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MALAYSIAN COMPANIES URGED TO STRENGTHEN THEIR FOOTPRINT IN UKRAINE



Deputy Minister of International Trade and Industry YB Datuk Lim Ban Hong through his speech at a webinar titled “Malaysia-Ukraine: New Markets New Opportunities (Post COVID-19)” recently encouraged Malaysian companies to explore emerging markets such as Ukraine in finding new buyers.

The webinar organised by Ministry of International Trade and Industry’s (MITI) agency Malaysia External Trade Development Corporation (MATRADE) in collaboration with the Embassy of Ukraine in Kuala Lumpur was attended by more than 350 participants, both from Malaysia and Ukraine.

In his remarks, Datuk Lim also acknowledged the continuous efforts by MATRADE in exploring new markets and in connecting local businesses with foreign buyers. He emphasised that market diversification is crucial to help cushion some impact in the disruption of global supply chain activities due to the COVID-19 pandemic.

“Ukraine is one of Malaysia’s key trading partners in the Eastern Europe region. Diplomatic relations between Malaysia and Ukraine were established way back in 1991 to facilitate economic, trade and cultural relations between the two countries. The bilateral relations between both nations were further enhanced with the establishment of the Embassy of Malaysia in Kiev in September 2004,” he said.

In 2019, Malaysia recorded a total trade value of RM1.51 billion with Ukraine. In the period of January to August 2020, total trade between the two countries increased by 11.4 per cent compared to corresponding period of last year.

Datuk Lim also encouraged industry players to embrace the current business climate by being more flexible, innovative and more receptive towards transformation. At the same time he stressed that the ability to adapt and adopt to situational changes will be crucial for businesses to maintain their relevance in the global market.

“Malaysia’s strategic location at the heart of ASEAN bodes well for Ukrainian enterprises to expand their businesses in the surrounding markets. As a gateway, Ukrainian companies will be able to reach out to more than 650 million population within ASEAN,” he said.

“The government is committed to supporting local businesses to remain competitive and resilient by introducing policies and measures that support their economic recovery. MITI, through its trade promotion agency, MATRADE will continue to link local companies with foreign buyers and unlock new opportunities for our business communities in emerging markets such as Ukraine,” Datuk Lim added.

According to H.E Dmytro Senik, the Deputy Foreign Minister of Ukraine, Malaysia is considered one of Asia’s leading trading nations with favourable geographic location and conducive business environment.

In his remark, he also noted that as one of the global agricultural powerhouses, Ukraine can be an important food security contributor to Malaysia. In the first nine months of 2020, grain exports from Ukraine to Malaysia quadrupled, reaching US\$65 million (RM275.3 million).

Currently, Malaysia’s major exports to Ukraine are palm oil & palm oil-based agriculture products, electrical & electronics as well as rubber products. Moving forward, industry players from both countries can venture into more collaborations in high-value sectors such as IT fintech, aerospace, education, pharmaceutical research and development as well as medical tourism.

Malaysian companies may also want to leverage on digital technology and e-commerce to reach out to the Ukrainian buyers. Some initiatives that can facilitate this are the eBizMatch Programme and eTRADE Programme by MATRADE.

Datuk Lim also noted that local Small and Medium Enterprises have the capabilities and capacities to offer high value-add industrial support from design & development to even after-sales services to the Ukrainian counterparts.

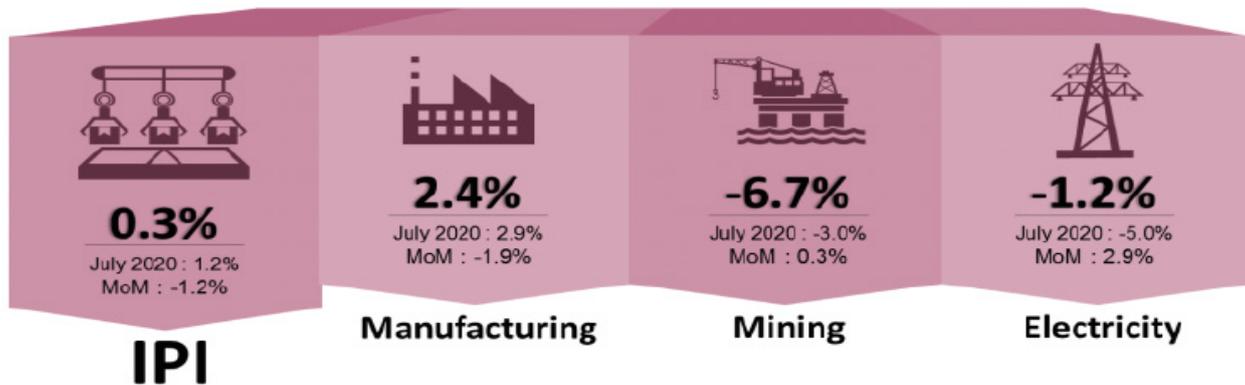
“Malaysia has all the necessary ingredients to become an entry point for Ukrainian businesses into ASEAN. Likewise, Ukraine can be a gateway for Malaysia into the bigger European market. We consider Malaysia as an important partner in the Southeast Asia region,” said Senik.

In addition to manufactured goods, Senik also pointed out that Malaysian companies have the expertise in design & development, facility management, repair & maintenance services for construction, energy and aviation industries.

Ministry of International Trade & Industry (MITI)
Friday, 9 October 2020

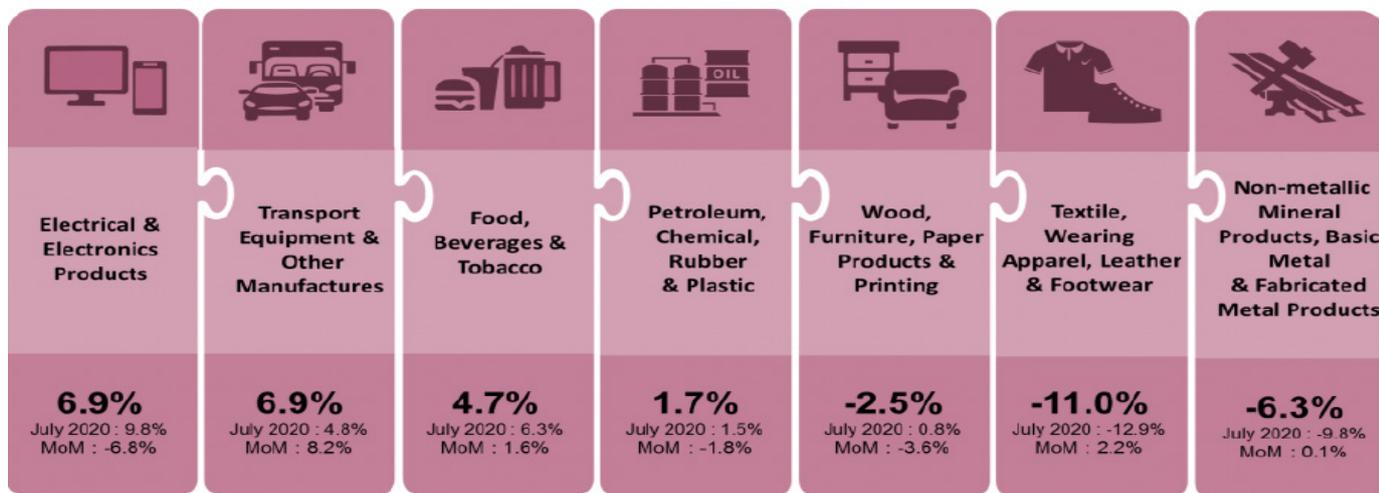
INDEX OF INDUSTRIAL PRODUCTION, MALAYSIA AUGUST 2020

The Industrial Production Index (IPI) continues to record positive growth of 0.3 per cent in August 2020 as compared to the same month of the previous year. The increase in IPI in August 2020 was driven by the positive growth of 2.4 per cent in Manufacturing index. Meanwhile the Mining and Electricity index recorded a decrease of 6.7 per cent and 1.2 per cent respectively.



MANUFACTURING

The Manufacturing sector output based on year-on-year comparison grew by 2.4 per cent in August 2020 after recording an increase of 2.9 per cent in July 2020. The major sub-sectors contributing to the growth in Manufacturing sector in August 2020 were Electrical and Electronics Products (6.9%), Transport Equipment and Other Manufacturers (6.9%) and Food, Beverages and Tobacco (4.7%).



MINING

The Mining sector output dropped 6.7 per cent in August 2020 as compared to the same period of the previous year. The deterioration was due to the decrease in Crude Oil and Condensate index (-5.0%) and Natural Gas index (-8.0%).

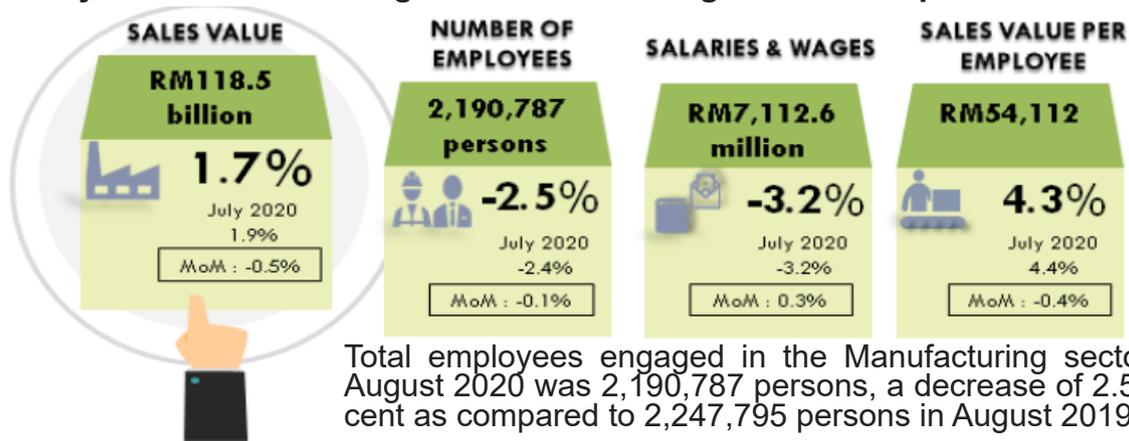


Source: Department of Statistics, Malaysia

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MONTHLY MANUFACTURING STATISTICS MALAYSIA , AUGUST 2020

Malaysia's Manufacturing sales recorded a growth of 1.7 per cent in August 2020.

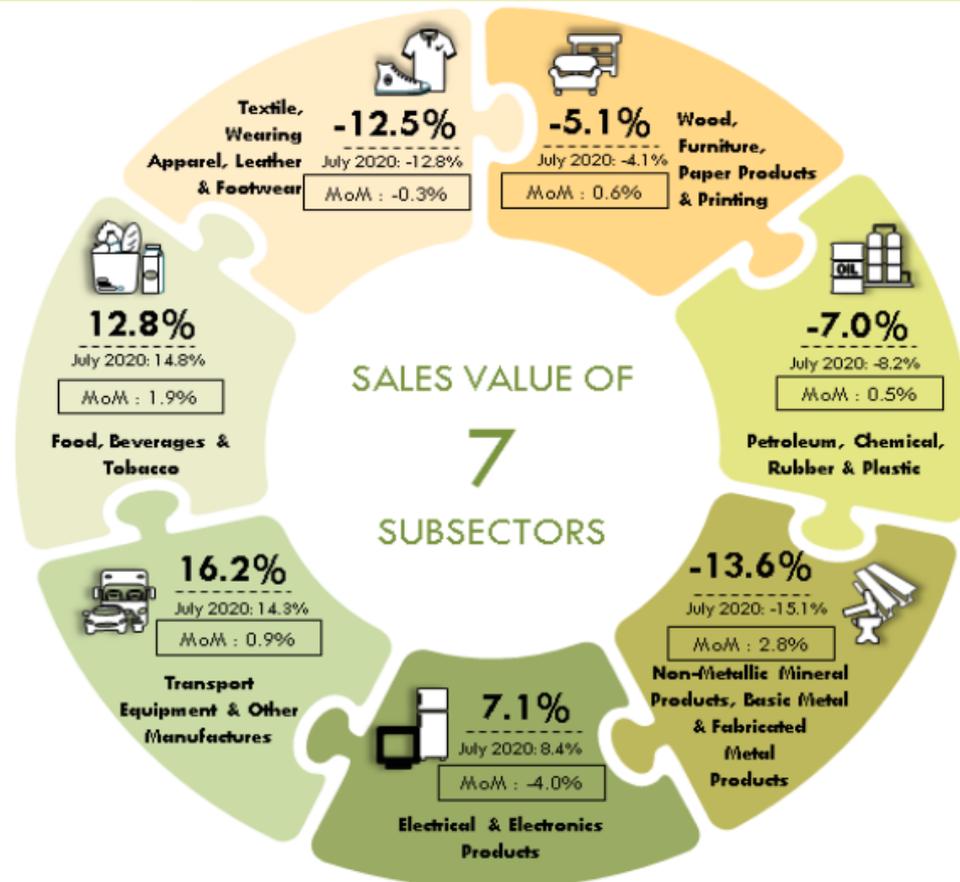


Total employees engaged in the Manufacturing sector in August 2020 was 2,190,787 persons, a decrease of 2.5 per cent as compared to 2,247,795 persons in August 2019.

Salaries & wages paid amounted to RM7,112.6 million, dropped by 3.2 per cent or RM232.1 million in August 2020 as against the same month of the preceding year.

The sales value per employee rose by 4.3 per cent to record RM54,112 as compared with the same month in 2019. Meanwhile, the average salaries & wages per employee was RM3,247 in August 2020.

PERFORMANCE OF SALES IN MANUFACTURING SECTOR



The rise in sales value in August 2020 was driven by the increase in Transport Equipment & Other Manufactures Products (16.2%), Food, Beverages & Tobacco Products (12.8%) and Electrical & Electronics Products (7.1%). Meanwhile, on month-on-month basis, the sales value decreased 0.5 per cent.

Note: Percentage growth refers to Year-on-Year (YoY) and Month-on-Month (MoM) changes. Source: Monthly Manufacturing Statistics, Malaysia August 2020. Department of Statistics Malaysia

WHOLESALE & RETAIL TRADE, AUGUST 2020

Sales value of Wholesale & Retail Trade recorded RM111.4 billion August 2020 with a growth of -2 per cent year-on-year. This was the highest sales value since the implementation of Movement Control Order due to Covid-19. Motor Vehicles grew positively for two consecutive months to record 1.0 per cent or an increase of RM0.1 billion. On the other hand, Wholesale Trade and Retail Trade continued to register a negative growth of -3.9 per cent (-RM2.1 billion) and -1.5 per cent (-RM0.7 billion) respectively.



VOLUME INDEX OF WHOLESALE & RETAIL TRADE, AUGUST 2020



Wholesale Trade

Volume index of Wholesale Trade registered 127.4 points, contracted 3.4 per cent year-on-year. The negative growth was recorded in Other Specialised Wholesale (-12.8%) and Wholesale on a Fee or Contract Basis (-5.5%). As for seasonally adjusted volume index, it went up 1.1 per cent month-on-month.

Retail Trade

Volume Index of Retail Trade recorded -2.3 per cent growth to 139.2 points as compared to August 2019. The largest decline was depicted in Retail Sale of Cultural & Recreation Goods in Specialised Stores (-10.6%), Retail Sale of Other Goods in Specialised Stores (-7.6%) and Retail Sale of Other Household Equipment in Specialised Stores (-5.2%). As for seasonally adjusted volume index, it expanded 3.4 per cent as against July 2020.

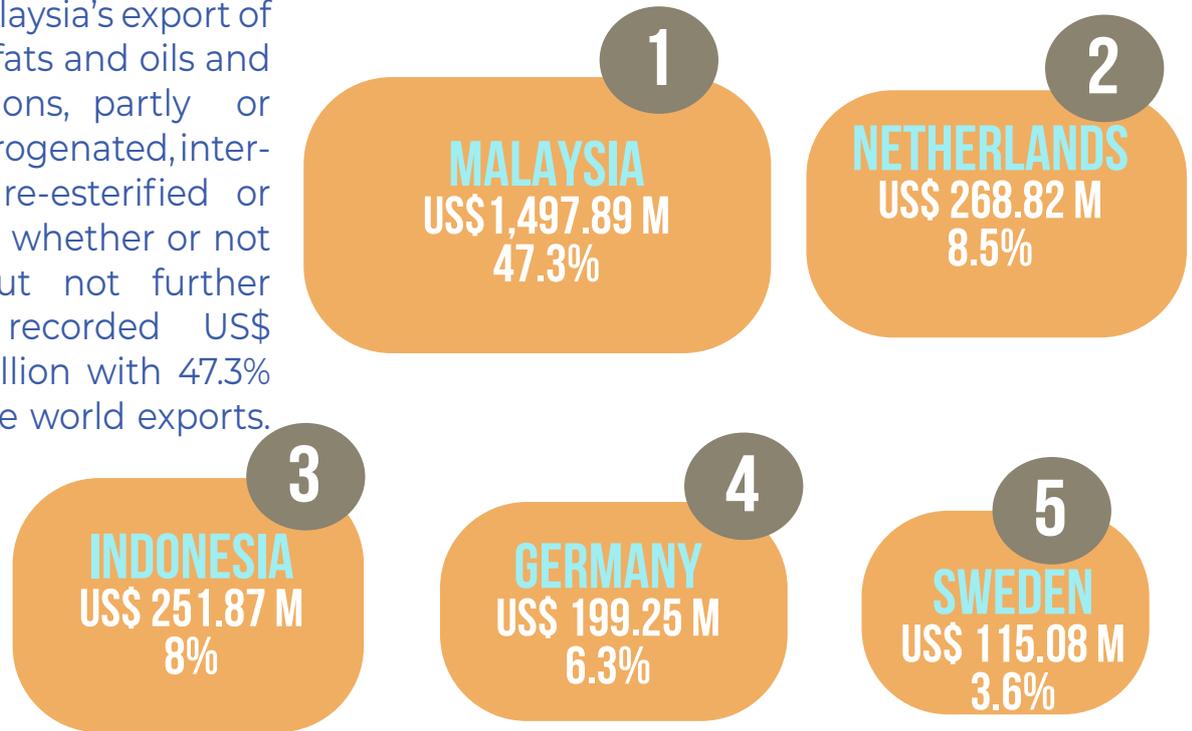
Motor Vehicles

The volume index of Motor Vehicles grew 0.9 per cent year-on-year to reach 112.3 points. The highest increment was contributed by Sale of Motor Vehicles (4.5%) and Sale, Maintenance & Repair of Motorcycles (2.0%). Seasonally adjusted volume index for this sub-sector slipped 1.1 per cent month-on-month.

Source: Department of Statistics, Malaysia

WORLD LARGEST EXPORTER OF VEGETABLE FATS AND OILS AND THEIR FRACTIONS, PARTLY OR WHOLLY HYDROGENATED, INTER-ESTERIFIED, RE-ESTERIFIED OR ELAIDINISED, WHETHER OR NOT REFINED, BUT NOT FURTHER PREPARED

In 2019, Malaysia's export of Vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared recorded US\$ 1,497.89 million with 47.3% share to the world exports.



Notes:
-HS 151620
-% refer to share in world exports

TOP FIVE MALAYSIA EXPORT DESTINATIONS



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

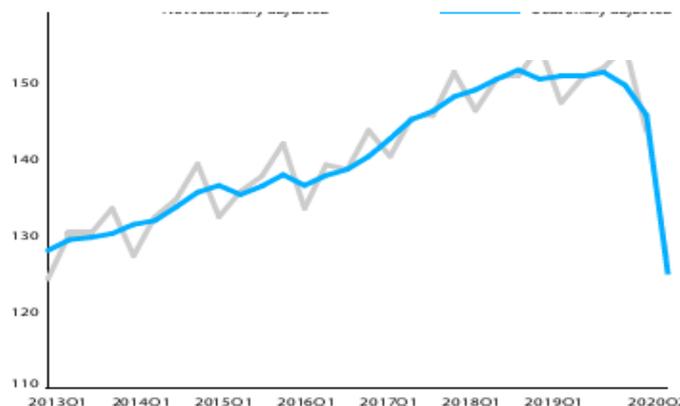
SECOND QUARTER 2020 MERCHANDISE TRADE

World merchandise trade volume¹ decreased by 14.3% in the second quarter of 2020 over the previous quarter, in seasonally adjusted terms. Economies across the globe implemented strict lockdown measures throughout the period to combat the spread of Covid-19, which led to the sharp decline in trade volume.

1. Average of exports and imports.

Source: WTO-UNCTAD

Indices, 2005=100



World merchandise exports decreased by 15% in Q2. All regions recorded declines, with exports falling most sharply in North America (-24.5%). South & Central America and Asia's exports fell the least (-5.3% and -6.1%) as Asia began to re-emerge from imposed lockdowns and demand for its inputs rose. World imports contracted by 13.6% with Europe recording the steepest decline (-19.3%).

Quarter-over-quarter growth, %, seasonally adjusted

	Exports				Imports			
	2019Q3	2019Q4	2020Q1	2020Q2	2019Q3	2019Q4	2020Q1	2020Q2
World	0.4	-0.8	-2.8	-15.0	0.2	-1.4	-2.5	-13.6
North America	0.4	-0.4	-1.5	-24.5	0.3	-2.4	-2.2	-14.5
South & Central America	-2.3	0.7	-1.6	-5.3	-0.1	-3.5	-1.1	-13.7
Europe	0.2	0.6	-4.3	-21.8	-0.3	-1.7	-2.9	-19.3
Asia	1.4	-2.2	-1.7	-6.1	0.2	-0.9	-0.7	-7.1
Other ¹	-0.1	-2.6	-3.3	-2.6	1.7	0.4	-8.7	-9.1

Color Key



1. Includes the Caribbean

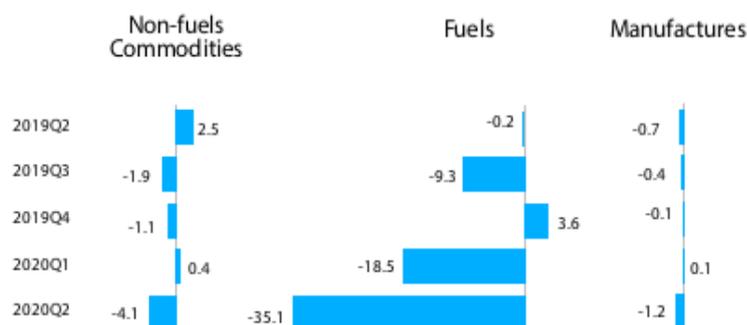
2. Comprised of Africa, Middle East and the Commonwealth of Independent States (CIS)

Source: WTO-UNCTAD

MERCHANDISE TRADE PRICES & VALUES

Prices for fuels continued to fall registering a second quarter of declines (-35.1%) as economies came to a halt in an attempt to counter the Covid-19 pandemic. Non-fuel commodities also fell by 4.1% and manufactures declined by 1.2% year-on-year.

Quarter-over-quarter growth, %

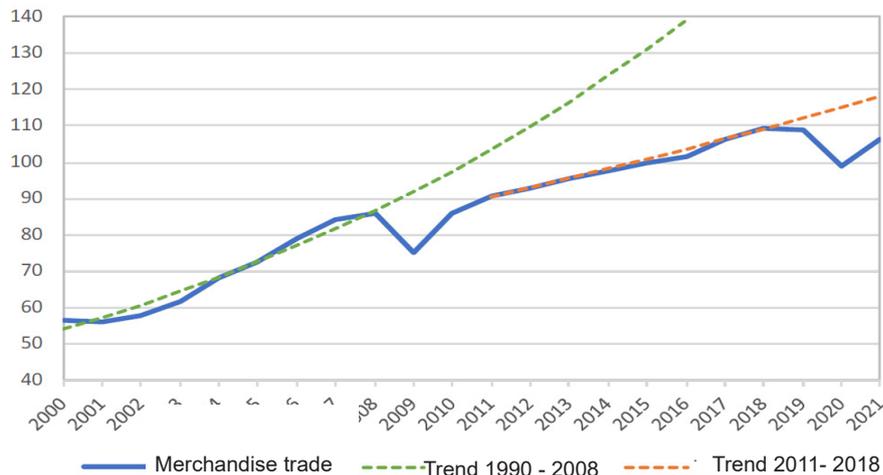


Source: WTO

TRADE SHOWS SIGNS OF REBOUND FROM COVID-19, RECOVERY STILL UNCERTAIN

World trade shows signs of bouncing back from a deep, COVID-19 induced slump, but World Trade Organization economists caution that any recovery could be disrupted by the ongoing pandemic effects.

World merchandise trade volume, 2000-2021
Indices, 2015=100



- World merchandise trade volume is forecast to fall 9.2% in 2020.
- The projected decline is less than the 12.9% drop foreseen in the optimistic scenario from the April trade forecast.
- Trade volume growth should rebound to 7.2% in 2021 but will remain well below the pre-crisis trend.

Merchandise trade volume and real GDP, 2015-2021^a
Annual % change

	2015	2016	2017	2018	2019	2020	2021
Volume of world merchandise trade^b	2.3	1.4	4.7	2.9	-0.1	-9.2	7.2
Exports							
North America	2.6	0.7	3.4	3.8	1.0	-14.7	10.7
South and Central America	0.6	1.3	2.9	0.1	-2.2	-7.7	5.4
Europe	2.9	1.1	3.7	2.0	0.1	-11.7	8.2
Asia	1.3	2.3	6.7	3.7	0.9	-4.5	5.7
Other regions ^c	1.8	3.5	0.7	0.7	-2.9	-9.5	6.1
Imports							
North America	5.2	0.3	4.4	5.2	-0.4	-8.7	6.7
South and Central America	-7.6	-9.0	4.3	5.3	-2.1	-13.5	6.5
Europe	3.6	3.0	3.0	1.5	0.5	-10.3	8.7
Asia	2.1	2.2	8.4	4.9	-0.6	-4.4	6.2
Other regions ^c	-3.9	-4.5	3.4	0.3	1.5	-16.0	5.6
Real GDP at market exchange rates							
North America	2.8	2.4	3.1	2.8	2.2	-4.8	4.9
South and Central America	2.8	1.7	2.4	2.8	2.1	-4.4	3.9
South and Central America	-0.8	-2.0	0.8	0.6	-0.2	-7.5	3.8
Europe	2.4	2.1	2.8	2.1	1.5	-7.3	5.2
Asia	4.3	4.2	4.8	4.1	3.9	-2.4	5.9
Other regions ^c	1.5	2.4	1.9	2.1	1.4	-5.5	3.5

a Figures for 2020 and 2021 are projections.

b Average of exports and imports.

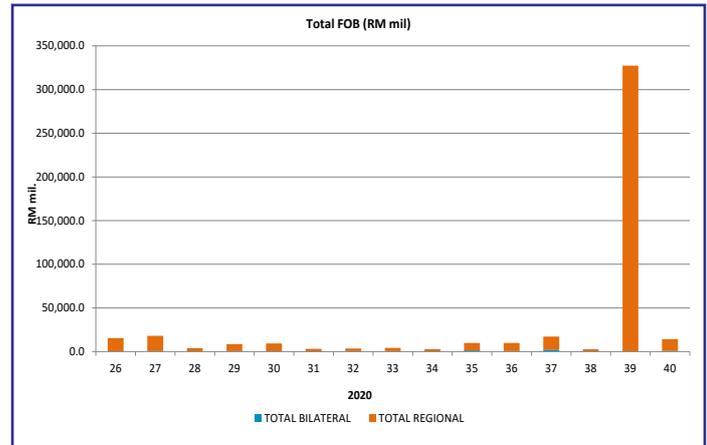
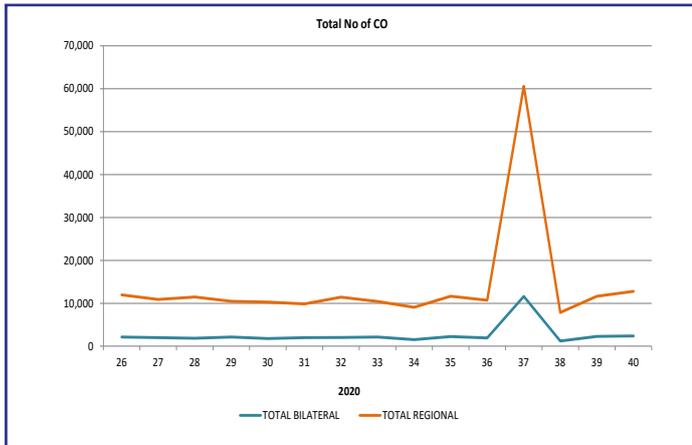
c Other regions comprise Africa, Middle East and Commonwealth of Independent States (CIS), including associate and former member States.

Source: WTO Secretariat for trade, consensus estimates for GDP.

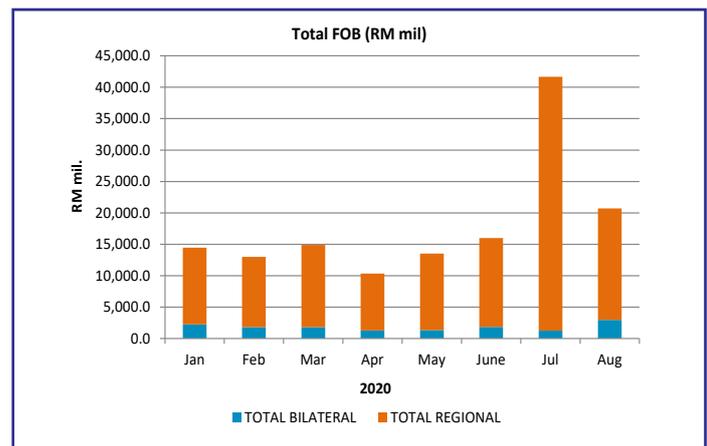
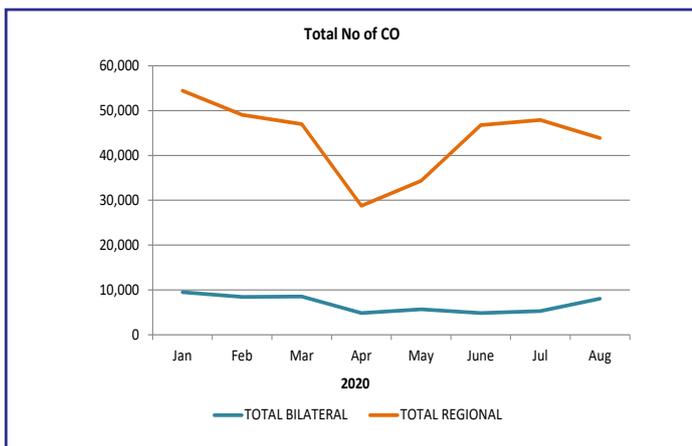
- Global GDP will fall by 4.8% in 2020 before rising by 4.9% in 2021.
- The trade decline in Asia of 4.5% for exports and 4.4% for imports in 2020 will be smaller than in other regions.
- Downside risks still predominate, particularly if there is resurgence of COVID-19 cases in the coming months.

Number and FOB Value of PCO as at 04 October 2020

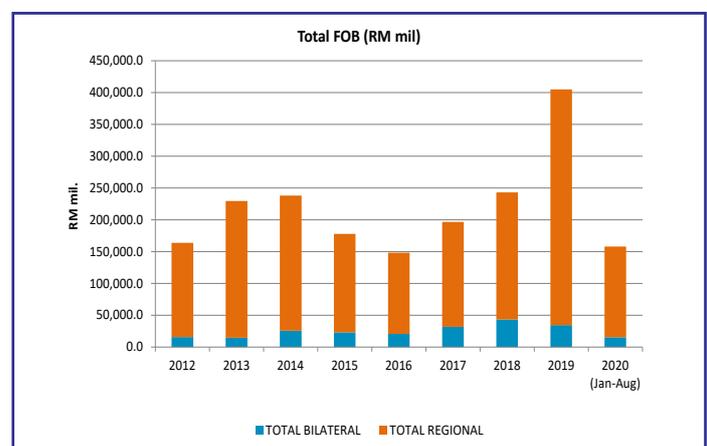
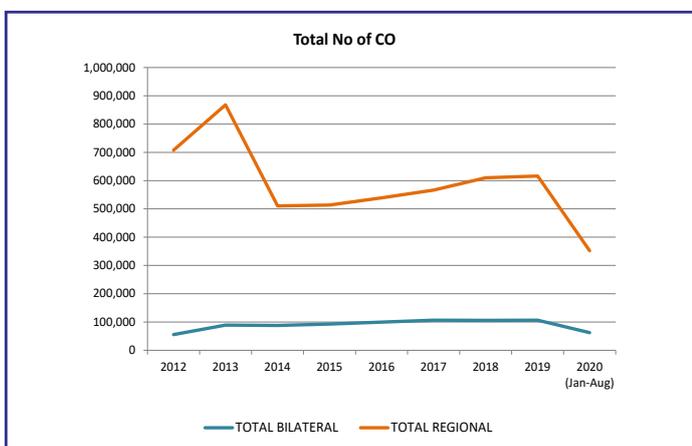
Weekly



Monthly

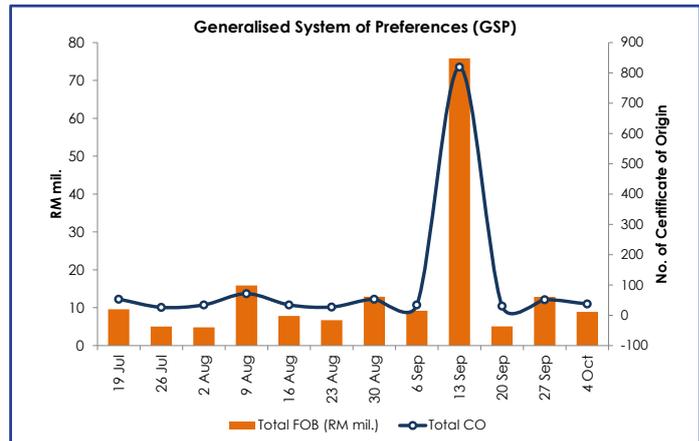
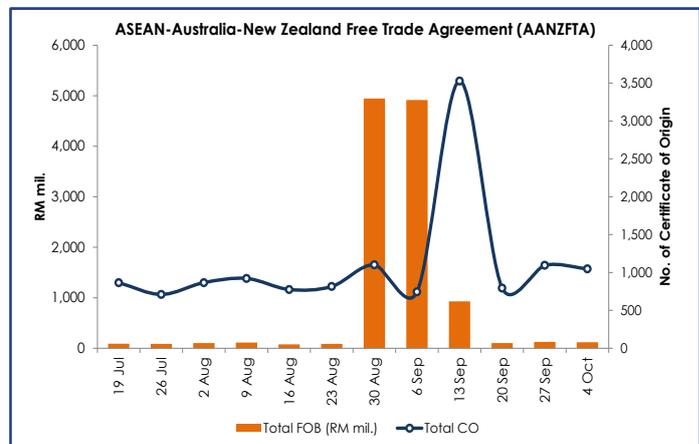
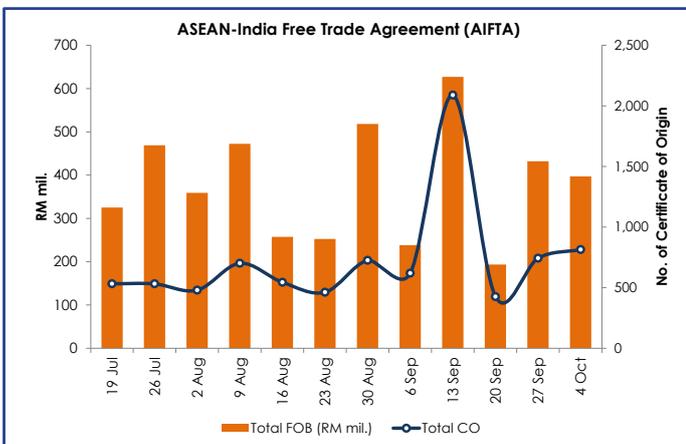
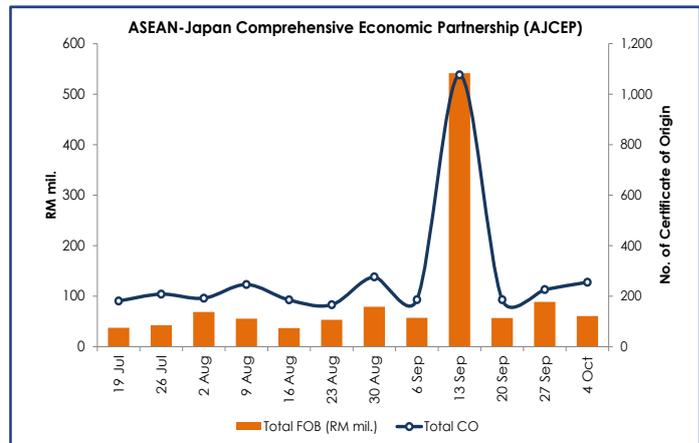
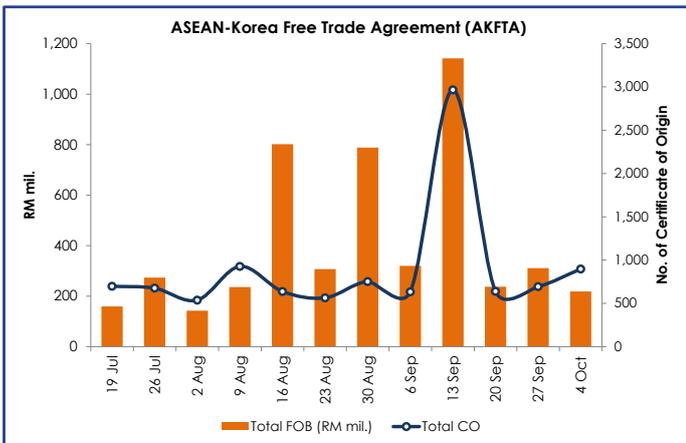
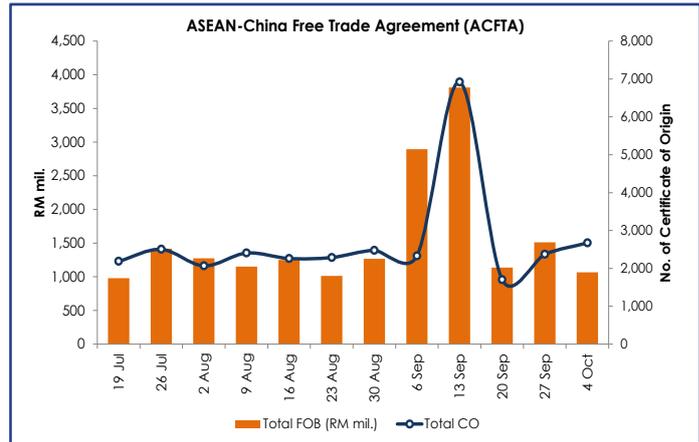
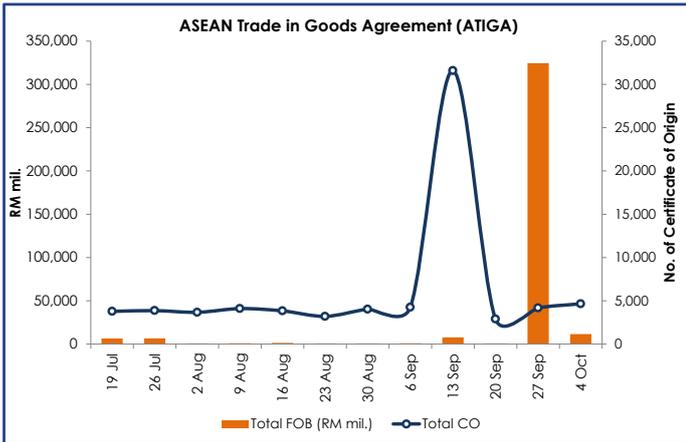


Annually



Note: *Provisional Data
 - Data for September 2020 is not available
 Source: Ministry of International Trade and Industry, Malaysia

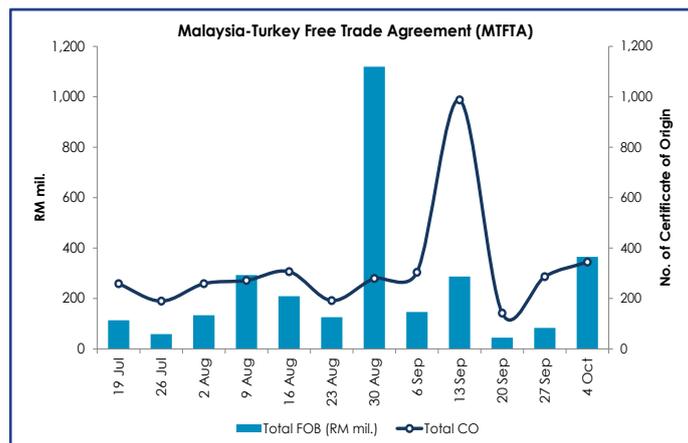
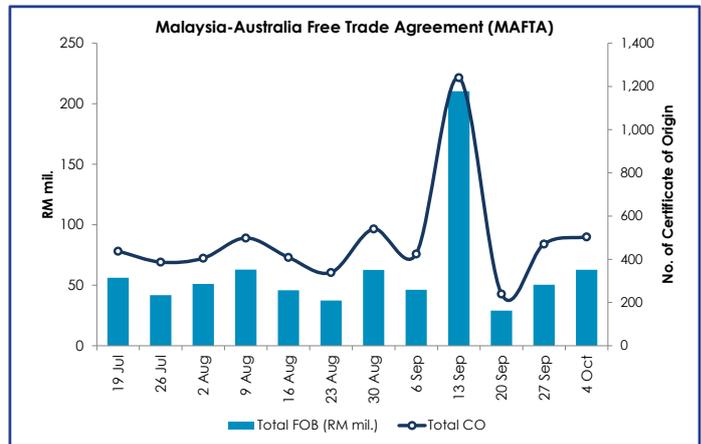
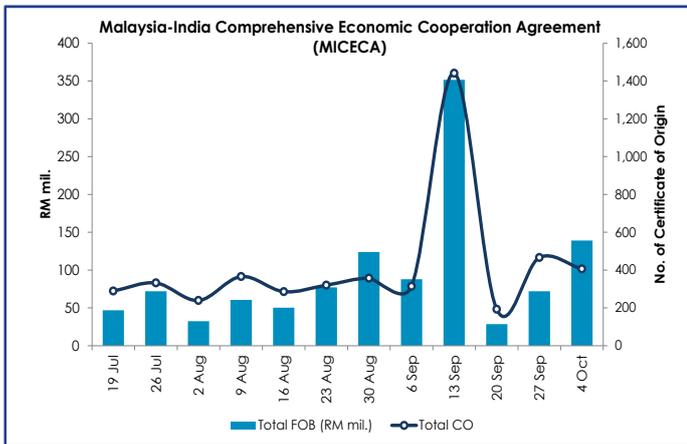
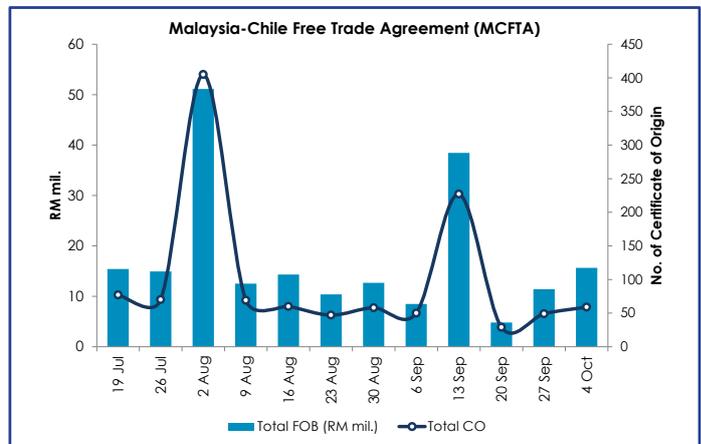
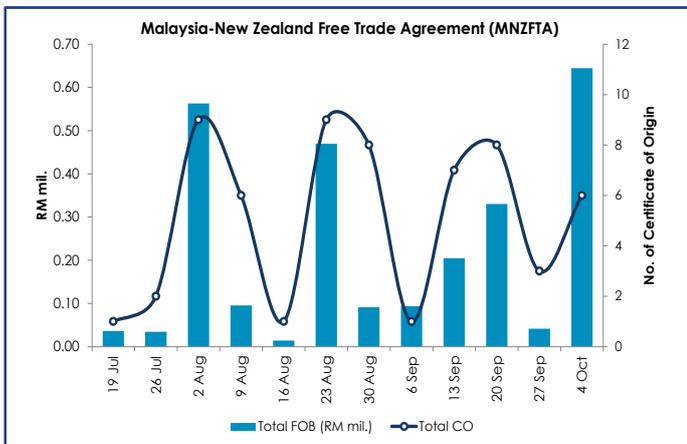
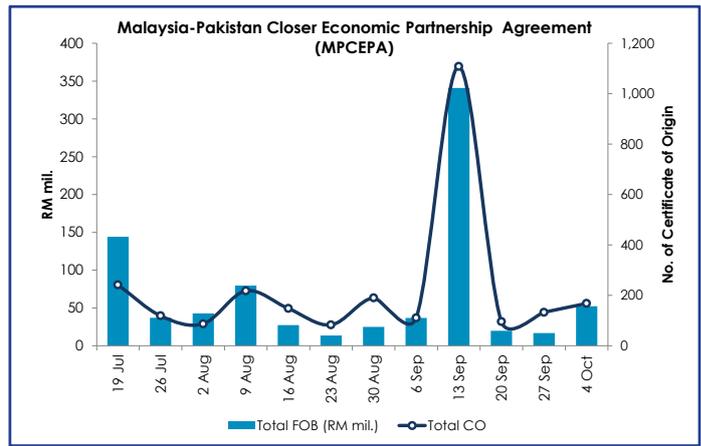
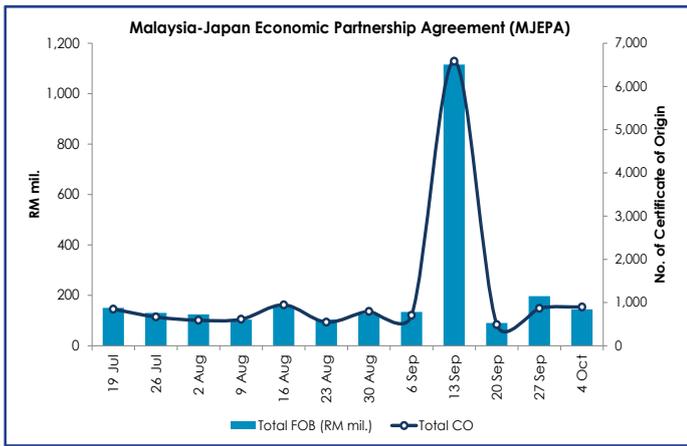
Regional FTA Number and Value of Preferential Certificates of Origin (PCOs)



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

Bilateral FTA Number and Value of Preferential Certificates of Origin (PCOs)

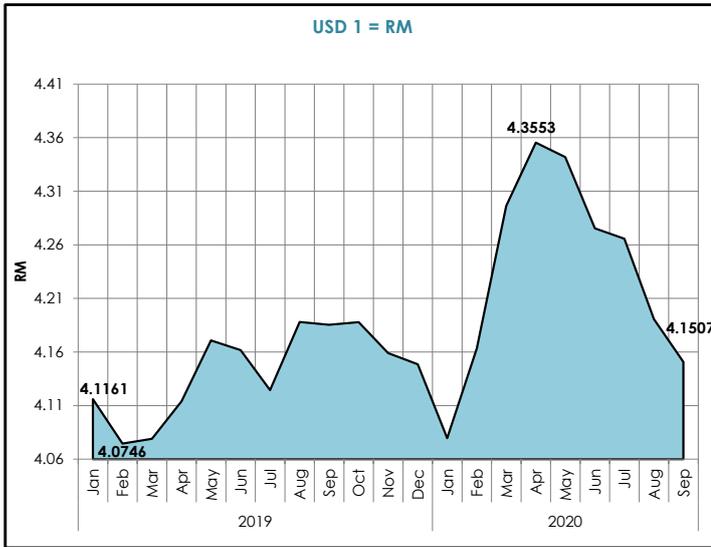


Note: *Provisional Data

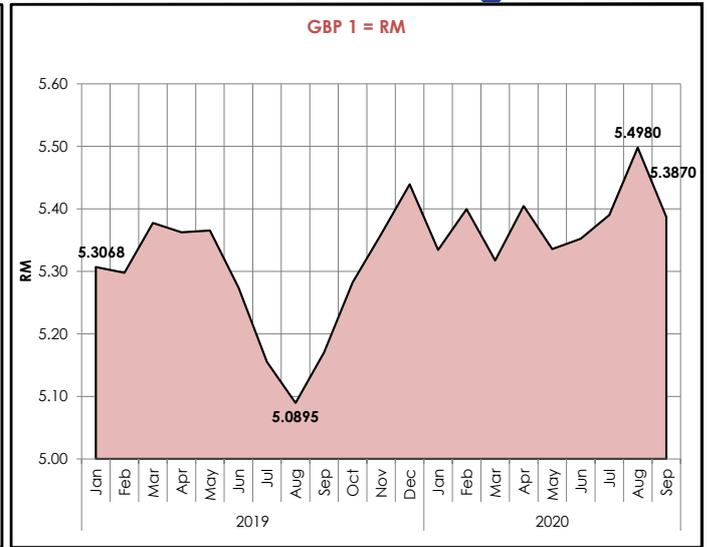
Source: Ministry of International Trade and Industry, Malaysia

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

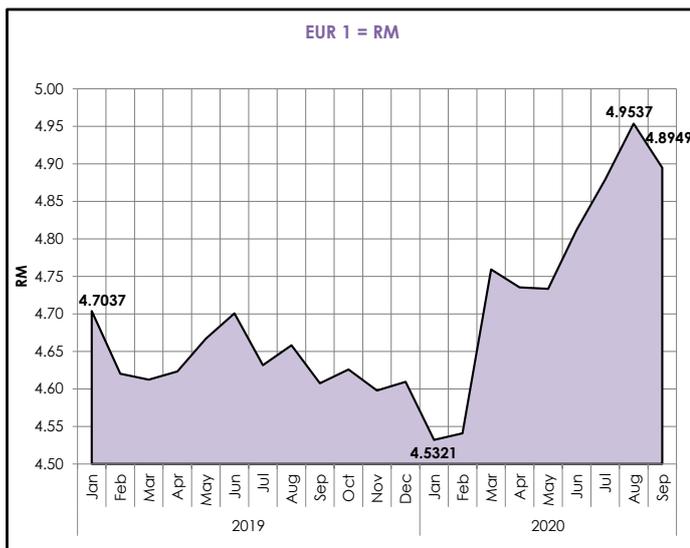
US Dollar



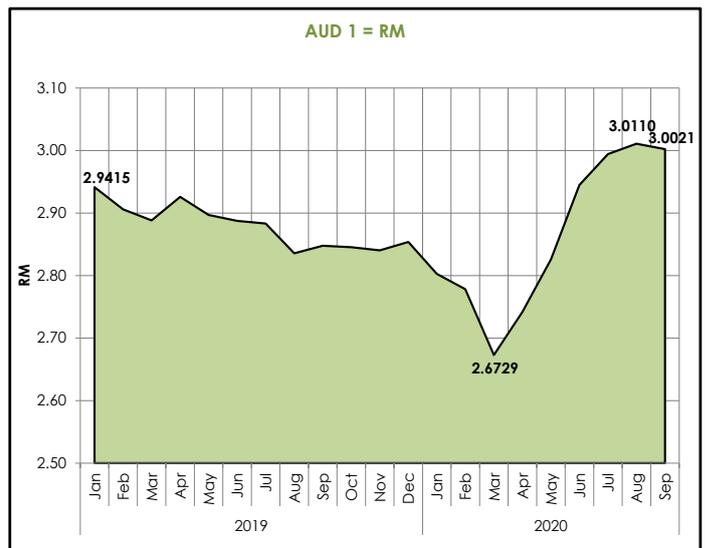
Pound Sterling



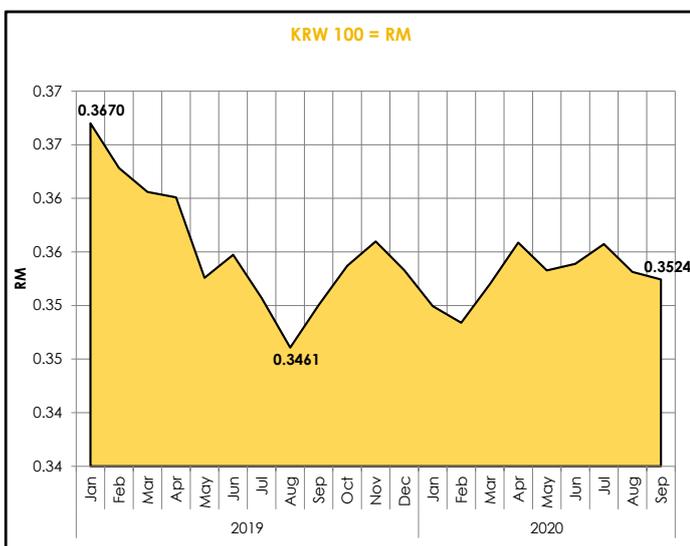
Euro



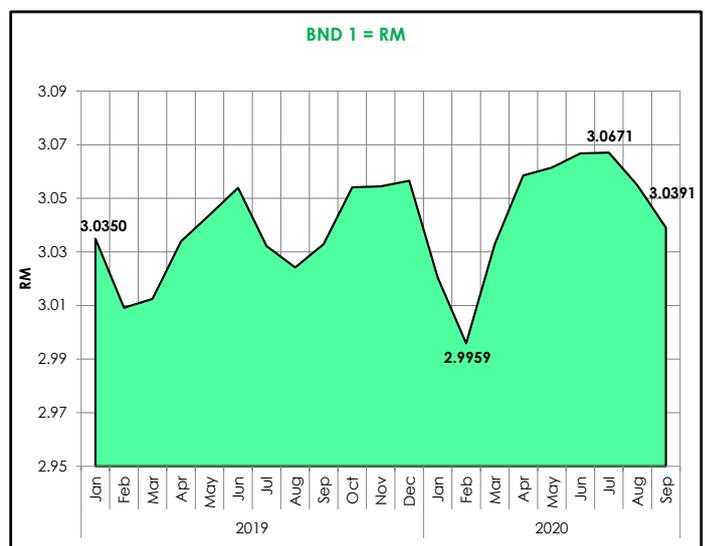
Australian Dollar



South Korean Won



Brunei Dollar



Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▲ **9.1%***
US\$42.9
9 Oct 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 2019ⁱ: US\$64.2

CRUDE PALM OIL -per MT-



▲ **6.1%***
US\$724.3
9 Oct 2020

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

8 May 2020 : US\$473.0
26 Jul 2019 : US\$488.5

Lowest
2019/2020

Average Price 2019ⁱ: US\$557.1

RUBBER SMR 20 -per MT-



▲ **4.3%***
US\$1,425.5
9 Oct 2020

Average Price 2019ⁱ: US\$1,414.6

COCOA SMC 2 -per MT-



▼ **2.1%***
US\$1,488.8
9 Oct 2020

Average Price 2019ⁱ: US\$1,592.4

SUGAR -per lbs-

▲ **5.0%***
US\$14.2
9 Oct 2020



Average Price 2019ⁱ: US\$12.4

COAL -per MT-



▲ **2.1%***
US\$57.6
9 Oct 2020

Average Price 2019ⁱ: US\$56.5

SCRAP IRON HMS -per MT-

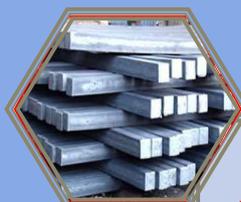


⊖ **%*** : ⊖ **%***
US\$320.0 : US\$300.0
(high) : (low)
9 Oct 2020

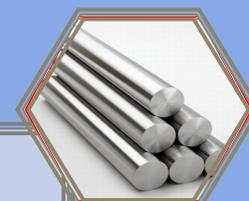
Average Price 2019ⁱ: US\$316.9 (high)
Average Price 2019ⁱ: US\$291.6 (low)

Domestic Prices

9 Oct 2020



Billets
(per MT)
RM1,900- RM1,950



Steel Bars
(per MT)
RM2,100 – RM2,200

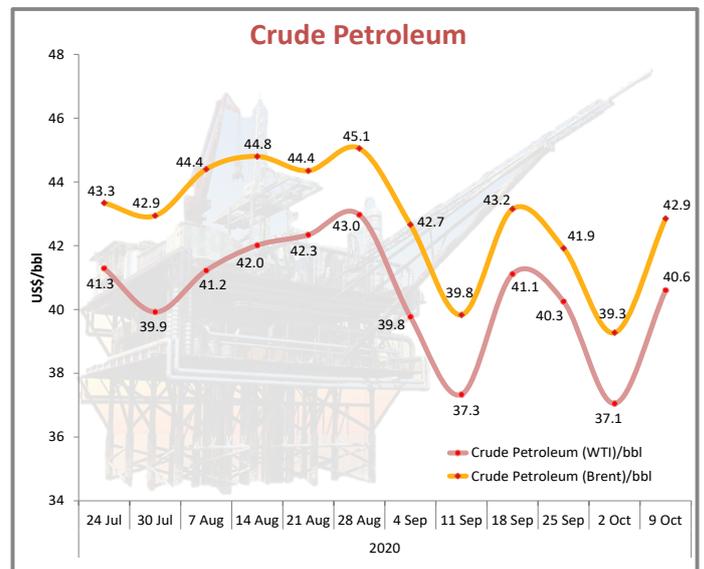
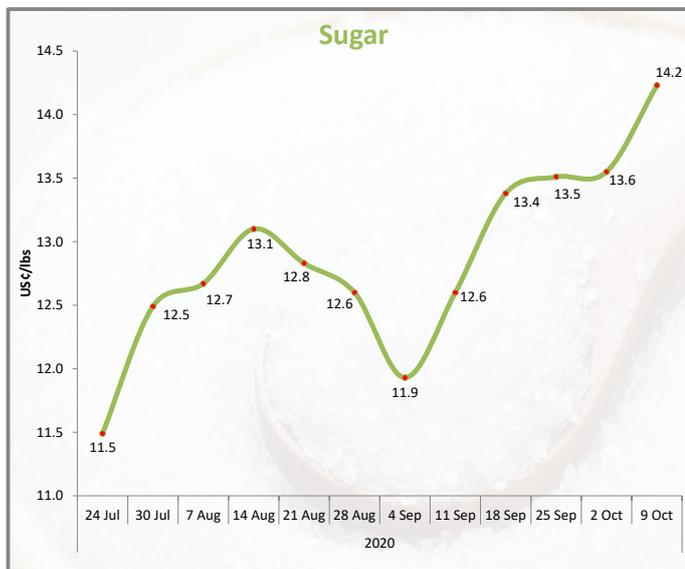
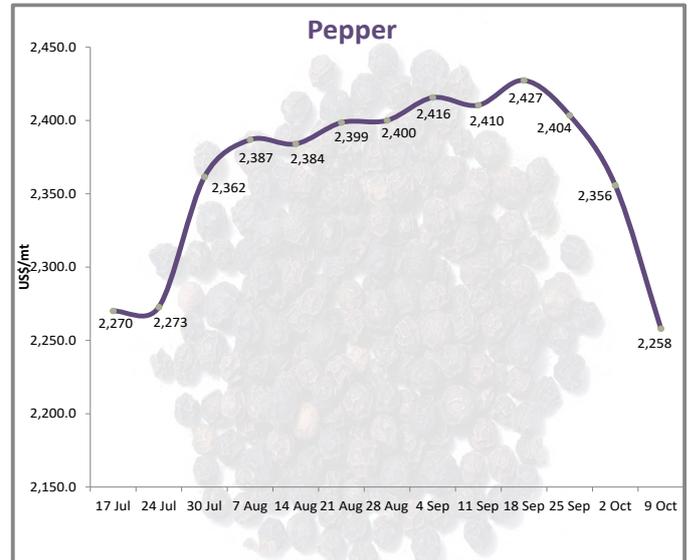
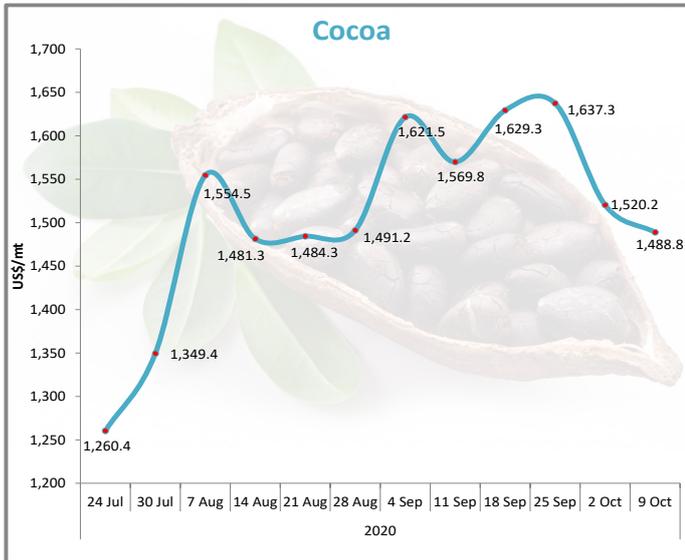
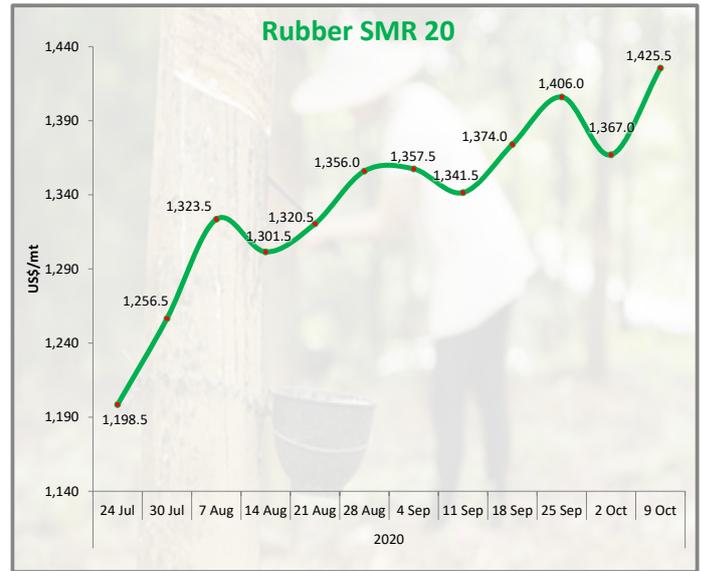
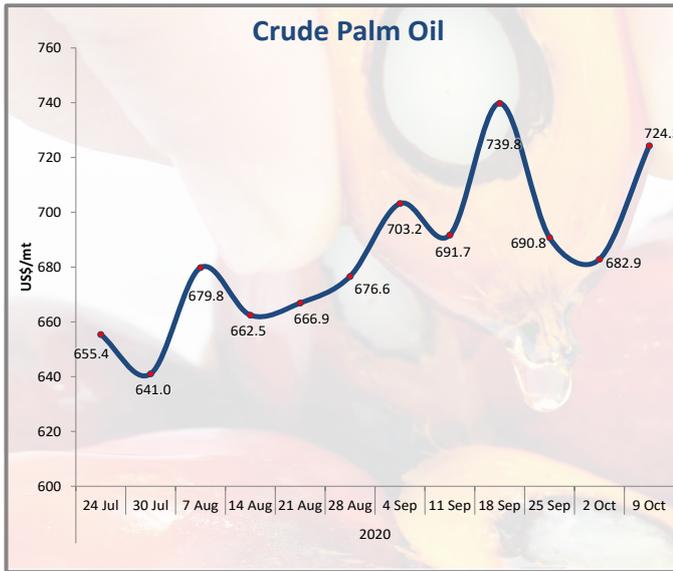
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

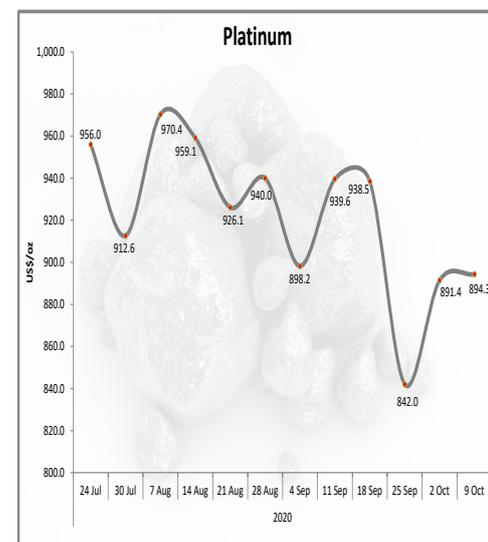
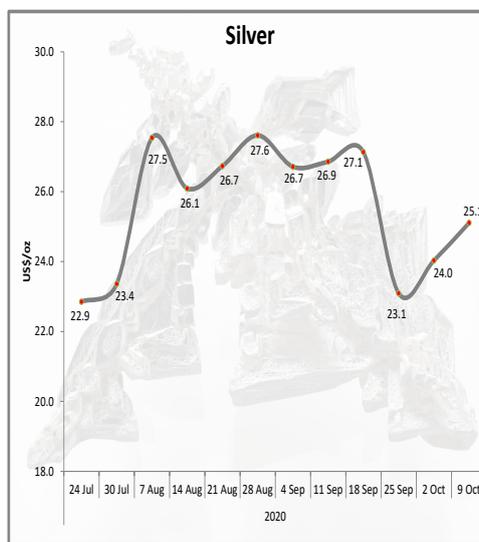
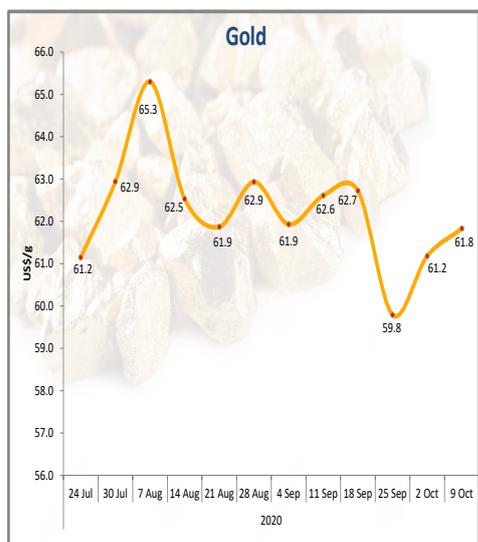
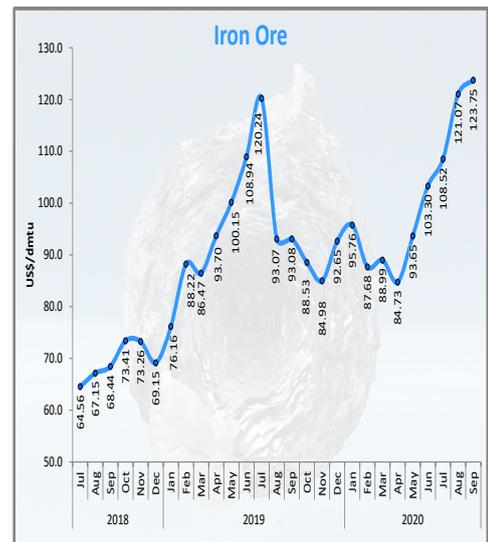
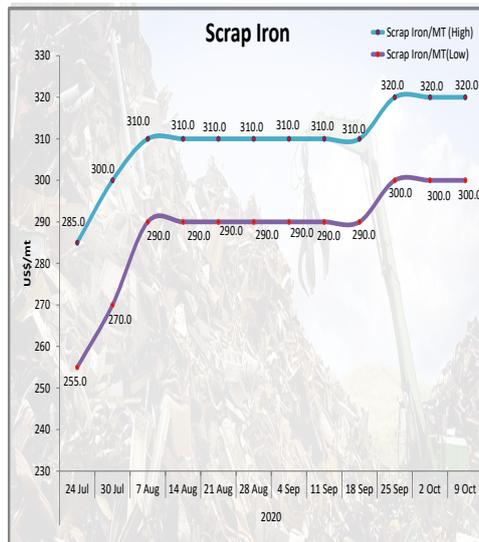
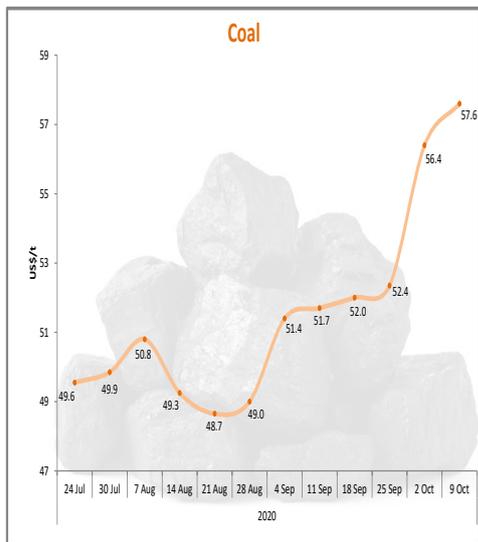
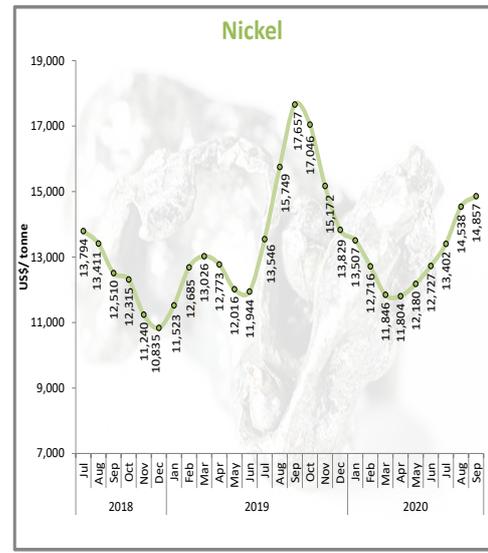
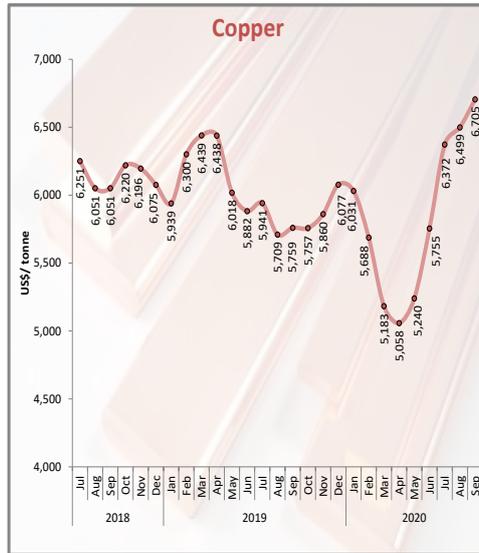
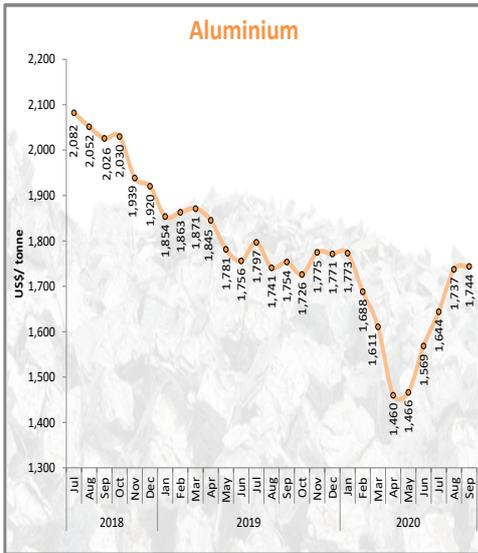
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

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.



INDUSTRY4WRD RELATED INCENTIVES

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

01 | LOANS

Soft Loan Scheme for Automation and Modernisation (SLSAM)

- targets manufacturing sectors
- 4.0% interest rate per annum for SMEs
- www.midf.com.my

Industry Digitalisation Transformation Fund (IDTF)

- targeted sectors: AI, Robotics, Automation etc.
- provides a 2% interest rate subsidy
- www.bpmb.com.my

Coming Soon!

1. Intervention Fund*
 - 70:30 matching grant up to RM500,000.
2. Industry4WRD DISF*
 - 60:40 matching grant

*participation in Industry4WRD RA is a prerequisite to apply

Domestic Investment Strategic Fund (DISF)

- 50:50 matching grant to companies adopting Industry 4.0 enabling technologies
- targets manufacturing and services sectors
- www.mida.gov.my

02 | GRANTS

Digital Transformation Acceleration Program (DTAP) Pilot Grant

- 1:1 matching grant
- targets large corporate and mid-tier companies in Malaysia
- assists companies to tap on the expertise of Digital Transformation Labs (DTL)
- www.mdec.my

Automation Capital Allowance (Automation CA)



For Labour Intensive Industries:

- Automation CA of 200% on the first RM4 million expenditure incurred within 5 years

For other industries:

- Automation CA of 200% on the first RM2 million expenditure incurred within 5 years
- www.mida.gov.my

For more information, kindly click the following links:

https://www.miti.gov.my/index.php/pages/view/industry4WRD?mid=559#tab_547_2202



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

INDUSTRY4WRD READINESS ASSESSMENT

Get your firm assessed. Be ready for Industry 4.0.

ALL YOU NEED TO KNOW.....

Industry4WRD

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



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



Get connected with businesses from all around the APEC region through #MyAPEC2020 virtual exhibition

1 September - 31 December 2020
www.myapec2020.matrade.gov.my



We are doing things differently in today's world. MITI, through our agency, MATRADE HQ, is organising a virtual exhibition, the first-of-its-kind in Malaysia, called #MyAPEC2020 Exhibition, in conjunction with Malaysia hosting the @APEC 2020. The virtual exhibition, scheduled for Sept 1 to Dec 31, will showcase products and services from Malaysia and other APEC - Asia-Pacific Economic Cooperation member economies. The virtual exhibition is a great platform for APEC economies to expand their outreach and can be accessed through myapec2020.matrade.gov.my or the APEC portal and Matrade website.

Be part of MITI database throughout RMCO
by registering your company in
notification.miti.gov.my



For submission, kindly click <https://notification.miti.gov.my/login>

IMPLEMENTATION OF ELECTRONIC SIGNATURE AND SEAL THROUGH THE EPCO SYSTEM

EFFECTIVE FROM 13 APRIL 2020

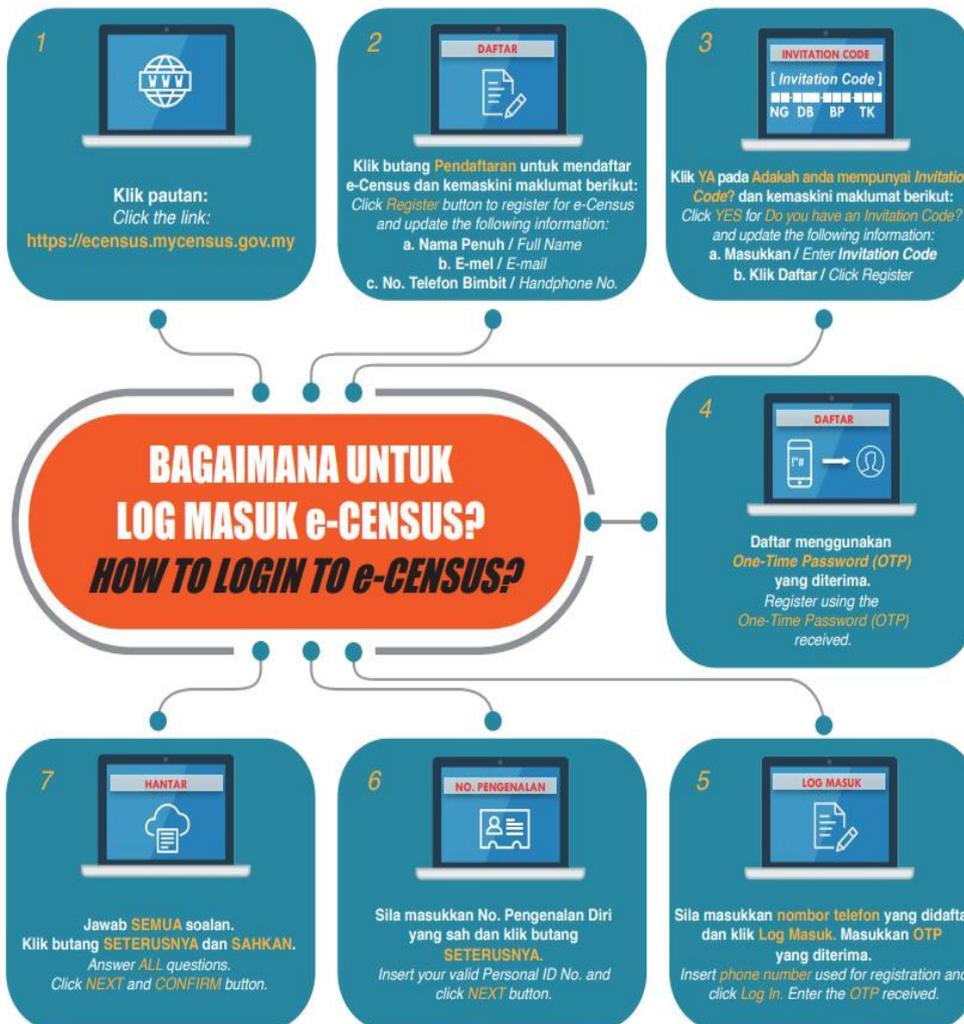


For more information, kindly click the following links:
<https://bit.ly/2RUyG8l>

HOW COMPANY CAN CHECK THE STATUS OF ATIGA E-FORM D TRANSACTIONS IN THE ELECTRONIC PREFERENTIAL CERTIFICATE OF ORIGIN (EPCO) SYSTEM



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



BAGAIMANA UNTUK LOG MASUK e-CENSUS?
HOW TO LOGIN TO e-CENSUS?

Sebarang pertanyaan atau maklum balas, sila hubungi pegawai berikut:
Any question(s) or feedback, please contact the following officer:

Pembanci / Enumerator:

No. Telefon Pembanci / Enumerator Contact No.:

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YOUR DATA IS OUR FUTURE

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 **Hotline MyCensus 2020**
1-800-88-7720

Sila abaikan notis ini sekiranya anda telah menjawab Soal Selidik Banci 2020 secara atas talian.
Kindly disregard this notice if you have answered the MyCensus 2020 questionnaire online.

www.ecensus.mycensus.gov.my



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#BersamaMenjanaEkonomi



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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>