

Deepavali Message by MITI Minister



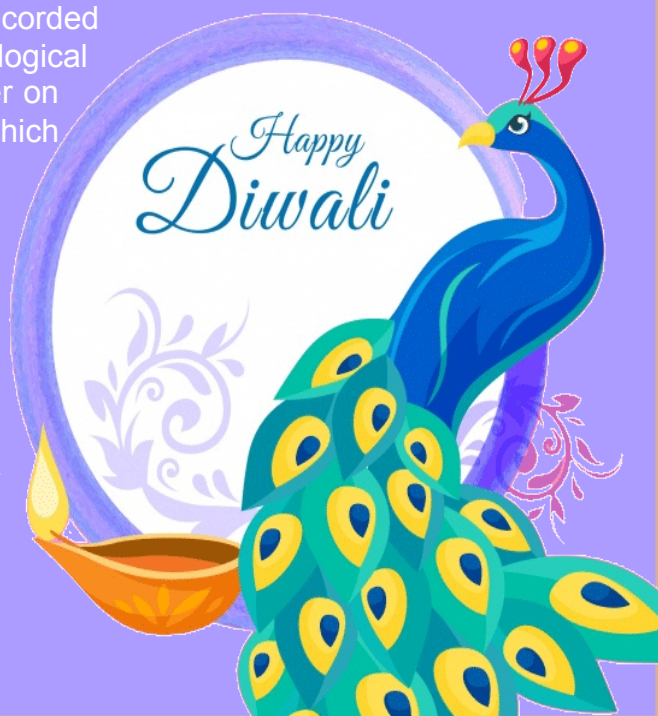
Deepavali, or Diwali is the largest and the brightest of all Hindu festivals celebrated globally. It is literally the festival of lights as deep means "light" and avalī "a row" to become "a row of lights". Homes are illuminated with lights, and firecrackers fill the skies as an expression of respect to the heavens for the attainment of health, wealth, knowledge, peace and prosperity. The festival of lights, Diwali is the harbinger to hope and inspires one to take the initiative and light a candle rather than to curse the darkness. Diwali is not merely about outer illumination, but also promotes the awareness of the inner light that is the core of each human. Spirituality is the true essence of Hinduism and it sees a person as not only as a body or a mind but something beyond it - a pure, powerful and eternal source of energy, called the Atman. Diwali is the celebration of the realisation of this inner light, which has the power to show one the path of righteousness even at the darkest of the times. The awakening to one's true self, Atman introduces one

to immense peace, universal compassion, love, and awareness of oneness of all things (a higher knowledge).

As Deepavali symbolises the significance of victory of good over evil, it reflects the Malaysian determination in carrying out the difficult but necessary changes to bring about a brighter future for the nation. Rebuilding the Nation, Fulfilling Dreams were the goals set by the new government and we are striving hard towards achieving these goals. After more than three months in office, we have secured new potential investments from South Korea and Japan, worth RM2.8 billion during the recent Trade and Investment Missions. In January-July 2018, approved investments of RM41.7 billion in manufacturing and services were recorded that will potentially create 19,348 jobs. In line with technological and industrial development globally, the YAB Prime Minister on 31st Oct. 2018 has launched the Industry4WRD policy which outlines our efforts in ensuring that industries in Malaysia will embrace the Fourth Industrial Revolution towards producing high-value export products, achieve higher productivity and provide better returns for the economy.

I would like to take this opportunity to wish all Hindus and those celebrating Deepavali to have a happy and blessed celebration this year. Let us embrace the changes that have been brought about by the people's will and continue our unique Malaysian tradition of coming together in sharing our values of unity in diversity and tolerance. With the spirit

Thank You.
YB Datuk Darell Leiking



TRADE PERFORMANCE FOR THE MONTH OF SEPTEMBER 2018 AND THE PERIOD OF JANUARY- SEPTEMBER 2018



Trade Surplus at RM15.26 Billion, Highest Since October 2008

Malaysia registered a total trade of RM150.83 billion in September 2018, an increase of 2.3% from RM147.51 billion in September 2017. Expansion in trade were seen with major trading partners, namely Hong Kong SAR, ASEAN, Taiwan, Australia, Saudi Arabia and the United States of America (USA).

On a year-on-year (y-o-y) basis, exports in September 2018 expanded by 6.7% to RM83.05 billion, sustaining a monthly value above RM80 billion. Malaysia's imports declined by 2.7% to RM67.78 billion. Trade surplus posted a double-digit increment of 85.9%, amounting to RM15.26 billion, the largest trade surplus ever recorded since October 2008. This surplus marked the 251st consecutive month of trade surplus since November 1997.

On a month-on-month (m-o-m) basis, exports and trade surplus expanded by 1.5% and 846.3%, respectively.

Total trade and imports however contracted by 6.9% and 15.5%, respectively.

Total trade in the third quarter of 2018 (Q3 2018) amounted to RM476.82 billion, an expansion of 5.7% from Q3 2017. Total exports in the quarter reached RM251.01 billion, 5.2% higher compared to the same period last year while imports increased by 6.3% to RM225.81 billion. Trade surplus in Q3 2018 was recorded at RM25.2 billion, lower by 4.1% from RM26.28 billion registered in Q3 2017.

Compared with Q2 2018, total trade, exports and imports increased by 3%, 2.5% and 3.7% respectively, while trade surplus contracted by 7.1%.

For the first 9 months of 2018, total trade expanded by 5.5% to RM1.382 trillion compared to the same period in 2017. Exports increased by 6.3% to RM733.61 billion while imports grew at a slower pace of 4.7% to RM647.89 billion. Trade surplus for this period rose by 20.4% to RM85.72 billion

compared to the same period last year.

Export Performance of Major Sectors

Exports Led By Manufactured & Mining Goods

Exports of manufactured goods in September 2018 increased by 7.9% y-o-y to RM70.32 billion and accounted for 84.7% of Malaysia's total exports. The expansion was driven mainly by higher exports of electrical and electronic (E&E) products, chemicals and chemical products, iron and steel products as well as optical and scientific equipment.

Exports of mining goods which constituted

7.9% of Malaysia's total exports, rose by 17% to RM6.53 billion. Higher exports were recorded for crude petroleum due to higher Average Unit Value (AUV) and export volume and liquefied natural gas (LNG), due to higher AUV.

Exports of agriculture goods which accounted for 6.8% of total exports contracted by 10.7% to RM5.64 billion. This was mainly due to lower exports of palm oil and palm oil-based agriculture products, particularly palm oil, on account of lower AUV.

Major exports in September 2018:

- E&E products valued at RM32.88 billion, constituting 39.6% of total exports, increased by 6.5% from September 2017;
- Petroleum products, RM6.42 billion, 7.7% of total exports, increased by 6.8%;
- Chemicals and chemical products, RM4.89 billion, 5.9% of total exports, increased by 31.7%;
- Palm oil and palm oil-based agriculture products, RM3.78 billion, 4.6% of total exports, decreased by 16.5%; and
- Manufactures of metal, RM3.18 billion, 3.8% of total exports, decreased by 2.2%.

Compared to August 2018, exports of manufactured and agriculture goods were higher by 2.7% and 6.5%, while exports of mining goods were lower by 12.6%.

In the first 9 months of 2018, exports of manufactured goods which constituted 83.8% of total exports expanded by 8.8% to RM614.52 billion compared to the corresponding period of 2017. Higher exports were recorded for E&E products, chemicals and chemical products, manufactures of metal, optical and scientific equipment, transport equipment as well as iron and steel products. Exports of mining goods

increased by 4.6% to RM62.4 billion (8.5% share), mainly led by higher exports of crude petroleum. Meanwhile, exports of agriculture goods recorded a contraction of 13.5% to RM50.56 billion (6.9% share), owing to lower exports of palm oil and palm oil-based agriculture products.

Performance of Major Markets

Steady Trade Growth With ASEAN

Trade with ASEAN in September 2018 expanded by 3% y-o-y to RM41.93 billion and constituted 27.8% of Malaysia's total trade. Exports amounted to RM23.63 billion, an increase of 6.2%, buoyed by higher exports of E&E products, chemicals and chemical products, transport equipment, iron and steel products as well as LNG. Imports from ASEAN declined by 0.8% to RM18.3 billion.

Breakdown of exports to ASEAN countries in September 2018:

•Singapore	RM	12.22 billion,	
increased by 8.7%			
•Thailand	RM	4.16 billion,	↑7.5%
•Indonesia	RM	2.74 billion,	↓1.8%
•Viet Nam	RM	2.55 billion,	↑7.5%
•Philippines	RM	1.48 billion,	↑5.1%
•Myanmar	RM	177.8million,	↓33.9%
•Brunei	RM	177.3 million,	↓0.4%
•Cambodia	RM	116.1 million,	↑11.5%
•Lao PDR	RM	2.7 million,	↓50.3%

Exports to several major markets within ASEAN recorded expansion namely, Singapore, which expanded by RM974.7 million, Thailand (↑RM291.8 million) and Viet Nam (↑RM178.5 million), all on account of higher exports of E&E products.

On a m-o-m basis, exports were greater by 2%, while trade and imports were lower by 3.4% and 9.7%, respectively.

For the first 9 months of 2018, trade with ASEAN expanded by 3.6% to RM373.63 billion compared to the same period of 2017. Exports to this region rose by 3.4% to RM208.59 billion buoyed by higher exports of E&E products, crude petroleum, transport equipment and manufactures of metal. Imports increased by 4% to RM165.04 billion.

Strong Trade With China in the First 9 Months

In September 2018, trade with China which absorbed 16.2% of Malaysia's total trade declined by 0.9% y-o-y to RM24.45 billion. Exports to China recorded a marginal contraction of 0.6% to RM11.32 billion compared to the same month a year before. This was attributed to lower exports of E&E products, palm oil and palm oil-based agriculture products and rubber products. However, chemicals and chemical products, LNG, manufactures of metal and optical and scientific equipment recorded increases for

this month. Imports from China were lower by 1.2% to RM13.13 billion.

Compared to August 2018, trade, exports and imports contracted by 14.8%, 4.3% and 22.2%, respectively.

Trade with China in the first 9 months of 2018 expanded by 8.4% to RM230.64 billion compared to the same period last year. For this period, exports to China recorded a strong growth of 9.6% to RM100.63 billion, attributed to higher exports of E&E products, chemicals and chemical products, manufactures of metal as well as LNG. Imports from China rose by 7.4% to RM130.01 billion.

EU - Exports Remained Healthy for the First 9 Months

Malaysia's trade with the EU in September 2018 stood at RM13.93 billion or 9.2% of Malaysia's total trade, a decline of 0.7% compared to September 2017. Exports increased by 3.1% to RM8.24 billion, as a result of higher exports of palm oil-based manufactured products, palm oil and palm oil-based agriculture products, chemicals and chemical products as well as iron and steel products. Imports were lower by 5.8% to RM5.69 billion.

Among the top 10 EU markets which accounted for 89.9% of Malaysia's total exports to the EU, 6 countries recorded expansion namely, Spain (↑128.6%), Italy (↑50.8%), France (↑13.1%), Poland (↑15.5%), Hungary (↑10.2%) and Belgium (↑1.3%).

On a m-o-m basis, exports increased by 7.9%, while trade and imports decreased by 11.2% and 29.4%, respectively,

In January-September 2018, trade with the EU rose by 8.1% to RM137.54 billion compared to the same period last year. Exports increased by 5.2% to RM74.58 billion, driven by higher exports of manufactures of metal, chemicals and chemical products, iron and steel products as well as rubber products. Imports from the EU expanded by 11.8% to RM62.96 billion.

Exports to the USA Remained Positive

Malaysia's trade with the USA in September 2018 recorded a growth of 3.3% to RM13.24 billion and accounted for 8.8% of Malaysia's total trade. Exports totalled RM7.68 billion, a marginal growth of 0.1% compared to September 2017, led by higher exports of optical and scientific equipment, rubber products, chemicals and chemical products as well as iron and steel products. Imports expanded by 8.1% to RM5.56 billion.

Compared to August 2018, trade, exports and imports contracted by 4.7%, 1.4% and 9%, respectively.

In January-September 2018, trade with the USA amounted to RM114.74 billion, a marginal contraction of 0.9% compared to the corresponding period in 2017. Exports to the USA were up by 1.1% to RM66.86 billion supported by higher exports of optical and scientific equipment, transport equipment as well as manufactures of metal. Imports from the USA declined by 3.6% to RM47.88 billion.

Japan - Month-on-Month Exports Grew 10%

In September 2018, trade with Japan which constituted 6.9% of Malaysia's total trade posted a contraction of 7.3% y-o-y to RM10.4 billion. Exports to Japan declined by 10.6% y-o-y to RM5.27 billion, attributed mainly to lower exports of LNG and E&E products. However, higher exports were recorded for petroleum products, iron and steel products, manufactures of metal as well as metalliferous ores and metal scrap. Imports from Japan also decreased, by 3.7% to RM5.13 billion.

On a m-o-m basis, trade and exports increased by 0.9% and 10%, while imports reduced by 7%.

For the first 9 months of 2018, trade with Japan amounted to RM97.64 billion, lower by 5.8% from the same period last year. Exports to Japan amounted to RM50.46 billion, contracted by 10.9% on account of lower exports of LNG, E&E products as well as palm oil and palm oil-based agriculture products. Meanwhile, higher exports were registered for iron and steel products, chemicals and chemical products, manufactures of metal, petroleum products as well as non-metallic mineral products. Imports from Japan grew marginally by 0.3% to RM47.18 billion.

Trade with FTA Partners

In September 2018, trade with Free Trade Agreement (FTA) partners which accounted for 61.9% of Malaysia's total trade declined marginally by 0.3% to RM93.4 billion. Exports to FTA partners amounted to RM49.82 billion, an increment of 3% y-o-y and imports declined by 3.8% to RM43.59 billion.

Higher exports were registered to Australia which posted an expansion of 23% to RM2.89 billion, attributed mainly to higher exports of crude petroleum, the Republic of Korea (ROK) (↑20.9% to RM2.63 billion, petroleum products) and New Zealand (↑101.4% to RM478 million, crude petroleum).

Compared to August 2018, trade, exports and imports declined by 6.8%, 0.9% and 12.8%, respectively.

Trade with FTA partners for the first 9 months of 2018 which accounted for 62.2% of Malaysia's total trade rose by 3.2% to RM858.7 billion. Exports for this period amounted to RM448.98 billion, an increase of 3.2% while imports totalled RM409.72 billion, expanding by 3.2%.

Other Markets Registering Higher Exports

In September 2018, other markets with significant growth in exports were Hong Kong SAR and Taiwan. Exports to Hong Kong SAR expanded by 48.7% y-o-y to RM6.81 billion, mainly driven by higher exports of E&E products. Exports to Taiwan rose by 52.9% to RM3 billion, on account of higher exports of E&E products as well as petroleum products.

Domestic Export Performance

In September 2018, domestic exports which accounted for 80.1% of Malaysia's total exports increased by 2.7% y-o-y to RM66.51 billion. However, based on a m-o-m basis, domestic exports were lower by 2.7%. During the first 9 months of 2018, domestic exports contracted marginally by 0.3% to RM584.8 billion.

Re-export Performance

In September 2018, re-exports were valued at RM16.54 billion, an expansion of 26.2% y-o-y. On a m-o-m basis, re-exports increased by 22.7%. For January-September 2018, re-exports expanded by 43.8% to RM148.81 billion.

Import Performance

In September 2018, imports declined by 2.7% y-o-y to RM67.78 billion. The three main categories of imports by end use which accounted for 71.2% of total imports were:

- Intermediate goods, valued at RM35.8 billion or 52.8% of total imports, decreased by 9.3%, as a result of lower imports of parts and accessories of capital goods (except transport equipment), particularly electrical machinery, equipment and parts;
- Capital goods, valued at RM7.29 billion or 10.7% of total imports, declined by 25.2%, led by lower imports of industrial transport equipment, particularly ships, boats and floating structure; and
- Consumption goods, valued at RM5.15 billion or 7.6% of total imports, contracted by 10%, on account of lower imports of semi-durable goods, particularly knitted or crocheted apparel and clothing accessories.

During January-September 2018, imports amounted to RM647.89 billion, grew by 4.7% from the corresponding period of 2017. Intermediate goods totalled RM341.29 billion, dropped by 5.5%, capital goods (RM82.68 billion, ↓0.9%) and consumption goods (RM53.17 billion, ↑1.6%).

Source: Ministry of International Trade and Industry, Malaysia



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY MALAYSIA

Over this week, I had the pleasure of leading the Malaysian delegation to the China International Import Expo (CIIE) 2018, the first of its kind. Our agencies, MATRADE is leveraging on this platform by coordinating the participation of 80 Malaysian companies at the event to encourage imports by the Chinese.

Malaysia can take advantage of this opportunity to make our local-made products to be even better received in the Chinese market. I'm not only talking about popular traditional products like durians, white coffee and bird nests but also high value added manufactured goods such as electronic equipments.

During this event, MATRADE will be championing the Malaysian high value sectors particularly in high intelligence equipments and services. Potential buyers from 81 countries are expected to meet Malaysian companies during the expo. I trust that this expo will further increase our annual export figures to China which is currently valued at RM126.15 billion.

Malaysian companies are not only promoting at Shanghai, but also in a parallel event at Guangzhou. This exhibition caters specifically for the Fast Moving Consumer Goods (FMCG) segment unlike its Shanghai counterpart. 24 companies are there to promote the export of Malaysia products such as food and beverages, health and wellness products and household items to China and beyond. This just shows how diverse are the Malaysia's made products and there's multiple fronts in which can expand our product markets.

China is our largest trading partner since 2009. Hence it's only natural for us to want to ramp up efforts in facilitating Malaysian companies' access to the market and take advantage of the Belt and Road Initiatives. In the Hongqiao International Trade Forum that I've attended, our Chinese counterparts reiterated their desire to create this new trade pattern that emphasised openness to create a win-win situation. By encouraging more two-way trade, I'm confident that both countries will stand to benefit massively.

In the following few days, I'll participate in scheduled visits to various leading Chinese firms such as Huawei and HSBC, and receive courtesy calls by some of the provincial leaders. I will endeavour to promote Malaysia as a competitive investment destination and attract more FDIs.

In addition, I will take a short working visit to Japan regarding the Samurai Bond from the Japanese government in-conjunction with the official visit of the Prime Minister Tun Dr. Mahathir Mohamad. Malaysia has proposed for Japan to offer the bond in Ringgit denomination to mitigate the currency fluctuations. I've made good acquaintance with my Japanese counterparts HE Hiroseko Seko during the previous trade mission which brought in a lot of investments to Malaysia, hence the trip to Tokyo is to further deepen the bond between both countries. I believe that these trips to China and Japan will bring more prospects to Malaysia as a whole, without forgetting the people of Sabah and Sarawak.

YB Datuk Darell Leiking
5 November 2018

Ministry of International Trade and Industry Media Statement on 2019 Budget



I wish to thank YB Lim Guan Eng, Minister of Finance Malaysia for tabling a comprehensive Budget for 2019 entitled, "*Malaysia Wibawa, Ekonomi Dinamik, Rakyat Sejahtera*", which takes into account the issues and challenges faced by Malaysia. The Government is committed to address the fiscal issues and improve governance, for the benefit of the rakyat. In this regard, the commitment towards budget deficit has been revised to 3.7% in 2018, 3.4% in 2019, 3.0% in 2020 and 2.8% in 2021. GDP growth has been revised to 4.8% for 2018 which is a revision from the earlier target of 5% to 5.5%, taking into account the current domestic and global economic challenges.

We are happy to note that MITI has been allocated RM517 million for operating expenditure and RM1.163 billion for development expenditure in 2019, compared to RM469 million and RM1.013 billion, in 2018 respectively. This represents an increase of 10% for operating expenditure and almost 15% for development expenditure. The additional allocation will enable MITI to implement more programmes and initiatives to drive trade promotion and industry development initiatives.

I welcome new measures introduced such as the SST Credit System which will prevent multiple taxation and reduce the cost of doing business. In addition, the introduction of SST on imported services will provide a level playing field for domestic service providers. Meanwhile, the introduction of SST for online service providers effective 1 January 2020 will also contribute to national revenue.

The National Policy on Industry 4.0, i.e. Industry4WRD, is Malaysia's effort to implement digital transformation of the manufacturing sector and its related services by facilitating companies to embrace Industry 4.0. The 2019 Budget measures will enhance MITI's efforts to propel Malaysia as a strategic partner for smart manufacturing, primary destination for high-technology industries and total solutions provider for manufacturing sector and related services in the region.

Industry4WRD will pave the way for enhanced productivity, job creation and highskilled talent pool in the manufacturing sector, and ultimately contribute to the economic prosperity and societal well-being. I am happy to note MITI has been provided an allocation of RM210 million for 2019 to 2021 to adopt Industry 4.0.

I am pleased that SMEs that invest in automation and modernisation as part of Industry 4.0 will be provided with RM2 billion fund under Skim Jaminan Pembiayaan Perniagaan where the Government will provide financing guarantee of up to 70%. The Industry Digitalisation Transformation Fund totaling RM3 billion will provide subsidies with 2% interest to encourage the adoption of artificial intelligence. The MIDA High Impact Fund will be extended to encourage Industry 4.0 initiatives including R&D, international certification and standards, as well as modernisation.

I welcome Khazanah Nasional Berhad commitment to develop 80 acres of land in Subang as a global aerospace hub. This will create high-skilled work force to meet the aerospace industry demand. MITI's initiatives under National Aerospace Industry Coordination Office (NAICO) will be enhanced to promote aerospace industry in Malaysia.

I also welcome the additional 2019 Budget measures related to Human capital development related to Industry 4.0 which include the following:

- Double Deduction for companies that provide scholarships for students to pursue technical and vocational training and degrees in engineering and technology related courses;
- Tax Deduction for companies that participate in National Dual Training Scheme (Skim Latihan Dual Nasional) related to Industry 4.0, approved by Ministry of Human Resources or MIDA; and
- Double Deduction for companies that provide structured training programmes for engineering and technology students approved by Ministry of Human Resources.

I am pleased with the announcement of a Joint-Committee co-chaired by the Minister of Finance and myself to drive governance reform agenda particularly to improve the trade process and tax administration. This will contribute to improving the ease of doing business and attract investors to Malaysia.

I welcome the incentives to improve the Principal Hub activities, to be taxed at 10% on total statutory income for a period of 5 years. This will enhance Malaysia's position as a regional hub for manufacturing and services.

MITI will work with the industry to mitigate the impact of the increase in minimum wage to RM 1,100 effective 1 January 2019. We urge the industry players to adopt initiatives to increase productivity through automation, and reduce dependency on low-skilled labour.

On the implementation on multi-tier levy for foreign workers, MITI will work with the industry players to ensure effective mechanism is properly established and sufficient timeline is given to the industry to prepare for the tier levy implementation.

I laud the government's effort to support the development of Sabah and Sarawak with an increased allocation. This will augur well to ensure equitable and sustainable development.

YB Datuk Darell Leiking
Minister of International Trade and Industry

INDUSTRY4WRD: THE NATIONAL POLICY ON INDUSTRY 4.0 SHAPING THE FUTURE OF INDUSTRY



YAB Prime Minister, Tun Dr. Mahathir Mohamad today launched the National Policy on Industry 4.0, known as Industry4WRD at the MITI Tower. The Launching Ceremony was organised in collaboration with the Federation of Malaysian Manufacturers (FMM) in the spirit of public-private partnership.

The event was attended by more than 1,000 participants including Cabinet Ministers, Chief Ministers, Ambassadors, senior Government officials, industry leaders, academicians and members of the public.

The Ministry of International Trade and Industry (MITI) has led the development of Industry4WRD since mid-2017 together with several key ministries, namely Ministry of Finance (MOF), Ministry of Multimedia and Communications (KKMM), Ministry of Human Resources (MOHR), Ministry of Education (MOE), and Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC), agencies, industry and stakeholders.

Industry4WRD is Malaysia's response

to call for digital transformation of the manufacturing sector and its related services by facilitating companies to embrace Industry 4.0 in a systematic and comprehensive manner, and be smarter and stronger driven by people, process and technology.

This Policy envisions Malaysia as a strategic partner for smart manufacturing, primary destination for high-technology industries and total solution provider for manufacturing sector and related services in the region.

Industry4WRD aims to pave the way for enhanced productivity, job creation and high-skilled talent pool in the manufacturing sector, and ultimately contribute to the economic prosperity and societal well-being. Further, it would encourage development of innovative capacity and capability of manufacturing sector and related services to create Malaysia's own technologies, products and services.

To support the national vision, four specific goals have been established:

- To increase the level of productivity in the manufacturing industry per person from RM106,647 by 30%;

- To elevate the absolute contribution of the manufacturing sector to the economy from RM254 billion to RM392 billion;
- To strengthen our innovation capacity and capability as reflected by improvement in Global Innovation Index ranking from 35th to top 30; and
- To increase the number of high-skilled workers in the manufacturing sector from 18% to 35%.

Guided by this Policy, the Government will act as an enabler in the overall digital transformation of companies in the manufacturing sector and related services, particularly the small and medium enterprises (SMEs), through the strategic enablers coined as F.I.R.S.T:

- Providing Funding & outcome-based incentives;
- Creating enabling ecosystems & efficient digital Infrastructure;
- Ensuring Regulatory framework and industry adoption;
- UpSkilling existing and ensuring future talents are produced; and
- Providing access to smart Technologies.

Primary focus of Industry4WRD covers catalytic sectors and high growth potential sectors identified under the 11th Malaysia Plan, namely Electrical & Electronics, Machinery & Equipment, Chemicals, Aerospace and Medical Devices. Particular attention is also given to SMEs for them to propel forward as they account for the bulk of manufacturing (98.5%) and a major part of employment (42%). Industry 4.0 will transform and scale up SMEs to remain competitive by capturing the benefits of disruptive technologies and innovation.

The Government has also developed the Industry4WRD Readiness Assessment Programme that will enable businesses to assess where they are, what are the current gaps existing in their manufacturing line

and how can they move into Industry 4.0 through targeted intervention of experienced assessors.

With the introduction of Industry4WRD, the Government believes that the Industry will remain ahead and competitive in facing the challenges brought by the Fourth Industrial Revolution. Agility to adapt to the inevitability of Industry 4.0 will drive Malaysia's industry forward and make Malaysia an attractive prospect for high-technology, innovative and high value-added industries in years to come.

In conjunction with the launching of the Policy, a full-day event was organised featuring the following programmes:

- Forum to gain insights on Industry 4.0 from leading speakers from industry and academia;
- Exhibition to showcase the latest Industry 4.0 technologies and solutions;
- Advisory Services on various Government incentives, facilitation and support programmes; and
- Pocket Talks on products, services and programmes offered by Government and exhibitors.

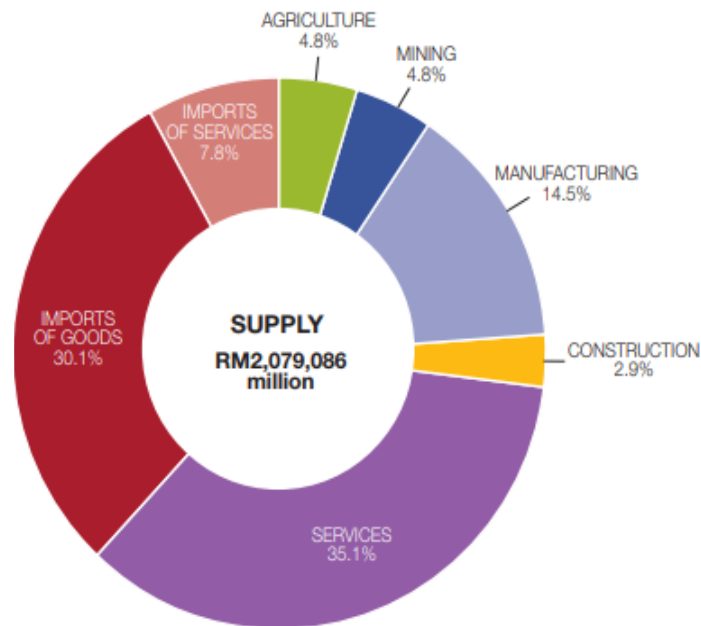
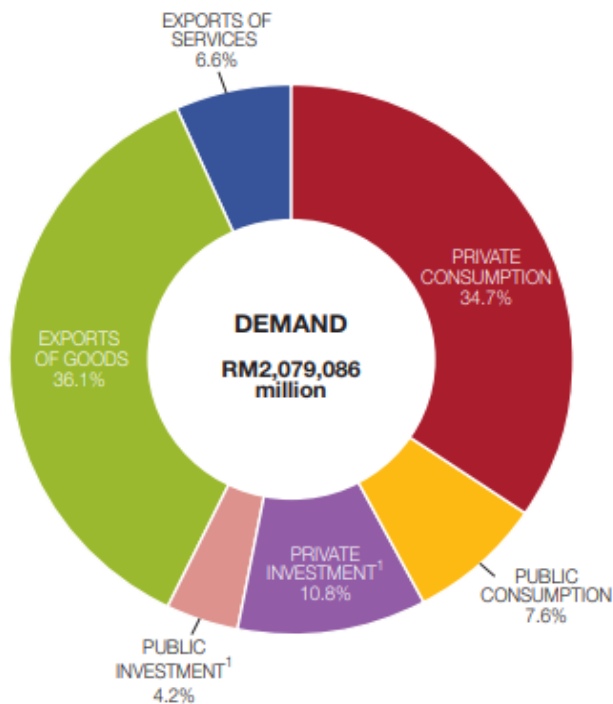
A total of 22 exhibitors participated to showcase their latest technologies and solutions related to Industry 4.0 such as Internet-of-Things, augmented reality, vision inspection, etc.

MITI will continue to undertake outreach and awareness programmes for industry, businesses and public on the National Policy and will also oversee the overall implementation of the strategies and initiatives outlined in the Policy.

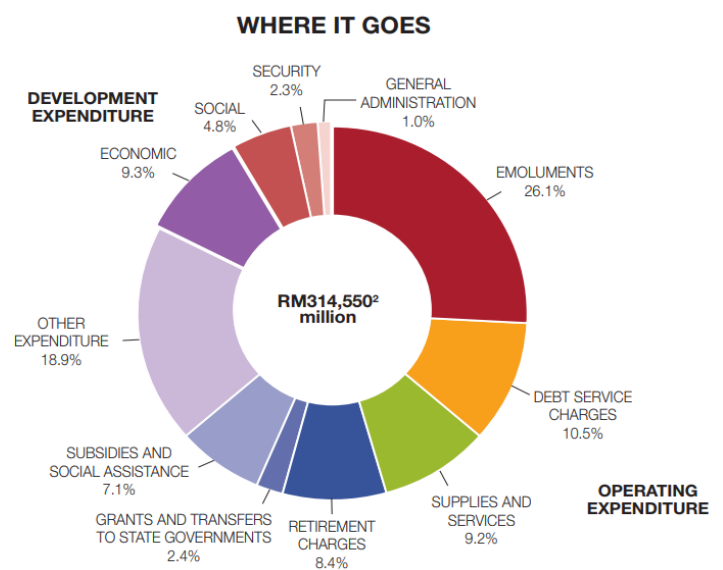
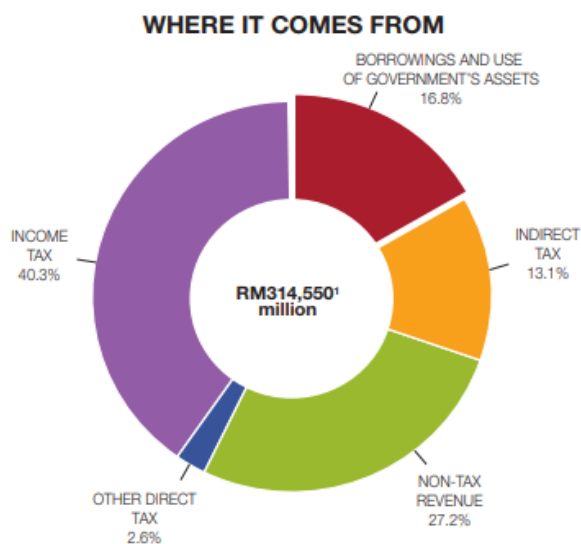
Ministry of International Trade and Industry
31 October 2018

The Economy 2019

at constant 2010 prices




The 2019 Federal Government Budget



Source: 2019 budget official website, Ministry of Finance, Malaysia

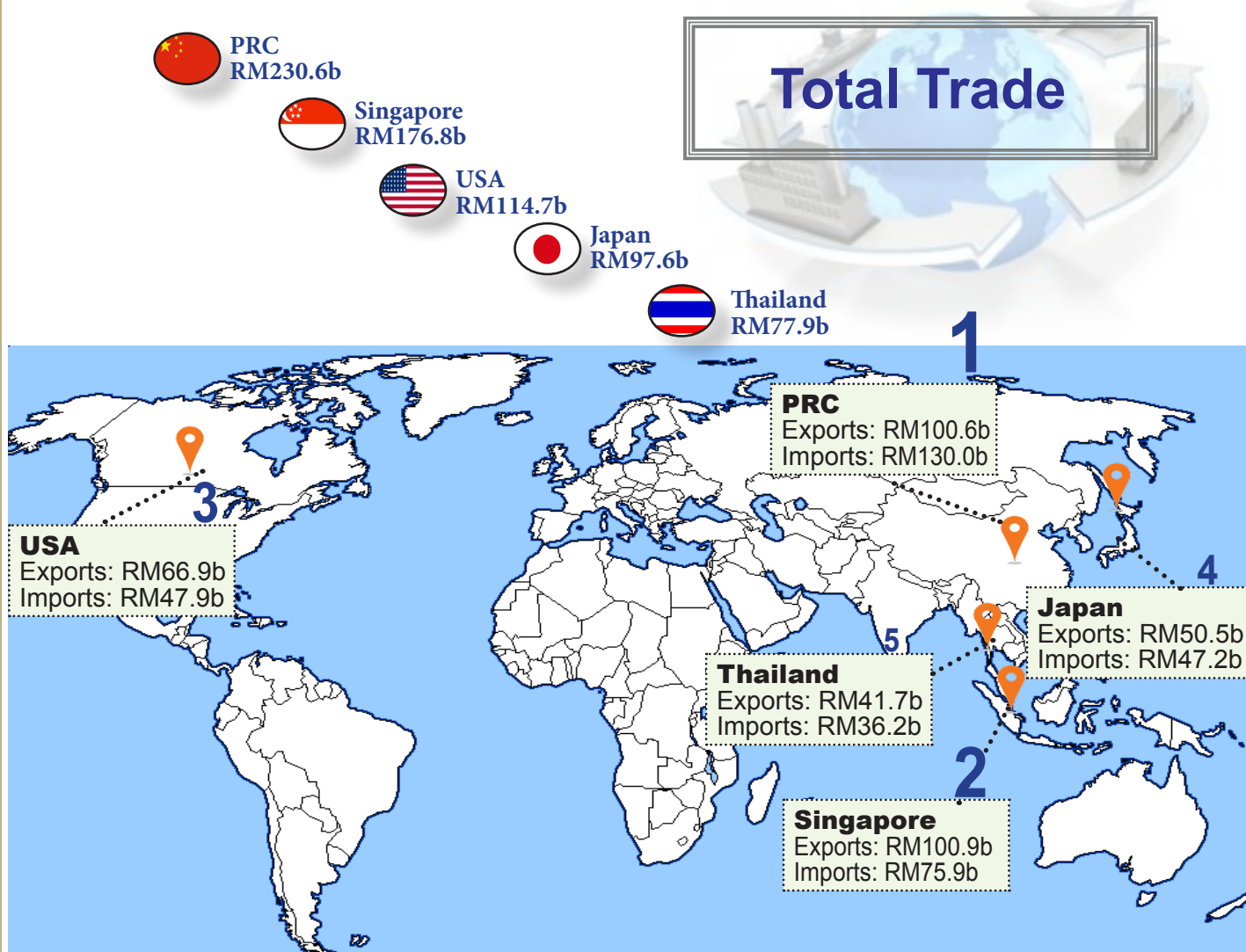
Trade Performance, Jan-Sept 2018

January- September 2018 exports and imports recorded a value of **RM733.6 billion** and **RM647.9 billion** respectively.

Total Trade	RM1,381.5 billion	5.5%	
Exports	RM733.6 billion	6.3%	
Imports	RM647.9 billion	4.7%	
Trade balance	RM85.7 billion	20.4%	

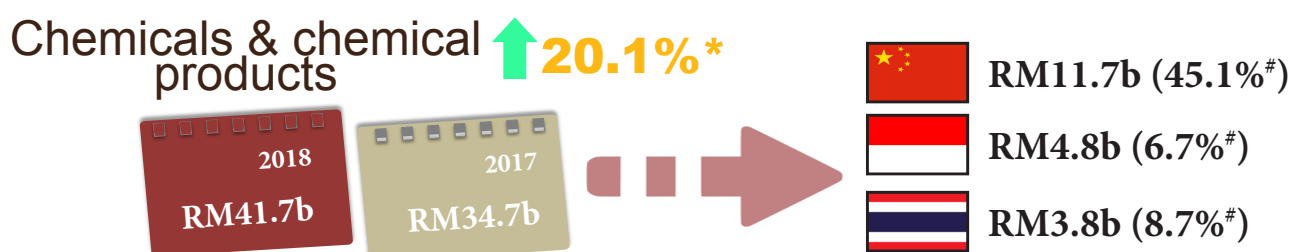
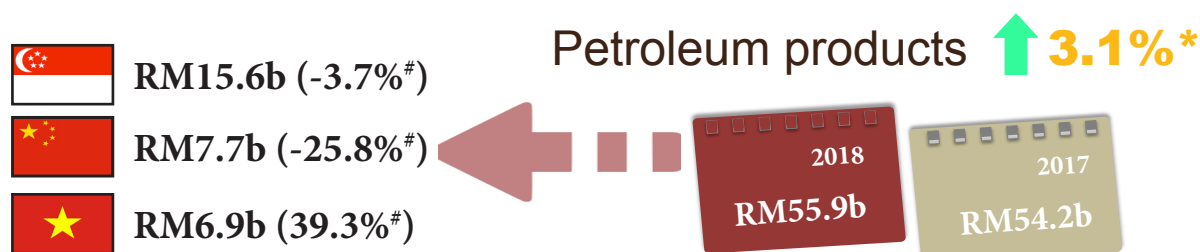
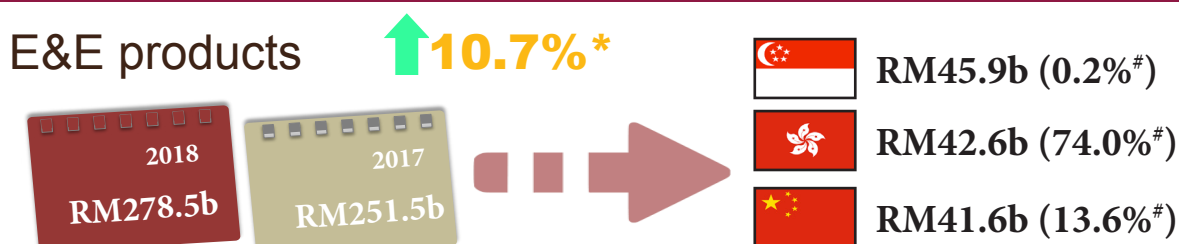
Note: % refers to year-on-year change

Major Trading Partners, Jan-Sept 2018

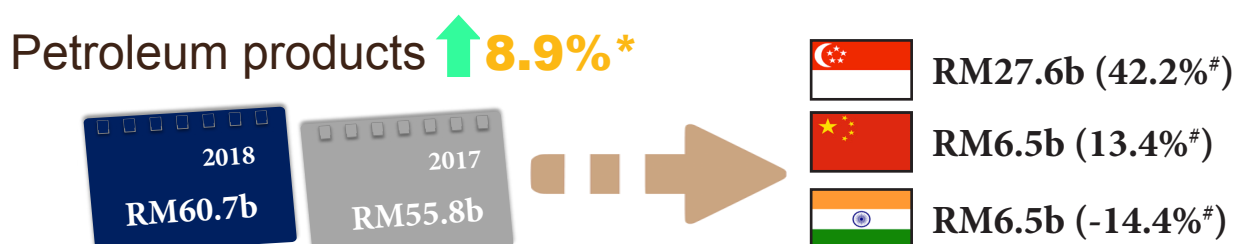
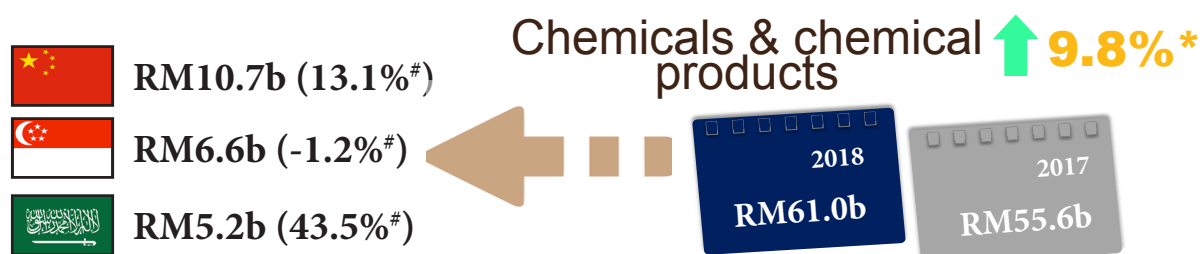
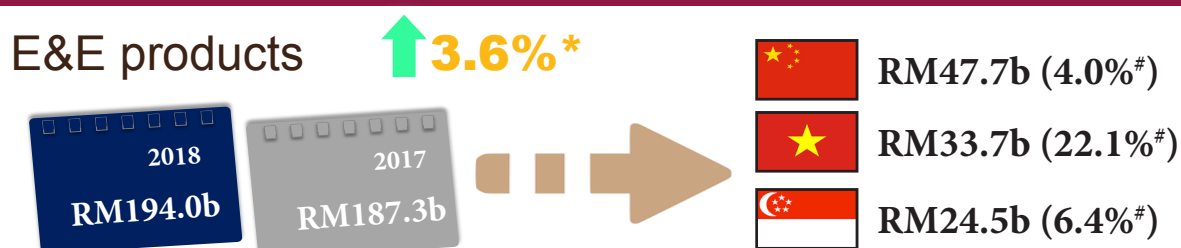


Source: Department of Statistics, Malaysia

Major Exports, Jan-Sept 2018



Major Imports, Jan-Sept 2018

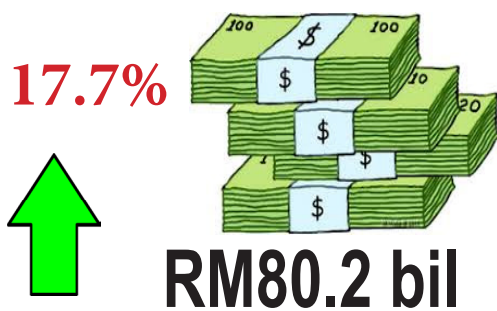


Notes: * y-o-y percentage change
Share to total exports/imports of sector

Source: Department of Statistics, Malaysia

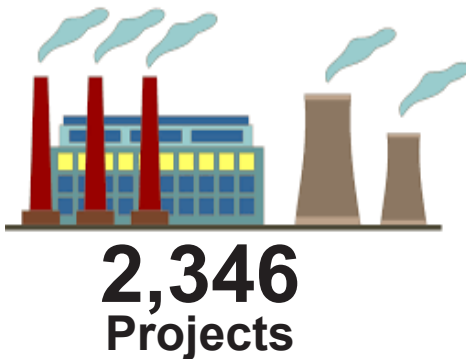
APPROVED INVESTMENTS 1H 2018

Approved investments in the services, manufacturing and primary sectors rose by
17.7% in 1H2018



Foreign investments
 RM26.5 billion

Domestic investments
 RM53.7 billion



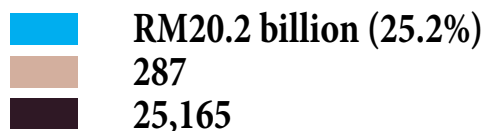
Approved investments by sector



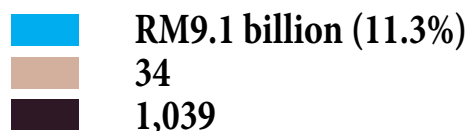
Services



Manufacturing



Primary



■ Total Investments

■ No. of projects

■ Employment

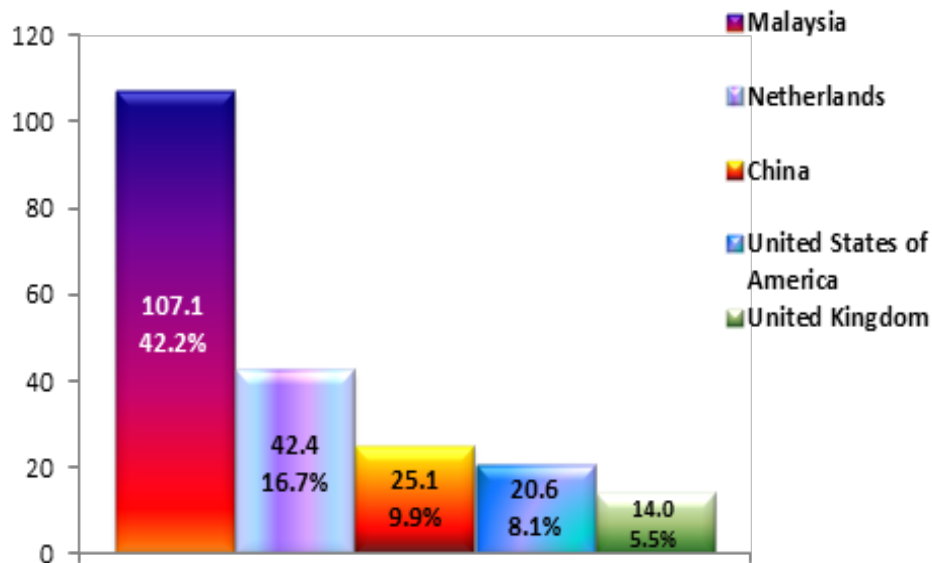
Note:

% - Share to total approved investments

Source: Malaysian Investment Development Authority (MIDA)

Malaysia was ranked number one exporter for poultry incubators and brooders*, in 2017

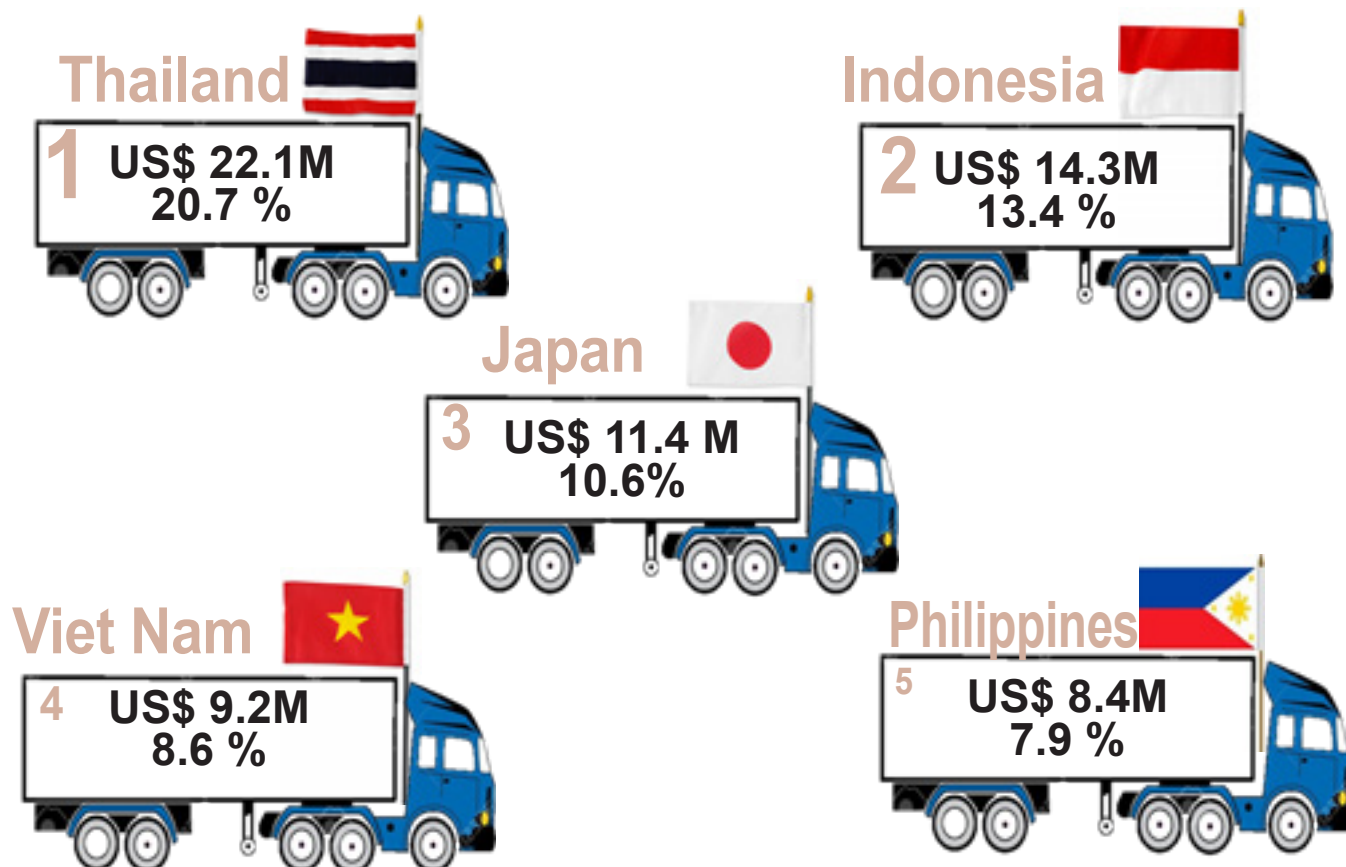
US\$ Million



Notes :

- % Share in world exports

Malaysia's top five export destinations for Poultry incubators and brooders*, in 2017



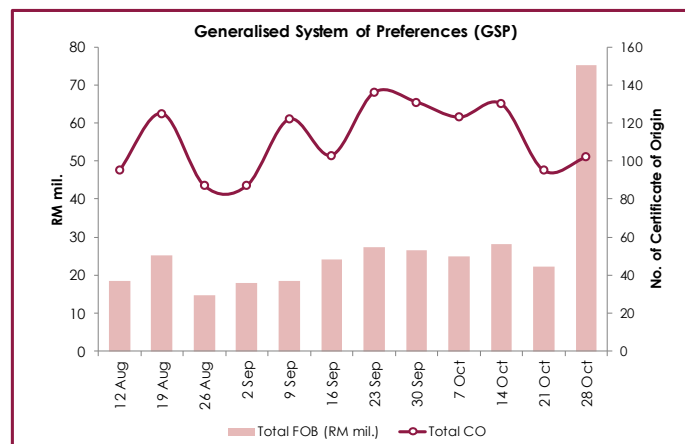
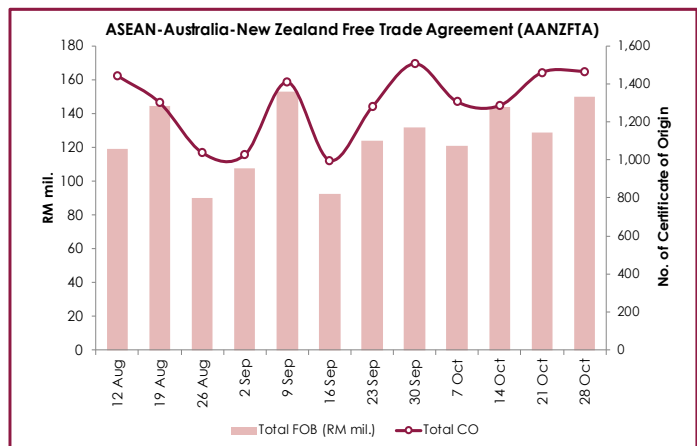
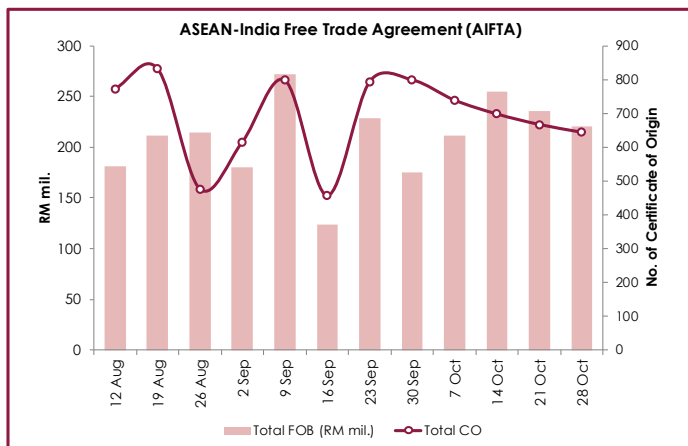
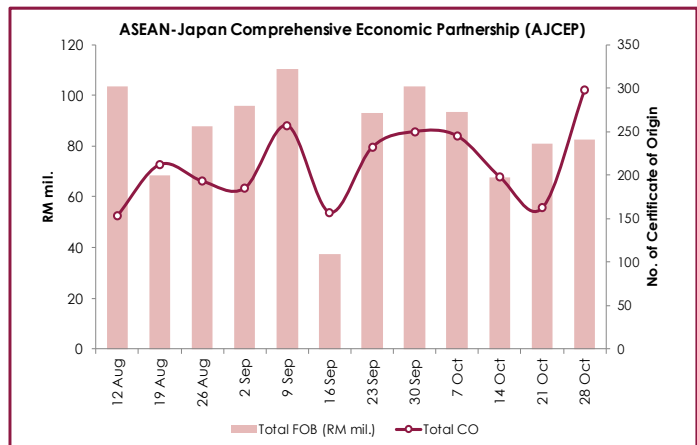
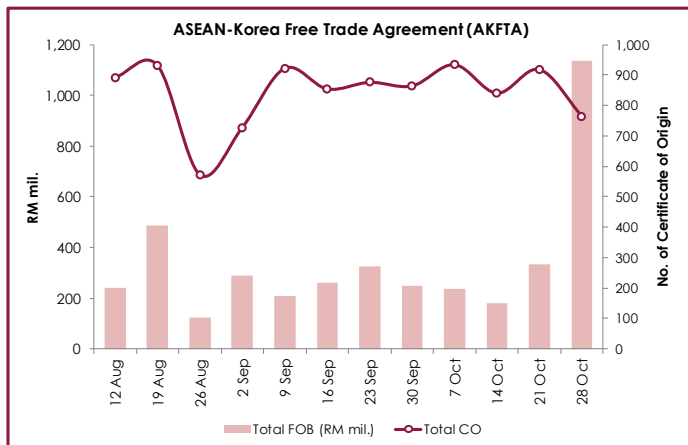
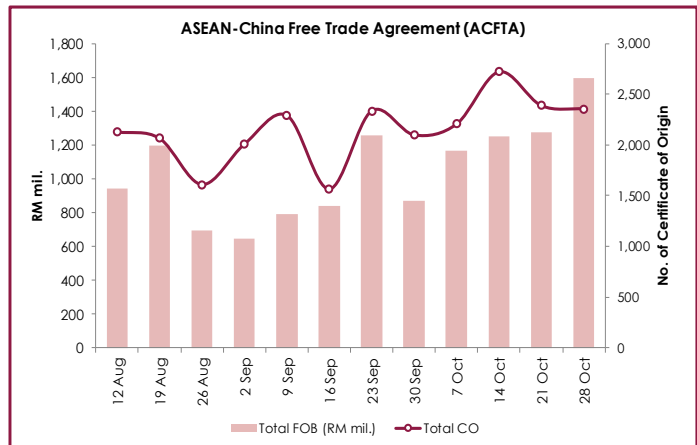
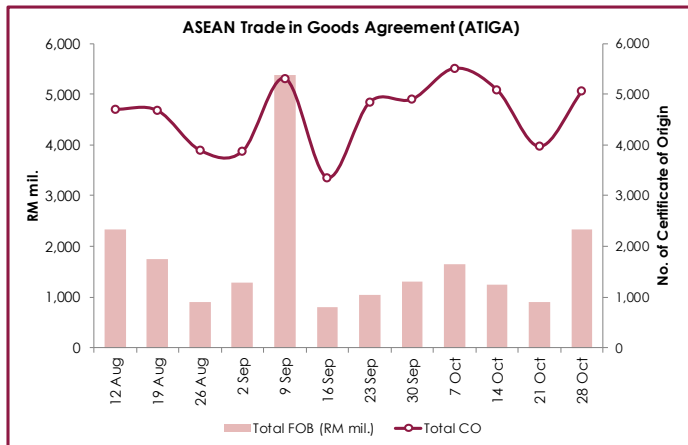
Notes :

- % Share in Malaysia's export

- *Refers to HS 843621

Source: <http://www.trademap.org/Index.aspx>

Number and Value of Preferential Certificates of Origin (PCOs)

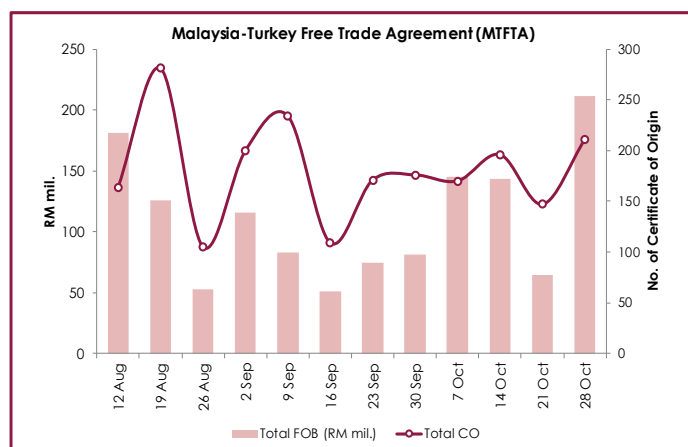
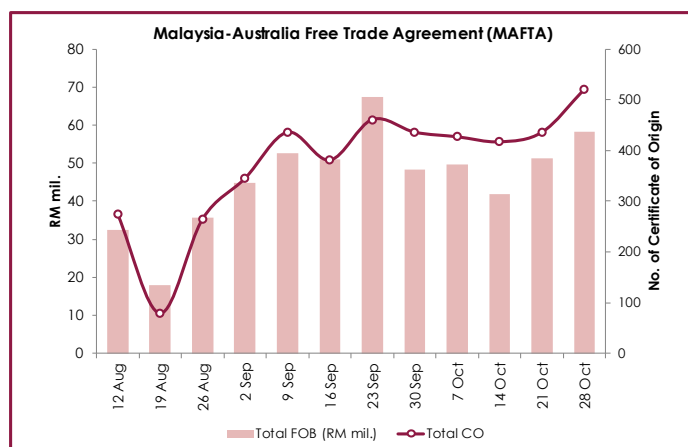
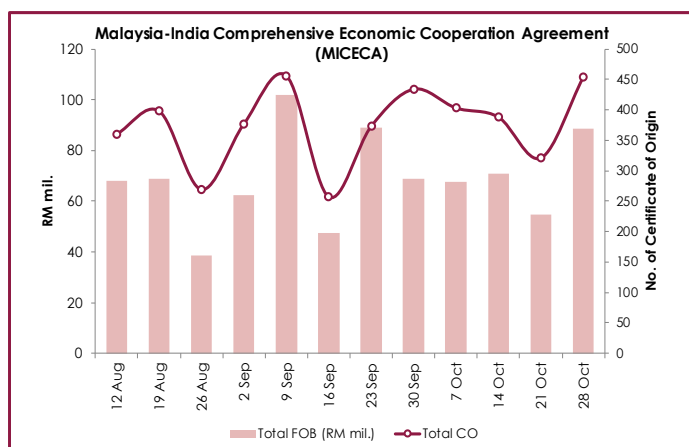
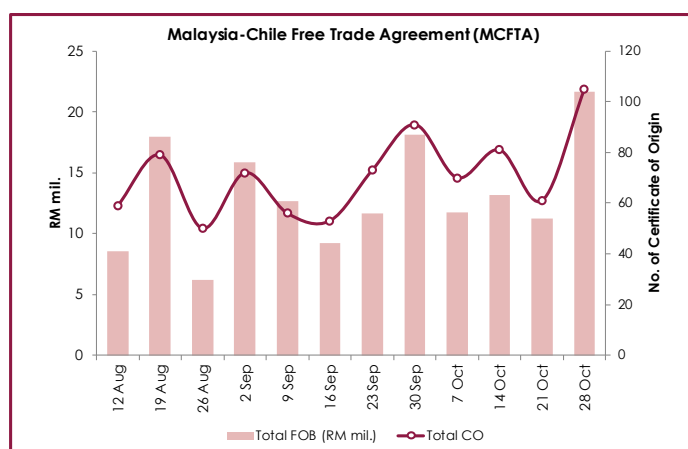
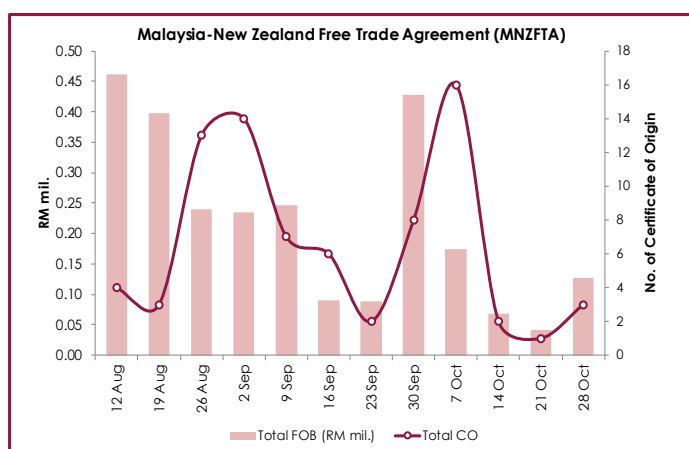
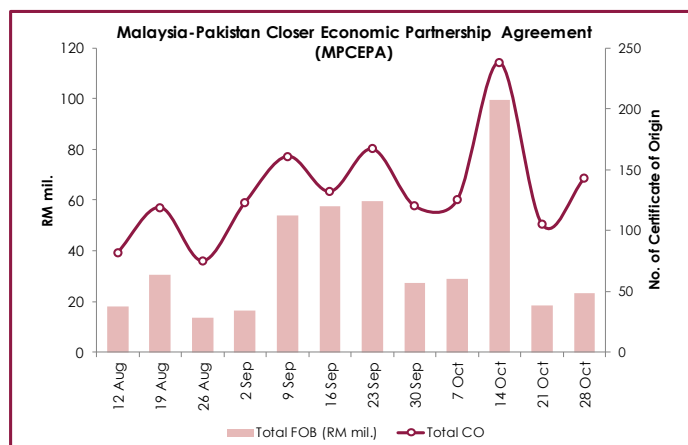
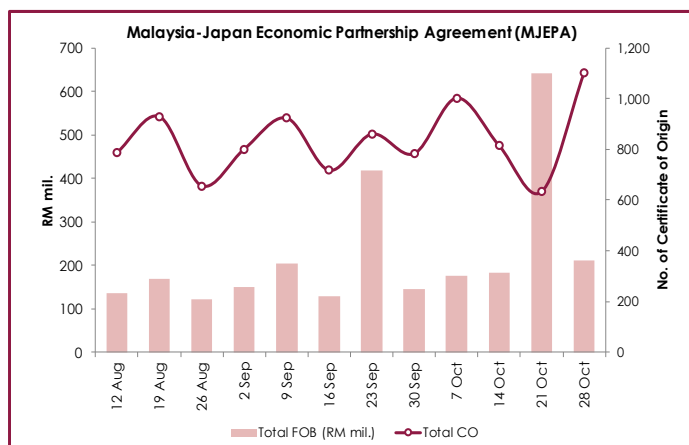


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

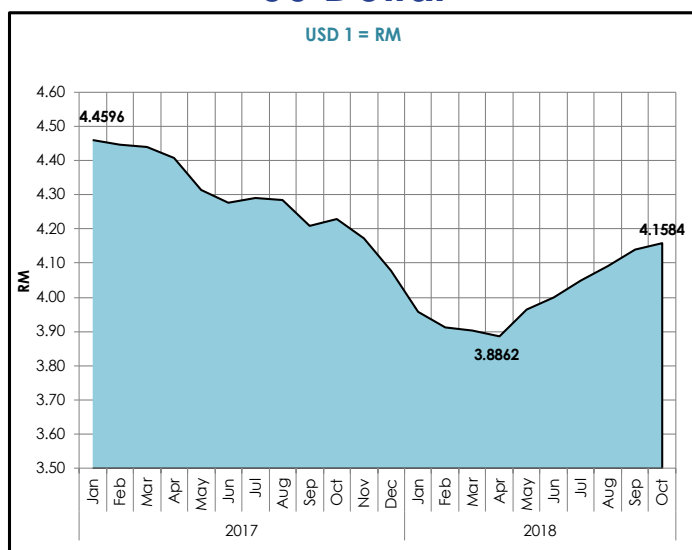
Number and Value of Preferential Certificates of Origin (PCOs)



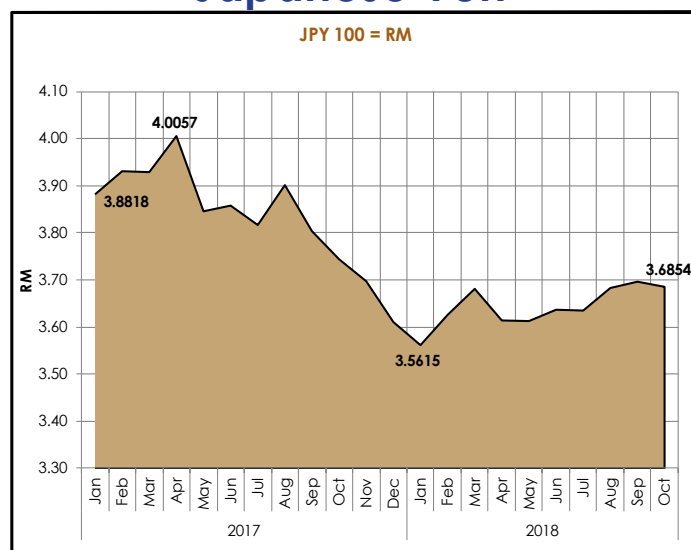
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

Malaysian Ringgit Exchange Rate with Selected Countries, January 2017 - October 2018

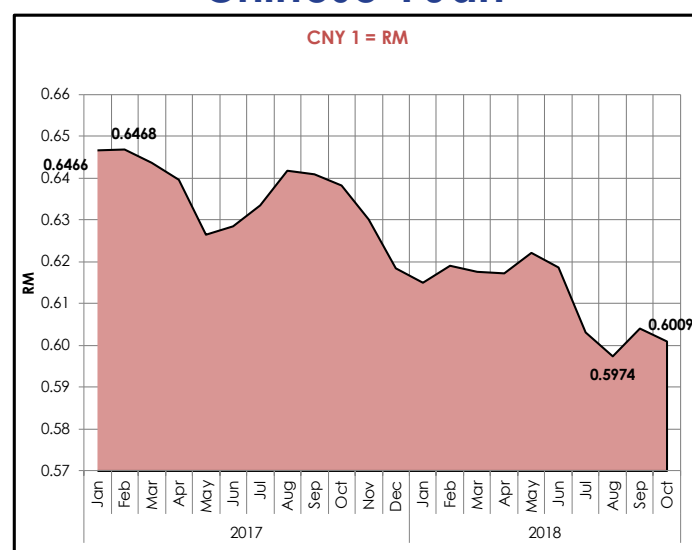
US Dollar



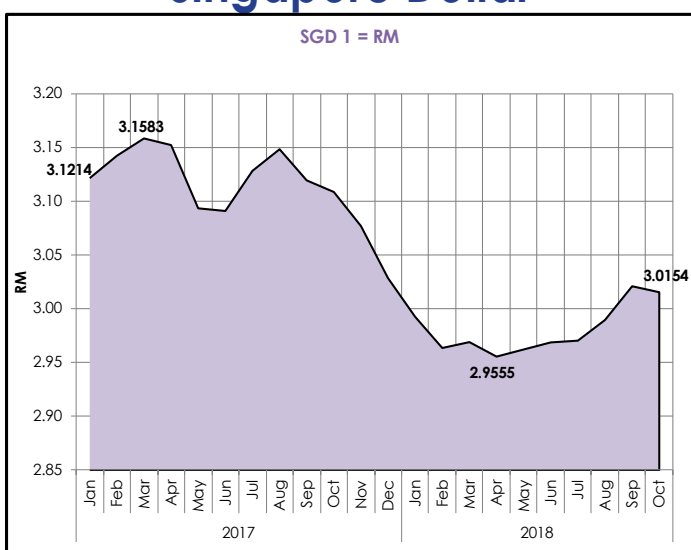
Japanese Yen



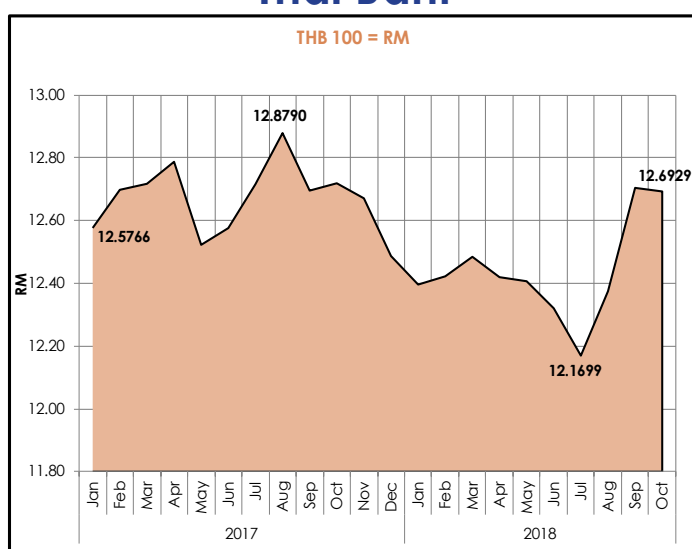
Chinese Yuan



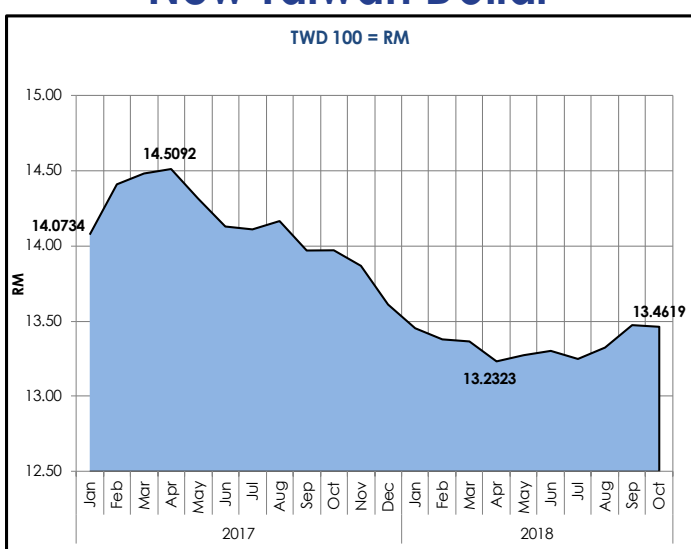
Singapore Dollar



Thai Baht



New Taiwan Dollar



Source : Bank Negara, Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▼ **6.2%***
US\$72.8
2 Nov 2018

Highest
2017/2018
5 Oct 2018 : US\$84.2
29 Dec 2017 : US\$66.9
9 Feb 2018 : US\$62.8
23 June 2017 : US\$45.5
Lowest
2017/2018

Average Price 2017 ⁱ: US\$55.0

CRUDE PALM OIL -per MT-



▼ **3.3%***
US\$519.0
2 Nov 2018

Highest
2017/2018
9 Mar 2018 : US\$691.5
20 Jan 2017 : US\$843.0
2 Nov 2018 : US\$519.0
30 June 2017 : US\$650.0
Lowest
2017/2018

Average Price 2017 ⁱ: US\$719.7

RUBBER SMR 20 -per MT-



▼ **4.1%***
US\$1,261.0
2 Nov 2018

Average Price 2017 ⁱ: US\$1,646.6

COCOA SMC 2 -per MT-



▲ **2.6%***
US\$1,546.8
2 Nov 2018

Average Price 2017 ⁱ: US\$1,439.0

SUGAR -per lbs-



▼ **2.9%***
US¢13.4
2 Nov 2018

Average Price 2017 ⁱ: US¢15.8

COAL -per MT-



▲ **0.6%***
US\$78.1
2 Nov 2018

Average Price 2017 ⁱ: US\$57.2

SCRAP IRON HMS -per MT-



⊖ **%***
US\$380.0
(high)
▼ **2.8%***
US\$350.0
(low)
2 Nov 2018

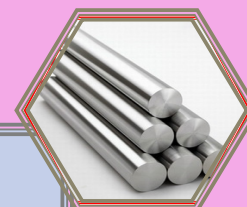
Average Price 2017 ⁱ: US\$314.5

Domestic Prices

2 Nov 2018



Billets
(per MT)
RM2,150– RM2,250



Steel Bars
(per MT)
RM2,300– RM2,450

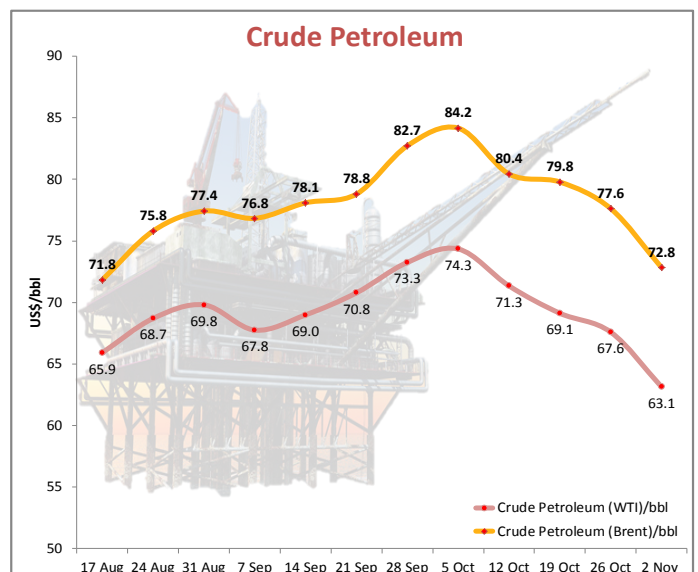
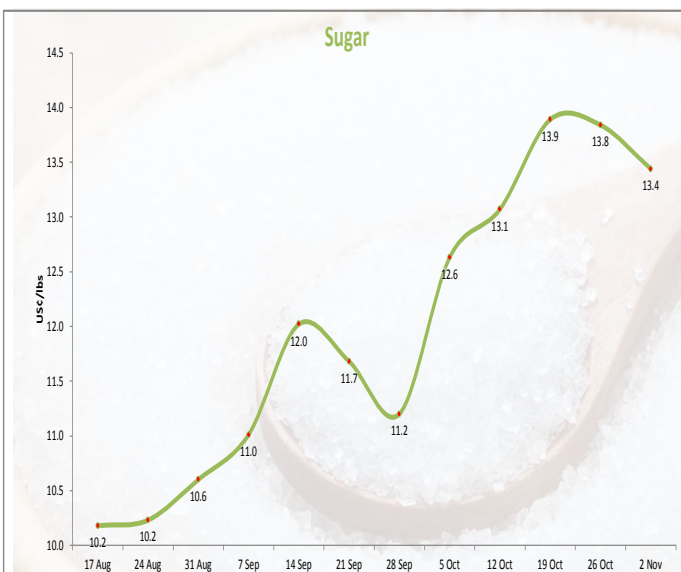
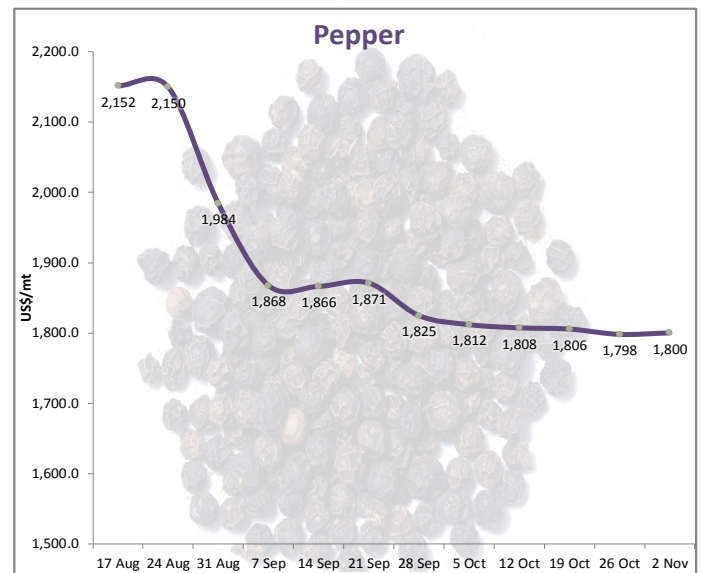
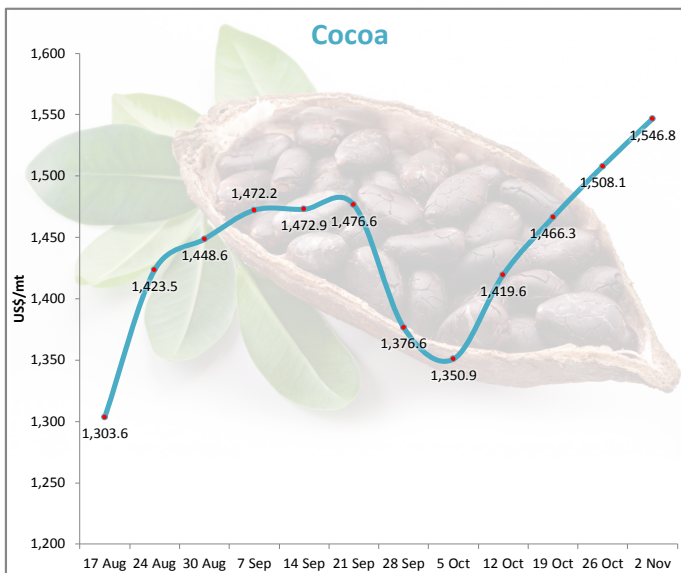
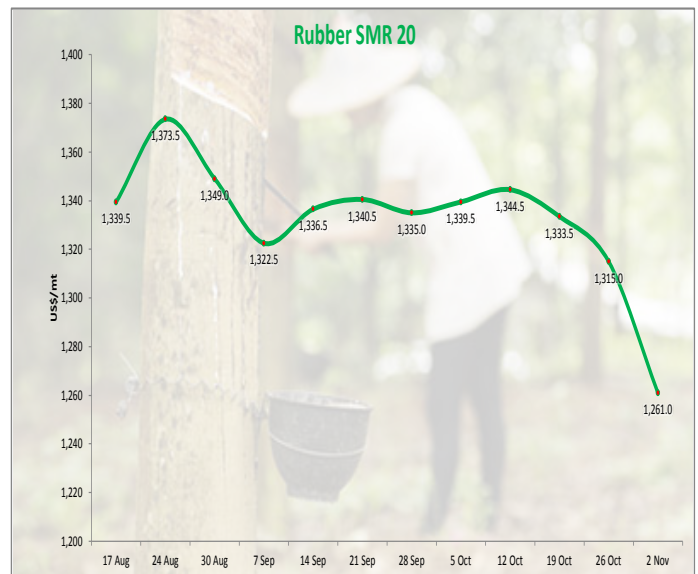
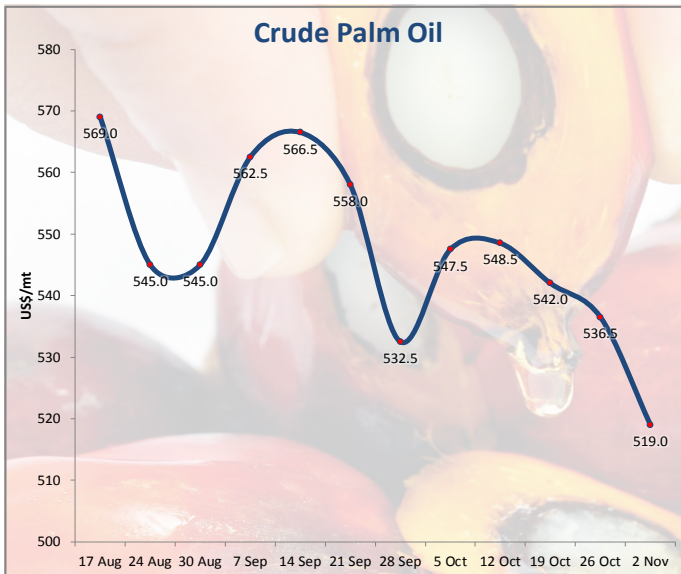
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

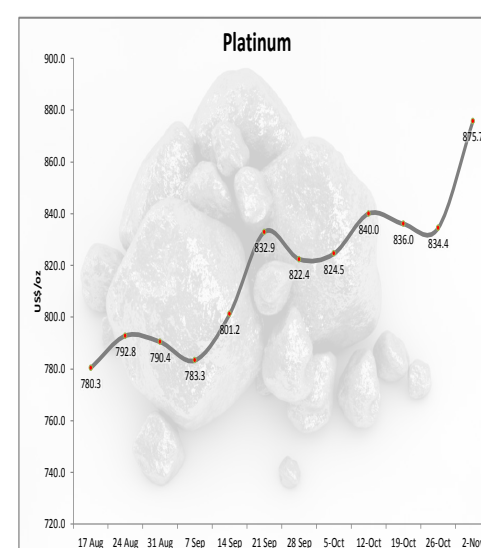
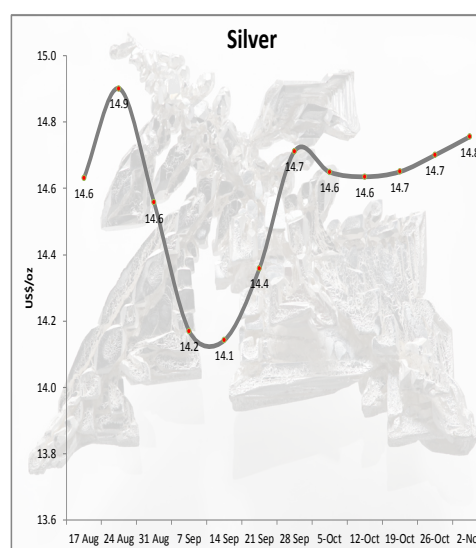
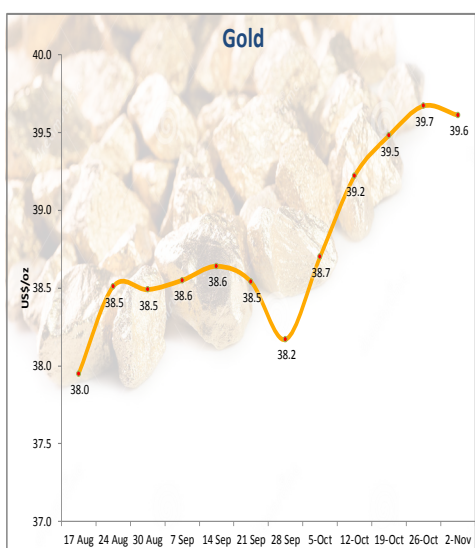
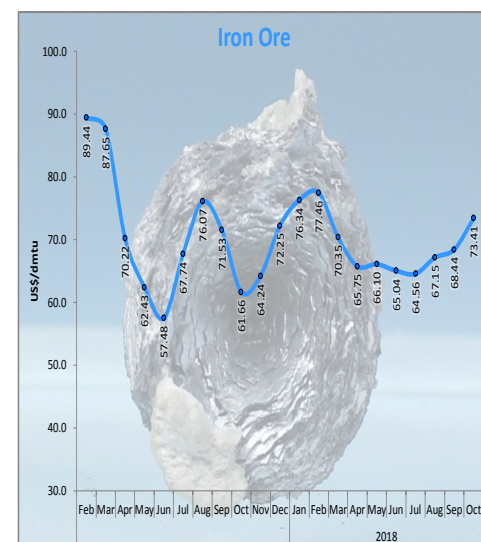
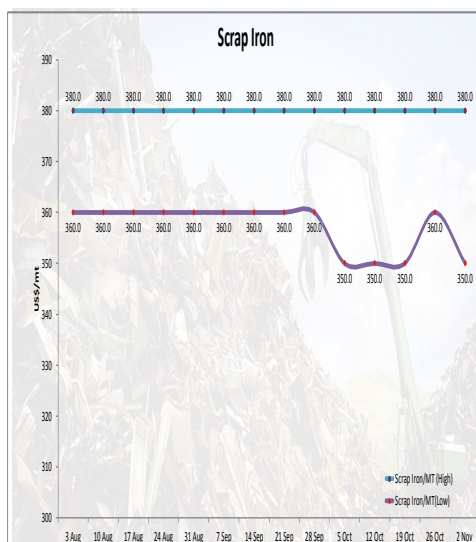
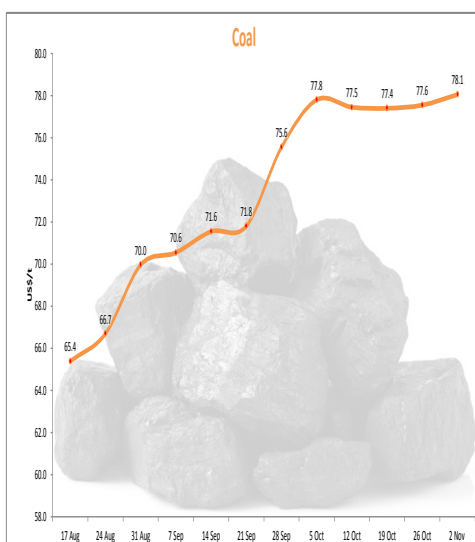
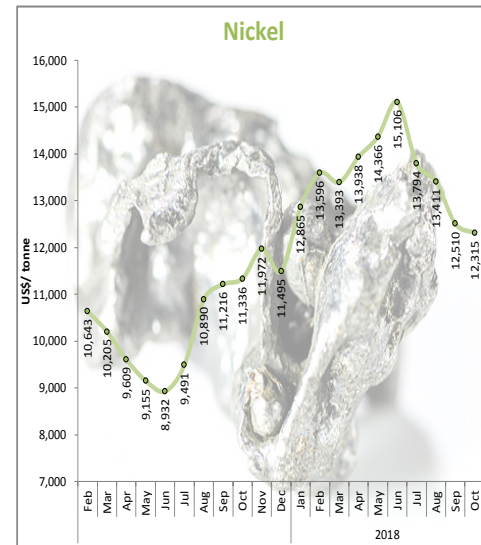
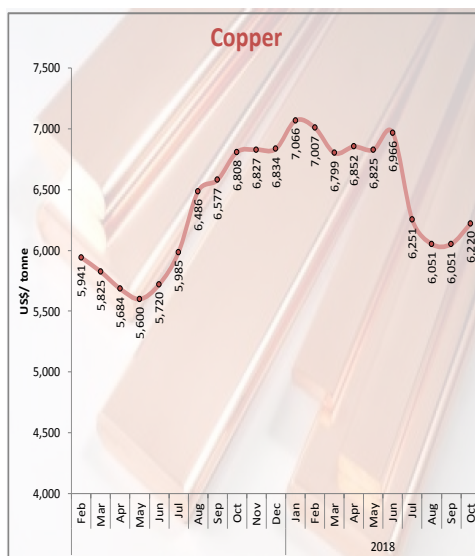
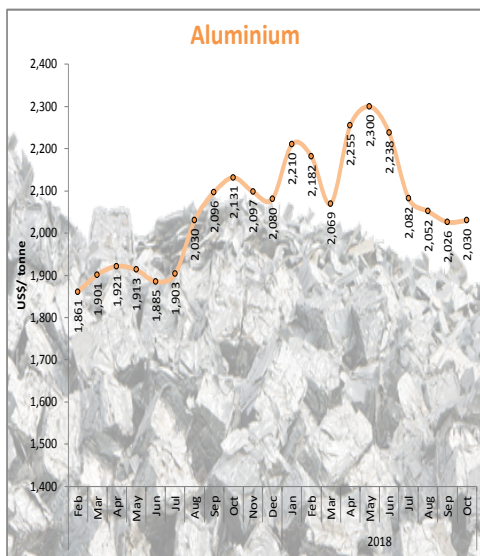
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

Commodity Price Trends



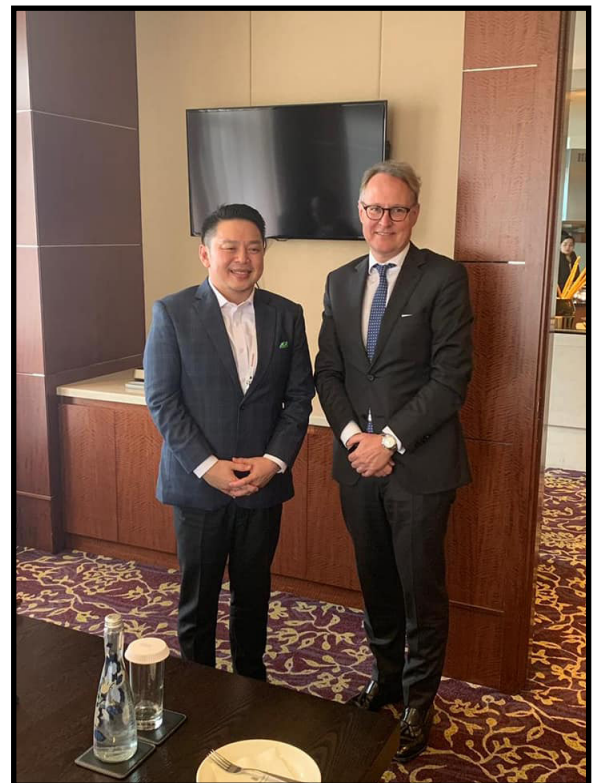
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

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.

The 16th Asia-Pacific Conference of German Business Ritz-Carlton Hotel Pacific Place, Jakarta, Indonesia 1-3 November 2018



MITI PROGRAMMES

The National Policy on Industry 4.0 Launching Ceremony 31 October 2018



ANNOUNCEMENTS

MITI POCKET TALK

A SERIES OF SESSION FOR THE PRIVATE SECTOR

Information on the benefits of **Free Trade Agreements (FTAs)** and current updates

Introduction on **Preferential Certificates of Origin (PCO)** application procedures



Enjoy **LOWER Tariffs** on Imports

Gain **COMPETITIVE EDGE** by utilising the FTAs



When?

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Where?

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or
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allaki@miti.gov.my

Tentative Schedule for MITI Pocket Talks 2018

No	Date	Venue	Topic
1	14-Nov	MITI Sabah	Introduction to FTA & Preferential Certificate of Origin (PCO)
2	5-Dec	MITI HQ	Introduction to FTA & Preferential Certificate of Origin (PCO)
3	12-Dec	MITI Sarawak	Introduction to FTA & Preferential Certificate of Origin (PCO)

Please click [here](#) to register



For more information, kindly click the following links:

http://www.miti.gov.my/index.php/pages/view/4761Vintage_English.pdf

NEW GUIDELINE ON APPLICATION FOR CLASSIC AND VINTAGE VEHICLES IMPORT LICENSE (AP)

Please be informed effective 1 July 2018 (Sunday), a new guideline on application for classic and vintage vehicles Import License (AP) will be enforced. All application received by MITI on 1 July 2018 onward will be subjected to the terms and conditions under this new guideline.

For more information, kindly click the following links:

http://www.miti.gov.my/miti/resources/Approve%20Permit/AP%20Announcement/Lampiran_GP_Classic_and_Vintage_English.pdf

Issuance of APEC Business Travel Card is temporarily suspended

Immigration Department of Malaysia has issued a notice that due to unavoidable circumstances, the issuance of APEC Business Travel Card is temporarily suspended and ABTC card will not be printed for approved applicants until further notice.

Kindly refer:

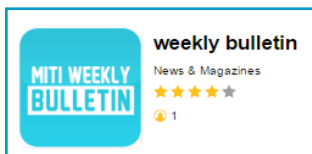
<http://www.imi.gov.my/index.php/en/resources-and-archives/announcement/1784-notice-of-apec-card-production-suspended-time.html>

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Name : Carmencita Araos
Designation : Clerk
MITI Geneva
Contact No : (+41) 79-5033183
Email : carmen.araos

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MITI MWB APPs is now available for IOS, Android and Windows platforms. MWB APPs can be download from **Gallery of Malaysian Government Mobile APPs (GAMMA)** at the link: <http://gamma.malaysia.gov.my/#/appDetails/85>

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