

EXTERNAL TRADE, OCTOBER 2022



MALAYSIA EXTERNAL TRADE STATISTICS OCTOBER 2022

EXPORTS AND IMPORTS BY SECTOR

RM111.2 bil. ▲ 12.6%
 RM93.6 bil. ▲ 23.5%

MANUFACTURING

RM11.2 bil. ▲ 85.9%
 RM12.5 bil. ▲ 178.0%

MINING

RM8.6 bil. ▼ 7.0%
 RM5.7 bil. ▲ 10.4%

AGRICULTURE

IMPORTS BY BEC AND END USE

INTERMEDIATE GOODS

53.4% RM60.6 bil. ▲ 26.3%

CAPITAL GOODS

10.4% RM11.8 bil. ▲ 42.1%

CONSUMPTION GOODS

7.5% RM8.5 bil. ▲ 21.6%

TRADING WITH ASEAN



SHARE 25.8%

RM38.8 bil. ▲ 25.3%
 RM24.6 bil. ▲ 13.6%

TOP 3 TRADING PARTNERS

①  RM18.4 bil. ▲ 4.3%
 RM23.1 bil. ▲ 21.2%
CHINA

②  RM19.5 bil. ▲ 26.4%
 RM10.8 bil. ▲ 9.8%
SINGAPORE

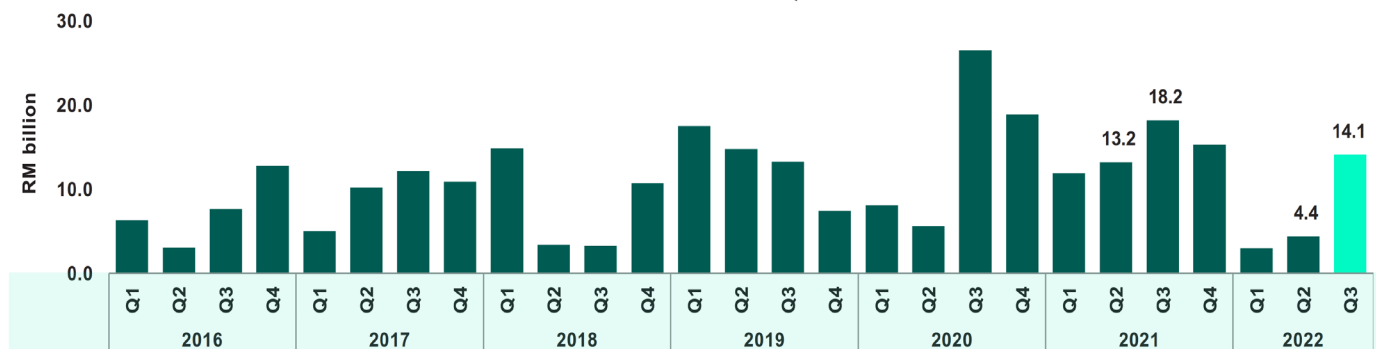
③  RM13.7 bil. ▲ 8.8%
 RM10.2 bil. ▲ 40.4%
UNITED STATES

Note: 1. All changes are based on year-on-year (y-o-y) comparison.
 2. The October 2022 data is preliminary and subject to revision in later issues.
 3. This report can be accessed through the web portal of the Department of Statistics, Malaysia.
<http://www.dsm.gov.my> under section 'Latest Release'

Source: Monthly External Trade Statistics, October 2022, Department of Statistics Malaysia (DOSM)

BALANCE OF PAYMENTS, Q3 2022

Malaysia's current account balance recorded a surplus of RM14.1 billion in Q3 2022



CURRENT ACCOUNT

"Malaysia's current account balance posted a surplus of **RM14.1 billion** mainly contributed by net exports of Goods and lower deficits in Services"

GOODS



Surplus
RM43.0b

Surplus
RM34.0b

SERVICES



Deficit
RM9.6b

Deficit
RM12.3b

PRIMARY INCOME



Deficit
RM17.2b

Deficit
RM14.7b

SECONDARY INCOME



Deficit
RM2.1b

Deficit
RM2.6b

Notes :

Q3 22
Q2 22

b refers to billion

FINANCIAL ACCOUNT

"Financial account turned around to register a **net outflow** of **RM14.9 billion** mainly due to higher outflows in Other Investment"

DIRECT INVESTMENT

Net inflow
RM2.6b

Net inflow
RM2.0b



PORTFOLIO INVESTMENT

Net outflow
RM14.7b

Net inflow
RM0.1b



FINANCIAL DERIVATIVES

Net outflow
RM0.2b

Net outflow
RM0.4b



OTHER INVESTMENT

Net inflow
RM12.5b

Net outflow
RM16.5b



Notes :

Q3 22
Q2 22

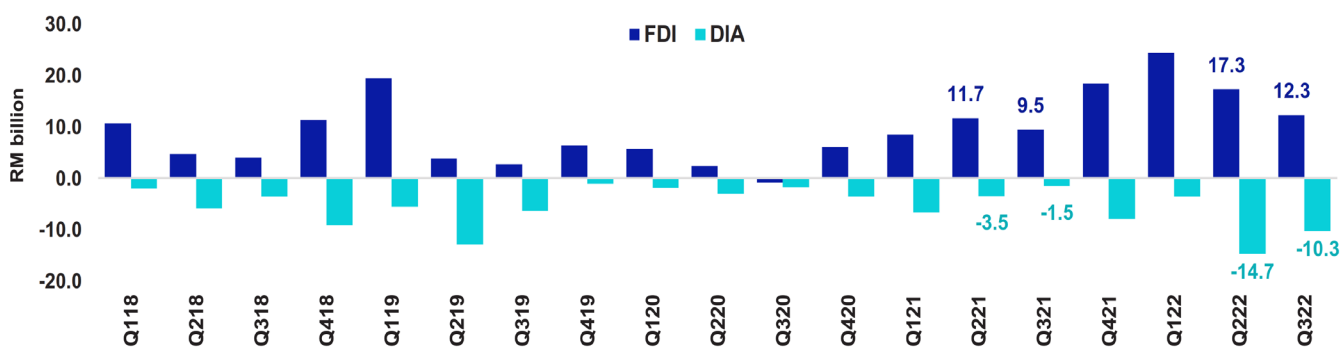
b refers to billion

FOREIGN DIRECT INVESTMENT

FDI recorded a net inflow of RM12.3 billion

DIA posted a net outflow of RM10.3 billion

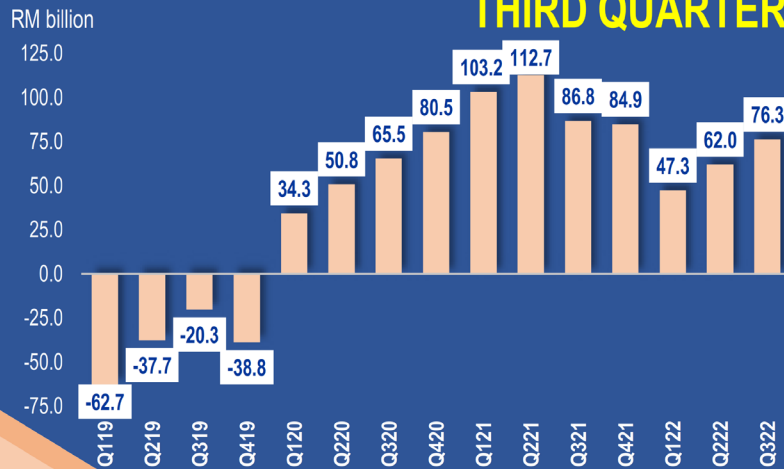
DIRECT INVESTMENT ABROAD



Note: Negative value refers to outflow

Source: Balance of Payments, Department of Statistics Malaysia (DOSM)

IIP, Q3 2022

MALAYSIA'S INTERNATIONAL INVESTMENT POSITION
THIRD QUARTER 2022

“Malaysia's IIP registered net assets position of RM76.3 billion as at the end of Q3 2022.”

TOTAL ASSETS
RM2,254.7b
 (Q222: RM2,164.8b)

NET ASSETS
RM76.3b
 (Q222: RM62.0b)

TOTAL LIABILITIES
RM2,178.4b
 (Q222: RM2,102.8b)

FOREIGN DIRECT INVESTMENT (FDI)

RM860.8b

SINGAPORE
 RM177.0b (20.6%)

1



UNITED STATES OF AMERICA
 RM99.2b (11.5%)

2



HONG KONG
 RM92.5b (10.7%)

3



TOP FDI'S SECTOR



Manufacturing
 RM374.3b (43.5%)



Financial activities
 RM198.6b (23.1%)



Wholesale & retail trade
 RM53.7b (6.2%)

TOP FDI'S COUNTRY

DIRECT INVESTMENT ABROAD (DIA)

RM601.9b

SINGAPORE
 RM122.5b (20.3%)

1



INDONESIA
 RM63.5b (10.6%)

2



CAYMAN ISLANDS
 RM35.8b (5.9%)

3



TOP DIA'S SECTOR



Financial activities
 RM256.9b (42.7%)



Mining & quarrying
 RM78.2b (13.0%)



Manufacturing
 RM58.0b (9.6%)

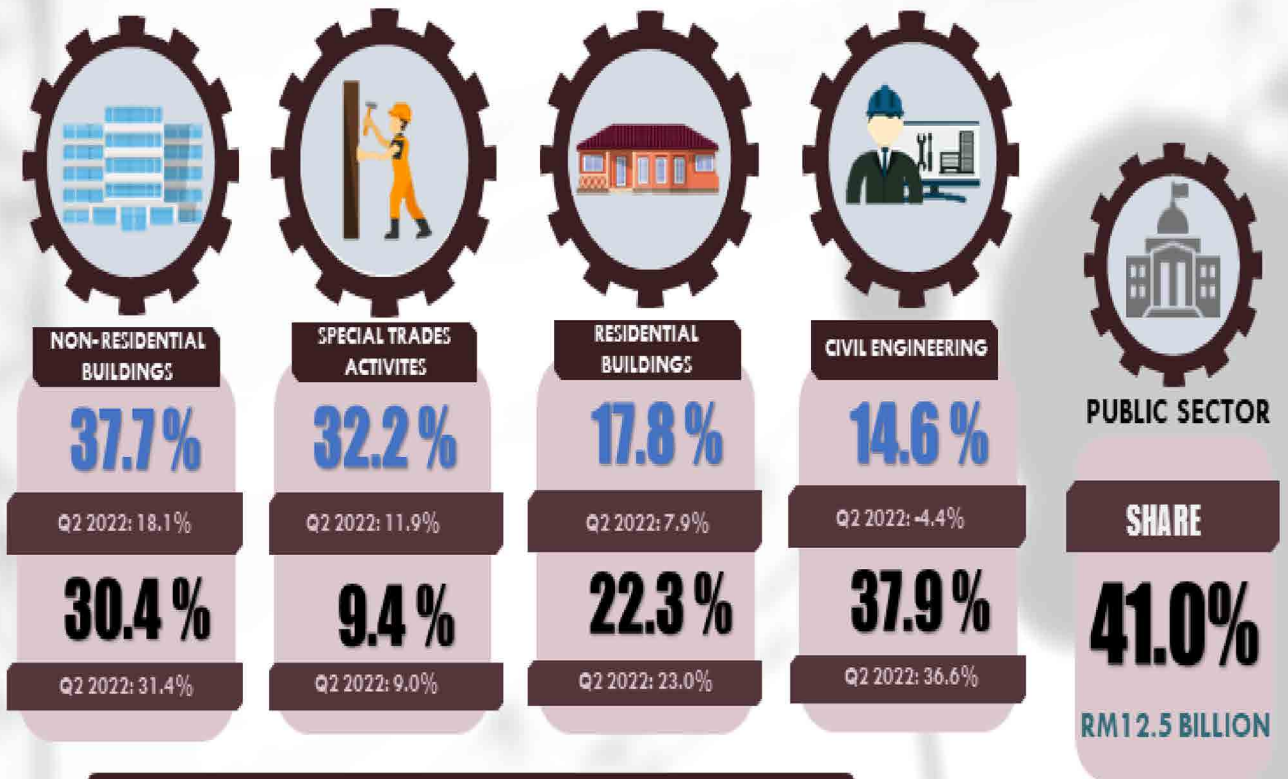
TOP DIA'S COUNTRY

Source: International Investment Position (IIP), Department of Statistics Malaysia (DOSM)

Note: b refers to billion
 (%) refers to share

CONSTRUCTION STATISTICS, Q3 2022

THE VALUE OF WORK DONE IN CONSTRUCTION SECTOR SURGED
23.2 PERCENT IN THE THIRD QUARTER OF 2022,
AMOUNTED TO RM30.5 BILLION

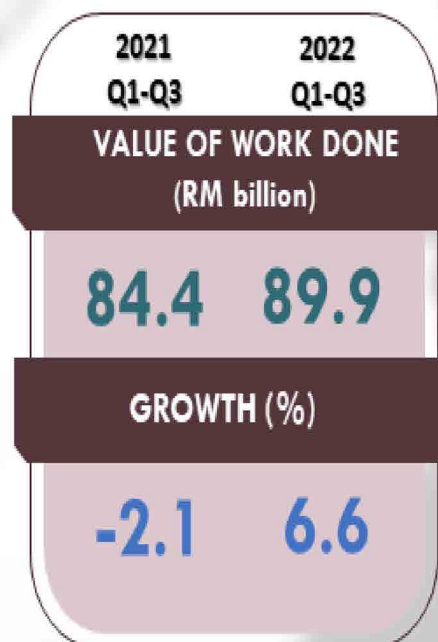


NOTE :

GROWTH

SHARE

Three main states contributed
RM15.8 billion or 51.9% value of
work done in Q3 2022



Source: Quarterly Construction Statistics,
Third Quarter 2022
Department of Statistics, Malaysia

Note: Growth percentage refers to Year-on-Year (YoY)

SERVICES STATISTICS, Q3 2022

Revenue for Services sector in third quarter 2022 surged 32.3 per cent to record RM517.4 billion

	Q3 2022	YoY		QoQ	
		Q2 2022	Q3 2022	Q2 2022	Q3 2022
 Revenue	RM517.4b	25.2%	32.3%	7.1%	2.2%
 Number of Persons Engaged	3.8m	4.9%	4.4%	0.9%	0.5%
 Salaries & Wages	26.2b	9.3%	8.7%	1.7%	1.2%

PERFORMANCE OF SERVICES SECTOR BY SEGMENT

	Revenue	Number of Persons Engaged (persons)	Salaries & Wages
 Wholesale & Retail Trade, Food & Beverages, and Accommodation	RM417.8b Q3 2022: 33.4% Q2: 26.1%	2,867,209 Q3 2022: 3.9% Q2: 5.0%	RM16.1b Q3 2022: 8.2% Q2: 10.5%
 Information & Communication and Transportation & Storage	RM73.4b Q3 2022: 23.9% Q2: 21.3%	494,695 Q3 2022: 9.5% Q2: 8.6%	RM5.0b Q3 2022: 12.4% Q2: 11.7%
 Private Health, Private Education, and Arts, Entertainment & Recreation	RM15.9b Q3 2022: 45.5% Q2: 24.4%	278,818 Q3 2022: 1.6% Q2: 0.7%	RM2.5b Q3 2022: 5.2% Q2: 4.1%
 Professional and Real Estate Agent	RM10.3b Q3 2022: 37.3% Q2: 20.0%	178,894 Q3 2022: 3.5% Q2: 0.3%	RM2.6b Q3 2022: 8.7% Q2: 3.5%

PERFORMANCE OF E-COMMERCE INCOME

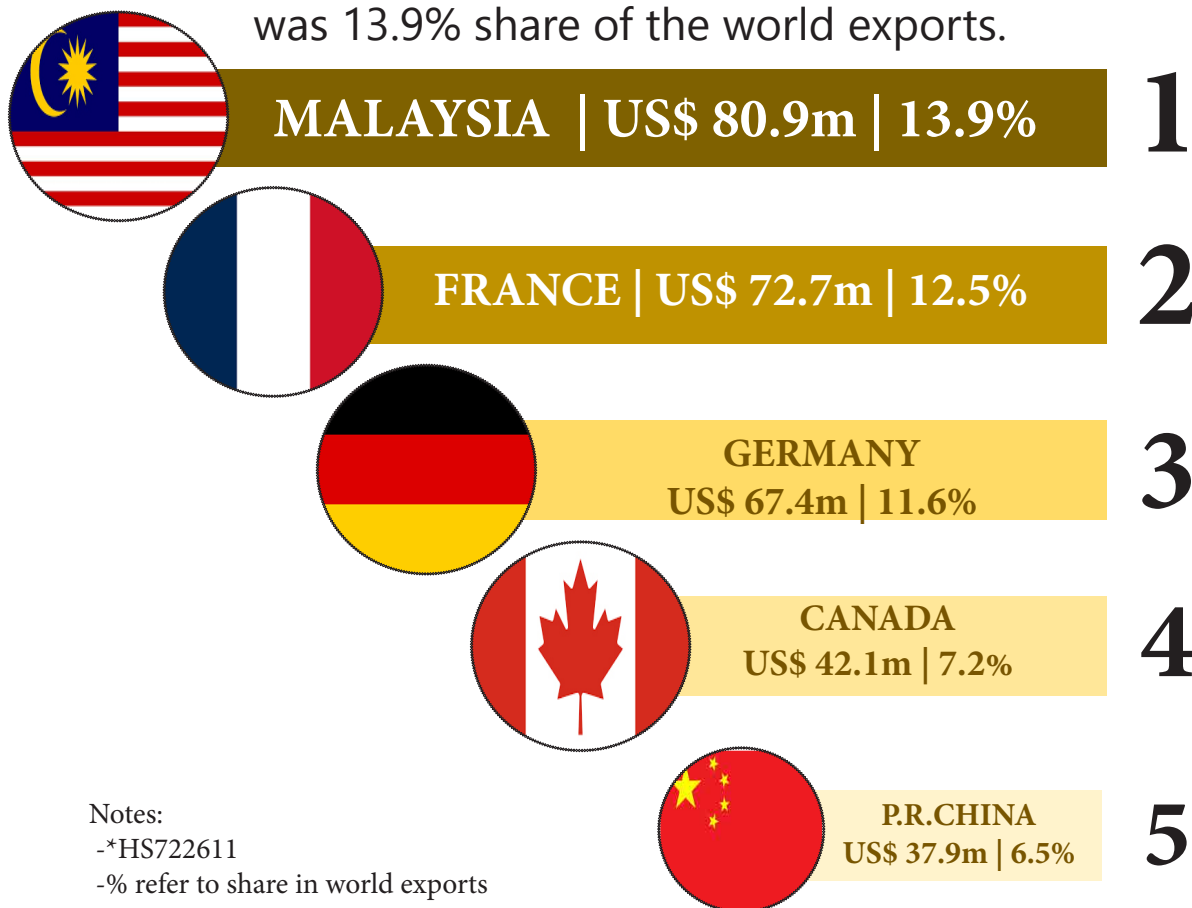
	Q2 2022	Q3 2022
 RM billion	RM288.2	RM289.2
YoY (%)	7.7	3.7
QoQ (%)	3.6	0.3

Percentage Change: Year on Year

Source: Quarterly Services Statistics, Third Quarter 2022
Department of Statistics Malaysia (DOSM)

WORLD LARGEST EXPORTERS OF "FLAT-ROLLED PRODUCTS OF SILICON-ELECTRICAL STEEL, OF A WIDTH OF < 600 MM, HOT-ROLLED OR COLD-ROLLED ""COLD-REDUCED"", GRAIN-ORIENTED"

In 2021, Malaysia's export of "Flat-rolled products of silicon-electrical steel, of a width of < 600 mm, hot-rolled or cold-rolled ""cold-reduced"", grain-oriented" recorded USD 80.9 million which was 13.9% share of the world exports.

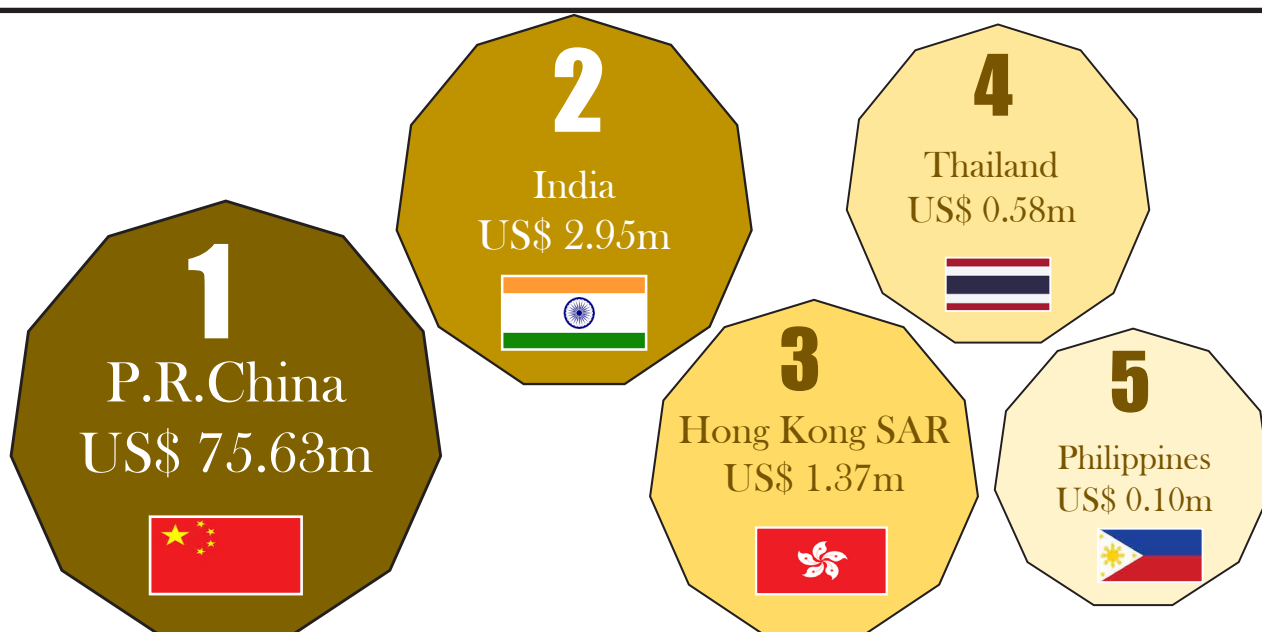


Notes:

-*HS722611

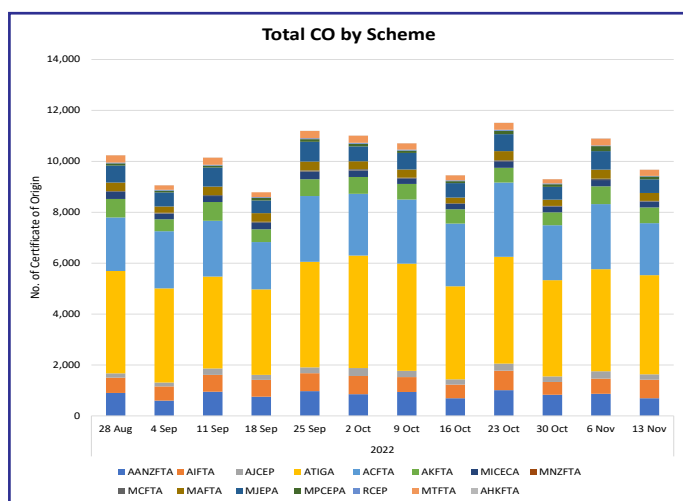
-% refer to share in world exports

MALAYSIA'S TOP EXPORT DESTINATIONS

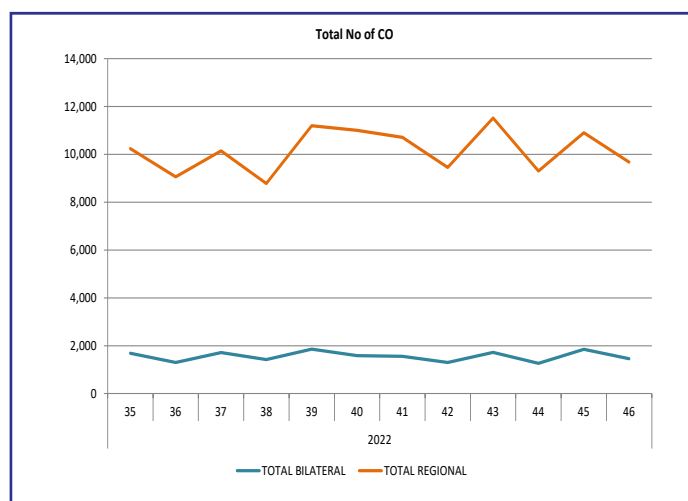


Number and FOB Value of PCO as at 13 November 2022 Weekly / Monthly / Annually

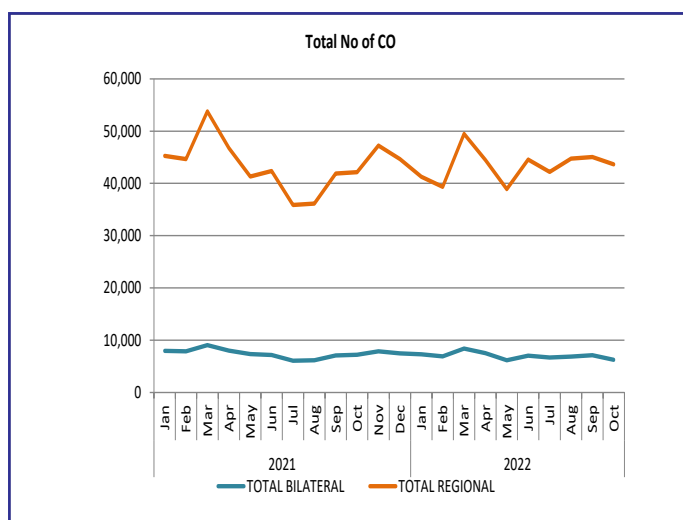
Weekly Total Scheme



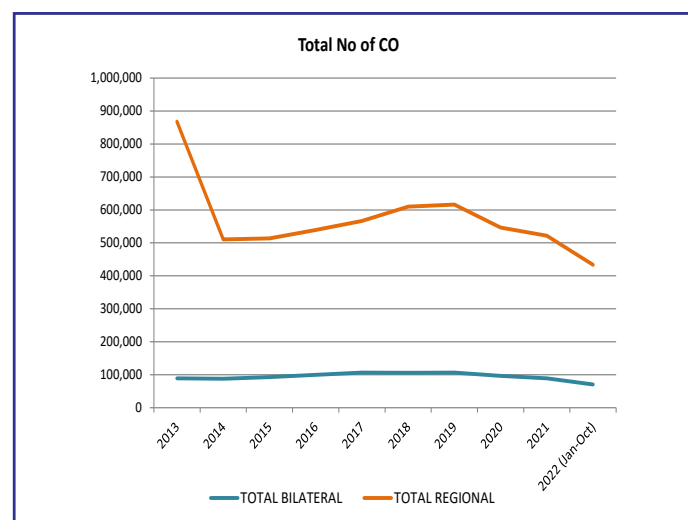
Weekly



Monthly



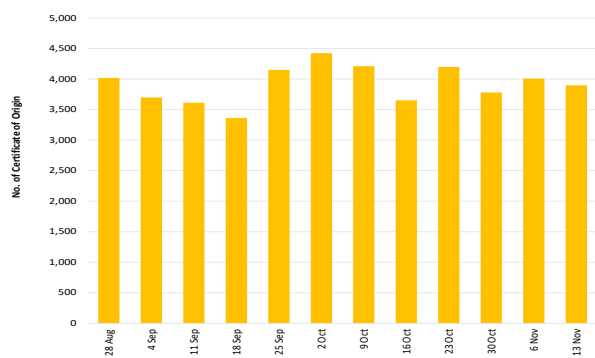
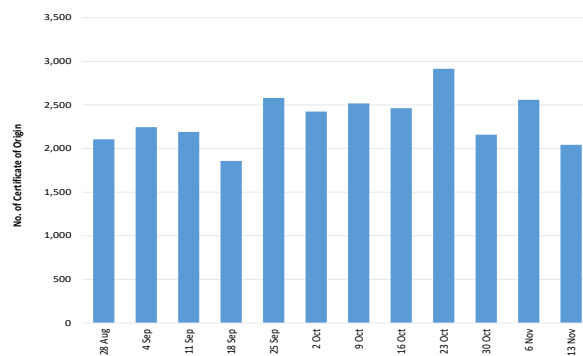
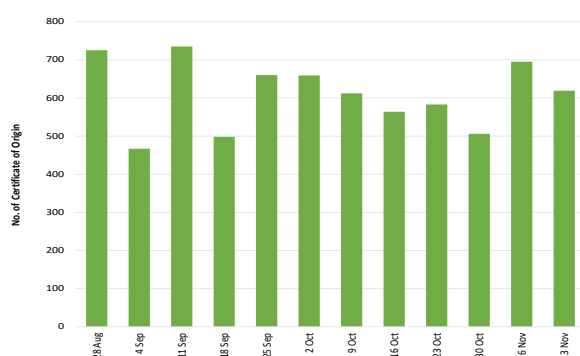
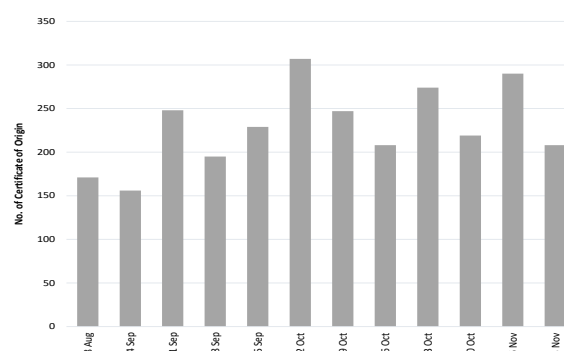
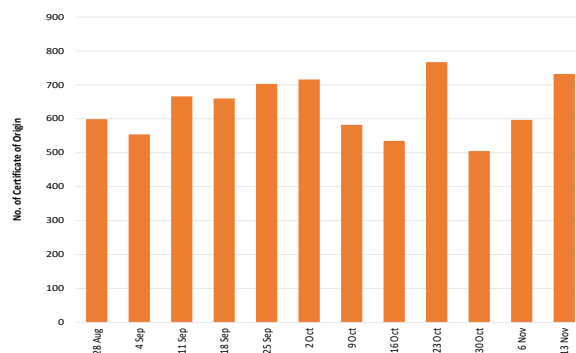
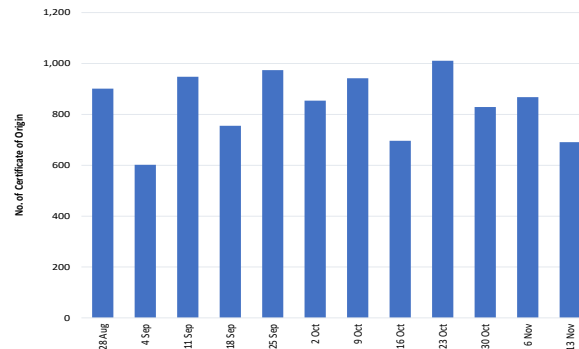
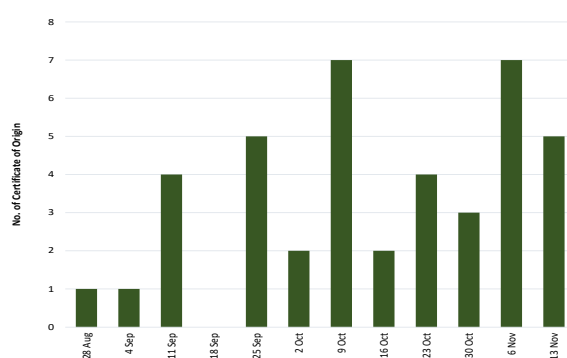
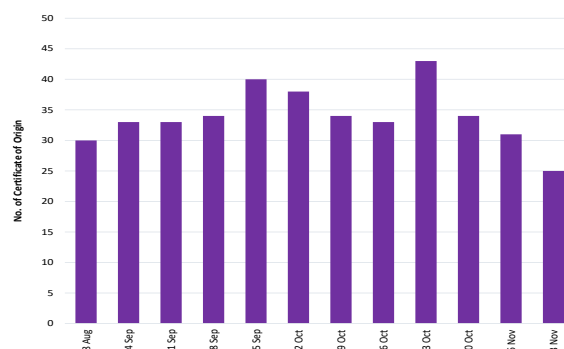
Annually



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

Regional FTA

Number of Preferential Certificates of Origin (PCOs) as at 13 November 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)


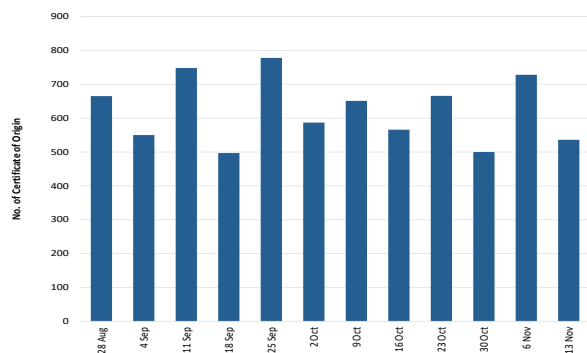
Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

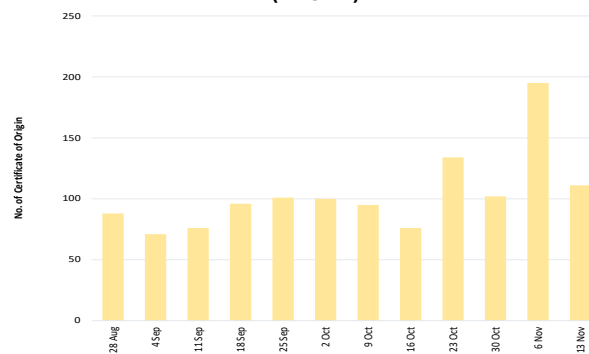
Bilateral FTA

Number of Preferential Certificates of Origin (PCOs) as at 13 November 2022

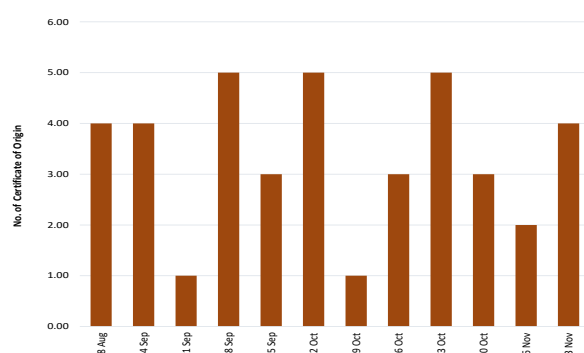
Malaysia-Japan Economic Partnership Agreement (MJEPA)



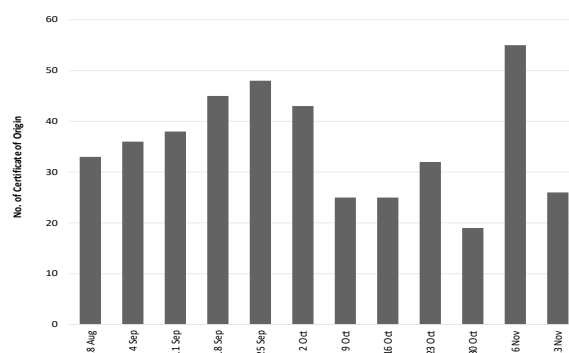
Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)



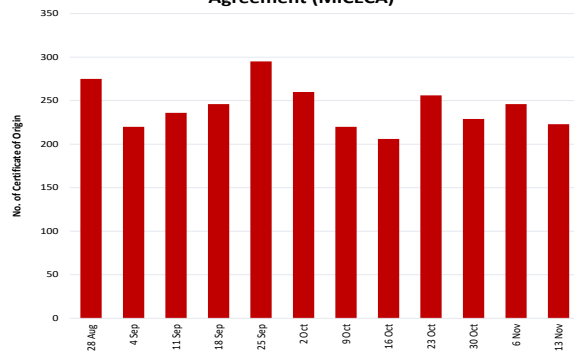
Malaysia-New Zealand Free Trade Agreement (MNZFTA)



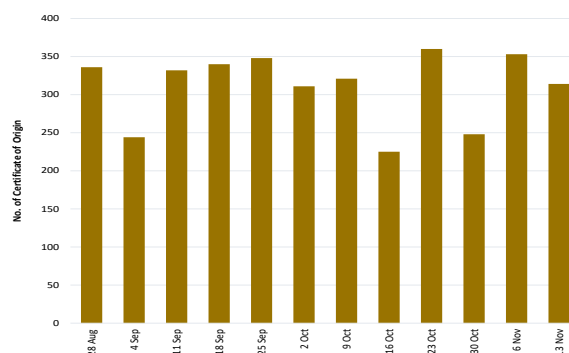
Malaysia-Chile Free Trade Agreement (MCFTA)



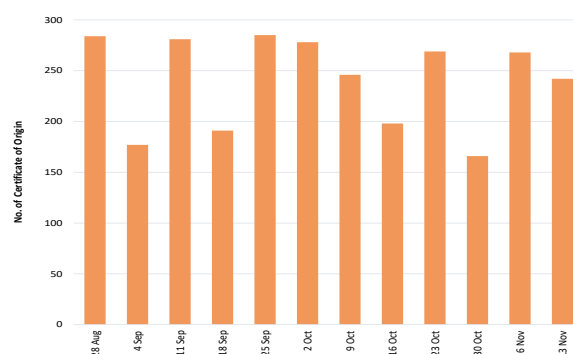
Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA)



Malaysia-Australia Free Trade Agreement (MAFTA)



Malaysia-Turkey Free Trade Agreement (MTFTA)

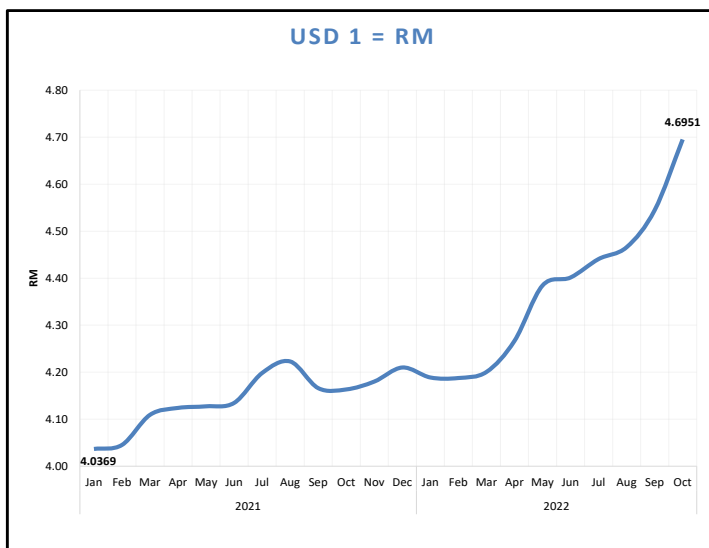


Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

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

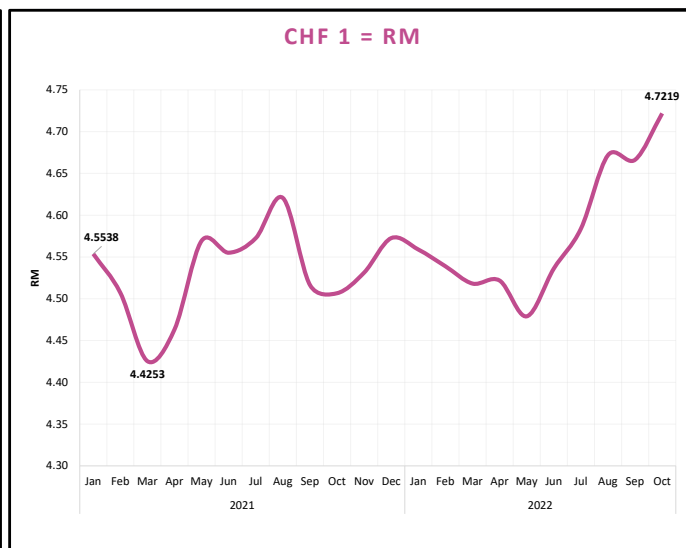
US Dollar

USD 1 = RM



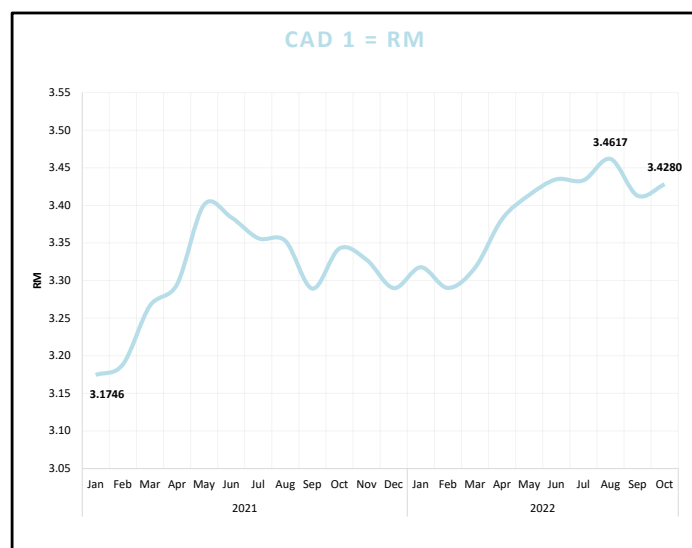
Swiss Franc

CHF 1 = RM



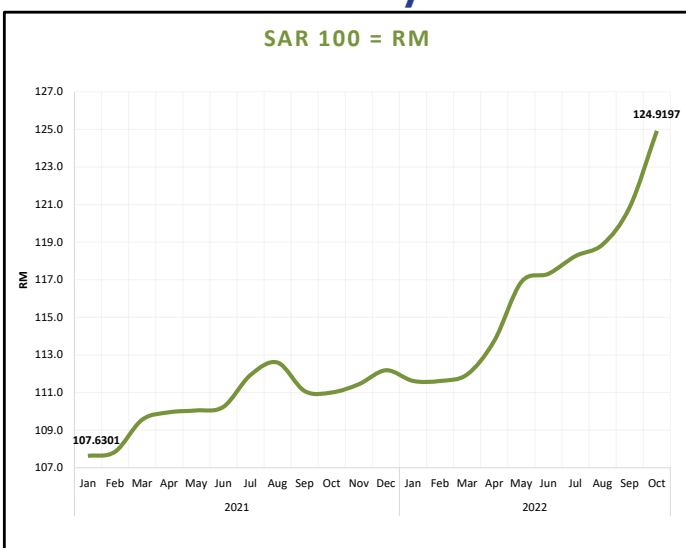
Canadian Dollar

CAD 1 = RM



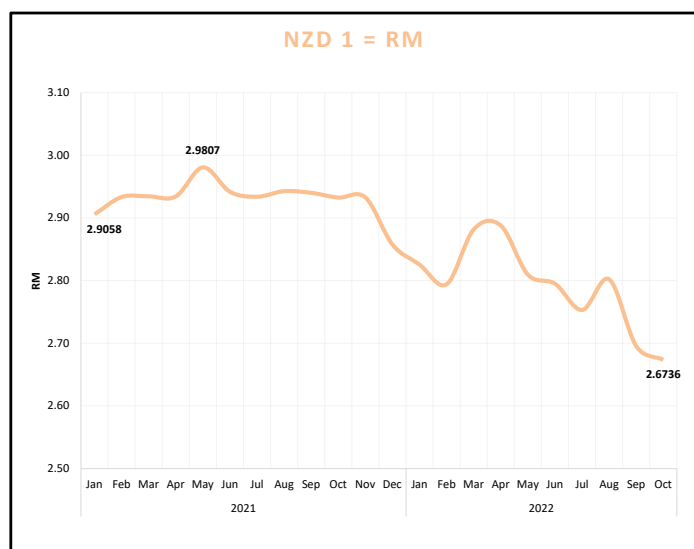
Saudi Riyal

SAR 100 = RM



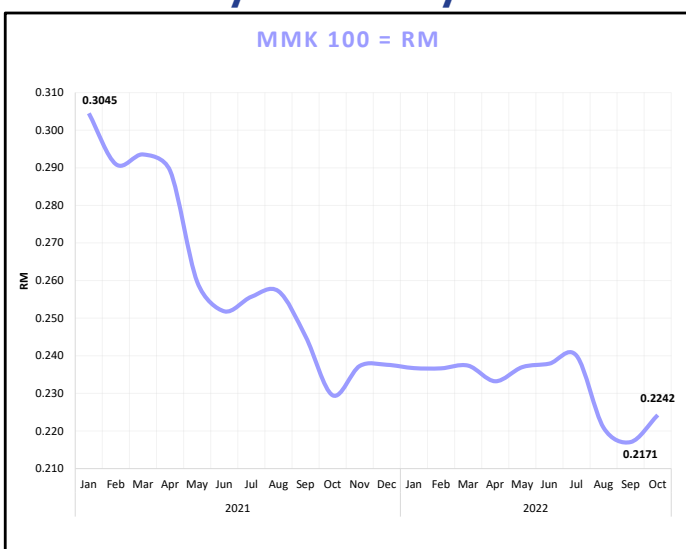
New Zealand Dollar

NZD 1 = RM



Myanmar Kyat

MMK 100 = RM



Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▼ **6.5%***
US\$89.8
17 Nov 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-



▼ **6.4%***
US\$841.0
17 Nov 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-



▲ **1.7%***
US\$1,290.0
17 Nov 2022

Average Price 2021 ⁱ: US\$1,689.1

COCOA SMC 2 -per MT-



▼ **1.9%***
US\$1,659.3
17 Nov 2022

Average Price 2021 ⁱ: US\$1,505.9

SUGAR -per lbs-



⊖ **%***
US\$19.6
17 Nov 2022

Average Price 2021 ⁱ: US\$17.9

COAL -per MT-



▲ **6.0%***
US\$202.0
17 Nov 2022

Average Price 2021 ⁱ: US\$120.5

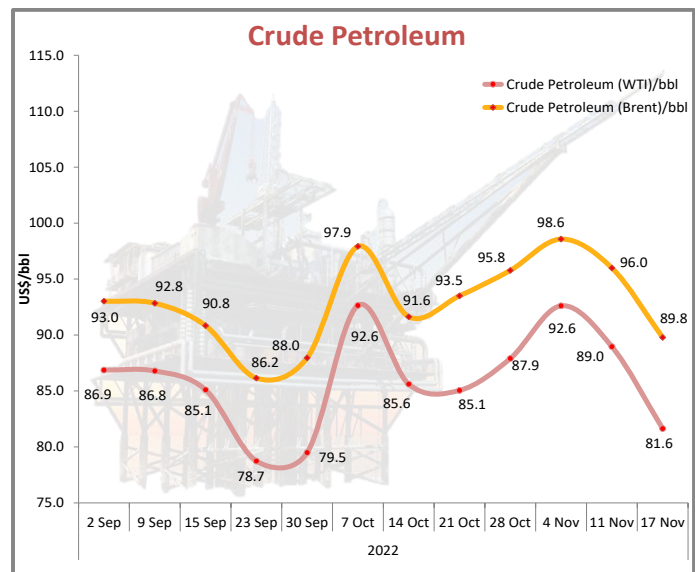
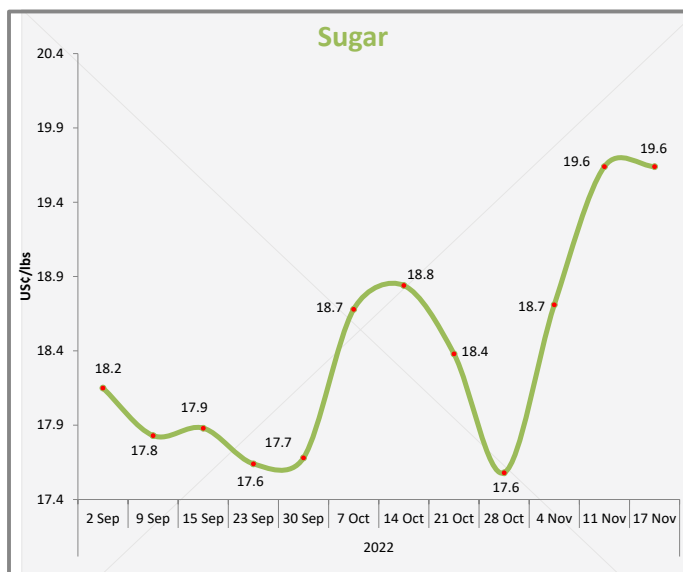
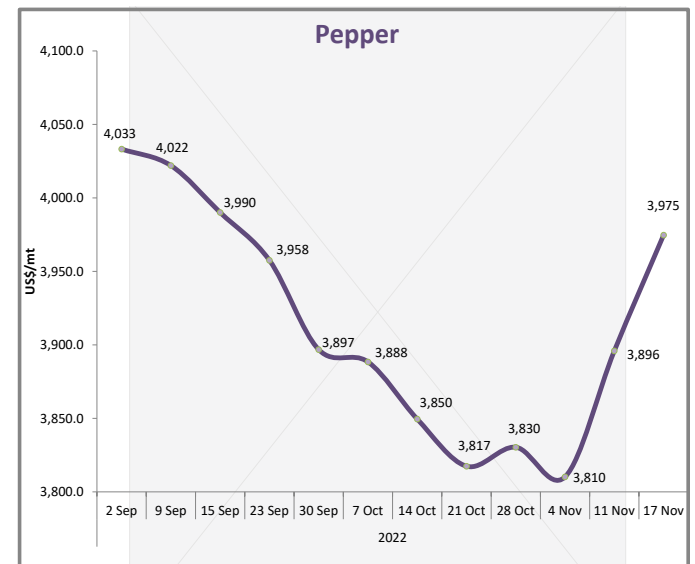
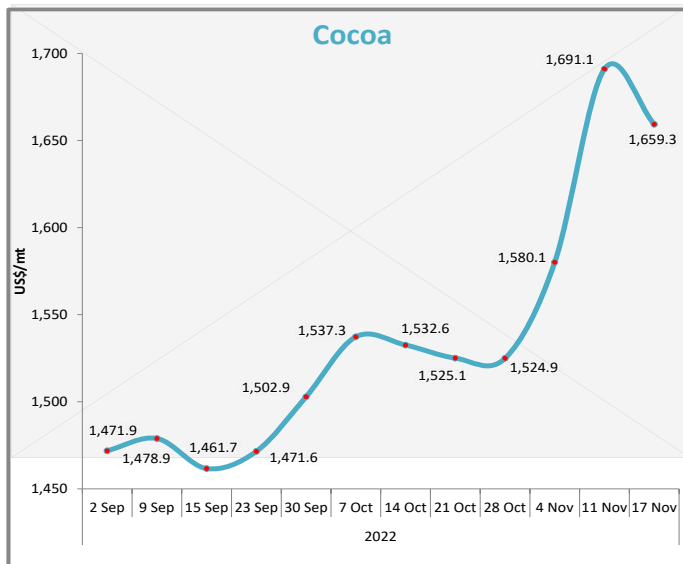
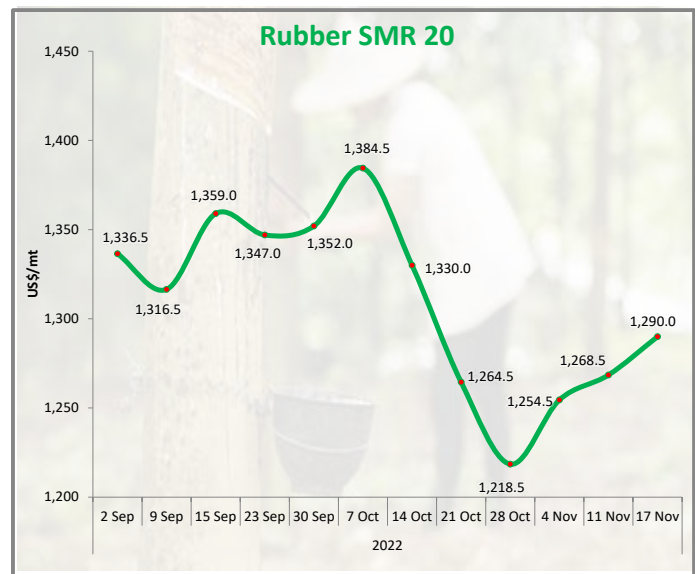
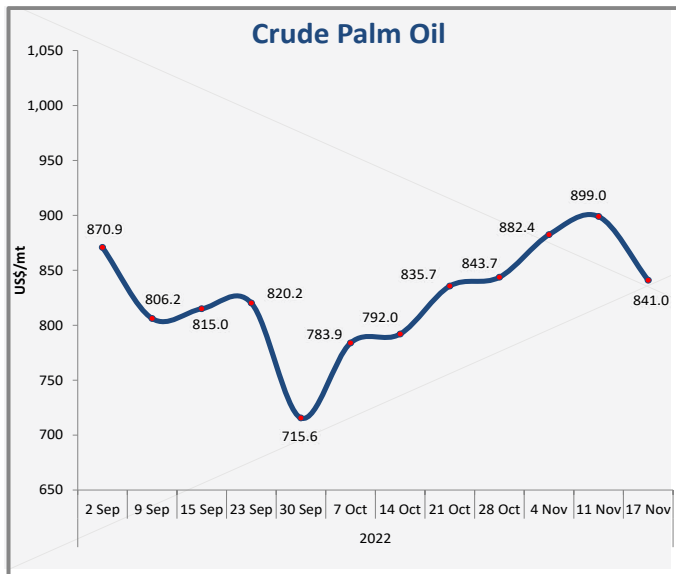
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

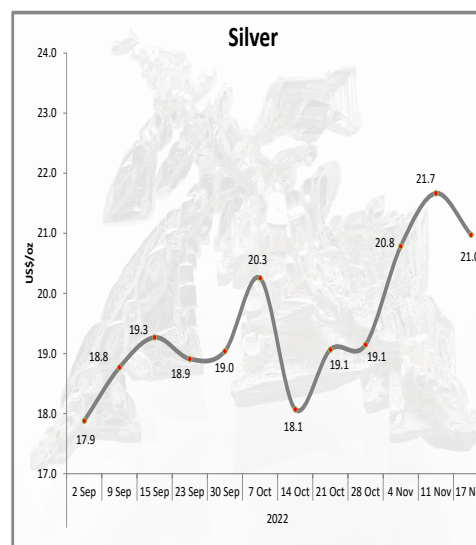
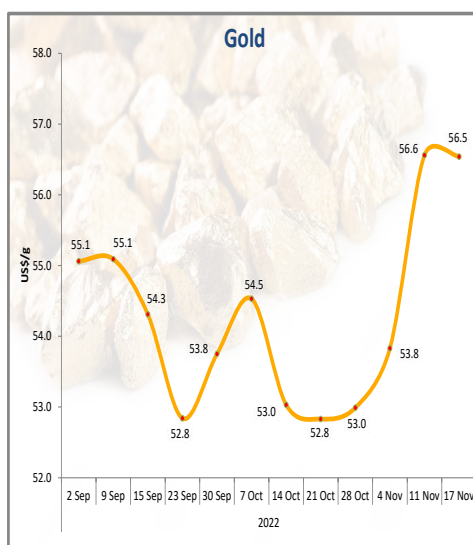
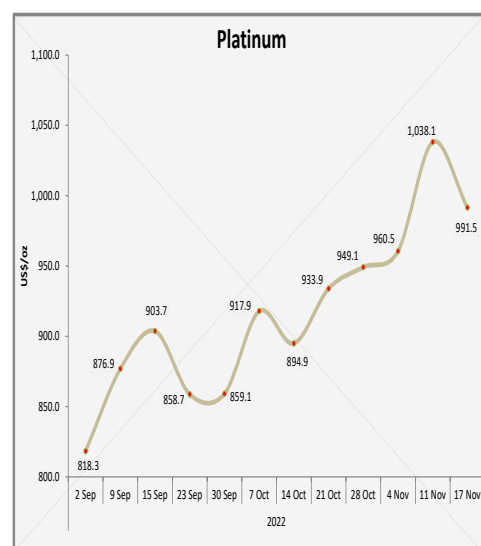
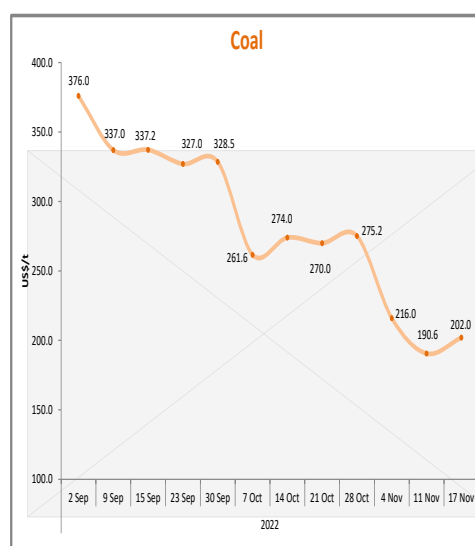
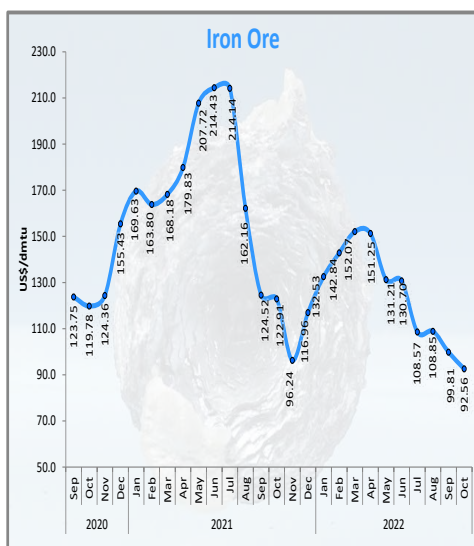
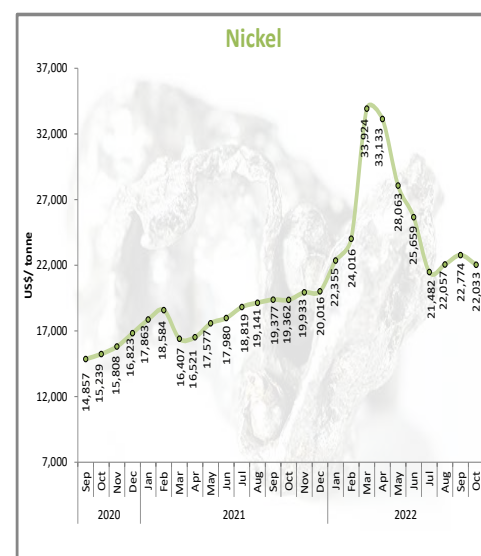
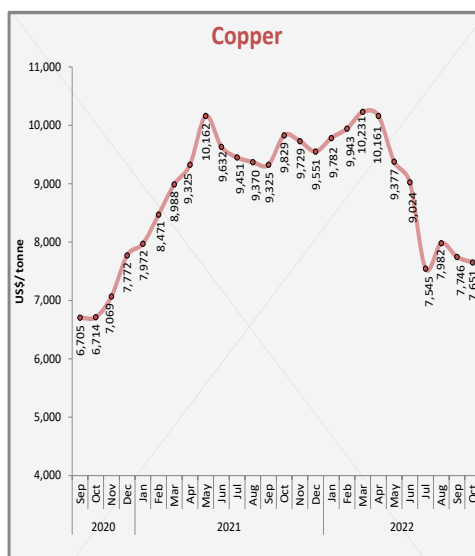
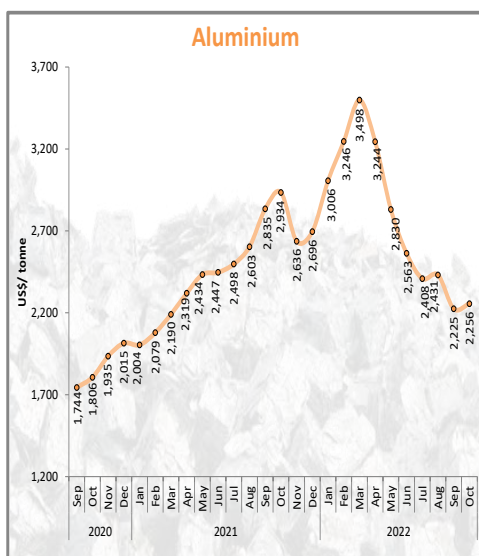
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, and Bloomberg.

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



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.

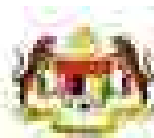


Protection Of Intellectual Property Rights

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 SMD 0%
- 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

GRANTS

1. Intervention Fund*
 - 70:30 matching grant up to RM500,000

2. Industry4WRD 003*
 - 60:40 matching grant

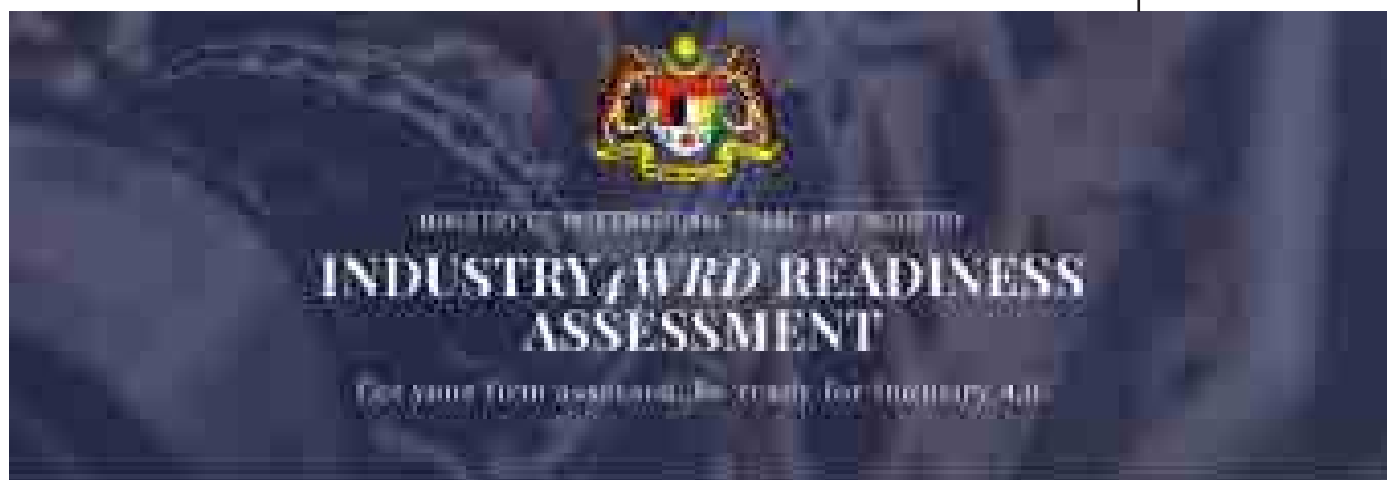
*participation in Industry4WRD CA is a prerequisite to apply

02

GRANTS

For more information, kindly click the following links:

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



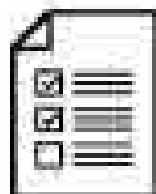
All you need to know about Industry4WRD RA



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@miti.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



Click here to register

For more information, please contact the Secretariat

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

Arshana : 03-6207 1093 (arshana.jalil@miti.gov.my)



www.miti.gov.my

[f](#) [t](#) [i](#) [i](#) MITI Malaysia

[f](#) MITI Malaysia podcast



Dear Readers,

Kindly click the link below for any comments in this issue. MWB reserves the right to edit and republish letters as reprints.

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