



Trade Remains Robust in 2017

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The first eight months of 2017 have seen unprecedented growth in Malaysia's trade. Growth has exceeded 20% every single month of the year, except for January and June. Last year total trade breached the RM1 trillion mark in September but this year total trade reached RM1 trillion earlier, in July. In 2016, total trade increased by 1.5%. We had earlier estimated total trade in 2017 to grow by about 3%. Although we expect some slight deceleration at the end of this year, partly because of the base effect, Malaysia is likely to record a total trade growth



exceeding 10%, given the strong performance in the first eight months. The trade surplus has also been healthy, increasing to RM60.84 billion for the first eight months of 2017. In the same period last year, it stood at RM52.47 billion. This year we are likely to see a slight increase in the trade surplus compared to RM88.15 billion in the whole of last year.

A very important feature of this year's trade is that there has been strong growth in most sectors and key markets. Increases in exports have been across the board. Manufactured goods have performed well, particular electrical and electronic products. E&E exports amounted to RM220.56 billion (January to August 2017), growing 21.4% compared to the same period in 2016. We expect the E&E sector to continue to grow given the improvement in global semiconductor sales and strong projections from the smart devices, automotive, storage and healthcare markets. Another area showing strong performance is mining goods, driven by crude petroleum and LNG, which collectively surged by 34% to RM45.16 billion during the same period. This is due mostly to higher and more stable global energy prices.

Trade with China strengthened to 26% in the first eight months of 2017 to RM188.26 million compared to the previous period. This was driven by exports which surged 36.5% to RM80.47 billion. Trade with our key markets, ASEAN, EU, United States and Japan remained strong with growth of 23.9%, 18.3%, 19.7% and 17.7% respectively in the first eight months.

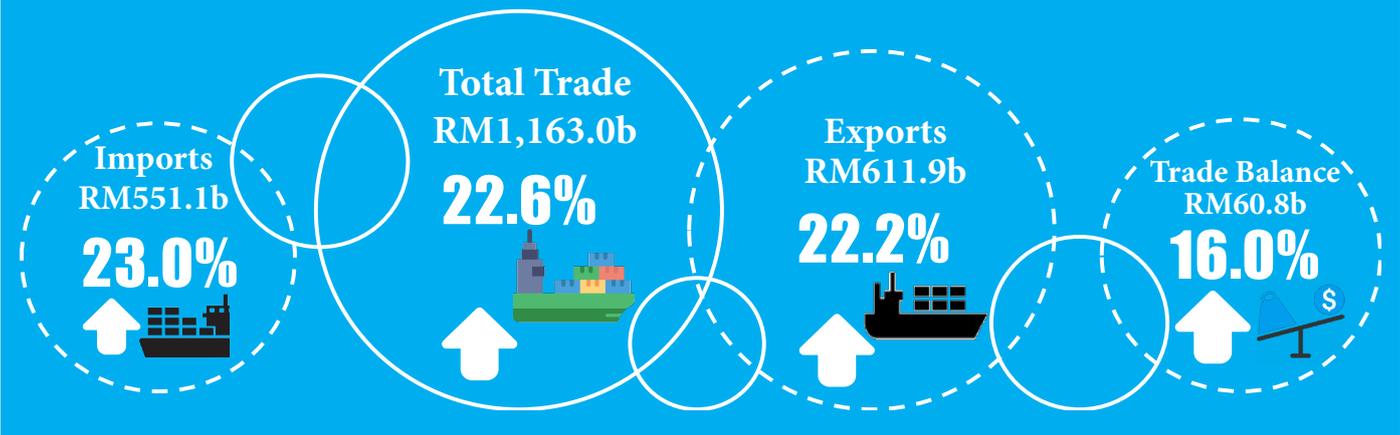
Malaysia's trade remains resilient driven by diversification in exports. E&E accounted for 36% of exports in January-August 2017, while Petroleum, LNG and Chemical products account for 22.7% of exports. Agriculture including palm oil & palm oil based products is also an important component of Malaysian exports, amounting to 8.5% of total exports.

The World Trade Organization recently raised their 2017 growth forecast in world merchandise trade volume to 3.6% from a previous estimate of 2.4%. This is attributed to a resurgence of Asian trade flows as intra-regional shipments picked up and as demand in North America recovered after stalling in 2016. We foresee that Malaysia will benefit from the increase in global trade with our trade remaining robust for the rest of 2017.

Dato' Sri Mustapa Mohamed
Minister of International Trade and Industry
6 October 2017



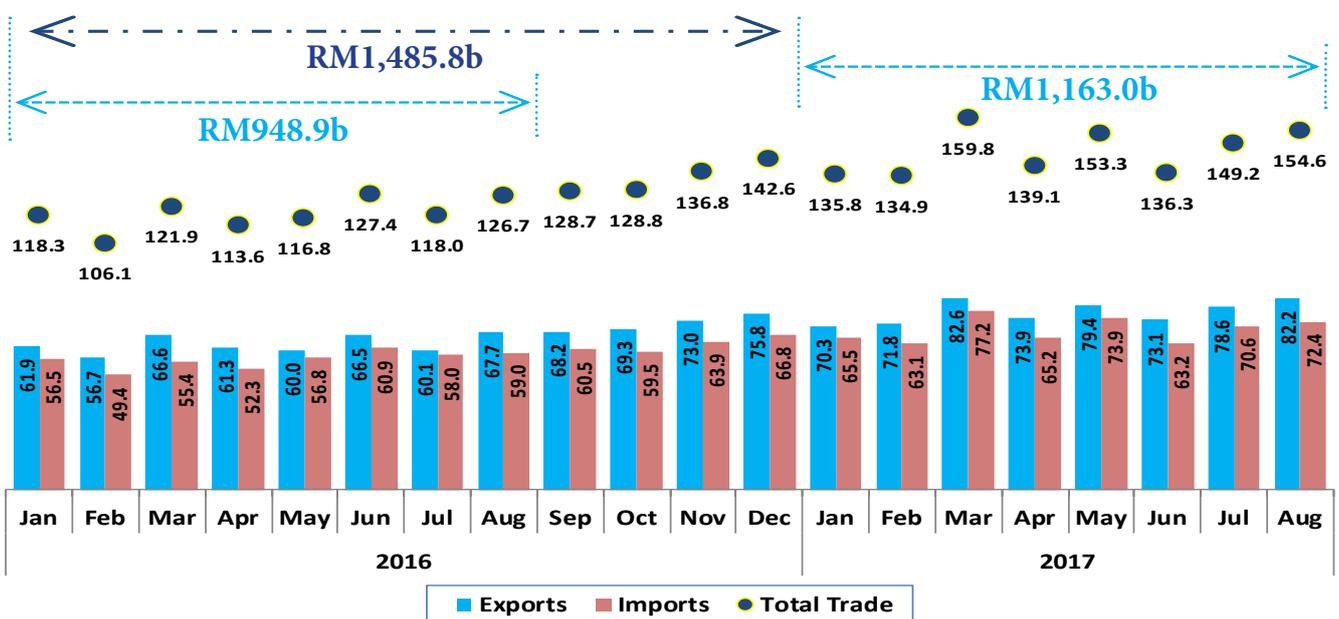
Trade Performance, January - August 2017



Major Export Destinations, January - August 2017

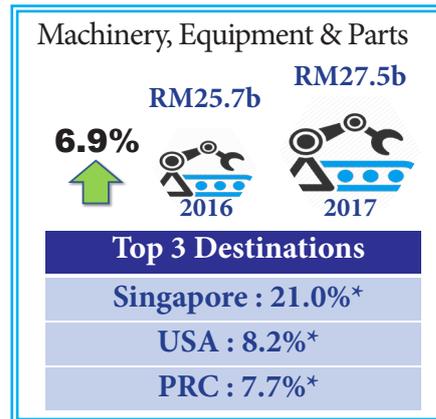
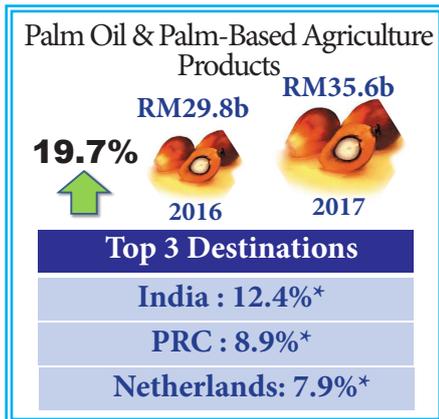
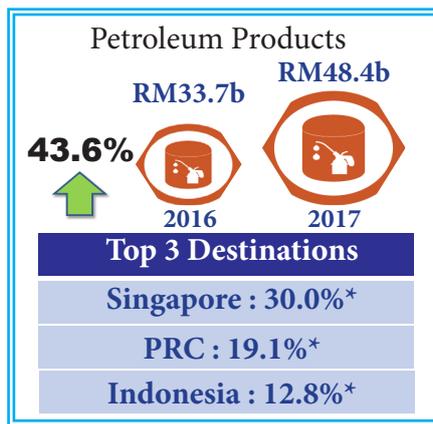
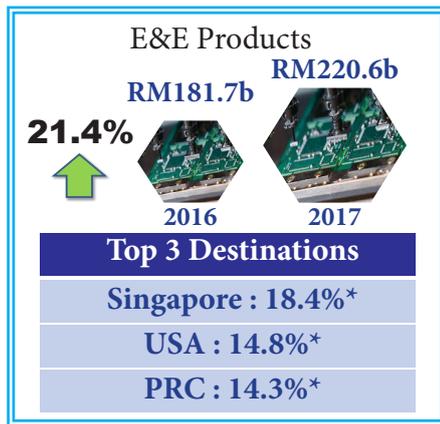


Trade Trends, January 2016 - August 2017

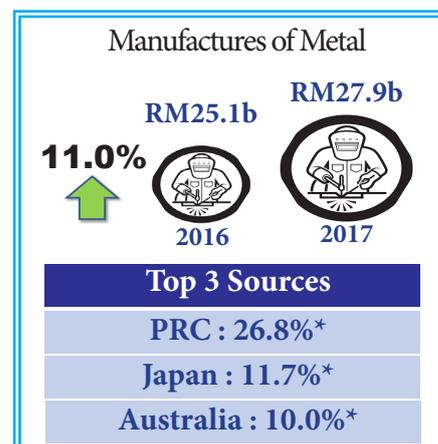
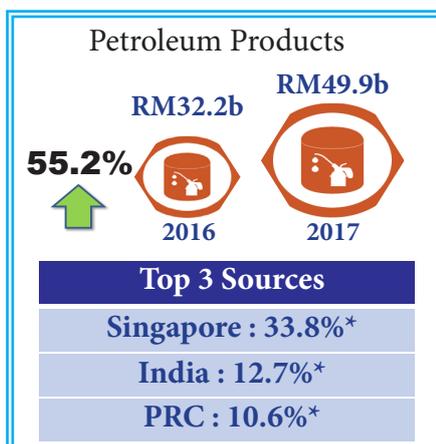
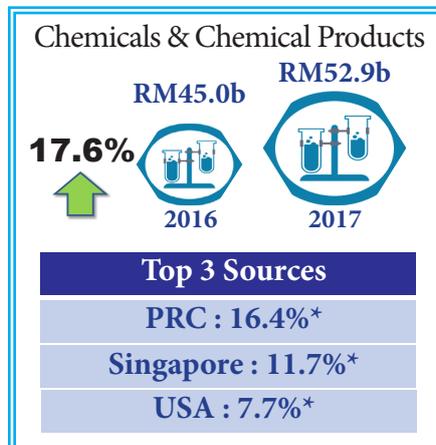


Source: Department of Statistics, Malaysia

Major Exports, January - August 2017



Major Imports, January - August 2017

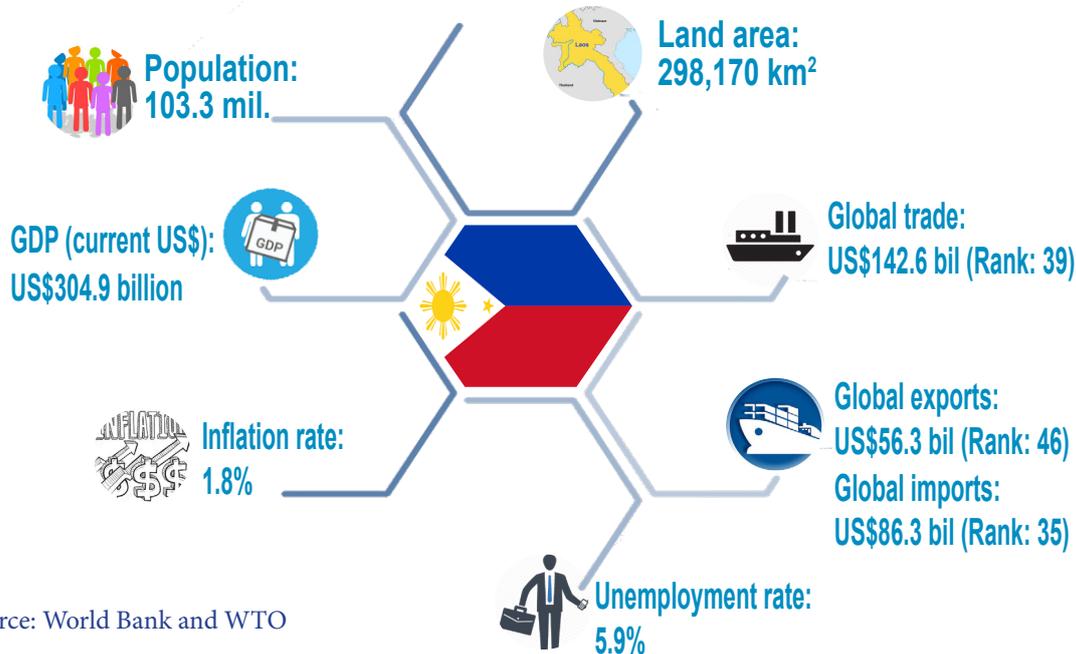


Note: * Share to total exports/imports of the industry

Source: Department of Statistics, Malaysia

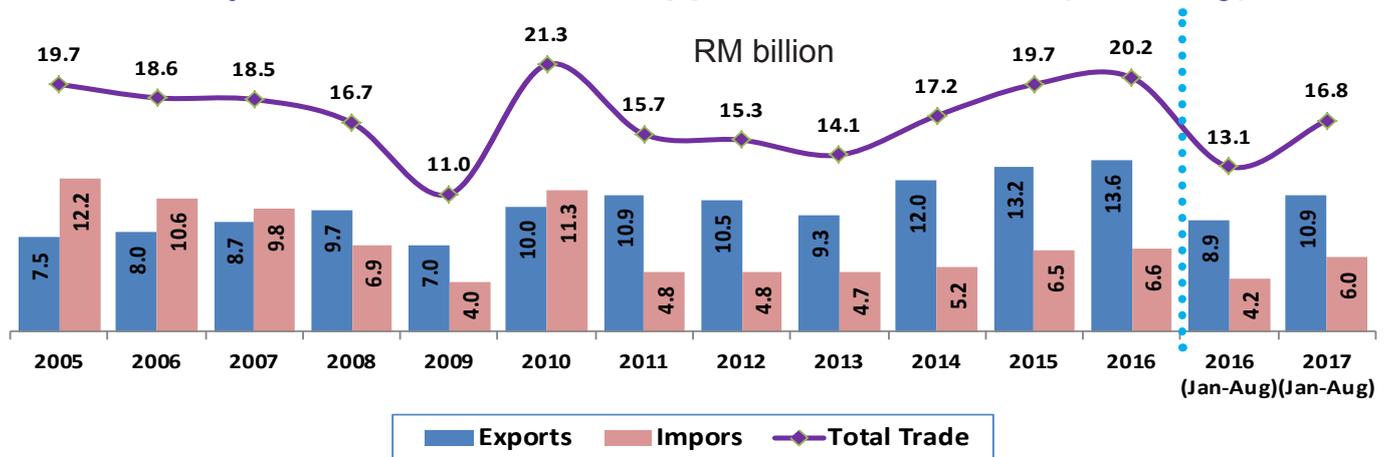
INTERNATIONAL REPORT

Philippines Economic Indicators 2016

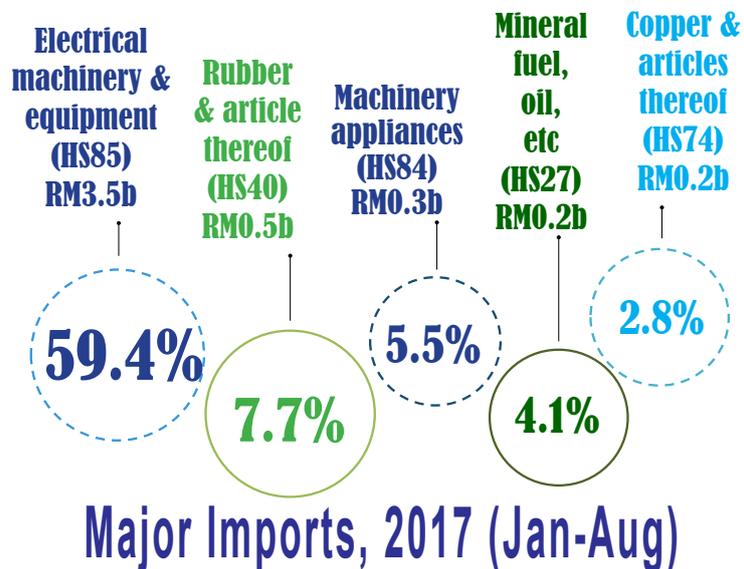
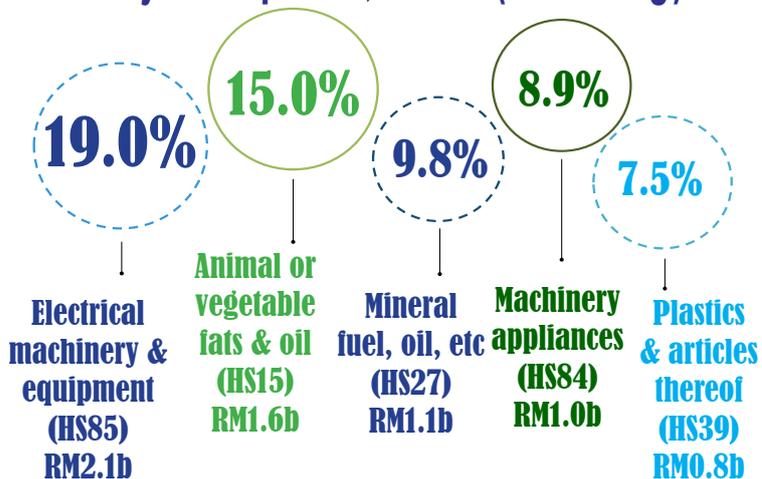


Source: World Bank and WTO

Malaysia's Trade with Philippines, 2005 - 2017 (Jan-Aug)

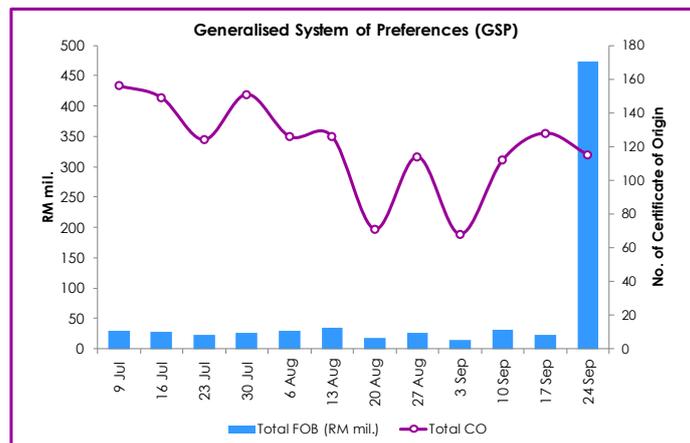
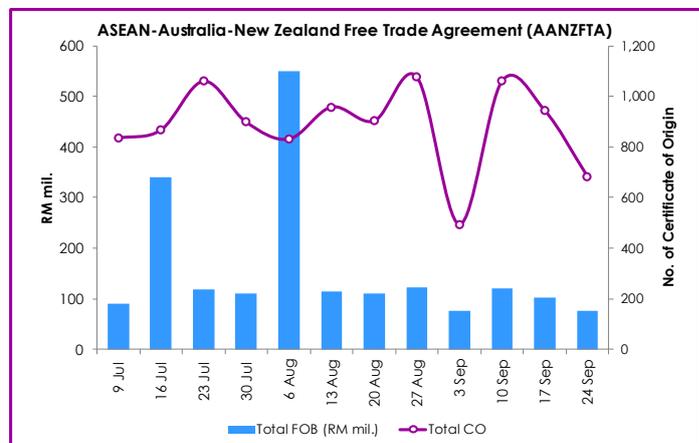
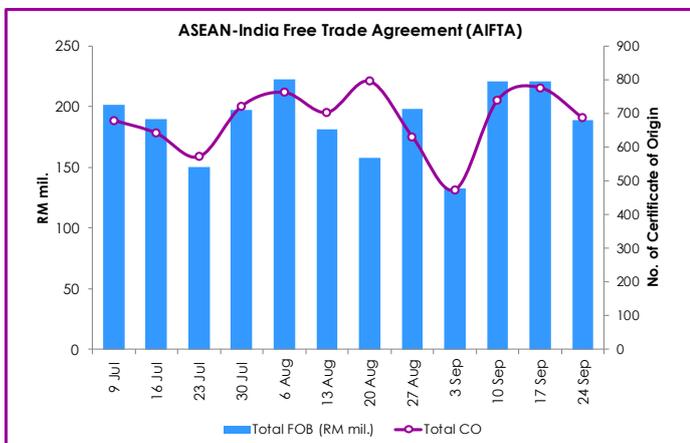
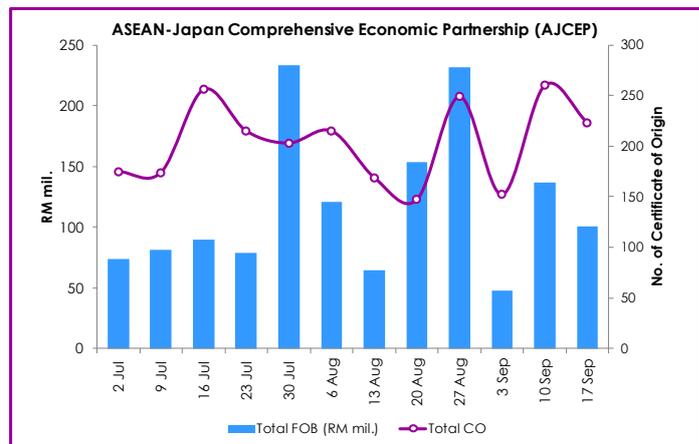
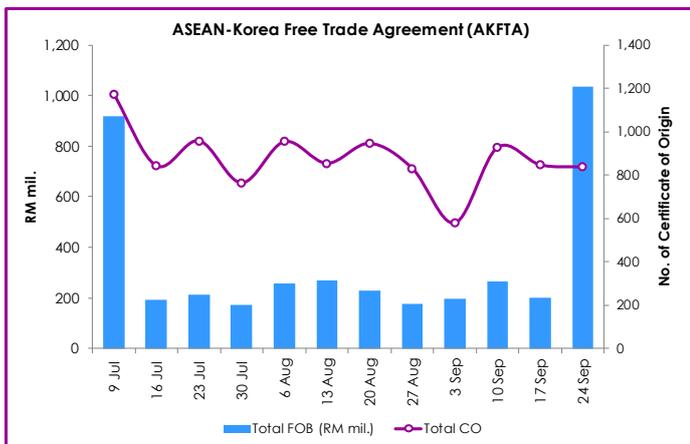
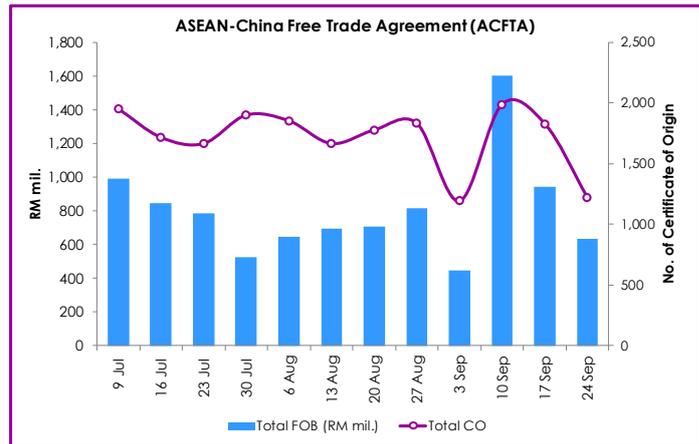
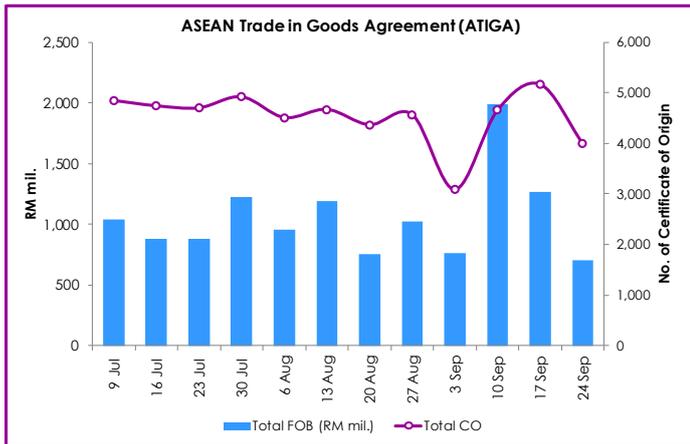


Major Exports, 2017 (Jan-Aug)



Note: % refers to share to total exports/imports
Source: Department of Statistics, Malaysia

Number and Value of Preferential Certificates of Origin (PCOs)

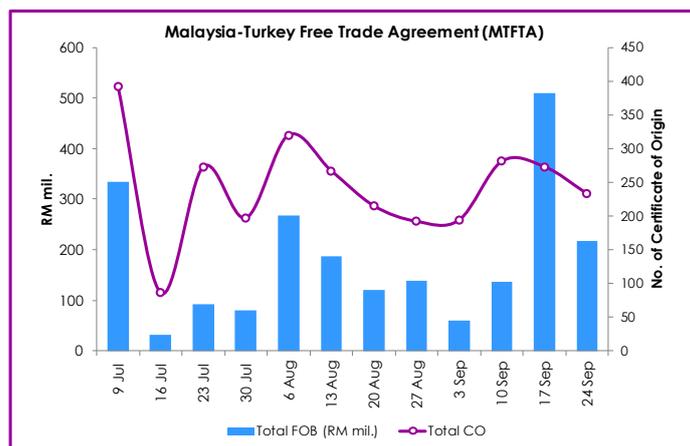
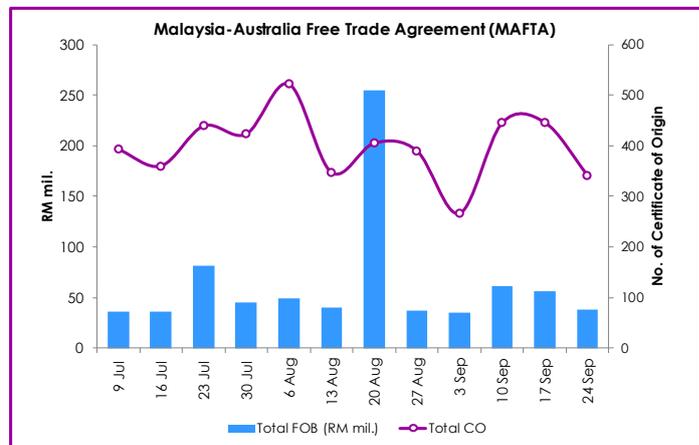
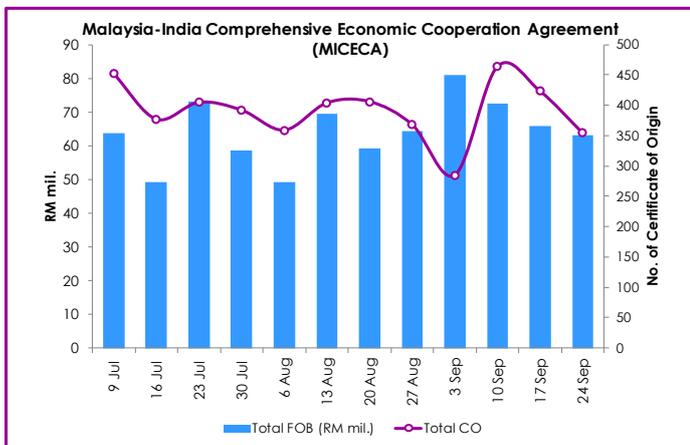
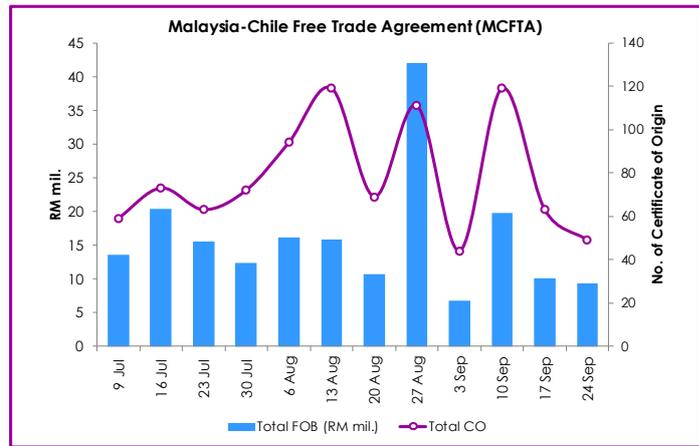
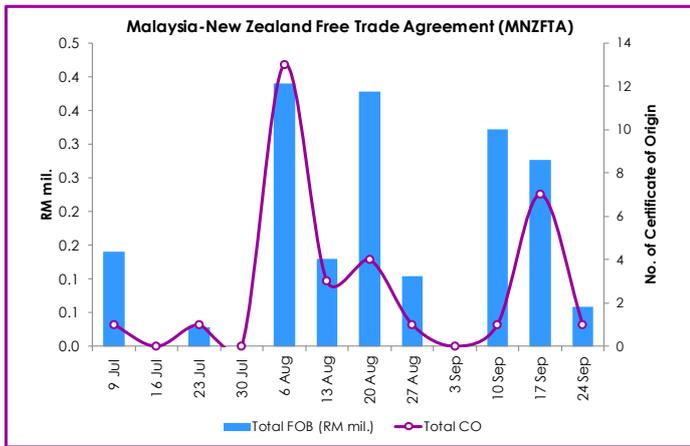
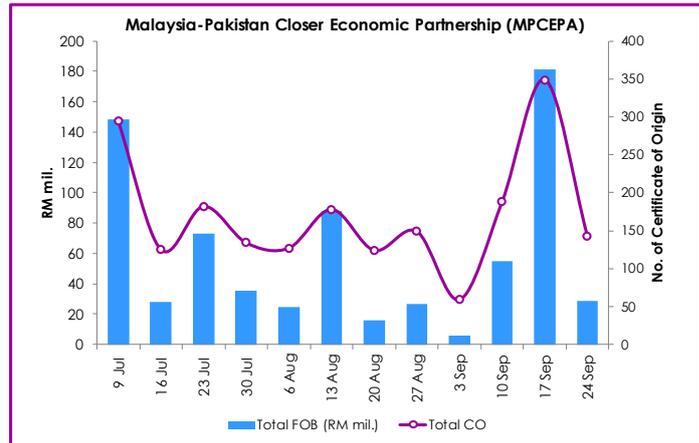
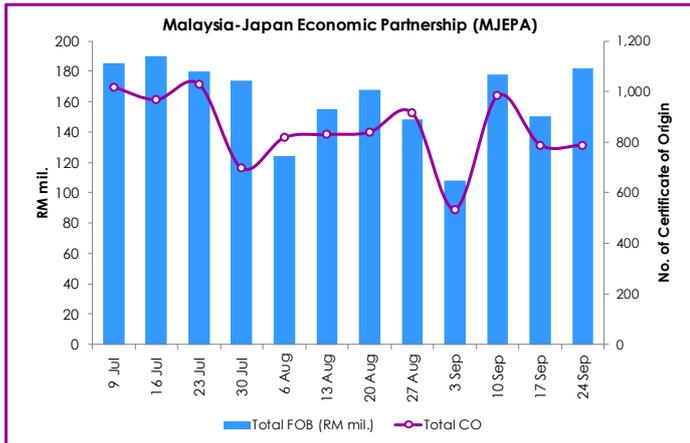


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

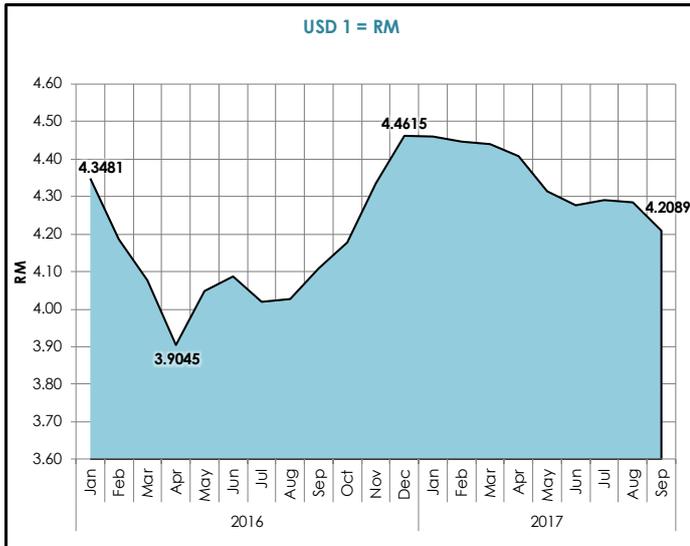
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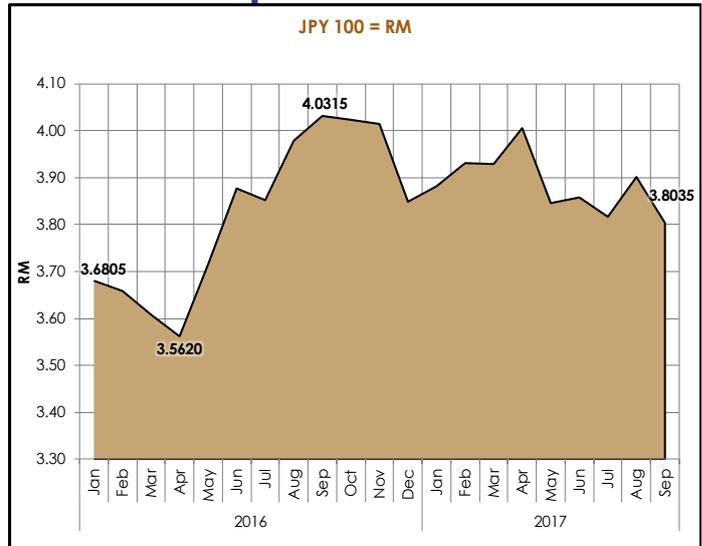
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

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

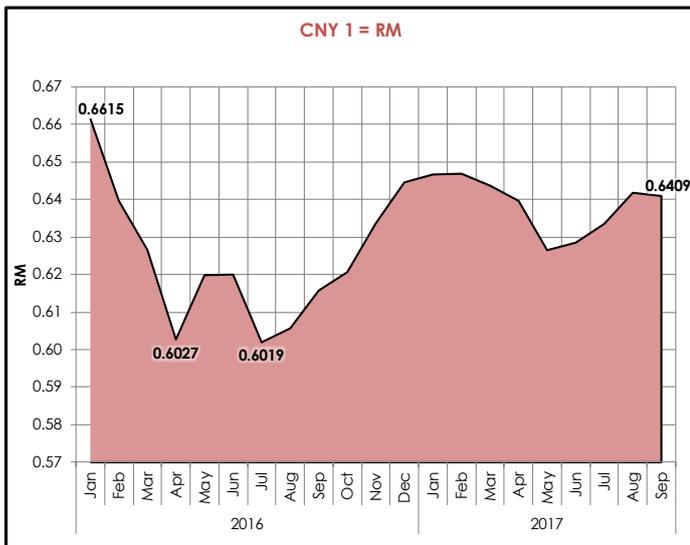
US Dollar



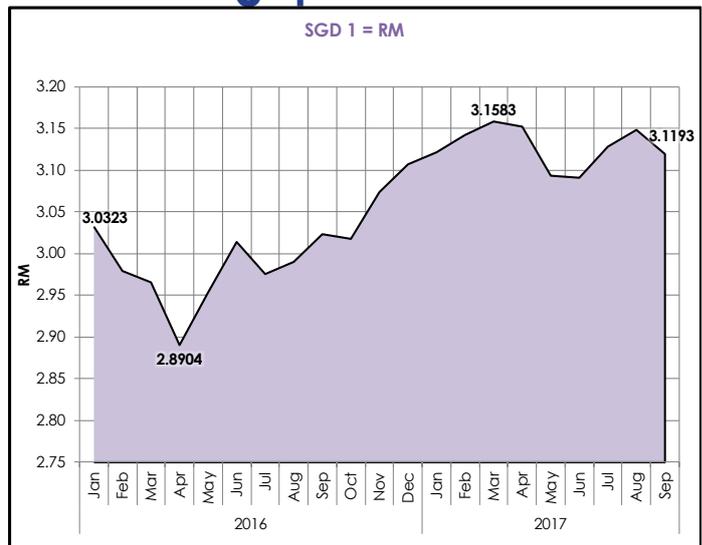
Japanese Yen



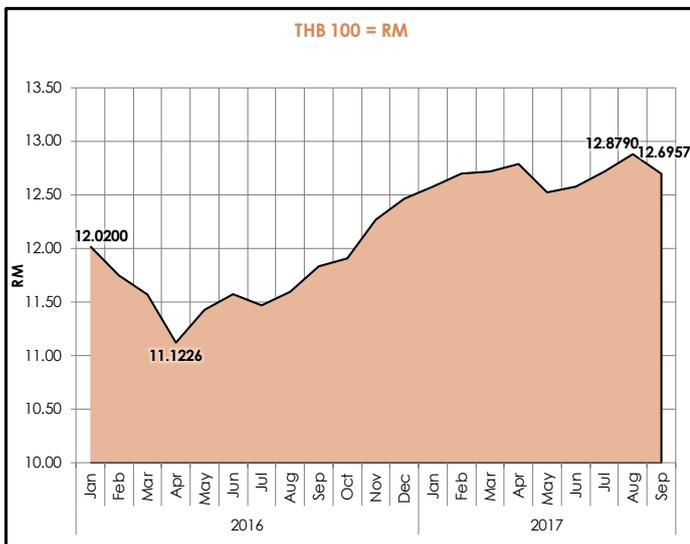
Chinese Yuan



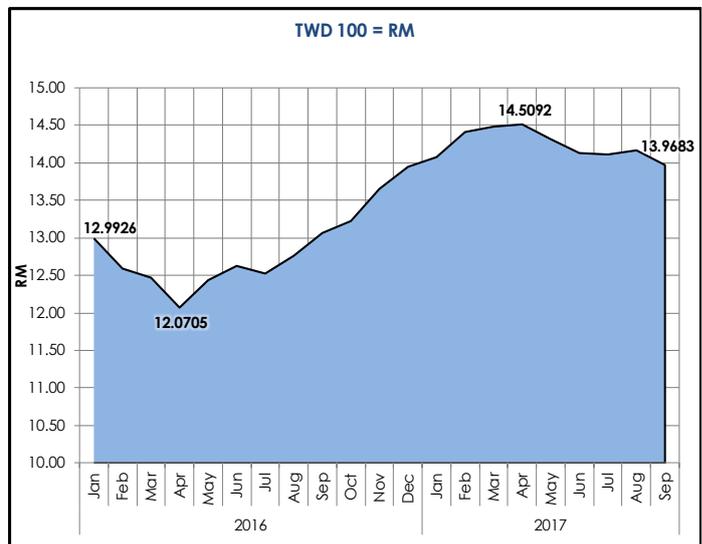
Singapore Dollar



Thai Baht



New Taiwan Dollar



Source : Bank Negara Malaysia

Commodity Prices



CRUDE PETROLEUM (BRENT) -per bbl-

6 Oct 2017 : US\$55.6, ▼ 3.3%*
Average Priceⁱ : 2016: US\$45.3
2015: US\$53.6



CRUDE PALM OIL -per MT-

6 Oct 2017 : US\$709.5, ▼ 2.5%*
Average Priceⁱ : 2016: US\$702.2
2015: US\$616.9



SUGAR -per lbs-

6 Oct 2017 : US¢ 14.0, ▼ 0.9%*
Average Priceⁱ : 2016: US¢18.2
2015: US¢13.2

RUBBER SMR 20 -per MT-

6 Oct 2017 : US\$1,494.0, ▲ 3.6%*
Average Priceⁱ : 2016: US\$1,394.5
2015: US\$1,364.3

COCOA SMC 2 -per MT-

6 Oct 2017 : US\$1,616.9, ▲ 12.1%*
Average Priceⁱ : 2016: US\$1,609.8
2015: US\$2,077.0

COAL -per MT-

6 Oct 2017 : US\$59.9, ▼ 0.5%
Average Priceⁱ : 2016: US\$45.6
2015: US\$49.9

SCRAP IRON HMS -per MT-

6 Oct 2017 : US\$350.0 (high), unchanged
US\$330.0 (low), unchanged
Average Priceⁱ : 2016: US\$243.2
2015: US\$239.6

HIGHEST and LOWEST 2016/2017

Crude Petroleum (Brent) -per bbl-



Highest

29 Sep 2017 : US\$57.5
30 Dec 2016 : US\$56.8

Lowest

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

Crude Palm Oil -per MT-



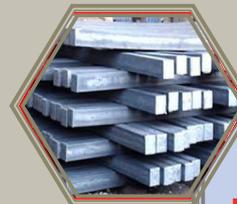
Highest

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

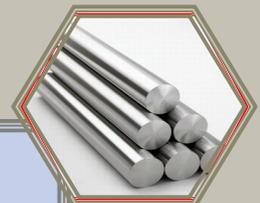
Lowest

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

Domestic Prices 6 Oct 2017



Billets
(per MT)
RM2,300 – RM2,350



Steel Bars
(per MT)
RM2,430 – RM2,580

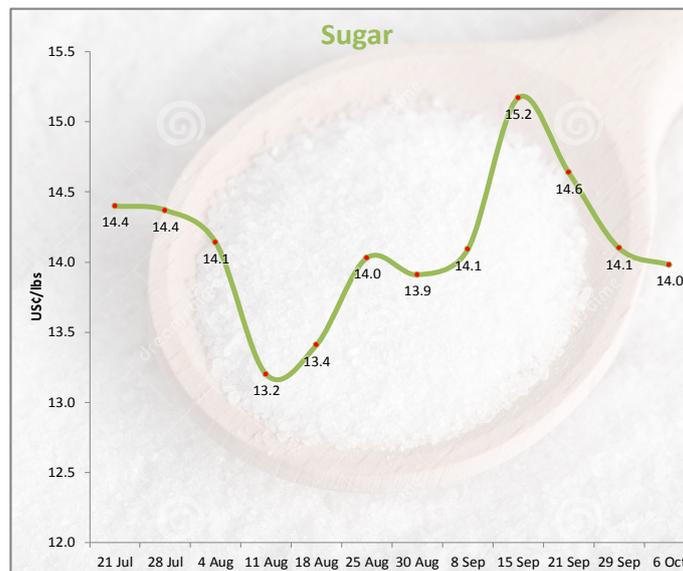
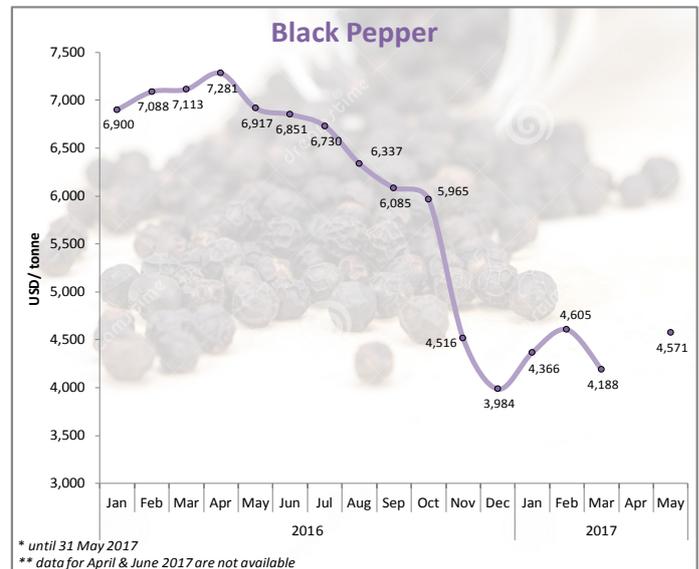
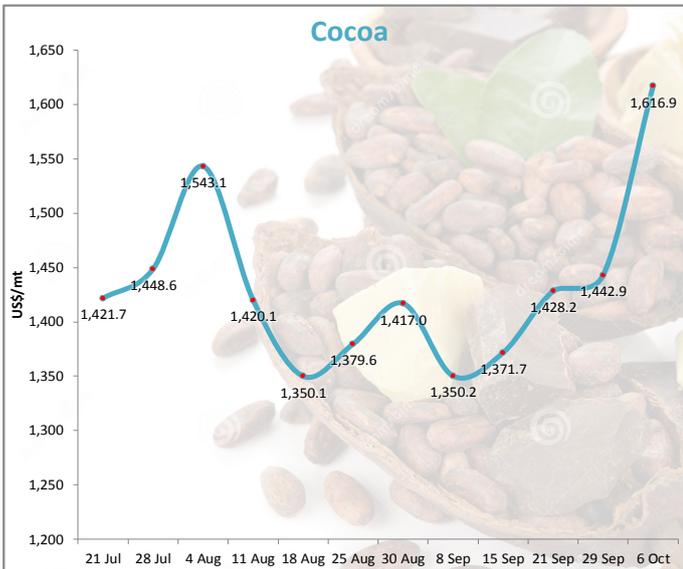
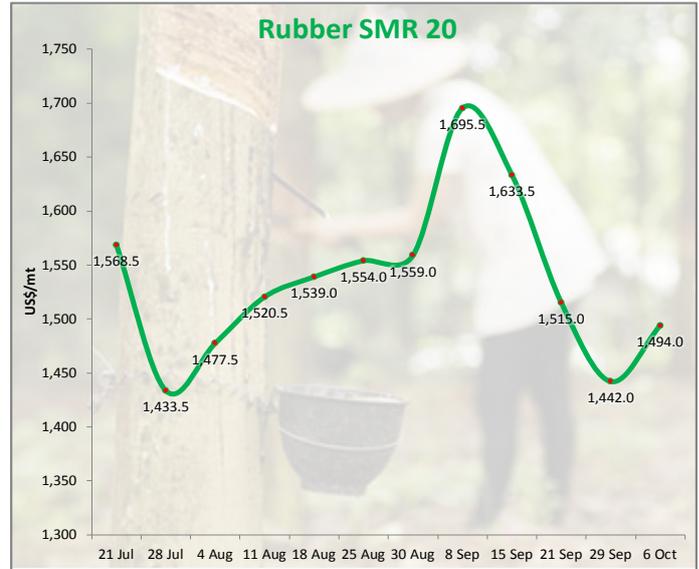
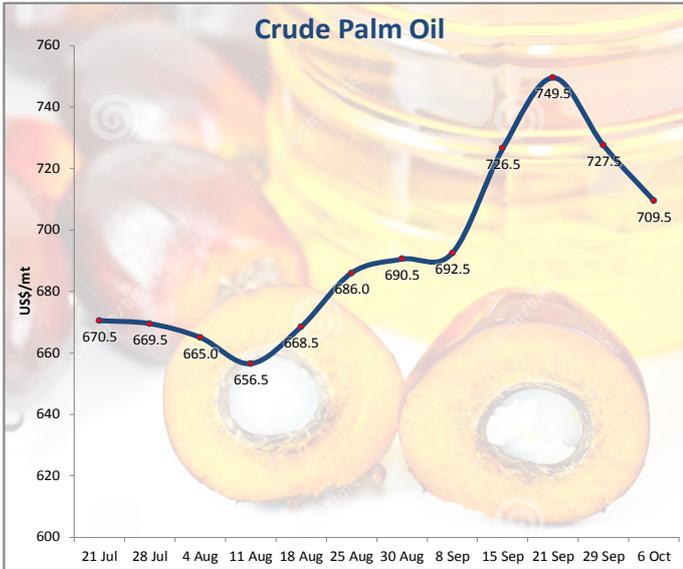
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

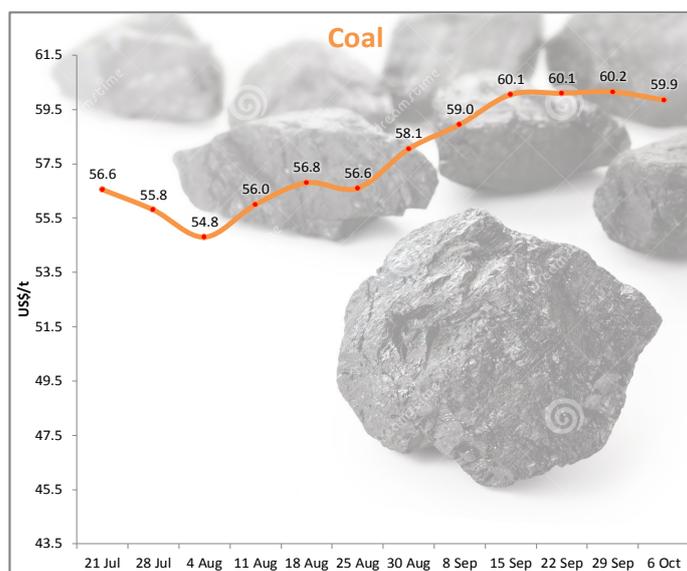
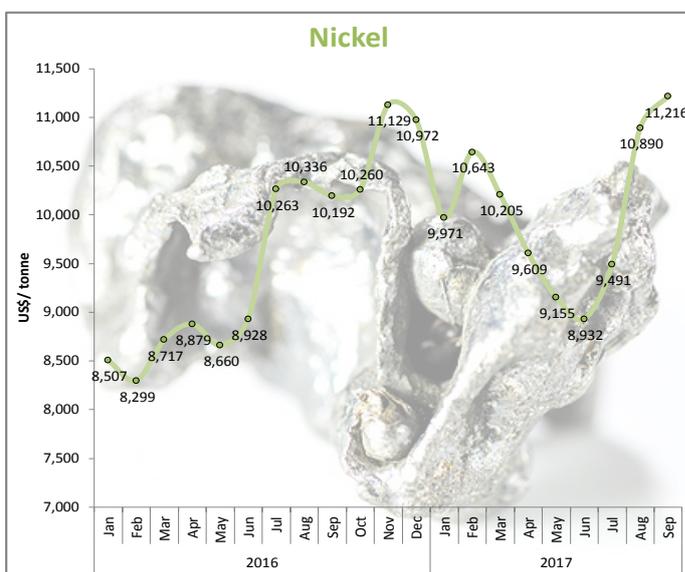
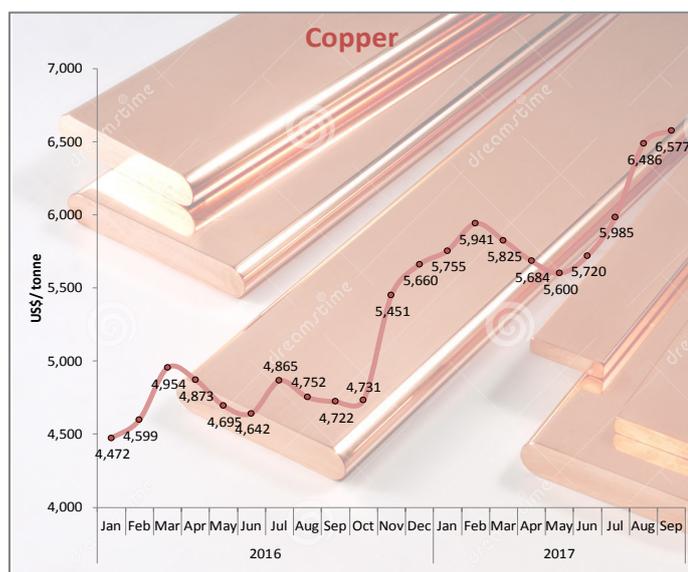
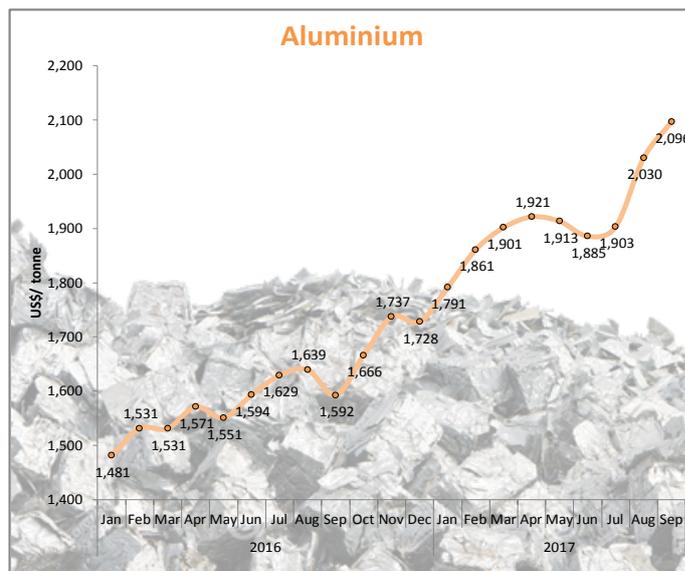
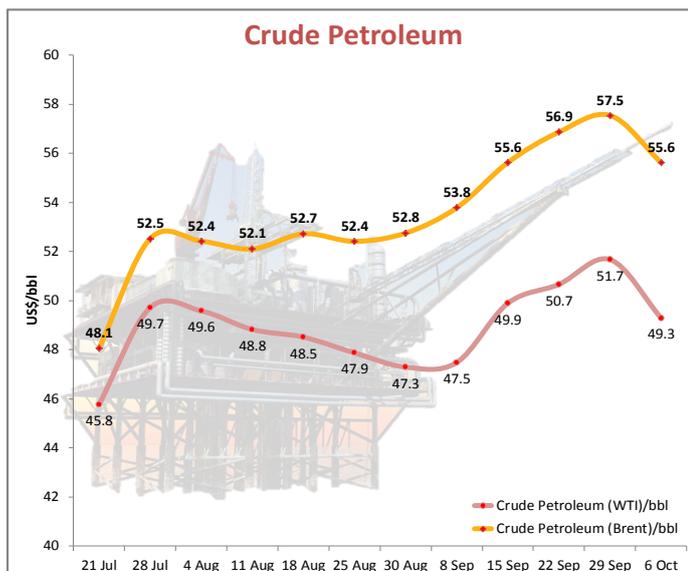
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

Commodity Price Trends



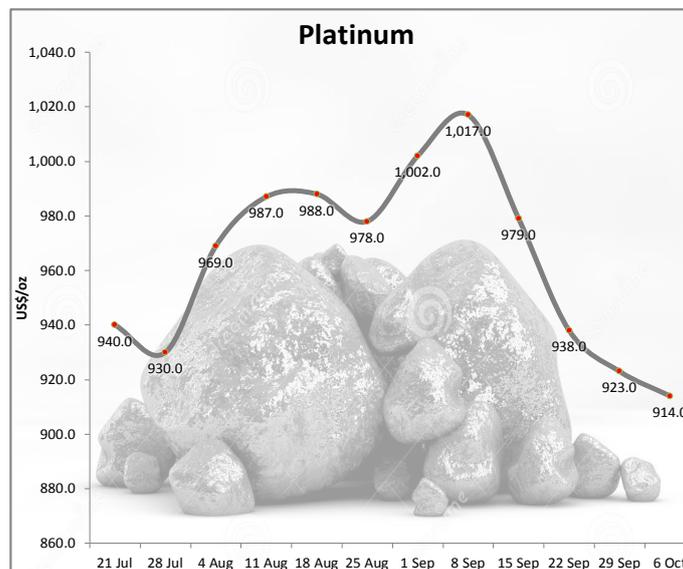
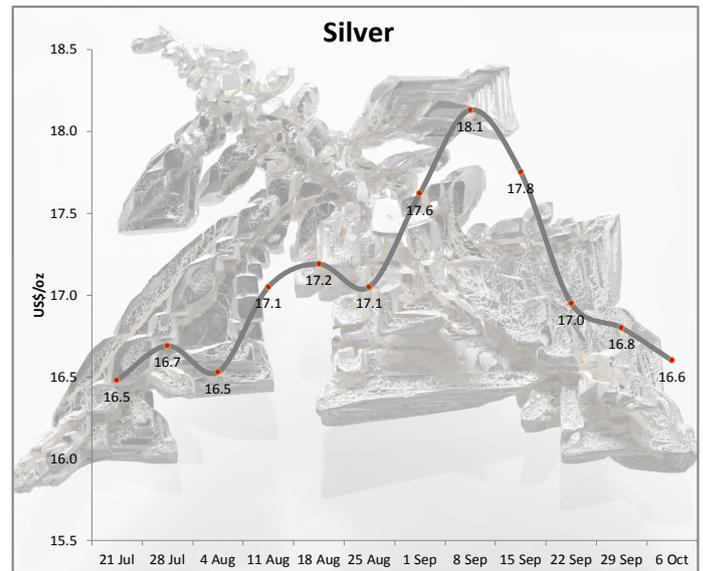
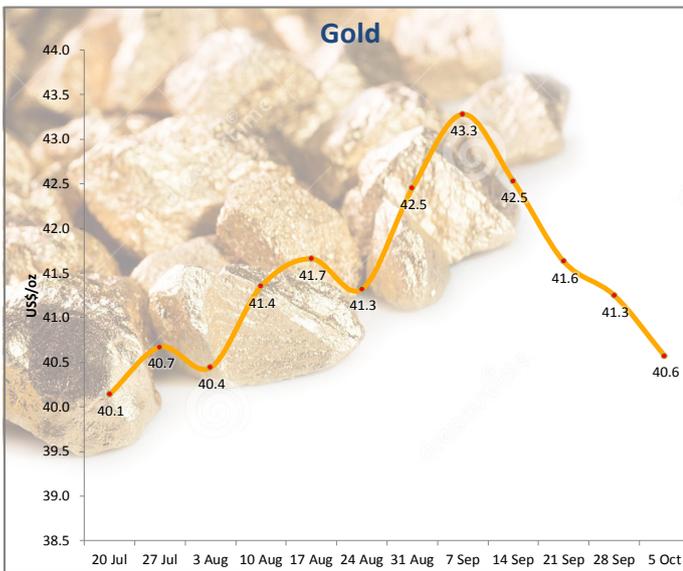
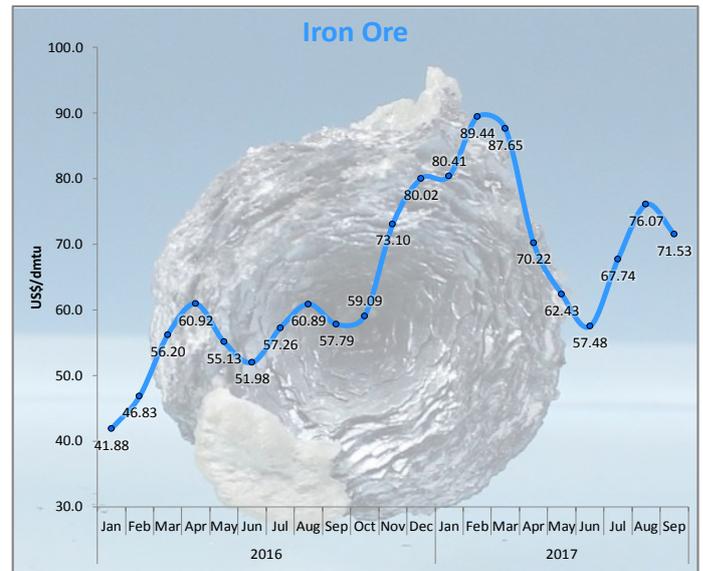
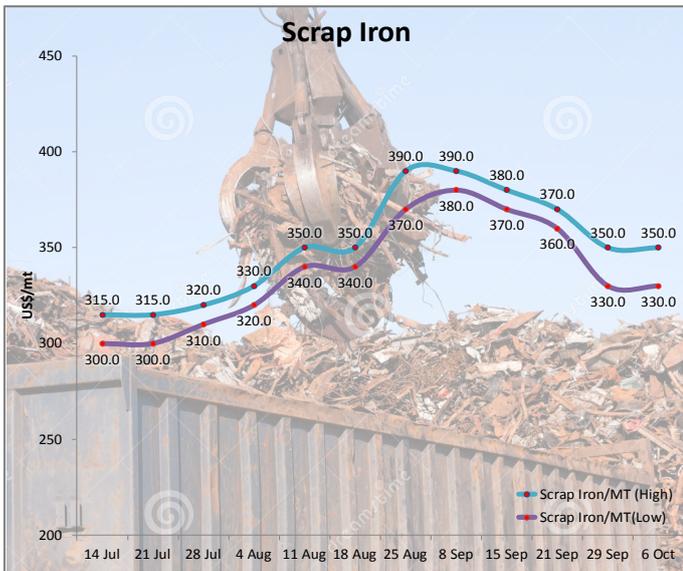
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Commodity Price Trends



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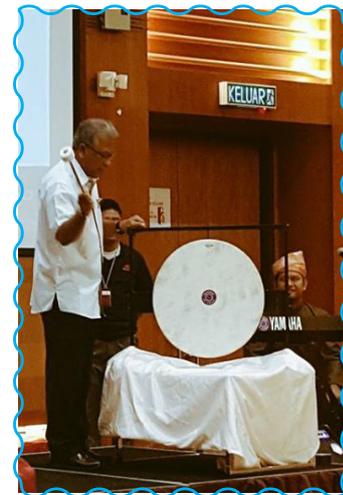
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**MITI @ Hari Peladang, Penternak dan Nelayan Kebangsaan (HPPNK2017)
and Malaysia Food Festival (MFF2017)
28 September to 1 October 2017**



MITI PROGRAMME

HR Open Day, 4 October 2017



Penganugerahan Pertandingan Hackathon 2017 (Mobile Apps) dan Pengiktirafan Agensi Pelaksana Big Data Analytics, 5 Oktober 2017



MITI PROGRAMME

National Convention on Good Regulatory Practice 2017 5 October 2017



MITI PROGRAMME

Majlis Pelancaran Mega TUBE di Kota Belud Sabah 7 Oktober 2017





MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

FSI: Get serious on 'one country one price'

Sabah manufacturers urge the Government to seriously look into 'one country one price'. "The manufacturing industry is a productive sector providing employment along the value chain from transforming raw materials into finished products, said Datuk Alan Ang, FSI Advisor, who is a manufacturer and exporter.

He conveyed this message to the MITI Sabah Director, Ms Rita Elisha Mering during a recent courtesy call on FSI President and council members. "With a strong manufacturing sector, it could provide job opportunities to the rakyat and can be a solution to Sabah's poverty eradication," added Datuk Ang.

Meanwhile, FSI President, Datuk Mohd Basri Abd Gafar said that Sabah is 10-15 years behind economically compared to Peninsular Malaysia, a fact concurred by Ms Rita. Mohd Basri highlighted the need to catch up with Peninsular Malaysia, adding that policy decisions are KL-centric and do not help or benefit Sabah much. Sabah loses out to Peninsular industries in getting incentives or fund allocations because of inability to meet the eligibility criteria.

On the issue of logistics, Mohd Basri said more allocations need to be pumped in for the development of the Sepanggar Bay Container Terminal in the near future and he urged the formation of the Sabah Logistics Council as was promised by the authorities concerned. The Pan Borneo highway is expected to create economic spinoff and our port needs to live up to its name as a hub port, the scale of Port Klang.

FSI Vice President for Resource-Based, Datuk Yusoff Kasim, noted that in the case of palm oil which Sabah produces in abundance, sadly, there have been long absence of further downstream processing activities apart from cooking oils. These, and more issues and input will be presented during the TN50 (Transformasi Nasional 2050) townhall session with MITI Deputy Minister on October 9, during which MITI will allocate time for FSI's presentation.

In the meantime, members of FSI are urged to channel their issues or to provide feedback as to their aspiration for Sabah by 2050. These will be considered for the 2050 Blueprint.

MEDIA RELEASE



Mohd Basri (third, left), presenting a memento to Ms Rita Elisha Mering after the courtesy call. Other FSI council members present are (L-R), Vice President (Non-Resource-Based) – Mr Jeff Lu, Advisor – Datuk Alan Ang, Vice President (Resource-Based) – Datuk Yusoff Kasim and Council Member - Mr Conan Teo. The courtesy call was held at Wisma FSM along Jalan Sepanggar, Kota Kinabalu.



Glossary

of Technical Terms

NTBs

Non-Tariff Barrier - refer to restrictions that result from prohibitions, conditions, or specific market requirements that make importation or exportation of products difficult and/or costly. NTBs also include unjustified and/or improper application of Non-Tariff Measures (NTMs) such as sanitary and phytosanitary (SPS) measures and other technical barriers to Trade (TBT). NTBs arise from different measures taken by governments and authorities in the form of government laws, regulations, policies, conditions, restrictions or specific requirements, and private sector business practices, or prohibitions that protect the domestic industries from foreign competition.

NTMs

Non-Tariff Measures - in general, this term is used to identify any measure which is not based on tariff and is applied in order to protect domestic industries. Many non-tariff measures originated from legitimate purposes, for example, human health protection, and are applied in accordance with WTO rules. Agreements such as the Agreement on Sanitary and Phytosanitary Measures (SPS) and the Agreement on Technical Barriers to Trade (TBT) allow governments to practice legal benefit protection measures while minimizing obstacles to trade and avoiding the application of “disguised protectionism”.

OEM

Original Equipment Manufacturer - An OEM is a company that makes a part or subsystems that is used in another company's end product. OEM is a company whose products are used as components in the products of another company, referred to as the value-added reseller (VAR). The OEM generally works closely with the company that sells the finished product and customizes designs based on that company's needs. In the computer industry, OEM may also refer to the VAR, the company that buys products and incorporates or rebrands them into a new product under its own name.. e.g PROTON, PERODUA, Toyota and Honda.

Oligopoly

When a few firms dominate a market. Often they can together behave as if they were a single monopoly, perhaps by forming a cartel. Or they may collude informally, by preferring gentle non-price competition to a bloody price war. Because what one firm can do depends on what the other firms do, the behaviour of oligopolists is hard to predict. When they do compete on price, they may produce as much and charge as little as if they were in a market with perfect competition.

Omni-modal

Used with terms that use all modes of transportation (truck, airplane, vessel, train)

On-carriage

On-carriage

Domestic: subsequent transportation beyond main carriage

International: transportation from the arrival point on the buyer's side

Source: <http://www.miti.gov.my/index.php/glossary>

**TO BE
CONTINUED...**

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Quote of the day...



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