

BUSINESS TENDENCY, Q3 2023

+4.7%

Q3 2022

+3.2%

Q4 2022

+3.6%

Q1 2023

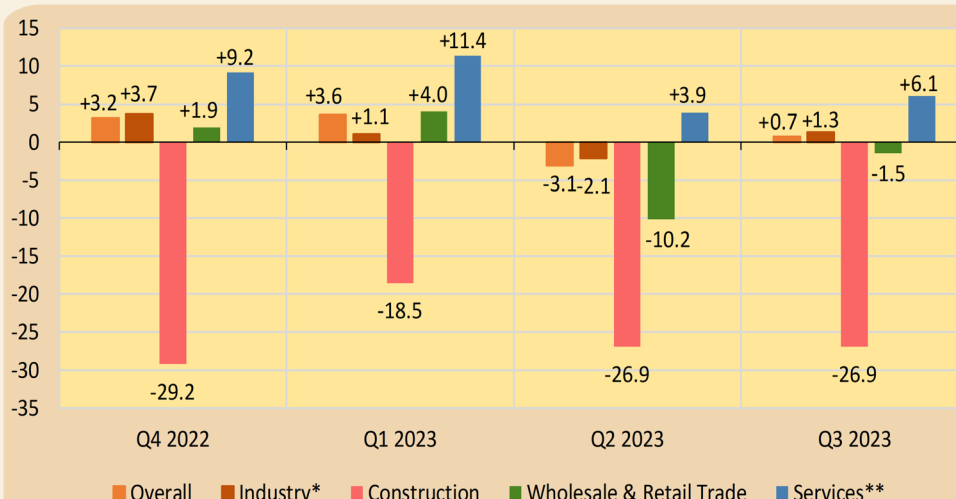
-3.1%

Q2 2023

+0.7%

Q3 2023

Businesses return optimistic with business confidence sentiment recording an increase of 0.7 per cent in the Q3 2023



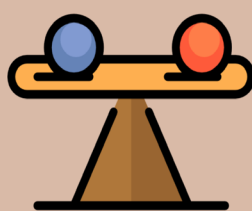
+0.7%

(-3.1%)

**Confidence
Indicator**

(July – Sept. 2023)

(Apr. – June 2023)



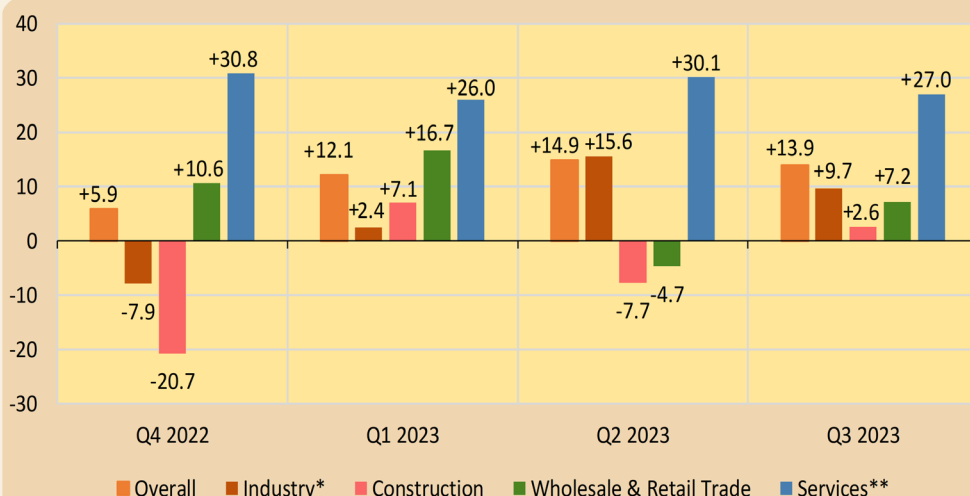
+13.9%

(+14.9%)

Net Balance

(July – Dec. 2023)

(Jan. – June 2023)



* Agriculture, Mining, Manufacturing and Electricity & Water

** Accommodations, Transportation & Storage, Communication, Finance, Insurance, Real Estate, Information Technology & Communication, Food & Beverage, Administrative & Support Services, Professional, Health, Education and Other Services

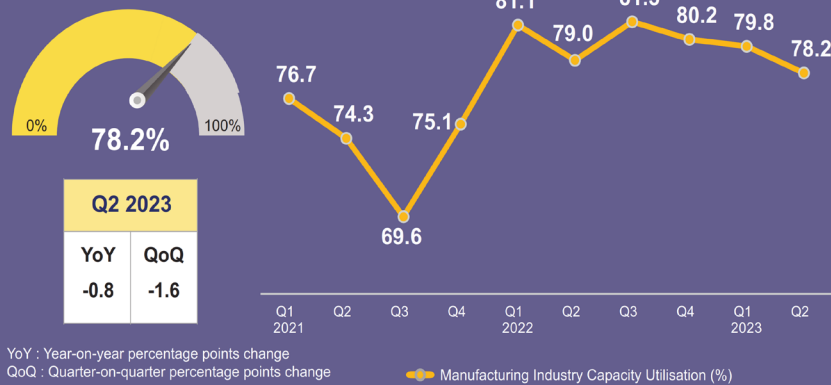
Source : Business Tendency Statistics Third Quarter 2023, Department of Statistics Malaysia (DOSM)

MANUFACTURING CAPACITY, Q2 2023

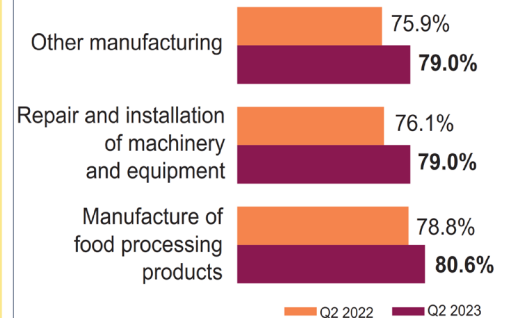
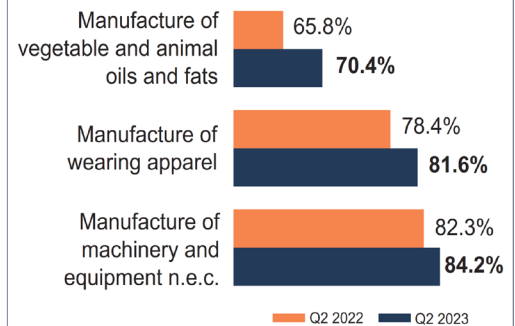
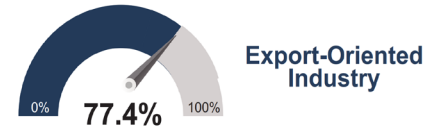
MANUFACTURING INDUSTRY CAPACITY UTILISATION STATISTICS SECOND QUARTER 2023

Manufacturing industry operated at a lower capacity utilisation of 78.2 per cent in the second quarter of 2023 with six states surpassing the national rate

Manufacturing Industry Capacity Utilisation, Q1 2021 - Q2 2023

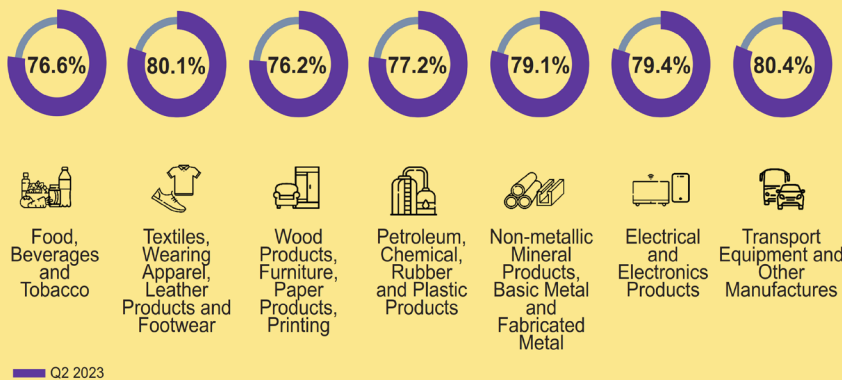


Top three increments in **exports-oriented** and **domestic-oriented** industries in Q2 2023



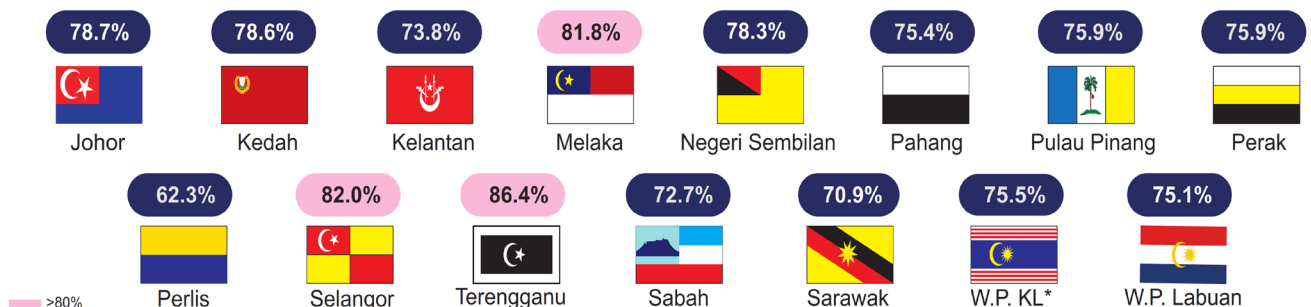
Manufacturing Industry Capacity Utilisation by Sub-sector

The highest capacity utilisation rate in the second quarter of 2023 was recorded by the sub-sector of **Transport equipment & other manufactures** with **80.4 per cent**



Manufacturing Industry Capacity Utilisation by State

The Manufacturing industry in three states operated at a capacity exceed 80 per cent in the second quarter of 2023 namely **Terengganu (86.4%)**, **Selangor (82.0%)** and **Melaka (81.8%)**



What is meant by Manufacturing Industry Capacity Utilisation?

Capacity utilisation refers to a ratio of actual output produced to the production of output at full capacity through an optimal combination of machinery, raw materials and labour

$$\text{Capacity Utilisation} = \frac{\text{Actual Level of Output}}{\text{Full Level of Output}} \times 100$$




Notes: * includes W.P. Putrajaya | W.P. - Wilayah Persekutuan | KL - Kuala Lumpur | Q - Quarter | n.e.c - not elsewhere classified

Source: Manufacturing Industry Capacity Utilisation Statistics Second Quarter 2023, Department of Statistics Malaysia





SERVICES SECTOR STATISTICS, Q2 2023

SERVICES SECTOR SECOND QUARTER 2023

Services Sector Revenue Grew 6.9 per cent
to Record **RM568.3 billion** in the **Second Quarter of 2023**

	Q2 2023	YoY		QoQ	
		Q1 2023	Q2 2023	Q1 2023	Q2 2023
 Revenue	RM568.3b	13.1%	6.9%	1.0%	1.4%
 Number of Persons Engaged	4.4m	2.1%	1.7%	0.3%	0.4%
 Salaries & Wages	RM31.5b	4.6%	3.9%	0.7%	0.8%

PERFORMANCE OF SERVICES SECTOR BY SEGMENT

	Revenue	Number of Persons Engaged (persons)	Salaries & Wages
 Wholesale & Retail Trade, Food & Beverages, and Accommodation	RM433.5b Q2 2023: 5.9% Q1 2023: 13.1%	2,902,743 Q2 2023 : 1.5% Q1 2023: 2.0%	RM16.4b Q2 2023: 3.0% Q1 2023: 4.1%
 Information & Communication and Transportation & Storage	RM79.5b Q2 2023: 10.1% Q1 2023: 12.0%	507,406 Q2 2023: 3.5% Q1 2023: 4.3%	RM5.2b Q2 2023: 6.0% Q1 2023: 6.4%
 Private Health, Private Education, Arts, Entertainment & Recreation, and Personal Services & Other Activities	RM19.4b Q2 2023: 12.5% Q1 2023: 11.4%	399,690 Q2 2023: 1.2% Q1 2023: 1.1%	RM3.1b Q2 2023: 5.0% Q1 2023: 4.6%
 Professional, Real Estate, and Administrative & Support Services	RM35.8b Q2 2023: 9.9% Q1 2023: 16.5%	579,815 Q2 2023: 1.6% Q1 2023: 1.4%	RM6.9b Q2 2023: 4.1% Q1 2023: 4.6%

PERFORMANCE OF E-COMMERCE INCOME



	Q1 2023	Q2 2023
RM billion	291.7	280.5
YoY (%)	10.4	2.5
QoQ (%)	1.6	-3.8

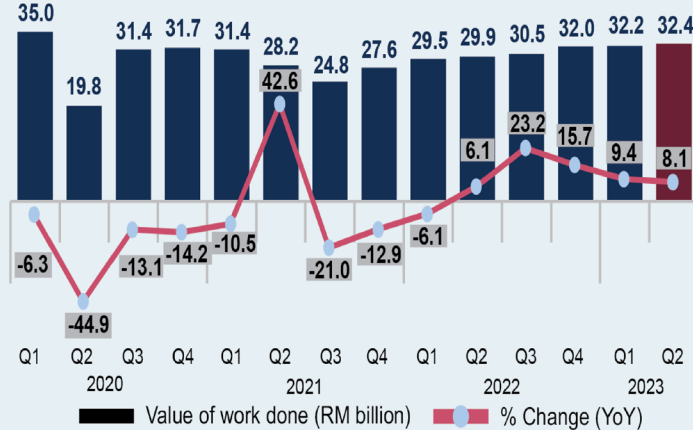
Percentage Change: Year-on-Year

Source: Quarterly Services Statistics Second Quarter, 2023
Department of Statistics Malaysia (DOSM)

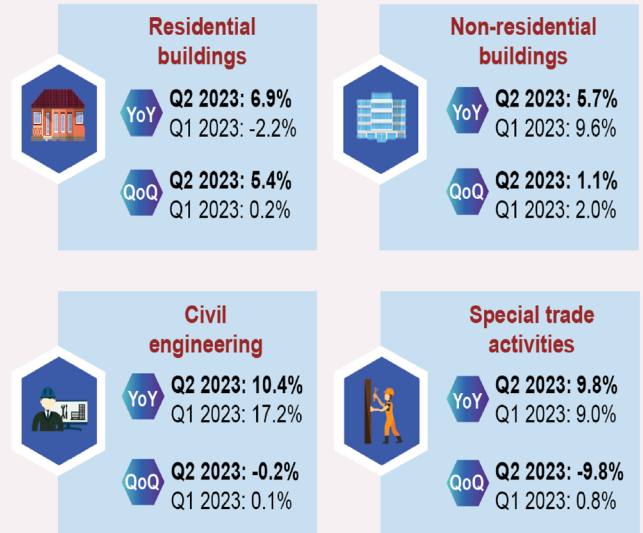
CONSTRUCTION STATISTICS, Q2 2023

The Construction sector continued to expand in the second quarter of 2023, rising by 8.1 per cent to record RM32.4 billion

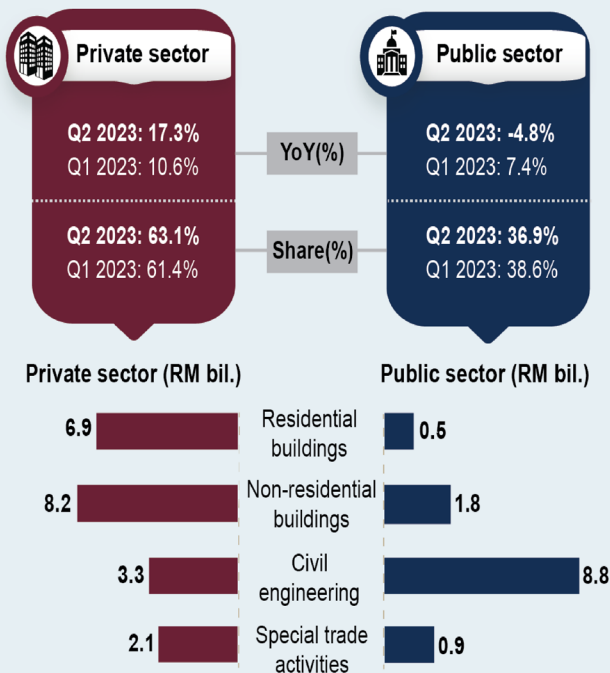
Value of work done in Construction sector
Q1 2020 - Q2 2023



Percentage change by Sub-sector

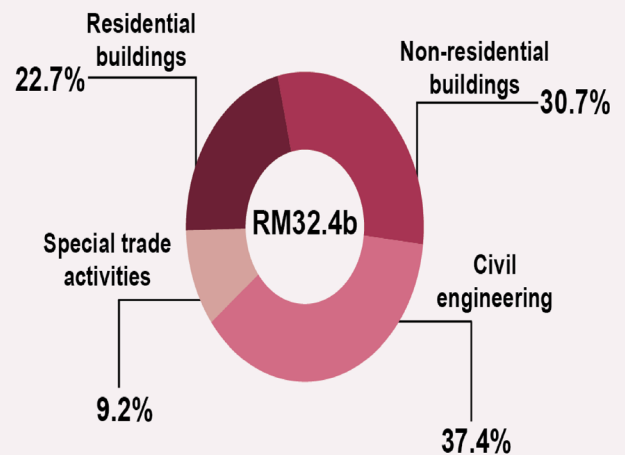


Value of work done by Project Owner



Private sector remained as the main spurs to the growth of the Construction sector in Q2 2023

Percentage share value of work done
by Sub-sector, Q2 2023

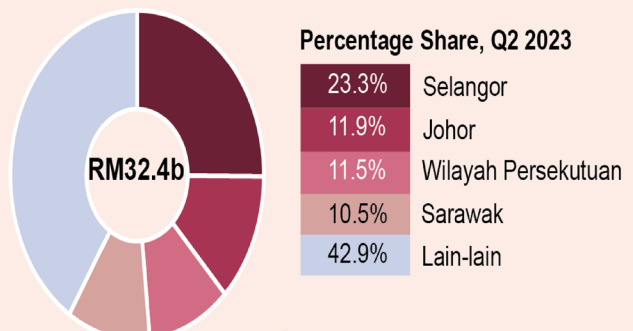


The **Civil engineering** and **Non-residential buildings** sub-sectors represented over two-thirds of the total value of work done in Q2 2023

Value of work done by Location Project, Q2 2023



More than half of the work done value in Q2 2023 was concentrated in **Selangor, Johor, Wilayah Persekutuan** and **Sarawak**



b: Billion
YoY: Year on year
QoQ: Quarter on quarter

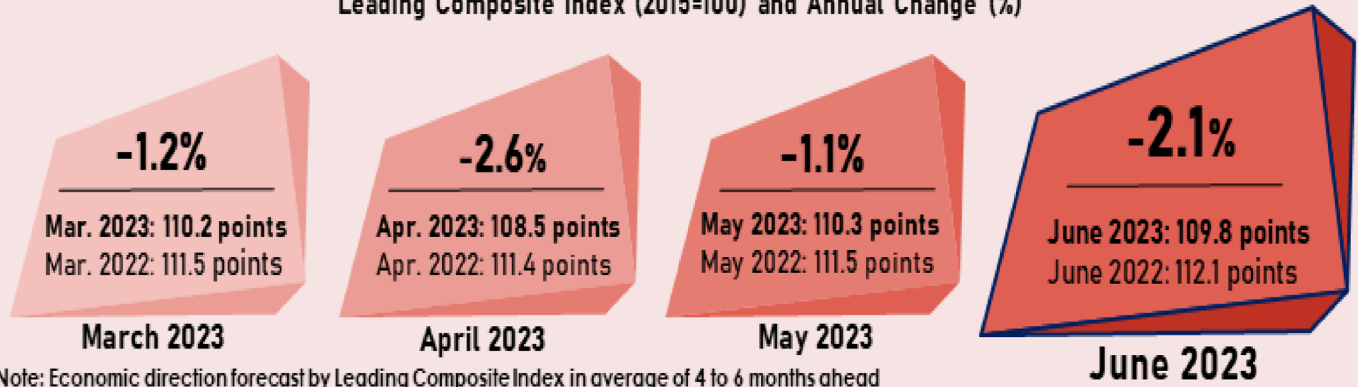
Source: Construction Statistics, Second Quarter 2023
Department of Statistics Malaysia (DOSM)

LEADING INDEX, JUNE 2023

MALAYSIAN ECONOMIC INDICATORS LEADING, COINCIDENT & LAGGING INDEXES, JUNE 2023

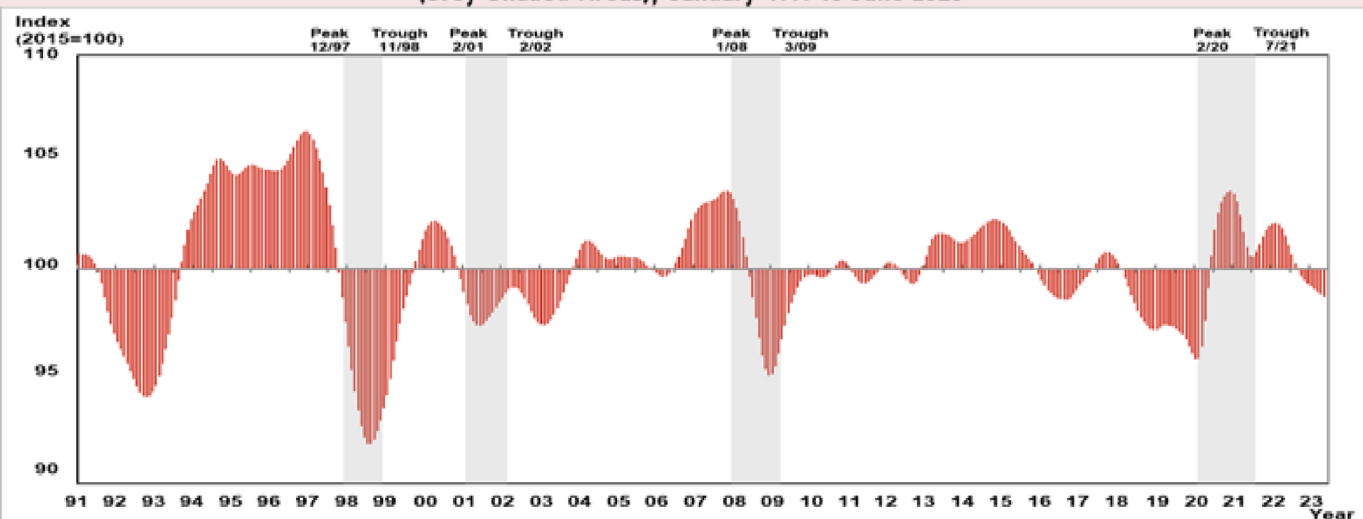
THE LEADING INDEX REGISTERED 109.8 POINTS IN JUNE 2023,
INDICATING A MODERATE ECONOMIC PERFORMANCE IN THE FOURTH QUARTER OF 2023

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



TIME SERIES DATA

Leading Composite Index (Long Term Trend = 100) and Business Cycle
(Grey Shaded Areas), January 1991 to June 2023

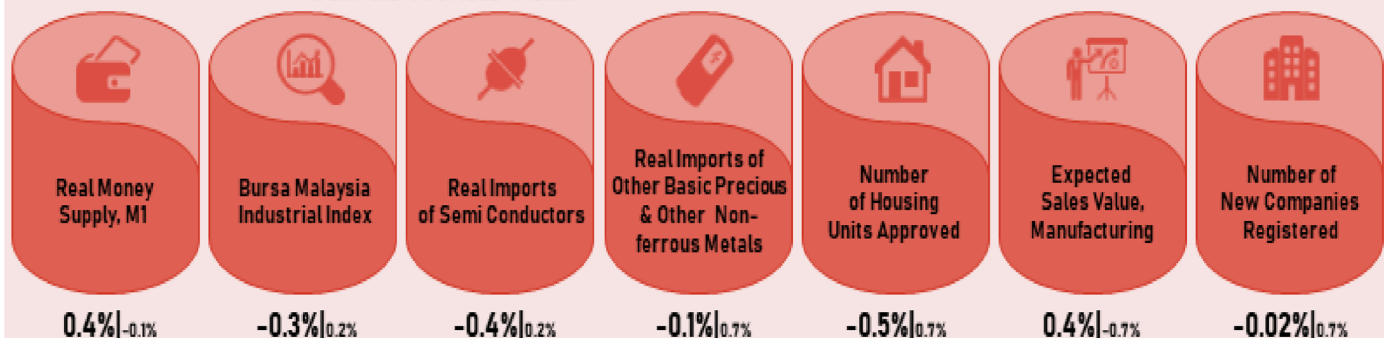


-0.5%
June

1.7%
May

LEADING COMPOSITE INDEX, MONTHLY CHANGE (%)

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

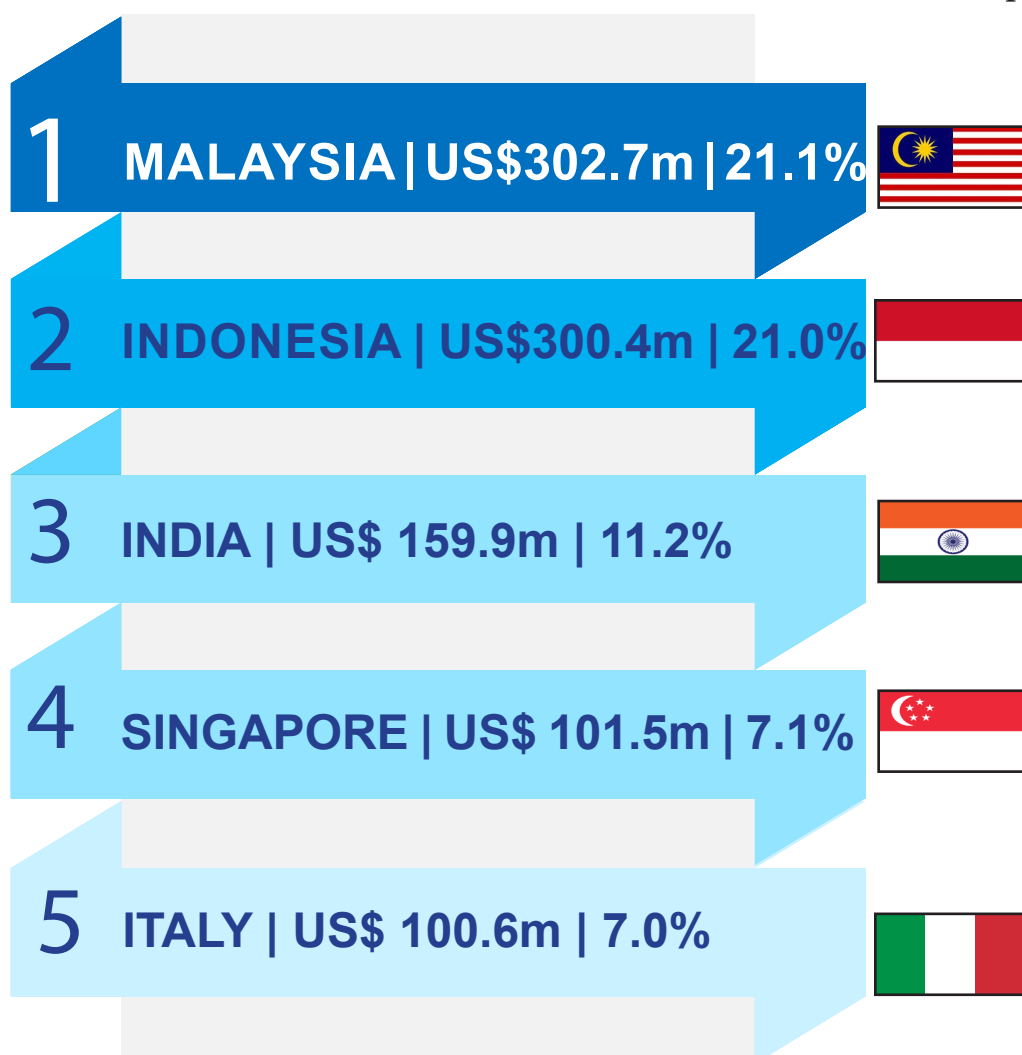


Note: June 2023 | May 2023

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

WORLD LARGEST EXPORTERS OF PALMITIC ACID, STEARIC ACID, THEIR SALTS AND ESTERS

In 2022, Malaysia's export of palmitic acid, stearic acid, their salts and esters recorded US\$ 302.7 million which was 21.1% share of the world exports.



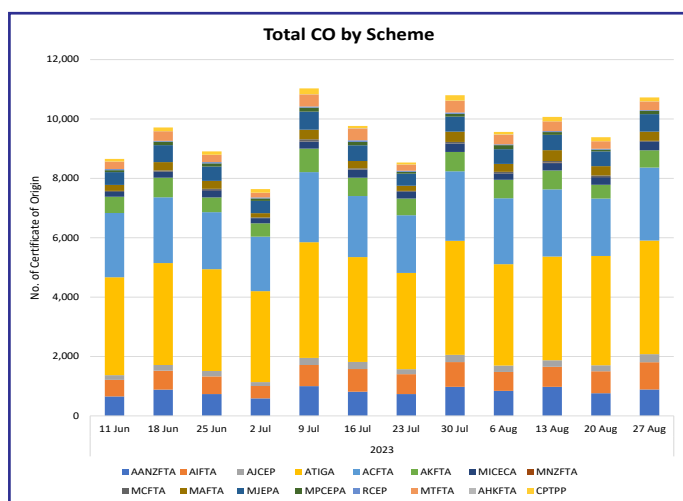
Notes:
-HS291570
-% refer to share
in world exports

MALAYSIA'S TOP EXPORT DESTINATIONS

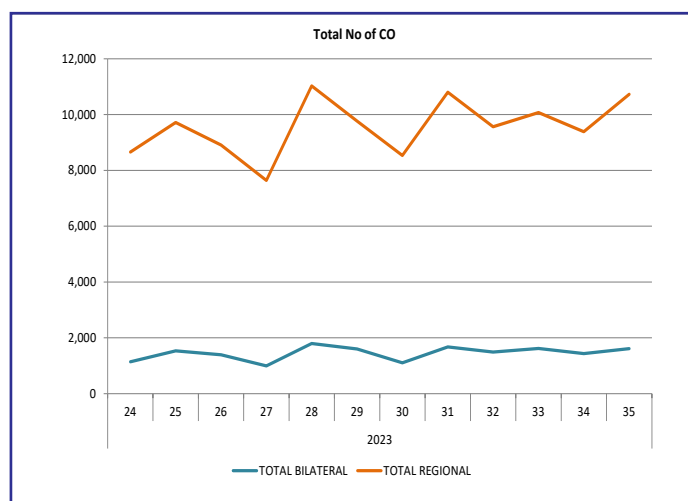
1	USA	US\$ 37.9m	2	Netherlands	US\$ 37.6m	3	Japan	US\$ 30.7m
			4	India	US\$ 17.8m	5	P.R.China	US\$ 17.6m

Number of PCO as at 27 August 2023 Weekly / Monthly/ Annually

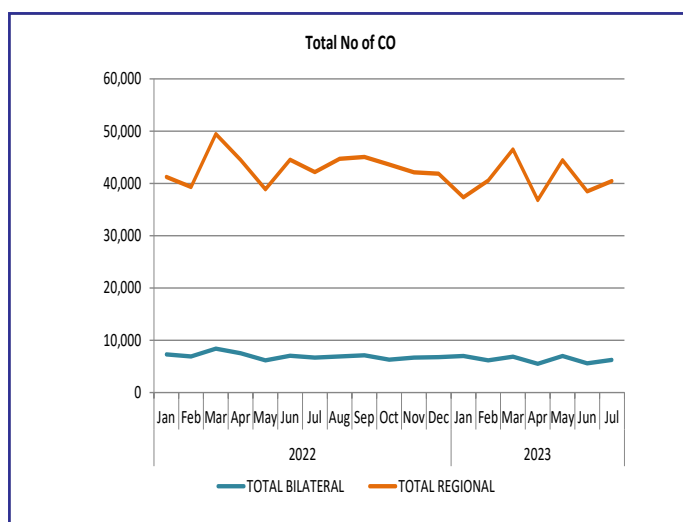
Weekly Total Scheme



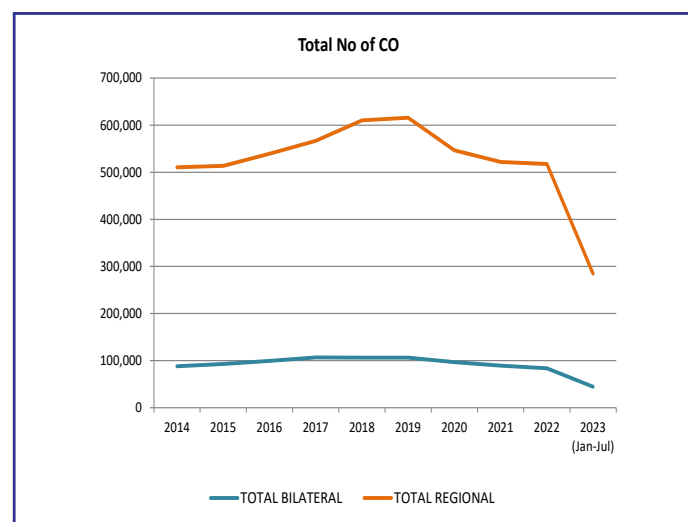
Weekly



Monthly



Annually

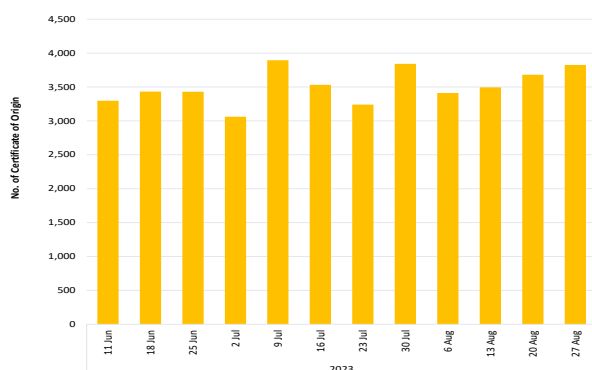


Note: *Provisional Data
Source: Ministry of Investment, Trade and Industry, Malaysia

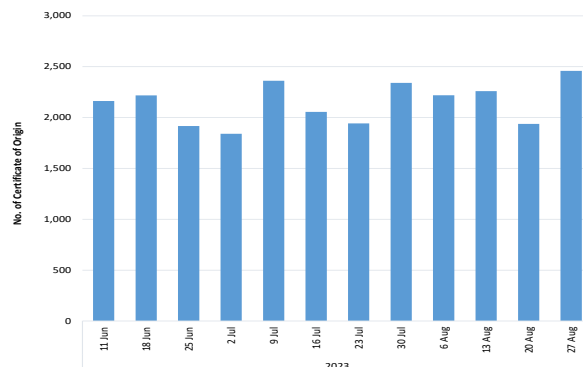
Regional FTA

Number of Preferential Certificates of Origin (PCOs) as at 27 August 2023

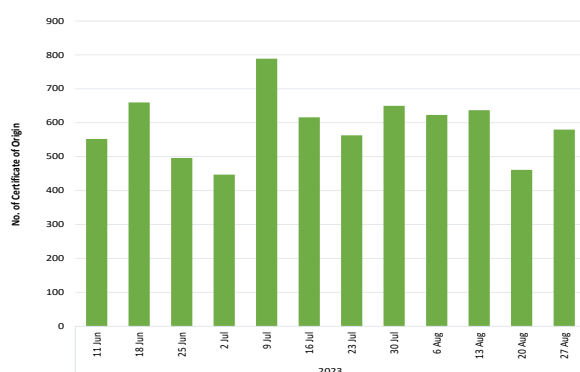
ASEAN Trade in Goods Agreement (ATIGA)



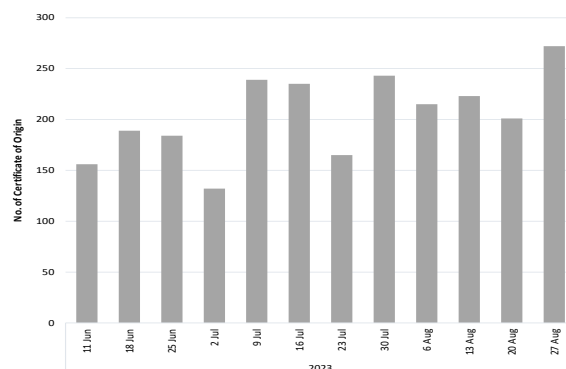
ASEAN-China Free Trade Agreement (ACFTA)



ASEAN-Korea Free Trade Agreement (AKFTA)



ASEAN-Japan Comprehensive Economic Partnership (AJCEP)

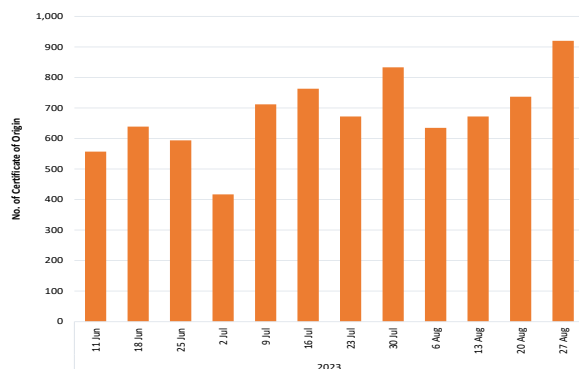


Note: *Provisional Data
Source: Ministry of Investment, Trade and Industry, Malaysia

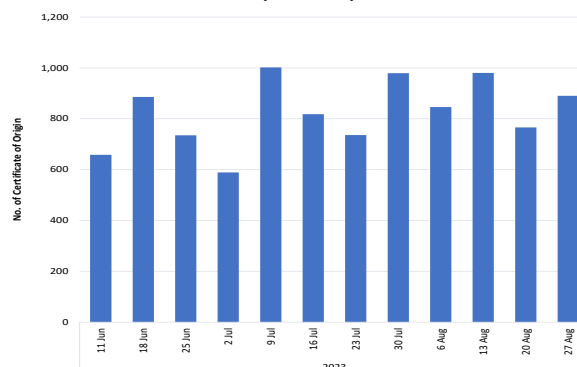
Regional FTA

Number of Preferential Certificates of Origin (PCOs) as at 27 August 2023

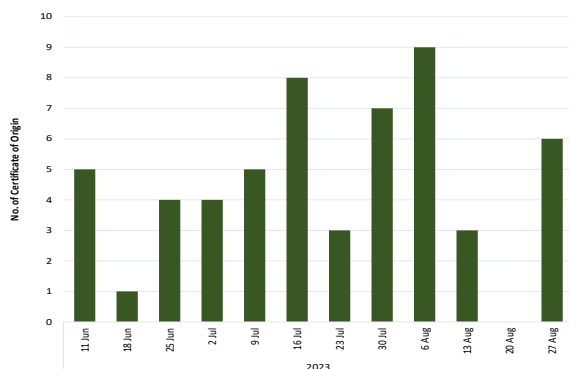
ASEAN-India Free Trade Agreement (AIFTA)



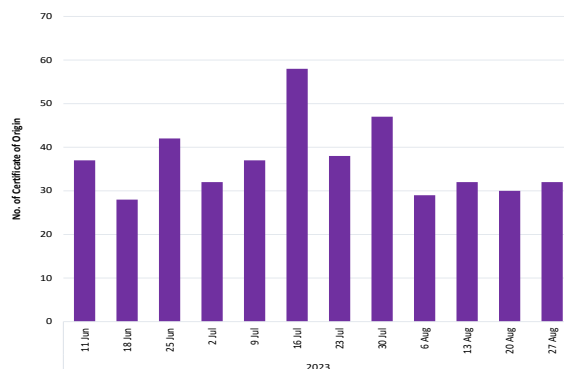
ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)



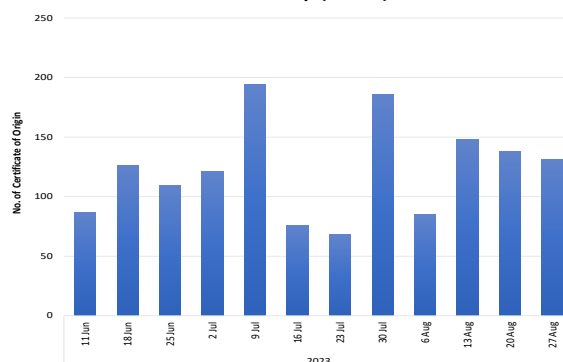
ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA)



Regional Comprehensive Economic Partnership (RCEP)



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

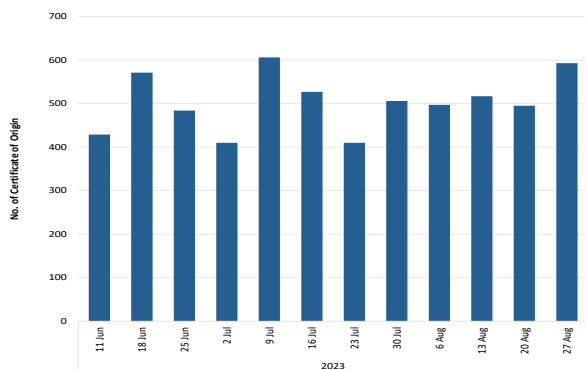


Note: *Provisional Data
Source: Ministry of Investment, Trade and Industry, Malaysia

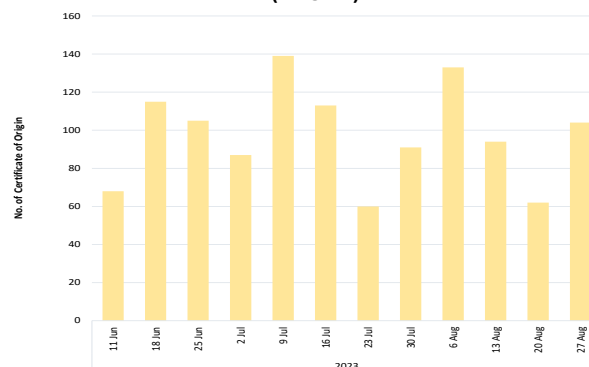
Bilateral FTA

Number of Preferential Certificates of Origin (PCOs) as at 27 August 2023

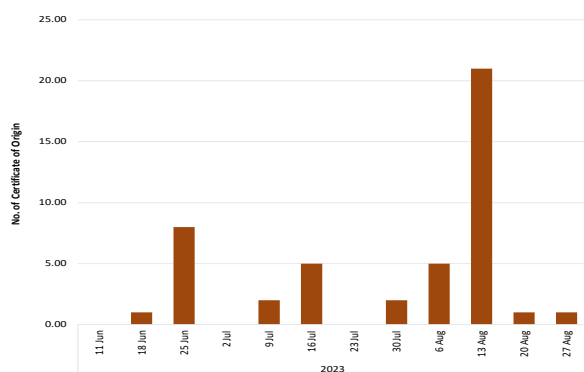
Malaysia-Japan Economic Partnership Agreement (MJEPA)



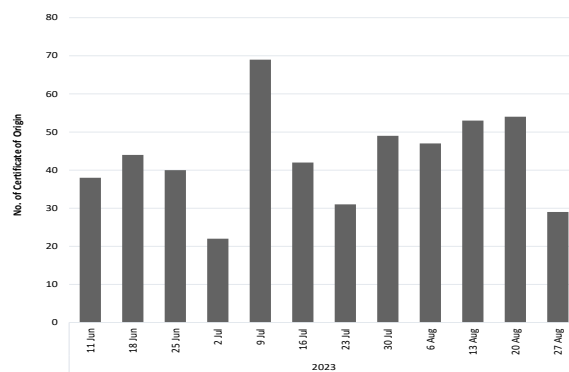
Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)



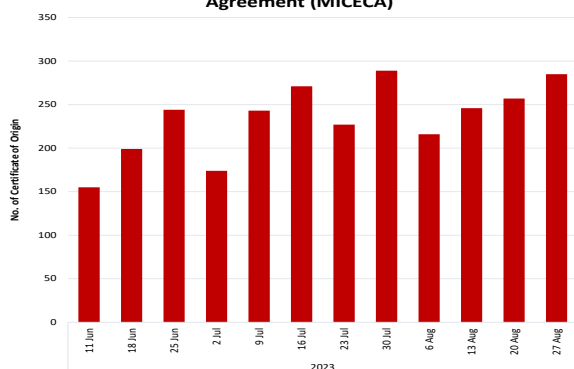
Malaysia-New Zealand Free Trade Agreement (MNZFTA)



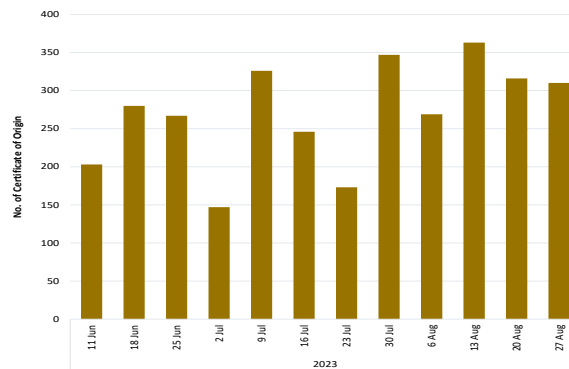
Malaysia-Chile Free Trade Agreement (MCFTA)



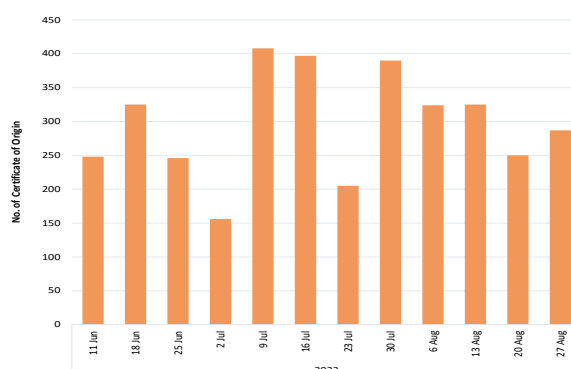
Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA)



Malaysia-Australia Free Trade Agreement (MAFTA)



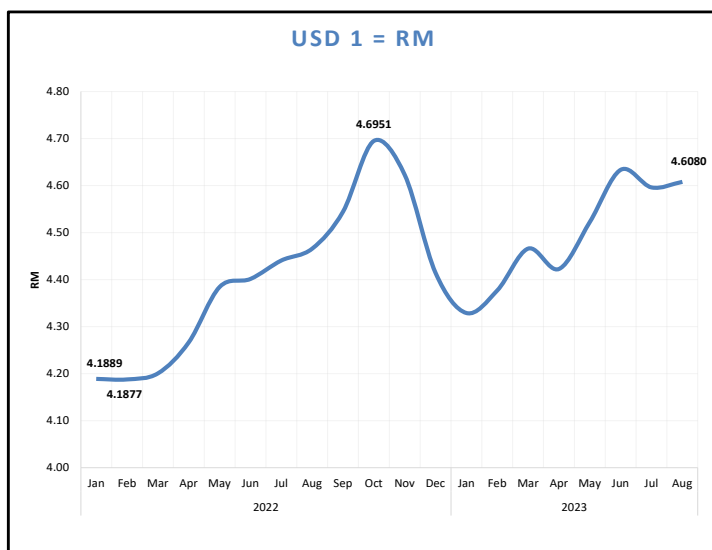
Malaysia-Turkey Free Trade Agreement (MTFTA)



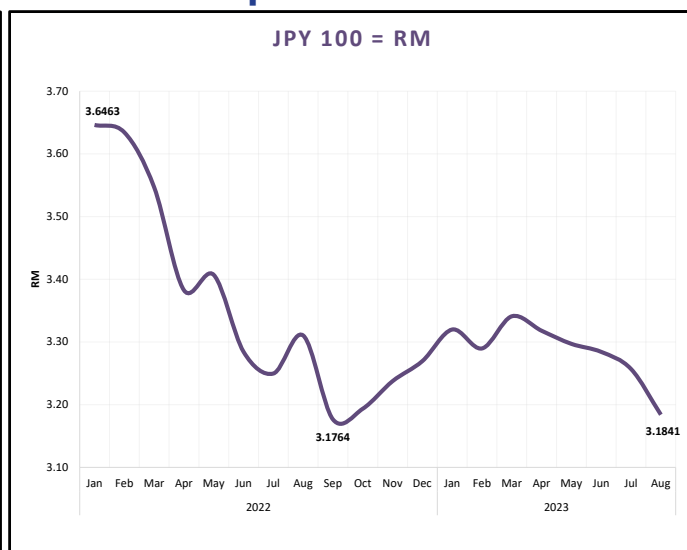
Note: *Provisional Data
Source: Ministry of Investment, Trade and Industry, Malaysia

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

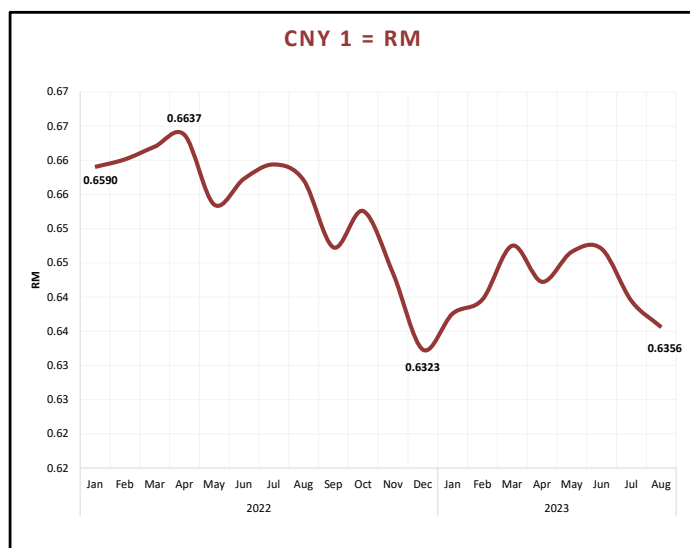
US Dollar



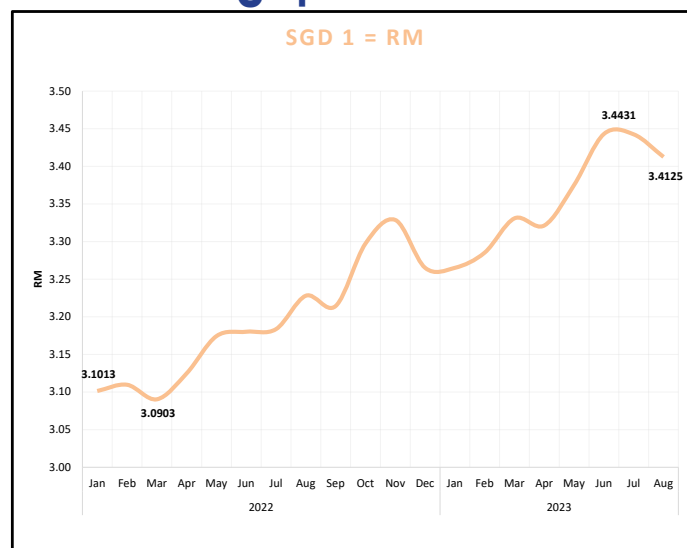
Japanese Yen



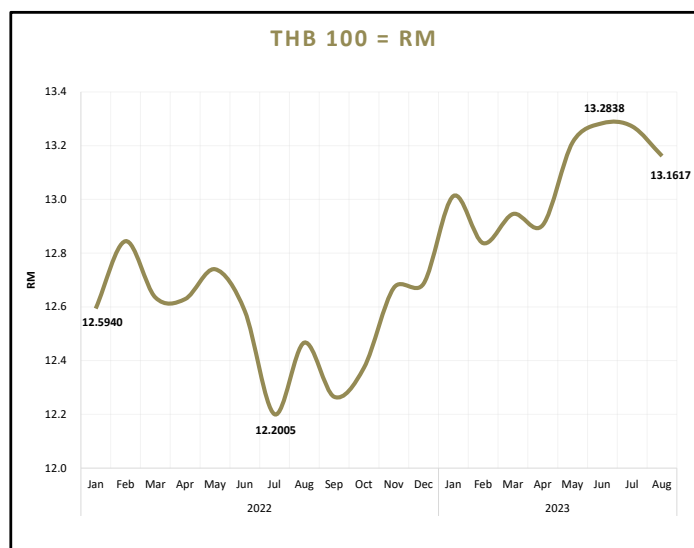
Chinese Yuan



Singapore Dollar



Thai Baht



New Taiwan Dollar



Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▲ 4.8%*
US\$88.6
1 Sept 2023

Highest
2022/2023

1 Sept 2023 : US\$88.6
10 June 2022 : US\$122.0

17 March 2023 : US\$73.0
9 Dec 2022 : US\$76.1

Lowest
2022/2023

Average Price 2022ⁱ : US\$99.4

CRUDE PALM OIL -per MT-



▲ 2.5%*
US\$837.9
1 Sept 2023

Highest
2022/2023

3 Mar 2023 : US\$964.5
11 Mar 2022 : US\$1,774.7

2 Jun 2023 : US\$738.1
30 Sep 2022 : US\$715.6

Lowest
2022/2023

Average Price 2022ⁱ : US\$1,171.6

RUBBER SMR 20 -per



▲ 2.8%*
US\$1,375.5
1 Sept 2023

Average Price 2022ⁱ : US\$1,549.9

COCOA SMC 2 -per MT-



▲ 4.8%*
US\$2,219.3
1 Sept 2023

Average Price 2022ⁱ : US\$1,564.5

SUGAR -per lbs-



▲ 3.4%*
US\$25.5
1 Sept 2023

Average Price 2022ⁱ : US\$18.8

COAL -per MT-



▼ 0.7%*
US\$116.9
1 Sept 2023

Average Price 2022ⁱ : US\$290.8

SCRAP IRON HMS -per MT-

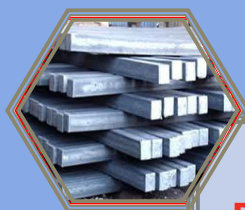


▲ 1.1%*
US\$381.2
(high)
July 2023

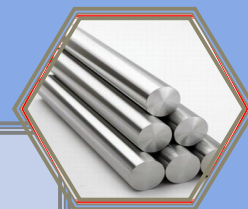
▲ 3.5%*
US\$351.2
(low)

Average Price 2022ⁱ : US\$469.9 (high)
Average Price 2022ⁱ : US\$426.3 (low)

Domestic Prices July 2023



Billets
(per MT)
RM2,488 - RM2,550



Steel Bars
(per MT)
RM2,739 - RM2,841

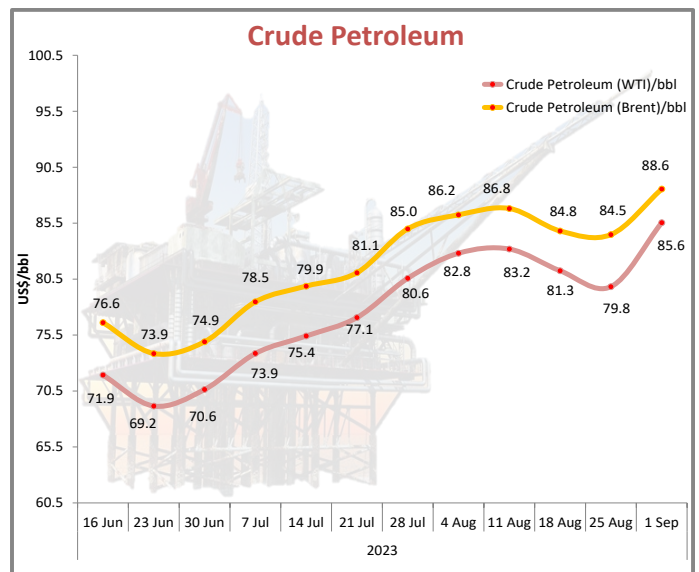
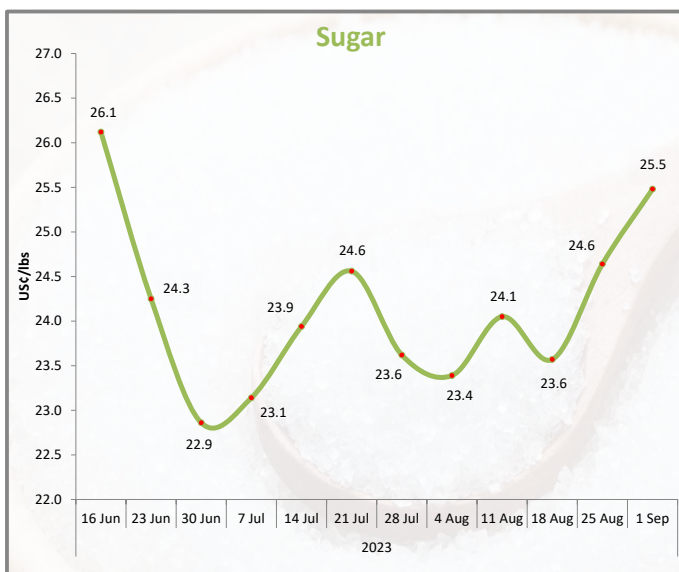
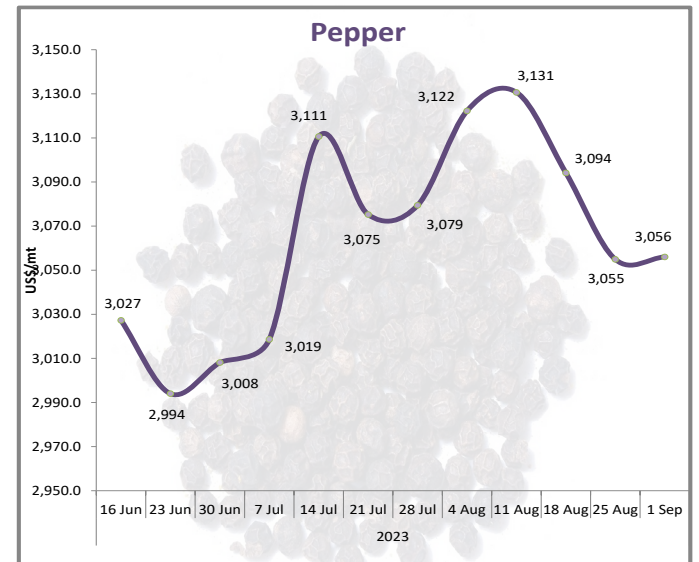
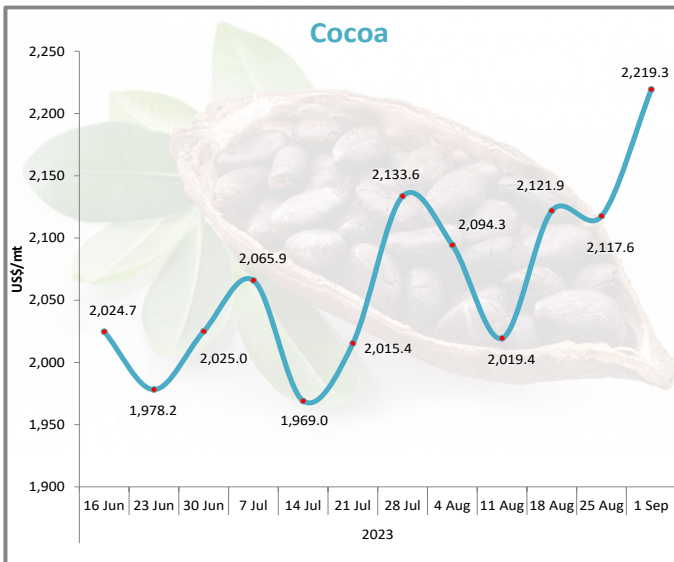
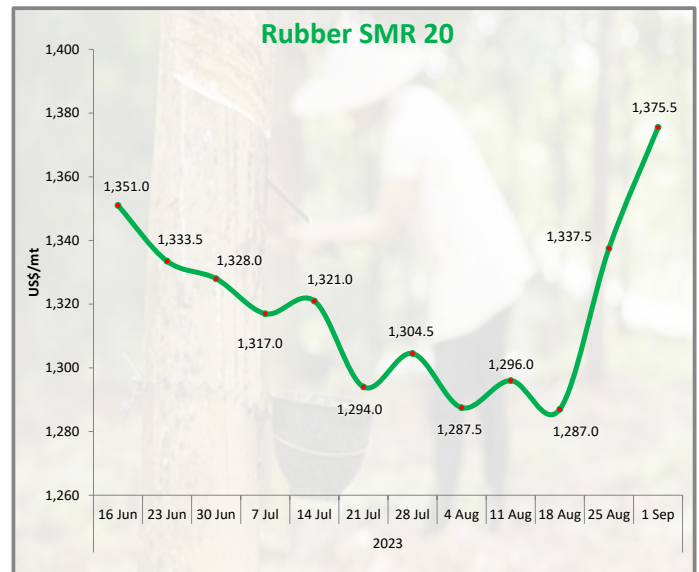
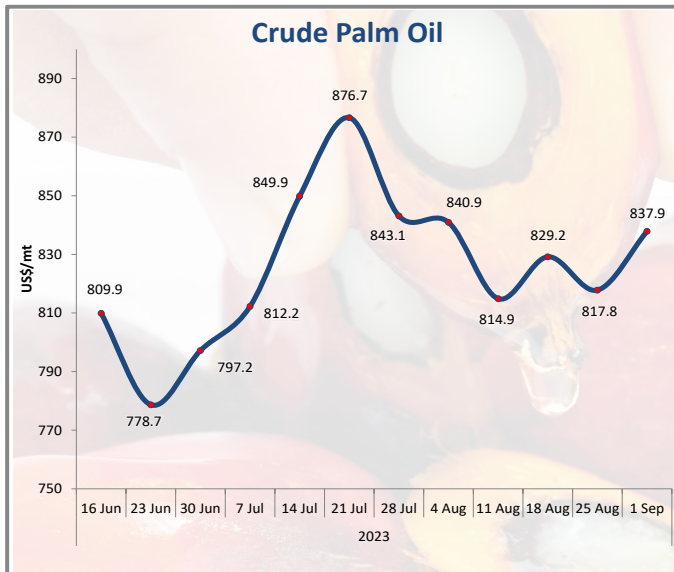
Notes: All figures have been rounded to the nearest decimal point

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

i Average price in the year except otherwise indicated

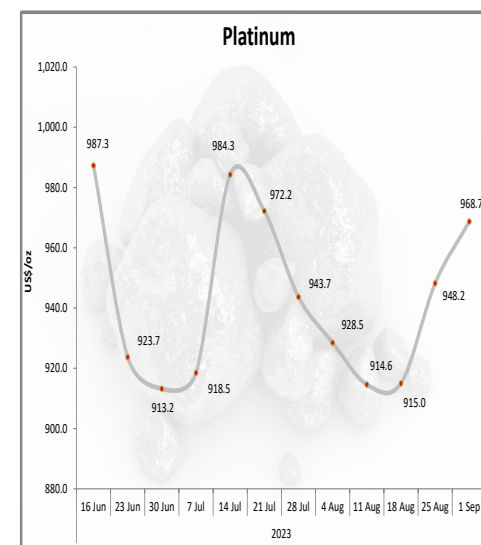
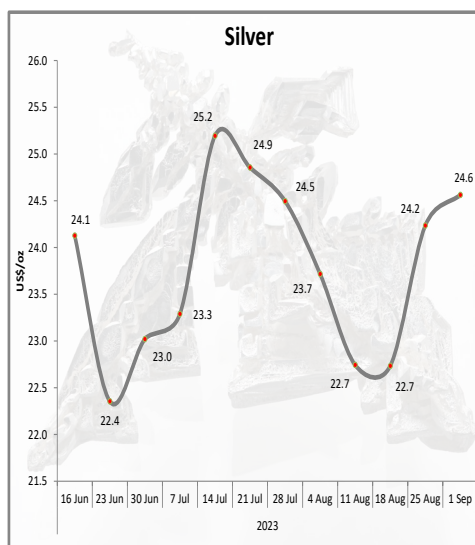
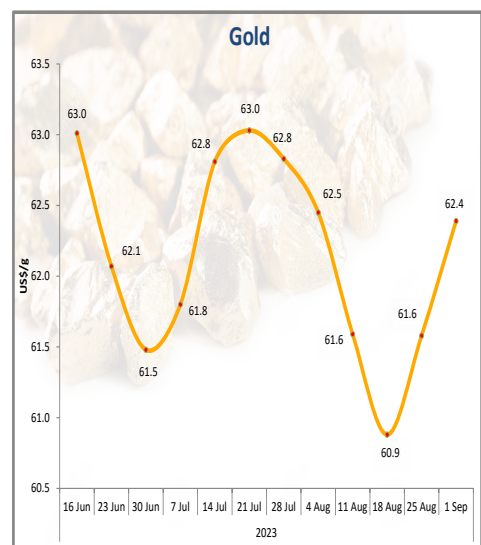
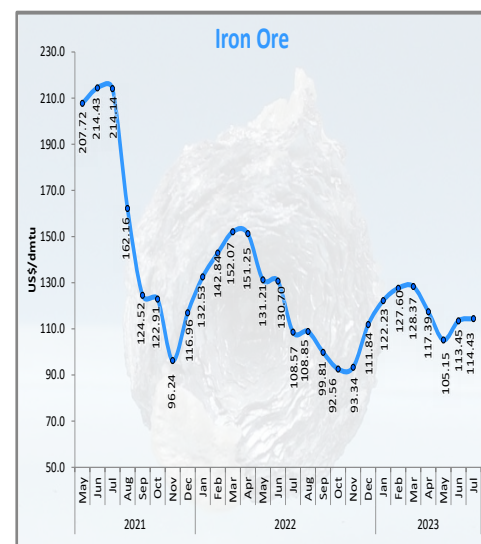
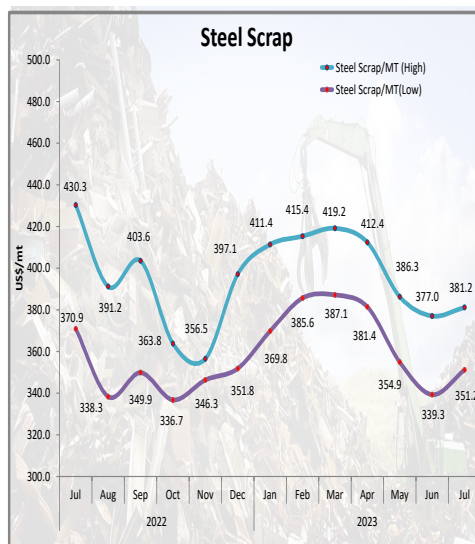
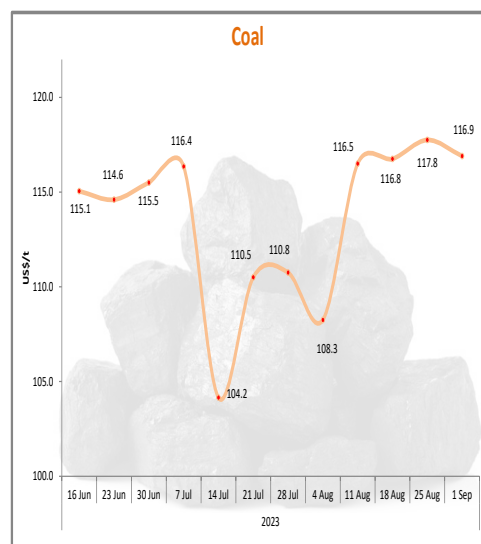
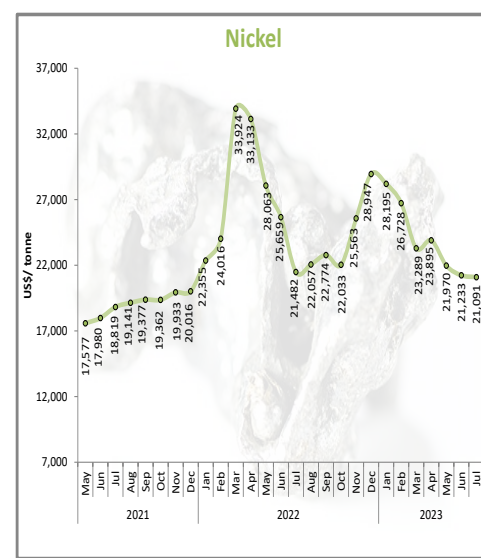
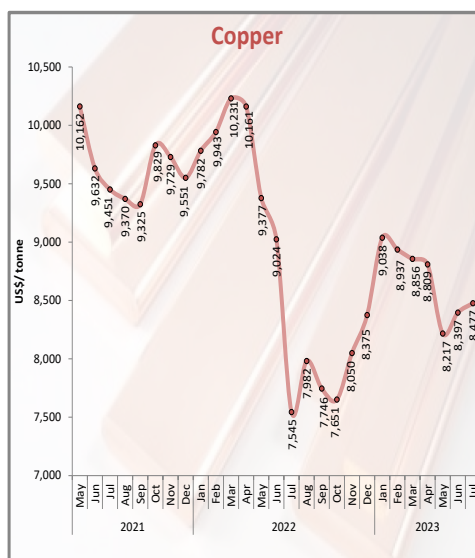
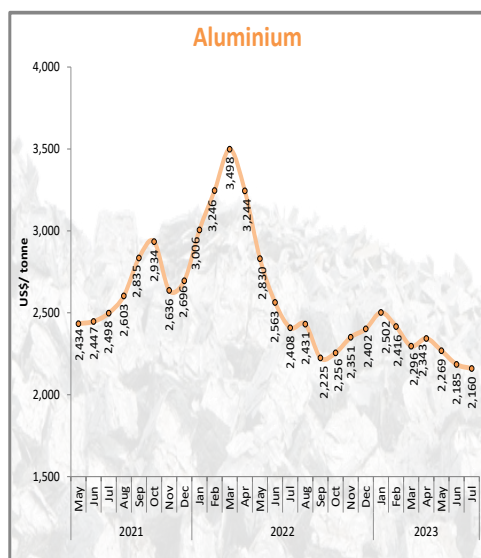
Sources: Ministry of Investment, Trade and Industry, Malaysian Palm Oil Board, Malaysian Rubber Board, Markets Insider, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and International Sugar Organization.

Commodity Price Trends



Sources: Ministry of Investment, Trade and Industry, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, International Sugar Organization, Markets Insider.

Commodity Price Trends



Sources: Ministry of Investment, Trade and Industry, Malaysian Iron and Steel Industry Federation, Markets Insider, 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

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

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Enquiries

- General: i4.0@miti.gov.my
- RA: industry4wrdr@mpc.gov.my



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Onsite Assessment



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Develop Intervention Proposal



Apply for Financial Incentives



Implement the Intervention Plan


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



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