

## POTENTIAL INVESTMENT INTO MALAYSIA - DISCUSSION WITH LEADING THAI CONGLOMERATE 28 OCTOBER 2018

On my visit to Thailand accompanying Prime Minister Tun Dr Mahathir Mohamad during his state visit, I joined the Prime Minister in a courtesy call by Tan Sri Charoen Sirivadhanabhakdi, chairman of the established Thai conglomerate TCC Group. It is one of the foreign conglomerate that have a significant presence in Malaysia with business spanning several industries including properties, food and beverages, consumer goods and trading.

During the courtesy call, Tan Sri Charoen praised Tun Dr Mahathir for his eye on identifying young talents and his willingness to guide them with his sage-like vision, which is said to bring more trade and connectivity.

Tun Dr Mahathir reiterated his welcome for all foreign companies including from Thailand to invest in Malaysia, and will ensure the ease of doing business. By cooperating, companies from both Malaysia and Thailand stand to learn from each other resulting in mutual growth. He remarked that both countries have incredible opportunities to further excel.

Tun Dr Mahathir expressed his confidence towards TCC Group, and stated that the group can contribute towards making Malaysia a developed country. Both sides pledged collaboration to contribute towards the betterment of the country.



It was also discussed that Penang has a huge potential just like Singapore but due to issues of security in the Southern Thai provinces, it impacted the state development. The southern border is very valuable, both sides agreed, and with superior amount of prospective, once the area is developed both Malaysia and Thailand can boost trade.

Tan Sri Charoen acknowledged that the Fraser's Property, a subsidiary under TCC Group has undertaken initial steps to look into possible investment in TRX. His son, Mr Panote Sirivadhanabhakdi will lead Fraser's team and further engage with MITI. Nevertheless, his group is going to invest more in Malaysia via Big C, a popular chain of hypermarket in Thailand. Development of its store is planned to commence soon in Kedah.

In addition, Tan Sri Charoen mentioned that TCC Group is committed to improve tourists experience through

its ownership of a series of hotel chains worldwide under Meridien, Marriott and others. Since Malaysia has always been a popular tourist destination, it's only natural for both sides to seek cooperation to further boost tourism. Tun Dr Mahathir commented that Malaysia is an incredibly beautiful place and tourist number will continue to increase, hence the importance to ensure their safety as they will bring wealth to the country.

I'm proud that my first meeting with Tan Sri Charoen last month is followed up by one with the Prime Minister. It's significant in two ways — first, the meeting showcased the Prime Minister's commitment to help bringing more quality investments into Malaysia and secondly, foreign investors exhibit great confidence in setting foot and investment in our country. It proves that the economic environment in Malaysia remains conducive for foreign investors.

YB Datuk Darell Leiking  
Minister of International Trade  
and Industry (MITI)  
28 October 2018

## Response to Article Published by The Edge dated 29 October 2018

The Ministry of International Trade and Industry (MITI) takes note of the article on 'CRC Players Losing Patience with Government Inaction' in The Edge, 29 October 2018.

The Ministry has engaged with cold rollers several times since April 2017 to address their concerns especially on the surge of imports of cold roll coils and have taken several actions to address the concerns. For instance, the Government has suspended the ATIGA preferential for all CRC imports from Vietnam and conducted retroactive checks, based on the allegation by the cold rollers that CRC imported from Vietnam are not meeting the origin criteria. MITI has also met the industry players several times recently to discuss on ways to address these concerns.

MITI would like to highlight that trade remedies are instruments to defend the interest of the domestic industry from unfair trade practices. In this regard, the Government may initiate an investigation or a review to determine the existence, degree and effect of any alleged dumping upon the submission of a written petition by the domestic industry producing the like product. There are timelines to be followed based on existing laws and regulations. All anti-dumping and review investigations has to be carried out within 270 days and 180 days respectively.

Since 2006, Malaysia has initiated 7 anti-dumping investigations on iron and steel products namely steel wire rod, tin plate, hot rolled coils, cold rolled coils, pre-painted color coated steel coils, cold rolled stainless steel and galvanised iron, whereby 6 of this measures are still in force.

To encourage more local purchase of CRC, MITI had also facilitated a discussion between the CRC producers and the galvanisers/coaters in March 2018 to find a way forward for all parties, where the users gave the commitment to support the CRC producers and buy more locally. Nevertheless, the final decision on purchase of any product is a business decision where the Government cannot intervene.

On import duty exemption approvals, all applications are deliberated thoroughly in a Special Committee chaired by MITI. Major domestic producers are well-represented in the Committee to confirm local availability. Import duty exemption is granted only after industry representatives in the Special Committee confirm that:

- I. the grades and specifications are not produced locally;
- II. raw materials to produce finished products which have nil duty; and
- III. raw materials not produced locally in Sabah and Sarawak.

Duty exemptions are not being given to traders, selected importers or those not even involved in manufacturing as claimed by the CRC players.

The issuance of Approved Permit for HS7225, which covers CRCs, is automatic and solely for monitoring and data collection purposes. The Government is in the midst of developing Malaysian Standards on HS7225 to ensure quality and safe imports into Malaysia.

The Government remains cognisant that the industry is facing various challenges over the years to remain competitive and relevant, due to factors such as influx of imports, overcapacity and import substitutions. In addressing these issues and challenges, the Government has made various policy adjustments to facilitate the industry, as part of the 'shared responsibility' approach we have undertaken since June 2012. MITI will continue to monitor current development and undertake necessary actions in accordance with the national laws and legislations, including responding to any dumping activities carried out by companies in countries impacted by the recent increase in the US and EU tariffs on steel products.

The Government has always treated the industry's interest with utmost priority and attentiveness. Consolidated proposals or feedback based on consultation among the iron and steel industry are welcomed through the existing mechanism under the Malaysia Steel Council (MSC) chaired by YB MITI Minister. During the recent MSC Meeting held on 22 October 2018, the Iron & Steel industry was urged to work together to develop a White Paper on Way Forward for the Iron & Steel Industry. Industry inputs and collaboration is needed for the Government to formulate a holistic iron and steel policy that addresses every level of the value chain.

Ministry of International Trade and Industry (MITI)

# Consumer Price Index (CPI), September 2018

CPI September 2018  
**increased 0.3%**  
 as compared to  
 September 2017



## Inflation rate for main groups, September 2018 / 2017



Housing, Water,  
Electricity, Gas &  
Other Fuels  
**2.1%**



Education  
**1.1%**



Restaurants &  
Hotels  
**1.1%**



Food & Non-Alcoholic  
Beverages  
**0.5%**



Transport  
**0.3%**



Health  
**-0.2%**



Recreation Services  
& Culture  
**-0.2%**



Furnishings, Household  
Equipment & Routine  
Household Maintenance  
**-0.8%**



Alcoholic Beverages  
& Tobacco  
**-0.9%**



Communication  
**-1.6%**



Clothing &  
Footwear  
**-3.2%**



Miscellaneous  
Goods & Services  
**-3.0%**

Note :  
- % change year-on-year

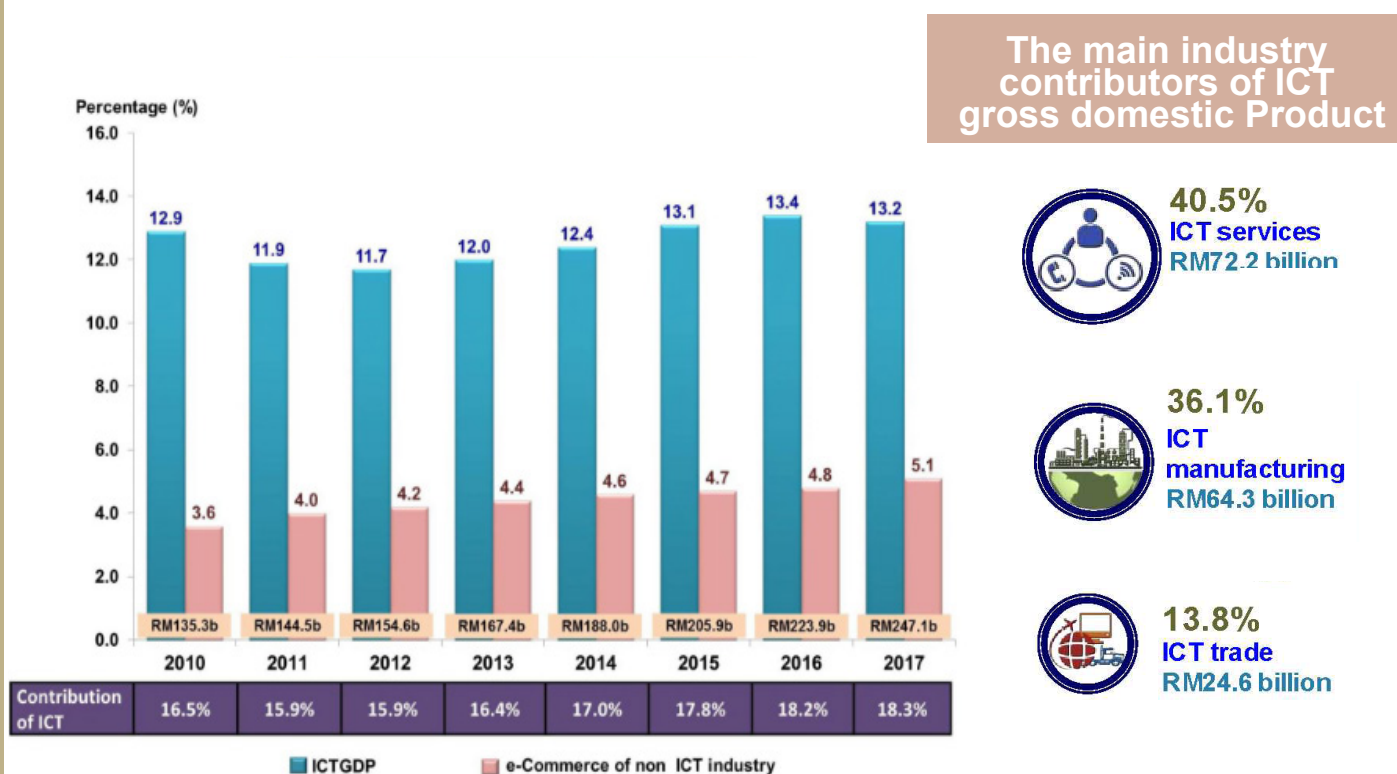
Source: Department of Statistics, Malaysia

# Information and Communication Technology Satelite Account, 2017

Information and Communication  
Technology (ICT) **contributed**  
**18.3%** to national economy



## Contribution of ICT to economy 2012-2017



Source: Department of Statistics, Malaysia



## Value added and contribution of e-commerce to GDP 2017

Contribution of e-commerce to GDP

**6.3%**



Value added of e-commerce  
**RM85.8 billion**

## Value added and contribution of e-commerce to GDP , 2012 - 2017

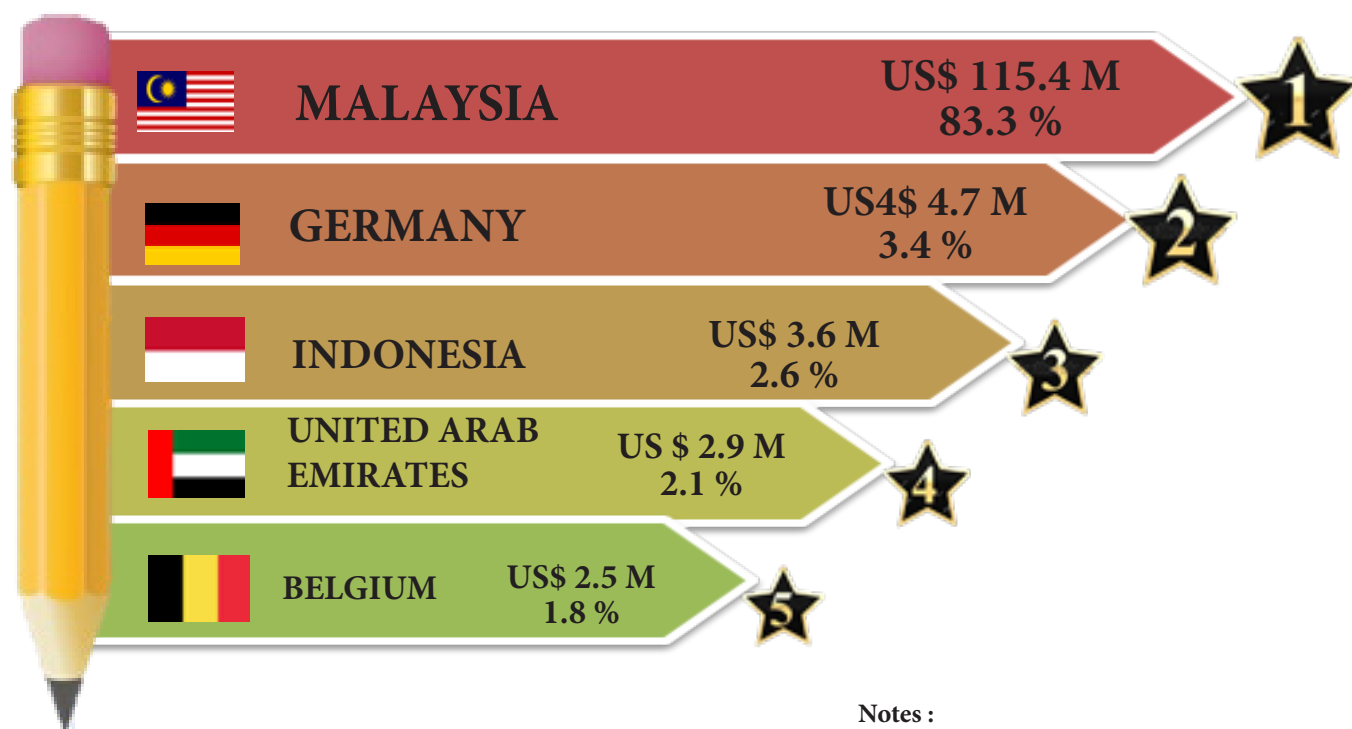


Employment of the ICT industry **increased** to **1.09** million persons



Source: Department of Statistics, Malaysia

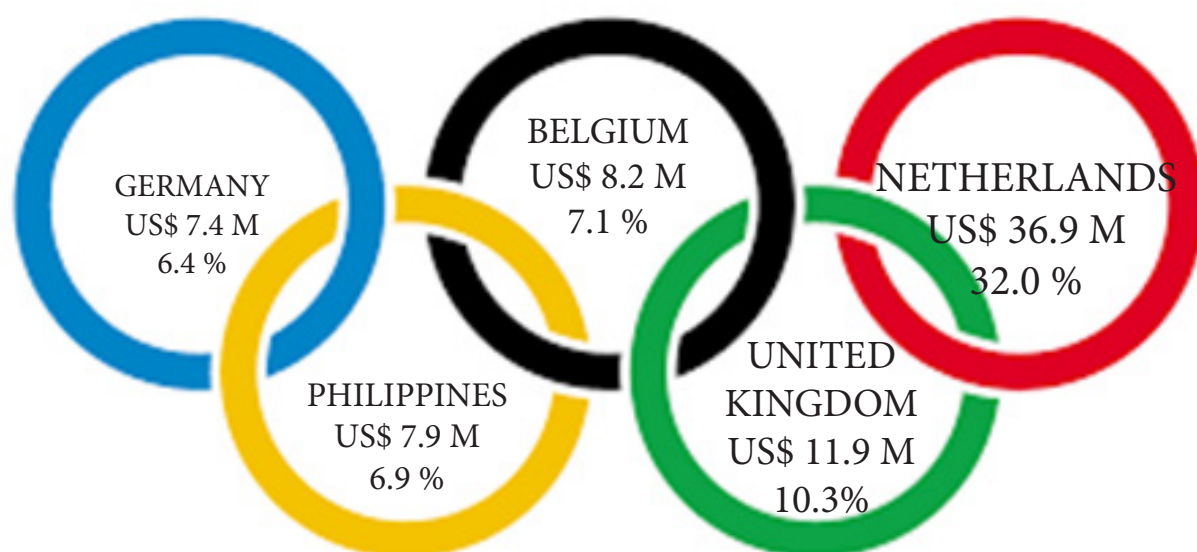
Malaysia was **RANKED NUMBER ONE** exporter for dark red meranti, light red meranti and meranti bakau, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness of > 6 mm\*, in 2017



Notes :

- % Share in world exports

Malaysia's **TOP FIVE EXPORTS DESTINATIONS** for Dark red meranti, light red meranti and meranti bakau, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness of > 6 mm\*, in 2017



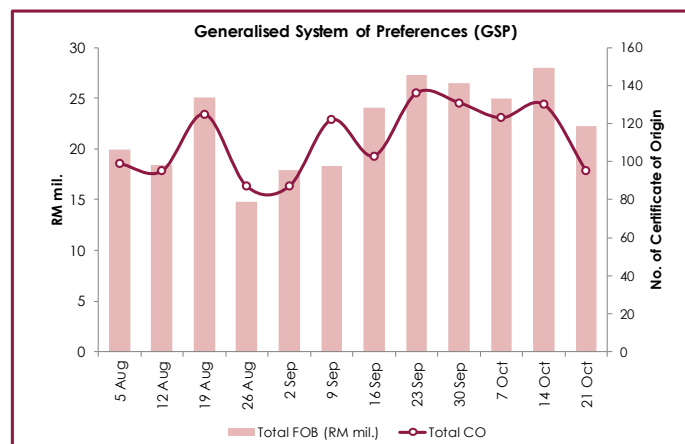
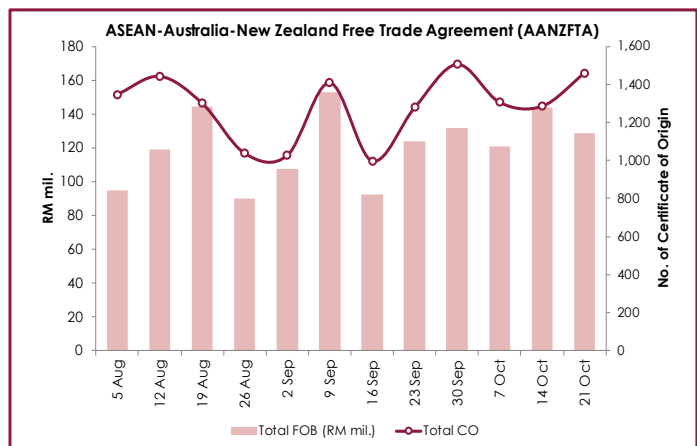
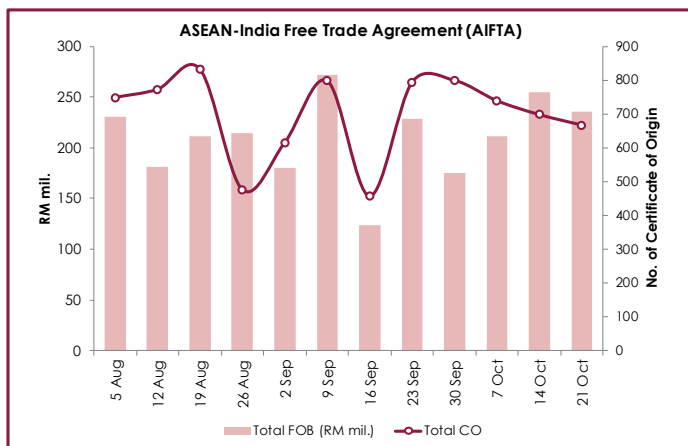
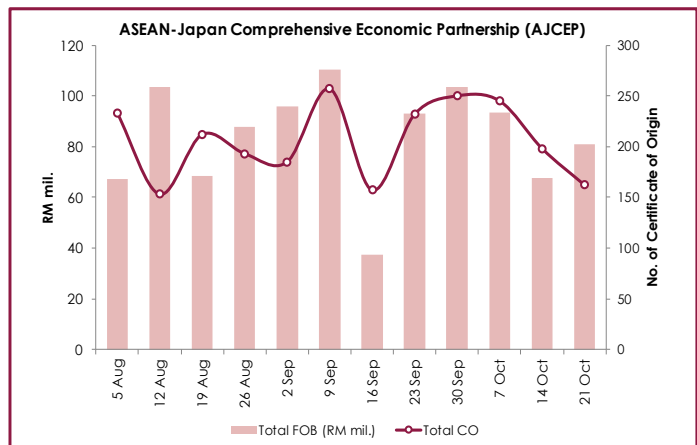
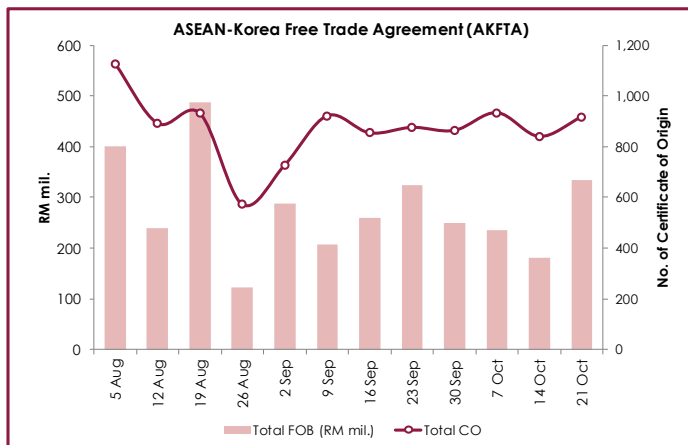
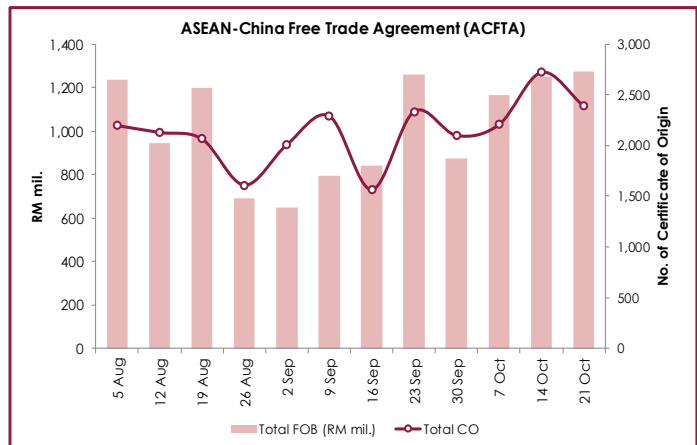
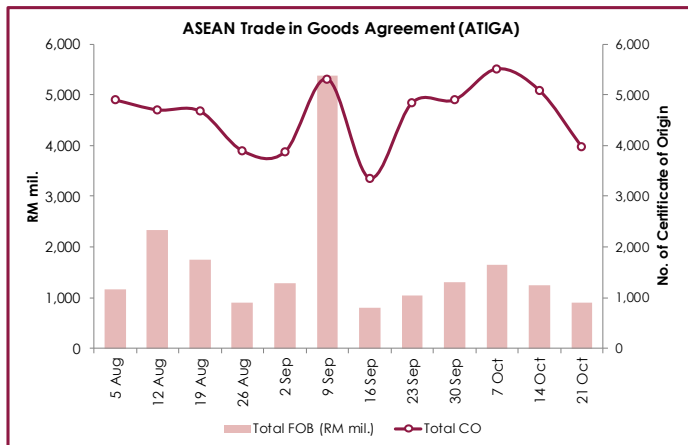
Notes :

- % Share in Malaysia's export

- \*Refers to HS 440725

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

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

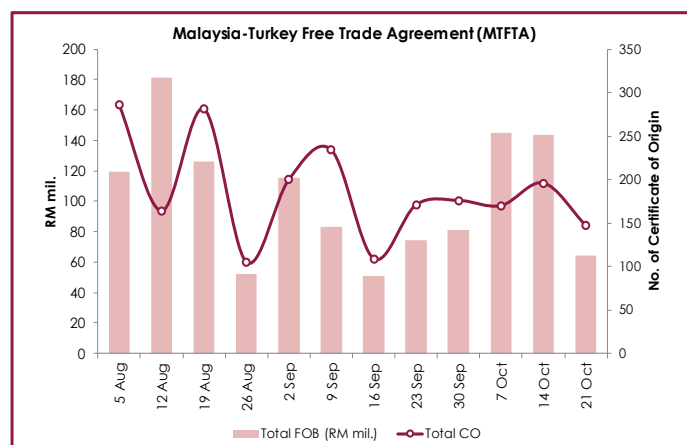
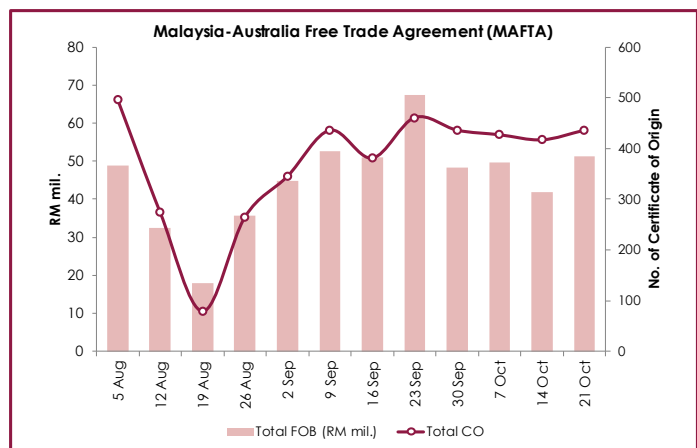
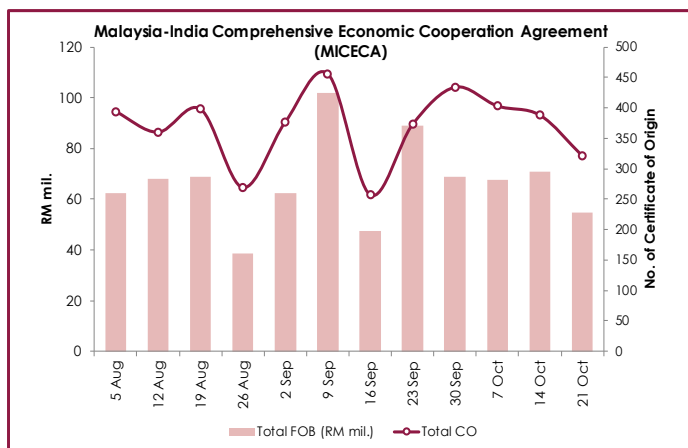
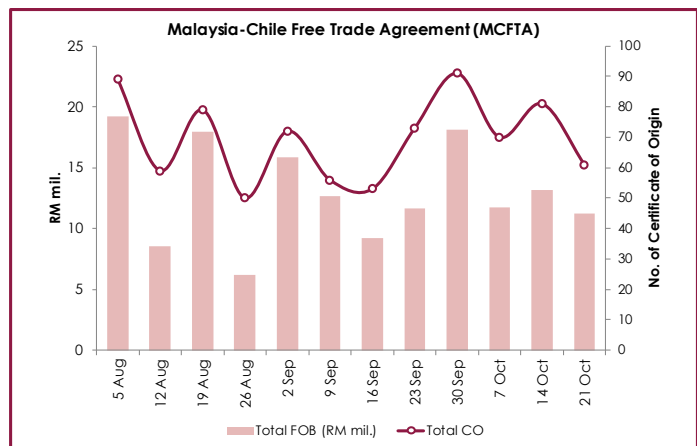
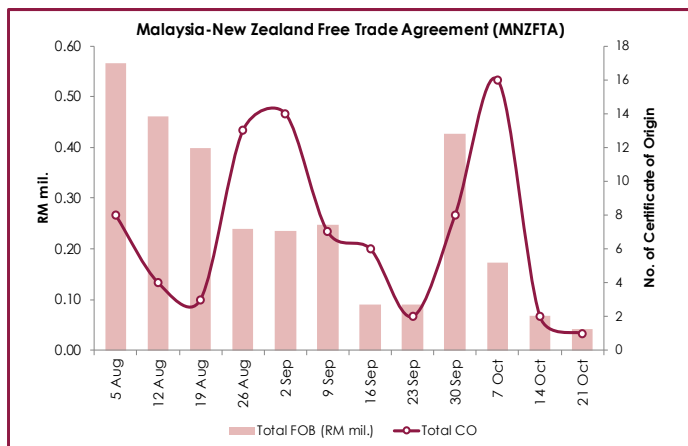
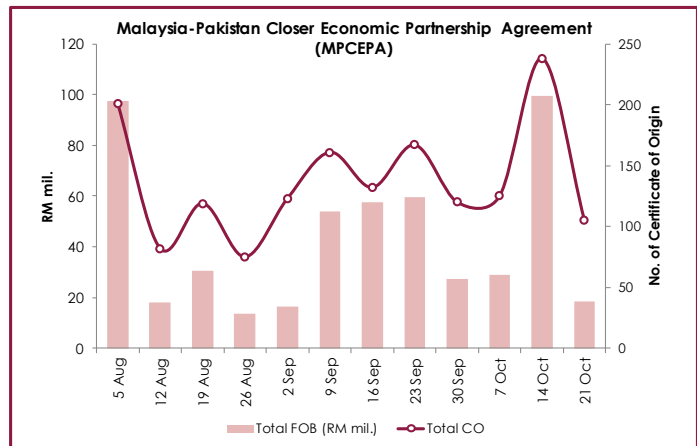
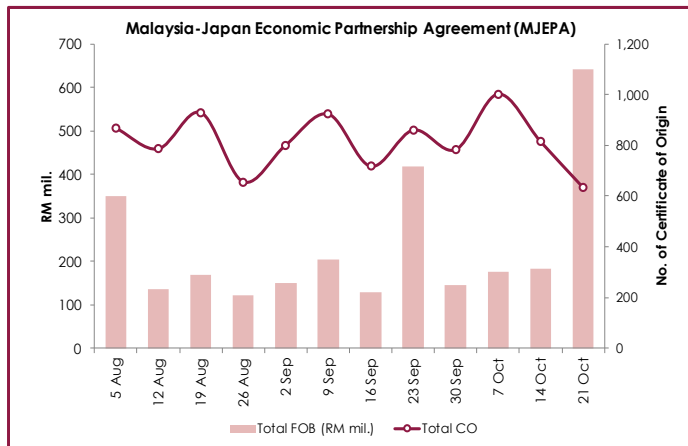


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: \*Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

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

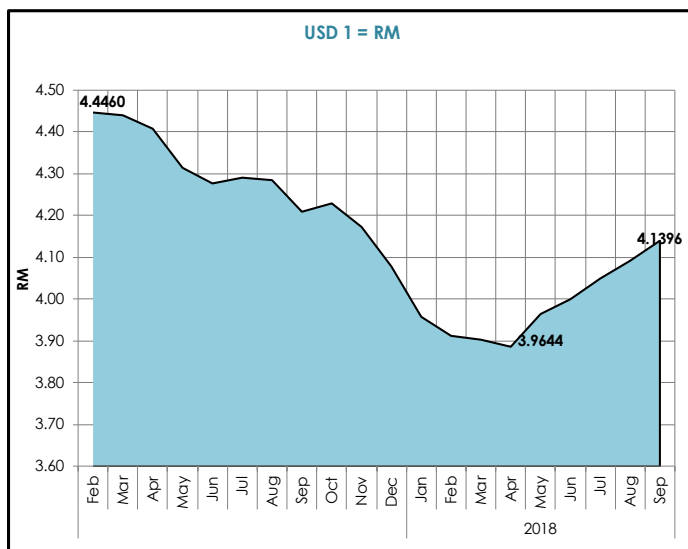


Note: \*Provisional Data  
Source: Ministry of International Trade and Industry, Malaysia

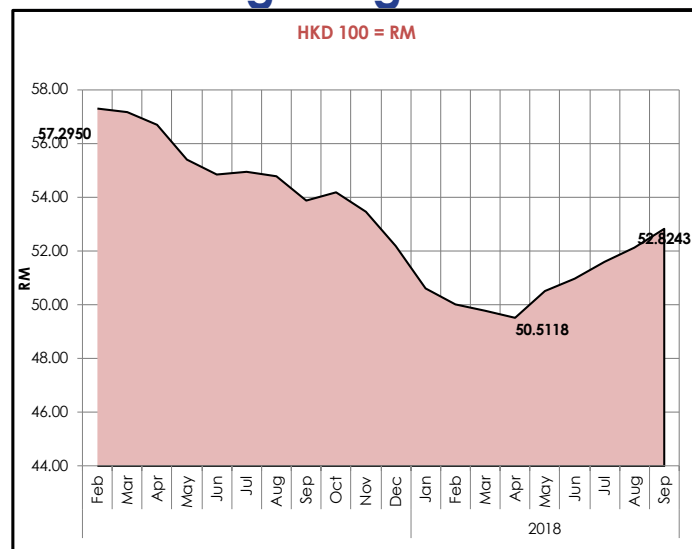


# Malaysian Ringgit Exchange Rate with Selected Countries, January 2017 - August 2018

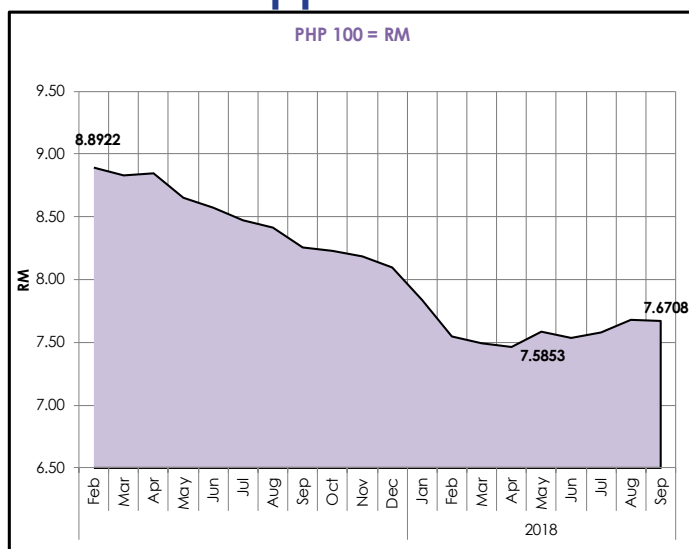
## US Dollar



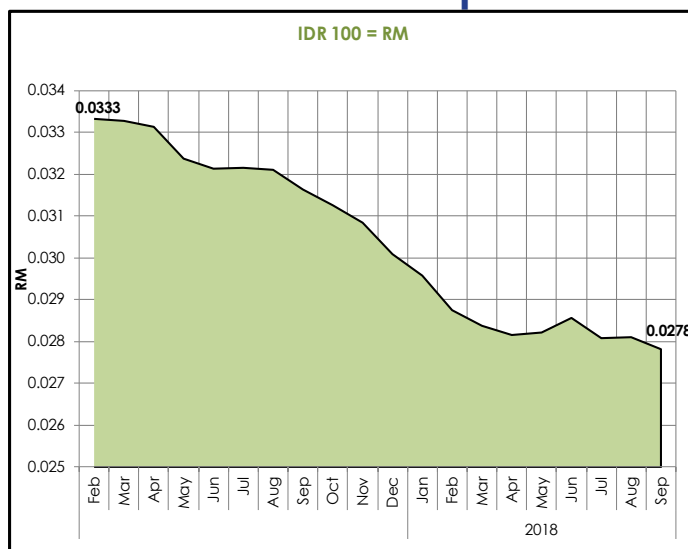
## Hong Kong Dollar



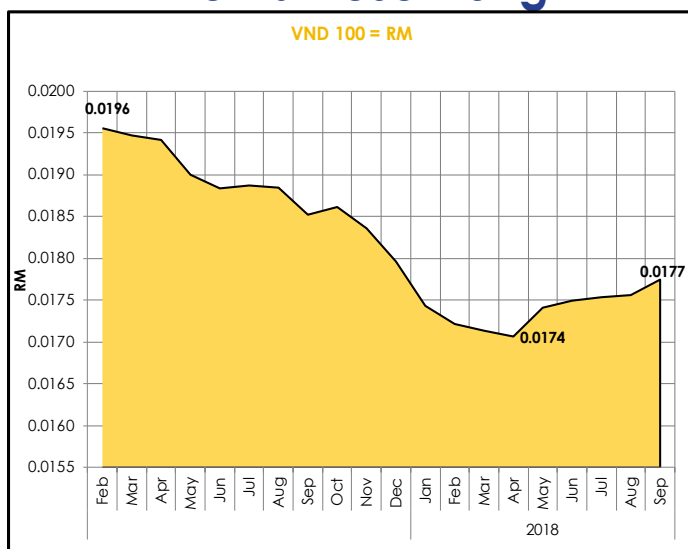
## Philippine Peso



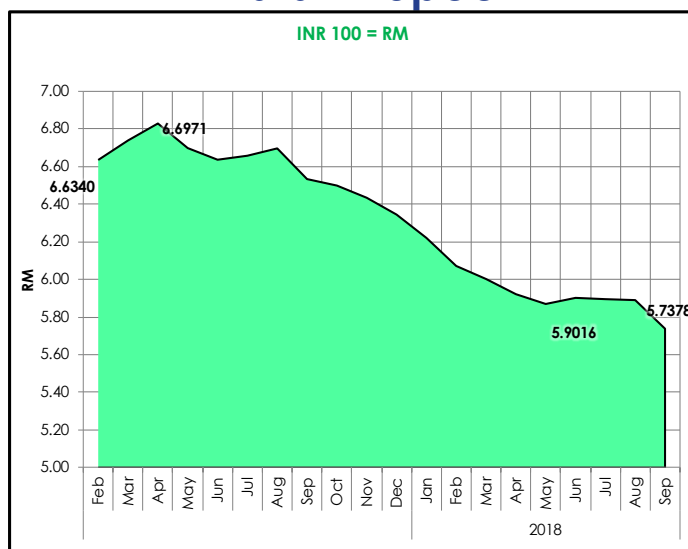
## Indonesian Rupiah



## Vietnamese Dong



## Indian Rupee



Source : Bank Negara, Malaysia

# Commodity Prices

## CRUDE PETROLEUM (BRENT) -per bbl-



▼ 2.7%\*  
US\$77.6  
26 Oct 2018

Highest  
2017/2018  
5 Oct 2018 : US\$84.2  
29 Dec 2017 : US\$66.9  
9 Feb 2018 : US\$62.8  
23 June 2017 : US\$45.5  
Lowest  
2017/2018

Average Price 2017<sup>i</sup>: US\$55.0

## CRUDE PALM OIL -per MT-



▼ 1.0%\*  
US\$536.5  
26 Oct 2018

Highest  
2017/2018  
9 Mar 2018 : US\$691.5  
20 Jan 2017 : US\$843.0  
24 Aug 2018 : US\$532.5  
30 June 2017 : US\$650.0  
Lowest  
2017/2018

Average Price 2017<sup>i</sup>: US\$719.7

## RUBBER SMR 20 -per MT-



▼ 1.4%\*  
US\$1,315.0  
26 Oct 2018

Average Price 2017<sup>i</sup>: US\$1,646.6

## COCOA SMC 2 -per MT-



▲ 2.8%\*  
US\$1,508.1  
26 Oct 2018

Average Price 2017<sup>i</sup>: US\$1,439.0

## SUGAR -per lbs-



▼ 0.4%\*  
US¢13.8  
26 Oct 2018

Average Price 2017<sup>i</sup>: US¢15.8

## COAL -per MT-



▲ 0.2%\*  
US\$77.6  
26 Oct 2018

Average Price 2017<sup>i</sup>: US\$57.2

## SCRAP IRON HMS -per MT-



⊖ %\*  
US\$380.0  
(high)  
⋮  
⊖ %\*  
US\$350.0  
(low)  
22 Oct 2018

Average Price 2017<sup>i</sup>: US\$314.5

## Domestic Prices

26 Oct 2018



**Billets**  
(per MT)  
RM2,150– RM2,250



**Steel Bars**  
(per MT)  
RM2,350– RM2,500

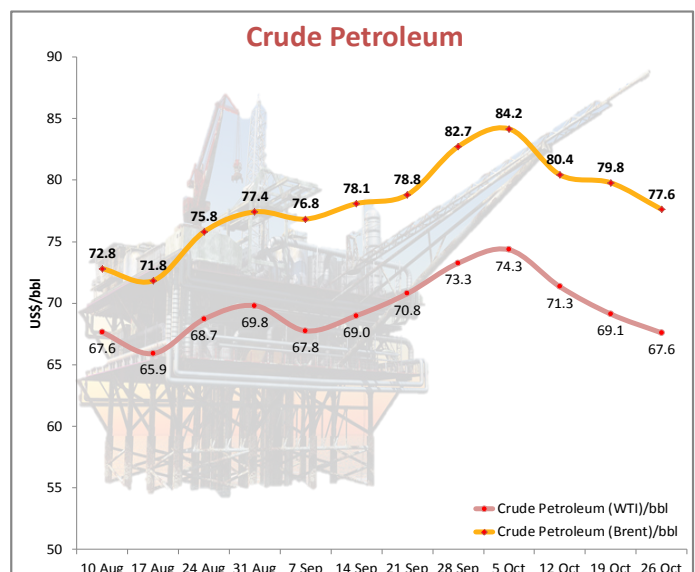
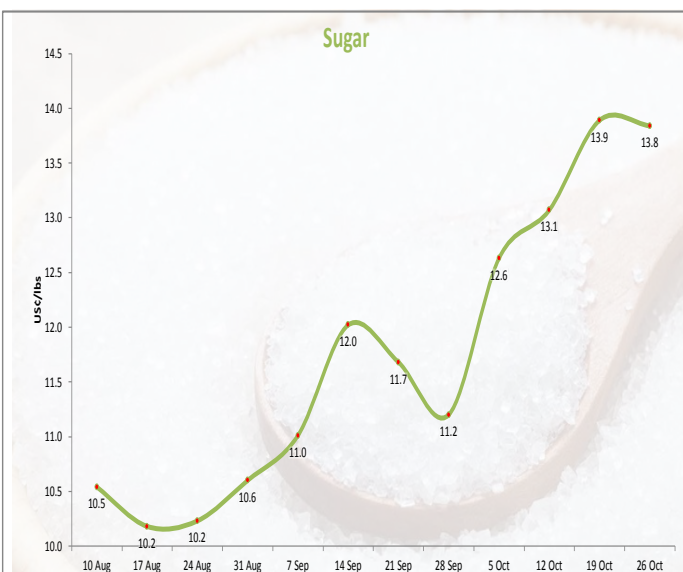
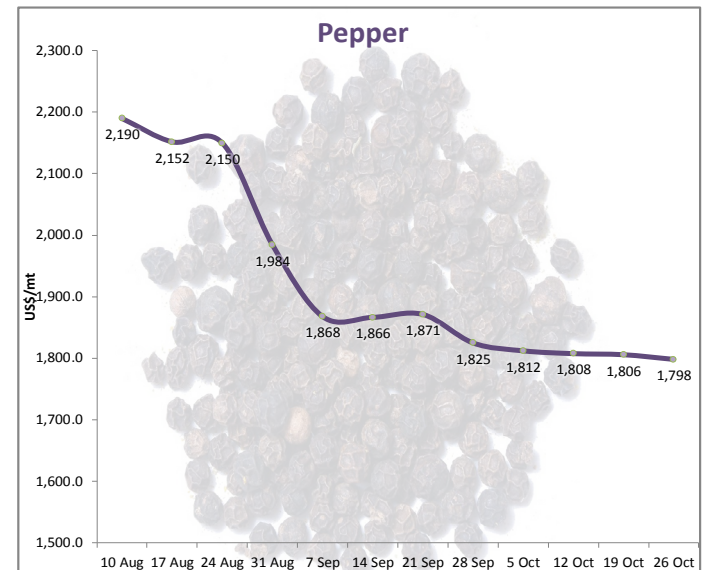
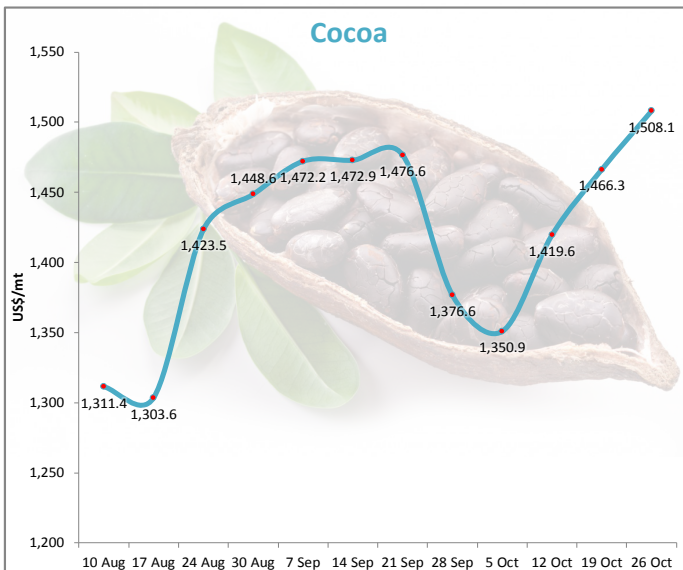
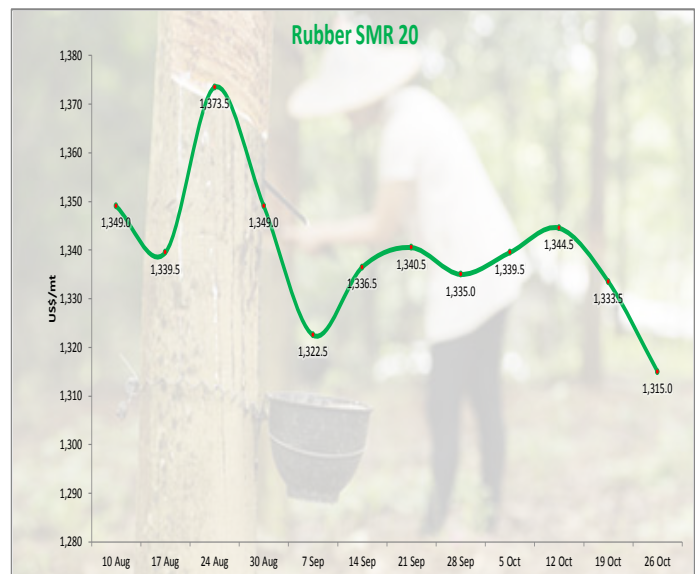
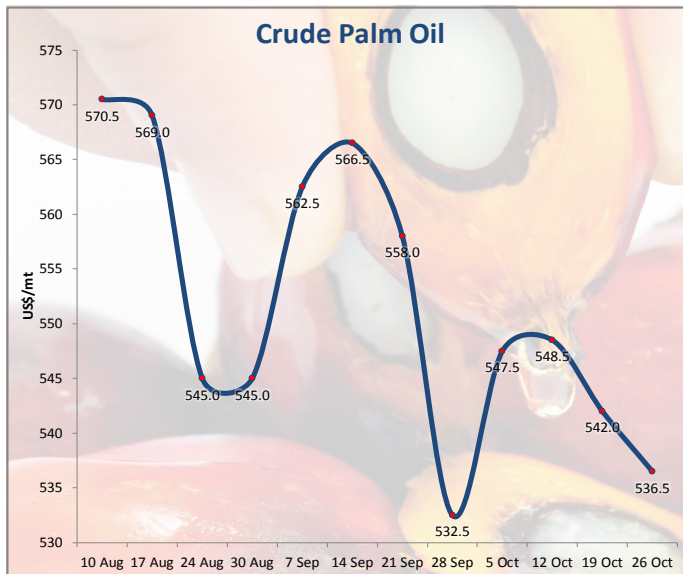
Notes: All figures have been rounded to the nearest decimal point

\* 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

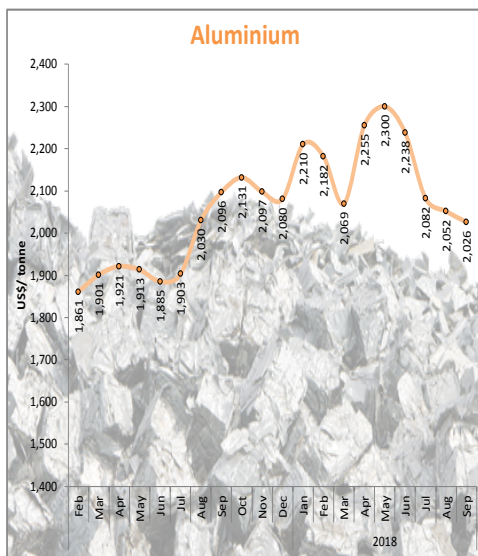


Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

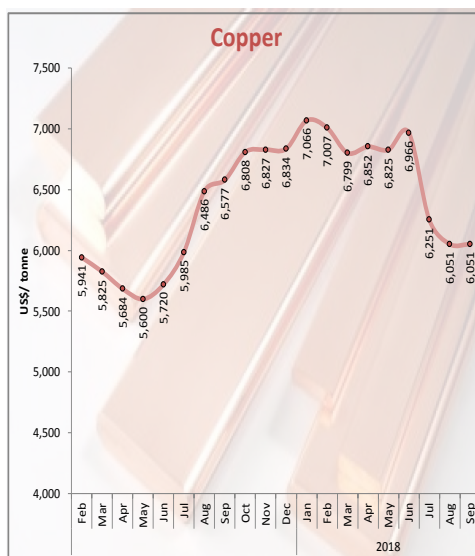


# Commodity Price Trends

## Aluminium



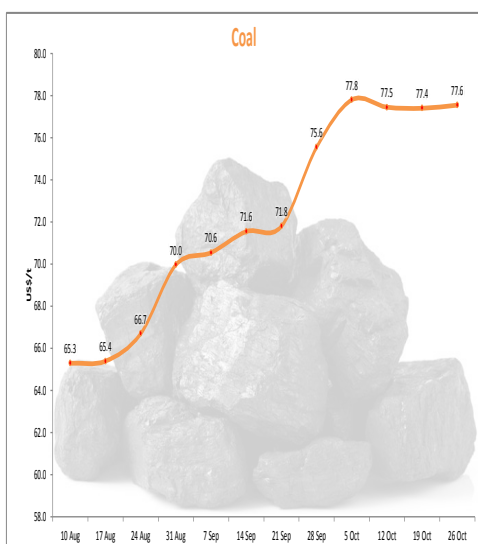
## Copper



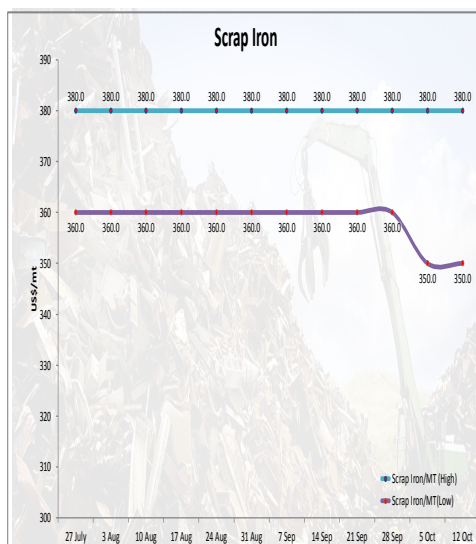
## Nickel



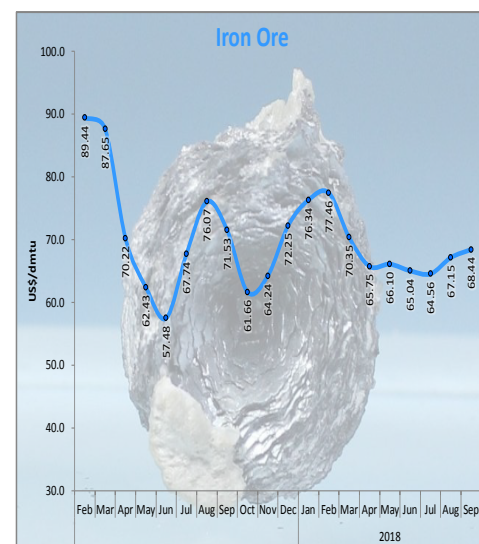
## Coal



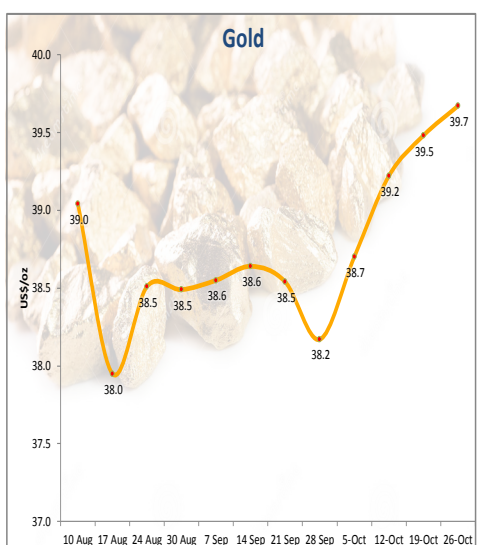
## Scrap Iron



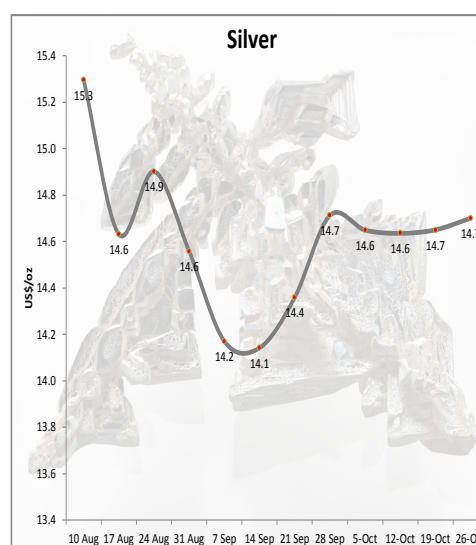
## Iron Ore



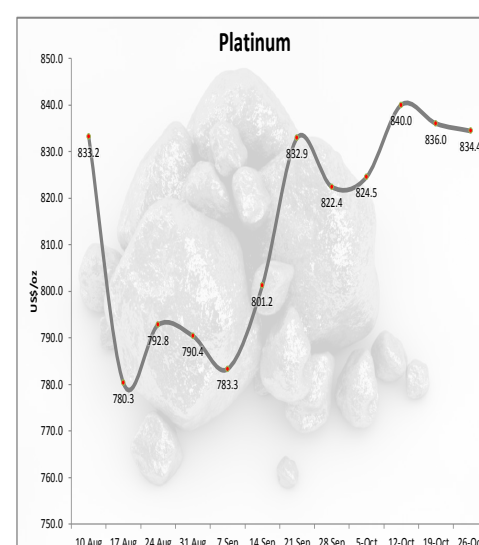
## Gold



## Silver



## Platinum



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.

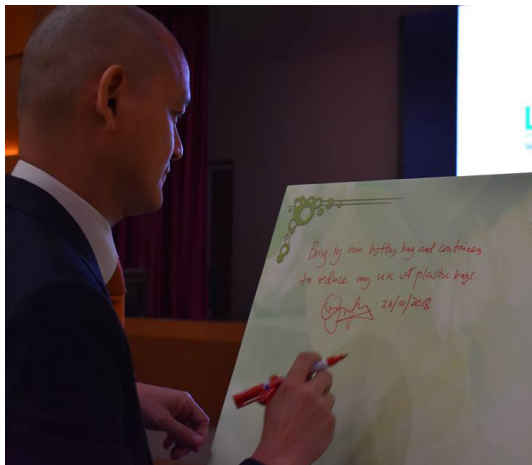


# Malaysia aerospace industry seminar Kota Kinabalu, Sabah 28 October 2018





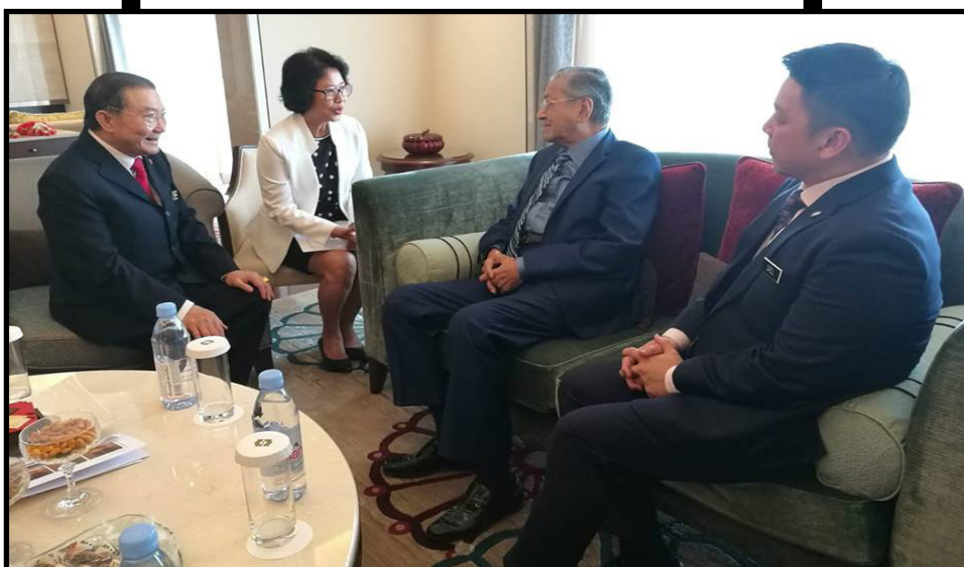
# MITI Deputy Minister launched Inovation Day 2018 26 October 2018





## Malaysian Prime Minister Tun Dr Mahathir Mohamad official visit to Thailand, 24-25 October 2018

# MITI PROGRAMMES



# ANNOUNCEMENTS



## Issuance of APEC Business Travel Card is temporarily suspended

Immigration Department of Malaysia has issued a notice that due to unavoidable circumstances, the issuance of APEC Business Travel Card is temporarily suspended and ABTC card will not be printed for approved applicants until further notice.

Kindly refer:

<http://www.imi.gov.my/index.php/en/resources-and-archives/announcement/1784-notice-of-apec-card-production-suspended-time.html>



For more information, kindly click the following links:

[http://www.miti.gov.my/index.php/pages/view/4761Vintage\\_English.pdf](http://www.miti.gov.my/index.php/pages/view/4761Vintage_English.pdf)



# ANNOUNCEMENTS

**MITI POCKET TALK**  
A SERIES OF SESSION FOR THE PRIVATE SECTOR

Information on the benefits of **Free Trade Agreements (FTAs)** and current updates

Introduction on **Preferential Certificates of Origin (PCO)** application procedures

Enjoy **LOWER Tariffs** on Imports

Gain **COMPETITIVE EDGE** by utilising the FTAs

**EXPORTING products to**

ASEAN countries, Turkey, Japan, China, Korea, Australia, New Zealand, India, Pakistan, Chile

**When?**  
Once a month

**Where?**  
MITI Tower Kuala Lumpur or MITI Regional Offices

**Fees?**  
Free of Charge with light refreshments

For more information, please contact the Secretariat

03-6200 0468/69/57 | allaki@miti.gov.my

## Tentative Schedule for MITI Pocket Talks 2018

No	Date	Venue	Topic
1	14-Nov	MITI Sabah	Introduction to FTA & Preferential Certificate of Origin (PCO)
2	5-Dec	MITI HQ	Introduction to FTA & Preferential Certificate of Origin (PCO)
3	12-Dec	MITI Sarawak	Introduction to FTA & Preferential Certificate of Origin (PCO)

Please click [here](#) to register

## NEW GUIDELINE ON APPLICATION FOR CLASSIC AND VINTAGE VEHICLES IMPORT LICENSE (AP)

Please be informed effective 1 July 2018 (Sunday), a new guideline on application for classic and vintage vehicles Import License (AP) will be enforced. All application received by MITI on 1 July 2018 onward will be subjected to the terms and conditions under this new guideline.

For more information, kindly click the following links:

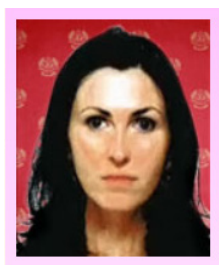
[http://www.miti.gov.my/miti/resources/Approve%20Permit/AP%20Announcement/Lampiran\\_GP\\_Classic\\_and\\_Vintage\\_English.pdf](http://www.miti.gov.my/miti/resources/Approve%20Permit/AP%20Announcement/Lampiran_GP_Classic_and_Vintage_English.pdf)

# *Al-fatihah & Condolences...*

MITI Weekly Bulletin wishes  
to convey our deepest condolences  
to families and loved ones  
of the illfated Lion Air Flight 610

29 October 2018

## @ Your Service MITI Geneva



Name	: Monika Zubekova
Designation	: Customer Service Officer MITI Geneva
Contact No	: 4179-5033183
Email	: monika.zubekova

### MITI Weekly Bulletin (MWB) Mobile Apps



weekly bulletin  
News & Magazines  
★★★★★  
1

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>

## Feedback

Send us your  
suggestions



Dear Readers,

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>