

MALAYSIA WEEKLY ECONOMIC NEWS

(5 February 2018 – 9 February 2018)

Topics	Highlights
<p>Malaysia's economic performance in tandem with job creation</p>	<p>Malaysia's economic performance matches strongly with job creation in the labour market, said YBhg. Datuk Seri Rahman Dahlan. The Minister in the Prime Minister's Department said that from 2010 until 2016, 2.26 million jobs have been created, of which 679,300 were high-skilled jobs. The job creation since 2010 was broad-based but strongest in the services sector which created 1.78 million jobs during the period. This was in line with the services sector being the biggest contributor to Malaysia's economy with its share of contribution to GDP at 54%. With strong job creation, the Government was able to maintain the full employment level in the labour force with unemployment kept at a low rate of 3% to 3.5%.</p> <p style="text-align: right;"><i>(The Star, 6 February 2018)</i></p>
<p>Wahid: Market growth to continue despite sell-off</p>	<p>Despite the recent sell-down in the local stock market, the market is expected to continue to grow supported by corporate earnings and strong economic fundamentals, said PNB group chairman YBhg. Tan Sri Wahid Omar. As long as Malaysian economy continues to improve and corporate earning continue to grow as well as dishing out good dividend, we expect the stock market to rebound. PNB, which is the country's largest fund management company, has RM270 billion asset under management (AUM).</p> <p style="text-align: right;"><i>(The Star, 6 February 2018)</i></p>
<p>Rahman Dahlan: Hypermarket sales not the sole marker of economic health</p>	<p>Hypermarket sales are not the only benchmark of retail sales performance or the economic condition of Malaysia and the people. The Minister in the Prime Minister's Department refuted claims that Malaysians do not have money to spend despite the country's strong economic growth, evidenced by a continued contraction of hypermarket sales. Hypermarket sales only amount to only 8% of total retail sales, based on data provided by the Department of Statistics Malaysia (DOSM). Retail trade in Malaysia has been recording a strong growth both in terms of value and volume. In terms of value, retail trade registered double-digit growth for three consecutive quarters in 2017. Retail trade in the first 11 months of 2017 increased to RM410.5 billion from RM367.7 billion in the same period for 2016, a growth of 11.6%. Given the increase of non-specialised stores, some hypermarkets may also face slowing sales as consumers have more shopping choices.</p> <p style="text-align: right;"><i>(The Star, 7 February 2018)</i></p>
<p>Consumer spending to rise up to 6% this year</p>	<p>Consumer spending is expected to grow by about 5% to 6% in 2018 in line with the country's economy, said Minister of Finance II, YBhg. Datuk Seri Johari Abdul Ghani. Malaysia's economy was expected to expand by between 5% and 5.5% in 2018. The increase in purchasing power was due to the rise in disposable income following the government's move to reduce individual income tax rate by 2% in the 2018 Budget. For those in the Middle 40% group, it will increase their disposable incomes which are available for spending.</p> <p style="text-align: right;"><i>(The Star, 9 February 2018)</i></p>