

## **MALAYSIA EXTERNAL TRADE STATISTICS**

# TRADE PERFORMANCE FOR APRIL 2020 AND THE PERIOD OF JANUARY- APRIL 2020

## Malaysia's Trade Impacted by COVID-19 Pandemic

In April 2020, Malaysia's trade amounted to RM133.34 billion, a decrease of 16.4% compared to April 2019, due to COVID-19 pandemic which caused major disruptions to global supply chain. Lower trade was recorded particularly with Singapore, Thailand, India, the United States (US), Japan, Viet Nam and Saudi Arabia.

Exports were valued at RM64.92 billion, contracted by 23.8% while imports decreased by 8% to RM68.42 billion. Trade balance recorded a deficit of RM3.5 billion in April 2020, after 269 consecutive months of surplus on account of a higher contraction in exports compared to imports.

Compared to March 2020, trade and exports slipped by 9.9% and 19%, respectively while imports increased by 0.9%.

Malaysia's trade during the first four months of 2020 dropped by 3.5% to RM573.75 billion compared to the corresponding period of 2019. Lower trade was recorded with Thailand, Singapore, Hong Kong, Germany, India and Viet Nam. Meanwhile, higher trade was registered with the Republic of Korea (ROK), Indonesia and the US. Exports during the period registered a decrease of 5.5% to RM303.61 billion and imports declined marginally by 1.2% to RM270.14 billion. Trade surplus was valued at RM33.47 billion, declined by 29.9% compared to the same period of 2019.

Commenting on the April trade performance, Senior Minister and Minister of International Trade & Industry YB Dato' Seri Mohamed Azmin Ali said that the declines in both exports and imports are expected given that most countries around the world were under some form of lockdown to contain the spread of COVID-19. This has caused major disruptions to the manufacturing activities and movement of goods globally. Nevertheless, exports of some products such as iron and steel, rubber



gloves and refined palm oil recorded increases.

"Malaysia's exports are expected to improve in the coming months as the government allowed more industries to resume operations and at full operating capacity since 4 May 2020. Similarly, companies in other countries are also ramping up their business operations. This will boost trade activities between Malaysia and other countries", he added.

### **Export Performance of Major Sectors**

## Double-Digit Export Growth Registered for 3 Manufactured Goods in April 2020

Exports of iron and steel products, transport equipment as well as rubber products recorded a double-digit growth of 21.5%, 21.8% and 11.7% respectively, despite the decline in exports of manufactured goods by 23.4% year-on-year (y-o-y) to RM55.5 billion. The contraction of manufactured goods which constituted 85.5% of total exports was due to lower exports of electrical and electronic (E&E) products, manufactures of metal, machinery, equipment and parts, petroleum products as well as optical and scientific equipment.

Exports of agriculture goods (7.2% share) decreased by 13.8% to RM4.7 billion due to lower exports of sawn timber and moulding compared to April 2019.

Exports of mining goods (7% share) dropped by 31.6% y-o-y to RM4.56 billion. This was mainly due to lower exports of liquefied natural gas (LNG) and crude petroleum.

### Major exports in April 2020:

•E&E products, valued at RM25.91 billion and constituted 39.9% of total exports, decreased by 21.7% from April 2019;

•Petroleum products, RM5.42 billion, 8.3% of

total exports, decreased by 23.2%;

•Chemicals and chemical products, RM3.89 billion, 6% of total exports, decreased by 18.2%; •Palm oil and palm oil-based agriculture products, RM3.44 billion, 5.3% of total exports, decreased by 1.5%; and

•LNG, RM2.86 billion, 4.4% of total exports, decreased by 20.5%.

On a month-on-month (m-o-m) basis, exports of manufactured goods, agriculture goods and mining goods reduced by 17.9%, 9.6% and 33.9%, respectively.

For the first four months of 2020, exports of manufactured goods contracted by 4.5% to RM257.28 billion compared to the same period a year ago. Lower exports was recorded for E&E products, manufactures of metal, machinery, equipment and parts as well as chemicals and chemical products. However, exports of petroleum products, iron and steel products, transport equipment, other manufactures primarily solid-state storage devices (SSD), rubber products as well as paper and pulp products registered a double-digit growth.

Exports of agriculture goods slipped by 2.6% to RM20.48 billion underpinned by lower exports of sawn timber and moulding. Meanwhile, exports of palm oil and palm oil-based agriculture products increased by 3.4% or RM475 million. Exports of mining goods contracted by 15.4% to RM24.23 billion mainly due to lower exports of LNG and crude petroleum.

### **Trade Performance with Major Markets**

### ASEAN – Transport Equipment & Palm Oil-Based Manufactured Products Grew for 9 Consecutive Months despite Overall Decline in Exports

Trade with ASEAN in April 2020 contracted by 27.9% y-o-y to RM30.4 billion, accounting for 22.8% share of Malaysia's total trade. Exports to ASEAN fell by 24.1% to RM19.38 billion partly due to lower exports of E&E products, crude petroleum, machinery, equipment and parts, petroleum products as well as manufactures of metal. However, higher exports was recorded for transport equipment and palm oil-based manufactured products which registered positive growth since August 2019. LNG also recorded significant export growth. Imports from ASEAN decreased by 33.6% to RM11.02 billion.

Breakdown of exports to ASEAN countries:

•Singapore RM10.15billion,

inecreased by 16.3%

•Thailand RM3.21 billion, ↓37.9% •Indonesia RM2.62 billion, ↓2.3% •Myanmar F
•Brunei F
•Cambodia F
•Lao PDR F

Viet Nam

Philippines

RM2.14 billion, \$\\$37\% RM875.4 million, \$\\$41.2\% RM158.2 million, \$\\$20\% RM151.6 million, \$\\$32\% RM82.6 million, \$\\$69.2\% RM1.5 million, \$\\$42.8\%

Compared to the previous month, trade, exports and imports contracted by 22.2%, 20.2% and 25.4%, respectively.

During January to April 2020, trade with ASEAN decreased by 7.8% to RM145.7 billion compared to the same period last year. Exports to this region was valued at RM89.13 billion, a decline of 4% owing to lower exports of E&E products, crude petroleum, manufactures of metal as well as machinery, equipment and parts. Higher exports was recorded for transport equipment, petroleum products as well as iron and steel products, which collectively increased by RM6.85 billion. Imports from ASEAN declined by 13.3% to RM56.57 billion.

### China – Exports Rebounded in April 2020

In April 2020, trade with China which represented 19.7% of Malaysia's total trade or RM26.25 billion, decreased marginally by 1.5% y-o-y. Exports to China rebounded by 4.2% to RM12.07 billion, compared to a 6.1% decline in March 2020. Expansion in exports was recorded for iron and steel products, other manufactures (SSD), E&E products and crude petroleum. Imports from China decreased by 6% to RM14.18 billion.

On a m-o-m basis, trade, exports and imports expanded by 5.5%, 10.1% and 1.8%.

Trade with China for the first four months of 2020 stood at RM96.73 billion, declined by 2% compared to the same period of 2019. Exports to China increased by 0.2% to RM42.87 billion, buoyed by higher exports of iron and steel products, other manufactures (SSD), manufactures of metal as well as optical and scientific equipment. Imports from China slipped by 3.7% to RM53.86 billion.

# USA – Exports of Palm Oil and Palm Oil-Based Products Registered the Highest Growth y-o-y since July 2011

Trade with the US in April 2020 which constituted 8% of Malaysia's total trade decreased by 19.6% y-o-y to RM10.67 billion. Exports to the US declined by 31.1% to RM5.31 billion, dragged down by lower exports of E&E products as well as optical and scientific equipment. Higher exports however was recorded for commodity-based products notably, rubber products as well as palm oil and palm oil-based products which collectively contributed RM1.08 billion of Malaysia's exports to the US. Exports of palm oil and palm oil-based products to the US in April 2020 registered the fastest growth in 106 months. Imports from the US was down by 3.5% to RM5.36 billion.

In comparison with March 2020, trade, exports

and imports were lower by 17.1%, 27.7% and 3%, respectively.

During January to April 2020, trade with the US grew by 3% to RM52.73 billion compared to the same period last year. Exports decreased by 1.1% to RM29.31 billion attributed to lower exports of E&E products, optical and scientific equipment as well as iron and steel products. Imports from the US increased by 8.6% to RM23.43 billion.

### EU – Double-Digit Export Growth for Palm Oil and Palm Oil-Based Agriculture Products since February 2020

In April 2020, trade with the European Union (EU) which contributed 7.1% to Malaysia's total trade registered a decrease of 33.3% y-o-y to RM9.42 billion. Exports amounted to RM4.77 billion, contracted by 35.7%, due to lower exports of E&E products, machinery, equipment and parts as well as optical and scientific equipment. Meanwhile, expansion in exports was seen for palm oil and palm oil-based agriculture products, petroleum products as well as chemicals and chemical products. Exports of palm oil and palm oil-based agriculture products registered a double-digit growth for 3 straight months with an increase of 56.3% y-o-y to RM484.15 million in April 2020. Imports from the EU was valued at RM4.65 billion, lower by 30.7%.

Among the top 10 EU markets which accounted for 92.7% of Malaysia's total exports to the EU, exports to 2 countries recorded positive growth namely, the Czech Republic (†13%) and Poland (†1.7%).

Compared to March 2020, trade, exports and imports decreased by 19.3%, 29.3% and 5.6%, respectively.

Trade with the EU for January to April 2020 decreased by 16.9% to RM45.3 billion. Exports amounted to RM25.43 billion, declined by 16.1% due to lower exports of E&E products, machinery, equipment and parts, manufactures of metal as well as optical and scientific equipment. However, exports of petroleum products as well as palm oil and palm oil-based agriculture products recorded increases. Imports from the EU slipped by 17.8% to RM19.87 billion.

## Japan – Exports of Commodity-Based Products Grew

In April 2020, trade with Japan contracted by 22.2% y-o-y to RM8.59 billion and accounted for 6.4% of Malaysia's total trade. Exports declined by 28.4% to RM3.87 billion owing to lower exports of E&E products, LNG and manufactures of metal. However, expansion in exports was recorded for commodity-based products particularly, crude petroleum, rubber products, wood products and petroleum products. Imports from Japan decreased by 16.1% to RM4.72 billion.

On a m-o-m basis, trade, exports and imports decreased by 24.6%, 34.3% and 14.3%,

respectively.

For the first four months of 2020, trade with Japan decreased by 4.1% to RM41.91 billion in comparison to the same period of 2019. Exports slipped by 6.3% to RM21.92 billion, contributed by lower exports of E&E products, LNG and wood products. However, expansion in exports was recorded for crude petroleum, palm oil and palm oil-based agriculture products as well as rubber products. Imports from Japan was lower by 1.5% to RM19.99 billion.

### **Trade with FTA Partners**

In April 2020, trade with Free Trade Agreement (FTA) partners which made up 71.6% of Malaysia's total trade recorded a decline of 9.5% y-o-y to RM95.47 billion. Exports to FTA partners was valued at RM47.29 billion, a decrease of 18.9% while imports was higher by 2.1% to RM48.18 billion.

Compared to the previous month, trade and exports declined by 2.9% and 14.4%, respectively while imports rose by 11.7%.

Trade with FTA partners for the first four months of 2020 which constituted 67.1% of Malaysia's total trade amounted to RM385.21 billion, decreased by 2.4% compared to the same period of 2019. Exports contracted by 4.6% to RM209.53 billion while imports increased by 0.4% to RM175.68 billion.

### **Import Performance**

Total imports in April 2020 decreased by 8% to RM68.42 billion from April 2019. The three main categories of imports by end use which accounted for 71.7% of total imports were:

- •Intermediate goods, valued at RM28.25 billion or 41.3% share of total imports, decreased by 30.6%, buoyed by lower imports of parts and accessories of capital goods (except transport equipment) particularly electrical machinery, equipment and parts;
- •Capital goods, valued at RM14.98 billion or 21.9% of total imports, increased by 68.9%, due mainly to higher imports of capital goods (except transport equipment), particularly floating structures; and
- •Consumption goods, valued at RM5.83 billion or 8.5% of total imports, declined by 12%, attributed to lower imports of durable goods, particularly jewellery.

During January to April 2020, imports amounted to RM270.14 billion, decreased by 1.2% from the same period of 2019. Imports of intermediate goods totalled RM144.33 billion, decreased by 2.5%, capital goods (RM32.43 billion, ↓1%) and consumption goods (RM23.61 billion, ↑0.1%).

Ministry of International Trade and Industry 04 June 2020

# MALAYSIA URGES CHINA, JAPAN AND KOREA TO FORGE STRONGER COLLABORATION WITH ASEAN IN DEVELOPING COVID-19 VACCINE



Senior Minister and Minister of International Trade and Industry Dato' Seri Mohamed Azmin Ali today urged the People's Republic of China, Japan and the Republic of Korea to resort to greater partnership with ASEAN member countries in developing the COVID-19 vaccine.

At the Special ASEAN Plus Three Economic Ministers' (AEM+3) Virtual Conference Meeting on COVID-19 Response held this afternoon, the Minister also made an earnest call for the grouping to further enhance collaborative efforts in facing and overcoming this crisis, noting that by pulling our resources together,

we would have the capacity and capability to find a long and lasting solution. He added that creating synergy and unity is the key to success in the battle and AEM+3 must expand the scope of cooperation with solidarity, vision and leadership.

Azmin also urged ASEAN to consider en bloc measures to procure vaccines in order to increase the chances of vaccine availability for the region. Korea and China, being advanced on their vaccine trials, should also consider allowing ASEAN member states to produce vaccines to drive costs down and ensure mass availability and accelerate ASEAN as a region for biotech innovation.

Earlier in the morning, at the Special ASEAN Economic Ministers' (AEM) Virtual Meeting Conference COVID-19 Response the Minister commended the private sector in fighting the pandemic jointly with the governments of ASEAN Member States. He stressed that the support from the private sector is crucial in supporting the initiatives taken by governments in addressing the adverse impact of the pandemic not only to the business community but also to the lives and livelihoods of the people in ASEAN.

"The strategic collaboration between governments and the private sector is indeed a manifestation of the ASEAN theme this year which is to act in a 'Cohesive and Responsive' manner in dealing with the challenges," he added. With regard to flattening the COVID-19 curve, the Minister noted that before the Movement Control Order, the infectivity rate was 3.55 and has been reduced to 0.3 now. Azmin also stressed that this pandemic is much more than a health crisis, which therefore requires a total and collective government-society response.

The Minister said that like other member states, Malaysia too has had to grapple with the challenge of striking the right balance between protecting lives as well as livelihoods, namely, between making the most strident efforts to contain the spread of the virus and taking vigorous initiatives at ensuring the viability of the economy.

from In this regard, apart successfully managing the COVID-19 situation from the health perspective, Malaysia has also introduced measures to bolster the economy, minimise job losses, protect incomes the and secure economic sustainability of the nation.

Malaysia implemented three Stimulus Packages worth RM280 billion aimed at supporting various parts of the community, encompassing informal sectors, families, the micro, small and medium enterprises (MSMEs) and businesses.

According to the Minister, the COVID-19 pandemic has unleashed a global socio-economic tsunami with severe repercussions on all economies big and small. As countries all

over the world impose movement restriction orders in efforts to fight the outbreak, our economies suffer unintended consequences, creating extreme uncertainty on growth forecast.

At the AEM+3 meeting, Azmin thanked China, Korea and Japan for their assistance and support in the region's battle against the pandemic and expressed concern with the rapid spread of the virus globally.

"Malaysia adopted a "targeted approach" in testing COVID-19 cases by zooming in on clusters of infections as well as identifying localities with high rates of infections, and tracing as well as testing their close contacts and immediate surroundings," he said. The Minister commended frontliners for having worked tirelessly to stop the further spread of COVID-19 and reduce new cases of infection. On publicprivate partnership collaboration, the Minister said that Malaysia is in the process of developing a quantitative antigen test kit to detect the level of antibodies of an individual towards the virus causing the COVID-19 infection. Azmin added that Malaysia has been offered to work with the World Health Organisation for the 'Solidarity Trial' research project in discovering a potential cure for COVID-19 and expressed confidence that with continued and collective capabilities, the region will be able to overcome this pandemic together ultimately.

Ministry Of International Trade & Industry (Miti) Thursday, 4 June 2020



# penjana

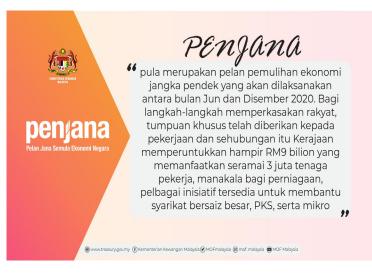
### Pelan Jana Semula Ekonomi Negara











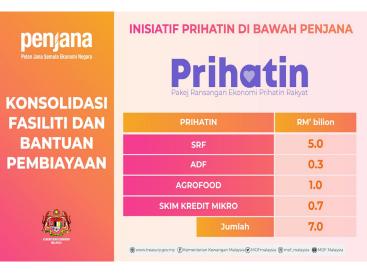




# penjana

Pelan Jana Semula Ekonomi Negara















# PERINTAH KAWALAN PERGERAKAN PEMULIHAN (PKPP) 10 JUN - 31 OGOS 2020

**#PKPP** adalah permulaan baharu bagi rakyat Malaysia untuk benar-benar serius dalam membudayakan #normabaharu.



#BersamaMenjanaEkonomi #PatuhiSOP #LindungiDiri #MampankanEkonomi

# TRANSFORMASI PKS DALAM SEGMEN DIGITAL DAN E-DAGANG PEMANGKIN EKONOMI DALAM NORMAL BARU

## Mencari peluang dalam menangani krisis COVID-19

Perniagaan dan industri tempatan harus menjadikan digitalisasi sebagai medium untuk membina jenama Malaysia di peringkat global

dalam era "normal baharu" kini.

"Wabak COVID-19 telah mencetus perubahan ketara dalam kehidupan seharian seluruh warga Malaysia. Penting bagi kita untuk terus mencari keseimbangan yang ideal dalam melindungi nyawa dan punca pendapatan rakyat melalui usaha perencanaan agenda dalam memulakan semula ekonomi, kata, Datuk Lim Ban Hong, Timbalan Menteri Perdagangan Antarabangsa dan Industri (MITI).

"Pematuhan kepada Prosidur Operasi Standard (SOP) seperti penjarakan sosial, bekerja dari rumah, larangan berkumpul kini semakin menjadi satu kebiasaan dalam kehidupan kita. Walau bagaimanapun, kami sedar pastinya ada kesukaran bagi sesetengah komuniti perniagaan terutamanya Perusahaan Kecil dan Sederhana (PKS) untuk menyesuaikan diri dengan normal baharu ini."

Namun begitu, Lim menyatakan bahawa syarikat-syarikat di Malaysia harus melihat perubahan-perubahan ini secara positif dan mengambil peluang daripada situasi ini untuk mempercepatkan transformasi digital yang boleh menyumbang kepada peningkatan jumlah jualan.

### Manfaatkan e-dagang sepenuhnya

Salah satu pendekatan alternatif dalam transformasi digital ini adalah penglibatan industri tempatan dalam aktiviti e-dagang.

'E-dagang', atau dikenali juga sebagai perdagangan elektronik, telah mula berkembang sejak beberapa tahun yang lalu dan telah menyumbang sebanyak RM115.5 bilion pada tahun 2018, yang merangkumi sekitar 8% daripada keseluruhan Keluaran Dalam Negara Kasar (KDNK).

E-dagang memberi peluang kepada PKS tempatan memasarkan dan mempromosikan produk mereka ke pasaran yang lebih luas semudah munggunakan telefon pintar. Kerajaan telah memberikan insentif dan bantuan dalam mendorong penggunaan e-dagang di kalangan pengusaha PKS.

### Program eTRADE daripada MATRADE

Walaupun terdapat sebilangan perniagaan yang telah memulakan transformasi digital, masih banyak lagi yang belum menganjakkan langkah mereka ke arah e-dagang. Untuk menggalakkan peralihan perniagaan tempatan kepada e-dagang, antara insentif yang disediakan

kerajaan adalah melalui Program eTRADE oleh Perbadanan Pembangunan Perdagangan Luar Malaysia (MATRADE), sebuah agensi di bawah MITI.

Program eTRADE menawarkan RM5,000 kepada pemohon yang berkelayakan dalam bentuk e-baucar atau bayaran balik ke atas perbelanjaan, atau kedua-duanya. Syarikatsyarikat di bawah program eTRADE berpeluang untuk menyertai pelbagai platform e-dagang antarabangsa dari beberapa negara di seluruh dunia termasuklah negara-negara ASEAN, China, India dan Amerika Syarikat.

Inisiatif Program eTRADE ini adalah untuk mendorong syarikat-syarikat tempatan mempercepatkan penglibatan mereka ke dalam rantaian bekalan global melalui aktiviti eksport secara 'online'.

### Kisah kejayaan PKS Malaysia

Salah satu kisah kejayaan Program eTRADE ialah Megix Industries Sdn Bhd, sebuah PKS tempatan. Syarikat ini mempunyai pengkhususan dalam pengeluaran gulungan kertas termal dan pelbagai jenis bentuk seperti slip gaji, invois, pesanan penghantaran dan tiket. Pada tahun 2017, Megix telah memanfaatkan insentif yang diberikan oleh kerajaan dengan menyenaraikan produk mereka di platform e-dagang antarabangsa.

"Program eTRADE amat bermanfaat bagi perniagaan tradisional seperti kami yang biasanya mengalami kesulitan dalam memasarkan produk kami di pasaran global," kata Francis Ng, Pengarah Urusan Megix Industries Sdn Bhd.

Selepas menyertai Program eTRADE, Megix mula menggunakan platform e-dagang pada tahun 2017 dan jualan eksportnya telah meningkat daripada RM100,000 kepada RM9.4 juta pada tahun 2019.

Menurut Ng, hasil eksport telah menyumbang kepada sekitar 55% daripada jumlah keseluruhan hasil jualan perniagaannya. Setakat ini, syarikat Ng telah berjaya mengeksport ke 20 buah negara antaranya Amerika Syarikat, Arab Saudi, Qatar, Emiriah Arab Bersatu, Ghana dan Nigeria.

"Saya amat menggalakkan penggiat industri untuk menceburi bidang teknologi digital dan merebut peluang perniagaan di seluruh dunia melalui e-dagang bagi memastikan jenama mereka dapat dikenali di seluruh dunia," ulas Na

YB Datuk Lim Ban Hong Timbalan Menteri Perdagangan Antarabangsa Dan Industri Khamis, 4 Jun 2020

# Malaysia's International Trade in Services, 2019

Malaysia's services exports recorded an all-time high of RM169.8 billion in 2019, boosted by favourable performances in travel, other business services and transport. The exceptional performance of exports has contributed to a narrower deficit on trade in services at RM10.9 billion, the lowest since 2015.



**Deficit** RM10.9 bil.

**Trade** RM350.5 bil.

Imports

## **Main Services Component**

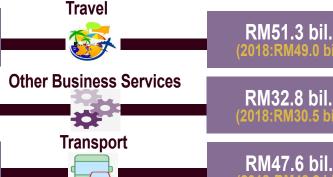
Exports

RM82.1 bil.

RM29.3 bil.

RM21.7 bil.

RM12.4 bil. (2018:RM11.4 bil)



Telecommunication, Computer & Infomation

 $((\bullet))$ 

RM32.8 bil.

RM47.6 bil.

RM14.6 bil.

## **Major Trading Partners**

Singapore

**Exports** 

RM41.5 bil.

**Imports** 

RM38.6 bil.

**Trade** 

RM80.1 bil.

RM22.4 bil. 2018:RM20.6 bil) RM23.0 bil.

RM45.4 bil.

**PRC** 

RM16.9 bil.

RM23.0 bil.

RM39.9 bil.

Source: Department of Statistics, Malaysia

# Malaysia's External Trade, April 2020

Exports posted a faster rate of contraction compared to imports declining 23.8% and 8.0% respectively.

**Apr 2020** Jan - Apr 2020 RM64.92 bil. RM303.61 bil. **Exports** 23.8% 2.3% RM270.14 bil. RM68.42 bil. **Imports** 8.0% 1.2% RM573.75 bil. RM133.34 bil. **Total Trade** 2.3% 5.5% **Trade Balance** -RM3.5 bil. RM33.47 bil.



## Malaysia's Top Five Export Destinations, April 2020

**PRC** 

**Singapore** 

**Hong Kong** 

**USA** 

Japan

\*<sup>:</sup> RM12.07 bil.

12.07 bil. 4.2% **(**:

RM10.15 bil -16.3%

\*

RM5.88 bil -8.2%

RM5.31 bil.

M5.31 bil. RM3.87 bil -31.1% -28.4%

Malaysia's Top Five Import Sources, April 2020



\*: RM14.18 bil.

**PRC** 

-6.0%

Ш

\*\*\*\*
RM13.02 bil
323.9%

**ROK** 



RM5.36 bil

Japan

Taiwan

RM4.72 bil. -16.1% RM4.56 bil

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

# **Top Three Export and Import Products**April 2020



### **Electrical & Electronic Products**

# **Total Exports** RM25.9 billion, -21.7%

Hong Kong RM5.3b. -2.1%

Singapore RM5.0b. -6.9%

PRC RM4.5b. 4.4%

USA RM2.4b. -43.4%

Taiwan RM1.6b. -5.4%

# Total Imports RM18.7 billion, -8.5%

PRC RM5.3b. 2.9%

Taiwan RM3.6b. -0.9%

USA RM2.0b. -18.1%

Singapore RM1.9b. -4.5%

 Japan
 RM1.6b.
 5.6%



### **Petroleum Products**

# Total Exports RM5.4 billion, -23.2%

Singapore RM2.2b. 22.3%

PRC RM0.7b. -16.3%

Australia RM0.4b. -22.0%

Nigeria RM0.3b. 100,535.5%

Indonesia RM0.2b. -47.9%



### **Transport Equipment**

# Total Imports RM11.7billion, 232.7%

ROK RM10.1b. 9,652.6%

Japan RM0.3b. -58.1%

PRC RM0.3b. -57.7%

USA RM0.2b. -4.9%

Germany RM0.2b. -61.2%



### **Chemicals & Chemical Product**

# Total Exports RM3.9 billion, -18.2%

PRC RM1.2b. 13.2% Indonesia RM0.4b. -19.6% Thailand RM0.4b. -14.5%

Singapore RM0.3b. -18.3% Viet Nam RM0.3b. -19.4%

Total Imports
RM6.0 billion, -16.4%

PRC RM1.3b. 16.8% USA RM0.7b. 11.5% Japan RM0.4b. -13.7%

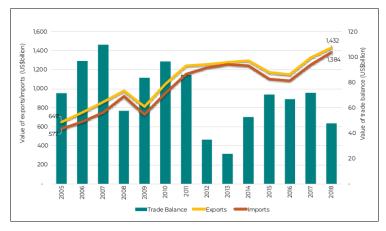
Singapore RM0.4b. -38.1%
Saudi Arabia RM0.6b. -28.8%

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

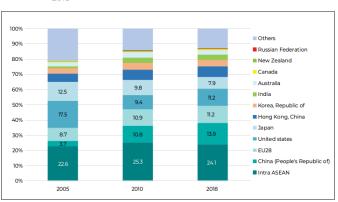
# **INTERNATIONAL MERCHANDISE TRADE**

Value of exports and imports of goods and trade balance (US\$ billion), ASEAN total, 2005-2018

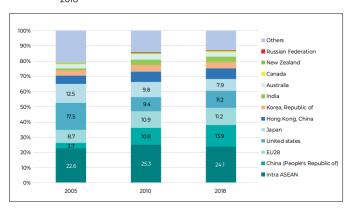
Within a period of only 13 years, ASEAN total merchandise trade has multiplied by 2.3 times, reaching over US\$2.8 trillion in 2018. Both exports and imports of goods steadily increased during the period, except in 2009 and 2015-2016. Exports values tend to be higher than imports resulting in a positive trade balance during the period.



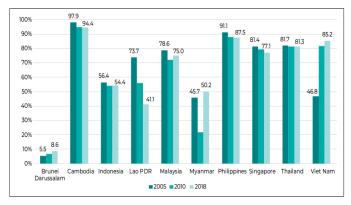
Shares of merchandise exports values (%) by trading partners, 2005-2018



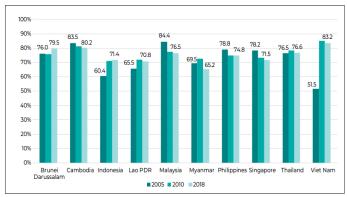
Shares of merchandise exports values (%) by trading partners, 2005-



Shares of manufacturing products to total exports (%) by ASEAN Member States, 2005-2018

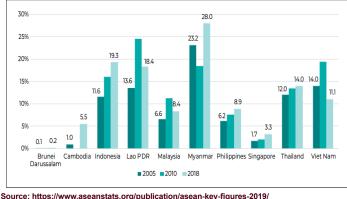


Shares of manufacturing products to total imports (%) by ASEAN Member States, 2005-2018



Shares of agricultural products to total imports (%), ASEAN Member

Shares of agricultural products to total exports (%) by ASEAN Member States, 2005-2018



10%

■2005 ■2010 ■2018

20%

0%

Tel: +603 - 8000 8000

Brunei Darussalam

States, 2005-2018

Fax: +603 - 6202 9446

12

Philippines Singapore

## **WORLD TOP INTEGRATED CIRCUITS & ELECTRONIC COMPONENTS EXPORTING COUNTRIES**

Global Exports 2018: US\$702.7 billion **\( \Lambda 10.4%** 

1	<b>Hong Kong ▲ 15.6</b> %	2018: US\$145.95b 2017: US\$126.23b
2	<b>R.O.Korea</b> ▲ 23.6%	2018: US\$124.98b 2017: US\$101.15b
3	China ▲ 13.4%	2018: US\$114.15b 2017: US\$100.70b
4	Chinese Taipei ¥ 3.1%	2018: US\$101.97b 2017: US\$105.20b
5	Singapore ▲ 2.5%	2018: US\$90.59b 2017: US\$88.39b
6	Malaysia 🛕 30.7%	2018: US\$58.3b 2017: US\$44.65b
7	USA 🛕 11.4%	2018: US\$50.90b 2017: US\$45.71b
8	<b>Japan ▲ 4.7</b> %	2018: US\$39.97b 2017: US\$38.18b
9	Germany 🙏 8.5%	2018: US\$23.82b 2017: US\$21.95b
10	Netherlands 🙏 13.4%	2018: US\$ 17.81b 2017: US\$15.70b

Malaysia was the second largest exporter amongst ASEAN members after Singapore in 2018

Note: % refer to Y-o-Y Growth Source: https://timeseries.wto.org

# **EAST ASIA and PACIFIC forecast summary**



GLOBAL ECONOMIC PROSPECTS | JUNE 2020

(Real GDP growth at market prices in percent, unless indicated otherwise)

Percentage point differences from January 2020 projections

	2017	2018	2019e	2020f	2021f	2020f	2021f
EMDE EAP, GDP <sup>1</sup>	6.5	6.3	5.9	0.5	6.6	-5.2	1.0
GDP per capita (U.S. dollars)	5.8	5.6	5.2	-0.1	6.0	-5.2	1.0
				payme	ents data only)2		
EM				.5	6.6	-5.2	1.0
				.4	6.5	-5.3	0.9
F				.8	8.8	-6.1	2.2
F				.2	7.4	3.6	-0.1
Fixed investment	4.7	5.1	4.3	-0.2	4.1	-4.8	-0.6
Exports, GNFS <sup>3</sup>	9.4	4.9	1.9	-10.3	4.2	-11.6	2.2
Imports, GNFS <sup>3</sup>	8.3	8.4	0.3	-5.7	5.2	-7.7	2.7
Net exports, contribution to growth	0.4	-0.9	0.5	-1.3	-0.3	-1.1	-0.2
Memo items: GDP							
East Asia excluding China	5.4	5.3	4.8	-1.2	5.4	-6.1	0.4
China	6.8	6.6	6.1	1.0	6.9	-4.9	1.1
Indonesia	5.1	5.2	5.0	0.0	4.8	-5.1	-0.4
Thailand	4.1	4.2	2.4	-5.0	4.1	-7.7	1.3

Source: World Bank

Note: e = estimate; f = forecast. EMDE = emerging market and developing economies. World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not differ at any given moment in time.

- 1. GDP and expenditure components are measured in 2010 prices and market exchange rates. Excludes Democratic People's Republic of Korea and dependent territories.
- 2. Subregion aggregate excludes Democratic People's Republic of Korea, dependent territories, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Myanmar, Nauru, Palau, Papua New Guinea, Samoa, Timor-Leste, Tonga, and Tuvalu, for which data limitations prevent the forecasting of GDP components.
- 3. Exports and imports of goods and non-factor services (GNFS).

(Real GDP growth at market prices in percent, unless indicated otherwise)

Percentage point differences from January 2020 projections

	2017	2018	2019e	2020f	2021f	2020f	2021f
Cambodia	7.0	7.5	7.1	-1.0	6.0	-7.8	-0.8
China	6.8	6.6	6.1	1.0	6.9	-4.9	1.1
Fiji	5.4	3.5	1.0	-4.3	1.9	-6.0	-1.0
Indonesia	5.1	5.2	5.0	0.0	4.8	-5.1	-0.4
Lao PDR	6.9	6.3	4.7	1.0	4.6	-4.8	-1.1
Malaysia	5.7	4.7	4.3	-3.1	6.9	-7.6	2.4
Mongolia	5.3	6.9	4.8	-0.5	4.9	-6.0	-0.3
Myanmar	6.2	6.8	6.3	1.5	6.0	-5.2	-0.8
Papua New Guinea	3.5	-0.8	6.0	-1.3	3.4	-4.2	0.5
Philippines	6.9	6.3	6.0	-1.9	6.2	-8.0	0.0
Solomon Islands	3.7	3.9	2.7	-6.7	-0.3	-9.5	-3.1
Thailand	4.1	4.2	2.4	-5.0	4.1	-7.7	1.3
Timor-Leste	-3.8	-0.8	3.4	-4.8	3.8	-9.4	-1.1
Vietnam	6.8	7.1	7.0	2.8	6.8	-3.7	0.3

Source: World Bank

Note: e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not significantly differ at any given moment in time.

1. GDP and expenditure components are measured in 2010 prices and market exchange rates.

Source: https://www.worldbank.org/en/publication/global-economic-prospects

SPECIAL ISSUE NO. 4

MAY 2020





# INVESTMENT POLICY RESPONSES TO THE COVID-19 PANDEMIC

# Investment Policy Actions at The National Level Facilitating Investment

### Box 1. UNCTAD Global Action Menu for Investment Facilitation – Action Line 3

- Shorten the processing time and, where appropriate, simplify procedures for investment and license applications, investor registration and tax-related procedures.
- Promote the use of time-bound approval processes or a "no objections within defined time limits" approach to speed up processing times, where appropriate.
- Provide timely and relevant administrative advice; keep applicants informed about the status of their applications.
- Encourage and foster institutional cooperation and coordination. Where appropriate, establish an online one-stop approval
  authority; clarify roles and accountabilities between national and local government or where more than one agency screens or
  authorizes investment proposals.
- · Create "client charters" in investment agencies that define service delivery standards and good practices.
- . Keep the costs to the investor in the investment approval process to a minimum.
- Facilitate, within the framework of relevant legislation, the entry and sojourn of investment project personnel (facilitating visas, dismantling bureaucratic obstacles).
- Simplify the process for connecting to essential public services infrastructure.
- · Conduct periodic reviews of investment procedures, ensuring they are simple, transparent and low-cost.
- Establish mechanisms to expand good administrative practices applied or piloted in special economic zones to the wider economy.

# Box 2. A variety of incentive schemes for the rapid development of medication and vaccines (Policy examples)

In order to address the adverse impact of COVID-19, several countries have recently adopted policy measures to boost investment in those industries that are crucial to containing the spread of the virus. They provide various incentives to increase R&D and expenses in such fields as medical and pharmaceutical research for developing vaccines and treatments. For example:

- The Czech Republic, on 23 March 2020, established a CZK 500 million investment subsidy scheme for manufacture of medical devices, pharmaceuticals, and biotechnology.<sup>12</sup>
- The Republic of Korea, on 9 April 2020, announced that it would support companies developing COVID-19 medication or vaccines. The President guaranteed that those companies would avoid the situation in which they would not be able to make profits or break even on expenses incurred during the development of medications or vaccines. When they succeed in developing medicines or vaccine, the Korean government will purchase enough final products that the companies will not experience any loss.<sup>13</sup>
- At the regional level, the European Commission, on 6 March 2020, announced that it has mobilized up to €140 million in public and private funding to support urgently needed research.¹⁴ On 16 March 2020, the Commission announced that it offered up to €80 million of financial support to CureVac, an innovative vaccine developer from Tübingen, Germany, to scale up the development and production of a vaccine against the coronavirus in Europe.¹⁵ Finally, on 3 March 2020 the Innovative Medicines Initiative, which is a European Union (EU) public-private partnership that funds health research and innovation, launched a fast-track call funded by up to €45 million from the EU's Horizon 2020 research and innovation programme, to be matched by the pharmaceutical industry.¹¹⁶

#### Box 3. Incentives for the expansion or conversion of production lines (Policy examples)

A growing number of countries have announced incentive measures to encourage manufacturers to expand or shift production lines to medical equipment and personal protective equipment (PPE) in order to increase available capacity. For example,

- One federal state of India (Tamil Nadu) has announced an incentive package to increase production of medical supplies and machinery used in the COVID-19 response. The package, which is open for both SMEs and large firms, offers a capital subsidy of 30% for fixed assets and waives the requirement for authorizations and clearance from local authorities. The package is applicable for modification or upgrading of production lines for production beginning before 31 July 2020.
- Italy has created a €50 million program to encourage manufacturers to convert to or expand their production of medical devices and supplies.
- The United States has loosened certain excise tax provisions on ethanol supplies commonly used for distilled spirits for manufacturers that are willing to produce ethanol-based hand sanitizer. No previous authorization or formula approval is required.

### Incentives for the enhancement of contracted economic activities (Policy Box 4. examples)

In many countries various incentive schemes have been adopted to promote economic activities that have been much reduced by the spread of COVID-19. For example:

- On 6 April 2020, in Canada, the province of Quebec announced a subsidy programme for training and capacity-building for enterprises in the following areas: e-skills related to telework, good practices related to health issues, organizational communication and knowledge enhancement. This program offers a 100% refund on eligible expenses such as trainer fees, purchase of equipment and human resources management activities up to a maximum of CAD 100,000. The program is available with immediate effect and will remain in place through 30 September 2020.17
- On 9 March 2020, China announced that the National Development and Reform Commission and the Ministry of Commerce would revise the Catalogue of Industries Encouraging Foreign Investment. Tariffs on self-use equipment imported for foreign investment projects encouraged by the Catalogue will continue to be waived, within the investment quota. For projects exceeding the investment quota, project companies can apply to the Provincial Development and Reform Commission for tariff exemptions. 18
- On 17 March 2020, Egypt announced a reduction of nearly 20% in the price of natural gas for industrial use and a cut of nearly 10% in the price for electricity for heavy industries in the context of the pandemic. The government also announced a freeze in electricity prices for other industries for at least three years. 19

### Box 5. State support for local SMEs (Policy examples)

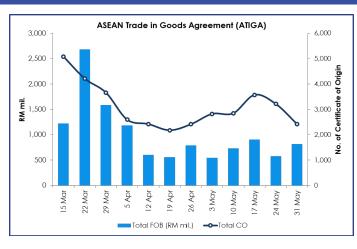
Financial or fiscal support for local SMEs is a core element of most State aid packages in response to the pandemic. For example:

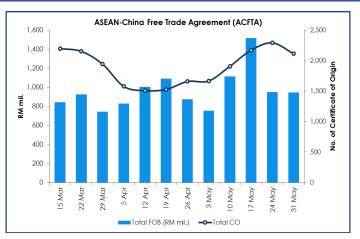
- Netherlands: The Government is providing support for businesses that were forced to close temporarily, and an expansion of government guarantees for loans to SMEs.26
- Australia: The Government is providing temporary cash flow support of up to US\$100,000 for eligible SMEs that employ staff to help with their cash flow so that they can keep operating, pay their rent, and other bills, and retain staff.27
- Malaysia: The Government announced a US\$57 billion package, of which 40% is directed to financial support for SMEs. A sixmonth moratorium on all loans has been also announced by the Central Bank.28
- Brazil: The Government announced a US\$30 billion package to fund partial subsidies for employee wages in MSMEs, plus a US\$14.9 billion credit line for working capital available to SMEs, as well as a loan program for SMEs that operate in tourism and other services industries. Tax deferrals for SMEs and the possibility to adopt reduced or flexible working arrangements were also announced.29
- South Africa: The Government announced a Debt Relief Fund of roughly US\$ 27 million to assist small and medium enterprises in economic distress. A specific fund has been created for assisting SMEs in the tourism and hospitality sectors.30
- Saudi Arabia: The Government announced a US\$ 13 billion aid package for the private sector. The package provides several relief measures for SMEs, including deferral of loan payments, concessional financing and extension of deadlines for tax declaration and payment.31

Source: https://unctad.org/en/PublicationsLibrary/diaepcbinf2020d3 en.pdf

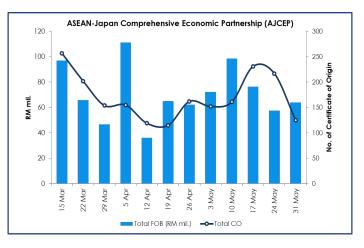
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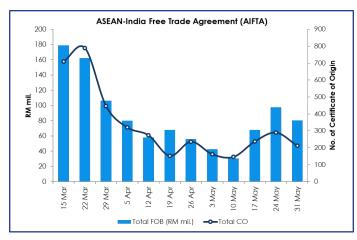
# Number and Value of Preferential Certificates of Origin (PCOs)

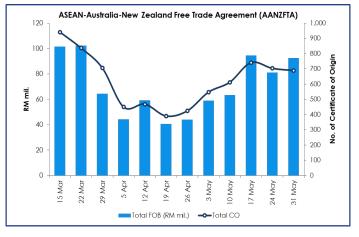


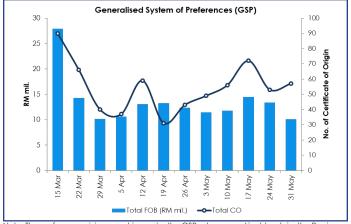










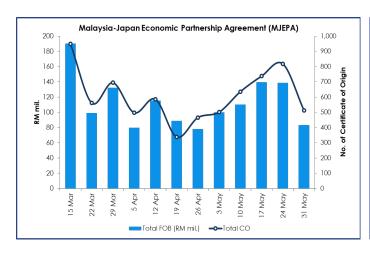


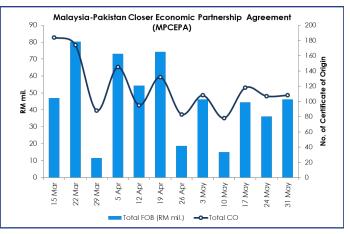
The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

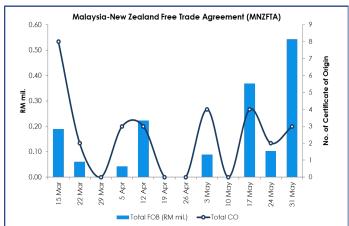
Note: \*Provisional Data

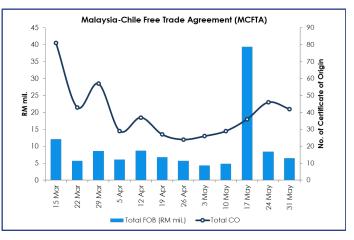
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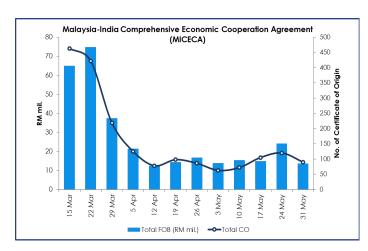
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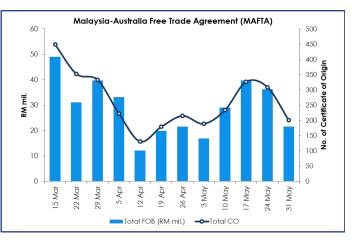


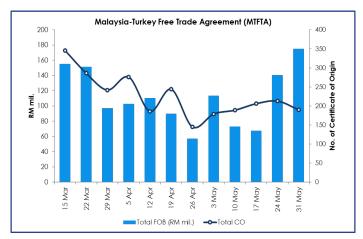








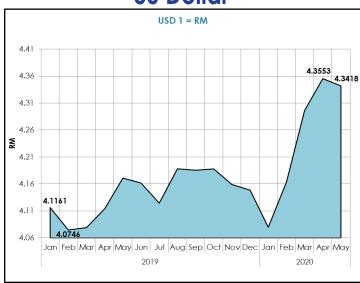




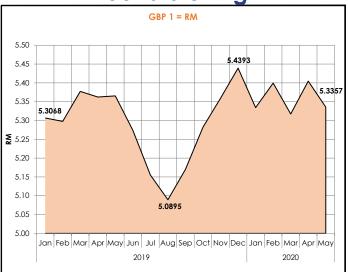
Note: \*Provisional Data

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

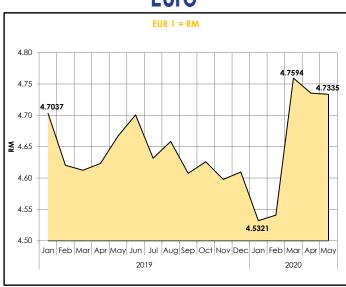
**US Dollar** 



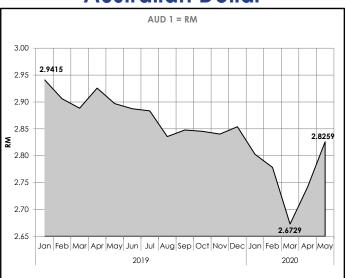
**Pound Sterling** 



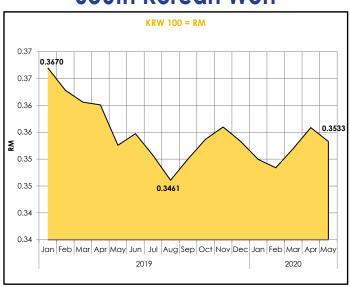
**Euro** 



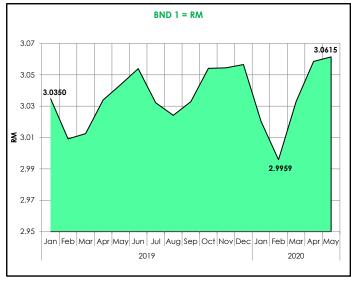
**Australian Dollar** 



**South Korean Won** 



**Brunei Dollar** 



Source : Bank Negara Malaysia

## **Commodity Prices**





5 June 2020

Highest 2019/2020

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

24 Apr 2020 : US\$21.4 09 Aug 2019 : US\$54.5

Lowest 2019/2020

Average Price 2019 i: US\$64.2

# CRUDE PALM OIL -per MT-



6.2%\* US\$557.7

5 June 2020

Highest 2019/2020

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

8 May 2020 : US\$472.8 26 Jul 2019 : US\$488.5

Lowest 2019/2020

Average Price 2019 i: US\$557.1

### RUBBER SMR 20 -per MT-



4.4%\* US\$1,157.0

5 June 2020

Average Price 2019 : US\$1,414.6

### COCOA SMC 2 -per MT-



1.9%\* US\$1,681.5 5 June 2020

Average Price 2019 : US\$1,592.4

### SUGAR -per lbs-

L10.8%\* US\$12.1

5 June 2020



Average Price 2019 i: US\$12.4

### COAL -per MT-



20.0%\* US\$46.2

5 June 2020

Average Price 2019 : US\$56.5

### **SCRAP IRON HMS -per MT-**



**≘**%\* US\$280.0 (high)

= %\* US\$260.0 (low)

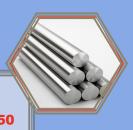
29 May 2020

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

## Domestic Prices 29 May 2020



**Billets** (per MT) RM1,650 - RM1,750 Steel Bars (per MT) RM2,000 – RM2,150

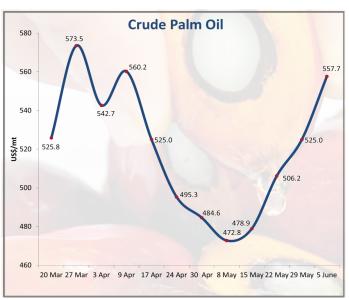


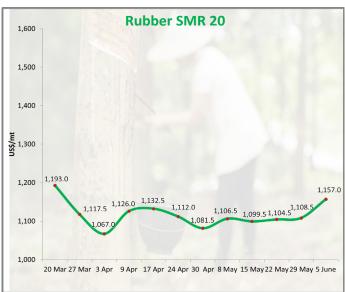
Notes: All figures have been rounded to the nearest decimal point

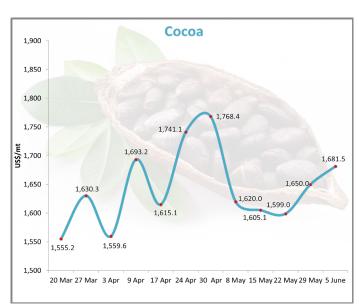
- \* Refer to % change from the previous week's price
- i Average price in the year except otherwise indicated

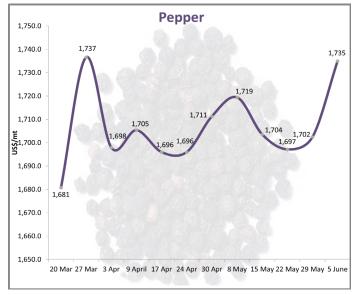
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

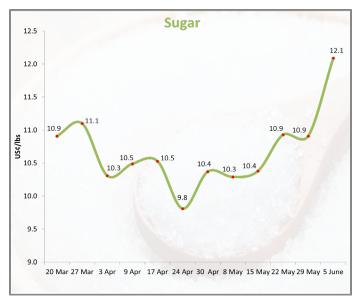
# **Commodity Price Trends**

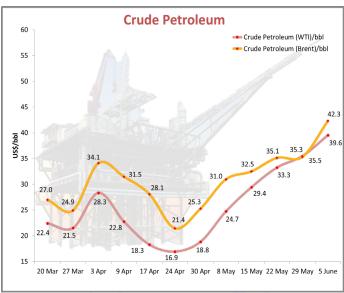






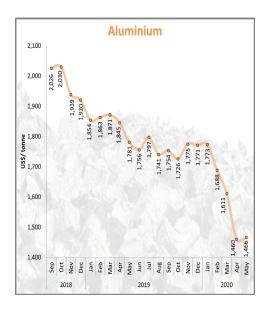


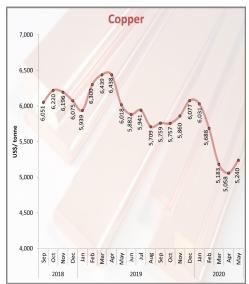


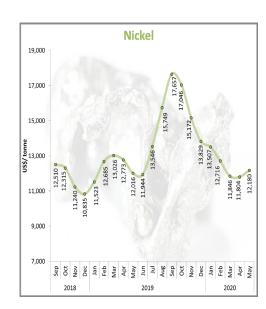


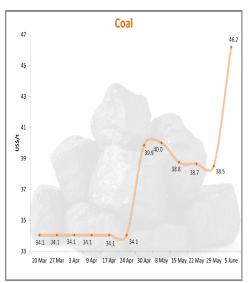
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

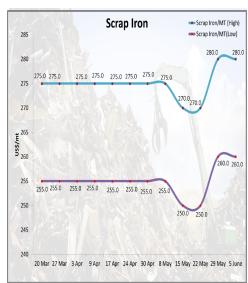
# **Commodity Price Trends**

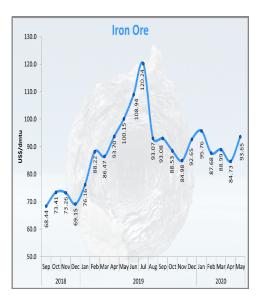


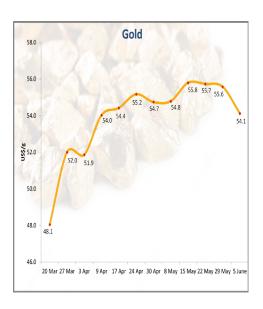


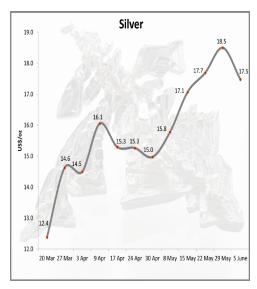


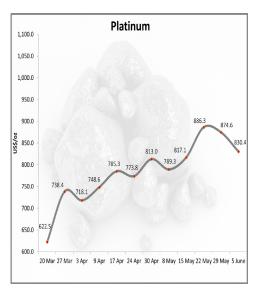












Sources: Ministry of International Trade and Industry Malaysia, , Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY



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- \*participation in Industry4WRD RA is a prerequisite to apply

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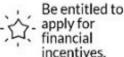




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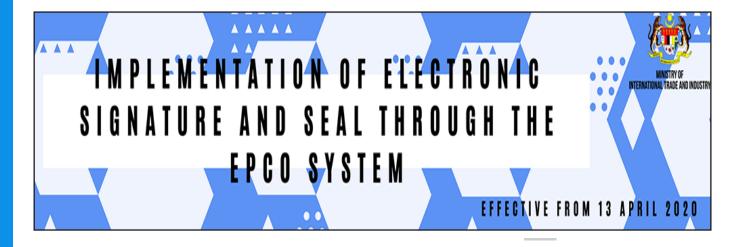




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