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TRADE AND INDUSTRY

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MALAYSIA
CHAIRMAN OF
ASEAN 2015

OUR PEOPLE, OUR COMMUNITY, OUR VISION

Malaysia records 18.8pc growth in investments for Q1 2015 Mustapa Mohamed

Malaysia saw an 18.8 per cent jump in investments in the first quarter of 2015. Primary, services and manufacturing sectors recorded RM57.4 billion worth of approved investments between January and March.

The manufacturing sector led with RM33.6 billion, accounting for 58.5 per cent of the total. International Trade and Industry Minister Datuk Seri Mustapa Mohamed said Malaysia showed it was still able to hold on in an increasingly competitive environment.



"DRIVING Transformation, POWERING Growth"

"This is an excellent performance but we must sustain the momentum." Competition has risen and we need to ensure that we stay one step ahead," he told a media briefing. On the investments, he noted the bulk came from domestic sources which contributed RM47.4 billion or 82.6 per cent of the total.

The Petronas project in Pengerang, Johor, to build a refinery and cracker plant as well as expansion and diversification by existing electrical and electronics (E&E) manufacturers. Almost 75 per cent of the E&E projects in the period will export 80 per cent of their products.

Source :New Straits Times, 2 Jun 2015



ASEAN Showcases Small and Medium-sized Enterprises

In conjunction with Malaysia's chairmanship of ASEAN this year, the Ministry of International Trade and Industry (MITI) and Small and Medium-sized Enterprises Corporation Malaysia (SME Corp. Malaysia) hosts the landmark event of 2015 - the ASEAN SME Showcase and Conference (ASSC). Officiated by the Deputy Prime Minister of Malaysia, YAB Dato' Haji Tan Sri Muhyiddin Yassin.



"Recognising the importance of SMEs, the ASEAN Economic Community (AEC) Blueprint has a dedicated strategic approach on Equitable Economic Development of SMEs. This document is complemented by the ASEAN Strategic Action Plan for SME Development (SAP SMED), with the current plan focusing from 2010 to 2015," said DPM Muhyiddin Yassin. "Moving forward, for 2016-2025, new strategic goals are being planned. These goals will focus more on innovation, technology and productivity. They will promote the development of entrepreneurs and SMEs that will provide higher value in the global supply chain," he added.

Themed "One Business, One Community," over 100 ASEAN SMEs and 200 Malaysian SMEs participated in ASSC 2015. The event provided a forum for exchange of trade information, establishing synergies and more than 450 business matching meetings that have been pre-arranged.

The three-day event includes the ASEAN SME Showcase, ASEAN SME Conference and ASEAN Business XchanGE Platform. It is expected to draw more than 10,000 trade visitors. The Showcase comprises of 60%

local and 40% regional as well as international exhibitors. These individual components are designed to provide real opportunities for SMEs to showcase their best products and services, forge strategic business partnerships and initiate dialogue for ASEAN development solutions.

"ASEAN is currently one of the most dynamic and fastest-growing regions in the world. It is a known fact that with a sizeable population of 633 million, ASEAN offers a significant consumer market base with distinct needs and increasing purchasing power. ASSC 2015 is a gateway to tap the potential of ASEAN as a single market, with organic growth opportunities, especially for the SME Community," said YB Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry of Malaysia.

In recognition of SMEs as the backbone of ASEAN economies, ASSC 2015 sets the foundation for regional cooperation, especially to help prepare the SMEs for the AEC, by way of regionalising SMEs in ASEAN for global reach.

"In promoting ASSC 2015, I met various state Ministers

and high-influence positions from ASEAN and if I were to highlight one common aspect - it would be their high-appetite for risks, growth, and development. ASSC 2015 was a much needed regional platform for them to demonstrate their capacity, capability and competitiveness for tapping the big ASEAN market potential. I am confident, beyond any doubt, that after three days from now, ASSC 2015 will generate tangible outcomes for every participating organisation, government institution, businesses and entrepreneurs," concluded YBhg. Dato' Hafsa Hashim, Chief Executive Officer, SME Corp. Malaysia.

ASSC 2015 witnessed the official launching of ASEAN Market Place, a portal designed specifically for ASEAN SMEs. The portal features a robust directory of ASEAN SMEs to catalyze strategic partnerships and foster business relationships within the ASEAN SME community.

SME Corp. Malaysia shared that the event will create vast investment opportunities across three days through face-to-face Business Matching Sessions, establishing linkages between SMEs in Malaysia and ASEAN Member States.

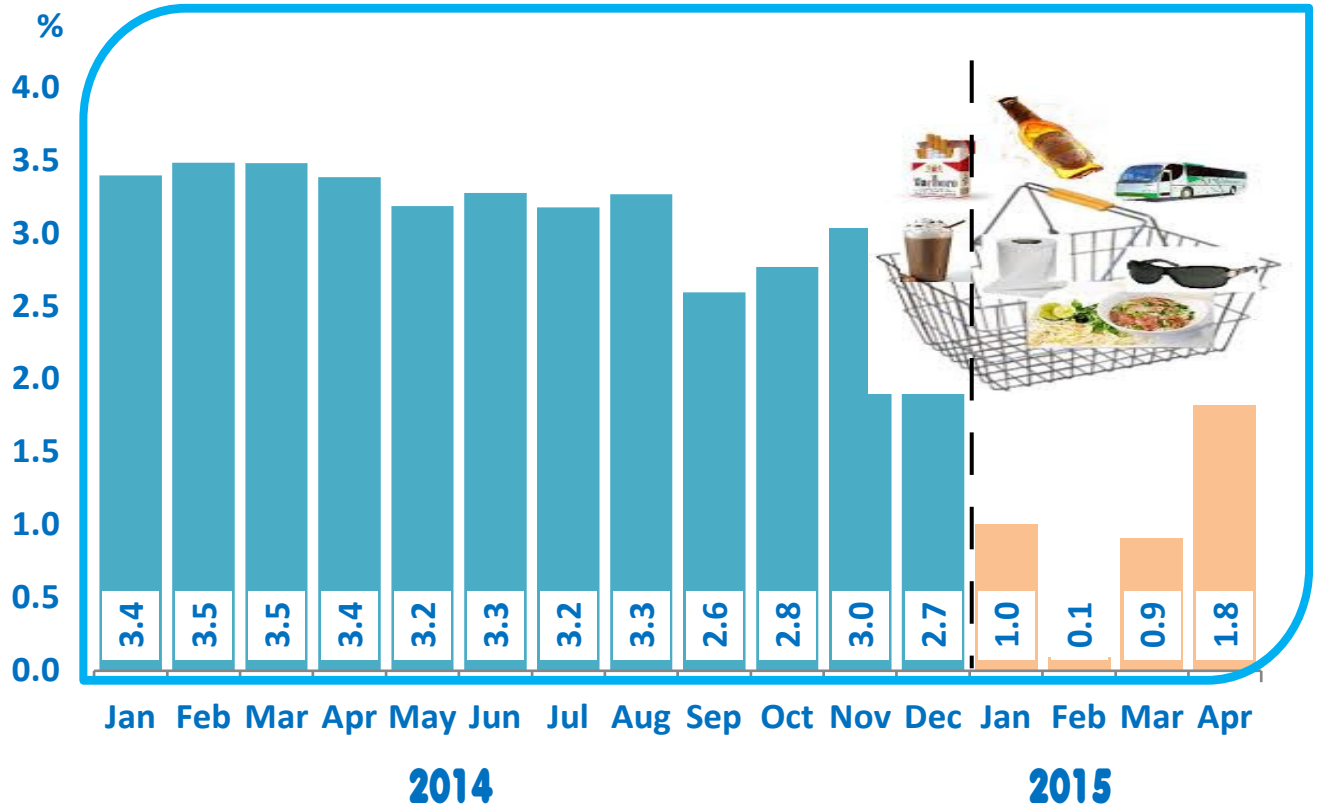
According to the projections, the potential sales value targeted at ASSC 2015 will be to the tune of RM400 million as a result of the negotiations in priority sectors such as aerospace; automotive & rail; oil & gas; retail (hypermarkets); healthcare; electrical & engineering etc. Some of the anchor companies in attendance include BAE Systems, Tesco, Bosch, Sime Darby, Procter & Gamble, and e-Bay amongst others.

"DRIVING Transformation, POWERING Growth"

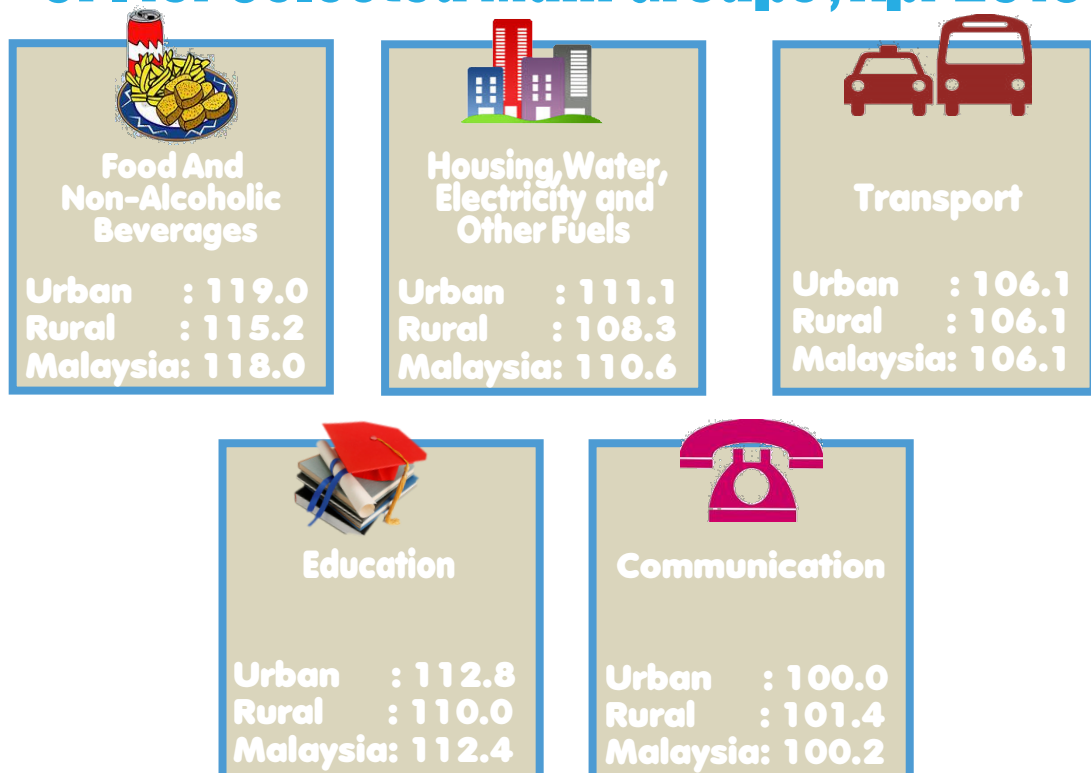
Source : BERNAMA, 29 MAY 2015

MALAYSIA

Inflation Rate, 2014 - Apr 2015



CPI for Selected Main Groups, Apr 2015















“DRIVING Transformation, POWERING Growth”

Note: Urban* are defined as gazetted areas and built-up areas which borders to it, and the combination of these two areas have a population of 10,000 or more. Built-up area is defined as the area located next gazetted areas and have at least 60 percent of the population (aged 15 years and over) who are involved

Source : Department of Statistics, Malaysia
MITI Weekly Bulletin / www.miti.gov.my



Consumer Price Index (CPI) by Major Categories, April 2015

		Apr. 2014	Apr. 2015	% Change 2015/21014
Food And Non-Alcoholic Beverages		114.4	118.0	↑ 3.1
Alcoholic Beverages And Tobacco		121.7	137.5	↑ 13.0
Clothing and Footwear		98.7	99.4	↑ 0.7
Housing, Water, Electricity and Other Fuels		108.1	110.6	↑ 2.3
Furnishings, Household, Equipment and Routine Household Maintenance		106.5	109.0	↑ 2.3
Health		109.1	114.6	↑ 5.0
Transport		111.4	106.1	↓ 4.8
Communication		97.9	100.2	↑ 2.3
Recreation, Services and Culture		104.9	106.5	↑ 1.5
Education		109.5	112.4	↑ 2.6
Restaurants and Hotels		116.4	121.4	↑ 4.3
Miscellaneous Goods and Services		105.4	109.7	↑ 4.1

“DRIVING Transformation, POWERING Growth”

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



Source : Department of Statistics, Malaysia

MITI Weekly Bulletin / www.miti.gov.my



ASEAN and You'



Investment Climate Index

Country	Rank	
	2013	2014
Singapore	1	1
Brunei	5	5
MALAYSIA	9	9
Thailand	10	10
Philippines	12	12
Viet Nam	15	13
Cambodia	14	14
Indonesia	13	15
Laos	18	18
Myanmar	19	19

“DRIVING Transformation, POWERING Growth”

The Index evaluates and ranks according to six criteria: Rule of Law, Openness to International Trade & Business, Taxation, Corruption, Political Stability, and Fiscal & Monetary Administration.

Source : <http://www.vrienspartners.com/wp-content/uploads/2014/04/VP-Asia-Pacific-Investment-Climate-Index-2014.pdf>

MITI's ASEAN Portal can be accessed via <http://www.miti.gov.my/cms/aec2015.jsp>.





International Report

U.S. Economic Indicators

Inflation Rate

-0.20%
(April 2015)

-0.07%
(March 2015)

Consumer Price Index

236.6
(April 2015)

236.1
(March 2015)

Unemployment Rate

5.4%
(April 2015)

5.5%
(March 2015)

Gross Domestic Product

-0.7%
**(GDP Q1 2015,
Second Estimate)**

0.2%
**(GDP Q1 2015,
Advance Estimate)**

Source: US Bureau of Economic Analysis

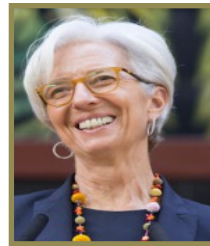
DID YOU KNOW ?

Top Ten Women Who Lead The World



1

Angela Merkel
Chancellor, Germany



6

Christine Lagarde
Managing Director,
International Monetary Fund,
France



2

Hillary Clinton
Presidential Candidate,
United States



7

Dilma Rousseff
President, Brazil



3

Melinda Gates
Cochairwoman,
Bill & Melinda Gates
Foundation,
United States



8

Sheryl Sandberg
COO of Facebook,
United States



4

Janet Yellen
Chairwoman,
Federal Reserve Bank,
United States



9

Susan Wojcicki
CEO, Youtube,
United States



5

Mary Barra
CEO, General Motors,
United States



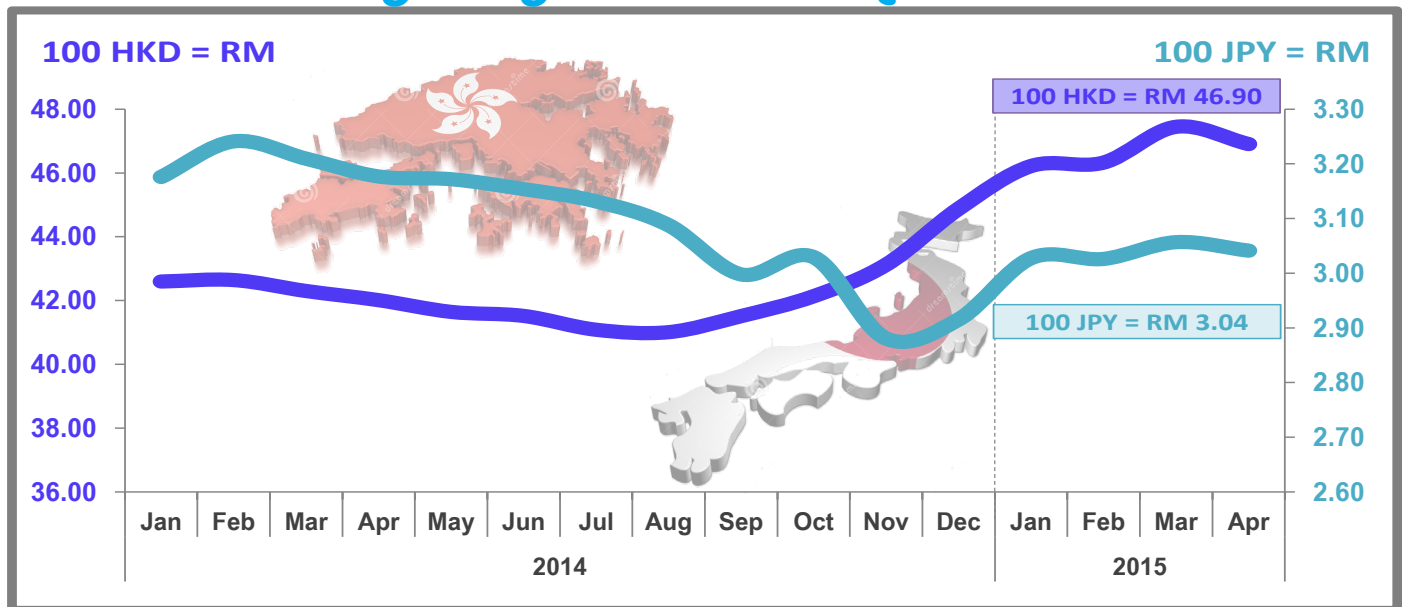
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Michelle Obama
First Lady,
United States

“DRIVING Transformation, POWERING Growth”

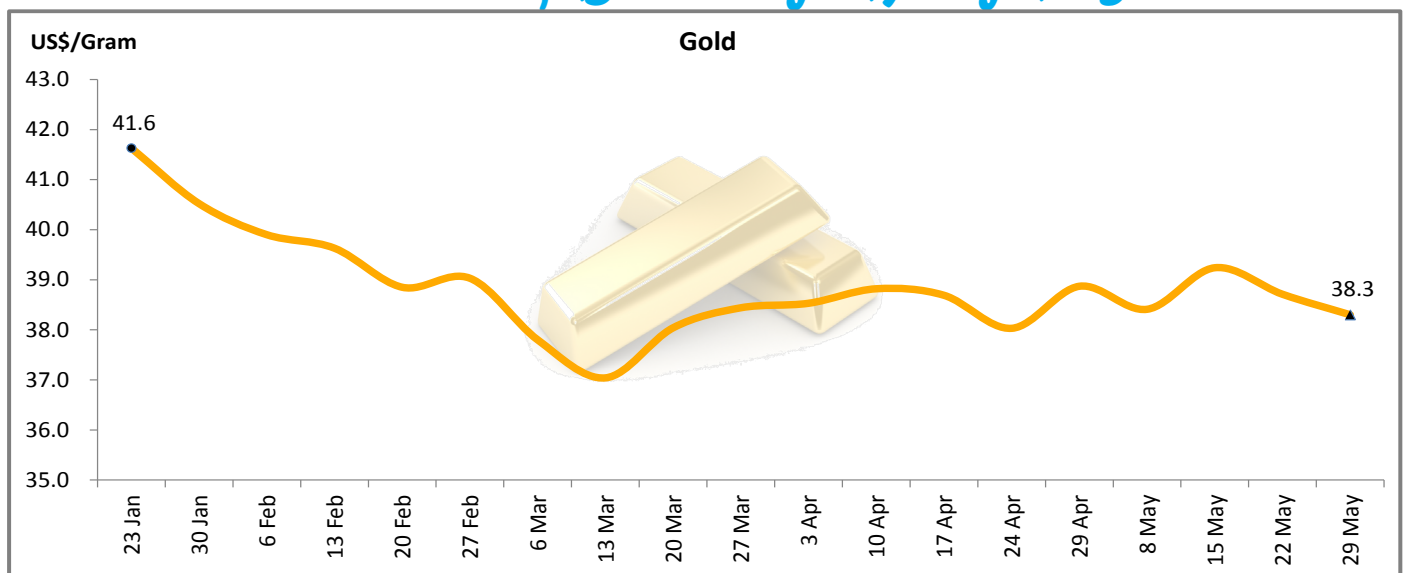


Malaysian Ringgit Exchange Rate with Hong Kong Dollar and Japanese Yen



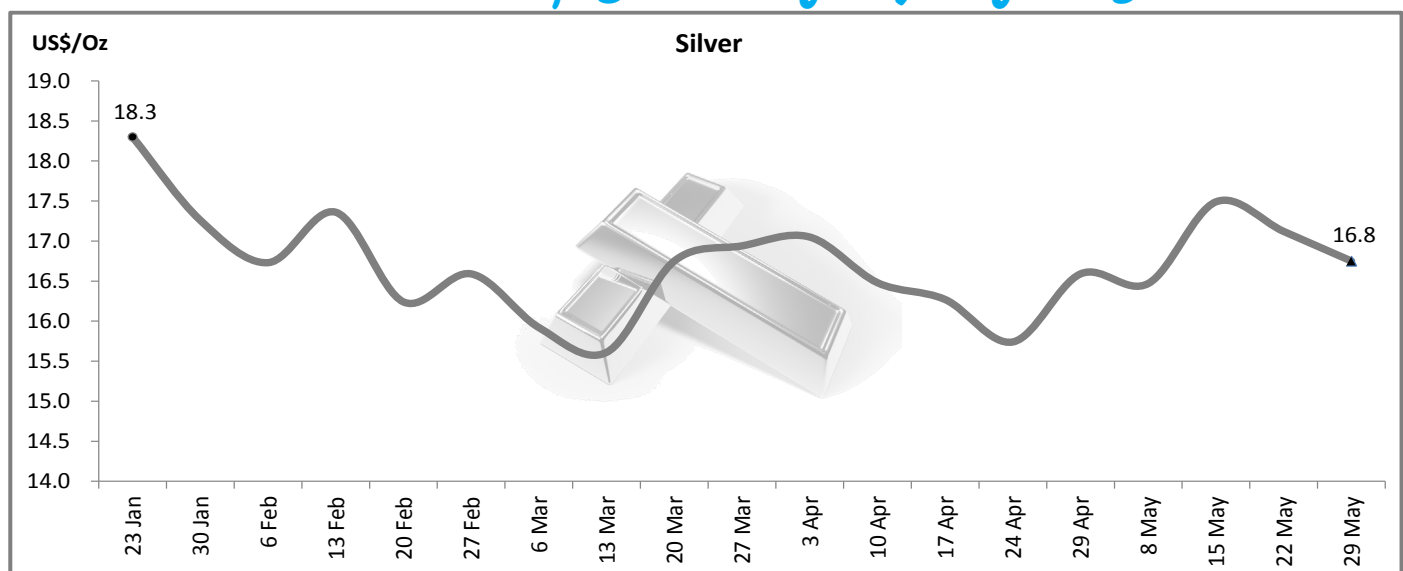
Source : Bank Negara, Malaysia

Gold Prices, 23 January - 29 May 2015



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

Silver Prices, 23 January - 29 May 2015



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

Number and Value of Preferential Certificates of Origin (PCOs)

Number of Certificates (Provisional data)

	5 Apr 2015	12 Apr 2015	19 Apr 2015	26 Apr 2015	3 May 2015	10 May 2015	17 May 2015	24 May 2015
AANZFTA	869	770	903	804	640	689	826	978
AIFTA	708	462	616	533	507	649	636	609
AJCEP	209	163	181	209	121	191	210	236
ATIGA	4,496	3,719	4,001	4,231	3,325	4,009	4,872	4,573
ACFTA	1,464	1,484	1,763	1,618	1,196	1,355	1,571	1,659
AKFTA	767	661	759	941	650	704	934	769
MICECA	385	322	335	338	262	335	383	337
MNZFTA	3	6	6	16	2	4	11	15
MCFTA	52	54	80	46	57	51	63	55
MAFTA	402	290	466	428	317	343	410	349
MJEPA	836	819	632	866	659	797	849	931
MPCEPA	160	125	250	141	112	149	115	176
GSP	164	68	102	134	104	110	140	132

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



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)



MJEPA: 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)

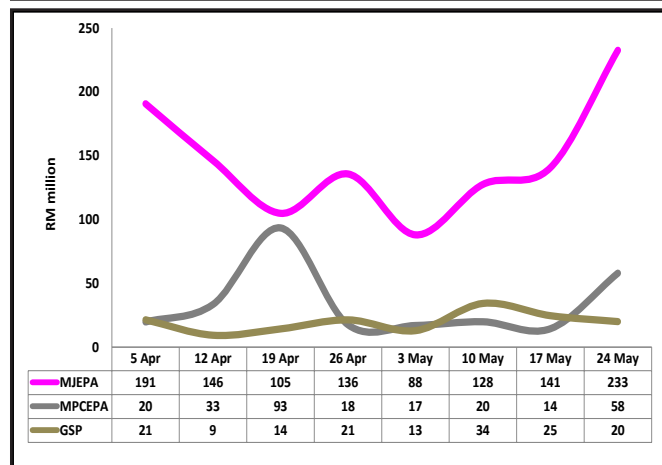
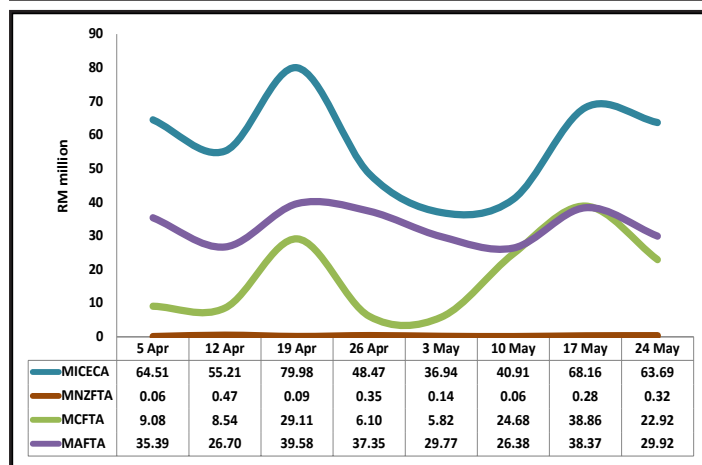
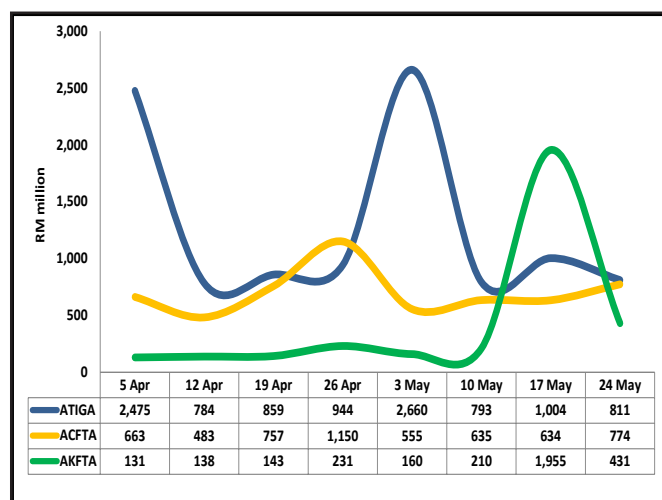
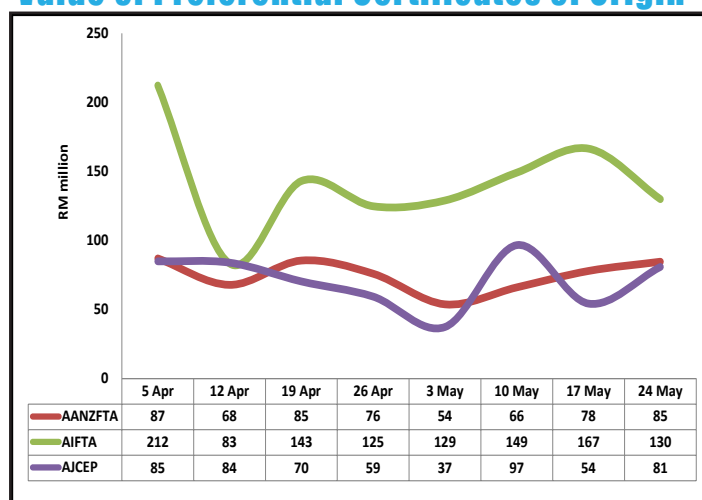


MCFTA: Malaysia-Chile Free Trade Agreement (Implemented since 25 February 2012)



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

Value of Preferential Certificates of Origin



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)
29 May 2015 (US\$)	60.3	648.8	262.3	1,629.0	2,213.8	50.3	280 (high) 260 (low)
% change*	↑ 1.0	↓ 1.0	↓ 5.8	↑ 6.9	↑ 1.2	↓ 2.5	↑ 3.7 ↑ 4.0
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

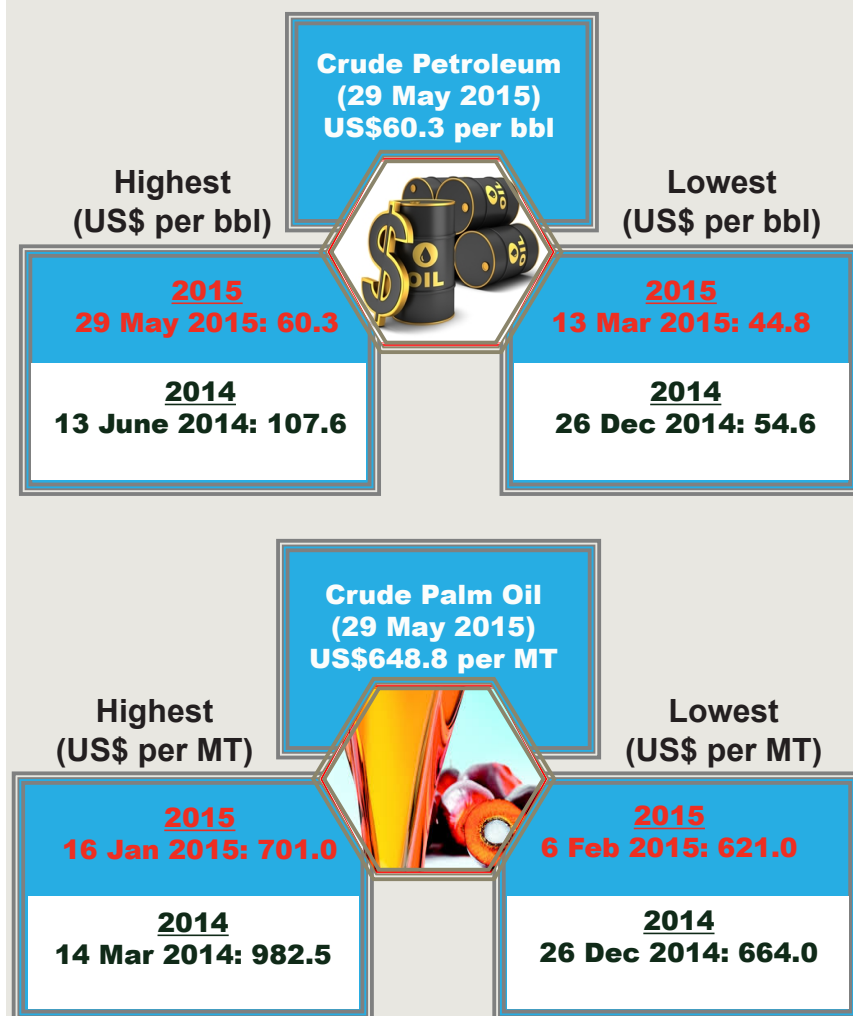
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

n.a Not available

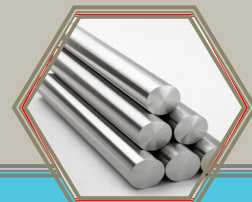
Highest and Lowest Prices, 2014/2015



Average Domestic Prices, 29 May 2015



Billets (per MT)
RM1,420 - RM1,480

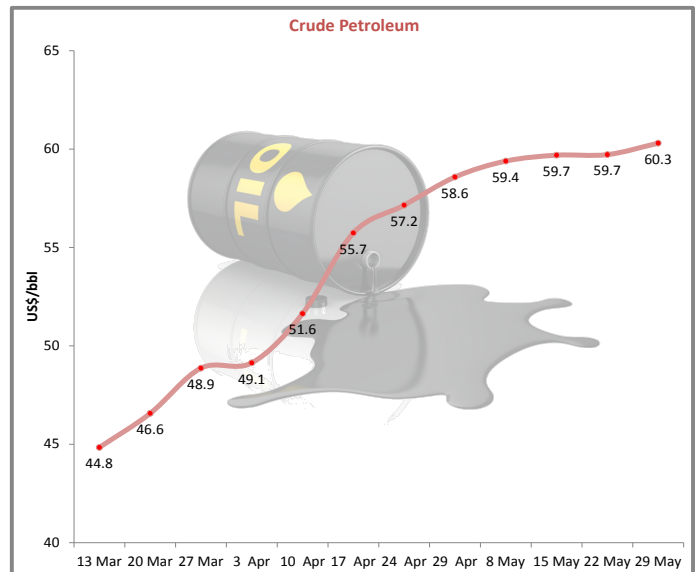
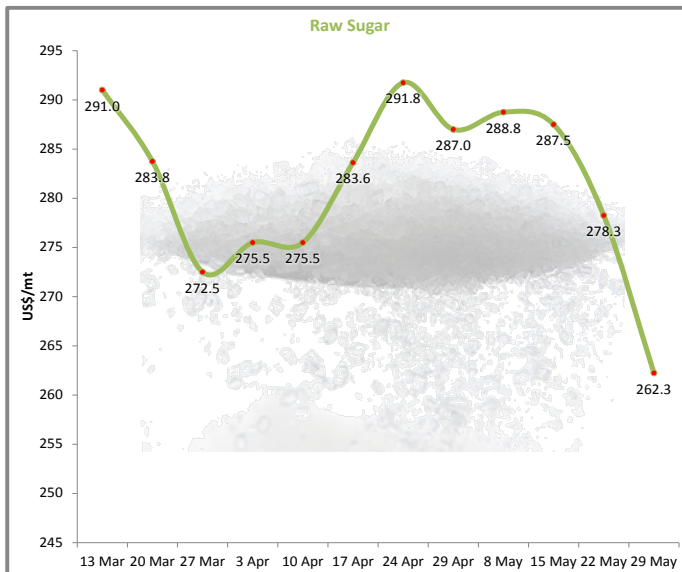
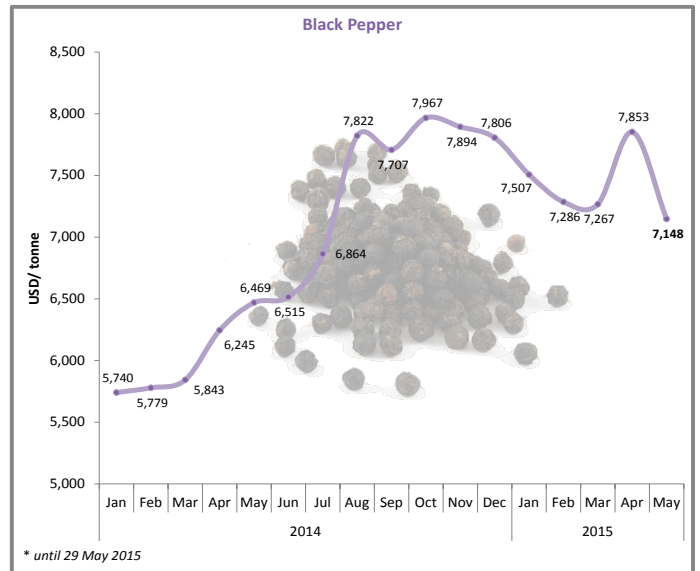
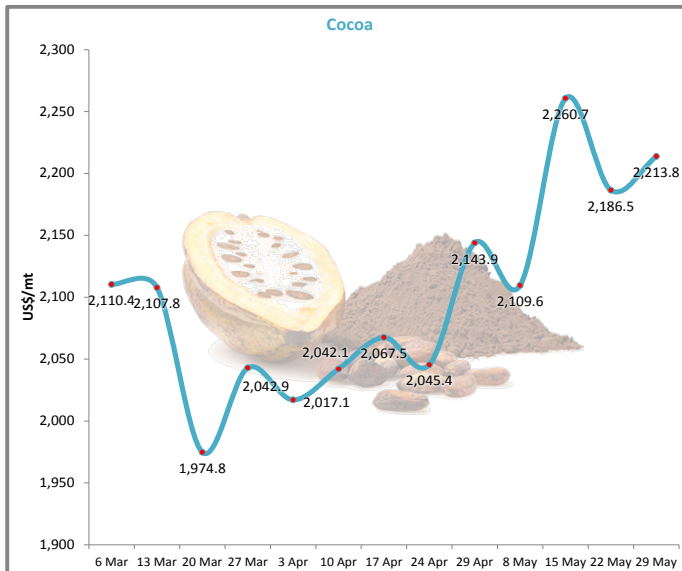
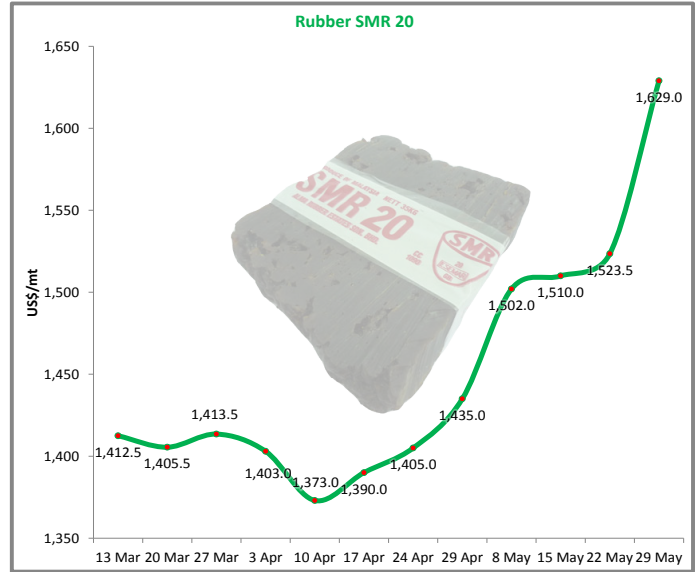
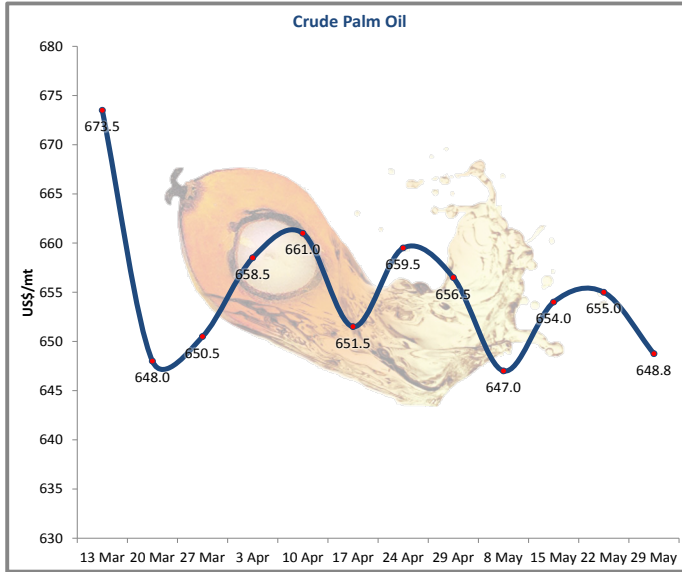


Steel Bars (per MT)
RM1,780 - RM1,880

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

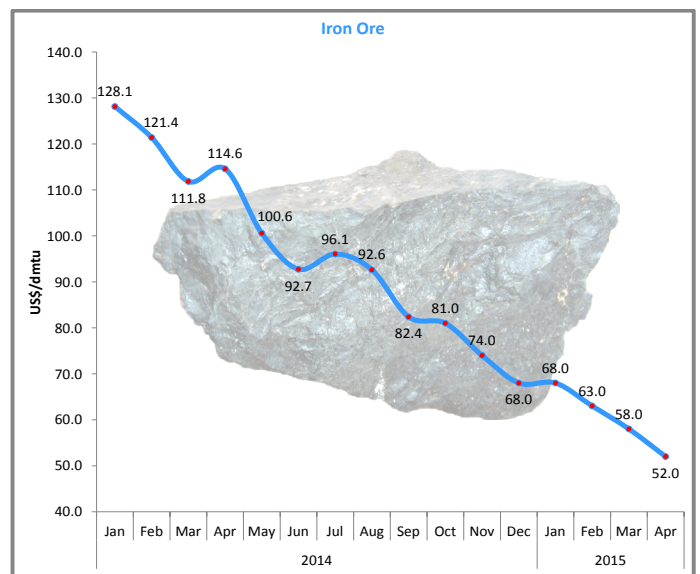
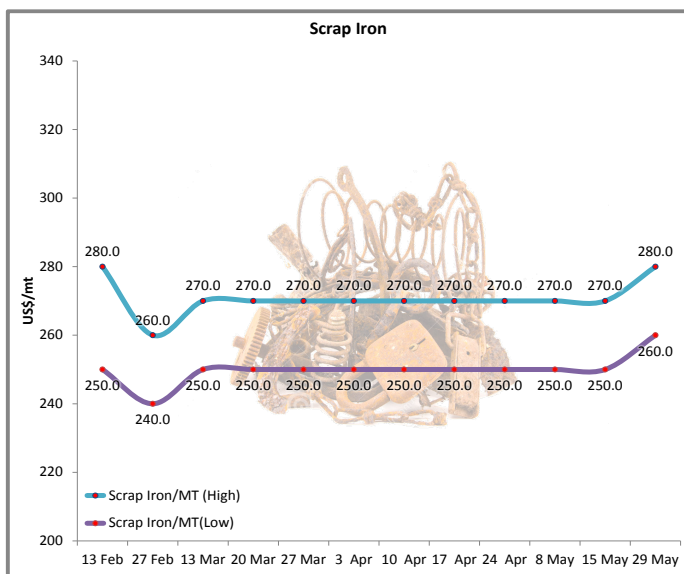
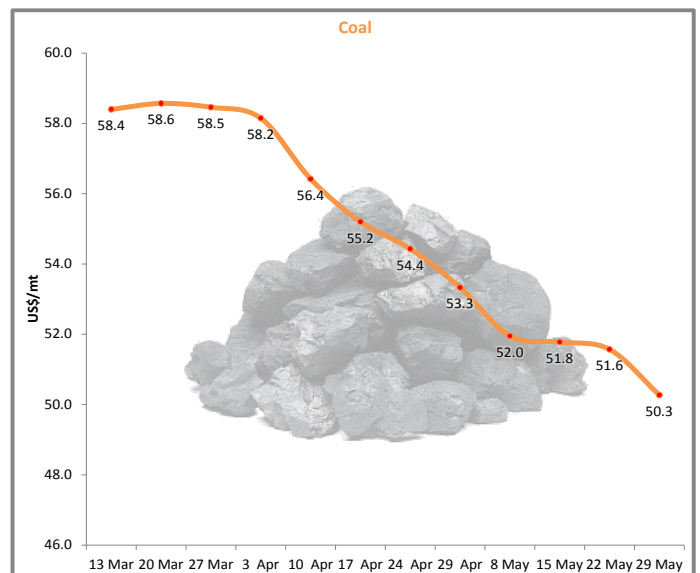
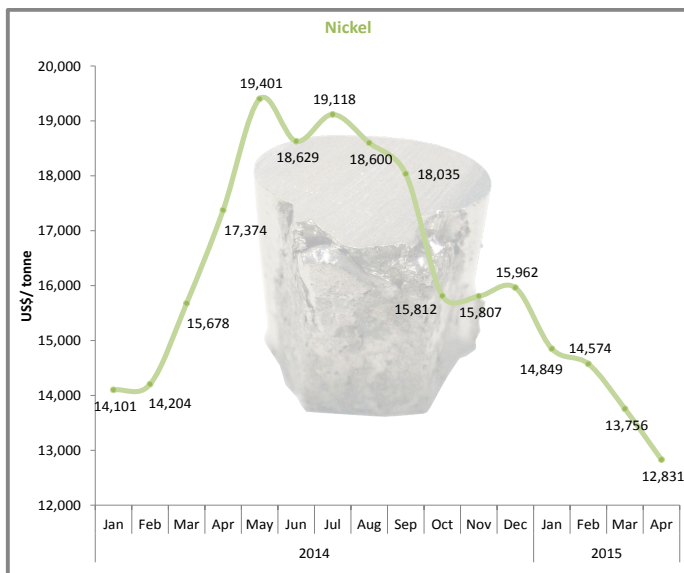
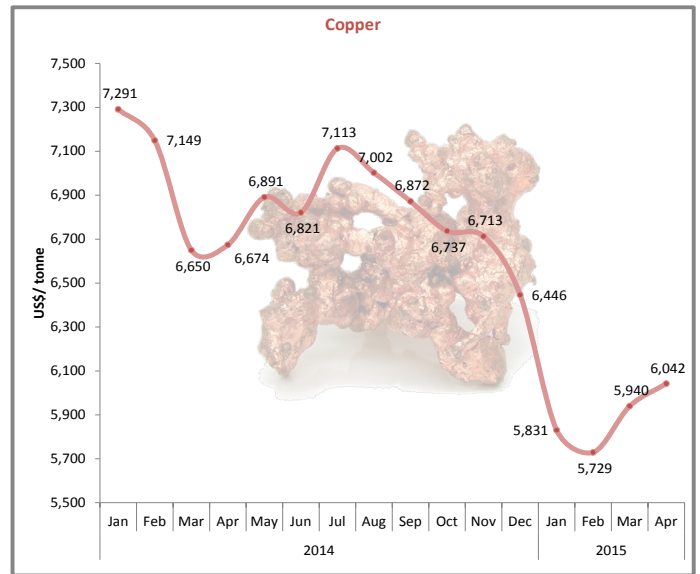
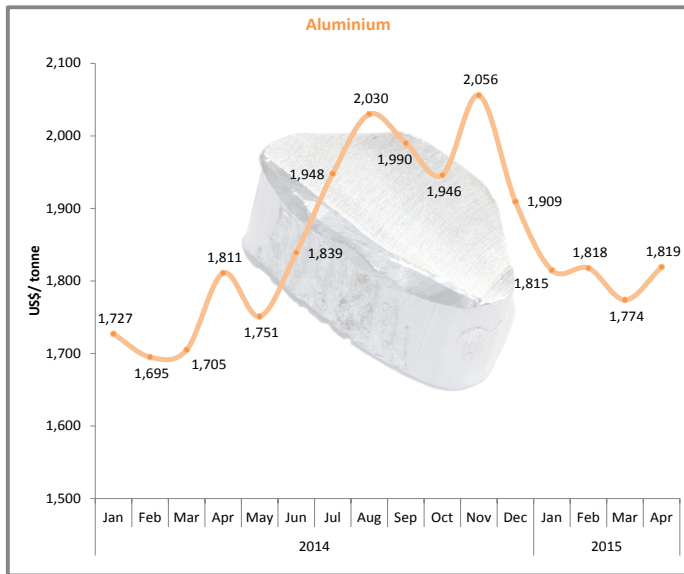


Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank.

“DRIVING Transformation, POWERING Growth”



Commodity Price Trends



“DRIVING Transformation, POWERING Growth”

Sources: 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.





Success Story

AVIALITE®

AVIALITE SDN BHD

Like other companies, Avialite, which produces LED (Light Emitting Diodes) aviation warning lights since 2004, has many plans and challenges, but if given the choice, the first thing on the agenda is to recover its main market, Indonesia.

Since 2008, its market in Indonesia has been monopolised by brands from China. "China offers very low prices and substandard quality products which affect the market," explains Avialite's proprietor, Hee Hwee Leng. The Seri Kembangan-based company, established in 2004, is also feeling the effect of the world economic recession. The company faces challenges such as adhering to different requirements for approval by TELCOs in different countries, as well as expensive product testing fees and Customs issues in various countries.

However, with its high quality products, customer-oriented approach and competitive pricing, supported by its management's and employees' experience, tenacity and commitment, Avialite has managed to reap rewards in terms of achievements in its last six years of operation. managed to reap rewards in terms of achievements in its last six years of operation.

Gratitude is due to agencies such as SME Corp, MATRADE and MIDA which have provided significant support and financial assistance. The Matching Grant, trade missions, trade fairs, the Market Development Grant (MDG) and pioneer status are among the assistance received from these agencies which gave the company a much-needed boost. Hee also explained the impact of the assistance such as pioneer status awarded to the company by the Ministry of International Trade and Industry whereby, tax exemption was provided during the company's formative years.

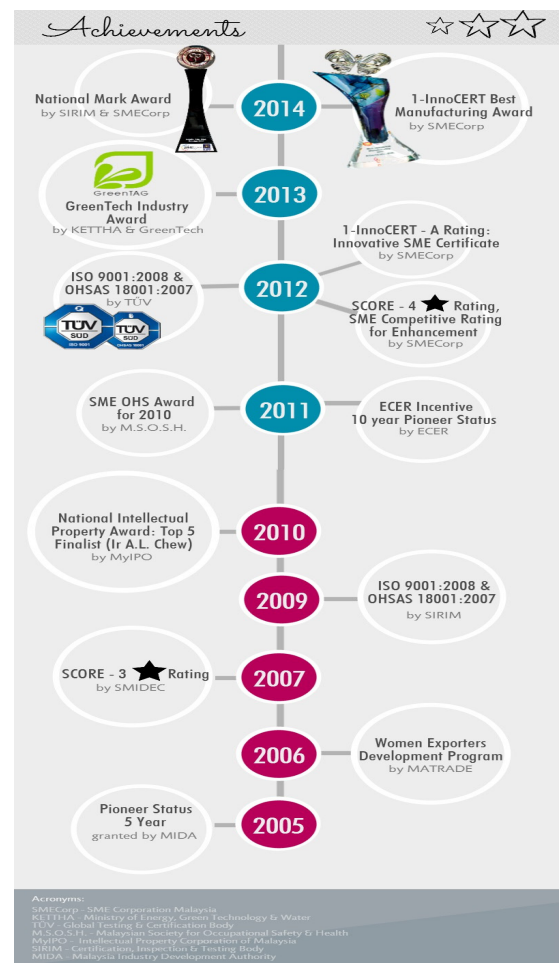
"One such example also," says Hee "is SME Corp's Matching Grant which enabled significant improvements in its production system (from manual to semi-auto) and also implementation of ISO and OHSAS." "With MATRADE-organised trade missions and trade fairs, such as INTRADE 2009, we get to network with some potential clients," she adds.

This has helped Avialite to promote its product globally. Besides MATRADE, MIDA has also organised trade missions from which the company managed to win over some potential clients. "However, we will have to follow up closely as our product is in the niche market. It takes quite a long time to get the TELCO's approval," she says.

Today, the company's achievements are encouraging with annual sales of RM1.6 million in 2009 alone. Its profit for that same year was recorded at RM450,000. With the cooperation between management and its 20 staff with one branch in Kuala Terengganu, Avialite has doubled its production to 2,000 units a month. How does it prepare itself to face possible challenges in the future? "We will be doing more R&D to develop more high quality and green technology compatible products," says Hee.

The company is focussing on expanding its exports and diversifying its LED products for usage at sea, and as road lights as well as producing solar-powered lights. The company is now looking at the introduction of new models of LED Low Intensity Aviation Warning Lights for its short-term planning.

As for the long term, it hopes to produce LED Medium Intensity Aviation Warning Lights, LED Marine Lights and LED Helipad Lights for domestic and international markets. Some of the awards and recognition it has duly received since its start-up operations were the SIRIM's Product Testing, ISO 9001:2008, OHSAS 18001:2007, and MATRADE WTOP.



“DRIVING Transformation, POWERING Growth”

CONTACT US

AVIALITE SDN BHD

21, Jalan PBS 14/3, Taman
Perindustrian Bukit Serdang 43300
Seri Kembangan, Selangor
TEL: +60 3-8941 4227
EMAIL: sales@avialite.com



MITI Programme

ASEAN Showcase
25-28 May 2015



“DRIVING Transformation, POWERING Growth”



Name : Mohamad Ishak Mohamed Aziz
Designation : Assistant Administrative Officer
Job Description : Managing Training & Courses
Division : Human Resource Management
Contact No : 603-6200 0220
Email : ishak.aziz@miti.gov.my



Name : Norfaizah Haron
Designation : Assistant Administrative Officer
Job Description : Managing Training & Courses
Division : Human Resource Management
Contact No : 603-6200 0217
Email : faizah.haron@miti.gov.my

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