

Weekly BULLETIN

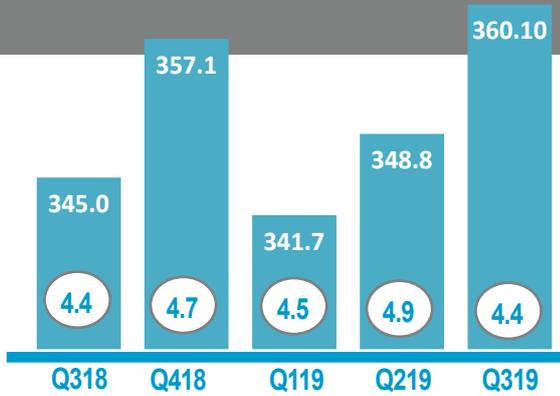


MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

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Malaysia Economic Performance, Q3 2019



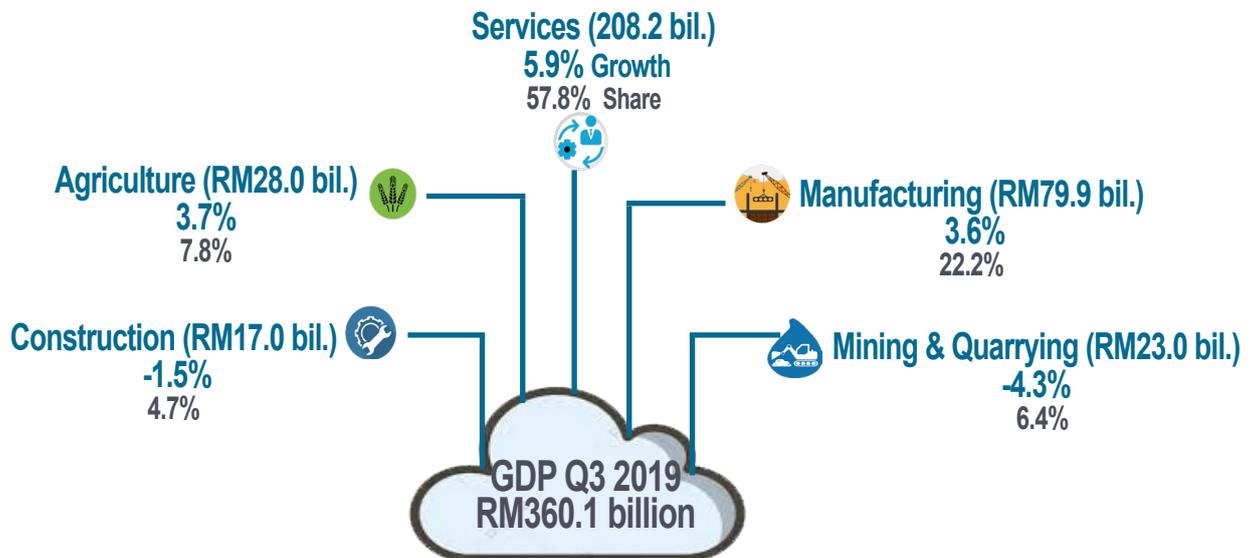
Malaysia's economy posted a growth of 4.4% in Q3 2019

RM360.1 billion	RM381.5 billion	RM45.3 billion
GDP at constant 2015 prices	GDP at current prices	GNI per capita at current prices

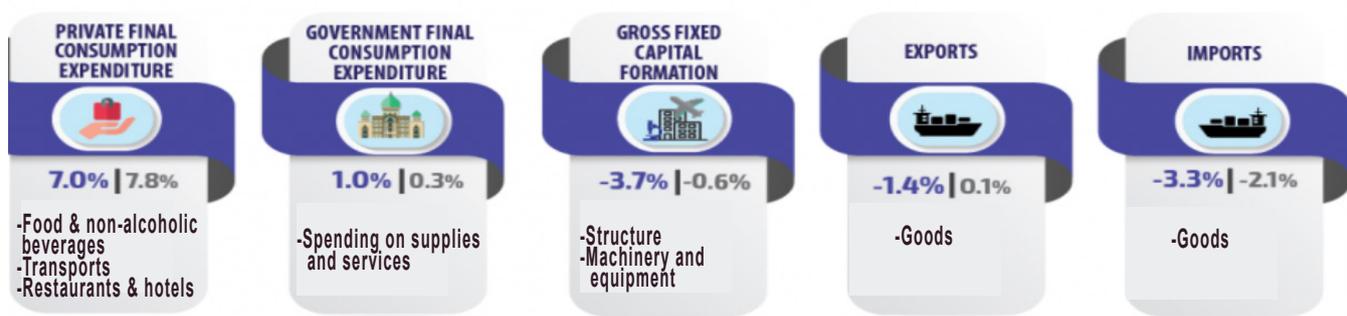
■ GDP at constant prices(RM Billion)
○ Growth rate (%)

Production

Services and manufacturing sectors anchored the Malaysia's economy growth (exclude import duties)



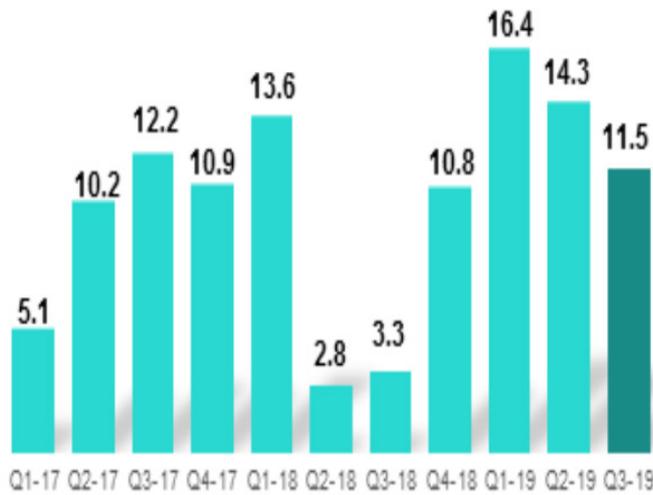
Expenditure



NOTE : Q319 | Q219
% - Year-on-Year Growth

Source: Department of Statistics, Malaysia

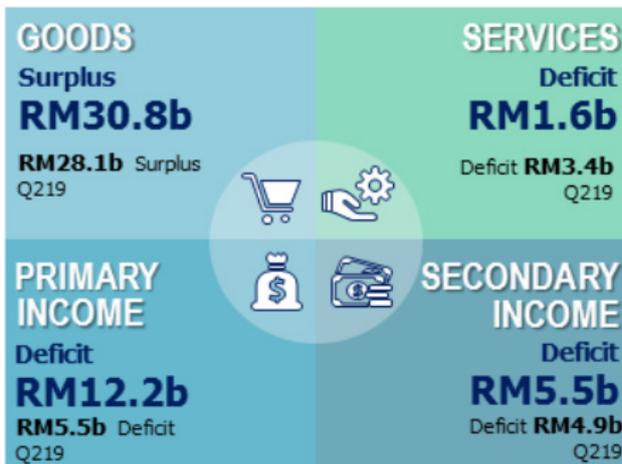
Balance of Payment, Q3 2019



“Malaysia’s current account balance recorded a surplus of **RM11.5 billion** as against RM14.3 billion in the Q2 2019”

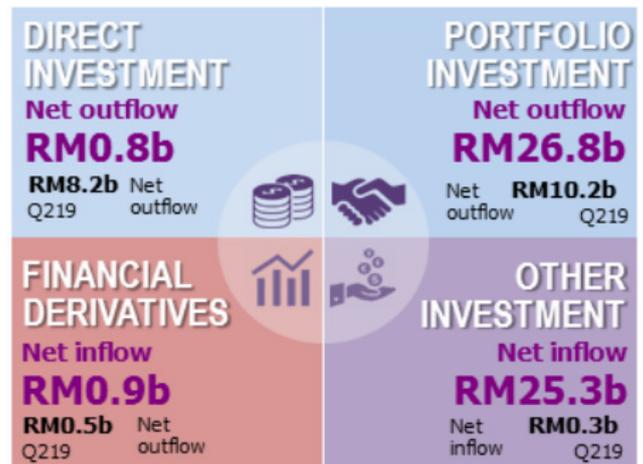
CURRENT ACCOUNT

“The surplus in current account balance was led by Goods and lower deficit in Services”



FINANCIAL ACCOUNT

“Financial Account registered net outflow of RM1.3 billion mainly due to higher outflow of Portfolio Investment”



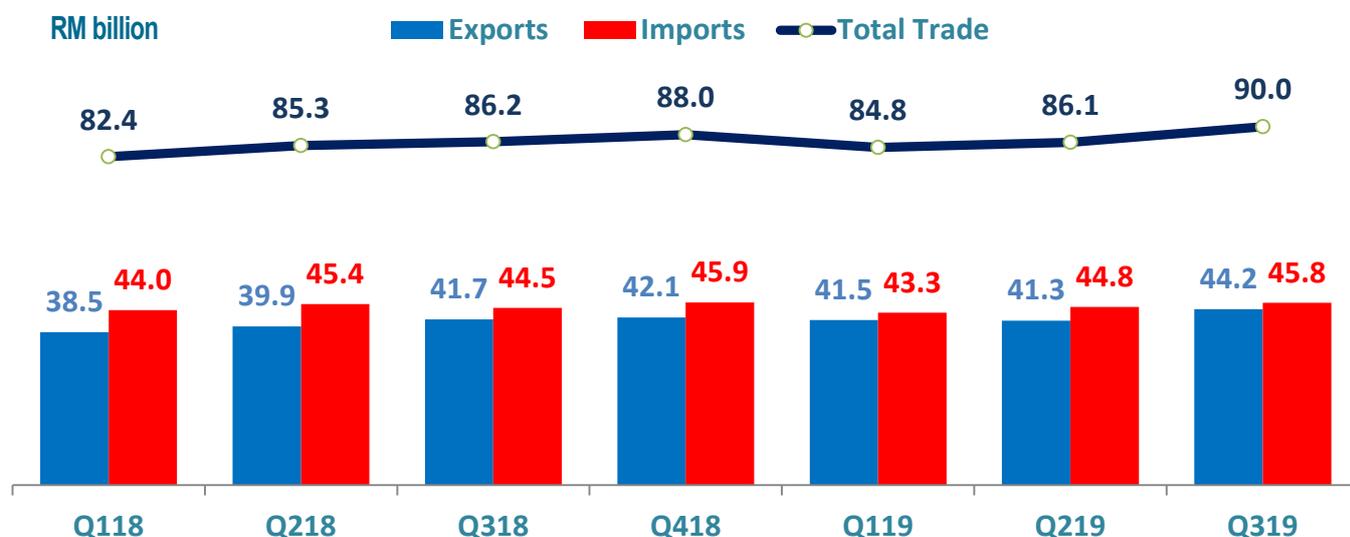
FDI & DIA Performance, Q3 2019



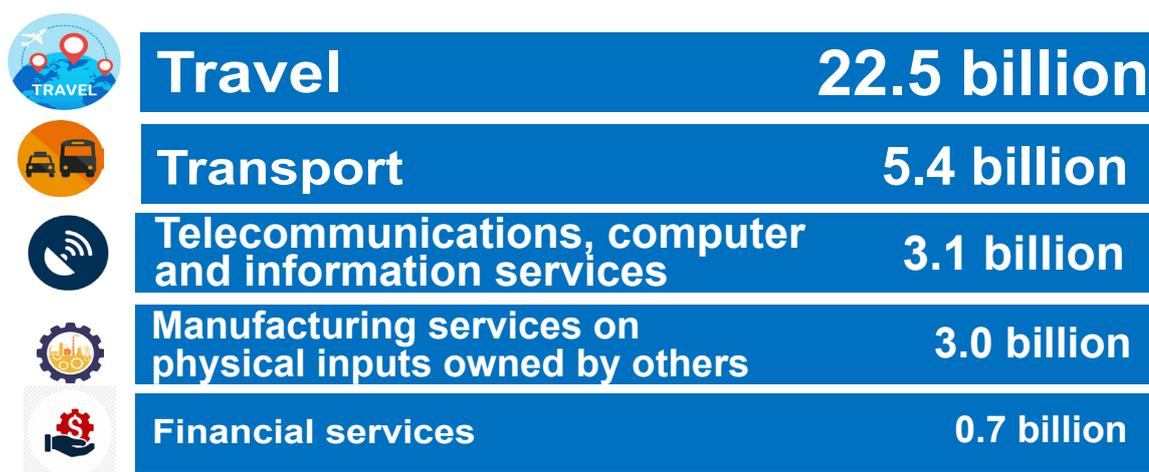
Source: Department of Statistics, Malaysia

Trade in Services, Q3 2019

Total international trade in services



Malaysia major exports of services by components



Malaysia major imports of services by components



Source: Department of Statistics, Malaysia

MALAYSIA'S SUSTAINABLE DEVELOPMENT GOALS (SDG)



Cluster 1: Inclusivity

Goal 1: No Poverty

Goal 2: No Hunger

Goal 5: Gender quality

Goal 10: Reduce inequality

SUMMARY FINDING

Goal 2 : End hunger, achieve food security and improved nutrition and promote sustainable agriculture



Indicator 2.2.1: Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age

Stunting is an indicator of underweight and is measured by low-height-for-age. In 2015, Perlis recorded the highest prevalence of stunting among children under 5 years old with 24.0 per cent. On the other hand, Pulau Pinang recorded the lowest prevalence of stunting among children under 5 years old which was 8.4 per cent.

PREVALENCE OF STUNTING AMONG CHILDREN UNDER 5 YEARS OF AGE BY STATE, 2015

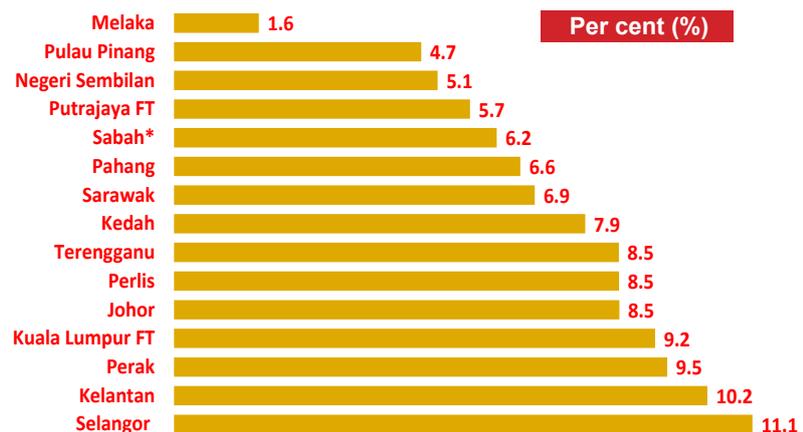


Indicator 2.2.2: Prevalence of malnutrition (weight for height $>+2$ or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)

In 2015, Selangor recorded the highest prevalence of wasting among children under 5 years old with 11.1 per cent, followed by Kelantan (10.2%) and Perak

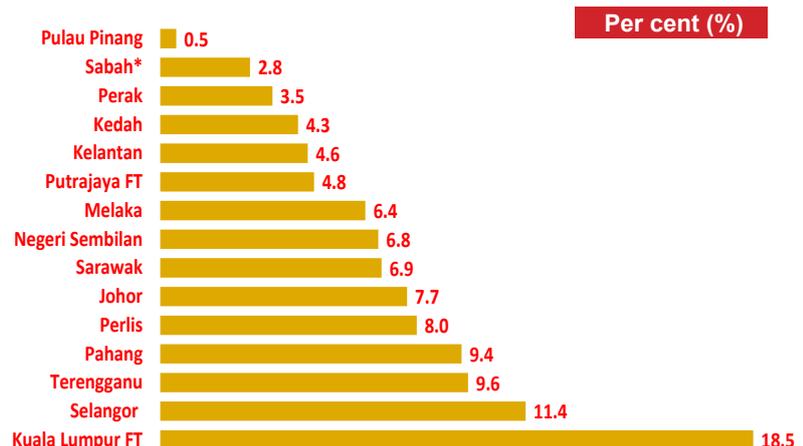
(9.5%). On the other hand, Melaka recorded the lowest prevalence of wasting among children under 5 years old with 1.6 per cent.

PREVALENCE OF WASTING BY STATE, 2015



W.P. Kuala Lumpur reported the highest prevalence of overweight among children under 5 years old with 18.5 per cent in 2015. Meanwhile, Pulau Pinang recorded the lowest prevalence of overweight among children under 5 years old with 0.5 per cent.

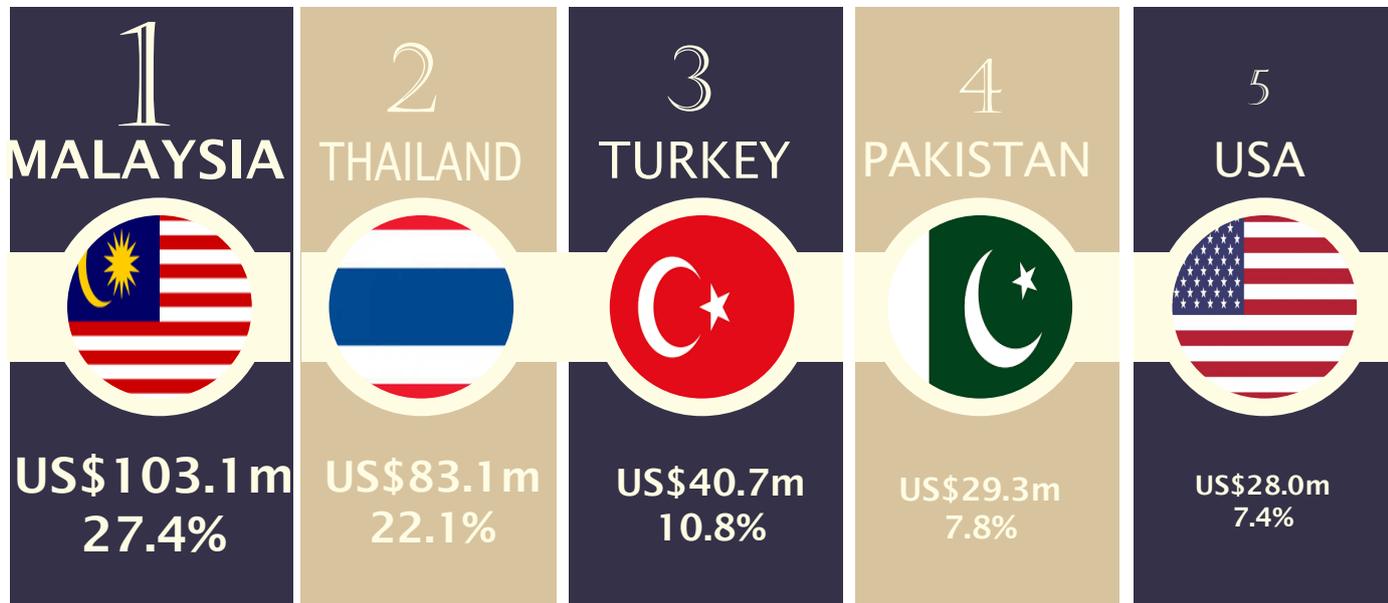
PREVALENCE OF OVERWEIGHT BY STATE, 2015



Note: *Includes W.P. Labuan

Source: Department of Statistics Malaysia

THE WORLD LARGEST EXPORTERS OF FIBREBOARD OF WOOD OR OTHER LIGNEOUS MATERIALS, WHETHER OR NOT AGGLOMERATED WITH RESINS OR OTHER ORGANIC BONDING AGENTS, OF A DENSITY OF > 0,5 G TO 0,8 G/CM³ (EXCLUDING MEDIUM DENSITY FIBREBOARD "MDF"; PARTICLE BOARD, WHETHER OR NOT BONDED WITH ONE OR MORE SHEETS OF FIBREBOARD; LAMINATED WOOD WITH A LAYER OF PLYWOOD; CELLULAR WOOD PANELS OF WHICH BOTH SIDES ARE FIBREBOARD; PAPERBOARD; IDENTIFIABLE FURNITURE COMPONENTS)*



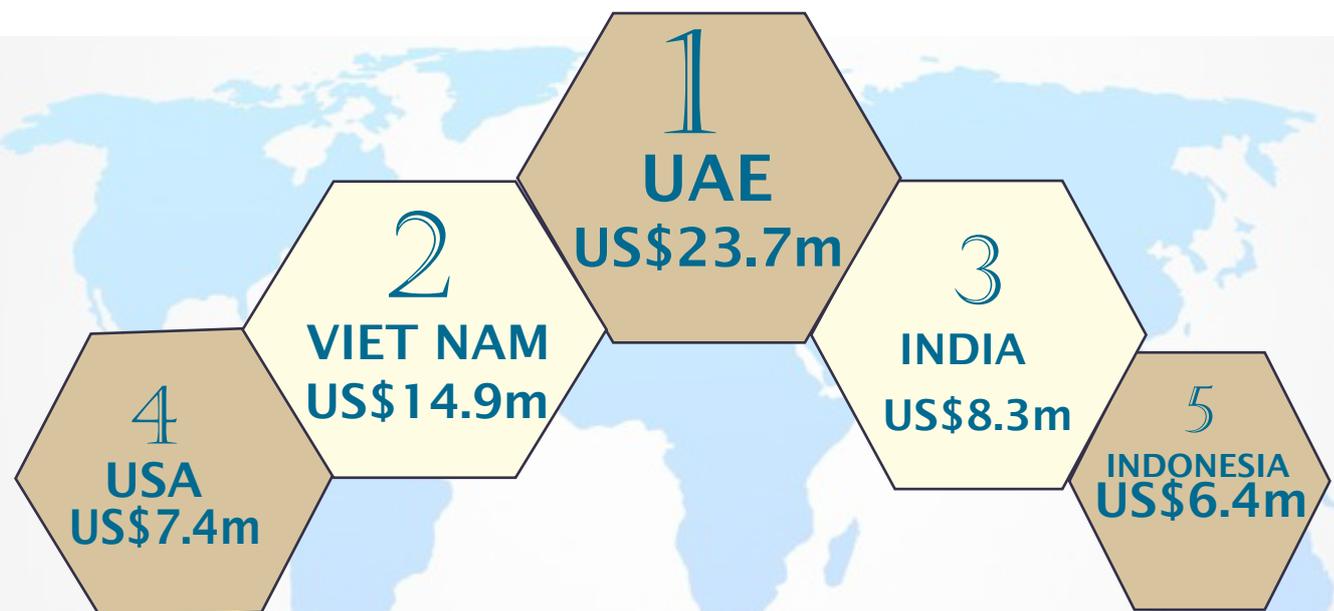
In 2018, Malaysia's export of fibreboard of this products recorded US\$103.1 million with 27.4% share of the world exports

Notes:

-*HS441193

-% refer to share in world exports

TOP FIVE MALAYSIA EXPORT DESTINATIONS



Sources: <https://www.trademap.org/index.aspx>



#MyAPEC2020 | Malaysia

APEC Competitiveness Ranking 2019

 Singapore (100.00)	1	 Thailand (77.23)	10
 Hong Kong SAR (97.99)	2	 R. O. Korea (76.50)	11
 USA (97.12)	3	 Japan (74.75)	12
 Canada (89.22)	4	 Indonesia (73.60)	13
 P. R. China (88.78)	5	 Chile (67.69)	14
 Chinese Taipei (88.24)	6	 Russia (65.20)	15
 Australia (85.51)	7	 Philippines (64.73)	16
 New Zealand (83.10)	8	 Mexico (59.80)	17
 Malaysia (82.54)	9	 Peru (57.21)	18

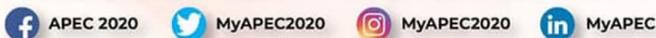
Source:

- <https://www.imd.org/wcc/world-competitiveness-center-rankings/world-competitiveness-ranking-2019/>
- <http://www.mpc.gov.my/wp-content/uploads/2019/05/TOPLINE-WCY2019-FINAL-MKH.pdf>



Come and join us!
Be part of volunteers for APEC 2020

APEC 2020 NATIONAL SECRETARIAT



Be part of something BIG?

Come and join us,
be a volunteer for
APEC 2020!

For more information about
the volunteer program, kindly
click the following link:

<https://www.miti.gov.my/index.php/pages/view/5657?mid=626>



GLOSSARY

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

Amber Box:

- All domestic support measures (i.e. subsidies) considered to distort production and trade (with some exceptions) fall into the amber box, which is defined in Article 6 of the Agriculture Agreement as all domestic support except those in the blue and green boxes. These include measures to support prices, or subsidies directly related to production quantities.
- These supports are subject to limits: "de minimis" minimal supports are allowed (5% of agricultural production for developed countries, 10% for developing countries); the 30 WTO members that had larger subsidies than the de minimis levels at the beginning of the postUruguay Round reform period are committed to reducing these subsidies.
- The reduction commitments are expressed in terms of a "Total Aggregate Measurement of Support" (Total AMS) which includes all support for specified products together with support that are not for specific products, in one single figure. In the current negotiations, various proposals deal with how much further these subsidies should be reduced, and whether limits should be set for specific products rather than continuing with the single overall "aggregate" limits.

Anti-Dumping:

GATT's Article 6 allows anti-dumping duties to be imposed on goods that are deemed to be exported below their normal prices, thus causing injury to producers of competing products in the importing country. These duties are equal to the difference between the goods export price and their normal value, if dumping causes injury.

APEC Fora:

APEC has a number of different groups working in the areas of trade and investment liberalization and facilitation and economic and technical cooperation. Committees, ad-hoc groups, expert groups and working groups are known individually as a forum and collectively as fora.

Applied Tariff:

The tariff levied on an imported good.

APEC Secretariat:

The main mechanism for supporting the APEC process, providing technical assistance, consultation and coordination of activities of APEC fora, while at the same time administering databases, information and communication, and outreach activities. The Secretariat plays a central role in the management of APEC projects and APEC's annual budget. Its structure consists of: an Executive Director from a member economy with a fixed-term of three years; program directors seconded from member economies; and support staff. The decision to establish the APEC Secretariat with its office based in Singapore was adopted in 1992 at the APEC Ministerial Meeting in Bangkok, Thailand.

Arrival Contract:

Sales/purchase contract where seller's responsibility ends when goods have arrived at agreed place.

Budget Surplus:

- A Blueprint for identifying the characteristics and elements of the AEC by 2015.
- Signed in November 2007, as the first ASEAN Economic Community (AEC) Blueprint, it has served as a comprehensive master plan to chart the region's journey towards the formal establishment of the AEC on 31 December 2015.
- Under this Blueprint, the AEC is built on four interrelated and mutually-reinforcing characteristics: (a) a single market and production base, (b) a highly competitive economic region, (c) a region of equitable economic development, and (d) a region fully integrated into the global economy. (Refer to Factsheets on AEC Blueprint 2015 for details)

ASEAN+1 Free Trade Agreements (FTAs):

ASEAN Member States as a group came into a free trade agreement with a non-ASEAN Member State such as China (ASEAN-China FTA), Japan (ASEAN-Japan Comprehensive Economic Partnership), South Korea (ASEAN-Korea FTA), India (ASEAN-India FTA) and Australia/New Zealand (ASEAN-Australia New Zealand FTA). These countries are also known as ASEAN FTA Partners (AFTPs).

Technical Notes

Source: <https://www.wto.org>

Definitions and methods (Trade in Commercial Services):

EXPORTS AND IMPORTS

Exports (credits) and imports (debits) of commercial services are derived from statistics on international service transactions included in the balance of payments statistics, in conformity with the concepts, definitions and classification of the fourth (1977) or fifth (1993) edition of the IMF Balance of Payments Manual.

DEFINITION OF COMMERCIAL SERVICES:

In the fifth edition of the Balance of Payments Manual, the current account is subdivided into goods, services (including government services, n.i.e.), income (investment income and compensation of employees), and current transfers. The commercial services category in this report is defined as being equal to services minus government services, n.i.e. Commercial services is further sub-divided into transport, travel, and other commercial services.

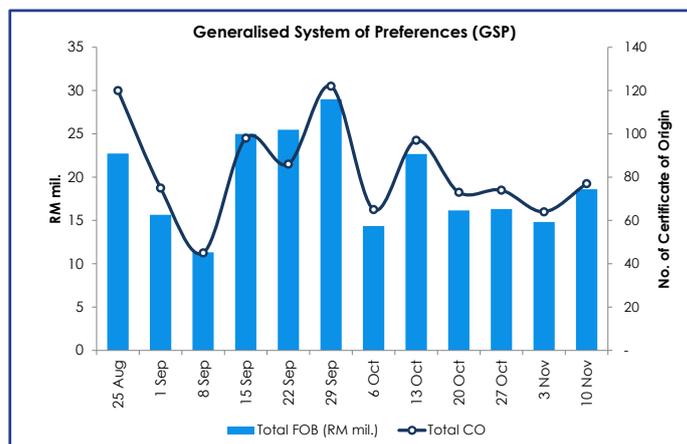
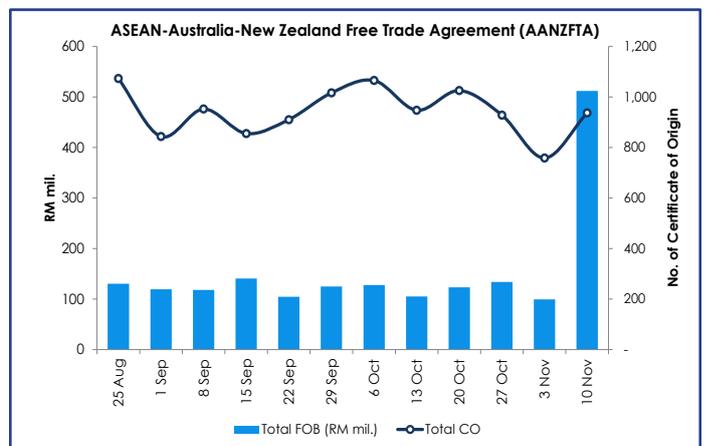
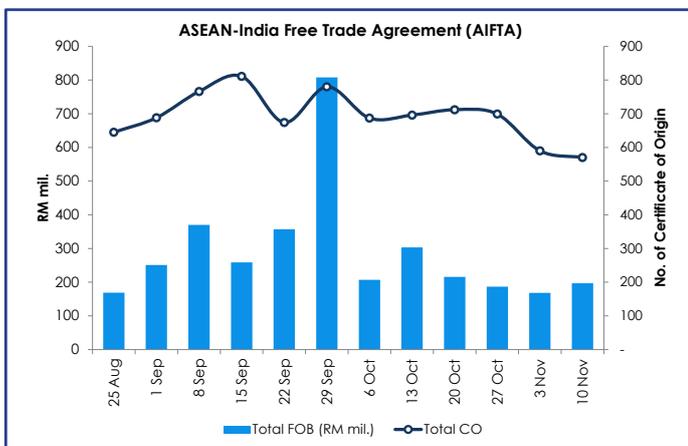
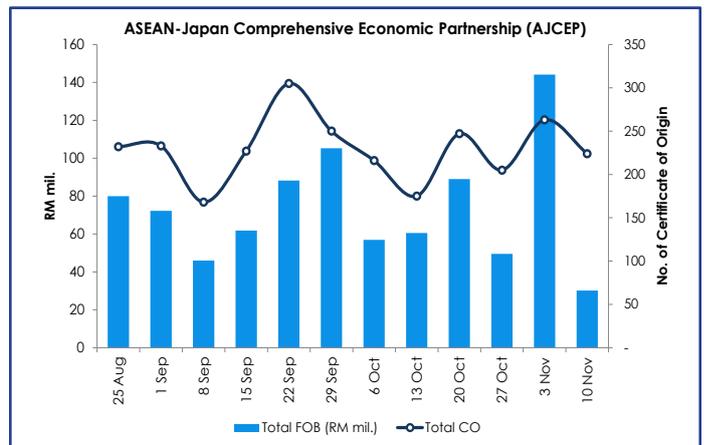
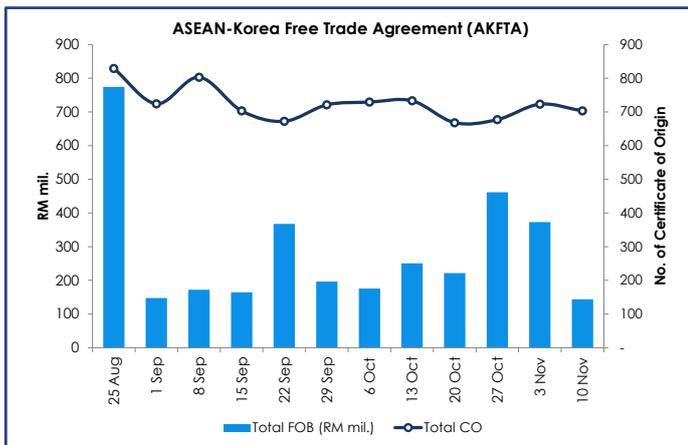
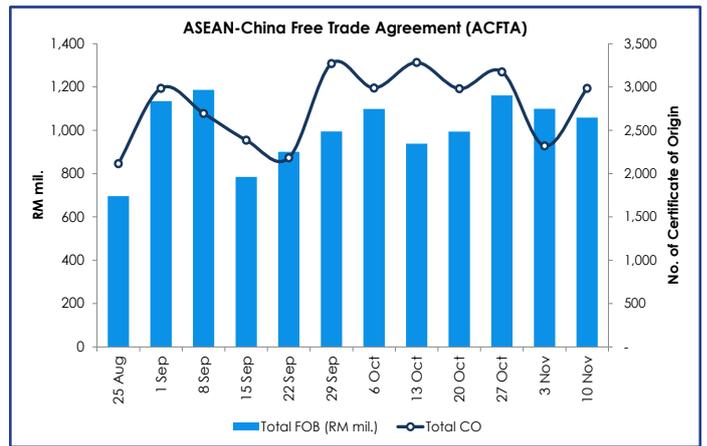
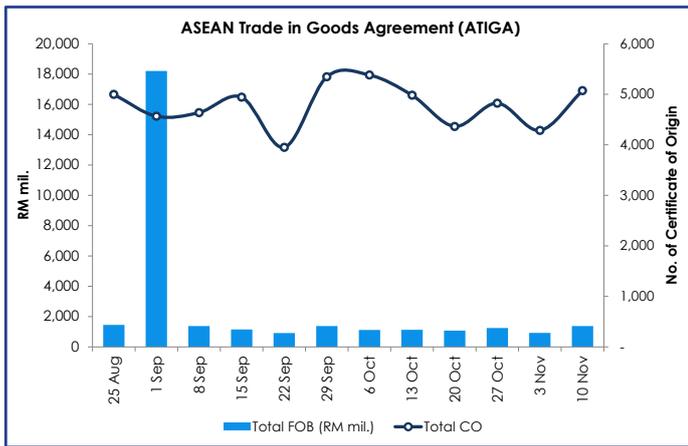
Transport covers all transportation services (sea, air and other - including land, internal waterway, space and pipeline) that are performed by residents of one economy for those of another, and that involve the carriage of passengers, the movement of goods (freight), rentals (charters) of carriers with crew, and related supporting and auxiliary services.

Travel includes goods and services acquired by personal travellers, for health, education or other purposes, and by business travellers. Unlike other services, travel is not a specific type of service, but an assortment of goods and services consumed by travellers. The most common goods and services covered are lodging, food and beverages, entertainment and transportation (within the economy visited), gifts and souvenirs.

Other commercial services corresponds to the following components defined in BPM5:

- (i) communication services (telecommunications, postal and courier services);
- (ii) construction services;
- (iii) insurance services;
- (iv) financial services;
- (v) computer and information services (including news agency services);
- (vi) royalties and licence fees, covering payments and receipts for the use of intangible non-financial assets and proprietary rights, such as patents, copyrights, trademarks, industrial processes, and franchises;
- (vii) other business services, comprising trade related services, operational leasing (rentals), and miscellaneous business, professional and technical services such as legal, accounting, management consulting, public relations services, advertising, market research and public opinion polling, research and development services, architectural, engineering, and other technical services, agricultural, mining and on-site processing; and
- (viii) personal, cultural, and recreational services including audiovisual services.

Number and Value of Preferential Certificates of Origin (PCOs)

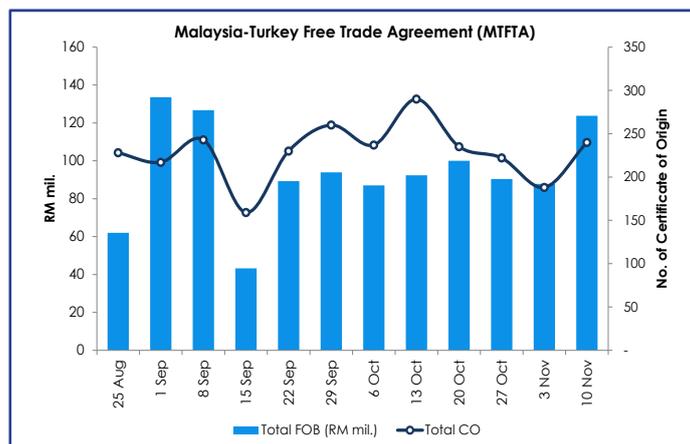
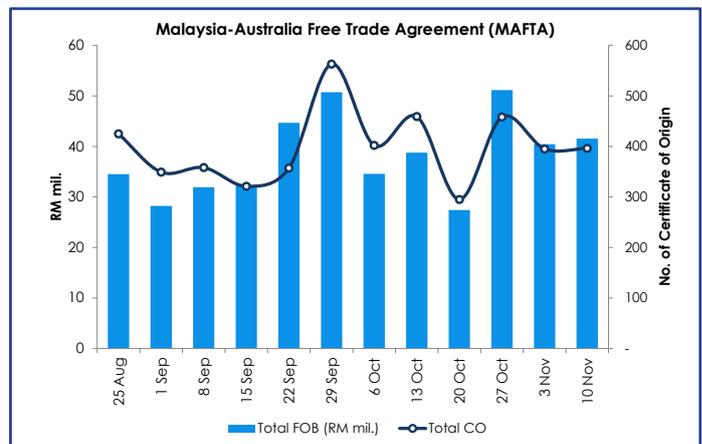
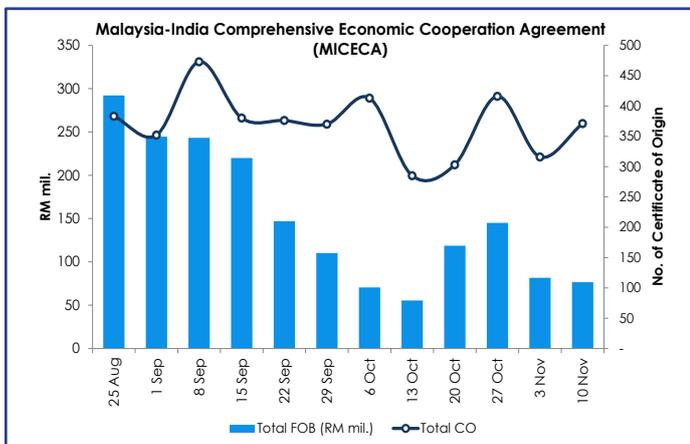
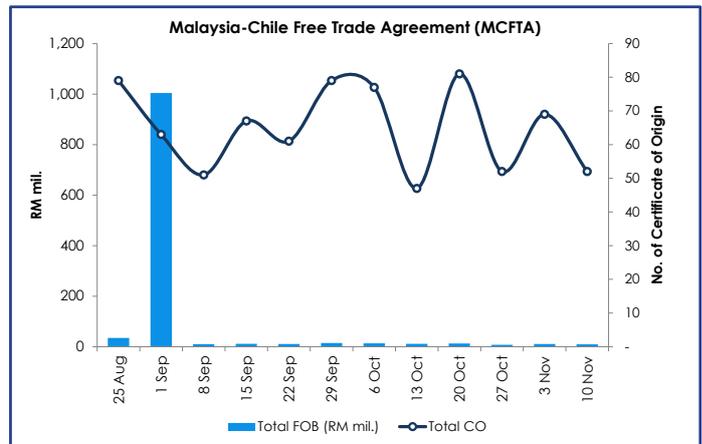
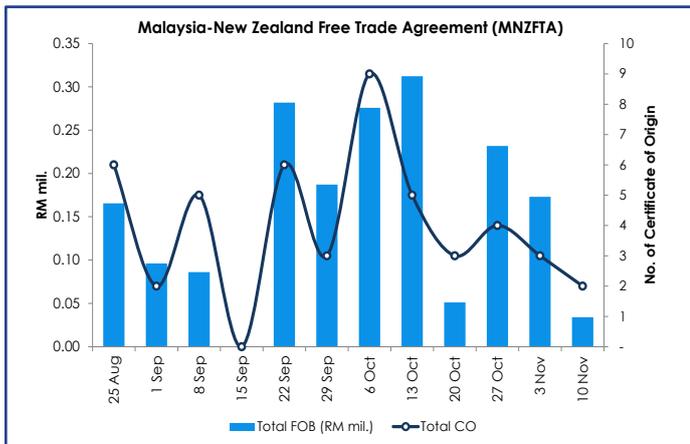
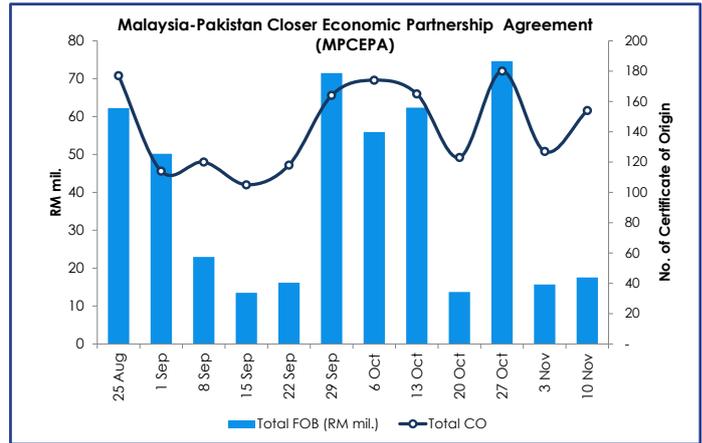
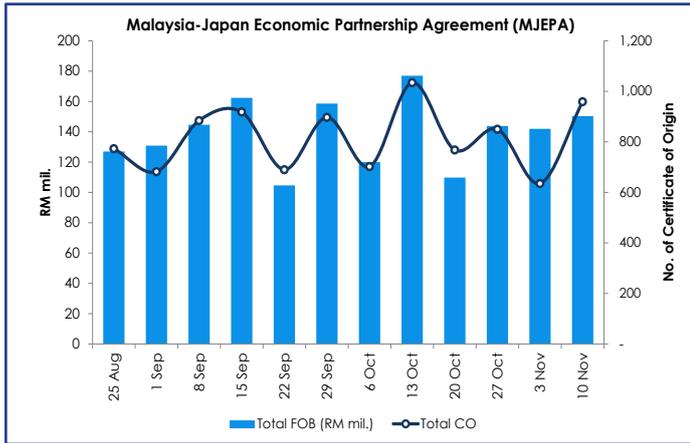


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

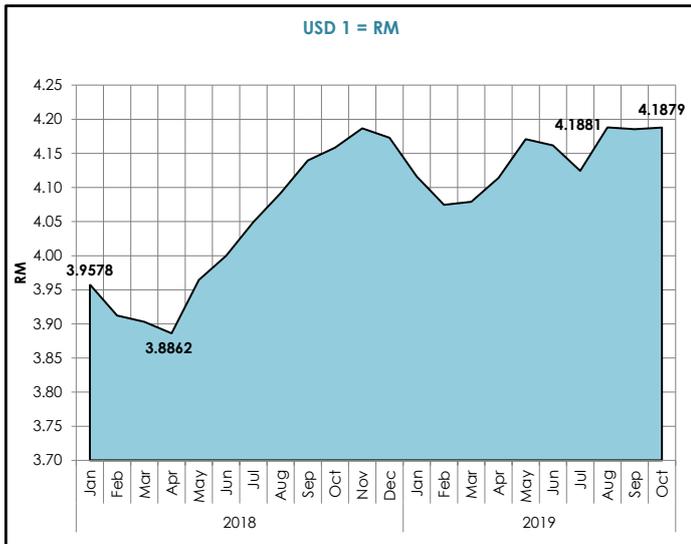
Number and Value of Preferential Certificates of Origin (PCOs)



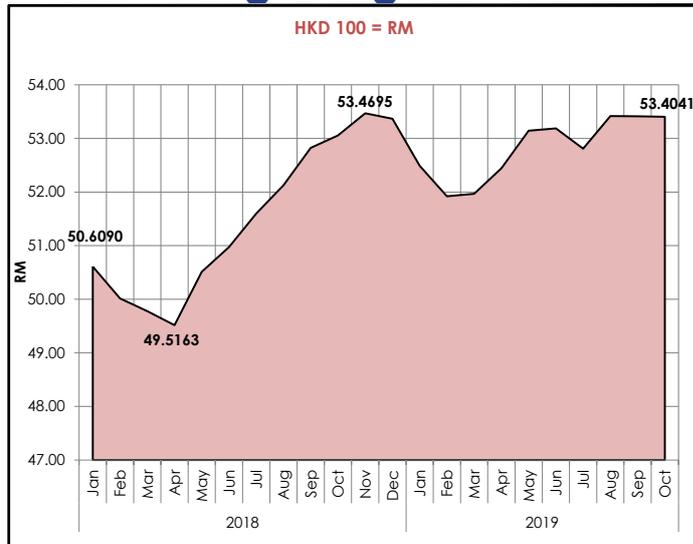
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

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

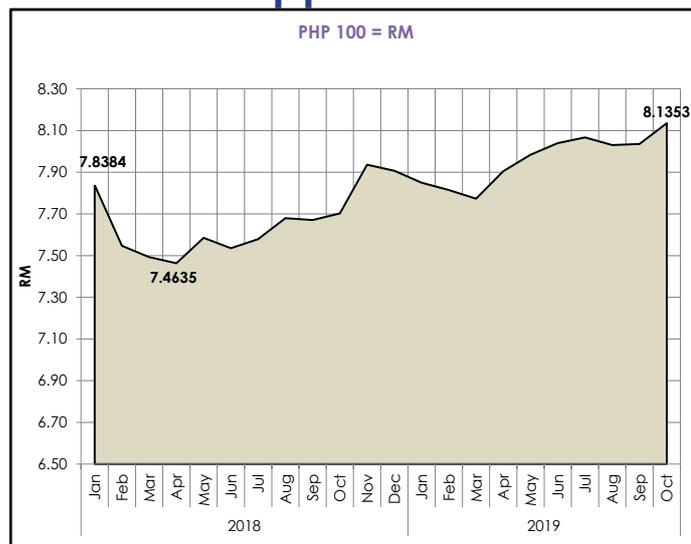
US Dollar



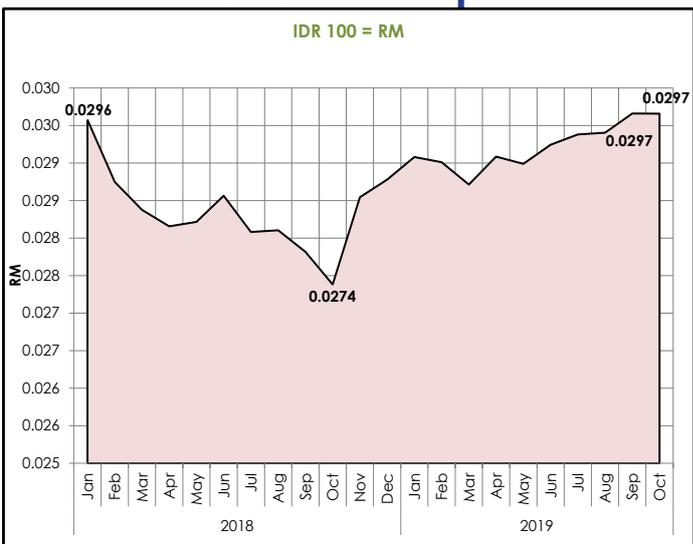
Hong Kong Dollar



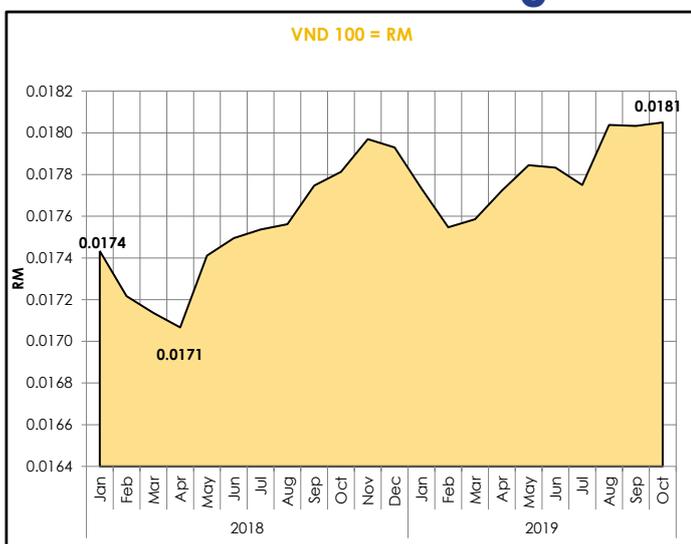
Philippine Peso



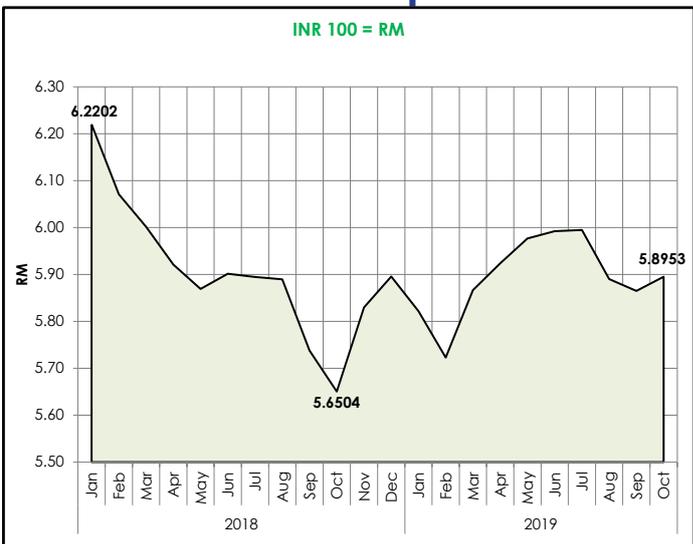
Indonesian Rupiah



Vietnamese Dong



Indian Rupee



Source : Bank Negara Malaysia

Commodity Prices

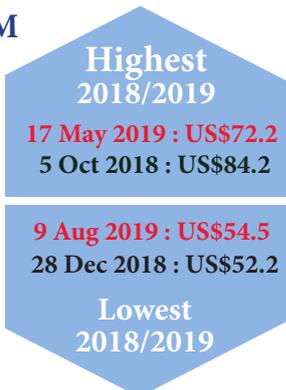
CRUDE PETROLEUM (BRENT) -per bbl-



▲ 1.3%*
US\$63.3

15 November 2019

Average Price 2018ⁱ: US\$71.5



CRUDE PALM OIL -per MT-



▲ 5.3%*
US\$673.0

15 November 2019

Average Price 2018ⁱ: US\$600.1



RUBBER SMR 20 -per MT-



▲ 0.7%*
US\$1,364.0

15 November
2019

Average Price 2018ⁱ: US\$1,371.0

COCOA SMC 2 -per MT-



▲ 5.5%*
US\$1,741.2

15 November
2019

Average Price 2018ⁱ: US\$1,535.6

SUGAR -per lbs-



▲ 1.3%*
US\$12.7

15 November
2019

Average Price 2018ⁱ: US\$12.3

COAL -per MT-



⊖ 0%*
US\$43.8

15 November 2019

Average Price 2018ⁱ: US\$66.9

SCRAP IRON HMS -per MT-



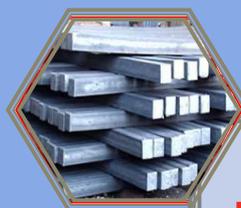
⊖ 0%* : ⊖ 0%*
US\$280.0 : US\$260.0
(high) : (low)

15 November 2019

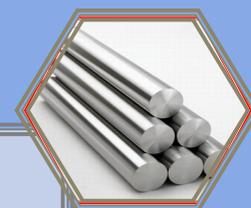
Average Price 2018ⁱ: US\$380.7 (high)
Average Price 2018ⁱ: US\$359.6 (low)

Domestic Prices

15 November 2019



Billets
(per MT)
RM1,650 - RM1,700



Steel Bars
(per MT)
RM1,920 - RM2,070

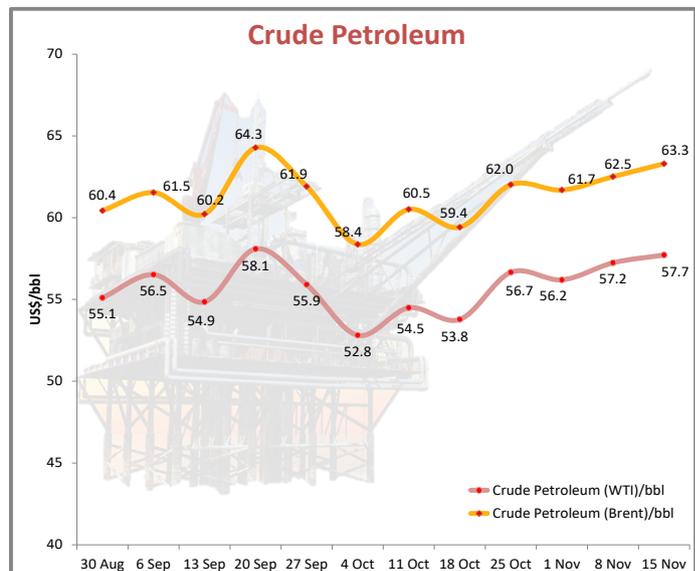
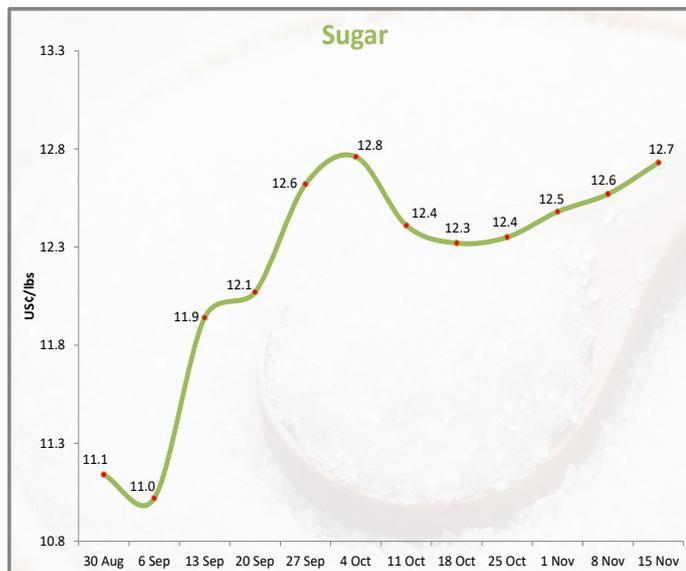
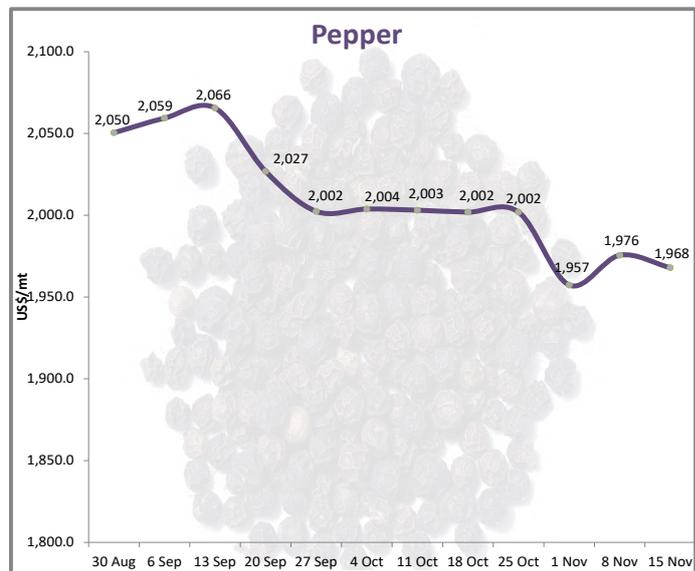
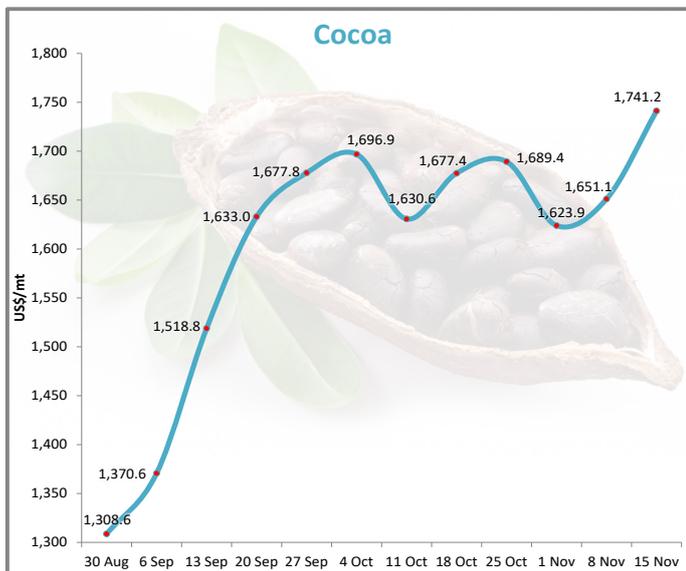
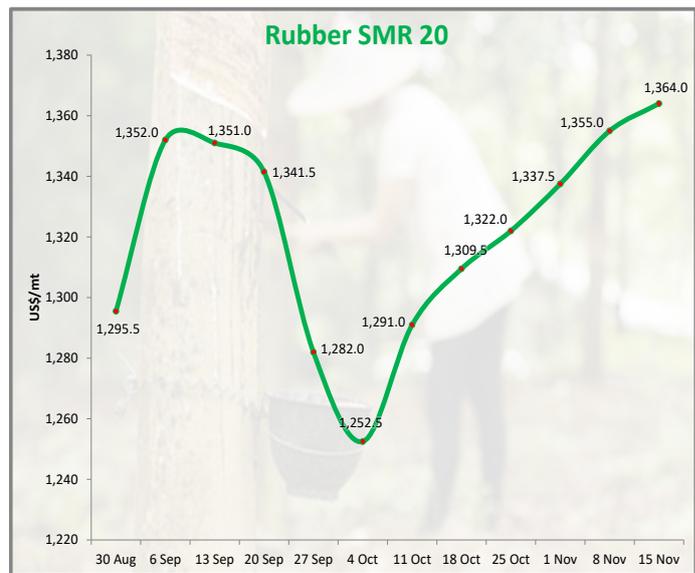
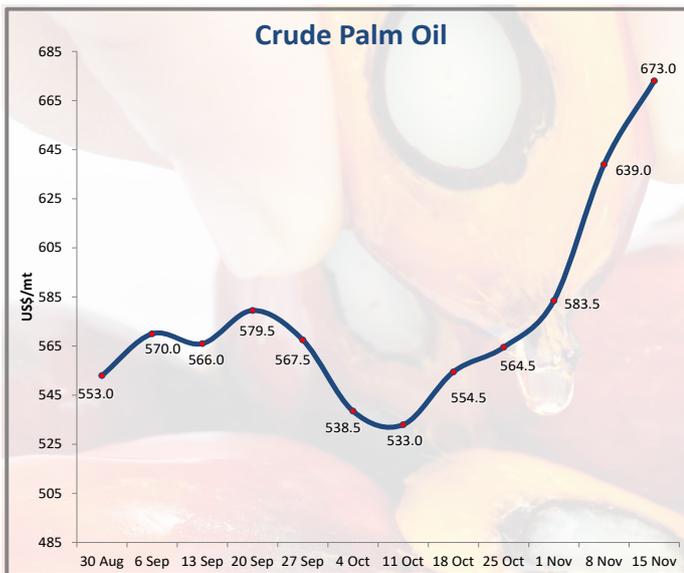
Notes: All figures have been rounded to the nearest decimal point

* Refer to % change from the previous week's price

ⁱ Average price in the year except otherwise indicated

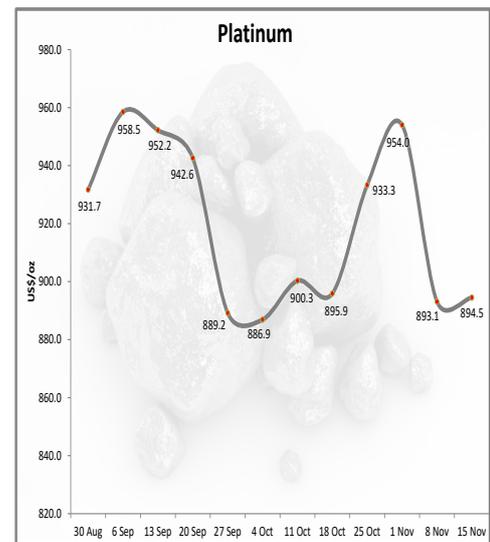
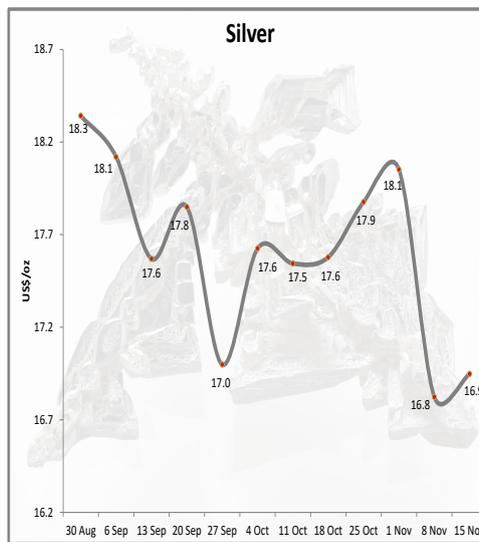
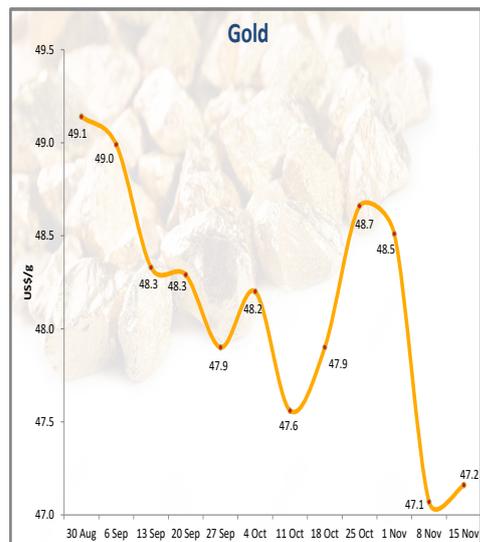
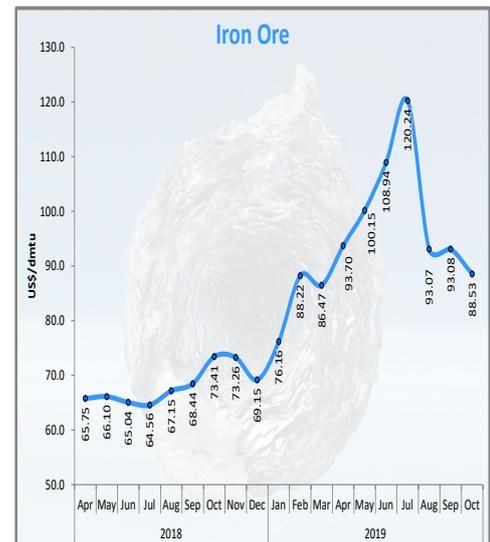
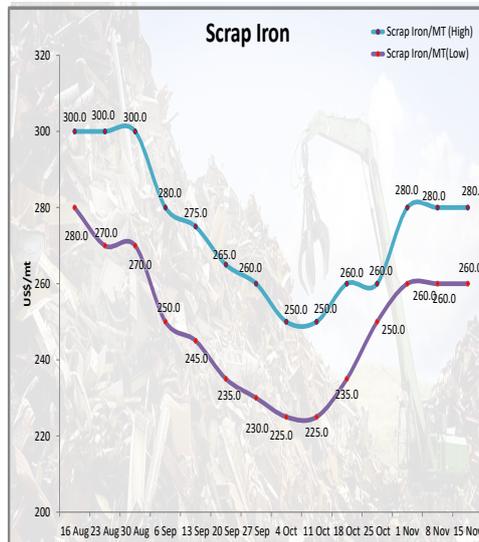
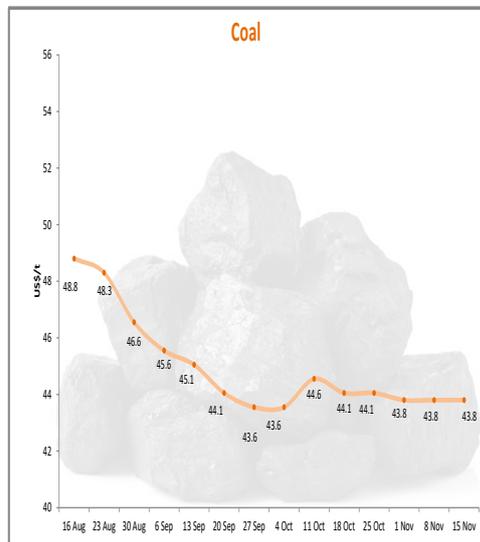
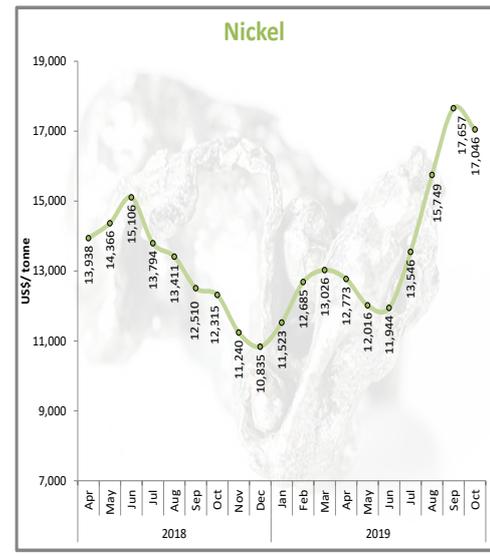
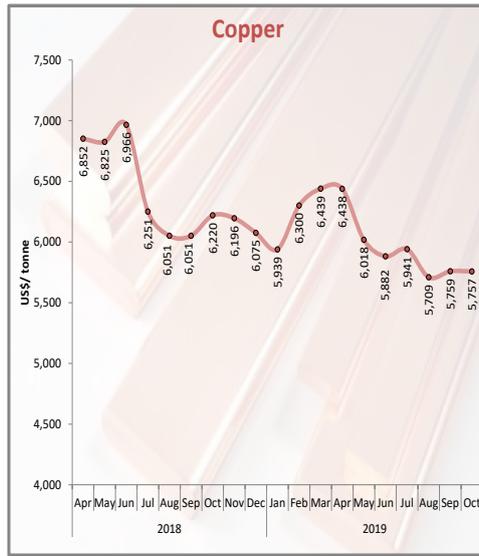
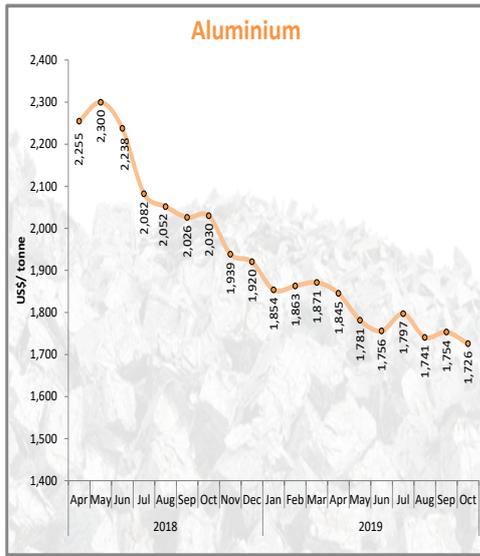
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

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's official working visit to Hungary and Signing of Memorandum of Understanding (MoU) on Economic Cooperation between Malaysia and Hungary ,13-17 November 2019



MITI Deputy Minister officiating the soft launch *Forum Ekonomi Shah Alam (FESA)* 14 November 2019



MITI PROGRAMMES

Colombian Coffee Day in MITI 13 November 2019



MITI PROGRAMMES

MITI Deputy Minister official launch of the Shell Eco-Marathon (SEM) Access , 12 November 2019



MITI PROGRAMMES



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: AI, 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

02 | 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

For more information, kindly click the following links:
https://www.miti.gov.my/index.php/pages/view/industry4WRD?mid=559#tab_547_2202



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

INDUSTRY4WRD READINESS ASSESSMENT

Get your firm assessed. Be ready for Industry 4.0.

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.



Process Flow

A FEW SIMPLE STEPS

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



Readiness Assessment



Apply online at www.miti.gov.my/industry4wrd



Evaluation by Committees



Onsite Assessment



Receive RA Report

Business Intervention



Develop Intervention Proposal



Apply for Financial Incentives



Implement the Intervention Plan

For more information, kindly click the following links:
<https://www.miti.gov.my/index.php/pages/view/industry4WRD>

All you need to know...

Industry4WRD

NEXT AWARD CYCLE



ANUGERAH KECEMERLANGAN INDUSTRI (AKI) 2019/2020

NOMINATIONS OPENING SOON

Read More on AKI

For more information, kindly click the following links:
<https://www.miti.gov.my/index.php/pages/view/aki?mid=535>

RMK-11 HIGH VALUE ADDED AND COMPLEX PRODUCT DEVELOPMENT PROGRAMME

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

For more information, kindly click the following links:
<http://www.miti.gov.my/index.php/pages/view/4761>

APPROVED PERMIT (AP) APPLICATION OF PERSONAL VEHICLES

Effective 1st August 2019, Approved Permit (AP) applications for the importation of personal vehicles must be made through the ePermit System.

For more information, kindly click the following links:
<https://bit.ly/2MyIPFt>

MITI POCKET TALK
A SERIES OF SESSION FOR THE PRIVATE SECTOR

When? Once a month | **Where?** MITI Tower Kuala Lumpur or MITI Regional Offices

Information on the benefits of **Free Trade Agreements (FTAs)** and current updates

Introduction on **Preferential Certificates of Origin (PCO)** application procedures

For information, kindly click <https://fta.miti.gov.my/index.php/pages/view/69?mid=27>

ONLINE PUBLIC CONSULTATION ON STRATEGIC TRADE (COMPOUNDING OF OFFENCES) REGULATIONS 2019

PLEASE PROVIDE YOUR VIEW

CONSULTATION PERIOD: **21/10/2019 – 20/11/2019**

For information, kindly click <https://bit.ly/2O361uY>

e-Commerce Day 2019

From Local To Global Champion!



MITI | KKMM

9 - 10 December
Perdana Hall, MITI Tower



MDEC

Click here to register <https://2019120910ecommerceday2019,eventbrite.com/?aff=MITI>

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DRIVER



MOHAMAD OMAR DIN HURI

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MITI MWB APPs is now available for IOS, Android and Windows platforms. MWB APPs can be downloaded from Gallery of Malaysian Government Mobile APPs (GAMMA) at the link: <http://gamma.malaysia.gov.my/#/appDetails/85>

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