

INITIATION OF BILATERAL FREE TRADE AGREEMENT NEGOTIATIONS BETWEEN MALAYSIA AND REPUBLIC OF KOREA



The Ministry of International Trade and Industry (MITI) is pleased to announce the initiation of Malaysia and Republic of Korea (Malaysia-Korea Free Trade Agreement - MKFTA) which has been agreed by MITI Minister, YB Datuk Darell Leiking and HE Yoo Myung-hee, Trade Minister, Ministry of Trade, Industry and Energy (MOTIE).

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The discussion to explore the bilateral trade agreement was initiated when YAB Tun Dr. Mahathir Mohamed, Prime Minister of Malaysia met HE Moon, Jae-in, President of Republic of Korea in March 2019. During the meeting, both leaders recognised the significance of the enhanced economic cooperation and partnership between the two countries for mutual long-term prosperity.

Malaysia and Korea have established diplomatic relations since 1960. Since then, the economic relations have improved in many respects, especially with the full enforcement of the ASEAN-Korea Free Trade Agreement (AKFTA) from January 2010. Currently both Malaysia and Korea are also participating in the Regional Comprehensive Economic Partnership (RCEP) negotiations. The bilateral FTA is expected to provide a better platform for both countries to increase trade activities, as well as to facilitate investment. In order to strengthen the economic cooperation elements, both Malaysia and Korea are desirable of exploring cooperation which is line with both parties' economic development strategies, such as Malaysia's Look East Policy 2.0 and Korea's New Southern Policy.

In 2018, Korea was Malaysia's 8th largest trading partner with total trade increased by 7.2% amounting to RM72.60 billion (US\$17.98 billion) from 2017. In addition, Korea is Malaysia's 9th largest export destination driven by exports of electrical & electronics products, liquefied natural gas (LNG), petroleum products, manufactured of metal and chemicals and chemical products. Meanwhile, Korea is the 8th largest source of imports with major products such as electrical & electronics products, petroleum products, chemicals and chemical products, machinery, equipment and parts and iron & steel products.

Ministry of International Trade & Industry 27 June 2019

The Establishment of the Trade and Industry Advisory Council



The Ministry of International Trade and Industry (MITI) attaches great importance in engaging all strategic stakeholders especially the private sector in determining its policies and strategies for the interest of the nation and the well-being of rakyat.

Today, the Minister of International Trade and Industry, YB Datuk Darell Leiking announced the establishment of Trade and Industry Advisory Council (TIAC) during its inaugural meeting at MITI Tower, Kuala Lumpur. This Council is

expected to play a crucial role in shaping the Ministry's policies, strategies and potential reforms in the sphere of international trade, investment promotion and industry development.

MITI believes that this Council, which consists of twelve (12) outstanding individuals and organisations, represents diverse perspectives, expertise, affiliations and experiences which are crucial to shape robust and comprehensive policies for the Government. Among the organisations which formed part of TIAC are:

- Ministry of Finance; 1) 2) 3)
 - Bank Negara Malaysia;
 - Ministry of Economic Affairs;
 - National Chambers of Commerce of Malaysia (NCCIM);
- 4) 5) 6) 7) 8) Institut Masa Depan Malaysia;
- Federation of Sabah Industries;
- Khazanah Nasional Berhad;
- Third World Network;
- 9) Faculty of Economics, University Malaya;
- 10) McKinsey & Company Malaysia; and
- 11)Economic Research Institute of ASEAN and East Asia (ERIA).

TIAC signifies the Government's strategy and focus on institutional reforms and good regulatory practices. MITI's policies moving forward will take into serious consideration various views and concerns by its stakeholders especially industry players. At the same time, we have to ensure that all our policies and strategies bring benefits and provide significant positive impacts for the rakyat, such as providing high income jobs for our people and opportunities for our SMEs and industries to grow.

TIAC is mandated to advise the Government, among others, on the initiatives to strengthen Malaysia's trading partnerships, attracting quality foreign direct investments, unlocking innovation to drive industrial growth, bringing more Malaysians into the labour force and building a bight skilled Malaysians building a highly skilled Malaysia workforce for the jobs of tomorrow.

TIAC will also be able to draw upon the knowledge and expertise of the Chairman and Board of Directors from eleven (11) agencies under MITI which include Malaysia Investment Development Authority (MIDA), Malaysia External Trade Development Corporation (MATRADE) and Malaysian Industrial Development Finance Berhad (MIDF).

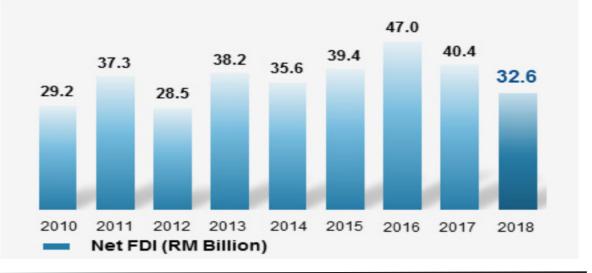
All advice and inputs by TIAC will be deliberated by MITI and the accepted policies and strategies subsequently will be escalated to the Economic Actions Council (EAC) and the Cabinet.

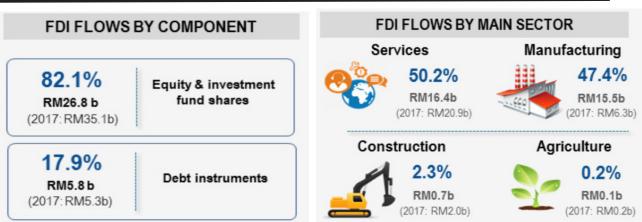
MITI believes that the establishment of TIAC will further enhance the Ministry in its vision to make Malaysia as the preferred investment destination and among the most competitive trading nations in the world.

YB Datuk Darell Leiking Minister of International Trade and Industry 27 June 2019

STATISTICS OF FOREIGN DIRECT INVESTMENT(FDI) IN MALAYSIA, 2018

In 2018, FDI in Malaysia recorded RM32.6 billion as against RM40.4 billion in the previous year, due to lower investment in mining and quarrying sector





FDI FLOWS BY TOP COUNTRY AND SECTOR, 2018

1	USA	Manufacturing	Services	Others
	RM6.5b (20.0%)	90.1%	11.5%	0.9%
	Hong Kong RM6.4b (19.6%)	Services	Manufacturing	Mining
2		103.7%	2.6%	-2.8%*
2	Japan	Manufacturing	Services	Mining
3	RM4.9b (14.9%)	58.9%	39.6%	4.0%
	United Kingdom	Services	Mining	Manufacturing
4 🗾	RM3.4b (10.5%)	49.9%	38.7%	11.0%
_ =	Netherlands RM2.5b (7.8%)	Mining	Services	Manufacturing
5		68.8%	21.0%	5.2%

Note:

Malaysia Statistics

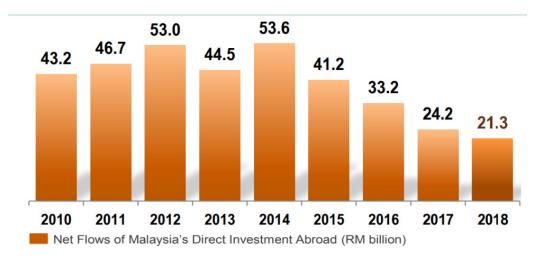
% - Percentage share to total FDI

Source: Department of Statistics, Malaysia

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STATISTICS ON MALAYSIA'S DIRECT INVESTMENT ABROAD (DIA), 2018

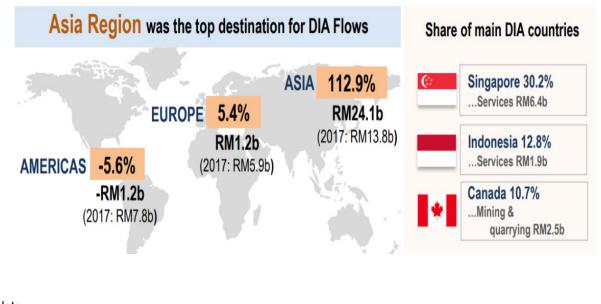
In 2018, Malaysia's DIA recorded of RM21.3 billion as against RM24.2 billion in the previous year, mainly due to lower investment in services sector



DIA FLOWS BY COMPONENT

DIA FLOWS BY SECTOR





Note: % - Percentage share to total DIA Source: Department of Statistics, Malaysia

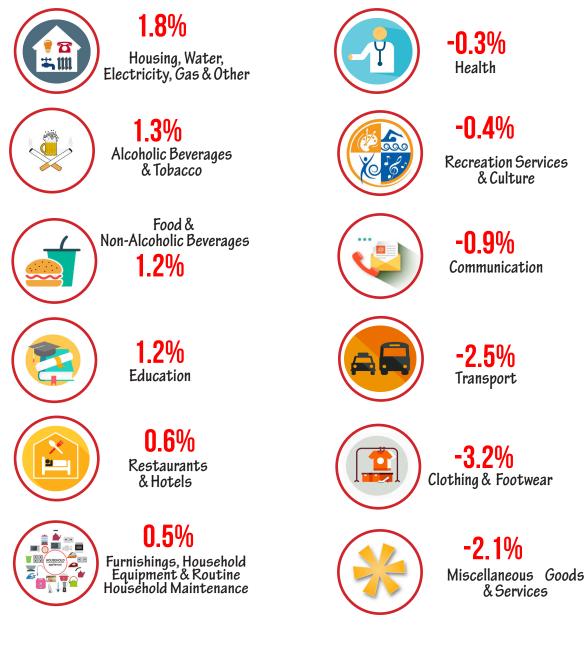
Consumer Price Index (CPI), May 2019

CPI INCREASED 0.2% IN MAY 2019 COMPARED TO LAST YEAR

MAY 2019 MAY 2018



INFLATION RATE FOR MAIN GROUPS, MAY 2019 / 2018



Malaysia Statistics

Note:

% - Year-on-Year Growth Source: Department of Statistics, Malaysia

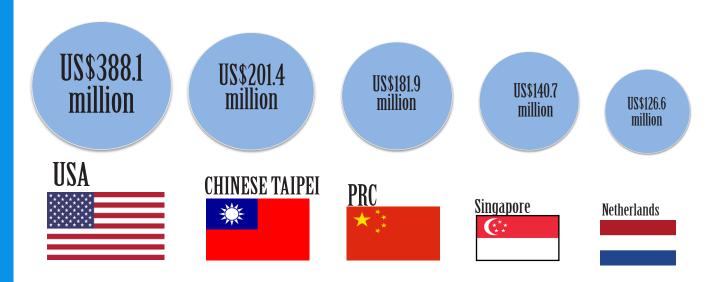
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World largest exporters of Parts and accessories for instruments and apparatus for electrical quantities or detecting ionising radiations*

In 2018, Malaysia's export of parts and accessories for instruments and apparatus for electrical quantities or detecting ionising radiations recorded USD 1,435.8 million with 46.7% share in world exports

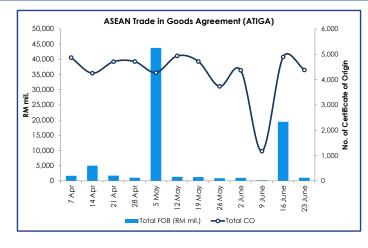


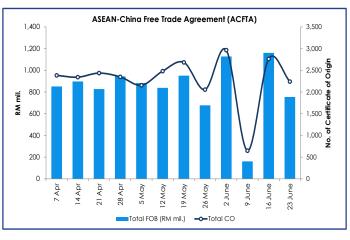
Top Five Malaysia Export Destinations

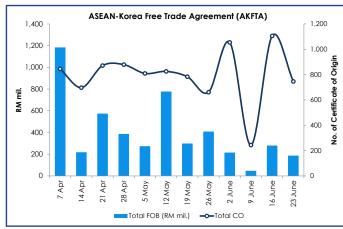


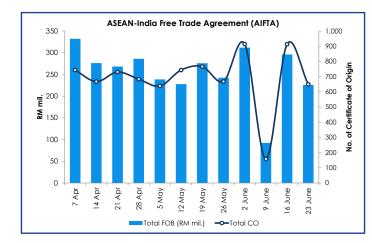
Notes : HS6D, 903090 Source : http://www.trademap.org/Index.aspx

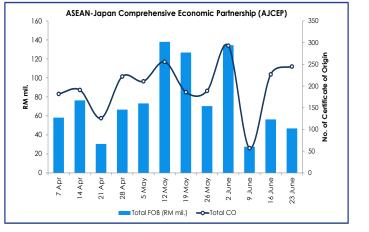
Number and Value of Preferential Certificates of Origin (PCOs)

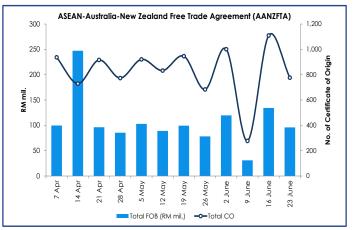


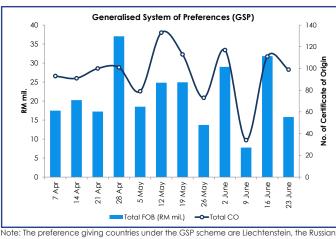








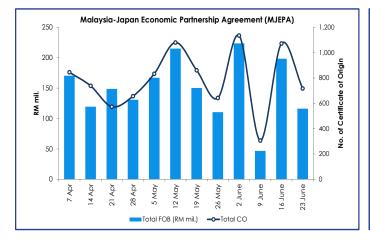




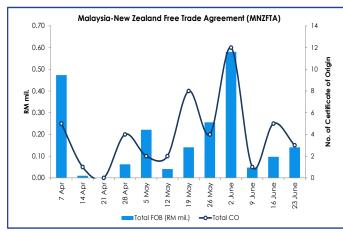
te: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

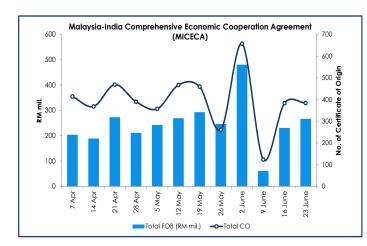
Note: *Provisional Data

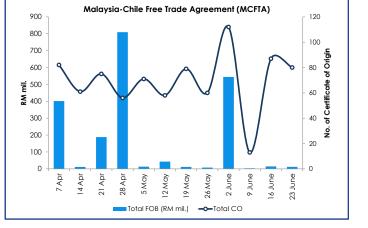
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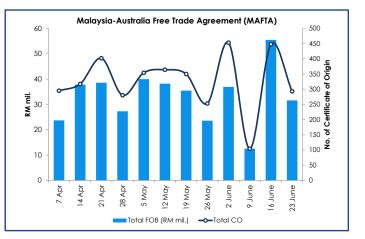


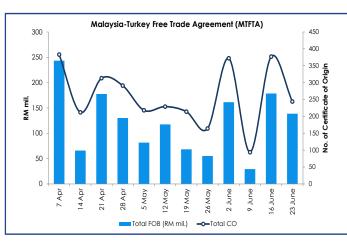








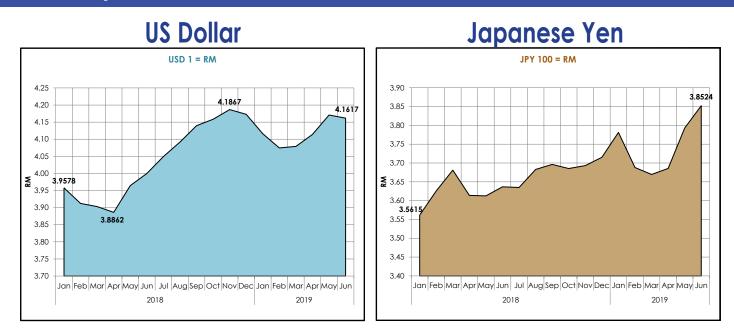




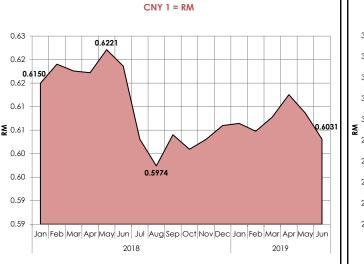
Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

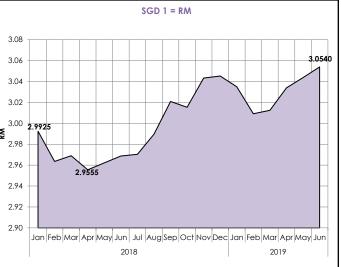
Malaysian Ringgit Exchange Rate with Selected Countries, January 2018 - June 2019



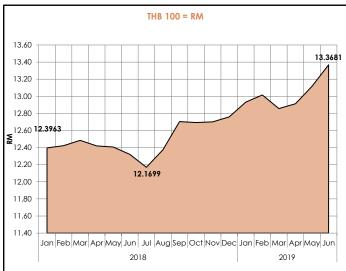
Chinese Yuan



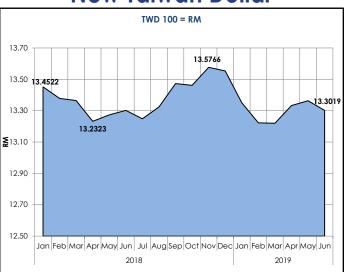
Singapore Dollar



Thai Baht



New Taiwan Dollar



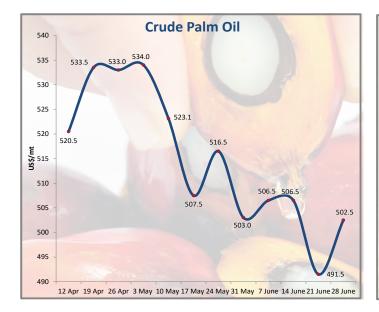
รอิดหรือ หลิดหน่งผิดอุณาทางเป็องเข้อ

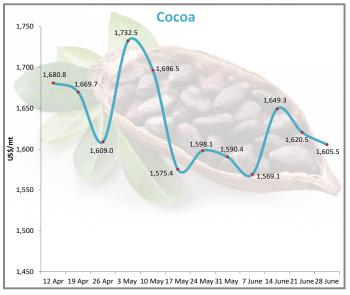
MITI Weekly Bulletin

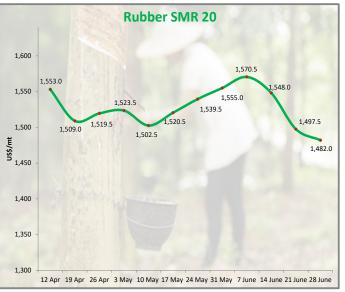
Commodity Prices

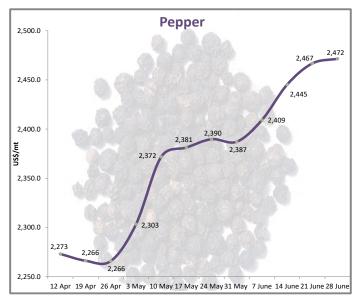


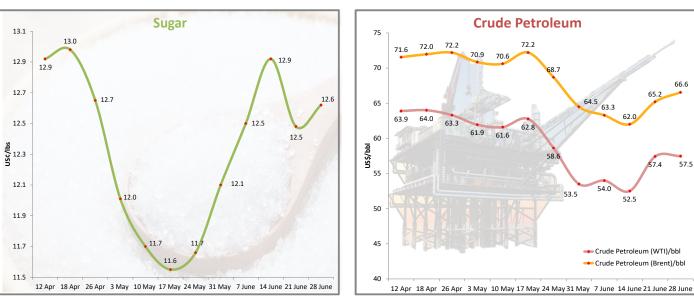
Commodity Price Trends











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.

66.6

57.5

65.2

62.0

52.5

Crude Petroleum (WTI)/bbl

Crude Petroleum (Brent)/bbl

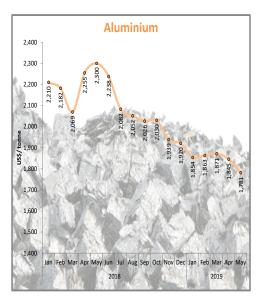
64.5 63.3

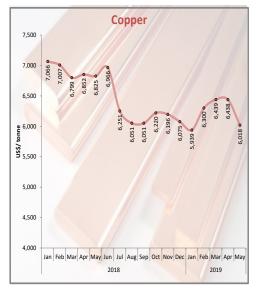
54.0

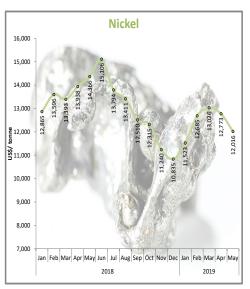
58.6

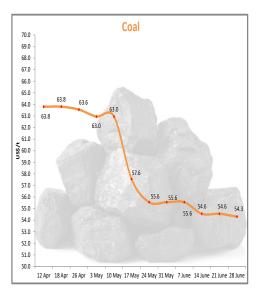
53.5

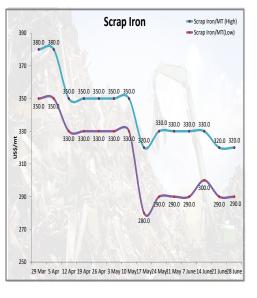
Commodity Price Trends

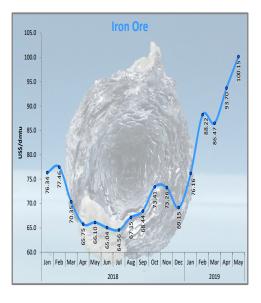


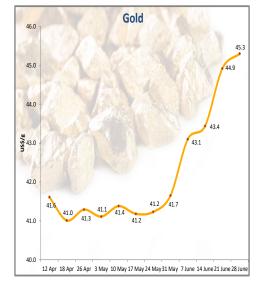


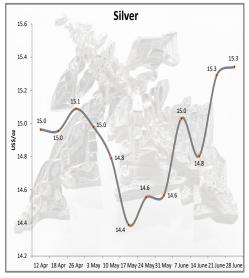


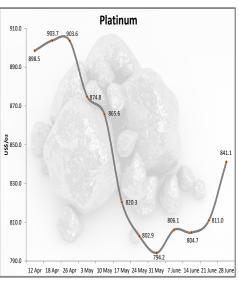












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Sources: Ministry of International Trade and Industry Malaysia, , Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Courtesy call by MITI Deputy Minister on Vice Minister of Industry & Information Technology, Guangdong Province,PRC 23June 2019







MITI Deputy Minister launched Petronas' Internationalisation Expo "BEYONDHOME 2019" 27 June 2019



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services sector Incorporated under the Companies Act (1965/2016)/ Registration of Business Act (1956)

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 (\checkmark) In operation for more than 3 years

What are the To identify areas benefits? of improvement in terms of people, process and technology. \$

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Heavy Metals

Potentially toxic metals used in industrial processes, for example, arsenic, chromium, copper, lead, mercury, nickel and zinc. They may damage plant and animal life at low concentrations and tend to accumulate in the food chain

Source : Environment

Source Detail : Compendium of Environment Statistics, DOSM

Hectare

Metric unit of area defined as 10,000 square metres (100 m by 100 m), and primarily used in the measurement of land

Source : General

Source Detail : Wikipedia, DOSM

Holding Gains

Positive or negative holding gains may accrue during the accounting period to the owners of financial and non-financial assets and liabilities as a result of a change in their prices (holding gains are sometimes referred to as "capital gains").

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

Household

Description 1

A household is defined as a person or group of related or unrelated persons who usually live together and make common provision for food and other living essentials.

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

Description 2

A household consists of related and/or unrelated persons who usually live together and make common provisions for food and other essentials of living.

Source : Prices Source Detail : Report On Household Expenditure Survey Malaysia, DOSM

Household actual final consumption

Household actual final consumption consists of the consumption goods or services acquired by individual households by expenditures or through social transfers in kind received from government units or non-profit institutions serving households (NPISHs).

Source : National Accounts

Source Detail : Gross Domestics Product (GDP), DOSM

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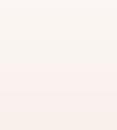
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SALIZAN ABDUL AZIZ PRINCIPAL ASST. DIRECTOR



NURRUL AQILAH MOHAMED SABRI ASST. DIRECTOR



NUR AZZA HJ. ABDUL AZIZ

SENIOR ASST. DIRECTOR



NUR HANISAH MOHD AYAT ASST. DIRECTOR



AFDHAL ALAWI

ASST. DIRECTOR

NOR AZILA OSMAN ADMINISTRATIVE ASST.



OPERATIONAL ASST.



FAZAROL HUSNI HALIM **OPERATIONAL ASST.**



SITI AISYAH YAAKOB ADMINISTRATIVE ASST.



AHMAD AFIQ AZMI OPERATIONAL ASST.



NOR MAISARAH MOHD SAIDIN ADMINISTRATIVE ASST.



AHRUNSELVAN A/L GOPAL OPERATIONAL ASST.





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In conjunction with the 62nd 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/



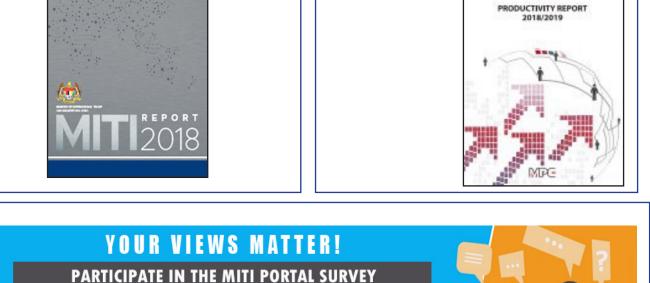
For more information, kindly visit: https://www.dosm.gov.my/v1/index.php?r=column/cone&menu_id=N0FVaDR4Y1hGMk1NNi9jS2ZQRFFLZz09#



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

ANNOUNCEMENTS





(14 June - 14 July 2019)

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

Take the survey now!!

MITI Portal Survey 2019

MITI Report 2018 is available for download

through MITI Website at:

port/MITI_Report_2018.pdf

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.

Feedback

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>

> Send us your suggestions

SUGGE

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Kindly click the link below for any comments in this issue. MWB reserves the right to east and republish letters as reprints. http://www.miti.gov.my/index.php/forms/form/13