

MALAYSIA WEEKLY ECONOMIC NEWS

(18 September 2017 – 22 September 2017)

Topics	Highlights
<p>GST revenue to exceed RM42 billion in 2017</p>	<p>The Royal Malaysian Customs Department is confident of surpassing its target of collecting Goods and Services Tax (GST) revenue of RM42 billion in 2017. The Customs Department is proposing to amend the GST Act to be able to efficiently tax the digital economy. By doing so, it will help boost the economy in the near future. Customs Department hopes to address the amendments at the next Parliamentary seating next month. According to reports, Prime Minister YBhg. Datuk Seri Najib Tun Razak has said the GST has helped halved Malaysia's fiscal deficit from 6.7% in 2009 to 3.1% in 2016.</p> <p style="text-align: right;"><i>(The Star, 18 September 2017)</i></p>
<p>Govt. on track to achieve 3% budget deficit, eyes taxing Facebook, Google</p>	<p>Malaysia is on track to achieve budget deficit of 3% of GDP this year according to Treasury Secretary-General YBhg. Tan Sri Dr Mohd. Irwan Serigar Abdullah. Malaysia studying ways to tax companies that have business in country but book their revenue overseas with examples of Facebook, Uber and Google.</p> <p style="text-align: right;"><i>(The Star, 18 September 2017)</i></p>
<p>Local MNCs' outbound investments crucial for Malaysia's economy and shareholders</p>	<p>Malaysian multinational companies' (MNCs) outbound investments are crucial and a normal practice to widen their markets in order to earn better returns for shareholders and spur the country's economy, according to International Trade and Industry Minister YBhg. Datuk Seri Mustapa Mohamed said. Local MNCs such as Petroliam Nasional Bhd (Petronas), Sime Darby Bhd and YTL Bhd have been investing abroad, which promised good returns to their shareholders.</p> <p style="text-align: right;"><i>(The Star, 19 September 2017)</i></p>
<p>Inflation rate up 3.7% in August, exceeds forecast</p>	<p>Malaysia's inflation rate rose at a faster pace of 3.7% in August 2017 from a year ago, exceeding a forecast of a 3.4% increase, mainly fueled by higher petrol prices. The average price of one litre of RON95 petrol was RM2.12 in August versus RM1.75 a year ago. As for RON97, the average price increased to RM2.39 from RM2.10. Fuels & lubricants for personal transport equipment accounted for 7.8% of the CPI weights. When based on a seasonally adjusted term, the overall CPI for August 2017 increased 0.9% compared to July 2017. Core inflation rose 2.4% in August 2017 compared with the same month of the previous year, due to higher food and transport prices.</p> <p style="text-align: right;"><i>(The Star, 20 September 2017)</i></p>
<p>Terengganu targets sector to become main contributor to state's economy</p>	<p>The tourism sector will soon replace the oil and gas industry as the biggest contributor to Terengganu's economy through various economic transformation efforts undertaken currently. Tourism sector's contribution to the state's economy currently stood at between 10% and 15% and would be increased to 30% and then 50%. This was in line with the aim to reduce dependence on the oil and gas sector for the state's economy from 65% last year to 40% in future, following the drop in world oil price to about US\$40 (RM168) per barrel.</p> <p style="text-align: right;"><i>(The Star, 22 September 2017)</i></p>