



Ministry of International Trade and Industry

Weekly Bulletin

DRIVING TRANSFORMATION, POWERING GROWTH

VOLUME 438

6 JUNE 2017 | NO. ISSN: 2180-0448

Trade Performance for the Month of April 2017 and the Period of January- April 2017

April 2017- Double Digit Trade Growth for 5 Straight Months

Malaysia's total trade in April 2017 surged by 22.5% to RM139.18 billion compared with the year before. The growth was supported by expansion in trade with ASEAN, China, Japan, India, the European Union (EU) and the United States of America (USA). Exports maintained its double digit growth for the fifth straight month since December 2016. Exports in April 2017 grew by 20.6% to RM73.97 billion from April 2016 and imports expanded by 24.7% to RM65.21 billion, resulting in a trade surplus of RM8.75 billion. This marks the 234th consecutive month of trade surplus since November 1997.

On a month-on-month basis, total trade, exports and imports dropped by 12.9%, 10.5% and 15.6%, respectively due to the high base effect in March. Total trade for the first four months of 2017 was valued at RM569.68 billion, grew by 23.8% compared with RM460.02 billion recorded in the same period last year. Exports totalled RM298.65 billion, an increase of 21.2% while imports rose by 26.9% to RM271.03 billion. The trade surplus amounted to RM27.62 billion.

Export Performance of Major Sectors

Manufactured Goods Continued to Lead Export

Exports of manufactured goods in April 2017 grew by 17.3% to RM60.48 billion which accounted for 81.8% share of Malaysia's global shipments. Higher exports of electrical and electronic (E&E) products, chemicals and chemical products, iron and steel products as well as rubber products led to stronger export performance.

Exports of mining goods expanded by 51.8% to RM6.49 billion, contributing 8.8% share of Malaysia's total exports. This was spurred by higher exports of liquefied natural gas (LNG) and crude petroleum, due to higher Average Unit Value (AUV) and volume.

Exports of agriculture goods with 8.5% share of Malaysia's total exports, registered an increase of 20.9% to RM6.3 billion. This was steered by higher exports of palm oil and palm oil-based agriculture products especially palm oil as well as natural rubber, led by higher AUV and volume.

Major exports in April 2017 were:

- E&E products valued at RM26.24 billion and constituting 35.5% of total exports, increased by 22.2% from April 2016;
- Petroleum products, RM5.5 billion, 7.4% of total exports, increased by 5.4%;
- Chemicals and chemical products, RM5.49 billion, 7.4% of total exports, increased by 18%;
- Palm oil and palm oil-based agriculture products, RM4.21 billion, 5.7% of total exports, increased by 20.8%; and
- Machinery, equipment and parts, RM3.48 billion, 4.7% of total exports, decreased by 1.2%.

In the first four months of 2017, exports of manufactured goods recorded the highest value increase of RM38.48 billion or 18.9% to RM241.95 billion. Higher exports was recorded for all manufactured subsectors except for jewellery, beverages and tobacco as well as non-metallic mineral products. Exports of mining and agriculture goods soared by 30.8% (RM6.52 billion) to RM27.68 billion and 27.4% (RM5.61 billion) to RM26.08 billion, respectively.

Performance of Major Markets

Trade with ASEAN Remain Resilient

Total trade with ASEAN showed an upward trend for 6th consecutive month, rising by 19.7% to RM37.38 billion in April 2017. Exports to ASEAN climbed by 14.9% to RM21.13 billion and contributed 28.6% of Malaysia's total exports. Higher exports was contributed by E&E products, crude petroleum, chemicals and chemical products, processed food as well as machinery, equipment and parts. Growth in exports was registered to all ASEAN markets except for Viet Nam, Cambodia and Laos. Exports to Singapore, Thailand, the Philippines, Indonesia and Myanmar recorded double digit growths and collectively contributed 89.2% of Malaysia's total exports to the region. Imports from ASEAN rose by 26.6% to RM16.25 billion.

Breakdown of exports to ASEAN countries is as follows:

- Singapore RM 10.60 billion, increased by 15.8%
- Thailand RM 3.86 billion, ↑22.1%
- Indonesia RM 2.70 billion, ↑13.0%
- Viet Nam RM 2.01 billion, ↓4.6%
- Philippines RM 1.39 billion, ↑30.7%
- Myanmar RM 286.0 million, ↑27.2%
- Brunei RM 189.9 million, ↑3.8%
- Cambodia RM 76.5 million, ↓8.8%
- Lao PDR RM 5.5 million, ↓44.6%

In January-April 2017, trade with ASEAN surged by 23.6% to RM155.86 billion compared with the same period in 2016. Exports to ASEAN grew by 21.6% to RM87.56 billion, representing 29.3% share of Malaysia's total exports. The increase was underpinned by expansion in exports of E&E products, petroleum products, crude petroleum as well as chemicals and chemical products. Growth in exports was registered to all ASEAN markets except for Cambodia and Laos. Imports from ASEAN rose by 26.4% to RM68.3 billion.

China - Double Digit Trade Growth

Trade with China expanded by 28.9% to RM22.62 billion compared with April 2016. In April 2017, exports amounted to RM10.16 billion or 13.7% share of total exports. Exports recorded a sturdy growth of 50.6% buoyed by higher exports of petroleum products, E&E products, LNG as well as rubber products. Exports to China continued to record the positive year-on-year growth since October 2016.

Imports from China increased by 15.3% to RM12.46 billion. In the first four months of 2017, trade with China registered a growth of 32.7% to RM91.36 billion. Exports surged by 42.5% to RM39.27 billion and imports expanded by 26.1% to RM52.09 billion. Products that contributed to the increase in exports were E&E products, petroleum products, chemicals and chemical products as well as rubber products.

Trade with the EU Uphold the Positive Momentum

In April 2017, trade with the EU rose by 15.1% to RM12.91 billion. Exports to the EU was valued at RM7.48 billion, an increase of 26.5% and accounted for 10.1% share of Malaysia's total exports. The increase was attributed to the exports of E&E products, chemicals and chemical products, palm oil and palm oil-based agriculture products as well as iron and steel products. Imports from the EU grew by 2.5% to RM5.44 billion. Among the top 10 EU markets, exports to 7 countries registered double digit growth. Exports to the Netherlands increased by 61.1%, Germany (↑23.1%), the United Kingdom (↑11.3%), Poland (↑57.2%), Hungary (↑38.4%), Sweden (↑27.7%) and Spain (↑20%).

Trade with the EU expanded by 15.9% to RM53.95 billion for the period of January to April 2017. Exports increased by 23.2% to RM31.1 billion while imports totalled RM22.85 billion, higher by 7.3%. The main contributors to the increase in exports were E&E products, chemicals and chemical products, palm oil and palm oil-based agriculture products, iron and steel products as well as optical and scientific equipment.

USA - Double Digit Growth in Trade, Exports and Imports

In April 2017, trade with the USA stood at RM12.63 billion, up by 13.6% over the level in April 2016. Exports to the USA sustained double digit growth since the past 2 months, grew by 11% to RM7.36 billion or 10% share of Malaysia's total exports. The increase was on account of higher exports of E&E products, rubber products as well as machinery, equipment and parts. Imports expanded by 17.4% to RM5.27 billion.

In the first four months of 2017, trade with the USA grew by 21.6% to RM53.75 billion. Exports increased by 11.6% to RM28.69 billion while imports totalled RM25.06 billion, higher by 35.4%. Products which contributed to the increase in exports were E&E products, rubber products as well as machinery, equipment and parts.

Japan - Trade Continued to Remain Buoyant

Trade with Japan in April 2017 was valued at RM11.47 billion, jumped 27.4%. Exports to Japan rose at a faster pace in April, surging by 44.7% to RM6.38 billion or 8.6% share of Malaysia's total exports, following robust demand for LNG, E&E products and petroleum products. This was the highest year-on-year growth recorded since June 2010. Imports posted an increase of 10.8% to RM5.09 billion.

Over the past four months of 2017, trade with Japan increased by 19.3% to RM47.72 billion from RM40 billion recorded in the same period last year. Exports recorded a value of RM26.8 billion, grew by 23.5% while imports expanded by 14.3% to RM20.92 billion. The increase in exports to Japan was mainly due to E&E products and LNG.

Trade with FTA Partners

In April 2017, total trade with Free Trade Agreement (FTA) partners was valued at RM88.04 billion, expanded by 25.3%, accounting for 63.3% of Malaysia's total trade. Exports amounted to RM46.92 billion, increased by 26.9% and imports totalled RM41.13 billion, rose by 23.6%.

Exports to almost all FTA partners registered growth except for Viet Nam, Cambodia and Laos. Exports to India surged by 23.6% to RM2.86 billion, underpinned by higher exports of E&E products, Australia (↑7.4% to RM2.58 billion, crude petroleum), Republic of Korea (ROK) (↑18.9% to RM2.12 billion, E&E products), Turkey (↑144.6% to RM905.4 million, manufactures of metal), Pakistan (↑0.5% to RM370 million, chemicals and chemical products), New Zealand (↑119.9% to RM365.2 million, crude petroleum) and Chile (↑8% to RM47.4 million, processed food).

During January-April of 2017, trade with FTA partners grew by 25.7% to RM360.98 billion, accounting for 63.4% of Malaysia's trade. Exports to FTA partners increased by 24.7% to RM190.12 billion while imports rose by 26.8% to RM170.86 billion.

Imports

Total imports in April 2017 surged by 24.7% to RM65.21 billion. The three main categories of imports by end use were:

- Intermediate goods, valued at RM38.39 billion or 58.9% share of total imports, increased by 29.2%;
- Capital goods valued at RM8.01 billion or 12.3% share of total imports, expanded by 14.8%; and
- Consumption goods valued at RM5.66 billion or 8.7% share of total imports, grew by 1%.

In the first four months of 2017, imports expanded by 26.9% to RM271.03 billion. Imports of intermediate goods totalled at RM158.3 billion, increased by 28.1%, capital goods (RM38.44 billion, ↑35.3%) and consumption goods (RM22.07 billion, ↑3.2%).

Ministry of International Trade and Industry
5 June 2017

Malaysia's Productivity Growth Increased by 3.5% in 2016



According to the Productivity Report 2016/17 published by the Malaysia Productivity Corporation (MPC), Malaysia registered a labour productivity growth of 3.5% at RM78,218 in 2016 from RM75,548 in 2015 – an improvement given that our productivity grew by an average of 2% annually between the period of 2010-2015. With this performance, Malaysia is currently on track to achieve the 3.7% labour productivity growth targeted under the 11th Malaysia Plan (2016-2020). To date, Malaysia has achieved 84.7% of the 11MP's targeted level of RM92,300 by 2020.

Over the years, the growth in Malaysia's Gross Domestic Product (GDP) has been increasingly driven by the growth in labour productivity rather than the increase in number of people employed. Moving forward, Malaysia has to keep abreast of latest developments and embrace the Fourth Industrial Revolution, which will transform the design, manufacture, operation and service of products, and production systems worldwide. We need to undertake more productivity initiatives to prepare our workforce to face this new era of industrialization.

According to the report, the manufacturing sector contributed the most to the productivity level at RM106,647 with the growth of 1.4%, followed by services sector of RM68,166 with growth of 2.8% and agriculture sector at a level of RM55,485 with growth of 3.4%, recovering from -2.3% in the previous year. The construction sector had a double-digit productivity growth of 12.4% despite the relatively lower productivity level of RM40,018.

Among selected Asian countries, in terms of labour productivity per person employed in USD, Malaysia at USD21,564 is ahead of Thailand (USD10,398), China (USD14,030), Indonesia (USD7,507) and the Philippines (USD7,536). However, Malaysia's productivity growth is behind China's 6.6%, Indonesia's 4.6% and the Philippines' 4.4%, although it is important to note that Malaysia started from a relatively higher base.

Minister of International Trade and Industry, Dato' Sri Mustapa Mohamed said "More rigorous efforts are needed to propel productivity growth towards the 3.7% annual productivity growth target under the 11MP. The Malaysia Productivity Blueprint (MPB) launched by YAB Prime Minister on 8 May 2017 will see the private sector playing a leading role with the support of the public sector in raising labour productivity towards achieving this target. Nine key sectors have been identified as the productivity nexus, with electronic & electronic, chemical products and food & beverage will be the immediate priorities in the first wave of its implementation. The National Productivity Council chaired by YAB Prime Minister will oversee the implementation of the Blueprint that serves as a more focused, holistic measure to target initiatives to open up potential productivity at national, sectoral and industrial level.

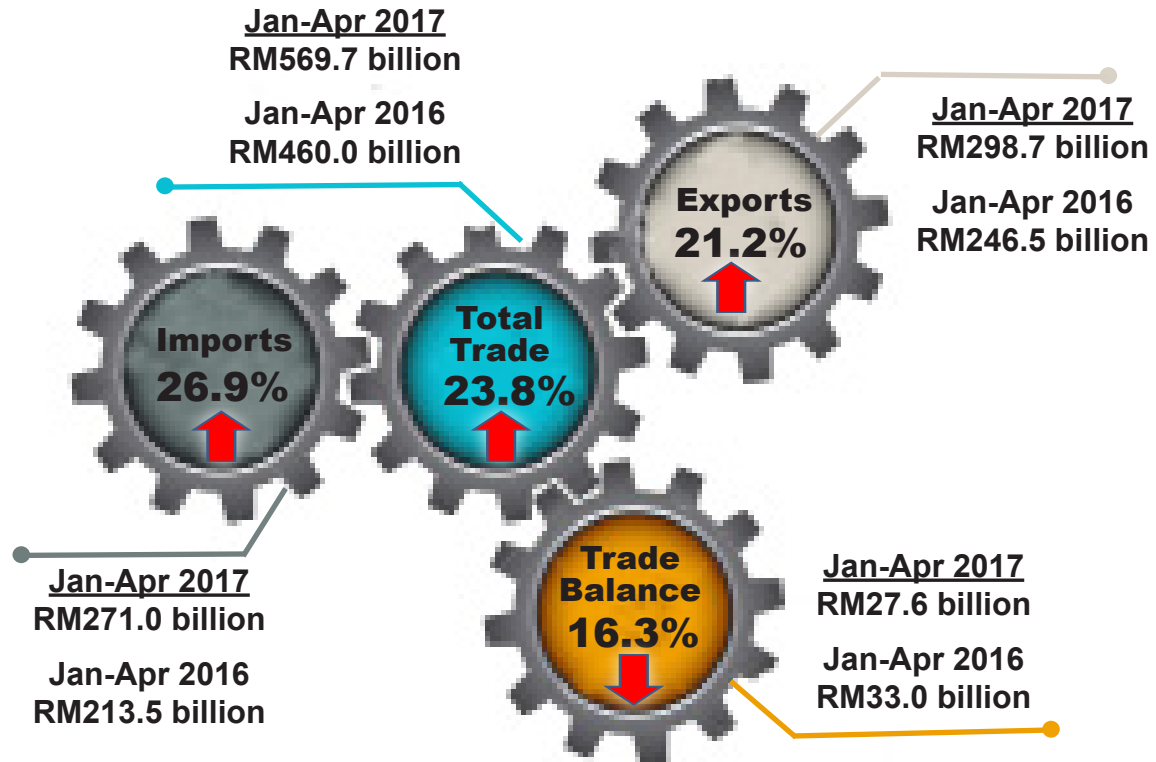
Boosting productivity is key for Malaysia to attain high income economy status by 2020. It will be the main engine of economic and income growth in Malaysia moving forward, as traditional drivers of growth are expected to moderate. Among key initiatives which need to be undertaken as outlined in the Productivity Report 2016/2017 are:

- bridging the talent gap by developing creative thinking skills among students and upgrading workforce skills for innovation;
- leveraging technology through smart collaboration, strengthening research and science-industry strategic partnership;
- enhancing the public service delivery and the establishment of Productivity Nexus.

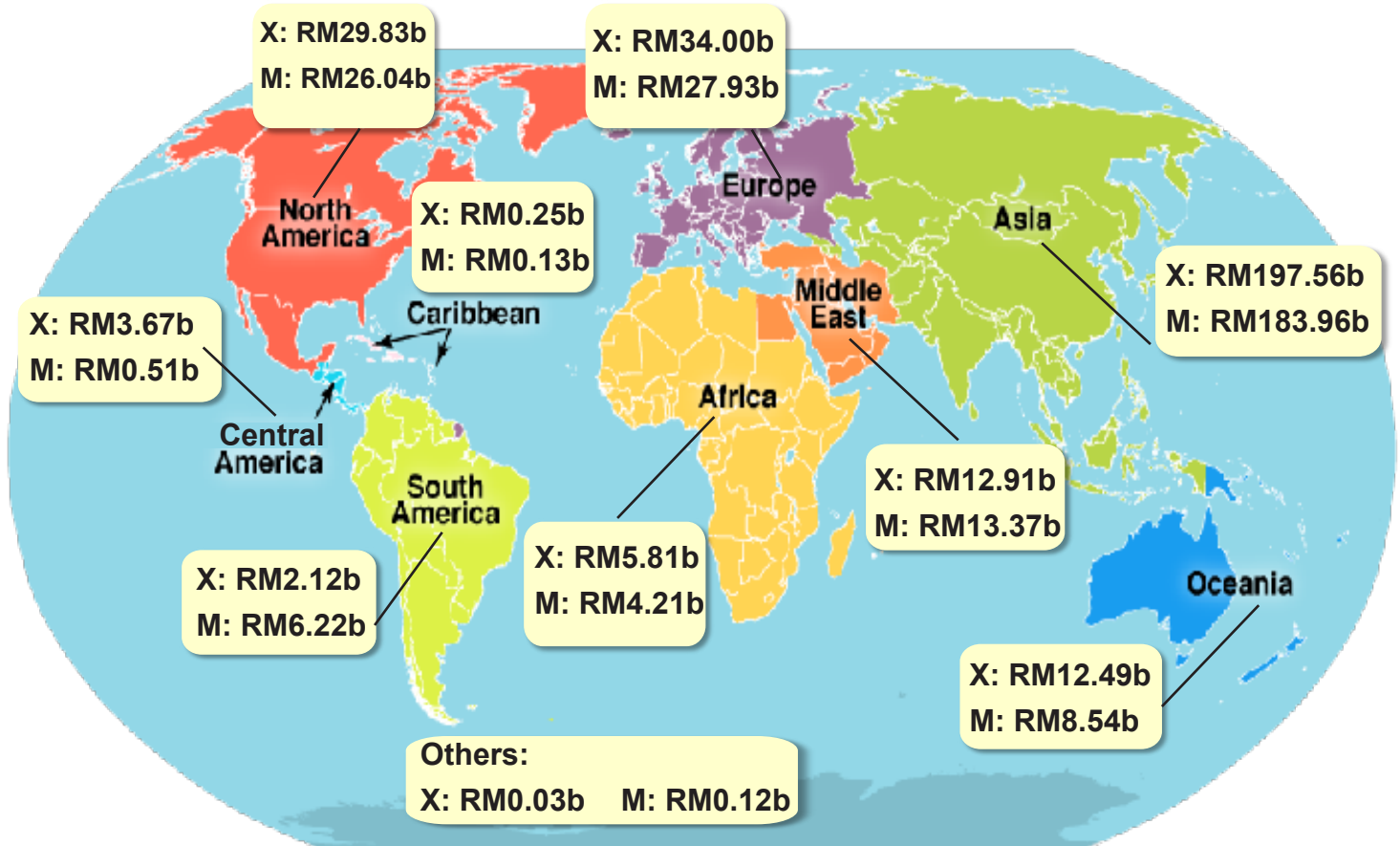
The Productivity Report 2016/2017, can be accessed through <http://www.mpc.gov.my/>; and Malaysia Productivity Blueprint can access via <https://www.wayup.my/>

MALAYSIA

TRADE PERFORMANCE, JANUARY - APRIL 2017



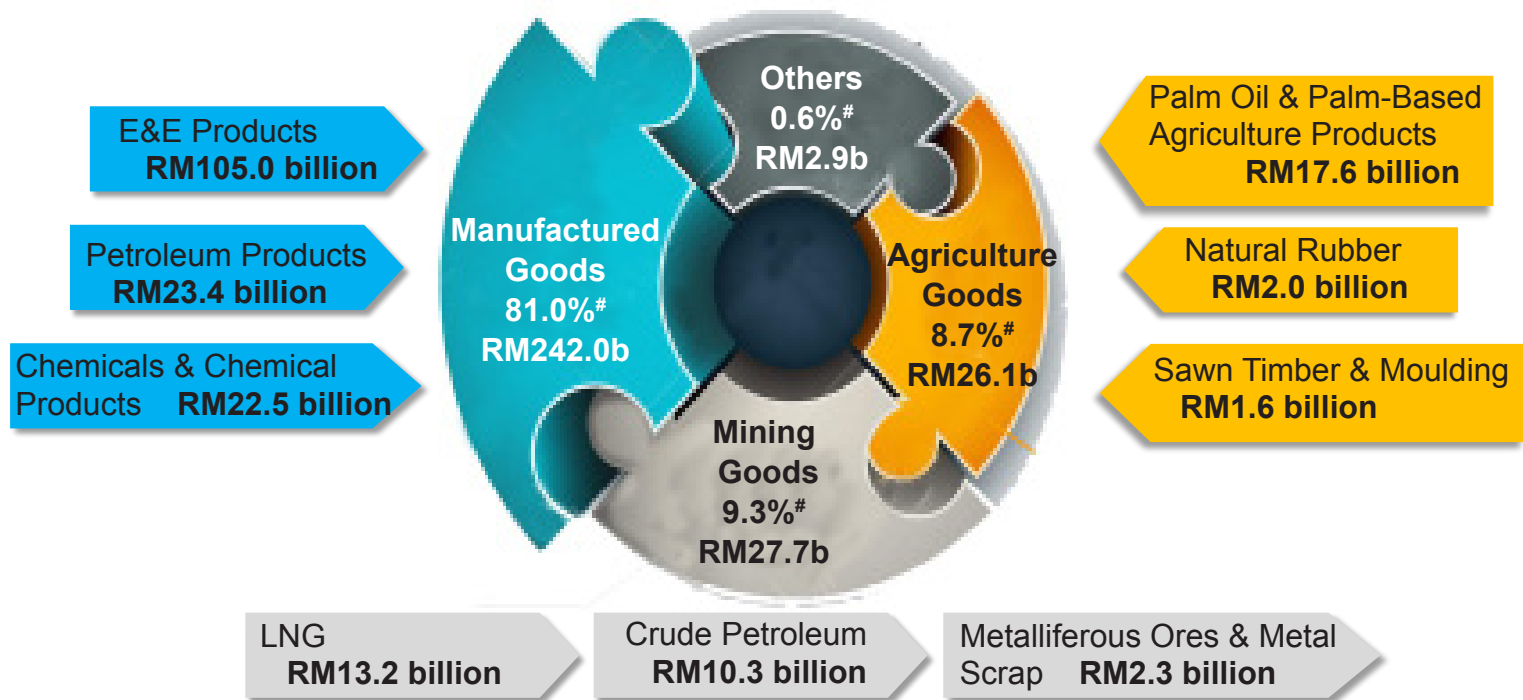
TRADE BY REGION, JANUARY - APRIL 2017



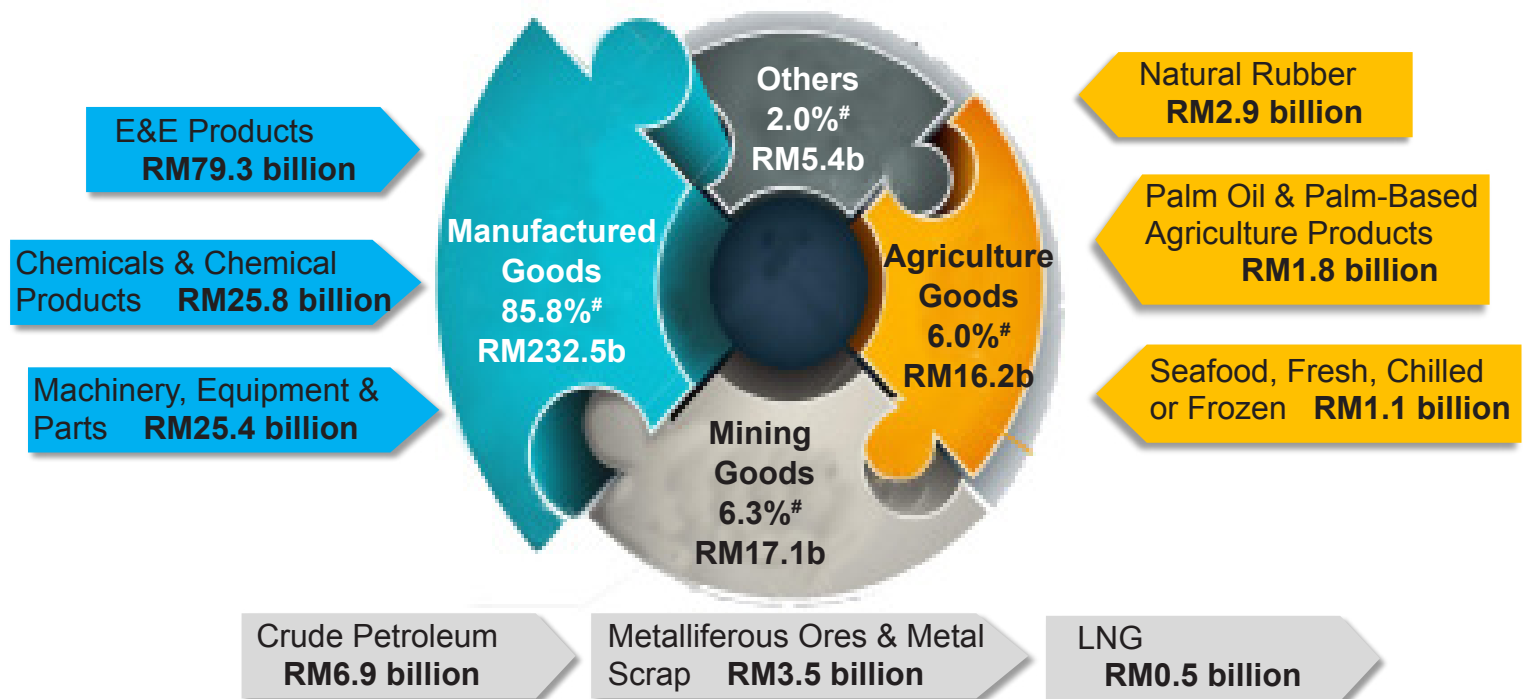
Notes: % refers to year-on-year change
X = exports, M= imports

Source: Department of Statistics, Malaysia

EXPORT BY SECTORS JANUARY - APRIL 2017



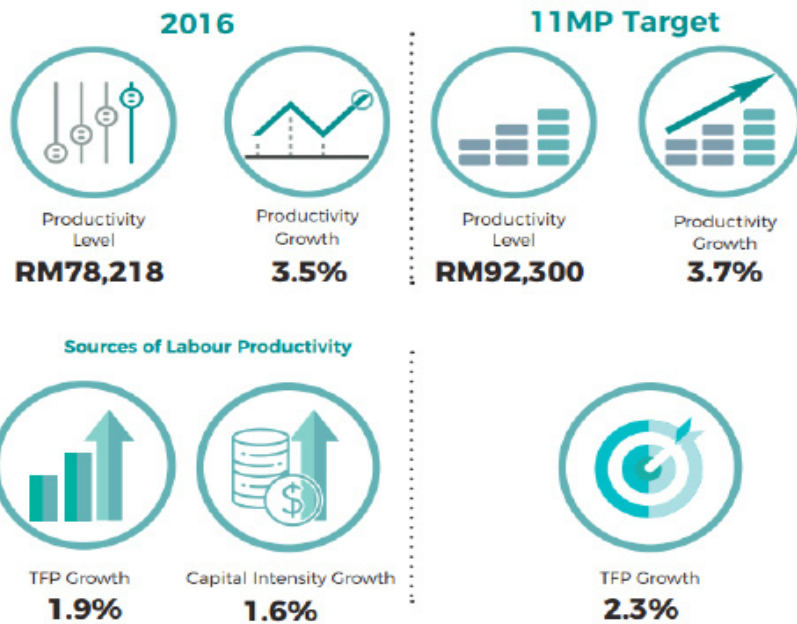
IMPORT BY SECTORS JANUARY - APRIL 2017



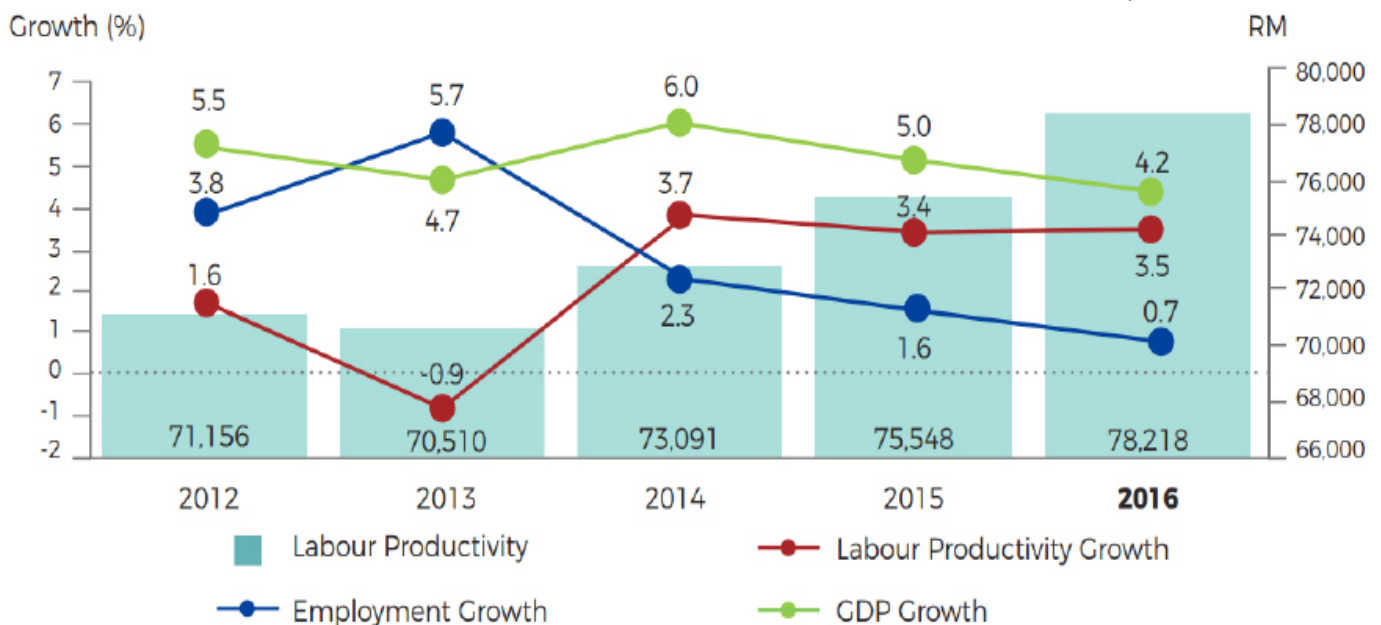
Note: # Share to total exports/imports of sector

Source: Department of Statistics, Malaysia

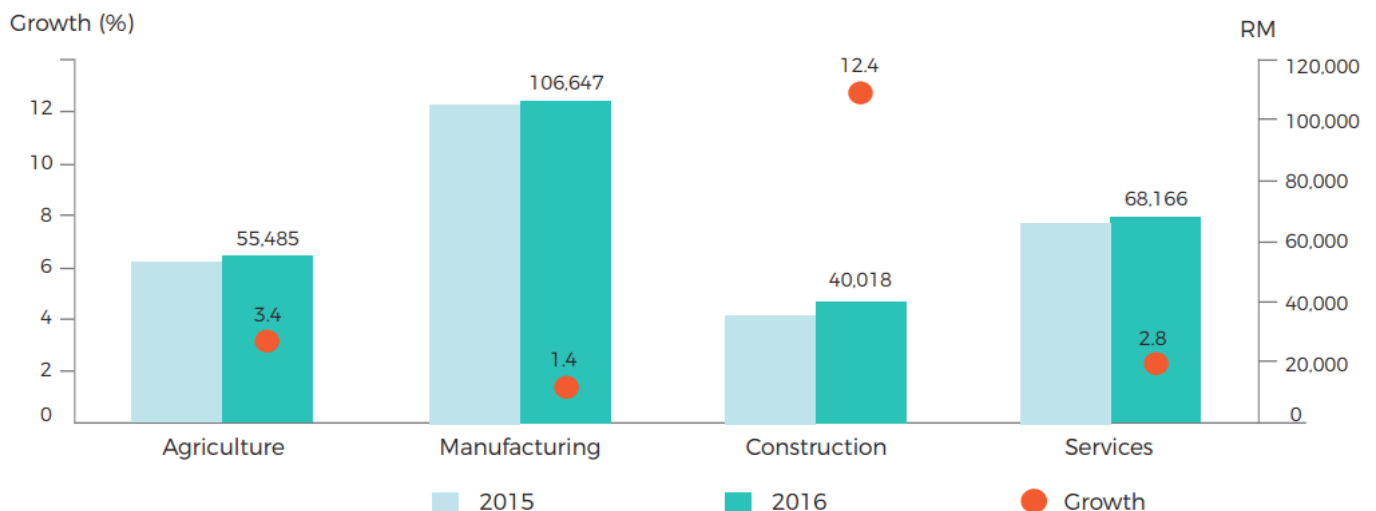
NATIONAL PRODUCTIVITY AT A GLANCE



MALAYSIA'S LABOUR PRODUCTIVITY PERFORMANCE, 2012-2016

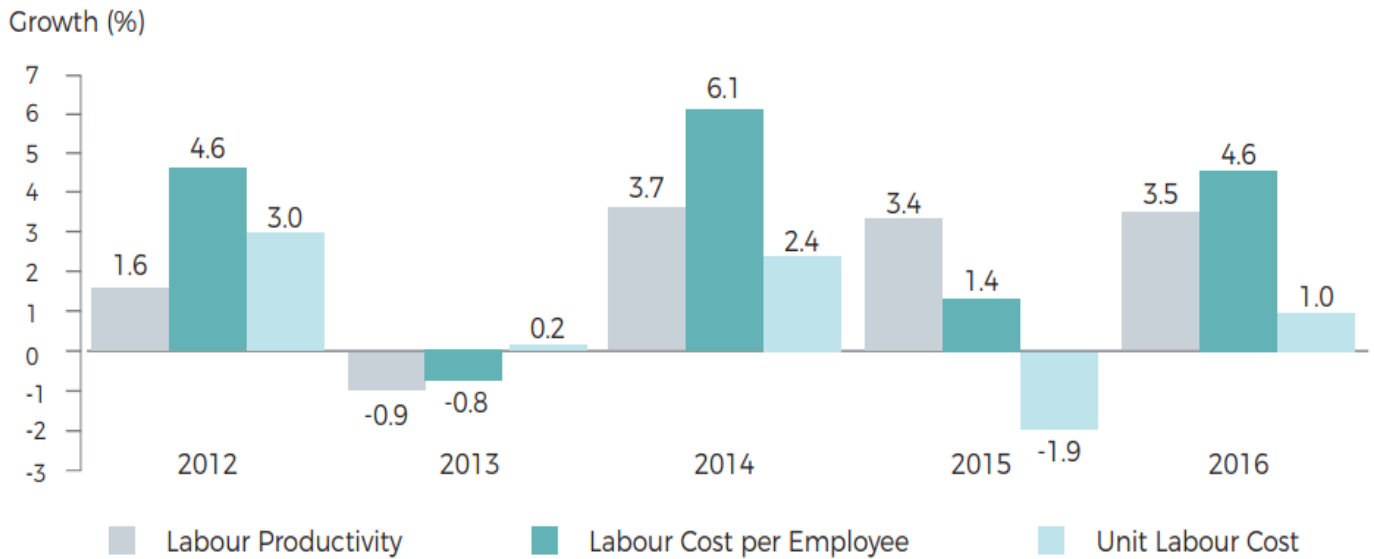


MAIN ECONOMIC SECTORS LABOUR PRODUCTIVITY 2015 AND 2016



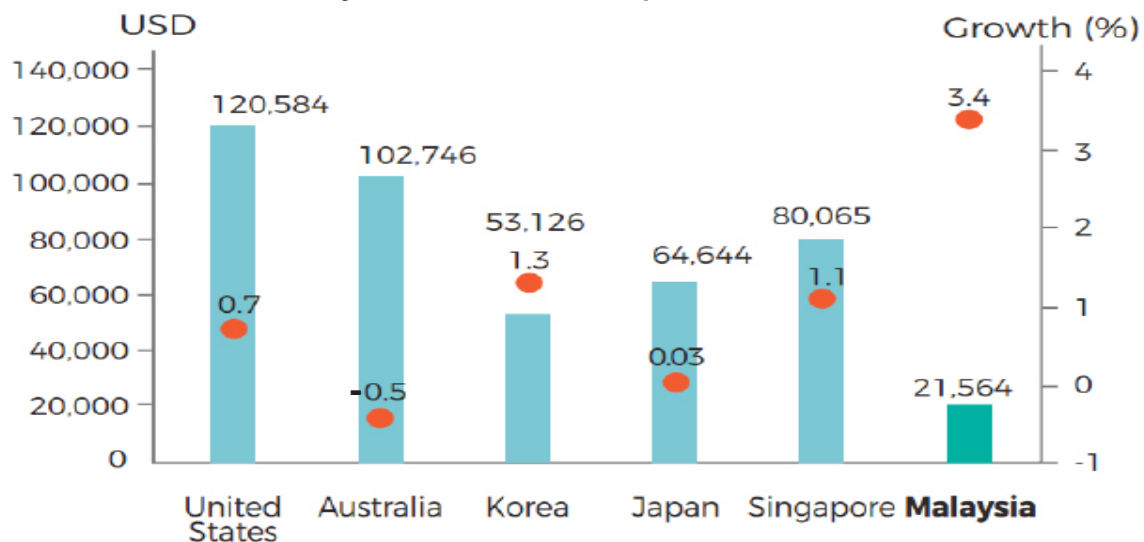
Source: Productivity Report 2016/2017, MPC

GROWTH OF LABOUR PRODUCTIVITY, LABOUR COST PER EMPLOYEE AND UNIT LABOUR COST, 2012-2016

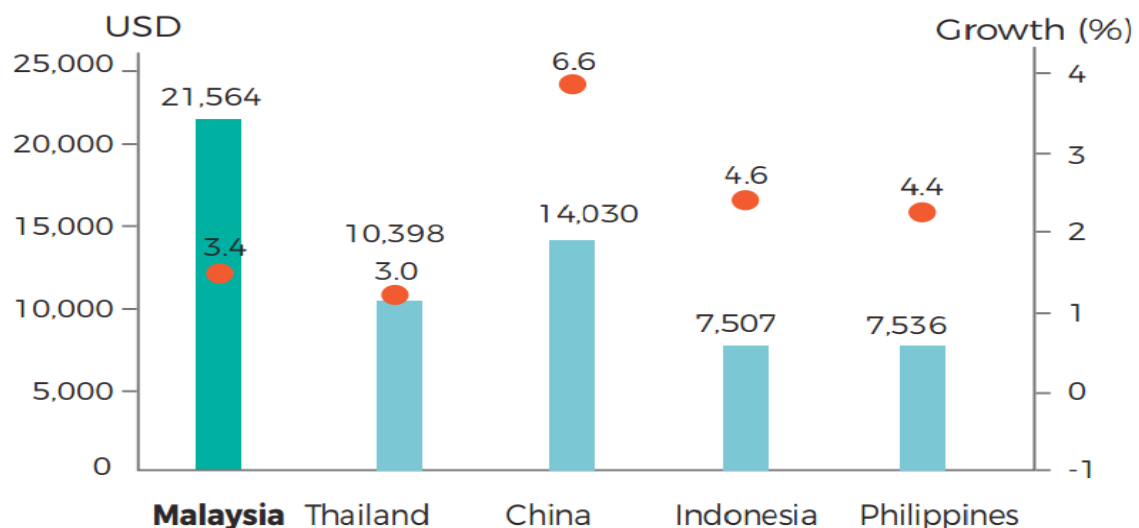


LABOUR PRODUCTIVITY LEVEL AND GROWTH OF SELECTED COUNTRIES, 2015

Malaysia vs Selected Developed Countries

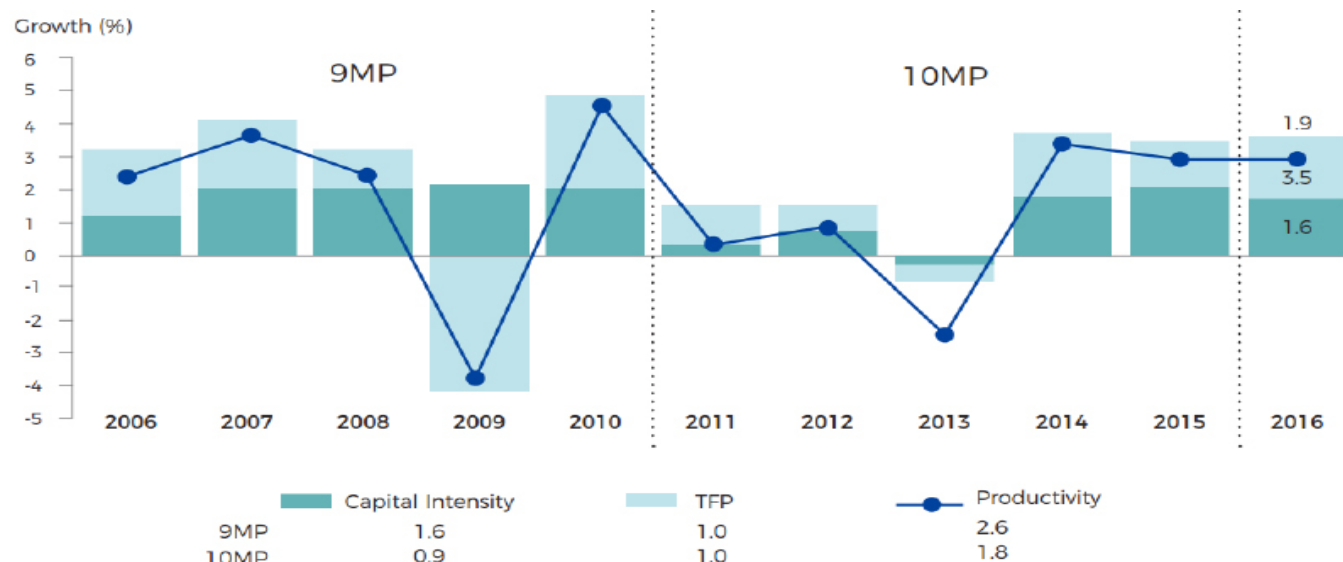


Malaysia vs Selected Asian Countries



Source: Productivity Report 2016/2017, MPC

LABOUR PRODUCTIVITY, CAPITAL INTENSITY AND TFP GROWTH, 2006-2016



CONTRIBUTION AND GROWTH OF TFP, LABOUR AND CAPITAL TO GDP, 2007-2016

	Growth (%)		Contribution (%)	
	2007-2011	2012-2016	2007-2011	2012-2016
TFP	0.87	1.12	19.8	22.1
Labour	0.64	0.94	14.6	18.6
Quantity Labour	0.55	0.85	85.7	89.8
Quality Labour	0.09	0.10	14.3	10.2
Capital	2.89	3.01	65.5	59.3
ICT	0.42	0.54	14.4	18.1
Non-ICT	2.47	2.47	85.6	81.9
GDP	4.41	5.08	100	100

INVESTMENT BY PRIVATE AND PUBLIC SECTOR, 2012-2016

Gross Fixed Capital Formation (GFCF) (RM Million)	2012	2013	2014	2015	2016 ^e
Private Investment	134,543	151,698	168,512	179,282	187,111
Public Investment	98,659	100,464	95,724	94,725	94,222
Total	233,202	252,162	264,236	274,007	281,333

Note:

1. Data is based on constant price 2010

2. 2016^e is estimated by MPC

Source: Gross Fixed Capital Formation, 2010-2015, Department of Statistics, Malaysia

Source: Productivity Report 2016/2017, MPC

INTERNATIONAL REPORT

USA Economic Indicators, April 2017



Land Area
9,147,593 km²



Population
323.3 million



GDP (Current Prices)
US\$19,027.6 billion[#]



Inflation Rate
2.2%



Unemployment Rate
4.4%



Total Trade
US\$3,706.0 billion
Rank: 1*



Exports
US\$1,454.6 billion
Rank: 2*

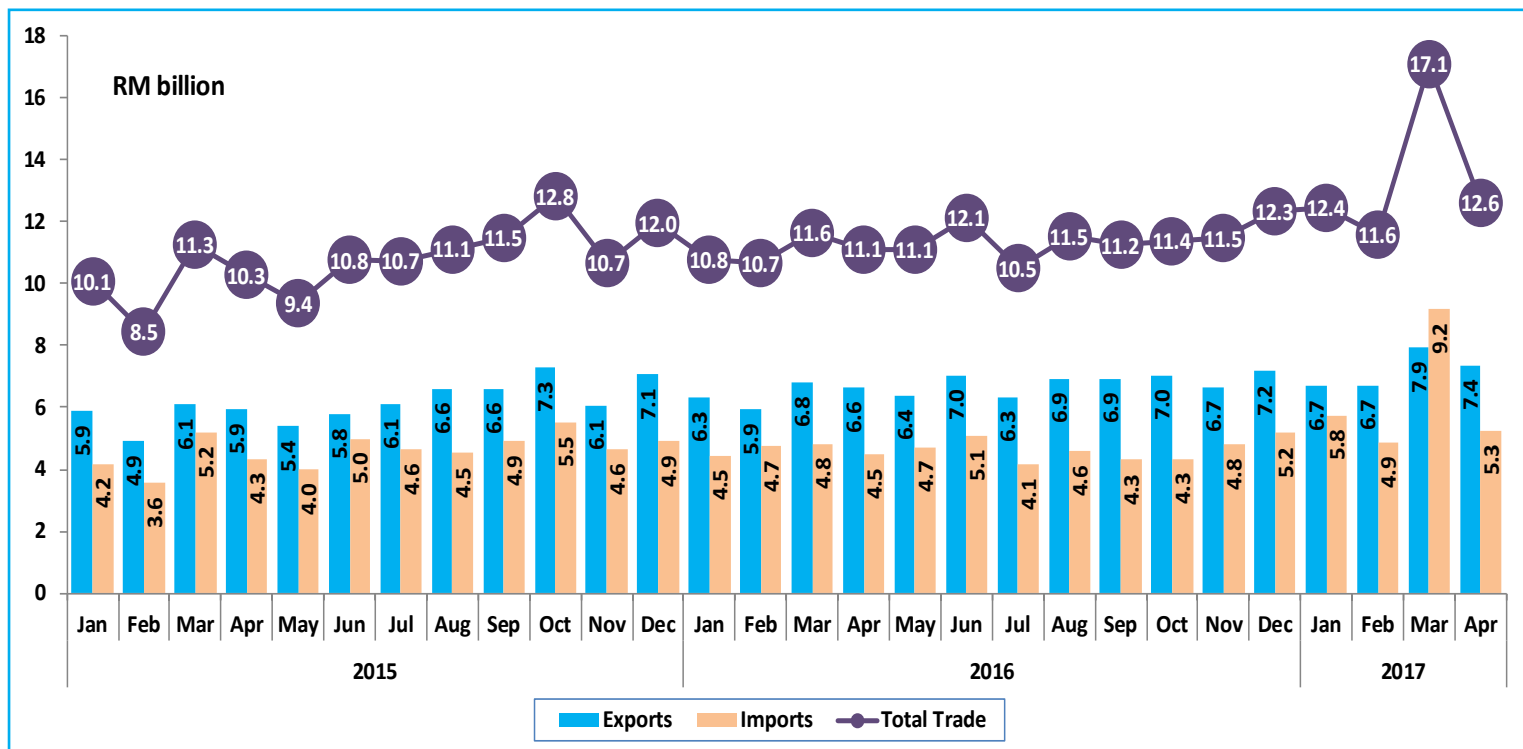


Imports
US\$2,251.4 billion
Rank: 1*

Note: [#]Data Q12017 * Data 2016

Source: IMF, WTO and Bureau of Economic Analysis

Malaysia's Trade with USA, January 2015 - April 2017



Major Exports



Electrical Machinery and Equipment (HS85)

RM12.7b (Jan-Apr 2017) **RM12.2b** (Jan-Apr 2016)

Machinery appliances (HS84)

RM5.1b (Jan-Apr 2017) **RM3.8b** (Jan-Apr 2016)

Rubber and articles thereof (HS40)

RM2.2b (Jan-Apr 2017) **RM1.7b** (Jan-Apr 2016)



Major Imports

Electrical Machinery and Equipment (HS85)

RM9.6b (Jan-Apr 2017) **RM8.4b** (Jan-Apr 2016)

Machinery appliances (HS84)

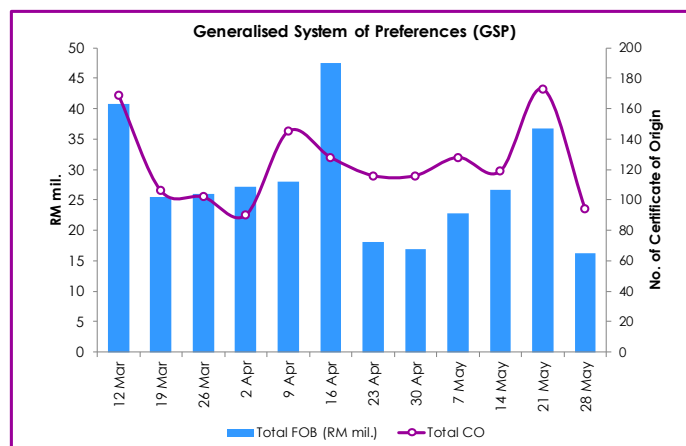
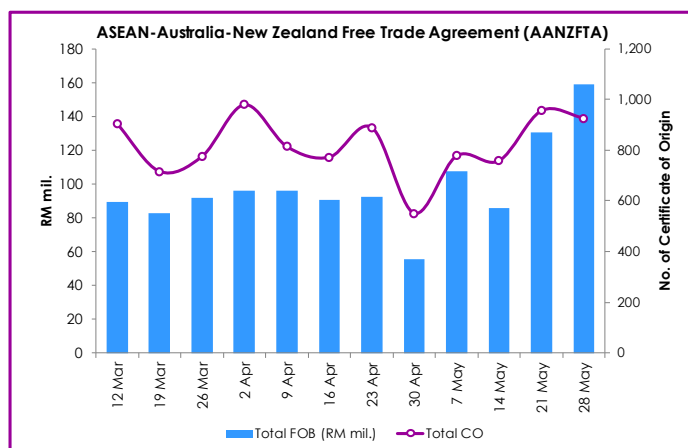
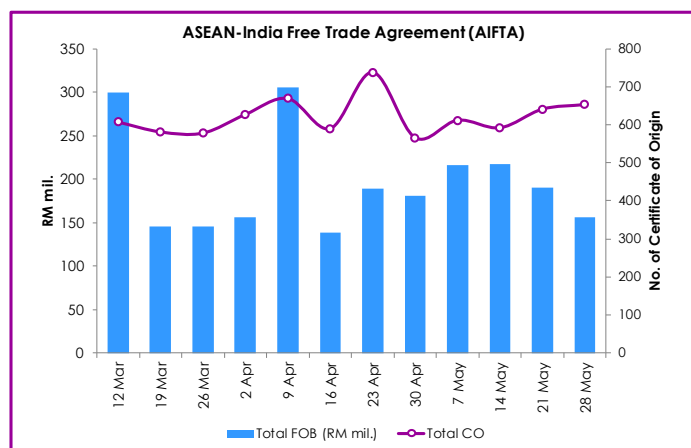
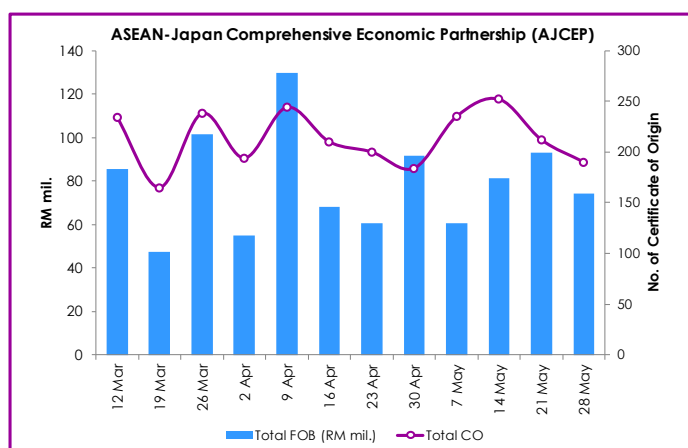
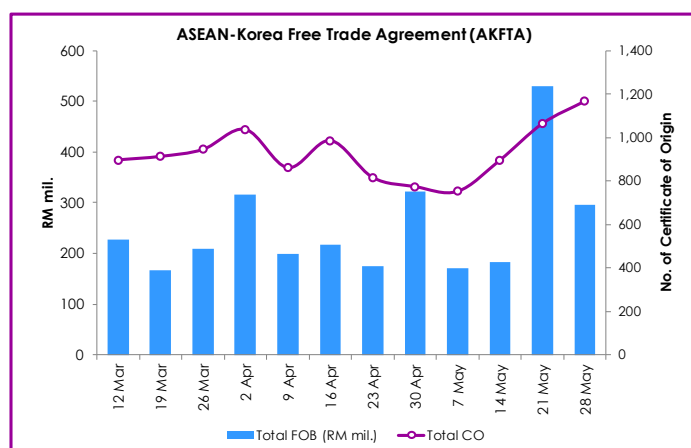
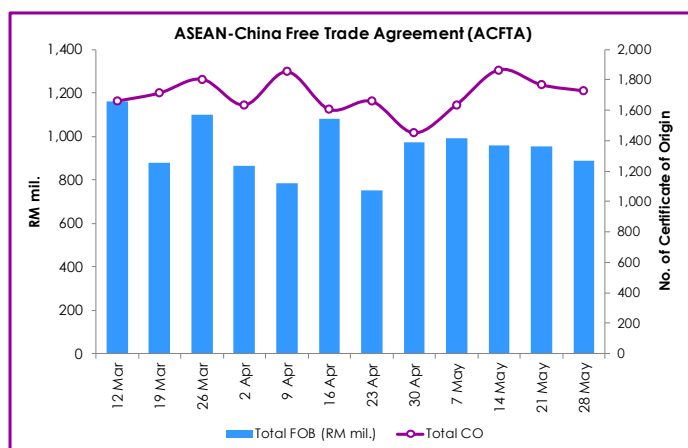
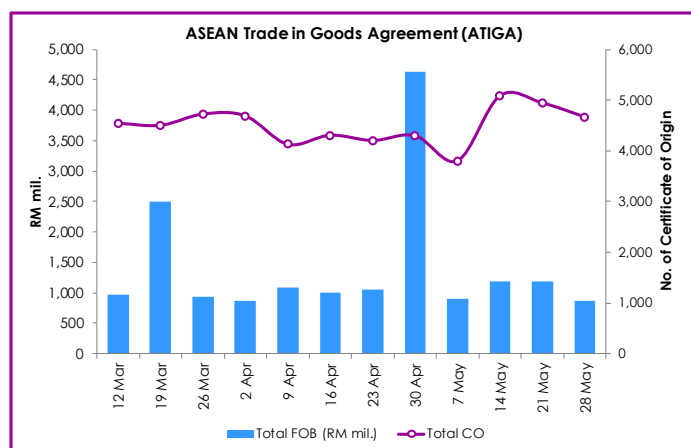
RM3.6b (Jan-Apr 2017) **RM2.2b** (Jan-Apr 2016)

Ships, boats and floating structures (HS89)

RM2.8b (Jan-Apr 2017) **RM19.2m** (Jan-Apr 2016)

Source: Department of Statistics, Malaysia

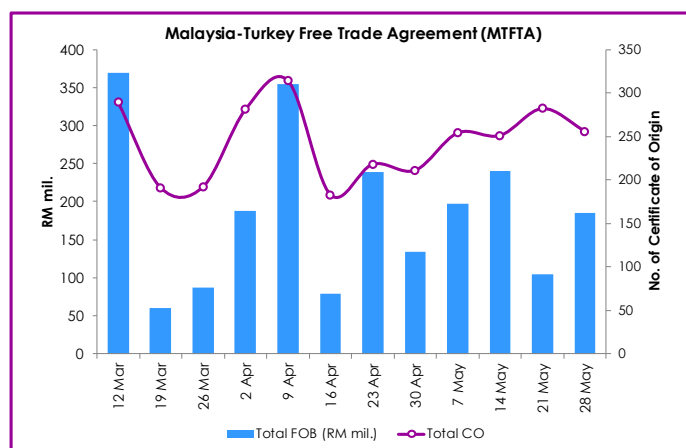
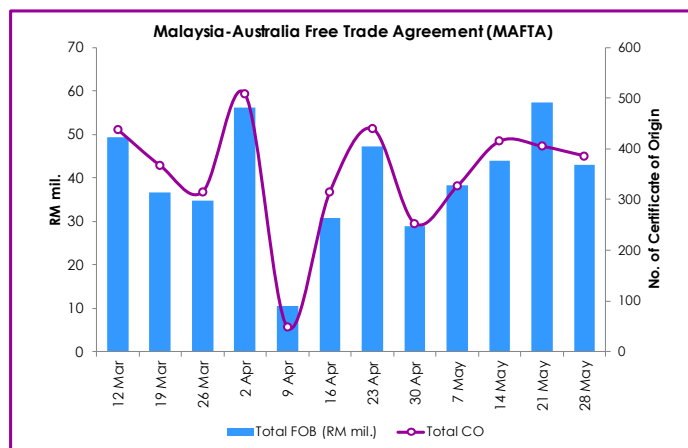
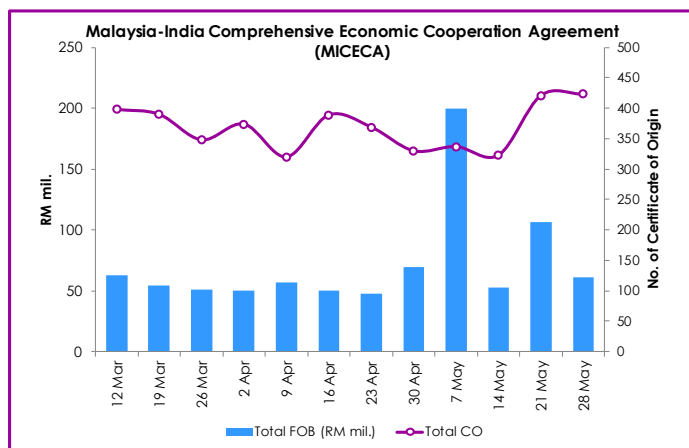
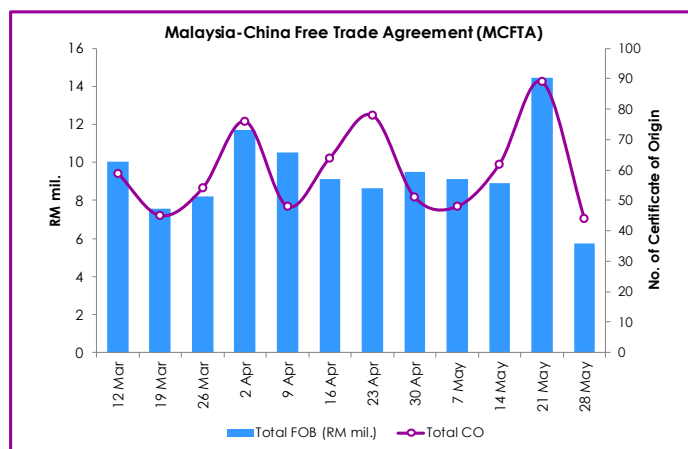
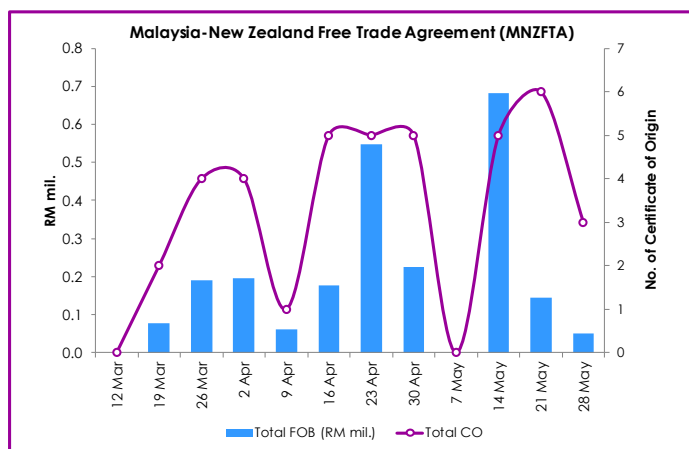
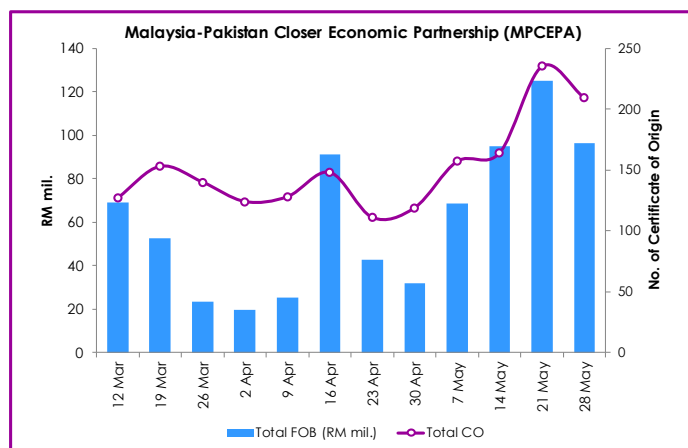
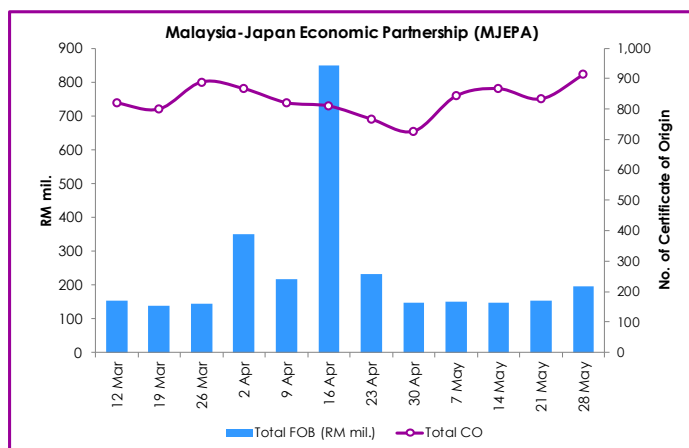
Number and Value of Preferential Certificates of Origin (PCOs)



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

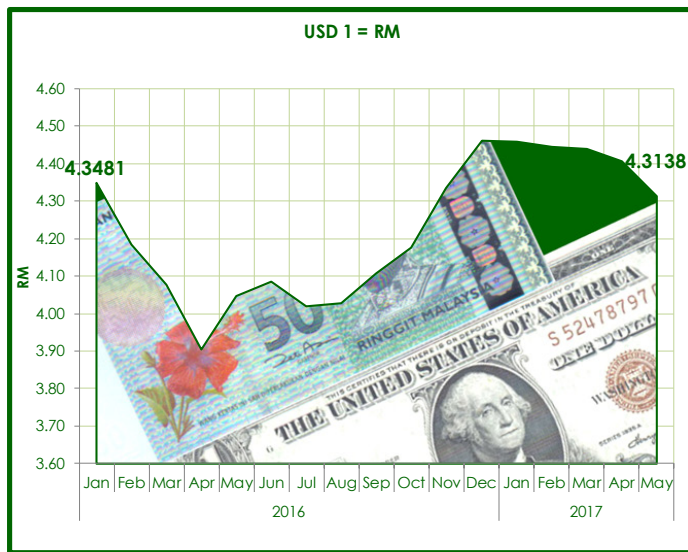
Number and Value of Preferential Certificates of Origin (PCOs)



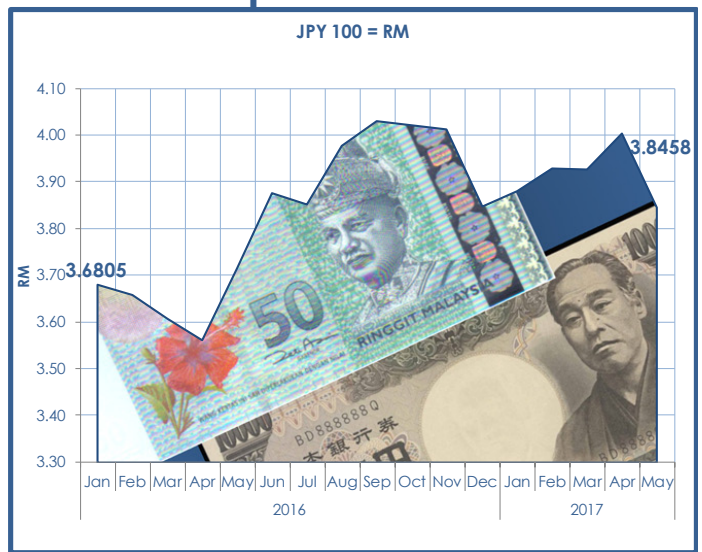
Source: Ministry of International Trade and Industry, Malaysia

Malaysian Ringgit Exchange Rate with Selected Countries, January 2016 - May 2017

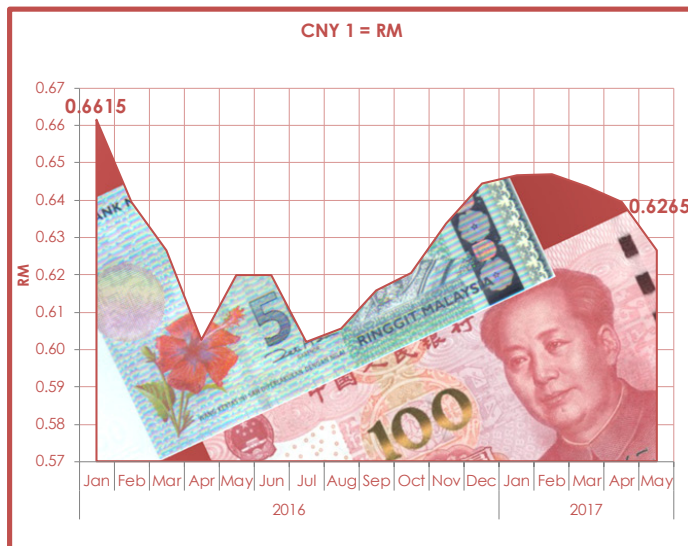
US Dollar



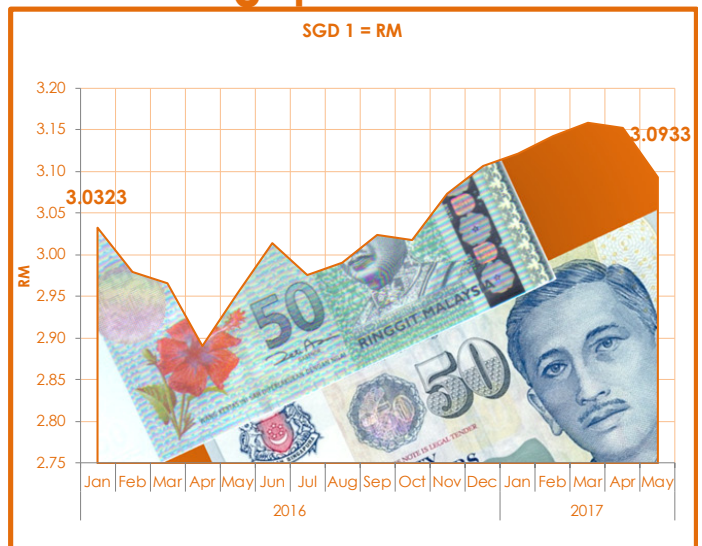
Japanese Yen



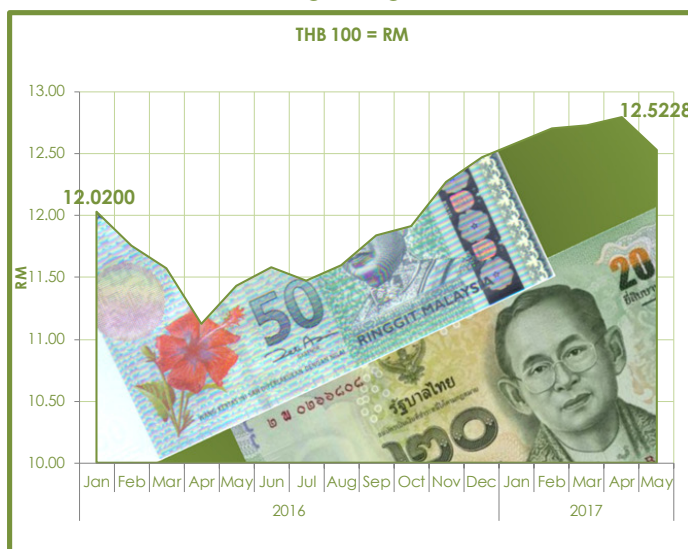
Chinese Yuan



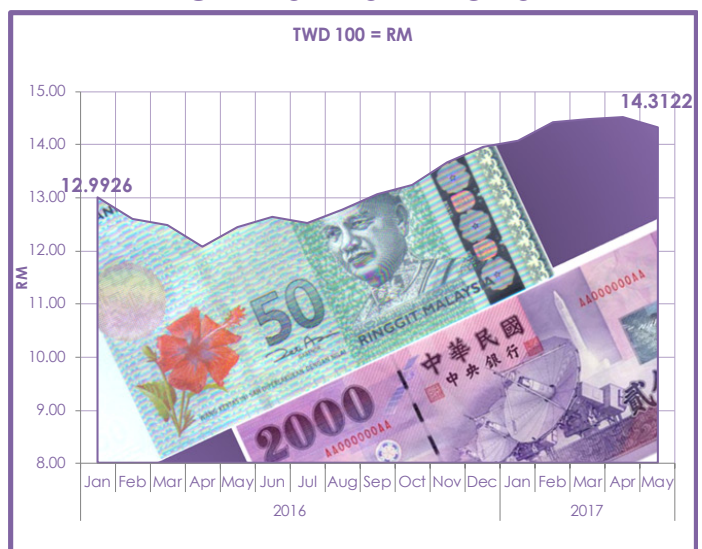
Singapore Dollar



Thai Baht



New Taiwan Dollar



Source : Bank Negara Malaysia

Commodity Prices



CRUDE PETROLEUM (BRENT) -per bbl-

2 June 2017 : US\$50.0, ▼ 4.2%*
Average Priceⁱ: 2016: US\$45.3
2015: US\$53.6



CRUDE PALM OIL -per MT-

2 June 2017 : US\$722.5, ▼ 3.6%*
Average Priceⁱ: 2016: US\$702.2
2015: US\$616.9



SUGAR -per lbs-

2 June 2017 : US¢ 13.7, ▼ 8.7%*
Average Priceⁱ: 2016: US¢18.2
2015: US¢13.2



RUBBER SMR 20 -per MT-

2 June 2017 : US\$1,447.5, ▼ 7.2%*
Average Priceⁱ: 2016: US\$1,394.5
2015: US\$1,364.3



COCOA SMC 2 -per MT-

2 June 2017 : US\$1,459.8, ▲ 14.6%*
Average Priceⁱ: 2016: US\$1,609.8
2015: US\$2,077.0



COAL -per MT-

2 June 2017 : US\$44.1, unchanged
Average Priceⁱ: 2016: US\$45.6
2015: US\$49.9



SCRAP IRON HMS -per MT-

2 June 2017 : US\$270.0 (high), ▼ 3.6%
US\$240.0 (low), ▼ 7.7%
Average Priceⁱ: 2016: US\$243.2
2015: US\$239.6

HIGHEST and LOWEST 2016/2017

Crude Petroleum (Brent) -per bbl-



Highest

6 Jan 2017 : US\$57.1
30 Dec 2016 : US\$56.8

Lowest

5 May 2017 : US\$49.1
15 Jan 2016 : US\$28.9

Crude Palm Oil -per MT-



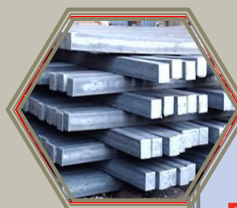
Highest

20 Jan 2017 : US\$843.0
30 Dec 2016 : US\$797.5

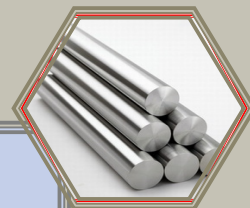
Lowest

28 Apr 2017 : US\$673.0
15 Jan 2016 : US\$545.5

Domestic Prices 2 June 2017



Billets
(per MT)
RM1,800 – RM1,900



Steel Bars
(per MT)
RM1,950 – RM2,100

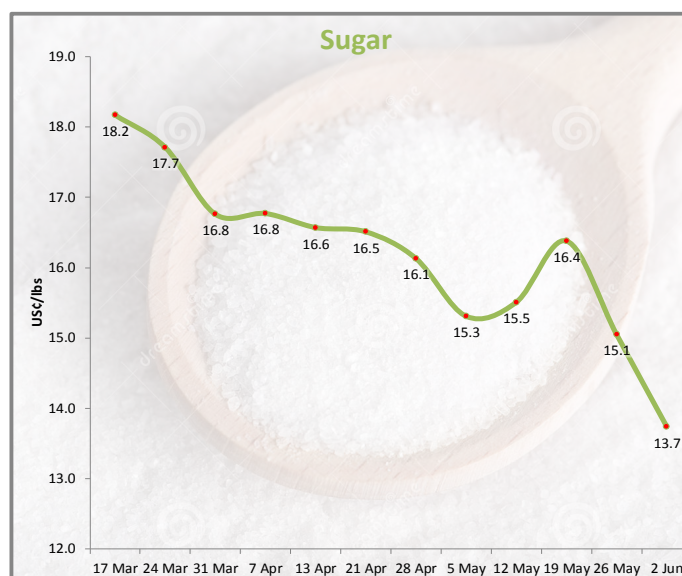
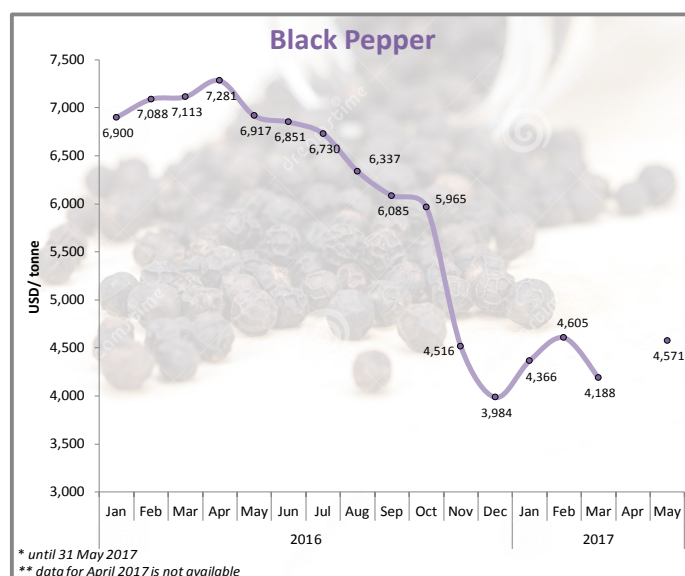
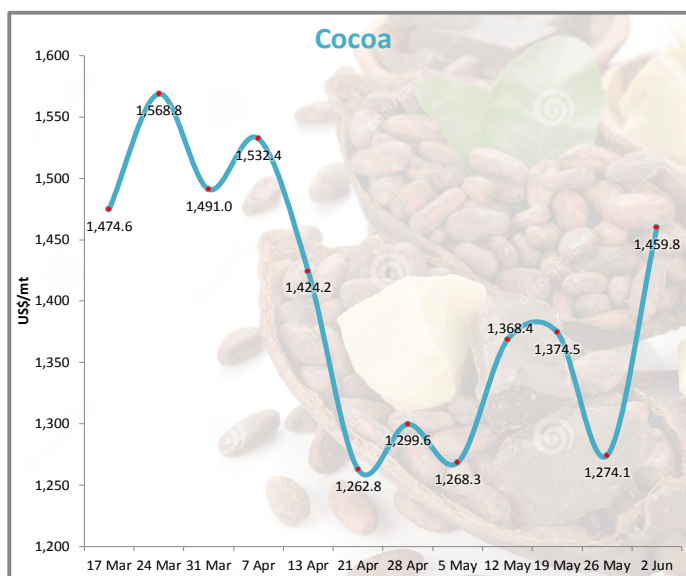
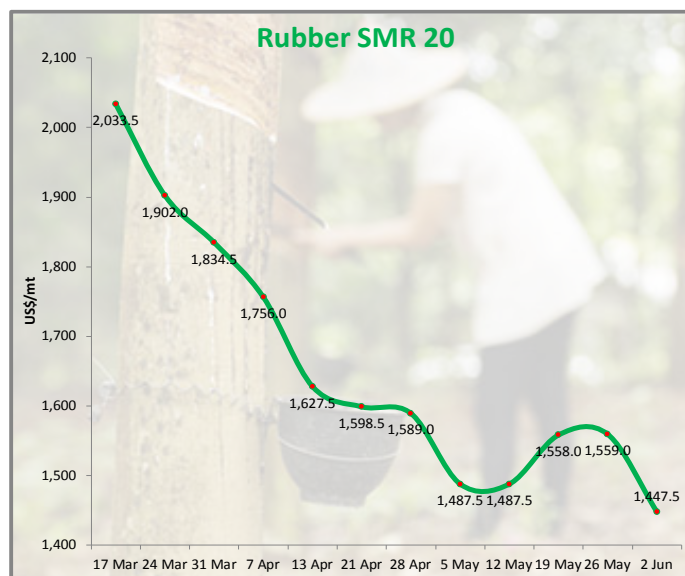
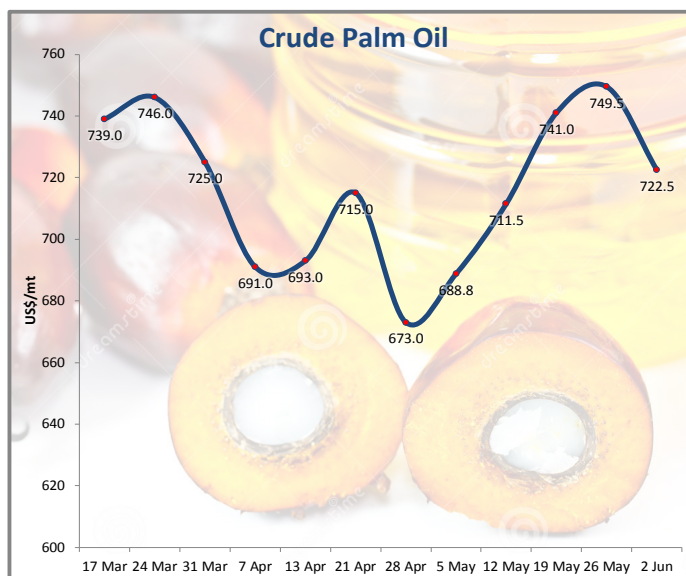
Notes: All figures have been rounded to the nearest decimal point

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

i Average price in the year except otherwise indicated

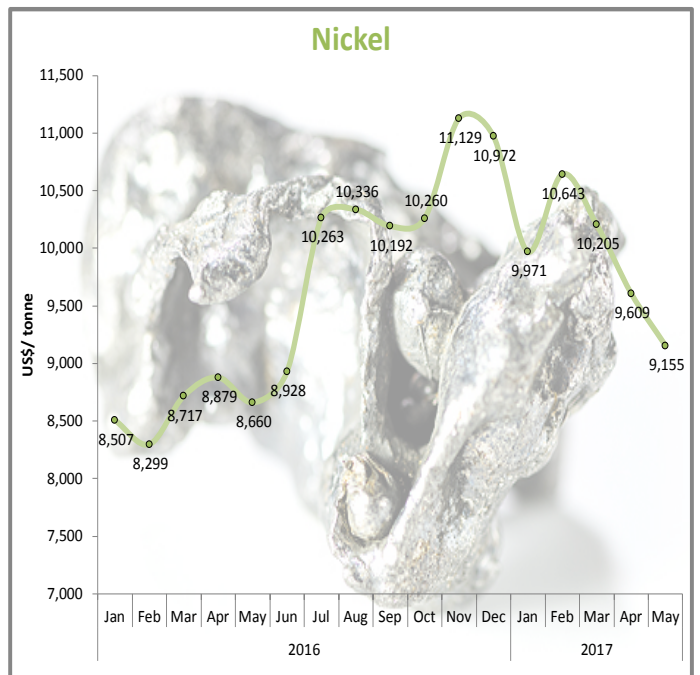
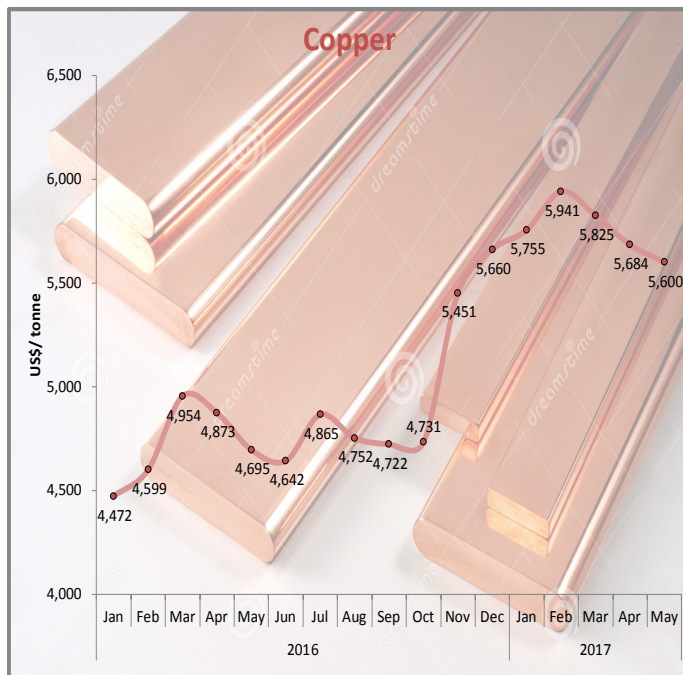
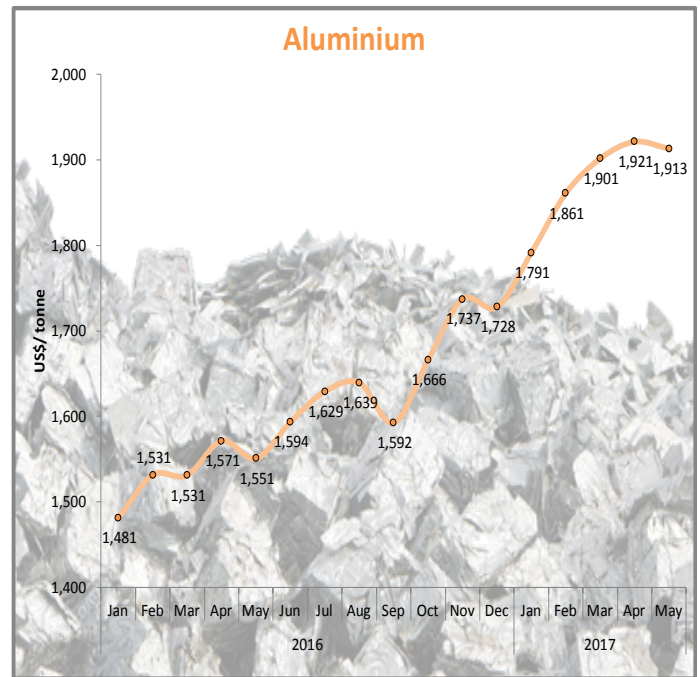
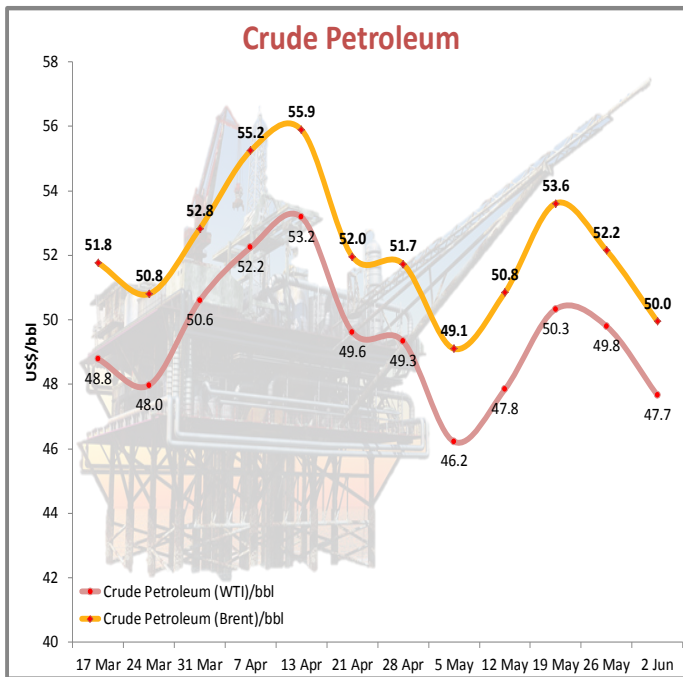
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

Commodity Price Trends



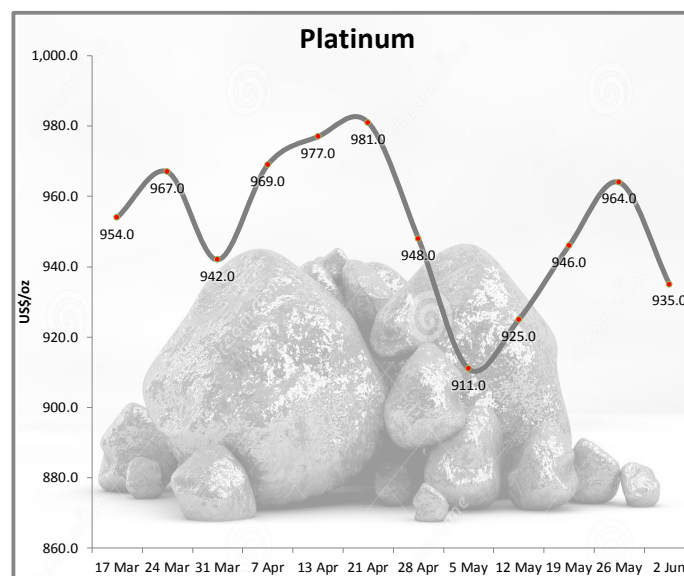
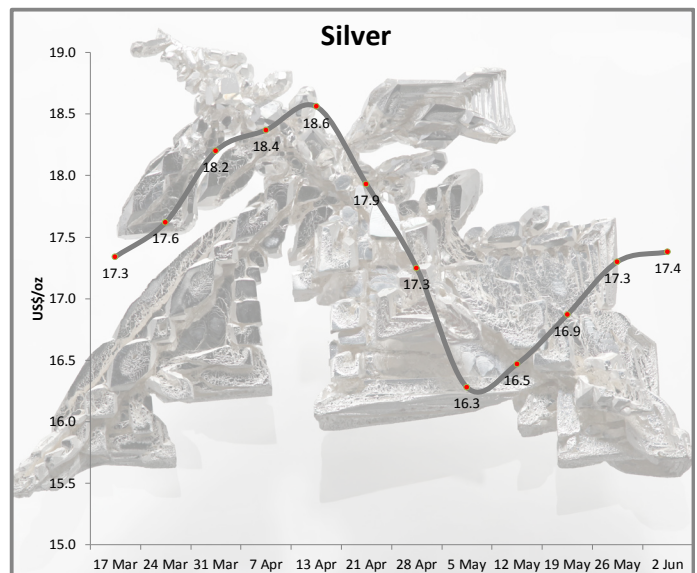
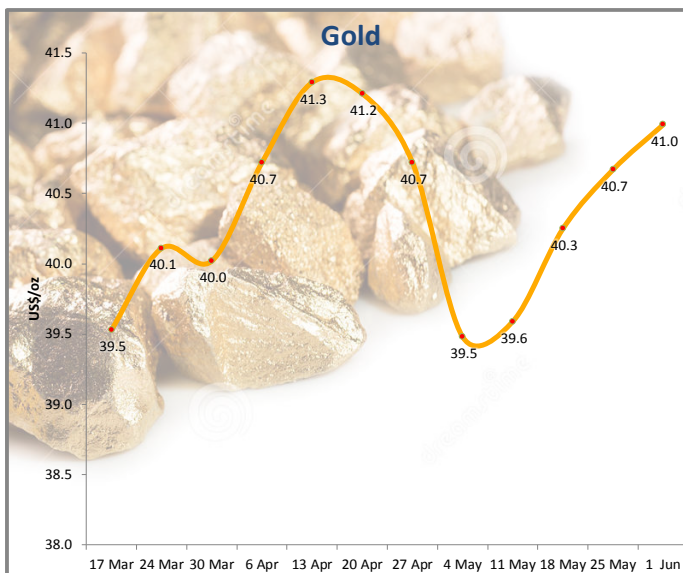
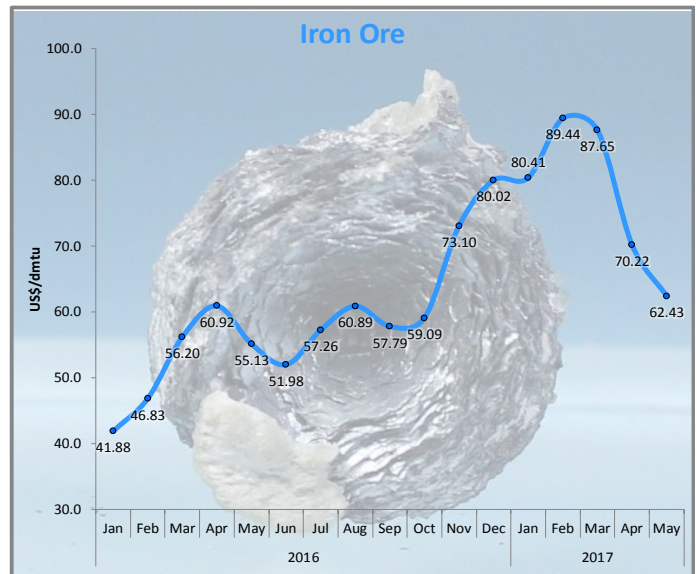
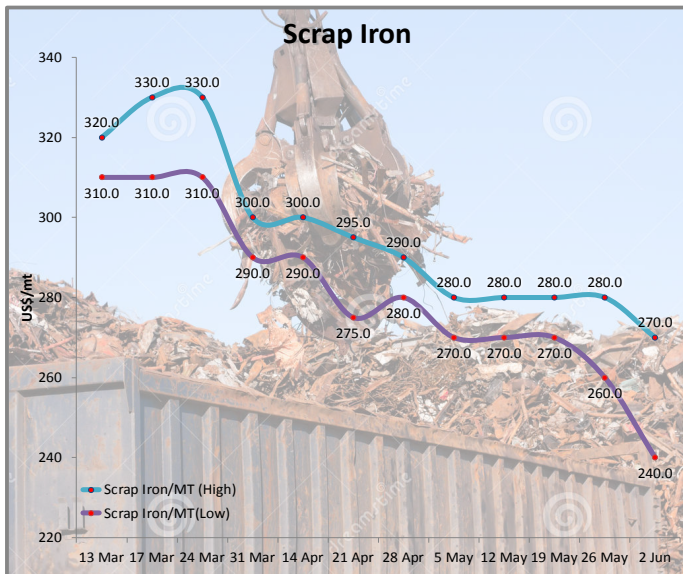
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

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 Productivity Report 2016/2017, 31 May 2017



MITI PROGRAMME

Majlis Pelancaran Ihya Ramadhan 1438H, 31 Mei 2017



Program Agihan Bubur Lambuk MATRADE, 2 Jun 2017



MITI PROGRAMME



ANNOUNCEMENT

**Launching of the
MITI Report 2016
25th Edition**

20 June 2017 (Tuesday)
Perdana Hall | MITI Tower
Jalan Sultan Haji Ahmad Shah, Kuala Lumpur

Ministry of International Trade & Industry
NEGARA KUALA LUMPUR

NOTICE



Starting from **2nd May 2017**, consultation on **Cost Analysis (CA), Certificate Of Origin (COO) And Approved Permit (AP)** will be at **MITI Business Advisory Centre (BAC), Level 2, MITI Tower.**

MONDAY – THURSDAY : 10.30AM – 12.30PM/2.30PM – 4.30PM | FRIDAY : 10.30AM – 12.00 NOON/3.00PM – 4.30PM

More..

Sertailah SEKARANG!
Program khusus untuk **Belia Bumiputera** memulakan perniagaan

TUBE
Tunas Usahawan Belia Bumiputera (TUBE)

Permohonan secara atas talian dibuka dari
23 MEI - 15 JUN 2017

Layari tube.smeCorp.gov.my bermula 23 Mei 2017

Fasa 1 : Latihan Boot Camp
Fasa 2 : Bengkel Asas Perniagaan
Fasa 3 : Permulaan Perniagaan & Sistem Buddy

Antaran Berjasama:

Sila layari <http://tube.smeCorp.gov.my/> untuk membuat permohonan.

ASEAN ESSAY COMPETITION 2017
in conjunction with 50th ASEAN Day Celebration

Submission ends **7 July 2017**
For more information, please visit www.miti.gov.my

CATEGORY	1 st	2 nd	3 rd
A Secondary School Students (Form 1 to Form 5) or equivalent	RM1,000	RM700	RM300
B Institute of Higher Education (Public and Private) Students, Matriculation Students, Form 6 Students, or equivalent	RM2,000	RM1,000	RM500
C All Malaysians aged 21 years and above	RM2,000	RM1,000	RM500

ASEAN 50
1965-2015-2025

ANUGERAH KECEMERLANGAN INDUSTRI
INDUSTRY EXCELLENCE AWARD

AKI 2018 - Open to All companies
Closing Date: 31 January 2018

TOURISM TAX NEWSLETTER NO. 1/2017

When is the start date?

The start date for the imposition of tourism tax will be 1 August 2017. However, registration of operators of accommodation premises will begin effective 1 July 2017.

Who is the regulator of Tourism Tax?

The Ministry of Finance and the Royal Malaysian Customs Department.

What is Tourism Tax (TTx)?

A tax charged at a specific rate on a tourist staying at any accommodation premises provided by an operator of the said accommodation premises.

Why is Tourism Tax implemented?

It is a mechanism of cooperation between the Government and the industry to enhance tourism experience for tourists.

The returns will be used to develop the tourism industry, namely the enhancement of tourism infrastructure and facilities, as well as tourism promotional activities and campaigns for the country.

To be used to protect, preserve and conserve Mother Nature, culture and heritage for the benefit of not just the present generation but also the future generation.

What is the tourism tax rate?

- The tourism tax rate is fixed according to the ratings below:
- five star: RM20/room/night
- four star: RM10/room/night
- one, two and three star: RM5/room/night
- one, two and three Orchid: RM2.50/room/night
- non-rated accommodation premises: RM2.50/room/night

Who is the tourist?

"Tourist" means any person, whether he is a Malaysian national or otherwise, visiting any place in Malaysia for any of the following purposes, namely--

- pleasure, recreation or holiday;
- culture;
- religion;
- visiting friends or relatives;
- sports;
- business;
- meetings, conferences, seminars or conventions;
- studies or research;
- any other purpose which is not related to an occupation that is remunerated from the place visited.

What is an accommodation premise?

"Accommodation premises" means any building, including hostels, hotels, inns, boarding-houses, rest houses and lodging houses, held out by the proprietor, owner or manager, either wholly or partly, as offering lodging or sleeping accommodation to tourists for hire or any other form of reward, whether or not food or drink is also offered.

"Tourist accommodation premises" means any accommodation premises which have been registered by the Commissioner under subsection 31C(1) Tourism Industry Act 1992.

Who is the operator?

Any person who operates accommodation premises which may include:

- the proprietor; or
- owner or manager of hostels, hotels, inns, boarding-houses, rest houses and lodging houses

Who is liable to pay tourism tax?

The tourist is liable to pay tourism tax to the operator.

Who is liable to collect tourism tax and pay to RMCD?

The registered operator is liable to collect tourism tax from the tourist upon departure of the tourist and pay the tourism tax collected or liable to be collected to Royal Malaysian Customs Department (RMCD) in respect of his taxable period.

What is the duration of a taxable period?

a period of 3 months that ends on the last day of any month of any calendar year; or for an operator who is a registered for GST, his taxable period will concur with the period assigned to him for the purpose of GST.

How is tourism tax calculated?

Tourism tax is calculated on room nights based on the rating of the accommodation premises.

Example:

Occupancy of 1 room night and the room charge is RM 160.00 per room/night in a 3 star hotel.

Room charge/room/night	RM 160 x 1 room/night	RM 160.00
Service charge (10%)	RM 160 x 10%	RM 16.00
GST (6%)	RM 176 x 6%	RM 10.56
TTx (3 star)	RM 5 x 1 room/night	RM 5.00
	TOTAL	RM 191.56

Who is exempted from registration of tourism tax?

Any person who provides the following accommodation premises is exempted from registration and shall not impose tourism tax to tourists staying at such premises:

- 'homestay' registered with Ministry of Tourism and Culture (MOTAC);
- 'kampungstay' registered with MOTAC;
- accommodation premises established and maintained by religious institutions not for commercial purpose; or
- accommodation premises with less than 10 rooms;
- accommodation premises operated by the Federal Government, State Government or statutory body for training, educational or accommodation not for commercial purposes

How to register as an operator?

- apply for registration within 30 days from the date he operates the accommodation premises to RMCD.
- for existing operators, apply for registration within 30 days from 1 July 2017.
- application has to be made and submitted by electronic services to RMCD using the TTx-01 form.
- the commencement date for registration will take effect from the first day of the following month after the application is submitted.

How to account for tourism tax to RMCD?

- Operator to account for tourism tax collected in the form TTx-03 for each taxable period;
- Form TTx-03 to be furnished to RMCD not later than the last day of the month following after the end of his taxable period;
- Form TTx-03 may be retrieved from RMCD website or at any Customs offices nearest to the operator.

How long should records be retained?

- records must be kept for seven (7) years in Malaysia unless otherwise approved by RMCD; and
- in English language or national language.
- The required records are :
 - i. books of account; and
 - ii. other records relating to Tourism Tax.

Prepared by:

Royal Malaysian Customs Department
7th Floor, Block A, Menara Tulus,
No. 22 Persiaran Perdana, Presint 3,
61200 Putrajaya

For enquiries, please contact: General : 1-300-888-500
Email : enquiry.tourismtax@customs.gov.my

MITI @ YOUR SERVICE

Khairulnizam Hashim
Director



VENDOR

Mohd Apani Aini
Principal Assistant Director



Nur Farahliza Putri Naa'im Yazid
Senior Assistant Director



Muhd Ikram Zulkurnain
Senior Assistant Director



Norfariza Mansor
Administrative Assistant



Siti Nur Aslinda Mohamad Ayob
Senior Assistant Director



A.Raof A.Hamid
Operational Assistant



BUMIPUTERA ECONOMIC EMPOWERMENT & OUTREACH

Tuan Haji Zakaria Jaafar
Director



Aini Hazila Hamzah
Senior Principal Assistant Director



Norazlinda Hamid
PA to Director



Mohd Effendi Abd Ghani
Senior Assistant Director



Izzat Khalis Mohd Nor
Assistant Director



Mohd Zaipul Bahri Ghazali
Senior Administrative Assistant



Asmar Ramli
Administrative Assistant



Mohd Syakir Hanis Ahmad
Administrative Assistant



Muthafa Yusof
Senior Director



BUMIPUTERA ENTREPRENEURSHIP & SME

Email: allbkbps@miti.gov.my



Farah Saidah Ahmad Zawawi
PA to Senior Director



Mohd Tarmizi Ismail
Driver to Senior Director

BUSINESS ENHANCEMENT & EXPANSION

Azrilah Abd Aziz
Director



Norhalinda Ismail
PA to Director



Nurul Aini Ramly
Principal Assistant Director



'Aizul Kamil Ibrahim
Senior Assistant Director



Mohd Ezzuan Mohd Ehlis
Senior Assistant Director



Mohd Haniff Md Salleh
Senior Assistant Director



Noorazsina Wati Abdul
Senior Administrative Assistant



BUMIPUTERA SHARES & EQUITY

YM Raja Mohd Nizam Raja Kamarulbahrin
Senior Principal Assistant Director



Nurulaina Nadzeri
Principal Assistant Director



Shamin Shahid Ghulam Sahid
Senior Assistant Director



Noor Asyima Shuaib
Assistant Director



Nadia Abdullah
Assistant Administrative Officer



Anuar Suparnon
Administrative Assistant



Aziz Fadzilah Mohamad
Operational Assistant





Glossary

of Technical Terms

Business Councils of Dialogue Partners

ASEAN Members States undertake regular consultations with business Councils of dialogue partners namely ASEAN-EU Business Council, ASEAN-Japan Business Council, ASEAN-New Zealand Business Council, ASEAN-Canada Business Council, US-ASEAN Business Council, East-Asia Business Council, Federation of Japanese Chambers of Commerce and Industry in ASEAN, ASEAN-India Business Council and ASEAN Business Club.

BA

Bankers Acceptance - A Bankers Acceptance (BA) is a Bill of Exchange (draft) drawn by an importer/buyer/exporter/seller on his bank to his order, to finance an underlying trade transaction and accepted by that bank. It is termed "accepted" when the drawee bank signifies acceptance by signing on the Bill of Exchange. The drawee bank thereby undertakes the obligation to meet payment on maturity date.

CLMV

Cambodia, Lao PDR, Myanmar, & Viet Nam

CTC

Change in HS Tariff Chapter – 2 digit level.

CTH

Change in HS Tariff Heading – 4 digit level.

CTSH

Change in HS Tariff Sub-heading – 6 digit level.

Cabotage Policy

The cabotage policy is a policy that governs the transport/shipping of goods or passengers between two places along coastal routes in the same country by a transport operator from another country, practiced by many nations worldwide including developed nations. For some of these nations, it is so strictly implemented that no foreign-owned vessels are even allowed to operate within their domestic waters.

This policy began in 1980 (implemented on 1 January 1980, with the Merchant Shipping Ordinance 1952 was amended and the Domestic Shipping Licence Board was established) with the purpose of developing Malaysian ownership and local shipping in general whilst at the same time minimising Malaysia's dependence on foreign vessels as well as the outflow of foreign exchange in the form of freight payments. This policy also acts as a platform for local shipping companies to gradually expand and reach out into international waters.

The cabotage policy allows vessels from foreign ports to call directly to/from any Malaysian port including ports in Sabah and Sarawak. For example, a vessel from Singapore or Hong Kong is free to call directly to/from any Malaysian port such as Sepanggar, Bintulu etc. Foreign vessels are also allowed to operate within the domestic sector through the granting of an exemption issued by the Domestic Licensing Board upon fulfilling the criteria set.

TO BE
CONTINUED...

Condolences



Mohd Najib Tun Razak @NajibRazak · Jun 3

Devastating terror attacks in London. I am shocked and disgusted. Malaysia condemns the heinous acts and we stand with the people of Britain

MITI Weekly Bulletin
Conveys our deepest condolences
to the victims and their families
of the London bridge attack
on 3 June 2017

MITI Weekly Bulletin (MWB) Mobile Apps



weekly bulletin

News & Magazines

★★★★★

1

MITI MWB APPs is now available for IOS, Android and Windows platforms. MWB APPs can be download from **Gallery of Malaysian Government Mobile APPs (GAMMA)** at the link: <http://gamma.malaysia.gov.my/#/appDetails/85>



MWB Facebook Page

Like MWB page at

<https://www.facebook.com/MITIWeeklyBulletin/?fref=ts>

Feedback

Send us your
suggestions



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>