

## A PROMISING FUTURE FOR MALAYSIA

Prime Minister Dato' Sri Najib Razak has just concluded a historic visit to The White House at the invitation of US President Donald Trump.

This was our Prime Minister's first visit to the office of the most powerful man in the world since assuming the premiership 8 years ago. It is not only a great honour to him—but also Malaysia.

Media coverage—both foreign and local—of the trip has been intense. Some were positive, others less so. There were even calls by certain quarters for the trip to be cancelled. Others raised questions about the matters that our Prime Minister discussed with the President.

For instance: should a developing country like Malaysia be trying to strengthen the U.S. economy? Why is our EPF investing in U.S. infrastructure when some of our own projects need funding? Why is MAS making a decision to buy new planes when its bottom line is still not in a black?

While some of the issues raised may be valid, a great many are frivolous and others utterly baseless. This is unfortunately a sad reflection of how partisan our politics have become, as well as the lack of maturity of some leaders despite their advanced years.

I was part of the Prime Minister's delegation to Washington DC and was involved in the discussions during the visit—as I have been in similar occasions with other world leaders. It has been made clear that our Prime Minister was on a working visit. I can assure everyone that the bilateral discussion with President Trump was very cordial, open and transparent. Trump is a friend of our Prime Minister's. The mutual respect between them was evident.

Both men were in complete control and confident. Their body language was warm. There was no snubbing, chiding or criticism as some would have wished. Our Prime Minister's performance during the bilateral did us proud. He articulated our interests extremely well. Even the issue of our huge

trade surplus with the US of RM25 billion was discussed in a very proper manner.

This is crucial as the new administration's fixation on trade deficits is well known. Out of the 13 countries that have been highlighted, Malaysia is number 7 thanks to our huge trade surplus with the US (China is first). Despite this, President Trump was very polite in asking Malaysia to buy more things from the U.S.

Incidentally, the fact that Malaysia has a huge surplus with the US shows that we are doing well in trade. We are a strong economy and not a failed state as some would claim. In terms of investments, our American friends were astonished to know that Malaysia has investments amounting to more than USD16 billion in equities, high tech companies, manufacturing and hospitality at their shores.

The EPF has been investing in the U.S. since 2008. Returns on some of its overseas investment have been better than its investments in the country. Moving forward, the EPF needs to continue diversifying its investment, with very stringent criteria from its board, to ensure good returns which would translate into better dividends for its 14.7 million contributors.

As I have said many times before, Malaysia is a net capital exporter. Our companies—including GLCs—have invested about RM570 billion overseas as at June 2017, as opposed to FDIs of around RM550 billion in our country. And make no mistake - these investments made by companies are not the Government's money that could have been used for infrastructure or any socio-economic development back home.

We welcome foreign investments, including from the US. They have invested about RM70 billion in our manufacturing sector, and are strong in oil and gas, in banking and insurance, services, and electrical as well as electronics. No less than 200,000

**DATO' SRI  
MUSTAPA  
MOHAMED**



people are working in American companies in Malaysia.

It therefore, makes a lot of sense for our Prime Minister not only to have good rapport with the U.S. President but also with top corporate leaders. Indeed, despite challenging global economic times, US companies (according to a survey by the U.S. ASEAN Business Council) remain confident about Malaysia. 63% of them expect to generate profits in Malaysia this year.

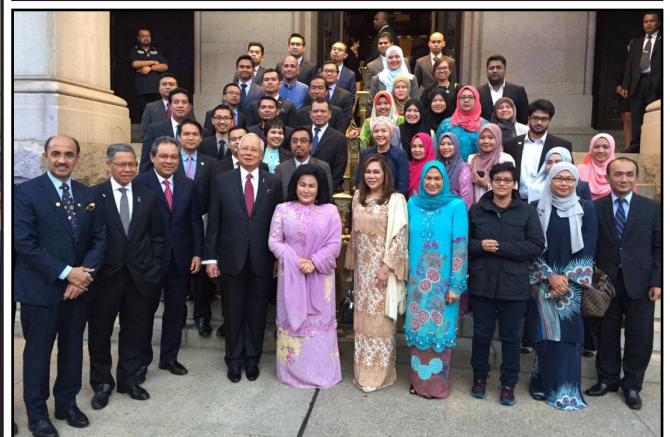
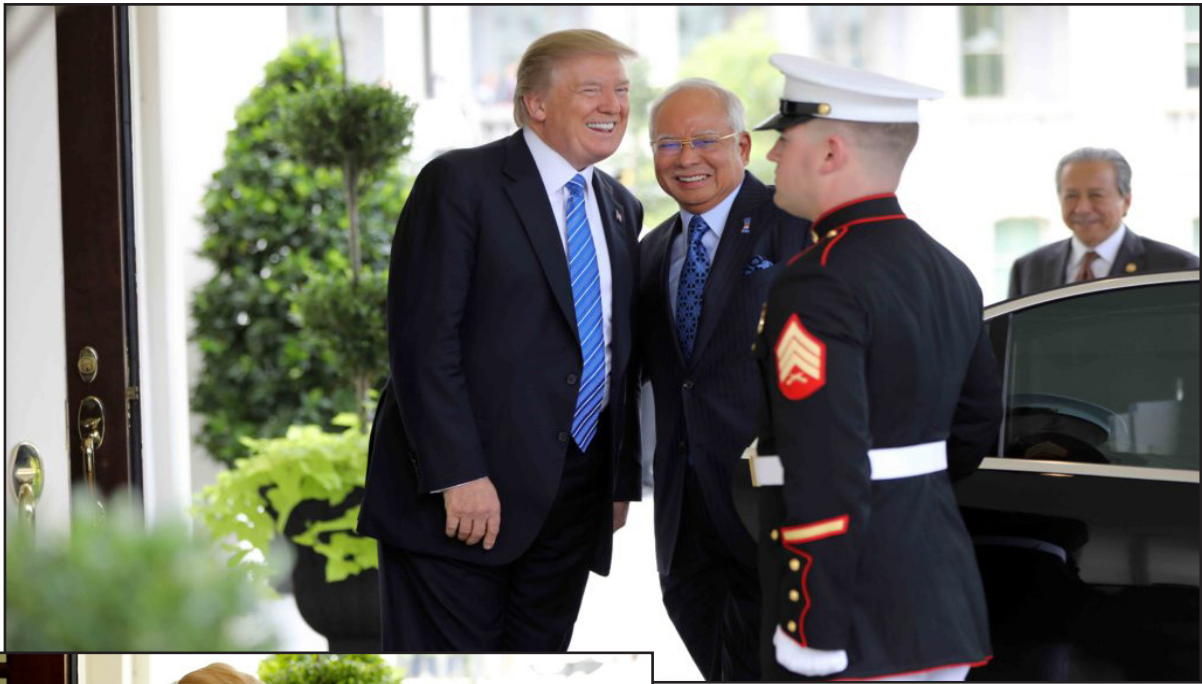
US companies are also appreciative of our Prime Minister's willingness to listen and engage with them. Our Prime Minister met a number of U.S. corporate leaders during the Washington visit and a few of them have plans to invest more in Malaysia.

In all our meetings, US companies view Malaysia as an important destination. We were able to reinforce to American leaders that Malaysia is an open economy that is very much a part of the global value chain. We made it clear that Malaysia is a rising star in the ASEAN region with a promising future. The benefits that the US visit will bring to Malaysia, not only economically but to our geopolitical position, will be deep and lasting.

Meanwhile, the opposition will not stop in making noises, and along the way, exposing their lack of comprehension regarding international diplomacy as well as global trade and investments. Such incompetency is rather unacceptable, especially coming from a group of individuals who actually posit themselves as the Government-in-waiting.

# Malaysia's Prime Minister Visit to the White House

9 September 2017



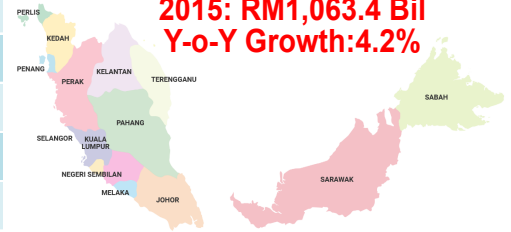
# Malaysia

## GDP by State, 2016 at Constant 2010 Prices

State	2016 (RM Bil)	2015 (RM Bil)	Change % 2016/2015
Selangor	251.6	240.0	4.8
WP Kuala Lumpur <sup>1</sup>	170.0	160.5	5.9
Sarawak	108.8	106.3	2.3
Johor	104.5	98.9	5.7
Sabah	73.8	70.5	4.7
Pulau Pinang	73.7	69.8	5.6
Perak	60.4	58.0	4.1
Pahang	46.8	45.9	2.0
Negeri Sembilan	38.8	37.5	3.5
Kedah	37.2	36.0	3.2
Melaka	33.2	31.7	4.5
Terengganu	28.6	27.7	3.1
Kelantan	20.7	19.7	4.8
WP Labuan	5.5	5.1	7.2
Perlis	5.1	4.9	3.9
Supra <sup>2</sup>	49.7	50.7	-2.0

### Total GDP at Purchasers' Prices

2016: RM1,108.2 Bil  
2015: RM1,063.4 Bil  
Y-o-Y Growth: 4.2%



### Note:

<sup>1</sup> Includes WP Putrajaya

<sup>2</sup> Supra State covers production activities that beyond the centre of predominant economic interest for any state



## GDP Per Capita by State, 2016 at Current Price

Malaysia : RM 8,887



RM 101,420

Kuala Lumpur\*

RM 61,833

Labuan

RM 47,322

Pulau Pinang

RM 44,616

Selangor

RM 44,333

Sarawak

RM 41,363

Melaka

RM 38,559

Negeri Sembilan

RM 32,244

Pahang

RM 31,952

Johor

RM 27,268

Terengganu

RM 27,246

Perak

RM 22,479

Perlis

RM 21,081

Sabah

RM 19,152

Kedah

RM 12,812

Kelantan

Note: \* Includes WP Putrajaya

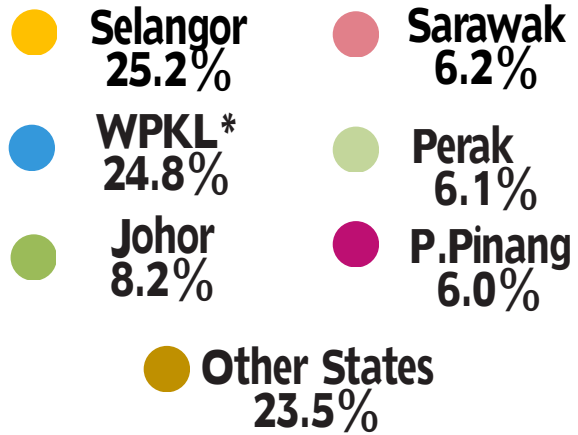
Source: Department of Statistics, Malaysia

# GDP by State, 2016 at Constant 2010 Prices

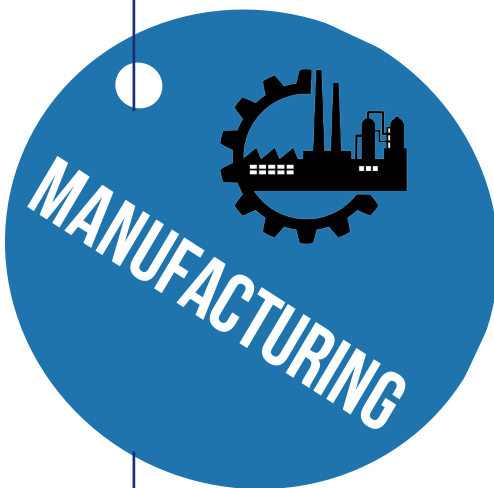
## Performance by Sector



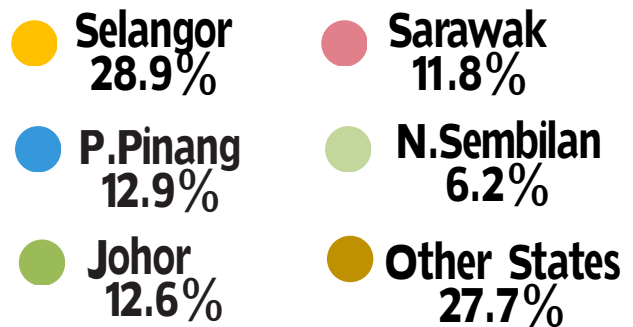
**Total GDP: RM601.3 Bil**



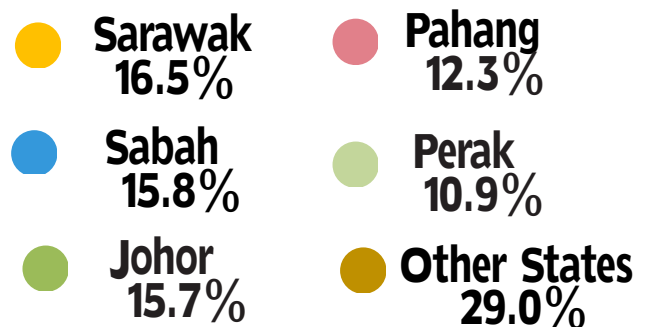
Note: \* Includes WP Putrajaya



**Total GDP: RM254.7 Bil**



**Total GDP: RM89.5 Bil**



Source: Department of Statistics, Malaysia

# International Report

## Thailand Economic Indicators, 2016

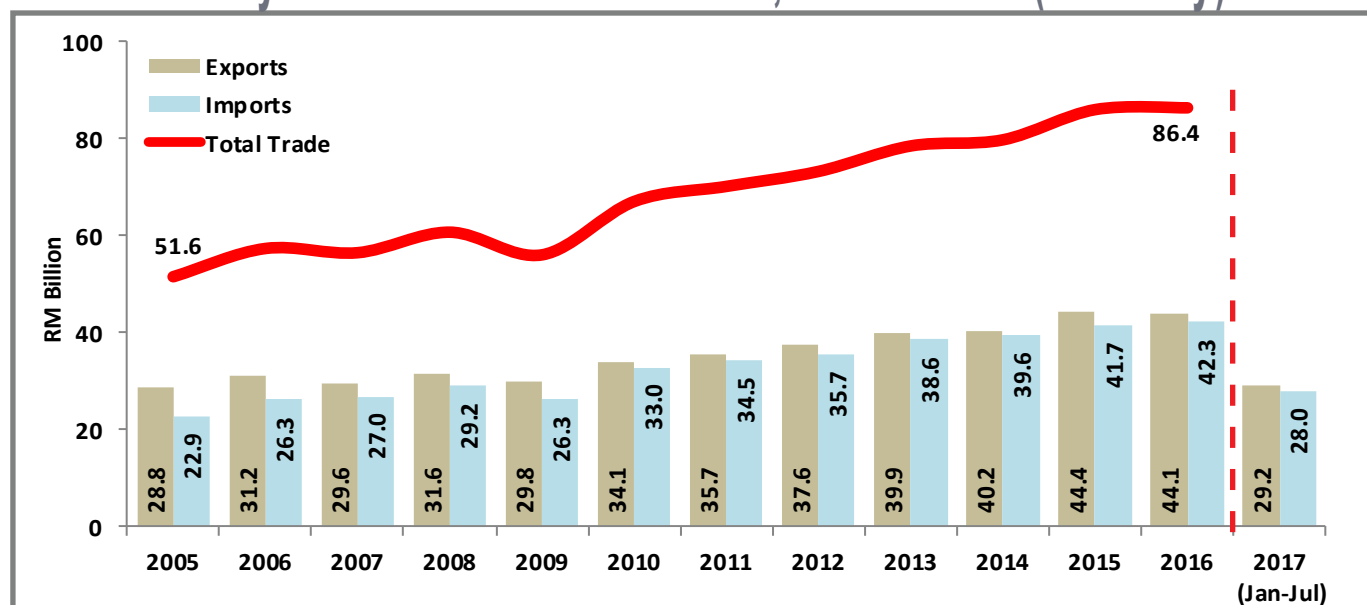


Population : 68.9 mil.  
 Land area : 510,890 sq. km  
 GDP (current US\$) : US\$ 406.8 billion  
 Inflation rate : 0.188%  
 Unemployment rate : 0.19% (2015)  
 Global trade : US\$ 410.0 bil (Rank: 21)  
 Global exports : US\$ 215.3 bil (Rank: 21)  
 Global imports : US\$ 194.7 bil (Rank: 23)

Source: Worldbank, wto



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



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

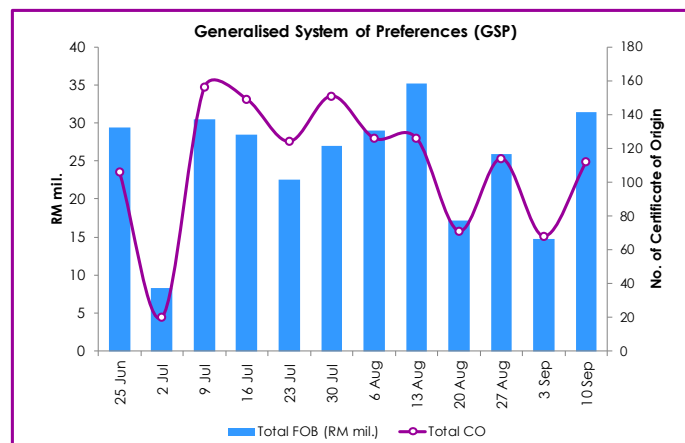
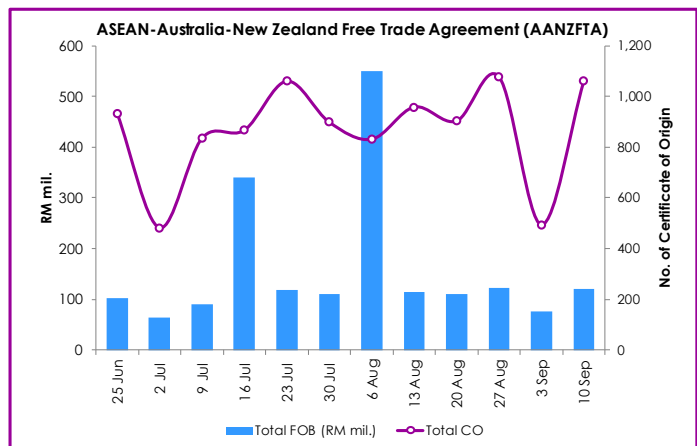
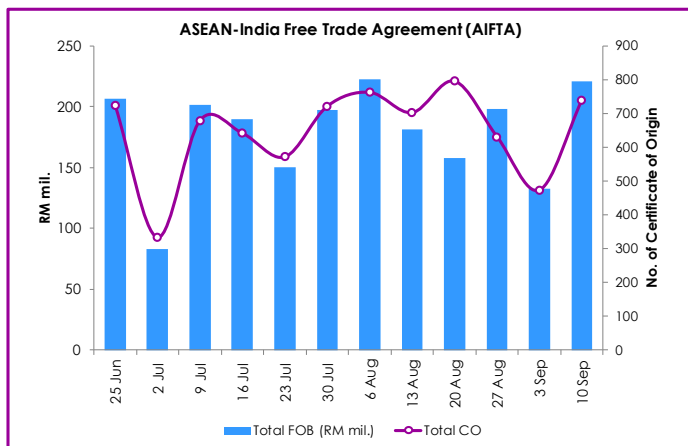
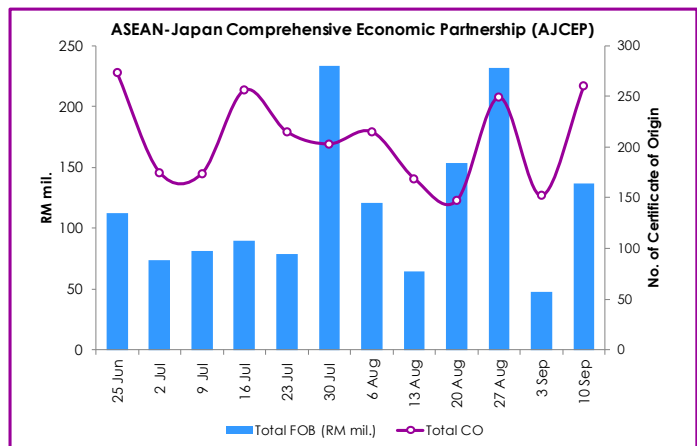
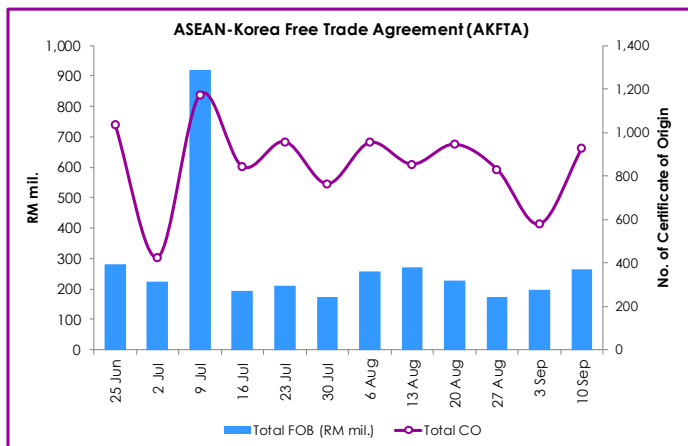
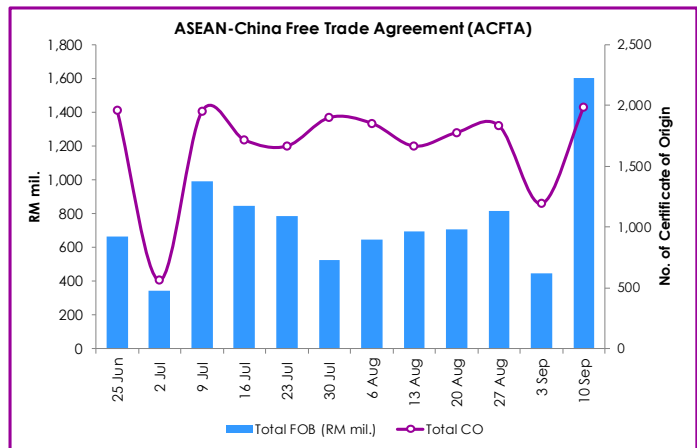
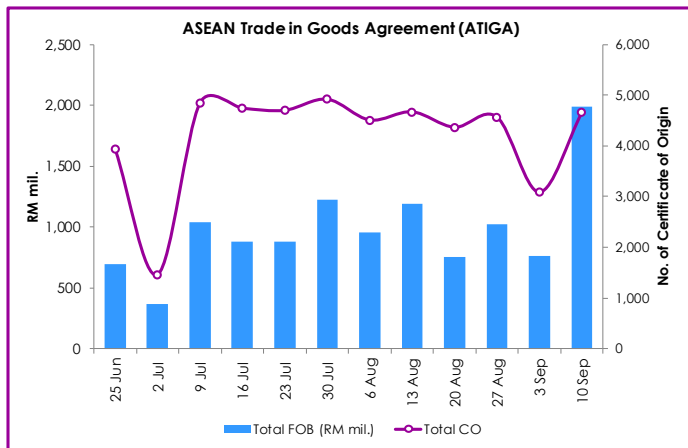
HS Code	Product	Jan-July 2016 (RM Bil)	Jan-July 2017 (RM Bil)	Change (%)
85	Electrical machinery and equipment	5.78	6.55	13.3
84	Machinery appliances	5.66	5.77	1.9
27	Mineral fuel, oil, etc	3.41	5.21	52.8
39	Plastics and articles thereof	1.32	1.59	20.5
90	Optical, photographic, precision, medical apparatus	0.85	1.02	20.0

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

HS Code	Product	Jan-July 2016 (RM Bil)	Jan-July 2017 (RM Bil)	Change (%)
84	Machinery appliances	4.64	5.45	17.5
85	Electrical machinery and equipment	4.42	5.15	16.5
87	Vehicles, not railway	3.64	3.69	1.4
40	Rubber and articles	2.32	3.1	33.6
39	Plastics and articles	1.22	1.31	7.4

Source : Department of Statistics, Malaysia

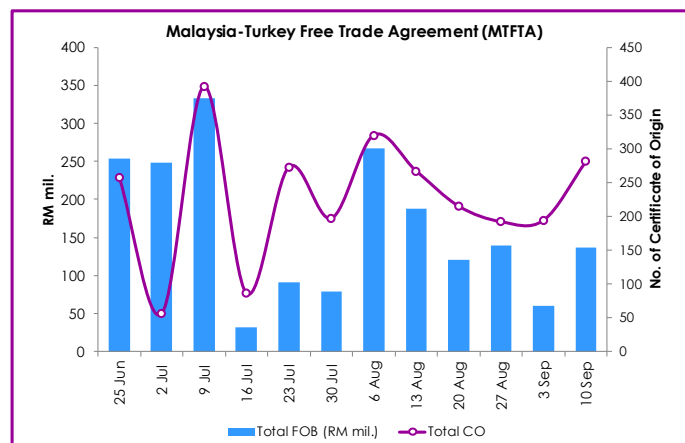
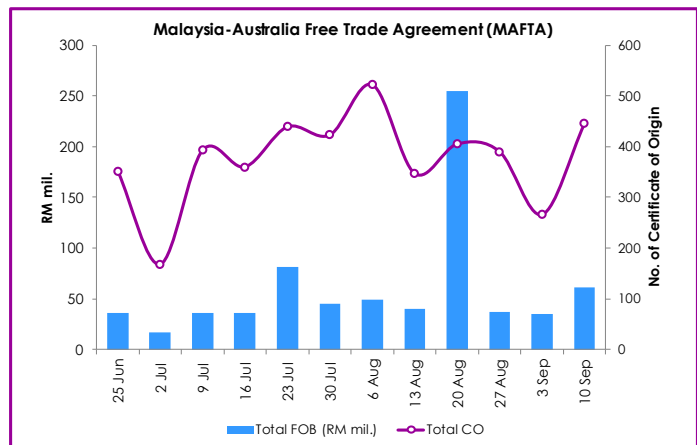
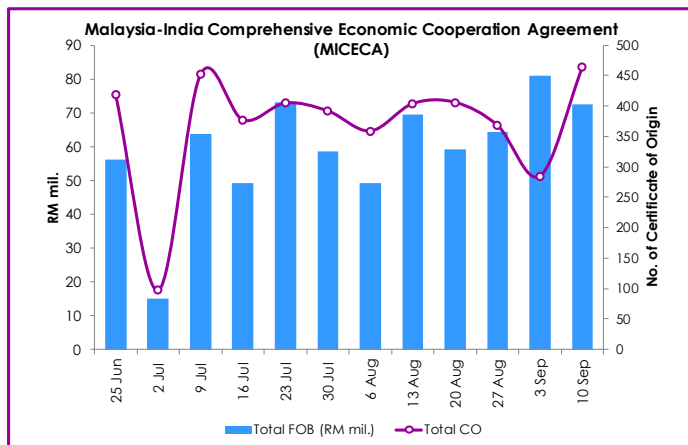
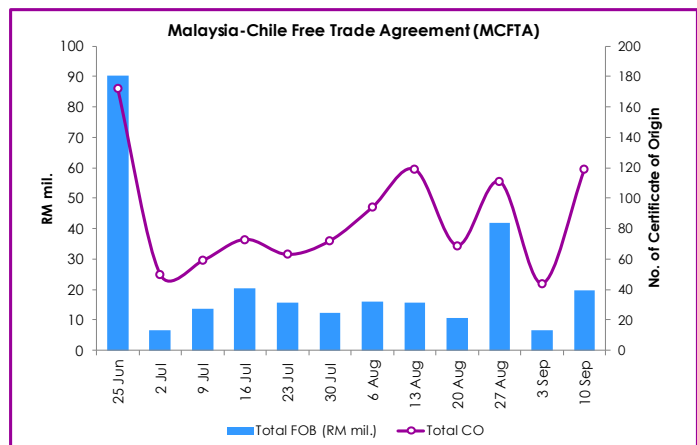
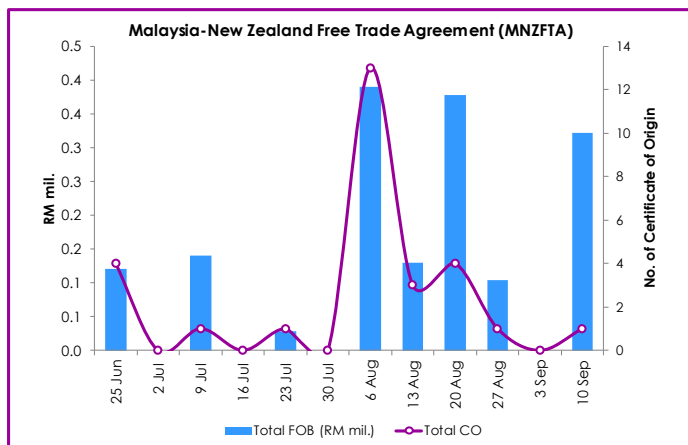
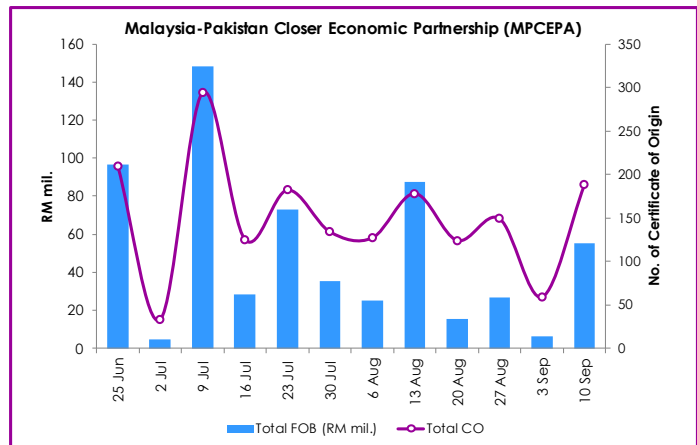
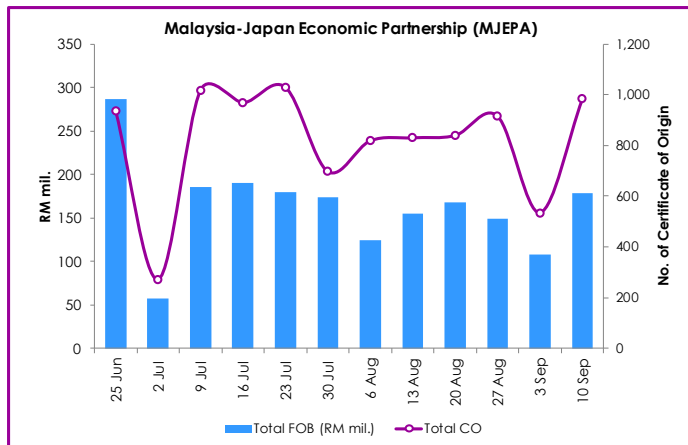
# Number and Value of Preferential Certificates of Origin (PCOs)



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

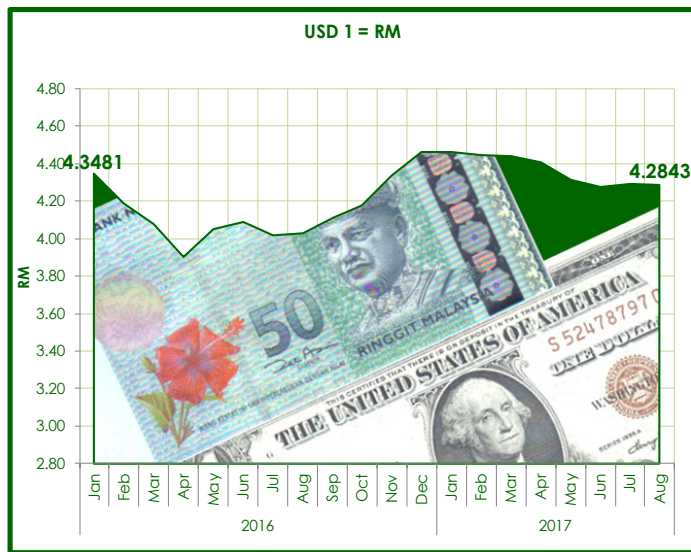
# Number and Value of Preferential Certificates of Origin (PCOs)



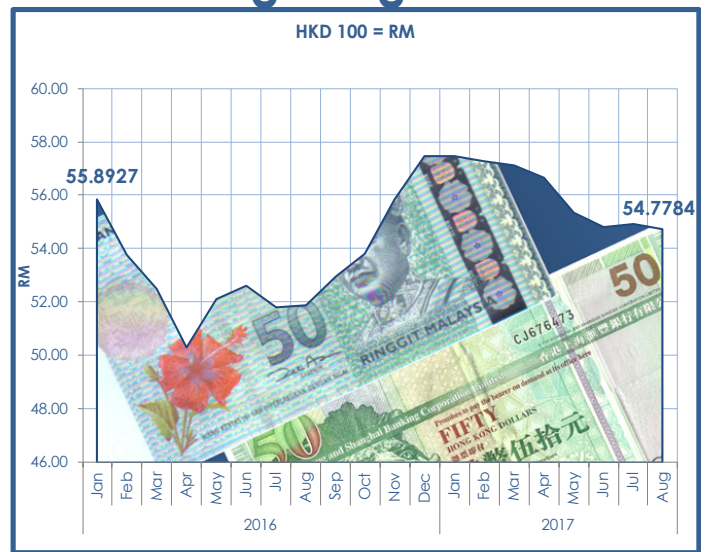
Note: \*Provisional Data  
Source: Ministry of International Trade and Industry, Malaysia

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

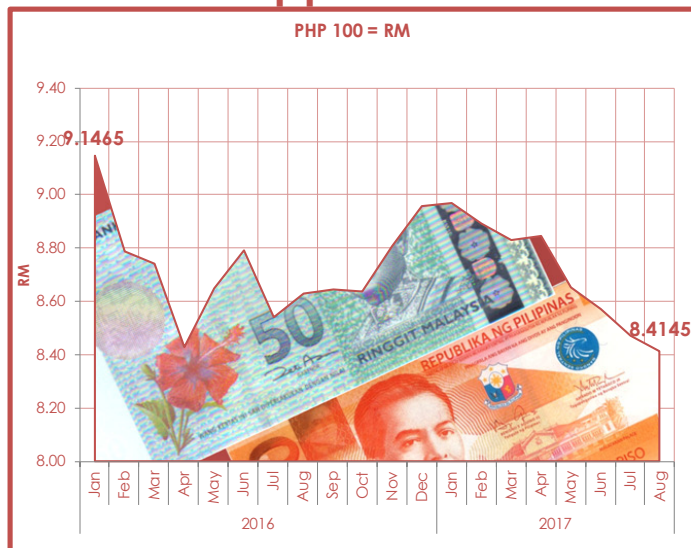
## US Dollar



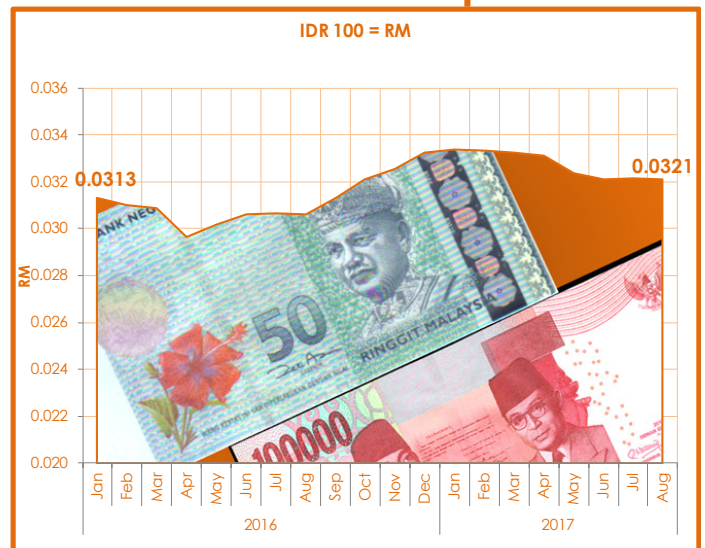
## Hong Kong Dollar



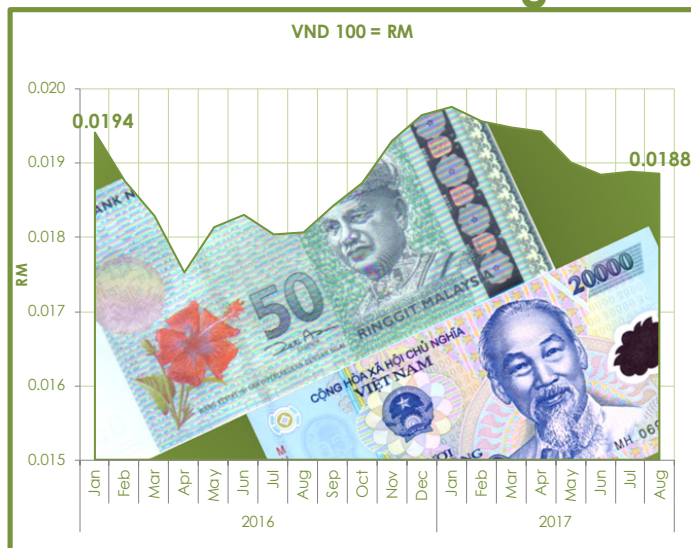
## Philippine Peso



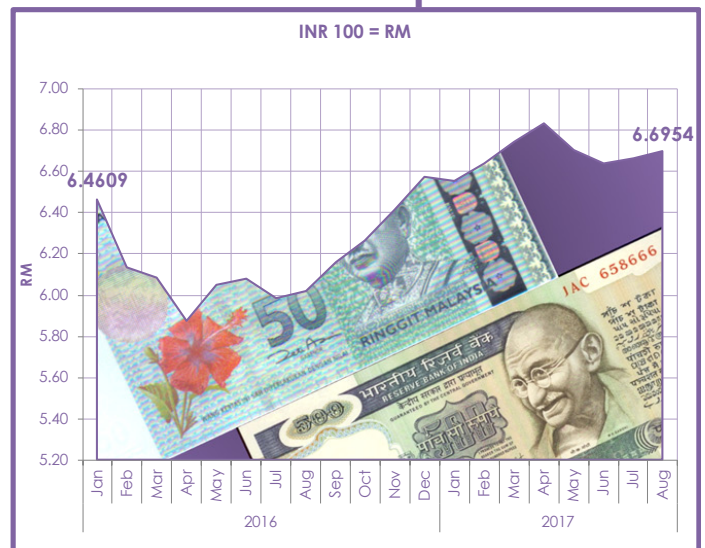
## Indonesian Rupiah



## Vietnamese Dong



## Indian Rupee



Source : Bank Negara, Malaysia

# Commodity Prices



## CRUDE PETROLEUM (BRENT) -per bbl-

15 Sep 2017 : US\$55.6, ▲ 2.0%\*  
Average Price<sup>i</sup> : 2016: US\$45.3  
2015: US\$53.6



## CRUDE PALM OIL -per MT-

15 Sep 2017 : US\$726.5, ▲ 4.9%\*  
Average Price<sup>i</sup> : 2016: US\$702.2  
2015: US\$616.9



## SUGAR -per lbs-

15 Sep 2017 : US¢ 15.2, ▲ 7.7%\*  
Average Price<sup>i</sup> : 2016: US¢18.2  
2015: US¢13.2



## RUBBER SMR 20 -per MT-

15 Sep 2017 : US\$1,633.5, ▼ 3.7%\*  
Average Price<sup>i</sup> : 2016: US\$1,394.5  
2015: US\$1,364.3



## COCOA SMC 2 -per MT-

15 Sep 2017 : US\$1,371.7, ▲ 1.6%\*  
Average Price<sup>i</sup> : 2016: US\$1,609.8  
2015: US\$2,077.0



## COAL -per MT-

15 Sep 2017 : US\$44.1, unchanged  
Average Price<sup>i</sup> : 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 Price<sup>i</sup> : 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-



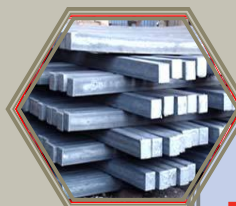
#### Highest

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

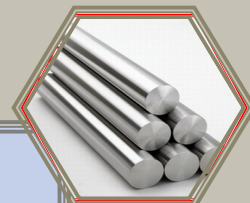
#### Lowest

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

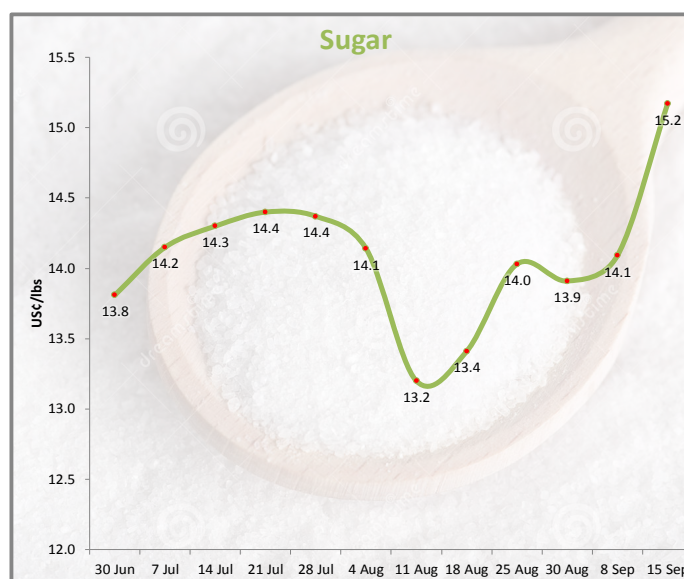
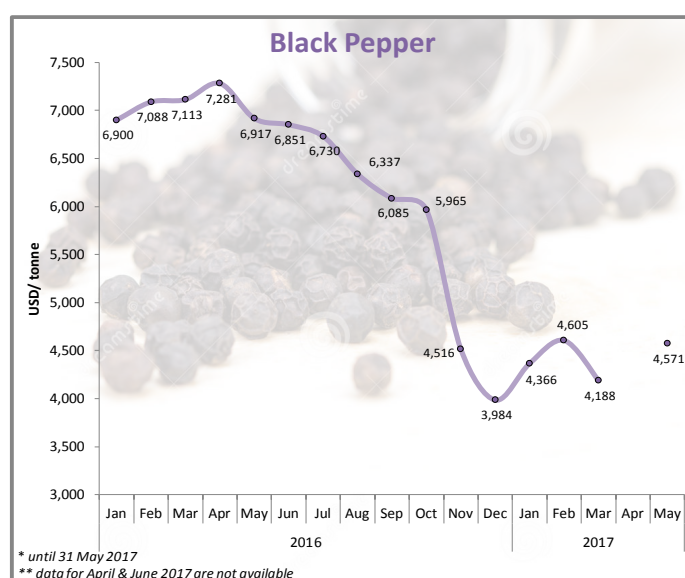
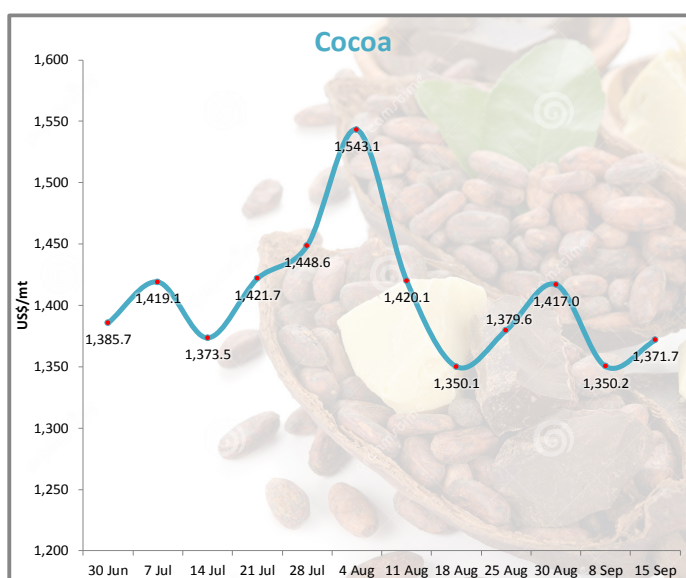
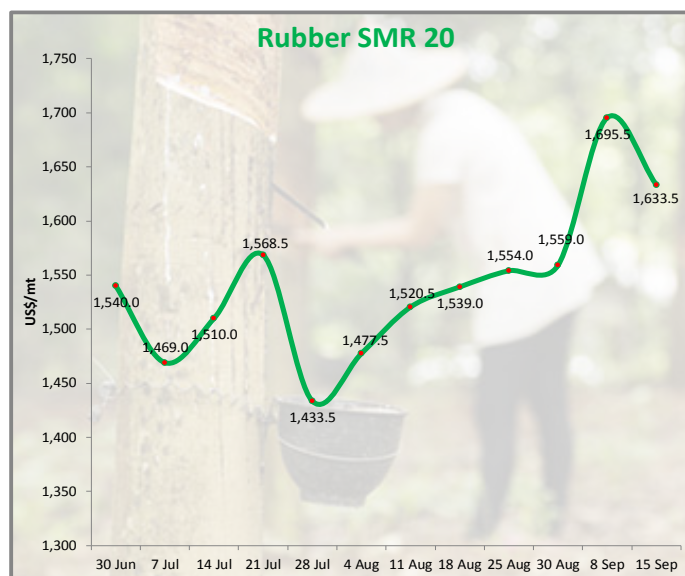
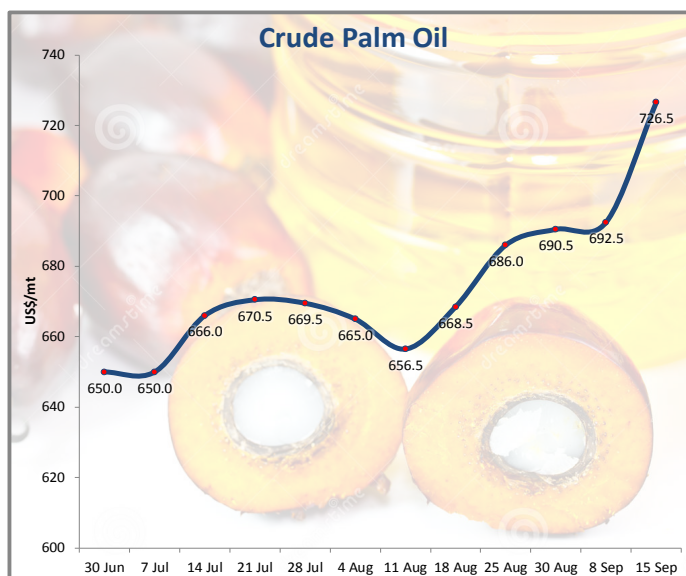
Notes: All figures have been rounded to the nearest decimal point

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

<sup>i</sup> Average price in the year except otherwise indicated

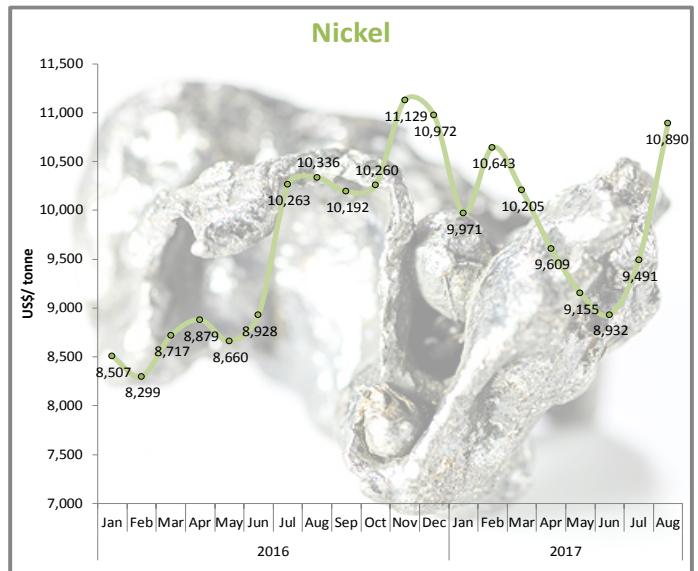
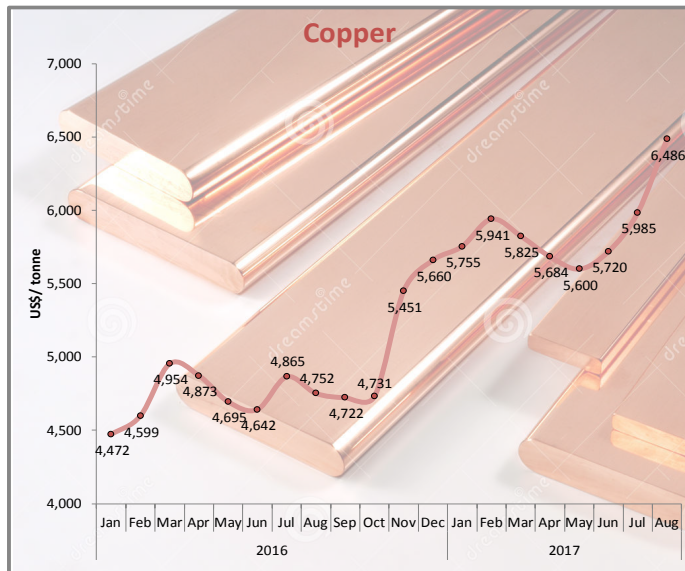
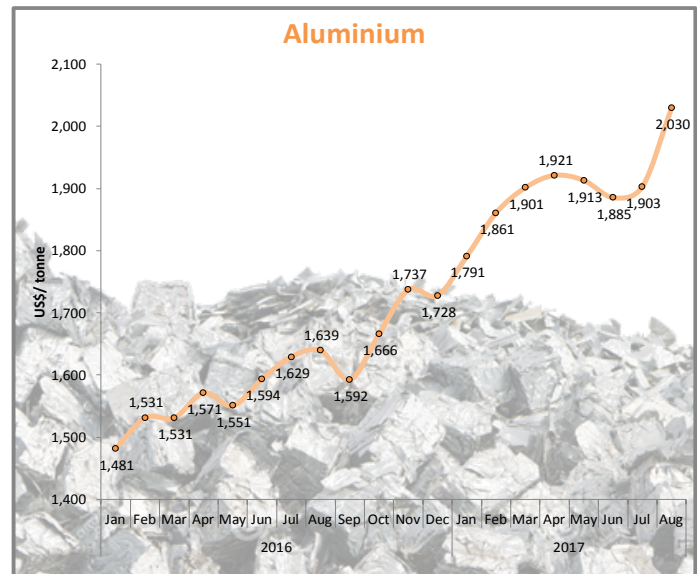
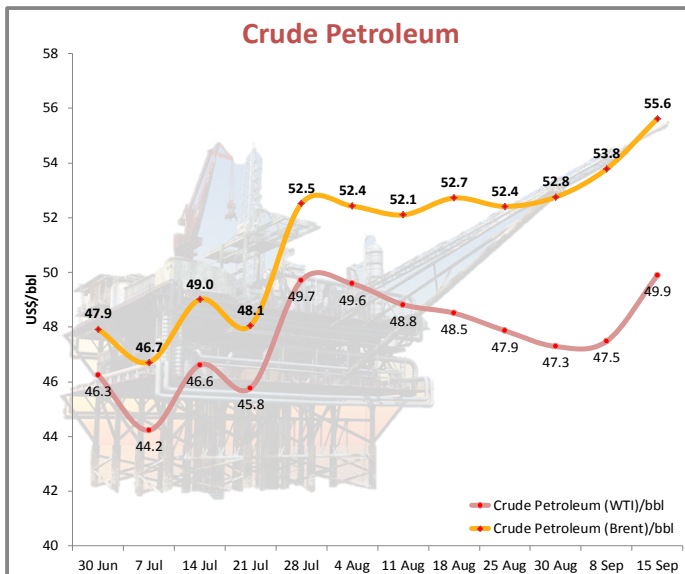
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

# Commodity Price Trends



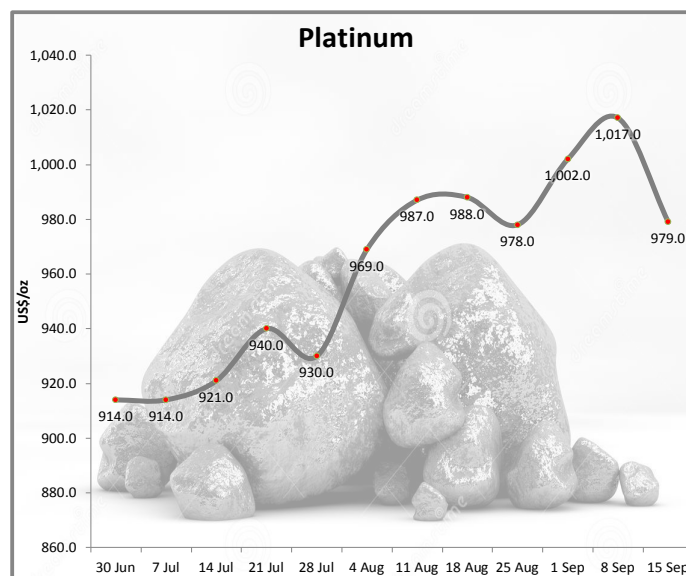
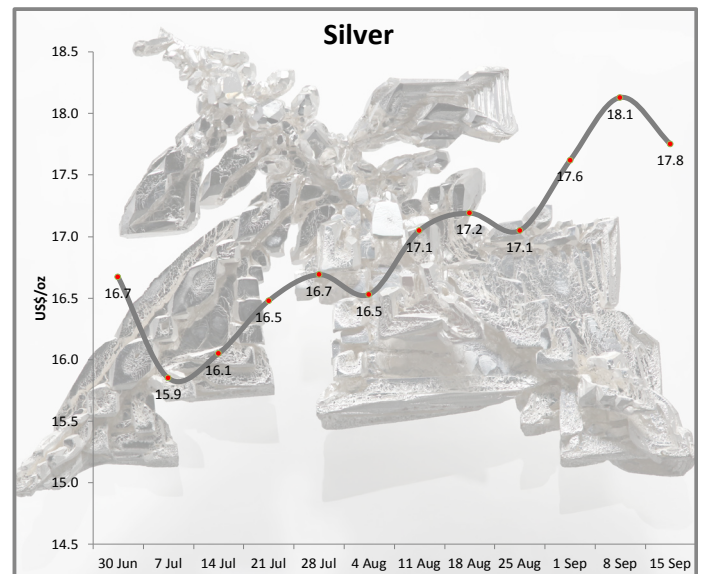
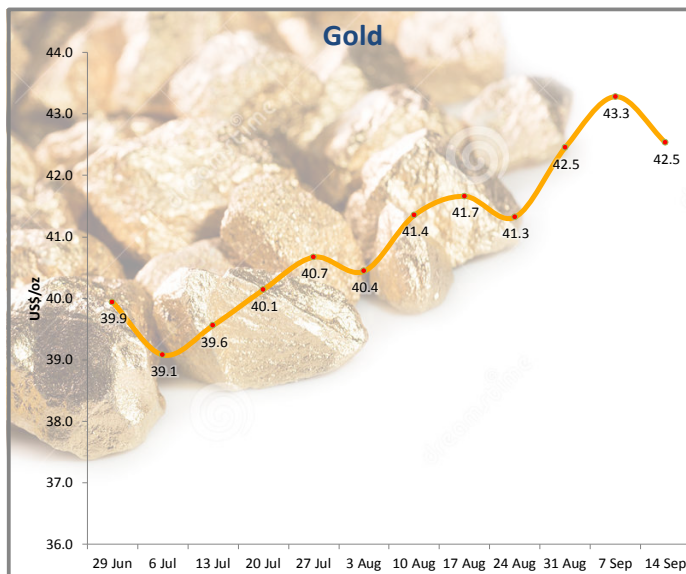
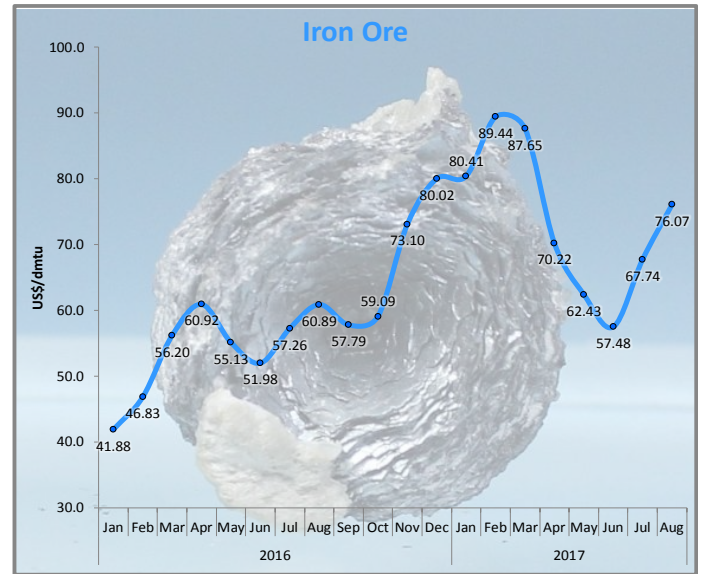
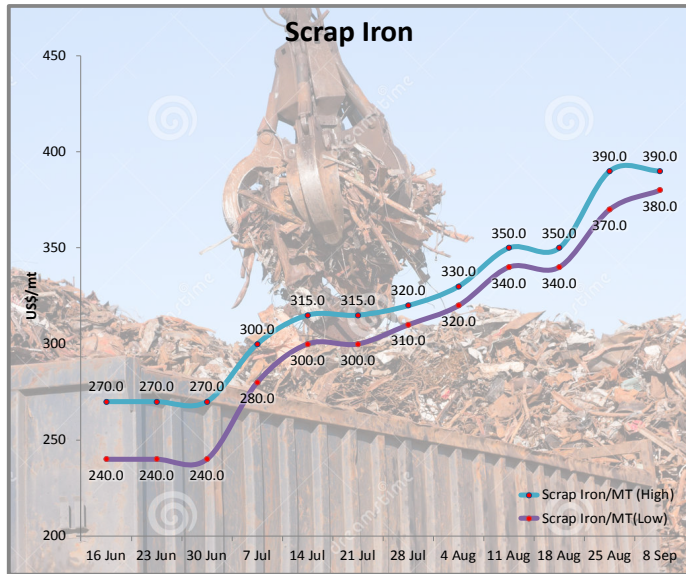
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

# 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.

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

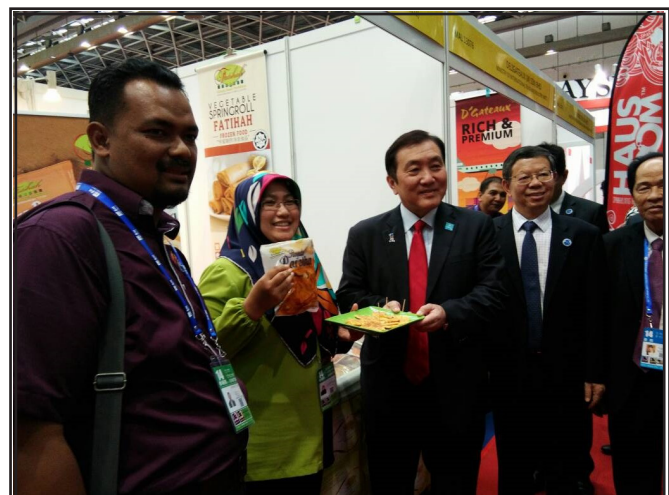
# MITI Minister's Business Visit to Tokyo

## 16 September 2017



# MITI PROGRAMME

Official Launching of the Malaysia Pavilion at CAEXPO 2017, Nanning  
11 September 2017



# ANNOUNCEMENT

## Declaration of HS Code 2012 in the ATIGA Certificate of Origin (COO - ATIGA Form D)

Please be informed that during 24th Sub-Committee on ATIGA Rules of Origin (SC-AROO) Meeting on 12 - 13 June 2017, all ASEAN Member States (AMS) agreed that while the Product Specific Rules (PSRs) transposition from HS 2012 to HS 2017 is on-going, AMSs who implemented HS 2017 can choose between the two options:

- to indicate the HS 2012 in bracket when issuing the Form D to the importing countries who still implement HS 2012; or
- to issue the Form D in HS 2012 or HS 2017 to the importing countries who implemented HS 2012 and HS 2017, respectively.

In this regards, Malaysia will use option (i) as above. Thus, all applications for ATIGA Form D should indicate the following information with **immediate effect**:

- a. **Importing Country HS Code** (based on importer's advice); and
- b. **Importing HS 2012 in Box 7.** As a reference, the company may use HS code approved for Finished Product in the Cost Analysis before 1st April 2017. Print screen of the ATIGA Form D as follow:

7. Number and type of packages, description of goods (including quantity where appropriate and HS number of the importing country)	Remarks: Importing HS Code to be typed in Box 7 (description of goods).
<div data-bbox="193 1435 831 1529" style="border: 2px solid orange; padding: 5px;">Remarks: HS Code: 6907.90.1000 (<u>HARMONIZED 2012</u>) IMPORTING COUNTRY HS CODE 6907219100</div>	

Starting from 7th August 2017, only the Importing HS Code will be appearing in the ATIGA Certificate of Origin (COO). Please contact the following officers of ATIGA (UNIT FTA IV) for more clarification:

<http://newepco.dagangnet.com.my/dnex/login/contact.html>

# 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.

## **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 19-21 September 2017 (Tuesday-Thursday) in Sarawak. Local SMEs interested to participate can register directly at <http://www.mydftz.com>.

Participation in these workshops are free.

## **ANUGERAH KECEMERLANGAN INDUSTRI**

INDUSTRY EXCELLENCE AWARD



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

## MIDA Sees 7,000 Job Creation at Job Fair, 18 September 2017



KUALA LUMPUR: The Malaysian Investment Development Authority (Mida) expects to create more than 7,000 job opportunities through its 'Mida Open Day' today.

Mida director of industry talent management & expatriate division, Mohamad Ismail Abu Bakar, said Mida received about 56 companies' participation to exhibit at the job fair, which in turn would provide vacancies in various levels of positions. "The responses from companies are very encouraging. We have government-linked companies (GLCs), multinational and local companies as well," he said in an interview today.

Mohamad Ismail said Mida had secured pre-registration of more than 6,000 visitors, and expected between 2,000 and 3,000 more visitors to register. "For today's event, we are looking at 9,000 to 10,000 people. The event is a very good platform for job seekers and companies to find candidates that suit their job requirements," he added.

Exhibitors for the event include Honda Malaysia Sdn Bhd, Permodalan Nasional Bhd, UMW Corp Sdn Bhd, Yakult (M) Sdn Bhd, Petronas Chemical Group Bhd, Top Glove Sdn Bhd, DRB-HICOM Bhd, Lazada Malaysia Sdn Bhd and Nestle Manufacturing (Malaysia) Sdn Bhd. Mohamad Ismail said the offerings ranged from managerial level jobs, such as senior manager posts, to executive and supporting staff. "Seventy seven per cent of the openings are for the managerial, professional and technical positions as well as technicians and associate professional categories," he said.

Mohamad Ismail said the remaining openings were in the semi- to low-skilled levels, such as craft related works, customer services as well as sales works. "Majority of the job seekers are fresh graduates (80 per cent) and experienced candidates (20 per cent). Companies are also looking for experienced candidates," he said, adding that the Mida Open Day was a good avenue for those looking for better employment.

On another note, Mohamad Ismail said companies complained of not being able to find competent candidates, citing a mismatch between supply and demand. Mohamad Ismail said Mida would play its role to bridge the gap through the industry skill council with the objective of promoting continuous employability among locals.

"At job fairs like this, most companies usually don't hire on the spot, but some do give conditional letter of offers. "Mida has briefed the companies to at least issue conditional offer letters. After a month, we will follow up with them to get the actual successful hiring rates," he said. Mohamad Ismail said Mida was concerned about the rate of employment and would look at whether the job fair fulfils the companies' employability requirements.

Mohamad Ismail added the government had programmes like the Skim Latihan 1 Malaysia (SL1M) to help unemployed graduates. "Quite a number of GLCs, including Maybank, CIMB, Sime Darby and Malaysia Airlines, are offering this programme. The companies would train graduates for eight to 10 months on soft skills," he said.

He said companies should provide longer-term industrial trainings to graduates to minimise the unemployment rate.

Source: The News Strait Time, 19 September 2017



# Glossary

## of Technical Terms

**Marine-restricted**

Terms that only apply to carriage by vessel.

**Mark-up Approach**

Addition of a certain number of percentage points to the applied rate of the unbound tariff line in order to establish the base rate. Current proposal is for mark-up of 30.

**Market Access**

Market access for goods in the WTO means the conditions, tariff and non-tariff measures, agreed by members for the entry of specific goods into their markets.

**Material Handling Equipment**

Machines for movement, handling, storage and retrieval of materials such as cranes, conveyance equipment, auto/storage/retrieval systems and material handling equipment for manufacturing processes.

**MCFTA**

Malaysia-Chile Free Trade Agreement

**MEEPA**

Malaysia-European Free Trade Association (EFTA) Economic Partnership Agreement - Iceland, Liechtenstein, Norway, Switzerland.

**Member Economies**

A term used for an official member of APEC. Members taking part in APEC activities do so as economic entities rather than as sovereign states. Currently, APEC comprises 21 member economies: Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States; and Viet Nam.

**MEUFTA**

Malaysia-European Union Free Trade Agreement

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## QUOTE OF THE DAY

"I used to think the worst thing in life was to end up all alone. it's not. The worst thing in life is to end up with people that make you feel alone."



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