

**ព្រះរាជាណាចក្រកម្ពុជា**  
**ជាតិ សាសនា ព្រះមហាក្សត្រ**  
***KINGDOM OF CAMBODIA***  
***NATION – Religion – King***

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 ការិយាល័យពាណិជ្ជកម្ម  
 Royal Embassy of Cambodia to Malaysia  
 Commercial Office

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Kuala Lumpur, August 6, 2014

**H.E Mr. SUN Chanthol**  
 Senior Minister, Minister of Commerce  
 & Vice Chairman of the Council for the Development of  
 Cambodia

Report on Economic Situation in Malaysia

Your Excellency,

I would have the honor to humbly submit a report related to the economic performance of Malaysia as indicated below space:

## Government Still Studying Plan To Abolish Approved Permits

The Malaysian government is still studying a proposal to abolish the approved permit (AP) policy for the import of vehicles, says International Trade and Industry Minister Datuk Seri Mustapa Mohamed.

"When we look deeper, we find that it is a little difficult, there is an impact on employment and government revenue," the Minister told reporters after witnessing an exchange of documents between Pertubuhan Usahawan Generasi Muda Berjaya Malaysia (GMB Malaysia) and Malaysian Biotechnology Corporation Sdn Bhd (Biotech Corp).

Mustapa said in the last three years, the government has collected about RM1 billion from the issuance of APs.

Any alternative to the AP system should be able to make up for the loss of government revenue, he said, adding removing APs would affect the incomes of employees of 100 companies who are AP holders and, indirectly, the national economy.

Mustapa said his ministry is still studying the proposal and it is still too early for the government to consider the options.

Meanwhile, on the implementation of the Euro 4 diesel standard in Malaysia, the minister said the government has still not decided on the date of conversion.

He said the government has been engaging with the various companies in the last two or three years and made a decision but could not implement it as the costs involved are quite exorbitant for the oil companies.

"According to the oil companies, it's going to cost them a lot of money to upgrade their system, factories and plants.

"They were asking for a postponement, so we are now still talking to them as part of the team led by Pemandu (Performance Management Delivery Unit)," he said.

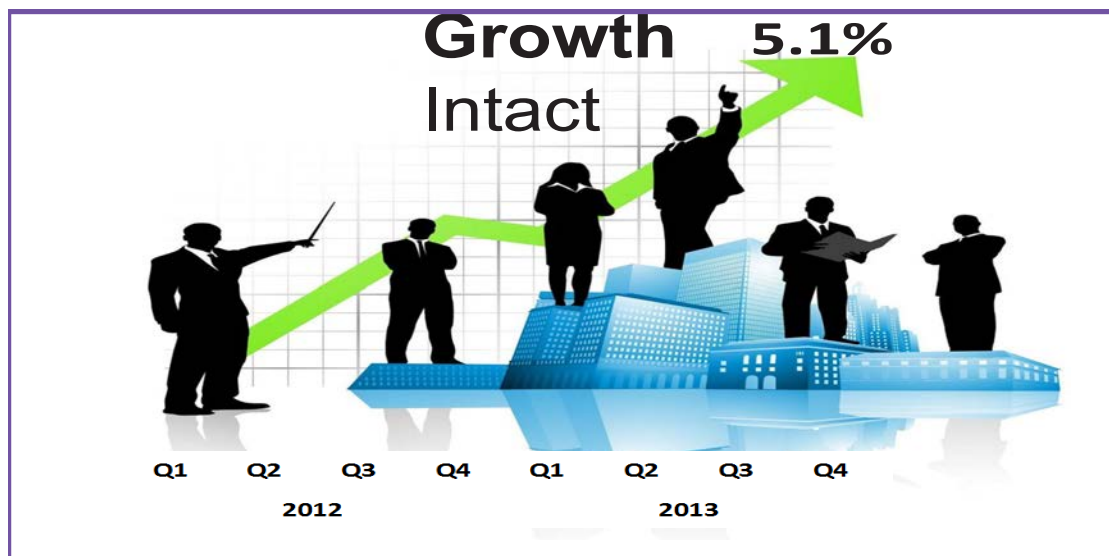
Mustapa said the automotive sector is quite keen for the government to adopt the Euro 4 standard.

"This is urgent because many countries have moved to Euro 4 and some are already planning for Euro 5, we are way behind.

"If I was in the auto sector, I would be worried that there is no certainty as to when Euro 4 is going to be used in the country.

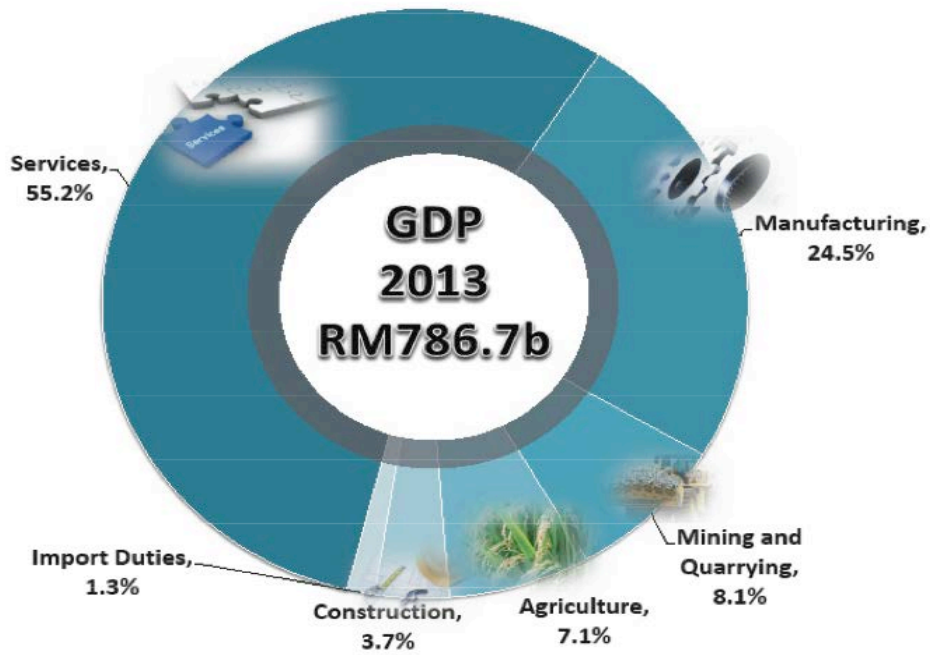
"What the government is doing now is to balance the interests of the auto industry and the interests of the oil refiners," he said.

### Gross Domestic Products (GDP), Q1 2012 - Q4 2013

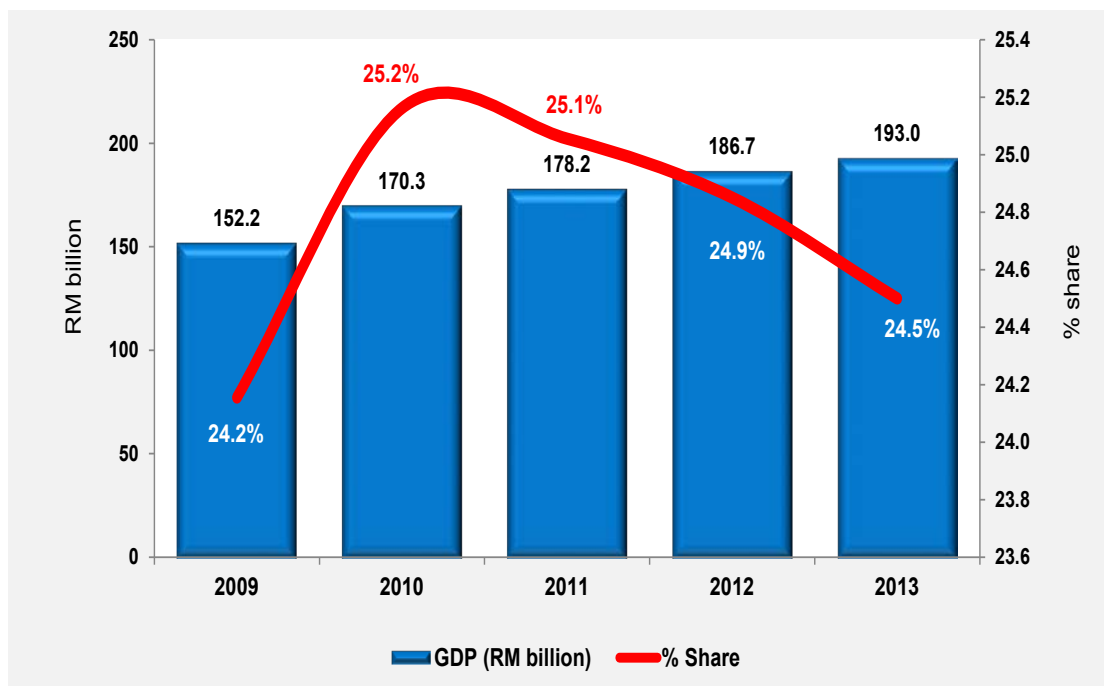


Source : Department of Statistics, Malaysia

### GDP by Economic Activity, 2013



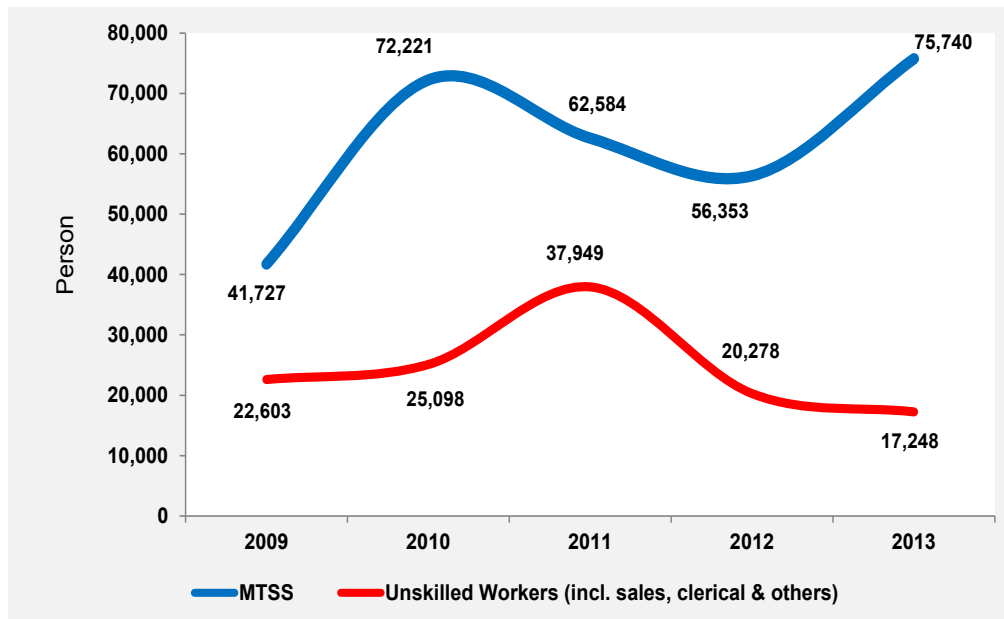
## Contribution of Manufacturing Sector to GDP, 2009-2013



*Note: GDP at 2005 constant price*

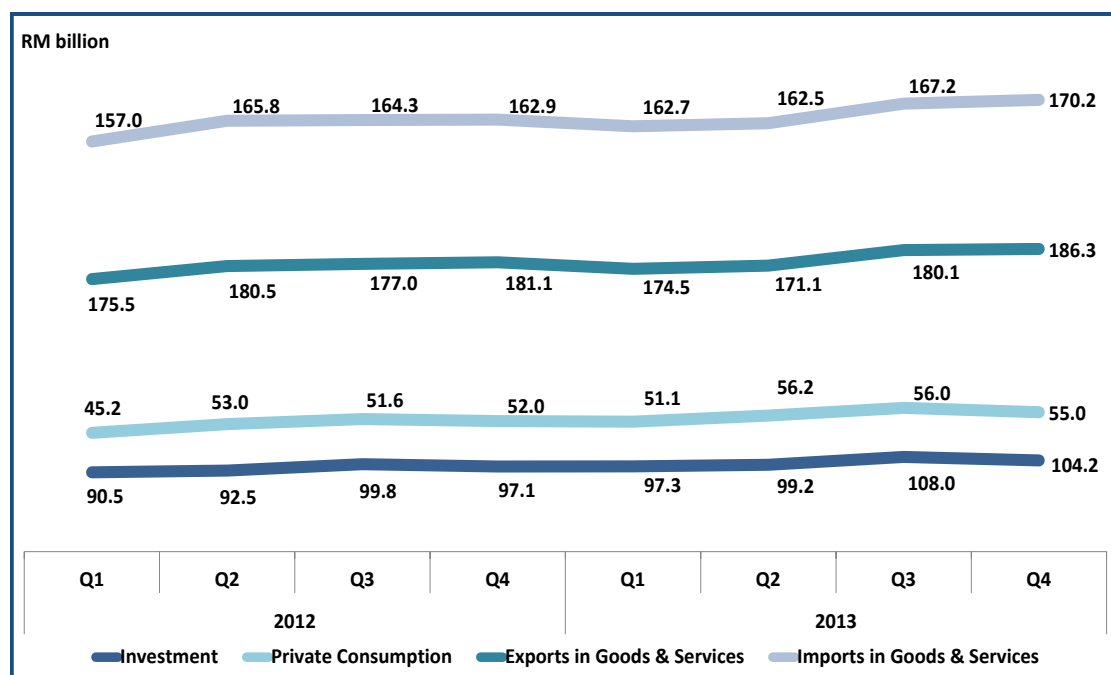
*Source : Department of Statistics, Malaysia*

## Employment in the Manufacturing Sector, 2009-2013



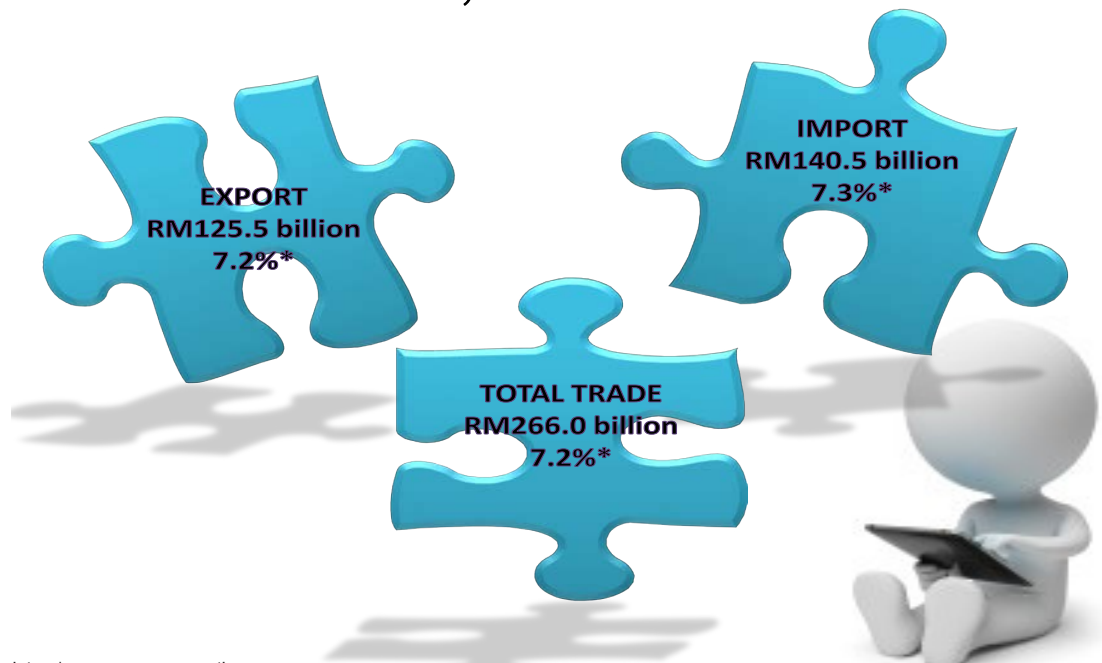
Note: MTSS refers to Managerial, Technical, Supervisory and Skilled Workers  
Source: MIDA

## GDP by Types of Expenditure, Q1 2012 - Q4 2013



Source : Department of Statistics, Malaysia

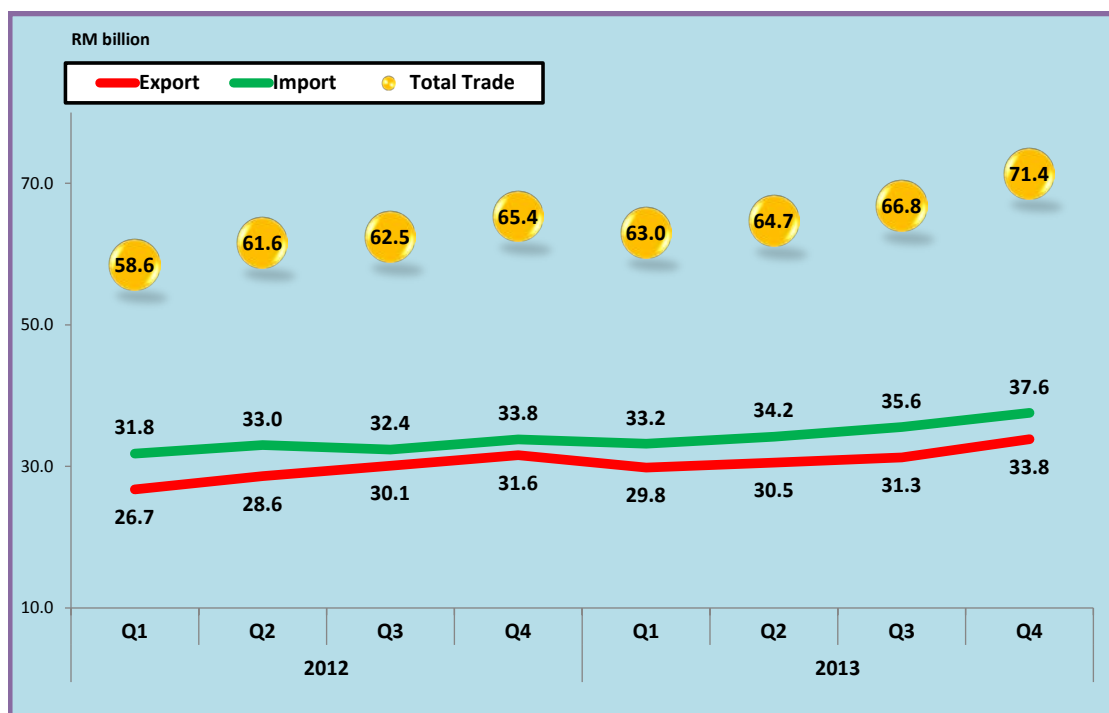
## Trade in Services, 2013



Note : \* year-on-year growth

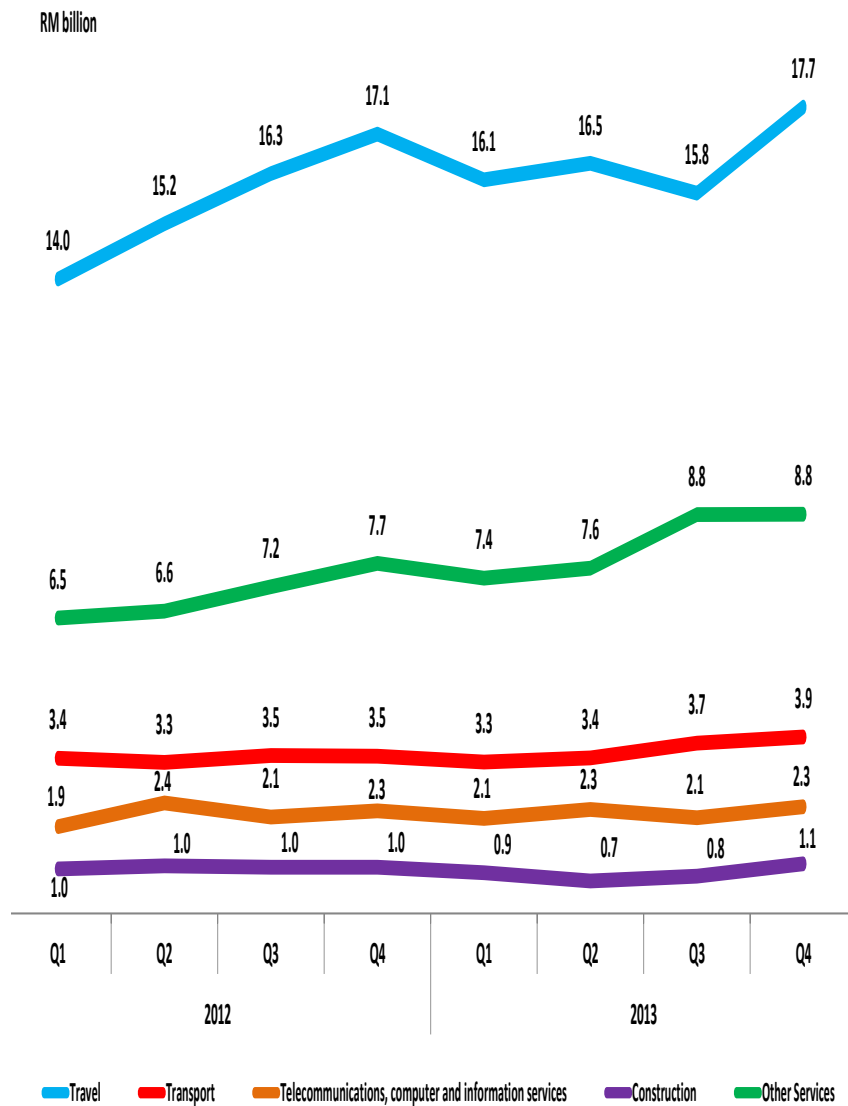
Source : Department of Statistics, Malaysia

## Trade in Services, Q1 2012 - Q4 2013



Source : Department of Statistics, Malaysia

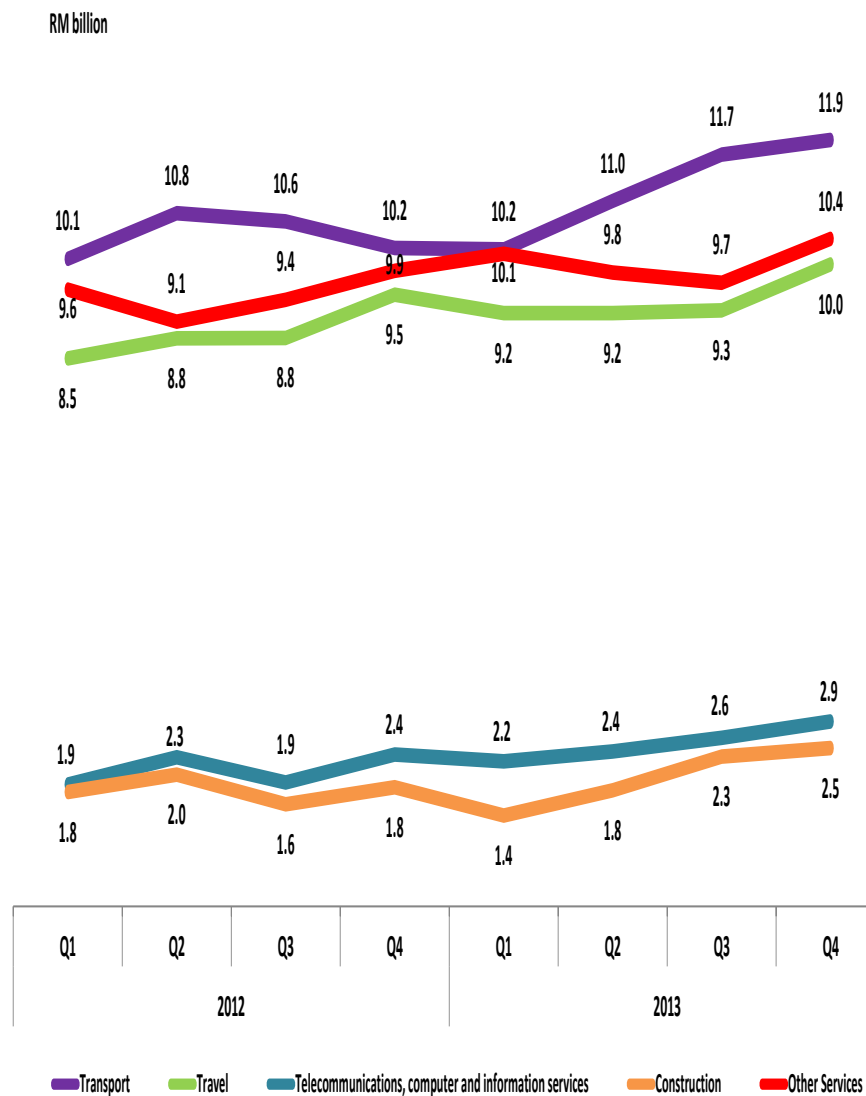
## Export of Services, Q1 2012 - Q4 2013



### Other Services, Q4 2013

Insurance and pension services	559
Maintenance and repair services n.i.e.	242
Financial services	186
Personal, cultural and recreational services	170
Government goods and services n.i.e.	53
Charges for the use of intellectual property n.i.e.	35
Other business services	7,539

## Import of Services, Q1 2012 - Q4 2013



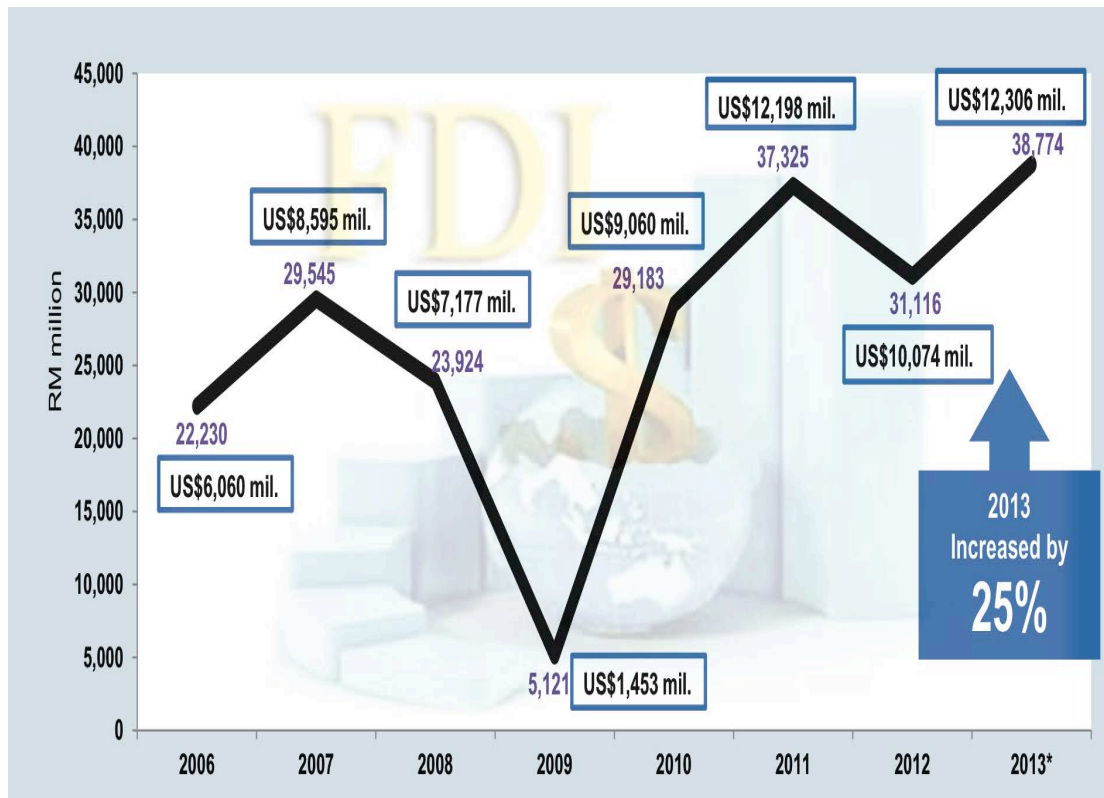
### Other Services, Q4 2013

Charges for the use of intellectual property n.i.e.	1,108
Personal, cultural and recreational services	828
Insurance and pension services	807
Financial services	302
"Maintenance and repair services n.i.e."	210
Government goods and services n.i.e.	180
Other business services	6,927

Source : Department of Statistics, Malaysia



## Global FDI Inflows into Malaysia

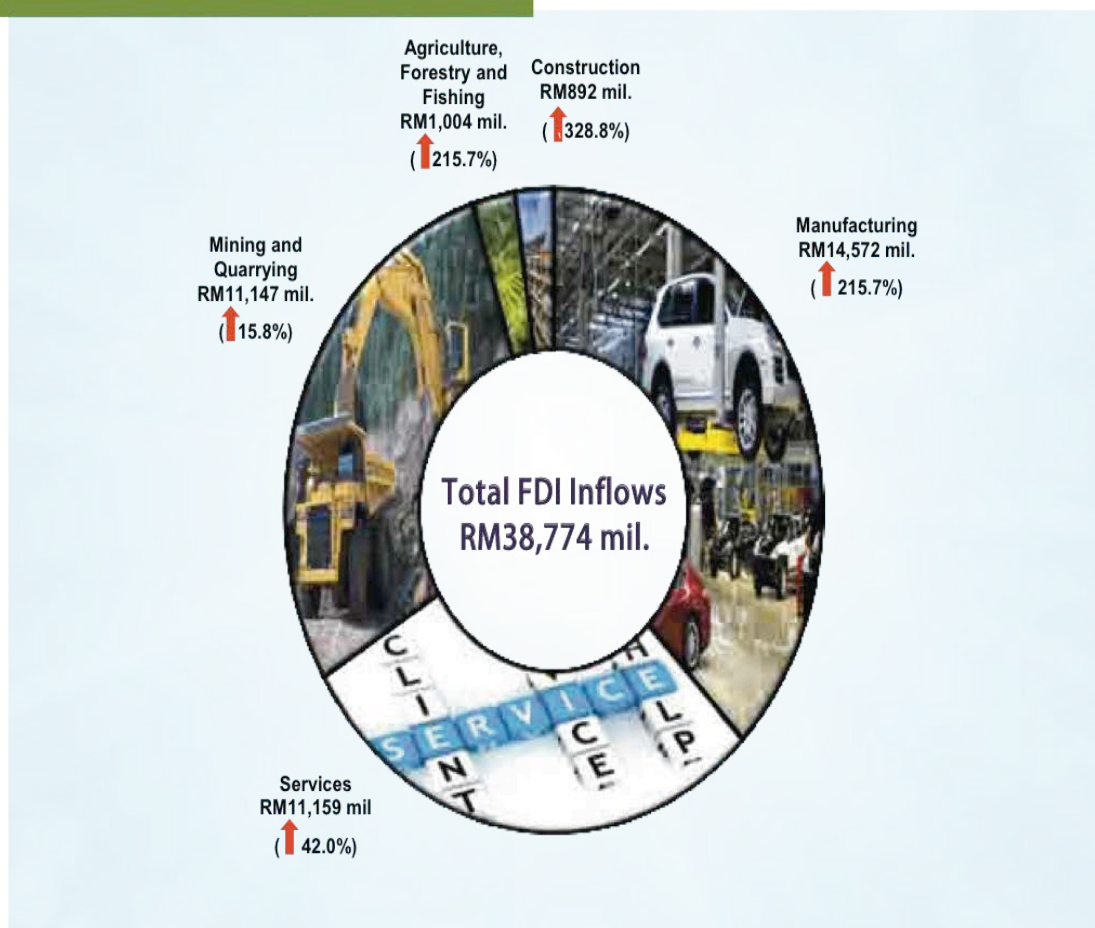


Note: \* Preliminary

Source : Department of Statistics, Malaysia

## FDI Inflows into Malaysia by Sector, 2013

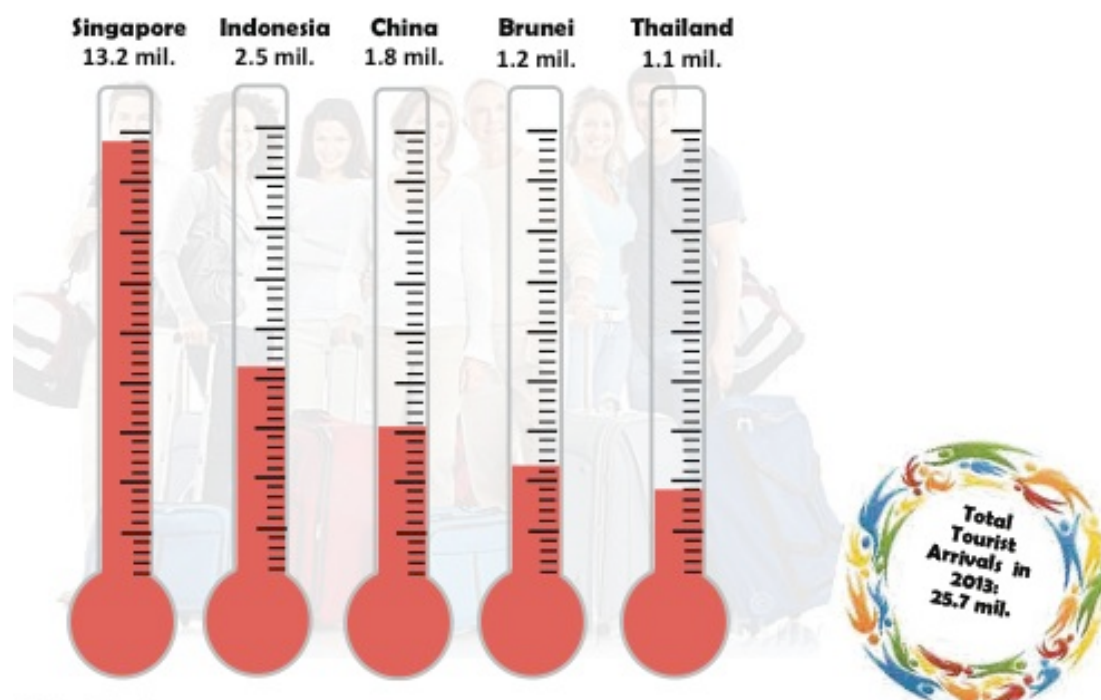
Manufacturing sector continues to be the largest recipient of FDI inflows



Note: Figure in parentheses refers to year-on-year growth (2013/2012)

Source : Department of Statistics, Malaysia

## Top Five Tourist Arrivals by Country of Nationality, 2013



Source : Tourism Malaysia

Please accept, Your Excellency, the assurances of my highest consideration.

Respectfully Yours,

PUTH Hemonna  
Commercial Counselor  
Royal Embassy of Cambodia