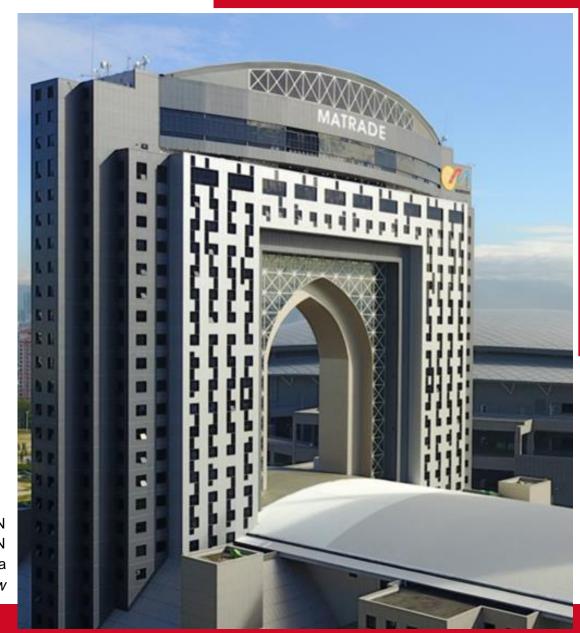


Session 4: Cross Border E-Commerce Trade: Facilitations to Foster Internationalisation of SME via E-Commerce Exports

CENTRAL ASIAN GOVERNMENTS AND PRIVATE SECTOR E-COMMERCE STUDY TOUR TO MALAYSIA AND SINGAPORE, 15 MAY 2023

HASZIAH MOHD YAZID, DIGITAL TRADE SECTION
MALAYSIA EXTERNAL TRADE DEVELOPMENT CORPORATION
The National Trade Promotion Organisation of Malaysia
#TheTimeToExportIsNow



CONTENT



About MATRADE and its Services

- About MATRADE
- Trade Performance

Malaysia's eCommerce Export Initiatives

- External Digitalisation Initiatives & Achievements
- eTRADE 2.0 Programme
- eBizLink



ABOUT MATRADE AND ITS SERVICES



WHO WE ARE

MATRADE is the National Trade Promotion Organisation in Malaysia, under the Ministry of International Trade and Industry (MITI), tasked to promote Malaysian products and services overseas.

VISION

"Malaysia A Globally Competitive Trading Nation"

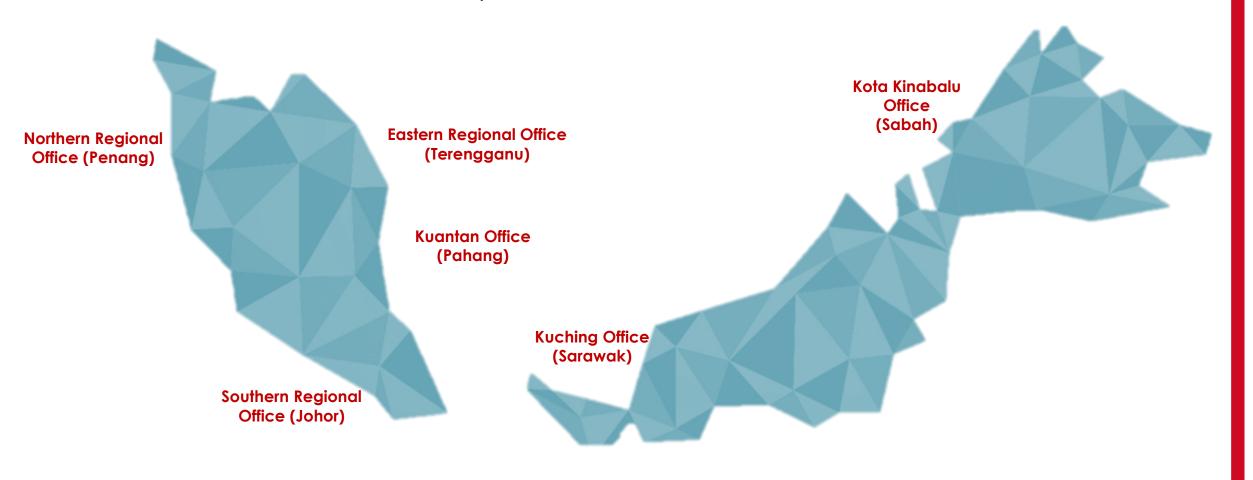
MISSION

"Promoting Malaysia's Enterprises To The World"



REGIONAL OFFICES

6 Offices across Peninsular Malaysia, Sabah and Sarawak



GLOBAL NETWORK







Trade Commissioner Mr. Suresh Kumar a/I R. Palasanthiran













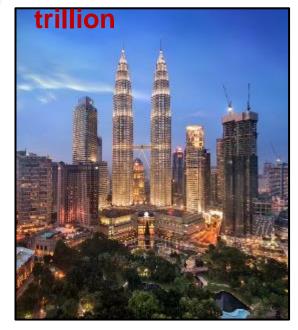


MALAYSIA'S TRADE PERFORMANCE (MERCHANDISE)

TRADE DRIVES THE MALAYSIAN **ECONOMY**

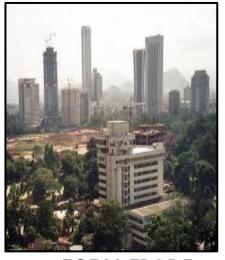








TOTAL TRADE: RM9.45 billion



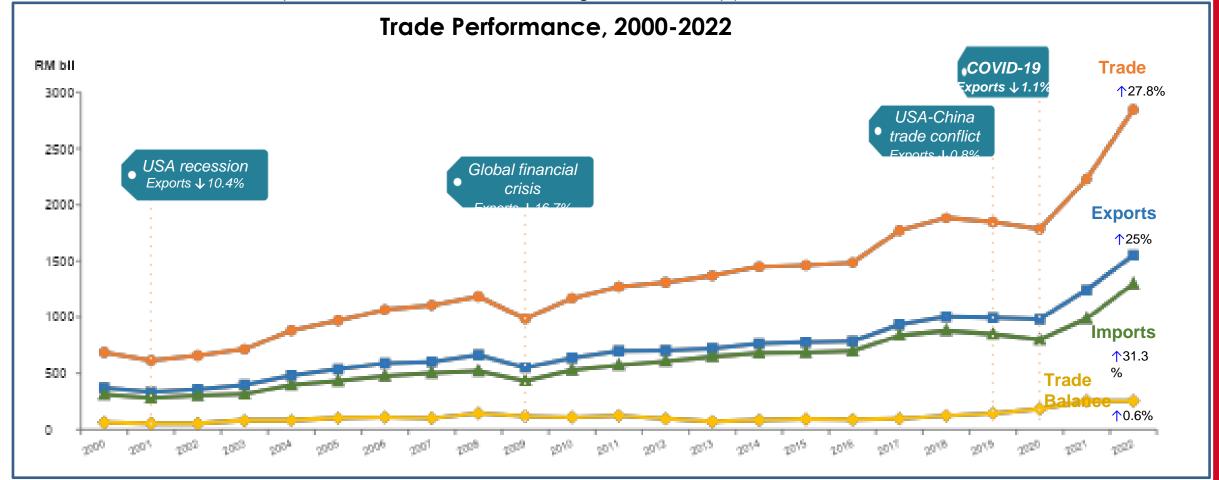
TOTAL TRADE: RM158.76 billion

1970's 1990's

MALAYSIA'S TRADE PERFORMANCE, 2000-2022



Malaysia's trade maintained upward momentum except for 2001, 2009, 2019 & 2020 due to global economic slowdown & COVID-19 pandemic. In 2022, trade, exports, imports and trade surplus registered an all-time high. These remarkable achievements were driven by robust external demand and higher commodity prices.



Note: MOF projection for 2023: Trade \uparrow 1.3%, Exports \uparrow 2.2% & Imports \uparrow 0.2% (Source: Economic Outlook 2023, released on Oct 2022)

OVERVIEW OF TRADE PERFORMANCE FOR 2022



Malaysia's trade continued its stellar performance in 2022, registering the highest value for trade, exports, imports and trade surplus. Trade, surpassed RM2 trillion for the 2nd consecutive year and registered the fastest growth since 1994. Exports exceeded the projection in the Twelfth Plan, 3 years ahead of the target while imports breached RM1 trillion mark for the 1st time. Trade surplus was posted since 1998.

TRADE

RM2.848 tril **1**27.8%

EXPORTS

RM1.552 tril **1**25%

IMPORTS

RM1.296 tril **↑**31.3%

TRADE SURPLUS

RM255.48 bil **1**0.7%

68% of exports **LVD** 68.8% of imports **ASEAN ASEAN** RM452.83 bil RM319 bil **↑**31.8%* (29.2%**) **↑**37.1% (24.6%) China China RM210.62 bil RM276.52 bil **1**9.4% (13.6%) **1**20.7% (21.3%)













USA





64.6% of exports **V E&E Products** RM593.52 bil

130.2% (38.3%)



169.4% (10.5%)

Palm Oil (Agriculture)

RM96.62 bil **^**27.4% (6.2%)

Chemical Products

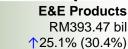
RM80.6 bil **14%** (5.2%)

LNG RM67.99 bil **1**78% (4.4%)

(

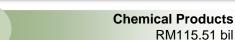
LNG



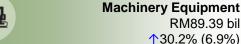


62.6% of imports





19.6% (8.9%)



Manufactures of Metal RM63.86 bil **17.8%** (4.9%)

** share to total exports/imports

Source: DOSM

USA

RM167.15 bil

17.5% (10.8%)

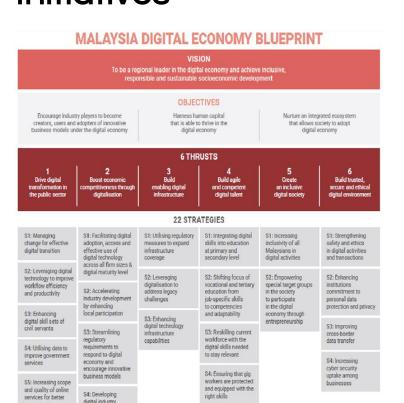
^{* %} arowth in 2022 compared to 2021



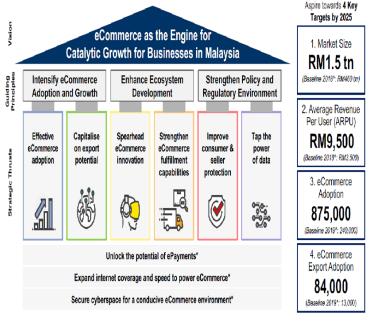
MATRADE's eCommerce Export Initiatives

ROADMAPS: Malaysia's eCommerce & Digitalisation Initiatives





NESR 2.0 will enhance and further accelerate Malaysia's eCommerce industry growth and innovation via 6 strategic thrusts



"Relevant initiatives for ePayments, telecommunications, and cybersecurily are already being developed (implemented by BNM, MCMC and NACSA respectively

Noise 2016 market size data extrapolated from 2017 market size data reported by DOSM, ARPU data calculated by EV based on entrapolated market size data and DOSM adult population data 2019 data as endorsed at NeCC



Launched: 19 February 2021

cluster and driving

 Serves as a guiding principle to charts the trajectory of the digital economy's contribution to Malaysia economy and builds the foundation to drive digitalization across Malaysia.

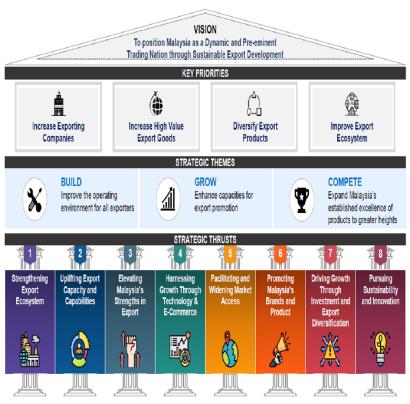
48 NATIONAL INITIATIVES

28 SECTORAL INITIATIVES

 PMO: MyDigital Corporation, under the Prime Minister's Department

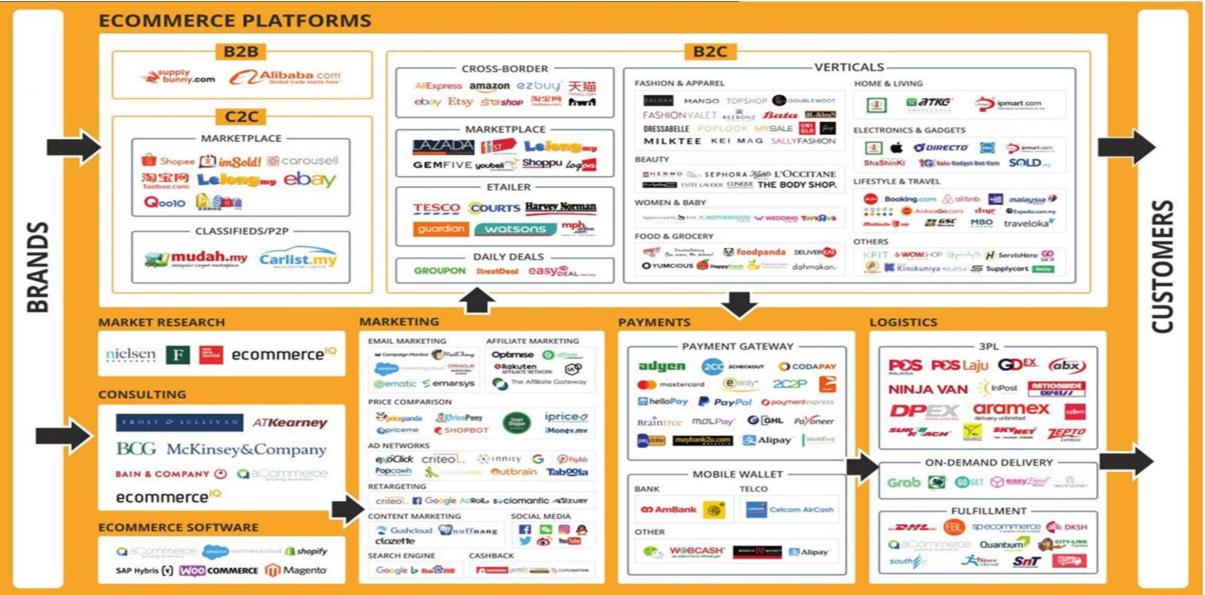
- Adopted April 2021
- Provide strategic action plan at national level for both public & private sector
- PMO Malaysia Digital Economy Corporation (MDEC) under Ministry of Communication & Multimedia

National Trade Blueprint (2021 – 2025)



- Adopted October 2021
- Strategic action plans on exports at national level for both public & private sector
- PMO MATRADE under Ministry of International Trade & Industry

eCommerce Ecosystem (Industry)



Adapting to New Norms in Export Promotion

Virtual exhibitions

 Lower cost for participation, suitable during the COVID-19 pandemic

- Webinars arranged by Trade Commissioners and Head Office

Webinars



Virtual B2B Meetings

- Online B2B meetings with buyers around the world replacing INSP's
- Reliable buyers, vetted by MATRADETCs
- Exporters / Buyers do not have to travel

MyExport

- Dissemination of Market Intelligence & Market Alerts (Information on demand and trends in the international markets)
- Irade leads by MAIRADE ICs

Trade Clinics and Virtual Trade Advisory

 Personalised consultation sessions between Malaysian companies and MATRADE on export related matters via virtual platforms

MATRADE's initiatives in facilitating exports



eCommerce Promotion

Utilise <u>digital platforms</u> in delivering MATRADE's functions as <u>cost effective solutions</u> for MSMEs

eNED



 The event serves as a platform to share market insights on latest market trends, opportunities & effective strategies to service during pandemic time. Panel discussion related to sustainability is also part of the programme.

Malaysia International Halal Showcase (MIHAS)

 MIHAS was organized in fully virtual in 2021 and hybrid format in September 2022, reaffirming its foothold to hold global congregation of Halal players worldwide which would further strengthen its stature as the world's largest Halal trade fair.











eBizMatch



Pre-arrange online business meetings between foreign buyers & Malaysian suppliers

eBizLink



Initiative to intensify export promotion on virtual & hybrid platforms, emphasising on digital marketing

International Recognition



- MATRADE was announced as the winner of "Best Use of Information Technology" category at the 13th WTPO Conference and Awards held in Accra, Ghana, on May 17, 2022.
- Recognition in the organisation of the first fully virtual edition of the 17th Malaysia International Halal Showcase (MIHAS) in 2021.



eCommerce Promotion

Utilise digital platform in delivering MATRADE's functions as cost effective solutions for MSMEs



MATRADE Digital Trade Platform is an <u>interactive</u>
B2B and B2C trade platform that serves international buyers, Malaysian exporters and SMEs.

Backed by MATRADE, this solution comprises the MATRADE Virtual Engagement Platform, MATRADE Marketplace, a marketplace aggregator and the MATRADE Digital Trade Platform that are connected to Fusionex Digital Trade Hub.





Accelerate Export via eTRADE PROGRAMME 2.0 – The Time is Now!



WHAT IS eTRADE PROGRAMME 2.0 - The Enhancement



Objectives:

- 1. To kickstart and accelerate exports via participation in international eCommerce platforms.
- To assist Malaysian MSMEs to have valuable and sustainable presence on cross-border eCommerce
 platforms via activities that can help to maintain their online business such as digital marketing, eCommerce
 training, online export promotions, etc. in order to increase their exposure and business opportunities on
 cross-border eCommerce platforms.



Onboarding Scheme (RM5,000)

For onboarding **any** cross-border eCommerce platform or **multiple platforms**

Digital Marketing & Training (DMT) Scheme (RM20,000)

For undertaking any **digital marketing activities and/or attending eCommerce training programme**

Per company, for one (1) year subscription / one (1) year activities



eTRADE PROGRAMME 2.0 – Eligibility Criteria



Registered with SSM



Company registered with Suruhanjaya Syarikat Malaysia (SSM) - ROC / ROB / LLP.

Made in Malaysia



Selling Malaysian made products or Malaysian **brand** (registered with Intelectual Property Corporation of Malaysia - MyIPO).

Malaysian Owned



At least 60% equtiy owned by Malaysian.

NO Services

Services companies are not eligible

Co-operatives



Co-operatives registered with Suruhanjaya Koperasi Malaysia (SKM)

Malaysian SMEs



Manufacturing:

Annual Sales < RM50 mil OR <200 full time employees.

Trading:

Annual Sales < RM20 mil OR <75 full time employees.

MATRADE & ERAT



Must be registered with MATRADE, subscribe MyExport and have done **ERAT Score.**

ONBOARDING

6 Months Operating



Company registered with SSM or Cooperatives registered with SKM must be in operating NOT less than 6 months

Recipients of eTRADE 1.0

In line with the update of eTRADE 2.0 guideline, recipients of eTRADE 1.0 are now eligible to apply subject to fulfill the requirements.

DMT

1 Year Operating

Company registered with SSM OR Cooperatives registered with SKM must be operating **NOT less** than one (1) year.

NEW UPDATE

erce Read



Company already selling in cross-border eCommerce platform(s) or cross-border eCommerce website for minimum of one (1) year



eTRADE PROGRAMME 2.0 – Onboarding Scheme



CLAIMABLE ACTIVITIES



Listing fee for <u>multiple</u>
 <u>platforms</u> with maximum of
 one (1) year subscription

Requirement for eCommerce platform:

It must be **crossborder** – has element of exports 2. Any activities associated to the onboarding the eCommerce platform but NOT limited to:



Development of minisite, page or store development



Photography services



Shipping cost to warehouse in overseas including FBA Centre



Rental of warehouse or FBA centre

* FBA - Fulfilment by Amazon And other
expenses
associated to the
onboarding
activities (subject
to approval by
MATRADE).



eTRADE PROGRAMME 2.0 - DMT Scheme



ACTIVITY 1: Digital Marketing Expenses NOT Limited to:



Content Creation

Video, advertisement, social media content creation, etc.



Google, Baidu, etc.



Google Ads, eBay Ads, advertising space rental in eMarketplaces



Key Opinion Leader (KOL)

Influencer of social media to promote products



Social Media Marketing

Youtube, Instagram, Facebook, Twitter, Linked-in, Wechat, Weibo, etc.



Key Words Advertising

(KWA)SEO, KWA in eMarketplaces, etc.





eTRADE PROGRAMME 2.0 – DMT Scheme (cont.)



ACTIVITY 2: Training Programme



Organiser

Training programme organized by eMarketplaces, Channel Partners, eCommerce Service Providers, Training Centre, Government Agencies, etc.



Contents

Training related to eCommerce business including account management, digital marketing, fulfillment, etc.



Subsidy

Should the training is supported by HRDF or other government agencies, MATRADE will pay the balance that company cannot claim.



No. of Person

Expenses is claimable for any number of persons per company for each training attended.



Awareness Programme on eTRADE 2.0

Jan - April 2023



eTRADE SUCCESS STORIES



Through eTRADE Programme, companies managed to...



Become 1st time exporter!



Penetrate new markets

5 Main Product Categories through eTRADE Programme





Pharmaceutical, Toiletries & Cosmetics





Apparels, Garments & Accessories

More than 40 Markets penetrated through eTRADE Programme





Building and Construction Materials and Hardware



A good example is Yong Mama, a second-generation halal snack food manufacturer based in Perak.

The company had been primarily selling to the domestic market with small-scale exports to Singapore for 20 years.

Due to the pandemic, the company onboarded Alibaba.com in 2020. Since then, Yong Mama's manufacturing volume for export surged by 80 per cent in addition to receiving enquiries from Brunei, Egypt, Thailand, the United Kingdom and the United States.

Besides Singapore, they have also grown exports to South Korea, and within six months after getting the first enquiry from Cambodia, have fulfilled not one but a second repeat order.

Yong Mama Food Industries Sdn Bhd co-founder H.G Cheah said to flourish in the global B2B e-commerce market, Malaysian businesses need to develop a clear strategy. first and identify what is trending in the targeted markets and the right products to export.

"It is also important to understand and comply with regulations in each respective market while keeping an eye on new opportunities.

"E-commerce enabled Yong Mama to grow from a micro SME (MSME) selling mainly to domestic customers into a global company," he said.



eBizLink Electronic Business Linkages



Electronic Business Linkages (eBizLink): PEMERKASA

The Time to EXPORT is Now

- eBizLink provides cost-effective and sustainable solutions for Malaysian SMEs to seize new business opportunities in global marketplace brought about by the COVID-19 pandemic.
- New Government initiative under PEMERKASA
 (Program Strategik Memperkasa Rakyat dan Ekonomi) leveraging on virtual and hybrid platforms focusing on online and offline (O2O) with greater emphasis on digital marketing utilising the strength of MATRADE's international networks via our 46 global offices. Period of implementation June 2021 December 2023.

Pelaksanaan Program

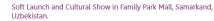
(15 Jun 2021-31 Dis 2022)

46 Kempen KOL: 40 (11 Kempen)

CNEA 10 Program KOL: 23 EAS 16 Program KOL: 3 **A&O 10 Program** KOL: 7

CWSAA 8 Program KOL: 2 BTPD
2 Program
KOL: 5













MT-Tashkent Malaysia Week in Davai.UZ *Dec 21*

Electronic Business Linkages (eBizLink), June 2021 - 2022

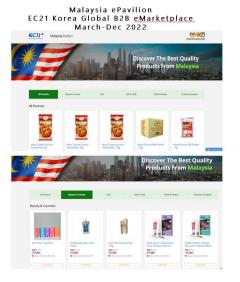






















- Collaboration partner: Halal2Go, Amazon Japan, Yahoo Shopping, Mercari, Jimoty, Rakuten
 Activity: O2O
- Online B2C through varios ecommerce platform
- Online Event Product introduction, suggestion recipe and cooking demonstration











🚄 🛏 KOLs Campaign

Electronic Business Linkages (eBizLink): 12th Malaysia Plan (2021 – 2025)

MATRADE is Now.

- eBizLink is a new high impact initiative which focuses on digital marketing through virtual and hybrid platforms to boost national trade via cross border ecommerce.
- This program provides costeffective and sustainable
 solutions to Malaysian companies
 including Micro, Small and
 Medium Enterprises (MSMEs) and
 Mid Tier Companies (SPPs) to
 seize new business opportunities
 and stay competitive in the
 global market.





































GROW YOUR EXPORT BUSINESS WITH US BY YOUR SIDE

Contact MATRADE to help you grow and succeed internationally



































