

2019/SMEWG/WKSP/006

Session 2.2

Existing Opportunities for Importing Micro, Small and Medium Enterprises - Foreign Micro, Small, and Medium Enterprises Exporters That Are Interested in Entering Malaysia

Submitted by: Malaysia



Capacity Building Workshop on APEC Micro, Small, and Medium Enterprises Marketplace Utilization Manila, Philippines 30-31 October 2019



MINISTRY OF ENTREPRENEUR DEVELOPMENT



Vision

To create entrepreneurs who are competitive in the global marketplace and have high integrity

Mission

To encourage entrepreneurship in Malaysia Baharu particularly among the low-income groups across all segments of the society

DEFINITION OF MSMES IN MALAYSIA



Manufacturing

Services and Other Sectors

Sales turnover: RM15 mil ≤ RM50 mil OR

Employees: From 75 to ≤ 200

Sales turnover: RM300,000 < RM15 mil <u>OR</u>

Employees: From 5 to < 75

Sales turnover: < RM300,000 OR

Employees: < 5

Medium

Sales turnover: RM3 mil ≤ RM20 mil OR

Employees: From 30 to ≤ 75

Small

Sales turnover: RM300,000 < RM3 mil <u>OR</u>

Employees: From 5 to < 30

Micro

Sales turnover : < RM300,000 <u>OR</u>

Employees: < 5

MALAYSIA'S TOTAL TRADE

USD 453.24 billion

Total Trade Value (2018)

USD 212.09 billion

Import (2018)

USD 241.15 billion

Export (2018)

MALAYSIA'S APEC TRADE

USD 353.2 billion

Total Trade Value (2018)

USD 164.40 billion

Import (2018)

USD 188.80 billion

Export (2018)

THE TOP 5 PRODUCTS FOR IMPORT AND EXPORT (JAN-AUG 2019)

IMPORT

- 1. Electrical and Electronic Products [USD41.87 billion, 29.8%]
- 2. Chemicals & Chemical Products [USD13.06 billion, 9.3%]
 - 3. Petroleum Products [USD12.92 billion, 9.2%]
 - 4. . Machinery, equipment and parts [USD12.06 billion, 8.6%]
 - 5. Transport Equipment [USD7.65 billion, 5.4%]

EXPORT

- 1.E&E Products [USD59.38 billion , 37.6%]
- 2. Petroleum Products [USD11.9 billion, 7.5%]
- 3. Chemicals & Chemical Products [USD 8.88 billion, 5.6%]
- 4. Manufactures of metal [USD 7.328 billion, 4.6%]
- 5. Machinery, equipment and parts [USD6.657 billion, 4.2%]

Source: Department of Statistics, Malaysia

THINGS TO CONSIDER BEFORE GOING FOR EXPORT

- Production
- Financial
- Human Capital
- Marketing
- Export Requirements and Compliance

RELEVANT AUTHORITIES FOR IMPORTING PRODUCT PROCEDURES IN MALAYSIA

MALAYSIAN QUARANTINE AND INSPECTION SERVICES (MAQIS)

Agricultures

MINISTRY OF HEALTH

Food Products

DEPARTMENT OF AGRICULTURE (DOA)

• Soil and Microorganism

DEPARTMENT OF VETERINARY SERVICES

Animal and animal by-products

DEPARTMENT OF FISHERIES MALAYSIA

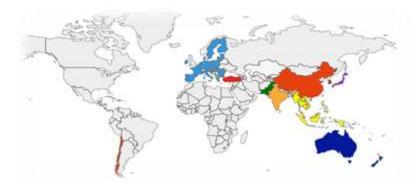
• Fish

MALAYSIA'S FREE TRADE AGREEMENT (FTA)

FTAs Currently In Force

Thus far, Malaysia has implemented:

- •7 bilateral FTAs Japan, Pakistan, India, New Zealand, Chile, Australia and Turkey
- •6 regional FTAs ASEAN Free Trade Agreement (AFTA), China, Korea, Japan, Australia, New Zealand and India



MALAYSIA'S FTA TRADE

USD 282.96 billion

Total Trade Value (2018)

USD 134.282 billion

Import (2018)

USD 148.684 billion

Export (2018)

Source: MATRADE

HOW CAN FTAS HELP MY BUSINESS?

- ✓ FTA offers lower or zero tariff (tariff concession) on exports and imports of goods and components assigned under FTA.
- ✓ More relaxed or removal of quantitative import restrictions
- √ Improve market access for various services
- ✓ Hassle-free custom procedures
- ✓ Easier entry for businessmen

HOW DO I KNOW WHETHER MY PRODUCT IS ELIGIBLE FOR TARIFF CONCESSIONS?

- A. Identify the FTA market you are intending to export
- B. Determine the Harmonised System (HS) Code of your products from Royal Malaysian Customs Department
- C. Check from Ministry of International Trade & Industry (MITI) website (http://fta.miti.gov.my) if the product is included in the tariff reduction and elimination schedule
- D. Check if the product satisfies the Rules of Origin (ROO)

WHAT ARE RULES OF ORIGIN (ROO)?

The ROO determines the country of origin of a product to be eligible for tariff concessions

Rules of Origin for a product may vary across the different FTAs.

Information on ROO can be obtained from the respective section of individual FTAs listed at www.fta.miti.gov.my

HOW DO I GO ABOUT CLAIMING FOR THE FTA BENEFITS?

If your products meet the stipulated ROO requirements, you need to get a copy of the Preferential Certificate of Origin (PCO).

PCO is a document to prove or certify the status of origin of a product, and presented as an import document to the customs authority of an importing country so that the product can enjoy the stipulated tariff concession.

OTHER MEDIUMS

- EMBASSIES / HIGH COMMISSIONS ABROAD
- FOREIGN EMBASSIES
- TRADE PROMOTION ORGANISATIONS (TPOs)
- CHAMBERS OF COMMERCE / TRADE AND INDUSTRY ASSOCIATION
- INTERNET

Thank