



MEDIA RELEASE

THE THIRD MALAYSIA-INDONESIA JOINT TRADE AND INVESTMENT COMMITTEE (JTIC) MEETING

1. The Ministry of International Trade and Industry, supported by the State of Sarawak, hosted the Third Joint Trade and Investment Committee (JTIC) meeting between Malaysia and Indonesia in Kuching, Malaysia on 13 July 2017. This JTIC Meeting was co-chaired by YB Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry and His Excellency Drs. Enggartiasto Lukita, Minister of Trade of Indonesia.

2. JTIC is a platform to strengthen trade and investment ties between Malaysia and Indonesia. Through this platform, the proposed collaboration and emerging issues relating to bilateral economic relations can be discussed and settled diplomatically, constructively and orderly. The first JTIC meeting was held in Kuala Lumpur on 15 October 2008 while the second JTIC Meeting, which was held in Jakarta on 30 June 2016, has discussed issues including cross border trade and export of Malaysian halal products to Indonesia.

3. In this year's edition of JTIC meeting, both parties are working towards achieving progress in a few key outstanding issues such as Review of 1970 Border Trade Agreement; Trade restriction on Tebedu-Entikong border; Recognition of Malaysia's halal logo by Indonesian authority; Cooperation in Intellectual Property (IP) issues; Standards and recognition; and Cooperation and collaboration on issues related to palm oil products.



4. Indonesia is Malaysia's 8th largest trading partner and the 3rd largest among the ASEAN countries. Total trade between Malaysia and Indonesia in 2016 was RM57.09 billion. For the first 5 months this year, total trade increased by 38.4% from RM22.92 billion to RM31.73 billion in January - May 2016.

5. Since 1980 until 2016, a total of 166 manufacturing projects with participation from Indonesia were approved in Malaysia with total investment of US\$1.93 billion (RM5.32 billion). The projects have created 32,818 job opportunities. In 2016, a total of 2 projects from Indonesian investors were approved valued at \$1.03 billion (RM4.61 billion). These projects have created jobs for 128 people. Also in 2016, the top 5 projects ranked according to the total value of investment were Food Manufacturing; Beverages & Tobacco; Textiles & Textile Products; Leather & Leather Products; and Wood & Wood Products.

6. According to the International Investment Position Fourth Quarter Report of 2016 by the Department of Statistics (DOS), Indonesia remains as one of Malaysia's top three direct investment destinations at 9.6%. Based on the same report, Malaysian investment in Indonesia amounted to RM214.94 million in 2015 and RM209.5 million in 2016. Investments in Indonesia are mostly in key sectors such as oil palm plantation sector, banking, oil and gas, telecommunications and construction. According to *Badan Koordinasi Penanaman Modal* (BKPM) Indonesia in 2016, Malaysia secured the 8th largest investor behind Singapore, China, Japan, USA, Hong Kong, Netherlands and South Korea with total investment worth of US\$1.1 billion.



7. There are many business opportunities exist between the two countries. With a total population of 255 million people, Indonesia provides potential huge market to be tapped by Malaysian companies. Malaysia at the same time needs to ramp up its efforts in attracting more investment from Indonesia.

8. Besides JTIC, The Minister of International Trade and Industry has taken the opportunity to visit Tebedu-Entikong border to oversee the latest developments in the area.

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Ministry of International Trade and Industry
13 July 2017

About MITI:

The Ministry of Commerce and Industry was established in April 1956 then was renamed as The Ministry of Trade and Industry in February 1972. On 27 October 1990, the Ministry was separated into two Ministries which are; Ministry of International Trade and Industry (MITI) and Ministry of Domestic Trade and Consumer Affairs (KPDN).

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020 .

Media enquiries

**Ministry of International Trade & Industry
Strategic Communications Unit**

Tel +603 6200 0082

Fax +603 6206 4293

E-mail allpegkomunikasikorporat@miti.gov.my