

# MALAYSIA WEEKLY ECONOMIC NEWS

(3 August 2020 – 7 August 2020)

Topics	Highlights
<p><b>June industrial production index dips on-year, surges from May</b></p>	<p>Malaysia's industrial production index (IPI) slipped by 0.4% in June, which was positive surprise compared with a Bloomberg survey of a 10.4% decline, as the economic recovery was underpinned by the stronger manufacturing output. Department of Statistics Malaysia (DOSM) said the decline in IPI in June from a year ago was due to the decrease in the index of mining (-17.1%) and electricity (-2.4%). The manufacturing sector output increased by 4.7% after recording a decrease of 22.6% in May. As for the mining sector, output dropped 17.1% in June 2020 from a year ago due to the decrease in natural gas index (-13.5%) and crude oil and condensate index (-21.1%). The June IPI surged from the previous month of May by 26.2% as the government allowed more industries to resume operations from May.</p> <p style="text-align: right;"><i>(Source: The Star, 7 August 2020)</i></p>
<p><b>Private sector in Malaysia, Singapore keen on HSR</b></p>	<p>The private sector from Malaysia and Singapore is very keen to find out how they could be involved in the new plans for the Kuala Lumpur-Singapore High-Speed Rail (HSR), says the Malaysia-Singapore Business Council (MSBC). The council has requested that both governments strive to communicate the proposed changes to the plans for the HSR project once Malaysia is ready to share, it said in a statement. On May 31, 2020, both governments agreed to defer the construction of the RM110 billion bilateral project again until Dec 31, 2020. MSBC said with the fast growth of digitalisation and the digital economy, the council would set up a dedicated focus group to exchange best practices and collaborate in various areas.</p> <p style="text-align: right;"><i>(Source: The Star, 7 August 2020)</i></p>
<p><b>Selangor's economic growth exceeded national GDP last year</b></p>	<p>Selangor's economy grew at the fastest pace of 6.7% among all the other states last year with Kuala Lumpur coming in second at 6%, which exceeded the national gross domestic product (GDP) of 4.3%. The Statistics Department had in its report on the states' gross domestic product (GDP) growth, said Kelantan recorded a growth of 5.3%, Labuan (5.2%) Negeri Sembilan (5.1%), Kedah (4.6%) and Perlis (4.6%). The agriculture sector recorded an improvement due to higher output increase in production of oil palm activity, rubber and vegetables as well as better performance in Services sector has benefited to the growth momentum in several related states. Meanwhile, Kuala Lumpur had the highest median income of RM10,549 followed by Putrajaya (RM9,983) and Selangor (RM8,210).</p> <p style="text-align: right;"><i>(Source: The Star, 6 August 2020)</i></p>
<p><b>Socso approved RM8.97b under wage subsidy scheme</b></p>	<p>The Social Security Organisation (Socso) has approved RM8.97 billion under the wage subsidy programme as of July 24, 2020 benefiting over 2.58 million workers, says Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz. He said the wage subsidy scheme has been able to help employers and workers affected by the Covid-19 outbreak. "Socso has also uploaded the names of employers who have received assistance under this programme." "This action was taken after complaints were received from the public that a handful of employers who have taken the subsidy are still laying off workers or cutting their wages without their agreement," he said in the 15th LAKSANA report on the implementation of the Prihatin Rakyat Economic Stimulus Package (PRIHATIN) &amp; National Economic Recovery Plan (PENJANA).</p> <p style="text-align: right;"><i>(Source: The Star, 4 August 2020)</i></p>