

### LEADING INDEX, JANUARY 2023

**MALAYSIA'S NEAR TERM ECONOMIC PROSPECT CONTINUES TO FACE CHALLENGES WITH THE LEADING INDEX DECREASED 1.5 PER CENT TO 108.5 POINTS IN JANUARY 2023**

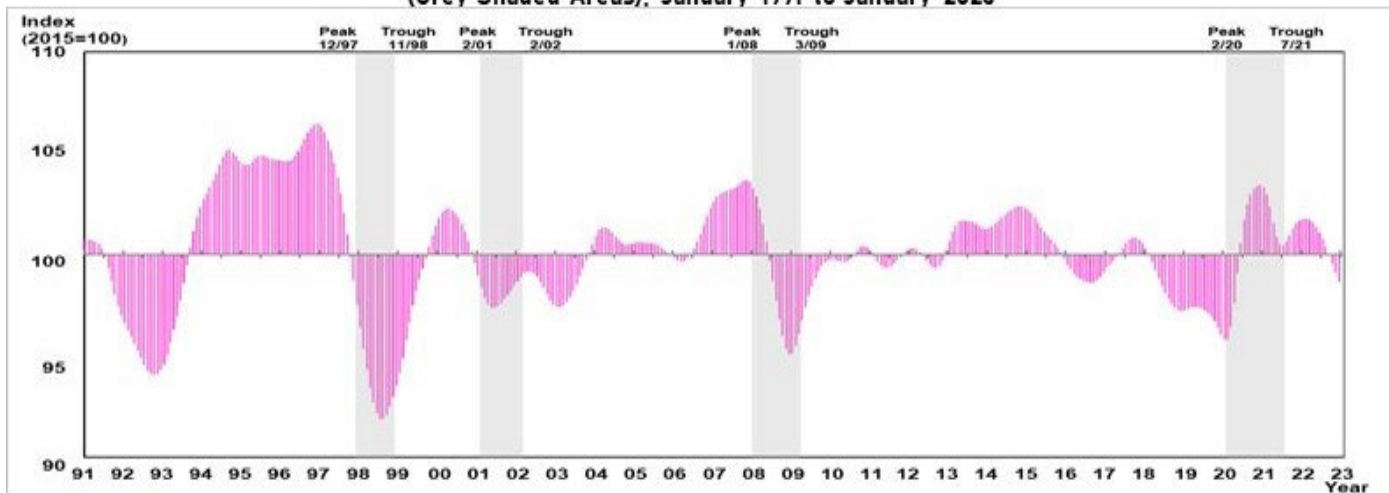
Leading Composite Index (2015=100) and Annual Change (%)



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 January 2023

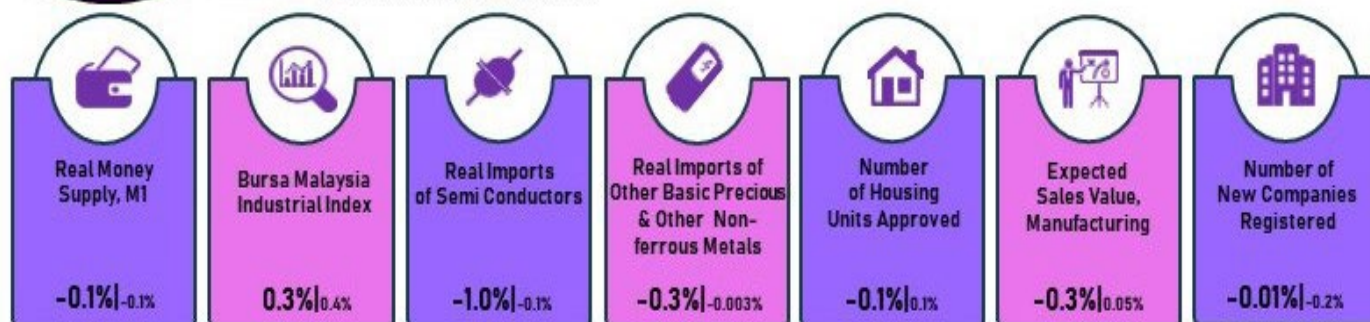


**-1.5%**  
January

0.1%  
December

#### LEADING COMPOSITE INDEX, MONTHLY CHANGE (%)

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



Note: January 2023 | December 2022

Source: Malaysian Economic Indicators- Leading, Coincident & Lagging Indexes, January 2023, Department of Statistics Malaysia (DOSM)



## CONSUMER PRICE INDEX, FEBRUARY 2023

Malaysia's Inflation remained at **3.7%** in  
**February 2023**



### INFLATION BY MAIN GROUP



### INFLATION FOR URBAN & RURAL

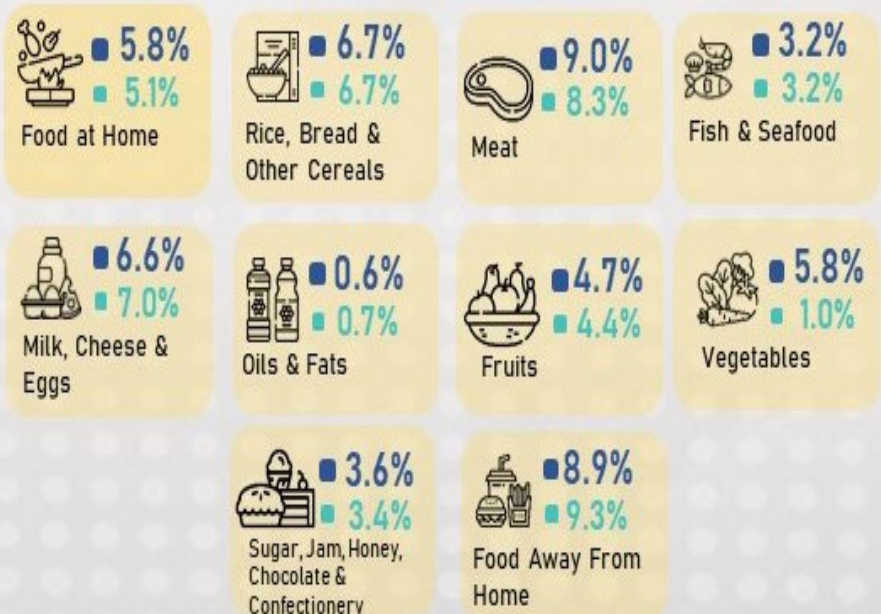


Note:

February  
2023

January  
2023

### INFLATION FOR SUBGROUP FOOD AND BEVERAGES



Percentage Change: Year-on-Year

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



## PRODUCER PRICE INDEX (PPI), FEBRUARY 2023

Malaysia's Producer Price Index went down to negative 0.8 per cent in

# FEBRUARY 2023

Feb 2023/Feb 2022  
(year-on-year)

**-0.8%**

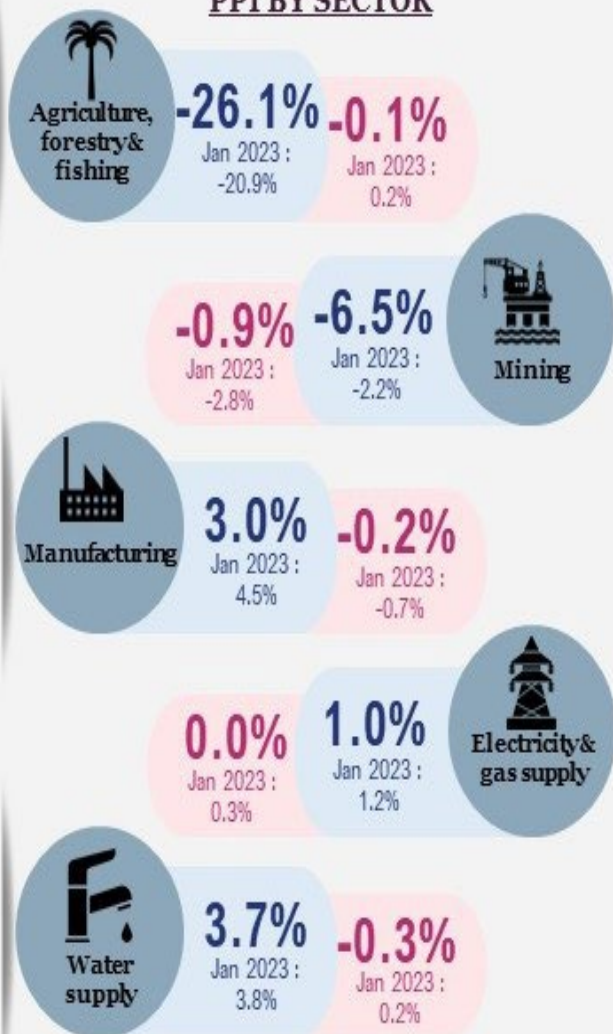
Jan 2023: 1.3%

Feb 2023/Jan 2023  
(month-on-month)

**-0.2%**

Jan 2023: -0.8%

### PPI BY SECTOR



### PPI BY STAGE OF PROCESSING



### PPI OF SELECTED COUNTRIES

Feb 2023 (%)	COUNTRIES	Jan 2023 (%)
4.6	United States of America	5.7
15.8	Germany	17.6
-1.4	P.R. China	-0.8
1.6	Thailand	2.4
8.2	Japan	9.5
4.8	Republic of Korea	5.1

Source: Official website of selected NSOs

### PPI FEB 2022 – FEB 2023



Source: Producer Price Index (2010=100) Local Production, Department of Statistics Malaysia (DOSM)



## ICT SERVICES

ANNUAL ECONOMIC STATISTICS, 2022  
INFORMATION AND COMMUNICATION SERVICES

## MAIN FINDINGS

## Value of Gross Output



2021: RM 182.2 billion  
2020: RM 172.9 billion

▲ 5.4%

## Value of Intermediate Input



2021: RM87.4 billion  
2020: RM82.9 billion

▲ 5.5%

## Value Added



2021: RM94.8 billion  
2020: RM90.0 billion

▲ 5.3%

## Number of Persons Engaged



2021: 241,711 persons  
2020: 236,372 persons

▲ 2.3%

## Salaries &amp; Wages Paid



2021: RM14.8 billion  
2020: RM14.4 billion

▲ 2.2%

## Value of Fixed Assets



2021: RM107.0 billion  
2020: RM104.8 billion

▲ 2.1%

Percentage Change (%): Year-on-Year

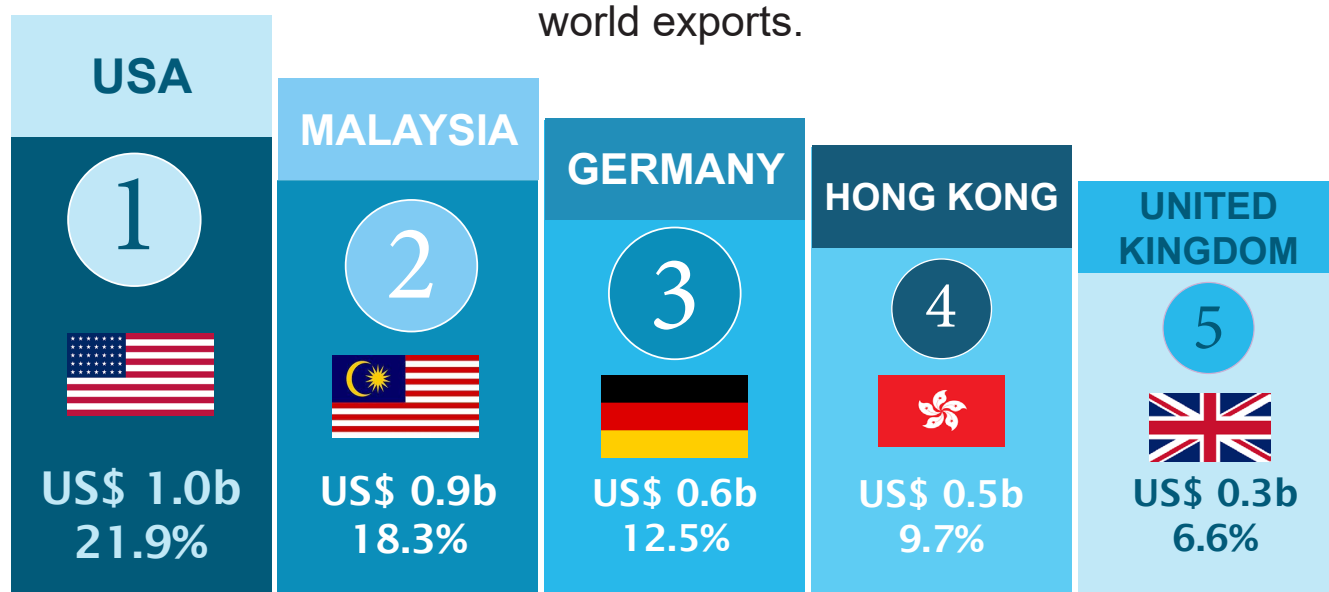


Source: Annual Economic Statistics, Information and Communication 2022,  
Department of Statistics Malaysia (DOSM)



## MALAYSIA AS SECOND LARGEST EXPORTER IN THE WORLD OF INSTRUMENTS AND APPARATUS FOR MEASURING OR CHECKING ELECTRICAL QUANTITIES, SPECIFICALLY FOR TELECOMMUNICATIONS

In 2021, Malaysia's export of Instruments and apparatus for measuring or checking electrical quantities, specifically for telecommunications, e.g. cross-talk meters, gain measuring instruments, distortion factor meters, psophometers recorded US\$ 0.9 billion which was 18.3% share of the world exports.

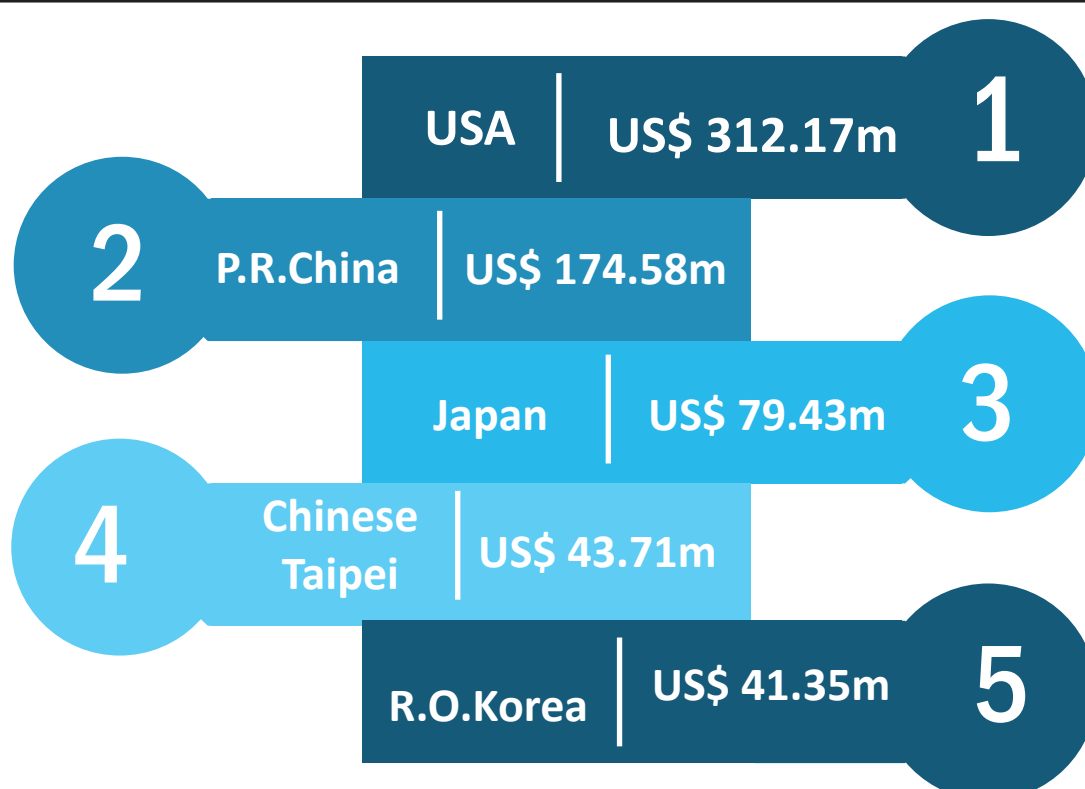


Notes:

-\*HS903040

-% refer to share in world exports

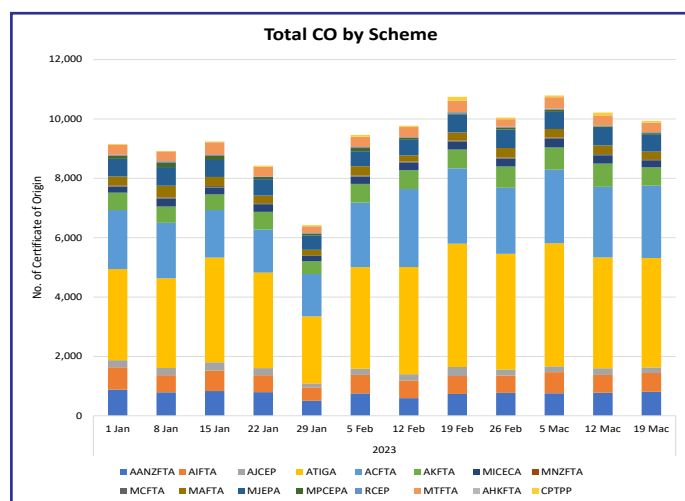
## MALAYSIA'S TOP EXPORT DESTINATIONS



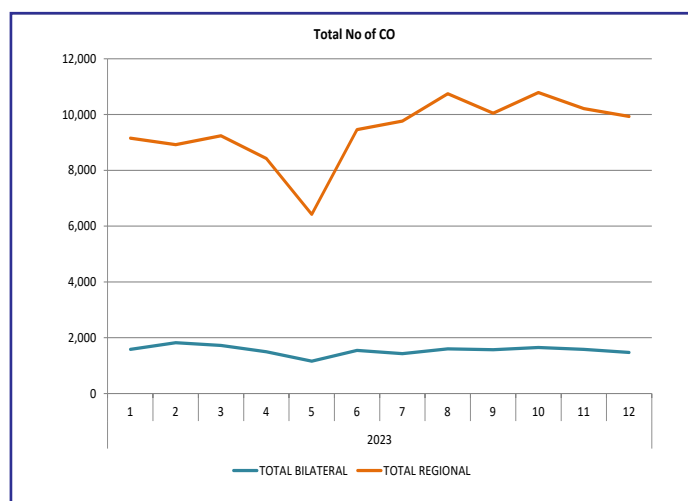


# Number Value of PCO as at 19 March 2023 Weekly / Monthly / Annually

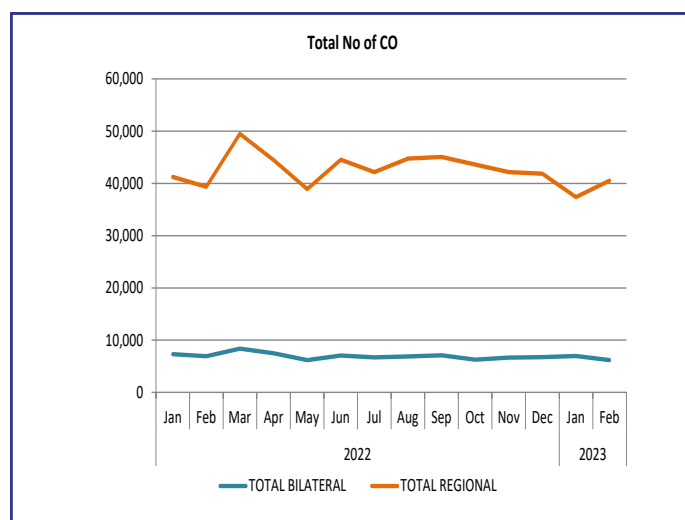
## Weekly Total Scheme



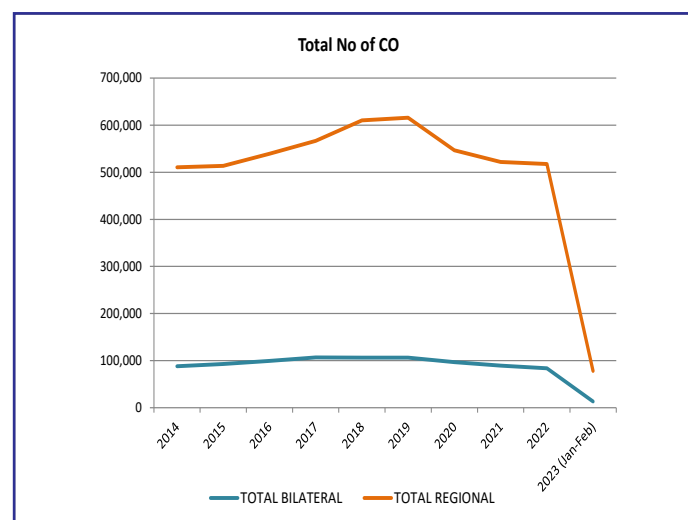
## Weekly



## Monthly



## Annually



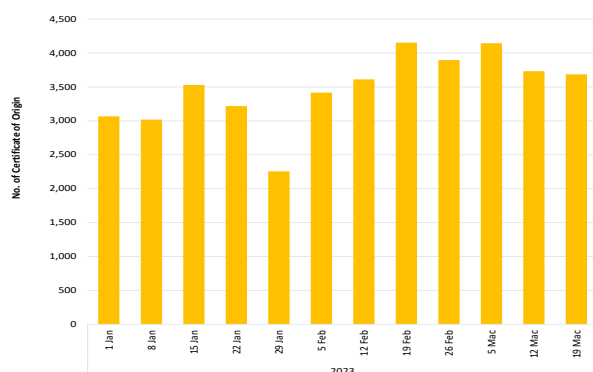
Note: \*Provisional Data  
Source: Ministry of International Trade and Industry, Malaysia



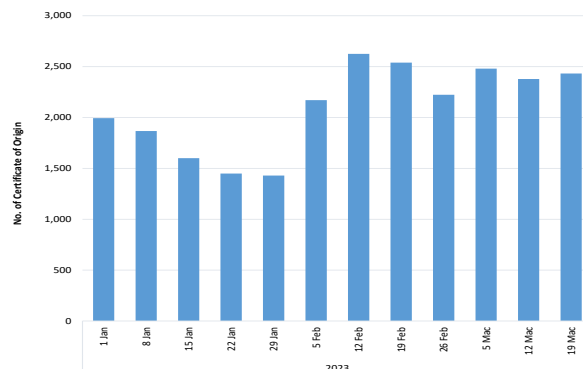
# Regional FTA

## Number of Preferential Certificates of Origin (PCOs) as at 19 March 2023

**ASEAN Trade in Goods Agreement (ATIGA)**



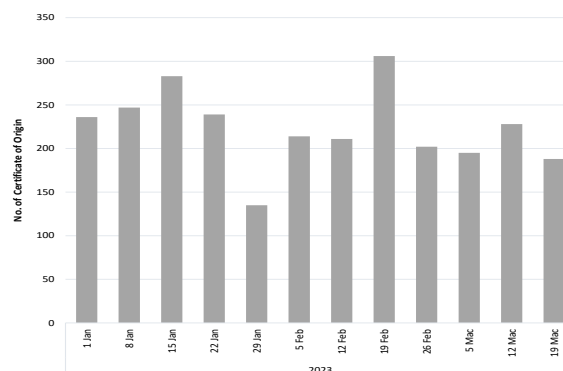
**ASEAN-China Free Trade Agreement (ACFTA)**



**ASEAN-Korea Free Trade Agreement (AKFTA)**



**ASEAN-Japan Comprehensive Economic Partnership (AJCEP)**



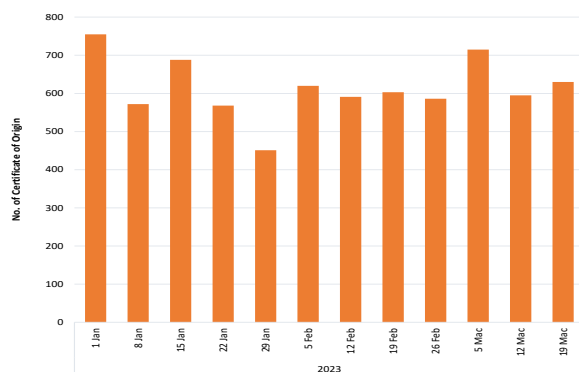
Note: \*Provisional Data  
Source: Ministry of International Trade and Industry, Malaysia



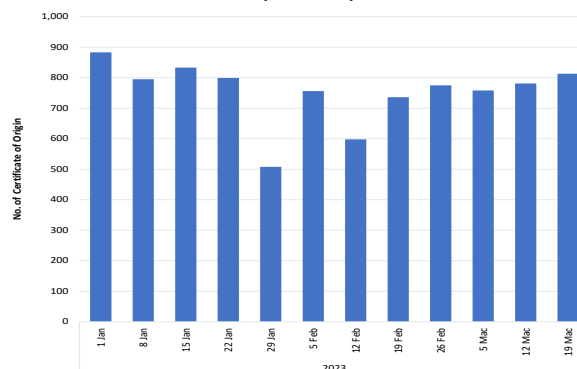
# Regional FTA

## Number of Preferential Certificates of Origin (PCOs) as at 19 March 2023

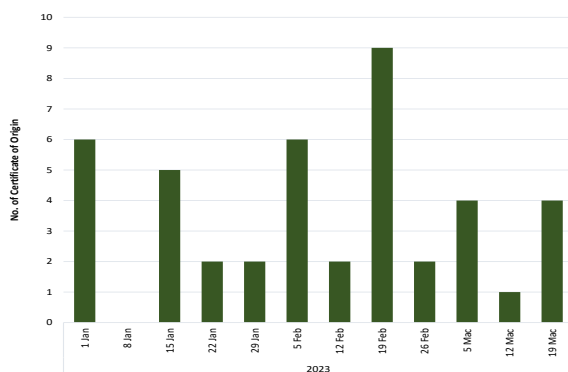
**ASEAN-India Free Trade Agreement (AIFTA)**



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



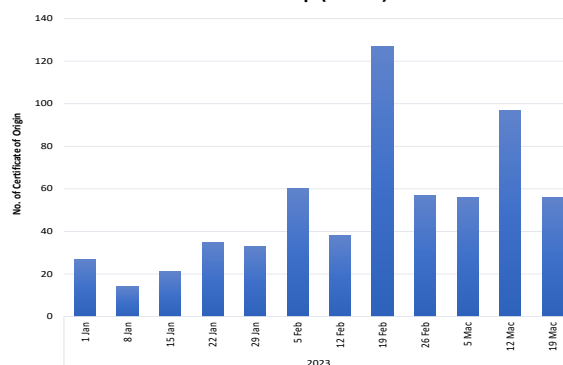
**ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA)**



**Regional Comprehensive Economic Partnership (RCEP)**



**Comprehensive & Progressive Agreement for Trans-Pacific Partnership (CPTPP)**



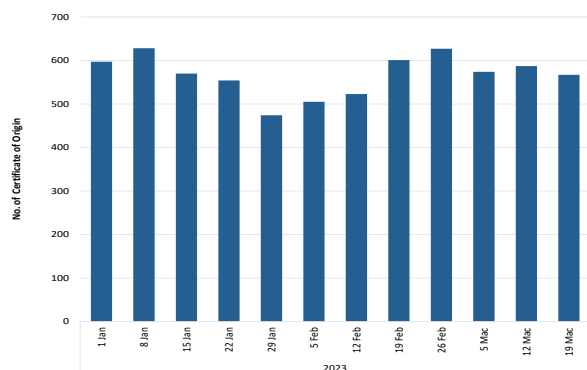
Note: \*Provisional Data  
Source: Ministry of International Trade and Industry, Malaysia



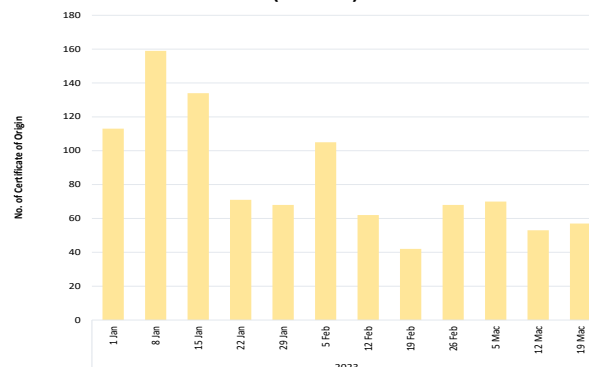
# Bilateral FTA

## Number of Preferential Certificates of Origin (PCOs) as at 19 March 2023

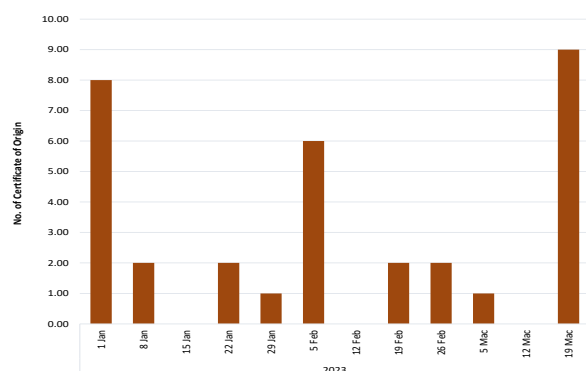
**Malaysia-Japan Economic Partnership Agreement (MJEPA)**



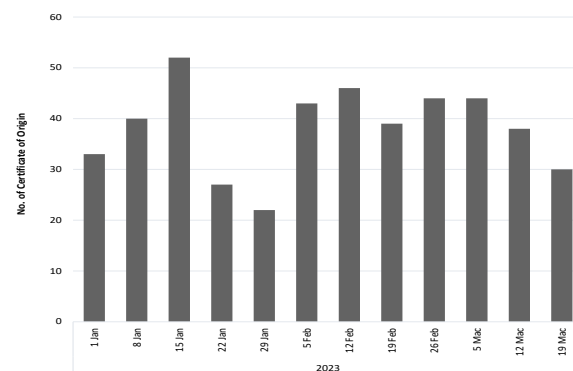
**Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)**



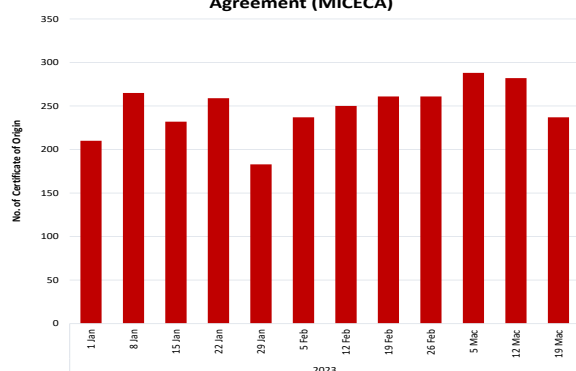
**Malaysia-New Zealand Free Trade Agreement (MNZFTA)**



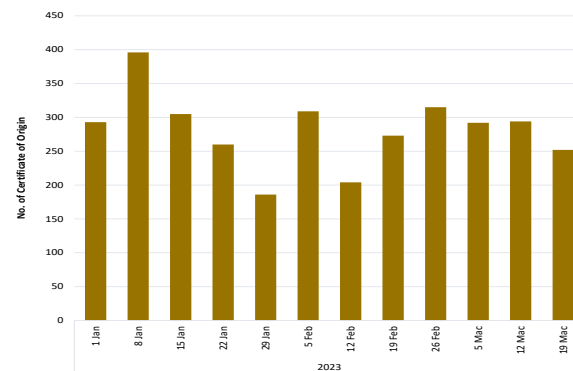
**Malaysia-Chile Free Trade Agreement (MCFTA)**



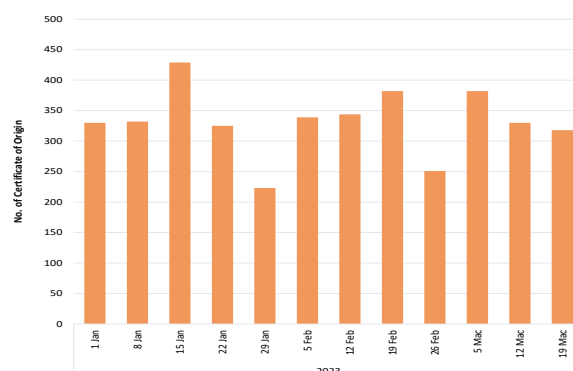
**Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA)**



**Malaysia-Australia Free Trade Agreement (MAFTA)**



**Malaysia-Turkey Free Trade Agreement (MTFTA)**



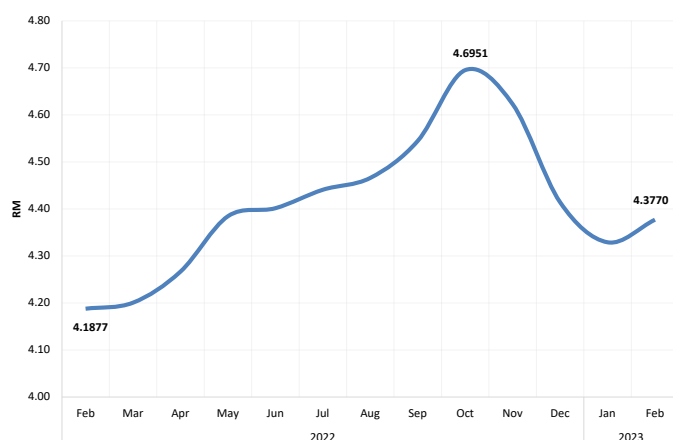
Note: \*Provisional Data  
Source: Ministry of International Trade and Industry, Malaysia



# Malaysian Ringgit Exchange Rate with Selected Countries, January 2022 - February 2023

## US Dollar

USD 1 = RM



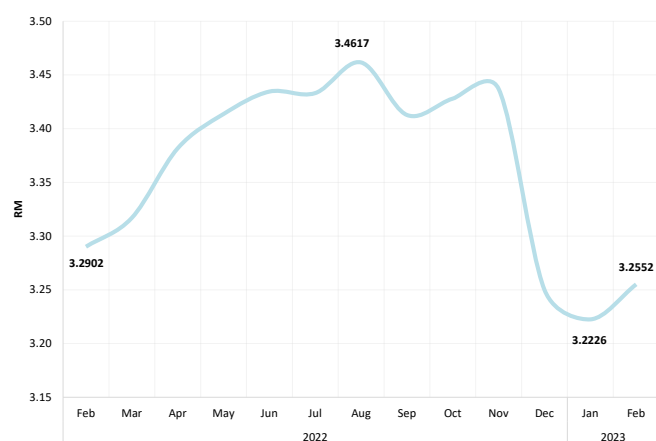
## Swiss Franc

CHF 1 = RM



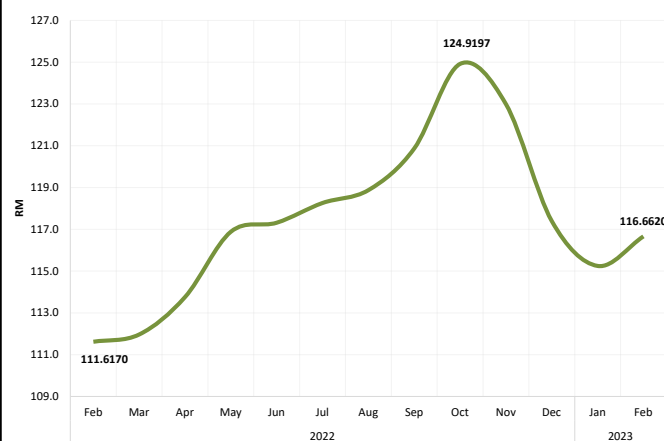
## Canadian Dollar

CAD 1 = RM



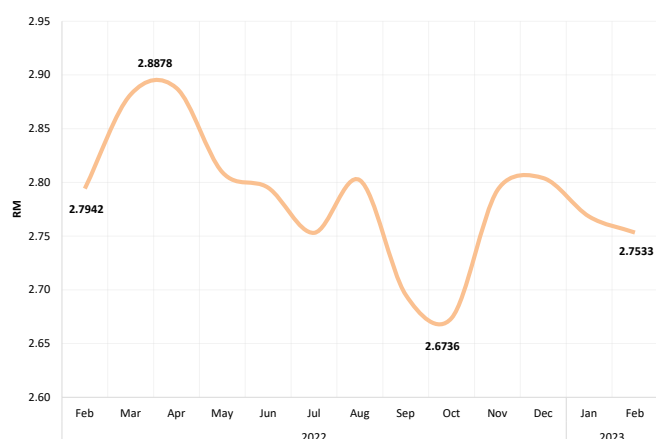
## Saudi Riyal

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-



▲ **2.8%\***  
US\$75.0  
**24 Mar 2023**

Highest  
2022/2023  
20 Jan 2023 : US\$87.6  
10 June 2022 : US\$122.0  
17 March 2023 : US\$73.0  
9 Dec 2022 : US\$76.1  
Lowest  
2022/2023

Average Price 2022 <sup>i</sup>: US\$99.4

### CRUDE PALM OIL -per MT-



▼ **5.7%\***  
US\$884.4  
**24 Mar 2023**

Highest  
2022/2023  
3 Mar 2023 : US\$964.5  
11 Mar 2022 : US\$1,774.7  
3 Feb 2023 : US\$877.4  
30 Sep 2022 : US\$715.6  
Lowest  
2022/2023

Average Price 2022 <sup>i</sup>: US\$1,171.6

### RUBBER SMR 20 -per MT-



▲ **0.5%\***  
US\$1,314.0  
**24 Mar 2023**

Average Price 2022 <sup>i</sup>: US\$1,549.9

### COCOA SMC 2 -per MT-



▲ **3.9%\***  
US\$1,812.9  
**24 Mar 2023**

Average Price 2022 <sup>i</sup>: US\$1,564.5

### SUGAR -per lbs-



▲ **0.7%\***  
US\$20.8  
**24 Mar 2023**

Average Price 2022 <sup>i</sup>: US\$18.8

### COAL -per MT-



▲ **0.5%\***  
US\$135.2  
**24 Mar 2023**

Average Price 2022 <sup>i</sup>: US\$290.8

### SCRAP IRON HMS -per MT-

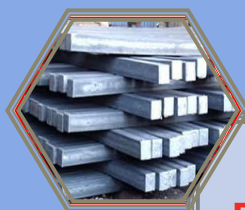


▲ **1.0%\*** : ▲ **4.3%\***  
US\$415.4 : US\$385.6  
(high) : (low)  
**February 2023**

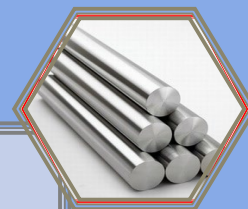
Average Price 2022 <sup>i</sup>: US\$469.9 (high)  
Average Price 2022 <sup>i</sup>: US\$426.3 (low)

## Domestic Prices

February 2023



**Billets**  
(per MT)  
**RM2,625 - RM2,713**



**Steel Bars**  
(per MT)  
**RM2,822 - RM2,905**

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

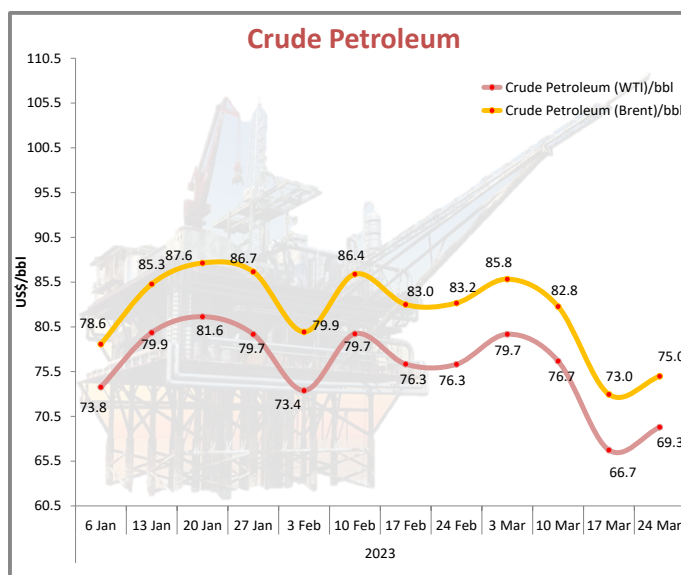
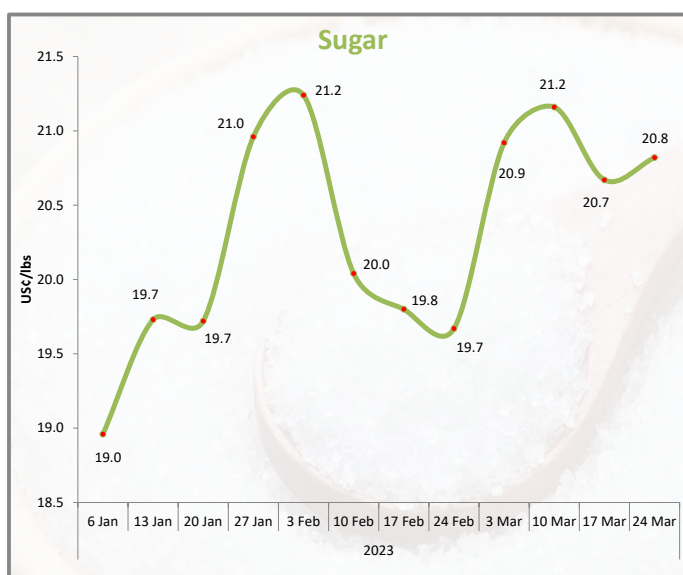
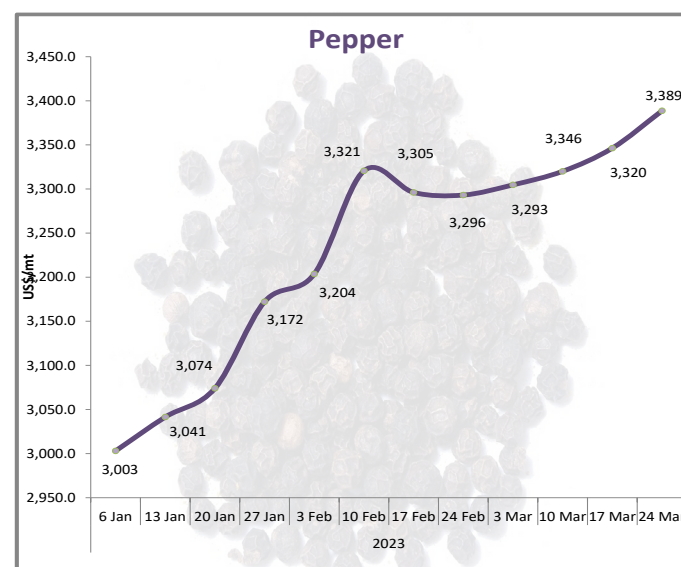
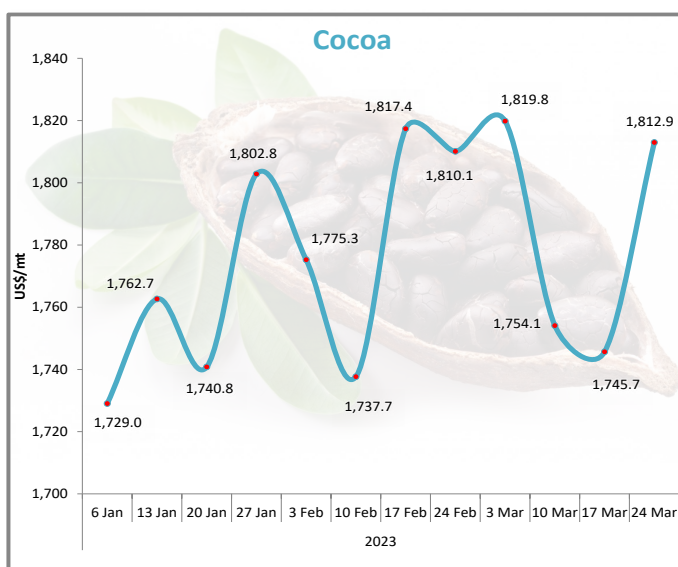
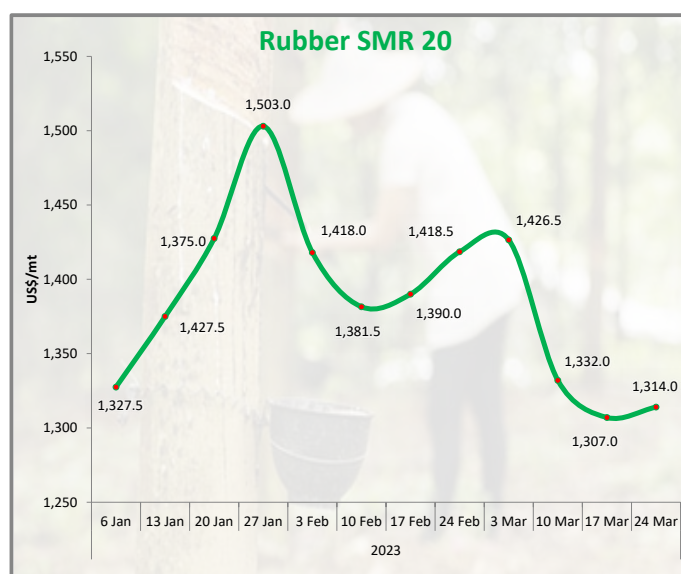
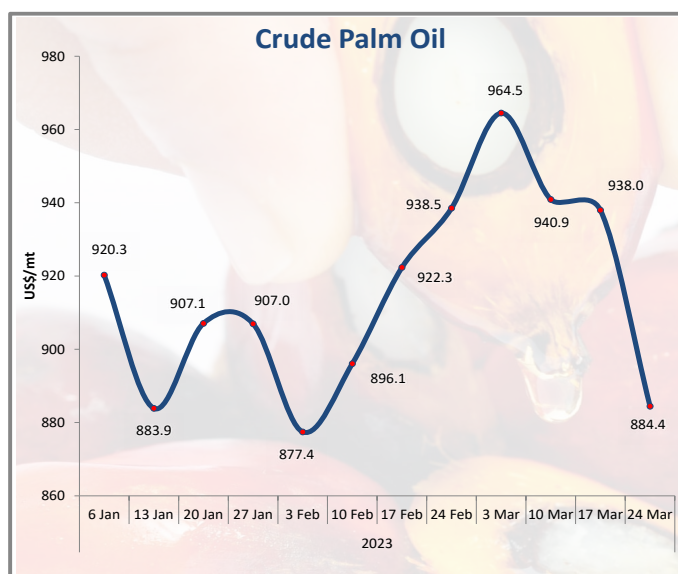
\* Refer to % change from the previous week's price

<sup>i</sup> 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.



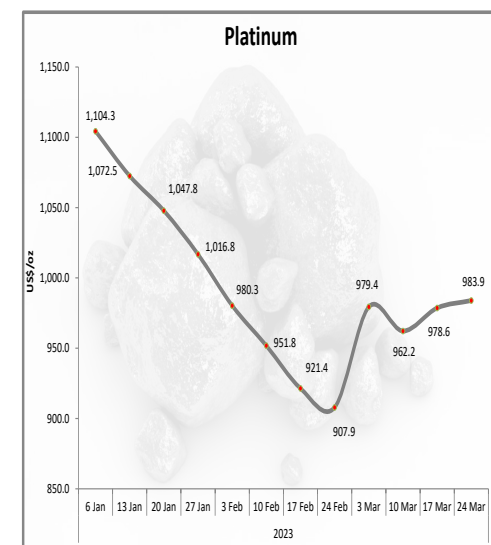
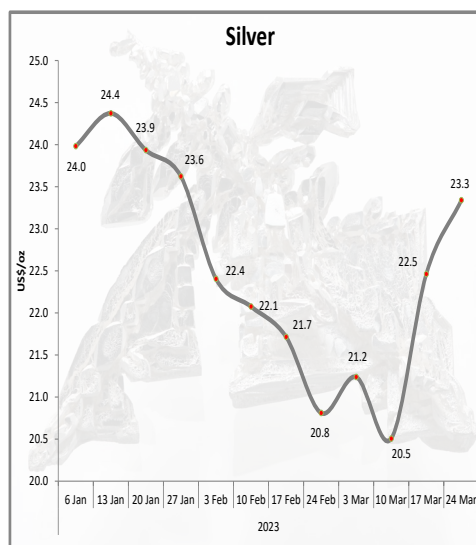
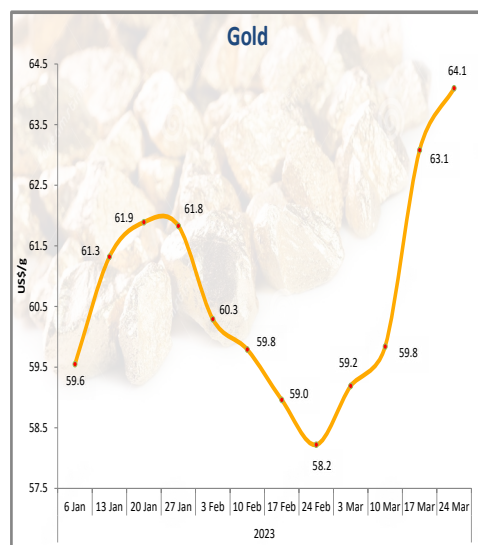
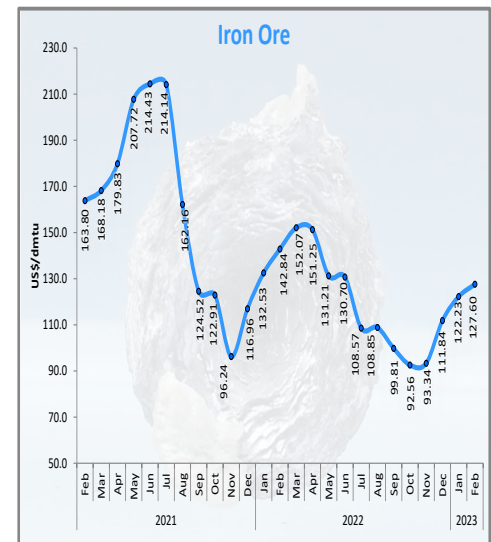
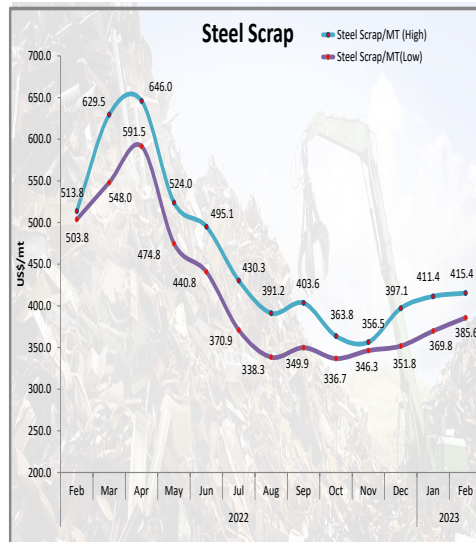
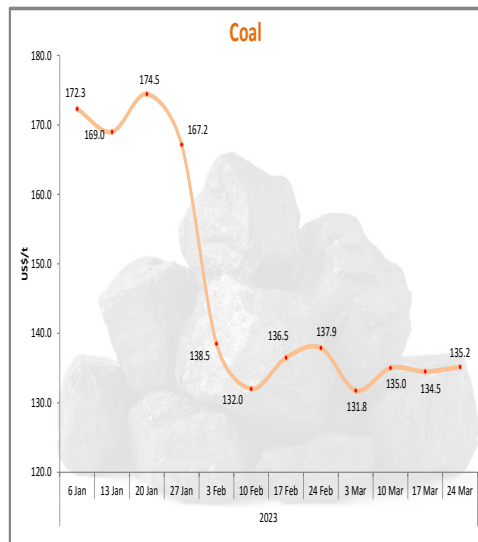
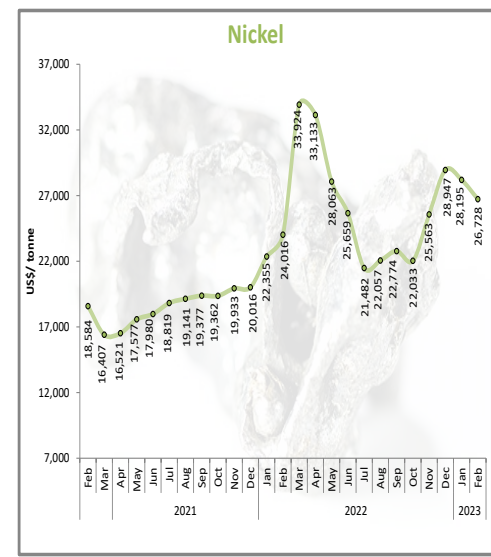
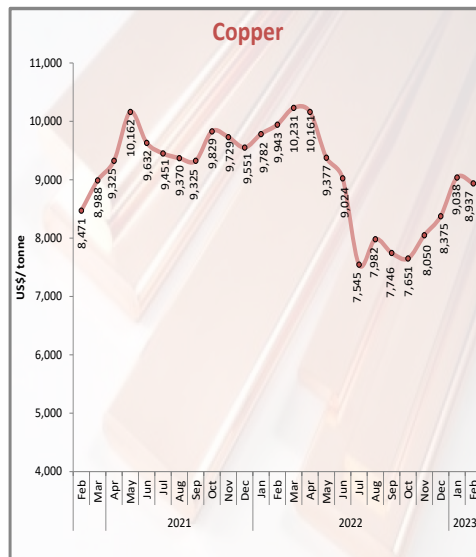
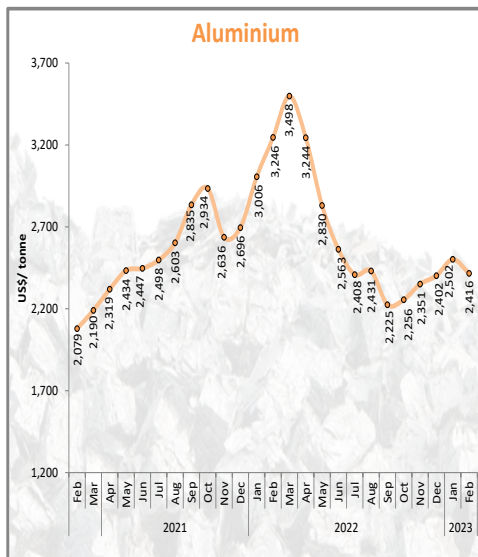
# Commodity Price Trends



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.



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





MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

# INDUSTRY4WRD READINESS ASSESSMENT

Get your firm assessed. Be ready for Industry 4.0.

## 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



- ✓ Valid registration and business licences
- ✓ Company has at least 60% local equity
- ✓ In operation for more than 3 years

### What are the benefits?



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

- Government-funded assessment for eligible SMEs.
- Others will get tax exemption on RA fees up to RM27k.



### Enquiries

- General: [i4.0@miti.gov.my](mailto:i4.0@miti.gov.my)
- RA: [industry4wrld@mpc.gov.my](mailto:industry4wrld@mpc.gov.my)



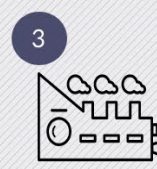
Readiness Assessment



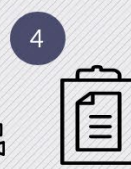
Apply online at [www.miti.gov.my/industry4wrld](http://www.miti.gov.my/industry4wrld)



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>





# #MITIPOCKETTALK

- ✓ Introduction to FTAs
- ✓ Introduction to Preferential Certificate of Origin (PCO)
- ✓ Introduction to Strategic Trade Act 2010

**Interested to participate?**  
**CLICK HERE** 

**ONLINE (WEBEX)**

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

MITI Malaysia



# STATS@MITI

**Your Data. Visualized.**

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY



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>