

LEADING INDEX, OCTOBER 2022

MALAYSIA'S ECONOMIC OUTLOOK MODERATED WITH THE LEADING INDEX RECORDING 0.4 PER CENT GROWTH IN OCTOBER 2022

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

4.0%

July 2022: 109.4 points
July 2021: 105.2 points

July 2022

4.1%

Aug. 2022: 111.4 points
Aug. 2021: 107.0 points

August 2022

0.3%

Sept. 2022: 109.9 points
Sept. 2021: 109.6 points

September 2022

0.4%

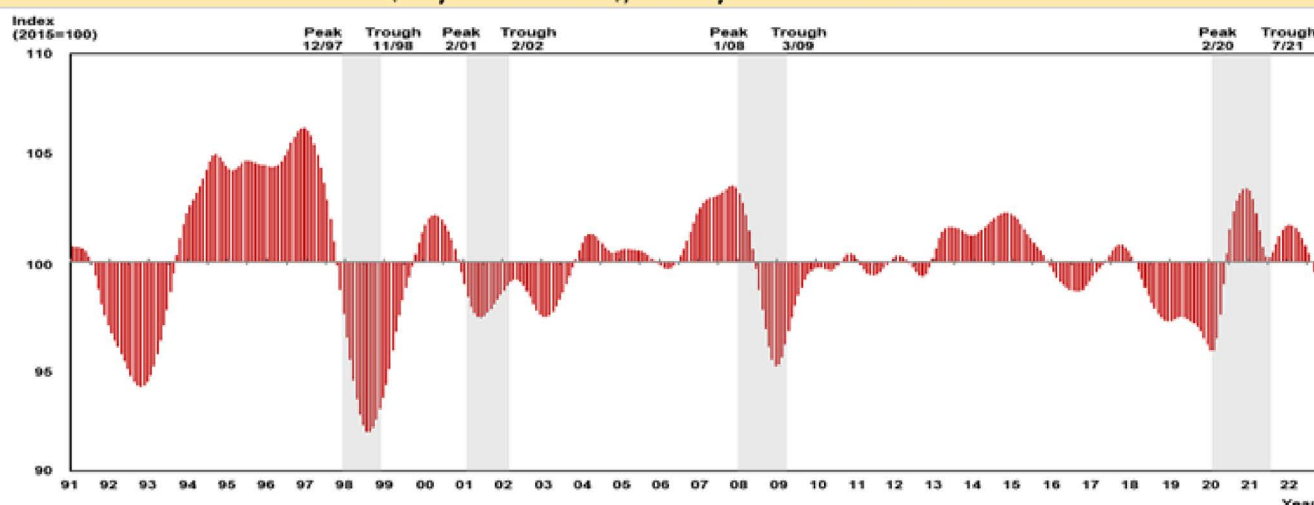
Oct. 2022: 109.6 points
Oct. 2021: 109.2 points

October 2022

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

TIME SERIES DATA

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

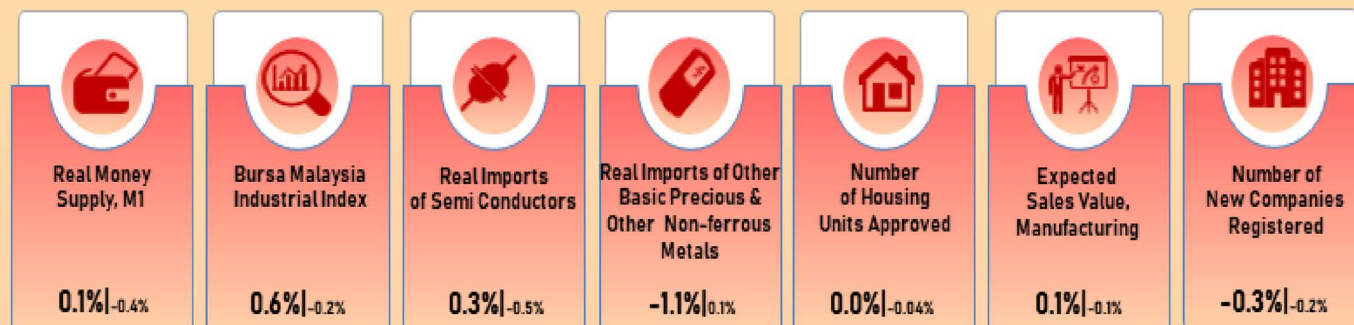


-0.3%
October

- 1.3%
September

Leading Composite Index, Monthly Change (%)

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



Note: October 2022 | September 2022

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

ENVIRONMENT STATISTICS, 2021



Population (million)

2022^p: 32.7

2021: 32.6

Annual population growth rate (%)

0.2%

Forested area, 2018



18,273,487
hectares
(55.4%)

Recycles rate



Mean temperature (°C)



2021 15.7 - 33.2
2020 15.9 - 33.5

Rainfall (mm)



2021 1,589.2 - 5,365.8
2020 1,691.8 - 5,320.8

Mean relative humidity (%)



2021 72.9 - 88.7
2020 72.5 - 89.4

Reserves of natural gas (TSCF)

2020^p: 75.3

2019: 79.2

Associated natural gas (TSCF)

2020^p: 8.5

2019: 9.9

Non-associated natural gas (TSCF)

2020^p: 66.8

2019: 69.3

TSCF: Trillion Standard Cubic Feet

Reserves of crude oil and condensates (billion barrels)

2020^p: 4.5

2019: 4.7

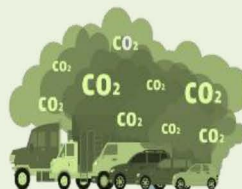
Landings of marine fish ('000 metric tonnes)

2021: 1,328.0
2020: 1,383.3



Emission of pollutants to the air by source

2021: 2,725.1
2020: 3,565.1



Motor vehicles

2021: 1,792.1
2020: 2,454.4



Scheduled wasted ('000 metric tonnes)

2021: 7,505.2
2020: 7,185.2



Growth rate (%)



Power plant

2021: 769.9
2020: 855.5



Industry

2021: 94.6
2020: 119.5



Others¹

2021: 68.4
2020: 135.8



Clinical waste ('000 metric tonnes)

2021: 57.4
2020: 39.9



Notes:

MLD: Million litres per day Ha: hectares e: estimate p: preliminary

¹ Include hotels, commercial centres, institutions, night markets and open burning activities





XX

Source: Compendium of Environment Statistics, 2022
Department of Statistics Malaysia (DOSM)

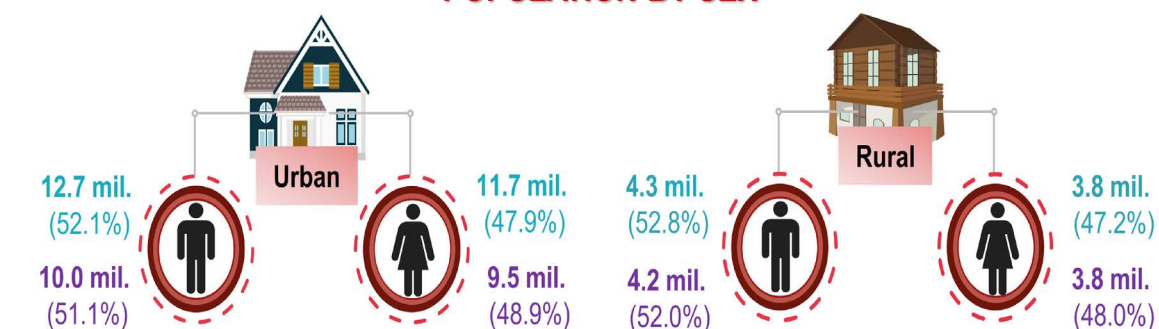
MYCENSUS 2020 (PART 1 OF 4)

KEY FINDINGS OF POPULATION AND HOUSING CENSUS OF MALAYSIA 2020 URBAN AND RURAL

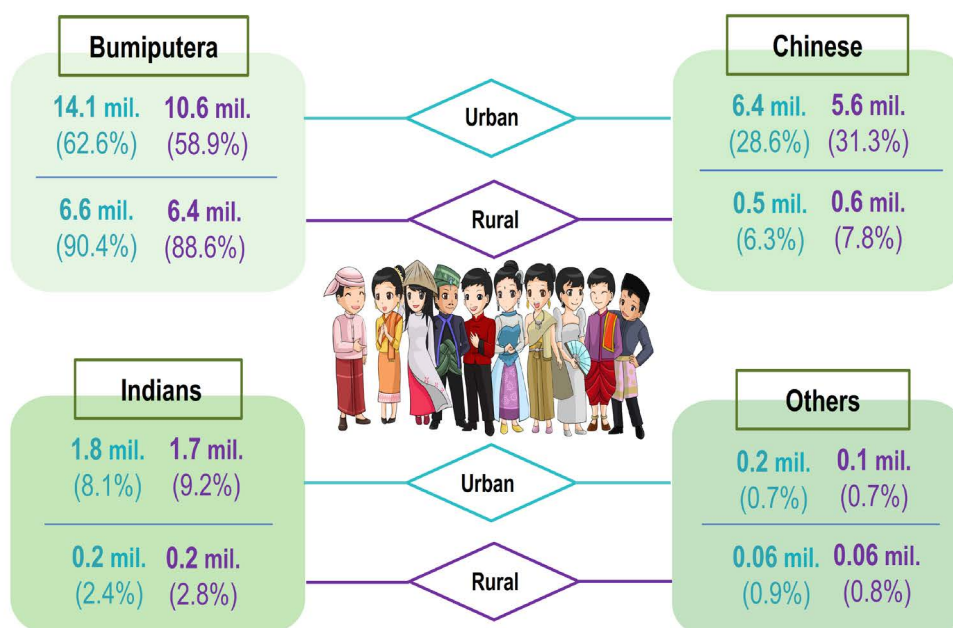


	Citizens	Non-Citizens		Living Quarters	Households
	22.5 mil. (92.4%)	1.9 mil. (7.6%)		7.4 mil. (76.7%)	6.3 mil. (76.6%)
Urban	18.0 mil. (92.5%)	1.5 mil. (7.5%)	Urban	5.4 mil. (73.5%)	4.6 mil. (73.0%)
	7.3 mil. (89.7%)	0.8 mil. (10.3%)		2.2 mil. (23.3%)	1.9 mil. (23.4%)
Rural	7.2 mil. (90.2%)	0.8 mil. (9.8%)	Rural	1.9 mil. (26.5%)	1.7 mil. (27.0%)

POPULATION BY SEX



CITIZENS BY ETHNIC GROUP

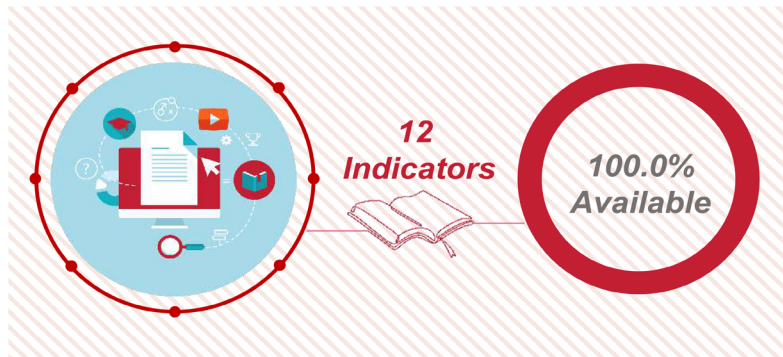


Source: Key Findings of Population and Housing Census of Malaysia 2020 Urban and Rural, Department of Statistics Malaysia (DOSM)

GOAL 4 : QUALITY EDUCATION



QUALITY EDUCATION

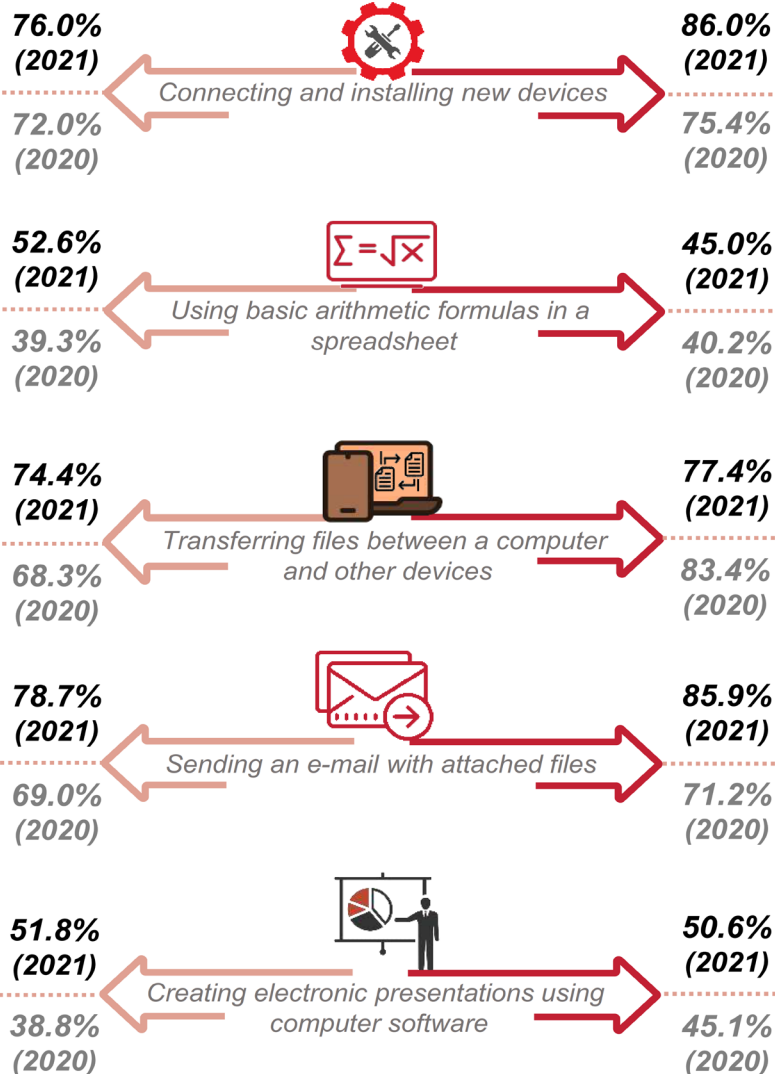


SDG 4.4.1

Proportion of adults using computers by type of ICT skills

ADULTS

YOUTHS



Source: ICT Use and Access by Individuals and Households Survey, Department of Statistics Malaysia

SDG 4.2.2



86.1% Total participation rate in preschool, **2021** as compared to **87.5%** in 2020

86.7%
(2020)



85.3% (2021)
MALE

88.3%
(2020)



86.8% (2021)
FEMALE

Note: Data refers to one year before the official primary entry age

Source: Ministry of Education Malaysia

SDG 4.3.1

10.3% (2021) participation rate of youth and adults in formal education and training in the previous 12 months as compared to **10.5%** in 2020



Source: Ministry of Education Malaysia

SDG 4.c.1



Proportion of teachers with minimum organised teacher training by level of education

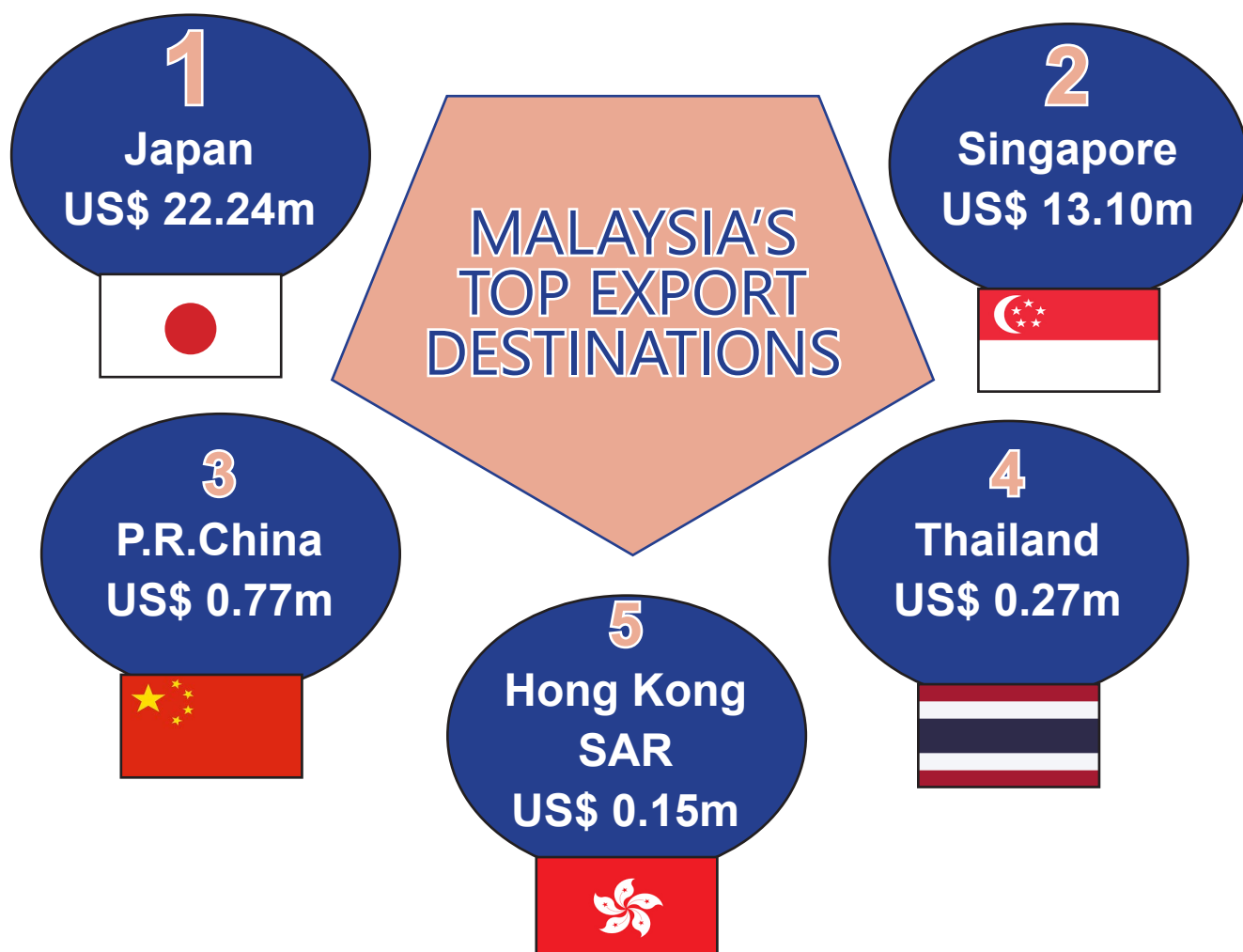
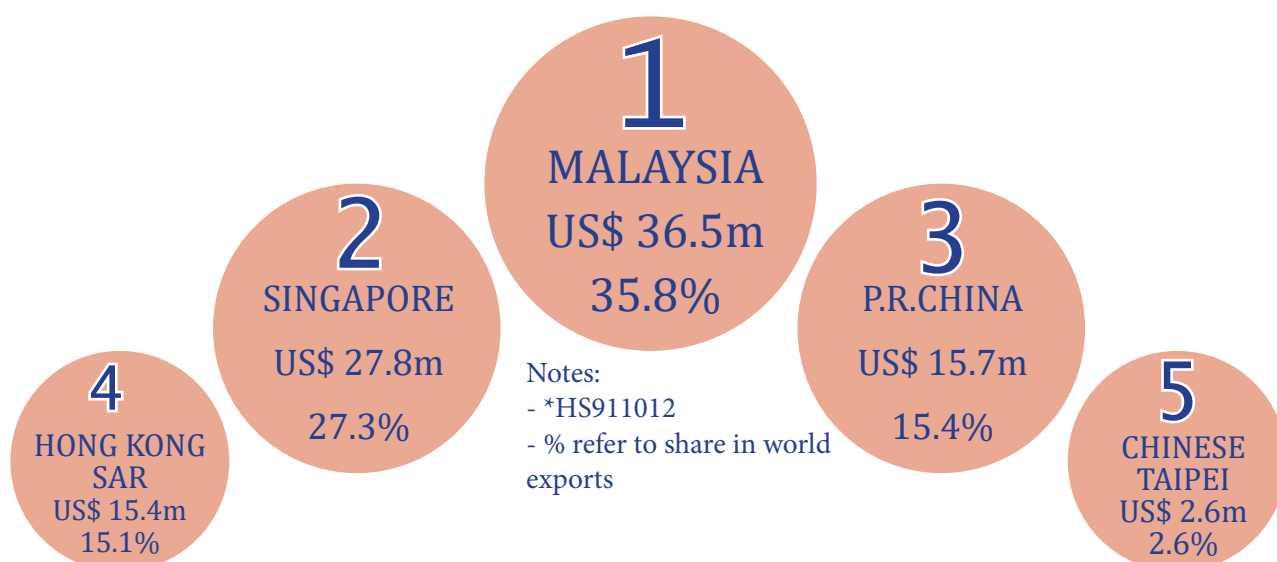
	2020 ^p	2021
Pre-primary	100.0%	36.7%
Primary	98.2%	97.7%
Secondary	97.9%	98.3%

Note: ^p Preliminary

Source: Ministry of Education Malaysia

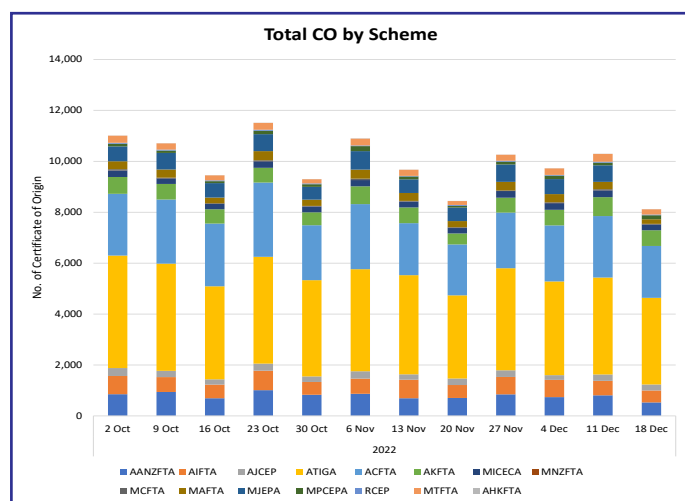
WORLD LARGEST EXPORTERS OF INCOMPLETE WATCH MOVEMENTS, ASSEMBLED

In 2021, Malaysia's export of Incomplete watch movements, assembled recorded US\$ 36.5 million which was 36.5% share of the world exports.

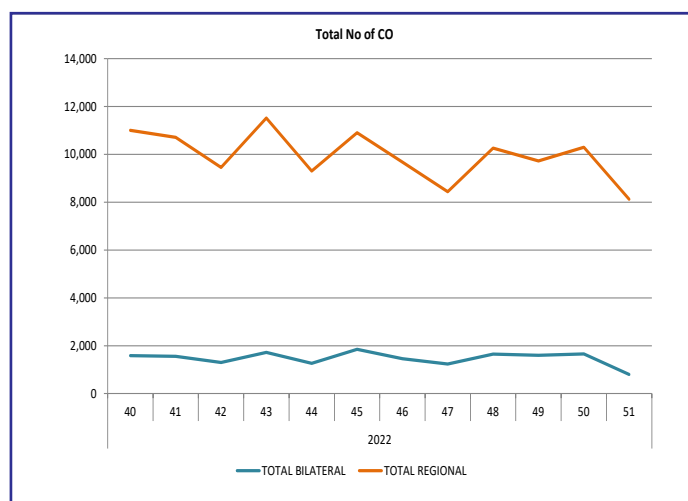


Number and FOB Value of PCO as at 18 December 2022 Weekly / Monthly/ Annually

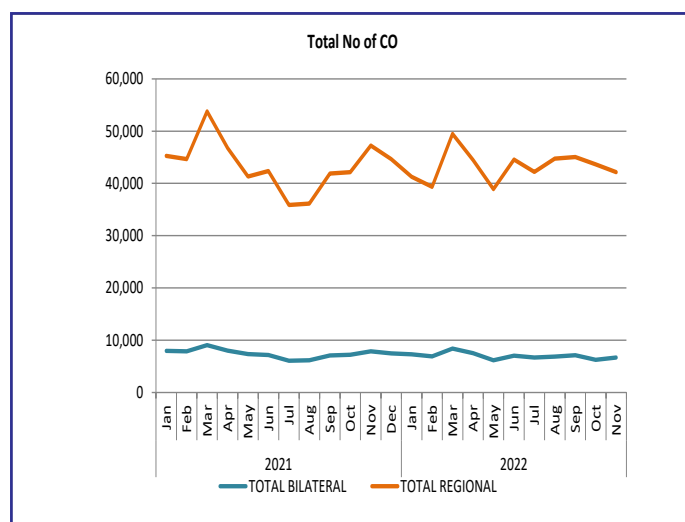
Weekly Total Scheme



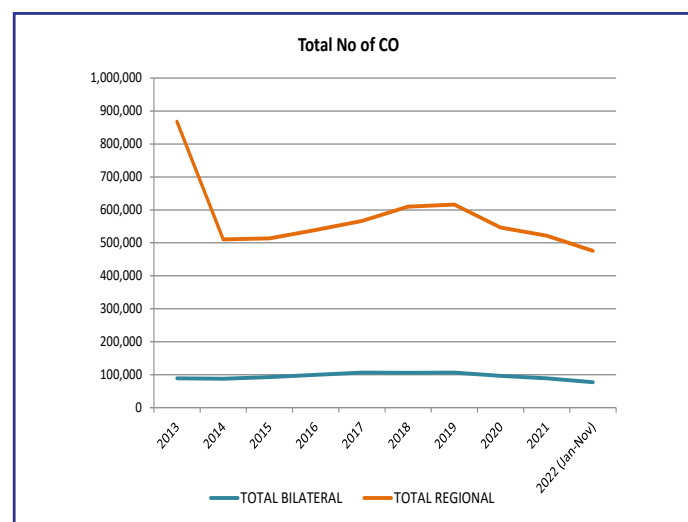
Weekly



Monthly



Annually

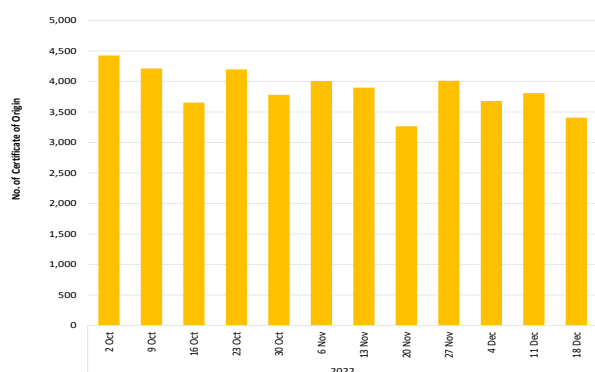


Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

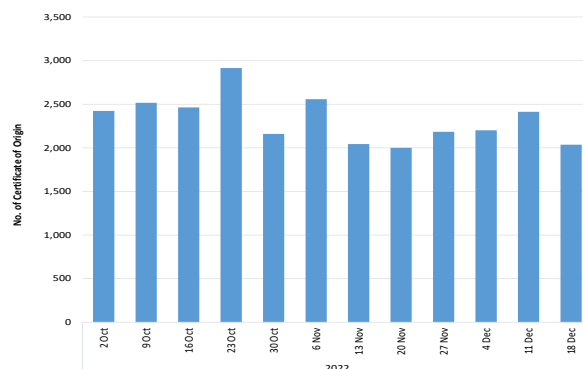
Regional FTA

Number of Preferential Certificates of Origin (PCOs) as at 18 December 2022

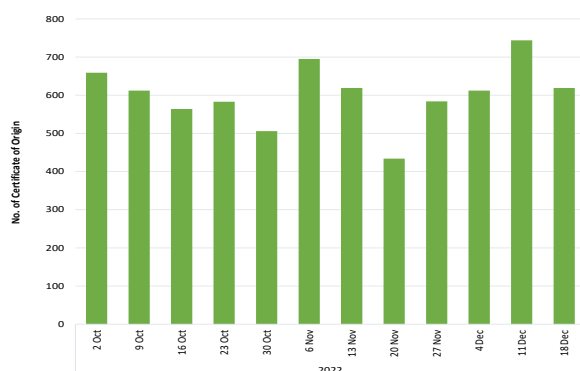
ASEAN Trade in Goods Agreement (ATIGA)



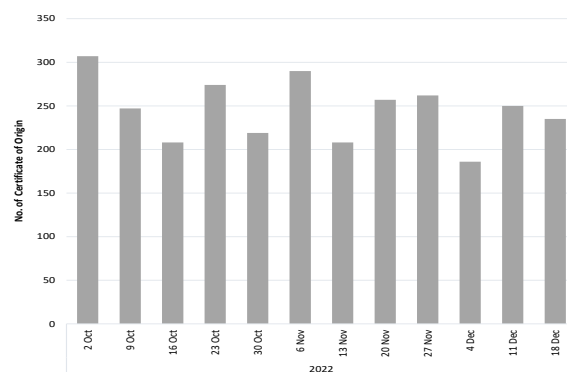
ASEAN-China Free Trade Agreement (ACFTA)



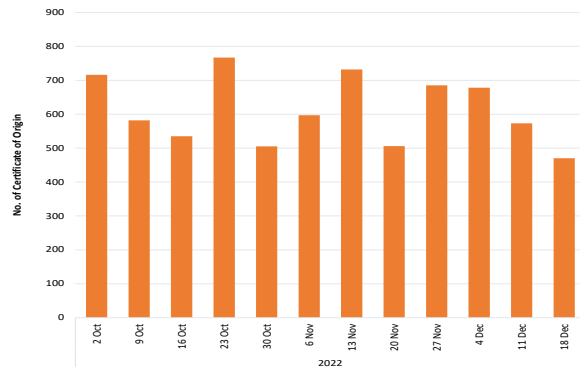
ASEAN-Korea Free Trade Agreement (AKFTA)



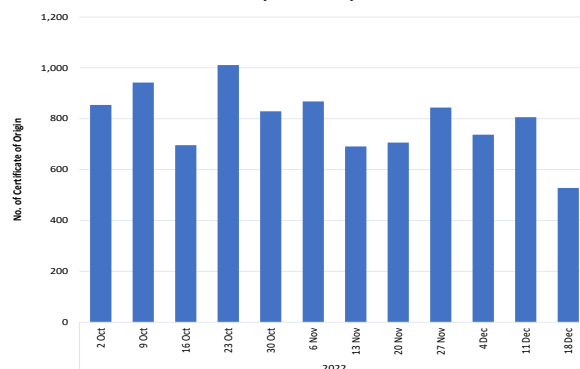
ASEAN-Japan Comprehensive Economic Partnership (AJCEP)



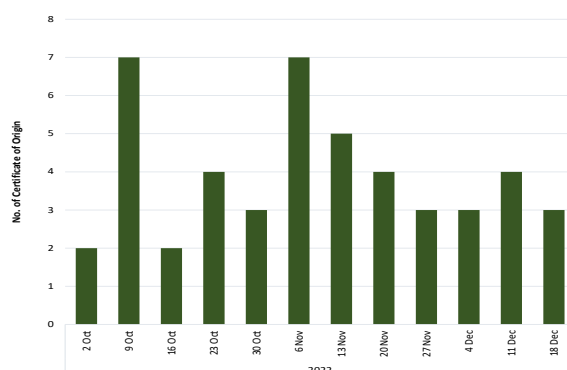
ASEAN-India Free Trade Agreement (AIFTA)



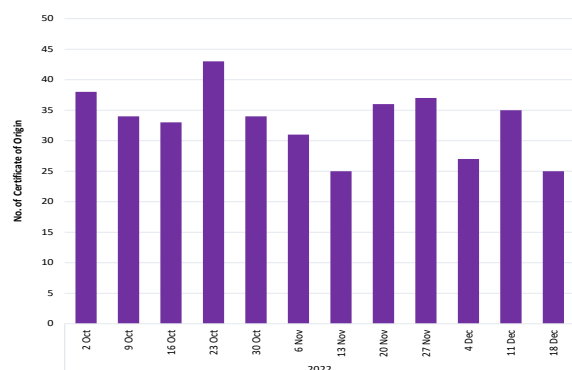
ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)



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



Regional Comprehensive Economic Partnership (RCEP)

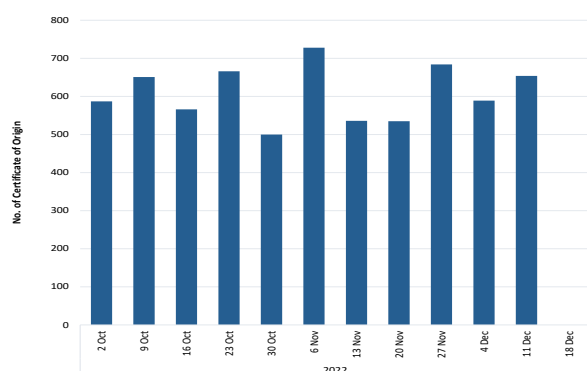


Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

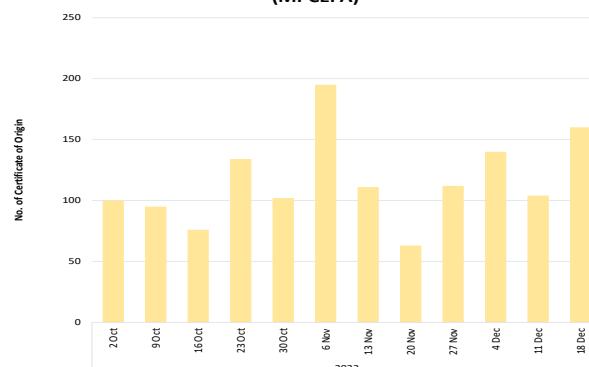
Bilateral FTA

Number of Preferential Certificates of Origin (PCOs) as at 18 December 2022

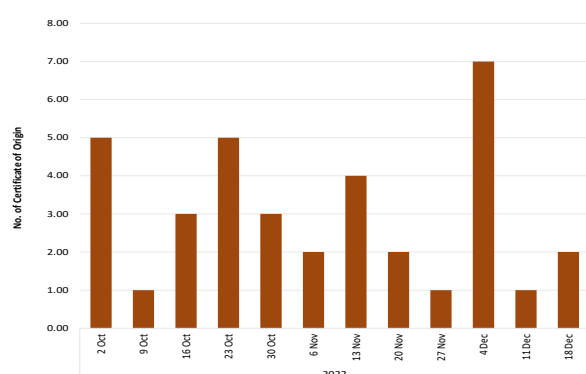
Malaysia-Japan Economic Partnership Agreement (MJEPA)



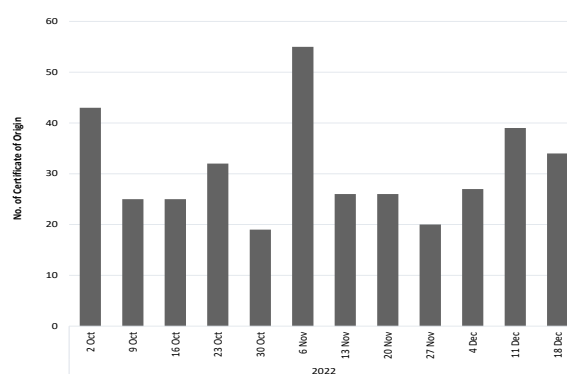
Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)



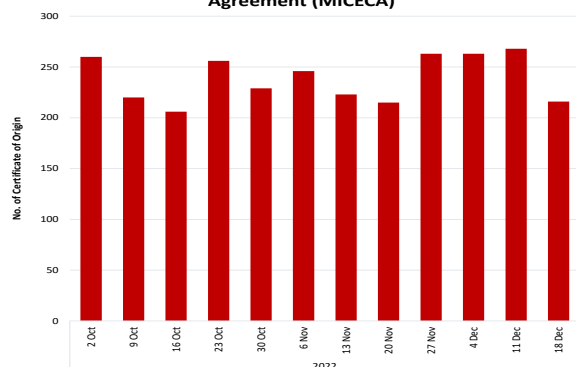
Malaysia-New Zealand Free Trade Agreement (MNZFTA)



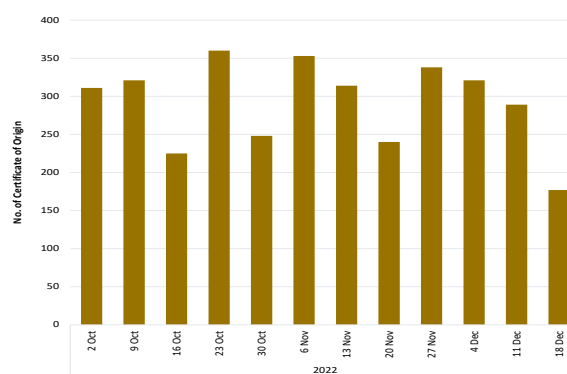
Malaysia-Chile Free Trade Agreement (MCFTA)



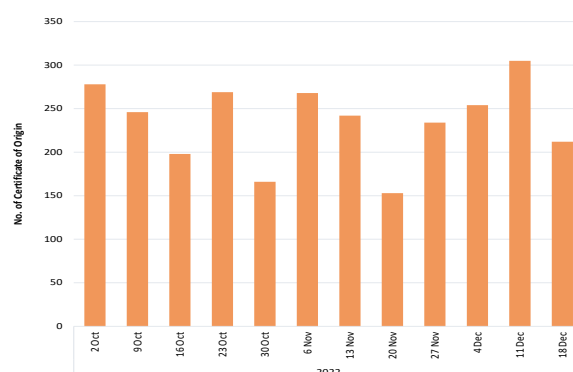
Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA)



Malaysia-Australia Free Trade Agreement (MAFTA)



Malaysia-Turkey Free Trade Agreement (MTFTA)

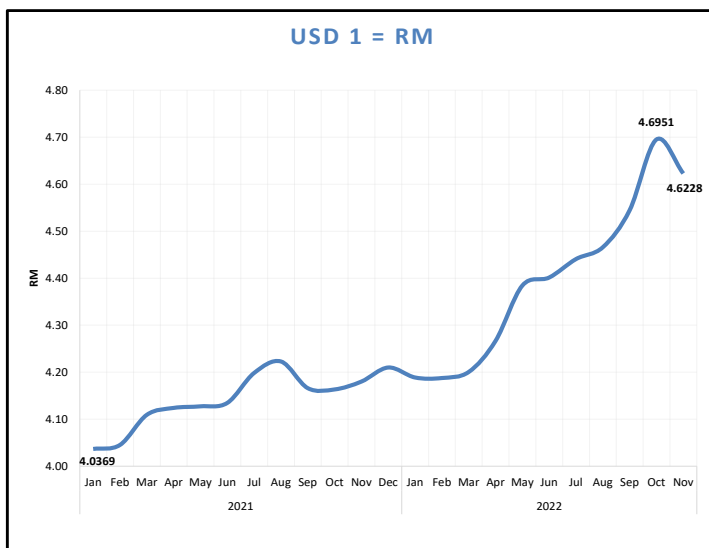


Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

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

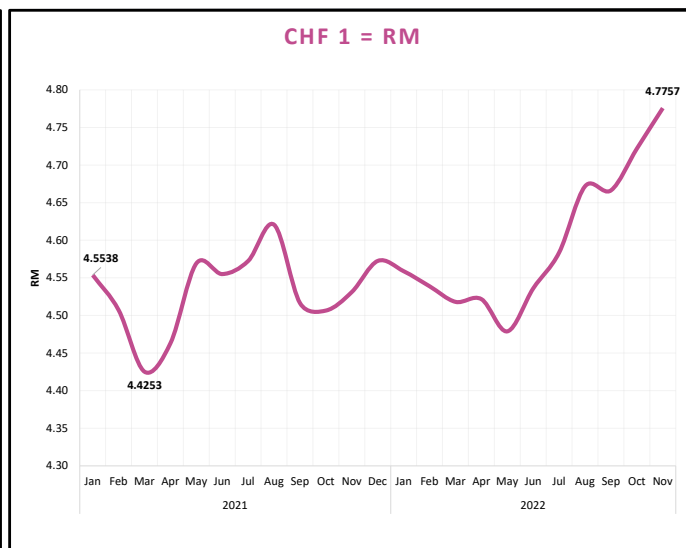
US Dollar

USD 1 = RM



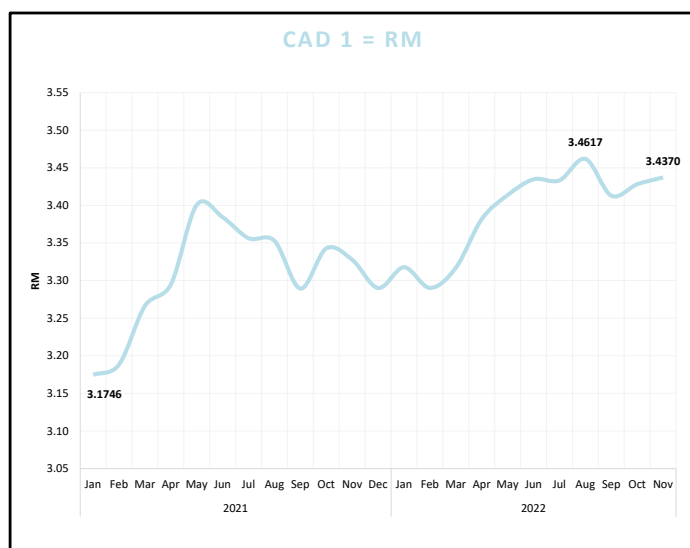
Swiss Franc

CHF 1 = RM



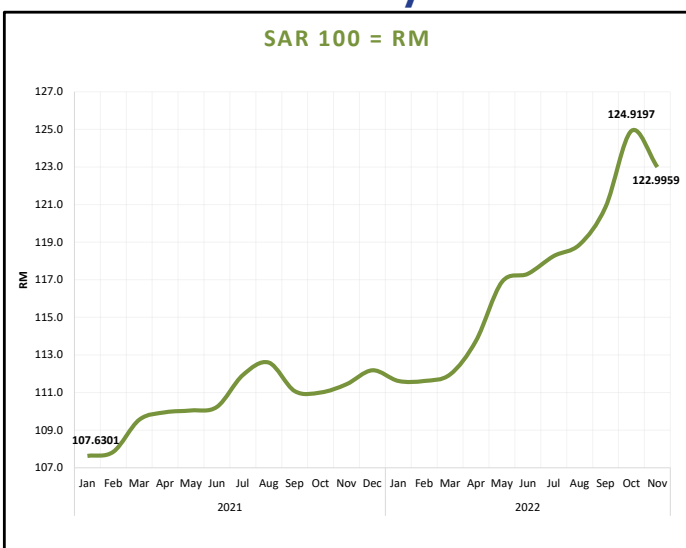
Canadian Dollar

CAD 1 = RM



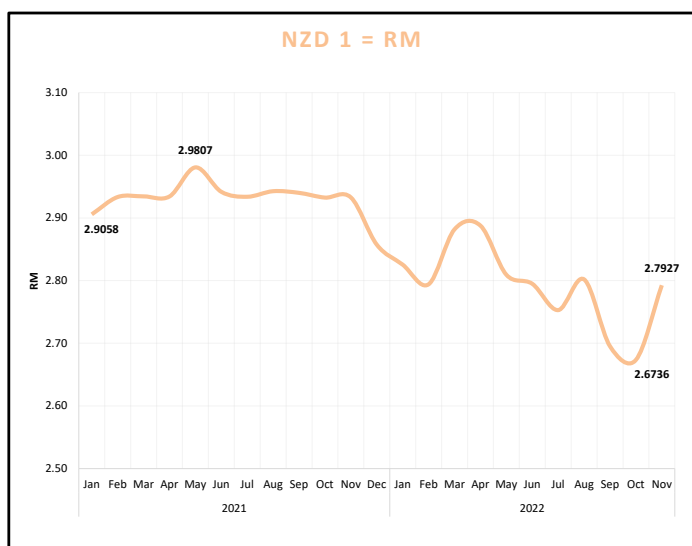
Saudi Riyal

SAR 100 = RM



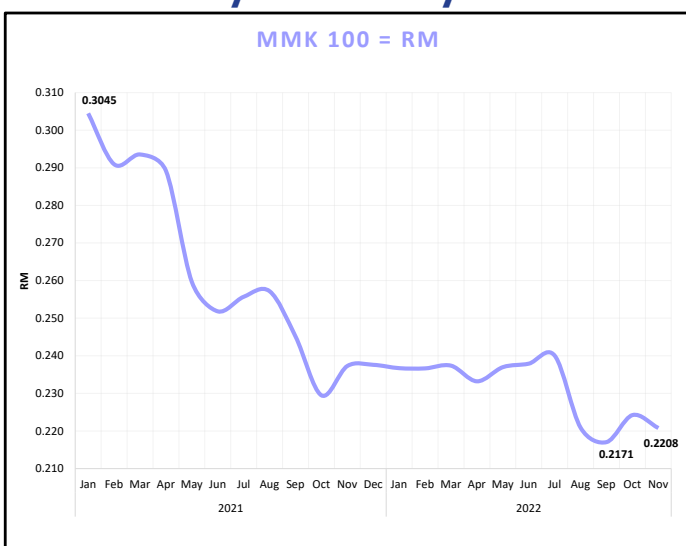
New Zealand Dollar

NZD 1 = RM



Myanmar Kyat

MMK 100 = RM



Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▲ 6.2%*
US\$83.9
23 Dec 2022

Highest
2021/2022
10 June 2022 : US\$122.0
22 Oct 2021 : US\$85.5
9 Dec 2022 : US\$76.1
15 Jan 2021 : US\$55.1
Lowest
2021/2022

Average Price 2021 ⁱ: US\$71.1

CRUDE PALM OIL -per MT-



▼ 0.5%*
US\$878.5
23 Dec 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-



▼ 7.6%*
US\$1,291.5
23 Dec 2022

Average Price 2021 ⁱ: US\$1,689.1

COCOA SMC 2 -per MT-



▲ 0.9%*
US\$1,710.5
23 Dec 2022

Average Price 2021 ⁱ: US\$1,505.9

SUGAR -per lbs-

▲ 4.4%*
US\$21.0
23 Dec 2022



Average Price 2021 ⁱ: US\$17.9

COAL -per MT-



▼ 2.3%*
US\$228.7
23 Dec 2022

Average Price 2021 ⁱ: US\$120.5

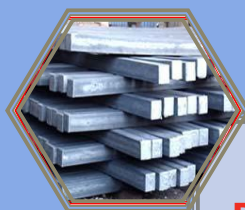
SCRAP IRON HMS -per MT-



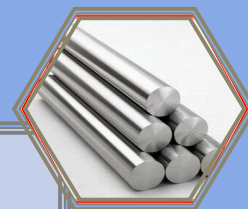
▼ 2.0%*
US\$356.5
(high)
November 2022
▲ 2.8%*
US\$346.3
(low)

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

Domestic Prices November 2022



**Billets
(per MT)**
RM2,475 - RM2,540



**Steel Bars
(per MT)**
RM2,606 - RM2,766

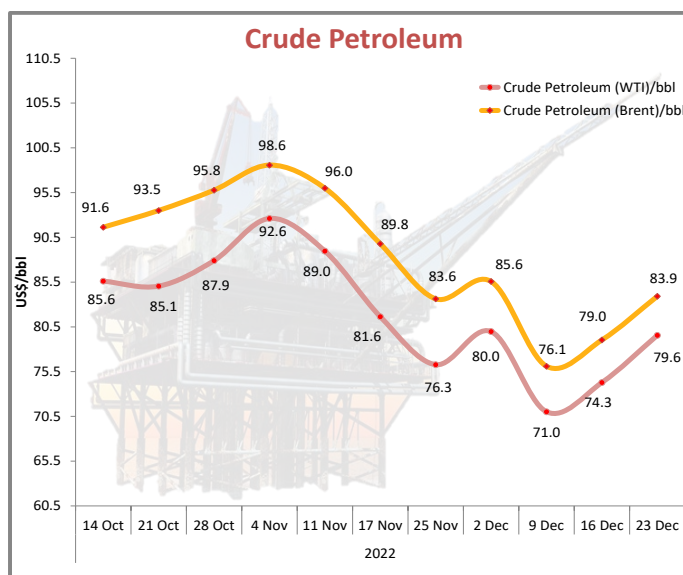
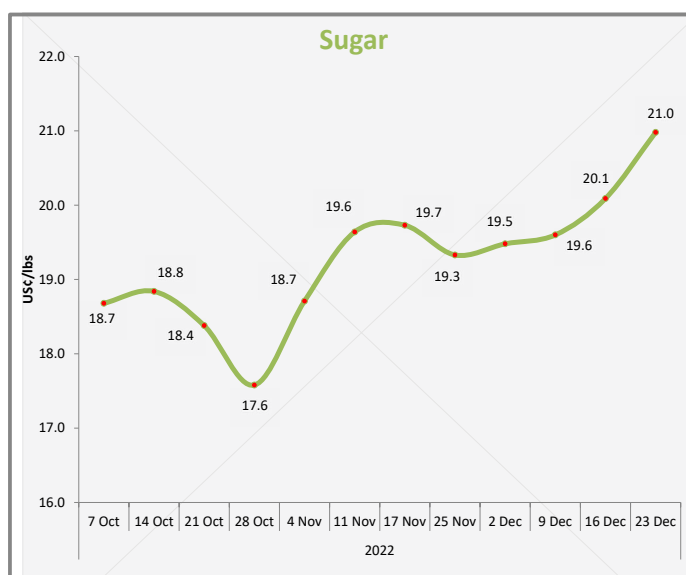
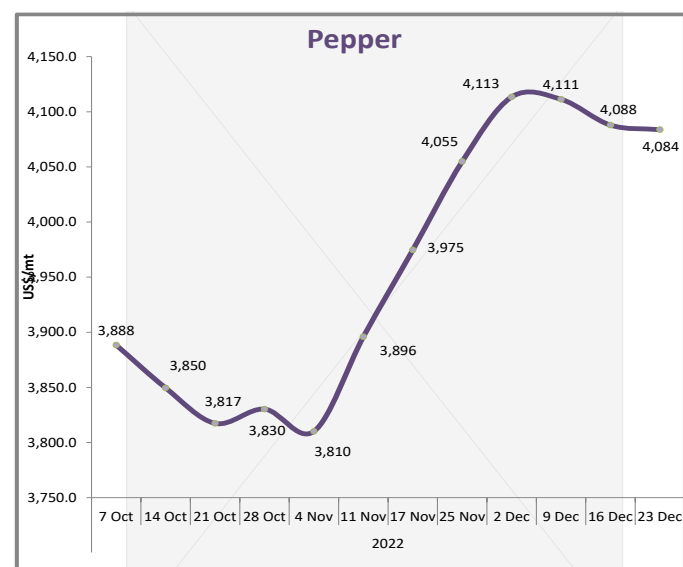
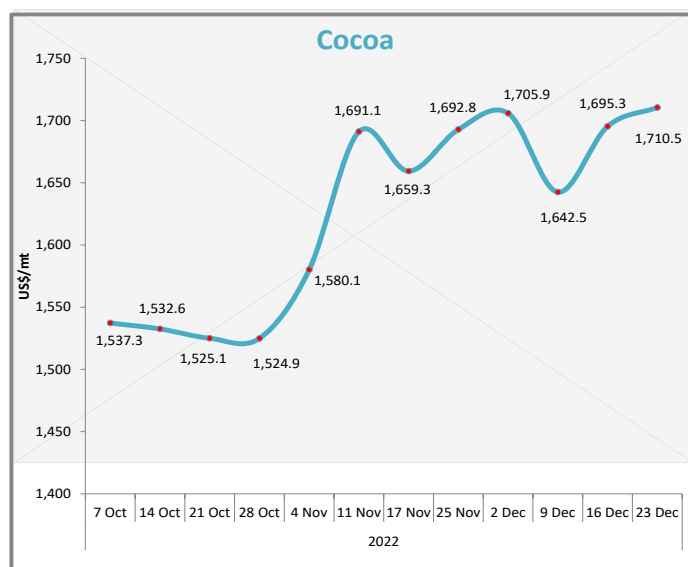
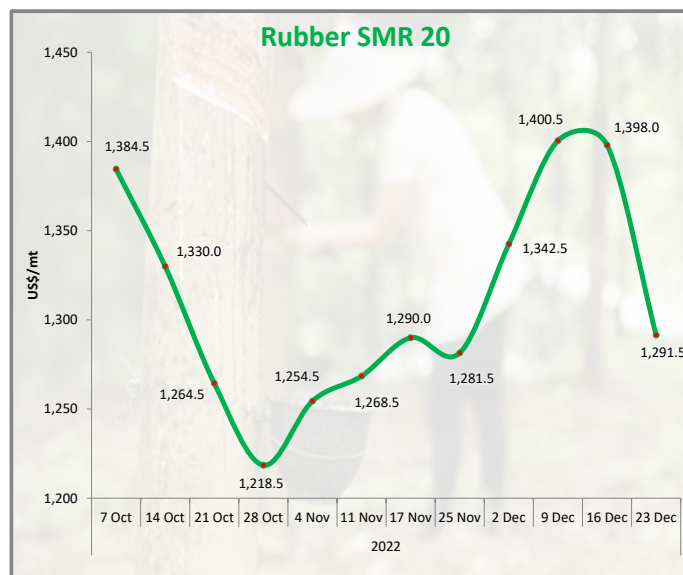
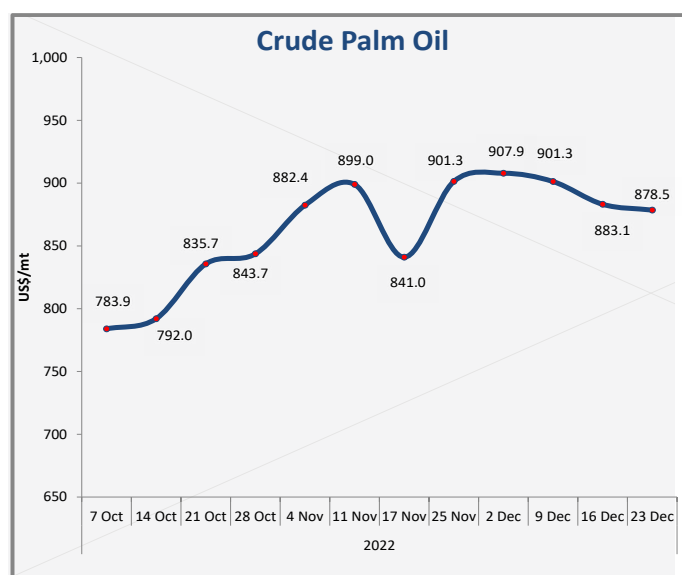
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

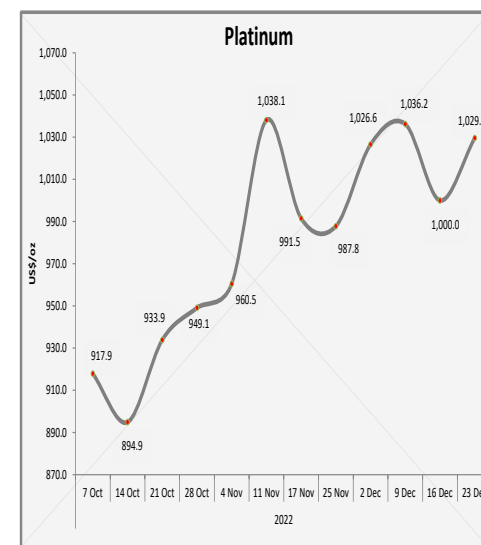
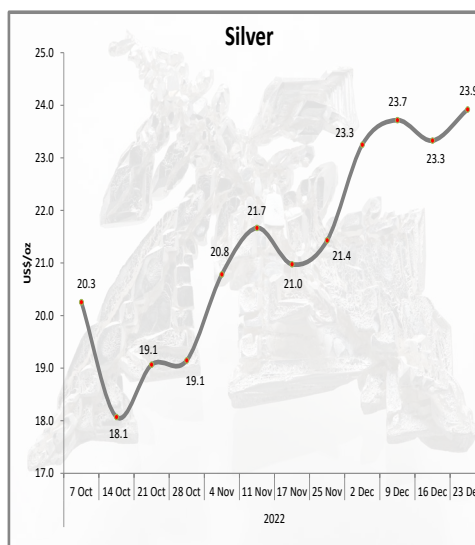
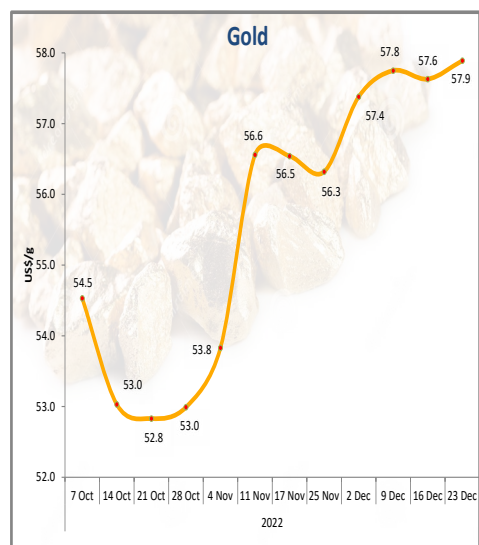
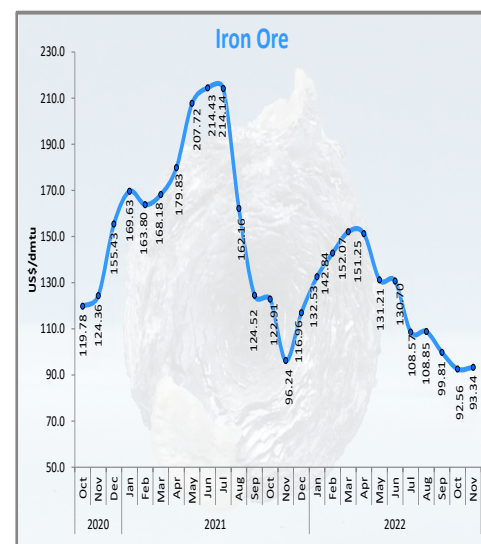
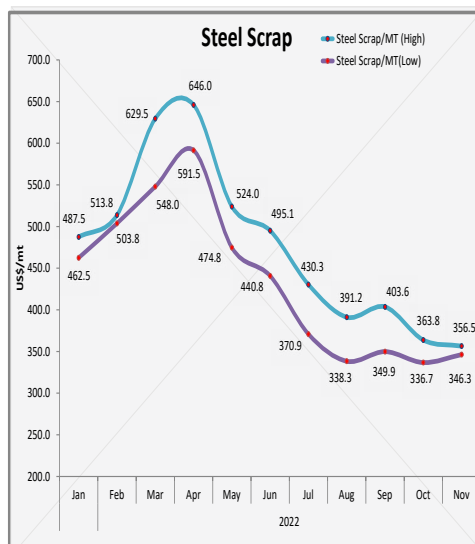
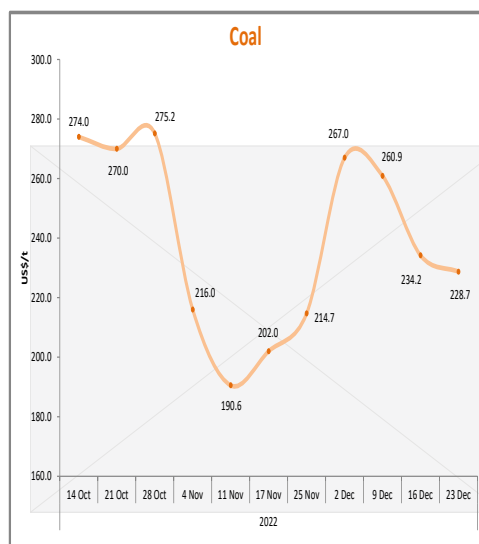
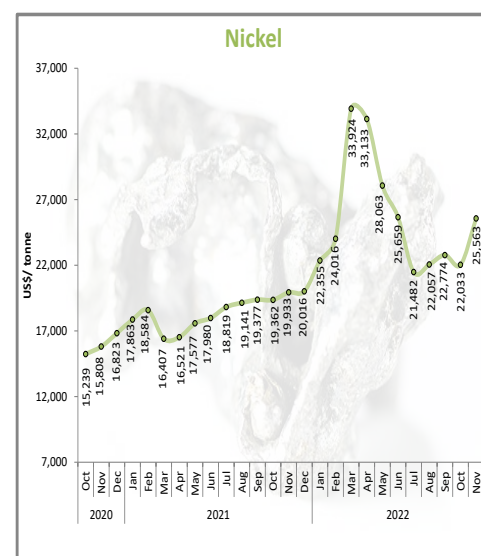
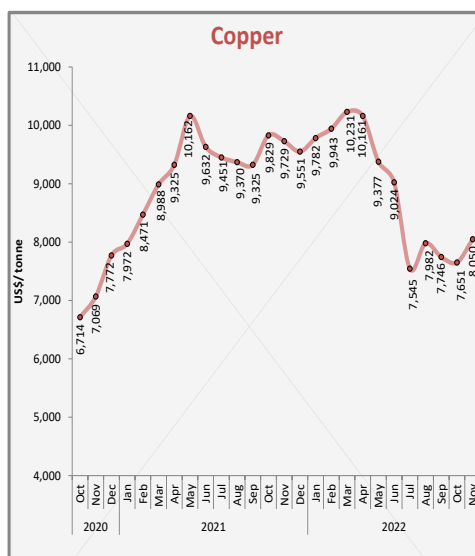
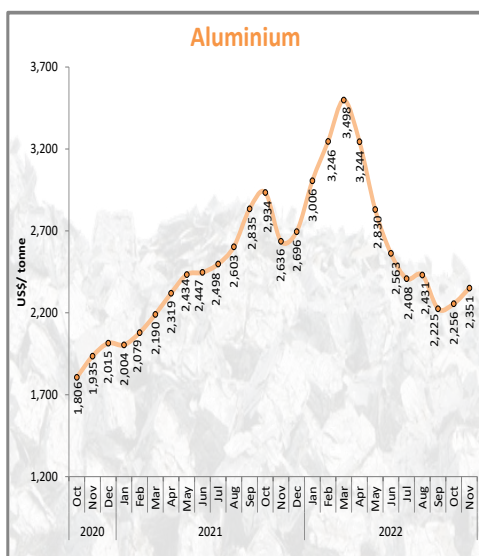
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

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 Czarikow Group, World Bank, World Gold Council, The Wall Street Journal.

RCEP

REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)



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



RCEP CONSISTS OF

10 ASEAN member countries

5 ASEAN FTA Partner countries

MAIN OBJECTIVES OF RCEP

1 Strengthening regional value chain



2 User friendly and easy to use



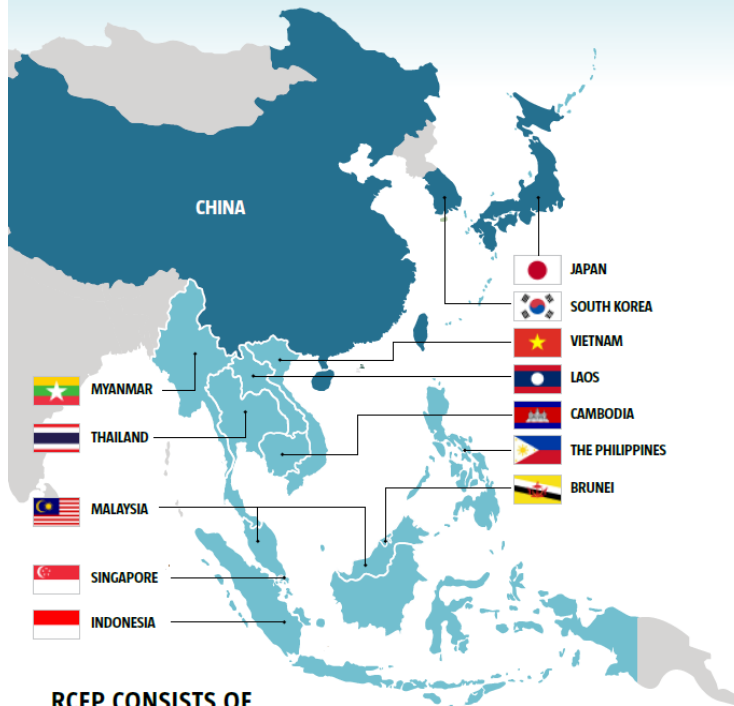
3 Modern, comprehensive and high quality



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.



RCEP CONSISTS OF

10 ASEAN member countries
5 ASEAN FTA partner countries



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 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.midi.com.my

Industry Digitalisation Transformation Fund (IDTF)

- targeted sectors: AI, Robotics, Automation etc.
- provides a 2% interest rate subsidy
- www.ipmib.com.my

Coming Soon!

1. Intervention Fund*

- 70:30 matching grant up to RM500,000.

2. Industry4WRD DSG*

- 60:40 matching grant

*participation in Industry4WRD EA 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



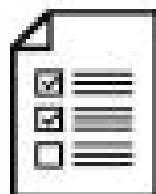
All you need to know about Industry4WRD RA



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?



- ✓ 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: I4.0@miti.gov.my
- RA: industry4wrds@mp.gov.my



Geographical Assessment



Apply online at www.miti.gov.my/Industry4wrds



Evaluation by Committees



Onsite Assessment

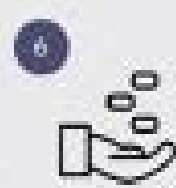


Receive RA Report

Business Intervention



Develop Intervention Proposal



Apply for Financial Incentives



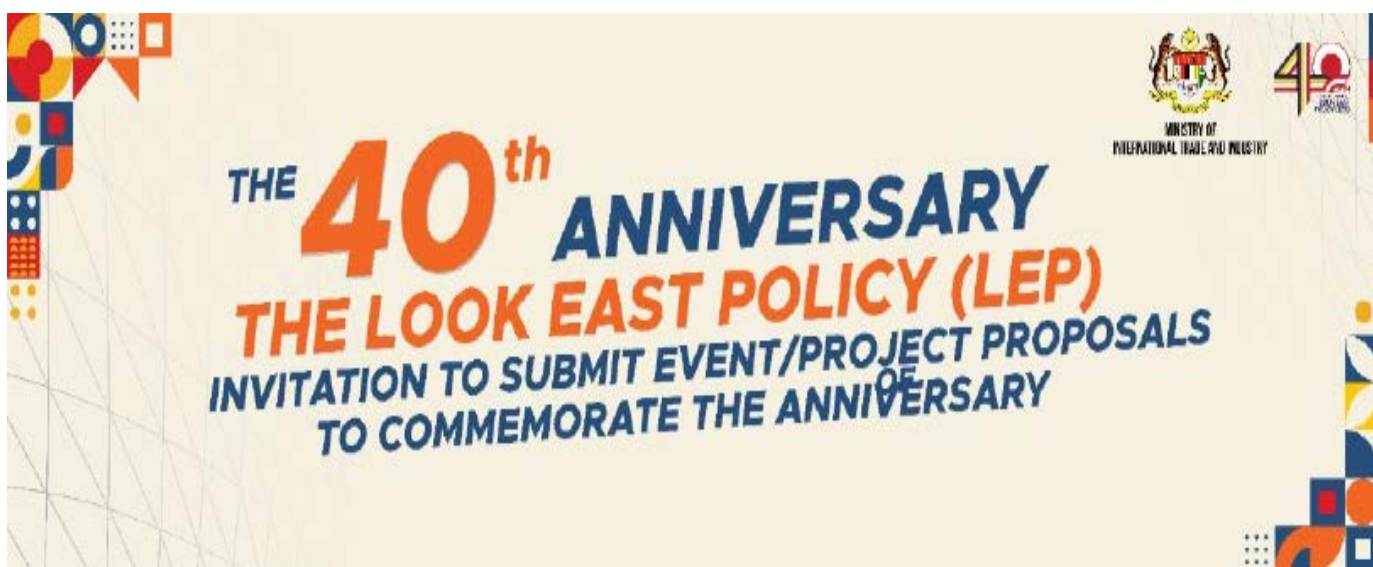
Implement the Intervention Plan

For more information, kindly click the following links:

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



FROM ALL OF US IN MITI !



Feedback

Send us your suggestions

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>