

#### A Promising Front for Trade and Investment Ties with Africa

As part of MITI's continuous effort to enhance Malaysia's trade and investment performance with global economies, International Trade and Industry Minister YB Datuk Darell Leiking hosted a roundtable dialogue with the African Heads of Mission to Malaysia on 3 June 2019 at MITI Tower in Kuala Lumpur.

Led by the Dean of the African Ambassadors H.E. Cuthbert Zhakata who is also the Ambassador of Zimbabwe, the African delegation comprised of 21 officials including 14 Ambassadors and High Commissioners of Algeria, Egypt, The Gambia, Ghana, Kenya, Lesotho, Namibia, Senegal, Somalia, South Africa, Sudan, Uganda, Zambia and Zimbabwe as well as embassy senior officials from Guinea, Morocco, Nigeria and Tanzania.

Also present were MITI Deputy Minister YB Dr Ong Kian Ming as well as heads of agency and senior officials of MITI, Malaysia External Trade Development Corporation (MATRADE), Malaysian Investment Development Authority (MIDA), Malaysia Automotive, Robotics and IoT Institute (MARii), InvestKL and EXIM Bank.



Both sides acknowledged the diverse opportunities in African region to be tapped by Malaysia and vice versa. Both sides also agreed that focused and strategic trade and investment promotion activities are vital to ensure substantial outcomes through tripartite collaborations among the embassies, private sector and government. Among the potential areas are automotive component and parts, building materials, infrastructure concessions including highways, ports, public housing and government buildings, ICT, agriculture and halal industry.

Minister Leiking commented, "We need to re-engage with Africa as it is an emerging market and it promises a huge prospect for Malaysian investors." He also expressed hope for the rejuvenation of the South-South Cooperation particularly in the areas of trade and investment. He also welcomed the mooted Africa-Malaysia Business Forum in 2019 which is to be led by the African side.

In 2018, total trade with Africa amounted to RM31.38 billion, with exports to Africa at RM18.97 billion while imports were recorded at RM12.41 billion. Malaysia's top exports to Africa were palm oil & palm-based agriculture products, processed food, petroleum products, machinery, equipment & parts and electrical & electronics. On the other hand, Malaysia's top imports from Africa were crude petroleum, metalliferous ores and metal scrap, natural rubber and iron & steel products.

Note: The 21 countries which have established diplomatic missions in Malaysia are – Algeria, Egypt, Eswatini, The Gambia, Ghana, Guinea, Kenya, Lesotho, Libya, Mauritius, Morocco, Namibia, Nigeria, Senegal, Somalia, South Africa, Sudan, Tanzania, Uganda, Zambia and Zimbabwe.

Ministry of International Trade and Industry, 3 June 2019

#### Malaysian aerospace companies are set to showcase their capabilities to potential global buyers at Paris Air Show 2019

Ministry of International Trade & Industry (MITI) through Malaysia External Trade Development Corporation (MATRADE) is pushing to expand the footprint of Malaysian companies in the aerospace industry by spearheading their participation in the world's largest aerospace trade event - 53rd International Paris Air Show (IPAS) 2019. The event takes place in Le Bourget, France from 17-23 June 2019.

Malaysia's participation in IPAS is led by YB Datuk Darell Leiking, Minister of International Trade & Industry (MITI). The effort aims to explore partnership opportunities for Malaysian companies with international Tier 1 & Tier 2 suppliers as well as the Original Equipment Manufacturers in the aerospace manufacturing and services sector. Among the focus areas within the sectors are manufacturing of precision parts and components, engineering services as well as maintenance, repair and overhaul (MRO) services.



A total of 40 Malaysian delegations from 15 organisations and companies are taking part in IPAS and among them are Composites Technology Research Malaysia (CTRM), UMW Aerospace, Jecmetal Industries, Sapura Aerospace Technologies and Curge Advance. During the mission, the companies will be matched with various aerospace industry players through networking sessions and business meetings. The companies' engagements are being coordinated by MATRADE.

At a ribbon cutting ceremony of Malaysian pavilion, YB Minister Datuk Darell Leiking said the Malaysian companies' presence at IPAS will provide an avenue for them to be introduced to key global aerospace players. YB Datuk Seri Redzuan Yusof, Minister of Entrepreneur Development (MED) was also present at the ceremony.

"Currently, South-East Asia has a dynamic aerospace industry and Malaysia is well positioned to capitalise from this development. Malaysia is now home to more than 230 aerospace companies and the numbers keep growing. This is a catalyst to a vibrant local ecosystem, and a strong world demand for Malaysian products or services means the growth of the Malaysian companies can be accelerated. This ultimately will benefit the Malaysian community through various economic values such as job creations and local supply chain development," Darell said.

Prior to the event, Darell also hosted a networking cocktail reception which was attended by the key players of foreign aerospace companies and Malaysian delegation. In his speech, Darell provided an update on Malaysian aerospace industry and shared that the Malaysian government is actively promoting the development of the industry to the global business community.

In 2018, Malaysia's exports of aerospace parts and components recorded an increase of 20.7 per cent to reach RM8.48 billion. In the same year, imports increased by 26.2 per cent to reach RM15.91 billion. Malaysia's main export destinations were United States of America (USA), United Kingdom, France, China and Singapore. Meanwhile, major import sources in 2018 were France, USA, Netherlands, China and Singapore.

Dato' Wan Latiff Wan Musa, MATRADE Chief Executive Officer added "Malaysia is at the forefront of several markets, particularly in aero composites manufacturing, as well as aircraft components design and manufacturing. There is a need to promote these capabilities to the world and through the leadership of MITI, MATRADE, National Aerospace Industry Coordinating Office (NAICO) and Malaysia Investment Development Authority (MIDA) are joining forces to develop the industry and integrate the local players in the global supply chain".

"MIDA is making the efforts to promote quality investments to Malaysia that can facilitate the introduction of cutting-edge technology to the country and grow the local ecosystem. MATRADE on the other hand will promote this burgeoning local industry to the global partners through various export promotion initiatives," Wan Latiff shared.

Besides IPAS, MATRADE has been coordinating Malaysian aerospace companies participation in key aerospace events in Farnborough, Dubai, Montreal, Seattle and Singapore. Complementing this is MATRADE's own signature event, the Kuala Lumpur International Aerospace Business Convention (KLIABC) that is held every two years.

The biennial IPAS is organised by GIFAS, the French Aerospace Industries Association. During the last edition, more than 140,000 trade visitors and almost 2,400 exhibitors made the Air Show the biggest event of its kind worldwide

Malaysia External Trade Development Corporation (MATRADE), 18 June 2019

## New in-Roads for Malaysia-China Cooperation in Smart Manufacturing, 14 June 2019

Malaysia and People's Republic of China Industry Ministers met this week at the Malaysia-China Manufacturing Roundtable Meeting, held in Kota Kinabalu, Sabah, Malaysia, on the 14 June 2019.

Minister of International Trade and Industry, (MITI) YB. Datuk Darell Leiking and China's Minister of Industry and Information Technology, His Excellency Mr. Miao Wei, co-chaired the business roundtable between major Malaysian and Chinese brands and manufacturers, in the roundtable themed "Win-Win Cooperation for Manufacturing Innovative Development", specially organized to bridge business collaboration in smart manufacturing among businesses from the two countries.

Prior to the Roundtable, the Chinese delegation was given a briefing by the various agencies of the Ministry of Trade and Industry (MTI) Sabah on potential investment opportunities in the state, followed by a visit to Kota Kinabalu Industrial Park (KKIP) and Sabah Energy.

The delegation, together with the MITI Minister also had a courtesy call on the Chief Minister of Sabah, Datuk Seri Panglima Haji Mohd. Shafie Haji Apdal on 13 June 2019. The Manufacturing Roundtable featured presentations by MITI on the National Policy on Industry 4.0 (Industry4WRD), followed by a policy presentation on Smart Manufacturing by the Ministry of Industry and Information Technology of the People's Republic of China.



The Roundtable continued with discussions on collaborations in Smart Manufacturing between companies from Malaysia and China. Major industry players from key sectors relevant to smart manufacturing from both countries such as Huawei Malaysia, Beidou Communication Group, First Solar, Proton, Perodua, Hikvision, Hisense, Jinko and many more attended the session.

"The Roundtable is a good platform to match businesses between Malaysia and China to share ideas, knowledge and expertise on smart manufacturing technology and global practices", said Datuk Darell Leiking. Darell further explained that the event is another important milestone for trade relations between the two countries, particularly in new technology areas within the automotive, electronics, telecommunications and mobility sectors that are in line with Industry 4.0.

"I believe that the new business relationships forged here today will create new in-roads and opportunities for Malaysians to participate in the global value chain. It is also significant that an engagement of this magnitude is held in Sabah, and I hope the Roundtable will allow more opportunities to reach this part of the region in the near future", he added.

China has been Malaysia's largest trading partner for ten consecutive years, with total trade of RM313.8 billion recorded in 2018. Malaysia's exports to China expanded 10.3 percent last year to RM138.88 billion, with increasing exports in chemical, E&E, LNG, transport and processed food products. In 2018, in terms of FDI, the PRC accounted for the highest approved amount of investments valued at RM19.7 billion for 40 projects.

The Roundtable also saw the signing of several Memorandums of Understanding (MoUs), between government agencies and technology companies from both countries.

The Malaysia Automotive, Robotics and IoT Institute (MARii) and the Center for International Economic and Technological Cooperation (CIETC) signed an MoU to collaborate on latest industry policies, technological breakthroughs and deepening business cooperation in the fields of automotive, industrial robotics and the Internet-of-Things (IOT) and also to carry out joint research and project implementation through the establishment of the "China-Malaysia Automotive Cooperation Innovation Center", to enhance international competitiveness of related fields for both countries.

SIRIM and Huawei Technologies (Malaysia) formalised a partnership to strengthen cooperation in areas related to Industry 4.0 and Smart Manufacturing that will allow both parties to collaborate in technical expertise and support on information and communication technologies (ICT) solutions; joint partnership in planning and developing enterprise or Small Medium Enterprises (SMEs) connectivity for infrastructure; advisory and cooperation on talent development; and best practises and deployment guideline for standards.

Three other collaborations were signed during the event, between;

- MoU signing between K.T.I Sdn Bhd and Sany Construction Industry Development (M) Sdn Bhd
- MoA between PP Telecommunication Sdn Bhd and China Wuhan FiberHome Telecommunication Technologies Co., Ltd
- MoU NHY Borneo and SANY (China)

Ministry of International Trade and Industry, 14 June 2019

#### The 53<sup>rd</sup> International Paris Air Show at France 17-19 June 2019

YB Datuk Darell Leiking, Minister of International Trade and Industry will lead the Malaysian delegation to the 53<sup>rd</sup> International Paris Air Show, Le-Bourget, France from 17 to 19 June 2019. YB Minister Leiking will be accompanied by officials from the Ministry of International Trade and Industry, National Aerospace Industry Coordinating Office (NAICO), Malaysian Investment Development Authority (MIDA), Malaysia External Trade Development Corporation (MATRADE) as well as representatives from Malaysian companies.

At the Paris Air Show, YB Minister Leiking is scheduled to attend the Official Opening Ceremony of the 53rd International Paris Air Show, to officiate Malaysia Pavilion, as well as business meetings with the OEM and Tier 1 companies. YB Minister will also deliver opening remarks at the Malaysia-France Seminar which will be jointly organised by MATRADE and the French Aerospace Industries Association (GIFAS).

Malaysia's participation at the 53rd Paris Air Show is significant as a platform for Malaysian aerospace companies to discover the aerospace market's latest innovations and global industry development. MATRADE is spearheading the participation of 15 Malaysian companies offering various products and services in the aerospace industry's supply chain. Apart from attracting quality investments that will spur the development of the local supply chain, Malaysia aims to increase its contributions as a critical supplier for aircraft parts and components to the OEMs and Tier 1 companies.

The Government views the aerospace industry as a critical sector that offers abundant opportunities for the transfer of advanced technologies in engineering, electronics, composite materials, system integration, MRO and industry-led Research & Technology. This is also reflected in the Eleventh Malaysia Plan (RMK-11) where the aerospace industry has been identified as one of Malaysia's key strategic focus sector.

In 2018, the Malaysian aerospace industry recorded total revenue of RM14.4 billion. The industry managed to maintain its positive growth since the implementation of the Blueprint 2030 led by the National Aerospace Industry Coordinating Office (NAICO), MITI. About 24,500 highly skilled workers are currently serving the industry. The aerospace manufacturing sub-sector remained the main contributor to the industry with 48% revenue and it has recorded the highest value of RM6.97 billion, an increase by 8.3% compared with 2017. The MRO sector recorded RM6.68 billion representing 46% of the total revenue.

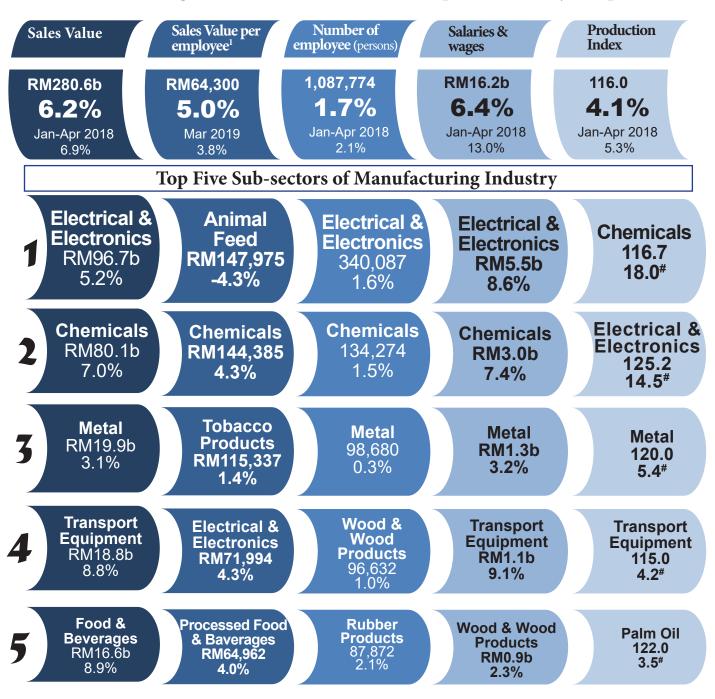
Aerospace exports also recorded the highest value of RM8.48 billion compared to previous years with an increase of 20.7% from 2017. Among the locally manufactured aerospace products for export include Fan Cowl, Fan Casing, Thrust Reverser, Forward Leading Edge, Aircraft Door, Avionics Equipment and Carbon Brakes. In terms of investments, eleven (11) aerospace projects with total investments of RM816.3 million were approved in 2018 of which 41% were foreign investments. The approved projects are expected to generate a total of 2,442 employment opportunities.

The quality investments and strong market demand have also accelerated the local supply chain. Currently, Malaysia is one of the critical suppliers for aircraft structure components mainly for Airbus and Boeing. Malaysia has become an important source for composite and metallic components for the OEMs, led by local champions namely Composites Technology Research Malaysia (CTRM) Sdn. Bhd., SME Aerospace Sdn. Bhd. and UMW Aerospace Sdn. Bhd.

Ministry of International Trade and Industry, 18 June 2019

# **Manufacturing Performance, January-April 2019**

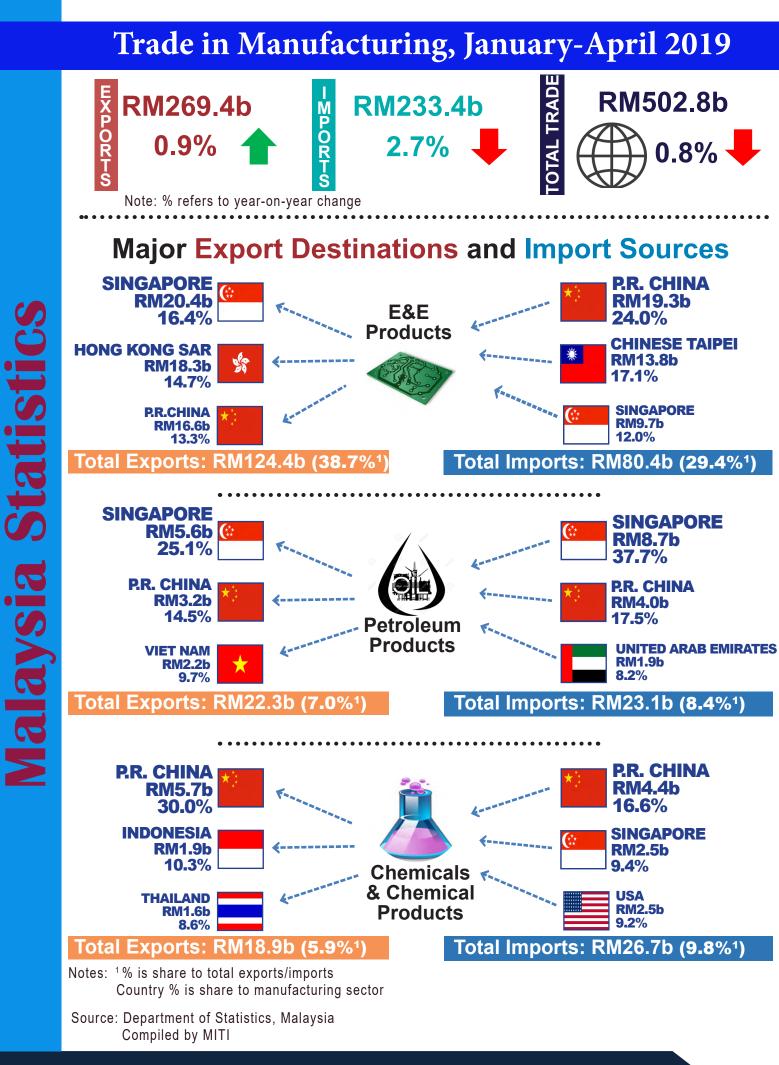
#### All manufacturing indicators increased for the period January to April 2019



Notes: % refers to year-on-year change # industry weight 1 refers to month of April 2019

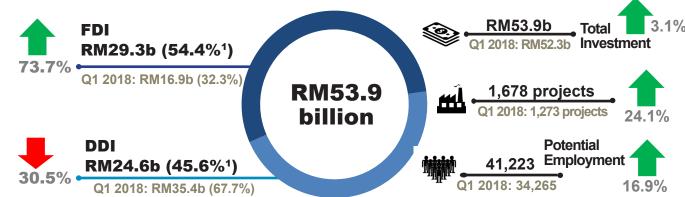
Source: Department of Statistics, Malaysia Compiled by MITI

**Malaysia Statistics** 



# Approved Investment, Q1 2019

#### Total approved investment increased 3.2% in the first quarter 2019



#### Notes: **FDI** - Foreign Direct Ivestment, **DDI** - Domestic Direct Investment <sup>1</sup>% is share to total approved investments

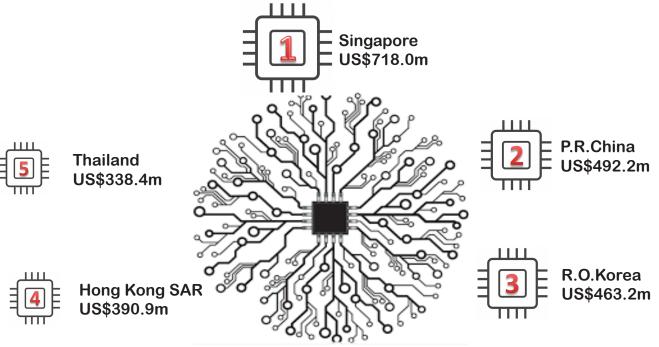
The **services sector** continued to be the cornerstone of the nation's economic growth as it is the **largest contributor** to the total approved investments in Q1 2019.

5% Q1 2019 RM53.9 billion 47%	<ul> <li>Services 20.4%</li> <li>RM26.1b (48%)</li> <li>Q1 2018: RM32.8b (63%)</li> <li>Manufacturing 126.5%</li> <li>RM25.4b (47%)</li> <li>Q1 2018: RM11.2b (21%)</li> <li>Q1 2018: RM11.2b (21%)</li> <li>Primary 70.8%</li> <li>RM2.4b (5%)</li> <li>Q1 2018: RM8.3b (16%)</li> </ul>	16% Q1 2018 RM52.3 billion 21%
<ul> <li>8.1 + 18.0</li> <li>20.2 + 5.2</li> <li>1.0 + 1.4</li> </ul>	FDI + DDI RM billion	<ul> <li>3.0 + 29.7</li> <li>4.2 + 2.3</li> <li>★★↓ 4.9 + 3.4</li> </ul>
<ul> <li>⇒ 1,445</li> <li>⇒ 214</li> <li>★ 19</li> </ul>	Number of projects	<ul> <li>⅔ 1,110</li> <li>137</li> <li>★★↓ 26</li> </ul>
18,003 22,973 247 Source: MIDA	Potential Employment	<ul> <li>№ 19,307</li> <li>№ 13,919</li> <li>★ 1,039</li> </ul>

# World Largest Exporters of Electronic Integrated Circuit Parts (EICP)\*

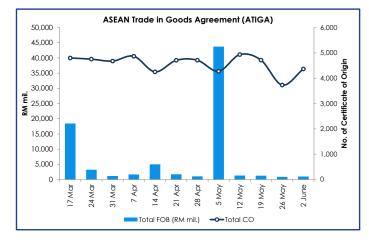
#### In 2018, more than 25% of world EICP was sourced from Malaysia

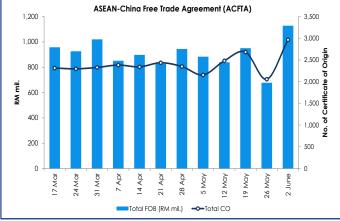


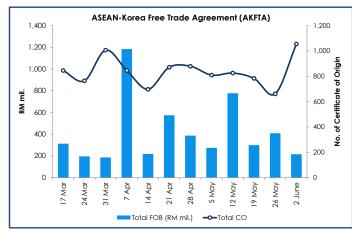


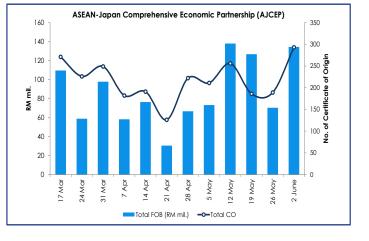
Source: http://www.trademap.org/index.aspx

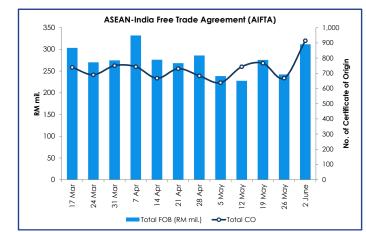
# Number and Value of Preferential Certificates of Origin (PCOs)

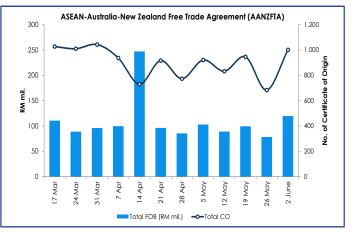


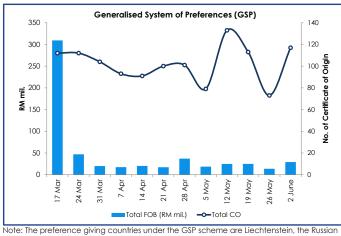










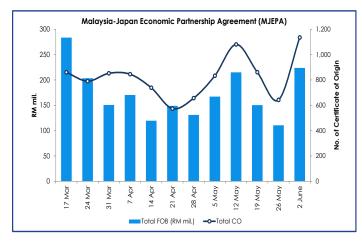


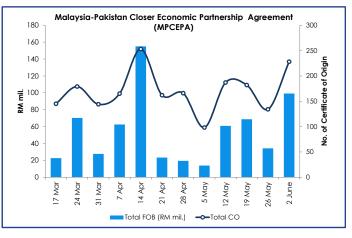
: The preference giving countries under the GSP scheme are Liechtenstein, the Rus Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

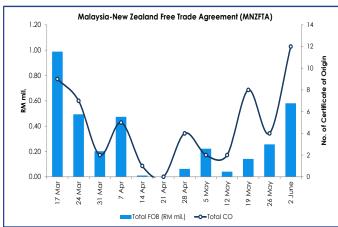
Note: \*Provisional Data

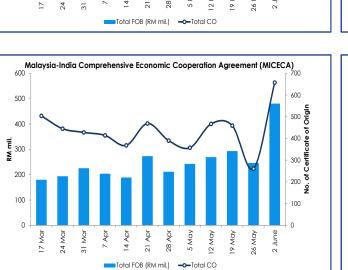
Source: Ministry of International Trade and Industry, Malaysia

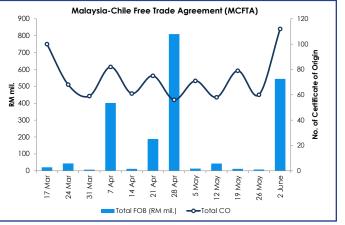
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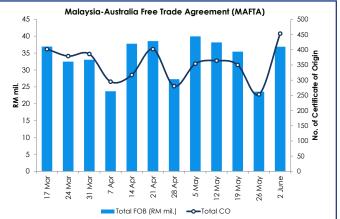


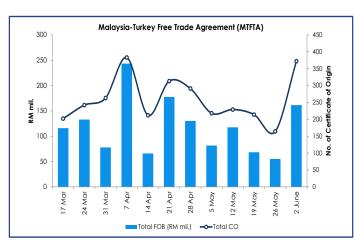






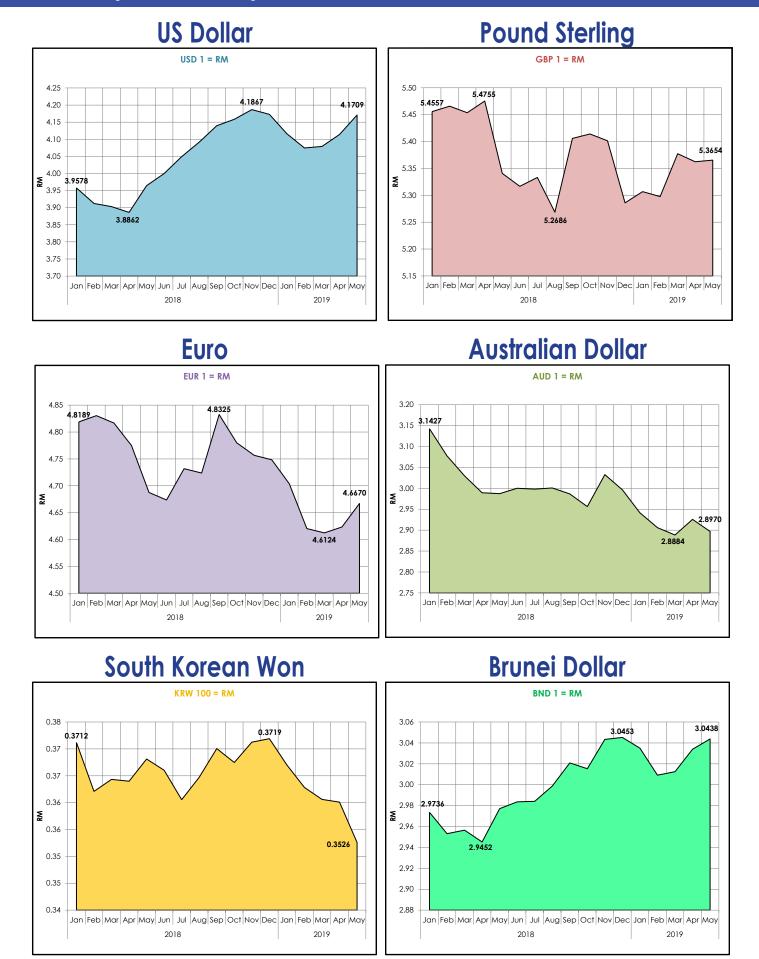






Note: \*Provisional Data

# Malaysian Ringgit Exchange Rate with Selected Countries, January 2018 - May 2019



Source : Bank Negara Malaysia

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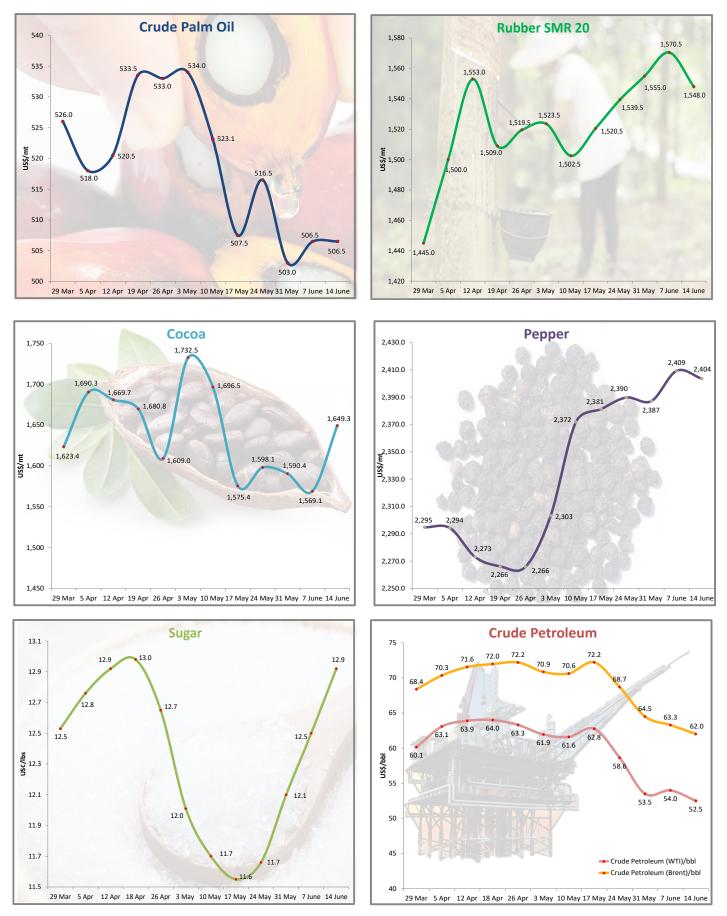
#### **Commodity Prices**



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**



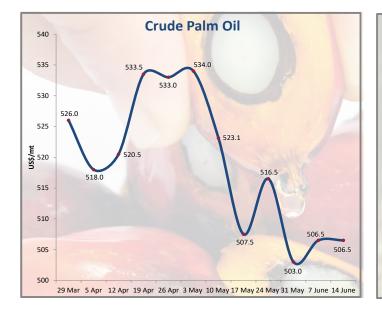
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

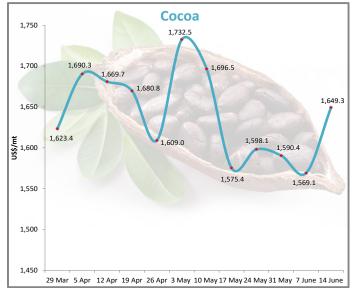
**Rubber SMR 20** 

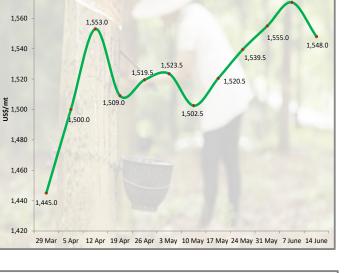
1,570.5

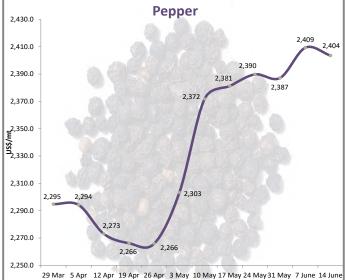
# **Commodity Price Trends**

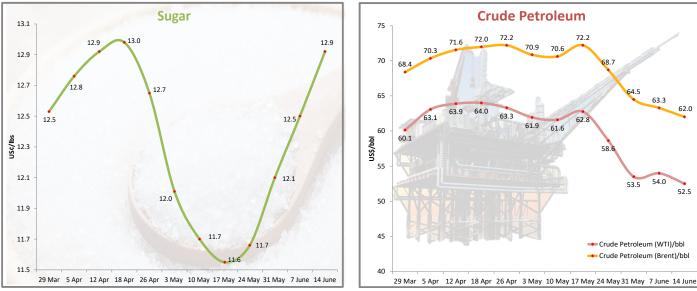
1.580











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.

#### European Union Delegation to Malaysia Visited MITI for Circular Economy Briefing, 13 June 2019











#### MITI Minister chaired the Malaysia-China Manufacturing Roundtable at Kota Kinabalu Sabah, 14 June 2019



MITI Tower, No. 7, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, Malaysia Tel: +603 - 8000 8000

#### MITI Deputy Minister co-chaired the 4<sup>th</sup> Joint Cooperation Council Meeting on the Twin Parks, 14 June 2019











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MITI Minister leads the mission to promote Malaysian aerospace industry strengths and launched Malaysia Pavilion at Paris International Airshow, 17 June 2019









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**Business Intervention** 

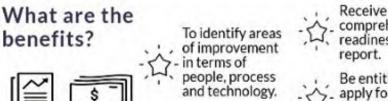
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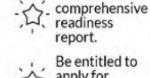
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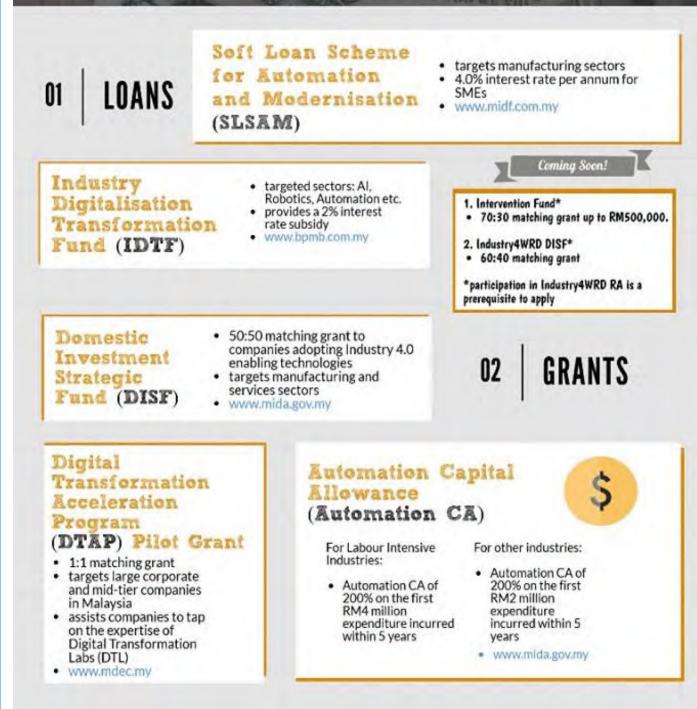


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#### **Gross Migration**

The sum of in-migrants and out-migrants for a specific state. Gross migration measures the magnitude of in and out movements which reflects the population turnover and redistribution in the state.

Gross Migration = In-migrants + Out-migrants

Source : Labour Force and Social Statistics Source Detail : Migration Survey Report, Malaysia, DOSM

#### **Gross Migration Rate**

The number of gross migration at the state of destination for every 1,000 persons in a current year.

Gross Migration Rate =  $\frac{\text{Gross migration}}{\text{Population at state of destination}} \times 1,000$ 

Source : Labour Force and Social Statistics Source Detail : Migration Survey Report, Malaysia, DOSM

#### **Gross National Disposable Income**

Gross national disposable income may be derived from gross national income by adding all current transfers in cash or in kind receivable by resident institutional units from non-resident units and subtracting all current transfers in cash or in kind payable by resident institutional units to non-resident units.

Source : National Accounts Source Detail : Gross Domestics Product (GDP), DOSM

#### **Gross National Income (GNI)**

Gross national income (GNI) is the aggregate value of the balances of gross primary incomes for all sectors; (gross national income is identical to gross national product (GNP) as hitherto understood in national accounts generally).

Source : National Accounts Source Detail : Gross Domestics Product (GDP), DOSM

#### **Gross Reproductive Rate**

Refers to the average number of daughters that would be born if women survived to the end of their reproductive period, assuming that none died or migrated

Source : Population and Demography Source Detail : Vital Statistics, Malaysia 2017, DOSM

#### **Gross Saving**

Gross saving is gross disposable income less final consumption expenditure.Source : National AccountsSource Detail : Gross Domestics Product (GDP), DOSM

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# ANDRAY 5.30 AM - 11 AM DATARAN MERDEKA,KL

In conjunction with the 62<sup>nd</sup> World Statistics Congress (WSC) of the International Statistical Institute (ISI) 62nd ISI WSC 2019 Malaysia will organize the World Stats Run 2019! Register at: http://www.racexasia.com/event/world-stats-run-2019/



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



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

MITI Weekly Bulletin

**REPORT 2018/2019** 



THE LAUNCHING OF MITI REPORT 2018

> 25<sup>TH</sup> JUNE 2019 PERDANA HALL, MITI TOWER

# **ANNOUNCEMENTS**

#### YOUR VIEWS MATTER!

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Our quick survey should not take more than 5 minutes of your time.

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#### **MITI Portal Survey 2019**

We are currently conducting a survey of MITI's official Portal (<u>www.miti.gov.my</u>) to identify if it meets your expectations in terms of design, contents and functionality. There are 10 questions in this survey and it should take you between 2 to 5 minutes to complete.

You may choose to answer the survey in English or Bahasa Melayu.

This survey is open until **14 July 2017 (Sunday)**. Please be assured that the information provided will be used solely for the purpose of this survey. Your feedback is important for us to enhance the Portal and serve you better.

\*Note: Feel free to forward the survey links to your colleagues.

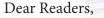
Thank you for your participation.

#### MITI Weekly Bulletin (MWB) Mobile Apps



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: <u>http://gamma.malaysia.gov.my/#/appDetails/85</u>

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