

MALAYSIA WEEKLY ECONOMIC NEWS

(12 February 2018 – 15 February 2018)

Topics	Highlights
<p>Mobile cellular penetration reaches 131.8%</p>	<p>Mobile cellular penetration in Malaysia has reached 131.8% while smartphone penetration stood at 70% in the third quarter of 2017. Malaysia's broadband had been keeping up with the demand from customers, with broadband penetration currently at 84.5%. E-payment would be one of the key factors in ensuring the success of Malaysia's vision for the digital economy, adding that the outlook for e-payments was very encouraging. This positive growth can be attributed to pricing and market incentive framework implemented by Bank Negara, as well as the continuous awareness programme by the central bank and the banking industry to enhance confidence in the use of Internet banking. Banking fraud losses sustained by individuals in Malaysia remained very low at 0.0004% of total transaction volume and 0.0017% of total transaction value in 2016.</p> <p style="text-align: right;"><i>(The Star, 14 February 2018)</i></p>
<p>Economy grew at slower pace of 5.9% in Q4 of 2017</p>	<p>Malaysia's economy expanded at a slower pace of 5.9% in the fourth quarter of 2017 but it was ahead of consensus and economists' forecast of 5.8%. Growth was slowed down from the 6.2% in the third quarter of 2017. However, on a year-on-year basis, the economy recorded firmer growth from the 4.5% in Q4 of 2016. On a quarter-on-quarter seasonally adjusted, gross domestic product (GDP) posted a growth of 0.9% (Q3 2017: 1.8%). For 2017, Malaysia's economy expanded at a faster pace of 5.9% compared with 4.2% in 2016 -- with a value of RM1.173 trillion at constant prices and RM1.352 trillion at current prices.</p> <p style="text-align: right;"><i>(The Star, 14 February 2018)</i></p>
<p>Malaysia capable of achieving GDP of RM2 trillion by 2022</p>	<p>Malaysia is capable of achieving a GDP of RM2 trillion by 2022 if the annual growth rate is maintained at between 5.0 – 6.0%, said the Department of Statistics. Factors which contributed to the nation's economic growth included the Government's focus on the digital economy, innovation and creativity, as well as emphasis on getting a more substantial contribution from the small and medium enterprises business segment. Malaysia's GDP rose to RM1.35 trillion in 2017 from RM1.23 trillion in 2016, adding, it is expected to increase to almost RM1.5 trillion this year based on the current favourable environment, the continuous inflow of foreign investments and execution of major infrastructure projects. These infrastructure projects may have a spillover effect, generating activities such as services, delivery and communications.</p> <p style="text-align: right;"><i>(The Star, 16 February 2018)</i></p>
<p>Bank Negara: Economy healthier, growth broad based</p>	<p>Malaysia's GDP figures underscore a trend where the economy is becoming healthier, with growth becoming more broad-based across sectors amid a firm trajectory. If earlier, the economic sectors experiencing a strong momentum revolved around the export-oriented manufacturing, the spill over from that trend is now becoming more entrenched across other sectors. BNM said data point to rising income and employment across a wider swathe of the economy. The commodity sector has also improved, benefitting rural income. The stronger ringgit appreciated in tandem, reflecting improvement in the economy.</p> <p style="text-align: right;"><i>(The Star, 16 February 2018)</i></p>