Recollective

MITI Monthly Bulletin | Issue #6 March 2021

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MALAYSIA PRIHATIN

A RESPONSIVE & PROGRESSIVE MITI

FIRST WORD

WHILE the COVID-19 pandemic has impacted the world at large, MITI and its agencies have not been lying idle. As economies contracted and unemployment rate soared across the globe, we have worked closely with other ministries and agencies to explore ways to mitigate the impact and manage the intricate balance between public health and economic sustainability.

No doubt various industry players faced major disruptions as their businesses descended into logistic chaos and HR nightmares. Yet, not all hopes are lost as business owners turn to digitalisation, IR4.0 tech adoption and the power of eCommerce to weather the storm.

The mobilisation of several programmes by MITI and its 13 agencies such as the introduction of the Project Acceleration and Coordination Unit (PACU), eTRADE programme and more are all efforts to resuscitate the economy and ensure a steady, progressive recovery.

Furthermore, the recent signing of the Regional Comprehensive Economic Partnership (RCEP) - the world's biggest trade agreement - saw Malaysia and 14 other like-minded nations committed to a common interest, at a time when global growth is slowing. Standing together in the face of adversity, the agreement is said to progressively lower tariffs across many areas in the coming years.

With numerous plans of action in place, we will continue to provide support and ensure that the Malaysian economy stands strong and continues on its upward trajectory. Let us all be cognizant of opportunities and remain steadfast to face 2021 head on. Recollective, as the name suggests, captures our efforts to the Nation's performance in trade and investments for the month. Rest assured, we will not rest on our laurels.

Let's stay strong and stay united in this journey.

#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.

Produced by:
Ministry of International Trade and Industry
MITI Tower, No.7, Jalan Sultan Haji Ahmad Shah,
50480, Kuala Lumpur, Malaysia
General Enquiries: webmiti@miti.gov.my
Phone: +603-8000 8000
Fax: +603-6202 9446
Web: www.miti.gov.my

In collaboration with:
Wordlabs Global Sdn Bhd
No.617, Block D, Kelana Square, 17 Jalan SS7/26,
Kelana Jaya, 47301 Petaling Jaya, Selangor, Malaysia
Tel: +603 7880 4200 / +603 7886 4933
Fax: +603 7803 0500
Email: info@wordlabs.com.my
Web: www.wordlabs.com.my

CONTENTS

SPOTLIGHT

5 Malaysia Prihatin: A Responsive & Progressive MITI

NEWS BITES

8 27TH ASEAN Ministers' (AEM) Retreat Rounded Off With Unified Resolutions
10 Industrial Production Index (IPI)
11 Malaysia External Trade Statistics 2021
14 Greater Kuala Lumpur Records the Highest Investments Approved in 2020
17 Rebuilding the Malaysian Aerospace Industry
19 Read MSI's The Steel Advocate
20 Malaysia to Lead Asia Pacific Legal Metrology Grouping
21 Read MIDA's e-Newsletter
22 Safely Welcoming Investors
24 Safe@Work, Protecting Lives and the Economy
26 Strategic Trade Act (STA) Keeping Trade Safe For All
28 Sustainability as a Catalyst

TRADE & INVESTMENT NEWS

30 COVID-19: Global Trade Impact
32 Global Trade in Services
33 Global E-Commerce
34 Global GDP & GDP Per Capita

DID YOU KNOW?

35 Manufacturing Sales Rose 4.5%
36 Malaysia Current Account Recorded 19 Billion Surplus
37 FDI & DIA
38 Total Approved Investments
39 Labour Force
40 External Trade Indices

ON THE BALL

42 Commodity Prices
43 Malaysian Ringgit Exchange Rate
44 World Largest Exporter of Copper Powders
45 World Largest Exporter of Metals
46 World Largest Exporter of Oleic Acid, Industrial
47 World Largest Exporter of Meranti
48 World Largest Exporter of Poultry Incubators & Brooders

MALAYSIA PRIHATIN: A RESPONSIVE & PROGRESSIVE MITI

A year has passed since the Ministry of International Trade and Industry came under the leadership of YB Dato' Seri Mohamed Azmin Ali, Senior Minister, Ministry of International Trade and Industry. As the spread of the COVID-19 pandemic rocked the nation and impacted the country's economic development agenda, MITI took a responsive and progressive approach in managing the economic chaos that followed.

Consequently, a string of successes were made possible throughout the year 2020. From an international trade perspective, Malaysia enjoyed 23 consecutive years of trade surplus since 1998, recording the highest trade surplus in 2020 at RM184.79 billion. Additionally, a total of RM164 billion in foreign investments were approved throughout 2020 - a feat, considering the challenging economic climate.

Other significant achievements include MITI's success in hosting the Asia-Pacific Economic Cooperation (APEC) conference virtually for the first time in history, throughout the year. MITI was also the chief consultant in the signing of the Regional Comprehensive Economic Partnership (RCEP) with 14 other participating countries on 15 November 2020 which would provide market access to more than 2.2 billion people in the region. Furthermore, MITI was also responsible for the continuance of the economic sector throughout the Movement Control Order.

MITI is committed to ensure the nation's economy continues to steadily recover.

MITI was recognised by the Malaysia Book of Records for having organised the APEC Economic Leaders' Meeting virtually for the very first time. This achievement met one of the primary objectives of APEC 2020, which included the launch of the APEC Putrajaya Vision 2040 and the 2020 Kuala Lumpur Declaration.

Facing tomorrow's challenges, MITI, as the economic frontliner together with its 13 agencies, will continue its efforts to spearhead initiatives that are progressive and responsive in its bid to resuscitate the economy through various industrial development programmes, investments, and foreign trade.

With an emphasis on economic recovery, MITI has realigned its focus towards digitalisation, automation, Industry 4.0 and sustainability – complying to the Twelfth Malaysia Plan (12MP) framework, MyDigital and the Shared Prosperity Vision 2030. Expanding on this, MITI and its agencies are mobilising several programmes:

- Industry4WRD – focusing on the adoption of Industry 4.0 technologies and digitisation;
- Introduce the Project Acceleration and Coordination Unit (PACU) one-stop centre at MIDA to facilitate investors
- The launch of the eTRADE 2.0 programme by MATRADE that will enable international market access for local entrepreneurs on a digital platform
- The introduction of the Prokerja Programme by MARii to help entry-level job seekers; and
- MyMudah by MPC as a one-stop centre to assist in removing or reducing unnecessary regulatory burdens on businesses

These efforts are expected to contribute to the nation's economic situation which shows signs of recovery. Such were apparent in December 2020 when the economy contracted 1.7 per cent versus 28.7 per cent in April 2020. Unemployment rate improved from 5.3 per cent in May 2020 to 4.8 per cent in December 2020. The decision to reopen economic sectors in stages during MCO 2.0 with full compliance to stricter SOPs, have contributed to the nation's economic recovery.

International bodies such as the International Monetary Fund and the World Bank projected that the country's economy will continue to grow by 7 per cent and 6.7 per cent respectively in 2021. The nation's economic recovery is expected to accelerate with the launch of the National COVID-19 Immunisation Programme which commenced on 24 February 2021.

As the leading Ministry in the Economic Cluster, MITI will continue to work hand in hand with other ministries and agencies such as the Ministry of Health, Malaysian National Security Council, Ministry of Finance, and the Ministry of Domestic Trade and Consumer Affairs to safeguard the nation's economic development by supporting the intricate balance between public health and economic sustainability.

MITI AND ITS AGENCIES WILL MOBILISE SEVERAL PROGRAMMES INCLUDING THE INTRODUCTION OF ONE-STOP CENTRES TO ASSIST INVESTORS.

27TH ASEAN MINISTERS' (AEM) RETREAT ROUNDED OFF WITH UNIFIED RESOLUTIONS

THE virtual 27th ASEAN Economic Ministers' (AEM) Retreat was held from 2 – 3 March 2021. Senior Minister and Minister of International Trade and Industry, Dato' Seri Mohamed Azmin Ali, alongside nine other ASEAN Economic Ministers had a productive deliberation in navigating the regional economic integration agenda which is particularly significant in our current time of economic uncertainties due to the COVID-19 pandemic.

With the ASEAN Comprehensive Recovery Framework (ACRF) and its Implementation Plan in place as the region's recovery tool, the ASEAN Ministers pledged to work intensively in exploring all avenues in order to deepen and broaden regional integration in various areas of mutual interest that would contribute to sustainability of livelihoods as well as regional economic resilience in ASEAN and beyond.

Moving forward, in line with the Leaders' mandate at the 37th ASEAN Summit, the Economic Ministers are looking at expanding the list of essential goods under the Memorandum of Understanding on the Implementation of Non-Tariff Measures on Essential Goods under the Ha Noi Plan of Action on Strengthening ASEAN Economic Cooperation and Supply Chain Connectivity in response to the COVID-19 Pandemic that was signed in November 2020. The initial list of essential goods was the early harvest of the ACRF, which saw ASEAN committing to 152 products covering items in the category of medicines and medical equipment. During this Retreat, the ASEAN Economic Ministers agreed to focus on adding on more products to this list, from the food and agriculture category.

The pandemic has also brought to light existing gaps in the Global Value Chains (GVCs) resulting from unexpected extreme fluctuations in demand and supply of essential products. The Economic Ministers concurred in unison for the need to further deepen ASEAN's participation in GVCs to boost intra-ASEAN trade and investment which would enable greater businesses and job opportunities, especially for ASEAN to build back regional resilience during this global reordering.

Malaysia strongly believes that the ratification of RCEP would contribute towards this direction which would effectively create GVCs among the 15 RCEP participating countries covering one third of the world's population. This will help re-engineer both demand and supply that would help boost recovery as well as further spur the growth of economies across the RCEP regions.

Malaysia will undertake efforts to expedite the ratification of RCEP by 2022. Malaysia also stands supportive of Brunei Darussalam's well-thought out Priority Economic Deliverables under its Chairmanship of ASEAN 2021, which puts much needed focus in accelerating the region's economic recovery from the pandemic as well as illustrate pertinent areas and global megatrends that ASEAN embraces.

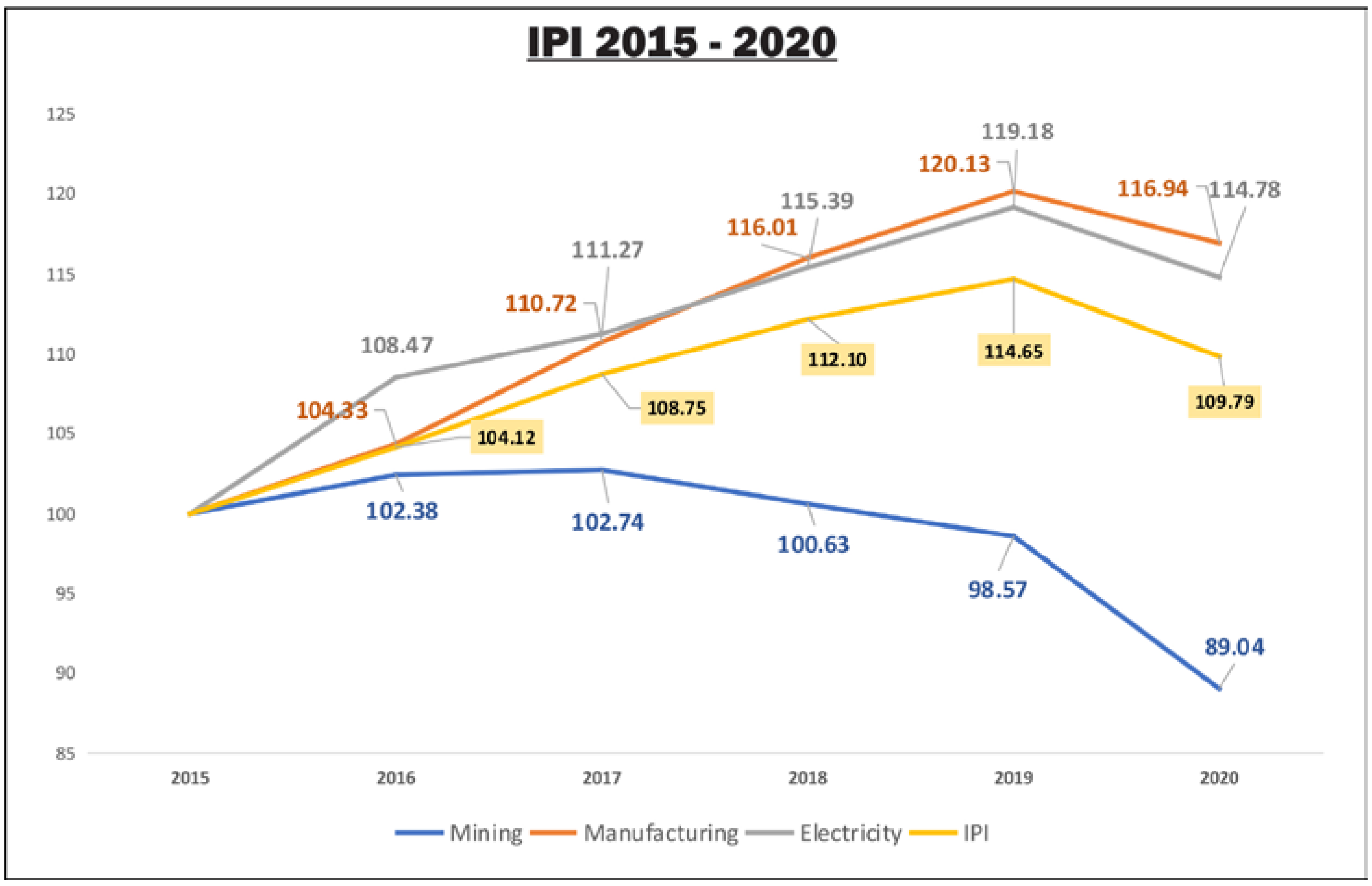
Malaysia as the country coordinator for ASEAN-India economic relations, had the honour to lead the discussion with the ASEAN Member States on the much-anticipated review of the ASEAN-India Trade in Goods Agreement (AITIGA), whereby a scoping paper has been developed by the ASEAN Secretariat and submitted to India for their comments. Subject to the outcome of the scoping exercise, the AIFTA Joint Committee will be activated to undertake the actual review. ASEAN is poised to leverage on its position to work towards enhancing the AITIGA to make it more user friendly, simple, and trade facilitative for businesses.

At this Retreat, the Economic Ministers also had the opportunity to engage with the private sector representatives from the ASEAN Business Advisory Council (ASEANBAC) and thanked them for their relentless support and contribution in pursuing the AEC agenda through valuable recommendations and insights. Malaysia underscored the importance of Public-Private collaboration and concurred with the views presented, that intense focus and priority should be given to the issues of trade facilitation in particular addressing trade distorting Non-tariff measures (NTMs) and Non-tariff barriers (NTBs), and embedding the ASEAN Circular Economy Framework.

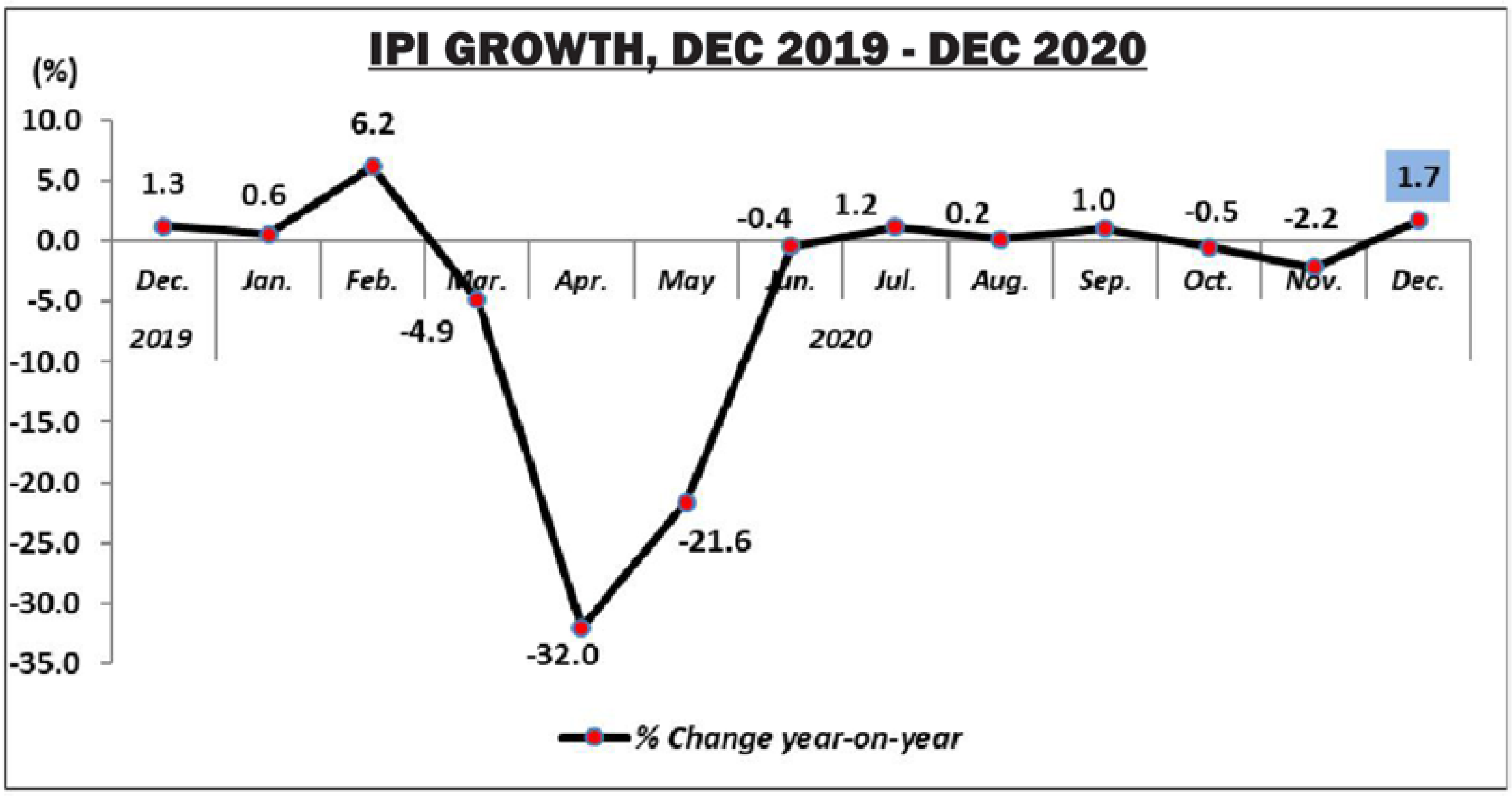
As we move forward closer to 2025, Malaysia pledged support to ASEAN to continue to work in solidarity with Member States in the process of developing a sound and holistic Post-2025 Vision across the three pillars of ASEAN as this visioning exercise is imperative to pave the way for sustained, resilient and vibrant growth in this region.

INDUSTRIAL PRODUCTION INDEX (IPI)

THE IPI for overall 2020 recorded a decline of 4.2 per cent as compared to the previous year. The drop was influenced by all indices; Mining index (-9.7%), Electricity index (-3.7%) and Manufacturing index (-2.7%).



THE IPI grew 1.7 per cent in December 2020 as compared to the same month of the previous year. The growth of IPI in December 2020 was driven by the Manufacturing index with 4.1 per cent. Meanwhile, Mining and Electricity index dropped 5.4 per cent and 0.2 per cent respectively.



Source: Department of Statistics, Malaysia

MALAYSIA EXTERNAL TRADE STATISTICS 2021

TRADE PERFORMANCE FOR JANUARY 2021

Exports Maintained Positive Growth – Highest Value for January

Malaysia's exports in January 2021 maintained its positive growth for five consecutive months, registering an increase of 6.6% to RM89.63 billion compared to January 2020. This also marked the highest export value for the month of January thus far. The expansion was supported by an increase in global demand notably for electrical and electronic (E&E) and rubber products as well as front-loading activities prior to the festive season. Higher exports were seen to China, the United States (US), Viet Nam, Singapore and Hong Kong SAR. Imports in January 2021 expanded by 1.3% y-o-y to RM73.02 billion. Total trade rose by 4.1% to RM162.65 billion, the highest value registered for the month of January. Trade surplus surged by 38% to RM16.6 billion, sustaining a double-digit growth for eight consecutive months. Compared to December 2020, total trade, exports, imports and trade surplus decreased by 4.8%, 6.4%, 2.7% and 19.8%, respectively.

EXPORT PERFORMANCE OF MAJOR SECTORS

E&E & Rubber Products Boosted Export Growth

In January 2021, exports of manufactured goods contributed to 88.5% of total exports, posting a double-digit growth of 11.7% y-o-y to RM79.36

billion. The growth was supported mainly by higher exports of E&E products which was driven by rising demand for various electronic products notably in automotive industry, 5G network and smart devices. Exports of rubber products, especially rubber gloves, showed resilient performance, registering triple-digit growth for five consecutive months. Increase in exports was also registered for manufactures of metal, chemicals and chemical products as well as optical and scientific equipment. Exports of agriculture goods (5.6% share) amounted to RM5 billion compared to a year ago, decreased by 7.2% mainly due to lower exports of palm oil and palm oil based agriculture products. Exports of mining goods (5.5% share) was valued at RM4.93 billion, shrank by 31% y-o-y mainly on lower exports of liquefied natural gas (LNG) and crude petroleum.

Major exports in January 2021:

- E&E products, valued at RM36.65 billion (40.9% of total exports), increased by 13.1%;
- Rubber products, RM6.36 billion, 7.1% of total exports, surged by 187.4%;
- Chemicals and chemical products, RM4.7 billion, 5.2% of total exports, increased by 10.6%;
- Petroleum products, RM4.56 billion, 5.1% of total exports, decreased by 32.4%;and
- Manufactures of metal, RM3.71 billion, 4.1% of total exports, increased by 19.9%.

On a month-on-month (m-o-m) basis, exports of manufactured, agriculture and mining goods declined by 3.2%, 40.2% and 1.8%, respectively.

TRADE PERFORMANCE WITH MAJOR MARKETS

ASEAN – Exports of E&E Products Remained Resilient

Trade with ASEAN in January 2021 which constituted 26.5% of Malaysia's total trade, expanded by 7.4% to RM43.03 billion compared to January 2020. Exports grew for two straight months, recording a 7.3% growth to RM25.73 billion in January 2021 buoyed by higher exports of E&E products. Imports from ASEAN picked up by 7.6% to RM17.29 billion. Breakdown of exports to ASEAN countries:

- Singapore RM12.92 billion, decreased 5%
- Thailand RM4.29 billion, decreased 5%
- Viet Nam RM3.55 billion, increased 52.8%
- Indonesia RM2.68 billion, decreased 0.3%
- Philippines RM1.57 billion, increased 6.2%
- Brunei RM340.9 million, increased 1.3%
- Myanmar RM231.8 million, decreased 28.1%
- Cambodia RM144.3 million, decreased 10.1%
- Lao PDR RM4.1 million, decreased 27.6%

Exports to markets in ASEAN that recorded expansion were Singapore, which increased by RM621 million attributed to higher exports of E&E products, Viet Nam (increased RM1.22 billion, E&E products), the Philippines (increased RM91.5 million, petroleum products) and Brunei (increased RM152.9 million, crude petroleum). On a m-o-m basis, trade, exports and imports were up by 0.9%, 0.6% and 1.5% respectively.

China – Double-Digit Export Growth for Three Successive Months

Trade with China in January 2021 surged by 13.3% y-o-y to RM29.9 billion, accounting for 18.4% of Malaysia's total trade. Exports to China recorded a double digit growth since November 2020, expanding by 26% to RM13.11 billion in January 2021. The increase was due to higher exports of E&E products, iron and steel products as well as other manufactures especially solid-state storage devices (SSD). Imports from China expanded by 5% to RM16.79 billion. Compared to December 2020, trade, exports and imports declined by 11%, 15.8% and 6.9%, respectively.

The US – Eight Consecutive Months of Double-Digit Export Expansion

In January 2021, trade with the US contributed 9.8% to Malaysia's total trade, recording a growth of 3.4% y-o-y to RM15.94 billion. Exports to the US recorded double-digit growth for eight months in a row, surging by 18.4% to

RM10.31 billion in January 2021. Higher exports were recorded for rubber products, wood products as well as optical and scientific equipment. Imports from the US slipped by 16.1% to RM5.62 billion. Compared to December 2020, trade, exports and imports fell by 2.7%, 4% and 0.2% respectively.

Exports to the EU Continued its Upward Momentum

Total trade with the European Union (EU) which accounted for 8.1% of Malaysia's total trade in January 2021, accelerated by 3.3% y-o-y to RM13.22 billion. Exports continued its upward momentum since September 2020, registering a double-digit growth of 11.4% to RM8.02 billion driven mainly by higher exports of rubber products. Imports from the EU edged down by 7.2% to RM5.19 billion. Among the top 10 EU markets which accounted for 91.1% of Malaysia's total exports to the EU, exports to seven countries recorded increase namely, Germany (increased 7.7%), the Netherlands (increased 1.1%), France (increased 56.2%), Belgium (increased 26.8%), Poland (increased 97.6%), the Czech Republic (increased 8.4%) and Slovenia (increased 78.8%). Compared to December 2020, trade and exports picked up by 1.3% and 2.5% respectively, while imports were down by 0.6%.

Japan – Double-Digit Export Growth of Manufactured Goods

In January 2021, trade with Japan which constituted 7.2% of Malaysia's total trade recorded an expansion of 4.1% y-o-y to RM11.66 billion. Exports were valued at RM6.48 billion, decreased marginally by 1.2% on account of lower exports of LNG. However, the contraction was cushioned by higher exports of manufactured goods which registered a double-digit growth of 16.9%, attributed to E&E products, rubber products as well as optical and scientific equipment. Imports from Japan increased by 11.6% to RM5.17 billion. On a m-o-m basis, exports grew by 5.9%, while trade and imports contracted by 5.2% and 16.3% respectively.

Trade with FTA Partners

In January 2021, trade with Free Trade Agreement (FTA) partners which made up 67.3% of Malaysia's total trade grew by 6% y-o-y to RM109.49 billion. Exports to FTA partners increased by 6.5% to RM60.67 billion and imports rose by 5.4% to RM48.82 billion. Increase in exports was recorded to Hong Kong SAR, by 8.9% to RM6.06 billion due to higher exports of E&E products, Australia, (increased 15.4% to RM2.8 billion, petroleum products), Chile (increased 110.5% to RM93.7 million, chemicals and chemical products) and Turkey (increased 3.4% to RM702.1 million, rubber products). Compared to December 2020, trade, exports and imports contracted by 5.5%, 7% and 3.5%, respectively.

IMPORT PERFORMANCE

Total imports in January 2021 grew by 1.3% y-o-y to RM73.02 billion from RM72.08 billion in January 2020. The three main categories of imports by end use which accounted for 72.8% of total imports were:

- **Intermediate goods,** valued at RM39.39 billion or 53.9% of total imports, expanded by 1.4%, following higher imports of processed industrial supplies, particularly non-monetary gold;
- **Capital goods,** valued at RM7.24 billion or 9.9% of total imports, declined by 5.4%, due mainly to reduced imports of capital goods (except transport equipment), primarily electrical machinery, equipment and parts; and
- **Consumption goods,** valued at RM6.54 billion or 9% of total imports, rose by 1.3%, as a result of higher imports of primary food and beverages mainly for household consumption, especially coffee, tea and spices.

GREATER KUALA LUMPUR RECORDS THE HIGHEST INVESTMENTS APPROVED IN 2020

HIGH-VALUE SERVICES SECTOR CONTINUES TO PROVIDE A POSITIVE IMPACT TO THE MALAYSIAN ECONOMY.

HIGHLIGHTS

- **Investments in services totalled RM66.7 billion through 3,527 approved services projects, amounting to 40.7% of total investments in the economy.**
- **High-value services such as telecommunications, MSC status projects and support services brought in RM14.3 billion (or 21.4%) of sector investments.**
- **The approved services projects are expected to create 33,652 jobs for the Malaysian economy.**

GREATER Kuala Lumpur (comprising Selangor and Kuala Lumpur) recorded the highest investments approved last year, totalling RM55.8 billion, with Selangor bringing in RM38.7 billion and Wilayah Persekutuan Kuala Lumpur, RM17.1 billion. Sabah brought in RM21b, Sarawak, RM19.6 billion, while Penang garnered RM16 billion. These five states alone contributed over 60% of total approved investments for 2020.

The Services sector continued to be a key driver of the Malaysian economy, contributing to more than 40% of total investments in the economy in 2020, with high-value services contributing 21.4% or RM14.3 billion of investments in this sector.

According to the 2020 investment report by the Malaysian Investment Development Authority (MIDA), the top five contributors of approved investments in the services sector were real estate (RM31.2 billion), utilities (RM10.8 billion), support services (RM5.2 billion), telecommunications (RM5.2 billion) and MSC status projects (RM3.9 billion).

As defined by MIDA, the support services industry comprises integrated logistics, research and development, green technology, integrated circuit design, oil and gas services and licensed warehouses.

"High-value services such as telecommunications, support services and MSC status projects remained a key driver of the Services sector in 2020, despite the pandemic weighing down on the global economy and overall domestic economic sentiment last year," said InvestKL Chief Executive Officer, Muhammad Azmi Zulkifli.

"In fact, the information and communication and transportation and storage segment recorded a revenue increase of 3.4% to RM61.9 billion in the fourth quarter of 2020, as compared to the previous quarter. The Department of Statistics Malaysia attributed this increase to the information and communication sub-sector with 9% (an increase of RM3.2 billion). This shows that the high-value and high-impact services subsector is on an uptrend despite the contraction in the overall services sector," he added.

Azmi highlighted also that the over 33,000 projected jobs for the services sector augurs well for the sector's future revenue and profitability, and will also ease the country's unemployment rate, which currently stood at 4.5% as at end 2020.

"The good news is that high-technology sectors will continue expanding and hiring, which will create more jobs for Malaysians, ultimately boosting productivity and the domestic economy, which will in turn boost economic growth," he added.

According to MIDA, the country recorded RM164 billion in approved investments in the manufacturing, services and primary sectors last year. These investments are expected to create 114,673 new jobs in various sectors of the Malaysian economy once implemented.

"At InvestKL, the next 100 companies we aim to attract are technological driven, innovative, yet sustainable. These high-value, high-impact and high-technology investments will boost the growth of many sub-sectors and complement the national priorities towards long-term economic success," Azmi said.

Last year, InvestKL achieved its mandate of attracting 100 MNCs by 2020 to establish their regional services hubs in Greater Kuala Lumpur. As at end October 2020, these MNCs have contributed investments of RM15.2 billion, as well as created more than 15,000 regional, high-skilled jobs.

ABOUT INVESTKL

InvestKL is an investment promotion agency under the Ministry of International Trade and Industry. It is tasked to attract global multinational companies to set-up their regional headquarters or business services hub in Greater Kuala Lumpur, to strategically grow in Asia.

MEDIA ENQUIRIES

Engku Nur Anis Adila
Manager, InvestKL
engku.adila@investkl.gov.my
+6019-2298 346

Joanne Chua
Senior Executive, InvestKL
joanne.chua@investkl.gov.my
+6019-2123 678

REBUILDING THE MALAYSIAN AEROSPACE INDUSTRY

MITI TO FACILITATE THE RESTORATION OF MALAYSIA'S AEROSPACE INDUSTRY FOLLOWING THE IMPACT OF THE PANDEMIC.

THE aerospace industry has been identified by the Malaysian Government as an important sector that spearheads the development of the world's most complex core technologies – which can be applied to other industries. The sector is also known to create the pathway for future technologies and its importance is reflected in the 11th Malaysia Plan (2016-2020). In charting the industry's way forward, the Government will implement a more robust action plan under the 12th Malaysia Plan (2021-2025).

Since the implementation of the key initiatives of the Malaysian Aerospace Industry Blueprint 2030, led by the National Aerospace Industry Coordinating Office (NAICO) under the Ministry of International Trade and Industry (MITI), the aerospace industry has shown a steady growth in terms of revenue and export value. The Blueprint, which was launched in 2015, aims at transforming Malaysia into a leading aerospace nation in Southeast Asia by 2030. The industry is expected to generate an annual revenue of RM55.2 billion and to create 32,000 jobs throughout the industry sub-sectors by then.

In 2019, the Malaysian aerospace industry secured RM16.2 billion revenue with 27,500 highly skilled workers serving the industry. This positive development was due to the increased number of activities in the Maintenance, Repair & Overhaul (MRO) business - with 49 per cent market share - while the manufacturing segment (aerostructure & engine components) accounts for 47 per cent of the market share.

Globally, Malaysia has been touted as a nation that produces high-quality aerospace products for global aerospace leaders such as Airbus, Boeing, Rolls-Royce, Safran, Honeywell and Thales.

Since last year, the COVID-19 pandemic has severely impacted the global aerospace industry. The Malaysian industry is no exception. Commercial aviation is the most impacted sub-sector due to the closure of international borders and limitation of domestic travel. It was reported that both aerospace manufacturing and MRO businesses have been experiencing deferment of orders and heavy maintenance services.

“UNDER THE 2021 BUDGET, THE GOVERNMENT ANNOUNCED FIVE AEROSPACE PROJECTS THAT ARE EXPECTED TO REVIVE THE INDUSTRY AND MAINTAIN ITS COMPETITIVENESS GLOBALLY. RM15 MILLION WAS ALLOCATED FOR THE AEROSPACE INDUSTRY'S DEVELOPMENT PROGRAMS - COVERING THE PROMOTION OF THE MALAYSIAN AEROSPACE INDUSTRY ECOSYSTEM; THE EMPOWERMENT OF THE NATIONAL AEROSPACE CENTER OF EXCELLENCE UNDER NAICO AND THE DEVELOPMENT OF A HIGHLY SKILLED WORKFORCE; COMPETENCY ENHANCEMENT THROUGH THE IMPLEMENTATION OF DIGITAL SYSTEMS AND INDUSTRY 4.0; AND THE DEVELOPMENT OF BIO-BASED AEROSPACE MATERIALS.”

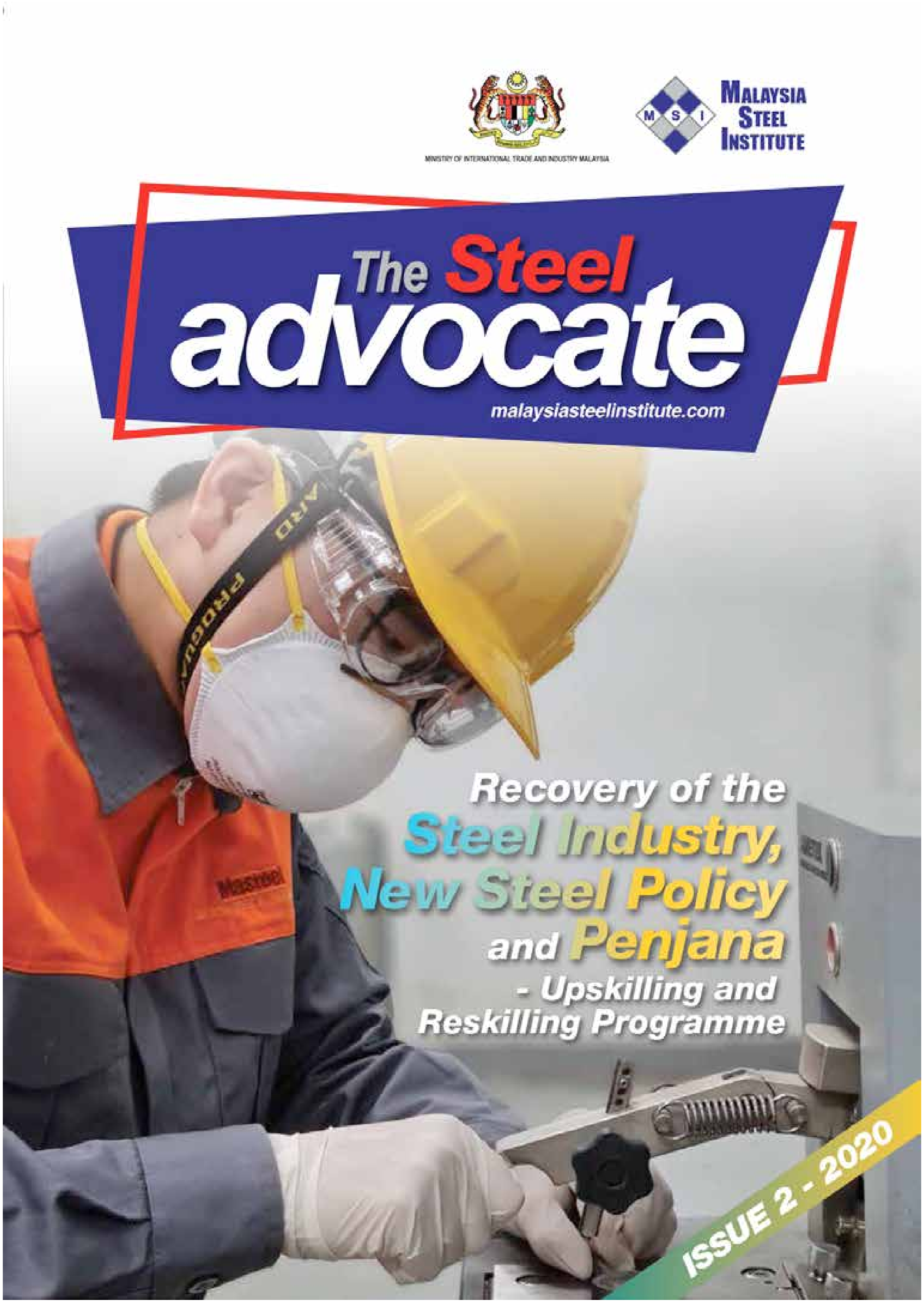
In addition, RM1 million was allocated for the Aerospace Quality Management System Certification Program under SIRIM Berhad. In the recently announced PEMERKASA programme, RM50 million has been allocated to further support the recovery of the aerospace industry and the budget will also be jointly utilised for the medical devices. Under this initiative, NAICO is identifying potential areas for Malaysia to bid and secure new work packages from the Original Equipment Manufacturers (OEMs), Tier-1 Companies and global service providers. This initiative offers Matching Grant to aerospace companies that successfully secured new contracts / work packages that can be localised by the local supply chain as well as to retain employment for skilled workforce.

In order to strengthen the local aerospace ecosystem, MITI will continue to assist the local industry players to expand their competencies through the introduction of advanced technologies and digital transformation. Structured development programme will be developed by NAICO as the National Aerospace Center of Excellence emphasising on the advancement of local ecosystem, Industry 4.0 implementation and development of next generation aerospace professionals. This initiative is expected to strengthen local aerospace supply chains and improve their cost structure as well as sustaining their competitiveness at the global level.

MITI also encourages the Tier-1 and Tier-2 companies to work hand-in-hand with their global suppliers and encourage their foreign suppliers to consider investing in Malaysia by establishing a subsidiary in Malaysia or through joint venture with a Malaysian partner. This will most definitely contribute to creating a conducive supply chain cluster for them. MITI and its agencies will facilitate such effort by providing attractive incentive packages including assistance on Research & Development (R&D) projects and human capital development.

READ MSI'S THE STEEL ADVOCATE

STAY ON TRACK WITH MALAYSIA'S IRON AND STEEL INDUSTRY WITH MALAYSIA STEEL INSTITUTE'S NEWSLETTER.



MALAYSIA TO LEAD ASIA PACIFIC LEGAL METROLOGY GROUPING

This article was originally published by The Sun Daily.

THE National Metrology Institute of Malaysia (NMIM), the national measurements laboratory operated by SIRIM Bhd has been appointed as President and Secretariat of the Asia-Pacific Legal Metrology Forum (APLMF) for a period of two years.

"The new appointment will make Malaysia the first developing country and from the ASEAN region mandated to the hosting economy, among other things, to manage the secretariat, organise annual meetings and support the execution of APLMF's work programme," NMIM said in a statement today.

NMIM said APLMF is a grouping of legal metrology authorities aimed to develop legal metrology and to promote free and open trade in the region through the harmonisation and removal of technical or administrative barriers to trade in the field of legal metrology.

Commenced in November 1994, APLMF was established with 14-member economies from the Asia-Pacific Economic Cooperation (APEC) region, namely Australia, Canada, China, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Papua New Guinea, the Philippines, Singapore, Chinese Taipei, Thailand and USA.

As of today, APLMF has 27 countries as its members. NMIM abides by the National Measurement System Act 2007 (Act 675) and plays a role as the custodian under the Weights and Measures Act 1972 (Act 71).

NMIM disseminates the traceability of measurement to the whole country based on the International System of Units and has a great responsibility in ensuring the national metrology infrastructures meet and comply with global measurement standards.

NMIM
NATIONAL METROLOGY
INSTITUTE OF MALAYSIA

READ MIDA'S E-NEWSLETTER

KEEP UP TO DATE WITH MALAYSIA'S INVESTMENT DEVELOPMENT WITH MIDA'S MONTHLY NEWSLETTER.

SAFELY WELCOMING INVESTORS

MALAYSIA'S SAFE TRAVEL PORTAL FOR BUSINESS TRAVELLERS GOES LIVE.

THE Malaysian government is very "pro-business" and welcomes the entry of business travellers to carry out business operations amid the pandemic. In this regard, Malaysia's Safe Travel portal which contains information and advisory services to facilitate business travellers' entry into Malaysia is fully operational effective 3 March 2021. Both Short and Long Term Business Travellers may apply for entry permission through the dedicated portal at URL: **safetravel.mida.gov.my.** Short Term Business Travellers are required to submit the online application 14 days in advance of planned travel.

The portal is a critical component of the One Stop Centre (OSC) initiative that has been set up by the Malaysian Government effective 2 October 2020 to ease the movement of Business Travellers by expediting their entry to do business in Malaysia. The Centre assumes a vital role in ensuring that Malaysia remains steady on economic recovery and growth; while balancing public health and livelihoods, and strengthening Malaysia's position as a competitive and preferred investment destination in Asia.

The One Stop Centre is represented by the Ministry of International Trade and Industry (MITI), Malaysian Investment Development Authority (MIDA), Ministry of Health (MOH) and Immigration Department of Malaysia (IMI) to ensure the legitimacy and health status of business travellers before they enter into Malaysia. This initiative is also a joint collaboration between MIDA, Ministry of Foreign Affairs (Wisma Putra), Malaysia Airports Holdings Berhad (MAHB), Malaysia Airlines Berhad (MAB) and Talent Corporation Malaysia Berhad (TalentCorp).

SHORT TERM BUSINESS TRAVELLERS

Short Term Business Travellers are business travellers who are not holding any passes, and intend to stay in the country for 14 days or less. They may be considered for exemption from mandatory quarantine subject to the approval of the OSC Committee and adherence to strict Standard Operating Procedures. Short Term Business Travellers are categorised as follows:

1. Potential investors seeking to do business in Malaysia
2. Existing investors, namely business owners, board members, executives and associates of companies in Malaysia (without Employment Pass)
3. Business customers for product qualification and validation before commercial production
4. Technical experts for ad-hoc emergency cases to serve single or multiple customers across Malaysia

Business Travellers from the above four (4) categories may also apply for Social Visit Pass under Long Term Business Travellers, should they plan to stay for more than 14 days in the country.

LONG TERM BUSINESS TRAVELLERS

Long Term Business Travellers are business travellers who hold valid passes and intend to stay in the country for more than 14 days. They will be subject to mandatory quarantine as per the Ministry of Health's (MOH) guideline, Malaysia. The Long Term Business Travellers are categorised as follows:

1. New/Existing expatriates stranded abroad, namely active holders of Employment Pass (EP) and Resident Pass-Talent (RP-T).
2. New/Existing foreign technical experts stranded abroad with Professional Visit Pass (PVP) to serve multiple customers across Malaysia.
3. Frequent foreign business travellers (Exit & Return), including Regional Establishments (RE), Regional Operations (RO) and Principal Hubs (PH) representatives.
4. Permanent Resident (PR) Pass Holders.
5. Malaysia My 2nd Home (MM2H) Social Visit Pass Holders.
6. Frequent Malaysian business travellers (Exit & Return).
7. Social Visit Pass Holders.

Business Travellers must obtain relevant visas (if applicable) from the respective Malaysian Embassy or High Commission/ Consulate General Offices abroad before their departure to Malaysia.

For more information, please contact the OSC Secretariat at **osccom@mida.gov.my.**

OSC SECRETARIAT (INDUSTRY TALENT MANAGEMENT AND EXPATRIATE DIVISION)

Malaysian Investment Development Authority (MIDA)
Level 20, MIDA Sentral, No. 5,
Jalan Stesen Sentral 5, Kuala Lumpur Sentral,
50470 Kuala Lumpur

Phone: +603-2267 3633/3431

ABOUT MIDA

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 and follow us on Twitter, Instagram, Facebook, LinkedIn and YouTube channel.

MIDA
MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

SAFE@WORK, PROTECTING LIVES AND THE ECONOMY

BALANCING SAFETY & LIVES OF WORKERS WITH ECONOMIC SUSTAINABILITY.

YESTERDAY, YAB Prime Minister announced the Strategic Program to Empower the People and the Economy (PEMERKASA) aimed at jump starting and revitalising the country's economy which is currently in the fifth stage of the 6R Strategy under the Comprehensive Economic Recovery Plan. In order to ensure the competitiveness and sustainability of the industrial sector and commercial enterprises in contributing to the country's economic recovery, the protection of the safety and health of workers is paramount.

Based on data by the Crisis Preparedness and Response Center (CPRC) under the Ministry of Health, MITI views with concern the COVID-19 outbreak in the premises of the manufacturing and related services sectors. As at March 16, 2021, the manufacturing sector accounted for 58.1 per cent or 194 clusters of COVID-19 cases in the country.

Thus, MITI has taken a proactive and responsive step by introducing a comprehensive initiative known as Safe@Work aimed at balancing the operational sustainability of the manufacturing sector with the control of the spread of the pandemic among workers.

Safe@Work is a Standard Operating Procedure (SOP) that can be implemented by companies in the manufacturing sector requiring employers to provide safe accommodation for employees as well as comply with standards under the Minimum Standards of Accommodation and Housing for Employees Act 1990 (Act 446). It also entails responsibilities relating to management of employees who are COVID-19 positive, close contacts, health screening as well as measures to prevent transmission among employees.

This initiative is calculated at preventing disruption of company operations and reducing the adverse impact on productivity in the event of an occurrence of a positive case of COVID-19 in business premises. Commitment and support from employers are crucial in ensuring the safety and health of employees. This effort is very important in order to contribute to the continuation of economic activity.

Safe@Work is the result of a series of engagement sessions and consultations with public and private sector stakeholders including the Ministry of Health, National Security Council, Department of Labor, Federation of Malaysian Manufacturers (FMM), industry associations and chambers, local and international businesses.

Based on the current practice, in the event of an occurrence of a positive case, close contact workers must be quarantined and barred from working until all of them are certified COVID-19 free after undergoing health screening tests. Now, the Safe@Work initiative will allow close contact workers to continue working under a new protocol known as the Safe Work Bubble. In accordance with this protocol, close contact workers will be isolated from the local community as well as other workers until all of them are certified COVID-19 free based on screening test results.

Some of the main aspects emphasised under the "Safe Work Bubble" are as follows:

i. Establishment of Safe Work Bubble for close contact workers in factory areas and employee accommodation premises;
ii. Establishment of COVID-19 Emergency Preparedness and Response Team (PERT) by the company for the preparation and implementation of procedures to manage emergency cases;
iii. Ongoing sanitation processes at manufacturing premises;
iv. Permission to use employee vehicles at full capacity;
v. Provision and management of conducive employee accommodation; vi. Implementation of targeted screening for employees of the manufacturing and related services sectors; and
vii. Provision of information channels related to pandemic control procedures from employers to employees.

As an incentive to companies implementing Safe@Work, the Government will provide additional tax deductions to companies under the manufacturing and related services sector in respect of rentals of employee hostel premises and the provision of related equipment such as CCTV, wearable tracking devices and other basic necessities needed to comply with the Safe@Work SOP. Expenses eligible for this additional tax deduction are limited to RM50,000 per company. Companies can register in the COVID-19 Intelligent Management System (CIMS) from April 1, 2021.

MITI hopes that with Safe@Work, companies in the manufacturing and related services sectors will improve their level of compliance with their SOPs to ensure that companies can continue to operate as usual.

This is in line with the whole of society approach to foster an attitude of self-reliance and a spirit of responsibility in society. In this context, it cannot be overstressed that the role of industry is paramount in order to jointly realise the Government's desire to balance the demands of protecting lives and livelihoods.

STRATEGIC TRADE ACT (STA) KEEPING TRADE SAFE FOR ALL

CELEBRATING THE 10TH ANNIVERSARY OF THE STA, MITI COLLABORATES WITH THE U.S AGENCIES TO ORGANISE A 10TH ANNIVERSARY CELEBRATION AND CONFERENCE FROM 8-9 APRIL 2021.

10 years ago, Malaysia enacted the Strategic Trade Act (STA) to fulfill its obligations under the UNSCR 1540. This year we celebrate the 10th Anniversary of the #STA, marking the decade-long effort to ensure a safe environment for trade in the region.

Ministry of International Trade and Industry (MITI), Strategic Trade Secretariat (STS) in collaboration with the U.S. Department of State, Export Control and Related Border Security Program (EXBS) and U.S. Department of Energy, National Nuclear Security Administration (NNSA) will be organising the Strategic Trade Act (STA) 2010: 10th Anniversary Celebration and Conference from **8 – 9 April 2021**.

Year 2021 marking the 10th year which the Strategic Trade Act 2010 (STA 2010) came into force. The implementation of the Act which was enacted on 10 June 2010 and came into force on 1 January 2011 signifies Malaysia's affirmation to deliver the obligations set forth under the United Nations Security Council Resolution 1540 (UNSCR 1540). The programme hosted by The Honourable Senator Datuk Lim Ban Hong, Deputy Minister of International Trade and Industry serves as a celebratory event for Malaysia's leadership in Strategic Trade Management (STM) in this region. Please find attached the tentative programme agenda for reference.

With respect, you are cordially invited to attend the STA 2010 - 10th Anniversary Celebration and Conference via online platform. As this is a celebratory event, we would like to share the pleasure and knowledge with a maximum of five (5) domestic and/or international participants from your esteemed organisation.

You may register the participations at this link:

https://cutt.ly/jzY2TJ9 by 3:00 pm on 26 March 2021 (Friday).

Participation is based on a first come, first serve basis and will be automatically listed in the participant's register once you have completed the online registration. The invite link will be provided via email close to the event's date.

The celebration will start with a conference gathering strategic trade management experts to share knowledge, experience and continuously promote awareness on STM as well as the works undertaken by STS including the partner agencies and industries along the 10-year journey. Therefore, do not miss the chance to be part of this historical event.

Please kindly contact

Ms. Alice Simbun at 03-6208 4881/ **alice@miti.gov.my**; or
Ms. Elena Ong Aii at 03-6208 4873/ **elena.aii@miti.gov.my** for any enquiry on the event.

SUSTAINABILITY AS A CATALYST

SENATOR DATUK LIM BAN HONG, DEPUTY MINISTER OF INTERNATIONAL TRADE & INDUSTRY, SHARES ON FUTURE PROOFING MALAYSIAN BUSINESSES.

THE COVID-19 pandemic has shed light on the importance of adopting sustainability practices among the Malaysian business community. This awakening champions a universal value that focuses on the environment, society and governance commonly known as the ESG. This development, if anything, brought about various opportunities for environmentally-friendly products to succeed in not only local, but the global markets too.

Since the outbreak, we have witnessed the acceleration of economic transformation among industry players particularly in moving towards the Sustainable Development Goals (SDGs) advocated by the United Nations. Datuk Lim believes that this can contribute greatly to our nation's economic progress, post-pandemic.

The Malaysian government supported the SDGs as it is a signatory of the Paris Agreement signed at the United Nations General Assembly in 2015. The central idea was to be inclusive and take into account the environment, social and governance well-being in economic development.

In order to future-proof the local industries, industry players are encouraged to adopt sustainable business models, one of which includes using alternative sources to produce their products.

Recently, Datuk Lim visited One Tech (M) Sdn Bhd, a Small and Medium Enterprise in Ampang that is pioneering Malaysia's green furniture manufacturing and uses sustainable and reclaimed materials to produce furniture and interior fittings. The company was founded in 1993 and deployed traditional methods to produce school desks, chairs and furniture in the early days. The company's Director Harith Ridzuan informed him that to address the environmental challenges, and the need to produce sustainable wood products, One Tech began to offer green interior solutions in 2013.

Since then, through its participation in the Malaysia External Trade Development Corporation's (MATRADE) (an agency under Ministry of International Trade and Industry) - Export Promotion Programmes and Market Development Grant (MGD), the company has successfully entered the European and American markets, which are known to have strict environmental protection requirements.

The company shared that they've suffered a decline in demand last year due to the pandemic, but it was quick to respond by going into e-Commerce. The company then leverages MATRADE's eTrade programme and MDG that support the company's venture in online selling and digital marketing. This has helped improve the demand for their products and facilitated the recovery of the business.

Currently, One Tech is selling their products on Amazon and other known major e- marketplaces, having numerous clients worldwide who can attest to their eco-friendly wood products. The company now continues to operate under strict adherence to the Standard Operating Procedures.

As Deputy Minister of International Trade and Industry, Datuk Lim is proud that the initiatives and incentives by MITI through its agencies have helped local companies. In that regard, he would like to urge more SMEs to actively sign up for government programmes especially by MITI and its 13 agencies to enhance their readiness to compete globally and succeed beyond the local market.

“IN ORDER TO FUTURE-PROOF THE LOCAL INDUSTRIES, INDUSTRY PLAYERS ARE ENCOURAGED TO ADOPT SUSTAINABLE BUSINESS MODELS, ONE OF WHICH INCLUDES USING ALTERNATIVE SOURCES TO PRODUCE THEIR PRODUCTS.”

Senator Datuk Lim Ban Hong
Deputy Minister Of International Trade & Industry

EASING ENTRY OF WORLD BUSINESS TRAVELLERS

MALAYSIA INTRODUCES A BUSINESS TRAVELLERS CENTRE (BTC) AT KUALA LUMPUR INTERNATIONAL AIRPORT (KLIA) TO EASE ENTRY OF WORLD BUSINESS TRAVELLERS.

MALAYSIA is welcoming business travellers to Malaysia while keeping everyone safe by introducing a Business Travellers Centre (BTC) at the Kuala Lumpur International Airport (KLIA). The BTC, launched today by Senior Minister and Minister of International Trade and Industry YB Dato' Seri Mohamed Azmin Ali, functions to facilitate the entry of foreign business travellers into Malaysia.

Located at Gate C36, Satellite Terminal, KLIA the BTC is now open for short term foreign business travellers planning to carry out their business tasks in the country. The launching of the BTC today also marks a major milestone of the Government's unwavering mission to revive the economy and to pave the way for economic rebound in 2021.

According to Dato' Seri Mohamed Azmin Ali, despite the challenges posed by the COVID-19 pandemic, this year will be a promising year for the Malaysian economy as the Government is committed to easing business operations for both local and foreign businesses alike.

"Malaysia has pro-business and pragmatic policies that support the investment climate in the country. Our supportive business eco-system is in fact a catalyst to attract investors not only to conduct new business activities, but to also expand and diversify their existing operations here. The BTC is reflective of our responsiveness to the current situation and in finding progressive solutions to ensure we can achieve a balance in protecting lives and livelihoods," said the Senior Minister.

The BTC is one of the key components of the One Stop Centre (OSC) initiative by the Malaysian Government to ease the movement of Business Travellers - from entry to exit point. The Centre assumes a vital role in ensuring that Malaysia remains an attractive investment destination for foreign businesses.

It provides a seamless support system for short term Business Travellers by providing fast-track services such as below:

i. after disembarkation from the plane to taking the RT-PCR swab test at the dedicated COVID-19 Lab within the BTC, which results can be produced within 3 hours;
ii. after having declared healthy, the business travellers will proceed to the immigration green lane; and
iii. the Government will appoint a liaison officer for the business travellers with a specific business itinerary.

Short Term Business Travellers are business travellers who do not hold any dedicated entry passes and intend to stay in the country for 14 days or less, subject to the approval of the OSC committee and a strict set of Standard Operating Procedures.

To date, the OSC Committee has approved 93 applications for Short Term Business Travellers. The Short Term Business Travellers whose applications were approved are from investing companies with total investments valued at RM15 billion.

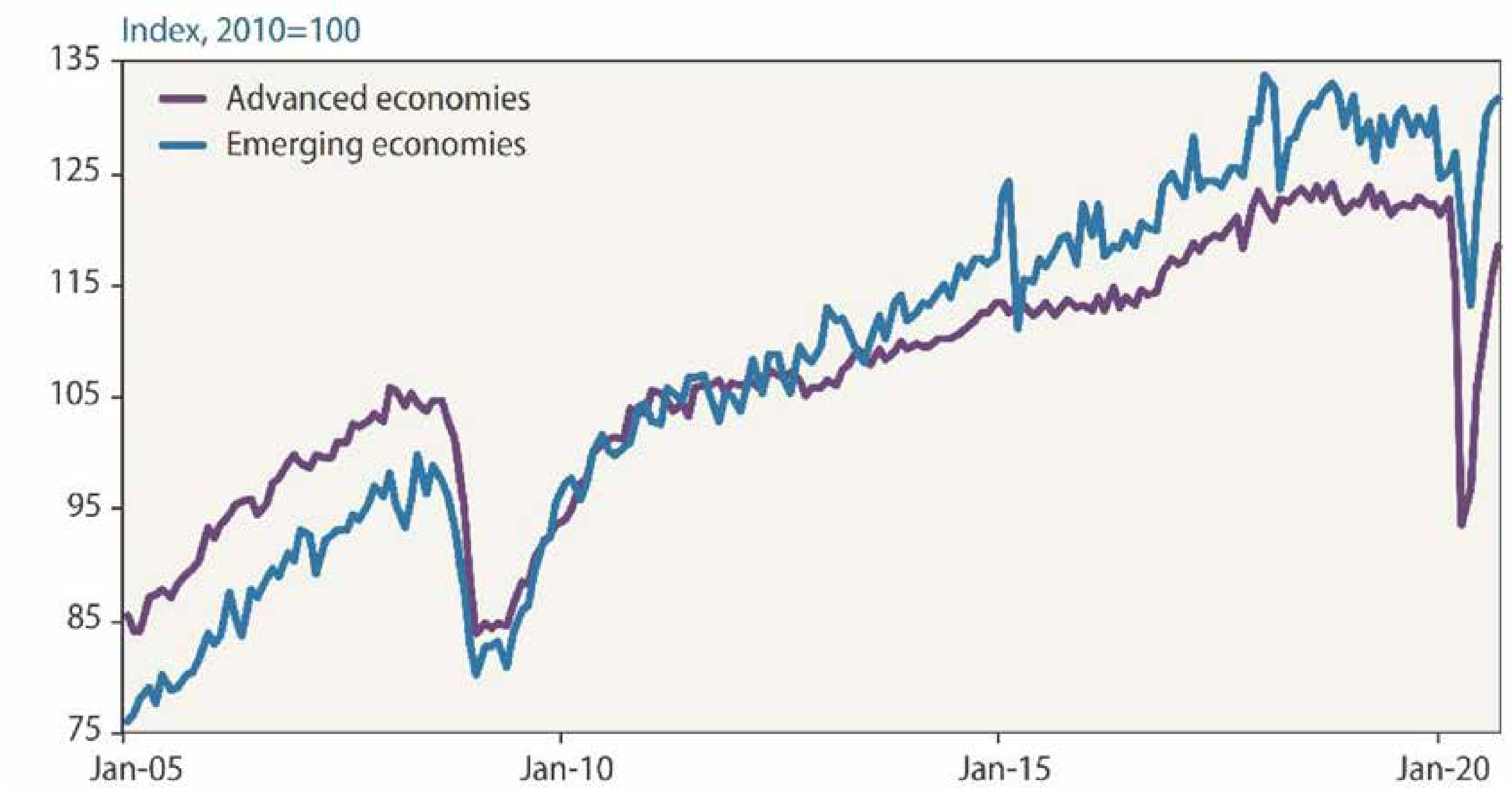
Moving forward, the Malaysian Investment Development Authority (MIDA) — an agency under the Ministry of International Trade and Industry (MITI) - has identified RM82 billion worth of investments in potential leads and another RM65.9 billion in the pipeline. In realising these potential investments, services by the OSC such as the BTC are critical. The BTC is a collaborative effort between MITI, MIDA, Ministry of Health (MOH), Department of Immigration Malaysia, Malaysia Airports Holdings Berhad (MAHB), and Malaysia Airlines Berhad (MAB).

“MALAYSIA HAS PRO-BUSINESS AND PRAGMATIC POLICIES THAT SUPPORT THE INVESTMENT CLIMATE IN THE COUNTRY. OUR SUPPORTIVE BUSINESS ECOSYSTEM IS IN FACT A CATALYST TO ATTRACT INVESTORS NOT ONLY TO CONDUCT NEW BUSINESS ACTIVITIES, BUT TO ALSO EXPAND AND DIVERSIFY THEIR EXISTING OPERATIONS HERE.”

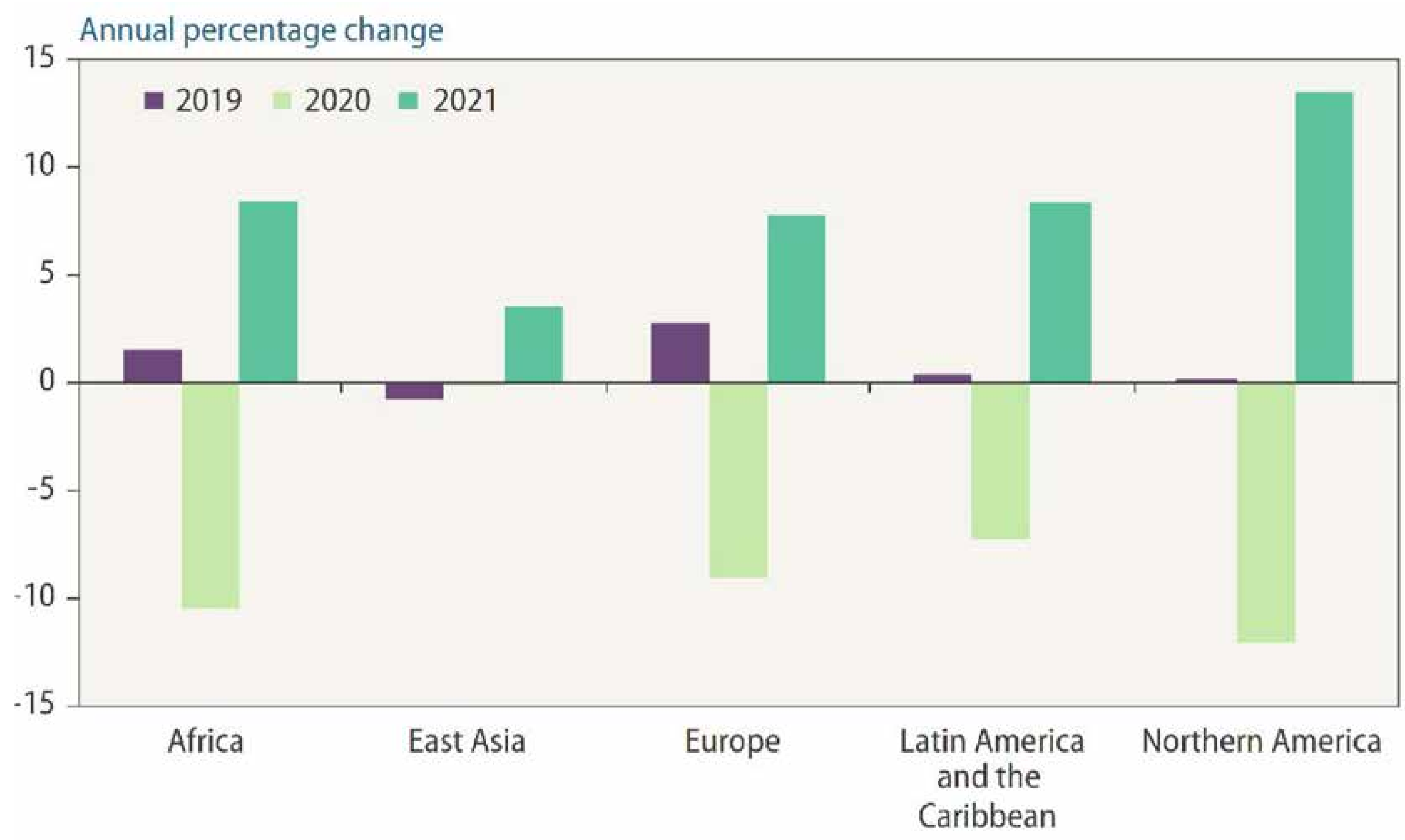
Senior Minister YB Dato’ Seri Mohamed Azmin Ali
Minister of International Trade and Industry (MITI)

COVID-19: GLOBAL TRADE IMPACT

Volume of Merchandise Exports, January 2005–September 2020



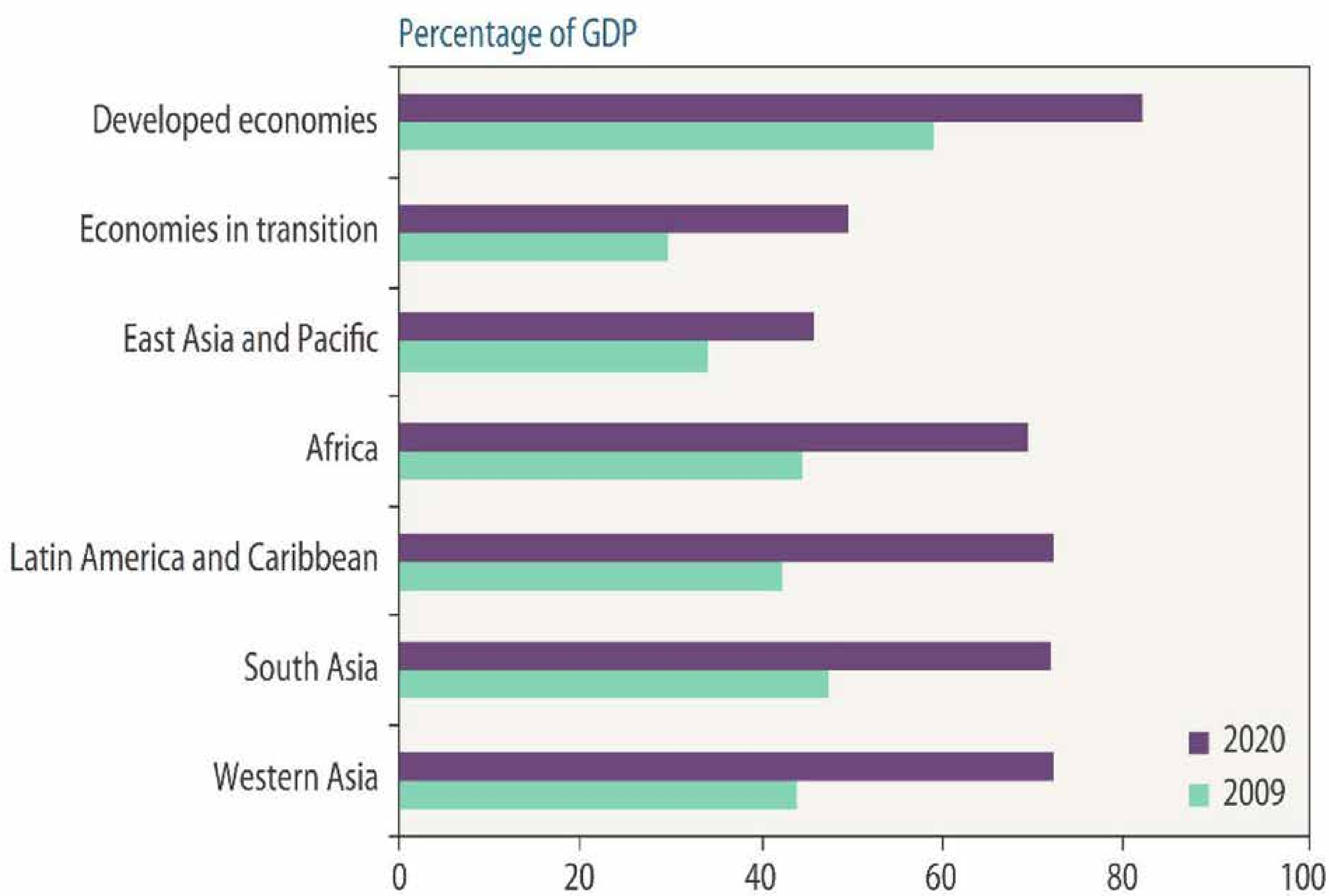
Volume of Exports of Goods and Services in Selected Regions



Source: World Economic Situation and Prospects 2021
http://www.un.org/en/desa

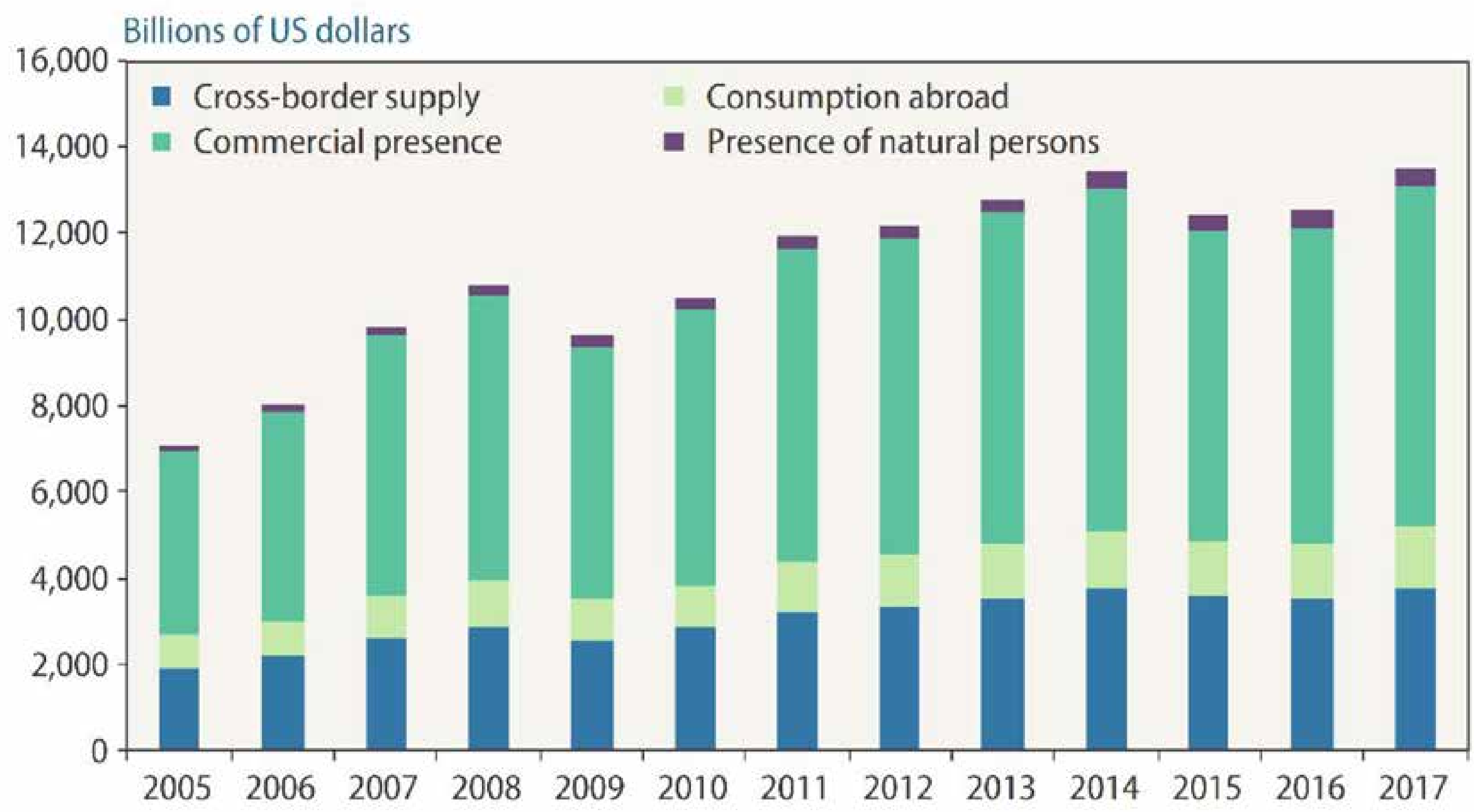
General Government Gross Debt, 2009 & 2020

Most developed countries with high levels of public debt— particularly Germany, Japan and the United States—were able to increase their debt significantly without facing any borrowing constraints. Government debt of the United States is projected to increase by 17 per cent in 2020, without any commensurate increase in government bond yields. The yield on 10-year United States Treasuries remains at a record low. Germany and Japan will see their public debt increase by 8 per cent and 20 per cent, respectively. Borrowing constraints—the limits on fiscal space—clearly do not apply to large economies with the ability to borrow domestically and internationally in their own currencies. A large number of developing countries in Latin America and Western Asia also experienced massive increases in public debt relative to increases in debt during the global financial crisis.

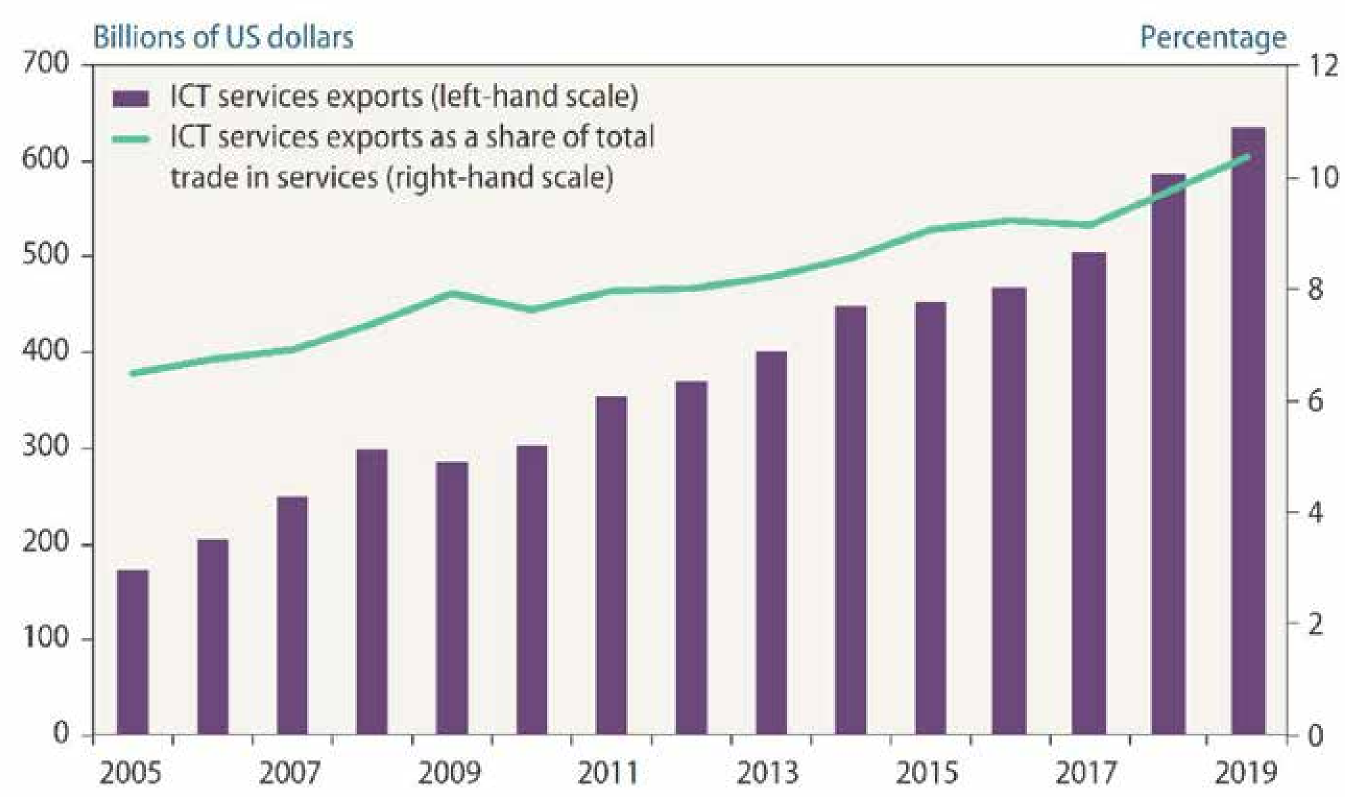


GLOBAL TRADE IN SERVICES

World Trade in Services, 2005 – 2017



Global ICT Services Exports, 2005 – 2017

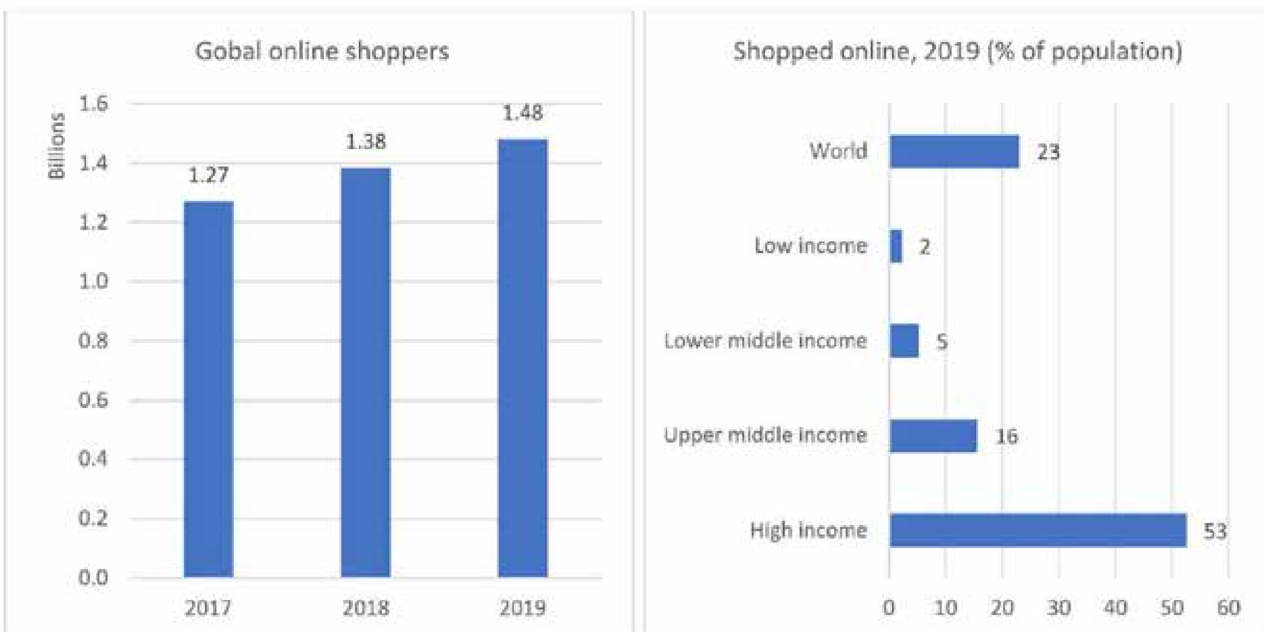


Source: World Economic Situation and Prospects 2021
http://www.un.org/en/desa

GLOBAL E-COMMERCE

Global Online Shoppers, 2017-2019 & Penetration by Income Group, 2019

In 2019, an estimated 1.5 billion people, or 27 per cent of the world's population aged 15 years and older, shopped online. This represented a 7 per cent increase over 2018. The proportion of those shopping online is much less in countries at low levels of income. While over half the population in high-income countries shopped online the figure was only 2 percent in low-income nations.



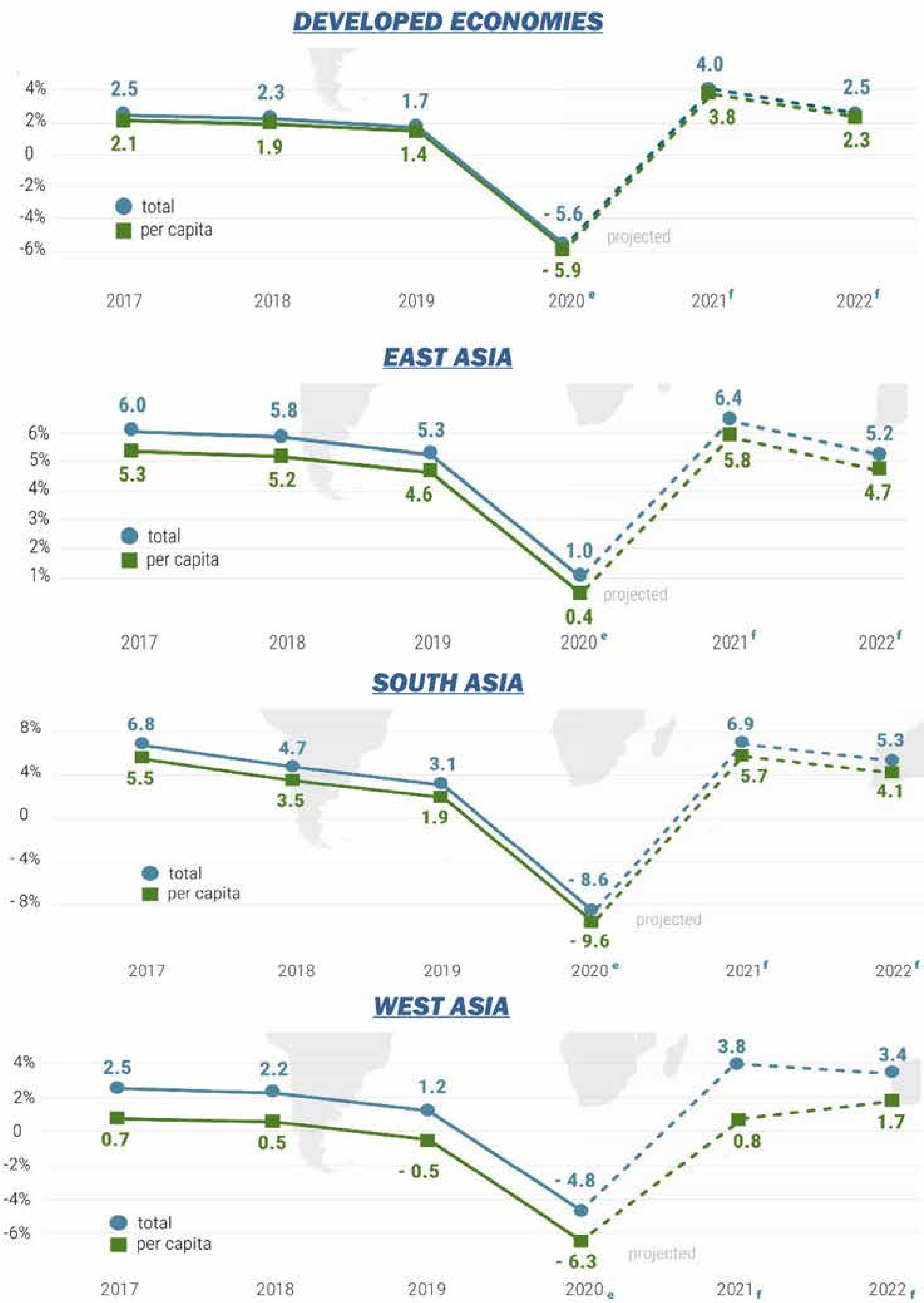
Top 10 Developing Economies In the UNCTAD B2B E-Commerce Index 2020

2020 Rank	Economy	Share of individuals using the Internet (2019 or latest)	Share of individuals with an account (15+, 2017)	Secure Internet servers (normalized, 2019)	UPU postal reliability score (2019 or latest)	2020 Index value	Index value change (2019-20 data)	Rank 2019
4	Singapore	89	98	94	97	94.4	-0.3	3
10	China, Hong Kong SAR	92	95	88	92	91.8	0.3	14
18	Korea, Republic of	96	95	68	100	89.8	0	19
30	Malaysia	84	85	71	85	81.3	1.5	31
37	United Arab Emirates	99	88	61	64	78.2	0.0	28
42	Thailand	67	82	59	97	76	0.5	48
44	Iran	70	94	57	79	75.0	-1.5	45
49	Saudi Arabia	96	72	43	78	72.3	0	49
50	Qatar	100	66	50	73	72.1	0	47
54	Oman	92	74	43	73	70.6	0	60

Source: The UNCTAD B2C E-Commerce Index 2020
http://www.unctad.org/ict4d

GLOBAL GDP & GDP PER CAPITA

2017–2022

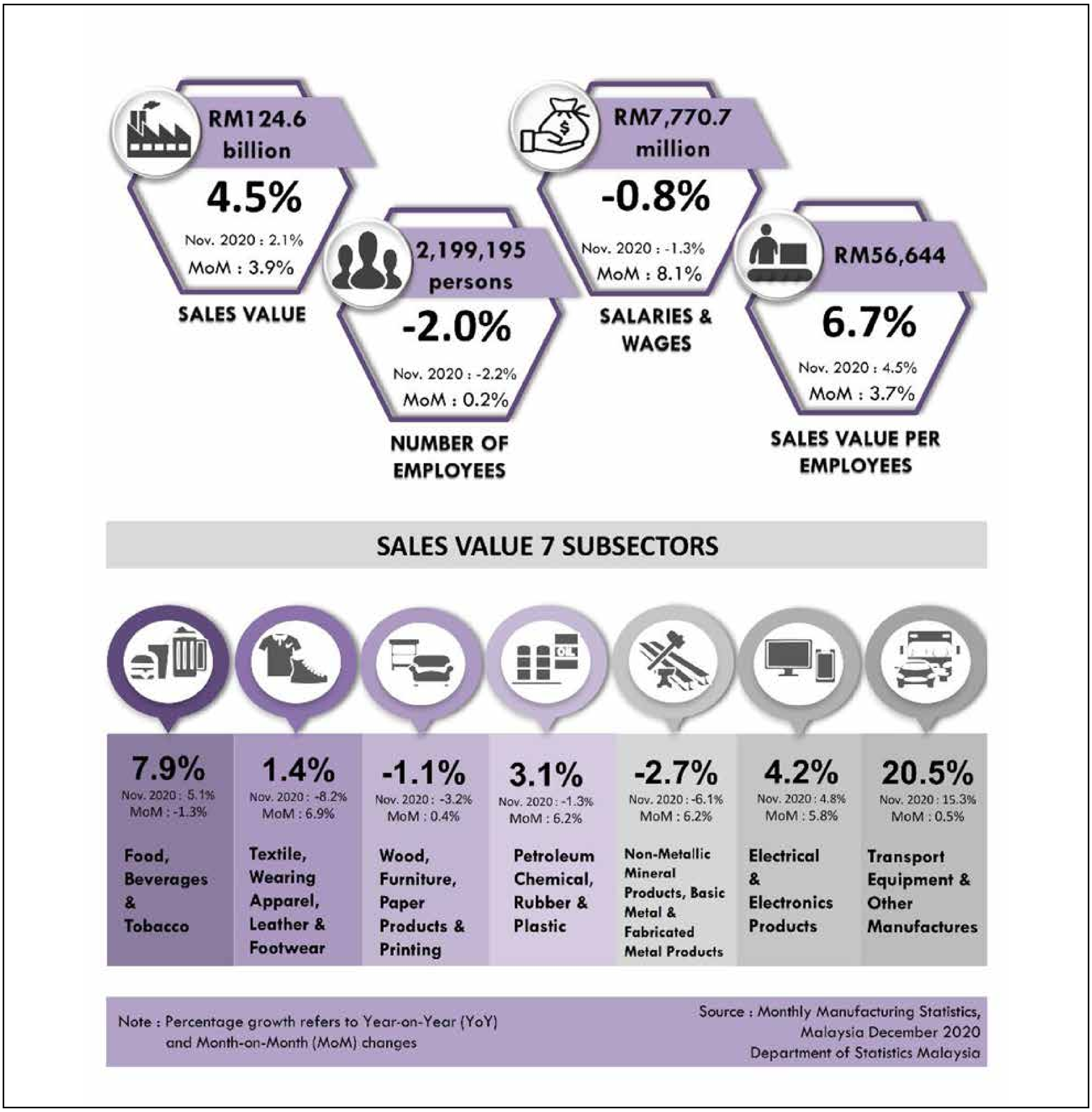


Source: The World Economic Situation and Prospects 2021
http://www.un.org/en/desa

MANUFACTURING SALES ROSE 4.5%

Highest Growth Since March 2020

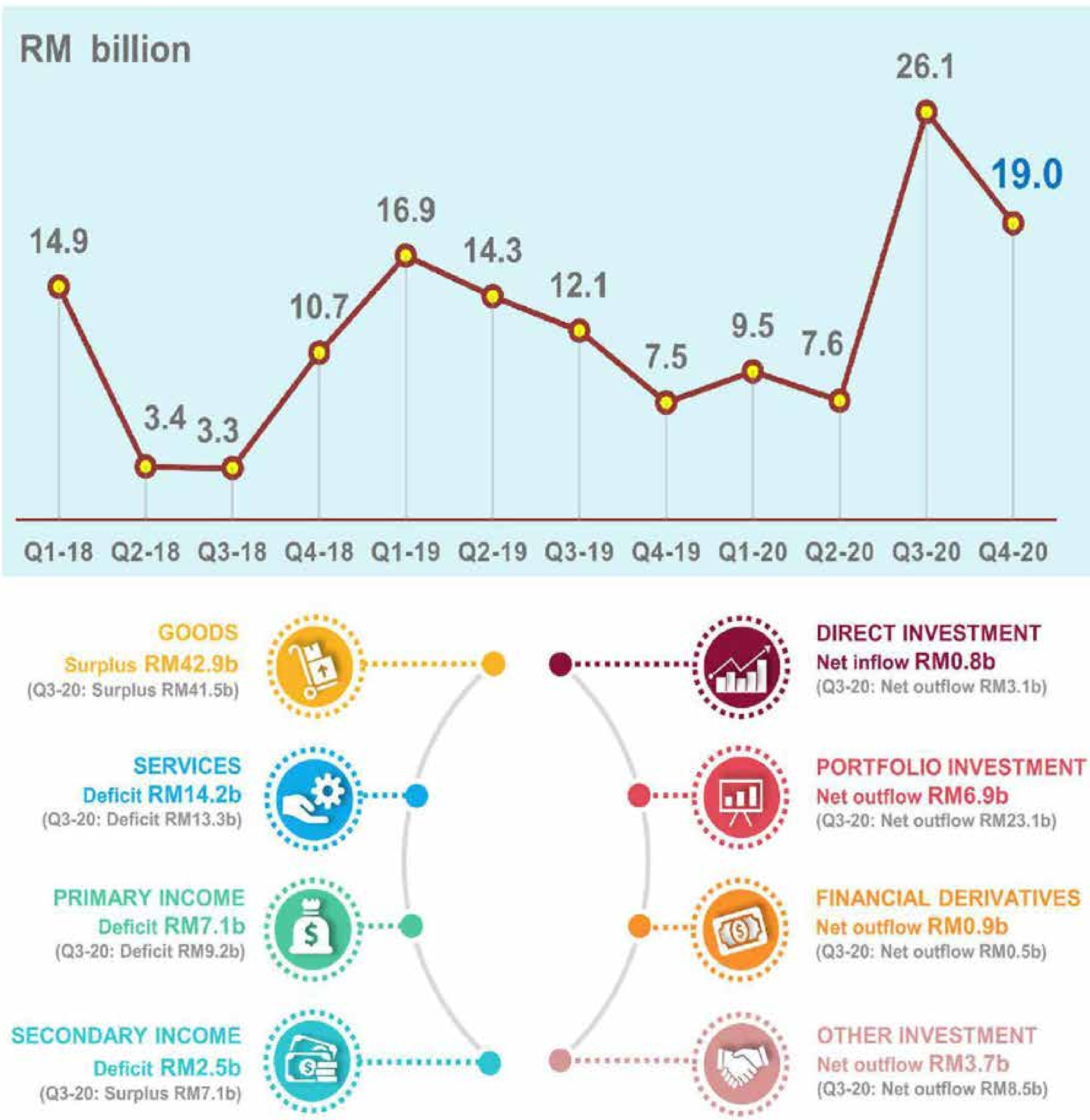
Malaysia's Manufacturing sales in December 2020 stood at RM124.6 billion, grew 4.5 per cent as compared to RM119.2 billion reported a year ago. On month-on-month growth, the sales value went up by 3.9 per cent (RM4.7 billion) while in a seasonally adjusted terms, the sales value increased by 4.5 per cent.



MALAYSIA CURRENT ACCOUNT RECORDED 19 BILLION SURPLUS

Q4, 2020

Malaysia's current account continued a surplus by recording RM19.0 billion in the final quarter of 2020, led by the higher net exports of Goods and smaller deficit in Primary income.

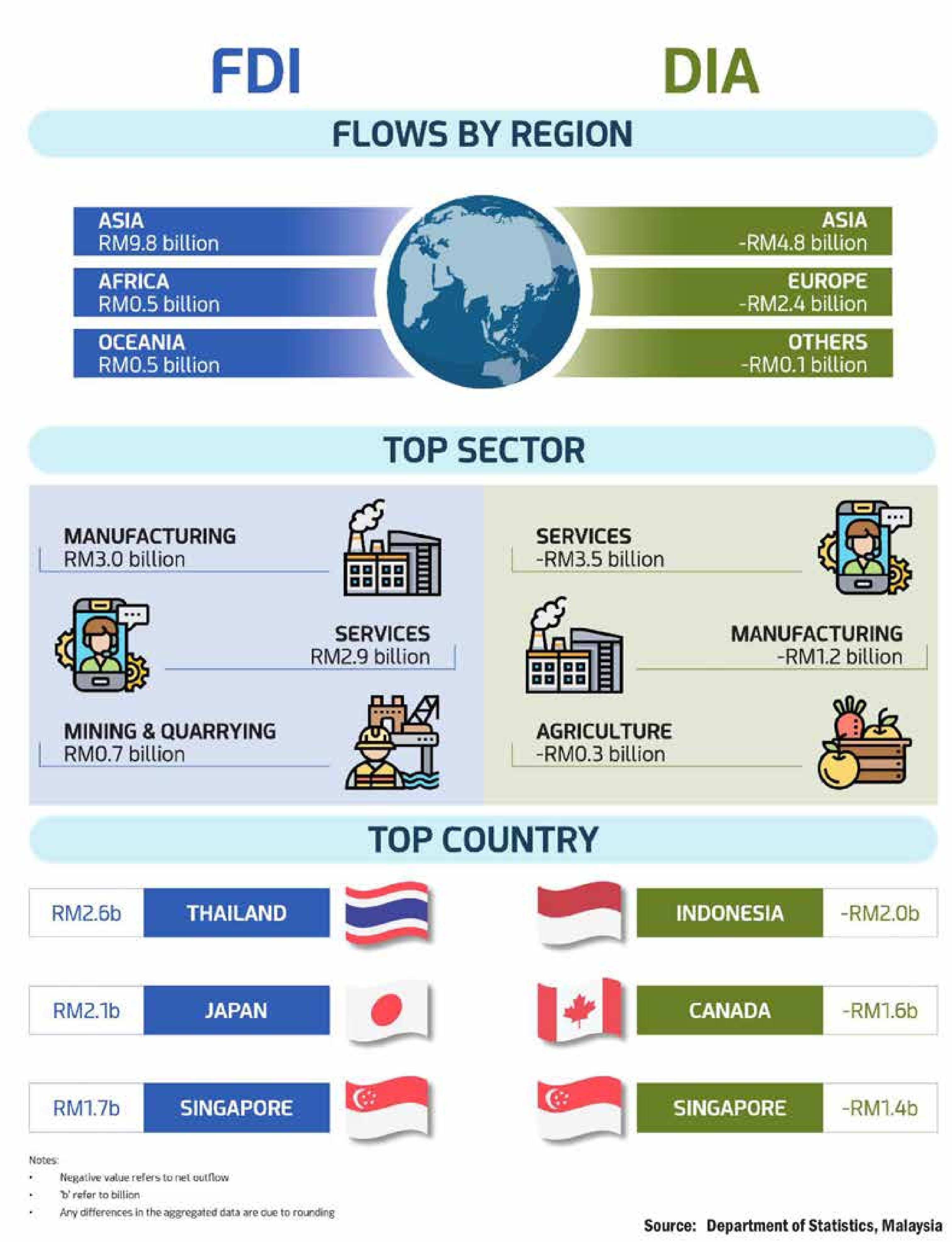


Source: Department of Statistics, Malaysia

FDI & DIA

Q4, 2020

FDI in Malaysia turned around to an inflow of RM6.1 billion in Q4 2020 from an outflow of RM0.8 billion in the preceding quarter due to higher injection of equity and debt instruments. Whereas, DIA made by Malaysian investors recorded RM5.4 billion, climbed by RM3.2 billion due to higher investment in Equity.



TOTAL APPROVED INVESTMENTS

For the Year 2020

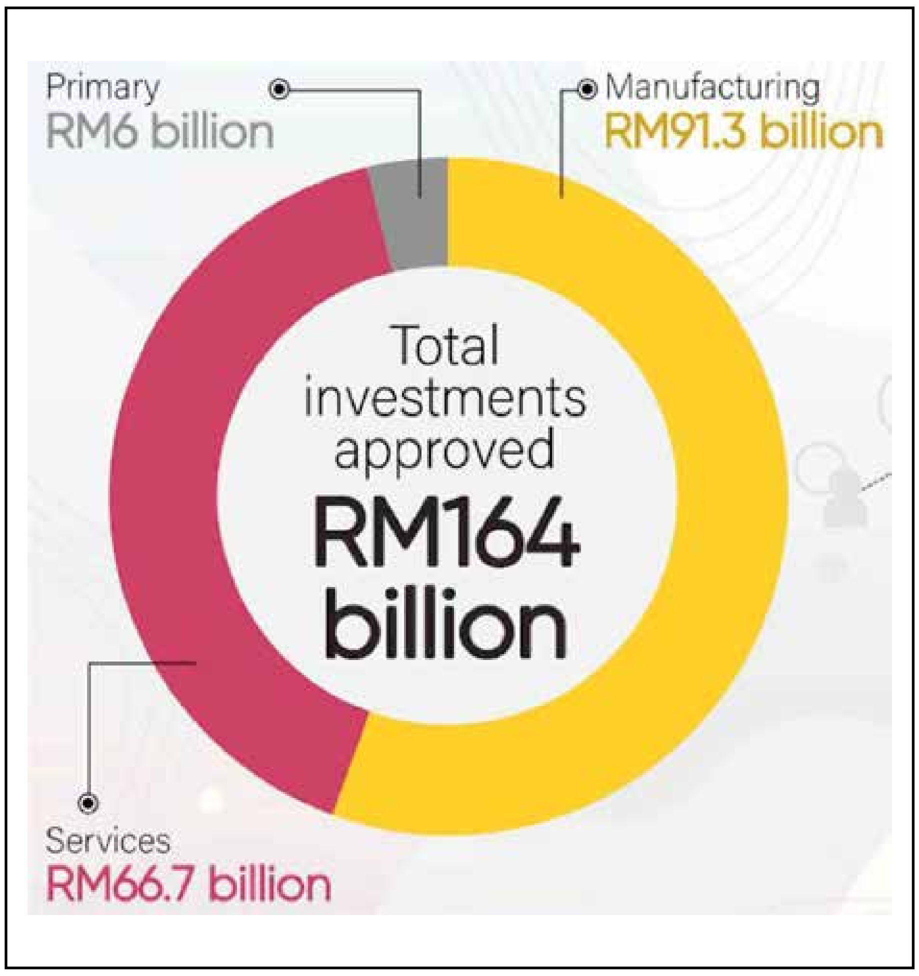
Malaysia recorded a total of RM164 billion in approved investments through 4,599 projects in the manufacturing, services and primary sectors in 2020. These investments are expected to create 114,673 new jobs in various sectors of the economy once implemented.

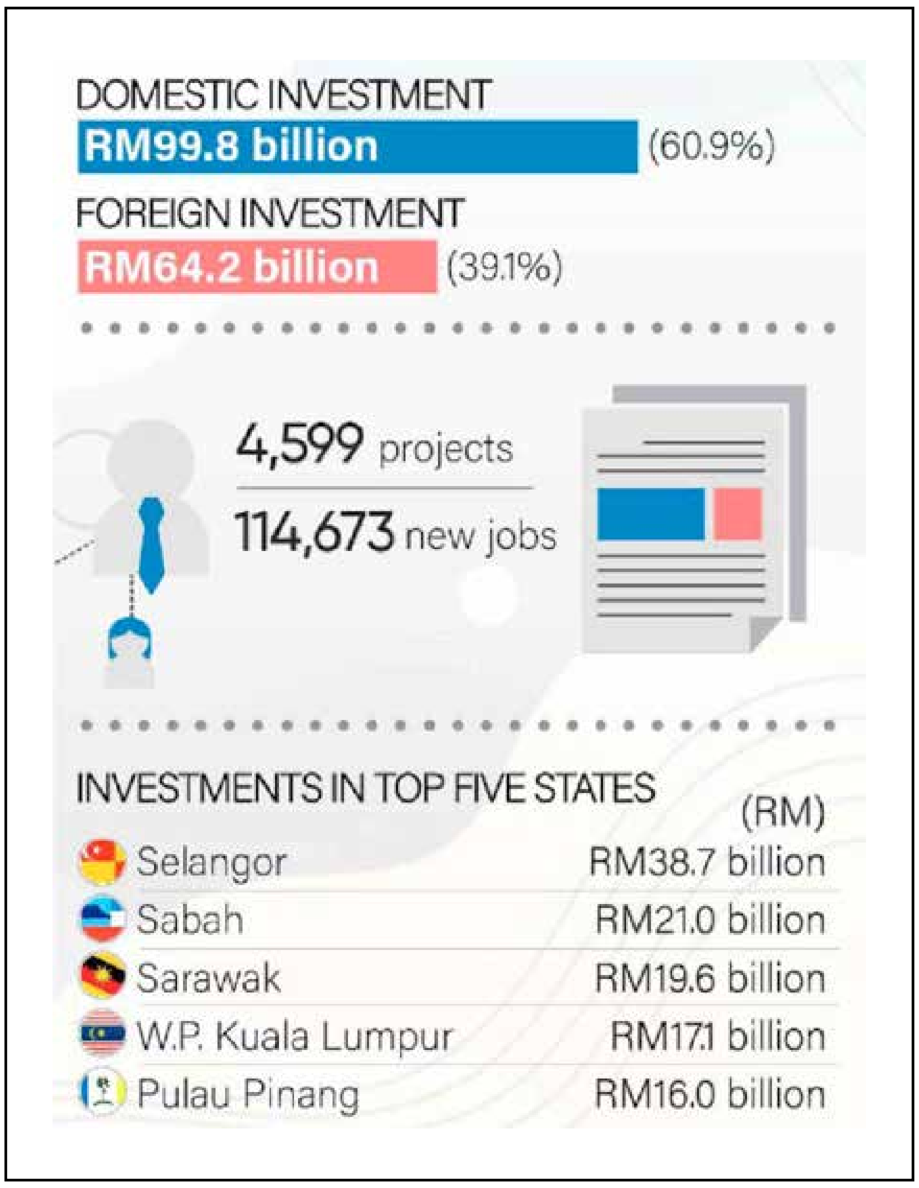
In contrast, a total of 5,287 projects with investments of RM211.4 billion were approved in 2019. This decline was weighed by the services and primary sectors which were directly impacted by declines in global demands due to the pandemic and the Movement Control Order (MCO) implementation.

In 2020, domestic direct investments (DDI) accounted for the bulk of the total approved investments with a contribution of 60.9 per cent (RM99.8 billion), while foreign direct investments (FDI) made up the remaining RM64.2 billion (39.1%).

The manufacturing sector led the way for total investments approved in 2020, recording RM91.3 billion, followed by the services sector RM66.7 billion and the primary sector with RM6.0 billion.

Selangor (RM38.7b) recorded the highest investments approved last year, followed by Sabah (RM21.0b), Sarawak (RM19.6b), Wilayah Persekutuan Kuala Lumpur (RM17.1b) and Pulau Pinang (RM16.0b). These five states alone contributed more than 60 per cent of the total approved investments for 2020.

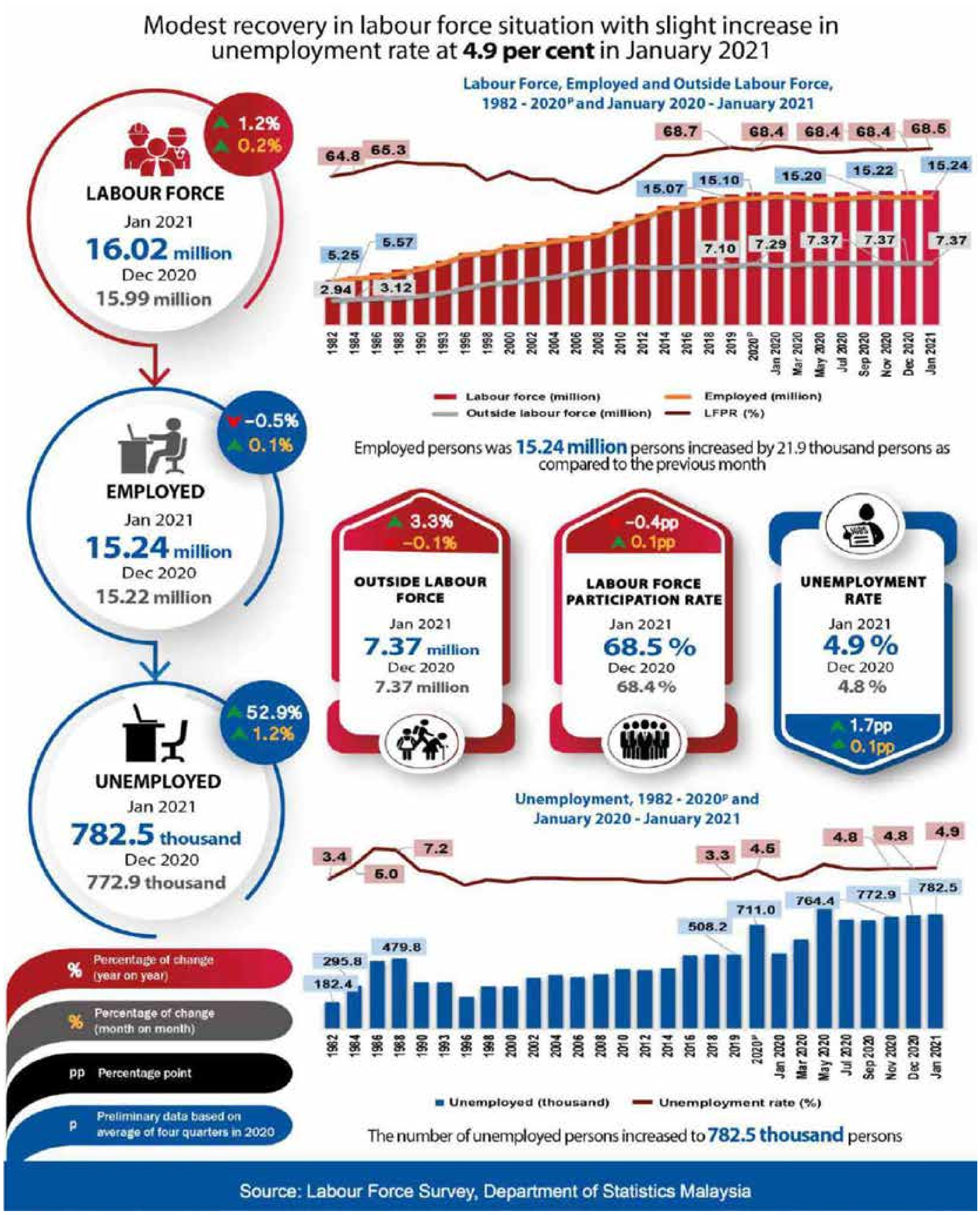




LABOUR FORCE

January 2021

Employed persons continued to increase marginally by 0.1 per cent or 21.9 thousand persons to 15.24 million persons in January 2021. The employmentto-population ratio which indicates the ability of an economy to create employment rose by 0.1 percentage point to 65.2 per cent.

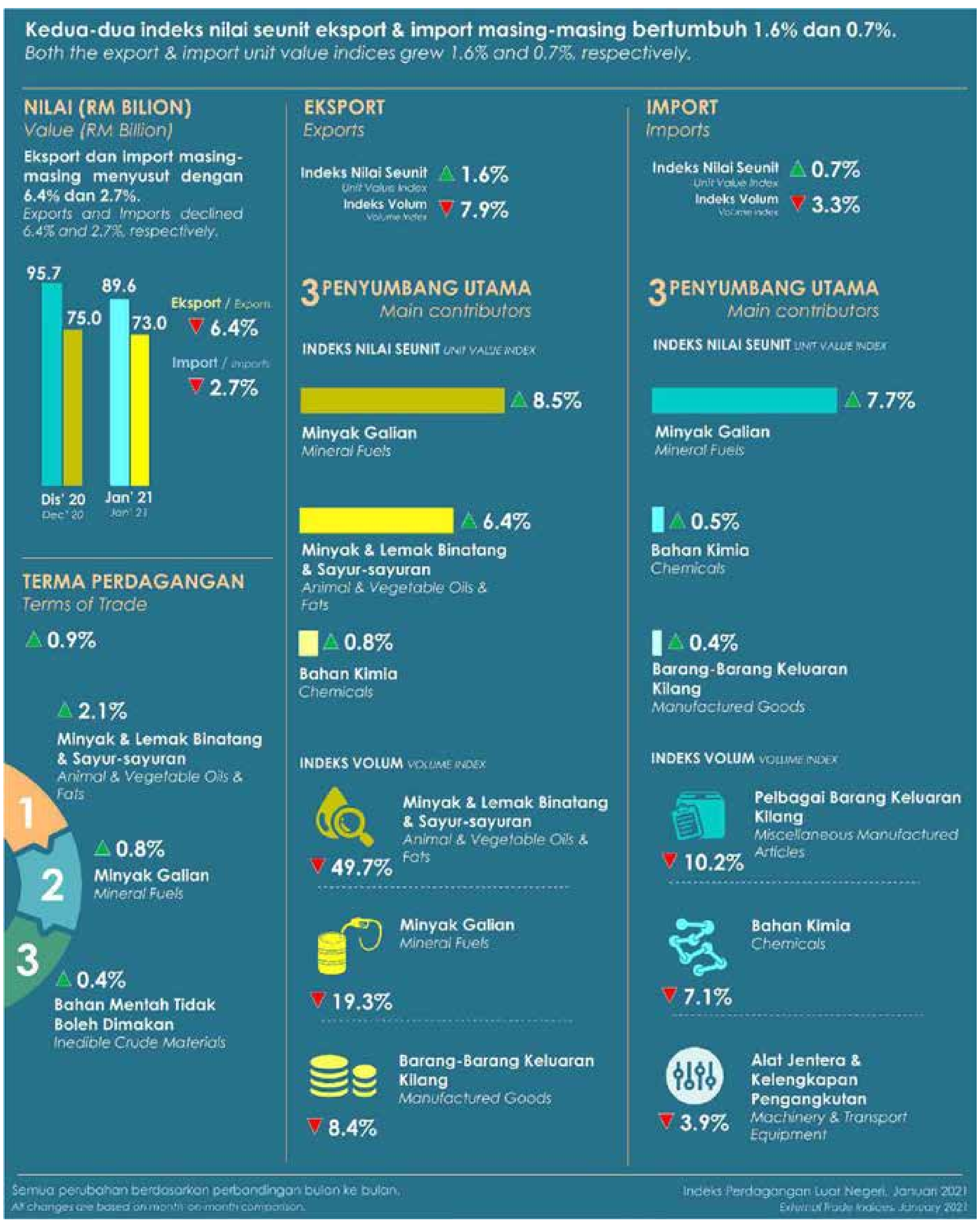


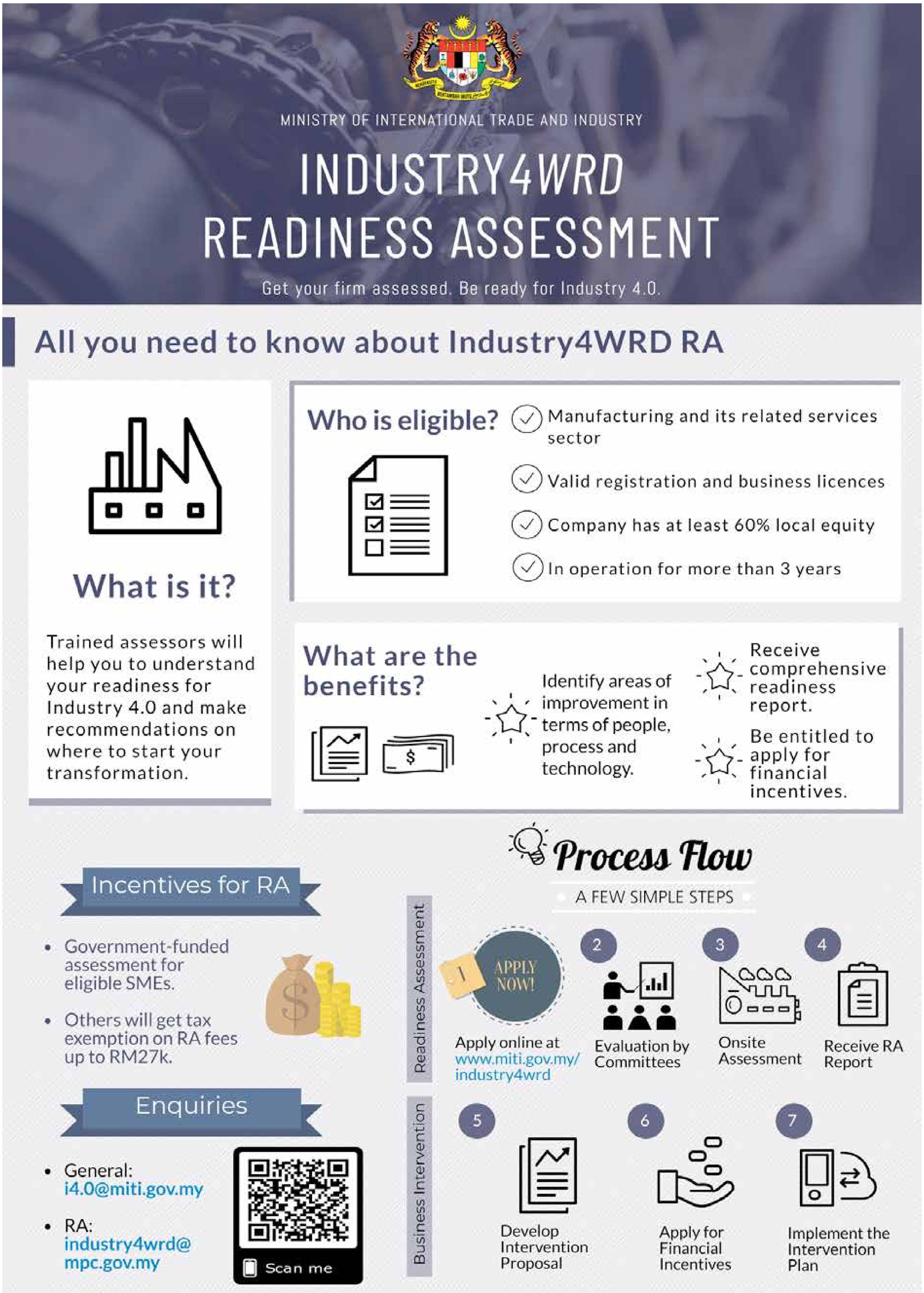
EXTERNAL TRADE INDICES

January 2021

Malaysia's export value dropped by 6.4% in January 2021, in line with the decrease in the export volume index at 7.9% as compared with the previous month. This was attributed to the weak performance of the index of animal & vegetable oils & fats (-49.7%), mineral fuels (-19.3%) and manufactured goods (-8.4%).

Whereas import value amounted RM73.0 billion, slipped 2.7% in January 2021 inline with the downtrend in the import volume index (3.3%). This was attributed from the weak performance of the index of miscellaneous manufactured articles (-10.2%), chemicals (-7.1%) and machinery & transport equipment (-3.9%).





For more information, kindly click the following:
https://www.miti.gov.my/index.php/pages/view/industry4WRD

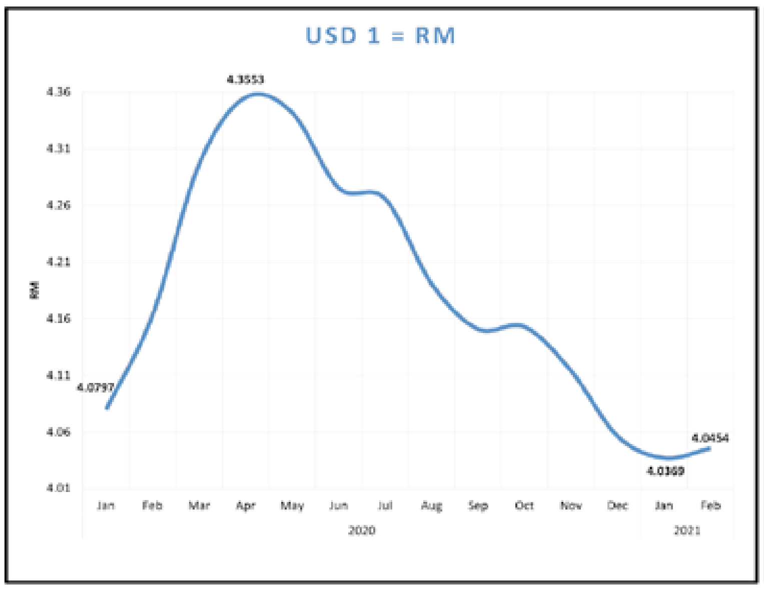
COMMODITY PRICES

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

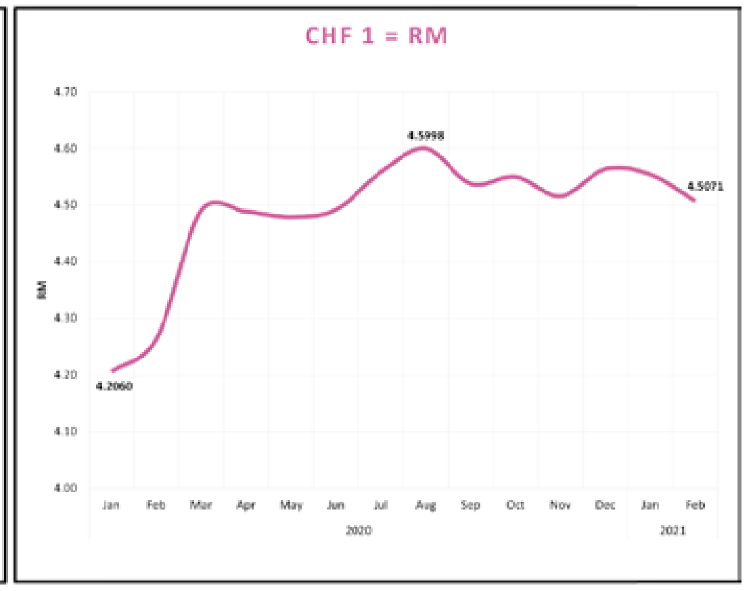
MALAYSIAN RINGGIT EXCHANGE RATE

Jan 2020 – Feb 2021

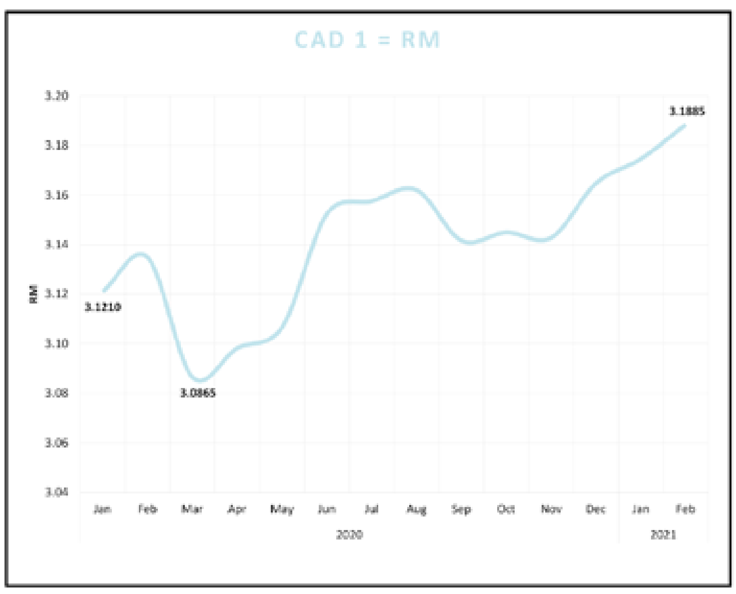
US Dollar



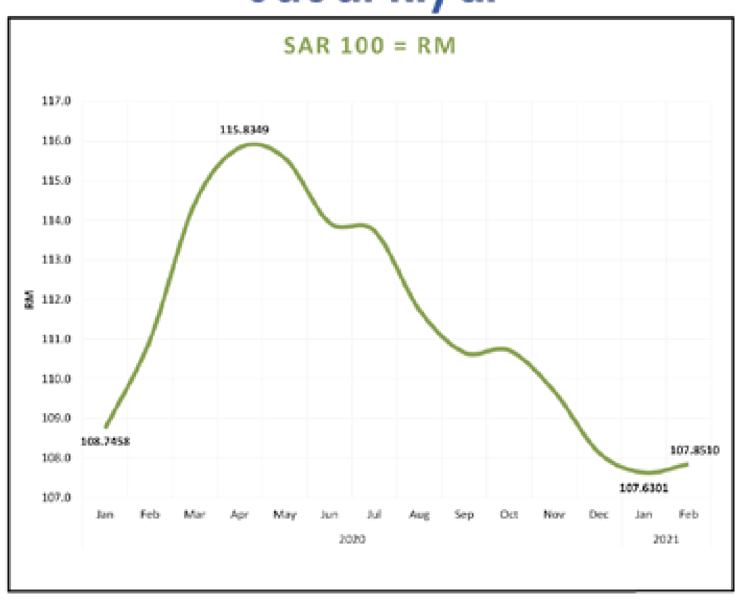
Swiss Franc



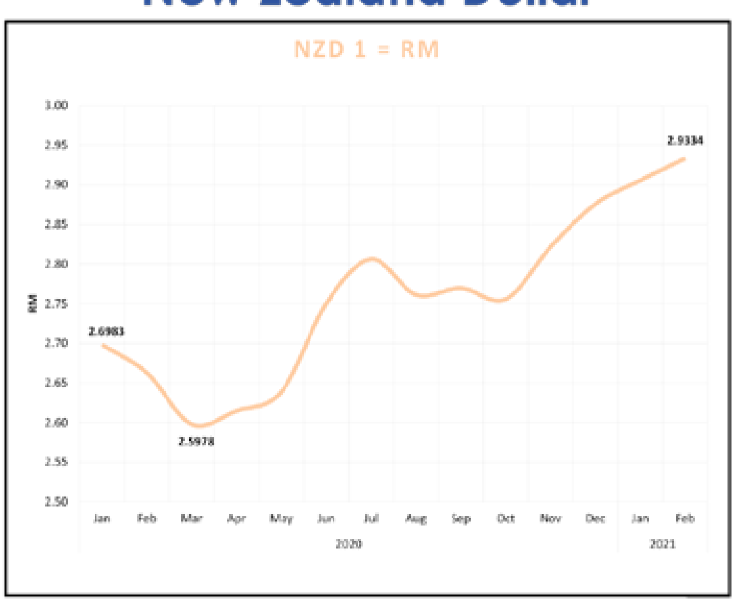
Canadian Dollar



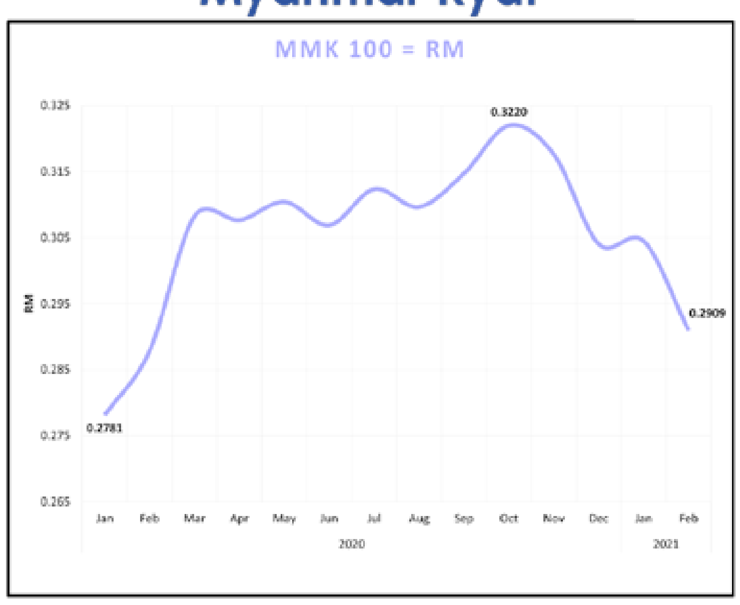
Saudi Riyal



New Zealand Dollar



Myanmar Kyat



Source : Bank Negara Malaysia

WORLD LARGEST EXPORTER OF COPPER POWDERS

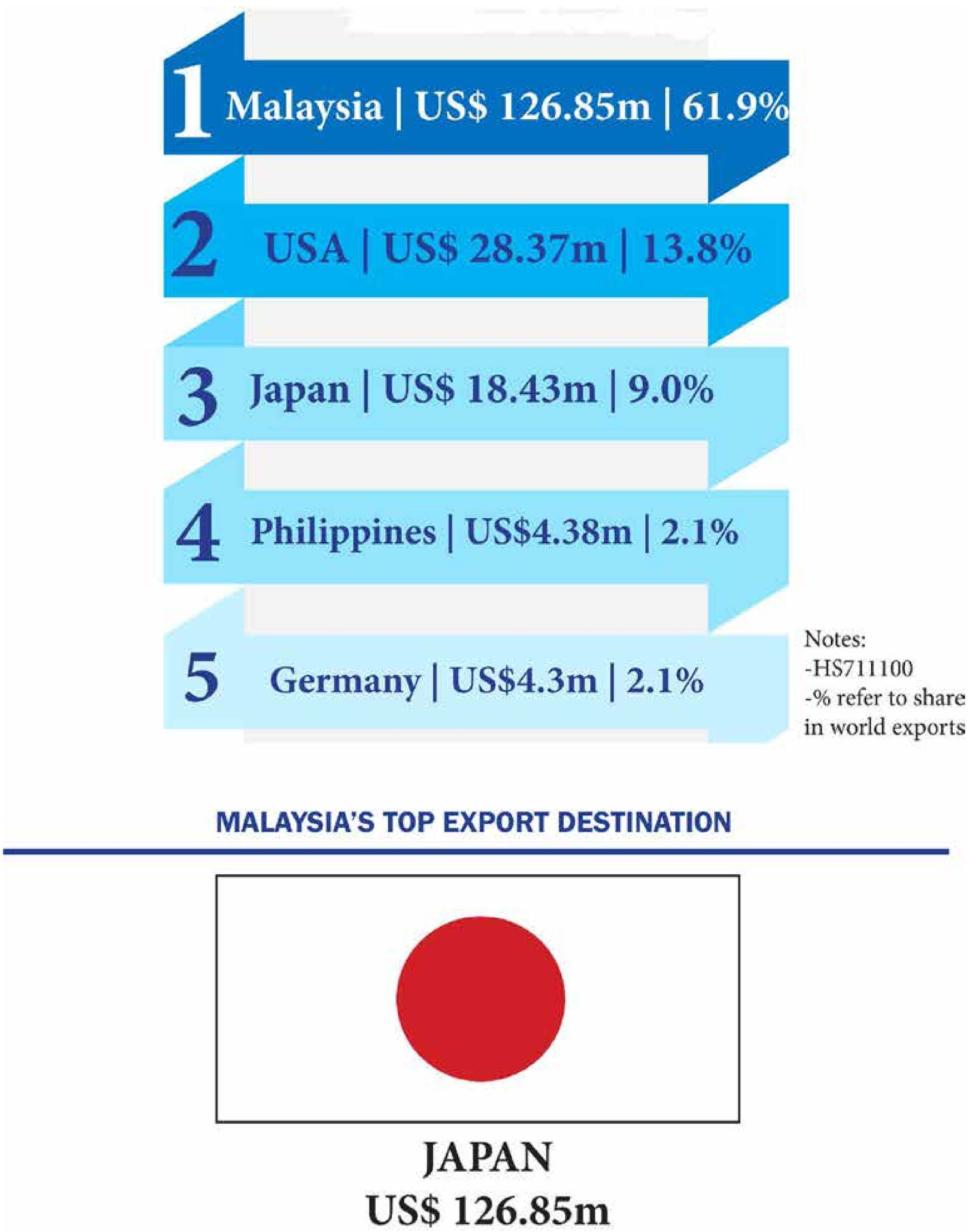
Non-Lamellar Structure Excluding Grains of Copper

In 2019, Malaysia's export of copper powders, of non-lamellar structure (excluding grains of copper) recorded US$ 156.36 million which was 27.3% share of the world exports.

WORLD LARGEST EXPORTER OF METALS

Base Metals, Silver or Gold, Clad with Platinum, Not Further Worked than Semi-Manufactured

In 2019, Malaysia's export of Base metals, silver or gold, clad with platinum, not further worked than semi-manufactured recorded US$ 126.85 million which was 61.9 % share of the world exports.



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

WORLD LARGEST EXPORTER OF OLEIC ACID, INDUSTRIAL

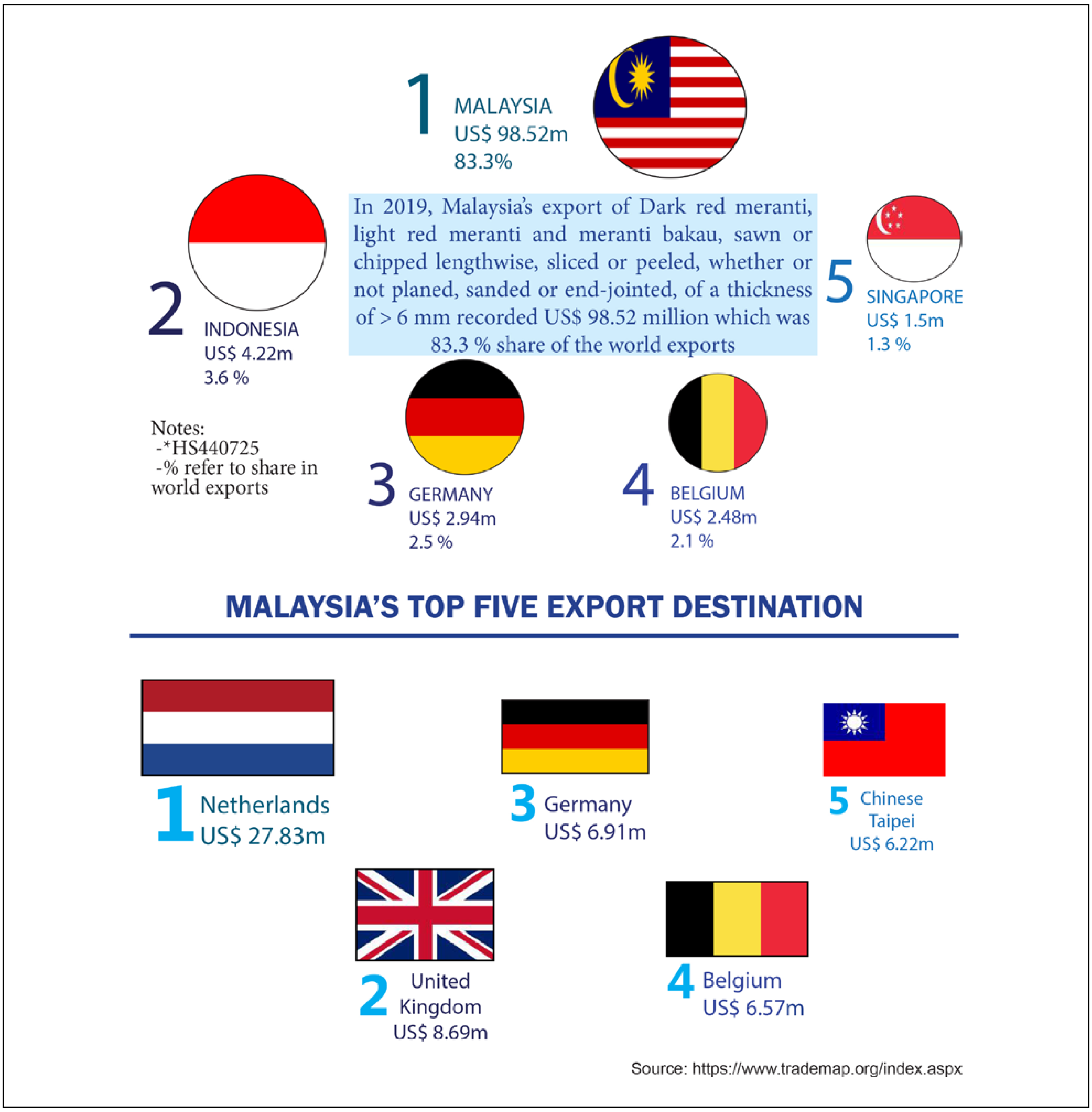
In 2019, Malaysia's export of oleic acid, industrial recorded US$ 108.86 million which was 33.9 % share of the world exports.

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

WORLD LARGEST EXPORTER OF MERANTI

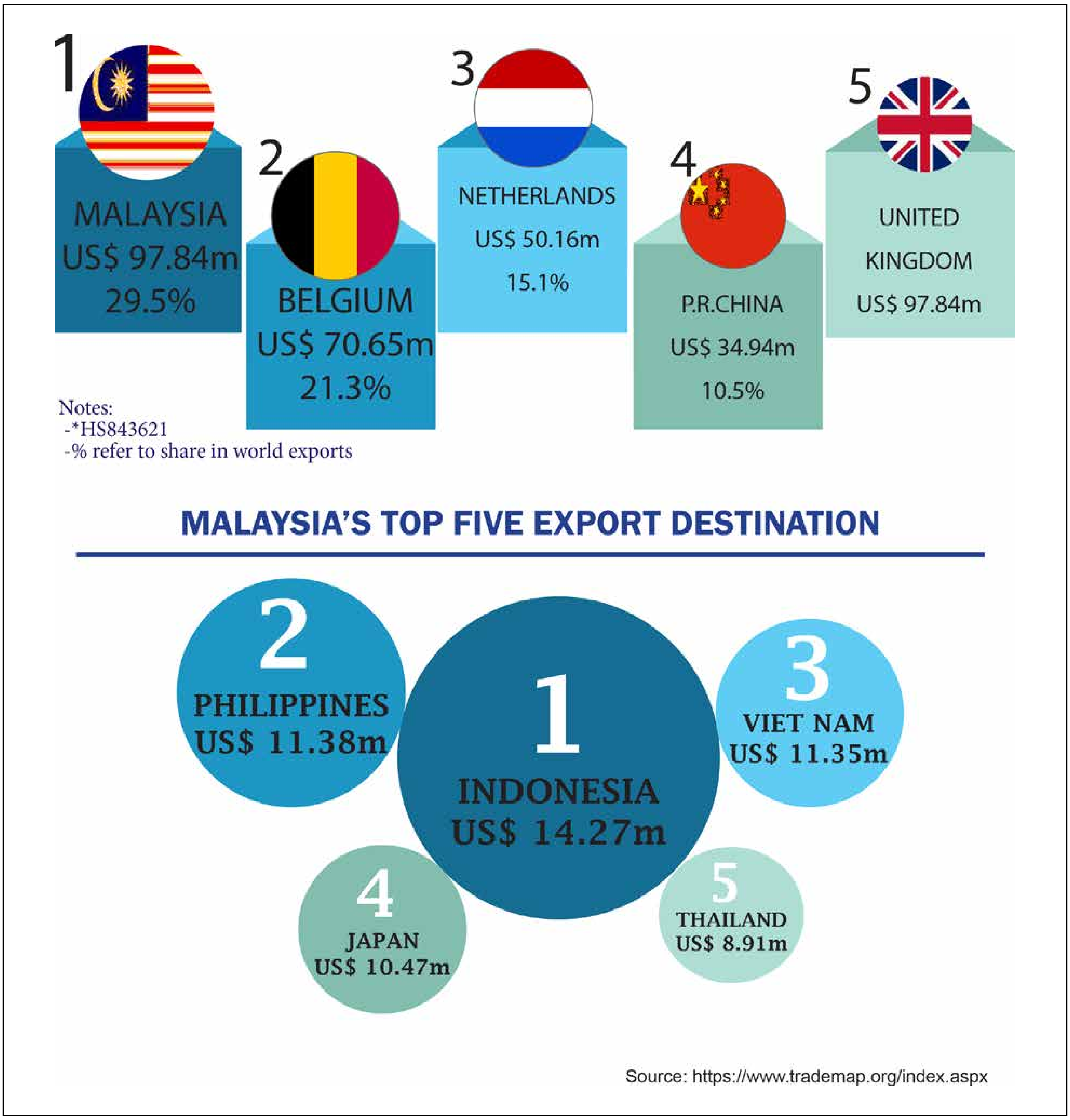
Dark Red Meranti, Light Red Meranti & Meranti Bakau, Sawn or Chipped Lengthwise, Sliced or Peeled, Whether or Not Planed, Sandedor End-Jointed, of a Thickness of > 6mm

In 2019, Malaysia's export of Dark red meranti, light red meranti and meranti bakau, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness of > 6 mm recorded US$ 98.52 million which was 83.3 % share of the world exports.



WORLD LARGEST EXPORTER OF POULTRY INCUBATORS & BROODERS

In 2019, Malaysia's export of Poultry incubators and brooders recorded US$ 97.84 million which was 29.5 % share of the world exports.



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

www.miti.gov.my