

LEADING INDEX, AUGUST 2022

MALAYSIA'S LEADING INDEX FOR AUGUST 2022 MOVED IN AN UPWARD TREND TO REACH 111.3 POINTS

Leading Composite Index (2015=100) and Annual Change (%)

April 2022
-0.5%
Apr. 2022: 110.8 points
Apr. 2021: 111.4 points

June 2022
5.3%
June 2022: 111.7 points
June 2021: 106.1 points

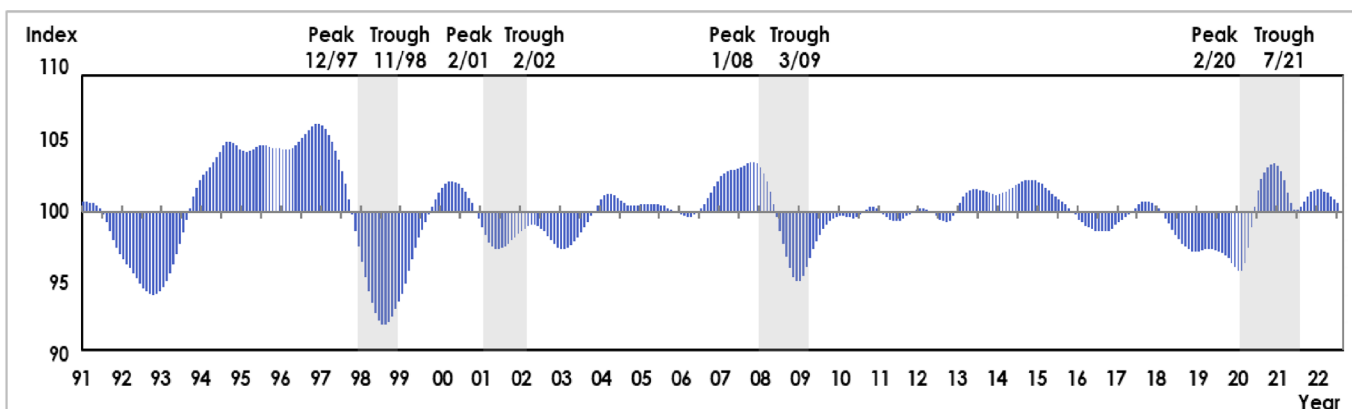
May 2022
2.3%
May 2022: 111.3 points
May 2021: 108.8 points

July 2022
4.1%
July 2022: 109.5 points
July 2021: 105.2 points

August 2022
4.0%
Aug. 2022: 111.3 points
Aug. 2021: 107.0 points

Note: Economic direction forecast by Leading Composite Index in average of 4 to 6 months ahead

Leading Composite Index (Long Term Trend = 100) and Business Cycle (Grey Shaded Areas), January 1991 to August 2022



1.6%

August 2022

-2.0%

July 2022

Leading Composite Index, Monthly Change (%)

Contribution of Each Component to the Percentage Change in the Leading Composite Index from the Previous Month

Real Money Supply, M1

0.1% | -0.2%

Bursa Malaysia Industrial Index

-0.4% | -0.1%

Real Imports of Semi Conductors

1.0% | -0.5%

Real Imports of Other Basic Precious & Other Non-ferrous Metals

-0.2% | -0.9%

Number of Housing Units Approved

1.1% | -0.1%

Expected Sales Value, Manufacturing

-0.1% | 0.1%

Number of New Companies Registered

0.1% | -0.3%

Note: August 2022 | July 2022

Source: Malaysian Economic Indicators- Leading, Coincident & Lagging Indexes, August 2022, Department of Statistics Malaysia (DOSM)

CONSUMER PRICE INDEX (CPI), SEPTEMBER 2022

Malaysia's inflation rate in **September 2022** recorded **4.5 per cent**, lower than **August 2022**

Inflation rate for period January – September 2022 **3.3%**

INFLATION BY MAIN GROUP

Food & Non-Alcoholic Beverages



5.3%
6.8%
7.2%

Alcoholic Beverages & Tobacco



0.5%
0.7%
0.7%

Clothing & Footwear



0.0%
0.4%
0.3%

Housing, Water, Electricity, Gas & Other Fuels



1.9%
4.0%
4.1%

Furnishings, Household Equipment & Routine Household Maintenance



3.4%
4.4%
4.3%

Health



0.6%
1.0%
0.9%

Transport



4.6%
5.3%
5.2%

Communication



0.0%
0.0%
0.0%

Recreation Services & Culture



1.9%
3.1%
2.7%

Education



1.1%
1.3%
1.2%

Restaurants & Hotels



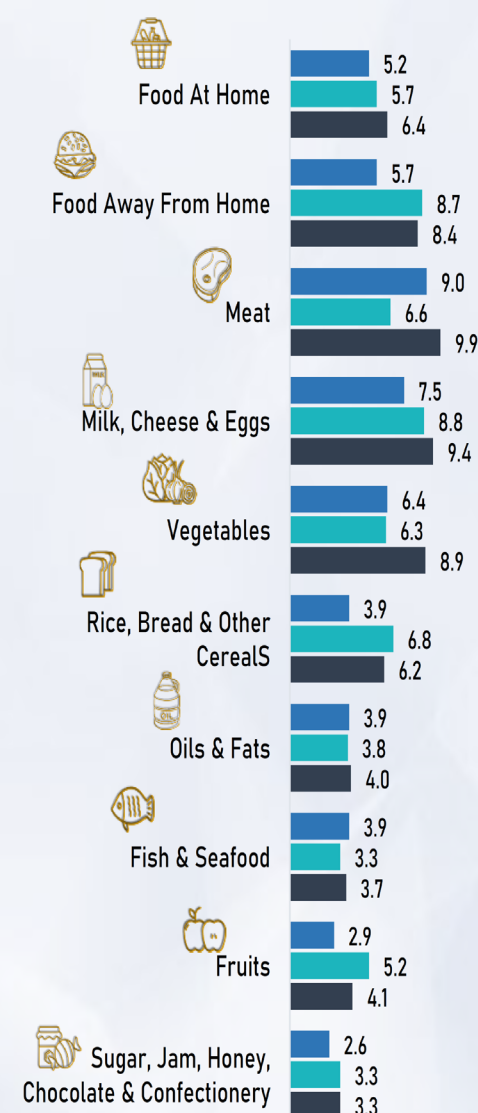
4.3%
6.9%
6.4%

Miscellaneous Goods & Services



1.8%
2.4%
2.4%

INFLATION FOR SUBGROUP FOOD & BEVERAGES



Note : JANUARY - SEPTEMBER 2022 SEPTEMBER 2022 AUGUST 2022

Source: Malaysia's Consumer Price Index (2010=100),
Department of Statistics Malaysia (DOSM)

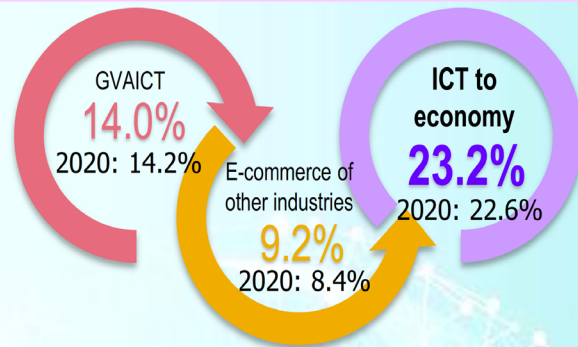
Percentage Change: Year-on-Year

ICT SATELLITE ACCOUNT, 2021

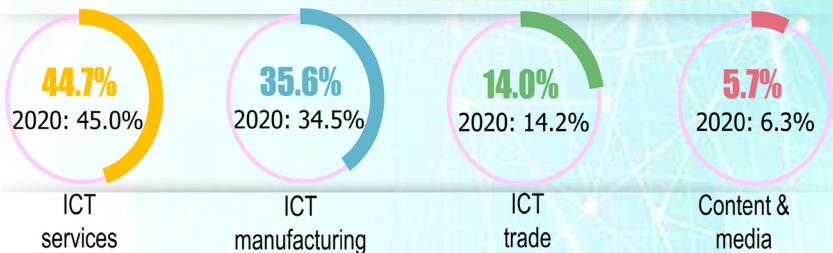
The Information and Communication Technology (ICT) contributed **23.2%** to the GDP with a growth of **12.1%**.

RM359.3b

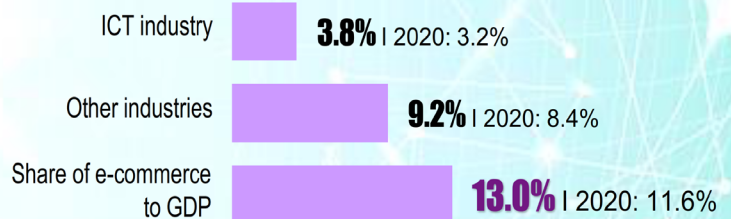
2020: RM320.4b



Gross Value Added ICT Industry (GVAICT)



Gross Value Added of E-commerce

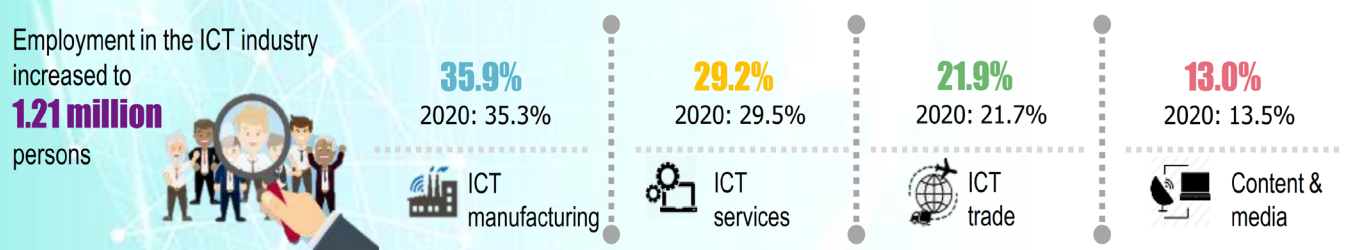


Exports & Imports of ICT Products



Employment of ICT Industry

Employment in the ICT industry increased to **1.21 million** persons

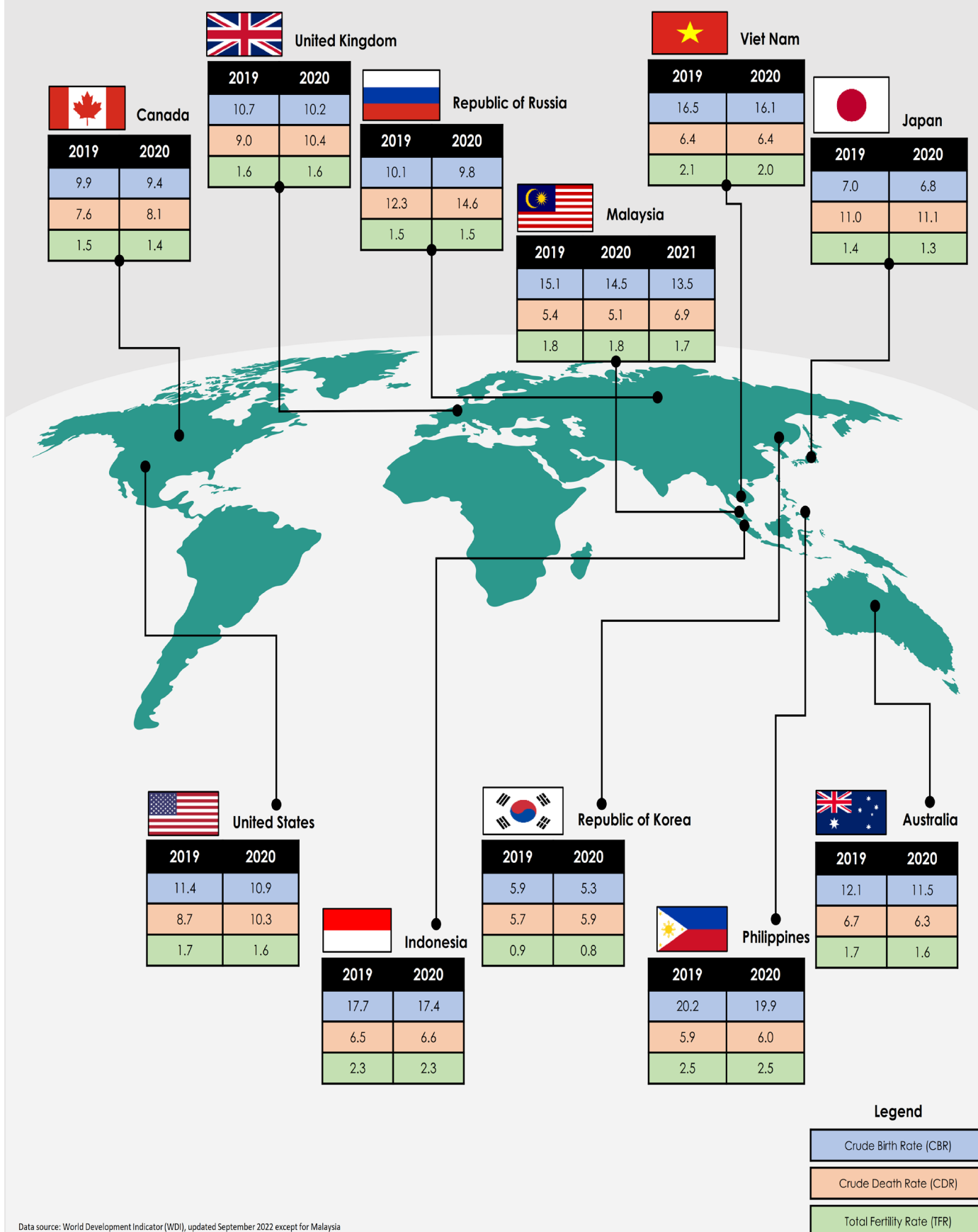


*Share (%)

Source: Information and Communication Technology Satellite Account, Department of Statistics Malaysia (DOSM)

VITAL STATISTICS, 2021

CRUDE BIRTH RATE, CRUDE DEATH RATE AND TOTAL FERTILITY RATE OF SELECTED COUNTRIES

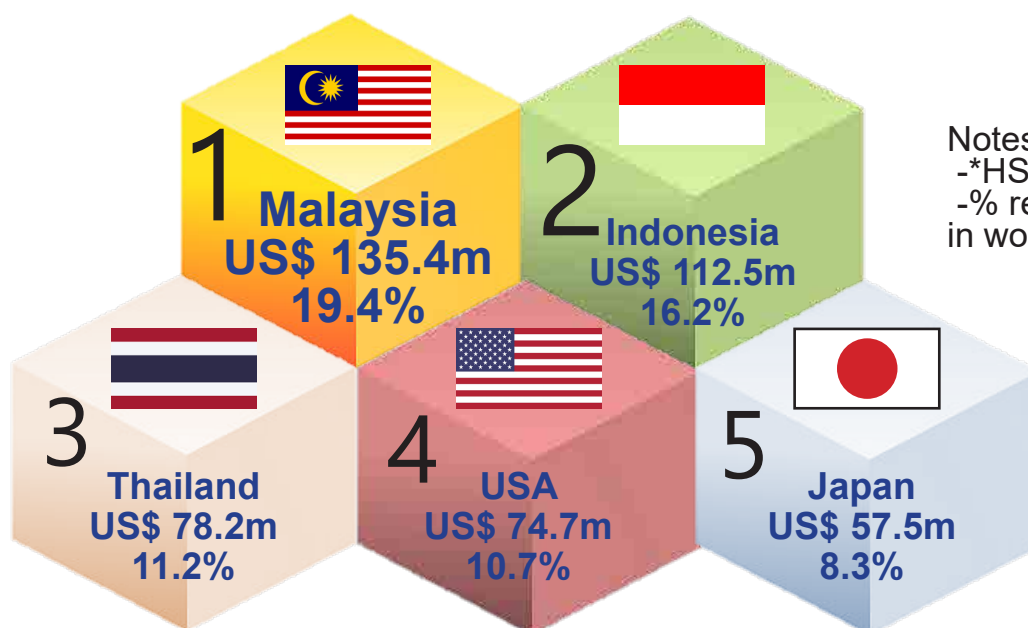


Data source: World Development Indicator (WDI), updated September 2022 except for Malaysia

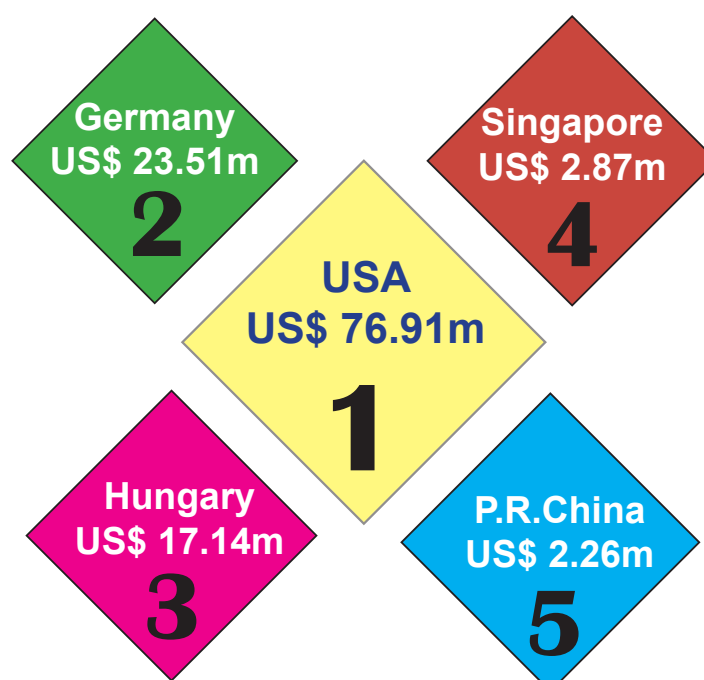
Source: Vital Statistics, Malaysia, 2022, Department of Statistics Malaysia

WORLD LARGEST EXPORTERS OF PRIMARY CELLS AND PRIMARY BATTERIES, ELECTRIC

In 2021, Malaysia's export of Primary cells and primary batteries, electric (excluding spent, and those of silver oxide, mercuric oxide, manganese dioxide, lithium and air-zinc) recorded US\$ 135.4 million which was 19.4% share of the world exports.



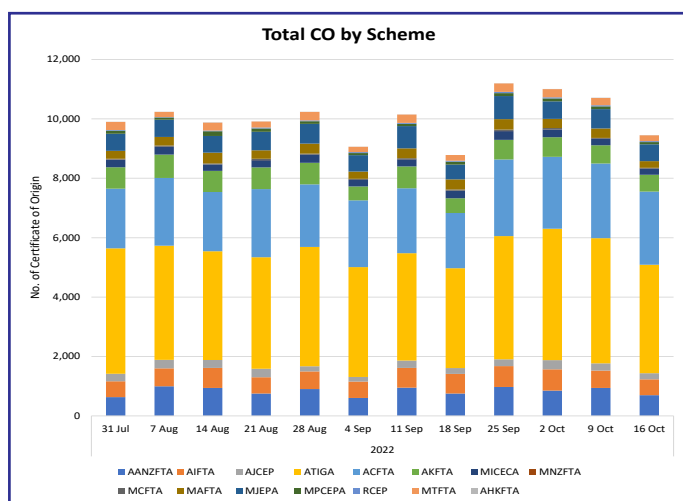
MALAYSIA'S TOP EXPORT DESTINATIONS



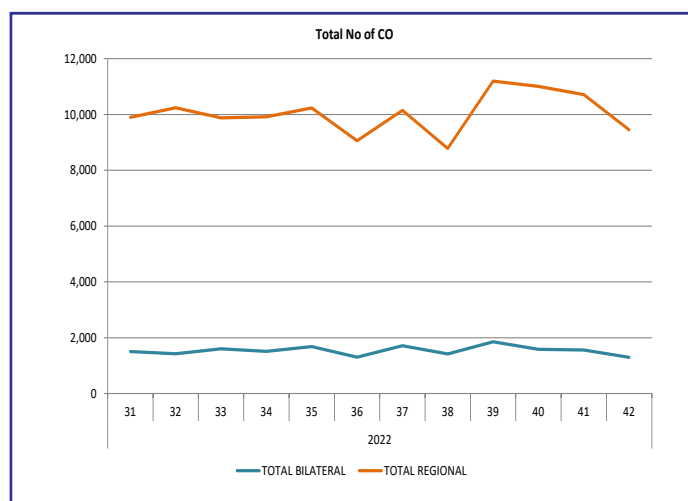
Source: <https://www.trademap.org/index.aspx>

Number and FOB Value of PCO as at 16 October 2022 Weekly / Monthly / Annually

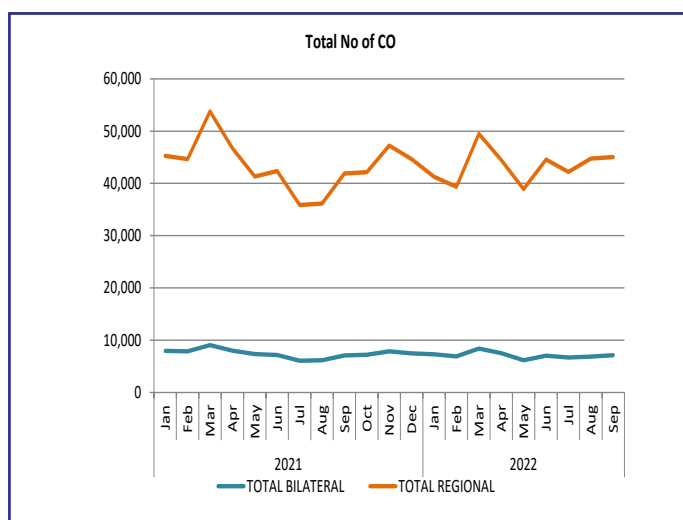
Weekly Total Scheme



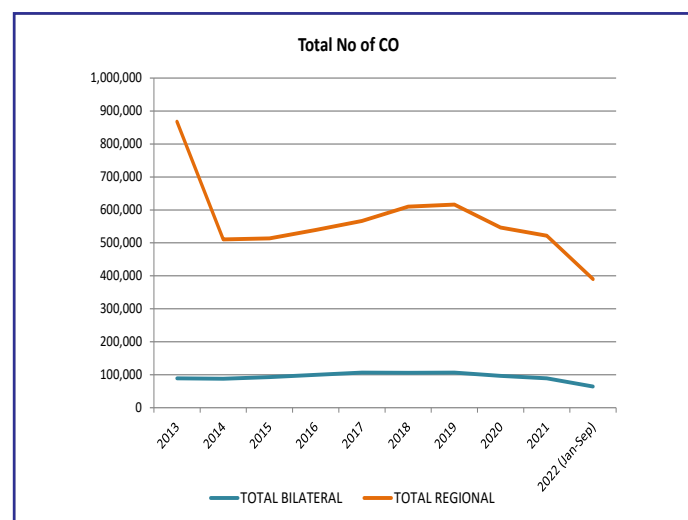
Weekly



Monthly



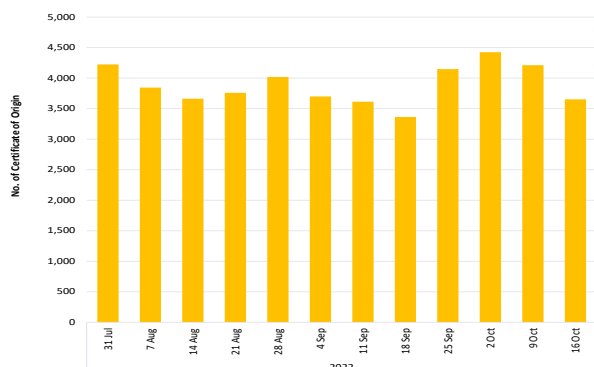
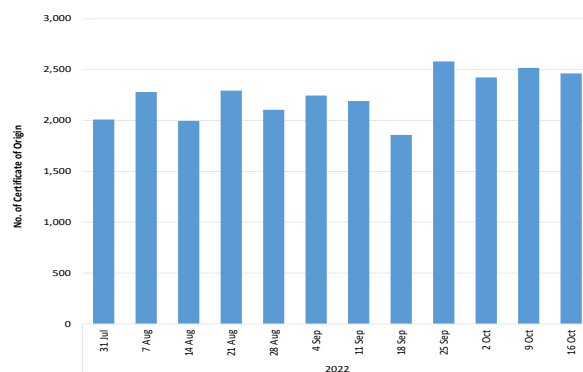
Annually

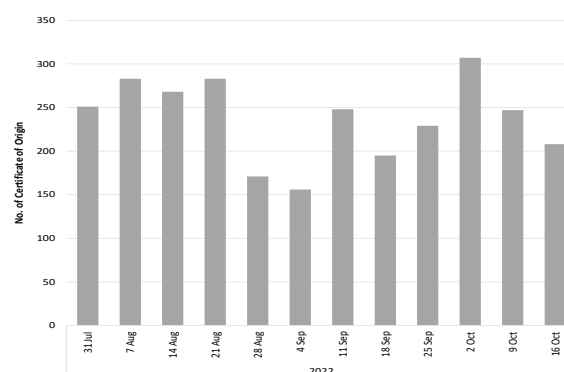
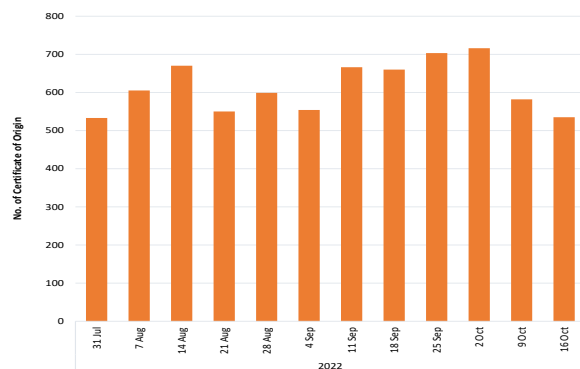
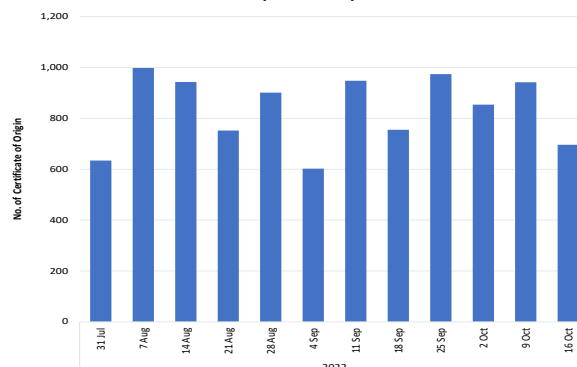
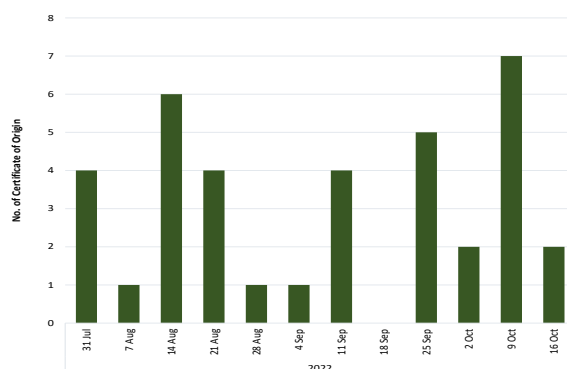
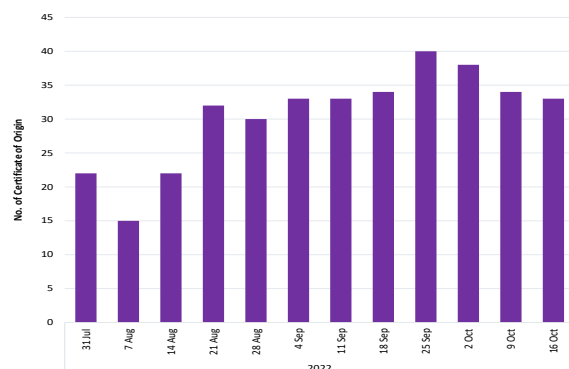


Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

Regional FTA

Number of Preferential Certificates of Origin (PCOs) as at 16 October 2022

ASEAN Trade in Goods Agreement (ATIGA)

ASEAN-China Free Trade Agreement (ACFTA)

ASEAN-Korea Free Trade Agreement (AKFTA)

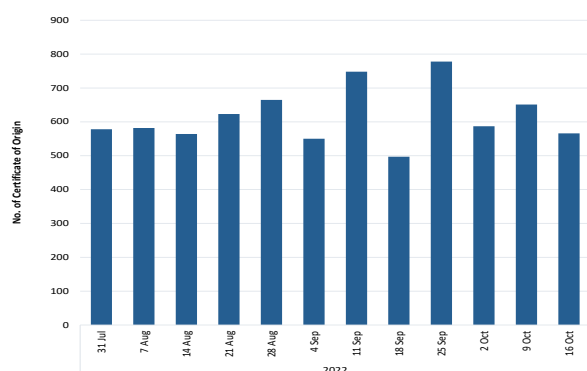
ASEAN-Japan Comprehensive Economic Partnership (AJCEP)

ASEAN-India Free Trade Agreement (AIFTA)

ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)

ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA)

Regional Comprehensive Economic Partnership (RCEP)


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

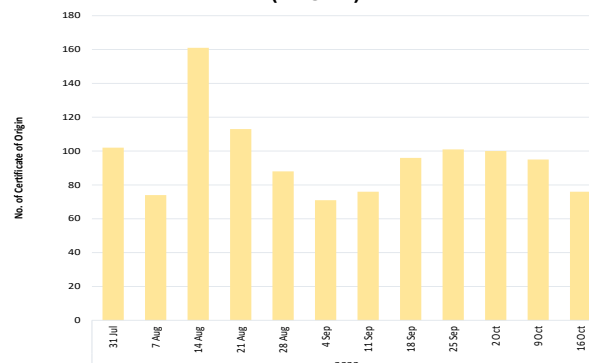
Bilateral FTA

Number of Preferential Certificates of Origin (PCOs) as at 16 October 2022

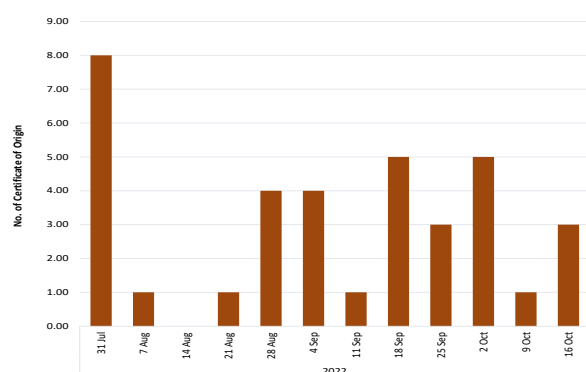
Malaysia-Japan Economic Partnership Agreement (MJEPA)



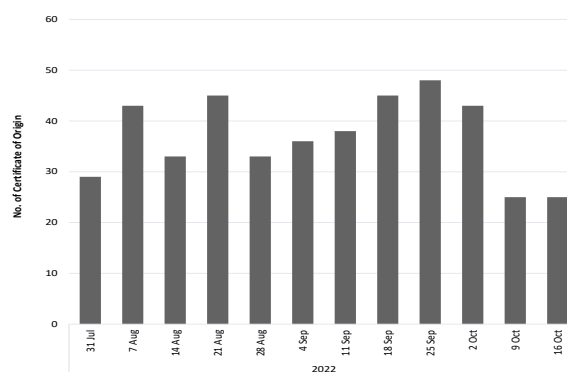
Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)



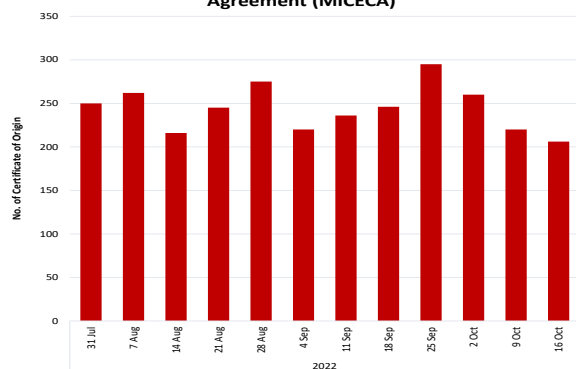
Malaysia-New Zealand Free Trade Agreement (MNZFTA)



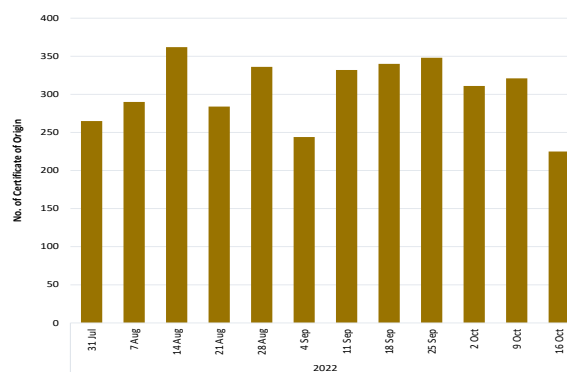
Malaysia-Chile Free Trade Agreement (MCFTA)



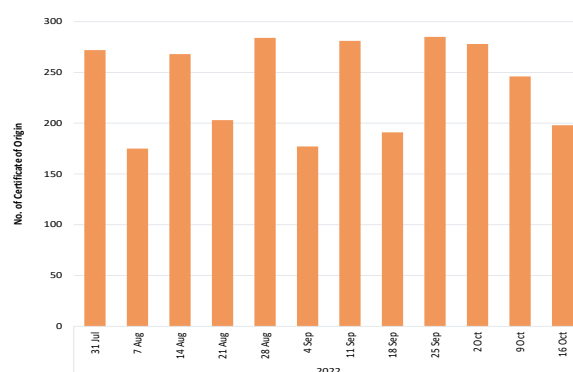
Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA)



Malaysia-Australia Free Trade Agreement (MAFTA)



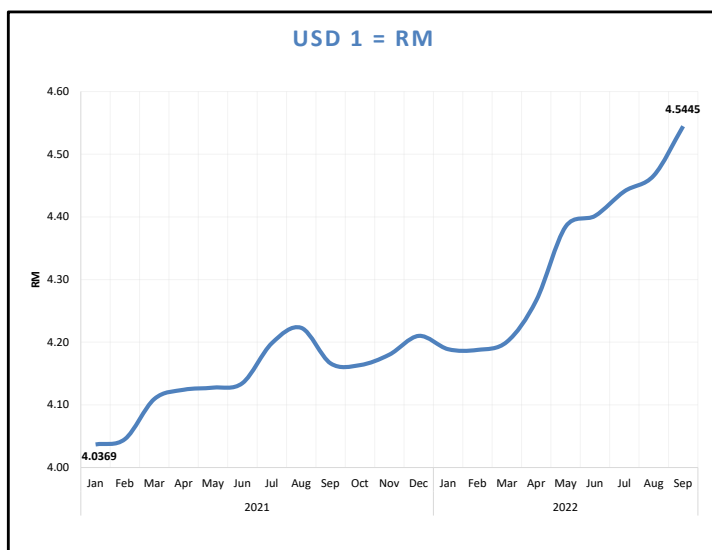
Malaysia-Turkey Free Trade Agreement (MTFTA)



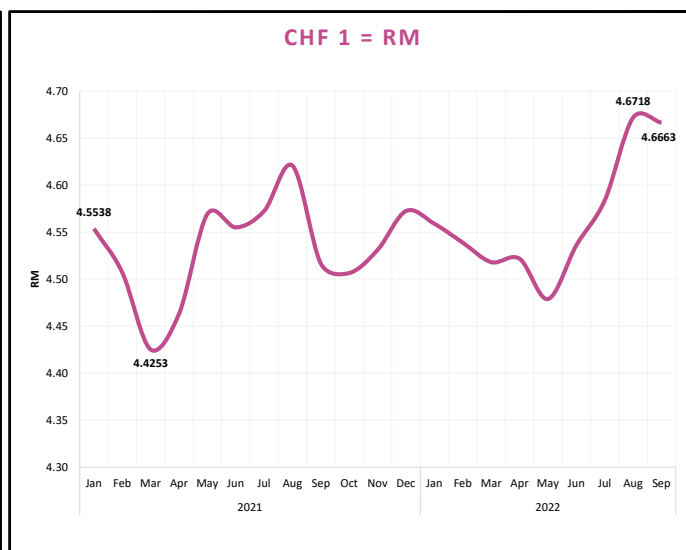
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

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

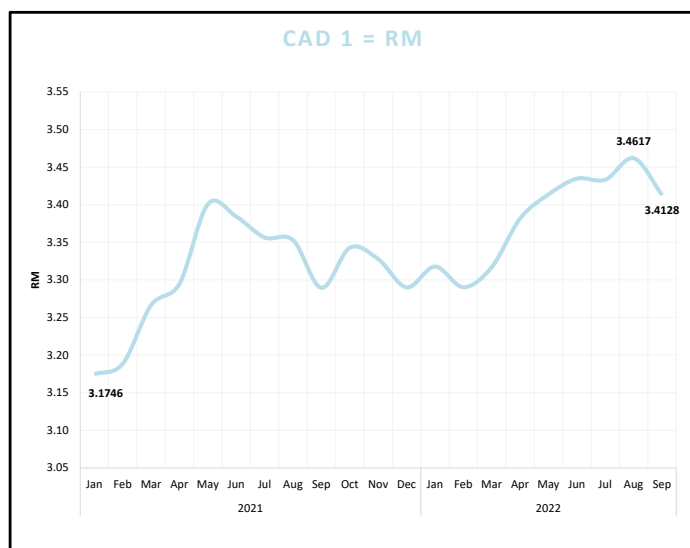
US Dollar



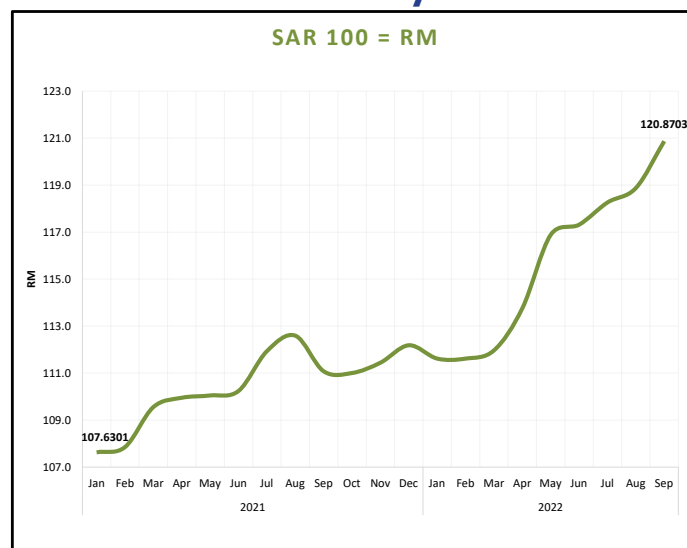
Swiss Franc



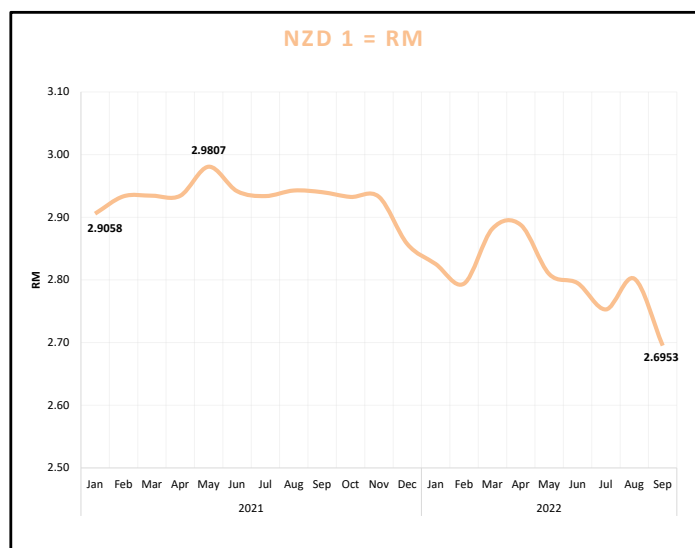
Canadian Dollar



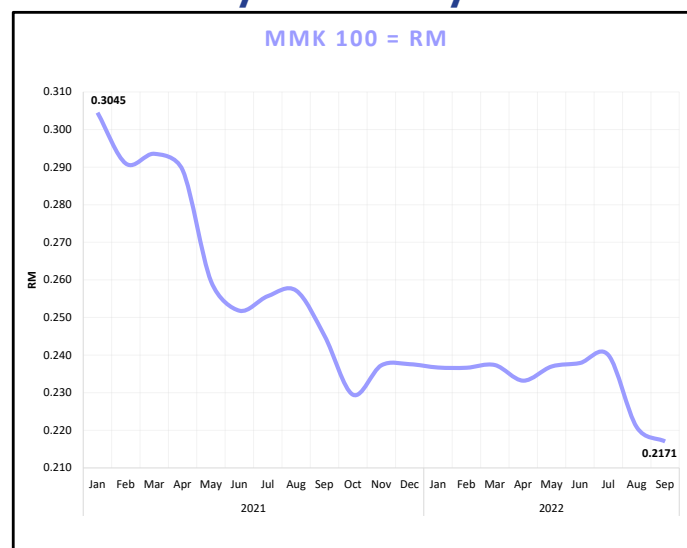
Saudi Riyal



New Zealand Dollar



Myanmar Kyat



Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▼ **0.7%***
US\$85.1
21 Oct 2022

Highest
2021/2022
10 Jun 2022 : US\$122.0
22 Oct 2021 : US\$85.5

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

Lowest
2021/2022

Average Price 2021 ⁱ: US\$71.1

CRUDE PALM OIL -per MT-



▲ **5.5%***
US\$835.7
21 Oct 2022

Highest
2021/2022
11 Mar 2022 : US\$1,774.7
29 Oct 2021 : US\$1,302.0

30 Sep 2022 : US\$715.6
18 Jun 2021 : US\$844.6

Lowest
2021/2022

Average Price 2021 ⁱ: US\$1,075.3

RUBBER SMR 20 -per MT-



▼ **4.9%***
US\$1,264.5
21 Oct 2022

Average Price 2021 ⁱ: US\$1,689.1

COCOA SMC 2 -per MT-



▼ **0.5%***
US\$1,525.1
21 Oct 2022

Average Price 2021 ⁱ: US\$1,505.9

SUGAR -per lbs-



▼ **2.4%***
US\$18.4
21 Oct 2022

Average Price 2021 ⁱ: US\$17.9

COAL -per MT-



▼ **1.5%***
US\$270.0
21 Oct 2022

Average Price 2021 ⁱ: US\$120.5

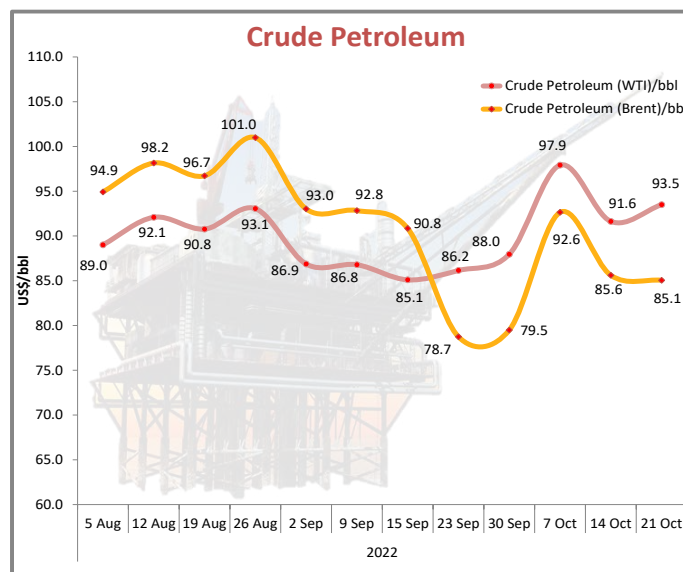
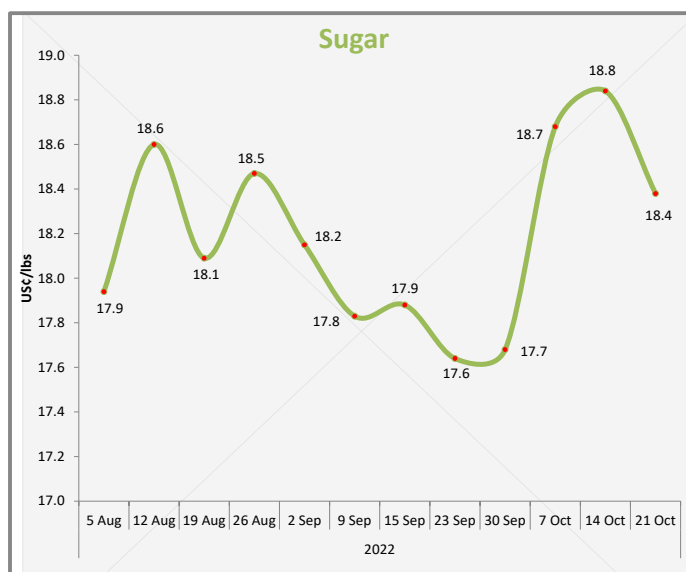
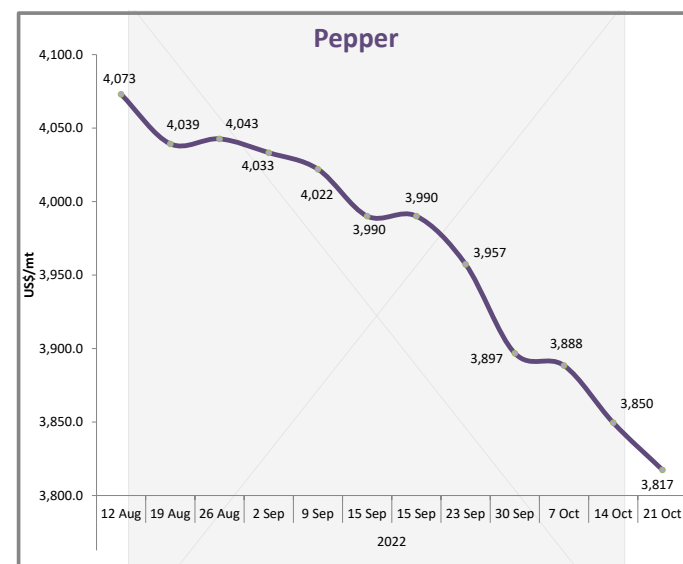
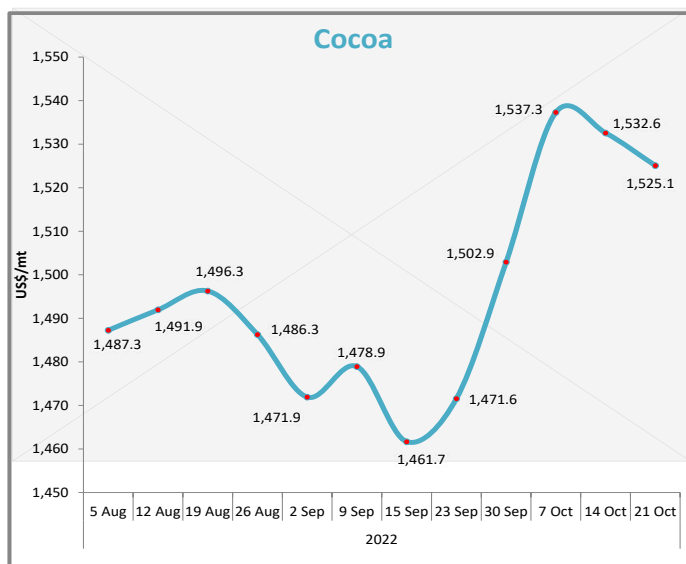
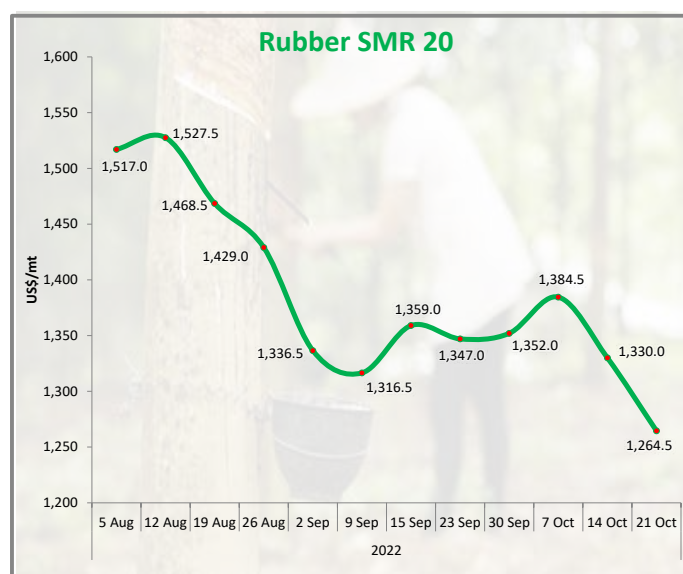
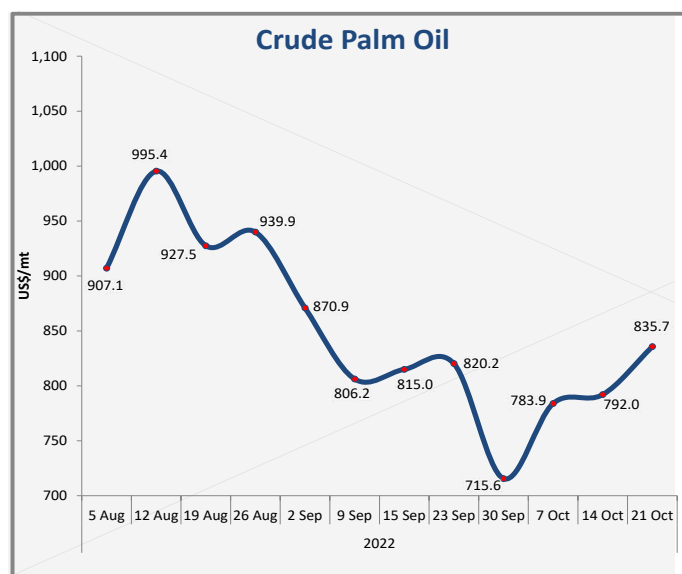
Notes: All figures have been rounded to the nearest decimal point

* 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, and Bloomberg.

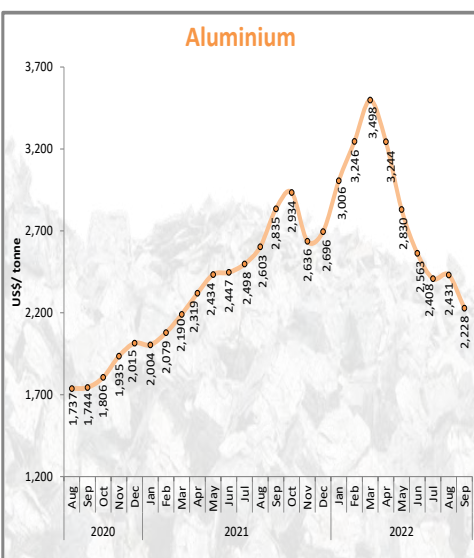
Commodity Price Trends



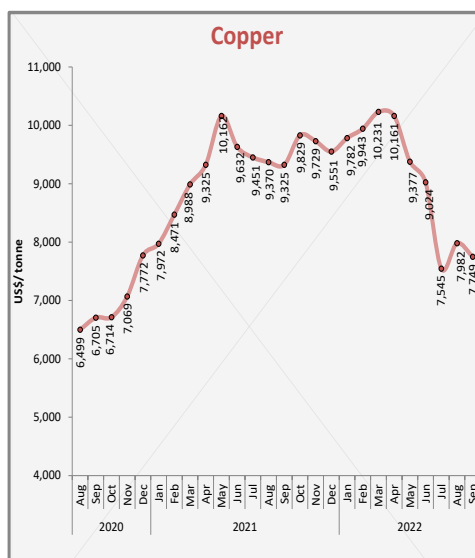
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Commodity Price Trends

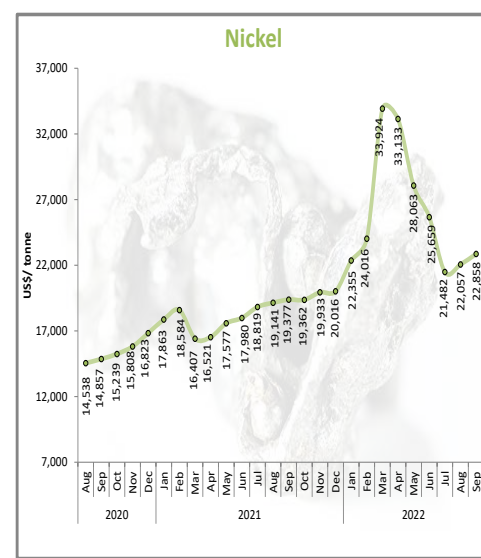
Aluminium



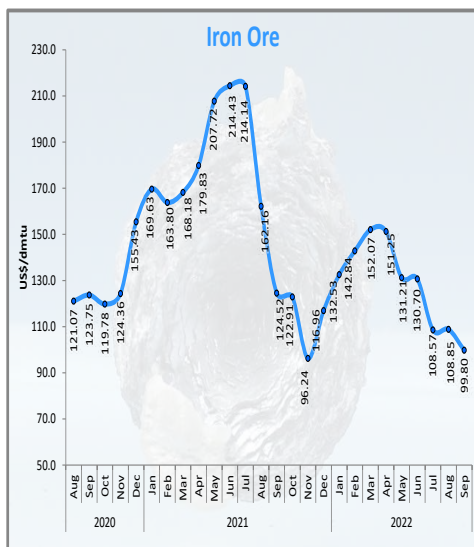
Copper



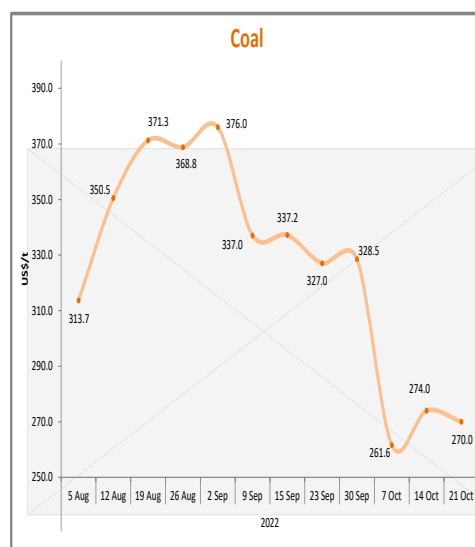
Nickel



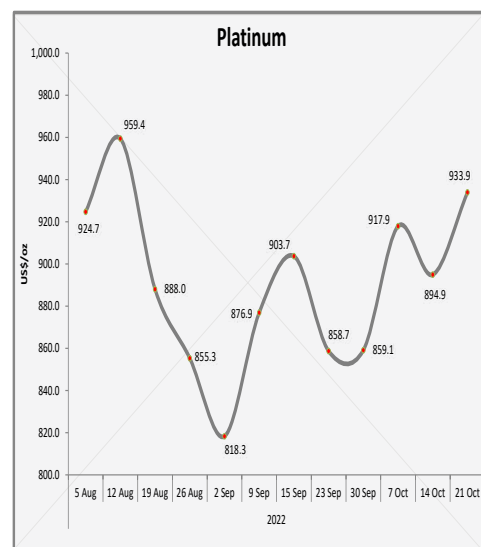
Iron Ore



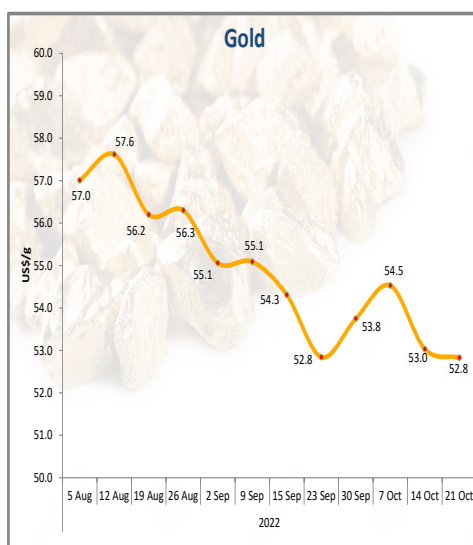
Coal



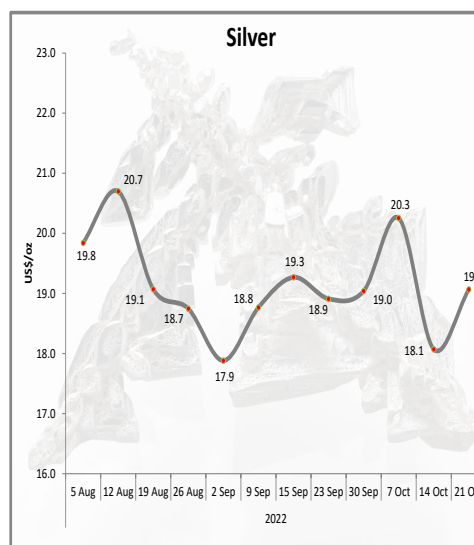
Platinum



Gold



Silver



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

RCEP

REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)



RCEP CONSISTS OF

10 ASEAN member
countries

5 ASEAN FTA
Partner countries

THE RCEP COVERS:

1 Elimination or
reduction of
import duties



2 Promotion,
facilitation,
protection and
investment
liberalisation



3 Protection of
intellectual
property
rights,
facilitation in
e-commerce



4 Economic and
technical
cooperation



MAIN OBJECTIVES OF 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.



2012

The decision to initiate the Regional Comprehensive Economic Partnership (RCEP) Agreement begins at the 21st ASEAN Summit

2020

The RCEP is officially signed by 10 ASEAN member countries along with five ASEAN FTA partner countries after 31 rounds of formal negotiations

Total Population
2.2 billion

Total GDP US\$24.8 billion
28.9% of the world's GDP

PRIMARY OBJECTIVES

The RCEP Agreement is created 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 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 avenues 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 elimination 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 chains.

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.

KEY FEATURES OF THE RCEP



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 (GATS).



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 RCEP 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 include trade activities such as include e-commerce and other areas that would be mutually agreed upon by the RCEP participating countries.

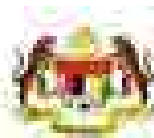


Protection Of Intellectual Property Rights

Aimed at reducing IP-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



INDUSTRY4WRD RELATED INCENTIVES

Having the right capital allows SMEs to flourish and become future-ready for your own future

01

LOANS

Soft Loan Scheme for Automation and Modernisation (SLSAM)

- targets manufacturing sectors
- 4.0% interest rate per annum for SMEs
- www.miti.gov.my/

Industry Digitalisation Transformation Fund (IDTF)

- targeted sectors: AI, Robotics, Automation etc.
- provides a 2% interest rate subsidy
- www.miti.gov.my/

Domestic Investment Strategic Fund (DISF)

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

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.miti.gov.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 300% on the first RM2 million expenditure incurred within 5 years

• www.miti.gov.my/

Industry4WRD KA

- 1. Intervention Fund

- 70:30 matching grant up to RM500,000

- 2. Industry4WRD DSG*

- 60:40 matching grant

*participation in Industry4WRD KA is a prerequisite to apply

02

GRANTS

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



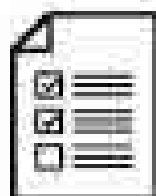
All you need to know about Industry4WRD RA



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: ia.02@miti.gov.my
- RA: industry4wrdr@mipi.gov.my



Readiness Assessment

Financial Incentives



For more information, kindly click the following links:

<https://www.miti.gov.my/index.php/pages/view/industry4WRD>



MINISTRY OF
INTERNATIONAL TRADE AND INDUSTRY

MITI POCKET TALK 2022

TOPIC

Introduction
to FTAs

Introduction to
Preferential
Certificate of
Origin (PCO)

Introduction to
Strategic Trade
Act 2010

DATE

23 February 2022

20 July 2022

23 March 2022

24 August 2022

27 April 2022

21 September 2022

25 May 2022

19 October 2022

22 June 2022

23 November 2022



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For more information, please contact the Secretariat

Fairul : 03-6207 1152 (fairul@miti.gov.my)

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Invitation to participate in the

ASEAN SINGLE WINDOW (ASW) TRADER SURVEY

CLICK HERE

For more information or inquiries kindly contact the ATIGA team at atiga@miti.gov.my



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THE LOOK EAST POLICY (LEP)
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