

Trade Breached One Trillion Mark in the First Seven Months of 2017

Malaysia's total trade surpassed the one trillion mark in January-July 2017, with a value of RM1.008 trillion, expanding by 22.7% from the corresponding period in 2016. This was the fastest period trade breached the one trillion mark, two months earlier than the normal trend. Expansion was supported mainly by trade with ASEAN, China, the United States of America (USA), the European Union (EU), Japan, India and Taiwan. Exports increased by 22.3% to RM529.68 billion while imports rose by 23% to RM478.71 billion, resulting in a trade surplus of RM50.97 billion.

Exports in July 2017 maintained its steady growth momentum recording a value of RM78.62 billion, rising by 30.9% compared with a year ago. Exports posted a stronger year-on-year growth than imports for the third straight month. Imports was higher by 21.8% to RM70.59 billion and total trade expanded by 26.4% to RM149.21 billion. July's trade surplus of RM8.03 billion marked the 237th consecutive month of trade surplus since November 1997.

On a month-on-month basis, total trade, exports and imports in July 2017 were higher by 9.5%, 7.6%, and 11.7%, respectively.

Export Performance of Major Sectors

All Major Export Products Registered Increases

Exports of manufactured goods for July 2017 grew by 32.6% year-on-year (y-o-y) to RM64.66 billion and contributed 82.2% to Malaysia's total exports. This was led by higher exports of all products in the manufacturing sector. Electrical and electronic (E&E) exports continued to register a double-digit growth for the seventh straight month, increasing by 28.3% or RM6.15 billion in July.

Exports of mining goods in July 2017 expanded by 27.5% to RM6.71 billion, accounting for 8.5% of Malaysia's total exports. The higher growth was driven by increased exports of liquefied natural gas (LNG), underpinned by both higher Average Unit Value (AUV) and volume.

Exports of agriculture goods increased by 14.8% to RM6.42 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, as a result of higher AUV and volume.

Major exports in July 2017 were:

- E&E products valued at RM27.91 billion, constituting 35.5% of total exports, increased by 28.3% from July 2016;
- Petroleum products, RM7.09 billion, 9% of total exports, increased by 76%;
- Chemicals and chemical products, RM5.72 billion, 7.3% of total exports, increased by 18%;
- Palm oil and palm oil-based agriculture products, RM4.46 billion, 5.7% of total exports, increased by 13.1%; and
- LNG, RM3.79 billion, 4.8% of total exports, increased by 50.8%.

Compared to June 2017, exports of manufactured and agriculture goods rose by 8.4% and 7.6%, respectively while exports of mining goods contracted by 0.9%.

In the first seven months of 2017, exports of manufactured goods expanded by 20.9% to RM432.79 billion compared with January-July 2016, on account of higher exports of E&E products, petroleum products, chemicals and chemical products, rubber products as well as iron and steel products. Exports of mining goods rose by 31.8% to RM46.23 billion, mainly due to increased exports of LNG and crude petroleum, underpinned by higher AUV and volume. Exports of agriculture goods increased by 22.3% to RM45.41 billion, with higher exports of palm oil and natural rubber, also due to higher AUV and volume.

Performance of Major Markets

Trade with ASEAN Up by 37% - the Fastest Growth since April 2010

Trade with ASEAN expanded by 37% y-o-y to RM42.59 billion, accounting for 28.5% of Malaysia's total trade in July 2017. Exports up by 33.8% to RM24.32 billion, while imports rose by

41.3% to RM18.26 billion. Exports to all ASEAN countries attained double-digit growth, due to higher exports of petroleum products, E&E products, machinery, equipment and parts, optical and scientific equipment, chemicals and chemical products as well as iron and steel products.

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

- Singapore RM 12.11 billion, increased by 32.3%
- Thailand RM 4.68 bil, ↑31.4%
- Indonesia RM 2.75 bil, ↑30.7%
- Viet Nam RM 2.64 bil, ↑46.4%
- Philippines RM 1.40 bil, ↑34.6%
- Myanmar RM 439.4 mil, ↑56.8%
- Brunei RM201.8 mil, ↑38.6%
- Cambodia RM105.6mil, ↑24.2%
- Lao PDR RM 4.4 mil, ↑19.6%

Exports to Singapore surged by RM2.95 billion, contributed largely by higher exports of E&E products. Exports to Thailand increased by RM1.12 billion, owing to higher exports of crude petroleum. After three consecutive months of decline, exports to Viet Nam rebounded by RM837 million due to higher uptake of petroleum products and E&E products.

On a month-on-month basis, total trade, exports and imports rose by 17.3%, 19.4% and 14.7%, respectively.

In January-July 2017, trade with ASEAN soared by 23.6% to RM276.88 billion and exports expanded by 21.8% to RM156.28 billion from the same period of 2016. Higher exports were registered for E&E products, petroleum products, chemicals and chemical products, crude petroleum as well as machinery, equipment and parts. Imports from ASEAN increased by 25.9% to RM120.6 billion.



Exports to China Sustained Double Digit Growth

In July 2017, trade with China valued at RM23.7 billion, surged by 26.4% compared to July 2016 and constituted 15.9% of Malaysia's total trade. Exports to China remained sturdy with a double-digit growth for nine consecutive months, growing by 28.8% to RM9.38 billion in July 2017. This was due to higher exports of E&E products, rubber products, LNG, chemicals and chemical products as well as manufactures of metal. Imports from China increased by 24.8% to RM14.32 billion.

Compared to June 2017, exports declined by 4.2% while total trade and imports were higher by 4.2% and 10.5%, respectively.

Trade with China in January-July 2017 expanded by 27.7% to RM163.02 billion compared with the previous period of 2016. Exports to China surged by 39.4% to RM69.17 billion, due to higher exports of E&E products, petroleum products, rubber products, chemicals and chemical products as well as LNG. Imports from China increased by 20.3% to RM93.85 billion.

Trade with the EU Surged 34.5%

Malaysia's trade with the EU in July 2017 stood at RM15.75 billion or 10.6% of Malaysia's total trade, an increase of 34.5% from July 2016. Exports to the EU maintained the strong double-digit growth since the start of the year, expanding by 34.1% to RM8.16 billion. Major contributors to the expansion were E&E products, petroleum products, palm oil and palm oil-based agriculture products, iron and steel products as well as rubber products. Imports grew by 35% to RM7.6 billion.

Among the top 10 EU markets, exports to 9 markets registered increases, with 6 recording double-digit growth, namely, the Netherlands (↑47.9%), Germany (↑34.4%), Belgium (↑69.5%), the United Kingdom (↑19.9%), Poland (↑82.2%) and Hungary (↑23.6%).

On a month-on-month basis, total trade, exports and imports rose by 18.9%, 12.4% and 26.6%, respectively.

In the first seven months of 2017, trade with the EU recorded a growth of 17.2% to RM98.11 billion compared with the corresponding period of 2016. Exports increased by 23.6% to RM54.52 billion while imports grew by 10% to RM43.58 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, rubber products as well as optical and scientific equipment.

USA –Manufactured Goods Drove Export Growth

In July 2017, Malaysia's trade with the USA rose by 20% y-o-y to RM12.59 billion and accounted for 8.4% of Malaysia's total trade. Exports to the USA grew by 14.4% to RM7.26 billion, led by greater exports of manufactured goods. Exports of manufactured goods increased by 17.1% or RM1.03 billion with higher exports recorded for all sub-sectors except for transport equipment and jewellery. Imports was higher by 28.7% to RM5.33 billion.

Compared to June 2017, exports increased marginally by 1.3% while total trade and imports contracted by 3% and 8.3%, respectively.

In January-July of 2017, trade with the USA expanded by 20.3% to RM93.77 billion from the same period of 2016. Exports to the USA rose by 11.1% to RM50.54 billion supported by higher shipments of E&E products, rubber products, machinery, equipment and parts, iron and steel products as well as chemicals and chemical products. Imports from the USA surged by 33.1% to RM43.23 billion.

Japan – Double Digit Export Growth in All Key Sectors

On a year-on-year basis, trade with Japan in July 2017 expanded by 20.6% to RM11.76 billion and accounted for 7.9% of Malaysia's total trade. The upward trend of exports to Japan continued in July with an expansion of 25.5% to RM6.32 billion, on the back of improvements in all key sectors. Higher exports were recorded for LNG, E&E products, optical and scientific equipment, iron and steel products, chemicals and chemical products as well as textiles, apparels and footwear. Imports were up by 15.3% to RM5.44 billion.

Total trade, exports and imports were higher by 7.4%, 3.8% and 11.9% respectively, compared to June 2017.

During the first seven months of 2017, trade with Japan amounted to RM80.28 billion, grew by 17.9% from the corresponding period a year ago. Exports to Japan were valued at RM44.03 billion, grew by 22.4% due to higher exports of E&E products, LNG, chemicals and chemical products, crude petroleum, textiles, apparels and footwear as well as petroleum products. Imports from Japan rose by 12.7% to RM36.25 billion.

Trade with FTA Partners

In July 2017, trade with Free Trade

Agreement (FTA) partners grew by 27.1% y-o-y to RM95.17 billion and accounted for 63.8% of Malaysia's total trade. Exports to FTA partners amounted to RM49.76 billion, up by 33.7% while imports totalled RM45.41 billion, higher by 20.6%.

Exports to Australia surged by 50.5% to RM2.65 billion, underpinned by higher exports of petroleum products, the ROK (↑50.5% to RM2.34 billion, LNG), India (↑33.5% to RM3.07 billion, E&E products), Turkey (↑50.8% to RM794.7 million, manufactures of metal) and Pakistan (↑39.1% to RM503.4 million, palm oil and palm oil-based agriculture products).

Compared to June 2017, total trade, exports and imports increased by 10.2%, 7.8% and 12.9%, respectively.

During January-July of 2017, total trade with FTA partners was valued at RM638.12 billion, grew by 24% and accounted for 63.3% of Malaysia's total trade. Exports amounted to RM335.56 billion, rose by 25.4% and imports totalled RM302.55 billion, expanded by 22.4%. Higher exports were recorded to China, Singapore, Japan, Thailand and Indonesia.

Imports

In July 2017, imports increased by 21.8% to RM70.59 billion. The three main categories of imports by end use were:

- **Intermediate goods**, valued at RM39.9 billion or 56.5% of total imports, increased by 24.2%, underpinned by increased imports of processed industrial supplies, particularly jewellery;

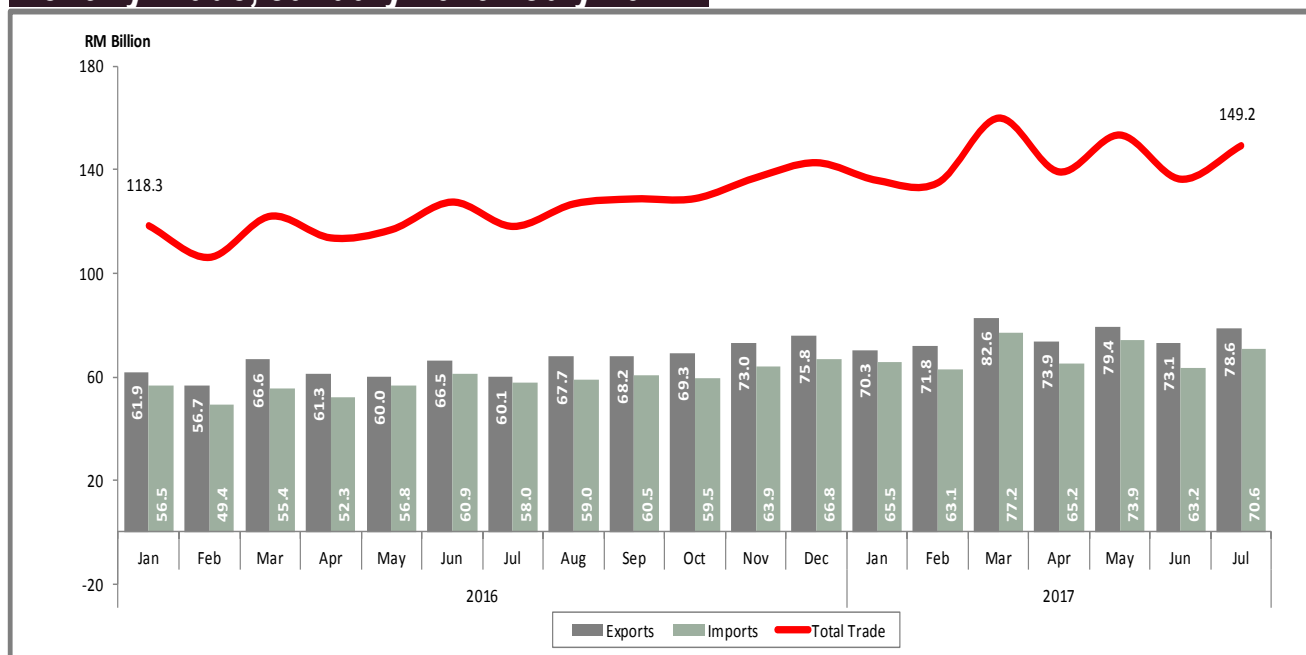
- **Capital goods**, amounted to RM9.18 billion or 13% of total imports, fell by 16.5%, due mainly to lower imports of capital goods (except transport equipment), particularly ships, boats and floating structures; and

- **Consumption goods**, totalled RM5.99 billion or 8.5% of total imports, increased by 21.8%, as a result of higher imports of processed food and beverages mainly for household consumption especially meat.

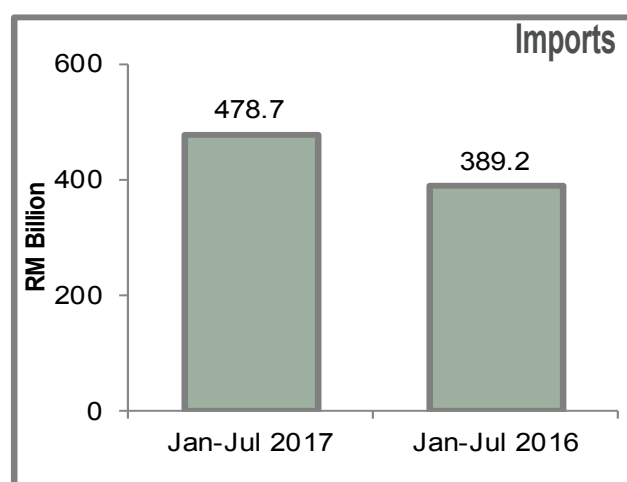
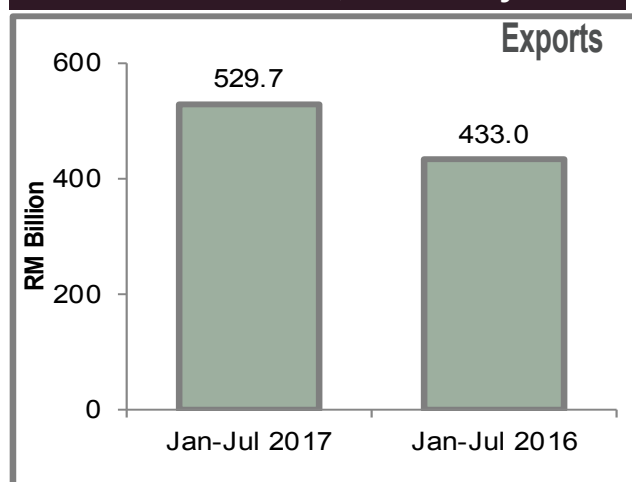
During the first seven months of 2017, imports were valued at RM478.71 billion, an increase of 23% from the corresponding period of 2016. Intermediate goods were valued at RM278.71 billion, increased by 25.6%, capital goods (RM65.78 billion, ↑15.7%) and consumption goods (RM40.35 billion, ↑5.1%).

Trade Performance

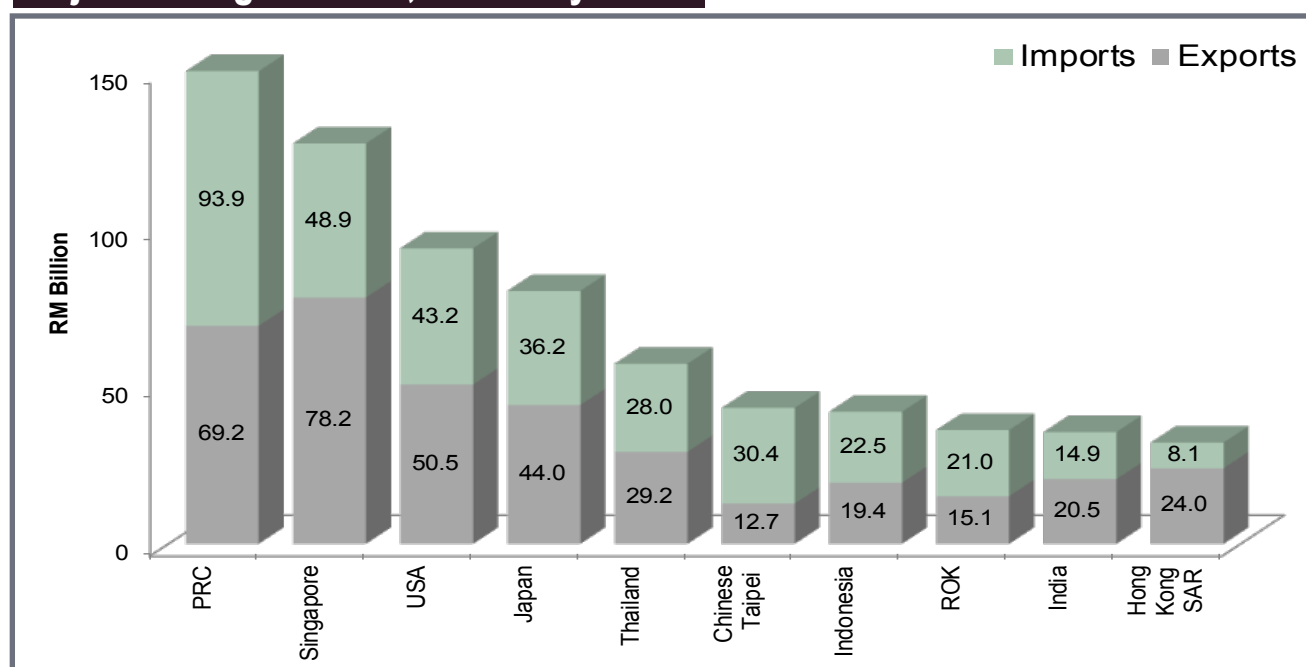
Monthly Trade, January 2016 - July 2017



Trade Performance, Jan - July 2017

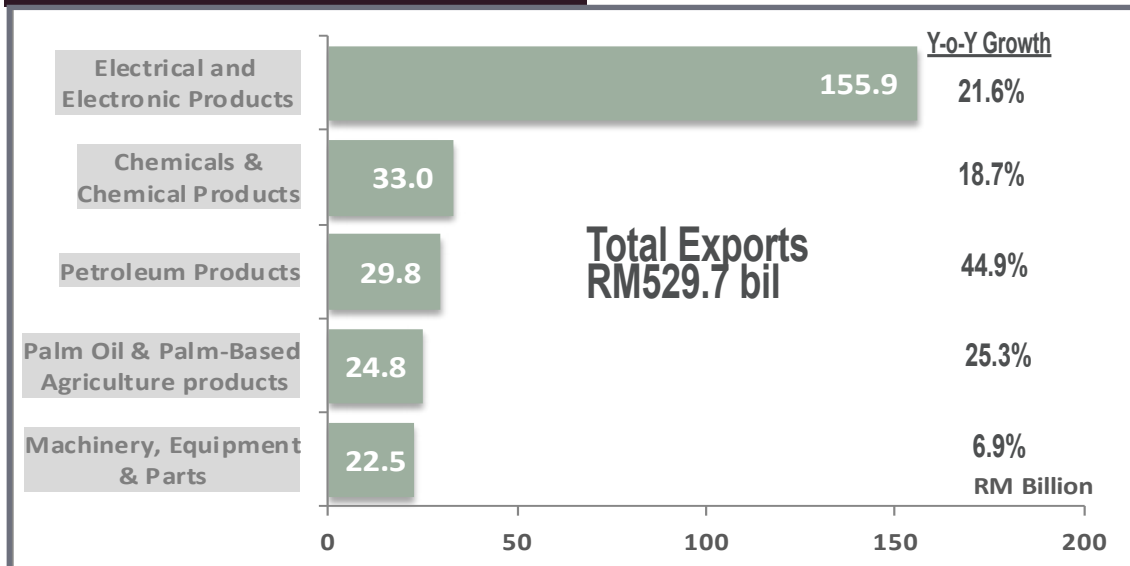


Major Trading Partners, Jan - July 2017

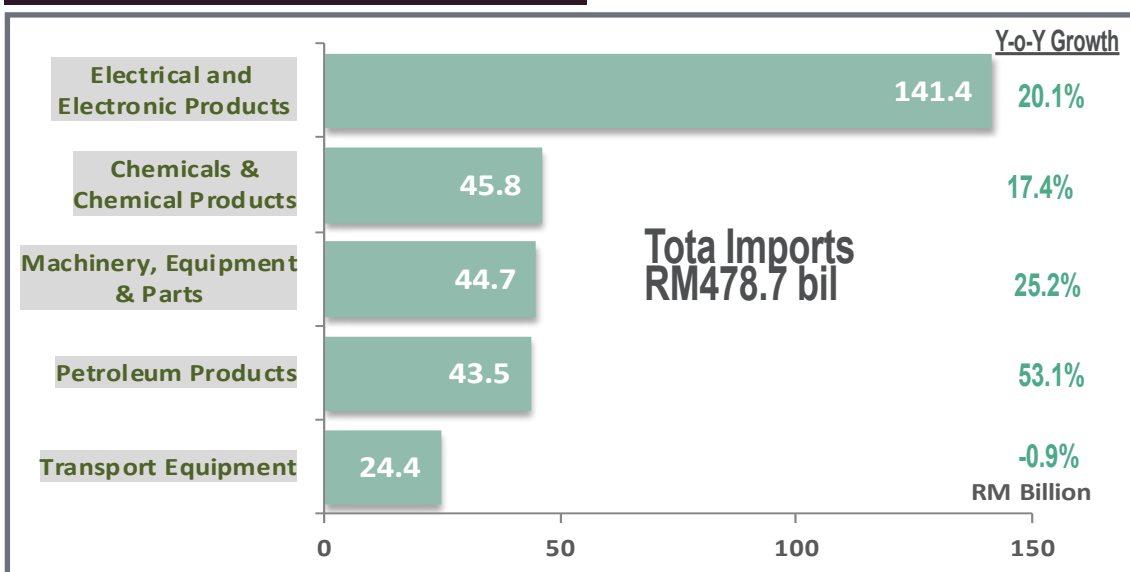


Source: Department of Statistics, Malaysia

Major Export Products, Jan - July 2017



Major Import Products, Jan - July 2017



Malaysia's Trade by Region

	Jan - July 2017	Jan - July 2016	Change% Jan - July 2017/ Jan-July 2016
RM Billion			
ASEAN	276.9	224.1	23.6
EU 28	98.1	83.7	17.2
West Asia	40.6	31.2	30.2
Africa	19.1	14.8	28.6
Others	573.7	468.4	28.6
Total	1,008.4	822.2	22.7



Source: Department of Statistics, Malaysia

International Report

Indonesia Economic Indicators, 2016



Population : 261.1 mil.

Land area : 1,811,570 sq. km

GDP (current US\$) : US\$ 932.3 billion

Inflation rate : 3.5%

Unemployment rate : 5.9%

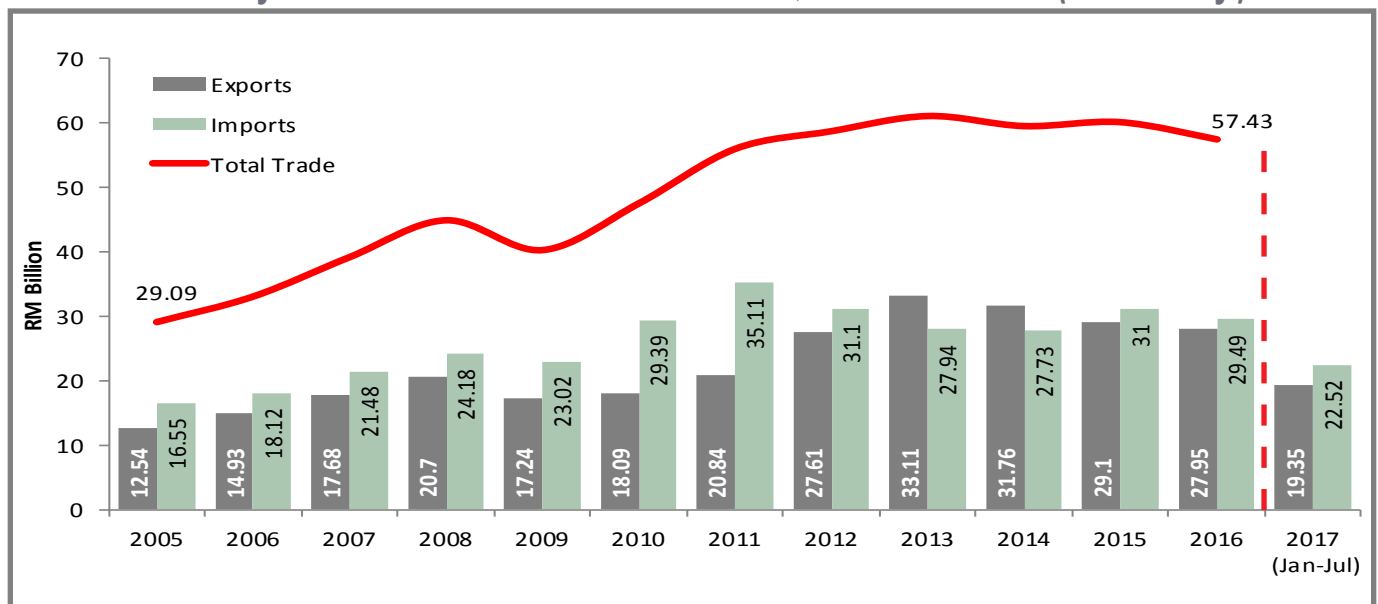
Global trade : US\$280.1bil (Rank:31)

Global exports : US\$144.5bil (Rank:30)

Global imports : US\$135.7 bil (Rank:32)

Source: Source: Worldbank, wto

Malaysia's Trade with Indonesia, 2005 - 2017 (Jan-July)



Major Exports , Jan-July 2017/ Jan-July 2016

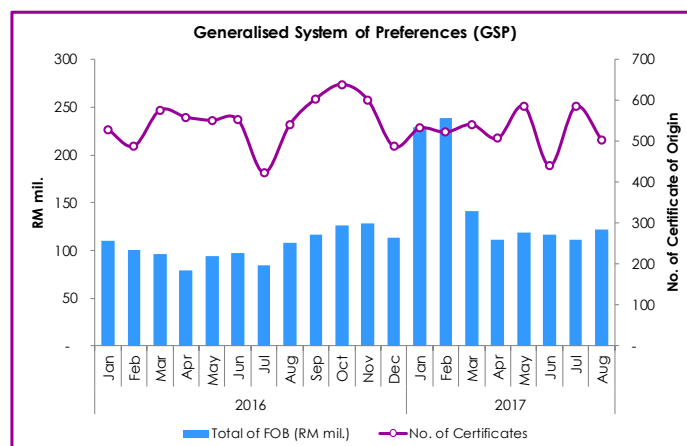
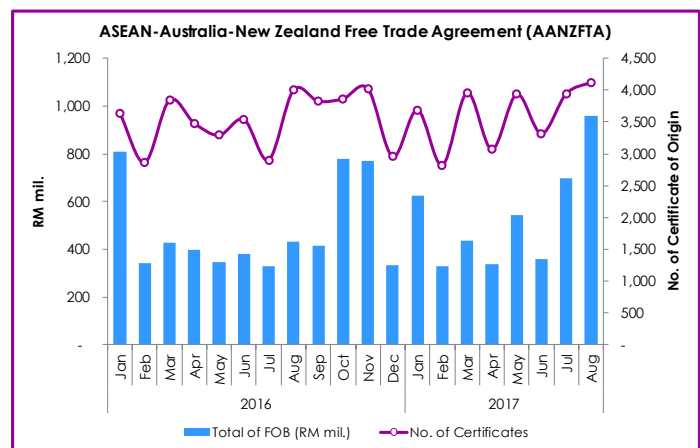
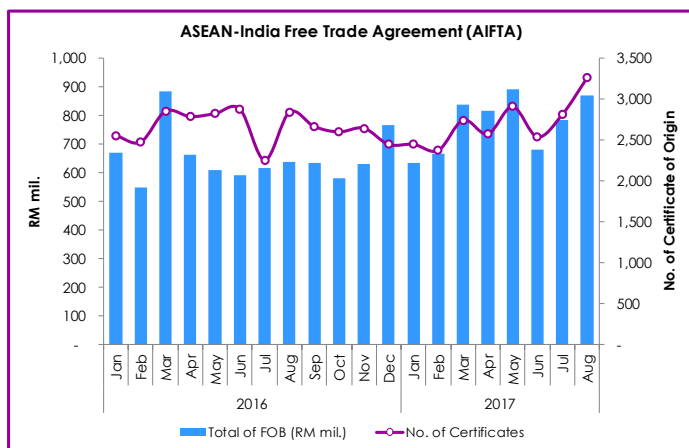
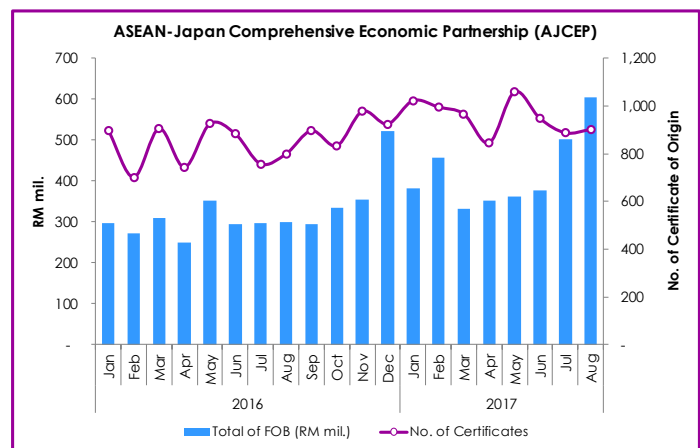
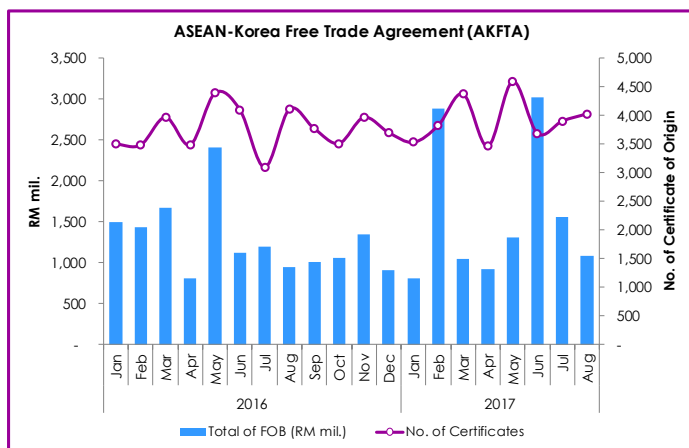
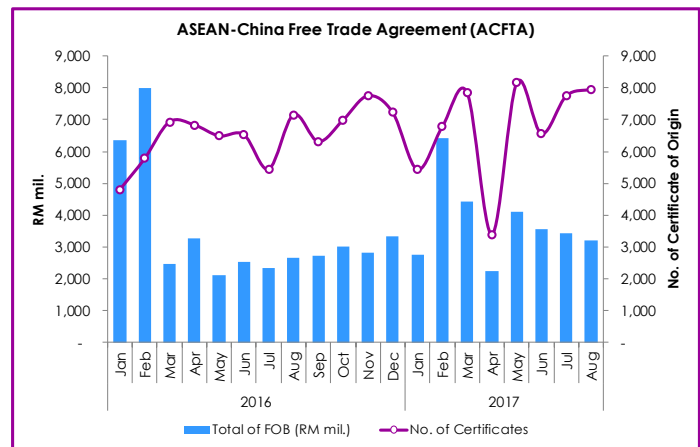
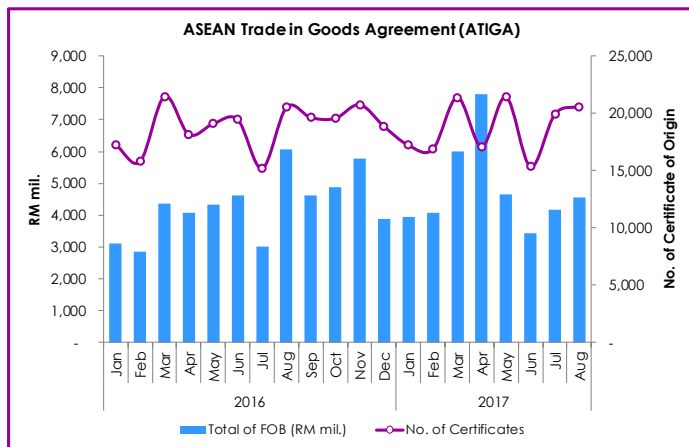
HS Code	Product	Jan-July 2017	Jan-July 2016	Change %
27	Mineral fuel, oil, etc	6.3	3.3	92.2
39	Plastics and articles thereof	2.0	1.7	18.0
84	Machinery appliances	1.7	2.1	-20.0
85	Electrical machinery and equipment	1.2	1.2	1.4
29	Organic chemicals	1.1	1.1	-1.7

Major Imports , Jan-July 2017/ Jan-July 2016

HS Code	Product	Jan-July 2017	Jan-July 2016	Change %
27	Mineral fuel, oil, etc	6.9	3.3	109
15	Animal or vegetable fats and oils	2.7	1.7	56.7
38	Miscellaneous chemical products	1.6	1.0	49.3
85	Electrical machinery and equipment	1.1	0.9	19.8
84	Machinery appliances	1.1	0.8	26.3

Source : Department of Statistics, Malaysia

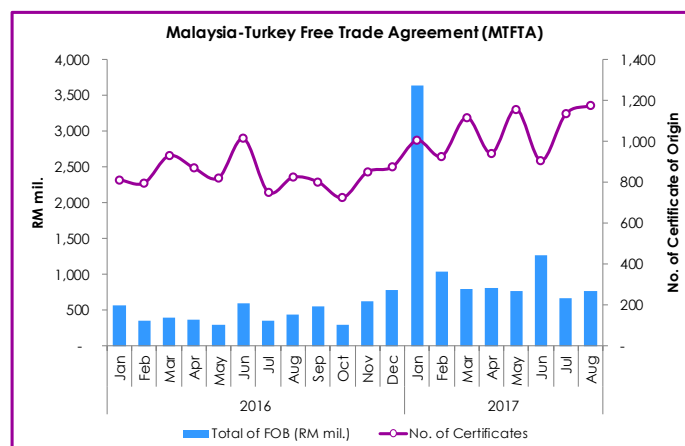
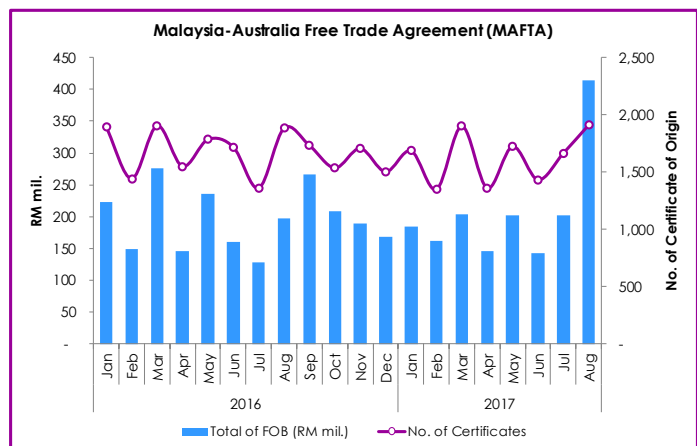
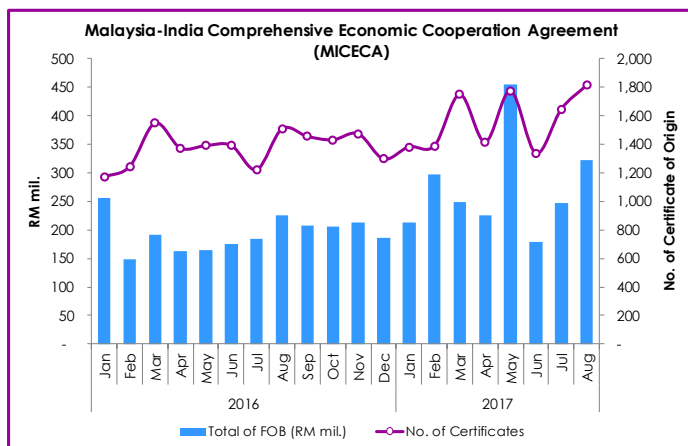
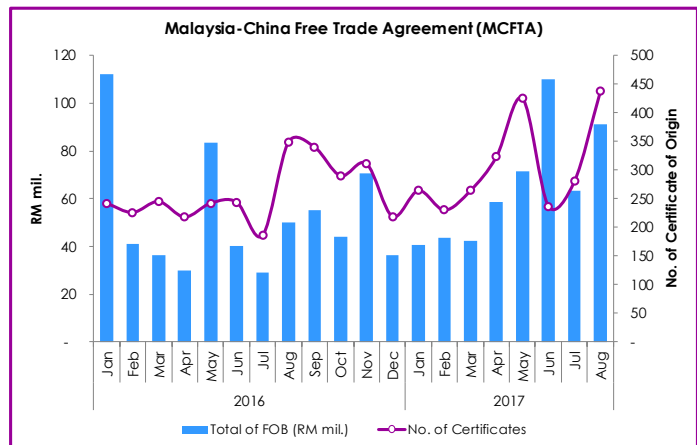
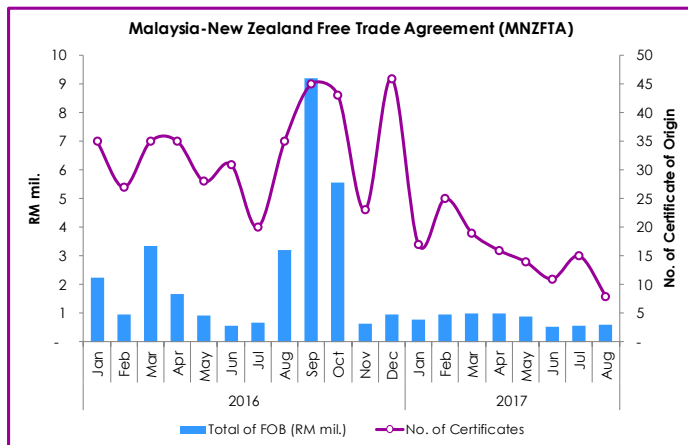
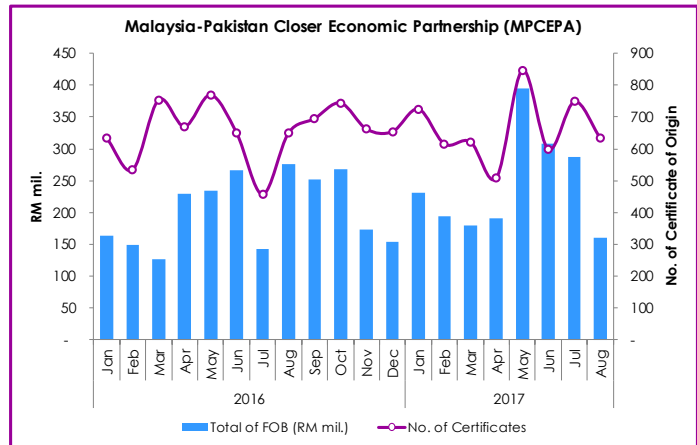
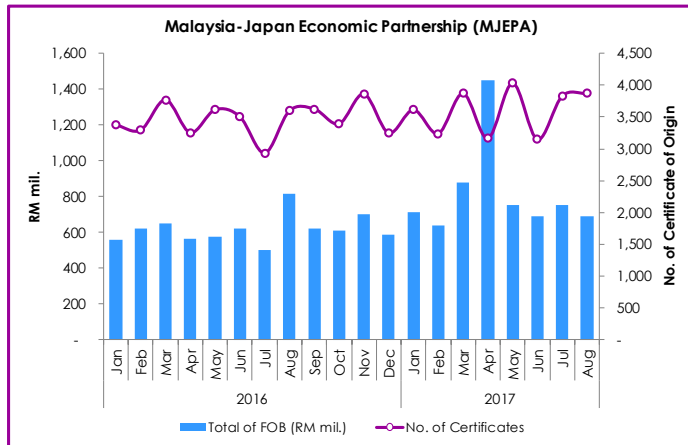
Number and Value of Preferential Certificates of Origin (PCOs)



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

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

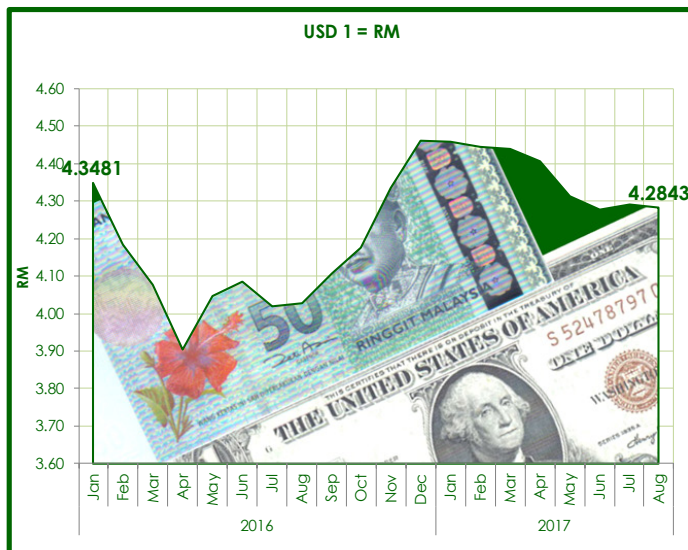
Number and Value of Preferential Certificates of Origin (PCOs)



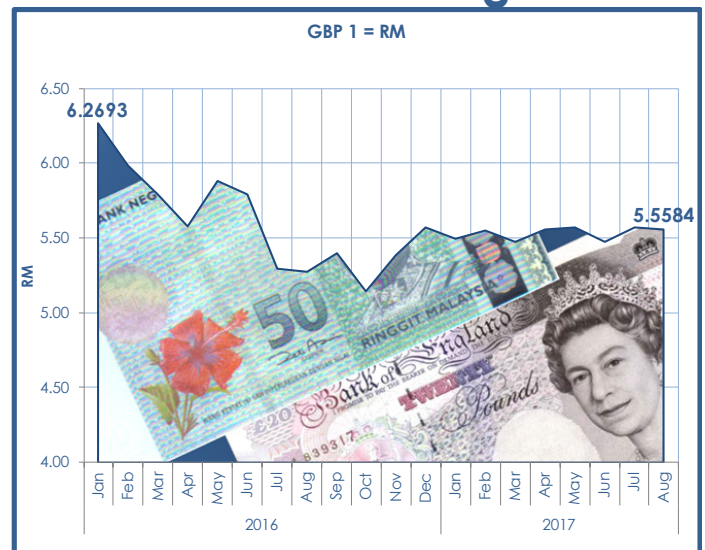
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

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

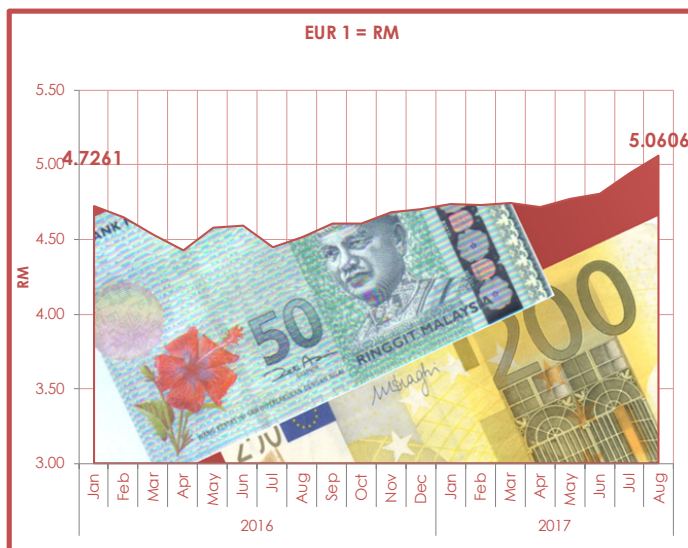
US Dollar



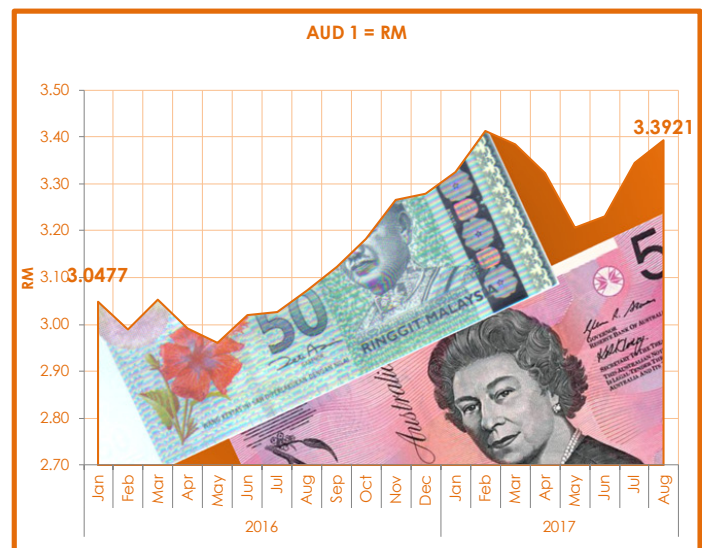
Pound Sterling



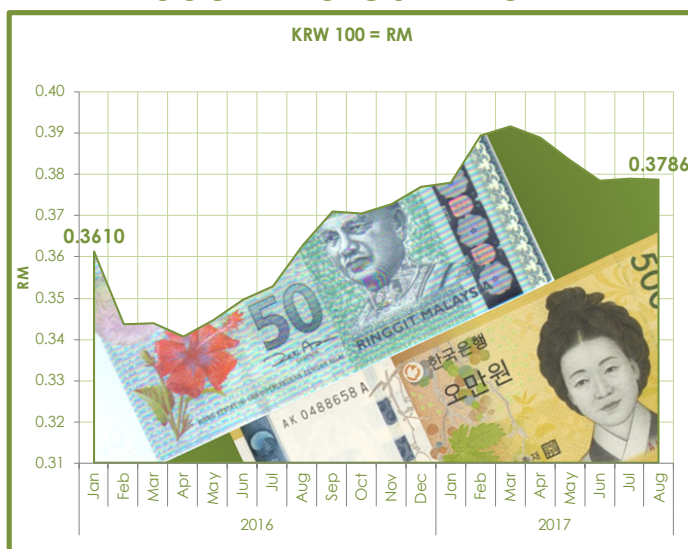
Euro



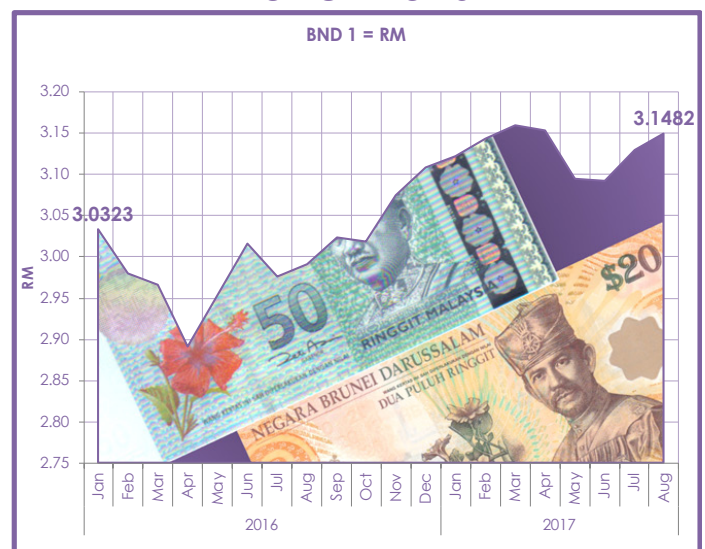
Australian Dollar



South Korean Won



Brunei Dollar



Source : Bank Negara, Malaysia

Commodity Prices



CRUDE PETROLEUM (BRENT) -per bbl-

8 Sep 2017 : **US\$53.8**, ▲ 2.0%*
Average Priceⁱ: 2016: **US\$45.3**
2015: **US\$53.6**



CRUDE PALM OIL -per MT-

8 Sep 2017 : **US\$692.5**, ▲ 0.3%*
Average Priceⁱ: 2016: **US\$702.2**
2015: **US\$616.9**



SUGAR -per lbs-

8 Sep 2017 : **US¢ 14.1**, ▲ 1.3%*
Average Priceⁱ: 2016: **US¢18.2**
2015: **US¢13.2**



RUBBER SMR 20 -per MT-

8 Sep 2017 : **US\$1,695.5**, ▲ 8.8%*
Average Priceⁱ: 2016: **US\$1,394.5**
2015: **US\$1,364.3**



COCOA SMC 2 -per MT-

8 Sep 2017 : **US\$1,350.2**, ▼ 4.7%*
Average Priceⁱ: 2016: **US\$1,609.8**
2015: **US\$2,077.0**



COAL -per MT-

8 Sep 2017 : **US\$44.1**, unchanged
Average Priceⁱ: 2016: **US\$45.6**
2015: **US\$49.9**



SCRAP IRON HMS -per MT-

8 Sep 2017 : **US\$390.0** (high), unchanged
US\$380.0 (low), ▲ 2.0%*
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-



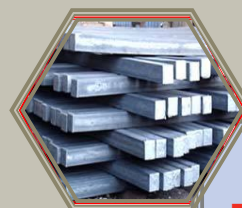
Highest

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

Lowest

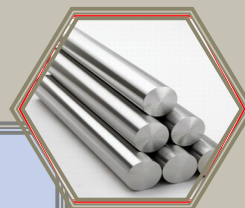
30 June 2017 : **US\$650.0**
15 Jan 2016 : **US\$545.5**

Domestic Prices 8 Sep 2017



Billets (per MT)

RM2,300 – RM2,350



Steel Bars (per MT)

RM2,550 – RM2,700

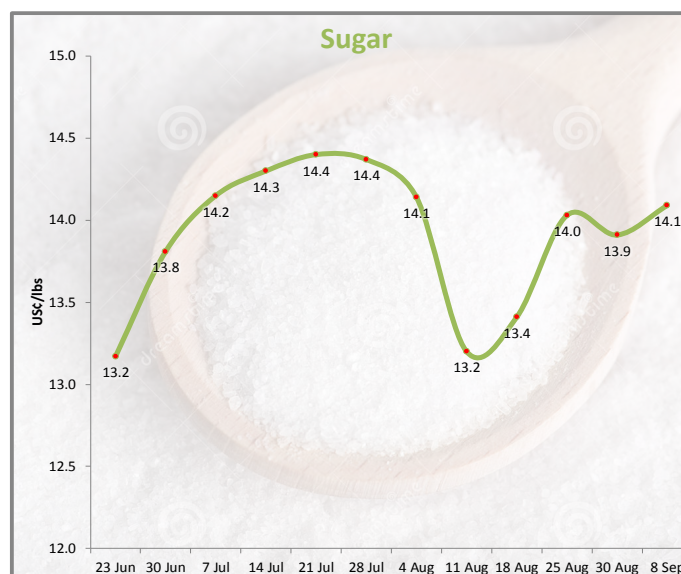
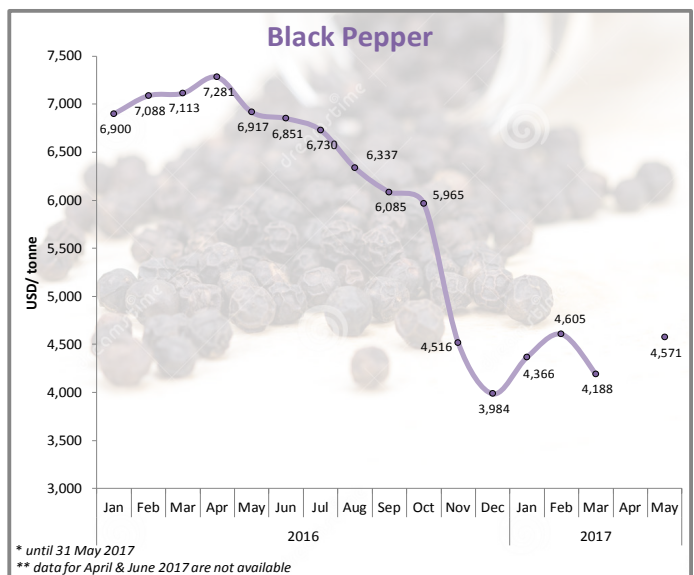
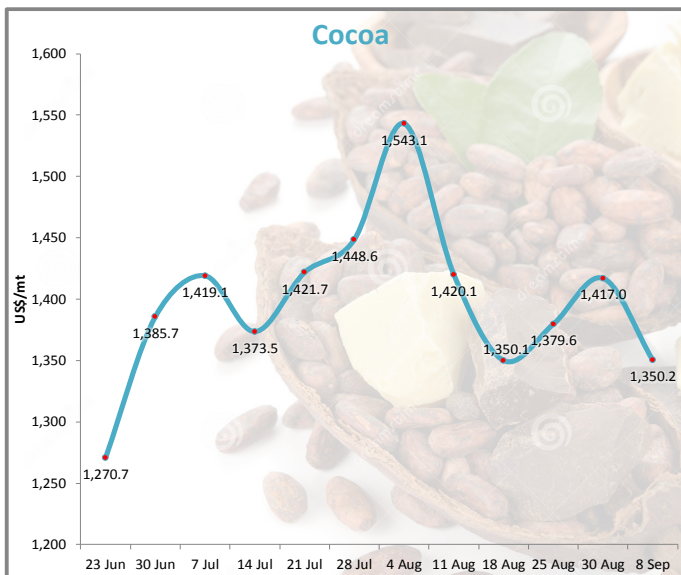
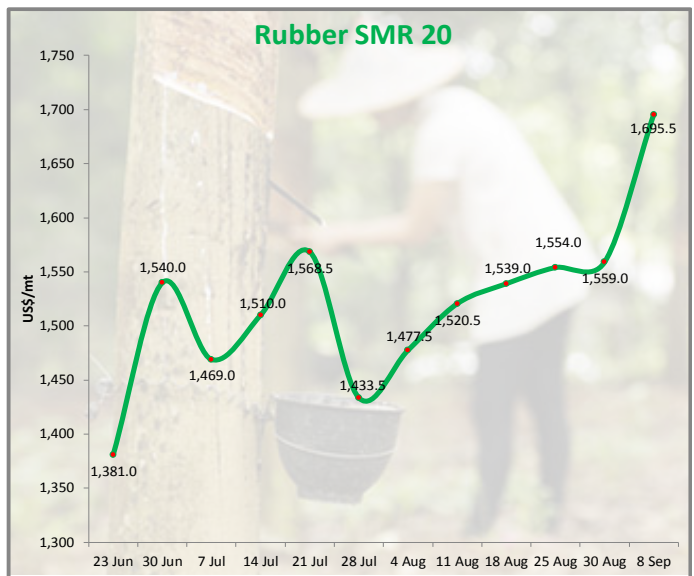
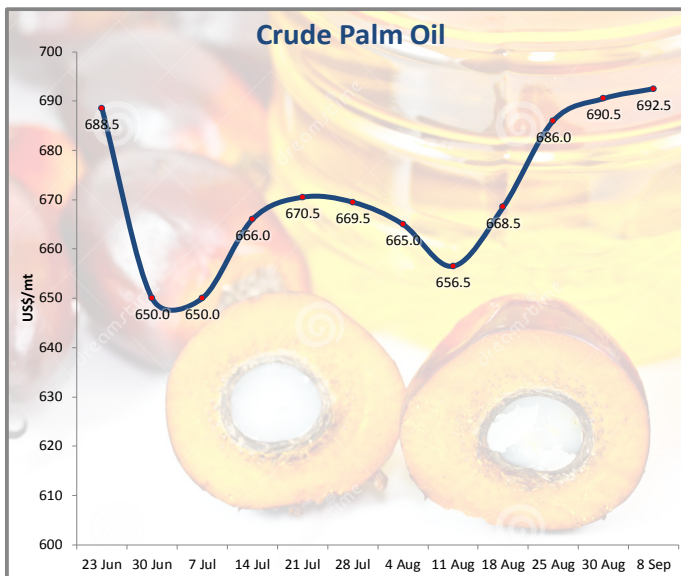
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

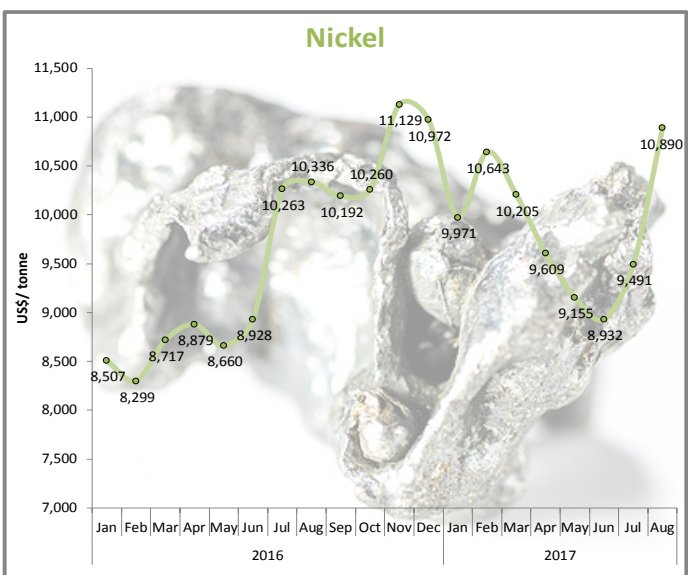
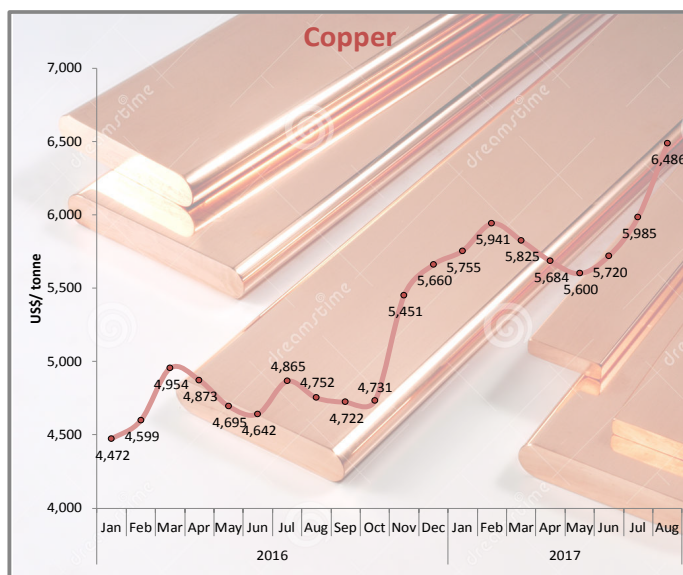
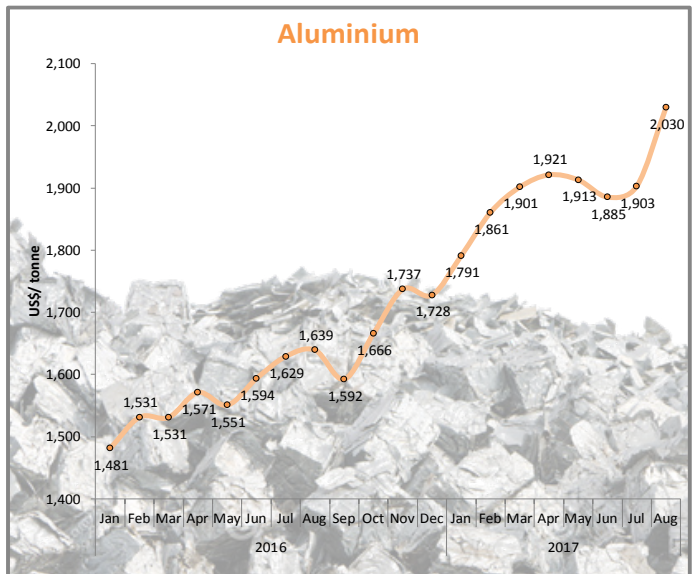
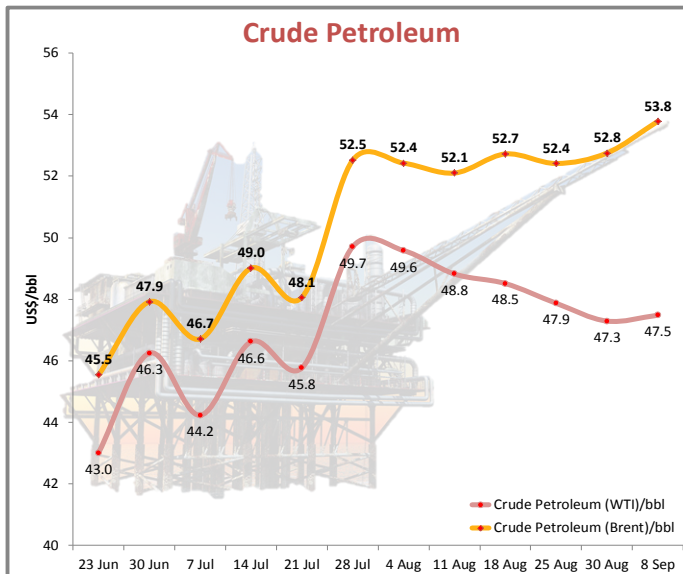
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

Commodity Price Trends



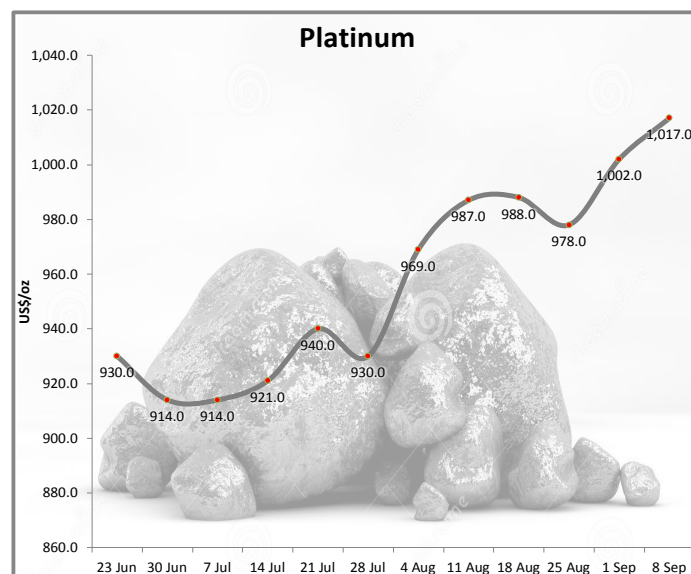
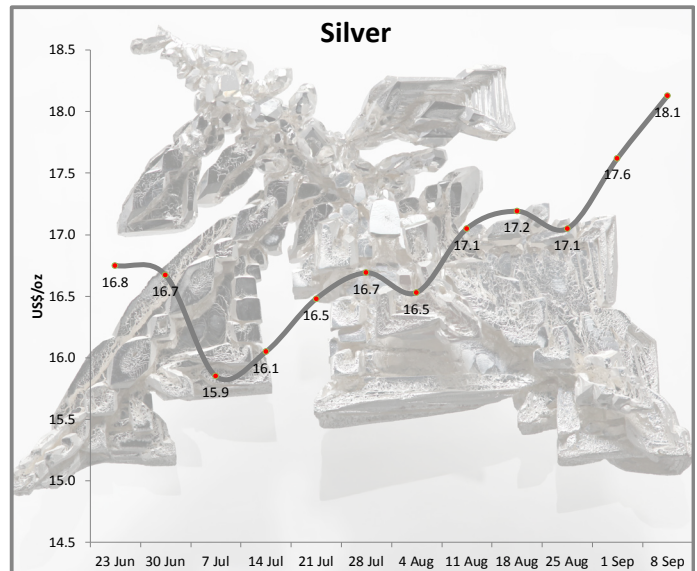
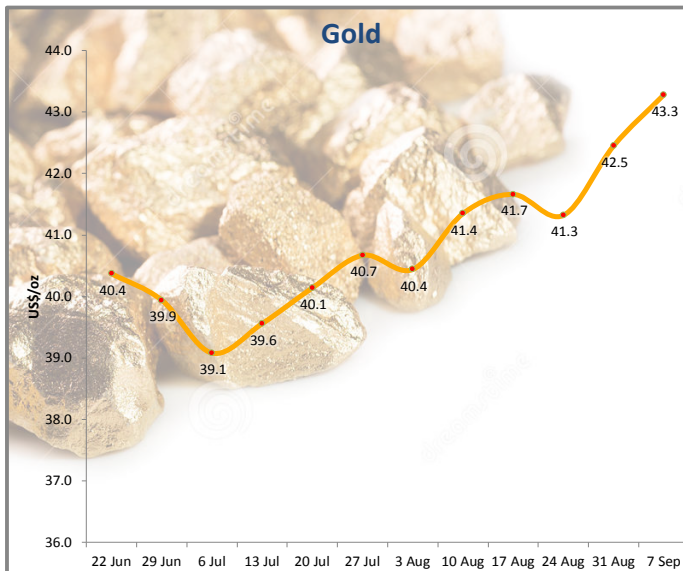
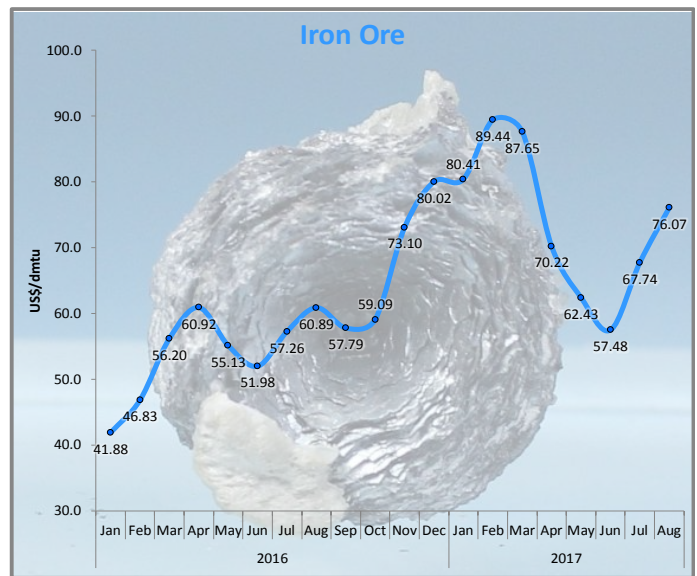
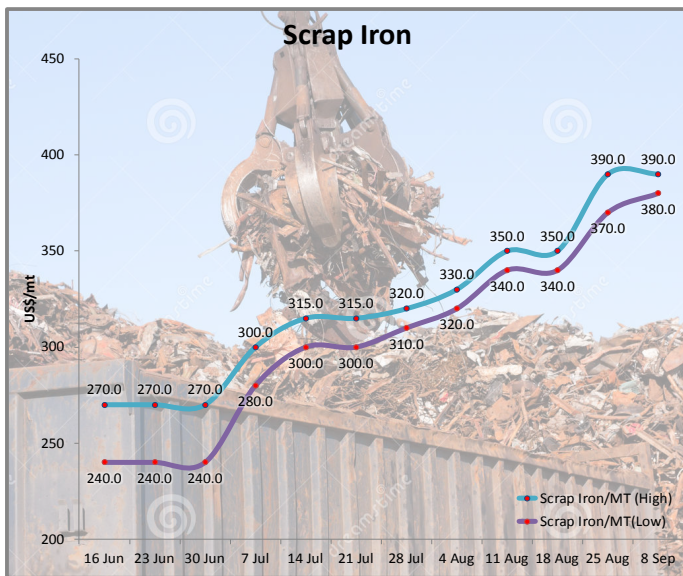
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

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

Official Launching of The Malaysia Chamber of Commerce and Industries, Philippines 6 September 2017



MITI PROGRAMME

MITI TN50 Townhall: Pembangunan Perusahaan Kecil & Sederhana(PKS) 7 September 2017, Pontian, Johor



MITI PROGRAMME

49th ASEAN Economic Ministers' Meeting
7 -11 September 2017 | Pasay City, Philippines



ANNOUNCEMENT

gov.my

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.

DFTZ SME ONBOARDING WORKSHOPS

OPEN FOR REGISTRATION
MONTH OF SEPTEMBER 2017



Local SMEs are invited to participate in the SME Onboarding Programme under the Digital Free Trade Zone (DFTZ) initiative. The first DFTZ SME Onboarding Workshop was held on 22 August 2017 at Menara MITI with nearly 500 companies in attendance.

A series of DFTZ SME Onboarding Workshops will also be conducted throughout the country in September 2017. The next session is scheduled on 7 September 2017 (Thursday) in Ipoh, followed by Muar, Kelantan, Penang, Johor, Terengganu, Kuantan, Kota Kinabalu and Kuching.

Local SMEs interested to participate can register directly at <http://www.mydftz.com>.

Participation in these workshops are free.

MIDA OPEN DAY

CAREER FAIR &
OPEN INTERVIEW

BIZ CLINICS & TALKS

INDUSTRY
EXHIBITIONS

INDUSTRY TALKS

BUSKING

18 SEPT 2017 9.00 am - 5.00 pm

Launching by YB Dato' Sri Mustapa Mohamed, Minister of MITI

MIDA 50
Building Investors' Trust in Shaping the Nation

MIDA Sentral, No. 5, Jalan Stesen Sentral 5,
Kuala Lumpur Sentral, 50470 Kuala Lumpur

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ANUGERAH KECEMERLANGAN INDUSTRI

INDUSTRY EXCELLENCE AWARD



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



Glossary

of Technical Terms

LMW

Licensed Manufacturing Warehouse (Gudang Pengilangan Berlesen (GPB)) - In Malaysia, a Manufacturing Bonded Warehouse is known as Licensed Manufacturing Warehouse established under the provision of section 65/65A of the Customs Act 1967. An LMW is a manufacturing unit (factory) granted to any person for warehousing and manufacturing approved products on the same premise. It is primarily intended to cater for export oriented industries. Customs duty exemption is given to all raw materials and components used directly in the manufacturing process of approved produce from the initial stage of manufacturing until the finished product is finally packed ready for export.

Long Products

Long products include hot rolled bar, cold rolled or drawn bar, rebar, railway rails, wire, rope (stranded wire), woven cloth of steel wire, shapes (sections) such as U, I, or H sections, and may also include ingots from continuous casting, including blooms and billets. Fabricated structural units, such bridge sections are also classed as long products. Long products find general use in construction industries, and in capital goods sectors.

LPG

Liquefied Petroleum Gas also referred to as GPL, LP or autogas is a blend primarily of two hydrocarbon gases, propane and butane.

MAC

The Malaysian Aerospace Council chaired by YB Minister MITI provides the vision and direction for the overall development plan of the national aerospace industry. It also provides policy guidelines and identify priority areas of aerospace activities in Malaysia. Members of the Council consists of Government and industry players.

Machine Tools

Metalworking machinery consists of metal cutting and metal forming/shaping machinery.

MAFTA

Malaysia-Australia Free Trade Agreement

MAIA

Malaysia Aerospace Industry Association is a non-governmental organisation and functions to support and represent the voice of Malaysian companies in the aerospace sector.

Main Carriage

Domestic: subsequent transportation beyond pre-carriage

International: transportation from the point of departure on the seller's side to the arrival point on the buyer's side

**TO BE
CONTINUED...**

QUOTE OF THE DAY

**Sometimes,
quiet people really
do have a lot to
say.**

They're just
being careful
about whom they
open up to.

- Susan Gale



Condolences



MITI Weekly Bulletin

Conveys our deepest condolences
to the victims and their families
of the earthquake off Southern Mexico
on 9 September 2017



Al-Fatihah

Merafak Sembah Takziah
Atas Kemangkatan
Sultan Abdul Halim
Mu'adzam Shah

28 Nov 1927 - 11 Sept 2017



weekly bulletin

News & Magazines



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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>



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suggestions



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