



MINISTRY OF INTERNATIONAL
TRADE AND INDUSTRY

MITI WEEKLY BULLETIN

VOLUME 352

26 AUGUST 2015 | NO. ISSN: 2180-0448



**MALAYSIA
CHAIR OF
ASEAN
2015**



HARI KEBANGSAAN 2015



MALAYSIA
#sehatisejiwa



Assalamualaikum Warahmatullahi Wabarakatuh

Alhamdulillah, setinggi-tinggi kesyukuran dipanjatkan ke hadrat Allah S.W.T kerana dengan limpah dan rahmatNya jua kita sekali lagi berpeluang meraikan Hari Kebangsaan negara yang kita sayangi pada 31 Ogos 2015. Bertemakan Hari Kebangsaan "Sehati Sejiwa", haruslah kita menghayati dan menerapkan semangat kesepaduan dan kesefahaman di kalangan semua rakyat di negara ini.

Marilah bersama-sama melahirkan rasa syukur kerana dapat menyambut Hari Kebangsaan dalam suasana aman meskipun pada tahun ini suasana ekonomi menjadi lebih mencabar ekoran penurunan nilai mata wang dan komoditi. Sesungguhnya rakyat perlu menzahirkan kesyukuran kerana Malaysia masih mampu mencapai pertumbuhan KDNK 4.9% pada suku kedua tahun ini. Para pelabur juga yakin dengan keupayaan Malaysia menguruskan ekonomi. Keyakinan ini dapat dilihat melalui jumlah pelaburan sebanyak RM113.5 bilion diluluskan pada separuh tahun pertama 2015 iaitu meningkat sebanyak 1.34% berbanding tempoh yang sama tahun lalu. Keamanan dan kemakmuran yang dicapai adalah hasil daripada usaha dan kesungguhan pemimpin-pemimpin negara bagi memastikan negara terus membangun.

Dalam hubungan ini, marilah kita bersama-sama berganding bahu, sehati sejiwa memacu negara yang kita cintai ini menjadi bukan sahaja sebuah negara yang maju dari segi ekonomi tetapi juga menjadi sebuah negara yang penduduknya hidup saling hormat menghormati, mempunyai sikap toleransi yang tinggi serta perpaduan kaum yang jitu. Ciri-ciri ini adalah penting bagi memahami erti kata negara maju yang sebenar.

Tahun ini juga merupakan tahun yang penting bagi Malaysia selaku Pengerusi ASEAN. Kementerian Perdagangan Antarabangsa dan Industri berharap dengan sokongan padu daripada seluruh rakyat Malaysia dan komuniti perdagangan, usaha mengintegrasikan rantau ASEAN akan dapat direalisasikan pada akhir tahun ini.

Akhir kata, marilah kita bersama-sama membina sebuah negara Malaysia yang maju bukan sahaja dari segi ekonomi tetapi juga matang dari segi hubungan sosial dan budaya. Saya juga ingin mengambil kesempatan ini untuk mengucapkan selamat menyambut Hari Kebangsaan 2015 kepada semua pembaca setia MWB.

Dato' Sri Mustapa Mohamed
Menteri Perdagangan Antarabangsa dan Industri



MITI in the News

Malaysia Sees Modest Growth of Approved Investments in 1H 2015



Malaysia saw a modest growth of investments in the first half of 2015 (1H2015) with new approved direct investments totalling RM113.5 billion from RM112.0 billion in the corresponding period of 2014.

“Investor confidence sustained Malaysia’s growth as total investments realised to date under the RMK10 period was RM813.5 billion, exceeding the plan’s target of RM740 billion, despite the slower growth of private investment (3.9%) in the second quarter of 2015 as announced by Bank Negara recently,” said the Minister of International Trade and Industry, YB Dato’ Sri Mustapa Mohamed, today.

The services sector accounted for the largest share of total investments, contributing 54.4% or RM61.7 billion, followed by the manufacturing sector with investments of RM49.5 billion or 43.6%, while the primary sector contributed the remaining approved investments of RM2.3 billion (2%).

“Malaysia’s economy has done fairly well. This demonstrates continued investor confidence in the Government of Malaysia. This is also testament to Malaysia’s structural economic fundamentals, which underscores the resilience of the country’s economy, especially when one considers the challenges we face with external headwinds, the drop in oil prices and the rise of the US dollar,” Minister Mustapa said.

The total investments approved were in 2,487 projects and are expected to generate about 101,780 job opportunities, many of which will be in high technology and high value-added industries. The services sector continued to account for the largest share of total potential employment in the economy with 60,750 job opportunities or 59.7% of the total, followed by the manufacturing sector with 39,990 job opportunities (39.3%) and primary sector with 1,040 employment opportunities (1%).

Services Sector

Investment in the services sector grew moderately by 4.9% in 1H 2015, compared with corresponding period in 2014. The slower growth was mainly due to the lower investment in the real estate sector, which recorded RM15.9 billion in 1H2015 compared with RM29.1 billion in 1H2014. Except for the real estate and distributive trade sectors, almost all other services sub-sectors registered growth in investments during this period.

The subsectors under the National Key Economic Area (NKEA), including hotel & tourism, health services, education services, ICT (comprising telecommunication and MSC Status companies) and business services (including regional establishments and support services) all registered increases in investments.

In the transport sector, which comprises investments in air, maritime and land transport, the approval of three new highways led to the increase in total investment in the sector to RM12.8 billion compared with RM6.3 billion for the whole of 2014.

“Malaysia’s strategic location, supported by the Government’s ongoing commitment in pursuing pro-business and pragmatic policies have continued to be the catalyst in making Malaysia an attractive destination for global businesses to set up their regional business hubs in the country,” emphasised YB Minister.

In 1H2015, a total of 101 regional establishments with investments of RM3.0 billion have been approved. Another four (4) Global Operations Hub projects were approved with investments valued at RM2.6 billion. These global and regional operations provide professional services that include supply chain management, financial & treasury management, and data & information services to their global network of companies.

Primary Sector

Investments in the primary sector decreased from RM10.1 billion in 1H2014 to RM2.3 billion in 1H2015. This is due to lower investments in the upstream oil and gas activities and the challenge of lower global crude oil prices.

Manufacturing Sector

Oil and Non-Oil Sectors

Investments in the petroleum products industries totalled RM25.4 billion (51.3%) while the non-oil sectors received RM24.1 billion, mainly from the transport equipment, electrical and electronic (E&E), fabricated metal, non-metallic mineral products and chemical products. More than 25% of projects in these five sectors reported

having value-added of 60% and above, reflecting the continued efforts by Malaysian manufacturers to move into higher value added activities.

Malaysian-owned Companies

Malaysian companies continued to invest in the manufacturing sector. In 1H2015, a total of 255 Malaysian-owned manufacturing projects with investments totaling RM11.2 billion were approved in the non-oil sector. Malaysian manufacturers were active in the machinery manufacturing, wood and furniture, fabricated metal products (including engineering support services), transport equipment and food manufacturing industries. Notably, 42% or 107 of these projects proposed to export at least 50% of their outputs, denoting the strength of the Malaysian companies to compete in the global market.

Malaysian-owned manufacturing projects are also major employers. Job opportunities created by the 255 projects totalled 17,210 or 43% of total job opportunities from projects approved in 1H 2015. Young Malaysians with technical and vocational qualification looking to a career in the manufacturing sector, will find many opportunities in the more than 6,000 jobs to be created in Selangor, Johor (3,580), Penang (2,960), Perak (1,170) and Kedah (1,140).

Performance at the State Level

Johor registered the highest level of investments of RM27.0 billion in the manufacturing sector from January to June 2015, recording a 72% increase in investments, compared with RM15.7 billion over the corresponding period in 2014.

The other top ten leading states in terms of value of investments were Melaka (RM6.2 billion), Penang (RM4.3 billion), Selangor (RM4.2 billion), Perak (RM3.0 billion), Kedah (RM1.1 billion), Pahang (RM1.0 billion), Negeri Sembilan (RM0.94 billion), Sarawak (RM0.64 billion) and Sabah (RM0.34 billion).

Foreign Investments

Foreign sources of investment were from the East Asia economies of Japan, Hong Kong, China, Korea and Taiwan (RM7.4 billion or 56.4.6%), Americas (RM2.3 billion) and Europe (RM1.9 billion). Investments from East Asia were mainly in the fabricated metal products, non-metallic mineral products and E&E industries, while more than 80% of investments from the USA were in E&E. Investments from European countries were in a wide range of industries, from E&E and machinery manufacturing to resource based industries of paper products, petroleum products and food manufacturing.

Minister Mustapa highlighted that Malaysia continues to strengthen the investment ecosystems within the manufacturing sector to facilitate growth. The country's aim is to further attract more quality investments from both local and foreign sources to encourage new product innovation in the country. These approved projects are also expected to generate strong multiplier effects which include the growth of domestic companies/engineering supporting industries, cluster development, local sourcing, strengthening of R&D activities and human capital development.

Implemented Projects

From 2010 to 2014, a total of 4,158 manufacturing projects were approved, and 3,206 (77%) of these projects have been implemented thus far, with 2,961 in production and 245 undergoing machinery installation or factory construction. Total capital investment for these implemented projects amounted to RM172.9 billion. A total of 454 manufacturing projects approved since January 2014 are already in operation.

Moving Forward

Dato' Sri Mustapa reaffirms that, “The task ahead is challenging, and therefore the coordinated efforts of all Ministries and departments, and State Governments are necessary for us to maintain our competitiveness. MITI and its agencies, particularly MIDA will continue to assume a stronger role in facilitating the implementation of approved projects. MIDA as the lead coordinating investment promotion agency for the country will intensify its handholding and facilitation efforts.

We will continue to engage the business community in assisting companies to weather the current global economic uncertainties. Programmes include dialogues with foreign and local chambers, and industry associations; roundtable meetings; and Turun Padang events.”

The Minister highlighted the recent roundtable meeting he had with investors in Selangor at the OYL Manufacturing Facility in Sungai Buloh, Selangor as an example. Efforts to attract more quality foreign investments will be stepped up. Trade and investment missions planned for 2015 will cover major capital-exporting countries in North America, Europe and Asia, particularly China.

“In tandem with China's current overseas investment policies, we see encouraging investments from China into the country. For the first half of this year, Malaysia attracted 10 manufacturing projects from China with investments of RM1.2 billion. In addition to this, there has also been an increase in merger and acquisition activities in the eco-glass and metal industries.

Malaysia is also positioning itself to take advantage of the China's outward investment strategy namely the One Belt, One Road Initiative. To further facilitate Chinese investments, MIDA has expanded its overseas network in China by establishing a new office in Beijing, in addition to its existing offices in Shanghai and Guangzhou,” elaborated the Minister.

As at June 2015, MIDA has 299 projects in the pipeline with investments worth RM21.8 billion for the manufacturing and services sectors. These projects are mainly in Food Manufacturing, Transport Technology, Chemicals & Advanced Materials, E&E, Healthcare, Education and Hospitality.

Source : Ministry of International Trade and Industry, 20 August 2015

Trans-Pacific Partnership (TPP) Statement, 29 July 2015

Malaysia will be participating in the TPP Ministerial Meeting from 28-31 July 2015 in Hawaii, USA. This meeting is to finalise negotiations that began five years ago. There will be no signing of any Agreement in Hawaii. I repeat: Signing of the TPPA will not happen in Hawaii. Like Malaysia, each TPPA member will need to go through its own domestic process before a final decision to sign and ratify the TPPA is made.

I wish to emphasise, right at the outset, that as the Minister in charge of the TPPA negotiations for Malaysia, it is my responsibility to ensure that our Constitution, sovereignty and core policies of the nation – including the interests of the Bumiputera community – are safeguarded and upheld. Our objective at this meeting is to ensure that Malaysia's interests and concerns are addressed in the final outcome.

The Context

We are an open economy highly dependent on international trade, foreign capital, technology and tourism. Malaysia's ranking as one of the top 25 trading nations in the world is testament to our trading prowess, given our size. This mercantile philosophy is also very much in line with our history and heritage, dating from the times of Melaka's status as the entrepôt in the region in the 15th and 16th centuries. Today, this is reflected in the fact that ports such as Port Klang, Penang and port of Tanjung Pelepas have helped make Selangor, Penang and Johor relatively more prosperous than other parts of Malaysia in large part because of international trade and foreign and domestic investments.

As such, Malaysia is open to free trade agreements (FTAs). Although our overarching strategy is to negotiate market liberalisation in the multilateral context through the World Trade Organization (WTO), the negotiations at the WTO are progressing at a snail's pace. Not to be left behind in the pursuit of better market access for our goods and services, Malaysia has already concluded 13 FTAs, 12 of which are being implemented. The latest is with Turkey and will come into force on 1 August 2015.

The TPPA also provides Malaysia with market access for four trading partners that Malaysia has no FTAs with, namely, the US, Canada, Mexico and Peru. For these markets, we will see tariff elimination for between 2,000 and about 4,000 tariff lines of products of interest to Malaysia, including, electrical & electronics products, timber and timber products; textiles; plastic and plastic products; and palm oil and palm oil related products.

The TPPA

Unlike Malaysia's other FTAs that focus on tariff

reduction or elimination, services liberalisation, rules of origin and technical barriers to trade in goods and services, the Trans-Pacific Partnership Agreement (TPPA) is a comprehensive FTA covering wider areas such as government procurement, labour, environment and state-owned enterprises. Some of these issues are being discussed for the first time in any FTA, but going forward, it is the view of many that these new issues will be an integral part of future trade agreements. For example, in the Regional Comprehensive Economic Partnership (RCEP), some countries are already injecting these elements into the discussions. These areas, while posing some challenges, also promise benefits to Malaysia.

It is with a view towards reaping the benefits from the TPPA that the Government decided to enter the negotiations five years ago. The decision was not an arbitrary one. It was arrived at only after a series of consultations and engagements with relevant stakeholders. The mandate to negotiate came after careful consideration by the Cabinet, taking into account views from all relevant parties.

We recognise that there are costs as well. But in our assessment, there will be economic benefits for Malaysia from greater market access to the TPPA countries; deeper integration in the regional and global supply chains for our SMEs; increased quality investments leading to more jobs and higher wages; as well as good governance through adoption of international standards and best practices. The TPPA will also provide wider choices for consumers and cheaper inputs for our industries.

The Team

The Malaysian negotiating team that I head comprises experts from more than 20 ministries and agencies. For example, Bank Negara Malaysia handles the financial services negotiations; the Ministry of Finance negotiates the Government Procurement chapter; the Ministry of Human Resources negotiates the Labour Chapter; The Ministry of Natural Resources and Environment, the Environment chapter; the Ministry of Agriculture, the Sanitary and Phytosanitary chapter; the Ministry of Domestic Trade, Consumerism and Cooperatives, the chapters on Competition Policy, and Intellectual Property Rights. The team is assisted by legal officials from the Attorney General's Chambers. Positions taken by our officials on issues negotiated in the TPP are also based on feedback received from various stakeholders.

In the Government's effort to enhance public understanding of the TPPA, we have held more than 100 engagements with various stakeholders over the last few years. These include parliamentarians, industry groups, academicians, students, cleared advisors and

non-governmental organisations (NGOs) as well as individuals. The views of these stakeholders have provided additional guidance to our officials in the negotiations.

About 18 months ago, the Government also took the unprecedented step of establishing a bipartisan Parliamentary Caucus on TPPA comprising 6 MPs from Barisan Nasional and 5 MPs from the opposition. These lawmakers have been engaged in discussions on the TPPA and their feedback has been important in formulating Malaysia's position in the negotiations. I have also personally met and discussed the TPPA with many prominent critics, including one-on-one engagements with several of them. I must stress that I am very grateful to all of them for sharing their views with me, including their criticisms on the TPPA. These have helped my team and I in strengthening our negotiating position.

The Concerns

i. Sovereignty

One of the main concerns over the TPPA is the inclusion of the Investor-State Dispute Settlement (ISDS) mechanism. The criticism is that this would impinge on Malaysia's sovereignty and limit the policy space of Government to regulate, while providing the right to investors to sue governments.

Let me state very clearly that the TPPA does NOT prevent Governments from pursuing and regulating legitimate public policy objectives, especially in areas such as national security, public health, environment and welfare. There are a number of safeguards being negotiated to address key concerns, including the avoidance of frivolous claims and challenges by investors. In addition, we are committed to ensuring that our core national policies, including the interests of the Bumiputera community, will be safeguarded. As mandated by the Cabinet, our team has proposed clauses to that effect to be included in the TPPA's final document.

On the issue of ISDS, it should be noted that while some countries have submitted proposals and templates for this matter, Malaysia has articulated our strong position on the primacy of national sovereignty and the need for safeguards and due process before invoking this provision. Our stance is supported by a number of Parties in the negotiations.

It is important to note that the ISDS is not new for Malaysia. We already have 74 Bilateral Investment Treaties (BITs) and eight FTAs which contain ISDS provisions. We must remember that we have had foreign MNCs (including those from the US) in Malaysia since the 1970s, and none have found reason to use the ISDS facility. While the scope of the ISDS in the TPP is wider, there are clear provisions that reaffirm the rights of Governments to regulate and prevent frivolous claims and challenges.

Let's bear in mind that the ISDS cuts both ways. Malaysian investors abroad will also have the same

protection mechanism in the TPPA countries they venture into. It is important to note that there are a large number of Malaysian companies investing abroad today. In fact, as at the end of last year, the stock of Malaysian investments overseas has exceeded foreign direct investments into Malaysia. Also, some of our companies have approached us to find out if we have BITs with the countries that they are planning to invest in.

There have also been claims or concerns that the TPPA will not allow countries to impose capital flow measures. Malaysia and other like-minded countries have ensured that there will be sufficient policy space within the TPPA to mitigate the destabilizing effects of capital flows to preserve financial and macroeconomic stability.

ii. State Owned Enterprises and Bumiputera Agenda

There is a concern that the TPPA will undermine Malaysia's development model specifically the Bumiputera Agenda and our right to manage our State Owned Enterprises (SOEs). Malaysia is seeking flexibilities for our SOEs (for example, Khazanah and PETRONAS) to enable them to continue with their developmental roles, for example, the vendor development programmes to assist Bumiputera and SMEs.

On Government Procurement, Malaysia is safeguarding Bumiputera preferences by ensuring that the current Bumiputera and SME preferences will be maintained.

iii. Medicines

Another major concern is the claim that the price of medicines will rise astronomically as a result of stronger patent protection. In reality, the patent-protection clauses in the TPPA are not all that different from Malaysia's current regulations on this subject. Our laws provide patent protection for 20 years. In the TPP, countries will only be required to extend patent protection if there is unreasonable delay within the regulatory approval process. However, such extension can be avoided through efficient implementation. We strongly believe our current approval process is efficient and would not constitute an unjustifiable delay.

One other point: We need to realise that prices of drugs are not solely determined by patent protection. A number of other factors are involved as well, including currency fluctuations, the cost of research and development, marketing budgets and current procurement practices.

The Government is fully mindful of the need to ensure that our people will have access to affordable medicines and health care. The Government has taken a stand that would balance the access to drugs with incentives for new drugs to be produced and brought into the market.

All TPPA countries also recognize that there may be certain circumstances where greater flexibility

is required, such as in the case of public health emergencies. Parties to the TPPA have already affirmed their shared commitment to the Doha Declaration on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and Public Health, which helps the developing countries to address public health problems.

iv. Rice

There have also been concerns that the livelihoods of our padi farmers will be harmed by an increase in imports of rice from the United States under the TPPA. These fears are unfounded. The present minimal level of imports of rice from the United States will remain. In 2014, imports from the United States comprised a mere 0.05 per cent of total rice imports. It must be pointed out that rice imported from the United States currently costs anywhere between RM 3.9 and RM 9 a kilogram, compared to RM 1.65 to RM 2.60 per kilogram for local rice.

Also, Bernas will continue as the nation's main supplier and distributor of rice, and the Government will continue to provide support, as it has been doing. The present policy on padi and rice will be retained.

v. Islam

Contrary to some allegations, I can assure that nothing in the TPPA will threaten the position of Islam as the official religion of Malaysia. The Government will never allow any FTA to undermine this constitutional provision.

Let me give one example. There have been claims that as a result of the TPPA, Malaysia's ability to continue to impose halal requirements will be impaired. In actual fact, our negotiators have successfully argued that halal is not a barrier to trade. This has been acknowledged by the respective parties and thus excluded from the TPPA.

vi. Jobs and FDI

There are some who claim that the TPPA will lead to higher unemployment levels for Malaysians. Let me clarify. The TPPA does not provide for the “import” of foreign labour. Hence, the issue of Malaysian citizens having to compete with foreign workers on a so-called “level playing field” does not arise. The TPPA actually contains several clauses promoting the welfare of workers, including clauses relating to minimum wage levels, which Malaysia has already implemented. The entry of foreign workers, including professionals, will continue to be governed by Malaysia's own laws and regulations.

As I mentioned earlier, FTAs have helped create jobs for qualified Malaysians. This is in large part due to the improved investor confidence. It is now more important than ever that Malaysia continue to attract Foreign Direct Investments, given that Malaysia is now a net exporter of capital – largely because of the investments and expansion of our corporations overseas. According to Bank Negara

Malaysia (BNM), in the last quarter of 2014, our stock of investments abroad totaled RM 474.2 billion compared with the stock of FDI in Malaysia (RM 467.5 billion).

The Government is committed to ensuring that FDI levels are maintained, if not improved, despite the uncertainties in the global economy. In fact, we have shifted the focus in attracting foreign investment to ensure we bring in investments that are high-value, technologically advanced and can provide the commensurate monetary compensation for Malaysians in keeping with our goal of achieving high-income-economy status by 2020.

In 2014 alone, companies from across the world, including the United States, Australia, Europe and Northeast Asia, have either set up shop in Malaysia or expanded their existing operations in Malaysia. Of the 773 manufacturing projects which started production in 2014, 34.7% were foreign owned. These created 35,130 jobs, of which 25% or 8,700 were jobs at executive level requiring tertiary education.

Some of the MNCs in Malaysia have strong linkages to our SMEs resulting in job creation and business opportunities, in the software, packaging and display solutions and design and manufacturing of machine parts sector.

vii. Secrecy

A common complaint is that the TPPA is being negotiated “secretly.” It needs to be clarified in international negotiations it is only the negotiating text which is not made public. All the issues being negotiated have been openly discussed in all our engagements with various stakeholders.

It is not the intention of the Government to keep the negotiating text a secret. In the event that an agreement is reached, we will present the document to Parliament for debate and the Malaysian public before we sign on. The two cost-and-benefit analyses on the TPPA commissioned by the Government will also be completed by mid-August 2015, and this will provide some guidance to Parliament and the Cabinet in considering the TPPA document.

viii. US “Dominance”

Some parties have argued that the TPPA is all about US dominance and only benefits US multinational corporations. We need to bear in mind that there are already US companies based in Malaysia. As at 2014, there are more than 700 US-based manufacturing companies (including a number of Fortune 500 companies) here. This is in addition to 81 MSC status companies. These companies have investments in excess of RM70 billion and have created over 200,900 jobs. Many of these companies have been here for several decades, contributing to capital formation, technology and job creation as well as back-linkages to the global economy, which provide business opportunities for Malaysian companies, including SMEs.

More important to note, however, is that this negotiation is not about the US alone. Apart from Malaysia, there are 11 other countries that are part of the TPPA, including Japan, Singapore and Australia – all of which are among our major trading partners. We need to be aware that in the negotiations, decisions are made collectively and not solely by the US.

There are concerns that by participating in the TPPA, we are party to an attempt to sideline China. We need to be aware that Malaysia already has a preferential trading arrangement with China through the ASEAN-China FTA. China is already our largest trading partner and will remain so in the foreseeable future. No country in the world can curb China's role as a rising economic power.

ix. Can Malaysian companies penetrate the US market?

Some have argued that Malaysian companies cannot access the huge market of the USA. This is really underestimating the capability and capacity of our companies. I personally know of a number of home-grown companies that have not only managed to access the US market but have also carved out a sizeable market share there. Having said that, I must acknowledge that there may be challenges for some companies. The Malaysian Government is committed to working with our business community in penetrating international markets, including the US.

x. What if we are not part of the TPP?

We should be aware, too, that there would be costs for us in not joining the TPPA, especially if our other major trading partners are members of the agreement. Investors may choose to locate in the TPP partner countries to take advantage of the preferential market access, as well as the transparent and predictable environment facilitated by this Agreement. Our Malaysian corporations may decide that the TPPA member nations provide a more conducive climate for business than Malaysia.

Some may argue that Malaysia can always join the TPPA at a later stage, so why the rush now? Late entry would mean that there will be a higher price to pay. We would not be able to shape the rules of the agreement and enjoy the needed flexibilities such as longer transition periods and carve-outs to address our concerns. We will also lose out to our competitors who will be part of the TPPA and enjoy preferential access to the TPP markets.

Conclusion

The TPPA negotiations are nearing conclusion. At this stage, countries need to make hard decisions. As in all negotiations, there are concessions that need to be made. But the Government has taken a firm stand in the TPPA: our Constitution, sovereignty, and

core policies such as the Bumiputera agenda will be safeguarded.

Our negotiators have worked very hard to ensure that our participation in the TPPA advances our national interest. They have successfully managed to include in the draft clauses that protect our sovereignty and national policies regarding the Bumiputera agenda, government procurement and state-owned enterprises.

Let me be very clear: No one is forcing us to sign the agreement, but as a country that has always been a beneficiary of open trade we need to approach this with a clear and open attitude. In addition to greater market liberalisation and competitiveness, the TPPA also has elements such as adhering to international best practices, promoting transparency and good governance, all of which are in the best interest of Malaysia. These principles are also in line with our aspirations of becoming a developed nation by 2020.

In the final analysis, we must recognise that there are costs involved in any trade negotiation. It would be premature of us to decide not to participate when the negotiations are on-going. When the TPPA negotiations are completed we will leave it to the people of Malaysia to decide whether the benefits exceed the costs.

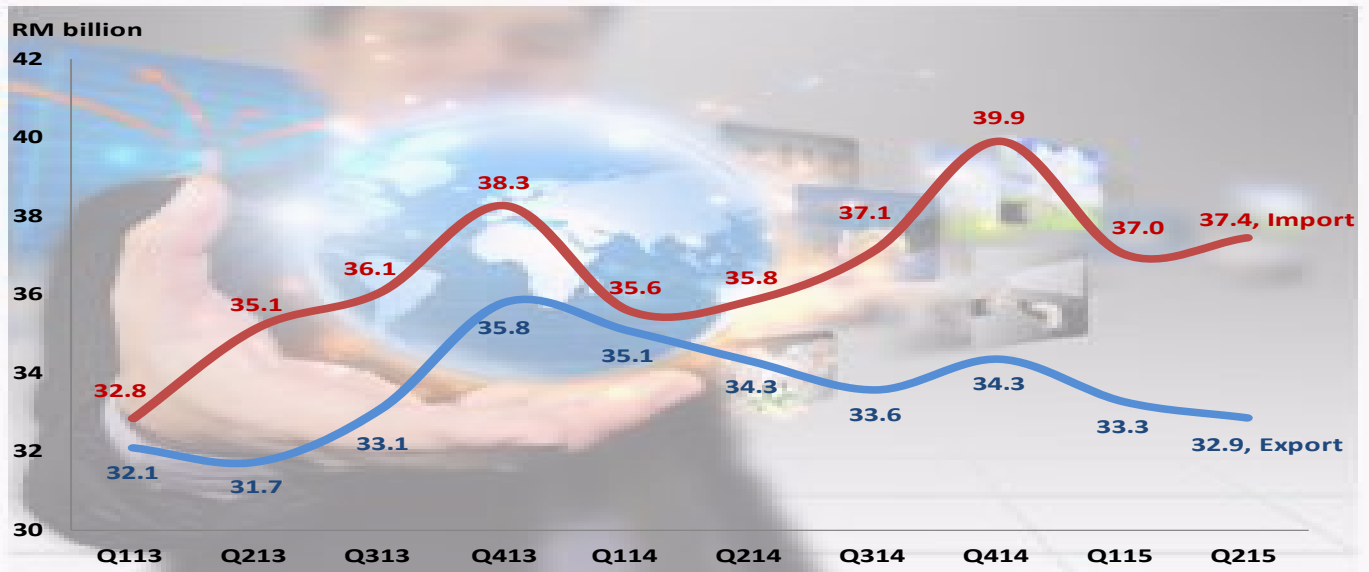
In the event that an agreement is reached, the text of the Agreement will be available for countries to submit to their respective Parliaments. For Malaysia, we will present the agreement to Parliament for debate together with the two cost-and-benefit analyses. A decision to sign or otherwise will be taken after the debate in Parliament.

I urge all Malaysians to keep an open mind on the TPPA while negotiations are on-going. We appreciate your insights and take cognisance of your concerns. In fact, as I mentioned earlier, the feedback from all parties has helped shape our negotiating stance. Ultimately, the final document will be presented to the Cabinet, Parliament and the Malaysian public. It will be a collective Malaysian decision whether or not Malaysia becomes a Party to the TPPA.



MALAYSIA

Trade in Services, Q1 2013 - Q2 2015



Trade in Services by Major Components, 1H 2015



Trade in Services

Export: RM66.1 billion
Import: RM74.5 billion



Travel

Export: RM34.2 billion
Import: RM19.7 billion



Transport

Export: RM7.6 billion
Import: RM20.0 billion



Telecommunications, computer & Information Services

Export: RM4.9 billion
Import: RM6.0 billion



Construction

Export: RM1.5 billion
Import: RM5.2 billion



Manufacturing Services on Physical Inputs Own by Others

Export: RM4.2 billion
Import: RM0.09 billion



Other Business Services

Export: RM11.7 billion
Import: RM13.6 billion

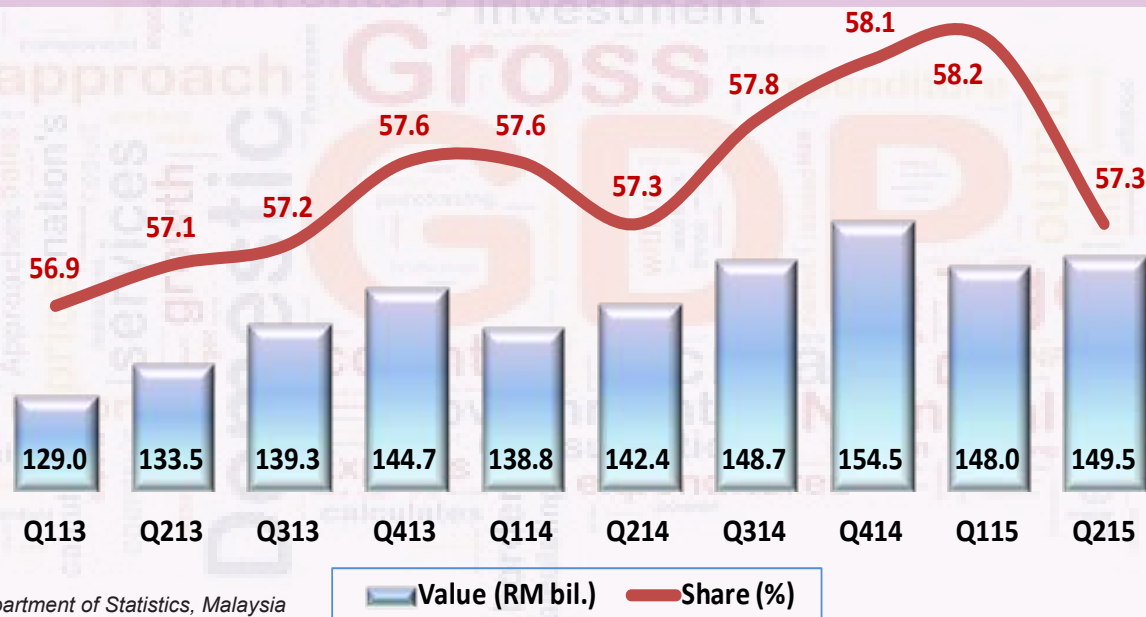


Insurance & Pension Service

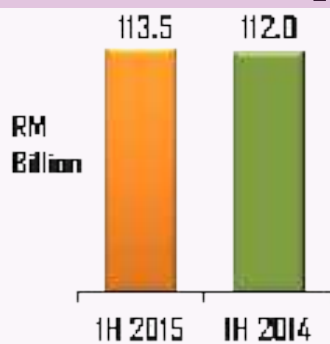
Export: RM0.6 billion
Import: RM4.5 billion

Source : Department of Statistics, Malaysia

Gross Domestic Product for Services and Construction, Q1 2013 - Q2 2015



Approved Investments, 1H 2015



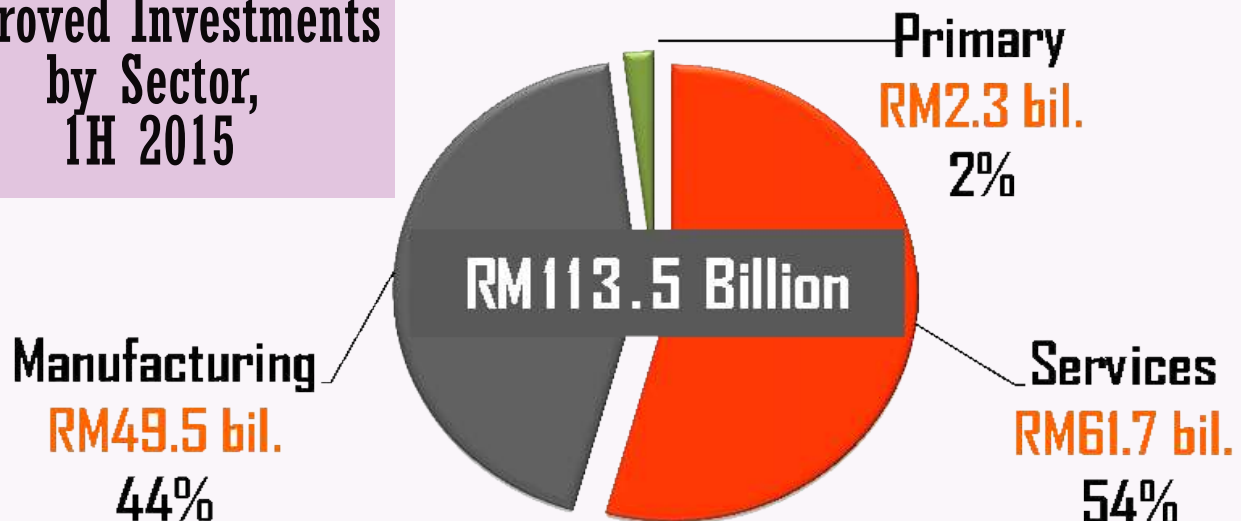
RM113.5 billion
Approved investments



81.1 : 18.9
Domestic-Foreign
investment ratio

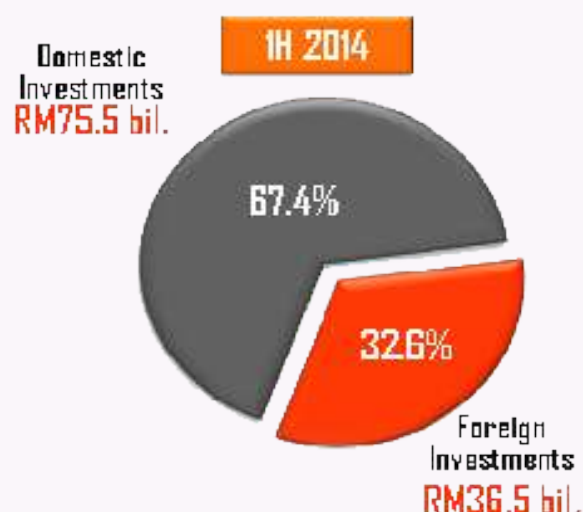
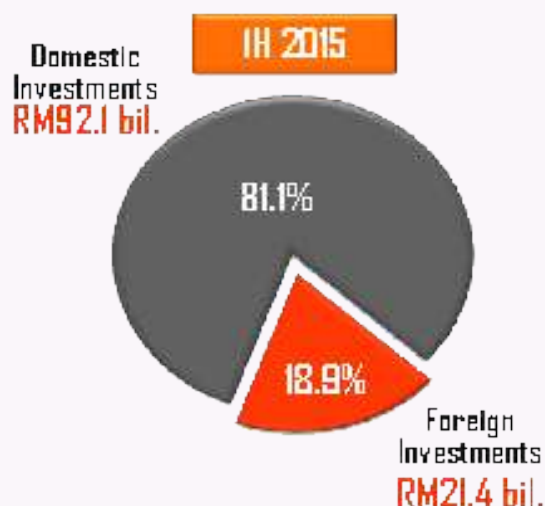


Approved Investments by Sector, 1H 2015



Source : Malaysian Investment Development Authority

Foreign and Domestic Approved Investments, 1H 2015

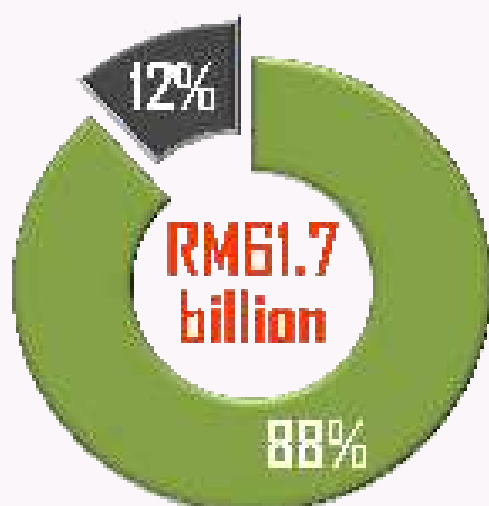


Approved Investments in the Services Sector, 1H 2015



1H 2015

1H 2014



■ DDI
■ FDI



PEMUDAH Annual Report 2014

17 August 2015



The full report can be accessed at:

http://www.pemudah.gov.my/documents/10124/37722/Annual_Report2014_BI.pdf



ASEAN and You'

ASEAN MEMBER'S NATIONAL DAY



Source : Wikipedia and www.rappler.com

MITI's ASEAN Portal can be accessed via <http://aec2015.miti.gov.my/>



International Report

Singapore Trade Performance, July 2015



Exports:
SGD41.9b (↑ 2.0%) m-o-m growth

Imports:
SGD36.0b (↓ 0.3%) m-o-m growth

Exports to Malaysia:
SGD4.8b (↑ 9.1%) m-o-m growth

Imports from Malaysia:
SGD4.0b (↓ 4.8%) m-o-m growth

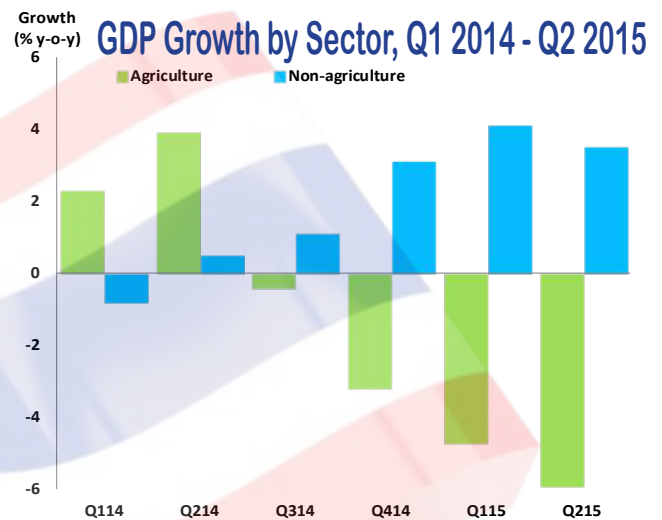
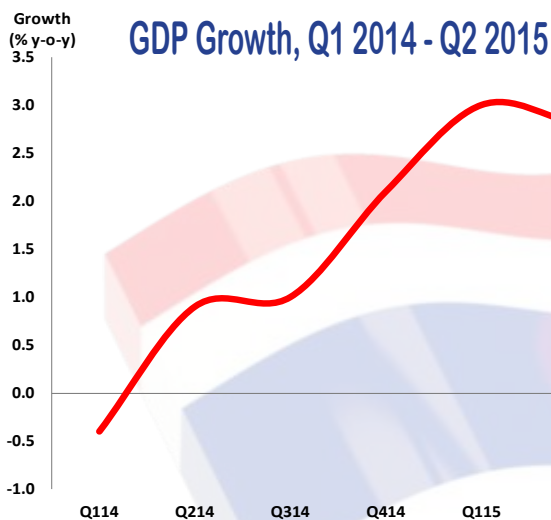
Top 10 Trading Partners, January - July 2015

	SGD billion
China	70.5
Malaysia	57.1
USA	44.4
Indonesia	35.6
Hong Kong	34.4

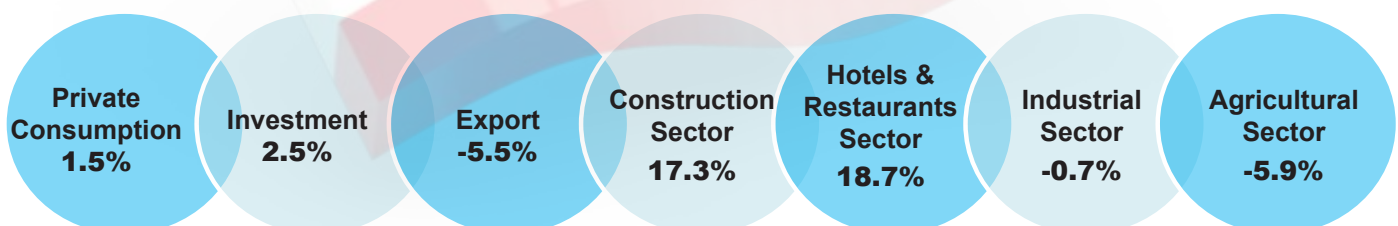
	SGD billion
Taiwan	31.1
Japan	26.8
ROK	26.3
Thailand	17.7
India	13.8

Source: International Enterprise Singapore

Thailand's Economic Performance, Q2 2015



Key Indicators Growth (y-o-y), Q2 2015



Source: National Economic and Social Development Board, Thailand

MAIN INDICATORS OF IRAN, 2014



GDP Growth

2.8%

Unemployment Rate

10.8%

GDP per Capita

US\$2,949

Exports

US\$88.8b

Inflation Rate

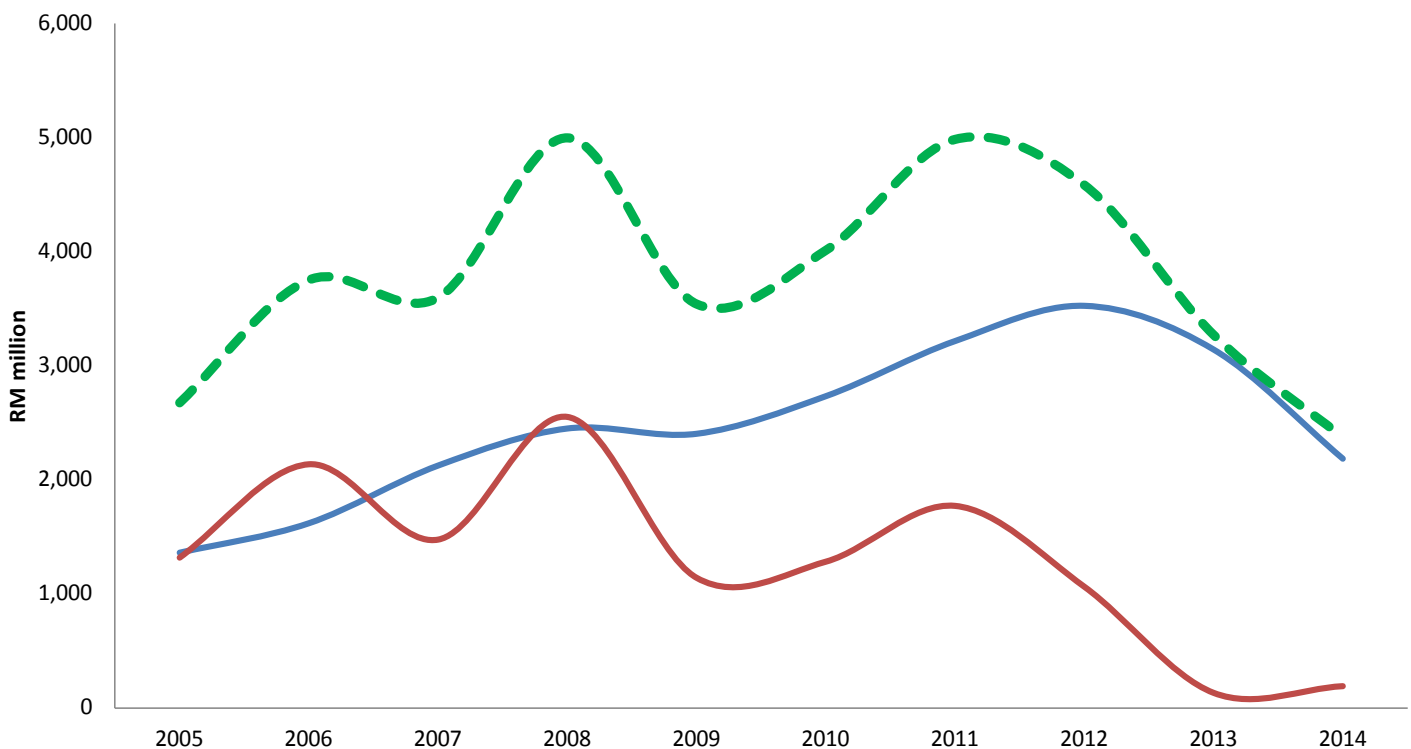
16.2%

Imports

US\$52.0b

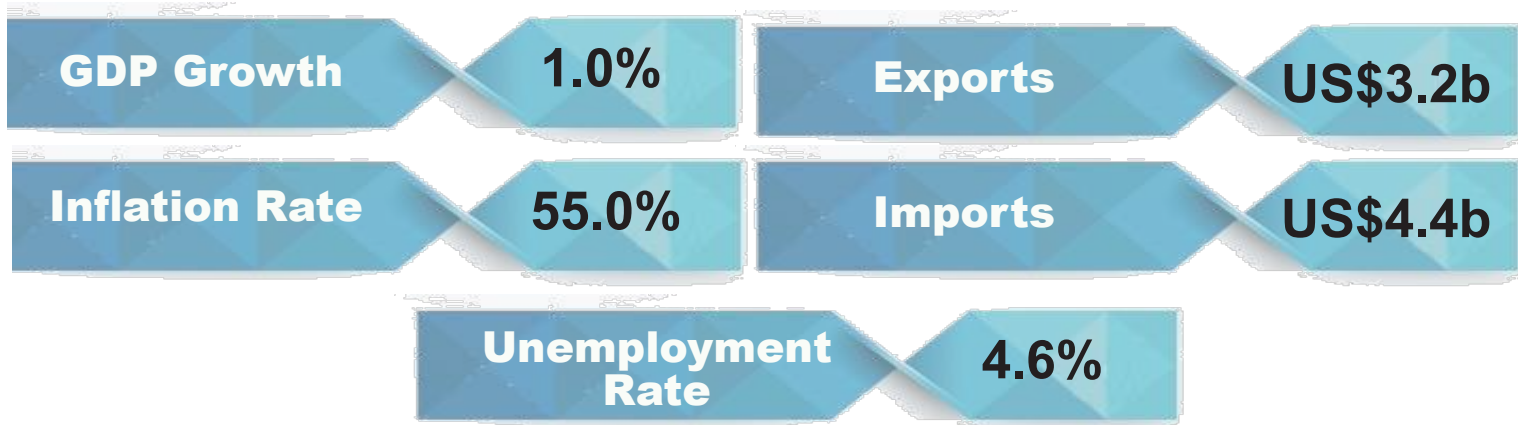
Source: World Bank, Trading Economics and World Trade Organisation

Malaysia's Trade with Iran, 2005-2014



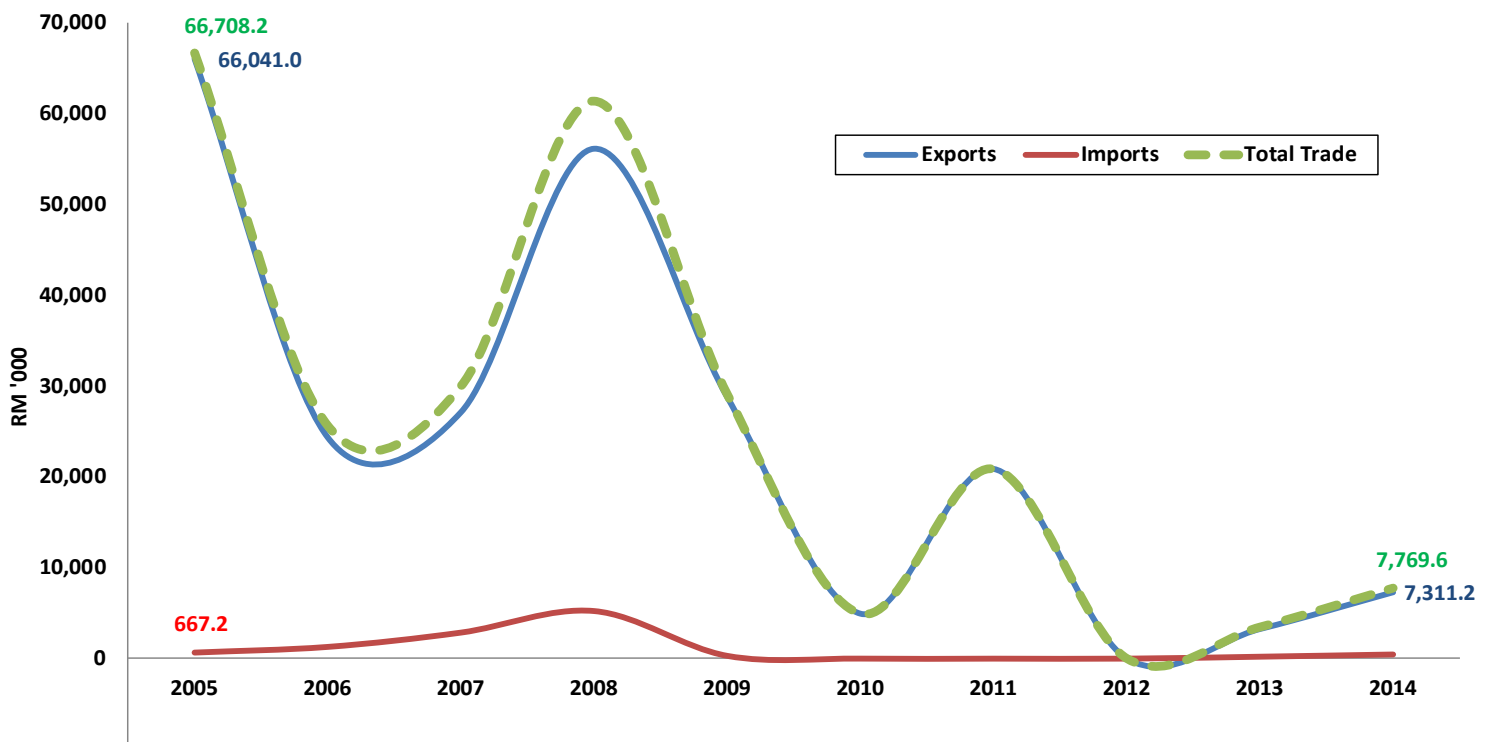
Source : Department of Statistics, Malaysia

MAIN INDICATORS OF NORTH KOREA, 2014



Source: World Bank, Trading Economics and World Trade Organisation

Malaysia's Trade with North Korea, 2005-2014



Source : Department of Statistics, Malaysia



Top 10 Cities with Homeless People



Source: CARI Capture, Wikipedia and World Population Review

One Belt, One Road Initiatives

Trade, infrastructure network and development strategies by President Xi Jinping in 2013

Silk Road Economic Belt and Maritime Silk Road



Source: Xinhua, Barclays Research

Number and Value of Preferential Certificates of Origin (PCOs)

Number of Certificates (Provisional data)

	28 Jun 2015	5 Jul 2015	12 Jul 2015	19 Jul 2015	26 Jul 2015	2 Aug 2015	9 Aug 2015	16 Aug 2015
AANZFTA	924	928	841	582	601	978	689	942
AIFTA	662	702	618	413	624	765	573	742
AJCEP	169	321	157	148	221	153	267	112
ATIGA	4,202	4,583	3,633	3,066	3,212	4,152	4,374	4,399
ACFTA	1,351	1,488	1,177	1,076	1,022	1,646	1,267	1,300
AKFTA	822	855	672	677	740	649	692	739
MICECA	302	318	381	190	336	308	312	289
MNZFTA	6	13	7	2	4	9	12	15
MCFTA	48	89	56	35	64	56	74	53
MAFTA	435	387	432	288	371	351	429	396
MJEPA	867	778	938	637	763	672	759	764
MPCEPA	167	198	95	110	130	143	143	184
GSP	116	195	154	93	76	155	94	117

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



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)

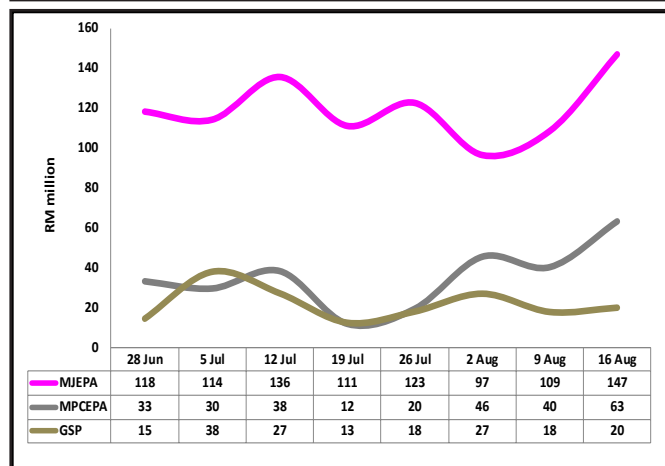
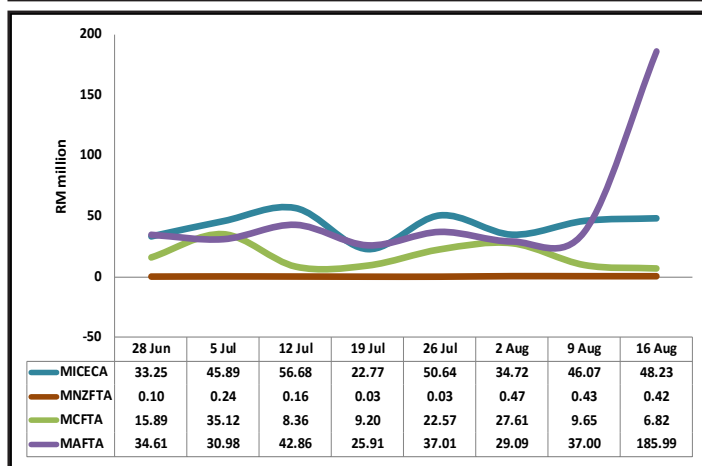
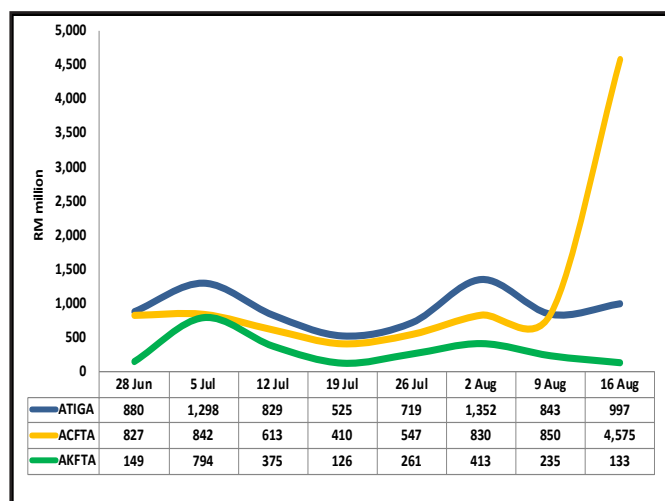
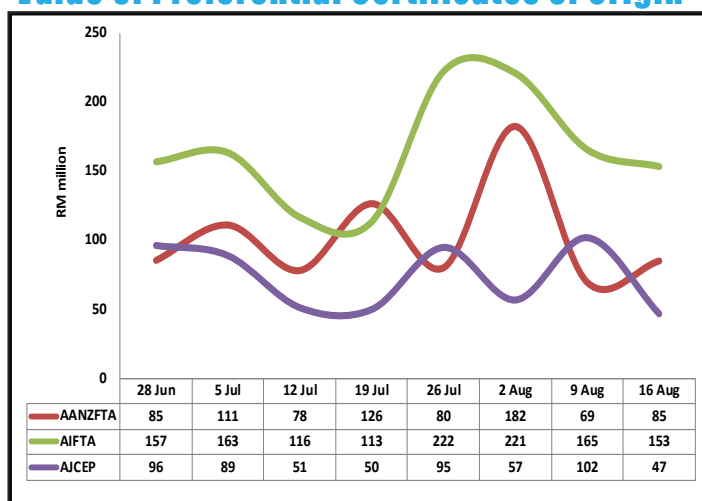


MCFTA: Malaysia-Chile Free Trade Agreement (Implemented since 25 February 2012)



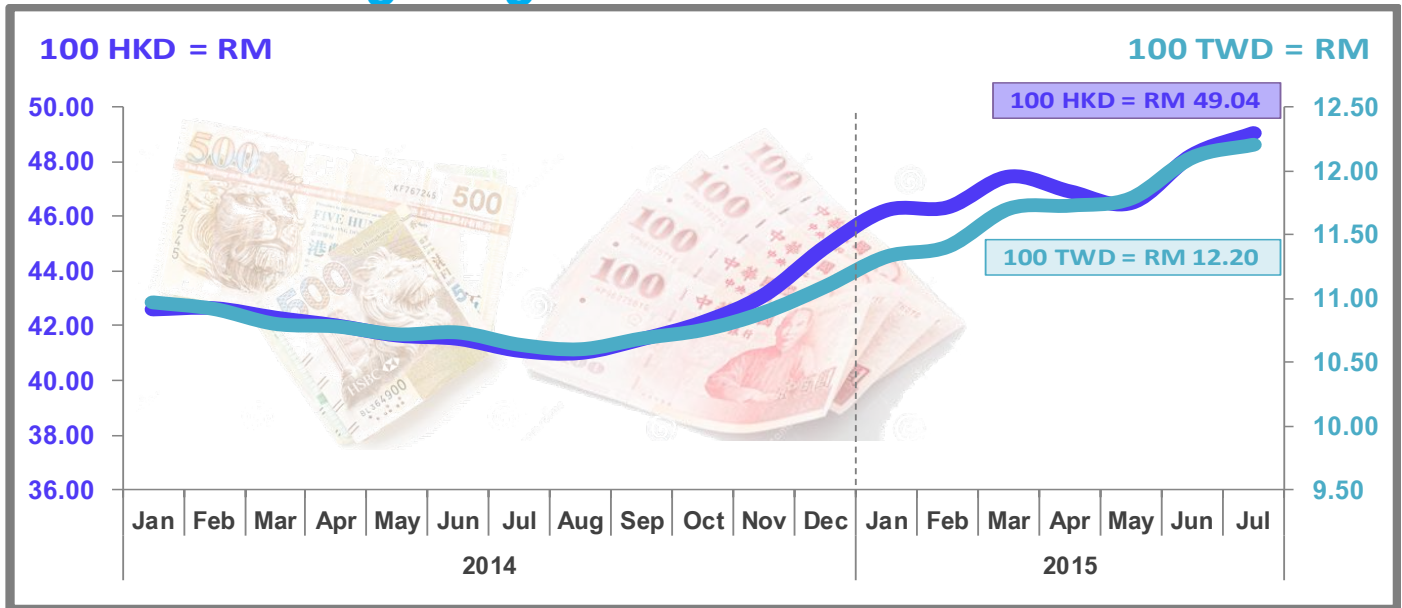
MAFTA: Malaysia-Australia Free Trade Agreement (Implemented since 1 January 2013)

Value of Preferential Certificates of Origin



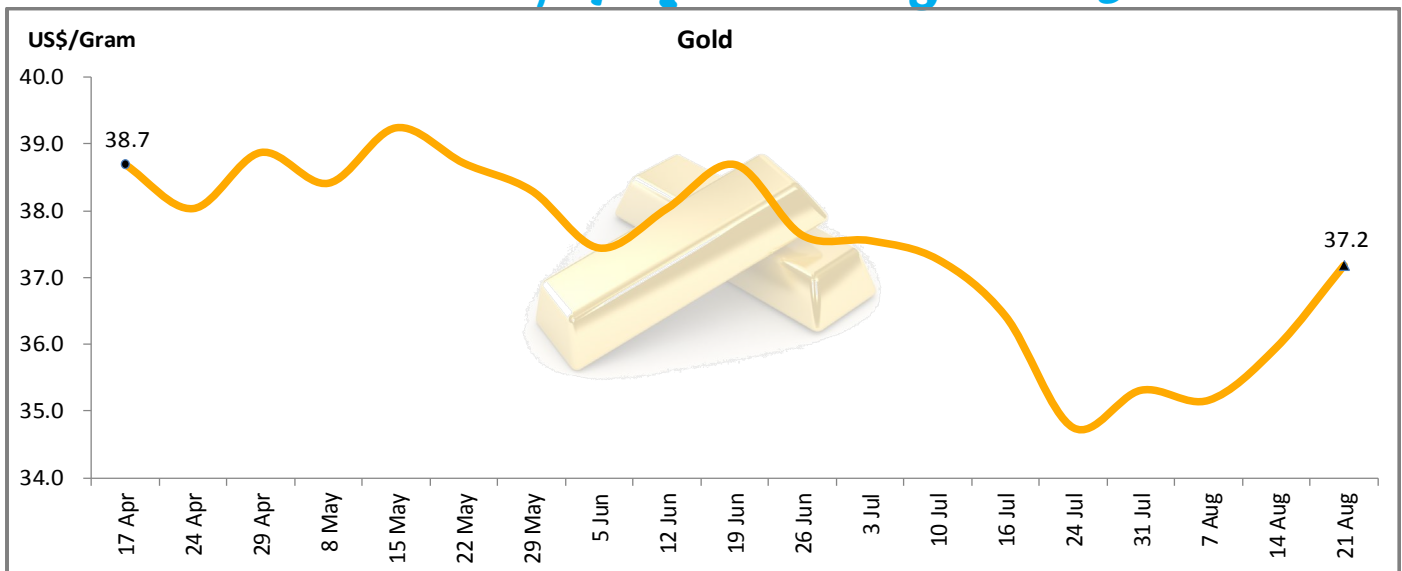
Source: Ministry of International Trade and Industry, Malaysia

Malaysian Ringgit Exchange Rate with Hong Kong Dollar and Taiwan Dollar



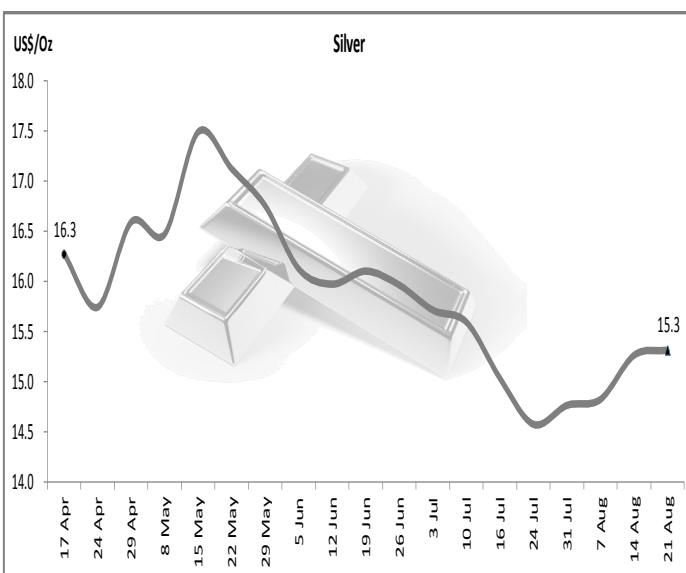
Source : Bank Negara, Malaysia

Gold Prices, 17 April - 21 August 2015

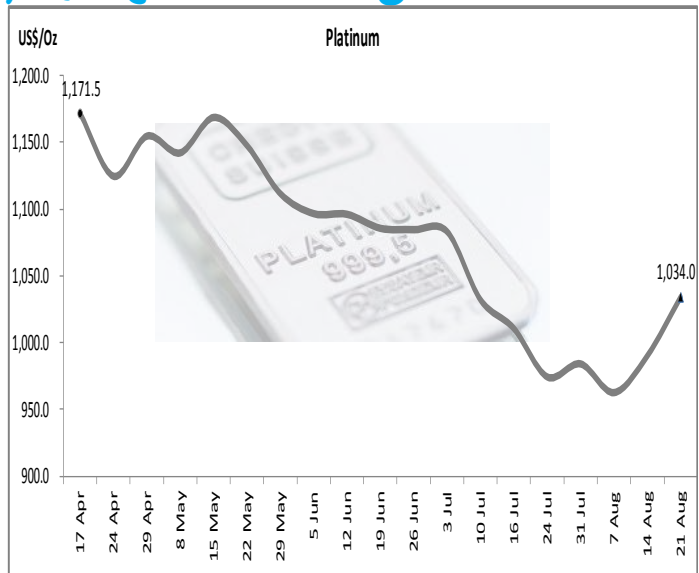


Source : http://www.gold.org/investments/statistics/gold_price_chart/

Silver and Platinum Prices, 17 April - 21 August 2015



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



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)
21 Aug 2015 (US\$)	40.5	551.0	228.0	1,302.5	2,115.5	47.3	250 (high) 230 (low)
% change*	↓ 4.7	↓ 4.6	↓ 0.2	↓ 2.9	↑ 1.0	unchanged	unchanged
2014 ⁱ	54.6 - 107.6	823.3	352.3	1,718.3	2,615.8	59.8	370.0
2013 ⁱ	88.1 - 108.6	805.5	361.6	2,390.8	1,933.1	..	485.6

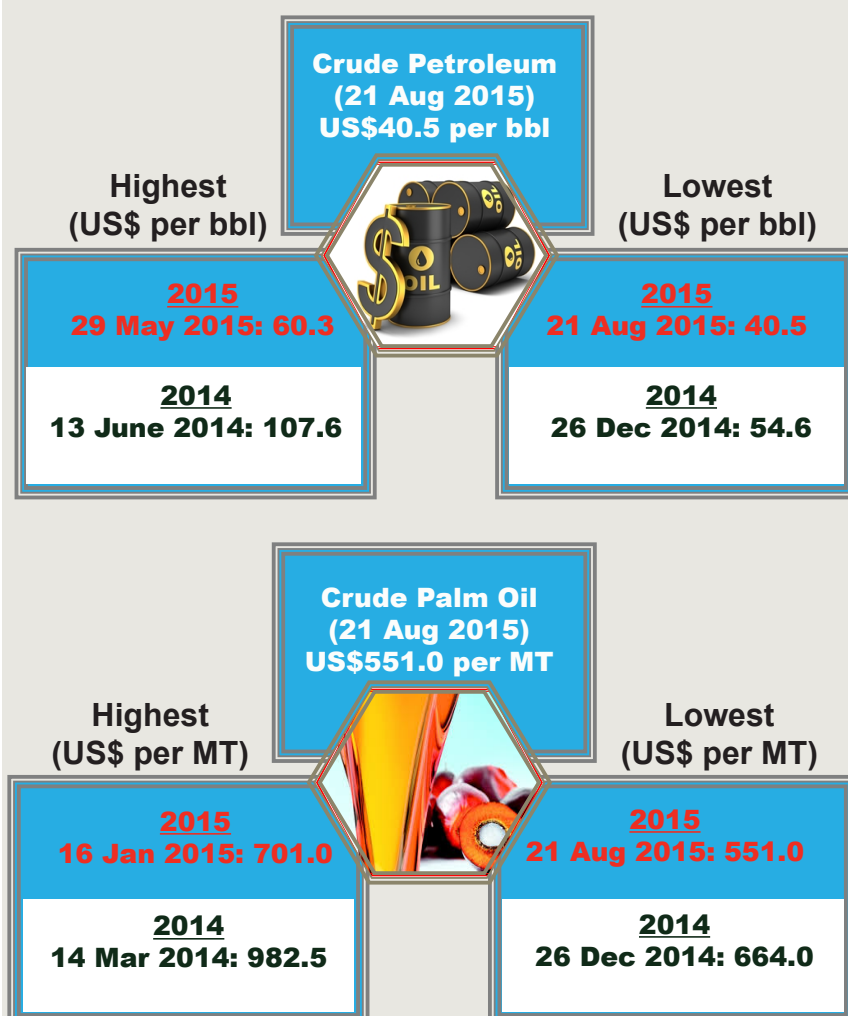
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

n.a Not available

Highest and Lowest Prices, 2014/2015

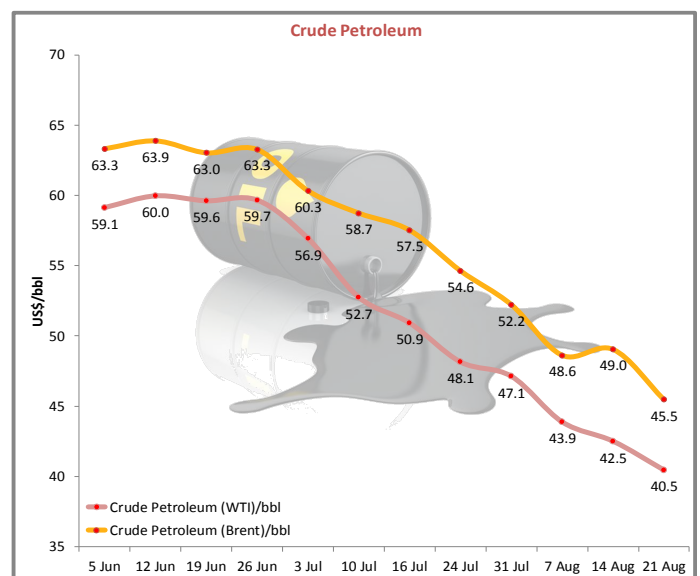
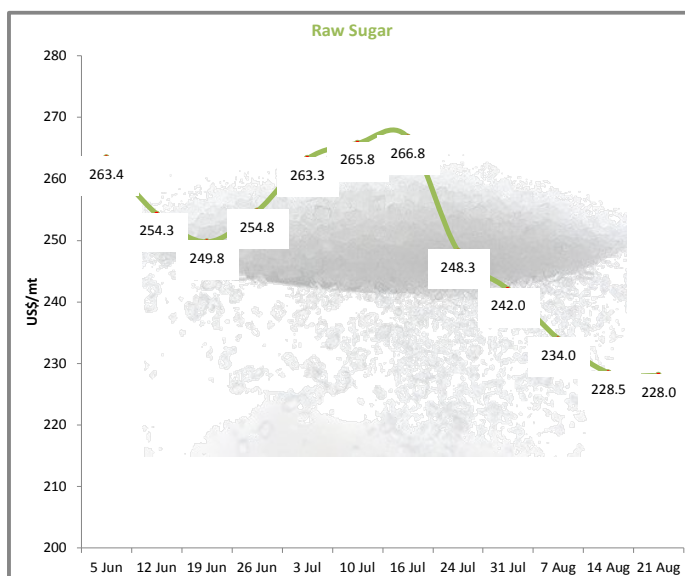
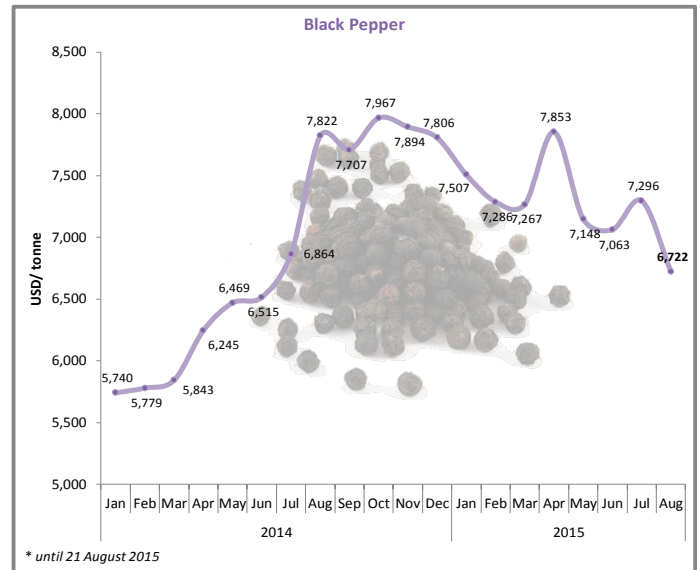
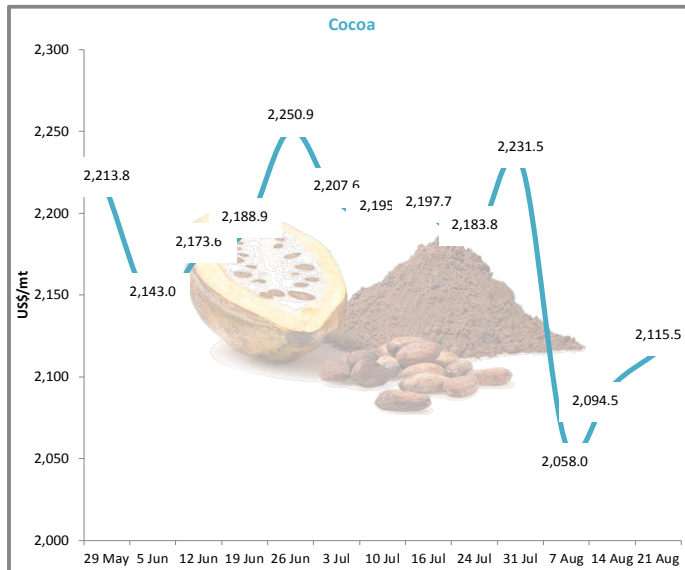
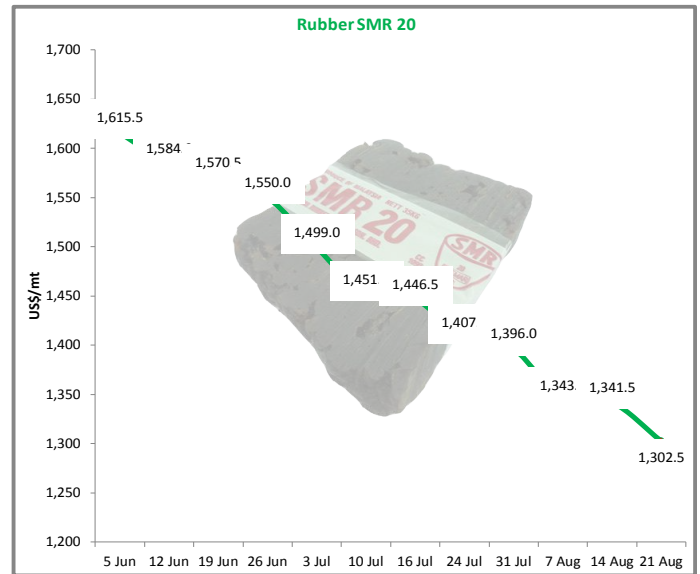
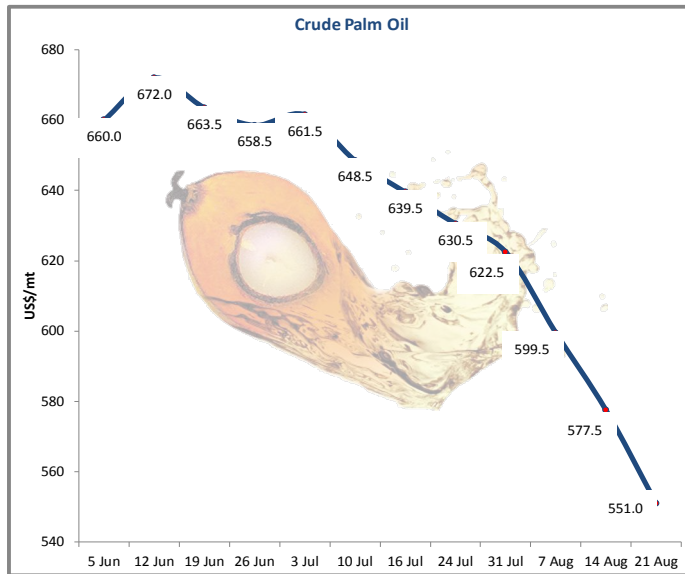


Average Domestic Prices, 14 Aug 2015



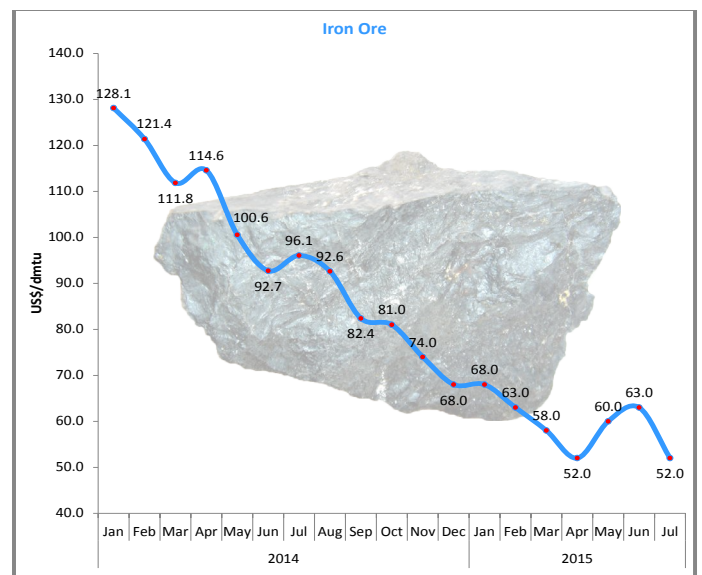
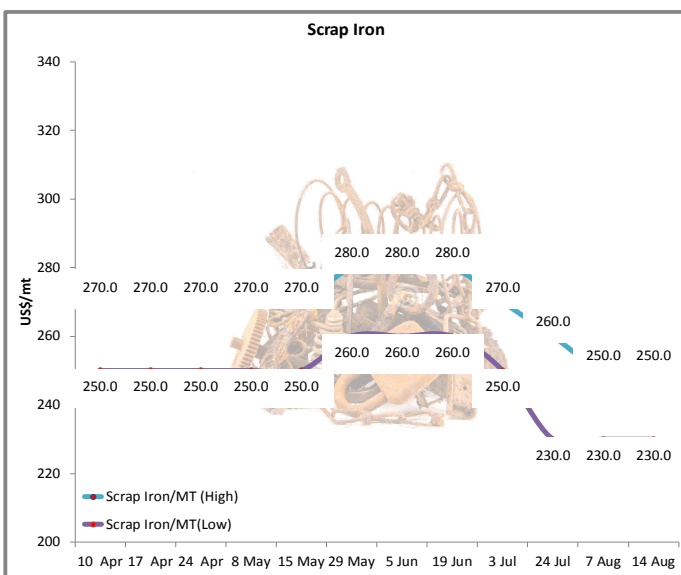
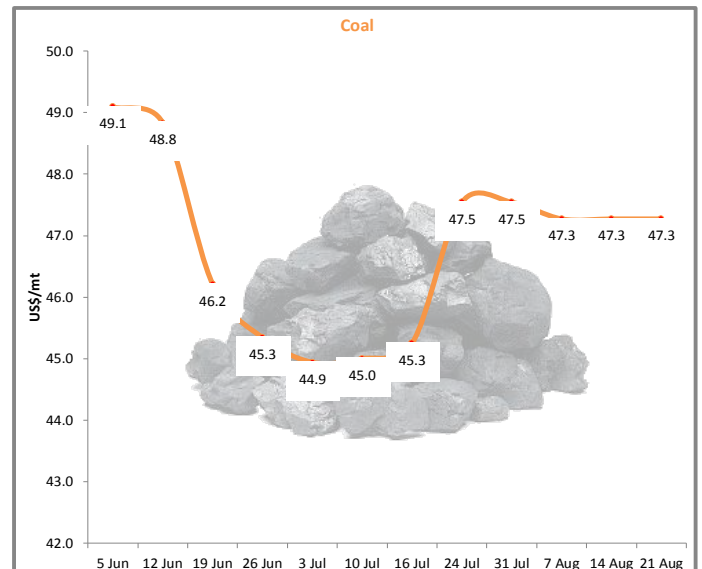
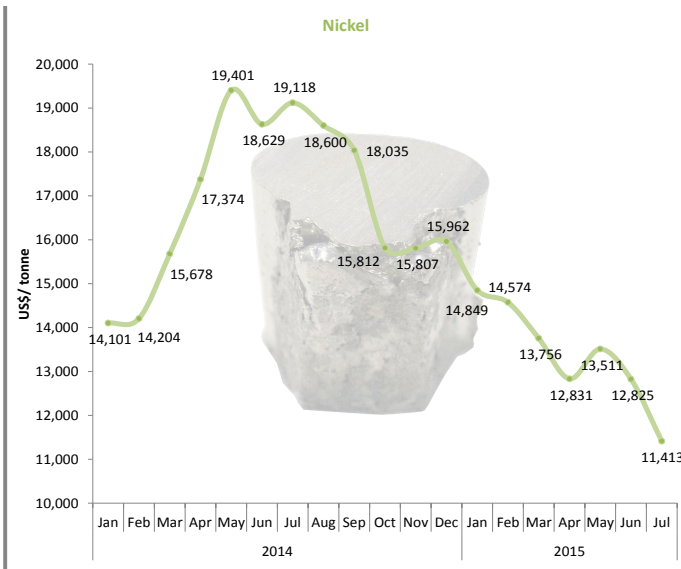
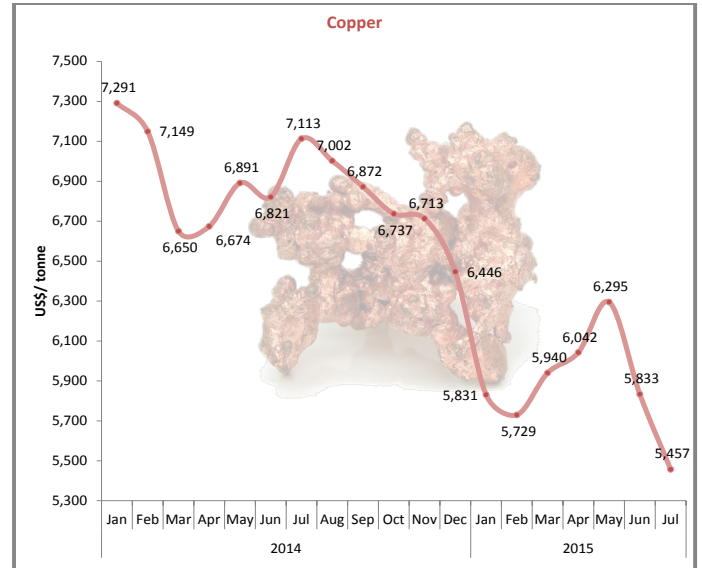
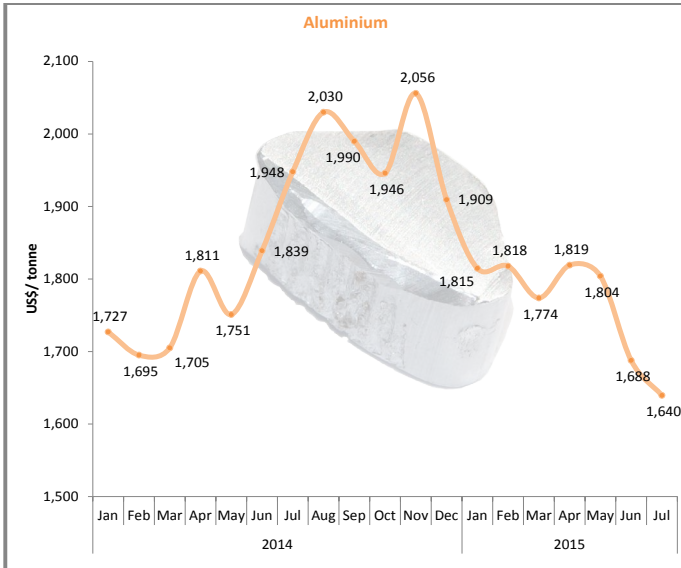
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

Commodity Price Trends



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



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.



Your Success Our Story

Ideal Healthcare Sdn Bhd



The founder and Managing Director of Ideal Healthcare Sdn Bhd is Dato' Dr Haminnuddin Bin Hj. Abd. Hamid, an experienced and accomplished veteran of the healthcare products industry. His story is truly an inspiration to all entrepreneurs young and old, a classic tale of humble beginnings leading to soaring success.

At a young age, he spent time in the rurals, living with his grandparents who made a living as rubber tappers. He even helped out with work at the rubber estates during the weekends, and his trademark dedication and diligence to his duties were honed at this early age. Being also a studious and intelligent student at school, it seemed certain he would grow up to become an achiever. It was also during these early years that the path to his destiny was written.

As he grew up into a smart young man his experiences in the rubber estates led him to make a decision that would lead him to the successful career that he enjoys today. As he progressed up the ranks of higher education, he chose to focus on Rubber Research. When he was given an opportunity to further his studies in this field in the United Kingdom, all his hopes and aspirations were indeed coming true.

In the United Kingdom he was offered an apprenticeship in the manufacturing of catheters and other medical devices. He learned invaluable lessons in this industry and upon his return to 1974 he was immediately offered a position as a production manager in a new multinational company (from UK) in Sungai Petani that produced rubber-based disposable medical products specifically catheters and endotracheal tubes. After 10 years with the company he moved on to the global medical and healthcare products giant Baxter Healthcare where he rose to the position of Regional Sales Director for Europe and the Middle East.

At the peak of his career, his innate entrepreneurial spirit arose. In 1996 he started a small business named Mutiara Medical in Penang which imported disposable medical products and distributed to the local market. Unfortunately the historic and disastrous Financial Crisis

of '97 and '98 quickly put the brakes on his business as an exchange rate of USD1 to RM2.30 rose rapidly to RM4.30 and wiped out his profit margin. It was at his point that Haminnuddin decided to manufacture his own products to sell instead of having to import from overseas. Confident with his technical training and many years of experience in the industry, he set up Ideal Healthcare in 1999.



He enjoyed an early boost when he was able to get an incubator unit in Sungai Petani under SME Bank's Entrepreneur Premises Programme. He started his operations from this small factory space and was able to quickly expand his business. SME Bank provided critical support in the form of financing as well as technical training (especially in the fields of finance, entrepreneurship and business). Under his stewardship a company that started with just three persons on the payroll on an operating budget of RM100,000 grew to become one of Malaysia's leading manufacturer of healthcare products within 15 years. His Idealcare products are known as products of the highest quality, and are able to compete against products from the global manufacturing giants. His company now exports to 15 countries worldwide and they are already planning to move into a spanking new headquarters and factory premises that will quadruple his production capacity in order to meet increasing demand.

See more at:

<http://www.yoursuccessourstory.com/story04.html#page=page-1>



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MITI Programme

47th ASEAN Economic Ministers' Meeting and Related Meetings

20 - 25 August 2015 | Kuala Lumpur, Malaysia









ASEAN Gala Dinner, 24 August 2015







Kindly click the link below to access 47th ASEAN Economic Minister's Meeting & related meetings video.
<http://t.co/9E0C1FfRJZ>





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Job Description: Responsible for overall payment, allocation and accounting tasks
Division : Accounts
Contact No : 603-6200 0089
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Designation : Assistant Administrative Officer
Job Description: Managing security and administrative matters
Division : Administration
Contact No : 603-6200 0074
Email : anuar.safian@miti.gov.my



**Hendak
1000 daya,
tak hendak
1000 dalih...**

**Where there's
a will there's
a way...**



**MWB secretariat wishes
all readers a
Happy National Day
2015**

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