

OVERVIEW OF MALAYSIAN AGRICULTURE AND FOOD TRADE: WORLD AND OIC COUNTRIES



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13TH MEETING OF THE
COMCEC
AGRICULTURE
WORKING GROUP



Ankara Turkey
21 FEB. 2019



- 31.6 mill. (as of 2017)
- 13 States
- Multiracial – Malay, Chinese and Indian
- Constitutional monarchy system

LEGEND	
	Country Boundary
	Major Road
	River
	Major City

Outline

Introduction

Current Scenario of Agricultural Trade

Current status of Free Trade Agreements (FTAs)

Malaysian Agricultural Trade Policy

Malaysia: Share of Gross Domestic Product (%) By Sector, 2016 – 2018.

Sector	Share of GDP (%) 2017	2016	Change (%) 2017 ¹	2018 ²
Agriculture	8.1	-5.1	5.6	2.4
Mining	8.4	2.2	0.5	0.9
Manufacturing	23.0	4.4	5.5	5.3
Construction	4.6	7.4	7.6	7.5
Services	54.5	5.6	5.9	5.8
GDP	100.0	4.2	5.2 – 5.7	5.0 – 5.5

¹Estimate

²Forecast

Note: Total may not add up due to rounding and exclusion of import duties component.

Source: Department of Statistics and Ministry of Finance, Malaysia.

Introduction



Introduction

Malaysia: Value Added in the Agriculture Sector (2016 – 2017) (At constant 2010 prices)

Sub sector	Change (%)		Share (%)	
	2016	2017 ²	2016	2017 ²
Agriculture	-5.1	5.6	100.0	100.0
Oil palm	-12.7	11.8	43.1	45.6
Rubber	-6.3	10.8	7.1	7.5
Livestock	3.7	3.1	11.6	11.4
Other agriculture ¹	5.1	2.4	19.5	18.9
Forestry and logging	-3.0	-15.0	7.2	5.8
Fishing	2.2	0.2	11.5	10.9

¹Including paddy, fruits, vegetables, coconut, tobacco, tea, flowers, pepper, cocoa and pineapple

²Estimate

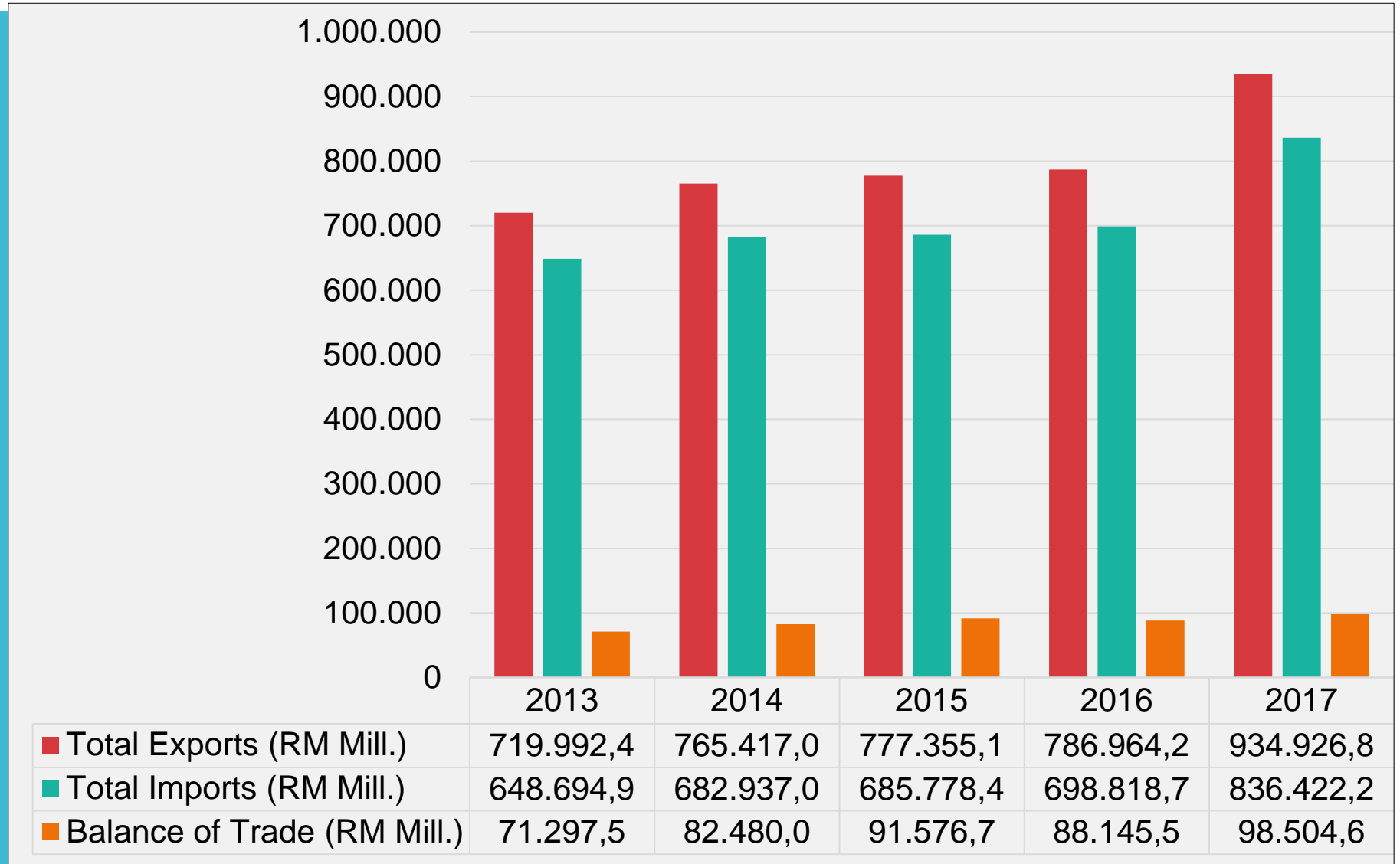
Note: Total may not add up due to rounding

Source: Department of Statistics, Malaysia



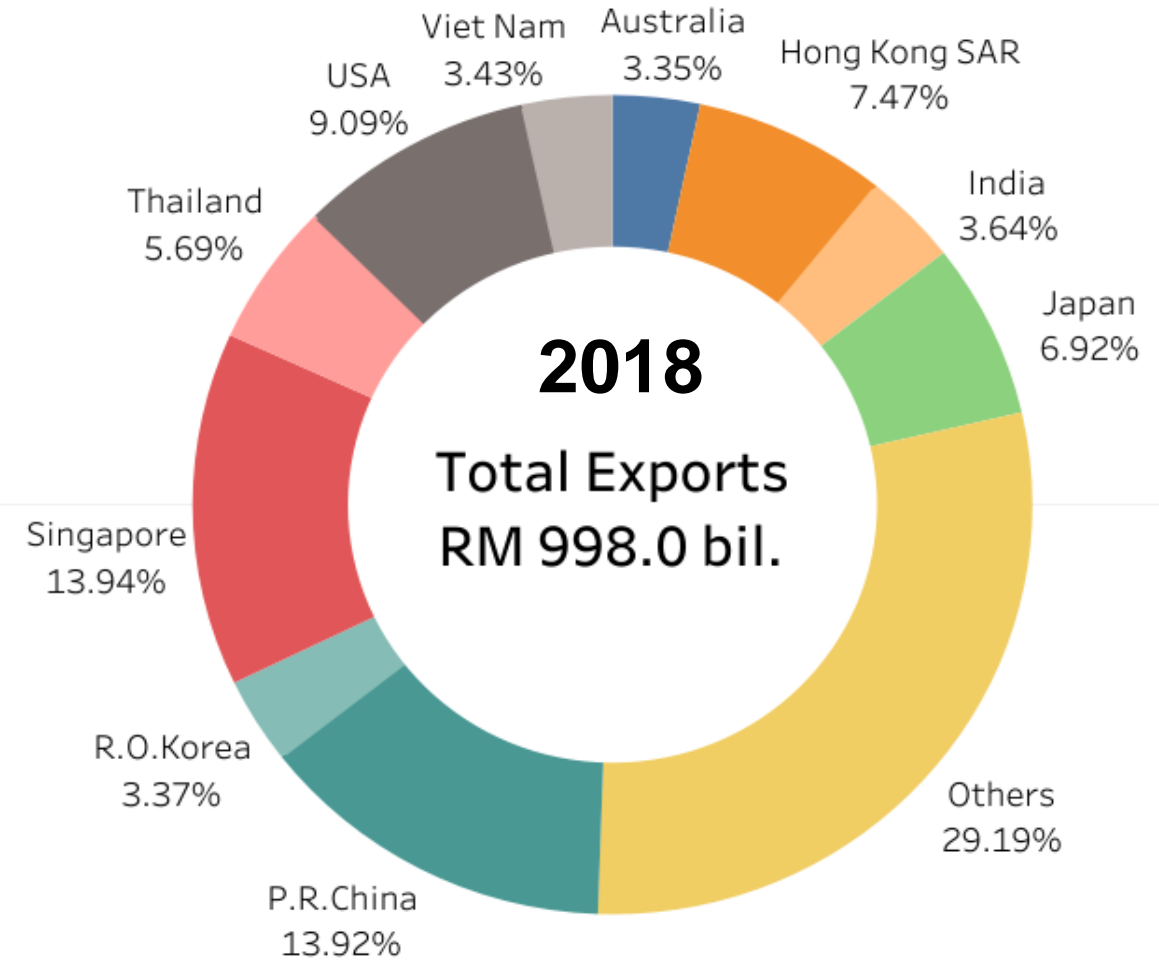
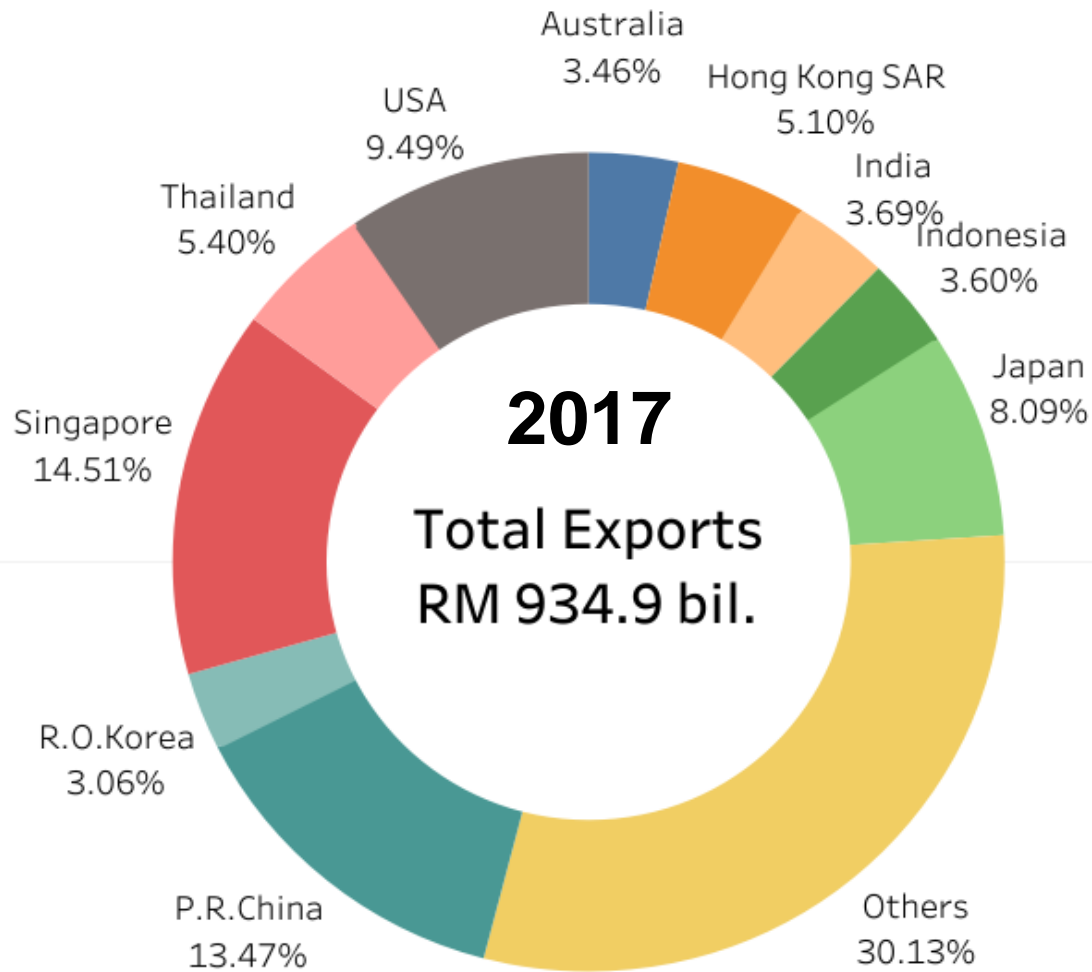
Malaysia: World Trade Performance (RM Mill.), 2013 – 2017

Introduction



Source: Department of Statistics, Malaysia.

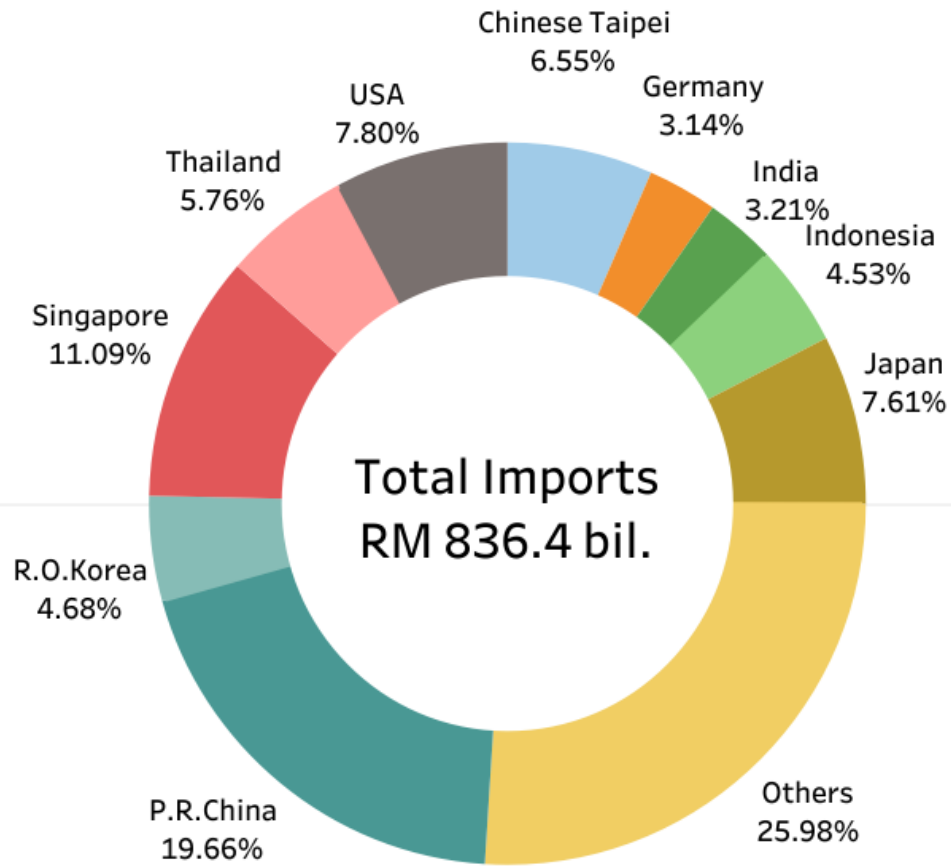
Malaysia: World Export Performance 2017/2018



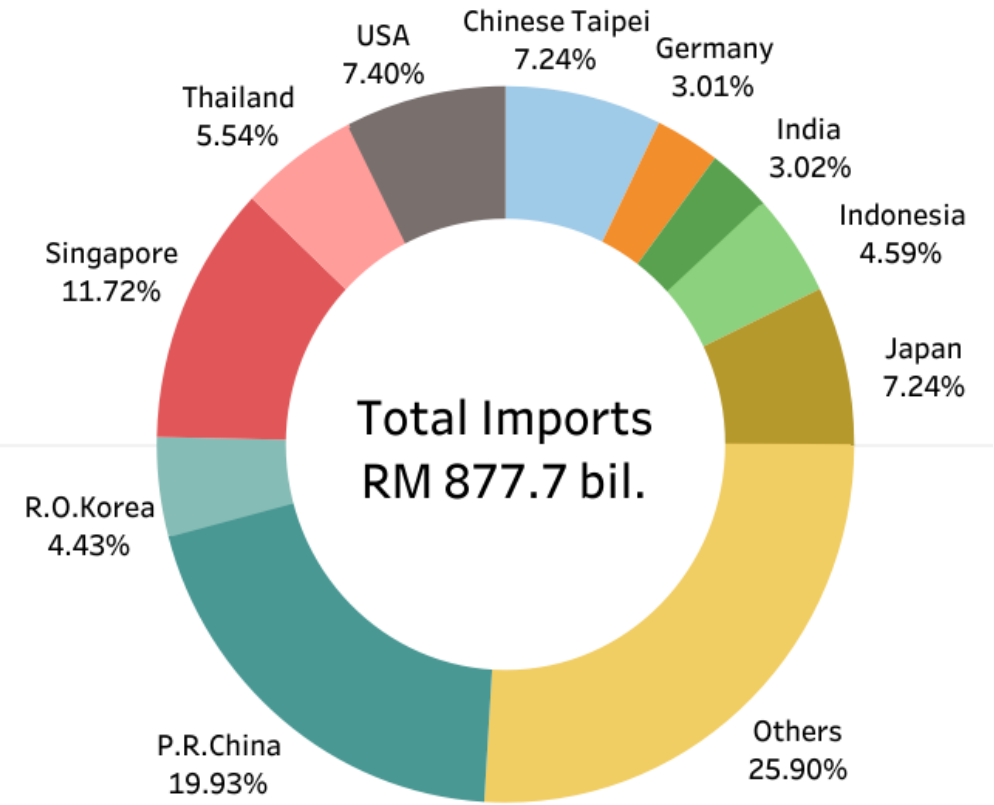
Source: Department of Statistics, Malaysia.

Malaysia: World Import Performance 2017/2018

2017

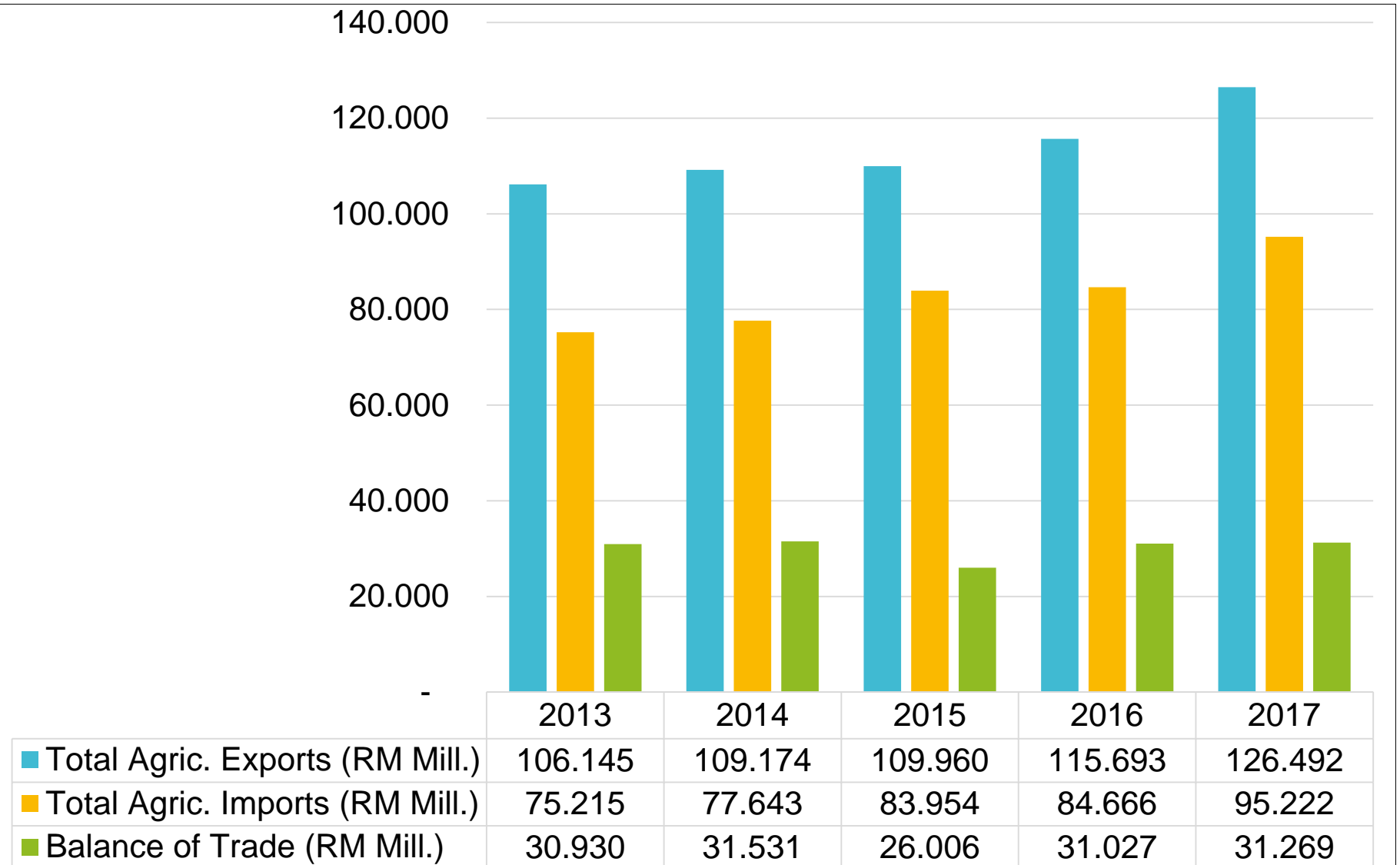


2018



Malaysia: Agricultural Trade Performance (RM. Mill.), 2013 – 2017

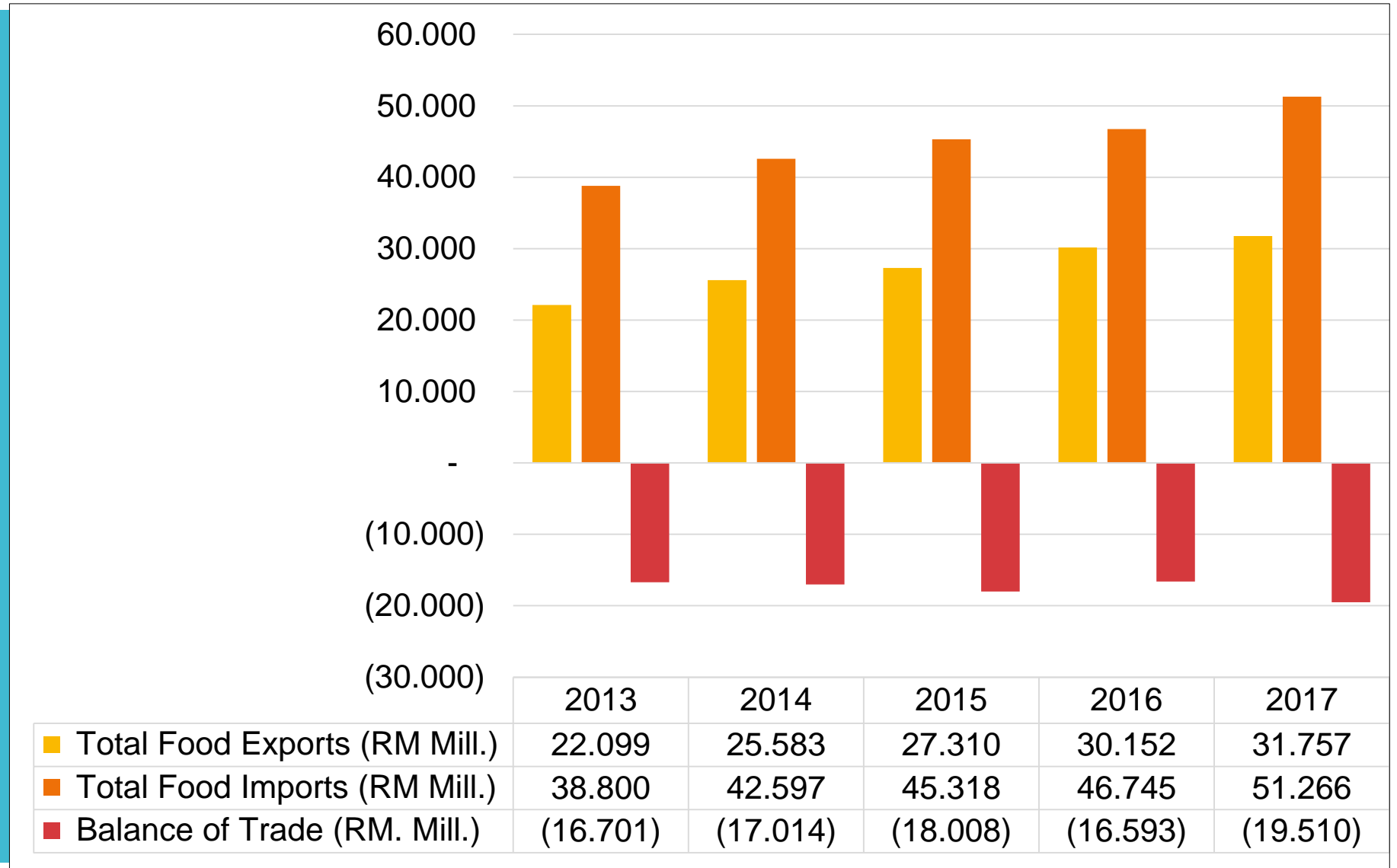
Current
Scenario:
Agricultural
Trade



Source: Department of Statistics, Malaysia.

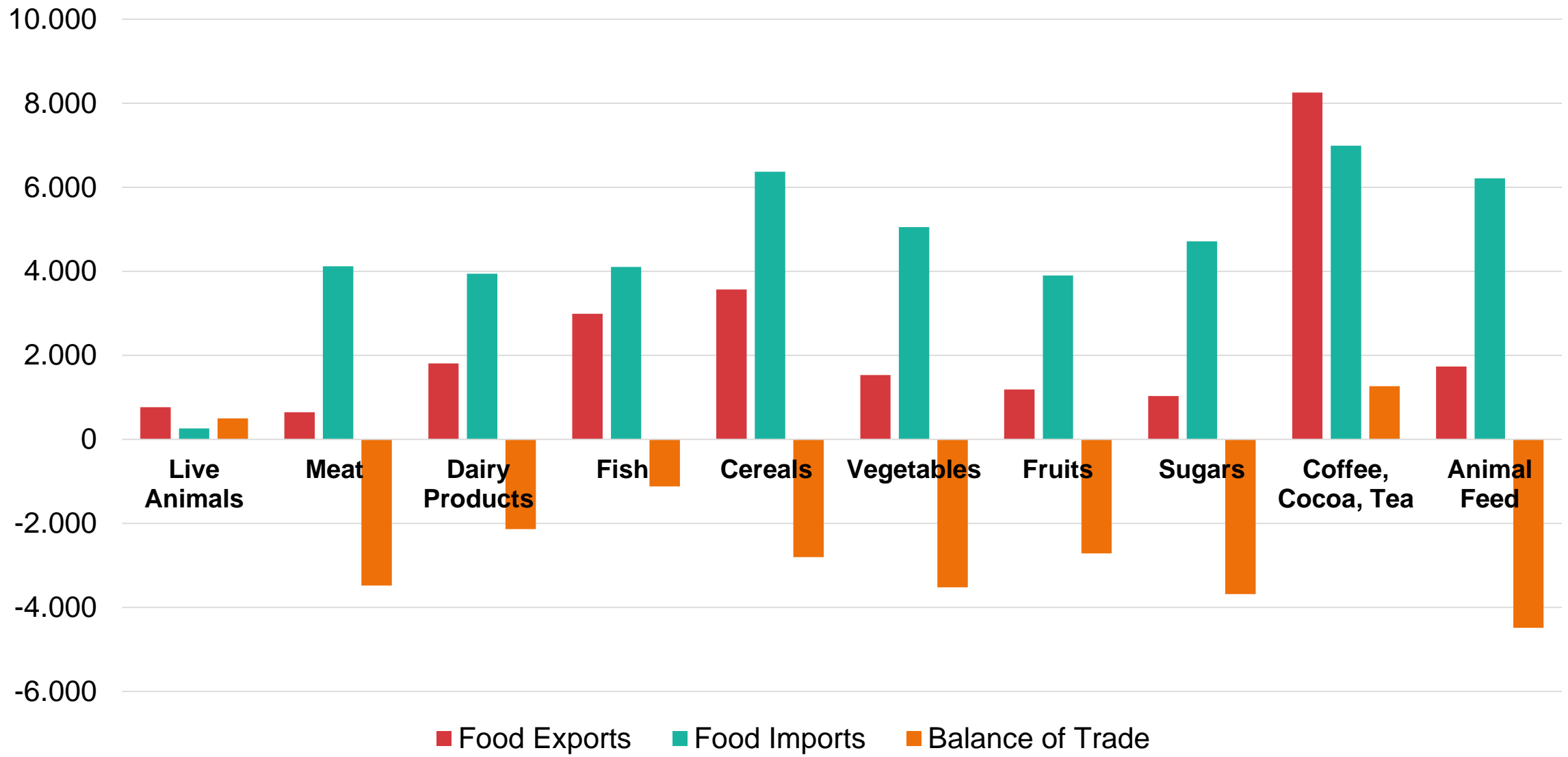
Current Scenario: Food Trade

Malaysia: Agricultural Food Performance (RM Mill.), 2013 – 2017



Source: Department of Statistics, Malaysia.

Malaysia: Current Agricultural Food Trade by Commodities (RM Mill.), 2017

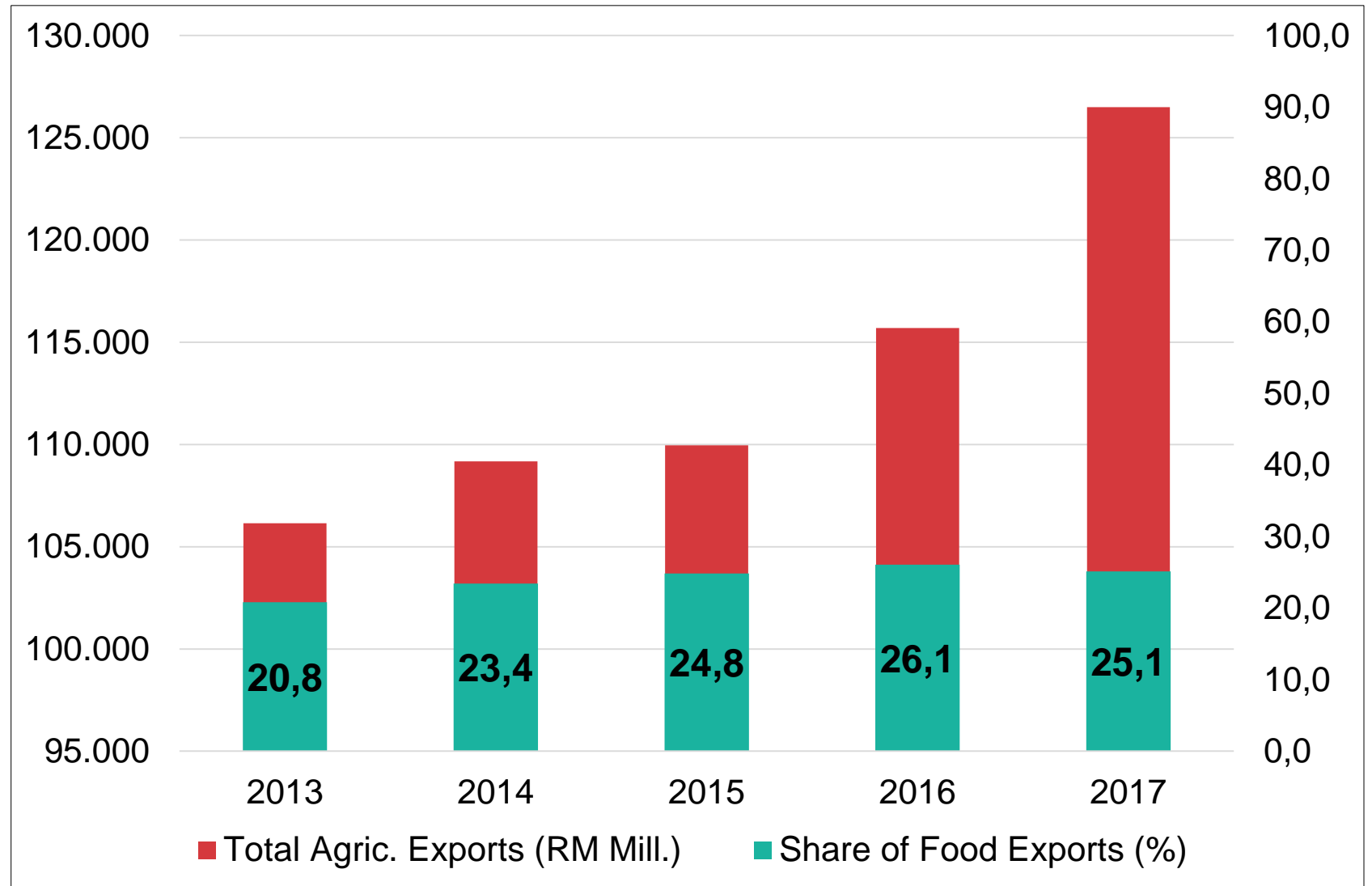


Source: Department of Statistics, Malaysia.



Current Scenario: Agriculture & Food Trades

Malaysia: Share of Food Exports (RM Mill.), 2013 – 2017

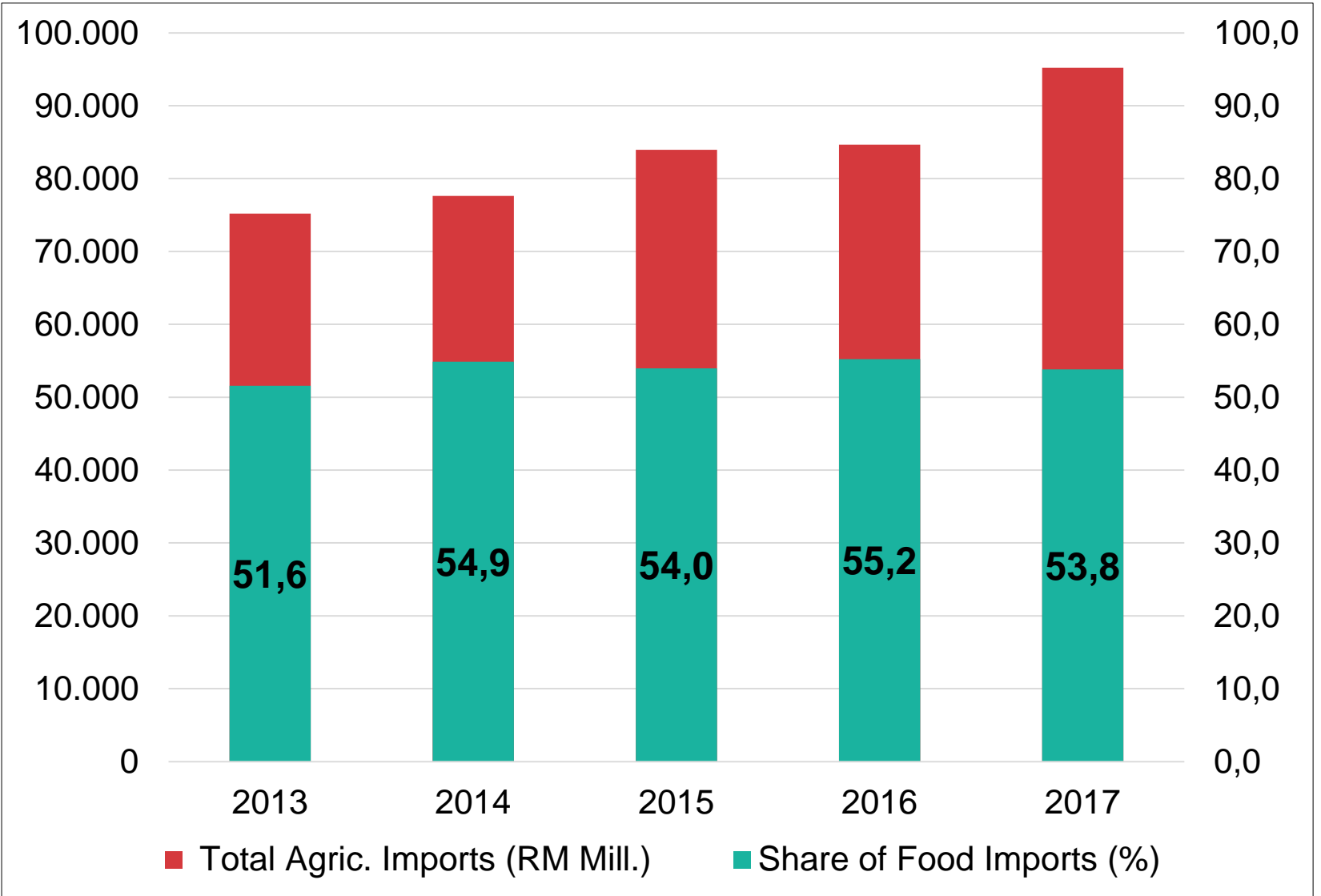


Source: Department of Statistics, Malaysia.



Current Scenario: Agricultural Trade

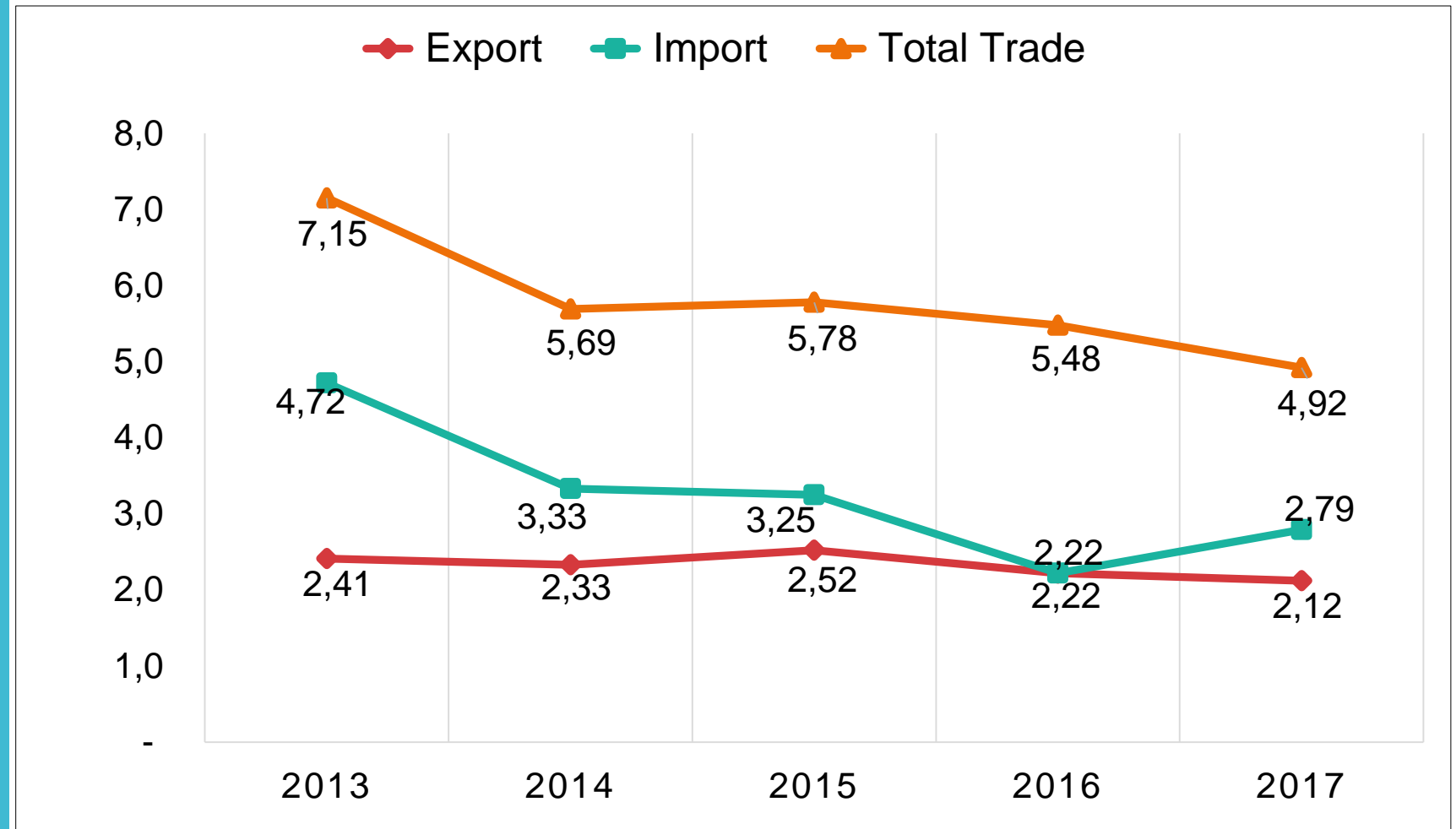
Malaysia: Share of Food Imports (RM Mill.), 2013 – 2017



Source: Department of Statistics, Malaysia.

Current Scenario: Agricultural Trade

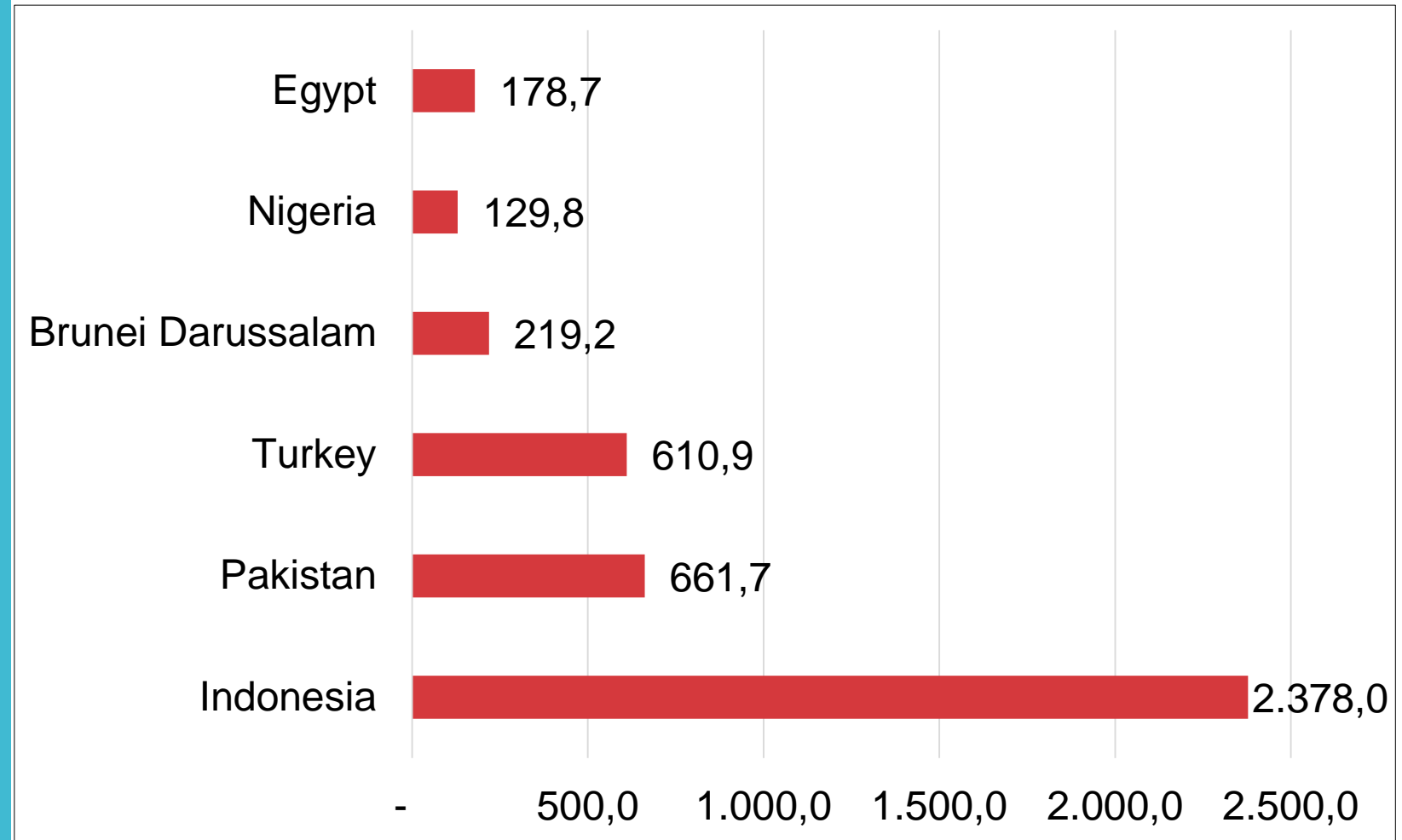
Malaysia: Total Agricultural Trade Between OIC Member Countries (US\$ Bill.), 2013 – 2017



Source: COMTRADE

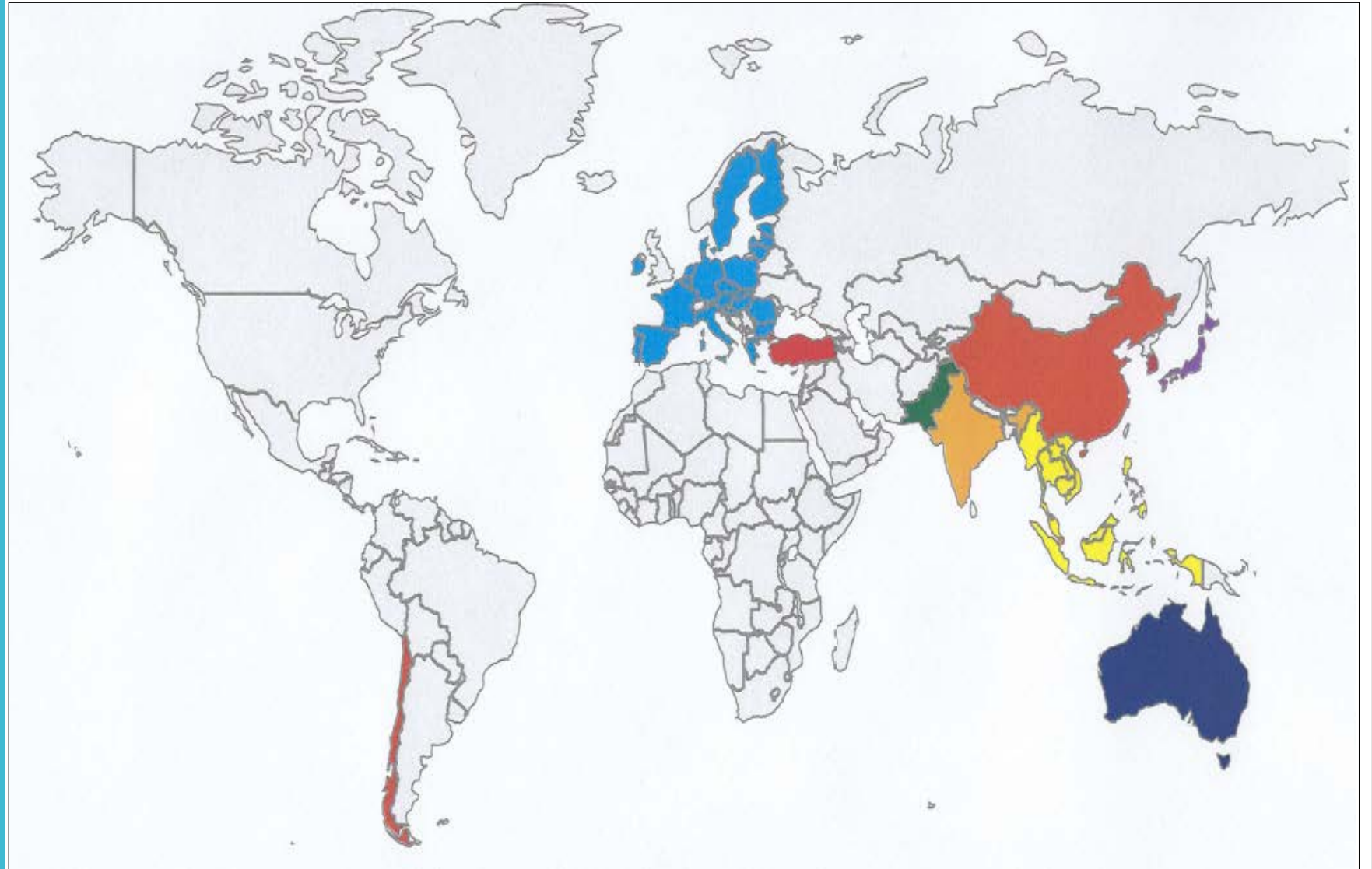
Current Scenario: Agricultural Trade

Malaysia: Top OIC Countries for Agricultural Trade (US\$ Mill.), 2017



Source: COMTRADE

Malaysia: Current Status of FTAs



Source: Ministry of International Trade and Industry, Malaysia.

Malaysia: Current Status of Bilateral and Multilateral FTAs.

- Malaysia has implemented 7 bilateral FTAs and 6 regional FTAs.
- Two (2) FTAs are engaged with the OIC countries – **Pakistan (2008)** and **Turkey (2015)**.

Bilateral FTAs	Date of Entry into Force (EIF)
1. Malaysia-Japan Economic Partnership Agreement (MJEPA)	13 Jul. 2006
2. Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)	01 Jan. 2008
3. Malaysia-New Zealand Free Trade Agreement (MNZFTA)	01 Aug. 2010
4. Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA)	01 Jul. 2011
5. Malaysia-Chile Free Trade Agreement (MCFTA)	25 Feb. 2012
6. Malaysia-Australia Free Trade Agreement (MAFTA)	01 Jan. 2013
7. Malaysia-Turkey Free Trade Agreement (MTFTA)	01 Aug. 2015

Source: Ministry of International Trade and Industry, Malaysia.



Malaysia: Current Status of Bilateral and Multilateral FTAs.

Regional FTAs	Date of Entry into Force (EIF)
1. ASEAN-China Free Trade Agreement (ACFTA)	01 Jul. 2003
2. ASEAN-Korea Free Trade Agreement (AKFTA)	01 Jul. 2006
3. ASEAN-Japan Comprehensive Economic Partnership (AJCEP)	01 Feb. 2009
4. ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)	01 Jan. 2010
5. ASEAN-India Free Trade Agreement (AIFTA)	01 Jan. 2010
6. ASEAN Trade In Goods Agreement (ATIGA)	17 May 2010

Source: Ministry of International Trade and Industry, Malaysia.



Malaysia: Current Status of FTAs

Currently Negotiated:

- ✓ Regional Comprehensive Economic Partnership (RCEP)
- ✓ **Malaysia-Iran Preferential Trade Agreement (MIPTA)**
- ✓ Malaysia-European Free Trade Area Economic Partnership Agreement (MEEPA)
- ✓ Malaysia-EU Free Trade Agreement (MEUFTA)

✓ Signed but Pending Ratification and Entry into Force:

- ✓ ASEAN-Hong Kong Free Trade Agreement (AHKFTA) – signed on 12 Nov. 2017 (target entry into force in 2019)
- ✓ Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) - signed on 8 March 2018



Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)

- ✓ Under MPCEPA both Malaysia and Pakistan will progressively reduce or eliminate tariffs on their respective industrial and agricultural products.
- ✓ Commitments by the countries are reflected in their Schedule of Commitments.
- ✓ The MPCEPA is a comprehensive agreement and it covers liberalization of Trade in Services as well.



Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)

- MPCEPA was established on 8 November 2007 and has come into force since 1 Jan. 2008.
- In **2016**:
 - **Malaysia's trade with Pakistan** expanded by **11.1%** from RM 5.01 billion (US\$1.29 billion) in 2015 to RM 5.56 billion (US\$1.34 billion).
 - **Total exports** increased by **17.8%** from RM 4.12 billion (US\$1.06 billion) in 2015 to RM 4.85 billion (US\$1.17 billion).
 - **Total imports** decreased by **20.1%** from RM 891.3 million (US\$230.0 million) in 2015 to RM711.9 million (US\$172.1 million)
- Major **exports** to Pakistan in **2016**:
 - ✓ Palm Oil and Palm-Based Agriculture Products
 - ✓ Chemicals and Chemical Products
 - ✓ Electrical and Electronic Products
 - ✓ Machinery, Equipment and Parts
- Major **imports** from Pakistan in **2016**:
 - Other Agricultures
 - Textiles, Apparels and Footwear
 - Seafood, Fresh, Chilled or Frozen
 - Chemicals and Chemical Products



the Malaysia-Turkey Free Trade Agreement (MTFTA)

- Free trade agreement (FTA) Malaysia – Turkey has come into force since **1 August 2015**.
- The Agreement outlines commitments from both countries on liberalization of trade in goods. Malaysia and Turkey will progressively reduce or eliminate tariffs on substantial number of products traded between both countries.
- The FTA will be realized over a period of 8 years - Turkey will grant preferential market access to Malaysian exports and will eliminate duties on 85.89% of tariff lines.



the Malaysia-Turkey Free Trade Agreement (MTFTA)

Malaysia's Commitment:

- Tariff reduction/elimination on **98.86%** from the total tariff lines based on modalities as follows:

Modalities	Description	Tariff lines (HS2007)	%
Fast Track (FT)	Immediate elimination on 1 August 2015	7317	70.38
Normal Track (NT)	Gradually reduced and eliminated on 1 January 2018	1040	10.00
Sensitive Track (ST)	Gradually reduced and eliminated on 1 January 2020	1725	16.59
Highly Sensitive Track (HST)	Gradually reduced and eliminated on 1 January 2023	196	1.89

Source: Ministry of International Trade and Industry, Malaysia.

the Malaysia-Turkey Free Trade Agreement (MTFTA)

Turkey's Commitment:

- Eliminates duties on **85.89%** of tariff lines based on modalities as follows:

Modalities	Description	Tariff lines (HS2007)	%
Fast Track (FT)	Immediate elimination on 1 August 2015	8309	68.70
Normal Track (NT)	Gradually reduced and eliminated on 1 January 2018	302	2.50
Sensitive Track (ST)	Gradually reduced and eliminated on 1 January 2020	877	7.25
Highly Sensitive Track (HST)	Gradually reduced and eliminated on 1 January 2023	898	7.43

Source: Ministry of International Trade and Industry, Malaysia.



the Malaysia-Turkey Free Trade Agreement (MTFTA)

Turkey Import Duties:

- ✓ **30% tariff** for palm oil products such as Crude Palm Oil, Processed Palm Oil, Crude Palm Kernel Oil and Processed Palm Kernel Oil.
- ✓ **One-off tariff reduction (2.67%)** given to 322 tariff lines including palm oil-based products, agricultural and fisheries products.
- ✓ **8.02% tariff** for another 970 tariff lines will be at locked-in at current rate for Malaysia.
- ✓ **Only 3.44%** of Turkey's tariff lines **are excluded** from the Agreement.
- ✓ For textiles, Malaysian exporters are given **immediate elimination** of additional customs duties (ACD) which these safeguard duties are imposed over and above the MFN duties for **selected** textile products.



the Malaysia-Turkey Free Trade Agreement (MTFTA)

- In **2016**:
 - **Malaysia's trade with Turkey** expanded by **50.2%** from RM 5.61 billion (US\$1.43 billion) in 2015 to RM 8.42 billion (US\$2.02 billion).
 - **Total exports** of merchandises **increased** by **89.0%** from RM 3.80 billion (US\$0.95 billion) in 2015 to RM 7.17 billion (US\$1.72 billion)
 - **Total imports** of merchandises **decreased** by **31.2%** from RM 1.81 billion (US\$473.82 million) in 2015 to RM1.24 billion (US\$300.36 million)
- Major **exports** to Turkey in 2016:
 - Palm Oil and Palm-Based Products
 - Manufactures of Metal
 - Textiles, Apparels and Footwear
 - Chemicals and Chemical Products
 - Electrical and Electronic Products
- Major **imports** from Turkey in 2016:
 - Textiles, Clothing & Footwear
 - Machinery, Equipment & Parts
 - Chemicals & Chemical Products
 - Petroleum Products
 - Fruits and Other Agriculture

Source: Ministry of International Trade and Industry, Malaysia.



The background of the slide features the Malaysian flag on the left and the American flag on the right. The Malaysian flag is partially visible, showing the blue field with the yellow crescent and star. The American flag is shown with its characteristic red and white stripes, appearing to wave.

Thank you for your attention!!

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