



Ministry of International Trade and Industry

# Weekly Bulletin

DRIVING TRANSFORMATION, POWERING GROWTH

VOLUME 420

24 JANUARY 2017 | NO. ISSN: 2180-0448



## Chinese New Year Message From YB Minister, MITI



# Gong Xi Fa Cai! Xin Nian Kuai Le!



2017

Chinese New Year, also known as the Spring Festival, is the most important festival of the ethnic Chinese community all over the world, including in Malaysia. Chinese New Year is a celebration of age-old traditions and customs of family reunions and filial piety.

There is always an abundance of merry-making, whole-hearted camaraderie and of course, food, food and more food - plus, I have a been told, a roll of the dice as well - all in the spirit of fun, laughter and joy during this once-in-a-year festivity.

This year Chinese New Year falls on January 28<sup>th</sup>. It is the first day of the first new moon and the celebration continues for 15 days, when the moon is brightest, otherwise popularly known in Malaysia as the Chap Goh Meh.

I have been informed that 2017 is the year of the Rooster. People born under the sign of the Rooster are said to be honest, bright, communicative, ambitious, hard-working and able to deal with a variety of jobs due to their multiple talents. These traits are especially important in the coming year as we embark on our continuous journey to further strengthen the Malaysian economy.

With the strong fundamentals and domestic support engine growth, we hope year 2017 will show strong economic growth which is parallel with the Prime Minister's aspiration of reaching 2 trillion GDP in the upcoming seven to eight years. The road ahead will no doubt be challenging, and we must prepare ourselves to take on these challenges head on.

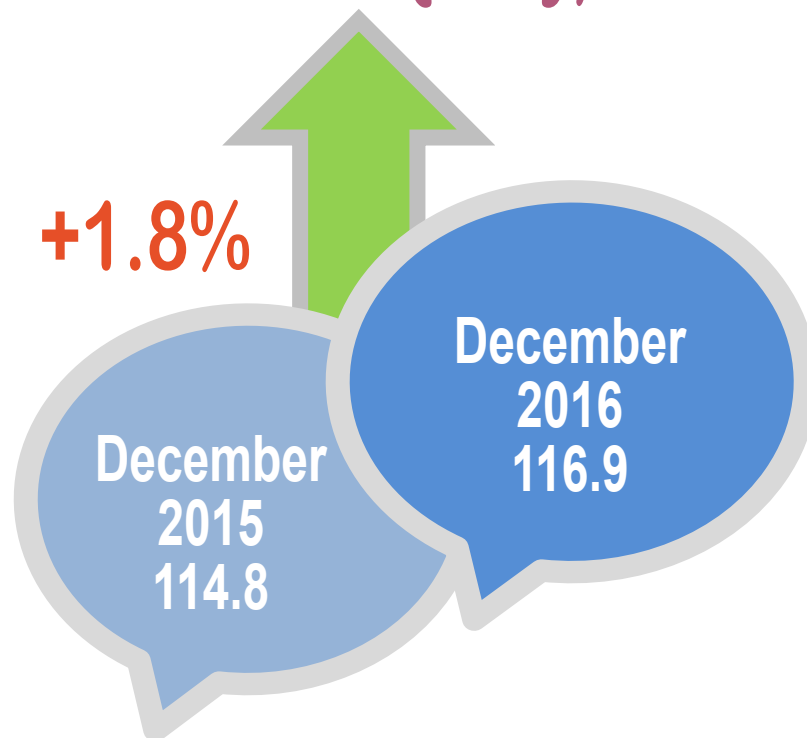
On behalf of MITI, I would like to express our best New Year wishes to the Chinese people in Malaysia and all over the world. We welcome in the New Year and look forward to wealth and prosperity. It is our hope that the Year of the Rooster will bring good fortune, peace and strength to all.

# Gong Xi Fa Cai! Xin Nian Kuai Le!



# MALAYSIA

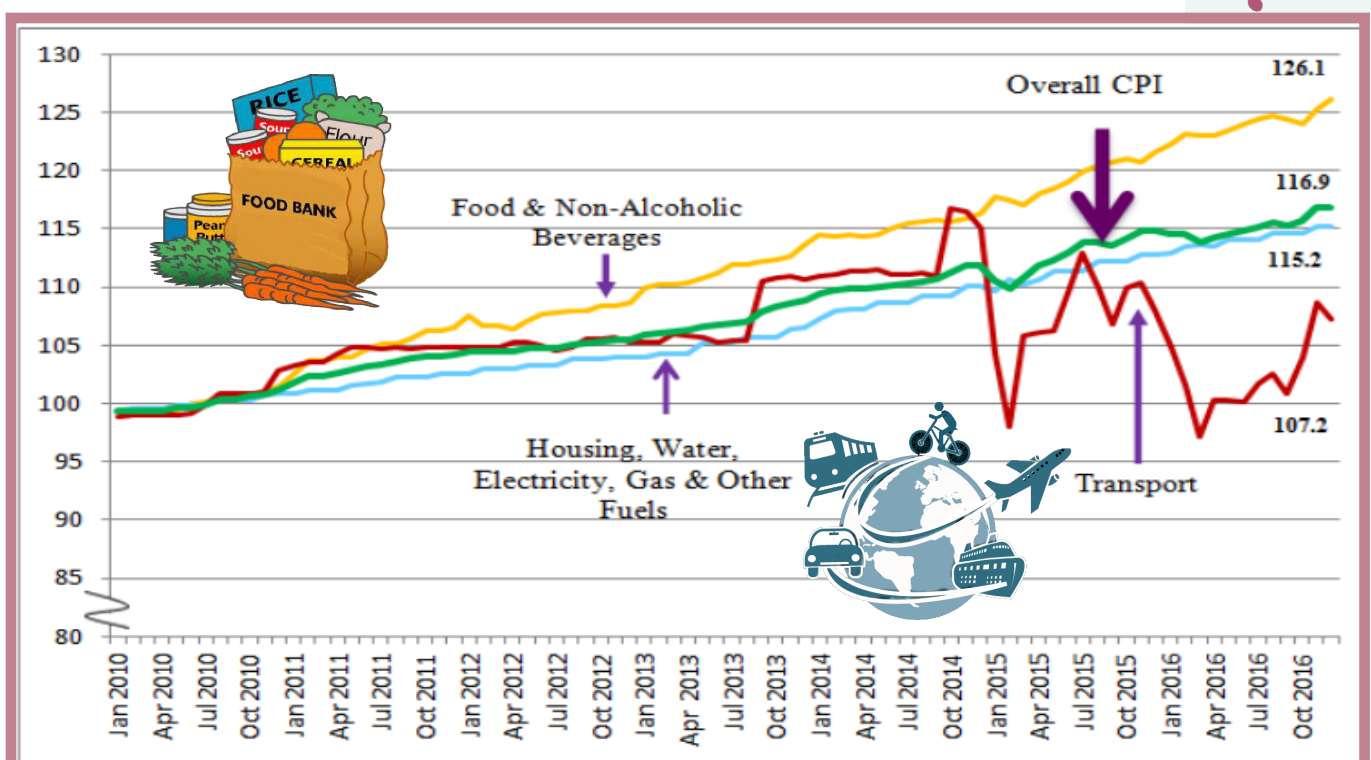
## Consumer Price Index (CPI), December 2016



Note : % change year-on-year

-The Consumer Price Index (CPI) measures the percentage change through time in the cost of purchasing a constant basket of goods and services representing the average pattern of purchases made by a particular population in a specified time period

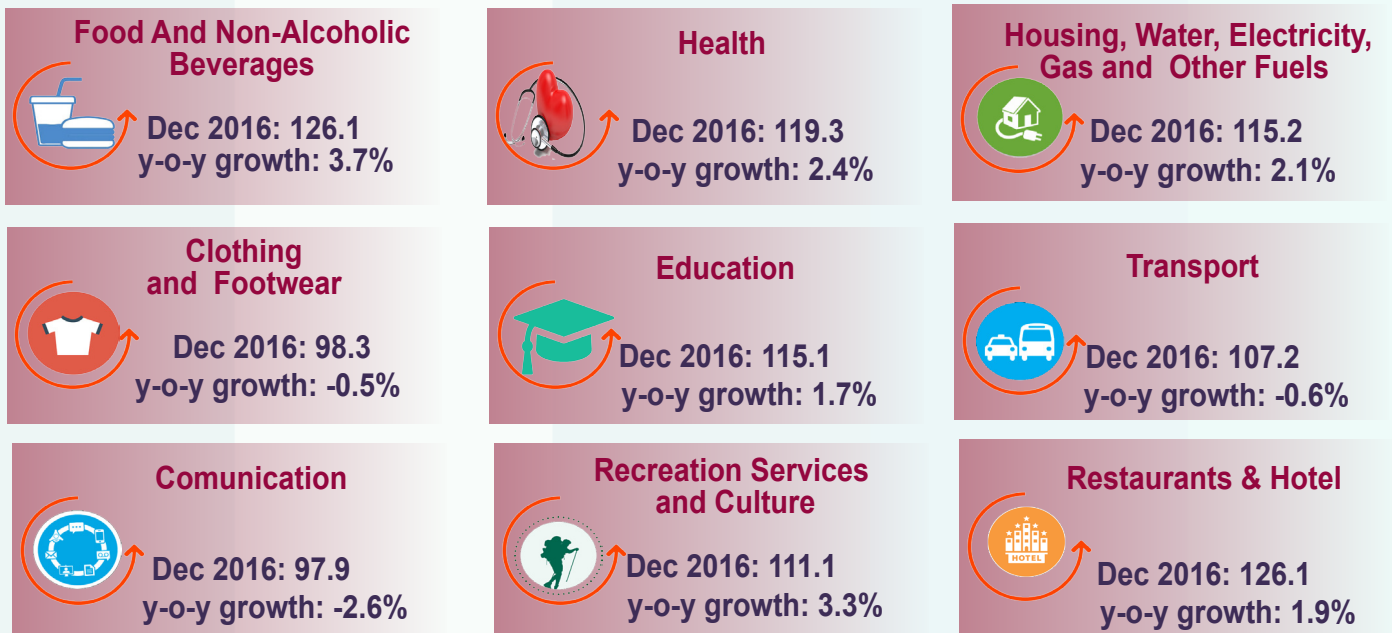
## CPI: Index Numbers for Overall and Selected Main Groups



Source : Department of Statistics, Malaysia

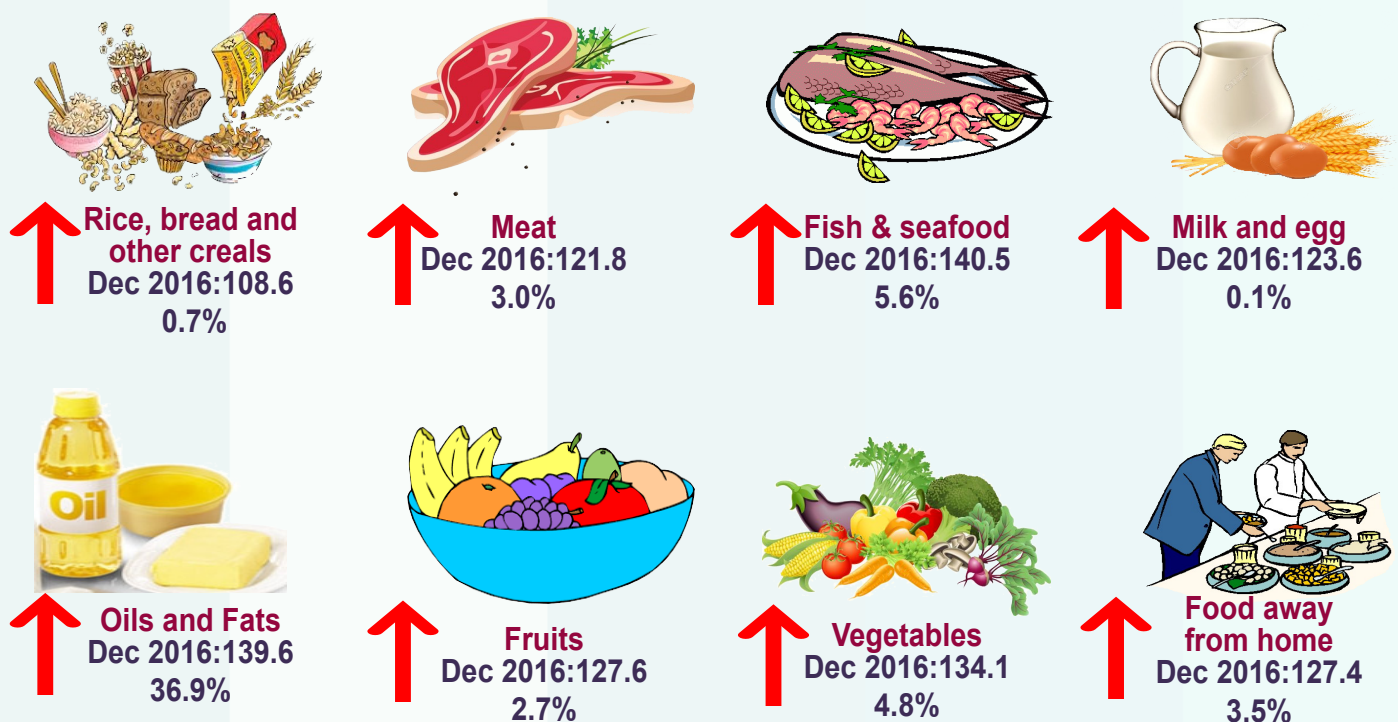


# CPI by Major Categories, December 2016



Note : % change year-on-year

## CPI for Selected Sub-groups Food and Non Alcoholic Beverages, December 2016

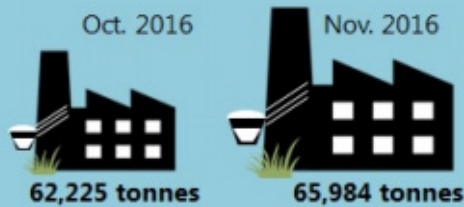


Note : % change year-on-year

Source : Department of Statistics, Malaysia

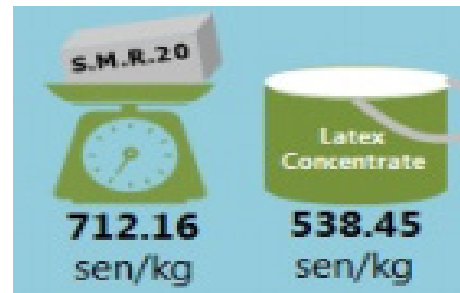
# Monthly Rubber Statistics, November 2016

## Natural Rubber (NR) increased by 6.0 per cent in November 2016



More than **90%** of NR production was from the smallholding sector.

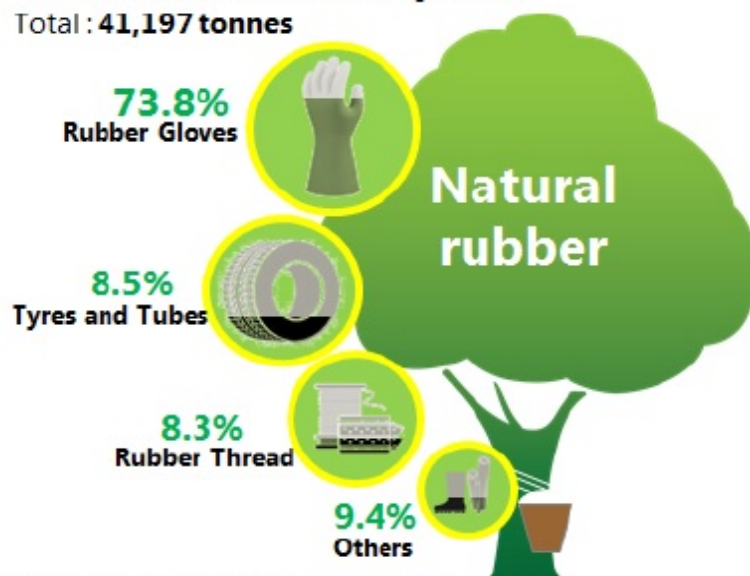
## Average Monthly Price



S.M.R.: Standard Malaysian Rubber

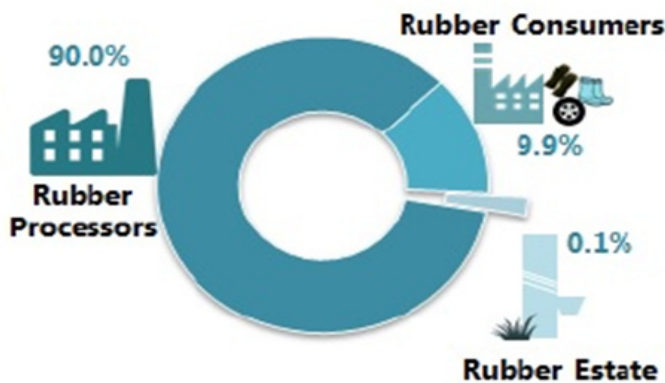
## Domestic Consumption

Total : **41,197 tonnes**



Rubber gloves industry was the largest consumer of NR which is **73.8%**.

## Stocks



Nov. 2016: **183,900 tonnes**  
Oct. 2016: **171,176 tonnes**

Note:

Stocks refers to stocks of rubber owned by establishments regardless where it is located i.e. inside or outside the factory. They include stocks of unprocessed/in process/processed rubber. Stocks are reported as at the beginning and the end of the month.

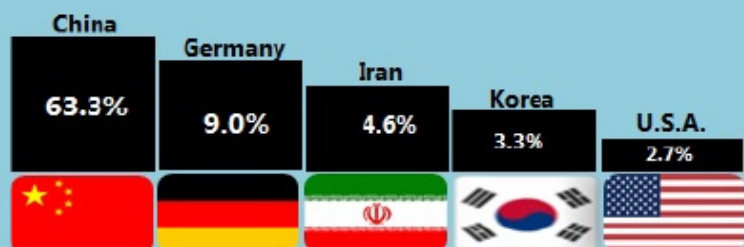
Note:

Domestic Consumption refers to the usage of natural rubber such as latex concentrate, Ribbed Smoked Sheet (R.S.S.), Standard Malaysian Rubber (S.M.R.), etc. by manufacturing establishments in Malaysia to produce products such as tyres and tubes, rubber footwear, rubber gloves, rubber bands and others. Excluding rubber compound & reclaimed rubber and synthetics rubber.

## Exports

In November 2016, a total of **54,624 tonnes** of NR was exported. The main destination of NR exports was China.

Total exports : **54,624 tonnes**



## Production of NR by Association of Natural Rubber Producing Countries (ANRPC)



Source: Ministry of Plantation Industries and Commodities

Source : Department of Statistics, Malaysia





# International Report

## Singapore's Global Trade, December 2016

Total trade : S\$78.6 billion, **↑4.1%**  
 Exports : S\$42.0 billion, **↑4.2%**  
 Imports : S\$36.6 billion, **↑3.7%**

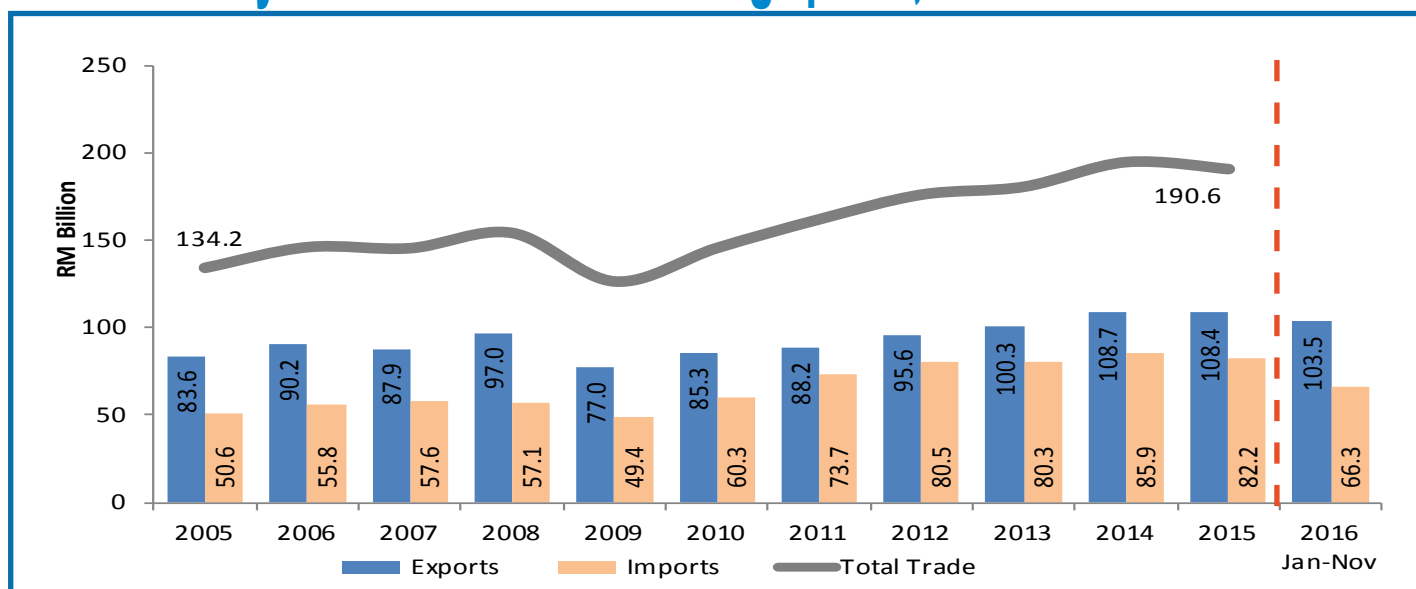
Note:  
% - Month-on-Month Growth

### Major Top 10 Trading Partners

TOP TEN (Total Trade)	December 2015 (\$)*	December 2016 (\$)*	Change (%)
China	10,259,434	11,467,547	11.8
<b>Malaysia</b>	<b>7,843,592</b>	<b>8,673,733</b>	<b>10.6</b>
United States	6,167,582	6,366,216	3.2
Taiwan	4,670,972	5,633,933	20.6
Hong Kong	5,067,153	5,512,586	8.8
Indonesia	4,346,623	4,772,184	9.8
Korea, Rep of	3,611,156	4,182,118	15.8
Japan	4,032,429	4,033,581	0.03
Thailand	2,364,013	2,463,792	4.2
Vietnam	1,823,130	1,812,584	0.6

Source: <http://www.singstat.gov.sg/>

### Malaysia's Trade with Singapore, 2005-Nov 2016



Source : Department of Statistics, Malaysia



# International Report

World Economic Outlook Update. January 16, 2017

## GROWTH

After a lackluster 2016, global economic activity is set to pick up in 2017–18.

### Global Economy

3.1%  
2016

3.4%  
2017

3.6%  
2018

### Advanced economies

are projected to make small steps up...

1.6%  
2016

1.9%  
2017

2.0%  
2018

...while growth in **emerging market and developing economies** continue to drive the global growth projections.

4.1%  
2016

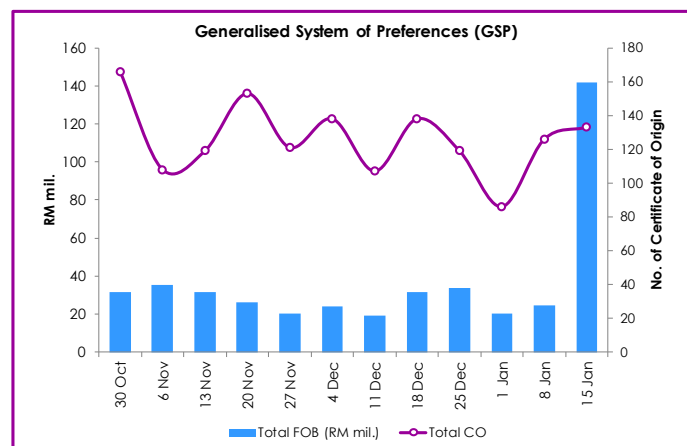
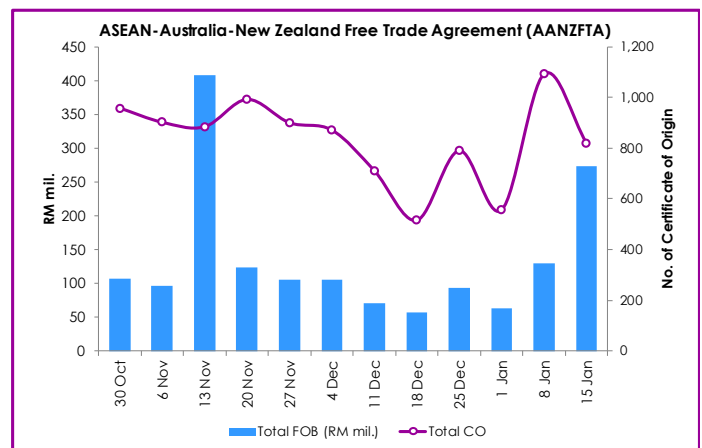
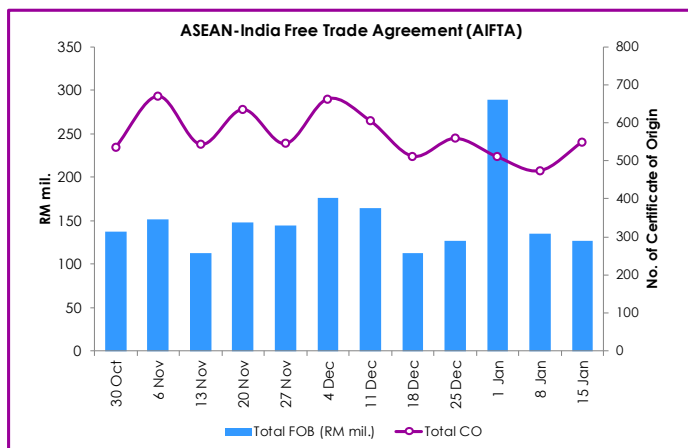
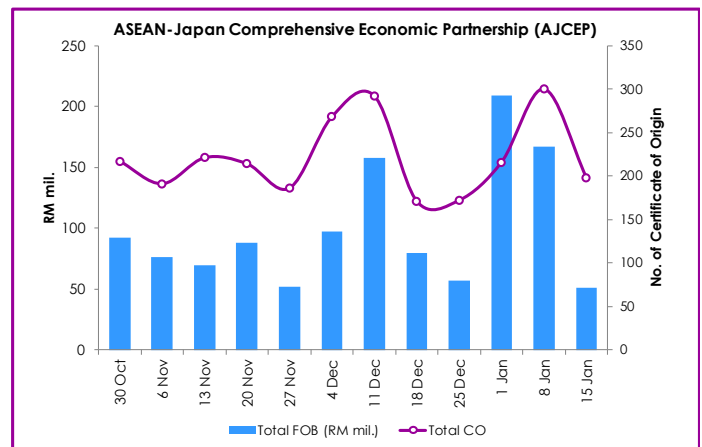
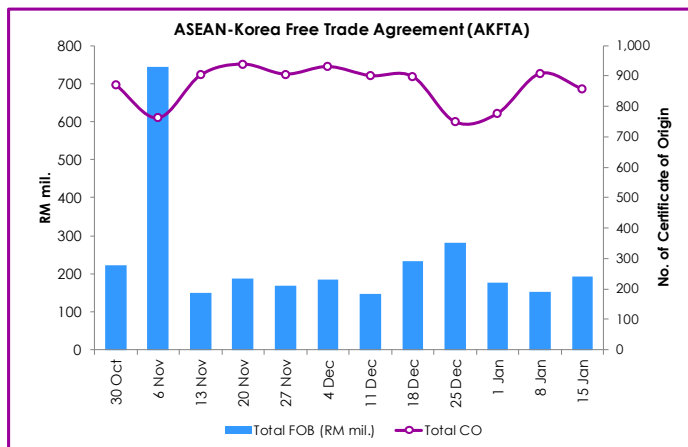
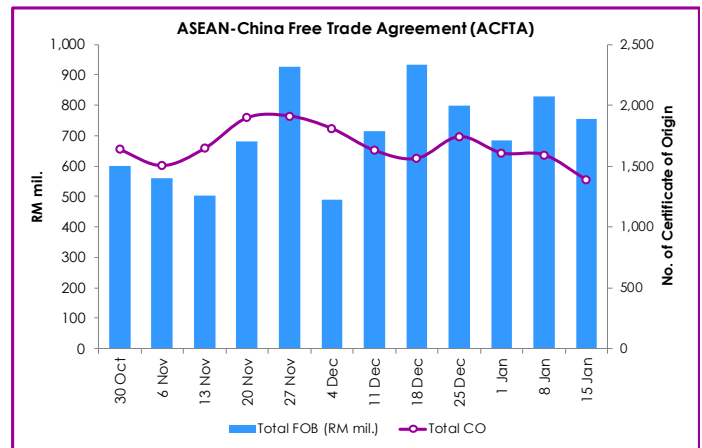
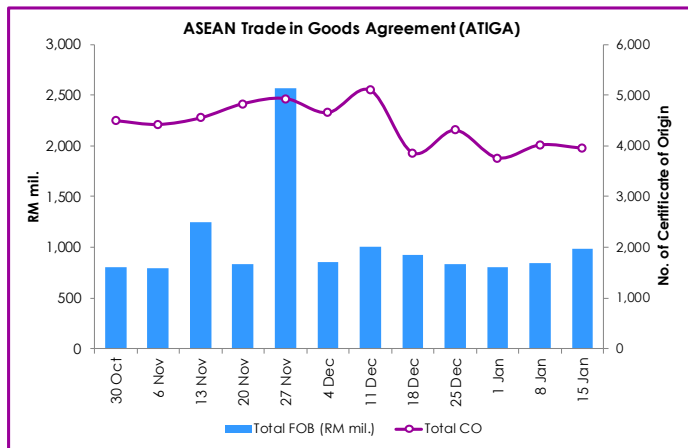
4.5%  
2017

4.8%  
2018

Source: <http://www.imf.org>



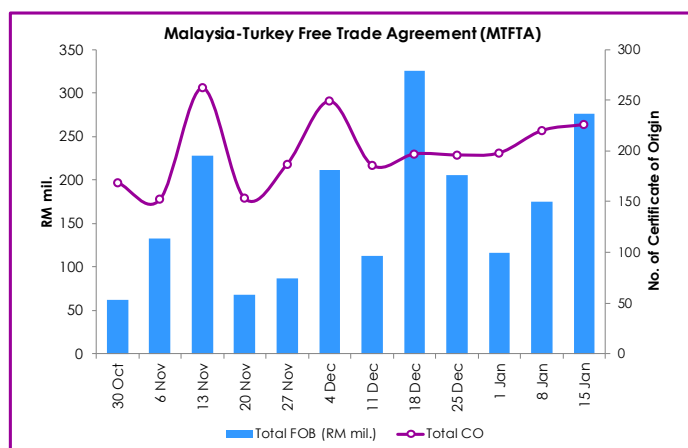
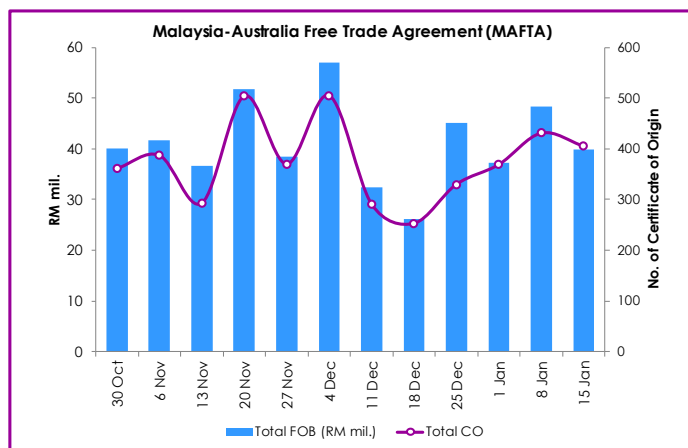
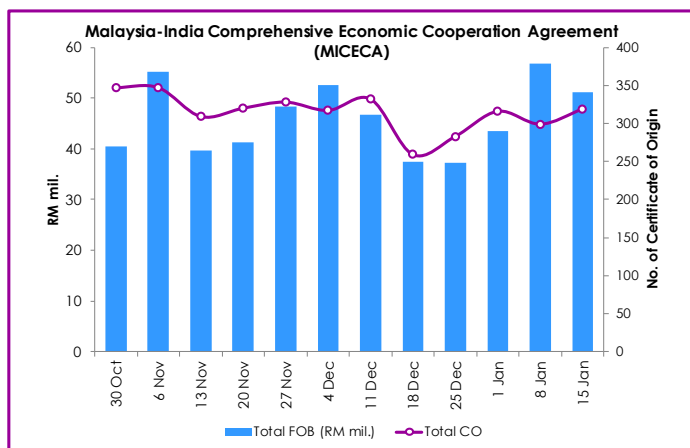
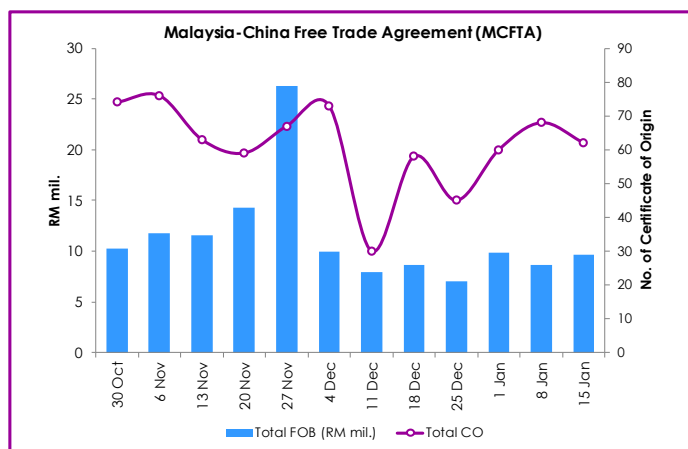
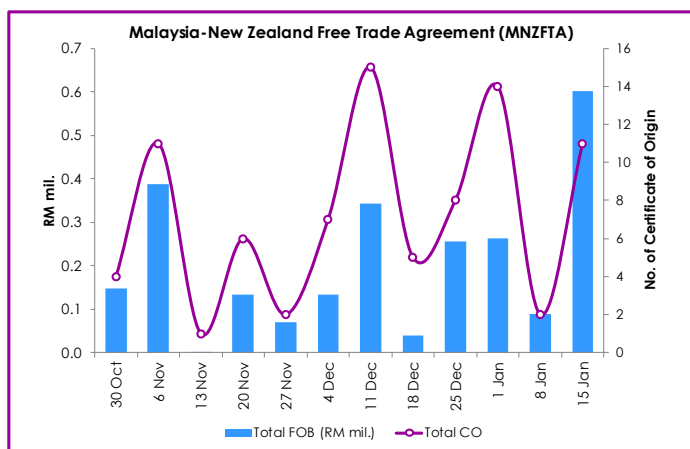
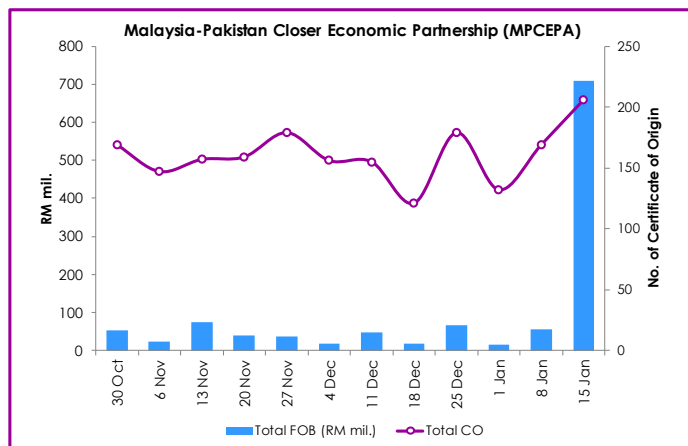
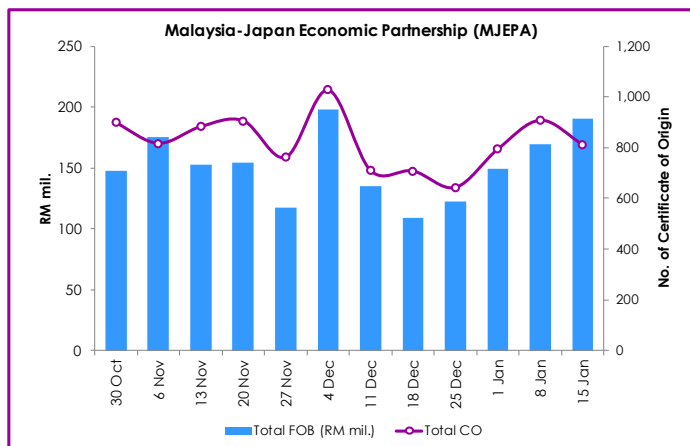
# Number and Value of Preferential Certificates of Origin (PCOs)



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)



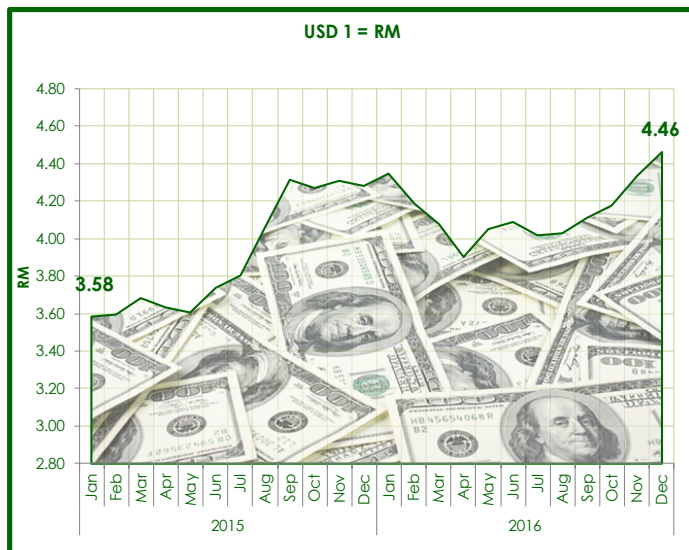
Note: \* Provisional data

Source: Ministry of International Trade and Industry, Malaysia

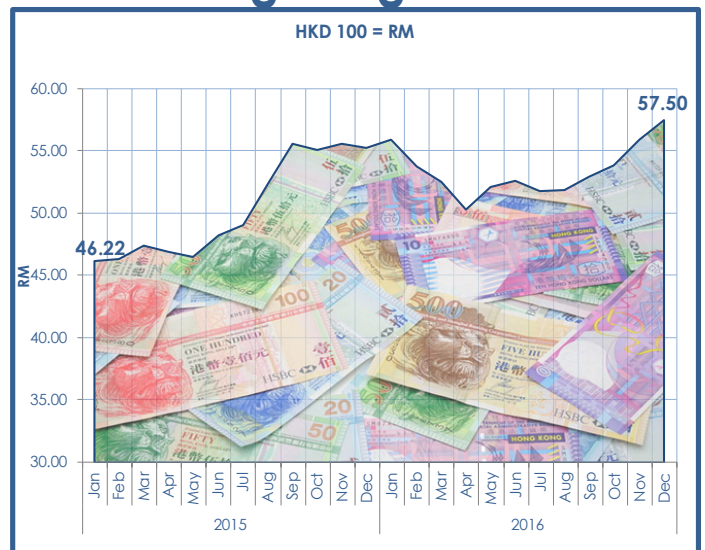


# Malaysian Ringgit Exchange Rate with Selected Countries, January 2015 - December 2016

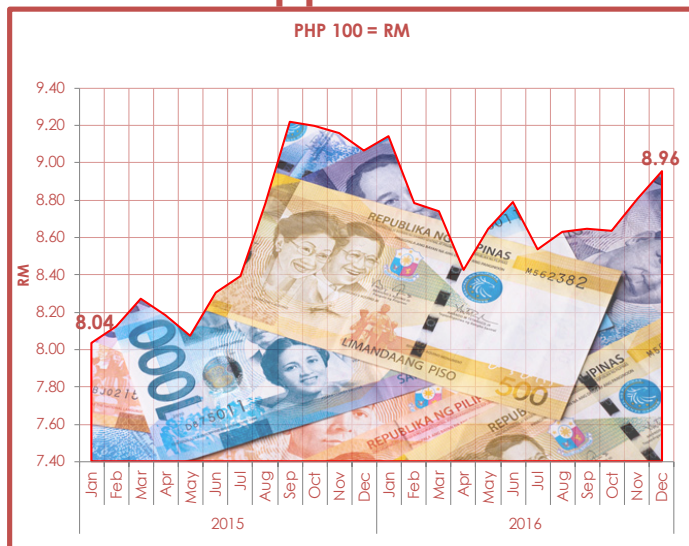
## US Dollar



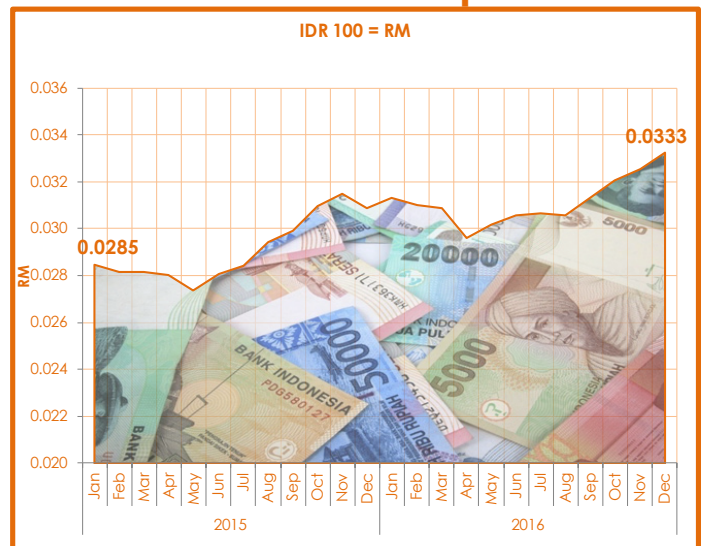
## Hong Kong Dollar



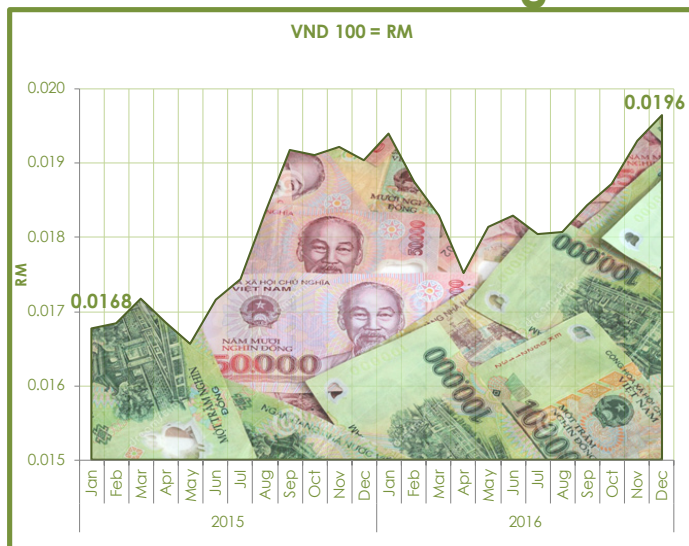
## Philippine Peso



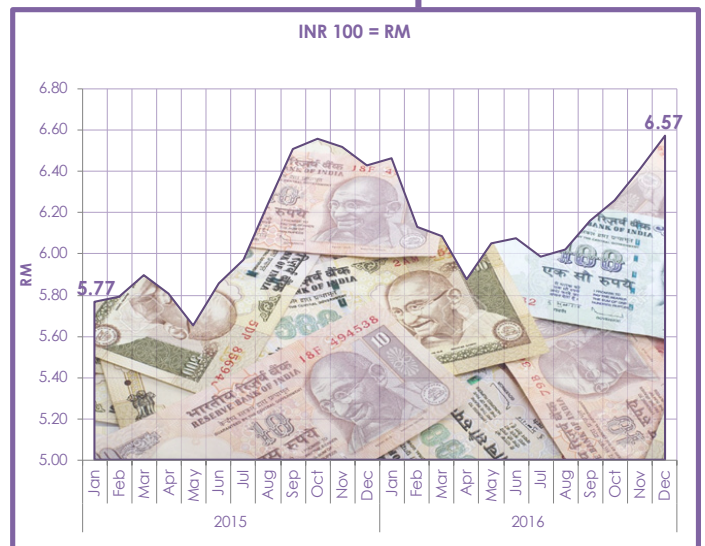
## Indonesian Rupiah



## Vietnamese Dong



## Indian Rupee



Source : Bank Negara, Malaysia

# Commodity Prices



## CRUDE PETROLEUM (BRENT) -per bbl-

20 Jan 2017 : US\$55.5, ▲ 0.1%\*  
Average Price<sup>i</sup> : 2016: US\$45.3  
2015: US\$53.6



## CRUDE PALM OIL -per MT-

20 Jan 2017 : US\$843.0, ▲ 3.8%\*  
Average Price<sup>i</sup> : 2016: US\$702.2  
2015: US\$616.9



## SUGAR -per lbs-

20 Jan 2017 : US¢ 20.2, ▼ -1.7%\*  
Average Price<sup>i</sup> : 2016: US¢18.2  
2015: US¢13.2

## RUBBER SMR 20 -per MT-

20 Jan 2017 : US\$2,166.0, ▼ 2.8%\*  
Average Price<sup>i</sup> : 2016: US\$1,394.5  
2015: US\$1,364.3



## COCOA SMC 2 -per MT-

20 Jan 2017 : US\$1,506.6, ▼ 5.6%\*  
Average Price<sup>i</sup> : 2016: US\$1,609.8  
2015: US\$2,077.0



## COAL -per MT-

20 Jan 2017 : US\$44.1, unchanged  
Average Price<sup>i</sup> : 2016: US\$45.6  
2015: US\$49.9



## SCRAP IRON HMS -per MT-

16 Jan 2017 : US\$320.0 (high), unchanged  
US\$290.0 (low), unchanged  
Average Price<sup>i</sup> : 2016: US\$243.2  
2015: US\$239.6

## HIGHEST and LOWEST 2016/2017

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



#### Highest

6 Jan 2017 : US\$57.1  
30 Dec 2016 : US\$56.8

#### Lowest

13 Jan 2017 : US\$55.5  
15 Jan 2016 : US\$28.9

### Crude Palm Oil -per MT-



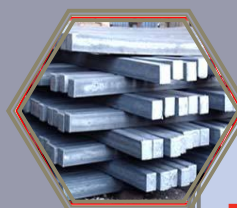
#### Highest

20 Jan 2017 : US\$843.0  
30 Dec 2016 : US\$797.5

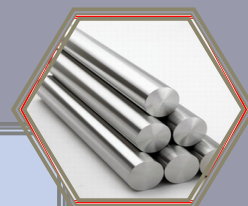
#### Lowest

13 Jan 2017 : US\$798.8  
15 Jan 2016 : US\$545.5

## Domestic Prices 16 January 2017



**Billets  
(per MT)**  
RM2,050 – RM2,150



**Steel Bars  
(per MT)**  
RM2,200 – RM2,350

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

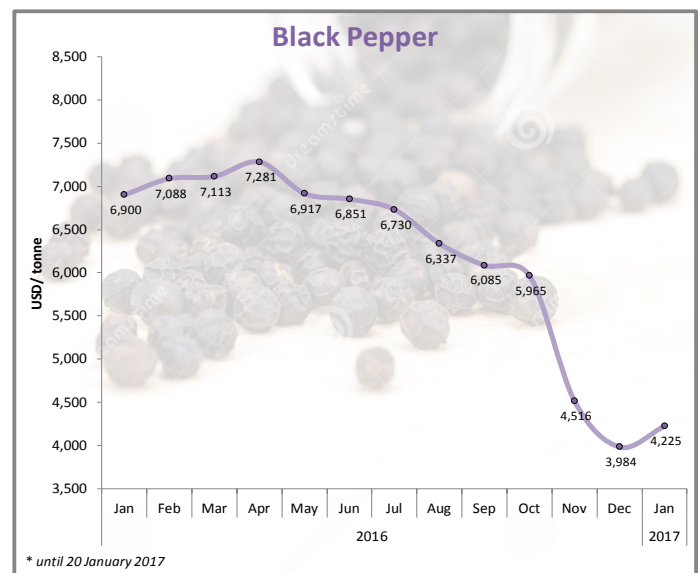
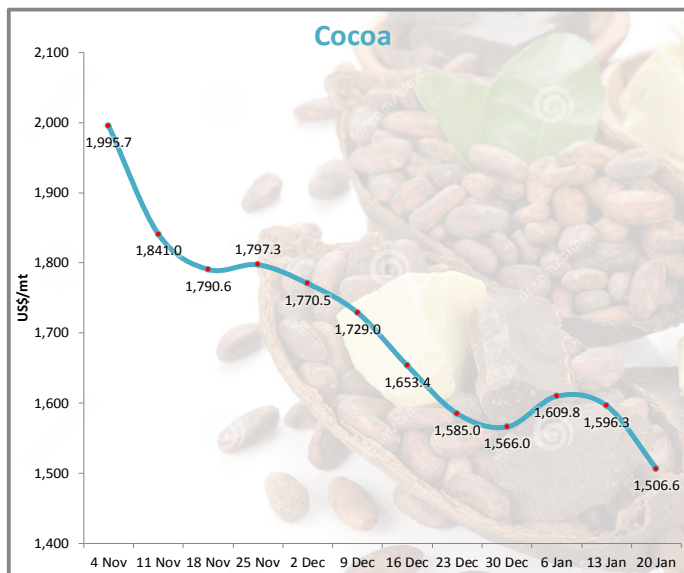
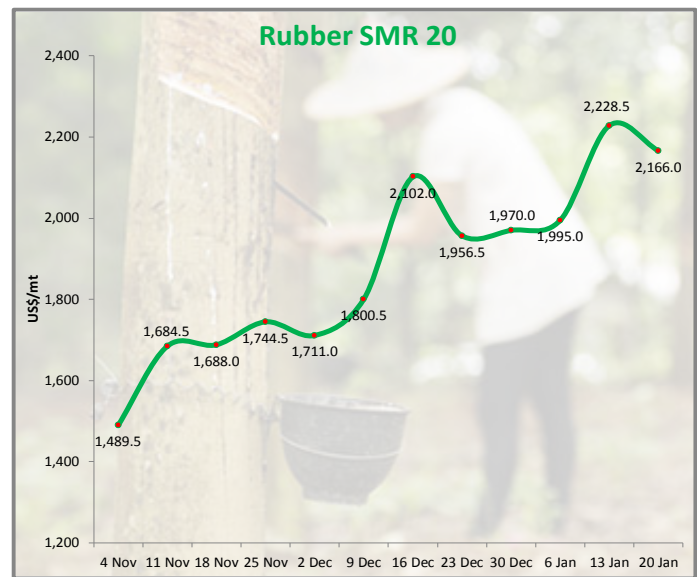
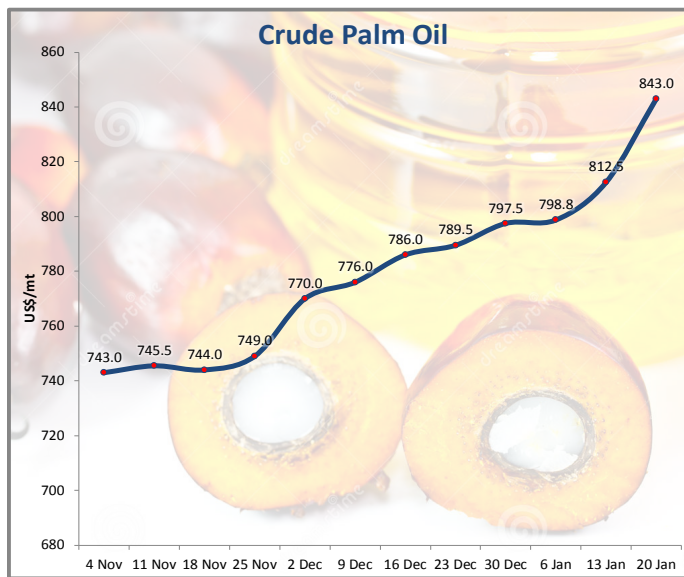
\* Refer to % change from the previous week's price

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, Bloomberg and Czarnikow Group.

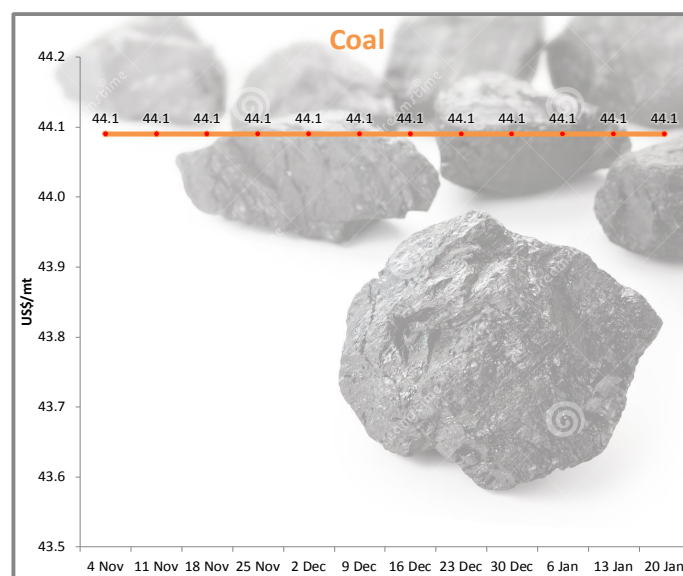
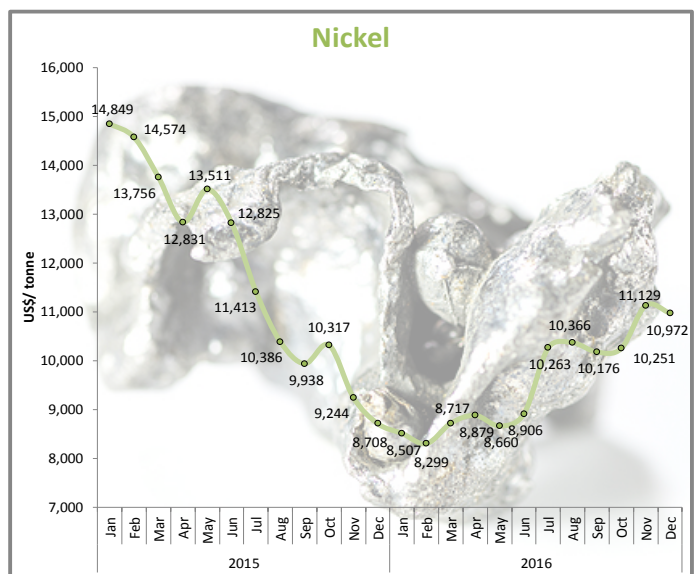
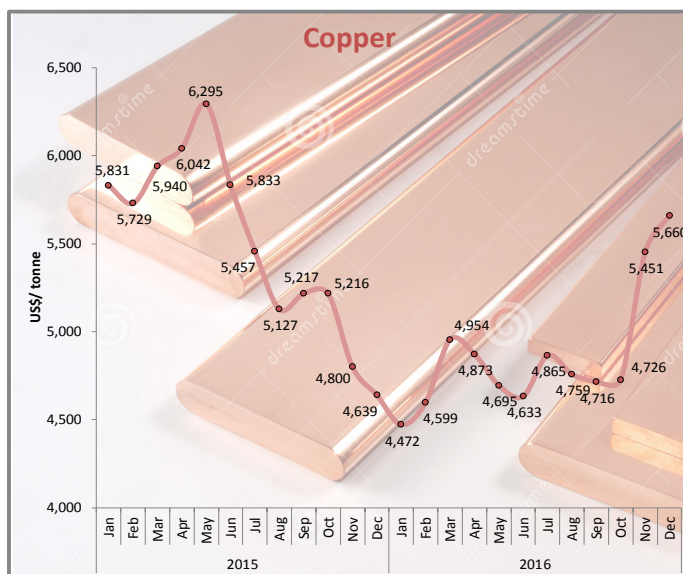
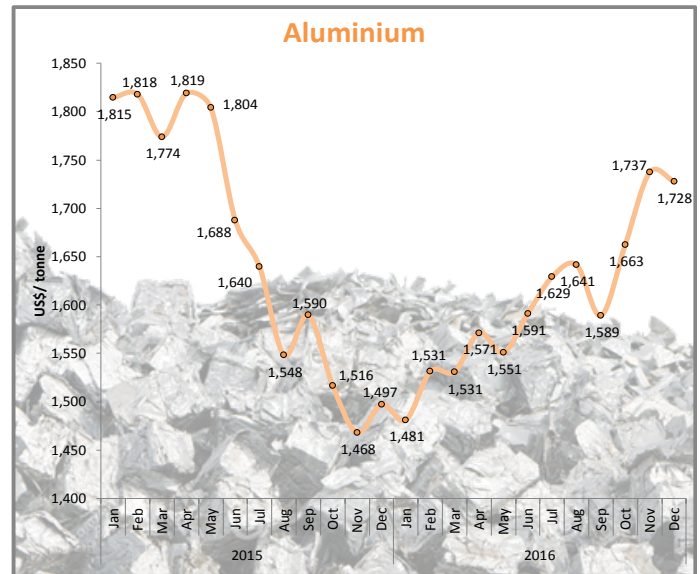
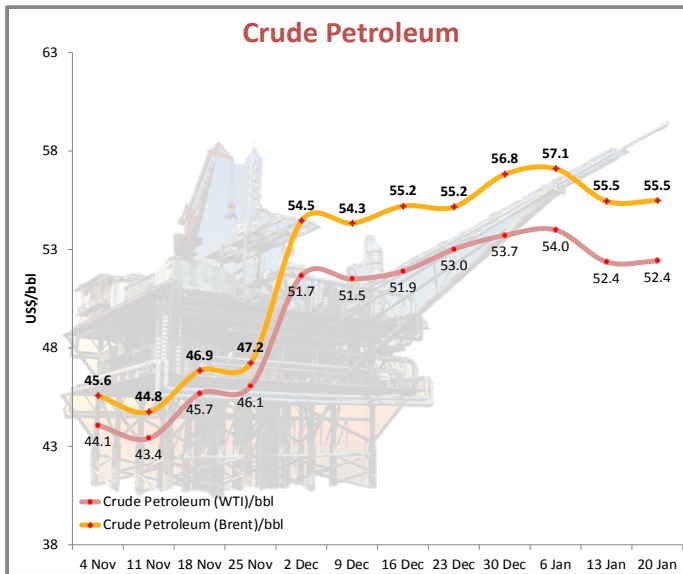


# Commodity Price Trends



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

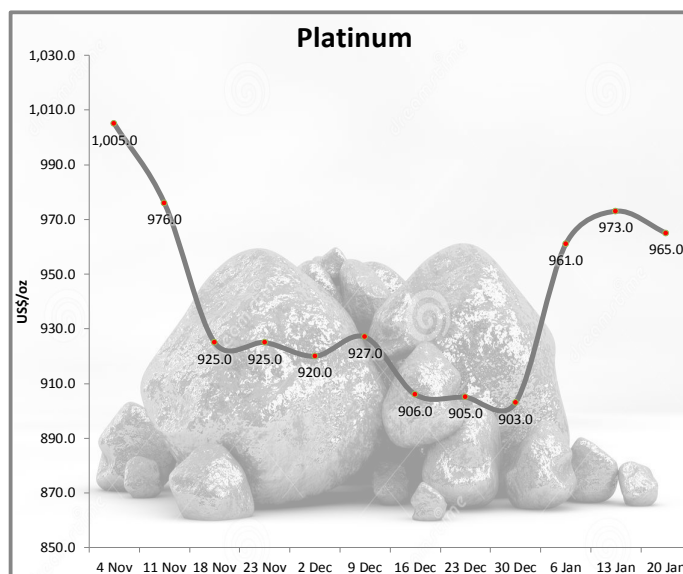
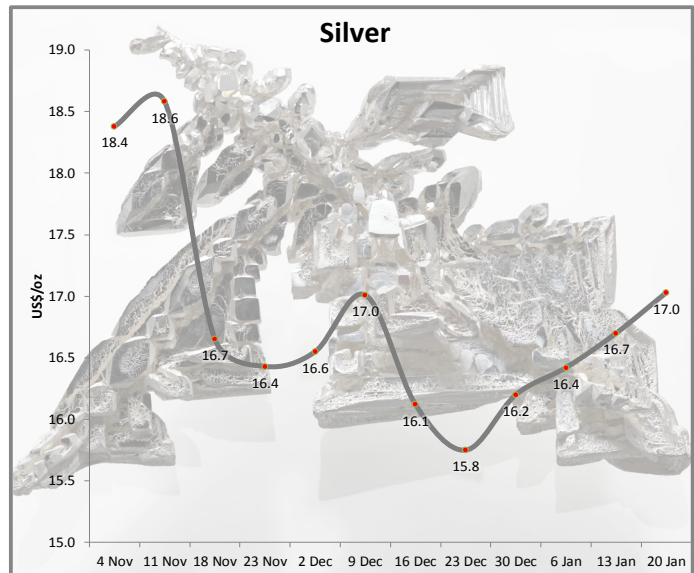
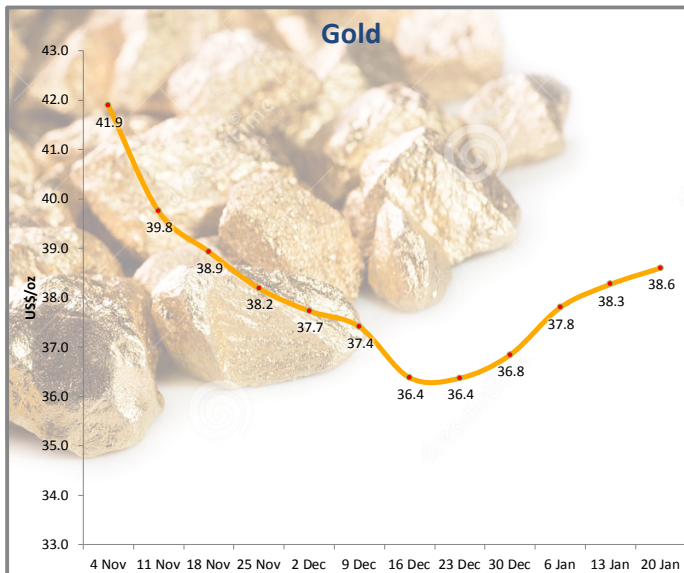
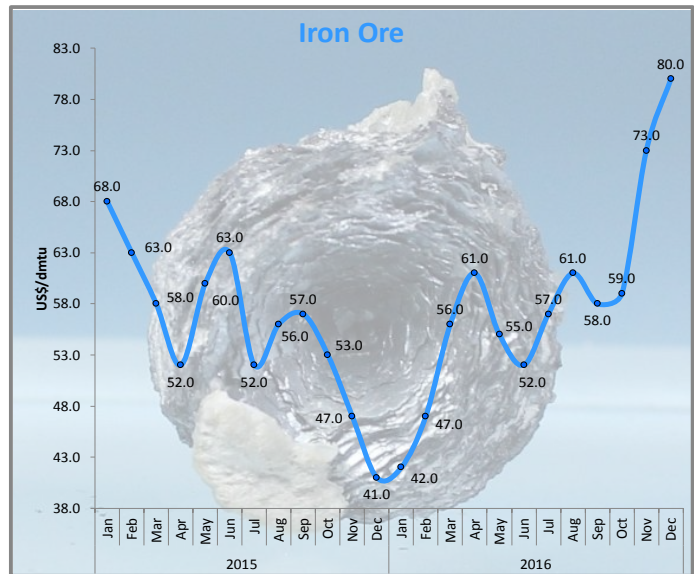
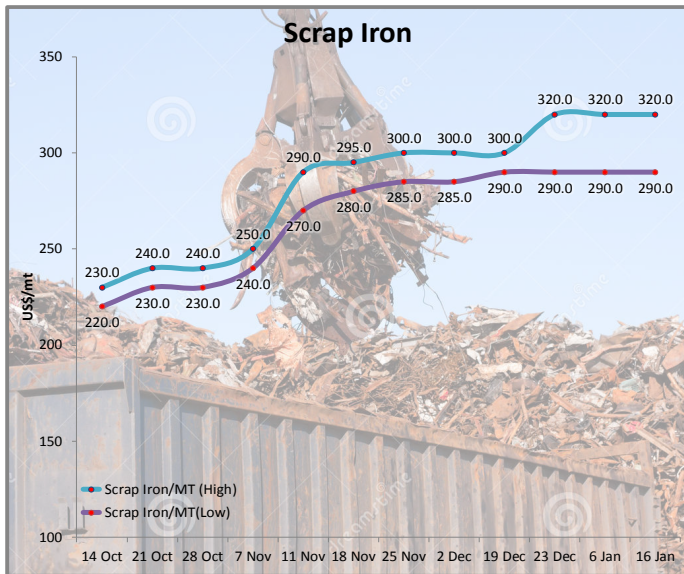
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Sources: Ministry of International Trade and Industry Malaysia, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.



# Commodity Price Trends



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



## MITI Programme

# World Economic Forum Annual Meeting 17 - 20 January 2017, Davos-Klosters, Switzerland





## MEDIA STATEMENT

### INTERNATIONAL INVESTORS REMAIN UPBEAT ON THE POTENTIAL OF MALAYSIAN ECONOMY

DAVOS, 21 JANUARY 2017

The Malaysian delegation at the WEF had continued their annual tradition by hosting the Business Luncheon, one of the most iconic Malaysian events in Davos. The event was jointly hosted by Khazanah Nasional and MIDA. Alongside YB Dato' Sri Mustapa Mohamed Minister of International Trade and Industry, YB Dato Seri Dr. Subramaniam Sathasivam Minister of Health and YB Datuk Seri Panglima Wilfred Madius Tangau Minister of Science, Technology and Innovation, notable Malaysian business leaders present were Tan Sri Azman Mokhtar Managing Director of Khazanah Nasional, Tan Sri Tony Fernandes Chairman of AirAsia, Dato' Sri Nazir Razak Chairman of CIMB and Dato' Rohana Rozhan CEO of Astro. As always there has been strong public-private collaboration in Davos to showcase Malaysia to the world.

Speaking before 50 existing and potential international investors from various sectors and countries, Dato' Sri Mustapa highlighted Malaysia's strengths including its political stability, strong economic fundamentals and track record, business-friendly policies, excellent infrastructure, its strategic position within ASEAN as well as facilitation of investment through MIDA. Despite the current challenging climate, our GDP growth rate remains among the highest in the region and among emerging markets.

During the luncheon, the Minister responded to several questions raised by the audience. The questions asked were mainly on the direction of the Malaysian economy, especially in the context of President Trump's administration and the current status of the economic integration of ASEAN. He urged the investors to take advantage of the numerous opportunities available in the dynamic region of ASEAN by using Malaysia as the gateway. A large number of foreign companies such as Novartis, Roche, GE and Standard Chartered have made Malaysia their regional hubs. When asked by the audience on our strategy should the Trans-Pacific Partnership Agreement (TPPA) fail to materialise, Dato' Sri Mustapa informed them that Malaysia's priorities will be on strengthening economic integration within ASEAN, pushing for the conclusion of the Regional Comprehensive Economic Partnership (RCEP) as well as perhaps pursuing bilateral FTAs with relevant TPP members.

Against the backdrop of rising protectionist sentiments in a number of countries, Dato' Sri Mustapa assured the international community that Malaysia is not in retreat, "We remain open for business. Foreign investments have played a major role in our economic development and we will continue to welcome high quality investments, especially in the catalytic subsectors namely chemicals, electrical & electronics (E&E), and machinery & equipment (M&E), as well as other high potential growth areas including aerospace, medical devices and digital economy," Malaysia has been a major beneficiary of Foreign Direct Investment (FDI). No less than 1 million of our people are working with foreign companies. FDI also contributes to our exports given that a large number of foreign companies operating in Malaysia are 100% export-oriented. The presence of foreign companies in our economy has also provided our local SMEs access to valuable technology transfer and exchange of know-how, which are crucial in developing their capabilities which will allow them to be part of the global supply chain.

The digital economy is one the priority areas identified for future economic growth. In this area, Malaysia has recorded an improvement in new investments, from USD1.05 billion in 2015 to USD 1.5 billion in 2016. The targeted areas for future growth as far as the digital economy is concerned will be on financial technology, growth of start-ups and the development of the world's first cross border trade for SMEs namely the Digital Free Trade Zone as announced under the Budget 2017. He also reiterated Malaysia's commitment to pro-growth policies, despite the challenging economic conditions, "We have invested heavily in infrastructure as evidenced through recent key projects such as the MRT and Pan Borneo Highway and will continue to invest in major infrastructure such as the High Speed Rail which will further improve the business environment. This will also improve the connectivity within and beyond the borders of Malaysia hence enhancing our competitiveness in the region."

Separately, Dato' Sri Mustapa had bilateral meetings with a number of government and business leaders throughout the WEF. Among the companies he met were Microsoft, Hitachi, Qualcomm, Hanhwa, Nielsen and PwC, among others. Some of these companies are looking into the possibility of expanding their footprints in Malaysia. Meanwhile, as far as the Internet of Things and Digital Economy are concerned, a number of international companies have expressed their interest to play a more active role in unlocking Malaysia's potential in this area. "Davos is an important platform for us to expand our network and strike valuable business deals. It also provides the opportunity for us to learn more about emerging trends such as the Fourth Industrial Revolution and automation. Malaysia as a country needs to align itself to this new reality and keep abreast of latest developments," the Minister said. Despite all the noises surrounding the Malaysian economy, there is still a lot of interest among the international business community in Malaysian economy. They acknowledge the country's economic resilience in weathering uncertainties and have strong confidence that Malaysia will continue to do well.

Moving forward, Dato' Sri Mustapa stressed the importance for Malaysia to continuously improve its approach in attracting investment. "We are now adopting a more holistic strategy in which we are working closely with consulting firms, banks, private companies and our diaspora. For instance in Zurich alone there are around 30 Malaysians occupying senior positions in various companies. They must be our ambassadors in promoting the Malaysian brand,"

Ministry of International Trade and Industry



Gong Xi Fa Cai! Xin Nian Kuaí Le!

2017



Strategic Planning Division, MITI  
Wishes Everyone  
a Happy Chinese New Year

2017





## MITI WEEKLY BULLETIN (MWB) MOBILE APPS



weekly bulletin

News & Magazines

★★★★★

1

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## INSPIRATIONAL QUOTES

Operate from  
your **heart** not  
your hurt.

Carol Miller





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