

Malaysia Remains the Most Competitive Economy Among Developing Countries in Asia Despite a Drop in Ranking



Malaysia continues to be ranked by the World Economic Forum's Global Competitiveness Report (GCR) as the most competitive economy among developing countries in Asia. Malaysia remains ahead of economies such as Republic of Korea, Iceland and China. However in this latest ranking, Malaysia was overtaken by Belgium, Austria, Luxembourg, France, Australia, Ireland and Israel. It is important to note that all countries ranked above Malaysia are developed and high income economies.

In the GCR 2016-17, Malaysia was ranked 25th among the 138 economies, down from 18th last year. In terms of scores, our performance came down from 5.23 to 5.16 out of a maximum of 7. Meanwhile, countries and territories that also slipped in their ranking include Germany, Japan, Hong Kong SAR, Finland, Canada, France, Thailand, Indonesia and the Philippines.

The GCR is an annual report published by the WEF based on the Global Competitiveness Index (GCI). The GCI combines 114 indicators that integrate both macro and micro economic aspects of competitiveness. These indicators are grouped into 12 pillars comprising Institutions, Infrastructure, Macroeconomic Environment, Health and Primary Education, Higher Education and Training, Goods Market Efficiency, Labor Market Efficiency, Financial Market Development, Technological Readiness, Market Size, Business Sophistication and Innovation. The GCI is based on statistical data from internationally recognised organisations for 30% or 34 indicators. For the rest of the 80 indicators, qualitative assessments were made based on the World Economic Forum's Executive Opinion Survey.

Overall, the report ranked Switzerland as the most competitive economy in the world for the eighth consecutive year, ahead of Singapore and the United States, followed by the Netherlands and Germany.

Malaysia ranked in the top 50 in each of the total 12 pillars, despite the decline in 8 of them. Malaysia performed most strongly in Goods Market Efficiency (12th) and Financial Market Development (13th). In the Technological Readiness pillar, Malaysia advanced by 4 places to 43rd and Market Size pillar gained 2 positions to 24th.

International Trade and Industry Minister Dato' Sri Mustapa Mohamed said external factors beyond the control of policy makers were partly responsible for the decline in Malaysia's ranking. "The global economic uncertainty, the strong US Dollar, the fall in commodity prices and the slowdown in China's economy are beyond our ambit," he said.

The minister added, "There is also the issue of perception due to irresponsible act of certain parties which continue to spread unfounded and baseless allegations about domestic political developments

and the state of our economy. The fact is Malaysia remains politically stable and the economic fundamentals remain strong. This perception issue must be taken seriously and the Government will continue engaging with various stakeholders to address it,”

Dato' Sri Mustapa said that, although the latest ranking is disappointing, it strengthens the Government's resolve in undertaking necessary measures at a much faster pace to improve the country's competitiveness. As pointed out by the WEF, for emerging economies, updated business practices and investments in innovation are now as important as infrastructure, skills and efficient markets. The outcome of this report is not to be taken lightly - the Government will address the shortcomings highlighted in the report, and consolidate efforts across ministries towards maintaining Malaysia's status as a preferred investment destination. Malaysia will continue to benchmark itself against the best performers in the report.

As it stands, Malaysia is already addressing areas such as improving productivity, enabling innovation especially in SMEs and revolutionizing manufacturing services, enhanced automation and digitalization to increase efficiency, optimization of logistics and making prices more transparent and competitive taking cognizance of the Fourth Industrial Revolution. Preparing the SMEs against the backdrop of a more open environment and numerous Free Trade Agreements that we are involved in, as well as the deeper economic trade integration in ASEAN, has become a priority for the Government. At the same time, the Government is also working closely with experts and Industry players in finalizing the Malaysia Productivity Blueprint to address issues and challenges on productivity in a comprehensive manner.

Dato' Sri Mustapa also urged the companies to innovate fast given the prospect of being overtaken by the market. The private sector will define the competitiveness of Malaysia.

The report also underscores the importance of avoiding the middle-income trap by placing increasing attention to business sophistication and innovation. “Innovation is the name of the game and we will continue to embrace this new reality. Several strategies which are being implemented to promote innovation at enterprise and societal levels under the 11th Malaysia Plan are expected to enhance the national innovation ecosystem. Hopefully this will help us to improve our ranking in the coming report,” the minister added.

Dato' Sri Mustapa cautioned that going forward, competition will become more intense in the years ahead as all countries are working towards lifting their competitiveness. “Technology enabled platforms, such as sensors that ease sharing and on-demand economies, are disrupting business models and forcing countries to rethink how they formulate economic policies,” he said.

Both the Government and the private sector need to work more closely with each other to create a more competitive environment. On this the Government will step up the momentum to innovate. “Malaysia is already in the right trajectory clearly as defined in the 11th Malaysia Plan, which focuses on wealth creation through innovation by strengthening the relational capital through an improved collaboration among all stakeholders. In this context, high impact initiatives by PEMUDAH, the Government Transformation Programme (GTP) and Economic Transformation Programme (ETP) will continue to support the private sector to enhance Malaysia' competitiveness,” he stressed.



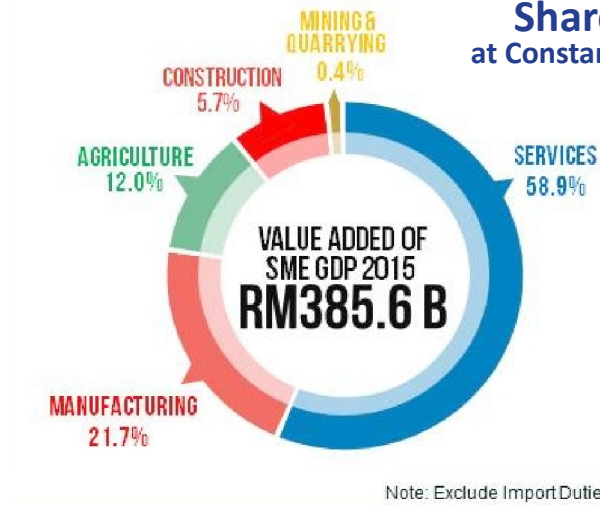
Ministry of International Trade and Industry, 28 September 2016

Small and Medium Enterprises 2015

Growth Rate



Share of SMEs at Constant 2010 Prices

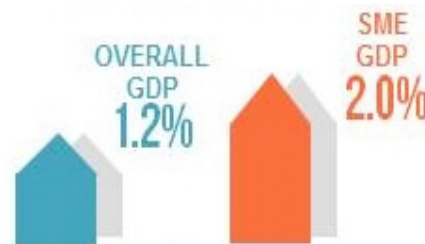


Main Economic Sectors

Contribution of SMEs at Constant 2010 Prices



Growth Rate



Stimulated by Rubber, Oil Palm, Livestock and Other Agriculture



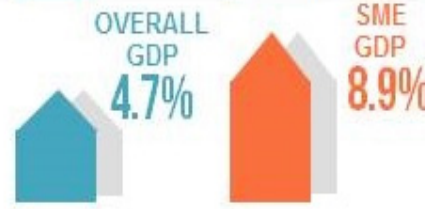
Specialised Construction Activities and Non-Residential Buildings underpinned the SMEs momentum



Wholesale & Retail Trade, Food & Beverage and Accommodation emerged as the prime mover



Spearheaded by Petroleum, Chemical, Rubber & Plastic Products



Supported by quarrying of granite and limestone

Sources: Department of Statistics, Malaysia.

SMEs Definition

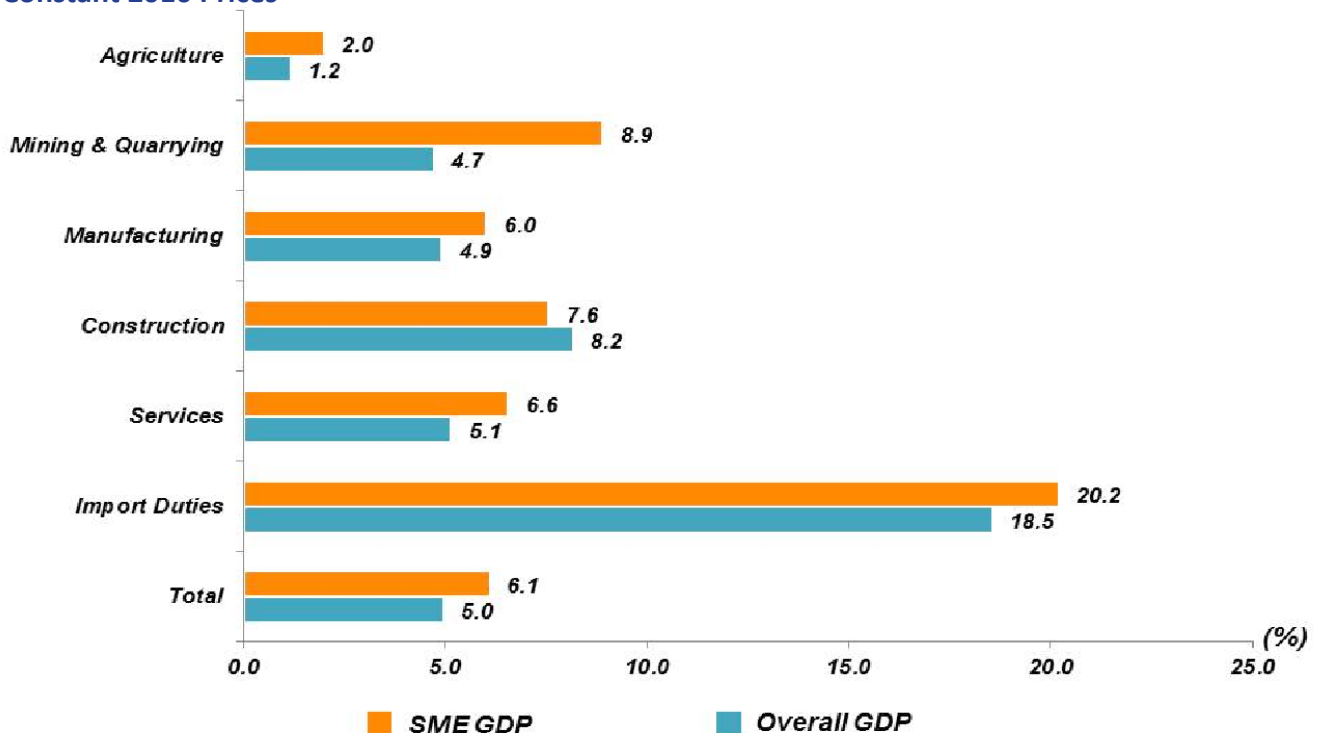
	MANUFACTURING SECTOR			NON-MANUFACTURING SECTOR		
						
	ANNUAL SALES TURNOVER	FULL-TIME EMPLOYEES		ANNUAL SALES TURNOVER	FULL-TIME EMPLOYEES	
MICRO	< RM300,000	OR	< 5	< RM300,000	OR	< 5
SMALL	RM300,000 < RM15 million	OR	5 < 75	RM300,000 < RM3 million	OR	5 < 30
MEDIUM	RM15 million ≤ RM50 million	OR	75 ≤ 200	RM3 million ≤ RM20 million	OR	30 ≤ 75

EXCLUDE:

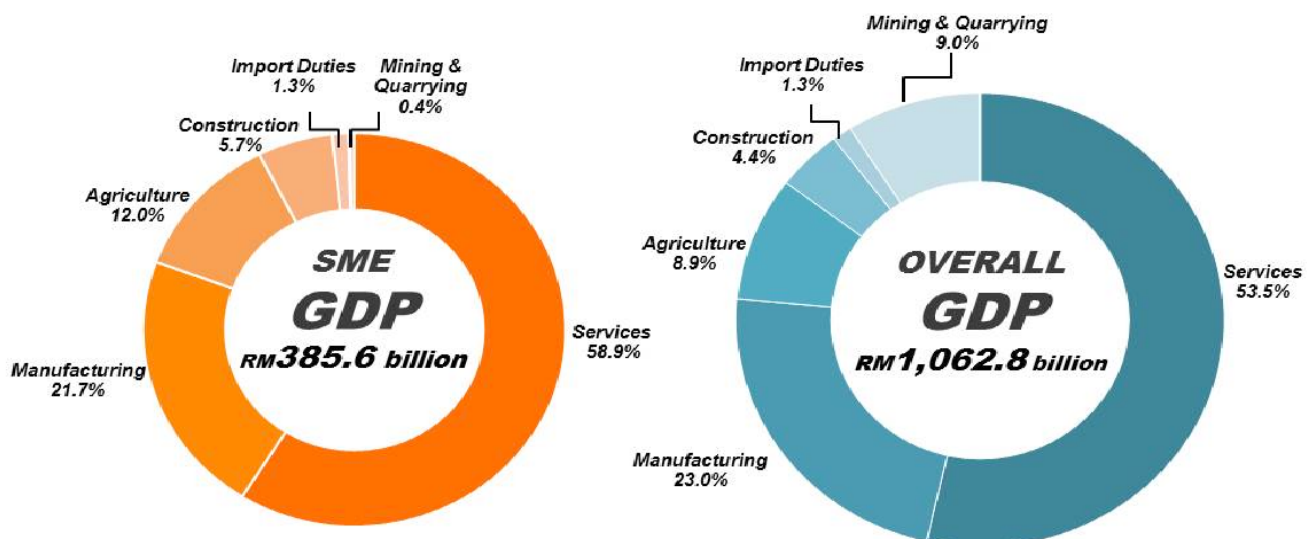
- Public listed companies on the main board
- Multinational corporations (MNC)
- Government-linked companies (GLC)
- Minister of Finance Incorporated (MOF Inc.) companies
- State-owned enterprises
- Subsidiaries for all of the above entities

Source: SME Corp.

Annual SME GDP and Overall GDP Growth 2015 at Constant 2010 Prices



Share of SME GDP and Overall GDP 2015 at Constant 2010 Prices



Sources: Department of Statistics, Malaysia.

Approved Private Investments by Sectors, 1H 2015 and 1H 2016

RM88.5 billion approved private investments for the first six months 2016



- **RM1.3 billion** in primary sector (1.5%*)
- **RM19.6 billion** in manufacturing sector (22.2%*)
- **RM67.6 billion** in services sector (76.4%*)

Create **76,962** potential employment



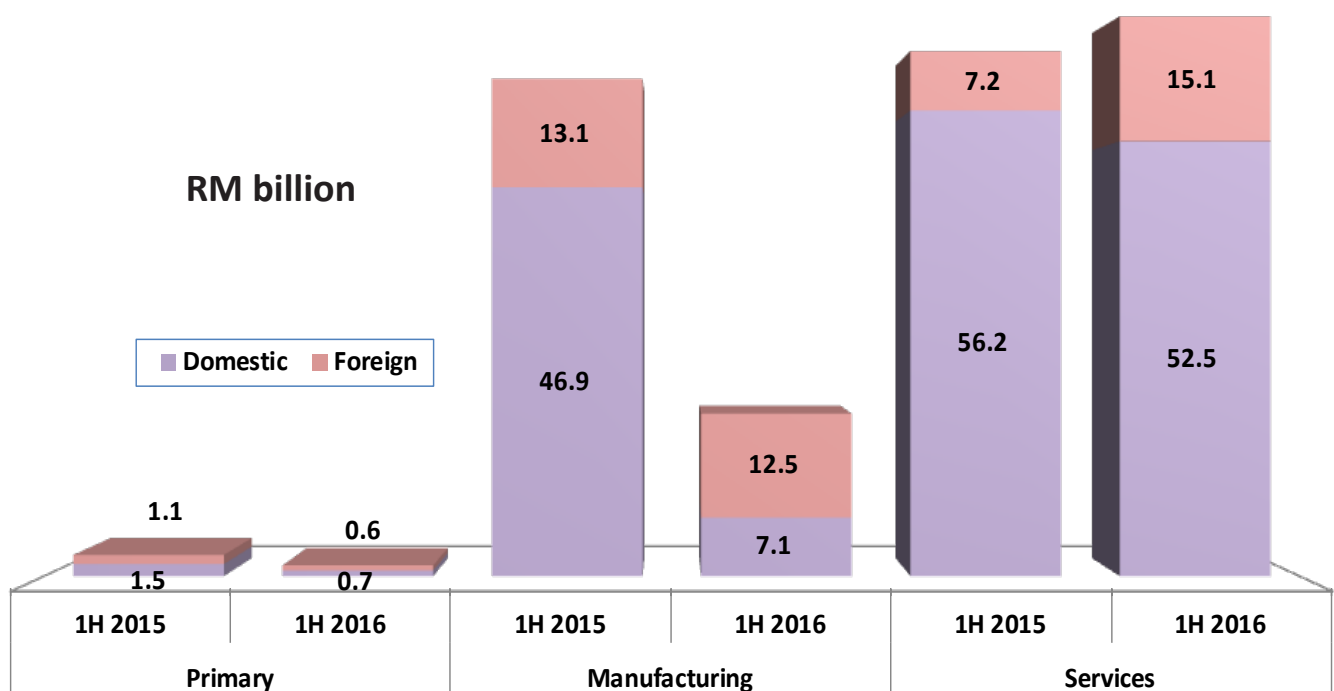
- **386** potential employment in primary sector (1%*)
- **32,307** potential employment in manufacturing sector (42%*)
- **44,269** potential employment in services sector (57%*)

2,499 projects approved



- **25** in primary sector (1%*)
- **368** in manufacturing sector (15%*)
- **2,106** in services sector (84%*)

Approved Private Investments by Sectors, 1H 2015 and 1H 2016



Sources: Malaysian Investment Development Authority

'ASEAN and You...'



The Global Green Economy Index 2016

Cambodia

Global ASEAN

Perception Rank

64

6

Performance Rank

20

1

Malaysia

Global ASEAN

Perception Rank

42

4

Performance Rank

65

4

Philippines

Global ASEAN

Perception Rank

40

3

Performance Rank

27

2

Viet Nam

Global ASEAN

Perception Rank

63

5

Performance Rank

66

5

Thailand

Global ASEAN

Perception Rank

38

2

Performance Rank

38

3

Indonesia

Global ASEAN

Perception Rank

34

1

Performance Rank

75

6

Global Green Economy Index (GGEI) is a data-driven analysis of how 80 countries perform in the global green economy, as well as how expert practitioners rank this performance. Since its launch in 2010, the GGEI has signaled which countries are making progress towards greener economies, and which ones are not. The comparison of national green performance and perceptions of it revealed through the GGEI framework is more important than ever today. This is because while there is far greater public and political focus on climate change and green growth now than when the GGEI was first published, often the commitments and targets communicated by leaders do not match the reality.

Source: <http://dualcitizeninc.com/GGEI-2016.pdf>



INTERNATIONAL REPORT

Global Competitiveness Report

2016-2017 | Key Highlights

- Since **1979**
- **138** Countries
- **114** Indicators
- **12** Pillars of Competitiveness
- **70%** Survey Data, **30%** Hard Data
- Quantitative data sourced from international organizations.



- Qualitative data sourced from the annual Executive Opinion Survey carried out by the network of the World Economic Forum's Partner Institutes.

New Entrance:



Republic Democratic of Congo

Reinstated:



Barbados



Brunei



Yemen

Not included:



Guinea



Guyana



Haiti



Seychelles



Myanmar



Swaziland

Global Competitiveness Index 2016-2017 Rankings

- 1** Switzerland
- 2** Singapore
- 3** United States
- 4** Netherlands
- 5** Germany
- 6** Sweden
- 7** United kingdom
- 8** Japan
- 9** Hong Kong SAR
- 10** Finland

- 25** Malaysia
- 57** Philippines
- 89** Cambodia

- 34** Thailand
- 58** Brunei
- 93** Lao PDR

- 11** Norway
- 12** Denmark
- 13** New Zealand
- 14** Chinese Taipei
- 15** Canada
- 16** United Arab Emirates
- 17** Belgium
- 18** Qatar
- 19** Austria
- 20** Luxembourg

- 41** Indonesia
- 60** Viet Nam

Source: http://www.nmi.is/media/338436/the_global_competitiveness_report_2016-2017.pdf

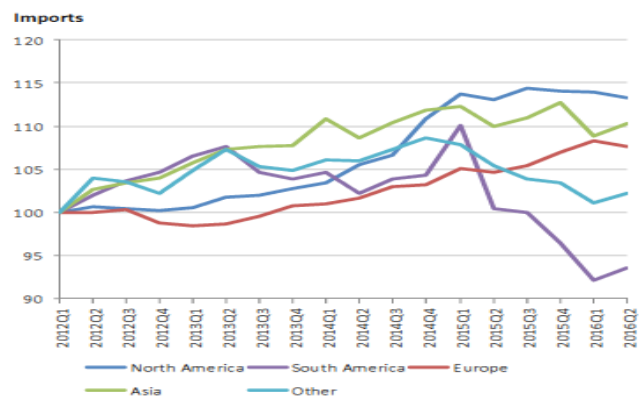
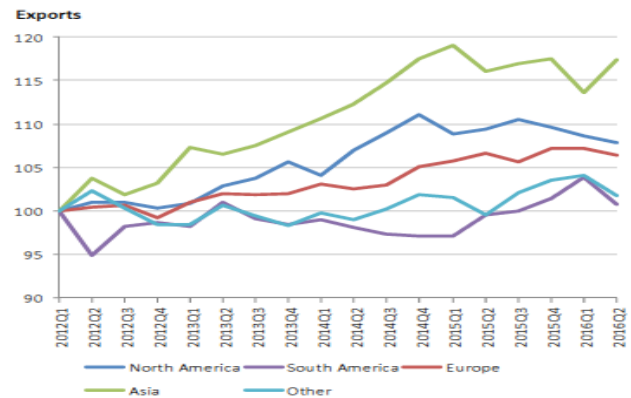


INTERNATIONAL REPORT

Trade Statistics and Outlook

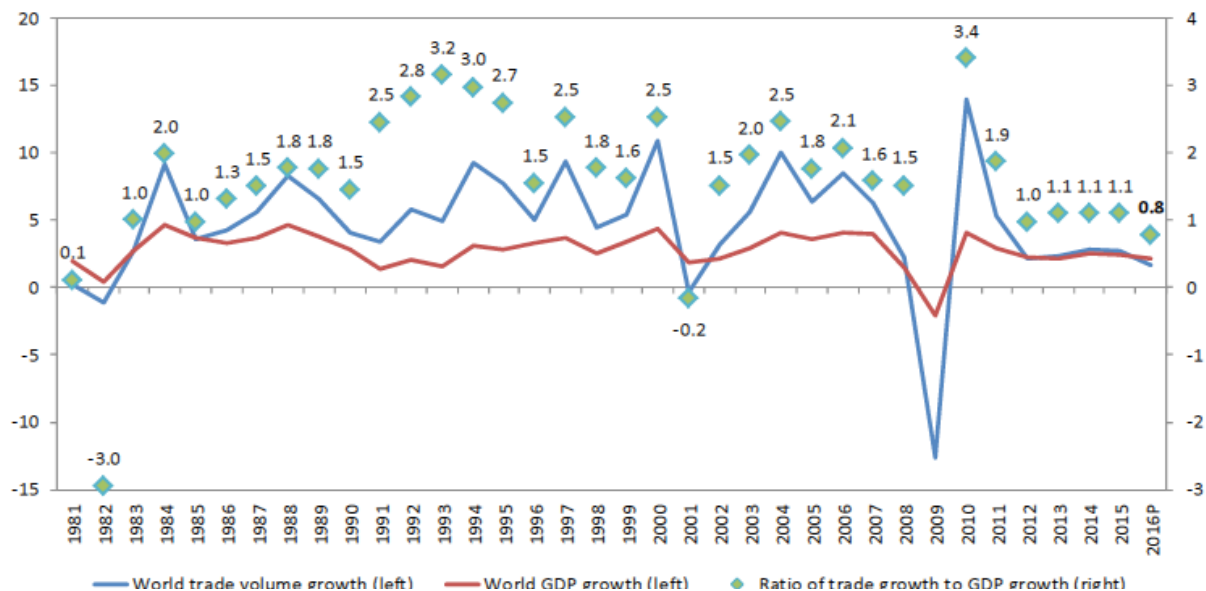
- ✓ World merchandise trade volume is expected to grow 1.7% in 2016, accompanied by real GDP growth of 2.2% at market exchange rates. This would be the slowest pace of trade and output growth since the financial crisis.
- ✓ Trade growth was weaker than expected in the first half of 2016 due to falling import demand and slowing GDP growth in several major developing economies as well as in North America.
- ✓ Trade in 2017 is expected to grow between 1.8% and 3.1%, a range being provided to reflect potential changes in the relationship between trade and output.
- ✓ Certain trade-related indicators have improved, including export orders and container port throughput, but overall momentum in trade remains weak.

Volume of merchandise exports and imports by region, 2012Q1-2016Q2



Ratio of World Merchandise Trade Volume Growth to World Real GDP Growth, 1981-2016

(% change and ratio)



Source: https://www.wto.org/english/news_e/pres16_e/pr779_e.html



INTERNATIONAL REPORT

Cote D'Ivoire

Economic Indicators

2015



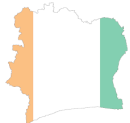
Population

22.7 million



GDP (current)

US\$31.8 billion



Area

322,463 km²



Inflation Rate

1.2%



Total Trade

US\$21.1b

(rank:93)

Exports

US\$11.2b

(rank: 82)

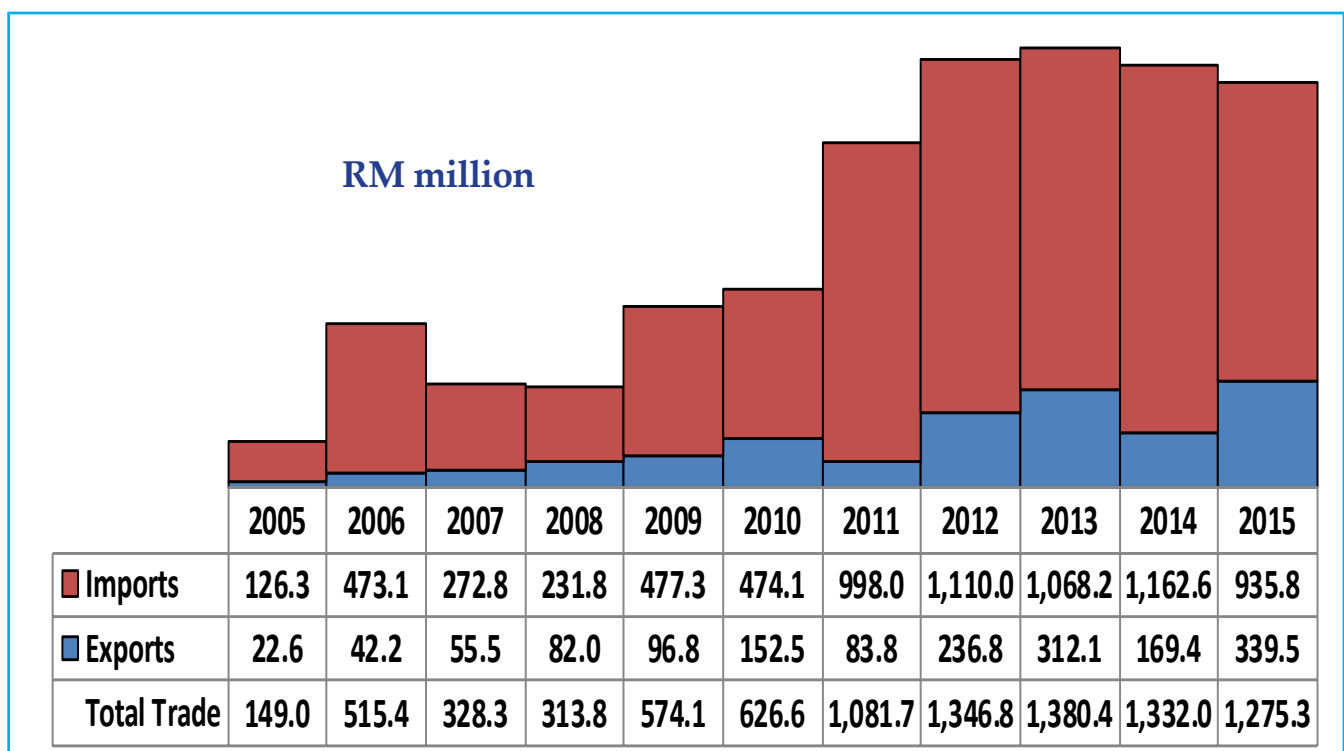
Imports

US\$9.9b

(rank: 97)

Sources: World Bank, IMF, WTO and Wikipedia.

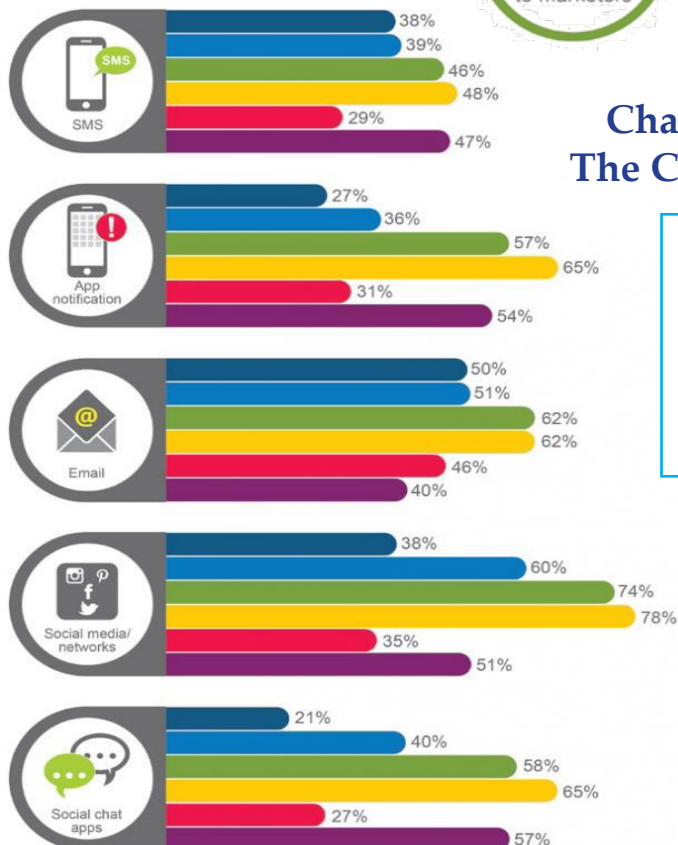
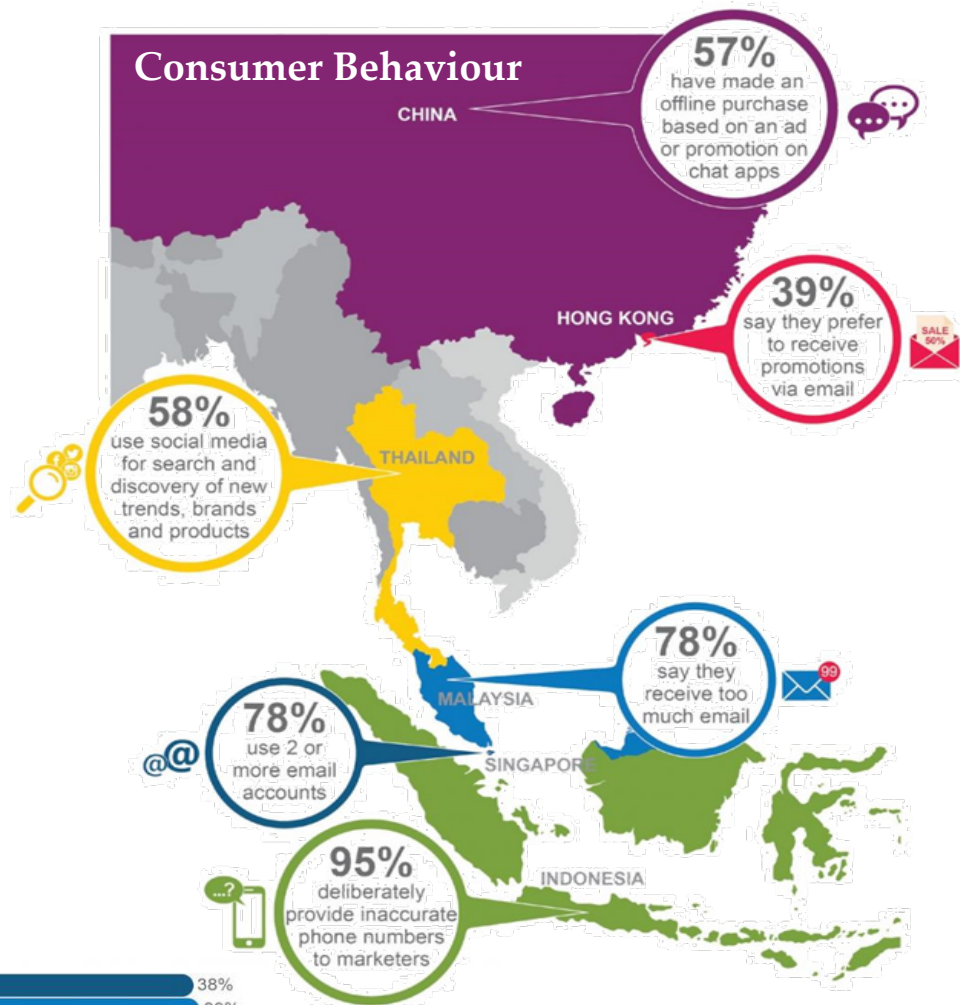
Malaysia's Trade with Cote D'Ivoire, 2005 - 2015



Sources: Department of Statistics, Malaysia.

DID YOU KNOW?

Asia Digital Consumer View 2016

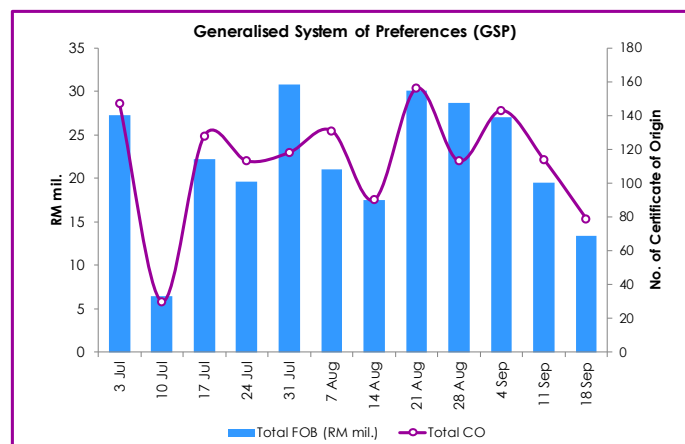
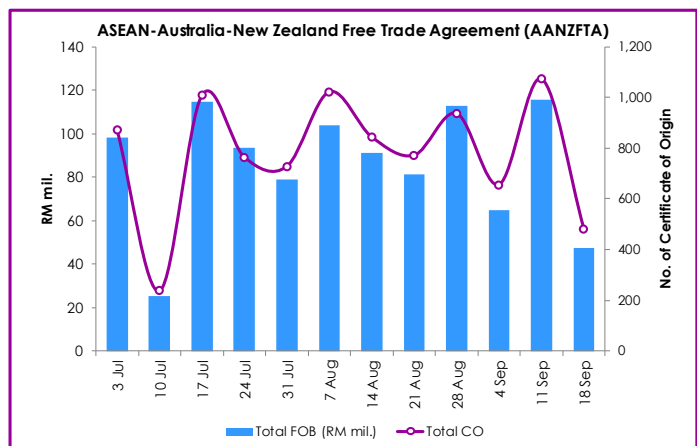
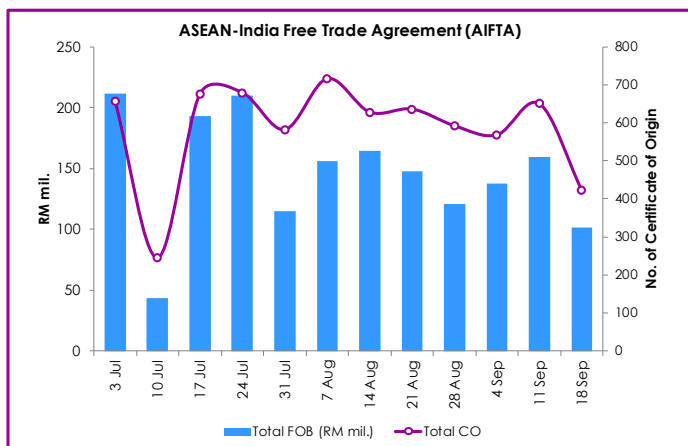
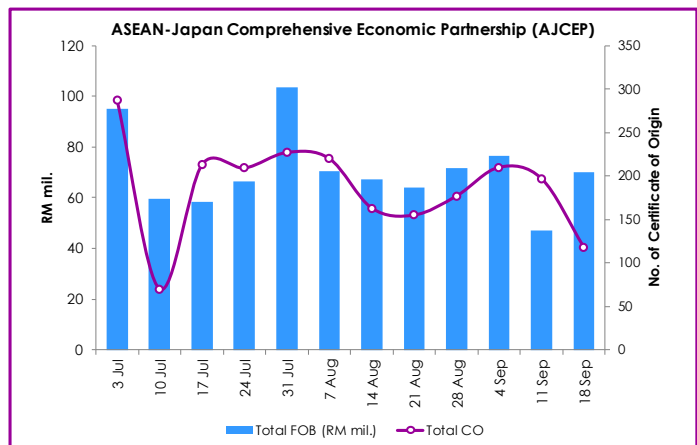
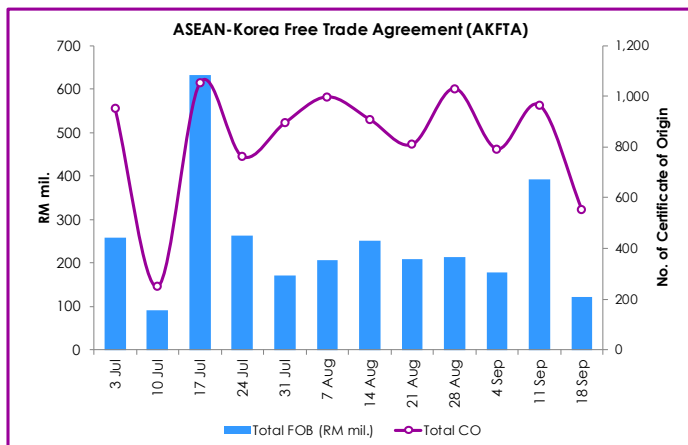
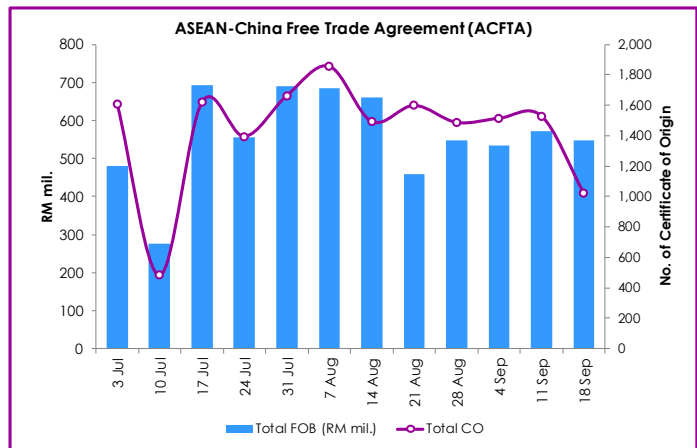
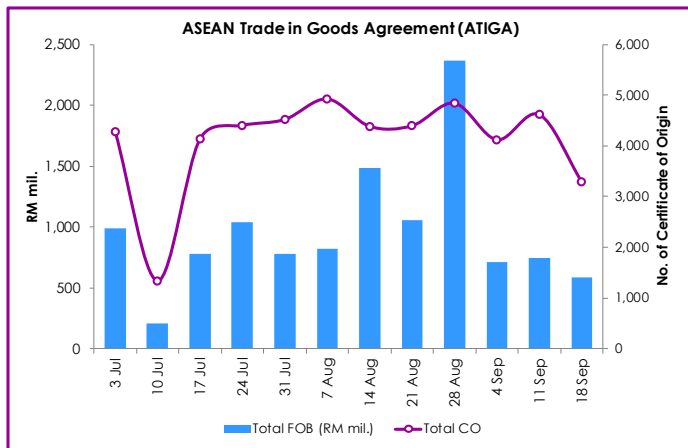


Channel Effectiveness In The Consumer Buying Cycle



Digital Consumer View 2016 (Asia) maps the significant differences in how consumers research, locate, engage with and purchase products and services. The report with research and analysis by International Data Corp reveals how consumer behaviour varies across the key Asian markets of Singapore, Malaysia, Indonesia, Thailand, Hong Kong and China, based on surveys with over 1,200 digital consumers.

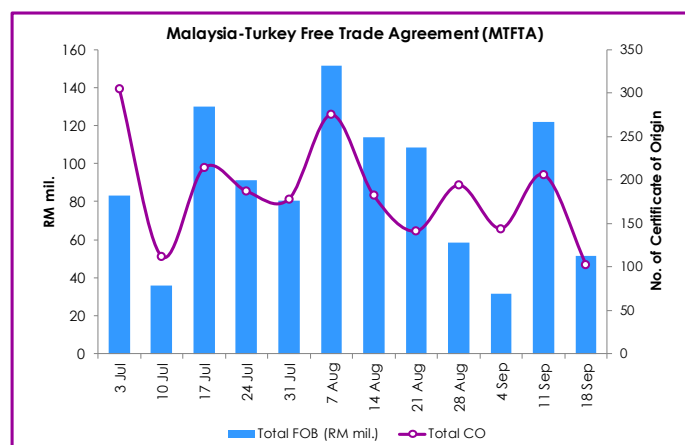
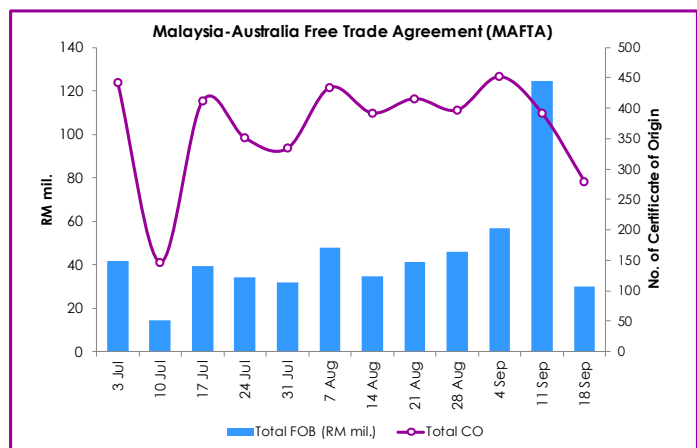
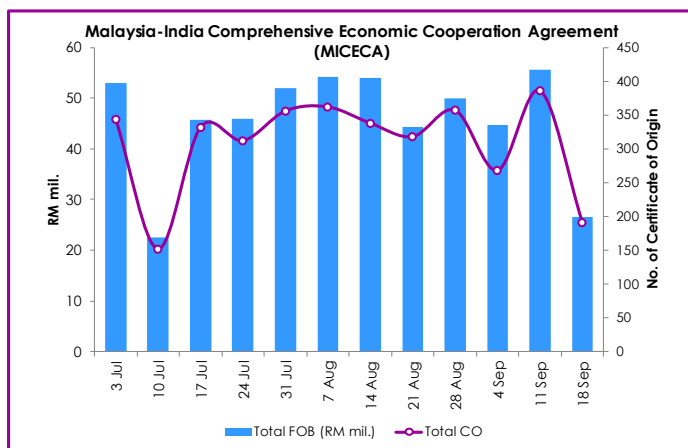
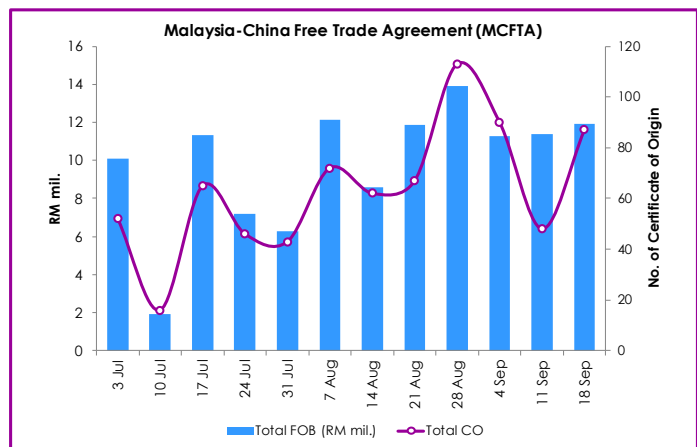
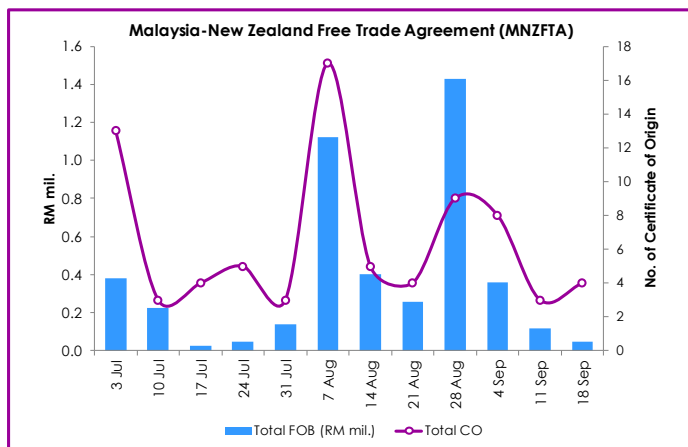
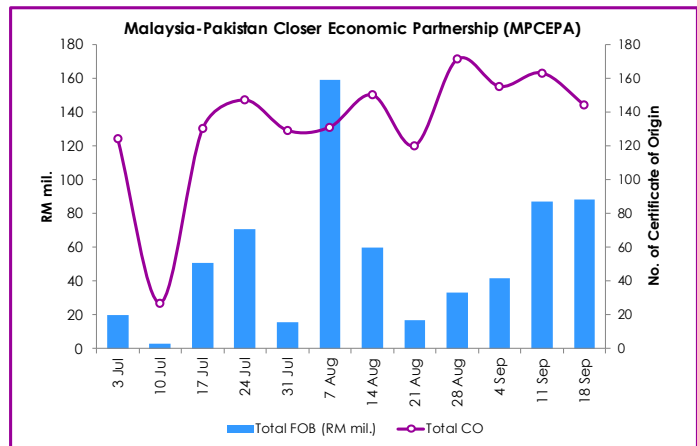
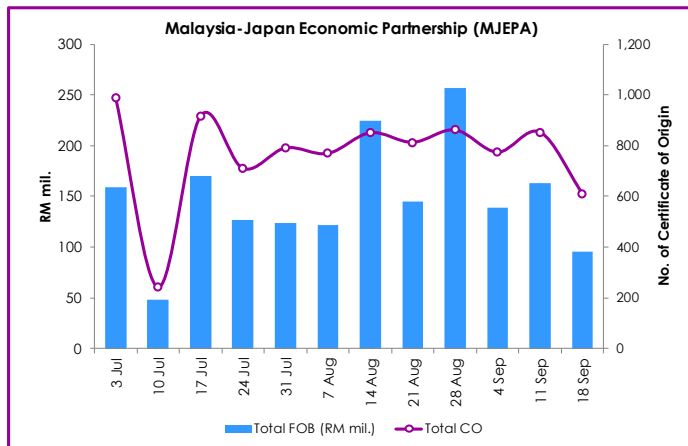
Number and Value of Preferential Certificates of Origin (PCOs)



Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Source: Ministry of International Trade and Industry, Malaysia

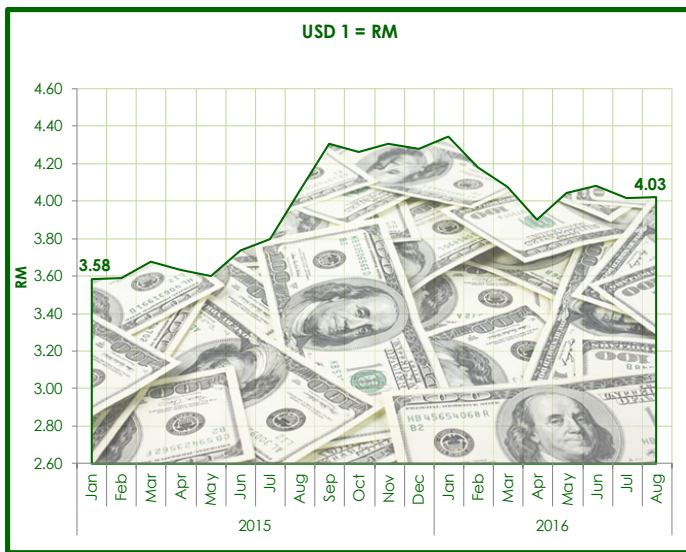
Number and Value of Preferential Certificates of Origin (PCOs)



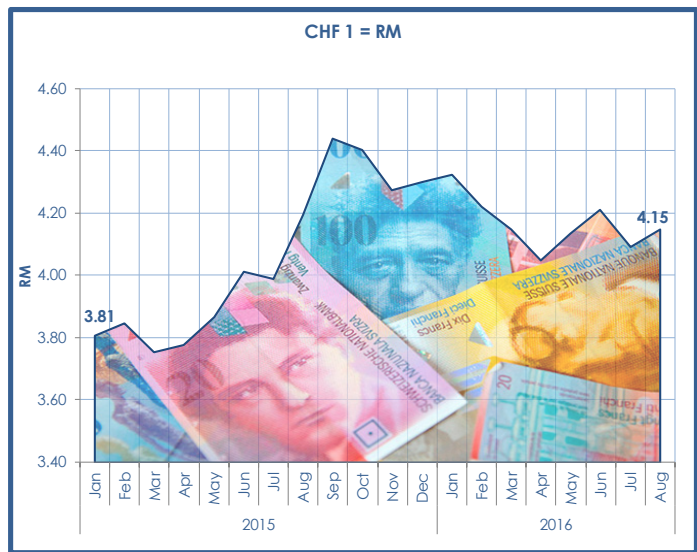
Source: Ministry of International Trade and Industry, Malaysia

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

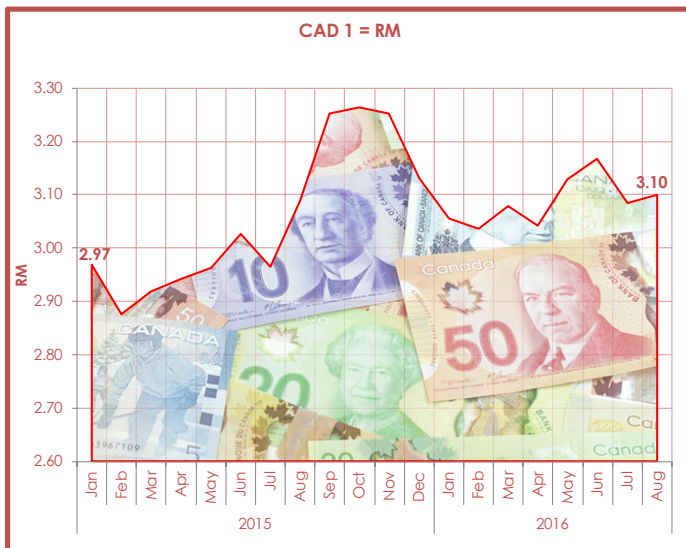
US Dollar



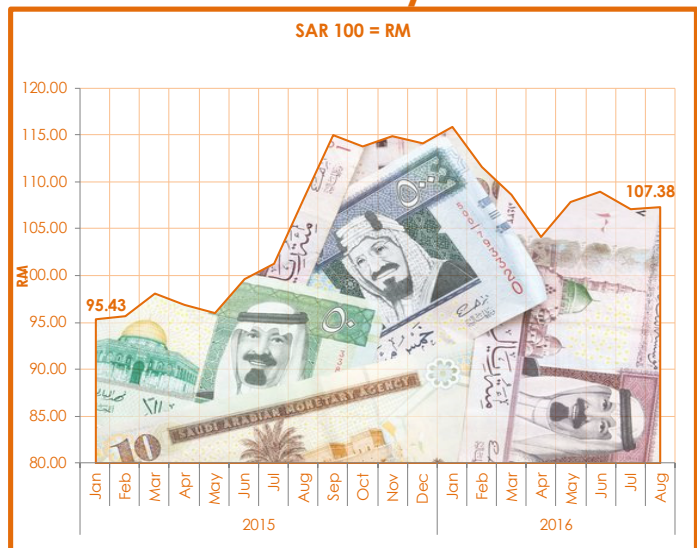
Swiss Franc



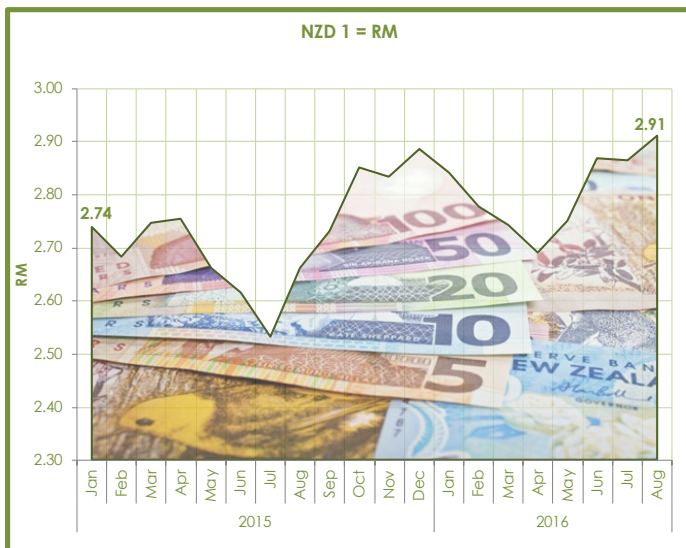
Canadian Dollar



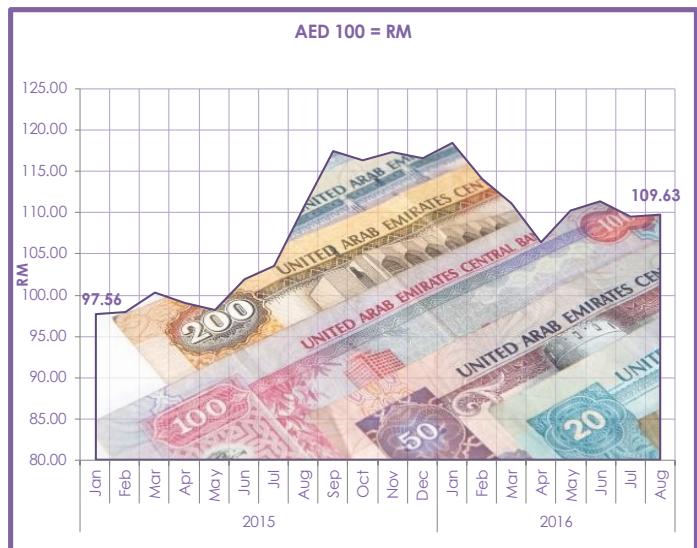
Saudi Riyal



New Zealand Dollar



United Arab Emirates Dirham



Source : Bank Negara Malaysia

Commodity Prices



CRUDE PETROLEUM (BRENT) -per bbl-

23 Sept 2016 : US\$45.9, ▼ 1.5%*
Average Priceⁱ : 2015: US\$53.6
2014: US\$99.5



CRUDE PALM OIL -per MT-

23 Sept 2016 : US\$770.5, ▼ 1.9%*
Average Priceⁱ : 2015: US\$616.9
2014: US\$823.3



SUGAR -per lbs-

23 Sept 2016 : US\$22.7, ▲ 7.3%*
Average Priceⁱ : 2015: US\$13.2
2014: US\$16.6



RUBBER SMR 20 -per MT-

23 Sept 2016 : US\$1,467.0, ▲ 9.7%*
Average Priceⁱ : 2015: US\$1,364.3
2014: US\$1,718.3



COCOA SMC 2 -per MT-

23 Sept 2016 : US\$2,202.4, ▲ 4.5%*
Average Priceⁱ : 2015: US\$2,077.0
2014: US\$2,615.8



COAL -per MT-

23 Sept 2016 : US\$44.1, unchanged
Average Priceⁱ : 2015: US\$49.9
2014: US\$59.8



SCRAP IRON HMS -per MT-

26 Sept 2016 : US\$230.0 (high), ▲ 4.5%
US\$210.0 (low), ▲ 5.0%
Average Priceⁱ : 2015: US\$239.6
2014: US\$370.0

HIGHEST and LOWEST 2015/2016

Crude Petroleum (Brent) -per bbl-



Highest

9 August 2016 : US\$50.9
15 May 2015 : US\$66.8

Lowest

15 January 2016 : US\$28.9
18 December 2015 : US\$36.9

Crude Palm Oil -per MT-



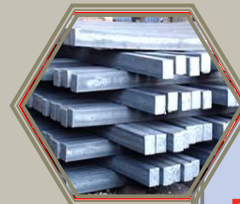
Highest

15 Sept. 2016 : US\$785.5
16 January 2015 : US\$701.0

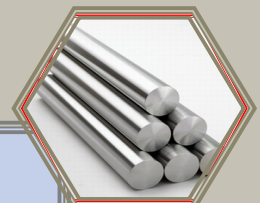
Lowest

15 January 2016 : US\$545.5
4 September 2015 : US\$500.5

Average Domestic Prices 26 September 2016



Billets
(per MT)
RM1,500 – RM1,550



Steel Bars
(per MT)
RM1,700 – RM1,850

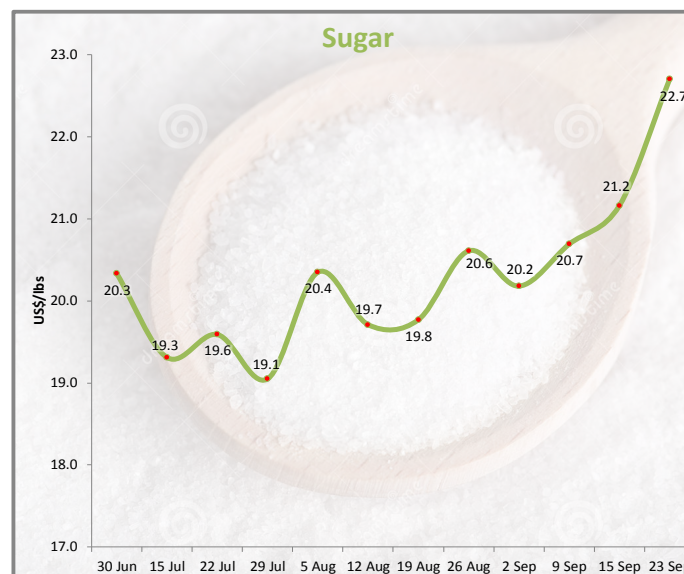
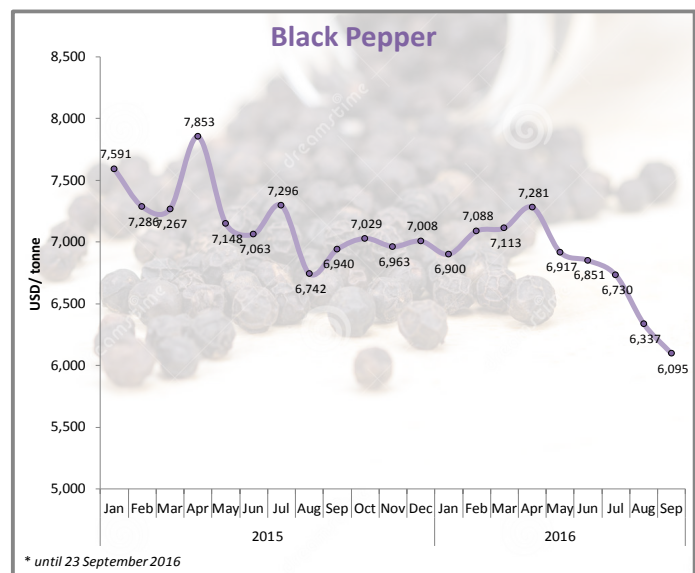
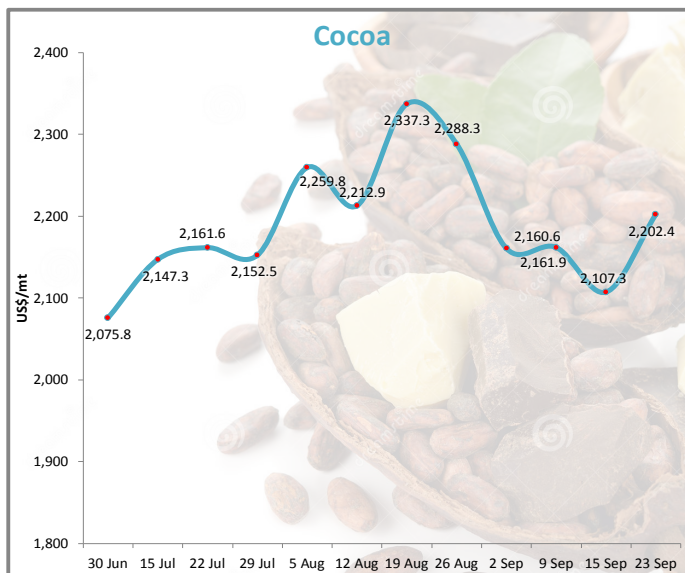
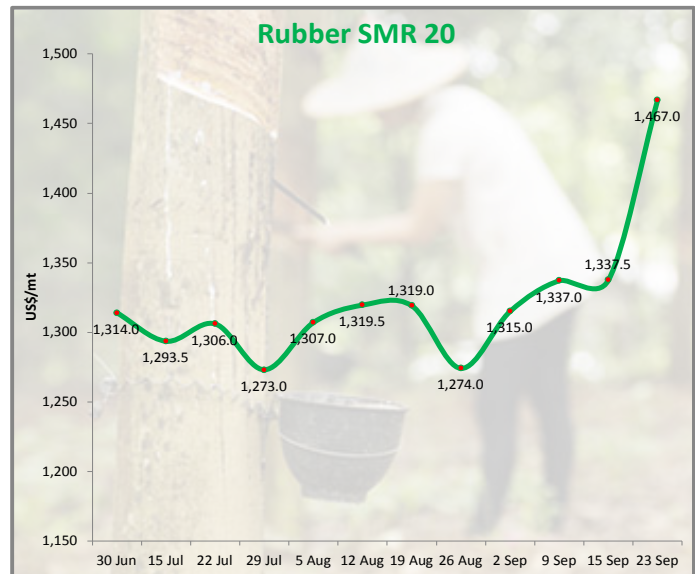
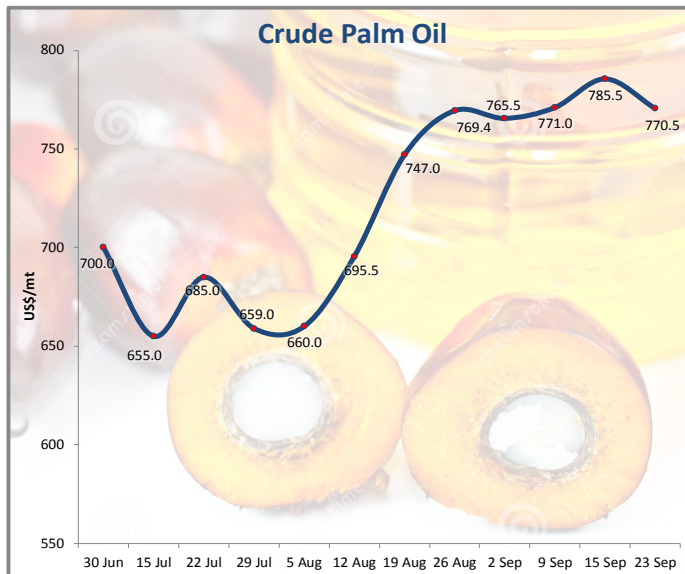
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

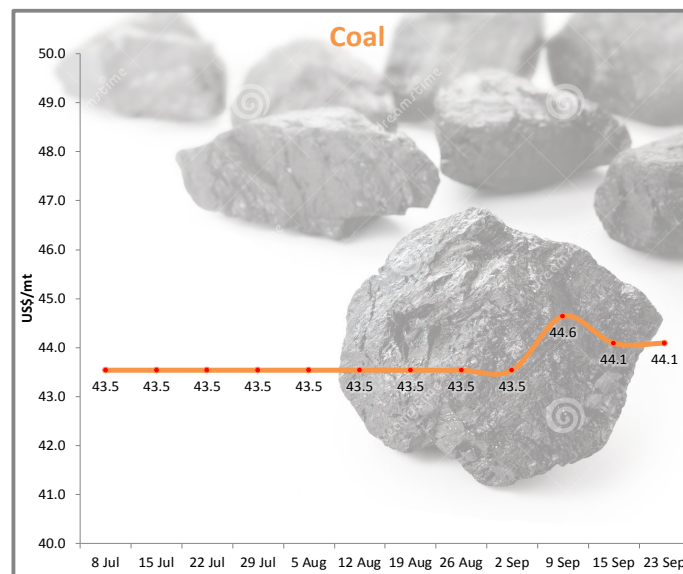
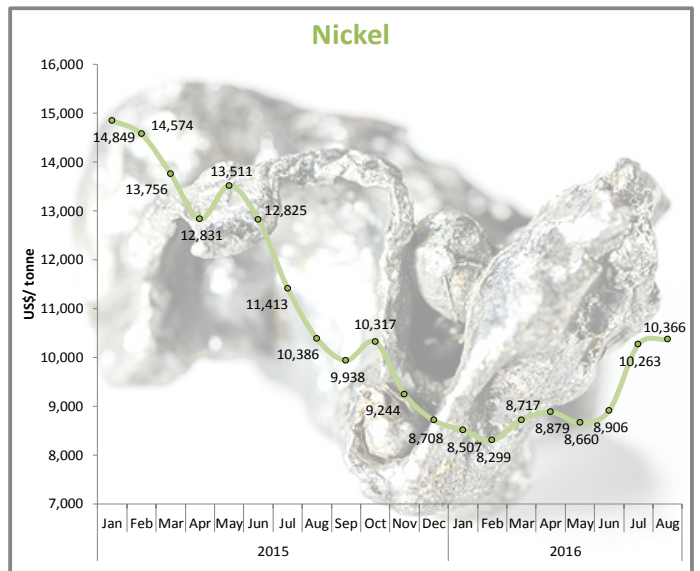
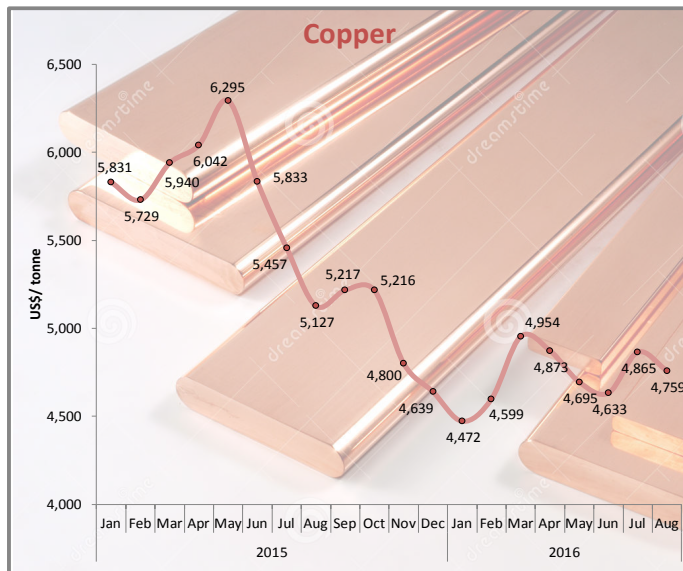
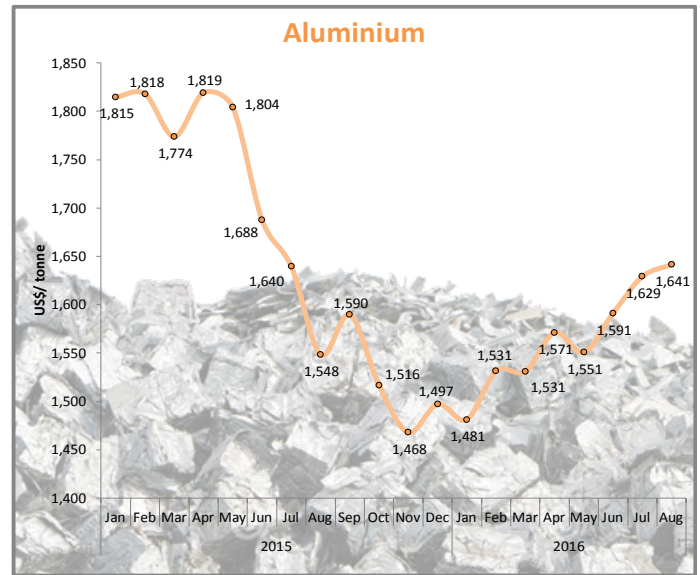
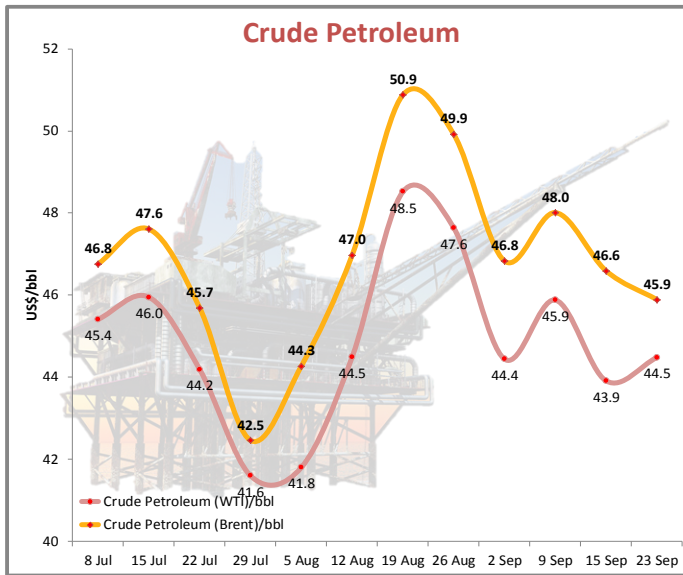
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

Commodity Price Trends



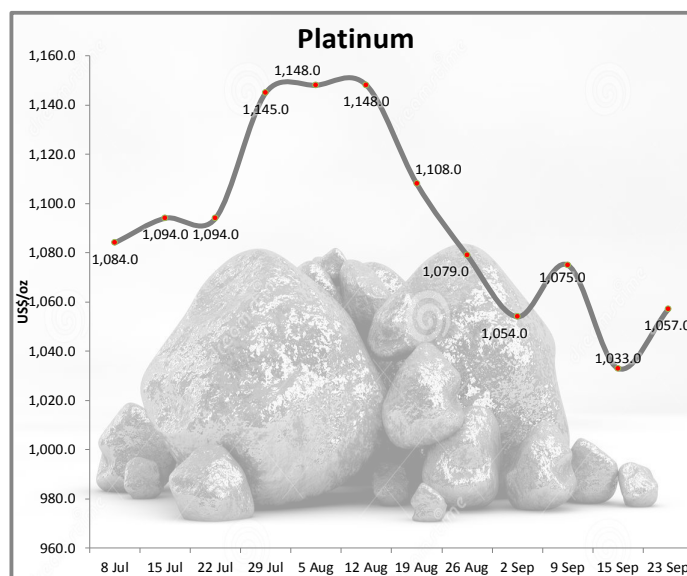
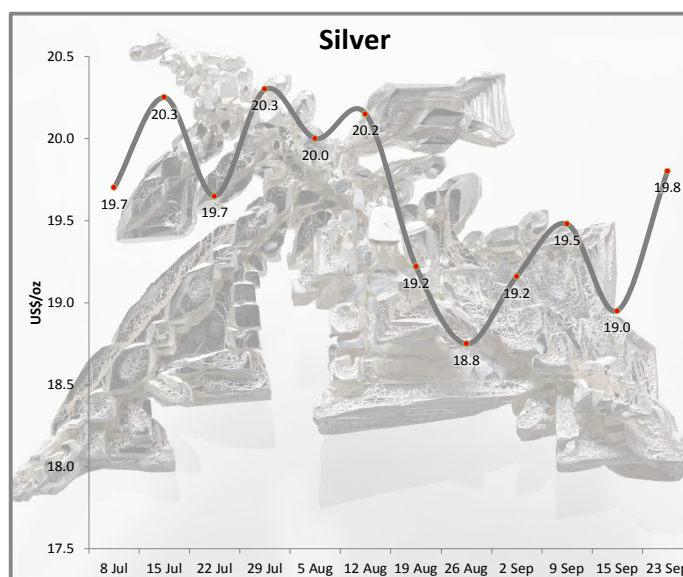
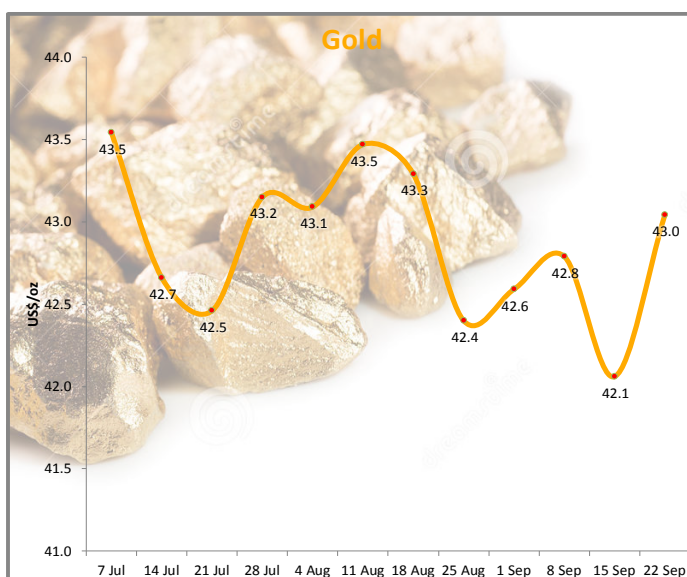
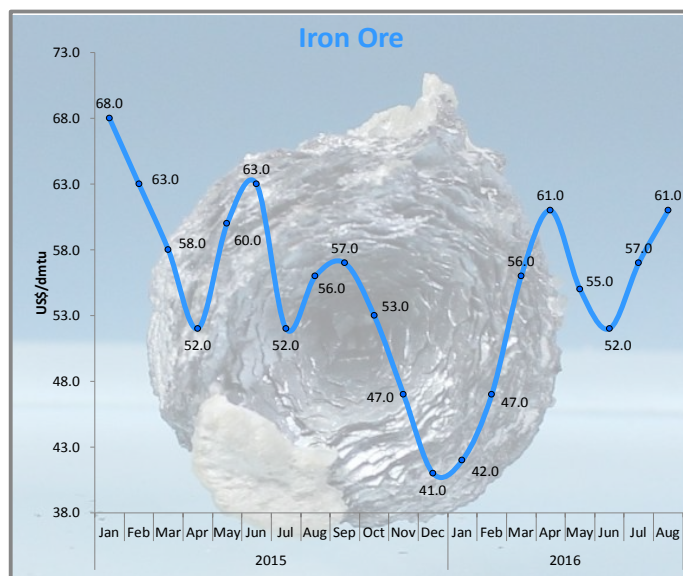
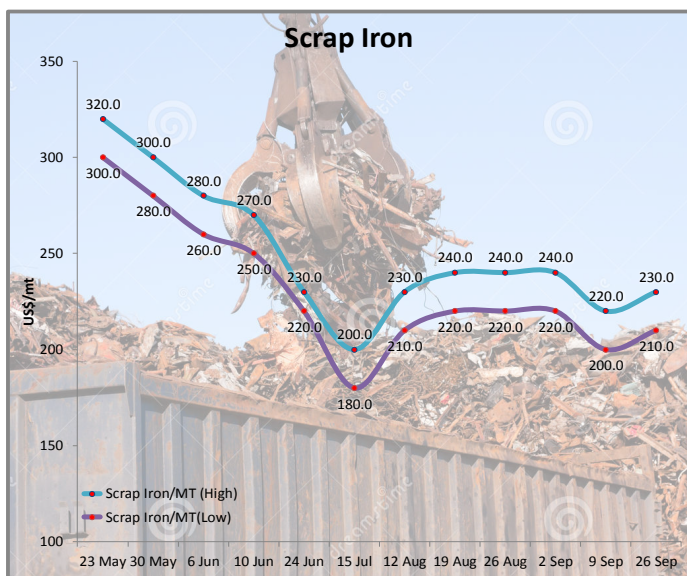
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Commodity Price Trends



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

Commodity Price Trends



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

MITI Programme

Turun Padang Programme to SAM Engineering Sdn. Bhd. Penang 20 September 2016



MITI Programme

Certified Public Accountant Congress 2016 20 September 2016



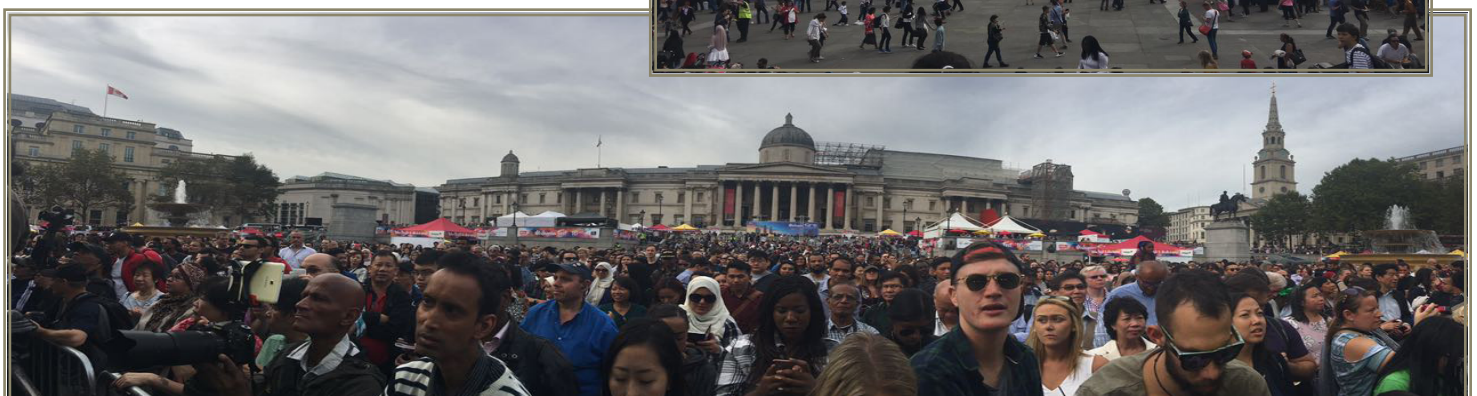
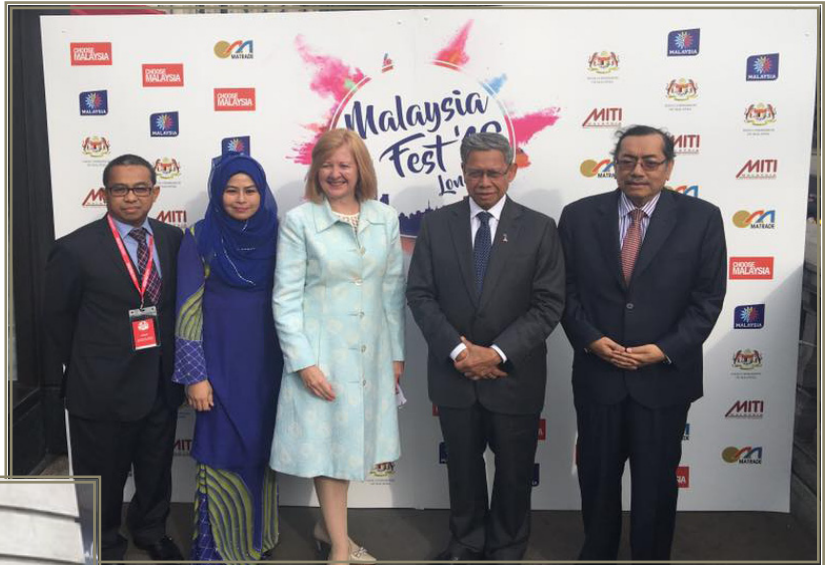
MITI Programme

Dialogue with the Federation of Malaysian Manufacturers 22 September 2016



MITI Programme

Malaysia Fest 2016, Trafalgar Square London 24 September 2016



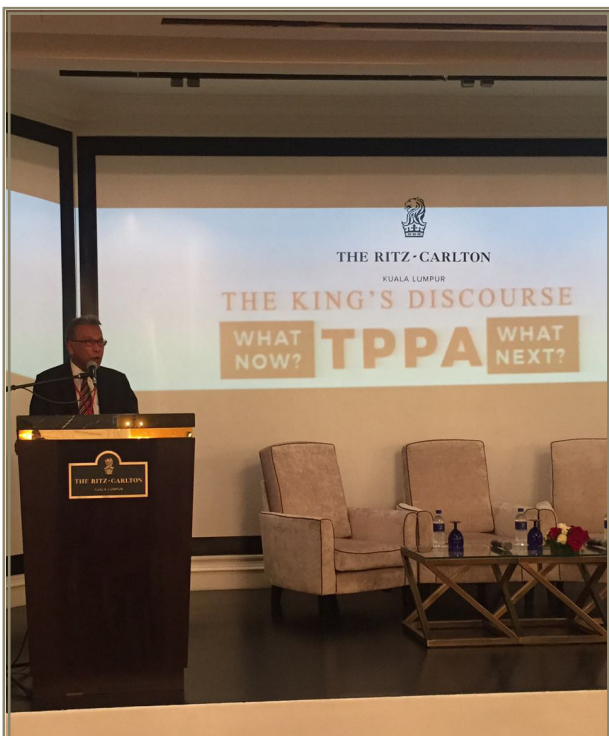
MITI Programme

Malaysia Fest 2016, Trafalgar Square London 24 September 2016



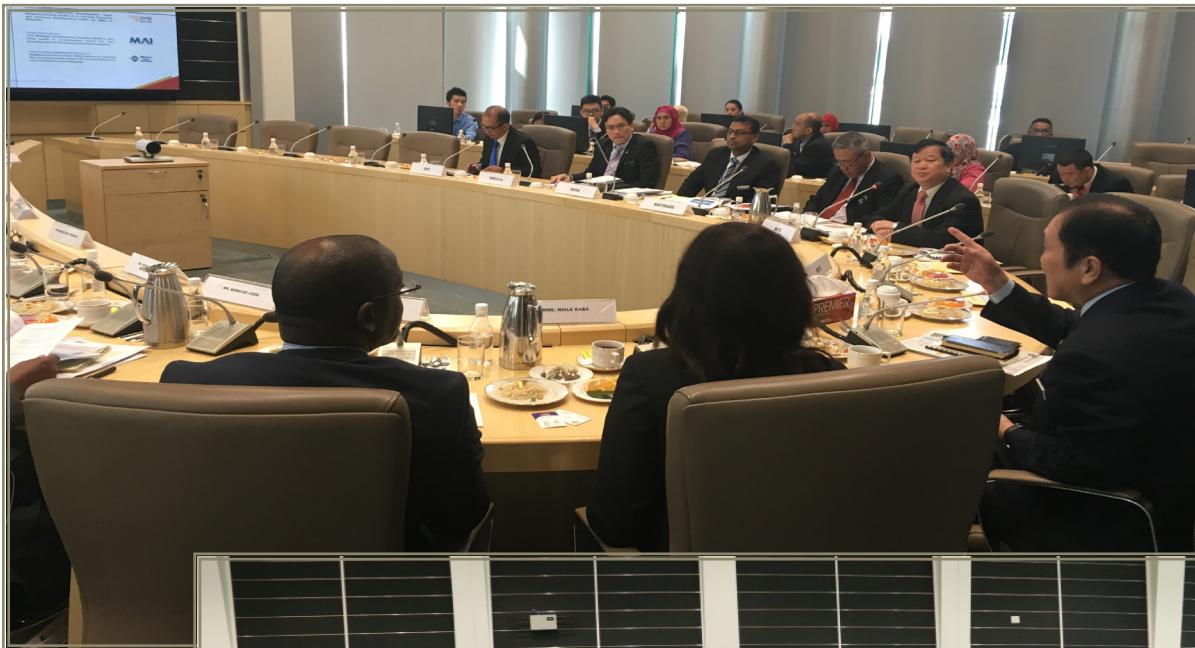
MITI Programme

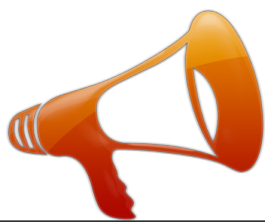
Presentation on Introduction and Aspirations of the TPPA by MITI Secretary General in The King's Discourse 24 September 2016



MITI Programme

Study Visit From Côte D'ivoire (Ivory Coast) and the UNDP 26 September 2016





Announcement

ECONOMIC CENSUS

2016

Better Data for a Better Future

Objectives

- Identify new sources of growth to the economy
- Formulate national economy programme and policies
- Asses the implementation of the national development policy such as the 11thMP, SME Master Plan and Services Sector Blueprint
- New benchmark for economy statistics
- Increase capacity of national statistics

Use

- Constructing economic indicators
- Government – monitoring national plans, SME development
- Private, academic and researchers
- Future economic surveys
- Business planning and decisions

Benefits of Economic Census

Entrepreneurs, Companies & Business

- To identify industrial structure and product trends
- To monitor changing patterns and growth trends for future investment
- To make business planning and decisions
- To gauge their business performance
- To compare their business operations to industry norms

Industry Associations & Chamber of Commerce

- To understand more about industrial structure;
- To share information about the industry with their members;
- To assist business in marketing and investment planning.

Government

- To identify new sources of growth to the economy;
- To formulate national economy programmes; and
- To assess the implementation of the national development policy such as The Economic Transformation Programme, Eleventh Malaysia Plan and Small and Medium Enterprise (SME) Masterplan 2012 -2020.

To Update Economic Indicators

- Rebasing of indices i.e. Gross Domestic Product (GDP) and Index of Industrial;
- Compilation of Supply & Use Table (SUT), Input-Output Table (I-O), Tourism Satellite Account (TSA), Information & Communication Technology Satellite Account and System of Environmental – Economic Accounting (SEEA);
- Development of SME's profile.

Source : Department of Statistics, Malaysia



Suggestions Comments?

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#KnowledgeManagementAnd
DigitalInformationTeam

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**Nor Hamizah
Amir Hamzah**
*Assistant
Librarian*