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MALAYSIA
CHAIRMAN OF
ASEAN 2015

OUR PEOPLE, OUR COMMUNITY, OUR VISION



Intra-Asean Trade Booming

Intra-Asean trade which has been on an increasing trend over the years is expected to surpass the global average by 2% to 3% this year, said Minister of International Trade and Industry Datuk Seri Mustapa Mohamed.

“Over the years we have seen a gradual increase in intra-Asean trade and investment. We had started with about 10% intra-Asean trade 20 years ago, and now it is about 24% to 25%, which is a big jump in terms of intra-Asean trade,” he told reporters after officiating the Asean Business Forum 2015 yesterday.



“This year, we are forecasting 2% to 3% growth in trade. We believe the fast-paced growth of Asean economies relative to others in the world, and trade growth in ASEAN is going to be higher than the global average,” he added, noting that the average global trade grew by 5.9% last year. In 2013, intra-Asean trade amounted to US\$608.6 billion, accounting for 24.2% of total trade of the region, compared with US\$458.1 billion in 2008, when the Asean Economic Community (AEC) Blueprint was first implemented.

Commenting on intra-Asean investment, he expects the market share of the global foreign direct investment (FDI) flow to gradually increase between 11% to 12%, from its current 10%. The total FDI inflows to Asean amounted to US\$122.4 billion in 2013, representing the highest FDI flows into a region, globally, in which US\$21.32 billion came from investments within Asean members.

Mustapa said he expects to see more investments coming from Singapore, Indonesia, Thailand and the Philippines this year, due to the country's continuous economic stability and improvement in business landscape. Last year, the top-three Asean markets for Malaysia were Singapore, Thailand and Indonesia, with each recording 51%, 19% and 15% of the country's total export share. The Asean market accounted for 26.8% of Malaysia's total trade last year, valued at RM389.03 billion with an increase of 3.9% from 2013.

“We see this phenomenon growing in the next few years, more intra-Asean trade and more intra-Asean investments coming in,” he said, noting the Asean Business Forum is part of the government's initiative to build awareness on the opportunities within Asean.

The Forum which aims to give participants an insight into Asean's market needs and prospects, was attended by over 1,000 participants from all over the country.

“DRIVING Transformation, POWERING Growth”

Source : MITI, 13 March 2015



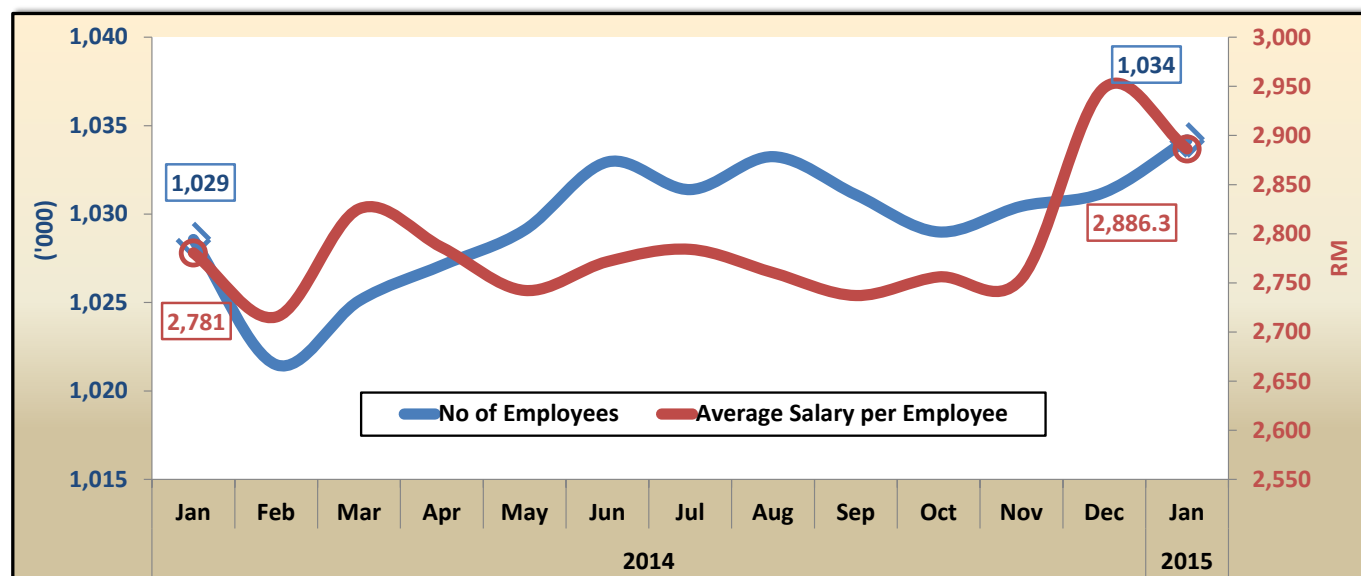
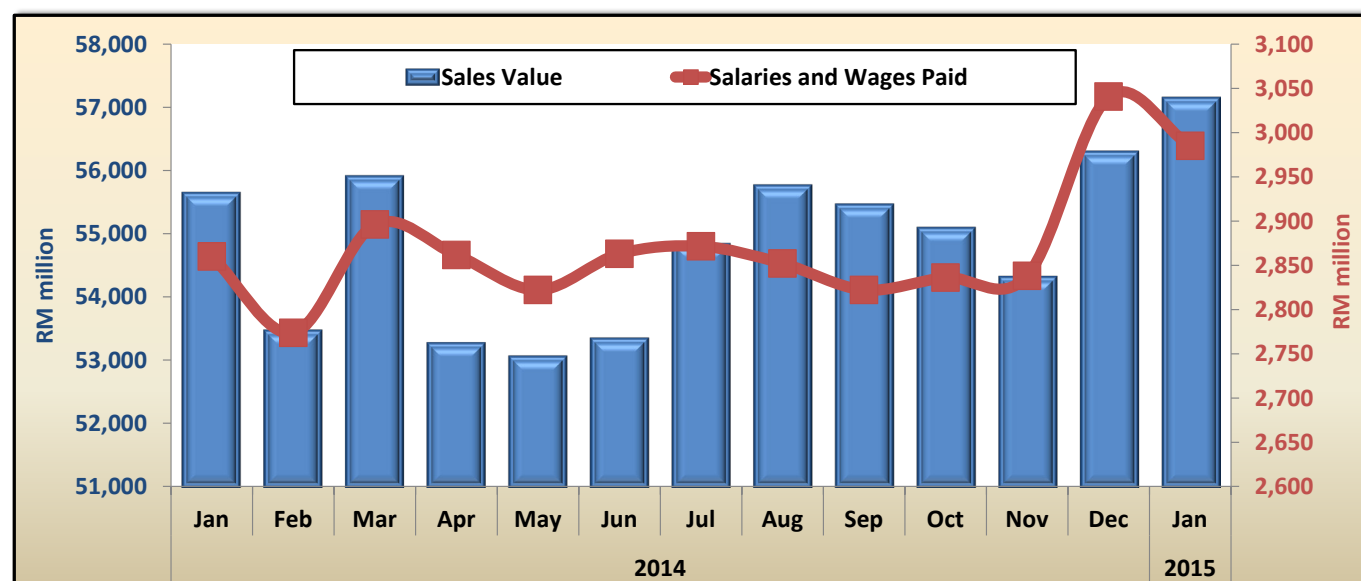
MALAYSIA

Selected Key Indicators, 2014 & 2015

	2014 (preliminary)	2015 (forecast)
Labour force (million persons)	14.0	14.4
Employment (million persons)	13.6	14.0
Unemployment (as % of labour force)	2.9	3.0
Per Capita Income (RM)	34,123	35,572
Real GDP (Growth %)	6.0	4.5 ~ 5.5
Real GNI (Growth %)	6.0	5.2
Trade Balance (Goods)	125.1	94.2
Trade Balance (Services)	-20.5	-16.4
CPI (Consumer Price Index)	3.2	2.0 ~ 3.0

Source : Department of Statistics, Malaysia & Bank Negara Malaysia

Monthly Manufacturing, Jan 2014 - Jan 2015



Source : Department of Statistics, Malaysia

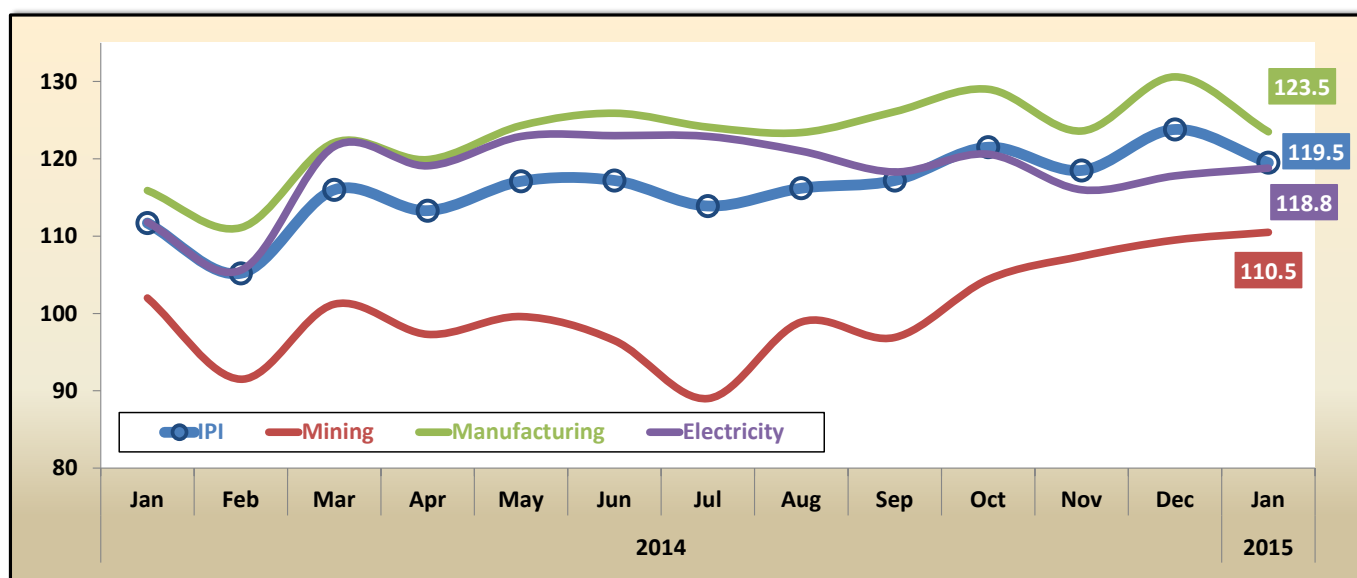
“DRIVING Transformation, POWERING Growth”

Sales Value and Growth for Selected Manufacturing Industries, Jan 2014 and Jan 2015

	Sales Value (RM million)		Increase	
	Jan-14	Jan-15	RM million	%
Manufacture of electrical capacitors and resistors	2,236.3	3,189.3	953.0	42.6
Manufacture of consumer electronics	2,295.4	2,624.7	329.3	14.3
Manufacture of plastics in primary forms	1,283.0	1,600.4	317.4	24.7
Manufacture of passenger cars	2,103.0	2,405.9	302.9	14.4

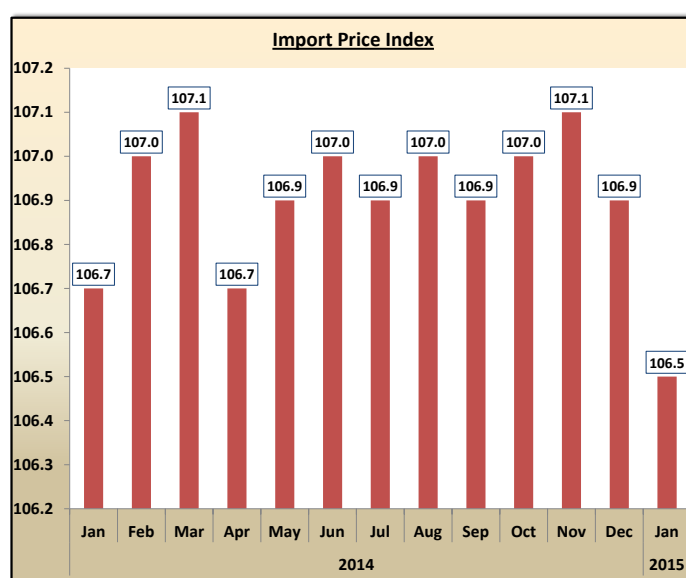
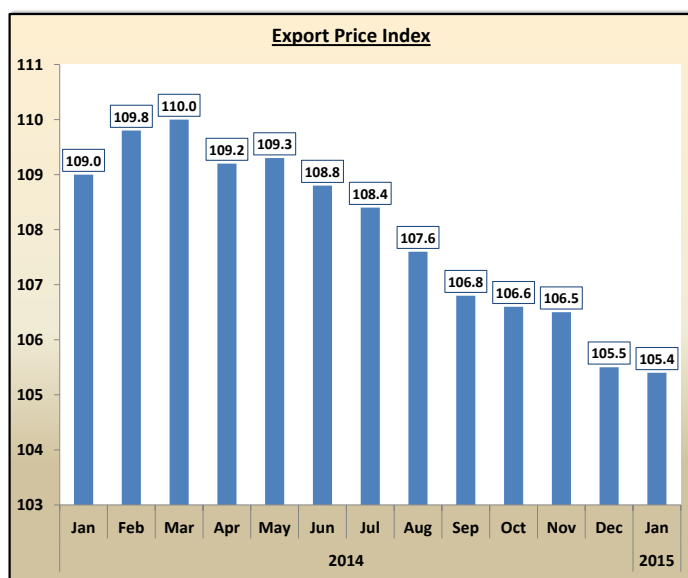
Source : Department of Statistics, Malaysia

Industrial Production Index, Jan 2014 - Jan 2015



Source : Department of Statistics, Malaysia

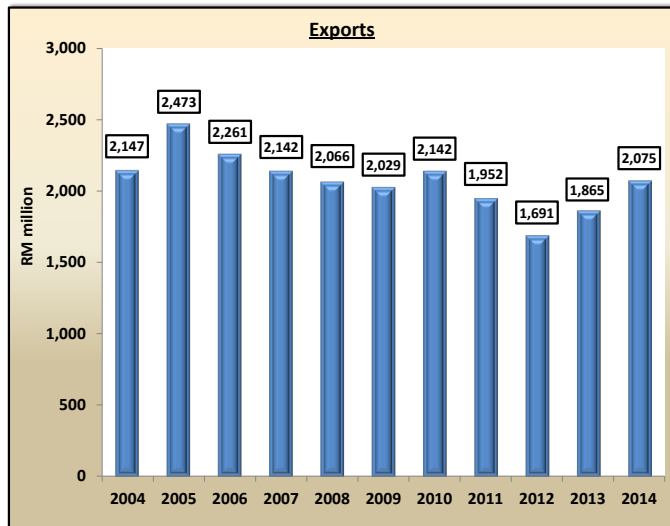
Export & Import Price Index, Jan 2014 - Jan 2015



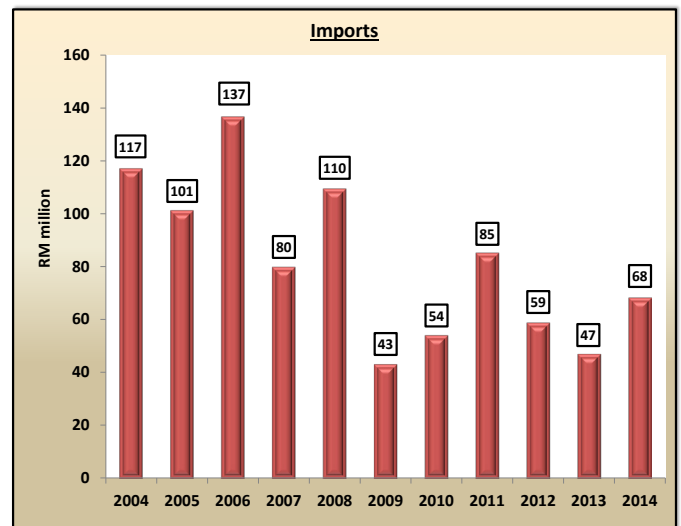
Source : Department of Statistics, Malaysia

DID YOU KNOW?

Malaysia's Trade in Wood, Jan 2014 - Jan 2015

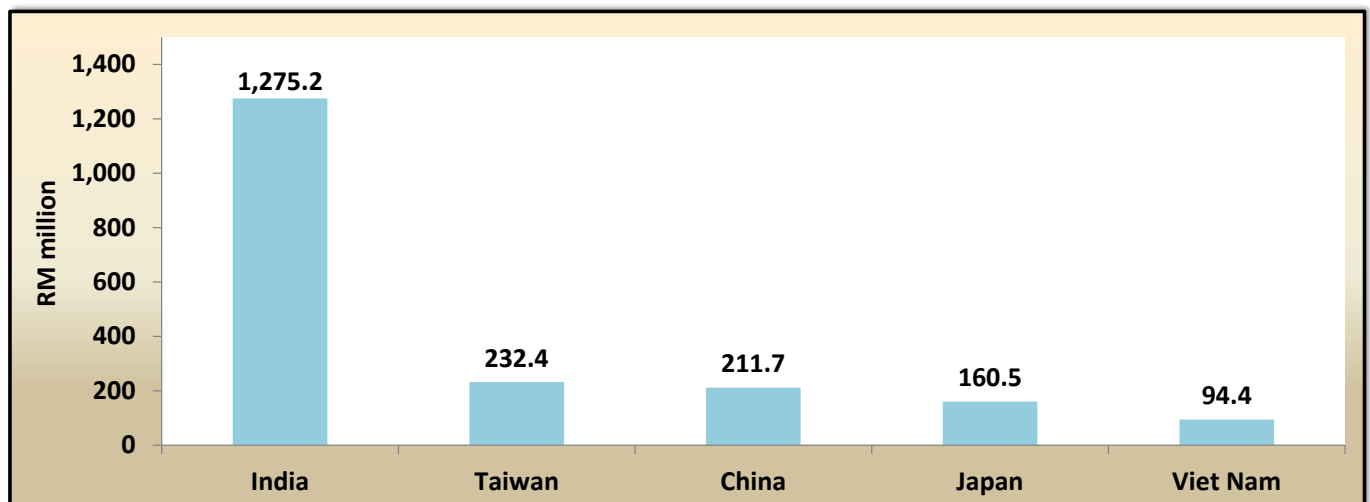


Source : Department of Statistics, Malaysia



HS Code : 4403 (Wood, in the rough)

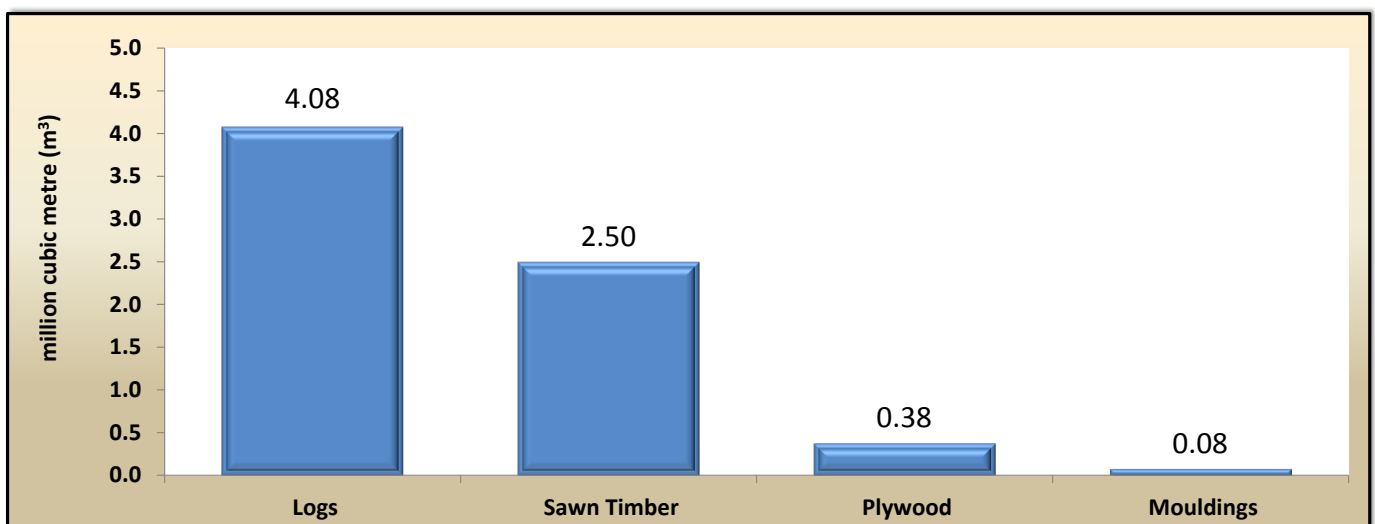
Top Five Wood Export Destinations from Malaysia, 2014



Source : Department of Statistics, Malaysia

HS Code : 4403 (Wood, in the rough)

Malaysia's Wood Production 2013



Source : Jabatan Perhutanan Semenanjung Malaysia (Forestry)



'ASEAN and You'

Understanding ASEAN : 7 Things You Need to Know

1. Together, ASEAN's ten member states form an economic powerhouse.

If ASEAN were a single country, it would already be the seventh-largest economy in the world, with a combined GDP of \$2.4 trillion in 2013. It is projected to rank as the fourth largest economy by 2050.

Labour-force expansion and productivity improvements drive GDP growth—and ASEAN is making impressive strides in both areas. Home to more than 600 million people, it has a larger population than the European Union or North America. ASEAN has the third-largest labour force in the world, behind China and India; its youthful population is producing a demographic dividend. Perhaps most important, almost 60 per cent of total growth since 1990 has come from productivity gains, as sectors such as manufacturing, retail, telecommunications, and transportation grow more efficient.

2. ASEAN is not a monolithic market.

ASEAN is a diverse group. Indonesia represents almost 40 per cent of the region's economic output and is a member of the G20, while Myanmar, emerging from decades of isolation, is still a frontier market working to build its institutions. Although ASEAN is becoming more integrated, investors should be aware of local preferences and cultural sensitivities; they cannot rely on a one-size-fits-all strategy across such widely varying markets.

3. Macroeconomic stability has provided a platform for growth.

Memories of the 1997 Asian financial crisis linger, leading many outsiders to expect that volatility comes with the territory. But the region proved to be remarkably resilient in the aftermath of the 2008 global financial crisis, and today it is in a much stronger fiscal position: government debt is under 50 per cent of GDP—far lower than the 90 per cent share in the United Kingdom or 105 per cent in the United States.

4. ASEAN is a growing hub of consumer demand.

ASEAN has dramatically outpaced the rest of the world on growth in GDP per capita since the late 1970s. Income growth has remained strong since 2000, with average annual real gains of more than 5 per cent.

Already some 67 million households in ASEAN states are part of the “consuming class,” with incomes exceeding the level at which they can begin to make significant discretionary purchases. That number could almost double to 125 million households by 2025, making ASEAN a pivotal consumer market of the future.

5. ASEAN is well positioned in global trade flows.

ASEAN is the fourth-largest exporting region in the world, trailing only the European Union, North America, and China/Hong Kong. It accounts for 7 per cent of global exports—and as its member states have developed more sophisticated manufacturing capabilities, their exports have diversified.

Understanding ASEAN : 7 Things You Need to Know (cont'd)

The region sits at the crossroads of many global flows. Singapore is currently the fourth-highest-ranked country in the McKinsey Global Institute's Connectedness Index, which tracks inflows and outflows of goods, services, finance, and people, as well as the underlying flows of data and communication that enable all types of cross border exchanges. Malaysia (18th) and Thailand (36th) also rank among the top 50 most connected countries. ASEAN is well positioned to benefit from growth in all these global flows.

6. Intraregional trade could significantly deepen with implementation of the ASEAN Economic Community, but there are hurdles.

Some 25 per cent of the region's exports of goods go to other ASEAN partners, a share that has remained roughly constant since 2003.

Intraregional trade in goods—along with other types of cross-border flows—is likely to increase with implementation of the ASEAN Economic Community integration plan, which aims to allow the freer movement of goods, services, skilled labour, and capital. Progress has been uneven, however. While tariffs on goods are now close to zero in many sectors among the original six member states (Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand), progress on liberalization of services and investment has been slower, and nontariff barriers remain a stumbling block to freer trade.

While deeper integration among its member states remains a work in progress, ASEAN has forged free-trade agreements elsewhere with partners that include Australia, China, India, Japan, New Zealand, and South Korea. It is also party to the Regional Comprehensive Economic Partnership trade negotiations that would form a mega trading bloc comprising more than three billion people, a combined GDP of about \$21 trillion, and some 30 per cent of world trade.

7. ASEAN is home to many globally competitive companies.

In 2006, ASEAN was home to the headquarters of 49 companies in the Forbes Global 2000. By 2013, that number had risen to 74. ASEAN includes 227 of the world's companies with more than \$1 billion in revenues, or 3 per cent of the world's total. Singapore is a standout, ranking fifth in the world for corporate-headquarters density and first for foreign subsidiaries.

Consistent with this growth, foreign direct investment in ASEAN has boomed, surpassing its precrisis levels. In fact, the ASEAN-5 (Indonesia, Malaysia, the Philippines, Singapore, and Thailand) attracted more foreign direct investment than China (\$128 billion versus \$117 billion) in 2013. In addition to attracting multinationals, ASEAN has become a launching pad for new companies; the region now accounts for 38 per cent of Asia's market for initial public offerings.

Despite their distinct cultures, histories, and languages, the ten member states of ASEAN share a focus on jobs and prosperity. Household purchasing power is rising, transforming the region into the next frontier of consumer growth. Maintaining the current trajectory will require enormous investment in infrastructure and human-capital development—a challenge for any emerging region but a necessary step toward ASEAN's goal of becoming globally competitive in a wide range of industries. The ASEAN Economic Community offers an opportunity to create a seamless regional market and production base. If its implementation is successful, ASEAN could prove to be a case in which the whole actually does exceed the sum of its parts.

Source : McKinsey & Co

“DRIVING Transformation, POWERING Growth”

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



International Report



Macau Economic Indicators

-2.1% **GDP**
Q3 2014

103.4 **Consumer Price Index**
Jan 2015

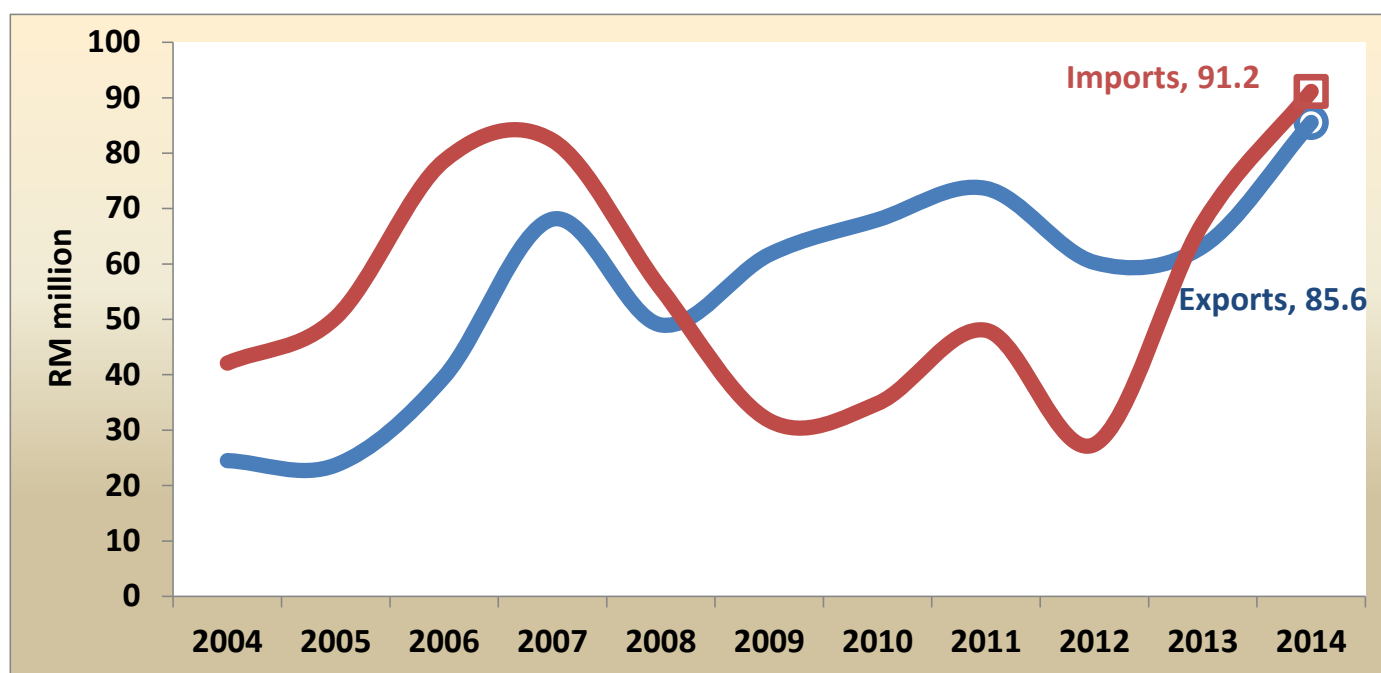
4.8% **Inflation Rate**
Jan 2015

1.70% **Unemployment Rate**
Jan 2015

USD 54.1 k **GDP per capita**
2013

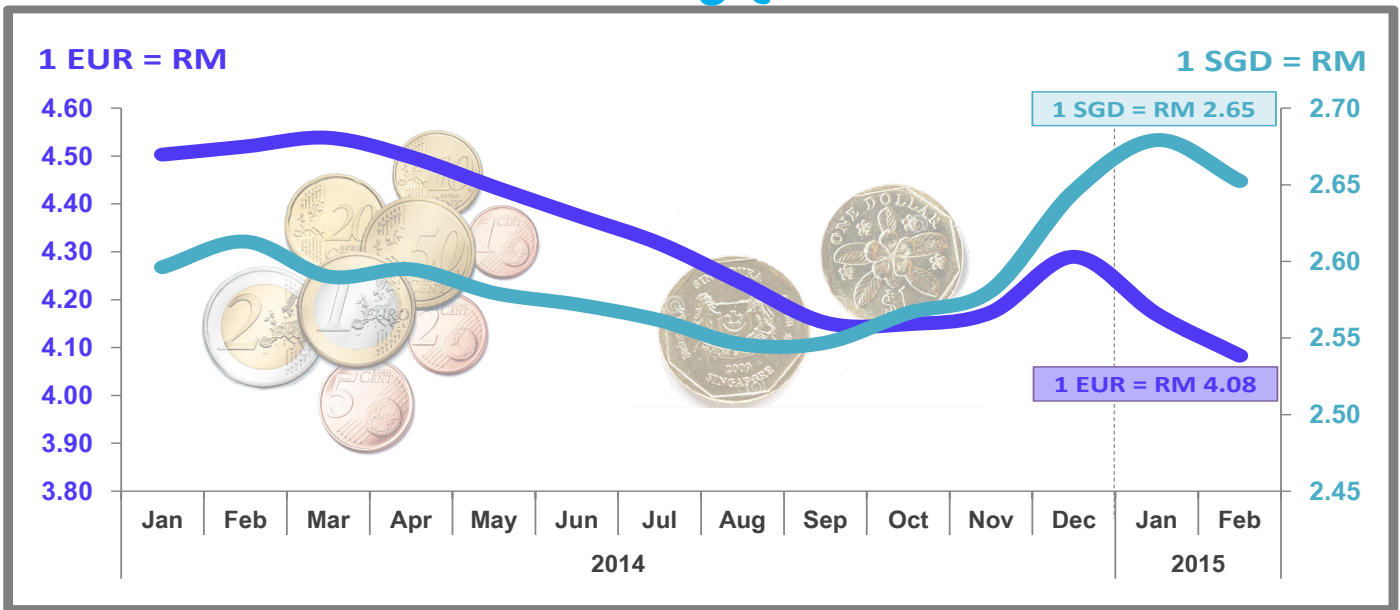
Source : www.tradingeconomics.com

Malaysia's Trade with Macau, 2004 - 2014



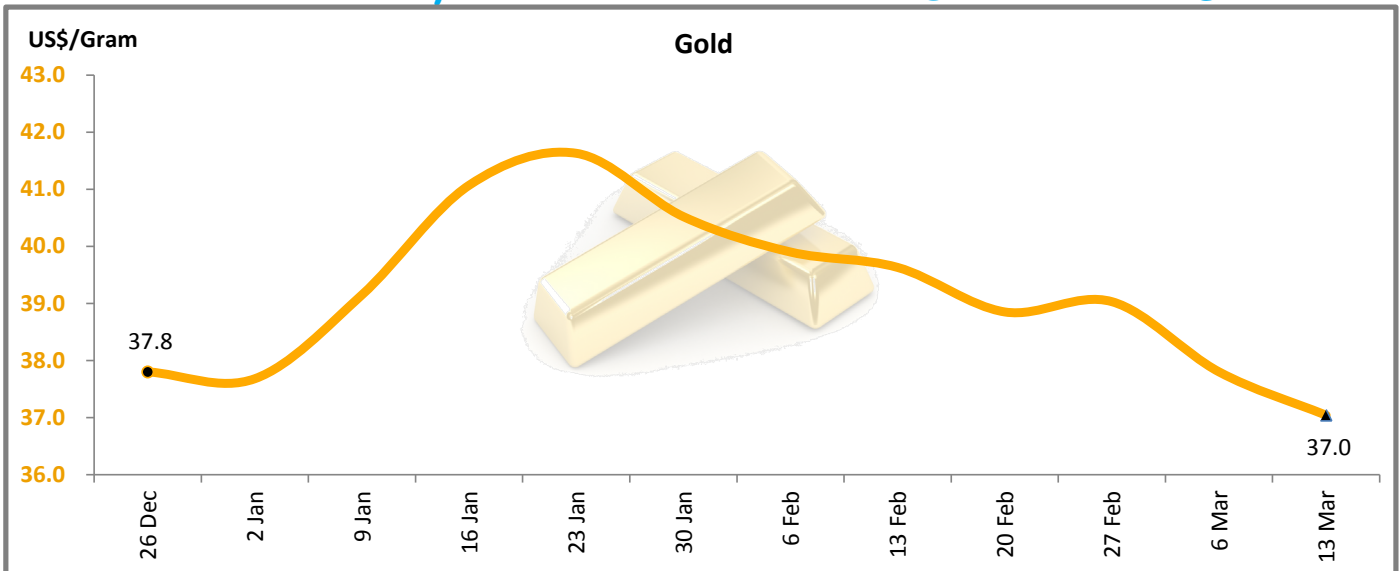
Source : Department of Statistics, Malaysia

Malaysian Ringgit Exchange Rate with Euro and Singapore Dollar



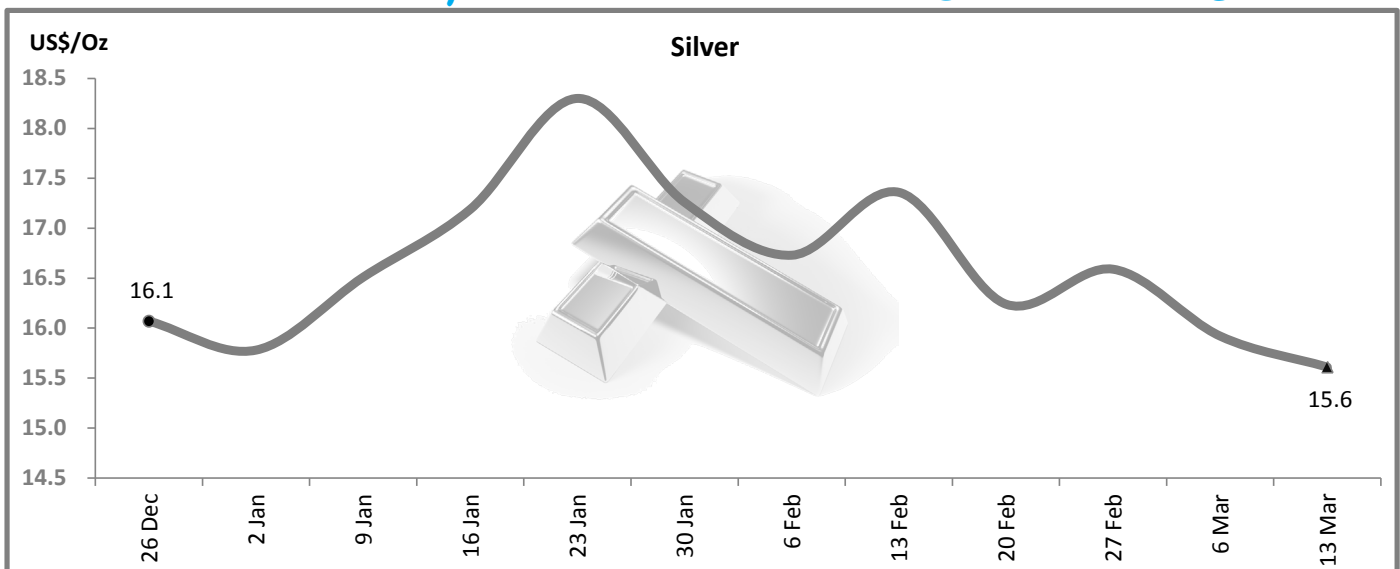
Source : Bank Negara, Malaysia

Gold Prices, 26 December 2014 - 13 March 2015



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

Silver Prices, 26 December 2014 - 13 March 2015



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

Number and Value of Preferential Certificates of Origin (PCOs)

Number of Certificates

	18 Jan 2015	25 Jan 2015	1 Feb 2015	8 Feb 2015	15 Feb 2015	22 Feb 2015	1 Mar 2015	8 Mar 2015
AANZFTA	809	963	883	663	1,001	467	835	658
AIFTA	584	531	558	559	521	485	467	561
AJCEP	185	170	243	241	254	116	172	154
ATIGA	4,297	3,775	4,693	4,081	4,287	2,648	3,695	4,107
ACFTA	1,429	1,150	1,232	793	920	790	1,659	1,454
AKFTA	629	767	760	665	823	610	643	765
MICECA	266	302	311	307	344	236	278	297
MNZFTA	3	6	13	7	6	2	5	1
MCFTA	74	39	62	56	53	27	56	42
MAFTA	376	417	450	341	481	206	360	259
MJEP	835	874	972	817	847	608	775	823
MPCEPA	160	160	158	153	130	139	150	173
GSP	112	163	196	104	152	73	170	104

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



AANZFTA: ASEAN-Australia-New Zealand Free Trade Agreement (Implemented since 1 January 2010)



ATIGA: ASEAN Trade in Goods Agreement (Implemented since 1 May 2010)



AJCEP: ASEAN-Japan Comprehensive Economic Partnership (Implemented since 1 February 2009)



ACFTA: ASEAN-China Free Trade Agreement (Implemented since 1 July 2003)



AKFTA: ASEAN-Korea Free Trade Agreement (Implemented since 1 July 2006)



AIFTA: ASEAN-India Free Trade Agreement (Implemented since 1 January 2010)



MPCEPA: Malaysia-Pakistan Closer Economic Partnership Agreement (Implemented since 1 January 2008)



MJEP: Malaysia-Japan Economic Partnership Agreement (Implemented since 13 July 2006)



MICECA: Malaysia-India Comprehensive Economic Cooperation Agreement (Implemented since 1 July 2011)



MNZFTA: Malaysia-New Zealand Free Trade Agreement (Implemented since 1 August 2010)

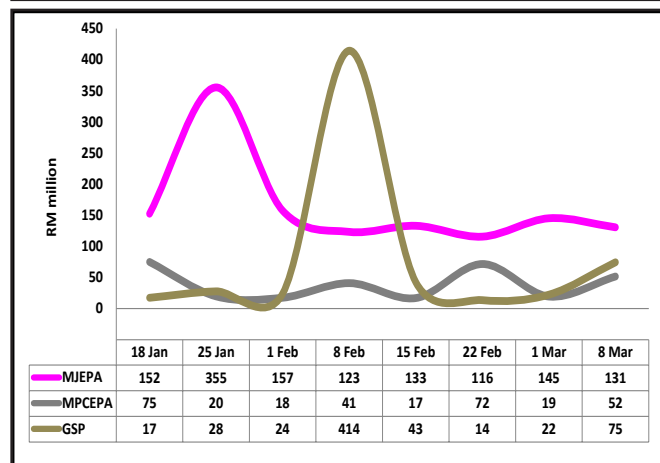
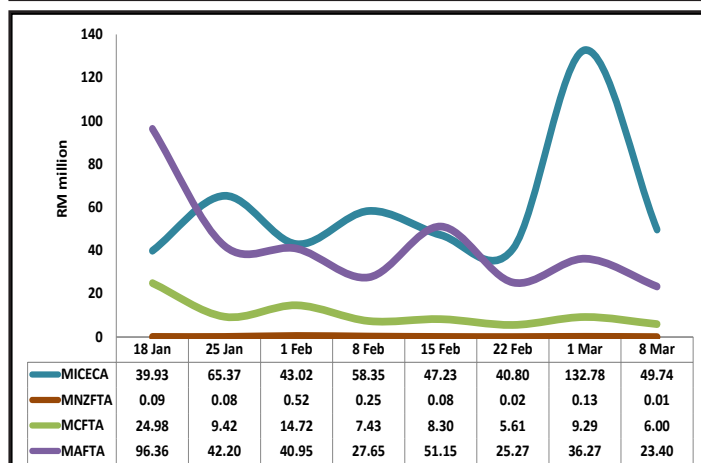
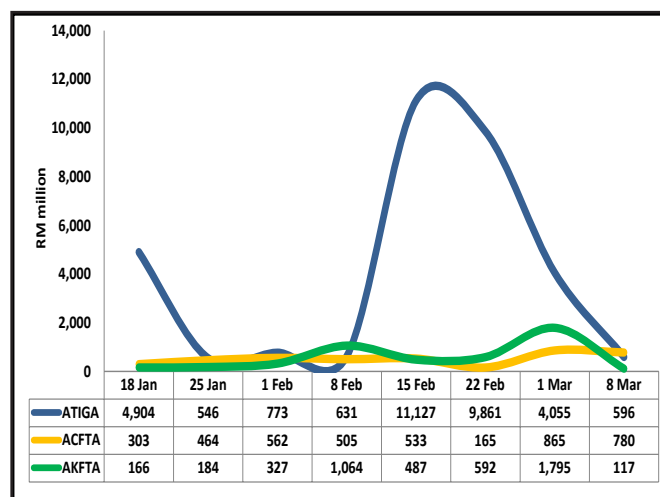
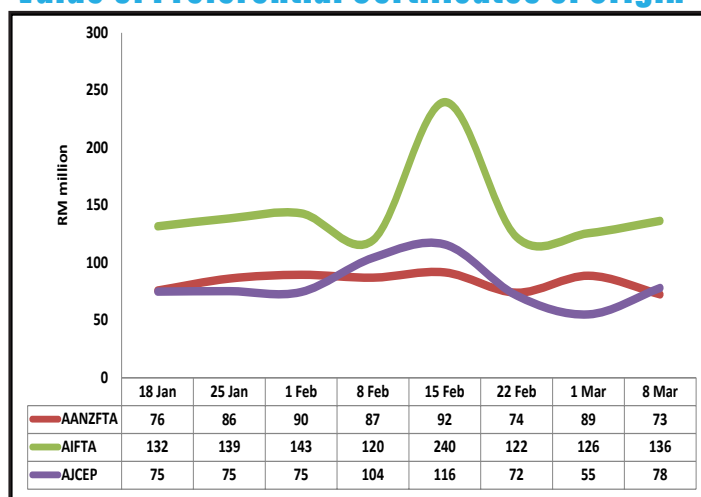


MCFTA: Malaysia-Chile Free Trade Agreement (Implemented since 25 February 2012)



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

Value of Preferential Certificates of Origin



Source: Ministry of International Trade and Industry, Malaysia

Commodity Prices



Commodity	Crude Petroleum (per bbl)	Crude Palm Oil (per MT)	Raw Sugar (per MT)	Rubber SMR 20 (per MT)	Cocoa SMC 2 (per MT)	Coal (per MT)	Scrap Iron HMS (per MT)
13 Mar 2015 (US\$)	44.8	673.5	291.0	1,412.5	2107.8	58.4	270 (high) 250 (low)
% change*	↓ 9.6	↓ 2.7	↓ 5.6	unchanged	↓ 0.1	↑ 1.2	↑ 3.8 ↑ 4.2
2014 ⁱ	54.6 - 107.6	823.3	352.3	1,718.3	2,615.8	59.8	370.0
2013 ⁱ	88.1 - 108.6	805.5	361.6	2,390.8	1,933.1	..	485.6

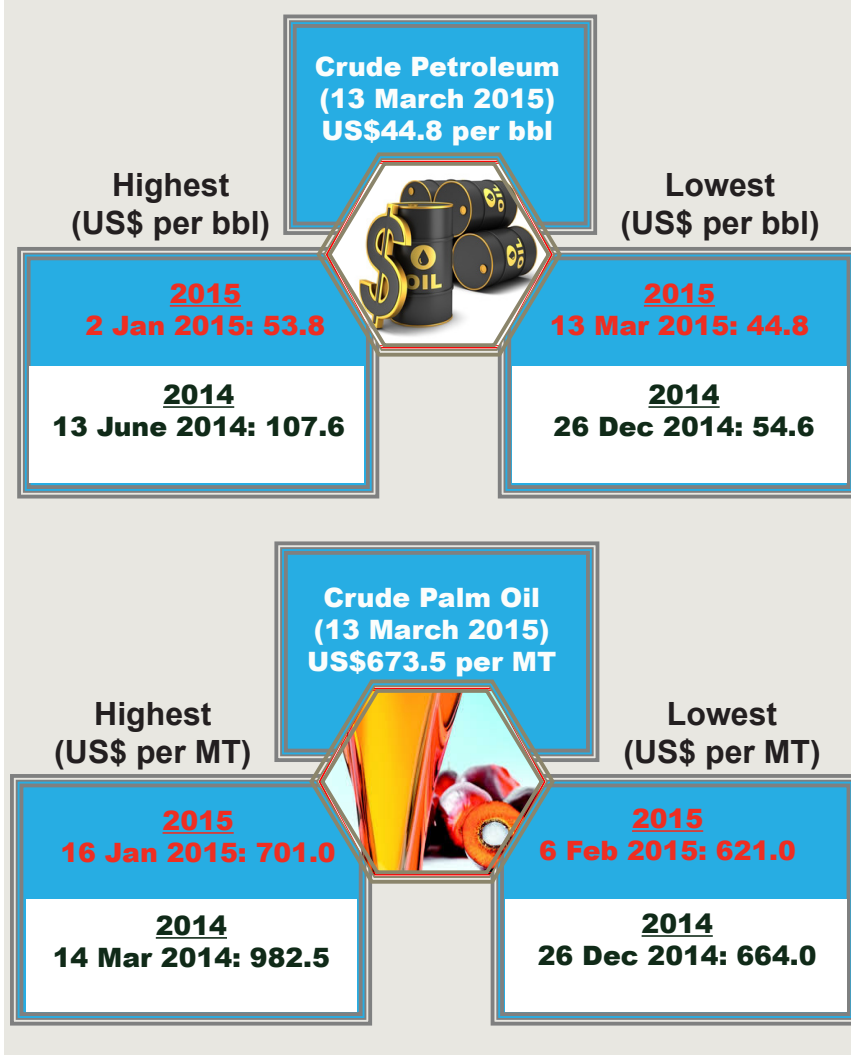
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

n.a Not available

Highest and Lowest Prices, 2014/2015



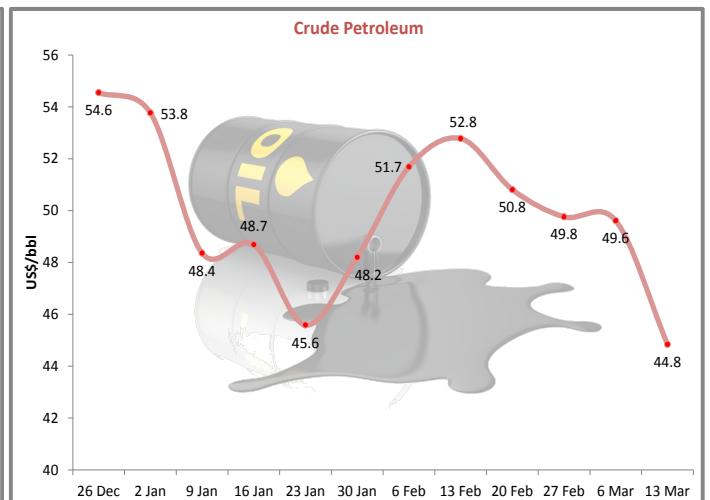
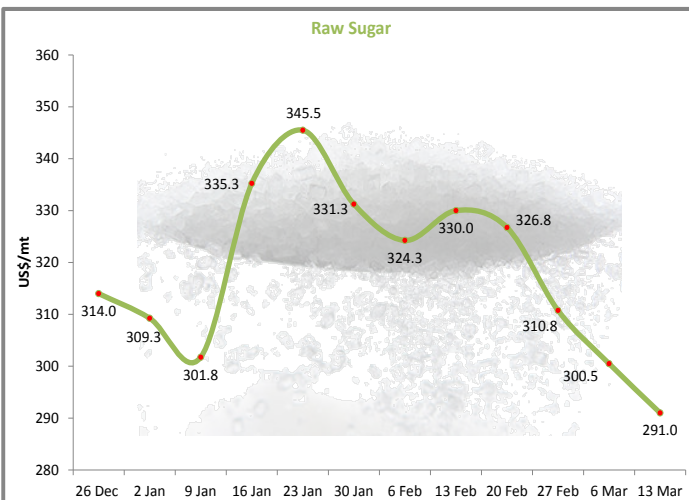
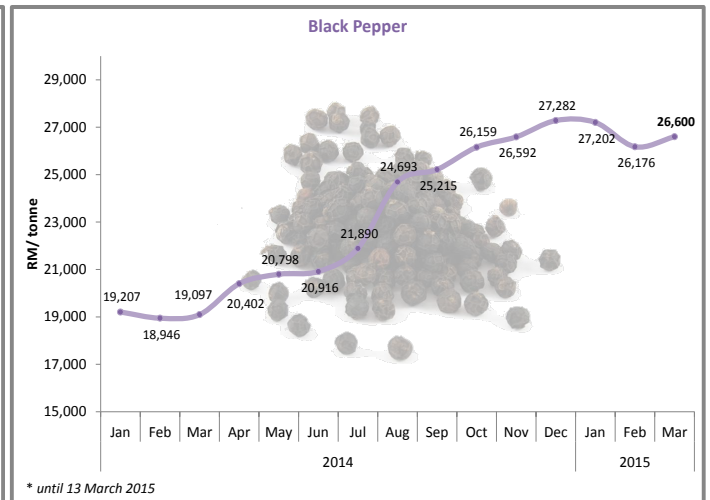
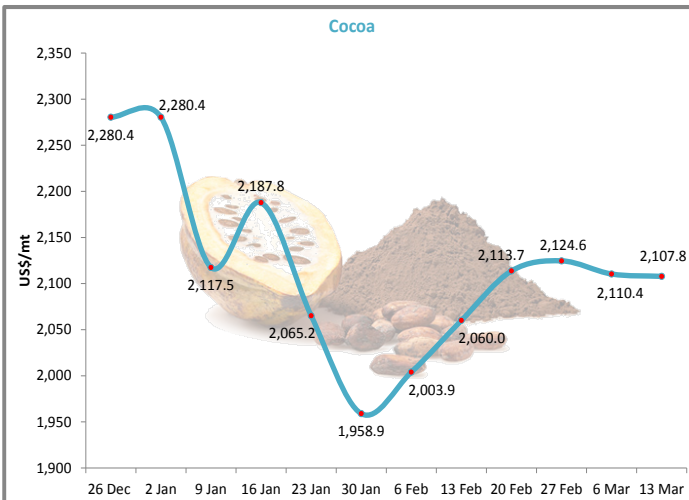
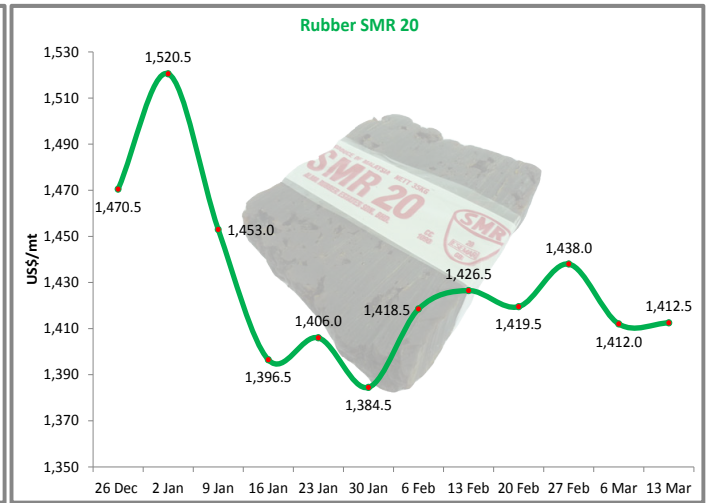
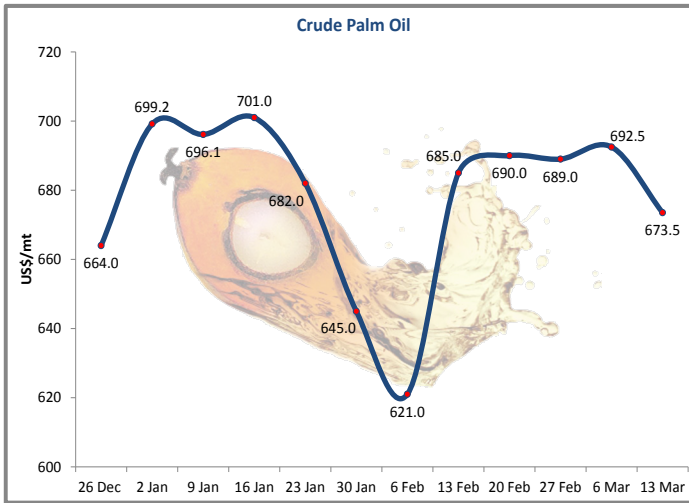
Average Domestic Prices, 13 Mar 2015



"DRIVING Transformation, POWERING Growth"

Source : 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.

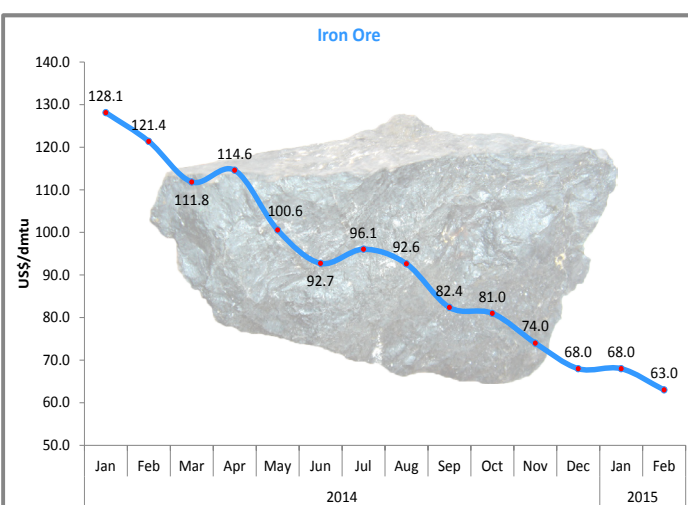
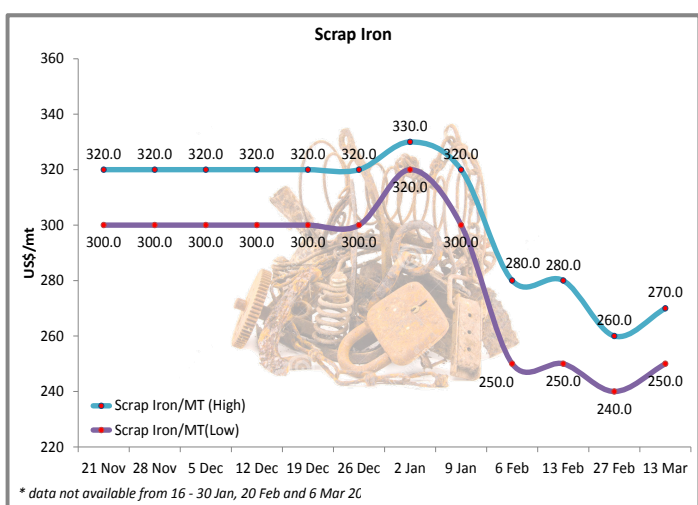
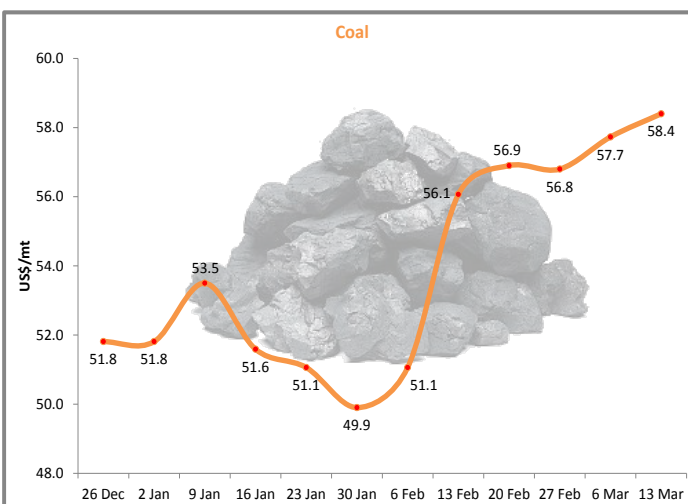
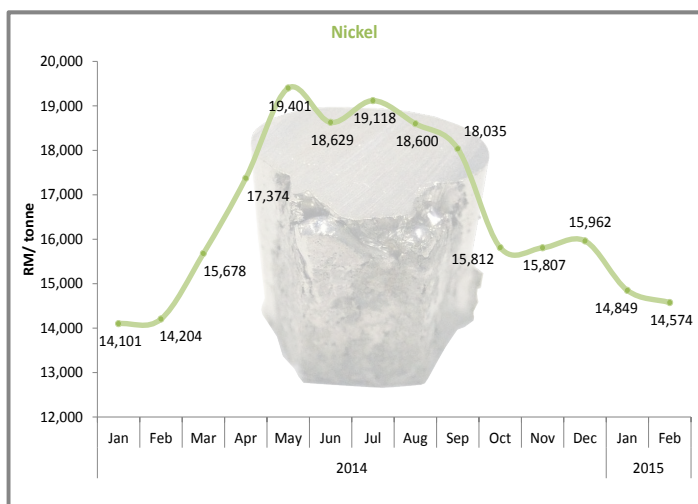
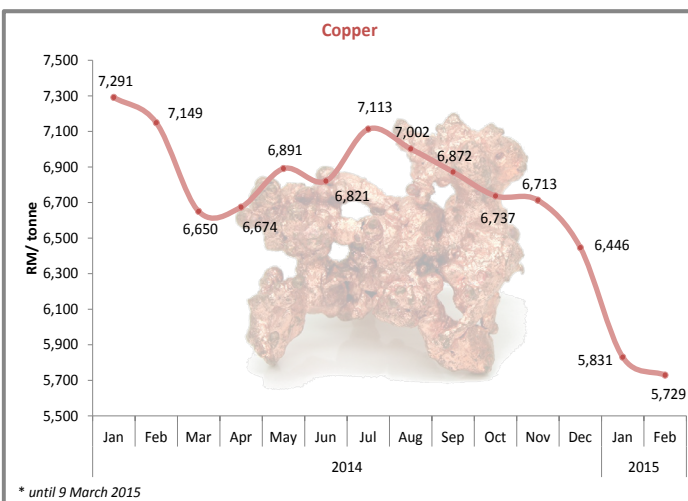
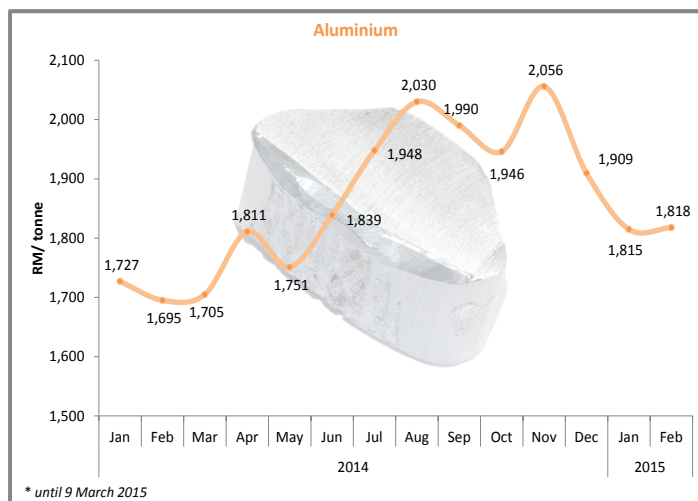
Commodity Price Trends



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

“DRIVING Transformation, POWERING Growth”

Commodity Price Trends



“DRIVING Transformation, POWERING Growth”

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

ABDUL RAMAN SAAD & ASSOCIATES (ARSA)

ARSA has an enviable position as a premier company in the world of Islamic finance. The homegrown company began operations as an independent commercial entity, namely ARSA Shariah that was formed in 2008 for the provision of services related to Shariah Finance. This was followed with the establishment of ARSA Consultants in 2010 initially to cater for data compliance and training. "Due to increasing demand in Islamic finance, locally and globally and also the aspiration of the Government of Malaysia to be the Islamic financial hub, coupled with the Islamic finance industry being still in its evolution stage – ARSA saw the potential of providing such services," said ARSA's Founder, Datuk Dr Abdul Raman Saad. Amongst the services are Shariah advisory, which



includes amongst others structuring of facilities under the Capital Markets and products development, training, Shariah governance such as Shariah Audit & Shariah Review services and also market research and provision of an accredited

STRATEGIC ALLIANCES

ARSA develops strategic alliances to support its business growth and operations on a global platform. The company has embarked on the strategy of having a smart partnership with its existing service recipients to minimise the risks. Abdul Abdul Raman adds: "We will focus on our recipients who go regional, for example, we advise the Al-'Aqar Reit and this Reit has expanded their business across borders to Indonesia and also Australia. By having our presence in Indonesia, the Reit will continue using our services albeit under the Indonesian jurisdiction."

Other forms of strategic alliance that it considers are joint ventures with global partners, informal co-operation, contractual alliances, minority investments and franchising. There are many unique offerings of ARSA that makes it stand out from the rest in the same field. He says: "Advising on various aspects of Reit exercises is one of our unique value propositions."

"There are still not many players in the market who are well versed or have diverse experience in relation to Reit related cases especially in relation to Islamic Reit." ARSA, through its group, has diverse experience advising on Reit from its inception till financing – be it through straight lending or sukuk exercise. ARSA as a group has also experienced handling the exercise of converting the conventional Reit to an Islamic Reit. This experience gives the company a competitive edge over other regional players in the market. He adds: "The public perception that Reit is only confined to real estate including land and building is not true. Telecommunication or broadcasting towers can be used as assets for listing under a Reit – that is part of our unique offering."



Contact Us →

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Quality Investments in Malaysia

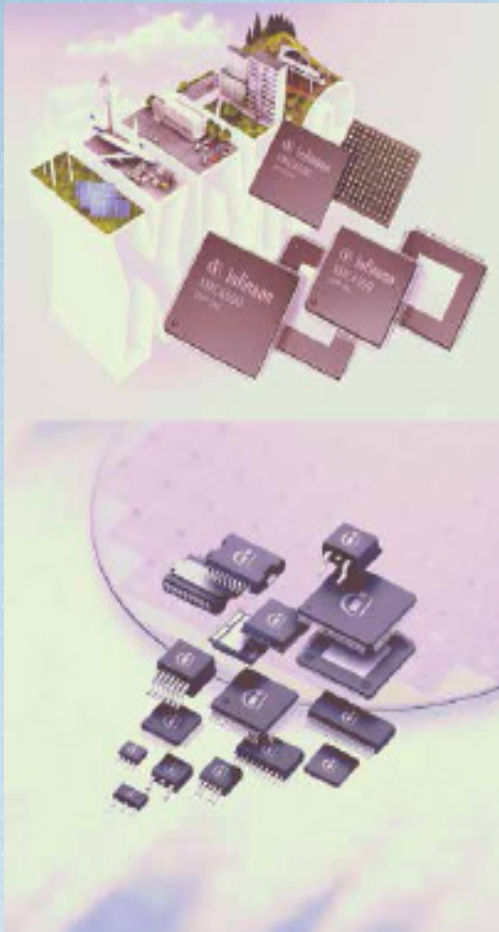
2014

Infineon Technologies



Project Cost
RM4.0 bil.*

Employment: 9,390 people**
14% engineers, 9% managers/professionals/researchers, 36% skilled workers



Infineon is Germany's largest semiconductor manufacturer and a global leader in semiconductors for the automotive, power management and hardware security industries. The company has a cumulative investment of RM11 billion at three entities in Malaysia. The company is investing into expansions at all three companies including:

- Infineon Technologies (Kulim) Sdn Bhd: Infineon's first wafer fabrication facility in Asia presently employs 1,800 staff. The company has plans to double its production capacity by expanding its operations and adding another additional 12,000 sqm fab facility.
- Infineon Technologies (Malaysia) Sdn Bhd: Infineon's largest assembly and test facility in Melaka for discrete semiconductors, power semiconductors and sensor products. The facility currently employs more than 5,700 staff.
- Infineon Technologies (Advanced Logics) Sdn Bhd: Infineon's assembly and test facility in Melaka for logic ICs, power semiconductors. It presently employs more than 1,900 staff.

The investments include the establishment of a Competence Centre for Megatrend Technologies in Kulim and the expansion of a Development Centre in Melaka. Both these initiatives will create more high-tech job opportunities for Malaysians. The Development Centre focuses on R&D competencies in areas of innovative IC packaging solutions, testing and product development.

Infineon is also collaborating with local universities such as Universiti Teknikal Malaysia Melaka (UTEM), Multimedia University (MMU), Universiti Kebangsaan Malaysia (UKM) and the German Malaysian Institute (GMI) in areas of talent development such as the Engineering Booster Program and German Dual Vocational Program in industrial management.

* 10-year forecast subject to change

** Employment data to date

Source : MIDA

Save the Date...

MALAYSIA PAVILION 2015
PASSION FOR LIFE, ENERGIZING THE WORLD
1 May-31 October 2015 . Milano . Italy .



MILANO 2015 EXPO
MALAYSIA
TOWARDS
A SUSTAINABLE
ECOSYSTEM



WORLD HALAL SUMMIT
30 March - 4 April 2015
Kuala Lumpur Convention Centre
KLCC, MALAYSIA



Hosted by:  Ministry of International Trade and Industry

Jointly Organized by:  Malaysia External Trade Development Corporation,  Home Industry Development Corporation,  Department of Islamic Development Malaysia

Strategic Partners:  Universiti Islam Malaysia,  Universiti Teknologi Malaysia

Organized and Managed by:  SHAPERS, Shapers Malaysia Sdn. Bhd.

“DRIVING Transformation, POWERING Growth”

Asean Business Forum 12 March 2015



ASEAN - OECD Conference and Meetings on Good Regulatory Practice, 9-12 March 2015



Lawatan Pelajar UiTM Kelantan ke MITI 12 Mac 2015



Majlis Perlantikan Pembekal Strategik TNB 12 Mac 2015



“DRIVING Transformation, POWERING Growth”

Media Announcement on World Halal Summit 2015, 10 March 2015



QUOTES

".... In the end, life is wonderful but nonetheless a series of trade-offs, especially between business/professional endeavours and family/community. And thankfully, I feel I'm at a point in my life where I no longer have to make such tough choices anymore. And for that I am truly grateful. Carpe Diem"

Excerpts from the retirement memo of Patrick Pichette, CFO Google.

"DRIVING Transformation, POWERING Growth"



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