

## TRADE IN MANUFACTURING, 2019

In 2019, exports of manufactured goods with value RM834.17 billion, accounted for a larger share of total exports at 84.6% compared to 83.4% in 2018



**TOTAL TRADE**  
**RM1.563T**  
**85.2%**

**EXPORTS**

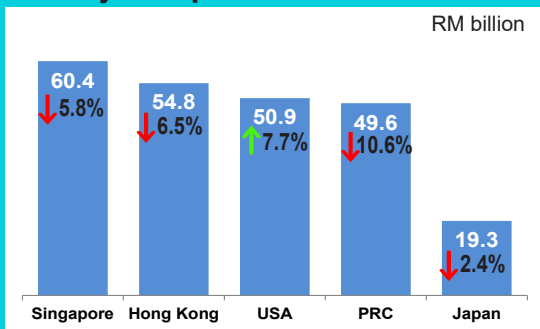
**RM834.17b**  
**84.6%**

**IMPORTS**

**RM729.0b**  
**85.9%**

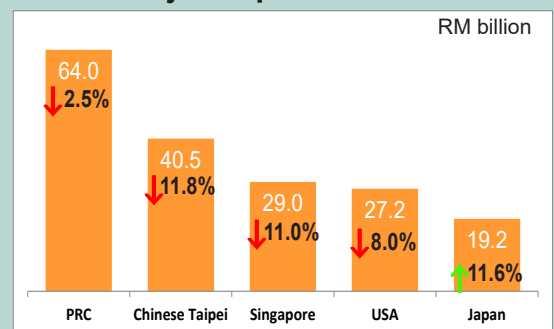
Note: % refer to share of total trade/Exports/imports

### Major Export Destinations

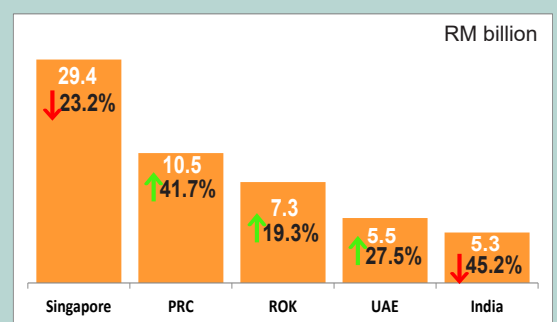
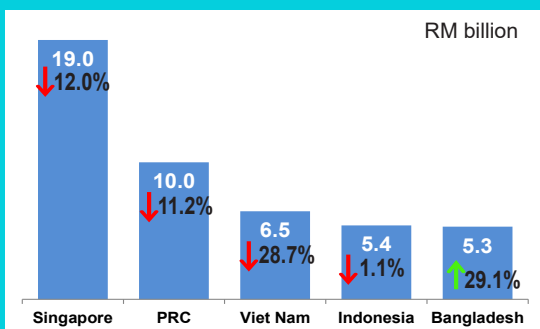


### E&E Products

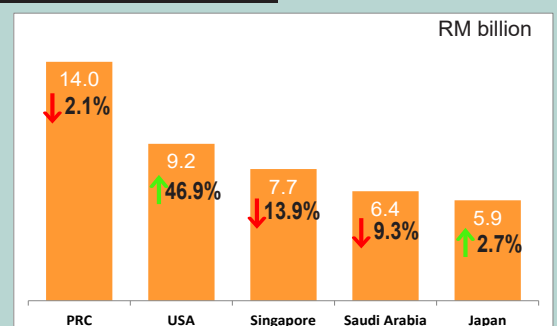
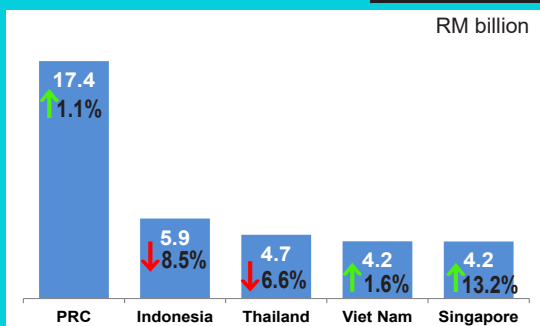
### Major Import Sources



### Petroleum Products



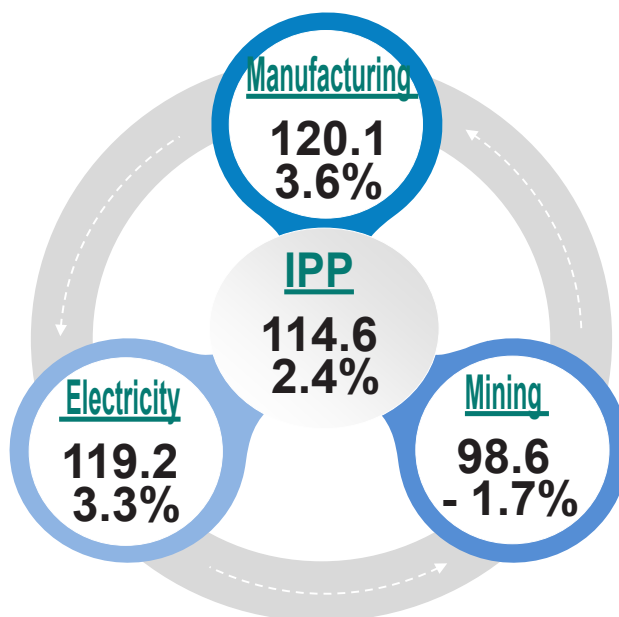
### Chemicals & chemical products



Note: % refer to Y-o-Y Growth  
 Source: Department of Statistics, Malaysia compiled by MITI

# Index of Industrial Production (IIP), 2019

Malaysia's IIP grew by 2.4 per cent in 2019



Textiles, Wearing Apparel, Leather Products and Footwear  
126.6, 5.3%



E& E Products  
125.9, 3.0%



Wood Products, Furniture, Paper Products, and Printing  
122.1, 5.4%



Food, Beverages and Tobacco  
120.2, 2.9%



Non-metallic Mineral Products, Basic Metal and Fabricated Metal Products  
119.1, 4.1%



Petroleum, Chemical, Rubber and Plastic Products  
115.9, 2.9%



Transport Equipment and Other Manufactures  
115.2, 5.9%

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

# MANUFACTURING, 2019

Malaysia's Manufacturing sales grew by 5.0 per cent in 2019 to register at RM866.02 billion as compared to RM824.84 billion last year.

## Manufacturing Indicators

### Sales Value

RM866.02 billion , **5.0%**

### Number of employees

1,090,614 persons , **1.4%**

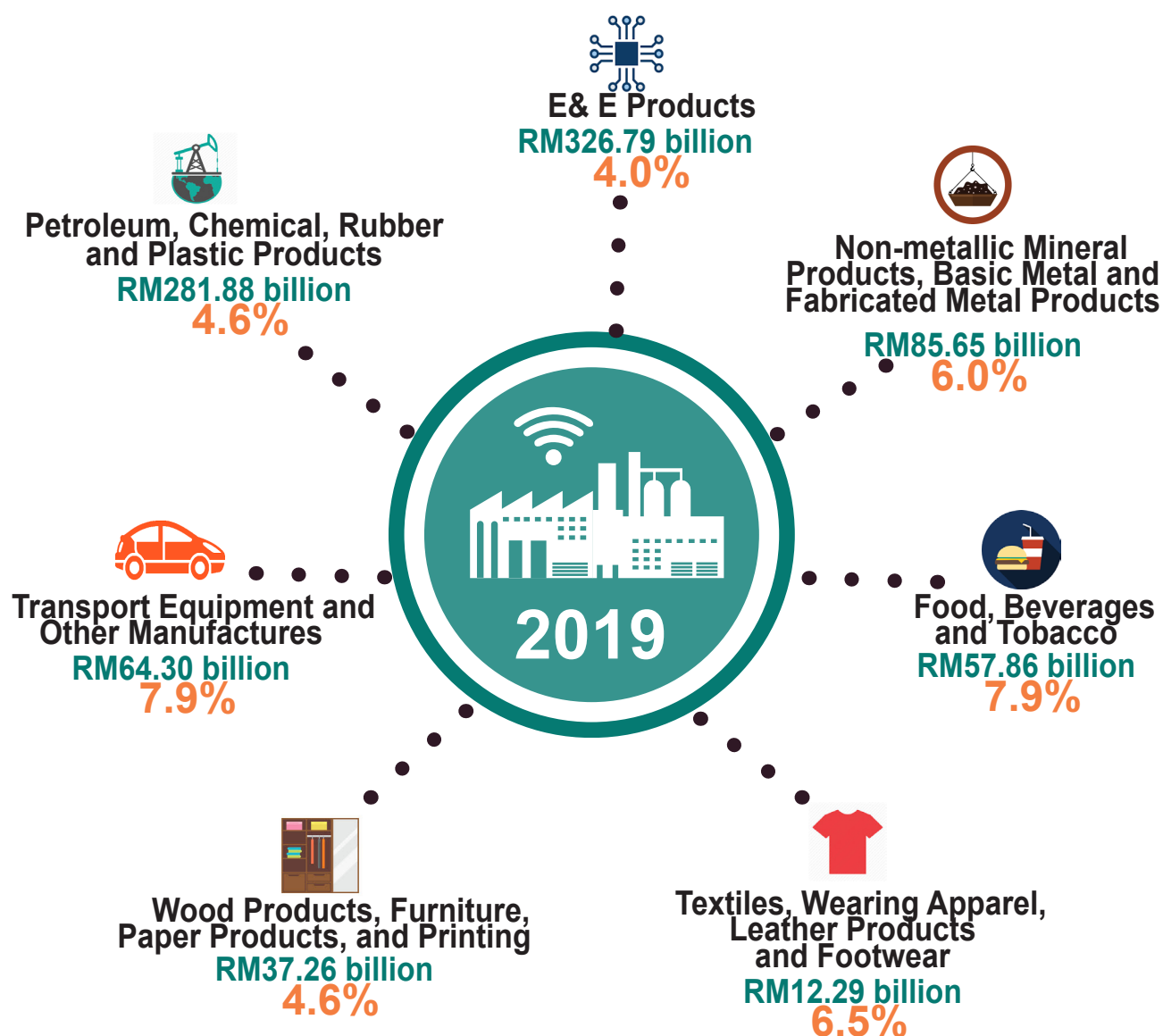
### Salaries & Wages

RM48.43 billion , **4.3%**

### Sales Value Per Employees

RM794,065 , **3.6%**

## Performance of Sales in Manufacturing Sector



Note: % refer to Y-o-Y Growth

Source: Department of Statistics, Malaysia

## Volume Index of Services (2015=100), Q4 2019

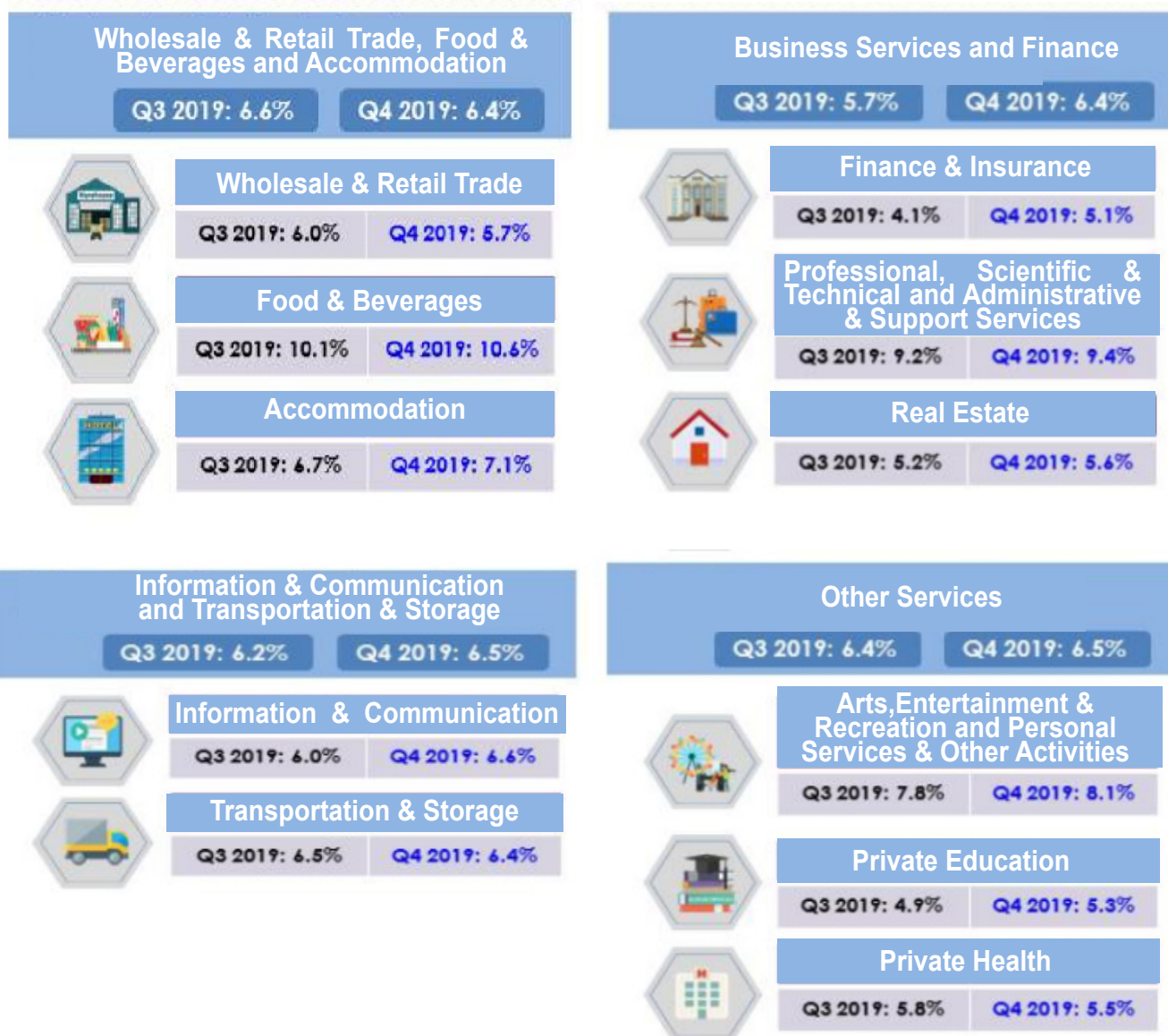
Malaysia's Index of Services rose 6.4% in fourth quarter 2019 compared 6.2% in third quarter 2019

### Annual Percentage Change

Q4 2018	Q4 2019
7.3%	6.4%

### Performance by Segment

The main contributors to the increase of Services sector in the fourth quarter of 2019 were stimulated by Wholesale & Retail Trade, Food & Beverages and Accommodation segment and Business Services and Finance segment which posted an increase of 6.4 per cent, respectively.

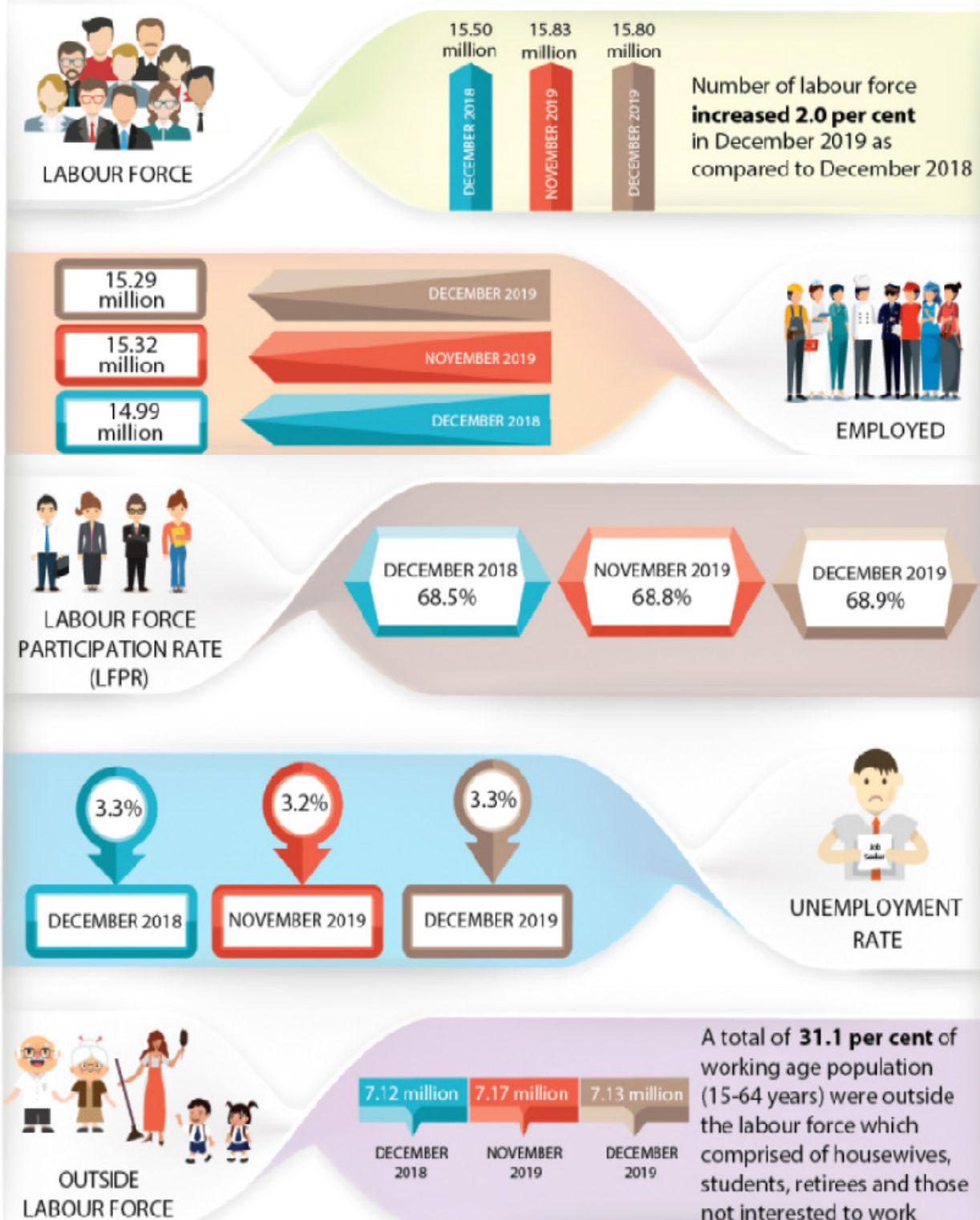


Note: % refer to Y-o-Y Growth  
Source: Department of Statistics, Malaysia

## Labour Force, December 2019

Labour force participation rate  
Unemployment rate

**68.9%**  
**3.3%**



Source: Department of Statistics, Malaysia

## Cluster 4: Environment & Natural Resources

Goal 6: Clean Water & Sanitation	Goal 13: Climate Action
Goal 7: Affordable & Clean Energy	Goal 14: Life Below Water
Goal 12: Responsible Consumption & Productivity	Goal 15: Life on Land

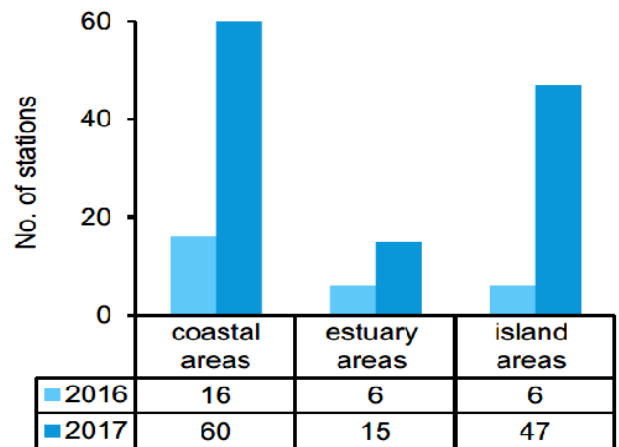


### Indicator 14.3.1: Average marine acidity (pH) measured at agreed suite of representative sampling stations

In 2012, Department of Environment has developed the Marine Water Quality Index (MWQI). The MWQI reading is used to measure the status of marine water quality by category. The index was developed based on seven main parameters which are Dissolved Oxygen (DO), Nitrate (NO<sub>3</sub>), Phosphate (PO<sub>4</sub>), Unionized Ammonia (NH<sub>3</sub>), Faecal Coliform, Oil & Grease (O&G) and Total Suspended Solids (TSS). The index values with scales between 0 to 100 designate the assigned categories of marine water quality ranging from Poor to Excellent.

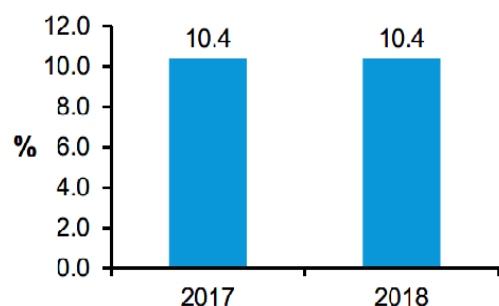
Overall, the marine water quality status at coastal, estuary and islands areas recorded an improvement of excellent level readings in 2017 as compared to 2016.

**Figure 14.1: Status of marine water quality at coastal areas, estuary areas and island areas based on marine water quality index (excellent category), 2016 and 2017**



Source: Department of Environment, Malaysia

**Figure 14.2: Coverage of protected areas in relation to marine areas, 2017 and 2018**



Source: Department of Fisheries Malaysia

# The Global Talent Competitiveness Index 2020



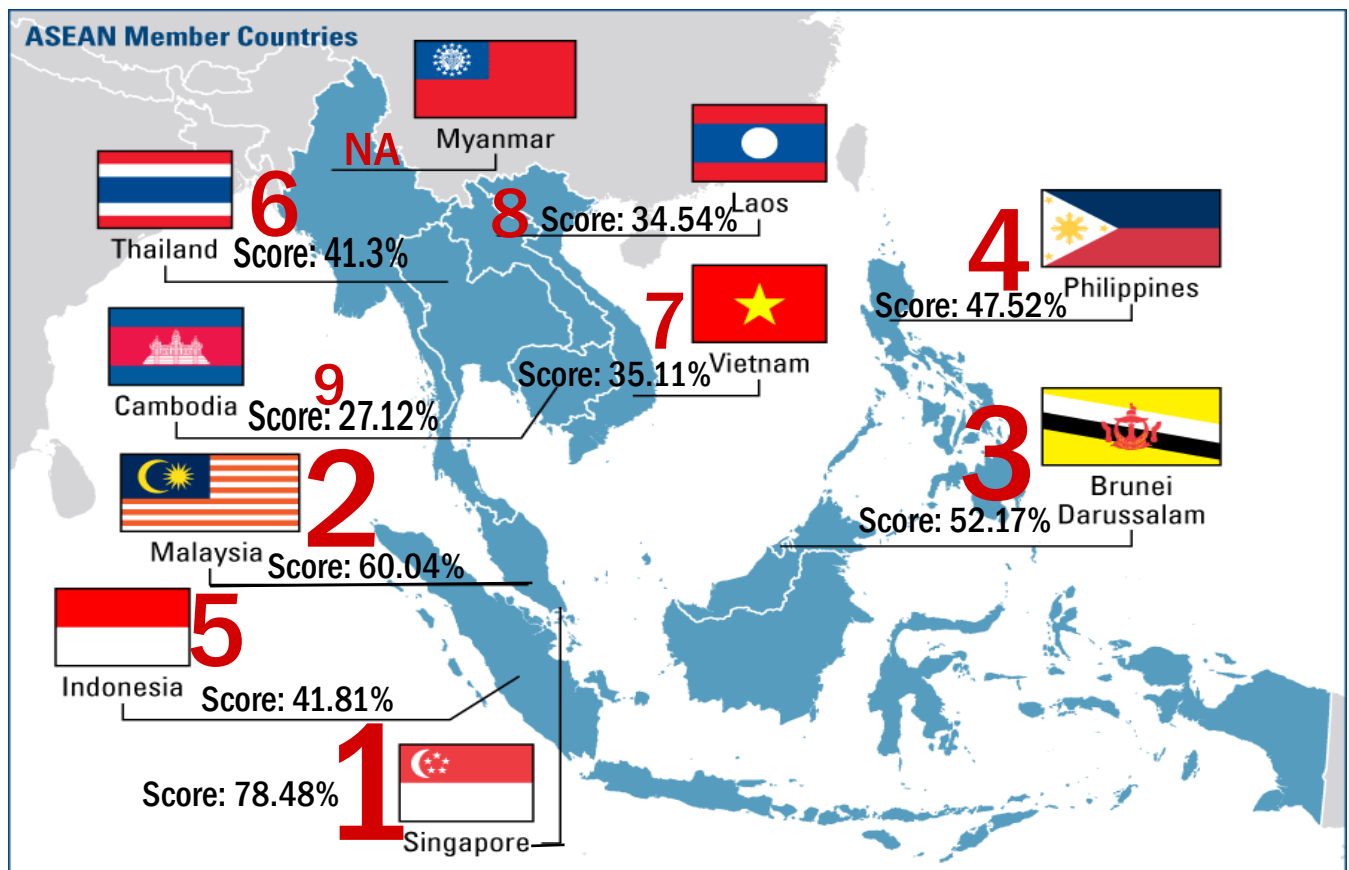
**Malaysia**

Overall Ranking : 26/132

Overall Score: 60.04%/100

Input					Output	
	Enable	Attract	Grow	Retain	Vocational and Technical Skills	Global Knowledge Skills
Score:	68.88%	63.21%	56.12%	63.26%	66.21%	42.54%
Rank:	<b>26</b>	<b>28</b>	<b>23</b>	<b>34</b>	<b>15</b>	<b>33</b>

## Global Talent Competitiveness Ranking 2020 ASEAN



Note:

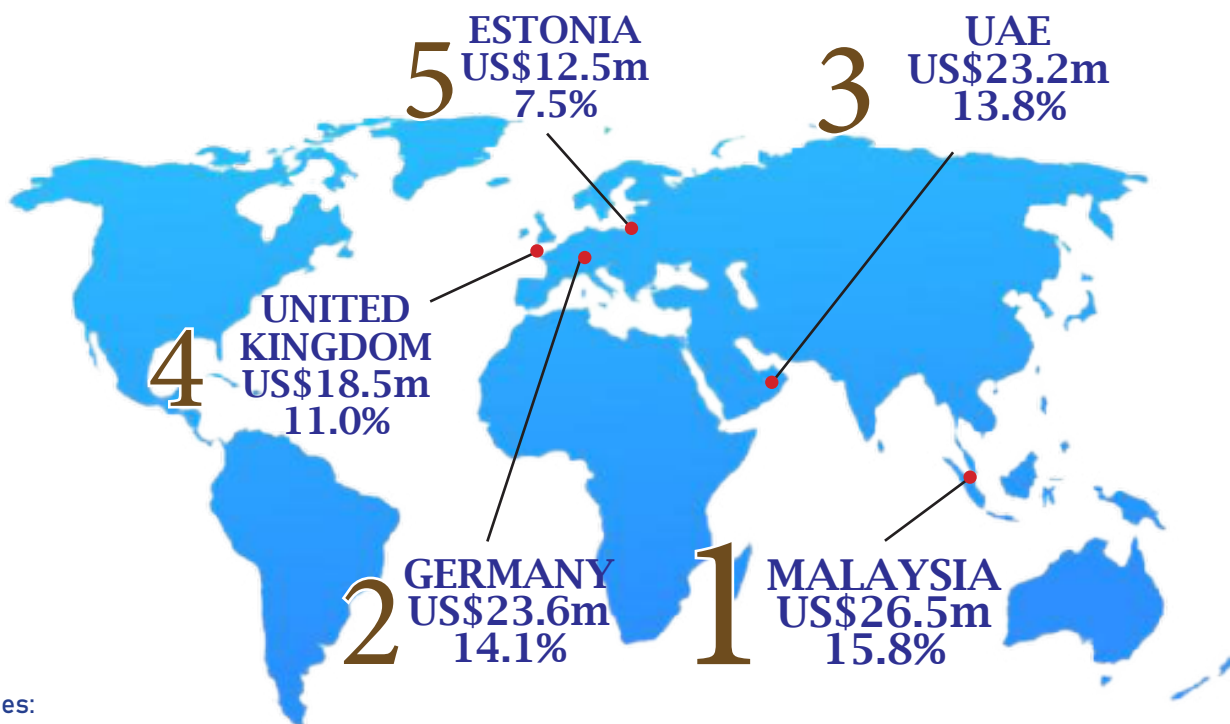
-GTCI is an annual benchmarking report that measures and ranks countries based on their ability to grow, attract and retain talent.

-Country coverage in the GTCI 2020 has expanded and the index includes 132 countries — up from last year's 125 countries.

Source: <https://www.insead.edu/global-indices>

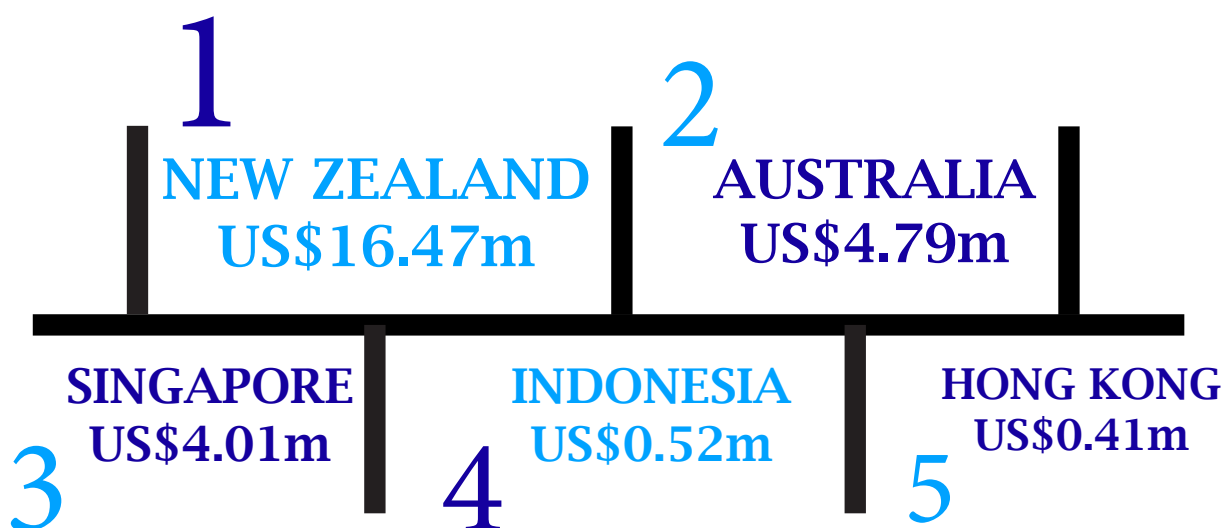
World largest exports of High erucic acid rape or colza oil “fixed oil which has an erucic acid content of  $\geq 2\%$ ”, and mustard oil, and fractions thereof, whether or not refined, but not chemically modified (excluding crude)\*

In 2018, Malaysia’s export of High erucic acid rape or colza oil “fixed oil which has an erucic acid content of  $\geq 2\%$ ”, and mustard oil, and fractions thereof, whether or not refined, but not chemically modified (excluding crude) recorded US\$26.5 million with 15.8% share to the world exports



Notes:  
 -\*HS151499  
 -% refer to share in world exports

### Top Five Malaysia Export Destinations



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





# GLOSSARY

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

## Oligopoly:

When a few firms dominate a market, often they can together behave as if they were a single monopoly, perhaps by forming a cartel. Or they may collude informally, by preferring gentle non-price competition to a bloody PRICE war. Because what one firm can do depends on what the other firms do, the behaviour of oligopolists is hard to predict. When they do compete on price, they may produce as much and charge as little as if they were in a market with perfect competition.

## Open Regionalism:

An APEC theory which was adopted from the very beginning of the organization's founding in 1989. The characteristics of open regionalism, expressed in a report by the Peterson Institute, are: 1) the maximum possible extent of unilateral liberalization; 2) a commitment to continue reducing its barriers to non-member countries; 3) a willingness to extend its regional liberalization to non members on a mutually reciprocal basis; and 4) recognition that any individual APEC member can unilaterally extend its APEC liberalization to nonmembers on a conditional or unconditional basis.

## Pathfinder Approach / Pathfinder Initiative :

An APEC approach which allows a group of members able to proceed more quickly on cooperative projects, to do so through cooperative pilot projects (known as 'pathfinder initiatives'). Experiences generated from such pilot projects are then disseminated to other members. These other members are encouraged to join the pathfinder projects as soon as they are able. Pathfinder initiatives are developed in a manner consistent with APEC principles and practices, and capacity building often forms an important component of pathfinder initiatives.

## Preference Erosion:

Countries which have been accorded preferential market access but loses this advantage as a result of overall tariff liberalization. For example African countries granted preferential tariff by EU for tropical fruits.

## Pre-carriage: inland transportation on the seller's side:

- Domestic: from the place where the shipment starts to any subsequent transportation carriage
- International: from the place where the shipment starts to the departure point on the seller's side

## Professional services:

Occupations in the tertiary sector of the economy requiring special training in the arts or sciences. Some professional services require holding professional licenses such as architects, auditors, engineers, doctors, accountants and lawyers.

## Per capita GDP:

- A measure of the amount of money earned per person in a certain area. It can apply to the average per-person income for a city, region or country.
- Used to ascertain an area's wealth or lack of wealth of the country and to evaluate the living conditions and quality of life in different areas.
- Calculation :
 
$$\frac{\text{gross domestic product (GDP)}}{\text{number of people in the country}} / \text{region/city}$$

## Producer Price Index :

Measures the changes in the price of commodities charged by domestic producers and those paid by importers for importing goods into Malaysia. The commodities originated from (i) Agriculture , Forestry and Logging & Fishing (ii) Mining & Quarrying (iii) Manufacturing and (iv) Water, Gas & Electricity Sectors.

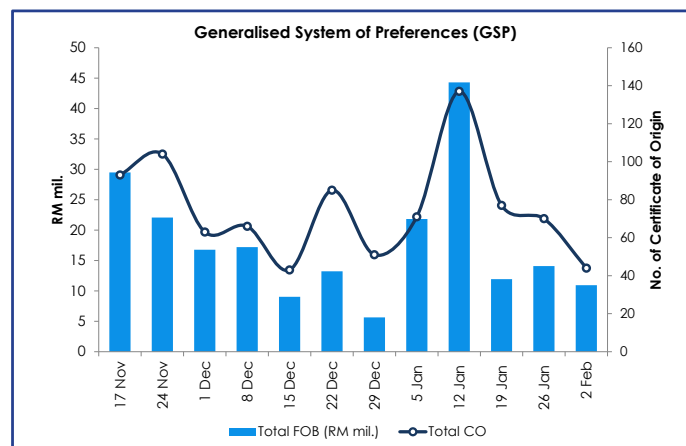
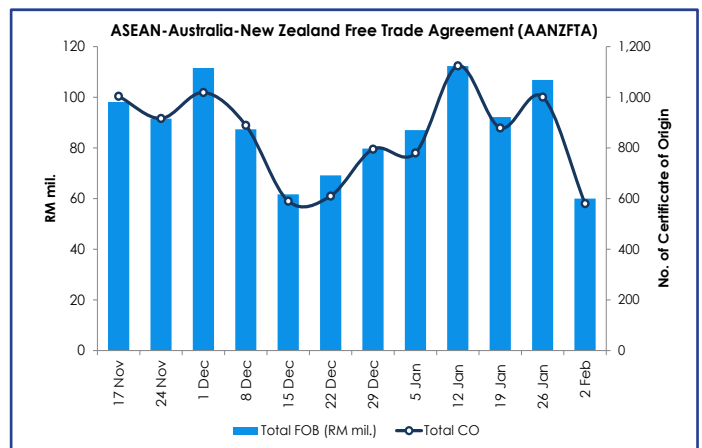
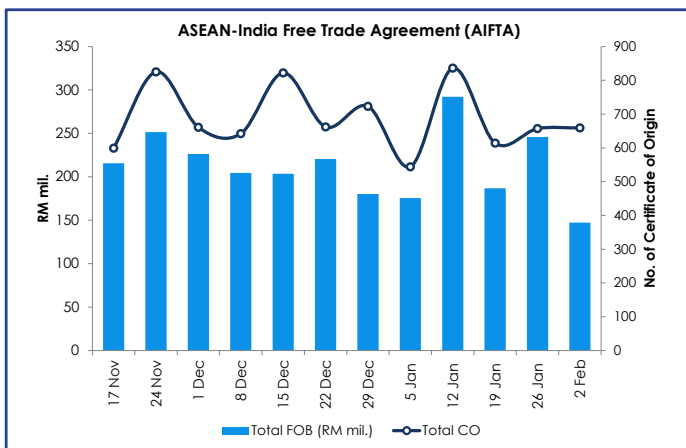
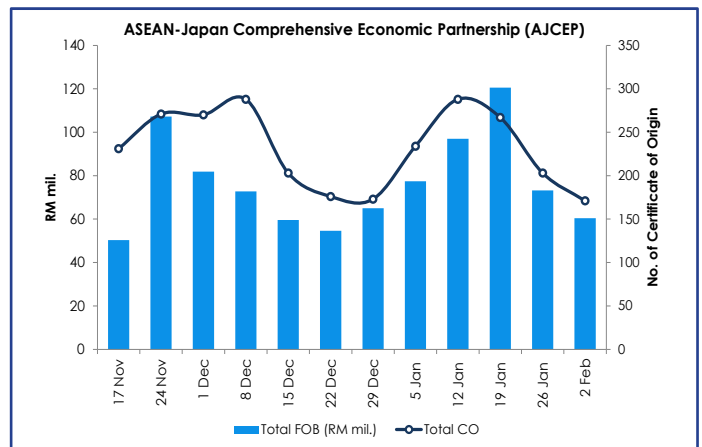
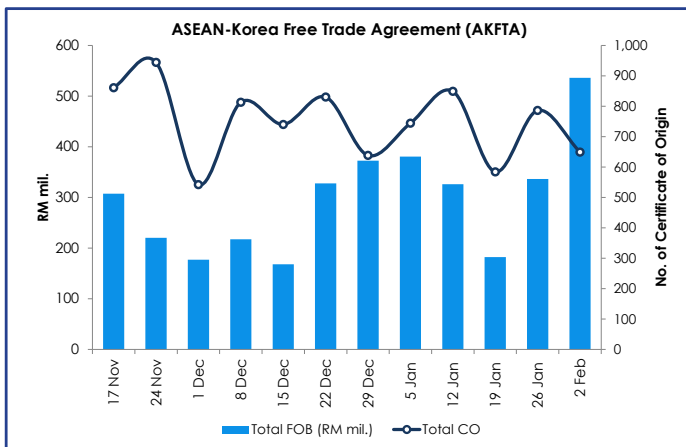
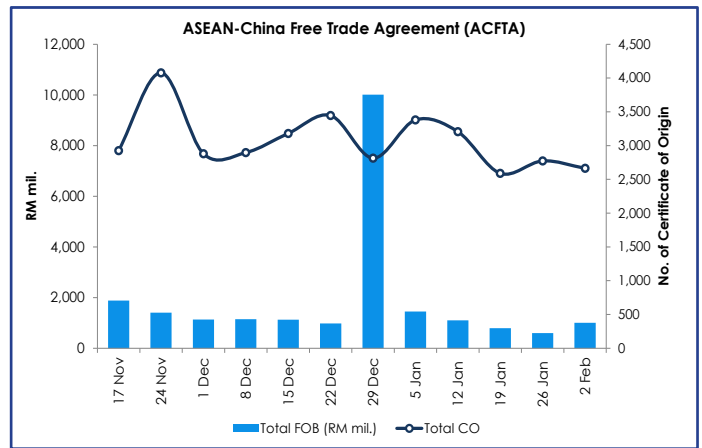
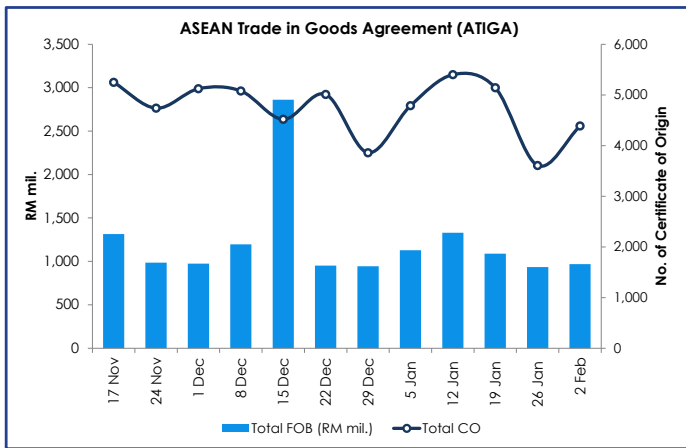
## Preferential Tariff:

Tariff set at certain percentage between two countries which is more favourable with other countries.

## Real GDP:

- Gross domestic product (GDP) values adjusted for inflation.
- Real GDP shows the actual picture of the economic growth of the country (i.e. real GDP is used to see GDP growth)

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

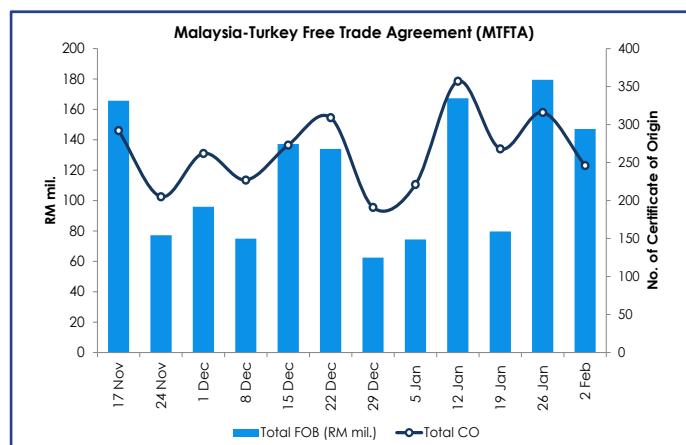
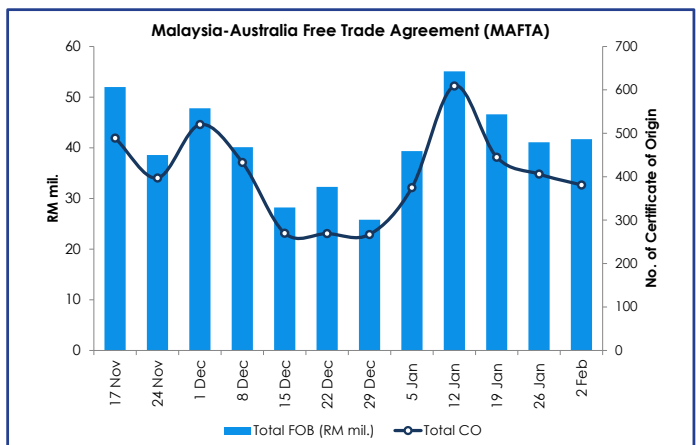
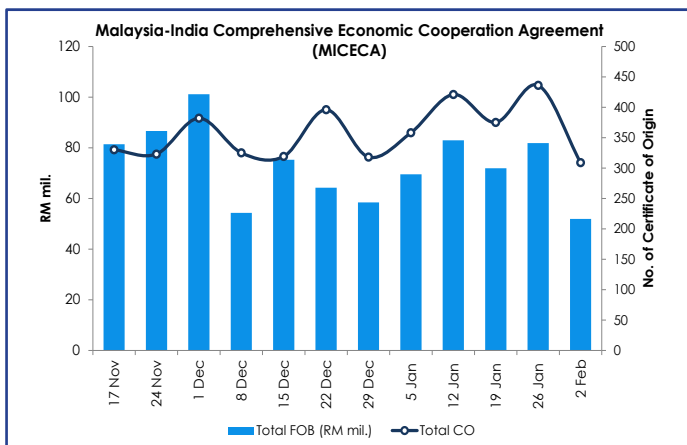
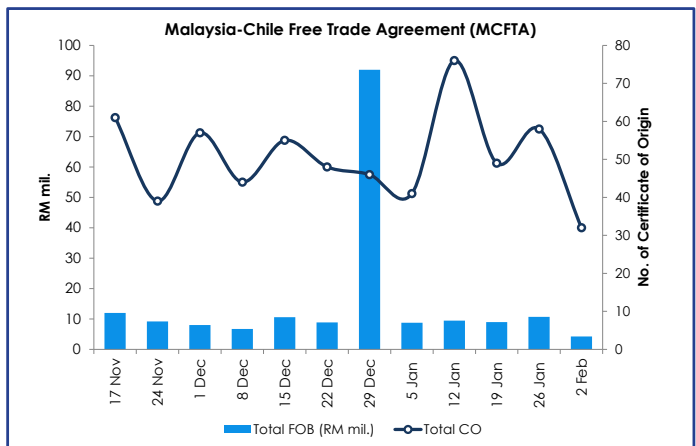
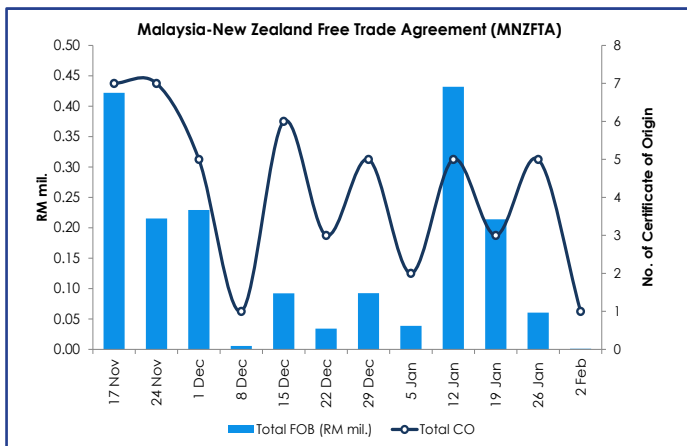
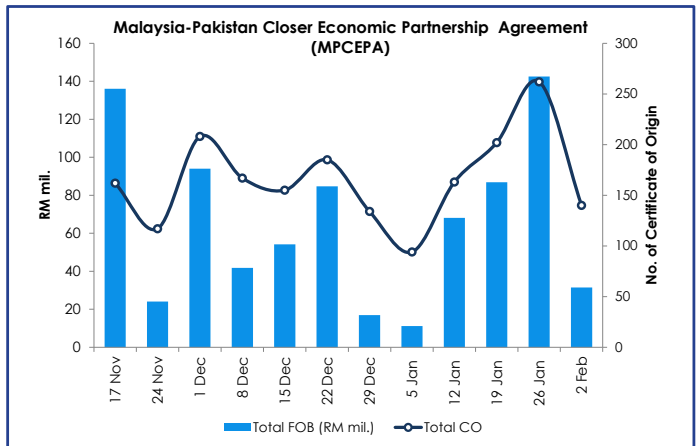
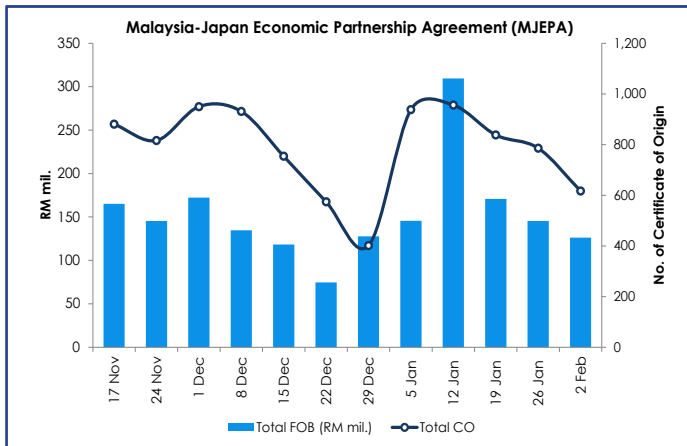


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: \*Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

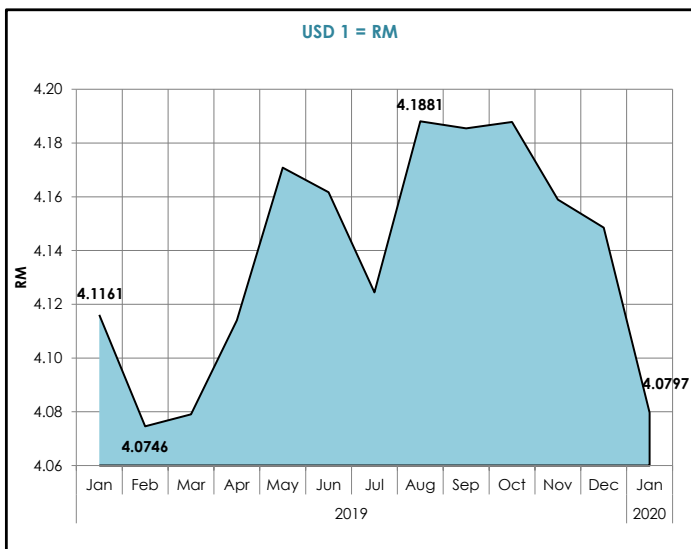
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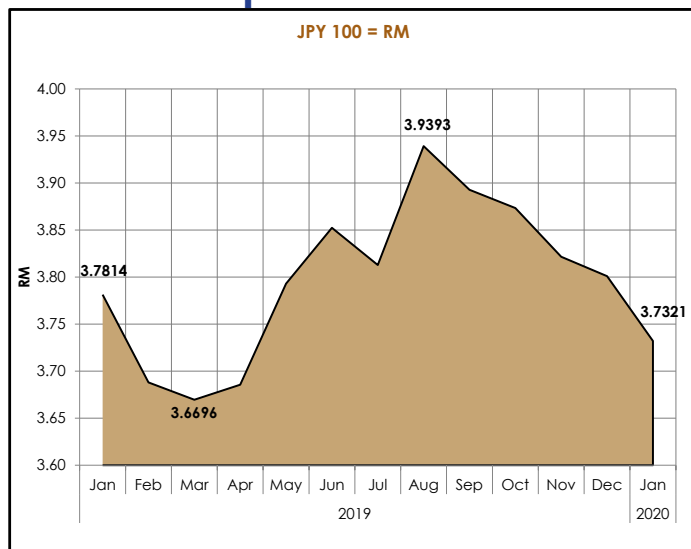
Note: \*Provisional Data  
Source: Ministry of International Trade and Industry, Malaysia

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

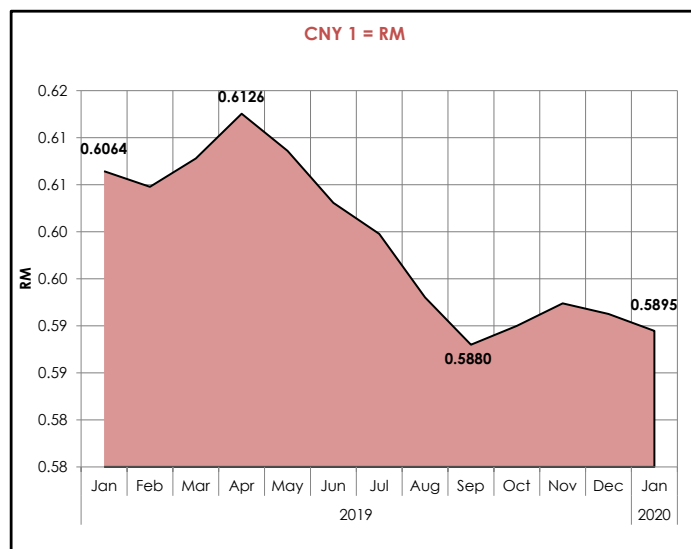
## US Dollar



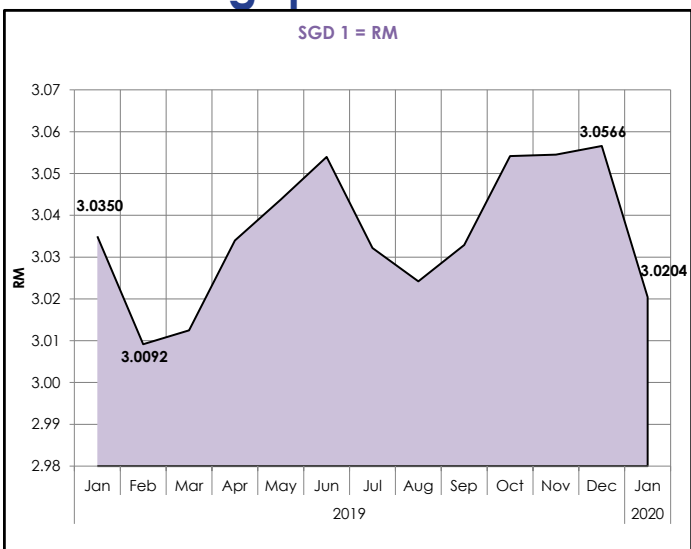
## Japanese Yen



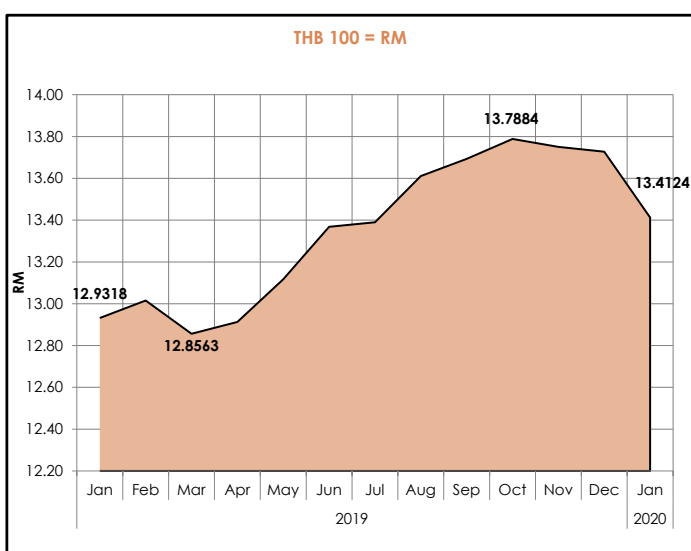
## Chinese Yuan



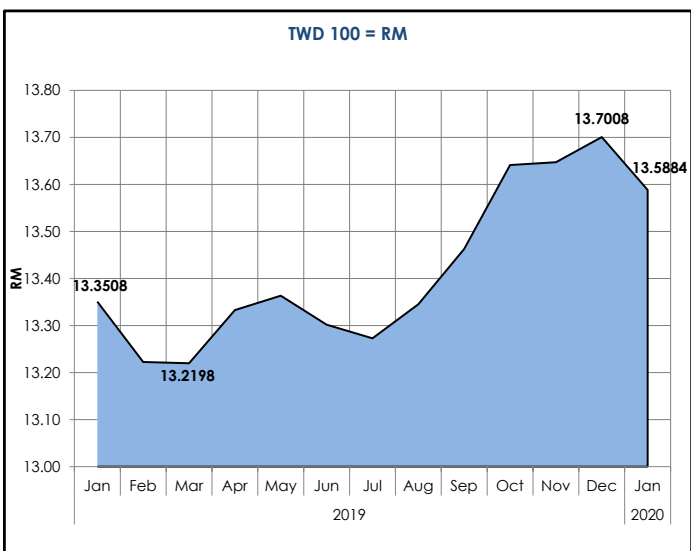
## Singapore Dollar



## Thai Baht



## New Taiwan Dollar



Source : Bank Negara Malaysia

# Commodity Prices

## CRUDE PETROLEUM (BRENT) -per bbl-



▼ **2.4%\***  
US\$50.3

**7 February 2020**

Average Price 2019<sup>i</sup>: US\$64.2

Highest  
2019/2020

03 Jan 2020 : US\$68.6  
17 May 2019 : US\$72.2

7 Feb 2020 : US\$50.3  
09 Aug 2019 : US\$54.5

Lowest  
2019/2020

## CRUDE PALM OIL -per MT-



▲ **6.4%\***  
US\$697.7

**7 February 2020**

Average Price 2019<sup>i</sup>: US\$557.1

Highest  
2019/2020

10 Jan 2020 : US\$761.9  
27 Dec 2019 : US\$794.5

31 Jan 2020 : US\$655.5  
26 Jul 2019 : US\$488.5

Lowest  
2019/2020

## RUBBER SMR 20 -per MT-



▼ **3.2%\***  
US\$1,324.0

**7 February 2020**

Average Price 2019<sup>i</sup>: US\$1,414.6

## COCOA SMC 2 -per MT-



▼ **1.8%\***  
US\$1,807.7

**7 February 2020**

Average Price 2019<sup>i</sup>: US\$1,592.4

## SUGAR -per lbs-

▲ **2.1%\***  
US\$14.9

**7 February 2020**

Average Price 2019<sup>i</sup>: US\$12.4



## COAL -per MT-



▼ **4.3%\***  
US\$44.1

**7 February 2020**

Average Price 2019<sup>i</sup>: US\$56.5

## SCRAP IRON HMS -per MT-



▼ **6.7%\***  
US\$280.0  
(high)

▼ **7.1%\***  
US\$260.0  
(low)

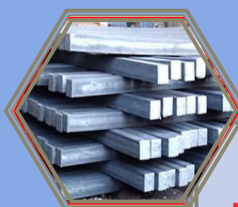
**7 February 2020**

Average Price 2019<sup>i</sup>: US\$316.9 (high)

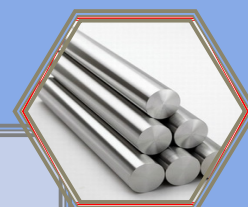
Average Price 2019<sup>i</sup>: US\$291.6 (low)

## Domestic Prices

**7 February 2020**



**Billets**  
(per MT)  
RM1,750 - RM1,850



**Steel Bars**  
(per MT)  
RM2,100 - RM2,250

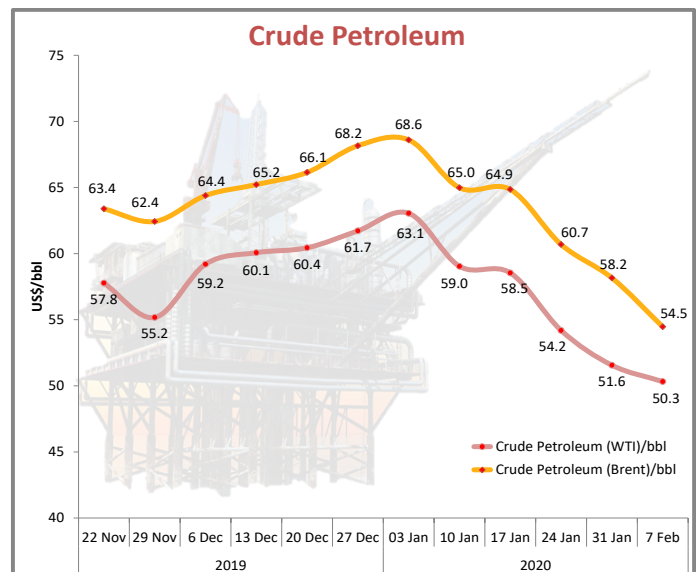
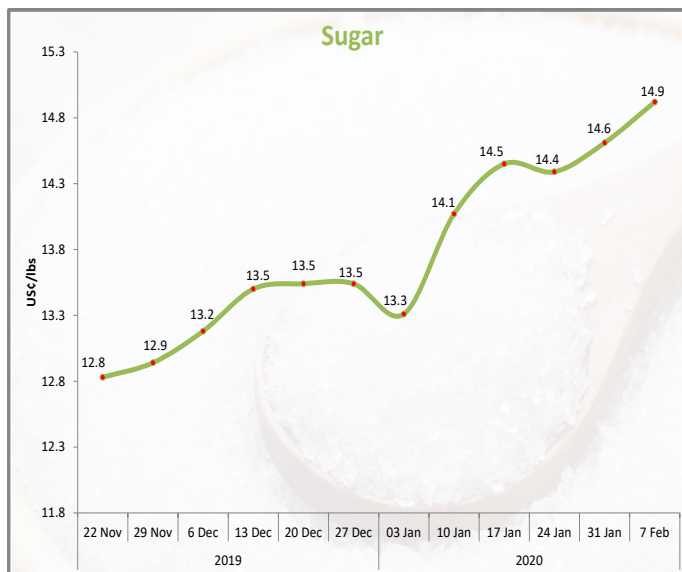
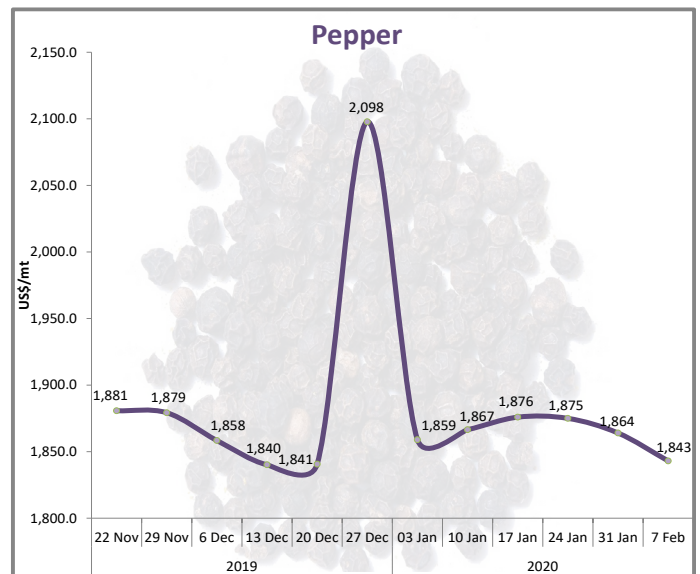
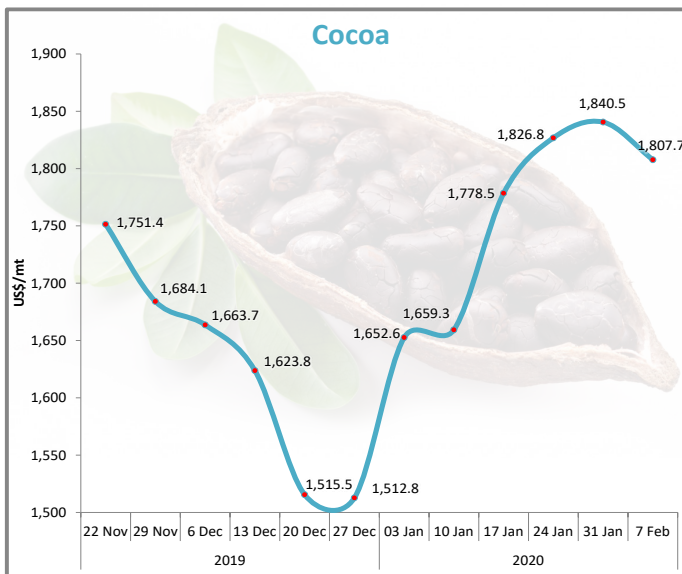
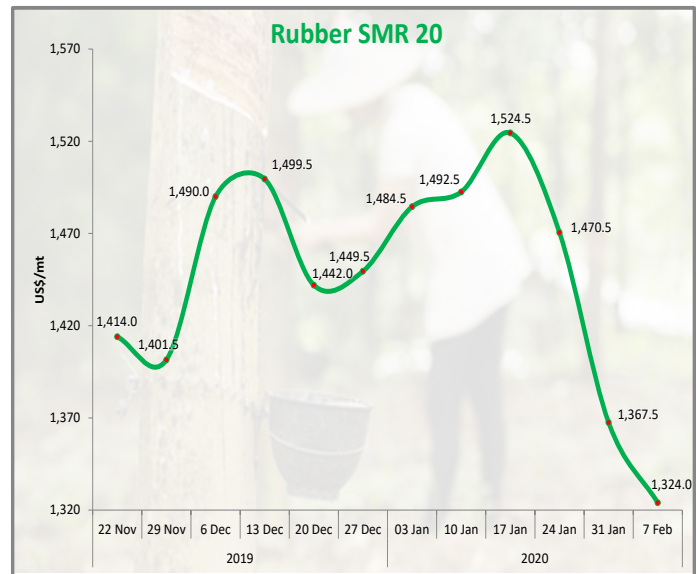
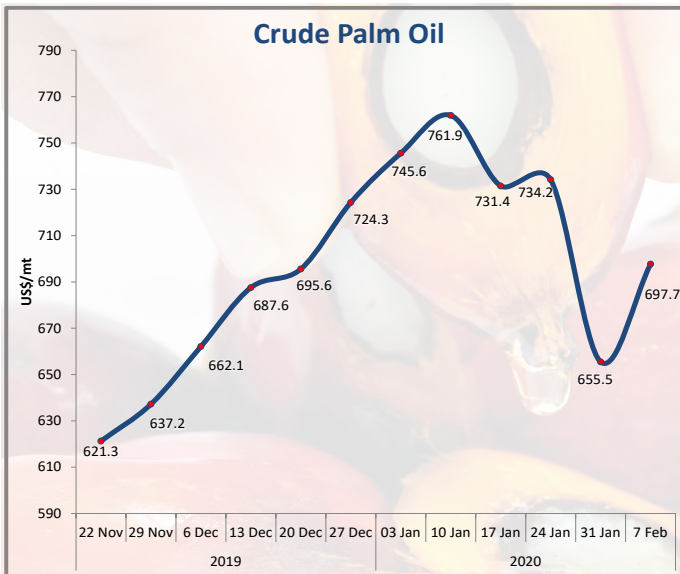
Notes: All figures have been rounded to the nearest decimal point

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

<sup>i</sup> Average price in the year except otherwise indicated

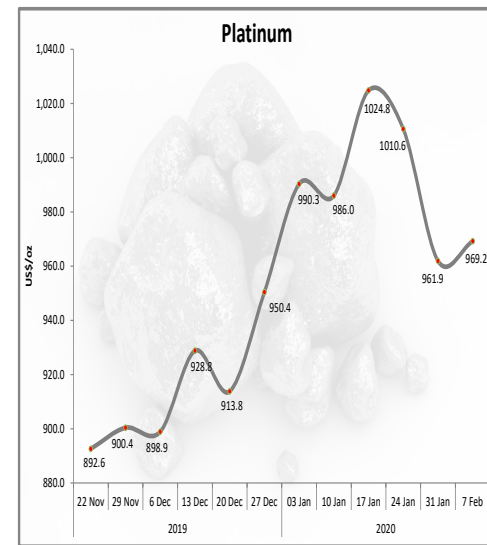
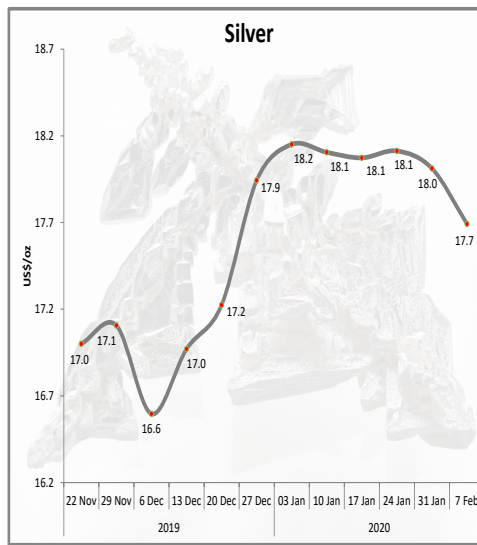
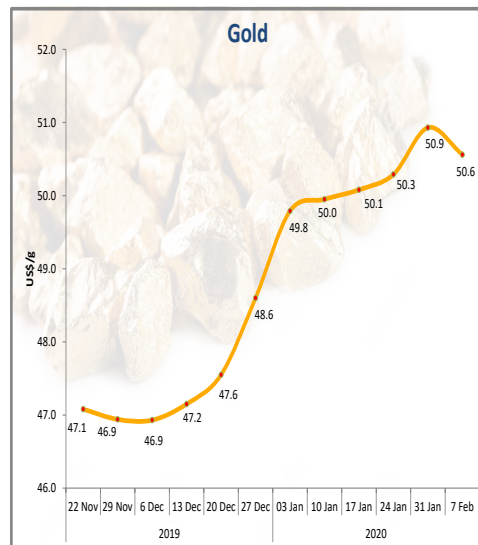
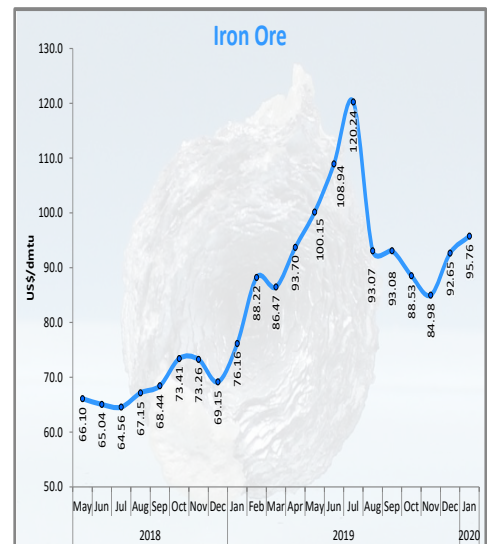
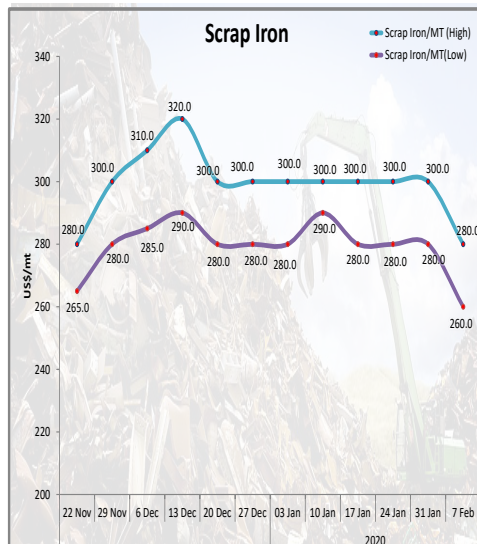
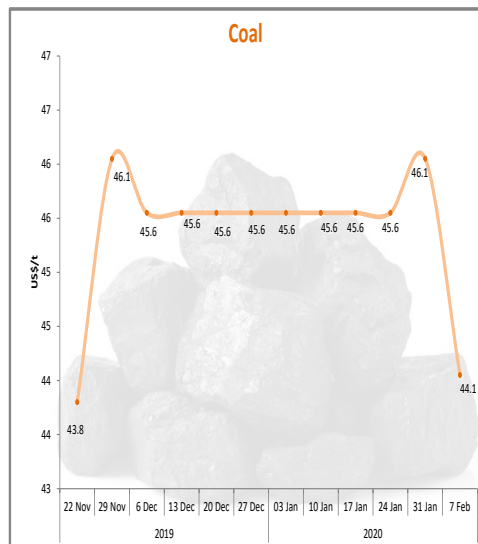
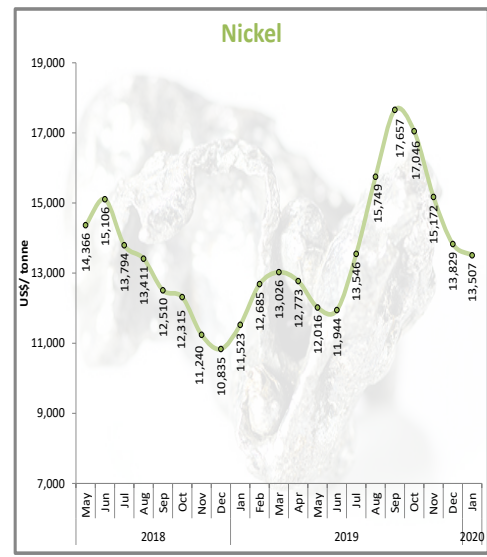
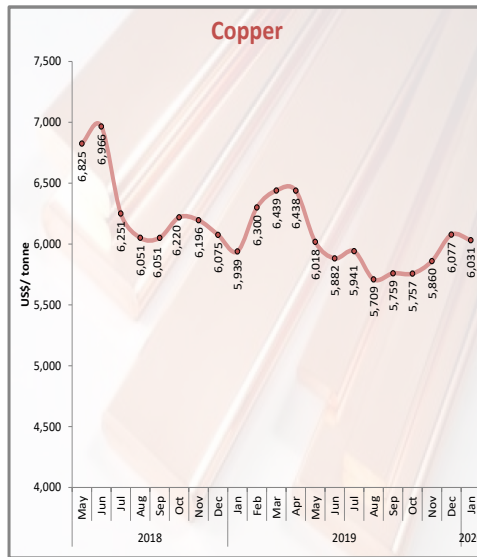
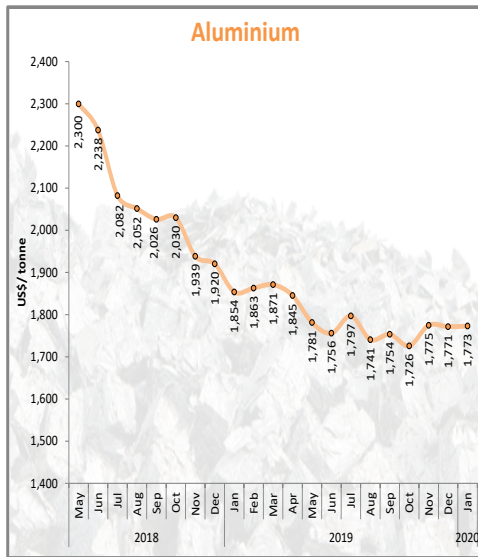
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

# 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 Monthly Assembly 10 February 2020

# MITI PROGRAMMES





# Pakistani Prime Minister Imran Khan's official visit to Malaysia 4 February 2020



**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](http://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](http://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](http://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](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)

For more information, kindly click the following links:

[https://www.miti.gov.my/index.php/pages/view/industry4WRD?mid=559#tab\\_547\\_2202](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?

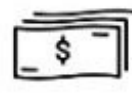
Trained assessors will help you to understand your readiness for Industry 4.0 and make recommendations on where to start your transformation.

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](mailto:i4.0@miti.gov.my)
- RA: [industry4wrd@mpc.gov.my](mailto:industry4wrd@mpc.gov.my)



Readiness Assessment



Apply online at [www.miti.gov.my/industry4wrd](http://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



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

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

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



Enjoy **LOWER Tariffs** on Imports

Gain **COMPETITIVE EDGE** by utilising the FTAs



**When?**

Once a month



**Where?**

MITI Tower Kuala Lumpur  
or  
MITI Regional Offices



**Fees?**

Free of Charge with light refreshments

For more information, please contact the Secretariat



03-8200 0488/89/57



allaki@miti.gov.my

### Tentative Schedule for MITI Pocket Talks 2020

Date	Venue	Topic
14 February	MITI HQ	Introduction to FTAs Introduction to Preferential Certificate of Origin (PCO)
11 March	MITI Perak	
8 April	MITI HQ	
10 June	MITI Johor	
24 June	MITI HQ	
15 July	MITI Penang	
12 August	MITI HQ	
2 September	MITI Kelantan	
14 October	MITI HQ	
4 November	MITI Pahang	

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



**INVITATION TO EXPORTERS  
TO PARTICIPATE IN THE ASEAN  
SINGLE WINDOW (ASW) TRADER  
SURVEY**

Please submit your response before  
**14 FEBRUARY 2020**

[HTTPS://WWW.SURVEYMONKEY.COM/R/TRADERSURVEY20JAN2020](https://www.surveymonkey.com/r/TradersSurvey20Jan2020)

For more information or inquiries, kindly contact the ATIGA team at [allatiga@miti.gov.my](mailto:allatiga@miti.gov.my)

**MINISTRY OF  
INTERNATIONAL TRADE AND INDUSTRY**

For more information, kindly click the following links:

<https://bit.ly/37VxWFZ>



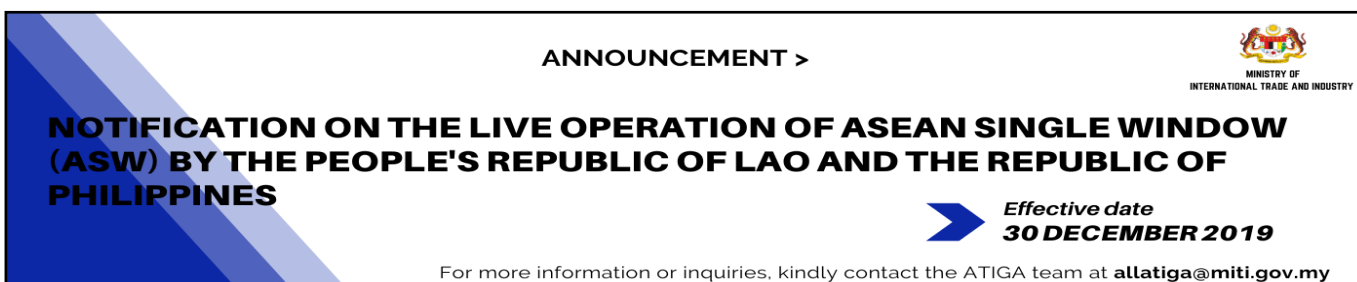
**NOTIFICATION ON IMPLEMENTATION  
OF PRODUCT SPECIFIC RULES (PSR)  
IN HS 2017 FOR ASEAN-KOREA FREE  
TRADE AREA (AKFTA)**

**EFFECTIVE 1 JANUARY 2020**

**MINISTRY OF  
INTERNATIONAL TRADE AND INDUSTRY**

For more information, kindly click the following links:

<https://bit.ly/2tnfHdg>



**ANNOUNCEMENT >**

**NOTIFICATION ON THE LIVE OPERATION OF ASEAN SINGLE WINDOW  
(ASW) BY THE PEOPLE'S REPUBLIC OF LAO AND THE REPUBLIC OF  
PHILIPPINES**

**Effective date  
30 DECEMBER 2019**

For more information or inquiries, kindly contact the ATIGA team at [allatiga@miti.gov.my](mailto:allatiga@miti.gov.my)

**MINISTRY OF  
INTERNATIONAL TRADE AND INDUSTRY**

For more information, kindly click the following links:

<https://bit.ly/2UmkAyo>



**ANNOUNCEMENT**

**NOTIFICATION ON IMPLEMENTATION OF PRODUCT SPECIFIC RULES  
(PSR) FOR ASEAN-AUSTRALIA-NEW ZEALAND  
FREE TRADE AGREEMENT (AANZFTA) IN HS 2017**

**Effective Date 1 OCTOBER 2019**

Please click for the full notification 

**MINISTRY OF  
INTERNATIONAL TRADE AND INDUSTRY**

For more information, kindly click the following links:

<https://bit.ly/2UoZwrg>



**MITI  
MALAYSIA**

**INTERNSHIP APPLICATION**

For more information and application, kindly click the following links:

<https://www.miti.gov.my/index.php/pages/view/3720>



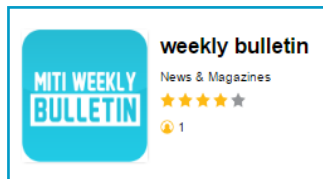
## Be part of something BIG?

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>

## MITI Weekly Bulletin (MWB) Mobile Apps



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>



Dear Readers,

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<http://www.miti.gov.my/index.php/forms/form/13>