

MALAYSIA WEEKLY ECONOMIC NEWS

(13 December 2021 – 17 December 2021)

Topics	Highlights
Banking sector to be competitive with digital entrants	<p>Digital banking new entrants that are able to offer meaningful products primarily in terms of assets and that demonstrate a high level of trust will pose a threat to incumbent banks. Al Rajhi Bank Malaysia chief executive officer Arsalaan Ahmed said real competition is coming and the banking sector is set to become an exciting space over the next 12 to 18 months. The Internet banking penetration and transactions recorded a strong double-digit growth over the last five years, he added. Al Rajhi Bank is embarking on the digitalization journey as it has set its sights to become an Islamic finance innovation bank in 2022, targeting retail and small and medium enterprises. Overall, the banking industry should see a renewed level of activity next year as economic activities pick up, despite the possible disruption from the Omicron variant.</p> <p><i>(Source: Malay Mail, 17 December 2021)</i></p>
Government channels RM1.299bil through hiring incentive programme to retain local employees	<p>The government has channeled a total of RM1.299 billion to 38,651 employers through the hiring incentive programme (PenjanaKerjaya) to retain 284,354 local workers. Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz said as of Dec 3, a total of 15,097 employers and 116,316 employees had received PenjanaKerjaya 1.0 benefits worth RM639.3 million. He added that through PenjanaKerjaya 2.0, a total of RM589.42 million had been channeled as employment incentives which had benefitted 16,648 employers and 138,659 employees. Tengku Zafrul said the government hoped the effort would create 300,000 new jobs and reduce unemployment among Malaysian workers.</p> <p><i>(Source: The Star, 16 December 2021)</i></p>
ADB cuts developing Asia growth outlook for 2021, 2022	<p>The Asian Development Bank (ADB) has revised its economic growth outlook for developing Asia down slightly to 7.0% this year and 5.3% next year, after renewed outbreaks of COVID-19 led to slower growth in the third quarter. The bank had previously estimated the region to grow 7.1% this year and 5.4% for 2022. Developing Asia's steady progress in dealing with COVID-19, through continued vaccination drives and more strategic application of containment measures, helped boost growth prospects in the early part of the year. The main risk to the growth outlook remains a resurgence in COVID-19 cases. For Southeast Asia's 2021 outlook, it has been revised down by 0.1 percentage points to 3.0% as economies in the sub region imposed targeted restrictions in the face of COVID-19's Delta variant.</p> <p><i>(Source: The Star, 14 December 2021)</i></p>
Spillover benefits of RM85bil from Osaka 2025 world expo	<p>Malaysia expects business opportunities worth about US\$20bil (RM85bil) from the spillover benefits of the 2025 World Expo to be held in Osaka, Japan, according to the Malaysia External Trade Development Corp (Matrade). It said Malaysia would focus on the various opportunities including the sustainable development goals in line with the world expo 2025's themed "Designing future society for our lives". Matrade led a virtual Export Acceleration Mission (VEAM) to Tokyo and Osaka from Nov 30 to Dec 2 in conjunction with the World Expo 2025. The government agency arranged an all-inclusive programme for the participants by inviting speakers during the market and knowledge-sharing sessions to provide insightful information related to the World Expo 2025, as well as the current market trends in Japan according to the sectors involved.</p> <p><i>(Source: Malay Mail, 14 December 2021)</i></p>