

MALAYSIA WEEKLY ECONOMIC NEWS

(5 April 2021 – 9 April 2021)

Topics	Highlights
<p>Govt allocates RM1.4mil grant for factory transformation programme</p>	<p>The government through SIRIM STS Sdn Bhd has allocated a RM1.4 million grant for the Factory Transformation Programme (FTP) specifically for timber companies. Plantation Industries and Commodities Deputy Minister Datuk Seri Wee Jeck Seng said the one-year programme which started in December 2020 involved 14 selected timber companies most of which are engaged in the furniture sector. He said the FTP was aimed at assisting the wood-based industry especially companies that carry out factory evaluation as well as diagnostic studies to identify inefficiency and wastage through the Sirim Green 5S application and techniques and Lean management. SIRIM STS will finance 80% of the participation fees for participants of this programme while the balance will be funded by the Malaysian Timber Council (MTC).</p> <p><i>(Source: The Star, 9 April 2021)</i></p>
<p>Malaysia's February industrial output rises 1.5% y-o-y, below forecast</p>	<p>Malaysia's industrial production rose at a slower pace than expected in February, expanding 1.5% from a year earlier driven by higher factory output. The production index measures factory output in manufacturing, mining and electricity generation. February's expansion undershot the 2% growth forecast by 11 economists in a Reuters poll, but was faster than the 1.2% rise recorded in January. Manufacturing output rose 4.5% year-on-year in February, helped by export-oriented industries like electrical and electronics which saw production grow 10.3%, and an 8.9% jump in petroleum, chemical, rubber and plastic goods, the Statistics Department said in a statement.</p> <p><i>(Source: The Star, 9 April 2021)</i></p>
<p>Game-changer for Melaka</p>	<p>The new Melaka Waterfront Economic Zone (M-WEZ) is expected to transform the state's economic and social landscape. Melaka Chief Minister Datuk Seri Dr Sulaiman Md Ali said the new economic zone targets to attract more than RM100bil in high-impact, high-value investments over a 15-year period, and create over 20,000 new jobs annually. The M-WEZ will be on 25,000 acres of coastal and reclaimed land, and a 33km stretch running from northern Melaka near Sungai Udang to the south in Umbai. Sulaiman also said it will contribute at least 5% to the state's annual gross domestic product (GDP), excluding the contribution via direct income taxes to the federal government by companies operating in the zone. He described M-WEZ as a game-changer and an economic enabler for the state, and the main pillar of the Melaka Strategic Plan 2035.</p> <p><i>(Source: The Star, 9 April 2021)</i></p>
<p>IMF maintains Malaysia's GDP growth at 6.5% this year</p>	<p>The International Monetary Fund (IMF) maintains its forecast on Malaysia's gross domestic product (GDP) growth this year at 6.5%, according to its latest World Economic Outlook (WEO) report published today. Themed "Managing Divergent Recoveries", the report also stated that the country's economy is expected to grow at 6.0% in 2022. IMF expects the country's unemployment rate to drop to 3.8% this year before going further down to 3.6% in 2022, as compared to 4.5% in 2020. IMF also projected Malaysia's growth to rebound to 6.5% in 2021, driven by strong recovery in the manufacturing and construction sectors, and the impact of the vaccination rollout in February. Meanwhile, IMF projects the global economy to grow at 6.0% in 2021 and moderating to 4.4% in 2022, after an estimated contraction of -3.3% in 2020.</p> <p><i>(Source: The Star, 6 April 2021)</i></p>