



Ministry of International Trade and Industry

# Weekly Bulletin

DRIVING TRANSFORMATION, POWERING GROWTH

VOLUME 483

30 APRIL 2018 | NO. ISSN: 2180-0448

## MITI'S VENDOR PROGRAMME A BOON FOR SMEs

The Vendor Development Programme (VDP) under the Ministry of International Trade and Industry (MITI) has now come of age with a host of success stories under its belt.

The programme was one of the flagship initiatives mooted back in 2014 under Minister Datuk Seri Mustapa Mohamed, to groom bumiputera vendors.

Among the main aim was to propel Malaysian small and medium enterprises (SMEs) as manufacturers and suppliers of products and services required by large local companies, multinational companies and government-linked companies which Khazanah Nasional Berhad (Khazanah) act as the secretariat in the domestic and global market.

The success behind the VDP was also largely attributed to a 'strategic collaboration' with anchors, vendors and training providers such as MPC, Technology Park Malaysia, CEDAR, MITRANS, SIRIM, SME Corp, MIDF and MAI. Within a short span after its launch, the number of anchors and vendors saw a steady increase.

In 2016, there were 19 anchors and 1,440 vendors, setting a record in the percentage of VDP procurement value at 11.5%.

Up to September last year, the number of anchors had increased to 21 with 1,418 vendors, pushing up the percentage value to 12.7%. The past two years also saw the Capacity Development Programme for Vendors (PPKV) registering a value of RM3.14 mil with 318 recipients.

A sum of RM9 mil was set aside for the Research and Commercialisation Grant (GPPV), which will benefit 15 vendors. In a nutshell, the GPPV and PPKV under VDP are all part of the measures listed under the Fourth Strategy of the Bumiputera Empowerment Agenda (BEA) to provide support to Malaysian SMEs.

It is the Government's aspiration for more larger local companies, GLCs and MNCs to participate in development programmes to spur the country's SMEs, so that a higher number of bumiputera vendors could be developed.

But the VDP still stands out among the rest and continues to attract much interest and commitment from industry players.

### VDP SUCCESS STORIES

In 2016, there were seven national champions and their success stories served as an inspiration to others. The companies are Swiss Resources Sdn Bhd, Daya OCI Sdn Bhd, FM Media Sdn Bhd, Muzamal Industries Sdn Bhd, Foresight Industries Sdn Bhd, Artisan Hartamas Sdn Bhd and Indkom Engineering Sdn Bhd.

All seven firms are parked and guided by their respective anchors namely Boustead Naval Shipyard Sdn Bhd, CIMD, Pharmaniaga and Tenaga Nasional Berhad (TNB).

The regional champion was won by Ideal Healthcare Sdn Bhd. A vendor of Pharmaniaga, Ideal Pharmaniaga participated in the VDP in 2014, dealing in the manufacturing of medical disposable of which its products are exported to Asean countries. A TNB vendor – Hyrax Oil Sdn Bhd – was declared the global champion.

Hyrax joined the TNB VDP in 1997, producing products such as transformer oil, cable oil, polybutene oil and lubricants to be exports to New Zealand, Asean and Middle East countries.



**Power meeting:** Dato' Sri Mustapa Mohamed (centre) and his deputy Datuk Ahmad Maslan (second from right) with some of the vendors at MPPPV

## GLC EXPLORACE

Under the VDP, one of the key highlights is the GLC ExplorAce. The event, held in August 2017 with the theme “Excelling in the Digital World”, saw a total of 2,152 visitors, participants and exhibitors. It was co-organised and jointly sponsored by MITI, UEM Group Berhad, SIME Darby Berhad and MIDF. Among the activities included 58 booths, 14 anchors conducting business matching, financial consultation and pocket talks, as well as 16 companies joining a start-up innovation pitch. There were also 331 business matching sessions.

The key objectives were to showcase anchor and vendor achievements in the VDP, provide a platform for new vendors to explore business opportunities with GLCs and MNCs, attract potential anchors to join VDP and provide networking opportunities among VDP vendors, 21 anchors, GLCs, MNCs, MITI and its agencies and other ministries.

For this year, the Key Performance Indicator target for the VDP is to rope in 40 new vendors and churn out three new national champions and one regional champion. MITI will enhance the policy and implementation of the VDP. This includes the rebranding of GLC ExplorAce 2018.

In April last year, MITI set a target to increase by 10% in the procurement value under the VDP from RM4.88bil in December 2016.

During the Vendor Development Programme Consultation Council (MPPPV) meeting, Mustapa said, “To date, we have 21 anchor companies and we hope it can be increased to at least another five quality companies, whether it is government-linked or private-owned companies.”

The minister also said in order to facilitate the growth, anchor companies would be given a 10% tax deduction which had been extended to 2020, to help develop capabilities of bumiputera vendor companies.

Of the 21 anchors, 14 are high-performing companies or PCD20 GLCs, six local large companies and a multinational company.

## INDUSTRY EXCELLENCE AWARD

Meanwhile, MITI is also



**Exploring opportunities:** Business matching during GLC ExploreACE 2017

actively promoting the Anugerah Kecemerlangan Industri (AKI) or Industry Excellence Award.

Introduced in 2011, the AKI has gained a reputation for being the nation's premier corporate recognition award.

Held biennially, among the objectives of the AKI are to recognise the most outstanding companies in the manufacturing and services industries, companies with business plans to increase value-added products or services and also companies with the best practices that render them as inspiring role models to other companies. Since its inception, 3,237 companies have participated in the AKI with 408 winners. International Standard of Business Excellence Framework (BEF) is used to evaluate award winners since the rebranding of AKI in 2014.

The BEF is a globally recognised comprehensive plan to ensure productivity, quality and sustainability of any organisation.

As of end 2017, 5,326 companies in Malaysia have already adopted the BEF. For the AKI 2018, a total of 11 awards are to be contested namely Prime Minister's Award, four awards under manufacturing sectors, five awards under services sectors and one from open category (multinational companies).

The Prime Minister's Award will be selected from among the top winners

in their respective categories.

During a glittering ceremony for the AKI 2016, KPK Klang Specialist was declared the grand winner of the Prime Minister's Award, winning a cash prize of RM 500,000, a trophy and a certificate.

The company beat others such as Finisar Malaysia Sdn Bhd, which emerged top in the open category.

Other winners include Johor Port Berhad, Upstream Downstream Process and Services Sdn Bhd and Medical Apparatus Supplies Sdn Bhd (services sector) and Salutica Allied Solutions Sdn Bhd, Exis Tech Sdn Bhd and Paradigm Precisions Components Sdn Bhd (manufacturing sector). The AKI remains a coveted award among industry players to vie for as it serves as recognition for continuous development, exceptional leadership and significant growth through vision and mission.

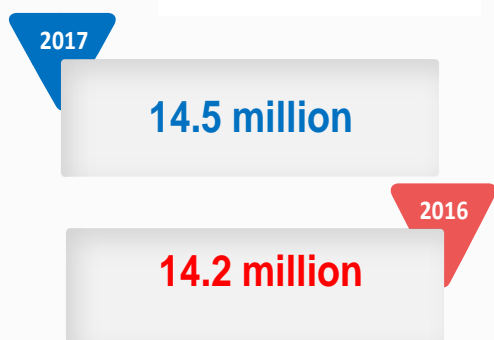
More information on the AKI can be obtained on the MITI's website at <http://www.miti.gov.my/index.php/pages/view/3894>.

# Labour Force, 2017

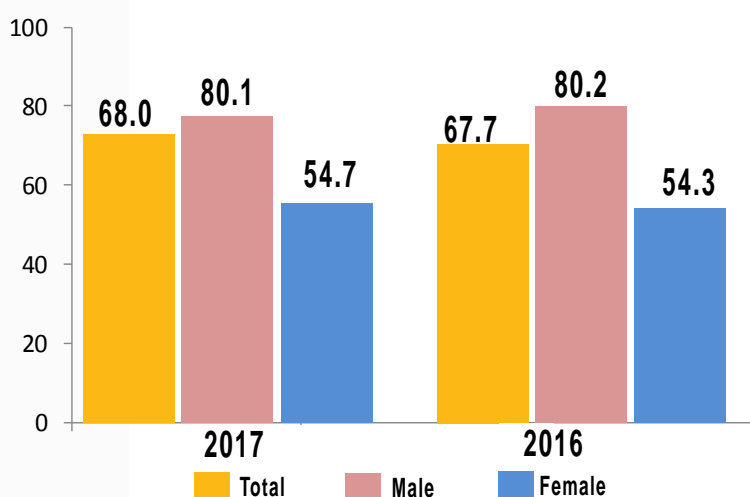
The Labour Force increased **2.0 per cent** in 2017 at 15.0 million persons as compared to



## Employed

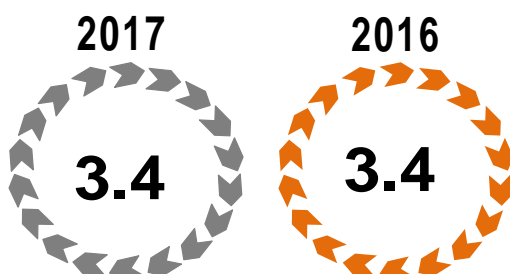


## Labour Force Participation Rate (LFPR) (%)



## Unemployment Rate (%)

Unemployment rate remained at **3.4 per cent**



## Unemployed

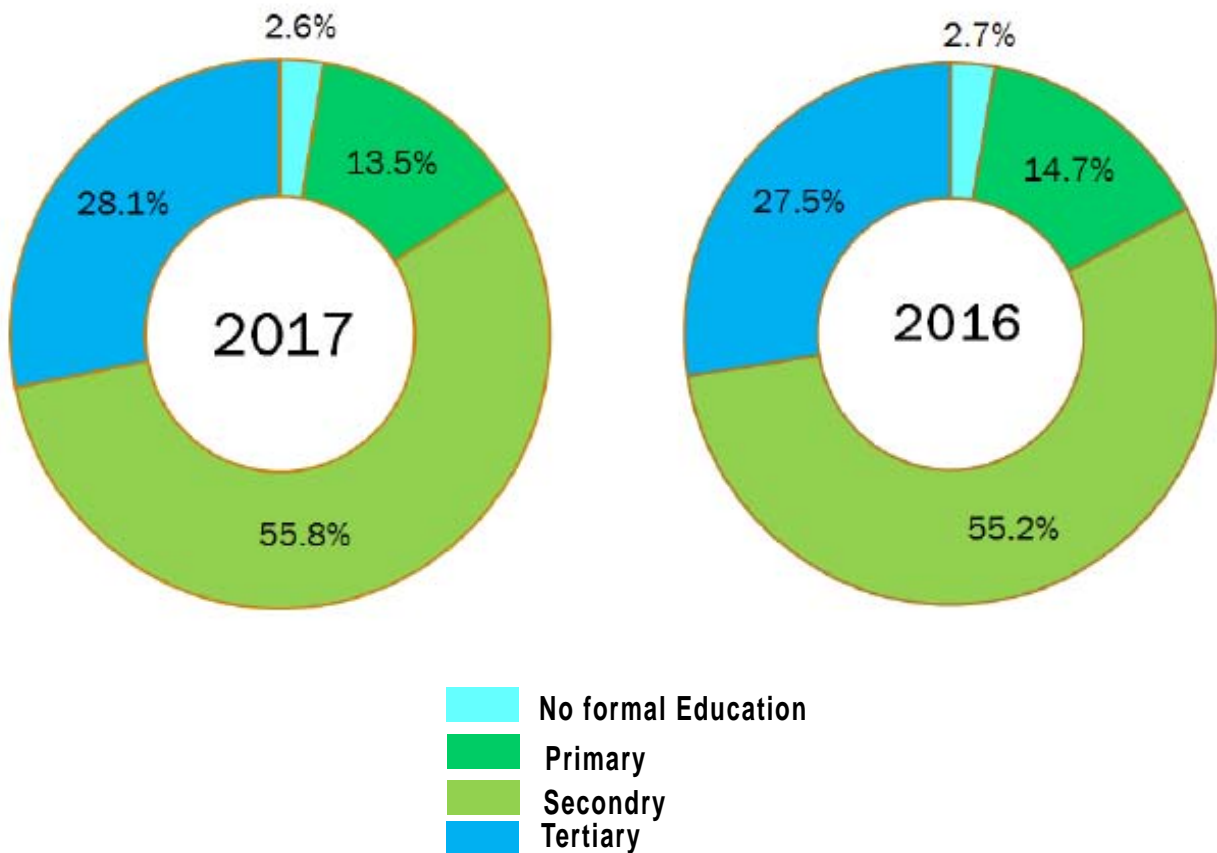


### Note:

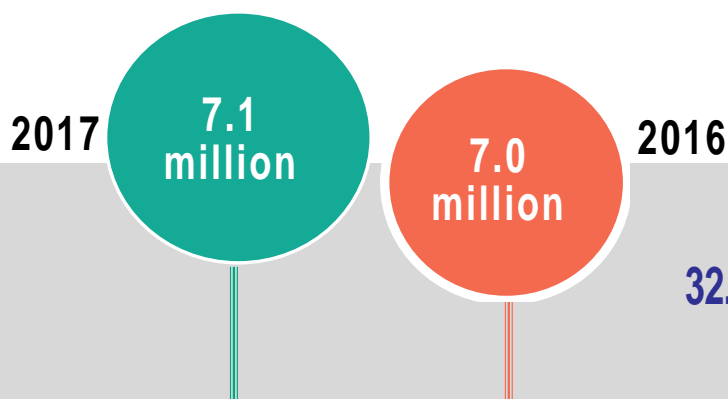
- LFPR is defined as the ratio of the labour force to the working age population (15 to 64 years), expressed as percentage.
- Unemployment rate is the proportion of unemployed population to the total population in labour force.

Source : Department of Statistics, Malaysia

## Employed Person by Educational Attainment 2017/2016



## Population Outside Labour Force



In 2017, 7.1 million persons or 32.0 per cent of working age population were outside labour force

Note:

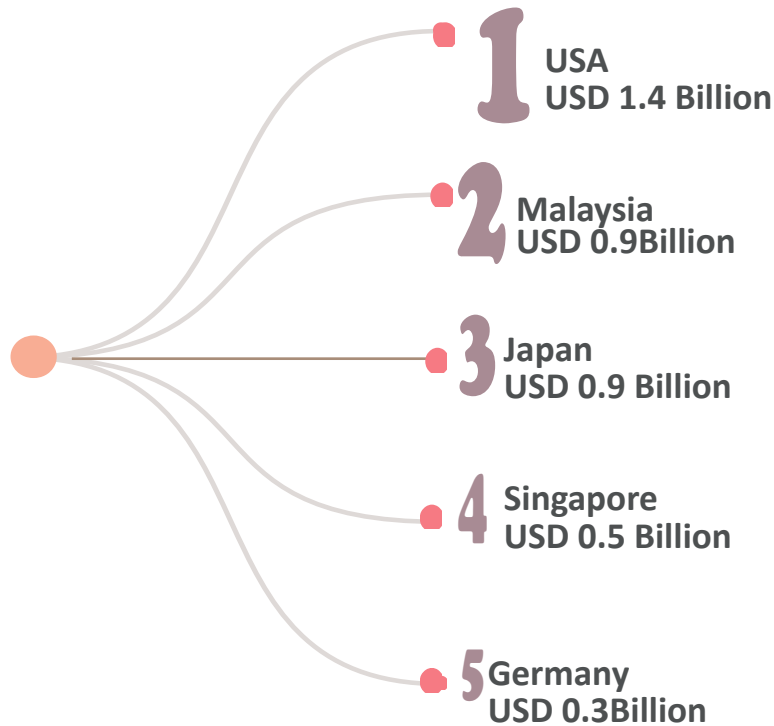
Outside labour force refer to all persons not classified as employed or unemployed as stated above are classified as outside labour force. They include house-wives, students (including those going for further studies), retired, disabled persons and those not interested in looking for a job.

Source: Department of Statistics, Malaysia

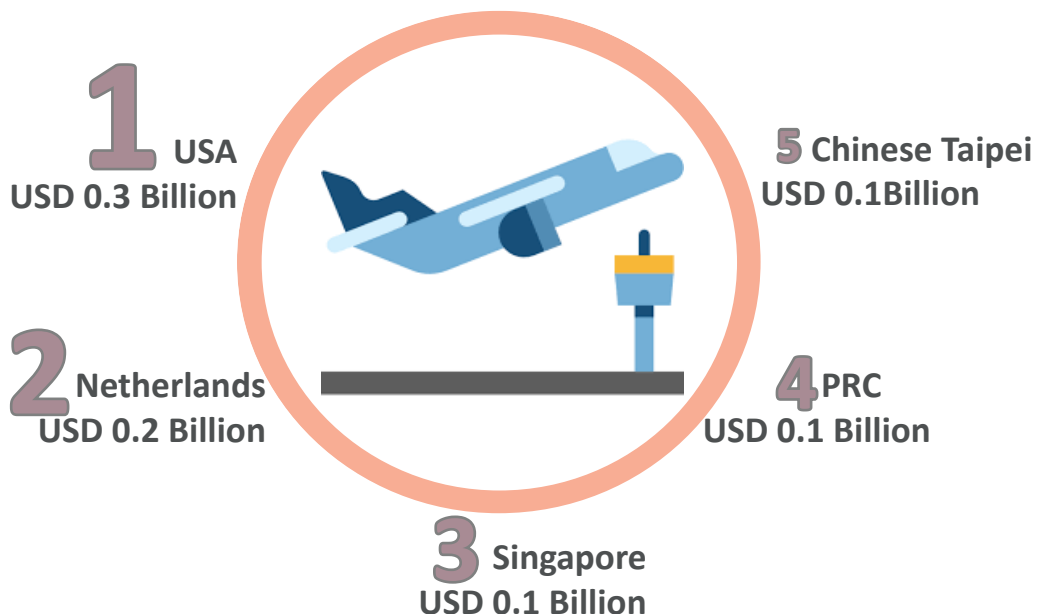


# International Report

Malaysia was the **Second Largest** Exporter of Parts and accessories for instruments and apparatus for measuring or checking electrical quantities, 2016



## TOP FIVE : Export Destinations

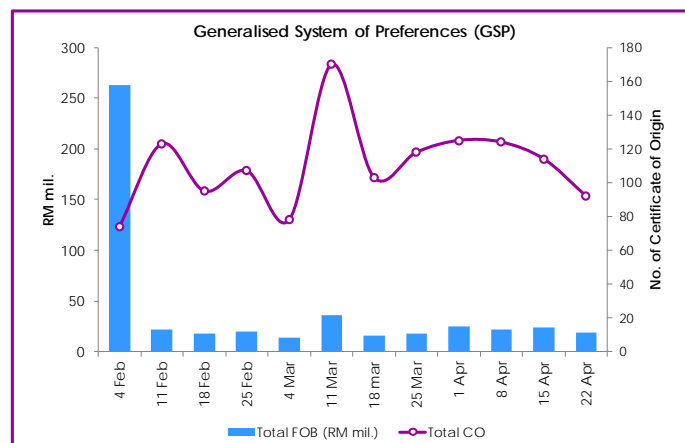
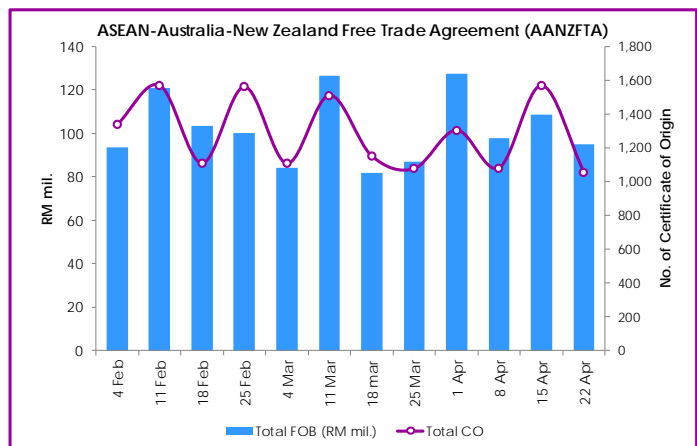
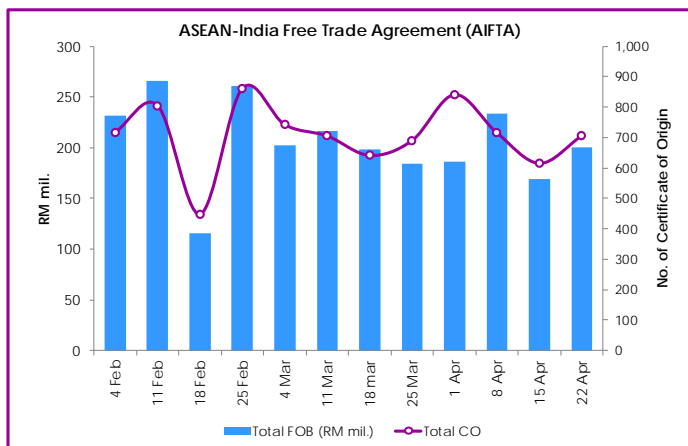
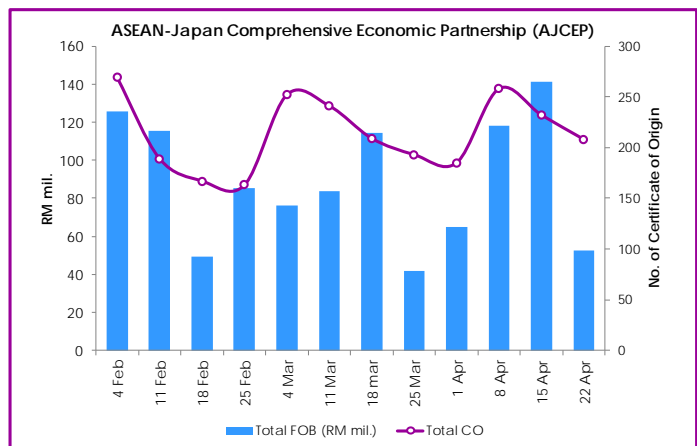
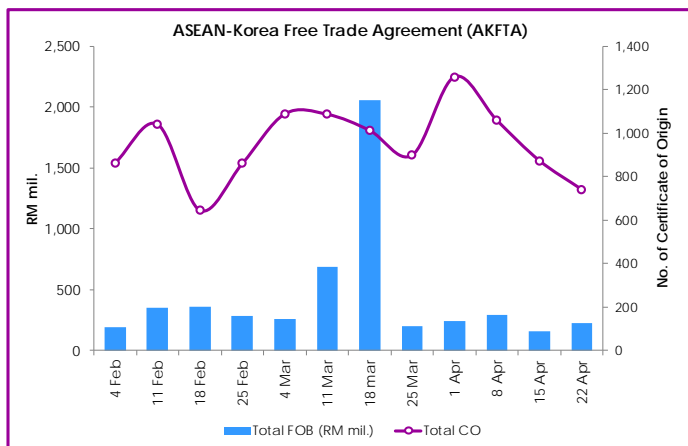
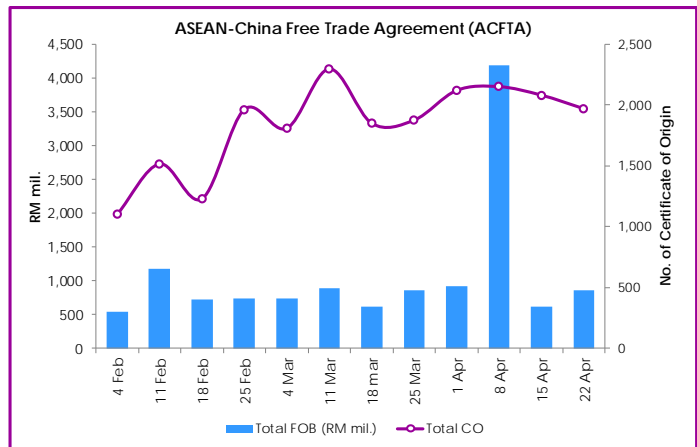
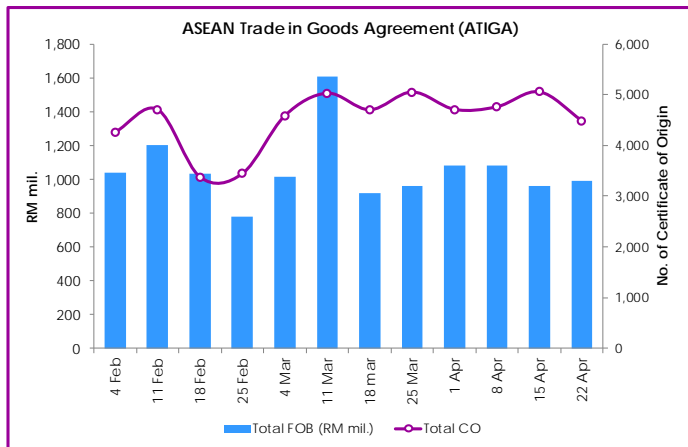


Notes :

\* Refers to HS 903090

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

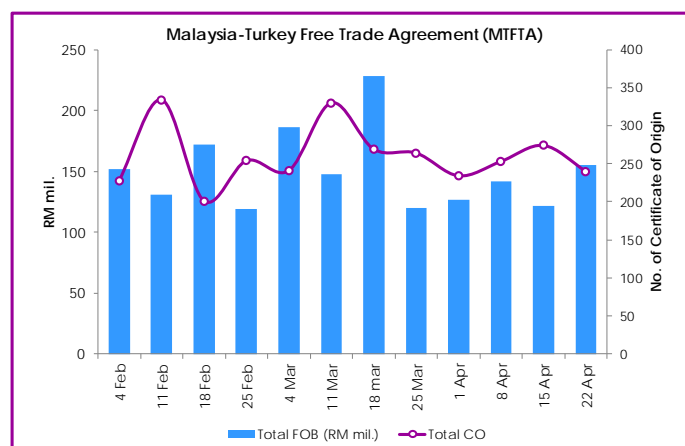
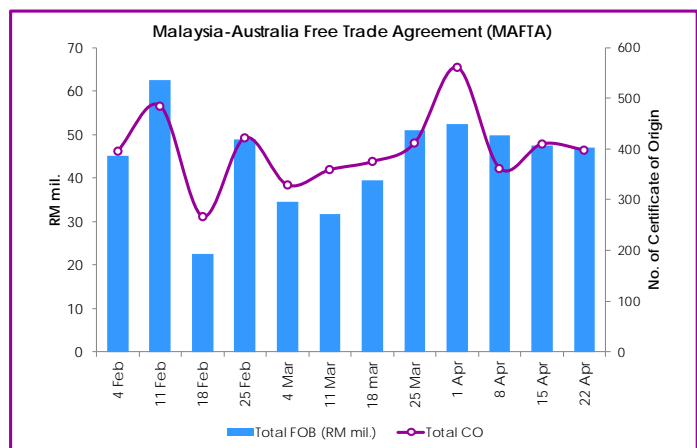
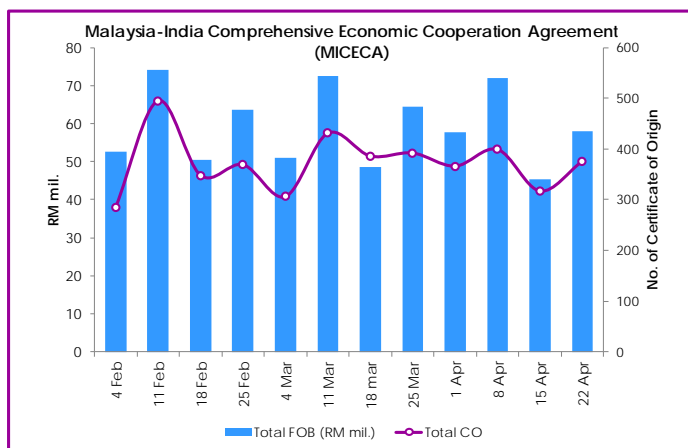
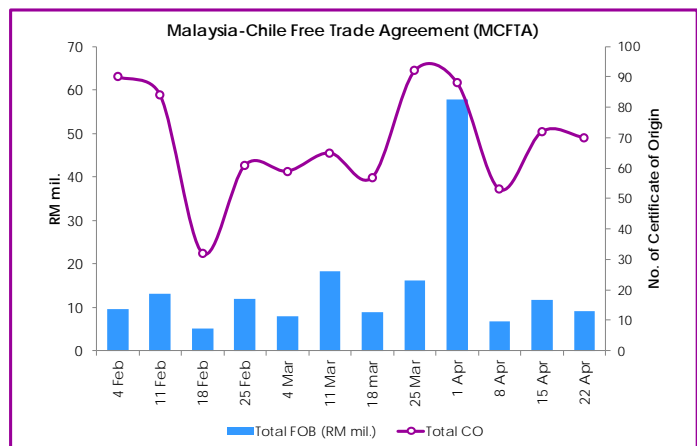
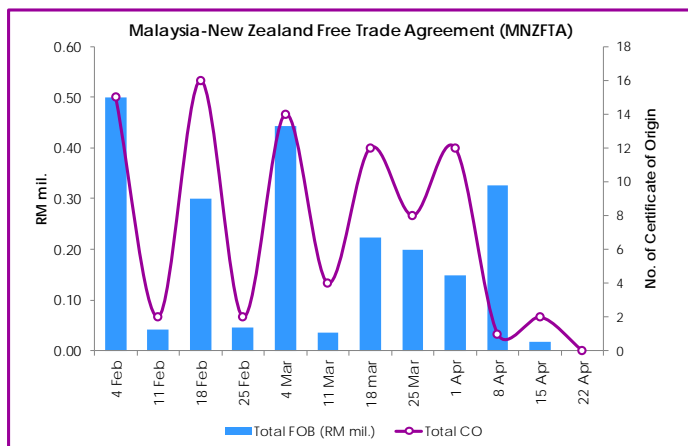
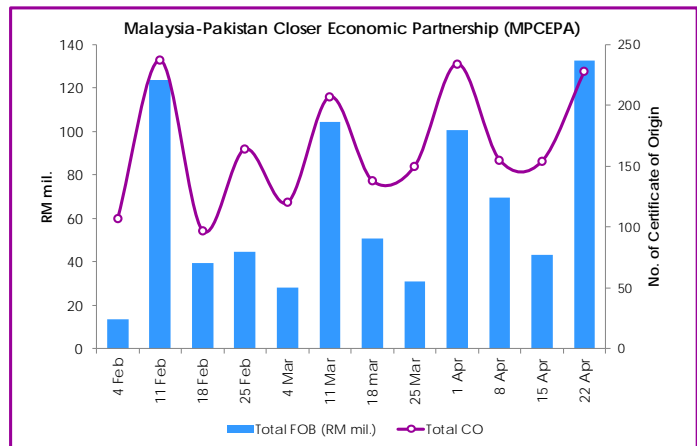
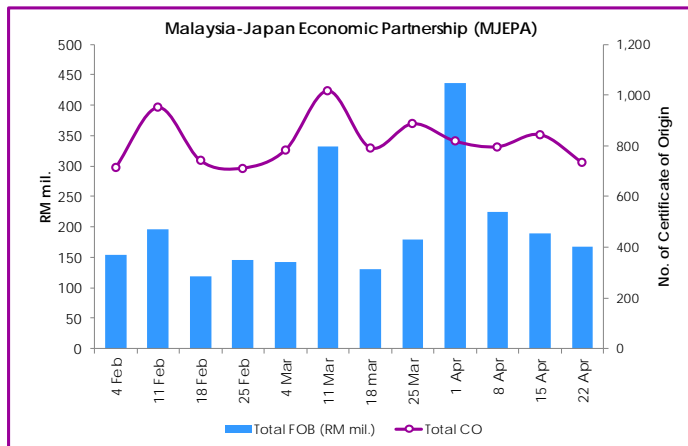
# Number and Value of Preferential Certificates of Origin (PCOs)



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

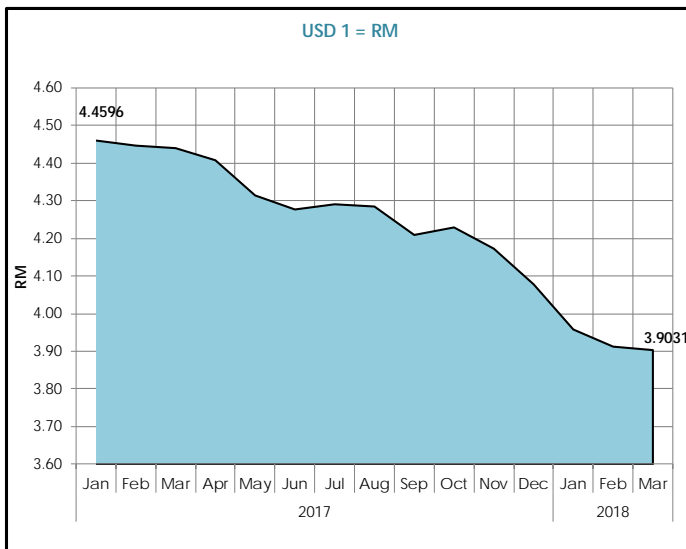
# Number and Value of Preferential Certificates of Origin (PCOs)



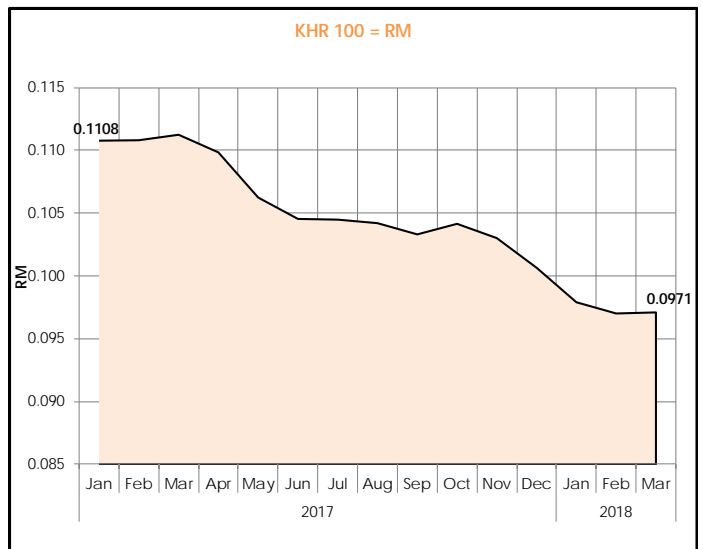
Note: \*Provisional Data  
Source: Ministry of International Trade and Industry, Malaysia

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

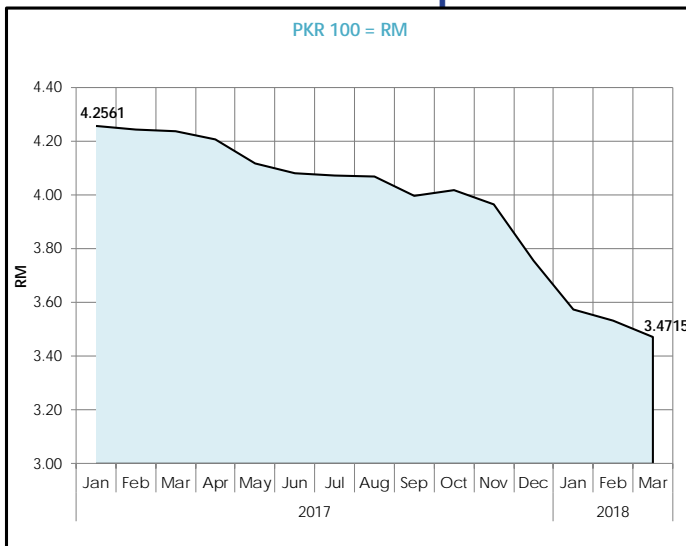
## US Dollar



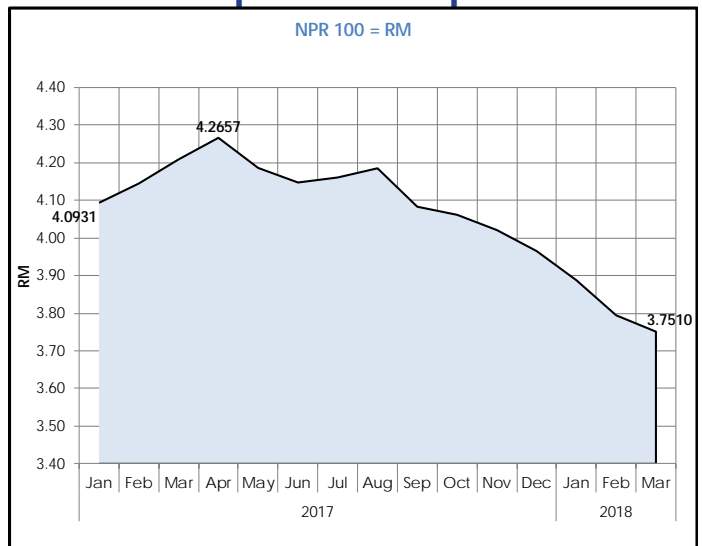
## Cambodian Riel



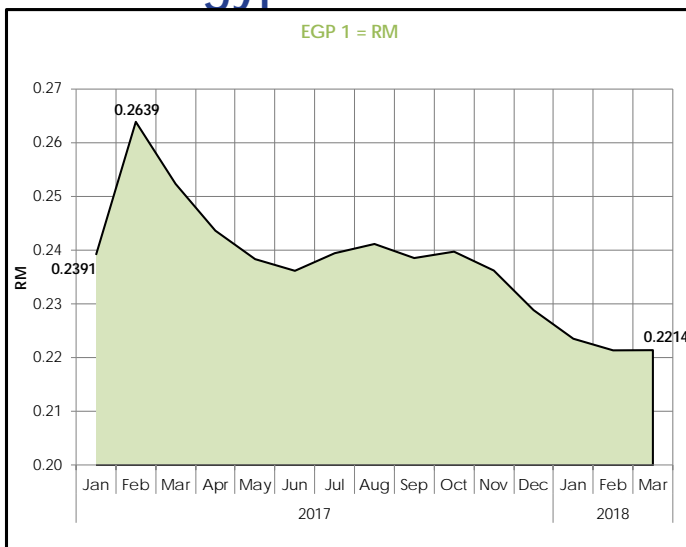
## Pakistani Rupee



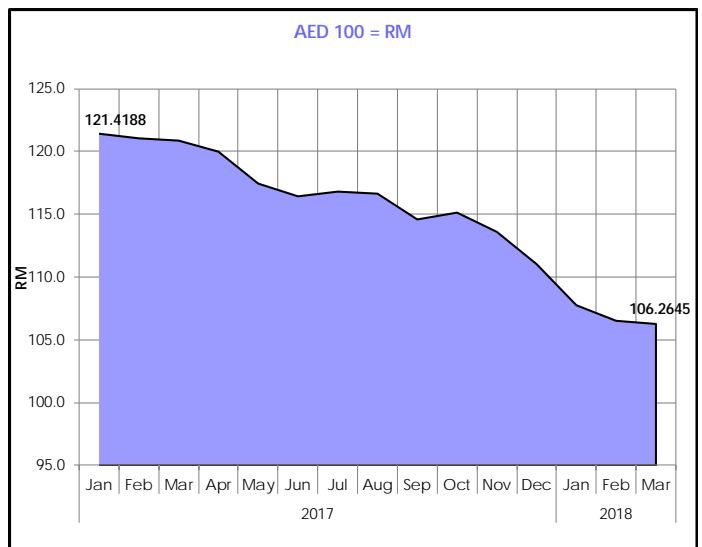
## Nepalese Rupee



## Egyptian Pound



## United Arab Emirates Dirham



Source : Bank Negara, Malaysia



# Commodity Prices



## CRUDE PETROLEUM (BRENT) -per bbl-

27 Apr 2018 : US\$74.6, ▲ 0.8%\*  
Average Price<sup>i</sup> : 2017: US\$55.0  
2016: US\$45.3



## CRUDE PALM OIL -per MT-

27 Apr 2018 : US\$654.0, ▼ 1.7%\*  
Average Price<sup>i</sup> : 2017: US\$719.7  
2016: US\$702.2



## SUGAR -per lbs-

27 Apr 2018 : US¢ 11.5, ▼ 2.9%\*  
Average Price<sup>i</sup> : 2017: US¢15.8  
2016: US¢18.2



## RUBBER SMR 20 -per MT-

27 Apr 2018 : US\$1,388.5, ▼ 2.6%\*  
Average Price<sup>i</sup> : 2017: US\$1,646.6  
2016: US\$1,394.5



## COCOA SMC 2 -per MT-

27 Apr 2018 : US\$1,888.0, ▲ 2.1%\*  
Average Price<sup>i</sup> : 2017: US\$1,439.0  
2016: US\$1,609.8



## COAL -per MT-

27 Apr 2018 : US\$56.6, ▼ 4.0%\*  
Average Price<sup>i</sup> : 2017: US\$57.2  
2016: US\$45.6



## SCRAP IRON HMS -per MT-

27 Apr 2018 : US\$350.0 (high), ▼ 7.9%  
US\$330.0 (low), ▼ 2.9%\*  
Average Price<sup>i</sup> : 2017: US\$314.5  
2016: US\$243.2

## HIGHEST and LOWEST 2017/2018

### Crude Petroleum (Brent) -per bbl-



#### Highest

27 Apr 2018 : US\$74.6  
29 Dec 2017 : US\$66.9

#### Lowest

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

### Crude Palm Oil -per MT-



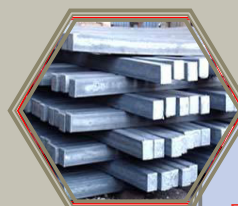
#### Highest

9 Mar 2018 : US\$691.5  
20 Jan 2017 : US\$843.0

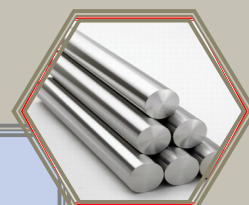
#### Lowest

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

## Domestic Prices 27 April 2018



Billets  
(per MT)  
RM2,200 – RM2,250



Steel Bars  
(per MT)  
RM2,480– RM2,630

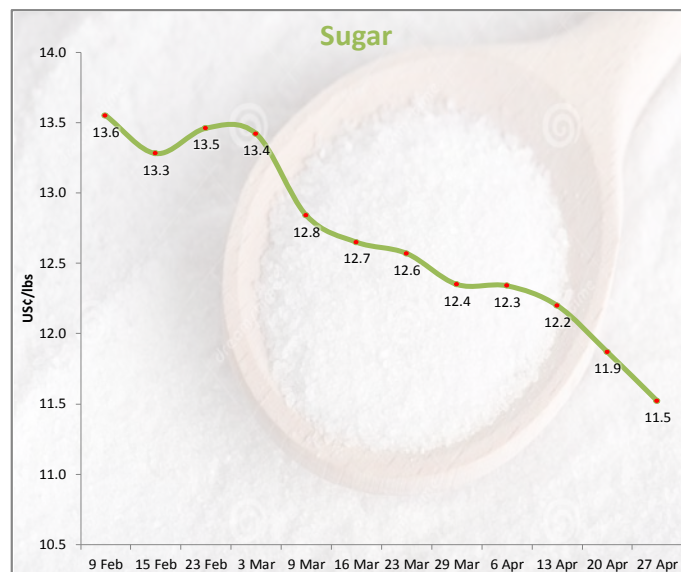
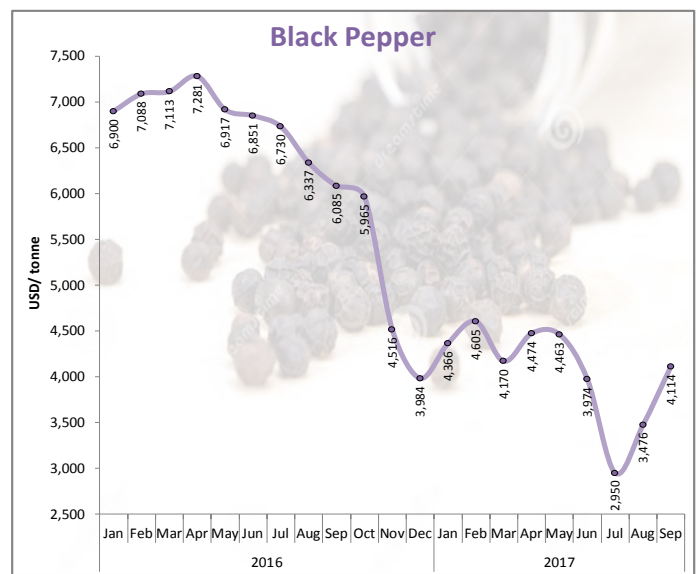
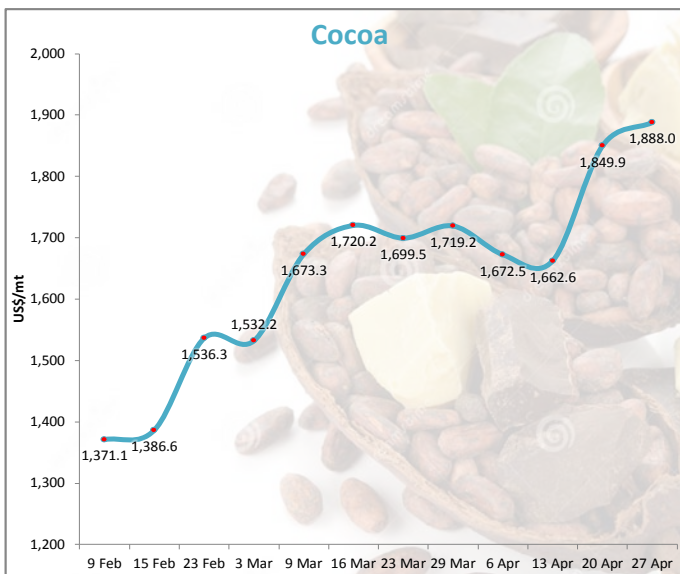
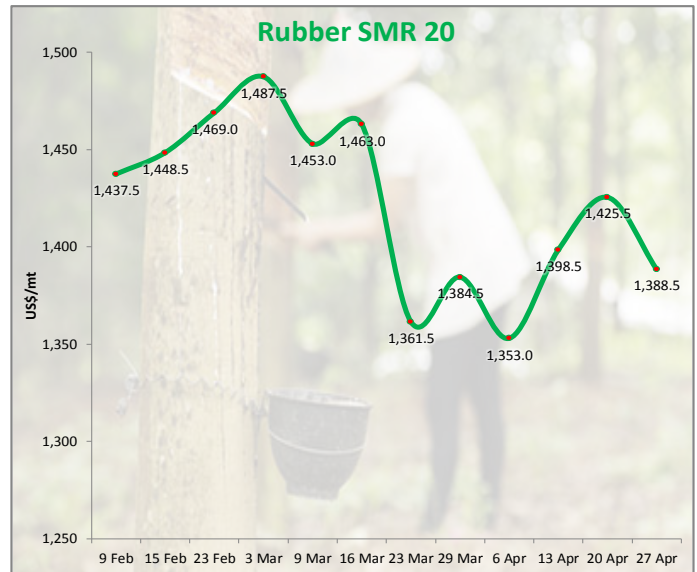
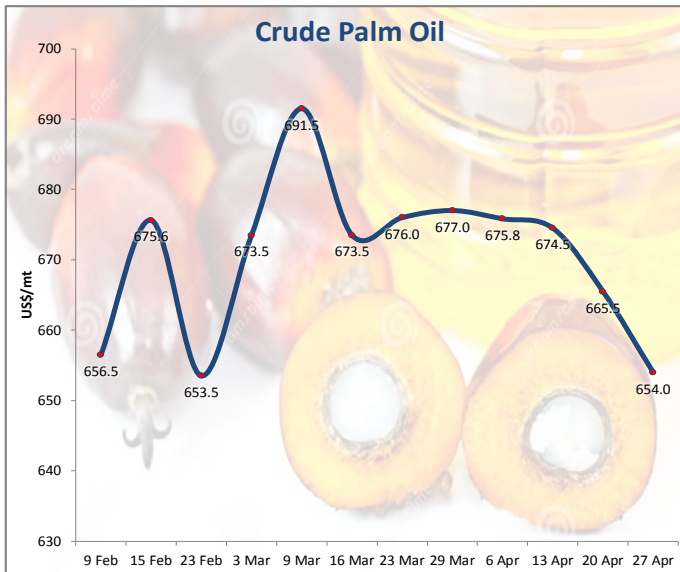
Notes: All figures have been rounded to the nearest decimal point

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

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

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.

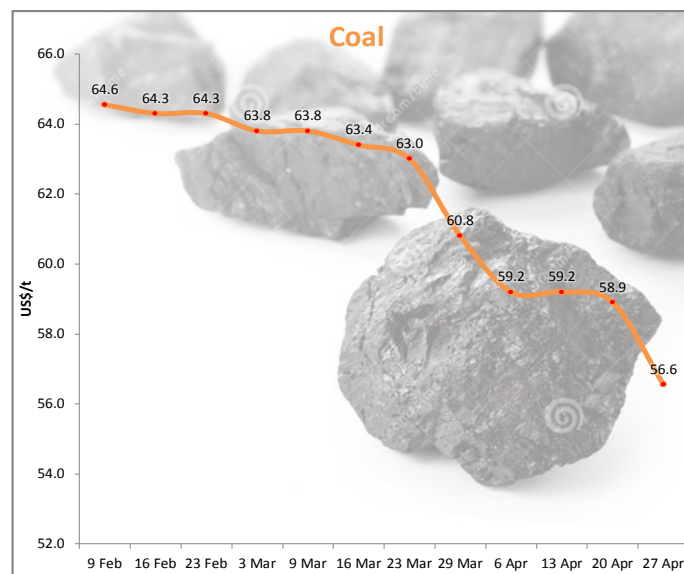
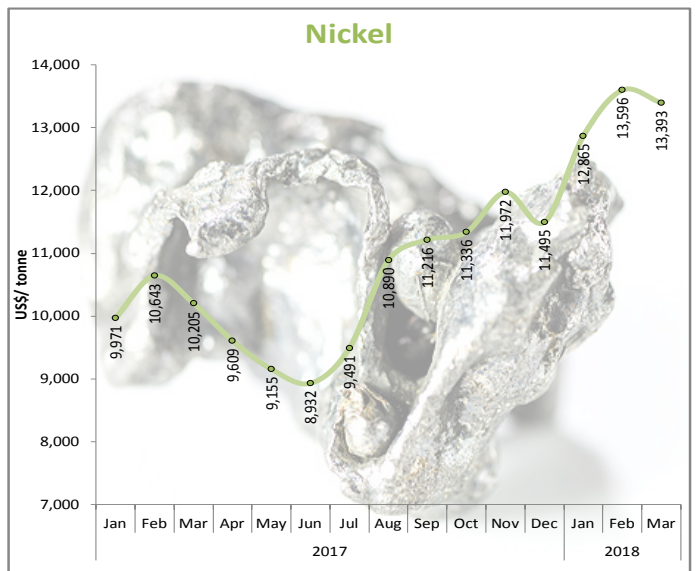
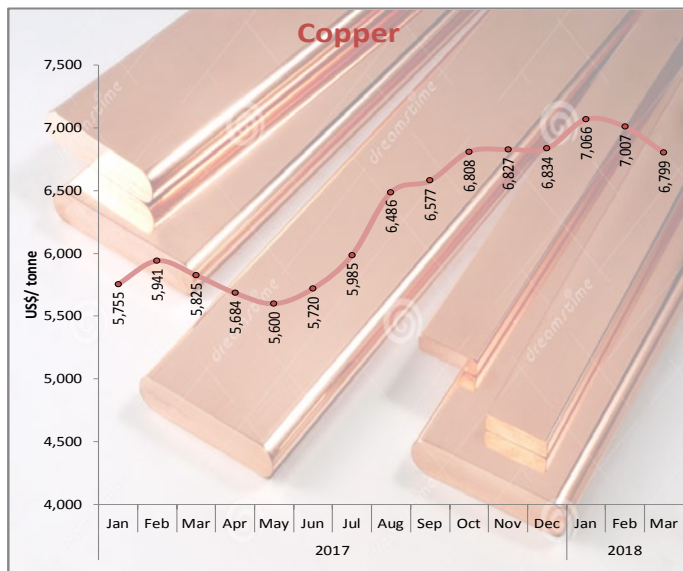
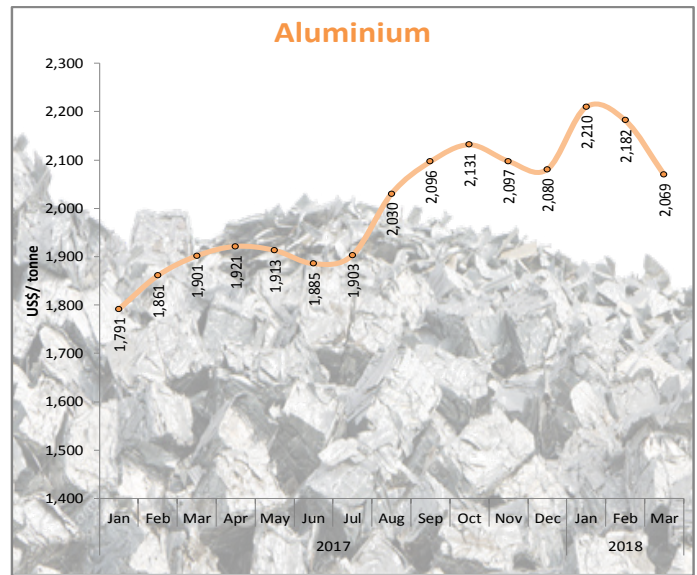
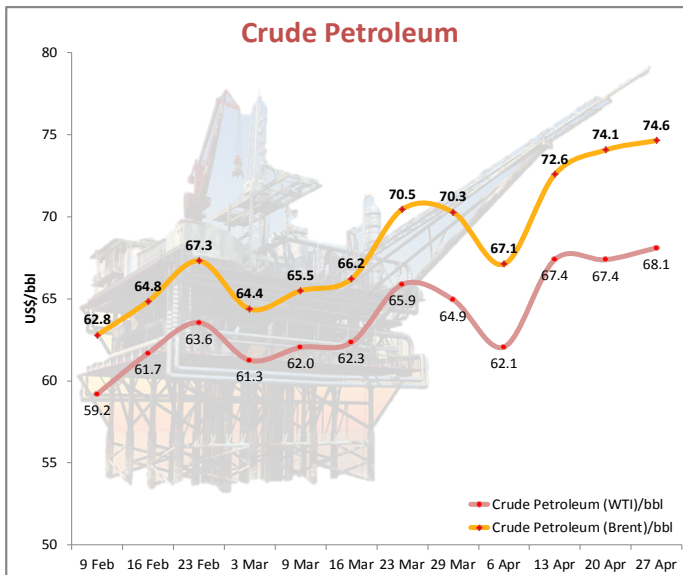
# Commodity Price Trends



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.

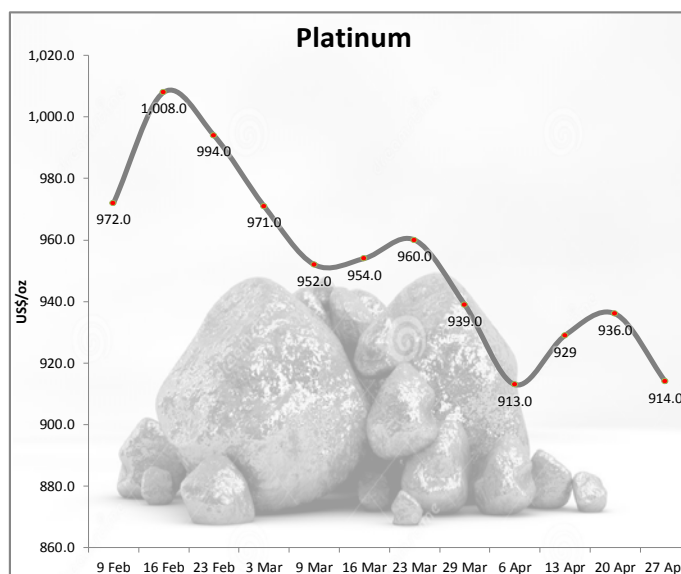
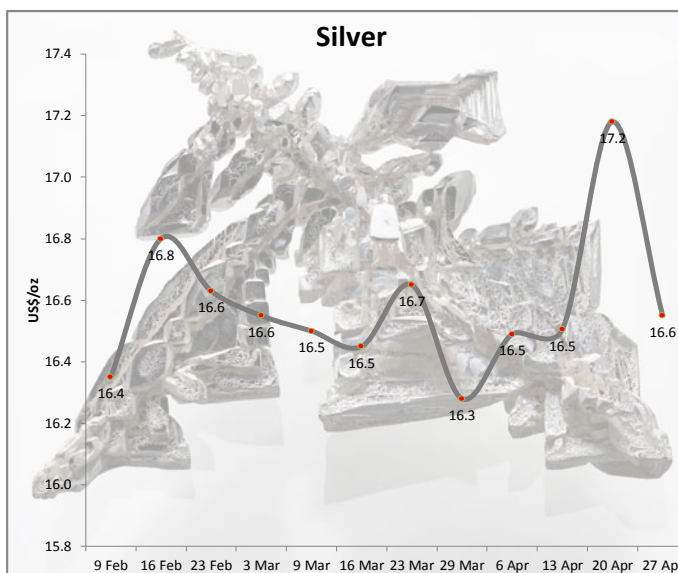
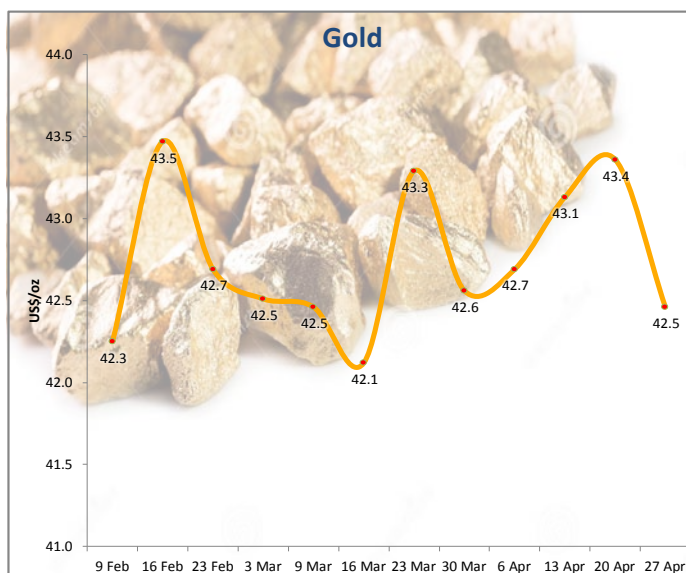
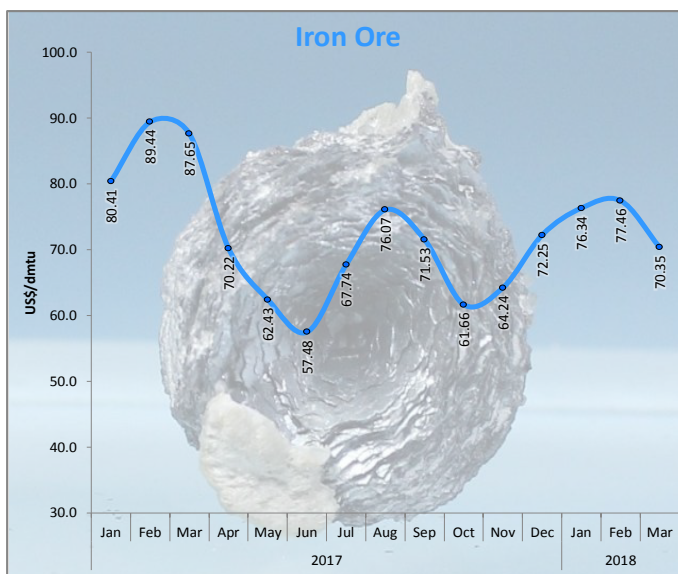
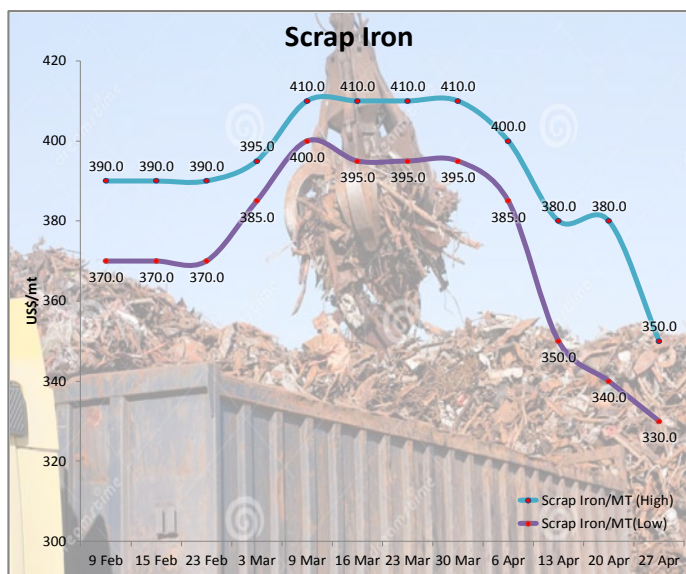


# Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Iron and Steel Industry Federation, Bloomberg and 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 Czarnikow Group, World Bank.





## URBAN TRANSFORMATION CENTRE (UTC)

**NBOS**  
STRATEGI LAUTAN BIRU KEBANGSAAN

UTC is one of government's efforts and initiatives to provide variety of government and private sectors' major services to urban community at one stop center. This National Blue Ocean Strategy (NBOS) initiative is introduced to enhance services quality through strategic alliances between government and private sector and as a complement to the Community Transformation Program (CTP) in order to ensure all government's initiatives can provide maximum benefits to the people.

### Main objectives of UTC are:

- to serve as a "Multiple Service Center" that goes beyond normal working hours to facilitate public with their affairs with government and private sectors.
- to Facilitate the urban community to get access to the provided services under one roof through Community Transformation Program.

UTC is located in major cities throughout the nation. UTC Malacca was the first UTC, launched on 23 June 2012 by the YAB Prime Minister. As at March 2018, a total of 21 UTCs were established with 60 million service transactions were recorded

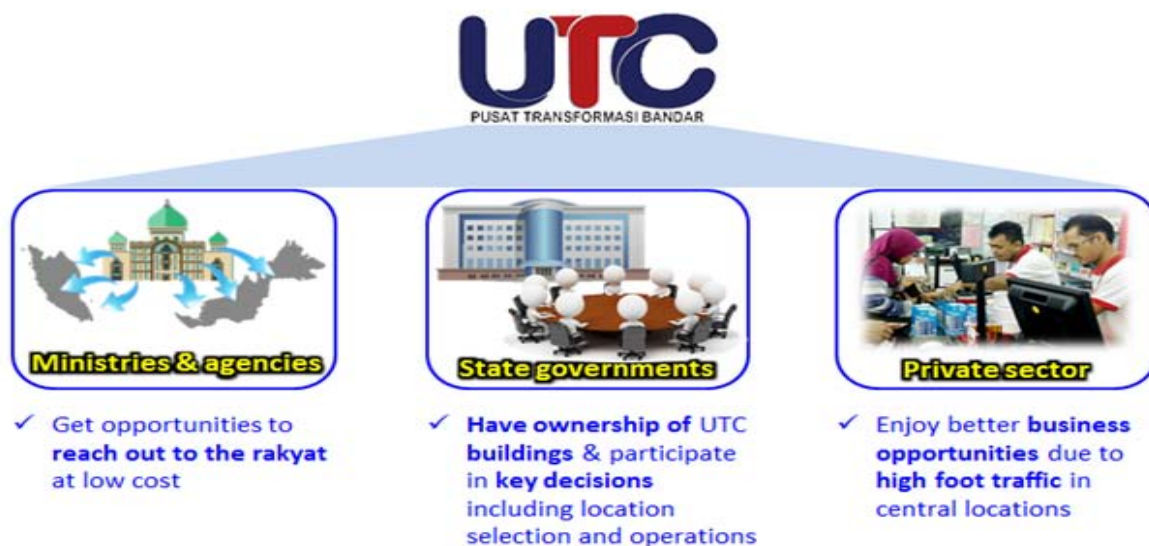


UTC Kelantan was officiated by YAB PM on 12 March 2017. As at March 2018, UTC Kelantan has recorded 828,204 transactions since its operation in October 2016.

Among the services providers in UTC :

- Jabatan Imigresen Malaysia
- Jabatan Pendaftaran Negara (JPN)
- Road Transport Department (Jabatan Pengangkutan Jalan)
- Lembaga Hasil Dalam Negeri (LHDN)
- MyEG
- Perbadanan Tabung Pendidikan Tinggi Negara (PTPTN)
- Suruhanjaya Pengangkutan Awam Darat (SPAD)
- Suruhanjaya Syarikat Malaysia (SSM)
- Jabatan Kebajikan Masyarakat
- Youth centre (Y-Centre)
- KPDNKK
- Land & Mineral
- Local Council MPPG
- Coop MPPG
- TEKUN Nasional
- Retails outlets
- Dental clinics

The collaboration among the services providers in UTC:



NBOS PRINCIPLES	HOW IT IS ACHIEVED
HIGH IMPACT (to the Rakyat)	<p>Created one-stop service centres that open every day offering more than 30 different services in central locations</p> <ul style="list-style-type: none"> <li>• Time and cost saved with one-stop access to many services</li> <li>• Greater convenience from extended daily opening hours</li> <li>• Recreational (e.g. futsal courts &amp; gyms) &amp; private sector services (e.g. banks &amp; KR1M stores) in a single location</li> </ul>
LOW COST (to the Government)	<p>Utilising existing government buildings and shared common facilities to set up UTCs nationwide</p> <ul style="list-style-type: none"> <li>• Refurbishes existing government buildings to reduce construction costs</li> <li>• Cut down the time and cost of constructing new buildings</li> <li>• Shares common administrative services to reduce operating costs</li> </ul>
RAPID EXECUTION	
SUSTAINABLE	<p>The implementation is replicable and continue to be relevant in facilitating the Rakyat and fulfilling their needs.</p> <p>Instill collaborative work culture and breaks the silo mentality among the operators.</p>





# Glossary

## of Technical Terms

### **Fourth Industrial Revolution (4IR)**

Current trend of automation and data exchange in manufacturing technologies.

### **FPSO**

Floating Production Storage and Offloading - Offshore production facilities that house both processing equipment and storage for produced hydrocarbons.

### **Free-Rider**

A term used to infer that a country receives benefits from tariff cuts and concessions made by other countries through the most-favoured-nation principle, without undertaking any commitments.

### **FSO**

Floating storage and offloading - A vessel used only to store oil (without processing it).

### **FTA**

Free Trade Agreement – an agreement between two or more countries with the aim of liberalising the trade of goods and services and access to investment between those countries. An FTA does this by removing barriers to trade, such as eliminating most (if not all) tariffs and removing quotas on goods that can be exported or imported. FTAs currently pursued with selected countries are not confined to liberalisation and market opening measures alone. They are comprehensive and include investment, trade facilitation, intellectual property rights (IPR) as well as economic cooperation in areas such as:

- competition policy;
- standards and conformity assessment;
- information and communication technology;
- science and technology;
- education and training;
- research and development;
- financial cooperation;
- Small and Medium Enterprises (SMEs) development; and
- paperless trading.

### **G-20**

Group of Twenty - brings together systemically important industrialized and developing economies to discuss key issues in the global economy. Established in 1999 and consists of Finance Ministers and Central Bank Governors from 19 of the world's largest national economies, plus the European Union (EU).

### **G-8**

Group of Eight – G7 + Russia, an annual summit meeting of head of governments from seven industrialized countries in the world (G7) and Russia. Consists of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. The European Union is represented in the G8, but cannot host or chair.

### **GAAP**

Generally Accepted Accounting Principles - The ethic applies on the recording of revenues; expenses; costs; assets and liabilities; disclosure of information and preparation of financial statements.

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

TO BE  
CONTINUED...

# ANNOUNCEMENT

## Paperless Customs Clearance Under ASEAN-China Free Trade Area(ACFTA)

Please be informed that the Chinese Government is promoting paperless customs clearance of goods involving preferential trade agreements under ACFTA, effective 1<sup>st</sup> January 2018. With reference to the Chinese Customs announcement No. 67(2017), importers/agents could opt for paperless customs clearance of goods involving preferential trade agreements. To use this facility, importers would need to submit electronically the original importation documents i.e. certificate of origin, invoice, bill of lading and certificate of non-manipulation to customs during import declaration. For record keeping and verification purposes, importers must retain all the original documents in hardcopy. However, existing procedure is applicable if the importers/agents opt to make import declaration using hardcopy documents.

Thus, Malaysian exporters are advised to inform the importers in China on this facility provided by the Chinese Customs. Kindly request the importers to refer to the Chinese Customs' clearance section/duty collection division for further clarification.

Thank You.

Senior Director

Trade And Industry Cooperation Section

Ministry Of International Trade And Industry

24 April 2018

## 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>

## 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](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)

## @ YOUR SERVICE



Name : Lim Chee Hau  
Designation : Minister Counsellor (Economy)  
MITI Singapore  
Contact No : +(65) 622 0126 or 6222 1356  
Email : limcheehau@miti.gov.my

## HAPPY LABOUR DAY 2018

"PEKERJA BERKEMAHIRAN PENERAJU KECEMERLANGAN NEGARA"

1 MAY 2018

from  
MITI & AGENCIES

MIDA

MITI

SME CORP

MPC

miti

SME BANK

MAI

Malaysia Trade &amp; Investment

## MITI Weekly Bulletin (MWB) Mobile Apps



weekly bulletin

News &amp; 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>

## MWB Facebook Page



Like MWB page at  
<https://www.facebook.com/MITIWeeklyBulletin/?fref=ts>

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>