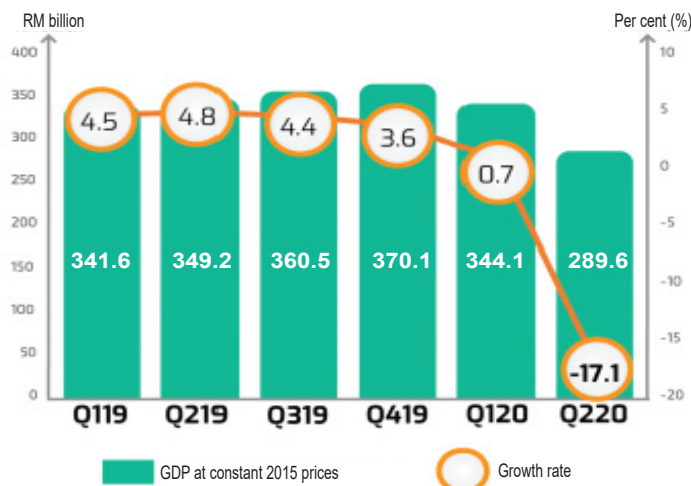


MALAYSIA ECONOMIC PERFORMANCE SECOND QUARTER 2020

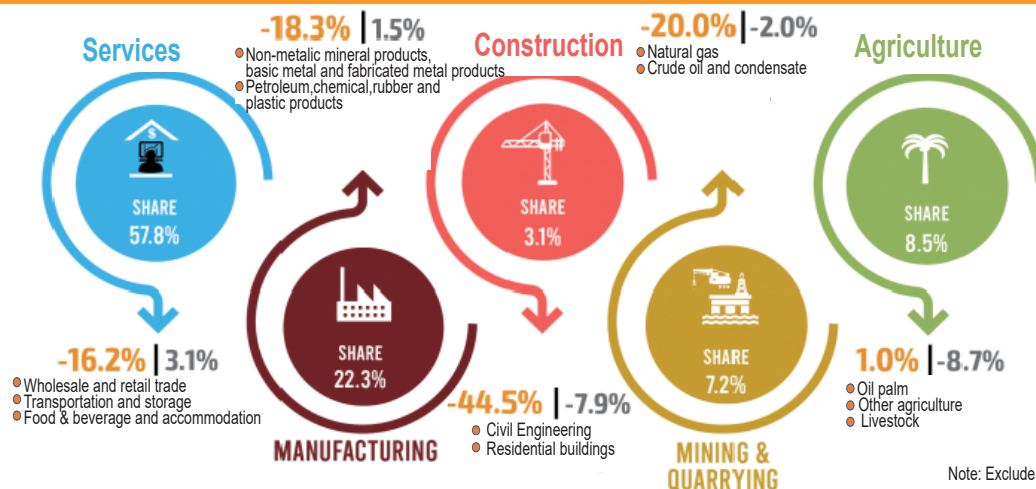
Malaysia's economy contracted 17.1 per cent in Q2 2020. The performance for this quarter was the lowest recorded since the fourth quarter of 1998 (-11.2%).



On the production side, all main sectors in the economy recorded a decrease in this quarter with the exception of the Agriculture sector.

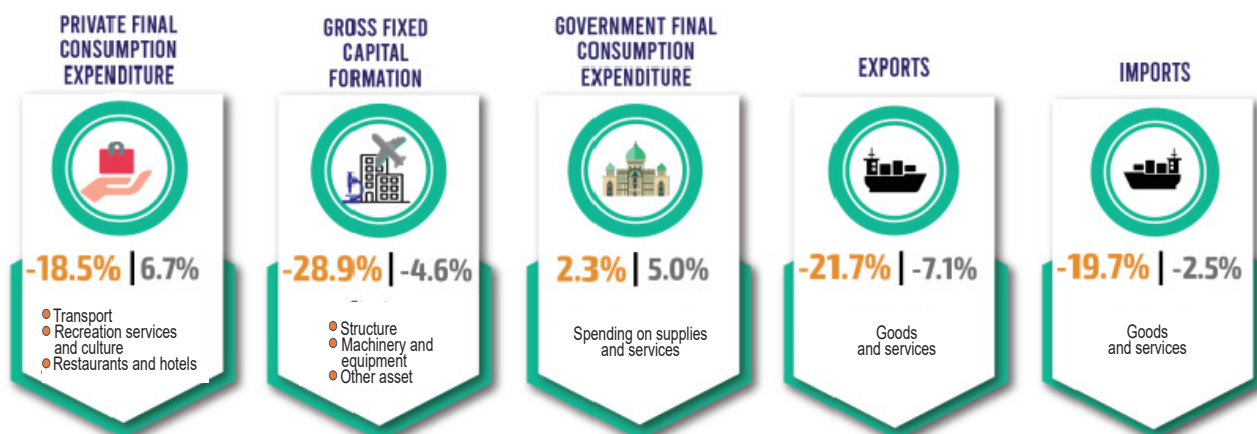
On the expenditure side, sharp decline was recorded for all components except for Government final consumption expenditure.

Production



Note: Exclude import duties

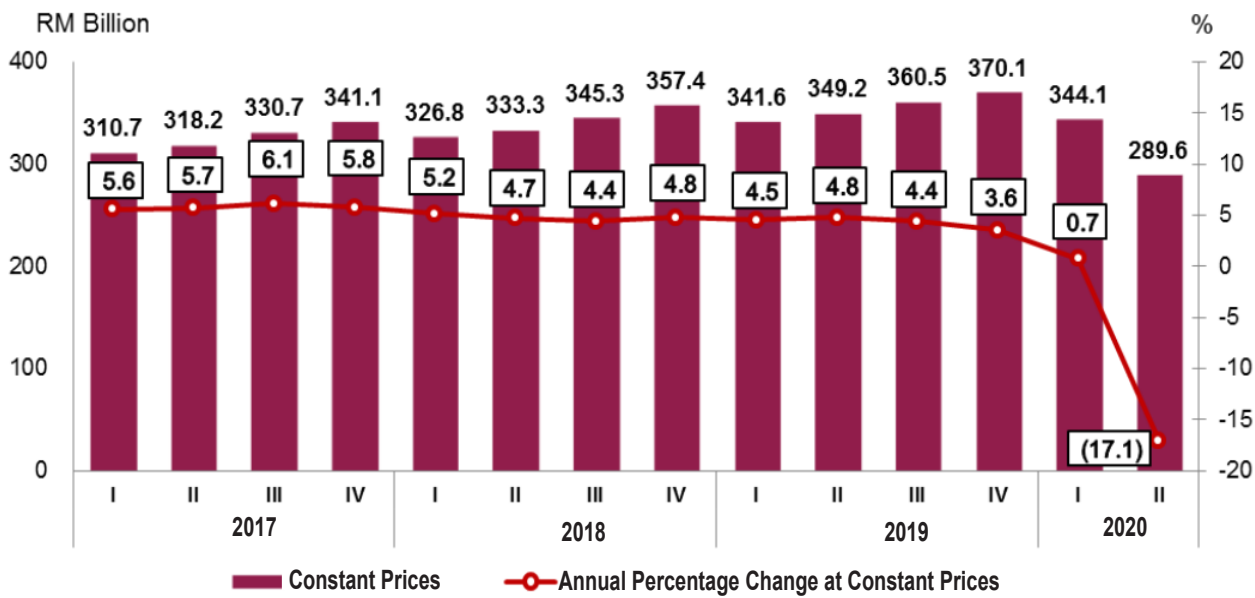
Expenditure



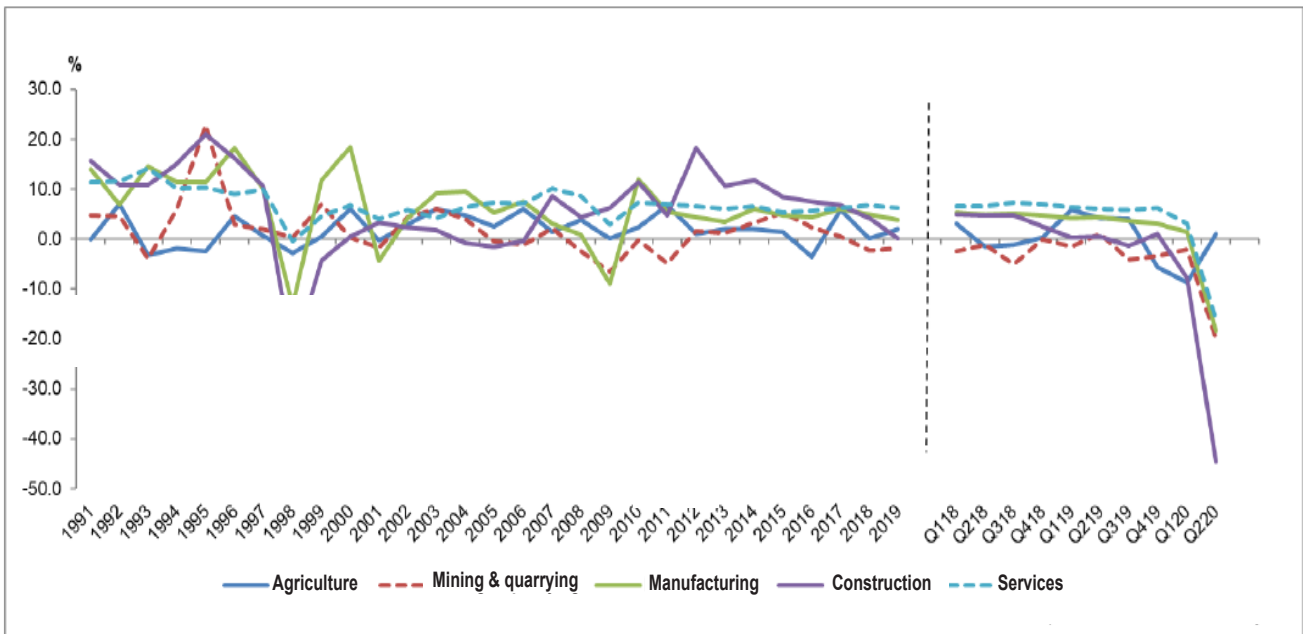
Source: Department of Statistics, Malaysia

Note: Q220 | Q120

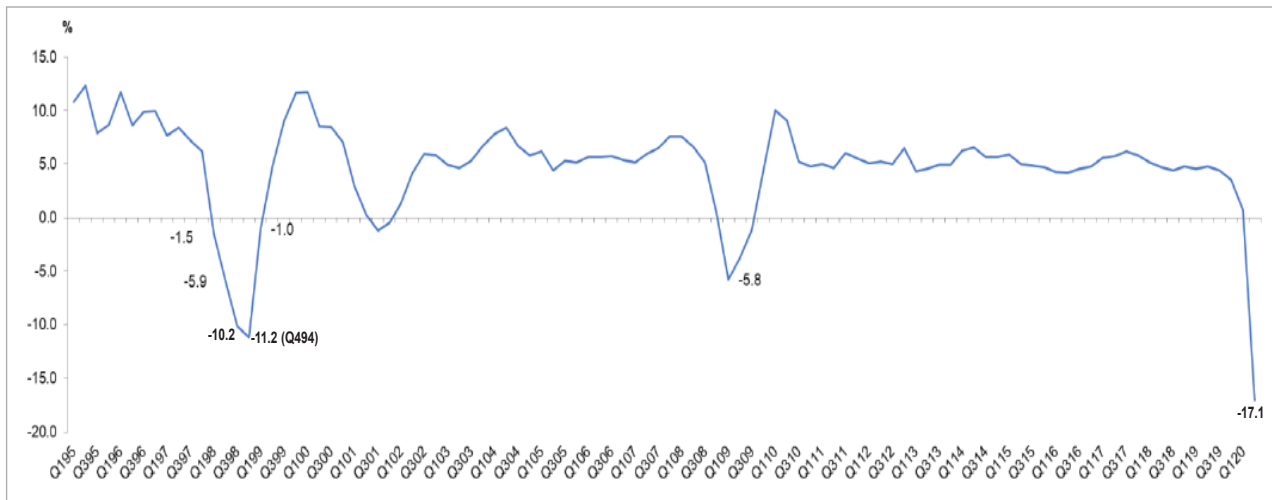
GDP - Value Added and Annual Growth Rate



GDP by kind of economic activity growth (year-on-year,%)



GDP Growth (year-on-year,%)

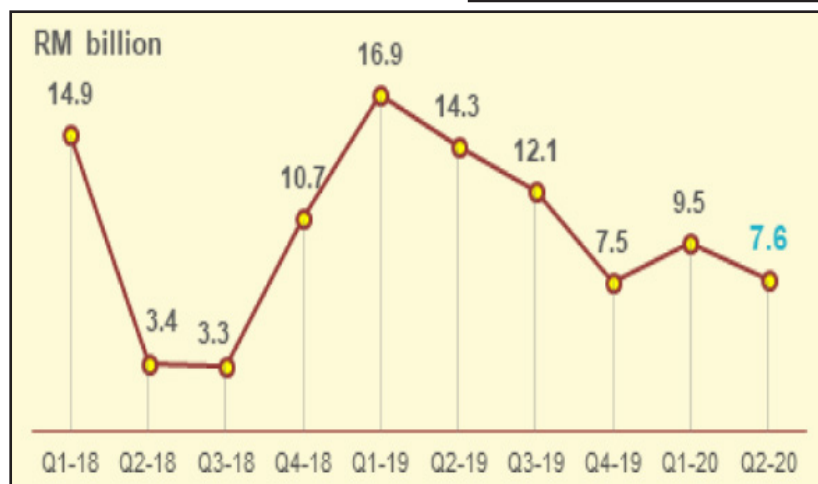


Source: Department of Statistics, Malaysia

Malaysia Statistics

BALANCE OF PAYMENTS, SECOND QUARTER 2020

Current Account



Malaysia's current account balance recorded a surplus of RM7.6 billion as against RM9.5 billion in Q1 2020.

Current Account by Components



GOODS

Surplus RM25.9b

(Q1-20: Surplus RM28.9b)



SERVICES

Deficit RM12.5b

(Q1-20: Deficit RM8.0b)



PRIMARY INCOME

Surplus RM4.0 b

(Q1-20: Surplus RM6.0b)











SECONDARY INCOME

Deficit RM1.9 b

(Q1-20: Deficit RM5.4b)

Trade in Services by Components

			RM Million	
Components	Exports	Imports	Total Trade	
 Manufacturing services on physical inputs owned by others	2,864	110	2,974	
 Transport	2,883	9,230	12,113	
 Travel	40	3,119	3,159	
 Construction	631	680	1,311	
 Telecommunications, computer and information services	3,310	4,208	7,518	
 Personal, cultural and recreational				
 Services	529	598	1,127	
 Others	8,186	12,962	21,148	
TOTAL	18,442	30,907	49,348	

Note: Others include Financial services, Insurance and pension services, Charges for the use of intellectual property n.i.e., Government goods and services n.i.e., Maintenance and repair services n.i.e., and Other business services.

Source: Department of Statistics, Malaysia

BALANCE OF PAYMENTS, SECOND QUARTER 2020

Financial Account by Components



DIRECT INVESTMENT
Net outflow RM1.2b
 (Q1-20: Net inflow RM3.4b)



PORTFOLIO INVESTMENT
Net inflow RM22.2b
 (Q1-20: Net outflow RM41.3b)



FINANCIAL DERIVATIVES
Net inflow RM0.6b
 (Q1-20: Net inflow RM2.5b)



OTHER INVESTMENT
Net outflow RM41.3b
 (Q1-20: Net inflow RM22.113)

Financial account continued to register a net outflow of RM19.8 billion in the second quarter this year. The predominant contributor was Other investment with net outflow of RM41.3 billion from net inflow of RM22.1 billion in the first quarter of 2020. This reflected mainly on net interbank lending abroad by the domestic financial sector.

FDI and DIA Performance

Foreign Direct Investment (FDI) slowed down to RM2.2 billion from RM6.4 billion in the previous quarter attributed to lower investment in Manufacturing sector.

Foreign Direct Investment (FDI)

Net inflow RM2.2b
 (Q1-20: Net inflow RM6.4b)



Direct Investment Abroad (DIA)

Net inflow RM3.5b
 (Q1-20: Net outflow RM3.0b)

Source: Department of Statistics, Malaysia

INTERNATIONAL INVESTMENT POSITION SECOND QUARTER 2020



As at end of second quarter 2020, Malaysia's international investment position (IIP) recorded a higher net assets position of RM57.3 billion as against RM27.1 billion in the last quarter.

BREAKDOWN OF IIP PERFORMANCE

TOTAL ASSETS

RM1,914.8b (Q1-20: RM1,837.5b)

Mainly contributed by: **31.8%** Direct Investment
24.3% Portfolio Investment

TOTAL LIABILITIES

RM1,857.5b (Q1-20: RM1,810.4b)

Mainly contributed by: **42.2%** Direct Investment
32.3% Portfolio Investment

COMPONENTS OF DIRECT INVESTMENT

Equity & investment fund shares

Debt instruments

RM346.8b
56.9%

ASSETS
RM609.2b

RM262.5b
43.1%

RM614.2b
78.4%

LIABILITIES
RM783.9b

RM169.7b
21.6%

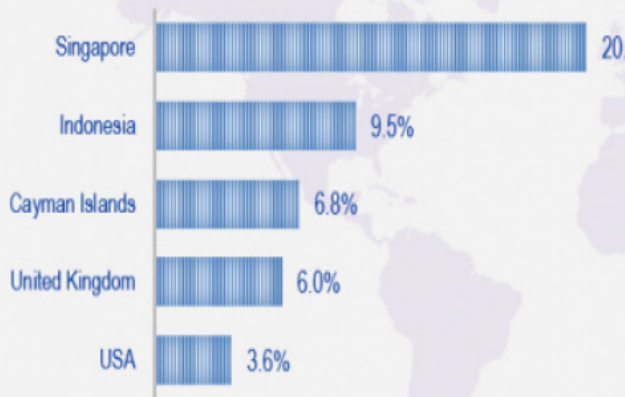
TOP FIVE COUNTRIES FOR DIRECT INVESTMENT POSITION

DIRECT INVESTMENT ABROAD (DIA)

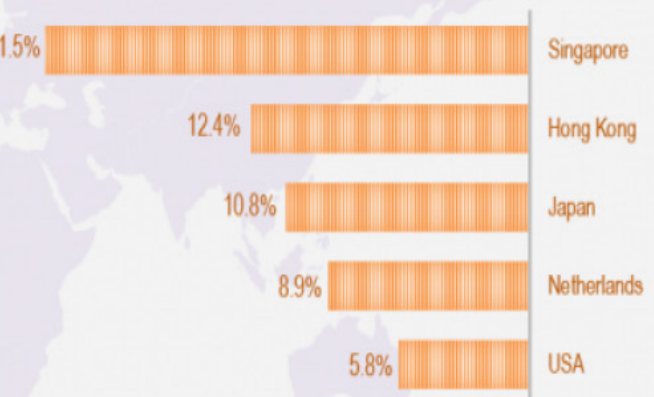
RM521.9b

FOREIGN DIRECT INVESTMENT (FDI)

RM696.5b



Cumulatively contributed **46.2%** to total DIA



Cumulatively contributed **59.4%** to total FDI

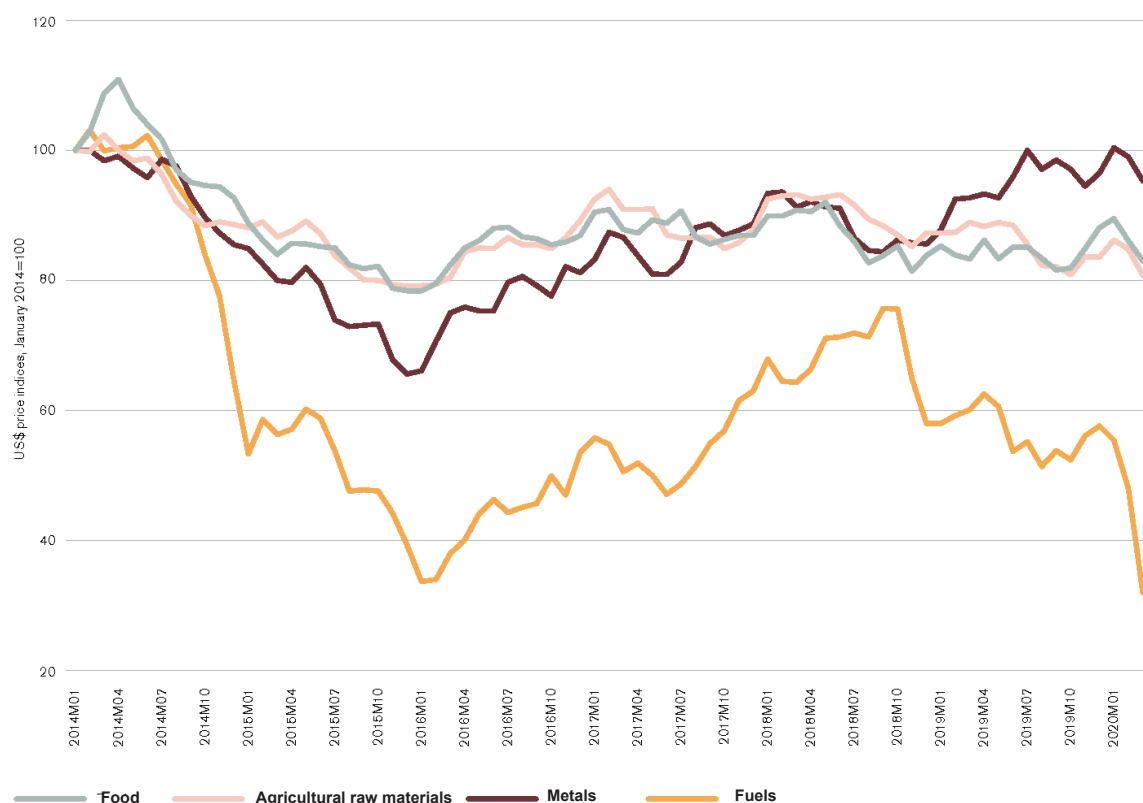
Source: Department of Statistics, Malaysia

WORLD TRADE STATISTICAL REVIEW 2020

Primary commodity prices

Commodity price fluctuations in 2019 were dominated by fuel prices, which were down 17 per cent compared with 2018.

Prices of primary commodities, January 2014 – January 2020
(US\$ price indices, January 2014=100)



- Fuel prices were down 17 per cent in 2019 and are expected to record further declines in 2020 as travel restrictions and social distancing measures to combat the COVID-19 pandemic have reduced energy demand.
- Food and agricultural raw materials recorded declines of 3 per cent and 5 per cent respectively in 2019.
- In 2019, metals prices were up 7 per cent over the previous year.

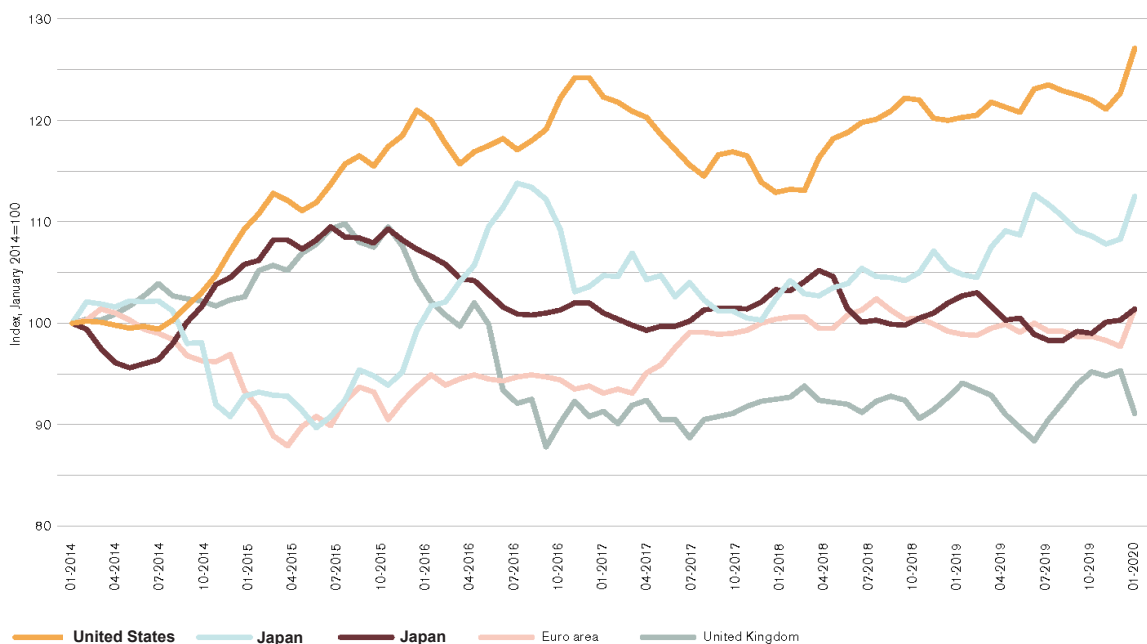
Source: WTO (https://www.wto.org/english/news_e/news20_e/publ_31jul20_e.htm)

WORLD TRADE STATISTICAL REVIEW 2020

Exchange rates

Exchange rates remained relatively stable in 2019 despite the heightened level of trade policy uncertainty.

Exchange rate indices for selected economies, January 2014 – January 2020¹
(Index, January 2014=100)



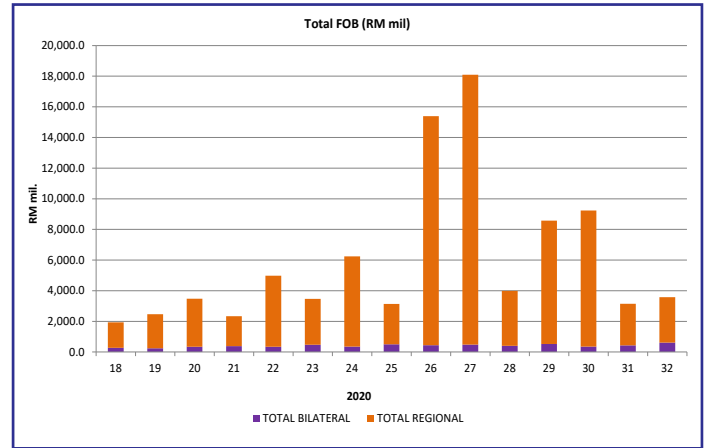
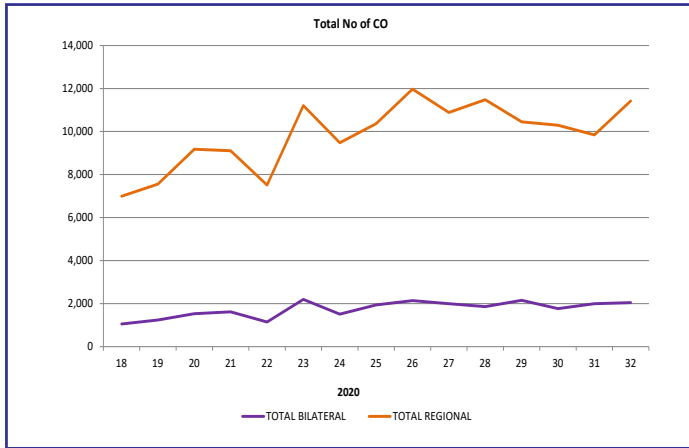
1) Nominal effective exchange rate indices against a broad basket of currencies.
Source: Bank for International Settlements.

- The dollar rose 3 per cent on average against the currencies of US trading partners, while the euro and renminbi fell 1 per cent and 2 per cent respectively in 2019.
- The Japanese yen appreciated by 5 per cent in 2019 while the United Kingdom pound remained static at 0 per cent.
- The US dollar appreciated during the onset of the COVID-19 pandemic, reflecting the currency's role as a financial safe haven. Further strengthening of the dollar could increase financial strain for net foreign borrowers with dollar-denominated debts.

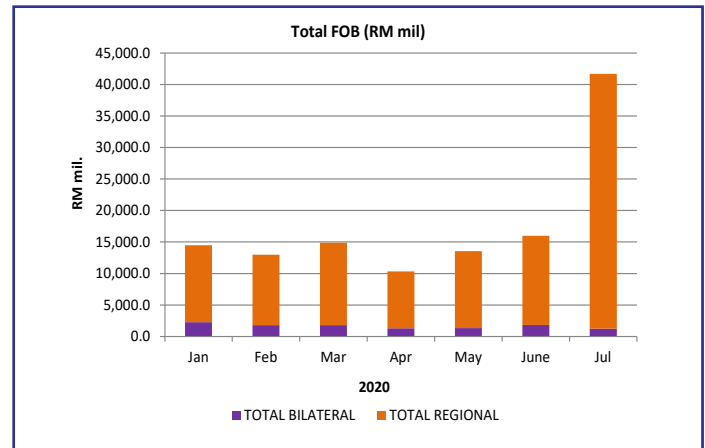
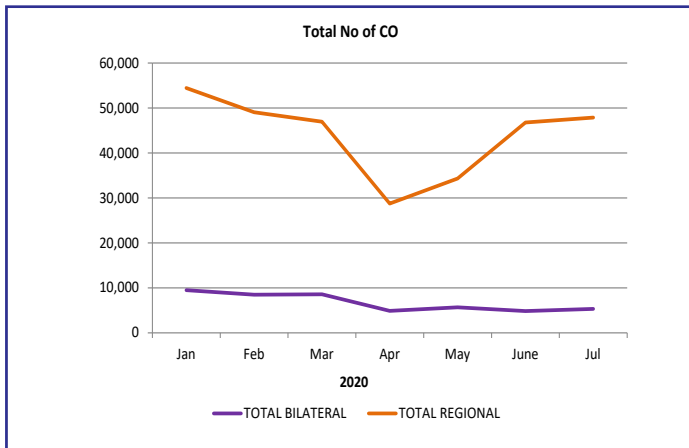
Source: WTO (https://www.wto.org/english/news_e/news20_e/publ_31jul20_e.htm)

Number and FOB Value of PCO as at 9 August 2020 Weekly / Monthly / Annually

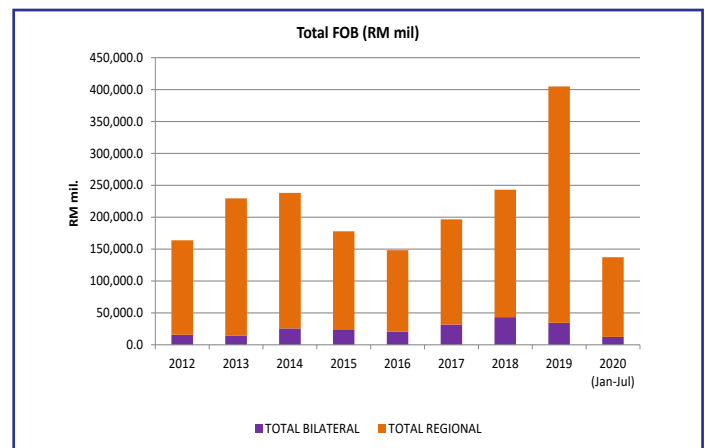
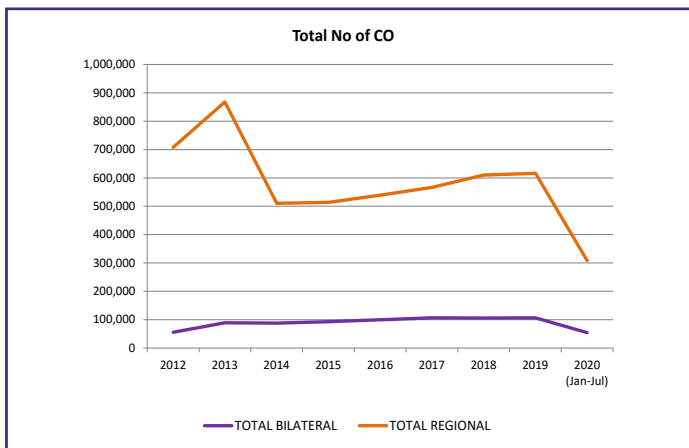
Weekly



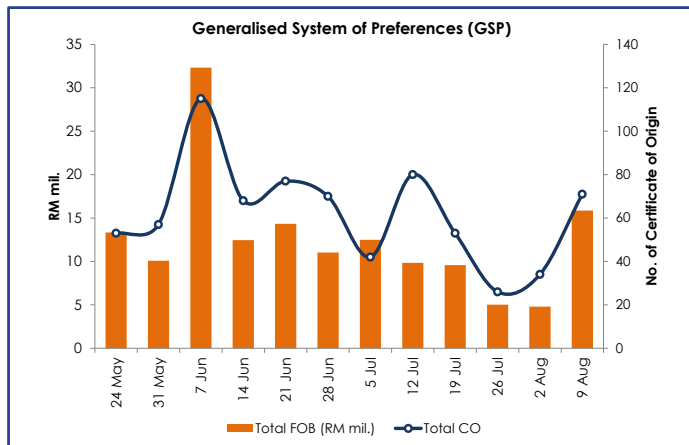
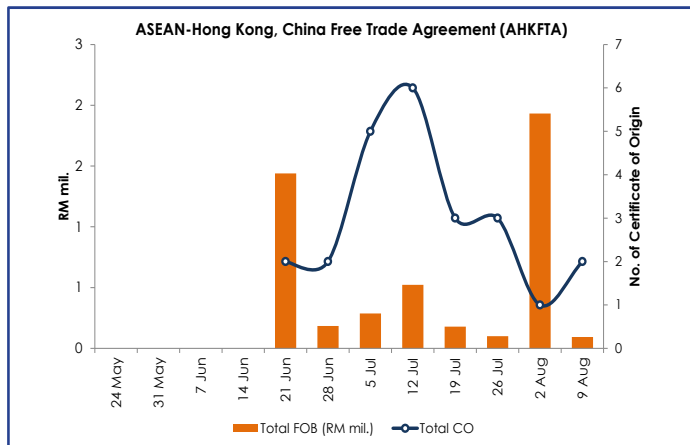
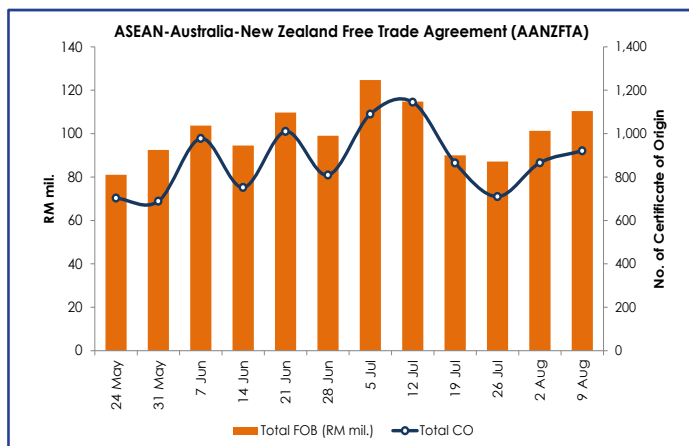
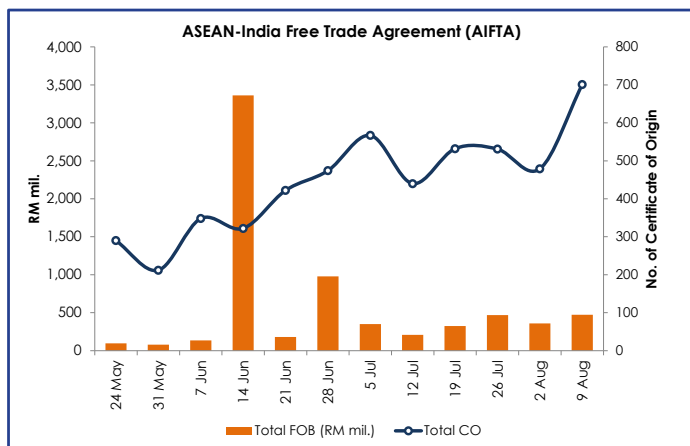
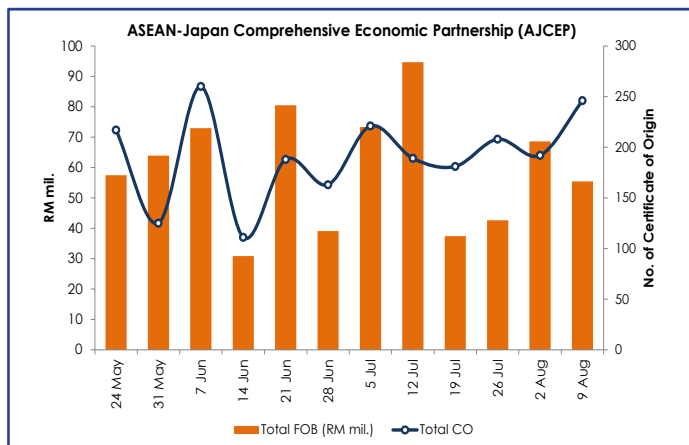
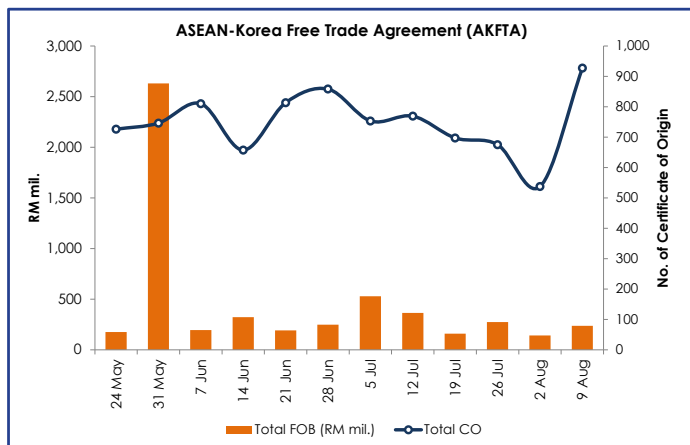
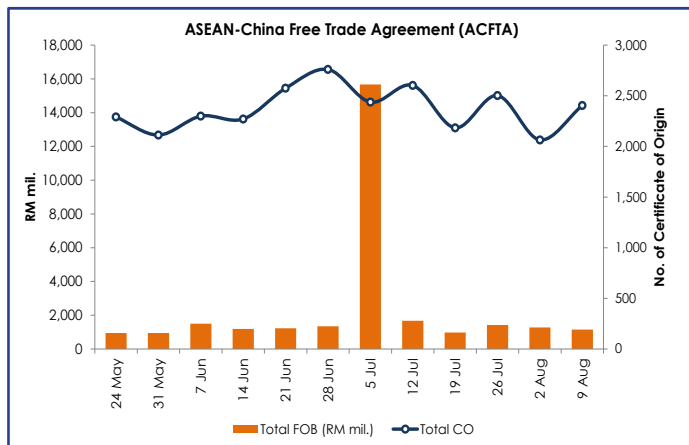
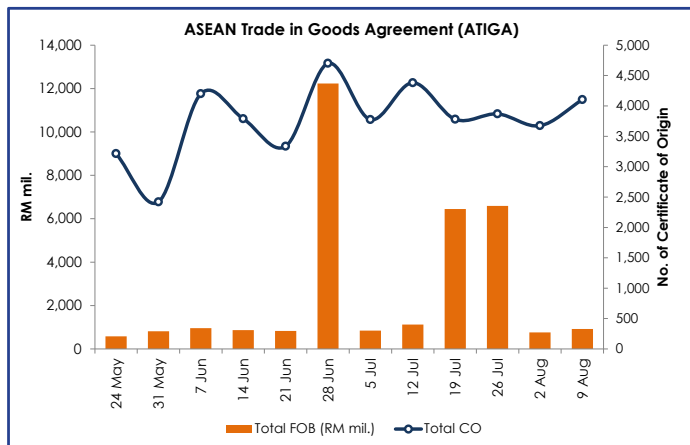
Monthly



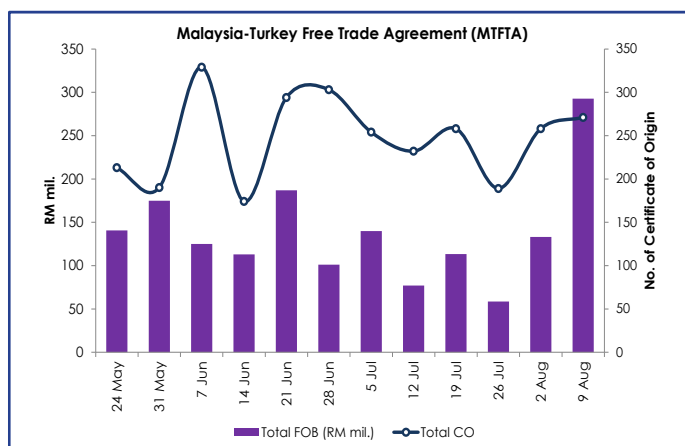
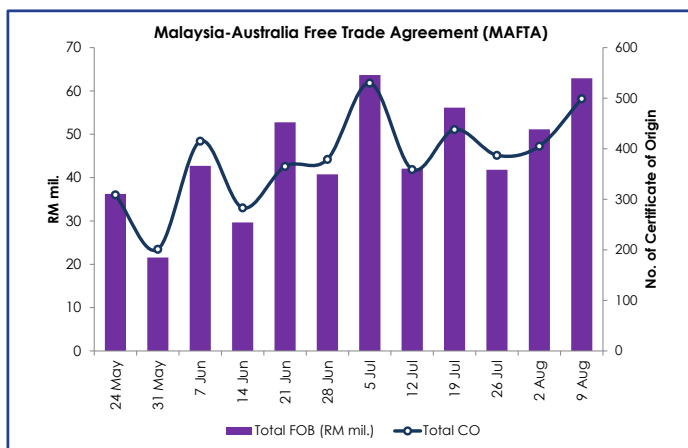
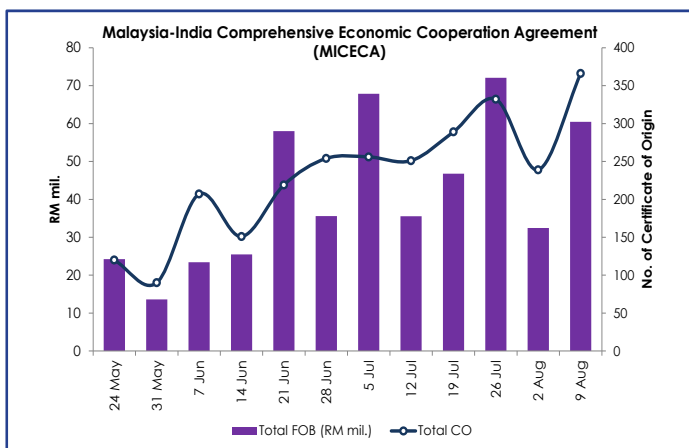
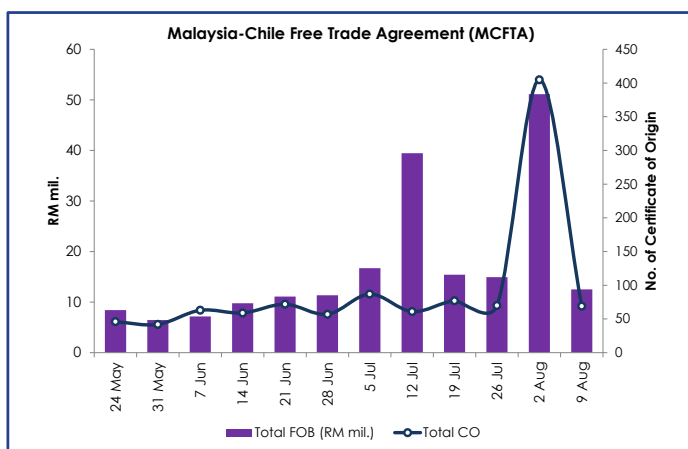
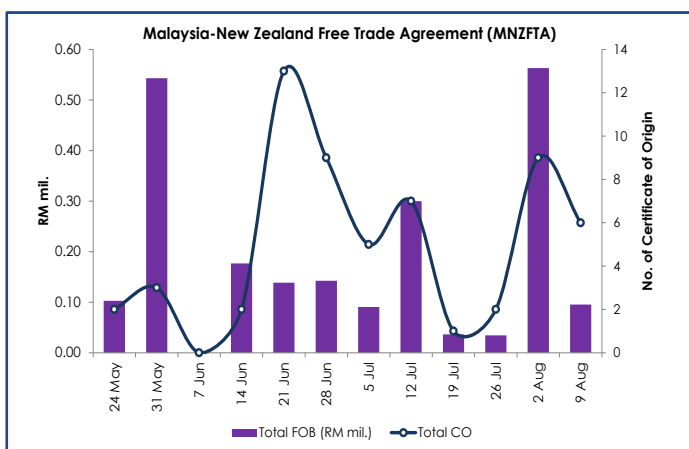
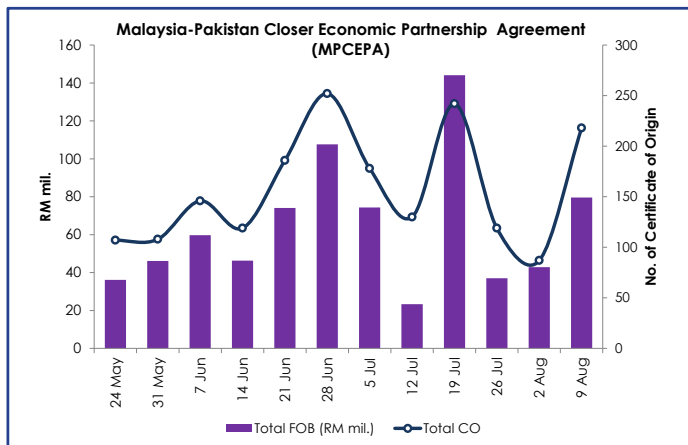
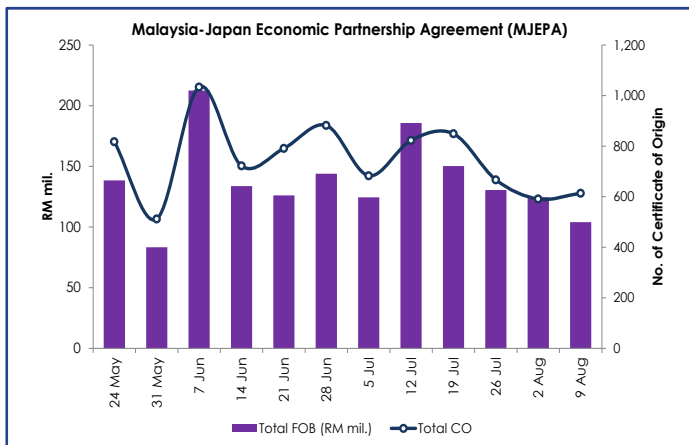
Annually



Regional FTA Number and Value of Preferential Certificates of Origin (PCOs)



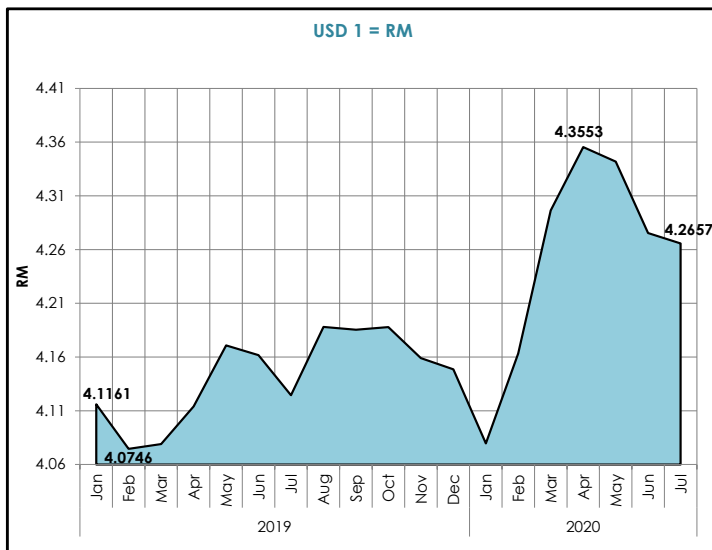
Bilateral FTA Number and Value of Preferential Certificates of Origin (PCOs)



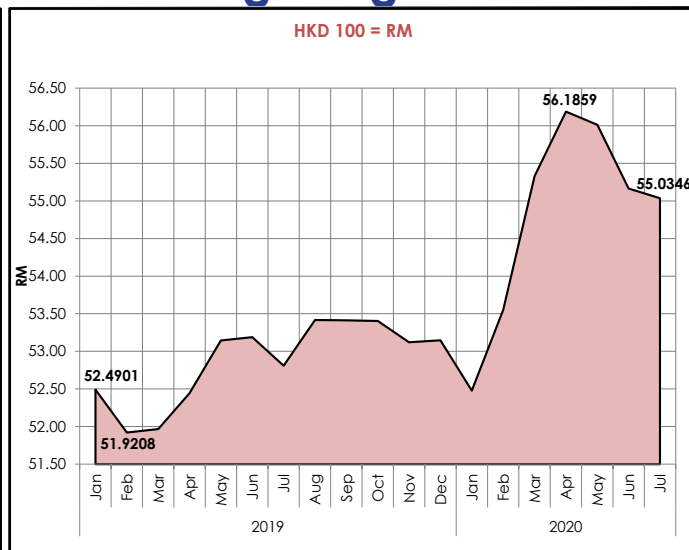
Note: *Provisional Data

Malaysian Ringgit Exchange Rate with Selected Countries, January 2019 - July 2020

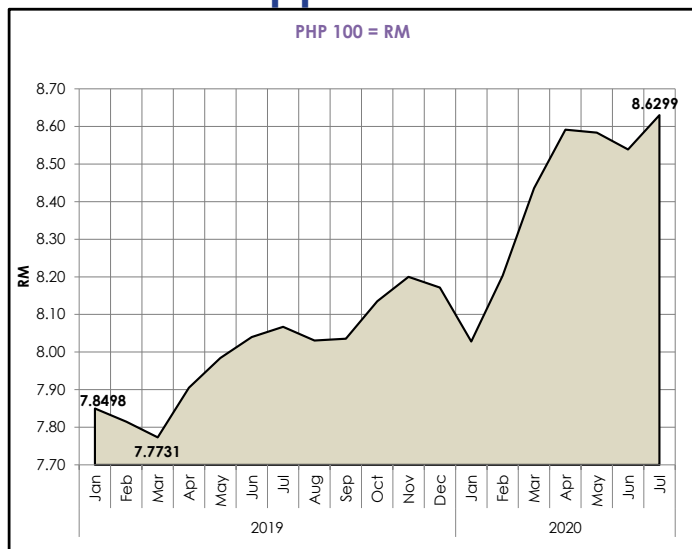
US Dollar



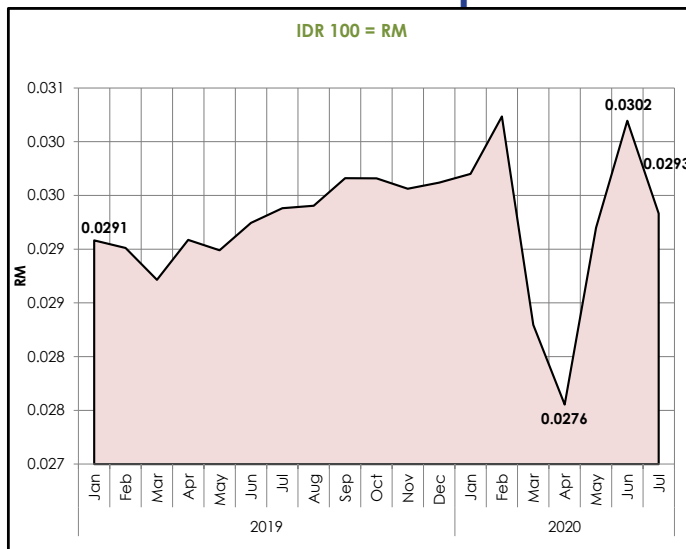
Hong Kong Dollar



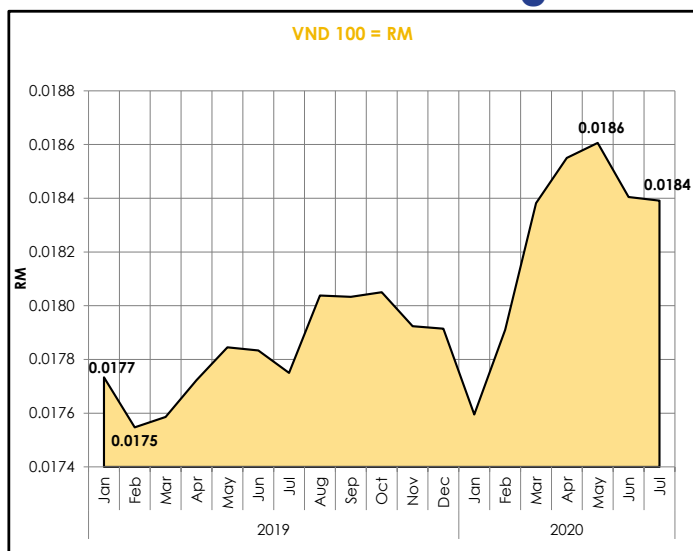
Philippine Peso



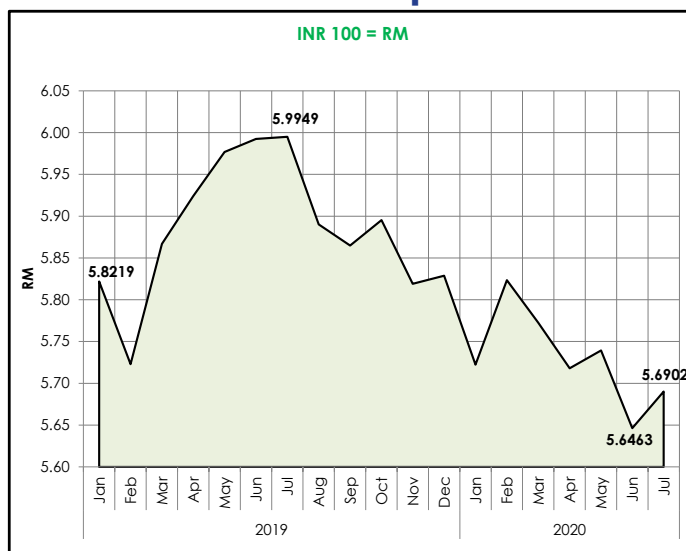
Indonesian Rupiah



Vietnamese Dong



Indian Rupee



Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▲ **0.9%***
US\$44.8
14 August 2020

Average Price 2019 ⁱ: US\$64.2



CRUDE PALM OIL -per MT-



▼ **2.6%***
US\$662.5
14 August 2020

Average Price 2019 ⁱ: US\$557.1



RUBBER SMR 20 -per MT-



▼ **1.7%***
US\$1,301.5
14 August 2020

Average Price 2019 ⁱ: US\$1,414.6

COCOA SMC 2 -per MT-



▼ **4.7%***
US\$1,481.3
14 August 2020

Average Price 2019 ⁱ: US\$1,592.4

SUGAR -per lbs-



▲ **3.4%***
US\$13.1
14 August 2020

Average Price 2019 ⁱ: US\$12.4

COAL -per MT-



▼ **3.1%***
US\$49.3
14 August 2020

Average Price 2019 ⁱ: US\$56.5

SCRAP IRON HMS -per MT-

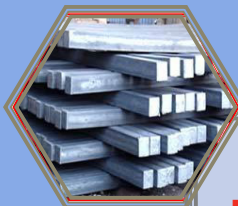


⊖ **%*** : ⊖ **%***
US\$310.0 : US\$290.0
(high) : (low)
14 August 2020

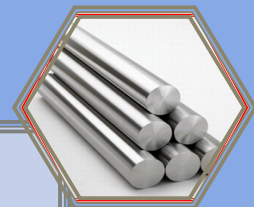
Average Price 2019 ⁱ: US\$316.9 (high)
Average Price 2019 ⁱ: US\$291.6 (low)

Domestic Prices

14 August 2020



Billets
(per MT)
RM1,820 - RM1,880



Steel Bars
(per MT)
RM1,980 - RM2,130

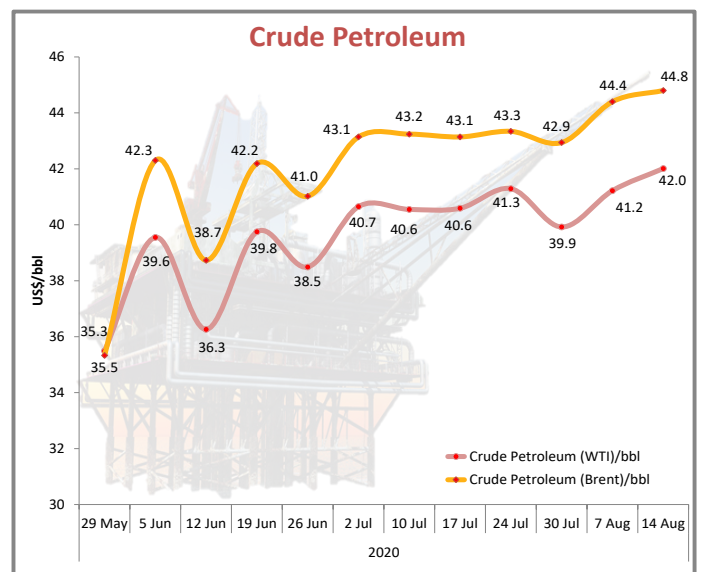
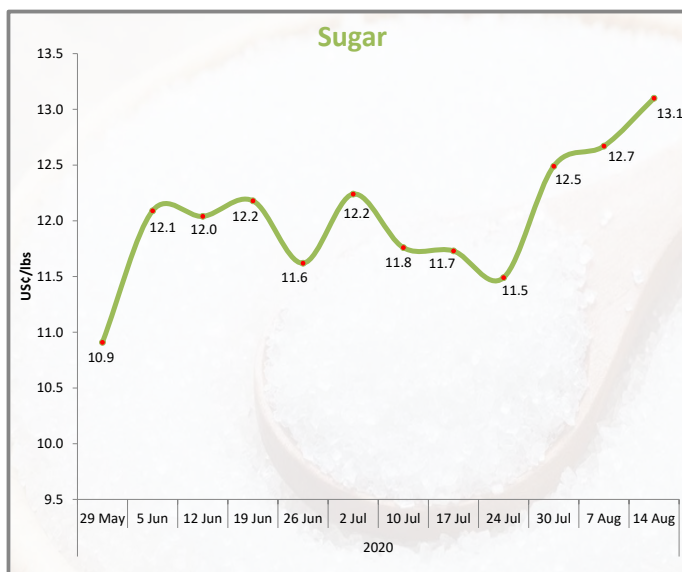
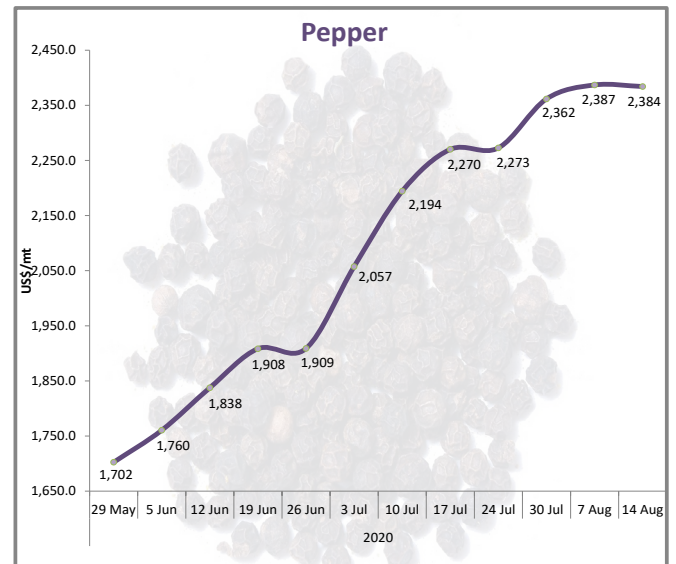
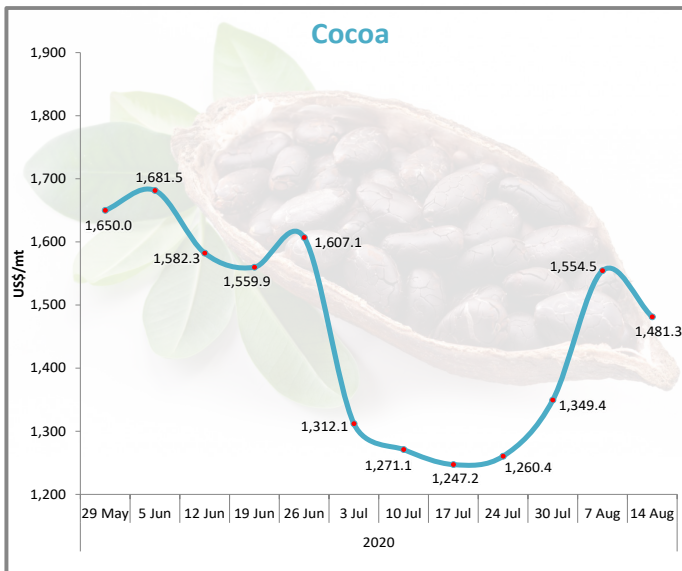
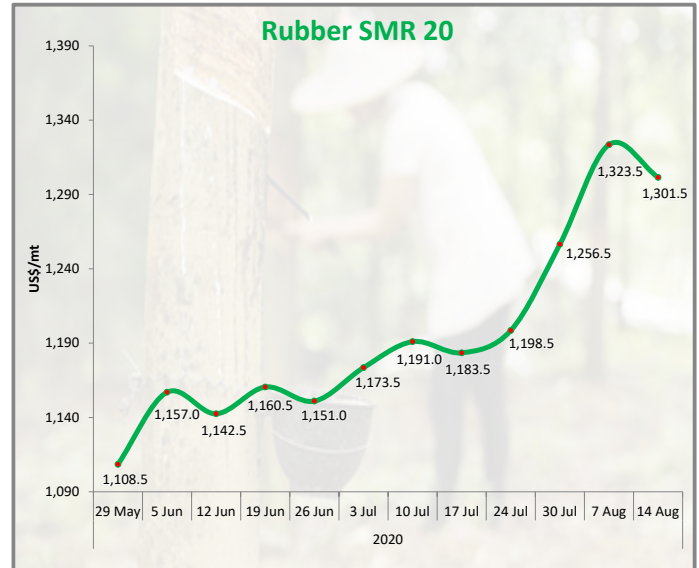
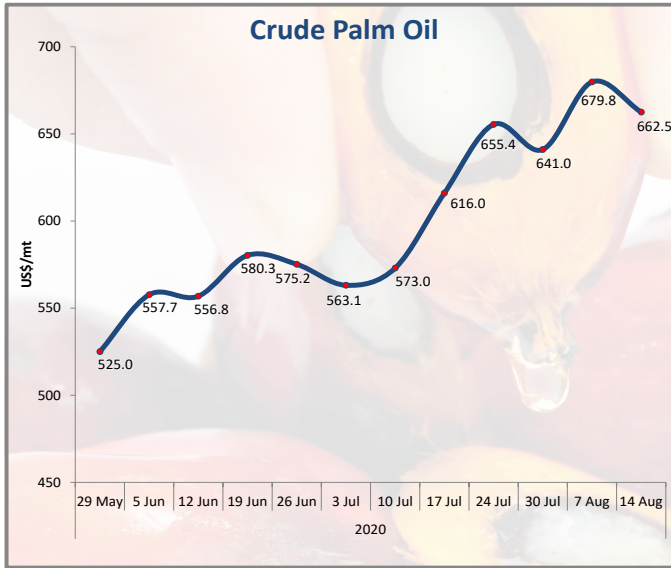
Notes: All figures have been rounded to the nearest decimal point

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

ⁱ Average price in the year except otherwise indicated

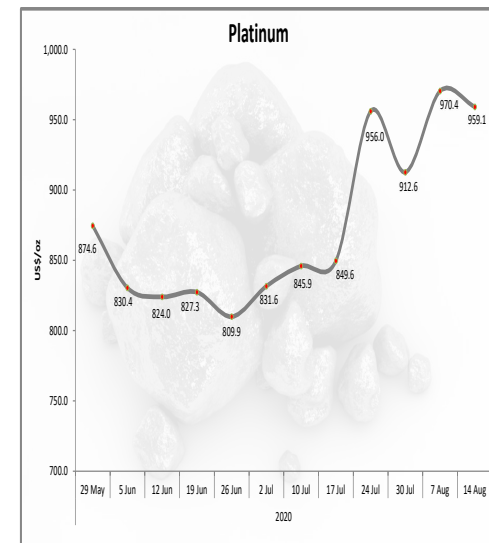
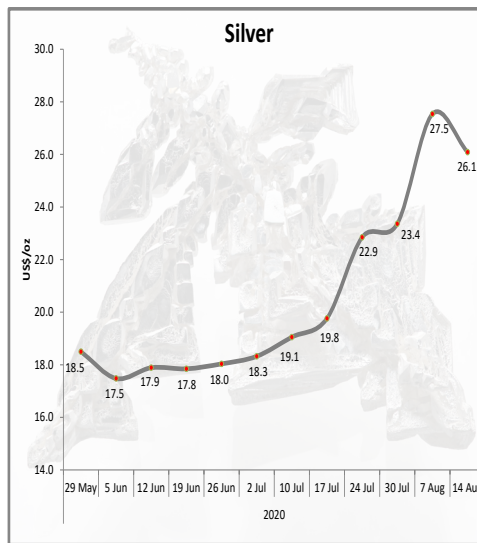
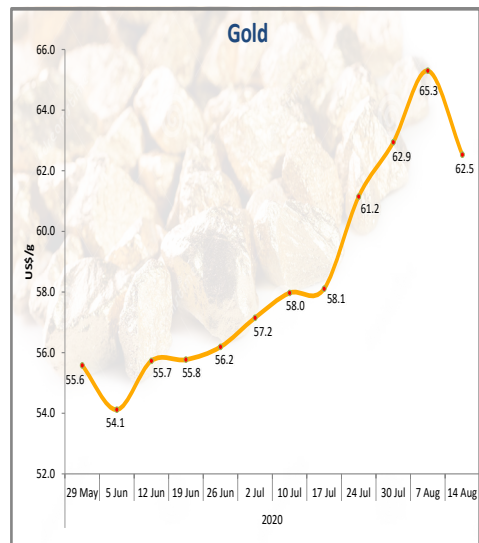
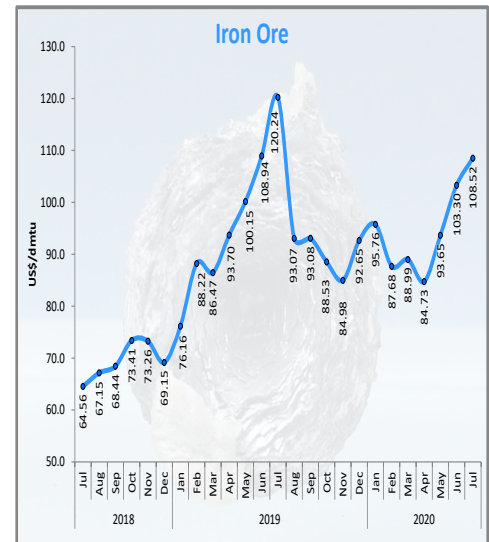
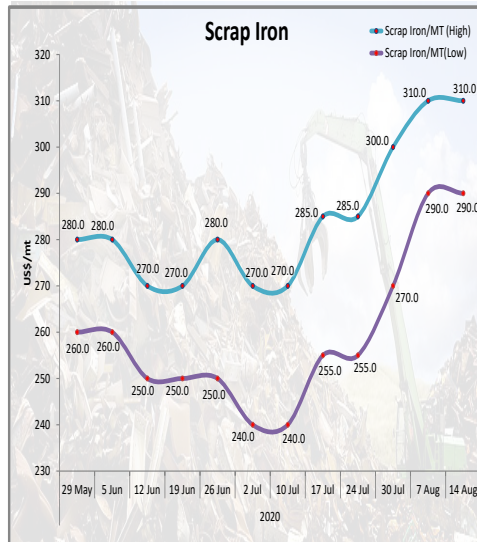
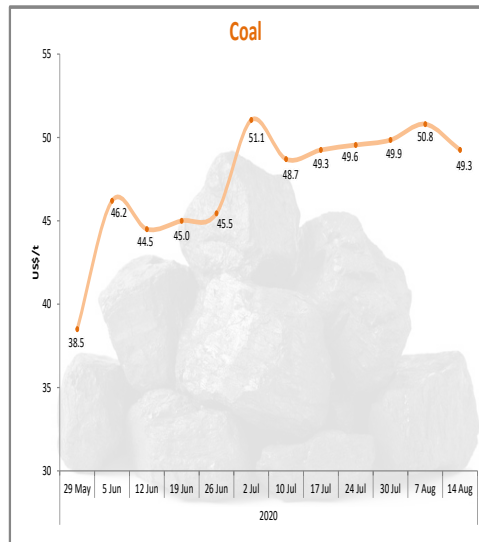
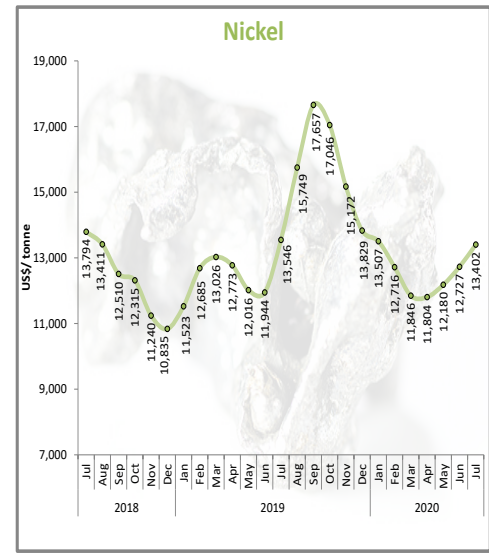
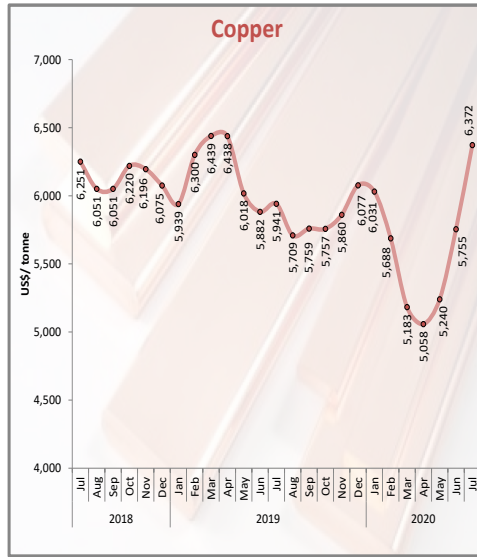
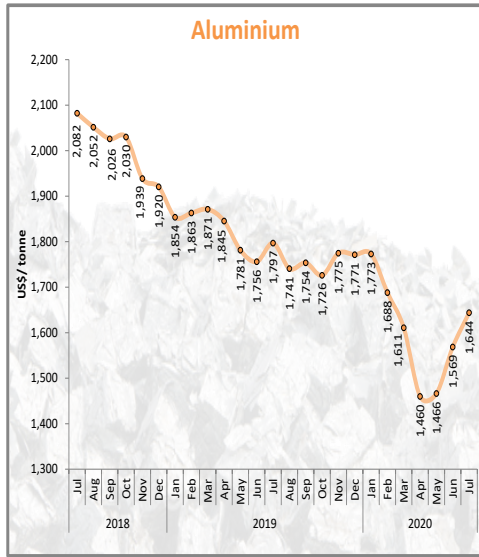
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.



MEDIA RELEASE

PRELIMINARY DETERMINATION OF THE ANTI-DUMPING INVESTIGATION CONCERNING IMPORTS OF FLAT ROLLED PRODUCT OF NON-ALLOY STEEL PLATED OR COATED WITH ALUMINIUM AND ZINC ORIGINATING OR EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA, THE REPUBLIC OF KOREA AND THE SOCIALIST REPUBLIC OF VIET NAM

The Government of Malaysia has completed the preliminary determination of anti-dumping investigation concerning imports of flat rolled product of non-alloy steel plated or coated with aluminium and zinc (subject merchandise) originating or exported from the People's Republic of China (PRC), the Republic of Korea (ROK) and the Socialist Republic of Viet Nam (Viet Nam), and found that there are sufficient evidences to continue with further investigation on the importation of subject merchandise from the alleged countries as provided under Section 23 of the Countervailing and Anti-Dumping Duties Act 1993 (the Act).

The Government has also decided to impose a provisional measure, which shall be in the form of provisional anti-dumping duties guaranteed by a security equivalent to the amount of the dumping margins determined in the preliminary determination. Provisional antidumping duties ranging from 2.17% to 37.14% will be applied on imports of subject merchandise from the alleged countries and shall be effective not more than 120 days from 14 August 2020.

The investigation has been initiated in accordance with the Act and Countervailing and Anti-Dumping Duties Regulation 1994 on 17 March 2020 based on a petition filed by NS Bluescope (Malaysia) Sdn. Bhd. (The Petitioner) on behalf of the domestic industry producing the like product. The Petitioner has claimed that imports of subject merchandise originating or exported from the alleged countries are being imported into Malaysia at a price lower than the selling price in their domestic market. The Petitioner claimed that this has caused material injury to the domestic industry in Malaysia.

A final determination will be made no later than 11 December 2020. Interested parties, such as importers, foreign producers/exporters and associations related to the investigation can have access to the non-confidential version of the report on the Preliminary Determination by submitting a written request to the Ministry of International Trade and Industry at the following address:

Director
Trade Practices Section
Ministry of International Trade and Industry
Level 9, Menara MITI
No. 7, Jalan Sultan Haji Ahmad Shah
50480 Kuala Lumpur
MALAYSIA



INDUSTRY4WRD RELATED INCENTIVES

Having the extra capital allows SMEs to flourish and prosper. Find the suitable fund for your company.

01 | LOANS

Soft Loan Scheme for Automation and Modernisation (SLSAM)

- targets manufacturing sectors
- 4.0% interest rate per annum for SMEs
- www.midf.com.my

Industry Digitalisation Transformation Fund (IDTF)

- targeted sectors: AI, Robotics, Automation etc.
- provides a 2% interest rate subsidy
- www.bpmb.com.my

Coming Soon!

1. Intervention Fund*
 - 70:30 matching grant up to RM500,000.
2. Industry4WRD DISF*
 - 60:40 matching grant

*participation in Industry4WRD RA is a prerequisite to apply

Domestic Investment Strategic Fund (DISF)

- 50:50 matching grant to companies adopting Industry 4.0 enabling technologies
- targets manufacturing and services sectors
- www.mida.gov.my

02 | GRANTS

Digital Transformation Acceleration Program (DTAP) Pilot Grant

- 1:1 matching grant
- targets large corporate and mid-tier companies in Malaysia
- assists companies to tap on the expertise of Digital Transformation Labs (DTL)
- www.mdec.my

Automation Capital Allowance (Automation CA)



For Labour Intensive Industries:

- Automation CA of 200% on the first RM4 million expenditure incurred within 5 years

For other industries:

- Automation CA of 200% on the first RM2 million expenditure incurred within 5 years
- www.mida.gov.my

For more information, kindly click the following links:

https://www.miti.gov.my/index.php/pages/view/industry4WRD?mid=559#tab_547_2202



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

INDUSTRY4WRD READINESS ASSESSMENT

Get your firm assessed. Be ready for Industry 4.0.

All you need to know about Industry4WRD RA



What is it?

Trained assessors will help you to understand your readiness for Industry 4.0 and make recommendations on where to start your transformation.

Who is eligible?



- ✓ Manufacturing and its related services sector
- ✓ Incorporated under the Companies Act (1965/2016)/ Registration of Business Act (1956)
- ✓ Hold a valid license
- ✓ In operation for more than 3 years

What are the benefits?



- ★ To identify areas of improvement in terms of people, process and technology.
- ★ Receive comprehensive readiness report.
- ★ Be entitled to apply for financial incentives.

Incentives for RA

- 500 SMEs will be selected for free assessment.
- Others will get tax exemption on RA fees up to RM27k.



Enquiries

- General: i4.0@miti.gov.my
- RA: industry4wrd@mpc.gov.my



Process Flow

A FEW SIMPLE STEPS



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

ANNOUNCEMENT ON DOWNTIME FOR MALAYSIA’S ASEAN SINGLE WINDOW (ASW) GATEWAY

Please be informed that there will be a downtime for Malaysia’s ASW Gateway due to software upgrade in the gateway production environment, scheduled as follows:

- Phase 1: 13 Aug 2020 (zero downtime required)
- Phase 2: 14 Aug 2020 start at 7.00pm [MYT] (maximum 3 hours downtime)
- Phase 3: 21 Aug 2020 start at 7.00pm [MYT] (maximum 4.5 hours downtime)
- Phase 4: 28 Aug 2020 start at 7.00pm [MYT] (maximum 2 hours downtime)

During these periods, Malaysia will not be able to send and receive ATIGA e-Form Ds and its related responses. Updates will be given upon the service has resume as usual.

We apologise for any inconveniences this might have caused and sincerely thank you for your support and understanding.

In the event of any issues, please email to careline@dagangnet.com and cc to apbpm@miti.gov.my for assistance. Thank you.



Access to Bumiputera Special Share Allocation System will be interrupted from

8.00 AM TO 9.00 PM ON 22 AUGUST 2020 (SATURDAY)

due to annual disaster recovery simulation activity



ANNOUNCEMENT ON CUSTOMER SERVICE COUNTER AT MENARA MITI AND REGIONAL OFFICES OPERATION HOURS DURING RMCO (10 JUNE – 31 AUGUST 2020)

DEAR VALUED CUSTOMERS,

PLEASE BE INFORMED OUR **CUSTOMER SERVICE COUNTER AT MENARA MITI IN KUALA LUMPUR AND MITI REGIONAL OFFICES WILL RESUME ITS OPERATIONS AS USUAL FROM 8.00AM TO 5.00PM (WORKING DAYS).** THE DROP AND COLLECT SERVICES REMAIN AVAILABLE.

PLEASE NOTE THAT THE **BUSINESS ADVISORY CENTRE (BAC) AT MENARA MITI IN KUALA LUMPUR WILL BE CLOSED UNTIL FURTHER NOTICE.**

CONTACT US VIA EMAIL:

- pco@miti.gov.my (FOR CONSULTATIONS OR ENQUIRIES ON CA AND PCO)
- ap@miti.gov.my (FOR CONSULTATIONS OR ENQUIRIES ON AP)

TRADE AND INDUSTRY SUPPORT DIVISION

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Industry4WRD Readiness Assessment (RA) assesses companies through :

- ✓ online assessments on technical capabilities and knowledge of the companies’ workforce and management
- ✓ on-site assessment to evaluate the process and technological aspects

For more information, kindly click the following links:
<https://t.co/4VGKI00Ymb>

OPTIMISING HUMAN POTENTIAL TOWARDS FUTURE OF SHARED PROSPERITY

#MyAPEC2020



Asia-Pacific
Economic Cooperation



APEC 2020
MALAYSIA

For more information, kindly click the following links:
<https://www.myapec2020.my/en/>

IMPLEMENTATION OF ELECTRONIC SIGNATURE AND SEAL THROUGH THE EPCO SYSTEM



MINISTRY OF
INTERNATIONAL TRADE AND INDUSTRY

EFFECTIVE FROM 13 APRIL 2020

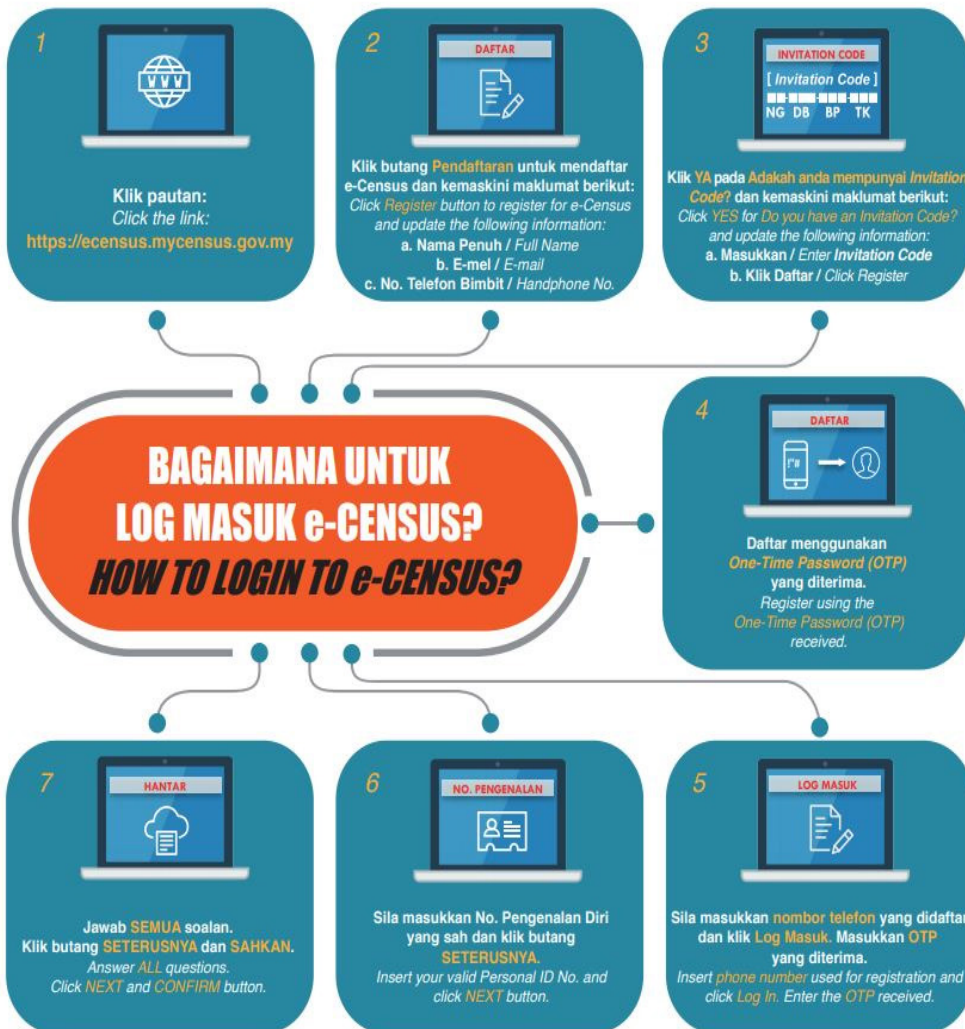
For more information, kindly click the following links:
<https://bit.ly/2RUyG8l>

HOW COMPANY CAN CHECK THE STATUS OF ATIGA E-FORM D TRANSACTIONS IN THE ELECTRONIC PREFERENTIAL CERTIFICATE OF ORIGIN (EPCO) SYSTEM



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

For more information, kindly click the following links: <https://bit.ly/2ZhxmRp>




BAGAIMANA UNTUK LOG MASUK e-CENSUS?
HOW TO LOGIN TO e-CENSUS?

Sebarang pertanyaan atau maklum balas, sila hubungi pegawai berikut:
Any question(s) or feedback, please contact the following officer:

Pembanci / Enumerator:

No. Telefon Pembanci / Enumerator Contact No.:

DATA ANDA MASA DEPAN KITA
YOUR DATA IS OUR FUTURE

  www.mycensus.gov.my

 **Hotline MyCensus 2020**
1-800-88-7720

Sila abaikan notis ini sekiranya anda telah menjawab Soal Selidik Banci 2020 secara atas talian.
Kindly disregard this notice if you have answered the MyCensus 2020 questionnaire online.

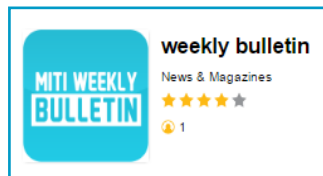
www.mycensus.gov.my



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Let's Build Back Better together.**
#BersamaMenjanaEkonomi



MITI Weekly Bulletin (MWB) Mobile Apps



MITI MWB APPs is now available for IOS, Android and Windows platforms.

MWB APPs can be downloaded from **Gallery of Malaysian Government Mobile APPs (GAMMA)** at the link: <http://gamma.malaysia.gov.my/#/appDetails/85>

Feedback

Send us your suggestions

Dear Readers,

Kindly click the link below for any comments in this issue. MWB reserves the right to edit and republish letters as reprints.

<http://www.miti.gov.my/index.php/forms/form/13>