

# MALAYSIA WEEKLY ECONOMIC NEWS

(21 January 2019 – 25 January 2019)

Topics	Highlights
<p><b>Malaysia to grab halal market share at Tokyo Olympics 2020</b></p>	<p>Malaysia targets to secure a portion of the US\$300 million (US\$1= RM4.12) halal market during the 2020 Tokyo Olympics, especially in the F&amp;B sector. Minister of Entrepreneur Development, Datuk Seri Mohd Redzuan Md Yusof said Japanese companies have expressed deep interest in Malaysia's F&amp;B, as well as health &amp; beauty sectors. In 2017, Malaysia's halal export to Japan was worth RM2.8 billion and it is expected to steadily increase to RM3.1 billion in 2018, RM3.4 billion in 2019 and RM3.7 billion in 2020. At the 3-day Malaysia Halal Expo, more than 10 SMEs from the 320 exhibitors have exported to Japan and the rest is ready to do so. A total of RM50 million sales target is set for the business matching sessions. Currently, RM40.8 million sales have been generated from 32 business matching sessions, comprising 27 SMEs. Among Japanese companies that took part in the business matching sessions were Take One Co. Ltd that operates FamilyMart, Ohga Pharmacy, Hayabusa International and Yatsumoto Tsusho Co. Ltd. As for Malaysia, five anchor companies that joined the sessions were Lulu Group Retails Sdn Bhd, Ramly Halal Mart Sdn Bhd, Aeon Big (M) Sdn Bhd, Nestle Malaysia Bhd and Tesco Stores (M) Sdn Bhd.</p> <p style="text-align: right;"><i>(Source: The Star Online, 25 January 2019)</i></p>
<p><b>Bank Negara maintains OPR at 3.25%</b></p>	<p>BNM decided to maintain the Overnight Policy Rate (OPR) at 3.25%. At the current OPR level, degree of monetary accommodativeness was consistent with the intended policy stance. The MPC will continue to monitor and assess the balance of risks surrounding the outlook for domestic growth and inflation. The latest indicators point towards sustained economic expansion with domestic demand expected to remain the key driver of growth for 2019. Private consumption would continue to be underpinned by stable employment and wage growth while private investment would be spurred by ongoing multi-year projects in both export and domestic-oriented industries. Sustained growth in private sector activity was expected to offset lower public spending arising from the ongoing fiscal consolidation by the government. Risks to growth are tilted downside, primarily from potential escalation of trade tensions and commodity-related shocks. On balance, the Malaysian economy is expected to remain on a steady growth path in 2019, with low unemployment and surplus in the current account of the balance of payments. On headline inflation, it averaged 1% in 2018 and was expected to average moderately higher in 2019. The impact of the consumption tax policy on headline inflation in 2019 will start to lapse towards the end of the year.</p> <p style="text-align: right;"><i>(Source: News Straits Times, 24 January 2019)</i></p>
<p><b>Malaysia's Dec inflation steady at 0.2% y-o-y</b></p>	<p>Government data showed that Malaysia's consumer price index rose by 0.2% in December 2018 from a year earlier, matching the pace in November 2018. December's annual inflation rate was below the 0.4% forecast by a Reuters poll. Inflation has been mild since the government scrapped an unpopular consumption tax in June 2018 last year, hitting a three-and-a-half-year low of 0.2% in August 2018. The main upward pressures on December's inflation rate came from higher prices for five of the 12 main groups tracked in the index: housing and utilities, restaurants and hotels, alcoholic beverages and tobacco, food and non-alcoholic beverages, and education. Prices were down in all other sectors with the biggest declines seen in the indexes for clothing and footwear, and miscellaneous goods and services, data from the Statistics Department showed. Malaysia's central bank said at its last monetary policy meeting in November that inflation is expected to edge upwards this year. Bank Negara Malaysia is expected to keep its key interest rate unchanged in the upcoming meeting.</p> <p style="text-align: right;"><i>(Source: News Straits Times, 23 January 2019)</i></p>