



MINISTRY OF INTERNATIONAL TRADE AND  
INDUSTRY MALAYSIA

# MITI

## REPORT



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June 2018

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# **MITI REPORT**

2017

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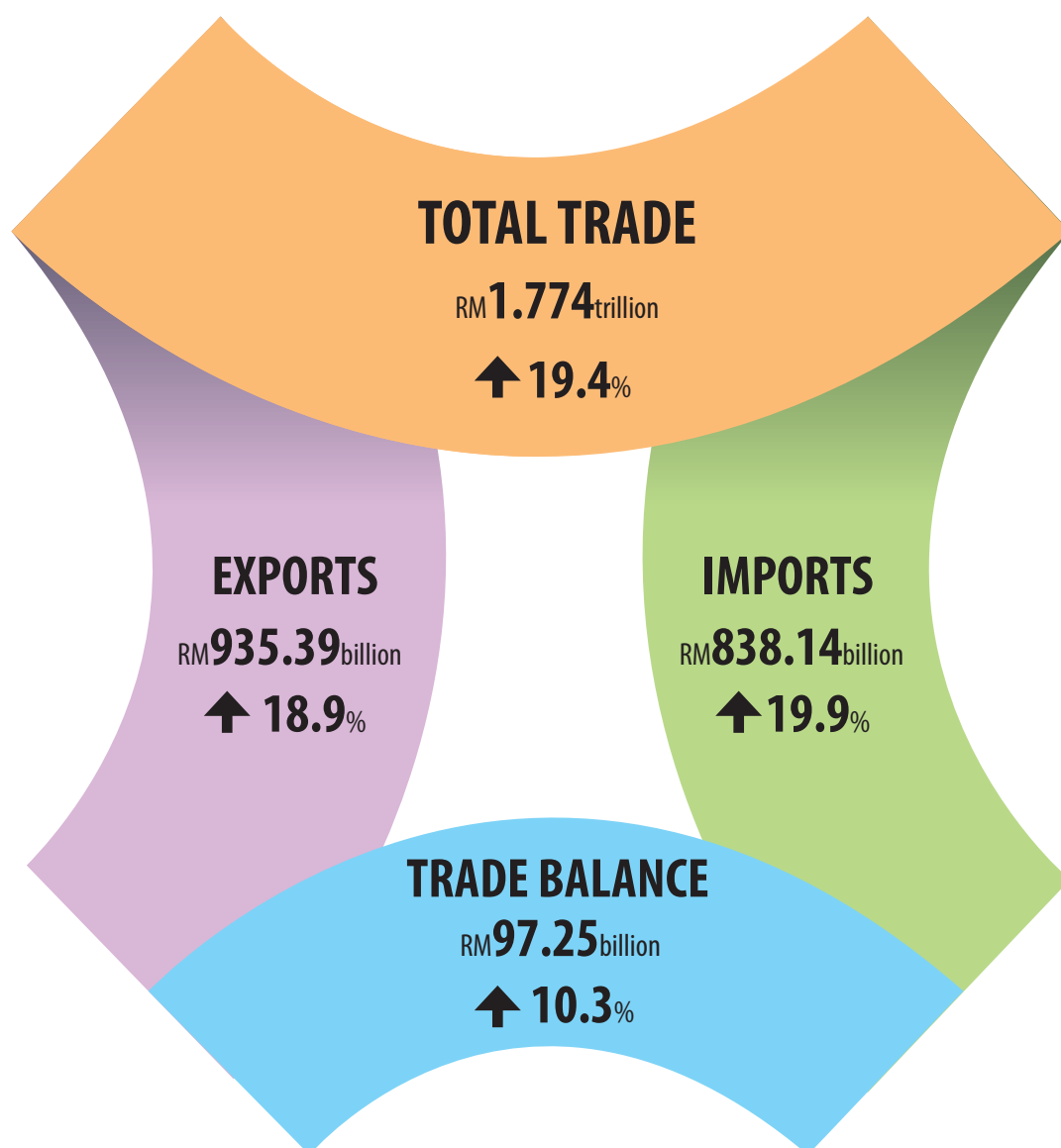
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# INTERNATIONAL TRADE



## TRADE PERFORMANCE IN 2017 at a glance\*



### Malaysia's ranking in the World Merchandise Trade in 2017

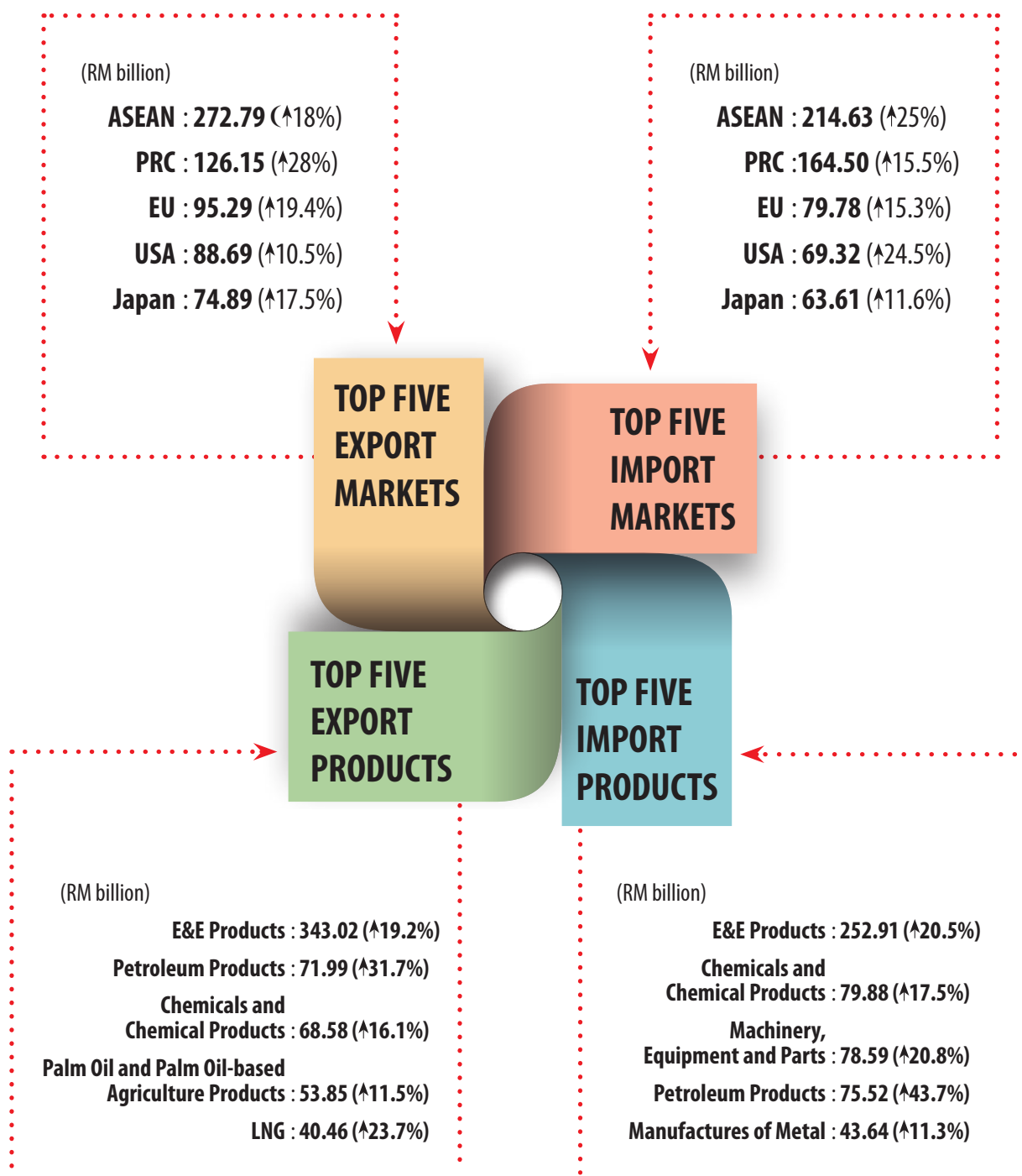
- **25<sup>th</sup>** largest exporter
- **26<sup>th</sup>** largest importer
- **25<sup>th</sup>** largest trading nation

(Source: WTO Database, updated April 2018)

Total trade for 2017 grew by 19.4 per cent to reach RM1.774 trillion with exports achieving a new high of RM935.39 billion, increasing by 18.9 per cent over 2016. Imports expanded by 19.9 per cent to RM838.14 billion. Growth in exports was driven by manufactured goods, which recorded an 18.9 per cent rise to RM767.64 billion or 82.1 per cent of total exports.

\* % growth in 2017 compared to 2016  
Source: Department of Statistics, Malaysia (DOSM)

## COMPOSITION OF EXPORTS AND IMPORTS by markets and products\*



\* % growth in 2017 compared to 2016  
Source: DOSM

## EXPORT PROMOTION PROGRAMMES 2017



The export promotion programmes, which have resulted in RM6.24 billion worth of sales, were aimed at accelerating exports in targeted sectors, namely Oil and Gas, Electrical and Electronics (E&E), ICT, Healthcare, Building Materials, Lifestyle, Biotech and Halal Products and Services, Aerospace and Automotive. More than 1,700 Malaysian exporters have benefitted from these programmes.

**36** programmes globally



### ICONIC TRADE EVENT PARTICIPATION

Gulfood, China-ASEAN Expo, Offshore Technology Conference (OTC) Houston, Arab Health, Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC) and other strategic events



### 14<sup>TH</sup> MALAYSIA INTERNATIONAL HALAL SHOWCASE (MIHAS)

576 companies from 33 countries  
More than 22,000 foreign buyers and trade visitors from 80 countries



### STRATEGIC COLLABORATION

11 joint programmes with various ministries, agencies, trade associations and event organisers

## FACILITATING TRADE IN A SECURE TRADING ENVIRONMENT

### STRATEGIC TRADE ACT (STA) AMENDMENTS 2017



#### END USE STATEMENT FLEXIBILITY

The Amendment was made to enhance exports of strategic items through better facilitation, ensure the Act is adaptable to rapid and dynamic business environment changes as well as to keep pace with international standards and best practices.



#### BROKERING



#### NEW SECTIONS



#### ENFORCEMENT



#### PENALTIES

The Amendment was initiated in 2014 where issues were identified through consultations with the relevant government agencies and industries. The result was achieved through the Good Regulatory Practice-Regulatory Impact Analysis (GRP-RIA) process to ensure its robustness.



## PHILIPPINES' ASEAN CHAIRMANSHIP 2017

Under the priority theme of “Inclusive, Innovation-led Growth” for the ASEAN Economic Community (AEC), Philippines introduced three strategic measures.



### Strategic Measure One

#### Increasing Trade and Investment

International trade should be an attractive and efficient prospect, bolstering the ability of business to take advantage of cross-border commercial activities to boost individual economies in the process, and facilitate regional interconnection.

#### Key Deliverables

- Region-wide Self Certification Scheme
- Focused and Strategic Action Agenda on Investment
- ASEAN Trade in Services Agreement
- ASEAN Seamless Trade Facilitation Indicators
- ASEAN Roll On–Roll Off
- Review Mechanism for AEC
- Regional Comprehensive Economic Partnership



### Strategic Measure Two

#### Integrating MSMEs in GVC

Reinforces MSME-oriented mandate of AEC 2025 and props the significant work of ASEAN in providing an enabling environment for MSME development and internationalisation.

#### Key Deliverables

- ASEAN Inclusive Business Framework
- Women Economic Empowerment



### Strategic Measure Three

#### Developing an Innovation-Driven Economy

Develop and adopt interventions that progressively upgrade and adjust existing ones to modern business realities and practices, through the creation of an environment that is conducive for innovation and value-creation.

#### Key Deliverables

- ASEAN Work Programme on Electronic Commerce 2017-2025
- ASEAN Declaration on Innovation

## ASEAN ACHIEVEMENTS IN 2017



Adoption of the ASEAN Seamless Trade Facilitation Indicators (ASTFI)



Completion of the Focused and Strategic (FAST) Action Agenda on Investment



Resolution of the key areas of differences to enable the implementation of the ASEAN-wide Self-Certification (AWSC) Scheme in 2018



Review Mechanism for AEC conducted through the Country Visit component of the AEC 2025 Monitoring and Evaluation (M&E)



Endorsement of the ASEAN Inclusive Business Framework and its mainstreaming into ASEAN's efforts on MSME development



Adoption and endorsement of the ASEAN Work Programme on Electronic Commerce (AWPEC) 2017-2025



Commemorative activities for the 50<sup>th</sup> anniversary of ASEAN

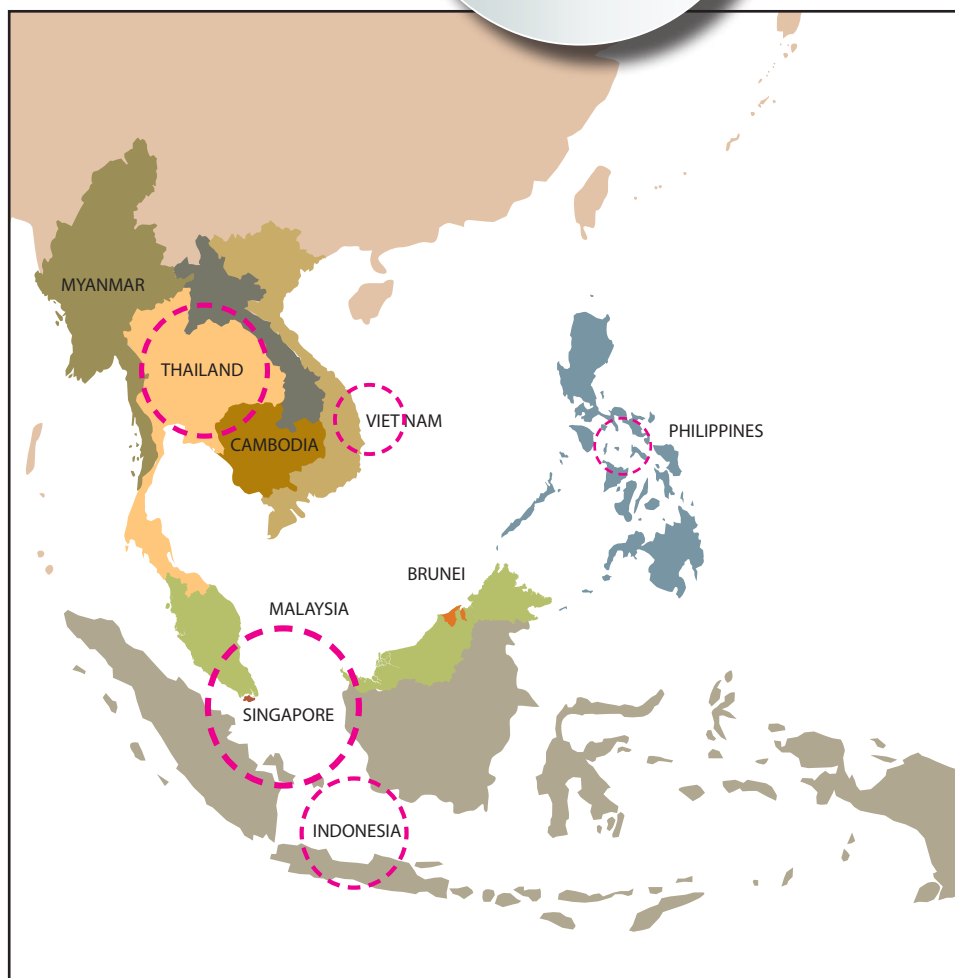
## MALAYSIA'S TRADE WITH ASEAN 2017

**27.5%**

ASEAN remained a key trading partner for Malaysia, taking up 27.5 per cent of Malaysia's total trade in 2017.

**21%**

Trade with ASEAN amounted to RM487.42 billion, an increase of 21 per cent.



### 1 SINGAPORE

Total Trade : RM228.31 billion  
Import : RM92.72 billion  
Export : RM135.59 billion

### 2 THAILAND

Total Trade : RM98.69 billion  
Import : RM48.16 billion  
Export : RM50.53 billion

### 3 INDONESIA

Total Trade : RM72.63 billion  
Import : RM37.85 billion  
Export : RM34.78 billion

### 4 VIET NAM

Total Trade : RM50.24 billion  
Import : RM22.63 billion  
Export : RM27.61 billion

### 5 PHILIPPINES

Total Trade : RM25.51 billion  
Import : RM8.98 billion  
Export : RM16.53 billion

Source: DOSM



## ASEAN 50<sup>TH</sup> ANNIVERSARY



**2017 was a year of jubilation for ASEAN as we celebrated our 50<sup>th</sup> Anniversary.**

Founded in 1967, ASEAN has since matured into a community focused on economic integration and growth, and consensus-building. This is the “ASEAN Way” and it has resulted in unprecedented growth. ASEAN is both the world’s sixth-largest economy and third-largest by population.



*The signing of the ASEAN Declaration (Bangkok Declaration) by the founding fathers of ASEAN, namely Indonesia, Malaysia, the Philippines, Singapore and Thailand on 8<sup>th</sup> August 1967 in Bangkok, Thailand*

### 12 activities

To mark the 50<sup>th</sup> anniversary of ASEAN, MITI initiated a series of celebratory events.

1. Soft Launch of ASEAN@50
2. Special Export Acceleration Mission to ASEAN
3. *Sembang ASEAN Bersama YB Menteri MITI*
4. ASEAN Open Essay Competition
5. Capacity Building Seminar and Workshop under ASEAN-Korea FTA (AKFTA) for the Internationalisation of SMEs
6. AEC Seminar titled “Spreading Your Wings in ASEAN: Land of Opportunities” organised by MITI and MATRADE
7. Intra-ASEAN Investment Forum by MITI and MIDA
8. The Launching of “The ASEAN Circle and the Inaugural ASEAN Circle Dialogue”
9. ASEAN Investment Forum
10. ASEAN@50 Week
11. Special Pullout in the New Straits Times on “ASEAN in 50 Years and The Way Forward”
12. “*Mari Nego Caro MITI*” in conjunction with MITI Day (Eastern Zone)

### 50<sup>th</sup> ASEAN ANNIVERSARY



#### OUTCOMES

Sharing of experience to inspire Malaysian entrepreneurs to expand their businesses by venturing into the ASEAN market



Established strategic collaboration between government and the private sector



Enhanced public awareness of ASEAN and its benefits to Malaysians

## ASIA-PACIFIC ECONOMIC COOPERATION (APEC)



The Asia Pacific Economic Cooperation, a group of 21 economies in the Asia Pacific region, is dedicated to achieving shared prosperity through economic growth and free trade via promoting Balanced, Inclusive, Sustainable, Innovative and Secure Growth and by Accelerating Regional Economic Integration.

### APEC AGENDA

APEC's primary goal is to support sustainable economic growth and prosperity in the Asia-Pacific region.

**Trade and  
Investment  
Liberalisation**

**Business  
Facilitation**

**Economic  
and Technical  
Cooperation  
(ECOTECH)**

APEC operates as a cooperative, multilateral economic and trade forum. It achieves its goals through consensus, is voluntary and non-binding in nature.

### MALAYSIA AND APEC

- In 2017, APEC accounted for  
**76.8** per cent of Malaysia's total trade (USD317 billion)  
**76.2** per cent of Malaysia's total exports (USD165 billion)  
**77.5** per cent of Malaysia's total imports (USD151 billion)  
**57.1** per cent of total FDI inflow (USD81.7 billion)
- Malaysia has established FTAs, i.e. Bilateral, ASEAN+1 FTAs and CPTPP with 17 APEC economies.
- APEC is working towards establishing FTAAP.

### APEC VIET NAM 2017

Theme: Creating New Dynamism, Fostering a Shared Future

- Promoting Sustainable, Innovative and Inclusive Growth
- Deepening Regional Economic Integration
- Strengthening MSMEs' Competitiveness and Innovation in the Digital Age
- Enhancing Food Security and Sustainable Agriculture in Response to Climate Change



### OUTCOMES OF APEC VIET NAM 2017

- Renewed commitment and support toward the realisation of the Free Trade Area of the Asia-Pacific (FTAAP)
- Endorsement of the 'APEC Internet and Digital Economy Roadmap' (AIDER) and the 'APEC Framework on Cross-Border E-Commerce Facilitation'
- 'APEC Toward 2020 and Beyond' as a guideline to all economies to keep supporting the cause for free and open trade
- The creation of the 'APEC Vision Group' to help set the direction of APEC after the completion of the Bogor Goals in 2020
- Continued support for a rules-based Multilateral Trading System and initiatives relating to anti-protectionism and the elimination of Non-Tariff Barriers

## ACHIEVEMENTS 2017



### REGIONAL ECONOMIC INTEGRATION

- Developed an APEC roadmap on Internet and Digital Economy (AIDER) to drive the global economy and be a catalyst for innovation, industrial transformation and growth.
- Continued on-going work on building a Free Trade Area of the Asia-Pacific (FTAAP), with specific focus on MSME.
- Finalised the APEC Services Competitiveness Roadmap (ASCR), which contains strategic, long-term and concerted actions for services competitiveness by 2025.



### BUSINESS FACILITATION

- Supported the Renewed APEC Agenda for Structural Reform (RAASR) to promote improved governance as well as efficient business and market operations.
- Promoted better regulation through public consultation reform to encourage development of appropriate regulatory framework for quality investments and innovations.
- Recommended improvements on human capital development including education, training and skills development to suit current labour market needs.



### APEC FOR THE PEOPLE

- Supported the APEC economic and financial inclusion agenda to address challenges relating to inequality, unemployment, gender inclusion and improved living standards for all people in APEC.
- Championed the MyAPEC YouthConnect initiative to provide cross-border short-term employment opportunities for youths in MNCS based in APEC.



### MALAYSIA'S PROJECTS

- APEC Peer Review on public consultation initiatives
- APEC Online-to-Offline (O2O) initiative
- Economic and life cycle analysis of solar photovoltaic system
- APEC Seminar on understanding the impact of smart manufacturing in policy and regulatory approaches

### MALAYSIA'S FUTURE INITIATIVES IN APEC

- Active participation in the Architecture of a Post-2020 APEC Agenda through high-level dialogues of the APEC Vision 2020 Group (AVG) and the Senior Official Steering Group
- These dialogues aim to further advance regional economic integration, improve business facilitation and structural reforms as well as provide economic and social benefits to the people in the APEC region.

## MALAYSIA'S PARTICIPATION IN WORLD TRADE ORGANISATION (WTO) MEETINGS AND OTHER INTERNATIONAL MEETINGS



## MALAYSIA'S PARTICIPATION IN THE WORLD ECONOMIC FORUM (WEF) 2017

### Three major objectives

To benefit from WEF as a prestigious platform to elevate Malaysia's profile among foreign investors and high net-worth individuals



To complement Malaysia's trade and investment agenda



To provide new insights and opportunities for our trade and investment policy

# 1

### WEF DAVOS 2017

17<sup>th</sup> -20<sup>th</sup> January 2017  
3,000 participants



Theme:

***Responsive and Responsible Leadership***

#### Key Elements

- Two sessions of Informal Gathering of World Economic Leaders (IGWEL) and eight WEF sessions
- WTO Informal Ministerial Meeting
- Roundtable Meeting with 18 Swiss Investors
- Business luncheon with 72 corporate executives representing international companies with interest to expand into Malaysia, e.g. Microsoft Corp. to invest in Malaysia in 2018

# 2

### WEF ASEAN 2017

10<sup>th</sup> -12<sup>th</sup> May 2017  
680 participants



Theme:

***ASEAN's Digital and Demographic Dividends***

#### Key Elements

- Coincided with the 50<sup>th</sup> anniversary of ASEAN
- Memorandum of Understanding (MoU) between Halal Development Corporation (HDC) and SLN Meat Supplies Pty Cambodia to facilitate the sharing of expertise and compliance with Malaysia's Halal standard and requirements
- Malaysia led the discussion on eCommerce facilitation during the session on "Towards Regional Digital Single Market"

#### Malaysia participated in the discourse on three main pillars

- ASEAN in the new Global Context
- ASEAN and the Connectivity Agenda
- ASEAN and the Youth Agenda

# MALAYSIA'S PARTICIPATION IN THE INAUGURAL COMMONWEALTH TRADE MINISTERS MEETING (CTMM) 2017

London, the United Kingdom, 9<sup>th</sup> - 10<sup>th</sup> March 2017

**35**

**Commonwealth Countries**

**200**

**Participants  
(Government and  
the Private Sector)**

## OBJECTIVES

### DISCUSS COOPERATION BETWEEN COMMONWEALTH MEMBERS:

- To strengthen trade and investment links
- To increase intra-Commonwealth to US\$1 trillion by 2020

### REAFFIRM THE COMMITMENT OF COMMONWEALTH MEMBERS

- To a "Transparent, Free and Fair Multilateral Trading System"
- To define an ambitious Commonwealth-led "Agenda for Growth"

## TWO MAIN ROUNDTABLES

### Trade Ministers Meeting



Theme: **An Agenda for Growth**

### Private Sector Events



Theme: **Technology & Innovation**



**Creating an Export Economy**

## OUTCOMES/RECOMMENDATIONS



Appointment of a Commonwealth Trade Ambassador



Supporting financial services



Strengthening connections of SMEs and entrepreneurs

Deployment of technologies for trade

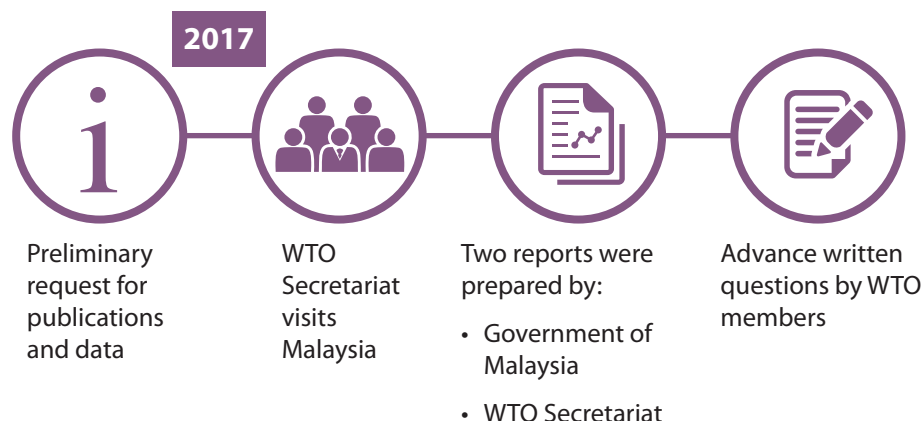
More opportunities to improve the business environment





## ROAD TO 7<sup>TH</sup> TRADE POLICY REVIEW OF MALAYSIA

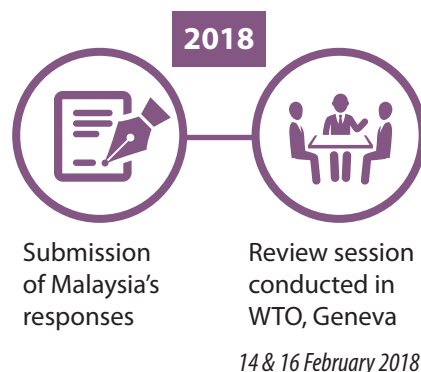
### THE TPR PROCESS



**Trade Policy Review (TPR) is a transparency mechanism to periodically review WTO members' trade policies and practices.**

The frequency of review is based on share of world trade (once every two, four or six years).

Previous TPRs of Malaysia were held in 1993, 1997, 2001, 2006, 2010 and 2014.



**43** interventions by WTO members (highest in the history of Malaysia's TPR)

**476** questions from **27** countries

### ACKNOWLEDGEMENT



Economic reforms



Trade openness



SME development

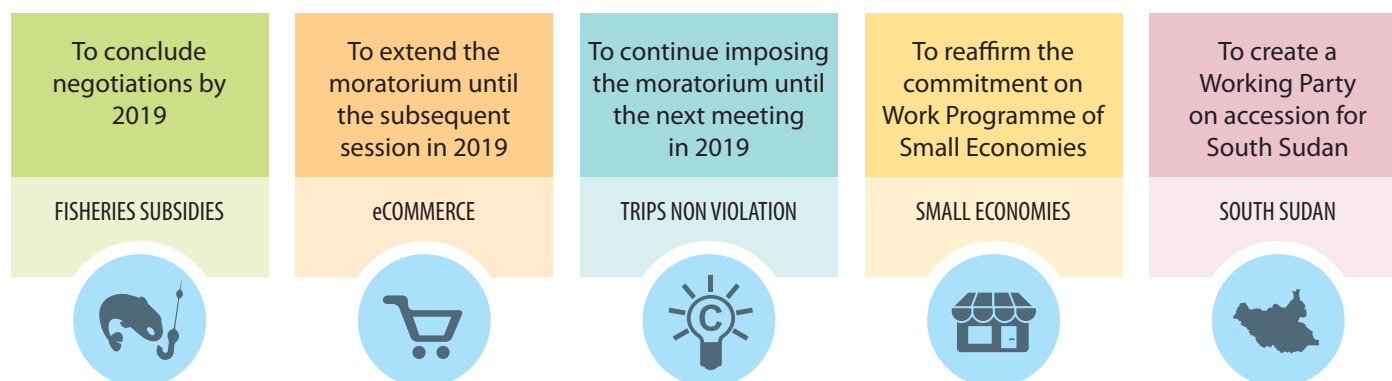


eCommerce

## HIGHEST DECISION-MAKING BODY IN WTO 11<sup>TH</sup> WTO MINISTERIAL CONFERENCE

Buenos Aires, Argentina, 10<sup>th</sup> - 13<sup>th</sup> December 2017

### WTO MINISTERIAL DECISIONS



### DOHA DEVELOPMENT AGENDA

- Safeguarding Malaysia's national interests/positions on issues under the ongoing WTO Doha negotiations such as agriculture, non-agricultural market access, services, TRIPs, rules, development and the environment.

#### **“Development – The heart of the Doha Development Agenda”**

- Positive efforts to ensure developing countries' needs and interests in achieving trade growth.

### NEW ISSUES

- Highlighting new WTO issues of interest to Malaysia that will benefit our domestic industries such as Investment Facilitation, MSME and eCommerce.

### JOINT MINISTERIAL STATEMENTS



- Joint Ministerial Statements issued on three new initiatives to advance talks at the WTO on Electronic Commerce, Investment Facilitation and Micro, Small and Medium Enterprises (MSME).
- Malaysia is of the view that these issues present new focus areas which must take centre stage in the future work of the WTO for it to remain relevant.



## WTO PUBLIC FORUM 2017 “TRADE: BEHIND THE HEADLINES”

**26 SEPTEMBER 2017**  
Session on “Sustainability and  
Non-Tariff Barriers (NTBs) to  
Trade: The Case Study of Palm Oil”



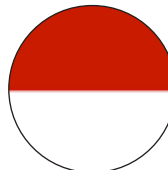
An initiative led by Malaysia  
together with other  
palm oil-producing countries

Increase  
awareness of  
efforts undertaken  
by Malaysia  
and other palm  
oil-producing  
countries on the  
sustainability  
practices in palm  
oil production

Enhance  
positive  
perception of  
palm oil products  
among the  
general public  
policy-makers,  
the private sector  
and NGOs



Malaysia



Indonesia



Thailand



Colombia



Guatemala



Ecuador



Costa Rica



Honduras

### KEY SUMMARY FOR MALAYSIA



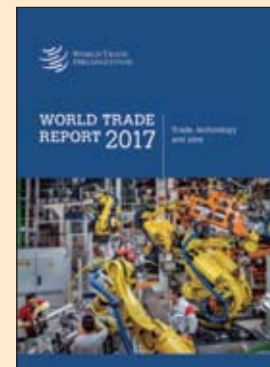
**World Trade  
Statistical  
Review 2017**

**24<sup>th</sup>**  
Leading Exporter in  
World Merchandise  
Trade 2016

Unemployment  
rate is among  
the lowest in  
the world:  
**3.3%**

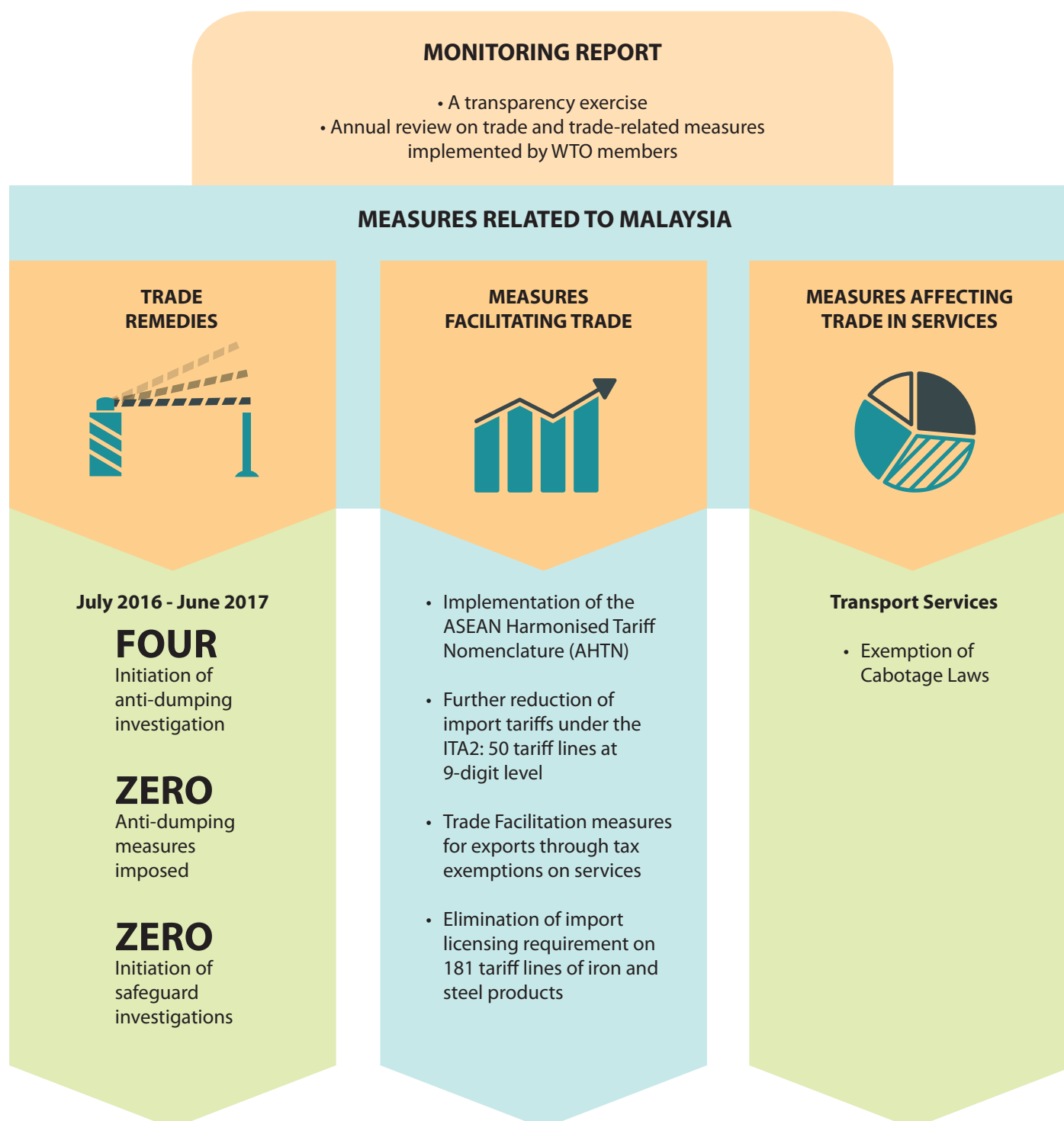
**26<sup>th</sup>**  
Leading Importer  
in World  
Merchandise  
Trade 2016

Increase in the  
labour-income share  
in the last 25 years



**WTO World Trade  
Report 2017:  
Trade, Technology  
and Jobs**

## MALAYSIA HAS BEEN ACTIVELY ENGAGED IN TRANSPARENCY EXERCISE ON TRADE AND INVESTMENT MEASURES

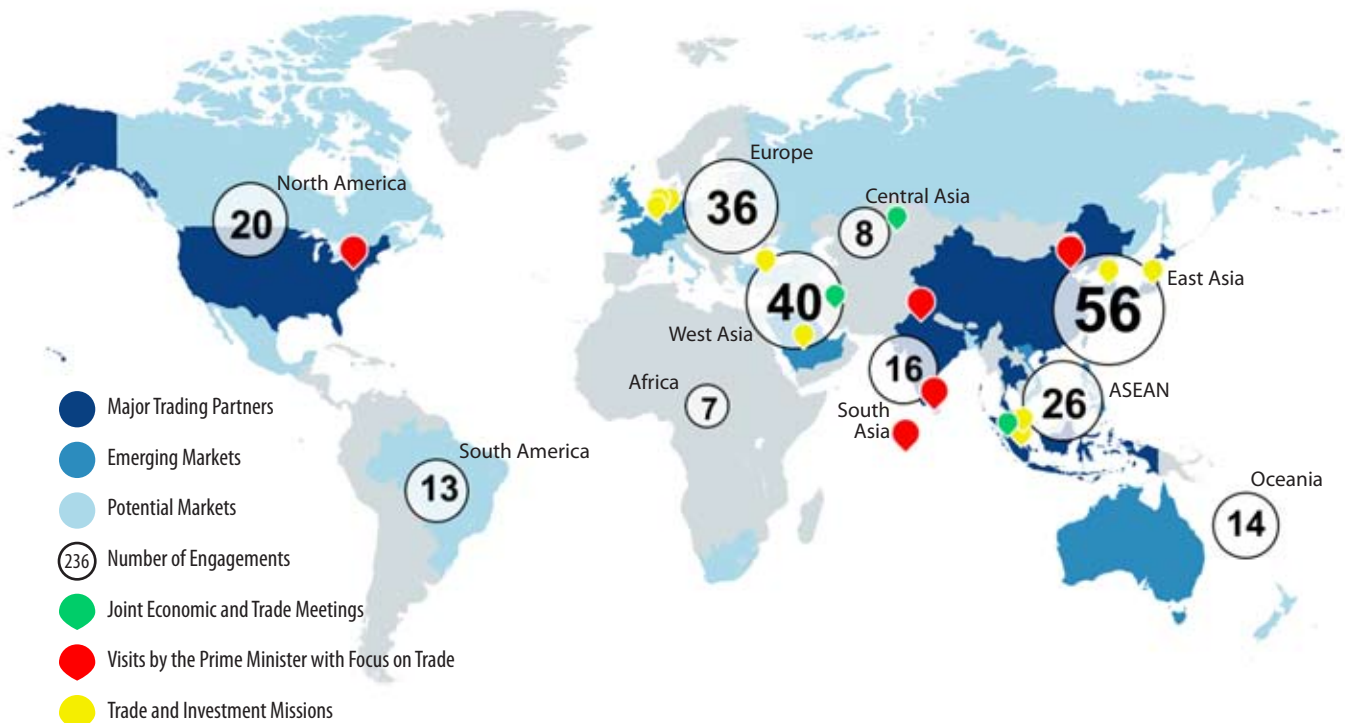


Source: World Trade Organisation Annual Report by The Director-General  
Overview of Developments in the International Trading Environment  
(Mid-October 2016-Mid October 2017)

## KEY ENGAGEMENTS IN 2017



## 236 Engagements with 60 Economies



Trade soared **19.4** per cent in 2017 due to stronger international economic relations and dynamic initiatives

## TRADE AND ECONOMIC RELATIONS WITH PEOPLE'S REPUBLIC OF CHINA (PRC)

### PRC is Malaysia's Largest Trading Partner (since 2009)

#### Total Trade

RM**290.65**billion



Participation in Trade Fairs in the PRC

- 23<sup>rd</sup> China Lanzhou Investment & Trade Fair (4<sup>th</sup> - 6<sup>th</sup> July)
- 14<sup>th</sup> China-ASEAN Expo, Nanning (12<sup>th</sup> - 15<sup>th</sup> September)

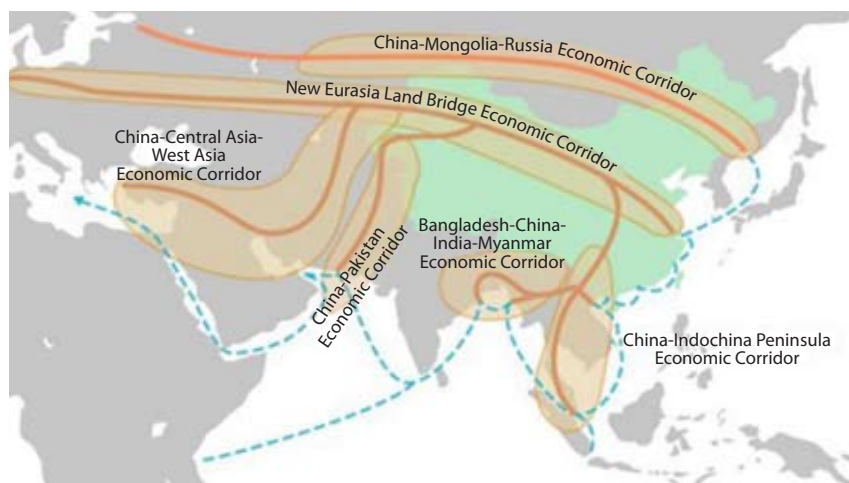


**NINE** B2B MoUs  
US\$7.2billion

Sectors:

Construction, Agriculture, Aviation,  
Infrastructure, Port and Investment

## BELT AND ROAD INITIATIVE (BRI)



**71** Participating countries



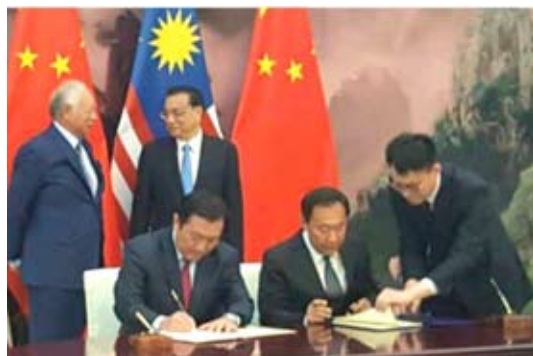
Encompassing more than  
60% world's population



Covering 30% global GDP



Covering 35% global trade



### Belt and Road Initiative National Secretariat (BRINS Malaysia)

Established in 2017 in MITI, BRINS Malaysia coordinates, monitors and facilitates BRI projects in Malaysia as well as projects with involvement by Malaysian companies globally.

Malaysia and the PRC signed the BRI MoU on 13<sup>th</sup> May 2017

## NOTABLE ENGAGEMENTS AND PROGRAMMES

### JANUARY

#### Dialogues with Foreign Businesses



UK (6<sup>th</sup> January)



Sweden (12<sup>th</sup> January)



USA (13<sup>th</sup> January)



Italy (21<sup>st</sup> January)

### FEBRUARY



**State Visit of King Salman bin Abdulaziz Al-Saud, Custodian of the Two Holy Mosques (26<sup>th</sup> February - 3<sup>rd</sup> March)**

**SEVEN** B2B MoUs  
US\$2.19 billion

- Sectors:  
Oil and Gas, Transportation, Aerospace, Halal, SME, ICT and E&E
- G2G MoU on Trade and Investment
- Bilateral Meeting between Ministers
- Malaysia-Saudi Arabia Business Forum

### MARCH



**State Visit of His Excellency François Hollande, President of the French Republic (27<sup>th</sup> - 28<sup>th</sup> March)**

**NINE** B2B MoUs  
US\$4.7 million

- Sectors:  
Energy, Industry 4.0, ICT and Trade and Investment Promotion/Collaboration



**Working Visit to Manila, The Philippines (8<sup>th</sup> March)**

### APRIL

**TIM to Japan and Republic of Korea (ROK) (9-14 April)**

**ONE** Letter of Intent (LOI)  
US\$110 million



- Two Bilateral Meetings between Ministers
- Three Seminars on Business Opportunities in Malaysia (Osaka: 10<sup>th</sup> April, Tokyo: 12<sup>th</sup> April, Seoul: 14<sup>th</sup> April)
- One-on-One Meetings
- Three RTMs (two in Japan; one in ROK)
- Sectors:  
Energy, Cosmetics, Food, Pharmaceutical, R&D, Biomass, Medical Devices, Automotive, Retail and Aerospace



**Working Visit to Jakarta, Indonesia (15<sup>th</sup> - 16<sup>th</sup> April)**



**Malaysia-New Zealand 60<sup>th</sup> Anniversary Joint Forum: "Turbulent Times – The Importance of an Open Economy" (18<sup>th</sup> April)**



**State Visit of King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain (30<sup>th</sup> April - 3<sup>rd</sup> May)**

- G2G MoU on SME and Industrial Cooperation



**TIM in conjunction with the Prime Minister's Visit to India (29<sup>th</sup> March - 3<sup>rd</sup> April)**

**31** B2B MoUs  
US\$35.99 billion

- Bilateral Meeting between Ministers
- Business Forum
- One-on-One Meetings
- RTM

RTM : Roundtable Meeting with Captains of Industry  
B2B MoU : Business-to-Business Memorandum of Understanding  
TIM : Trade and Investment Mission

G2G : Government to Government  
ICT : Information and Communication Technology  
E&E : Electrical and Electronics

SME : Small and Medium Enterprises  
ROK : Republic of Korea  
R&D : Research and Development

## NOTABLE ENGAGEMENTS AND PROGRAMMES

### MAY



**The Third JTC Meeting between Malaysia and Kazakhstan (4<sup>th</sup> May)**



**Working Visit to Cambodia (10<sup>th</sup> May)**



**The First Afghanistan-Malaysia Business Forum Kuala Lumpur (11<sup>th</sup> May)**



**Prime Minister's Visit to Beijing, PRC with focus on trade (11<sup>th</sup> - 14<sup>th</sup> May)**



**TIM to Singapore (24<sup>th</sup> - 25<sup>th</sup> May)**

- RTM
- One-on-One Meetings
- Sectors:  
Iron & Steel and E&E

### JULY



**Working Visit to Gansu, PRC (4<sup>th</sup> - 6<sup>th</sup> July)**



**Working Visit to Kazakhstan (9<sup>th</sup> - 14<sup>th</sup> July)**



**The Third JTIC meeting between Malaysia and Indonesia (13<sup>th</sup> July)**

**Dialogue with Foreign Businesses:**



**The Netherlands (17<sup>th</sup> July)**

### JUNE



**Malaysia-Iran JEC Meeting (7<sup>th</sup> June)**



**Working Visit to the UAE (8<sup>th</sup> June)**



**TIM to Indonesia (11<sup>th</sup> - 14<sup>th</sup> June)**

### AUGUST

**Latin American Business Day (1<sup>st</sup> August, MITI Tower, KL)**

- Experts, moderators & panelists:  
25 representatives from Latin America and 50 from Malaysia
- Sectors:  
Mining & Construction, E&E, ICT, Aerospace, Energy, Oil & Gas, Higher Education, Medical Equipment & Pharmaceutical, Automotive & Auto Parts, Agribusiness, Food & Beverage, Halal

**800**  
Participants



JTC : Joint Trade Committee  
TIM : Trade and Investment Mission  
RTM : Roundtable Meeting with Captains of Industry

JTIC : Joint Trade and Investment Committee  
JEC : Joint Economic Committee  
UAE : United Arab Emirates

ICT : Information and Communication Technology  
E&E : Electrical and Electronics



## NOTABLE ENGAGEMENTS AND PROGRAMMES

### SEPTEMBER



**Prime Minister's Visit to the United States with focus on trade (10<sup>th</sup> - 14<sup>th</sup> September)**

**ONE** B2B MoU  
US\$4 billion

- Sector: Aerospace
- Meetings with the US Cabinet, Members of the Senate Committee and the Think Tank
- One-on-One Meetings
- Two RTMs



**TIM to Saudi Arabia and Turkey (24<sup>th</sup> -29<sup>th</sup> September)**

### OCTOBER



**Working Visit to Singapore (11<sup>th</sup> - 12<sup>th</sup> October)**



**State Visit of Sheikh Tamim bin Hamad Al Thani, Emir of Qatar (15<sup>th</sup> - 16<sup>th</sup> October)**

### DECEMBER



**TIM to Europe: Germany, The Netherlands and Belgium (17<sup>th</sup> - 22<sup>th</sup> October)**

- Bilateral Meeting between Ministers
- TWO Business Forums on Business Opportunities in Malaysia (Germany: 18<sup>th</sup> October, The Netherlands: 19<sup>th</sup> October)
- One-on-One Meetings
- FIVE Round Table Meetings
- Sectors:  
Food, Chemicals, Optical and Scientific Equipment, Health, Pharmaceuticals, Medical Devices and Agriculture

### NOVEMBER

**Dialogues with Foreign Businesses:**



**Australia (1<sup>st</sup> November)**



**Japan (2<sup>nd</sup> November)**



**Working Visit to Shanghai, PRC (13<sup>th</sup> - 16<sup>th</sup> November)**



**13<sup>th</sup> World Islamic Economic Forum in Kuching (21<sup>st</sup> - 23<sup>rd</sup> November)**



**Working Visit to Beijing, PRC (29<sup>th</sup> - 30<sup>th</sup> November)**



**Prime Minister's Visit to Sri Lanka and Maldives with focus on trade (17<sup>th</sup> - 20<sup>th</sup> December)**



**Preliminary Adoption of 5-Year Plan with Africa (7<sup>th</sup> December)**

## 8TH ANNUAL SESSION WITH HEADS OF MISSIONS

MITI Tower, Kuala Lumpur, 14<sup>th</sup> March 2017



### Objectives

- Annual engagement with the heads of missions and foreign officials
- To brief on Malaysia's trade and industry performance as well as the direction for the year ahead

### Participation of

**150** Heads of missions and officials

### Representing

**97** Foreign missions

### Highlights

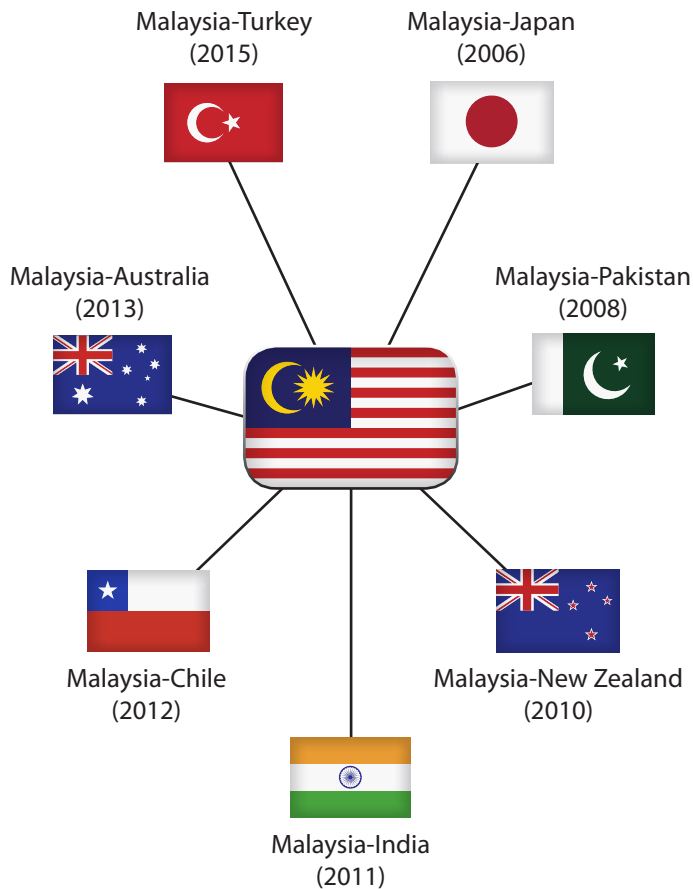
- Malaysia's footprints overseas
- Trade and investment performance in 2016
- Priorities for 2017
- Challenges and forecast for 2017
- Key events in 2017



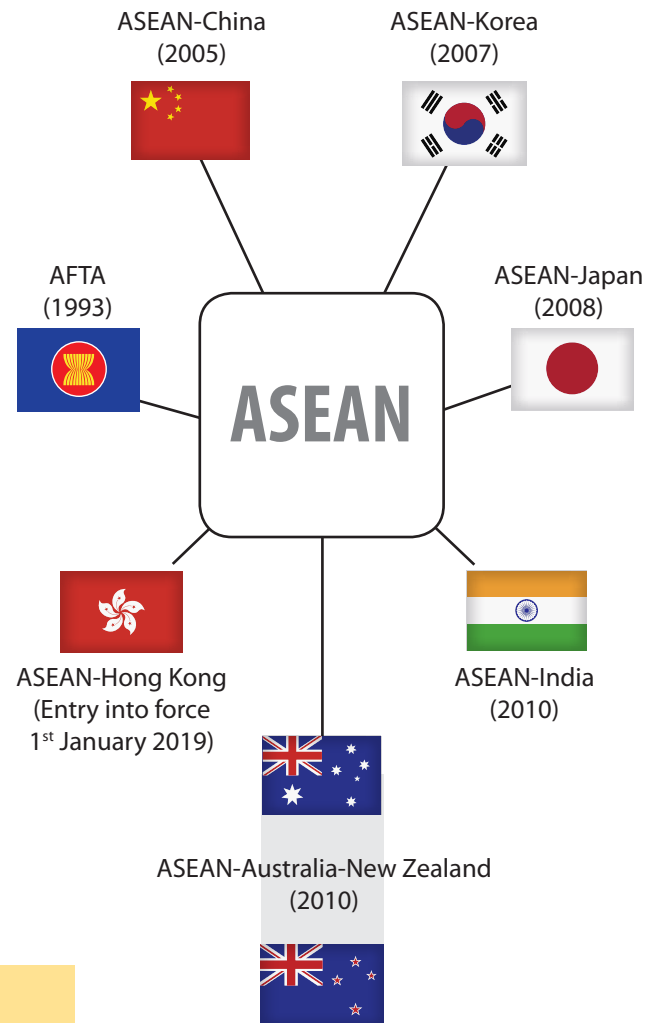


## MALAYSIA'S INVOLVEMENT IN FREE TRADE AGREEMENTS (FTAs)

### SEVEN BILATERAL FTAs



### SEVEN REGIONAL FTAs



2017 Total Trade with FTA Partners:  
RM1,122.73 billion (63.3% of total trade)



2017 Total Exports with FTA Partners:  
RM590.15 billion (63.1% of exports)



2017 Total Imports with FTA Partners:  
RM532.57 billion (63.5% of imports)

Source: DOSM

## FREE TRADE AGREEMENTS (FTAs) / PARTNERSHIP TRADE AGREEMENTS (PTAs) UNDER NEGOTIATIONS



### REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)

- FTA involves ASEAN and China, India, Japan, Korea, New Zealand and Australia
- Launched in 2014 and expected to be concluded by late 2018



### MALAYSIA - EUROPEAN FREE TRADE ASSOCIATION ECONOMIC PARTNERSHIP AGREEMENT (MEEPA)

- FTA involves Malaysia and European Free Trade Association (EFTA) countries - Iceland, Liechtenstein, Norway and Switzerland
- Eight rounds of negotiations have been held since March 2014, and the next round will be held in Kuala Lumpur
- It is expected that negotiations can be concluded within the next three rounds



### COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP)

- Formerly known as TPPA (Trans-Pacific Partnership Agreement), the CPTPP involves 11 participating Asia Pacific countries, including three new FTA partners for Malaysia, namely Canada, Mexico and Peru
- The CPTPP was signed on 8<sup>th</sup> March 2018 and is expected to be implemented in 2019



### MALAYSIA – IRAN PREFERENTIAL TRADE AGREEMENT (MIPTA)

- First round of negotiation was held in Kuala Lumpur in October 2017
- Covers trade in goods

## THE WAY FORWARD

### FTA Expansion



#### Malaysia – Turkey FTA

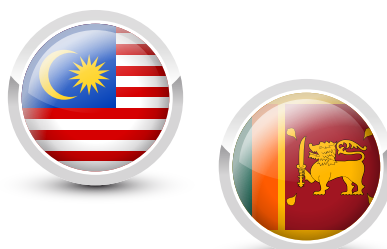
- Negotiations on Services, Investment and eCommerce chapters are on-going



#### Malaysia – Pakistan Closer Economic Partnership Agreement

- The first review of MPCEPA on Trade in Goods (TIG) will be held in 2018
- Products of interest to Malaysia will be proposed for immediate reduction under the “early harvest” approach

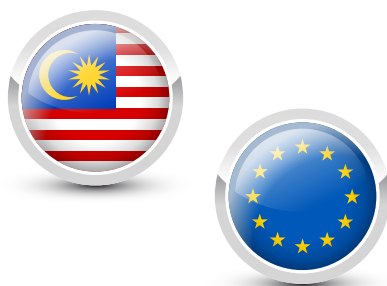
### Joint Study



#### Malaysia – Sri Lanka FTA

- Sri Lanka has proposed a feasibility study

### Resumption



#### Malaysia – European Union FTA

- Negotiations began in 2010, but came to a pause in 2012
- There is a possibility of resumption of negotiations in 2018

### FTA to be Ratified



#### CPTPP

- Negotiations concluded on 23<sup>rd</sup> January 2018
- The CPTPP was signed by all 11<sup>th</sup> participating countries on 8<sup>th</sup> March 2018
- Malaysia is to complete the ratification process by tabling changes to legislation for Parliament's approval

FTA : Free Trade Agreement

CPTPP : Comprehensive and Progressive Agreement for Trans-Pacific Partnership

MPCEPA : Malaysia - Pakistan Closer Economic Partnership Agreement



# HIGH QUALITY INVESTMENTS



## MALAYSIA CONTINUES TO BE AN ATTRACTIVE AND COMPETITIVE INVESTMENT DESTINATION

RM **197.1** billion

Total approved investments in 2017

RM **212.9** billion

Total approved investments in 2016

### MANUFACTURING

RM **63.7** billion investment  
**32.3%**  
+8.9% compared to 2016

**687**

projects

Petroleum products recorded the highest investments

### SERVICES

RM **121** billion investment  
**61.4%**  
-17.2% compared to 2016

**4,731**

projects

Real estate sub-sector took the highest portion of investments

### PRIMARY

RM **12.4** billion investment  
**6.3%**  
+51.2% compared to 2016

**48**

projects

Mining sub-sector, mainly oil and gas exploration activities, led the approved investments

### Investments in Manufacturing Sector

RM **63.7** billion  
Manufacturing projects approved in 2017

+8.9% compared to 2016

**34%**  
FDI

**66%**  
DDI

**48%**  
New Projects

**52%**  
Expansion Projects

Employment Opportunities Created:

**56,421**



### Major Sources of FDI in Manufacturing Sector 2017

PRC

**3,854.5**  
Investments (RM million)

Switzerland

**2,444.0**  
Investments (RM million)

Singapore

**2,307.0**  
Investments (RM million)

Netherlands

**2,033.9**  
Investments (RM million)

Germany

**1,516.9**  
Investments (RM million)

### Major Industries Contributing to Investments in 2017

Electrical and Electronic Products

**8,155.1**  
Investments (RM million)

Non-Metallic Mineral Products

**4,123.9**  
Investments (RM million)

Chemicals and Chemical Products

**2,420.4**  
Investments (RM million)

Science and Measurement Tools

**1,556.0**  
Investments (RM million)

Transport Equipment

**1,502.3**  
Investments (RM million)

Source: MIDA

## MALAYSIA CONTINUES TO BE AN ATTRACTIVE AND COMPETITIVE INVESTMENT DESTINATION

### Investment in Services Sector 2017: Overview

	2017	2016 (R)	Change*
Number of Projects	4,731	4,392	7.7%
	(RM billion)	(RM billion)	(%)
Total Investments*	121	146.2	-17.2
Domestic	92.2	117.8	-21.7
Foreign	28.8	28.4	1.4
Total Employment Opportunities	82,172	89,535	-8.2

### Investment in Primary Sector 2017: Overview

	2017	2016 (R)	Change*
Number of Projects	48	41	17.1%
	(RM billion)	(RM billion)	(%)
Total Investments*	12.4	8.2	50.9
Domestic	8.0	4.9	63.3
Foreign	4.4	3.3	33.3
Total Employment Opportunities	930	836	11.2

Note: (R) refers to the revised data for 2016

## INVESTMENT GUARANTEE AGREEMENT (IGA)

(also known as Promotion and Protection of Investment Agreement)

### OBJECTIVES

- Promote, facilitate and protect investments
- Provide investors the right to transfer profits, capital and other fees related to investments
- Provide for a dispute mechanism that allows investors recourse to international arbitration in addition to domestic courts
- Provide assurance to investors and for their investments that in the event of expropriation or nationalisation as well as in circumstances involving losses owing to war, armed conflict, revolution, a state of emergency, revolt, insurrection or riot, investors will receive prompt and adequate compensation

**89.19%**

66 countries  
have ratified

**10.81%**

8 countries  
have signed but  
not ratified

### 66 RATIFIED IGAs (BY CONTINENTS)



## DEVELOPMENTS OF IGA

### NEW MODEL

- Improved due to dynamic nature of investment
- Based on global best practices, e.g. UNCTAD's Investment Policy Framework

### NEW ELEMENTS

- Strengthens the protection scheme on direct investment
- Guarantees the rights of foreign investors while defending the rights of the host country

### COUNTRIES TO BEGIN NEGOTIATION

- Azerbaijan
- Nepal
- Brazil

### COUNTRIES TO RESUME NEGOTIATION

- Oman
- Switzerland
- Qatar



## SOFT LOAN SCHEME FOR AUTOMATION AND MODERNISATION (SLSAM)

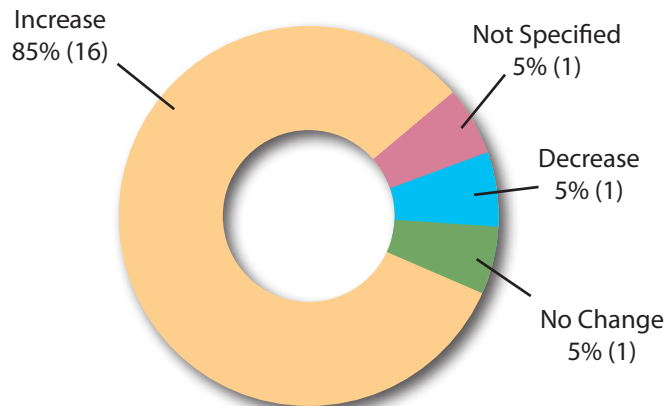
### Objective of SLSAM

To increase productivity, production capacity and reduce dependency on foreign labour

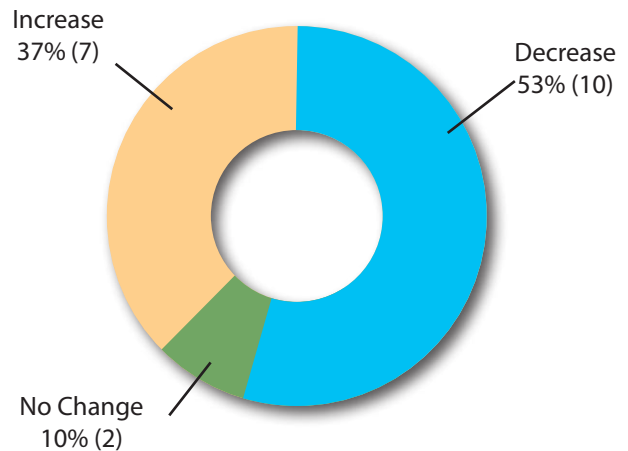
Total Budget under 11<sup>th</sup> Malaysia Plan

**RM750million**

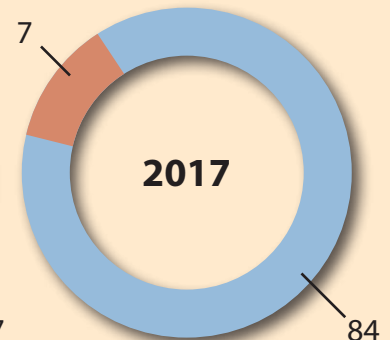
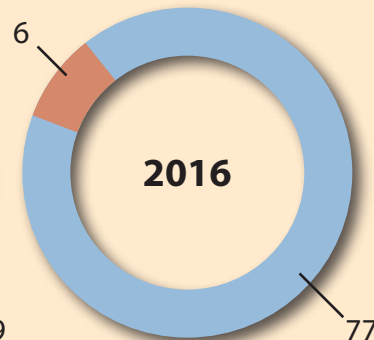
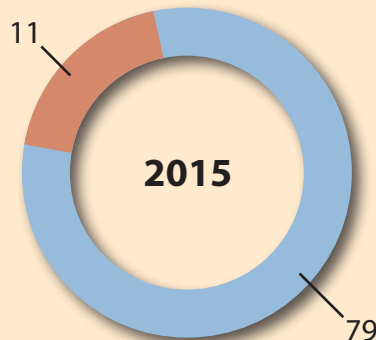
### Companies that have benefited from SLSAM in increasing production capacity



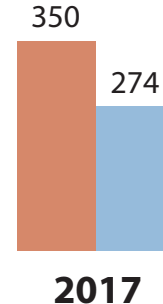
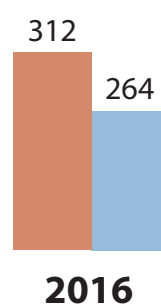
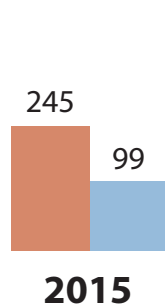
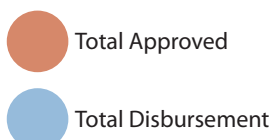
### Companies that have benefited from SLSAM in reducing dependency on manual labour



### Total Approved Applications



### Total Value of Approved Applications and Disbursements (RM million)



## ASEAN SINGLE WINDOW (ASW) LIVE OPERATION: STATUS OF IMPLEMENTATION

- All ASEAN Member States (AMS) have signed and ratified:
  - Protocol on the Legal Framework to Implement the ASW
  - Amendment to the Operational Certification Procedure of ATIGA
- The ASW currently supports the exchange of the electronic intra-ASEAN Certificate of Origin under ATIGA (e-Form D ATIGA).
- Beginning 1<sup>st</sup> January 2018, five participating AMS (Indonesia, Singapore, Malaysia, Thailand and Viet Nam) transit into ASW Live Operation phase.
- AMS are working to expand the ASW to support the exchange of export declaration information through the ASEAN Customs Declaration Document (ACDD) and exchange of electronic Phyto-sanitary certificates (eSPS).



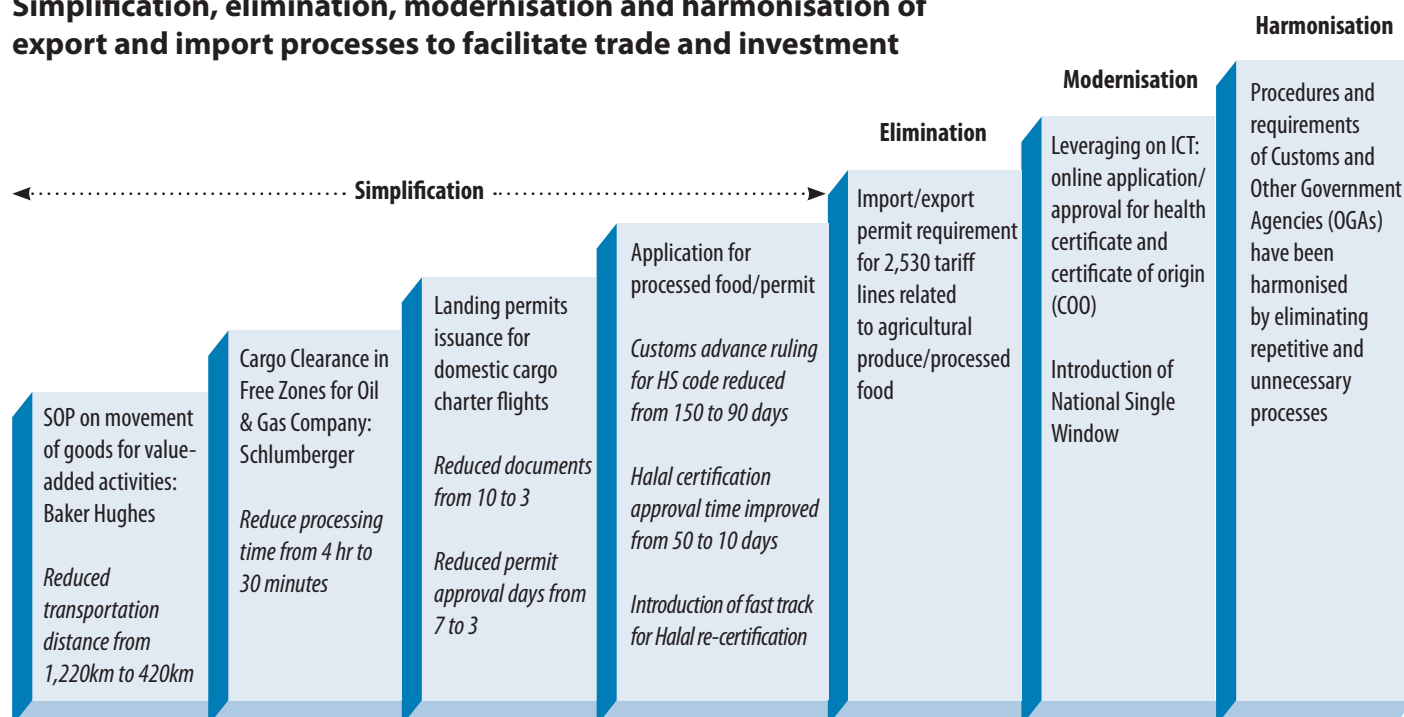
- ASW Live Operation (eATIGA) (1<sup>st</sup> January 2018)
  - Indonesia
  - Malaysia
  - Singapore
  - Thailand
  - Viet Nam

- ASW Testing in April 2018
  - Brunei Darussalam
  - The Philippines
  - Cambodia

- Developing NSW
  - Lao PDR
  - Myanmar

## TRADE FACILITATION ACHIEVEMENTS 2016-2017

**Simplification, elimination, modernisation and harmonisation of export and import processes to facilitate trade and investment**



ATIGA : ASEAN Trade in Goods Agreement  
NSW : National Single Window  
SOP : Standard Operating Procedure

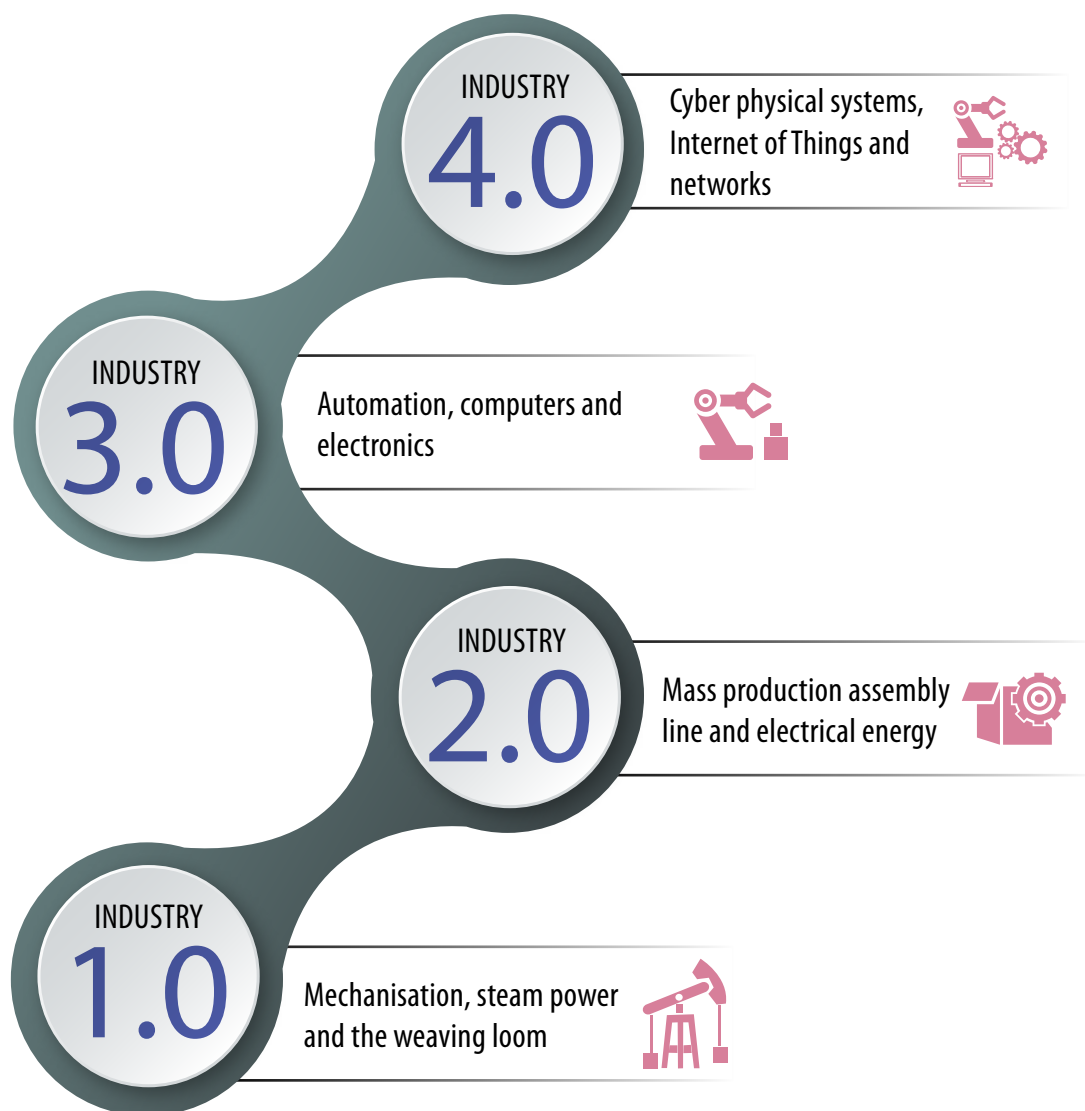
HS Code : Harmonised Commodity Description and Coding System  
ICT : Information and Communication Technology

# INDUSTRY TRANSFORMATION



## INDUSTRY 4.0

Industry 4.0 is no longer just a buzzword. The advent of new technologies digitally transforming the manufacturing sector is now making shockwaves globally. The convergence of the cyber and physical worlds is forcing businesses to assess risks that are inherently more complex than ever before.



### NINE COMPONENTS OF INDUSTRY 4.0



INTERNET OF THINGS



AUGMENTED REALITY



CLOUD COMPUTING



AUTONOMOUS ROBOT



BIG DATA



SYSTEM INTEGRATION



CYBERSECURITY



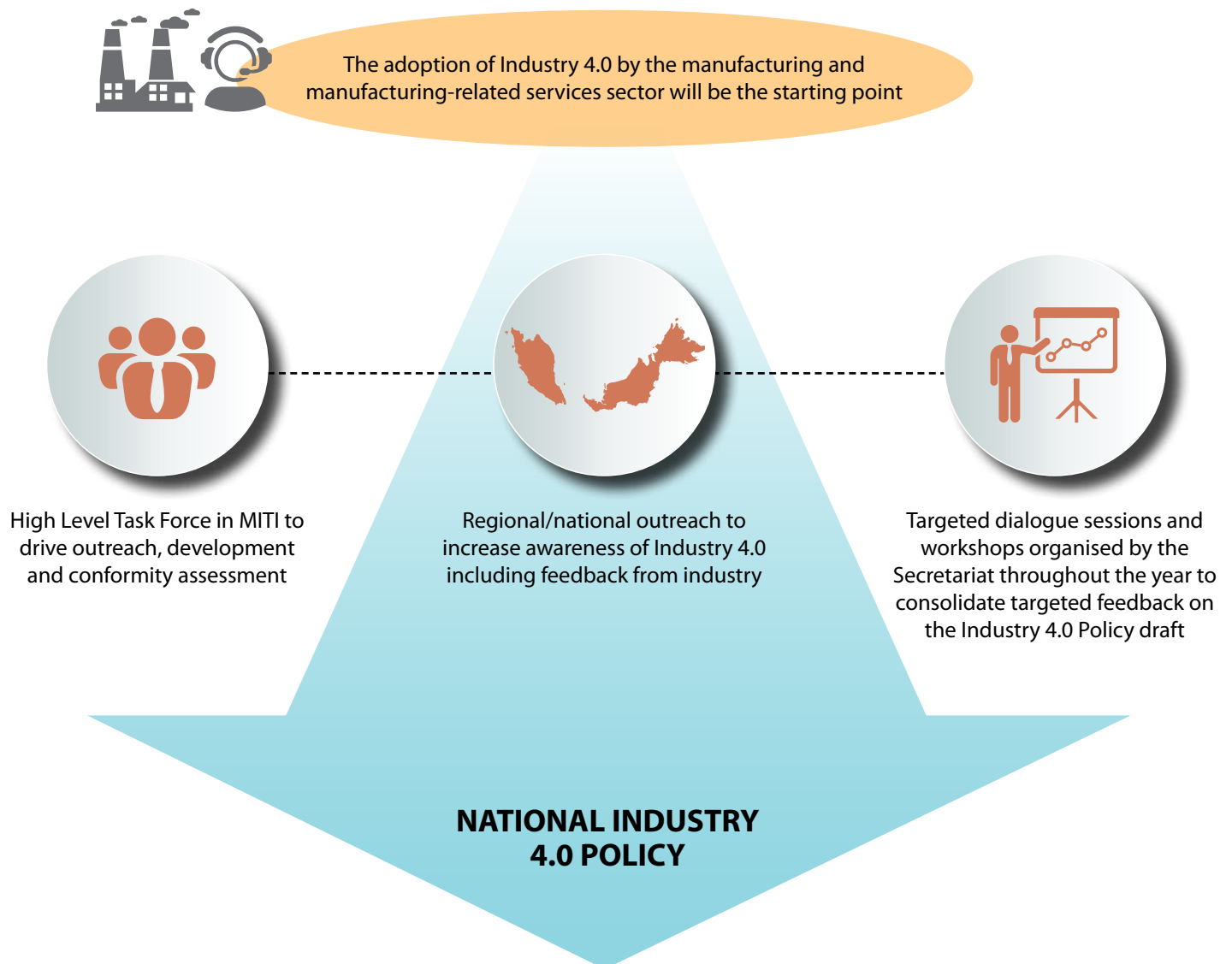
SIMULATION



ADDITIVE MANUFACTURING

## INDUSTRY 4.0

MITI took the lead in developing the National Industry 4.0 Policy Framework in collaboration with other key ministries. The Government is looking at leveraging on existing initiatives and enhancing them further to ensure resources are managed efficiently.



**The National Industry 4.0 Policy Framework draft has reached the final stage of online public consultation. MITI is targeting to launch the National Industry 4.0 Policy Framework in 2018**

## AEROSPACE

The aerospace industry remains competitive and several new projects consisting of aero structure manufacturing, MRO and infrastructure development are expected to be executed in 2018.



## CHEMICAL INDUSTRY

### HIGHLIGHTS

# The Globally Harmonised System of Classification and Labelling of Chemicals (GHS)

The GHS is an internationally agreed system of classification of chemicals and communication of hazards on labels and Safety Data Sheets (SDS). Published by the United Nations, the GHS covers all hazardous chemicals and may be adopted to cover chemicals in the workplace, transport, consumer products, pesticides and pharmaceuticals. MITI is the lead for the National GHS Coordination.

### THE WAY FORWARD

MITI is the lead for WG Manufacturing under GTMP Implementation Framework which is entrusted to execute the initiatives identified.

Under the Green Technology Master Plan (GTMP), MITI aims to have 15 per cent of manufacturers comply with and adopt the Green Manufacturing Initiatives.

The initiatives can be whole or selected from these criteria:

- Green Energy Utilisation
- Green Products and Certifications
- Green Industrial Process



Green Energy



Green Transport



Green Building

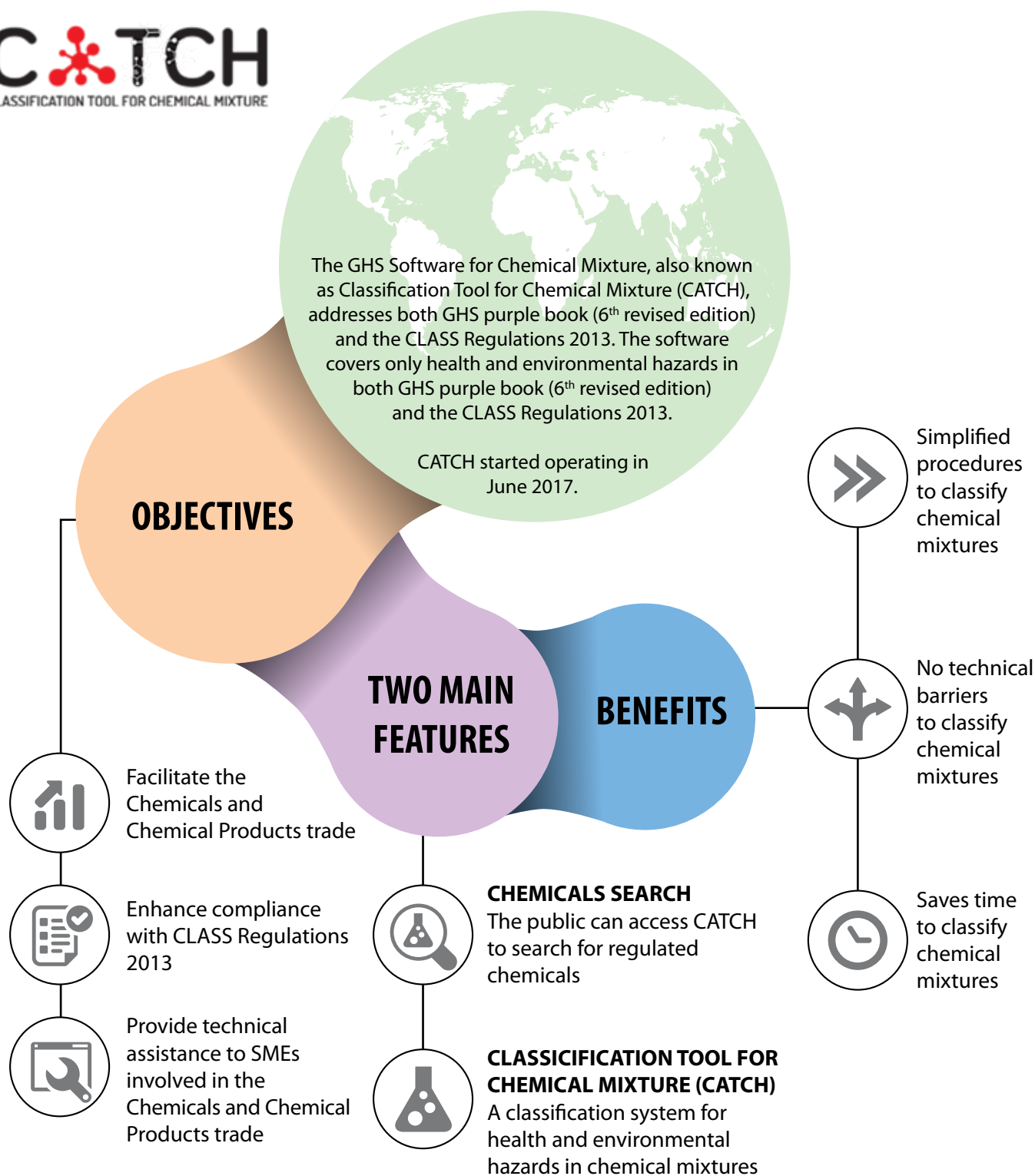


Waste Technology and Management



Clean Water Technology and Management

## Classification Tool for Chemical Mixture (CATCH)





## AUTOMOTIVE

### NATIONAL AUTOMOTIVE POLICY 2014 REVIEW



#### Car Price Difference

Cumulative difference  
in car prices  
(2014-2017): -13.07%



#### Employment

Total new employment  
opportunities created  
(2014-2017): 87,382

New employment  
opportunities created  
through MAI-HCD  
Programmes  
(2014-2017): 34,819



#### EEV Penetration

Percentage of EEVs sold  
(2017):  
42.3% (as at September  
2017)



#### Localisation Value

RM7.66billion  
(as at September 2017)

#### EEV application process streamlined



The Government has streamlined the EEV application process to improve the monitoring mechanism of EEV certification and promote further EEV developments in Malaysia. Since April 2017, MITI has become the focal point/coordinator for EEV recognition, with MAI and JPJ providing technical support.



#### Malaysia Autoshow 2017

**252,322** visitors  
(the highest attendance in the history of Malaysia Autoshow)

Total sales of cars recorded  
**RM750million**  
(10 times higher than for Malaysia Autoshow 2016)

## IRON & STEEL



#### IMPORT LICENCE ABOLISHED

**181 tariff lines**  
of flat rolled iron/non-alloy and  
iron/steel tubes/pipes products

These products are now subject  
to only Certificate of Approval (COA) to meet  
required standards for quality and  
safety purposes.



#### DUTY DRAWBACK

Duty exemption through duty drawback for the importation of raw materials to produce finished goods for the export market has been extended to PCA companies to produce finished goods for Licensed Manufacturing Warehouses (LMW) and Free Zones (FZ). The facility strengthens the exemption procedures and ensures that only eligible companies enjoy duty exemptions.

## THE NATIONAL ECOMMERCE STRATEGIC ROADMAP (NeSR)



# NeSR

A strategic plan to develop Malaysia's eCommerce ecosystem through collaboration between ministries, agencies and the industry.

### NeSR ACHIEVEMENTS

**eCommerce share to GDP**

=

2016 : 6.1% (RM74.6billion)

2015 : 5.9% (RM68.3billion)

**58,824** Online businesses registered with



More than **11,000 SMEs** registered with

**Go eCommerce**

**2,072 SMEs** onboarded through the



**PILOT PROJECT**

Almost **RM136million** sales generated through



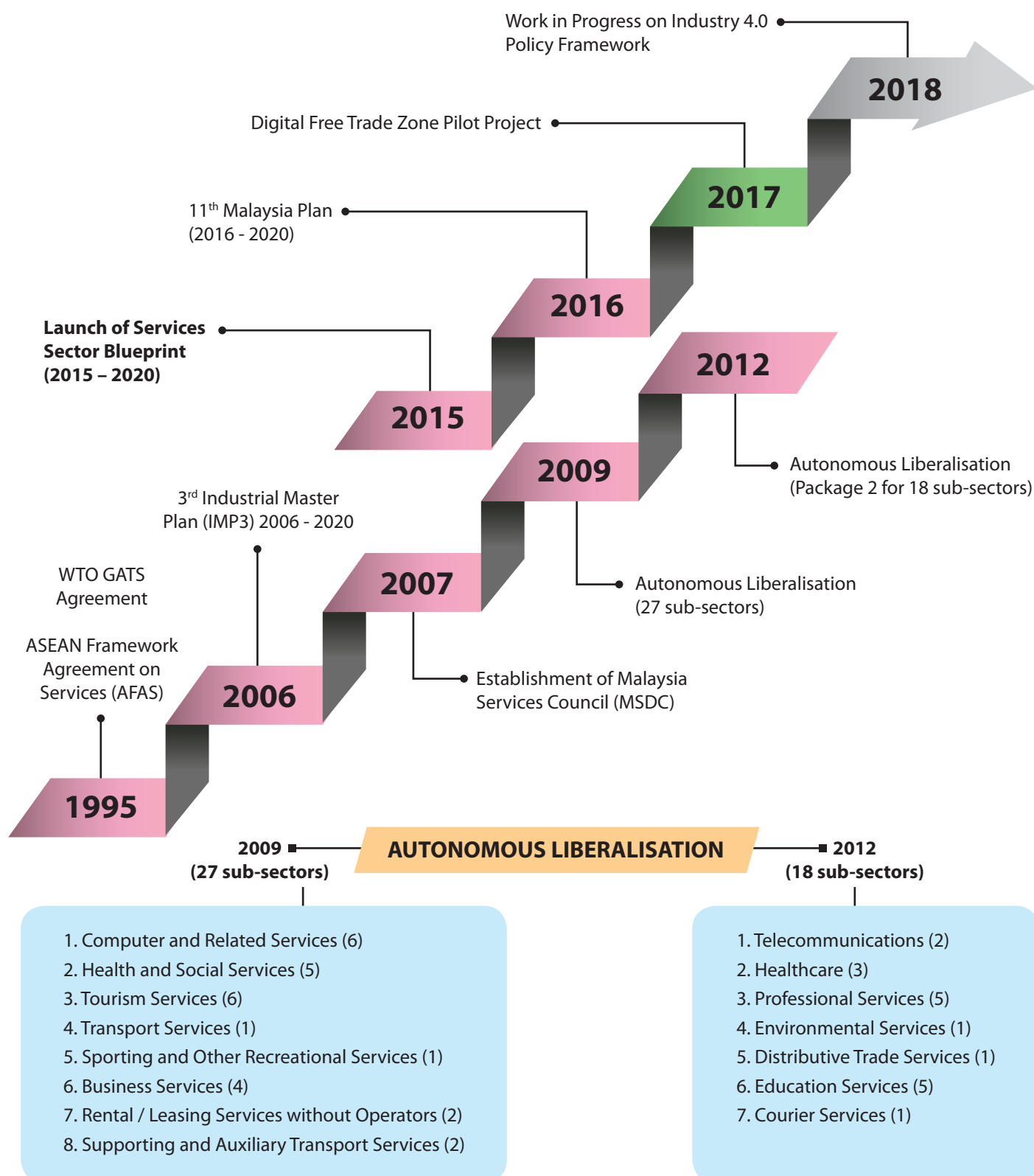
Establishment of **eFulfilment Hubs** in Malaysia by



# SERVICES SECTOR



## SERVICES SECTOR EVOLUTION



## SERVICES SECTOR BLUEPRINT (SSB)



### SERVICES SECTOR BLUEPRINT 2015 - 2020

#### TARGETS

- Enhanced labour productivity in the services sector
- Higher share of value added in knowledge-intensive services
- increased share of value added in services export

#### SECTORAL GOVERNANCE REFORM

- Design and implement strategy for sectoral governance reforms
- Ensure coherence with domestic regulations and practices



#### INTERNATIONALISATION STRATEGY

- Improve market access
- Capacity building
- Export promotion



#### SSB POLICY LEVERS



#### INVESTMENT INCENTIVES

- A review of the existing incentive framework was conducted to make it more effective and performance-driven
- The Incentive Coordination and Collaboration Office (ICCO) has been established in the Malaysian Investment Development Authority (MIDA) under the ambit of the Services Sector Blueprint

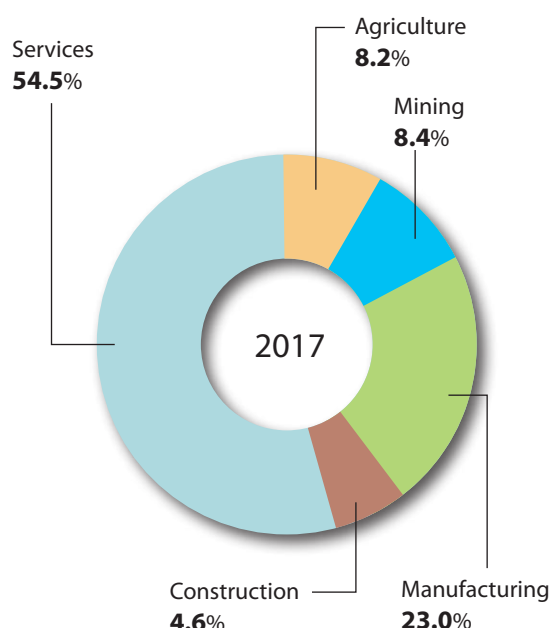
#### HUMAN CAPITAL DEVELOPMENT

- Accelerate human capital development
- Facilitate access to hard and soft technologies



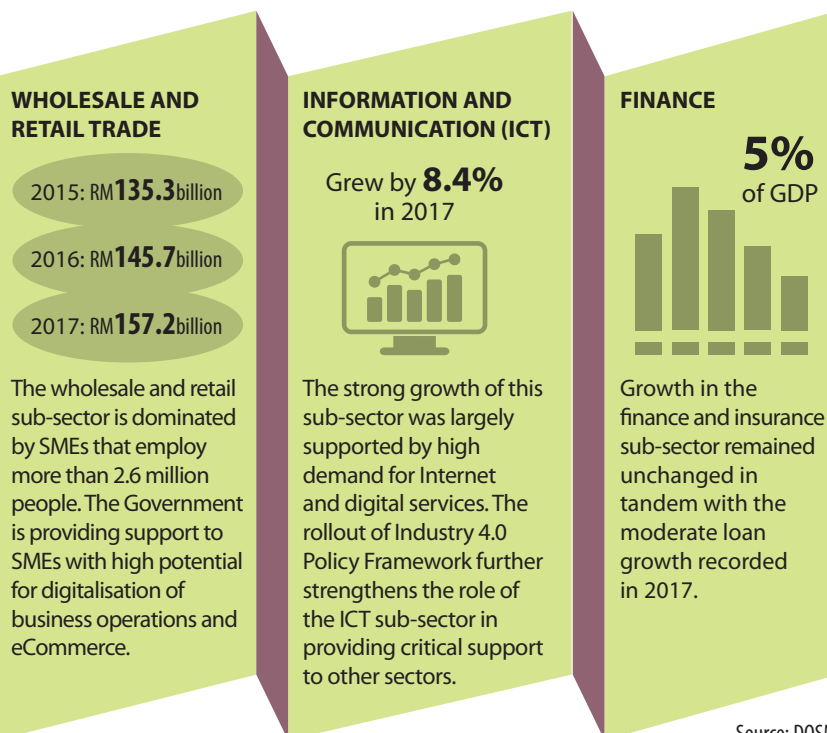
## SERVICES SECTOR CONTRIBUTIONS

### GDP Contributors



### Three Major Contributors in Services Sector

(excluding Government Services)



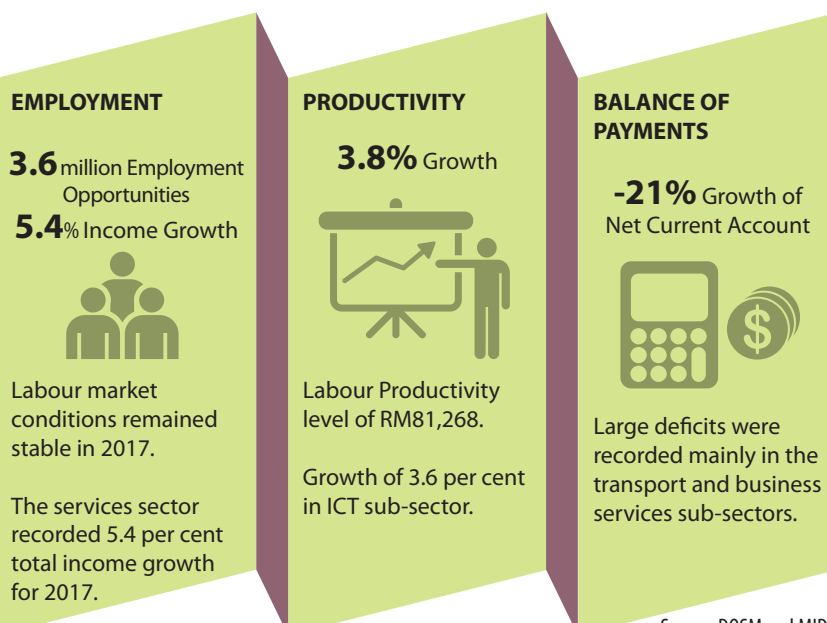
Source: DOSM

**RM1,174.3billion\***

\*GDP at constant 2010 prices (RM billion)

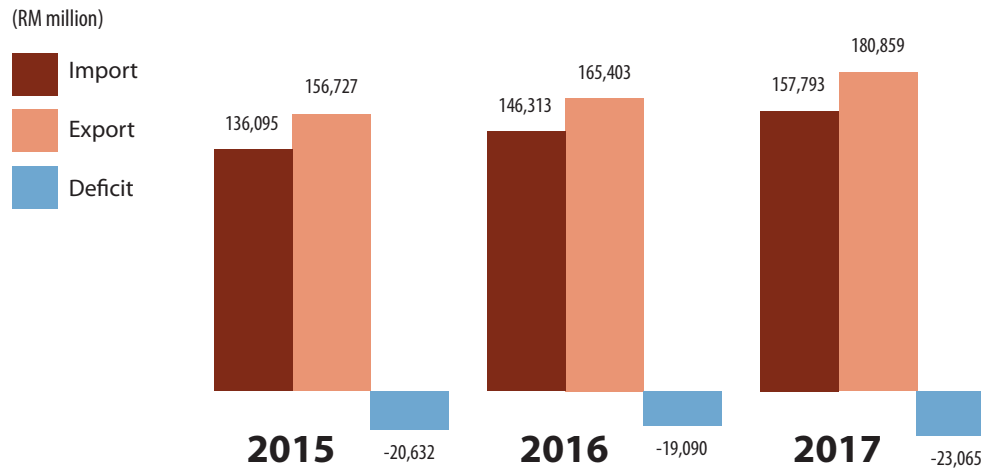
- Private consumption dominated overall consumption in 2017.
- All services sector activities recorded positive growth led by Wholesale and Retail Trade, ICT and Finance.
- Private sector to accelerate the driving of services industry to achieve high income nation status.

### Other Key Indicators



Source: DOSM and MIDA

## SERVICES TRADE PERFORMANCE

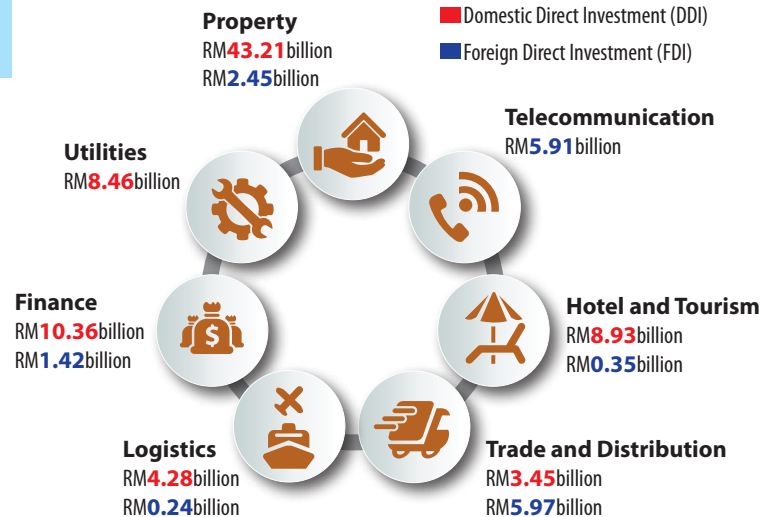
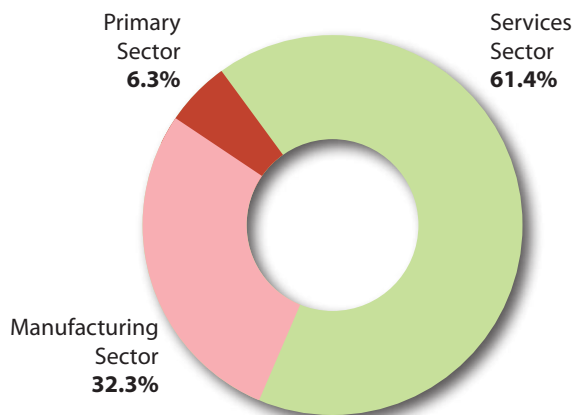


Source: DOSM

## INVESTMENTS

### APPROVED INVESTMENTS IN SERVICES SECTOR IN 2017

#### SERVICES CONTINUED TO DOMINATE APPROVED INVESTMENTS IN 2017



#### TOTAL APPROVED INVESTMENTS IN 2017

RM197.17 billion



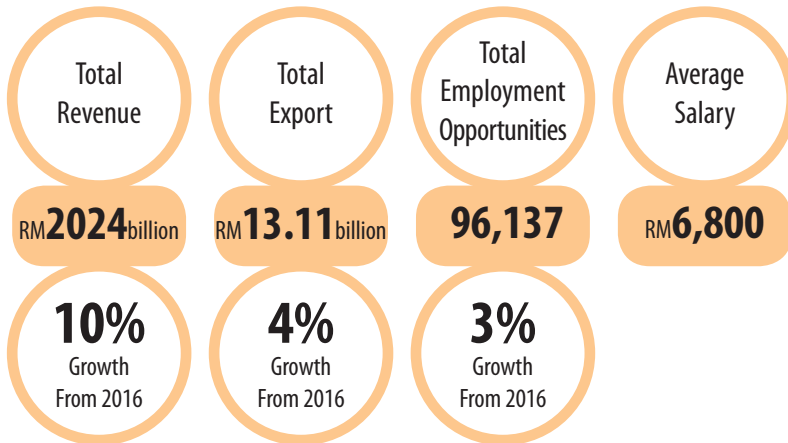
Sources of FDI

Source: MIDA

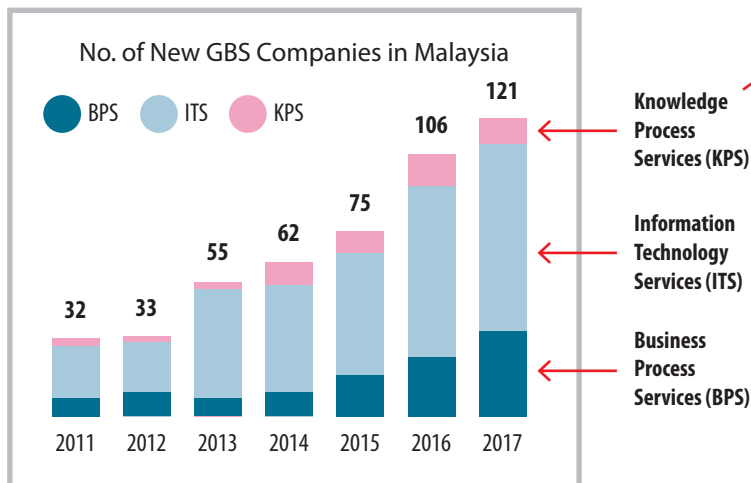
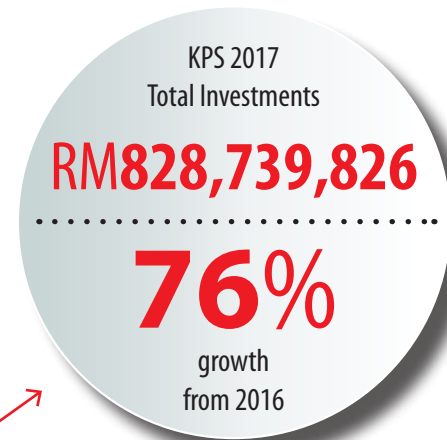
## GLOBAL BUSINESS SERVICES (GBS)

GBS is an industry that provides integrated high value services encompassing ICT, finance & accounting, HR, legal, engineering services, healthcare and other types of shares services.

### OVERVIEW OF GBS INDUSTRY IN 2016



### Moving up the Services Value Chain



### Strategic shift to attract investments: Move away from shared services to catalytic digital technology and services



**ENERGY & RESOURCES AUSTRALIA**

Innovative geosciences company for oil and gas industry

Patent holder for seismic processing solutions



**FINANCIAL SERVICES FRANCE**

Global leader in insurance industry | Fortune #25

Central hub of actuarial expertise, serving as a centre of excellence in technical subjects including actuarial product pricing and valuation

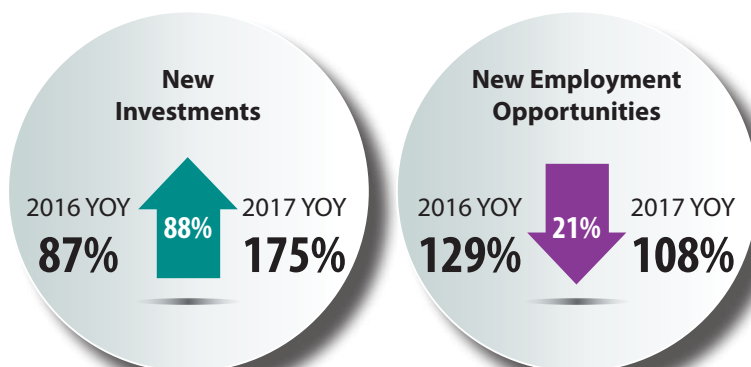


**CHEMICAL FRANCE**

World leader in industrial gases | Fortune #174

A 24x7 Remote Operations Centre with IoT and BDA, COE for Industry 4.0

### GBS Trend in Malaysia Higher Investment, Lower Job Creation

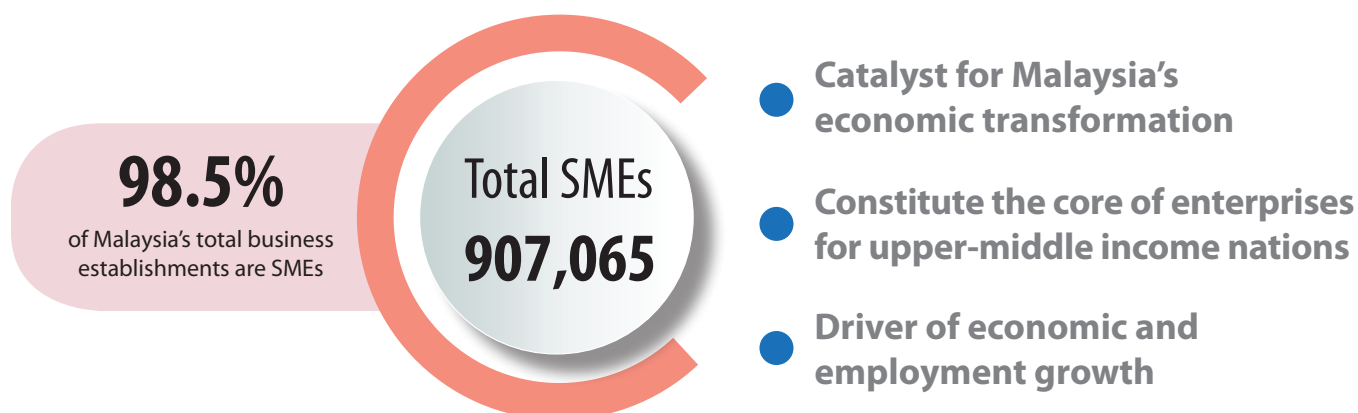




# SME DEVELOPMENT AND BUMIPUTERA ENTREPRENEURSHIP



## OVERVIEW OF SME PERFORMANCE IN 2016



The majority of the businesses are in the services sector (21.8 per cent), mainly in wholesale and retail trade, followed by manufacturing (7.9 per cent), agriculture (4.1 per cent), construction (2.1 per cent) and mining and quarrying (0.2 per cent).

**RM6.7 billion**

**Budget allocation for SMEs in 2017**

### SME GROWTH IN 2016

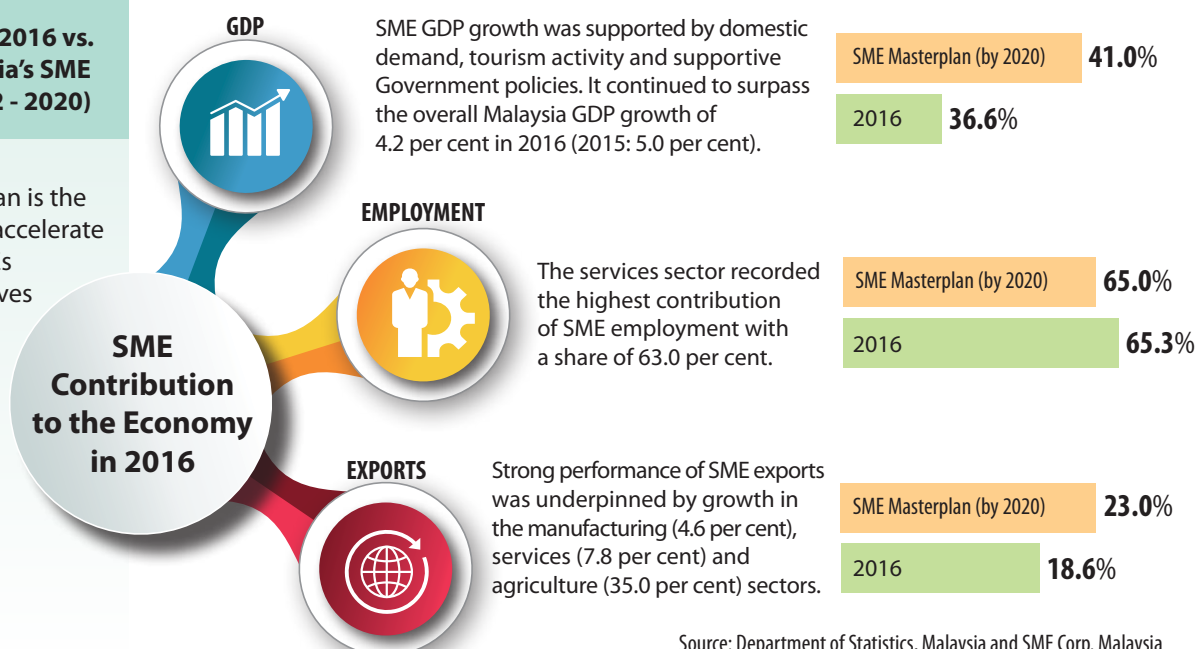
SMEs recorded real Gross Domestic Product (GDP) growth of 5.2 per cent. SMEs contributed 36.6 per cent share of the country's GDP.

### PROJECTED SME GROWTH IN 2017

Given Malaysia's strong GDP growth of 5.9 per cent in 2017, SME GDP is expected to record higher growth in 2017, between 6.3 - 6.9 per cent. The expected higher SME growth would be supported by firm domestic demand and continuous strong activity in the services sector.

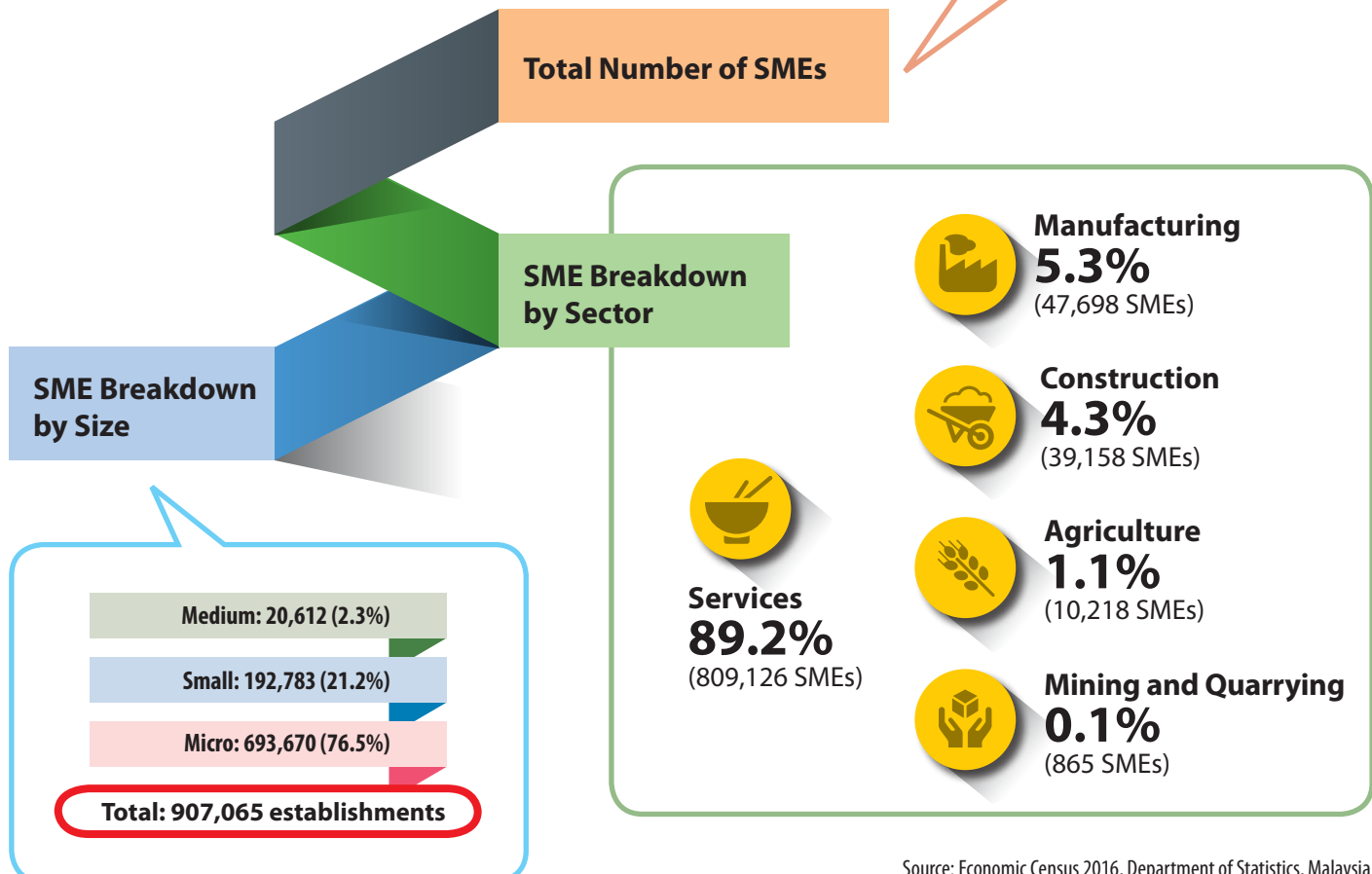
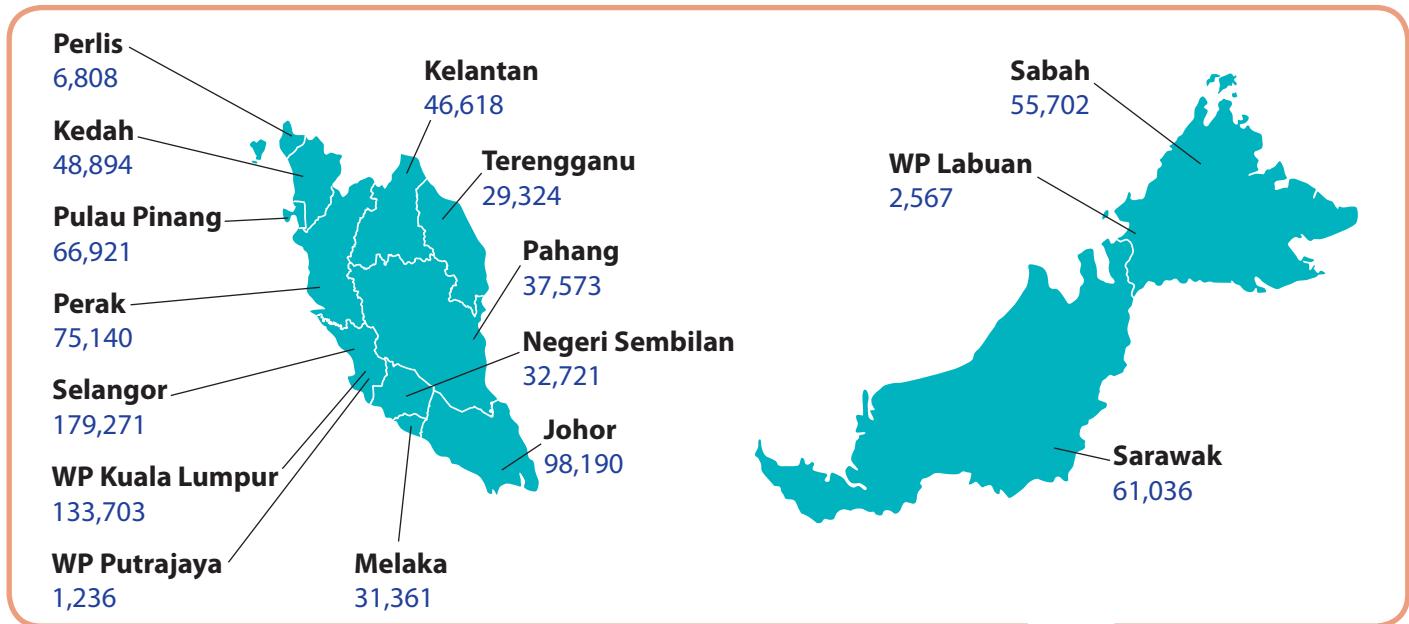
### Achievements in 2016 vs. targets in Malaysia's SME Masterplan (2012 - 2020)

The SME Masterplan is the game changer to accelerate the growth of SMEs through 32 initiatives encompassing six high-impact programmes (HIPs) and 26 other initiatives.



Source: Department of Statistics, Malaysia and SME Corp. Malaysia

## DISTRIBUTION OF SMEs IN MALAYSIA

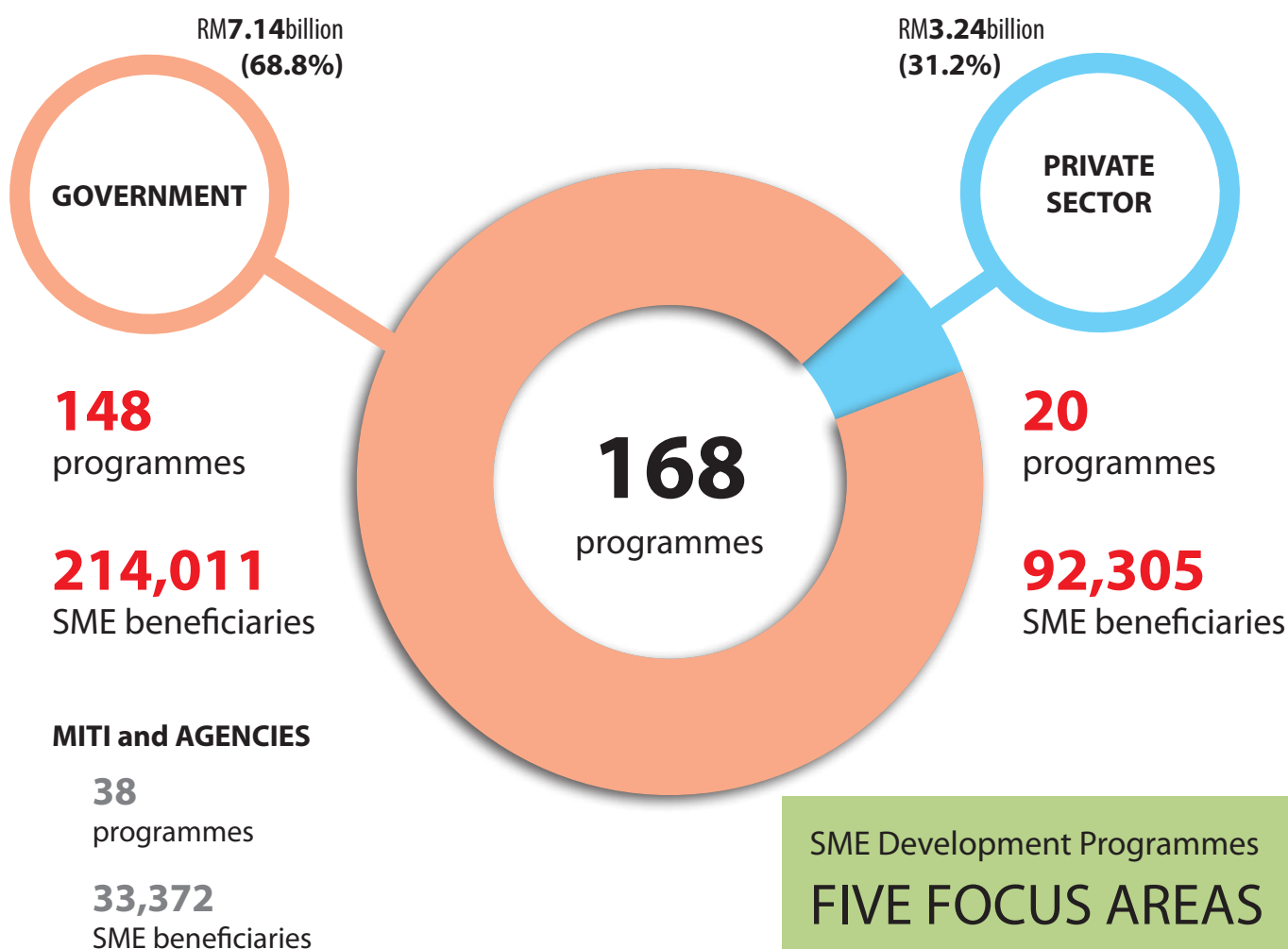


Source: Economic Census 2016, Department of Statistics, Malaysia

## SME DEVELOPMENT PROGRAMMES IN 2017



**168** programmes by **16** ministries, **60** agencies and private sector  
**RM10.38** billion overall financial commitment  
**306,316** SME beneficiaries



### SME Development Programmes FIVE FOCUS AREAS

- Access to Financing
- Market Access
- Human Capital Development
- Innovation and Technology Adoption
- Infrastructure

## SME DEVELOPMENT AND BUMIPUTERA ENTREPRENEURSHIP AWARDS AND RECOGNITION

### RECIPIENT



**Awarded**  
AAA/Stable/P1



**Outstanding Development Project:**  
Trade Development  
for Best Exporter  
Programme



**The FIRST Development Financial Institution (DFI)** in ASEAN to be accepted



**Merit Award: Human Capital Development Category:**  
SME Employee Capacity Building

**Most Supportive Bank**  
for Government Guarantee Schemes

### RECIPIENT



**ETB Corporate Agent  
(Corporate Business) by Etiqa  
11<sup>th</sup> September 2017**



### International Cooperation

- Malaysia-Taiwan Economic Cooperation Committee (MTECC)
- 12<sup>th</sup> East Asia SME Roundtable Meeting (EASRTM)
- 62<sup>nd</sup> Annual International Council for Small Business (ICSB) World Conference and 'International Day for MSMEs'
- Third Country Training Programme (TCTP): SME Development for African Countries
- ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME)
- APEC SME Working Group (SMEWG)

## BUMIPUTERA ENTREPRENEURSHIP FLAGSHIP PROGRAMMES UNDER THE BUMIPUTERA ECONOMIC EMPOWERMENT AGENDA (BEEA)

### Vendor Development Programme(VDP)

Nurtures vendor SMEs into manufacturers and suppliers for LLCs, MNCs and GLCs in the domestic and global markets



**2014** : Year of inception

1,354 vendors  
21 anchors (one MNC, 14 GLCs, six private GLICs)



#### Vendor Research and Commercialisation Grant

Pre-commercialisation and commercialisation grant  
15 beneficiaries

#### Vendor Capacity Development Programme

253 beneficiaries  
Smart Partnership with MPC, TPM, SME Bank, SIRIM, CEDER and MITRANS



### ACHIEVEMENTS IN 2017

#### VDP Global Champion

Hyrax Oil Sdn Bhd

#### VDP Regional Champion

Ideal Healthcare Sdn Bhd

#### VDP National Champion

- Swis Resources Sdn Bhd
- Daya OCI Sdn Bhd
- FM Media Sdn Bhd
- Muzamal Industries Sdn Bhd
- Foresight Industries Sdn Bhd
- Artisan Hartamas Sdn Bhd
- Indkom Engineering Sdn Bhd

### Groom Big

Improves the capabilities of SMEs and enhance the internationalisation of their products and services



**2006** : Year of Inception

**2009** : MITI took over from MECD

**Smart Partnership** : MITI - SIRIM Berhad - Malaysia Cooperation Commission

**Number of entrepreneurs** : 1,500

**Number of Groom Big Cooperatives** : nine



#### Domestic market

Most local and international hypermarkets in Malaysia

#### Export markets

Australia, Brunei, PRC, Ghana, Netherlands, Nigeria, Singapore, Thailand, Togo and USA



**Participation in 14<sup>th</sup> China-ASEAN Expo (CAEXPO), Nanning, China**

10 companies, three cooperatives, RM58.8million sales

## BUMIPUTERA ENTREPRENEURSHIP FLAGSHIP PROGRAMMES UNDER THE BUMIPUTERA ECONOMIC EMPOWERMENT AGENDA (BEEA)

### Bumiputera Special Shares

Bumiputera Special Shares Placement and Recognition of Bumiputera-controlled Public Listed Companies (BCPLC)



**1985** : Year of inception

**Smart Partnership** : Bursa Malaysia, Securities Commission, Investment Banks

- Upgraded Saham Online System
- Mobile Apps MySaham2u



**Bumiputera Special Shares Placement through:**

- Initial Public Offering (IPO)
- Private Placement

**Compliance with Bumiputera Special Shares requirement:**  
12.5 per cent of total enlarged shares



### ACHIEVEMENTS IN 2017

- More than 17,500 registered investors (increase 34.6 per cent from 2016)
- Four IPOs issued
- Nine Private Placements
- 735,211,240 Bumiputera Shares allocated (Value: RM2.066 billion)
- Outreach #jomlaburmiti - six series, 3,000 participants

### Satu Daerah Satu Industri (SDSI)

Empower SMEs to produce quality goods at the district level and provide them with the competitive edge to compete in the export market



**1986** : Year of inception

**2004** : MITI led the Promotion, Marketing and Entrepreneur Development Cluster

**Smart Partnership** : ICU, MOA, MOTAC and KKLW



2,731 entrepreneurs  
167 districts

**SDSI Product Cluster**

Food and Beverages, Crafts, Homestay, and Health Products and Services



**Mini SDSI Showcases** : four states, 400 entrepreneurs, 8,000 visitors

## BUMIPUTERA PROGRAMMES



**TUNAS USAHAWAN  
BELIA BUMIPUTERA**

- Total participation of 2,433 youths
- Total sales valued at RM54.6 million
- Created 4,414 new employment opportunities



**Bumiputera Enterprise  
Enhancement Programme  
(BEEP)**

- 976 applications approved
- RM141.65 million in matching grants
- RM40.7 million approved for 334 Bumiputera SMEs

## FLAGSHIP PROGRAMMES OF MITI AGENCIES

### TERAS Financing Scheme

A total 22 SMEs have obtained financing from SME Bank amounting to RM100.9 million and RM 51.2 million has been disbursed.

### Enterprise Premise Financing (i-EPF)

A total 122 applications were approved with financing amounting to RM323.0 million. RM138.3 million has been disbursed.

### Skim Anjakan Usahawan (i-SMART)

RM23.5 million in financing has been approved for 10 companies with high potential.

### Best Exporters Programme

Approved grant allocation to 21 SMEs valued at RM4.2 million of which RM2.4 million has been utilised.



**Symposium Usahawan MIDF  
2017 @ Minggu Saham  
Amanah Malaysia**

The symposium was attended by 500 participants



BEDP	(companies)
New Recruitment	8
Existing Companies	23
Total	31

- RM5.78 million
- 92 business meetings
- Six export promotion activities
- Participated by companies under BWYEDP



## SME DEVELOPMENT AND BUMIPUTERA ENTREPRENEURSHIP OUTREACH PROGRAMME

★HALFEST (Kedah)

★Kapsul Bumiputera (Ipoh)

★SMIDEX (Kuala Lumpur)

★GLC ExplorAce (Kuala Lumpur)

★MAI Auto Show (Selangor)

★GoEx Engagement Session (Johor Bahru)

★MITI and Agencies Outreach Programme  
(Kota Bharu)

★MATRADE Engagement Session (Kuantan)

★Karnival Jelajah Usahawan (Labis)

★JOM Labur @ MITI (Kuala Lumpur, Ipoh,  
Kota Kinabalu and Kota Bharu)

★Seminar Mega Labur (Kuala Lumpur)

PROGRAMMES  
**127**

BENEFICIARIES  
**1,515,294**



★MIDF Engagement Session (Kuching)

★Minggu PKS (Kota Kinabalu)

★SME Bank Engagement Session (Kota Kinabalu)

★SME Bank Mini XCESS (Bintulu)

### OUTREACH PROGRAMMES

- SME Hub
- SME Hub on Wheels
- Pocket Talks
- Information Booth at Trade Exhibitions
- SME Brand Development Programme (Mobile Gallery)
- Jelajah Usahawan MITI & Agensi
- JOM Labur @ MITI

- Business Linkages Programme
- Going Export Programme (GoEx)
- Engagements
- eTrade
- SME Week
- "Chor & Chah" Mini Drama Series (Seasons 1 & 2)
- Minggu Saham

## SME DEVELOPMENT AND BUMIPUTERA ENTREPRENEURSHIP SUCCESS STORIES

### VENDOR DEVELOPMENT PROGRAMME

#### Hyrax Oil Sdn Bhd

A lubricants producer and TNB vendor



**Joined VDP:**  
1997



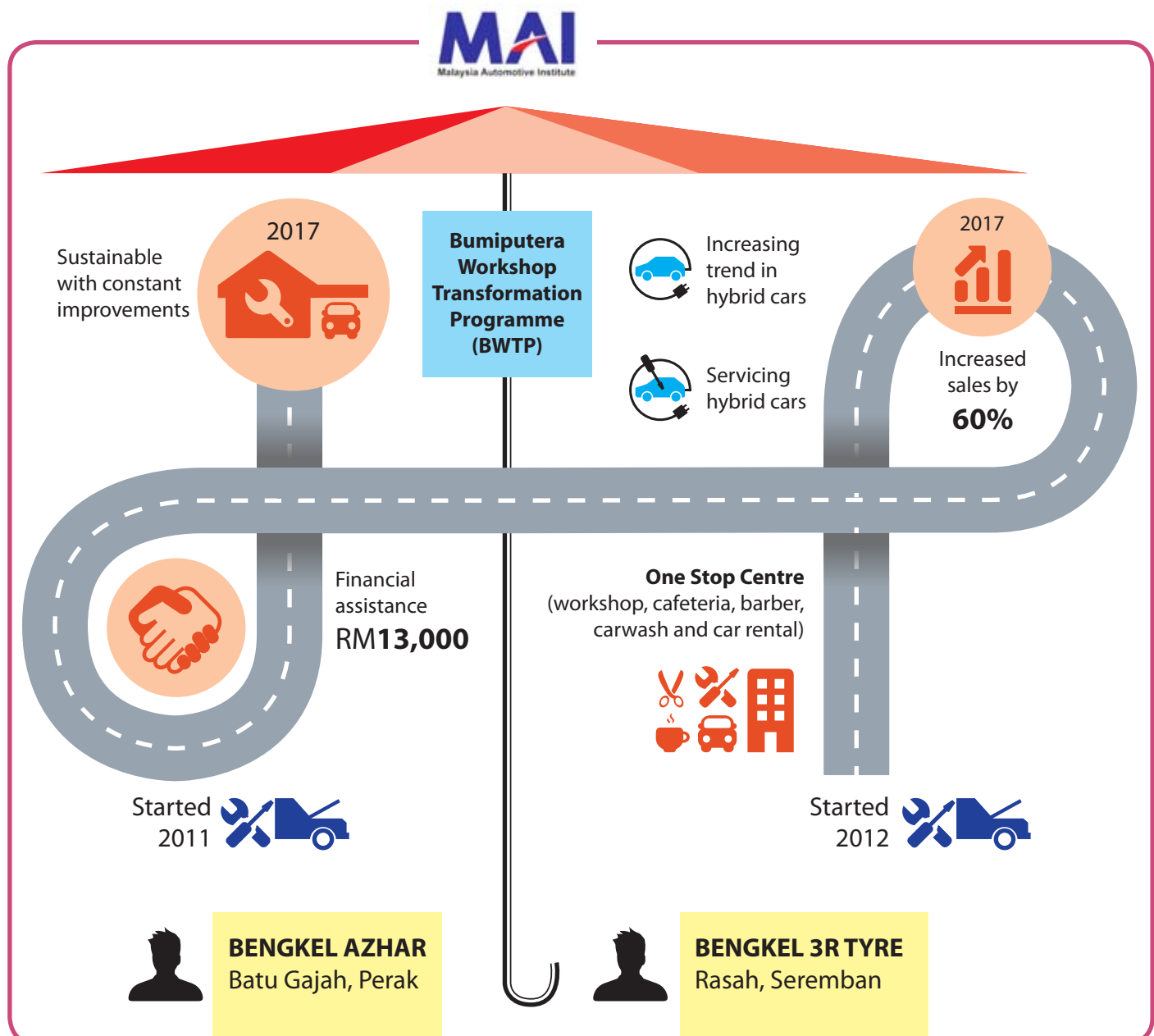
**Product:**  
Transformer oil



**Export Markets:**  
ASEAN, UAE, the PRC and Republic of Korea



**Award:**  
VDP Global Champion



## SME DEVELOPMENT AND BUMIPUTERA ENTREPRENEURSHIP SUCCESS STORIES



**STRATEGIC PARTNERSHIP:  
MITI AND MALAYSIA AIRPORTS  
HOLDINGS BERHAD (MAHB)**

**ESTABLISHED  
2006**

### **JONKER WALK KOPITIAM @ KLIA**

A local café that offers a variety of fast meals, ranging from traditional Baba Nyonya dishes to local favourites



*Best KLIA Outlet  
Sales Performance  
of 2013*

### **D'BAZAAR @ KLIA**

Convenience store selling SME products, fresh-to-go foods, beverages and magazines



**THE INTER  
STICKER TRADING  
COMPANY**



**JOINED  
TUBE IN  
2016**

**PRODUCTS:** Embroidery and design, fabric and textile printing and advertising services



Successfully developed a prototype utilising 'Depth Sensing Camera' that provides automatic body measurements

Eight employees



Start-up grant of RM15,000 under the TUBE Programme

Monthly sales of RM30,000 - RM45,000



## SME DEVELOPMENT AND BUMIPUTERA ENTREPRENEURSHIP SUCCESS STORIES



**AKIF CAFÉ  
COFFEE INDUSTRIES  
SDN BHD**

**akifcafé**

ESTABLISHED  
2011

FIRST PRODUCT:  
CAP BADAK KLASIK



Supplier to Giant hypermarkets



New manufacturing facility with 30 employees



MATRADE eTrade Grant applicant



Pioneer for DFTZ Malaysia



First shipment to China valued at RM120,000



**MIFF HOLDING (M)  
SDN BHD**

**MIFF**

ESTABLISHED  
2006

PRODUCT:  
HAND CLAY WASH,  
CLAY POWDER



Green Islamic Cleaning (GIC)

Malaysian Standard MS2400-1:2010  
under Halalan Toyibban Assurance  
Pipeline



Export Acceleration Mission (EAM) to  
the Philippines under Best Exporters  
Programme (BEP)

First contract valued at RM7.5 million



Contract signing ceremony held on 29 August 2017  
between MIFF Holding's and C'Scor Global Intertrade

## SME DEVELOPMENT AND BUMIPUTERA ENTREPRENEURSHIP SUCCESS STORIES



has successfully assisted:



### **Seaventures Travel and Tours Sdn Bhd**

Expanded their diving  
facility business



### **Water Genesis Sdn Bhd**

Improved the  
company's branding,  
international certification  
and export market  
potential



### **Burnmark Industries Sdn Bhd**

Upgraded to be  
a first-tier  
automotive vendor

## SME DEVELOPMENT AND BUMIPUTERA ENTREPRENEURSHIP: TRENDS AND OPPORTUNITIES

Aligning SMEs with Megatrends, Industry 4.0 and Digital Free Trade Zone (DFTZ) to accelerate achievement of the SME Masterplan targets.

**SME Contribution to Overall GDP in 2016: 36.6%**  
**SME Masterplan Target by 2020: 41%**

**SME Contribution to Total Exports in 2016: 18.6%**  
**SME Masterplan Target by 2020: 23%**

**SME Contribution to Total Employment in 2016: 65.3%**  
**SME Masterplan Target by 2020: 65%**

The Government's key strategy is to align SMEs with Industry 4.0 through targeted assistance in automation, digitalisation and robotisation.



# PRODUCTIVITY AND COMPETITIVENESS

A decorative graphic at the bottom of the page. It features a series of horizontal stripes in various shades of blue and teal. A solid black diagonal bar cuts across the stripes from the left side, extending towards the center of the page.

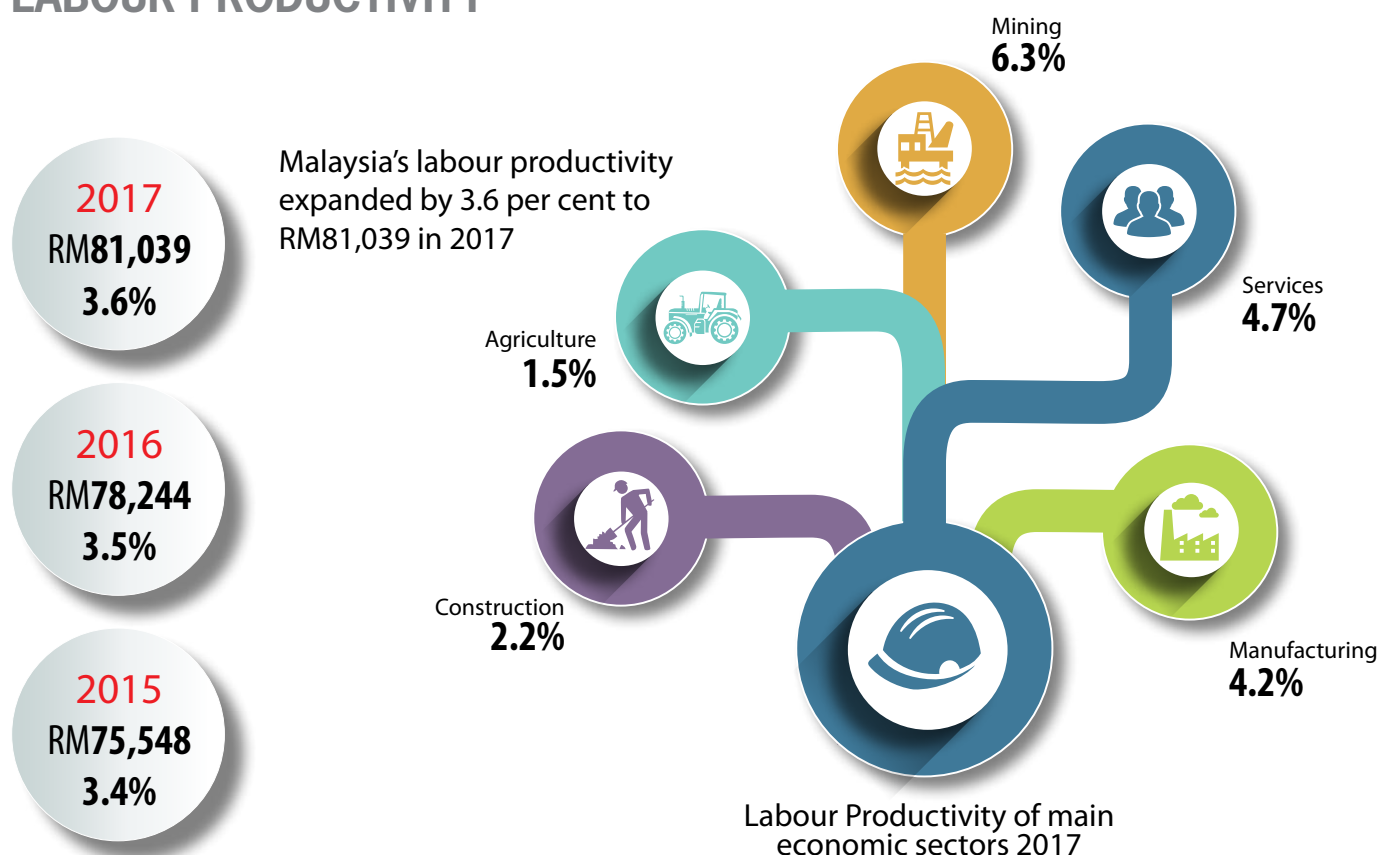


## PRODUCTIVITY AND COMPETITIVENESS

**PRODUCTIVITY** is the single most important factor in a country's long-term growth. High productivity nations are able to quickly adapt to changing macroeconomic challenges as well as fundamental shifts brought on by technological advancement.

**COMPETITIVENESS** is closely intertwined with productivity. Factors that enhance productivity growth make countries more competitive in international markets, and competitiveness reflects the overall circumstances, institutions and policies that impact productivity.

## LABOUR PRODUCTIVITY



Source: Fourth Quarter 2017, Labour Productivity,  
Department of Statistics Malaysia



## COMPETITIVENESS REPORTS



### WORLD COMPETITIVENESS YEARBOOK 2017

**24<sup>th</sup>**  
**63** INDICATOR IN TOP FIVE RANKING



Industrial disputes **1<sup>st</sup>**



Investment in telecommunications **4<sup>th</sup>**



High-tech exports **4<sup>th</sup>**



Use of big data and analytics **5<sup>th</sup>**



Science degrees **5<sup>th</sup>**

**TOP 25  
NATIONS IN  
COMPETITIVENESS  
REPORTS  
2017/2018**

WORLD  
ECONOMIC  
FORUM

### GLOBAL COMPETITIVENESS REPORT 2017-2018

**23<sup>rd</sup>**  
**137**



**MARKET SIZE**



Foreign Market Size Index **17<sup>th</sup>**



**TECHNOLOGICAL READINESS**



Firm-level technology absorption **19<sup>th</sup>**



Mobile broadband subscription **21<sup>st</sup>**



WORLD BANK GROUP

### DOING BUSINESS 2018

**24<sup>th</sup>**  
**190**



Getting electricity **8<sup>th</sup>**



Dealing with construction permit **11<sup>th</sup>**



Getting credit **20<sup>th</sup>**



Starting a business **111<sup>th</sup>**

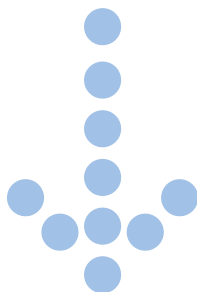
## MALAYSIA PRODUCTIVITY BLUEPRINT (MPB)

Malaysia Productivity Blueprint (MPB) was launched on 8<sup>th</sup> May 2017.



MPB aims to achieve targets set in the Eleventh Malaysia Plan (2016-2020).

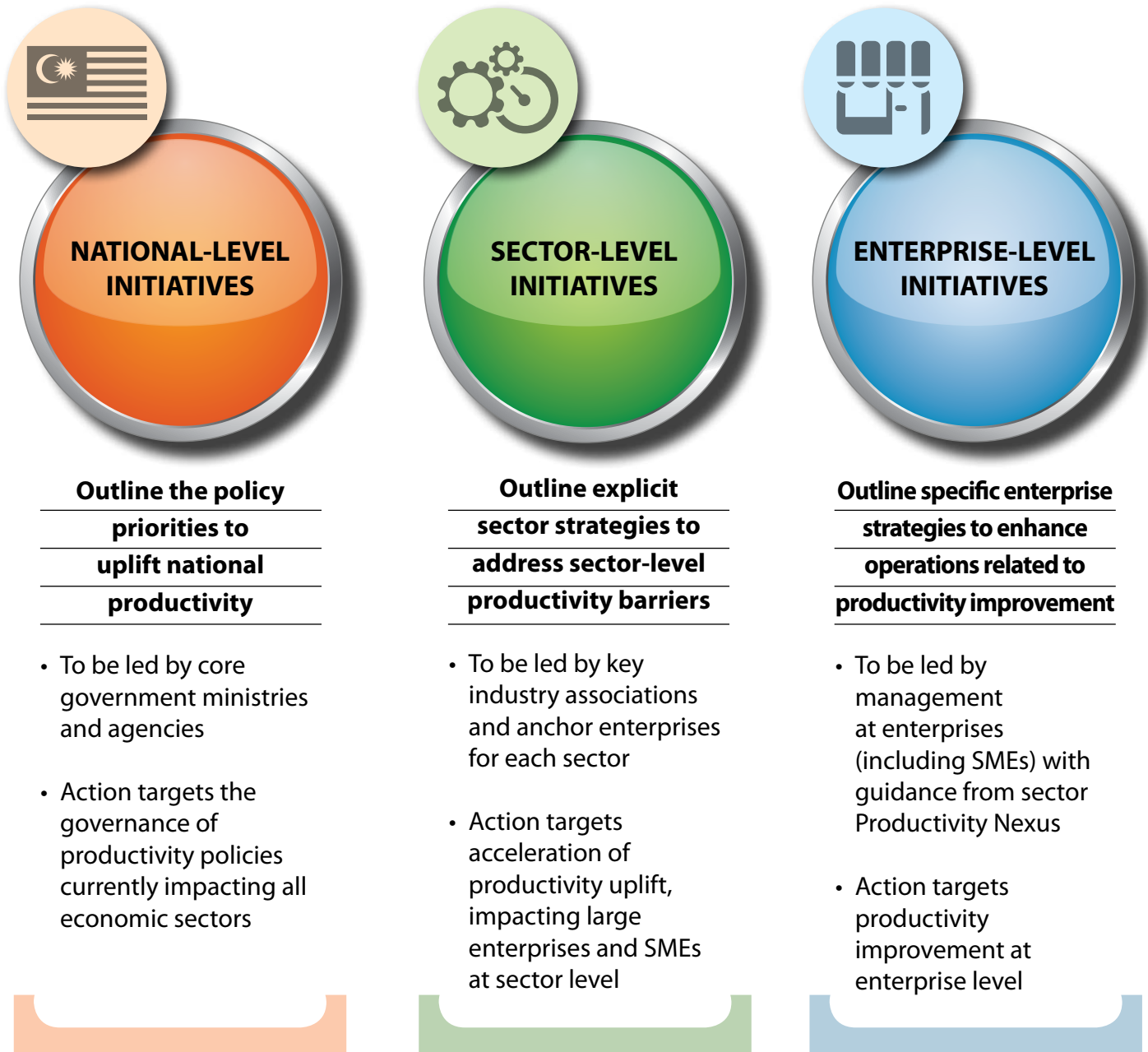
**3.7%**  
labour productivity  
growth per annum



The private sector will drive this productivity agenda in partnership with the government.

## MPB OUTLINES

**Productivity must be addressed holistically and in tandem at the national, sector and enterprise levels**



- Strong coordination and governance are key to securing implementation certainty
- Productivity needs to be a top of mind movement and embedded into day-to-day work culture

## MPB PRODUCTIVITY NEXUS

Productivity Nexus is a key agent empowered by industry associations which support enterprises to improve visibility of the implementation progress. The roles are:



### Nine Productivity Nexus

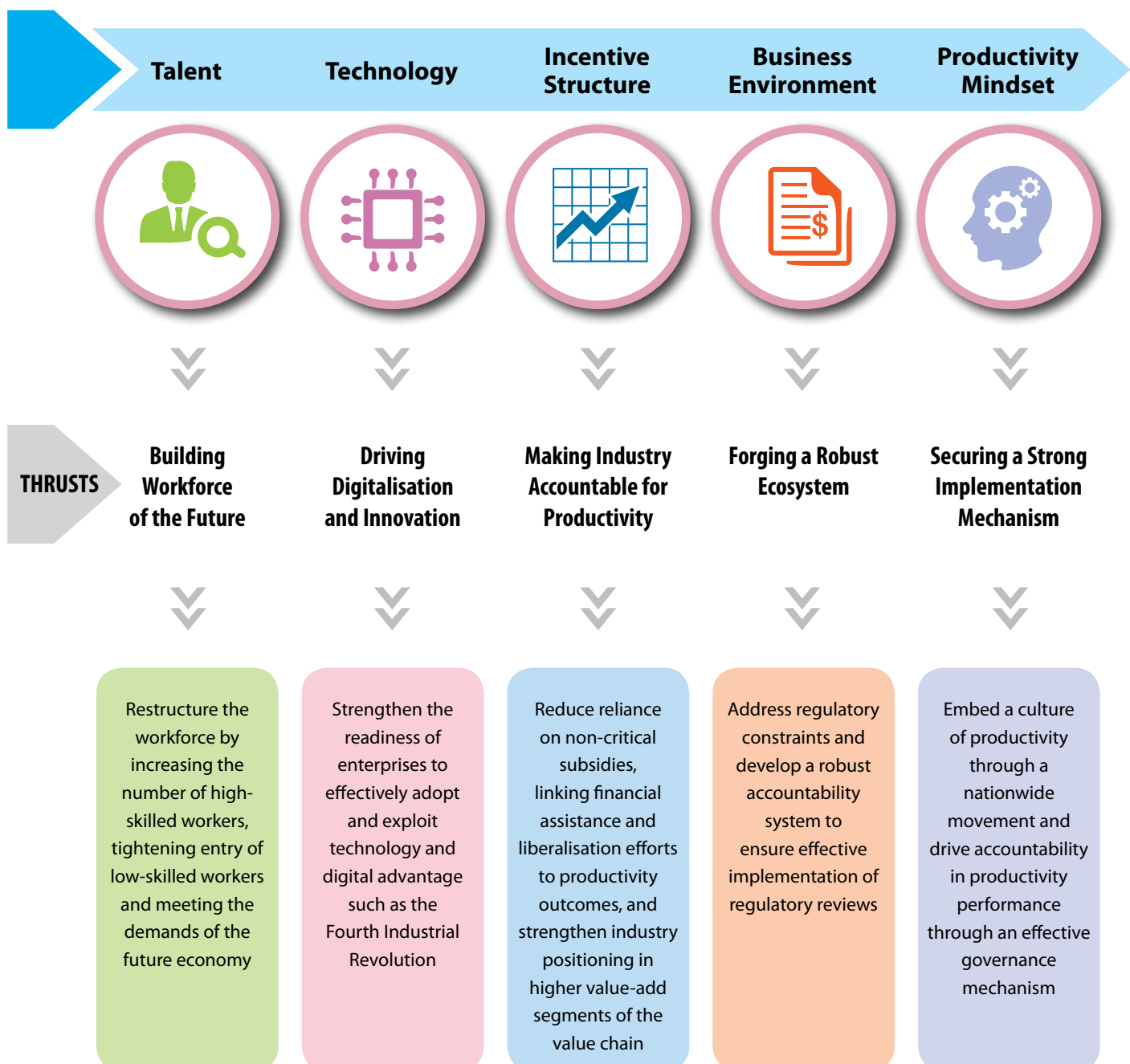


### Who oversees the Productivity Nexus?

The Delivery Management Office (DMO) under the Malaysia Productivity Corporation is responsible for monitoring the successful transformation of sectors under the Nexus.

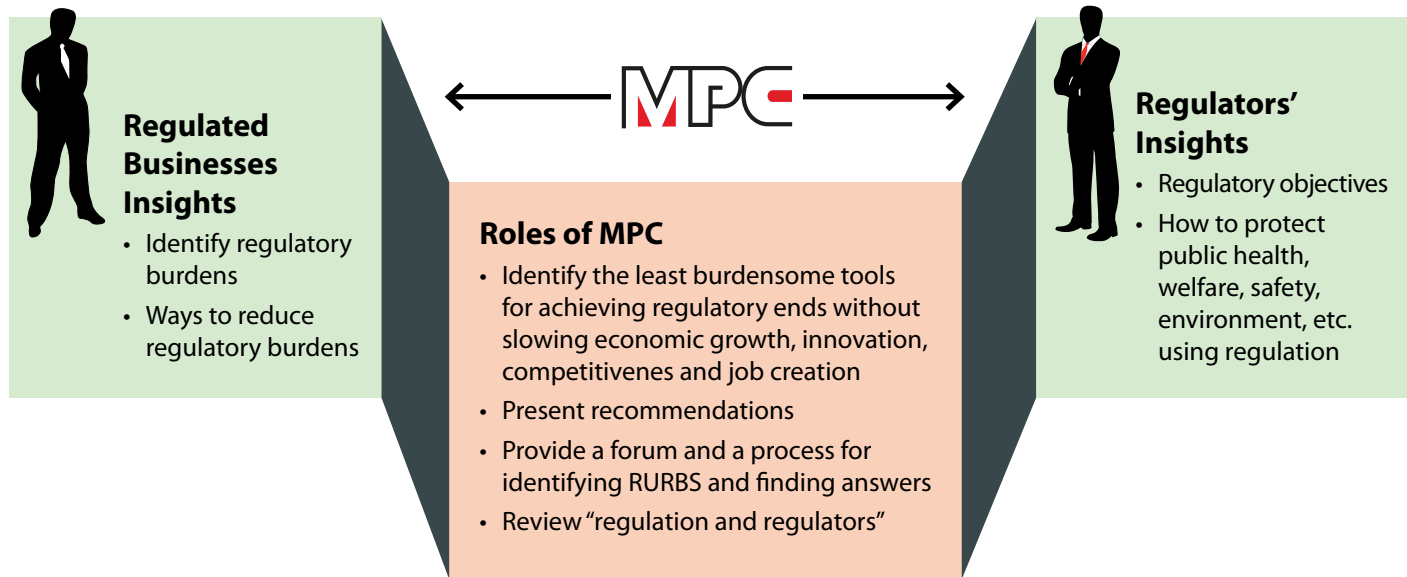
## MPB STRATEGIC THRUSTS

**Five Strategic Thrusts**  
to address challenges impeding  
Productivity Growth across sectors



## REDUCING UNNECESSARY REGULATORY BURDENS (RURB)

### RURB VALUE PROPOSITION



**RURB** helps regulated businesses **identify regulatory burdens, suggest solutions** and then present them to regulators in **a credible way**. RURB covers written regulation and its administration.

**RM54 billion<sup>1</sup>**

*Burdens of regulation<sup>2</sup>*

Note:

1) DOSM: National Accounts Current Price (2017);

2) OECD Regulatory Policies in OECD Countries (2002): Burdens of regulation. (4 per cent of GDP)

### 2014 - 2016

1. Private Hospitals
2. Growing Oil Palm (Upstream)
3. Oil and Gas (Downstream)
4. Professional Services (Building Industry)
5. Medical Professional Services
6. Private Higher Education
7. Construction
8. Electrical and Electronics
9. Logistics
10. Warehousing Services
11. Process Food Products

### RURB Sector Reviews

### 2017



• Courier Services



• Distributive Trade Services

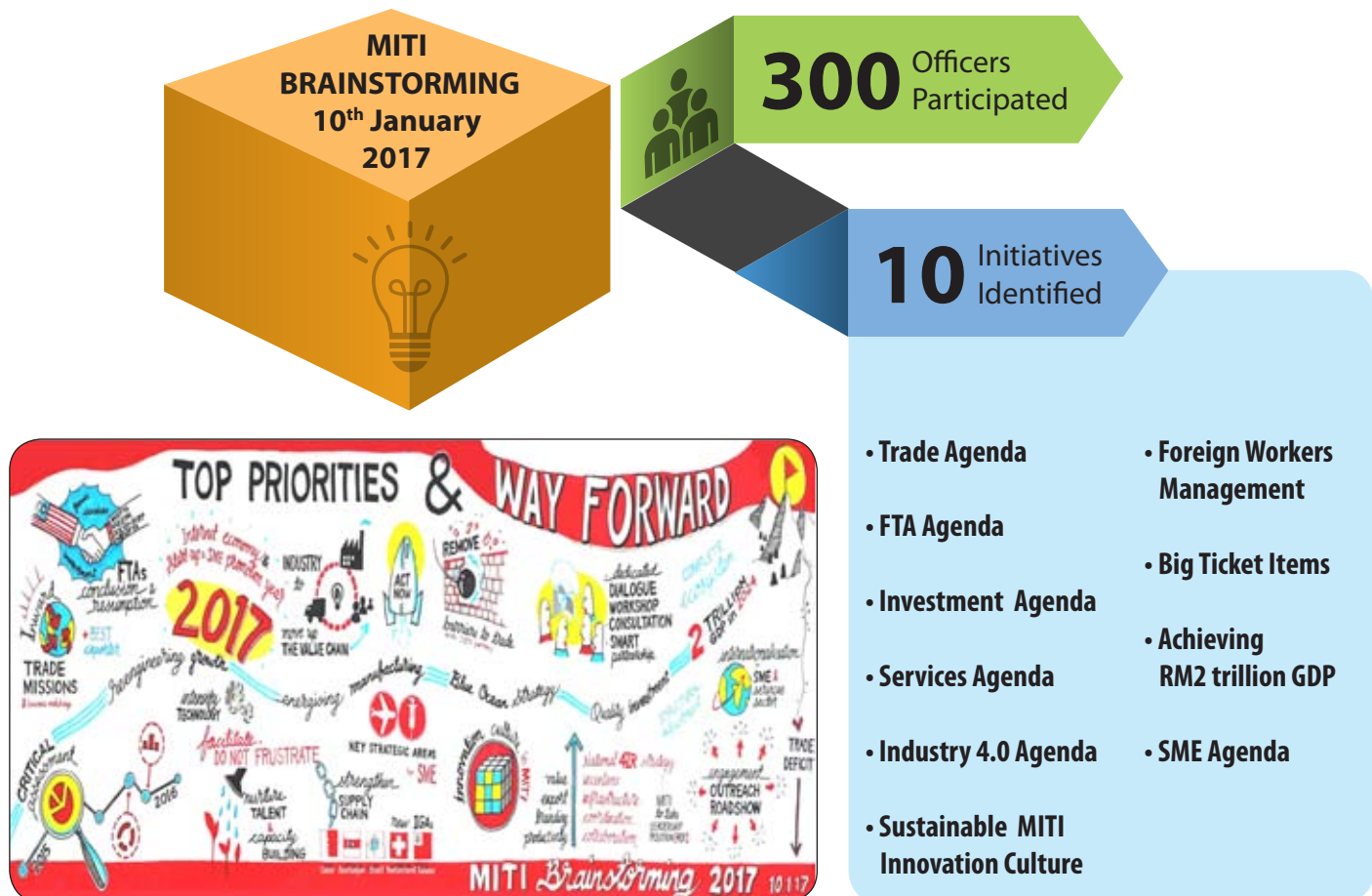
• Oil and Gas (MRO)



# MANAGEMENT AND SUPPORT SERVICES

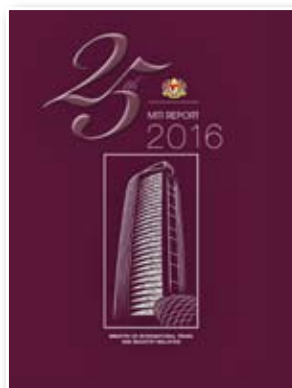


## MITI BRAINSTORMING



## MITI REPORT 2016

The 25<sup>th</sup> edition of MITI Report contains of MITI's Milestones from 1992 – 2016 that offers a snapshot of significant developments in Malaysia's trade.



### CONTENTS

- International Trade
- Investments
- Industrial Development and Competitiveness
- SME Development and Bumiputera Entrepreneurship
- Outreach 2016
- Economic Outlook 2017

**1,000**  
copies printed

More than  
**970**  
copies distributed

Free download is available from MITI Portal [www.miti.gov.my](http://www.miti.gov.my)



## MITI WEEKLY BULLETIN (MWB)

MITI Weekly Bulletin has reached more than

# 10,000

readers in 2017



**48 issues  
published**



**Sent to 5,000  
email addresses  
weekly**



**Received 10,000 hits  
weekly**

Features the latest domestic and international statistics and economic updates. It also contains MITI and Agencies activities and programmes.

### **MITI Weekly Bulletin (MWB) Mobile Apps**

MITI MWB Apps is now available for IOS, Android and Windows platforms. MWB Apps can be download from Gallery of Malaysia Government Mobile Apps (GAMMA) at the link:  
<http://gamma.malaysia.gov.my/#/appDetails/85>

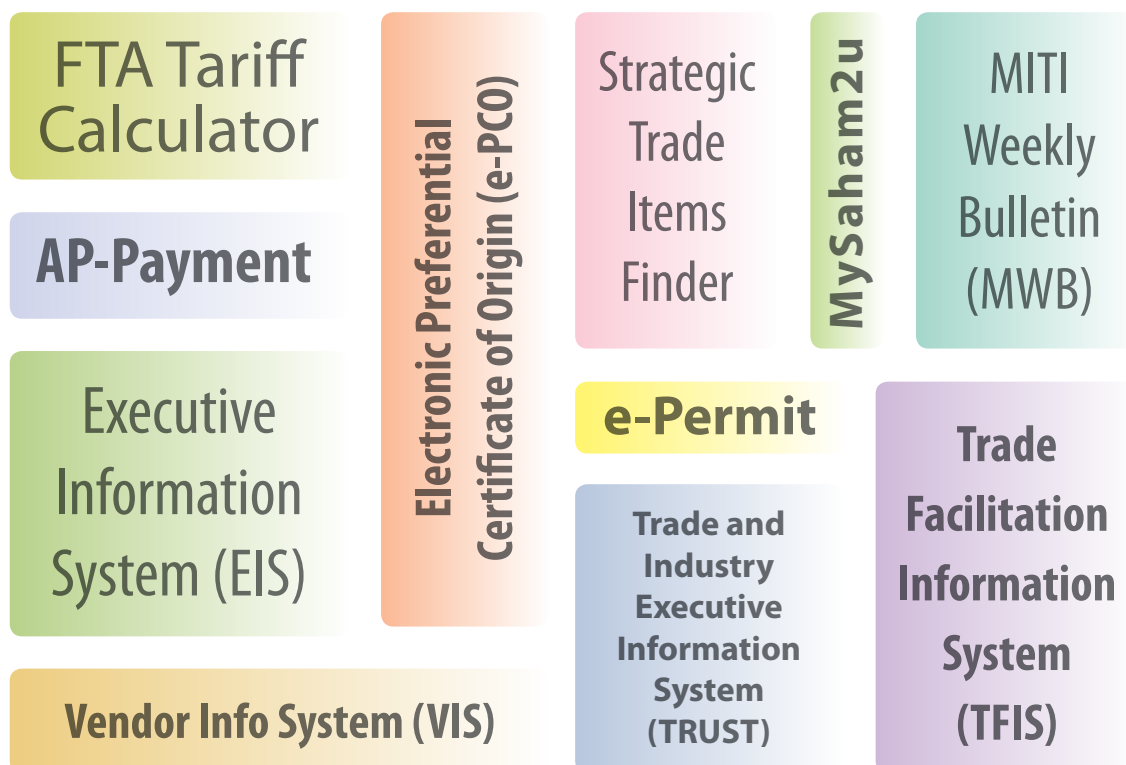
### **MWB Facebook Page**

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

## FACILITATING TRADE AND TRANSFORMING INDUSTRY THROUGH ICT



### MAIN SYSTEMS / APPLICATIONS



### TOTAL USERS FOR SYSTEMS / APPLICATIONS



## OUTREACH ACTIVITIES

### MITI DAY 2017

**MITI Day Northern Region**  
6<sup>th</sup> May 2017  
Ipoh

**MITI Day Eastern Region**  
19<sup>th</sup> October 2017  
Kota Bharu

**5,000** Visitors



**6,500** Visitors

**9,886** Job Opportunities



**2,065** Job Opportunities



Total candidates hired **1,313**

### MITI POCKET TALK

MITI Pocket Talk is a series of sessions for the private sector on the benefits of free trade agreements (FTAs). Participants are guided on how to fully utilise the FTAs to gain a competitive edge.



**11 sessions**

MITI HQ – Six sessions

MITI Regional – Five sessions



**Total Participations:**  
**370** participants

## TRANSFORMASI NASIONAL 2050 (TN50)

TN50 is an initiative to plan for the future of Malaysia in the period 2020 to 2050. This objective needs to be fleshed out and given meaning by Malaysian citizens themselves.

**SEVEN** engagements were held to collect aspirations through Post-It and Vote-It



**Kuala Lumpur (two), Johor (two), Sabah (one), Kelantan (one) and Perak (one)**

**8,092**

aspirations recorded during TN50 engagements

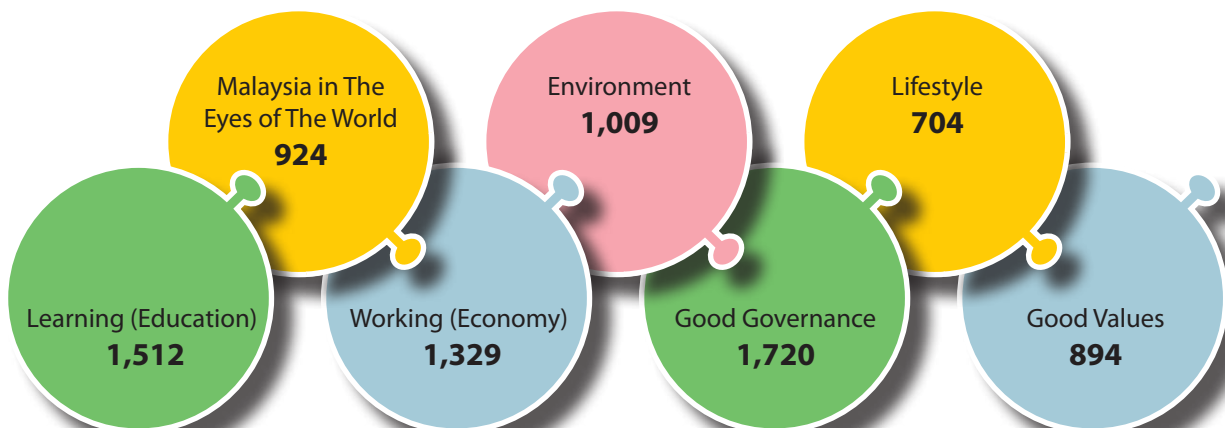
Compiled from

**823**  
POST-IT

**7,269**  
VOTE-IT

**4,726** Participants from Business Communities

### DISTRIBUTION OF ASPIRATIONS RECORDED BASED ON THE SEVEN PILLARS



## LIBRARY 2U@MITI

Pertandingan Bijak Eja  
18<sup>th</sup> September 2017



**Bulan Bahasa  
Kebangsaan**

**Reading  
Campaign**

Reading Campaign  
10<sup>th</sup> October 2017



**Exhibition**



**Innovation  
Programme**



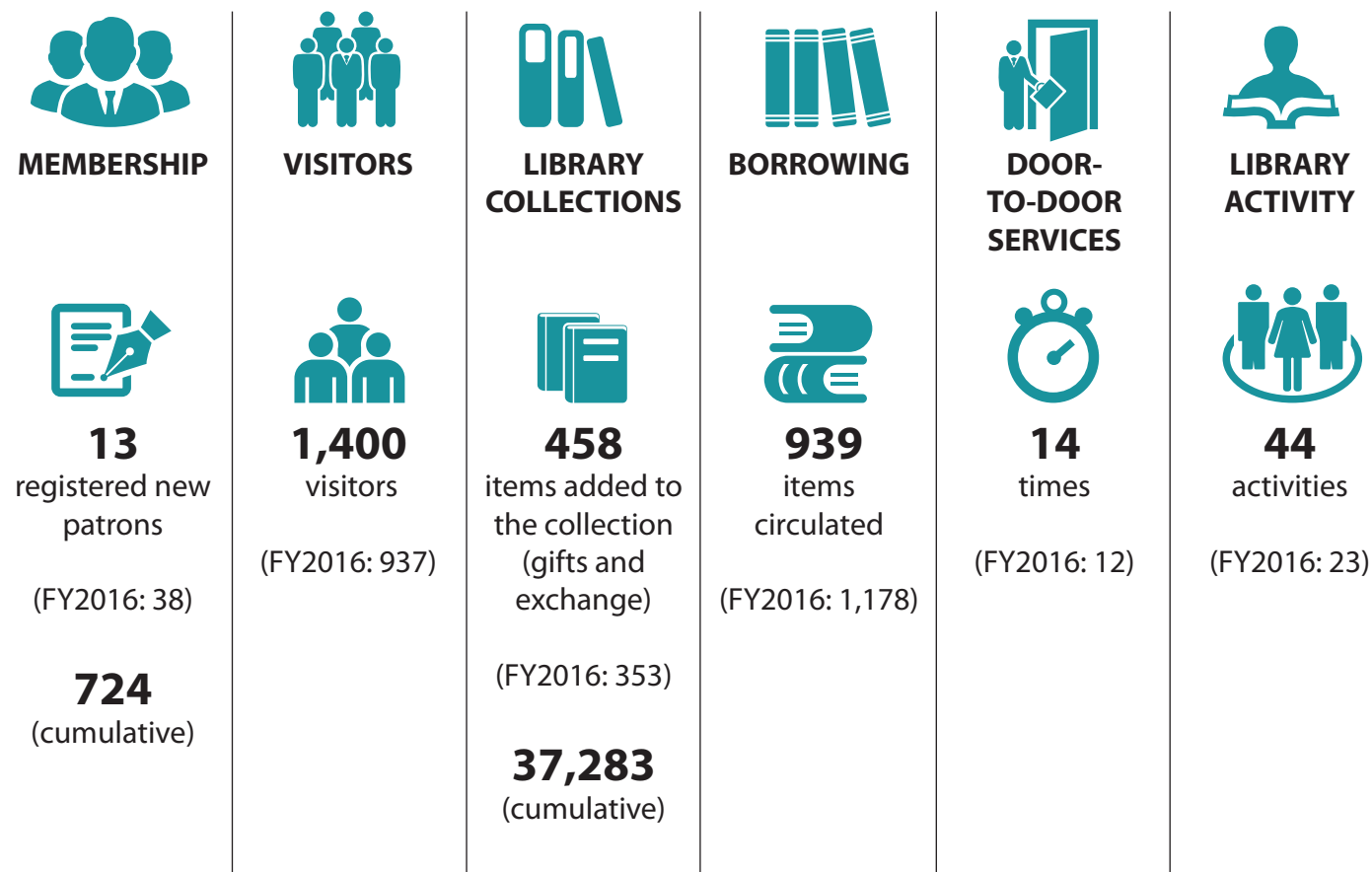
Exhibition on  
National Day (August)  
Malaysia Day (September)  
2017

**Book Review  
Session**



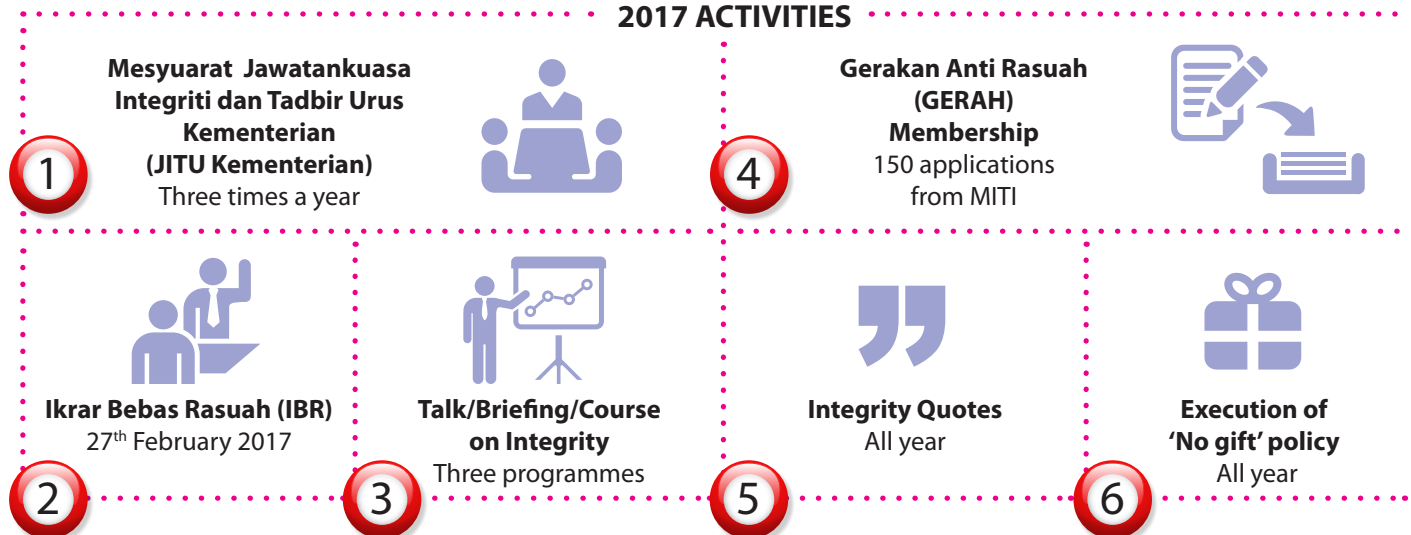
Presentation of Prizes for  
Melt The Ice Innovation  
Challenge 2.0  
27<sup>th</sup> November 2017

## LIBRARY 2U@MITI



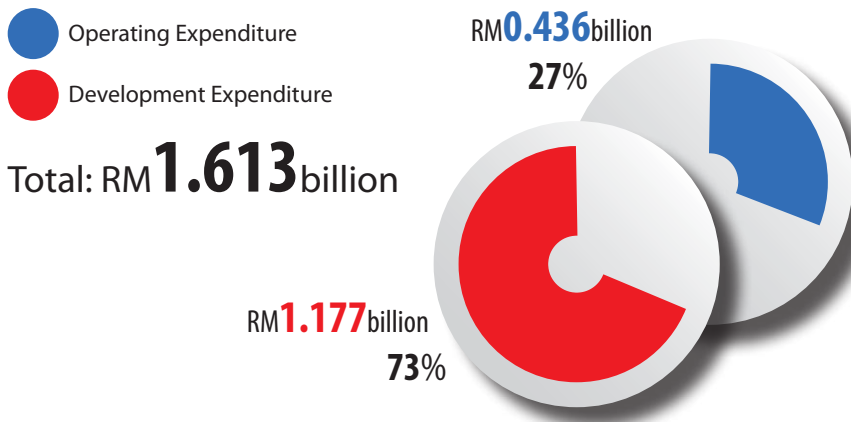
## THE INTEGRITY UNIT

### 2017 ACTIVITIES

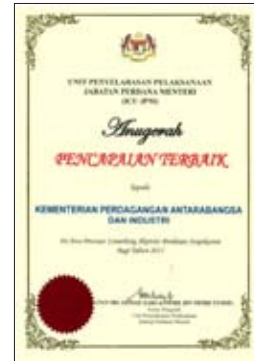


## FINANCE MANAGEMENT

### BUDGET ALLOCATION 2017



### ACHIEVEMENT



Best Achievement Award for Anugerah Penilaian Inspektorat 2017 by ICU, PMD

**Under Development Expenditure, a total of 53 programmes with a combined value of RM1.177billion were allocated to:**

<b>MITI</b>	<ul style="list-style-type: none"> <li>• RM117.42 million</li> <li>• 10 programmes</li> </ul>	<b>MPC</b>	<ul style="list-style-type: none"> <li>• RM9 million</li> <li>• Three programmes</li> </ul>
<b>MIDA</b>	<ul style="list-style-type: none"> <li>• RM552.22 million</li> <li>• Nine programmes</li> </ul>	<b>HDC</b>	<ul style="list-style-type: none"> <li>• RM13.4 million</li> <li>• Nine programmes</li> </ul>
<b>MIDF</b>	<ul style="list-style-type: none"> <li>• RM150 million</li> <li>• One programmes</li> </ul>	<b>SME BANK</b>	<ul style="list-style-type: none"> <li>• RM90 million</li> <li>• Two programmes</li> </ul>
<b>SME Corp</b>	<ul style="list-style-type: none"> <li>• RM131.2 million</li> <li>• 12 programmes</li> </ul>	<b>MIETI Sarawak</b>	<ul style="list-style-type: none"> <li>• RM21.47 million</li> <li>• Two programmes</li> </ul>
<b>MATRADE</b>	<ul style="list-style-type: none"> <li>• RM86.325 million</li> <li>• Seven programmes</li> </ul>	<b>MID Sabah</b>	<ul style="list-style-type: none"> <li>• RM6 million</li> <li>• One programme</li> </ul>

### 51 touch-point projects implemented in 2017



More than **30,000** employment opportunities created

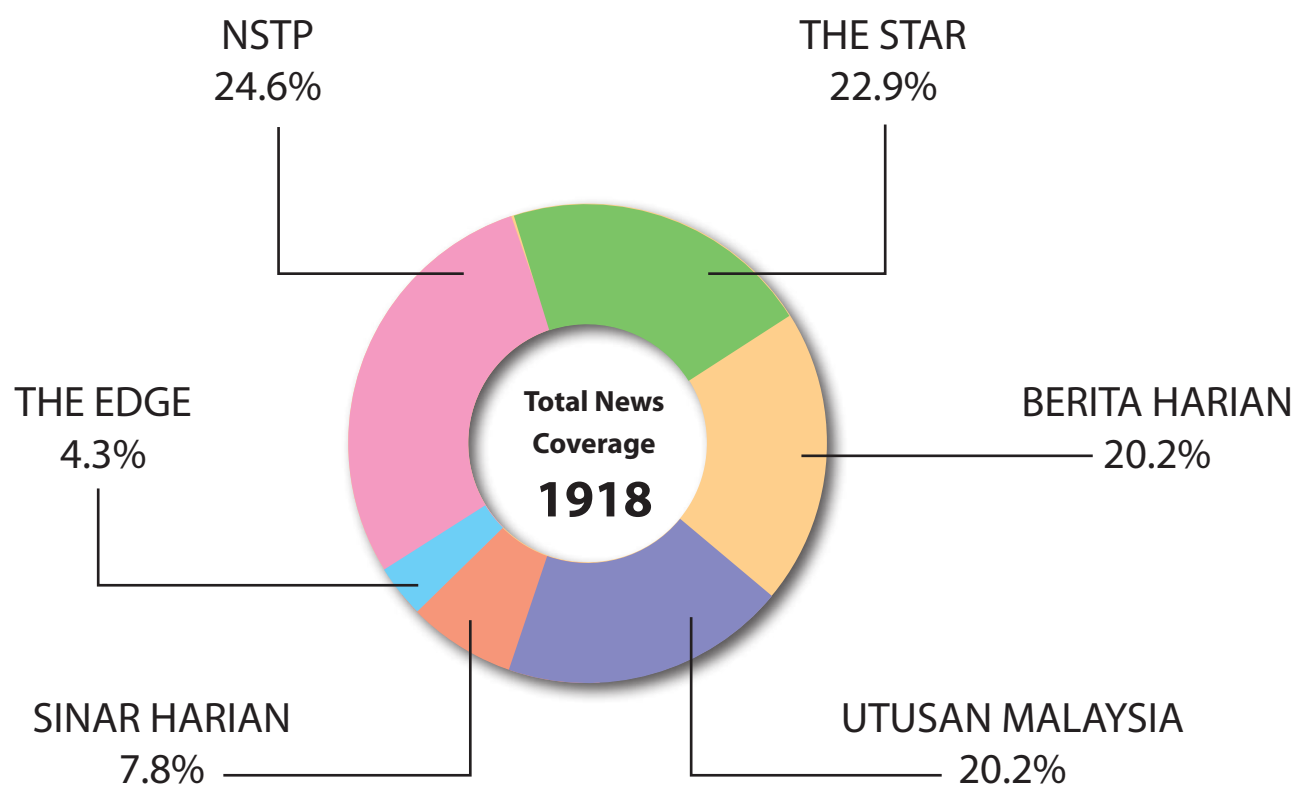


More than **RM935**million in exports

More than **RM100**million in investments



## TOTAL NEWS COVERAGE BY MEDIA AGENCIES (2017)



## MEDIA ENGAGEMENTS BY CATEGORIES (2017)





## MyASEAN INTERNSHIP 2017

MyASEAN Internship was launched in January 2015 by the Minister of International Trade and Industry (MITI) against the backdrop of Malaysia's Chairmanship of ASEAN.

**Raise awareness of ASEAN and the ASEAN Economic Community (AEC) among Malaysian youth**

### What's in it for us?

- Opportunity to gain international experience
- Identified and groomed as Malaysia's leaders
- Strengthen the role of Malaysia with regard to ASEAN youth participation
- Increased public - private collaboration to identify and groom top talent in the country



**Chan Mun Chen**  
Taylor's University



**Fitriyah Mohd Azit**  
International Islamic University Malaysia



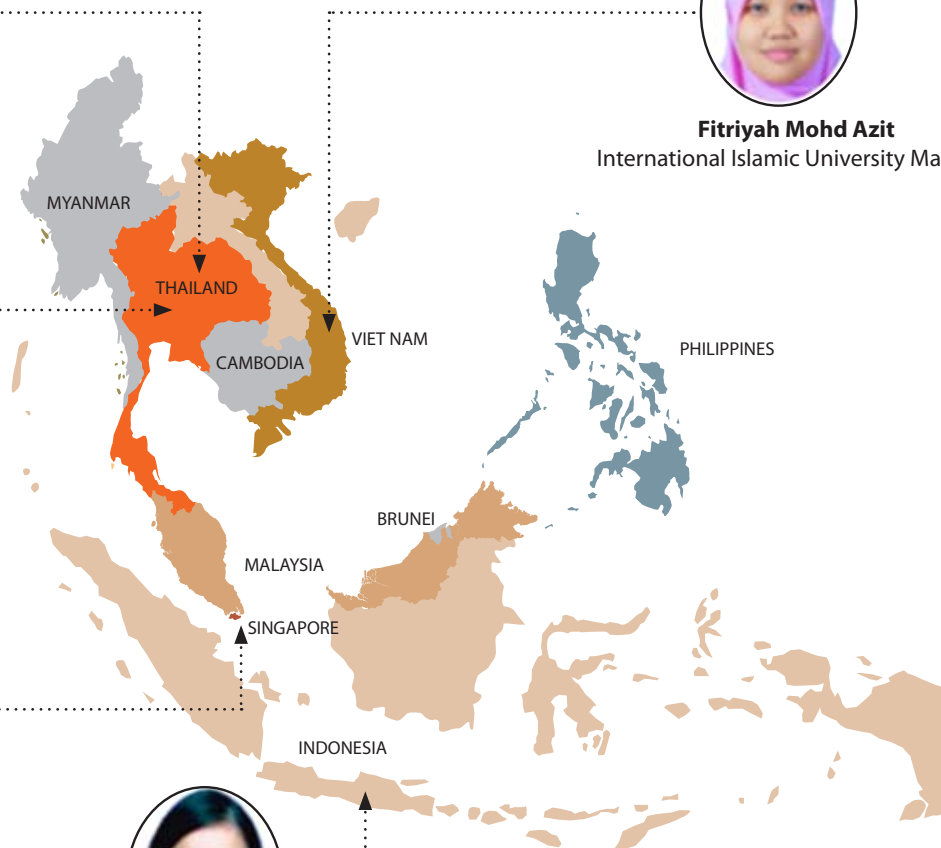
**Wan Sutan Aiman Wan Nadzarudin**  
Universiti Teknologi Mara



**Mohammad Bukari**  
University of Malaya



**Nur Waheda Lokman**  
Asia Pacific University of Technology & Innovation



## CORPORATE SOCIAL RESPONSIBILITY 2017

### Tree planting activity at Masjid Jamek parking lot in Kuching

**61 Participants**  
(MBJ MITI, DBKU, the Media and MITI Wilayah Sarawak)

- A collaborative effort between MITI and the Local Authority
- Supporting the Government's call to make the city greener
- Improving the aesthetic value of the environment
- Providing shade for the area

### Activity with students of Sekolah Pendidikan Khas (Cacat Penglihatan) Setapak (SMPK), Kuala Lumpur

**106 Participants**  
(46 MITI staff, 60 SMPK students and teachers)

- Sharing Session with a MITI Officer (OKU), a former student of SMPK
- An opportunity for MITI staff to appreciate the experience and capabilities of OKU students
- To create a bond between MITI staff and the students and teachers of SMPK

TOP MANAGEMENT

## MITI MANAGEMENT

**DATO' SRI MUSTAPA MOHAMED**  
Minister



**DATO' SRI ONG KA CHUAN**  
Minister II



**DATUK HAJI AHMAD HAJI MASLAN**  
Deputy Minister (Industry)



**DATUK CHUA TEE YONG**  
Deputy Minister (Trade)



**DATUK SERI JAYASIRI JAYASENA**  
Secretary General



**DATO' NIK RAHMAT NIK TAIB**  
Deputy Secretary General  
(Industry)



**DATUK ISHAM ISHAK**  
Deputy Secretary General  
(Trade)



**WAN SURAYA WAN MOHD. RADZI**  
Deputy Secretary General  
(Strategy & Monitoring)





MINISTRY OF INTERNATIONAL TRADE  
AND INDUSTRY MALAYSIA



[www.miti.gov.my](http://www.miti.gov.my)



[www.facebook.com/MITIMalaysia](https://www.facebook.com/MITIMalaysia)