

MALAYSIA WEEKLY ECONOMIC NEWS

(12 August 2019 – 16 August 2019)

Topics	Highlights
<p>RAM Ratings maintains GDP forecast at 4.6% for 2019</p>	<p>RAM Ratings forecasts the economy to remain at a resilient 4.6% this year despite increasing global growth uncertainties amidst the protracted trade disputes the world over. RAM Ratings said one of the key revisions to its initial assessment at the end of last year was the slowing of Malaysia's trade growth going forward, with expectations for exports to increase by a marginal 0.5% (2018:2.2%) and imports to exhibit a slight contraction of 0.4% (2018:1.3%). From the domestic demand perspective, indirect policy buffers such as the continuation of fuel price ceilings and a quick review of public sector projects have helped bolster resilience. Although some labour market indicators point to more sluggish conditions looking ahead, both direct and indirect policy support should help keep private consumption activity on its steadfast growth trajectory to come in at 7.1% this year.</p> <p style="text-align: right;"><i>(Source: The Star, 16 August 2019)</i></p>
<p>Malaysian economy to grow at least 4% in 2Q – IBC Assets</p>	<p>Malaysia's economy is projected to expand at a rate of at least 4 percent in the second quarter this year, supported by exports, said IBC Assets Bhd head of research Dr Serge Pierre Besanger. He said while imports dropped by 9.2 percent to RM65.9 billion year-on-year in June, it was net export that contributed to economic growth and there was a significant improvement in that front. Besanger added that the balance of trade widening to RM10.3 billion in June against RM9.1 billion in the previous month. "While Thailand and Indonesia could lose their Generalized System of Preferences (GSP) status due to persistent allegations of intellectual property breaches, Malaysia is immune to such threats because it is essentially a level playing field and the country has a strong track record of respecting intellectual property,"he said.</p> <p style="text-align: right;"><i>(Source: The Edge Markets, 15 August 2019)</i></p>
<p>KL second friendliest city in the world, survey finds</p>	<p>Kuala Lumpur emerged as the second friendliest city in the world, according to Big 7 Travel. The capital of Malaysia is only behind Vancouver, Canada in the list of 50 Friendliest City In The World, according to a survey carried out by the global travel site on some 1.5 million people. Other cities, which made the Top 10, include Bruges, Belgium (in third place), Taipei, Taiwan (4th), Hamburg, Germany (5th), Dublin, Ireland (6th), and Christchurch, New Zealand (7th). The website also noted that these cities across the globe make one feel welcomed based on "how easy the city is to navigate or strangers helping you find your way when that pesky roaming data doesn't work, to making new best friends in a local bar". Malaysia emerged among the best travel destinations, including Penang, by CNN Travel for one of the best destinations to visit for the ultimate Asia experience in June this year, as well as topping the 2017 Global Muslim Travel Index as the best Muslim travel destination in the world.</p> <p style="text-align: right;"><i>(Source: The Star, 15 August 2019)</i></p>
<p>Get set for boom from Indonesia's new capital in Kalimantan</p>	<p>Sabah must be prepared to expect an economic spillover from Indonesia's plans to shift its capital from Jakarta to Kalimantan. Chief Minister Datuk Seri Shafie Apdal said tourism is among the sectors that are anticipated to gain from the move. "There are bound to be spillover and we have to be ready for this,"Shafie said. He said developing Kalimantan will see billions of ringgit flowing into the region. "In terms of tourism, we can expect more visitors to Sabah and Sarawak," he said. Indonesian President Joko Widodo in his Twitter post confirmed they planned to move the capital to Kalimantan, but the exact location of the new capital has yet to be determined.</p> <p style="text-align: right;"><i>(Source: The Star, 12 August 2019)</i></p>