

MALAYSIA WEEKLY ECONOMIC NEWS

(11 February 2019 – 15 February 2019)

Topics	Highlights
<p>Malaysia's economy grows 4.7% in Q4, GDP valued at RM1.43 trillion</p>	<p>Malaysia's economy expanded by 4.7% in the fourth quarter of 2018 on resilient private sector activities and positive growth of net exports. Bank Negara Malaysia (BNM) said the services sector was supported by continued strength in consumer spending particularly in the retail segment while the manufacturing sector was driven by E&E and consumer related clusters. Commodities-related sectors continued to recover from production disruptions experienced since the second quarter with higher growth in the mining and agricultural sectors. Going forward, BNM said the economy is set on a steady growth path with private sector demand expected to remain the key driver amid continuing fiscal rationalization while external sector is likely to soften with moderating global demand. With 4.7% growth, Malaysia's GDP is now valued at RM1.23 trillion at constant prices and RM1.43 trillion at current prices. The current account is expected to remain in surplus as there will be continued goods surplus from continued global demand and support from commodity exports. Meanwhile, external uncertainties will continue to affect the ringgit outlook as well as uncertainties surrounding US monetary policy normalisation, softening of global growth outlook and development surrounding global trade and protectionism.</p> <p style="text-align: right;"><i>(Source: News Straits Times, 14 February 2019)</i></p>
<p>Malaysia's IPI up by 3.4% in December 2018</p>	<p>Malaysia's industrial production index (IPI) expanded by 3.4% year-on-year in December 2018 driven by the increase in all indices, including manufacturing (4.4%), electricity (2.7%), as well as mining (1%). Department of Statistics, Malaysia (DOSM), in releasing the IPI for December 2018, said Malaysia's IPI for the year 2018 increased by 3.1% as compared to 2017, contributed by the growth in manufacturing sector (4.8%) and electricity sector (3.7%). However, the mining sector declined by 1.9% during the period. On yearly basis, the manufacturing sector index increased by 4.4% in December 2018 after registering a growth of 3.7% in November 2018. The major sub-sectors that contributed to the growth in December 2018 include electrical and electronic equipment products (7.2%), transport equipment & other manufactures products (7.0%) and petroleum, chemical, rubber & plastic products (3.6%). The mining sector index recorded an increase of 1% in December 2018 as compared to the same period in 2017, driven by the growth in crude oil index (2.5%), while the natural gas index decreased marginally by 0.2%. The electricity sector index increased by 2.7% in December 2018 as compared to December 2017.</p> <p style="text-align: right;"><i>(Source: Malay Mail, 11 February 2019)</i></p>
<p>Malaysian manufacturing sales value up 7.7% in 2018</p>	<p>The sales value of the manufacturing sector increased by 7.7% to RM824.8 billion in 2018. Chief Statistician of DOSM, Datuk Seri Dr Mohd Uzir Mahidin said the number of employees engaged during the period went up by 1.7% to 1.07 million persons. Cumulatively, sales value per employee during the reference period rose by 5.9% to RM766,840. Meanwhile, the sales value of the manufacturing sector in December 2018 grew by 7.5% to RM72.3 billion from RM67.3 billion reported the same month a year ago. Mohd Uzir said the growth was supported by the increase in electrical and electronics products (12.0%), transport equipment & other manufactures products (9.1%) and petroleum, chemical, rubber & plastic products (5.0%). DOSM said the total number of employees engaged in the manufacturing sector in the month grew by 1.7% to 1.076 million people from 1.057 million people in December 2017. Salaries and wages paid rose by 10.1% to RM4.16 billion, thus registering an average salaries and wages per employee of RM3,863 in December 2018. The sales value per employee grew by 5.7% as compared with the same month in the previous year.</p> <p style="text-align: right;"><i>(Source: Malay Mail, 11 February 2019)</i></p>