



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



June 2017 – Trade Surplus of RM9.88 billion, the Highest Since April 2016

Malaysia's total trade for the month of June 2017 increased by 7% to RM136.26 billion, up from RM127.38 billion recorded in June 2016. Expansion was supported mainly by trade with China, India, Japan, the European Union (EU), ASEAN, the United States of America (USA), Taiwan and the Republic of Korea (ROK). Exports in June 2017 posted a stronger year-on-year growth than imports for the second straight month. Exports expanded by 10% to RM73.07 billion while imports grew by 3.7% to RM63.19 billion. June's trade surplus of RM9.88 billion marked the 236th consecutive month of trade surplus since November 1997 and the highest value of trade surplus since April 2016. Compared to May 2017, total trade, exports and imports were lower by 11.1%, 8% and 14.5%, respectively.

Total trade in second quarter (Q2) 2017 amounted to RM428.66 billion, an expansion of 19.9% from Q2 2016. Total exports in the quarter reached RM226.36 billion, 20.6% higher from the same period last year and imports increased by 19.1% to RM202.31 billion. A trade surplus of RM24.05 billion was recorded for Q2 2017 compared to RM17.86 billion registered in Q2 2016. Compared with Q1 2017, exports increased by 0.7% while total trade and imports contracted marginally by 0.4% and 1.7%, respectively.

In the first half (H1) of 2017, Malaysia's total trade rose by 22% to RM859.17 billion from RM704 billion recorded in H1 2016. During the period, exports increased by 21% to RM451.05 billion and imports expanded by 23.3% to RM408.12 billion. A trade surplus of RM42.93 billion was recorded for H1 2017 compared to RM41.79 billion in H1 2016.

Export Performance of Major Sectors

Manufactured Exports Expanded by 7.4% in June 2017 Exports of manufactured goods for June 2017 grew by 7.4% to RM59.63 billion and contributed 81.6% to Malaysia's total exports. This was boosted by higher exports of electrical and electronic (E&E) products, iron and steel products, rubber products as well as transport equipment.

Exports of mining goods in June 2017 accounted for 9.3% of Malaysia's total exports, increased from 7.3% in June 2016. Exports of mining goods expanded by 40.3% to RM6.77 billion. This was the sixth straight month where exports of mining goods recorded double digit year-on-year growth. The higher export growth was spurred by increased exports of liquefied natural gas (LNG), supported by both higher Average Unit Value (AUV) and volume. Exports of agriculture goods increased by 7.7% to RM5.97 billion and constituted 8.2% of Malaysia's total exports. This was steered by higher exports of palm oil and palm oil-based agriculture products especially palm oil, led by both higher AUV and volume.

Major exports in June 2017 were:

- E&E products valued at RM27.96 billion, constituting 38.3% of total exports, increased by 15.1% from June 2016;
- Chemicals and chemical products, RM5.16 billion, 7.1% of total exports, increased by 4.5%;
- Petroleum products, RM4.69 billion, 6.4% of total exports, declined by 9.5%;
- Palm oil and palm oil-based agriculture products, RM4.25 billion, 5.8% of total exports, increased by 16%; and
- LNG, RM3.98 billion, 5.4% of total exports, increased by 97.3%.

Compared to May 2017, exports of manufactured and agriculture goods were lower by 10.5% and 14.1%, respectively while exports of mining goods soared by 33.7%. In H1 2017, exports of manufactured goods expanded by 19.1% to RM368.12 billion. Higher exports were recorded for E&E products, petroleum products, chemicals and chemical products, rubber products as well as iron and steel product. Exports of mining goods rose by 32.5% to RM39.52 billion, mainly due to increased exports of crude petroleum and LNG, underpinned by higher AUV and volume. Exports of agriculture goods increased by 23.6% to RM38.99 billion, with higher exports of palm oil, also due to higher AUV and export volume.

Performance of Major Markets

Trade with ASEAN Up by 2.6% for June 2017 Trade with ASEAN grew by 2.6% to reach a value of RM36.29 billion and accounted for 26.6% of Malaysia's total trade in June 2017. Exports expanded by 1.9% to RM20.36 billion while imports rose by 3.6% to RM15.93 billion. The increase in exports were attributed to higher exports of E&E products, transport equipment, machinery, equipment and parts as well as rubber products.

Breakdown of exports to ASEAN countries in June 2017 is as follows:

- Singapore RM 10.74 billion, increased by 9.1%
- Thailand RM 3.85 billion, ↑2.5%
- Viet Nam RM 2.09 billion, ↓22.3%
- Indonesia RM 1.90 billion, ↓0.6%
- Philippines RM 1.29 billion, ↑18.5%
- Myanmar RM 230.8 million, ↓39.8%
- Brunei RM 161.9 million, ↓15.4%
- Cambodia RM 97.1 million, ↓15.4%
- Lao PDR RM 5.4 million, ↑21.9%

Among the major markets within ASEAN, export increases were recorded to Singapore, Thailand and the Philippines. Exports to Singapore rose by RM893 million, contributed largely by higher exports of E&E products. Exports to Thailand increased by RM92.2 million and exports to the Philippines expanded by RM201.9 million, both owing to higher exports of petroleum products. On a month-on-month basis, total trade, exports and imports declined by 14%, 15.6% and 12%, respectively.

In H1 2017, trade with ASEAN soared by 21.4% to reach RM234.27 billion. Exports to ASEAN expanded by 19.9% to RM131.94 billion, buoyed by higher exports of E&E products, petroleum products, chemicals and chemical products, crude petroleum as well as machinery, equipment and parts while imports from ASEAN increased by 23.5% to RM102.33 billion.

Exports to China Sustained Double Digit Growth for 8 Consecutive Months

In June 2017, trade with China totalled RM22.75 billion, grew by 8.7% from RM20.92 billion recorded in June 2016 and constituted 16.7% of Malaysia's total trade. Exports to China remained strong with a double-digit growth for eight consecutive months, rising by 27.3% to RM9.79 billion in June 2017. This was due to increased exports of E&E products, LNG, rubber products, chemicals and chemical products as well as petroleum products. Imports from China decreased by 2% to RM12.96 billion.

Compared to May 2017, total trade, exports and imports were lower by 9.8%, 8.8% and 10.5%, respectively. Trade with China in H1 2017 expanded by 28% to RM139.32 billion. Exports to China surged by 41.2% to RM59.79 billion, due to higher exports of E&E products, petroleum products, chemicals and chemical products, rubber products as well as LNG. Imports from China increased by 19.6% to RM79.53 billion. Trade with the EU Continued to Expand Malaysia's trade with the EU in June 2017 stood at RM13.25 billion or 9.7% of Malaysia's total trade, an increase of 8% from June 2016. Exports to the EU rose by 10% to RM7.26 billion while imports was up by 5.7% to RM6 billion.

Among the top 10 EU markets, exports to 9 markets registered increases, with 4 recording double digit growth, namely, Germany (↑13.9%), Slovenia (↑149.9%), Hungary (↑43.5%) and Poland (↑39.2%). In terms of products, major contributors to the expansion in exports to the EU were E&E products, chemicals and chemical products, palm oil and palm oil-based agriculture products, iron and steel products as well as rubber products. On a month-on-month basis, total trade, exports and imports fell by 12.5%, 9.4% and 16%, respectively, as compared to the previous month.

Trade with the EU for the period January-June of 2017 recorded a growth of 14.4% to RM82.35 billion. Exports increased by 22% to RM46.36 billion while imports grew by 5.9% to RM35.99 billion. Products that contributed to the increase in exports were E&E products, palm oil and palm oil-based agriculture products, iron and steel products, chemicals and chemical products as well as rubber products.

USA – Trade Remained Strong

In June 2017, Malaysia's trade with the USA rose by 7% to RM12.98 billion and constituted 9.5% of Malaysia's total trade. Exports to the USA grew by 1.8% to RM7.17 billion. Manufactured goods exports contributed 95.4% to Malaysia's total exports to the USA. Main contributors to exports were iron and steel products,

rubber products, wood products, processed food as well as palm oil and palm oil-based agriculture products. Imports was higher by 14.3% to RM5.82 billion. Compared to May 2017, total trade, exports and imports dipped by 10.1%, 3.5% and 17.2%, respectively.

In the first six months of 2017, trade with the USA expanded by 20.4% to RM81.18 billion. Exports to the USA rose by 10.6% to RM43.28 billion supported by higher shipments of E&E products, rubber products, machinery, equipment and parts, iron and steel products as well as optical and scientific equipment. Imports from the USA surged by 33.8% to RM37.9 billion.

Japan – Double Digit Growth in Trade and Exports Since January 2017

In June 2017, trade with Japan expanded by 10.8% to RM10.96 billion and accounted for 8% of Malaysia's total trade. Exports to Japan grew by 24.3% to RM6.1 billion. This marked the six consecutive months where Malaysia's trade and exports to Japan recorded double-digit growth. Exports of mining goods to Japan increased by 53.9% to RM2.16 billion, led by higher exports of LNG. Other products that contributed to the increase in exports to Japan were E&E products, iron and steel products as well as palm oil and palm oil-based agriculture product. Imports was down by 2.5% to RM4.86 billion. Total trade and exports were higher by 11.4% and 26.9% respectively, while imports dropped by 3.4%, compared to May 2017.

During the first six months of 2017, trade with Japan amounted to RM68.51 billion, grew by 17.5% from the same period a year ago. Exports to Japan were valued at RM37.7 billion, up by 22.2% due to higher exports of E&E products, LNG, chemicals and chemical products, crude petroleum as well as petroleum products. Imports from Japan rose by 12.3% to RM30.81 billion.

Trade with FTA Partners

In June 2017, trade with Free Trade Agreement (FTA) partners grew by 8.2% to RM86.37 billion and accounted for 63.4% of Malaysia's total trade. Exports to FTA partners amounted to RM46.15 billion, up by 13.6% while imports totalled RM40.22 billion, higher by 2.5%.

Exports to the ROK surged by 33.8% to RM2.37 billion, underpinned by higher exports of LNG, India (↑21.3% to RM3.11 billion, palm oil and palm oil-based agriculture products), Turkey (↑65.6% to RM941 million, manufactures of metal), New Zealand (↑100.6% to RM384.8 million, crude petroleum) and Australia (↑7.3% to RM2.6 billion, E&E products). Compared to May 2017, total trade, exports and imports decreased by 9.7%, 7% and 12.7%, respectively.

During January-June of 2017, total trade with FTA partners was valued at RM542.93 billion, grew by 23.5% and accounted for 63.2% of Malaysia's total trade. Exports amounted to RM285.79 billion, rose by 24.2% and imports totalled RM257.15 billion, expanded by 22.8%. Higher exports were recorded to China, Singapore, Japan, Indonesia and Thailand.

Imports

In June 2017, imports increased by 3.7% to RM63.19 billion. The three main categories of imports by end use were:

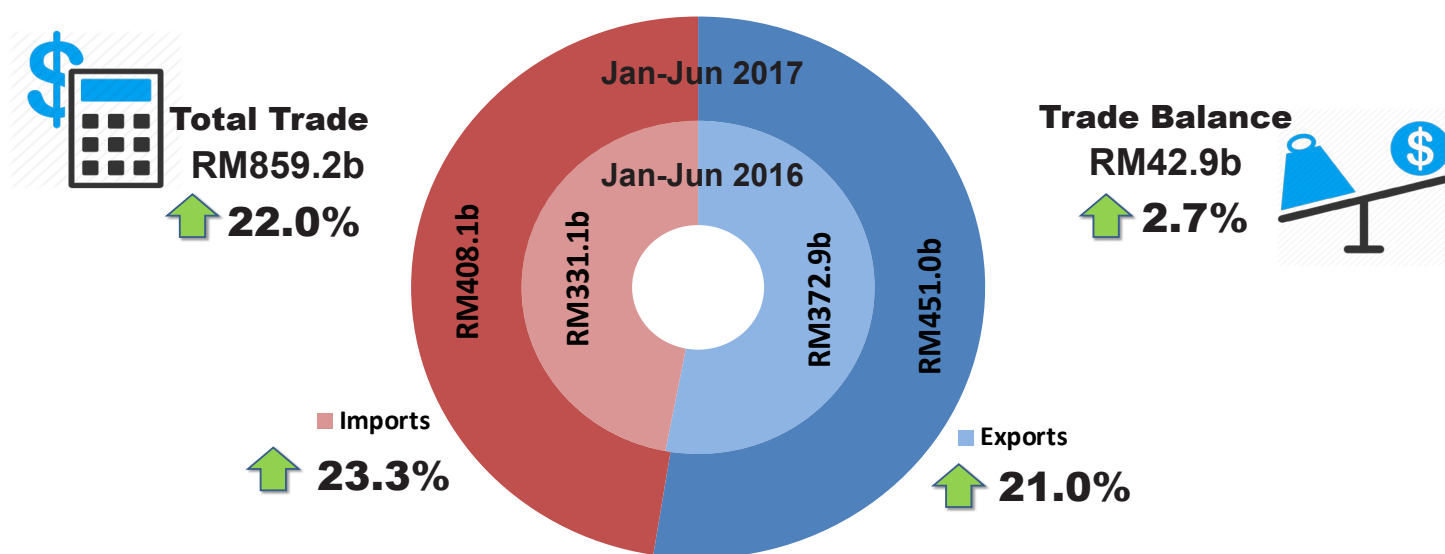
- **Intermediate goods**, valued at RM38.24 billion or 60.5% of total imports, increased by 10.3%, underpinned by increased imports of parts and accessories of capital goods (except transport equipment), particularly electrical machinery and equipment;
- **Capital goods**, amounted to RM8.23 billion or 13% of total imports, rose by 0.6%, due mainly to higher imports of transport equipment for industrial, particularly aircraft; and
- **Consumption goods**, totalled RM5.62 billion or 8.9% of total imports, declined by 5.2%, as a result of lower imports of semi-durables, particularly woven apparel.

During the first six months of 2017, imports were valued at RM408.12 billion, an increase of 23.3% from the corresponding period of 2016. Intermediate goods were valued at RM238.86 billion, increased by 25.8%, capital goods (RM56.56 billion, ↑23.3%) and consumption goods (RM34.36 billion, ↑2.7%).

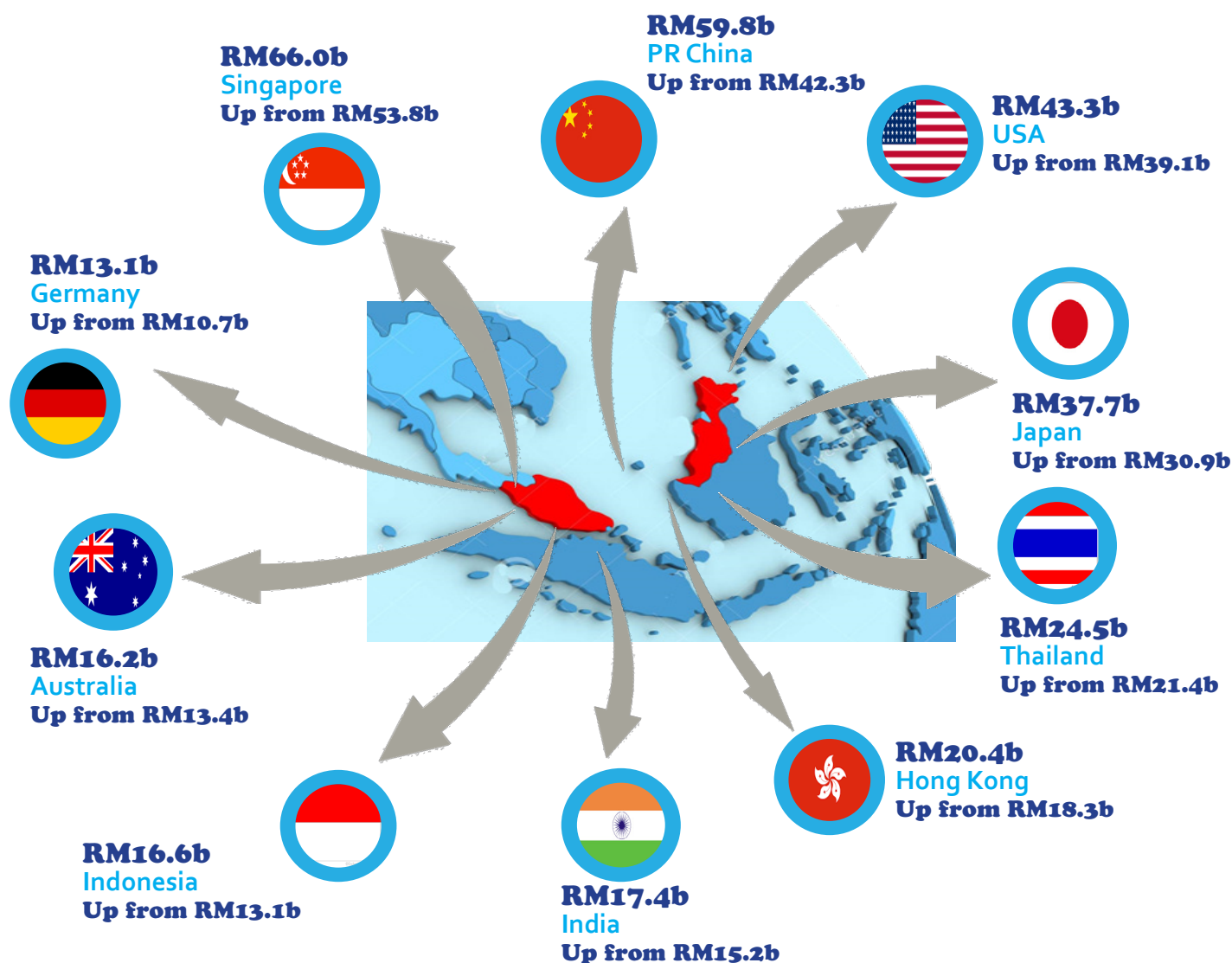
Ministry of International Trade and Industry
04 August 2017

MALAYSIA

TRADE PERFORMANCE, JANUARY - JUNE 2017

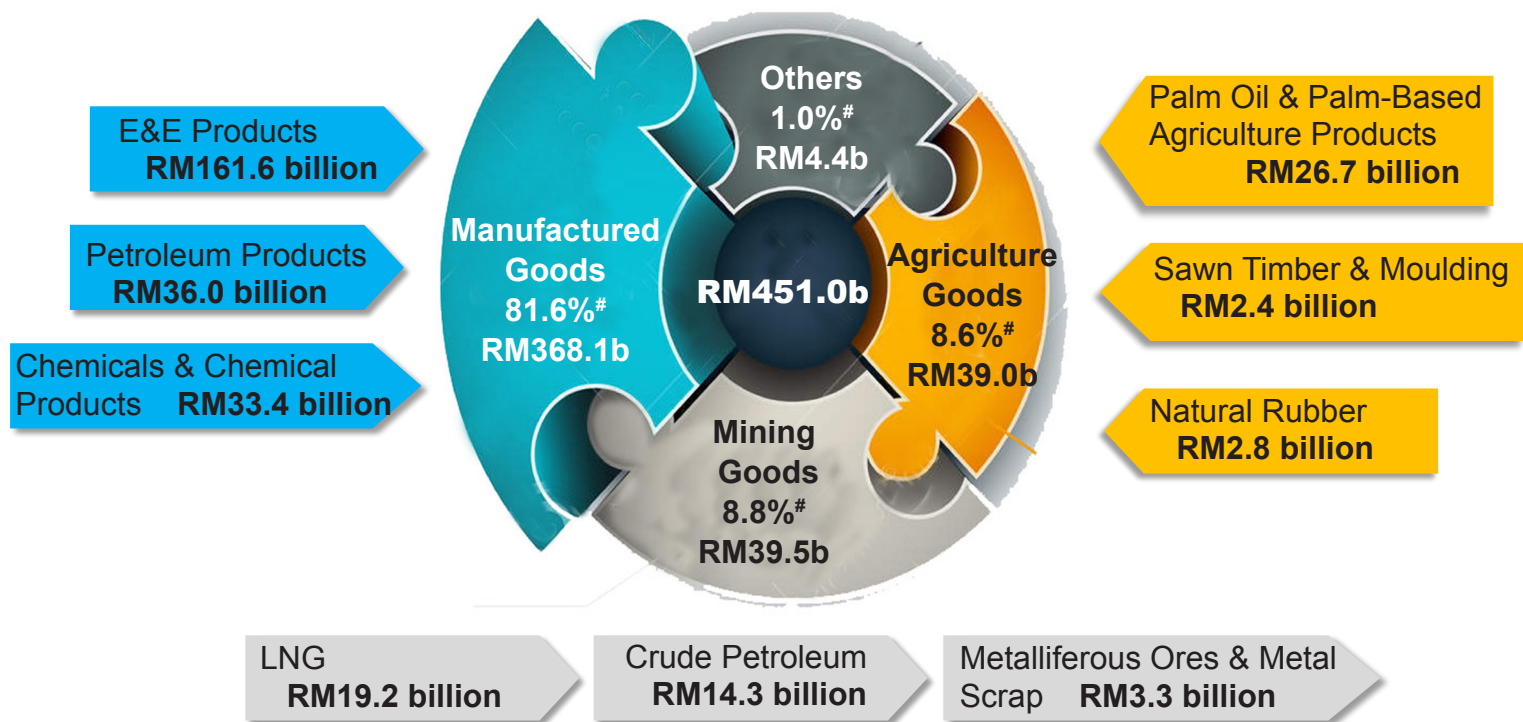


MAJOR EXPORTS, JANUARY - JUNE 2017

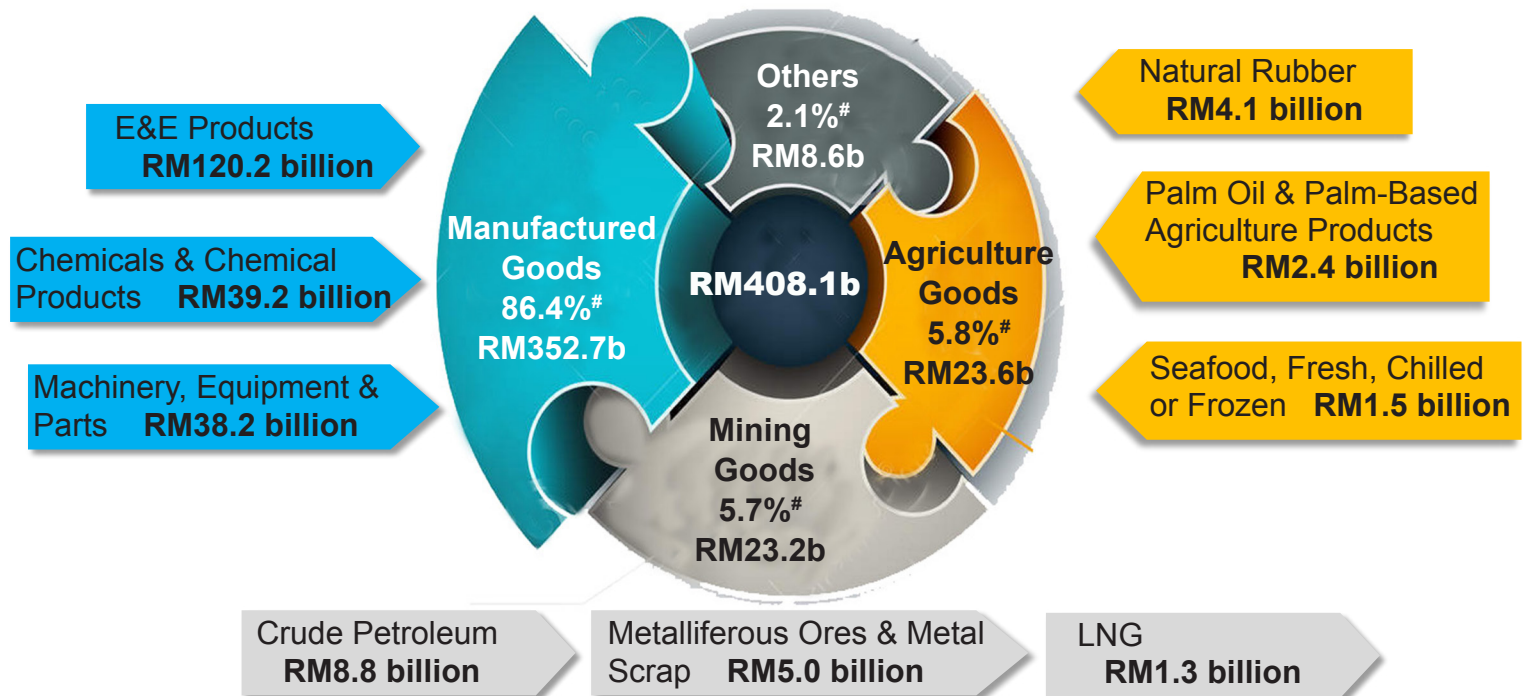


Source: Department of Statistics, Malaysia

EXPORT BY SECTORS JANUARY - JUNE 2017



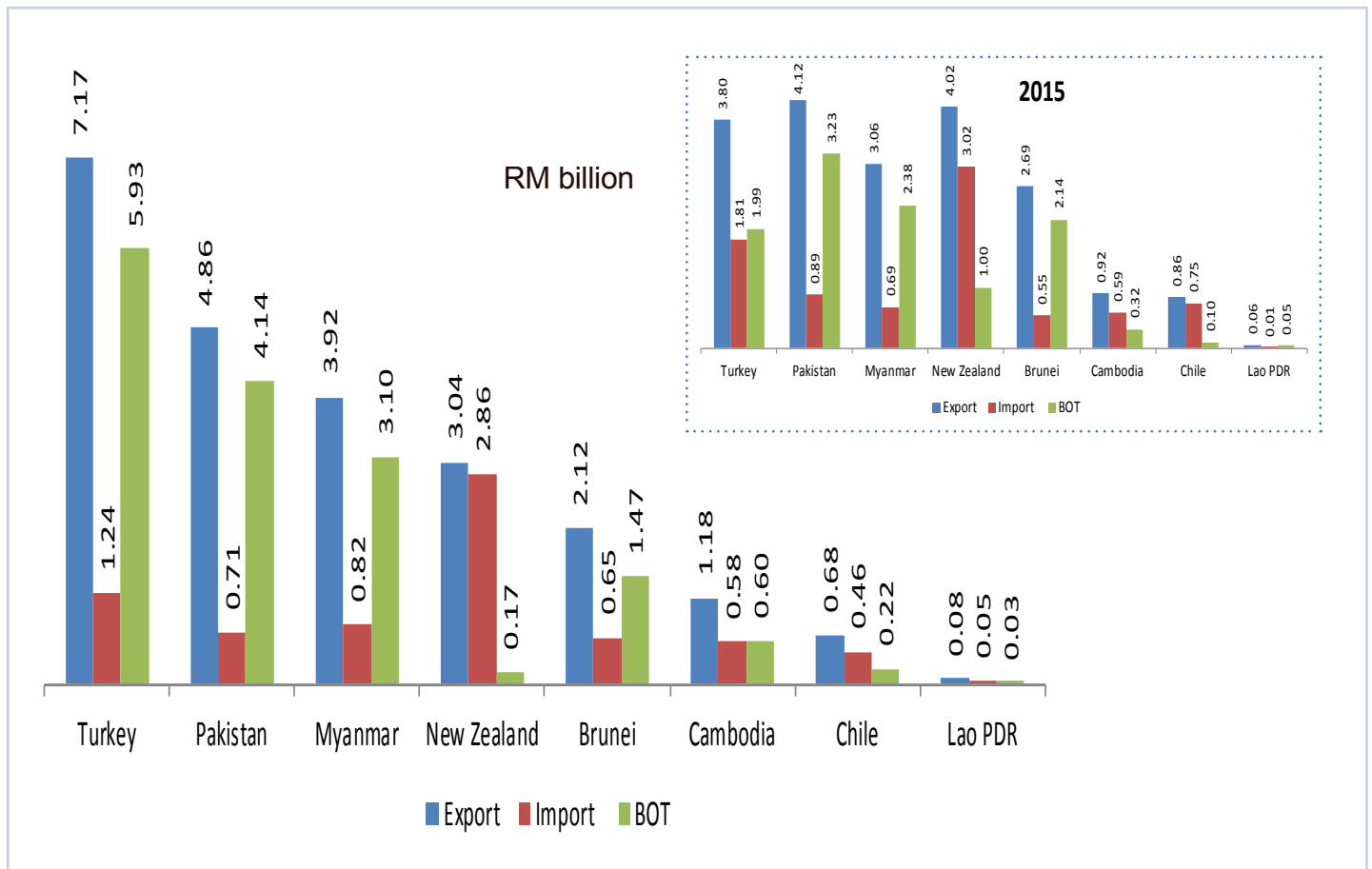
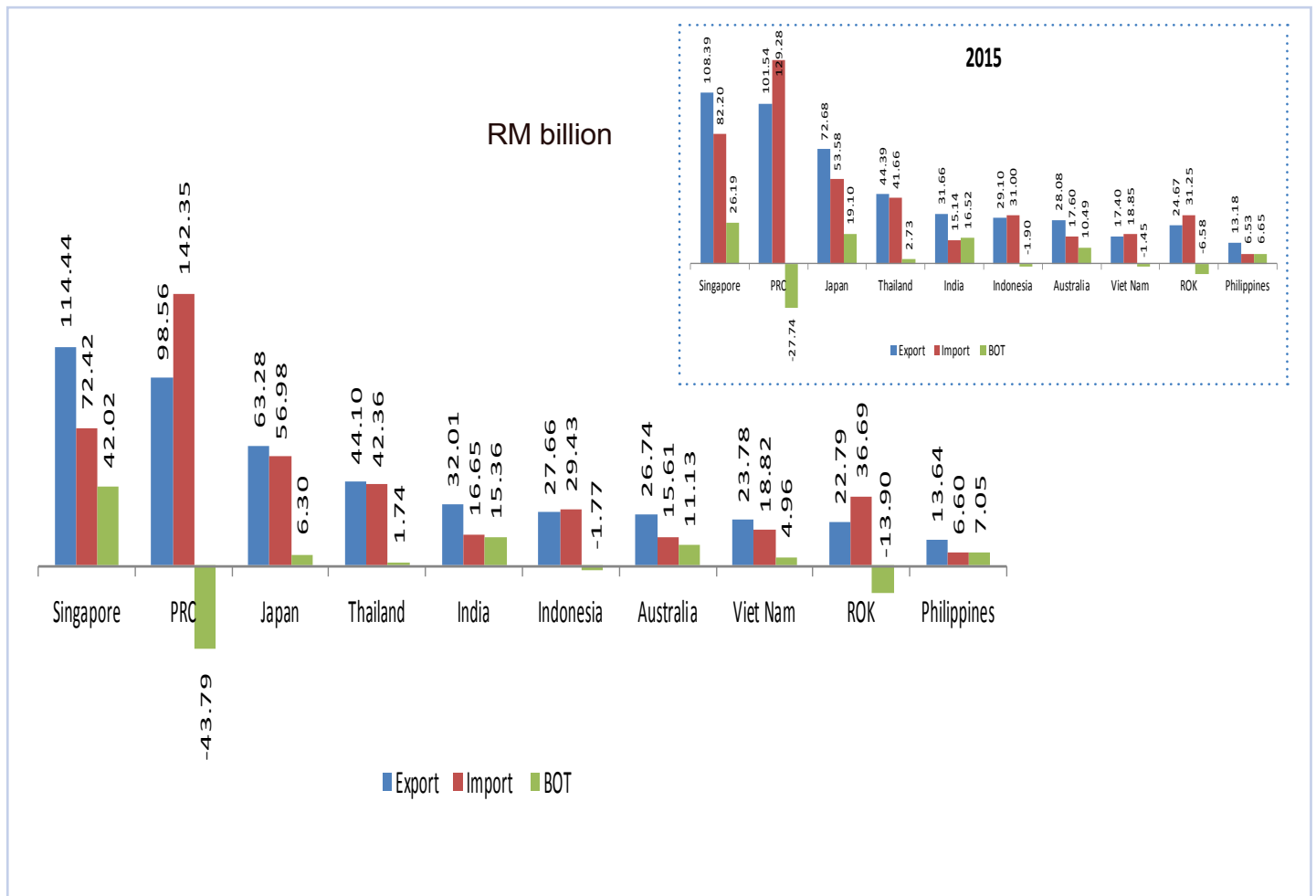
IMPORT BY SECTORS JANUARY - JUNE 2017



Note: # Share to total exports/imports of sector

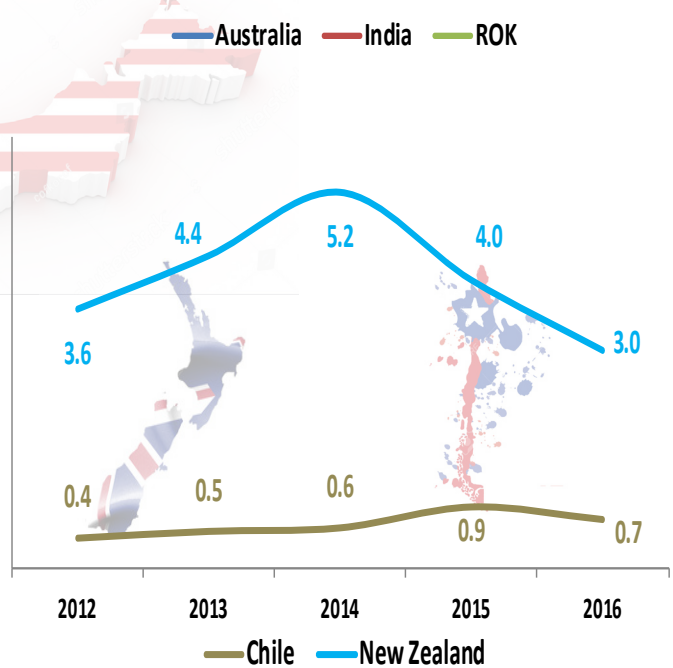
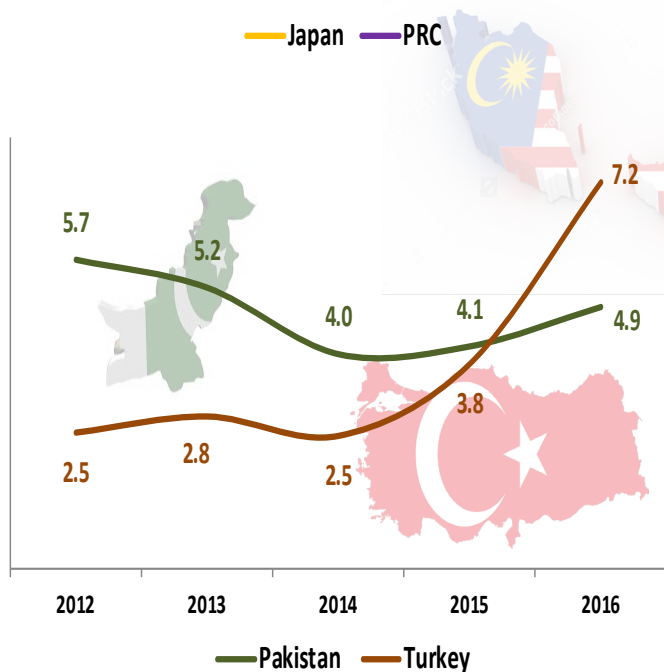
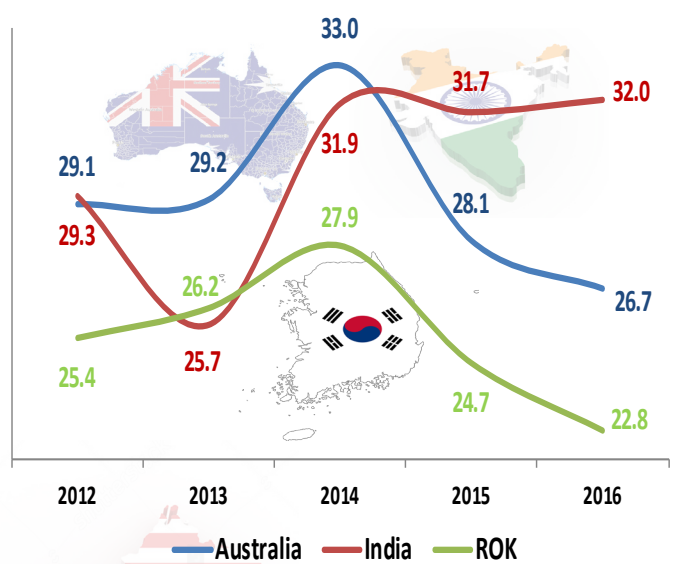
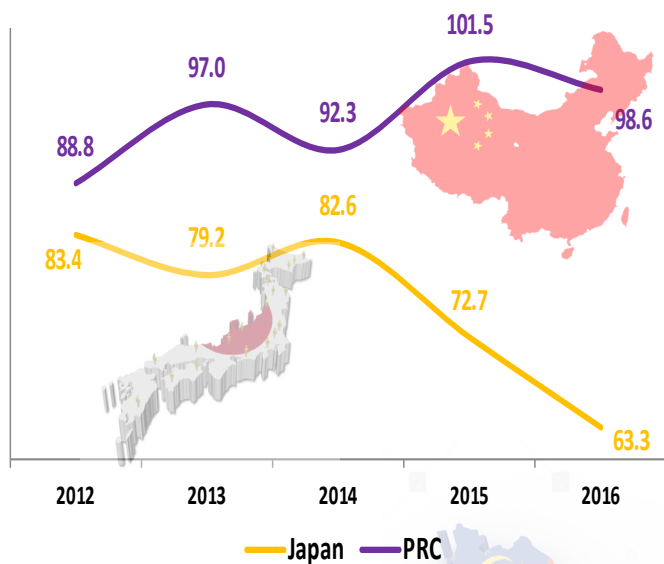
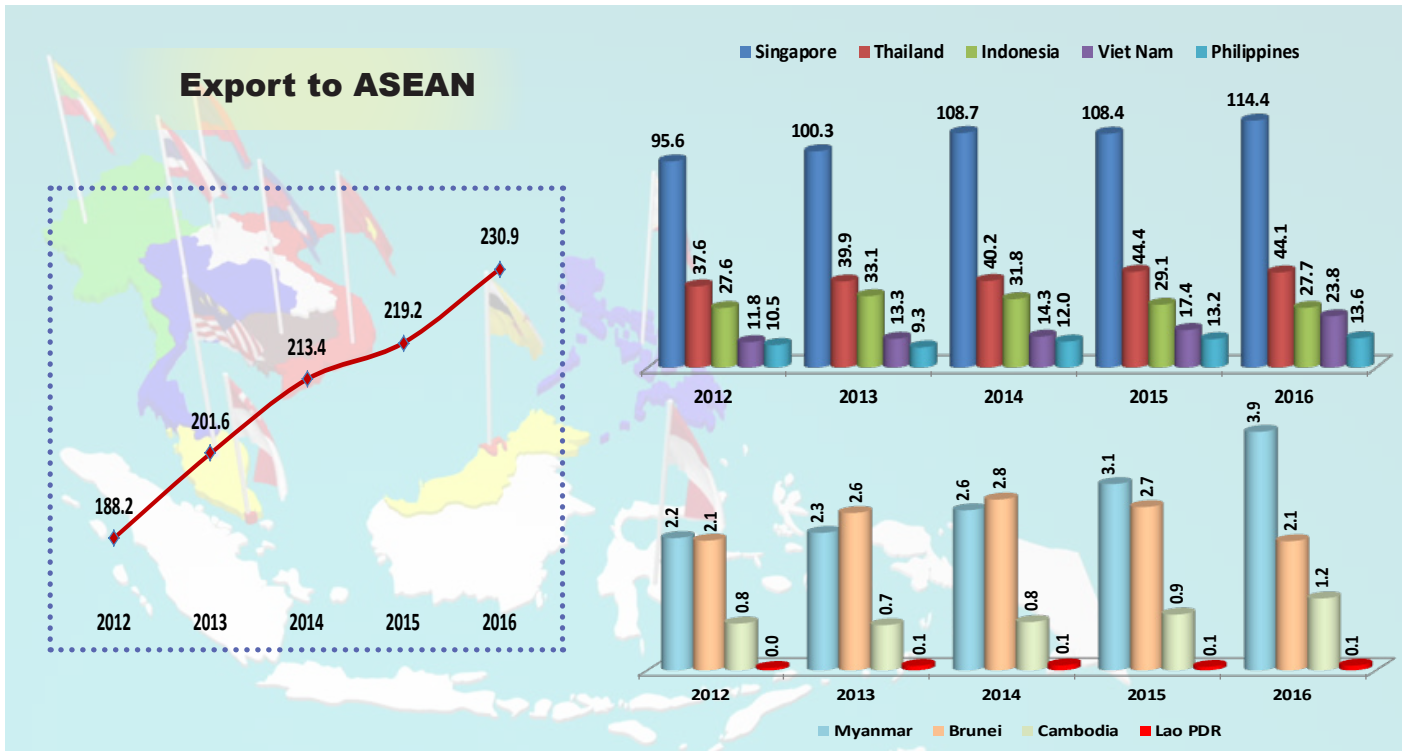
Source: Department of Statistics, Malaysia

TRADE WITH FTA PARTNERS 2015 & 2016



Source: Department of Statistics, Malaysia

EXPORT TO FTA PARTNERS (RM BILLION), 2012-2016

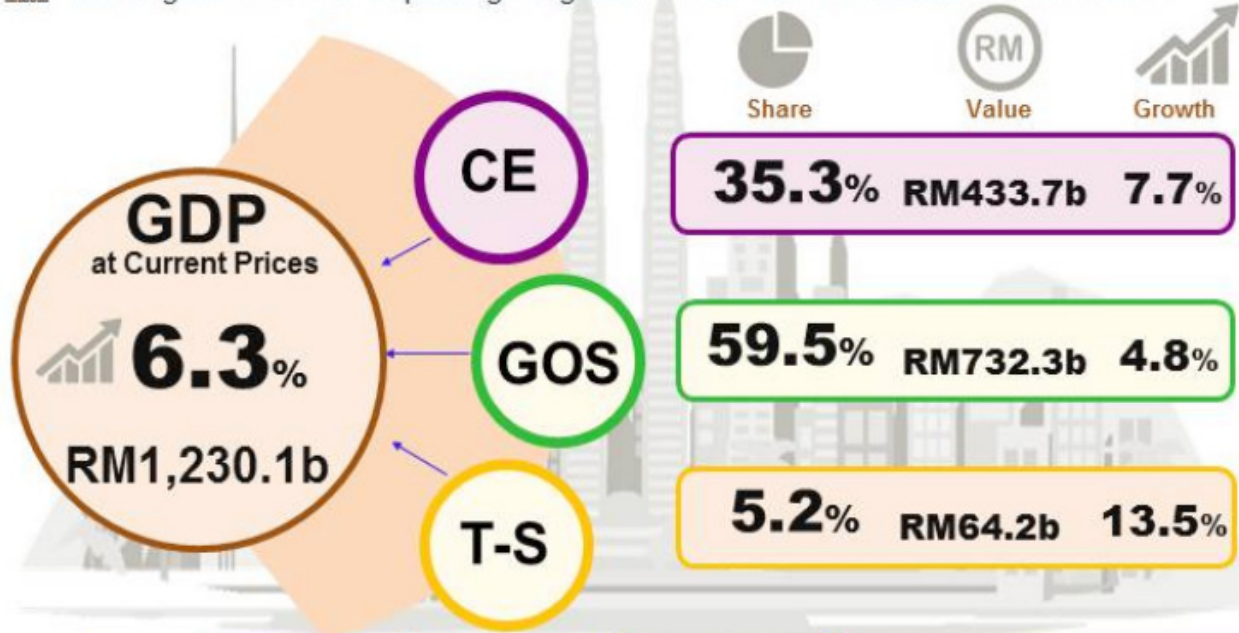


Source: Department of Statistics, Malaysia

GDP BY INCOME APPROACH 2016



Contribution of compensation of employees to Malaysia's economy expanded to **35.3%** with a growth of 7.7% surpassing the growth of GDP which increased at 6.3% in 2016.



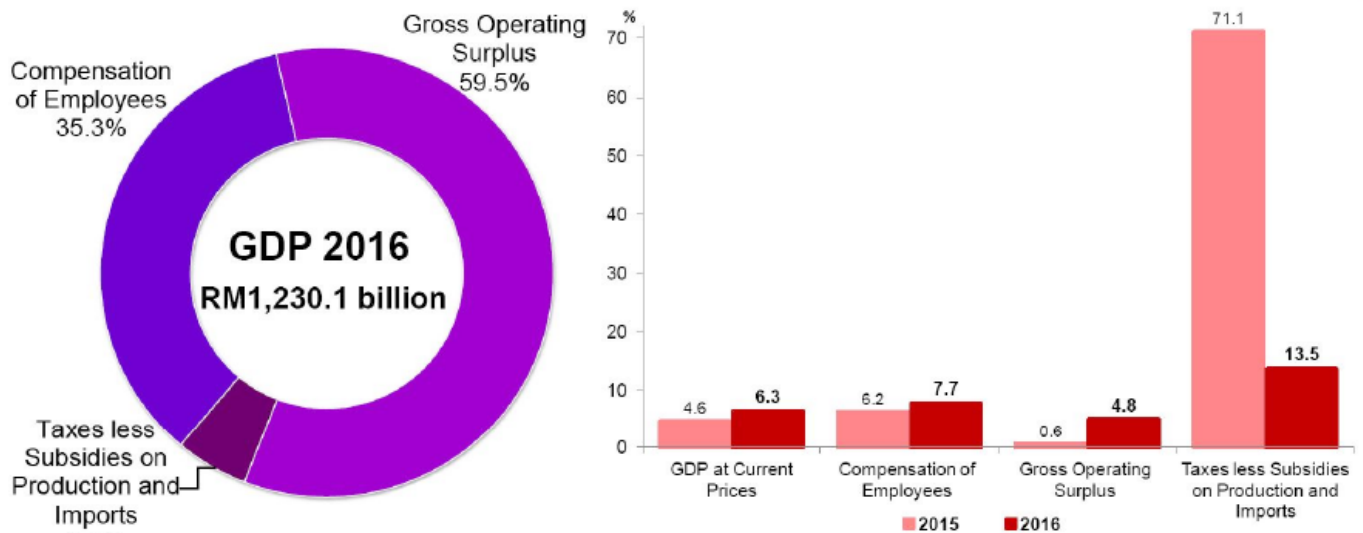
GDP – Gross Domestic Product
 CE – Compensation of Employees

GOS – Gross Operating Surplus
 T-S – Taxes less Subsidies

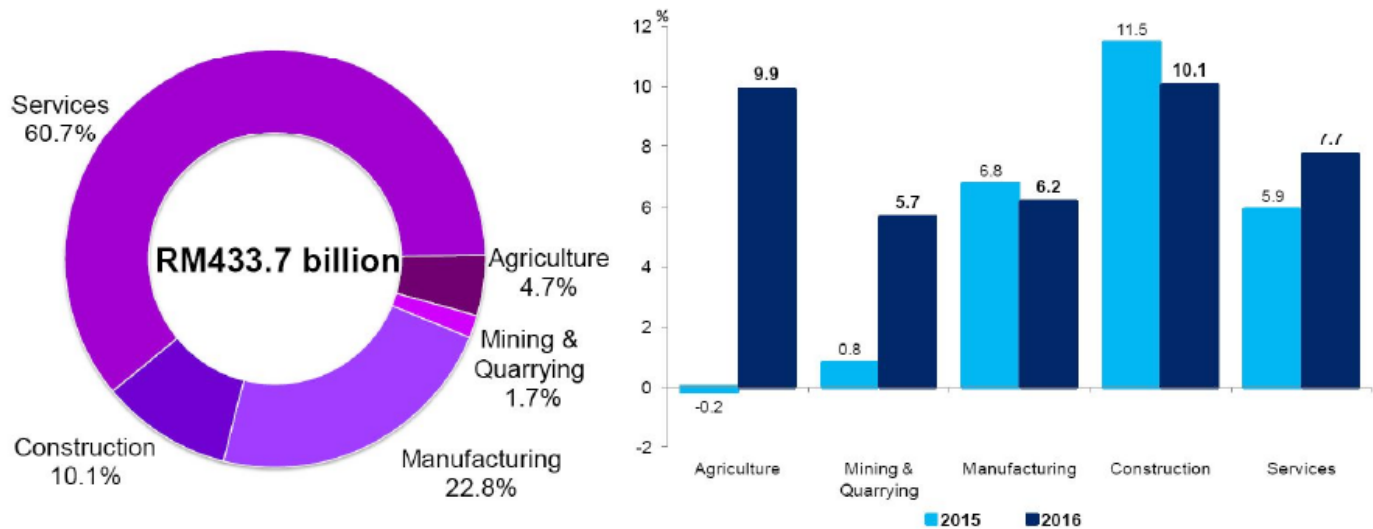
The sum of the component figures may not tally with the sub-total or total figures due to rounding

Source: Department of Statistics, Malaysia

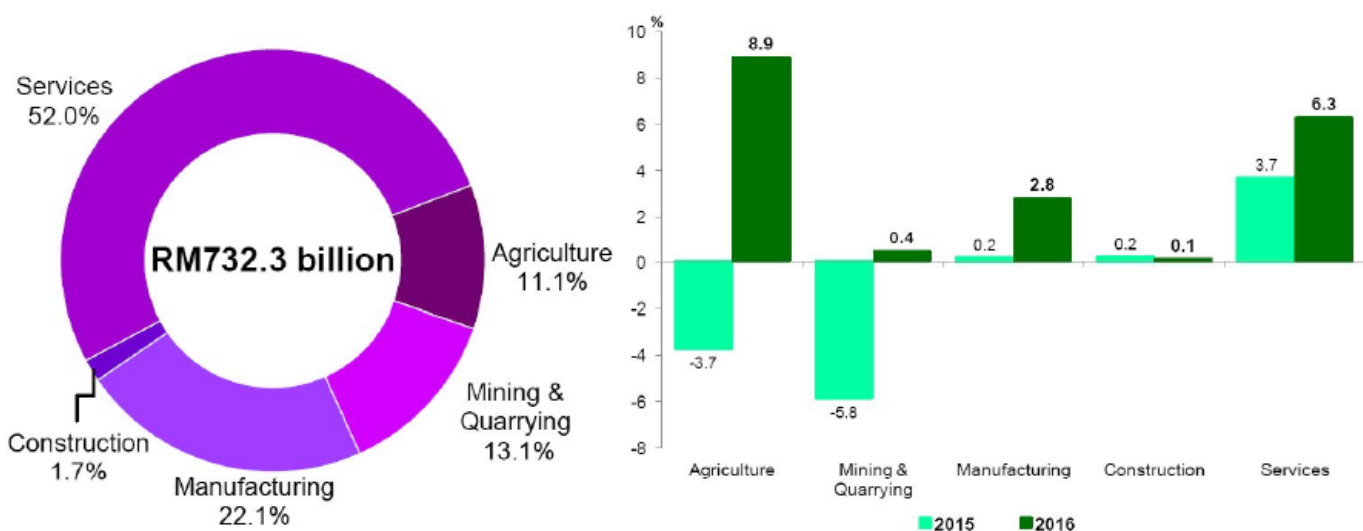
Percentage Share & Annual Percentage Change of Income Components 2015-2016



Percentage Share & Annual Percentage Change of Compensation of Employees, 2015-2016



Percentage Share & Annual Percentage Change of Gross Operating Surplus, 2015-2016



Source: Department of Statistics, Malaysia



INTERNATIONAL REPORT

Global Innovation Index 2017

The Global Innovation Index 2017

LEADERS IN INNOVATION

Every year, the Global Innovation Index ranks the innovation performance of nearly 130 countries and economies around the world. Each country is scored according to 81 indicators.

- Global**
- 1 Switzerland
 - 2 Sweden
 - 3 Netherlands
 - 4 USA
 - 5 UK
 - 37 Malaysia**

- Northern America**
- 1 USA
 - 2 Canada

- Latin America and the Caribbean**
- 1 Chile
 - 2 Costa Rica
 - 3 Mexico

- Europe**
- 1 Switzerland
 - 2 Sweden
 - 3 Netherlands

- Northern Africa and Western Asia**
- 1 Israel
 - 2 Cyprus
 - 3 UAE

- Sub-Saharan Africa**
- 1 South Africa
 - 2 Mauritius
 - 3 Kenya

Regional*

South East Asia, East Asia, and Oceania

- 1 Singapore
- 2 Republic of Korea
- 3 Japan
- 8 Malaysia**

Central and Southern Asia

- 1 India
- 2 Iran
- 3 Kazakhstan

Income group*

- High-income**
- 1 Switzerland
 - 2 Sweden
 - 3 Netherlands

- Upper-middle income**
- 1 China
 - 2 Bulgaria
 - 3 Malaysia

- Lower-middle income**
- 1 Viet Nam
 - 2 Ukraine
 - 3 Mongolia

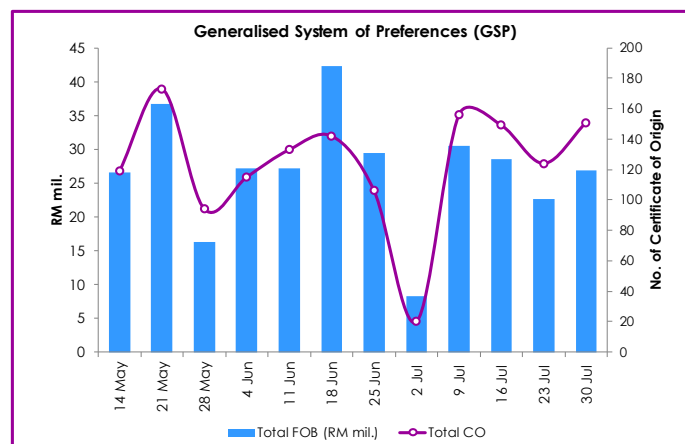
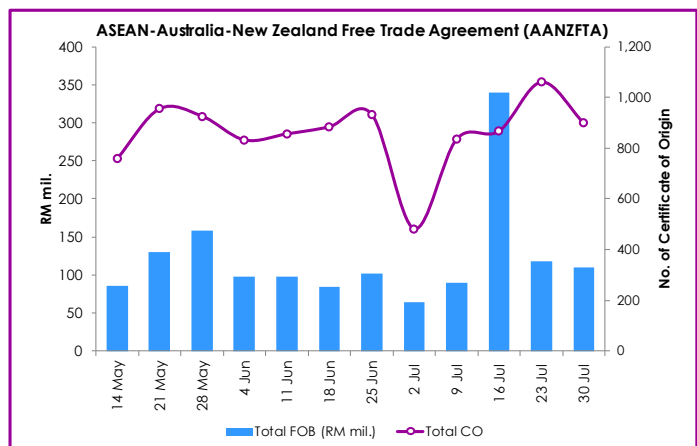
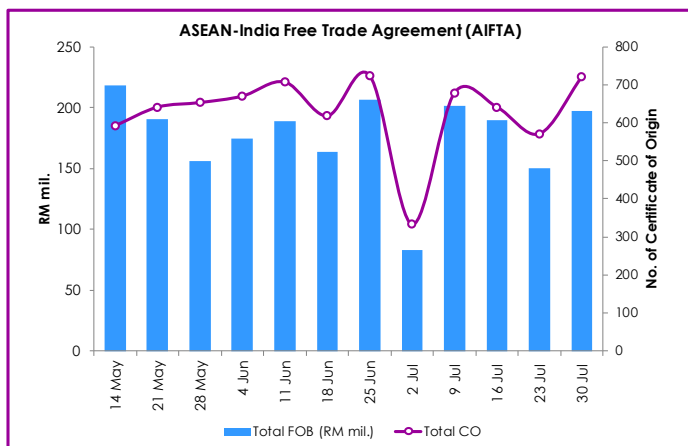
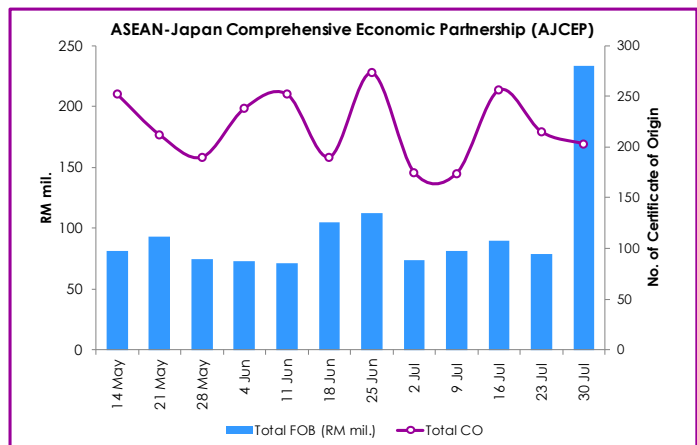
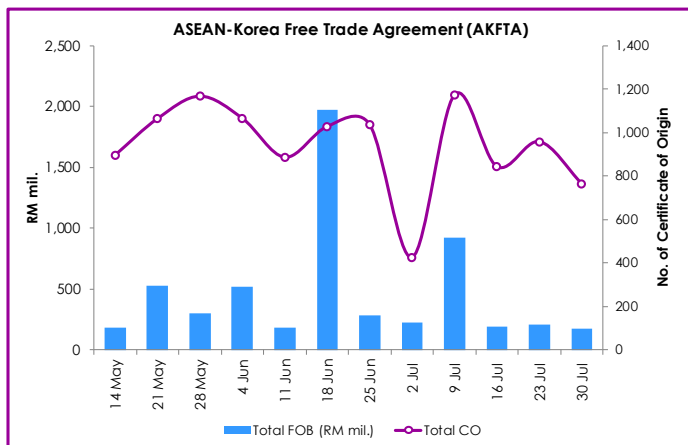
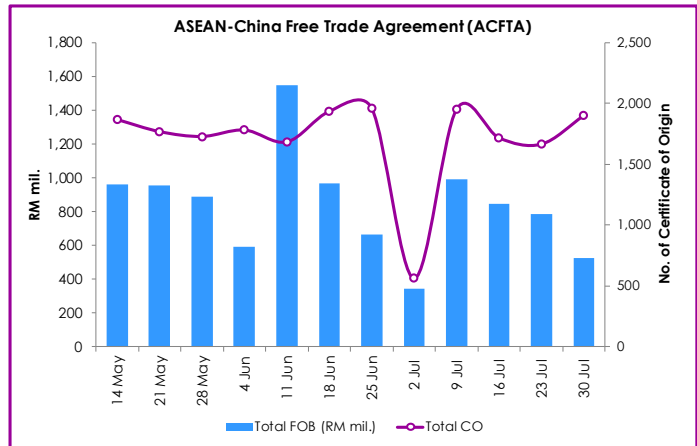
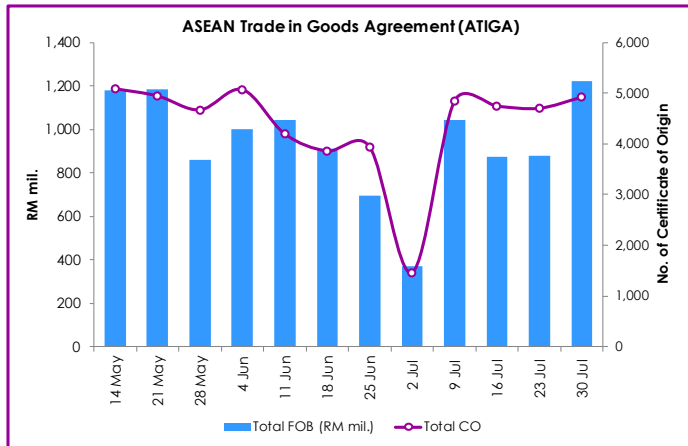
- Low income**
- 1 Tanzania
 - 2 Rwanda
 - 3 Senegal

www.globalinnovationindex.org
#GII2017



* Only economies with a data coverage of more than 66% are considered.

Number and Value of Preferential Certificates of Origin (PCOs)

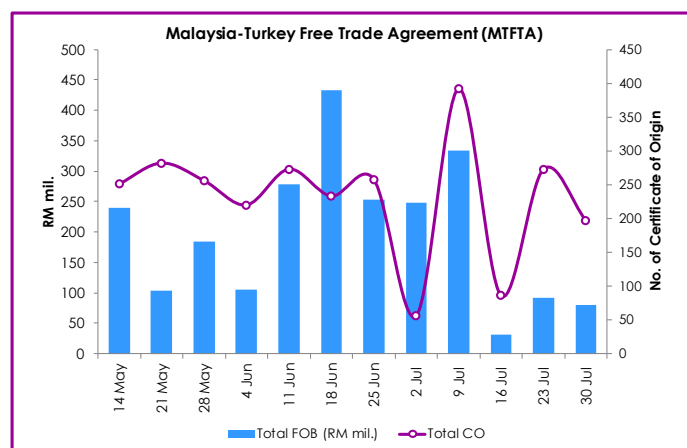
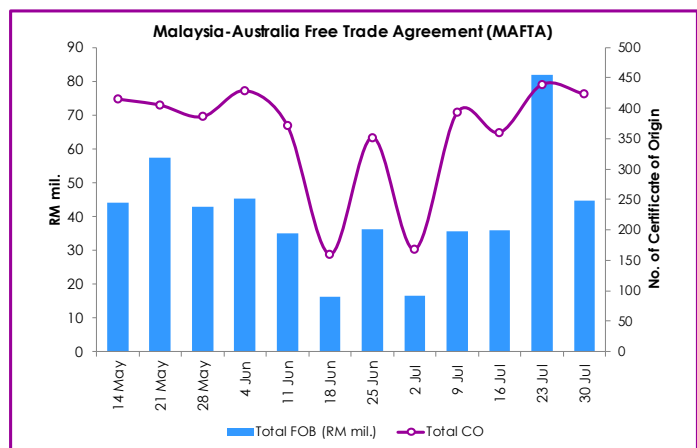
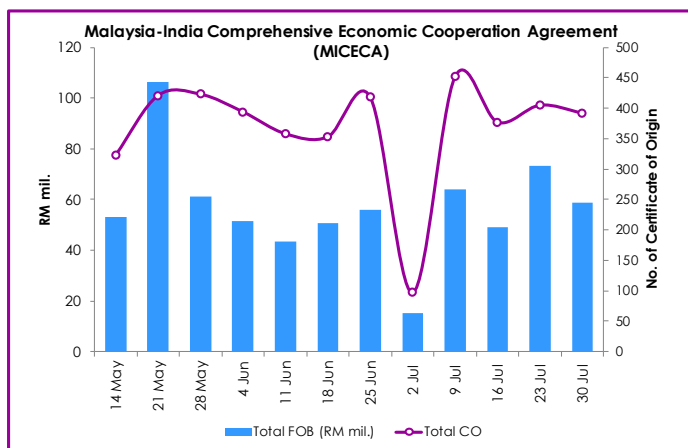
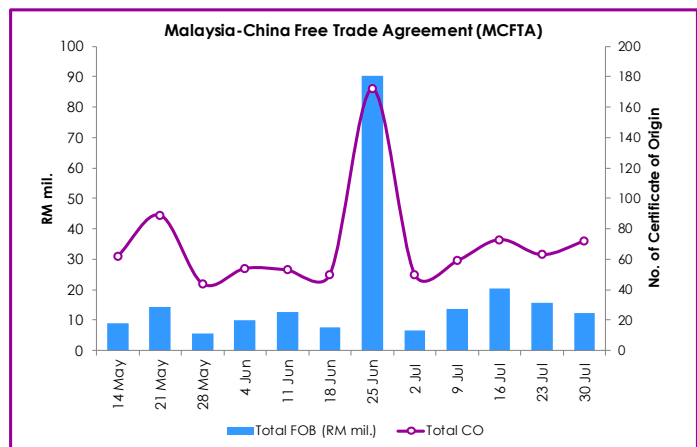
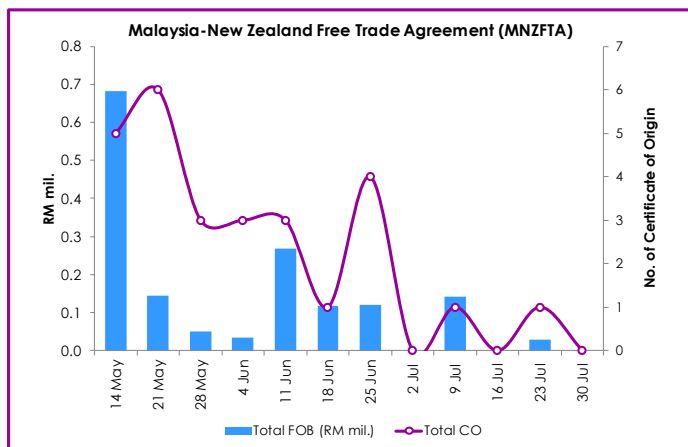
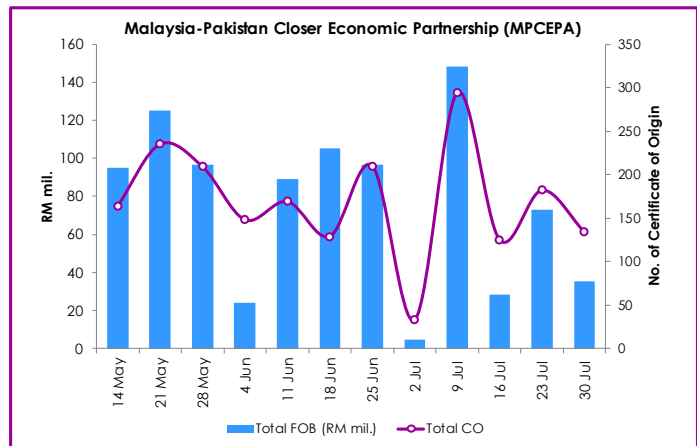
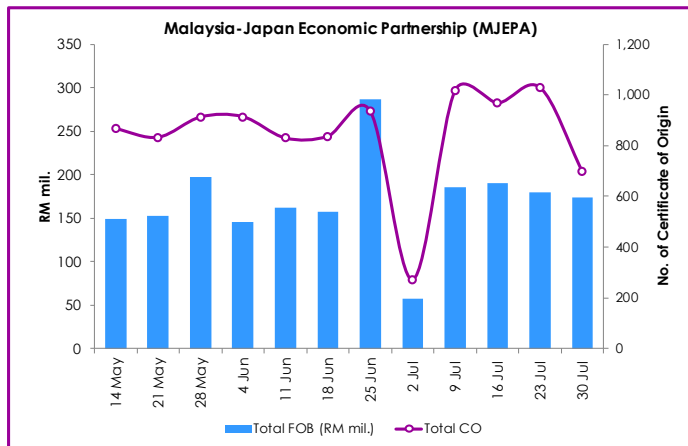


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

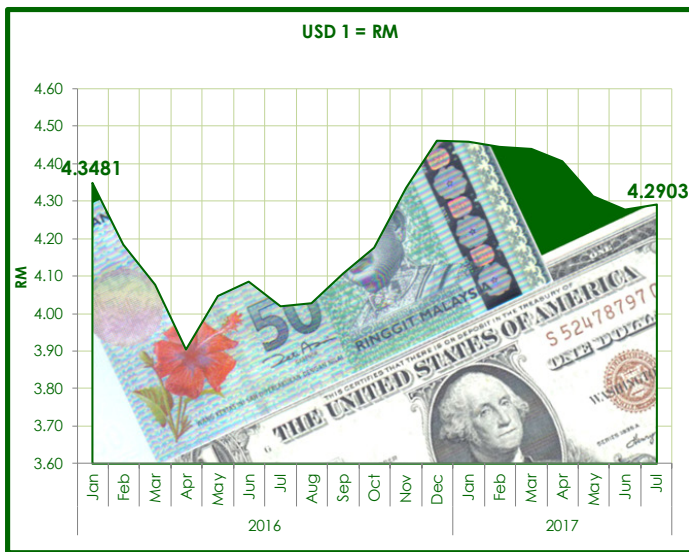
Number and Value of Preferential Certificates of Origin (PCOs)



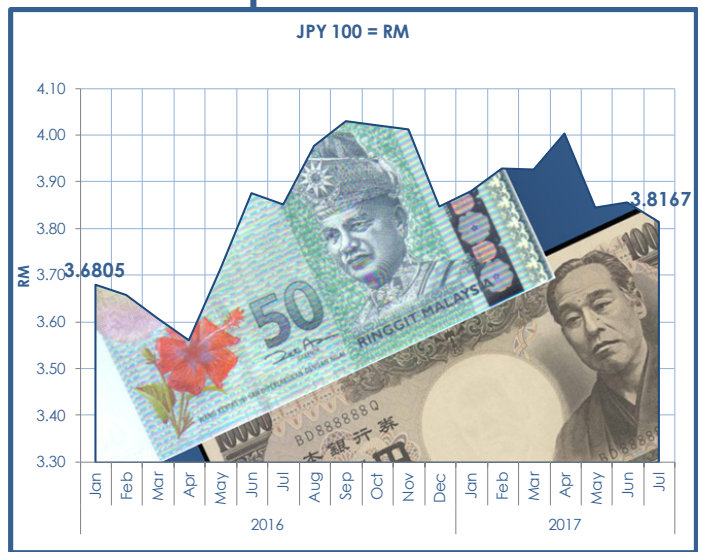
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

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

US Dollar



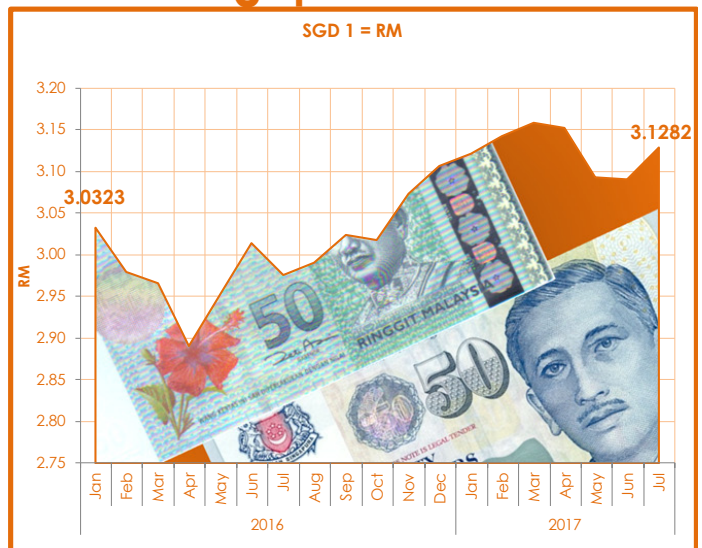
Japanese Yen



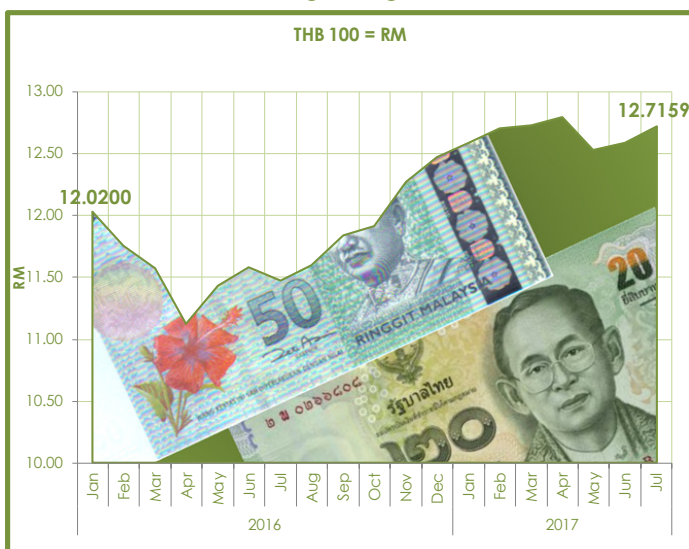
Chinese Yuan



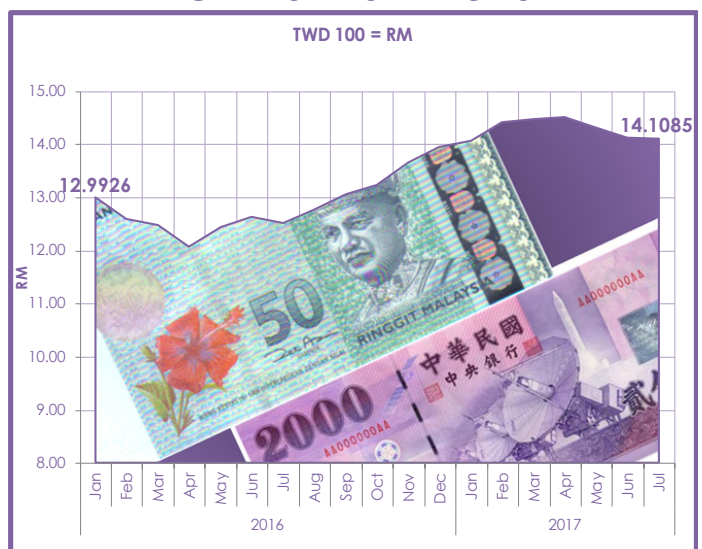
Singapore Dollar



Thai Baht



New Taiwan Dollar



Source : Bank Negara Malaysia

Commodity Prices



CRUDE PETROLEUM (BRENT) -per bbl-

4 Aug 2017 : US\$52.4, ▼ 0.2%*
Average Priceⁱ: 2016: US\$45.3
2015: US\$53.6



CRUDE PALM OIL -per MT-

4 Aug 2017 : US\$665.0, ▼ 0.7%*
Average Priceⁱ: 2016: US\$702.2
2015: US\$616.9



SUGAR -per lbs-

4 Aug 2017 : US¢ 14.1, ▼ 1.6%*
Average Priceⁱ: 2016: US¢18.2
2015: US¢13.2



RUBBER SMR 20 -per MT-

4 Aug 2017 : US\$1,477.5, ▲ 3.1%*
Average Priceⁱ: 2016: US\$1,394.5
2015: US\$1,364.3



COCOA SMC 2 -per MT-

4 Aug 2017 : US\$1,543.1, ▲ 6.5%*
Average Priceⁱ: 2016: US\$1,609.8
2015: US\$2,077.0



COAL -per MT-

4 Aug 2017 : US\$44.1, unchanged
Average Priceⁱ: 2016: US\$45.6
2015: US\$49.9



SCRAP IRON HMS -per MT-

4 Aug 2017 : US\$330.0 (high), ▲ 3.1%
US\$320.0 (low), ▲ 3.2%
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

23 June 2017 : US\$45.5
15 Jan 2016 : US\$28.9

Crude Palm Oil -per MT-



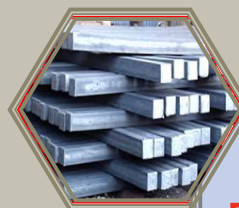
Highest

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

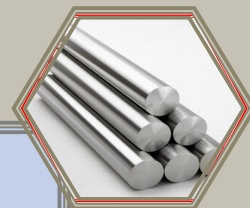
Lowest

30 June 2017 : US\$650.0
15 Jan 2016 : US\$545.5

Domestic Prices 4 Aug 2017



Billets
(per MT)
RM2,100 – RM2,200



Steel Bars
(per MT)
RM2,340 – RM2,490

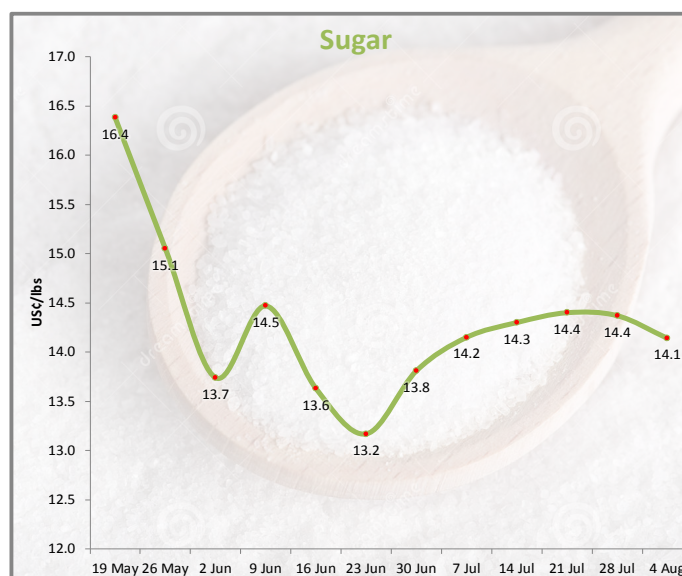
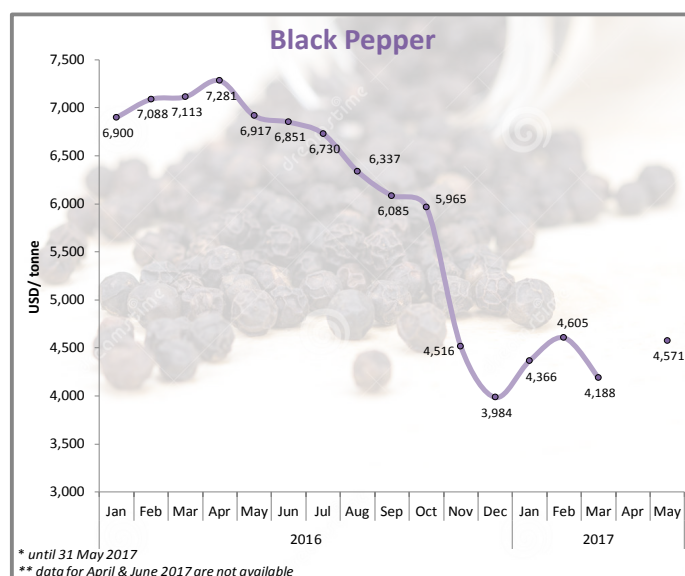
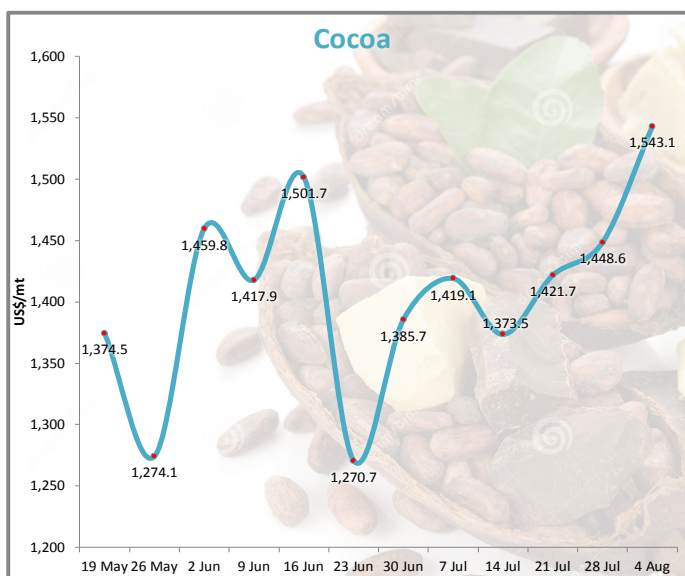
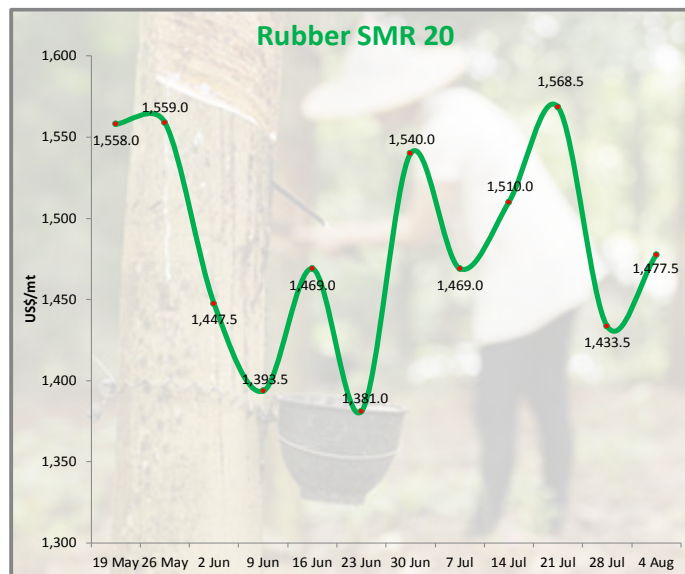
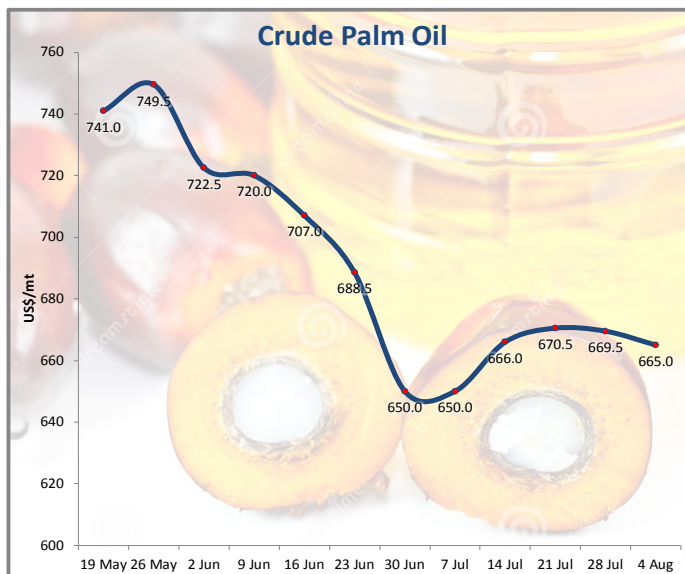
Notes: All figures have been rounded to the nearest decimal point

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

i Average price in the year except otherwise indicated

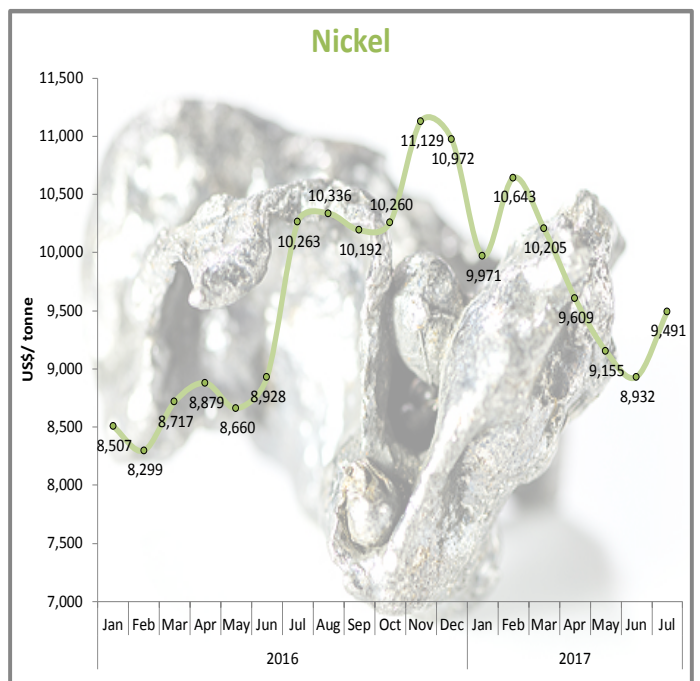
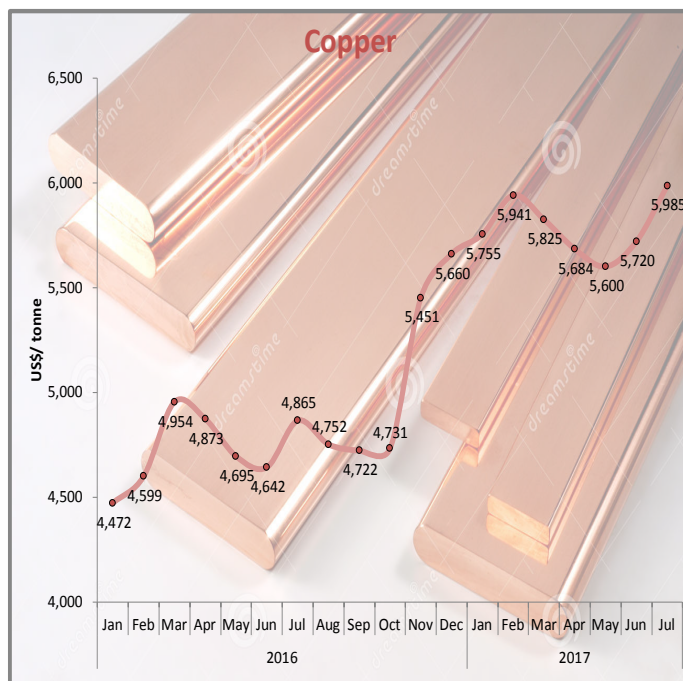
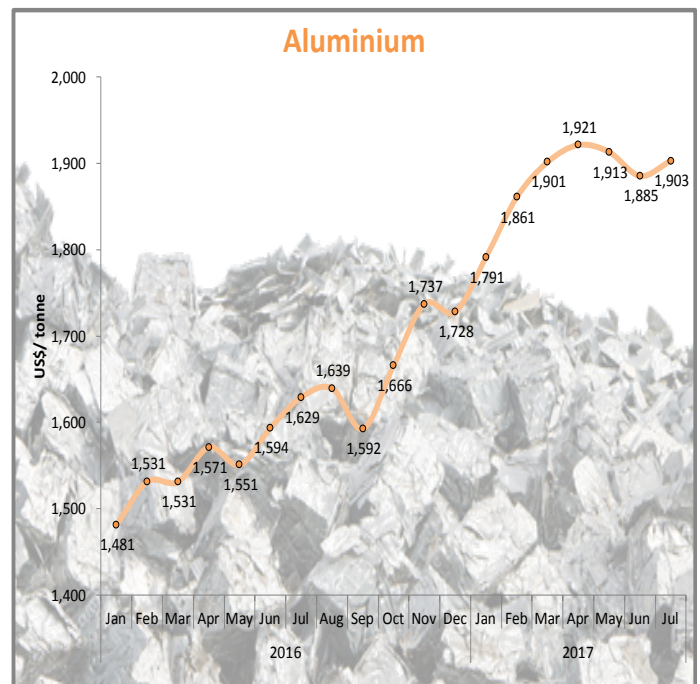
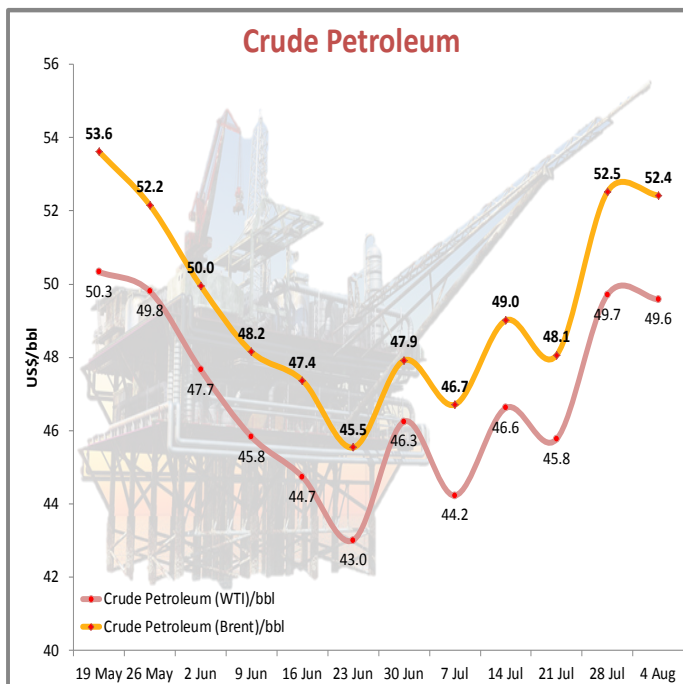
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

Commodity Price Trends



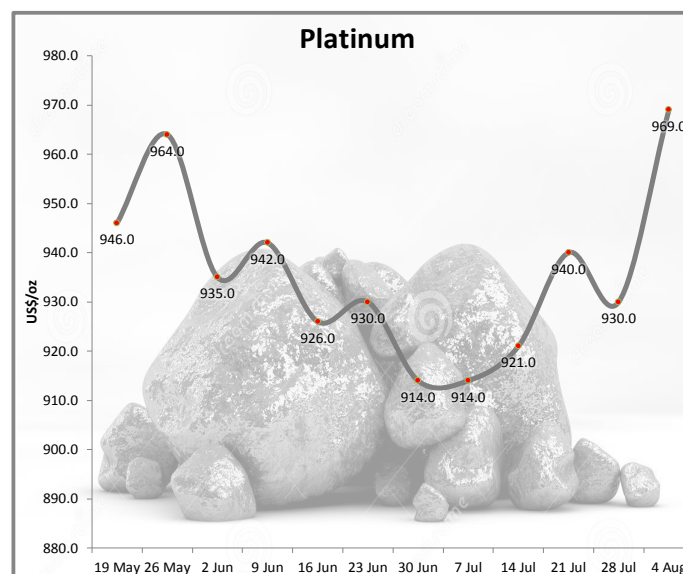
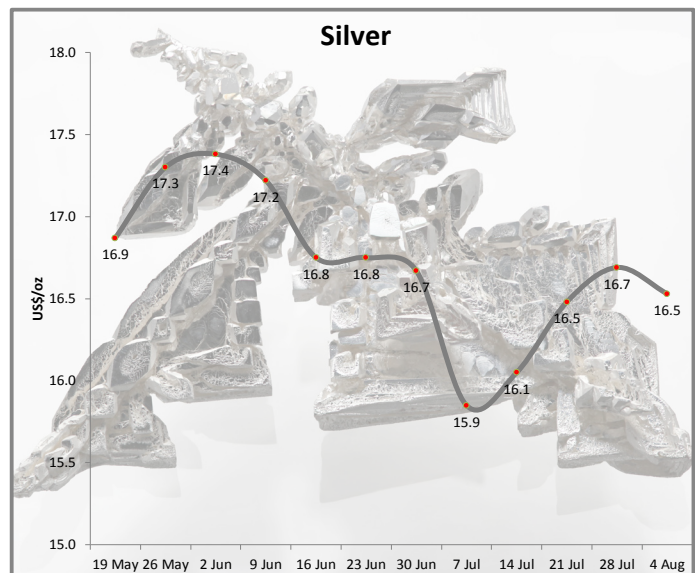
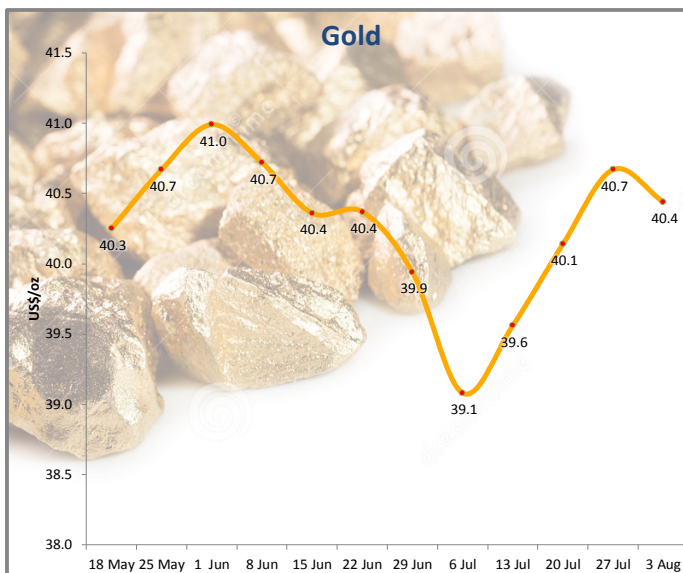
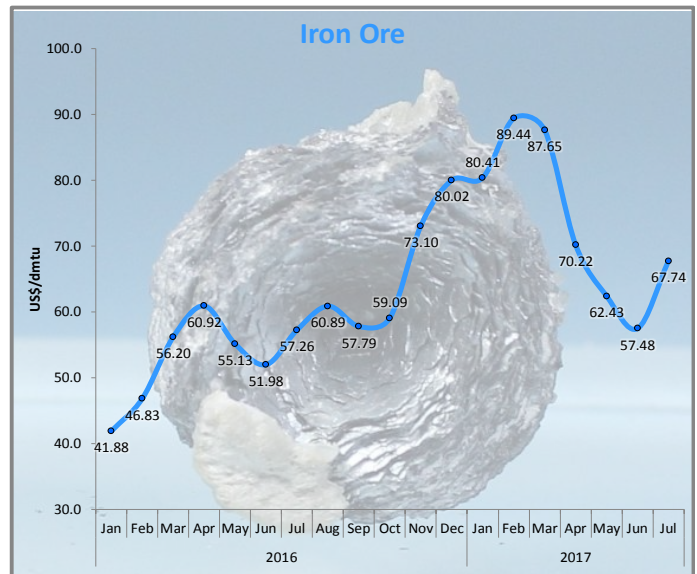
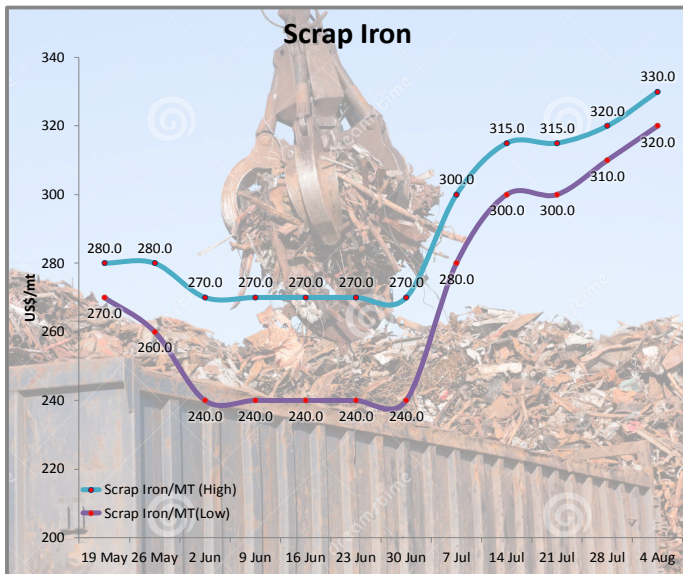
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

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.



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

THE ASEAN 50TH ANNIVERSARY FLAG RAISING CEREMONY AND RELATED COMMEMORATIVE EVENTS

The Association of South East Asian Nations (ASEAN) commemorates its 50th founding anniversary today, 8 August 2017. This is a significant milestones year for the regional bloc. The extended community of ASEAN with the important pillars of political, economic and social shows the solidarity of its own community itself.

In conjunction with the 50th Anniversary of ASEAN today, the Minister of International Trade and Industry, YB Dato' Sri Mustapa Mohamed led the ASEAN Flag Raising Ceremony at the Ministry of International Trade and Industry compound and attended by around 200 officials from MITI and its Agencies. The ceremony today began with the Malaysian national anthem Negaraku, followed by the ASEAN anthem, ASEAN Way and raising of the ASEAN flag. The Minister then signed an ASEAN@50 commemorative plaque during the MITI monthly assembly to record the golden occasion.

A special pull-out in the New Straits Times on "ASEAN in 50 Years and Way Forward" was also published today with special message from YAB Prime Minister of Malaysia, Datuk Sri Mohd Najib Bin Tun Abdul Razak. The Ministry recorded their appreciation to nine strategic partners, i.e. Lion Group, Tan Chong Group, UMW Holdings, Axiata Group, Nestle, Muhibbah Engineering, Schlumberger, Air Asia; and Marrybrown for their support to make this happened.

The Ministry of International Trade and Industry has also planned a line-up of activities related to the ASEAN Economic Community (AEC) throughout the week with the support of other government agencies, ASEAN Member States Embassies / High Commissions in Malaysia, private sector, chambers of commerce, industry associations, business councils, civil societies, research institutes and Institutions of Higher Learning. These include the ASEAN Day celebration on 9 August 2017 where we will have SME Export Day, MIDA mini career fair by 15 companies from various sectors and industries, exhibitions by MITI, Agencies, ASEAN Embassies / High Commissions and private sectors, food trucks to showcase ASEAN cuisines, AEC pop quiz and prize giving ceremony for the ASEAN open essay competition. An intra-ASEAN investment forum will be held on 10 August 2017. Distinguished panellists from multinational companies such as AirAsia Berhad, Honeywell Corporation, Charoen Pokphand Group and Gamuda Land Vietnam will be sharing their experiences and also to discuss on the opportunities as well as challenges investing in ASEAN.

Today, ASEAN has evolved into one of the world's most dynamic regions with accelerated economic performance in recent years. That has been attributable to ASEAN's economic co-operation and integration initiatives taking concrete shape over the past two decades. The economic development of ASEAN, which now has a population of 630 million people, has grown rapidly registered a strong pace of Gross Domestic Product (GDP) at 4.8% in 2016. For 2017, GDP growth rate is projected at 4.8% with positive trends observed across all ASEAN Member States (AMS). Domestic demand will be the main driver for the region's

economic growth in 2017. With a record of US\$ 2.55 trillion GDP in 2016, ASEAN is the third largest economy in Asia and the sixth largest economy in the world. ASEAN aspires to becoming the fourth largest economy in the world by 2050. Total trade in the region stood at US\$2.22 trillion, while intra-ASEAN trade constituted 24% of total trade and remained as the largest market for ASEAN in 2016. The total foreign direct investment (FDI) inflows to ASEAN recorded at US\$96.7 billion and are expected to regain some grounds given the expected modest recovery in the global FDI flows. ASEAN is a community of opportunities not only for ASEAN people but also for the people outside the region.

Malaysia as one of the founding member of ASEAN, will continue to focus towards economic integration by implementing the AEC Blueprint 2025 which was launched at the 27th ASEAN Summit in Kuala Lumpur in November 2015. The Blueprint is an ambitious document that outlines the measures that will be implemented from 2016-2025 to create a highly integrated and cohesive, competitive and dynamic ASEAN. The Consolidated Strategic Action Plan (CSAP) seeks to complement the AEC Blueprint 2025 by serving as a single reference document intended for the public to inform stakeholders of the key action lines that will be implemented in pursuit of ASEAN economic integration from 2016 to 2025 is now available for public to access at the ASEAN website www.asean.org.

Minister Mustapa also stressed that Malaysia is committed to implement all its commitments made under this blueprint and work towards trade facilitation initiatives such as accelerating work on early implementation of ASEAN Single Window for customs clearance, ASEAN Transit Customs System (ACTS), ASEAN-Wide Self-Certification Scheme and accelerating work on standards and conformance. To deepen regional integration and with a view to further support the narrowing of development gap, Malaysia is once again taking the lead in addressing issues related to non-tariff measures (NTMs) and non-tariff barriers (NTBs). Malaysia is also taking steps in accelerating the pace of negotiations of the Regional Comprehensive Economic Partnership (RCEP). In addition ASEAN underscore the importance to discuss the impact of global economic developments and new emerging issues including the 4th industrial revolution (4IR) to the ASEAN economy. In keeping up the momentum on trade and investment liberalisation in the region, Mustapa underlined that ASEAN will continue to oppose anti-globalisation and protectionist tendencies.

In addition, the Philippines as the Chair of ASEAN this year has also organised a grand celebration today in Manila which was graced by the Philippines President Rodrigo Roa Duterte at the Philippines International convention Centre (PICC). ASEAN Foreign Ministers including YB Dato' Sri Anifah Haji Aman, Minister of Foreign Affairs Malaysia joined the ASEAN Day celebration. Among the activities during the celebrations were ASEAN parade & concert, ceremonial lighting of the ASEAN lantern at the Philippines Cultural Centre and lighting of landmark national monuments in all ASEAN Member States' capital, including the KL Tower.

Ministry of International Trade and Industry, 8 August 2017

MEDIA RELEASE



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

LATIN AMERICAN BUSINESS DAY 2017

KUALA LUMPUR: The inaugural Latin American Business Day led by the Ministry of International Trade and Industry Malaysia today underscores Malaysia's firm commitment to further expand trade and investment relations with economies in Latin America. Co-organised by the Malaysia External Trade Development Corporation (MATRADE) and the ten Latin American Embassies in Malaysia namely Argentina, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Peru, Uruguay and Venezuela, the event received overwhelming response from the business community here, with attendance of nearly 800 participants.

The event was officiated by the Minister of International Trade and Industry, YB Dato' Sri Mustapa Mohamed. A series of information sharing and briefing sessions were arranged featuring expert speakers from relevant MITI agencies, Latin American Embassies as well as prominent industry specialists and members of the academia from Malaysia as well as Latin America.

The panellists at the breakout sessions include speakers from Malaysia namely from EXIM Bank, Malaysian International Shipping Corporation, SCOMI, Petronas, Malaysia Digital Economy Corporation and Federation of Malaysian Freight Forwarders. Speakers from Latin America included representatives from Banco do Brasil Securities Asia (from Brazil), IMARTEK (Argentina), Mincetur (Peru), ProMexico (Mexico), ProChile (Chile) and InnoCIMAb Pte Ltd (Cuba).

In the first half of the day, the Latin American Ambassadors provided an overview of the different economic integration mechanisms in Latin America and the distinctive business prospects they offered while MATRADE and the Malaysian Investment Development Authority (MIDA) presented on the strategic trade and investment opportunities in Malaysia.

The breakout sessions in the second half of the day had focused discussions on exploring and forging linkages in sectors of common interest between industry players from both Malaysia and Latin America. Deliberations centred on opportunities available in the energy, oil and gas; mining and construction services; aerospace; electrical and electronics; ICT; medical equipment and pharmaceutical; agribusiness, food and beverage; Halal; as well as automotive and auto parts sectors.

To complement the objective of the event and to highlight the important role of students and young entrepreneurs in expanding trade and investment relations, a dedicated programme to engage the youth also ran concurrently in the afternoon session. The segment saw the participation of students and academics from local and Latin American universities as well as from other education-related bodies.

Akin to the Africa Business Day held late last year, the Latin American Business Day is yet another strategic approach taken by the Government to diversify and expand market penetrations and investment opportunities - exploring beyond traditional market sources and industry sectors. This is timely as Malaysia's trade with Latin America is presently showing a healthy growth trend in spite of the challenging global environment.

Recent developments related to the Trans-Pacific Partnership Agreement (TPPA) and the North American Free Trade Agreement

(NAFTA), have made businesses from Latin America look towards Malaysia and the ASEAN region for more opportunities. Malaysia's trade with Latin America grew by 2.1 per cent (CAGR) between 2011 to 2016 and grew by 31.7 per cent between January to May 2017.

Malaysia's total exports to Latin America grew by 3.6 per cent (CAGR) between 2012- 2016, and 25.4 per cent in the period between January to May 2017. Currently Mexico is Malaysia's largest export partner in Latin America. Malaysia's exports to Mexico amounted to RM 7.85 billion in 2016 and RM4.16 billion for the period January to May 2017. Malaysia recorded positive export growth with countries such as Mexico and Peru. Chile is the only Latin American country with which Malaysia has a Free Trade Agreement (FTA).

In the globalised economy of the 21st century, diversification of trade is key to engage and take opportunities of deep trade and expand investments around the world. Malaysia and Latin America that are still a long way to obtain the benefits of the real opportunities both offer.

In addition to trade, major Latin American companies have also established their global presence in Malaysia, leveraging on the country's comprehensive industrial ecosystem that has been built for more than 40 years.

According to Malaysian Investment Development Authority (MIDA), Mexico stands out as the largest investor in the manufacturing sector with investments valued at RM135.7 million. Majority of investments from Latin America are in the food processing, pharmaceutical and chemicals industries. Malaysia is proud to host notable Latin American manufacturing companies such as Mission Foods and BRF in the food processing industry and WEG, which covers the power/renewable energy, water works, oleochemical/refinery, and oil and gas industries. Latin American companies have also ventured into Malaysia's vibrant services sector by setting up representative offices and distribution centres.

As a diversified economy, Malaysia provides tremendous business opportunities, especially for global companies accessing the wider market in the region. For Latin America, there are indeed a lot of potentials for more investments in Malaysia, particularly in food processing, oil and gas as well as regional establishments such as Principal Hubs. Therefore, Latin American companies should leverage on their strengths and advantages, and explore investment opportunities in Malaysia to gain access to ASEAN, the economic powerhouse of 630 million people, with a combined GDP of USD2.5 trillion.

Now that MITI has started the ball rolling in the right direction, YB Dato' Sri Mustapa, expressed hope that the private sector as well as the Embassies will take the lead and spearhead the Latin American Business Day next year onwards. He assured that the Government on its part will continue with its supportive, trade-facilitative and business friendly policies overall, so that the private sector can successfully establish new linkages with Latin American businesses to expand and grow together.

Malaysian companies keen to trade with the Latin American region are strongly encouraged to engage with MATRADE while Latin American companies wishing to invest in Malaysia are advised to reach out to MIDA.

Ministry of International Trade and Industry, 1 August 2017

MITI PROGRAMME

ASEAN 50 Dinner Awards, 4 August 2017



MITI PROGRAMME

BRAND Entrepreneurs Conference 2017, 7 August 2017



MITI PROGRAMME

THE ASEAN 50TH ANNIVERSARY FLAG RAISING CEREMONY 8 August 2017



MITI PROGRAMME

Perhimpunan Bulanan MITI dan Agensi 8 Ogos 2017



ANNOUNCEMENT

ASEAN is turning 50!
Come and Celebrate
ASEAN's 50th Anniversary
at Menara MITI, Kuala Lumpur
9 August 2017, 8.00am

The poster for ASEAN Day 2017 features a dynamic background with red and white curved stripes. On the left, a vertical list of activities is shown in circular icons: 'Food Truck' (a food truck), 'SME Export Day' (a ship), 'AEC Quiz' (a question mark with a starburst below it saying 'CASH PRIZES TO BE WON!'), 'Exhibitions by companies and agencies' (two people holding hands), and 'Career Fair' (a person silhouette). At the top right are the logos for the Ministry of International Trade and Industry (MITI) and NEGARAKU (Malaysia). The main title 'ASEAN Day 2017' is in large, bold, orange and black letters. Below it, the date '9 August 2017 | Wednesday' and the organizing body 'Ministry of International Trade and Industry' are listed. At the bottom right are the 'ASEAN 50' logo and the 'asean @50' logo.

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY NEGARAKU

ASEAN Day 2017

9 August 2017 | Wednesday
Ministry of International Trade and Industry

Food Truck
SME Export Day
AEC Quiz
Exhibitions by companies and agencies
Career Fair

ASEAN 50
@50

ANNOUNCEMENT

LIBERALISATION OF IMPORT LICENCE FOR IRON & STEEL PRODUCTS

Please be informed that there is an amendment to the Customs (Prohibition of Imports) Order 2017 effective **1 August 2017 (Tuesday).**

All iron and steel products which are still subjected to Import Licence from MITI are listed in Appendix I.



NATIONAL POLICY ON INDUSTRY 4.0
Open for public feedback

Consultation period: 10 July 2017 - 11 August 2017



Malaysia Aerospace Summit 2017 (MyAERO'17)
 "The Emerging Dynamics of Aerospace"

15 August 2017 | 9 am - 5 pm | Level 1, MITI

Brought to you by:

In collaboration with:



**ANUGERAH
KECEMERLANGAN
INDUSTRI**



INDUSTRY EXCELLENCE AWARD

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





Glossary

of Technical Terms

Horizontal Approach

Approach to address NTBs in all sectors. For example elimination of export taxes.

HRC

Current trend of automation and data exchange in manufacturing technologies.

HS

Harmonized System Tariff Code. An international nomenclature developed by the World Customs Organization, which is arranged in six-digit codes allowing all participating countries to classify traded goods on a common basis. Beyond the six-digit level, countries are free to introduce national distinctions for tariffs and many other purposes.

IAP

Individual Action Plan - An action plan developed and implemented by each APEC member economy to outline activities related to realizing Bogor goals of free and open trade and investment in the region. Each IAP contains 15 chapters on different trade-related issues such as tariffs and non-tariff barriers that can restrict trade or make it more expensive (such as quotas, subsidies, minimum import prices, quarantine measures and technical barriers). There are also chapters on services and investment or arrangements that impact on investment. Since 2001, members have been using e-IAP to make IAPs more transparent, accessible, easily assessed and referred to. Starting 2012, economies will submit their IAPs every two years in 2012, 2014, and 2018; in 2016 and 2020, economies will respectively undertake a second term review and a final assessment.

IBS

Industrialised Building System - A technique of construction whereby components are manufactured in a controlled environment - either onsite or offsite - placed and assembled into construction works.

ICP

Internal Compliance Program - A set of internal controls and procedures implemented voluntarily by a company that ensures transactions satisfy the requirements under STA 2010. An ICP is a prerequisite for companies that wish to avail themselves of bulk and multiple-use permits under STA 2010. It is also to safeguard the company from being manipulated by proliferators of WMD.

ILP

Industrial Linkage Programmes - is implemented to integrate local SMIs into the mainstream industrial sector to forge stronger industry linkages.

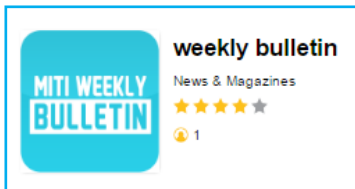
**TO BE
CONTINUED...**



Kindly click http://www.csf.gov.sg/docs/default-source/default-document-library/CSF-Foresight_FA-for-online-upload.compressed.pdf to download this publication.



MITI Weekly Bulletin (MWB) Mobile Apps



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>

