



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Weekly BULLETIN

VOLUME 610

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Malaysia an agile investment hub, even in health crisis

THE Covid-19 pandemic has brought with its devastating economic repercussions, possibly the harshest that we have seen in recent history. This has necessitated us to strike a delicate balance between safeguarding the health of our people while protecting their economic interests.

The World Trade Organisation (WTO) has predicted that the global economy over the next two years will remain highly uncertain, similar to the predictions from the World Bank, International Monetary Fund (IMF) and the Organisation for Economic Cooperation and Development (OECD).

Being located in the Asia-Pacific rim, in the centre of many Asean countries, Malaysia has the privilege to remain as an attractive investment destination particularly with the favourable investment environment, including the availability of excellent infrastructure, telecommunication services, financial and banking services, supporting industries as well as a big pool of talents with skills and trainable workforce.

This reveals when Malaysia maintained its strong position globally, ranking second-highest in South-East Asia and 12th out of 169 countries for trade connectivity in the DHL Global Connectedness Index (GCI) report in 2019.

For the first six months of 2020, Malaysia recorded a total of RM64.8bil worth of investments in the manufacturing, services and primary sectors, despite the multiple headwinds on the global front. These investments involved 1,725 projects and will create 37,110 employment opportunities.

Among the recent high-quality investments approved by the Malaysian Investment Development Authority (MIDA) include Ultra Clean Holdings, a US-based company in developing and supplying ultra-high purity cleaning and analytical services primarily for the semiconductor industry; Smith and Nephew from UK to produce high-tech pharmaceutical products including knee and hip implants; Bosch, a German entity for setting up a manufacturing facility park in Penang for testing of semiconductor components and sensors; and Bruker, a Swiss company establishing its first facility in Asia to develop solutions for scientist and manufacturers.

This indicate that Malaysia has the ability to meet the stringent demands of highly regulated industries, which showcases the country's robust and diverse array of supply chains.

In the services sector, there are positive trends where many international companies have chosen Malaysia as their regional hub. Air Liquide, a French company, established its Smart Innovation Operations (ISO) in Malaysia as a remote operation centre which is supported by the local talents for South-East Asia operations; IKEA from Sweden that has established a regional distribution and supply chain centre for South-East Asian and Indian markets; and Standard Chartered established it's Global Business Services, an Intelligence and Command Centre to serve its operations globally around the clock.

The Covid-19 pandemic has also shaped a new generation of business behaviours and expedites the adaptation of digitalisation by focusing on emerging opportunities from the low-touch economy such as the digitalised tourism, fintech, next-gen smart factories, clinical trial hub for developing countries and global online learning.

Hence, Malaysia will not be spared and we have no choice but to adapt and embrace the new opportunities made available through the Industry 4.0 mainly through the adoption of smart manufacturing processes and technologies to enhance production flexibility and efficiency.

We are now looking at high-tech and emerging fields like a machine-to-machine applications and new opportunities that are available for investors to venture into, especially in the sensor technology.

Malaysia an agile investment hub, even in health crisis (cont'd)

To further support the current economic situation, Malaysia has introduced the National Short-Term Economic Recovery Plan called Penjana on June 5, 2020. This comprehensive package amounting to RM35bil aims to regenerate the national economy, focusing on three main components: empowering the people, propelling businesses and stimulating the economy.

Under this plan, the government through my Ministry, MITI and its agency MIDA has introduced various investment measures to revive Malaysia's economy. Among them are:

> The establishment of a dedicated unit, aptly named PACU or the Project Acceleration and Coordination Unit to facilitate the speedy approval and implementation of investment projects in the country. This initiative, coupled with the new online module e-Manufacturing License (e-ML), enables companies to obtain approvals for their manufacturing projects within two working days.

> Tax exemption of 10 years and 15 years on selected new investments from foreign firms ranging from RM300mil to RM500mil and RM500mil and above, respectively.

> Relocation of existing companies into Malaysia with capital investment above RM300mil will be eligible to apply for a 100% investment tax allowance on qualifying capital expenditure incurred for a period of five years.

Our agency MIDA also actively organises various digital investment promotion programmes such as virtual webinars at local and international platforms; trade and investment missions to Europe region, the US, Japan, South Korea and China; engagement sessions with major stakeholders namely international chambers, banks, financial institutions and undertake media blitz.

The government has also established a One-Stop-Centre (OSC) at MIDA effective Oct 2, 2020 to evaluate and approve applications by eligible business travellers to enter Malaysia for trade and investment purposes.

The initiative led by MITI is managed by MIDA with representatives from the Immigration Department, Health Ministry (MoH) to ensure the legitimacy and health status of business travellers prior to their entry into Malaysia. OSC will assume a critical role in ensuring Malaysia to remain steady on the path of economic recovery and growth, by enabling executive and essential personnel to travel to and continue their work in Malaysia.

According to Bank Negara, the Malaysian economy is forecast to grow within the range of 5.5% in 2021, while the IMF and the World Bank expects Malaysia's GDP to grow between 6.3% and 6.9%. It is expected that the country's economy will regain its momentum in 2021 with industrial production index (IPI) rates rebounding in the second half of the year in tandem with global demand.

Moving forward, we are optimistic that Malaysia will continue to be a preferred investment destination for world businesses. As of July 2020, MIDA has a total of 732 projects with proposed investments of RM35.9bil in the pipeline for the manufacturing, services and primary sectors.

The government, through MITI and MIDA, will strive to provide better support through innovative engagements and collaborations with private and public sectors towards broadening prosperity for the country.

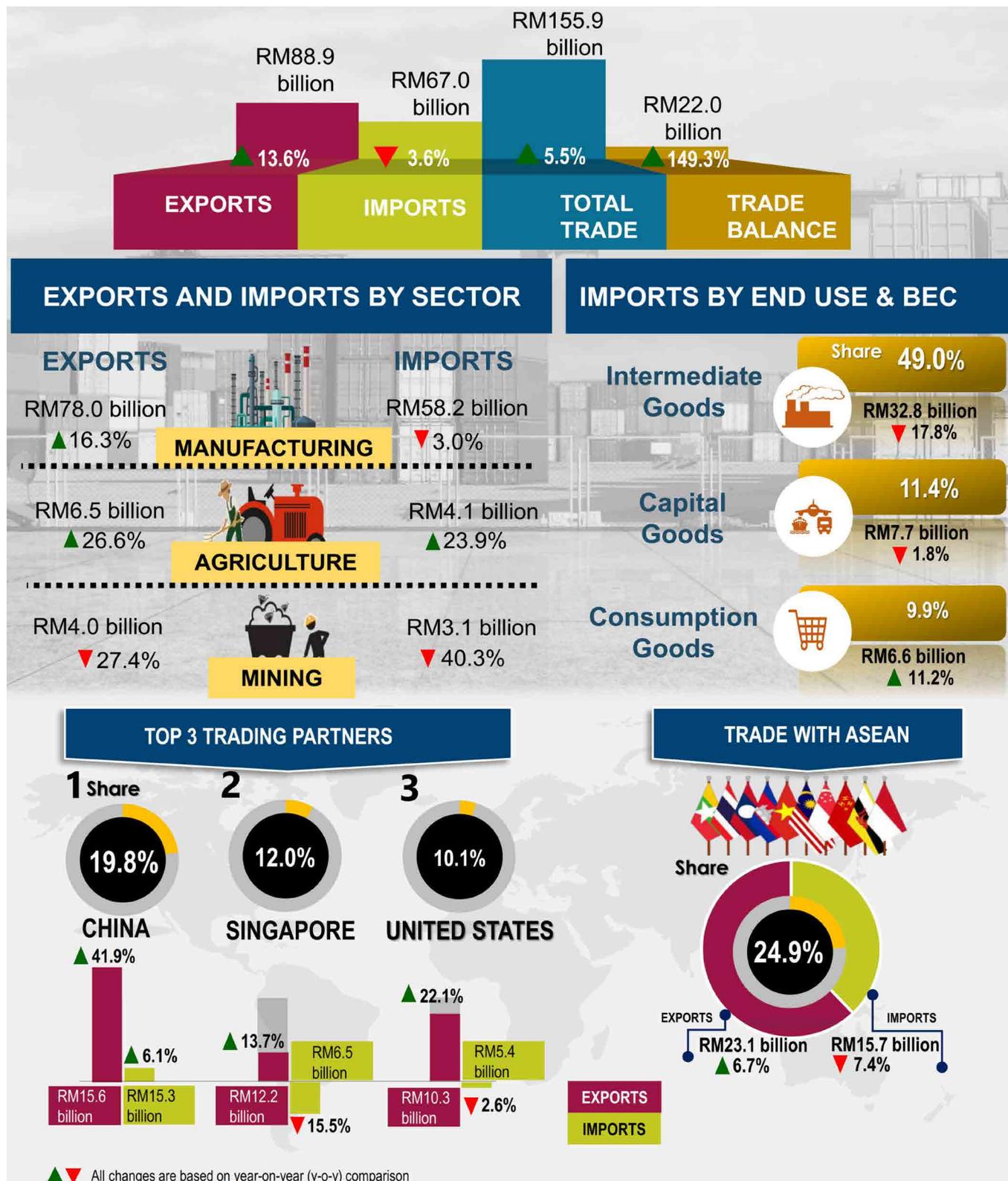
This is our commitment to our investors in providing the best facilitation and ensuring the sustainability of the business entities in the new norm.

On that note, I would like to take this opportunity to welcome all multinational companies (MNCs) already in Malaysia to consider expanding their operations here and make full use of the support the Malaysian government has introduced particularly in fiscal and non-fiscal benefits. As for the MNCs that have yet to venture here, the government of Malaysia welcomes you to Malaysia and rest assured, you can do your business with the world – all from the comfort of Malaysia.

YB Datuk Lim Ban Hong
Deputy Minister
Ministry of International Trade and Industry
The Star, 31 October 2020

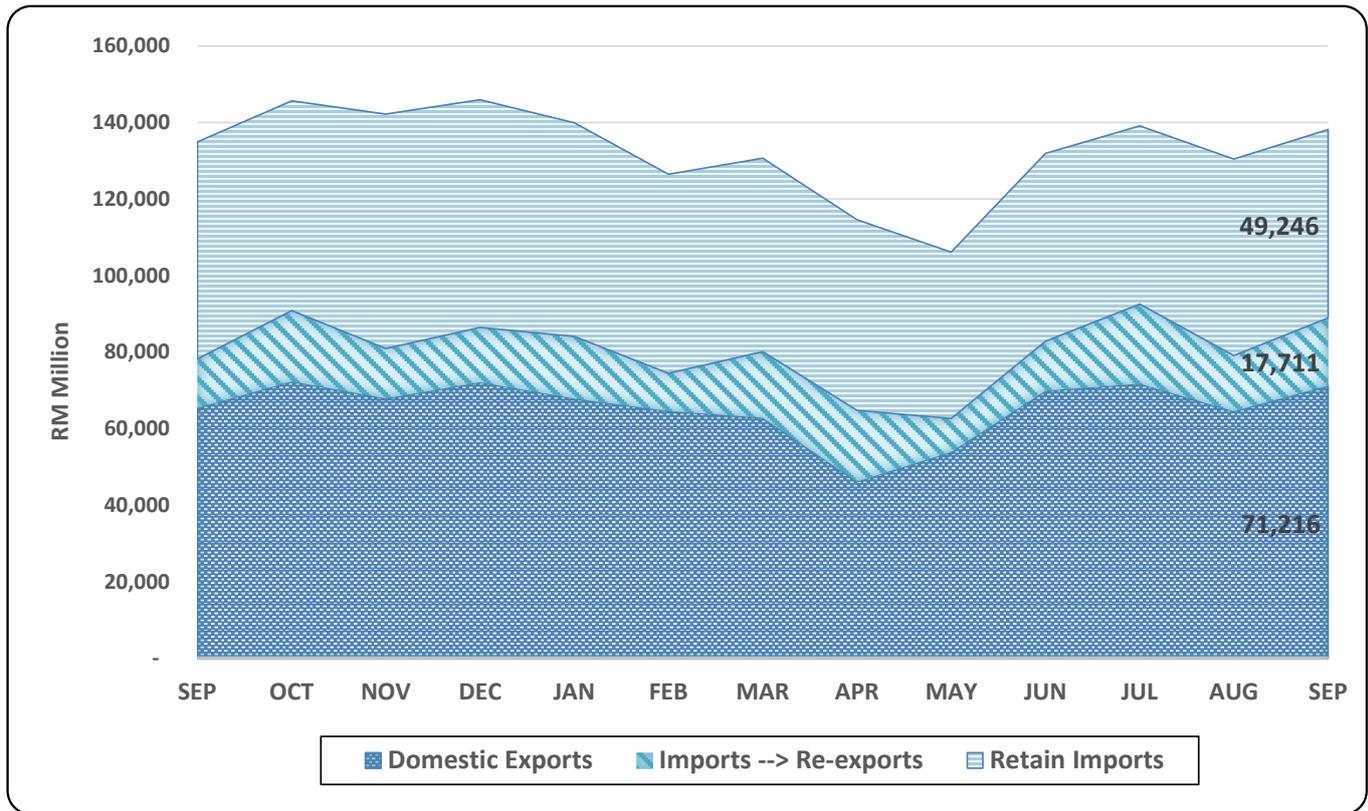
MALAYSIA EXTERNAL TRADE, SEPTEMBER 2020

Malaysia's exports in September 2020, amounted to RM88.9 billion rebounded to register a double-digit growth of 13.6 per cent compared with same month in 2019. Imports continued to register a negative growth with a smaller magnitude of 3.6 per cent from RM69.4 billion to RM67.0 billion. Trade surplus was valued at RM22.0 billion and this was the 2nd highest monthly trade surplus after July 2020 with a growth of 149.3 per cent year-on-year (y-o-y). Total trade totalled RM155.9 billion, expanded by 5.5 per cent.

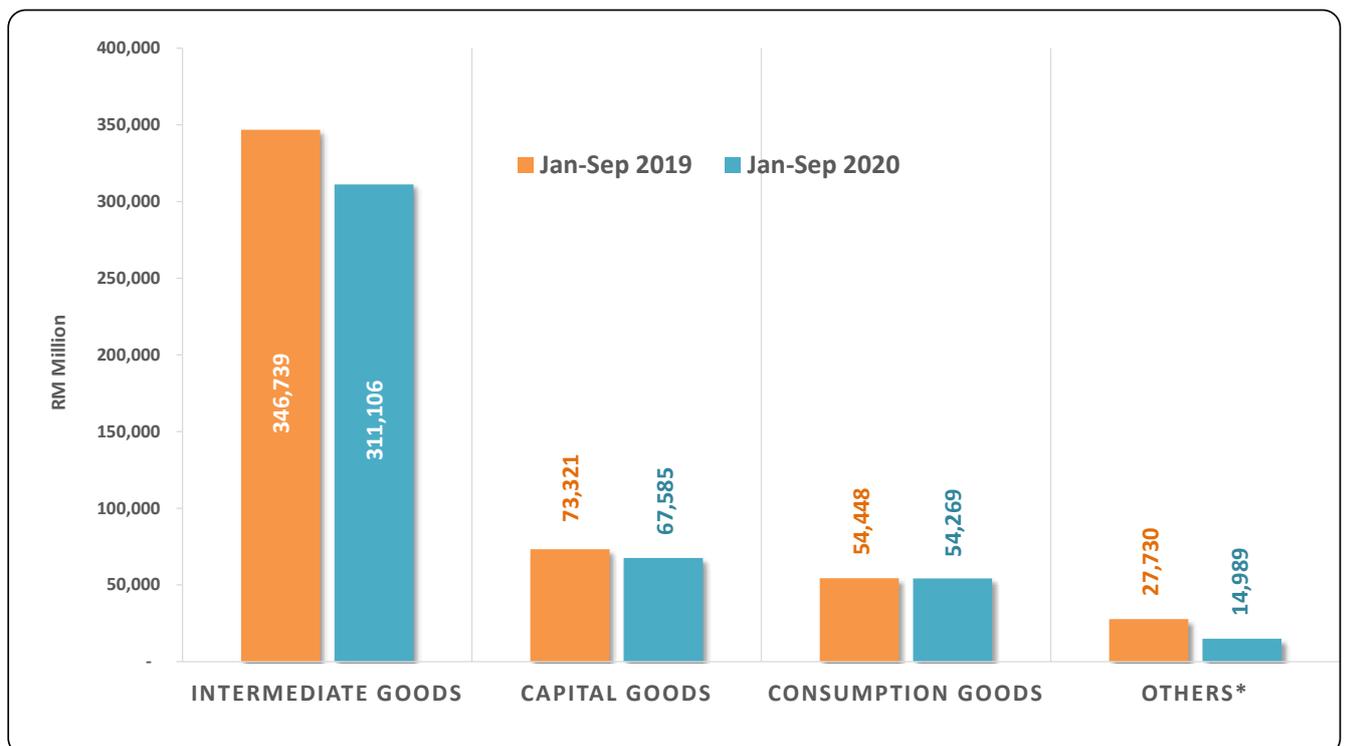


Source: Department of Statistics, Malaysia

MALAYSIA EXTERNAL TRADE, SEP 2019 - SEP 2020



MALAYSIA RETAIN IMPORT BY END USE & BEC**, JAN - SEP 2019 vs JAN - SEP 2020



**BEC - Broad Economic Categories

*Others : Dual Use Goods, Goods n.e.s & Transaction below RM5,000

Source: Department of Statistics, Malaysia

PRODUCER PRICE INDEX, SEPTEMBER 2020

Producer Price Index (PPI) Local Production September 2020 **decreased 3.9%** year-on-year as compared to -2.8% in August 2020

-3.9%

Aug : -2.8%

year-on-year

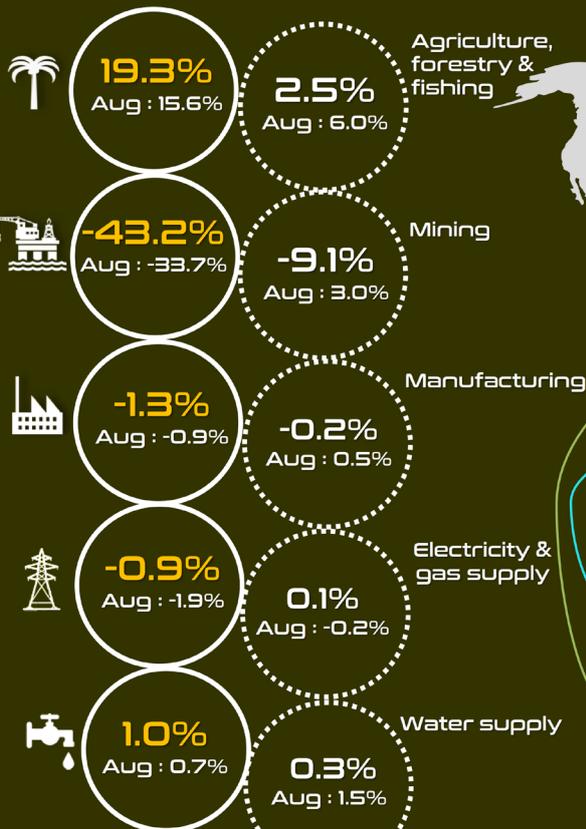
PPI
SEPTEMBER
2020

-0.5%

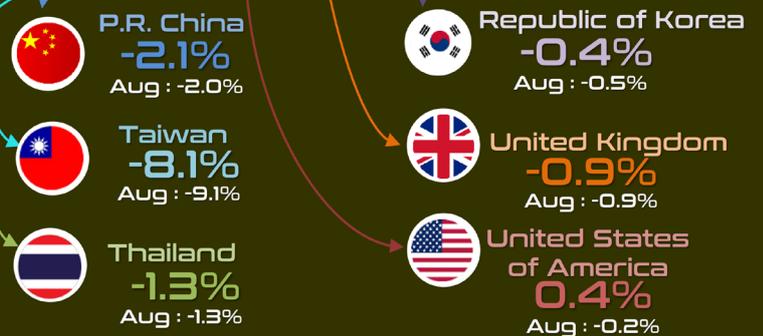
Aug : 1.0%

month-on-month

PPI by sector

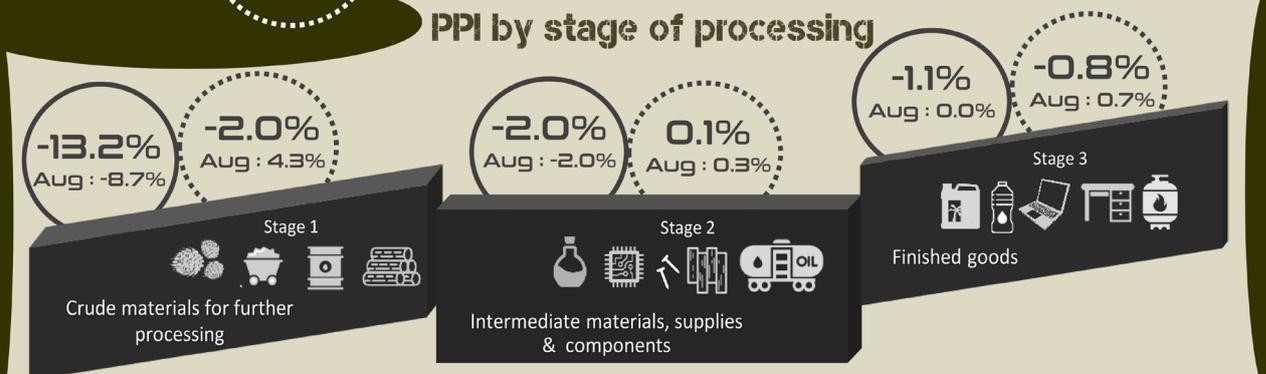


PPI selected countries



Source : <https://tradingeconomics.com>

PPI by stage of processing



PPI January 2010 – September 2020

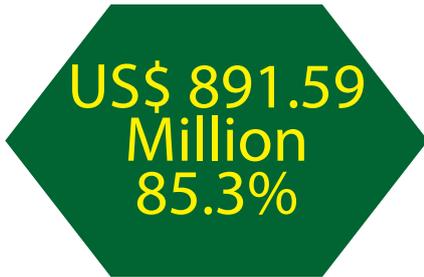


Source: Department of Statistics, Malaysia

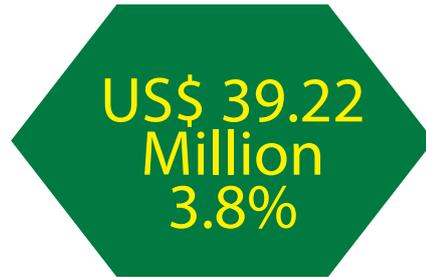
World LARGEST Exporter of Copper powders, of lamellar structure, and flakes of copper (excluding grains of copper and spangles of heading 8308)

In 2019, Malaysia's export of Copper powders, of lamellar structure, and flakes of copper (excluding grains of copper and spangles of heading 8308) recorded USD 891.59 million with 85.3% share to the world exports.

1 Malaysia



2 Germany



3 Indonesia



4 P.R.China



5 Singapore



Notes:

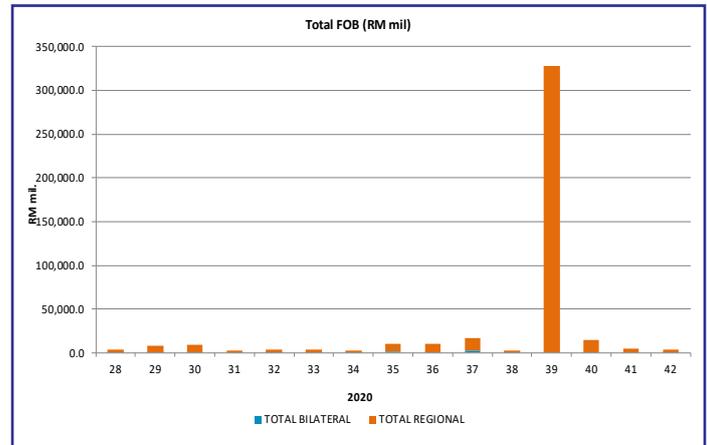
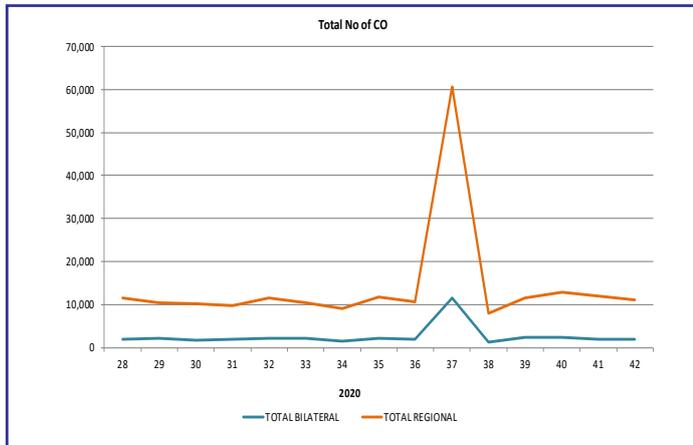
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-% refer to share in world exports

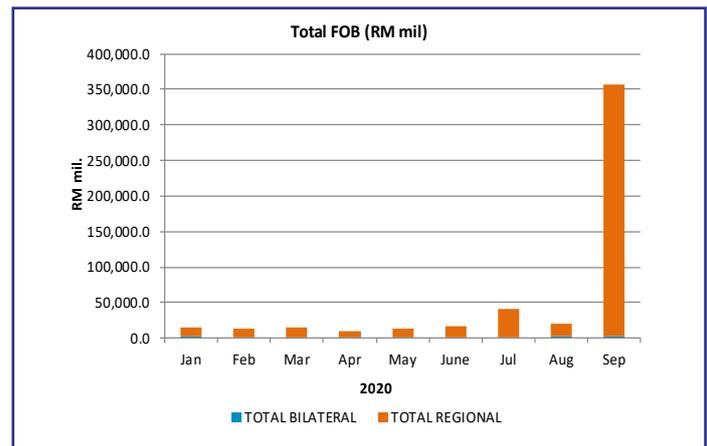
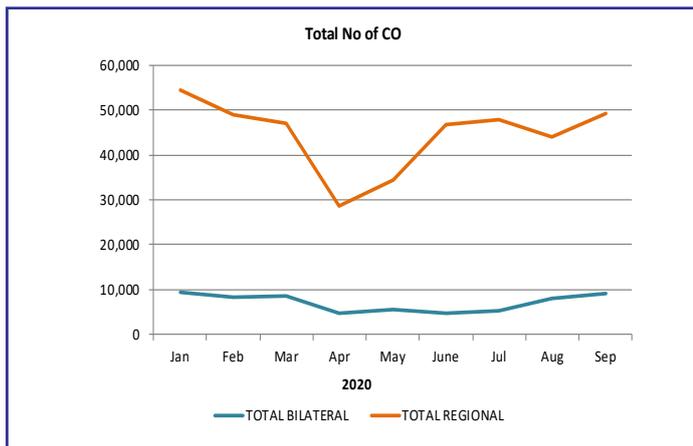
Sources: <https://www.trademap.org/index.aspx>

Number and FOB Value of PCO as at 18 October 2020 Weekly / Monthly/ Annually

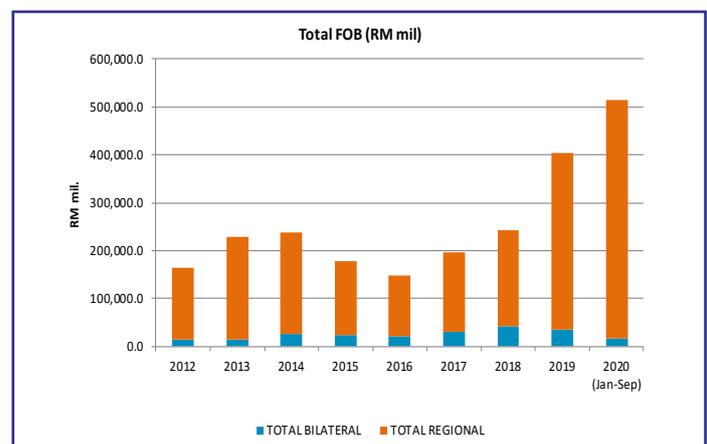
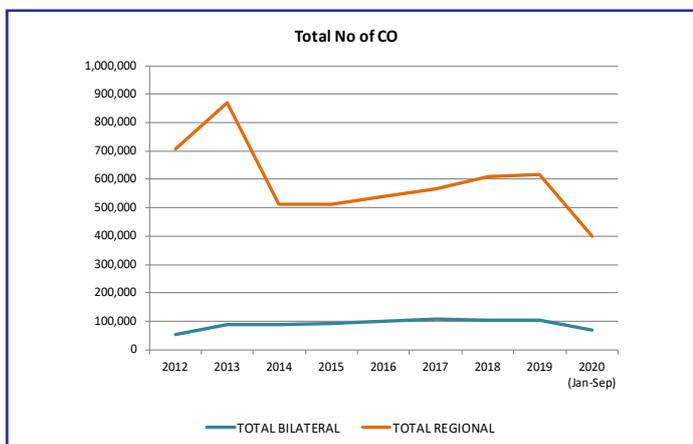
Weekly



Monthly

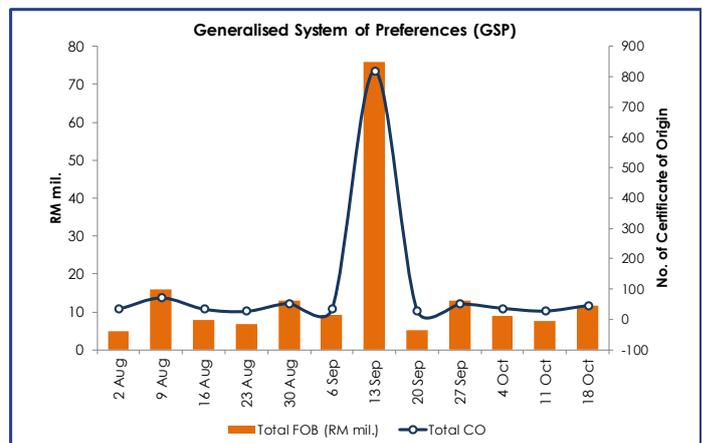
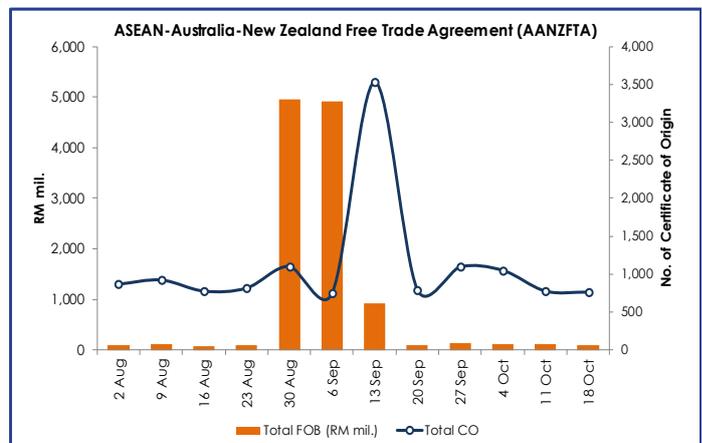
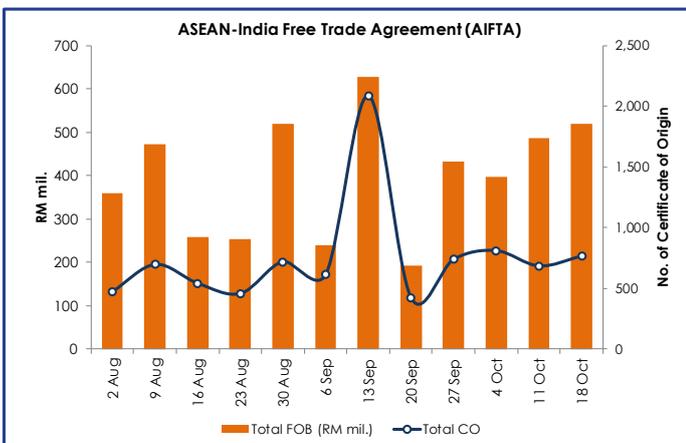
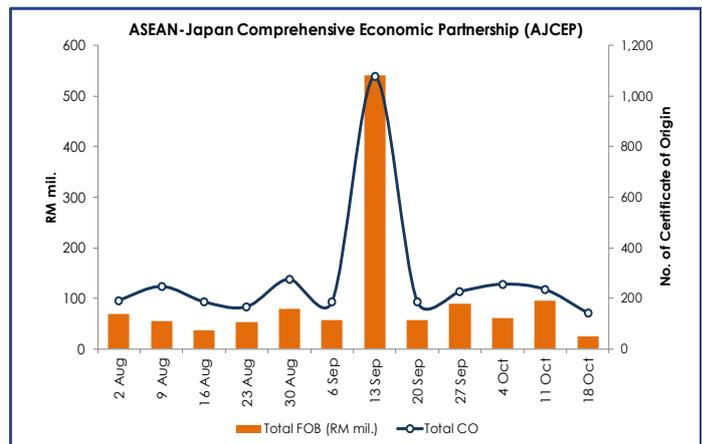
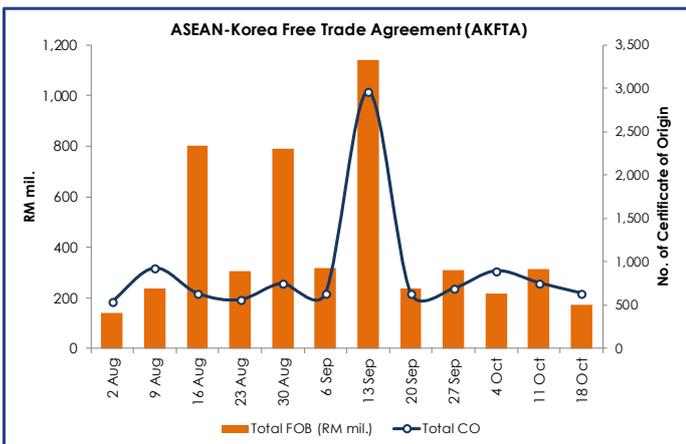
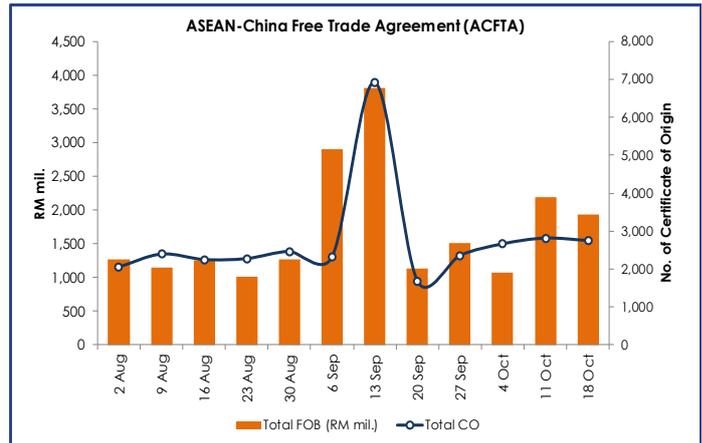
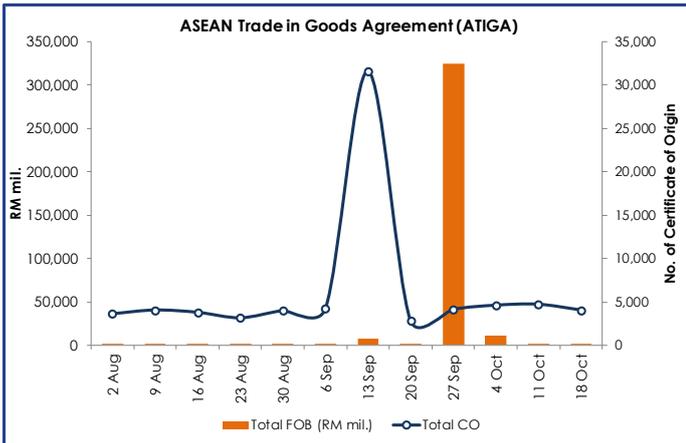


Annually



Note: *Provisional Data
- Data for 25 October 2020 is not available
Source: Ministry of International Trade and Industry, Malaysia

Regional FTA

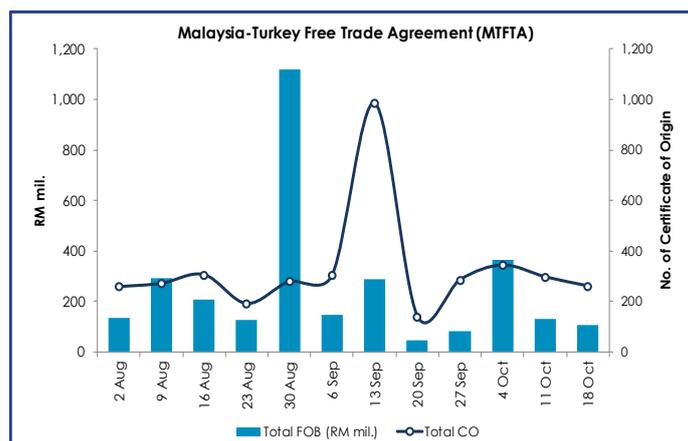
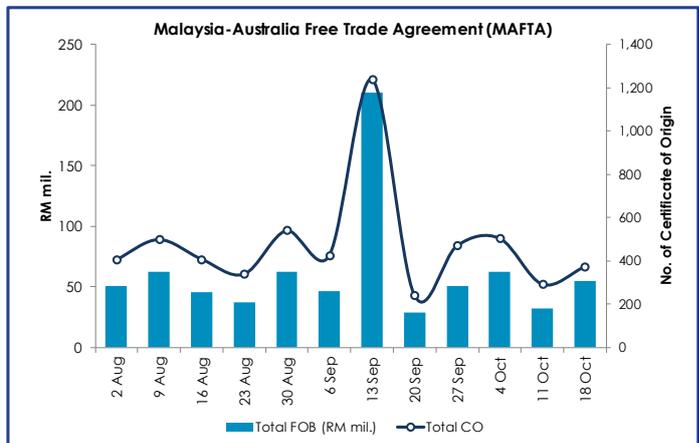
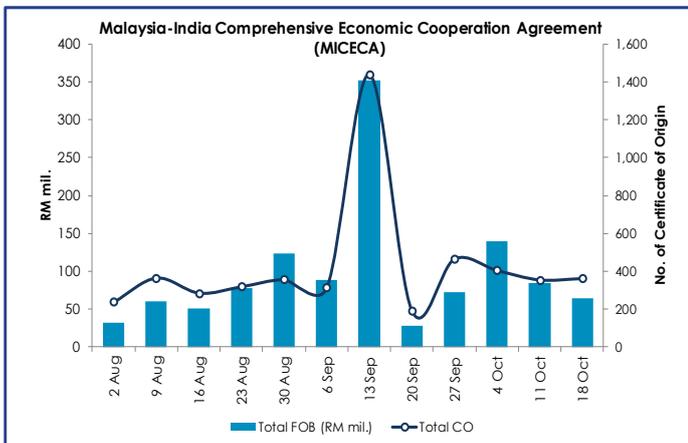
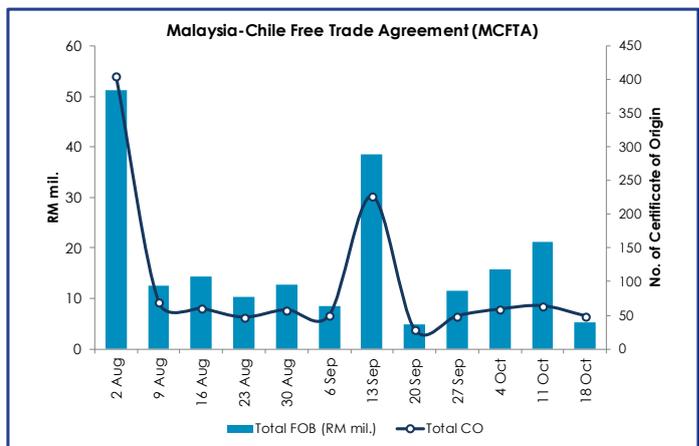
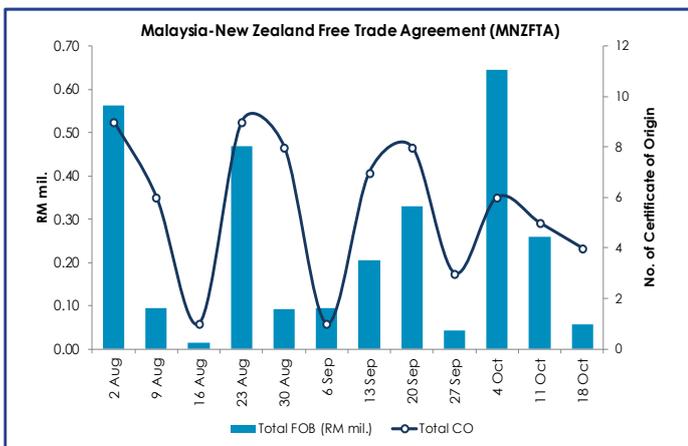
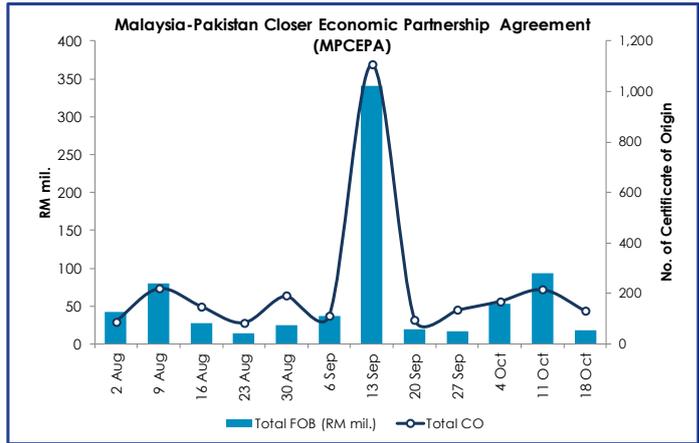
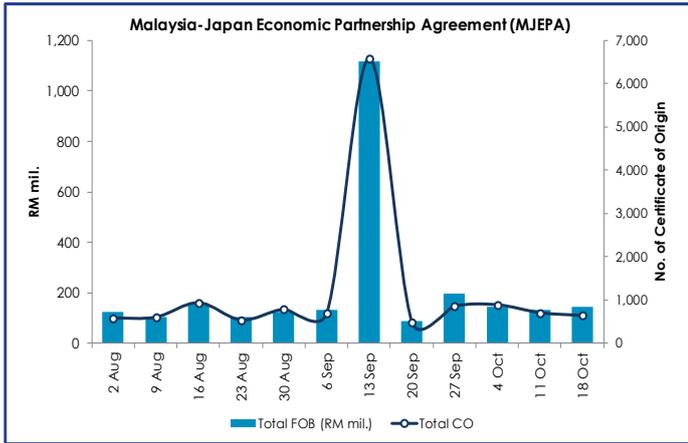


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: *Provisional Data
- Data for 25 October 2020 is not available
Source: Ministry of International Trade and Industry, Malaysia

Bilateral FTA

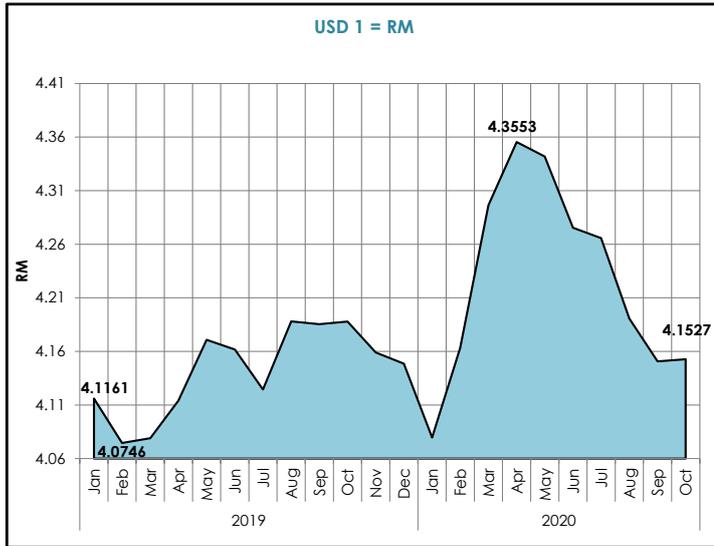
Number and Value of Preferential Certificates of Origin (PCOs)



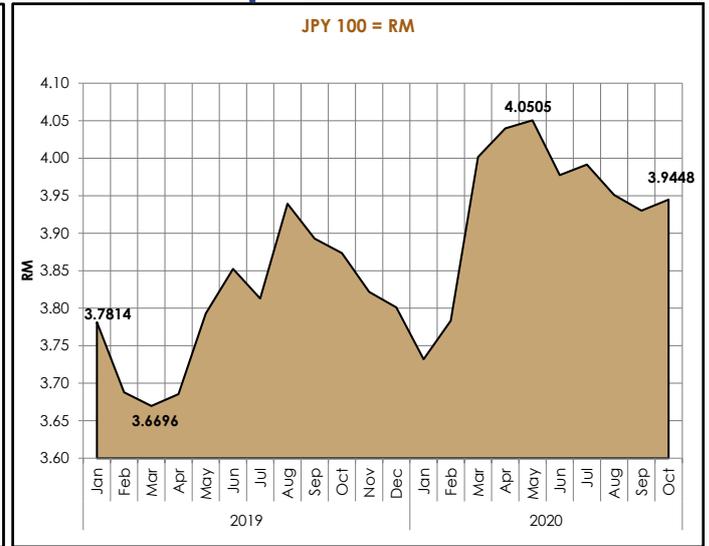
Note: *Provisional Data
- Data for 25 October 2020 is not available
Source: Ministry of International Trade and Industry, Malaysia

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

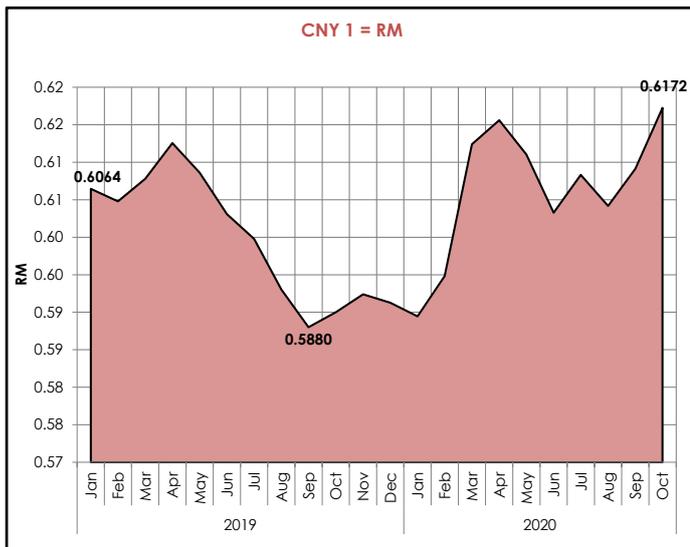
US Dollar



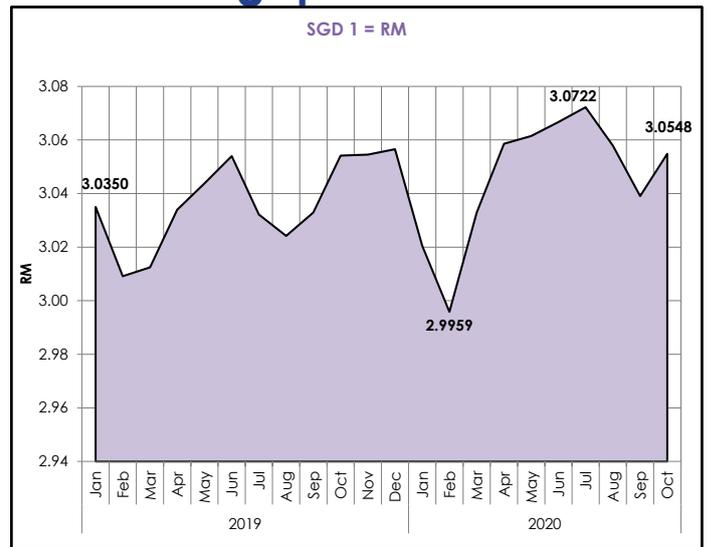
Japanese Yen



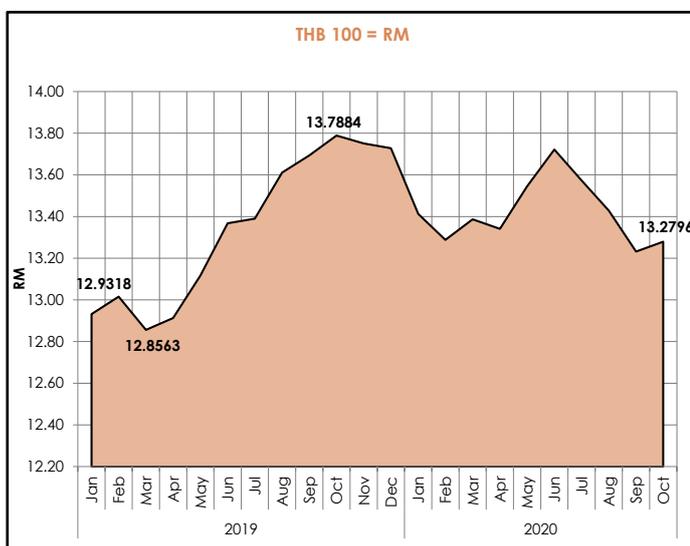
Chinese Yuan



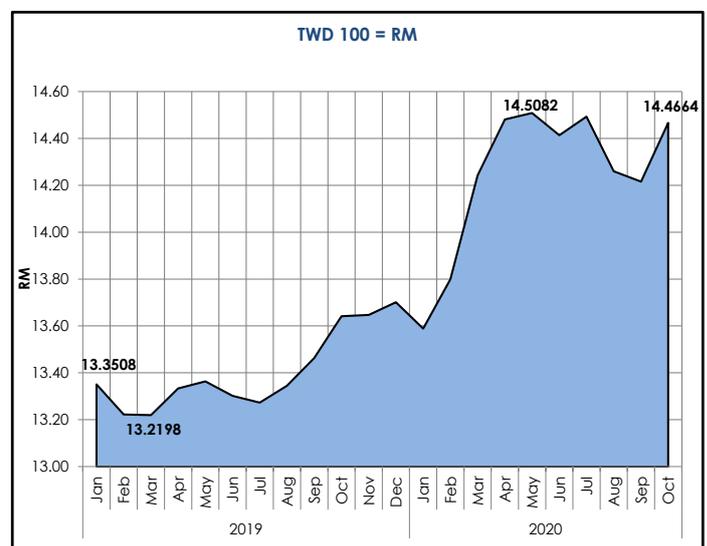
Singapore Dollar



Thai Baht



New Taiwan Dollar



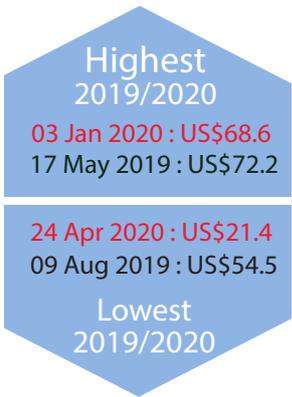
Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▼ 10.3%*
US\$37.5
30 Oct 2020



Average Price 2019ⁱ: US\$64.2

CRUDE PALM OIL -per MT-



▲ 6.3%*
US\$781.8
30 Oct 2020



Average Price 2019ⁱ: US\$557.1

RUBBER SMR 20 -per MT-



▲ 2.0%*
US\$1,678.5
30 Oct 2020

Average Price 2019ⁱ: US\$1,414.6

COCOA SMC 2 -per MT-



▼ 4.2%*
US\$1,443.3
30 Oct 2020

Average Price 2019ⁱ: US\$1,592.4

SUGAR -per lbs-



▼ 2.4%*
US\$14.4
30 Oct 2020

Average Price 2019ⁱ: US\$12.4

COAL -per MT-



▼ 1.1%*
US\$56.1
30 Oct 2020

Average Price 2019ⁱ: US\$56.5

SCRAP IRON HMS -per MT-



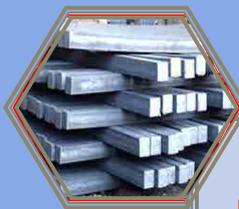
⊖ %*
US\$310.0
(high)
30 Oct 2020

⊖ %*
US\$285.0
(low)

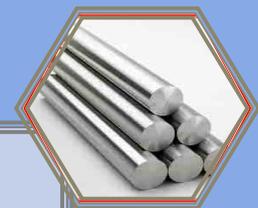
Average Price 2019ⁱ: US\$316.9 (high)
Average Price 2019ⁱ: US\$291.6 (low)

Domestic Prices

30 Oct 2020



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

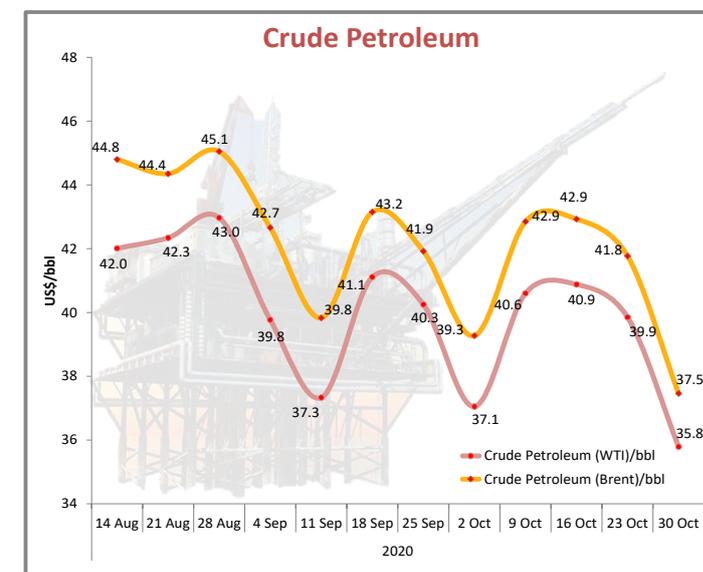
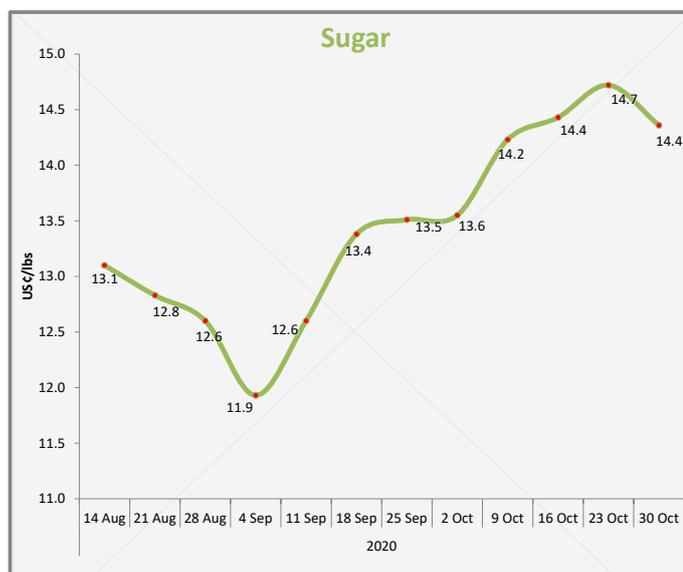
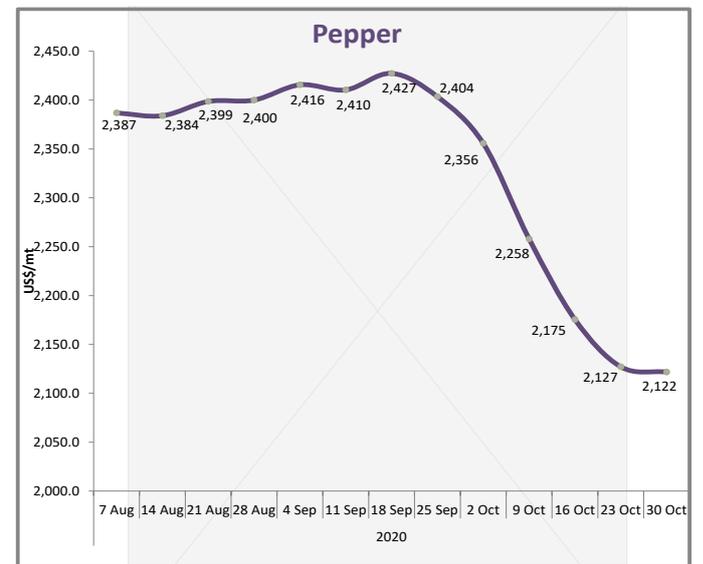
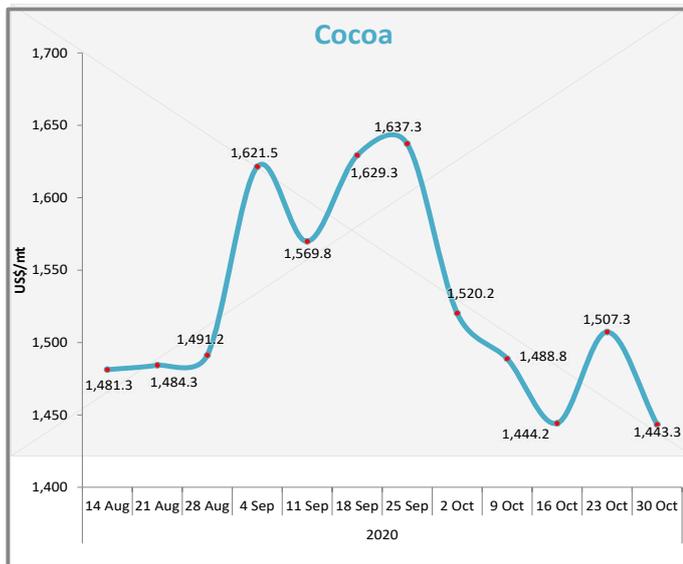
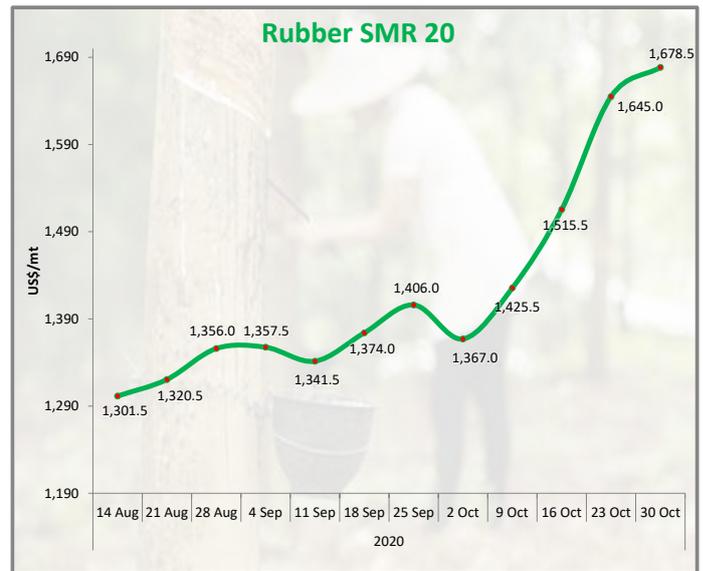
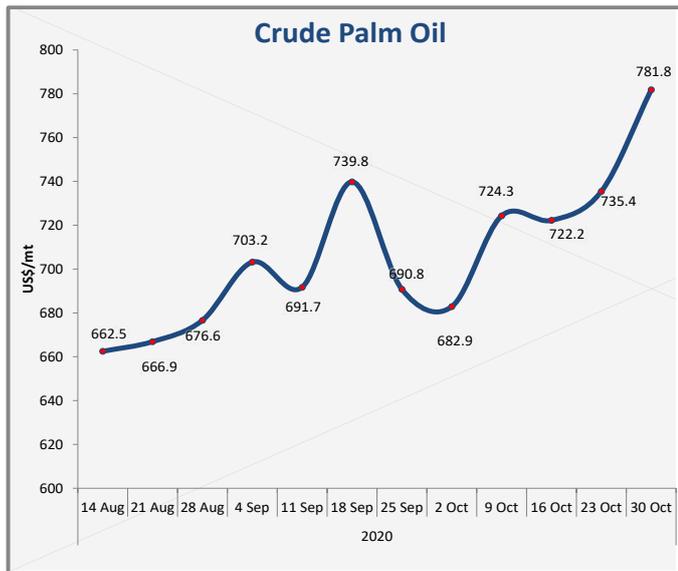


Steel Bars
(per MT)
RM2,150 – RM2,250

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

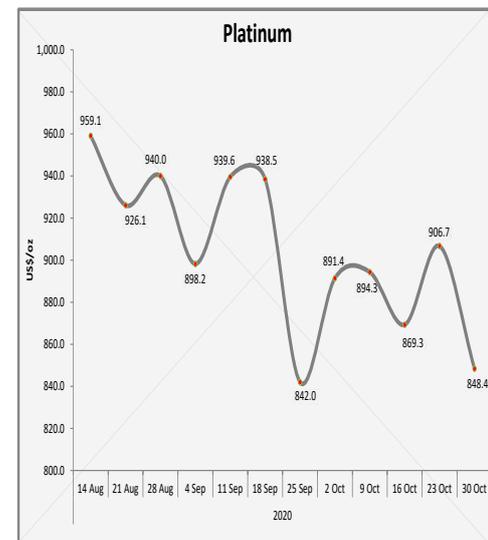
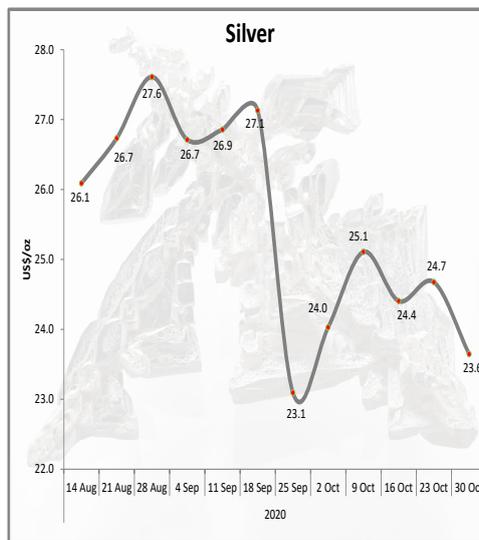
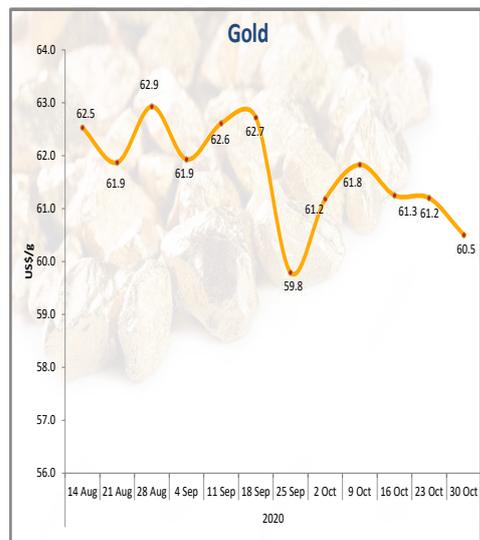
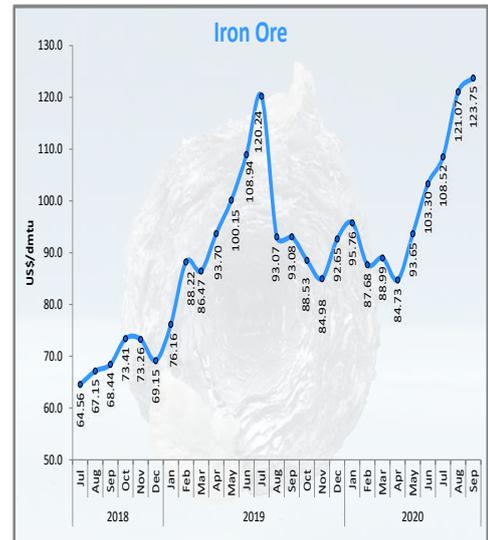
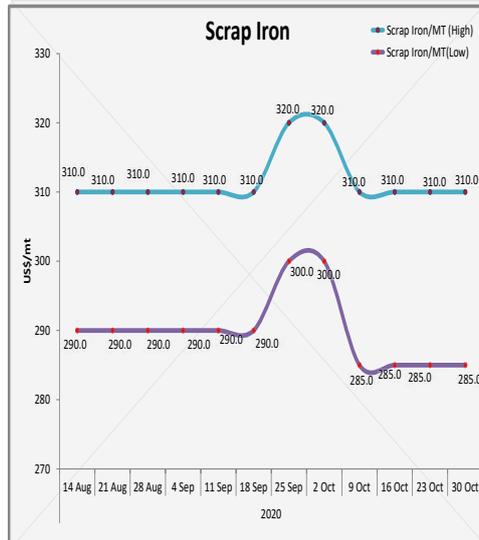
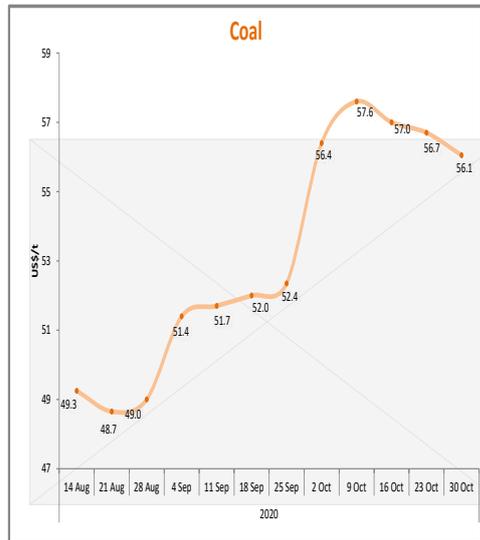
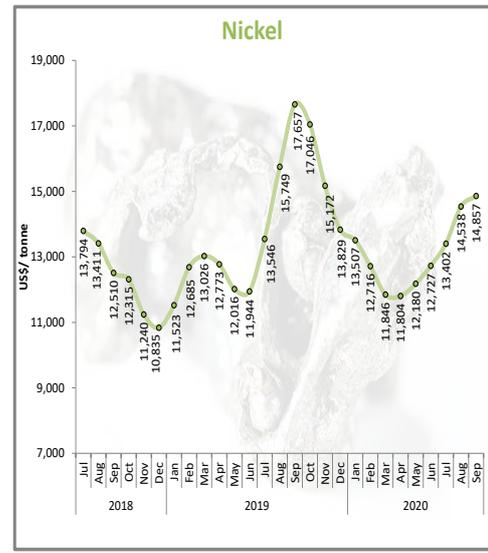
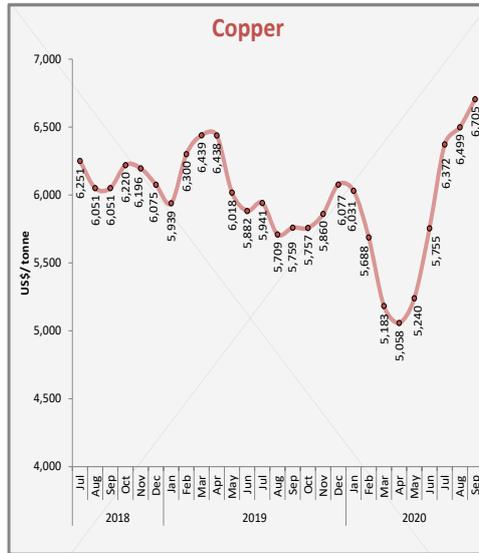
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

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

ALL YOU NEED TO KNOW.....

Industry4WRD

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.

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



Process Flow

A FEW SIMPLE STEPS



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.

ANNOUNCEMENT

WORK FROM HOME (WFH) INSTRUCTIONS ARE STILL APPLICABLE THROUGHOUT THE EXTENDED CMCO PERIOD

The WFH instructions announced earlier is still applicable to all office management and supervisory roles. Should this group of workers are required to be present at the office, only 10% of them are allowed to do so starting from 10.00am - 2.00pm for 3 days a week.

#STAYCALM #BARISANHADAPANEKONOMI

21 Oktober 2020

Dasar Bekerja Dari Rumah (BDR) @ Work From Home (WFH)

Wajib bagi kakitangan pengurusan dan penyeliaan di kawasan yang sedang menjalani PKPB

bermula 22 Oktober 2020

21 Oktober 2020

Pekerja daripada kumpulan pengurusan dan penyeliaan yang boleh hadir ke pejabat jika perlu:

KAPASITI 10 PERATUS SAHAJA DARIPADA SKOP TUGAS DI BAWAH

- Perakaunan
- Perundangan
- Kewangan
- Perancangan
- Pentadbiran
- ICT

Had berada di pejabat 4 jam sahaja
10.00 pagi - 2.00 petang (3 hari bekerja dalam seminggu)

21 Oktober 2020

Contoh situasi amalan Bekerja Dari Rumah (BDR)

Syarikat A terlibat dalam industri pembuatan. Syarikat ini mempunyai:

- ▶ 1000 pekerja operasi
- ▶ 100 pekerja kumpulan pengurusan dan penyeliaan pejabat.

Siapa perlu BDR?

1000 pekerja operasi boleh bekerja seperti biasa dan tidak perlu BDR

10 peratus atau 10 orang daripada kumpulan pengurusan dan penyeliaan pejabat boleh datang bekerja.

21 Oktober 2020

Aplikasi yang boleh membantu anda kekal produktif walau bekerja dari rumah.

21 Oktober 2020

Aplikasi persidangan video seperti Zoom, Google Meets dan Microsoft Teams.

21 Oktober 2020

KEMENTERIAN
PERDAGANGAN ANTARABANGSA DAN INDUSTRI

**Simpan dokumen dan fail
di laman web seperti
Dropbox, Google Drive
dan Microsoft Teams.**



KEMENTERIAN
PERDAGANGAN ANTARABANGSA DAN INDUSTRI

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anda tentang teknologi
digital di MDEC Digital
Accelerator Portal.**

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areas that SMEs could
apply digital solutions**



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-  **Electronic Point of Sale System**
-  **Human Resource Management**
-  **Customer Relationship Management System**
-  **Procurement System**



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-  **Enterprise Resource Planning/Tax Accounting**
-  **Digital Marketing/Sales**
-  **e-Commerce**
-  **Remote Working**



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solutions, visit MDEC
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dx.com.my/en/solutions/





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22 Oktober 2020

Bagi sebarang pertanyaan berkaitan MITI seperti operasi sektor ekonomi atau amalan BDR/WFH sila hubungi talian hotline MITI seperti di atas.

MITI POCKET TALK

A SERIES OF SESSION FOR THE PRIVATE SECTOR

When? Once a month

Where? MITI Tower Kuala Lumpur or MITI Regional Offices

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

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

For more information, please contact :



03-6200 0468 / 69 / 57



allaki@miti.gov.my

OPTIMISING HUMAN POTENTIAL TOWARDS FUTURE OF SHARED PROSPERITY

#MyAPEC2020



For more information, kindly click the following links:

<https://www.myapec2020.my/en/>

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



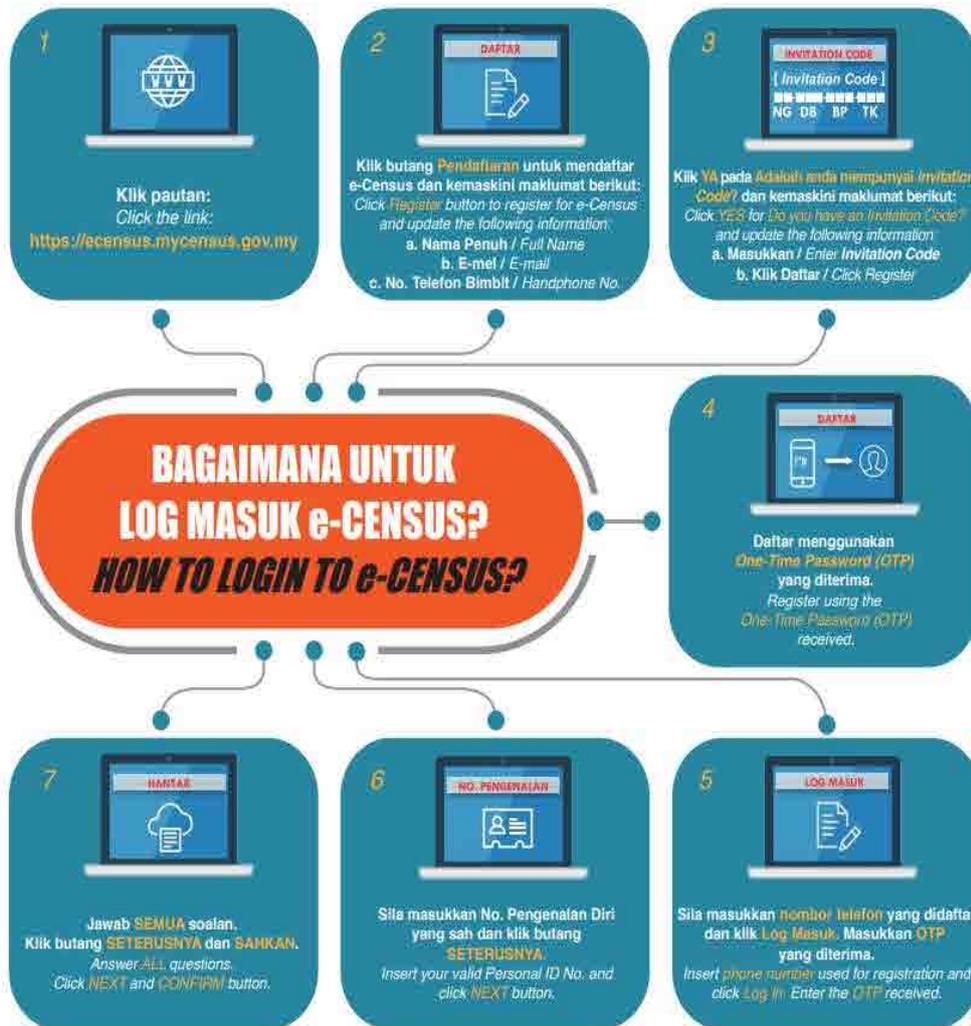
For more information, kindly click the following links:
<https://bit.ly/2RUyG8l>

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>

BANCIS MALAYSIA
7.7.2020 - 21.12.2020 (e-Census)
20.1.2021 - 6.2.2021 (Face to face)
www.mycensus.gov.my 1800 88 7720



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.:

**DATA ANDA
MASA DEPAN KITA
YOUR DATA
IS OUR FUTURE**



www.mycensus.gov.my



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.

<http://ecensus.mycensus.gov.my>



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#BersamaMenjanaEkonomi



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MITI MWB APPs is now available for IOS, Android and Windows platforms.

MWB APPs can be downloaded from Gallery of Malaysian Government Mobile APPs (GAMMA) at the link: <http://gamma.malaysia.gov.my/#/appDetails/85>

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