TRADE PERFORMANCE FOR JULY 2019 AND
THE PERIOD OF JANUARY- JULY 2019

The Highest Export Value for the Month of July

Malaysia’s exports picked up in July 2019 by 1.7% to RM87.96 billion compared to July 2018 and was the highest export value ever recorded for the month of July. Expansion in exports was contributed mainly by higher exports to Taiwan, the United States (US), China and Singapore.

Imports amounted to RM73.69 billion, a contraction of 5.9%. Trade surplus surged by 75.6% to RM14.27 billion. This was the 261st consecutive month of trade surplus since November 1997. Total trade was valued at RM161.65 billion, a decline of 1.9%.

On a month-on-month (m-o-m) basis, total trade, exports and imports registered a double digit growth of 14%, 15.5% and 12.3%, respectively. Trade surplus rose by 35.8%.

For the first 7 months of 2019, total trade stood at RM1.057 trillion, declining by 1.4% compared to the same period of 2018. Exports amounted to RM569.46 billion, slipped marginally by 0.4% while imports was RM487.84 billion, contracting by 2.6%. Trade surplus increased by 15.9% to RM81.62 billion.

Final Trade Data for 2018

Based on the final data released, exports for the year of 2018 has breached RM1 trillion mark for the first time with a value of RM1.004 trillion (provisional data: RM998.28 billion), increased by 7.3% compared to 2017. Imports grew by 5.2% to RM879.8 billion (provisional data: RM877.76 billion) while total trade amounted to RM1.883 trillion (provisional data: RM1.876 trillion), higher by 6.3%. Trade surplus accelerated by 25.7% to RM123.78 billion (provisional data: RM120.52 billion).

Export Performance of Major Sectors

E&E Products Boosted Export Growth

Exports of manufactured goods in July 2019 which accounted for 86.1% of total exports, grew by 3.8% to RM75.7 billion. The expansion was contributed mainly by higher exports of electrical and electronic (E&E) products, iron and steel products, processed food, machinery, equipment and parts as well as transport equipment.

Exports of mining goods (7.5% share) was valued at RM6.6 billion, declining by 11.6% on account of reduced exports of crude petroleum due to lower volume and Average Unit Value (AUV).

Exports of agriculture goods (5.7% share) totalled RM4.97 billion, down by 9.3% due to lower exports of palm oil and palm oil-based agriculture products, especially palm oil which recorded a decline of 14.2% to RM2.59 billion following lower AUV.

Major exports in July 2019:

- E&E products, valued at RM36.04 billion and constituted 41% of total exports, increased by 4.5% from July 2018;
- Petroleum products, RM6.38 billion, 7.3% of total exports, increased by 2.8%;
- Chemicals and chemical products, RM4.88 billion, 5.6% of total exports, increased by 1.9%;
- Machinery, equipment and parts, RM3.74 billion, 4.2% of total exports, increased by 6%; and
- Manufactures of metal, RM3.59 billion, 4.1% of total exports, decreased by 4.1%.
Compared to June 2019, exports of manufactured goods registered a double digit growth of 18.7% while exports of agriculture goods increased by 3.2%. Exports of mining goods however decreased by 5.2%.

During January to July 2019, exports of manufactured goods grew by 0.8% to RM479.66 billion compared to the same period of 2018, led by higher exports of E&E products, iron and steel products, chemicals and chemical products as well as processed food. Exports of mining goods contracted by 1.2% to RM48.51 billion mainly due to lower exports of crude petroleum. Exports of agriculture goods decreased by 6.3% to RM37.11 billion mainly as a result of lower exports of palm oil and palm oil-based agriculture products.

Trade Performance with Major Markets

Exports to ASEAN Remained Steady in July 2019

Trade with ASEAN in July 2019 which made up 26.4% of Malaysia’s total trade decreased by 3.7% y-o-y to RM42.72 billion. Exports to ASEAN increased by 1.8% to RM25.16 billion, supported by higher exports of E&E products, machinery, equipment and parts, iron and steel products as well as liquefied natural gas (LNG). Imports from ASEAN contracted by 10.7% to RM17.56 billion.

Breakdown of exports to ASEAN countries:

- Singapore: RM12.30 billion, increased by 3.1%
- Thailand: RM4.85 billion, ↓2.4%
- Viet Nam: RM3.16 billion, ↑6.4%
- Indonesia: RM2.57 billion, ↓11.2%
- Philippines: RM1.70 billion, ↑17.0%
- Myanmar: RM225.1 million, ↑24.2%
- Brunei: RM181.9 million, ↓13.0%
- Cambodia: RM164.6 million, ↑63.4%
- Lao PDR: RM1.6 million, ↓38.0%

Exports to major markets in ASEAN that recorded expansion were Singapore, which increased by RM372.9 million due to higher exports of E&E products, Viet Nam (↑RM191.5 million, manufactures of metal) and the Philippines (↑RM247.4 million, petroleum products).

On a m-o-m basis, trade, exports and imports recorded double digit growth of 13.8%, 15.6% and 11.2% respectively.

From January to July 2019, trade with ASEAN contracted by 2.7% to RM282.05 billion compared to the same period of 2018. Exports to this region expanded by 0.9% to RM164.52 billion, owing to higher exports of E&E products, iron and steel products, LNG, machinery, equipment and parts as well as petroleum condensates and other petroleum oil. Imports slipped by 7.3% to RM117.53 billion.

Exports to China Picked Up in July 2019

In July 2019, trade with China which represented 17.6% of Malaysia’s total trade or RM28.5 billion, increased marginally by 0.2% y-o-y. Exports was valued at RM13.34 billion, expanded by 3.8% on higher exports of manufactures of metal, petroleum products and LNG. Imports from China declined by 2.8% to RM15.16 billion.

Compared to June 2019, trade, exports and imports surged with a double digit growth of 21.2%, 32.5% and 12.8%, respectively. Trade with China for the period of January to July 2019 stood at RM177.26 billion, contracting marginally by 0.1% compared to the same period of 2018. Exports to China rose by 0.3% to RM77.47 billion, backed by higher exports of LNG, chemicals and chemical products, iron and steel products as well as paper and pulp products. Imports from China registered a marginal decrease of 0.4% to RM99.79 billion.

Weaker Trade with the EU

Total trade with the European Union (EU) which contributed 9.1% to Malaysia’s total trade in July 2019, fell by 6.2% y-o-y to RM14.72 billion. Exports amounted to RM8.1 billion, decreasing by 2.8% on account of lower exports of palm oil and palm oil-based agriculture products as well as manufactures of metal. Increases in exports were recorded for E&E products, machinery, equipment and parts as well as transport equipment. Imports from the EU totalled RM6.62 billion, decreased by 10%.

Among the top 10 EU markets which accounted for 90.2% of Malaysia’s total exports to the EU, exports to 4 countries recorded increases namely, Germany (↑14%), the United Kingdom (UK) (↑13.3%), Belgium (↑19.8%) and Spain (↑37.6%).

On a m-o-m basis, trade, exports and imports rose by 4.2%, 4.7% and 3.7%, respectively.

For the first 7 months of 2019, trade with the EU was valued at RM104.23 billion, decreased by 3.4% compared to the same period of 2018. Exports was RM57.41 billion, shrank by 2.2% due to lower exports of manufactures of metal, palm oil and palm oil-based agriculture products as well as chemicals and chemical products. Increases in exports were recorded for E&E products,
petroleum products as well as machinery, equipment and parts. Imports from the EU decreased by 4.9% to RM46.83 billion.

**Strong Exports to the US**

Trade with the US in July 2019 grew by 4.2% y-o-y to RM14.05 billion, accounting for 8.7% of Malaysia’s total trade. Exports expanded by 7.9% to RM8.36 billion, buoyed by higher exports of E&E products, wood products, transport equipment as well as manufactures of plastics. Imports from the US dropped marginally by 0.8% to RM5.69 billion.

Compared to June 2019, trade, exports and imports increased by 9.7%, 9.4% and 10.3%, respectively.

During the first 7 months of 2019, trade with the US expanded by 5% to RM92.04 billion compared to the same period of 2018. Exports grew by 4% to RM53.45 billion contributed by higher exports of E&E products, wood products, manufactures of plastics, processed food and rubber products. Imports from the US increased by 6.6% to RM38.6 billion.

Compared to June 2019, trade, exports and imports recorded double digit growth of by 14.7%, 16.4% and 12.8%, respectively.

Trade with Japan Moderated in July 2019

In July 2019, trade with Japan which represented 6.5% of Malaysia’s total trade stood at RM10.52 billion, a decrease of 4.1% y-o-y. Exports totalled RM5.2 billion, declining by 6.3% due to lower exports of LNG, petroleum products as well as palm oil-based manufactured products. Higher exports were registered for crude petroleum, processed food as well as transport equipment. Imports from Japan decreased by 1.9% to RM5.32 billion.

On a m-o-m basis, trade, exports and imports increased by 9.5%, 15.3% and 4.3%, respectively.

For the period of January to July 2019, trade with Japan was valued at RM74.58 billion, decreased by 4.2% compared to the same period of 2018. Exports amounted to RM39.09 billion, a decline of 4.8% due to lower exports of LNG, optical and scientific equipment as well as E&E products. Increases in exports were recorded for transport equipment as well as processed food. Imports from Japan was lower by 3.5% to RM35.49 billion.

Trade with FTA Partners

In July 2019, trade with Free Trade Agreement (FTA) partners which constituted 62.1% of Malaysia’s total trade stood at RM100.37 billion, a decline of 2.4% y-o-y. Exports to FTA partners was valued at RM53.74 billion, a marginal decrease of 0.3% and imports totalled RM46.64 billion, a contraction of 4.8%.

Increases in exports were recorded to New Zealand, up by 45.3% to RM652.1 million, attributed mainly to higher exports of crude petroleum, the Republic of Korea (ROK) (14.9% to RM2.9 billion, LNG) and Pakistan (12.8% to RM426.2 million, petroleum products).

Compared to June 2019, trade, exports and imports recorded double digit growth of by 14.7%, 16.4% and 12.8%, respectively.

Trade with FTA partners for the first 7 months of 2019 which made up 62% of Malaysia’s total trade was RM655.15 billion, declining by 1.9%. Exports amounted to RM349.68 billion, a marginal decrease of 0.3% while imports reduced by 3.7% to RM305.47 billion.

Import Performance

Total imports in July 2019 contracted by 5.9% to RM73.69 billion from RM78.35 billion in July 2018. The three main categories of imports by end use which accounted for 72.8% of total imports were:

- Intermediate goods, valued at RM38.89 billion or 52.8% share of total imports, decreased by 3.4%, following lower imports of parts and accessories of capital goods (except transport equipment), electrical machinery, equipment and parts;
- Capital goods, valued at RM8.42 billion or 11.4% of total imports, down by 13.9%, due mainly to lower imports of industrial transport equipment particularly aircraft and parts;
- Consumption goods, valued at RM6.36 billion or 8.6% of total imports, contracted by 5%, as a result of lower imports of semi-durables, mainly for apparel and clothing accessories.

During January to July 2019, imports amounted to RM487.84 billion, declined by 2.6% from the same period of 2018. Intermediate goods totalled RM267.82 billion, increased by 2.3%, capital goods (RM57.54 billion, ↑10.1%) and consumption goods (RM42.17 billion, ↑2.7%).
Exports registered an increase of 1.7% to RM87.96 billion against July 2018.

- **Exports**
  - RM87.96 bil. (1.7% increase)

- **Imports**
  - RM73.69 bil. (5.9% decrease)

- **Trade Balance**
  - RM14.27 bil. (75.6% increase)

- **Total Trade**
  - RM161.56 bil. (1.9% decrease)

**Major Export Products**
- E&E Products: RM36.04 billion (4.5% increase)
- Petroleum Products: RM6.38 billion (2.8% increase)
- Chemicals & Chemical Products: RM4.88 billion (1.9% increase)
- Machinery, Equipment & Parts: RM3.74 billion (6.0% increase)
- Manufactures of Metal: RM3.59 billion (4.1% decrease)

**Major Export Markets**
- PRC: RM13.34 bil. (3.8% increase)
- Singapore: RM12.30 bil. (3.1% increase)
- USA: RM8.36 bil. (7.9% increase)
- Hong Kong SAR: RM6.62 bil. (2.5% increase)
- Japan: RM5.20 bil. (6.3% decrease)

Note: % refer to Y-o-Y Growth
Source: Department of Statistics, Malaysia
**Major Import Products**

<table>
<thead>
<tr>
<th>No.</th>
<th>Category</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>E&amp;E Products</td>
<td>RM20.73bn</td>
<td>↓12.7%</td>
</tr>
<tr>
<td>02</td>
<td>Chemicals &amp; Chemical Products</td>
<td>RM7.12bn</td>
<td>↓4.8%</td>
</tr>
<tr>
<td>03</td>
<td>Machinery, Equipment &amp; Parts</td>
<td>RM6.32bn</td>
<td>↑0.8%</td>
</tr>
<tr>
<td>04</td>
<td>Petroleum Products</td>
<td>RM6.05bn</td>
<td>↓16.9%</td>
</tr>
<tr>
<td>05</td>
<td>Manufactures of Metal</td>
<td>RM3.67bn</td>
<td>↓8.8%</td>
</tr>
</tbody>
</table>

**Major Import Sources**

- **PRC**: RM15.16bn, ↓2.8%
- **Singapore**: RM7.10bn, ↓20.2%
- **USA**: RM5.69bn, ↓0.8%
- **Japan**: RM5.32bn, ↓1.9%
- **Taiwan**: RM4.86bn, ↓20.1%

*Note: % refer to Y-o-Y Growth*

*Source: Department of Statistics, Malaysia*
MALAYSIA EXTERNAL TRADE INDICES, JULY 2019

On a Year-on-Year basis, Export unit value index recorded an increase of 0.4% to 115.4 points in July 2019

Export Unit Value Indices (2010=100), JAN- JULY 2019

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>114.1</td>
<td>114.0</td>
<td>114.9</td>
<td>114.8</td>
<td>115.3</td>
<td>115.2</td>
<td>115.4</td>
</tr>
<tr>
<td>%</td>
<td>1.3%</td>
<td>1.4%</td>
<td>1.9%</td>
<td>2.1%</td>
<td>1.7%</td>
<td>0.7%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Beverages and Tobacco
Jul 2019:144.5  Jul 2018:133.9  7.9%

Machinery & Transport Equipment
Jul 2019:113.4  Jul 2018:110.2  2.9%

Miscellaneous Manufactured Articles
Jul 2019:129.6  Jul 2018:126.1  2.8%

Import Unit Value Indices (2010=100), JAN- JULY 2019

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
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<th>May</th>
<th>Jun</th>
<th>Jul</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>116.1</td>
<td>116.4</td>
<td>116.8</td>
<td>118.2</td>
<td>118.9</td>
<td>118.1</td>
<td>147.6</td>
</tr>
<tr>
<td>%</td>
<td>0.2%</td>
<td>0.8%</td>
<td>0.9%</td>
<td>2.3%</td>
<td>1.8%</td>
<td>-0.2%</td>
<td>-0.6%</td>
</tr>
</tbody>
</table>

Beverages and Tobacco
Jul 2019:115.3  Jul 2018:112.0  3.0%

Food
Jul 2019:138.7  Jul 2018:135.3  2.6%

Machinery & Transport Equipment
Jul 2019:120.0  Jul 2018:118.2  1.5%

Note: % refer to Y-o-Y Growth
Source: Department of Statistics, Malaysia
Merchandise Trade Statistics

World largest exporters of glycerol in 2018

In 2018, Malaysia’s export of glycerol recorded US$352.4 million with 21.2% share to the world exports.

1. Malaysia
   - US$352.4m
   - 21.2%

2. Indonesia
   - US$309.4m
   - 18.6%

3. Germany
   - US$300.6m
   - 18.1%

4. Netherlands
   - US$206.2m
   - 12.4%

5. Argentina
   - US$83.1m
   - 5.0%

WORLD LARGEST EXPORTERS OF GLYCEROL*

Notes:
- *HS290545
- % refer to share in world exports

Top Five Malaysia Export Destinations

1. China
   - US$69.3m

2. USA
   - US$62.2m

3. Japan
   - US$34.8m

4. R.O. Korea
   - US$20.5m

5. UAE
   - US$16.8m

Sources: https://www.trademap.org/index.aspx
Viet Nam
Economic Indicators
at a Glance

Viet nam population in 2017 was 95,540,800 which was 1.27 % of world population. It has a density of 308 persons/km².

Sources:
https://data.aseanstats.org/
https://theodora.com/wfbcurrent/thailand/Viet Nam_economy.html
https://www.worldometers.info/world-population/Viet Nam-population/

Malaysia's Trade with Viet Nam, 2008 - 2018

Source: Department of Statistics Malaysia
Number and Value of Preferential Certificates of Origin (PCOs)

**ASEAN Trade in Goods Agreement (ATIGA)**

**ASEAN-China Free Trade Agreement (ACFTA)**

**ASEAN-Korea Free Trade Agreement (AKFTA)**

**ASEAN-Japan Comprehensive Economic Partnership (AJCEP)**

**ASEAN-India Free Trade Agreement (AIFTA)**

**ASEAN-Australia-New Zealand free Trade Agreement (AANZFTA)**

**Generalised System of Preferences (GSP)**

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

Source: Ministry of International Trade and Industry, Malaysia
Number and Value of Preferential Certificates of Origin (PCOs)

Note: *Provisional Data

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

**US Dollar**

USD 1 = RM

**Pound Sterling**

GBP 1 = RM

**Euro**

EUR 1 = RM

**Australian Dollar**

AUD 1 = RM

**South Korean Won**

KRW 100 = RM

**Brunei Dollar**

BND 1 = RM

Source: Bank Negara Malaysia
## Commodity Prices

### CRUDE PETROLEUM (BRENT) - per bbl-
- **Average Price 2018**: US$71.5
- **6 September 2019**: US$61.5

### CRUDE PALM OIL - per MT-
- **Highest 2018/2019**:
  - 6 Sep 2019: US$570.0
  - 9 Mar 2018: US$691.5
- **Lowest 2018/2019**:
  - 26 July 2019: US$488.5
  - 23 Nov 2018: US$448.5

### RUBBER SMR 20 - per MT-
- **Average Price 2018**: US$1,371.0
- **6 September 2019**: US$1,352.0

### COCOA SMC 2 - per MT-
- **Average Price 2018**: US$1,535.6
- **6 September 2019**: US$1,370.6

### SUGAR - per lbs-
- **Average Price 2018**: US$12.3
- **6 September 2019**: US$11.0

### COAL - per MT-
- **Average Price 2018**: US$66.9
- **6 September 2019**: US$45.6

### SCRAP IRON HMS - per MT-
- **Average Price 2018**: US$380.7 (high)
- **6 September 2019**: US$359.6 (low)

### Domestic Prices

#### Billets (per MT)
- **6 September 2019**: RM1,850 - RM2,050

#### Steel Bars (per MT)
- **6 September 2019**: RM1,960 - RM2,110

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**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

**Crude Palm Oil**

- 21 June: 485.0
- 28 June: 502.5
- 5 July: 505.5
- 12 July: 498.5
- 19 July: 492.5
- 26 July: 488.5
- 2 Aug: 506.5
- 9 Aug: 507.0
- 16 Aug: 519.5
- 23 Aug: 570.0
- 30 Aug: 553.0

**Rubber SMR 20**

- 21 June: 1,605.5
- 28 June: 1,614.1
- 5 July: 1,623.3
- 12 July: 1,620.1
- 19 July: 1,614.8
- 26 July: 1,552.7
- 2 Aug: 1,444.8
- 9 Aug: 1,384.5
- 16 Aug: 1,354.4
- 23 Aug: 1,308.8
- 30 Aug: 1,291.5
- 6 Sep: 1,352.0

**Cocoa**

- 21 June: 1,620.5
- 28 June: 1,623.3
- 5 July: 1,620.1
- 12 July: 1,552.7
- 19 July: 1,444.8
- 26 July: 1,344.3
- 2 Aug: 1,354.4
- 9 Aug: 1,308.8
- 16 Aug: 1,291.5
- 23 Aug: 1,281.0
- 30 Aug: 1,200.0
- 6 Sep: 1,199.0

**Pepper**

- 21 June: 1,497.5
- 28 June: 1,482.0
- 5 July: 1,456.0
- 12 July: 1,402.5
- 19 July: 1,425.5
- 26 July: 1,315.0
- 2 Aug: 1,326.5
- 9 Aug: 1,315.5
- 16 Aug: 1,341.0
- 23 Aug: 1,330.0
- 30 Aug: 1,295.0
- 6 Sep: 1,295.5

**Sugar**

- 21 June: 12.5
- 28 June: 12.6
- 5 July: 12.4
- 12 July: 12.3
- 19 July: 12.0
- 26 July: 11.9
- 2 Aug: 11.6
- 9 Aug: 11.5
- 16 Aug: 11.4
- 23 Aug: 11.3
- 30 Aug: 11.0
- 6 Sep: 11.0

**Crude Petroleum**

- 21 June: 502.5
- 28 June: 505.5
- 5 July: 506.5
- 12 July: 507.0
- 19 July: 519.5
- 26 July: 570.0
- 2 Aug: 553.0
- 9 Aug: 1,447.5
- 16 Aug: 1,466.0
- 23 Aug: 1,425.5
- 30 Aug: 1,424.0
- 6 Sep: 1,326.5

Commodity Price Trends

Prime Minister of Malaysia Official Visit to Cambodia
3 September 2019
MITI Deputy Minister Launched The American Malaysian Chamber of Commerce Annual Economic Impact Survey 2018/2019
4 September 2019
MITI Deputy Minister at Program Santai Hari Kebangsaan MITI dan Agensi 4 September 2019
MITI Deputy Minister at FMM-OCBC Power Talk 2019
5 September 2019
MITI Secretary General at The 51st ASEAN Economic Ministers' Meeting and Related Meetings
6 September 2019, Bangkok Thailand
MITI Minister at The 7th RCEP Ministerial Meeting
8 September 2019, Bangkok Thailand

FROM: THAILAND

The 51st ASEAN Economic Ministers’ Meeting and Related Meetings
3–10 September 2019, Bangkok, Thailand
**IMF: International Monetary Fund** - referee and, when the need arises, rescuer of the world’s FINANCIAL SYSTEM. The IMF was set up in 1944 at BRETON WOODS, along with the WORLD BANK, to supervise the newly established fixed EXCHANGE RATE system. After this fell apart in 1971-73, the IMF became more involved with its member countries’ economic policies, doling out advice on FISCAL POLICY and MONETARY POLICY as well as microeconomic changes such as PRIVATISATION, of which it became a forceful advocate. In the 1980s, it played a leading part in sorting out the problems of DEVELOPING COUNTRIES’ mounting DEBT. More recently, it has several times co-ordinated and helped to finance assistance to countries with a currency crisis. The Fund has been criticised for the CONDITIONALITY of its support, which is usually given only if the recipient country promises to implement IMF-approved economic reforms. Unfortunately, the IMF has often approved ‘one size fits all’ policies that, not much later, turned out to be inappropriate. It has also been accused of creating MORAL HAZARD, in effect encouraging governments (and FIRMS, BANKS and other investors) to behave recklessly by giving them reason to expect that if things go badly the IMF will organise a bail-out. Indeed, some financiers have described an INVESTMENT in a financially shaky country as a ‘moral-hazard play’ because they were so confident that the IMF would ensure the safety of their MONEY, one way or another. Following the economic crisis in Asia during the late 1990s, and again after the crisis in Argentina early in this decade, some policymakers argued (to no avail) for the IMF to be abolished, as the absence of its safety net would encourage more prudent behaviour all round. More sympathetic folk argued that the IMF should evolve into a global lender of last resort.

**LC: Letter of Credit** - A Letter of Credit or Documentary Credit (DC) is a written undertaking by the bank given to an exporter/seller at the request of the importer/buyer, to pay the exporter/seller at sight or at a determinable future date up to a stated sum of money, within a prescribed time limit against stipulated documents and in compliance with the terms and conditions of the LC.

**ILP: Industrial Linkage Programmes** - is implemented to integrate local SMIs into the mainstream industrial sector to forge stronger industry linkages.

**IoT: Internet of Things** - System of interrelated computing devices, mechanical and digital machines, objects, animals or people that are provided with unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction.

**ITA: Information Technology Agreement** - Tariff liberalization arrangement negotiated in the WTO on elimination of import duties on IT products.

**J-curve:** The shape of the trend of a country’s trade balance following a devaluation. A lower exchange rate initially means cheaper exports and more expensive imports, making the current account worse (a bigger deficit or smaller surplus). After a while, though, the volume of exports will start to rise because of their lower price to foreign buyers, and domestic consumers will buy fewer of the costlier imports. Eventually, the trade balance will improve on what it was before the devaluation. If there is a currency appreciation there may be an inverted J-curve.

**JPC 3:** Jawatankuasa Pengecualian Cukai Besi Keluli - A committee chaired by MITI and representatives from MOF, MIDA and Customs that evaluates and determines import duty exemption applications for raw materials of iron and steel products.

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**LEV: Low emission vehicle** - is a vehicle that meets the average emissions standard within the LEV programme.

**ITC: Information Technology Agreement** - Tariff liberalization arrangement negotiated in the WTO on elimination of import duties on IT products.

**J-curve:** The shape of the trend of a country’s trade balance following a devaluation. A lower exchange rate initially means cheaper exports and more expensive imports, making the current account worse (a bigger deficit or smaller surplus). After a while, though, the volume of exports will start to rise because of their lower price to foreign buyers, and domestic consumers will buy fewer of the costlier imports. Eventually, the trade balance will improve on what it was before the devaluation. If there is a currency appreciation there may be an inverted J-curve.

**JPC 3:** Jawatankuasa Pengecualian Cukai Besi Keluli - A committee chaired by MITI and representatives from MOF, MIDA and Customs that evaluates and determines import duty exemption applications for raw materials of iron and steel products.

**LEV: Low emission vehicle** - is a vehicle that meets the average emissions standard within the LEV programme.

**LPG:** Liquefied Petroleum Gas also referred to as GPL, LP or autogas is a blend primarily of two hydrocarbon gases, propane and butane.
INDUSTRY4WRD RELATED INCENTIVES

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

### Soft Loan Scheme for Automation and Modernisation (SLSAM)

- targets manufacturing sectors
- 4.0% interest rate per annum for SMEs
- [www.midf.com.my](http://www.midf.com.my)

### Industry Digitalisation Transformation Fund (IDTF)

- targeted sectors: AI, Robotics, Automation etc.
- provides 2% interest rate subsidy

### 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](http://www.mida.gov.my)

### 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](http://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](http://www.mida.gov.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

For more information, kindly click the following links:
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.

Enquiries
- General: i4.0@miti.gov.my
- RA: industry4wrd@mpc.gov.my

For more information, kindly click the following links:
ANNOUNCEMENTS

**Tentative Schedule for MITI Pocket Talks 2019**

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For more information please contact the secretariat:

📞 03 6202 0488/89/57  •  mailk@miti.gov.my

For more information, kindly click the following links:


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Happy Malaysia Day

From all of us at MITI and agencies