

# MALAYSIA WEEKLY ECONOMIC NEWS

(8 October 2018 – 14 October 2018)

Topics	Highlights
<p><b>Malaysia August industrial output up 2.2% on-year</b></p>	<p>Malaysia's industrial production index (IPI) increased 2.2% in August 2018 from a year earlier as manufacturing and electricity output rose. The IPI's manufacturing and electricity segments increased by 4.3% and 4% respectively while the mining component declined by 4.6%. The increase in manufacturing output was driven by major sub-sectors: electrical and electronic equipment products (4.5%), petroleum, chemical, rubber and plastic products (3.5%) and non-metallic mineral products, basic metal and fabricated metal products (4.9%). The electricity output increased by 4.0% in August 2018 following an increase of 4.5% in July 2018. Meanwhile, the mining sector output registered a decline of 4.6% in August 2018 as compared to the same period of the previous year. The decline was contributed by the decrease in the natural gas index (-8.0%) and the crude oil index (-0.6%).</p> <p>(Source: <i>The Edge Markets</i>, 11 October 2018)</p>
<p><b>World Bank: Malaysia doing well, but can do better in terms of children's health</b></p>	<p>Malaysia needs to do more to deliver better outcomes in terms of children's health and learning to boost the incomes of people and country, with returns far into the future, says the World Bank. Malaysia performs well but can do even better to achieve higher outcomes given its current level of income and development ambition. Human Capital Index (HCI) measures the amount of human capital that a child born today can expect to attain by age of 18, given risks of poor health and education that prevail in the country and the measures include survival, health and schooling. The HCI highlights that Malaysia is a strong performer with respect to childhood survival: 99 out of 100 children born today survive to the age of five. However, a significant proportion of these children suffer from malnutrition with one in five (21%) becoming stunted. The education component of the HCI shows that children in Malaysia can expect to complete 12.2 years of school by age of 18. World Bank was committed to working with Malaysia to make needed and transformative shifts towards better nutrition and learning outcomes among children.</p> <p>(Source: <i>The Star Online</i>, 11 October 2018)</p>
<p><b>Malaysian business sentiment dips in Q4 2018</b></p>	<p>Business sentiments among Malaysian companies has dipped slightly in Q4 2018, according to Dun &amp; Bradstreet (D&amp;B) Malaysia's Business Optimism Index (BOI) study. Overall BOI slipped from +13.17 percentage points in Q3 2018 to +12.99 percentage points in Q4 2018. On a year-on-year basis, BOI jumped significantly from +5.52 percentage points in Q4 2017 to +12.99 percentage points in Q4 2018. For the final quarter of 2018, stronger signs of moderation is noticed across key sectors such as manufacturing, finance and wholesale trade," said CEO of D&amp;B Malaysia, Audrey Chia. She said the local economy will continue to be exposed to global uncertainties on the external front including rising trade tensions and weaker public investments on major infrastructure projects. However, the outlook among Malaysian firms to remain relatively healthy in light of sustained improvements in domestic demand and growth among the key ASEAN economies. For Q4 2018, the manufacturing and services sectors have emerged as the most upbeat sectors while the construction sector is least optimistic.</p> <p>(Source: <i>The Star Online</i>, 8 October 2018)</p>