MITI Minister received an official visit from the Vice President of Argentina, 6 May 2019

International Trade and Industry Minister Datuk Darell Leiking received an official visit from the Vice President of Argentina, Her Excellency Marta Gabriela Michetti at his office, as part of Vice President Michetti five-day visit to Malaysia.

During the private meeting, Minister Darell and Vice President Michetti agreed that there are growth opportunities in the bilateral trade and investment relations between both countries. The private meeting was followed by the Malaysia-Argentina Roundtable Meeting which was attended by Malaysian and Argentinian companies, chambers of commerce and investment funds.

The roundtable meeting exchanged views on opportunities to further enhance the trade and investment ties as well as discussed concerns on doing business in both countries.

Minister Darell acknowledged the enormous prospects of Argentina and the MERCOSUR economic bloc to further deepen Malaysia’s trade and investment ties within the Latin America region. He emphasised the need for the governments and businesses in both nations to work hand in hand to explore mutually beneficial opportunities, address the existing challenges and improve the processes.

“Being the fifth largest economy in the world, Malaysia definitely is interested to establish partnership with Mercosur. MITI is exploring the feasibility of a Free Trade Agreement with Mercosur,” he added.

In 2018, Argentina remained as Malaysia’s third largest trading partner among the Latin American countries, after Brazil and Mexico, with total trade of RM5.39 billion (USD1.3 billion). Meanwhile, Malaysia was Argentina’s fourth largest trading partner among ASEAN countries. Palm oil and palm oil-based agriculture products are among the major exports to Argentina after rubber products; electrical and electronic; and petroleum products.

Argentine companies have invested in Malaysia’s manufacturing and services sectors; while Malaysian companies have successfully ventured in Argentina in diverse sectors from tourism, oil and gas, investment holdings and manufacturing.

<table>
<thead>
<tr>
<th>Malaysia-Argentina Trade and Investment Relation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade Performance 2018</strong></td>
</tr>
<tr>
<td><strong>Malaysia was Argentina’s:</strong></td>
</tr>
<tr>
<td>• 26th trading partner</td>
</tr>
<tr>
<td>• 20th export destination</td>
</tr>
<tr>
<td>• 33rd import source</td>
</tr>
<tr>
<td><strong>Argentina was Malaysia’s:</strong></td>
</tr>
<tr>
<td>• 34th trading partner</td>
</tr>
<tr>
<td>• 65th export destination</td>
</tr>
<tr>
<td>• 23rd import source</td>
</tr>
</tbody>
</table>

| Major exports to Argentina:                   |
| • Rubber Products (19.4%);                    |
| • Electrical & electronic products (17.6%);   |
| • Petroleum Products (17.5%);                 |
| • Palm oil & palm oil based products (8.4%);  |
| • Machinery, Equipment & Parts (5.8%).        |

| Major imports from Argentina:                 |
| • Animal Feed and Leather & Articles of leather (48.2%); |
| • Other Agriculture - Cereals (42.9%);         |
| • Other Vegetable Oil (4.5%);                 |
| • Processed Food (2.5%);                      |
| • Seafood, fresh, chilled or frozen (0.4%).    |

<table>
<thead>
<tr>
<th>Investment Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment in Argentina...</strong></td>
</tr>
<tr>
<td>• Sri Inderajaya Holdings (hotel and tourism)</td>
</tr>
<tr>
<td>• PETRONAS (oil and gas)</td>
</tr>
<tr>
<td>• IJM Corporation Berhad (investment holding)</td>
</tr>
<tr>
<td>• Pelikan International Corporation Berhad</td>
</tr>
<tr>
<td>(distributor of writing and art instruments)</td>
</tr>
</tbody>
</table>

| **Investment in Malaysia...**                 |
| • Imartek Sdn. Bhd                           |
| • Workana                                     |

Ministry of International Trade and Industry, 6 May 2019
Malaysia Economy 2018

Malaysia economy recorded a **better performance** with a growth of **4.7%** incorporated with a new base year 2015.

**MACRO ECONOMIC KEY DATA**

- **Gross National Income (GNI)**: RM1,395.3 billion
- **GNI per capita at Current Prices**: RM43,086
- **Gross National Savings**: RM372.3 billion
- **Labour Force Participation Rate**: 68.3%
- **Unemployment Rate**: 3.3%
- **Population**: 32,385 thousand

**PRODUCTION**

- **Services**
  - Wholesale and retail trade
  - Information and communication
  - Finance & insurance
  - **6.8%** (56.7%)

- **Manufacturing**
  - Electrical, electronic & optical products
  - Petroleum, chemical, rubber and plastics products
  - **5.0%** (22.4%)

- **Agriculture**
  - Oil palm
  - Rubber
  - Livestock
  - **0.1%** (7.3%)

- **Mining & Quarrying**
  - Crude oil and condensate
  - Other mining & quarrying and supporting services
  - **2.6%** (7.4%)

- **Construction**
  - Civil engineering
  - Specialised construction activities
  - **4.2%** (4.3%)

**(%) Share of industry to GDP**

**EXPENDITURE**

- **Private Final Consumption Expenditure**
  - expanded to **8.0%**
  - Food & non-alcoholic beverages: **7.5%**
  - Restaurants & hotels: **8.9%**
  - Communication: **10.3%**

- **Government Final Consumption Expenditure**
  - elevated to **3.3%**
  - **2.6%** Education
  - Health: **3.7%**

- **Gross Fixed Capital Formation**
  - rose to **1.4%**
  - Structure: **1.9%**
  - Machinery & equipment: **0.7%**
  - Other assets: **0.2%**

**EXTERNAL SECTOR**

- **Exports**
  - Goods & services: **2.2%**
  - **1.3%**

**Source**: Department of Statistics, Malaysia
Malaysia Economy 2018

GDP at Current 2015 Prices
RM 1,446.9 billion

Gross National Income (GNI)
RM 1,395.3 billion

GNI per capita at Current Prices
RM 43,086

Source: Department of Statistics, Malaysia
Trade Performance, First Quarter 2019

Total trade declined by 1.5% in the first quarter of 2019 while exports decreased by 0.7% and imports contracted by 2.5%.

<table>
<thead>
<tr>
<th>Exports: RM236.0 billion</th>
<th>Total Trade: RM435.2 billion</th>
<th>Imports: RM199.1 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>81.7% share RM192.9 billion Domestic Exports</td>
<td>18.3% share RM43.1 billion Re-exports</td>
<td></td>
</tr>
</tbody>
</table>

51.1% of exports was contributed by:

<table>
<thead>
<tr>
<th>Electrical &amp; Electronic Products</th>
<th>Petroleum Products</th>
<th>Chemicals &amp; Chemical Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM91.3 billion (38.7%)</td>
<td>RM15.2 billion (6.4%)</td>
<td>RM14.1 billion (6.0%)</td>
</tr>
<tr>
<td>75.9% Domestic Exports (RM69.3 billion)</td>
<td>39.4% Domestic Exports (RM4.0 billion)</td>
<td>87.8% Domestic Exports (RM12.4 billion)</td>
</tr>
<tr>
<td>24.1% Re-exports (RM22.0 billion)</td>
<td>60.6% Re-Exports (RM9.2 billion)</td>
<td>12.2% Re-exports (RM1.7 billion)</td>
</tr>
</tbody>
</table>

Major destinations:

<table>
<thead>
<tr>
<th>Electrical &amp; Electronic Products</th>
<th>Petroleum Products</th>
<th>Chemicals &amp; Chemical Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.5% → Singapore</td>
<td>24.2% → Singapore</td>
<td>30.3% → P.R. China</td>
</tr>
<tr>
<td>14.1% → Hong Kong</td>
<td>15.4% → P.R. China</td>
<td>10.3% → Indonesia</td>
</tr>
<tr>
<td>13.4% → P.R. China</td>
<td>9.1% → Australia</td>
<td>8.5% → Thailand</td>
</tr>
</tbody>
</table>

Source: Department of Statistics, Malaysia
Geographical Region Trade Performance, First Quarter 2019

*Value in RM million

Source: Department of Statistics, Malaysia
Thailand Economic Indicators 2017

**Population**
- 69.0 million

**Growth rate**
- 0.3% annual
- 3.9% annual

**Employment**
- 44.6% Employment in Services
- 22.6% Employment in Industry
- 32.8% Employment in Agriculture

**FDI Flow**
- US$7.6 billion
- US$19.3 billion

**FDI Stock**
- US$219.4 billion
- US$107.3 billion

**GDP at constant prices**
- US$422.9 billion

**Merchandise Exports**
- US$236.6 billion

**Merchandise Imports**
- US$221.5 billion

**Exports**
- US$75.4 billion

**Imports**
- US$45.6 billion

**Commerical Services Exports**
- US$421.5 billion

**Commerical Services Imports**
- US$45.6 billion

**Sources**
- www.statistics.apec.org
- Department of Statistics, Malaysia

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Malaysia's Trade with Thailand 2008 - 2018

**Exports**
- 2008: RM 31.6
- 2018: RM 48.6

**Imports**
- 2008: RM 29.2
- 2018: RM 56.8

**Total Trade**
- 2008: RM 60.8
- 2018: RM 105.4
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.

*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

Malaysia-Japan Economic Partnership Agreement (MJEPA)

Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)

Malaysia-New Zealand Free Trade Agreement (MNZFTA)

Malaysia-Chile free Trade Agreement (MCFTA)

Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA)

Malaysia-Australia Free Trade Agreement (MAFTA)

Malaysia-Turkey Free Trade Agreement (MITFA)

Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia
Malaysian Ringgit Exchange Rate with Selected Countries, January 2018 - March 2019

**US Dollar**

![Graph showing the exchange rate of USD to RM from January 2018 to April 2019.]

**Japanese Yen**

![Graph showing the exchange rate of JPY 100 to RM from January 2018 to April 2019.]

**Chinese Yuan**

![Graph showing the exchange rate of CNY 1 to RM from January 2018 to April 2019.]

**Singapore Dollar**

![Graph showing the exchange rate of SGD 1 to RM from January 2018 to April 2019.]

**Thai Baht**

![Graph showing the exchange rate of THB 100 to RM from January 2018 to April 2019.]

**New Taiwan Dollar**

![Graph showing the exchange rate of TWD 100 to RM from January 2018 to April 2019.]

Source: Bank Negara Malaysia
Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-

Highest 2018/2019
- 26 Apr 2019: US$72.2
- 5 Oct 2018: US$84.2

Lowest 2018/2019
- 4 Jan 2019: US$57.1
- 28 Dec 2018: US$52.2

Average Price 2018 i: US$71.5

CRUDE PALM OIL -per MT-

Highest 2018/2019
- 22 Feb 2019: US$567.0
- 9 Mar 2018: US$691.5

Lowest 2018/2019
- 4 Jan 2019: US$503.8
- 23 Nov 2018: US$448.5

Average Price 2018 i: US$600.1

RUBBER SMR 20 -per MT-

- 03 May 2019: US$1,503.5

Average Price 2018 i: US$1,371.0

COCOA SMC 2 -per MT-

- 03 May 2019: US$1,732.5

Average Price 2018 i: US$1,535.6

SUGAR -per lbs-

- 03 May 2019: US$12.0

Average Price 2018 i: US$12.3

COAL -per MT-

- 03 May 2019: US$63.0

Average Price 2018 i: US$66.9

SCRAP IRON HMS -per MT-

- 03 May 2019: US$350.0 (high)
- 03 May 2019: US$330.0 (low)

Average Price 2018 i: US$380.7 (high)
Average Price 2018 i: US$359.6 (low)

Domestic Prices

03 May 2019

Billets (per MT)
RM2,000 - RM2,100

Steel Bars (per MT)
RM2,150 - RM2,300

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

Commodity Prices Trends

MITI Deputy Minister launched the Malaysia-Japan Collaboration on Smart Manufacturing & Inaugural Seminar
2 May 2019
MITI Minister co-chaired the Malaysia-Argentina Roundtable Meeting, 6 May 2019
All you need to know about Industry4WRD RA

Who is eligible?
- Manufacturing and its related services sector
- Incorporated under the Companies Act (1965/2016)/ Registration of Business Act (1956)
- Hold a valid license
- In operation for more than 3 years

What is it?
Trained assessors will help you to understand your readiness for Industry 4.0 and make recommendations on where to start your transformation.

What are the benefits?
- To identify areas of improvement in terms of people, process and technology.
- Receive comprehensive readiness report.
- Be entitled to apply for financial incentives.

Incentives for RA
- 500 SMEs will be selected for free assessment.
- Others will get tax exemption on RA fees up to RM27k.

Process Flow
- A few simple steps
1. Apply now!
   - Apply online at www.miti.gov.my/Industry4WRD
2. Evaluation by Committees
3. Onsite Assessment
4. Receive RA Report
5. Develop Intervention Proposal
6. Apply for Financial Incentives
7. Implement the Intervention Plan

Enquiries
- General: i4.0@miti.gov.my
- RA: industry4wrд@m pc.gov.my

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MITI Tower, No. 7, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, Malaysia Tel: +603 - 8000 8000 Fax: +603 - 6202 9446
INDUSTRY4WRD RELATED INCENTIVES

Having the extra capital allows SMEs to flourish and prosper. Find the suitable fund for your company.

01 | LOANS

Soft Loan Scheme for Automation and Modernisation (SLSAM)
- targets manufacturing sectors
- 4.0% interest rate per annum for SMEs
- www.midi.gov.my

Industry Digitalisation Transformation Fund (IDTF)
- targeted sectors: AI, Robotics, Automation etc.
- provides a 2% interest rate subsidy
- www.bpnmb.com.my

Domestic Investment Strategic Fund (DISF)
- 50:50 matching grant to companies adopting Industry 4.0 enabling technologies
- targets manufacturing and services sectors
- www.mida.gov.my

02 | GRANTS

Industry4WRD DIFG*
1. Intervention Fund
- 70:30 matching grant up to RM500,000.

2. Industry4WRD DISF*
- 60:40 matching grant

*participation in Industry4WRD RA is a prerequisite to apply

Digital Transformation Acceleration Program (DTAP) Pilot Grant
- 1:1 matching grant
- targets large corporate and mid-tier companies in Malaysia
- assists companies to tap on the expertise of Digital Transformation Labs (DTL)
- www.mdec.my

Automation Capital Allowance (Automation CA)
For Labour Intensive Industries:
- Automation CA of 200% on the first RM4 million expenditure incurred within 5 years

For other industries:
- Automation CA of 200% on the first RM2 million expenditure incurred within 5 years
- www.mida.gov.my
Financial Intermediation
Financial intermediation is a productive activity in which an institutional unit incurs liabilities on its own account for the purpose of acquiring financial assets by engaging in financial transactions on the market.
Source: National Accounts
Source Detail: Gross Domestics Product (GDP), DOSM

Financial intermediation services indirectly measured (FISIM)
Financial intermediation services indirectly measured (FISIM) is an indirect measure of the value of financial intermediation services provided but for which financial institutions do not charge explicitly.
Source: National Accounts
Source Detail: Gross Domestics Product (GDP), DOSM

Financial Lease
A financial lease is a contract between lessor and lessee whereby the lessor purchases a good that is put at the disposal of the lessee and the lessee pays rentals that enable the lessor, over the period of the contract to cover all or virtually all costs, including interest.
Source: National Accounts
Source Detail: Gross Domestics Product (GDP), DOSM

Finished Goods - Inventories
Inventories of finished goods consist of goods that are ready for sale or shipment by the producer but which are still held by the producer.
Source: National Accounts
Source Detail: Gross Domestics Product (GDP), DOSM

Fixed Assets - Existing
An existing fixed asset is one which has already been acquired by at least one resident user, or produced on own account, and whose value has, therefore, already been included in the gross fixed capital formation of at least one user at some earlier point in time in the current or some previous accounting period.
Source: National Accounts
Source Detail: Gross Domestics Product (GDP), DOSM

Flood
A body of water, rising, swelling and overflowing land not usually thus covered. Also, overflowing of the bank of a stream, lake or drainage system of water onto adjacent land as a result of storm tidal action and channel obstruction.
Source: Environment
Source Detail: Compendium of Environment Statistics, DOSM
NEXT AWARD CYCLE

ANUGERAH KECEMERLANGAN INDUSTRI (AKI) 2019/2020

NOMINATIONS OPENING SOON

For more information, kindly click the following links:

RMK-11 HIGH VALUE ADDED AND COMPLEX PRODUCT DEVELOPMENT PROGRAMME

CALLING INTERESTED APPLICANTS TO APPLY FOR GRANT UNDER RMK-11 HIGH VALUE ADDED COMPLEX PRODUCT DEVELOPMENT PROGRAMME (PDF) AND MARKET DEVELOPMENT PROGRAMME (MDP)

For more information, kindly click the following links:

ANNOUNCEMENTS

For more information, kindly click the following links:

Industry4WRD

NATIONAL POLICY ON INDUSTRY 4.0

For more information, kindly click the following links:

ANNOUNCEMENTS

Blow the whistle, help fight fraud, bribe and corruption

Whistleblower Protection Act 2010 (Act 711)

Contact Mr. Huzaimi Hashem (MITI Investigation Officer) huzaimi@sprm.gov.my / 03-6200 0019

MITI & AGENCIES

ADOPT AND IMPLEMENT NO GIFT POLICY

Thank you for helping us in ensuring the success of this policy.
Tentative Schedule for MITI Pocket Talks 2019

<table>
<thead>
<tr>
<th>NO</th>
<th>DATE</th>
<th>VENUE</th>
<th>TOPIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>16 May</td>
<td>MITI JOHOR</td>
<td>Introduction to FTA &amp; Preferential Certificate of Origin (PCO)</td>
</tr>
<tr>
<td>2</td>
<td>20 June</td>
<td>MITI HQ</td>
<td>(SEMINAR 1)</td>
</tr>
<tr>
<td>3</td>
<td>18 July</td>
<td>MITI PAHANG</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>22 August</td>
<td>MITI HQ</td>
<td>(SEMINAR 1)</td>
</tr>
<tr>
<td>5</td>
<td>19 September</td>
<td>MITI PERAK</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>17 October</td>
<td>MITI HQ</td>
<td>(SEMINAR 1)</td>
</tr>
<tr>
<td>7</td>
<td>14 November</td>
<td>MITI KELANTAN</td>
<td></td>
</tr>
</tbody>
</table>

For more information, kindly visit:
https://www.dosm.gov.my/v1/index.php?r=column/cone&menu_id=N0FVaDR4Y1hGMk1NNi9jS2ZQRFFLZz09#

Wholesale & Retail Trade Census 2019
“Data Drives Business”
March - September 2019

For more information, kindly visit:
https://www.isi2019.org/
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