



MINISTRY OF INTERNATIONAL  
TRADE AND INDUSTRY

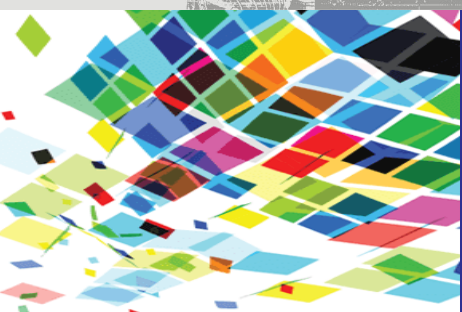
# MITI WEEKLY BULLETIN

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**MALAYSIA  
CHAIR OF  
ASEAN  
2015**



## Dato' Sri Mustapa Mohamed Minister of International Trade and Industry on the 2016 Budget

YAB Perdana Menteri presented a prudent, balanced, 'mesra rakyat' budget which focuses on addressing the people's concerns such as rising cost of living, enhanced competitiveness of SMEs and nurturing the well-being of the Rakyat.

Malaysia's economic fundamentals remain strong. Despite uncertainties in the global economy, Malaysia's economic performance registered 5.3 % growth in the first half of 2015. It is estimated that national growth will expand between 4.0 % to 5.0 % in 2016.

Following the momentum of the increasing inflow of foreign direct investment, the 2016 Budget continues to introduce new measures to ensure Malaysia remains attractive to investors. A total of RM 1.914 billion has been allocated to MITI to implement the programmes under this Budget. Of this, RM 539.2 million for operating expenditure and RM1.375 billion for development expenditure.

Among incentives to promote private investments include:

### **Incentive for Independent Conformity Assessment Bodies (ICAB)**

The Government will make available incentives to foster establishment of independent conformity assessment services in Malaysia. The

incentive for ICAB is intended to strengthen the ecosystem of testing, inspection, validation and certification processes led by SIRIM in which the proposed activities are critical to the industry but may not available in Malaysia.

At present, it is estimated that there are more than 600 laboratory tests in Malaysia, in which more than 80% of the labs are small and unable to provide testing services to proposed sectors.

The incentive will complement Government's effort to transform manufacturing sector towards becoming more high-value, diverse and complex product.

The testing and certification processes include critical sectors that are major contributors to the total exports. This includes Machinery & Equipment, Electrical & Electronics, Chemical, Food, Aerospace, and Medical Devices. Total export of these industries increased from RM323.5 billion in 2010 to RM354.1 billion in 2014. As of August 2015, total exports of these sectors have reached RM247.7 billion.

These sectors were also identified as part of the catalyst sectors to realise the objectives of the 11th Malaysia Plan in attracting private investment of RM291 billion over the implementation period of 2016-2020.

"DRIVING Transformation, POWERING Growth"





### **Special Reinvestment Allowance**

The Government has agreed to provide a special Reinvestment Allowance for 3 years to companies in selected manufacturing and agricultural sectors, whose RA have expired. The special RA is equivalent to 60% of capital expenditure incurred and could be offset against 70% of the statutory income. The incentive will be made effective for year of assessment of 2016-2018.

Malaysia continues to receive new investments, while concurrently, existing investors also undertake expansion and diversification of their operations in the country. This is evident through the performance of manufacturing sector.

During the period January-July 2015 a total of 453 manufacturing projects were approved with investments of RM53.5 billion, compared with 499 projects with investments of RM51.8 billion for the period January-July 2014. For the full year 2014, a total of 811 projects with investments worth RM71.9 billion were approved.

A total of 259 projects with investments of RM43.4 billion (81.1%) were new projects, while as many as 194 projects with investments of RM10.1 billion (18.9%) were expansion/diversification.

### **Rubber City**

A discussion paper on Kedah Rubber City will be presented in Mesyuarat Jawatankuasa Bersama Penyelarasan Industri (JBI) Kedah on 25 October 2015. The paper will be presented by UPEN Kedah.

The development of Rubber City is expected to provide a significant economic and social impact to the Northern Corridor including the Southern Territory of Thailand. It is expected that the gross development value of the city will amount to RM11.2 billion and will provide 20,000 jobs opportunities. Components of the Rubber City include:

- a) R&D;
- b) Raw materials;
- c) Investors Support;
- d) Human Capital;
- e) Incentive; and

- f) Marketing.

NCIA and the Kedah State Government are in the midst of appointing a land surveyor to undertake land surveying tasks for the purpose of land acquisition.

Under the 2016 Budget announcement, RM320 million has been allocated for the development of Rubber City.

### **Aerospace Industry (MRO)**

Aerospace industry is one the new growth sectors identified under RMK-11. Inclusion of the aerospace MRO activities for GST exemption under the Approved Trader Scheme will help to further enhance the growth of Malaysia's aerospace industry.

### **Small and Medium Enterprises (SMEs)**

Budget 2016 has been very positive in supporting the long-term development of SMEs. A total of RM 10.5 billion has been allocated for SMEs, including RM107 million under the SME Master plan to continue in implementing the High Impact Programmes. The focus has been on enhancing access to financing by reducing the cost of funds through the Shariah compliant scheme; developing entrepreneurship; promoting automation and technology transformation; modernising microenterprises, formalising the agriculture sector through GST registration and internationalisation of SMEs and mid-tier companies to becoming global champions. The Budget has also emphasised on commercialisation of R&D products particularly benefiting SMEs and to encourage innovation activity among the youth and the bottom 40% of the pyramid. Besides funding allocation for SME development programmes, SMEs have also been granted various tax incentives to encourage R&D activity (double tax deduction) and to promote exports (tax exempt on 10-15% of export receipts). Overall, the initiatives under Budget 2016 are in line with the direction of the RMKe-11 and in meeting the SME Master plan



goals as well as in reducing the burden of SMEs in the current economic situation.

Implementation of the SME Master plan, the long-term agenda of SME development for the country. For year 2016, a total of RM107 million has been allocated for implementation of the six high impact programmes under the Plan:

- Integrated Registration and Licensing of Businesses Establishment, aims to creating a single registration point to start or renew a business;
- Technology Commercialisation Platform (TCP), is a national network of privately managed platform to promote innovative ideas from the proof-of-concept stage to commercialisation through provision of a range of services including technical, infrastructure and financial support;
- SME Investment Partner (SIP) to provide early stage financing to potential SMEs in the form of debt, equity or a hybrid of both through investment firms;
- Going Export (GoEx) Programme to develop exporters through comprehensive support which include linkage to market expertise and buyers and compliance to standards to expedite internationalisation of services and products;
- Catalyst Programme to create homegrown champions through a targeted approach with support in the area of financing, market access and human capital development.
- Inclusive Innovation, designed to promote transformation of communities including microenterprise in the rural areas through innovation that will be supported by advisory, support facilities and financing.

In addition the Government has allocated:

- RM 1 billion for the Syariah compliant financing scheme;
- RM60 million for Skim Anjakan Usahawan dan Skim Peningkatan Kapasiti serta Keupayaan PKS;
- RM200 million for soft loan SME Technology Transformation Fund.
- RM18 million for Projek Transformasi Kedai Runcit (TUKAR) and Automotive Workshop

Modernisation (ATOM).

### Export Promotion

For export promotion, RM235 million is allocated to MATRADE under various programmes; Program Promosi 1Malaysia, Dana Eksport Perkhidmatan and Dana Promosi Eksport.

Under human capital development RM350 million is allocated under HRDF training programmes.

For R&D, technology and innovation, SMEs undertaking R&D projects can avail to double tax deduction of up to RM50,000 per assessment year. RM50 million is allocated for the Public-Private Research Network (PPRN).

A total of RM235 million has been allocated to MATRADE to strengthen the country's export of products and services. The measures include an integrated export promotional approach under the One Malaysia Promotion. One Malaysia Promotion will enhance cohesiveness and coordination in Nation branding through closer Public-Private-Partnership when undertaking promotion abroad.

Financial support for internationalisation of SMEs will ensure the achievement of the objective to increase the contribution of SMEs to exports to 23% by 2020. SMEs export promotion initiatives will continue to be supported through the Market Development Grant (MDG).

Emphasis has also been given to strengthen capacity building measures to grow Malaysian SMEs and Mid-Tier companies to become regional and global champions. SMEs will be linked to Mid-Tier companies to support their supply chain and expand exports.

The reduction of the value added criteria for SMEs to enjoy income tax exemption on increased exports will further incentivise SMEs to grow their exports.

Efforts to increase the contribution of services to exports will be further driven through the Services Export Fund (SEF)





to support various promotional activities and capacity building undertaken by Malaysian Service Providers.

### **Entrepreneurship Development**

For entrepreneurship, a total of RM35 million is allocated for MaGIC under the Peneraju Hab Keusahawanan dan Inovasi Serantau. In addition, RM10 million is allocated for start-up fund; Corporate Entrepreneurs Responsibility Fund. A total of RM 30 million is allocated for youth entrepreneurs under the programmes Global Entrepreneurship Community, BAHTERA, GREAT, 1MET, National Innovation Competition and Projek Perintis Coding in schools. Another RM50 million is allocated to increase the youth entrepreneurship development activities.

To accelerate development of small contractors, a total of RM500 million is allocated under SME Bank for companies utilising the IBS system.

Green Technology Financing Scheme is extended until 31 December 2017 with an allocation of RM1.2 billion.

Under Bumiputera development, RM150 million is allocated under TERAJU for programmes Skim Usahawan Permulaan Bumiputera and Program Syarikat Bumiputera Berprestasi Tinggi. In addition RM250 million is allocated to Perbadanan Usahawan Nasional Berhad.

For micro financing, a total of RM600 million is allocated for Bumiputera entrepreneurs and RM100 million for Indian entrepreneurs under TEKUN. In addition RM50 million is allocated to SME Bank for small Indian entrepreneurs. Another RM200 million is allocated under micro financing for B40 by AIM. An allocation of RM100 million is provided for Program Pembangunan Sosioekonomi Masyarakat India and RM90 million for Chinese hawkers and petty traders, including from KOJADI.

### **Bumiputera Development**

RM150 million channeled through TERAJU for the implementation of various programs including Skim Usahawan Permulaan

Bumiputera (SUPERB) and Program Syarikat Bumiputera Berprestasi Tinggi (TERAS) will ensure smooth implementation of Bumiputera development agenda. MITI will collaborate with TERAJU to utilise the allocation to develop entrepreneurs under MITI.

MITI also welcomed the allocation of RM500 million for micro Bumiputera entrepreneurs channeled through TEKUN because this will further assist the micro Bumiputera entrepreneurs in terms of liquidity and to enhance their business.

### **Jawatankuasa Kemahiran Industri (JKI)**

Under the Majlis Pembangunan Modal Insan Negara (National Human Capital Development Council) led by the Economic Planning Unit, Prime Minister's Department, MITI has established the Jawatankuasa Kemahiran Industri (JKI) with the following Terms of Reference (TOR):

- Consult industry on talent/skills requirements;
- Assess the human resource requirements to meet the needs of industry so as to narrow the gap between skills supply and demand; and
- Work with training providers (educational/training institutions and Technical Education & Vocational Training [TEVT]) and accreditation providers (such as MQA and JPK) to develop training programmes that meet the demands of industry through the Single Governance Body.

24. MITI will convene its first meeting in early November 2015. The committee will comprise representatives from both public and private sectors.

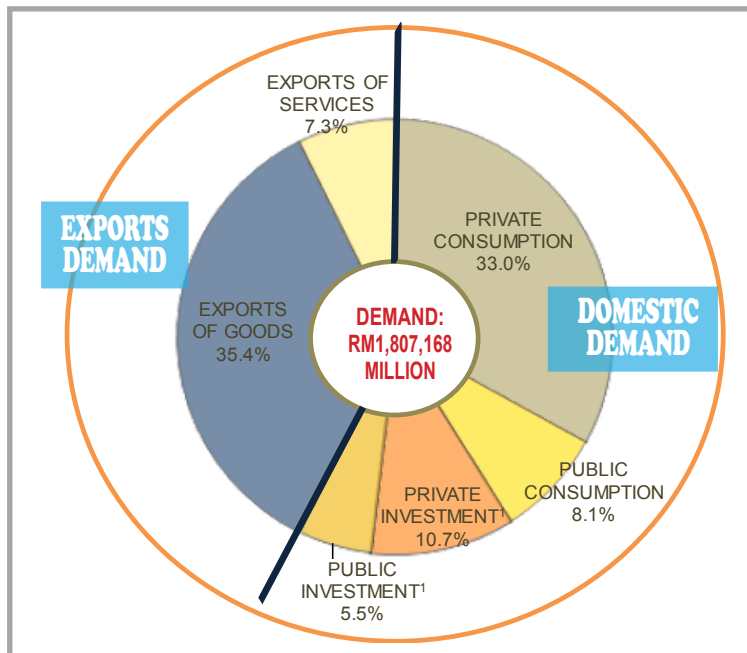
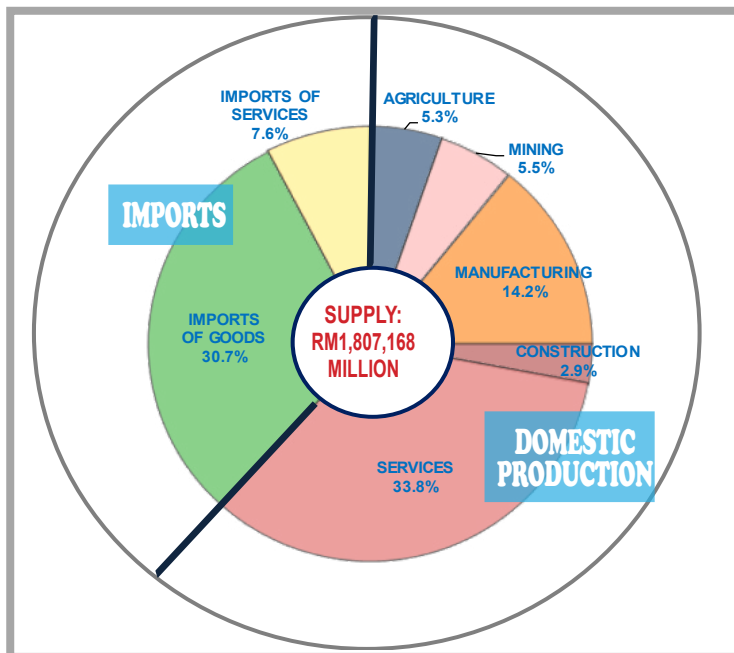
Ministry of International Trade and Industry  
Malaysia  
23 October 2015





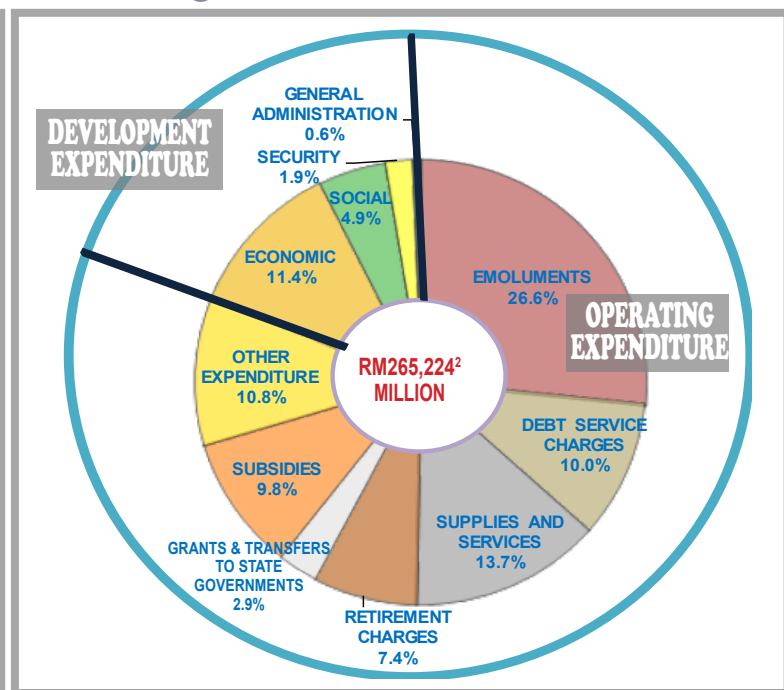
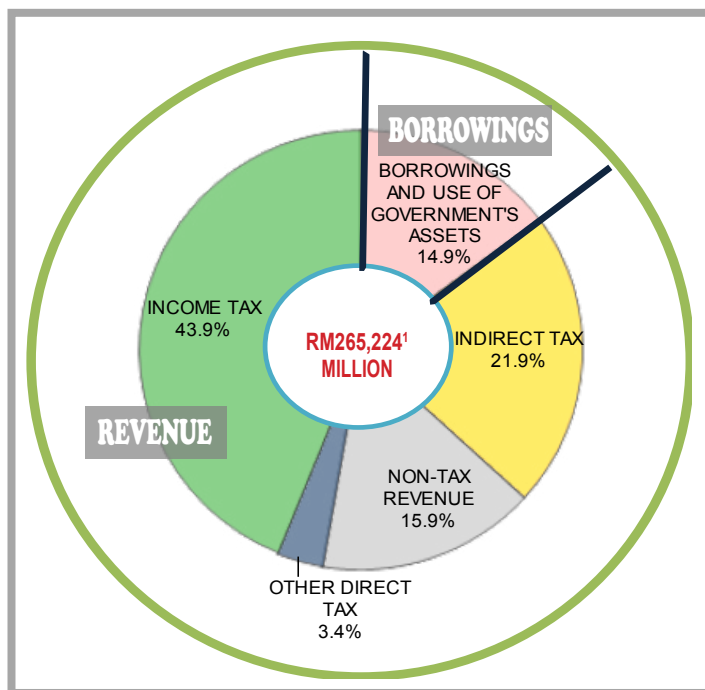
# Malaysia's Budget 2016

## Economy 2016



Note: ¹ includes change in stocks  
At constant 2010 prices

## Federal Government Budget 2016



Note: ¹ includes revenue, borrowings and use of Government's assets.  
² Excludes contingency reserves.

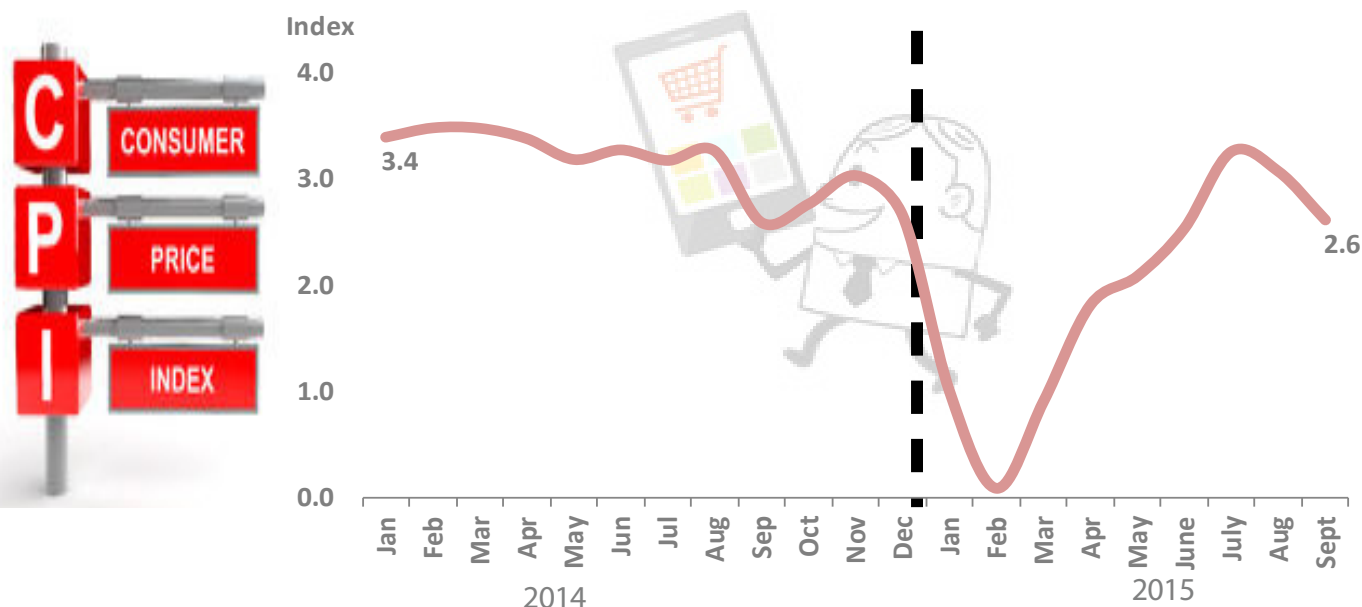


Source : Ministry of Finance, Malaysia  
MITI Weekly Bulletin / [www.miti.gov.my](http://www.miti.gov.my)

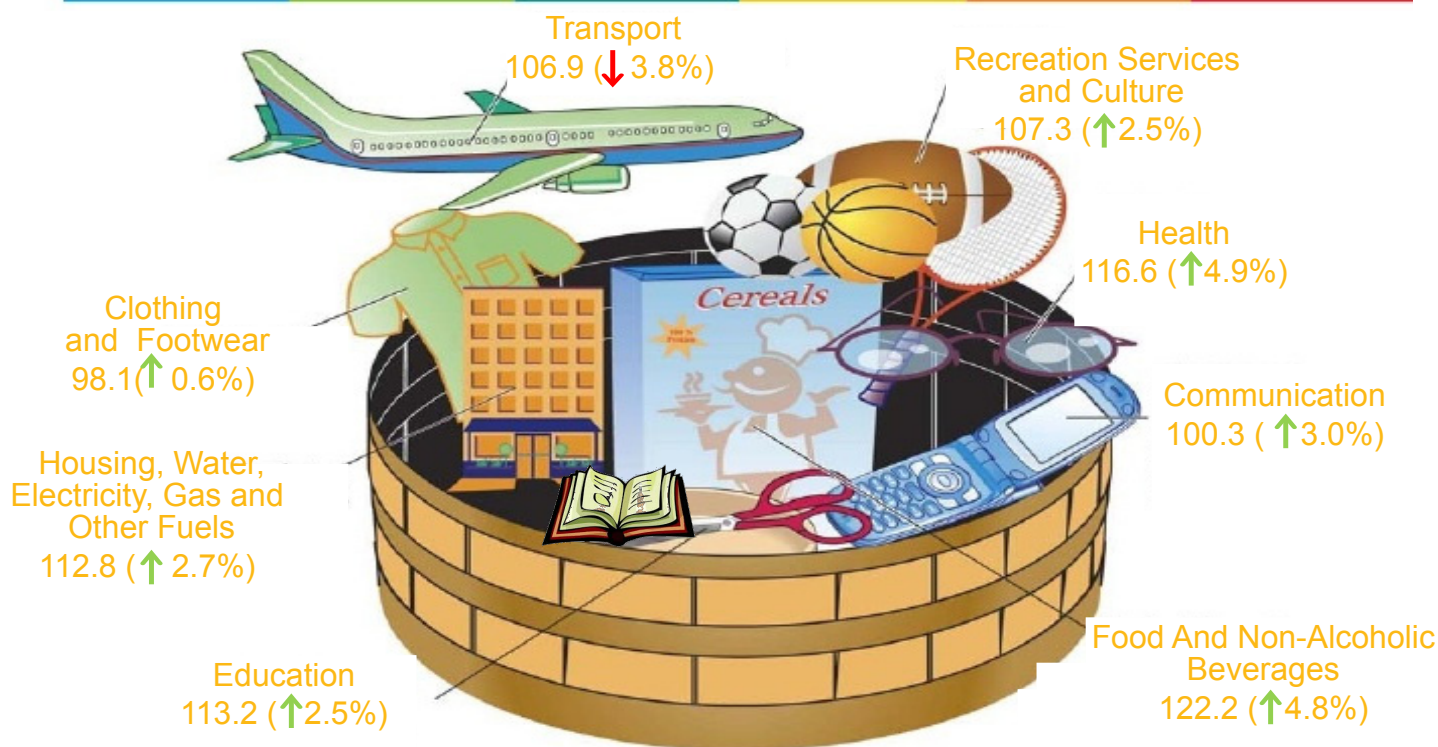
# MALAYSIA

## Inflation Rate (%), Jan 2014 - Sept 2015

Year on Year change of Consumer Price Index



### Consumer Price Index (CPI) by Major Categories, Sept 2015



Note

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

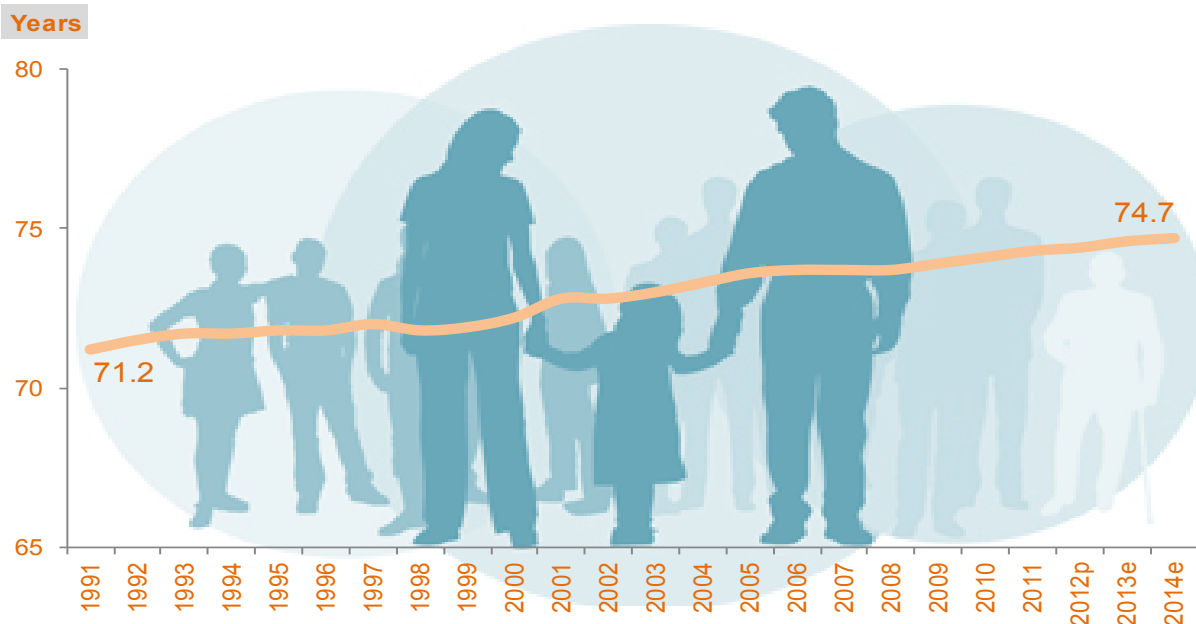
# Life Expectancy, 2014

## Top 10 Highest Life Expectancy, 2014

Rank	Country	Life expectancy	Rank	Country	Life expectancy
1	Monaco	89.57	6	Hong Kong	82.78
2	Macau	84.48	7	Andorra	82.65
3	Japan	84.46	8	Switzerland	82.39
4	Singapore	84.38	9	Guernsey	82.39
5	San Marino	83.18	10	Australia	82.07

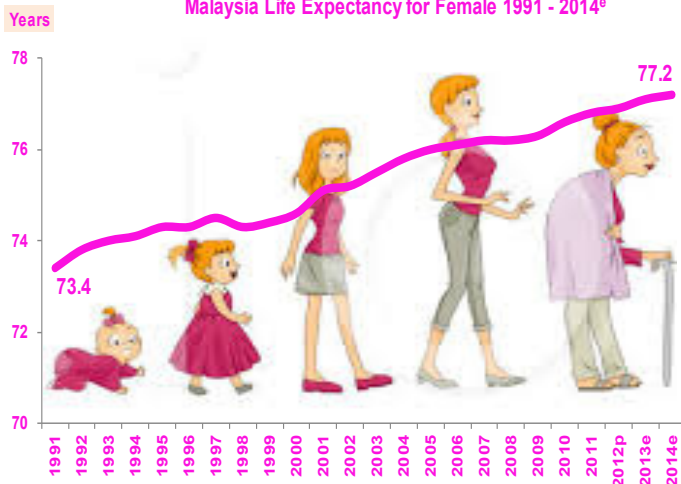
Source : <http://www.infoplease.com/world/countries/highest-life-expectancy.html>

### Malaysia Life Expectancy at Birth, 1991 - 2014<sup>e</sup>



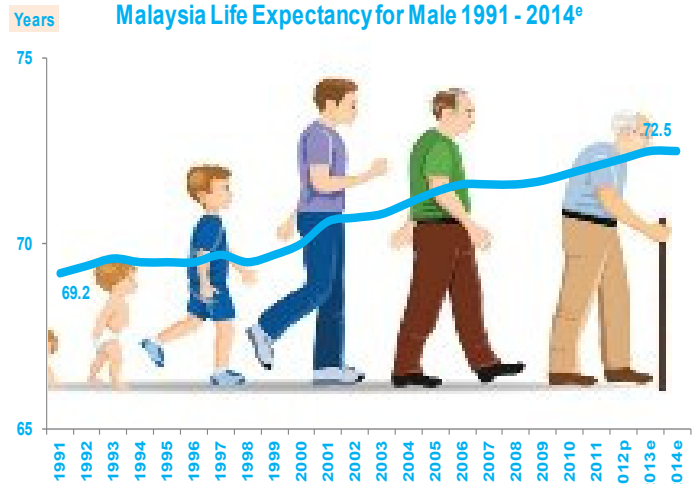
Source : Department of Statistics, Malaysia

### Malaysia Life Expectancy for Female 1991 - 2014<sup>e</sup>



Source : Department of Statistics, Malaysia

### Malaysia Life Expectancy for Male 1991 - 2014<sup>e</sup>



Source : Department of Statistics, Malaysia

Note : P - Preliminary  
e - estimated

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# 'ASEAN and You'



## The **ASEAN** Competitiveness Index 2015-2016

(Ranks out of 144 economies)

### 6<sup>th</sup> Pillar: Goods Market Efficiency



**Singapore**  
5.72\*



**Philippines**  
4.24\*



**Malaysia**  
5.42\*



**Viet Nam**  
4.23\*



**Thailand**  
4.69\*



**Cambodia**  
4.15\*



**Indonesia**  
4.43\*



**Myanmar**  
3.62\*



**Lao PDR**  
4.27\*

Note:

- \* Score - value scale ranges from 1-7
- Brunei is not included in the survey

Source: <http://reports.weforum.org/global-competitiveness-report-2015-2016/>

The Global Competitiveness Index defines competitiveness as the set of institutions, policies, and factors that determine the level of productivity. The components of the Global Competitiveness Index are grouped into 12 categories, the pillars of competitiveness. The 6<sup>th</sup> Pillar is the Goods and Markets Pillar. Countries with efficient goods markets are well positioned to produce the right mix of products and services given their particular supply- and-demand conditions, as well as to ensure that these goods can be most effectively traded in the economy.

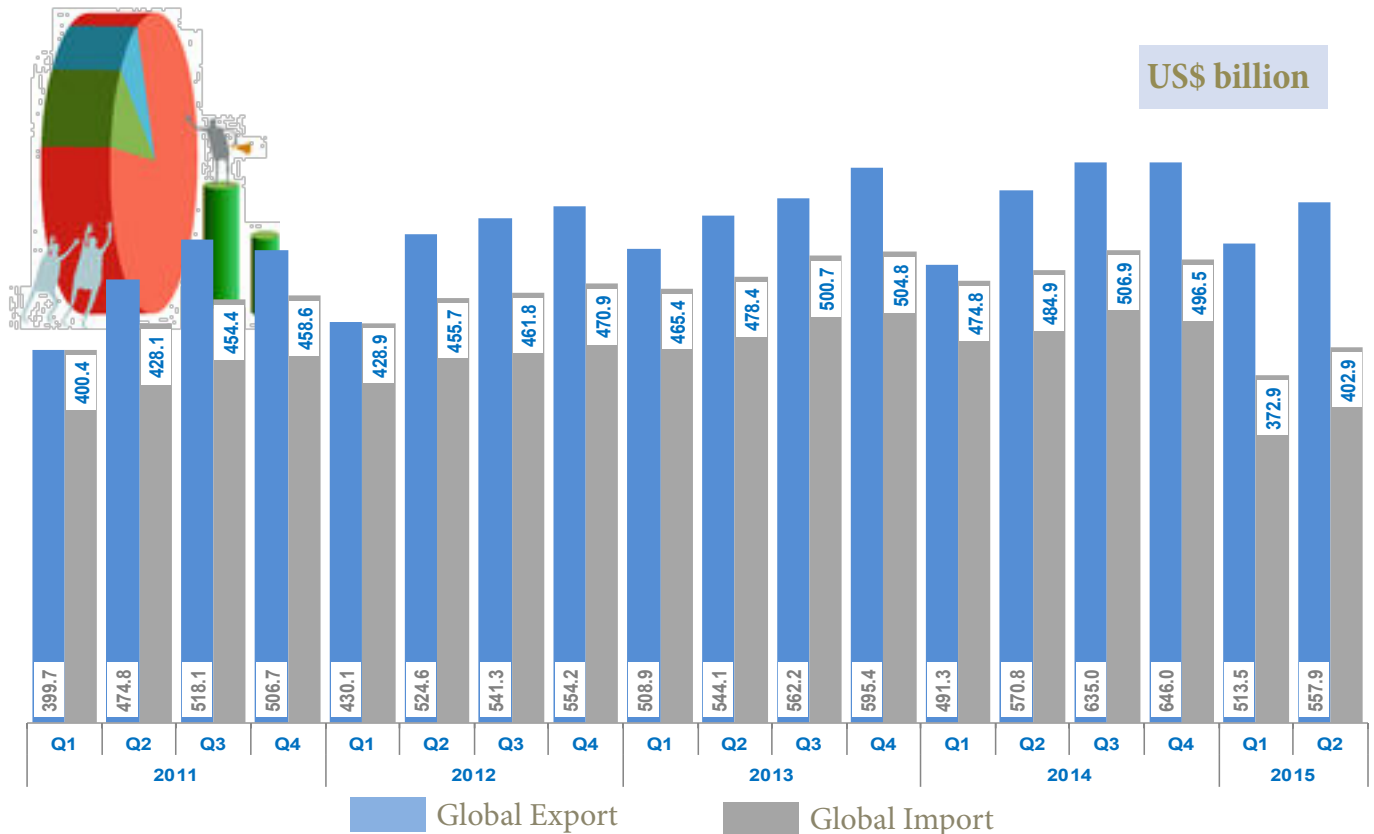
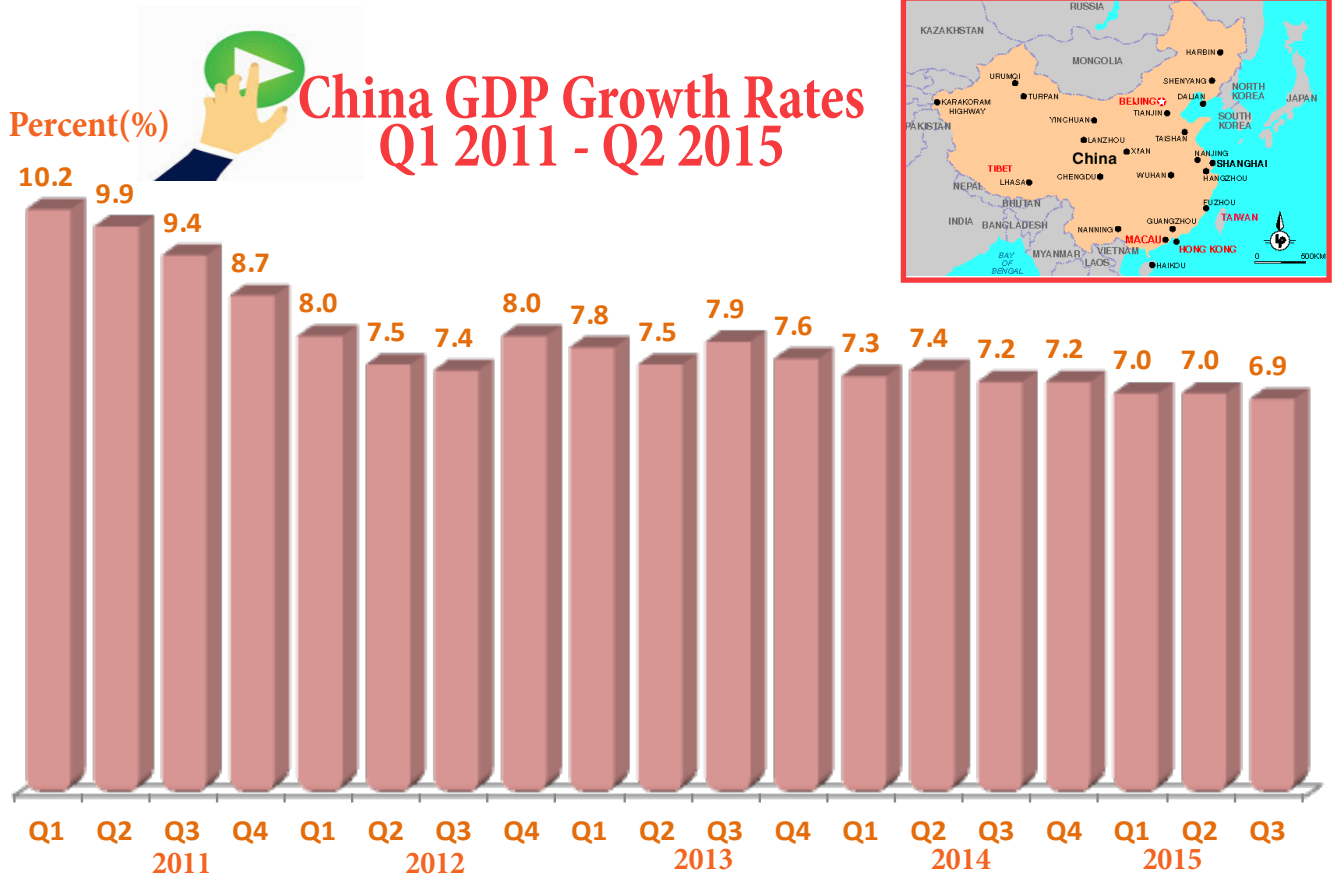
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MITI's ASEAN Portal can be accessed via <http://www.miti.gov.my/cms/aec2015.jsp>.

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

# International Report



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Sources: National Bureau of Statistics of China and World Trade Atlas  
MITI Weekly Bulletin / [www.miti.gov.my](http://www.miti.gov.my)



DID YOU KNOW?

# Top 10 Best Airports in the World



1. Singapore Changi International Airport, Singapore (SIN)



6. Munich International Airport, Germany (MUC)



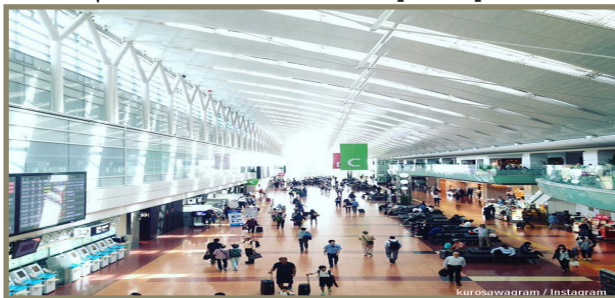
2. Seoul Incheon International Airport, South Korea (ICN)



7. Helsinki Airport, Finland (HEL)



3. Tokyo Haneda International Airport, Japan (HND)



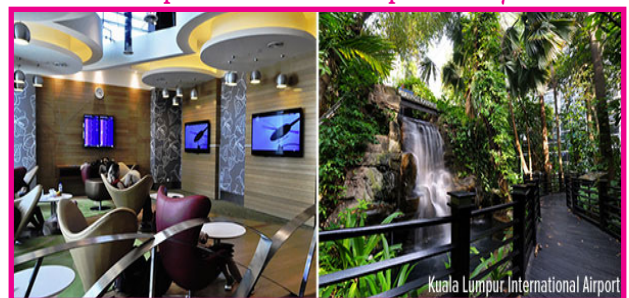
8. Vancouver International Airport, Canada (YVR)



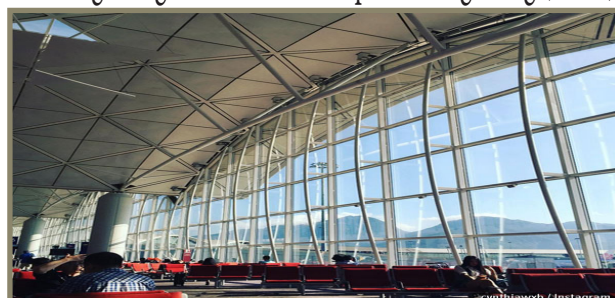
4. Taipei Taoyuan International Airport, Taiwan (TPE)



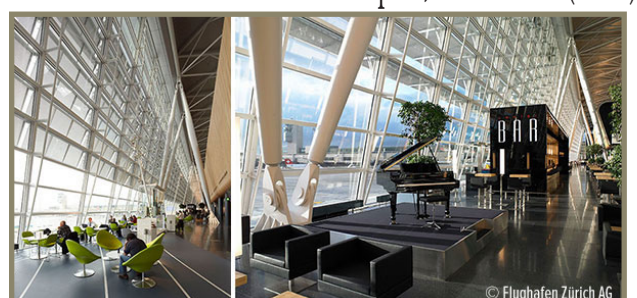
9. Kuala Lumpur International Airport, Malaysia (KUL)



5. Hong Kong International Airport, Hong Kong (HKG)



10. Zurich Kloten International Airport, Switzerland (ZRH)



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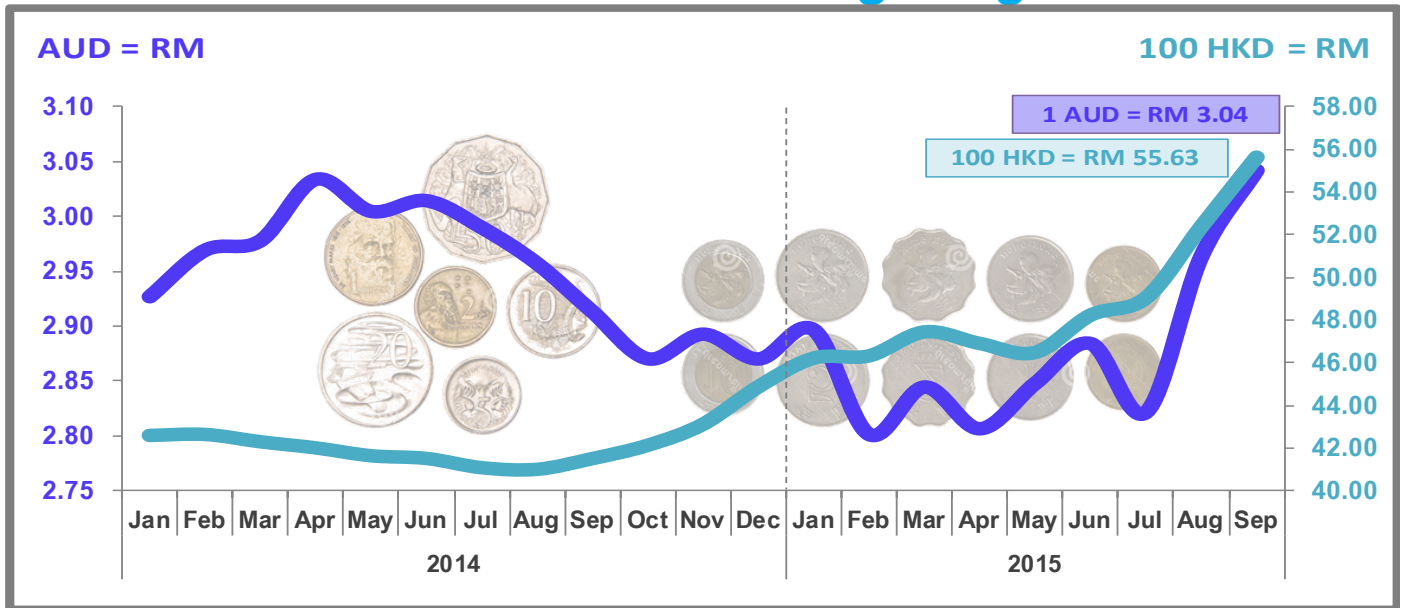


Source: <http://www.sleepinginairports.net/2015/best-airports-world.htm>

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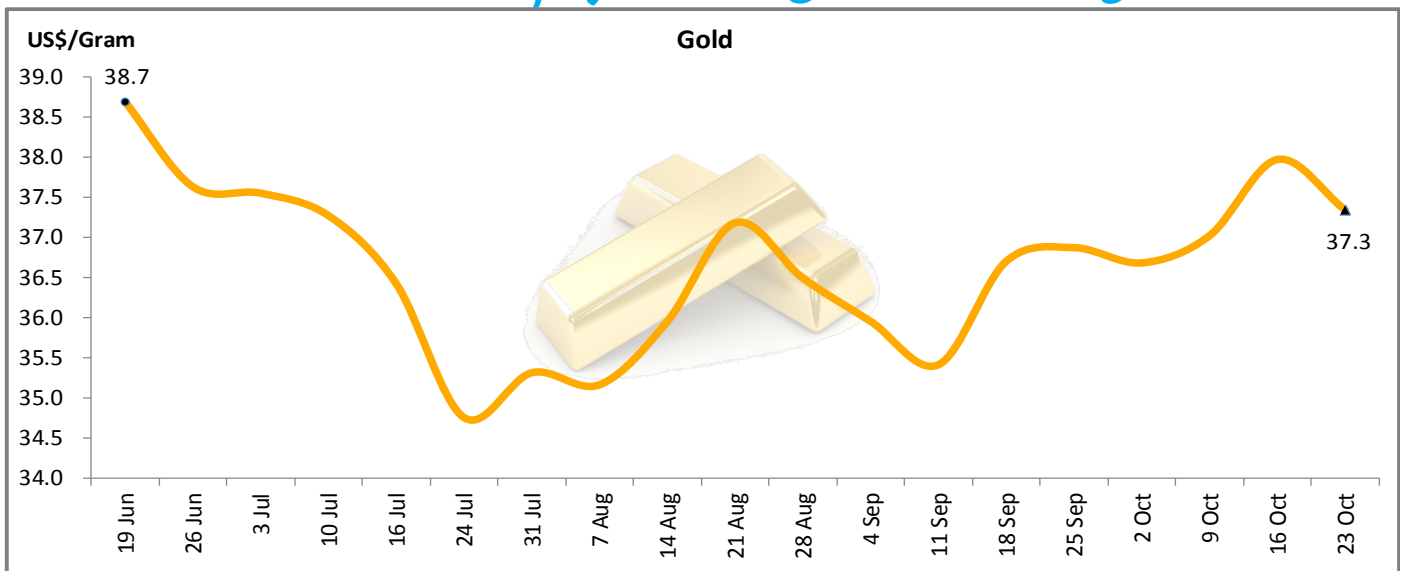


# Malaysian Ringgit Exchange Rate with Australian Dollar and Hong Kong Dollar



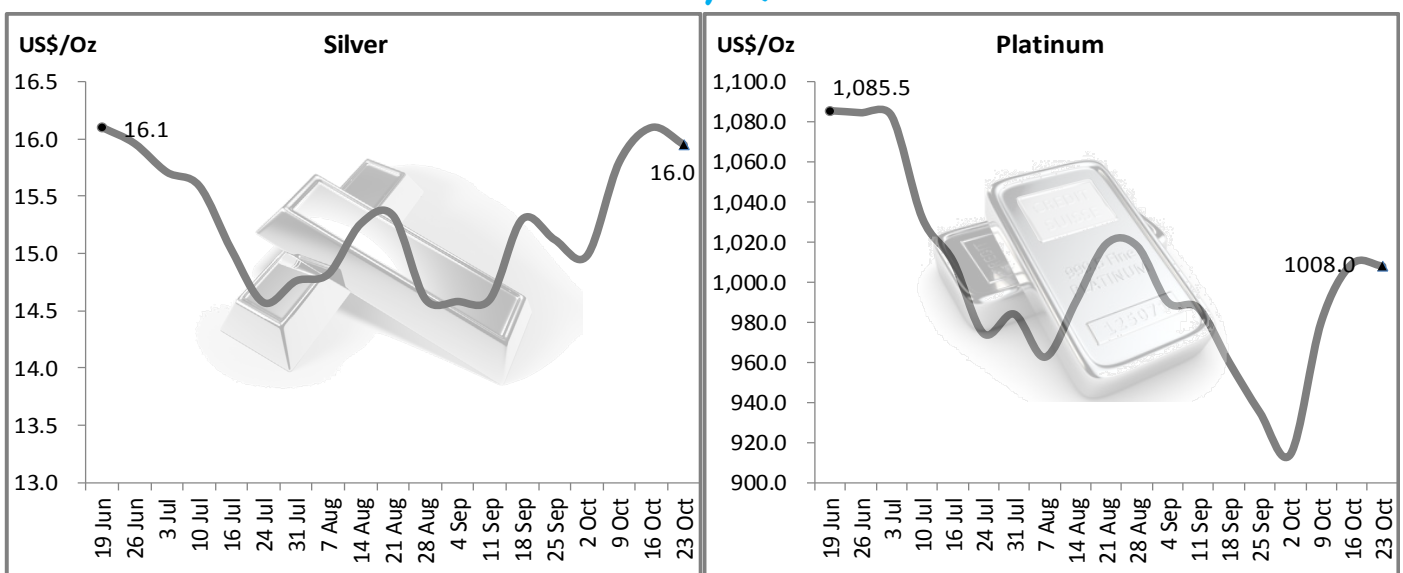
Source : Bank Negara, Malaysia

## Gold Prices, 19 June - 23 October 2015



Source : [http://www.gold.org/investments/statistics/gold\\_price\\_chart/](http://www.gold.org/investments/statistics/gold_price_chart/)

## Silver and Platinum Prices, 19 June - 23 October 2015



[http://online.wsj.com/mdc/public/page/2\\_3023-cashprices.html?mod=topnav\\_2\\_3023](http://online.wsj.com/mdc/public/page/2_3023-cashprices.html?mod=topnav_2_3023)

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

## Number of Certificates (Provisional data)

	30 Aug 2015	6 Sep 2015	13 Sep 2015	20 Sep 2015	27 Sep 2015	4 Oct 2015	11 Oct 2015	18 Oct 2015
AANZFTA	916	727	868	674	1,017	1,026	875	815
AIFTA	780	577	614	574	597	776	643	569
AJCEP	210	195	236	167	197	241	250	122
ATIGA	4,358	4,506	4,346	3,955	4,037	4,837	4,481	3,871
ACFTA	1,461	1,242	1,307	1,021	1,035	1,582	1,552	1,276
AKFTA	744	755	825	609	755	778	837	576
MICECA	305	239	250	274	302	311	338	235
MNZFTA	3	2	21	2	7	6	10	2
MCFTA	71	65	77	42	57	77	71	58
MAFTA	436	318	414	368	390	417	481	421
MJEPA	966	771	732	754	824	927	679	799
MPCEPA	170	109	155	115	130	153	113	150
GSP	129	144	123	122	159	176	103	127
MTFTA	283	152	321	141	172	202	217	125

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



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)

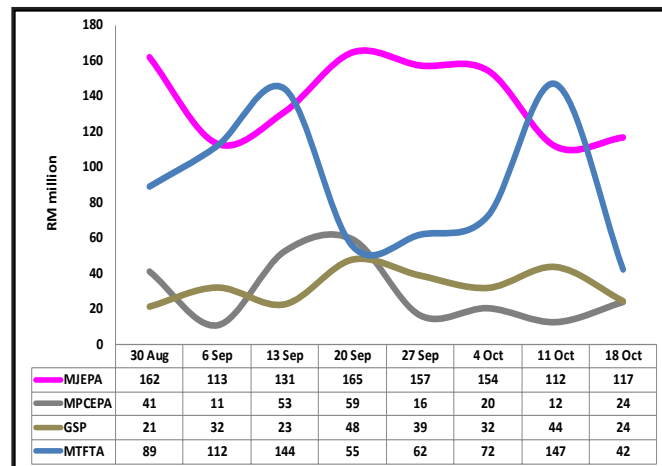
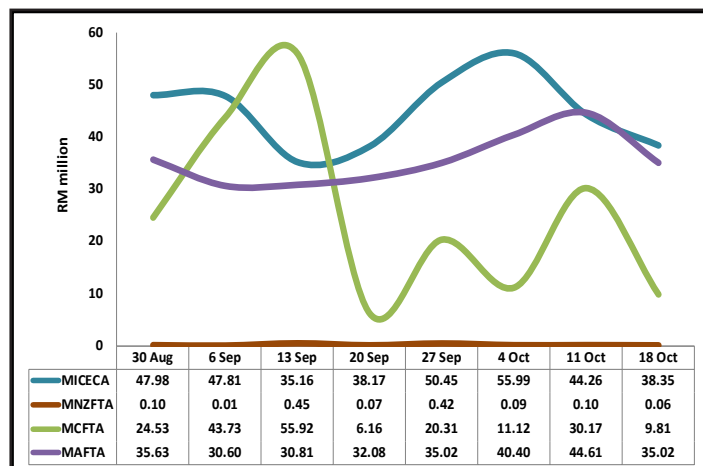
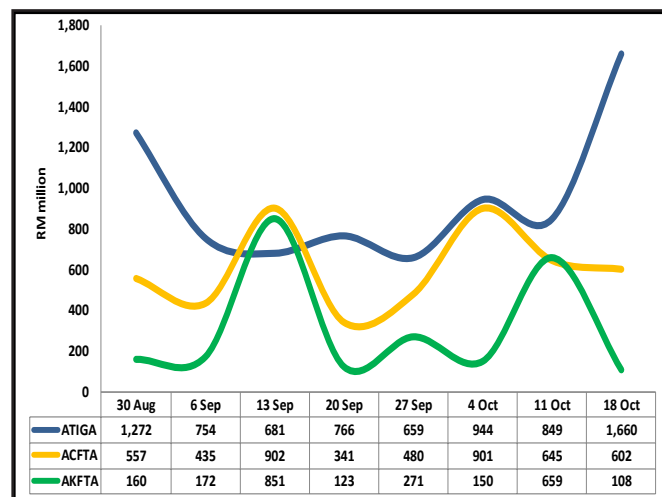
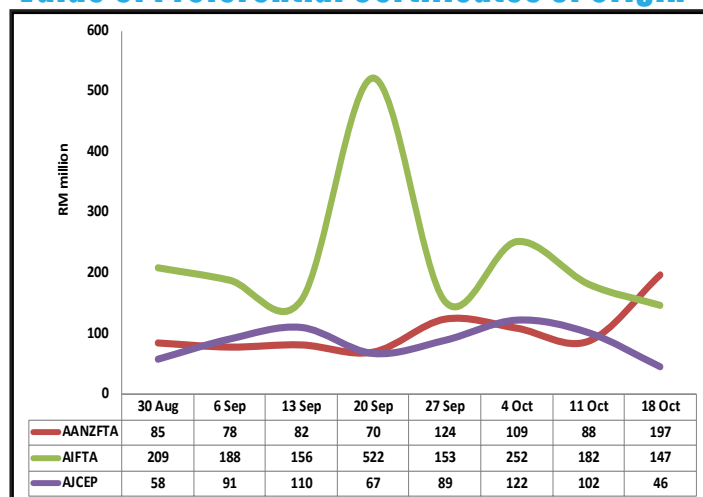


MAFTA: Malaysia-Australia Free Trade Agreement  
(Implemented since 1 January 2013)



MTFTA: Malaysia-Turkey Free Trade Agreement  
(Implemented since 1 August 2015)

## Value of Preferential Certificates of Origin



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Source: Ministry of International Trade and Industry, Malaysia

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

# 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)
23 Oct 2015 (US\$)	44.6	580.0	305.0	1,262.5	2,084.1	46.2	210 (high) 195 (low)
% change*	↓ 5.6	↓ 1.0	↑ 2.3	↓ 1.4	↑ 2.7	↓ 0.3	unchanged unchanged
2014 <sup>i</sup>	54.6 - 107.6	823.3	352.3	1,718.3	2,615.8	59.8	370.0
2013 <sup>i</sup>	88.1 - 108.6	805.5	361.6	2,390.8	1,933.1	..	485.6

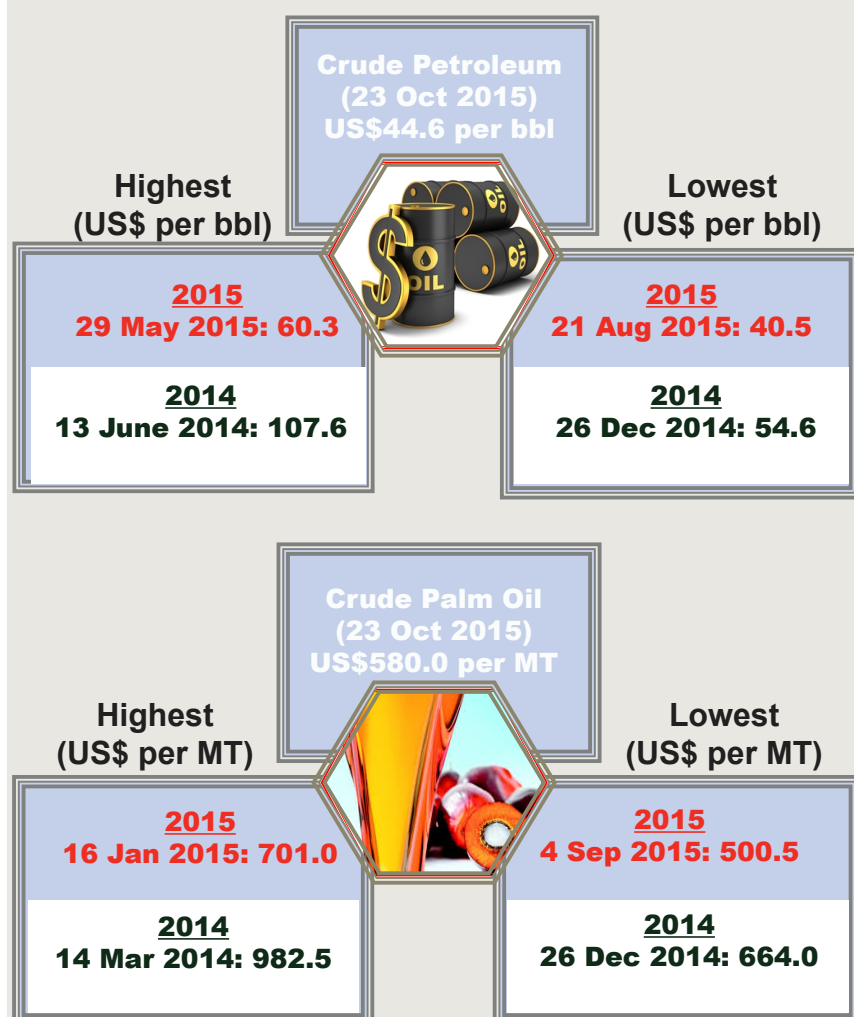
Notes: All figures have been rounded to the nearest decimal point

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

<sup>i</sup> Average price in the year except otherwise indicated

n.a Not available

## Highest and Lowest Prices, 2014/2015



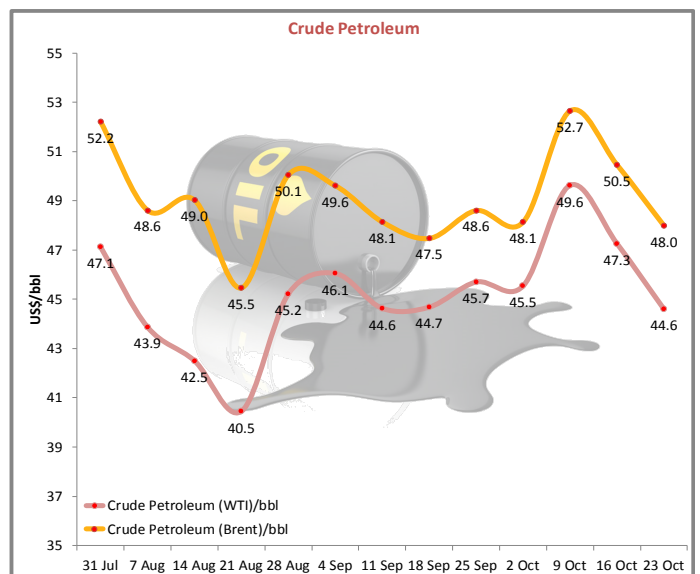
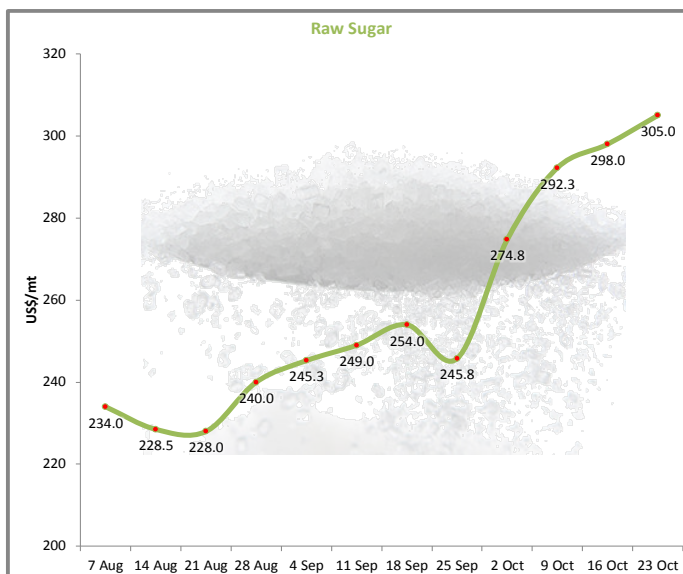
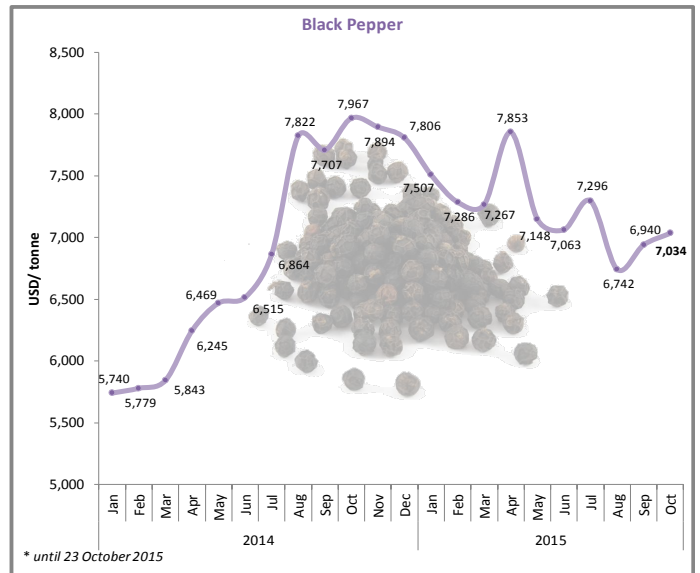
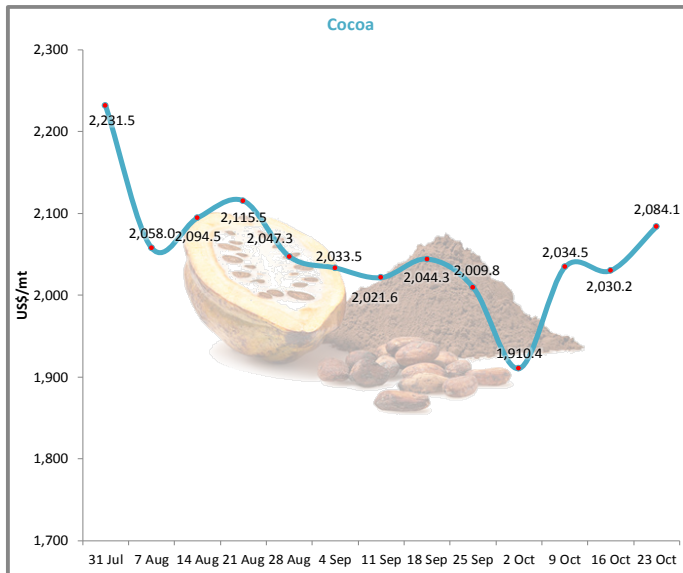
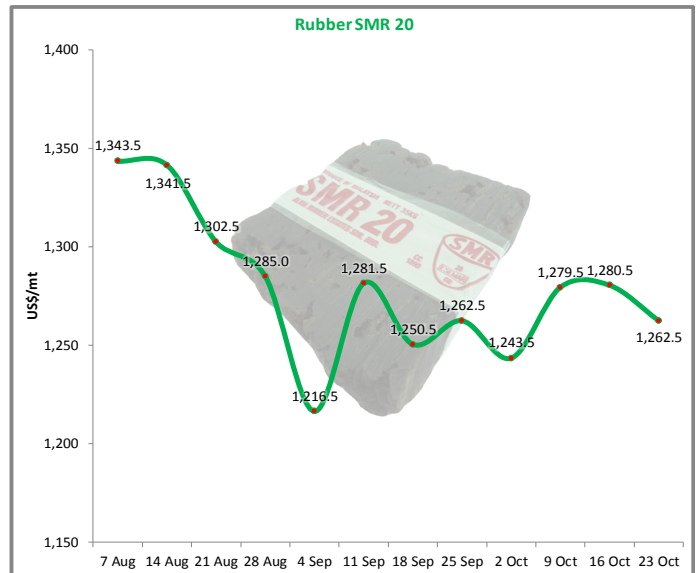
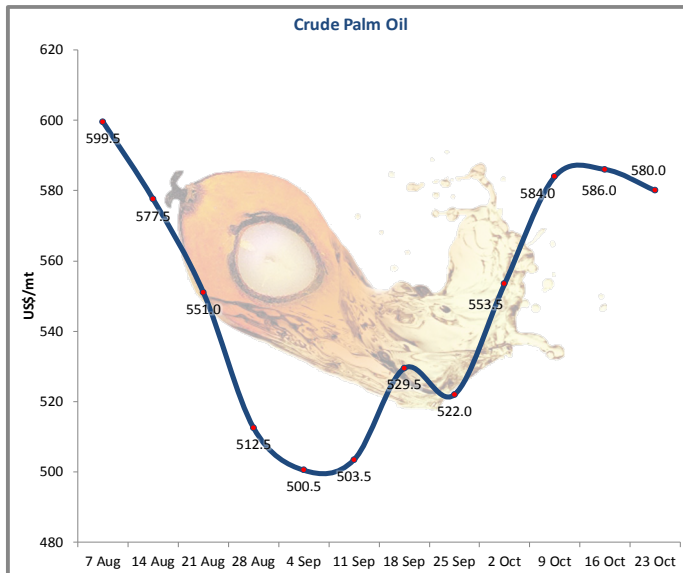
## Average Domestic Prices, 9 Oct 2015



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

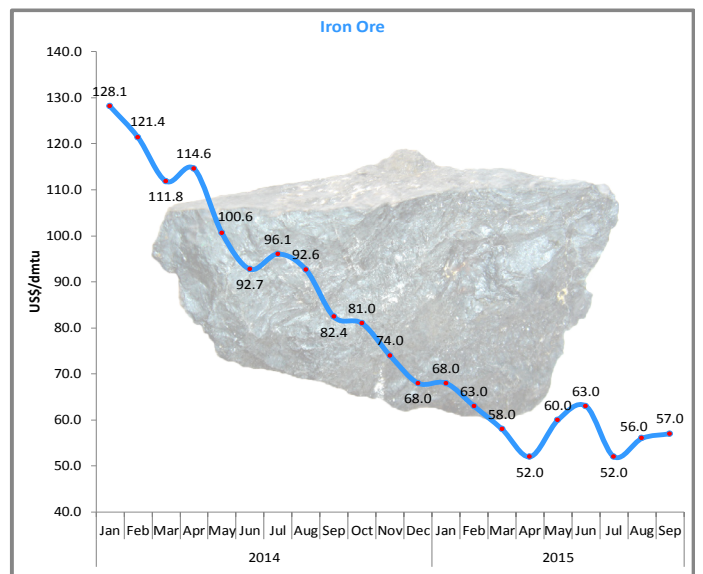
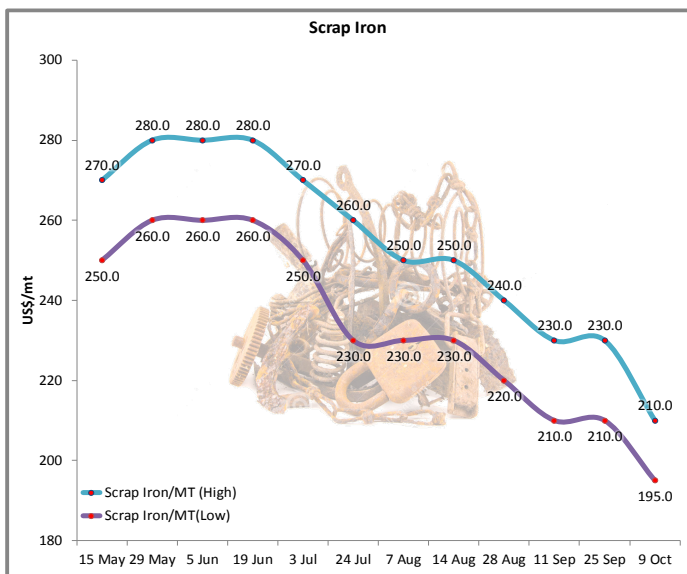
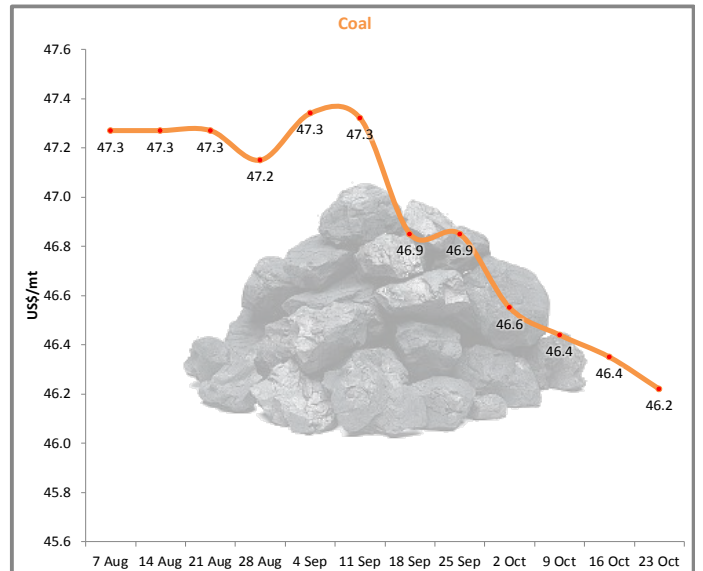
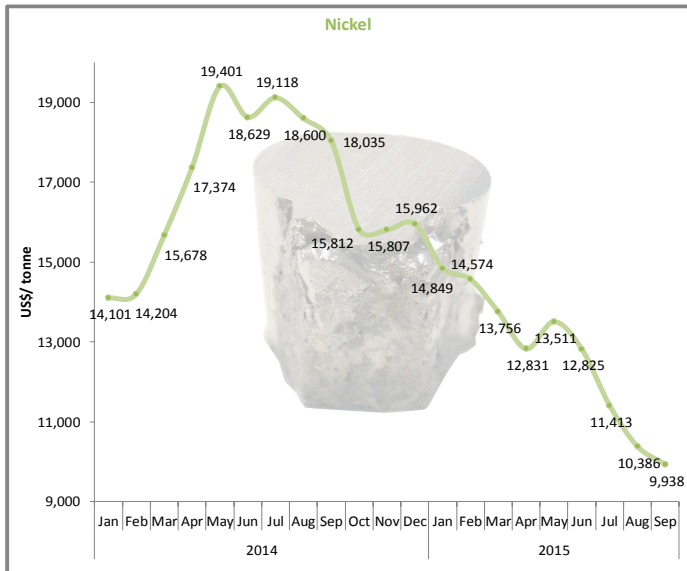
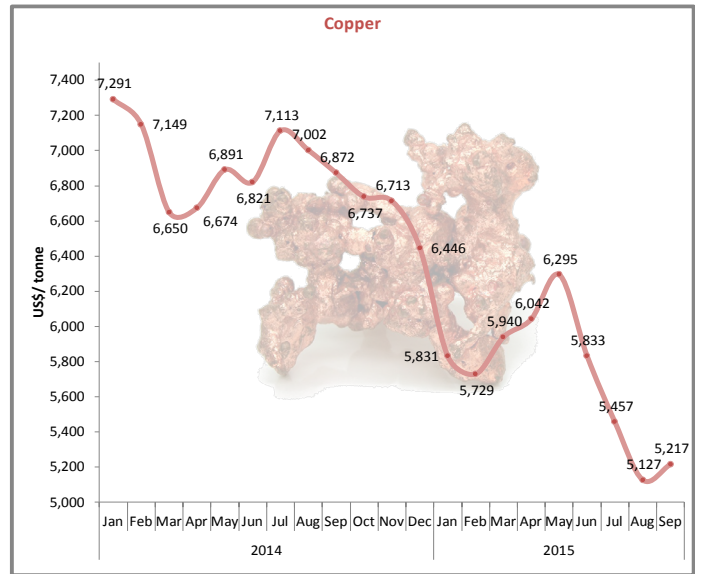
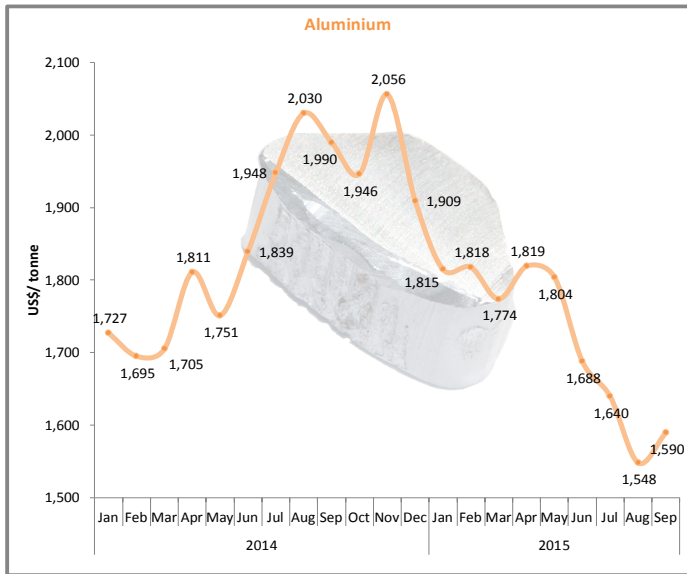


“DRIVING Transformation, POWERING Growth”

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.



# 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.





# DELEUM Success Story

Deleum's participation in the Oil & Gas industry dates back to 1982 where its wholly owned subsidiary Deleum Services Sdn Bhd established itself in Malaysia's oil and gas industry.

Deleum provides a diverse range of supporting specialized products and services for the oil & gas industry, particularly the exploration and production sector.

## CORE BUSINESS:

1. Power and Machinery
  - Provision of gas turbine packages
  - Supply of gas turbines parts
  - Gas turbines overhaul, maintenance and technical services
  - Combined heat and power plant
  - Supply, installation, repair and maintenance of valves and flow regulators
  - Other production related equipment and services

2. Oilfield Services
  - Provision of wireline equipment and logging services
  - Integrated wellhead maintenance services
  - Asset Integrated Solution (A.I.S)
  - Integrated Chemical Solutions
  - Other oilfield products and technical services
3. Maintenance, Repair and Overhaul
  - Decommissioning of platforms and wells
  - Repair, servicing, maintenance and overhaul of motors, generators, transformers and pumps
  - Integrated corrosion, inspection and mitigation for surface preparation
  - Composite repair and structural integrity
  - Equipment repair for oil and gas, and general industries

## ACCREDITATION AND CERTIFICATION

- ISO 9001:2008

## KEY CLIENTS & PROJECTS:

Country	Client(s)	Project Name and Summary of Work Scope
Malaysia	Petronas Carigali Sdn Bhd	Provision of Slickline Equipment
Malaysia	Petronas Carigali Sdn Bhd	PDC/Rock Bits
Malaysia	PETRONAS and PSC operators	Provision of Turbo machinery, maintenance services for Solar Gas turbine
Malaysia	Exxon Mobil	Provision of Slickline Equipment
Malaysia	Petrofac (Malaysia-PM304) Limited	Provision of Slickline Equipment



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# Announcement

## World Trade Report 2015

The WTO DG launched the World Trade Report 2015 today. The theme for this year Report is "Speeding up Trade: Benefits and Challenges of Implementing the WTO Trade Facilitation Agreement". Assessment on the potential impacts of TFA was made based on two economic models, i.e. the Computable General Equilibrium (CGE) and Gravity Model. Main findings:

### 1. Benefits:

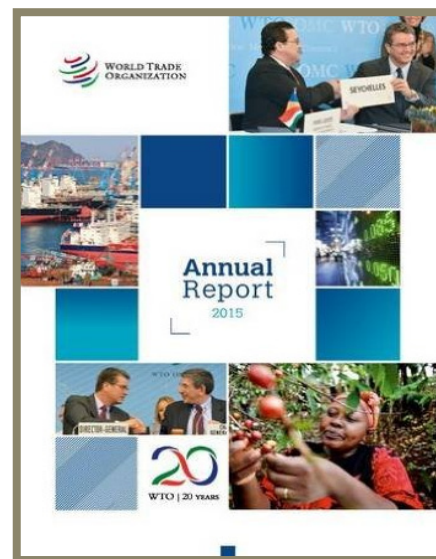
- With full implementation of the TFA, trade costs will be reduced by an average of 14.3%;
- CGE simulations predict export gains between USD750 billion and USD1 trillion per annum, depending on the implementation time-frame and coverage;
- Between 2015 -2030, implementation of TFA will add around 2.7% growth in world export and 0.5% growth in world GDP annually;
- Gravity model estimates global exports will increase between USD1.1 trillion and USD3.6 trillion, depending on the extent to which the provisions of the TFA are implemented;
- Implementing TFA will create significant export diversification gains, in terms of products and export destinations, for developing countries, and particularly LDCs:
  - Increase in the number of products exported by destination with full implementation of TFA: Developing countries between 18.4% and 20% while LDCs between 32.9% to 35.6%; and
  - Increase in the number of export destinations by product with full implementation of TFA: Developing countries between 22% and 33.2% while LDCs between 39.2% to 59.3%;
- Increase opportunity for implementing developing countries to participate in global value chains;
- Greater participation of SMEs in global trade with elimination of obstacles in the form of burdensome trade procedures, customs and trade regulations; and
- Developing countries and LDCs implementing TFA are also expected to:
  - attract more FDI;
  - improve revenue collection; and
  - reduce incidence of corruption.

### 2. Challenges:

- The cost of implementing TFA. Varies from one country to another, depending on its specific circumstance, e.g. customs modernisation and upgrading of infrastructure; and
- Require strong political will, i.e. highest level of commitment to ensure successful trade facilitation reform.

Apart from the benefits and challenges of implementing TFA, the Report also provided a brief summary of the trade situation in 2014 and early 2015 (First Part of the Report):

1. A modest 2.5% growth of world merchandise trade volume in 2014;
2. Export growth in 2014:
  - developed countries 2.0%;
  - developing and emerging economies 3.1%; and
  - Asia 4.7%.
3. Import growth in 2014:
  - developed countries 2.9%;
  - developing and emerging economies 1.8%; and
  - Asia 3.4%.
4. Real world GDP at market exchange rates in 2014:
  - developed countries 1.7%;
  - developing and emerging economies 4.2%; and
  - Asia 4.0%.
5. Malaysia's ranking:
  - merchandise:
    - i) Exporters - 23 (17 - excluding intra-EU); and
    - ii) Importers - 25 (18 - excluding intra-EU).
  - commercial services:
    - i) Exporters - Not among top 30 (19 - excluding intra-EU); and
    - ii) Importers - 30 (19 - excluding intra-EU).





# Global Transformation Forum Kuala Lumpur Convention Centre 21 - 23 October 2015

## MITI Programme



GLOBAL  
TRANSFORMATION  
FORUM



“DRIVING Transformation, POWERING Growth.”





# Info Session TRANS-PACIFIC PARTNERSHIP AGREEMENT (TPPA) 23 October 2015



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## @ YOUR SERVICE

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### Comments & Suggestions

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