

National Automotive Policy 2020 Launched, Future Proofing Local Auto and Mobility Sector

The National Automotive Policy 2020 (NAP 2020) was launched by Prime Minister, YAB Tun Dr. Mahathir Mohamad at the Ministry of International Trade and Industry (MITI) on 21 February 2020, marking Malaysia's move towards becoming a regional leader in manufacturing, engineering, technology and sustainable development in the automotive sector, in line with the National Automotive Vision.

Accompanying the Prime Minister at the launch was the Minister of International Trade and Industry, YB Datuk Darell Leiking, who gave the Opening Speech. The overall intended outcomes of the NAP 2020 would be more research of new technologies, creation of business and jobs opportunities particularly for the SMEs, and the development of new manufacturing processes and value chains within the local automotive and overall mobility sector.

The ecosystem of the manufacturing and aftermarket sectors within the automotive and overall mobility industry would be enhanced, focusing on Next Generation Vehicle (NxGV), Mobility as a Service (MaaS) and Industrial Revolution 4.0 (IR4.0). The NAP 2020 has a time horizon of ten years, from 2020 to 2030.

Besides aligning with current technological advancements, the NAP 2020 will also have improvements in existing policy measures and implementation. Participation of local companies in the domestic and global supply chain will be promoted, while other areas of focus are geared towards encouraging R&D and engineering activities, building capacity of local workforce, providing support for the national car projects as well as enhancing exports, investments and local production volume. NAP 2020 has three (3) directional thrusts and three (3) strategies. It consists of seven roadmaps/blueprints, detailing out the implementation plan.

Directions of the NAP 2020:

- **Direction 1: Technology and Engineering** - development of critical components and systems for NxGV, MaaS and IR4.0, including systems and components within Automated, Autonomous and Connected Vehicles (AACV); IR4.0 technologies; light weight material technology as well as hybrid, electric and fuel cell vehicles.
- **Direction 2: Investment** – customised incentives mechanism will be continued based on cost benefit analysis of specific business proposals by investors.
- **Direction 3: Market Expansion** – measures to be introduced to increase export development, not only for vehicles and components, but also for aftermarket and services sector.

Strategies of the NAP 2020:

- **Strategy 1: Value Chain Development** – to enhance the competitiveness of the domestic value chain in pursuit of high-quality and high-technology products that meet future standards of vehicle manufacturers and consumer needs.
- **Strategy 2: Human Capital Development** – to develop local talent in tandem with current and future demands for automotive and mobility technology.
- **Strategy 3: Safety, Environment and Consumerism** – to promote the adoption of new, more environmentally-friendly technologies in addressing the issue of emissions and vehicle safety, as well as to introduce the elements of consumer rights and protection related to spare parts and services, such as maintenance and recall process.

The roadmaps and blueprints will be continuously reviewed and updated to keep pace with disruptive and evolving global trends, technologies and demands. The launch of the NAP 2020 will be followed through with numerous outreach campaigns, information repositories, conferences and stakeholder engagements to ensure the National Automotive Vision is realised for a better Malaysia.

Ministry of International Trade & Industry
21 February 2020



APEC economies convene in Putrajaya to chart the way forward for the region

A one-day Multi-Stakeholders Dialogue (MSD) on APEC Post-2020 Vision takes place today involving representatives of the APEC Economies aimed at gathering an inclusive and wider perspective of an enhanced vision for the region, beyond Bogor Goals that will reach its maturity by end of this year.

The MSD is reflective of Malaysia's role as the incoming chair and host of the APEC Meetings throughout 2020, in facilitating the thinking process of this aspired vision together with the APEC Economies.

Through this engagement, Malaysia hopes to work collaboratively with all stakeholders to deliver a Post-2020 Vision that is well-conceived and all-encompassing, during its year as Host.

This Post-2020 Vision takes into account the importance to continue the success of Bogor Goals, which was inceptioned in 1994. At that time, the APEC leaders had agreed to adopt the long-term goal of free and open trade and investment in the Asia-Pacific – Bogor Goals.

Since then, APEC economies have benefitted with an increased share of world total trade more than four times, which stands at almost 50 per cent of the world trade.

Among other positive impacts witnessed since the adoption of Bogor Goals include:

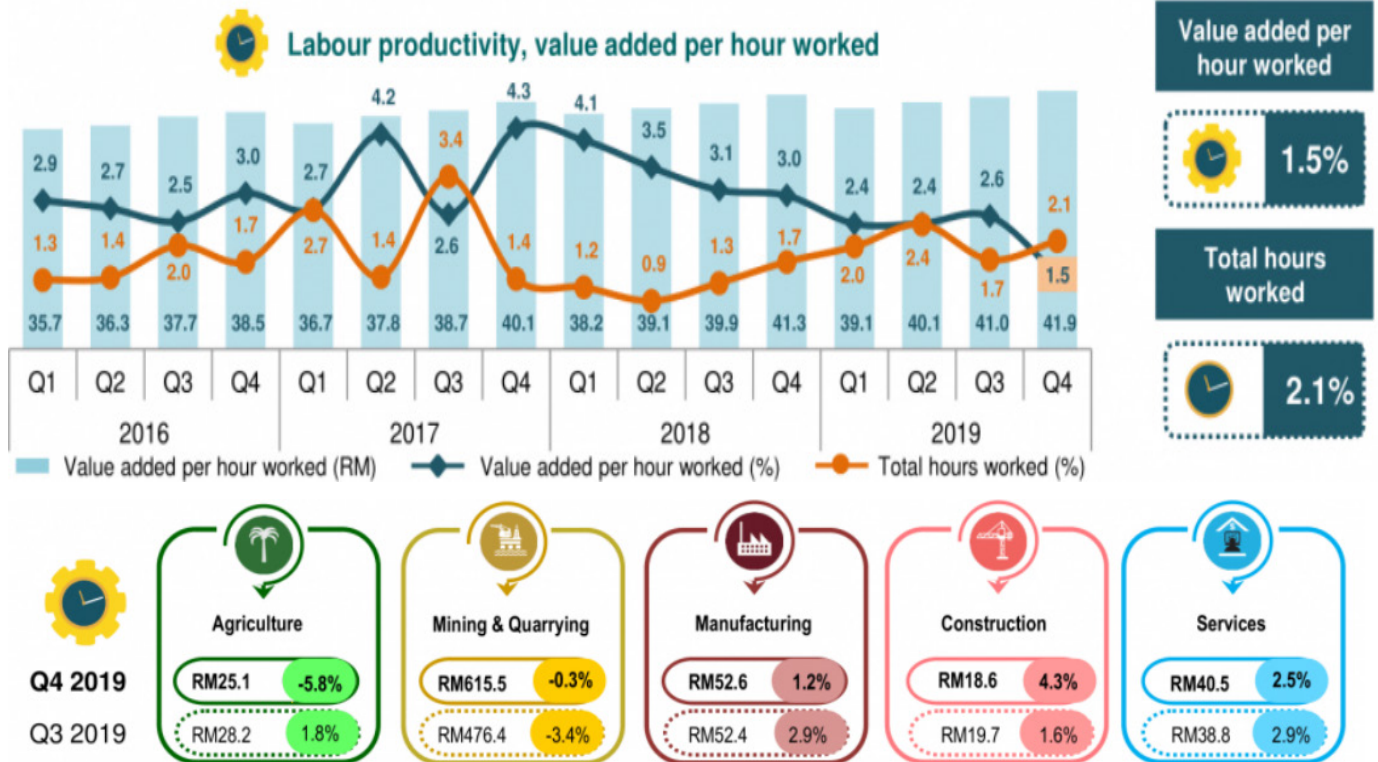
- APEC has experienced a reduced overall average tariffs;
- Unilateral and negotiated services liberalisation measures have been put in place in many sectors;
- Measures to attract foreign direct investment are being implemented;
- Cost and time to trade has been reduced;
- Efforts towards improving the quality of regulations are ongoing and;
- The network of RTA/FTAs has continued its expansion.

Last year, APEC Leaders reiterated their commitment to a new vision beyond 2020 that maintains high ambitions and responds to the challenges in the twenty-first century. The post-2020 vision should provide guidance, inspiration and aspiration for APEC to ensure APEC remains dynamic, innovative and relevant in the future.

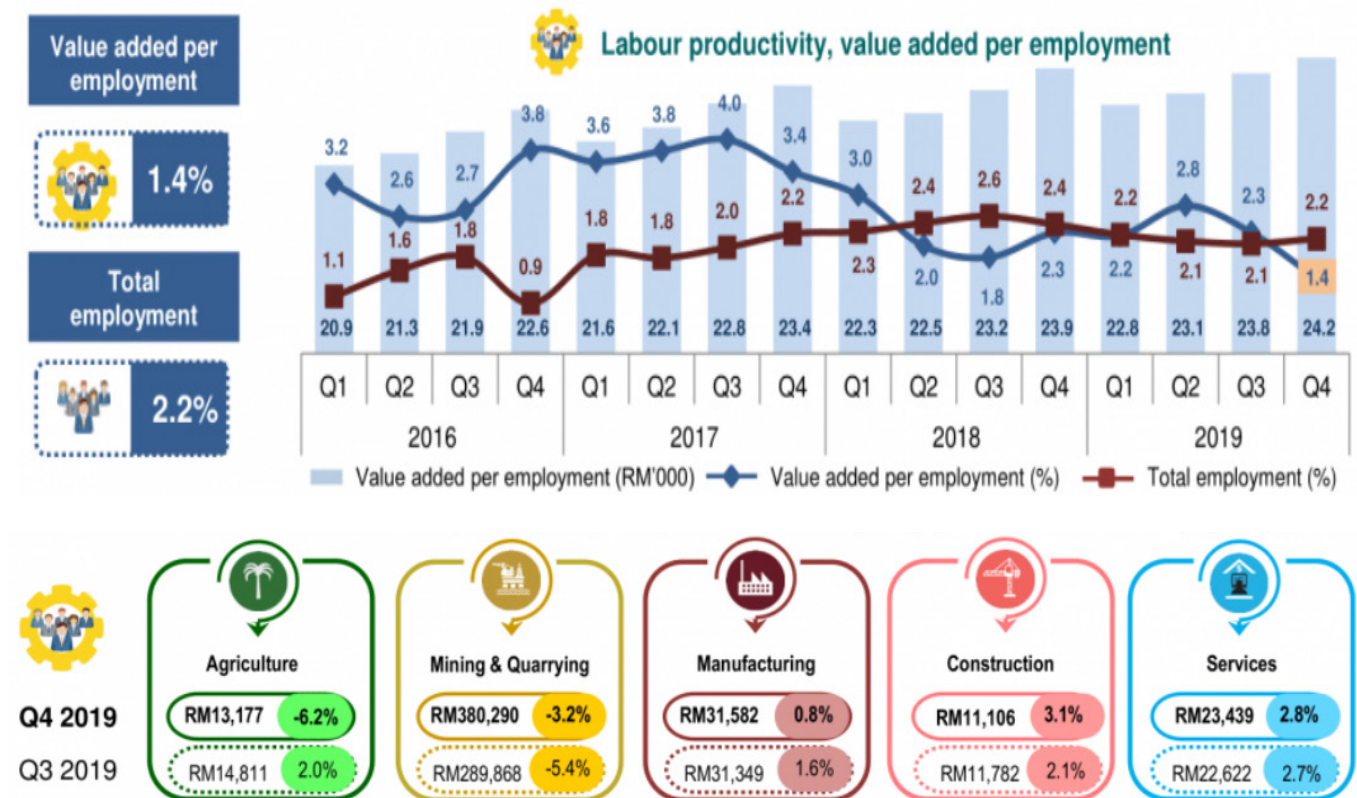
Ministry of International Trade & Industry
19 February 2020

Labour Productivity Fourth Quarter 2019

In the fourth quarter of 2019, Malaysia's labour productivity as measured by **value added per hour worked**, rose **1.5 per cent** after registering 2.6 per cent in the preceding quarter



Labour productivity expressed as the ratio of **value added to employment** recorded a **growth of 1.4 per cent** as employment increased 2.2 per cent in fourth quarter of 2019



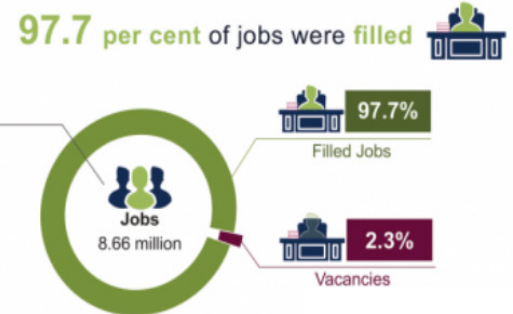
Note: % refers to the annual percentage change from the same quarter of the previous year

Source: Department of Statistics, Malaysia

Employment Statistics Fourth Quarter 2019



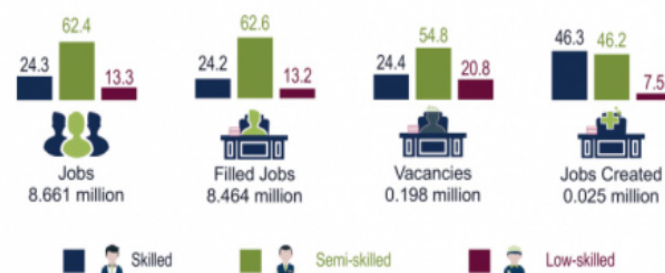
Notes: The sum of a category may differ from the total number of jobs due to independence rounding



62.4 per cent jobs in private sector were in semi-skilled category

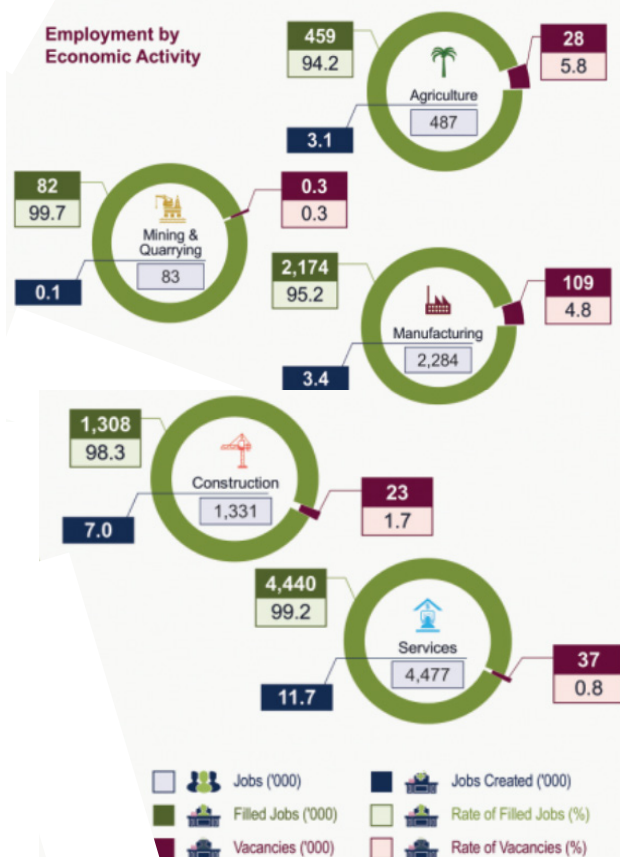
Employment by Skill

(per cent)



A total of **4.48 thousand** jobs were concentrated in **Services** sector

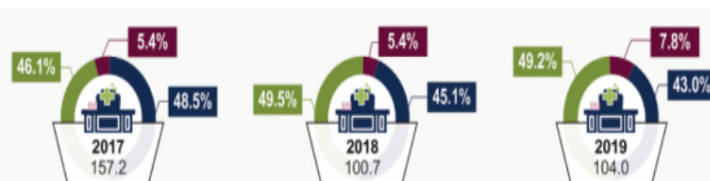
Employment by Economic Activity



44.7 thousand jobs created in 2019 were in skilled category

Jobs Created

(thousand)



Source: Department of Statistics, Malaysia

Cluster 5: Economic Growth

Goal 8: Decent Work and Economic Growth

Goal 9: Industry, Innovation and Infrastructure

Goal 17: Partnerships for the Goals

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



SUMMARY FINDING

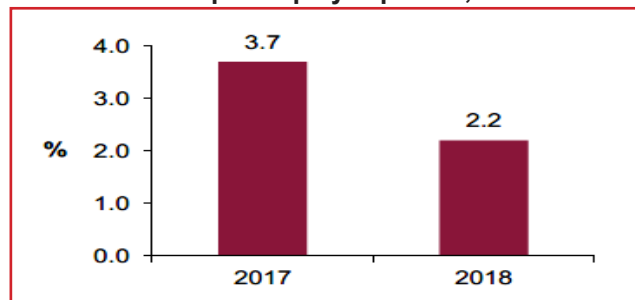
Indicator 8.2.1:

Annual growth rate of real GDP per employed person

The real GDP per employed person recorded an annual growth of 2.2 per cent in 2018 as compared to 3.7 per cent registered in 2017.

Figure 8.1:

Annual real GDP per employed person, 2017 and 2018



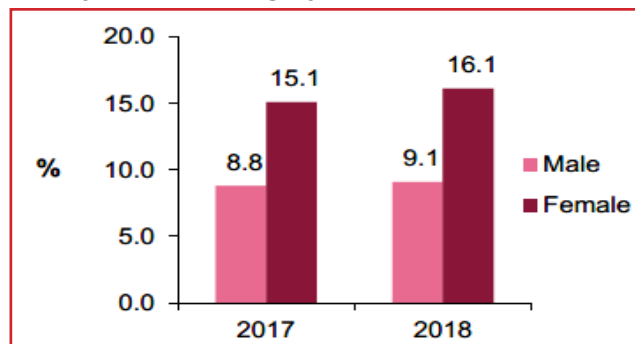
Indicator 8.6.1:

Proportion of youth (aged 15–24 years) not in education, employment or training

The proportion of youth not in education, employment or training for male increased 0.3 percentage points to 9.1 per cent in 2018 as compared to 8.8 per cent in 2017. Meanwhile, the proportion of female increased 1.0 percentage points to 16.1 per cent in 2018 as compared to 15.1 per cent in 2017.

Figure 8.2:

Proportion of youth (aged 15–24 years) not in education, employment or training, by sex 2017 and 2018



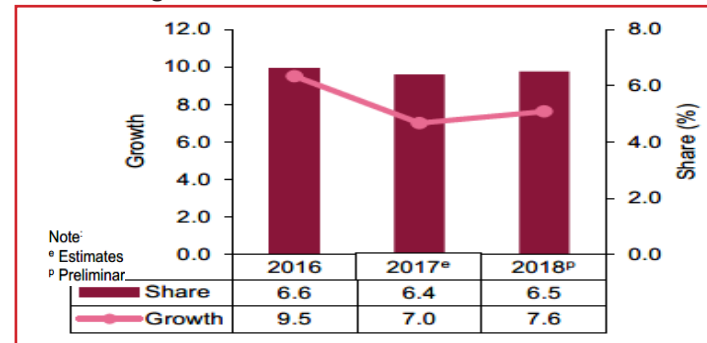
Indicator 8.9.1:

Tourism direct GDP as a proportion of total GDP and in growth rate

In 2018, the tourism industry continues to grow 7.6 per cent and contributed 6.5 per cent to the Gross Domestic Product (GDP) as compared to 7.0 per cent growth and 6.4 per cent contribution of GDP in 2017.

Figure 8.3:

Share and growth rate of tourism to GDP, 2016–2018^P

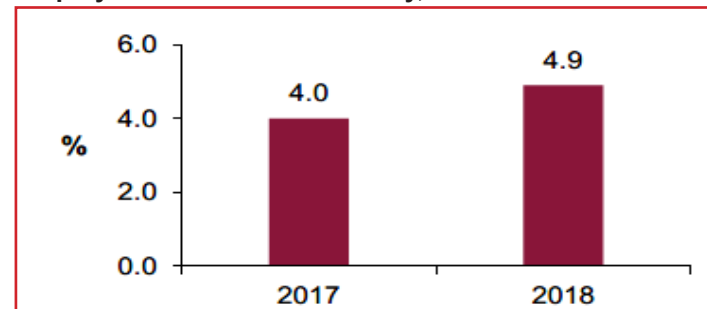


Indicator 8.9.2: Proportion of jobs in sustainable tourism industries out of total tourism jobs

The annual growth of tourism industry employment posted to 4.9 per cent in 2018 as compared to 4.0 per cent in 2017.

Figure 8.4:

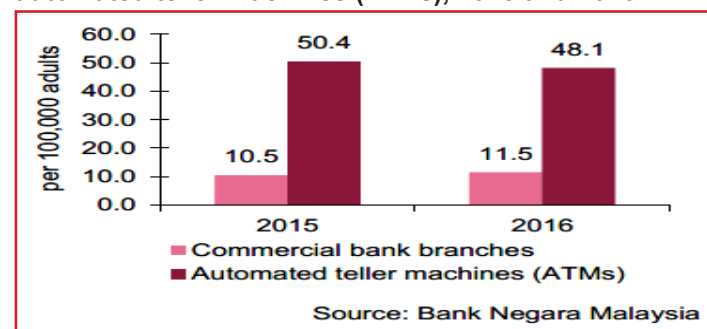
Employment in tourism industry, 2017 and 2018



Indicator 8.10.1: (a) Number of commercial bank branches per 100,000 adults and (b) number of automated teller machines (ATMs) per 100,000 adults

In 2016, the number of automated teller machines (ATMs) per 100,000 adults reduced to 48.1 as compared to 50.4 in 2015. On the other hand, the number of commercial bank branches per 100,000 adults increased from 10.5 in 2015 to 11.5 in 2016.

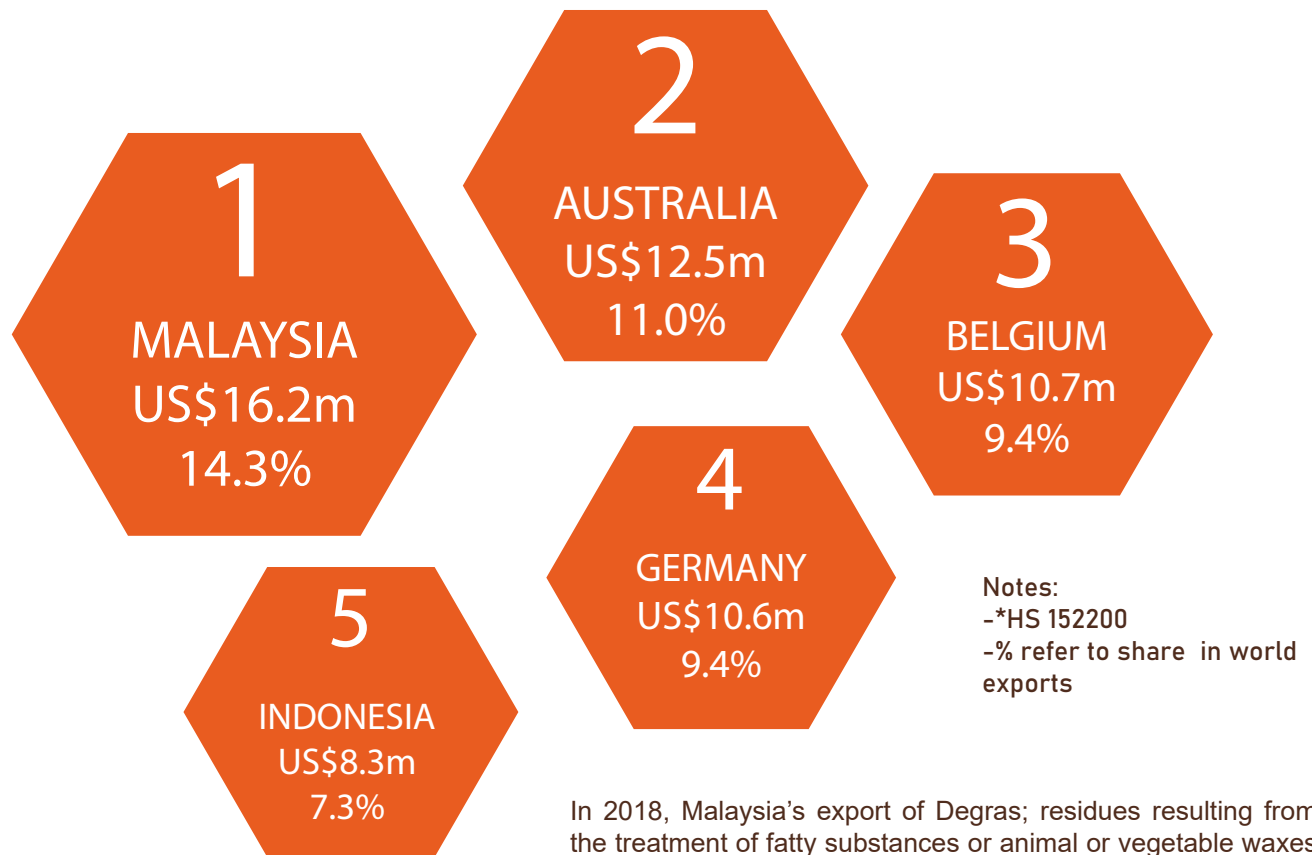
Figure 8.5: Number of commercial bank branches and automated teller machines (ATMs), 2015 and 2016



Source: Department of Statistics, Malaysia

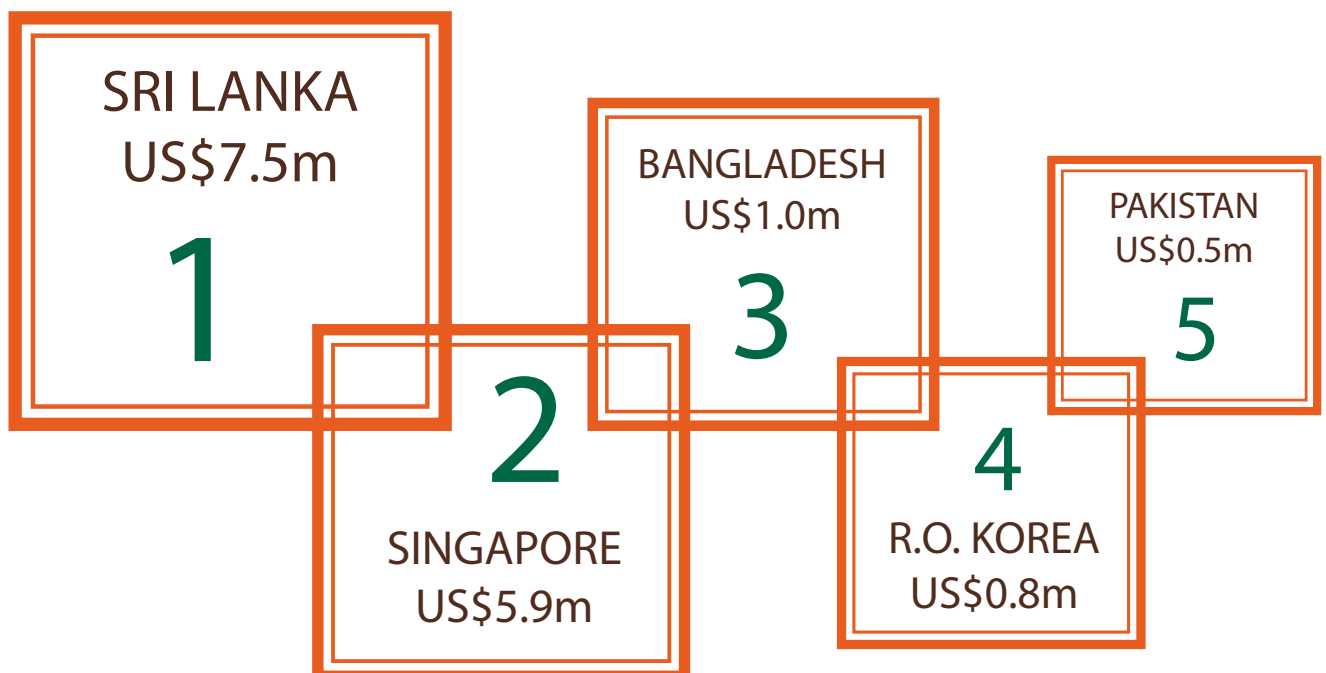
Source: Bank Negara Malaysia

World largest exports of Degras; residues resulting from the treatment of fatty substances or animal or vegetable waxes*



In 2018, Malaysia's export of Degras; residues resulting from the treatment of fatty substances or animal or vegetable waxes recorded US\$16.2 million with 14.3% share to the world exports

Top Five Malaysia Export Destinations



Sources: <https://www.trademap.org/index.aspx>



GLOSSARY

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

Standstill:

Standstill - one of the nine principles in achieving trade and investment liberalization and facilitation which was stated in the Osaka Action Plan (1995) of APEC. Based on this principle, each APEC member economy agrees not to take any measure that might increase protection levels, thus ensuring the sound and effective process of trade and investment liberalization and facilitation.

Stockholm Convention:

A global treaty to protect the human health and environment from chemicals that remain intact in the environment for long period of time.

Single Undertaking:

Nothing is agreed, until everything is agreed. Members must accept the results of trade negotiations in all areas instead of being able to selectively accept parts of the negotiations (contrast with early harvest)

Swiss Formula:

A 'non-linear formula' which reduces high tariffs, tariff peaks and tariff escalations. Higher tariffs will be subject to greater reductions compared to lower tariffs. A smaller coefficient would result in a deeper cut compared to a larger coefficient.

Sustainable Growth:

A term much used by environmentalists, meaning economic growth that can continue in the long term without non-renewable resources being used up or pollution becoming intolerable. Mainstream economists use the term, too, to describe a rate of growth that an economy can sustain indefinitely without causing a rise in inflation.

Tariff Capping:

The maximum duty allowed after applying the formula for tariff reduction.

Tariff/Duty:

Customs duties on merchandise imports. Levied either on an ad valorem basis (percentage of value) or on a specific basis (e.g. \$7 per 100 kgs.). Tariffs give price advantage to similar locally-produced goods and raise revenues for the government.

Safeguard Measures:

Low tariffs for raw or unfinished materials, somewhat higher for semi-finished products and highest for finished products. Generally adopted by industrialized countries to restrict import of finished goods from developing countries.

Tariff Line:

Description of a single product in a national tariff schedule, together with the applicable tariff/duty rate.

Tariff Peaks:

Relatively high tariffs, usually on "sensitive" products, amidst generally low tariff levels. For developed countries, tariffs of 15% and above are generally recognised as "tariff peaks".

Tariff Simplification:

The conversion of non-ad valorem duties into simple ad-valorem duties.

Trade Agreement:

Wide ranging tax, tariff and trade treaty that often includes investment guarantees. The most common trade agreements are of the preferential and free trade types are concluded in order to reduce (or eliminate) tariffs, quotas and other trade restrictions on items traded between the signatories.

Trade Barriers:

Measures that governments or public authorities introduce to make imported goods or services less competitive than locally produced goods and services.

The ASEAN Charter:

The legal and institutional framework of ASEAN for a mutual interests, common desire, collective will to live in a region of lasting peace, security and stability, principles of democracy, rule of law and good governance, respect and human rights and fundamental freedom.

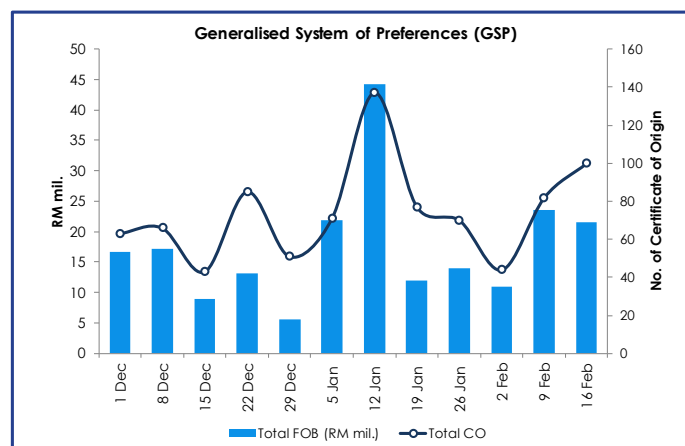
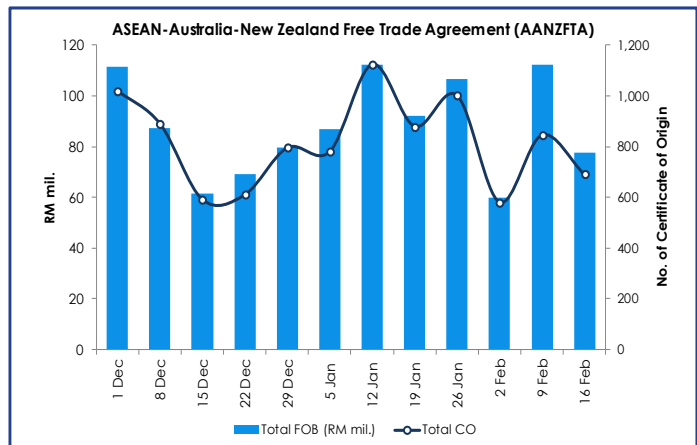
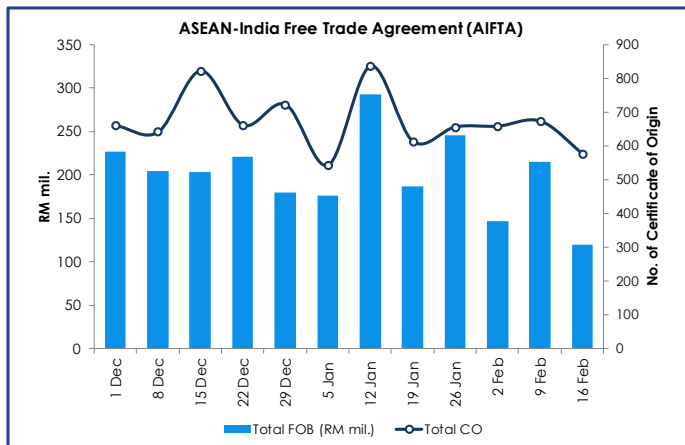
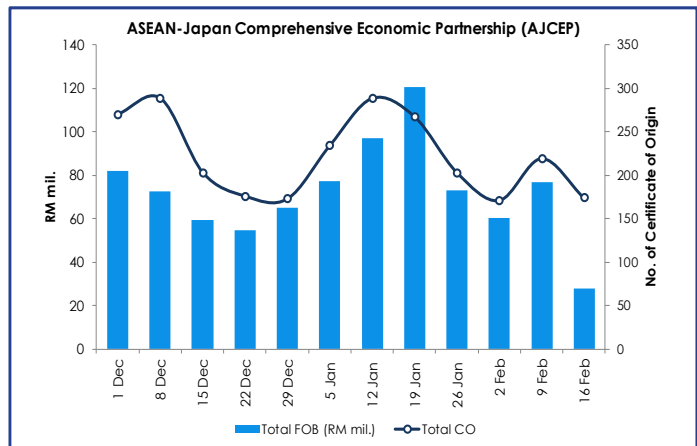
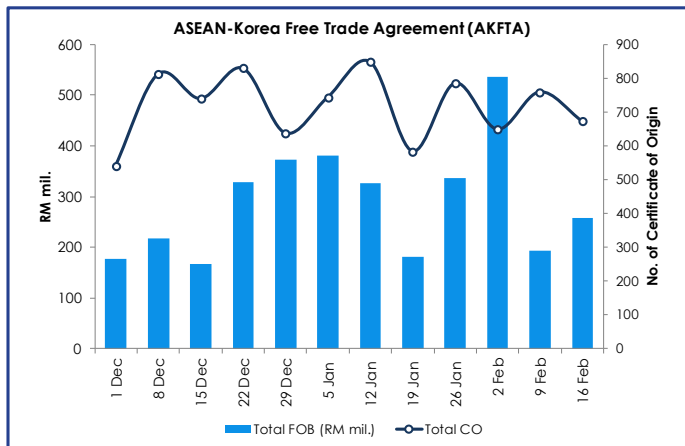
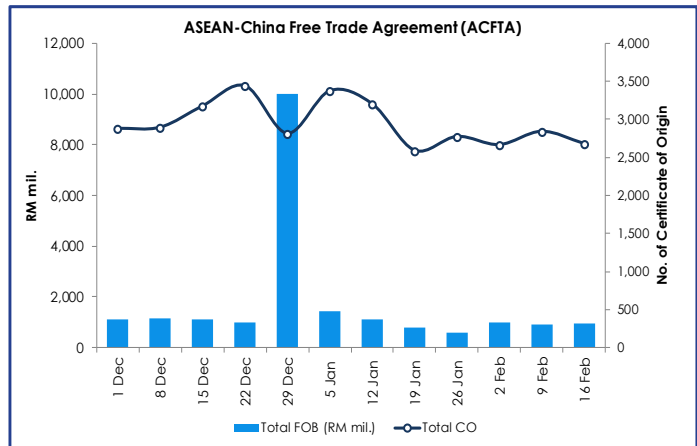
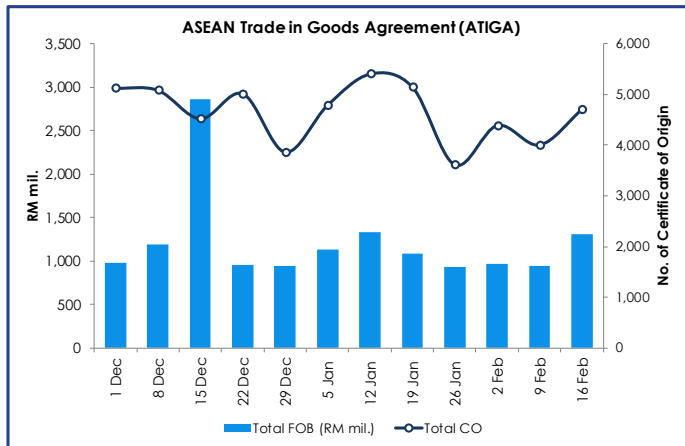
Transparency:

Trade policies, laws and regulations are publicly available and predictable.

Twin deficits:

A situation where an economy is running both a fiscal deficit and a deficit on the current account of the balance of payments (BOP).

Number and Value of Preferential Certificates of Origin (PCOs)

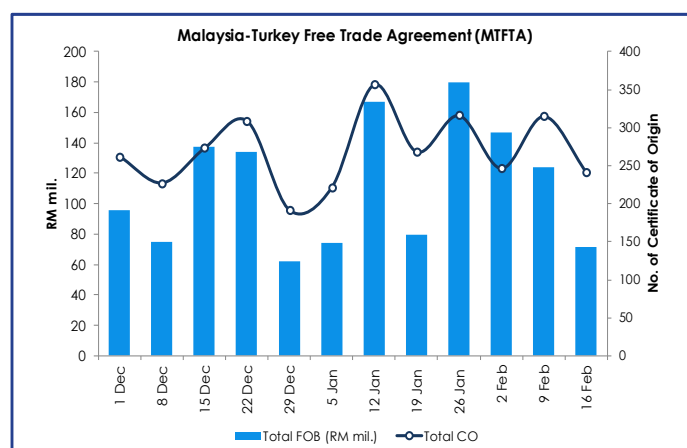
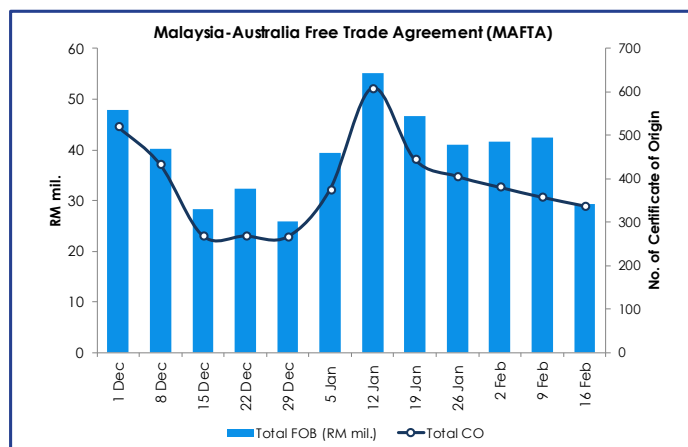
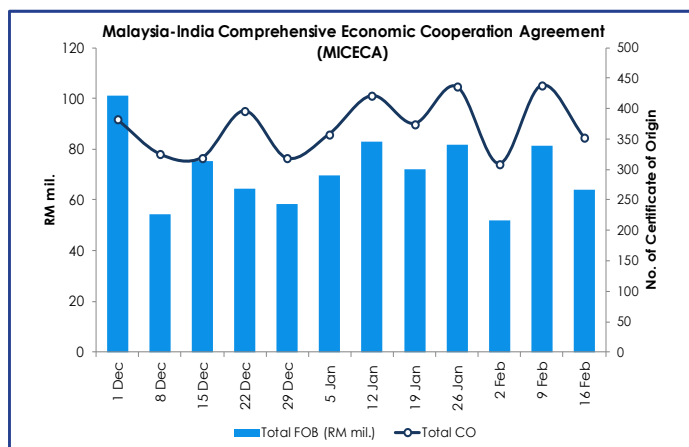
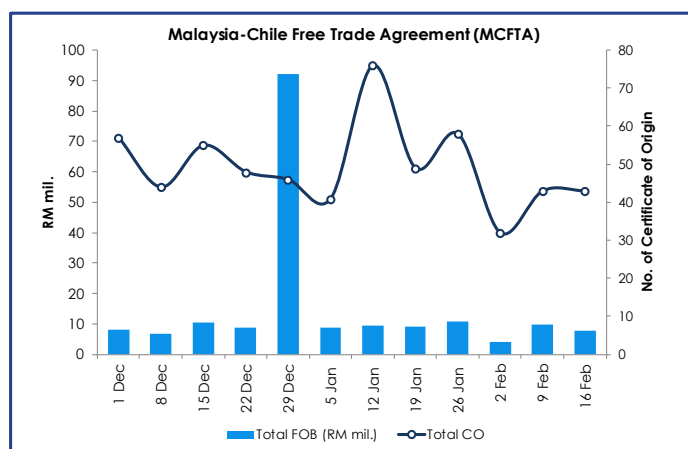
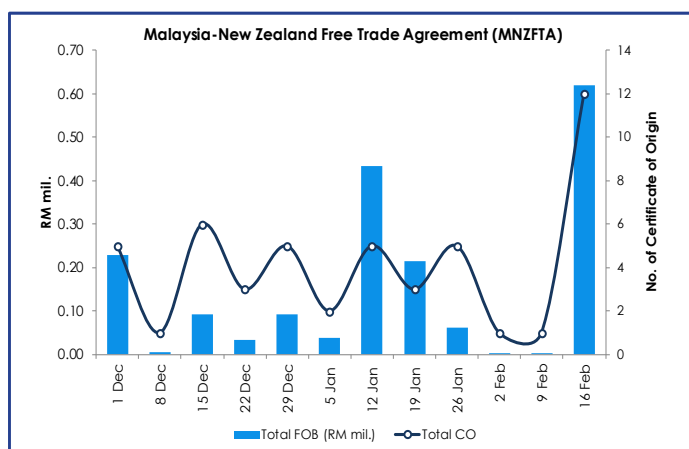
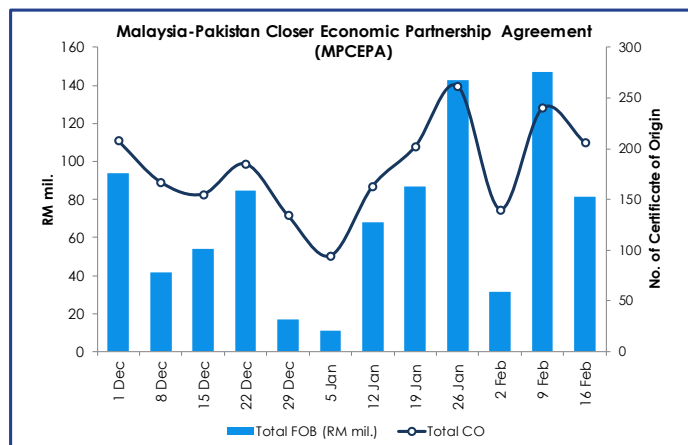
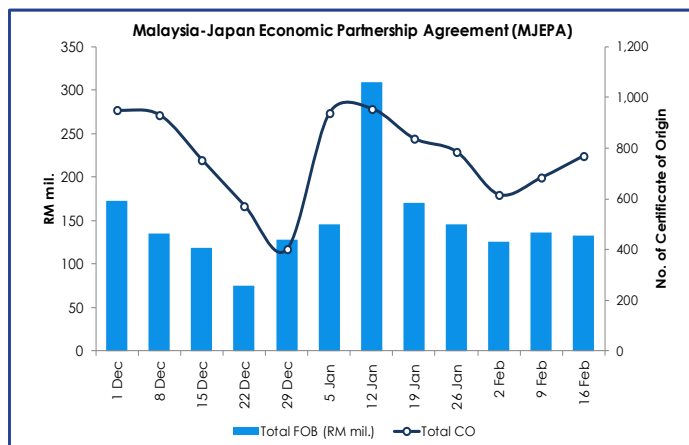


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

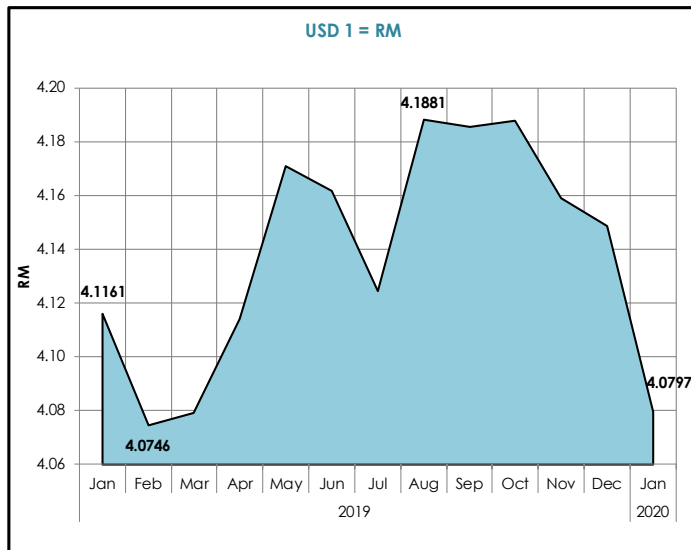
Number and Value of Preferential Certificates of Origin (PCOs)



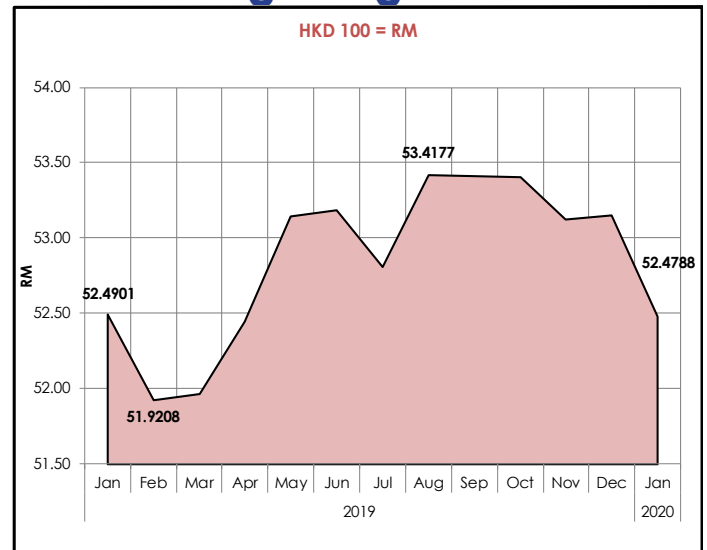
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

Malaysian Ringgit Exchange Rate with Selected Countries, January 2019 - January 2020

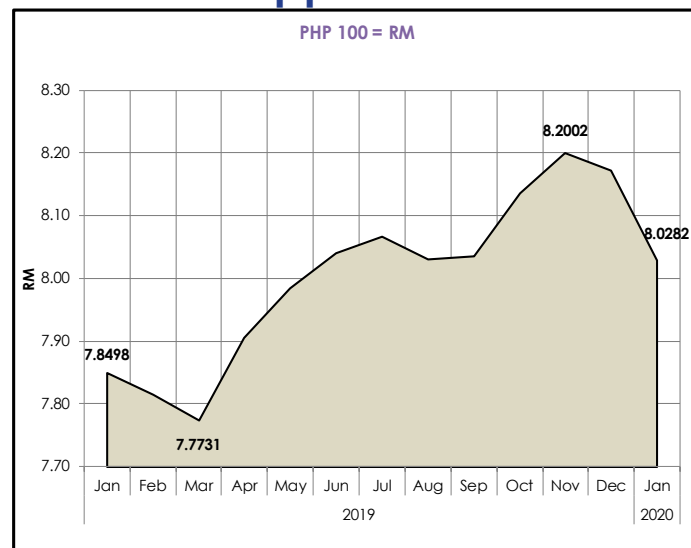
US Dollar



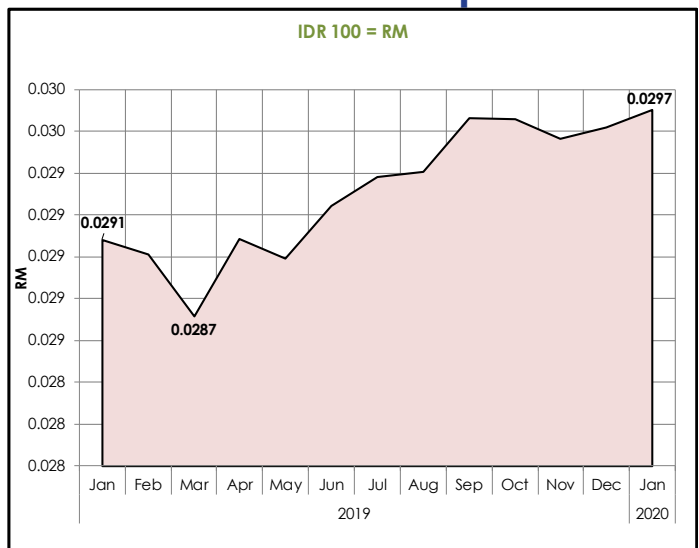
Hong Kong Dollar



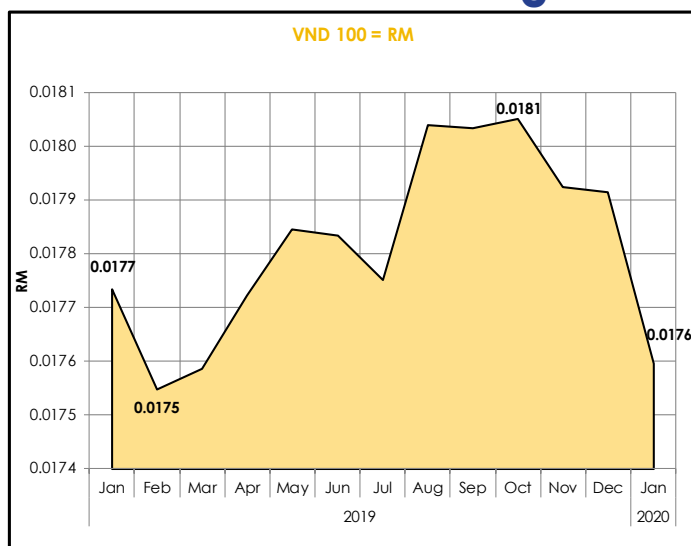
Philippine Peso



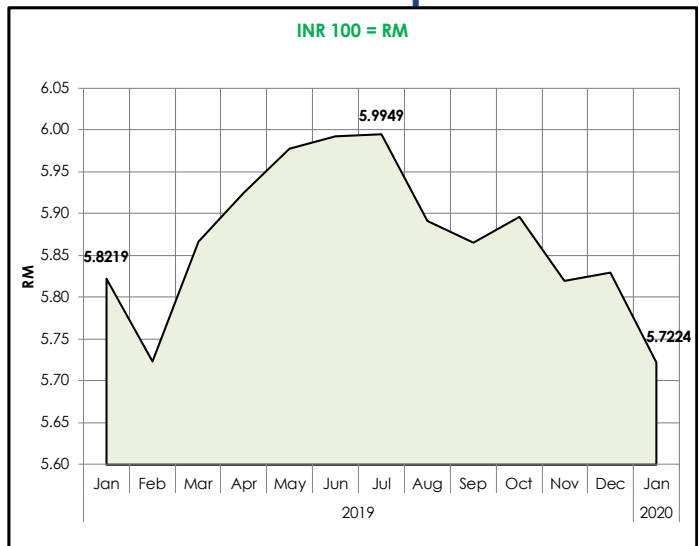
Indonesian Rupiah



Vietnamese Dong



Indian Rupee



Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▲ 2.1%*
US\$58.5

21 February 2020

Average Price 2019ⁱ: US\$64.2

Highest
2019/2020

03 Jan 2020 : US\$68.6
17 May 2019 : US\$72.2

7 Feb 2020 : US\$54.5
09 Aug 2019 : US\$54.5

Lowest
2019/2020

CRUDE PALM OIL -per MT-



▼ 1.9%*
US\$635.5

21 February 2020

Average Price 2019ⁱ: US\$557.1

Highest
2019/2020

10 Jan 2020 : US\$761.9
27 Dec 2019 : US\$794.5

21 Feb 2020 : US\$635.5
26 Jul 2019 : US\$488.5

Lowest
2019/2020

RUBBER SMR 20 -per MT-



▲ 2.0%*
US\$1,375.5

21 February 2020

Average Price 2019ⁱ: US\$1,414.6

COCOA SMC 2 -per MT-



▼ 0.5%*
US\$1,807.2

21 February 2020

Average Price 2019ⁱ: US\$1,592.4

SUGAR -per lbs-



▲ 3.9%*
US\$15.1

21 February
2020

Average Price 2019ⁱ: US\$12.4

COAL -per MT-



⊖ %*
US\$44.1

21 February 2020

Average Price 2019ⁱ: US\$56.5

SCRAP IRON HMS -per MT-



⊖ %*
US\$280.0
(high)

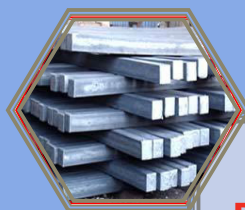
21 February 2020

Average Price 2019ⁱ: US\$316.9 (high)
Average Price 2019ⁱ: US\$291.6 (low)

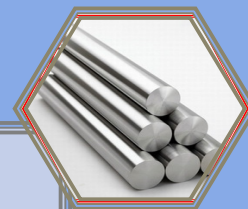
⊖ %*
US\$260.0
(low)

Domestic Prices

21 February 2020



**Billets
(per MT)**
RM1,750 - RM1,850



**Steel Bars
(per MT)**
RM2,100 - RM2,250

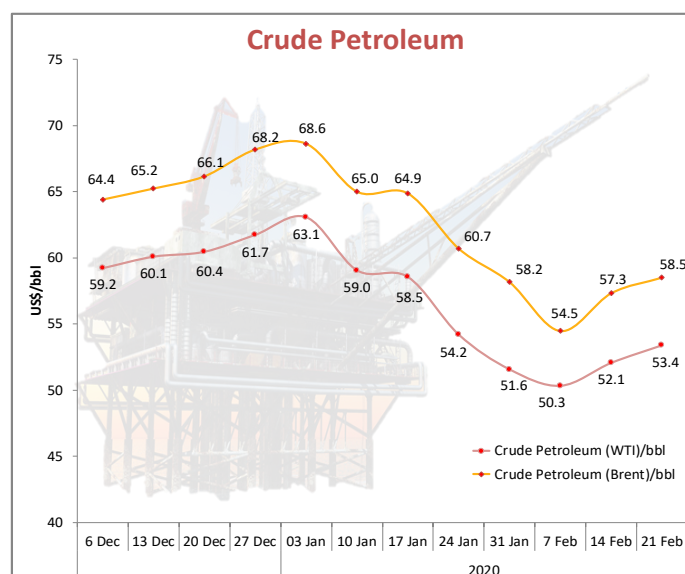
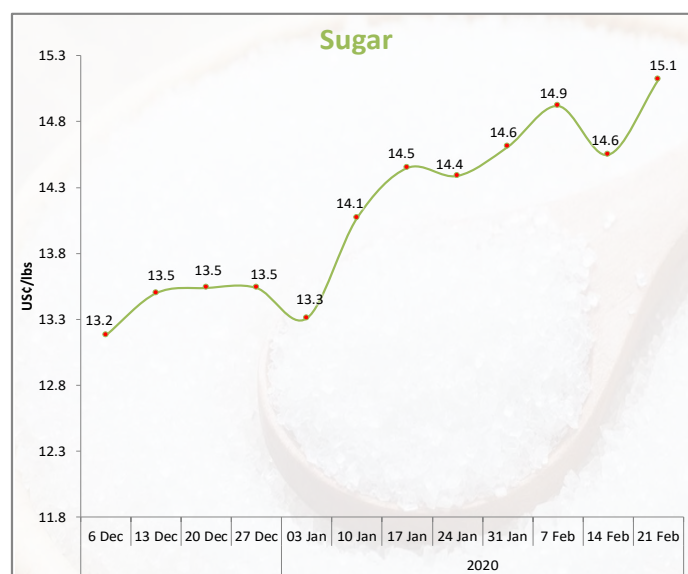
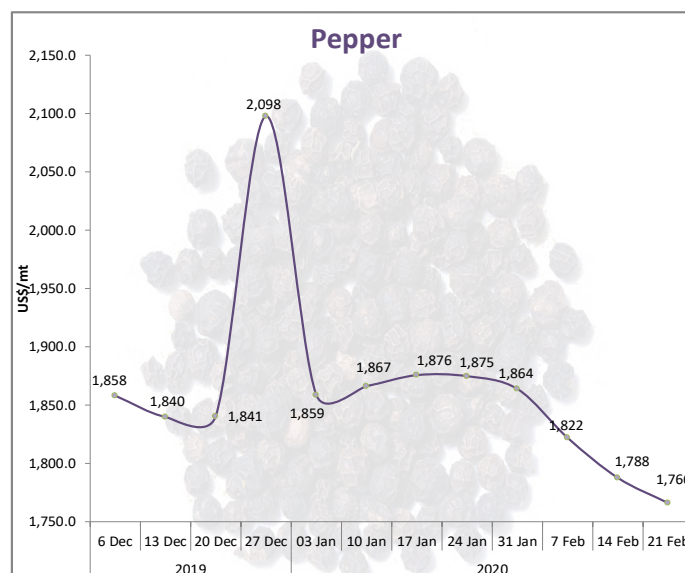
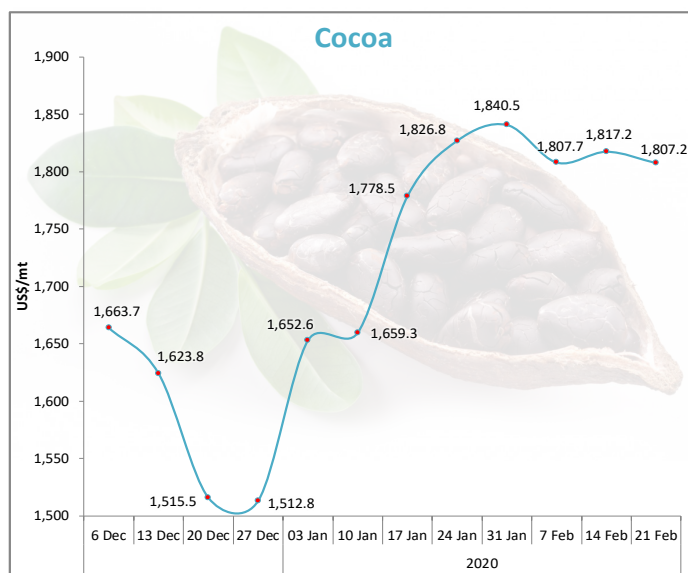
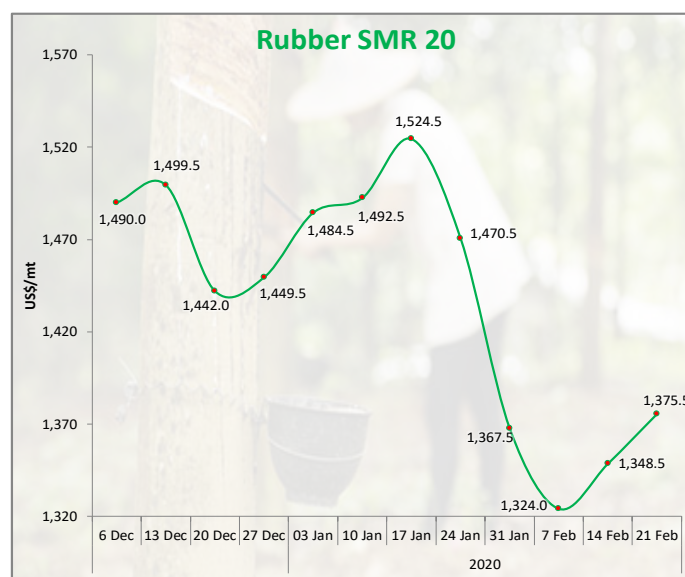
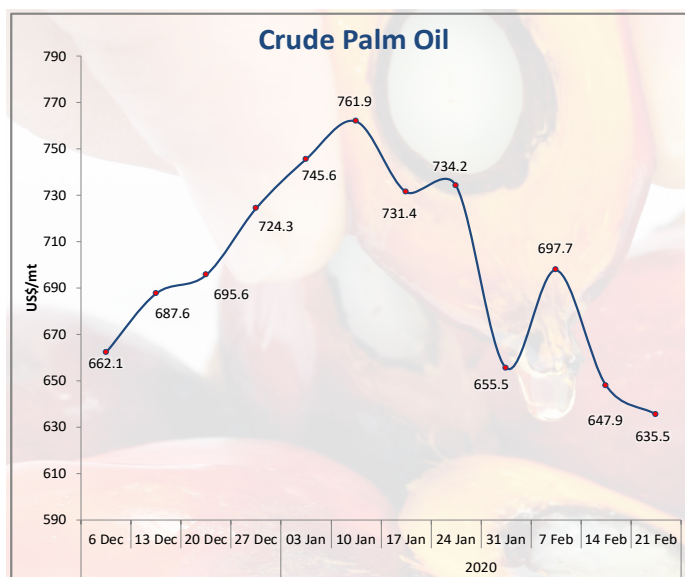
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

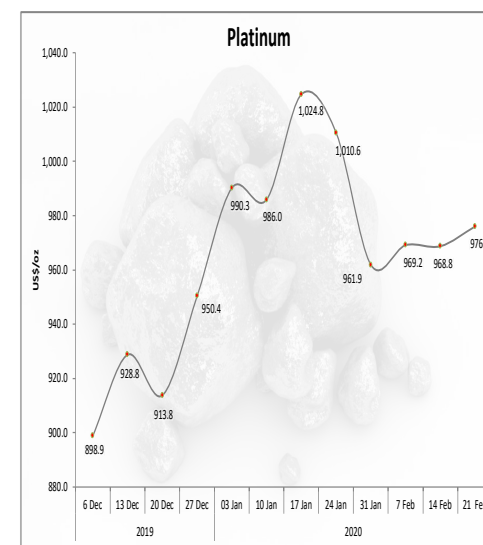
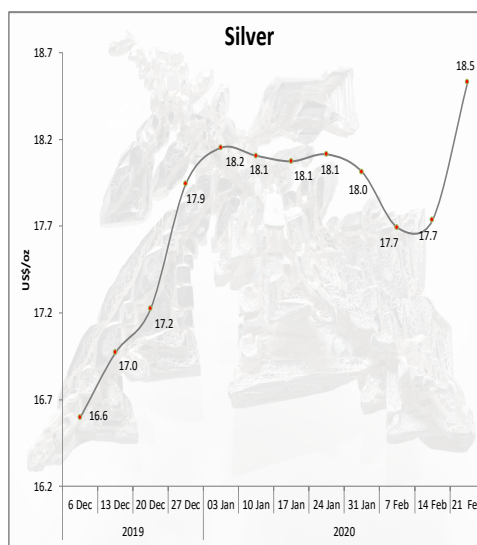
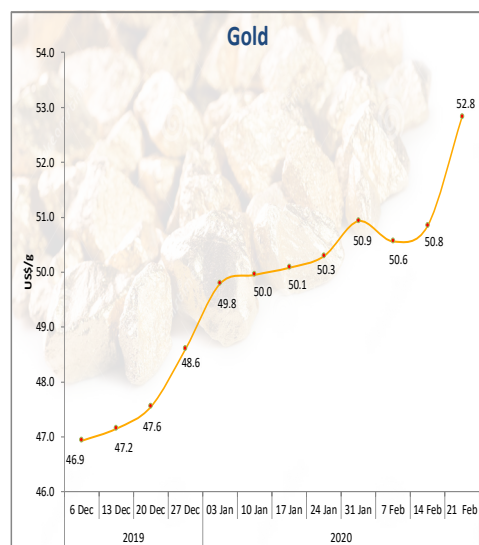
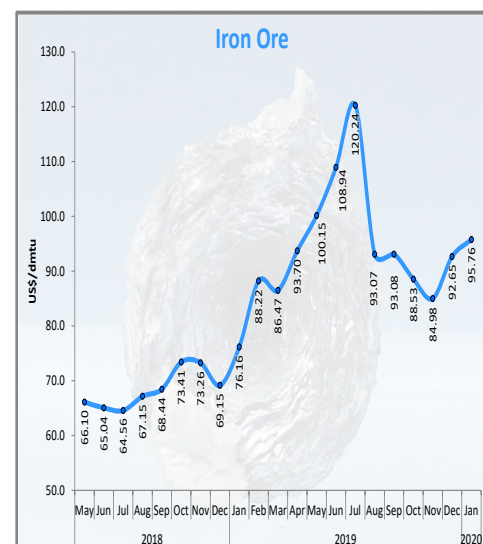
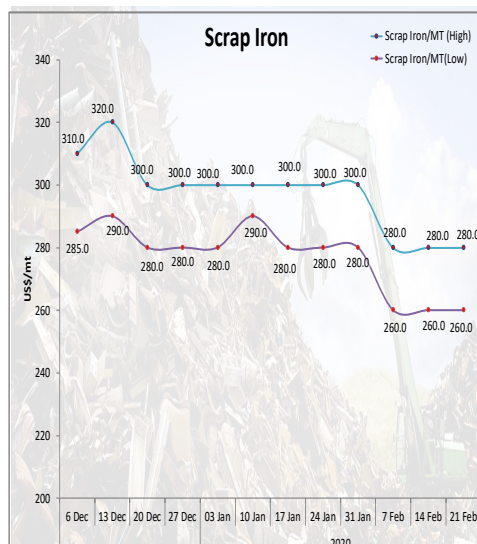
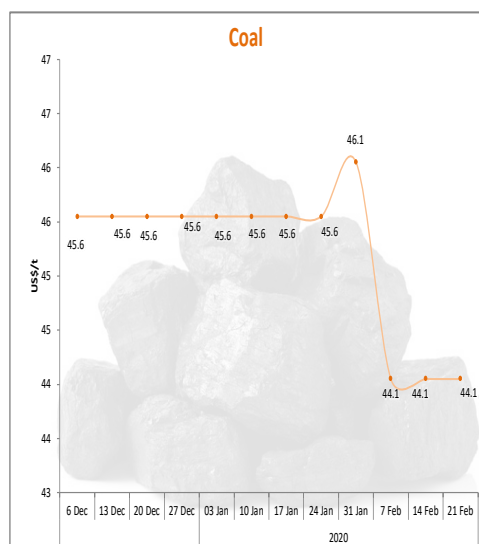
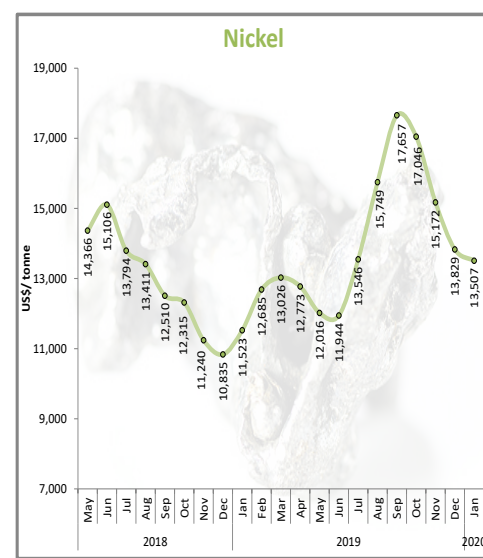
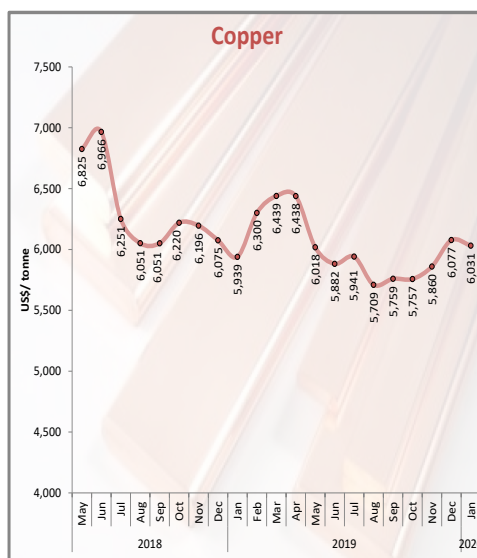
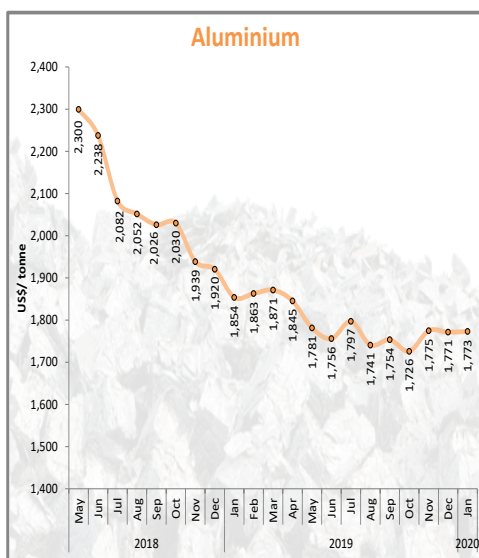
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

Commodity Price Trends



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

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarikow Group, World Bank, World Gold Council, The Wall Street Journal.

MITI Minister chaired the first 2020 Investment Committee Meeting with Malaysian Investment Development Authority, 19 February 2020



MITI Secretary General represented MITI Minister at World Business Angels Investment Forum at Turkey 19 February 2020



National Automotive Policy 2020 Launched by Prime Minister, 21 February 2020



MITI and Agencies Chinese New Year Networking Session with Private Sector 24 February 2020



MITI PROGRAMMES



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

INDUSTRY4WRD READINESS ASSESSMENT

Get your firm assessed. Be ready for Industry 4.0.

All you need to know about Industry4WRD RA



What is it?

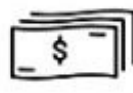
Trained assessors will help you to understand your readiness for Industry 4.0 and make recommendations on where to start your transformation.

Who is eligible?



- ✓ Manufacturing and its related services sector
- ✓ Incorporated under the Companies Act (1965/2016)/ Registration of Business Act (1956)
- ✓ Hold a valid license
- ✓ In operation for more than 3 years

What are the benefits?



To identify areas of improvement in terms of people, process and technology.



Receive comprehensive readiness report.



Be entitled to apply for financial incentives.



Process Flow

A FEW SIMPLE STEPS

Incentives for RA

- 500 SMEs will be selected for free assessment.
- Others will get tax exemption on RA fees up to RM27k.



Enquiries

- General: i4.0@miti.gov.my
- RA: industry4wrd@mpc.gov.my



Readiness Assessment



Apply online at www.miti.gov.my/industry4wrd



Evaluation by Committees



Onsite Assessment



Receive RA Report

Business Intervention



Develop Intervention Proposal



Apply for Financial Incentives



Implement the Intervention Plan

For more information, kindly click the following links:
<https://www.miti.gov.my/index.php/pages/view/industry4WRD>

All you need to know...

Industry4WRD



INDUSTRY4WRD RELATED INCENTIVES

Having the extra capital allows SMEs to flourish and prosper. Find the suitable fund for your company.

01 | LOANS

Soft Loan Scheme for Automation and Modernisation (SLSAM)

- targets manufacturing sectors
- 4.0% interest rate per annum for SMEs
- www.midf.com.my

Industry Digitalisation Transformation Fund (IDTF)

- targeted sectors: AI, Robotics, Automation etc.
- provides a 2% interest rate subsidy
- www.bpmb.com.my

Coming Soon!

1. Intervention Fund*
 - 70:30 matching grant up to RM500,000.
2. Industry4WRD DISF*
 - 60:40 matching grant

*participation in Industry4WRD RA is a prerequisite to apply

Domestic Investment Strategic Fund (DISF)

- 50:50 matching grant to companies adopting Industry 4.0 enabling technologies
- targets manufacturing and services sectors
- www.mida.gov.my

02 | GRANTS

Digital Transformation Acceleration Program (DTAP) Pilot Grant

- 1:1 matching grant
- targets large corporate and mid-tier companies in Malaysia
- assists companies to tap on the expertise of Digital Transformation Labs (DTL)
- www.mdec.my

Automation Capital Allowance (Automation CA)



For Labour Intensive Industries:

- Automation CA of 200% on the first RM4 million expenditure incurred within 5 years

For other industries:

- Automation CA of 200% on the first RM2 million expenditure incurred within 5 years
- www.mida.gov.my

For more information, kindly click the following links:

https://www.miti.gov.my/index.php/pages/view/industry4WRD?mid=559#tab_547_2202

ANUGERAH KECEMERLANGAN INDUSTRI (AKI) 2019/2020



REGISTRATION NOW OPEN

Submission of documents until 30 April 2020

For more information, kindly click the following links:
<https://www.miti.gov.my/index.php/pages/view/aki?mid=535>



RMK-11 HIGH VALUE ADDED AND COMPLEX PRODUCT DEVELOPMENT PROGRAMME

CALLING INTERESTED APPLICANTS TO APPLY FOR GRANT UNDER RMK-11 HIGH VALUE ADDED COMPLEX PRODUCT DEVELOPMENT PROGRAMME (PDP) AND MARKET DEVELOPMENT PROGRAMME (MDP)

For more information, kindly click the following links:
<http://www.miti.gov.my/index.php/pages/view/4761>



APPROVED PERMIT (AP) APPLICATION OF PERSONAL VEHICLES

Effective 1st August 2019, Approved Permit (AP) applications for the importation of personal vehicles must be made through the ePermit System.



For more information, kindly click the following links:
<https://bit.ly/2MyIPFt>

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

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 0488/89/57



allaki@miti.gov.my

Tentative Schedule for MITI Pocket Talks 2020

Date	Venue	Topic
11 March	MITI Perak	Introduction to FTAs Introduction to Preferential Certificate of Origin (PCO)
8 April	MITI HQ	
10 June	MITI Johor	
24 June	MITI HQ	
15 July	MITI Penang	
12 August	MITI HQ	
2 September	MITI Kelantan	
14 October	MITI HQ	
4 November	MITI Pahang	

For information, kindly click
<https://fta.miti.gov.my/index.php/pages/view/69?mid=27>

ANNOUNCEMENT >



NOTIFICATION ON THE LIVE OPERATION OF ASEAN SINGLE WINDOW (ASW) BY THE PEOPLE'S REPUBLIC OF LAO AND THE REPUBLIC OF PHILIPPINES

Effective date
30 DECEMBER 2019

For more information or inquiries, kindly contact the ATIGA team at allatiga@miti.gov.my

For more information, kindly click the following links:
<https://bit.ly/2UmkAyo>



ANNOUNCEMENT
NOTIFICATION ON IMPLEMENTATION OF PRODUCT SPECIFIC RULES (PSR) FOR ASEAN-AUSTRALIA-NEW ZEALAND FREE TRADE AGREEMENT (AANZFTA) IN HS 2017

Effective Date **1 OCTOBER 2019**

Please click for the full notification 



For more information, kindly click the following links:
<https://bit.ly/2UoZwrg>



MITI MALAYSIA
INTERNSHIP APPLICATION

For more information and application, kindly click the following links:
<https://www.miti.gov.my/index.php/pages/view/3720>



Come and join us!
Be part of volunteers for APEC 2020

APEC 2020 NATIONAL SECRETARIAT

 APEC 2020  MyAPEC2020  MyAPEC2020  MyAPEC

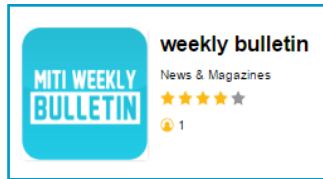
Be part of something BIG?

Come and join us, be a volunteer for APEC 2020!

For more information about the volunteer program, kindly click the following link:

<https://www.miti.gov.my/index.php/pages/view/5657?mid=626>

MITI Weekly Bulletin (MWB) Mobile Apps



MITI MWB APPs is now available for IOS, Android and Windows platforms.

MWB APPs can be downloaded from Gallery of Malaysian Government Mobile APPs (GAMMA) at the link:

<http://gamma.malaysia.gov.my/#/appDetails/85>



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>