



Ministry of International Trade and Industry

Weekly Bulletin

DRIVING TRANSFORMATION, POWERING GROWTH **VOLUME 475**

6 MARCH 2018 | NO. ISSN: 2180-0448

MITI Minister with the *Rakyat* (People)



3 March 2018

MITI Minister at Kg. Halban Comel, Tanah Merah, Kelantan



3 March 2018

MITI Minister at Padang Bukit Jering, Kuala Balah, Jeli, Kelantan

MALAYSIA EXTERNAL TRADE STATISTICS



TRADE PERFORMANCE FOR THE MONTH OF JANUARY 2018

2018 Starts with the Highest January Exports of RM82.86 billion

Malaysia's trade in January 2018 surged by 14.9% to reach a value of RM156.01 billion from January 2017. Expansion in trade were seen with ASEAN, Hong Kong SAR, the European Union (EU), China, India, Taiwan and the Republic of Korea (ROK).

Exports posted a stronger y-o-y growth compared to imports, registering a double digit growth of 17.9% to RM82.86 billion. This was the highest export value ever recorded for the month of January, surpassing RM70.27 billion registered in January 2017. Imports expanded by 11.6% to RM73.15 billion, resulting in a trade surplus

of RM9.71 billion. This was the 243rd consecutive month of trade surplus recorded since November 1997.

On a month-on-month (m-o-m) basis, total trade, exports and imports expanded by 3%, 4.4% and 1.5%, respectively.

Performance of Major Sectors

Expansion in exports in January 2018 was driven mainly by growth in all major sectors. Exports of manufactured goods recorded a y-o-y double digit growth of 20.4% while mining and agriculture goods grew by 8.5% and 6.2%, respectively.

In January 2018, exports of manufactured goods were valued at RM68.34 billion, accounting for 82.5% share of Malaysia's total exports. The main contributors to the increase were exports of electrical and electronic (E&E) products which surged by 27.1%, followed by chemicals and chemical products (↑23.4%), iron and steel products (↑60.9%), optical and scientific equipment (↑18%), manufactures of metal (↑14.8%) as well as transport equipment (↑32%).

Exports of mining goods expanded by 8.5% to RM7.25 billion contributed mainly by growth in exports of liquefied natural gas (LNG), attributed to higher Average Unit Volume (AUV) and quantity.

Exports of agriculture goods rose by 6.2% to RM6.51 billion on higher exports of palm oil and palm oil-based agriculture products. Exports of palm oil grew by 10.1% to RM3.92 billion, due to higher quantity.

Major exports in January 2018 were:

- E&E products, valued at RM31.67 billion and constituted 38.2% of total exports, increased by 27.1% from January 2017;
- Chemicals and chemical products, RM6.18 billion, 7.5% of total exports, increased by 23.4%;
- Petroleum products, RM6.11 billion, 7.4% of total exports, increased by 0.5%;
- Palm oil and palm oil-based agriculture products, RM4.6 billion, 5.5% of total exports, increased by 9.4%; and
- LNG, RM3.75 billion, 4.5% of total exports, increased by 14%.

Performance of Major Markets

Growing Trade with ASEAN

Trade with ASEAN in January 2018 expanded by 16.2% y-o-y to RM42.98 billion compared to January 2017. Exports to ASEAN grew by 15.6% to RM24.19 billion, accounting for 29.2% share of Malaysia's total exports. The increase was attributed mainly to exports of E&E products, petroleum products, chemicals and chemical products as well as machinery, equipment and parts.

Breakdown of exports to ASEAN countries:

- Singapore RM11.58 billion, increased by 8.5%
- Thailand RM4.82 billion, ↑16.8%
- Viet Nam RM3.05 billion, ↑64.5%
- Indonesia RM2.82 billion, ↑25.7%
- Philippines RM1.48 billion, ↑7.1%
- Brunei RM183.2 million, ↑8.2%
- Myanmar RM162.0 million, ↓55.9%
- Cambodia RM91.5 million, ↓2.8%
- Lao PDR RM2.7 million, ↓63.1%

Imports from ASEAN were higher by 17.1% to RM18.79 billion, consisting largely imports of E&E products, petroleum products, chemicals and chemical products as well as machinery, equipment and parts.

In January 2018, trade with China rose by 8.5% y-o-y to RM25.33 billion. Exports surged by 17.9% to RM10.1 billion on account of exports of E&E products, chemicals and chemical products as well as optical and scientific equipment.

Imports from China increased by 3.1% to RM15.23 billion. Major imports were E&E products, machinery, equipment and parts as well as manufactures of metal.

The EU - Double Digit Growth in Exports

Trade with the EU surged by 20.5% y-o-y to RM15.52 billion. Exports to the EU grew by 13.6% or RM1.01 billion to RM8.38 billion in January 2018.

Exports to most EU markets registered increases. Major markets with double digit export growth were Germany (↑18.8%), Italy (↑28.1%), Spain (↑48%) and Slovenia (↑11.2%). Hungary recorded an outstanding growth of 114.8% or RM108.6 million compared to January 2017. In terms of products, higher exports were contributed mainly by E&E products, palm oil and palm oil-based agriculture products as well as manufactures of metal. Exports of manufactured goods to the EU rose by 10.9% to RM7.43 billion, accounting for 88.7% of Malaysia's total exports to the EU.

Imports from the EU increased by 29.6% to RM7.14 billion. Main import products were E&E products, transport equipment as well as machinery, equipment and parts.

Trade with the USA Remained Firm

Total trade with the USA posted an increase of 4% y-o-y to RM12.94 billion. Exports rose by 8.7% to reach RM7.27 billion, underpinned mainly by higher exports of manufactured goods which increased by 6.9%. Manufactured exports accounted for 95.6% or RM6.95 billion of Malaysia's total exports to the USA.

Expansion in exports were seen for transport equipment, palm oil and palm oil-based agriculture products, chemicals and chemical products, optical and scientific equipment as well as rubber products.

Imports from the USA declined by 1.5% to RM5.67 billion and the main import products were E&E products, machinery, equipment and parts as well as chemicals and chemical products.

Resilient Trade with Japan

In January 2018, total trade with Japan grew by 2.9% y-o-y to RM11.73 billion. Exports increased by 3.3% to RM7.02 billion. Higher exports to Japan was supported mainly by exports of LNG, iron and steel products, crude petroleum as well as palm oil and palm oil-based agriculture products.

Imports from Japan registered an increase of 2.4% to RM4.71 billion. Major imports were E&E products, machinery, equipment and parts as well as chemicals and chemical products.

Trade with FTA Partners

In January 2018, trade with Free Trade Agreement (FTA) partners was valued at RM97.77 billion accounting for 62.7% of Malaysia's total trade. Exports to FTA partners expanded by 13.7% to RM51.01 billion, representing 61.6% of Malaysia's total exports. Imports grew by 11.9% to RM46.76 billion. Increases in exports were recorded to China, Viet Nam, Singapore, the ROK, Thailand, Indonesia, India, Japan, New Zealand, Turkey, the Philippines, Pakistan, Chile and Brunei.

Exports to the ROK surged by 52.2% to RM2.54 billion, driven mainly by higher exports of E&E products while exports to India rose by 19.1% to RM2.97 billion, on account of growing exports of manufactures of metal.

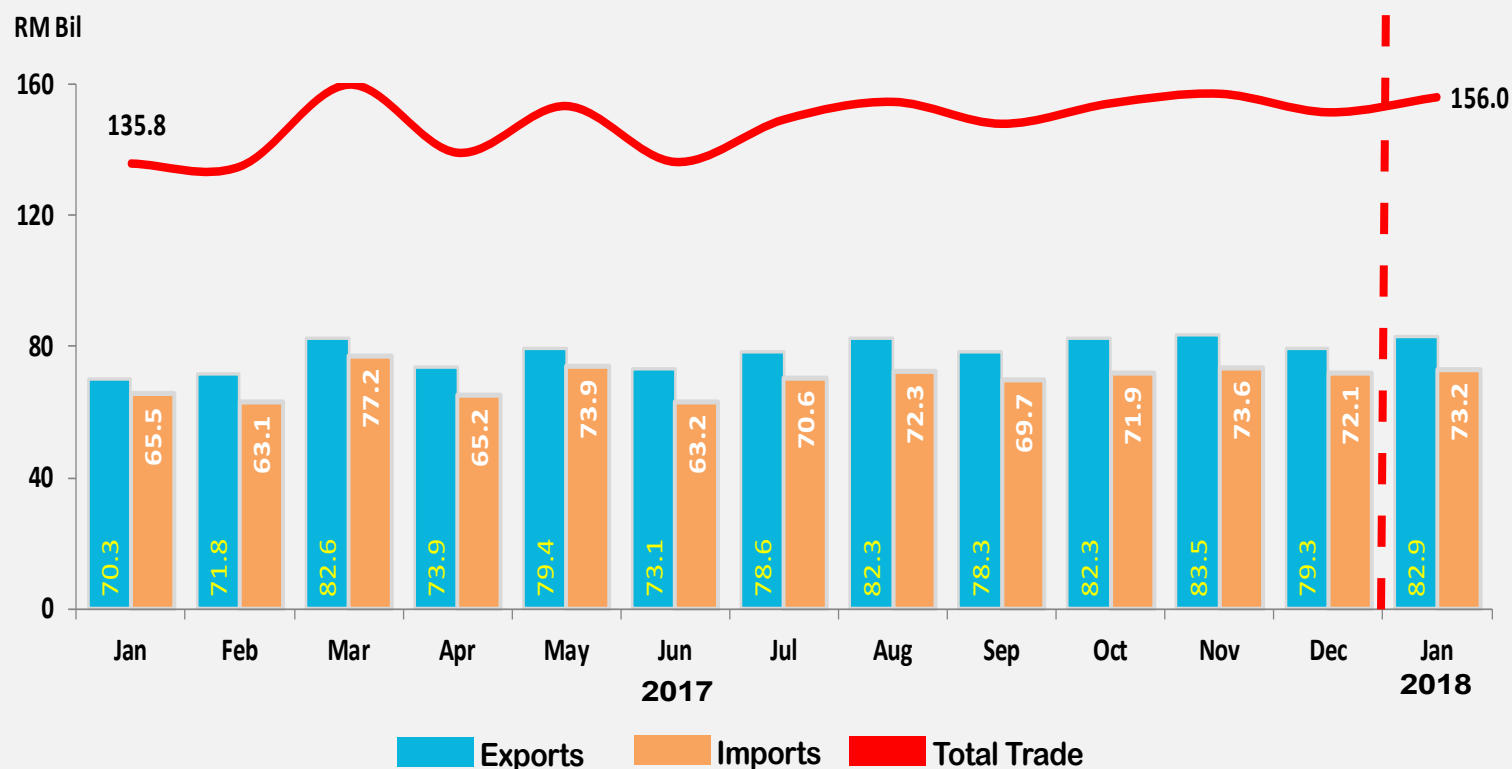
Imports

Total imports in January 2018 increased by 11.6% y-o-y to RM73.15 billion from RM65.53 billion. The three main categories of imports by end use were:

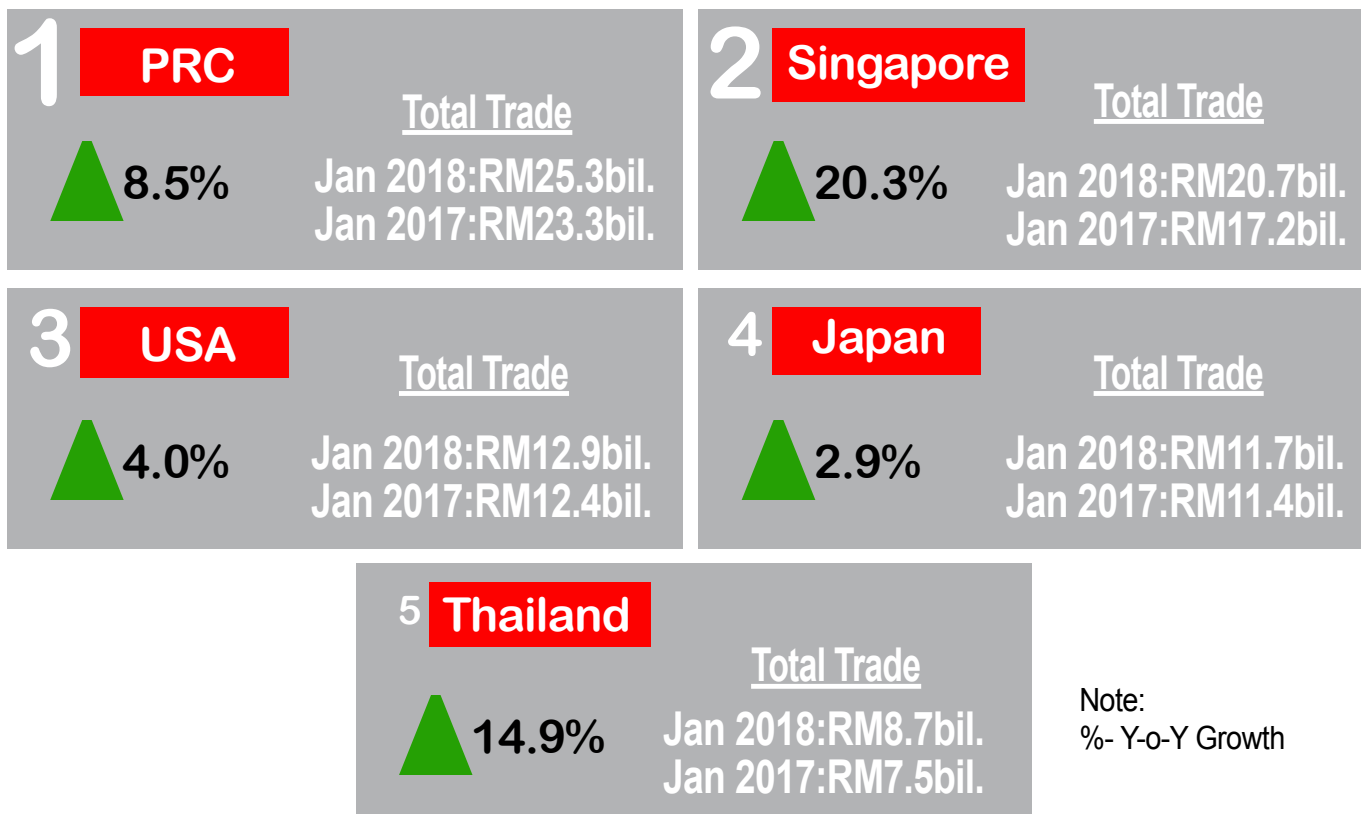
- Intermediate goods, valued at RM37.73 billion or 51.6% share of total imports, decreased by 1.7%, following lower imports of parts and accessories of capital goods (except transport equipment) particularly electrical, machinery, equipment and parts;
- Capital goods, valued at RM9.3 billion or 12.7% of total imports, declined by 3.1%, due mainly to lower imports of industrial transport equipment particularly ships, boats and floating structures; and
- Consumption goods, valued at RM6.31 billion or 8.6% of total imports, increased by 9.8%, as a result of higher imports of processed food and beverages mainly pastry products.

Minister Of International Trade And Industry
Malaysia

Malaysia's Trade Performance Jan 2017- Jan 2018



Malaysia's Top Five Trading Partner January 2018



Malaysia's Export By Sectors January 2018



Manufactured Goods

▲ 20.4%

Jan 2018:RM68.3bil.
Jan 2017:RM56.8bil.



Agriculture Goods

▲ 6.2%

Jan 2018:RM6.5bil.
Jan 2017:RM6.1bil.



Mining Goods

▲ 8.5%

Jan 2018:RM7.3bil.
Jan 2017:RM6.7bil.



Others

▲ 7.9%

Jan 2018:RM0.8bil.
Jan 2017:RM0.7bil.

Note:

%- Y-o-Y Growth

Top Five Export Products January 2018

1



▲ 27.1%

E&E Products

Jan 2018:RM31.7bil.
Jan 2017:RM24.9bil.

2

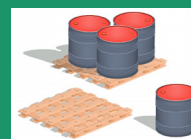


▲ 23.4%

Chemicals & Chemical Products

Jan 2018:RM6.2bil.
Jan 2017:RM5.0bil.

3



▲ 0.5%

Petroleum Products

Jan 2018:RM6.1bil.
Jan 2017:RM6.1bil.

4



▲ 9.4%

Palm Oil & Palm-Based Agriculture products

Jan 2018:RM4.6bil.
Jan 2017:RM4.2bil.

5



▲ 14.0%

LNG

Jan 2018:RM3.8bil.
Jan 2017:RM3.3bil.

Note:

%- Y-o-Y Growth

Source:

Department of Statistics, Malaysia

International Report

Malaysia as The Largest Exporter of Looped Pile Fabrics, Knitted Or Crocheted, 2016



1 Malaysia
US\$28.2mil

2 Singapore
US\$20.8mil

3 Chinese Taipei
US\$5.1mil

4 RRC
US\$4.3mil

5 Italy
US\$4.1mil

Top Five Export Destinations



Note : Refers to HS600129

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

TN50 YOUTH CANVAS:

Youth Aspirations for Malaysia towards 2050

WHAT ARE SOME 2050 TARGETS PROPOSED BY THE YOUTH?



RANK AMONG THE
TOP 20
IN THE WEF GLOBAL
COMPETITIVENESS
INDEX



RANK AMONG
THE TOP 10 IN THE
WIPO
GLOBAL INNOVATION
INDEX



TOP 10 IN THE
ECONOMIC
COMPLEXITY
INDEX¹

BE A HIGHLY
ENTREPRENEURIAL
SOCIETY,
RANKING AMONG
THE TOP 50%
IN TERMS OF TOTAL
EARLY STAGE
ENTREPRENEURIAL
ACTIVITY² (TEA) AND
ENTREPRENEURIAL
EMPLOYEE ACTIVITY³
(EEA)



MALAYSIA PRODUCES
GLOBAL
CHAMPIONS
AND WORLD-
RENOWNED BRAND
NAMES IN A RANGE
OF INDUSTRIES

IDEAS PROPOSED BY THE YOUTH



**MOONSHOT INDUSTRIES: CREATING
NEW INDUSTRIES FROM NATIONAL OBJECTIVES**

A pioneer industry development program aimed at systematically building new economic activities and advancing technology frontiers to support the achievement of a clear TN50 'moonshot' objective such as becoming a carbon neutral nation or attaining food self-sufficiency.



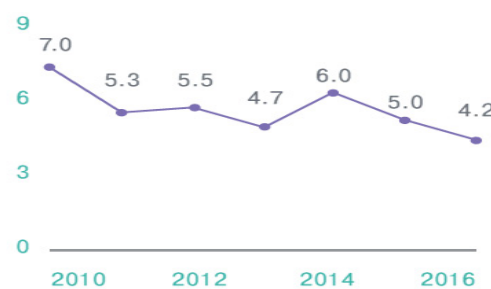
**GLC TRANSFORMATION,
THE NEXT PHASE**

An extension of the GLC Transformation program to improve the performance of the next 20-50 largest government-owned and government-linked companies.

Malaysia Enjoy's Strong Economic Fundamentals

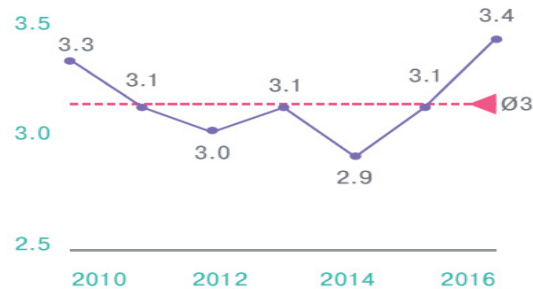
STABLE GDP GROWTH

Annual change (%)



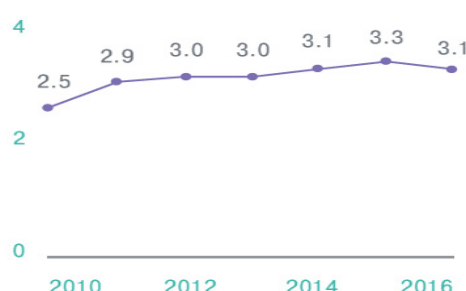
LOW UNEMPLOYMENT RATE

Unemployment rate (%)



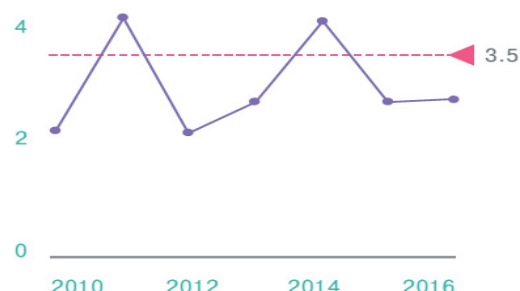
LOW, STABLE INTEREST RATES

OPR rate (%)



LOW AVERAGE INFLATION

Annual change (%)



Source: TN50 Youth Canvas Report

DID YOU KNOW?

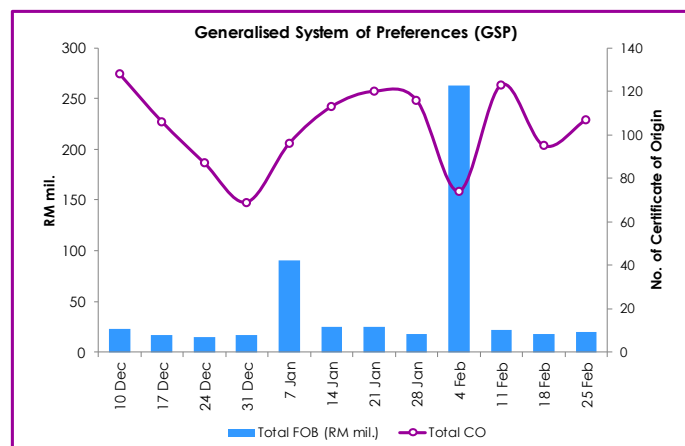
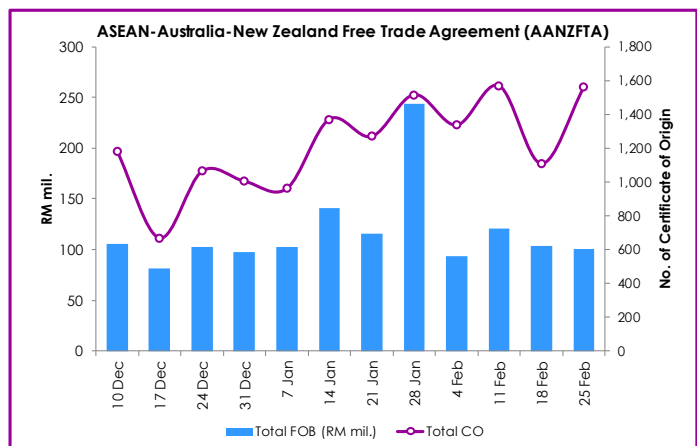
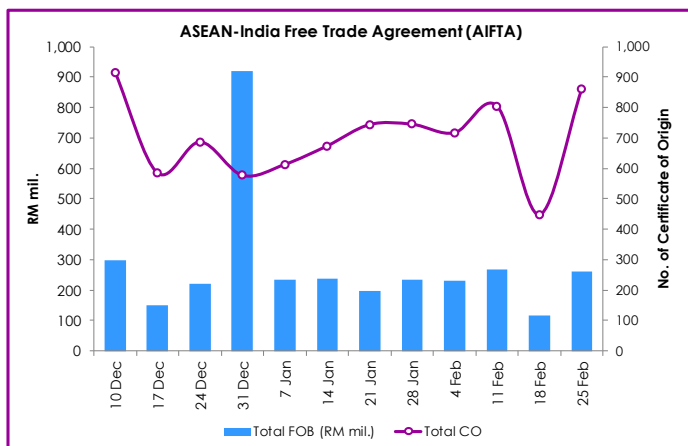
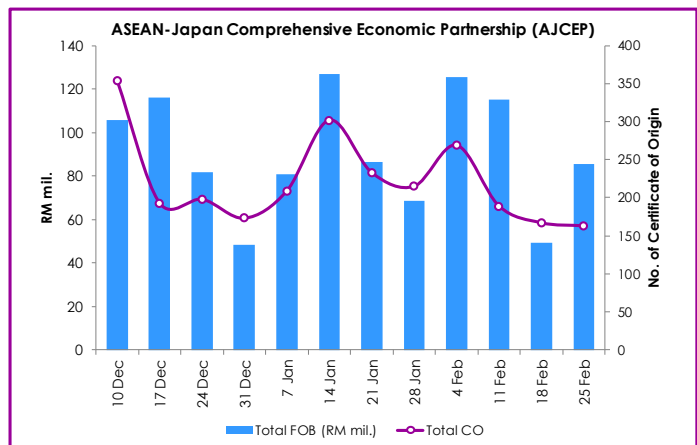
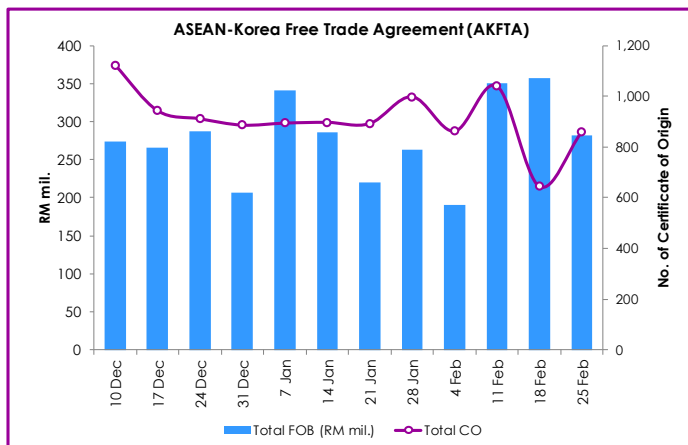
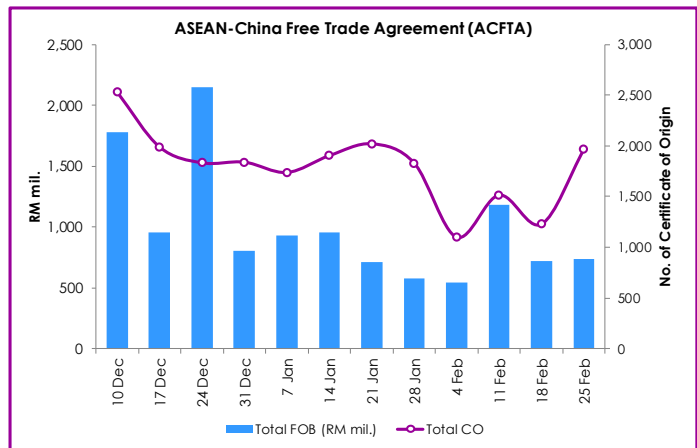
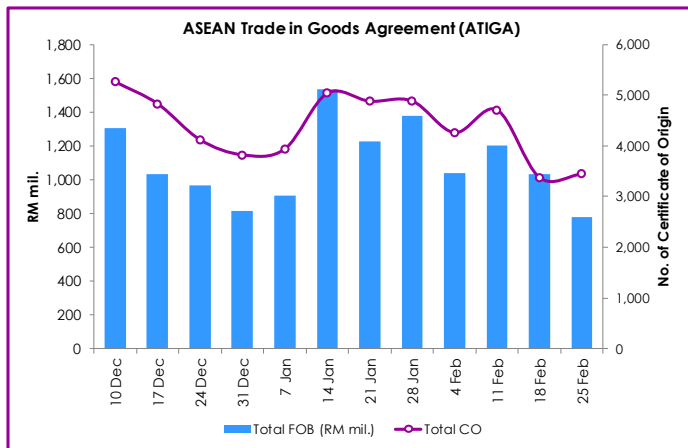


Top 10 Breakthrough Technologies, 2018

1. 3D Metal Printing
2. Artificial Embryos
3. Sensing City
4. Cloud-based AI services
5. Duelling Neural Networks
6. Babel Fish earbuds
7. Zero-carbon Natural Gas
8. Perfecting Online Privacy
9. Genetic Fortune Telling
10. Materials' Quantum Leap

Source: <https://www.forbes.com/sites/bernardmarr/2018/02/21/here-are-the-top-10-breakthrough-technologies-for-2018/2/#639ee1f936db>

Number and Value of Preferential Certificates of Origin (PCOs)

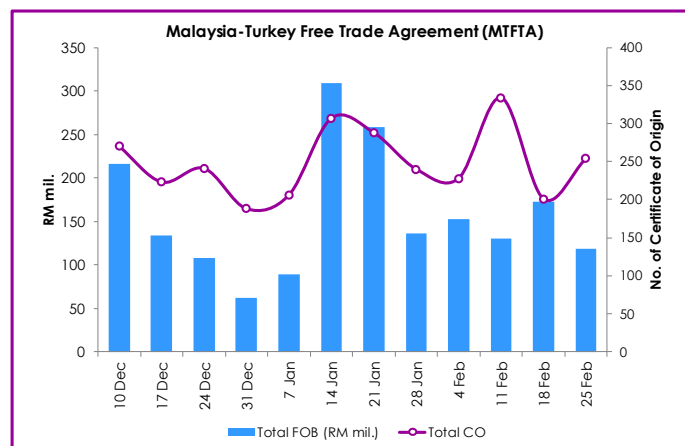
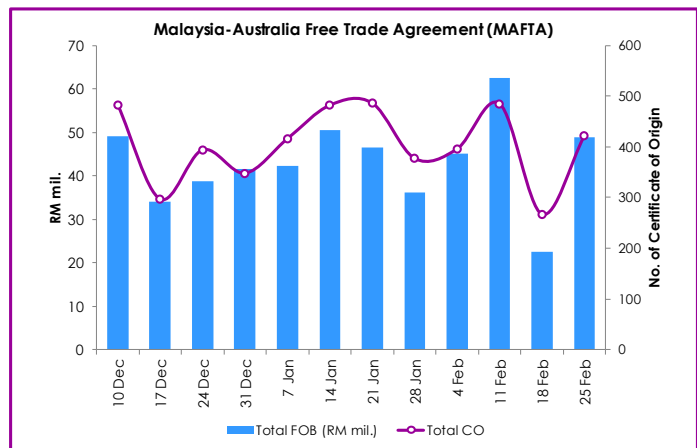
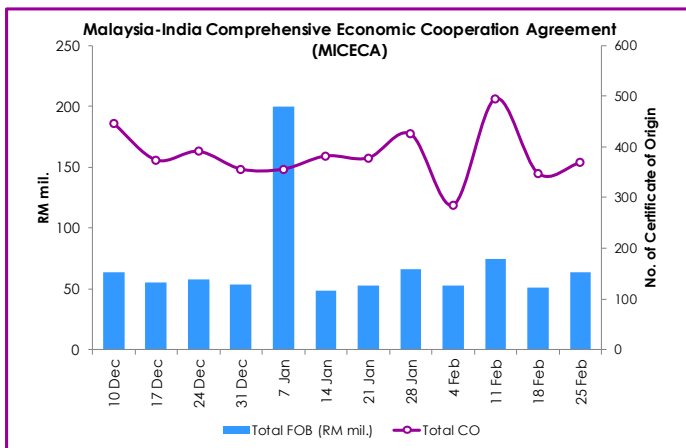
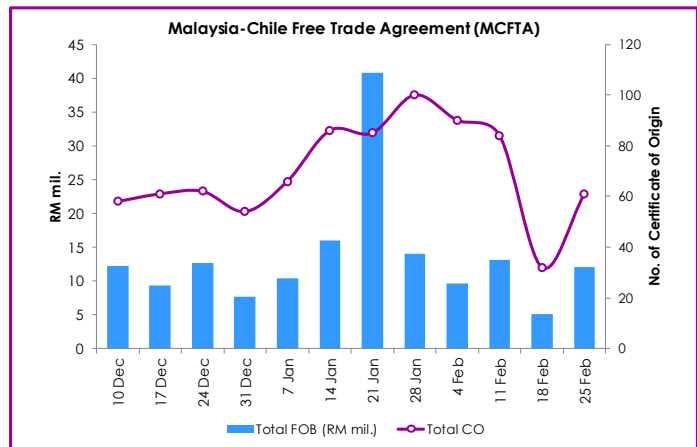
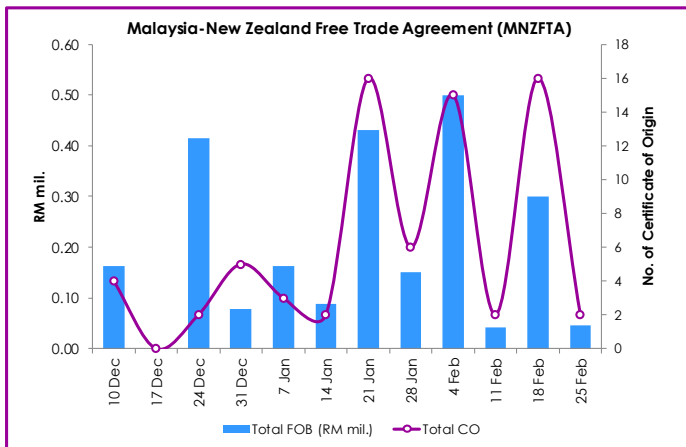
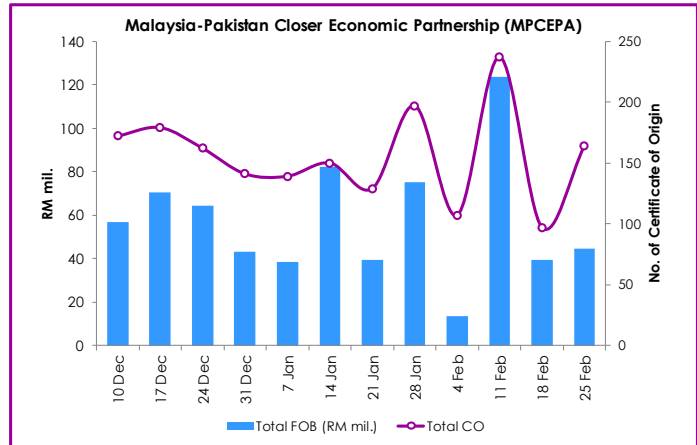
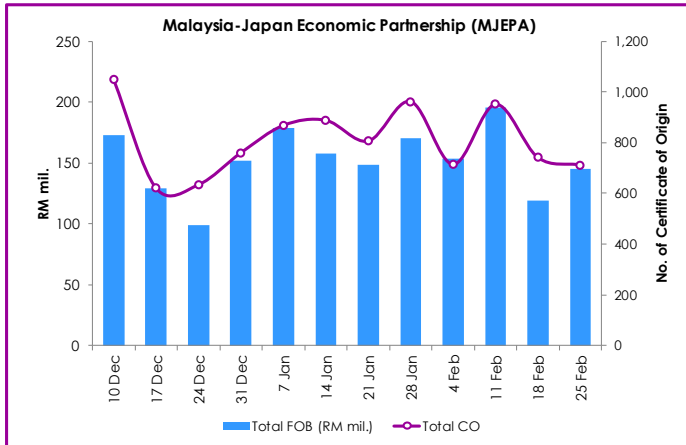


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

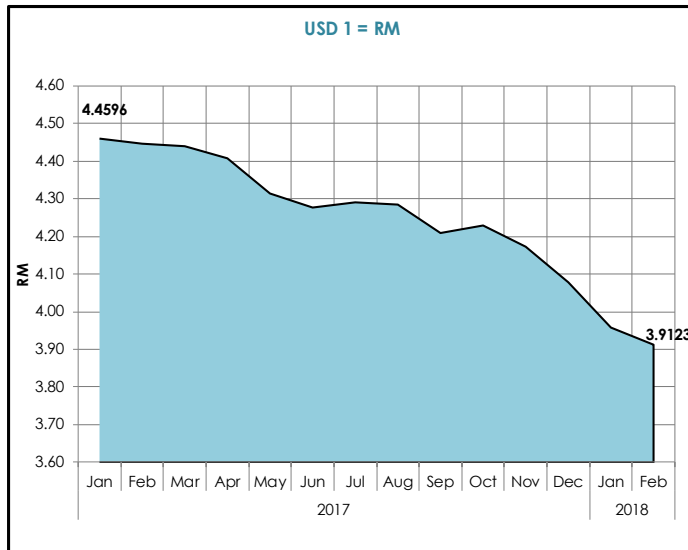
Number and Value of Preferential Certificates of Origin (PCOs)



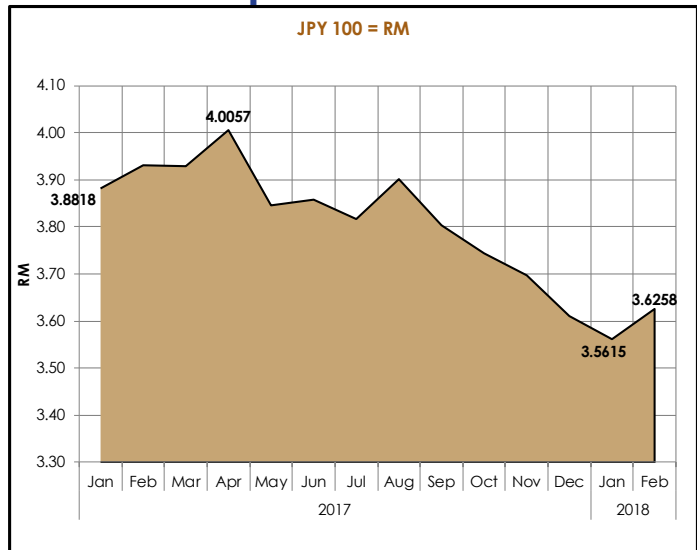
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

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

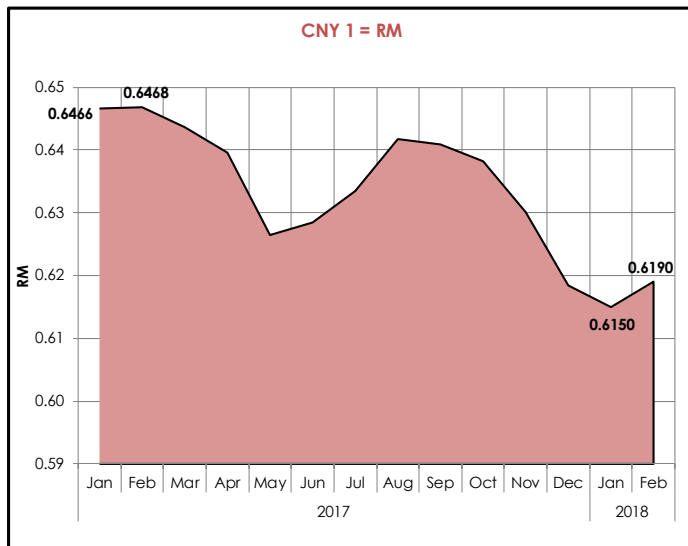
US Dollar



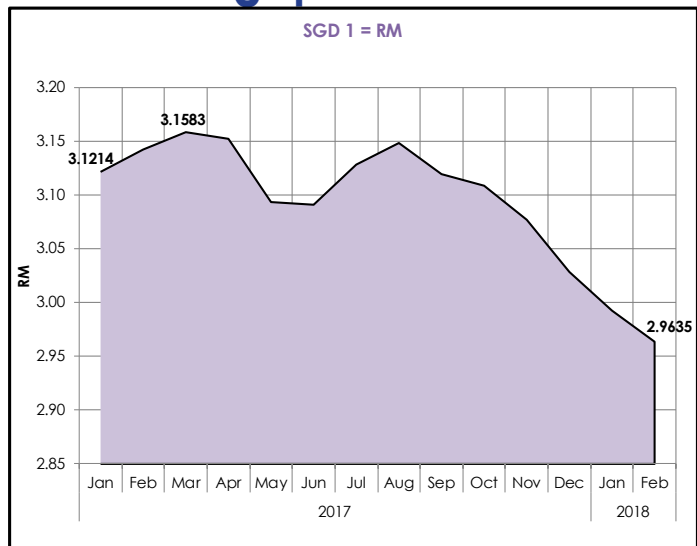
Japanese Yen



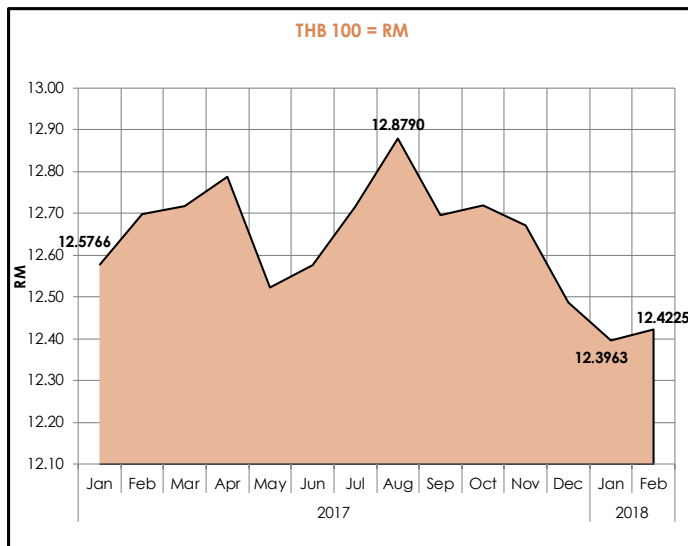
Chinese Yuan



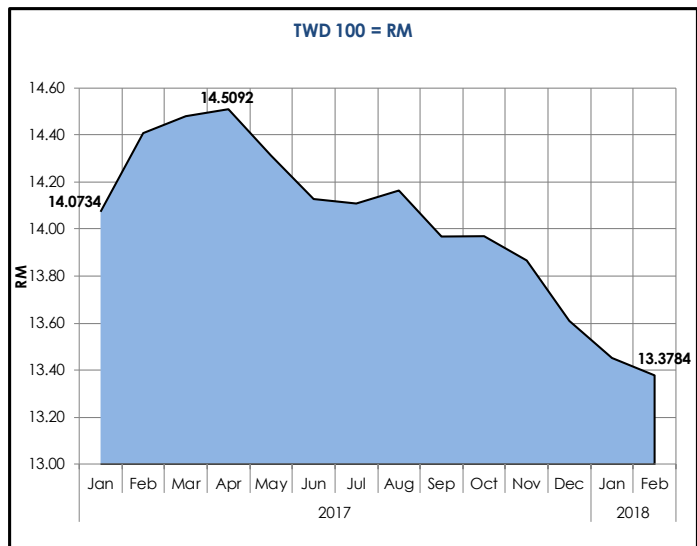
Singapore Dollar



Thai Baht



New Taiwan Dollar



Source : Bank Negara, Malaysia

Commodity Prices



CRUDE PETROLEUM (BRENT) -per bbl-

2 Mar 2018 : US\$64.4, ▼ 4.4%*
Average Priceⁱ: 2017: US\$55.0
2016: US\$45.3



CRUDE PALM OIL -per MT-

2 Mar 2018 : US\$673.5, ▲ 3.1%*
Average Priceⁱ: 2017: US\$719.7
2016: US\$702.2



SUGAR -per lbs-

2 Mar 2018 : US¢ 13.4, ▼ 0.3%*
Average Priceⁱ: 2017: US¢15.8
2016: US¢18.2



RUBBER SMR 20 -per MT-

2 Mar 2018 : US\$1,487.5, ▲ 1.3%*
Average Priceⁱ: 2017: US\$1,646.6
2016: US\$1,394.5



COCOA SMC 2 -per MT-

2 Mar 2018 : US\$1,532.2, ▼ 0.3%*
Average Priceⁱ: 2017: US\$1,439.0
2016: US\$1,609.8



COAL -per MT-

2 Mar 2018 : US\$63.8, ▼ 0.8%
Average Priceⁱ: 2017: US\$57.2
2016: US\$45.6



SCRAP IRON HMS -per MT-

2 Mar 2018 : US\$395.0 (high), ▲ 1.3%
US\$385.0 (low), ▲ 4.1%
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

9 Feb 2018 : US\$62.8
23 June 2017 : US\$45.5

Crude Palm Oil -per MT-



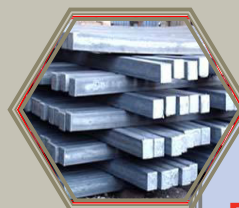
Highest

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

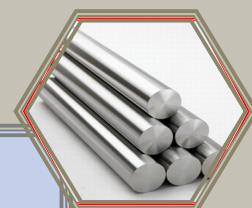
Lowest

23 Feb 2018 : US\$653.5
30 June 2017 : US\$650.0

Domestic Prices 2 Mar 2018



Billets
(per MT)
RM2,300 – RM2,400



Steel Bars
(per MT)
RM2,650 – RM2,800

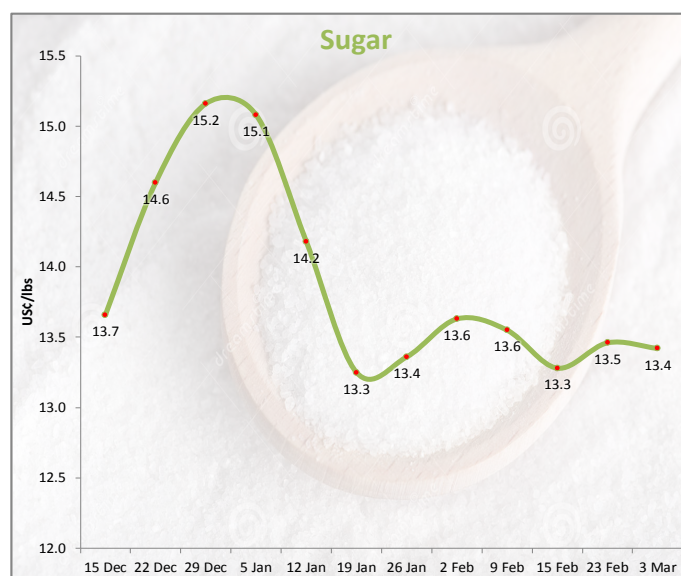
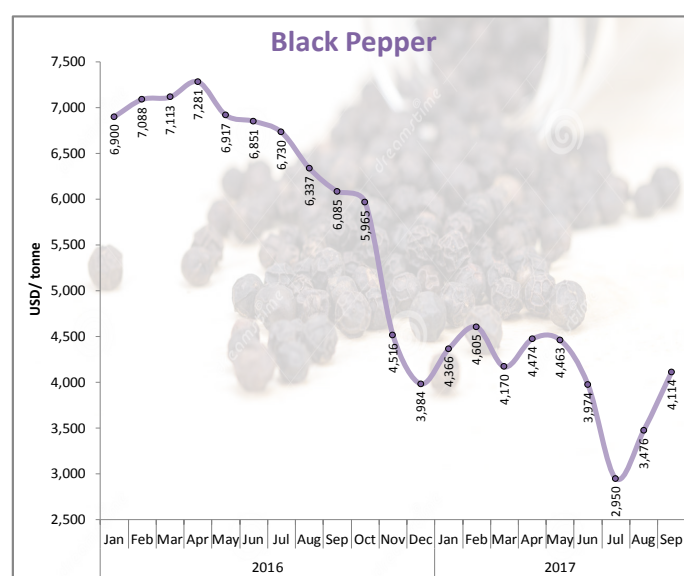
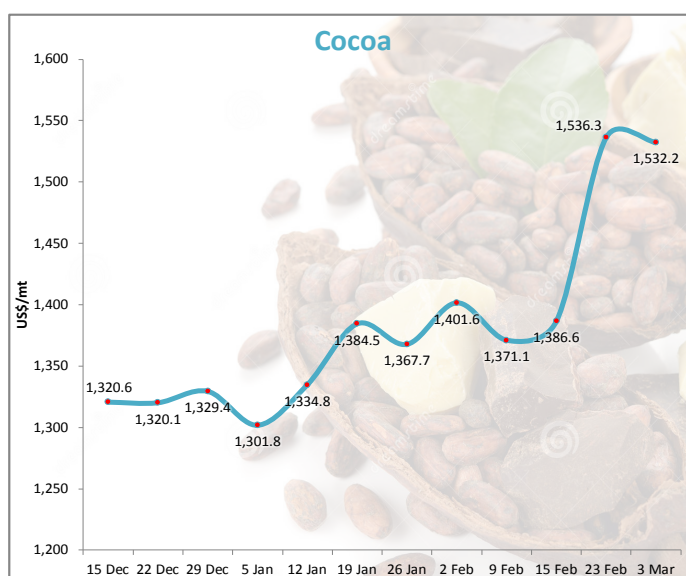
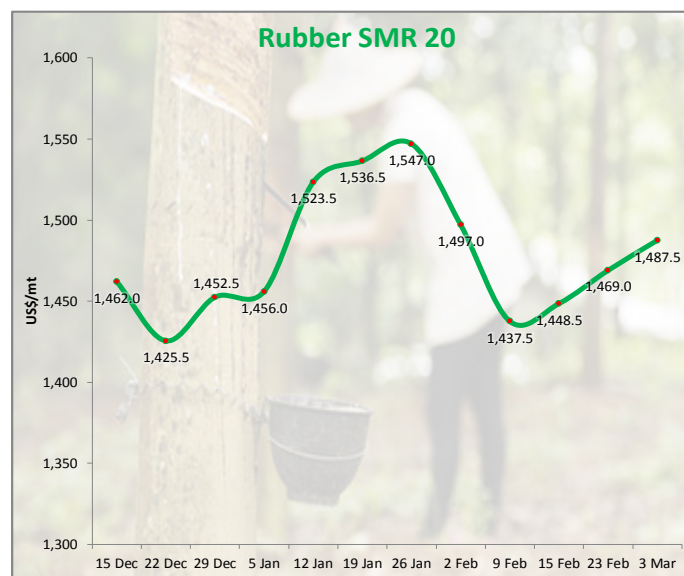
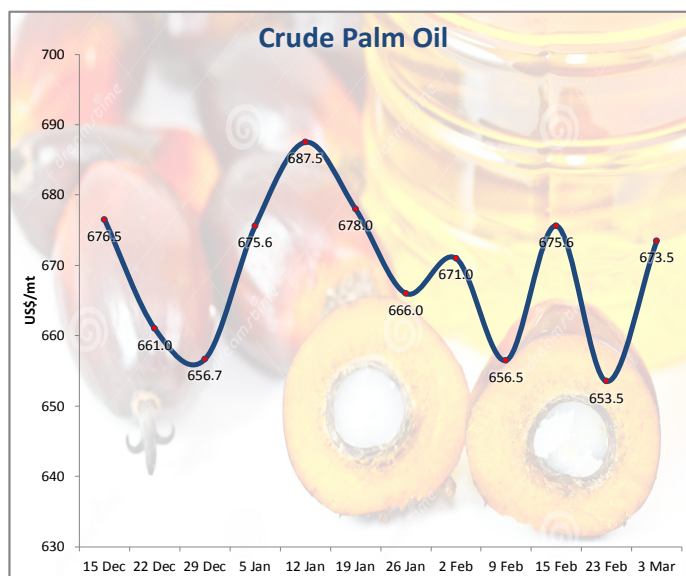
Notes: All figures have been rounded to the nearest decimal point

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

i Average price in the year except otherwise indicated

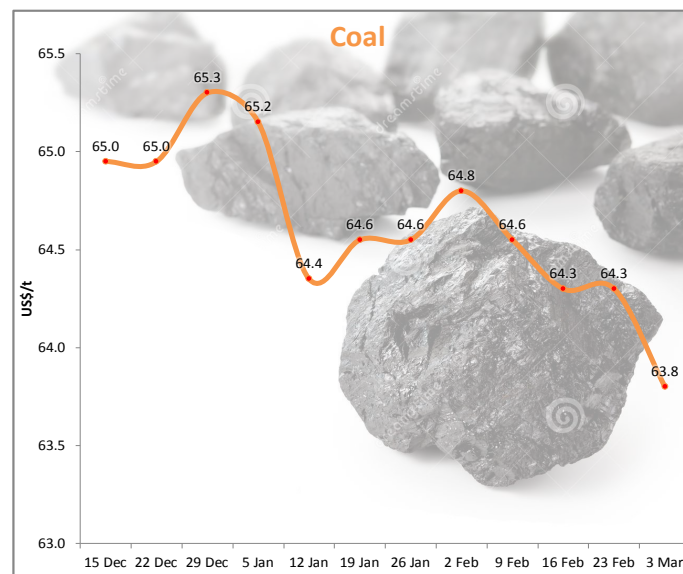
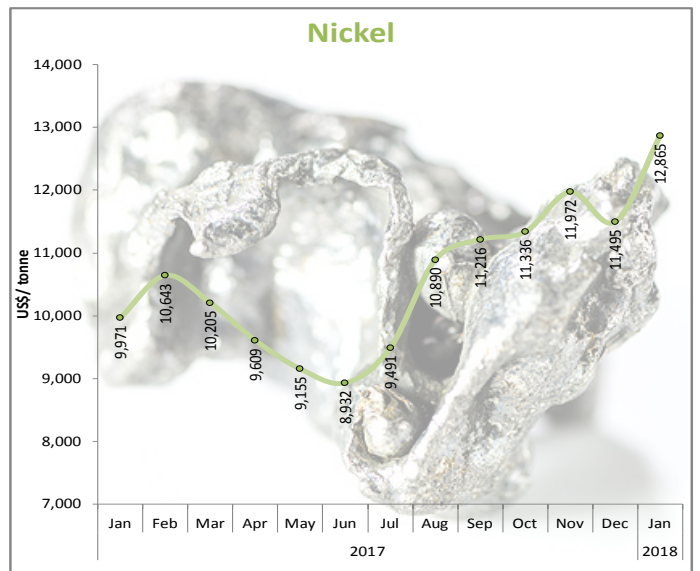
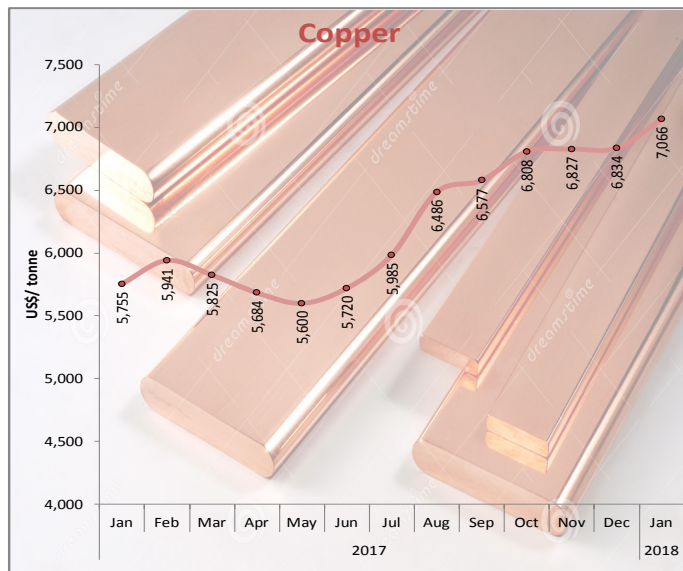
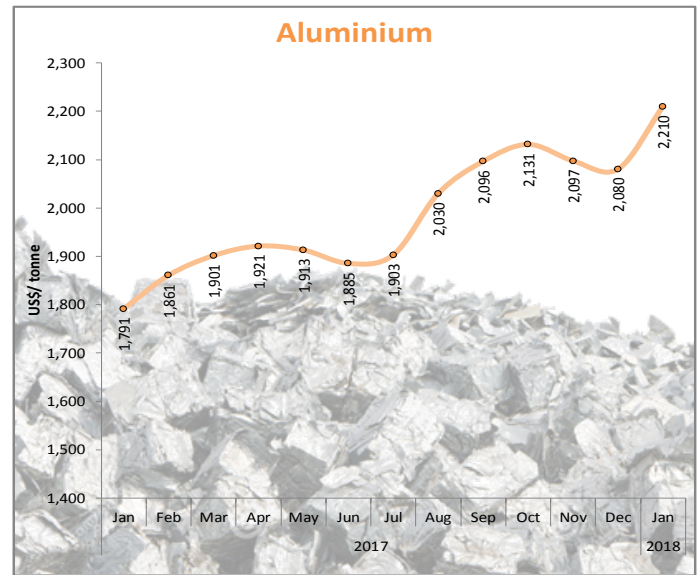
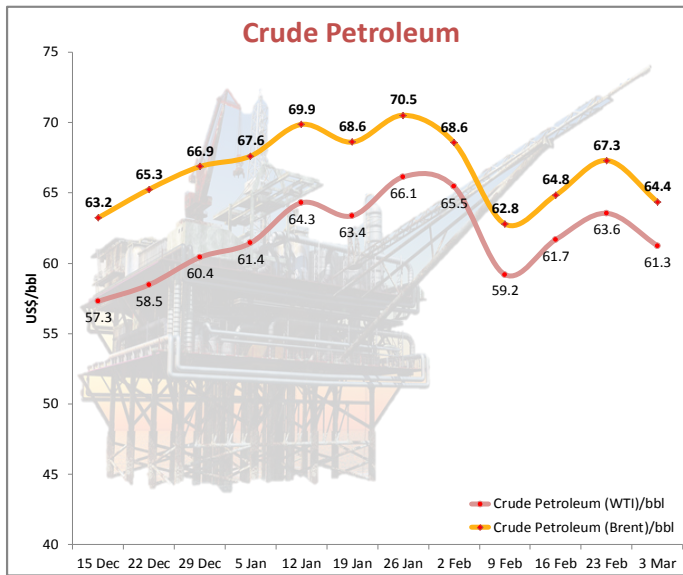
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

Commodity Price Trends



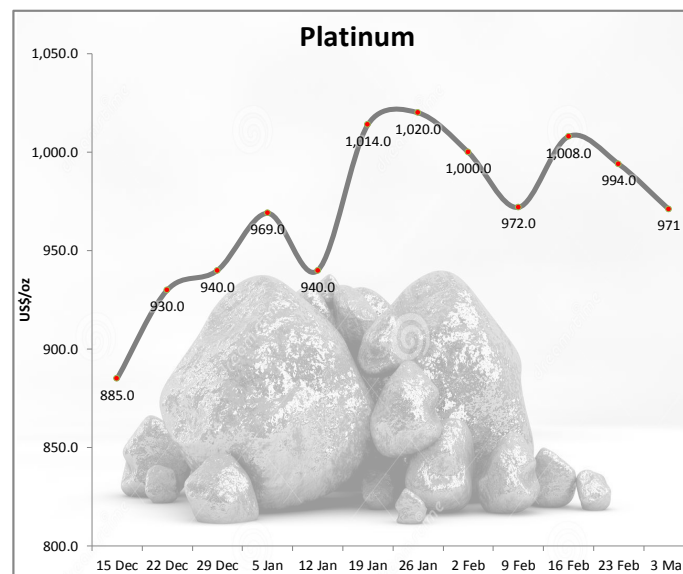
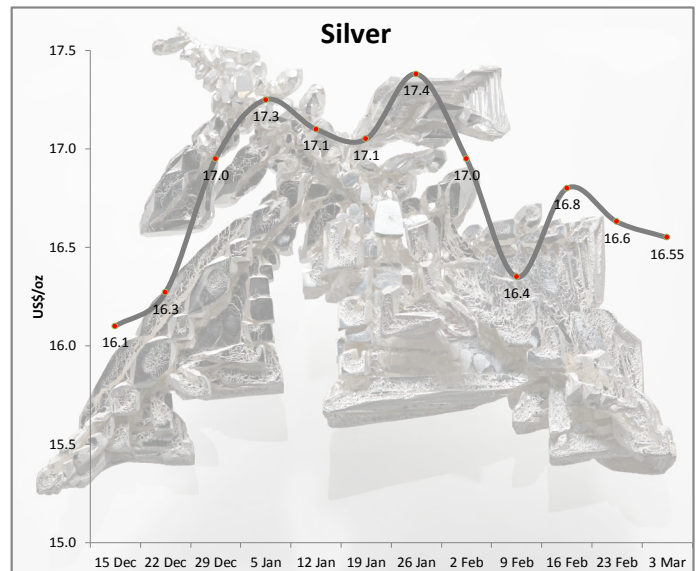
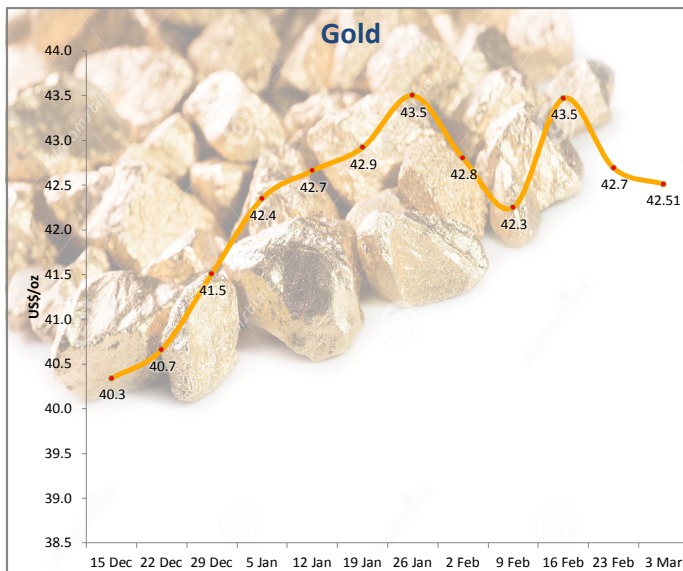
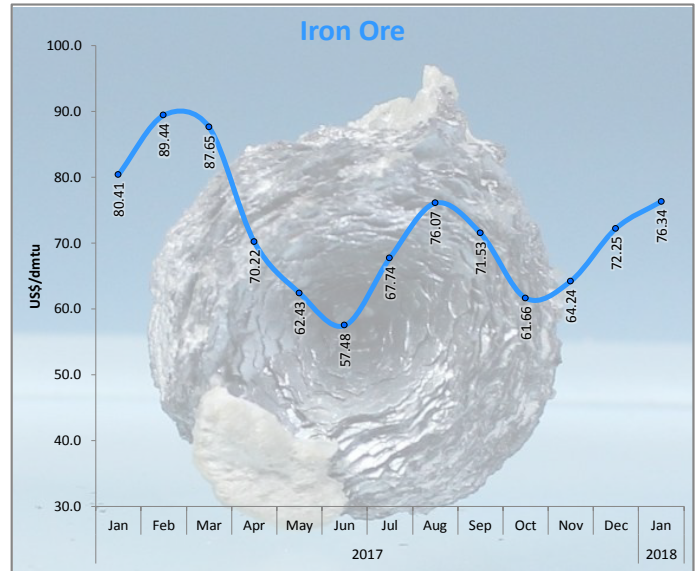
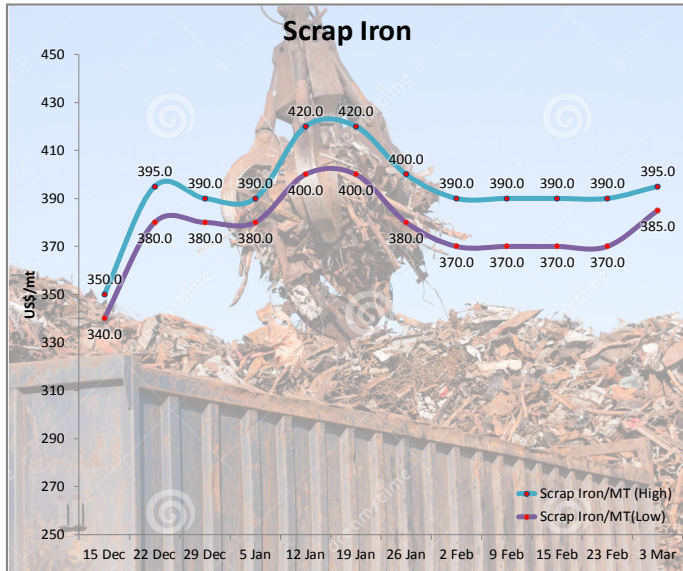
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarinkow 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



24th ASEAN Economic Ministers' Retreat Singapore

1 March 2018



MITI PROGRAMME

Courtesy Call on MITI's Sec. Gen., YBhg. Datuk Seri J. Jayasiri by H.E. Andrew Goledzinowski, High Commissioner of Australia to Malaysia, 1 March 2018





MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MEDIA RELEASE

The 24th Asean Economic Ministers' Retreat & Related Meetings 28 February – 3 March 2018, Singapore

YB. Dato' Sri Mustapa Mohamad, Minister of International Trade and Industry (MITI) will lead the Malaysian delegation to the 24th ASEAN Economic Ministers' (AEM) Retreat and Related Meetings from 28 February to 3 March 2018 in Singapore.

At the 24th AEM Retreat, the Economic Ministers will exchange views and deliberate on the 12 economic priority deliverables for Singapore's ASEAN Chairmanship, operationalization of AEC 2025 monitoring and evaluation framework and be updated on the progress of ASEAN external relations. The Economic Ministers will consider the recommendations made by the High Level Task Force on Economic Integration which include streamlining AEC work process, the development of the ASEAN GRP Core Principles and an assessment of ASEAN's readiness for the 4th Industrial Revolution. In addition, the ASEAN Business Advisory Council will brief Economic Ministers on its priorities and initiatives for 2018.

The 16th AEM-EU Trade Commissioner Consultation will also be held on 2 March 2018, to be co-chaired by H.E Cecilia Malmström, the EU Trade Commissioner. The consultation with the EU is expected to further deliberate on the next steps towards the possible resumption of the ASEAN-EU Free Trade Agreement. The consultation will also note the implementation of the ASEAN-EU trade and investment work programme 2017-2018, stock-take ASEAN-EU relations as well as update and exchange views on the recent global and regional economic developments. The Ministers and EU Trade Commissioner will be meeting with the representatives of ASEAN-EU Business Council who will update activities and initiatives undertaken by the Business Council in enhancing the economic cooperation in the two regions.

The 4th Regional Comprehensive Economic Partnership (RCEP) Intersessional Ministerial Meeting will take place on 3 March 2018 during which RCEP Ministers are expected to deliberate on expediting the pace of negotiations particularly on market access on goods, services and investment as well as on rules, geared towards facilitating trade and investment in support of the expansion and deepening of regional value chains.

Ministry of International Trade and Industry (MITI)
1 March 2018



Glossary

of Technical Terms

Cabotage Policy

The cabotage policy is a policy that governs the transport/shipping of goods or passengers between two places along coastal routes in the same country by a transport operator from another country, practiced by many nations worldwide including developed nations. For some of these nations, it is so strictly implemented that no foreign-owned vessels are even allowed to operate within their domestic waters.

This policy began in 1980 (implemented on 1 January 1980, with the Merchant Shipping Ordinance 1952 was amended and the Domestic Shipping Licence Board was established) with the purpose of developing Malaysian ownership and local shipping in general whilst at the same time minimising Malaysia's dependence on foreign vessels as well as the outflow of foreign exchange in the form of freight payments. This policy also acts as a platform for local shipping companies to gradually expand and reach out into international waters.

The cabotage policy allows vessels from foreign ports to call directly to/from any Malaysian port including ports in Sabah and Sarawak. For example, a vessel from Singapore or Hong Kong is free to call directly to/from any Malaysian port such as Sepanggar, Bintulu etc. Foreign vessels are also allowed to operate within the domestic sector through the granting of an exemption issued by the Domestic Licensing Board upon fulfilling the criteria set.

Capital Account Deficit

A deficit in the capital account means money is flowing out more than flowing into the country, and it suggests the nation is increasing its ownership of foreign assets. (The capital account balance of Malaysia is always deficit).

Capital Account Surplus

A surplus in the capital account means money is flowing into the country more than flowing out, and the inbound flows effectively represent borrowings or sales of assets.

Capital Intensive

Describes an industry or sector of the economy that relies relatively heavily on inputs of capital, usually relative to labor, compared to other industries or sectors.

CBI

Cross-Border Investment – Residents of Malaysia investing directly in production in another country, either by buying a company there or establishing new operations of an existing business.

CBU

Completely built unit - is the terminology when a car/bike/automobile is imported/exported to/from some other country as a complete car fully assembled. These automobiles do not require an assembly before they can be sold out to the buyers in the target country's markets.

CEPT

The Common Effective Preferential Tariff (CEPT Scheme)- was established as the mechanism to reduce and eliminate import duties in ASEAN.

Circumvention

Getting around commitments in the WTO such as commitments to limit agricultural export subsidies. Includes avoiding quotas and other restrictions by altering the country of origin of a product; measures taken by exporters to evade anti-dumping or countervailing duties.

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

TO BE
CONTINUED...

ANNOUNCEMENT



DRAFT NATIONAL INDUSTRY 4.0 POLICY FRAMEWORK

PUBLIC CONSULTATION ON DRAFT NATIONAL INDUSTRY 4.0 POLICY FRAMEWORK

THE PUBLIC CONSULTATION WILL BE OPEN FROM 12 FEBRUARY 2018 TO 9 MARCH 2018

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

More...

For further enquiries, please contact us at i4.0@miti.gov.my.

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>

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>

The 11 remaining countries, led by Japan, finalised a revised trade pact in January, now called the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). It is expected to be signed in Chile on March 8.

<http://www.thesundaily.my/news/2018/02/21/final-version-revised-tpp-released>

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

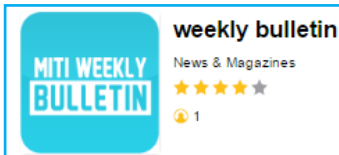


MITI Outreach Programme

YouTube

<https://www.youtube.com/watch?v=2cjNp7jblpM&feature=youtu.be>

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