

TRADE AND INVESTMENT MISSION TO AUSTRALIA 19-23 AUGUST 2019



YB Datuk Darell Leiking, Minister of International Trade and Industry will be leading a Trade and Investment Mission (TIM) to Australia from 19 – 23 August 2019. The Mission comprises officials from the Ministry of International Trade and Industry (MITI), Malaysian Investment Development Authority (MIDA), Malaysia External Trade Development Corporation (MATRADE), Malaysia Automotive, Robotics and IoT Institute (MARii), InvestKL Corporation and EXIM Bank.

During the mission, Minister Darell is scheduled to meet with top officials from the Federal Government of Australia as well as senior officials from the State Government of South Australia and Victoria. Minister Darrel will also be meeting The Hon.

Andrew Barr, Chief Minister of Australian Capital Territory in Canberra. In conjunction with this TIM, the 18th Joint Trade Commission (JTC) Meeting will be held on 20th August 2019 which will be co-chaired by Minister Darell and his counterpart from Australia, The Hon. Simon Birmingham, Minister of Trade, Tourism and Investment. The objective of this meeting is to discuss on the bilateral trade and investment issues as well as opportunities for further collaboration in strengthening bilateral trade and investment for both countries.

Minister Darell and the delegates will also be visiting University of South Australia (UniSA), Mawson Lakes Campus. The visit will provide insights on UniSA Industry 4.0 Lab Space and MARii's projects; the Light Weight Plastic Glazing Project and the Hard Coating Project (flow coating). In addition, Minister Darell will be visiting the Advanced Manufacturing Industry 4.0 Hub, Swinburne University of Technology. This hub, or also known as 'Factory of the Future', made its history by being the first ever fully-immersed Industry 4.0 facility in Australia.

In expanding partnership with private sector, Minister Darell will be interacting with prominent business groups such as Australia-Malaysia Business Council (South Australia Chapter) as well as selected companies in sectors such as food and beverages, healthcare, machinery, Halal hub and Aged Care Centre.

Minister Darell will connect with strategic partners during a seminar on 'Business & Investment Opportunities in Malaysia as Gateway to ASEAN'. He will also be sharing his views with the Australian media during his interview sessions.

In 2018, Australia was Malaysia's 11th largest overall global trading partner and largest among Oceania countries. The total trade between both countries was recorded at RM55.13 billion (USD13.11 billion) in 2018 with Malaysia's export to Australia amounted to RM33.55 billion (USD7.98 billion) and imports value totalled at RM21.58 billion (USD 5.13 billion).

In terms of investments, 350 manufacturing projects were implemented with total investment recorded at RM2.79 billion (USD 0.66 billion). These projects had created 22,626 employments in Malaysia. The projects are focused on key sectors such as chemical-based products, petroleum-based products and rubber-based products.

Ministry of International Trade & Industry 18th August, 2019

MALAYSIA AEROSPACE INDUSTRY SOARING HIGHER



Government will continue to support the development of the aerospace industry under the 12th Malaysia Plan (12MP). The Minister of International Trade and Industry, YB Datuk Darell Leiking emphasised on the importance of the aerospace industry that houses the most complex core technologies that are applicable to other industries. "The aerospace industry provides critical technologies for the future. Hence, Malaysia should continue to develop its competency in this industry." said Darell Leiking after officiating the Malaysia Aerospace Summit 2019 (MyAero'19) today at MITI Tower.

The National Aerospace Industry Coordinating Office (NAICO), Ministry International Trade & Industry (MITI) organised the 3rd edition of MyAero, an annual event that brings together the aerospace industry community to discuss matters related to the development of the aerospace ecosystem in Malaysia. Apart from exhibition and product displays, the Summit also highlighted several events focusing on human capital development and industry research. Opportunities within the industry and strategies to nurture local talents to become the next generation aerospace professionals were elaborated by panel of experts during a symposium on human capital and TVET development. The aerospace industry is currently employing 24,500 highly skilled workers.

In addition, a career talk dedicated for graduates and students was conducted to provide career guidance and latest information on the opportunities within the industry. To address the industry needs on research and technology, Malaysia Aerospace Research Seminar (MARS) was organised by Universiti

Kuala Lumpur Malaysia Institute of Aviation Technology (UniKL-MIAT) in conjunction with MyAero'19.

"Since the implementation of the key initiatives of the Malaysian Aerospace Industry Blueprint 2030 led by NAICO, MITI, the aerospace industry has shown a steady growth in terms of industry revenue and export," said Datuk Darell Leiking. "We are confident that this year's growth will be between 10 to 15 percent. This is due to the increase of activities in manufacturing (aerostructure & engine components) and MRO (aero engines & components)," he added.

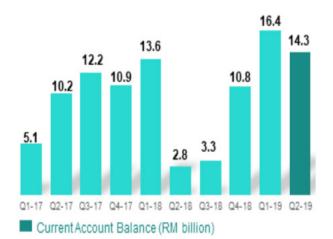
investment The and export promotional efforts undertaken by the Malaysian Investment Development Authority (MIDA) and Malaysia External Development Trade Corporation (MATRADE) has resulted increased quality investments as well as the continuous growth of aerospace export. Promoting Malaysia aerospace ecosystem at global aerospace events is crucial in order to position Malaysia as the regional aerospace hub.

MITI and its agencies are currently facilitating new aerospace projects among others aircraft assembly, MRO, aerospace training and establishment of an aerospace hub in East Malaysia. Apart from traditional market segments, Malaysia is also exploring opportunities in the New Space Economy or Space 4.0. where space technology will enhance the quality of life in the country.

In addressing the talent gaps, NAICÓ in collaboration with the Department of Skills Development (DSD), Ministry of Human Resources (MOHR) is conducting a study on aerospace TVET supply and demand. The result of the study will be used in closing the gaps between the training institutes and the industry players. It will also determine specific skills development programmes that is urgently required by the industry.

Ministry of International Trade & Industry 15 August 2019

Balance of Payment, Q2 2019



"Malaysia's current account balance recorded a surplus of RM14.3 billion

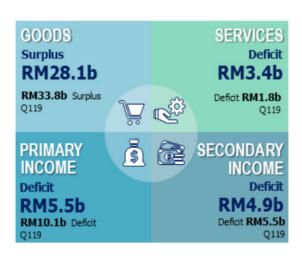
as against RM16.4 billion in the previous quarter"

CURRENT ACCOUNT

"This was contributed by surplus in Goods and lower deficit in Primary Income"

FINANCIAL ACCOUNT

"Financial Account registered a higher net outflow of RM18.6 billion mainly due to outflow in Portfolio Investment and Direct Investment"





FDI & DIA Performance



Source: Department of Statistics, Malaysia



Trade in Services, Q2 2019

In the second quarter of 2019, services exports was RM41.3 billion and imports registered RM44.8 billion.



Q2 2019 **RM41.3 bil**

Q2 2018 RM39.9 bil

3.7%

Imports

Q2 2019 RM44.8 bil

Q2 2018

RM45.4 bil

1.5%

+

Total Trade

Q2 2019 RM86.1 bil

Q2 2018

RM85.3 bil

1.0%

Trade in Service by Components, Q2 2019

Travel

Exports:RM19,785.9 mil Imports:RM12,655.4 mil Trade balance: RM7,130.5 mil

Transport

Exports:RM5,401.0 mil Imports:RM12,037.8 mil Trade balance: -RM6,636.8 mil



Personal, cultural and recreational services

Exports:RM565.7 mil Imports:RM799.8 mil Trade balance: -RM234.1 mil

Maintenance and repair services n.i.e.



Imports:RM567.5 mil Trade balance: -RM37.8 mil

<u>Telecommunications</u>, <u>computer</u> and information services

Exports:RM3,014.3 mil Imports:RM3,522.8 mil Trade balance: -RM508.5 mil



Insurance and pension services

Exports:RM356.9 mil Imports:RM2,543.1 mil Trade balance: -RM2,186.2 mil



Exports:RM639.4 mil Imports:RM671.3 mil Trade balance: -RM31.9 mil

property n.i.e. Exports:RM226.7 mil

Imports:RM2,152.1 mil Trade balance: -RM1,925.4 mil

Charges for the use of intellectual



Financial services

Exports:RM639.4 mil Imports:RM671.3 mil Trade balance: -RM31.9 mil



Government goods and services n.i.e.

Exports:RM70.0 mil Imports:RM222.1 mil Trade balance: -RM152.1 mil



Construction

Exports:RM633.7 mil Imports:RM1,491.4 mil Trade balance: -RM857.7 mil



Other business services

Exports:RM7,115.1 mil Imports:RM7,985.3 mil Trade balance: -RM870.2 mil

Note:

%- Year-on-Year Growth

Source: Department of Statistics, Malaysia

Malaysia Economic Performance Q2 2019

Malaysia's Economy Expanded 4.9% in Q2 2019

RM348.8 billion

GDP at constant 2015 prices

RM371.0 billion

GDP at current -prices

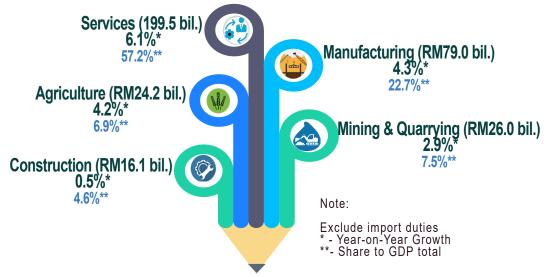
RM44,870 billion

GNI per capita at current prices



PRODUCTION

GDP Q2 2019:RM348.8 billion



EXPENDITURE



7.8%



GOVERNMENT FINAL CONSUMPTION EXPENDITURE

RM39.5 b. 0.3%



GROSS FIXED CAPITAL FORMATION

RM86.3 b.



EXPORTS RM224.4 b. 0.1%



RM202.2 b. -2.1%

Note:

%- Year-on-Year Growth

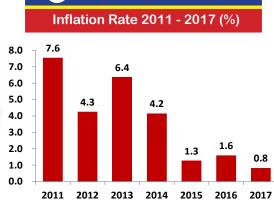
Source: Department of Statistics, Malaysia



PHILIPPINES at a Glance







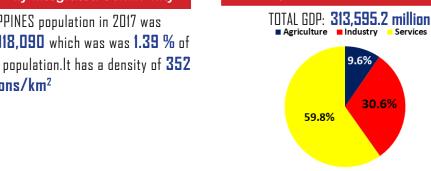
PHILIPPINES Gross Domestic Product GDP by Economic Sector, 2017 (%)

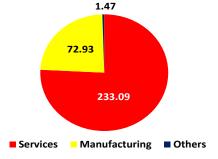
PHILIPPINES Inflation Rate





PHILIPPINES population in 2017 was 104,918,090 which was was 1.39 % of world population. It has a density of 352 persons/km²



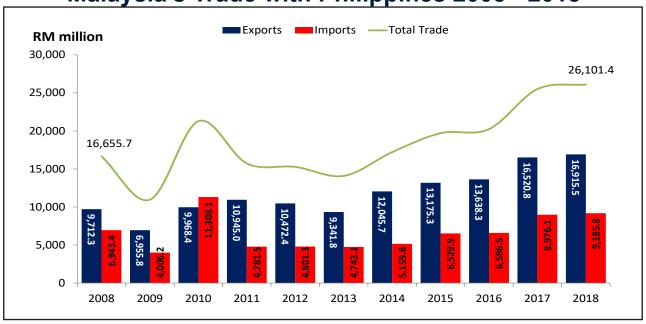


Sources:

https://data.aseanstats.org/

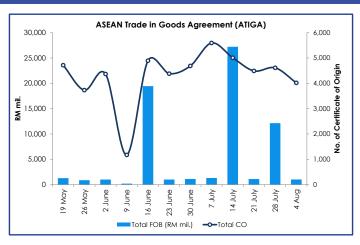
https://theodora.com/wfbcurrent/philippines/philippines_economy.html https://www.worldometers.info/world-population/philippines-population/

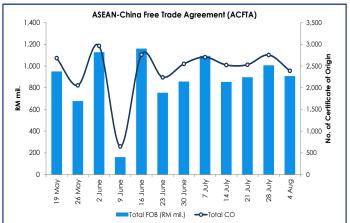
Malaysia's Trade with Philippines 2008 - 2018

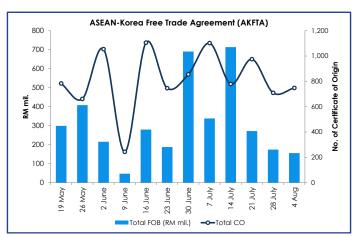


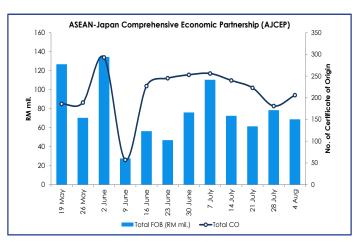
Source: Department of Statistics, Malaysia

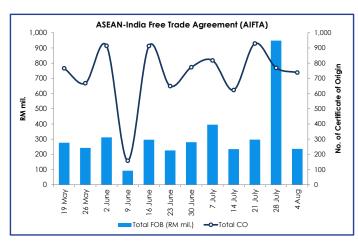
Number and Value of Preferential Certificates of Origin (PCOs)

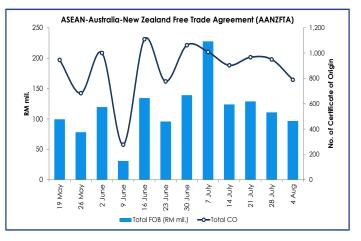


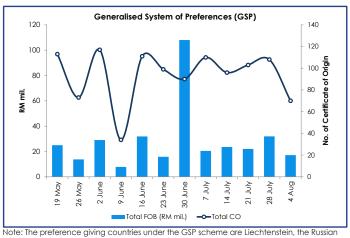








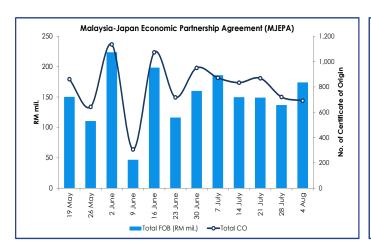


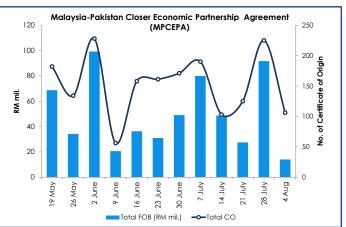


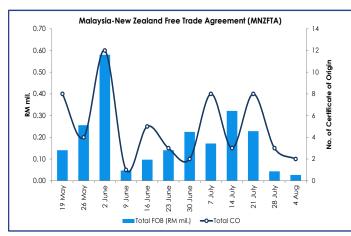
Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

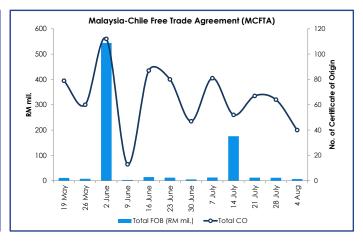
Note: *Provisional Data

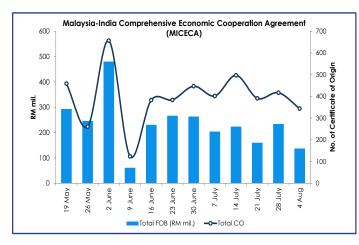
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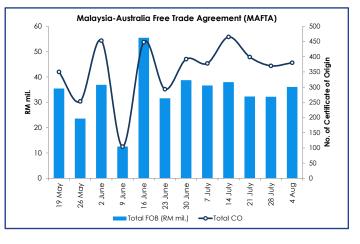


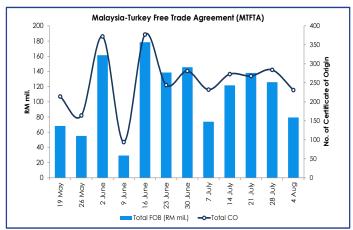








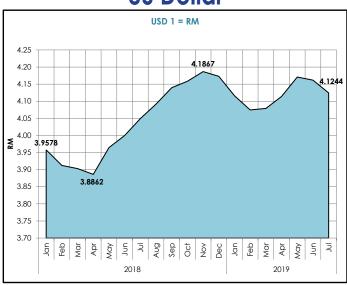




Note: *Provisional Data

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

US Dollar



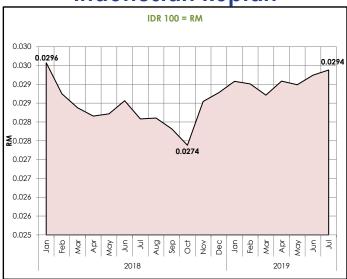
Hong Kong Dollar



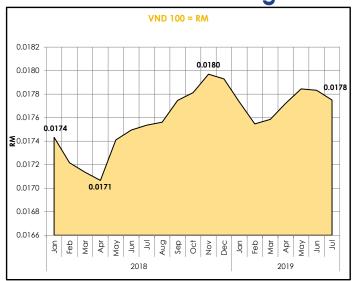
Philippine Peso



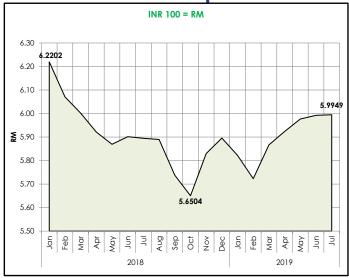
Indonesian Rupiah



Vietnamese Dong



Indian Rupee



Source: Bank Negara Malaysia

Commodity Prices





7.6%* US\$58.6

16 August 2019

Highest 2018/2019

17 May 2019 : US\$72.2 5 Oct 2018 : US\$84.2

4 Jan 2019 : U\$\$57.1 28 Dec 2018 : U\$\$52.2

Lowest 2018/2019

Average Price 2018 i: US\$71.5

CRUDE PALM OIL -per MT-



2.5%* US\$519.5

16 August 2019

Highest 2018/2019

22 Feb 2019 : US\$567.0 9 Mar 2018 : US\$691.5

26 July 2019 : US\$488.5 23 Nov 2018 : US\$448.5

Lowest 2018/2019

Average Price 2018 i: US\$600.1

RUBBER SMR 20 -per MT-



V 0.8%* US\$1,315.5

16 August 2019

Average Price 2018 : US\$1,371.0

COCOA SMC 2 -per MT-

Average Price 2018 : US\$1,535.6



▼ 6.9%* US\$1,344.7 **16 August 2019**

SUGAR -per lbs-



16 August 2019



Average Price 2018 i: US¢12.3

COAL -per MT-



8.9%* US\$48.8

16 August 2019

Average Price 2018 i: US\$66.9

SCRAP IRON HMS -per MT-



=%* U\$\$300.0 (high) = %* US\$280.0 (low)

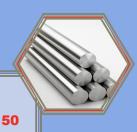
16 August 2019

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

Domestic Prices 16 August 2019



 Steel Bars (per MT) RM2,000- RM2,150

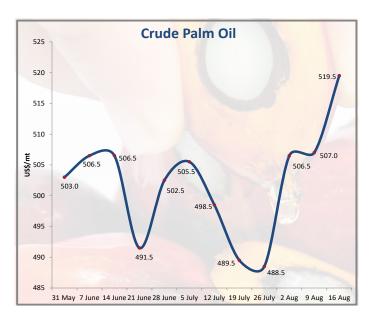


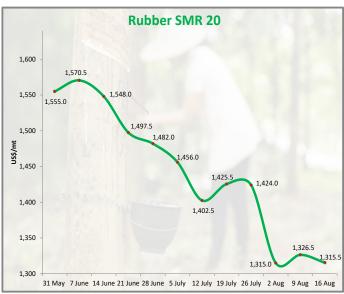
Notes: All figures have been rounded to the nearest decimal point

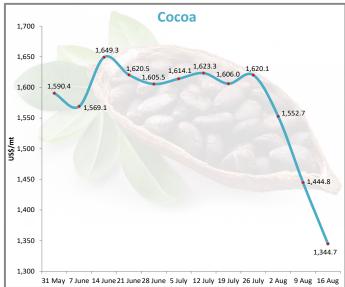
- * Refer to % change from the previous week's price
- i Average price in the year except otherwise indicated

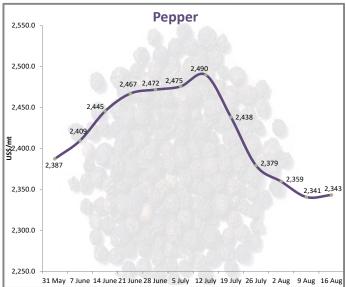
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

Commodity Price Trends

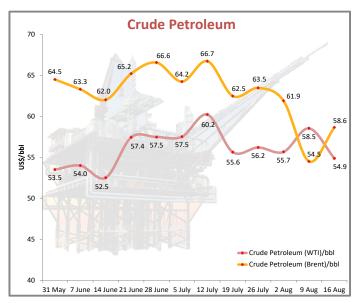






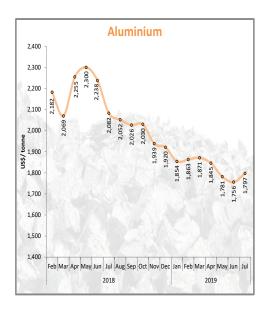


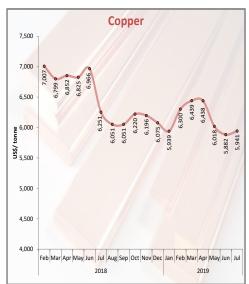


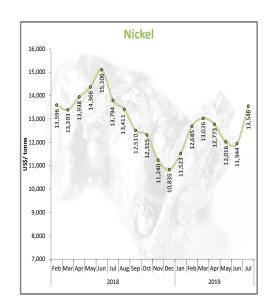


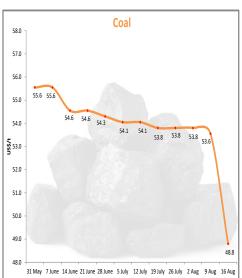
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

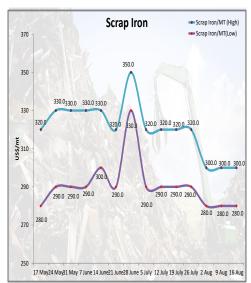
Commodity Price Trends

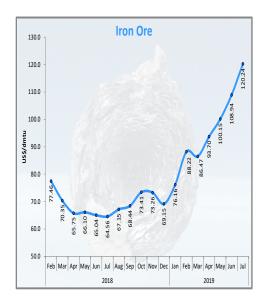


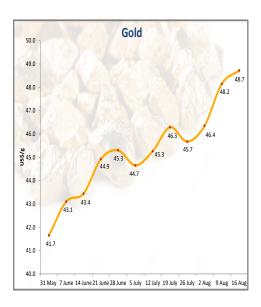


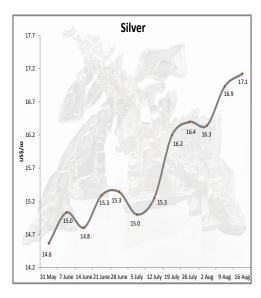


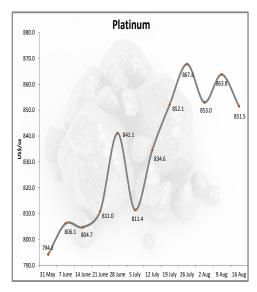












Sources: Ministry of International Trade and Industry Malaysia, , Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

MITI MINISTER LED A TRADE AND INVESTMENT MISSION TO AUSTRALIA FROM 19 - 23 AUGUST 2019





MITI MINISTER OFFICIATED THE MALAYSIA AEROSPACE SUMMIT 2019 15 AUGUST 2019







MITI SECRETARY-GENERAL OFFICIATED THE LAUNCH OF DIGITAL TRADE HALAL VALUE CHAIN FOR TOKYO OLYMPIC 2020









GLOSSARY

Source: http://www.miti.gov.my/index.php/glossary

FDI:

Foreign direct investment (FDI) - is an investment made by a company or individual in one country in business interests in another country, in the form of either establishing business operations or acquiring business assets in the other country, such as ownership or controlling interest in a foreign company

FMM:

Federation of Malaysian Manufacturers

FSO:

Floating storage and offloading - A vessel used only to store oil (without processing it).

G-8:

Group of Eight – G7 + Russia, an annual summit meeting of head of governments from seven industrialized countries in the world (G7) and Russia. Consists of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. The European Union is represented in the G8, but cannot host or chair.

G-20:

Group of Twenty - brings together systemically important industrialized and developing economies to discuss key issues in the global economy. Established in 1999 and consists of Finance Ministers and Central Bank Governors from 19 of the world's largest national economies, plus the European Union (EU). Leaders' Meeting.

GAAP:

Generally Accepted Accounting Principles
- The ethic applies on the

 The ethic applies on the recording of revenues; expenses; costs; assets and liabilities; disclosure of information and preparation of financial statements.

GATS:

General Agreement on Trade in Services (WTO) - Main objective is to create a legal framework for liberalization in trade in services. Services were included in the Uruguay Round of trade negotiations which led to the General Agreement on Trade in Services (GATS). Since January 2000, they have become the subject of multilateral trade negotiations.

ELV:

End of Life Vehicle - vehicle that have been considered 'waste' in the manner the owners have decided to withdraw the vehicle from the road. Damaged car due to road accident that cannot be repaired can be also considered as ELV.

FOB:

Freight on Board - The free-on-board value determined by the value of the materials; production cost; profit; and other costs.

FPSO:

Floating Production Storage and Offloading - Offshore production facilities that house both processing equipment and storage for produced hydrocarbons.

FTA:

- Free Trade Agreement an agreement between two or more countries with the aim of liberalising the trade of goods and services and access to investment between those countries. An FTA does this by removing barriers to trade, such as eliminating most (if not all) tariffs and removing quotas on goods that can be exported or imported.
- FTAs currently pursued with selected countries are not confined to liberalisation and market opening measures alone. They are comprehensive and include investment, trade facilitation, intellectual property rights (IPR) as well as economic cooperation in areas such as:
 - competition policy;
 - standards and conformity assessment;
 - information and communication technology;
 - science and technology;
 - education and training;
 - research and development;
 - financial cooperation;
 - Small and Medium Enterprises (SMEs) development; and
 - paperless trading.



All you need to know about Industry4WRD RA



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.

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 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.



Enquiries

- General: i4.0@miti.gov.my
- industry4wrd@m pc.gov.my



Process Flow

A FEW SIMPLE STEPS







Evaluation by Committees



Onsite Assessment



Receive RA Report



Business Intervention



Develop Intervention Proposal



Apply for Financial Incentives



Implement the Intervention Plan

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY



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.midf.com.my

Industry
Digitalisation
Transformation
Fund (IDTF)

- targeted sectors: Al, Robotics, Automation etc.
- provides a 2% interest rate subsidy
- www.bpmb.com.my

Coming Soon!

- 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

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

2

GRANTS

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

ANNOUNCEMENT

DEAR VALUED CUSTOMER,





NOTIFICATION ON IMPLEMENTATION OF ASEAN-HONG KONG, CHINA FREE TRADE AGREEMENT (AHKFTA)



WE ARE PLEASED TO INFORM THAT LEADERS FROM THE TEN ASEAN MEMBER STATES OF BRUNEI, CAMBODIA, INDONESIA, LAO PDR, MALAYSIA, MYANMAR, THE PHILIPPINES, SINGAPORE, THAILAND AND VIET NAM ALONG WITH HONG KONG, CHINA HAVE CONCLUDED THE NEGOTIATIONS OF THE **ASEAN - HONG KONG, CHINA FREE TRADE AGREEMENT (AHKFTA)** IN JULY 2017. THE AHKFTA IS ASEAN'S SIXTH FTA WITH EXTERNAL PARTNERS, AFTER CHINA, KOREA, JAPAN, INDIA AND AUSTRALIA-NEW ZEALAND.

MALAYSIA WILL ENTER INTO FORCE THIS AGREEMENT ON 1 AUGUST 2019, TO JOIN 6 OTHER READY PARTIES NAMELY; LAO PDR, MYANMAR, SINGAPORE, THAILAND, VIET NAM AND HONG KONG, CHINA.

FOR MORE INFORMATION ON THE AHKFTA, KINDLY REFER TO THIS LINK.

FOR BASIC INFORMATION ON AHKFTA RULES OF ORIGIN (ROO), KINDLY REFER TO THIS LINK.

MALAYSIAN EXPORTERS WISHING TO EXPORT TO LAO PDR, MYANMAR, SINGAPORE, THAILAND, VIET NAM AND HONG KONG, CHINA UTILISING THE AHKFTA SCHEME MAY SUBMIT APPLICATION OF PREFERENTIAL CERTIFICATE OF ORIGIN (PCO) ONLINE VIA **ePCO SYSTEM** STARTING FROM **1 AUGUST 2019**.

WE THANK YOU FOR YOUR CONTINUOUS SUPPORT AND COOPERATION.

SENIOR DIRECTOR

TRADE AND INDUSTRY SUPPORT DIVISION MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY 16 JULY 2019



Tentative Schedule for MITI Pocket Talks 2019

NO	DATE	VENUE	TOPIC
1	22 August (Thursday)	MITI HQ (SEMINAR 1)	Introduction to FTA & Preferential Certificate of Origin (PCO)
2	19 September (Thursday)	MITI PERAK	
3	17 October (Thursday)	MITI HQ (SEMINAR 1)	
4	14 November (Thursday)	MITI KELANTAN	3 (/



NEXT AWARD CYCLE



ANUGERAH KECEMERLANGAN INDUSTRI (AKI) 2019/2020

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Contact Mr. Huzaimi Hashim (MITI Investigation Officer) huzaimi@sprm.gov.my / 03-6200 0039



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