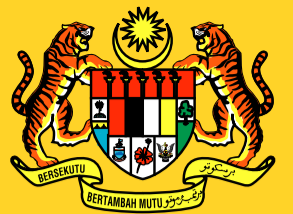


Recollective

MITI Monthly Bulletin | Issue #8, May 2021



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY
OF MALAYSIA

HALAL ROADMAP TO MORE PROMINENT MALAYSIA



FIRST WORD

Striving continuously for a sustainable, prosperous and developed nation, MITI and its agencies have actively conceptualised initiatives, strengthened relationships with international partners, and engaged various stakeholders within the country. Concurrently, we are encouraging discourse amongst industry players and addressing issues that have arisen in the advent of the pandemic.

In May, Malaysia recorded robust export performance across all sectors. Trade with ASEAN, China, the EU and the USA maintained double-digit growth in trade, exports and imports. Besides that, the Halal industry is projected to grow exponentially not just across the member states of the Organisation of Islamic Cooperation (OIC) but also emerging regions such as Europe, North Americas and Sub Saharan regions in Africa. This is an opportunity for Malaysia as a hub for the Halal Industry and Halal ecosystem due to our strong integrity compliance and Halal certification.

Our Senior Minister and Minister of International Trade and Industry YB Dato' Seri Mohamed Azmin Ali has also officially launched the Productivity Report 2021 themed "Boosting Productivity: Reset, Reform, Rebound", which echoes our recovery journey towards heightened productivity growth.

With all these and more, MITI and the agencies under its purview aim to birth a brighter future despite the pandemic and the ensuing global disruption. With this publication - Recollective - we record these efforts for the awareness of our dear readers, keeping track also of the overall monthly trade performance and numerous investment news.

Remember, we're in this together and we will soldier to weather trying times. Stay tuned and stay committed.

#EconomicFrontliners



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MITI Recollective Editorial Team



MITI's Recollective is a monthly bulletin that outlines the Ministry's efforts and the latest Malaysian trade, industry and investment news. It highlights Malaysia as one of the most globally competitive trading and investment destinations. It also reflects the Ministry's outlook on trade and investments in the near future and serves to drive the Industry4WRD initiative for Industry 4.0 development within the nation.

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SECTORAL ROADMAP TO MORE PROMINENT HALAL MALAYSIA

ADDRESSING ISSUES SURROUNDING THE HALAL PROMOTED SECTORS -
HALAL PHARMACEUTICAL AND FOOD SERVICES



BRIEF LANDSCAPE OF HALAL INDUSTRY (GLOBALLY AND DOMESTICALLY)

Demand for Halal products and services are expected to grow exponentially for the foreseeable future.

The Halal industry is expected to grow by USD1.3 trillion in 2018, and is expected to record demand worth USD5 trillion by 2025. The potential of Halal industry alone can go up to USD38 trillion in 2025 globally.

The demand comes not only from traditional OIC countries, but also from emerging regions such as Europe, North Americas and Sub Saharan regions in Africa.

Sectors on demand are mostly from food services, pharmaceutical, tourism, medical tourism, halal ingredients, cosmetics and personal care and medical devices.

Domestically, growth is expected to be positive for the next 9 years. Food services alone is expected to record 11.7% annual growth until 2030. This will be fueled by a few factors, for example, our society moving into a more middle-income bracket and post Covid-19 new norm with the food services delivery businesses expanding to new record highs. Opportunity in Halal food services alone totals RM200 billion by 2025.

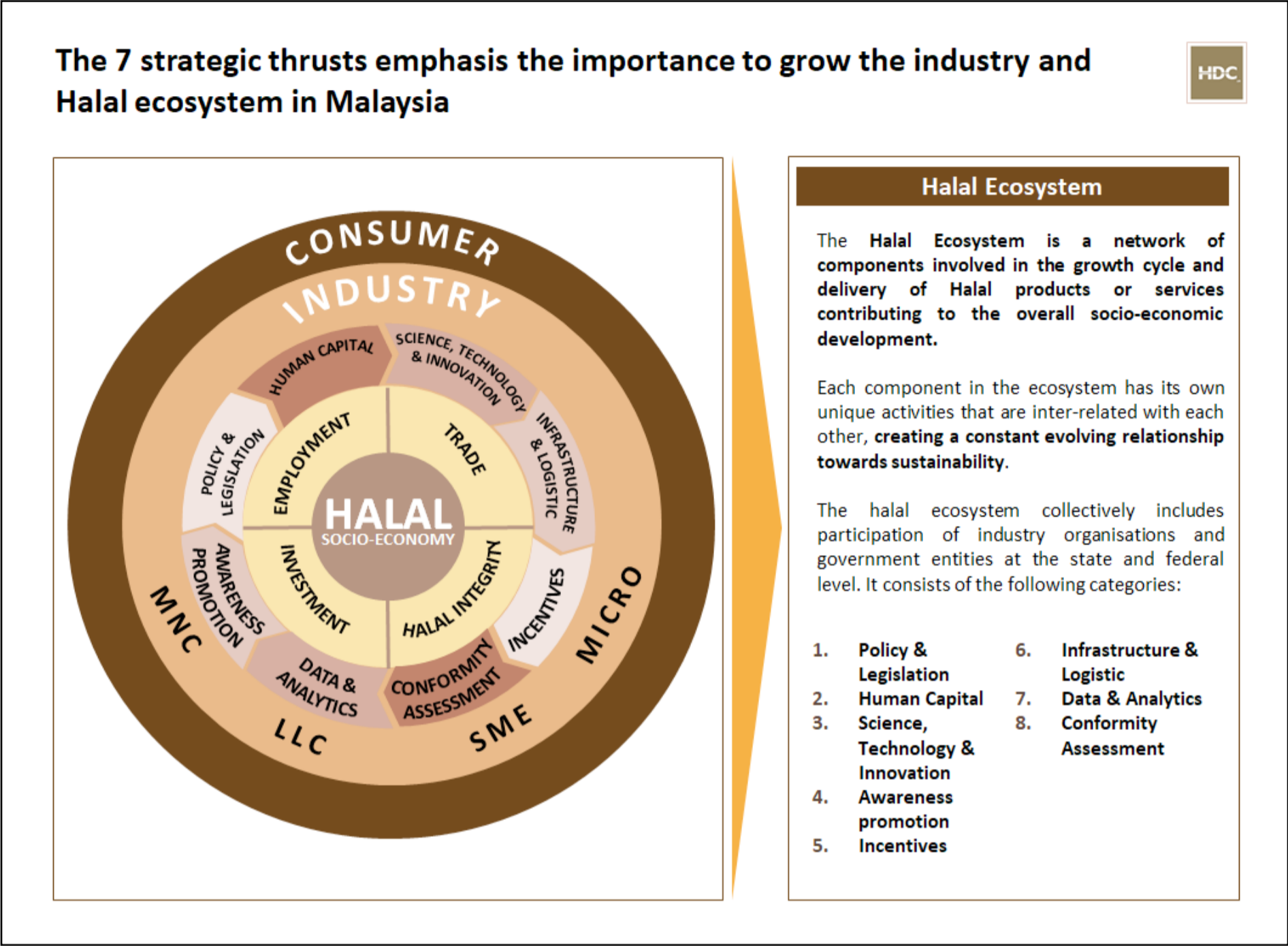
HDC'S PERSPECTIVE ON HOW TO GROW THE HALAL INDUSTRY

Malaysia is known as a hub for the Halal Industry and Halal ecosystem due to our strong integrity compliance and Halal certification.

HDC acknowledges opportunities and growth potential in Halal products and services not only domestically but globally.

Our aim is not only to increase certifications, but also to identify key Halal growth sectors, increase private participation and investment, create jobs and produce more local champions (SMEs) in producing Halal products and services to fulfill domestic demand and export.

The other strategic targets for Halal sectors are to encourage more entrepreneurs to come forward, to attract investment in the area of research & development and to foster intelligence and entrepreneurship.



The development of sectoral roadmaps is to provide clarity to grow the industry with detail action plans and interventions based on the Halal Industry Master Plan 2030 (HIMP 2030) and 12th Malaysia Plan (RMK12). The sectors identified under the HIMP 2030 are divided by two categories:

- i) Core Sectors: Pharmaceuticals, Food & Beverage and Cosmetics & Personal Care
- ii) Emerging Sectors: Medical Tourism, Medical Devices and Modest Fashion

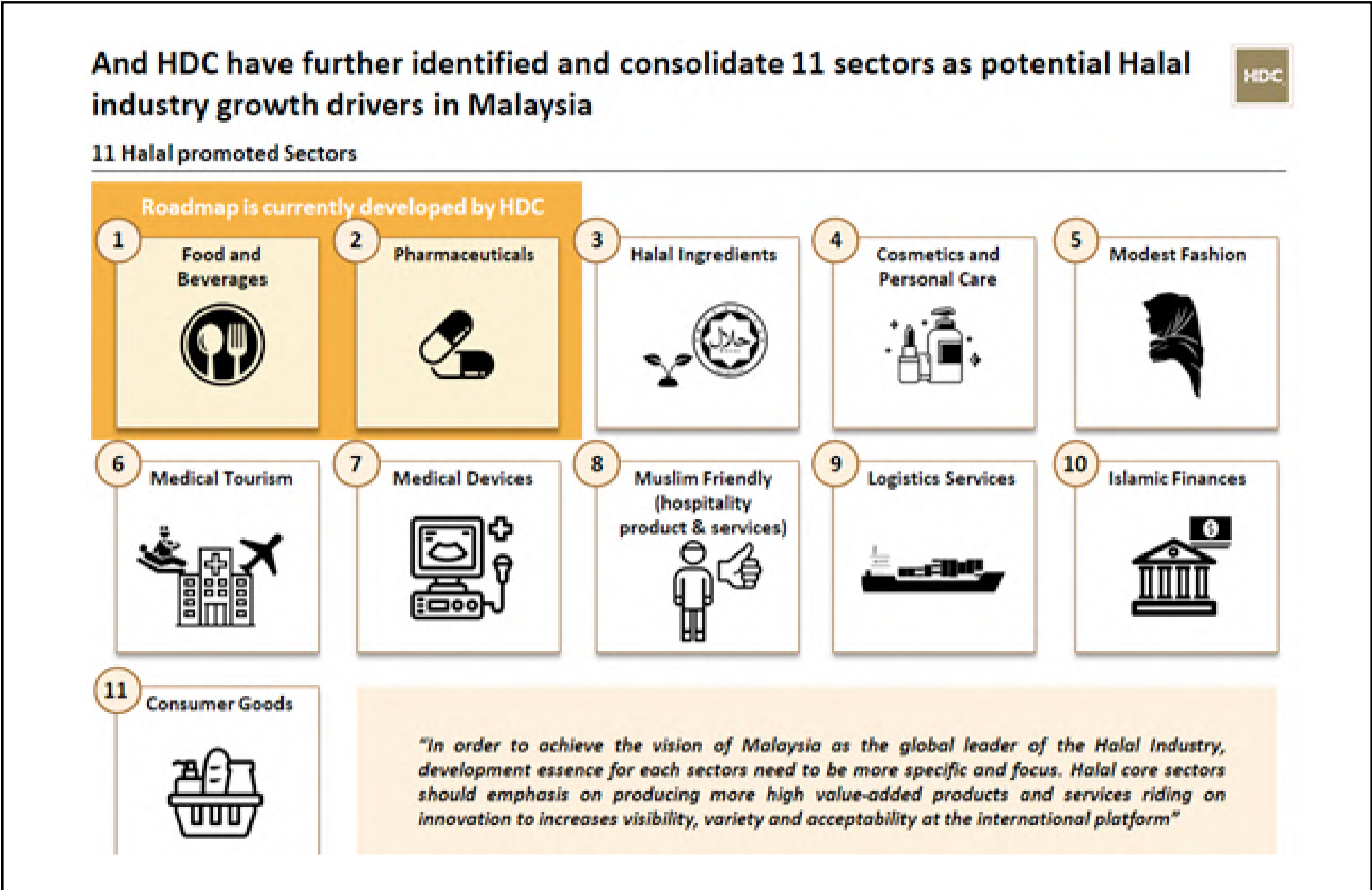
KEY SECTORS TARGETED BY HDC TO GROW IN THE NEXT 5 YEARS

At HDC, we took a proactive approach by identifying key Halal Sectors;

1. Food services
2. Pharmaceuticals
3. Halal Ingredients
4. Cosmetics and personal care
5. Modest fashion
6. Medical tourism
7. Medical devices
8. Muslim friendly hospitality
9. Logistics services
10. Islamic finance
11. Consumer Goods

In 2020, we developed 2 sectoral roadmaps, for Food Services & Pharmaceuticals. These are the two fast growing sectors, accounting for RM93 billion and RM9.4 billion market size respectively, in Malaysia in 2019.

Each sector will outline its own key challenges and develop specific high impact initiatives and interventions by public sectors.



HALAL PHARMACEUTICALS

Halal Pharmaceuticals sector in Malaysia recorded RM3.6 billion market in 2018, driven by increase in nutraceuticals and over the counter products.

Halal Pharmaceuticals is expected to grow mainly due to increased demand in Halal vaccines and supplements. For example, there is a real opportunity to satisfy a substantial global demand for halal gelatin as currently only 3% is halal certified. One particular concern to Muslim consumers is that 45% of the 370,000 metric tons produced is porcine gelatin; the remainder is sourced from cows and fish. Production is primarily from non-Islamic countries, with 78% from Europe and the Americas, while the remainder is from China, India, Russia and Southeast Asia. Key players in the halal nutraceutical sector, such as the USA's Noor Vitamins, are focusing on formulations backed

by science to enhance efficacy and consumer trust. Such a move has broadened market appeal beyond the Muslim consumer base

KEY CHALLENGES IN PHARMACEUTICALS

Top of the list are inconsistencies of halal audit & status of ingredients; lack of halal ingredients availability; high capital outlay for facilities; high certification cost and maintenance; and our industry's own lack of economies of scale.

For example, inconsistencies in halal certification results in confusion for businesses. Whilst Malaysia is the pioneer of MS 2424:2019 which has an advantage, the scientific interpretation of halal recognition is missing, resulting in inconsistencies during halal audits and causes confusion and uncertainty for businesses.

Another example is the industry's lack of economies of scale; As halal pharmaceuticals can only be recognised for Over The Counter (OTC) and supplements in Malaysia, and many of the export markets do not require halal certification, the market demand is insufficient to justify local production of raw material, thus companies need to rely on importing. The demand in Malaysia is still mainly driven by the public health system, with private and export markets being relatively small. This main demand is also exacerbated by import from MNCs, which have their manufacturing plants overseas and are not required to have halal certification. This is compounded by the fact that MOH does not require the products to be halal, MNCs view halal certification only as an additional burden and have no incentive to seek certification.

4 (four) Halal Key Result Areas (HKRA) with 4 (four) initiatives developed as per the table below. From the initiatives, we have identified 21 interventions that involved policies, infrastructure, incentives and human capital that result in the key outcomes by 2025:

- i) Increase of Revenue to RM 1.62 billion
- ii) RM 430 million export created by 2025.

No	Halal Key Result Areas	Initiatives
1	Improving access to halal raw material and markets	Increase access to marketplace and halal suppliers through integrated marketplace platform
2	Growing halal biopharmaceutical industry	Develop halal vaccine industry through policy and incentives development
3	Strategic local and international for market growth	Initiate strategic collaboration between local and international pharmaceutical companies focusing on growing halal segment
4	Improving halal pharmaceuticals certification	Supporting local manufacturers to embark on halal pharmaceutical certification

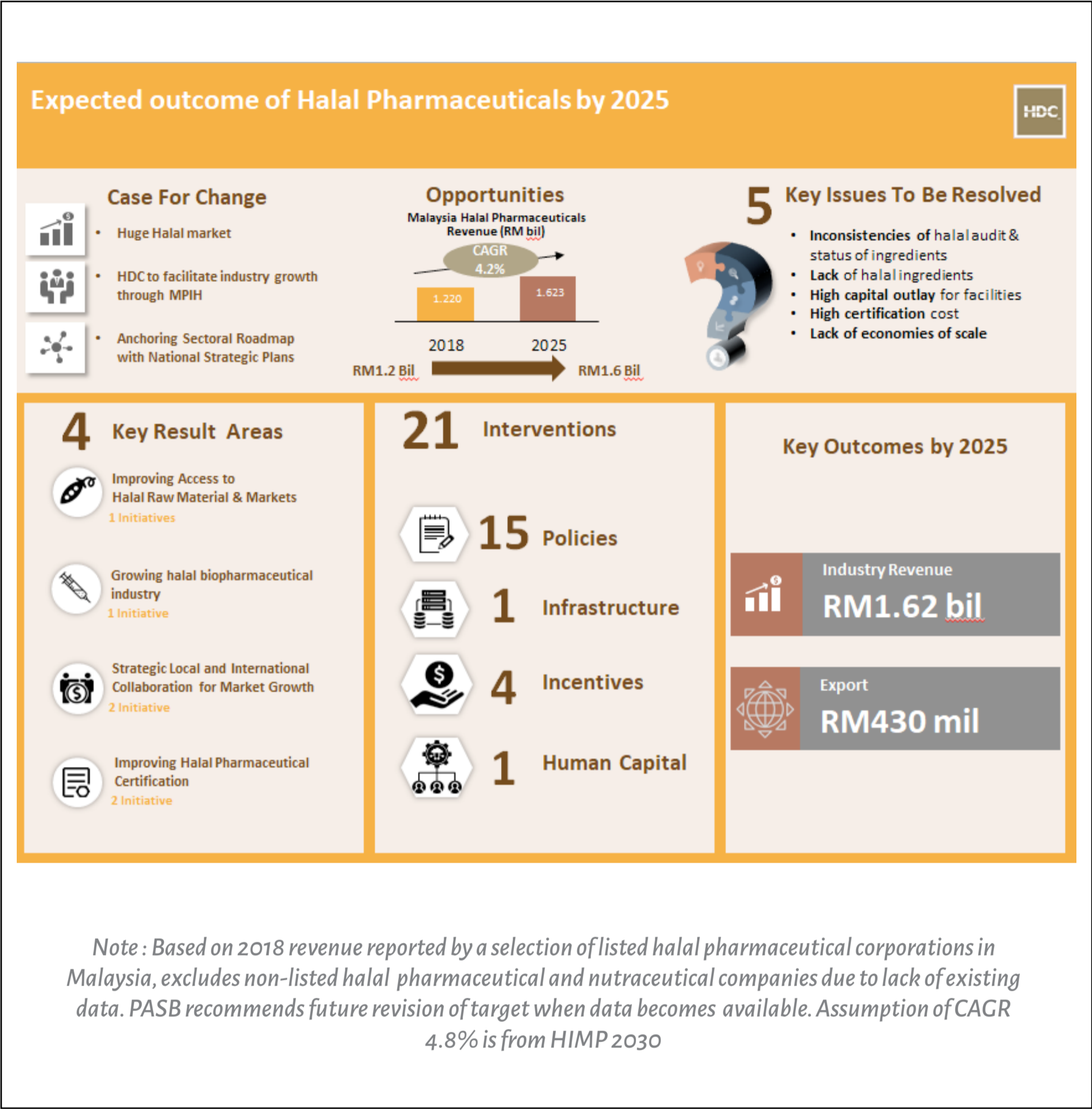
HALAL FOOD SERVICES

Halal Food Services sector in Malaysia recorded a RM92.5 billion market in 2018. It is expected to grow further driven by increased demand of Food Deliveries and takeaways amid Global Pandemic. The main issues to resolve are Halal Ingredients, awareness of Businesses to undertake Halal certification and policies.

KEY CHALLENGES IN FOOD SERVICES

Issues and challenges in food services focus on Halal Ingredients (Sourcing and Database), Knowledge Barrier and Capital Outlay on Halal Certification. Other challenges are unavailability of Halal Food Delivery SOP, Export Framework and low Awareness of Halal certification.

Example of Halal ingredients – For a food product to be halal for consumption, there is need to ensure that the food is halal all throughout the food supply chain and this is not an easy process. Starting from the raw materials, meat and meat related ingredients have always received the biggest attention. There are many recent cases that have been brought to the public attention regarding fraud on meat products. There are a number of reported incidences whereby meat that is labelled, certified, or sold as halal may not be so.



No	Halal Key Result Areas	Initiatives
1	Growing halal ingredients industry for food services	Coordinating halal ingredients supply and entrepreneurs development programme
		Coordinating with stakeholders to integrate halal database using blockchain technology
2	Expanding reach and support for SME certification readiness	New SME development strategy
3	Partnership with delivery services to drive SME growth	Facilitation programme for food delivery companies, riders and vendors
4	Growing Malaysian Halal Food Services Export	Sharing best practices of Halal Food Services Export
5	Strengthening policies and governance	Improving halal certification and audit process
6	Business and consumer awareness	Increasing mass business and consumer awareness on halal certification

Expected outcome of Halal Food Services by 2025

HDC



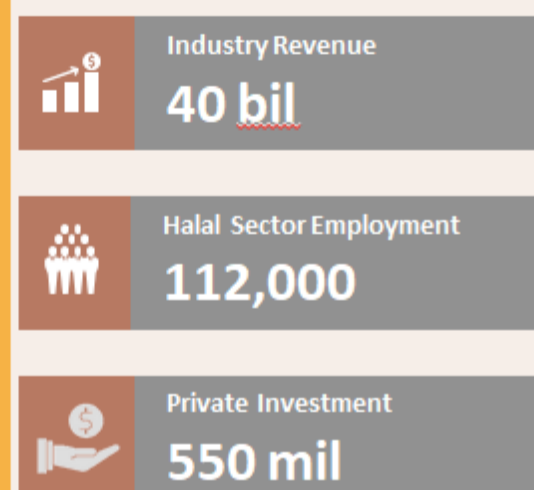
6 Key Result Areas

- Growing Halal Ingredients Industry for Food Services
2 Initiatives
- Expanding Reach and Support for SME Certification Readiness
1 Initiative
- Partnership with Delivery Services to Drive SME Growth
1 Initiative
- Growing Malaysian Halal Food Services Export
1 Initiative
- Strengthening Policies and Governance
1 Initiative
- Business and Consumer Awareness
1 Initiative

17 Interventions

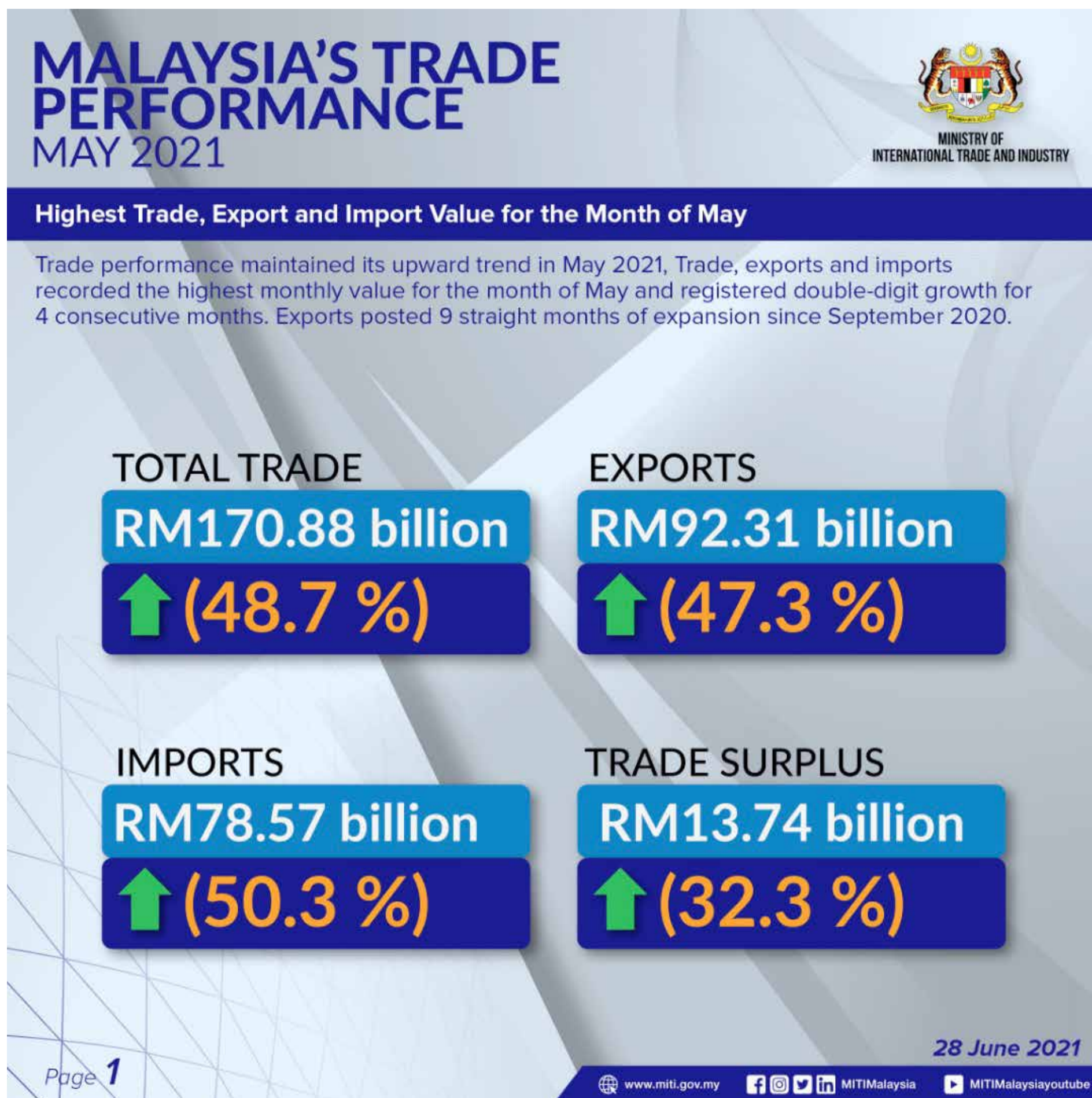
- 9 Policies
- 5 Infrastructure
- 1 Incentives
- 2 Human Capital

Key Outcomes by 2025



TOP 5 EXPORTS & IMPORTS

EXTERNAL TRADE IN MAY 2021 AND TRADE PERFORMANCE FROM JANUARY-MAY 2021.



MALAYSIA'S TRADE PERFORMANCE

MAY 2021



TOP 5 EXPORTS & IMPORTS MARKETS

68.8% OF EXPORTS



70.0% OF IMPORTS

 ASEAN
RM25.66 bil
(49.4%) ↑

 CHINA
RM13.87 bil
(17.7%) ↑

 USA
RM10.39 bil
(46.5%) ↑

 EU
RM7.50 bil
(33.5%) ↑

 JAPAN
RM6.12 bil
(52.6%) ↑

CHINA
RM19.57 bil
↑ (63.6%) 

ASEAN
RM17.67 bil
↑ (61.8%) 

USA
RM6.07 bil
↑ (17.6%) 

EU
RM5.90 bil
↑ (34.4%) 

TAIWAN
RM5.83 bil
↑ (47.6%) 

MALAYSIA'S TRADE PERFORMANCE

MAY 2021



TOP 5 EXPORTS & IMPORTS PRODUCTS

60.5% OF EXPORTS

62.4% OF IMPORTS

E&E PRODUCTS
RM31.56 bil
↑ (34.3%)



PETROLEUM PRODUCTS
RM6.90 bil
↑ (75.1%)



RUBBER PRODUCTS
RM6.31 bil
↑ (133.2%)



PALM OIL AGRICULTURE
RM5.78 bil
↑ (60.5%)



CHEMICAL PRODUCTS
RM5.25 bil
↑ (42.5%)



E&E PRODUCTS
RM24.06 bil
(25.3%) ↑



CHEMICAL PRODUCTS
RM7.85 bil
(53.1%) ↑



PETROLEUM PRODUCTS
RM6.82 bil
(169.7%) ↑



MACHINERY, EQUIPMENT & PARTS
RM6.01 bil
(42.0%) ↑



MANUFACTURES OF METAL
RM4.31 bil
(52.7%) ↑

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MALAYSIA'S TRADE PERFORMANCE

JANUARY-MAY 2021



Trade Performance Continued to Grow at a Robust Pace for January to May 2021

Malaysia registered a stellar trade performance with double-digit growth in trade, exports and imports for January to May 2021 compared to the same period a year ago. Exports and imports to all major markets registered expansion.

TOTAL TRADE

RM867.40 billion

↑ (26 %)

EXPORTS

RM480.09 billion

↑ (31.1 %)

IMPORTS

RM387.31 billion

↑ (20.1 %)

TRADE SURPLUS

RM92.79 billion

↑ (112.2 %)

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MALAYSIA'S TRADE PERFORMANCE

JANUARY-MAY 2021



TOP 5 EXPORTS & IMPORTS MARKETS

69.7% OF EXPORTS



69.2% OF IMPORTS

 ASEAN
RM134.88 bil
(27.0%) ↑

 CHINA
RM71.31 bil
(30.5%) ↑

 USA
RM55.15 bil
(51.5%) ↑

 EU
RM41.95 bil
(35.1%) ↑

 JAPAN
RM31.28 bil
(20.6%) ↑

CHINA
RM90.28 bil
↑ (37.2%) 

ASEAN
RM90.06 bil
↑ (33.4%) 

JAPAN
RM30.58 bil
↑ (27.7%) 

USA
RM28.81 bil
↑ (0.8%) 

EU
RM28.52 bil
↑ (17.6%) 

MALAYSIA'S TRADE PERFORMANCE

JANUARY-MAY 2021



TOP 5 EXPORTS & IMPORTS PRODUCTS

61.4% OF EXPORTS

61.7% OF IMPORTS

E&E PRODUCTS
RM176.55 bil
↑ (31.9%)



RUBBER PRODUCTS
RM34.20 bil
↑ (184.0%)



PETROLEUM PRODUCTS
RM32.81 bil
↑ (14.3%)



CHEMICAL PRODUCTS
RM26.88 bil
↑ (28.5%)



PALM OIL AGRICULTURE
RM24.46 bil
↑ (36.8%)



E&E PRODUCTS
RM118.12 bil
(22.8%) ↑



CHEMICAL PRODUCTS
RM37.42 bil
(24.3%) ↑



PETROLEUM PRODUCTS
RM33.40 bil
(22.9%) ↑



MACHINERY, EQUIPMENT & PARTS
RM27.57 bil
(20.9%) ↑



MANUFACTURES OF METAL
RM22.44 bil
(27.7%) ↑

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TRADE PERFORMANCE FOR MAY 2021 AND THE PERIOD OF JANUARY - MAY 2021

THE HIGHEST TRADE, EXPORTS AND IMPORTS RECORDED FOR THE MONTH OF MAY.



MALAYSIA'S trade performance maintained its upward trend in May 2021 with trade expanding by 48.7% to RM170.88 billion compared to May 2020. Exports surged by 47.3% to RM92.31 billion, the ninth consecutive month of year on-year (y-o-y) expansion since September 2020. Imports rose by 50.3% to RM78.57 billion and trade surplus expanded by 32.3% to RM13.74 billion. Trade, exports and imports recorded the highest monthly value for the month of May and registered double-digit growth for four consecutive months.

The export growth was contributed mainly by robust demand for electrical and electronic (E&E) products mainly semiconductors due to the increasing orders for work-from-home

equipment and digitalisation of businesses, rubber products as well as petroleum products.

All major markets namely ASEAN, China, the United States (US), the European Union (EU) and Japan registered positive export growth. On a month-on-month (m-o-m) basis, trade, exports, imports and trade surplus contracted by 10.4%, 12.6%, 7.8% and 32.5%, respectively.

Trade for the first five months of 2021 grew by 26% to RM867.4 billion, compared to the same period of 2020. Exports rose by 31.1% to RM480.09 billion and imports increased by 20.1% to RM387.31 billion. Trade surplus surged by 112.2% to RM92.79 billion.

EXPORT PERFORMANCE OF MAJOR SECTORS

Robust Export Performance Recorded in All Sectors

In May 2021, exports of all three sectors recorded double-digit growth with almost all products registered increases.

Exports of manufactured goods which accounted for 85.4% of total exports, surged by 45.4% y-o-y to RM78.83 billion and was the sixth consecutive month of double-digit growth. All manufactured products recorded positive growth while strong demand were seen for E&E products, rubber products, petroleum products, manufactures of metal as well as chemicals and chemical products, with exports expanding more than RM1 billion, respectively.

Exports of agriculture goods (8.1% share) grew by 51.7% to RM7.49 billion compared to May 2020 driven mainly by higher exports of palm oil and palm oil-based agriculture Products.

Exports of mining goods (6.1% share) registered double-digit growth for two straight months to reach RM5.66 billion, surged by 76% y-o-y. This was the fastest export growth recorded since October 2011. The expansion was underpinned by higher exports of crude petroleum and liquefied natural gas (LNG). Exports of LNG picked up by 45.2% to RM2.98 billion after registering negative growth since March 2020.

Major exports in May 2021:

- E&E products, valued at RM31.56 billion and constituted 34.2% of total exports, increased by 34.3% from May 2020;
- Petroleum products, RM6.9 billion, 7.5% of total exports, increased by 75.1%;
- Rubber products, RM6.31 billion, 6.8% of total exports, surged by 133.2%;
- Palm oil and palm oil-based agriculture products, RM5.78 billion, 6.3% of total exports, increased by 60.5%; and
- Chemicals and chemical products, RM5.25 billion, 5.7% of total exports, increased by 42.5%.

Compared to April 2021, exports of manufactured, agriculture and mining goods were down by 14%, 4.6% and 0.2%, respectively.

For the period of January to May 2021, exports of manufactured goods expanded by 34.3% to RM418.03 billion compared to the same period of 2020, due to higher exports of E&E products, rubber products, manufactures of metal, chemicals and chemical products, machinery, equipment and parts as well as petroleum products. Exports of agriculture goods was up by 31.8% to RM33.51 billion following higher exports of palm oil and palm oil-based agriculture products. Exports of mining goods was valued at RM26.69 billion, contracted by 2.8% as a result of lower exports of LNG.

TRADE PERFORMANCE WITH MAJOR MARKETS

ASEAN – Double-Digit Growth in Trade, Exports and Imports

In May 2021, trade with ASEAN grew by 54.2% y-o-y to RM43.33 billion, accounting for 25.4% of Malaysia's total trade. Exports sustained double-digit growth since February 2021, increasing by 49.4% to RM25.66 billion. The expansion was contributed by higher exports of E&E products, petroleum products as well as crude petroleum. Imports from ASEAN increased by 61.8% to RM17.67 billion.

Breakdown of exports to ASEAN countries:

- Singapore (RM13.02 billion, increased by 46.2%)
- Thailand (RM4.07 billion, increased by 29.6%)
- Viet Nam (RM3.30 billion, increased by 53%)
- Indonesia (RM2.96 billion, increased by 106%)
- Philippines (RM1.72 billion, increased by 85.6%)
- Brunei (RM363.2 million, increased by 93.8%)
- Cambodia (RM134.2 million, increased by 15.6%)

- Myanmar (RM88.2 million, decreased by 71.6%)
- Lao PDR (RM5.8 million, decreased by 1.2%)

Exports to major markets in ASEAN that recorded expansion were Singapore which increased by RM4.12 billion due to higher exports of E&E products, Thailand (increased by RM930.4 million, crude petroleum), Viet Nam (increased by RM1.14 billion, E&E products), Indonesia (increased by RM1.52 billion, petroleum products) and the Philippines (increased by RM795 million, palm oil and palm oil-based agriculture products).

Compared to April 2021, trade, exports and imports declined by 13%, 15.9% and 8.6%, respectively.

In the first five months of 2021, trade with ASEAN expanded by 29.5% to RM224.94 billion compared to the same period of 2020. Exports to this region rose by 27% to RM134.88 billion buoyed by higher exports of E&E products, chemicals and chemical products, machinery, equipment and parts as well as manufactures of metal. Imports from ASEAN expanded by 33.4% to RM90.06 billion.

China – Double-Digit Export Growth for Seventh Consecutive Month

In May 2021, trade with China rose by 40.8% y-o-y to RM33.44 billion, accounting for 19.6% of Malaysia's total trade. Exports to China recorded the seventh consecutive month of double-digit growth, rising by 17.7% to RM13.87 billion. This was contributed by higher exports of E&E products, LNG, other manufactures especially solid-state storage devices (SSD) as well as chemicals and chemical products. Imports from China grew by 63.6% to RM19.57 billion.

On a m-o-m basis, trade, exports and imports recorded negative growth of 6.1%, 10.2% and 3%, respectively.

Trade with China during the period of January to May 2021 expanded by 34.1% to RM161.6 billion compared to the same period of 2020. Exports

rose by 30.5% to RM71.31 billion attributed to higher exports of E&E products, manufactures of metal as well as LNG. Imports from China increased by 37.2% to RM90.28 billion.

The US – Exports Maintained Double-Digit Growth

Trade with the US in May 2021 increased by 34.3% y-o-y to RM16.46 billion, constituting 9.6% of Malaysia's total trade. Exports rose by 46.5% to RM10.39 billion following higher shipments of manufactured goods especially rubber products, E&E products, optical and scientific equipment, machinery, equipment and parts as well as wood products. This was the 12th consecutive month of double-digit growth since June 2020. Imports from the US expanded by 17.6% to RM6.07 billion.

Compared to April 2021, trade, exports and imports edged down by 9.9%, 14.5% and 0.8%, respectively.

During the first five months of 2021, trade with the US rose by 29.2% to RM83.96 billion compared to the same period of 2020. Exports surged by 51.5% to RM55.15 billion owing to higher exports of rubber products, E&E products, wood products as well as optical and scientific equipment. Imports from the US were up by 0.8% to RM28.81 billion.

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

Trade with the EU which accounted for 7.8% of Malaysia's total trade in May 2021 expanded by 33.9% y-o-y to RM13.4 billion. Exports recorded six consecutive months of double-digit expansion, increased by 33.5% to RM7.5 billion driven by higher exports of rubber products, E&E products and manufactures of metal. Imports from the EU rose by 34.4% to RM5.9 billion.

Breakdown of exports to the top 10 EU markets which accounted for 90.7% of Malaysia's total exports to the EU were:

- Netherlands (RM2.35 billion, increased by 46.6%)
- Germany (RM2.04 billion, increased by 25.3%)
- Italy (RM485.8 million, increased by 40.6%)
- Belgium (RM409.4 million, increased by 55.7%)
- France (RM358.3 million, increased by 0.4%)
- Spain (RM350.2 million, increased by 18.8%)
- Slovenia (RM240.0 million, increased by 175.6%)
- Poland (RM236.2 million, increased by 58%)
- Czech Republic (RM168.1 million, decreased by 4.8%)
- Sweden (RM167.0 million, increased by 103.3%)

Exports to the EU major markets that recorded growth notably the Netherlands, which increased by RM745 million due to higher exports of E&E products and Germany, expanded by RM412.3 million attributed to growing demand for rubber products.

On a month-on-month basis, trade, exports and imports were down by 10%, 15.2% and 2.4%, respectively.

During January to May 2021, trade with the EU expanded by 27.4% to RM70.47 billion from the same period of 2020. Exports grew by 35.1% to RM41.95 billion supported by higher exports of rubber products and E&E products. Imports from the EU increased by 17.6% to RM28.52 billion.

Japan – Fourth Consecutive Month of Export Expansion

In May 2021, trade with Japan which comprised 6.9% of Malaysia's total trade increased by 47.7% y-o-y to RM11.78 billion. Exports surged by 52.6% to RM6.12 billion, the fourth straight month of expansion since February 2021. This was buoyed by higher exports of E&E products, LNG, manufactures of metal and

rubber products. Exports of LNG rebounded by 64.3% to RM1.38 billion after registering negative growth since January 2021. Imports from Japan grew by 42.7% to RM5.66 billion. On a m-o-m basis, trade, exports and imports decreased by 11%, 1.4% and 19.4%, respectively.

For the period of January to May 2021, trade with Japan was up by 24% to RM61.86 billion compared to the same period of 2020. Exports rose by 20.6% to RM31.28 billion on account of higher exports of E&E products, rubber products and manufactures of metal. Imports from Japan expanded by 27.7% to RM30.58 billion.

Trade with FTA Partners

In May 2021, trade with Free Trade Agreement (FTA) partners which made up 67.8% of Malaysia's total trade increased by 51.8% y-o-y to RM115.8 billion. Exports to FTA partners rose by 46.6% to RM62.67 billion and imports expanded by 58.5% to RM53.13 billion.

An increase in exports was recorded to Hong Kong SAR, by 20.6% to RM4.99 billion due to higher exports of E&E products, India (increased by 405.3% to RM3.77 billion, palm oil and palm oil-based agriculture products), Australia (increased by 102.7% to RM3.21 billion, petroleum products), the Republic of Korea (increased by 33.6% to RM3.14 billion, iron and steel products), Turkey (increased by 139.6% to RM1.2 billion, manufactures of metal), Pakistan (increased by 53.7% to RM406.4 million, chemicals and chemical products), New Zealand (increased by 54.7% to RM230.7 million, E&E products) and Chile (increased by 91.7% to RM82.3 million, rubber products).

Compared to April 2021, trade, exports and imports reduced by 9%, 10.5% and 7.2%, respectively.

Trade with FTA partners for the first five months of 2021 which accounted for 67.1% of Malaysia's total trade rose by 26.2% to RM582.03 billion compared to the same period of 2020. Exports expanded by 27.4% to RM321.28 billion and imports grew by 24.6% to RM260.75 billion.

Import Performance

Total imports in May 2021 expanded by 50.3% y-o-y to RM78.57 billion from May 2020. The three main categories of imports by end-use which accounted for 80.2% of total imports were:

- **Intermediate goods**, valued at RM46.93 billion or 59.7% of total imports, increased by 52.4%, following higher imports of processed industrial supplies particularly iron and steel;
- **Capital goods**, valued at RM8.92 billion or 11.4% of total imports, grew by 34%, due mainly to higher imports of capital goods (except transport equipment), primarily parts of machinery and mechanical appliances; and

- **Consumption goods**, valued at RM7.14 billion or 9.1% of total imports, rose by 37.8%, as a result of higher imports of durables, especially jewellery.

During January to May 2021, imports increased by 20.1% to RM387.31 billion from the same period of 2020. Imports of **intermediate goods** grew by 22.7% to RM214.82 billion, **capital goods** (RM41.4 billion, increased by 5.9%) and **consumption goods** (RM34.26 billion, increased by 19%).

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 Friday, 2nd July 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 May 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 of 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 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	<u>Total Exports</u> (RM Million)	<u>Total Imports</u> (RM Million)	<u>Trade Balance</u> (RM Million)	<u>Total Trade</u> (RM Million)
2020^P				
January	84,114.1	72,081.0	12,033.1	156,195.1
February	74,451.0	61,831.6	12,619.4	136,282.6
March	80,118.9	67,804.8	12,314.1	147,923.7
April	64,786.6	68,420.2	-3,633.6	133,206.9
May	62,649.6	52,262.9	10,386.7	114,912.5
June	82,819.5	61,966.0	20,853.5	144,785.5
July	92,559.0	67,383.2	25,175.8	159,942.1
August	79,129.8	65,914.5	13,215.2	145,044.3
September	88,905.4	66,956.6	21,948.8	155,862.1
October	91,051.7	68,926.8	22,124.9	159,978.6
November	84,661.0	67,607.6	17,053.5	152,268.6
December	95,732.4	75,038.9	20,693.5	170,771.3
2020 (Jan-Dec) ^P	980,979.1	796,194.1	184,785.0	1,777,173.1
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	92,313.5	78,570.4	13,743.1	170,883.9
<i>Change m-o-m (%)</i>	-12.6	-7.8	-32.5	-10.4
<i>Change y-o-y (%)</i>	47.3	50.3	32.3	48.7
Jan-May 2020 ^P	366,120.2	322,400.5	43,719.8	688,520.7
Jan-May 2021^P	480,093.9	387,308.8	92,785.1	867,402.6
<i>Change y-o-y (%)</i>	31.1	20.1	112.2	26.0

Note: Total may not add up due to rounding

TABLE 2: MAJOR EXPORT PRODUCTS (MAY)

Products	May 2021 ^P	Apr 2021 ^P	May 2020 ^P	Change m-o-m	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Exports	92,313.5	105,590.2	62,649.6	-12.6	47.3
E&E Products	31,558.1	37,042.9	23,501.8	-14.8	34.3
Petroleum Products	6,899.7	9,929.7	3,941.0	-30.5	75.1
Rubber Products	6,308.6	7,520.3	2,705.3	-16.1	133.2
Palm Oil & Palm Oil-Based Agriculture Products	5,784.8	5,942.6	3,604.6	-2.7	60.5
Chemicals & Chemical Products	5,251.8	5,423.3	3,684.2	-3.2	42.5
Manufactures of Metal	4,770.6	4,668.7	2,627.3	2.2	81.6
Machinery, Equipment & Parts	3,662.1	4,479.2	2,676.4	-18.2	36.8
Optical & Scientific Equipment	3,467.2	4,076.0	2,683.5	-14.9	29.2
LNG	2,984.8	2,820.7	2,055.7	5.8	45.2
Iron & Steel Products	2,268.8	2,517.4	1,675.7	-9.9	35.4

TABLE 3: MAJOR EXPORT MARKETS (MAY)

Markets	May 2021 ^P	Apr 2021 ^P	May 2020 ^P	Change m-o-m	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Exports	92,313.5	105,590.2	62,649.6	-12.6	47.3
China	13,870.2	15,450.3	11,782.1	-10.2	17.7
Singapore	13,016.3	15,539.8	8,900.1	-16.2	46.2
USA	10,388.1	12,150.3	7,091.1	-14.5	46.5
Japan	6,118.1	6,202.5	4,009.5	-1.4	52.6
Hong Kong SAR	4,989.1	5,933.8	4,136.7	-15.9	20.6
Thailand	4,069.8	4,522.5	3,139.4	-10.0	29.6
India	3,767.5	3,671.2	745.7	2.6	405.3
Viet Nam	3,298.4	3,979.2	2,155.8	-17.1	53.0
Australia	3,212.4	3,237.4	1,584.7	-0.8	102.7
ROK	3,140.1	2,835.1	2,349.5	10.8	33.6

TABLE 4: MAJOR EXPORT PRODUCTS (JANUARY- MAY)

Products	Jan-May 2021 ^P	Jan-May 2020 ^P	Change
	RM Million	RM Million	%
Total Exports	480,093.9	366,120.2	31.1
E&E Products	176,553.4	133,820.5	31.9
Rubber Products	34,198.8	12,040.4	184.0
Petroleum Products	32,812.0	28,713.5	14.3
Chemicals & Chemical Products	26,876.8	20,909.8	28.5
Palm Oil & Palm Oil-Based Agriculture Products	24,463.9	17,884.5	36.8
Manufactures of Metal	22,226.7	13,165.9	68.8
Machinery, Equipment & Parts	19,514.1	14,260.6	36.8
Optical & Scientific Equipment	18,334.7	14,406.7	27.3
LNG	13,530.3	15,619.6	-13.4
Palm Oil-based Manufactured Products	11,091.9	8,676.8	27.8

TABLE 5: MAJOR EXPORT MARKETS (JANUARY-MAY)

Markets	Jan-May 2021 ^P	Jan-May 2020 ^P	Change
	RM Million	RM Million	%
Total Exports	480,093.9	366,120.2	31.1
China	71,314.3	54,653.9	30.5
Singapore	69,144.4	53,755.2	28.6
USA	55,153.6	36,396.6	51.5
Japan	31,280.7	25,931.9	20.6
Hong Kong SAR	29,126.5	24,486.3	18.9
Thailand	20,792.7	17,722.6	17.3
Viet Nam	18,213.8	11,082.9	64.3
India	16,559.1	9,326.9	77.5
Taiwan	15,337.2	12,949.5	18.4
ROK	14,790.6	14,652.9	0.9

TABLE 6: MAJOR IMPORT PRODUCTS (MAY)

Products	May 2021 ^P	Apr 2021 ^P	May 2020 ^P	Change m-o-m	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Imports	78,570.4	85,231.3	52,262.9	-7.8	50.3
E&E Products	24,058.2	24,467.0	19,207.0	-1.7	25.3
Chemicals & Chemical Products	7,850.7	8,056.5	5,128.9	-2.6	53.1
Petroleum Products	6,820.5	8,978.8	2,528.7	-24.0	169.7
Machinery, Equipment & Parts	6,010.4	5,894.5	4,233.9	2.0	42.0
Manufactures of Metal	4,312.9	4,682.1	2,823.8	-7.9	52.7
Iron & Steel Products	3,027.5	2,883.2	1,390.6	5.0	117.7
Transport Equipment	2,652.7	3,247.1	1,520.3	-18.3	74.5
Optical & Scientific Equipment	2,183.3	2,381.9	1,806.5	-8.3	20.9
Processed Food	1,735.1	2,031.2	1,652.1	-14.6	5.0
Rubber Products	1,653.4	1,565.9	424.1	5.6	289.9

TABLE 7: MAJOR IMPORT SOURCES (MAY)

Sources	May 2021 ^P	Apr 2021 ^P	May 2020 ^P	Change m-o-m	Change y-o-y
	RM Million	RM Million	RM Million	%	%
Total Imports	78,570.4	85,231.3	52,262.9	-7.8	50.3
China	19,572.7	20,179.0	11,964.6	-3.0	63.6
Singapore	7,286.6	8,425.1	4,694.5	-13.5	55.2
USA	6,069.3	6,117.5	5,163.0	-0.8	17.6
Taiwan	5,834.7	6,052.1	3,953.3	-3.6	47.6
Japan	5,657.0	7,022.6	3,963.1	-19.4	42.7
ROK	3,878.5	3,605.5	2,138.5	7.6	81.4
Indonesia	3,822.9	4,363.6	2,219.9	-12.4	72.2
Thailand	3,710.5	3,576.3	2,165.1	3.8	71.4
India	2,319.6	2,744.3	1,548.1	-15.5	49.8
Germany	2,164.0	2,037.6	1,910.0	6.2	13.3

TABLE 8: MAJOR IMPORT PRODUCTS (JANUARY-MAY)

Products	Jan-May 2021 ^P	Jan-May 2020 ^P	Change
	RM Million	RM Million	%
Total Imports	387,308.8	322,400.5	20.1
E&E Products	118,120.3	96,198.8	22.8
Chemicals & Chemical Products	37,424.8	30,111.7	24.3
Petroleum Products	33,395.6	27,178.0	22.9
Machinery, Equipment & Parts	27,568.4	22,803.4	20.9
Manufactures of Metal	22,437.9	17,567.7	27.7
Transport Equipment	14,234.5	20,026.9	-28.9
Iron & Steel Products	12,890.3	10,291.6	25.2
Optical & Scientific Equipment	10,785.2	8,627.0	25.0
Processed Food	9,474.2	8,743.4	8.4
Rubber Products	7,683.5	2,857.8	168.9

TABLE 9: MAJOR IMPORT SOURCES (JANUARY-MAY)

Sources	Jan-May 2021 ^p	Jan-May 2020 ^p	Change
	RM Million	RM Million	%
Total Imports	387,308.8	322,400.5	20.1
China	90,284.2	65,825.4	37.2
Singapore	37,295.2	28,753.6	29.7
Japan	30,583.9	23,955.2	27.7
USA	28,810.9	28,591.9	0.8
Taiwan	28,129.3	22,130.2	27.1
Indonesia	20,350.9	14,391.0	41.4
Thailand	18,696.5	12,697.7	47.2
ROK	18,307.2	25,524.1	-28.3
India	11,349.5	9,777.6	16.1
Germany	10,172.7	9,854.6	3.2

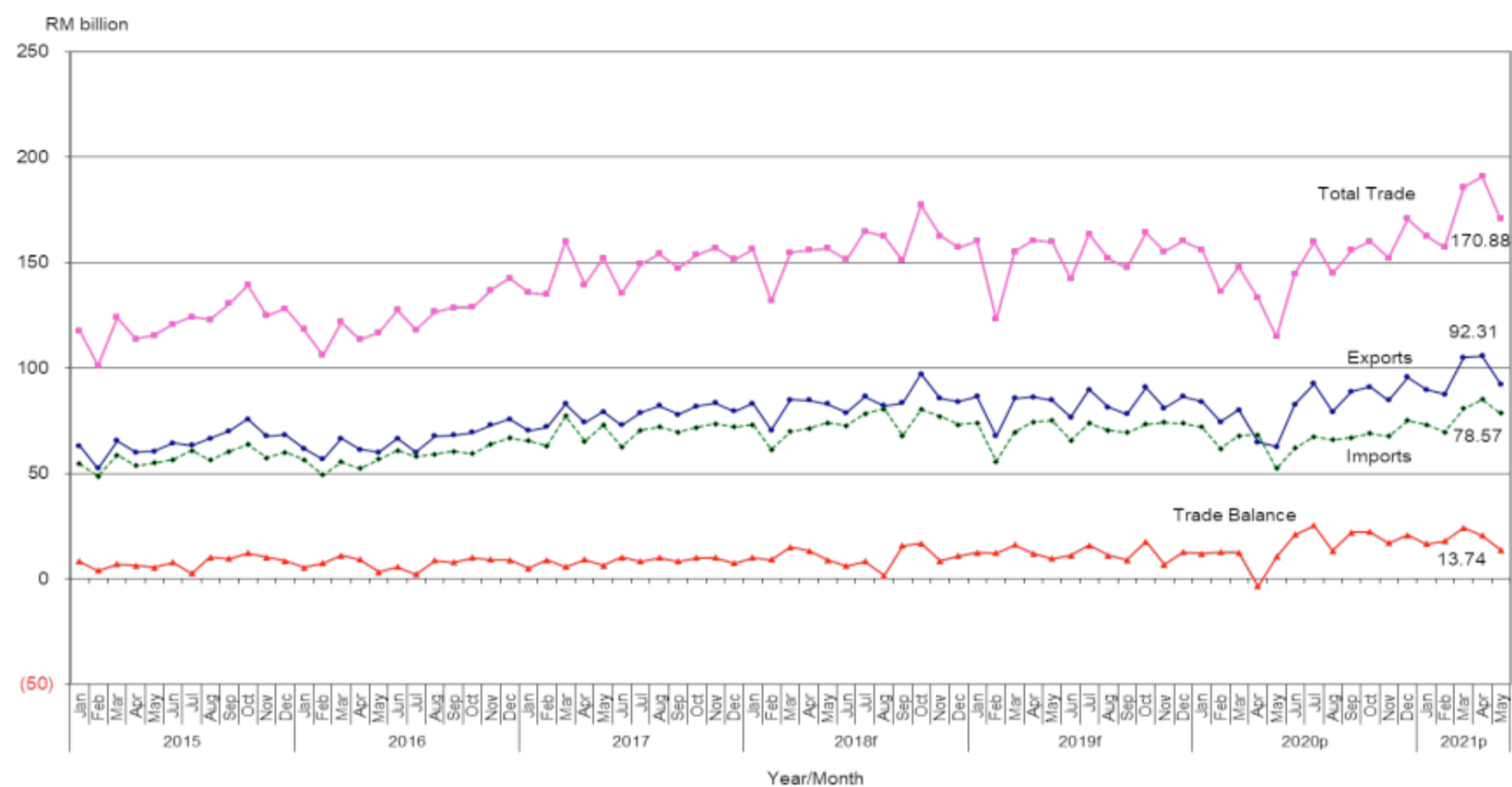
Source: Department of Statistics, Malaysia

Tabulated by: MATRADE

Notes:

p - provisional data

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

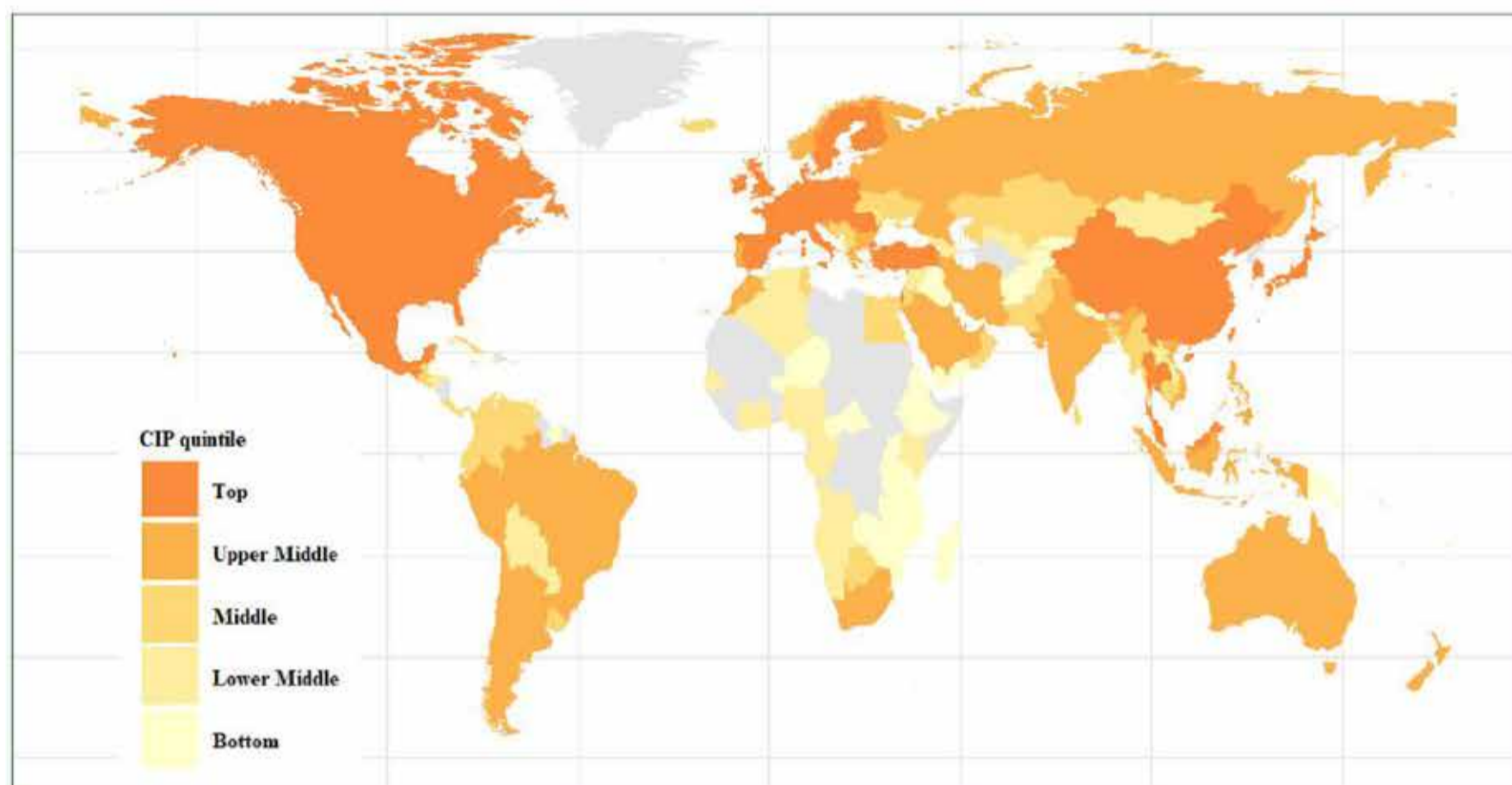


COMPETITIVE INDUSTRIAL PERFORMANCE (CIP) INDEX FOR THE YEAR 2020

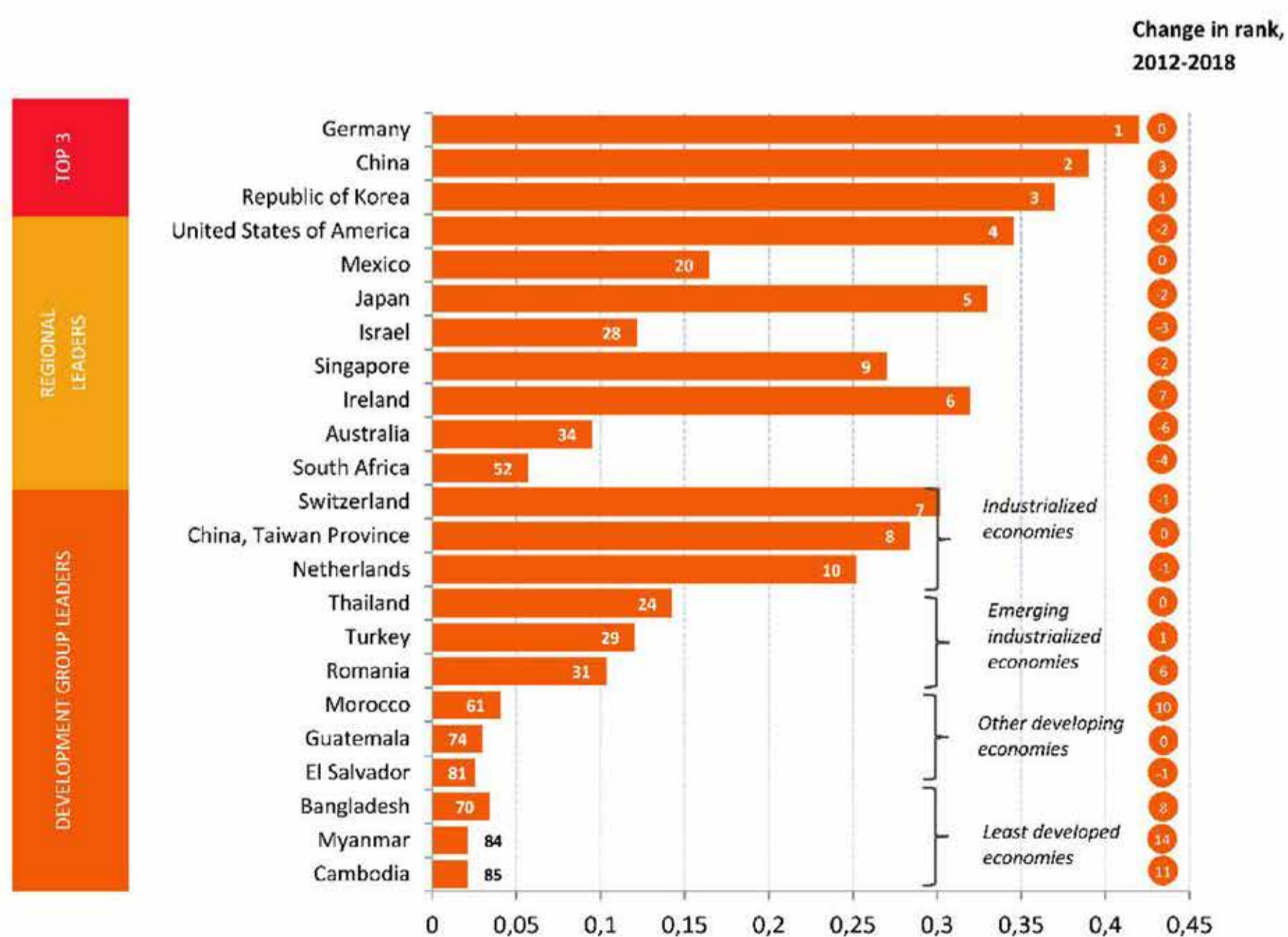
		Industrialized economies	Other developing economies				
		Emerging industrial economies	Least developed countries				
Quintile	Rank 2018	Economy	Score	Rank 2017	Rank 2012	Change 2017-2018	Change 2012-2018
Top	1	Germany	0,4709	1	1	0 ↔	0 ↔
Top	2	China	0,3716	2	5	0 ↔	3 ↑
Top	3	Republic of Korea	0,3488	3	4	0 ↔	1 ↑
Top	4	United States of America	0,3454	4	2	0 ↔	-2 ↓
Top	5	Japan	0,3445	5	3	0 ↔	-2 ↓
Top	6	Ireland	0,3304	6	13	0 ↔	7 ↑
Top	7	Switzerland	0,302	7	6	0 ↔	-1 ↓
Top	8	China, Taiwan Province	0,2841	8	8	0 ↔	0 ↔
Top	9	Singapore	0,2591	9	7	0 ↔	-2 ↓
Top	10	Netherlands	0,252	10	9	0 ↔	-1 ↓
Top	11	Italy	0,2443	11	11	0 ↔	0 ↔
Top	12	Belgium	0,2419	12	12	0 ↔	0 ↔
Top	13	France	0,2371	13	10	0 ↔	-3 ↓
Top	14	Austria	0,2051	15	16	1 ↑	2 ↑
Top	15	United Kingdom	0,2049	14	14	-1 ↓	-1 ↓
Top	16	Czechia	0,2019	16	18	0 ↔	2 ↑
Top	17	Sweden	0,1953	17	15	0 ↔	-2 ↓
Top	18	Spain	0,1811	19	19	1 ↑	1 ↑
Top	19	Canada	0,1792	18	17	-1 ↓	-2 ↓
Top	20	Mexico	0,1644	20	20	0 ↔	0 ↔
Top	21	Denmark	0,1617	21	21	0 ↔	0 ↔
Top	22	Poland	0,1587	23	26	1 ↑	4 ↑
Top	23	Malaysia	0,156	22	22	-1 ↓	-1 ↓
Top	24	Thailand	0,1425	24	24	0 ↔	0 ↔
Top	25	Finland	0,1413	25	23	0 ↔	-2 ↓
Top	26	Slovakia	0,1403	26	29	0 ↔	3 ↑
Top	27	Hungary	0,1388	27	27	0 ↔	0 ↔
Top	28	Israel	0,1213	28	25	0 ↔	-3 ↓
Top	29	Turkey	0,1206	29	30	0 ↔	1 ↑
Top	30	Slovenia	0,107	30	34	0 ↔	4 ↑
Top	31	Romania	0,1034	31	37	0 ↔	6 ↑
Upper Middle	32	Russian Federation	0,0972	33	31	1 ↑	-1 ↓
Upper Middle	33	Portugal	0,0971	34	36	1 ↑	3 ↑
Upper Middle	34	Australia	0,0949	32	28	-2 ↓	-6 ↓
Upper Middle	35	United Arab Emirates	0,0892	37	47	2 ↑	12 ↑
Upper Middle	36	Norway	0,0842	35	32	-1 ↓	-4 ↓
Upper Middle	37	Saudi Arabia	0,0837	39	35	2 ↑	-2 ↓
Upper Middle	38	Viet Nam	0,08	41	57	3 ↑	19 ↑
Upper Middle	39	Indonesia	0,08	38	41	-1 ↓	2 ↑
Upper Middle	40	Brazil	0,0786	36	33	-4 ↓	-7 ↓
Upper Middle	41	Lithuania	0,0785	40	43	-1 ↓	2 ↑
Upper Middle	42	India	0,0777	42	44	0 ↔	2 ↑
Upper Middle	43	Philippines	0,0673	43	53	0 ↔	10 ↑
Upper Middle	44	New Zealand	0,0648	44	45	0 ↔	1 ↑
Upper Middle	45	Qatar	0,0633	47	39	2 ↑	-6 ↓
Upper Middle	46	Luxembourg	0,0632	46	51	0 ↔	5 ↑
Upper Middle	47	Belarus	0,0631	48	40	1 ↑	-7 ↓
Upper Middle	48	Estonia	0,0599	52	52	4 ↑	4 ↑
Upper Middle	49	Greece	0,0596	51	50	2 ↑	1 ↑
Upper Middle	50	Chile	0,0583	49	49	-1 ↓	-1 ↓
Upper Middle	51	Bahrain	0,0577	53	46	2 ↑	-5 ↓
Upper Middle	52	South Africa	0,0568	50	48	-2 ↓	-4 ↓


Source: <http://www.unido.org/>

DISTRIBUTION OF CIP SCORES (QUINTILES) ON THE WORLD MAP, 2018



SCORES AND RANKS OF THE TOP PERFORMING COUNTRIES IN THE CIP INDEX






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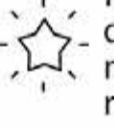


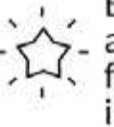
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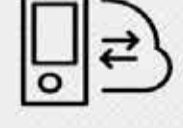
Develop Intervention Proposal

6



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7



Implement the Intervention Plan

Enquiries

- General: i4.0@miti.gov.my
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TWO NEW ACCREDITATION PROGRAMMES TO ENHANCE NATIONAL QUALITY INFRASTRUCTURE

DEPARTMENT OF STANDARDS MALAYSIA LAUNCHED TWO NEW PROGRAMMES TO SUPPORT THE ENHANCEMENT OF THE ECONOMIC GROWTH AND SOCIETAL WELL-BEING.

DEPARTMENT of Standards Malaysia (Standards Malaysia) as the National Accreditation Body provides credible accreditation services to laboratories, inspection & certification bodies for greater market access and global recognition for technical competence and quality assurance. *Accreditation enhances quality of results by ensuring their traceability, comparability validity and commutability.*

On 21st December 2020, Standards Malaysia has officially launched two new accreditation programmes under the Scheme for the Accreditation of Certification Bodies:

1. Business Continuity Management Systems (BCMS)
2. Road Transport Safety Management Systems (RTSMS)

BCMS accreditation programme aims to accredit certification bodies that certify organisations based on standard ISO 22301:2019 standards – Security and resilience – Business continuity management systems – Requirements. This standard will help the organisation to prepare and ensure that its critical business function can continue in the event of an unexpected incident. ISO 22301 outlines the need to plan, create, implement, operate, monitor, evaluate, maintain and continuously improve a

management system to maintain, reduce the likelihood of occurrence, be prepared, respond and recover after unforeseen incidents. The implementation of BCMS in organisations can help organisations to respond quickly based on emergency plans and recovery plans that have been developed as a result of contingency incident management systems.

For RTSMS, this accreditation programme will aim to accredit certification bodies that certify organisations based on the ISO 39001:2012– Road traffic safety (RTS) management systems– Requirements with guidance for use. The certification against ISO 39001:2012 ensures that the organisations that interact with the road traffic system have implemented a management system that aims to reduce the risk of deaths and serious injuries resulting from accidents.

Standards Malaysia hopes that by launching these two new programmes, Standards Malaysia is able to continually support the enhancement of economic growth and societal well-being. Despite the worsening COVID-19 situation now, Standards Malaysia continues to provide excellent services to our stakeholders and Malaysians as a whole. Kindly reach us at www.jsm.gov.my for more information.

“Standards & Accreditation: 25 Years of Excellence”

MULTIFACETED FUNCTIONS OF BEHAVIOURAL INSIGHTS

TAKING A DEEPER LOOK AT WHAT MAKES US TICK AND HOW BEHAVIOURAL INSIGHTS CAN BETTER OUR LIVES.



BEHAVIOURAL INSIGHTS AND ITS ROLE IN WORKPLACE SAFETY

Across the world, workplace-related injuries are estimated by the International Labor Organisation to cause millions of injuries and hundreds of thousands of deaths each year. In Malaysia, the most dangerous jobs fall in the fields of construction, manufacturing, agriculture, forestry and fishing. According to data from the Department of Occupational Safety and Health, Malaysia recorded 42,513 accidents in 2017, of which 711 were fatal.

A high prevalence of occupational hazards has knock-on effects on society. The common phrasing of 3D jobs is one example. Dirty, Dangerous and Demeaning (3D) jobs are no longer sought after by locals, which in turn creates vacancies that are mostly filled by migrant workers from lower-income countries. Apart from this, workplace accidents reduce productivity, stall progress and increase costs for both businesses and the government. In 2017, an estimated RM2.7 billion was disbursed by PERKESO, our national social security protection agency. Therefore, ensuring that our workplaces are safe for workers is an important shared goal for businesses, governments and employees.

The field of behavioural insights can offer strategies into how workplace safety can be improved. Drawing from observations that workers are faced with behavioural 'bottle-necks,' behavioural insights can be incorporated into training manuals, standard operating procedures or other workplace-related policies. Also, behavioural insights recognise that our environment influences how we behave. As such, incorporating reminders or visual cues in the workplace itself can have a positive impact on workplace safety. Together, behavioural insights have a role in improving workplace safety by facilitating behavioural changes that will help reduce occupational hazards. However, what would this look like on the ground?

Here, we can draw from a range of case studies related to workplace safety published by the OECD and the Behavioural Insights Team (BIT) in the United Kingdom. These case studies demonstrate how behavioural insights have had a positive impact on reducing workplace accidents and changing worker behaviours.

One central insight from observing workers in their respective environments is that they are faced with a large number of tasks, decisions and stimuli. For example, a factory worker needs to keep track of his role on the production line, whilst ensuring that goods pass quality control. Similarly, construction workers operate in busy environments, having to perform multiple different tasks throughout a day. In the field of behavioural insights, a person's ability to process information and make rational decisions is negatively affected when there is, to put it simply, too much going on. Behavioural scientists term this cognitive overload – where having too many tasks can lead to errors and in turn, workplace-related accidents.

As such, workplace-safety initiatives should be designed for simplicity. Straightforward procedures and guidelines will ease the cognitive load and workers to improve compliance with safety standards. For instance, a study conducted by BIT assessed a workplace issuing a safety checklist with over 100 items. The length of the checklist dissuaded employees, and BIT found

that staff would photocopy checklists that had been filled out rather than go through them each time the task was performed. Simplifying procedures is one of the most effective ways of increasing uptake. For example, another study by BIT cited that removing one click from the process of submitting an online tax return increased response rates by 17%.

Another key strategy from behavioural insight studies is to make it attractive to perform the behaviour. In the workplace, this can include simple tweaks such as having color coded markings for equipment in hospital operating rooms to making sure safety equipment is closest to where workers will need to use them. In China, a garment factory was struggling with the number of cloth scraps thrown on to the factory floor which increased the risk of accidents. Managers tried installing rubbish bins closer to workstations or penalising employees but were unsuccessful.

Ultimately, a nudge was designed to place a gold coin sticker, a symbol of good fortune in China, on the floor next to factory workers. Upon seeing the gold coin, workers reduced the number of cloth scraps thrown on the factory floor by approximately 20%. Using context-specific nudges such as the gold coin can be more effective than traditional workplace safety methodologies such as reminders, checklists or fines.

Other strategies for increasing workplace safety include using the power of social norms to demonstrate that most workers perform the desired behaviour, such as wearing safety equipment, to increase compliance. Providing personalised feedback to workers has also proved effective, with a study in Kenya demonstrating that evaluating the driving behaviour of bus drivers led to reduced average and maximum speeds.

In conclusion, the field of behavioural insights has shown promising results in the field of workplace safety. By focusing on workers and their 'cognitive load,' and ensuring that safe operating procedures are attractive and

straightforward to perform, governments and businesses address underlying issues that yield positive outcomes. Indeed, workplaces that adopt insights as part of their strategy in workplace safety may find that workers are more responsive to safety guidelines that take into account behavioural bottlenecks as well as environmental influences in their day-to-day operations.



HOW BEHAVIOURAL INSIGHTS CAN HELP PROMOTE SUSTAINABLE CONSUMPTION

Sustainability is a complex and multifaceted issue for governments to tackle. For instance, to regulate pollution, governments can issue carbon taxes, greater regulations for pollution producers or subsidise alternative energy sources. Recently, we have seen the growth of green financing models, where the financial sector looks towards environmentally friendly development initiatives, industries and projects. Besides, governments can restrict development by gazetting forests, lakes and other natural ecosystems to act as carbon sinks. In addition to these strategies, however, a growing body of evidence suggests that there is a missing piece of the puzzle; consumer behaviour.

A strategy that addresses the consumption factor, which ranges from household goods, food, utilities such as electricity and water usage and transport to name a few, asks if sustainable consumption behaviours can have a positive effect on the environment. If so, how might governments begin to nudge citizens

to consume sustainably? Here, the field of behavioural insights offers a glimpse into how public policy can be designed to encourage citizens to consume responsibly. However, focusing on consumer behaviour is difficult for some reasons.

Firstly, the consequences of unsustainable consumption or overconsumption are difficult to grasp. How many times in our own lives have we left the lights on, or water running in our own homes? How do we think through what products to purchase at grocery stores? Or how strict are we about separating our trash, or sending plastic, paper and glass refuse to recycle centres? Furthermore, practising sustainable consumption might not seem relevant on an individual level. For instance, studies have shown that when asked about climate change, most people agree that it is an issue that affects other people, in other places more significantly. This suggests that individuals are less likely to act sustainably, seeing as the issue does not directly affect them.

These examples suggest that unsustainable consumer behaviour is enabled by a lack of information that allows consumers to understand the impact their consumption choices have on the environment, and a lack of understanding of how sustainable practices have benefited themselves, their communities and their environment.

Public services around the world have taken note of such tendencies and designed policies and behavioural interventions that seek to influence such belief systems, values and ultimately behaviours. By focusing on consumer behaviour, governments are pursuing new strategies to tackle the issue of sustainability. But how has this played out on the field? Some examples of successful interventions are considered below. Consumption of public utilities such as water and electricity are two central areas where behavioural insights can promote sustainable consumption. When attempting to reduce electricity consumption, policymakers can consider several strategies.



The first is personalisation. Making the effects of electricity consumption apparent to citizens creates a sense of personal responsibility that can help spur action.

For instance, in the state of California, households were sent utility bills with details about the health impacts of their electricity usage. Factors such as increased neighbourhood pollution, greater chances of childhood asthma and cancer due to overconsumption of electricity were outlined. By outlining the localised effects of electrical overconsumption, households reduced their energy consumption by an average of 8%; however, households with children saw the greatest decrease, with a reduction of around 19%. In this example, emphasising the personal impact of energy consumption led to a greater sense of responsibility in managing their energy usage.

In addressing water usage, a core strategy of the behavioural insights field is to leverage the power of social norms. In Costa Rica, the World Bank piloted an intervention that sent household letters comparing their water usage to the local neighbourhood with a smiley face sticker if the household's water consumption

was below average and a frowny face sticker if it was above the neighbourhood average. The intervention was designed for households to compare their usage to their immediate peers and work towards reducing water consumption. This low-cost intervention, coupled with public outreach resulted in an average 4.6% reduction in water consumption.

In Malaysia, our public consumption of water and electricity utilities remains the highest amongst our ASEAN neighbours. Partly because of the highly subsidised rates, Malaysian consume an average of 4286kWh per capita in comparison to an ASEAN average of 3049kWh. Similarly, Malaysians consumed 266 litres per capita per day in comparison to 155 litres in Singapore and 90 litres in Thailand. Should we draw inspiration from the programmes initiated in Costa Rica and California, modest reductions in water and electricity usage will have multiplier effects if applied across the population.

These examples indicate that when addressing the issue of sustainability, it is important to consider small changes that can have a great impact if scaled across the population. Using behavioural insights to nudge citizens to consume sustainably is a strategy that appreciates that behaviours can be nudged, and that policy can be designed to support sustainability initiatives alongside traditional instruments such as regulations, taxes or penalties.

USING BEHAVIOURAL INSIGHTS AT HOME AND IN THE CLASSROOM TO IMPROVE LEARNING OUTCOMES

Governments around the world invest in education for its role in furthering social and economic progress. A well-educated society is the cornerstone of a developed country, and a robust education system positively influences productivity, creativity, and technological advancement. In Malaysia, our educational system is improving, in the most recent PISA rankings, Malaysian students marked improvements in Science, Mathematics, and Reading literacies.

Such progress is reflective of investments in education. According to World Bank Data, in 2019 the Malaysian government spent 4.16% of Gross Domestic Product (GDP) on education. In comparison, ASEAN spends an average of 3.2% of GDP on education.

However, a closer examination of the 2019 education budget reveals where such funding was directed. According to Budget 2021, government spending was focused on textbooks, food assistance, and school infrastructure upgrading. Broadly, it is useful to think of educational outcomes as driven by two important aspects. There are structural issues, such as classroom size, school infrastructure, textbooks, and the student: teacher ratios that need to be at an adequate level. Beyond this, however, are 'softer' issues, which include student motivation, teacher effectiveness, and parental guidance that also play an important role. Increasingly, the field of behavioural insights is contributing to the second half of the equation. By promoting certain behaviours, ongoing research suggests that teachers, parents, and students can improve learning outcomes.

Indeed, a key study conducted by the Pearson and the Behavioural Insights Team (BIT) in the UK outlines that by applying behavioural insights into the classroom and at home, teachers, students, and parents can shape learning outcomes in a positive direction. By introducing techniques, practices, and mental models that help frame and improve the experience of learning, behavioural insights are gaining credibility as an investment for governments. But how does this play out in schools, classrooms, and at home? Some examples are explored below.

The study outlines three major focus areas. The application of behavioural insights is segmented into its use at home, in the classroom, and for school management purposes. In exploring the use of behavioural insights at home, the study suggests that learning is an attitude that can be cultivated from a young age. In this, the study leans on the research done on mindset theory,

which is understood as the relationship between an individual's mindset and its relationship to success in areas ranging from health, relationships, and education. Pioneered by Professor Carol Dweck from Stanford University, mindset theory differentiates between two kinds of mindsets.

The first is termed a fixed mindset, where individuals believe that they are born with a fixed set of skills, competencies, and abilities, which remain more or less the same throughout a lifetime. The second is termed a 'growth mindset', where individuals believe that our abilities and talents are determined more by the amount of effort we put into practice. The crucial difference between the two is the belief that greater effort will yield results. As such, parents who cultivate growth mindsets in their children when they are faced with a suboptimal result; a loss in a sports game, a bad grade in an exam, or difficulty in learning an instrument, are cultivating a lifelong behavioural system that will equip children to face challenges by believing that results are not a function of innate abilities but rather of hard work, perseverance and effort.

Another similar exercise suggests that children who take time to reflect on abstract concepts in the classroom with their classmates perform better in class. Initiated by The Philosophy for Children (P4C) program, teachers are encouraged to start classes by watching a video or reading a text on a concept such as 'truth,' 'fairness' or 'society.' Following this, students are given time to reflect and come up with questions that will guide the discussion in the classroom. Teachers help to guide students in their questions and ensure that every student has a chance to contribute. Studies measuring its effectiveness in classrooms in the UK and Madrid have demonstrated that students that underwent the program showed a greater likelihood of helping others, improved cognitive ability, and gained approximately two months' worth of progress in reading literacies.

Other examples of incorporating behavioural insights into the classroom provide strategies for giving students effective feedback, facilitating peer learning and group discussion as well as encouraging students to combat negative attitudes and stereotypes of themselves. What they share in common is their focus on soft skills such as communication, teamwork, and perseverance alongside an emphasis on mental models and self-belief systems.

In this way, behavioural insights encompass an approach to education that marks it out as a unique investment. Investing in students' mindsets and behaviours is less tangible than purchasing new textbooks, ICT equipment, or improving school infrastructure. However, if we consider that learning is centred around students, who are as affected by biases, heuristics, and their mental models as an adult, it becomes clearer that behavioural insights have an important role to play. Indeed, if teachers succeed in fostering an attitude of perseverance, growth and lifelong curiosity in their students, it might be the case that they go on to succeed in both their academic and professional careers.



USING BEHAVIOURAL INSIGHTS TO IMPROVE HEALTH OUTCOMES

Governments wish for their citizens to live long with healthy lives. However, across countries, healthcare systems face similar challenges; from an aging population, increases in diet-related problems such as diabetes and high cholesterol, to antibiotics resistance and respiratory illnesses from lifestyle habits such as smoking. The rise of these non-communicable diseases (NCDs) worldwide, which are largely related to behavioural choices, is a rising concern for governments.

Indeed, in 2020, a report released by the Ministry of Health and the World Health Organization revealed that NCDs costs the Malaysian economy approximately RM8.91 billion a year. Globally, NCDs are estimated to be responsible for two-thirds of premature deaths. As such, healthcare systems are recognising the importance of preventative measures. A preventive approach promotes health and treats root causes, rather than symptoms. But how prepared are we to tackle such challenges?

The healthcare sector in Malaysia is one of the most progressive in the world. With a doctor: patient ratio of 1:454, it is well above the 1:1000 ratio recommended by the World Health Organization. Furthermore, upwards of 3.5% of Gross Domestic Product is invested in healthcare systems. Ultimately, Malaysian citizens benefit from such investments, with up to 98% of healthcare costs in the public sector subsidised by the government.

Be that as it may, it is clear that the rise of NCDs calls for a different approach. Indeed, the fact that several NCDs such as diabetes or lung diseases are caused by behavioural choices, such as smoking, eating unhealthy meals, a lack of exercise, or excessive sugar intake suggest that targeting behavioural change could be a productive strategy. Here, the field of behavioural insights offers some examples of how this can be implemented. By focusing on preventative measures and

behavioural change, healthcare systems can reduce the financial burden on governments. Some examples of how behavioural insights have contributed to public health will now be explored.

In Canada, the Public Health Agency implemented principles of behavioural insights to tackle obesity. Using nudges in the form of air mile points, Canadian citizens were encouraged to sign up with gyms. Members who visited the gym more than three times per week were awarded air miles. The intervention also made use of loss aversion theory, which states that individuals would prefer to avoid a loss, rather than gain the same amount of incentives if offered at the same time. Therefore, members who had signed up for the program would lose their air miles, if they were to visit the gym less than two times per week. Over 98,000 members signed up for this program and year-on-year comparisons demonstrated that 62% of participants increased gym visits by at least one extra day per week. A study evaluating the social return per dollar investigation concluded that the program generated 3.5 Canadian dollars of value for each 1 dollar invested. Finally, it also demonstrates that it is possible to drive behavioural change in a positive way when coupled with interesting, unconventional incentives.

Another interesting public health initiative relied on the timeliness of the intervention and the cultural and religious context surrounding it. In Qatar, an intervention was piloted to screen for the prevalence of Type 2 diabetes. In normal circumstances, individuals have to undergo fasting for at least 9 hours, which is difficult to organise on a large scale. However, during the period of Ramadan, where Muslims fast from sunrise to sunset, the Hamad Medical Corporation (HMC) saw an opportunity to encourage diabetes screening. Setting up screening centers in the Grand Mosque of Qatar, HMC worked with imams who encouraged worshippers to undergo diabetic screening. A total of 2,177 people were screened over 2 days, which led to a diagnosis of almost one-third of people who

were unaware, or, who were close to developing diabetes. Individuals who were screened were also provided with targeted interventions for lifestyle changes to prevent the progression of diabetes. This intervention made use of the observation that people are most open to change during specific periods in their lives; moving houses, getting married, or, in this case, a religious observation. The timeliness of the intervention meant that participants met the fasting requirement for diabetes screening and also that they were supported with actionable steps immediately to make the behavioural changes needed to promote their health.

These two examples are given here to make use of behavioural insights to promote public health. Across countries, other strategies that have been implemented include the very successful, 'default' option for organ donations – whereby organ donation is offered as the default option and donors have to opt-out. Besides, gamification and loyalty point behavioural interventions have been shown to be effective in encouraging exercise and increasing HIV-related awareness and prevention. Utilising social norms to show that most people perform the desired behavior has been shown to reduce antibiotic prescription rates and help increase vaccination uptake.

Across these examples, positive behaviors are being targeted through the implementation of behavioural insights. Utilising a preventative approach to healthcare acts as a complement to traditional investments such as hospital equipment and infrastructure or medical staff training. If behavioural interventions are successful in creating long-term behavioural change, long-term health costs are reduced greatly which benefits both governments and society in promoting long, healthy lives.

COMMODITY PRICES

Crude Petroleum, Crude Oil Palm, Rubber, Cocoa, Sugar, Coal, Scrap Iron, etcw

CRUDE PETROLEUM (BRENT) -per bbl-



▲ 1.1%*
US\$73.5
18 June 2021

Highest
2020/2021

18 Jun 2021 : US\$73.5
03 Jan 2020 : US\$68.6

15 Jan 2021 : US\$55.1
24 Apr 2020 : US\$21.4

Lowest
2020/2021

Average Price 2020ⁱ: US\$43.5

CRUDE PALM OIL -per MT-



▼ 13.1%*
US\$844.6
18 June 2021

Highest
2020/2021

7 May 2021 : US\$1,156.0
24 Dec 2020 : US\$944.2

18 Jun 2021 : US\$844.6
8 May 2020 : US\$473.0

Lowest
2020/2021

Average Price 2020ⁱ: US\$668.3

RUBBER SMR 20 -per MT-



▼ 0.7%*
US\$1,621.5
18 June 2021

Average Price 2020ⁱ: US\$1,333.4

COCOA SMC 2 -per MT-



▼ 1.2%*
US\$1,454.8
18 June 2021

Average Price 2020ⁱ: US\$1,576.6

SUGAR -per lbs-



▼ 5.7%*
US\$16.7
18 June 2021

Average Price 2020ⁱ: US\$12.9

COAL -per MT-



▼ 2.0%*
US\$107.8
18 June 2021

Average Price 2020ⁱ: US\$47.7

SCRAP IRON HMS -per MT-



⊖ %*
US\$534.0
(high)
18 June 2021

⊖ %*
US\$529.0
(low)

Average Price 2020ⁱ: US\$307.9 (high)
Average Price 2020ⁱ: US\$284.7 (low)

Domestic Prices

18 June 2021



Billets
(per MT)
RM2,740- RM2,900



Steel Bars
(per MT)
RM3,100 – RM3,250

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

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

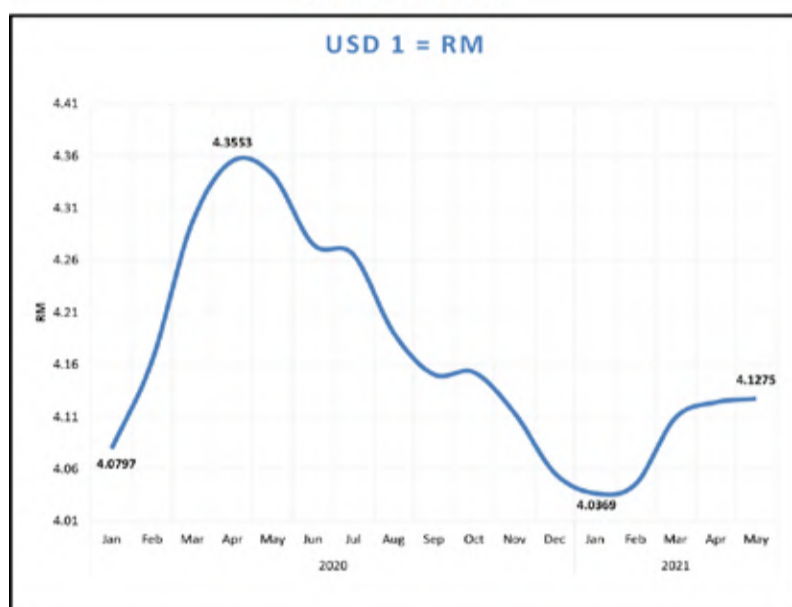
i Average price in the year except otherwise indicated

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

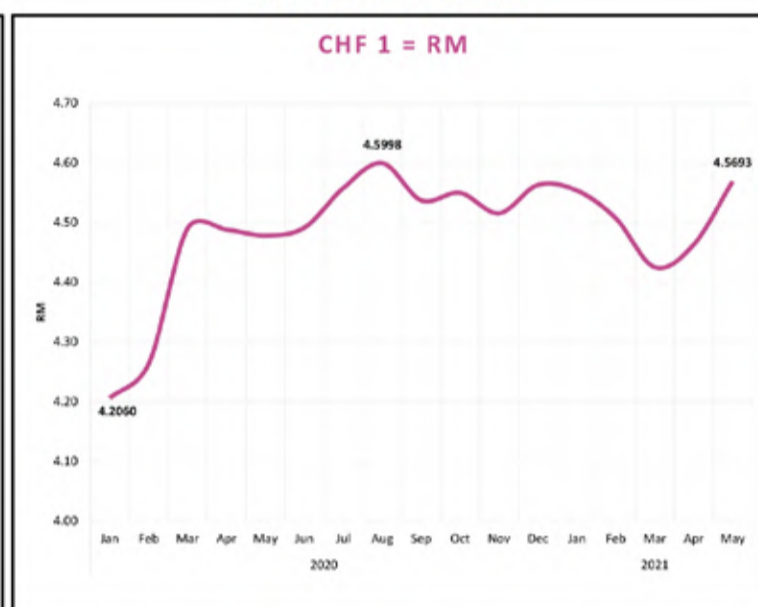
MALAYSIAN RINGGIT

EXCHANGE RATE JAN 2020 - MAY 2021

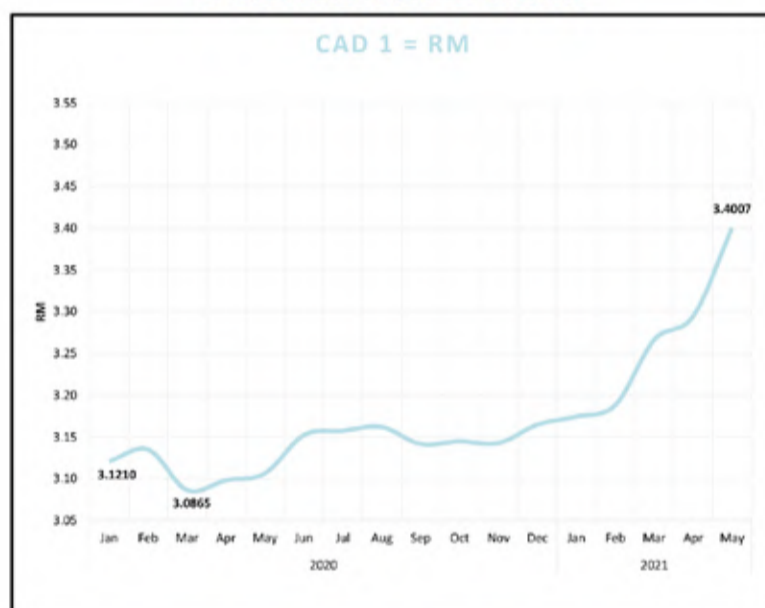
US Dollar



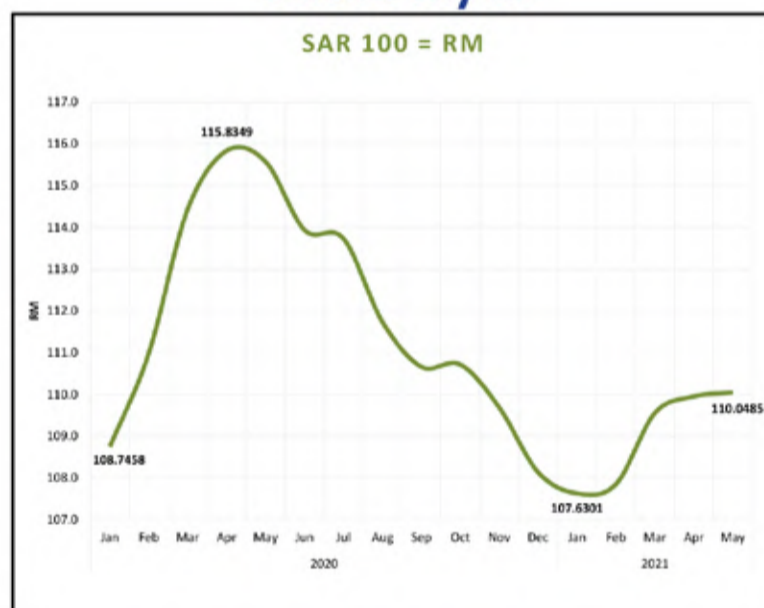
Swiss Franc



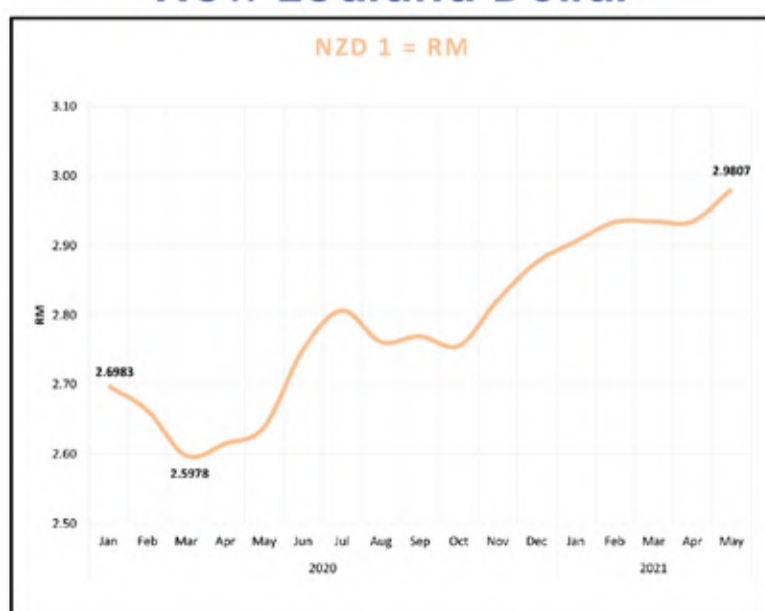
Canadian Dollar



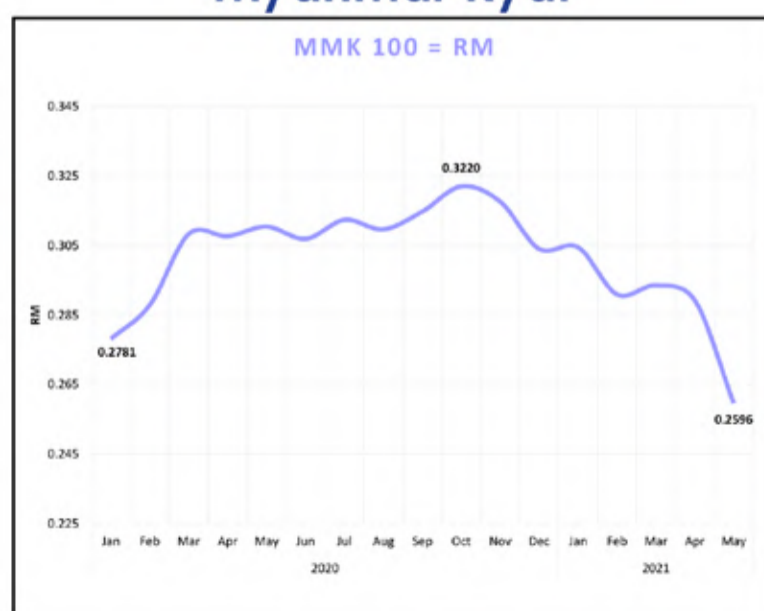
Saudi Riyal



New Zealand Dollar



Myanmar Kyat

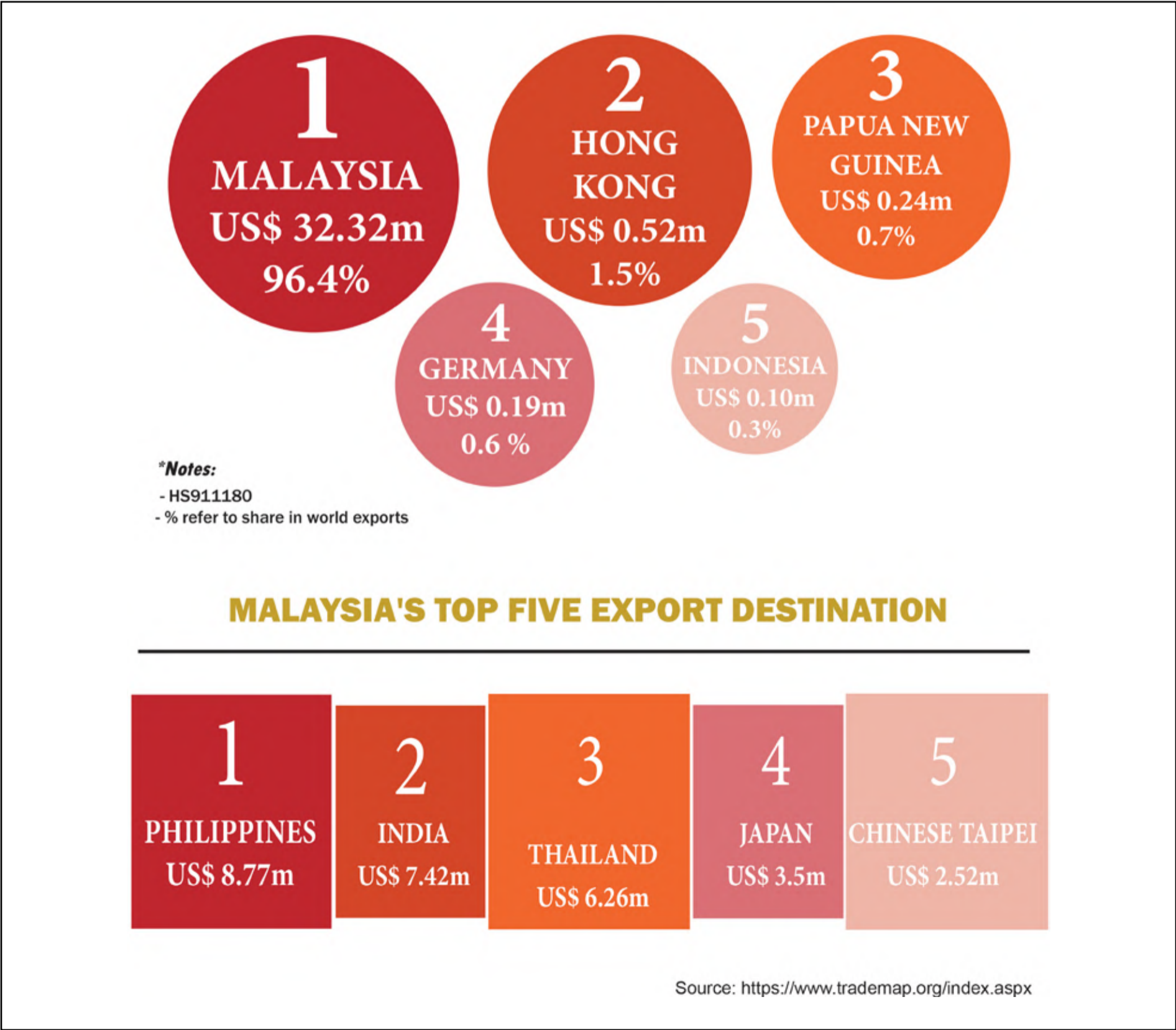


Source : Bank Negara Malaysia

WORLD’S LARGEST EXPORTER OF WHITE LAUAN, WHITE MERANTI, WHITE SERAYA, YELLOW MERANTI AND ALAN

Sawn or Chipped Lengthwise, Sliced or Peeled, Whether or Not Planed, Sanded or End-jointed, of a Thickness of > 6 Mm

In 2019, Malaysia's export of White lauan, white meranti, white seraya, yellow meranti and alan, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness of > 6 mm recorded US\$ 32.32 million which was 96.4 % share of the world exports.



WORLD'S LARGEST EXPORTER OF WATCH MOVEMENTS

Complete and Assembled, Electrically Operated, with Combined Opto–electronic and Mechanical Display, Whether or Not with Dial and Hands

In 2019, Malaysia's export of Watch movements, complete and assembled, electrically operated, with combined opto–electronic and mechanical display, whether or not with dial and hands recorded US\$ 16.01million which was 43.7% share of the world exports.



WORLD'S LARGEST EXPORTER OF DEGRAS; RESIDUES

Resulting from the Treatment of Fatty Substances or Animal or Vegetable Waxes

In 2019, Malaysia's export of Degras; residues resulting from the treatment of fatty substances or animal or vegetable waxes recorded US\$9.84 million which was 9.3% share of the world exports.



Notes:
-*HS152200
-% refer to share in world exports

MALAYSIA'S TOP FIVE EXPORT DESTINATION



Source: <https://www.trademap.org/index.aspx>



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

www.miti.gov.my