EXPORTS ENHANCEMENT STARTEGY FOR MALAYSIA

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Strategic Plan for Malaysia

1. Introduction

Malaysia has been listed in the top 20 as one of the fastest growing economies in Asia. Malaysia came in 14th place recording the country's real GDP growing at 4.3 per cent and GDP per capita growing at 6.75 per cent in 2024. However, Malaysia's real GDP growth was recorded at four per cent in 2023, it was worth of 399.65 billion US dollars in 2023, according to official data from the World Bank and 8.7 per cent in 2022. Malaysia is projected to rank 16th among the world's 30 largest economies by 2075. Malaysia is a palm oil-based economy. In 2022 alone, Malaysia exported around 15 million metric tons of palm oil and palm oil-based products, valued at around RM137 billion. Overall, the sector contributes about RM40 billion annually to the GDP. However, the role of palm oil as a major contributor to gross domestic product (GDP) growth in Malaysia cannot be overstated. In last two decades, Malaysia has emerged as a diversified economy with major exports in: electrical machinery; mineral fuels and oils; machinery and machinery appliances; refined palm oil; and rubber and its articles. Interestingly, Malaysia's top 5 imports also comprise of the same 5 sectors. Malaysia is also an among top 5 producers and importers of LNG in the world. Additionally, Malaysia has emerged as a regional hub of Intellectual Property (IP) development and a favorite destination of multinational companies for investments in AI, Cyber Security, Cloud Computing, and Data Analytics. Despite a challenging global economic landscape, Malaysia's trade exceeded RM2 trillion for the third consecutive year to reach RM2. 64 trillion in 2023, chalking up a trade surplus of RM214. 1 billion over a successive 26-year period since 1998.Impact analysis major exports & imports.

a. Malaysia's Economic Landscape

1. Twelfth Malaysia Plan 2021- 2025: It is an all-inclusive economic plan to strengthen macroeconomic fundamentals and Malaysia's development pathway for achieving the goal of a prosperous, inclusive, and sustainable Malaysia. The links are attached for details. https://rmke12.ekonomi.gov.my/file/download/2021092722_twelfth_malaysia_plan.pdf?path=fileUpload/2021/09/2021092722_twelfth_malaysia_plan.pdf&name=Twelfth%20Plan%20Document.pdf

https://rmke12.ekonomi.gov.my/file/download/2021092855_executive_summary.pdf?path=filUpload/2021/09/2021092855_executive_summary.pdf&name=Executive%20Summary.pdf

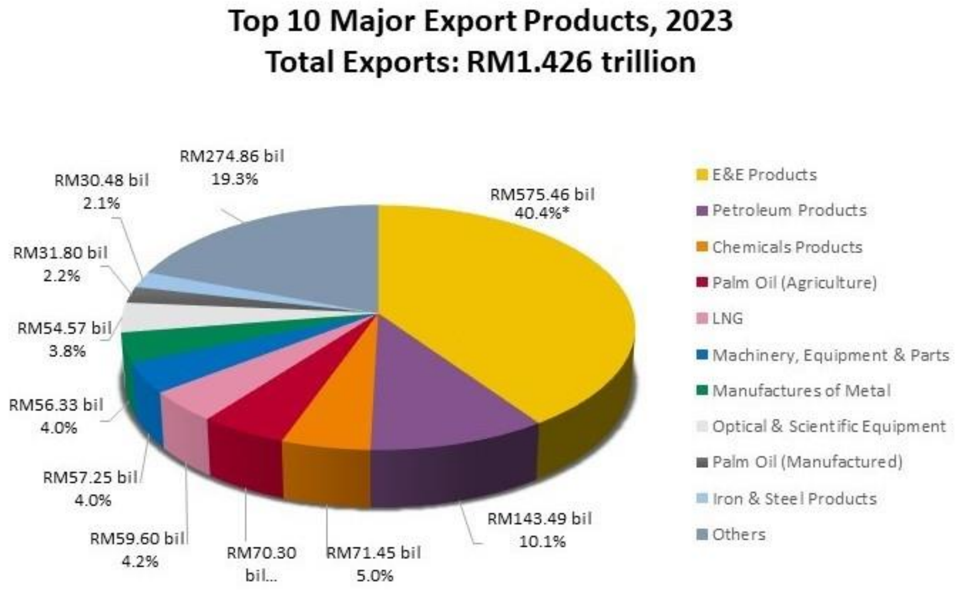
2. Accelerated growth: The economic growth is expected to accelerate to 4.4% in 2024.

3. Madani Economy: A ten-year masterplan to restructure the economy and improve living

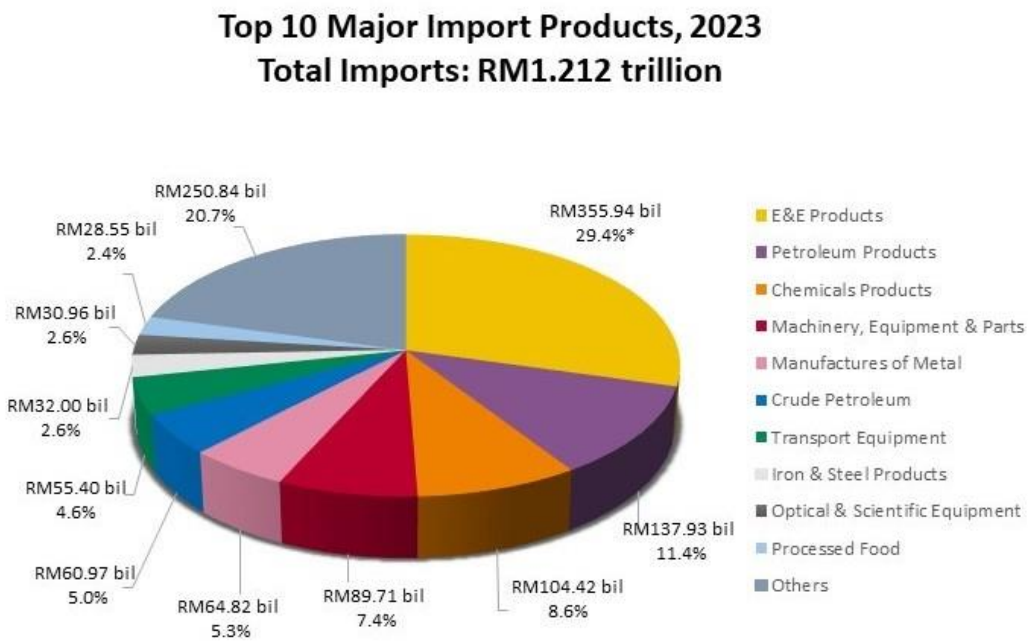
standards (initiated in 2023). The link is attached for further information.

https://www.skrine.com/insights/alerts/august-2023/malaysia-s-prime-minister-launchesthemadaniecon#:~:text=The%20Prime%20Minister%20of%20Malaysia,%E2%80%9D

Sectoral/Product Composition of Malaysia Global Exports (2023)



Sectoral/Product Composition of Malaysia in Global Imports (2023)



Top Trade Partners of Malaysia (2022)

Top Trade Partners of Malaysia (2022) RM billion					
Top Exports Markets			**Top Import Origins**		
Partners	**Exports to Partners**	**%increase/ decrease**	**Partners**	**Imports from Partners**	**%increase/ decrease**
ASEAN	74.00	65.5	China	3200	80.9
China	210.62	13.6	Germany	276.50	21.3
USA	167.16	10.8	USA	100.42	7.7
Europe	126.31	8.1	Belarus	90.22	7.0
Japan	98.24	6.3	Korea, Republic of	83.27	6.4

b. Pakistan Malaysia Bilateral Trade

Malaysia is a gateway to ASEAN region and a trade destination for Pakistan. Currently, the trade volume between the two countries during last 12 months (July2023-June 2024) is $1.50 billion, with Pakistan importing goods worth $892.9 million from Malaysia and exporting goods worth $607.8 million to Malaysia. Despite strong diplomatic relations, Pakistan's export share in Malaysia’s trade is less than 0.1%. Though Pakistan was given concessionary tariff lines under Malaysia Pakistan Closer Economic Partnership Agreement (MPCEAPA) in 2008, our exports to Malaysia never exceeded 1.5 % of the total exports. The gradual progression from 81 million US $ in 2008 to 161 in 2015- 2016; 267 million US $ in 2020-2021; and 369 US $ in 2023-2023. Moreover, to date, only (top)15 products constitute 95 % of export basket to Malaysia. The tariff concessions remained underutilized (only 5 %) and the competitive edge gained as a result of bilateral trade agreement was lost over years due to Malaysia’s other bilateral and multilateral agreements within and outside ASEAN region. Most importantly, the economies of Pakistan and Malaysia are different in terms of growth rates and diversification. Malaysia is a more diversified economy with major exports in: electrical machinery (HS-85); mineral fuels and oils (HS27); machinery and machinery appliances (HS-84); animal or vegetable fats and oils (HS-15); rubber and its articles (HS-40). Whereas Pakistan’s exports to Malaysia are raw materials/low value products: Cereals (HS10) including rice (HS-1006); edible vegetables and certain roots (HS07); Mineral Fuels, oils (HS-27); made-up Textile Articles (HS-63); and Fish/crustaceans and other aquatic invertebrates (HS-03).

Sectoral Composition of Pakistan's Exports to Malaysia (2022-23)

Pakistan's Exports to Malaysia:

1. Rice
2. Maize (corn)
3. Bed linen, table linen, toilet linen
4. Potatoes, fresh or chilled
5. Fish, frozen, excluding fish fill
6. Men's or boys' suits, ensemble
7. Petroleum coke, petroleum bitumen
8. Woven fabrics of synthetic filament
9. Crustaceans, whether in shell
10. Gelatin

Source: Trending Economics and OEC database

2.0 Export Enhancement Strategy for market penetration and product diversification

It is recommended that MPCEPA should be renegotiated for deepening of concessions from Malaysian side to enhance our exports. As regards rice exports to Malaysia, it is worth mentioning that rice from Pakistan is taxed at 40 % (Custom duty). Whereas Custom duty on rice for Vietnam and India is 20 %. As our teams negotiate, we look forward to favorable consideration from Malaysia as a decrease in duty on rice by Malaysia will result in getting better price of rice per unit for Pakistani rice. The Ministry of Commerce, in consultation with stakeholders has identified the following sectors for market penetration and product diversification along with determination of (approximate) export targets:

2.1 Agro Products: Following five products have been identified having potential of growth:1-Meat, 2-Corn (Maize), 3-Onions, 4-Green Chillie, 5-Fresh Fruits

2.2 Agro-based Value-Added Products: In this sector, the following five products have been identified having potential of growth: 1-Frozen Vegetable, 2-Frozen Fruits, 3-Jam & Jellies/Spreads, 4-Fruit Juices & Beverages, 5-Gelatin

2.3 Textile Sector: Within this sector, the following two products have been identified to have potential of growth:1-Textile Apparel including ready-made garments 2-Bed Linen.

2.4 Pharmaceuticals Products: Following two products have been identified having potential of growth: 1-Pharmaceuticals 2-Herbal/Nutraceutical

2.5 Minerals Products: Following two products have been identified having potential of growth:1-Rock phosphate, 2-Lithium.

2.6 Chemical Products: The product having potential is:

1-Ethonol

2.7 Engineering Products: Following product has been identified having potential of growth: 1-Surgical Instruments

2.8 Sports Good: Details of which have been given in the corresponding section in the report.

2.9 Services: Following categories of services have identified having potential of growth:1- Information Technology, 2-Accountancy 3-Other Services {Incl. business services like Business Process Outsourcing (BPO), Transport, travel& tourism and medical services).

2. **Product Specific Plans**

2.1. Agro Products

2.1.1. Meat:

2.1.1.1. *Justification:*

Malaysia is a country with 65 % of Muslim population and the meat requirement is mostly met with import from various countries. Malaysia has stringent regulations regarding the quality and halal certification of meat. The meat includes beef and mutton. Indian buffalo meat is being imported and consumed as beef in Malaysia currently which is cheaper than Pakistan's cow meat. Three Pakistani companies have the halal certification to export halal cow meat/beef to Malaysia. There is a growing concern about the halal products among Malay Muslim population and a desire to buy halal meat from Muslim countries like Pakistan. However, Indian buffalo meat is cheaper in price (1.50 to 2 US$ per KG) and a Malaysian company owned by an Indian Muslim based in UAE enjoys 95 % share in buffalo meat market. However, Pakistan has a scope for exports in premium cow meat market. Though two Malaysian companies, having 75 % of market share, have acted as cartel in the past to prevent entry of Pakistani cow meat in Malaysian market; still there is potential for growth in export as Pakistani beef is similar to Australian cow meat in quality but cheaper in price. The other competitor Brazil is same in price but delivery time from Brazil is 30 to 40 days as compared to 7 days in the case of Pakistan. Australia's cow meat is available at 32 RM per KG (wholesale price). Where-as, Pakistan and Brazil's beef are priced at 29 RM per KG approximately. Moreover, Pakistan has best quality goat and lamb meat and is already exporting it at premium price to GCC countries. Malaysia has only 400000 population of goat/lamb and relies on import from Australia and Thailand to meet domestic mutton meat market demand. Additionally, the price offered by Malaysian mutton market is high as compared to that of beef. Hence, the fresh and chilled meat, both cow meat and lamb/goat, has a potential for export in Malaysian market.

In April 2024, beef imports accounted for MYR 312M. Between February 2023 and April 2024 the exports of Malaysia's Frozen Bovine Meat have increased by MYR 4.05M (271%) from MYR 1.49M to MYR 5.54M, while imports increased by MYR 19.8M (6.77%) from MYR 292M to

MYR 312M.

In 2022, Malaysia imported \$640M worth of Frozen Bovine Meat, becoming the 12th largest importer of Frozen Bovine Meat in the world. At the same year, Frozen Bovine Meat was the 81st most imported product in Malaysia. Malaysia imports Frozen Bovine Meat primarily from: India (\$504M), Australia (\$53.1M), Brazil (\$48.8M), New Zealand (\$19.1M), and Argentina (\$7.87M). The fastest growing import markets in Frozen Bovine Meat for Malaysia between 2021 and 2022 were India (\$83.8M), Brazil (\$21.2M), and New Zealand (\$11.2M).

In April 2024, the increase in Frozen Bovine Meat's year-by-year imports was explained primarily by an increase in imports from Argentina (MYR10M or 609%), New Zealand (MYR2.71M or 37.6%), and Brazil (MYR1.97M or 15.7%).

2.1.1.2. *Strategy*

i. Currently, Pakistan and India are not allowed by Malaysian authority (Department of Veterinary Services DVS), to export beef in chilled carcass form on account of Foot and Mouth disease. Where-as Australia and other countries are allowed to do so. Pakistan is allowed to export beef only in deboned and deglanded form. Efforts are required by Pakistani side to convince DVS to allow export of beef from Pakistan in chilled carcass form (to help overcome the issue of price/competitiveness viz-a-viz other countries). Action/collaborative effort is required by TIC, TDAP (AGRO-Wing), Animal Quarantine Department, Provincial Livestock Departments to convince the Malaysian government to allow Pakistan to export beef in chilled carcass form. The TIC has already initiated efforts in this regard. During the meeting between TIC and DG DVS on 27th June 2024, the DG was requested to reconsider their policy to which she agreed, provided DVS is satisfied with regard to current scenario on the control of Foot and Mouth Disease (FMD) in cattle and the number of animals vaccinated each year. The required information has to be compiled by the Animal Quarantine Department and Provincial Livestock Departments and forwarded to TDAP (Agro-wing) for proceeding further on the issue. It is proposed that the delegates of DVS attending FoodAg should be given detailed presentation by AQD in a senior level meeting in AQD office in Islamabad after the exhibition, answering all their queries about FMD control. It is worth mentioning that the incidence of FMD is almost zero at my places in Pakistan including Bahawalpur Division and some parts of Baluchistan. Pakistan has launched an initiative for FMD (foot and mouth disease) control by carpet vaccination at federal as well as provincial level (including the federal project at Sheikhupura Punjab; and Punjab Government’s three years project “Progressive Control of Foot and Mouth Disease (FMD) in Punjab (from 2024-2025 to 2026-2027) with cost of Rs. 7500 million). We expect that DVS will consider export of chilled carcasses of beef from FMD free notified regions of Pakistan to Malaysia.

ii. B2B meetings on zoom as well as physical meetings between 3 Pakistani exporters (Fauji Meat, Zenith International, and Abedin International which are certified by DVS and JAKIM) and Malaysian importers. Action required by TIC. B2B meeting has already been conducted on zoom in collaboration with TDAP (AGRO-Wing) on 27.06.2024. Moreover, the TIC KL has coordinated with Malaysian meat importers/hypermarkets for becoming part of the Malaysian delegation for FoodAg in August 2024. TIC is also in coordination with Fauji Meat and other meat exporting companies to arrange a visit of their slaughterhouses and physical B2B meeting with the meat importing companies and hypermarkets attending FoodAg in (9 to 11) August 2024.

iii. Participation in MIHAS to be held on 17-20 September 2024 by our three meat exporting companies and one gelatin manufacturing company to connect them with beef and gelatin importers of Malaysia under one roof. Action required by TIC, TDAP Agro Wing. Upon receiving request from TIC, TDAP Agro Wing has published advertisement in newspapers on 02.07.2024 for selection of companies for participation in MIHAS 2024.

iv. Efforts to increase the number of Pakistani companies having relevant certifications from Malaysian authorities. The application of one meat exporting company to get relevant certification by Malaysian authorities is in process. Actions required by TIC and TDAP Agro Wing and Meat Exporters in Pakistan.

v. Efforts to acquire access to mutton meat market in Malaysia. Action required by TIC, TDAP Agro Wing, Animal Quarantine Department, Provincial Livestock Departments. TIC has already initiated the process with DVS and informed MOC for sending a request letter to DG DVS. The DVS will then send a questionnaire to get relevant information about the livestock in Pakistan, the presence/absence of diseases like *Peste Des Pitits Ruminants (*PPR) etc. (PPR is a viral disease, caused by a morbillivirus closely related to rinderpest virus, which affects goats, sheep, and some wild relatives of domesticated small ruminants, as well as camels.) Upon receiving all information and finding it satisfactory regarding the presence/absence of PPR in Pakistani sheep/goat, DVS will assess their market demand and seek approval from their relevant Ministry and notify Pakistani government with regard to access to mutton meat market in Malaysia. According to DG DVS, the process may take 6 months to a year.

vi. Efforts required by all stakeholders to seek approval for heat treated meat which is used as raw material for frozen meat products industry like meat balls and nuggets. It is recommended that the DVS delegates attending FoodAg in August should be taken to state-of-the art plant for heat treated meat and shown the procedure. Action taken by TIC, AQD, and TDAP (Agro Wing).

2.1.2. Maize (Corn):

2.1.2.1. *Justification:*

Malaysia's average annual corn consumption has been at an average of 3.6 million metric tons (m Mt) from 2010 to 2023. Most of the Malaysia's corn usage, approximately 93%, is dedicated to feed production. Due to the revival of poultry industry in Malaysia in recent years, there is an increase in the demand of maize/ corn in Malaysia as corn is being used as raw material for poultry feed. Despite high demand, Malaysia's domestic corn production has remained low, averaging only 64,000 Mt annually from 2010 to 2023. In 2022, Malaysia imported corn worth 1.55 billion US$. Over 95 % of Malaysia's corn imports originate from Argentina, Brazil, and India. Out of total corn imported into Malaysia in 2022, Pakistan's share was around 0.5 %. Delivery time in the case of South American nations is more than a month. Moreover, Pakistan, has similar weather conditions and landscape as that of India. Hence, Pakistan can increase its share in Malaysian corn market, provided Pakistani growers and exporters comply with regulatory compliances of Malaysia.

2.1.2.2. *Strategy*

i. To inform the existing and potential exporters of maize with the help of TDAP Agro Wing about the regulatory regime of Malaysia corn market. The quality/standards parameters of corn acceptable in Malaysian meat market are as follows:

ii. i) Moisture % by weight: not exceeding 11 percent

   ii) Foreign matter: < 0.1 %

   iii) Broken Kernels, % by weight: 0.38 %

   iv) Damaged, % by weight: < 0.1 %

   v) Other Cereal Grains: < 0.1 %

   vi) Total Aflatoxin (B1, B2, G1, G2): BLQ (LOQ: 0.4 microgram per KG). Action required by TIC in collaboration with TDAP Agro Wing.

iii. Corn market intelligence report to be prepared by TIC and shared with TDAP (Agro Wing) and all other stakeholders.

iv. B2B zoom meeting with Malaysian importers of maize and Pakistani companies having potential to export maize to Malaysia. Action required by TIC in collaboration with TDAP Agro Wing.

v. To connect the Malaysian companies which import corn with Pakistani exporters by providing Pakistani companies the buyer information. Action required by TIC and TDAP Agro Wing.

vi. Facilitation in arranging physical and online B2B meetings of Malaysian importers of maize with Pakistani companies. Action required by TIC in collaboration with TDAP Agro Wing.

vii. The participation of Pakistani corn growers and potential exporters of corn in upcoming Asia Smart Farming Conference and exhibition to be held in Kuala Lumpur in October 2024.

2.1.3. Onions:

2.1.3.1. *Justification*

Malaysia, being a country with tropical weather and landscape and heavy rainfall, meets most of its demand of vegetables through imports. Onion is one of the most widely used root vegetable and hence, comprise of the most significant imported vegetable in Malaysia.

The value of imports of commodity group 0703 "Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled." to Malaysia totaled $ 467 million in 2023 (January to December). Top trading partners (import of "Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled.") of Malaysia in 2023 are:

- China with a share of 60% (284 million US$)
- India with a share of 24% (114 million US$)
- Pakistan with a share of 6.28% (29 million US$)
- Netherlands with a share of 2.89% (13.5 million US$)
- Thailand with a share of 1.78% (8.33 million US$)
- New Zealand with a share of 1.56% (7.32 million US$)
- Australia - 3.82 million US$
- Egypt - 2.6 million US$
- Indonesia - 1.14 million US$ & Other Asia, nes - 525 thousand US$

Source: Trend Economy database

2.1.3.2. *Strategy*

Following strategy need to be adopted,

i. As regards regulatory compliances, the exporters need to obtain a variety of permits and licenses from the Malaysian government. The exporter will need to obtain a phytosanitary certificate from the Department of Agriculture and fitness certificate by MAQIS, the department of inspection and certification. The interaction of Ministry of Agriculture and MAQIS with Plant Protection Department in Pakistan at FoodAg in August 2024 and other occasions will help reduce regulatory barriers in the export of onions.

ii. The handling processes need to be improved. It has been generally complained in Malaysian onion market that the exporters of onion in Pakistan cut the stem to increase the weight of onions through moisture absorption. This results in reducing the shelf life of onions and making them rotten in days. Hence, handling processes of onion need to be made comparable to those adopted by competitors like China and India. TDAP (Agro Wing) to hold seminars/ workshops for onion growers and handlers.

iii. Onion buying companies and hypermarkets to attend FoodAg 2024.

iv. Onion growers, handlers and potential exporters to attend Asia Smart Farming to be held in October 2024 to update themselves of the standards required by Malaysian market and to participate as exhibitors in Pakistan Pavilion which is going to be provided by ASF for free.

[Note: It is to be mentioned that the targets mentioned above will be achieved/exceeded by Pakistan only if the handling processes are improved and made comparable to the competitor countries.]

2.1.4. Chilies:

2.1.4.1. *Justification*

Due to the use in Malaysian traditional cuisine, there is a huge demand of chillies in Malaysian hypermarkets. Moreover, Malaysia has significant Pakistani/Indian origin Malaysians as well as diaspora populations and a growing number of locals with a penchant for spicy foods, which drives demand.

In 2022, Malaysia imported $7.04B in Vegetable Products including chillies, mainly from China ($1.44B), Argentina ($1.23B), India ($711M), Australia ($567M), and United States ($429M). Malaysia imports most of the green chilli from India and Bangladesh. Bangladesh red chilli has dominated the chilli market in last few years so much so that it is now known in Malaysia as chilli Bangla. Pakistan also has a small share in chilli market which can be increased by adopting the strategy given below.

2.1.4.2. *Strategy*

i. Increasing chilli exports from Pakistan to Malaysia involves understanding the market, mastering the logistics, and effectively marketing the products.

ii. In Malaysia, they have the traditional generic types: chilli Mira, chili hija paddy, chili paddy Thai and chilli kampung. Keeping in view the difference between domestic supply and demand, there is a potential for growth in exports of chillies. Customized supply of the type of chillies, both red and green, which are hot and more spicy as compared to the big size comparatively less hot chillies-is ideal for penetration into Malaysian market due to its preference of spicy option.

iii. Maintaining high quality is paramount in the export of perishables like green chillies to Malaysia. This involves regular quality checks and audits, implementing proper handling and storage techniques from farm to shipping and training suppliers and farmers on best practices in cultivation and post-harvest processes.

iv. The farmers need to adopt alternative ways of pest control as high levels of pesticide sprays on chillies will reduce the acceptability of Pakistani chillies in Malaysian markets. The TDAP (Agro Wing) need to conduct workshop of growers in this regard.

v. Facilitating B2B connections between Malaysian buyers and Pakistani growers and exporters of chillies.

vi. Malaysian hypermarkets and potential buyers to attend FoodAg 2024.

vii. Pakistani growers and exporters to attend sustainable farming conference to be held from the platform of Asia Smart Farming in October to convince the Malaysian market about the high-quality chillies and market chillies by exhibiting at Pakistan Pavilion in the exhibition following the conference.

viii. As regards regulatory compliances, the exporters need to obtain a phytosanitary certificate from the Department of Agriculture and fitness certificate by MAQIS, the department of inspection and certification. The interaction of Ministry of Agriculture and MAQIS with Plant Protection Department in Pakistan at FoodAg in August 2024 and other occasions will help reduce regulatory barriers in the export of chillies.

2.1.5. Fresh Fruits:

2.1.5.1. *Justification*

Malaysia is an upper middle-income country with growing per capita income that has led to the rise of standards of food and nutrition of its population. Moreover, Malaysia has tropical weather. Hence, except for the fruit grown in tropical regions (durian-Malaysia's local fruit, coconut and pineapple), Malaysia meets the domestic demand of other fruits through imports. The fruits imported by Malaysia includes mangoes, apple, bananas, citrus, berries, grapes, melon, plums etc. The average volume per person in the Fresh Fruits market is expected to amount to 29.7kg in 2024. The total import value in Malaysian fruit market is projected to amount to US$0.8bn in 2024. The Fresh Fruits market is expected to show a volume growth of 5.1% in 2025. This volume is expected to amount to 1,257.00m kg by 2029. The total import value in Malaysian fruit market is projected to amount to US$0.8bn in 2024. In the Fresh Fruits market, volume is expected to amount to 1,257.00m kg by 2029. The Malaysian market offers a very good price of fruits; hence the profit margins are reasonable. As regards mangoes, the competitors are Thailand and India. Apples and Kiwis are sourced mostly from New Zealand. China and Egypt dominate citrus market in Malaysia. Where-as, the value of imports of commodity group 0810 "Other fruit, fresh" comprising of fresh fruit, kiwi fruit, strawberries, cranberries, bilberries, Raspberries, blackberries, mulberries & loganberries by Malaysia was $ 104 million in 2023. Pakistan can increase its share in Malaysian market of mangoes and citrus as well as in the category of other fruits, by adopting a well thought out strategy given below.

Top trading partners (import of "Other fruit, fresh") of Malaysia in 2023:

- Thailand with a share of 36% (38 million US$)
- New Zealand with a share of 11.4% (11.9 million US$)
- China with a share of 9.92% (10.3 million US$)
- Egypt with a share of 5.22% (5.44 million US$)
- USA with a share of 5.1% (5.32 million US$)
- Australia with a share of 4.9% (5.11 million US$)
- South Africa with a share of 4.83% (5.04 million US$)
- Korea with a share of 4.66% (4.86 million US$)
- Zimbabwe with a share of 2.35% (2.45 million US$)
- Vietnam with a share of 2.33% (2.43 million US$).

2.1.5.2. *Strategy*

Pakistan can increase its share in Malaysian market of mangoes and citrus as well as in the category of other fruits, by adopting a well thought out strategy given below.

i. Promotional activities like mango, citrus and other fruits festival to introduce fruits like peaches, plums, apricots, and apples.

ii. Malaysian hypermarkets and companies dealing in fruits to attend FoodAg 2024.

iii. All fruits exporters need to get phytosanitary as well as fitness certifications from Malaysian authorities like Plant Quarantine Department, Ministry of Agriculture and MAQIS. The engagement of these regulatory bodies with Plant Protection Department Pakistan and our growers and exporters at FoodAg 2024 will also help increase our exports through exchange of relevant information by both sides.

iv. Pakistani companies to exhibit their products in MIHAS (September 2024) and Asia Smart Farming (October 2024).

Other fresh vegetables which have scope in Malaysian market include cucumbers, cabbage, cauliflower and eggplant. Strategy B2B connections between both sides.

2.2. Agro Based Value-Added Product

Justification

Pakistan need to diversify its export basket and move towards agro-based value-added exports in order to increase the dollar value of its exports and to decrease trade deficit. Moreover. Malaysia is importing agro-based value-added products from countries like India and Bangladesh. Pakistan, being also rich in agro raw materials, should focus on increasing its value-added exports in this sector. One of the reasons for increase in imports of frozen vegetables is the trend of export of frozen vegetables by Malaysian companies to other regional markets like Indonesia, Thailand and Singapore.

2.2.1. Frozen Vegetables:

2.2.1.1. *Justification:*

Malaysian lifestyle has improved over time and the number of working women has increased considerably in Malaysia who prefer ready to cook food including frozen vegetables.

Pakistan should focus the export of frozen vegetables as it has more shelf life and less chances of rotting during transportation. Frozen vegetables include frozen (potato) fries, frozen corn, frozen peas, mix frozen vegetables.

In 2022, Malaysia imported $138M in Other Frozen Vegetables, becoming the 17th largest importer of Other Frozen Vegetables in the world. Malaysia imports Other Frozen Vegetables primarily from: United States ($66.5M), Belgium ($28.6M), Netherlands ($17.9M), Germany ($5.68M), and China ($5.51M).

Only in one month of April 2024, the Malaysia's imports of Other Frozen Vegetables imports stood at MYR76M. These were imported from United States (MYR18.7M), India (MYR15.3M), Netherlands (MYR13.8M), Belgium (MYR10.2M), and China (MYR9.2M).

2.2.1.2. *Strategy*

i. Efforts required by Pakistani companies having the potential to export frozen vegetables to approach Malaysian importers/buyers and be consistent in creating credible and trustworthy relationship with them.

ii. Investing in new technology regarding the processes involved in frozen vegetables packing and export.

iii. Enhancement of facility/ availability of more options of refrigerated containerized cargo transportation to Pakistani exporters.

iv. B2B connections and exchange of delegation between both sides in FooadAg in Pakistan and ASF in Malaysia.

2.2.2. Jam & Jellies/Spreads:

2.2.2.1. *Justification:*

• Malaysia jam, jelly and preserves market is expected to grow at a CAGR of 5.9% during the forecast period 2020-2026. Growing health consciousness among consumers coupled with increasing demand for natural ingredients are some of the major factors driving the growth of this market. Increasing consumption of convenience food products is also driving the growth in demand for jams, jellies and preserves in Malaysia.

• Additionally, rising demand from international markets has further fueled the growth of this industry in Malaysia. There is an increased preference towards premium quality products which led to an increase in manufacturing activities and product launches by domestic players operating in this sector. The country enjoys a huge variety ranging from traditional gourmet jams & jellies to exotic specialties such as herbal mixtures or vitamin enriched varieties, therefore, providing ample opportunities for manufacturers targeting both local and foreign customers alike.

The value of imports of commodity group 2007 "Jams, fruit jellies, marmalades, fruit or nut puree and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter." to Malaysia stood at $ 29 million in 2023.

Top trading partners of Malaysia in import of this group in 2023:

- China with a share of 10.5% (3.14 million US$)
- France with a share of 9.33% (2.78 million US$)
- Thailand with a share of 8.75% (2.61 million US$)
- Other Asia, nes with a share of 7.2% (2.15 million US$)
- Philippines with a share of 6.26% (1.86 million US$)
- Belgium with a share of 5.24% (1.56 million US$)
- Spain with a share of 4.71% (1.4 million US$)
- Vietnam with a share of 4.65% (1.39 million US$)
- Germany with a share of 4.64% (1.38 million US$)
- Italy with a share of 4.61% (1.37 million US$)

Imports structure of 2007 - Jams, fruit jellies, marmalades, fruit or nut puree and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter. - to Malaysia in 2023 represented by the following main commodity groups:

- 88% (26 million US$): 200799 - Jams, fruit jellies, marmalades, purees and pastes; of fruit or nuts (peanut buttere) n.e.c. in heading no. 2007, cooked preparations (excluding homogenised), whether or not containing added sugar or other sweetening matter
- 8.28% (2.47 million US$): 200710 - Homogenised preparations of fruits/nuts, obtained. by cooking, whether or not contain added sugar/other sweetening matter
- 2.95% (882 thousand US$): 200791 - Citrus fruit preparations (excl. homogenized), obtained by cooking, whether or not contain added sugar/other sweetening matter.

2.2.2.2. *Strategy*

i. Facilitation in B2B connections.

ii. Potential buyers in Malaysia to attend FoodAg in August 2024.

iii. Participation by our companies in MIHAS in September 2024 and ASF in October 2024.

iv. Our companies to market their products in hypermarkets, sending free samples etc.

2.2.3. Fruit Juices

2.2.3.1. *Justification:*

In 2022, Malaysia imported $134M in Fruit Juice, becoming the 21st largest importer of Fruit Juice in the world. Malaysia imports Fruit Juice primarily from: China ($87.1M), Thailand ($7.95M), United States ($7.27M), Netherlands ($6.28M), and Singapore ($3.48M). The Juices market in Malaysia is projected to grow by 5.12% (2024-2028) resulting in a market volume of US$556.7m in 2028. The Juices market in Malaysia is projected to grow by 5.12% (2024-2028) resulting in a market volume of US$556.7m in 2028. Malaysia imports fruit juice primarily from: China ($ 87.1 M), Thailand ($ 7.95M), United States ($ 7.27M).

2.2.3.2. *Strategy*

i. Pak Trade Mission in Malaysia to bring potential importers/buyers to the Flagshipevent of TDAP (EHCS) for B2B meetings with Fruit Juices industry stakeholders.

ii. Pak Mission in Malaysia to disseminate promotional materials relating to Fruit Juices Industry characteristics i.e., brochures, Pamphlets at the business market places across Malaysian to help attract Malaysian customers.

iii. Participation in International Exhibitions/Trade Fairs such as Food & Drinks

Malaysia by Sial in 2025 and MIFB: Malaysian International Food & Beverage Trade Fair.

iv. To encourage participation of Fruit juices buyers in the next edition of TDAP Flagship event i.e. FoodAg 2024.

v. In collaboration with TIOs, organizing awareness sessions i.e., webinars in connection with market dynamics, market potential & regulations/certifications regarding Malaysia Fruit Juices market.

vi. To organize B2B meetings amongst stakeholders at both sides.

2.2.4. Gelatin

2.2.4.1. *Justification:*

Gelatine imports shipments in Malaysia stood at 1.2K, imported by 126 Malaysia Importers from 61 Suppliers. Malaysia imports most of its Gelatine from India, Pakistan, Bangladesh and Indonesia.

In April 2024 Malaysia's Gelatin exports accounted up to MYR8 and imports accounted up to MYR5.89M, resulting in a negative trade balance of MYR5.89M. Between January 2023 and April 2024 the exports of Malaysia's Gelatin have decreased by MYR-33.2k (-100%) from MYR33.2k to MYR8, while imports decreased by MYR-1.11M (-15.8%) from MYR7M to MYR5.89M.

In 2022, Malaysia imported $9.91M in Gelatin, becoming the 42nd largest importer of Gelatin in the world. At the same year, Gelatin was the 826th most imported product in Malaysia. Malaysia imports Gelatin primarily from: Pakistan ($3.01M), China ($1.97M), France ($1.83M), Bangladesh ($1.13M), and India ($1.08M).

2.2.4.2. *Strategy*

Following strategy to be adopted,

i. Currently only one gelatin manufacturing company is halal certified by Malaysian authorities. More gelatin manufacturing companies to get halal certifications by Malaysian authorities (Department of Veterinary Sciences DVS and JAKIM-Halal Authority of Malaysia) in the upcoming visit of their technical team to Pakistan. Actions to be taken in collaboration by: TIC, TDAP (AGRO-Wing), Animal Quarantine Department, Gelatin Manufacturers.

ii. B2B (zoom and physical) meetings between gelatin manufacturers: Action required by TIC after the halal certifications of five other gelatin manufacturing companies by Malaysian authorities in their upcoming visit.

iii. Participation of Linear Pak (our gelatin manufacturing company having halal certification by Malaysian authorities) in MIHAS going to be held this year on 17-20 September 2024 and participation of gelatin manufacturing companies in MIHAS-25.

2.3. Textile Sector:

2.3.1. Apparel

2.3.1.1. Justification:

In April 2024 Malaysia's Textiles exports accounted up to MYR1.15B and imports accounted up to MYR1.51B, resulting in a negative trade balance of MYR360M. Between April 2023 and April 2024 the exports of Malaysia's Textiles have increased by MYR191M (20%) from MYR954M to MYR1.15B, while imports increased by MYR301M (25%) from MYR1.2B to MYR1.51B. In 2023, leading companies such as H&M Clothing (24), Kontoor Brands (12), and Nike (9) were at the forefront of shipping Textiles from Malaysia to the United States. In 2022, Malaysia imports Textiles primarily from: China ($5.18B), Singapore ($354M), India ($272M), Vietnam ($264M), and Indonesia ($243M).

2.3.1.2. Strategy

i. Dresses should be customised according to malay traditions such as men may opt to wear the Pending and Baju Sikap in order to complete the Malay "suit six". On the other hand, Malay women wear the Baju Kurung. Baju Kurung is a knee-length blouse worn over a long skirt, known as sarong.

ii. Rise of E-commerce giants: Lazada and Shopee are dominating the Southeast Asian market, posing tough competition for Amazon, these two options are avaliable for companies to choose in order to sell their online products.

ix. In April 2024 Malaysia's Textiles exports accounted up to MYR1.15B and imports accounted up to MYR1.51B, resulting in a negative trade balance of MYR360M. Between April 2023 and April 2024 the exports of Malaysia's Textiles have increased by MYR191M (20%) from MYR954M to MYR1.15B, while imports increased by MYR301M (25%) from MYR1.2B to MYR1.51B. Malaysia imports Textiles primarily from: China ($5.18B), Singapore ($354M), India ($272M), Vietnam ($264M), and Indonesia ($243M). The fastest growing import markets in Textiles for Malaysia between 2021 and 2022 were China ($928M), Singapore ($142M), and Australia ($97.4M).

x. The value of imports of commodity group 5903 "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02" to Malaysia totalled $ 45 million in 2023. Sales of commodity group 5903 to Malaysia went up by 7.9% compared to 2022: imports of commodity group 5903 "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02" went up by $ 3.31 million (the value of imports of commodity group 5903 to Malaysia was equal to $41 million in 2022).

Top trading partners (import of "Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02") of Malaysia in 2023:

- China with a share of 63% (28 million US$)
- USA with a share of 5.98% (2.7 million US$)
- Korea with a share of 5.55% (2.51 million US$)
- Thailand with a share of 5.25% (2.37 million US$)
- Vietnam with a share of 3.49% (1.58 million US$)
- Singapore with a share of 2.88% (1.3 million US$)
- Japan with a share of 2.61% (1.18 million US$)
- Indonesia with a share of 2.53% (1.14 million US$)
- Germany with a share of 1.64% (746 thousand US$)
- Hong Kong with a share of 1.46% (664 thousand US$)

Imports structure of 5903 - Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02 - to Malaysia in 2023 represented by the following main commodity groups:

- 39% (17.7 million US$): 590310 - Textile fabrics impregnated/coated/covered/laminated with poly (vinyl chloride) other than of 59.02
- 37% (16.9 million US$): 590390 - Textile fabrics impregnated/coated/covered/laminated with plastics other than of 59.02 (excl. of 5903.10 & 5903.20)
- 23% (10.5 million US$): 590320 - Textile fabrics impregnated/coated/covered/laminated with polyurethane other than of 59.02

Keeping in view the above factors, following strategies to be adopted:

i. Trade Delegations (Incoming & Outgoing): Organize targeted trade delegations, both incoming and outgoing as a follow up measure after the single country exhibition.

ii. Establishment of Liaison Offices: Pakistani apparel and home textiles brands should be encouraged to establish their liaison offices and stores in Malaysia for direct contacting andreaching out the potential buyers.

iii. Establishment of Warehouses: TDAP proposes to encourage Pakistani apparel and home textiles brands to discuss and submit their proposals for establishing warehousesfacility in Malaysia in consultation with our Trade officers posted in Malaysia.

iv. Bilateral Engagements: Bilateral engagements and meetings between Pakistan's chambers/associations and Malaysia's related trade bodies should be held for increased collaboration.

v. Miscellaneous:

- Apparel & Textile Exhibition Malaysia (7-10th August 2024) will be included as part of TDAP's Annual Business Plan 2025-26. We can market this event and ensure maximum participation of Pakistani exporters. Pakistan Trade Mission, KLis required to arrange effective B2B Session of Pakistani Exporters with Sourcing Houses and leading importers for export enhancement.
- TDAP, through effective marketing, can ensure the increased and improved participation in Hotel Supply and Hospitality, KL for home textiles. The concerned Trade Officer may be tasked to arrangean effective B2B Sessions for the exporters with the leading buying houses andleading importers.
- The Trade Mission in Malaysia should identify suitable regular exhibitions in Malaysia for the readymade garments sector to be included in TDAP's Annual Business Plan.
- Trade Mission in Malaysia may be engaged to ensure the maximum participation ofthe leading importers and buying houses during our flagship event of Textiles and Leather, TEXPO 2024.

2.3.2. Bed Linen:

2.3.2.1. *Justification:*

In April 2024 Malaysia's Bed linen of cotton exports accounted up to MYR1.39M and imports accounted up to MYR3.46M, resulting in a negative trade balance of MYR2.07M. Between April 2023 and April 2024 the exports of Malaysia's Bed linen of cotton have decreased by MYR-864k (-38.4%) from MYR2.25M to MYR1.39M, while imports decreased by MYR-

2.91M (-45.7%) from MYR6.37M to MYR3.46M.

The value of imports of commodity group 6302 "Bed linen, table linen, toilet linen and kitchen linen" to Malaysia totalled $ 84 million in 2023. Top trading partners (import of "Bed linen, table linen, toilet linen and kitchen linen") of Malaysia in 2023:

- China with a share of 63% (53 million US$)
- Pakistan with a share of 15% (12.7 million US$)
- India with a share of 13% (11 million US$)
- Bangladesh with a share of 2.65% (2.25 million US$)
- Australia with a share of 1.34% (1.14 million US$)
- Turkey - 670 thousand US$
- Singapore - 562 thousand US$
- Japan - 366 thousand US$

2.3.2.2. *Strategy*

Following strategy to be adopted,

i. Inviting Malaysian delgates in TEXPO 2024.
ii. Sending delegation and participation in major Malaysia exhibition
iii. Inviting top buyers during FoodAg 2024.
iv. Customization by Pakistani exporter.

2.4. Pharmaceuticals

2.4.1. Pharmaceuticals

2.4.1.1. *Justification:*

In 2022, Malaysia imported $2.07B in pharmaceutical products, becoming the 49th largest importer of pharmaceutical products in the world. At the same year, pharmaceutical products were the 23rd most imported product in Malaysia. Malaysia imports pharmaceutical products primarily from: Germany ($332M), Switzerland ($240M), China ($211M), Singapore ($140M), and Belgium ($124M). In 2024, the projected revenue in the pharmaceuticals market in Malaysia is expected to reach US$1,702.00 M.

2.4.1.2. *Strategy:*

i. Engagement with National Pharmaceutical Regulatory Agency (NPRA), Ministry of Health Malaysia by TIOs to register asmany firms as they can with some leniency on procedures if possible.

ii. In collaboration with TIOs, organizing awareness sessions i.e., webinars in connection with market dynamics, market potential & Certifications for exporting to Malaysia market;
iii. To organize B2B meetings at both sides;
iv. Exchange of Incoming/Outgoing Trade delegations.
v. Participation in Southeast Asia Healthcare & Pharma Show, 23rd to 25th April, 2025.
vi. Governmental/DRAP support to SMEs for R&D initiatives, Compliance Certifications and adoption of advanced technology/automation of the industry to improvise competitiveness and raise quality, productivity and volume.
vii. Participation of Malaysian Delegation in Engineering and Healthcare Show, 2025.

2.4.2. Herbal/Nutraceutical

2.4.2.1. *Justification:*

Nutraceutical products are closely related to the herbal industry, which has been identified as a new source of economic growth in 2011 under the agriculture New Key Economic Areas (NKEA). With potential GDP contributions of ranging from RM19 billion to RM28 billion by 2027, the industry offers exciting opportunities for the country. This is illustrated by the increase in natural products registration. According to the National Pharmaceutical Regulatory Agency (NPRA), more than 50 per cent of the total products registered in 2019 were natural products equivalent to 12,139 units. The pharmaceutical industry in Malaysia has also increased its focus towards the production of herbal products such as nutraceutical, health supplements and traditional medicines. The rising cost of modern healthcare has also increased the appeal of the herbal industry as a substitute for conventional health treatments. According to the Overview of the National Traditional and Complementary Medicine (T&CM) Blueprint (2018-2027), this could potentially reduce healthcare costs by RM13 billion by 2027.

2.4.2.2. *Strategy:*

i. Engagement with National Pharmaceutical Regulatory Agency (NPRA).
ii. Understanding the magnitude of the industry’s market potential.
iii. Malaysia's nutritional and food supplement consumption is mainly met by imports, these valuable products can be beneficial to introduce in this market.

2.5. Minerals Products:

2.5.1. Rock Phosphate

2.5.1.1. *Justification:*

In April 2024 Malaysia's Mixed Mineral or Chemical Fertilizers exports accounted up to MYR18.2M and imports accounted up to MYR129M, resulting in a negative trade balance of MYR111M. Between April 2023 and April 2024 the exports of Malaysia's Mixed Mineral or Chemical Fertilizers have increased by MYR7.07M (63.6%) from MYR11.1M to MYR18.2M, while imports increased by MYR52.2M (68%) from MYR76.7M to MYR129M.

2.5.1.2. *Strategy:*

i. Investment in establishment of rock phosphate industry.
ii. Discouragement of exports of raw rock phosphate and work on value addition.
iii. It is widely used in Malaysia with fertilizer to give nutrients to make plants stronger and healthier.
iv. Use of phosphate rocks for sweet corn production on a Malaysian Ultisol.

2.5.2. Lithium

2.5.2.1. *Justification:*

The value of imports of commodity group 8506 "Primary cells and primary batteries." to Malaysia totalled $ 592 million in 2023. Sales of commodity group 8506 to Malaysia decreased by 13.6% in value terms compared to 2022. imports of commodity group 8506 "Primary cells and primary batteries." decreased by $ 93 million (the value of imports of commodity group 8506 to Malaysia was equal to $685 million in 2022)

Imports of commodity group 8506 "Primary cells and primary batteries." accounted for 0.222% of total import flow to Malaysia (in 2023, total imports to Malaysia amounted to $ 265 billion). The share of commodity group 8506 in total imports to Malaysia decreased by 0.01 p.p. compared to 2022 (it was 0.233% in 2022 and cumulative imports to Malaysia were equal to $ 294 billion).

Top trading partners (import of "Primary cells and primary batteries.") of Malaysia in 2023:

- China with a share of 57% (340 million US$)
- Singapore with a share of 20% (121 million US$)
- USA with a share of 5.52% (32 million US$)
- Other Asia, nes with a share of 3.74% (22 million US$)

- Indonesia with a share of 3.01% (17.8 million US$)
- Japan with a share of 2.17% (12.9 million US$)
- Korea with a share of 2.07% (12.2 million US$)
- Vietnam with a share of 1.71% (10.1 million US$)
- United Kingdom with a share of 1.25% (7.43 million US$)
- Hong Kong - 5.82 million US$

Imports structure of 8506 - Primary cells and primary batteries. - to Malaysia in 2023 represented by the following main commodity groups:

- 37% (222 million US$): 850650 - Primary cells & primary batteries, lithium
- 33% (196 million US$): 850690 - Parts of the primary cells & primary batteries of 85.06
- 18.1% (107 million US$): 850680 - Primary cells & primary batteries n.e.s. in 85.06
- 9.72% (57 million US$): 850610 - Primary cells & primary batteries, manganese dioxide
- 0.97% (5.74 million US$): 850640 - Primary cells & primary batteries, silver oxide
- 0.374% (2.21 million US$): 850660 - Primary cells & primary batteries, air-zinc
- 0% (1.75 thousand US$): 850630 - Primary cells & primary batteries, mercuric oxide

2.5.2.2. *Strategy:*

i. To take benefit as the increasing focus on the development of clean energy and the associated demand for critical materials used in electric vehicles (EVs) have put several Southeast Asian countries in the spotlight.

ii. To harness the true potential of such new trends, Malaysia, in particular, needs to step up its game by moving towards the downstream end of the value-added production chain.

iii. Lithium-ion batteries (LIBs) have been widely used in various applications including portable devices, electric vehicles, and large-scale energy storage systems in Malaysia, this can help the figure to export large quantity to Malaysia from Pakistan.

2.6. Chemical Products

2.6.1. Ethanol

2.6.1.1. *Justification:*

Consumption is currently limited to industrial, and beverage uses. As Malaysia lacks raw materials for the production of ethanol, the country is reliant on imports to satisfy its non-fuel demand. The value of imports of commodity group 2207 "Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol or higher; ethyl alcohol and other spirits, denatured, of any strength" to Malaysia totaled $ 11.3 million in 2023.

2.6.1.2. *Strategy:*

i. Investment in establishment of ethanol processing industry

- Discouragement of exports of raw ethanol and work on value addition.
- Management of Malaysia investors through our missions for possible JVs.

ii. Improve Competitiveness:

- Elimination of duties.
- Encourage existing ethanol manufacturers to invest in expanding their production capacity.
- Promote the establishment of new ethanol manufacturing units.

iii. Awareness sessions:

- Awareness sessions/ seminars regarding best mining and processing practices and interventions of government for the sector to be carried out throughout the country.

iv. Market Penetration:

- Participation in Oil & Asia,2024 (25th to 27th September).
- Organization of webinars/ B2B meetings for tapping the untapped potential.

2.7. Surgical Instruments

2.7.1. Surgical Items

2.7.1.1. *Justification:*

Malaysia imports most of its Surgical instruments from India, Pakistan and Bulgaria. The top 3 importers of Surgical instruments are India with 327,113 shipments followed by Vietnam with 44,772 and Netherlands at the 3rd spot with 30,319 shipments. In April 2024 Malaysia's Medical Instruments exports accounted up to MYR1.01B and imports accounted up to MYR488M, resulting in a positive trade balance of MYR524M. Between April 2023 and April 2024 the exports of Malaysia's Medical Instruments have increased by MYR197M (24.2%) from MYR815M to MYR1.01B, while imports increased by MYR107M (28.1%) from MYR381M to MYR488M.

The Malaysia surgical instruments market is estimated to register a CAGR of 4.7% during the forecast period 2020-2026. Several factors such as increasing government initiatives in providing healthcare services, rising prevalence of chronic diseases, and growing geriatric population are driving the growth of the Malaysian surgical instruments market. The number elderly individuals aged above 65 years old is expected to rise from 17.5 million in 2019 to 28 million by 2050 due to declining fertility rates and improved life expectancy over the past few decades leading to an increase in demand for medical devices including surgical instruments for diagnostics and treatments purposes. Additionally, increasing investments by both public & private players into healthcare facilities has created opportunities for various service providers offering high-end products with advanced features which further propels the growth of this sector in Malaysia.

Furthermore, rapid technological advancements coupled with rising awareness about minimally invasive surgeries (MIS) among clinicians have encouraged them to use technologically advanced equipments worldwide which is likely fuel the market growth during forecast period 2020-2026 .For instance, according new research published on 6Wresearch, it stated that robotic surgery technology will get much attention due its higher accuracy rate than conventional endoscopic surgery procedures conducted using laparoscopes or thoracoscopes equipments across globe However ,high cost associated with these equipments can be restraining factor towards this segmental growth.

However, government initiative such as National Strategic Plan 2018-2022 initiated by Ministry Of Health To Improves Quality Of Healthcare Services In Country Under 11th Malaysian Plan (RMK11).This plan focuses on modernizing country`s health care infrastructure through implementation electronic records system , upgrading existing health facility along with introduction of new hospital projects across nation Besides this plan also emphasis on improving accessibility & affordability quality healthcare services particularly rural areas so as achieve universal heath coverage(UHC). For Malaysia Exporters of Surgical Instruments, USA seems to be the most attractive market (in 2028) in terms of export potential followed by Australia, Netherlands, China and Japan.

2.7.1.2. *Strategy:*

i. Engagement with Ministry of Health, Malaysia by TIOs to procure and register the Pakistan's surgical firms to export to that market.
ii. To organize B2B meetings with stakeholders at both sides;
iii. Exchange of Incoming/Outgoing Trade delegations (regulators)
iv. Participation in SEA Healthcare & Pharma Show 2025.

v. Participation of Malaysian Delegation in Engineering and Healthcare Show, 2025.

2.8. Sports Goods

2.8.1. Sports Goods

2.8.1.1. Justification:

In 2022, Malaysia imported $340M in Sports Equipment, mainly from China ($258M), Singapore ($13M), Bangladesh ($12.8M), Japan ($12.7M), and United States ($6.3M). Targets: The Malaysia Sports Equipment and Apparel Market size is expected to grow during 2023-2029.

2.8.1.2. *Strategy:*

i. Participation in International Exhibitions/Trade Fairs. Participation of Pakistan Sports Goods sector in KL Malaysia International Sports & Health Expo being held from 19 21 January 2024.

ii. To encourage participation of Malaysian Sports Goods buyers in the next edition of TDAPFlagship event i.e. Engineering & Healthcare Show 2025.

iii. In collaboration with TIOs, organizing awareness sessions i.e., webinars in connection with market dynamics, market potential & regulations/certifications regarding Malaysia Sports Goods market such as foodball & hockey.

iv. To organize B2B meetings amongst stakeholders at both sides.

v. Exchange of Incoming/Outgoing Trade delegations.

vi. On the basis of distribution channel, the Sports Equipment and Apparel Market in Malaysia is classified into Online as well as Offline. In this one of the most prominent industries, the online segment will account for the more share since people in the country prefer online shopping than conventional ways of shopping.

vii. Based on type of sports, this evolving sector in Malaysia is classified into Outdoor, Bike, Tennis, Running, Fitness, Other Racket Sports, Football/Soccer, and Other Team Sports. In the sector, the ither team sports segment is estimated to evolve in the sector.

viii. Engagements with the Ministry of Youth and Sports in Malaysia.

2.9. Furniture Sector

2.9.1.1. Justification:

Malaysia has market of both traditional wood carving furniture as well as modern western furniture. According to an estimate, Malaysia’s import of furniture, lighting articles and pre-fabricated buildings reached US $ 1.35 billion in 2023. furniture, This is a value added sector and Pakistani side need to focus this sector having potential for growth in future. In Pakistan, raw material (wood) and cheap but highly skilled labour is available which should be utilized to make the local domestic industry into an export-oriented sector.

2.9.1.2. Strategy

1. B2B connections
2. Efforts for joint ventures for toll manufacturing
3. Pakistani companies to participate in exhibitions of furniture and décor in Malaysia.

2.10. Services

2.10.1. Accountancy:

2.10.1.1. Justification:

Accountancy: Since Malaysia has a big business community, there is a demand for accountants. Pakistani accountants provide good quality services with half prices charged by accountants in Malaysia. The regulatory regime is shared below:

Regulatory Regime for Pakistani Chartered Accountants (CAs) in Malaysia

1. Recognition and Certification:
- Regulatory Body: The Malaysian Institute of Accountants (MIA) is the statutory body responsible for regulating the accounting profession in Malaysia.
- Exams and Certification: Pakistani Chartered Accountants (CAs) who wish to practice in Malaysia need to apply for membership with the MIA. The process involves an assessment of qualifications and experience. If the qualifications are deemed equivalent, the applicant may not need to take additional exams. However, if there are gaps, they might be required to pass certain modules of the Malaysian Institute of Certified Public Accountants (MICPA) examinations.
- Visa Category: For working in Malaysia, Pakistani CAs would typically need to apply for an Employment Pass. This visa is for skilled workers in managerial or technical positions.

Common Steps for Foreign CAs to Practice in Malaysia

1. Assessment of Qualifications:
   - Submit academic and professional qualifications for evaluation by MIA.
   - Provide proof of membership with a recognized accounting body in the home country.
2. Examination Requirements:
   - Depending on the assessment, candidates may need to pass specific modules of the MICPA exams.
3. Practical Experience:
   - Submit proof of relevant work experience in the accounting field.
4. Application for Membership:
   - Once the above requirements are fulfilled, apply for membership with MIA.
5. Visa Application:
   - Obtain an Employment Pass to legally work in Malaysia. This typically requires a job offer from a Malaysian employer.

Resources:

- Malaysian Institute of Accountants (MIA): MIA Website: https://www.mia.org.my
-Malaysian Institute of Certified Public Accountants (MICPA):
MICPA Website: https://www.micpa.com.my
-Malaysian Immigration Department: Immigration Department of Malaysia:
https://www.imi.gov.my

2.10.1.2. Strategies:

These steps and requirements can vary, so it is advisable to consult with MIA and the respective visa authorities for the most current and detailed information.

Requirements for Foreign Finance Professionals and Pakistani CAs to Do Internships in Malaysia

1. Eligibility and Internship Placement:
   - Academic Requirements: Candidates typically need to be enrolled in or have completed a degree in accounting, finance, or a related field.
   - Professional Affiliations: Being affiliated with recognized professional bodies, such as the Institute of Chartered Accountants of Pakistan (ICAP), can be beneficial.
   - Internship Placement: Foreign finance professionals and Pakistani CAs need to secure an internship position with a Malaysian firm. This can be done through various job portals, university placements, or direct applications to companies.
2. Visa Requirements:
   - Internship Visa: Interns generally require a Professional Visit Pass (PVP) for internships. This visa allows foreign nationals to work in Malaysia temporarily.
   - Sponsorship: The Malaysian host company must sponsor the visa application, providing necessary documents like an offer letter and proof of internship placement.
   - Documentation: Required documents often include a valid passport, a recent photograph, proof of academic qualifications, a detailed resume, and a letter of recommendation from the home institution or employer.
3. Regulatory Requirements:
   - Malaysian Institute of Accountants (MIA): Interns may need to register with MIA, especially if the internship involves substantial professional accounting work. This ensures compliance with Malaysian accounting standards.
   - Work Permits: Depending on the length and nature of the internship, additional work permits might be necessary.

These requirements ensure that foreign finance professionals and Pakistani CAs can legally and effectively gain valuable experience through internships in Malaysia.

2.10.2. IT Sector:

2.10.2.1. Justification:

We have a youth bulge and an HR with creative minds and command on English. Pakistan is seen as one of the world's largest markets of free lancers. The competitors like India are more expensive option for IT companies across the world. In Malaysia the sub-sectors identified for growth in IT/IP exports are:

- Virtual Reality/Augmented Reality
- Artificial Intelligence/Machine Learning
- Big Data/Analytics
- Cloud Computer
- Cybersecurity
- Drone/Robotics
- Fintech/Agritech/Edutech etc.
- Smart Cities/Smart Healthcare

https://mdec.my/malaysiadigital/tax-incentive

https://www.exabytes.digital/blog/service-tax-digital-service-stods

https://www.pwc.com/my/en/publications/mtb/service-tax.html

Challenges faced by Pakistani IT Professionals and Companies in exporting their services to Malaysia.

1- Malaysia is a fast-moving market when it comes to IT. Not easy to penetrate due to established local presence. It requires time, resources and patience. With no brand recognition and local partners; it is highly unlikely to get business. It is to highlight that the growing Services Sector of Pakistan and scope for enhancing exports from Pakistan's ICT industry, especially Fintech, Block Chain, Robotics, AI, Cloud Computing,, Software Development, Cybersecurity, Cloud Computing, AIand Business Intelligence, EdTech, Health Tech Business Process Outsourcing, Consultancy and Software Development that can claim a significant share in the post-corona marketplace.

3- As regards physical movement of IT professionals, work permits and visas are not smooth. Some improvements have been made for employers; however, the process remains long and expensive. Usually visit visa is applied by IT professionals for short-term assignments and some professional visits too. Employment Pass (EP) is for longer-term employment with Malaysian companies. To hire from outside Malaysia the employer must have FKW quota. It is improved slightly to get the quota now but it still remains a challenge for many companies. So, they prefer to work remotely. Employer (company) should have a large paid-up capital to acquire the quota and issue the visas (RM 500k paid up capital for foreign owned company).

After Employer has the FKW quota and is ready with all legal documents:
1- Employee should secure a job offer from a Malaysian company
2- Employer applies for the Employment Pass on behalf of the employee to the govt.
3- Necessary docs such as employment contract, educational certificates, passport, and a completed application form etc.
4- Application is reviewed and approved by the Immigration
5- When approved, the Employment Pass is issued
The process can take 3 to 6 months.

i. **Strategy**

ii. Inviting big IT companies based in Malaysia on seminar/conference conducted by concerned departments.

iii. Signing Mutual Recognition Agreements (MRAs) under MPCEPA with the relevant authorities in Malaysia for increasing export of professional services. For example, coordination of TIO with MITI for expediting signing MoU with Ministry of Science Technology and Innovation (MOSTI), Malaysia.

iv. Skill trainings to be aligned with the Malaysia vision 2030.

v. Facilitating Soft-landing/Scaling-up of Pakistani IT companies: by organizing their direct meetings with Malaysian authorities, and other support, as requested by the companies.

vi. Facilitating optimal participation of IT companies/ startups/ Thought Leaders in IT related events in Malaysia: to enable joint ventures (JVs), investments, scaling up, and image-lifting.

vii. Sector Specific Engagement with local Stakeholders: to broaden the volume and scope of penetration of Pakistani IT sector in Malaysia market.

viii. Seminars/ Conferences/ Webinars: Organizing B2B networking events, seminars and webinars showcasing potential of Pakistani IT companies to Malaysian entities and opportunities available in Malaysia to Pakistani companies.

ix. For positioning Pakistan's IT landscape on a regional level: by maintaining robust linkage with Digital Cooperation Organization (DCO), and participating actively in its all initiatives.

x. Branding/ Promoting Pakistan's IT prowess through social and mainstream media: through frequent interactions, Ambassador's interviews/ Articles, and publicizing achievements of Pakistan's IT sector.

xi. Establish a bilateral startup exchange program for entrepreneurs to gain international exposure and experience

xii. Create a joint incubator program to foster innovation and provide resources for startups in both countries. Organize startup competitions and platform with incentives for Startups to pitch and focus on collaborative technology solutions on both sides.

xiii. Facilitate investor matchmaking events to connect startups with potential investors from both countries.

xiv. Launch a mentorship program pairing experienced business leaders from Malaysia with emerging startups in Pakistan and vice-versa

xv. Facilitate ICT-focused trade missions between Pakistan and Malaysia to explore business opportunities.

xvi. Organize technology exchange programs to share best practices and innovations (webinars, events, conferences, workshops, etc)

xvii. Create joint venture opportunities for companies in both countries, focusing on areas like software development and IT services.

xviii. Develop training and skill development programs in emerging technologies for Pakistani professionals.

xix. Promote and connect remote-internship opportunities for graduating students to have a flavor of international markets

xx. Lobby for favorable policies that support ICT growth and collaboration between both nations.

xxi. Explore joint private-public partnership projects in areas like digital infrastructure, renewable energy, and smart city development

xxii. Organize bilateral forums to discuss potential PPP opportunities and share best practices.

xxiii. Facilitate partnerships between Pakistani and Malaysian private companies and public entities.

xxiv. Establish a joint advisory committee to oversee and guide PPP initiatives, ensuring alignment with both countries & # 39; strategic interests.

xxv. Aim for research and development collaborations within the framework of PPPs; focusing on technology and innovation.

xxvi. Host an annual Malaysia-Pakistan Tech Summit to showcase innovations and foster direct partnerships among companies and individuals. This should aim for business matchmaking in the tech sector, facilitating B2B connections

xxvii. Launch a & quot; Tech Ambassador & quot; program where leading tech professionals from both countries can engage in promotional and informational activities on both sides

xxviii. Organize hackathons or innovative challenges focused on creating solutions for specific problems pertinent to both countries.

xxix. Facilitate access to private equity and venture capital for tech startups focusing on cross-border collaborations

xxx. Use tech platforms such as meetup or luma (or likes) to bring all members there; publish all events there. So, the community and memberships will grow. Do the same at LinkedIn

xxxi. Malaysia is investing heavily on Data Centres, AI, Semi-conductors, and Deep-Tech. This is great opportunity for Pakistani companies and individuals to increase visibility

2.10.3. Tourism:

2.10.3.1. Justification:

1. Pakistan provides vast tourism opportunities such as adventure, heritage, religious tourism.
2. Tourists visit to Pakistan from Malaysia for the period Jan 2023-Dec 2023 stood at 9,434 whereas tourist from Pakistan to Malaysia for the period Jan 2023-Dec 2023 exceeded 100,000 during previous year.
3. It is suggested that the Malaysian Vloggers should be facilitated in their travel to Pakistan to promote the flow of tourist in collaboration with Pakistan Tourism Development Corporation from Malaysia to Pakistan.
4. Pakistan is a custodian of some of the most sacred Shrines and religious heritages of

Sikh, Buddhist, and Hindu religions and proudly offers a great opportunity for religious tourism to common tourists and religious devotees from across the world. Nankana Sahib (the birthplace of Baba Guru Nanak), Gurdwara Darbar Sahib Kartar Pur, Gurdwara Panja Sahib Hassan Abdal, Qila Katas, and Hinglai Mata Temple, etc. Sikhs, Buddhists and Hindus from within the country and across the world visit these sacred places every year. Buddhist heritage which includes the spectacular Buddhist sites in Swat, Peshawar, and UNESCO World Heritage sites at Taxilla and Takht-e-Bahi, Gandhara.

2.10.3.2. Strategy

1. Most importantly, our tourist resorts and hotels should be listed on international platforms like booking.com, agoda and Air BnB etc.
2. It is suggested that the Malaysian Vloggers should be facilitated in their travel to Pakistan to promote the flow of tourist in collaboration with Pakistan Tourism Development Corporation from Malaysia to Pakistan.
3. Malaysia presents an excellentopportunity to generate inbound tourism to Pakistan given the convenient direct flights between both the countries. However, the tourists in Malaysia remain unaware what Pakistanhave to offer. Therefore, Pakistan should be marketed a top tourist destination in Malaysia by organizing roadshows and participating in tourism fairs.
4. The Malaysian companies be pitched by stakeholders to invest in Pakistan's tourism infrastructure. i.e hotels, resorts and transport system. This would enhance the tourism facilities in Pakistan making it more attractive to Malaysian tourists.
5. Pakistan Tourism Development Corporation (PTDC) in collaboration with TIC may organizecustomized events i.e Jeep rallies, trophy hunting events etc. keeping in view the interest and requirements of the Malaysian tourists.
6. The Malaysian companies be pitched by stakeholders to invest in Pakistan's tourism infrastructure. i.e hotels, resorts and transport system. This would enhance the tourism facilities in Pakistan making it more attractive to Malaysian tourists.
7. Efforts to increase the number and frequency of direct flights to prominent tourist destinati

2.11. Strategy for enhancing exports in medical services: Input of the Mission (KL) for Medical Exports Enhancement:

- It is to mention that the Malaysia Medical Council does not encourage/allow foreigners to get license as medical practitioner. (Though it has been given in some cases where spouse of the foreign national medical practitioner is Malaysian). Malaysian medical Council MMC and PMDC can collaborate to facilitate trade in services in medical field. MOU between regulatory bodies of medical and dental field in both countries to recognize the degrees of practitioners, especially dentists and dermatologists. This recognition may increase the medical tourism from Malaysia to Pakistan.

8. **Conclusion:**

In conclusion, Pakistan's strategic plan to enhance exports to Malaysia through targeted initiatives across the sectors identified in this report, is poised to yield substantial benefits. By capitalizing on Malaysia's economic diversification and leveraging sector-specific strategies for market penetration, product diversification and value addition; Pakistan aims to meet export targets of 20% Year on Year basis increase- to be monitored on quarterly, six monthly and annually.

Date Sources:

- Reports from the Trade Development Authority (TDAP)
- Trending Economy: https://tradingeconomics.com/
- Trade Analytics (Portal)
- The Observatory of Economic Complexity: https://oec.world/en
- Malaysia Investment Development Authority: https://www.mida.gov.my/

Malaysia External Trade Development Corporation: https://www.matrade.gov.my/en/open-data