



MINISTRY OF INTERNATIONAL
TRADE AND INDUSTRY

MITI WEEKLY BULLETIN

VOLUME 361

03 NOVEMBER 2015 | NO. ISSN: 2180-0448



**MALAYSIA
CHAIR OF
ASEAN
2015**



MITI in the News

World Bank Ranks Malaysia 18th in the World in “Doing Business Report 2016”



Malaysia's prudent, pragmatic and pro-business policies and processes yet again withstood the test of resilience as the nation ramps up efforts to achieve high-income status within the next five years.

The World Bank's Doing Business Report 2016 (DB 2016), released today, saw Malaysia being ranked at 18th position out of the 189 economies. Malaysia remains in the top 20 economies in the world even as the country battles headwinds from global economic volatilities. In placing Malaysia among the top 20 economies in the world with the most business-friendly regulations, the World Bank acknowledged the country's significant improvements in regulatory processes.

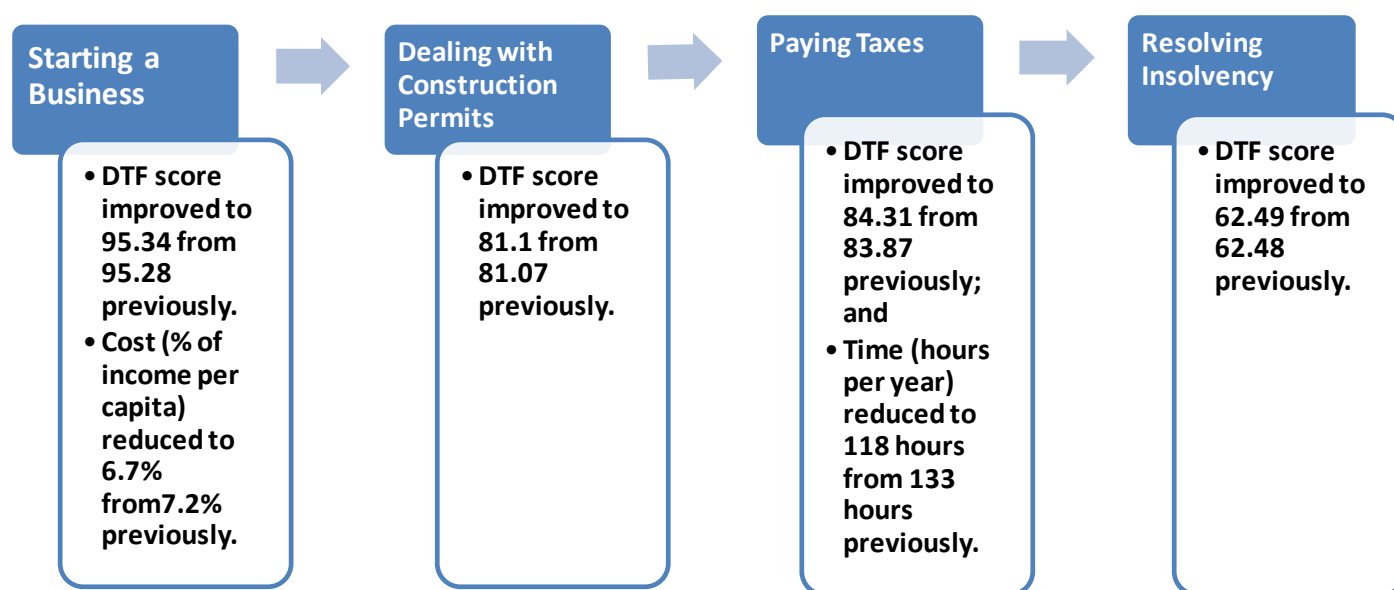
The DB 2016 ranked Malaysia ahead of economies such as Switzerland (26th), France (27th), Netherlands (28th), Japan (34th), United Arab Emirates (31st), Thailand (49th), China (84th) and India (130th). Within ASEAN, Malaysia was ranked second, behind Singapore. The World Bank's DB 2016 ranking comes on the heels of the recently released World Economic Forum's Global Competitiveness Report, which had ranked Malaysia 18th among the 140 economies that were surveyed.

International Trade and Industry Minister Dato' Sri Mustapa Mohamed welcomed the DB 2016 Report. “It's yet another affirmation of the efficacy of the Government's efforts to resolve operational inefficiencies and review procedures and regulations under the Government Transformation Programme and the Economic Transformation Programme,” he said. The Minister added that the high ranking accorded Malaysia was also a testament to the work of PEMUDAH, the joint public-private sector Special Task Force to Facilitate Business. “The fertile eco-system that helps nurture our economic expansion can be directly traced to the strong public-private partnership exemplified by PEMUDAH. This close collaboration at the most senior levels of the Government and the private sector enables both sides to highlight blockages in the system and align policies and procedures accordingly,” Dato' Sri Mustapa said.

Using a measurement that focuses on the quality and efficiency of regulations, the DB 2016 Report gave Malaysia a score of 79.13 out of 100 in what it terms the “distance to frontier” (DTF). The DTF score captures the gap between an economy’s performance and a measure of best practices across 36 sub-indicators of quality and efficiency, where 100 is the frontier and 0 is the furthest from the frontier. Malaysia’s score of 79.13 in the latest report is an improvement from the revised DTF score of 79.08 in DB 2015. Malaysia recorded the highest DTF score in the “Starting a Business” indicator, with 95.34. For the other nine indicators covered in the report, Malaysia’s DTF scores are: Dealing with Construction Permits (81.10), Getting Electricity (90.05), Registering Property (76.32), Getting Credit (70.00), Protecting Minority Investors (78.33), Paying Taxes (84.31), Enforcing Contracts (66.61), Trading Across Borders (86.74) and Resolving Insolvency (62.49).

The Report recognised Tenaga Nasional Brhad’s initiative to set up a web page with a bill calculator, making it easier for customers to estimate their future electricity costs based on the voltage level and subscribed capacity of their connection and their estimated monthly consumption during peak and off-peak periods. The World Bank cited this effort as “exemplary” that can be emulated by other economies. The World Bank also noted that Malaysia had reduced taxes other than profit and labour taxes - such as the property tax rate from 12% to 10% of the annual rental value for commercial properties for 2014. In addition, Malaysia was acknowledged for its initiatives in enhancing electronic services by making it compulsory for employers with 50 or more employees to contribute to the Employees Provident Fund (EPF) using the e-filing system. Malaysia was also credited for making tax payment easier and less costly for companies by making e-filing mandatory.

For the indicators and sub-indicators, Malaysia has improved in the following:

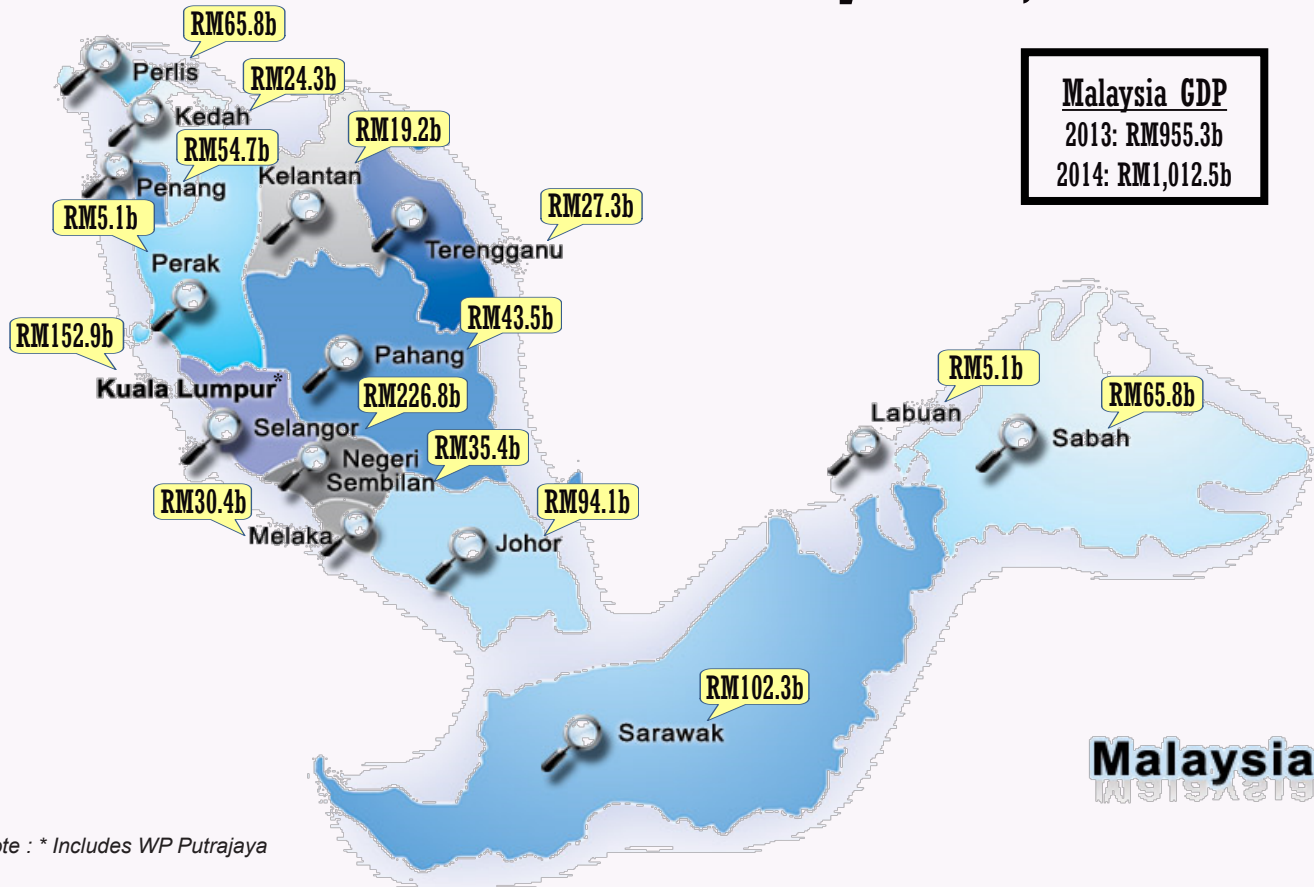


Dato’ Sri Mustapa said that moving forward, PEMUDAH will continue to collaborate with the International Finance Corporation (IFC) of the World Bank to examine the target areas for improvement. “The relatively high rankings accorded to Malaysia by the World Bank and WEF are encouraging. But as we compete for a larger slice of investments in the highly complex global economy, Malaysia has to keep upping our game,” he said.

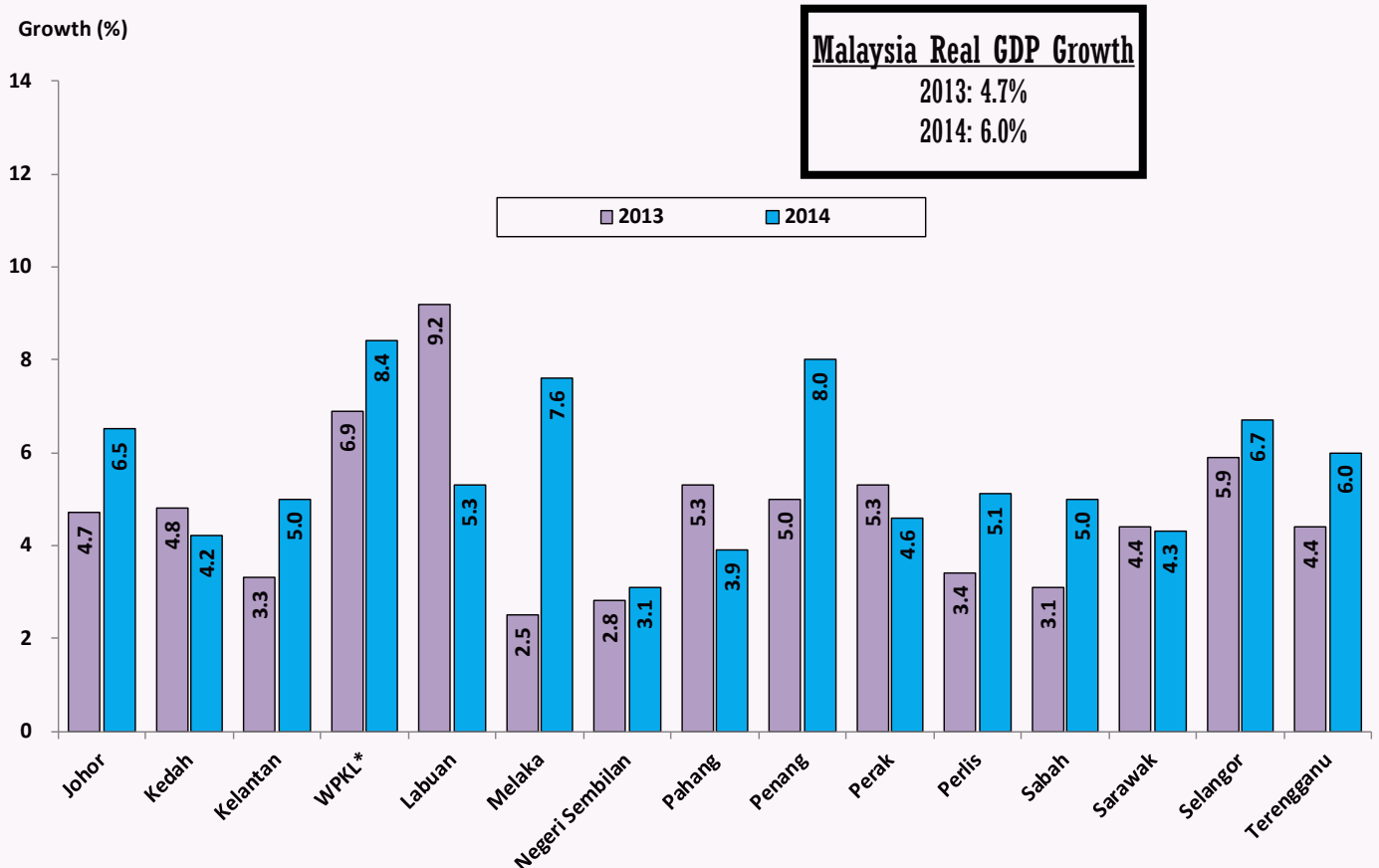
Source : Ministry of International Trade and Industry, 28 October 2015

MALAYSIA

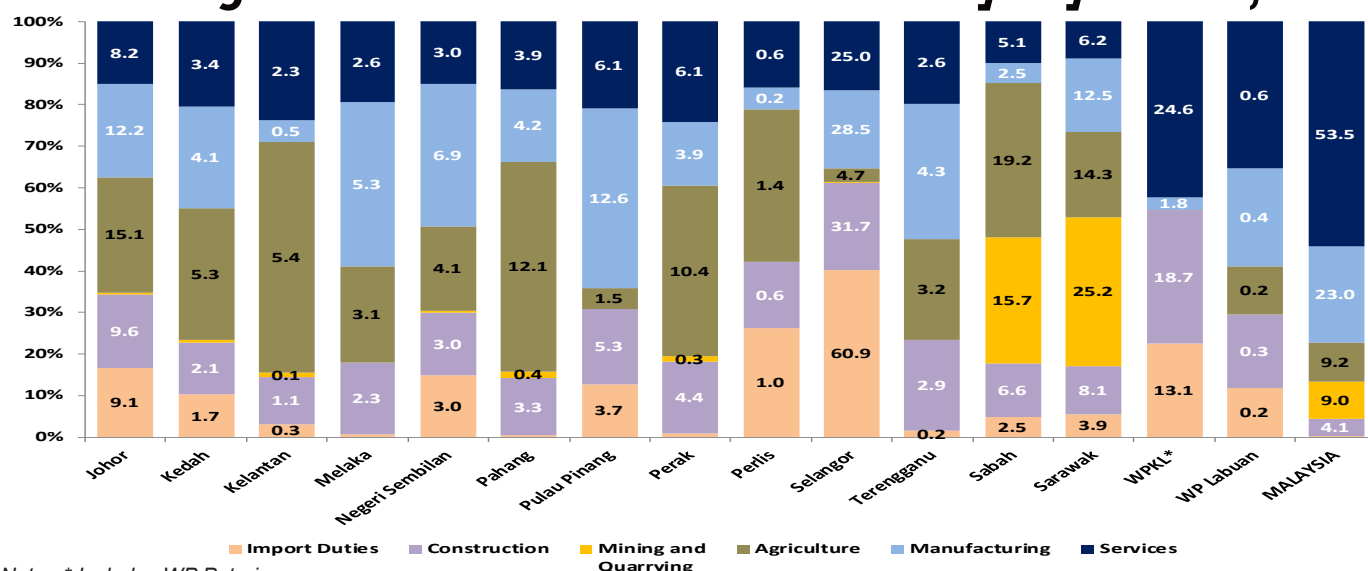
Gross Domestic Product by State, 2014



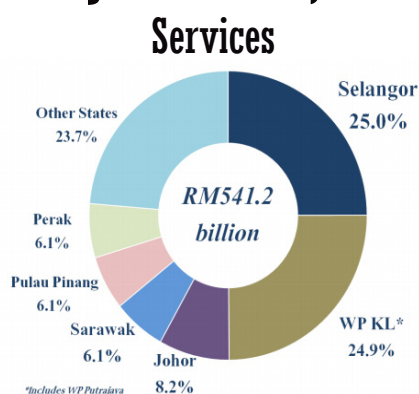
Annual GDP Growth by State, 2013 - 2014



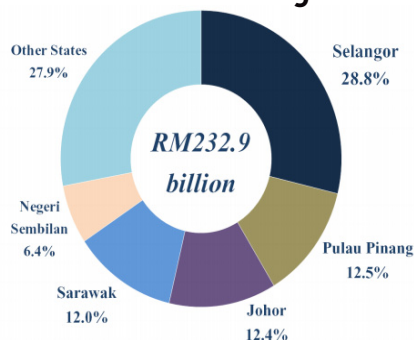
Percentage Share of Economic Activity by State, 2014



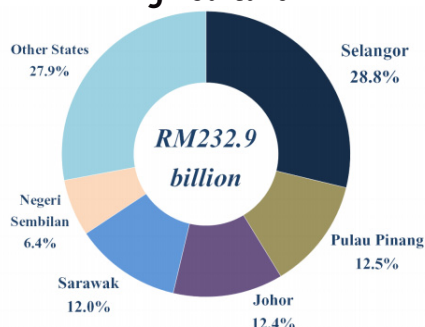
Percentage Share by Major State, 2014



Manufacturing



Agriculture



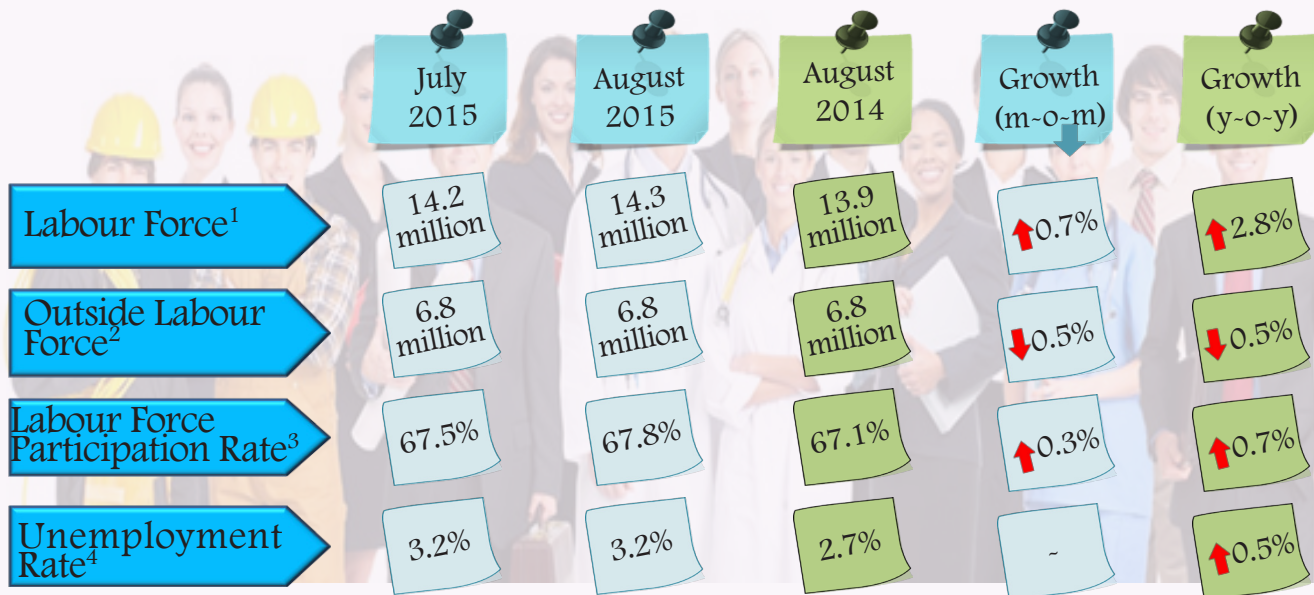
GDP Per Capita by State, 2013-2014 (at current price - RM)

	2013	2014
MALAYSIA	33,721	36,165
WP KL *	82,262	91,097
Labuan	53,610	56,062
Sarawak	41,792	44,437
Penang	38,472	42,186
Selangor	38,082	40,701
Melaka	35,727	38,766
Negeri Sembilan	34,092	35,969
Pahang	27,912	29,575
Johor	26,317	28,466
Terengganu	24,488	26,573
Perak	22,438	24,207
Sabah	18,647	19,672
Perlis	20,136	21,084
Kedah	16,629	17,321
Kelantan	11,265	11,815

Source : Department of Statistics, Malaysia

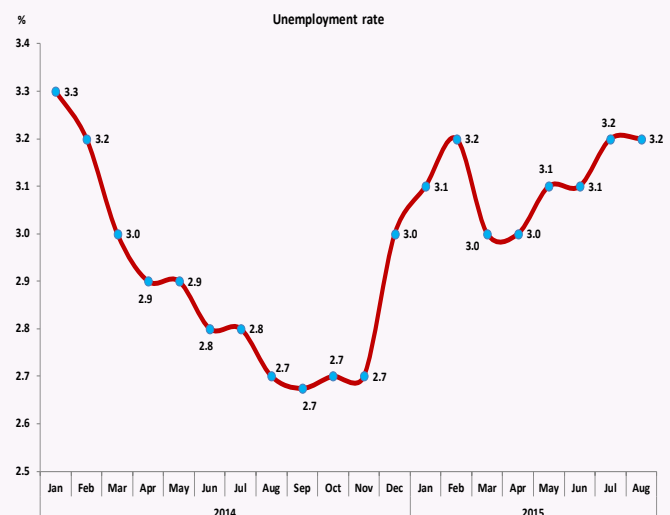
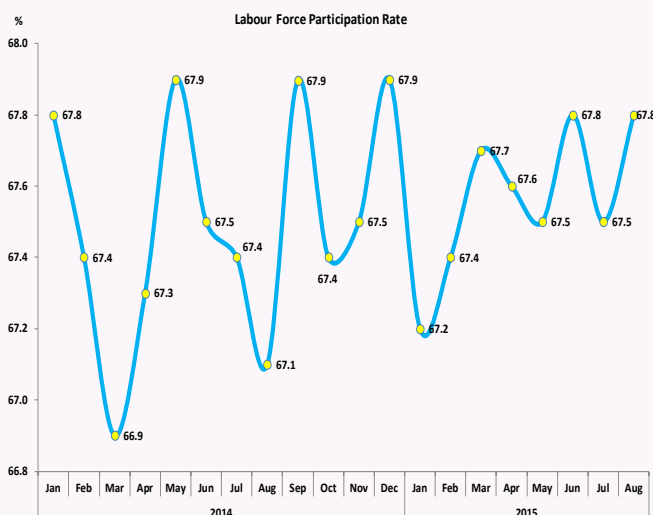
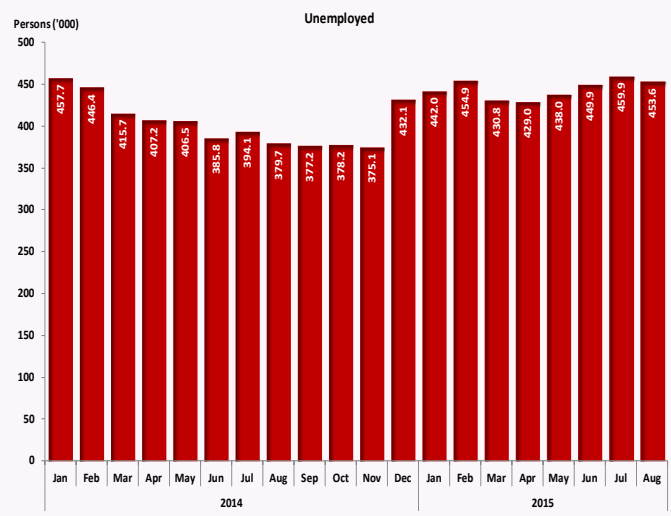
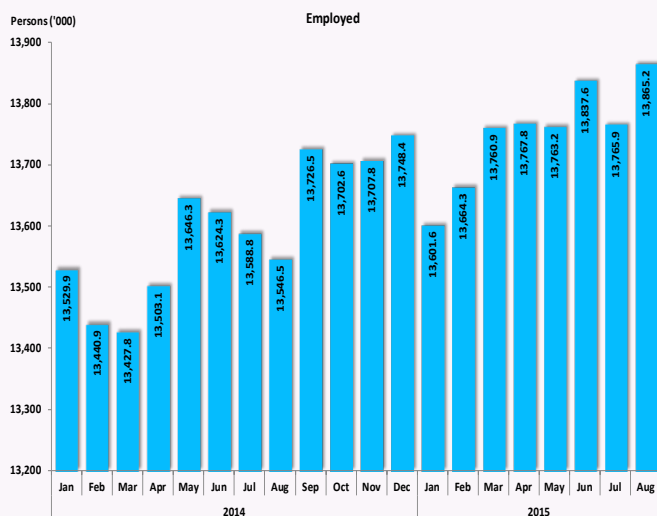
Note : * Includes WP Putrajaya

Labour Market, August 2015



- Note :
1. Labour force refers to those who, during the reference week are in the 15 to 64 years (in completed years at last birthday) and who are either employed or unemployed;
 2. Consists of housewives, students (including those going for further studies), retired, disabled persons and those not interested in looking for a job
 3. Ratio of the labour force to the working age population (15 to 64 years), expressed as percentage;
 4. Proportion of unemployed population to the total population in labour force. This rate measures the percentage of unemployed population in the labour force

Trends on Labour Market, January 2014 - August 2015



Source : Department of Statistics, Malaysia

Performance of SMEs in Malaysia, 2010 - 2014

	SME Contribution to GDP			SME GDP Growth
	2010 (% share)	2014 (% share)	Increase / decrease in share	CAGR ¹ 2011 – 2014
Overall²	32.2	35.9	+3.7	8.3
Construction	0.9	2.0	+1.1	28.9
Services	19.6	21.1	+1.5	7.3
Mining & Quarrying	0.0	0.1	+0.1	39.3
Agriculture	4.3	4.5	+0.2	6.7
Manufacturing	7.2	7.8	+0.6	7.5

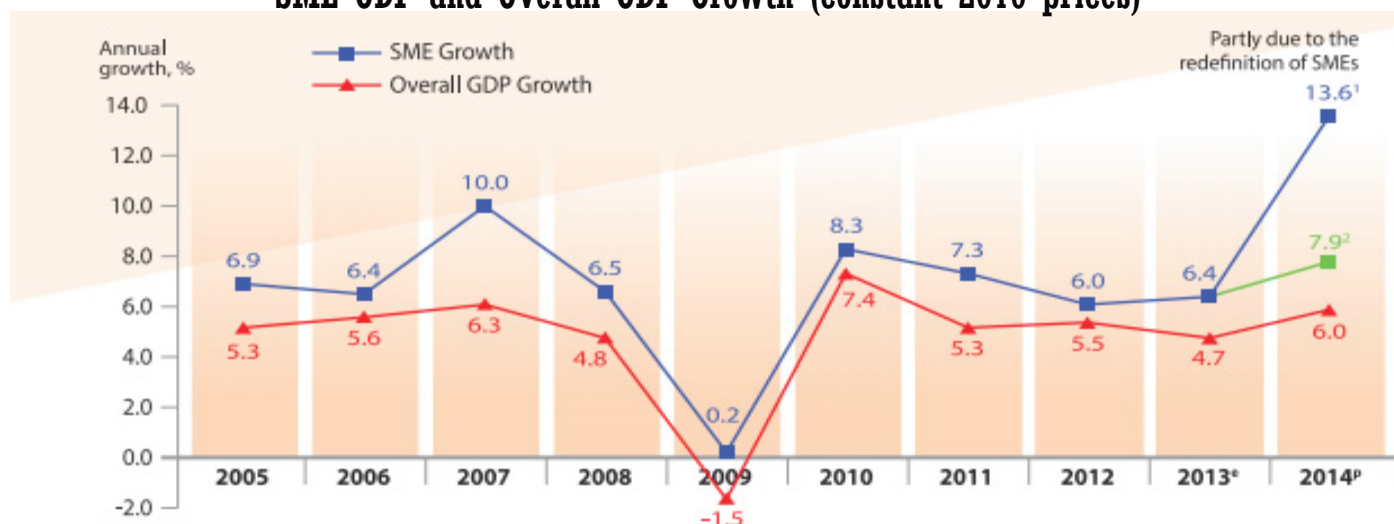
¹ CAGR refers to compounded annual growth rate

² Total value-added after taking into account import duties

Source: Department of Statistics, Malaysia



SME GDP and Overall GDP Growth (constant 2010 prices)



e: estimate, p: preliminary

¹/ Growth based on 2014 New SME Definition versus 2013 Old SME Definition

²/ Growth based on 2014 New SME Definition versus 2013 New SME Definition

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

SME and Overall GDP Growth by Key Economic Activity in 2014 (constant 2010 prices)

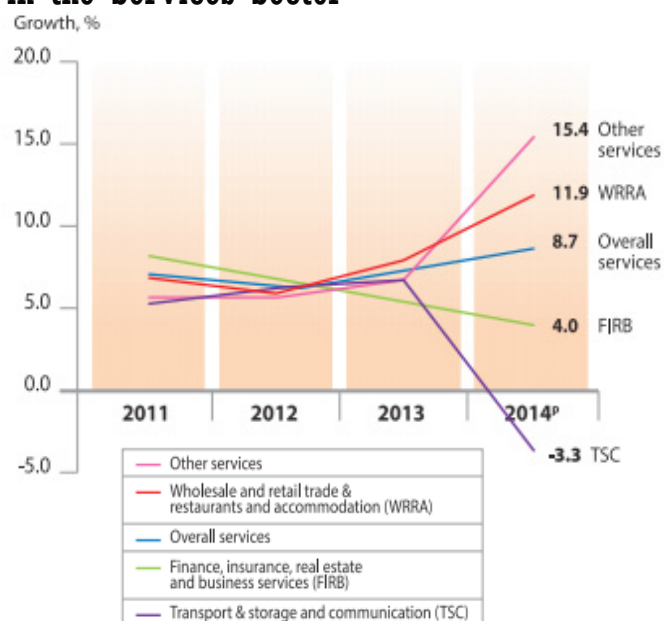
	2014 SME GDP Growth (2014 New SME Definition vs 2013 New SME Definition)	2014 SME GDP Growth (2014 New SME Definition vs 2013 Old SME Definition)	Overall GDP growth
Growth (y-o-y change, %)			
Mining & Quarrying	9.6	182.6	3.3
Construction	12.8	98.7	11.8
Agriculture	2.7	17.2	2.1
Manufacturing	8.6	10.9	6.2
Services	8.3	8.7	6.5
Total	7.9	13.6	6.0

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

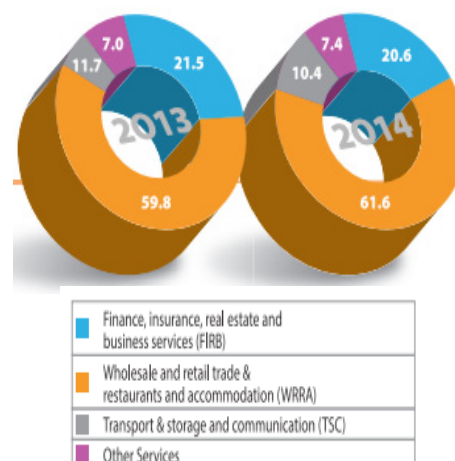
SME and Overall GDP share by Key Economic Activity in 2014 (constant 2010 prices)

	Year 2014 (percentage share to total, %)	
	SME GDP	Total GDP
Services	58.6	53.5
Manufacturing	21.7	23.0
Agriculture	12.4	9.2
Construction	5.7	4.3
Mining & Quarrying	0.4	9.0
Plus: import duties	1.1	1.1
Total	100	100

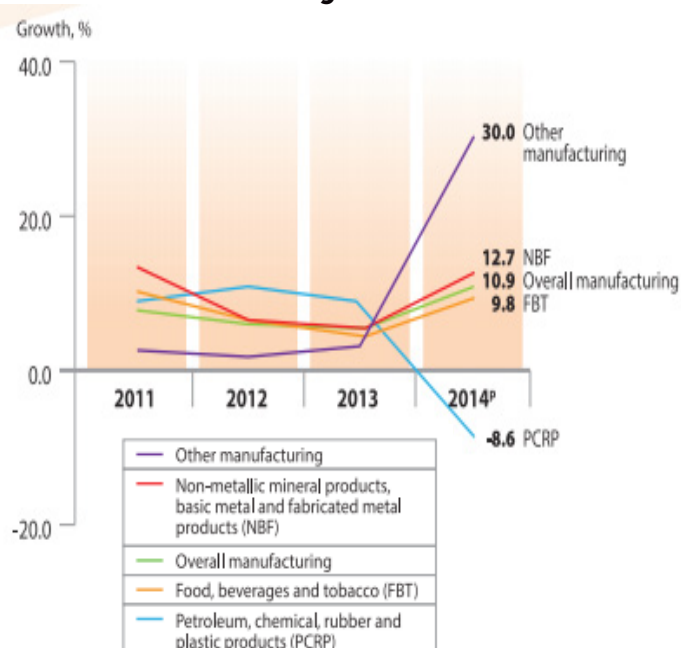
SME Value-added Growth of Sub-sectors in the Services Sector



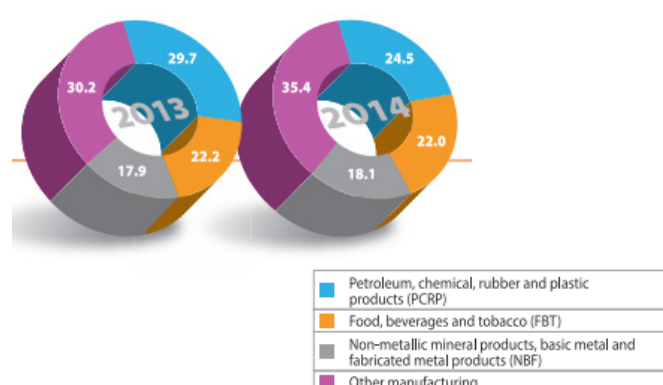
Components of Value-added of SMEs in the Services Sector (%)



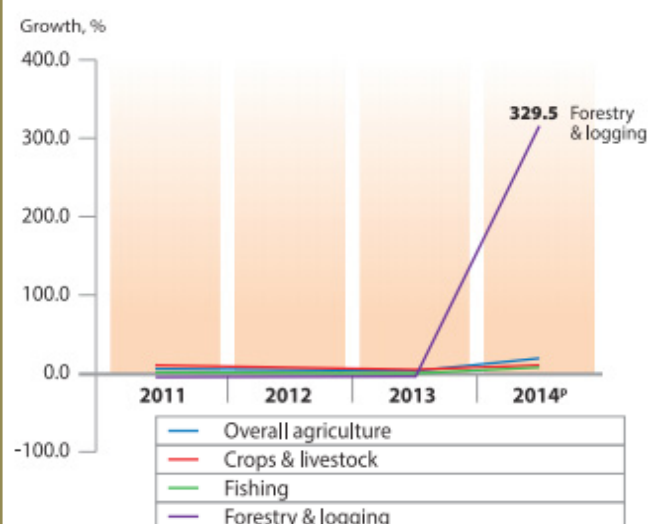
SME Value-added Growth of Sub-sectors in the Manufacturing Sector



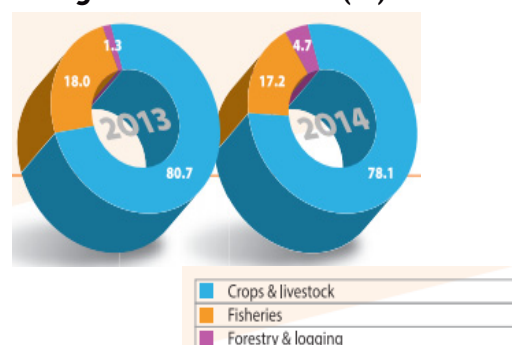
Components of Value-added of SMEs in the Manufacturing Sector (%)



SME Value-added Growth of Sub-sectors in the Agriculture Sector



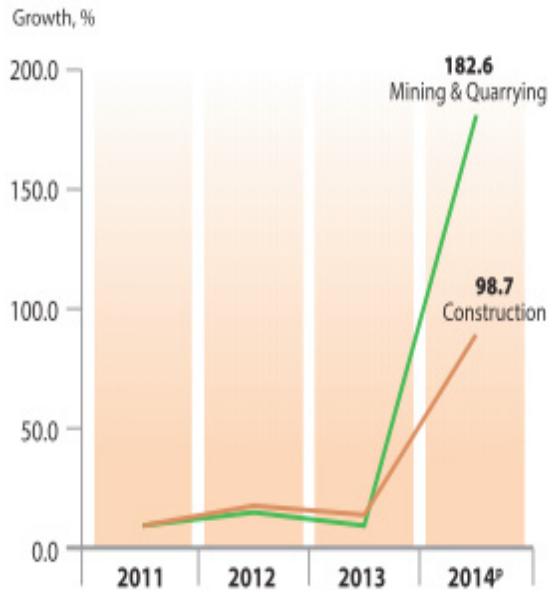
Components of Value-added of SMEs in the Agriculture Sector (%)



p: preliminary

Source: Department of Statistics, Malaysia

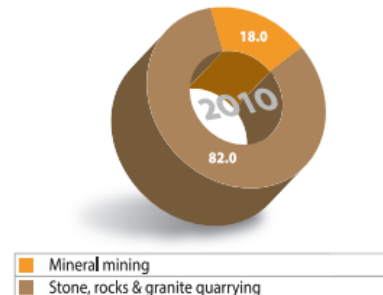
SME Value-added Growth in the Construction and Mining & Quarrying Sector



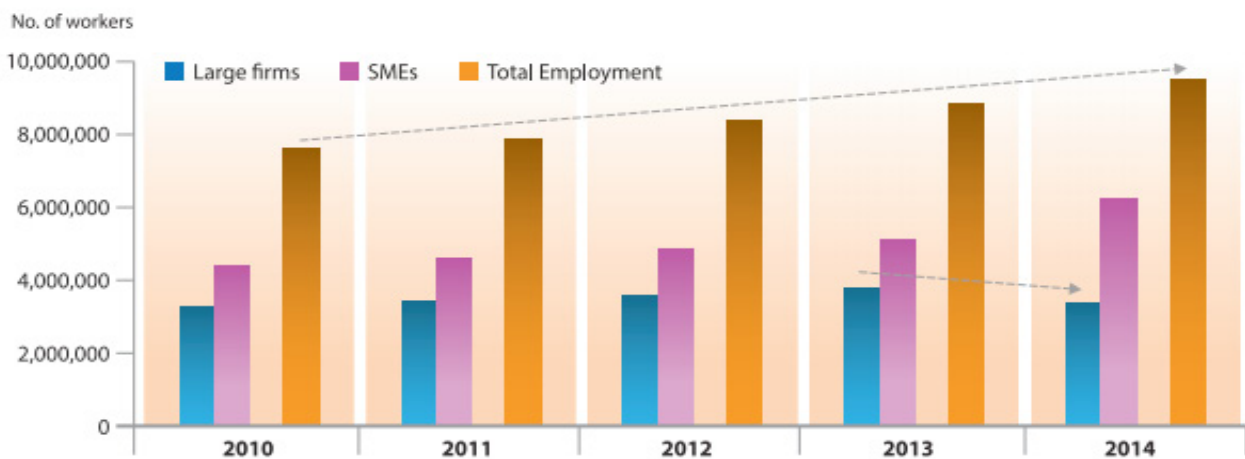
Components of Value-added of SMEs in the Construction Sector (%)



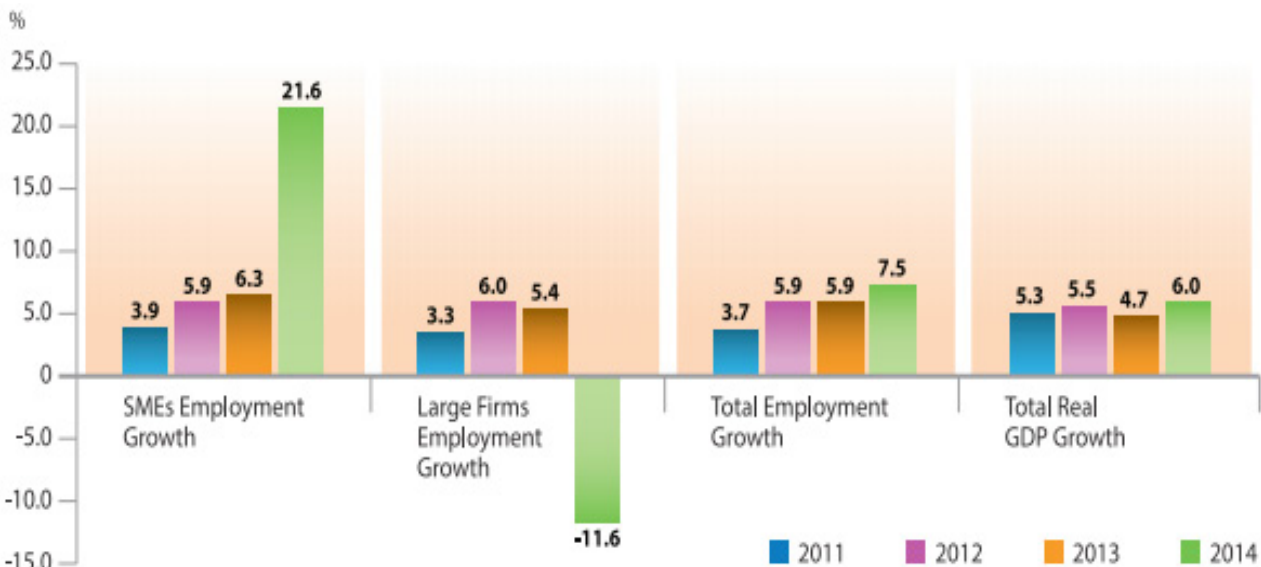
Components of Value-added of SMEs in the Mining & Quarrying Sector (%)



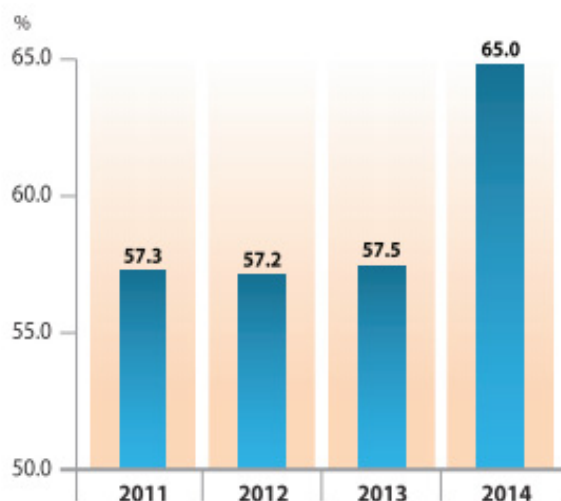
Employment by Firm Size (2010 - 2014)



Employment Growth Performance by Firm Size, % (2010 - 2014)



Employment Share of SMEs to Total Employment (%)

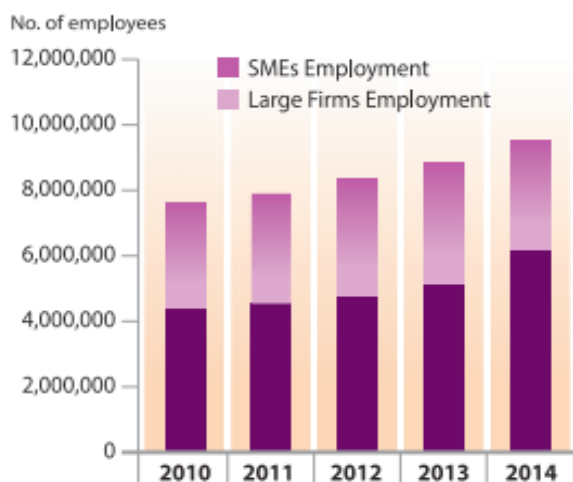


Real GDP, 2010 - 2014



Real GDP of SME continued to rise

Employment and Productivity of SMEs: 2010 - 2014

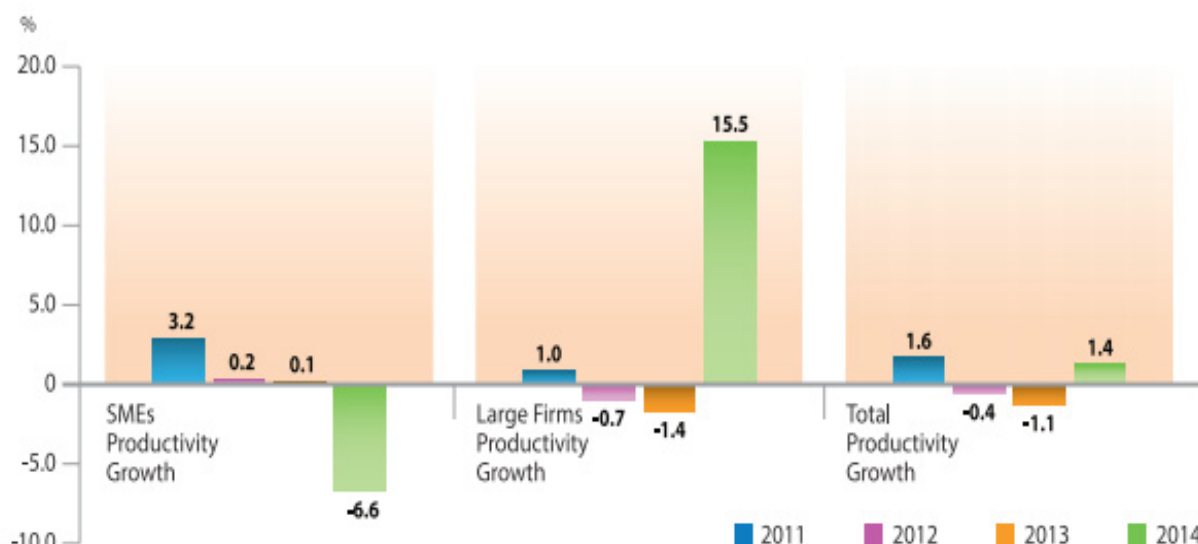


...but the rate of SME employment was higher than SME GDP in 2014



...resulted in a one-off effect of lower SME productivity in 2014





Productivity Growth by Firm Size, % (2010 - 2014)





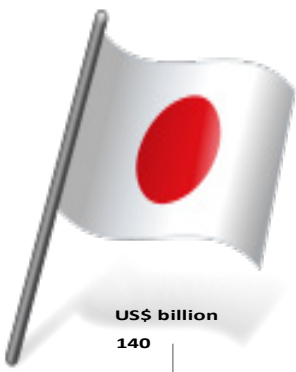
'ASEAN and You'

Ease of Doing Business 2016

	ASEAN Ranking	World Ranking
		
		
		
		
		
		
		
		
		
		

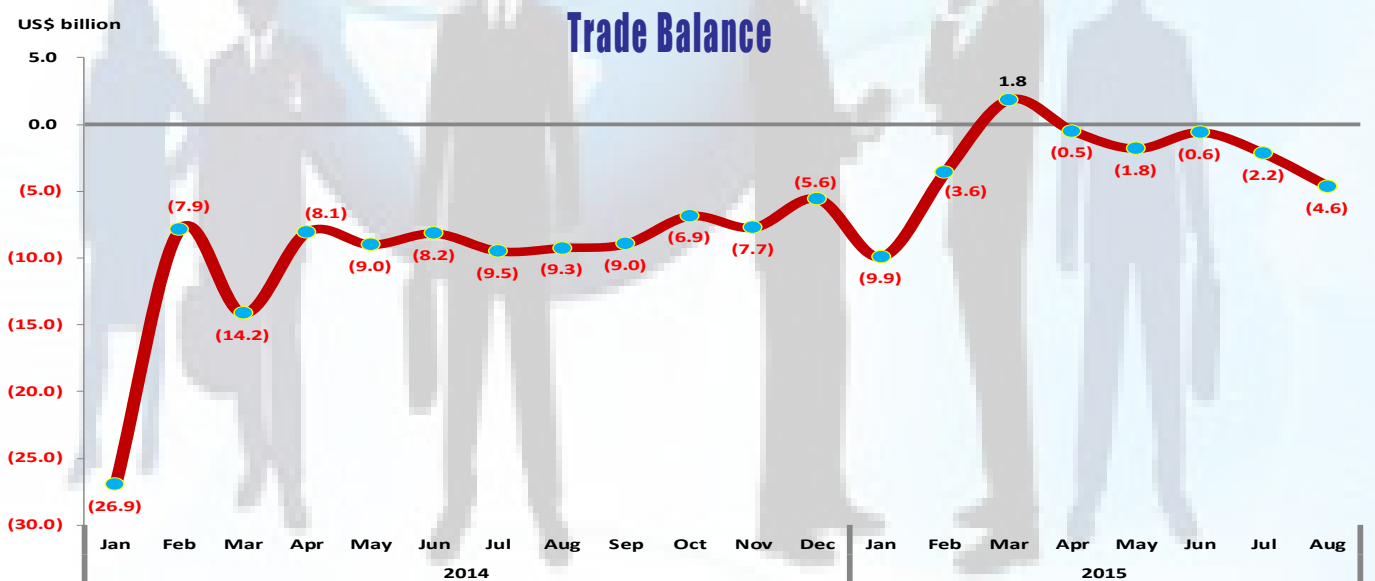
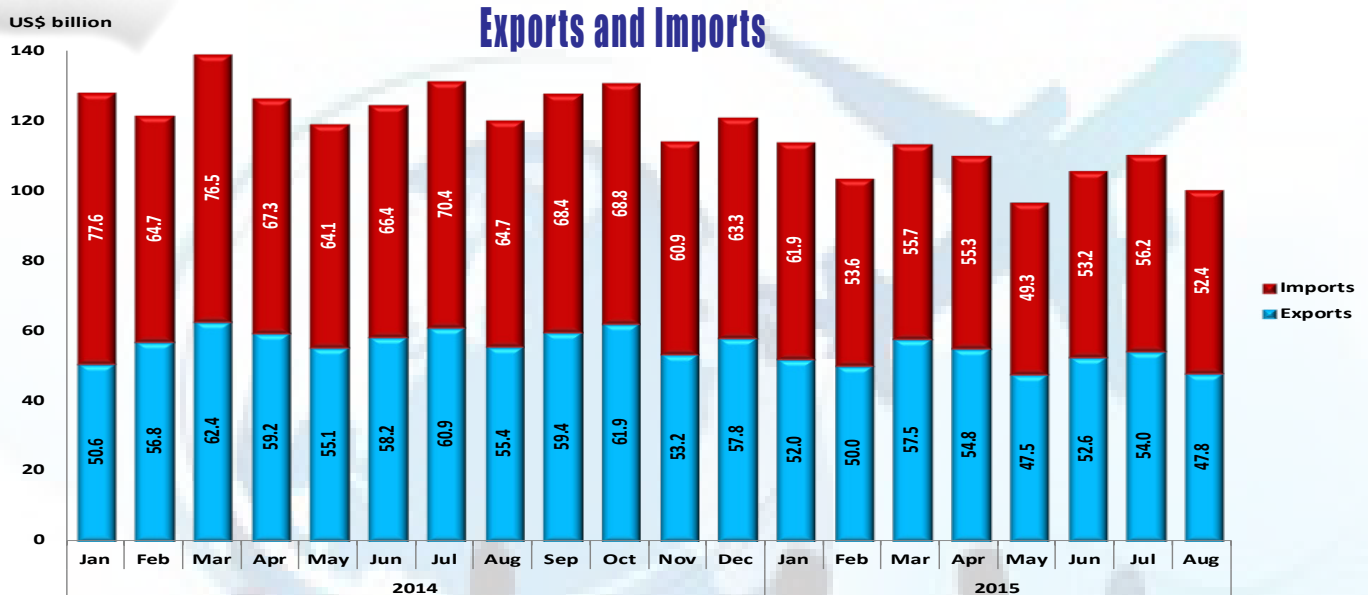
<http://www.doingbusiness.org/rankings>

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



International Report

Japan's Monthly Trade, January 2014 - August 2015



January - August 2015

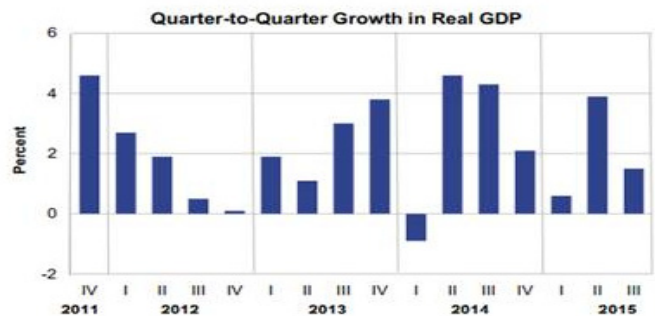
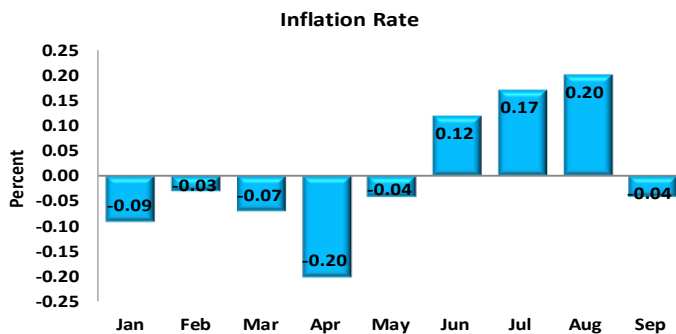
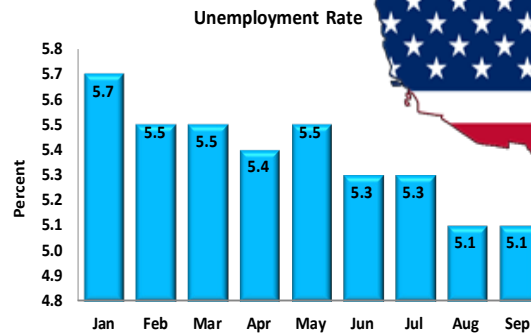
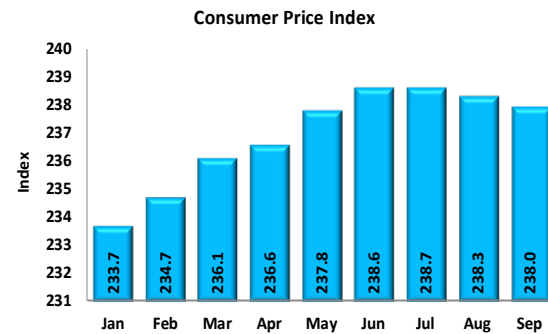
Top Three Export Destinations

- 1 USA
- 2 China
- 3 ROK
- 11 Malaysia

Top Three Import Sources

- 1 China
- 2 USA
- 3 Australia
- 8 Malaysia

US Economic Indicators, January - September 2015

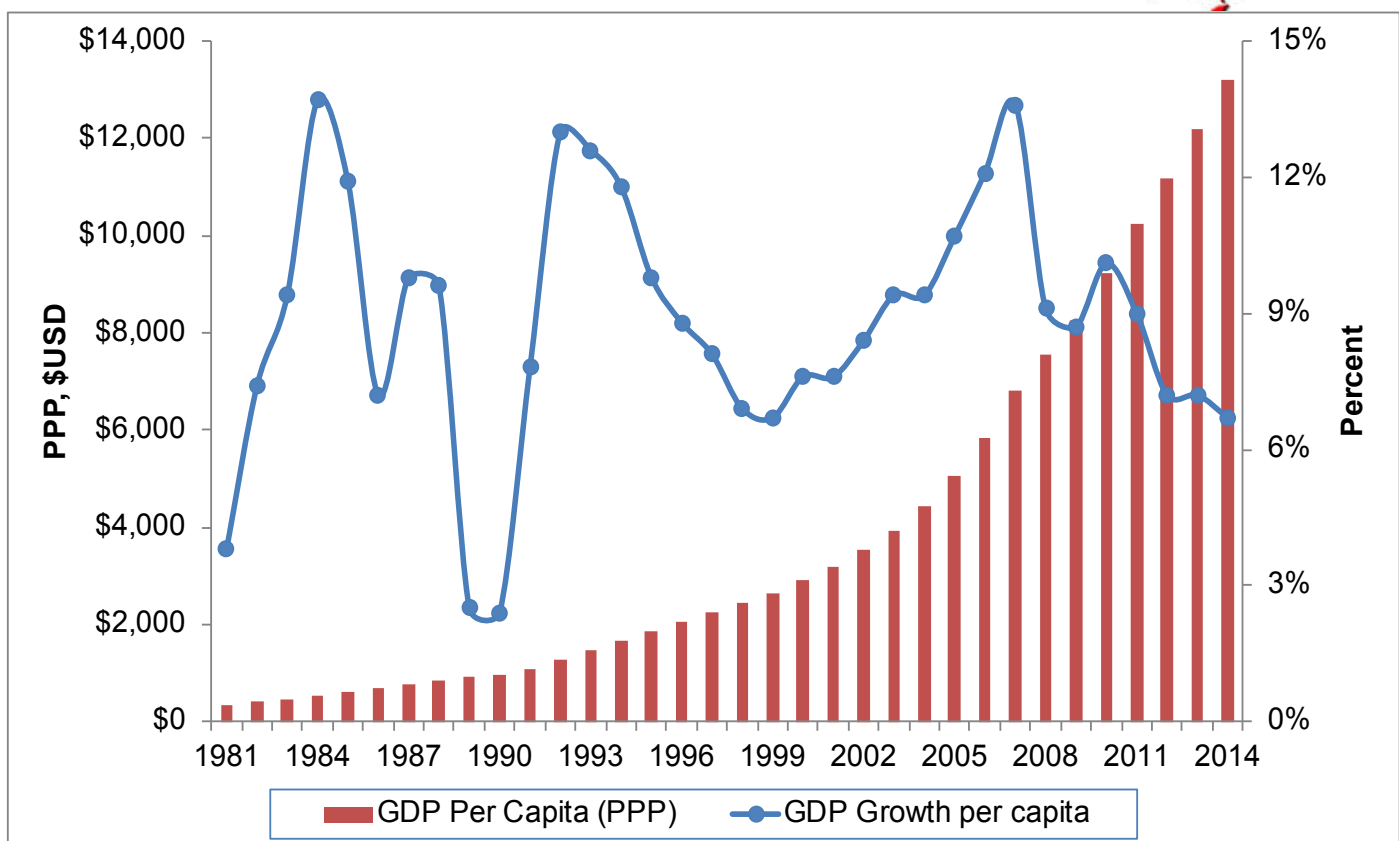


Source : Bureau of Economic Analysis

China GDP Purchasing Power Parity (PPP) and GDP Per Capita Growth, 1981 - 2014



China has reached mid-income level status after 30 years of rapid growth



Source : <http://knoema.com/>

did you know?

Trans-Pacific Partnership Agreement TPPA

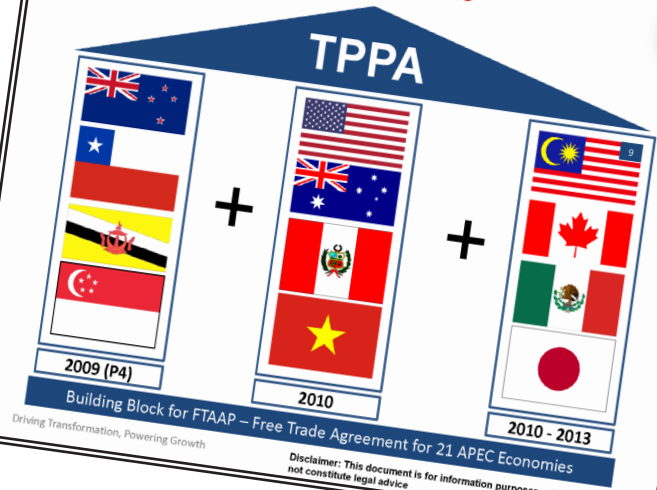
Background

- Origins from the (P4) free trade agreement signed by New Zealand, Singapore, Chile and Brunei in 2005 – entered into force in 2009.
- TPPA began with inclusion of the United States, Australia, Peru and Viet Nam in March 2010. Scope expanded to include new issues.
- First Round – March 2010. Malaysia 9th Member in October 2010.
- Canada and Mexico joined in December 2012 (15th Round) and Japan in July 2013 (18th Round).
- Membership in TPPA is **voluntary**.
- Building Block for FTAAP – Free Trade Agreement of Asia Pacific.

Driving Transformation, Powering Growth

Disclaimer: This document is for information purposes only, and does not constitute legal advice

The TPPA negotiations started in 2010



Driving Transformation, Powering Growth

Disclaimer: This document is for information purposes only, and does not constitute legal advice

TPPA: A National Endeavour

- MITI
- Ministry of Finance
- Ministry of Domestic Trade, Co-Operatives and Consumerism
- Ministry of Agriculture & Agro-Based Industry
- Ministry of Plantation Industries and Commodities
- Ministry of Natural Resources and Environment
- Ministry of Human Resources
- Attorney General's Chambers
- Ministry of Communications and Multimedia
- Royal Malaysian Customs Department
- Department of Standards Malaysia
- Bank Negara
- Ministry of Health
- Ministry of Home Affairs
- Khazanah Nasional
- Securities Commission Malaysia

Driving Transformation, Powering Growth

Disclaimer: This document is for information purposes only, and does not constitute legal advice

There are 30 Chapters in the TPPA...

Standard Legal Chapters	Traditional Trade Issues	New Issues
1 – Initial Provisions 2 – National Treatment for Market Access for Goods 27 – Administrative & Institutional Provisions 28 – Dispute Settlement 29 – Exceptions 30 – Final Provision	3 – ROOs 4 – Textiles and Apparel 5 – Customs Administration 6 – Trade Remedies 7 – Sanitary and Phytosanitary 8 – Technical Barriers to Trade 9 – Investment 10 – Cross Border Services 11 – Financial Services 12 – Temporary Entry 13 – Telecommunications 14 – E-Commerce 15 – Government Procurement 16 – Competition Policy 18 – Intellectual Property Rights 21 – Cooperation and Capacity Building 22 – Competitiveness / Business Facilitation	17 – Competition (SOE) 19 – Labour 20 – Environment 23 – Development 24 – SMEs 25 – Regulatory Coherence 26 – Transparency and Anti Corruption

Driving Transformation, Powering Growth

Disclaimer: This document is for information purposes only, and does not constitute legal advice

Need more information???

Slides on TPPA Briefing is available in MITI's website as follows:

http://fta.miti.gov.my/miti-fta/resources/TPP_Town_Hall_27_Oct_2015.pdf

Other relevant information related with TPP information is available at the following link:

<http://fta.miti.gov.my/index.php/pages/view/231>

Number and Value of Preferential Certificates of Origin (PCOs)

Number of Certificates (Provisional data)

	6 Sep 2015	13 Sep 2015	20 Sep 2015	27 Sep 2015	4 Oct 2015	11 Oct 2015	18 Oct 2015	25 Oct 2015
AANZFTA	727	868	674	1,017	1,026	875	815	1,003
AIFTA	577	614	574	597	776	643	569	546
AJCEP	195	236	167	197	241	250	122	194
ATIGA	4,506	4,346	3,955	4,037	4,837	4,481	3,871	4,774
ACFTA	1,242	1,307	1,021	1,035	1,582	1,552	1,276	1,479
AKFTA	755	825	609	755	778	837	576	1,001
MICECA	239	250	274	302	311	338	235	309
MNZFTA	2	21	2	7	6	10	2	7
MCFTA	65	77	42	57	77	71	58	82
MAFTA	318	414	368	390	417	481	421	560
MJEPA	771	732	754	824	927	679	799	871
MPCEPA	109	155	115	130	153	113	150	172
GSP	144	123	122	159	176	103	127	146
MTFTA	152	321	141	172	202	217	125	209

Notes: The preference giving countries under the GSP scheme are Cambodia, the Russian Federation, Japan, Switzerland, Kazakhstan 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)

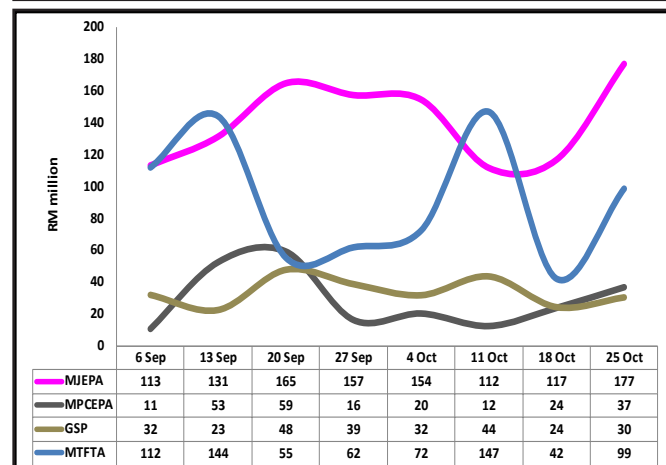
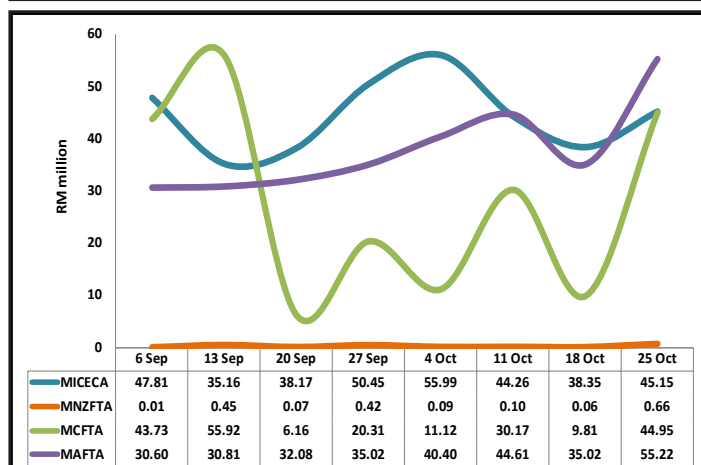
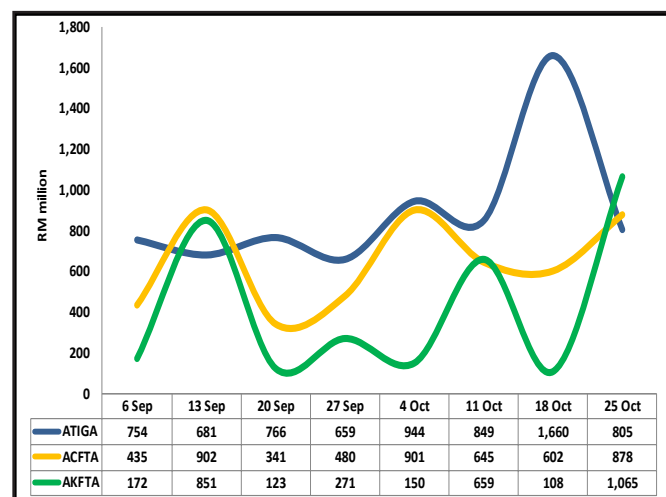
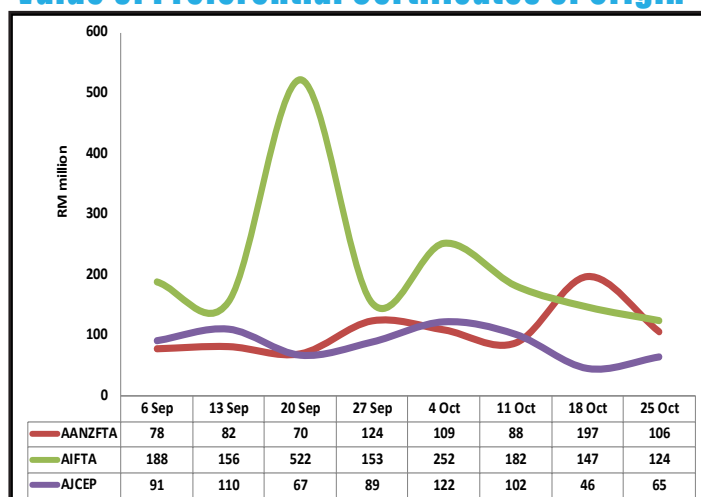


MAFTA: Malaysia-Australia Free Trade Agreement (Implemented since 1 January 2013)



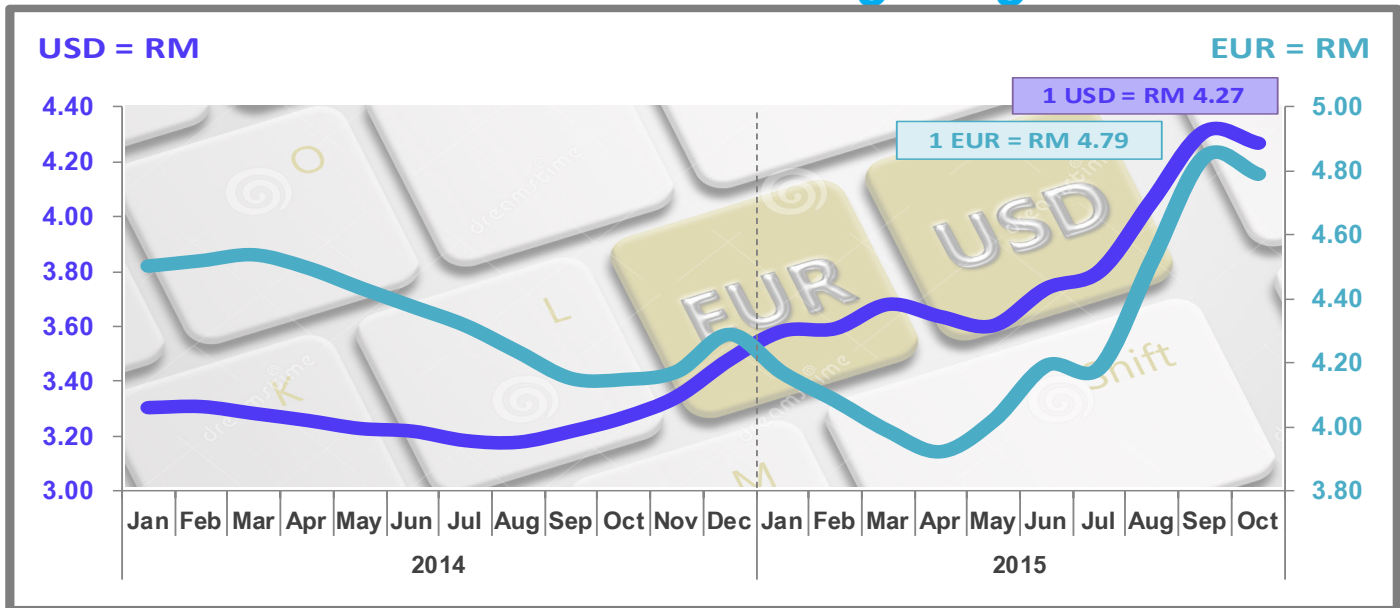
MTFTA: Malaysia-Turkey Free Trade Agreement (Implemented since 1 August 2015)

Value of Preferential Certificates of Origin

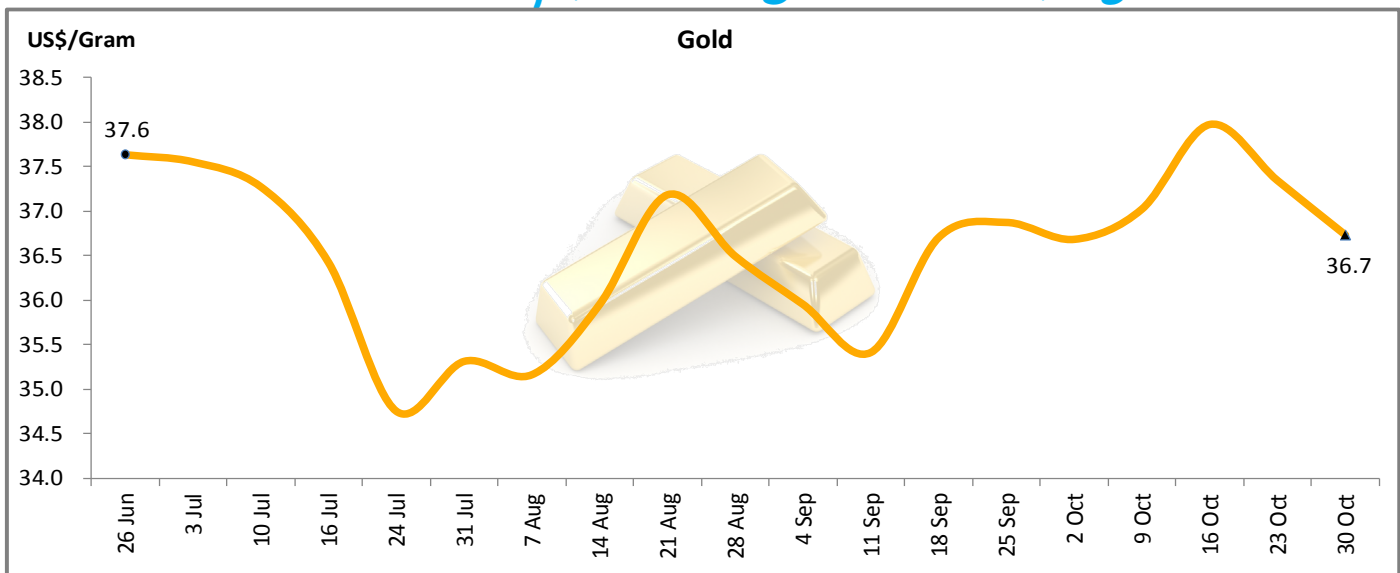


Source: Ministry of International Trade and Industry, Malaysia

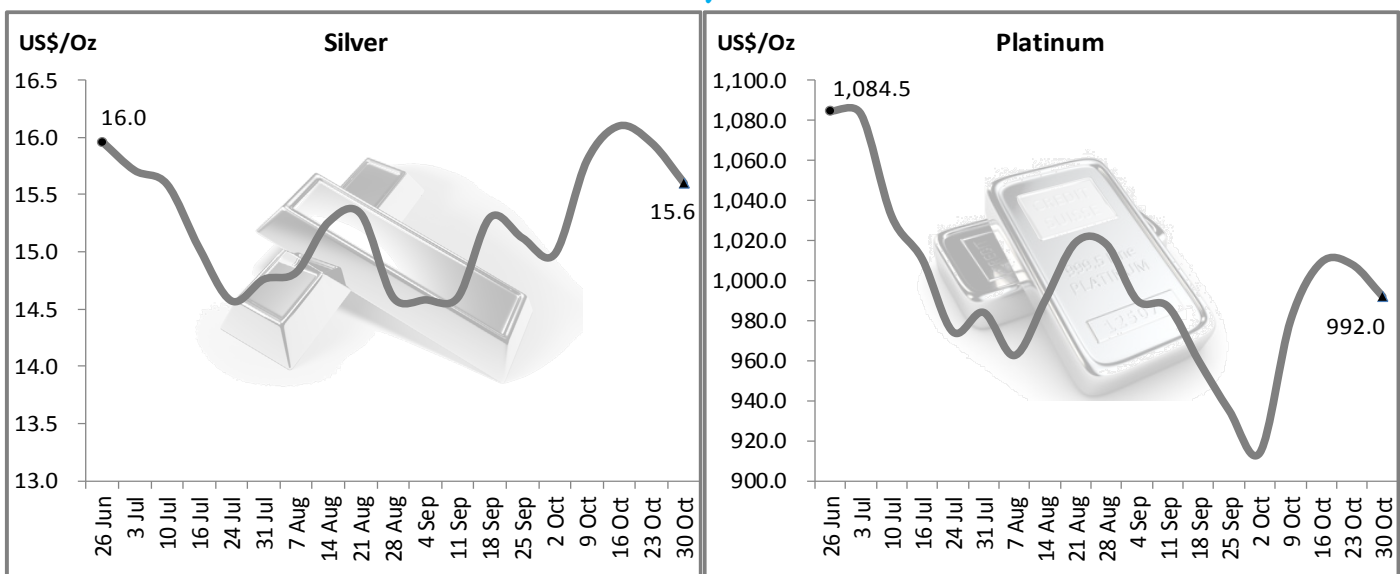
Malaysian Ringgit Exchange Rate with Australian Dollar and Hong Kong Dollar



Gold Prices, 26 June - 30 October 2015



Silver and Platinum Prices, 26 June - 30 October 2015



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)
30 Oct 2015 (US\$)	46.6	566.5	295.0	1,231.5	2,064.3	46.4	195 (high) 175 (low)
% change*	↑ 4.5	↓ 2.3	↓ 3.3	↓ 2.5	↓ 0.9	↑ 0.4	↓ 7.1 ↓ 10.3
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

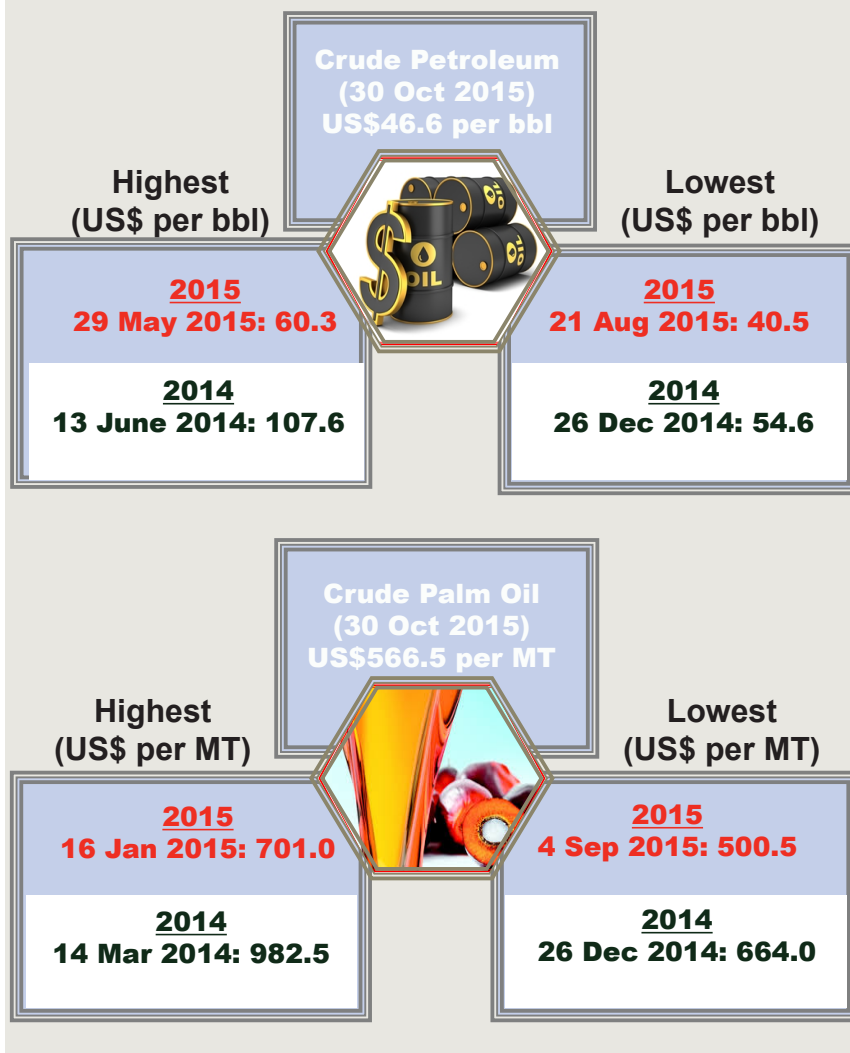
Notes: All figures have been rounded to the nearest decimal point

* 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

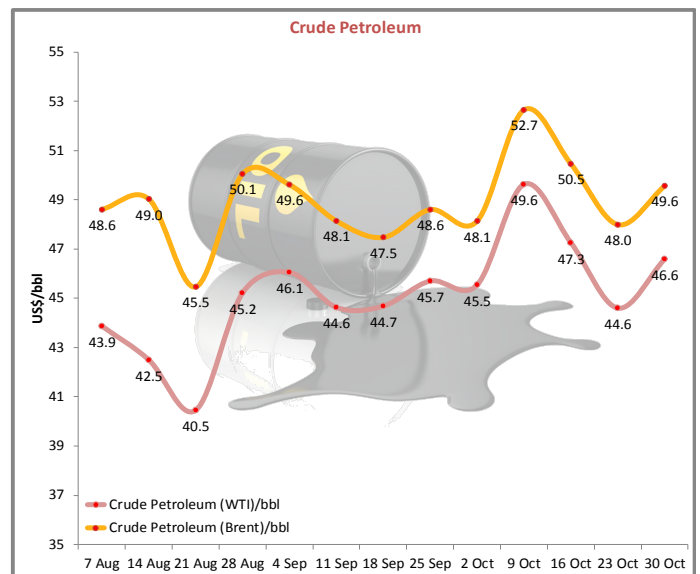
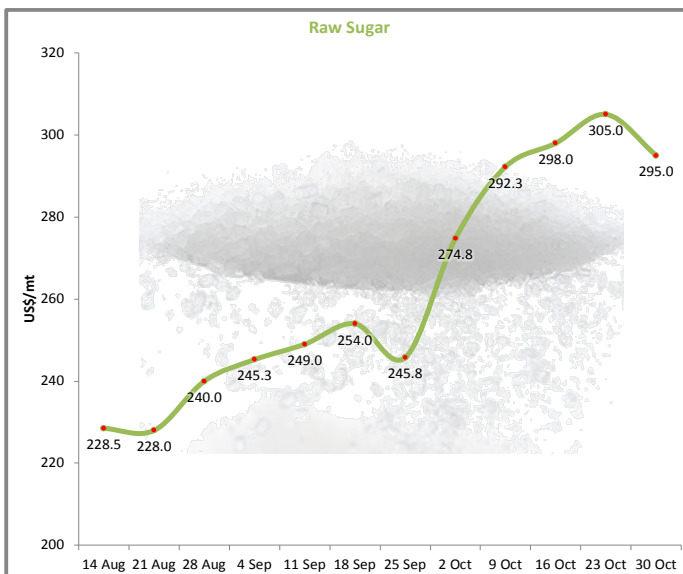
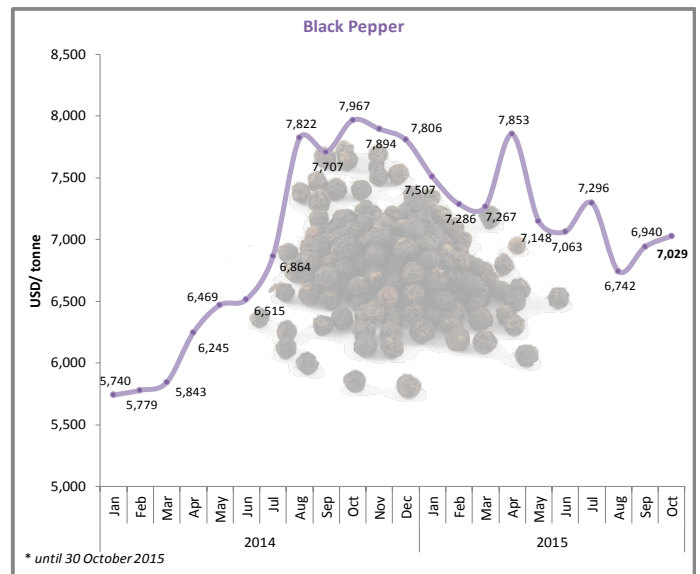
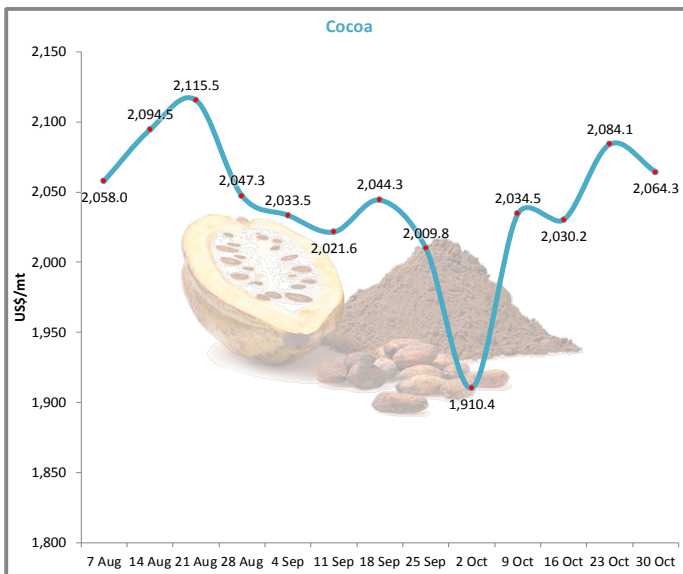
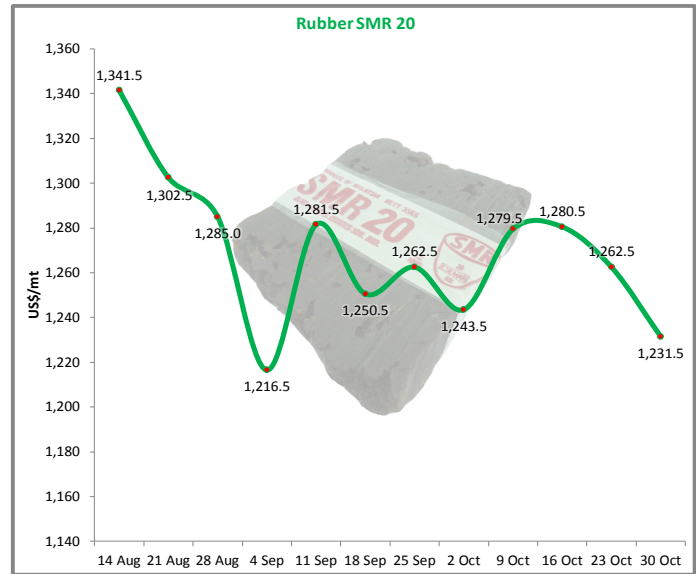
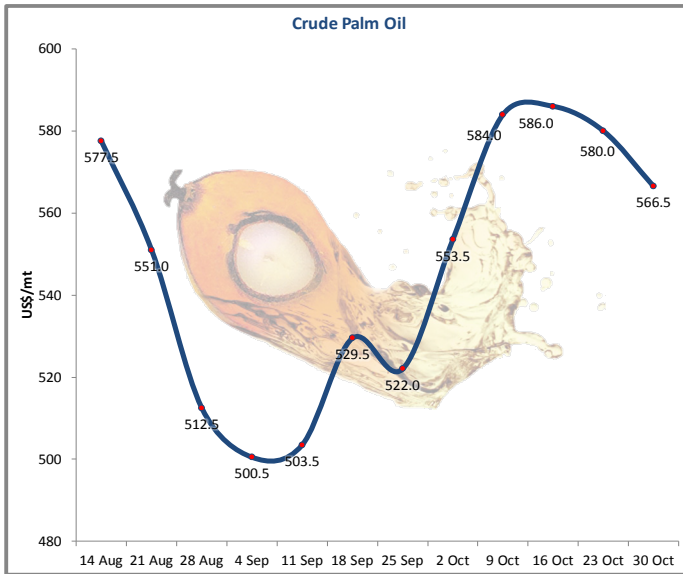


Average Domestic Prices, 30 Oct 2015



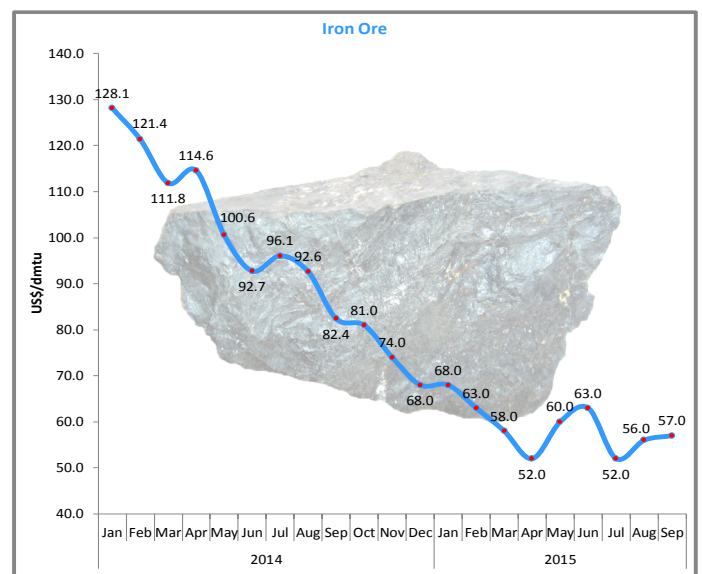
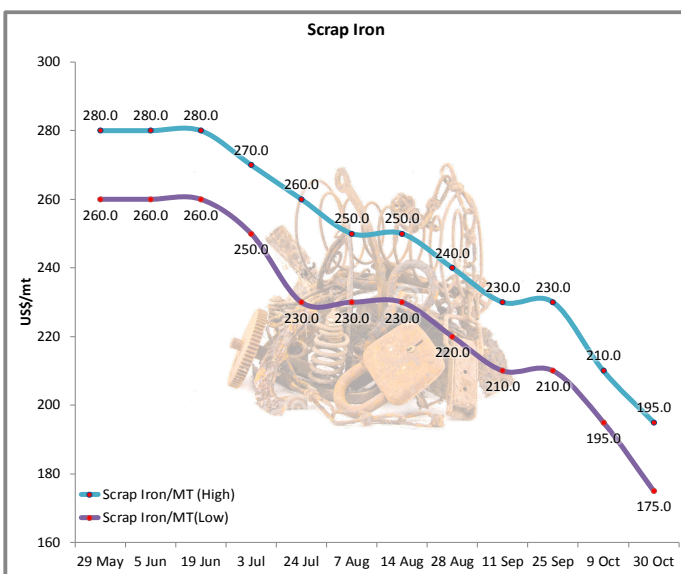
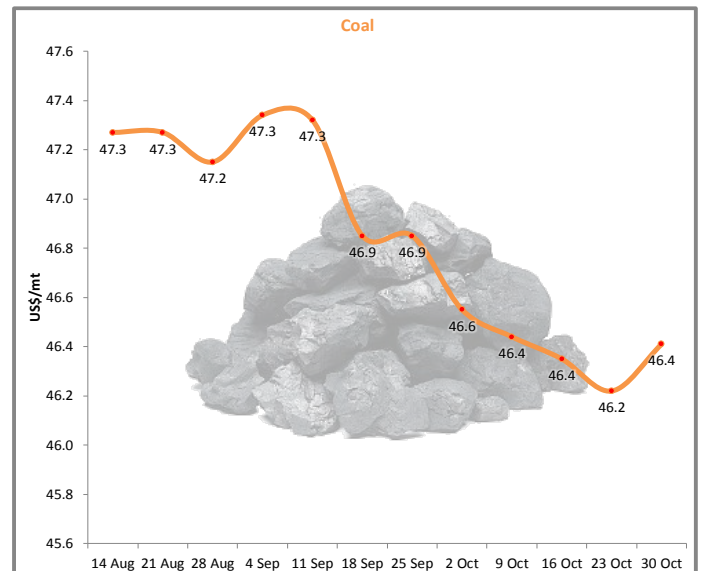
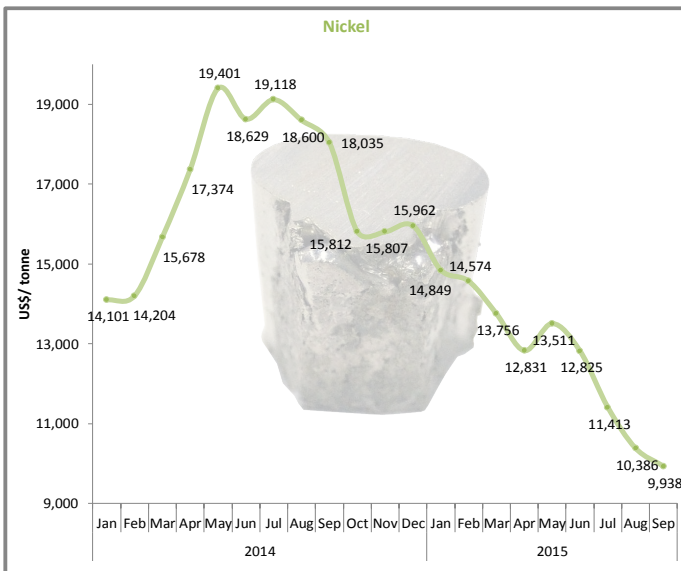
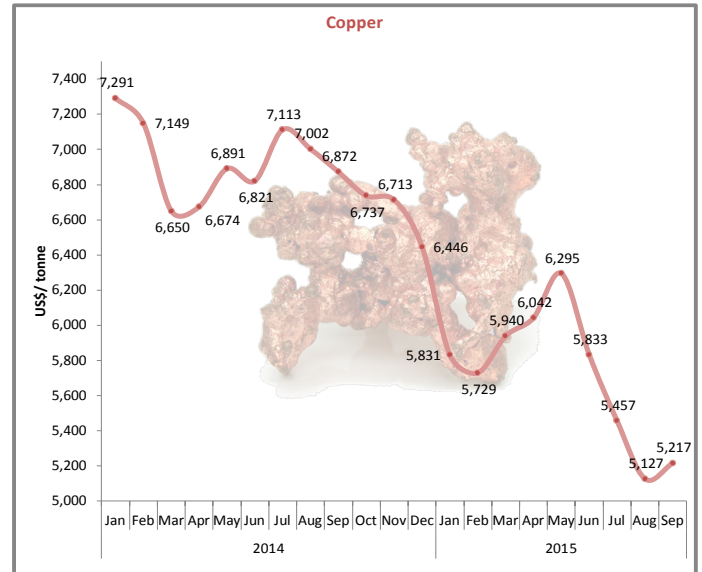
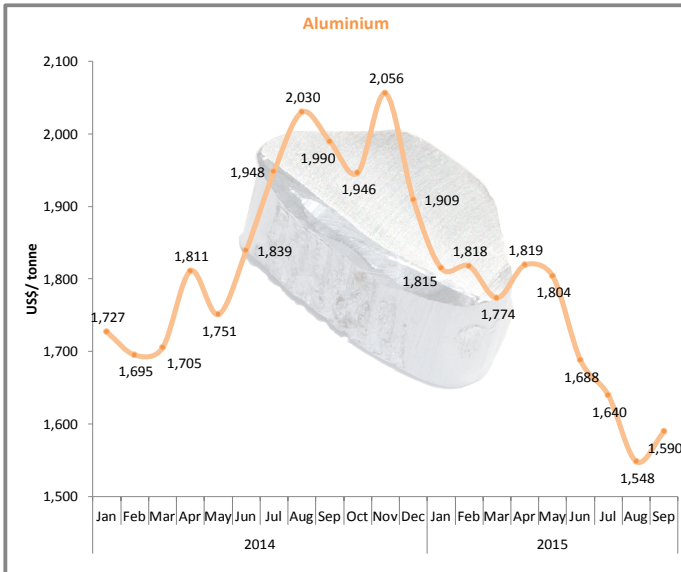
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

Commodity Price Trends



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



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.



Duta Klasik is in the business of providing support services for the oil & gas industry specializing in Positive Pressure Welding Enclosure (PPWE) and Hydrogen-Sulphide (H₂S) safety services, well-heads and others related services.

CORE BUSINESS:

- Rental of equipment and manpower services for Positive Pressure Welding Enclosure (PPWE) @ Habitat
- Rental of equipment, manpower, safety training, for Hydrogen-Sulphide (H₂S) safety services
- Complete range of professional Industrial Hygiene (IH) consultancy services complying with the requirement of the law and regulations.
- Well-heads, X-mas trees and other oilfield equipment products
- Tender assist drilling, jack-up rigs and other drillings and offshore services
- Distributor for Afton Chemicals for retail fuels additive

ACCREDITATION AND CERTIFICATION:

- ISO 9001:2008
- ISO 14001:2004

KEY CLIENTS & PROJECTS:

Country	Client(s)	Project Name and Summary of Work Scope
Malaysia	Carigali-Hess	Booster Compressor Brown
Malaysia	Petra Resources	Semarang
Malaysia	Sapura Kencana	Bekok C
Malaysia	Shapadu Energy	Dulang – In-fill drilling
Malaysia	Talisman Energy	SKO/ SBO / PMO maintenance



Contact us



No. 20A, Jalan Anggerik Vanilla S 31/S,
Kota Kemuning Seksyen 31,
40460 Shah Alam, Selangor, Malaysia
Tel: 603 5121 6685
Fax: 603 5121 6702
Email: abuhanifah@dutaklasik.com.my
Website: www.dutaklasik.com.my

MITI Programme

Launch of OIC-Asia Trade & Economic Forum 2015 in Conjunction with the 6th Muslim World Biz, 29 October 2015





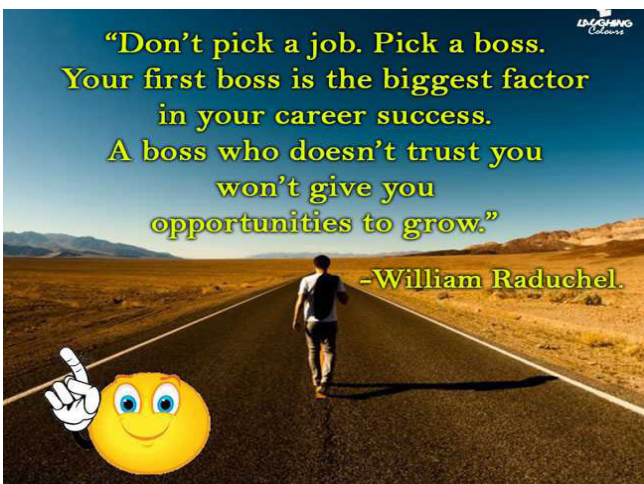
@ YOUR SERVICE



Name : Siti Noor Aina Abdul Hamid
Designation : Assistant IT Officer
Job Description : Assist and maintain the system and also E-Government application
Division : Information management
Contact No : 603-6200 0407
Email : nooraina@miti.gov.my



Name : Nawal Nordin
Designation : Assistant IT Officer
Job Description : Maintain the application and office automation systems
Division : Information management
Contact No : 603-6200 0425
Email : nawal@miti.gov.my



Comments & Suggestions

Dear Readers,

Kindly click the link below for any comments in this issue. MWB reserves the right to edit and to republish letters as reprint.

<http://www.miti.gov.my/index.php/forms/form/13>



Our deepest condolences to the families and friends of all passengers and crew members of Russian Metrojet flight KGL9268...

