





MEDIA STATEMENT IN RESPONSE TO THE EUROPEAN PARLIAMENT'S APPROVAL TO THE AMENDMENTS IN THE NEW RENEWABLE ENERGY DIRECTIVE

I share the strong concern expressed by YB Dato' Sri Mah Siew Keong regarding the recent decision by the European Parliament to phase out the use of palm oil by 2021 in the new EU Renewable Energy Directive.

This latest development is a clear case of discrimination against palm oil producing countries. It is also a regressive step which will fuel further uncertainty surrounding global trade. As more and more countries around the world embrace protectionism, many had hoped that the EU will provide the necessary leadership role to uphold the principles of free and fair trade.

For small trading nations such as Malaysia, this is a worrying development which together with the unfair labeling practices by the private sector in the EU Member States will adversely affect the livelihood of over 650,000 Malaysian oil palm smallholders. I urge the European private sector to be fair and not to be influenced by the vote in the European Parliament and the negative sentiment against our palm oil. Facts must prevail above unsubstantiated claims in this matter.

Malaysia is the world's second largest exporter of palm oil and in 2016, 15.2% of our total exports of palm oil went to the EU – worth RM10.3 billion. The EU's latest move is also a potential violation of the WTO rules as it is a deliberate attempt to block the access of palm oil into their market. Malaysia will intensify collaboration with other palm oil producing countries to consider more concerted efforts to voice our strong concern before the various committees under the WTO. More immediately, we will raise this issue at the Committee on Sanitary and Phytosanitary (SPS) and Committee on Technical Barriers to Trade (TBT) in March 2018 and Committee on Market Access in April 2018.

At the same time, MITI is currently chairing the meeting of technical experts of the Friends of Palm Oil (FPO) in Geneva to assess the possible impact from this latest development and explore further counter measures and actions. Our outreach efforts will also be enhanced to clarify the misperception related to Malaysian palm oil and these will include various lecture series as well as WTO informal dialogue on this issue in the coming months.

Malaysia is also seeking a comprehensive solution for the discriminatory treatment to palm oil based biofuels as compared to other crop based biofuels through the Malaysia-EU FTA (MEUFTA) negotiations, which we hope to relaunch sometime this year as well as the proposed ASEAN-EU FTA.

MITI will continue to work closely with the Ministry of Plantation Industries and Commodities (MPIC) to ramp up our engagement with the EU countries. We will continue to fight for a just solution in the best interest of our palm oil exporters and smallholders.

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Dato' Sri Mustapa Mohamed 22 January 2018

MEDIA STATEMENT TRADE AND INVESTMENT MISSION TO MUMBAI

I had successfully concluded my Trade and Investment Mission to Mumbai, India today. In conjunction with this mission, a roundtable meeting was held involving 60 key Indian investors and importers from 45 companies in Mumbai. They have expressed their interest to explore further business opportunities in Malaysia especially in the areas of pharmaceutical, textile, food processing, petrochemical and digital economy. With the facilitation provided by MITI through our agencies MIDA and MATRADE, we hope the collaboration between the two countries in these areas will be further intensified and numerous economic opportunities will be unlocked.



The International Monetary Fund has projected India, with a GDP of USD2.3 trillion and population of 1.3 billion, to be the fastest growing economy in the world at least for the next two years. Its real GDP growth is expected to average at 7.5% until 2022 – driven by the expansion of its formal economy and increase in public infrastructure spending.

The Indian Government is also embarking on a number of key initiatives such as 'Make in India' which aims to raise the contribution of its manufacturing sector to 25% of GDP by 2025 as well as Digital India that is meant to improve internet connectivity and online infrastructure across the country.

This mission to Mumbai therefore is imperative to maintain our strong profile in India as well as to continuously showcase our economic success. Indian companies are bullish to explore further opportunities in Malaysia and they have cited our ease of doing business as one of the key factors. Moving ahead we must continue to remain visible and be connected to the world.

India is an important trading partner to Malaysia – our total trade stood at RM57 billion in the period of January-November 2017 (increased by 28% compared to similar period last year). On the investments front, our total stock of investments in India amounted to RM17.1 billion while Indian stock of investments in Malaysia is still relatively small.

Over the past decades, Malaysian companies have established a strong presence in India including in key sectors such as consumer products, construction, toll-roads and telecommunications. Scomi Engineering has launched the first phase of Mumbai Monorail, the first monorail in India in 2014, and the second phase will be completed in the coming months. In 1996, IJM has completed the construction of the National Highway 2 in the state of Bihar worth USD108 million. Meanwhile. IJM has also constructed India's first modern integrated township development project through its 'Raintree Park' in Vijayawada.

I also had a meeting with Samarth Life Sciences in Mumbai. It is a globally renowned pharmaceutical company from India. The company has handed over its application letter for their planned investment worth RM200 million including the land in Sungai Petani, Kedah which they have bought earlier.

India is currently on the rise underpinned by economic reforms undertaken by its Government under Prime Minister Narenda Modi. Given the country's vast potentials, we need to continue positioning Malaysia as the gateway for Indian companies to penetrate the ASEAN market. It is my hope that the momentum generated by the meetings today will result in greater economic cooperation between our two countries. Malaysia and India share similar commitments to economic liberalization and reforms, thus we should continue building upon our strong relationship to forge ahead.

Dato' Sri Mustapa Mohamed 23 January 2018

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AUTOMOTIVE OUTLOOK 2018 – HOLISTIC INDUSTRY GROWTH CONTINUES AS NATIONAL AUTOMOTIVE POLICY 2014 (NAP2014) ENTERS FIFTH YEAR

The Malaysian automotive industry demonstrated continuous holistic growth going into 2018, as the nation takes a detailed look at NAP2014's fourth annual report card since the policy was announced in January 2014.

Minister of International Trade and Industry, Dato' Sri Mustapa Mohamad briefed members of the media, fund managers, research houses, government officials and academics on a wide array of performance indicators of automotive industry growth at the Updates on the Automotive Industry 2017 and Outlook in 2018, held in Menara MITI, Kuala Lumpur today.

Energy Efficient Vehicle (EEV) penetration increased for its fourth straight year, reaching 52 percent of vehicles sold in Malaysia in 2017. This figure surpassed the 50 percent target of EEV penetration set by the government last year. EEV production also increased from 247,912 to 308,807 in 2016 and 2017 respectively.

"This continuous growth is a signal of growing awareness for EEVs within the Malaysian automotive sphere. The acceptance and awareness of energy efficiency is not a function for a single ministry, but signals the support and participation of all government institutions, automotive OEMs and vendors, as well as the public at large", said Dato' Sri Mustapa Mohamad.

Exports of automotive parts and components also is expected to see an increase in 2017, as the industry recorded total export value of RM9.3 billion as at October 2017. The Malaysia Automotive Institute (MAI) expects this figure to surpass the RM12 billion mark for 2017, higher that 2016 value of RM11.2 billion. In 2018, RM 12.5 billion is targeted for the exports of parts and components.

As at December 2017, localisation activities was valued at RM43.67 billion, with RM15 billion committed by the industry from 2018 to 2022.At the same time, exports of remanufactured parts and components recorded an increase to RM516.4 million as at November 2017, surpassing the RM510 million set in December 2016.

Dato' Sri Mustapa further elaborated that the vastness of the industry requires a holistic outlook, as high value employment and business opportunities create significant impacts for Malaysians, which are often overlooked in favour of singular indexes, such as sales and production values.

RM3.99 billion in investments commitment was pledged by the industry between 2018 to 2022, in addition to the RM7.6 billion worth of investments realised as at 2017. Since the NAP2014 was announced, 27,125 new jobs were created as at Dec 2017, a 4.93 percent increase from the 25,850 recorded in 2016. Furthermore, 31 percent of the jobs created thus far comprise skilled and highly skilled employment – comprising technicians, executives, engineers and designers. This signifies the increasing perception that the automotive industry is a sector of career choice for school leavers and graduates, with 29,641 new jobs expected to be created in 2018.

Dato' Sri Mustapa further added, "The growth of the automotive industry has created new career opportunities for Malaysians. Certified human capital programmes have been developed by the MAI since 2014, not only to allow faster penetration of skills into the industry, but at the same time address the pertinent issue of foreign worker replacement among industry players."

Numerous MAI programmes have also contributed to significant increase in business productivity and growth. Vendor development programmes, such as the MAI Lean Production System (LPS) and Automotive Supplier



Excellence Programme (ASEP) have created 522 vendors of at least Level 3 Vendor Capability Level, with 27 achieving Level 5 (vendor with R&D capability).

Furthermore, 34 vendors are already participating in the MAI Industry 4.0 Developmental program. So far, the program has produced 759 Virtual Reality (VR) specialists and 675 design & data analysts. In addition, 2 design centres have been established, where vendors and OEMs are currently utilising.

MAI Chief Executive Officer, Dato' Madani Sahari said, "In line with the government's vision to increase Industry 4.0 compliance among the domestic industry, MITI and MAI have taken the early initiative to develop the various programmes to elevate the capabilities of vendors and automotive talent in line with global trends and technology of higher complexity."

"As at December 2017, we have implemented 8 out of 9 of the MAI Industry 4.0 pillars, and expect to complete the implementation by 2018", he added. Dato' Sri Mustapa also elaborated on the participation of Bumiputeras in the after sales sector. In 2017, 976 workshops underwent business transformation programmes towards higher competitiveness levels. He finally added that the government expects to see higher achievements in 2018, especially in line with future global trends in the sector, including electric and hybrid vehicle growth.

With the National Automotive Policy review expected to be announced in the middle of 2018, Dato' Sri Mustapa further spoke on the government's attention to trend developments beyond Energy Efficient Vehicles – such as intelligent mobility, transport systems, vehicle security and green cars technology. The event also saw the official announcement of the Malaysia Autoshow 2018 dates, officiated by the Minister of International Trade and Industry. This year, the Malaysia Autoshow will be held from 26th to 29th April 2018 – and for the second year running, will be held in the Malaysia Agro Expo Park Serdang (MAEPS).

The theme for this year's edition of the autoshow is "360° Mobility Experience". The 2018 Autoshow will feature a deeper experiential immersion for visitors in the areas of intelligent mobility and transportation systems. Dato' Madani also explained, "Another key feature of the Malaysia Autoshow 2018 is the Intelligent Mobility experience (iMEX) arena. This space will demonstrate the aspects of connectivity within the larger context of mobility." The visitors can experience the enhanced features of vehicles virtually through the application of augmented reality, such as the integration of virtual objects with the real environment, he elaborated.

MAI Chairman, Datuk Phang Ah Thong added, "This year, we aim to attract 350,000 visitors, a significant increase of the 252,322 we saw in attendance at the Malaysia Autoshow 2017.""We believe that the additions lined up for visitors at this year's Autoshow will further increase public participation and awareness of the importance of the automotive industry to the country", he added.

Source: Ministry of International Trade & Industry

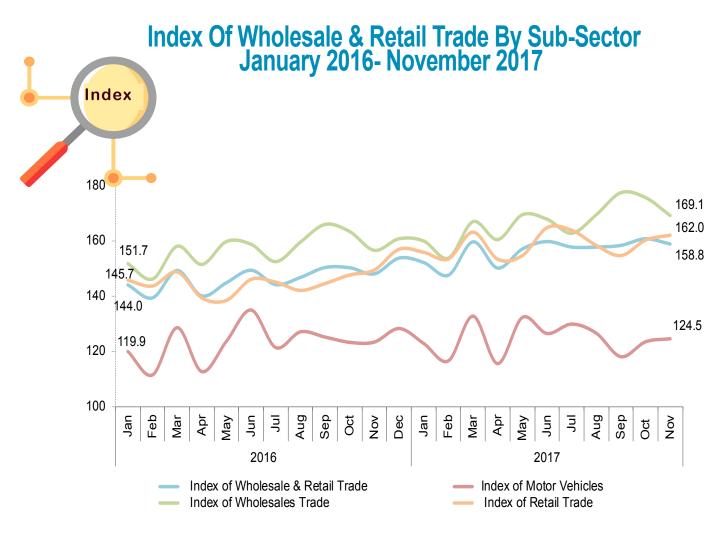
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Malaysia

Wholesale & Retail Trade Index, November 2017

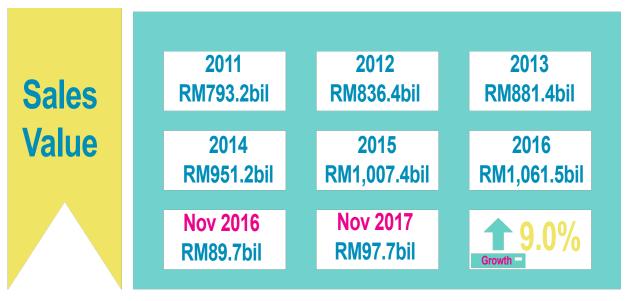


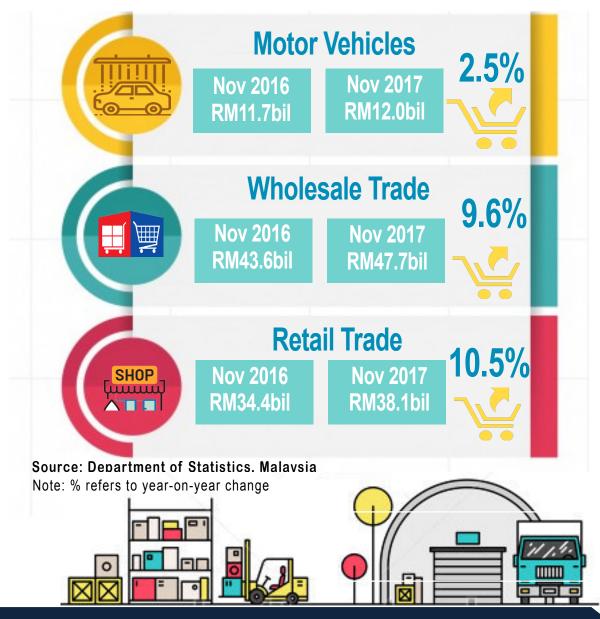
Note: % refers to year-on-year change



Source: Department of Statistics, Malaysia

Wholesale & Retail Trade Performance 2011 - November 2017





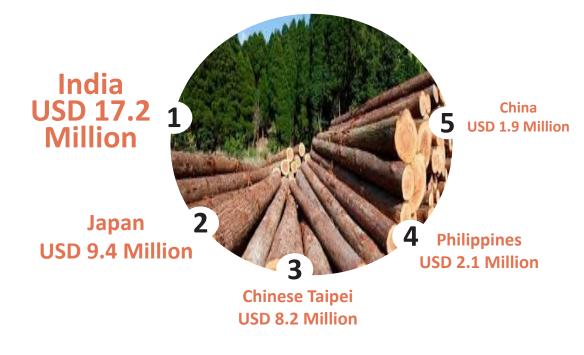
MITI Tower, No. 7, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, Malaysia

International Report

MALAYSIA AS THE LARGEST EXPORTER OF DARK RED MERANTI, LIGHT RED MERANTI AND MERANTI BAKAU WOOD*, 2016

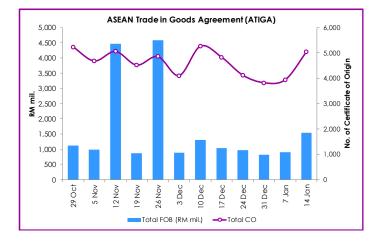


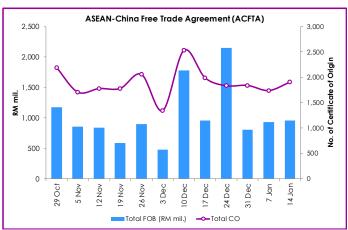
TOP 5 EXPORT DESTINATIONS

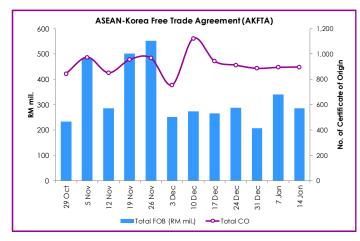


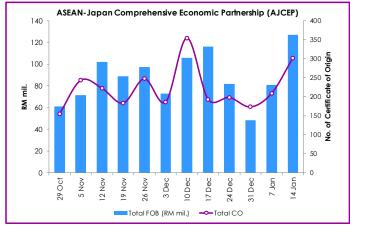
Notes : * HS6D 440341 Source : http://www.trademap.org/Index.aspx

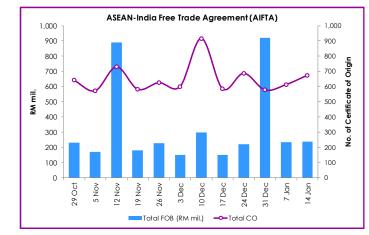
Number and Value of Preferential Certificates of Origin (PCOs)

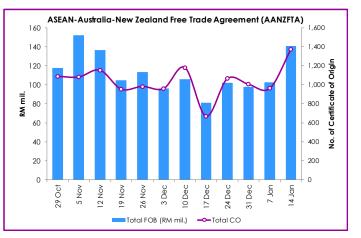


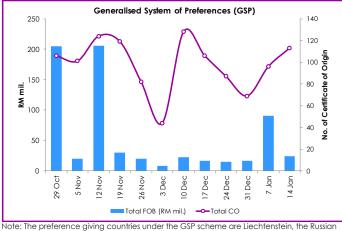








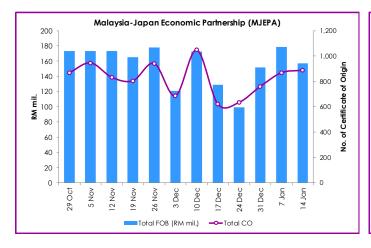


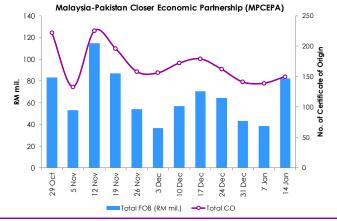


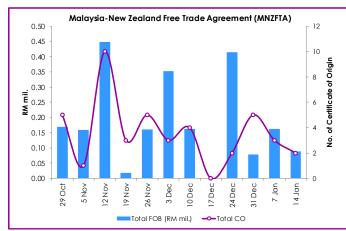
Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

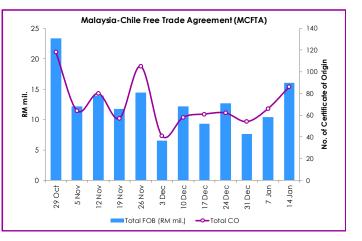
^{n and Norway.} Note: *Provisional Data Source: Ministry of International Trade and Industry, Malaysia

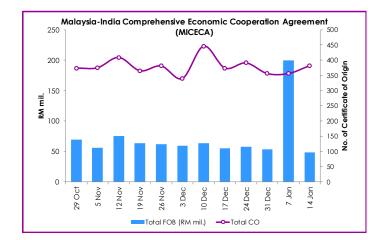
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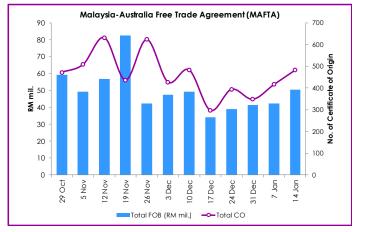


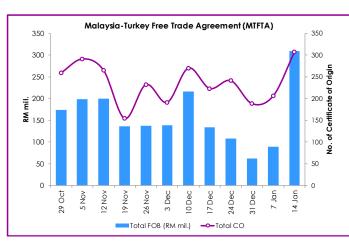








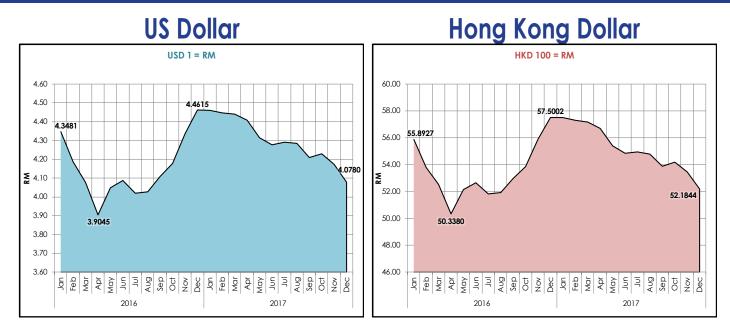




Note: *Provisional Data

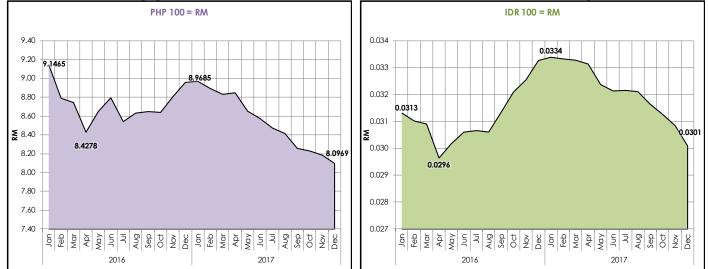
Source: Ministry of International Trade and Industry, Malaysia

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

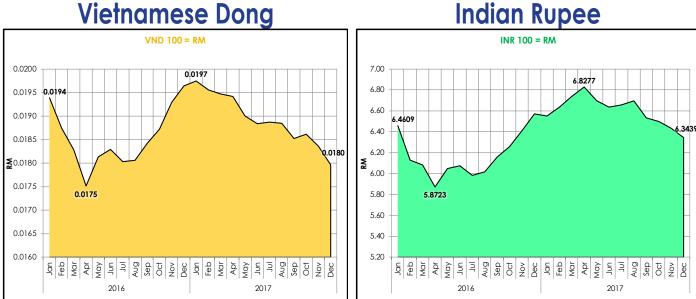


Philippine Peso

Indonesian Rupiah



Vietnamese Dong



Source : Bank Negara, Malaysia

Commodity Prices



CRUDE PETROLEUM (BRENT) -per bbl-19 Jan 2018 : US\$68.6, ▼ 1.8%* Average Priceⁱ: 2017: US\$55.0

2016: US\$45.3



CRUDE PALM OIL -per MT-19 Jan 2018 : US\$678.0, ▼ 1.4%* Average Priceⁱ: 2017: US\$719.7 2016: US\$702.2



SUGAR -per lbs-12 Jan 2018 : US¢ 13.3, ♥ 6.6%* Average Priceⁱ : 2017: US¢15.8 2016: US¢18.2

> RUBBER SMR 20 -per MT-

19 Jan 2018 : US\$1,536.5, 0.9%* Average Priceⁱ: 2017: US\$1,646.6 2016: US\$1,394.5



COCOA SMC 2 -per MT-19 Jan 2018 : US\$1,384.5, 3.7%* Average Priceⁱ: 2017: US\$1,439.0 2016: US\$1,609.8



COAL -per MT-19 Jan 2018 : US\$64.6, 0.3% Average Priceⁱ : 2017: US\$57.2 2016: US\$45.6

SCRAP IRON HMS -per MT-



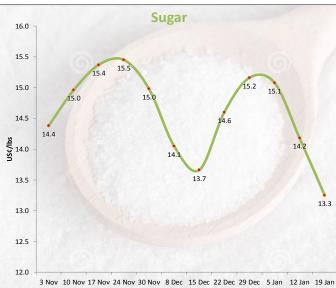
Notes: All figures have been rounded to the nearest decimal point * Refer to % change from the previous week's price i Average price in the year except otherwise indicated

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.



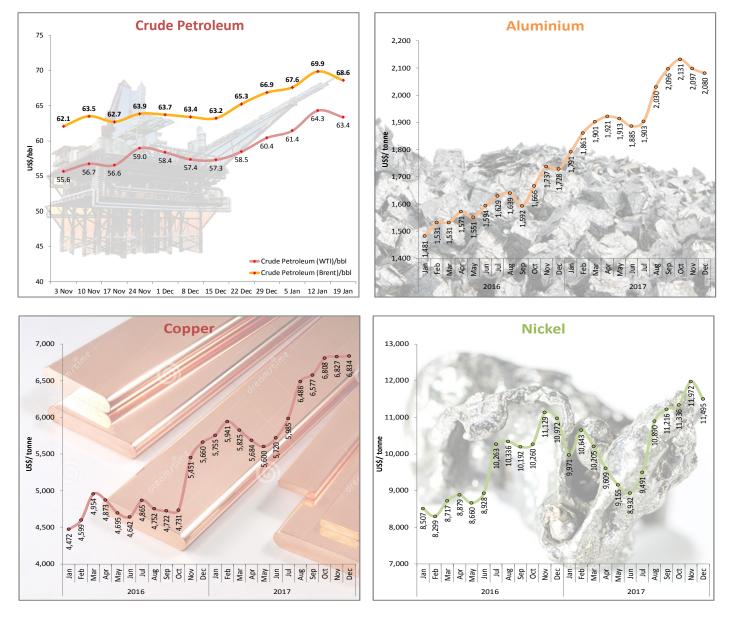
Commodity Price Trends

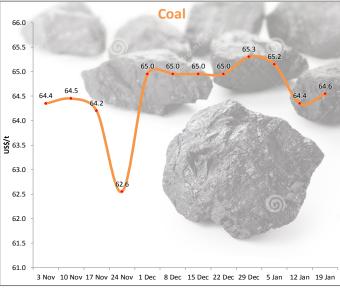




Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Commodity Price Trends



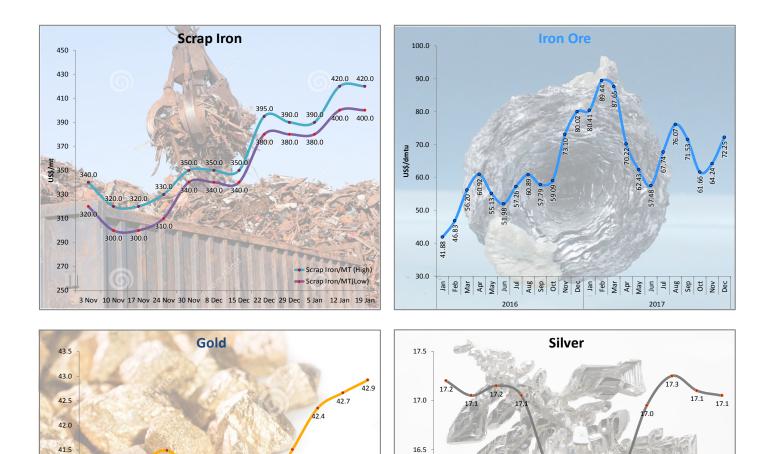


Sources: Ministry of International Trade and Industry Malaysia, , Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

15.8

3 Nov 10 Nov 17 Nov 24 Nov 1 Dec 8 Dec 15 Dec 22 Dec 29 Dec 5 Jan 12 Jan 19 Jan

Commodity Price Trends



uS\$/oz

16.0

15.5

15.0

41.5

40.5

40.0

39.5

39.0 38.5

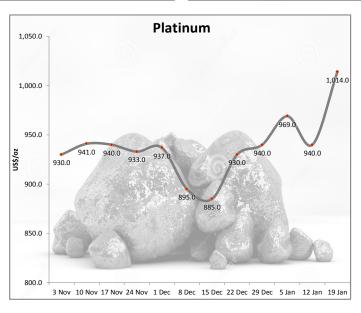
40.

u S\$/oz 41.0 41 5

40.3 40.2

3 Nov 10 Nov 17 Nov 24 Nov 1 Dec 8 Dec 15 Dec 22 Dec 29 Dec 5 Jan 12 Jan 19 Jan

41.3 41.3



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

MITI PROGRAMME ES ON THE AUTOMOTIVE INDUSTRY 2



MITI Tower, No. 7, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, Malaysia Tel:

MITI PROGRAMME SESI TOWN HALL KSU 17 Januari 2018

















MITI Tower, No. 7, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, Malaysia Tel:

MITI PROGRAMME Perhimpunan Bulanan MITI & Agensi 11 Januari 2018



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MITI PROGRAMME

CSR Kadet PTD MITI 19-20 Januari 2018, Jeli Kelantan















MITI Tower, No. 7, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, Malaysia Te

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Applied Tariff

The tariff levied on an imported good.

Arrival Contract

Sales/purchase contract where seller's responsibility ends when goods have arrived at agreed place.

ASEAN

Association of Southeast Asian Nations - the aims and purposes are to accelerate economic growth, social progress and cultural development; to strengthen cooperation and mutual assistance; and to ensure peace and stability in the region (Bangkok Declaration). ASEAN comprises 10 countries in Southeast Asia, including the five founding members, namely Indonesia, Malaysia, Thailand, Philippines, Singapore, and five others: Brunei, Vietnam, Laos, Myanmar and Cambodia. Established on 8 August 1967.

ASEAN Comprehensive Investment Agreement (ACIA)

A hybrid of revising and merging the ASEAN Investment Area (AIA) and Investment Guarantee Agreements (IGA) into a single comprehensive ASEAN investment agreement.

ASEAN Economic Community Blueprint 2015

A Blueprint for identifying the characteristics and elements of the AEC by 2015.

Signed in November 2007, as the first ASEAN Economic Community (AEC) Blueprint, it has served as a comprehensive master plan to chart the region's journey towards the formal establishment of the AEC on 31 December 2015.

Under this Blueprint, the AEC is built on four interrelated and mutually-reinforcing characteristics: (a) a single market and production base, (b) a highly competitive economic region, (c) a region of equitable economic development, and (d) a region fully integrated into the global economy. (Refer to Factsheets on AEC Blueprint 2015 for details)

ASEAN Economic Community Blueprint 2025

A Blueprint which was adopted by the ASEAN Leaders at the 27th ASEAN Summit on 22 November 2015 in Kuala Lumpur, Malaysia, succeeding the AEC Blueprint (2008-2015).

Provides broad directions through strategic measures for the AEC from 2016 to 2025.

Along with the ASEAN Community Vision 2025, and the ASEAN Political-Security Community (APSC) Blueprint 2025 and the ASEAN Socio-Cultural Community (ASCC) Blueprint 2025, the AEC Blueprint 2025 forms part of ASEAN 2025: Forging Ahead Together. (Refer to Factsheets on AEC Blueprint 2025 for details)

ASEAN Economic Community Council

AEC Council will monitor the progress of the implementation of the AEC Blueprint 2015 and 2025 and to ensure putting in place the requisite implementation mechanisms and monitoring frameworks to ensure effective operationalization.

ASEAN Framework Agreement on Services (AFAS)

An agreement to work towards free flow of trade in services within the region. It aims to substantially eliminate restrictions to trade in services among ASEAN countries in order to improve the efficiency and competitiveness of ASEAN services suppliers.



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Investment Incentives Portal (i-Incentives)

I-Incentives is a portal that provides information on investment incentives offered by the Federal Government of Malaysia. The incentives information stored in the portal cater for all three sectors of the economy; manufacturing, services and primary. They also cover all types of incentives offered by the Federal Government; tax exemptions, grants, soft loans and other types of incentives such as equity funding, regional establishment status, training and other facilitation programmes.

The portal has been developed by Incentive Coordination and Collaboration Office (ICCO) in MIDA with the aim to improve the central coordination of all incentive offerings. This initiative is to enhance the effectiveness of the government's incentive mechanism by increasing transparency, eliminating duplication and linking investment incentives to performance.

Visit i-Incentives portal at https://incentives.mida.gov.my



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ANNOUNCEMENT



Please be informed that the Ministry of International Trade and Industry, (MITI) Malaysia in collaboration with the Ministry of Economy, Trade and Industry, (METI) Japan will be organising an export control seminar as per details below:

Date : 23 January 2018 (Tuesday) Time : 8.30 a.m - 3.30 p.m Venue : Intercontinental Kuala Lumpur

2. The seminar is intended to promote better compliance of export control and effective implementation of the Strategic Trade Act 2010 (STA). This seminar which is expected to host 150 representatives from government agencies and various industries in Malaysia will be a platform to provide guidance on the latest developments and initiatives by the relevant authorities in Malaysia and Japan.

3. Should you wish to participate, kindly register your attendance at this link: https://docs.google. com/forms/d/e/1FAIpQLScyh8NKNfU_SUYbHGgyzjhg0X0vjN2RkYMBStoBCbDzJVdElw/ viewform?usp=sf_link

4. You may contact Ms. Nur Liyana Alwi (email: liyana.alwi@miti.gov.my) or Ms. Alice Simbun (email: alice@miti.gov.my) for further inquiries.

Thank you.



ANNOUNCEMENT

We are pleased to inform that MyServices Portal has now been migrated to MITI Portal



Kindly visit www.miti.gov.my for further information. Thank you





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

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

For more information on Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) please visit MITI's website via this link: <u>http://fta.miti.gov.my/index.php/pages/view/71?mid=40</u>

Withholding Tax

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

Industry 4.0

For more information on Industry 4.0, please visit MITI's website via this link: <u>http://www.miti.gov.my/index.php/pages/view/industry4.0?mid=559</u>

MITI Weekly Bulletin (MWB) Mobile Apps



News & Magazines

weekly bulletin 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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