

Trade and Competitiveness Monitoring Note

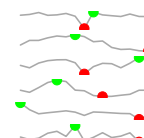


Malaysia

| GDP (US\$ billions) (2016) | Population (millions) (2016) | Income per capita (current US\$) (2016) | Poverty rate (2009) | Unemployment rate (2014) |
|----------------------------|------------------------------|---|---------------------|--------------------------|
| 3.4e+02 | 3.1e+01 | 1.1e+04 | 2.8e-01 | 2.0e+00 |

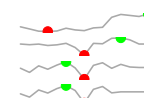
Macro Indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|-------|-------|-------|-------|-------|
| GDP growth (annual %) | 4.69 | 5.13 | 4.72 | 6.00 | 4.74 | 4.70 |
| Current account balance | 12.49 | 5.78 | 4.00 | 4.30 | 2.83 | 2.44 |
| Fiscal balance (% of GDP) | -4.28 | -3.84 | -5.00 | -3.70 | -2.07 | -2.44 |
| Remittances, received (% of GDP) [1] | 0.62 | 0.41 | 0.44 | 0.47 | — | — |
| Real Effective Exchange Rate (2010=100) | 101.91 | 99.05 | 98.47 | 98.27 | 92.50 | 96.60 |
| Consumer Price Index, annual percent change | 2.30 | 1.66 | 2.11 | 3.14 | 0.31 | 0.31 |



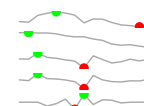
Investment indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|------|------|------|------|------|
| Gross domestic investment (% GDP) | 23.3 | 26.7 | 27.6 | 27.3 | 26.9 | 27.7 |
| Gross domestic investment, of w: Private investment (% GDP) [1] | 22.2 | 25.7 | 25.9 | 25.0 | — | — |
| Inward FDI (% of GDP) [2] | 3.1 | 3.0 | 3.9 | 3.3 | — | — |
| Inward FDI, % of private investment [2] | 13.9 | 12.9 | NA | — | — | — |



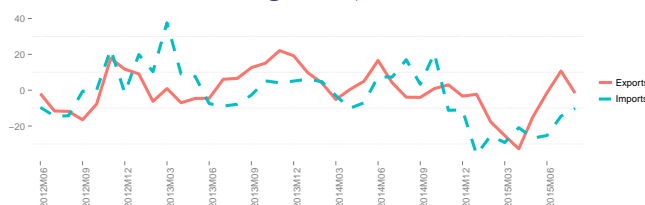
Trade Indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|-------|-------|-------|-------|-------|
| Total Trade in Goods and Services (% of GDP, real terms) | 191.9 | 178.9 | 172.5 | 170.3 | 167.2 | 170.1 |
| Trade balance (% GDP, real terms) | 19.7 | 8.5 | 7.0 | 7.7 | 5.9 | 4.5 |
| Exports, Goods and Services, annual percent change (real terms) | 4.1 | -1.8 | 0.3 | 5.1 | 1.9 | 5.5 |
| Imports, Goods and Services, annual percent change (real terms) | 5.1 | 2.5 | 1.7 | 4.2 | 3.9 | 7.5 |
| Total reserves in months of imports [1] | 6.3 | 6.6 | 6.3 | — | — | — |



Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

Goods Export and Import volume growth, 2012-2015



Source: Development Prospects Group (DECPG)

Gross Value Added by Economic Activity 2013 (% GDP)



Source: World Development Indicators (WDI)

Top 5 Exports by % of Total Value, 2014

| | | | |
|--------------------------------|------------------------|-------------------------------------|----------------------------|
| Electronic integrated circuits | Natural gas, liquefied | Petroleum oils & oils obtained from | Palm oil and its fractions |
| 12 | 8 | 8 | 5 |
| | | Crude petroleum | 4 |

Imports Categories by % of Total Value, 2014

| | | | |
|---------------|----------------|--------------------|---------------|
| Capital goods | Consumer goods | Intermediate goods | Raw materials |
| 42 | 25 | 24 | 10 |

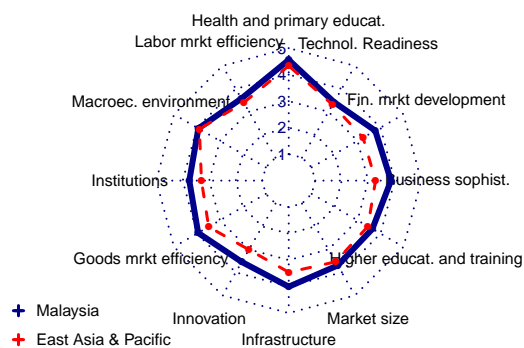
Source: World Integrated Trade Solution (WITS)

Doing Business 2015 Ranks (among all countries)

| | DB 2015 Rank | DB 2016 Rank | Change in Rank |
|-----------------------------------|--------------|--------------|----------------|
| Dealing with Construction Permits | 15 | 15 | 0 |
| Ease of Doing Business Rank | 17 | 18 | -1 |
| Enforcing Contracts | 44 | 44 | 0 |
| Getting Credit | 24 | 28 | -4 |
| Getting Electricity | 13 | 13 | 0 |
| Paying Taxes | 32 | 31 | 1 |
| Protecting Minority Investors | 4 | 4 | 0 |
| Registering Property | 36 | 38 | -2 |
| Resolving Insolvency | 43 | 45 | -2 |
| Starting a Business | 12 | 14 | -2 |
| Trading Across Borders | 48 | 49 | -1 |

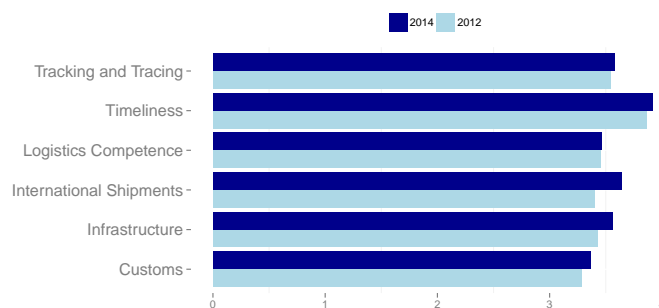
Source: Doing Business Report 2015

WEF Competitiveness Indicators (Scale 1-5, 5=best)



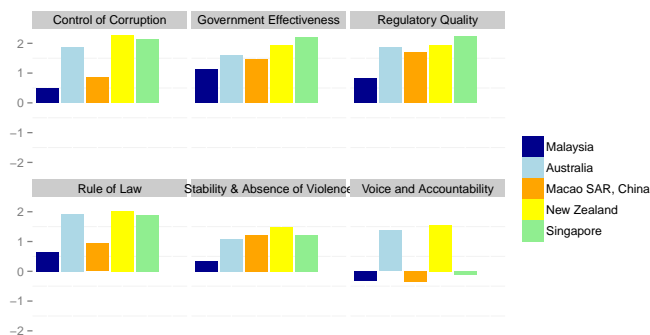
Source: WEF Global Competitiveness Report 2015

Logistics Performance Index (Scale 1-5, 5=best)



Source: Logistics Performance Index (World Bank)

World Governance indicators (Std. score, High=best)



Source: Worldwide Governance Indicators

Trade Policy

| | 2010 | 2014 |
|--|-------|------|
| Applied Tariff (Incl. Prefers. and Trade-Weighted) | 4.48 | — |
| Binding (%) | 84.03 | — |
| Dispersion (Standard Deviation) | 9.92 | — |
| Import duties collected (% 2011-2013) [1] | — | 0.33 |
| MFN Tariff (Agriculture) | 2.42 | — |
| MFN Tariff (Non-Agriculture) | 5.95 | — |
| MFN Tariff (Simple Average) | 5.38 | — |
| Services sectors with GATS commitments [1] | — | 73 |

Sources: WITS, [1] WTO Trade Profiles

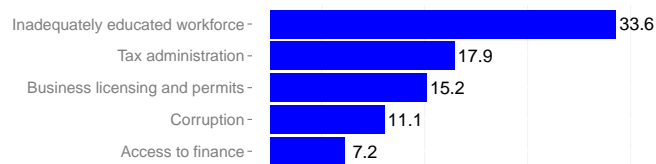
Private Sector's Views

Enterprise Survey 2013

| | Malaysia | East Asia and Pacific | All Countries |
|---|----------|-----------------------|---------------|
| Number of electrical outages in a typical month | — | 3.50 | 6.30 |
| Percent of firms with a bank loan/line of credit | 60.4 | 35.00 | 34.30 |
| Proportion of investment financed by banks (%) | 32.8 | 12.80 | 14.30 |
| Proportion of investment financed internally (%) | 46.1 | 74.70 | 71.80 |
| Senior management time spent dealing with the requirements of government regulation (%) | 7.8 | 6.70 | 9.90 |

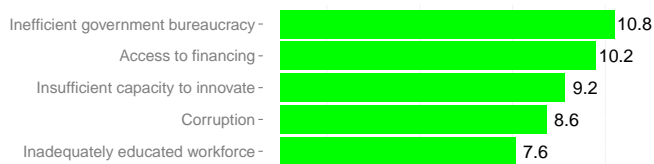
Source: Enterprise Survey 2013

Top 5 constraints according to ES 2013 (% respondents)



Source: Enterprise Survey 2013

Top 5 constraints according to WEF 2015 survey (% respondents among 88 executives)



Source: WEF Global Competitiveness Report 2015