

# Weekly BULLETIN

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## MALAYSIA SET TO IMPLEMENT THE WORLD'S LARGEST FREE TRADE AGREEMENT (FTA)

REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP) AGREEMENT ENTERS INTO FORCE FOR MALAYSIA TODAY



Today, 18 March 2022, the Regional Comprehensive Economic Partnership (RCEP) Agreement enters into force for Malaysia paving the way for our economy to integrate into the world's largest free trade agreement (FTA) with a market covering 15 countries comprising more than 2.2 billion or nearly a third of the global population and world GDP.

Representing a significant milestone in the vibrant growth and revitalisation of economies, anchored on the rules-based multilateral trading system, RCEP enables Malaysia to enjoy the global trade and investment ecosystem, benefiting from the eventual elimination of around 90 per cent of tariff among members.

Other advantages to be gained include further liberalisation of trade encompassing removal of non-tariff barriers, increased trade facilitation,

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removal of barriers to the services sector as well as enhancement of business environment through regulations relating to intellectual property protection, government procurement practises and e-commerce.

The establishment of RCEP positions the Asia-Pacific region as the new centre of gravity for global commerce, with total trade expected to increase nearly US\$42 billion. Within ASEAN, Malaysia is expected to be the largest beneficiary of the Agreement in terms of gains in exports, with a projected US\$200 million increase.

Complementing the development agenda of the World Trade Organisation (WTO), RCEP would enhance recognition of the role of SMEs, including micro enterprises in contributing to economic growth, employment, and innovation. Noteworthy too is the provision of the special and differential treatment accorded to least-developed members, which would be instrumental in advancing equitable economic development.

As the world gradually recovers from the economic repercussions of the pandemic, RCEP presents a vital tool to re-invigorate businesses and economic activities through a marked reduction in barriers to trade across the region. Beyond improving the ways of doing business, RCEP would spark the creation of new regional supply chains apart from strengthening existing networks, thereby boosting the growth of domestic businesses as they immerse into the global trading ecosystem.

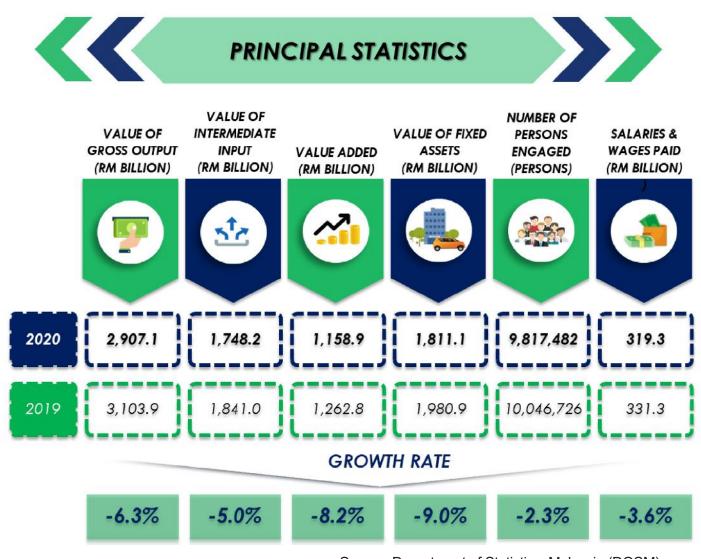
Business communities, from large to small scale entrepreneurs, are encouraged to take advantage of the vast investment opportunities and greater participation in regional and global value chains presented by this mega-trade agreement.

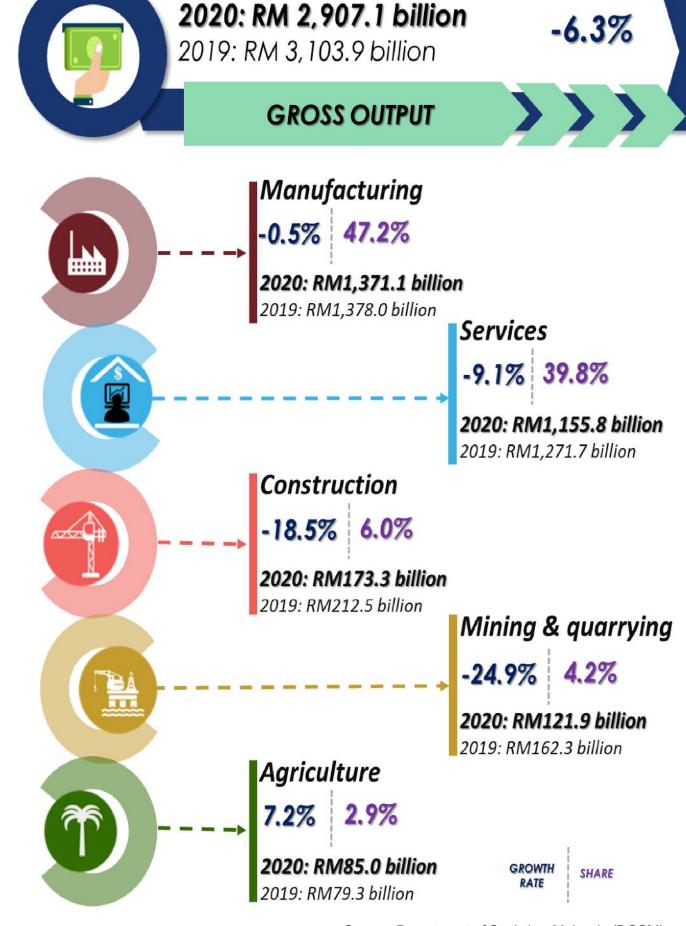
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY 18 MARCH 2022

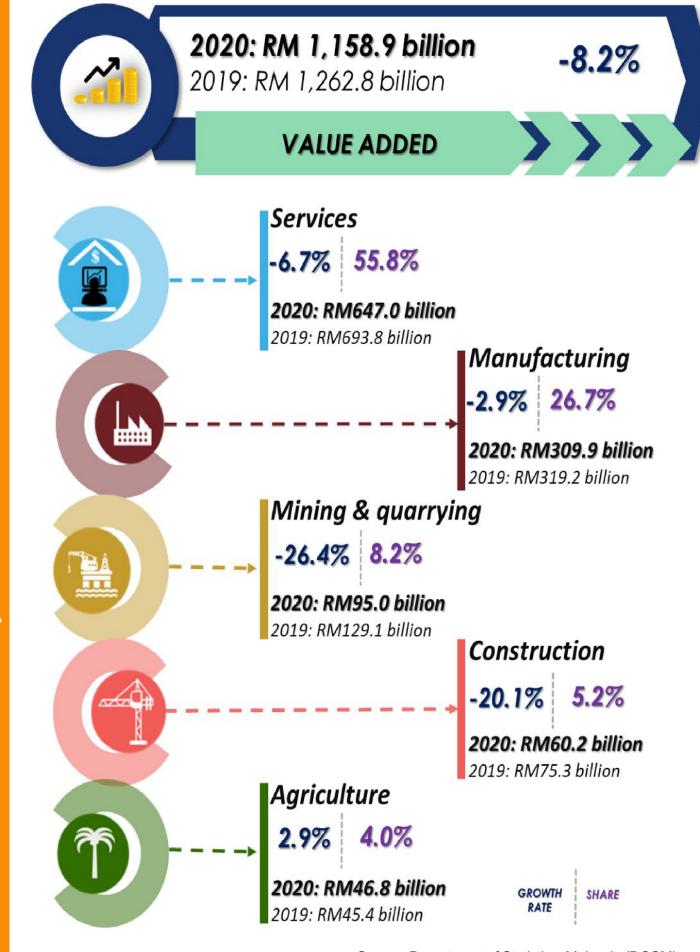
In 2020, the value of gross output for the economic sector was RM2,907.1 billion compared to RM3,103.9 billion in 2019, contracted 6.3 per cent.

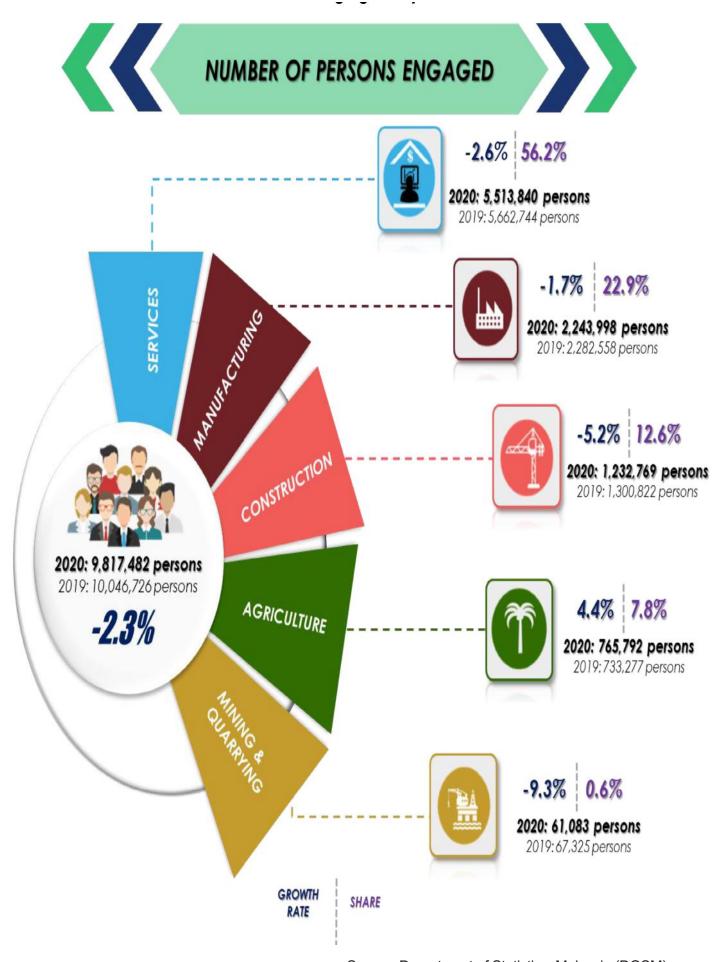
The value of intermediate inputs also decreased 5.0 per cent to RM1,748.2 billionand resulted in value added of RM1,158.9 billion. The number of persons engaged also decreased by 229,244 persons from 10,046,726 persons to 9,817,482 persons in 2020.

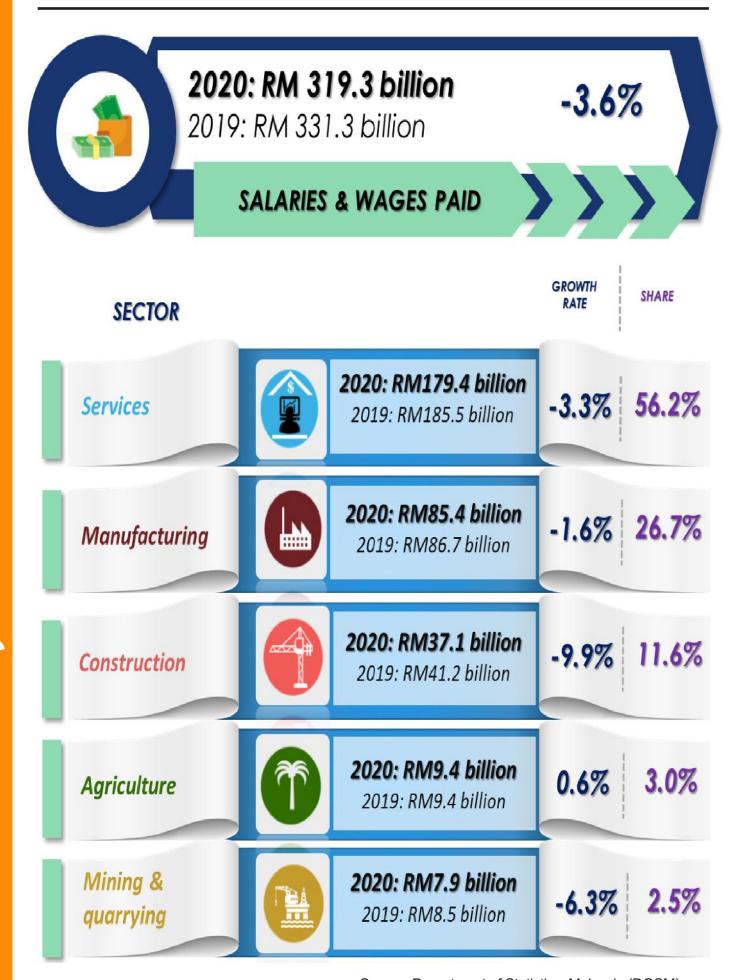
Meanwhile, the value of salaries and wages paid was RM319.3 billioncompared to RM331.3 billion in 2019, with a decline of 3.6 per cent.





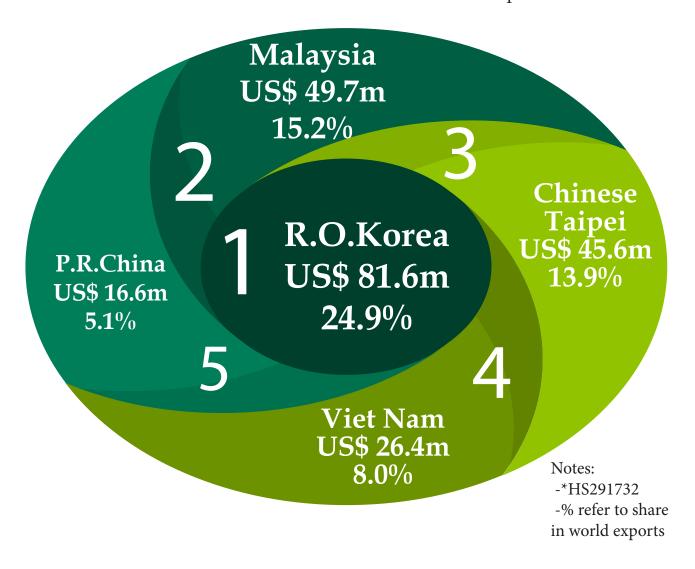




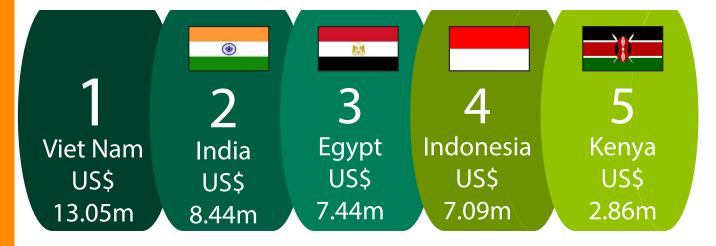


## MALAYSIA'S AS SECOND LARGEST EXPORTERS IN THE WORLD OF DIOCTYL ORTHOPHTHALATES

In 2020, Malaysia's export of Dioctyl orthophthalates recorded US\$ 49.7 million which was 15.2% share of the world exports.

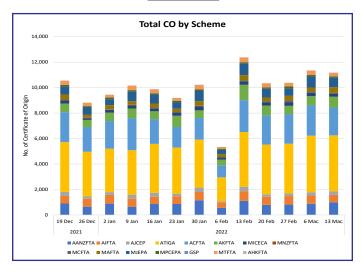


## MALAYSIA'S TOP EXPORT DESTINATIONS

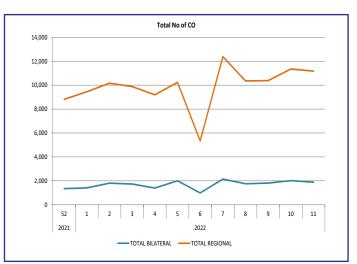


#### Number and FOB Value of PCO as at 13 Mac 2022 Weekly / Monthly/ Annually

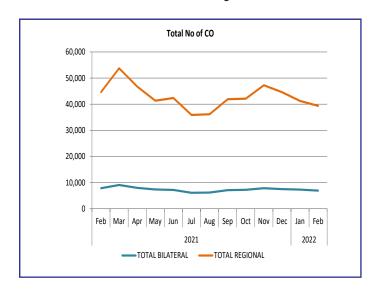
## Weekly Total Scheme



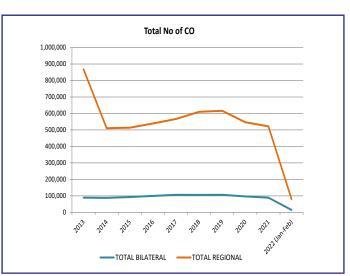
#### Weekly



#### **Monthly**



#### **Annually**



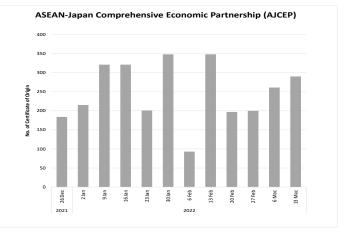
Note: \*Provisional Data Source: Ministry of International Trade and Industry, Malaysia

# Regional FTA Number of Preferential Certificates of Origin (PCOs) as at 13 Mac 2022

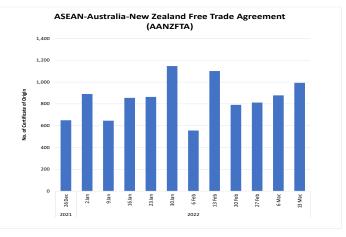


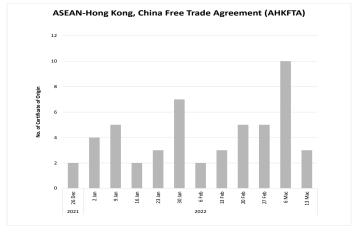








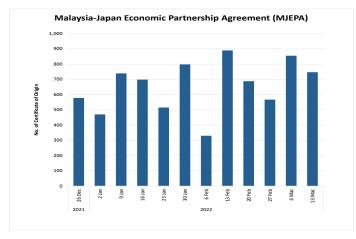


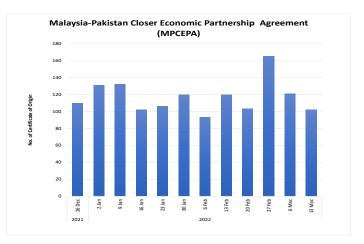


Note: \*Provisional Data

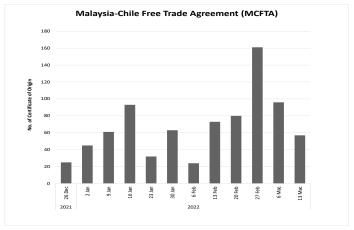
Source: Ministry of International Trade and Industry, Malaysia

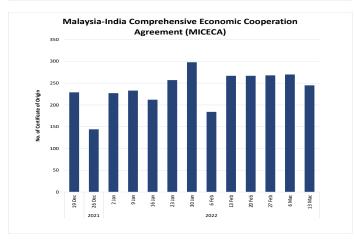
# Bilateral FTA Number of Preferential Certificates of Origin (PCOs) as at 6 Mac 2022



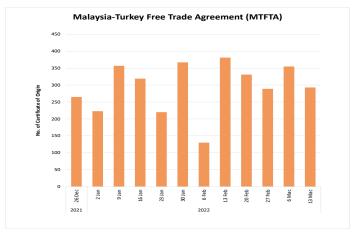










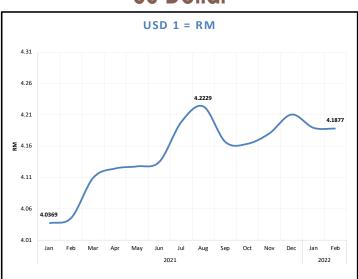


Note: \*Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

# Malaysian Ringgit Exchange Rate with Selected Countries, January 2021 - February 2022

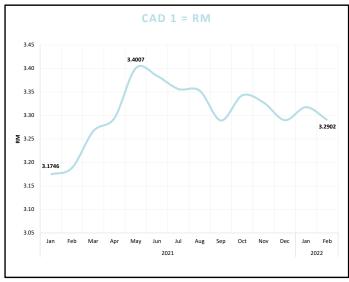
## **US Dollar**



## **Swiss Franc**



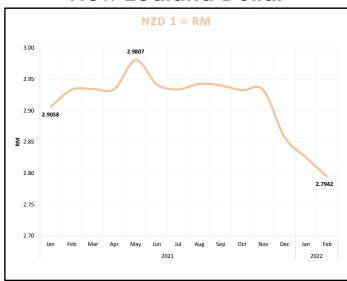
## **Canadian Dollar**



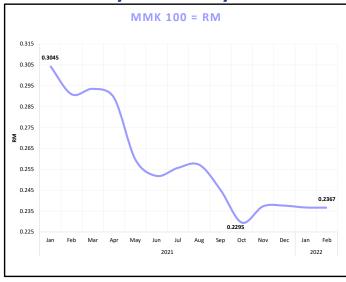
## Saudi Riyal



## **New Zealand Dollar**



## **Myanmar Kyat**



Source : Bank Negara Malaysia

## **Commodity Prices**





US\$107.9 18 Mac 2022 Highest

4 Mac 2022 : US\$118.1 22 Oct 2021: US\$85.5

7 Jan 2022: US\$81.8 15 Jan 2021: US\$55.1

> Lowest 2021/2022

Average Price 2021 1: US\$71.1

#### **CRUDE PALM OIL** -per MT-



14.3%\* US\$1,520.8

18 Mac 2022

2021/2022

11 Mac 2022: US\$1,774.7 29 Oct 2021: US\$1,302.0

14 Jan 2022 : US\$1,267.7 18 Jun 2021: US\$844.6

2021/2022

Average Price 2021 i: US\$1,075.3

#### RUBBER SMR 20 -per MT-



US\$1,723.5 18 Mac 2022

Average Price 2021 : US\$1,689.1

#### COCOA SMC 2 -per MT-



US\$1,528.7 18 Mac 2022

Average Price 2021 : US\$1,505.9

#### SUGAR -per lbs-



18 Mac 2022



Average Price 2021 : US\$17.9

#### COAL -per MT-



11.0%\* US\$324.0

18 Mac 2022

Average Price 2021 : US\$120.5

#### SCRAP IRON HMS -per MT-



US\$623.0 (high)

(low)

18 Mac 2022

Average Price 2021 : US\$486.4 (high) Average Price 2021 : US\$468.1 (low)

## **Domestic Prices** 18 Mac 2022



**Billets** (per MT) RM3,000- RM3,100

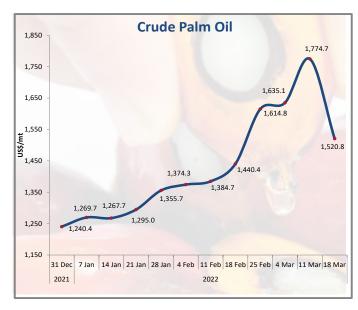
**Steel Bars** (per MT) RM3,200 - RM3,350

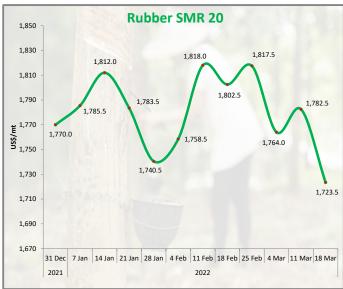
Notes: All figures have been rounded to the nearest decimal point

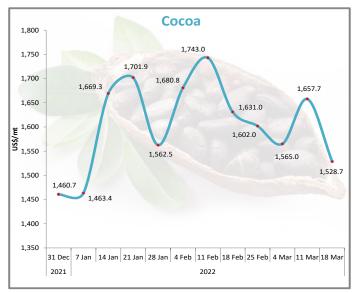
- Refer to % change from the previous week's price
- i Average price in the year except otherwise indicated

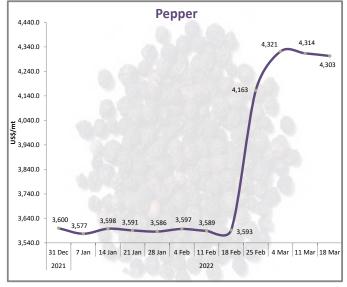
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

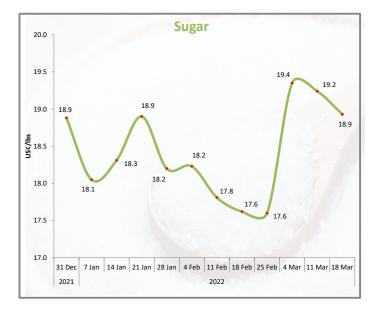
## **Commodity Price Trends**

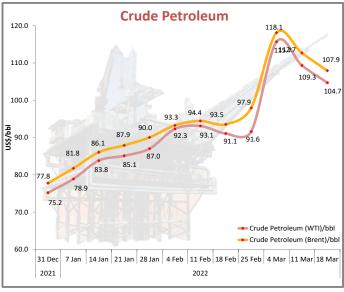






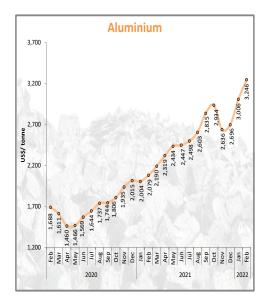


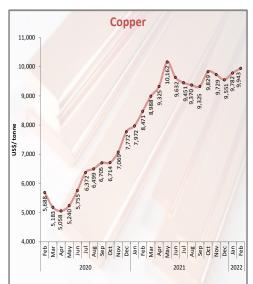


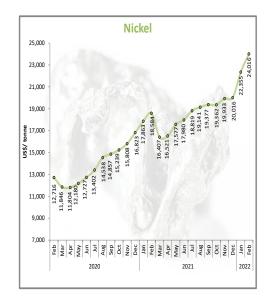


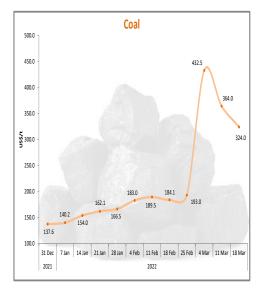
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

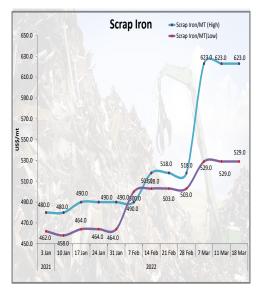
## **Commodity Price Trends**

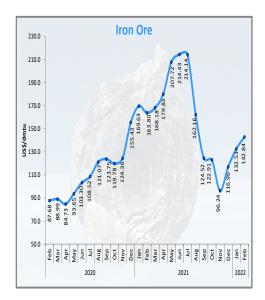


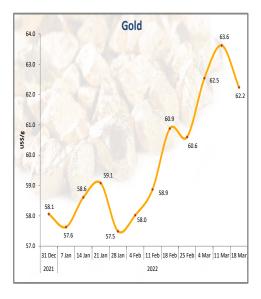


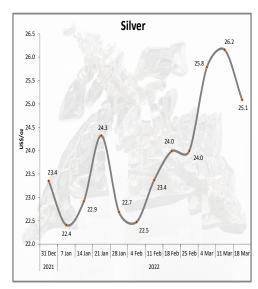


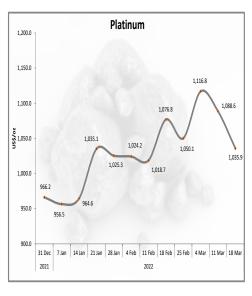












Sources: Ministry of International Trade and Industry Malaysia, , Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

## **RCEP**



## **RCEP**

## Regional Comprehensive Economic Partnership (RCEP)

The Regional Comprehensive Economic Partnership (RCEP) Agreement is designed to broaden and deepen ASEAN's engagement with Australia, China, Japan, Korea and New Zealand. The objective of the trade agreement is to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership that will facilitate the expansion of regional trade and investment and contribute to global economic growth and development in the region.



#### **PRIMARY OBJECTIVES**

The RCEP Agreement is created to establish a modern, comprehensive, high-quality, and mutually coneficial economic partnership that will facilitate the expansion of regional trade and investment and contribute to global economic growth and development amongst RCEP member countries.

The single regional free trade agreement (FTA) is also intended to strengthen regional value chain for businesses in the region, particularly the Small and Medium Enterprises (SMEs).

It is designed to create and support an open, inclusive, and rules-based multilateral trading system, which will in turn create evenues for market and employment opportunities for businesses and people within the region.

The trade agreement will allow businesses in RCEP member countries to gain access to a much wider regional market. Progressive climination and reduction of customs duties for trade in goods as well as facilitation of export and import of goods among the RCEP countries will serve to enhance inter and intra regional trade and investment whilst strengthening regional value that its

To serve as a vital economic tool to spur economic growth in the region. It will also allow more seamless opening of markets whilst creating uninterrupted supply chains within the region. The trade agreement is also intended to help facilitate transparency, information exchange and better compliance for technical regulations and standards amongst RCEP member countries.



#### Trade In Goods

Progressive elimination of tariff and non-tariff barriers on substantially all trade in goods including the related chapters of rules of origin, customs procedures, sanitary and phytosanitary measures, standards, technical regulations and conformity assessment procedures and trade remedies in order to establish a free trade area among the parties.



#### Trade In Services

Liberalisation of services sectors, including financial services, telecommunications services and movement of natural persons. The RCEP will be comprehensive, of high quality and substantially eliminate restrictions and/or discriminatory measures with respect to trade in services between the RCEP participating countries. Rules and obligations on trade in services under the RCEP will be consistent with the General Agreement on Trade in Services (GAIS).



#### Investment

Promotion, facilitation, protection and liberalisation of investment. The RCEP will aim to create a liberal, facilitative, and competitive investment environment in the region based on these four pillars in order to create an enabling investment environment in the region along with improved investment facilitation provisions as well as investor aftercare.

#### **Economic & Technical Cooperation**

The economic and technical cooperation provisions in the RCFP will build upon existing economic cooperation arrangements between ASEAN and ASEAN'S FTA partners to narrow the development gaps amongst member countries. Under the RCEP agreement, cooperation activities will also intrude trade activities such as include e commerce and other areas that would be mutually agreed upon by the RCEP participating countries.



#### **Protection Of Intellectual Property Rights**

Aimed at reducing II<sup>3</sup> related barriers to trade and investment by promoting economic integration and cooperation in the utilization, protection and enforcement of intellectual property rights amongst RCEP member countries.

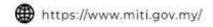




MINISTRY OF International trade and industry



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

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



#### 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?





- 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
- industry4wrd@m pc.gov.my









Process Flow

A FEW SIMPLE STEPS

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



# VTL-LAND (VACCINATED TRAVEL LANE)



### REQUIREMENTS FOR MALAYSIA-SINGAPORE VTL-LAND TRAVELLERS

		TO ENTER MALAYSIA	TO ENTER SINGAPORE
1	Digital Vaccination Certificate  Download MySejahtera app or singapore Trace Together app	0	0
17	Vaccinated Travel Pass (VTP) yie unlikther//go.gov.ag/vtl-portal (enly for long-term pass holder travelling from Malaysia to Singapere)	8	0
	Begister at www.mysaletravel.gov.my (Singapore to Malaysia)	0	8
ė	Print Vaccination Certificate with QR code	0	0
	Print Vaccinated Travel Pass (VTP) (only for long-term pass holder travelling from Malaysia to Singapore)	8	0
80\$ 4 P	Purchase bus ticket(s) on www.causewaylink.com.my www.banetar.travel	0	0
	Take professionally administered ART/PCR Test 2 days before departure	0	0
	On-arrival RTK Test at Larkin Sentral Bus Terminal	0	8
<u>_</u>	Submit 99 Anivel Cord (99AC) under Foreign Visitors	8	0/
	Electronic Health Declaration Card (eHDC) via MySejahtera	0	8
	ers are advised to have adequate travel / medical insurance or - 19 related medical treatment and hospitalization costs. If re-		147/

# VTL-LAND (VACCINATED TRAVEL LANE)







### VTL-LAND TRAVELLER'S JOURNEY





Prepare these softcopies:

- 1) Digital vaccination certificate
- (only for long-term pass holder travelling from Malaysia to Singapore)

Download MySejahtera app or Singapore Trace Together app





Register at www.mysafetravel.gov.my (Singapore to Malaysia) or https://go.gov.sg/vtl-portal (Malaysia to Singapore





Print Vaccination Certificate with QR code, Vaccinated Travel Pass (for long-term pass holder travelling from Malaysia to Singapore), Travel/Medical insurance is required too





4

Purchase bus ticket(s) via www.causewaylink.com.my or www.transtar.travel





Take RTK or ART / PCR Test 48 hours before departure

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

## 22 MITI WEEKLY BULLETTIN

# VTL-LAND (VACCINATED TRAVEL LANE)





## VTL-LAND TRAVELLER'S JOURNEY





On departure day arrive at least 1 hour earlier at boarding points





#### 7 At Departure Points

Ensure these documents are in-hand:

- Proof of VTL-Land Registration for travellers entering Malaysia
- Proof of Vaccinated Travel Pass (only for long-term pass holder travelling from Malaysia to Singapore)
- RTK or ART / PCR Test results
- Vaccination Certificate
- Passport
- Travel/Medical Insurance
- Bus Ticket





- 8
- For Malaysians, please submit the SG Arrival Card (SGAC) under Foreign Visitors
- For Singapore Citizens, please submit electronic Health Declaration Card (eHDC) under Singapore Citizens, Permanent Residents & Long-Term Pass Holders, and upload your vaccination certificate QR code during the submission if you were vaccinated overseas





- 9 Upon-Arrival
  - For travellers arriving at the Larkin Sentral Bus Terminal, proceed to do the On-Arrival Test
  - Present all documentations at the immigration for clearance



10 Post-Arrival

Check traveller's status on MySejahtera app or Singapore Trace Together app



Bagi sebarang pertanyaan/aduan berkaitan operasi sektor ekonomi, sila hubungi talian hotline MITI seperti



For more information, please contact:







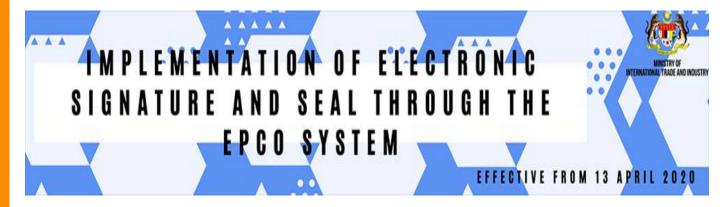




#MyAPEC2020



For more information, kindly click the following links: https://www.myapec2020.my/en/



For more information, kindly click the following links: <a href="https://bit.ly/2RUyG81">https://bit.ly/2RUyG81</a>



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



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



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