



MINISTRY OF
INTERNATIONAL TRADE AND INDUSTRY

Setinggi Tahniah

**YAB TAN SRI MUHYIDDIN
HJ. MOHD YASSIN**

Perdana Menteri Malaysia ke-8

Dari seluruh warga MITI & agensi



MITI Reassures the Global Business Community that Malaysia's Economic Agenda Remains on Track

Malaysians are now faced with one of the most challenging period of our times. The present political scenario is one that is beyond the Rakyat's control. Due to this, there may be some uncertainties among investors and foreign importers regarding Malaysia's business climate.

MITI wishes to assure both the local and international businesses that Malaysia remains a pro-business nation, backed by strong economic fundamentals. The Ministry is committed to ensure that Malaysia remains a preferred trading and investment destination for the world. Our business ecosystems and policies are among the most robust, globally. Malaysia's industrial sectors have grown from strength to strength and we have carved a niche for ourselves in areas such as manufacturing, services, innovation centres and Halal. We have transformed ourselves from an agricultural nation to become one of the more successful advanced developing countries in the world. This was made possible through initiatives and programmes that placed a specific emphasis on facilitating economic growth, trade, investment and business. Such initiatives and programmes will continue.

MITI and the 11 Agencies under the Ministry will continue to facilitate the growth of Malaysian industries that remain the backbone of the economy and consequently, a key contributor to the Rakyat's well-being.

We will continue to adopt a pragmatic approach to attract high-quality Foreign Direct Investments (FDI) into the country while facilitating the expansion of Malaysian exports into third country markets. We will also continue to intensify efforts to include more local Small and Medium Enterprises (SMEs) into the global supply chain. Our on-going work in implementing Industry 4WRD, hosting APEC 2020 and operationalising the National Automotive Policy (NAP 2020) are on track and will continue as planned.

In summary, MITI and Agencies are, as we always have been, open for business. As such, should the private sector require any facilitation from us, please be assured that there are dedicated and capable public servants readily available to address your queries and concerns, as well as to offer clarification, guidance and assistance, where needed.

Ministry of International Trade & Industry
27 February 2020

Consumer Price Index, January 2020



CPI January 2020
increased **1.6%**

as compared to January 2019

January 2020

1.6%

December 2019

1.0%

Food &
Non-Alcoholic
Beverages



0.9%

Dec 2019 : 1.7%

Alcoholic
Beverages &
Tobacco



0.1%

Dec 2019 : 0.2%

Clothing &
Footwear



-1.2%

Dec 2019 : -1.0%

Housing, Water,
Electricity, Gas
& Other Fuels



1.7%

Dec 2019 : 1.7%

Furnishings, Household
Equipment & Routine
Household Maintenance



1.2%

Dec 2019 : 1.4%

Health



1.4%

Dec 2019 : 1.4%

Transport



3.9%

Dec 2019 : -1.9%

Communication



1.5%

Dec 2019 : 1.5%

Recreation
Services &
Culture



0.9%

Dec 2019 : 0.6%

Education



1.7%

Dec 2019 : 1.7%

Restaurants &
Hotels



1.1%

Dec 2019 : 1.1%

Miscellaneous
Goods &
Services



2.5%

Dec 2019 : 2.4%

Changes of 552 items by Goods & Services Category

Durable
Goods

53
items



Semi-Durable
Goods

64
items



Non-Durable
Goods

296
items



Services

139
items



Top 5 States with higher CPI



Selangor &
W.P. Putrajaya

2.1%



Johor

1.8%



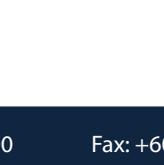
W.P.
Kuala Lumpur

1.8%



Negeri
Sembilan

1.6%



Pulau
Pinang

1.6%

Note: Percentage change (year-on-year)

Source: Department of Statistics, Malaysia

Producer Price Index, January 2020

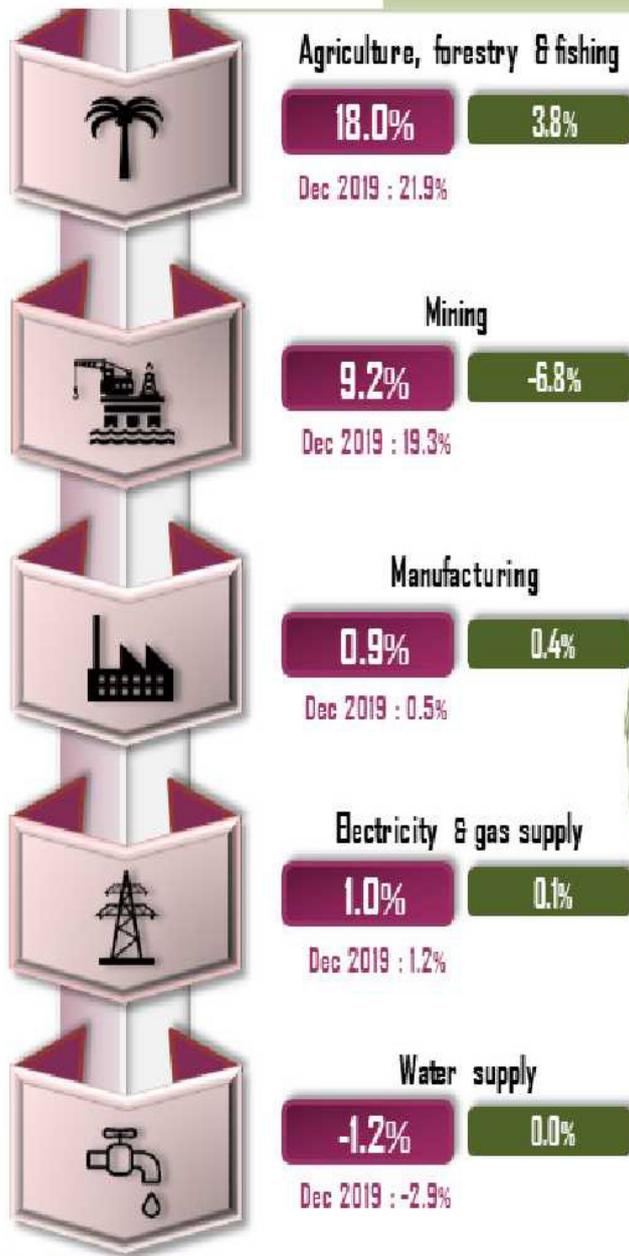


PPI
Local Production
January 2020
increased 2.8%
as compared to
January 2019

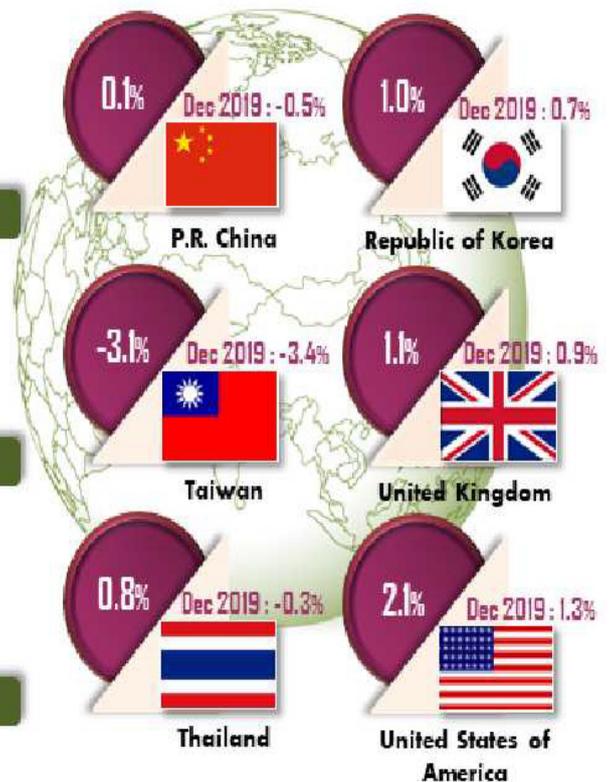
PPI BY STAGE OF PROCESSING



PPI BY SECTOR



PPI SELECTED COUNTRIES



Source : <https://tradingeconomics.com>

Source: Department of Statistics, Malaysia

Cluster 5: Economic Growth

Goal 8: Decent Work and Economic Growth

Goal 9: Industry, Innovation and Infrastructure

Goal 17: Partnerships for the Goals

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

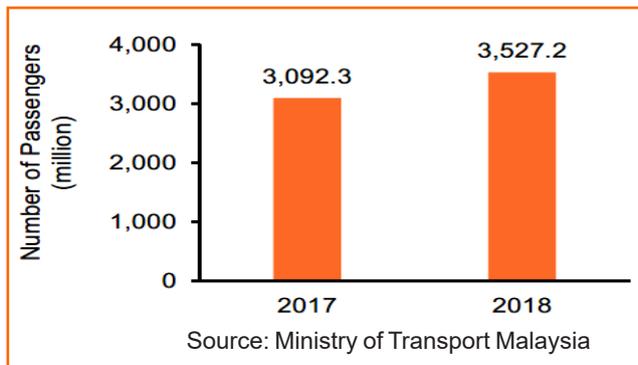


SUMMARY FINDING

Indicator 9.1.2:
Passenger and freight volumes, by mode of transport

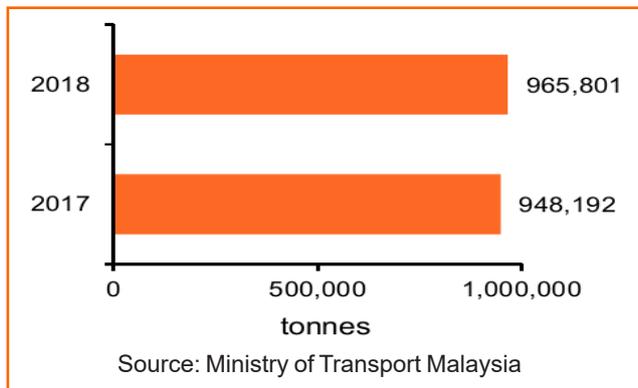
The number of railway passengers increased by 14.1 per cent from 3.1 million in 2017 to 3.5 million in 2018.

Figure 9.1:
Number of passengers (rail), 2017 and 2018



A total of 965,801 tonnes cargo handled by airports in 2018 as compared to 948,192 tonnes in 2017, which is registered an annual growth rate of 1.9 per cent.

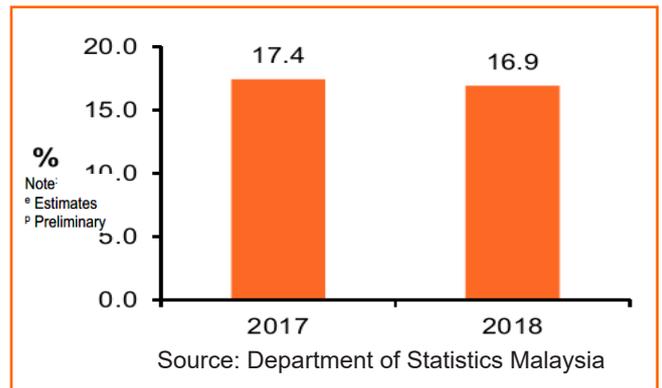
Figure 9.2:
Total cargo handled (tonnes) by airports, 2017 and 2018



Indicator 9.2.2:
Manufacturing employment as a proportion of total employment

The contribution of manufacturing employment decreased 0.5 percentage points to 16.9 per cent in 2018 as compared to 17.4 per cent in 2017.

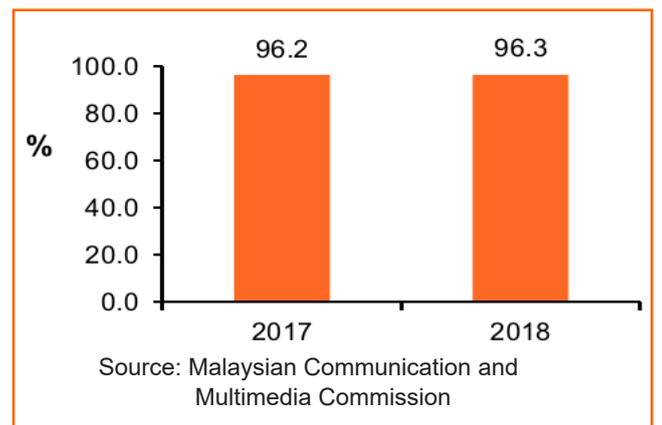
Figure 9.3:
Manufacturing employment as a proportion of total employment, 2017 and 2018



Indicator 9.c.1:
Proportion of population covered by a mobile network, by technology

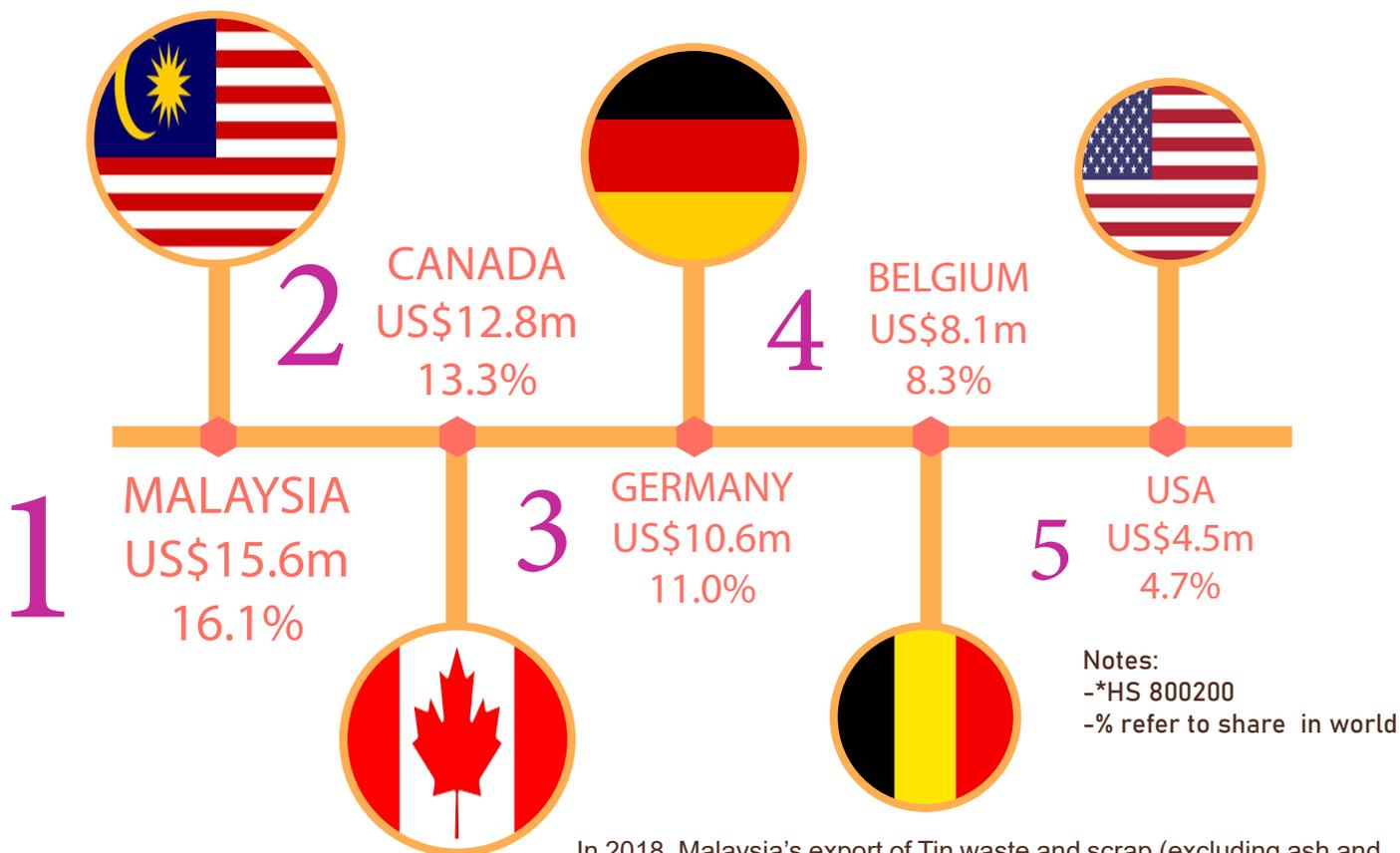
The proportion of population covered by a mobile network increased 0.1 percentage point to 96.3 per cent in 2018 as compared to 96.2 in 2017.

Figure 9.4:
Proportion of population covered by a mobile network, 2017 and 2018



Source: Department of Statistics, Malaysia

World largest exporters of Tin waste and scrap (excluding ash and residues from the manufacture of tin of heading 2620, and ingots and similar unwrought tin produced from melted tin waste and scrap of heading 8001)*



Notes:
 -*HS 800200
 -% refer to share in world

In 2018, Malaysia's export of Tin waste and scrap (excluding ash and residues from the manufacture of tin of heading 2620, and ingots and similar unwrought tin produced from melted tin waste and scrap of heading 8001) recorded US\$16.2 million with 14.3% share to the world exports

Top Five Malaysia Export Destinations



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



GLOSSARY

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

Trade in Services:

- Refers to cross border services transactions between Malaysia's residents and non-residents (consistent with BOP statistics). Services could be delivered either with or without cross border physical movement of services suppliers and consumers. For certain services, suppliers and consumers may remain in their respective countries, or else it could involve in cross border physical movement of consumers (to consume services) or supplier (to provide services).
- Modes of Supply**
 - Mode 1—Cross Border Trade
From the territory of one Member into the territory of any other Member.
 - Mode 2 — Consumption abroad
In the territory of one Member to the service consumer of any other Member.
 - Mode 3—Commercial Presence
By a service supplier of one Member, through commercial presence, in the territory of any other Member
 - Mode 4 — Presence of natural persons
By a service supplier of one Member, through the presence of natural persons of a Member in the territory of any other Member.

Twin Deficit Hypothesis:

- The twin deposit hypothesis makes a connection between current account deficit and fiscal deficit.
- The theory suggests that tax cuts can increase fiscal deficit and results in increased consumption, which will lower the national savings rate. In turn, a nation has to borrow more money from other countries.

Unemployed:

Refers to both actively and inactively unemployed persons in the labour force. The actively unemployed include all persons who did not work during the reference week but were available for work and actively looking for work during the reference week. Inactively unemployed refers to persons who did not look for work because they believed no work was available or that they were not qualified, persons who would have looked for work if they had not been temporary ill or not had it not been for bad weather, persons who were waiting for answers to job applications and persons who had looked for work prior to the reference week.

Unemployment rate:

$(\text{Number of unemployed persons} / \text{Number of persons in labour force}) \times 100$

Unbound

Tariff:

Tariff level of a product not notified to the WTO.

Vertical Approach:

Approach to address NTBs based on specific sectors. For example harmonization of standard in lighter.

Value Chain:

The process or activities by which a company adds value to an article, including production, marketing, and the provision of after-sales service.

Unregulated sectors:

The working definition for unregulated services sector is services sectors that is not regulated by any act, regulations, government guidelines, government licensing requirement and are not supervised by any government agencies.

Withholding tax:

A tax that is collected at source, before the taxpayer has seen the income or capital to which the tax applies. In other words, that part of the income or capital due in tax is withheld from the taxpayer, who therefore cannot easily avoid paying the tax. Withholding taxes are frequently imposed on interest and dividends.

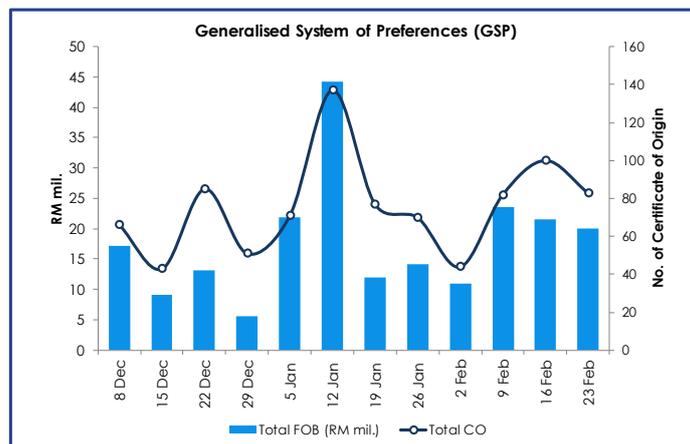
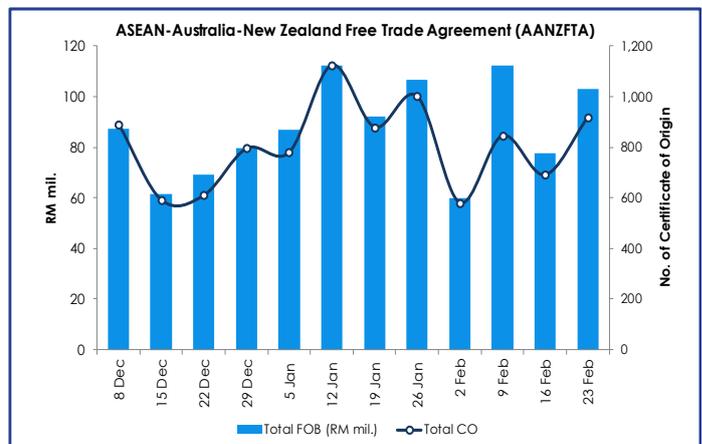
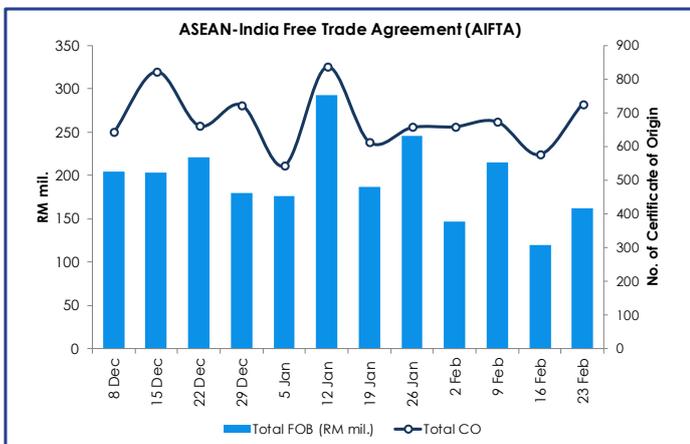
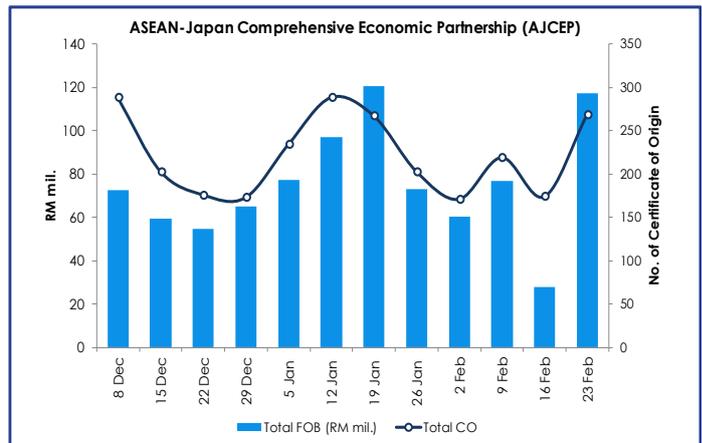
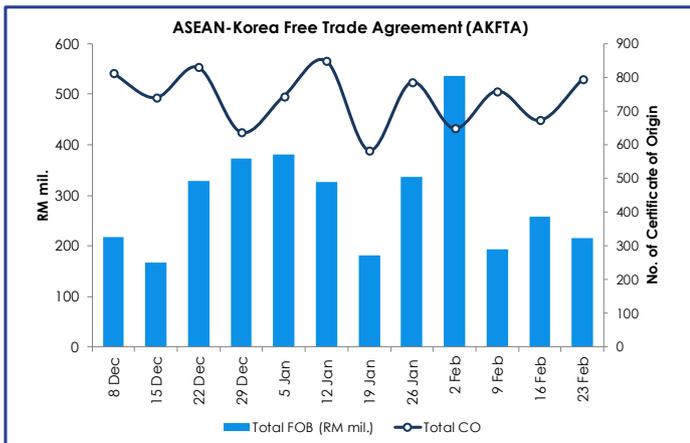
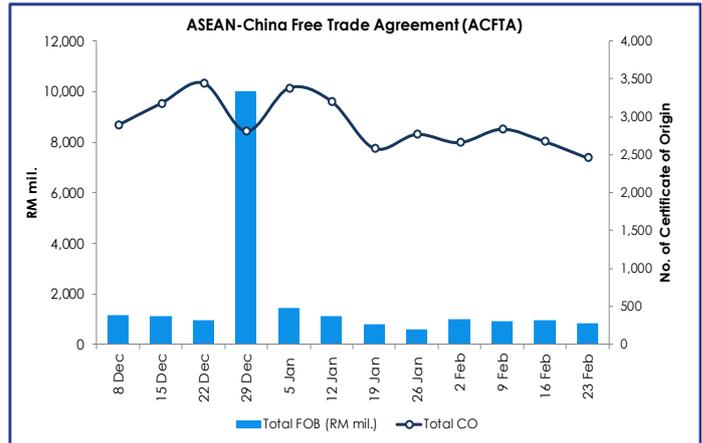
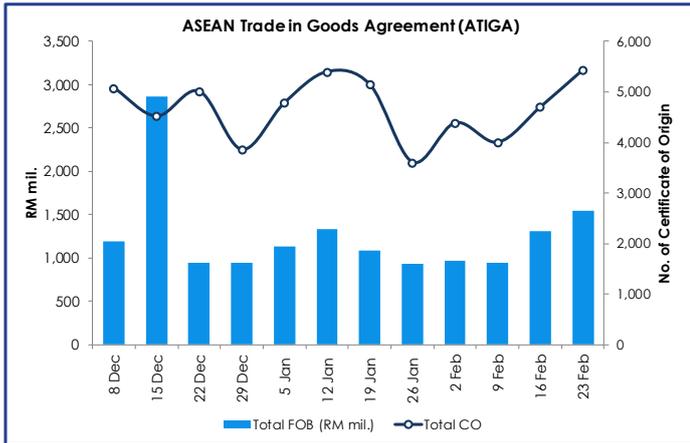
WTO Ministerial Meeting:

- The WTO's top decision-making body.
- Meeting of the full membership of the WTO once in two years.

Wafer Fabrication:

Procedure composed of many repeated sequential processes to produce complete electrical or photonic circuits.

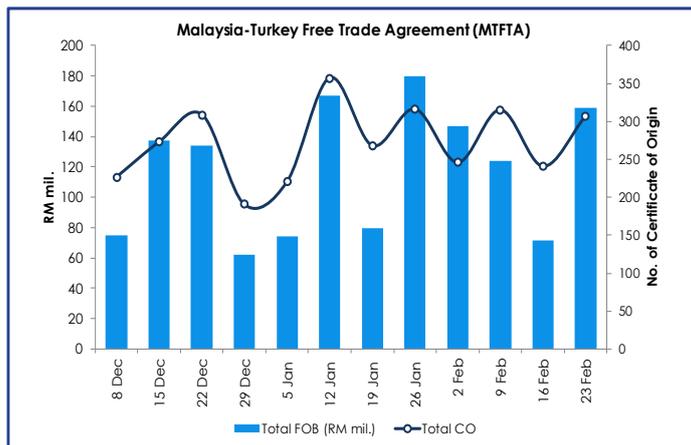
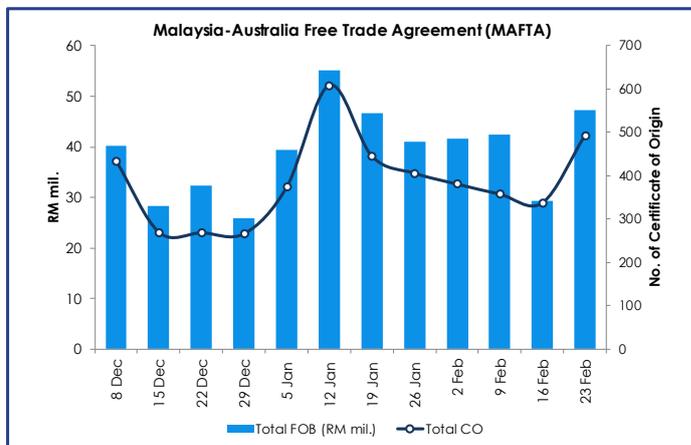
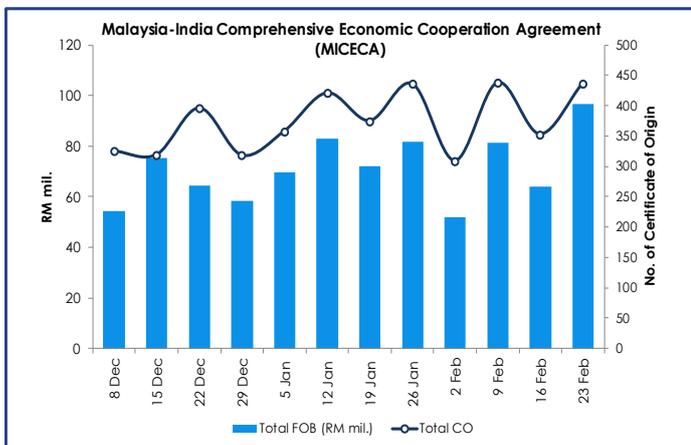
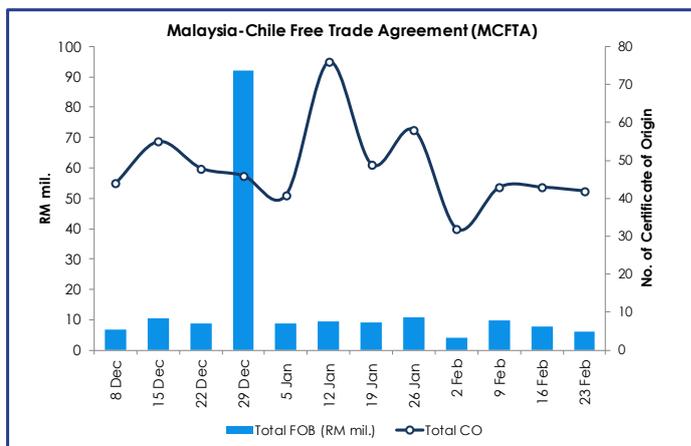
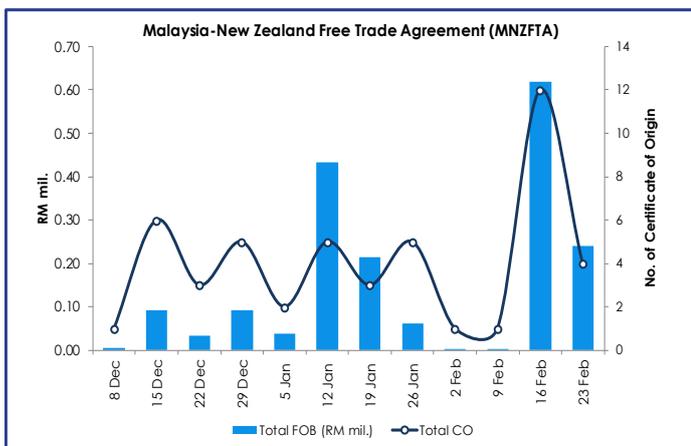
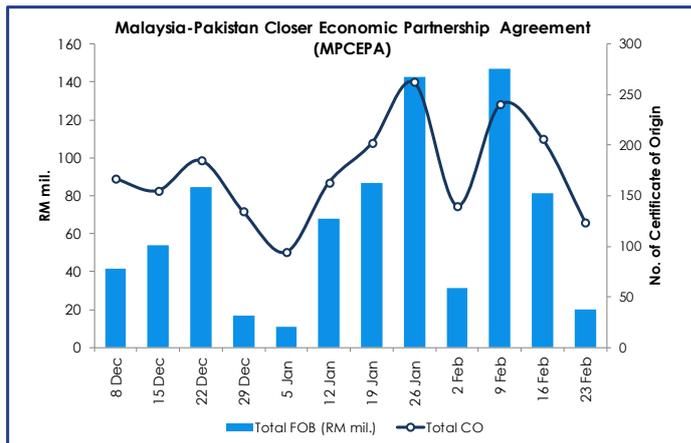
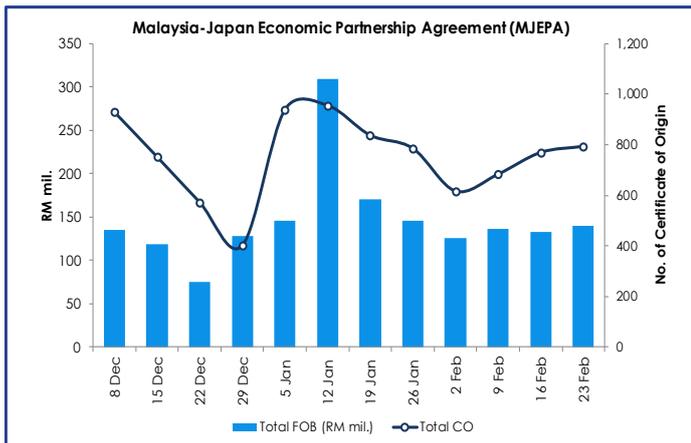
Number and Value of Preferential Certificates of Origin (PCOs)



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

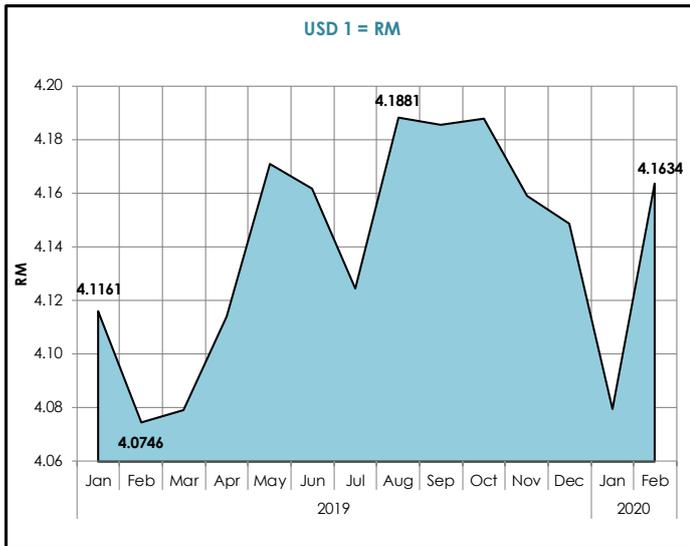
Number and Value of Preferential Certificates of Origin (PCOs)



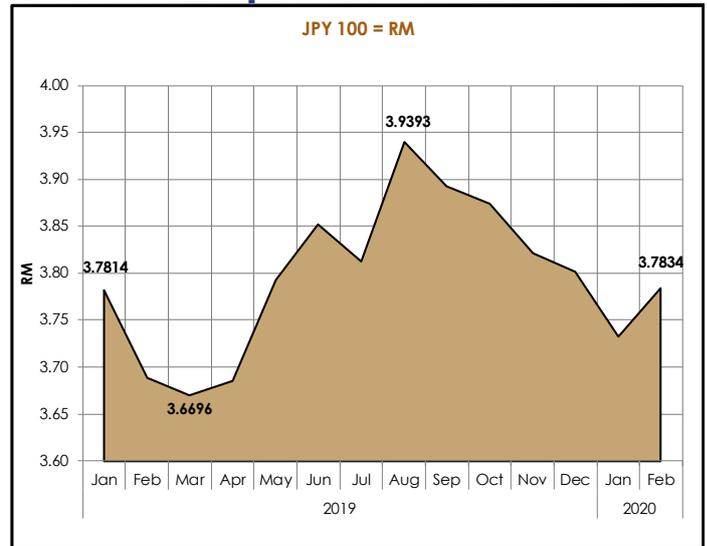
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

Malaysian Ringgit Exchange Rate with Selected Countries, January 2019 - February 2020

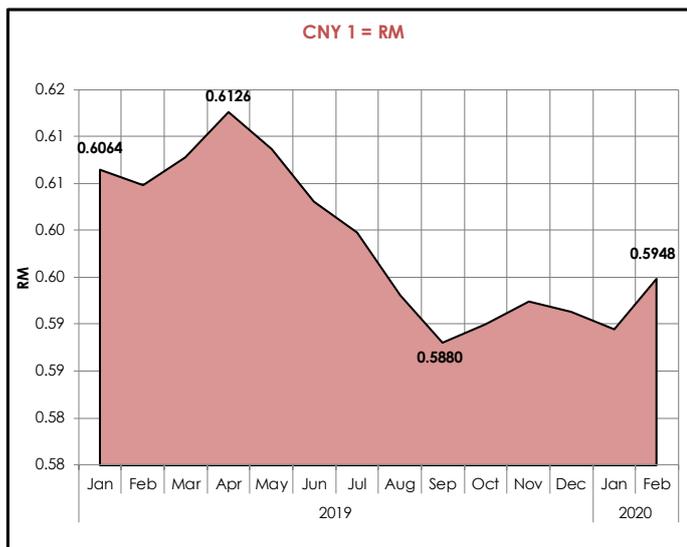
US Dollar



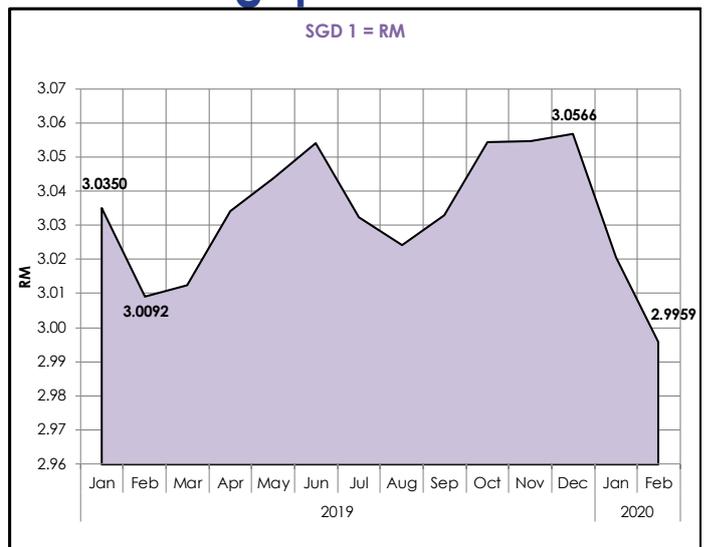
Japanese Yen



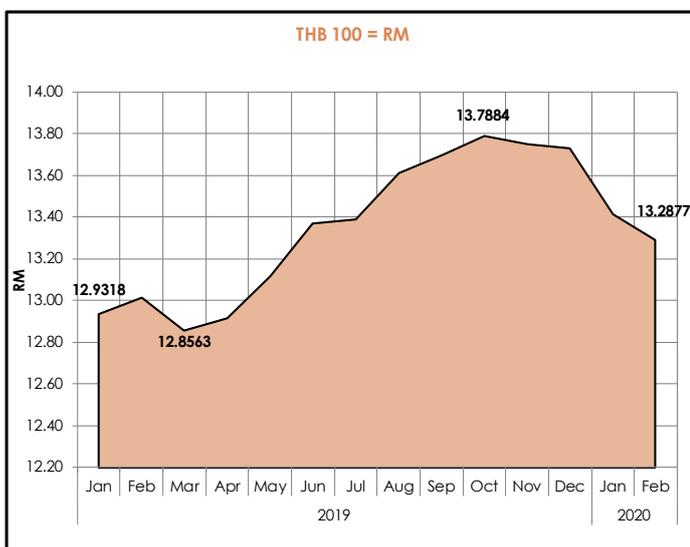
Chinese Yuan



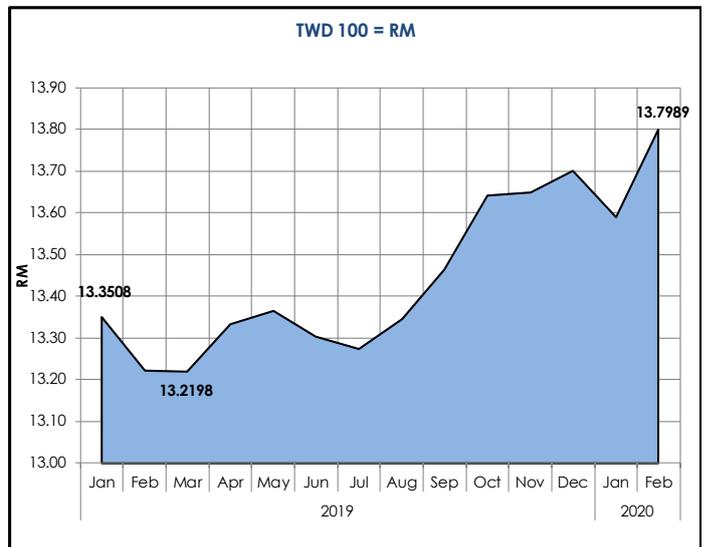
Singapore Dollar



Thai Baht



New Taiwan Dollar



Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▼ **13.6%***
US\$50.5
28 February 2020

Average Price 2019ⁱ: US\$64.2

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

28 Feb 2020 : US\$50.5
 09 Aug 2019 : US\$54.5

Lowest
 2019/2020

CRUDE PALM OIL -per MT-



▼ **10.3%***
US\$570.8
28 February 2020

Average Price 2019ⁱ: US\$557.1

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

28 Feb 2020 : US\$570.8
 26 Jul 2019 : US\$488.5

Lowest
 2019/2020

RUBBER SMR 20 -per MT-



▼ **3.8%***
US\$1,323.0
28 February 2020

Average Price 2019ⁱ: US\$1,414.6

COCOA SMC 2 -per MT-



▼ **2.1%***
US\$1,768.8
28 February 2020

Average Price 2019ⁱ: US\$1,592.4

SUGAR -per lbs-



▼ **6.5%***
US\$14.1
28 February 2020

Average Price 2019ⁱ: US\$12.4

COAL -per MT-



▲ **2.3%***
US\$45.1
28 February 2020

Average Price 2019ⁱ: US\$56.5

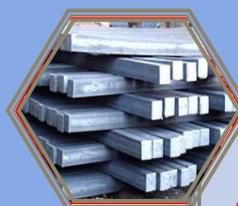
SCRAP IRON HMS -per MT-



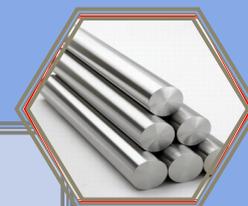
⊖ **0%*** ⊖ **0%***
US\$280.0 **US\$260.0**
 (high) (low)
28 February 2020

Average Price 2019ⁱ: US\$316.9 (high)
 Average Price 2019ⁱ: US\$291.6 (low)

Domestic Prices 28 February 2020



Billets
 (per MT)
RM1,800 - RM1,850

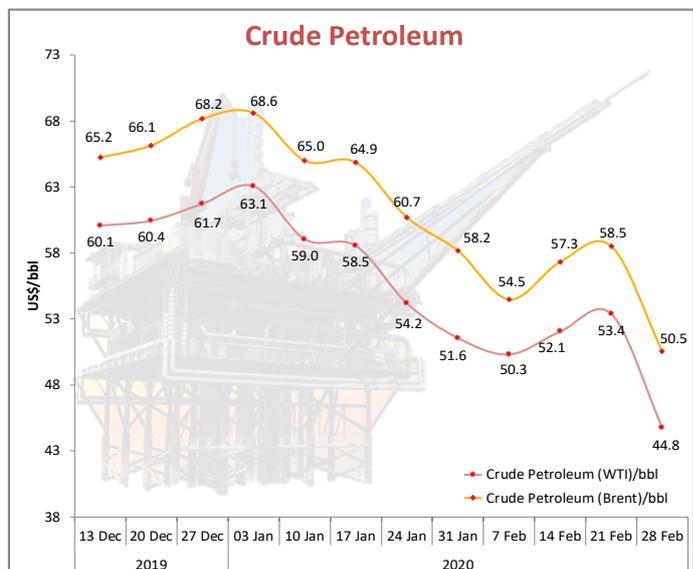
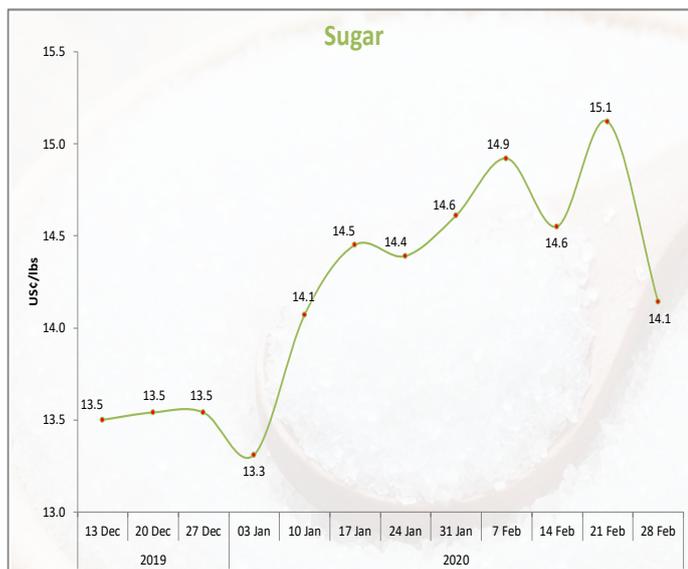
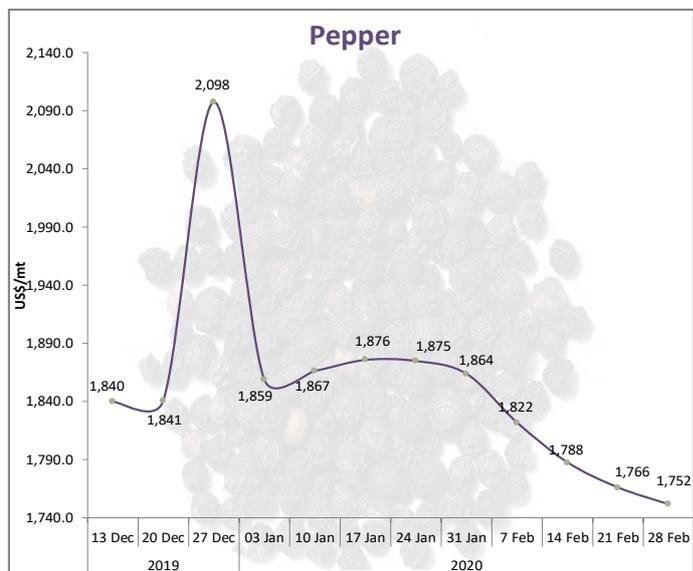
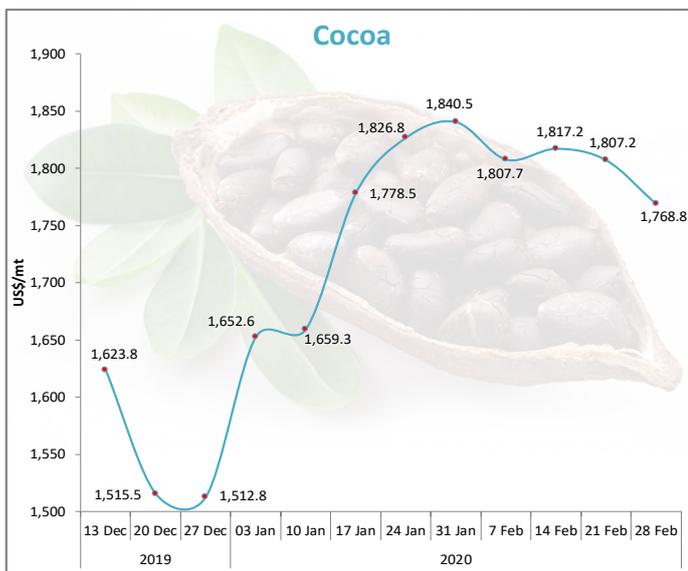
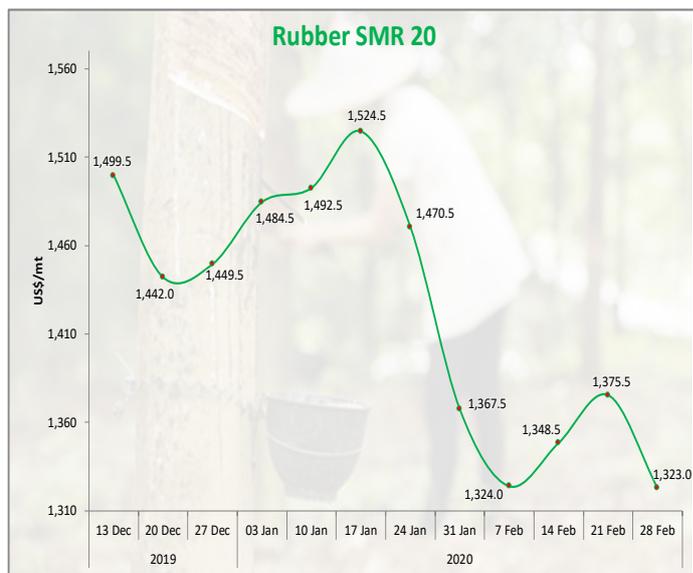
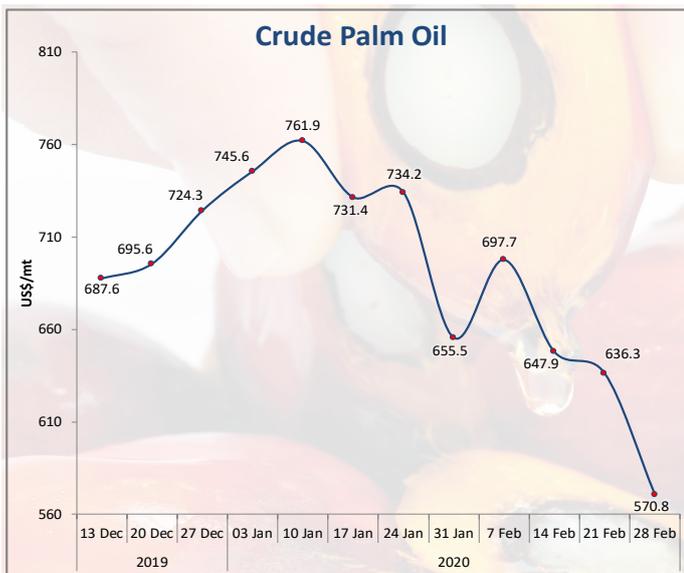


Steel Bars
 (per MT)
RM2,060 - RM2,210

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

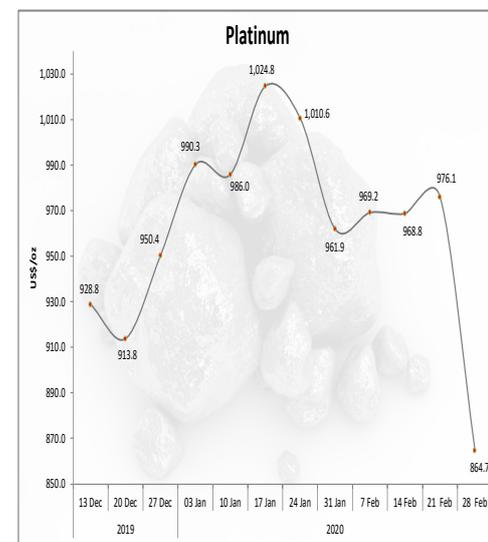
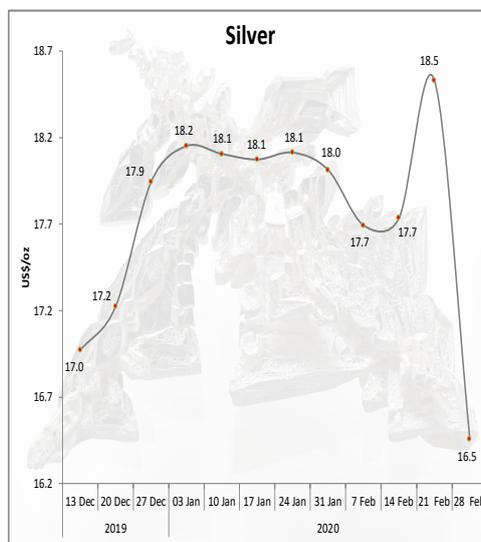
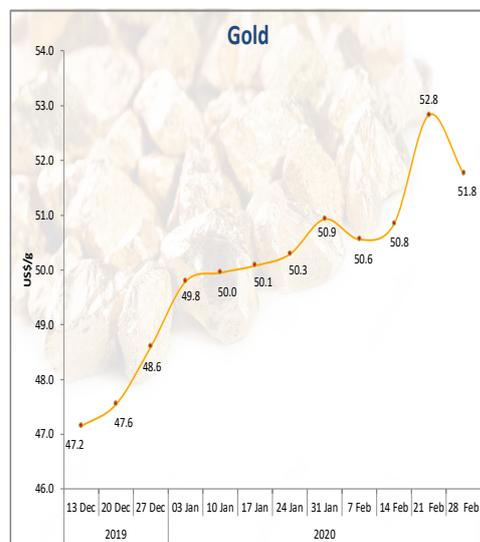
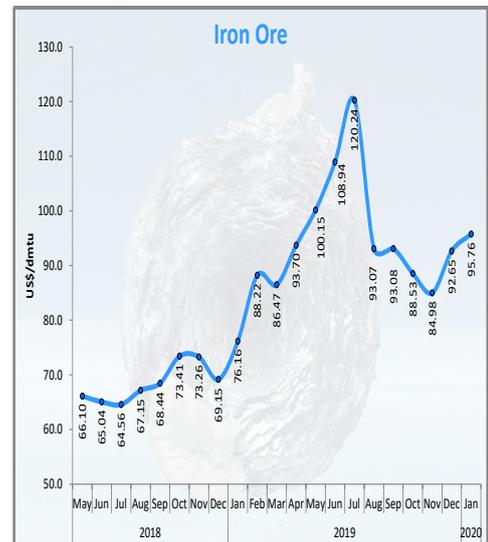
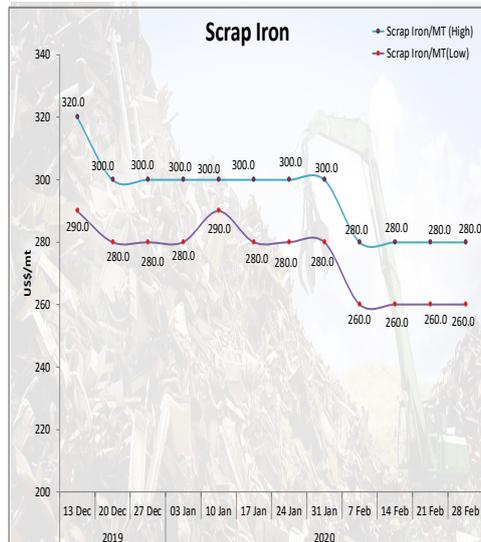
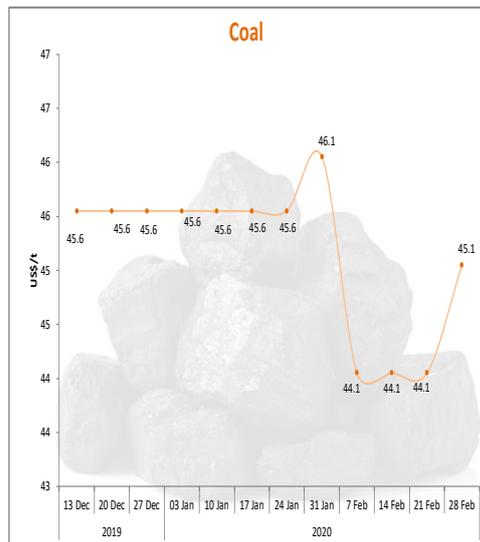
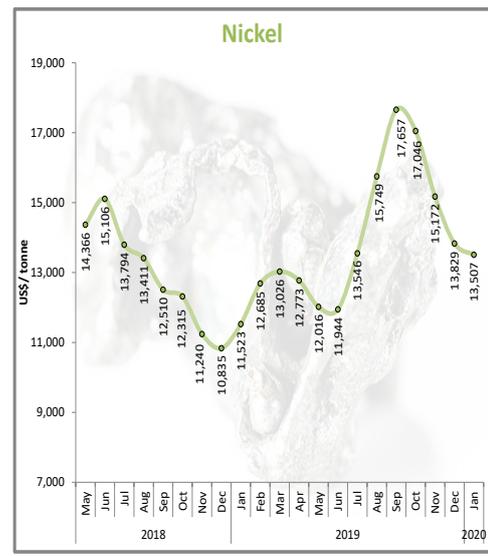
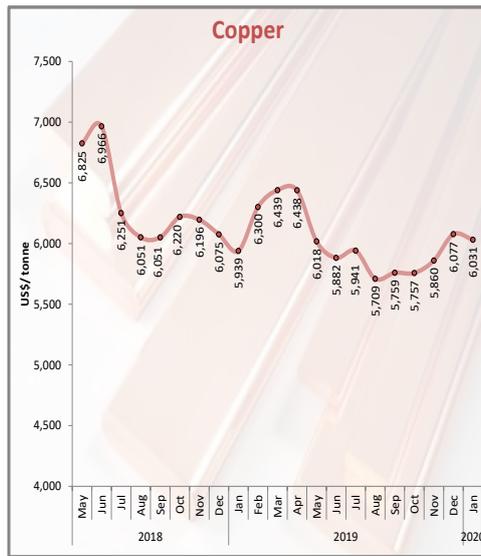
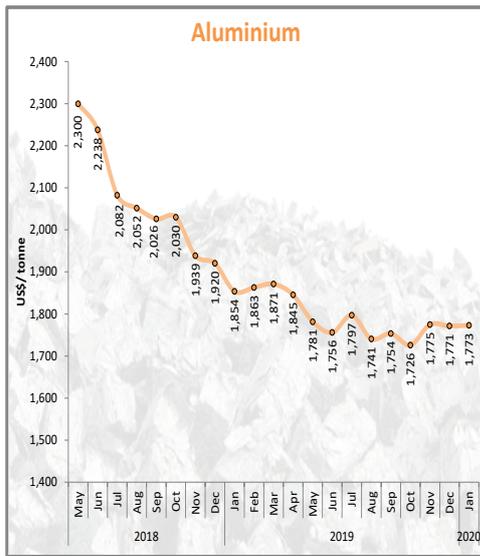
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

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.

Top Glove Sdn. Bhd.

Rubber gloves manufacturers and exporters,
27 February 2020



Creative Contract (M) Sdn. Bhd.

Manufacturer and producer of high quality 3-ply face
masks (MEDICOS), 27 February 2020



MyRTA Sdn. Bhd.

Furniture manufacturers, 28 February 2020



Careplus Sdn. Bhd.

Glove manufacturers, 28 February 2020





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



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

MITI through Malaysian Investment Development Authority (MIDA) has been undertaking various domestic investment promotion programmes including spearheading initiatives to connect local companies and SMEs with MNCs and LLCs through industrial linkages programmes and supply chain conferences.



Source: Malaysian Investment Development Authority

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

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

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>

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

APEC 2020 NATIONAL SECRETARIAT

APEC 2020 MyAPEC2020 MyAPEC2020 MyAPEC

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>

ANUGERAH KECEMERLANGAN INDUSTRI (AKI) 2019/2020



REGISTRATION NOW OPEN
Submission of documents until 30 April 2020

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



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

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.



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

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

 03-6200 0488/89/57  allaki@miti.gov.my

Tentative Schedule for MITI Pocket Talks 2020

Date	Venue	Topic
11 March	MITI Perak	Introduction to FTAs Introduction to Preferential Certificate of Origin (PCO)
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>



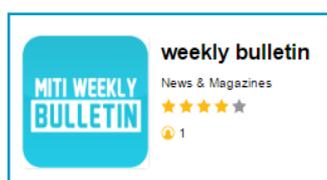
21RACE
Run Across Cultures & Economies 2020
in conjunction with 

**DATARAN MERDEKA
KUALA LUMPUR**
28 JUNE 2020 | SUNDAY | 5:30 AM
#MyAPEC2020

ORGANIZER:  SUPPORTED BY:  
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Calling all Malaysians and international running enthusiasts! Join us at the inaugural 21RACE to be held in conjunction with #MyAPEC2020. Register now for 21km and 10km competitive runs and 5km fun run. Let's get started. Register now at <https://bit.ly/2VAKPl0>

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>



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