MALAYSIAN TIN PRODUCTS

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THE MALAYSIAN TIN PRODUCTS NEWSLETTER

QUARTERLY | JANUARY - MARCH 2024

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PRESIDENT'S NOTE

LIM CHENG SANG
PRESIDENT
THE MALAYSIAN TIN PRODUCTS
MANUFACTURERS' ASSOCIATION
(MTPMA)

Dear Members,

Greetings to all and Happy New Year. We are indeed blessed to be able to welcome the new year after going through a challenging 2023. May the year ahead bring new inspirations on us all towards reaching higher goals and greater achievements. The year behind us had been a challenging one especially on the Malaysian economy, which was marked by weak external demand, geopolitical tensions, and domestic political issues. For our Association, the uncertain demand for tin-based products was the major issue hampering development especially during the first half of the year.

The presence of the the afore-said issues had resulted in a lower than anticipated National Gross Domestic Product (GDP) for the year, which registered at 3.7 per cent. Malaysia's trade for 2023 fell by 7.3% while its export contracted by 8.0%, despite the optimism that a lower ringgit value would boost trade and exports. By the end of December 2023, the Malaysian ringgit had already taken a beating, registering RM 4.59 to one US dollar. For 2023 as a whole, headline inflation declined to 2.5% while core inflation averaged at 3.0%. As for the manufacturing sector, it registered a 0.7 % growth in 2023.

Going forward, some economists had taken a conservative approach and cautioned on a still challenging path ahead for the year of 2024. The softening of the China's economy, persistent geopolitical tensions affecting major trade routes such as the Suez Canal and the Red Sea, combined with weak global trade, would put pressure on our purchasing power. However, Bank Negara Malaysia (BNM) in its statement issued in mid February 2024 forecasted that Malaysia's growth should improve due to the resilient domestic expenditure and recovery in external demand. BNM added that the technology upcycle, stronger external demand and continued improvement in the tourism sector would provide support to Malaysia's exports. Meanwhile, the Malaysian Institute of Economic Research (MIER) forecasted that the Malaysia's economy would expand moderately within the range of 4.3% to 4.6% in 2024, driven by resilient domestic demand and stable labour market conditions. MIDF Research estimated that Malaysia's GDP would grow by 4.7% in 2024 helped by a recovery in external trade, especially demand for electrical and electronic products from markets like China and the United States and restocking activities.

Issues relating to the rising prices of goods, rice shortage, governance, and environmental issues, economic digitisation, subsidy rationalisation, adjustment of Sales and Services Tax (SST) rate, re-implementation of Goods and Services Tax (GST) continued to dominate the concerns among Malaysians. The increase in SST rate from 6 per cent to 8 per cent was implemented on 1 March 2024. The increase is expected to generate an additional RM3 billion in revenue for the Government. BNM had also decided to maintain its overnight policy rate (OPR) which had remained unchanged at 3 % since May 2023. At the current OPR level, the monetary policy stance would remain supportive of the economy and is consistent with the current assessment of the inflation and growth prospects.

Meanwhile, the tin market, had a good start to the new year as it climbed to almost USD26,800 towards the end of January 2024. After a week of correction, the tin price resumed its upward trend, breaching the USD27,000 per tonne level in mid-February 2024. The tin price stabilised following the reopening of the Shanghai Futures Exchange (SHFE) post spring festival. Going into March, the tin price continued its upward momentum and by mid-March, the tin price had reached USD28,400 per tonne.

There was growing concern over the supply of tin during the first half of 2024, particularly due to licensing delays in Indonesia, in anticipation of the outcome of the Indonesian Presidential Election, and the suspension of tin mining in Wa State in Myanmar. As at mid March 2024, the ban on tin mining by Wa State still continued but tin trading in Indonesia partly resumed after a two months suspension. The Jakarta Futures Exchange (JKX) resumed trading in early March 2024, but the Indonesian Commodities and Derivatives Exchange (ICDX) have yet to start. Global refined tin production, experienced a modest decline to 2.1% in 2023, with Yunnan Tin and Minsur remaining as the first and second largest refined tin producers in the world, respectively. Malaysia Smelting Corporation (MSC) was the fourth largest.

To sign off this brief President's Note, I would like to record my special thanks to members for their unwavering support to the Association, during the past year, and look forward to your continuing support throughout the new year. Let us all pray for a better, smoother and prosperous 2024.

Best regards,

C.S Lim
President

NEWS ON ECONOMY

Economists: CPI Likely to be on Uptrend in 2024

Economists are expecting the country's headline inflation, as measured by the consumer price index (CPI) to rise this year. This, they said, would be fuelled by the potential changes to domestic policies, higher food prices due to the El Nino effects, upside bias in crude oil prices and rising demand from improved economic growth prospects. They are projecting the inflation rate to hover between 2.6% and 3.1% for this year, against 2.5% to 2.7% for 2023. The recent data from the Statistics Department showed Malaysia's headline inflation had eased to a 33-month low in November, with the CPI growth slowing to 1.5% year-on-year (y-o-y) from 1.8% y-o-y in the preceding month. This was due primarily to a sharp drop in in food prices. The November 2023 reading was lower than market expectations of a 1.7% y-o-y increase. For the first 11 months of 2023, the headline inflation averaged at 2.5%.

Hong Leong Investment Bank (HLIB) Research expects inflation to be slightly higher going into 2024 at 2.6% compared with 2.5% for 2023. It said risks to the inflation outlook remain highly subject to potential changes to domestic policies. According to Economy Minister Mohd Rafizi Ramli, the government will roll out a targeted susbsidy programme for RON95 petrol in the second half of this year after the launch of the central database system. "We think Bank Negara will maintain the overnight policy rate at 3% in 2024 as it adopts a wait-and-see stance to ascertain the durability and strength of underlying demand after the subsidy rationalisation programme kicks in along with the effects of proposed income measures," the research house added. Meanwhile, TA Research is estimating the CPI increase to average at 3.1% this year, compared with the average of 2.7% for last year.

The forecast took into consideration the persistent increases in food inflation amid the lagged impact of El Nino weather conditions, upside bias in crude oil prices and the build-up of demand-side pressure in tandem with improved growth prospects. Kenanga Research maintained its headline inflation forecasts at 2.5% for 2023 and 2.7% for 2024. Separately, HLIB Research added that the US Federal Reserve held interest rates steady in the December 2023 Federal Open Market Committee meeting and signalled that inflation had eased faster than anticipated, opening the door to rate cuts next year. According to projections, most officials had pencilled in three cuts for 2024.

"Consequently, we maintain our projection for the ringgit to appreciate to RM4.30 to the US dollar as at end-2024 against a 2024 average of RM4.44, after closing 2023 at RM4.59 to the dollar. This was within our forecast of RM4.60 compared to the average for 2023 at RM4.57 to the dollar," it said.

Source: The Star, 3 January 2024

Optimism for Manufacturers

There is light at the end of the tunnel for Malaysian manufacturers that have been scaling back their production for nearly one-and-a-half years. The country's factory activity, which has contracted for 16 straight months up until last December, is expected to stage a rebound this year despite persistent risks in the global economy. The major catalysts for the expected reversal are China's recovery, improved trade, a potential upswing in the technology sector and a resilient domestic economy. In December 2023, Malaysia's S&P Global Purchasing Managers' Index (PMI) was unchanged at 47.9, indicating that business conditions remained challenging for manufacturing firms. A PMI reading below 50 points indicates contraction in factory activity. It is noteworthy that Malaysia's PMI reading has remained below the 50-point threshold since August 2022.

Bank Muamalat Malaysia Bhd chief economist Mohd Afzanizam Abdul Rashid, however, said there is a "chance" for Malaysia's PMI to turn around in 2024. The rebound in activities will be seen more in semiconductor-related sectors, he told StarBiz. "The latest World Semiconductor Trade Statistics has projected that the Global Semiconductor Sales (GSS) would grow 13.1% in 2024 from the previous forecast of 11.8%. For 2023, it is estimated that GSS contracted by 9.4%. Perhaps, the anticipation for lower interest rates could also help improve business sentiment because lower interest rates would reduce their cost of borrowings and also show the governments' commitment to support growth," he said. Bank Muamalat, in its 2024 outlook report, had projected the manufacturing sector to grow by 4% in 2024 from an estimated 1.5% in 2023. The stronger growth is expected as recovery in the semiconductor-related sectors will help to lift the export-oriented industries' performance.

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As highlighted in the latest PMI report, Malaysian manufacturers are also confident about an upcoming rise in production over the next 12 months. MIDF Research, in its economic brief, foresees demand outlook to gradually pick up and provide support to regional trade recovery. "We believe this explains the continued optimism indicated by the local manufacturers," it said.

Meanwhile, TA Research opined that new orders will rebound in the local manufacturing sector. "The existing subdued demand environment has kept optimism levels relatively steady since September, though concerns persist regarding the speed and timing of the anticipated recovery," it said. Referring to the S&P Global PMI report, TA Research said manufacturers scaled back production but the moderation was the slowest recorded since August. Meanwhile, stocks of finished goods were wound down at the fastest pace since September, as firms used existing stocks to fulfill orders. On a positive notes, TA Research said Malaysian manufacturers exhibited resilience in the face of challenging market conditions by increasing employment levels for the first time in eight months. "Simultaneously, companies managed to reduce their outstanding business at a marginal rate, marking the slowest pace since August 2022. Although the most recent PMI data indicates subdued demand conditions in the Malaysian manufacturing sectors as of the close of 2023, S&P Global affirms that the findings align with modest growth in official statistics," it added. Malaysia was not the only country in the region to face a contraction in factory activity in December. Among the seven Asean nations under observation, manufacturing conditions were weak as well in four other countries, namely Myanmar (42.9), Thailand (47.9), Malaysia (47.9) and Vietnam (48.9).

Nevertheless, some countries showed an improvement in their operating conditions, led by the Philippines (51.5), Singapore (52.0), and Indonesia (52.2). In summary, the Asean manufacturing sector concluded the year on a subdued note, scoring 49.7, a decline from the previously recorded 50 points. In Malaysia, new export orders fell for eight consecutive months, but the pace of decline at the softest rate since May. Kenanga Research noted that although manufacturers remained concerned about the pace and timing of a recovery, the degree of optimism remained broadly stable since September. "The manufacturing PMI is expected to gradually improve in the near term, attributed to the potential upswing in the technology sector and China's gradual recovery, both of which are expected to contribute to an improvement in Malaysia's export performance moving forward. Nevertheless, our outlook remains cautiously optimistic, as rising geopolitical tensions could disrupt the global supply chain and potentially impact global trade activity," it said. Against this backdrop, Kenanga Research retained its gross domestic product (GDP) growth forecast for the fourth quarter of 2023 (4Q23) at 3.7%, as compared to 3.3% in 3Q23. The stronger sequential growth is likely to be supported by a resilient domestic demand, bolstered by year-end festive spending and a continued increase in tourist arrivals. "Hence, we expect 2023 GDP growth to align with our projection of 3.5% to 4.0% (2022: 8.7%) and anticipate it to expand to 4.9% in 2024," it said.

Source: The Star, 4 January 2024

Export, Domestic Demand to Spur Growth

SERC Cautiously Optimistic about GDP This Year

The Socio-Economic Research Centre (SERC) remains cautiously optimistic about Malaysia's economic growth prospects this year as external factors could impact local conditions. Its executive director Lee Heng Guie said it is better to remain prudent at the beginning of the year as there are some concerns out there. "If we look at the stock market, it is quite steady; the only thing we have to do is monitor to see how it will hold up. Domestically, people are looking towards Central Database Hub (Padu) and how the rationalisation of subsidies will impact everyone," he said during SERC'S briefing on Malaysia's quarterly economic tracker and outlook for 2024.

Despite the caution, Lee is looking at 4.5% in domestic economic growth in 2024, aided by a recovery in exports and continued acceleration in domestic demand. "Domestic demand will contribute 4.3 percentage points in gross domestic product (GDP) growth while the exports of goods and services will contribute 1.4 percentage points," he said. He added that export growth will gradually recover to 4% this year, a turnaround from the estimated decline of 7.4% in 2023. "The positive factors underpinning the export outlook are improving global demand, a recovery in the electrical and electronic sector worldwide, and increasing demand from the semiconductor industry for chips," he said.

The gaining popularity of electric vehicles, artificial intelligence and 5G will help spur the semiconductor industry. Lee expects the manufacturing sector to improve by 3.9% this year and construction to contribute positively to the economy. "With the revival of construction projects that had been halted for the last few years, plus the ongoing projects, we are bound to see things picking up," he said. In addition to this, Lee expects good things to come from the establishment of the Johor-Singapore Special Economic Zone (JS-SEZ). A memorandum of understanding on JS-SEZ was signed yesterday between Economy Minister Rafizi Ramli and Singapore's Trade and Industry Minister Gan Kim Yong.
Lee said the collaboration aims to attract investors,

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enhance cross-border flow of goods and services and people while strengthening the overall business ecosystem. "In 2022, Malaysia and Singapore were each other's second largest trading partner. The proposed establishment will involve a feasibility study carried out under the Joint Ministerial Committee for Iskandar Malaysia to determine the zone's focus," he said. Lee added that the JS-SEZ is expected to bolster trade and investment and people connectivity and lead to more opportunities from the increasing border trade and rapid economic growth. In terms of global economy this year, Lee expects it to slow to an estimated 2.7% growth from an estimated 3% expansion in 2023, as the lagging impact of higher interest rates is fully felt in some advanced economies amid the weakening economic data.

"We expect the US economy to grow at a slower pace of 1.5% in 2024 and it may experience a mild recession in the first half due to higher interest rates having a bigger effect on consumer spending and business activity. Higher mortgage rates have also dampened activity in the housing sector, which has flattened out," Lee said. He added that the risk of a recession in the eurozone has increased, with economic activity data pointing to a stagnation. "We expect economic conditions to remain subdued in the first half of 2024, restrained by higher interest rates and cautious domestic demand. Stabilisation will likely be seen in the second half instead, as industries rebuild depleted inventories while consumer confidence increases on abating price pressures," he said.

Some of the risks to the global economy in 2024 include geopolitical concerns like the tensions between the United States and China as well as the ongoing conflict in Ukraine and Gaza. "Amid the softening of crude oil prices on oversupply concerns this year, the risks of geopolitical and climate change could induce a supply shock of commodities, energy and food," Lee warned.

Source: The Star, 12 January 2024

January Exports Surge to RM122.4b

Malaysia's exports rose more than expected last month from a year earlier, boosted by higher shipments of manufactured goods, said the Investment, Trade and Industry Ministry. Exports rose 8.7 per cent year-on-year to RM122.43 billion. Exports of manufactured goods, which accounted for 84.7 per cent of total shipments, improved by 9.3 per cent year-on-year. Asean accounted for 27.6 per cent of Malaysia's total trade. Imports grew 18.8 per cent year-on-year to RM112.3 billion. It recorded a trade surplus of RM10.12 billion. **Reuters**

Source: New Straits Times, 21 February 2024

Weakening Economy, Ringgit: Form Emergency Task Force to Address Crisis

The economic situation in the country is dire and there is an urgent need for intervention, even if it is deemed contrary to the principles of the free market. The ringgit's descent against the US dollar has been quite sharp and the exchange rate has fallen to its lowest since the Asian financial crisis in 1998. There is a need now for the establishment of an emergency economic committee that would look at all aspects of the economy and prescribe immediate solutions to the problems, as opposed to presenting it to the cabinet to be mulled over by non-economic experts. A dedicated team of experts would be a good start to building confidence in the economy. The terms of reference for the committee can be like the emergency committee of the National Operations Council in 1969. The experts would need to come up with solutions swiftly and decisively to the problems plaguing the economy.

The organisation must be given the same powers and authority as those given to the National Operation Council during the 1969-1971 Emergency. It should be funded by the government and include civil servants and experts in various fields. Among the notable members of the committee would be the likes of former Malaysian Institute of Economic Research executive chairman Tan Sri Kamal Salleh, Genting Bhd director Datuk Dr. R. Thillainathan, former central banker and financial regulator in Asia Tan Sri Andrew Sheng and former finance ministry secretary-general Tan Sri Mohd Sheriff Mohd Kassim. A cursory examination of some vital statistics would suggest that we are heading towards an economic iceberg and this must be averted by firm action.

Last year, the current account surplus plunged 58.6 per cent to RM22.78 billion from RM55.1 billion in 2022. In the fourth quarter of last year, the current account surplus declined to RM0.25 billion from RM27.51 billion in the same period in 2022. The primary income deficit, which consists of the net flow of profits, interest, and dividends from investments, increased to RM20.86 billion in the fourth quarter from RM11.56 billion previously. The ringgit is only a whisker away from reaching 4.885 per US dollar, a level last seen in 1998 when the Asian financial crisis ravaged the region's currencies.

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The newly formed economic committee would need to quickly identify why there was a massive outflow of funds from the country and put in place remedial measures. As the interests of the nation are of the utmost importance, politicians from both sides of the divide must put aside their differences and work together to support the committee in resolving the economic crisis. The committee must consider all options for resolving the economic problem, such as, if necessary, pegging the ringgit to ensure certainty for exporters and importers and avert further escalation of the cost of living due to the sinking ringgit. While some allude to the fact that it is contrary to the principles of the free market, the dire situation requires such urgent measures. It must also look to bolster consumption and domestic investment as the external headwinds and tepid demand for exports do not bode well for international trade. To achieve this, increasing food production should be made a priority to reduce the over-dependence on imports, which currently amount to RM80 billion. The committee must also deal with food cartels that can impede all other efforts to bring down food prices. Subsidy rationalisation and the resultant price increases can dampen consumption, something that the government cannot afford to do now. As such, it must defer its implementation.

The government must reintroduce the Goods and Services Tax (GST) to shore up its revenue, which may increase by about RM20 billion. It needs to ensure that the administration and collection of GST are more efficient and that there are no backlogs in refunds. The committee must work to diversify the investment and export markets away from the traditional markets to insulate against economic volatility. Above all, the semblance of political stability must be felt and experienced by foreign investors before they will come and invest in Malaysia.

Source: New Straits Times, 23 February 2024

Inflation Well-Managed

Price Pressures Likely to Remain Below Benchmark of 3%

With Malaysia's headline inflation seemingly having reached its bottom, analysts say price pressures in the country are well-managed, even as the ringgit's prolonged weakness poses risk to food inflation. While a slight uptick in inflation is expected this year due to the upcoming introduction of targeted fuel subsidies, the inflation rate is likely to remain below the country's benchmark interest rate of 3%. Hence, there seems to be no "immediate pressure" from Bank Negara to increase the overnight policy rate (OPR), TA Research said in a note. It forecast an average headline inflation of 2.9% in 2024, as compared to 2.5% last year.

Meanwhile, Hong Leong Investment Bank (HLIB) Research cautioned that a sustained depreciation of the ringgit could worsen imported inflation, particularly for food. "Nevertheless, the pass-through to overall inflation is expected to remain partially contained by existing price controls and subsidies. However, risks to the inflation outlook remain subject to changes to domestic policy on these subsidies," it said. For now, HLIB Research maintained its inflation forecast at 2.6%, only marginally higher than last year.

The Consumer Price Index (CPI), which measures the inflation rate, started on a positive note this year, as it recorded a year-on year increase of just 1.5% in January. The soft inflation print was due to easing food and most services price inflation, offsetting the effects of costlier sewerage collection and transportation amid year-ago base effects. Notably, the 1.5% reading defied Bloomberg consensus forecast of 1.6%. "This third consecutive month of inflation staying at 1.5% continues to support our view that headline inflation may have reached its bottom. Both headline and core inflation remained below the 2% level," according to UOB Global Economics & Markets Research. Core inflation, which excludes volatile fresh food prices and price-administered goods, eased further to 1.8% in January from 1.9% in December 2023. However, it remained higher than headline inflation for 16 straight months. It also moved closer to its 2016-2022 long-term average level of 1.7%. The research unit further stated that Malaysia's inflationary pressures are manageable.

"Given that the inflation progress remains in line with our assessment and there is still no further implementation details of the proposed targeted subsidy mechanism, we maintain our 2024 full-year inflation forecast at 2.6% for now. Potential domestic price policy changes, second round effects from the implementation of progressive wage mechanism starting June 1 as well as commodity prices and supply chain disruptions brought by geopolitical tensions are key upside risks to the near-term inflation outlook," said UOB Global Economics & Markets Research.

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CGS International (CGSI) Research, in a separate note, pointed out that the recent electricity charge hike appears to be not reflected in the latest CPI. As part of its shift to targeted subsidies, the government removed the two-sen rebate on electricity bills for households that use between 601 kWh and 1,500 kWh of electricity monthly beginning Jan 1. "Looking at the breakdown for the electricity subcomponent, changes in index numbers on a month-on-month percentage basis between December 2023 and January 2024 were muted". CGSI Research also highlighted that water tariff revision will also be felt going forward. It has a higher inflation forecast for 2024 at 3.2%, taking into account steps that the government has already stated, such as raising the service tax, imposing a luxury tax, taxing low-value items, as well as fuel subsidy rationalisation.

Source: The Star, 27 February 2024

Service Tax Hike: Goods to Get More Expensive?

FMM Believes Malaysia's Exports will Become Less Competitive While Economists say the Higher Tax Won't Greatly Impact Consumer Spending

The hike in the service tax, and the surprise inclusion of maintenance and repair jobs in an expanded scope, will force manufacturers to increase the prices of their products, particularly fast-moving consumer goods, said a top industry official. Federation of Malaysian Manufacturers (FMM) president Tan Sri Soh Thian Lai said this would make the country's exports less competitive. FMM believes the revival of the Goods and Services Tax (GST) is a better option.

Effective March 1, the service tax will increase to eight per cent from six per cent. Food and beverage, telecommunication and parking services are excluded. The government recently announced the expansion of the service tax to include logistics services as well as maintenance and repair jobs. The maintenance and repair segment covers a wide area such as maintenance management, corrective and preventive maintenance, calibration, adjustment, recondition, reconfigure and overhaul. Soh said as big users of maintenance and repair services, the eight per cent tax would increase the overall manufacturing costs for businesses.

FMM believes the tax on logistics is equally burdensome as it will affect all services along the logistics supply chain. These include forwarding agent, warehouse operators, shipping lines (domestic), shipping agents, port and airport services, freight forwarding and haulage services. "The Finance Ministry expects to collect an estimated RM3 billion more from the higher service tax. We understand that taxes are essential for the governments to provide funds for vital public services and infrastructure. "FMM firmly believes the revival of the GST is a timely lifeline for the country's debt dilemma as well as to shore up adequate fiscal buffers in order to weather the next economic downturn," said Soh.

Meanwhile, economists said the higher SST was expected to affect consumer spending but not at a significant level. Malaysian University of Science and Technology's professor of economics Dr Geoffrey Williams said consumers would feel the effects of higher cost despite the "limited" scope of the tax. "There are now many exclusions, for example traditional and complementary medicine, so it is limited in that sense. However, there is a cascading effect, so the tax on one item passes on to other items. So, prices will rise and will hit consumers. They may buy less. As a result, it will hit businesses." Malaysian Institute of Economic Research economist Dr Shankaran Nambiar said the higher tax would not lead to a significant slowdown in consumer spending that would negatively impact growth. He said the additional two per cent tax would not be spread across the bundle of goods bought uniformly. "We are likely to find the increased tax adds more to tax revenue. I don't think there'll be a significant impact on the gross domestic product due to decreased consumption. The decrease in consumption is more likely to come from a decrease in exports and export-oriented-manufacturing," he added.

Source: New Straits Times, 29 February 2024

APT Time to Shift into High Gears

Prime Minister Datuk Seri Anwar Ibrahim's international efforts are yielding promising results. Recent trips secured potential investments from Germany (RM45.4 billion) and China (RM170 billion) in crucial sectors like semiconductors, aerospace and medical devices. This aligns with Malaysia's strategic goal of attracting foreign direct investment (FDI) that fosters technological advancement and propels the nation towards becoming a high-income economy. Data from the Malaysian Investment Development Authority (Mida) confirms a significant rise in approved investments last year, reaching RM329.5 billion, with FDI being the major contributor. Beyond securing financial commitments, a critical evaluation of the incoming investments is crucial. Environmental, social and governance (ESG) considerations must be factored in to ensure responsible business practices. Furthermore, alignment with Malaysia's long-term economic goals is essential.

Investments should contribute to technological advancement and propel the nation towards a high-income status. To achieve this, a robust framework for monitoring, evaluation and facilitation is necessary. Malaysia's economic story is one of remarkable transformation. From its roots in agriculture, the nation transitioned into a manufacturing powerhouse, with the electronics and electrical (E&E) sector serving as sits driving force. This strategy fuelled rapid economic growth, propelling Malaysia towards becoming a middle-income economy. However, a crucial element has been missing: A strategic shift towards climbing the value chain.

Malaysia holds a significant share of the global E&E market (13.6 per cent). However, its contribution lies primarily in low value assembly and packaging. This translates to limited technological advancement and a workforce skilled in routine tasks. While this approach has yielded economic benefits, it presents a significant challenge: Can Malaysia achieve its aspirations of becoming a high-income nation solely by relying on assembly-based activities? An unfortunate consequence of over-dependence on assembly has been the neglect of domestic research and development (R&D) capabilities. This has not only limited technological innovation but also hindered the creation of high-skilled jobs within the E&E sector.

According to the World Bank, Malaysia's spending on R&D as a percentage of GDP is significantly lower compared with regional competitors like Singapore and South Korea. This lack of investment translates to a dearth of cutting-edge research facilities, limited opportunities for domestic talent to contribute to innovation, and ultimately, an economy susceptible to the whims of the global market. The path forward necessitates a paradigm shift in Malaysia's approach to FDI. Moving beyond simply attracting large-scale-investments, the focus must be on strategic FDI that aligns with the nation's long-term economic goals. Identifying and qualifying the type of investments being poured into Malaysia require a special skill set. The newest kid on the block is impact investments. The relevant agencies should screen business proposals carefully before giving the green light.

One must keep in mind that the end goal is to fulfil strategic growth for the nation: these investments must add value to our economy and help us move closer towards being a high-income nation. We need to break out of the middle-income trap, a challenge which has been discussed for decades. Perhaps it is time for the government to organise announcements around actualised investment numbers as well? Focusing solely on approved investments paints an incomplete picture of economic progress. Placing greater emphasis on actualised investments and making this data readily available provides a clearer understanding of the tangible outcomes achieved through FDIs.

Approved investments require at least 18 to 24 months to come to fruition, more often than not, investors make U-turns for various reasons, which include obstacles faced in soliciting approvals or identifying local partners or talent even. The facilitation of investments is another matter that we are still grappling with today. Bureaucratic hurdles and inefficiencies in infrastructure development act as significant deterrents to the business community. Former minister Tan Sri Rafidah Aziz, who served over three administrations, was quoted as saying we should be more focused on action. She also recommended that a council be established, one chaired by our prime minister himself, focusing on the facilitation of investment.

The issue of land approvals, basic utilities have been problematic since yesteryears. When will such unnecessary barriers be overcome? How can we address the issue of talent needed for these investments? The World Bank has expressed that investors need talent much more than tax incentives. There has been much debate on the subject of our nation's brain drain. When we don't pay our workers well, we cannot expect productivity, say some economists. We have been blamed for under-paying our talent and, hence, we lose them to our neighbours. Others express that because our economic activities are low-end in nature, talent with special skills cannot find suitable jobs and leave. A vicious cycle.

Several countries like Singapore and South Korea have successfully leveraged strategic FDI to achieve remarkable economic transformation. We can learn from their experiences. Realising this vision requires a collective effort from various stakeholders. With this, we can then hope to see the revival of Malaysia's economic story, and one that is more resilient to face the future.

Source: New Straits Times, 20 March 2024

'Exports of Goods and Services to Grow 5.4pc in 2024'

Malaysia is poised for a rebound in its exports of goods and services with a projected growth rate of 5.4 per cent this year, buoyed by an anticipated global trade recovery and a promising outlook for electronics exports amid the ongoing tech cycle revival. According to insights from Public Investment Bank Bhd (PublicInvest), despite Malaysia's dependency on the economic performance of major players like the United States, China and the European Union, there was optimism for improvement in Asean trade dynamics this year.

However, the landscape is not without its complexities. Major elections scheduled in key trading partners, such as the US, South Korea and India, introduce variables that could influence international trade. The escalation of the Red Sea crisis looms as a major threat, with potential disruptions to global supply chains and consequent increases in businesses costs.

"Despite these risks, an expected surge in electronics exports and positive base effects may mitigate some of the negative impacts. Therefore, we anticipate Malaysia's goods and services exports to rebound by 5.4 per cent this year, accompanied by a projected import growth rate of 6.8 per cent, though subject to revision should global conditions deteriorate," PublicInvest said.

It highlighted the optimistic outlook for major electrical and electronics products (E&E) exporters like Malaysia, noting that E&E exports constitute over 40 per cent of the nation's total gross exports. The International Monetary Fund projects a 3.1 per cent expansion in global gross domestic product, primarily driven by improved growth prospects in the world's largest economies, notably the US and China, both of which are Malaysia's top trading partners.

"This enhanced global economic outlook is expected to be backed by increased private and public expenditures, greater labour force participation, improved supply chain dynamics, and more favourable energy and commodity prices," PublicInvest said.

Source: New Straits Times, 20 March 2024

NEWS ON SEMICONDUCTOR INDUSTRY

ATech's New Plant a Positive Development

Apex Securities Bhd has reiterated its "buy" recommendation on Aurelius Technologies Bhd (ATech) with an unchanged target price of RM3.22 following the group's commitment to factor in future growth through its newly purchased plant. In a note, the research house said ATech had signed a letter of offer to purchase industrial land in the Kulim High-Tech Park from Northern Technocity Sdn Bhd for RM12.2mil in cash. The land is six km from its current operating plant. The multicomponent semiconductor provider plans to construct a manufacturing plant which is set to become the main automotive manufacturing hub. Apex Securities said this showed ATech's readiness from management to prepare for growth by expanding its communication, Internet-of-Things devices, semiconductor components and automotive component business.

"Anticipating the need for additional manufacturing space in the next three to five years, the proposed acquisition was aimed at facilitating the construction of an adjoining expansion of the new plant," it said. The land is targeted to be handed over this month while the plant is expected to be ready by the end of this year, according to the company. "The planning of the plant development is being finalised with an estimated approximate gross floor area of 250,000 sq ft of integrated manufacturing, warehouse and office space, including 50,000 sq ft of ISO 8 clean room facilities. The construction cost is estimated to be RM65mil," it said. ATech planned to finance 90%, which is RM11mil, through bank borrowings. This will result in an increase of RM300,000 in its annual finance costs. Apex Securities said it would make no changes to its earnings forecasts due to a lack of clarity on the project timeline.

Source: The Star, 5 January 2024

US Aims to Reveal Grants for Chip Plants by March

Intel, TSMC, Samsung among Those Set to Benefit

The United States is aiming to announce major chip grants by the end of March, people familiar with the plans say, paving the way to send billions of US dollars to semiconductor makers in a bid to supercharge domestic production. The awards - slated to go to Intel Corp and other chipmakers - are a central piece of the 2022 Chips and Science Act, which set aside US$39bil in direct grants to revitalise US manufacturing. Intel has said that the grants will determine how quickly it progresses with expansion projects, including a planned facility in Ohio that would be the world's largest.

Overseas chipmakers such as Taiwan Semiconductor Manufacturing Co or TSMC and Samsung Electronics Co also are expected to get a portion of the funds, helping them pay for factories in the United States. The money has been slow to trickle out so far, with only two small grants announced more than a year after Biden signed the landmark initiative into law. The effort, aimed at rebalancing what's seen in Washington as a dangerous concentration of production in East Asia, is a key pillar of Biden's economic message heading into the November election. It brings promises of thousands of well-paying factory jobs in new manufacturing hubs across the country. The timing suggests the awards may be unveiled before President Joe Biden's State of the Union address on March 7. Spokespeople for the White House and Intel declined to comment. Commerce Secretary Gina Raimondo has said her agency plans to make about a dozen awards this year, including several multi-billion-dollar grants to support advanced chipmaking facilities. The awards, which could come as a combination of grants, loans and loan guarantees, will cover up to 15% of project costs. The Commerce Department declined to comment.

For chipmakers, the disbursements will help cushion the financial impact of building facilities that can cost as much as US$30bil and yet be obsolete within a decade. Semiconductor companies have pledged to invest more than US$230bil in the United States in recent years, many on the explicit condition that they receive government support. Intel chief executive officer Pat Gelsinger has been the leading industry voice lobbying for that funding. His company, once the world's biggest chipmaker, has fallen behind rivals and a construction spree is part of Gelsinger's comeback plan. Intel is building or planning factories in Arizona and Ohio, as well as a new site in Germany - where Gelsinger is counting on European support.

TSMC, the world's largest manufacturer of chips, plans to spend US$40bil to build two fabrication facilities in Arizona. But the company has delayed the start of production at both sites due to labour and cost challenges at the first one. It said recently that US incentives will help determine how advanced the technology inside the second facility will be. The projects in Arizona and Ohio carry significant electoral weight: Biden won the first state by just 10,000 votes in 2020, and manufacturing will be a central theme of a key Senate race in Ohio. Governments around the world, meanwhile, have been plowing ahead with their own chip programmes. Several have inked agreements with the biggest names in the industry and promised to cover as much as half of construction costs. The *Wall Street Journal* reported earlier Sunday that the grants to help build new factories may arrive in coming weeks. - Bloomberg

Source: The Star, 29 January 2024

Improving Chip Sales Signals Tech Recovery

Sector has Bottomed and Demand is Expected to Recover

AmBank Research remains upbeat on the technology sector as it believes the semiconductor industry is on a recovery path. Citing Semiconductor Industry Association (SIA), the brokerage said global semiconductor sales have been improving since March 2023, signalling a gradual recovery within the industry.

“International Data Corp (IDC) forecasts global semiconductor revenue to grow by 20.2% to US$633bil in 2024, driven by improvement in average selling prices and demand for dynamic random-access memory (DRAM) chips and content such as artificial intelligence (AI),” it said. AmBank Research, which maintained its “overweight” stance on the tech sector, believes the sector has bottomed and demand is expected to recover.

The research house said continuous technological advancements in new products within the automotive and consumer electronics sectors, showcasing cutting-edge chips, novel features and advanced equipment tools, would bolster the sector. Moreover, it emphasised the positive impact of trade diversion through the “China plus one” strategy, which is proving advantageous for local players as multinational corporations redirect their production hubs towards Malaysia and Vietnam. AmBank Research added that chip fabrication expansions are currently being supported by rising demand for leading-edge and mature process nodes.

Citing US-based Semiconductor Equipment Manufacturers Industry (SEMI), the research house said the semiconductor market’s revenue would grow at a seven-year compounded annual growth rate of 10% to US$1 trillion by 2030.

> *Continue to Page 13*

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"According to SEMI, semiconductor manufacturers worldwide are forecasting new fab expansions in 2022-2026, with higher spending on 200mm front-end equipment, especially in China," it added. Additionally, AmBank Research anticipates the demand for new smartphones from American and Chinese brands, which led to bumper earnings in the third quarter of 2023 (3Q23), will continue into 4Q23 and 1Q24.

"Outsourced semiconductor assembly and test players will continue experiencing improving plant utilisation rates and production yields resulting from the onboarding of new products in the second half of 2024 (2H24)," it noted. The research house expects a sectoral revenue growth of between 15% and 24% in 2024, supported by higher volume loading on new projects as existing and new customers ride on the demand recovery of consumer electronic products.

As for consumer electronics, Ambank Research expects the segment to remain soft in 1H24 due to weak consumer sentiment and an ongoing inventory destocking cycle. However, it anticipates an improvement in 2H24, supported by the launch of next-generation smartphones and the hardware refresh cycle. AmBank Research noted some short-term challenges in the automotive sector due to falling demand for electric vehicles (EVs), influenced by high costs and reduced subsidies. Despite a projected modest growth in 2024, long-term prospects remain positive, driven by EV adoption and the industry's shift towards carbon neutrality. AmBank Research believes growth in other industries will help cushion the slowdown in key segments. "Some players like Pentamaster Corp Bhd are involved in the medical technology (medtech) segment, which is growing from a low base," it said. The research firm said companies are seeing substantial growth in the medtech segment due to an increase in demand for automated processing lines and assembly systems for various medical devices and medical products.

Source: The Star, 21 January 2024

Chip Sector to Pick Up Steam in Second Half

The semiconductor sector is forecast to shine beginning in the second half of 2024, as the so-called "new oil" is in its recovery phase on a global scale post-2023's downcycle. Malaysia Semiconductor Industry Association's (MSIA) confidence was based on World Semiconductor Trade Statistics' (WSTS) prediction that the world semiconductor market would rebound by 13.1% this year to reach US$588bil. MSIA President Datuk Seri Wong Siew Hai said the global semiconductor sales dipped 8.2% to US$527bil in 2023, but the Malaysian market was able to retain its strength throughout the year. The evidence can be seen in last year's electrical and electronics (E&E) sector, where exports decreased by only 3% to RM575.45bil after 2022's record year of 30% growth to RM593bil, he told *Bernama.*

According to 2023's full-year print, exports of semiconductor devices and integrated circuits (ICs) attained a growth of 0.03% to RM387.45bil in 2023. The E&E products dominated Malaysia's total exports in 2023, accounting for a 40.4% share comprising products such as photosensitive semiconductor devices, batteries and electric accumulators, static converters, electric control panels, parts for switching apparatus and electric control panels, as well as parts for diodes, transistors, piezoelectric crystals and other semiconductor devices. The current prolonged geopolitical fragmentations are sending investors in search of new production homes or moving to trusted countries.

Wong said that following this many multinational companies (MNCs) in China diverted part of their production and supply chain as a mitigating strategy by selecting Malaysia as their "Plus One" location. "The trend is likely to continue as many firms are currently evaluating Malaysia as their 'Plus One' location," he noted. The "China Plus One" strategy emerged as a critical policy for companies to reduce their reliance on China by diversifying their supply chain activities to other markets. He noted that the whole world is looking at enhancing supply chain resiliency. "There are no simple solutions as the supply chain is very complex. Over the last two years, E&E companies have increased their productivity and acquired land to build factories to increase their capacities," he added.

Hot competition in the electric car (EV) market is pushing local automakers to increase production and offer more affordable models. In total, sales are expected to reach 14 million units by the end of 2023 after hitting the 10,000 mark a year before. Following this everyone is keen on developing their domestic semiconductor ecosystem amid the full-speed race in the EV market, Wong said.

WSTS highlighted that all markets are poised for ongoing expansion in 2024 with the Americas and Asia Pacific, in particular, forecast to demonstrate significant double-digit growth on a year-on-year basis. In its December report, WSTS said the industry growth is expected to be primarily fuelled by the memory chip sector, which is set to soar 40% to around US$130bil in 2024.

Source: The Star, 19 February 2024


Happy new year
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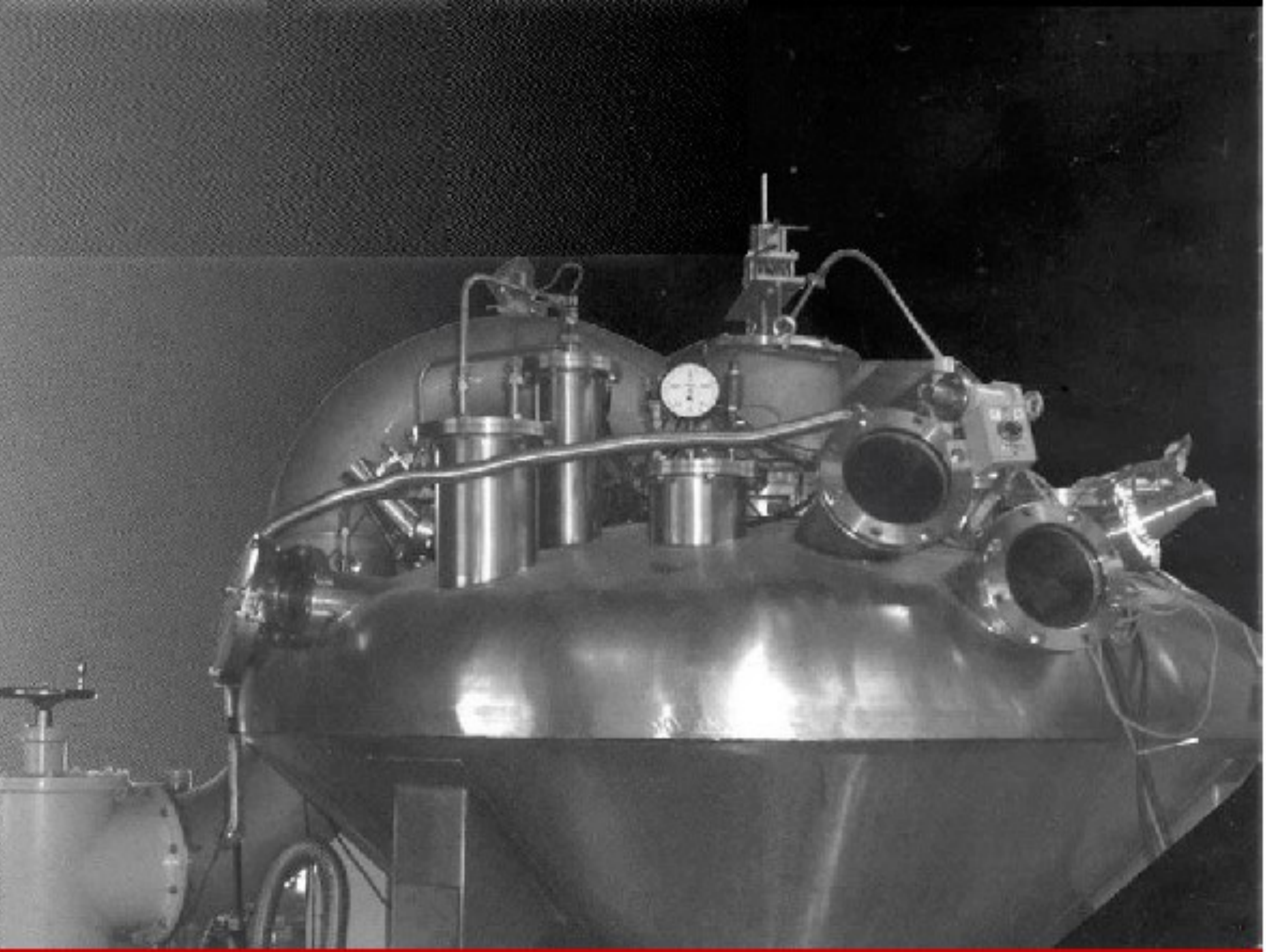

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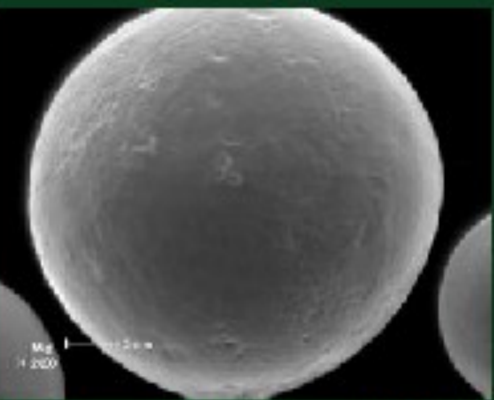

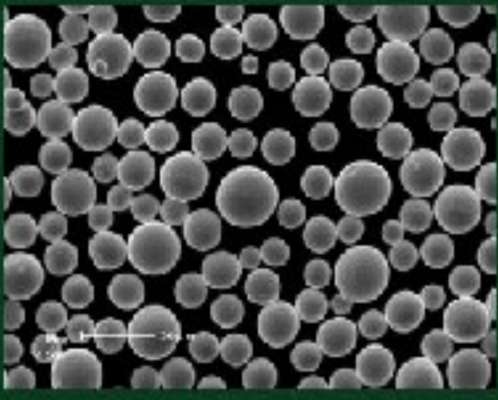

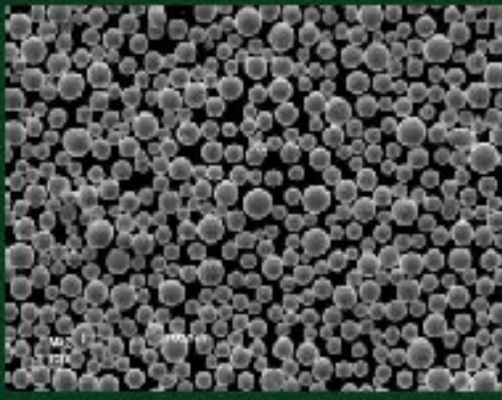

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Semiconductor Sector Needs More Supportive Policies

The Malaysia Semiconductor Industry Association (MSIA) feels that the National Semiconductor Strategic Task Force (NSSTF) needs to develop more strategies and policies to enhance the electrical and electronics (E&E) ecosystem to move up the value chain in strategic areas. This is to allow the country to determine the path of the domestic semiconductor sector, said MSIA president Datuk Seri Wong Siew Hai, adding that all stakeholders need to be involved. He said MSIA is looking forward to contributing to the NSSTF as has been established at the appropriate time amid the current hyper-competitive environment. "Given the contribution of the E&E industry to the Malaysian economy and Malaysia's critical role in the global supply chain, all stakeholders must work together to maximise Malaysia's full potential in this industry. Malaysia can do it, with the 50 years of industrial experience, its talent pool and the collective effort of all stakeholders," he said. He added that Malaysia needs to develop and attract investments with advanced technology and talents.

The establishment of the NSSTF is to ensure that investments in the country will achieve the Madani Economy's objectives, including placing Malaysia in the world's top-30 largest economies, and the top-12 in terms of global competitiveness within 10 years, Prime Minister Datuk Seri Anwar Ibrahim said in January. The nation aims to achieve the goals by focusing on greater regionalisation and competitiveness and moving up the value chain. - Bernama

Source: The Star, 23 February 2024

Harnessing Latest Tech Crucial for SMEs

Leveraging Expertise in R&D a Key Factor

Small and medium enterprises (SMEs) should leverage their expertise in research and development (R&D) to harness the latest technologies via close collaboration with the Science, Technology and Innovation Ministry. Its minister Chang Lih Kang said such cooperation will enhance the capabilities of the SMEs while accelerating the country towards becoming a high-tech nation. "Many multinational corporations in semiconductor operations are transitioning towards integrated manufacturing centres, amalgamating manufacturing with R&D, product design, marketing and distribution. But local SMEs were lagging behind larger corporations in technological advancement, as such it was crucial to bridge the gap to propel the industry forward. In order to fully support the SMEs, many incentives and funding have been offered to enable R&D activities such as experimental development, as well as testing programmes to meet technology and product requirement standards. We aim to achieve 250 new technologies and product development to be eventually commercialised in the market," he said during his keynote speech at Malaysia Semiconductor Industry Association (MSIA) SME Conference 2024, here, yesterday.

Chang added the ministry has product development initiatives to ensure successful execution of new technologies and product commercialisation. These initiatives are designed to address the unique needs and challenges faced by SME businesses by empowering them to leverage on science, technology and innovation for growth and sustainability, he added. As such, Chang said the Malaysian Institute of Microelectronic Systems, with its R&D centre, can drive new capabilities in the upstream sector of the country's semiconductor industry while continuing to advance capabilities in the downstream sector. "Through strategic initiatives and incentives, we aim to equip SMEs with the tools and resources necessary to innovate, compete, and succeed in the global arena. SMEs can then elevate their position in the economic chain by embracing technological advancements, thus contributing more significantly to the nation's prosperity," Chang said.

MSIA president Datuk Seri Wong Siew Hai said that SMEs are the backbone of the country's economy. As such, it must embrace innovation to capitalise on emerging opportunities, address market challenges, meet customer expectations and achieve sustainable growth. "Malaysia's SMEs are faced with the challenge to be competitive at the global level. Innovation would be the pathway to growth for SMEs. In an era marked by rapid technological advancements and dynamic market conditions, innovation is not merely a choice but a necessity for survival and success. That is why it is important to discuss and assess Malaysia's SMEs in terms of innovation and competitiveness relative to our international counterparts during the conference," he said. Wong also spoke about the significance of Malaysia being the hub for electrical and electronics (E&E) and semiconductor.

He said the E&E industry has long been a driving force behind Malaysia's economic development, contributing significantly to gross domestic product growth, investments, export earnings and employ-

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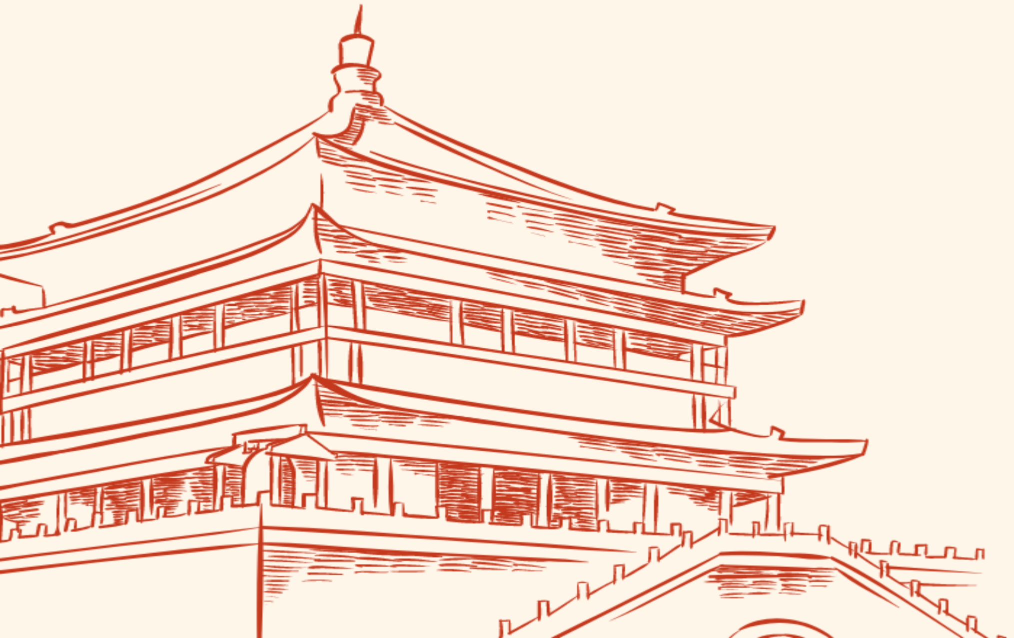
HAPPY CHINESE NEW YEAR!

Malaysian Tin Products Manufacturers' Association



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ment, but needed nurturing to ensure a robust growth. "Over the past 50 years, the country has expanded from a mere assembly test. We need to continue to nurture these companies, especially those in assembly tests and automation to be global champions. This will further strengthen Malaysia's position in the global semiconductor landscape," Wong said. The E&E products export value amounted to RM593bil in 2022, exceeding the 12th Malaysia Plan's (12MP) 2022 target of RM495bil. The sector's added value reached RM113.2bil in 2022 against RM86.1bil at the commencement of the 12MP.

Sources: The Star, 6 March 2024

Globetronics Inks Deal with India's KSP

Globetronics Technology Bhd has entered into a technology provision agreement with India-based Kaynes Semicon Private Ltd (KSP) to provide technical services in respect of outsourced semiconductor assembly and testing business to KSP for RM35.9mil. In a filing with Bursa Malaysia, Globetronics said it would also re-invest RM24.98mil into KSP subject to the execution of a subscription agreement.

NEWS ON ELECTRICAL & ELECTRONICS INDUSTRY

Ranhill Solar 1 Completes Project

Ranhill Solar I Sdn Bhd, a subsidiary of Ranhill Utilities Sdn Bhd, has completed its 50MWac solar photovoltaic project as part of the large-scale solar Phase 4 (LSS4@Mentari) and has met its commercial operation date. The project marks Ranhill's venture into owning large-scale solar assets, aligning with the company's commitment to renewable energy. The project is anticipated to positively impact Ranhill group's future earnings for the ensuing 25 years, operating within a concession period of the same duration.

Source: New Straits Times, 8 February 2024

Tengku Zafrul: Malaysia's Strong Foundation in Electrical, Electronics Industry Reason for Tesla's Entry

Tesla's decision to expand its presence in the country is due to the strong foundation of the electrical and electronics (E&E) ecosystem, says Tengku Datuk Seri Zafrul Tengku Abdul Aziz. The International Trade and Industry Minister said that this was also the same reason why Amazon Web Services (AWS) chose to invest at least RM25.5bil in the country by 2037 to set up their digital infrastructure.

"Our Prime Minister Datuk Seri Anwar Ibrahim has also announced that AWS investment will bring in high-end quality jobs for the locals and will have a spillover effect on our local economy. So when we talk about the automotive industries, companies like Tesla are coming here because we have the ecosystem that supports the E&E ecosystem. It is not so much on the incentive; it will help, but what makes Malaysia so attractive to these types of investors is that we can support the electric vehicle (EV) ecosystem," he said.

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He said this when met by reporters after the officiating ceremony of the Industry Excellence Award (AKI) 2024 at The Oasis, Johor Port, here, on Monday (March 6).

Tengku Zafrul also quoted Tesla saying that a big part of the company's supply chain was coming from Malaysia.

"So they decided to relocate their business here, and this will have a positive impact on our economy, especially our SMEs and any new SMEs that might be created from the supply chain. Malaysia is actually the seventh largest E&E and semiconductor market in the world, so that is why when we invite investors to come, we must ensure that the ecosystem is also ready. So when they come here, they will have the support of the supply chain, vendors, services, parts, and others," he said.

On March 1, the International Trade and Industry Ministry was reported as having approved Tesla's application to import battery electric vehicles (BEV) into Malaysia. Tesla would also establish a head office in Malaysia, introduce Tesla's "experience centres," service centres, and establish its "Supercharger" network.

On March 2, AWS was reported as saying that it would be launching a new infrastructure region in Malaysia as part of a public-private partnership with the Malaysian government.

Source: The Star, 6 March 2024

'There's Huge Opportunity in the E&E Sector'

This Belief is supported by the Diversion of Investment Flow into Southeast Asia, says Tengku Zafrul

Malaysia sees a huge opportunity in the electrical and electronics (E&E) sector amid the United States-China tensions, said Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz. He added that the belief is supported by the diversion of investment flow into this region. "I am confident as I can see that most of the investors are from the E&E sector, showing that the supply chain flow is coming to Southeast Asia, where Malaysia is among the countries that are already well-established in the industry," he said on Bernama TV's *Ruang Bicara* programme on Monday night. According to Tengku Zafrul, the E&E sector is integral to the country with 56 per cent or RM85 billion of the total approved investments last year being in the manufacturing sector.

"This is one of the New Industrial Master Plan 2030 targets. The flourishing digital economy sector requires E&E products such as chips - semiconductors are needed by all. With the US-China geopolitical issue, Malaysia has a window of opportunity to strengthen the industry by attracting more investors," he said. From the government's standpoint, he added that the challenge is in providing a skilled workforce. "In Malaysia, we have an abundance of talent, but following a large investment inflow, (skilled labour) has become an issue. So, for the short term, we will find a way to ensure we can accommodate the demand (for highly skilled talent) from foreign investors."

Giving chip maker Intel as an example, the minister said the tech giant has given a commitment to invest RM30 billion over the next 10 years to expand its operations in Penang and Kedah, and the corporation requires at least two to three years to prepare. "Hence they collaborated with Universiti Sains Malaysia to develop highly skilled talent." The additional investment is expected to create more than 4,000 job opportunities at Intel. At the same time, he said, the relevant ministries are also working with public and private institutions of higher learning to entice Malaysian workers abroad to return home and serve in the country. "There are many Malaysians working as engineers (as an example), not only in Singapore but also the US and Europe. For the short term, I will be discussing with the higher education minister and human resources minister to find solutions." **Bernama**

Source: New Straits Times, 13 March 2024

NEWS ON
MEMBER'S DEVELOPMENT

Celebrating a Significant Milestone

The Royal Selangor Visitor Centre celebrates its 20th anniversary, commemorating its position as a cherished destination for more than 4.1 million visitors all over the world since its establishment in 2004. Standing as a testament to Malaysia's rich tradition of pewter craftsmanship, the centre has attracted visitors with its showcase of intricate artistry passed down through generations.

To commemorate the occasion, Royal Selangor invited the Sultan of Selangor, Sultan Sharafuddin Idris Shah to grace a ceremony held last month. It was a significant milestone as his royal highness inaugurated the centre on March 2, 2004, with the Royal connection tracing back to his father Sultan Salahuddin Abdul Aziz Shah, who granted a royal warrant to Selangor Pewter on 1979.

Royal Selangor managing director Datuk Yong Yoon Li expressed his pride in reaching this significant milestone. "For two decades, the Royal Selangor Visitor Centre has been instrumental in telling our story to the world. Over this period, we have welcomed more than 4.1 million international visitors. Beyond being a showcase for our brand, the visitor centre stands as a platform, where we highlight Malaysian arts, crafts and culture. The exhibits continue to resonate just as strongly today as they did 20 years ago. This anniversary is a meaningful celebration of our heritage, the vibrant experiences offered, and the global community that appreciates the unique journey within these walls," he said.

Also gracing the ceremony was Tengku Permaisuri of Selangor Tengku Hajah Norashikin, who joined the esteemed list of guests on a tour of the centre.

In 1972, Selangor Pewter was allocated a 12-acre piece of land in Setapak Jaya by PKNS, leading to the construction of a factory, office building, and retail shop. The headquarters shifted to the new facility in 1977, laying the foundation for the Selangor Pewter Complex. Initially smaller, the first visitor centre offered a retail store and a condensed factory tour, providing glimpses into pewtersmithing. Designed to host over 1,000 visitors, the centre has become an immersive brand experience, incorporating iconic elements which narrate historical tales of colonial Malaya's tin rush, while capturing the evolution of arts, culture and craftsmanship through stimulating exhibits, lie demonstrations and more.

As part of the anniversary celebrations, there will be an ongoing exhibition dedicated to showcasing the origin story behind the visitor centre, showcasing key milestones and interesting facts about the centre. There will also be pewtersmithing workshops as well as special edition 20th anniversary edition items offered.

Source: The Star, 9 March 2024

MALAYSIAN TIN STATISTICS

(In Tonnes)

Period	Production of Tin-In-Concentrates	Imports of Tin-In-Concentrates	Refined Tin Production	Local Consumption	Exports of Tin Metal
2019	3,611	25,644	24,387	1,441	24,418
2020	2,963	22,288	22,367	1,512	22,597
2021	3,013	322	16,634	1,156	16,441
2022	3,517	18,043	19,442	1,152	19,299
2023*	3,767	n.y.a	n.y.a	1,161	n.y.a
2021					
Jan.	278	28	1,639	145	1,770
Feb.	257	29	1,847	70	1,765
Mar.	290	46	2,041	113	1,982
Apr.	294	47	1,680	115	1,836
May.	262	26	1,861	91	1,638
Jun.	44	0	695	86	894
Jul.	204	21	973	84	507
Aug.	233	19	1,115	86	1,085
Sep.	262	59	1,221	85	1,599
Oct	292	16	1,349	98	1,165
Nov.	270	10	1,086	91	1,172
Dec	294	21	1,127	92	1,028
2022					
Jan.	234	1,173	1,332	106	1,305
Feb.	252	1,162	1,160	108	1,017
Mar.	306	1,258	1,653	89	1,659
Apr.	273	1,511	1,417	117	1,431
May	276	1,660	1,143	82	1,333
Jun.	285	1,729	1,730	76	1,481
Jul.	303	1,475	1,886	100	1,494
Aug	338	1,397	2,211	94	2,402
Sep.	325	1,313	1,592	83	1,948
Oct.	322	1,842	1,692	82	1,431
Nov.	271	1,454	1,702	117	1,622
Dec.	331	2,069	1,924	98	2,176
2023*					
Jan.	327	1,482	1,780	94	1,388
Feb.	301	1,715	1,561	118	2,015
Mar.	316	1,920	2,054	113	2,138
Apr.	297	1,374	1,513	89	1,651
May	315	1,617	1,848	103	1,730
Jun.	304	1,416	1,453	87	1,724
Jul.	316	2,096	1,912	75	1,557
Aug.	309	1,485	1,664	57	1,778
Sep.	290	1,837	1,591	73	1,535
Oct.	355	1,631	2,076	132	2,062
Nov.	312	n.y.a	n.y.a	109	n.y.a
Dec.	326	n.y.a	n.y.a	110	n.y.a

* : Preliminary

Sources : Department of Mineral and Geoscience Malaysia
Malaysia Smelting Corporation Bhd.

n.y.a : not yet available

MALAYSIA'S DOMESTIC TIN CONSUMPTION

(In Tonnes)

PERIOD	TOTAL CONSUMP-TION	SOLDER *	TINPLATE	PEWTER	OTHERS *
2019	1,441	695	639	19	88
2020	1,512	738	626	8	140
2021	1,156	395	710	6	45
2022	1,152	400	639	9	104
2023	1,161	555	485	5	116
2021					
Jan.	145	73	66	1	5
Feb.	70	30	37	0	3
Mar.	113	40	68	0	5
Apr.	115	39	68	1	7
May	91	40	46	0	5
Jun	86	29	50	0	7
Jul.	84	20	64	0	0
Aug.	86	25	57	0	4
Sep.	85	30	53	2	0
Oct.	98	29	69	0	0
Nov.	91	20	69	2	0
Dec.	92	20	63	0	9
2022					
Jan.	106	27	56	0	23
Feb.	108	35	69	1	3
Mar.	89	24	58	1	6
Apr.	117	39	67	1	10
May.	82	24	54	0	4
Jun.	76	20	50	0	6
Jul.	100	25	62	2	11
Aug.	94	30	54	0	10
Sep.	83	40	35	1	7
Oct.	82	30	41	1	10
Nov.	117	57	50	1	9
Dec.	98	49	43	1	5
2023					
Jan.	94	60	31	0	3
Feb.	118	68	40	1.5	8
Mar.	113	79	29	0.1	5
Apr.	89	41	39	1	8
May	103	50	38	1.1	14
Jun.	87	55	30	0.1	2
Jul.	75	20	48	0.1	7
Aug.	57	20	27	0.1	10
Sep.	73	27	42	0.2	4
Oct.	132	55	56	0.1	21
Nov.	109	40	52	0.1	17
Dec.	110	40	53	0.1	17
2024					
Jan.	n.y.a	n.y.a	49	n.y.a	n.y.a
Feb.	n.y.a	n.y.a	42	n.y.a	n.y.a
Mar.	n.y.a	n.y.a	35	n.y.a	n.y.a
Apr.	n.y.a	n.y.a	41	n.y.a	n.y.a

Sources : Malaysia Smelting Corporation Bhd
Perstima Bhd

* : The figures include high-grade tin (99.9% Sn) imported for consumption.

Note : Local consumption of tin metal refers to the use of tin in a particular application.
Sales to manufacturing industries have been used as proxy for consumption except
in the case of manufacture of tinplate which are actual tin consumption data.

WORLD STOCKS OF REFINED TIN

(In Tonnes)

Period	LME Stock	Total Country Stocks	US Strategic Stockpile
2017	2,235	19,245	4,020
2018	2,165	16,790	4,020
2019	7,130	23,217	4,020
2020	1,890	22,129	4,020
2021	2,045	21,737	4,020
2022	2,880	21,827	4,020
2023	7,685	n.y.a	n.y.a
2021			
Jan.	820	22,366	4,020
Feb.	1,745	23,044	4,020
Mar.	1,740	21,579	4,020
Apr.	1,245	21,589	4,020
May	755	21,589	4,020
Jun.	2,015	21,539	4,020
Jul.	2,290	21,499	4,020
Aug.	1,395	21,487	4,020
Sep.	1,235	21,508	4,020
Oct.	670	21,508	4,020
Nov.	1,285	21,508	4,020
Dec.	2,045	21,737	4,020
2022			
Jan.	2,390	22,051	4,020
Feb.	2,245	22,076	4,020
Mar.	2,000	21,941	4,020
Apr.	2,010	22,267	4,020
May	1,990	22,248	4,020
Jun.	2,765	22,352	4,020
Jul.	3,330	21,827	4,020
Aug.	4,065	21,787	4,020
Sep.	9,440	21,827	4,020
Oct	4,255	21,857	4,020
Nov	2,930	21,827	4,020
Dec	2,880	21,827	4,020
2023			
Jan.	3,015	n.y.a	4,020
Feb.	2,950	n.y.a	n.y.a
Mar.	2,345	n.y.a	n.y.a
Apr.	1,525	n.y.a	n.y.a
May.	1,895	n.y.a	n.y.a
Jun.	3,490	n.y.a	n.y.a
Jul.	5,275	n.y.a	n.y.a
Aug.	6,370	n.y.a	n.y.a
Sep.	7,350	n.y.a	n.y.a
Oct.	7,355	n.y.a	n.y.a
Nov.	8,110	n.y.a	n.y.a
Dec.	7,685	n.y.a	n.y.a
2024			
Jan.	6,605	n.y.a	n.y.a
Feb.	5,910	n.y.a	n.y.a
Mar.	4,570	n.y.a	n.y.a
Apr.	4,805	n.y.a	n.y.a

Source : World Bureau of Metal Statistics

KLTM & LME TIN PRICES

Period	KLTM			LME CASH
	Average Price (*)		Total Turnover	Average Price
	(USD / Tonne)	(RM / Kg)	(Tonnes)	(USD / Tonne)
2017	20,029	86.12	8,890	20,098
2018	20,151	80.99	9,075	20,168
2019	19,168	79.11	6,445	18,671
2020	17,504	72.97	4,088	17,134
2021	26,589	108.88	1,955	32,584
2022	41,007	171.75	21	31,384
2023	N.T	N.T	N.T	25,973
2020				
Jan	17,014	69.42	406	17,056
Feb	16,536	68.85	354	16,457
Mar	16,417	69.47	236	15,321
Apr	CLOSED	CLOSED	CLOSED	15,039
May	15,110	65.65	268	15,410
Jun	16,605	71.03	374	16,806
Jul	17,287	73.79	358	17,452
Aug	17,515	73.47	343	17,672
Sep	17,846	74.12	444	17,946
Oct	18,026	74.9	383	18,154
Nov	18,433	75.84	413	18,568
Dec	19,693	79.9	509	19,727
2021				
Jan	22,085	89.25	314	21,955
Feb	25,965	105.05	456	26,717
Mar	26,162	107.64	494	27,396
Apr	27,106	111.89	327	28,427
May	31,132	128.61	298	32,524
Jun	31,857	131.49	61	32,678
Jul	CLOSED	CLOSED	CLOSED	34,183
Aug	CLOSED	CLOSED	CLOSED	35,205
Sep	CLOSED	CLOSED	CLOSED	35,048
Oct	CLOSED	CLOSED	CLOSED	37,962
Nov	CLOSED	CLOSED	CLOSED	39,333
Dec	39,500	166.58	5	39,574
2022				
Jan	41,007	171.75	21	41,807
Feb	N.T	N.T	N.T	44,118
Mar	N.T	N.T	N.T	44,249
Apr	N.T	N.T	N.T	43,122
May	N.T	N.T	N.T	35,945
Jun	N.T	N.T	N.T	31,777
Jul.	N.T	N.T	N.T	25,173
Aug.	N.T	N.T	N.T	24,520
Sep.	N.T	N.T	N.T	21,258
Oct.	N.T	N.T	N.T	19,406
Nov.	N.T	N.T	N.T	21,136
Dec.	N.T	N.T	N.T	24,099
2023				
Jan	N.T	N.T	N.T	28,081
Feb	N.T	N.T	N.T	27,070
Mar	N.T	N.T	N.T	24,014
Apr	N.T	N.T	N.T	25,886
May	N.T	N.T	N.T	25,610
Jun	N.T	N.T	N.T	27,263
Jul.	N.T	N.T	N.T	28,751
Aug.	N.T	N.T	N.T	25,995
Sep.	N.T	N.T	N.T	25,559
Oct.	N.T	N.T	N.T	24,618
Nov.	N.T	N.T	N.T	24,221
Dec.	N.T	N.T	N.T	24,606
2024				
Jan	N.T	N.T	N.T	25,211
Feb	N.T	N.T	N.T	26,157
Mar	N.T	N.T	N.T	27,446

Note : As from 1 February 2001, KLTM price is quoted in US Dollar

(*) KLTM's monthly average price is arrived at on a weighted average against total tonnage basis.

Malaysian Ringgit to US Dollar exchange rate was unpegged on 22.8.2005

N.T : No Transaction

LEAD

LME PRICES & STOCKS		
Period	Cash Settle-ment (US$ / Tonne)	Stocks Period End (Tonnes)
2019	1,899.25	66,200
2020	2,018.60	133,175
2021	2,304.79	54,375
2022	2,212.48	24,283
2023	2,036.39	130,743
2021		
Jan	2,214.93	96,775
Feb	2,085.75	94,625
Mar	1,960.76	119,550
Apr	2,006.33	110,575
May	2,185.92	97,325
Jun	2,188.98	80,250
Jul	2,336.98	59,750
Aug	2,428.52	52,250
Sep	2,257.25	51,000
Oct	2,339.45	55,000
Nov	2,347.57	56,775
Dec	2,304.79	54,375
2022		
Jan	2,342.70	54,006
Feb	2,299.90	49,196
Mar	2,359.48	39,846
Apr	2,396.74	39,355
May	2,145.17	38,485
Jun	2,067.38	39,141
Jul.	1,976.26	39,324
Aug.	2,077.91	38,599
Sep.	1,874.45	35,047
Oct.	1,988.10	30,148
Nov.	2,099.39	27,207
Dec.	2,212.48	24,283
2023		
Jan	2,208.17	22,052
Feb	2,098.90	23,170
Mar	2,114.78	25,477
Apr	2,149.14	29,454
May	2,087.50	33,301
Jun	2,118.36	38,527
Jul.	2,106.88	47,957
Aug.	2,151.73	55,826
Sep.	2,252.86	63,544
Oct.	2,136.39	101,134
Nov.	2,185.07	135,017
Dec.	2,036.39	130,743
2024		
Jan	2,087.50	118,223
Feb	2,084.24	160,155
Mar	2,056.90	217,749

COPPER

LME PRICES & STOCKS		
Period	Cash Settle-ment (US$ / Tonne)	Stocks Period End (Tonnes)
2019	6,062.43	144,675
2020	7,755.24	105,800
2021	9,550.31	88,725
2022	8,367.23	84,804
2023	8,394.11	174,247
2021		
Jan	7,970.50	74,275
Feb	8,460.25	74,200
Mar	9,004.98	143,775
Apr	9,335.55	137,400
May	10,183.97	120,700
Jun	9,612.43	211,975
Jul	9,433.59	238,650
Aug	9,357.19	252,725
Sep	9,324.07	217,175
Oct	9,778.50	131,300
Nov	9,765.48	78,625
Dec	9,550.31	88,725
2022		
Jan	9,775.93	90,478
Feb	9,941.35	76,775
Mar	10,237.59	77,259
Apr	10,183.13	118,741
May	9,362.81	168,371
Jun	9,033.13	121,468
Jul.	7,529.79	132,827
Aug.	7,960.98	126,592
Sep.	7,734.70	114,064
Oct.	7,621.21	137,107
Nov.	8,029.95	89,600
Dec.	8,367.23	84,804
2023		
Jan	8,999.79	81,888
Feb	8,955.20	65,944
Mar	8,835.72	71,398
Apr	8,814.00	58,283
May	8,234.28	83,939
Jun	8,386.23	87,876
Jul.	8,445.26	61,300
Aug.	8,351.77	88,376
Sep.	8,270.86	143,368
Oct.	7,939.66	179,488
Nov.	8,173.95	178,472
Dec.	8,394.11	174,247
2024		
Jan	8,344.30	157,193
Feb	8,310.74	131,904
Mar	8,675.63	112,513

SILVER

LONDON SPOT PRICES	
Period	London Spot (US Cents / Troy Oz)
2019	1,711.00
2020	2,488.74
2021	2,246.81
2022	2,318.06
2023	2,420.87
2021	
Jan	2,592.84
Feb	2,734.60
Mar	2,561.35
Apr	2,564.03
May	2,746.32
Jun	2,698.16
Jul	2,575.32
Aug	2,401.64
Sep	2,330.73
Oct	2,329.64
Nov	2,419.64
Dec	2,246.81
2022	
Jan	2,312.85
Feb	2,346.50
Mar	2,524.02
Apr	2,454.11
May	2,190.55
Jun	2,149.03
Jul.	1,907.62
Aug.	1,975.00
Sep.	1,883.57
Oct.	1,936.31
Nov.	2,099.89
Dec.	2,318.06
2023	
Jan	2,374.81
Feb	2,200.95
Mar	2,191.65
Apr	3,757.36
May	2,419.37
Jun	2,340.84
Jul.	2,404.10
Aug.	2,343.86
Sep.	2,323.86
Oct.	2,232.16
Nov.	2,338.84
Dec.	2,420.87
2024	
Jan	2,294.82
Feb	2,268.52
Mar	2,444.80

Source : London Metal Exchange

ASSOCIATION MEMBERS

Currently, the Association comprises one associate and 13 ordinary members covering the three main sectors of Malaysia's tin-based products manufacturing industry, namely the tinplate, solder and pewter sectors as listed below:

ORDINARY MEMBERS:

TINPLATE

Perusahaan Sadur Timah Malaysia Bhd (PERSTIMA)

SOLDER

Nihon Superior (M) Sdn Bhd
Premium Metal Sdn Bhd
RedRing Solder (M) Sdn Bhd
Rian Resources Sdn Bhd
Selayang Metal Industries Sdn Bhd
Selayang Solder Sdn Bhd
Senju (M) Sdn Bhd
Shen Mao Solder (M) Sdn Bhd

PEWTER

Oriental Pewter Sdn Bhd
Royal Selangor International Sdn Bhd
Selwin Pewter Sdn Bhd
Tumasek Pewter Sdn Bhd

ASSOCIATE MEMBERS:

Malaysia Smelting Corporation Bhd