

National Roadmap to Double E-Commerce Growth by 2020

The National eCommerce Strategic Roadmap is expected to double the e-commerce annual growth rate from 10.8% in 2016 to 20.8% in 2020, as an effort to ensure that the sector becomes one of the primary drivers of growth in the Malaysian economy. The roadmap, launched by Prime Minister Datuk Seri Mohd Najib Razak on Oct 3, aims to boost the sector's gross domestic product contribution to RM170 billion by 2020. Minister for International Trade and Industry (MITI) Dato' Sri Mustapa Mohamed underlined the importance of the e-commerce agenda, saying it is a "very important subset" of the government's digital economy master plan.

Mustapa said the roadmap is cognisant of current developments, particularly in the context of international trade agreements such as the Trans-Pacific Partnership Agreement (TPPA).



"TPPA, of course, has its e-commerce agenda and in some cases, we are probably more advanced than some of these agreements that we have negotiated," Mustapa told reporters at a press briefing yesterday.

"What's important is this roadmap has taken all current developments into consideration. If there is a need for a revision, there will be changes. It is not cast in stone," he added.

The roadmap was drafted by the National e-Commerce Council (NECC), a coalition of 13 ministries and agencies, under which six thrust areas of intervention have been identified, including lifting non-tariff barriers, realigning existing economic incentives and promoting national brand to boost cross-border e-commerce.

Eleven programmes will be carried out under the roadmap, which will be led by different lead agencies such as MITI, SME Corp Malaysia, the Malaysian Investment Development Authority, Malaysian Communications and Multimedia Commission, Bank Negara Malaysia and the Finance Ministry. Mustapa did not discount the possibility of monetary incentives to promote the growth of e-commerce in Malaysia.

"The NECC is set up to listen to suggestions from industries and we will respond in a manner that will facilitate the growth of e-commerce in this country. At present, it is just to help them with regulatory aspects, but in the future there may be (monetary incentives)," Mustapa said.

Commenting on how the appointment of Jack Ma would fit into the e-commerce agenda, Mustapa said the government is confident that Ma will provide a lot of useful inputs into government policies.

"He is an iconic leader in this segment of the economy and his advice is being sought by many countries. All of us are looking forward to his coming here in March."

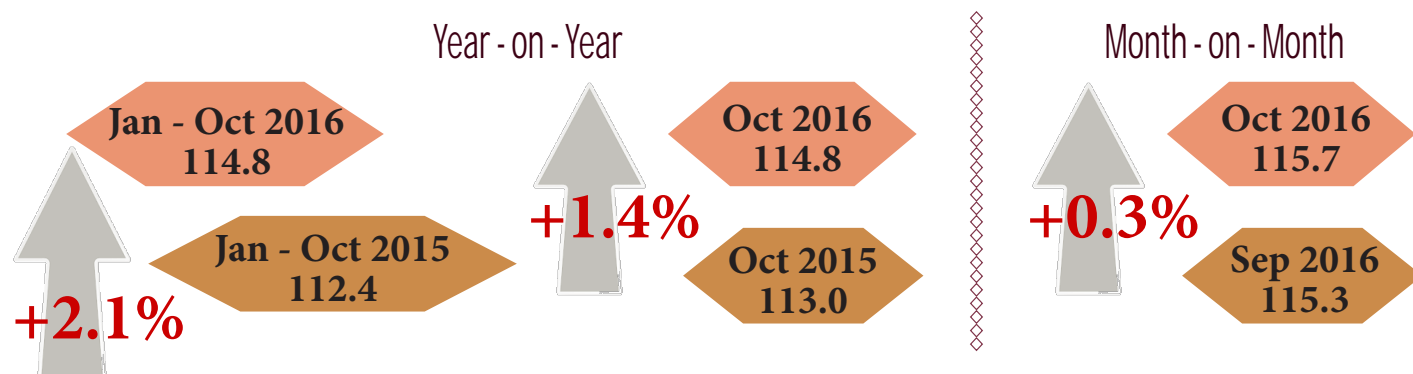
On Nov 4, Chinese Internet tycoon Jack Ma was appointed as Malaysia's digital economy advisor during Najib's weeklong official visit to China. The founder and executive chairman of Alibaba Group Holding Ltd is expected to the launch of the country's e-free trade zone in March next year. Meanwhile, Mustapa — when commenting on the TPPA — stressed that Malaysia continues to "keep an open mind" about it, saying that it is too early to take a definitive stand on the matter.

"Although (US President-elect Donald) Trump has come up with a statement on Nov 21, I think we have to wait for more clarity after Jan 20, 2017, after his inauguration (which will reveal) his new policies and also the people running the trade agenda under his administration," he said, in response to Trump's remarks.

Ministry of International Trade and Industry, 29 November 2016

MALAYSIA

Consumer Price Index January - October 2016



Inflation Rate for Main Groups

January - October 2016 / January - October 2015



**Food &
Non-Alcoholic
Beverages**
+3.9%



**Alcoholic
Beverages &
Tobacco**
+21.0%



**Clothing &
Footwear**
-0.3%



**Housing, Water,
Electricity, Gas &
Other Fuels**
+2.5%



**Furnishings,
Household Equipment
& Routine Household
Maintenance**
+2.6%



Health
+2.8%



Transport
-5.3%



Communication
-1.4%



**Recreation
Services & Culture**
+2.3%



Education
+2.2%



**Restaurants &
Hotels**
+2.9%



**Miscellaneous
Goods & Services**
+3.0%

Source: Department of Statistics, Malaysia

Inflation Rate for Food, January - October 2016/January - October 2015

Food at Home

+4.0%

**Rice, Bread & Other Cereals
+1.1%**

**Meat
+3.6%**

**Fish & Seafood
+6.6%**

**Milk & Eggs
+0.8%**

**Oils & Fats
+0.5%**

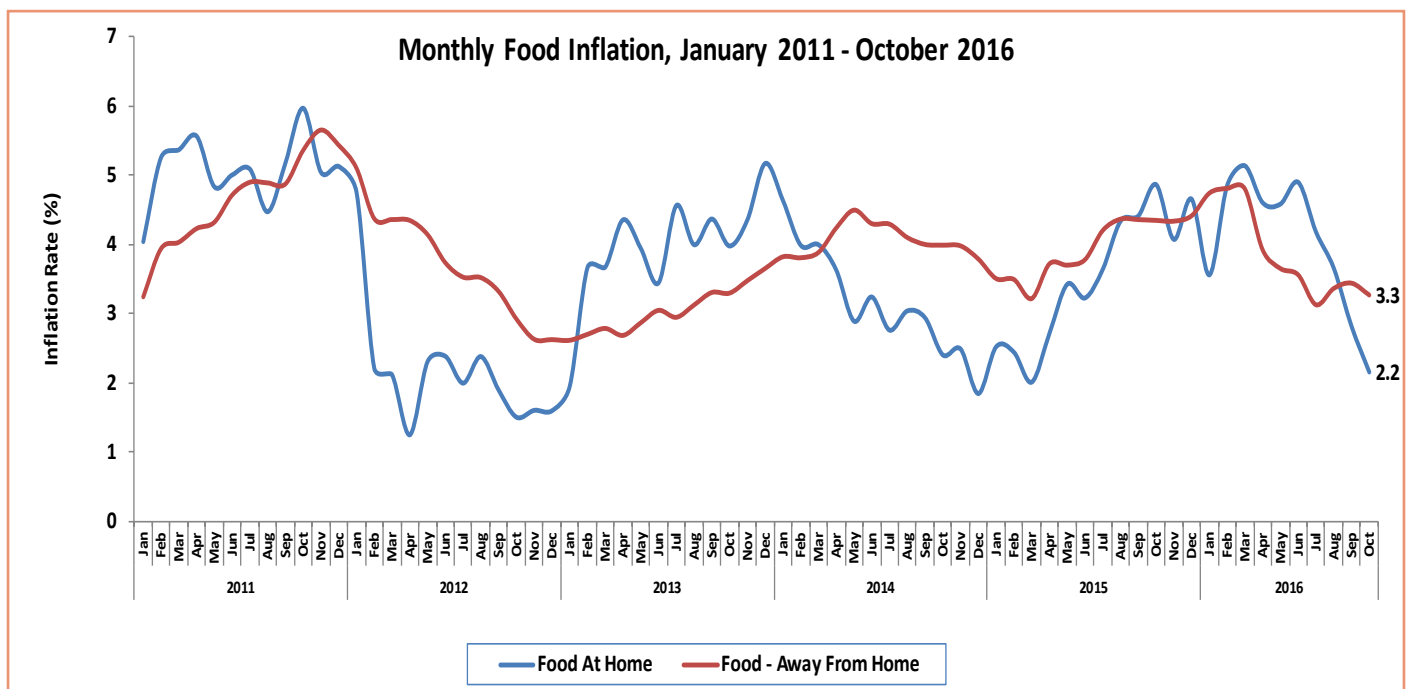
**Fruits
+5.2%**

**Vegetables
+6.9%**

**Sugar, Jam, Honey, Chocolate & Confectionery
+2.3%**

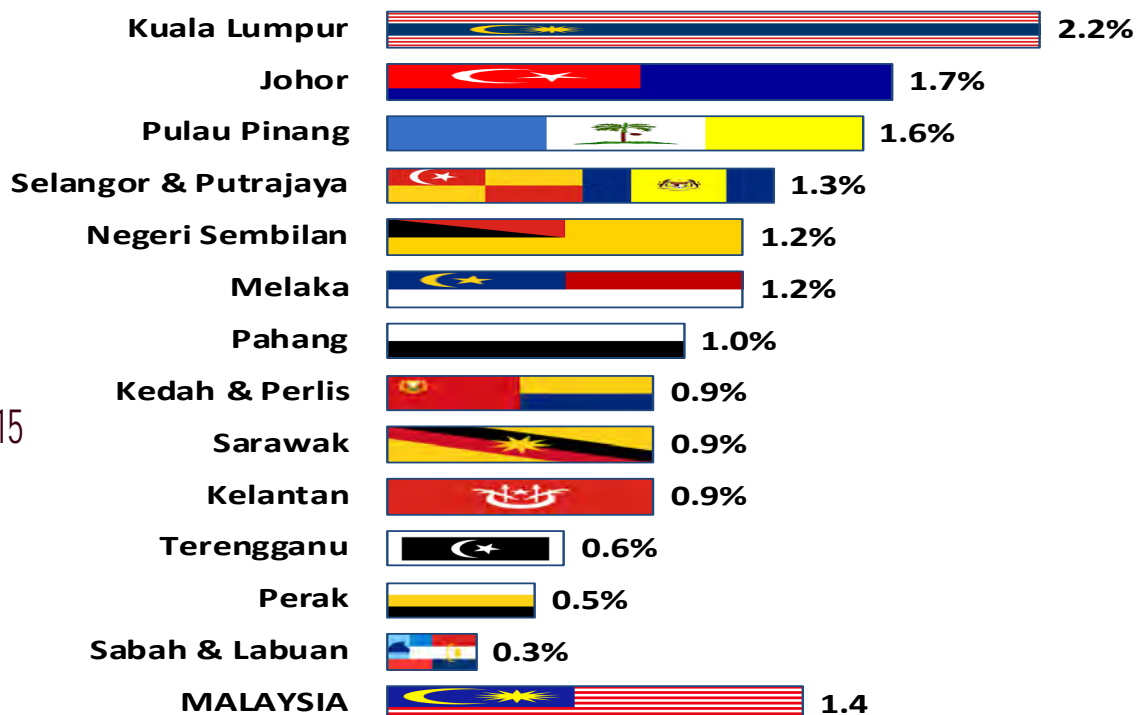
**Food Products
+5.9%**

Food away from Home

+3.9%


Inflation Rate by State,

October 2016/October 2015

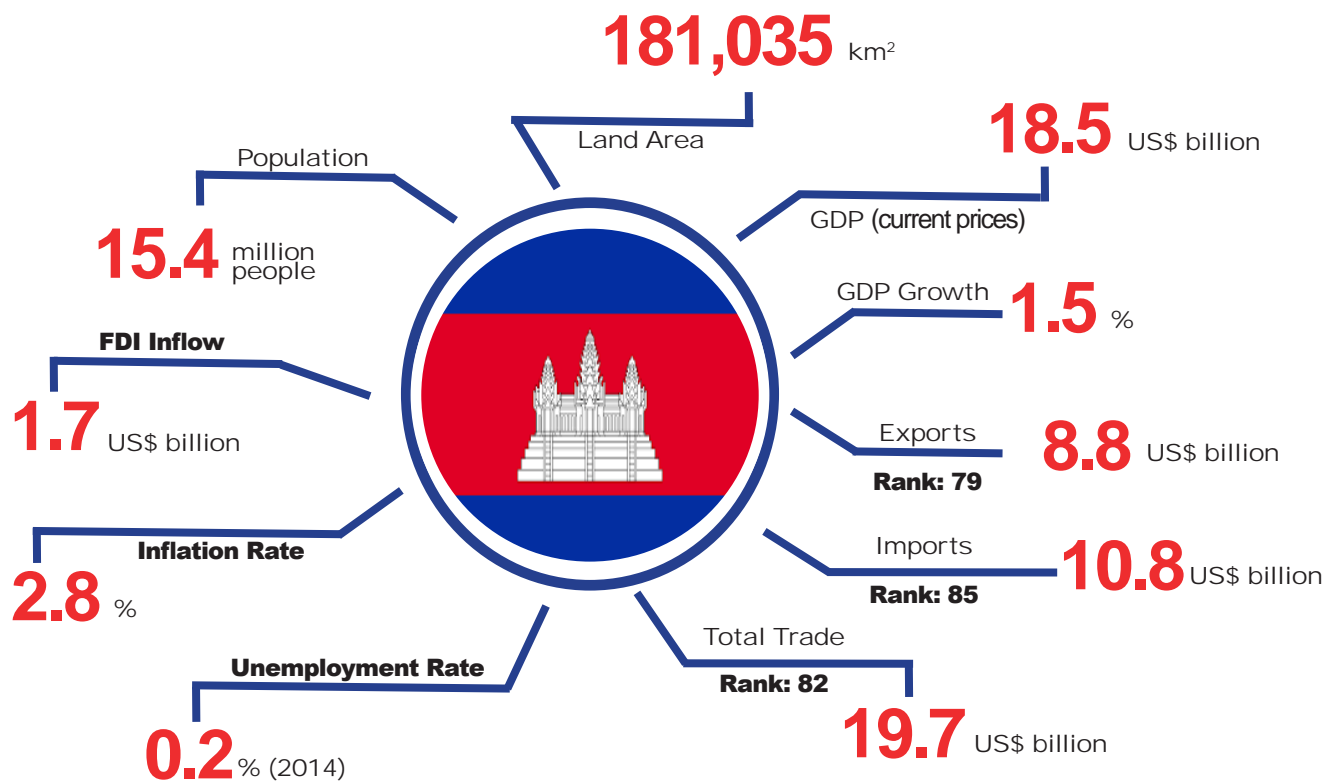


Source: Department of Statistics, Malaysia

'ASEAN and You...'

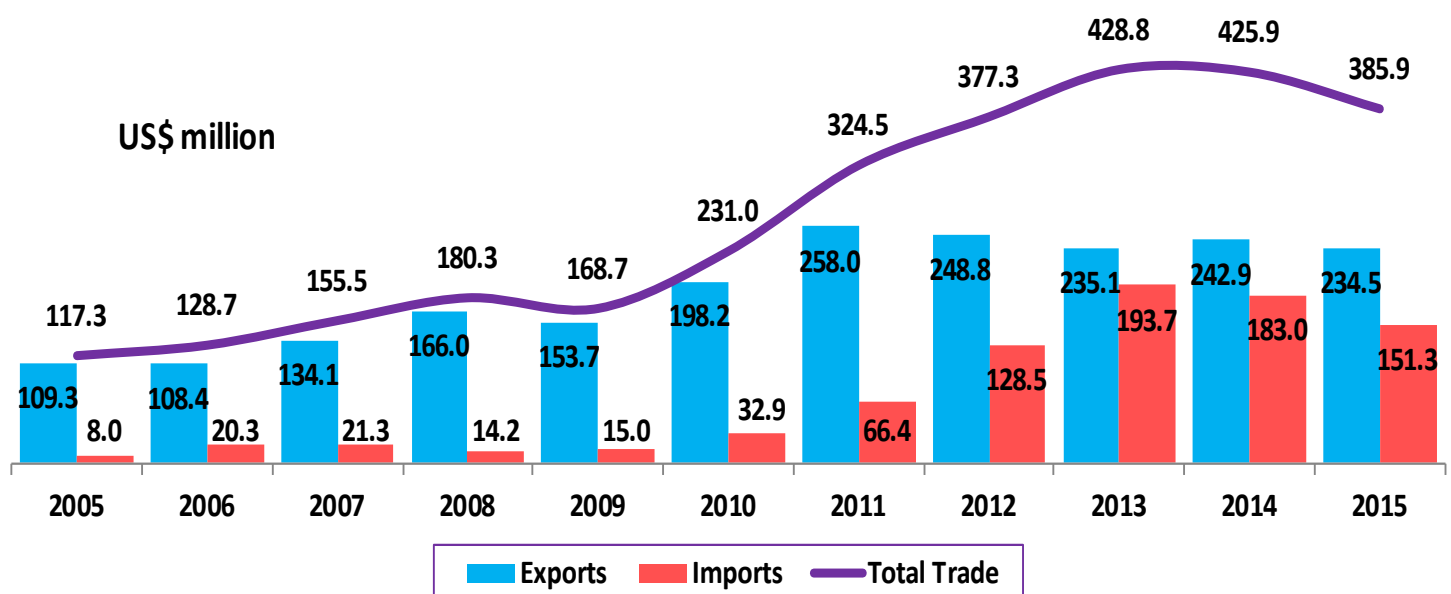


Cambodia Economic Indicators 2015



Sources: ASEAN Statistics, IMF and WTO

Malaysia's Trade with Cambodia, 2005 - 2015



Source: Department of Statistics, Malaysia.



INTERNATIONAL REPORT

Top 10 E-Commerce Businesses in Asia, 2015

The success of the top 10 ecommerce businesses of Asia is amazing and inspirational. The list below covers the most important factors that led to their success, and shows their current status in the world.

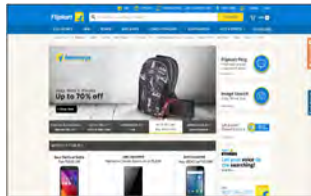
1. Taobao (China)

Business Model: C2C ecommerce marketplace
Founded: 2003, Hangzhou, China
Founder: Jack Ma (Alibaba Group)
Operation: China (Delivery: Global)



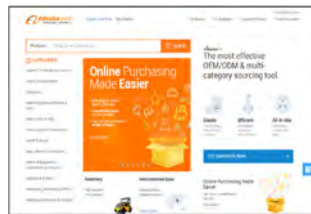
2. Flipkart (India)

Business Model: Ecommerce marketplace
Founders: Sachin Bansal, Binny Bansal
Operation: India



3. Alibaba.com (China)

Business Model: B2B ecommerce marketplace
Founder: Jack Ma
Operation: Worldwide



4. Snapdeal (India)

Business Model: Ecommerce marketplace
Founders: Kunal Bahl, Rohit Bansal
Operation: India



5. Didi Kuaidi (China)

Business Model: Online taxi-hailing service
Founders: Cheng Wei, Joe Lee & Cheng Wen
Operation: China



6. Rakuten (Japan)

Business Model: Electronic ecommerce marketplace
Founder: Hiroshi Mikitani
Operation: Japan; worldwide through acquisitions



7. Coupang (South Korea)

Business Model: Ecommerce marketplace
Founder: Bom Kim
Operation: South Korea



8. Lazada (Southeast Asia)

Business Model: Ecommerce marketplace
Founders: Alexander Samwer, Marc Samwer, Oliver Samwer
Operation: Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam



9. Grab Taxi (Southeast Asia)

Business Model: Taxi Booking App
Founders: Anthony Tan, Tan Hooi Ling
Operation: Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam



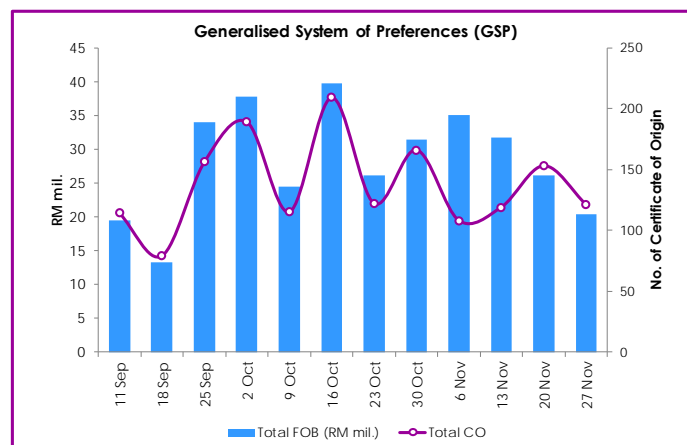
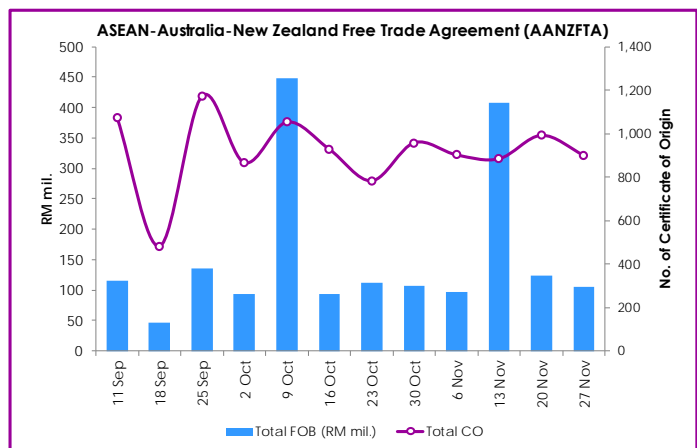
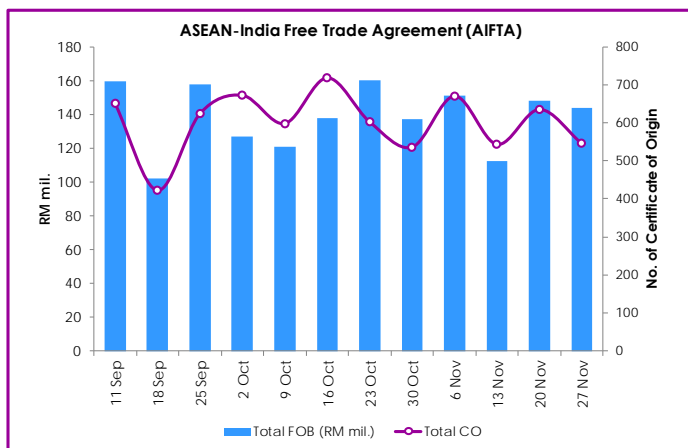
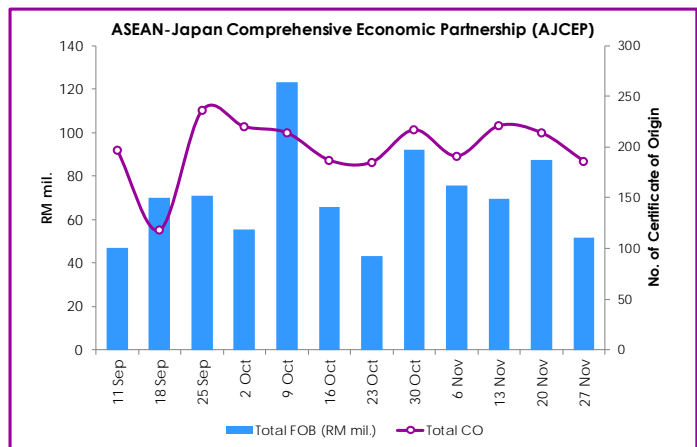
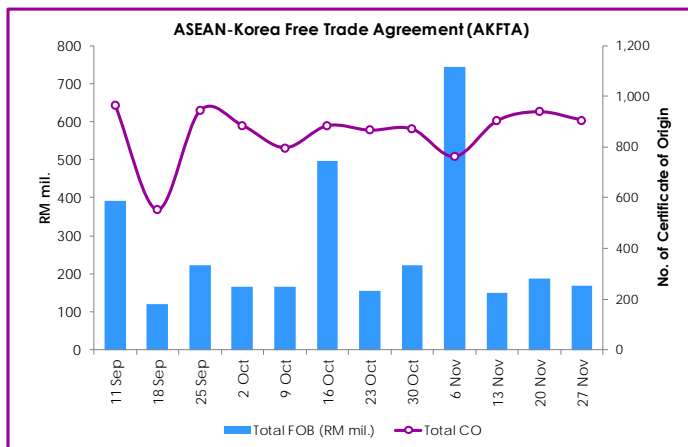
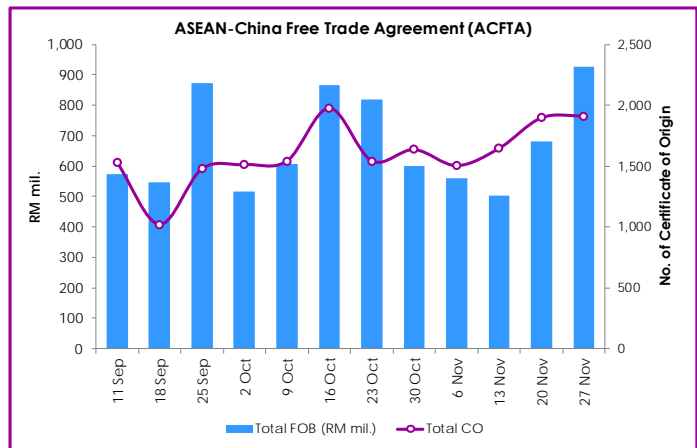
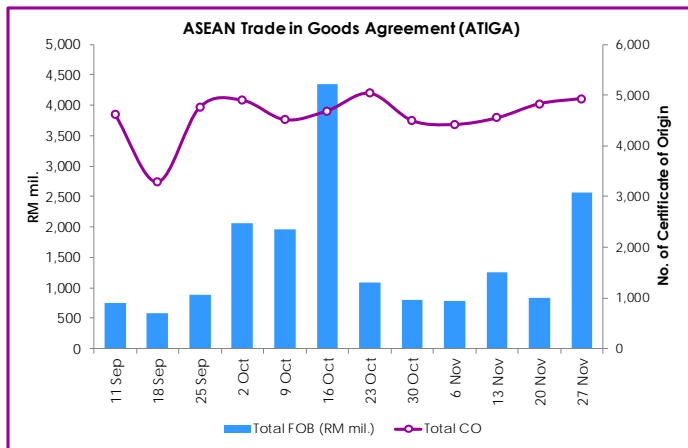
10. Meituan (China)

Business Model: Daily Deal Website
Founder: Wang Xing
Operation: China



Source: <https://www.techinasia.com/talk/top-10-ecommerce-businesses-asia-startups-learn>

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

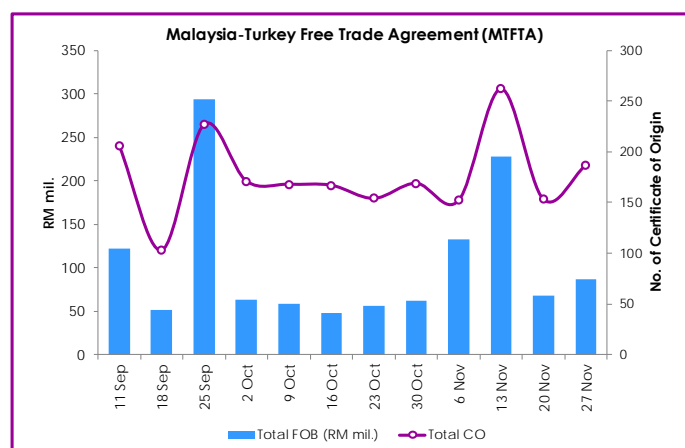
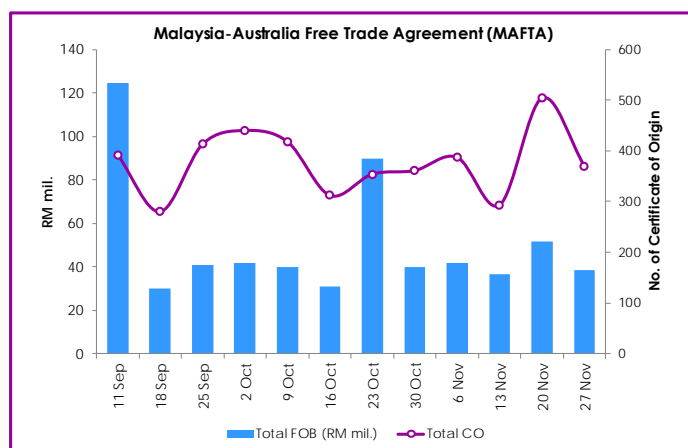
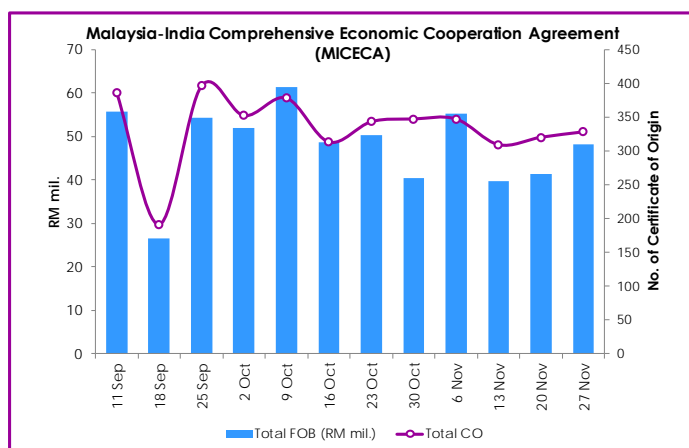
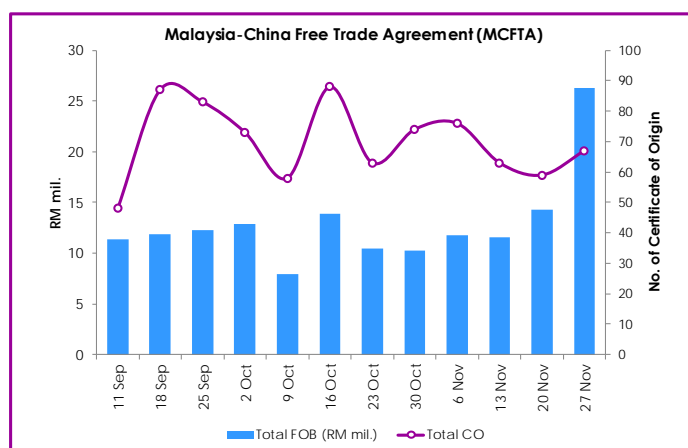
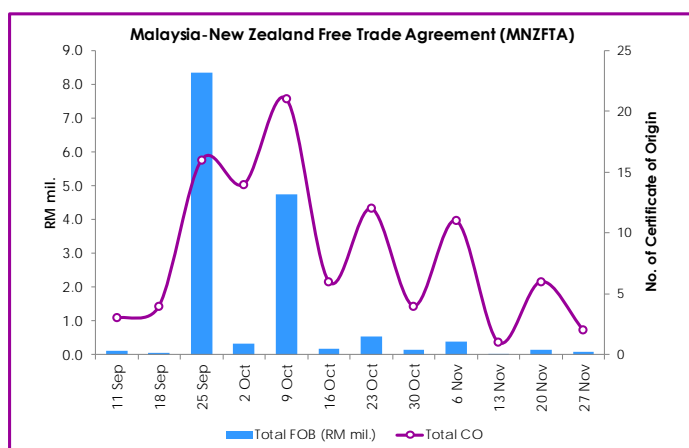
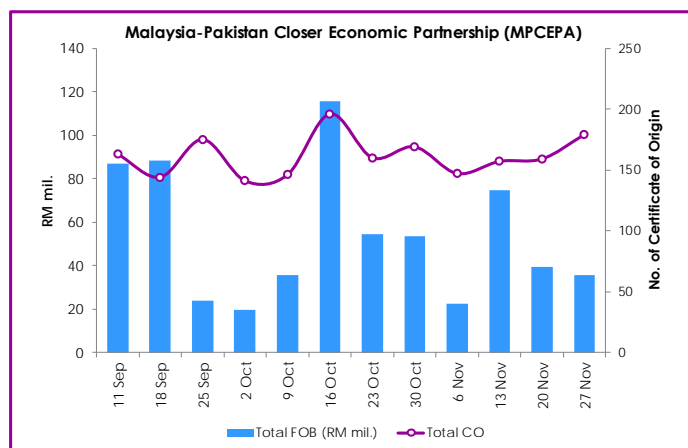
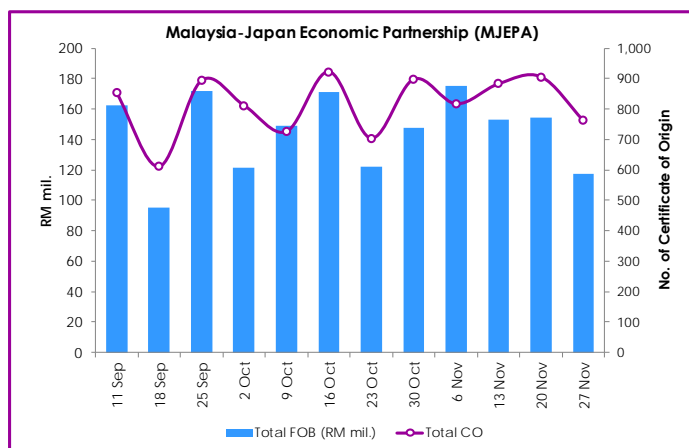


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: * Provisional data

Source: Ministry of International Trade and Industry, Malaysia

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

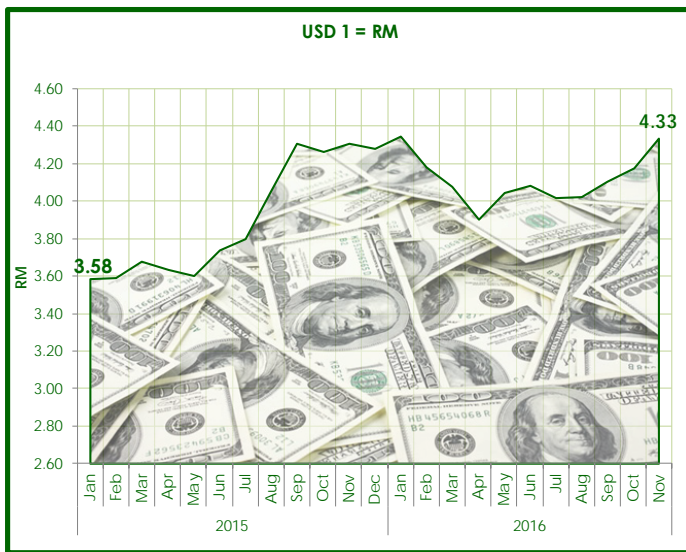


Note: * Provisional data

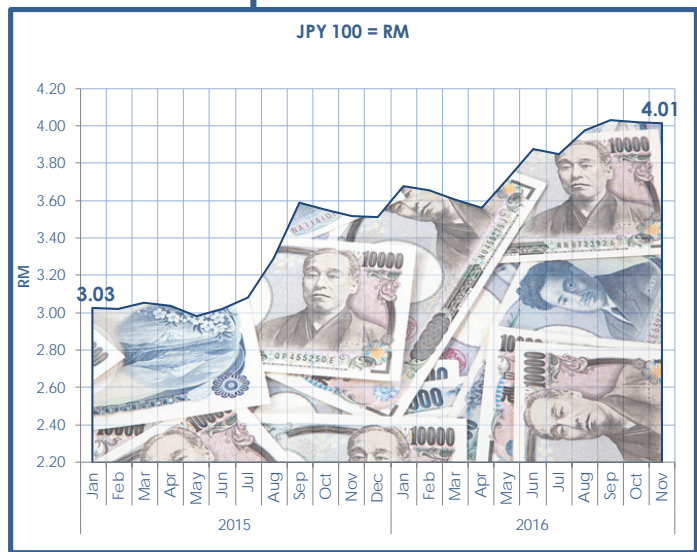
Source: Ministry of International Trade and Industry, Malaysia

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

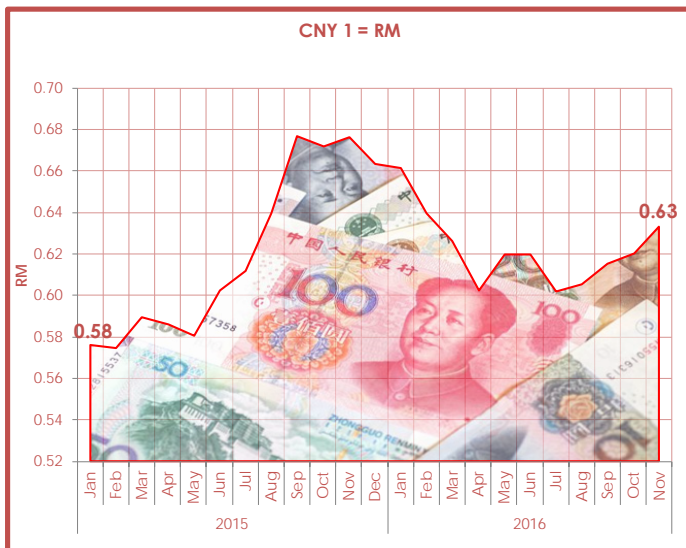
US Dollar



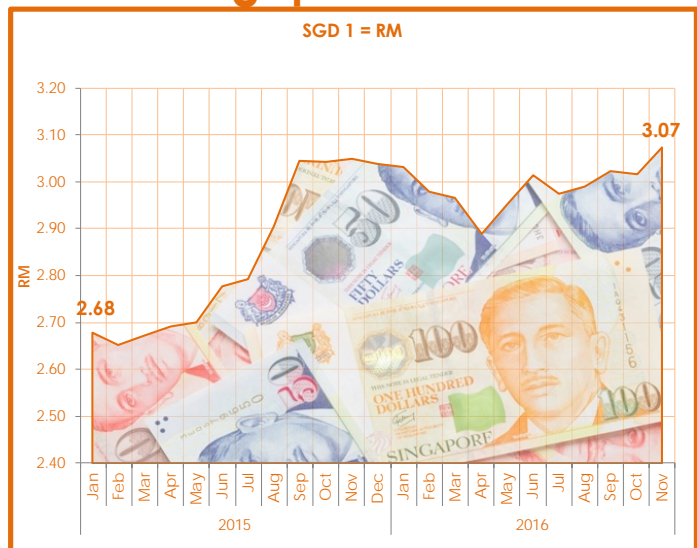
Japanese Yen



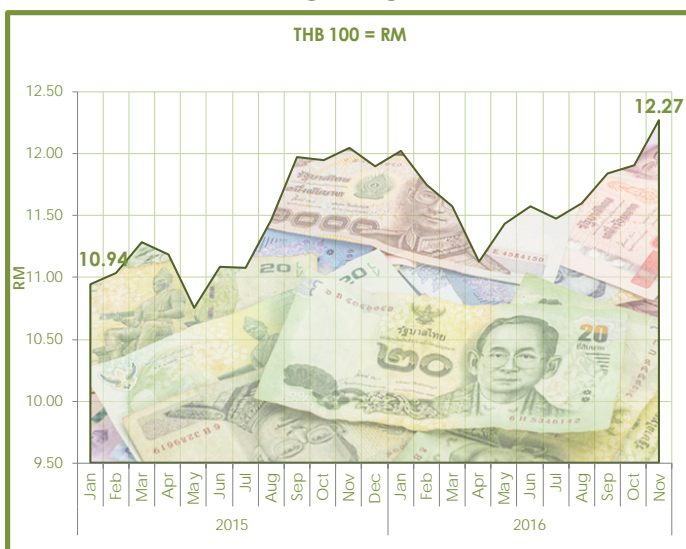
Chinese Yuan



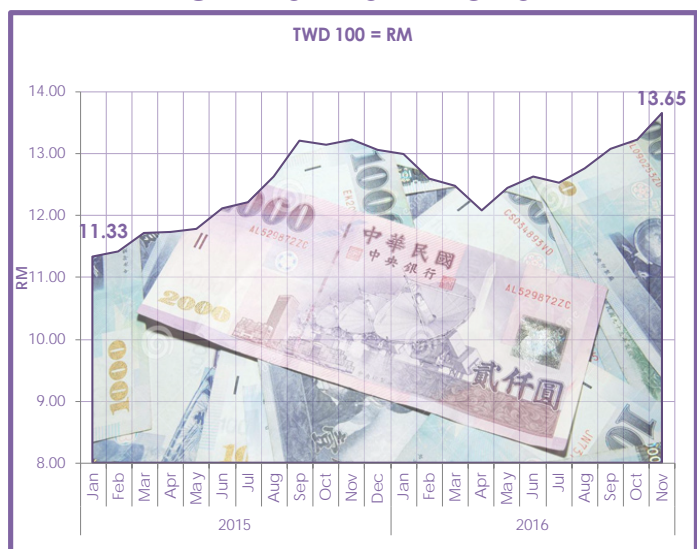
Singapore Dollar



Thai Baht



New Taiwan Dollar



Source : Bank Negara Malaysia

Commodity Prices



CRUDE PETROLEUM (BRENT) -per bbl-

2 Dec 2016 : US\$54.5, ▲ 15.3%*
Average Priceⁱ : 2015: US\$53.6
2014: US\$99.5



CRUDE PALM OIL -per MT-

2 Dec 2016 : US\$770.0, ▲ 2.8%*
Average Priceⁱ : 2015: US\$616.9
2014: US\$823.3



SUGAR -per lbs-

2 Dec 2016 : US¢ 19.1, ▼ 3.6%*
Average Priceⁱ : 2015: US¢13.2
2014: US¢16.6

RUBBER SMR 20 -per MT-

2 Dec 2016 : US\$1,711.0, ▼ 1.9%*
Average Priceⁱ : 2015: US\$1,364.3
2014: US\$1,718.3



COCOA SMC 2 -per MT-

2 Dec 2016 : US\$1,770.5, ▼ 1.5%*
Average Priceⁱ : 2015: US\$2,077.0
2014: US\$2,615.8



COAL -per MT-

2 Dec 2016 : US\$44.1, unchanged
Average Priceⁱ : 2015: US\$49.9
2014: US\$59.8



SCRAP IRON HMS -per MT-

2 Dec 2016 : US\$300.0 (high), unchanged
US\$285.0 (low), unchanged
Average Priceⁱ : 2015: US\$239.6
2014: US\$370.0

HIGHEST and LOWEST 2015/2016

Crude Petroleum (Brent) -per bbl-



Highest

2 Dec 2016 : US\$54.5
15 May 2015 : US\$66.8

Lowest

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

Crude Palm Oil -per MT-



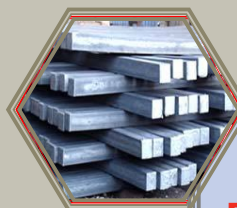
Highest

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

Lowest

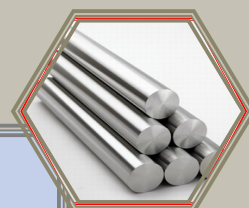
15 January 2016 : US\$545.5
4 September 2015 : US\$500.5

Domestic Prices 2 December 2016



Billets (per MT)

RM1,900 – RM1,950



Steel Bars (per MT)

RM2,050 – RM2,200

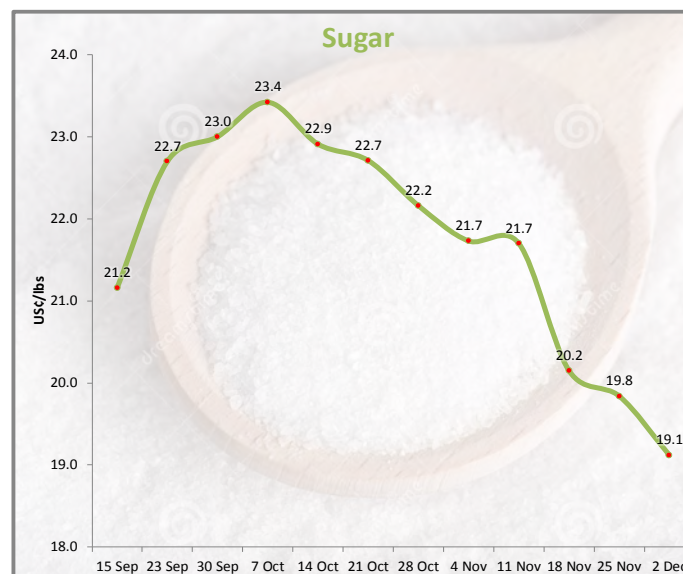
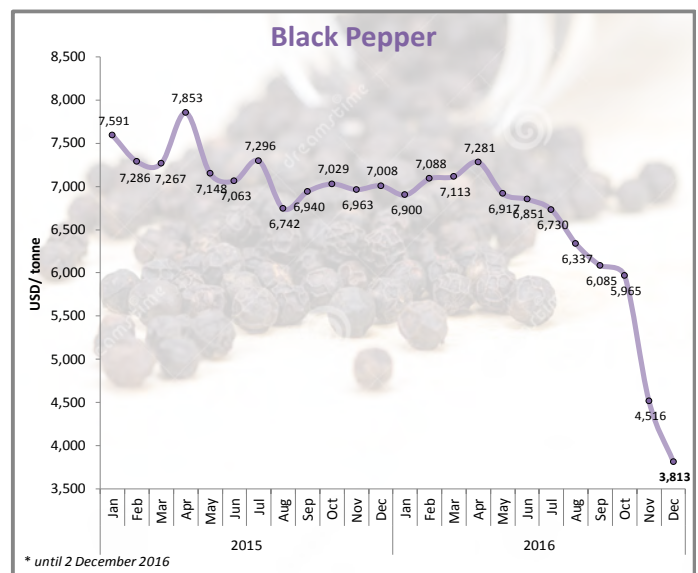
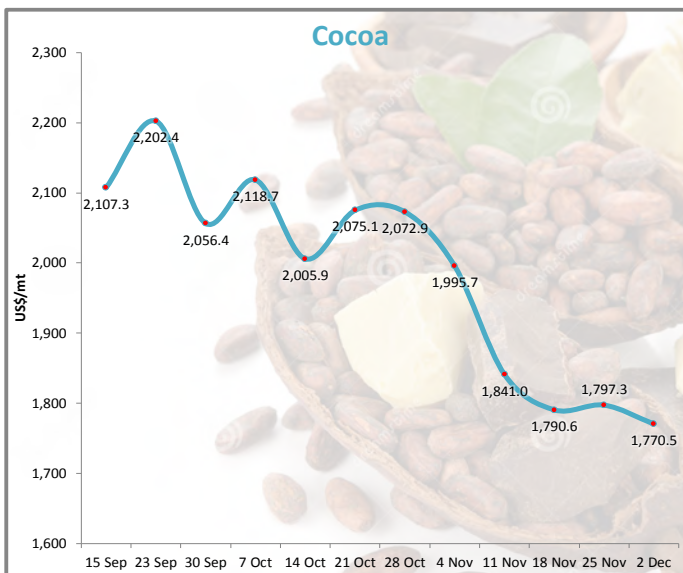
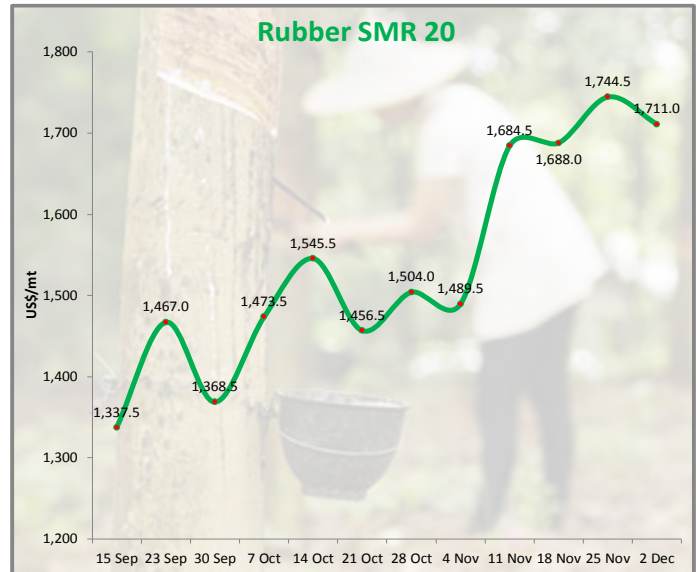
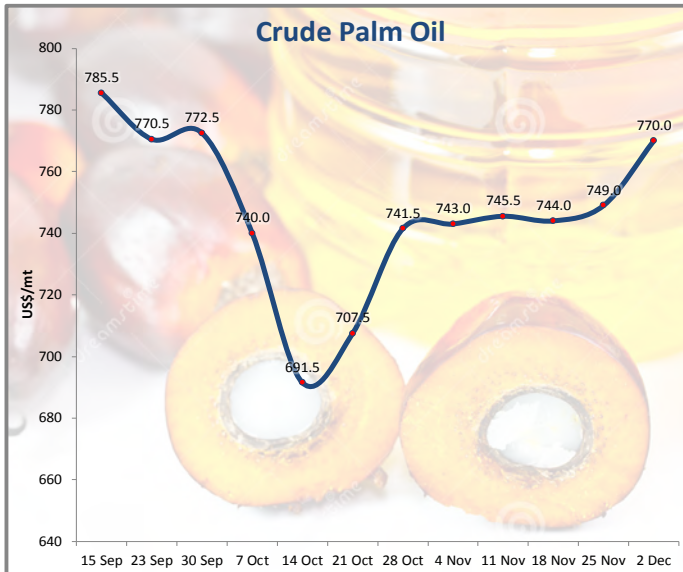
Notes: All figures have been rounded to the nearest decimal point

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

i Average price in the year except otherwise indicated

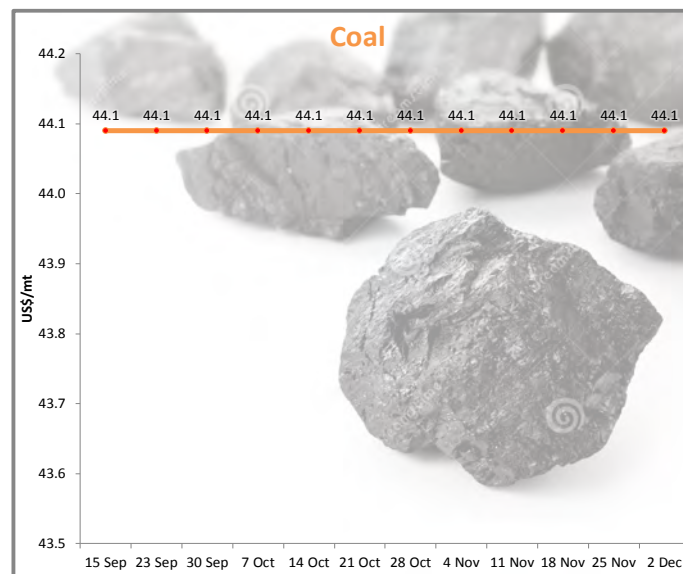
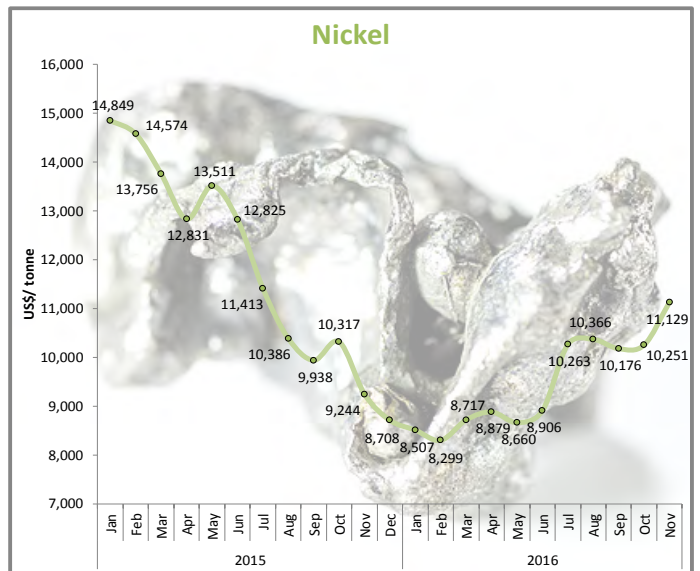
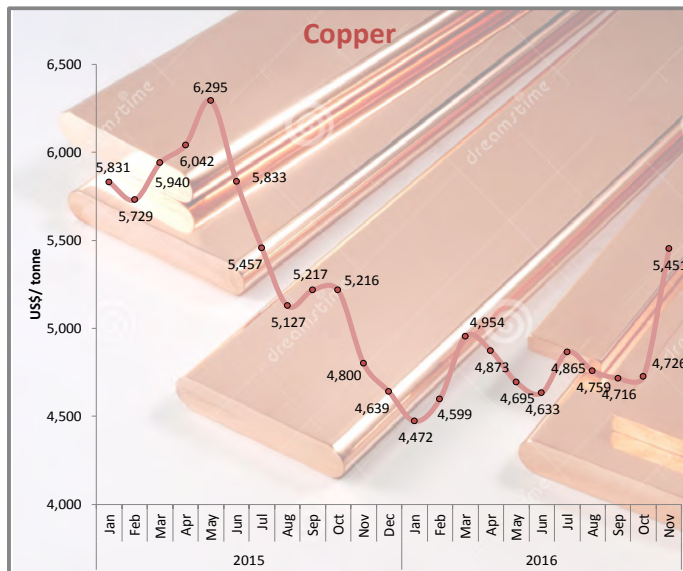
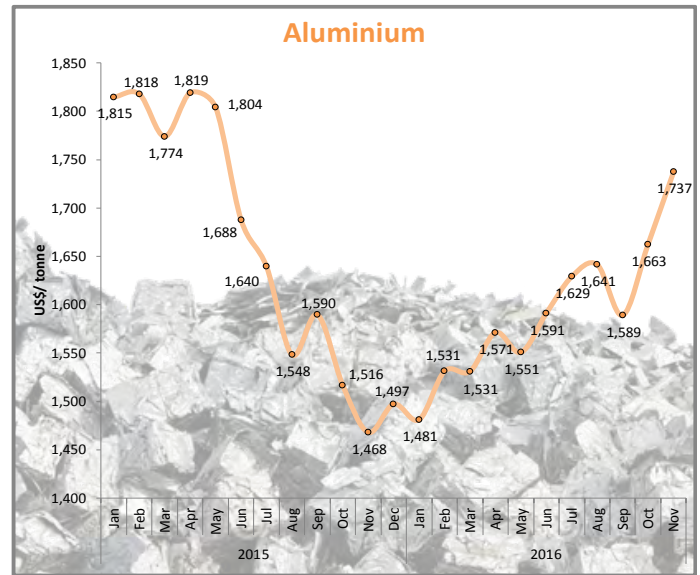
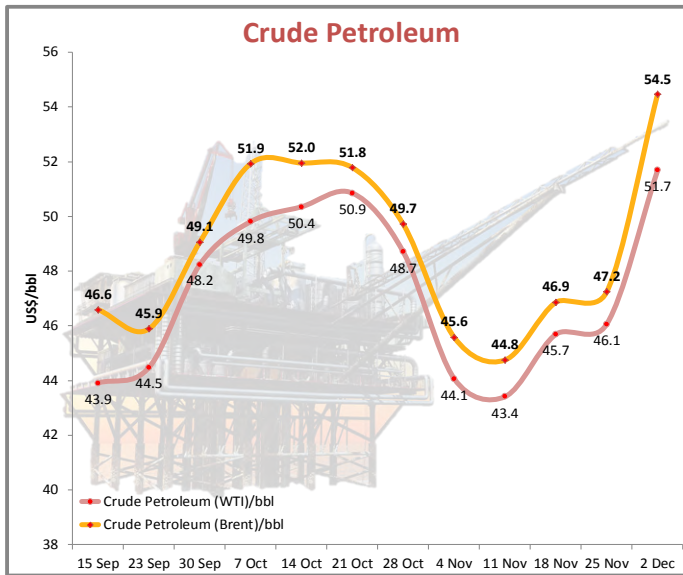
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

Commodity Price Trends



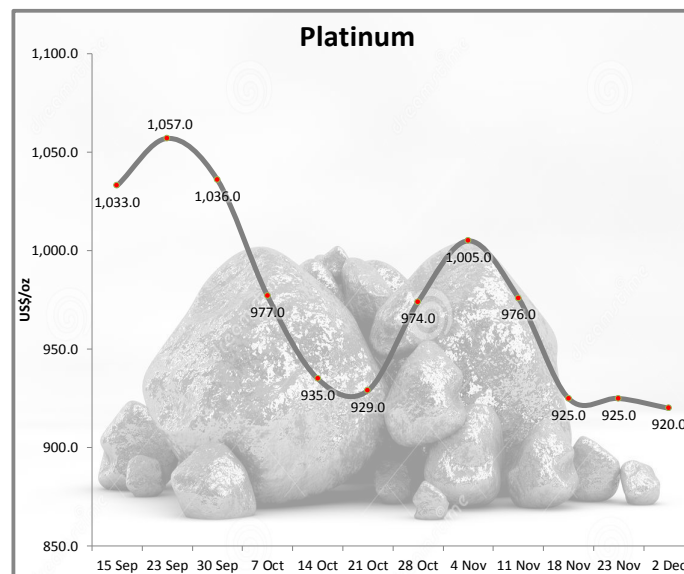
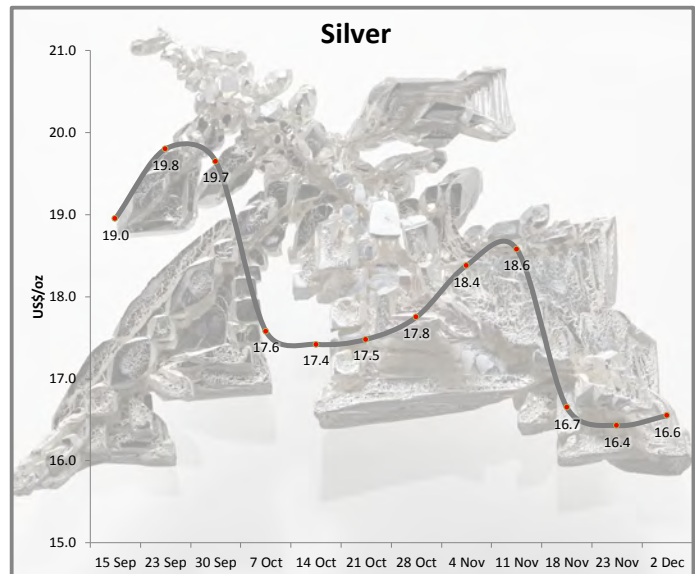
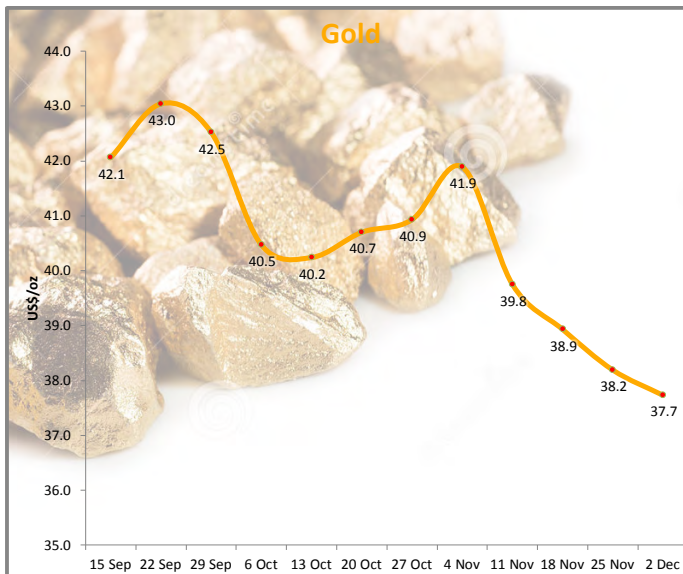
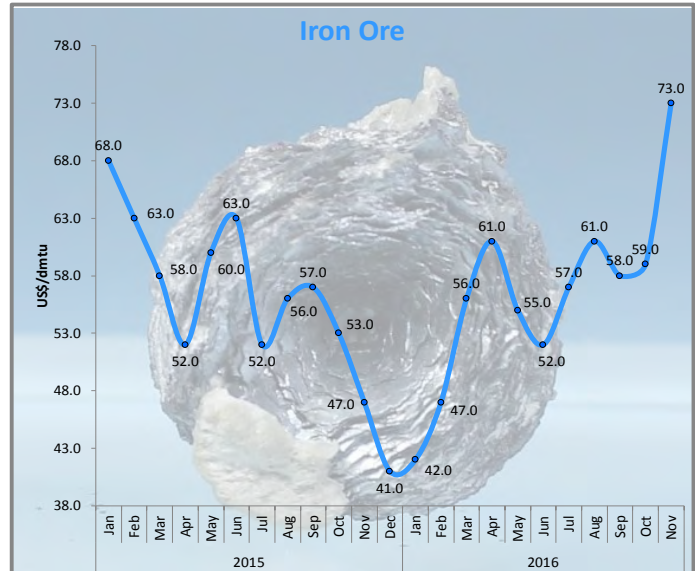
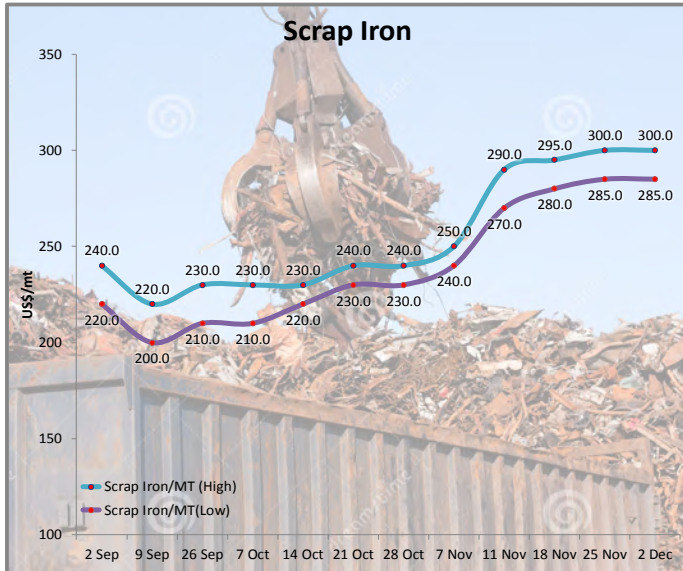
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

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.

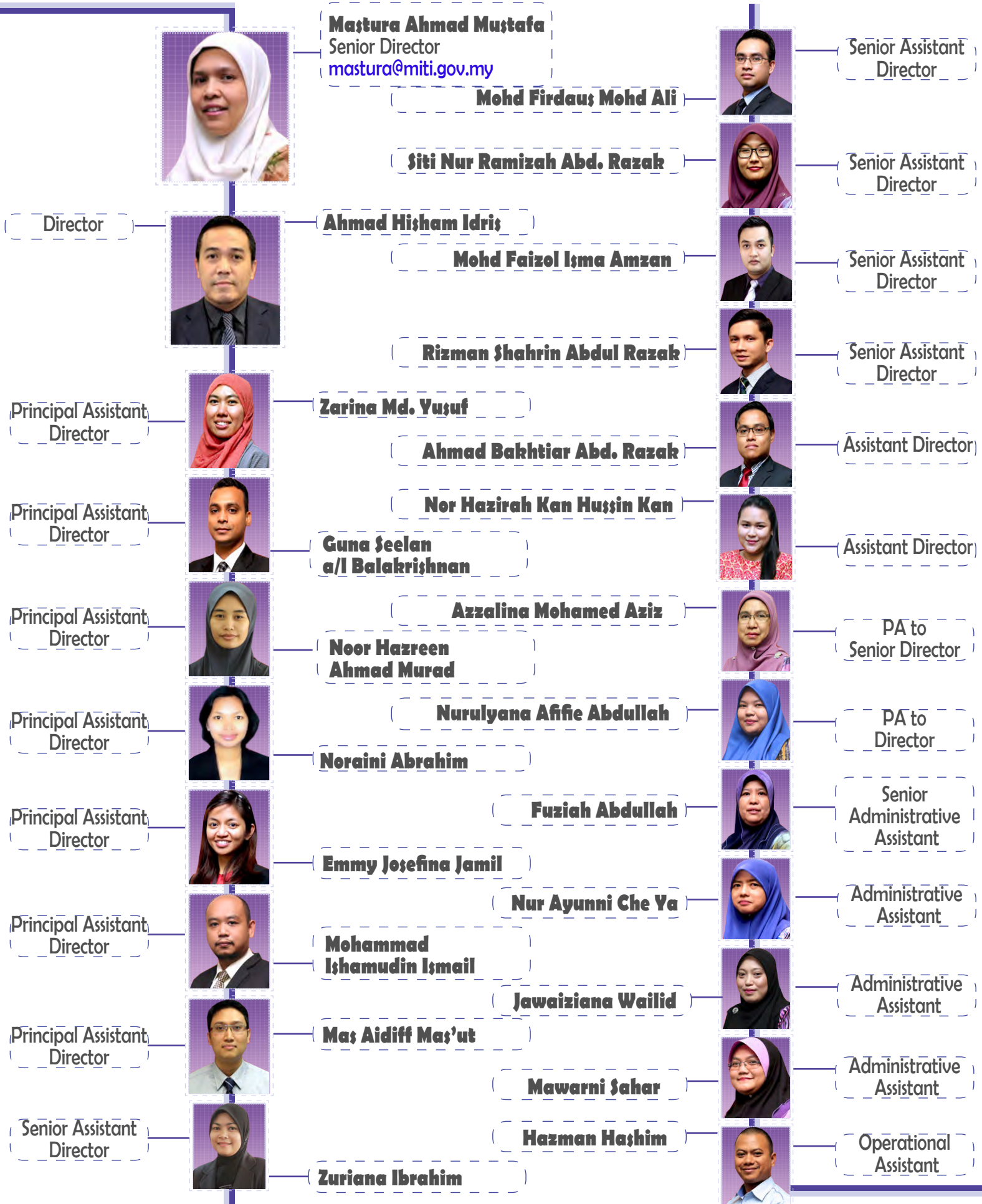
MITI PROGRAMME

Launching of Malaysia Promotion Programme in Sydney 3 December 2016



MITI @ Your Service

ASEAN ECONOMIC INTEGRATION





PRESS RELEASE

2 December 2016

Statement by Financial Markets Committee: Initiative to Develop the Onshore Financial Market

As part of the strategy to broaden and deepen the Malaysian financial markets, the Financial Markets Committee, in collaboration with Bank Negara Malaysia (BNM), would like to announce several measures intended to enhance the liquidity of the foreign exchange (FX) market with effect from 5 December 2016:

Liberalisation and deregulation of the onshore ringgit hedging market

- To provide greater flexibility for market participants to manage foreign exchange (FX) risks, residents (including resident fund managers) may freely and actively hedge their USD and CNH exposures up to a limit of RM 6 million per client per bank. A one-time declaration of non-participation in speculative activity would suffice.
- Resident and non-resident fund managers can now actively manage their FX exposure up to 25% of their invested assets. To qualify for this arrangement, registration with BNM would suffice.
- To broaden accessibility of foreign investors and corporates to the onshore FX market, offshore non-resident financial institutions may participate in the Appointed Overseas Office¹ (AOO) framework which will be accorded additional flexibilities on ringgit transactions. These flexibilities include FX hedging (own account/on behalf of client) for current and financial account based on commitment, opening of ringgit account (book-keeping) and extension of ringgit trade financing.

Streamlining treatment for investment in foreign currency assets

Resident entities with domestic ringgit borrowing are free to invest in foreign currency assets both onshore and abroad up to the prudential limit of RM50 million. Residents without domestic ringgit borrowing shall continue to enjoy flexibility of investing in foreign currency assets both onshore and abroad up to any amount. This gives equal treatment for residents with ringgit borrowings investing in foreign currency assets whether in the onshore or offshore market.

Incentives and treatment of export proceeds

Exporters can retain up to 25% of export proceeds in foreign currency. They may hold higher balances with approval from BNM to meet their obligations in foreign currency. Payment by resident exporters for settlement of domestic trade in goods and services is now to be made fully in ringgit. All ringgit proceeds from exports can earn a higher rate of return via a special deposit facility. The special deposit facility for ringgit proceeds will be offered to exporters via all commercial banks and receive a rate of 3.25% per annum. This facility will be offered until 31 December 2017 subject to further review.

Foreign currency arising from conversion of export proceeds will be used to ensure continuous liquidity of foreign currency in the onshore market. In addition to the newly announced hedging measures, exporters are also able to hedge and unhedge up to 6 months of their foreign currency obligations.

These measures are intended to promote a deeper, more transparent and well-functioning onshore FX market where genuine investors and market participants can effectively manage their market risks with greater flexibility to hedge on the onshore market. A deep and liquid onshore FX market will enable investors to better manage against volatile currency movements.

The above measures are part of a series of market development initiatives by the Financial Markets Committee. The aspiration is to have a highly developed, liquid and deep FX market in Malaysia commensurate with the growth of the economy and the increasingly sophisticated needs of the users.

To facilitate enquiries, members of public may contact 03-2698 6089, 03-2692 8736, 03-2691 6473, 03-2691 3164 or 03-2693 0772 (Monday to Friday from 9 a.m. to 5 p.m.; Saturday and Sunday from 9 a.m. to 1 p.m.) or email infofmc@bnm.gov.my starting from 3 December 2016.

Note: ¹ Appointed Overseas Office refers to appointed overseas parent company, subsidiary company, sister company, head office or branch of a licensed onshore bank's banking group, excluding a licensed international Islamic bank.

Source: http://www.bnm.gov.my/index.php?ch=en_press&pg=en_press&ac=4316&lang=en



CONGRATULATIONS...

*MITI Weekly Bulletin Editorial Committee wishes
to congratulate
YBhg Tan Sri Dr Lim Wee Chai
on his election as the new President of the
Federation of Malaysian Manufacturers (FMM)
for 2016/2017.*



Dear Readers,

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

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

