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# Launching of Productivity Report Third Quarter 2017


*Prime Minister Datuk Seri Najib Tun Razak launched the Labour Productivity Report 3rd Quarter 2017. Malaysia labour productivity registered a 4.2 per cent growth in the third quarter of this year, higher than the average annual growth of 3.7 per cent set under the 11th Malaysia Plan.*

*Labour productivity was attributed to four major sectors, namely agriculture, registering an increase of 5.2 per cent; manufacturing (5.1 per cent); construction (4.8 per cent) and services (3.7 per cent). At the same event, six champions have been appointed for Productivity Nexus subsectors for Agro-food, Machinery and Equipment (M&E), Tourism, Private Healthcare, ICT Services and Professional Services.*

*The Productivity Nexus, which are centres of excellence for all things related to boosting productivity at sector and enterprise levels, are expected to drive the implementation of the productivity initiatives in close partnership with the Government.*

*Malaysia Productivity Blueprint (MPB), aimed to boost Malaysia's economic growth targeting at 3.7% per annum and raise the prosperity of the rakyat. The blueprint will serve as a holistic measure to target initiatives to open up potential productivity at national, sectoral and industrial levels.*

*The productivity blueprint had outlined 5 strategic thrusts, 10 national initiatives and 43 sectoral initiatives and 16 key activities. The five strategic thrusts are: building workforce of the future, driving digitalization and innovation, making industry accountable for productivity, forging a robust strong ecosystem and securing a strong implementation mechanism.*

*Three productivity nexus which included retail and food and beverage, electric and electronic, and chemical products has been established to assists enterprises to boost productivity, increase innovation and capture growth opportunities.*

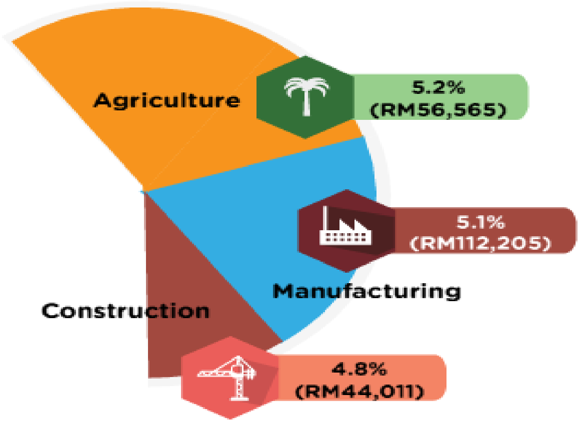
*For more information on MPB, kindly visit http://www.wayup.my*

# MALAYSIA Labour Productivity, Third Quarter 2017

## Productivity by Sector

| | Agriculture | Mining & Quarrying | Manufacturing | Construction | Services |
|---|---|---|---|---|---|
| Q2 2017 4.0% RM79,693 | - 1.2% (RM47,708) | - 3.3% (RM1,039,820) | 4.3% (RM112,238) | 8.7% (RM40,590) | 5.2% (RM71,162) |
| Q3 2017 4.2% RM82,456 | 5.2% (RM56,565) | -8.5% (RM999,423) | 5.1% (RM112,205) | 4.8% (RM44,011) | 3.7% (RM73,384) |

## Highest Productivity Growth



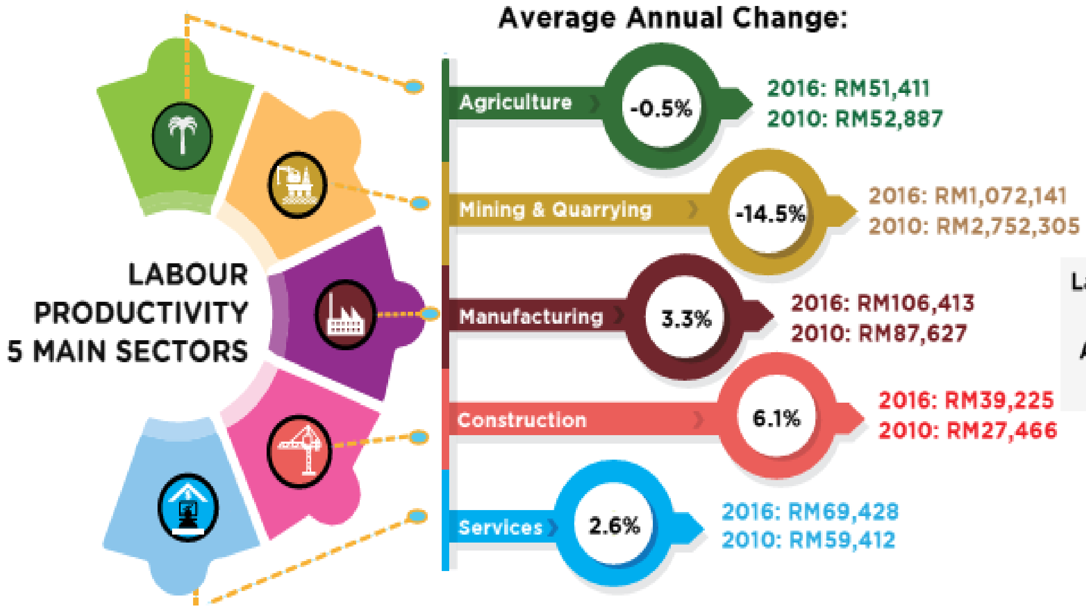

**Key Contributor:**

- Crops and Livestock
- Textiles, Wearing Apparel and Leather Products
- Specialized Construction Activities

**Agriculture** recorded the highest labour productivity growth, followed by **Manufacturing** and **Construction**

## Labour Productivity 2010 and 2016

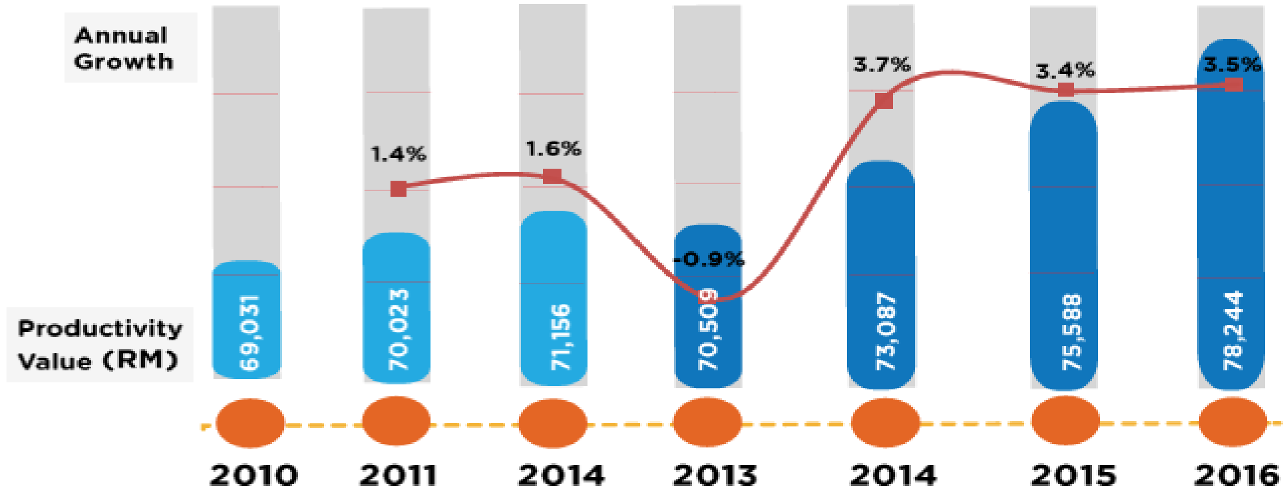
**Average Annual Change:**




Labour Productivity 2016: RM78,244
Average Annual Change: 2.1%

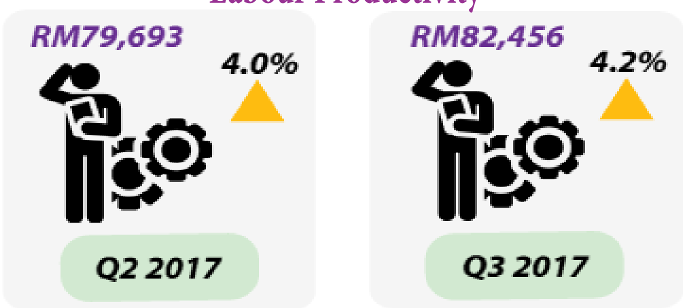
Source: Department of Statistics, Malaysia

# Labour Productivity 2010 - 2016

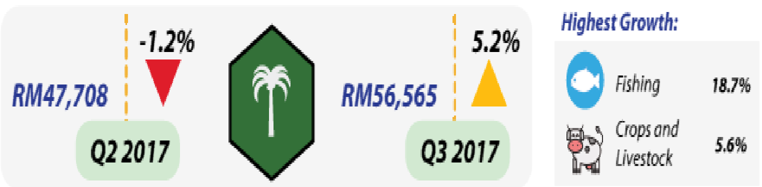



# Productivity Performance, Third Quarter 2017

## Labour Productivity

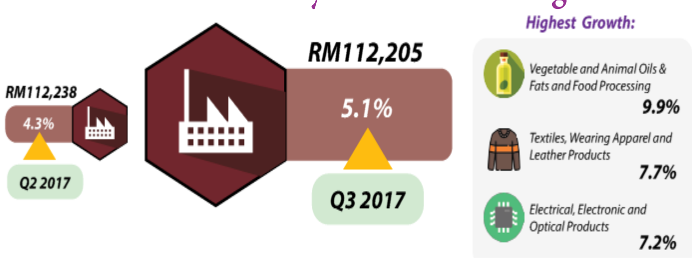



## Labour Productivity of Agriculture Sector

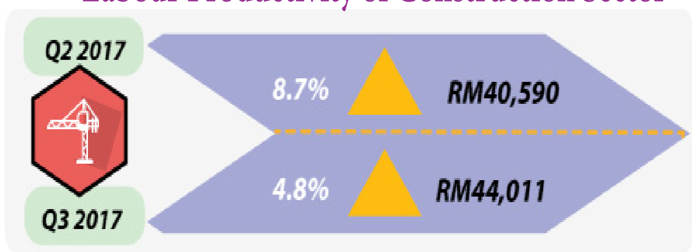



## Labour Productivity of Mining & Quarrying Sector

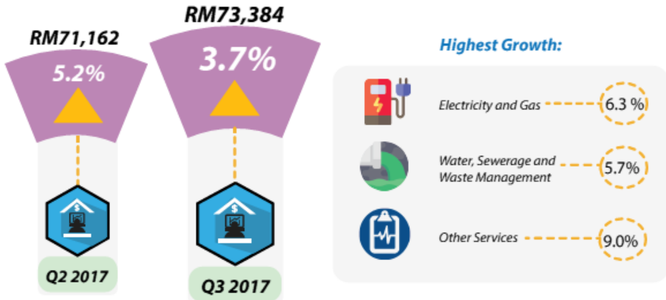

## Labour Productivity of Manufacturing Sector




## Labour Productivity of Construction Sector



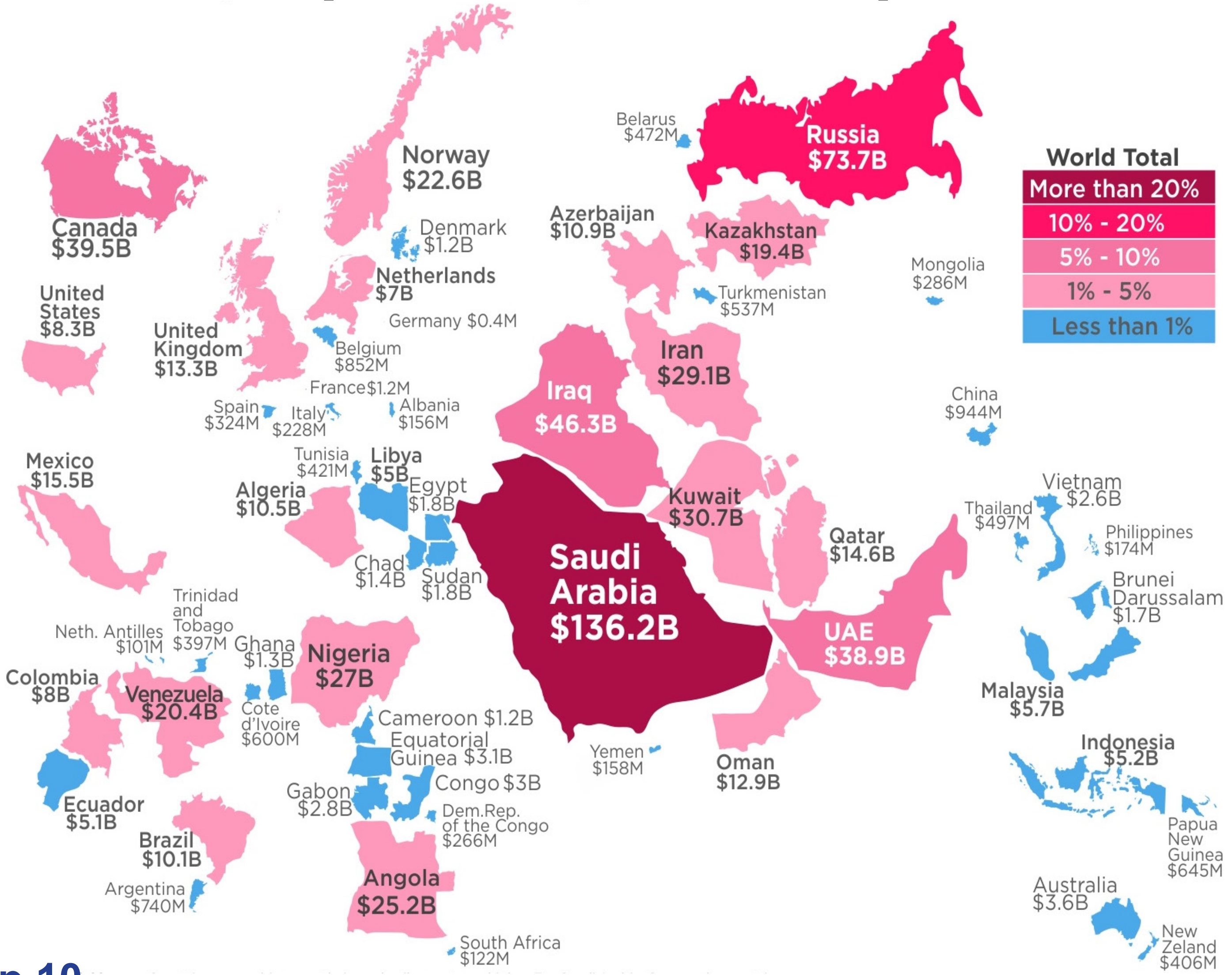

## Labour Productivity of Services Sector




Source: Department of Statistics, Malaysia

# INTERNATIONAL REPORT

## World Map of Crude Oil Exports 2016




### Top 10

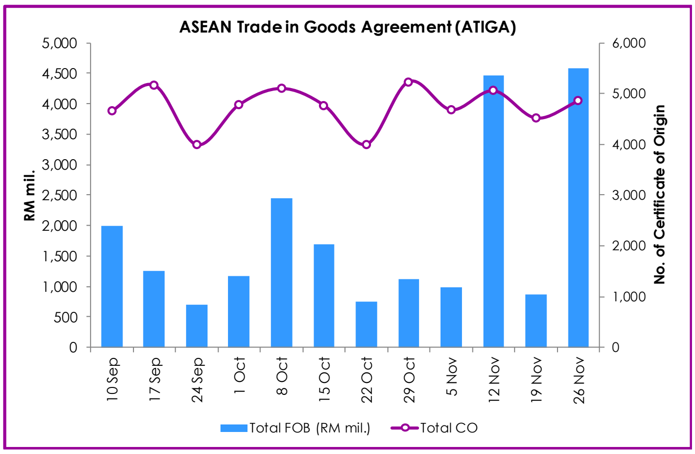
| | |
|---|---|
| Saudi Arabia | 20.1% |
| Russia | 10.9% |
| Iraq | 6.8% |
| Canada | 5.8% |
| UAE | 5.7% |
| Kuwait | 4.5% |
| Iran | 4.3% |
| Nigeria | 4.0% |
| Angola | 3.7% |
| Norway | 3.3% |

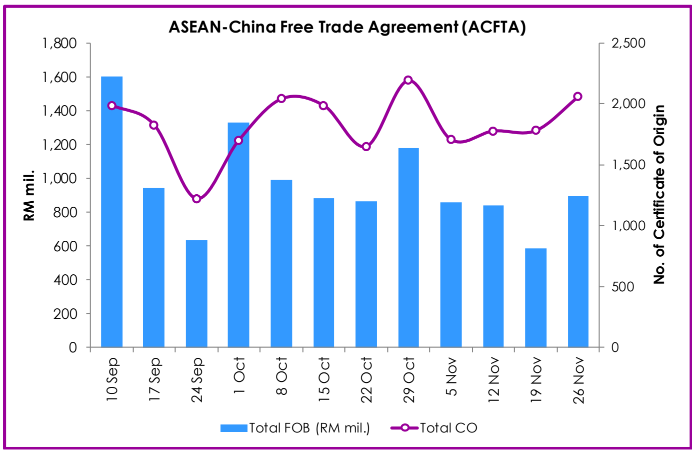
### ASEAN

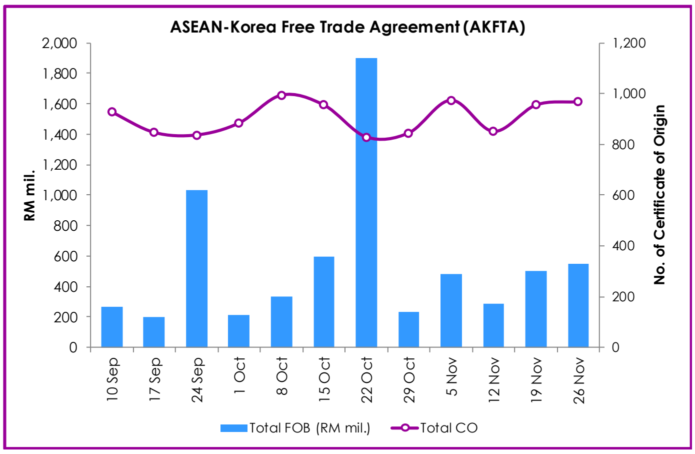
| | |
|---|---|
| Malaysia | 0.8% |
| Indonesia | 0.8% |
| Viet Nam | 0.4% |
| Brunei | 0.3% |
| Thailand | 0.1% |
| Philippines | 0.03% |
| Myanmar | 0.01% |
| Singapore | 0.00002% |

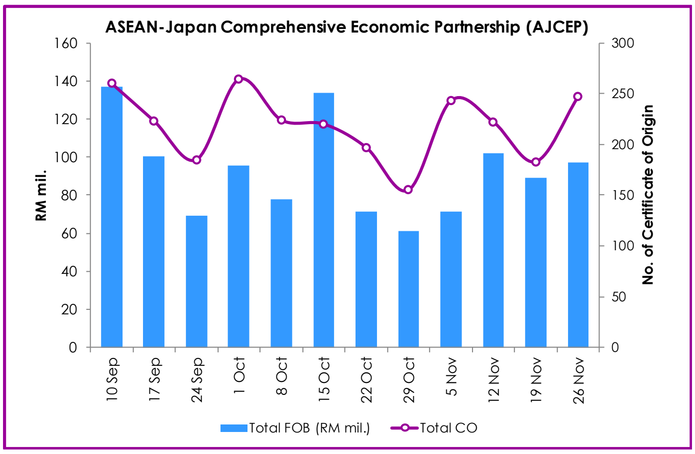
Note: World's oil exporters ranked by revenue and global market share.
Source: https://howmuch.net/articles/world-map-of-crude-oil-exports-2016

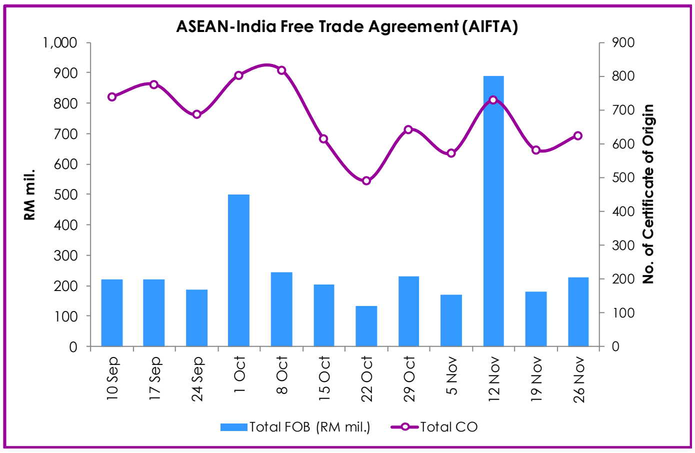
# Number and Value of Preferential Certificates of Origin (PCOs)

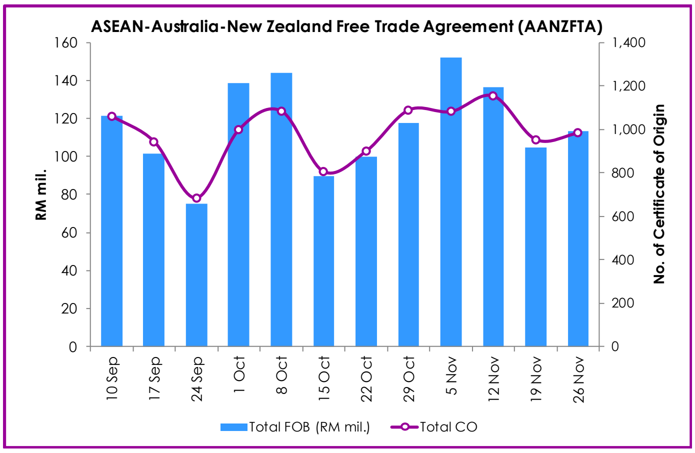


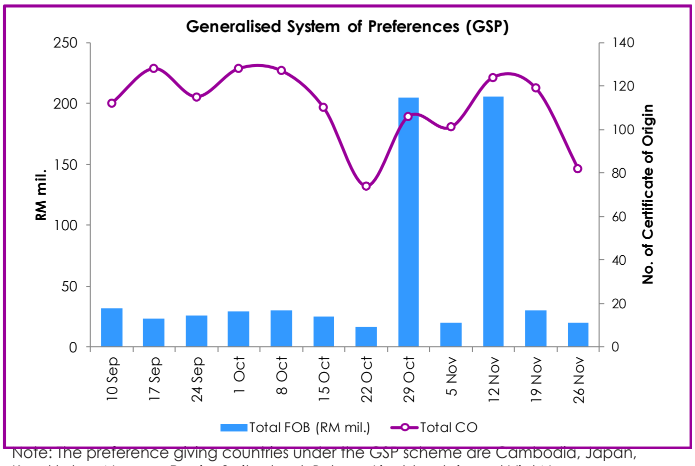



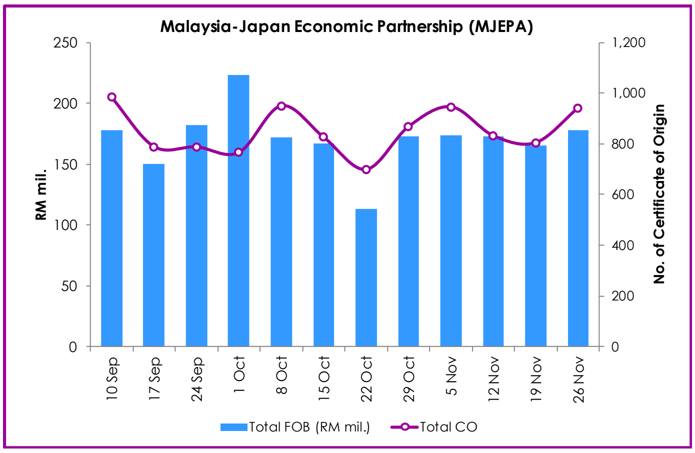



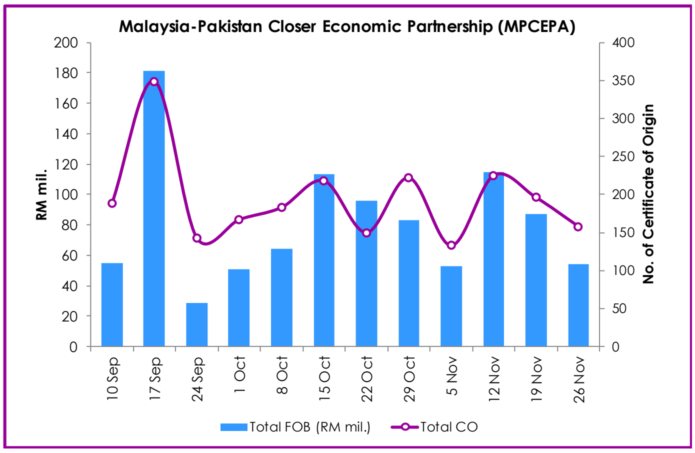



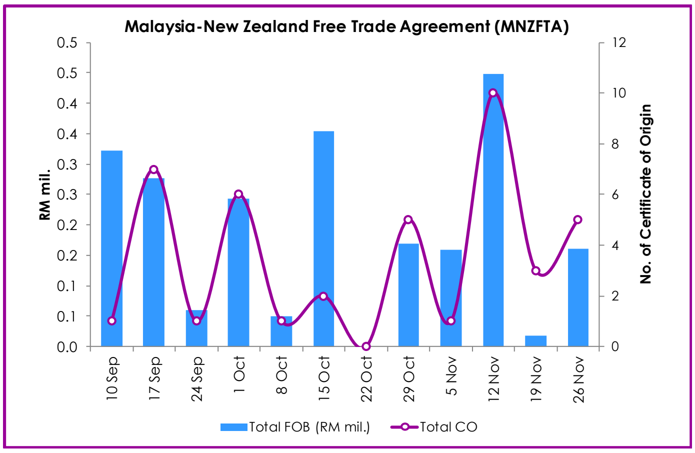

Note: The preference giving countries under the GSP scheme are Cambodia, Japan, Kazakhstan, Norway, Russia, Switzerland, Belarus, Liechtenstein and Viet Nam

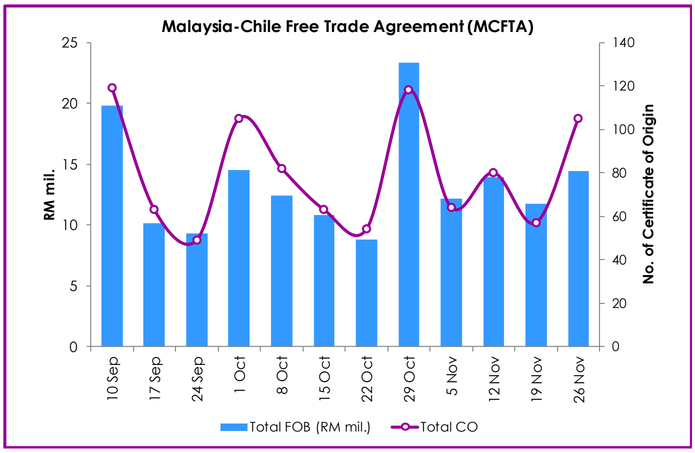
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

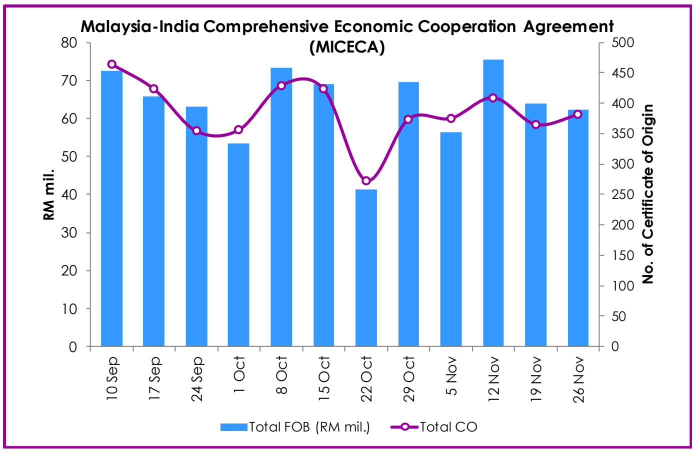
# Number and Value of Preferential Certificates of Origin (PCOs)

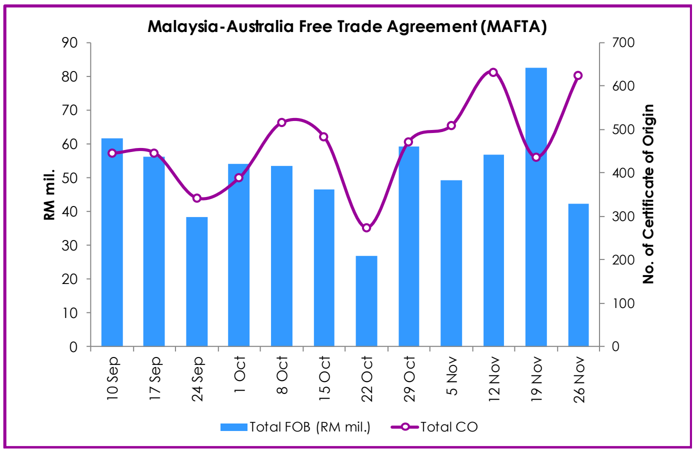


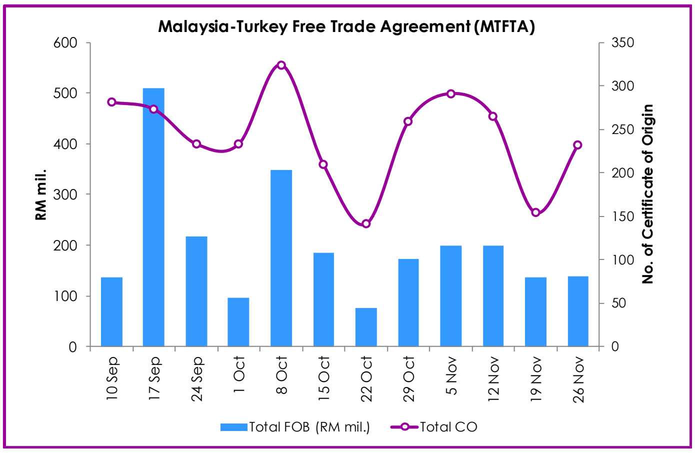



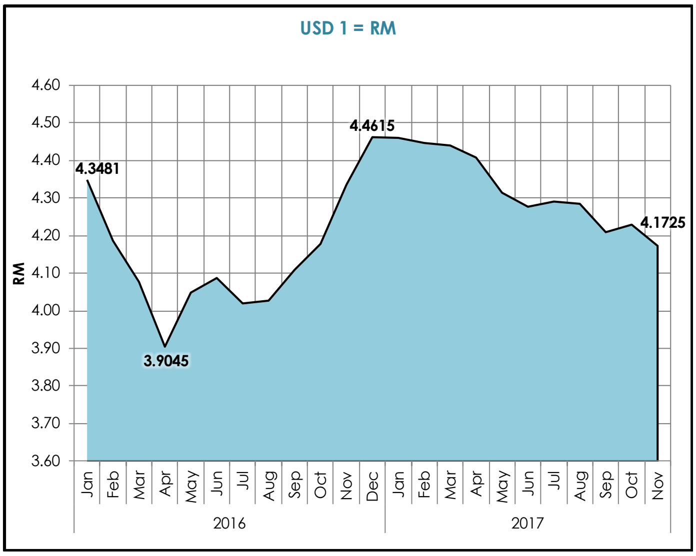



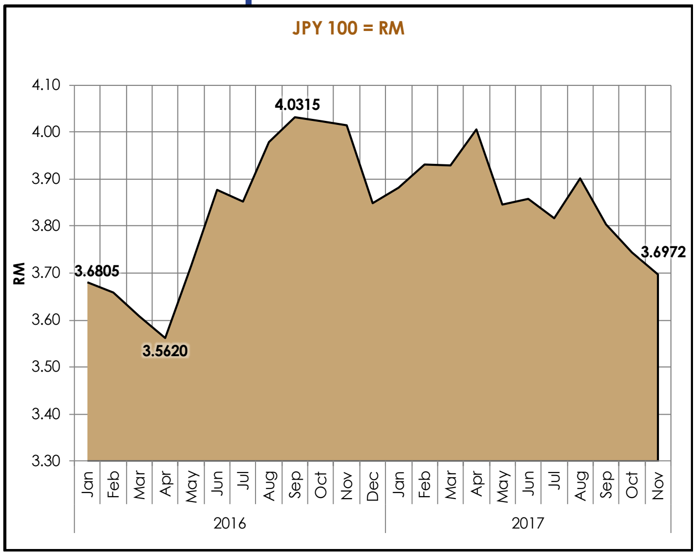

Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

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

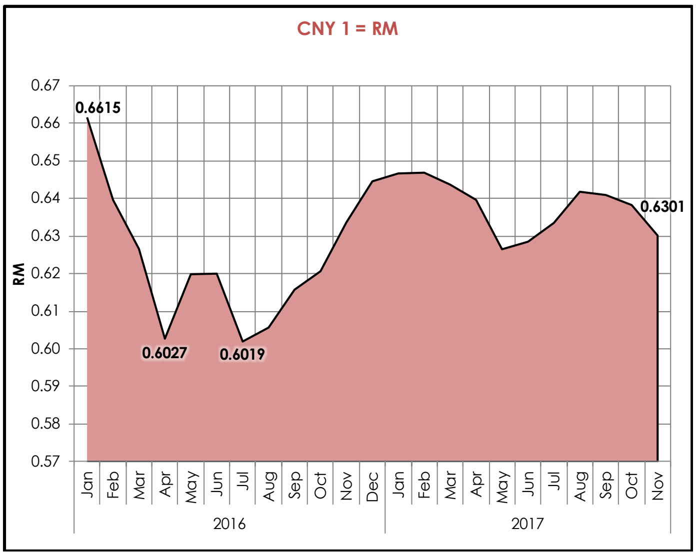
## US Dollar



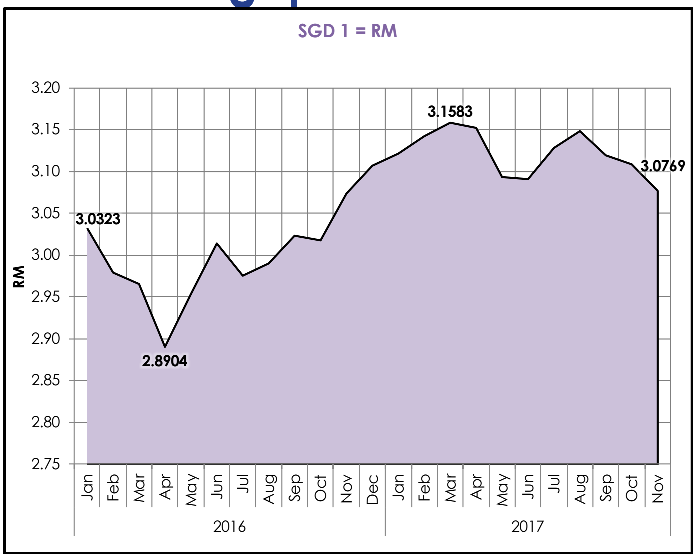

## Japanese Yen



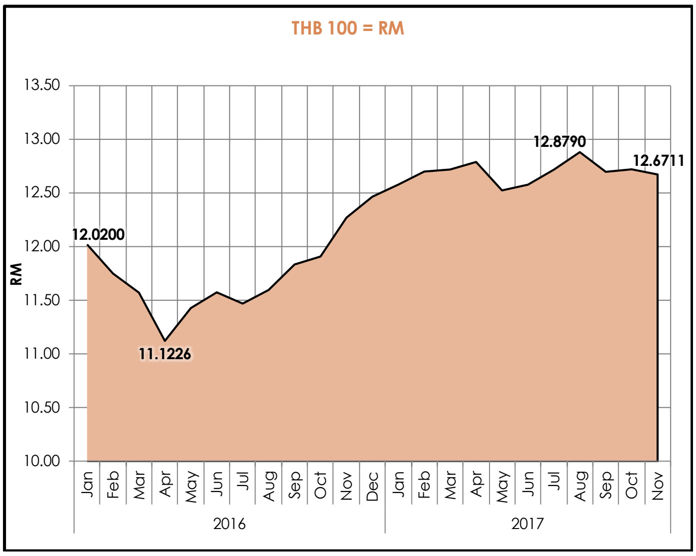

## Chinese Yuan



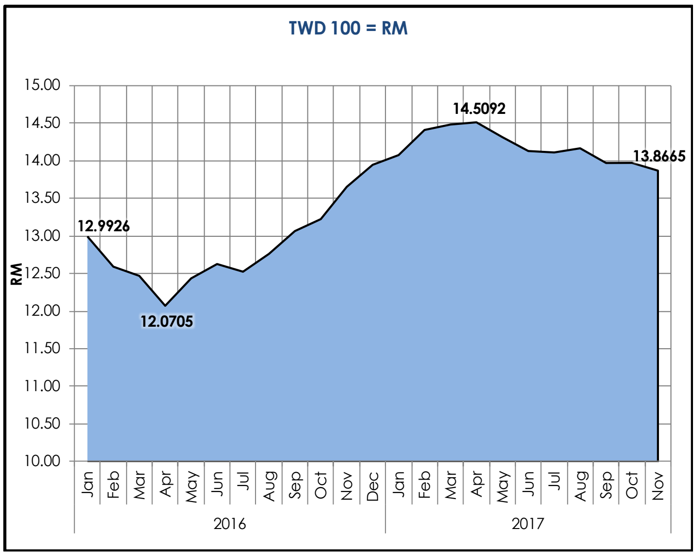

## Singapore Dollar




## Thai Baht




## New Taiwan Dollar




*Source : Bank Negara Malaysia*

# Commodity Prices

## CRUDE PETROLEUM (BRENT) -per bbl-

1 Dec 2017 : US$63.7, ▼ 0.2%*
Average Price[i] : 2016: US$45.3
2015: US$53.6

## CRUDE PALM OIL -per MT-

30 Nov 2017 : US$692.5, ▼ 3.0%*
Average Price[i] : 2016: US$702.2
2015: US$616.9


## SUGAR -per lbs-

30 Nov 2017 : US¢ 15.0, ▼ 3.0%*
Average Price[i] : 2016: US¢18.2
2015: US¢13.2

## RUBBER SMR 20 -per MT-

30 Nov 2017 : US$1,397.0, ▼ 2.2%*
Average Price[i] : 2016: US$1.394.5
2015: US$1.364.3

## COCOA SMC 2 -per MT-

30 Nov 2017 : US$1,443.6, ▼ 4.8%*
Average Price[i] : 2016: US$1,609.8
2015: US$2,077.0

## COAL -per MT-

1 Dec 2017 : US$65.0, ▲ 3.8%*
Average Price[i] : 2016: US$45.6
2015: US$49.9

## SCRAP IRON HMS -per MT-

30 Nov 2017 : US$350.0 (high), ▲ 6.1%*
US$340.0 (low), ▲ 9.7%*
Average Price[i] : 2016: US$243.2
2015: US$239.6

## HIGHEST and LOWEST 2016/2017

### Crude Petroleum (Brent) -per bbl-


**Highest**
24 Nov 2017 : US$63.9
30 Dec 2016 : US$56.8

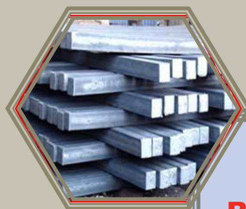
**Lowest**
23 June 2017 : US$45.5
15 Jan 2016 : US$28.9

### Crude Palm Oil -per MT-

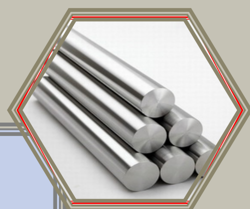
**Highest**
20 Jan 2017 : US$843.0
30 Dec 2016 : US$797.5

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

## Domestic Prices 30 Nov 2017



**Billets (per MT)**
RM2,200 – RM2,300

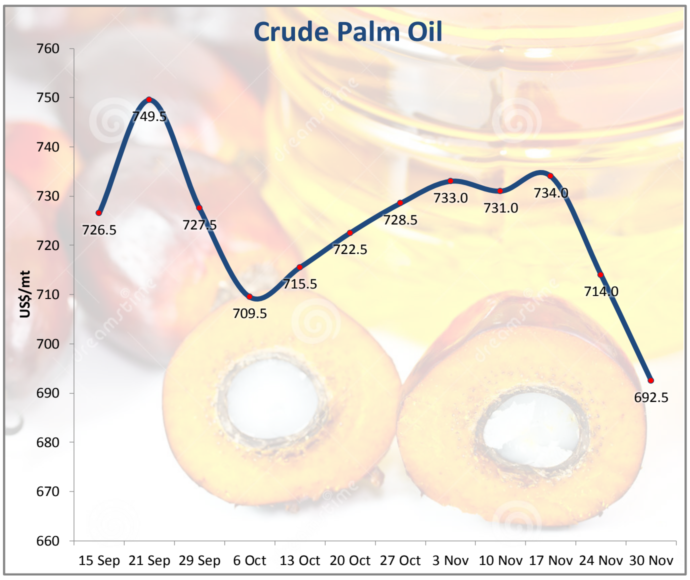


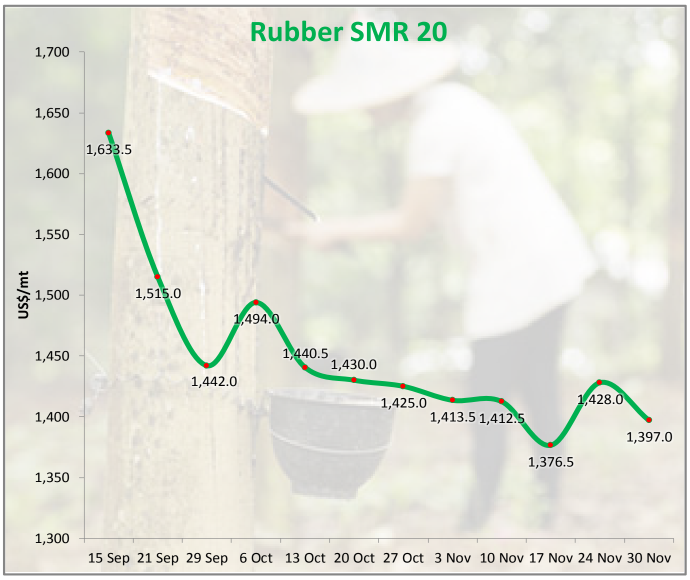
**Steel Bars (per MT)**
RM2,400 – RM2,550

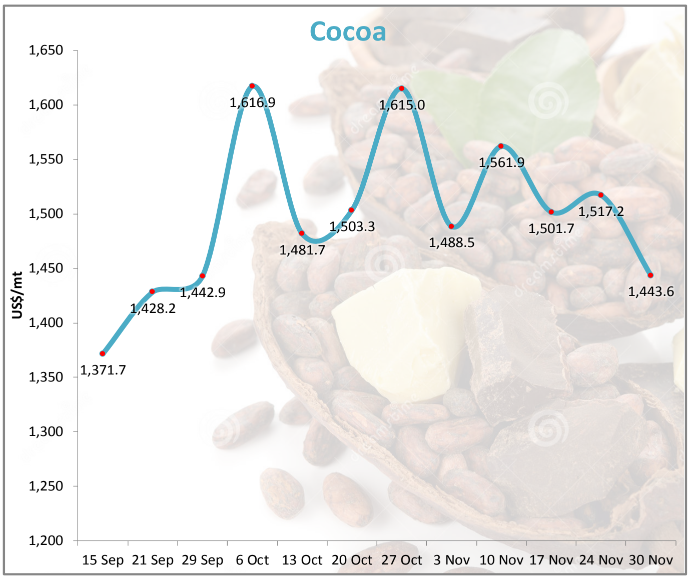
Notes: All figures have been rounded to the nearest decimal point
* Refer to % change from the previous week's price
i Average price in the year except otherwise indicated

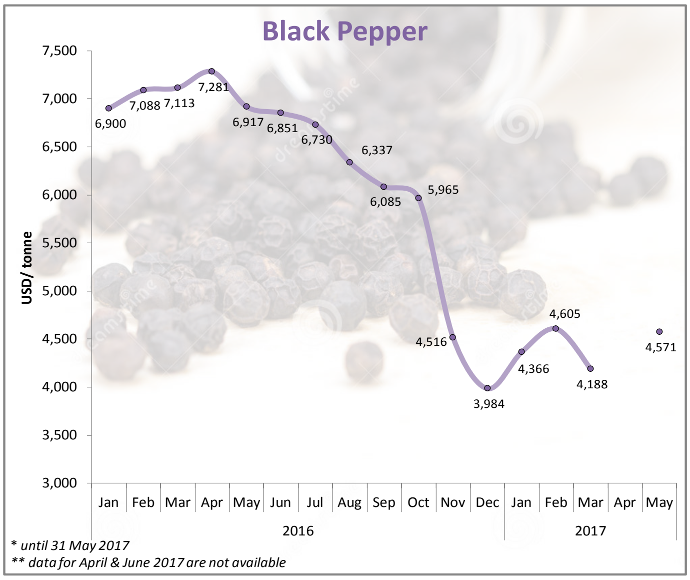
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

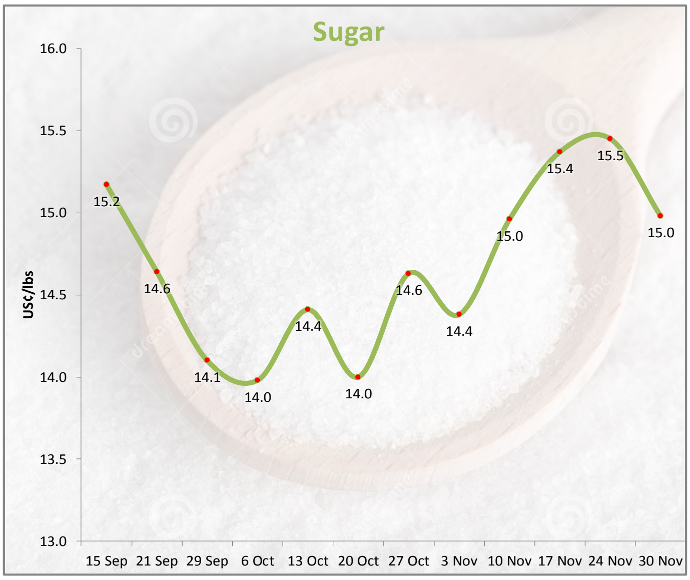
# Commodity Price Trends



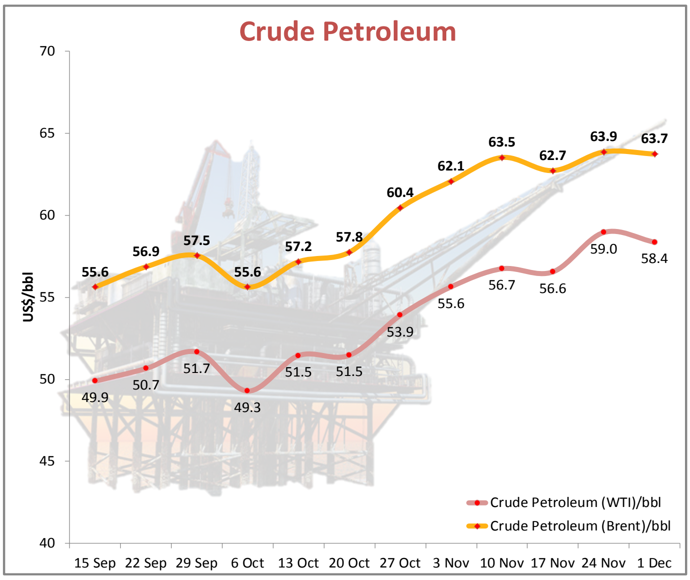



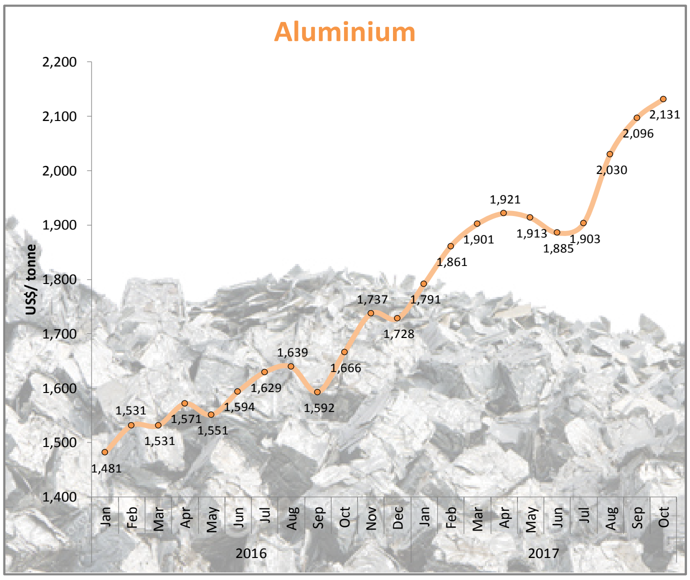



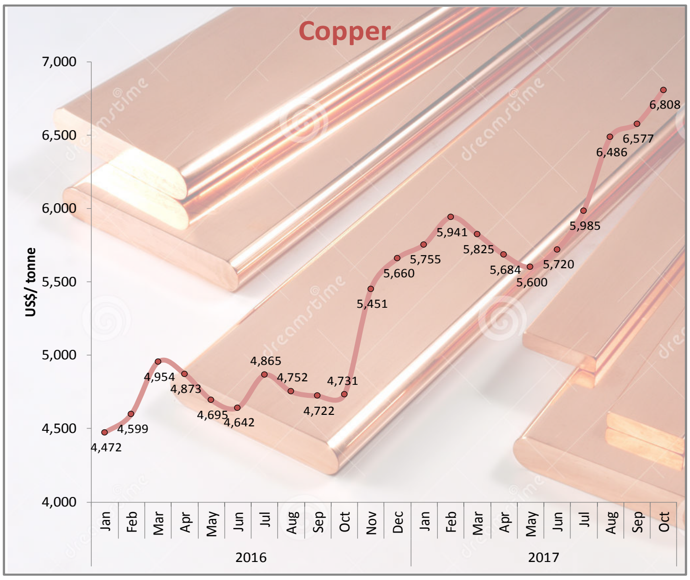



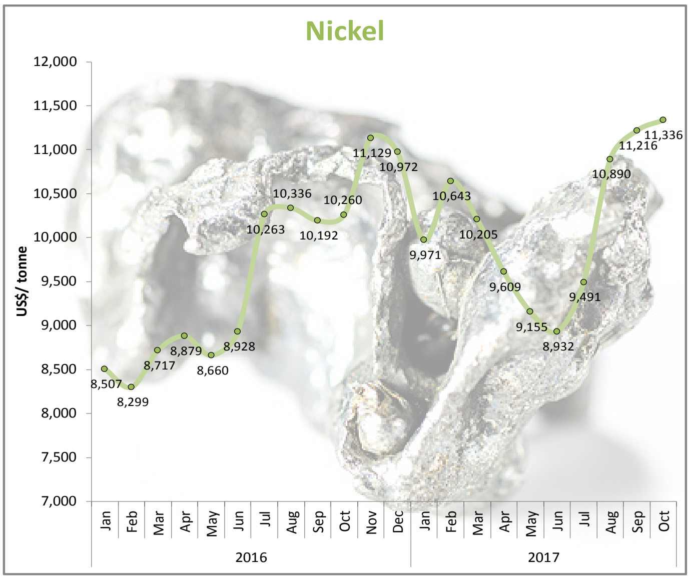

*Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.*

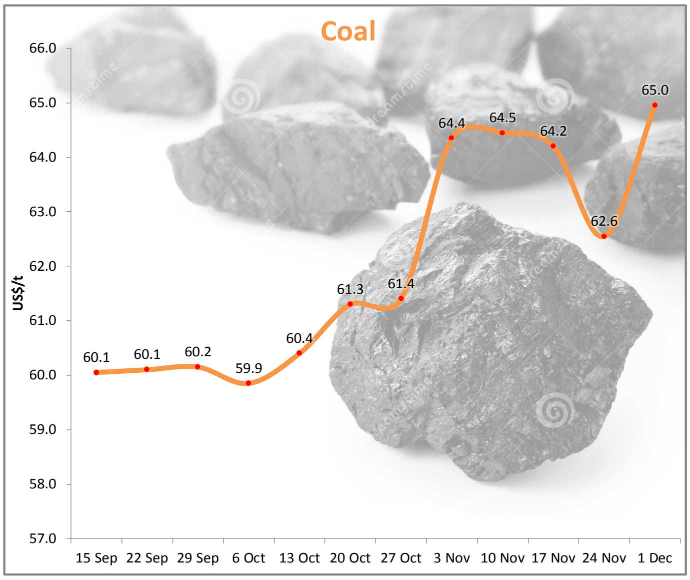
# Commodity Price Trends



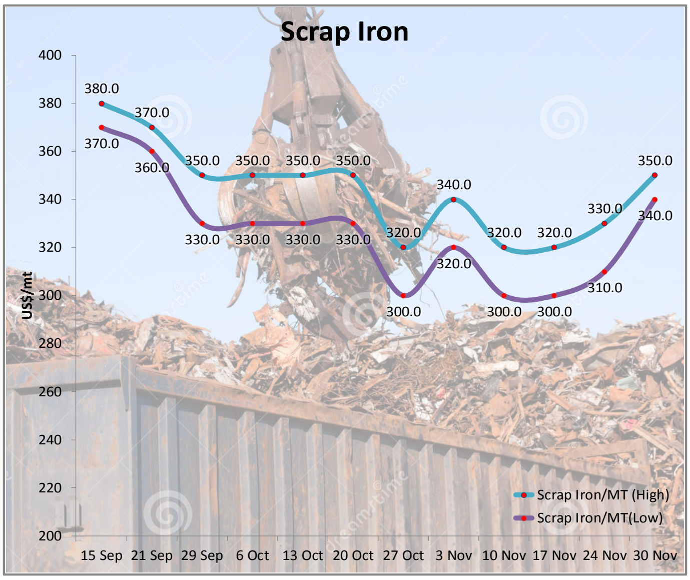



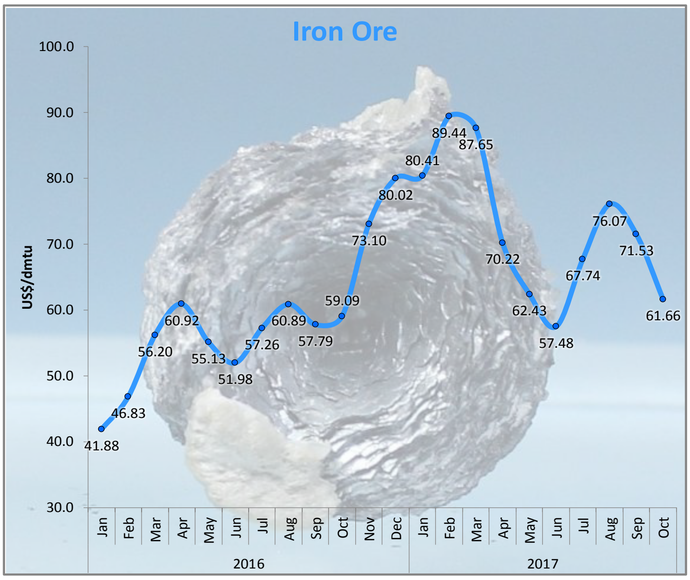



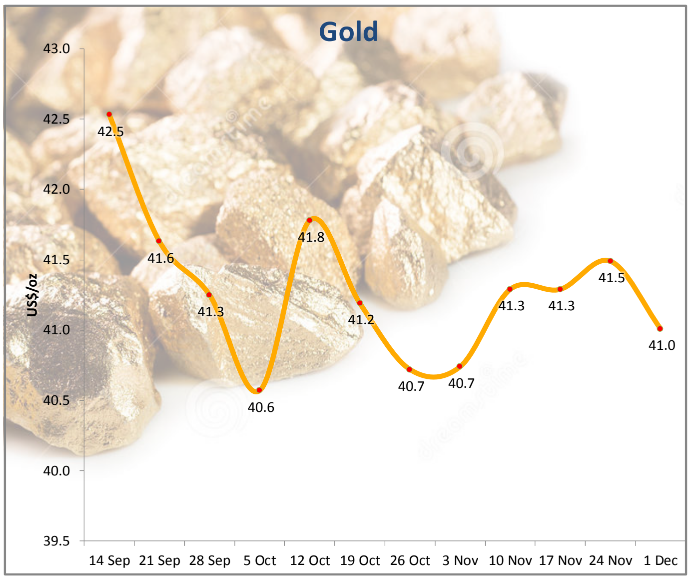



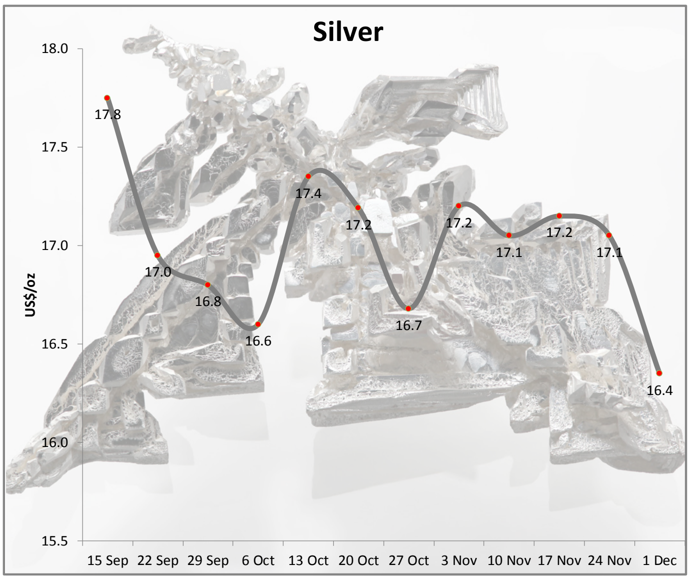

*Sources: Ministry of International Trade and Industry Malaysia, , Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.*

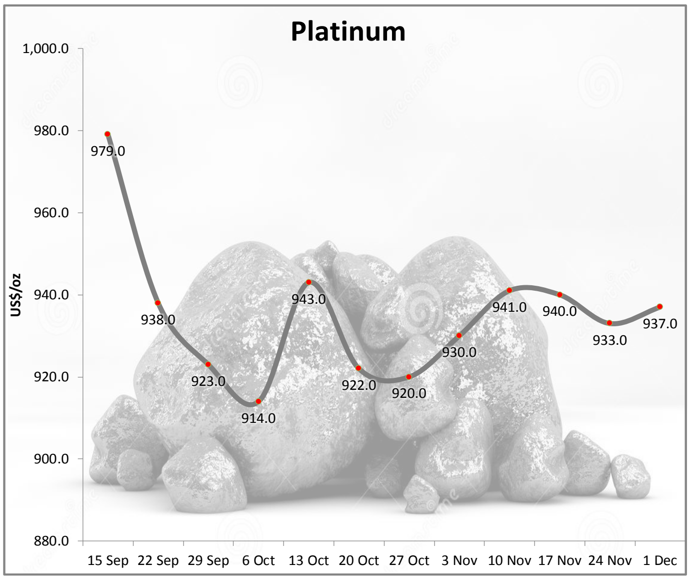
# Commodity Price Trends




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

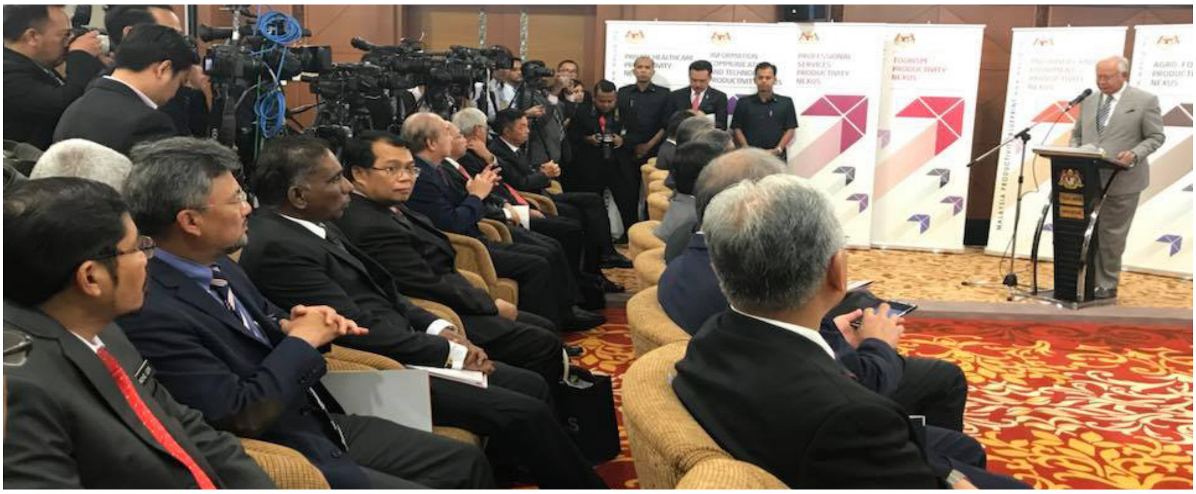
# MITI PROGRAMME

## 49th Federation on Malaysia Manufacturers Dinner, 27 November 2017



# MITI PROGRAMME

## Launching of Productivity Report 3rd Quarter 2017 at Malaysian Parliament Building, 27 November 2017

## Asian Business Leaders Conclave, 30 November 2017



## Transparency
Trade policies, laws and regulations are publicly available and predictable.

## TRQ
Tariff Rate Quota. Two-stage tariff: imports up to the quota level enter at a lower rate of duty; over-quota imports enter at a higher rate.

## Twin Deficit Hypothesis
The twin deposit hypothesis makes a connection between current account deficit and fiscal deficit. The theory suggests that tax cuts can increase fiscal deficit and results in increased consumption, which will lower the national savings rate. In turn, a nation has to borrow more money from other countries.

## Unbound Tariff
Tariff level of a product not notified to the WTO.

## Unemployed
Refers to both actively and inactively unemployed persons in the labour force. The actively unemployed include all persons who did not work during the reference week but were available for work and actively looking for work during the reference week. Inactively unemployed refers to persons who did not look for work because they believed no work was available or that they were not qualified, persons who would have looked for work if they had not been temporary ill or not had it not been for bad weather, persons who were waiting for answers to job applications and persons who had looked for work prior to the reference week.

## Unemployment rate
(Number of unemployed persons/ Number of persons in labour force) X 100

## Unregulated sectors
The working definition for unregulated services sector is services sectors that is not regulated by any act, regulations, government guidelines, government licensing requirement and are not supervised by any government agencies.

## Value Chain
The process or activities by which a company adds value to an article, including production, marketing, and the provision of after-sales service.

## Vertical Approach
Approach to address NTBs based on specific sectors. For example harmonization of standard in lighter.

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

# EXPO NEGARAKU 2017

@ Dataran Merdeka

15-15 | 10-10
NOV DIS | PAGI MLM

EXPO NEGARAKU KUALA LUMPUR 2017

#EXPONEGARAKU

EXPO NEGARAKU 2017 diilhamkan oleh YAB Perdana Menteri, Dato' Sri Najib Tun Razak bagi mempamerkan projek-projek infrastruktur semasa dan masa hadapan yang dirancang dan dilaksanakan oleh Kerajaan Malaysia demi menyediakan kehidupan yang lebih bermakna buat seluruh rakyat Malaysia.

Ekspo ini menawarkan satu pengalaman baharu buat para pengunjung untuk merasai sendiri denyut nadi pembangunan negara secara lebih dekat, sambil mengecapi satu pengalaman yang menyeronokkan.

Inilah peluang untuk anda dan keluarga atau rakan taulan untuk bersama-sama menyaksikan sendiri jaringan pembangunan yang telah dirancang selama ini, demi Negaraku Malaysia. Expo Negaraku berlangsung selama sebulan di Dataran Merdeka, Kuala Lumpur yang sarat dengan sejarah.

| | |
|---|---|
| 1<br>TUAH DIKONGSI BERSAMA | Pengembaraan anda bermula di Kubah 1 dengan tayangan video yang menyelami kehidupan rakyat Malaysia yang dilimpahi tuah hasil daripada kemajuan infrastruktur negara. |
| 2<br>KEMUDAHAN INFRASTRUKTUR | Membawa anda melihat sendiri segala kemudahan infrastruktur yang membawa transformasi kepada kehidupan rakyat Malaysia. Dari jalan raya, lapangan terbang, sistem transit aliran massa hinggalah ke penjanaan kuasa. Rasailah sendiri kemudahan-kemudahan ini dengan cara yang berbeza. |
| 3<br>KEHIDUPAN & KESEJAHTERAAN | Apa kata rakyat Malaysia tentang segala kemudahan ini? Kubah 3 mengupas testimoni benefisiari-benefisiari pelbagai program dan inisiatif yang menjana pertumbuhan ekonomi dan menambahbaik tahap kehidupan dan kesejahteraan rakyat. |
| 4<br>GAYA HIDUP MALAYSIA | Saksikan sendiri panorama Kuala Lumpur dari Menara PNB118, lanskap Pulau Langkawi yang menakjubkan dari puncak kereta kabel, serta infrastruktur moden sepanjang Lebuhraya Utara-Selatan. Semuanya secara interaktif di Kubah 4 yang membawa anda mengembara sepanjang infrastruktur pelancongan dan kebudayaan di Malaysia. |
| 5<br>MASA DEPAN GEMILANG | Paparan visual 360 darjah di Kubah 5 pasti akan menakjubkan anda ! Masa depan Malaysia di depan mata menerusi pembangunan Bandar Malaysia, Malaysia Vision Valley dan MyHSR. Segalanya untuk kita dan generasi seterusnya. |

## ACARA-ACARA SAMPINGAN

MINGGU 1
Kesihatan & Kesejahteraan
- Upacara Pembukaan
- Zumbanation
- Kejohanan Futsal Expo Negaraku

MINGGU 2
- Citarasa Kita
- Pesta Fiesta 2017
- Pesta Buah-buahan

MINGGU 3
Kebudayaan & Pelancongan
- Kenali Budaya Negeri-Negeri di Malaysia
- Malam Bersama Pelawak Terkemuka
- Penghargaan Tokoh-tokoh Malaysia

MINGGU 4
- Aktiviti & Permainan
- Permainan Rakyat
- Go-Kart
- Majlis Penutup

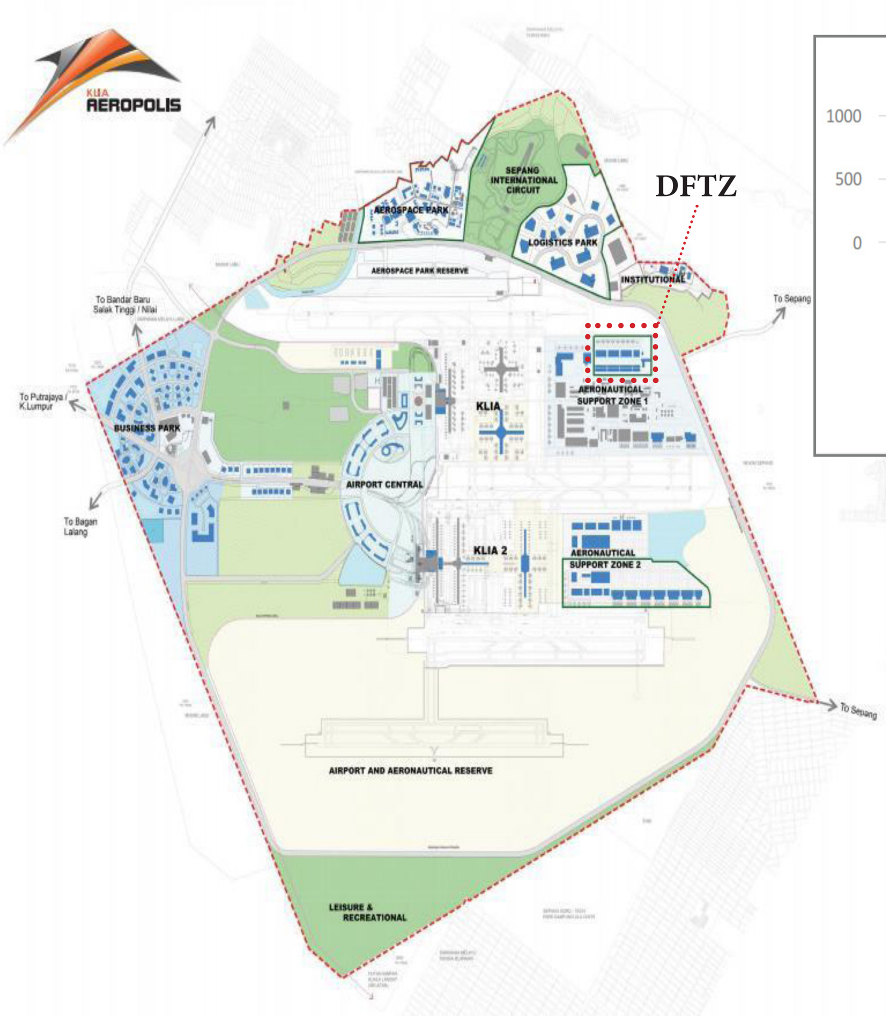
# DFTZ™
## DIGITAL FREE TRADE ZONE

## Objective

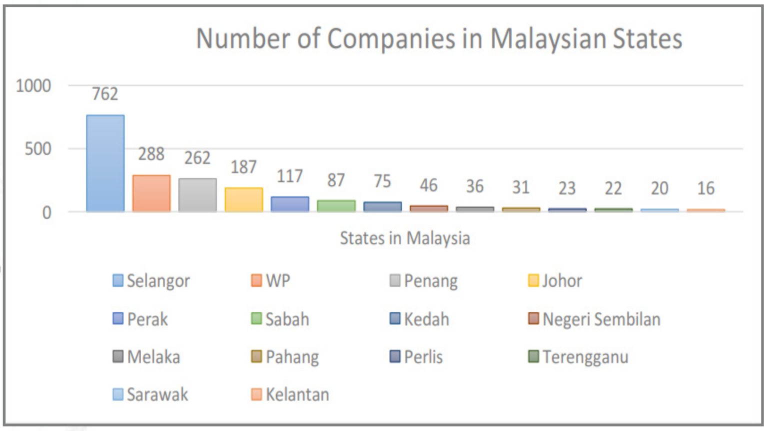
- Help SMEs to export their products globally with ease
- Enable global market places to source from Malaysian manufacturers and sellers
- Make Malaysia the regional fulfillment hub for global brands to reach ASEAN buyers
- Nurture an ecosystem to drive innovation in e-commerce and internet economy

## The three components

- eServices Platform
- E-Fulfillment Hub
- Satellite Services Hub




SMEs breakdown according to states:




Top 10 product categories preffered by Malaysian SMEs on Alibaba:

| Industry | No. of Companies |
|---|---|
| Food & Beverage | 385 |
| Beauty & Personal care | 196 |
| Furniture | 116 |
| Health & Medical | 84 |
| Packaging & Printing | 76 |
| Apparel | 63 |
| Agriculture | 61 |
| Rubber & Plastics | 59 |
| Automobiles & Motorcycles | 58 |
| Others | 225 |

Kindly visit https://mydftz.com/dftz-goes-live/ to get more information on DFTZ.

Source: mydftz.com and www.klia.com.my/document/subsidiares/pdf_aeropolis-master-plan_337427522.pdf

FAQ
FREQUENTLY ASKED QUESTIONS

# Quick Introduction to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

1

**What is the Trans-Pacific Partnership Agreement (TPPA)?**

- *The Trans-Pacific Partnership Agreement (TPPA) is a comprehensive and high standard trade agreement between 12 Pacific Rim nations: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore,the United States and Vietnam.*
- *The TPPA was concluded on 5 October 2017 in Atlanta and signed by twelve parties on 4 February 2016 in Auckland, New Zealand.*
- *Following the withdrawal of the US on 23 January 2017, the TPPA cannot be implemented.*

4

**How did Parties decide on the provisions to be suspended?**

- *Items in the suspension list were agreed by consensus. The proposals made by Parties were based on the guiding principles agreed by all Parties. The proposed suspensions must be:*
  - rules-related, limited in number and will maintain the high standards and balance among signatories;
  - necessary to facilitate the implementation of the agreement by all signatories; and
  - applicable to all.

5

**Did Malaysia propose any suspension?**

- *The suspension of a limited number of provisions provides a strong and clear indication that all 11 countries would want to maintain the high standard and comprehensive nature of the Agreement. This agreement could be the benchmark and reference for future FTAs.*
- *As Malaysia's areas of concern have been addressed, there is no reason for Malaysia to withdraw its participation from the CPTPP. In fact, Malaysia will reap benefits as one of the first movers in this agreement.*
- *In the CPTPP, Malaysia will have three new FTA partners, namely Canada, Mexico and Peru. Staying out of the CPTPP means Malaysia would have to undertake lengthy and difficult negotiations to conclude bilateral FTAs with these countries.*
- *In addition, there are other parties in the Asia Pacific region which have openly registered their interest to join the TPP/CPTPP, including some ASEAN countries.*

2

**Why the TPPA cannot be implemented?**

- *Article 30.5 of the TPPA requires ratification of at least 6 countries, accounting for 85% of the total GDP of the 12 countries, to bring it into force. The US' GDP constitutes about 60% of the combined GDP of the 12 TPP members.*

3

**What is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)?**

- *It is an agreement negotiated by the TPP11 as a way forward to implement the TPPA.*
- *After the US withdrawal, the TPP Ministers from the remaining 11 member countries met on 21 May 2017 in Hanoi, Vietnam and affirmed the economic and strategic importance of the TPP, particularly as a vehicle for regional economic integration. The Ministers agreed to task the Senior Officials to explore possible ways to implement the TPPA without US participation.*
- *In order to facilitate the Senior Officials' discussion, the TPP Ministers set the following guiding principles:*
  - maintain momentum and act decisively in a timely manner;
  - maintain the high standards and balance of the TPPA and prevent unraveling of the Agreement;
  - maintain the commercial and strategic interests of all participants; and
  - facilitate the implementation of the agreement by all original signatories
- *On 9-10 November 2017 in Da Nang, Viet Nam, Ministers of the 11 TPP countries reached an agreement on the core elements and way forward to implement the TPPA. The 11 members agreed on the text of the Agreement and renamed it as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).*
- *The CPTPP incorporates the provisions of the TPPA text with a limited number of provisions suspended. The CPTPP maintains the high standard and comprehensive nature of the TPPA. The new agreement needs to be signed and ratified by the 11 TPP countries.*
- *To date, there are a total of 20 suspended provisions agreed by all parties. Further work is ongoing before the Agreement is finalized for signature.*

FAQ
FREQUENTLY ASKED QUESTIONS

# Quick Introduction to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

7

**When can we expect the CPTPP to be signed? What is the way forward?**

- *In Da Nang, the CPTPP parties have agreed on the core elements of this agreement but need to continue finalising remaining issues and complete technical work.*
- *Upon completion of all outstanding work including legal scrubbing and translation from English to Spanish and French,the date of signing will be decided by consensus. It is expected that the work programme would start in early 2018.*

## ANNEX I : LIST OF SELECTED SUSPENDED PROVISIONS

| CHAPTER | PROVISION | IMPLICATION |
|---|---|---|
| Chapter 9: Investment | Article 9.19.1: Submission of Claim to Arbitration - a(i) B and C; (b)(i) B and C | Malaysia neither can be challenged nor take other TPP countries to task for any breaches arising from investment agreement. |
| Chapter 11: Financial Services | Article 11.2: Minimum Standard of Treatment | The suspension will reduce the risk of Government being liable for breach of MST obligations and subjected to the ISDS arrangement. |
| Chapter 15: Government Procurement | Article 15.24.2: Further Negotiations | Parties agree that the commencement of negotiations to include sub-central procurement should start after the fifth year instead of no later than three years |
| Chapter 17: State-Owned Enterprises and Designated Monopolies | Transition period for upstream preferential procurement to commence from the entry into force of the new agreement | Enable Petronas to exercise its flexibility for a longer duration and thus will facilitate in achieving our objective of building local capability in the oil and gas sector. |
| Chapter 18: Intellectual Property | Article 18.46: Patent Term Adjustment for Unreasonable Granting Authority Delays Article 18.48: Patent Term Adjustment for Unreasonable Curtailment Article 18.50: Protection of Undisclosed Test or Other Data Article 18.51: Biologics Article 18.63: Term of Protection for Copyright and Related Rights | Enable Malaysia to continue its current policy and regulations on IPR issues and give more time to us in making domestic adjustment. |
| Chapter 26: Transparency and Anti-Corruption | Article 3: Procedural Fairness (Annex 26 A – Transparency and Procedural Fairness for Pharmaceutical Products and Medical Devices) | This annex may restrict the ability of government to use reimbursement of price control system to reduce healthcare cost. |

**For more information on CPTPP, kindly access MITI website or click http://fta.miti.gov.my/index.php/pages/view/71?mid=40**

# Withholding Tax

**Withholding tax** is an amount withheld by the party making payment (payer) on income earned by a non-resident (payee) and paid to the Inland Revenue Board of Malaysia.

**'Payer'** refers to an individual/body other than individual carrying on a business in Malaysia. He is required to withhold tax on payments for services rendered/technical advice/rental or other payments made under any agreement for the use of any moveable property and paid to a -resident payee.

'Payee' refers to a non-resident individual/body other than individual in Malaysia who receives the above payments.

For more information on Withholding Tax, please visit LHDN's website via this link:
http://www.hasil.gov.my/bt_goindex.php?bt_kump=2&bt_skum=6&bt_posi=1&bt_unit=5&bt_sequ=1&bt_lgv=2

## Quote of the day...

"The best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint enough to keep from meddling with them while they do it"

*Thedore Roosevelt (US President, 1858-1919)*

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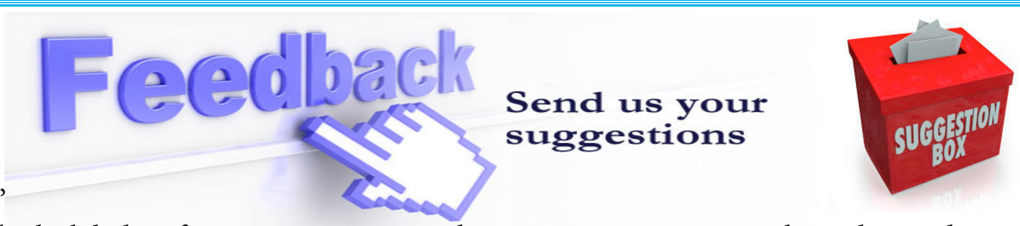


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