Recollective

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MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY OF MALAYSIA

UNITED WE STAND

Whole-of-Nation Approach to Help Industries Adapt to the Pandemic

ABOUT RECOLLECTIVE

MITI's Recollective Global Edition features Malaysia's competitiveness as a trade and investment hub for the world. This issue focuses on helping industries adapt to life with the pandemic via a Whole-of-Nation approach to accelerate Malaysia's journey to economic recovery.

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TABLE OF CONTENTS

FEATURE

04-08
Global Players Investing in Malaysia's Fertile Business Ecosystem

LATEST INSIGHTS

09-11
Greater KL: Top Investment Destination

12-13
Export Growth in Medical Devices Driven by Innovation

14-15
EXIM Lending a Helping Hand to Cash-Strapped SMEs

16-17
MoU to Boost RSW Ecosystem and Assist SMEs

18-21
Malaysia Records RM80.6 Billion Approved Investments

22-24
Innovating to Feed a Growing Population

25-32
United in Tackling the Impacts of COVID-19

33-34
Malaysia-Turkey Free Trade Agreement (MTFTA) Set to Be Expanded

35-36
Enhancing Bilateral Trade to Combat COVID-19 Economic Impact

37-38
Strengthening Austria-Malaysia Ties

39
New Structural Reform Plan Against Future Shocks

40-41
Phase 4 of the National COVID-19 Immunisation Programme (PIKAS) Underway

42-43
Securing the Workforce of Tomorrow

MALAYSIA, YOUR PROFIT CENTRE

44-46
HDC'S Halal Integrated Platform and D.A.S.H to Champion Bigger Halal Market Space

47-50
Attractive Business Hub for Future Growth

51-55
Greater KL a Boon to Freight Shipping Industry

56-58
Greater KL: A Bright Spot for Future-Forward Companies

59-73
Malaysia External Trade Statistics

74-76
Malaysia, Your Preferred Business Partner

Selecting Malaysia as the first production facility in Southeast Asia, Risen Energy Co. Ltd is set to produce 3GW of high-efficiency photovoltaic modules to meet growing global demand.

Global Players Investing in Malaysia's Fertile Business Ecosystem

Opportunities for Local SMEs to Be a Part of the Global Value Chain.

RISEN ENERGY TO INVEST RM42.2 BILLION IN THE PHOTOVOLTAIC INDUSTRY IN MALAYSIA, ITS FIRST INVESTMENT IN SOUTHEAST ASIA

Risen Energy Co. Ltd, one of the pioneers in the solar industry with extensive expertise in photovoltaic R&D and provision of end-to-end solutions for the entire solar value chain manufacturing, has announced its first investment in Southeast Asia.

Risen Energy was founded in 1986 and successfully listed as a public company in 2010. It is one of the leading solar companies in the world with a revenue of around USD2 billion in 2020 and has exported solar products to more than 100 countries and regions in Europe, America, South Africa and Southeast Asia.

The company is expanding its global footprint by opening its latest production base in Kulim Hi-Tech Park, Kedah, in response to the strong support and facilitation provided by the Government. Selecting Malaysia as the first production facility in Southeast Asia, Risen Energy is set to produce 3GW of high-efficiency photovoltaic modules to meet growing global demand.

Risen Energy has projected to invest a total of RM42.2 billion. This includes capex and operational expenditure over 15 years to undertake design and development activity, and manufacturing of solar cells and solar modules. The facility's construction at Kulim High Tech Park will be completed by the end of this year, while commercial activities are expected to begin in Q1 2022. This new facility will contribute an annual production capacity of 3GW for the first five years.

At a video conference with Mr. Xie Jian, Chairman of the Board and President of Risen Energy this morning, the Prime Minister Tan Sri Muhyiddin Mohd Yassin welcomed Risen Energy's decision to invest in Malaysia and noted its significant contribution of creating over 3,000 employment opportunities, with 800 managerial, technical and supervisory positions, including 500 engineers.

Referring to the project as an investment approved under the PENJANA Incentive Scheme to support the expansion of international investment projects in Malaysia, the Prime Minister said, "This represents a key win for Malaysia in proving our efforts to remain as the preferred investment location with a favourable environment for high quality investments in Asia."

The Prime Minister added that the investment of Risen Energy will further solidify Malaysia's role in the global photovoltaic industry and is in line with our National Investment Aspirations framework which contains the elements of high value added, high technology, knowledge and capital intensive, skills-intensive and high income jobs.

In his remarks, Mr. Xie Jian said, "The competitive advantages of Malaysia's investment environment are mainly reflected in the following aspects: strategic location in the core area of Southeast Asia, solid economic foundation and good economic growth prospects. Further, Malaysia has abundant raw materials, high quality of human resources and harmonious ethnic relations whereby people get along well. Most importantly, the strong support and service from the state and local Governments."

"Risen Energy has clearly shown confidence in Malaysia as an investment destination of choice even as the world faces the challenges of the COVID-19 pandemic. With the strong support from you, we will continue our commitment to Malaysia in the future," he added.

Indeed, this massive investment clearly demonstrates strong confidence in the current administration and the country's political stability that is crucial in providing a conducive climate for the growth and expansion of investments and businesses.

To tap on the enhanced employment opportunities created, MIDA has started working with the company for specific talent development programmes to ensure a sustainable local talent pool to meet the demands of this global solar player.

Risen Energy's project in Malaysia will also benefit local businesses, particularly SMEs, and provide opportunities for them to become part of the global value chain. The multiplier effects will ensure positive social results and add value to the economy as a whole.

It is indeed significant that this project is clearly in tune with our expressed policy on the use of renewable energy and green technology, being central to our pursuit of global ESG benchmarks.

Malaysian companies are encouraged to participate and work closely with MIDA through the vendor development and supplier programmes designed to support Risen Energy's local sourcing of relevant products or auxiliary services. Internship programmes are also in the pipeline with local higher learning institutions, to prepare industry-ready talents.

Upon operation, this facility will create synergies and improve the company's photovoltaic production capacity, while increasing profitable points and enhancing anti-risk ability which is critical for Risen Energy to foresee its sustainable, stable and rapid development in the future.

AUSTRIAN AT&S CHOOSES MALAYSIA AS ITS FIRST PRODUCTION PLANT IN SOUTHEAST ASIA

AT&S, the Austria-headquartered global manufacturing leader of high-end printed circuit boards (PCB) and integrated circuit (IC) substrates, has chosen Malaysia as its first production plant in Southeast Asia. Mr Andreas Gerstenmayer, Chief Executive Officer (CEO) of AT&S met with The Most Honourable Tan Sri Muhyiddin Yassin, the Prime Minister of Malaysia, during a video conference to convey the official announcement.

AT&S' new facility in Kulim Hi-Tech Park, Kedah, to produce high-end PCBs and IC substrates involves a proposed total investment of RM8.5 billion (€1.7 billion) and will create 5,000 high-tech and high impact jobs. The construction of the facility is scheduled to begin in the second half of 2021 with commercial operations targeted to come on stream in 2024. This project is among the investments attracted by the Malaysian Investment Development Authority (MIDA)

> **"RISEN ENERGY'S PROJECT IN MALAYSIA WILL ALSO BENEFIT LOCAL BUSINESSES, PARTICULARLY SMES, AND PROVIDE OPPORTUNITIES FOR THEM TO BECOME PART OF THE GLOBAL VALUE CHAIN. THE MULTIPLIER EFFECTS WILL ENSURE POSITIVE SOCIAL RESULTS AND ADD VALUE TO THE ECONOMY AS A WHOLE."**

under the National Short-Term Economic Recovery Plan's (PENJANA) investment scheme, launched on 5 June 2020.

AT&S' high end PCB and IC substrates are used in mobile devices, industrial electronics, automotive applications as well as medical and health technology. As an international enterprise, the company has production facilities in Austria, India, China and South Korea.

At the meeting, Senior Minister and Minister of International Trade and Industry of Malaysia The Honourable Dato' Seri Mohamed Azmin Ali expressed optimism that the investment also holds out bright prospects for our local SMEs to benefit from the supply chain generated. The meeting was also attended by Mr. Arham Abdul Rahman, CEO of MIDA and AT&S Chief Operating Officer (COO) Mr. Ingolf Schröder. Also present were Malaysian Ambassador to the Republic of Austria Dato' Ganeson Sivagurunathan and Dr. Michael Postl, Austrian Ambassador to Malaysia, joining from Vienna and Kuala Lumpur, respectively.

Welcoming AT&S into Malaysia's vibrant electrical and electronics (E&E) ecosystem, the Prime Minister said, "AT&S' decision to invest here speaks volumes of its confidence in the Malaysian economy's capacity and promise of sustainable growth."

The Prime Minister expressed confidence that Malaysia's E&E industry's skilled talent pool, facilitative investment environment, as well as deep integration with international supply chains, offer the ideal mix for high-tech stakeholders.

"Working hand in hand, AT&S' footprint in Malaysia will also further boost the development of our semiconductor ecosystem, enable opportunities for our local vendors in the field of advanced electronics and spur high-tech employment for Malaysians," the Prime Minister added.

> **WORKING HAND IN HAND, AT&S' FOOTPRINT IN MALAYSIA WILL ALSO FURTHER BOOST THE DEVELOPMENT OF OUR SEMICONDUCTOR ECOSYSTEM, ENABLE OPPORTUNITIES FOR OUR LOCAL VENDORS IN THE FIELD OF ADVANCED ELECTRONICS AND SPUR HIGH-TECH EMPLOYMENT FOR MALAYSIANS."**

In congratulating AT&S on their significant move to Malaysia for the business expansion, the Prime Minister applauded AT&S' commitment to Malaysia, with MIDA having worked closely with the Company since November last year to secure the project. "The Government of Malaysia will ensure timely approval of the implementation of the project and in this regard, AT&S is welcome to utilise the facility provided under the One Stop Centre (OSC) for Business Travellers," the Prime Minister said.

Commending the hard work put in by MITI and MIDA to attract more quality investments globally, particularly in the areas of technology and innovation, the Prime Minister said, "This investment announcement represents a key win for Malaysia in proving our efforts to source for high-quality investments from international companies."

In explaining the choice for their strategic decision, AT&S CEO Mr. Andreas Gerstenmayer said, "After very intensive location scouting globally, Malaysia has emerged as the country in which we want to push ahead with our 'More than AT&S' strategy," adding that, "AT&S brings the latest generation of high end technologies to the country and builds up a whole new technology sector. Beside manufacturing of high-tech products, a significant amount of R&D activities will be executed at this new location. Malaysia can benefit from its position as a technology-country and can strengthen the region as a high-tech manufacturing hub in Asia."

Pointing out the perfect win-win-situation, AT&S COO Mr. Ingolf Schröder said, "The location in the Kulim Hi-Tech Park, Kedah is a perfect match to our expansion plans. Beside the excellent infrastructure and stable supply chain, the whole ecosystem has been aligned in the last decades, the semiconductor industry has been in Malaysia for more than 30 years and the overall environment is very well developed."

No doubt, AT&S' latest investment is a testament to the confidence of foreign investors in Malaysia's economic prospects as well as the human capital resource available to cope with the high-tech demands of high-impact industries. Coupled with the strong showing of investment approvals for the first quarter (Q1) of this year, totalling RM80.6 billion in the manufacturing, services and primary sectors, AT&S' investment bodes well for Malaysia's recovery efforts from the economic challenges of the COVID-19 pandemic.

Greater KL: Top Investment Destination

Greater KL Attracts RM1.92b Investments as Top Choice For MNCs.

InvestKL has successfully attracted RM1.92 billion in new investments with 1,207 regional jobs in the first half of 2021, reinforcing the appeal of Greater KL as the top choice for multinational corporations (MNCs) to set up a regional base.

InvestKL has secured a total of 7 MNCs during this period, making headway in achieving their year-end target; part of a 10-year strategic plan to attract 100 of the world's multinationals and fast-growing companies to set up regional services and technology hubs in Malaysia through 2030. The agency under the Ministry of International Trade and Industry (MITI) had already completed a similar mission after securing 103 MNCs to invest in Greater KL over the last decade.

InvestKL Chief Executive Officer, Muhammad Azmi Zulkifli said the latest achievement is a testament to Malaysia's continued appeal to foreign investors as a preferred investment destination despite the disruptions caused by the pandemic, reflecting the country's solid fundamentals and investor-friendly policies.

"The MNCs coming in this year are involved in various sectors, from financial services, food technology, infrastructure, to data and software solutions provider. They represent a balanced mix of countries and regions including the US, Europe, China, and Japan. These companies will offer regional job opportunities to Malaysians while helping to upskill them."

InvestKL also made great progress since the Greater Kuala Lumpur (GKL) Live Lab and Fit4Work initiatives were launched in April this year.

THE GKL LIVE LAB

The GKL Live Lab programme has already secured 3 companies, successfully achieving its target for the year ahead of schedule. The GKL Live Lab initiative aims to attract companies to collaborate with local players to elevate GKL's competitive advantages for quality, innovation-led and knowledge-intensive activities. The programme intended to create high-value jobs, increase economic complexity, extend domestic linkages, and improve inclusivity.

As companies around the world seek to prioritize innovation and digitalisation as part of their global business review brought about by Covid-19, the GKL Live Lab acts as an added incentive to encourage companies to commit new or increase their investments in GKL and Malaysia.

It is a strategic programme for foreign MNCs looking to collaborate with local companies in the sectors of technology product and services; medical technology; autonomous vehicle and mobility; pharmaceutical or medical testing; research, design and development; deep and emerging technology; as well as environmental, social and corporate governance (ESG) projects. The innovation and ideation focus areas are driving innovation, accelerating digital adoption, growing local champions, developing digital workforce, and future-proofing Malaysia.

Fit4Work - Enhancing Skillsets of Graduates
The Fit4Work initiative has successfully trained 120 graduates in the first half of 2021, making great progress towards the goal of training a total of 160 people this year to help raise the competitiveness of young graduates.

Under the programme, trainees will receive industry exposure and training through potential job placements with MNCs, GLCs (government-linked companies) and major corporations within the services industry after completing a three-month programme that focused on four core areas: management skills, knowledge skills, essential skills and IR4.0 business skills.

Upon successful completion of the programme, participants employed by these companies would be offered a minimum employment period of a year. The government, under the PERKESO initiative, will provide hiring incentives to the participating companies. The Fit4Work programme by InvestKL is supported by public and private universities. Universiti Malaya and Universiti Putra Malaysia are the pilot project partners for the first cohort.

"The GKL Live Lab and Fit4Work initiatives are designed to help revitalise the nation's innovation capacity and build a pool of globally competitive Malaysian talents to complement the kind of high-value, high-technology and high-growth companies we are aiming to attract. This is in line with the National Investment Aspiration (NIA) that is aimed at striking a balance between economic development and environment sustainability," Azmi said.

Since InvestKL's inception in 2011 until the end of June 2021, RM11.56 billion or 65% of the RM17.73 billion investments have been realised. In addition, 10,850 or 71% of the 15,318 high-skilled regional jobs are already on the payroll, with an average salary of RM10,384.

Azmi also added "The challenges ahead are inevitable. As the business landscape shifts in a prolonged pandemic environment, companies are carefully re-assessing strategies and deferring investment plans. By showcasing Malaysia's growth and resilience in the next remaining months, I am positive that we will surely restore investor confidence. At InvestKL, we have embraced a new era in investment promotion where we continue to engage and connect with potential investors through new ways and actively promote Greater KL as the ideal location for regional operations and future growth."

ABOUT INVESTKL

InvestKL is an agency under the Ministry of International Trade and Industry focused on attracting large global multinationals to establish their regional business, innovation, and talent hubs in Greater KL, providing a gateway for companies to grow their business in Asia.

INVESTKL'S ACHIEVEMENTS: 110 FAST GROWING COMPANIES IN 11 YEARS (2011 TO JUNE 30, 2021)

Investments	Total: RM 17.73 billion	Realised: 65% or RM11.56 billion
High skilled regional jobs	Total: 15,318	Realised: 71% or 10,850

Export Growth in Medical Devices Driven by Innovation

Malaysia's Medical Devices Manufacturers and Suppliers Continue to Innovate and Improve Their Products in a Highly Challenging Global Business Environment.

WITH its overriding philosophy of seeking to make tomorrow a healthier one for all, Malaysia's medical devices industry has seen tremendous growth in the design and manufacture of world class products. The sector benefits from the support of the country's strong ecosystem in the semiconductor, machinery & equipment, electrical & electronics, metal stamping and plastics industries, which provide the necessary environment to make it an ideal manufacturing location for medical devices.

In 2020, Malaysia's export of medical devices saw double-digit growth valued at RM29.99 billion or USD7.16 billion. Over 90% of medical devices manufactured in Malaysia are exported to its top ten export destinations: the USA, Germany, Singapore, Japan, Belgium, China, Netherlands, Brazil, UK and Australia. These countries account for more than 70% of the total exports of medical devices.

Malaysia's position as the world's largest producer and exporter of rubber gloves has been a decades long endeavour to produce the very best quality medical gloves and it currently accounts for 60% of the world's market. This undertaking towards excellence has paid dividends, allowing the country to expand into other areas of medical consumables including a variety of other quality medical products such as appliances and apparatus, syringes, sutures, needles, catheters, pace makers and others. Malaysia currently accounts for 80% of the world's catheter supplies.

This vibrant and highly innovative sector also supplies higher value-added and technologically advanced products such as cardiac pacemakers, stents, orthopaedic implantable devices, electro-medical, therapeutic and monitoring devices as well as rapid diagnostic test kits. Malaysian companies are currently also producing capnography items, a highly indispensable component of anaesthesia and intensive care monitoring procedures.

As Malaysia moves towards Industry 4.0, its companies are increasingly undertaking Research & Development especially in incorporating robotics, automation, integrated processes and IoT into their manufacturing processes. This has resulted in accelerating the pace of innovation and revolutionising product development, manufacturing processes and business models.

The production of medical devices in Malaysia is highly regulated by the Medical Devices Authority (MDA), a body under the Ministry of Health that is tasked with ensuring that all medical products from Malaysia adhere to international standards as well as global regulatory compliance systems. This has seen its products receive the recognition of various quality standards including the Food and Drug Administration (United States), CE certification (Europe) and Department Of Health (United Kingdom).

MATRADE has been providing assistance by way of ensuring Malaysian companies' participation in global trade exhibitions such as Arab Health and Europe's Medica. It has also been conducting extensive virtual meetings during this period of restricted movement via its eBizMatch programme between Malaysian suppliers and potential buyers from the USA, United Kingdom, The Netherlands, UAE, South Africa, Hong Kong and Australia. Recent sales have included rubber gloves, personal protective equipment (PPE), facemasks, syringes, catheters and sutures.

The tagline, "Choose Malaysia", carries with it a wealth of experience and a commitment to excellence in the production and manufacture of outstanding products in a variety of medical devices and supplies.

For more information about MATRADE, please visit **www.matrade.gov.my**.

Malaysia is the world's largest producer and exporter of rubber gloves, accounting for 60% of the global market.

EXIM Lending a Helping Hand to Cash-Strapped SMEs

RM300 Million Channelled Through JanaNiaga to Aid Cash Flow-Strapped Two Million SMEs.

(From right) Finance Minister of Malaysia, Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz and EXIM Bank's Officer-In-Charge Mr Chin Chon Young at the virtual launch of JanaNiaga.

EXPORT-IMPORT Bank of Malaysia Berhad ("EXIM Bank") recently unveiled the JanaNiaga digital platform that will aid cashflow-strapped small and medium enterprises (SMEs) that supply goods and services to the government and government-linked entities or companies (GLCs).

Seen as the National Supply Chain Finance platform, JanaNiaga will aid SMEs that supply to government and GLCs to obtain access to financing at an attractive rate as low as 3.5 per cent a year with a financing margin of almost 100 per cent, which is deemed far lower than the current financing available. Such a facility will help ease SMEs' cash flow and improve the liquidity of these businesses.

This initiative was first announced by the government in the Budget 2021 as a national agenda. JanaNiaga is spearheaded by EXIM Bank with a funding of RM300 million and is expected to benefit more than two million SMEs, namely those who are involved in the supply chain or vendor ecosystem to GLCs. The funding to SMEs is expected to reach RM1.2 billion with additional funding from financial institutions, who will be participating in the JanaNiaga platform in various phases.

For a start, Petroliam Nasional Bhd (PETRONAS) and Telekom Malaysia Bhd (TM) will be onboard the platform. In the near future, the JanaNiaga platform will be extended to include vendors to the Ministries, other government agencies and GLCs.

JanaNiaga is set to provide easy access to funds via digital financing, with faster approval, as well as easy documentation. Leveraging on digitalisation, JanaNiaga facilitates easier online application submissions, faster approvals and disbursements in less than 24 hours.

The Honourable Finance Minister of Malaysia, Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz said: "Financial liquidity is of utmost importance to the survival of SMEs during this challenging pandemic times. The JanaNiaga platform brings together multiple parties into a national ecosystem of supply chain vendors. This will enable an efficient cash flow for access to financing for SMEs' working capital in the country with the availability of this RM300 million allocation.

"It is the Government's fervent hope that JanaNiaga will assist SMEs who have been adversely affected by the COVID-19 pandemic, as well as support the recovery and rejuvenation of businesses and the economy of the country. This is in line with the government's automation and digitalisation strategy to accelerate the transformation of the country towards a high-income economy," he further added.

EXIM Bank's Officer-In-Charge Mr. Chin Chon Young said: "The last few months saw EXIM Bank working on Jana Niaga, a holistic financing centralised infrastructure, which is able to connect to key supply chain databases in Malaysia. We are laying the foundation for new funding sources to be injected to revitalise the economy in the many years to come. This initiative is a sustainable form of financing that will help SMEs recover from the COVID-19 pandemic and give a growth boost post-pandemic."

EXIM Bank has also been collaborating with several banks that have indicated strong interest to finance this innovative program as Supply Chain Finance has gained prominence in the global finance system as a means for economic recovery. In addition, the multi-bank approach was an enhanced feature that is preferred by many GLCs and large corporates that helps to stabilise the funding access.

Amongst the other financial institutions that will be onboard JanaNiaga to assist in financing SMEs are Maybank, CIMB, Bank Muamalat Malaysia Berhad, HSBC and Standard Chartered.

Over time, Jana Niaga is expected to widen its network of both financiers and paymasters, as well as be a catalyst towards the introduction of other technology-driven solutions. This revolutionary platform will surely aid the underserved SME segment in the country, as we support the national agenda, while also limiting credit risks to the financing fraternity.

JANANIAGA

For more information, please visit **https://www.jananiaga.gov.my/**.

All the parties at the virtual MoU signing, witnessed by (from top left) Deputy General Manager of International Business Department of CCB, Mr. Wang Qijie; the First Secretary of Economic and Commercial Office of the Embassy of PRC in Malaysia, Ms. Yao Yi; and EXIM Bank's Officer-in-Charge, Mr. Chin Chon Young.

MoU to Boost RSW Ecosystem and Assist SMEs

Exciting Development with Regional Single Window for SMEs in the Country.

CHINA Construction Bank (Malaysia) Berhad and China Construction Bank Corporation Labuan Branch (collectively referred to as "CCB Malaysia") have signed a Memorandum of Understanding (MoU) with SealNet Sdn Bhd, Bay Supply Chain Technology Sdn Bhd (CapBay) and Labuan Digital Authentication Centre Inc (DAC) to collaborate together to build a comprehensive Regional Single Window (RSW).

Export-Import Bank of Malaysia Berhad ("EXIM Bank"), as the government-owned vehicle in stimulating and enhancing the competitiveness of Malaysian industries for exports and investments globally and a partner of the project, was invited to witness the ceremony.

The MoU cloud signing ceremony was witnessed by First Secretary of Economic and Commercial Office of the Embassy of PRC in Malaysia, Ms. Yao Yi; Deputy General Manager of International Business Department of CCB, Mr Wang Qijie; EXIM Bank's Officer-in-Charge, Mr Chin Chon Young; and the signing of MoU was represented by Mr Felix Feng Qi, CEO, CCBM and Principal Officer, CCBL; while SealNet Sdn Bhd was represented by Dato' Patrick Wong, Executive

Director; CapBay was represented by Mr Ang Xing Xian, CEO; and Labuan Digital Authentication Centre Inc. was represented by its Director, Dato' Tee Ting Cham.

RSW was mooted with the intention to promote international trade facilitation with major trading partner nations, as well as to assist SMEs in export and import financing through an ecosystem approach. The RSW will be an AI-based trade facilitation digital platform that connects trade finance, insurance, and logistics in one single marketplace. To complement the RSW, CCB's Smart Matchmaking Platform, CCB Match Plus, will integrate- domestic and international data, to facilitate the matching of cross border merchandise supply and demand. CapBay, working with all parties and EXIM Bank, will supplement the RSW ecosystem with e-Trade Financing platform to present Malaysian SMEs with better access to trade financing.

Through this collaboration, SealNet will connect RSW to customers comprising importers, exporters, manufacturers and trade-related businesses. A digital logistic platform that provides one-stop cloud-based logistics and cross border services to ease trade processes, SealNet is positioned as the digital trade connector enabling ease in not only regional but global trade as well.

During the ceremony, EXIM Bank's Mr Chin stated: "This MoU signifies the start of an exciting development for the exporters and importers in Malaysia, as the Regional Single Window is designed with convenience and financial accessibility in mind, backed by digital technology. As the government's vehicle to drive the nation's import and export sector, we are honoured to witness this cooperation today and will continue to provide our support towards the success of this initiative."

Mr Wang Qijie added: "CCB Malaysia would like to demonstrate strong support for Regional Single Window's efforts to expand and strengthen its platform capability by offering our initiative to link CCB Match Plus B2B matchmaking platform with Regional Single Window. By having direct linkage, it would create a business value chain towards our customers where match made business in CCB Match Plus could flow through seamlessly to Regional Single Window for transaction execution".

Dato' Patrick Wong said: "With SealNet, we are looking to address the pain points that have hindered efficiency and contributed to unnecessary costs in the industry. SealNet is intelligently built to bridge global supply chains and logistics to enhance efficiency of transport and trade facilitation mechanisms, to improve productivity of freight logistics industry, and provide a better electronic system for logistics and cross border trade. Customers, big and small, can have easy and secured access to SealNet's digital trade platform anytime, anywhere to enjoy time and cost saving, as well as operate in real time with data accuracy."

In 2020, Malaysia's total exported goods represent 26% of its overall Gross Domestic Product, compared to 22.1% in 2019. With the growing export trend, the Regional Single Window will further support and create a strong foundation to ease and cultivate additional trades within the region.

Under the MoU, by leveraging on the expertise of the partners, the parties will collaboratively build a comprehensive trade financing credit model as the key component to support the e-Trade Financing platform. Collaborating partners also agree to work together in the area of linking CCB Match Plus to the RSW ecosystem, while CCB Malaysia will handle the clearings and settlements behind the scene. To illustrate, by leveraging on trade data available in the RSW ecosystem, businesses in Malaysia will be able to benefit from affordable financing and further grow the Malaysian economy.

Malaysia Records RM80.6 Billion Approved Investments

Aggressive Strategies to Attract High-level Investments from Both Foreign and Domestic Investors Pays Off.

THE Honourable Dato' Seri Mohamed Azmin Ali, Senior Minister and Minister of International Trade and Industry, presented at the Cabinet today on the impressive investment approvals for the first quarter (Q1) of this year, despite the unprecedented economic challenges caused by the COVID-19 pandemic. The members of the Cabinet endorsed the Q1 2021 approved investment by responding optimistically that Malaysia will successfully weather the storm with every Malaysian's steel effort in boosting the economy.

Malaysia recorded a total of RM80.6 billion worth of approved investments in the manufacturing, services and primary sectors in the Q1 2021, a surge of 95.6 per cent from the same period last year (RM41.2 billion).

The continued aggressive strategies to attract high-level investments from both foreign and domestic investors is exhibiting promising results. These approved investments involved 993 projects and are expected to generate 32,557 job opportunities.

Malaysia remains a competitive investment location for foreign investors despite the multiple headwinds on the global front. Total approved foreign direct investments (FDI) in the manufacturing, services and primary sectors increased by 383.4 per cent to RM54.9 billion for the period of January – March 2021 from RM11.4 billion in the same quarter last year. Singapore (RM43.1 billion), Netherlands (RM5.0 billion), the Republic of Korea (RM4.3 billion), Chinese Taipei (RM0.5 billion) and Hong Kong (RM0.3 billion) were the top five countries in accordance to reporting by immediate source of FDI. Investments from Singapore include one 100 per cent Chinese owned mega project, where the source of funding is made through its affiliate located in the country. Meanwhile, domestic direct investments (DDI) made up the rest of RM25.7 billion, contributing 31.9 per cent to the total approved investments in all the three sectors. Five (5) states; Kedah, Selangor, Sarawak, Sabah and W.P. Kuala Lumpur contributed RM68.4 billion (84.9 per cent) to the total approved investments for January – March 2021.

The manufacturing sector leads the investments for the Q1 2021, recording RM58.8 billion, followed by the services sector at RM15.6 billion and the primary sector at RM6.2 billion.

MANUFACTURING SECTOR

The positive investment growth for Q1 2021 was driven by the robust performance of the manufacturing sector that soared by 126.8 per cent compared to Q1 2020. Malaysia's manufacturing sector recorded approved investments of RM58.8 billion from 246 manufacturing projects for Q1 2021 compared to RM25.9 billion from 226 manufacturing projects in the same period last year. It is important to note that amid pandemic, FDI accounted for 88.9 per cent or RM52.3 billion of the total approved investments in the manufacturing sector while the remaining 11.1 per cent, or RM6.5 billion were from domestic sources.

The majority of these investments were in the electrical and electronics (E&E) (RM47.0 billion), fabricated metal products (RM4.9 billion), rubber products (RM3.3 billion), chemicals and chemical products (RM1.1 billion), transport equipment (RM0.5 billion), food manufacturing (RM0.4 billion), machinery and equipment (RM0.4 billion) as well as paper, printing and publishing (RM0.2 billion). These industries make up 98.3 per cent of total approved investments for the sector.

Malaysia has also consistently pursued more capital-intensive projects and those that support the sustainable development agenda of the nation. This is reflected by the increasing capital investment per employee (CIPE) ratio to RM2,201,838 in the first three months of 2021 from RM1,625,162 during the same period last year.

The approved manufacturing projects will create 26,689 job opportunities. The new workforce includes 943 managerial positions and 1,042 engineers in the electrical and electronics, mechanical and chemical disciplines, reflecting the higher value chain transition of the manufacturing sector. The approved manufacturing projects will also require 3,518 skilled craftsmen such as plant maintenance supervisors, tools and die makers, machinists, IT personnel, quality controllers, electricians and welders. Major industries which require the most skilled workforce are E&E, rubber products, fabricated metal products, transport equipment and machinery and equipment.

In terms of recipients of approved investments in the manufacturing sector, Kedah registered the highest level of investments with RM42.4 billion, followed by Sabah (RM4.3 billion), Selangor (RM4.0 billion), Melaka (RM3.4 billion), and Johor (RM1.7 billion). Collectively, these states contributed 95.1 per cent or RM55.8 billion to the total approved investments that will fund 165 projects. These investments are set to create 19,273 job opportunities, making up 72.2 per cent of the total employment in the manufacturing sector.

The leading sources of foreign investments in the manufacturing sector were Singapore, Republic of Korea, the Netherlands, Chinese Taipei, People's Republic of China, the United States of America, Switzerland, Denmark, Germany and Hong Kong. These ten countries jointly accounted for 99.8 per cent or RM52.1 billion of total foreign investments approved in the manufacturing sector for this period.

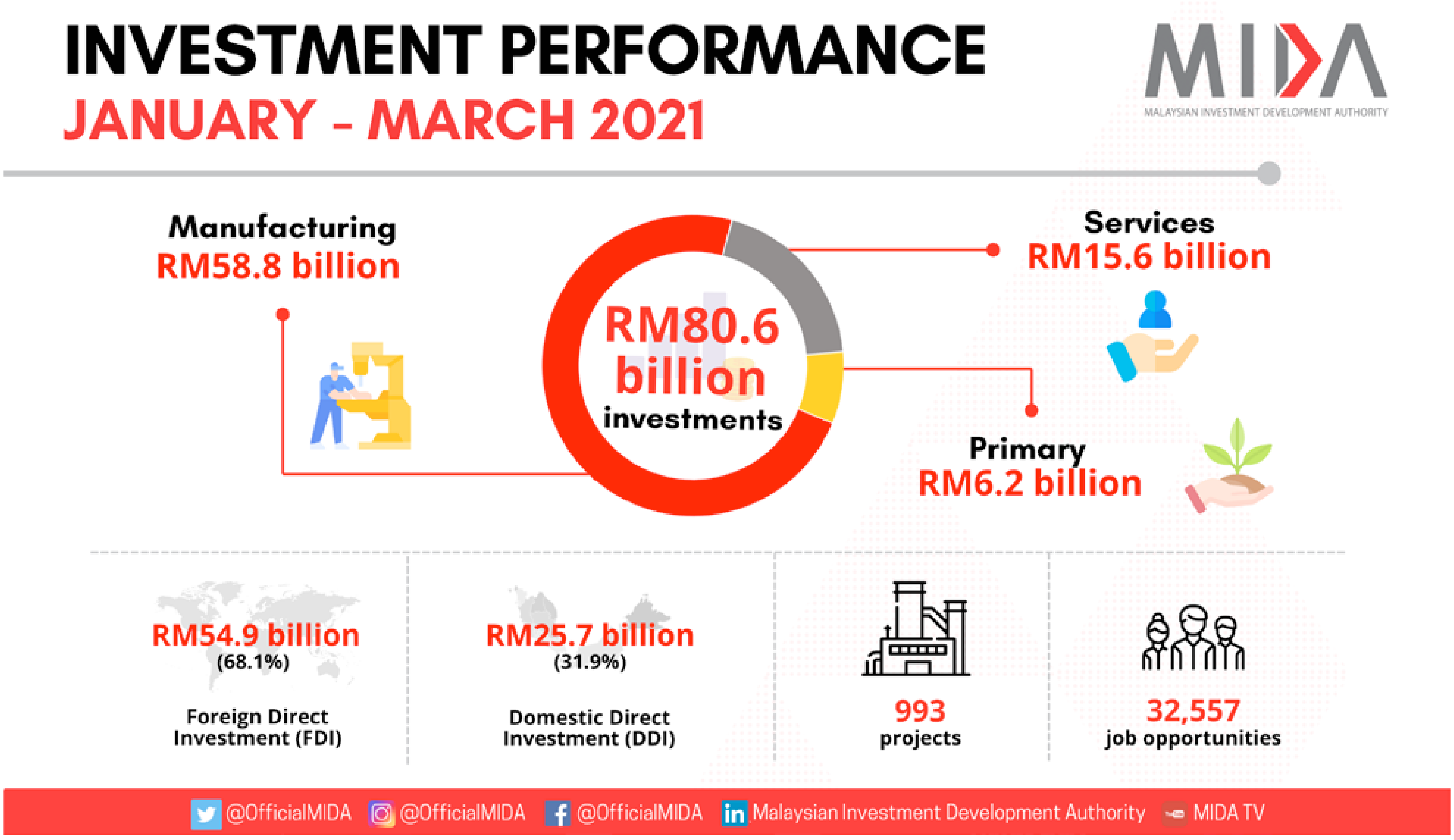
The confidence of FDI in Malaysia has been solidifying in the manufacturing sector, as foreign investors are increasingly reflecting in long term investments. One of the notable projects is a new manufacturing project by SK Nexilis from the Republic of Korea, a copper foil producer for electric vehicle (EV) battery manufacturing. The proposed facility in Malaysia will fully implement the RE100 initiative, to commit to 100 per cent renewable electricity. The company's presence will attract more investors to complete Malaysia's EV battery manufacturing supply chain, turning the country into high precision and high-quality copper foil hub for niche applications.

Another quality project approved is Risen Energy, one of the pioneers in the solar industry with extensive expertise in photovoltaic R&D and end-to-end solutions for the entire solar value chain manufacturing. The company is the first investment approved under the PENJANA Scheme, which was launched on 5 June 2020 in supporting the relocation of international investment projects to Malaysia. Risen Energy is set to produce the latest bi-facial technology solar products to cater to the growing global market. This project will boost employment opportunities and benefit the local businesses to become part of their global value chain.

SERVICES SECTOR

The services sector, on the other hand, contributed 74.2 or per cent or 737 of the total number of approved projects in the first quarter of 2021. These approved services projects are expected to create 5,669 jobs for the economy. Domestic investments made up the largest portion, recording RM15 billion or 96.2 per cent of the total approved investments for the services sector during this period. The remaining 3.8 per cent were from foreign sources. The total investments approved in the services sector recorded an increase of 3.5 per cent from the approvals recorded for the same period in 2020.

Increase in investments were recorded in several services sub-sectors, namely financial services, distributive trade, education services, real estate and global establishments. Collectively, the leading contributors include real estate (RM8.9 billion), financial services (RM2.7 billion), utility (RM2 billion), support services (RM1.2 billion) and distributive trade (RM0.5 billion).



For the purpose of streamlining investment data, a new sub–sector, namely information and communications, has been redefined, taking in a combination of telecommunications sub-sector and Multimedia Super Corridor (MSC) status projects; thus adjusting the total number of sub-sectors under the services sector to 12. This new sub-sector includes publishing, programming and broadcasting, telecommunications, computer programming, consultancy as well as information services activities, which are in line with the Malaysian Industry Classification Standards Code (MSIC) 2008, set up by the Department of Statistics Malaysia.

PRIMARY SECTOR

The approved investments in the primary sector registered a significant increase of 3,097.3 per cent from RM0.2 billion in 1Q 2020 to RM6.2 billion in 1Q 2021. Investments from domestic sources continue to dominate with a total amount of RM4.2 billion or 67.7 per cent, while foreign investments contributed RM2 billion or 32.3 per cent. The primary sector was led by the mining subsector with approved investments of RM6.1 billion.

CONCLUSION

The upward trend of COVID-19 infections has caused a global economic upheaval, across every level of societies. Governments worldwide are intensifying efforts to curb the infection with an ultimate objective to restore their economies amidst the healthcare of their people. The challenge remains to recharge the performance of the economic sectors to the pre-pandemic era.

"In Malaysia, as we continue the battle against the COVID-19 pandemic, the country remains a primary investment destination and strategic gateway for investors. The country is steadfast in providing investors with modern-day requirements and equipment. Its persistence towards engaging emerging technologies proves to be a great advantage to manufacturers in the country. The unique value propositions as a high-tech investment and global operations hub will entice a sustainable stream of quality investment activities in the country." said The Honourable Dato' Seri Mohamed Azmin Ali, Senior Minister and Minister of International Trade and Industry.

"With our pro-business, prudent and pragmatic policies, Malaysia serves as the ideal partner for investors to do business in the region. The Government, through MIDA, will lend its expertise in executing the on-going reform initiatives as well as the newly developed blueprints and policies, to enhance the country's competitiveness, promoting investments and accelerating national economic development in line with the National Investment Aspirations (NIA)," added the Senior Minister.

As of March 2021, MIDA has in the pipeline, 988 projects with proposed investments of RM54.4 billion in the manufacturing and services sectors. Malaysia's economy is expected to bounce this year with a GDP projection ranging between 6.3 per cent and 7.5 per cent based on the projection by International Monetary Fund, World Bank and S&P Global Ratings, positioning the country to be the fastest growing among the ASEAN-5 countries.

ABOUT MIDA

MIDA

MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

MIDA is the government's principal investment promotion and development agency under the Ministry of International Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Headquartered in Kuala Lumpur Sentral, MIDA has 12 regional and 20 overseas offices. MIDA continues to be the strategic partner to businesses in seizing the opportunities arising from the technology revolution of this era. For more information, please visit www.mida.gov.my.

Innovating to Feed a Growing Population

Leveraging 4IR Technologies to Ramp Up Food Production.

PALM-OIL farmers in Malaysia have taken to the sky. Where once they surveyed their plantations by foot, covering 5 hectares per day, a single drone enabled them to assess crop health, monitor irrigation systems and detect pests across 2,500 hectares in a matter of hours. With a fleet of drones, they capture thousands of images every day.

Each image contains valuable information about the plantation. Using artificial intelligence, farmers can analyse images spanning 10,000 hectares in four hours—a job that would take 20 people two weeks to complete. That analysis empowers them to make decisions that increase crop yield, protect their plantations and deliver high-quality products—all of which are crucial for the country's biggest food export.

These are but a few of the Industry 4.0 technologies that Malaysia is using to bolster agricultural and food production. With the global population projected to reach 9.7 billion by 2050, feeding everyone could be a challenge. As Malaysia continues to integrate advanced technologies into its production system, it stands ready to bolster food security at home and help the world rise to the challenge.

THE RISE OF SMART AGRICULTURE IN MALAYSIA

The average farm generates an estimated 500,000 data points per day.[IBM] That includes everything from temperature and humidity to soil nutrient content. As agricultural applications of 5G, big data,

Using drones and AI, farmers can analyse images spanning 10,000 hectares in four hours—a job that would take 20 people two weeks to complete.

artificial intelligence, drones and the Internet of Things (IoT) become more affordable, Malaysia's farmers are using them to collect data and generate valuable insights. The result is greater efficiency, output and food security.

Transitioning to smart farming isn't easy. To help farmers' modernise, the Malaysian Government provides support. In 2020, for instance, the Government budgeted 43 million Ringgit Malaysia ($10.6 million) to support Agriculture Industry 4.0 with the aim of developing new crop varieties with higher productivity and quality. The 2021 annual budget includes 100 million Ringgit Malaysia ($24.7 million) for the implementation of impact and high-value agriculture and livestock projects. These investments help industry players overcome challenges and create new possibilities.

One such challenge comes from the production of rice—a staple crop in Malaysia. Rice production consumes 70% of the country's available water resources. It depends on inefficient manual irrigation systems, which hamper production. Automation company Abbaco Controls collaborated with Intel and the Ministry of Agriculture's Agricultural Development Project to create a decentralised automated water supply management solution. Through big data and IoT, the solution empowered farmers with greater insights and prediction of water availability. In turn, the farmers were able to increase the rice production by 20% and reduce total cost of ownership by 30% compared with the previous solution.

Beyond the field, Malaysia's food producers are also using Industry 4.0 technologies in factories. Hexa Food, for instance, set up an in-house IoT department in 2018. The company produces a wide variety of herbs, spices and seasonings, using several machines in the process. After analysing production to identify gaps, Hexa automated parts of the process, increasing efficiency and reducing waste. A 1% reduction in waste increased Hexa's net profit by as much as 4%. Less waste coupled with Hexa's halal certification positions the company to benefit further from one of the biggest trends in the global food industry: surging demand for halal products.

MALAYSIA – THE GLOBAL HALAL FOOD HUB

Global demand for halal food products is forecast to reach $3.2 trillion by 2027, up from an estimated $1.7 trillion in 2020. Malaysia is in a unique position to deliver against the projected surge in demand. Renown as a modern Muslim nation, it has the trust and know-how to become a global halal food hub in the branding, processing and marketing of halal foods to Muslim populations around the world. It will assume an important role in helping the world achieve self-sufficiency in halal food.

Central to that is Malaysia's Halal certification, which is recognised by 84 foreign halal certifiers in 46 countries. This indicates that certified products have passed safety, quality and legal requirements based on the Good Manufacturing Practice and Hazard Analysis and Critical Control Points. This provides immense opportunities for food processing industry players, who can leverage Malaysia's comprehensive halal ecosystem with confidence.

Food and beverage giant Fraser & Neave Holdings (F&N) announced its intentions to do just that in January 2021. After acquiring three Malaysian companies, CEO of F&N , Lim Yew How said that, "Our latest investment will serve as a platform to expand into more halal food segments and to meet the rising demand for convenience and ready-to-eat food products." These acquisitions diversify F&N's offering while creating inroads into a rapidly growing market.

For those already active, tapping into the global halal market is about to get easier. The online Halal Integrated Platform (HIP), due to launch this year, aims to facilitate trade, increase competition, provide access to Government facilities and establish an online marketplace. It will also help businesses to find ingredients, advertise, and secure talent and more. According to Senior Minister and Minister of International Trade and Industry, Datuk Seri Mohamed Azmin Ali, this will enable Malaysia to capitalise on various aspects of digital transformation.

The HIP has huge implications that extend to pharmaceuticals, cosmetics and other consumer goods that are experiencing an increase in demand. The halal pharmaceuticals market, for instance, is forecast to grow at a compound annual rate of 9.4% to reach $174.6 billion by 2025. Meanwhile, the market for halal cosmetics is tipped to grow a compound annual rate of 12.3% to $52 billion over the same period.

As global demand for food, pharmaceuticals and other products rises, Malaysia will assume an increasing role in fulfilling the world demand. The country's embrace of advanced technologies positions it to consistently deliver the high-quality products that consumers desire, while halal certifications enable it to meet the needs of the growing Muslim population. Through investment, innovation and hard work, Malaysia will continue to play a vital role in global consumer goods supply chains for years to come.

Malaysia is capable of becoming a global halal food hub to meet the ever-growing demand for halal food.

Source: Bloomberg (In conjunction with MIDA X Bloomberg Collaboration)

United in Tackling the Impacts of COVID-19

The Honourable Dato' Seri Mohamed Azmin Ali Participated Virtually in The 27th APEC Ministers Responsible for Trade (MRT) Meeting.

SENIOR Minister and Minister of International Trade and Industry, The Honourable Dato' Seri Mohamed Azmin Ali led the Malaysian delegation at the 27th APEC Ministers Responsible for Trade (MRT) Meeting. The meeting – the first ministerial meeting to be hosted by New Zealand in its capacity as host of APEC 2021 – was chaired by The Honourable Damien O'Connor, Minister of Trade and Export Growth, New Zealand.

Trade Ministers from 21 APEC economies participated in the meeting. As part of MRT tradition, the newly appointed Director General (DG) of World Trade Organisation (WTO), Dr. Ngozi Okonjo-Iweala was present to provide the MRT with the latest development on global trade as well as the on-going work at the WTO.

The Senior Minister shared Malaysia's views in optimising policy tools that APEC could utilise and to encourage APEC economies to continue to act collectively in ensuring uninterrupted flow of trade and services during these trying times, including in the area of equitable access to vaccines and ensuring the sustainability of their supply chain.

The APEC Putrajaya Vision 2040, a long-term aspiration document that was architectured by Malaysia and successfully launched by APEC Leaders in 2020, featured prominently in the discussion, where the Senior Minister assured Malaysia's full support in advancing the work of APEC in accomplishing APEC 2021 key deliverable that is the comprehensive implementation plan for the APEC Putrajaya Vision 2040.

The 27th MRT Meeting was expected to build on the momentum created last year under the chairmanship of the Senior Minister, where the Ministers adopted two consensus documents namely the MRT Statement on COVID-19 and MRT Virtual Meeting Joint Statement 2020. This year, New Zealand also delivered a consensus MRT Joint Statement, which was adopted by Ministers at the end of the MRT Meeting.

JOINT STATEMENT 2021:

We, the Asia Pacific Economic Cooperation (APEC) Ministers Responsible for Trade (MRT), met virtually from 4-5 June 2021. Our meeting was chaired by Hon Damien O'Connor, New Zealand's Minister for Trade and Export Growth. We welcomed the participation of the Director-General of the World Trade Organization (WTO), the Chair of the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC), the Association of Southeast Asian Nations (ASEAN) and the Pacific Islands Forum (PIF) Secretariat.

We, the APEC Ministers Responsible for Trade, are united behind the essential role of trade in tackling the impacts of the COVID-19 pandemic and in enabling a strong economic recovery for all our people. In these times of uncertainty, we are seized of the importance of implementing our Putrajaya Vision 2040, and we agree that bold action is necessary in the following three areas:

1. TRADE AS A TOOL TO RESPOND TO THE COVID-19 PANDEMIC

Defeating COVID-19 is the top priority for every economy. Recognising the role of extensive COVID-19 immunisation as a global public good, we urgently need to accelerate the production and distribution of safe, effective, quality-assured, and affordable COVID-19 vaccines. As ministers, we are focused on trade and investment's role in ensuring widespread and equitable access to such vaccines and related goods. APEC is playing a key role in this effort, consistent with the Putrajaya Vision 2040. In July 2020 we announced a Declaration on Facilitating the Movement of Essential Goods, which was a strong demonstration of our willingness and ability to work together to facilitate trade. However, there is more work to do.

Today, we are pleased to announce a standalone statement on COVID-19 Vaccine Supply Chains (Annex 1), which outlines our approach to ensuring the trading environment supports the safe and efficient distribution of COVID-19 vaccines and related goods. We welcome the Best Practice Guidelines for APEC Customs Administrations as an operational and practical contribution to help facilitate the distribution of COVID-19 vaccines and related goods. To continue APEC's strong work in responding to the challenges of COVID-19, APEC economies will also agree to consider how to facilitate trade in medical supplies such as those included in the World Customs Organization (WCO) COVID-19 list [1], and report to us before our APEC Ministerial Meeting in November.

1 World Customs Organization: HS classification reference for Covid-19 medical supplies

It is vital that services trade continues to flow during the COVID-19 pandemic. In particular, we highlight the integral role freight and logistics suppliers can play in the production, distribution, and sale of vaccines and medical supplies. We are pleased to announce the statement on Services to Support the Movement of Essential Goods. We task officials to update us on the progress of this work annually, as part of the review on the 2020 Declaration on Facilitating the Movement of Essential Goods. We also recognise the importance of providing predictability for service suppliers beyond the COVID-19 pandemic. As part of the work underway to review APEC's role in growing services competitiveness across the region, we agree to prioritise work to identify and subsequently consider removing unnecessary barriers to trade in services, particularly those services that expedite and facilitate the flow of essential goods.

Noting the detrimental impact of border and travel restrictions on our people and our economies, we must pave the way for the safe resumption of cross-border travel, without undermining efforts to prevent the spread of COVID-19. We task officials to share information on cross-border travel measures, including through established APEC digital platforms, and to identify initiatives and protocols related to establishing safe passage within the region, in line with ongoing multilateral discussions. We direct officials to discuss how APEC can better support air crews, facilitate business mobility across the region, and advance discussions on digital solutions to facilitate safe travel in the region, and report on progress before our APEC Ministerial Meeting in November.

We welcome the varied and continuous efforts as well as the contribution of additional resources across APEC to combat the pandemic, and note the newly established relevant ASF sub-fund in this regard.

2. RULES-BASED MULTILATERAL TRADING SYSTEM

Recalling the role of the rules-based multilateral trading system in catalysing our region's extraordinary growth, we are determined to cooperate to ensure the 12th WTO Ministerial Conference (MC12) is successful and delivers tangible results for all. We will cooperate to further enhance the role of the WTO in establishing rules that support a free, fair, predictable, non-discriminatory, transparent, and open trade and investment environment.

The WTO must demonstrate that global trade rules can help address the human catastrophe of the COVID-19 pandemic and facilitate the recovery. APEC economies will work proactively and urgently in Geneva to support text-based discussions, including for a temporary waiver of certain intellectual property protections on COVID-19 vaccines, as soon as possible and no later than MC12. As we seek to facilitate the recovery from the COVID-19 pandemic, we support efforts to deliver pragmatic and effective solutions on trade and health that reinforce APEC's work on essential goods, minimise disruption to, and enhance the resilience of supply chains, and demonstrate the positive role that trade can play in responding to global health emergencies. As APEC economies, we will play our part by ensuring that emergency measures designed to tackle COVID-19 are targeted, proportionate, transparent, temporary, and consistent with WTO rules and will support efforts to unwind remaining trade restrictive measures when appropriate.

We continue to support ongoing necessary reform work to improve the WTO's functioning. To that end, we recognise the importance of making progress on enhancing transparency. We engaged in frank and constructive discussions, and are committed to continuing these discussions regarding improved functioning of the WTO's negotiating and dispute settlement functions. We urge WTO members to seek a shared understanding of the types of reform needed by MC12.

One of the most important contributions that the WTO will make this year to strengthen its credibility as a forum for negotiating new rules and to safeguard our natural resources, is the successful conclusion of the decades-long fisheries subsidies negotiations. As a group, APEC economies support the WTO Director General's calls for the WTO fisheries subsidies negotiations to achieve a comprehensive and meaningful agreement with effective disciplines on harmful fisheries subsidies by 31 July 2021.

We must support the WTO and its membership to modernise trade rules for the twenty-first century. We recognise the positive role that existing plurilateral negotiations and discussions are playing in progressing outcomes. APEC member participants in the Joint Statement Initiatives (JSI) on e-commerce; domestic regulation in services; micro, small and medium-sized enterprises (MSMEs); and investment facilitation for development call for substantial progress in the relevant initiatives. We take note of the calls by the APEC economies who endorsed the Joint Declaration on Trade and Women's Economic Empowerment for an ambitious outcome at MC12.

APEC has been at the vanguard of ensuring that trade and environmental policies are mutually supportive, and we are determined this should continue. We agree on the importance of promoting economic policies and growth that contribute to tackling climate change and other serious environmental challenges aligned with global efforts, such as the achievement of the 2030 Agenda for Sustainable Development and the goals of the Paris Agreement. In this context, we recognise member economies' energy transitions to a low emissions future will reflect the different circumstances in each economy. We are committed to advancing trade and environment issues at the WTO. We reaffirm the importance of trade measures taken to combat climate change being non-discriminatory and consistent with WTO rules.

We recognise that since APEC Economic Leaders endorsed the APEC List of Environmental Goods in 2012, new environmentally friendly goods, technologies and innovations have emerged that are not covered by the original list. We are ready to take concrete steps that build on this legacy, to further APEC's contribution to addressing the most serious environmental challenges. We instruct officials to review the implementation of the original list in contributing to green growth, addressing climate change and securing sustainable economic development objectives, and to update the list in terms of Harmonised System (HS) tariff classifications for reference purposes by the APEC Ministerial Meeting in November. At that time, we will consider instructing officials on further potential work to update the list. We also support APEC efforts to discuss the impact of non-tariff measures on trade in environmental goods.

We reaffirm APEC Economic Leaders' commitments to work on environmental services and welcome recent APEC reports on the ways in which APEC economies could support increased trade in environmental services. We task officials to advance work on enhancing trade in environmental services, including by identifying environmentally related services across service sectors, and to report on progress at our APEC Ministerial Meeting in November. To ensure that services can contribute to long-term sustainability, we agree that economies will then take forward discussions on how to increase trade in environmental and environmentally related services, including by supporting liberalisation, facilitation, and cooperation. We instruct officials to report on the outcomes of these discussions at the 2022 MRT.

We recognise the importance of the global agricultural and food systems, underpinned by WTO rules, bringing food, fibre, and other critical products to people all over the world, supporting global food security and sustainable economic development. While the agriculture sector has been resilient and international markets have remained relatively stable during the pandemic, it remains one of the most protected sectors in global trade. We agree on the need for a meaningful outcome on agriculture at MC12, reflecting our collective interests and sensitivities, with a view towards achieving substantial progressive reductions in support and protection as envisaged in the continuation of the reform process provided in Article 20 of the Agreement on Agriculture and existing mandates.

Market-distorting subsidies undermine a level-playing field. We are also increasingly concerned about those subsidies that have a negative environmental impact. We recall APEC's 2015 commitment to rationalise and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognising the importance of providing those in need with essential energy services. We task our officials to explore options, for those members that are in a position to do so, to undertake a potential voluntary standstill on inefficient fossil fuel subsidies for progress to be reported to ministers in November. We support capacity-building initiatives to advance progress towards the commitment, including further voluntary peer reviews.

APEC's work needs to deliver for all members of society, including women, MSMEs, and others with untapped economic potential. In this regard, we note recent initiatives in APEC to unlock the economic potential of Indigenous peoples. It is our responsibility to ensure our economic policies and trade and investment environment also promote equality of opportunity and advance economic inclusion. APEC should move at a faster pace to support businesses of all types, particularly MSMEs and start-ups, to access domestic and international markets. Our economic and technical cooperation and capacity building can reduce administrative barriers; promote education, training and skills development; enhance access to technology, finance and cross-border payment mechanisms; and ensure access to market and regulatory information.

APEC is also making useful contributions towards identifying policies and implementing structural reforms in support of inclusive and sustainable transitions to the future of work. To this end, we strongly support the ongoing work to implement the La Serena Roadmap for Women and Inclusive Growth across APEC's work agenda, which supports the economic empowerment of women. We encourage work that empowers women and others with untapped economic potential to access capital and markets, including through trade.

3. SHAPING OUR FUTURE PROSPERITY

It is critical that the economic settings in each of our economies enable trade and investment to become driving forces for our long-term economic prosperity, as we respond to the economic crisis. We welcome APEC's efforts to refresh its structural reform agenda, which will outline pillars of work including creating an enabling environment for open, transparent, and competitive markets and boosting business recovery and resilience against future shocks to promote strong, balanced, inclusive, innovative, and sustainable growth.

The pandemic has accelerated the process of digitalisation, with the adoption of digital solutions no longer optional but necessary. We instruct officials to respond to ABAC's urgent call to accelerate progress on the APEC Internet and Digital Economy Roadmap work programme. We must create an enabling, inclusive and non-discriminatory digital economy that fosters the application of new technologies, allows businesses and entrepreneurs to thrive, facilitates the flow of data, strengthens consumer and business trust, and allows goods and services to move seamlessly across borders. At the same time, it is important to bridge the digital divide by facilitating access to information and communication technologies and the skills everyone needs to thrive in the digital economy where no one is left behind. Our work on the digital economy is critical for our future economic prosperity and is reflected in the APEC connectivity agenda and initiatives to build and safeguard an open, healthy, competitive, seamless and comprehensively connected and integrated AsiaPacific region.

As a concrete step that can also make a significant contribution to our response to COVID-19, we will accelerate implementation of the WTO Trade Facilitation Agreement, particularly those articles relating to: the accelerated use of digitalisation for border processes; pre-arrival processing of electronic declarations; electronic documents, electronic certification, electronic payments; expedited shipments; and border agency cooperation. APEC is well-placed to support economies in these efforts. This will further enhance the efficiency of supply chains. We agree to embed digital trade facilitation measures taken by APEC members during COVID-19. We task officials to report on progress when we meet again at the APEC Ministerial Meeting in November.

We support ongoing efforts to conclude, ratify, implement and upgrade bilateral and regional trade agreements that benefit and protect our people, enhance predictability and transparency for our businesses, complement the multilateral trading system, and contribute to deeper economic integration in the region. These undertakings are strengthened by APEC's extensive work to support high quality and comprehensive trade and investment outcomes in the Asia-Pacific, particularly our ongoing implementation of the Lima Declaration on the Free Trade Area of the Asia-Pacific (FTAAP). We note ABAC's call to ensure FTAAP remains the organising principle for regional economic integration. We also recognise the importance of regional, subregional and remote area connectivity through quality infrastructure development and investment, based upon relevant APEC work.

Last year APEC Economic Leaders proclaimed the Putrajaya Vision for an open, dynamic, resilient and peaceful Asia-Pacific community by 2040, and we urge officials to finalise their design of a concrete implementation plan across all elements of the vision by the time of the 2021 APEC Economic Leaders' Meeting.

We thank New Zealand for hosting the APEC MRT meeting and look forward to reviewing progress when we meet again in November.

Haumi ē, Hui ē, Tāiki ē
Join, Work, Grow. Together

APEC MRT STATEMENT ON COVID-19 VACCINE SUPPLY CHAINS

We, the Asia Pacific Economic Cooperation (APEC) Ministers Responsible for Trade; Welcoming progress implementing the 2020 APEC Declaration on Facilitating the Movement of Essential Goods, across export restrictions, non-tariff barriers, trade facilitation, and tariffs;Recalling APEC Economic Leaders' determination and commitment to ensure the smooth distribution of essential goods across borders;

Recognising the importance of ensuring the safety, efficiency, and resilience of supply chains for COVID-19 vaccines and related goods for the region's recovery from the COVID-19 pandemic;

Acknowledging the work by the World Health Organization (WHO), World Customs Organization (WCO) and other international organisations in facilitating COVID-19 vaccines and related goods;

Consistent with World Trade Organization (WTO) rights and obligations, WCO standards and the International Health Regulations;

Commit to accelerating implementation of the WTO Trade Facilitation Agreement and take further action in the following areas:

1. We agree to use the WCO-WHO list of COVID-19 vaccines and related goods1 as a reference for facilitating trade. APEC economies will expedite the flow and transit of all COVID-19 vaccines and related goods through their air, sea and land ports. We will expedite their release upon arrival, including by providing for advance electronic submission and processing of information to enable immediate release upon arrival.

2. We will advance the implementation of the Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods. We agree to embed the trade facilitation measures implemented during the pandemic, including digitising customs procedures, expediting the flow of goods across borders, and boosting coordination between traders and border agencies.

3. While WTO rules permit export restrictions or prohibitions in certain circumstances, we emphasise economies who adopt such measures with respect to COVID-19 vaccines and related goods will evaluate their ongoing necessity as COVID-19 conditions change, in order to ensure they remain targeted, proportional, transparent, temporary, and do not create unnecessary barriers to trade. We call on other WTO members to exercise equal restraint.

4. We will consider voluntary actions to reduce the cost of these products for our people, particularly by encouraging each economy to review its own charges levied at the border on COVID-19 vaccines and related goods.

5. We will take appropriate measures to prevent criminal exploitation of supply chains and to prevent the entry and import of illegal, dangerous, sub-standard or counterfeit COVID-19 vaccines and related goods. This could include further implementing the APEC Roadmap to Promote Global Medical Product Quality and Supply Chain Security and related toolkit.

REVIEW MECHANISM

The APEC Secretariat will make a summary report on the actions implemented by economies under this initiative by the APEC Ministerial Meeting in November 2021, and every twelve months thereafter until COVID-19 is no longer determined to be a public health emergency of international concern. Drawing on the reporting from the APEC Secretariat, APEC economies will review the progress of this initiative and report to us when we meet again in November.

World Customs Organization and World Health Organization List of HS Classification Reference for Vaccines and Related Supplies and Equipment APEC MRT Statement on Services to Support the Movement of Essential Goods.

In 2020, in response to COVID-19, APEC Ministers Responsible for Trade committed to work to facilitate the movement of essential goods across borders and minimise disruptions to the global supply chains.

Recognising the importance of ensuring that trade continues to flow during the COVID-19 pandemic;

Recognising the vital role that services play in supporting the movement of essential goods as well as in the distribution of vaccines;

Committed to working together to facilitate the supply of services to support the movement of essential goods at this critical time;

Committed to a free, open, fair, non-discriminatory, transparent, inclusive and predictable trade and investment environment,

Reiterating our commitment to respond effectively and transparently to the economic consequences of the COVID-19 pandemic and to ensure that essential goods reach the destinations where they are needed during the pandemic, we APEC Ministers Responsible for Trade, hereby declare:

BARRIERS TO TRADE IN SERVICES

APEC economies should prioritise identifying unnecessary barriers to trade in any relevant services that may hinder expediting and facilitating the movement of essential goods, and should ensure consistency of any such barriers with their World Trade Organization (WTO) and preferential trade agreement obligations and commitments.

These efforts should be supported by a strong international set of disciplines. In this context, we note the progress made in the WTO under the Joint Statement Initiative on Domestic Regulation in Services. APEC member participants in this Initiative encourage conclusion of these negotiations as soon as possible.

TRADE FACILITATION

APEC economies will work to ensure the smooth and continued operation of the logistics networks that serve as the backbone of global supply chains. Building on the APEC Declaration on Facilitating the Movement of Essential Goods, we commit to enhancing coordination, efficiency and transparency around transport and logistical services, including those required for the border clearance of essential goods.

Each APEC economy is encouraged to facilitate services that support the expediting and release of essential goods upon arrival. This includes allowing services suppliers to digitally submit import documentation and other required information, such as manifests, in order to begin processing prior to the arrival of goods.

REVIEW MECHANISM

APEC economies will update the progress of these initiatives as part of the review of the Declaration on Facilitating the Movement of Essential Goods. The first such review will be conducted in 2022.

APEC Asia-Pacific Economic Cooperation

Malaysia-Turkey Free Trade Agreement (MTFTA) Set to Be Expanded

The Signing Marks a Resolute Commitment from Both Countries to Continue on the Path of Progressive Liberalisation.

THE Government of Malaysia and the Government of the Republic of Turkey signed the Joint Declaration on the Expansion of the Free Trade Agreement between Malaysia and Turkey, in Ankara today. The Joint Declaration was concluded during the Trade and Investment Mission to Turkey, led by Senior Minister and Minister of International Trade and Industry, The Honourable Dato' Seri Mohamed Azmin Ali.

International Trade and Industry Minister Mohamed Azmin Ali with Turkish trade minister Mehmet Mus (right) during the ministry's trade and investment mission to the country.

The signing of the Joint Declaration marks a resolute commitment from both countries to continue to take the path of progressive liberalisation at a time when new forms of protectionism are taking root. Acknowledging the essential role of trade agreements in boosting post-pandemic recovery and growth, both Malaysia and Turkey have agreed that it is an opportune time for the MTFTA that was signed in 2014, to be expanded to include the services, investment and e-commerce chapters. Malaysia was represented by Dato' Seri Azmin while the Republic of Turkey was represented by its Minister of Trade, His Excellency Dr Mehmet Muş.

At the bilateral meeting that preceded the signing, both Ministers underscored their firm conviction for the rules-based multilateral trading system and the complementary role assumed by pragmatic economic integration initiatives. Dato' Seri Azmin emphasised the significant role of FTAs in advancing the trade and economic interests of both countries. As world economies ramp up efforts for economic recovery, the expansion of MTFTA areas has become even more imperative in order to explore new and creative ways of enhancing bilateral market access.

The MTFTA was signed on 17 April 2014 and came into force on 1 August 2015. With the entry into force of MTFTA, Malaysian exporters were able to secure preferential market access into, and remain competitive in the Turkish market.

Total trade between Malaysia and Turkey has witnessed steady increase since the MTFTA was enforced in 2015. That year alone, bilateral trade witnessed a phenomenal increase of 76.8% compared with 2014, and in 2017, it reached USD2.79 billion, the highest number ever recorded. For the period of January to May 2021, total trade between both countries increased by 79.4% to USD1.63 billion compared with USD0.88 billion for the same period in 2020.

In 2020, Turkey was Malaysia's third largest trading partner, second largest export destination and fifth largest import source among the countries in the West Asia region. The expansion of MTFTA is expected to inject significant impetus to the economic recovery efforts being undertaken by both countries, and pave the way for enhanced synergistic bilateral cooperation between Malaysia and Turkey.

Ankara, the capital of Turkey.

Enhancing Bilateral Trade to Combat COVID-19 Economic Impact

Joint Efforts between Malaysia and Qatar to Reinvigorate the Economy Post COVID-19.

SENIOR Minister and Minister of International Trade and Industry, The Honourable Dato' Seri Mohamed Azmin Ali was on a three-day Trade and Investment Mission (TIM) to Qatar with the objective to promote Malaysia as an investment destination of choice, as well as further enhance bilateral trade and economic ties.

On the first day of TIM, the Senior Minister concluded a bilateral meeting with his counterpart, His Excellency Ali bin Ahmed Al Kuwari, Minister of Commerce and Industry and Acting Minister of Finance. The discussion covered a broad spectrum of matters including the current state of the COVID-19 pandemic and how best to create joint efforts for a sustainable economic recovery.

Qatari Commerce and Industry Minister Ali bin Ahmed Al Kuwari (right) with International Trade and Industry Minister Mohamed Azmin Ali.

In addressing the current state of the pandemic, the Senior Minister and his counterpart exchanged views on the various measures undertaken to deal with the challenges including accelerated immunisation programmes as well as the economic stimulus initiatives. Dato' Seri Azmin shared with His Excellency Ali that Malaysia has allocated RM530 billion in stimulus packages to assist continuity of economic activities and the livelihood of the people during the pandemic. As a result, Malaysia's GDP was projected to reach 6.0% in 2021. However, due to the latest surge of cases, it is currently revised to 4.5%. Nonetheless, Senior Minister highlighted that Malaysia has fundamental strength which resulted in record breaking exports of more than RM100 billion for the months of March, April and May this year. Going forward, the Senior Minister reiterated Malaysia's clear and comprehensive exit strategy through the National Recovery Plan.

Both Governments are committed to resuming efforts on operationalising the strategies through the 3rd Malaysia-Qatar Joint Trade Committee (JTC) meeting, necessitating stronger private sector participation in the dialogue. Both Governments will also jointly facilitate and continue to work on the Investment Guarantee Agreement to encourage more investment crossflows between Qatar and Malaysia.

The Senior Minister emphasized that Qatar could use Malaysia as its trading hub in the ASEAN region, underscoring that Malaysia offers the best location in the region. With the signing of the Regional Comprehensive Economic Partnership (RCEP) Agreement, Malaysia has become more attractive as it is connected to a market size of over two billion people. On bilateral investment, Senior Minister advocated Malaysian projects as the key to advancing Malaysia's interest where, pursuant to the MOU signed between the Malaysian Investments Development Authority (MIDA) and the Investment Promotion Agency of Qatar (IPAQ), both agencies could take this to the next level.

The Senior Minister was also scheduled to meet the Prime Minister of Qatar, His Excellency Sheikh Khalid Bin Khalifa Bin Abdulaziz Al Thani. The meeting is key to start the discussion on Malaysia's National Investment Aspirations (NIA) that will drive and deepen the strong partnership with Qatar. The NIA consists of five key outcomes for the country, namely, to increase economic complexity, create high-value job opportunities, extend domestic linkages, develop new and existing clusters, and improve inclusivity. The NIA aspires to champion equitable growth for the nation by ensuring equal opportunities, as well as adequate safeguards for the people.

The TIM continued with targeted one-on-one business meetings on new opportunities and collaboration that are paramount for the expansion of public-private strategic partnerships. The meetings were held with prominent leaders of Qatari companies in the retail service, cyber security and other areas that will expand Malaysia's footprint in the global halal industry.

As the world remains confronted with the challenges of the COVID-19 pandemic, Malaysia being a global trading nation, must take proactive action to strengthen economic resilience and enhance our efforts to attract quality, high value and high-impact investments to the nation.

In 2020, the State of Qatar was Malaysia's sixth largest trading partner and seventh source of import in the West Asia region. The total trade between both countries was recorded at RM2.10 billion (USD0.50 billion) with Malaysia's exports to Qatar amounted to RM1.13 billion (USD0.27 billion) and imports totalled at RM0.97 billion (USD0.23 billion). Majority of the investments from the State of Qatar are in commercial real estate development and insurance services.

Strengthening Austria-Malaysia Ties

Trade Mission Continued to Austria Towards Further Strengthening Bilateral Trade and Investment Ties.

SENIOR Minister and Minister of International Trade and Industry, The Honourable Dato' Seri Mohamed Azmin Ali continued the Trade and Investment Mission (TIM) to Vienna, The Republic of Austria in order to explore new growth areas for enhanced bilateral trade and investment ties.

In Vienna, the Senior Minister met his counterpart, Her Excellency Dr. Margarete Schramböck, Federal Minister for Digital and Economic Affairs of the Republic of Austria, and signed an Establishment of Focal Points on 8th July 2021, where, elected senior officials will have direct dialogues and exchange of ideas to further expand trade and investment opportunities as well as intensify economic cooperation.

Malaysia is seen as a strategic gateway to the Asia Pacific region.

In this regard, several Austrian companies have expressed interest to invest in Malaysia, seeing Malaysia's strategic position as a gateway to the Asia Pacific region. As Malaysia is focusing on environment, social and governance issues (ESG), the Senior Minister assured Dr Schramböck that Malaysia will facilitate interest by Austrian companies renowned for placing clean energy at the forefront of their products and services.

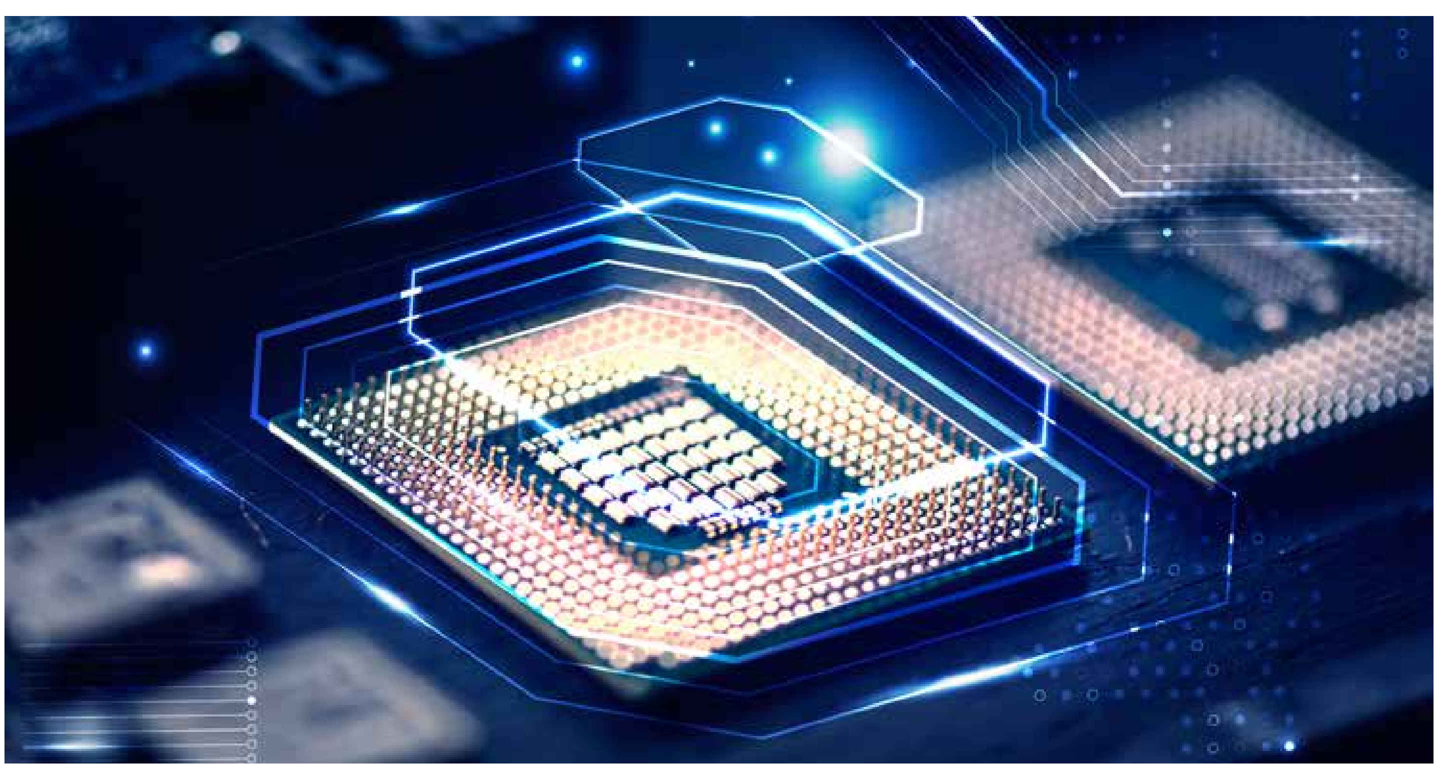
At the roundtable discussion with Austrian Federal Economic Chambers (WKO), Dato' Seri Azmin concurred that there was an urgent need to intensify strategic engagements of business-to-business cooperation particularly in industries such as smart manufacturing, artificial intelligence, aerospace industry, medical devices, and renewable energy.

Continuing his schedule, the Senior Minister had discussions with Stellantis N.V., one of the largest car manufacturers in the world in terms of sales volume with manufacturing facilities in 30 countries and more than 300,000 employees. Its presence in Malaysia has the potential to nudge the automotive sector towards the production of Electric Vehicles (EV). The discussion centred on how best Stellantis can enhance their investments, particularly, in line with the National Investment Aspirations which promotes EV through customised incentives that include CBU bridging prior to the preparation of the CKD production.

The Senior Minister paid a site visit to the headquarters of Austria Technologie & Systemtechnik AG (AT&S) in Loeben, a global manufacturing leader of high-end printed circuit boards (PCB), which has chosen Malaysia as its first production plant in Southeast Asia to produce integrated circuit (IC) substrates, with projected total investment value of RM8.5 billion.

The meeting entailed discussions with Mr. Hannes Androsch, Chairman of the Supervisory Board and Mr. Andreas Gerstenmayer, Chairman of the Management Board and Chief Executive Officer of AT&S about cooperation in research and university education. An MoU was signed focusing on cooperation in teaching and training in production as well as research on high-end technologies.

To date, Malaysia's total trade with Austria surged by 32.2 per cent to RM1.31 billion (USD319.22 million) for the first five months of this year as compared to the corresponding period last year in 2020, despite the pandemic. For the rest of the year, the prospects for further enhancements of bilateral trade are bright between Malaysia and Austria, particularly in sectors that will propel Malaysia's footprint in the digital and hi-tech industries.



Austria Technologie & Systemtechnik AG (AT&S) is a global manufacturing leader in high-end printed circuit boards (PCB).

New Structural Reform Plan Against Future Shocks

The Third APEC Structural Reform Ministerial Meeting (SRMM) Convened Virtually On 16 June 2021.

New structural reform plan to boost resilience against future uncertainties.

FOLLOWING the success of the 27th APEC Ministers Responsible for Trade (MRT) Meeting on 5 June 2021, New Zealand hosted the 3rd APEC Structural Reform Ministerial Meeting (SRMM) virtually on 16 June 2021. Both The Honourable Senior Minister and Minister of International Trade and Industry, The Honourable Dato' Seri Mohamed Azmin Ali and The Honourable Deputy Minister of International Trade and Industry, The Honourable Senator Datuk Lim Ban Hong were involved in the Meeting.

The 3rd SRMM was the second ministerial meeting hosted by New Zealand in its capacity as host of APEC 2021. Ministers and officials from 21 APEC Economies are expected to participate in the meeting which will be chaired by The Honourable Dr.David Clark, Minister of Commerce and Consumer Affairs, New Zealand. Other keynote speakers participating include The Honourable Mr. Grant Robertson, Chair of the APEC Finance Ministers' Process, Mr. Mathias Cormann, Secretary-General of the Organisation for Economic Co-operation and Development (OECD) and Dr. Gita Gopinath, Chief Economist, International Monetary Fund (IMF).

The Meeting aimed to advance APEC's structural reforms efforts in support of respective APEC Economies' domestic reforms. In this regard, the meeting focused on the role of structural reforms designed to support post-pandemic economic recovery. Ministers were expected to exchange views on how structural reforms will be implemented towards economic recovery that is inclusive, sustainable and driven by innovation.

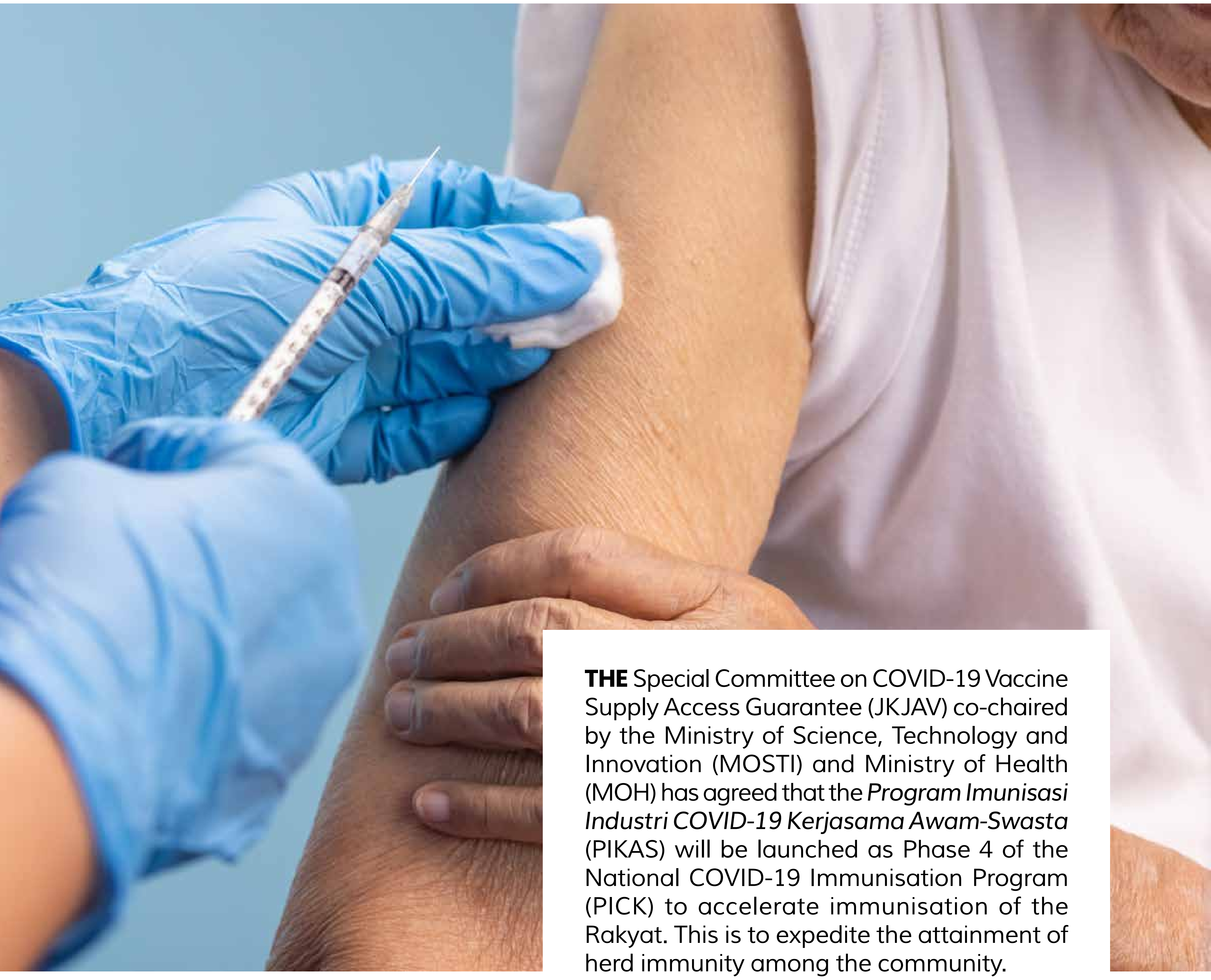
The discussion of the 3rd SRMM will be guided by specific topics that will be addressed by the Ministers and keynote speakers, namely:

- green recovery supporting structural reform for sustainable economic growth and recovery from economic shocks;
- structural reform and recovery from economic shocks; and
- the interplay between macro and microeconomic policies in effective recovery from economic shocks.

Malaysia places great importance on the structural reforms agenda in APEC. This year, Malaysia together with Canada will be championing the work on "Resolving Insolvency", one of the five indicators in the Third APEC Ease of Doing Business (EoDB) Action Plan which will be adopted at the upcoming SRMM.

Phase 4 of the National COVID-19 Immunisation Programme (PIKAS) Underway

Immunisation Programme for the Manufacturing Sector Launched to Accelerate the Immunisation of Malaysians.



THE Special Committee on COVID-19 Vaccine Supply Access Guarantee (JKJAV) co-chaired by the Ministry of Science, Technology and Innovation (MOSTI) and Ministry of Health (MOH) has agreed that the *Program Imunisasi Industri COVID-19 Kerjasama Awam-Swasta* (PIKAS) will be launched as Phase 4 of the National COVID-19 Immunisation Program (PICK) to accelerate immunisation of the Rakyat. This is to expedite the attainment of herd immunity among the community.

PIKAS is a public-private partnership immunisation program aimed at employees of which MITI has been tasked to coordinate the immunisation for employees in the manufacturing sector. Several other ministries will also be responsible for vaccination of employees in their respective sectors. Participation of companies and employees in PIKAS is voluntary.

PIKAS is initiated in response to calls from industry associations, business chambers of commerce and Small and Medium Enterprises to help the Government accelerate the immunisation for the Rakyat.

Senior Minister and Minister of International Trade and Industry, The Honourable Dato' Seri Mohamed Azmin Ali said the Government is committed to ensuring employees have free vaccines under PIKAS, supported by the private sector in administering vaccines utilising private medical practitioners, implemented nationwide including vaccination at factory premises.

Implementation of PIKAS began on 16 June 2021 with on-site vaccination at designated factories and industrial locations. Companies in critical manufacturing sub-sectors including electrical and electronics, food processing, iron and steel, medical devices, personal protective equipment (PPE), oil and gas and rubber products including medical glove manufacturing sub-sectors will be prioritised for vaccination. These sectors are critical in supporting the supply chain of essential products and services as well as the construction, maintenance and smooth functioning of critical infrastructures including utilities and public healthcare systems.

Further to earlier engagements, MITI will conduct additional sessions with industry associations and business chambers of commerce with regard to coordinating with MITI on the implementation process. MITI has thus far received applications from approximately 500 companies with a total of 106,591 workers to participate in PIKAS. Other companies interested to participate are welcome to submit their applications through their industry associations and business chambers of commerce.

Priority of vaccination of companies will be based on several considerations including company's location in COVID-19 red zones. Companies are subjected to terms and conditions that include employees having registered with MySejahtera under PICK. Employers shall not deduct administration fees paid to the private medical general practitioners and for usage of private-run vaccine administration centres from employee's salary including in cases where the employee is no longer employed by the company before full immunisation of the employee.

While the vaccination for the most vulnerable groups remains a priority for the Government under PICK and will not be compromised, the implementation of PIKAS is imperative to protect workers against the risk of infection.

Workers need to be protected against COVID-19 to ensure the nation's essential supply chains of products and services remain undisrupted.

Securing the Workforce of Tomorrow

Malaysia Productivity Corp: More than 2,500 Malaysian Companies Acknowledged as Shared Prosperity Organisations.

MORE than 2,500 companies have been acknowledged as "Shared Prosperity Organisations" for implementing the productivity-linked wage system (PLWS), according to the Malaysia Productivity Corporation (MPC).

The sectors covered are manufacturing, services, construction, agriculture and mining and quarrying, it said.

Through PLWS and the e-Shared Prosperity Organisation (eSPO) acknowledgement certificate, MPC is strengthening the resilience of businesses so they are able to sustain beyond the COVID-19 pandemic and contribute to the national economic recovery initiative, said director-general Datuk Abdul Latif Abu Seman.

"With PLWS, the small and medium enterprises (SMEs) have the potential to achieve productivity and profitability gains.

"Therefore, this would also contribute to wage increases. The benefit from flexibility in their employees' compensation systems and greater employees' positivity would lead to employee employer engagements and harmonious industrial relations," he said in a statement today.

The eSPO online platform was initiated by MPC for industry players to be self-assessed on their PLWS components and issued acknowledgement certificates for having implemented PLWS.

MPC said PLWS is a flexible and competitive wage system that distributes wealth created according to employers' and employees' performance and productivity in order to drive organisations' shared prosperity and competitiveness.

The implementation of PLWS has been identified under the Shared Prosperity Vision 2030 and Malaysia Productivity Blueprint as a way to increase compensation and build the workforce of the future.

MPC said it seeks to create a greater awareness of and more participation in PLWS and eSPO among the SME community.

Towards this objective, a webinar on PLWS@ eSPO for SMEs was jointly organised by MPC and the SME Association of Malaysia on June 23, 2021.

"The webinar highlighted that shareholders and management leaders of SMEs should view the current COVID-19 pandemic as a timely opportunity for them to introduce PLWS so as to modernise their employees' remuneration processes in conjunction with operational cost reduction measures such as reducing operation hours, salary reductions and no-pay leave.

"Work performance incentives managed through PLWS can still be open to employees despite the pandemic so that productivity can be maintained or even improved on such as through multi-tasking and multi-skilling," MPC said. The pandemic has set forth the critical areas for reskilling and upskilling to support the demand of the future workforce post-COVID-19 pandemic. Over the coming decade, WEF's Jobs of Tomorrow 2020 report indicated that the willingness of multinational businesses to exploit the growth potential of new technology adoption would be hampered by skills shortages. The need for improved and consolidated reskilling and upskilling programmes is imperative to mitigate the challenges within the contemporary and future dynamism of the workforce.

Hence, enhanced programmes with specific objectives to equip the specific targeted group are needed to provide them with the most needed skills. For the micro and SME workers, training programmes on the basic to medium digital skills are needed to strengthen their capacity and prepare them for the post-pandemic job requirements. SMEs with eSPO acknowledgement certificates are viewed as businesses of choice based on the three components namely bonuses incentives, productivity or performance incentives and skills incentives.

SMEs that are interested in understanding how to implement PLWS can email MPC at **espo@mpc.gov.my** for advisory services. Professional consultancy services can also be arranged, it said.

For further details, visit the eSPO website, **http://www.mpc.gov.my/espo/.**

HDC'S Halal Integrated Platform and D.A.S.H to Champion Bigger Halal Market Space

HDC
Halal Development Corporation

Malaysia to Participate in the Upcoming Seoul Food & Hotel 2021 in Korea.

THE Halal Development Corporation Berhad (HDC) will be spearheading Malaysia's push to increase its halal exports to the Republic of Korea with participation in the upcoming Seoul Food & Hotel (SFH 2021) to be held at KINTEX, Seoul from 27 to 31 July 2021.

This will be HDC's second participation in the event, in collaboration with the Korea Trade-Investment Agency (KOTRA) with the objective to promote halal trade, investment and know-how between Malaysia and the Republic of Korea.

For HDC, SFH 2021 will be the perfect avenue to introduce its new virtual product demo platform, as well as continue to facilitate halal trade and investment via the Virtual Business-to-Business (B2B), an effort that yielded a high success rate the year before.

One of the main development plans for HDC in 2021 is the establishment of the Halal Integrated Platform (HIP), a onestop online platform that helps companies grow their businesses, by connecting them to other industry stakeholders within the halal ecosystem around the world. To empower Malaysian halal exporters to showcase their products and services to potential global buyers, HIP offers a Digital Augmented Showcase of Halal Malaysia or DASH, an application that delivers a combination of Augmented Reality capabilities through 3D-enabled presentations of Malaysian halal products and services.

As cross-border travel restrictions are still being imposed around the world, DASH provides a viable virtual platform for sellers to creatively display and sell their products to potential buyers worldwide, without the need for any physical presence.

"54 Malaysian halal exporters have so far had their products integrated into DASH, and their products will immediately gain more exposure either through a hybrid or full physical participation in the trade promotion events organised by HDC or any of our counterparts," said Hairol Ariffien Sahari, Chief Executive Officer of HDC.

"By prioritising digital participation via DASH (the Augmented Reality); Virtual Reality and Interactive Digital Screens, we hope that the current 250 products listed in this 3D-enabled platform can be accessed by various global businesses participating in major regional trade shows, such as this SFH 2021 for the Asia Pacific region or the upcoming World Expo 2020 Dubai," he added.

Another area of focus for HDC during its Korea halal mission next week will be to continue its Virtual B2B series. HDC through its International Cooperation Department has so far conducted two virtual B2B meetings for Malaysian companies in this regard.

The first session was held with Korean buyers in conjunction with the Seoul Food & Hotel 2020, which took place from 6 - 8 October 2020; while the second was with potential buyers from China, in conjunction with the Food & Hospitality China (FHC) 2020: Shanghai Global Food Trade Show, held from 24 - 26 November 2020.

The past two business meetings were conducted fully virtual via online platforms between Malaysian exporters listed within DASH and foreign buyers from several provinces in Korea and China respectively.

These sessions have certainly boosted the positioning of Malaysia's halal products, especially within the East Asian markets. Positive responses and conclusive feedbacks were received, with an estimated RM 10 million in potential sales can be expected from these two sessions.

"Virtual B2B is fast becoming the new preferred method for local halal producers to access foreign markets during times of a global pandemic such as now. This has not only helped us understand the expectations of global buyers and also that of our local exporters, but it also shows us the competitiveness of their products in penetrating new markets within the new norms of doing business," Hairol added.

HDC also will be showcasing its Halal Training Institute, Halal Consultancy & Advisory, Halal Parks, Halal Integrated Platform and World Halal Business Conference 2021 during the event.

After being postponed twice following the COVID-19 outbreak worldwide, SFH will finally proceed next 27 to 31 July amidst a social distancing level 4 imposed by the local authorities.

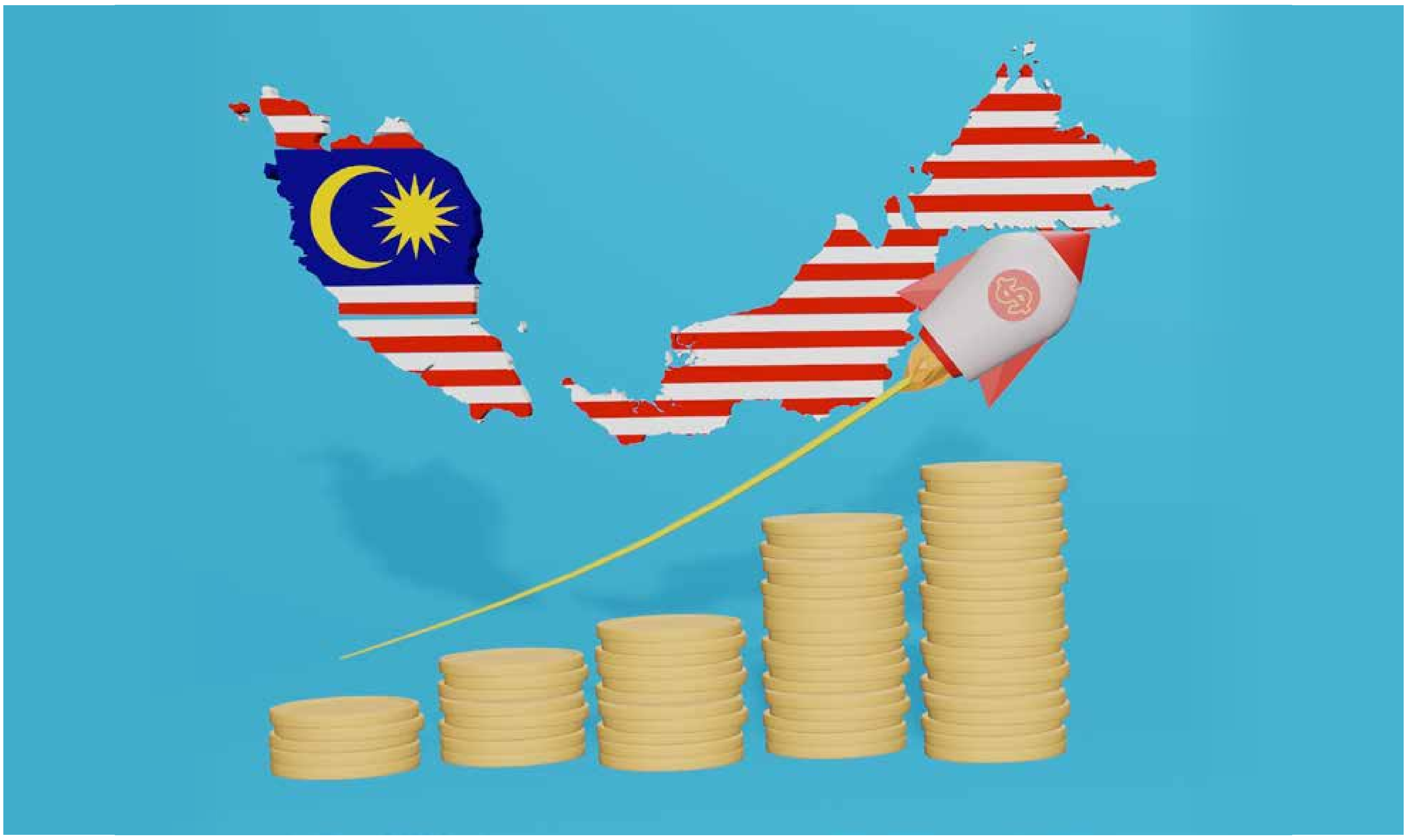
Organised by KOTRA and Informa Markets, SFH is the largest international food and beverage exhibition in Korea and the fourth largest food industry exhibition in Asia, bringing together over 1,550 qualified exhibitors and 50,335 visitors from 40 countries annually.

"The global prospect of halal industry is highly regarded by both the government and business community in Korea as a new source of economic growth. HDC is certainly honoured to be leading this quick-win collaboration with KOTRA and remains fully committed to contributing towards the development of a robust regional halal industry, as well as to strengthen the warm ties enjoyed between our two nations," said Hairol.

More Virtual B2B sessions in other parts of the world are in the pipeline within HDC's calendar for Q2 2021 onwards. Enhance your global presence with the DASH app. Download now on Google Play and App Store today. For more information and inquiries, kindly contact HDC's International Cooperation Department at **international@hdcglobal.com.**

Attractive Business Hub for Future Growth

Greater KL Remains a Fertile Investment Environment Despite Pandemic.



AGAINST a year that has been challenging, Malaysia continues to display immense resilience and growth. The vaccine rollouts are well underway, trade performance remains steady, and we continue to attract foreign direct investments.

With the business landscape shifting the world over, MNCs that have set up their bases in host countries are re-assessing the infrastructure and its relevance to support their growth and expansion strategies, while others are deferring their investment plans to see what the outlook would be like.

In the first half of this year, InvestKL secured RM1.92 billion in new investments from seven global multinational companies (MNC), creating 1,207 regional jobs. Despite the challenging economic environment, this achievement reinforces the appeal of Greater Kuala Lumpur (GKL) as a top choice for MNCs and fast-growing companies.

At InvestKL, we continuously engage with our MNCs that have set up their operations in GKL to ensure they receive the relevant support as part of our commitment to foster a facilitative business environment. Despite the prolonged pandemic period, it is positive to note that GKL continues to see MNCs carrying on with efforts to grow, expand, and strengthen their businesses, while contributing towards building a vibrant business ecosystem and creating more opportunities for Malaysians.

BUILDING LOCAL ECOSYSTEMS, CREATING JOBS FOR MALAYSIANS

Knowledge transfer is one of the core essentials for Malaysia to move up as a knowledge-based economy and become a developed, high-income country. It is also imperative for Malaysian MNCs to be competitive in the global landscape.

International SOS, the world's largest medical and travel security risk services organisation, had its Southeast Asia regional hub located strategically in GKL since 1996 [1]. The company opened its new Global Shared Services Centre in 2014, which created 150 new jobs, 95% of them Malaysians.

Another success story, Alcon Global Services (AGS), is an MNC based in Geneva, Switzerland with its regional business services hub for Alcon Laboratories located in GKL, specialises in ophthalmology and producing vision care [2]. This hub concentrates on providing business support across various functions that span finance, human resources, procurement, supply chain, enterprise resource-planning, IT, and quality assurance.

Companies like International SOS and AGS are just a couple of the many hund=reds of MNCs that don't just create jobs for Malaysians but also build local economies. The spillover effect on the ecosystem not only centres on the industry-specific support but also allows other small businesses to participate in the value chain. This would range from non-technical services such as canteen operations, building security, cleaners and drivers, and other such relevant services, as well as infrastructure development – building of roads and alongside it, businesses for the community.

What is important when global companies such as these set up their presence here is the training and teaching and hiring of locals that companies such as these will do. This means that the Malaysians who would fulfill these new jobs will be able to expand their skills and knowledge that makes them competitive in the future.

This is also where InvestKL plays a role in helping to facilitate local talent inflows into such organisations. We recently implemented a talent training programme called Fit4Work that helps young Malaysians enhance their skills required for the Global Services Industry. We will then help match candidates with the right global MNCs. Since InvestKL's inception in 2011 to 30 June 2021, we have seen the creation of 15,318 regional and high-skilled jobs, and we are confident this number will continue to grow.

FOREIGN MNCS IN GREATER KUALA LUMPUR STILL INVESTING IN GROWING BUSINESS STRENGTH

While the investment context has changed somewhat with this pandemic, what we see now among the MNCs in GKL are their resiliency and adaptability in how fast they can roll out their solutions through digital and Industry 4.0 adaptation.

ABB Group, a Swiss MNC which is a global leader for digital technology, opened their first robotics Digital Centre here in GKL in 2019. The company provides real-time monitoring and tech support for over 7,000 connected ABB robots in more than 750 factories worldwide [3]. They chose GKL because of our growing digital ecosystem, strategic location in Southeast Asia, accessibility, economic diversity, excellent infrastructure and a growing talent pool. When the pandemic hit, they were not as impacted because they had already embedded technologies and remote operations into their business activities, which served them and their clients well.

1 https://www.investkl.gov.my/clients/asset_28B5D799-69B3-4BCB-B61B-D284619547A3/uploads/20200518_InvestKL%20(1).pdf

2 https://www.investkl.gov.my/clients/asset_28B5D799-69B3-4BCB-B61B-D284619547A3/uploads/The%20Edge-Alcon-DEC-2020.pdf

3 https://www.investkl.gov.my/Relevant_News-@-ABB_Group_opens_regional_robotics_Digital_Operations_Centre_in_Malaysia.aspx

Air Liquide, a French company and a world leader in industrial gases and technology services, set up their Smart Innovative Operations (SIO) centre for the South-East Asia Pacific region here in GKL. They leverage data analytics, artificial intelligence (AI) and predictive analytics to remotely manage and monitor as well as optimise the performance of their plants in the region.

Both ABB Group and Air Liquide are continuing with their investments and focus on Industry 4.0 and digital transformation through using technology enablers like AI and data analytics to run the operations. Our talents in these organisations will certainly benefit from learning these innovations.

So, we continue to see an expansion in skills and services as well as investments into strengthening their business here, not just from these two examples cited, but also from the many other MNCs that InvestKL regularly talks to.

MNCs bring immeasurable value to Malaysia including creating high-value jobs, building new sub-industries and ecosystems, and extending domestic linkages and more.

UPSKILLING KNOWLEDGE POOL AND STRENGTHENING LOCAL SUPPLY CHAIN

While we are currently in a good position to leverage our talent pools, the fast-evolving knowledge and business landscape require us to ensure that Malaysia's bright and hopeful young minds are equipped with the right proficiency for the work of the future.

This is where collaborations between universities and the industry partnership models come in to deliver valuable insights and real-world experience to students who need to understand today's dynamic business environment. At InvestKL, we have helped many of these MNCs collaborate with academia to develop research and innovation through joint research projects, delivery of innovative commercial products, improvements in teaching, learning and enrichment of students' knowledge and their employability. Participating MNCs include Oleon, CANBOT, Vinci Construction, Leviat, and Indra, working closely with University Malaya, Monash University, Universiti Kuala Lumpur (UniKL), among others.

InvestKL's Greater KL (GKL) Live Lab – a strategic programme to facilitate collaboration between foreign MNCs and our local players – is a programme that helps the supply-demand side to tap onto each other to build a more efficient ecosystem. The focus of the GKL Live Lab is on driving and accelerating the adoption of innovation-led and knowledge-intensive activities. Since our announcement in April 2021, we have already secured three companies, successfully achieving our target for the year ahead of schedule.

When we engage these global MNCs, we are heartened to note their exciting plans for the future. Many of our conversations are peppered with their plans to grow their business, invest in technology and digitalisation, look at new markets, hire more talents, and strengthen their base here because they continue to find GKL attractive and facilitative for their business to grow.

The long-term value that global MNCs offer to Malaysia is immeasurable as it includes a whole plethora of benefits – creating high-value jobs, elevating industry knowledge, building new sub-industries and ecosystems, increasing economic complexity, extending domestic linkages and improving inclusivity, over and above the foreign-direct investments they bring into the country.

We at InvestKL, are excited at seeing Malaysia transform itself in line with its aspirations to be a high-value knowledge-based economy, and we must start by recognising the contribution of global MNCs towards this journey.

Article contribution by **Muhammad Azmi Zulkifli, CEO of InvestKL**

Greater KL a Boon to Freight Shipping Industry

Greater KL Is Poised to Support the Freight Shipping Industry That Is Steaming through the Pandemic.

THE global pandemic, which began in early 2020, has changed the world in many ways. One notable difference is a far greater reliance on maritime shipping. This is clearly the primary way to move goods in the complex global supply chain that powers the world. The packing of goods into metal shipping containers has long been an essential part of modern international trade. Since the 1960s, shipping has helped accelerate globalisation and, over the years, carrying capacity has doubled while loading and unloading efforts have become much more efficient.

Now, maritime shipping is facing a new set of challenges. High demand and insufficient containers have skyrocketed the cost of shipping goods. According to the Freightos Baltic Global Container Index (FBX), the cost of container shipping almost quadrupled between November 2020 and February this year.

Industry observers attribute the surge in prices to rampant demand for China's manufactured products, especially medical equipment, as well as consumer goods purchased by populations under some form of lockdown. This has had a knock-on effect on the need for gigantic container ships to transport vast amounts of goods from the Asian power house.

In March, the value and importance of the global shipping industry was highlighted when a container ship, nearly as long as the Empire State Building is tall, ran aground for six days in the Suez Canal in Egypt. News reports estimate that the cost of losses and damages from the blockage caused by this massive ship, known as the Ever Given, has surpassed US$1 billion. The Suez Canal handles about 12% of global trade, with about 19,000 ships passing through every year.

A WELL-DEVELOPED AND STRATEGIC HUB

In this region, Malaysia is undoubtedly a strategic maritime hub underpinned by its geographical location, with the South China Sea on one side and the Straits of Malacca on the other. Excellent connectivity and a supportive infrastructure further enhance its appeal as a suitable place for such operations. This has led to leading shipping companies such as the CMA CGM Group and Hapag-Lloyd establishing key centres in Greater Kuala Lumpur. Both companies have plans to further develop their operations here and increase their headcount.

"Malaysia was picked to be our centre of excellence for this region as we decided to build on our existing expertise here. Furthermore, this country has an advanced infrastructure with good telecommunications and digital connectivity," says Ravindra Sahu, managing director of CMA CGM Sdn Bhd. Headquartered in Marseille, French shipping company CMA CGM established a planning unit in Malaysia in 2001. Seven years later, this planning unit was developed into a centre of excellence as the group moved to consolidate all ship-related planning activities into centres located in carefully selected countries around the world.

Meanwhile, German international shipping and container transport company Hapag-Lloyd recently picked KL to develop a regional Quality Centre, the first of its kind in Southeast Asia. Barbara Smith, managing director of Hapag-Lloyd Sdn Bhd, says the decision was premised on the strong relationship between Malaysia and Singapore, where the company's regional headquarters is located, as well as Malaysia's young and multilingual talent base.

"Hapag-Lloyd has already been in Malaysia for about 30 years. Building up our local office into a Quality Centre is the next stage of its development. Greater KL is a very interesting location. It makes financial sense to establish a Quality Centre here. This location also offers a talent pool where we can look for employees, if needed," says Smith.

Smith and Sahu agree that the close proximity of Malaysian ports to major shipping lines serves the East Asian and Asia-Europe trades. Furthermore, the government's continued investment in maritime infrastructure has developed these ports into key transhipment hubs in the region. Sahu says the creation of free trade zones across the country had effectively encouraged multinational corporations to establish operations here. These zones have increased seaborne traffic and this is an added incentive for shipping lines to call on local ports.

DEVELOPING HIGHLY TECHNICAL MARITIME SKILLS

The maritime industry operates in a skills based environment and it is vital that those working for global shipping companies have the necessary knowledge to perform efficiently and safely. These highly skilled workers must be able to demonstrate the critical skills required from their respective positions in a wide variety of conditions.

"Ship planning is critical to ensuring the lives and safety of the people and cargo that are carried on board our vessels. Our ship planners rely on various IT systems to ensure the stability of the vessel, optimise cargo intake and carefully plan the segregation of dangerous goods," says Sahu.

CMA CGM's local ship planning hub is responsible for stowage planning. This hub has increased the number of vessels that it manages from 62 in March 2019 to 225 in March this year. Sahu expects the local operation to oversee stowage planning for 257 vessels by March 2022, which is more than 50% of the vessels operated by the group.

"We prioritise safety, operational efficiency and commercial excellence by optimising the loading of the vessels in an effective manner. As we scale up to manage more vessels ahead, we will prime ourselves with more experts and capabilities as well as greater technological advancements," he says.

In addition to in-house training, CMA CGM's local employees are given access to the group's digital library. Sahu says the digital library offers a variety of resources to equip employees with what they need to perform their day-to-day functions and to deepen their knowledge of the industry.

Hapag-Lloyd's Smith says the local centre of excellence is a multilingual service centre that supports the global company's operations such as customer service and vessel handling for a number of countries. The objective for this centre is to grow its support capabilities needed to manage a critical mass of cargo.

"It is important that things are done step by step. Right now, the Malaysian centre is supporting our operations and clients in Malaysia, Singapore and Vietnam. We have a multi-country objective for this centre, but it is important that our operations are stable and effective before we expand. We are, however, looking to grow between 10% and 15% over the next three to five years," she adds.

CMA CGM and Hapag-Lloyd have extensive training programmes aimed at developing the technical skills of their employees. Both companies conduct online training with shipping experts around the world and have systems in place for daily operations.

"Functional experts from CMA CGM's head office conduct training and provide guidance to local staff either during their visits here or remotely. We also collaborate with Malaysia's maritime academy. Here, our employees can learn and experience various sailing conditions using simulators," says Sahu.

"We have our own inbuilt system, which shows us exactly where our ships are in the world at any time. Our employees are exposed to our system as well as external systems. We invest time and money in their upskilling as we want them to be employable. Now, training is done virtually because of the circumstances. Our employees are also given on-the-job support," says Smith.

Hapag-Lloyd has a current headcount of 160 employees in the country, whereby 80% are local talents. Smith says there are plans to hire between 20 and 30 more talents over the next 18 months. "We do see some staff attrition, which happens when the general population is quite young. When we hire, we look for the right job attitude.

"MALAYSIA WAS PICKED TO BE OUR CENTRE OF EXCELLENCE FOR THIS REGION AS WE DECIDED TO BUILD ON OUR EXISTING EXPERTISE HERE. FURTHERMORE, THIS COUNTRY HAS AN ADVANCED INFRASTRUCTURE WITH GOOD TELECOMMUNICATIONS AND DIGITAL CONNECTIVITY."

- RAVINDRA SAHU, MANAGING DIRECTOR OF CMA CGM SDN BHD

I feel that attitude is a very important attribute as the talent can then grow his or her skills through our training. "While it is possible to find talent here, it is more challenging to find a suitable person that speaks a regional language besides English and Malay. If there is a need for a particular language skill, we look outside the country for the right talent."

This is where InvestKL has been able to assist Hapag-Lloyd in its efforts to secure the right talents for its operations. InvestKL, an agency under the Ministry of International Trade and Industry (Miti), focuses on attracting and supporting Fortune 500 and Forbes 2000 multinational corporations, unicorns and fast-growing and hidden-champion-type companies in establishing their regional hubs and undertaking regional activities in Greater KL.

"Our relationship with InvestKL has been very beneficial. It is important to have a counterparty to give the right advice and guidance, especially if you are a foreign company," says Smith.

InvestKL has also been instrumental in assisting CMA CGM with the coordination between various government bodies to include the company's training modules into the National Occupational Skills Standards. "These training programmes are crucial to ensure that our staff continues to learn, keep up with changes and contribute to the success of our planning hub," says Sahu. CMA CGM currently has 80 employees working as ship planners and it is looking to increase this number to 95 by year-end.

"We believe in working with local talents. We engage with institutes of higher learning that provide maritime-related courses and hope to recruit their graduates. The talents whom CMA CGM hires from local institutes would have completed their studies in maritime operations, naval architecture and nautical studies," says Sahu.

"Graduates of these programmes would have acquired a basic understanding of ship stability, safety aspects and, to some extent, the current international conventions governing the maritime industry. This gives them a head start in the industry and facilitates their on-the-job learning."

CMA CGM's local planning centre currently employs one expatriate employee in a total workforce of 120.

DIGITAL AMBITIONS TO DRIVE GROWTH

Malaysia's Digital Economy Blueprint has outlined a road map to develop the country into a high-value-added economy and a net exporter of home-grown technologies and digital solutions by the end of this decade.

To achieve this, RM21 billion will be invested through the National Digital Network (Jendela) over the next five years — RM1.65 billion will be invested by telecommunications companies to strengthen connectivity to the international submarine cable network until 2023; RM15 billion will be invested to roll out 5G nationwide over a period of 10 years; and between RM12 billion and RM15 billion will be invested by cloud service providers (CSPs) over the next five years.

"GREATER KL IS A VERY INTERESTING LOCATION. IT MAKES FINANCIAL SENSE TO ESTABLISH A QUALITY CENTRE HERE. THIS LOCATION ALSO OFFERS A TALENT POOL WHERE WE CAN LOOK FOR EMPLOYEES, IF NEEDED."

– BARBARA SMITH, MANAGING DIRECTOR OF HAPAG-LLOYD SDN BHD

"Further development of Malaysia's digital economy and the infrastructure outlined in the Digital Economy Blueprint will facilitate and present opportunities for shipping and logistics companies such as the CMA CGM Group. Digitisation in the container shipping industry is definitely gaining momentum and we are at the forefront of this movement," says Sahu.

"The various government initiatives in Malaysia to improve IT infrastructure will assist in expanding the digital connectivity that our business needs. In addition, there is a possibility that operating costs will come down if we can leverage technology for efficiencies," he adds.

"Malaysia's digital ambitions will definitely support the growth of its maritime industry. For example, Hapag-Lloyd is looking at establishing a small automation team in the country. This team deals very closely with our IT hub in Poland and looks into robotics and business processes that can be automated. It is very early days for this team. It is only about six months old, but it will increase in headcount if we can find suitable talent. I am pleased to note that our Malaysian employees are very enthusiastic and hardworking. They get things done," says Smith.

"Greater KL is a cosmopolitan city, as we all know, a cultural melting pot that is poised to welcome foreign investments and peoples of the world all year round. The overall environment in and around KL is conducive for our business as there is a competent talent pool, including those digitally savvy. The local maritime universities also help to build a sustainable talent pipeline that will support our growth ambitions and plans," says Sahu.

Malaysia is a strategic maritime hub that will benefit many freight shipping companies.

Greater KL: A Bright Spot for Future-Forward Companies

Greater KL's Supportive and Conducive Business Landscape Is a Prime Choice for Companies.

TO remain relevant in the current volatile business arena powered by digital technology and new industries, we at InvestKL have embraced a new era in investment promotion focused on digital transformation and new innovative strategies to engage and attract foreign companies to Greater Kuala Lumpur.

As reported by the Ministry of International Trade and Industry (MITI), Malaysia recorded RM164 billion in approved investments in 2020. Greater KL (comprising Selangor and Kuala Lumpur) recorded the highest number of investments approvals, totalling RM55.8 billion. InvestKL aims to build on this success through our continuous efforts to position Greater KL as a leading and strategic hub in this region. InvestKL has a symbolic target of attracting the next 100 multinationals and fast-growing companies and hope that, together with other government stakeholders, we will secure RM20 billion in new foreign investments over the next 10 years.

These new investments will steer our national agenda and give positive contribution to our ecosystem, talents and local businesses, among others, which is why we have deepened our scope of the types of companies that we aim to attract. Apart from looking at

Malaysia's robust talent pool and infrastructure have opened up opportunities for businesses to leverage during the pandemic.

hard financial figures such as investment value, number of jobs created and knock-on economic impact, we also want companies that are driven by inclusive policies and are able to complement Greater KL as a location for future-forward companies. By collaborating with other companies and industries, the corporate sector is well positioned to support Malaysia's inclusive post-pandemic economic recovery and long-term goals.

For example, to realise Malaysia's digital ambitions encapsulated in the MyDIGITAL initiative, we must enable fast-growing companies — particularly those focused on innovation and digital technologies such as big data, actuarial services and analytics — to establish their regional activities in Greater KL and contribute towards nurturing our talent pool and capacities. They too will support the growth of the country's new tech-related industries and facilitate traditional long-servicing industries that are looking to reinvent and redefine themselves as they face current challenges.

Traditional industries include the vital maritime shipping sector, the main player that powers the movement of goods around the world including critical medical devices and personal protective equipment (PPE). Leading container and shipping companies Hapag-Lloyd and the CMA CGM Group have recently expanded their operations in Greater KL to better serve their global clients. Both companies aim to increase the technical capabilities of their local operations in line with the government's ambition to be a digitally driven, high-income nation. We are proud to showcase the growth of our many multinational companies (MNCs).

We are also cognisant of rising global trends such as the COVID-19 vaccination programme that is taking place all over the world, new multilateral trade agreements and other factors that will define the new post-pandemic environment. Factors such as environment, social and governance (ESG) elements and the United Nations Sustainable Development Goals (SDGs) are growing in importance and we highly support companies that have incorporated these aspects into their operations.

Earlier this year, we introduced the Greater KL (GKL) Live Lab, an initiative that provides opportunities for foreign companies to collaborate and create synergies with local companies and academia. The GKL Live Lab creates a virtuous cycle that spurs innovative ideas and facilitates a greater transfer of knowledge. In such an environment, companies will eventually expand and hire, thus creating more jobs and boosting productivity which, in turn, contributes towards economic growth.

It is heartening to note that several trends have emerged from the COVID-19 pandemic, which speak of Greater KL's supportive and conducive ecosystem. First, we have found that MNCs have been able to continue operating even with a large number of their workforce working from home. Their ability to continue business-as-usual in an unknown environment can be credited to their robust business continuity plan. However, from a country perspective, their ongoing operations have enabled at least 2,000 local small and medium enterprises working as ship planners and it is looking to increase this number to 95 by year-end. "We believe in working with local talents. We engage with institutes of higher learning that provide maritime-related courses and hope to recruit their graduates. The talents whom CMA CGM hires from local institutes would have completed their studies in maritime operations, naval architecture and nautical studies," says Sahu.

"Graduates of these programmes would have acquired a basic understanding of ship stability, safety aspects and, to some extent, the current international conventions governing the maritime industry. This gives them a head start in the industry and facilitates their on-the-job learning." CMA CGM's local planning centre currently employs one expatriate employee in a total workforce of 120. to thrive in a challenging environment.

A number of MNCs also moved to hire more local talents during this period as their operations in other countries had stalled due to the pandemic. This speaks of the strength of Malaysia's infrastructure and the adaptability of our talent pool. Furthermore, many companies that we have supported over the years also reached out to us to assist the wider society affected by the pandemic. Driven by their corporate social responsibility initiatives, these companies worked with us to distribute PPE as well as monetary donations and food to the less fortunate.

Much like everyone, the team at InvestKL rose to the occasion to meet extraordinary challenges quickly and supported our MNCs to continue their business operations. We adapted to the new environment and the team stayed in constant communication through virtual channels to ensure seamless operations. While we wait for the world to come to a near normal state, our efforts to capture the attention of foreign companies continue and this is where the InvestKL team has adopted new ways of thinking and showcased various capabilities that indicate we can indeed keep global interest in Greater KL alive.

Greater KL (GKL) Live Lab, is an initiative that provides opportunities for foreign companies to collaborate and create synergies with local companies and academia.

Malaysia External Trade Statistics

Trade Performance for June 2021 and the Period of January-June 2021.

HIGHEST TRADE, EXPORTS AND IMPORTS FOR THE MONTH OF JUNE

Malaysia's trade performance continued the growth momentum in June 2021 with trade increasing by 29.3% to RM188.7 billion compared to June 2020. Exports recorded the 10th consecutive month of year-on-year (y-o-y) expansion since September 2020, registering a strong growth of 27.2% to RM105.47 billion. This was the third time exports exceeded RM100 billion. Imports increased by 32.1% to RM83.23 billion and trade surplus expanded by 11.7% to RM22.24 billion. Trade, exports and imports recorded the second highest monthly value thus far after April 2021. This was also the highest monthly value for the month of June and double-digit growth for five successive months.

The export growth was contributed by strong demand for petroleum products, electrical and electronic (E&E) products, mainly electronic integrated circuits used in the production of smartphones, cars, computers and home appliances as well as rubber products. Exports to all major markets namely ASEAN, China, the United States (US), the European Union (EU) and Japan recorded double-digit expansion. On a month-on-month (m-o-m) basis, trade, exports, imports and trade surplus increased by 10.4%, 14.3%, 5.9% and 61.7%, respectively.

Trade for the second quarter (Q2) of 2021 increased by 39% to RM550.4 billion, compared to Q2 2020. Exports surged by 44% to RM303.37 billion and imports expanded by 33.3% to RM247.02 billion. This was the highest quarterly value for trade, exports and imports thus far. A trade surplus of RM56.35 billion was recorded for the period, surged by 122.7%.

Compared to the first quarter (Q1) 2021, trade, exports and imports grew by 8.8%, 7.5% and 10.5%, respectively while the trade surplus contracted by 4%.

Malaysia's total trade surpassed RM1 trillion in just six months, the shortest period to breach this milestone. For the first half of 2021, trade totalled RM1.056 trillion, an expansion of 26% from the same period last year. Exports rose by 30.2% to RM585.56 billion and imports increased by 21.1% to RM470.53 billion. This was the highest half year value recorded for trade, exports and imports. Trade surplus surged by 87.7% to RM115.04 billion.

EXPORT PERFORMANCE OF MAJOR SECTORS

All Sectors Recorded Double-Digit Export Growth

In June 2021, exports of all three sectors recorded strong double-digit growth compared to the same month last year. Exports of manufactured goods, which accounted for 86.6% of total exports, increased by 25.8% y-o-y to RM91.3 billion and was the seventh consecutive month of double-digit growth. Export products which expanded more than RM1 billion were seen for petroleum products, E&E products, rubber products, chemicals and chemical products, palm oil-based manufactured products as well as manufactures of metal.

Exports of agriculture goods (8.3% share) grew by 40% to RM8.81 billion compared to June 2020 driven mainly by higher exports of palm oil and palm oil-based agriculture products.

Exports of mining goods (4.7% share) rose by 32.9% y-o-y to RM4.96 billion, registering double-digit growth for three straight months. The expansion was underpinned by higher exports of crude petroleum and liquefied natural gas (LNG).

Major exports in June 2021:

- E&E products, valued at RM37.16 billion and accounted for 35.2% of total exports, increased by 14.1% from June 2020;
- Petroleum products, RM9.59 billion, 9.1% of total exports, surged by 113.6%;
- Rubber products, RM7.26 billion, 6.9% of total exports, surged by 103.5%;
- Palm oil and palm oil-based agriculture products, RM7.07 billion, 6.7% of total exports, increased by 51%; and
- Chemicals and chemical products, RM6.62 billion, 6.3% of total exports, increased by 53.3%

Compared to May 2021, exports of manufactured and agriculture goods were up by 15.8% and 17.6%, respectively. Exports of mining goods was down by 12.3%.

For the period of January to June 2021, exports of manufactured goods grew by 32.6% to RM509.33 billion compared to the same period of 2020, supported by higher exports of E&E products, rubber products, manufactures of metal, petroleum products as well as chemicals and chemical products. Exports of agriculture goods rose by 33.3% to RM42.32 billion, buoyed by higher exports of palm oil and palm oil-based agriculture products. Exports of mining goods totalled RM31.65 billion, declined marginally by 0.4% on the back of lower exports of LNG.

TRADE PERFORMANCE WITH MAJOR MARKETS

ASEAN – Trade, Exports and Imports Sustained Strong Growth

In June 2021, trade with ASEAN rose by 25.8% y-o-y to RM44.98 billion, accounted for 23.8% of Malaysia's total trade. Exports sustained double-digit growth since February 2021, increasing by 22.7% to RM27.05 billion. The expansion was contributed by higher exports of chemicals and chemical products as well as petroleum products. Imports from ASEAN expanded by 30.8% to RM17.93 billion.

Malaysia's Trade Performance January-June 2021*

Highest Trade, Exports and Imports Value for the Half Year Period

Trade, exports and imports registered a double-digit growth and marked the highest half year value thus far. Trade surpassed RM1 trillion mark, the shortest period to breach this milestone. Exports and imports to all major markets registered expansion.

TOTAL TRADE
RM1.056 tril
(↑26.0%)

EXPORTS
RM585.56 bil
(↑30.2%)

IMPORTS
RM470.53 bil
(↑21.1%)

TRADE BALANCE
RM115.04 bil
(↑87.7%)

MAJOR MARKETS

Exports – 69.5% of exports

- ASEAN: RM161.93 bil (↑26.3%)
- China: RM88.87 bil (↑27.7%)
- USA: RM68.06 bil (↑47.3%)
- EU: RM50.94 bil (↑33.0%)
- Japan: RM37.03 bil (↑18.2%)

Imports – 69.3% of imports

- China: RM110.64 bil (↑37.1%)
- ASEAN: RM107.99 bil (↑32.6%)
- Japan: RM36.91 bil (↑26.3%)
- EU: RM35.37 bil (↑21.3%)
- USA: RM31.16 bil (↑1.6%)

MAJOR PRODUCTS

Exports – 61.9% of exports

- E&E Products: RM213.71 bil (↑28.4%)
- Petroleum Products: RM42.40 bil (↑27.9%)
- Rubber Products: RM41.46 bil (↑165.6%)
- Chemical Products: RM33.50 bil (↑32.6%)
- Palm Oil Agriculture: RM31.53 bil (↑39.7%)

Imports – 62.0% of imports

- E&E Products: RM143.07 bil (↑21.7%)
- Chemical Products: RM46.07 bil (↑26.0%)
- Petroleum Products: RM42.11 bil (↑34.3%)
- Machinery, Equipment & Parts: RM33.28 bil (↑17.4%)
- Manufactures of Metal: RM27.52 bil (↑26.0%)

*% Growth in January-June 2021 compared to January-June 2020

Source: DOSM

Breakdown of exports to ASEAN countries:

- Singapore RM12.60 billion, **increased** by 15.1%
- Thailand RM4.74 billion, **increased** by 25.6%
- Viet Nam RM3.79 billion, **increased** by 37.4%
- Indonesia RM3.02 billion, **increased** by40%
- Philippines RM2.08 billion, **increased** by 20.6%
- Brunei RM402.2 million, **increased** by 55.3%
- Cambodia RM217.4 million, **increased** by 76%
- Myanmar RM188.3 million, **decreased** by 36.5%
- Lao PDR RM6.5 million, **increased** by 103.1%

Exports to major markets in ASEAN that recorded expansion were **Singapore** which increased by RM1.65 billion due to higher exports of petroleum products, **Thailand** (increased by RM965.5 million, chemicals and chemical products), **Viet Nam** (increased by RM1.03 billion, E&E products), **Indonesia** (increased by RM863.2 million, petroleum products) and the **Philippines** (increased by RM355.6 million, petroleum products).

Compared to May 2021, trade, exports and imports expanded by 3.8%, 5.4% and 1.5%, respectively.

In H1 2021, trade with ASEAN expanded by 28.8% to RM269.92 billion compared to the same period of 2020. Exports to this region rose by 26.3% to RM161.93 billion following higher exports of E&E products, chemicals and chemical products, petroleum products, manufactures of metal as well as machinery, equipment and parts. Imports from ASEAN were up by 32.6% to RM107.99 billion.

China – New Record High for Exports

In June 2021, trade with China rose by 30.5% y-o-y to RM37.91 billion, accounting for 20.1% of Malaysia's total trade. Exports to China recorded the eighth consecutive month of double-digit growth, increasing by 18.5% to RM17.56 billion and was the highest value recorded. The expansion in exports was contributed mainly by higher exports of E&E products and petroleum products. Imports from China rose by 43% to RM20.35 billion.

Compared to May 2021, trade, exports and imports increased by 13.4%, 26.6% and 4%, respectively.

Trade with China during the first six months of 2021 expanded by 32.7% to RM199.51 billion compared to the same period of 2020. Exports rose by 27.7% to RM88.87 billion underpinned by higher exports of E&E products, manufactures of metal as well as LNG. Imports from China increased by 37.1% to RM110.64 billion.

The US – Highest Export Value Ever Registered

Trade with the US in June 2021 increased by 24.1% y-o-y to RM19.27 billion, accounting for 10.2% of Malaysia's total trade. Exports recorded the 13th successive month of double-digit growth since June 2020, expanding by 32% to RM12.91 billion and was the highest value ever registered. The increase was attributed mainly to higher exports of manufactured goods especially rubber products, E&E products, manufactures of metal, machinery, equipment and parts as well as chemicals and chemical products. Imports from the US rose by 10.6% to RM6.36 billion. On a m-o-m basis, trade, exports and imports recorded growth of 17.2%, 24.3% and 5%, respectively.

During the first six months of 2021, trade with the US was higher by 27.8% to RM103.22 billion compared to the same period of 2020. Exports surged by 47.3% to RM68.06 billion driven by increase in exports of rubber products, E&E products, optical and scientific equipment, wood products as well as machinery, equipment and parts. Imports from the US grew by 1.6% to RM35.16 billion.

Malaysia's Trade Performance June 2021*

Highest Trade, Exports and Imports for the Month of June

Trade, exports and imports in June 2021 recorded the highest monthly value for the month of June and double-digit growth for five consecutive months. Exports reached the second highest monthly value after April 2021 and exceeded RM100 billion mark for the third time.

TOTAL TRADE
RM188.70 bil
(↑29.3%)

EXPORTS
RM105.47 bil
(↑27.2%)

IMPORTS
RM83.23 bil
(↑32.1%)

TRADE BALANCE
RM22.24 bil
(↑11.7%)

MAJOR MARKETS

Exports — 69.1% of exports

- ASEAN: RM27.05 bil (↑22.7%)
- China: RM17.56 bil (↑18.5%)
- USA: RM12.91 bil (↑32.0%)
- EU: RM8.99 bil (↑24.1%)
- Hong Kong: RM6.41 bil (↑6.5%)

Imports — 69.5% of imports

- China: RM20.35 bil (↑43.0%)
- ASEAN: RM17.93 bil (↑30.8%)
- EU: RM6.84 bil (↑42.6%)
- USA: RM6.36 bil (↑10.6%)
- Japan: RM6.32 bil (↑28.9%)

MAJOR PRODUCTS

Exports — 64.2% of exports

- E&E Products: RM37.16 bil (↑14.1%)
- Petroleum Products: RM9.59 bil (↑113.6%)
- Rubber Products: RM7.26 bil (↑103.5%)
- Palm Oil Agriculture: RM7.07 bil (↑51.0%)
- Chemical Products: RM6.62 bil (↑53.3%)

Imports — 63.8% of imports

- E&E Products: RM24.95 bil (↑17.1%)
- Petroleum Products: RM8.71 bil (↑109.1%)
- Chemical Products: RM8.65 bil (↑49.4%)
- Machinery, Equipment & Parts: RM5.78 bil (↑9.2%)
- Manufactures of Metal: RM5.02 bil (↑45.2%)

*% Growth in June 2021 compared to June 2020

Source: DOSM

The EU – Seven Consecutive Months of Double-Digit Export Growth

Trade with the EU which made up 8.4% of Malaysia's total trade in June 2021 expanded by 31.5% y-o-y to RM15.83 billion. Exports recorded seven straight months of double-digit growth, increased by 24.1% to RM8.99 billion driven by higher exports of rubber products, palm oil-based manufactured products, E&E products as well as palm oil and palm oil-based agriculture products. Imports from the EU edged up by 42.6% to RM6.84 billion. Breakdown of exports to the top 10 EU markets which accounted for 90.2% of Malaysia's total exports to the EU were:

- Germany RM2.64 billion, **increased** by 30%
- Netherlands RM2.42 billion, **increased** by 17.1%
- Italy RM641.4 million, **increased** by 34.4%
- Belgium RM553.2 million, **increased** by 59.1%
- France RM454.5 million, **decreased** by 7.9%
- Spain RM439.8 million, **increased** by 34.1%
- Poland RM291.6 million, **increased** by 31.5%
- Czech Republic RM265.4 million, **decreased** by 0.2%
- Slovenia RM214.1 million, **increased** by 13%
- Sweden RM184.1 million, **increased** by 73.4%

Exports to the EU major markets that recorded growth notably **Germany**, expanded by RM608.6 million attributed to growing demand for rubber products and the **Netherlands**, expanded by RM354.3 million due to higher exports of palm oil-based manufactured products

On a month-on-month basis, trade, exports and imports were up by 18.1%, 19.9% and 15.9%, respectively.

During H1 2021, trade with the EU rose by 27.9% to RM86.3 billion compared to H1 2020. Exports expanded by 33% to RM50.94 billion contributed by higher exports of rubber products and E&E products. Imports from the EU increased by 21.3% to RM35.37 billion.

Japan – Fourth Consecutive Month of Double-Digit Export Expansion

In June 2021, trade with Japan which comprised 6.4% of Malaysia's total trade grew by 23.4% y-o-y to RM12.07 billion. Exports rose by 17.8% to RM5.74 billion, the fourth straight month of double-digit expansion since March 2021. Significant export growth was seen for LNG, rubber products, petroleum products as well as palm oil and palm oil-based agriculture products. Imports from Japan was up by 28.9% to RM6.32 billion.

Compared to May 2021, trade and imports increased by 2.5% and 11.8%, respectively while exports decreased by 6.1%.

For H1 2021, trade with Japan was up by 22.1% to RM73.93 billion compared to H1 2020. Exports expanded by 18.2% to RM37.03 billion as a result of higher exports of E&E products, rubber products and manufactures of metal. Imports from Japan increased by 26.3% to RM36.91 billion.

Trade with FTA Partners

In June 2021, trade with Free Trade Agreement (FTA) partners which made up 66.1% of Malaysia's total trade increased by 29.1% y-o-y to RM124.71 billion. Exports to FTA partners grew by 23.3% to RM68.86 billion and imports expanded by 37% to RM55.85 billion.

Increase in exports was recorded to **Hong Kong SAR**, by 6.5% to RM6.41 billion due to higher exports of E&E products, **India** (increased by 88.7% to RM3.93 billion, palm oil and palm oil-based agriculture products), **Australia** (increased by 78.2% to RM3.24 billion, petroleum products), the **Republic of Korea** (increased by 8.4% to RM3.01 billion, petroleum products), **Turkey** (increased by 54% to RM970.7 million, manufactures of metal), **Pakistan** (increased by 26.7% to RM590 million, palm oil-based manufactured products), **New Zealand** (increased by 2.9% to RM274.9 million, other vegetable oil) and **Chile** (increased by 44.6% to RM81.3 million, rubber products).

Compared to May 2021, trade, exports and imports increased by 7.7%, 9.9% and 5.1%, respectively.

Trade with FTA partners during the first six months of 2021 which constituted 66.9% of Malaysia's total trade grew by 26% to RM706.74 billion compared to the same period of 2020. Exports expanded by 26.4% to RM390.14 billion and imports rose by 25.6% to RM316.6 billion.

IMPORT PERFORMANCE

Total imports in June 2021 expanded by 32.1% y-o-y to RM83.23 billion. The three main categories of imports by end use which accounted for 71.6% of total imports were:

- **Intermediate goods**, valued at RM43.71 billion or 52.5% of total imports, increased by 25.3%, following higher imports of processed industrial supplies particularly copper and articles;
- **Capital goods**, valued at RM8.57 billion or 10.3% of total imports, grew by 15.2%, due mainly to higher imports of capital goods (except transport equipment), primarily parts for machinery and mechanical appliances; and
- **Consumption goods**, valued at RM7.35 billion or 8.8% of total imports, rose by 19.2%, as a result of higher imports of processed food and beverages mainly for household consumption, especially meat and edible meat offal.

During January to June 2021, imports increased by 21.1% to RM470.53 billion from the same period of 2020. Imports of **intermediate goods** grew by 21.5% to RM258.55 billion, **capital goods** (RM49.96 billion, increased by 6.9%) and **consumption goods** (RM41.59 billion, increased by 18.5%).

NOTE

It should be noted that, conceptually, the export and import figures in the external trade statistics are different from that in the goods account of the balance of payments compilation. The compilation of international merchandise trade statistics is usually based on customs records, which essentially reflect the physical movement of goods across borders, and follow international guidelines on concepts and definitions i.e. International Merchandise Trade Statistics: Concepts and Definitions 2010 (IMTS 2010) which is different from the principles of the System of National Accounts (SNA) and the Balance of Payments Compilation. Goods are defined in the SNA as "physical objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets".

"This is a preliminary release, full details would be published in the "MONTHLY EXTERNAL TRADE STATISTICS" report by the Department of Statistics, Malaysia, to be disseminated on Wednesday, 4th August 2021 and can be downloaded through statistic at the Department of Statistics, Malaysia's portal (https://www.dosm.gov.my/v1).

+ This media release can be accessed through the portal of Malaysian External Trade Statistics, Ministry of International Trade and Industry (http://www.miti.gov.my) and Malaysia External Trade Development Corporation (http://www.matrade.gov.my). The June 2021 data is provisional and subject to revision in later issue. With effect from reference month April 2018, selection of codes for exports and imports of palm oil and palm oil-based products has been reviewed and revised for better representation of the product and this has resulted in some changes to the data.

FTA partners comprises 19 countries: China, Singapore, Japan, Thailand, Republic of Korea, Indonesia, India, Australia, Viet Nam, Philippines, New Zealand, Turkey, Pakistan, Myanmar, Cambodia, Brunei, Chile, Lao PDR and Hong Kong SAR. With effect from the reference month of February 2020, the United Kingdom no longer be a Member State of the European Union (EU).

TABLE 1: SUMMARY OF MALAYSIA'S EXTERNAL TRADE

Year/ Period	Total Exports (RM Million)	Total Imports (RM Million)	Trade Balance (RM Million)	Total Trade (RM Million)
2020[f]				
January	84,288.4	72,249.9	12,038.6	156,538.3
February	74,604.1	62,160.4	12,443.6	136,764.5
March	80,229.2	68,737.3	11,491.9	148,966.5
April	64,911.0	69,375.5	-4,464.5	134,286.6
May	62,801.0	52,942.9	9,858.1	115,743.9
June	**82,905.4**	**62,995.8**	**19,909.6**	**145,901.2**
July	92,682.1	67,424.2	25,257.8	160,106.3
August	80,754.3	65,974.9	14,779.4	146,729.2
September	88,892.1	66,956.0	21,936.2	155,848.1
October	91,190.2	68,931.0	22,259.2	160,121.2
November	84,721.3	67,616.6	17,104.6	152,337.9
December	95,847.6	75,116.8	20,730.8	170,964.4
2020 (Jan-Dec)[f]	983,826.8	800,481.3	183,345.4	1,784,308.1
2021[p]				
January	89,625.5	73,023.0	16,602.5	162,648.5
February	87,567.1	69,690.0	17,877.0	157,257.1
March	104,997.6	80,794.1	24,203.6	185,791.7
April	105,590.2	85,231.3	20,358.9	190,821.4
May	92,313.4	78,559.8	13,753.6	170,873.3
June	**105,470.0**	**83,230.4**	**22,239.6**	**188,700.4**
Change m-o-m (%)	***14.3***	***5.9***	***61.7***	***10.4***
Change y-o-y (%)	***27.2***	***32.1***	***11.7***	***29.3***
2020[f]				
Q1	239,121.8	203,147.6	35,974.1	442,269.4
Q2	**210,617.4**	**185,314.2**	**25,303.2**	**395,931.6**
Q3	262,328.5	200,355.1	61,973.4	462,683.6
Q4	271,759.1	211,664.4	60,094.7	483,423.5
2021[p]				
Q1	282,190.2	223,507.1	58,683.1	505,697.3
Q2	**303,373.6**	**247,021.5**	**56,352.2**	**550,395.1**
Change q-o-q (%)	***7.5***	***10.5***	***-4.0***	***8.8***
Change y-o-y (%)	***44.0***	***33.3***	***122.7***	***39.0***
Jan-June 2020[f]	449,739.1	388,461.8	61,277.3	838,201.0
Jan-June 2021[p]	**585,563.8**	**470,528.6**	**115,035.2**	**1,056,092.4**
Change y-o-y (%)	***30.2***	***21.1***	***87.7***	***26.0***

Note: Total may not add up due to rounding

TABLE 2: MAJOR EXPORT PRODUCTS (JUNE)

Products	Jun 2021p	May 2021p	Jun 2020f	Change m-o-m	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Exports	**105,470.0**	**92,313.4**	**82,905.4**	**14.3**	**27.2**
E&E Products	37,156.0	31,558.5	32,553.5	17.7	14.1
Petroleum Products	9,592.4	6,899.7	4,491.8	39.0	113.6
Rubber Products	7,260.2	6,308.6	3,568.3	15.1	103.5
Palm Oil & Palm Oil Based Agric ulture Products	7,069.0	5,784.8	4,682.1	22.2	51.0
Chemicals & Chemical Products	6,622.9	5,251.8	4,319.6	26.1	53.3
Manufactures of Metal	4,941.5	4,770.6	3,687.7	3.6	34.0
Machinery, Equipment & Parts	4,133.2	3,660.2	4,193.4	12.9	-1.4
Optical & Scientific Equipment	4,075.5	3,467.1	3,786.6	17.5	7.6
Palm Oil-Based Manufactured Products	3,121.2	2,134.5	1,823.8	46.2	71.1
LNG	2,386.3	2,984.8	2,123.7	-20.1	12.4

TABLE 3: MAJOR EXPORT MARKETS (JUNE)

Markets	Jun 2021p	May 2021p	Jun 2020f	Change m-o-m	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Exports	**105,470.0**	**92,313.4**	**82,905.4**	**14.3**	**27.2**
China	17,557.0	13,870.2	14,813.2	26.6	18.5
USA	12,911.1	10,388.1	9,778.2	24.3	32.0
Singapore	12,600.7	13,016.3	10,946.2	-3.2	15.1
Hong Kong SAR	6,414.5	4,989.1	6,023.1	28.6	6.5
Japan	5,744.8	6,118.0	4,875.9	-6.1	17.8
Thailand	4,736.8	4,069.8	3,771.3	16.4	25.6
India	3,934.8	3,767.5	2,085.5	4.4	88.7
Viet Nam	3,789.3	3,298.4	2,757.5	14.9	37.4
Taiwan	3,702.8	2,765.9	3,226.7	33.9	14.8
Australia	3,240.5	3,212.4	1,818.7	0.9	78.2

TABLE 4: MAJOR EXPORT PRODUCTS (QUARTERLY)

Products	Q2 2021p	Q1 2021p	Q2 2020f	Change q-o-q	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Exports	**303,373.6**	**282,190.2**	**210,617.4**	**7.5**	**44.0**
E&E Products	105,757.4	107,952.4	81,962.2	-2.0	29.0
Petroleum Products	26,421.9	15,982.5	13,722.2	65.3	92.5
Rubber Products	21,089.2	20,369.8	8,721.9	3.5	141.8
Palm Oil & Palm Oil Based Agriculture Products	18,796.4	12,736.5	11,726.3	47.6	60.3
Chemicals & Chemical Products	17,297.9	16,201.8	11,902.0	6.8	45.3
Manufactures of Metal	14,380.8	12,787.4	7,984.5	12.5	80.1
Machinery, Equipment & Parts	12,272.6	11,372.8	8,522.8	7.9	44.0
Optical & Scientific Equipment	11,618.6	10,791.5	8,666.4	7.7	34.1
LNG	8,191.8	7,724.9	7,209.4	6.0	13.6
Palm Oil-Based Manufactured Products	7,698.7	6,514.3	5,082.3	18.2	51.5

TABLE 5: MAJOR EXPORT MARKETS (QUARTERLY)

Markets	Q2 2021p	Q1 2021p	Q2 2020f	Change q-o-q	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Exports	**303,373.6**	**282,190.2**	**210,617.4**	**7.5**	**44.0**
China	46,877.4	41,993.8	38,734.1	11.6	21.0
Singapore	41,156.7	40,588.4	29,864.5	1.4	37.8
USA	35,449.6	32,615.1	22,188.9	8.7	59.8
Japan	18,065.3	18,960.2	12,851.3	-4.7	40.6
Hong Kong SAR	17,337.4	18,203.6	16,045.6	-4.8	8.1
Thailand	13,329.1	12,200.4	10,121.7	9.3	31.7
India	11,373.5	9,120.4	3,777.8	24.7	201.1
Viet Nam	11,066.8	10,936.3	7,051.6	1.2	56.9
Taiwan	9,983.8	9,056.2	7,871.7	10.2	26.8
Australia	9,690.3	7,721.9	5,047.9	25.5	92.0

TABLE 6: MAJOR EXPORT PRODUCTS (JANUARY- JUNE)

Products	Jan-Jun 2021p	Jan-Jun 2020f	Change
	RM Million	RM Million	%
Total Exports	**585,563.8**	**449,739.1**	**30.2**
E&E Products	213,709.8	166,388.9	28.4
Petroleum Products	42,404.4	33,147.8	27.9
Rubber Products	41,459.0	15,609.4	165.6
Chemicals & Chemical Products	33,499.7	25,262.6	32.6
Palm Oil & Palm Oil Based Agriculture Products	31,532.9	22,571.7	39.7
Manufactures of Metal	27,168.2	16,872.6	61.0
Machinery, Equipment & Parts	23,645.4	18,477.7	28.0
Optical & Scientific Equipment	22,410.1	18,180.5	23.3
LNG	15,916.6	18,340.6	-13.2
Palm Oil-Based Manufactured Products	14,213.0	10,545.4	34.8

TABLE 7: MAJOR EXPORT MARKETS (JANUARY-JUNE)

Markets	Jan-Jun 2021p	Jan-Jun 2020f	Change
	RM Million	RM Million	%
Total Exports	**585,563.8**	**449,739.1**	**30.2**
China	88,871.3	69,577.8	27.7
Singapore	81,745.1	64,634.9	26.5
USA	68,064.7	46,199.2	47.3
Japan	37,025.5	31,331.9	18.2
Hong Kong SAR	35,541.0	30,507.5	16.5
Thailand	25,529.5	21,504.2	18.7
Viet Nam	22,003.1	13,845.4	58.9
India	20,493.9	11,417.7	79.5
Taiwan	19,040.0	16,111.8	18.2
ROK	17,797.0	17,477.8	1.8

TABLE 8: MAJOR IMPORT PRODUCTS (JUNE)

Products	Jun 2021p	May 2021p	Jun 2020f	Change m-o-m	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Imports	**83,230.4**	**78,559.8**	**62,995.8**	**5.9**	**32.1**
E&E Products	24,947.2	24,059.5	21,308.9	3.7	17.1
Petroleum Products	8,711.6	6,820.5	4,165.9	27.7	109.1
Chemicals & Chemical Products	8,645.8	7,850.7	5,786.9	10.1	49.4
Machinery, Equipment & Parts	5,775.7	5,944.1	5,289.8	-2.8	9.2
Manufactures of Metal	5,016.7	4,377.2	3,455.0	14.6	45.2
Iron & Steel Products	3,082.9	3,027.5	2,240.7	1.8	37.6
Transport Equipment	2,927.7	2,653.2	1,554.8	10.3	88.3
Optical & Scientific Equipment	2,251.2	2,183.3	2,000.5	3.1	12.5
Processed Food	2,168.4	1,735.1	1,863.2	25.0	16.4
Rubber Products	1,691.3	1,653.4	714.5	2.3	136.7

TABLE 9: MAJOR IMPORT SOURCES (JUNE)

Sources	Jun 2021p	May 2021p	Jun 2020f	Change m-o-m	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Imports	**83,230.4**	**78,559.8**	**62,995.8**	**5.9**	**32.1**
China	20,351.2	19,572.7	14,229.5	4.0	43.0
USA	6,358.7	6,058.8	5,749.6	5.0	10.6
Japan	6,324.4	5,657.0	4,906.0	11.8	28.9
Taiwan	6,093.1	5,834.7	4,752.4	4.4	28.2
Singapore	6,072.8	7,286.6	6,116.7	-16.7	-0.7
Indonesia	5,028.9	3,822.9	2,596.0	31.5	93.7
ROK	4,789.9	3,878.5	2,674.2	23.5	79.1
Thailand	3,611.0	3,710.5	2,565.3	-2.7	40.8
India	2,440.0	2,319.6	1,916.6	5.2	27.3
Australia	2,161.4	2,097.4	1,646.5	3.0	31.3

TABLE 10: MAJOR IMPORT PRODUCTS (QUARTERLY)

Products	Q2 2021p	Q1 2021p	Q2 2020f	Change q-o-q	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Imports	**247,021.5**	**223,507.1**	**185,314.2**	**10.5**	**33.3**
E&E Products	73,473.7	69,595.1	59,219.9	5.6	24.1
Chemicals & Chemical Products	24,553.0	21,517.6	17,264.0	14.1	42.2
Petroleum Products	24,510.8	17,596.4	11,351.0	39.3	115.9
Machinery, Equipment & Parts	17,614.2	15,663.5	14,060.0	12.5	25.3
Manufactures of Metal	14,076.0	13,442.9	10,072.7	4.7	39.7
Iron & Steel Products	8,993.6	6,979.6	5,650.6	28.9	59.2
Transport Equipment	8,828.0	8,334.7	14,756.5	5.9	-40.2
Optical & Scientific Equipment	6,816.4	6,220.0	5,295.8	9.6	28.7
Processed Food	5,934.7	5,707.9	5,231.5	4.0	13.4
Rubber Products	4,910.6	4,464.1	2,015.0	10.0	143.7

TABLE 11: MAJOR IMPORT SOURCES (QUARTERLY)

Sources	Q2 2021p	Q1 2021p	Q2 2020f	Change q-o-q	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Imports	**247,021.5**	**223,507.1**	**185,314.2**	**10.5**	**33.3**
China	60,102.8	50,532.5	40,755.9	18.9	47.5
Singapore	21,784.5	21,583.5	15,237.3	0.9	43.0
Japan	19,004.0	17,904.3	13,813.0	6.1	37.6
USA	18,534.9	16,624.1	16,443.4	11.5	12.7
Taiwan	17,979.9	16,242.5	13,410.3	10.7	34.1
Indonesia	13,215.4	12,164.4	7,399.3	8.6	78.6
ROK	12,273.8	10,823.3	18,128.9	13.4	-32.3
Thailand	10,897.8	11,409.7	6,768.9	-4.5	61.0
India	7,503.9	6,285.6	5,289.2	19.4	41.9
Australia	6,453.5	4,794.5	5,041.3	34.6	28.0

TABLE 12: MAJOR IMPORT PRODUCTS (JANUARY-JUNE)

Products	Jan-Jun 2021p	Jan-Jun 2020f	Change
	RM Million	RM Million	%
Total Imports	**470,528.6**	**388,461.8**	**21.1**
E&E Products	143,068.7	117,600.1	21.7
Chemicals & Chemical Products	46,070.6	36,552.8	26.0
Petroleum Products	42,107.2	31,363.3	34.3
Machinery, Equipment & Parts	33,277.8	28,335.7	17.4
Manufactures of Metal	27,518.9	21,832.4	26.0
Transport Equipment	17,162.7	21,602.3	-20.6
Iron & Steel Products	15,973.1	12,807.2	24.7
Optical & Scientific Equipment	13,036.4	10,634.7	22.6
Processed Food	11,642.6	10,608.3	9.7
Rubber Products	9,374.7	4,206.7	122.9

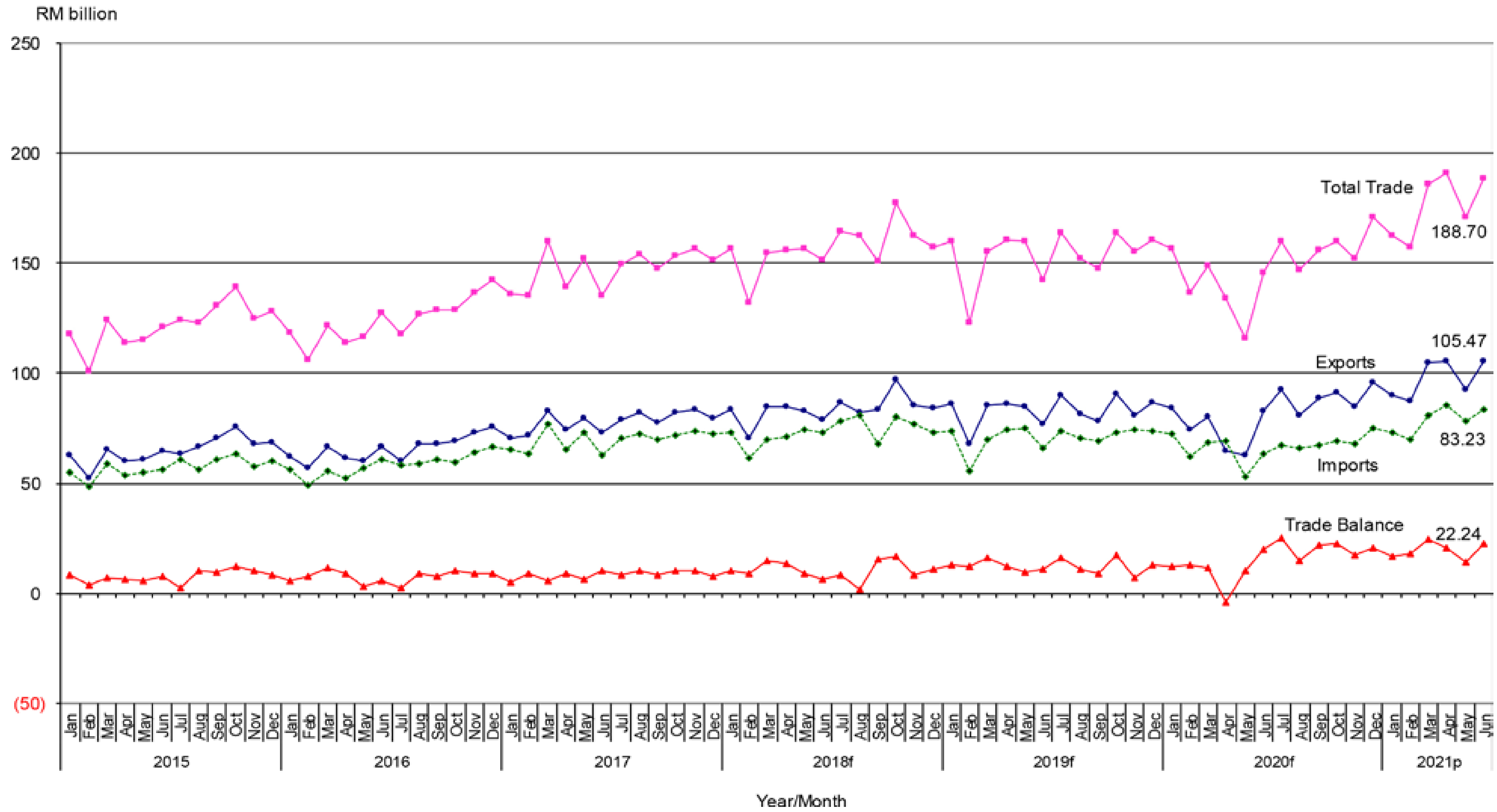
TABLE 13: MAJOR IMPORT SOURCES (JANUARY-JUNE)

Sources	Jan-Jun 2021p	Jan-Jun 2020f	Change
	RM Million	RM Million	%
Total Imports	**470,528.6**	**388,461.8**	**21.1**
China	110,635.4	80,723.8	37.1
Singapore	43,367.9	34,880.2	24.3
Japan	36,908.3	29,211.8	26.3
USA	35,159.0	34,597.9	1.6
Taiwan	34,222.5	27,191.0	25.9
Indonesia	25,379.8	17,052.7	48.8
ROK	23,097.1	28,931.4	-20.2
Thailand	22,307.5	15,366.3	45.2
India	13,789.4	11,712.6	17.7
Germany	12,219.5	11,785.4	3.7

Source: Department of Statistics, Malaysia
Tabulated by: MATRADE

Notes:
p - provisional data
f - final data

CHART 1: MALAYSIA'S MONTHLY EXTERNAL TRADE PERFORMANCE, 2015 – JUNE 2021



Malaysia, Your Preferred Business Partner

Malaysia Currently Exports a Wide Range of Quality Products and Professional Services and Ranks among the Top Trading Nations Globally.

MALAYSIA has established itself as one of the most trade friendly countries in the world, exporting a competitive range of products and services to more than 200 countries and territories around the world. It is today an integral part of the global supply chain and recognised by the World Trade Organisation (WTO) as the world's 25t trading nation and 26th largest exporter and importer in 2019.

Malaysia has also ensured that it has kept up with the rapidly transforming technologies utilised in the global trade, commerce and financial sectors. Today, it is capable of conducting business efficiently and effectively within the knowledge and digital economy.

The country currently exports high value-added products in various sectors including in technology, electrical and electronic parts, chemicals & chemical products, petrochemicals, optical & scientific equipment, medical devices, machinery, equipment & parts, automotive & aerospace components, building materials, renewable energy, processed food, furniture and lifestyle products besides traditional commodity exports such as oil & gas and palm oil-based products as well as rubber based products. These items are primarily exported to Malaysia's main trade destinations of ASEAN, China, the United States, Hong Kong, Japan, Taiwan, the Republic of Korea as well as the European Union.

Among Malaysia's strengths is that it is a pioneer in the area of Halal, with extensive expertise on Halal Standards and an industry that is being recognised internationally. Its Department of Islamic Development Malaysia or JAKIM's Halal certification is highly regarded by multi-national bodies and world bodies.

The importance it places on its Halal products is also reflected in the adoption of various elements of sustainability including in economic growth, the equitable distribution of wealth as well as recognising the need for environmental conservation.

Malaysian Electrical and Electronics companies are leading players globally with a significant amount of all electronic exports being contributed by semiconductor devices, integrated circuits (ICs) and transistors and valves. These companies are also capable exporters in their own right and specialise in various areas including electronic manufacturing services, wafer fabrication, IC designs, assembly and much more.

ICT is another important sector for Malaysian exports and include electronic government solutions, electronic commerce solutions, software development and system integration for banking, finance, insurance, healthcare and education among a range of many other services.

Malaysia's many other areas of export include the digital content sector, game art production and various aspects of audio-visual production for the film and computer industries.

Its export of machinery currently includes specialised process, metalworking, power generation and general industrial machinery among other things. The country is also the largest manufacturer of boilers in Southeast Asia, with the capability to manufacture and supply high-grade and internationally accepted industrial boilers.

Recognised as possessing one of the most developed chemical industries in the world, Malaysia supplies a variety of products including polymers of ethylene, methanol and saturated polyesters.

Malaysia currently exports high value-added products in various sectors.

Malaysia excels in the export of edible products and preparations consisting of sauces, soya-based preparations and extracts and concentrates that are used as food ingredients.

The country's construction and professional services sector has also established itself as a major global player, having completed a variety of projects abroad including in the construction of buildings and infrastructure, roads and highways, railways and bridges, oil and gas installations, water treatment and power plants, airports and more. This sector has the strong support of the building materials industry, which produces a wide array of quality items for the building and construction industries, as well as the renovation and refurbishing sectors.

The aerospace industry is another area in which Malaysia has been showing tremendous growth potential including in the MRO, machinery and design engineering sectors, and the country is poised to carve a niche for itself in this highly specialised field.

Malaysia's Oil and Gas Industry is today among the most dynamic in the region and includes the provision of specialty services such as engineering, procurement, construction, commissioning & installation (EPCCI), fabrication of offshore oil and gas related structures and various other logistics, infrastructure, storage and management requirements.

Food is another sector in which Malaysia excels and the largest export category here is edible products and preparations consisting of sauces, soya-based preparations and extracts and concentrates that are used as food ingredients.

Malaysia has also established itself as a world leader in furniture design and manufacture with over 80% of its output exported to over 160 countries including kitchen and bedroom furniture, upholstered furniture with wooden frame and office furniture.

Other major areas of export include Malaysia's vibrant fashion industry, healthcare including hospital, medical and dental services, and franchising including in F&B, car sales, service centres, retail and supermarkets, IT and a wide range of other business opportunities.

The country's well-deserved reputation for the export of quality products and services is only possible given the support it receives from the logistics industry, with a well-developed and complete chain of service providers that include warehousing, transportation, freight forwarding and other related value-added services such as distribution and supply chain management.

The tagline, "Choose Malaysia", aptly describes the country's capabilities, quality products and services, and its ability to help you do better business.

For more information about MATRADE, please visit **www.matrade.gov.my**.

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY
OF MALAYSIA

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