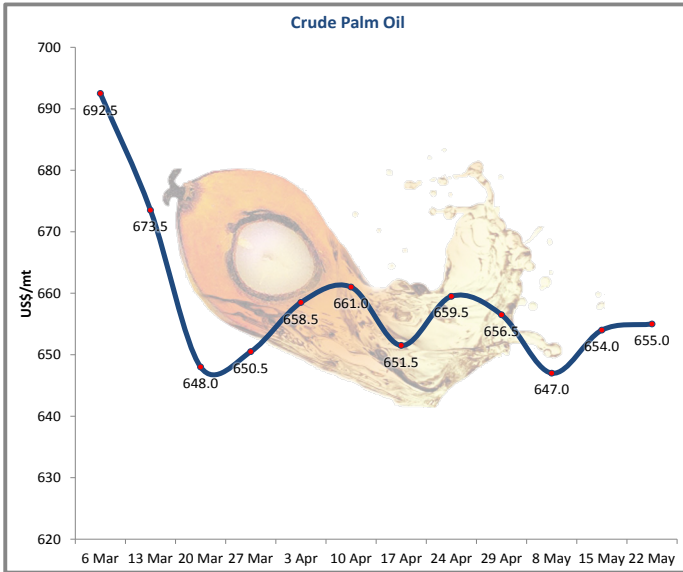


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Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.



# Commodity Price Trends

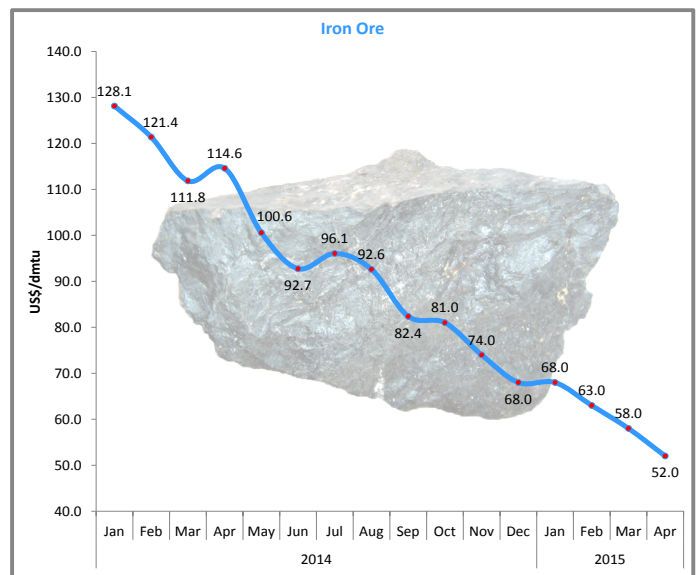
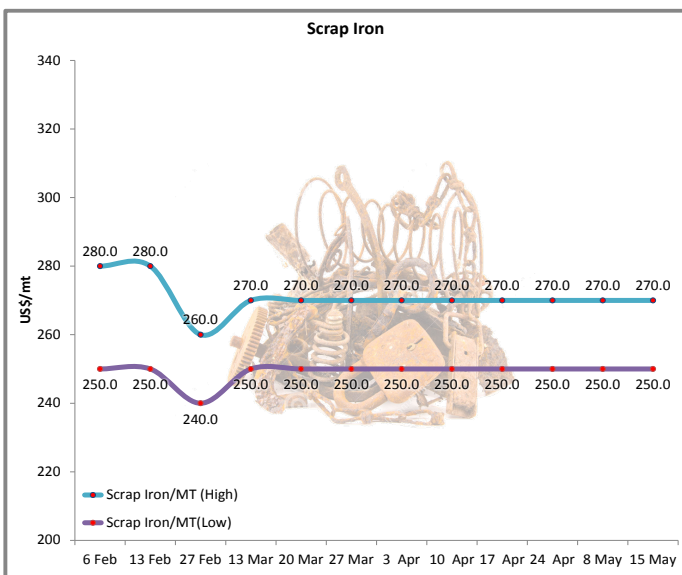
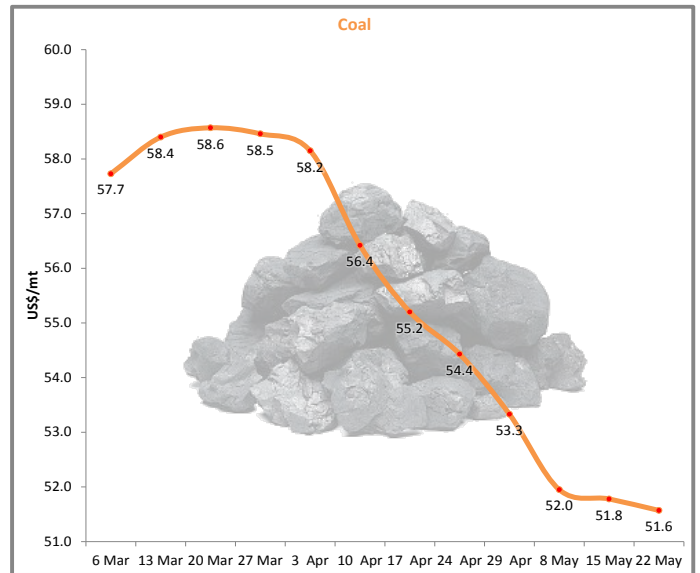
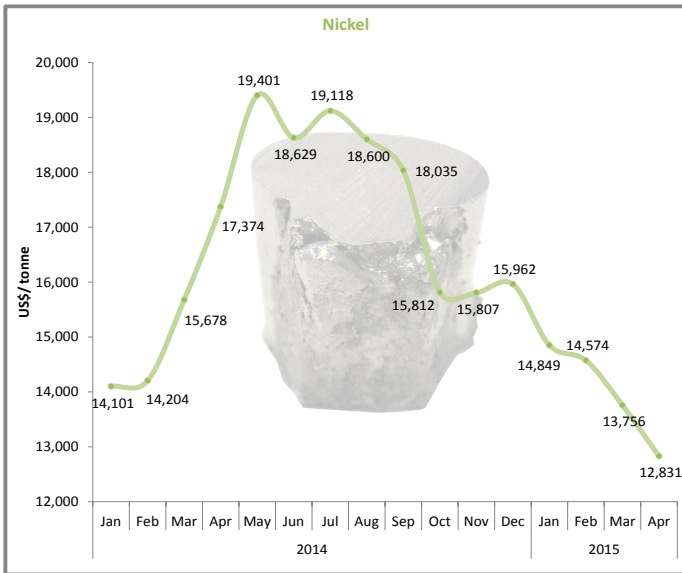
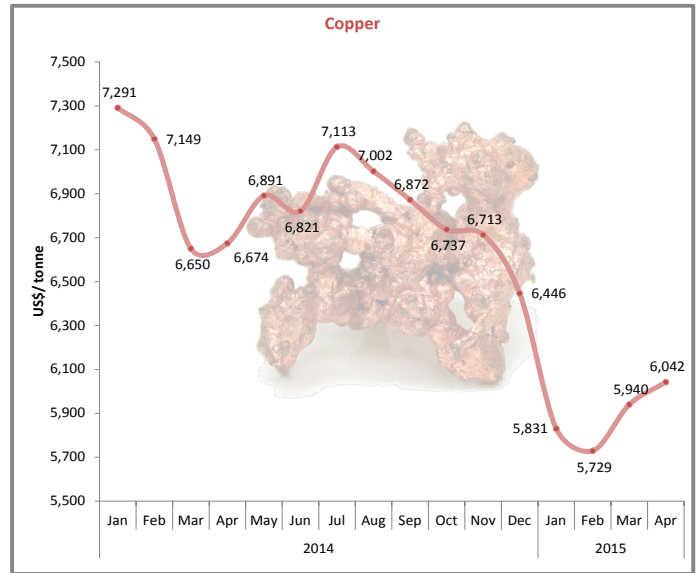
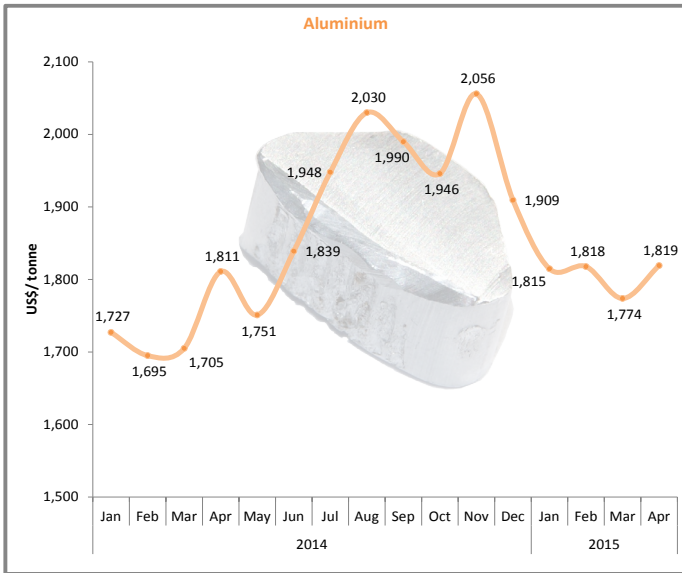


"DRIVING Transformation, POWERING Growth"

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



"DRIVING Transformation, POWERING Growth"

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.



# Ropetech Sdn. Bhd.

## Success Story

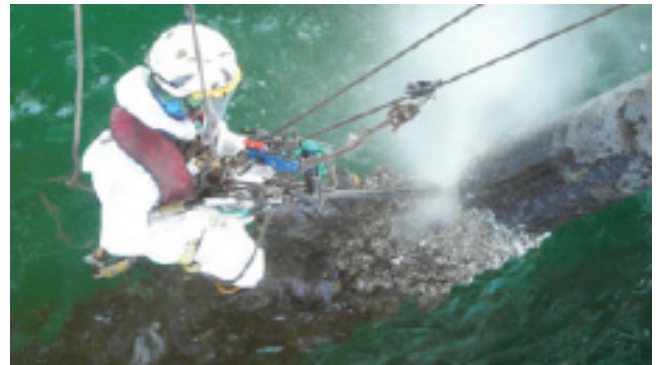
A Malaysian company based in Miri, Sarawak called Ropetech Sdn. Bhd. is a member of this association. Its managing director, Tuan Haji Rosdin Rosli, says the company which offers a wide range of inspection and general maintenance painting works to various companies in both the Government and private sector, is the local pioneer in using the rope access method.

Ropetech employs rope access or abseiling technology to provide services such as electrical telecommunication tower maintenance works, first aid painting works, general cleaning and painting works for water tanks and high rise buildings as well as Ultra High Pressure hydro blasting for metal surface preparation prior to painting. "Unlike any other maintenance contractor, our method does not rely on any foreign technology and utilises 100% locally available resources. It saves time and cost and is friendly to the environment," he says. According to him, hydro blasting avoids the need for abrasive materials such as garnet. This eliminates the risk of dust pollution as well as the cost associated with disposals of used abrasives. Given the company's expertise in hydroblasting, it is also a member of the Water Jet Technology Association (WJTA).

Tuan Haji Rosdin took ownership of Ropetech four and a half years ago with his own savings. When the business grew, SME Bank was instrumental in providing additional working capital. During the early years in business, Tuan Haji Rosdin said he struggled in maintaining the cash flow and securing contracts from clients who were mainly from the oil and gas companies. Despite the cost saving benefits of its technology, Ropetech is less known in the industry as compared to its larger competitors and hence had placed Ropetech at a disadvantage in the market especially when potential clients tended to play safe by maintaining the norm. From his experience, Tuan Haji Rosdin is of the view that assistance from the Government can go a long way to assist deserving SMEs to compete with their larger competitors. Pointing out that monopolies dominated by big companies can be detrimental to the development of SMEs, the Government can facilitate SMEs through provision of projects and contracts that are exclusive to them.

Through sheer perseverance and determination to succeed, Ropetech saw its fortunes changing for the better when it signed two contracts with the national oil and gas company, namely Petroliaam Nasional Berhad (PETRONAS) in 2010. "We made a lot of effort to educate the industry on the uniqueness and advantages of our cleaning method. Praise to God, we were able to change the mindset of the engineers to accept an alternative to the norm," he says. Tuan Haji Rosdin adds the fact that Ropetech managed to secure contracts with PETRONAS Carigali somewhat validated the viability of the method. These contracts were executed to meet the client's requirements with strong focus on quality and project delivery.

Today, aside from their main office in Miri, the company also has a



branch in Labuan and has ventured abroad to neighbouring countries such as Myanmar, Brunei, Thailand and the Philippines. Ropetech keeps its name on the industry radar by participating in various exhibitions organised by both the Government and private sector in addition to advertisements in the pages of the Oil and Gas Magazine. "Aggressive marketing is a must in this industry", he says as marketing serves as an important tool in promoting the growth and sustainability of the business. For that reason, Ropetech has set up a dedicated marketing department that deals directly with oil and gas companies. While he is always on the lookout for new opportunities to expand his clientele, Tuan Haji Rosdin says he has to be selective when it comes to signing up new business in order to remain in the industry.

As much as possible, he prefers to deal with companies that are good paymasters. "It is not a rosy world out there for sub-contractors. However we do take the risk from time to time. Consider it as part of our marketing expense," he explains. After all, he foresees being in this business in the long run and has a clear idea of how he would like the company to progress. "We look forward to having five dedicated departments in our company catering to blasting and painting, inspection, hook up, training school, and turnaround management. This is to further enhance our services quality and to diversify our service offerings," he says. He envisions growing Ropetech by emulating the success of a few renowned players in the industry. However he acknowledges that to achieve this dream, his method of alternative blasting and painting must first be accepted by the major players in the oil and gas industry.

Not fazed by the prospect of competition, Tuan Haji Rosdin says entrepreneurs who are looking to venture into this industry must be experienced or should have someone in their company who has worked in the oil and gas industry because they need to have both the network and competency to begin with. "The long years of working with PETRONAS, selling the idea to the engineers on the non-conventional way of doing things with some success has provided me with invaluable insight. I know who to see, what to say, where to focus and how to go about and get things done," says Tuan Haji Rosdin. "It is still a challenge but like all challenges, overcoming them gives me a sense of self satisfaction. This is where the fun is. The money comes automatically when you love what you are doing," he concludes on an optimistic note.

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# Malaysia's Investment Performance 2014

## Malaysian Bio-XCell Sdn Bhd

**Project Cost**  
RM440.1 mil.

**Employment: 62 people**  
26% engineers, 55% lawyers, business development and technical staff

Malaysian Bio-XCell Sdn Bhd is the developer of Bio-XCell, a biotechnology park and eco-system dedicated to healthcare and industrial biology located in Nusajaya, Johor. As one of the initiatives to attract biotechnology companies to be located in the park, the company has embarked on a project for



the generation of steam and chilled water using biomass and biogas sources from palm kernel shell (PKS), mesocarp fibre, wood pellets, wood chips and industrial waste water to be supplied to companies located in the Bio-XCell Biotechnology Park; as well as for the generation of electricity using biogas from industrial

waste water for own consumption. This new concept of an integrated utilities facility for the supply of steam and chilled water to industries is the first-of-its-kind in Malaysia. This project is also in line with the Government of Malaysia's announcement of renewable energy (RE) as being the fifth fuel besides oil, natural gas, coal and hydro and to reduce 40% of its emission intensity of GDP by the year 2020.



“DRIVING Transformation, POWERING Growth”





# MITI Programme

Program CSR Gotong-Royong Di Bawah Persimpangan Bertingkat  
Ke Jalan Sultan Haji Ahmad Shah / Jalan Tuanku Abdul Halim  
22 May 2015



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# Visually Impaired Officers Employed in MITI

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“DRIVING Transformation, POWERING Growth”

*“ The woods are lovely, dark and deep. But I have promises to keep, and miles to go before I sleep.”*

*Robert Frost  
American Poet (1874-1963)*

## Comments & Suggestions

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