

## MALAYSIA WEEKLY ECONOMIC NEWS

(11 May 2020 – 15 May 2020)

Topics	Highlights
<p><b>Ministry looking into proposal to help media industry</b></p>	<p>The Ministry of Communications and Multimedia (KKMM) is looking into a proposal for commercial and legal aid to help the media industry affected by Covid-19. Minister Datuk Saifuddin Abdullah said he had taken note of some of the suggestions put forward in the proposal, such as buying advertising space, forcing technology giants like Google and Facebook to pay for media and news content, as well as revising the tax regime. Saifuddin said KKMM had tabled the standard operating procedure (SOP), as proposed by film industry players, in a special ministerial committee meeting on Covid-19 to ensure that they could continue filming during the conditional movement control order (CMCO) period.</p> <p style="text-align: right;"><i>(Source: The Edge Markets, 15 May 2020)</i></p>
<p><b>Malaysia cuts crude palm oil export duty for June to zero</b></p>	<p>Malaysia has lowered its export duty on crude palm oil to 0% for June from 4.5% in May, the Malaysian Palm Oil Board said. The world's second-largest producer and exporter of palm oil calculated a reference price of RM2,122.77 per tonne. There has been a slump in global demand of the edible oil as efforts to slow the spread of the coronavirus outbreak shuttered restaurants and curbed travel around the world. Malaysia benchmark palm oil prices have plunged about 35% since the start of the year to trade at RM2,130.00 per tonne on Thursday, hovering near 10-month lows.</p> <p style="text-align: right;"><i>(Source: The Edge Markets, 15 May 2020)</i></p>
<p><b>Economic recovery seen in second half</b></p>	<p>It was somewhat a positive surprise for Malaysia as the economy narrowly escaped a contraction in the first quarter (Q1) of 2020 with a 0.7% growth, beating worse market predictions earlier. The much-unexpected relief, however, could well be short-lived. Bank Negara governor Datuk Nor Shamsiah Mohd Yunus has warned that the economy would likely experience "quite a deep" contraction in the second quarter. The last time the economy dived into a negative territory was in Q3 2009, with a gross domestic product contraction of 1.1%. She also said that the country's labour market conditions are expected to worsen in the April-June 2020 period, with the unemployment rate exceeding above 4%. However, Nor Shamsiah said the economy could bottom out in Q2 this year before recovering from Q3 onwards. The key catalysts would be gradual lifting of containment measures as pandemic risk subsides, significant economic policy stimulus as well as gradual normalisation of economic activity and financial conditions.</p> <p style="text-align: right;"><i>(Source: The Star, 14 May 2020)</i></p>
<p><b>IPI slips 4.9% in March</b></p>	<p>Malaysia's Industrial Production Index (IPI) has slipped to its steepest decline in nine years after it slid 4.9% in March year-on-year (y-o-y). The Statistics Department attributed the result to the decrease in all three indices of the IPI – manufacturing, mining and electricity. Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the manufacturing sector output dropped 4.2% y-o-y in March as compared with a 6.2% increase in February. Its major sub-sectors recorded declines, with electrical and electronics products dropping 5%, non-metallic mineral products, basic metal and fabricated metal products dipping 9.8% and food, beverages and tobacco shrinking 9.9%.</p> <p style="text-align: right;"><i>(Source: The Star, 13 May 2020)</i></p>