

Introduction:

Malaysia, a country located in Southeast Asia. There are two distinct parts to this country being Peninsular Malaysia to the west and East Malaysia to the east. Peninsula bordering Thailand and northern one-third of the island of Borneo, bordering Indonesia, Brunei, and the South China Sea, south of Vietnam. During the late 18th and 19th centuries, Great Britain established colonies and protectorates in the area of current Malaysia; these were occupied by Japan from 1942 to 1945. In 1948, the British-ruled territories on the Malay Peninsula except Singapore formed the Federation of Malaya, which became independent in 1957. Malaysia was formed in 1963 when the former British colonies of Singapore, as well as Sabah and Sarawak on the northern coast of Borneo, joined the Federation. The first several years of the country's independence were marred by a communist insurgency, Indonesian confrontation with Malaysia, Philippine claims to Sabah, and Singapore's withdrawal in 1965.



Note: Representative map

Population

The total population of Malaysia during 2015 was estimated to be 30,513,848. Malaysians are the people who are identified with the country of Malaysia. This connection may be residential, legal, historical, or cultural. For most Malaysians, several (frequently all) of those types of connections exist and are the source(s) of their being considered Malaysians. Although citizens make up the majority of Malaysians, non-citizen residents and overseas Malaysians may also claim a Malaysian identity.

The country is home to people of many different kinds of national origins and ethnicities. As a result, Malaysians do not equate their nationality with ethnicity, but with citizenship and allegiance. The majority of the population in Malaysian soil is made up of immigrants and their descendants. Following the initial period of Portuguese, Dutch and then the much larger British colonisation, different waves (or peaks) of immigration and settlement of non-aboriginal peoples took place over the course of nearly five centuries and continue today.

Economy

Malaysia, a middle-income country, has transformed itself since the 1970s from a producer of raw materials into an emerging multi-sector economy. Under current Prime Minister NAJIB, Malaysia is attempting to achieve high-income status by 2020 and to move farther up the value-added production chain by attracting investments in Islamic finance, high technology industries, biotechnology, and services. NAJIB's Economic Transformation Program (ETP) is a series of projects and policy measures intended to accelerate the country's economic growth. The government has also taken steps to liberalize some services sub-sectors. Malaysia is vulnerable to a fall in world commodity prices or a general slowdown in global economic activity.

The NAJIB administration is continuing efforts to boost domestic demand and reduce the economy's dependence on exports. Nevertheless, exports - particularly of electronics, oil and gas, palm oil and rubber - remain a significant driver of the economy. Gross exports of goods and services constitute more than 80% of GDP. The oil and gas sector supplied about 29% of government revenue in 2014. As an oil and gas exporter, Malaysia has previously profited from higher world energy prices, although the rising cost of domestic gasoline and diesel fuel, combined with sustained budget deficits, has forced Kuala Lumpur to begin to address fiscal shortfalls, through initial reductions in energy and sugar subsidies and the announcement of the 2015 implementation of a 6% goods and services tax. Falling global oil prices in the second half of 2014 have strained government finances, shrunk Malaysia's current account surplus and put downward pressure on the ringgit. The government is trying to lessen its dependence on state oil producer Petronas.

Key Economic Indicators of Malaysia during 2015

GDP	
PPP	\$813.5 billion
Real growth rate	4.7%
Per capita	\$26,600
Composition	agriculture: 8.9%, industry: 35%, services: 56.1%
International Trade	
Export	\$203.8 billion
Major Export Item	semiconductors and electronic equipment, palm oil, petroleum and liquefied natural gas, wood and wood products, palm oil, rubber, textiles, chemicals, solar panels
Major Export partner	Singapore 14.2%, China 12%, Japan 10.8%, US 8.4%, Thailand 5.3%, Hong Kong 4.8%, Australia 4.3%, India 4.2%, Indonesia 4.2%
Import	\$174.7 billion
Major Import Items	electronics, machinery, petroleum products, plastics, vehicles, iron and steel products, chemicals
Major Import partner	China 16.9%, Singapore 12.6%, Japan 8%, US 7.7%, Thailand 5.8%, South Korea 4.6%, Indonesia 4.1%

Source: CIA Fact book

Malaysia has a very strong domestic as well as external sector. Malaysia is world leader in gross value of agricultural output; palm oil, rubber, cocoa, rice; Sabah - palm oil, subsistence crops; rubber, timber; Sarawak - palm oil, rubber, timber; pepper . Similar to Agricultural sector manufacturing sector has also established itself in the world market. The major industrial output are rubber and oil palm processing and manufacturing, petroleum and natural gas, light manufacturing, pharmaceuticals, medical technology, electronics and semiconductors, timber processing; Sabah - logging, petroleum and natural gas production.

India is also a major trading partner of Malaysia. India exported USD 5,816.55 Million of goods to Malaysia during 2014-15 while imported USD 11,117.74 Million during the same time period. The value of Indian handicrafts export to Malaysia was USD 54.05 Million in 2014-2015 which 0.92 was percent share of the export to Malaysia.

INDIA'S EXPORTS OF HANDICRAFTS TO MALAYSIA (2013-2015)

US \$ MILLION

Sl. no	Items	2013-2014	2014-15	Growth rate
1.	ARTMETALWARES	10.39	15.30	47.3
2.	WOODWARES	2.51	2.68	6.8
3.	HAND PRINTED TEXTILES & SCARVES	2.90	2.58	-11.0
4.	HAND KNITTED AND CROCHETTED GOODS	1.15	0.81	-29.6
5.	SHAWLS AS ARTWARE	0.00	0.00	
6.	ZARI & ZARI GOODS	0.00	0.00	
7.	IMITATION JEWELLERY	18.33	22.10	20.6
8.	MISCELLANEOUS HANDICRAFTS	8.75	10.57	20.8
	Total	44.03	54.05	22.8

Source- DGCI&S Kolkata

Trade Policy¹:

The direction of Malaysia's trade policy remains focused on ensuring that Malaysia becomes a self-reliant and industrialized nation by 2020. Emphasis is, inter alia, being placed on integrating Malaysian companies into global value chains and developing commercial ties with new markets. There have been no changes to the institutions responsible for trade policy formulation since 2010. Various new trade-related laws have entered into force: the Quarantine and Inspection Services Act, the Strategic Trade Act, the Competition Act and the Price Control and Anti-Profiteering Act.

Malaysia continues to negotiate new regional trade agreements (RTAs) both bilaterally and together with its ASEAN partners. Seven new RTAs entered into force for Malaysia during the review period. Three are ASEAN RTAs with third countries (Australia and New Zealand, India, and Korea), and four are bilateral agreements (with Chile, India, New Zealand, and Australia). Malaysia has signed and ratified the Trade Preferential System of the Organization of the Islamic Conference (TPS-OIC) and the Developing Eight Preferential Tariff Arrangement (D8-PTA); these are expected to enter into force imminently. Malaysia is in the process of negotiating RTAs with Turkey, the European Union, and the European Free Trade Association. It is a participant in the Trans-Pacific Partnership (TPP) negotiations as well as in the ASEAN Regional Economic Partnership (RCEP) negotiations.

The tariff remains one of the main trade policy instruments, albeit a minor source of tax revenue (1.3% of total tax revenue in 2012). Following the adoption of the HS 2012 tariff nomenclature, Malaysia's customs tariff was streamlined by reducing the number of its tariff lines (by 9.3%). The tariff involves a multiplicity of rates (19 ad valorem, 19 specific, 11

¹ Available at : https://www.wto.org/english/tratop_e/tpr_e/s292_sum_e.pdf

compound, 2 alternate duties), whose number remains virtually unchanged since 2009. As a result of unilateral tariff cuts during the period under review the average applied MFN tariff rate dropped from 7.4% in 2009 to 5.6% (2013). Tariff dispersion was reduced, though tariff escalation remains pronounced. Tariff rates continue to range from zero to 90%, although non-ad valorem tariffs tend to conceal much higher peak rates; 80% of rates were 10% or below in 2013. While more than 80% of tariff rates are bound, the average gap appears to have risen to at least 10 percentage points between applied and bound MFN rates, thus allowing considerable leeway for raising applied tariffs, though this does not seem to have occurred during the period under review. The gap between the simple average applied MFN tariff rate and the average preferential rate on imports from different preferential or FTA trading partners was also reduced.

FACT SHEET: COUNTRY INFORMATION AT-A-GLANCE

Malaysia		
S.No.	ITEMS	DETAILS
1	LOCATION OF COUNTRY	Malaysia, a country located in Southeast Asia. There are two distinct parts to this country being Peninsular Malaysia to the west and East Malaysia to the east
2	GOVERNMENT & ADMINISTRATION	constitutional monarchy
3	HEAD OF THE GOVERNMENT	Mr. Najib Razak Prime Minister
3	CAPITAL OF THE COUNTRY	Kuala Lumpur
4	CLIMATE AND TEMPERATURE	tropical; annual southwest (April to October) and northeast (October to February) monsoons
5	TIME AND TIME DIFFERENCE FROM INDIA	UTC+8
6	ECONOMIC REGION/ZONE	South East Asia
7	NEIGHBOURING COUNTRIES	bordering Indonesia, Brunei, and the South China Sea, south of Vietnam
8	AREA COVERED	329,847 sq km
9	OFFICIAL LANGUAGE	Chinese
10	LANGUAGE SPOKEN	Mongolian, Tibetan, Uyghur, Zhuang
11	POPULATION	30,513,848
12	MAJOR RELIGION	Muslim (official) 61.3%, Buddhist 19.8%, Christian 9.2%, Hindu 6.3%, Confucianism, Taoism, other traditional Chinese religions 1.3%, other 0.4%, none 0.8%, unspecified 1%
13	ELECTRICITY SUPPLY SYSTEM-VOLTAGE	220V, 50HZ
14	TRANSPORT SYSTEM	Malaysia's road network covers 144,403 kilometres (89,728 mi), of which 116,169 kilometres (72,184 mi) is paved, and 1,821 kilometres (1,132 mi) is expressways.[1] The longest highway of the country, the North-South Expressway, extends over 800 kilometres (497 mi) between the Thai border and Singapore. The road systems in Sabah and Sarawak are less developed and of lower quality in comparison to that of Peninsular

		<p>Malaysia</p> <p>The railway system is state-run, and covers a total of 1,849 kilometres (1,149 mi). Most of the railway lines are consisted of ballasted setup, along with concrete sleepers, which serves better in wet and humid tropical condition, compared to wooden sleepers which can rot over time. As early as 1980s, due to the need for local suppliers of such products, a few local Malaysian rail manufacturing companies had been formed by collaboration with foreign technology partners.</p> <p>1,792 kilometres (1,113 mi) of it is narrow gauge, while 57 kilometres (35 mi) is standard gauge. 767 kilometres (477 mi) of narrow gauge tracks and all of the standard gauge tracks are electrified. Intra-city travel is through relatively inexpensive elevated Light Rail Transit systems and KTM Komuter is used in some cities, such as Kuala Lumpur. Currently, Malaysia is extending the existing LRT line and work on new LRT and Mass Rapid Transit (MRT) lines already started.</p> <p>Malaysia has 118 airports, of which 38 are paved. The national airline is Malaysia Airlines, providing international and domestic air services. Major international routes and domestic routes crossing between West Malaysia and East Malaysia are served by Malaysia Airlines, AirAsia and Malindo Air while smaller domestic routes are supplemented by smaller airlines like MASwings, Firefly and Berjaya. Major cargo airlines include MASkargo and Transmile Air Services. Kuala Lumpur International Airport is the main and busiest airport of Malaysia. In 2014, it was the world's 13th busiest airport by international passenger traffic, recording over 25.4 million international passenger traffic. It was also the world's 20th busiest airport by passenger traffic, recording over 48.9 million passengers.</p>
--	--	--

15	AIRPORTS AND PORTS	<p>Airports: Sultan Abdul Halim Airport Penang International Airport Kluang Airport Subang International Airport Kuala Lumpur International Airport</p> <p>Major seaport (s): Penang, Port Klang, Kuantan, Kuching and Kota Kinabalu.</p>
16	MAJOR STATES	Kuala Lumpur, Victoria, Putrajaya, Johor Bahru, Malacca
17	BUSINESS CITIES	Penang, Kuala Lumpur
18	GDP PER CAPITA	\$26,600
19	CURRENCY	ringgits (MYR)
20	EXCHANGE RATE (USD/ARP)	3.902 ringgits per US \$ (As on March 2016)
21	ECONOMY - GENERAL	<p>Malaysia, a middle-income country, has transformed itself since the 1970s from a producer of raw materials into an emerging multi-sector economy. The govt. is continuously making efforts to boost domestic demand and reduce the economy's dependence on exports. Nevertheless, exports - particularly of electronics, oil and gas, palm oil and rubber - remain a significant driver of the economy. Gross exports of goods and services constitute more than 80% of GDP.</p>
22	LABOUR FORCE	14.3 million
23	MEDIA - PRESS, TV AND OTHER SYSTEM	<p>• Newspaper: The Borneo Post , The Edge The Daily Express, Malaysian Today</p> <p>TV: TV1, NTV7, Astro Ria, Sun TV</p> <p>Radio: Astro Radio Sabah, AMP Radio Networks, RTM, BFM Media</p>
24	INDUSTRY ASSOCIATION AND CHAMBER OF COMMERCE	<p>National Chamber of Commerce and Industry of Malaysia Jalan Khidmat Usaha Off Jalan Duta, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia Phone: +60 3-6204 9811 Email: enquiry@nccim.org.my www.nccim.org.my</p> <p>Malaysian International Chamber of</p>

		<p>Commerce and Industry C-8-8 Block C, Plaza Mont'Kiara, 2 Jalan Kiara, Mont' Kiara, Kuala Lumpur, 50480, Kuala Lumpur, WP Kuala Lumpur, Malaysia Phone:+60 3-6201 7708, email: micci@micci.com www.micci.com</p> <p>Malaysia External Trade Development Corporation Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, Malaysia Tel: 603-6207 7077 Fax: 603-6203 7037 Email: info@matrade.gov.my http://www.matrade.gov.my</p>
25	BANKS	Affin Bank Berhad Alliance Bank Malaysia Berhad Malayan Banking Berhad CIMB Bank Berhad
26	BANNED ITEMS	Stunning devices Explosives and incendiary substances Flammable items
27	HOLIDAYS - NATIONAL/PUBLIC	Independence Day 31 August Malaysia Day 16 September
28	High Commission of Malaysia in India	Datuk Naimun Ashakli Bin Mohammad High Commissioner 50-M,SatyaMarg, Chanakyapuri Telephone: +91-11-24159300, 24159310,24159311 and 2415931 Fax:+91-11-26881538 Email: mwdelhi@kln.gov.my
29	High Commission of India in Malaysia	Shri T.S. Tirumurti High Commissioner 28, 1, Jalan Mon't Kiara, Mont Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia Email: ca@indianhighcommission.com.my
30	TRAVEL INFORMATION	Tourism Malaysia www.tourism.gov.my
31	PLACES OF TOUISTS INTEREST	Cameron Highlands, Taman Negara, Pulau Tioman, Petronas Twin Towers, Perhentian Islands,
32	TRADE FAIRS AND EXHIBITIONS HELD RELATED TO HANDICRAFTS	Global Indian festival, 1-5 June, Malaysia Homedec - Penang 08.04 - 10.04 2016 Malaysia International Jewellery Festival 22.04 - 25.04 2016

Tariff applicable in Malaysia in 2015

ITC HS Code	Description	Malaysia	
		MFN rate	Preferential rate
330190	ATTARS OF ALL KINDS IN FIXED OIL BASE	0	
330741	AGARBATTI" & OTHR ODORIFEROUS PRPNS WHICH OPERATE BY BURNING	0	
330749	OTHER ODORIFEROUS PRPNS USD FOR DEODORIZING ROOM (EXCL AGARBATTI)	0	
340600	CANDLES	15	10
392310	WATCHBOX JEWELLERY BOX AND SIMILAR CONTAINER OF PLASTICS	20	15
441400	WOODEN FRAMES FOR PAINTING, PHOTOGRAPHS, MIRRORS OR SIMILAR OBJECTS		
441900	TABLEWARE		
442010	STATUTES & OTHER ORNAMENTS OF WOOD	20	7
442090	WOOD MARQUETRY & INLAID WOOD	13.75	4.88
442190	PARTS OF DOMESTIC DECORATIVE ARTICLES USED AS TABLEWARE & KITCHENWARE	11.36	4.36
460120	COIR MATS & MATTING BOUND IN PARALLEL STAND		
460199	PLNTS & SMLR PRDCTS OF PLATNG MATRLS PLATS& SMLR PRODCTS PLACD SIDE BY SIDE & BOUND TOGETHER IN FORM OF SHEETS (E.G.MATS ETC)		
460219	PALM LEAF BASKET ETC	20	7.33
460211	BASKETWORK, WICKERWORK AND OTHER ARTICLES, OF BAMBOO.		
460212	BASKETWORK, WICKERWORK AND OTHER ARTICLES, OF RATTAN.		
630491	OTHER - FURNISHING ARTICLES, KNITTED/CROCHETED	0	
630790	DRESS MATERIAL HANDPRINTED OF SILK	10	5
650400	HATS & OTHR HEADGEAR PLTD/MADE BY ASSMBLNG STRIPS OF ANY MATRLS W/N LIND/TRMMD	0	
650590	OTHER HEADGEAR, HATS, KNITTED / CROCHETED MADE UP FROM LACES ETC W/N LIND/TRMMD		
660200	WALKING STICKS, SEAT STICKS, WHIPS, RIDING CROPS, AND THE LIKE	0	
670100	FEATHERS DUSTERS		
670290	ARTIFICIAL FLOWERS ETC OF OTHER MATERIALS	11.67	6.33

681599	OTHERS-OTHER ARTCLS OF STONES/OTHR MINRLS	0	
691190	OTHERS -WATER FILTERS OF A CAPACITY NOT EXCEEDING 40 LTRS. OF PORCELAIN	30	25
701328	OTHER - GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)		
701333	OF LEAD CRYSTAL		
701337	OTHERS -GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)		
701341	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)		
701349	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	30	15
701391	OF LEAD CRYSTAL		
711711	CUFFLINGS AND STUDS	0	
711719	BANGLES	0	
711790	JEWELLERY STUDDED WITH IMITATION PERALS OR IMITATION OR SYN. STONES	0	
732392	OTHER HOUSEHOLD ARTICLES OF CAST IRON ENAMELLED	20	11
732394	UTENSILS - OTHER HOUSEHOLD ARTICLES OF IRON (OTHER THAN CAST IRON)OR STEEL,ENAMELLED	20	11
741810	OF EPNS	20	7.5
761510	OTHER TABLE AND KITCHENWARE OF ALUMINIUM	30	22.5
940330	CABINETWARE	0	
940350	BED STEAD	0	
940360	OTHER WOODEN FURNITURE	0	
940381	FURNITURE OF WICKERWORK/BAMBOO	0	
940389	OTHER - FURNITURE OF OTHER MATERIALS, INCLUDING CANE, OSIER, BAMBOO PR SIMILAR MATERIALS	0	
940390	PARTS OF FURNITURES OF HEADING 9403	0	
940490	HANDMADE POUFFES/ ARTICLES OF BEDDING, CUSHIONS ETC	20	10
940510	HANGNG LMPs COMPLETE FITNGS	22.5	8.5
940530	LGHTNG SETS OF A KIND USD FR CHRISTMS TREE		
950510	ARICLES OF CHRISTMAS		
950590	OTHER MAGICAL EQUIPMENTS	0	

960190	WRKD MOTHR OF PEARL & ARTCLS THEROF		
960200	WORKED VEGETABLE CARVING MATERIAL & ARTICLES THEREOF	11.67	0
960310	BROOMS & BRUSHES,CONSTNG OF TWIGS/OTHR VGTBL MTRLS BOUND TOGTHR,WTH/WHT HNDLS	15	5
960622	BUTTONS OF BASE METAL NOT COVERED WITH TEXTILE MATERIAL		
961400	SMOKING PIPES (INCLUDING PIPE BOWLS) & CIGARS AND CIGGERATE HOLDERS AND PARTS THEREOF		
970110	MADHUBANI PAINTINGS(ON TXTLS)	0	
970190	DOMESTIC ARTICLES OF WOOD HAND DECORATED	5	2
970200	ORIGNL ENGRVNGS,PRNTS & LITHOGRPHS		
970300	ORIGINAL SCULPTURE & STATUARY IN METAL	0	
970500	STUFFED ANIMALS & BIRDS (TAXIDERMY)		
970600	ANTIQUES OF AN AGE EXCDNG ONE HUNDRED YRS		
420229	HANDBAGS OF OTHER MATERIALS EXCLUDING WICKER WORK OR BASKET WORK	0	
420231	JEWELLERY BOX - SURFACE OF LEATHER	0	
420239	JEWELLERY BOX - OTHER SURFACE OF LEATHER	0	
480210	HAND MADE PAPER		
482390	PRODUCT CONSISTINGS OF SHEETS OF PAPER/ RBORD, IMPREGNGTED,COTED OR COVERED WITH PLASTICS	10.63	3.75
580430	HAND MADE LACE	0	
580500	HAND WOOVEN TAPESTRIES HAND MADE OR NEDDLE WORKED BY HAND, OF COTTON - EMBRODIERY		
580810	BRAIDS, IN PCS OTHER THAN OF COTTON	20	10
581010	EMBROIDERY IN THE PIECE, IN STRIPS OR IN MOTIFS - EMBRODIERY WITHOUT VISIBLE GROUND		
581092	EMBROIDERY BADGES, MOTIFS AND THE LIKE	20	10
581100	KANTHA - EMBROIDERY	16	8
610431	ENSAMBLES OF WOOL OR FINE ANIMAL HAIR - CROCHETTED		
611710	SHAWLS OF WOOL	0	
640610	EMBROIDERED UPPERS OF TEXTILE MATERIALS	0	

691110	TABLEWARE OF BONE CHINA AND SHOF T PORCELAIN	30	25
691200	CERAMIC TABLEWARE (E.G. OF IMITATION PORCELAIN/OR SEMI-PORCELAIN)		
691310	STATUETTES ETC OF PORCELAIN/CHINA	22.5	
691390	OTHER STATUETTE ETC (EXCL OF PORCLAIN /CHINA	22.5	
691410	OTHER CERMC ARTCLS OF PORCELAIN / CHINA		
691490	OTHER CERMC ARTCLS EXCL OF PORCELAIN / CHINA	5	0
700992	OTHR GLASS MIRRORS, FRAMED	30	
701810	BANGLES	0	
701890	GLASS STATUE OF OTHR ARTCLE OF HDG 7018	20	10
702000	GLOBES FOR LAMPS & LANTERNS	16.67	8.33
711311	SILVER FILLIGREE WORK	0	
741999	UTENSILS ARICLES OF COPPER ALLOYS ELECTROPLATED WITH NICKLE SILVER	5.83	1.67
830621	OTHER ORNMNT PLTED WITH PRCS METAL	5	0
830629	OTHR STATUETTES(EXCLUDING WORKS OF ART)	9	3.2
830630	PHOTOGRPH,PICTURE/SMLR FRAMES,MIRORS	12.5	4.5
830890	IMITATION ZARI SPANGLES	0	
920290	OTHER STRING MUSICAL INSTRUMENTS	0	
920590	FLUTES	0	
920600	PERCUSSION MUSICAL INSTRUMENTS (E.G. DRUMS, XYLOPHONES, CYMBOLS, CASTENETS, MARACAS)	0	
940550	HURRICANE LANTERNS	6.67	2.33
960899	PEN HOLDERS PENCIL HOLDERS AND SIMILAR HOLDERS	6.25	0
830610	BELLS GONGS AND THE LIKE	5	0
482370	ARTICLE OF PAPER MACHIE	25	10
640320	KOLAPURI CHAPPALS AND SIMILAR FOOTWEAR	0	

Source: WIS, TRAINS