

# MALAYSIA WEEKLY ECONOMIC NEWS

(26 August 2019 – 30 August 2019)

Topics	Highlights
<p><b>No need for economic crisis team yet, says LGE as trade war rages</b></p>	<p>There is no need to set up a crisis management team to shore up the nation's economy in the face of a possible economic slowdown, says Finance Minister Lim Guan Eng. "But for now we have the National Economic Action Council (NEAC, of which Tan Sri Rafidah Aziz is a member," he said. Lim said Malaysia was not the only country affected. "What we can do is try to mitigate the effects and also hope that there is some resolutions," he said. During the forum, Lim acknowledged that a prolonged US-China trade war could be a drag factor on the economy. However, said there was room for the government to take preventive measures to minimize the effect.</p> <p style="text-align: right;"><i>(Source: The Star, 29 August 2019)</i></p>
<p><b>Positive growth for business performance, labour productivity in second quarter, says Stats dept</b></p>	<p>Business performance and labour productivity charted positive growth in the second quarter of the year, says the Statistics Department. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said business performance was expected to remain positive with a net balance of 18.2% in the second half of the year, compared with the first half of the year. "Establishments in industry, wholesale and retail trade, as well as the services sectors, are optimistic on their business outlook for the second half of the year, with a net balance of 18.9%, 8.7%, and 25.6%, respectively," he said. He said the confidence indicator of the business sector had increased to 3.1% from 2.8% in the preceding quarter. "Within the surveyed sectors, the services sector continues as the most optimistic sector, with confidence indicator recorded at 11.5% in the third quarter of the year," he said. The Producer Price Index (PPI) for local production decreased 2.2% in July, as compared with the same month of the preceding year. The mining sector recorded the highest decline at 9.9%, followed by the agriculture and fishing sector (-6.5%), water supply (-2.8%), and manufacturing (-0.9%) indices.</p> <p style="text-align: right;"><i>( Source: The Star, 29 August 2019)</i></p>
<p><b>Moody's sees global sukuk issuance rising to US\$130b</b></p>	<p>Moody's Investors Service expects total sukuk issuance of around US\$130bil in 2019, at the top end of the US\$120bil to US\$130bil range it projected at the beginning of the year. In its sector report issued on Wednesday, the rating agency expected this to increase by 5.7% from US\$123 billion in 2018. Moody's expect government and corporate entities in Malaysia (A3 stable) and the Gulf Cooperation Council (GCC) countries, particularly Saudi Arabia, to continue issuing regularly. It also expects sukuk issuance volumes to grow by 6% to around US\$130bil in 2019. Although down slightly from an 8% increase in 2018, this would mark the fifth consecutive year of expansion.</p> <p style="text-align: right;"><i>(Source: The Star, 28 August 2019)</i></p>
<p><b>Those interested in barter trade can apply for licences online</b></p>	<p>Businessmen interested in barter trade between Sabah and its neighbouring countries - Indonesia and the Philippines - can apply through the Finance Ministry online. Sabah chief minister Datuk Seri Mohd Shafie Apdal said about 40 applications for barter trade have been approved in Kudat, Sandakan and Tawau. The barter trade system had been revived earlier this year after a two-year ban. "Under the new ruling, there will be no limit to the number of companies or individuals wanting to be part of the barter trade; these are some of the changes that have been approved to develop barter trade in Sabah," he said. Shafie said there will be screenings before applicants can be part of the barter trade as the government wants to ensure there will be quality and sustainability of goods provided.</p> <p style="text-align: right;"><i>(Source: The Star, 26 August 2019)</i></p>