

17 NOVEMBER 2020 | NO. ISSN :2180-0448

37TH ASEAN SUMMIT AND RELATED MEETINGS END ON A HIGH NOTE WITH PRACTICAL STEPS TOWARDS ECONOMIC RECOVERY POST COVID-19



The 37th ASEAN Summit and Related Meetings were held virtually from 9 – 15 November 2020, bringing together top leadership from the ASEAN Member States in the midst of the COVID-19 pandemic.

The high point of the 7-day meetings was the signing of the Regional Comprehensive Economic Partnership (RCEP) Agreement by the ten ASEAN Member States and five other ASEAN-FTA partners namely China, Korea, Japan, Australia and New Zealand today. Senior Minister and Minister of International Trade and Industry, Dato' Seri Mohamed Azmin Ali signed on behalf of Malaysia, witnessed by YAB Prime Minister, Tan Sri Muhyiddin bin Mohd Yassin. This partnership marks the amalgamation of existing agreements between ASEAN and the FTA individual partners, making RCEP the largest FTA in the world covering nearly one third of the world's population and will contribute to one third of the world's GDP.

As expected, the region's economic recovery post-pandemic was high on the agenda and was discussed extensively at both the ASEAN Leaders and the ASEAN Economic Ministers' level. The outcome of this was the inking of the Memorandum of Understanding on the Implementation of Non-Tariff Measures on Essential Goods on 10 November 2020. The MoU, comprising of 152 identified essential goods in the categories of food, medicines and medical appliances/devices, is aimed at facilitating the movement of essential goods to ensure unobstructed supply chain within the region. Dato' Seri Azmin represented Malaysia in signing of the MoU which marks the furtherance of the previously endorsed Hanoi Plan of Action on Strengthening ASEAN Economic Cooperation and Supply Chain Connectivity in Response to the COVID-19 Pandemic. Dato' Seri Azmin said, "This MoU is reflective of ASEAN's determination to preserve centrality and solidarity, as well as to



boost efforts to expedite the economic recovery from the impact of COVID-19." At the 19th ASEAN Economic Community (AEC) Council Meeting, the ASEAN Economic Ministers proposed sustainable solutions to economic recovery through the ASEAN Comprehensive Recovery Framework (ACRF) and its implementation plan which has been endorsed by the ASEAN Leaders on 12 November 2020. This document will serve as a guide to ASEAN for economic recovery. One of the strategies in the ACRF, "Accelerating Inclusive Digital Transformation", focuses on the speeding up the digital transformation in the region by leveraging on the momentum and imperative of digital transformation and seizing the enormous opportunities presented by digital technologies to boost economy and improve society post-COVID-19. This includes the digitalisation of trade documents and processes for a seamless and uninterrupted supply chain.

Throughout the meetings, Malaysia also reinforced our commitment towards fortifying stronger partnership with the other ASEAN Member States, to ensure sustainable economic recovery in the region. "Now, more than ever, the need is high to intensify intra-ASEAN trade and investment as well as accelerate the region's digital transformation to boost economy and improve societal wellbeing of the region", said Dato' Seri Azmin Ali.

MINISTRY OF INTERNATIONAL TRADE & INDUSTRY 15 NOVEMBER 2020

ECONOMIC GROWTH RECORDS HISTORIC CONTRACTION, BETTER OUTLOOK IN 2021



Economic growth in the APEC region declined by 3.7 percent in the first six months of 2020 and is expected to contract by 2.5 percent for the whole year, or equal to an output loss of USD 1.8 trillion. This will be the first time that the region's economy will contract in three decades, according to a report by the APEC Policy Support Unit.

"APEC was formed more than 30 years ago and has seen economic recessions, financial crises, commodity price volatility, pandemics and terrorist attacks. Yet, in terms of economic losses, this has been a year like no other," explained Dr Denis Hew, Director of the APEC Policy Support Unit

Unemployment rates among APEC economies have surged due to the economic fallout from COVID-19, averaging 4.8 percent as of September 2020, with more than 74 million people looking for work, while consumption, trade and investments have reversed to contractions that are bigger than expected. Household consumption shrunk by 7.1 percent during the first half of the year from an average growth rate of 3 percent in the first half of 2019. Investments also contracted by 11.2 percent, following modest growth of 1.1 percent during the same period last year.

Growth in the volume of merchandise exports fell by 6.2 percent and imports recorded a sharp decline of 7.2 percent in the first half of 2020, down from tepid growth in the first half of 2019. Trade performance in the APEC region was adversely affected by the combined impact of the temporary closure of borders, disruptions in global supply chains, and persistent trade and technology tensions, "Dr Hew added.

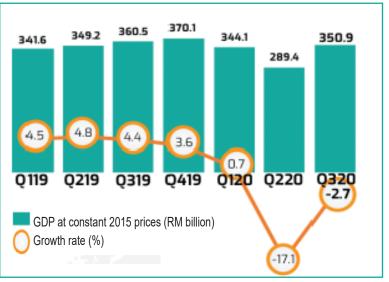
Positive contribution to growth comes from government spending with an increase of 2.8 percent in the first half of 2020, reflecting fiscal measures implemented by economies to provide support to various sectors, in particular to bolster the health system, and to provide targeted liquidity support to households and businesses, including small businesses. Dr Hew highlighted that there are already signs of recovery around the APEC region, especially coming from economies that were able to curb the spread of the virus early on and have reopened their economies, as well as improved manufacturing activities. These green shoots bring growth projections of 5.2 percent in 2021, reflecting an economic rebound for the region.

The recent APEC Regional Trends Analysis emphasized the need for APEC economies to continue deploying fiscal and monetary support measures so that health systems remain able to cope with continued, and for some economies, resurging or rising cases of infection. The report also recommends member economies to introduce, implement and enforce structural reforms to support recovery in the medium to long term. "Regional cooperation should take a central role in economic recovery," said Dr Rebecca Sta Maria, APEC Secretariat's Executive Director. "APEC's new post-2020 vision could serve as a guide for member economies to build a more resilient and inclusive region."

Leaders and ministers from APEC's 21 member economies will convene virtually this week, led by Malaysia as the host of APEC 2020, to address the challenges of the pandemic in the region and to pave the road to recovery and build back better.

Source:https://www.apec.org/Press/News-Releases/2020/1116_ARTA1 MITI Tower, No.7, Jalan Sultan Haji Ahmad Shah . 50480 Kuala Lumpur Tel:+603-8000 8000 Fax: +603-6202 9446

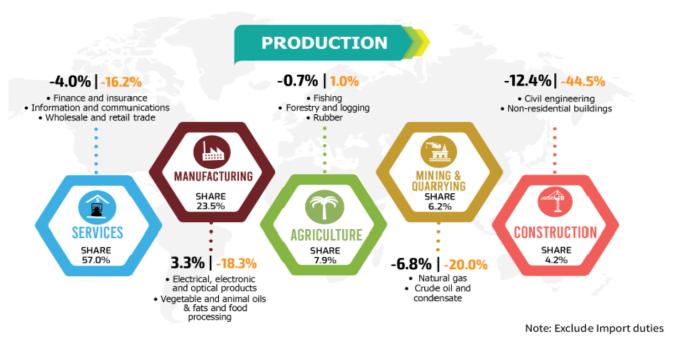
MALAYSIA ECONOMIC PERFORMANCE THIRD QUARTER 2020

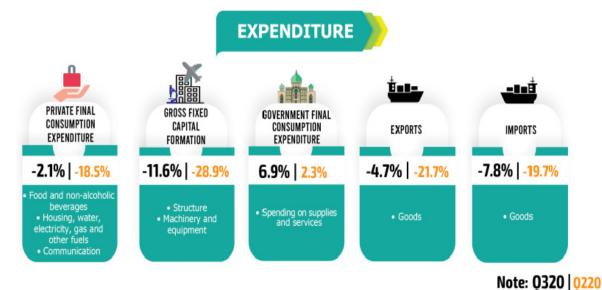


Malaysia's economy posted a smaller decline of 2.7 per cent from a negative 17.1 per cent in the second quarter of 2020.

On the production side, the growth was uplifted by rebounded performance of Manufacturing sector while other sectors showed an improved negative growth compared to the previous quarter.

On the expenditure side, Private final consumption expenditure and Gross fixed capital formation recorded a smaller contraction.





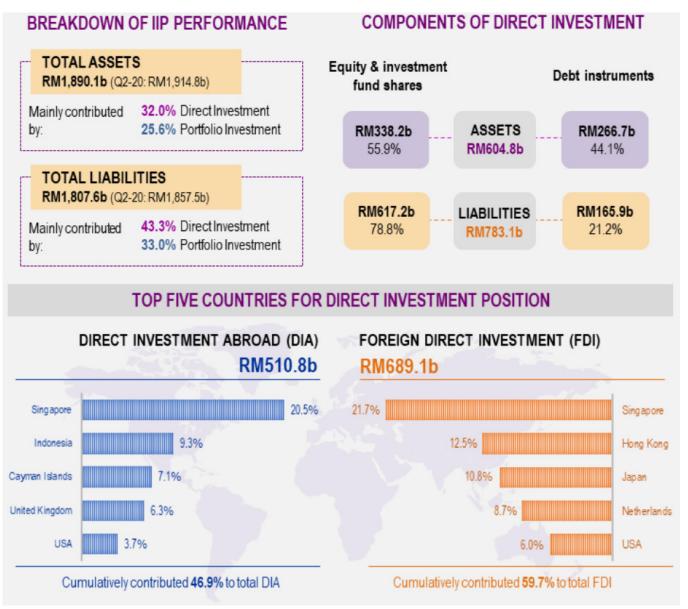
Source: Department of Statistics, Malaysia

INTERNATIONAL INVESTMENT POSITION, THIRD QUARTER 2020

Malaysia's International Investment Position (IIP) recorded a higher net assets position of RM82.5 billion as against RM57.3 billion last quarter, of which total financial assets registered a value of RM1,890.1 billion while total liabilities was RM1,807.6 billion.

NET INTERNATIONAL INVESTMENT POSITION, Q3 2017 – Q3 2020 (RM BILLION)





Source: Department of Statistics, Malaysia

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BALANCE OF PAYMENTS, THIRD QUARTER 2020

In the third quarter of 2020, Malaysia's Current Account Balance (CAB) recorded a higher surplus of RM26.1 billion driven by noteworthy performance in exports of goods and the surplus in secondary income. The larger surplus in CAB was mainly contributed by the higher net exports of goods at RM41.5 billion and also steered by the secondary income which recorded the first surplus at RM7.1 billion after continuous deficit since 1994.



"Malaysia's current account balance jumps to

> RM26.1 billion in Q3 2020"

Current Account "Current account balance recorded an exceptional surplus of RM26.1 billion due to higher exports of Goods and surplus in Secondary Income"

Financial Account

"Financial account registered a higher net outflow of RM35.2 billion due to Portfolio Investment"

GOODS Surplus RM41.5b

(Q2-20: Surplus RM25.9b)

DIRECT INVESTMENT Net outflow RM3.1b (Q2-20: Net outflow RM1.2b)

SERVICES Deficit RM13.3b

(Q2-20: Deficit RM12.5b)



PORTFOLIO INVESTMENT Net outflow RM23.1b (Q2-20: Net inflow RM22.2b)

PRIMARY INCOME Deficit RM9.2b

(Q2-20: Deficit RM4.0b)



FINANCIAL DERIVATIVES Net outflow RM0.5b (Q2-20: Net inflow RM0.6b)

SECONDARY INCOME Surplus RM7.1b (Q2-20: Deficit RM1.9b)

OTHER INVESTMENT Net outflow RM8.5b (Q2-20: Net outflow RM41.3b)

FDI AND DIA PERFORMANCE

Foreign Direct Investment (FDI)

Net outflow RM0.8b

(Q2-20: Net inflow RM2.2b)



Direct Investment Abroad

(DIA)

Net outflow RM2.2b

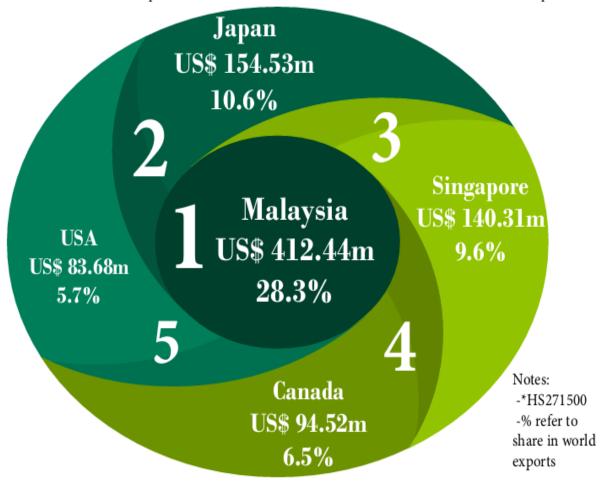
(Q2-20: Net outflow RM3.5b)

Note: b refers to billion

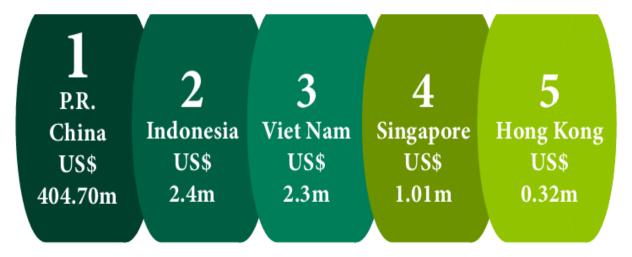
Source: Department of Statistics, Malaysia MITI Tower, No.7, Jalan Sultan Haji Ahmad Shah . 50480 Kuala Lumpur Tel:+603-8000 8000 Fax: +603-6202 9446

WORLD LARGEST EXPORTER OF BITUMINOUS MASTICS, CUT-BACKS AND OTHER BITUMINOUS MIXTURES BASED ON NATURAL ASPHALT, ON NATURAL BITUMEN, ON PETROLEUM BITUMEN, ON MINERAL TAR OR ON MINERAL TAR PITCH

In 2019, Malaysia's export of Bituminous mastics, cut-backs and other bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch recorded US\$412.44 Million which was 28.3% share of the world exports.



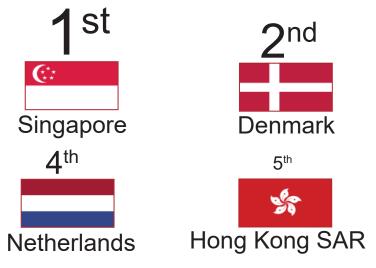
TOP FIVE MALAYSIA EXPORT DESTINATIONS



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

The IMD World Ranking 2020

Competitiveness Ranking

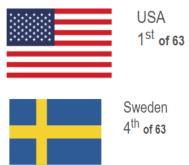


3rd
Switzerland



Source: https://worldcompetitiveness.imd.org/countryprofile/MY/wcy

Digital Ranking









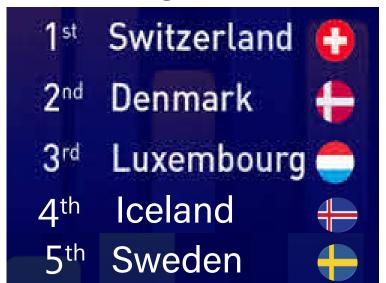
Hong Kong SAR 5th of 63





Source: https://worldcompetitiveness.imd.org/rankings/digital

Talent Ranking





Source: https://worldcompetitiveness.imd.org/countryprofile/MY/talent



COVID-19 CUTS GLOBAL MARITIME TRADE, TRANSFORMS INDUSTRY

The pandemic has sent shockwaves through global maritime transport and laid the foundations for a transformed industry and associated supply chains. UNCTAD expects a return to growth in 2021.

Global maritime trade will plunge by 4.1% in 2020 due to the unprecedented disruption caused by COVID-19, UNCTAD estimates in its Review of Maritime Transport 2020, released on 12 November.

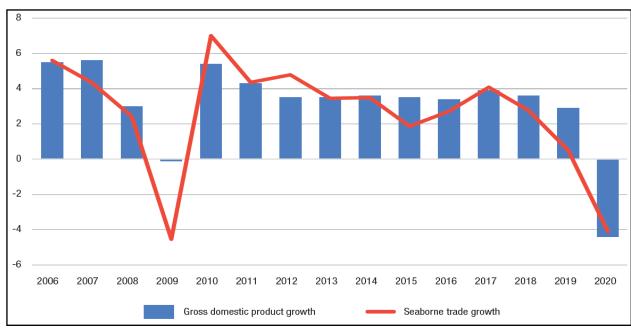
The report warns that new waves of the pandemic that further disrupt supply chains and economies might cause a steeper decline. The pandemic has sent shockwaves through supply chains, shipping networks and ports, leading to plummeting cargo volumes and foiling growth prospects, it says.

According to the report, the short-term outlook for maritime trade is grim. Predicting the pandemic's longer-term impact as well as the timing and scale of the industry's recovery is fraught with uncertainty.

"The global shipping industry will be at the forefront of efforts towards a sustainable recovery, as a vital enabler of the smooth functioning of international supply chains," UNCTAD Secretary-General Mukhisa Kituyi said. "The industry must be a key stakeholder helping adapt 'just-in-time efficiency' logistics to 'just-in-case' preparedness," he added.

UNCTAD expects maritime trade growth to return to a positive territory and expand by 4.8% in 2021, assuming world economic output recovers. But it highlights the need for the maritime transport industry to brace for change and be well prepared for a transformed post-COVID-19 world.

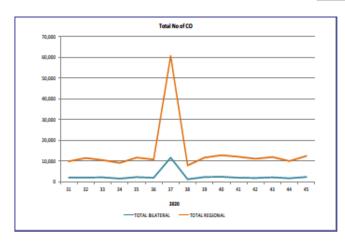
Development of International Maritime Trade And Global Output, 2006–2020

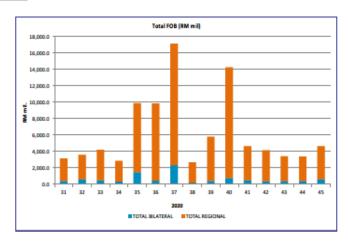


Source: UNCTAD calculations based on data from UNCTADstat.

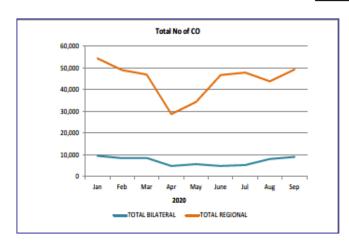
Number and FOB Value of PCO as at 08 November 2020 Weekly / Monthly/ Annually

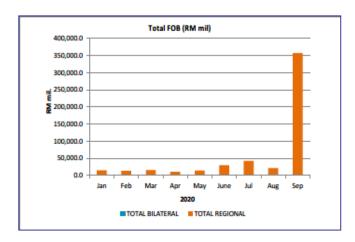
Weekly 1



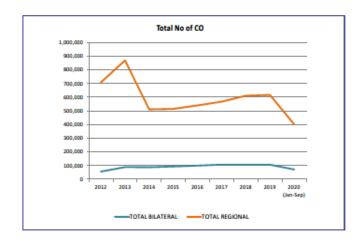


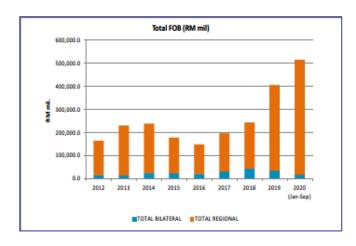
Monthly





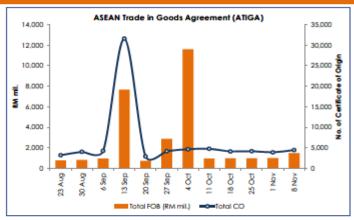
Annually





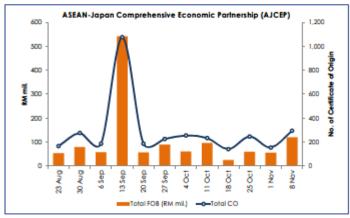
Note: *Provisional Data Source: Ministry of International Trade and Industry, Malaysia

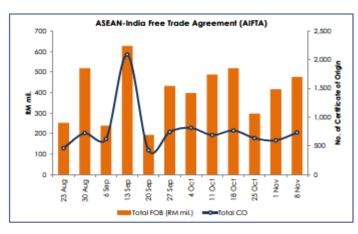
Regional FTA Number and Value of Preferential Certificates of Origin (PCOs)

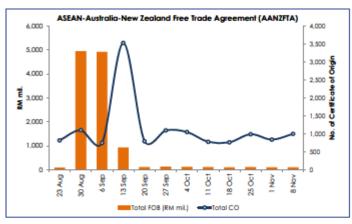




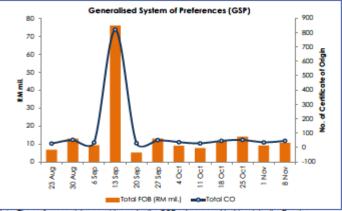










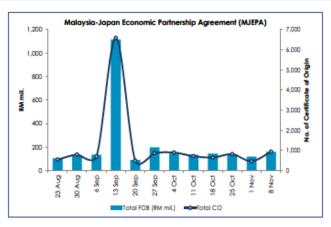


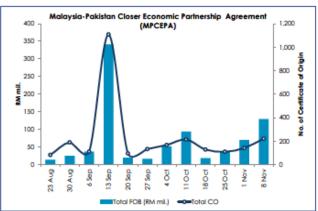
Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian

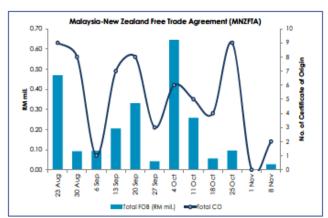
Note: *Provisional Data Source: Ministry of International Trade and Industry, Malaysia

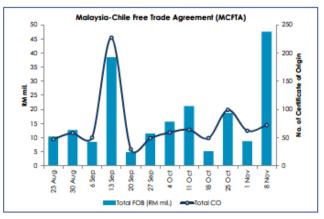


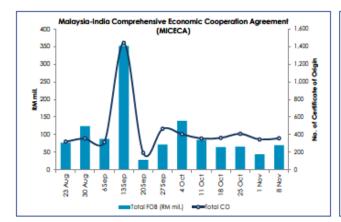
Bilateral FTA Number and Value of Preferential Certificates of Origin (PCOs)

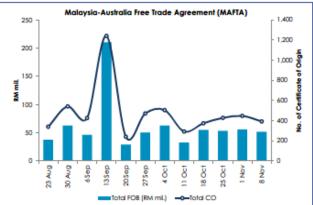


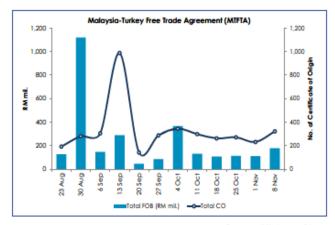












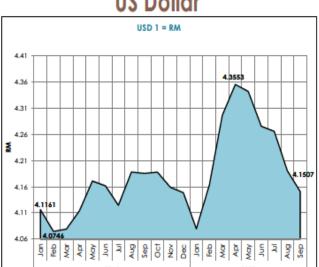
Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

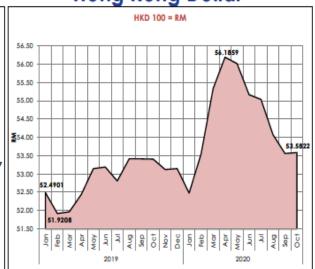


Malaysian Ringgit Exchange Rate with Selected Countries, January 2019 - October 2020

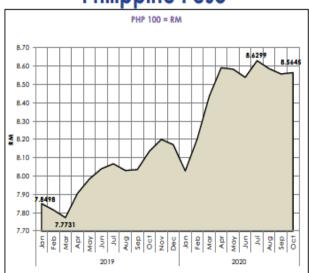




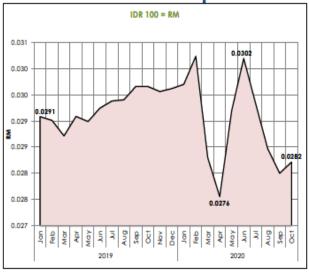
Hong Kong Dollar



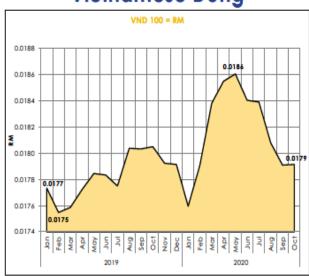
Philippine Peso



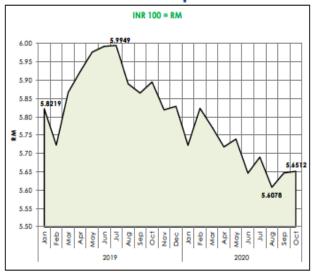
Indonesian Rupiah



Vietnamese Dong



Indian Rupee



Source : Bank Negara Malaysia

Commodity Prices





8.4%* US\$42.8 13 Nov 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

2019/2020

Average Price 2019 : US\$64.2

CRUDE PALM OIL



2.5%* US\$847.1 13 Nov 2020 Highest 2019/2020 13 Nov 2020 : US\$847.1

27 Dec 2019 : US\$794.5

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

Lowest 2019/2020

Average Price 2019 : US\$557.1

RUBBER SMR 20 -per MT-



1.3%* US\$1,572.0 13 Nov 2020

Average Price 2019 1: US\$1,414.6

COCOA SMC 2 -per MT-



0.3%* US\$1,428.1 13 Nov 2020

Average Price 2019 : US\$ 1,592.4

SUGAR -per lbs-

▲0.3%* US\$15.0

13 Nov 2020



Average Price 2019: US¢12.4

COAL -per MT-



▲ 0.5%* US\$51.1

9 Nov 2020

Average Price 2019 : US\$56.5

SCRAP IRON HMS -per MT-



9.4%* US\$350.0 (high)

8.3%* US\$325.0 (low)

13 Nov 2020

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

Domestic Prices 13 Nov 2020



Steel Bars (per MT) RM2,080 - RM2,180



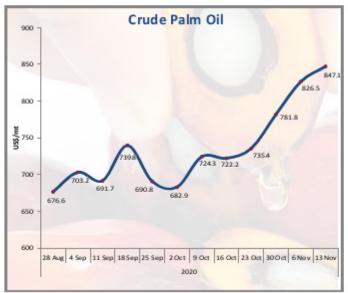
Notes: All figures have been rounded to the nearest decimal point

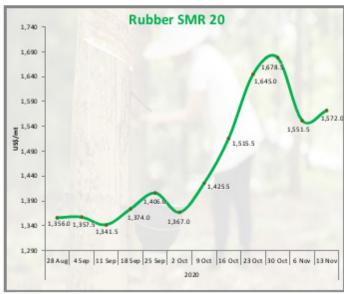
- * Refer to % change from the previous week's price
- i Average price in the year except otherwise indicated

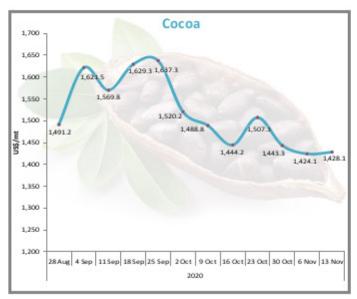
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

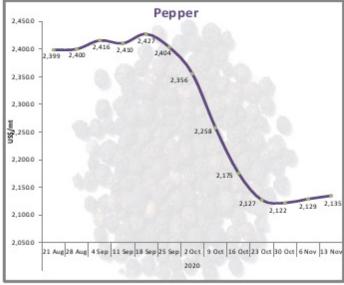


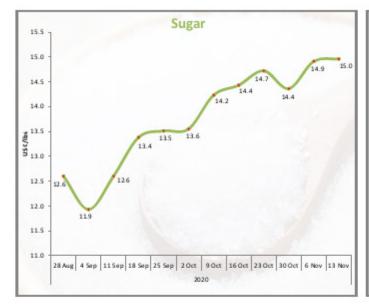
Commodity Price Trends

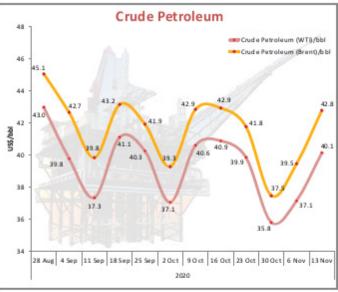






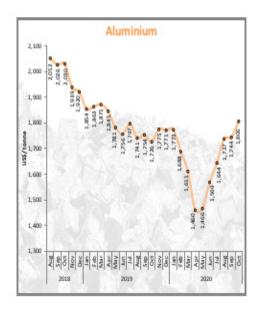


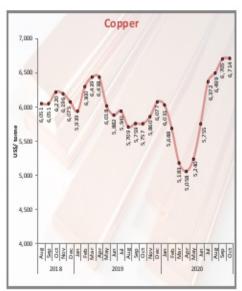


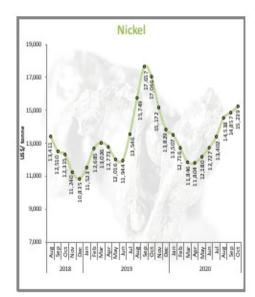


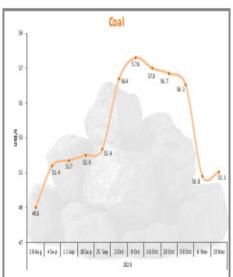
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czamikow Group, World Bank, World Gold Council, The Wall Street Journal.

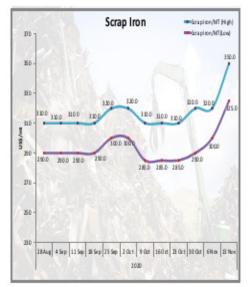
Commodity Price Trends

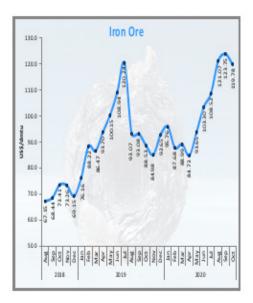


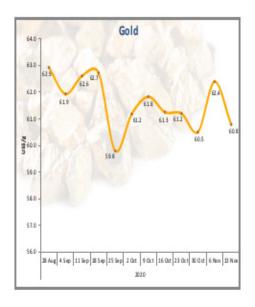


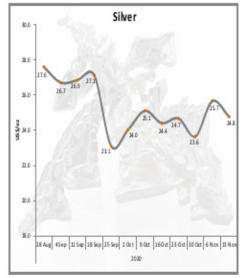


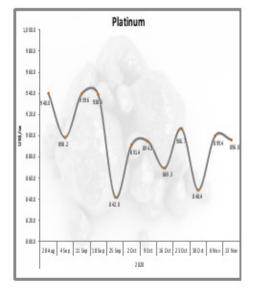












Sources: Ministry of International Trade and Industry Malaysia, , Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY



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: Al, 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

2 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



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?

Get your firm assessed. Be ready for Industry 4.0.



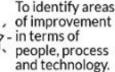


- Incorporated under the Companies Act (1965/2016)/ Registration of Business Act (1956)
- Hold a valid license
- In operation for more than 3 years

What are the benefits?









Receive comprehensive readiness report.



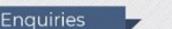
Be entitled to apply for financial incentives.

Incentives for RA

- 500 SMEs will be selected for free assessment.
- Others will get tax exemption on RA fees up to RM27k.



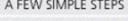




- General: i4.0@miti.gov.my
- industry4wrd@m pc.gov.my













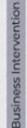
Evaluation by Committees



Onsite Assessment



Receive RA Report





Develop Intervention Proposal



Apply for Financial Incentives



Implement the Intervention Plan

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





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.





























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



For more information, please contact:





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

TMPLEMENTATION 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/2RUyG81

HOW COMPANY CAN CHECK

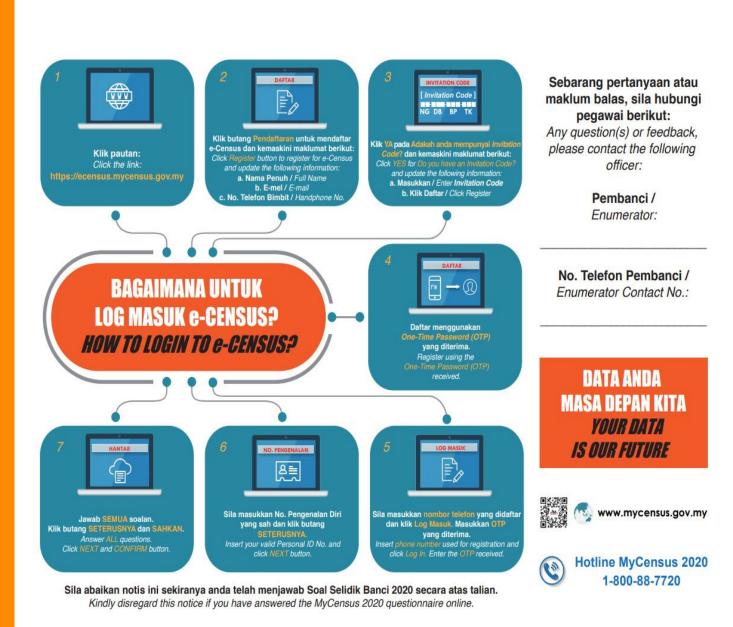


THE STATUS OF ATIGA E-FORM D TRANSACTIONS
IN THE ELECTRONIC PREFERENTIAL CERTIFICATE OF ORIGIN (EPCO) SYSTEM

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







MITI Weekly Bulletin (MWB) Mobile Apps



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

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



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