

MALAYSIA WEEKLY ECONOMIC NEWS

(15 February 2021 – 19 February 2021)

Topics	Highlights
<p>DOSM: 73,000 jobs created in 2020</p>	<p>The number of jobs created in 2020 decreased by 31,000 jobs to 73,000 from 104,000 jobs created in 2019, reflecting a softer labour demand from businesses in the private sector, said Department of Statistics Malaysia. DOSM said that preliminary numbers based on the average of quarterly labour force statistics indicated employed persons recorded a marginal increase to 15.10 million persons, while the unemployment figure edged up to 711,000 persons. The unemployment rate spiked to 4.5% against an average rate of 3% recorded during the pre-crisis period. DOSM further explained that valued-added for 2020 contracted 5.6% as labour productivity per employment decreased by 5.4% to RM88,899 per person.</p> <p style="text-align: right;"><i>(Source: The Star, 18 February 2021)</i></p>
<p>Moody's: Malaysia, Singapore positioned to gain from global growth in 2022</p>	<p>Malaysia and Singapore are positioned to gain from global growth in 2022, said Moody's Analytics. It said both countries have been cautious in opening their borders to travelers despite being among the most aggressive with fiscal policy support for their economies over the past year. The ratings agency said China and its linkages through supply chains in Asia Pacific (APAC) and the rest of the world could help Asia lead the economic recovery, much as it did following the global financial crisis of 2008-2009. It noted that the focus on getting the production side of the economy back on track effectively allowed manufacturing to spark China's recovery beginning in the second quarter of 2020, and lifted surrounding Asian economies in the quarter, as they eased up on many movement restrictions.</p> <p style="text-align: right;"><i>(Source: The Star, 17 February 2021)</i></p>
<p>Sabah on track to be main gateway for BIMP-EAGA trade</p>	<p>Sabah has great potential as the main gateway for trade, focusing mostly on the larger Brunei, Indonesia, Malaysia, Philippines – namely the East Asean Growth Area (BIMP-EAGA) region. Minister in the Prime Minister's Department (Sabah and Sarawak Affairs) Datuk Seri Dr Maximus Ongkili said the gateway made possible with the on-going expansion of the Sepanggar Bay Container Port here, a project approved in 2016 costing RM1.03bil. Ongkili also acknowledged the efforts by Sabah Ports Sdn Bhd (SPSB) and its strategic role in strengthening the industry. He noted that SPSB had spent close to RM1bil to upgrade port facilities and equipment since the takeover and done an impressive job as an industry leader, creating more economic growth and job opportunities for locals in Sabah.</p> <p style="text-align: right;"><i>(Source: The Star, 17 February 2021)</i></p>
<p>Fitch Solutions lowers Malaysia GDP outlook to 4.9%</p>	<p>Fitch Solutions halved its real GDP outlook for Malaysia to 4.9% from 10% previously due to the latest Covid-19 outbreak and the lockdown measures taken to curb it. It expects the lockdown to result in a resurgence in unemployment, which would significantly dim the prospects for a recovery in domestic demand. Fitch Solutions said the lowering of its forecast was the downside risks it had pointed out in its comprehensive update on the growth, fiscal and monetary outlooks for Malaysia after the government had implemented lockdown measures to combat the third wave of Covid-19 infections. It said this would in turn result in even more unused capacity and negatively affect the investment outlook. The key source of support will once again be net exports, driven primarily by shrinking imports as demand falls.</p> <p style="text-align: right;"><i>(Source: The Star, 15 February 2021)</i></p>