

MALAYSIA WEEKLY ECONOMIC NEWS

(15 November 2021 – 19 November 2021)

Topics	Highlights
<p>Selangor ideal for foreign investors as a global business hub</p>	<p>The Selangor government aims to turn the state into a centre for high-tech manufacturing to ensure long-term sustainable growth. It plans to achieve this by attracting investors with fourth industrial revolution capabilities. Selangor Menteri Besar Datuk Seri Amirudin Shari said the state is looking for investors with capabilities such as automation, industrial Internet of Things and advanced robotics. He also aimed to make Selangor a global business hub, noting that this is supported by the state's strategic location. It is served by two major international airports, the second busiest container port in the region as well as multiple advanced domestic rails, road and air links to economic hubs in the country. This will appeal to investors.</p> <p style="text-align: right;"><i>(Source: The Star, 19 November 2021)</i></p>
<p>5G technologies poised to boost GDP</p>	<p>The adoption of 5G technologies will have the potential to increase Malaysia's gross domestic product (GDP) by 5% or RM122bil by 2030 and support the creation of 148,000 jobs, according to a forecast by Ernst & Young Consulting Services Sdn Bhd (EY). The forecasts were based on data from the Statistics Department and EY third-party sources as well as qualitative interviews with industry leaders. According to the report, the projected increase in GDP would be driven by improvements in efficiency and productivity following the digital transformation enabled by 5G use cases. There will also be an expected expansion of digital industries and the entry of new firms into the market, which will also contribute to GDP growth.</p> <p style="text-align: right;"><i>(Source: The Star, 17 November 2021)</i></p>
<p>Accumulated fixed asset investment up 2.7% to RM5.17 trillion in 2020</p>	<p>Malaysia's accumulated fixed asset investment, or gross capital stock (GKS), grew 2.7% year-on-year (y-o-y) to RM5.17 trillion in 2020, the Department of Statistics Malaysia (DOSM) said. Simultaneously, the net capital stock (NKS), which represents the wealth of Malaysia's economy, reached a value of RM3.22 trillion last year. Based on economic activity, capital stock for the services sector grew slowly at 2.5% in 2020 compared with 4.2% in the previous year, capital stock for the manufacturing sector increased marginally by 0.4% compared with 3.5% in 2019. The non-metallic mineral products, basic metal and fabricated metal products slipped 0.8% while textiles and wood product decreased 2.6%. As for the mining and quarrying sector, the capital stock declined to 0.02% in 2020 while the construction sector expanded 4.3% and the agriculture sector gained 1.6%.</p> <p style="text-align: right;"><i>(Source: The Star, 16 November 2021)</i></p>
<p>Moody's analytics sees economy rebounding in 4Q</p>	<p>Malaysia's fourth-quarter growth is expected to rebound on the back of a strong export performance, as well as a pick-up in private consumption as borders reopen, Moody's Analytics said. It said the record-breaking budget for 2022 would also help cushion the recovery as the economy emerges from the tail end of the pandemic. It also expects Malaysian exports to buffer some of the decline in the domestic economy. However, a stronger 11.7% yearly rise in imports (compared to a 5.1% increase in exports) led to an overall decline in net exports. "Nonetheless, the economic outlook is bright," it said.</p> <p style="text-align: right;"><i>(Source: The Star, 15 November 2021)</i></p>