

# MALAYSIA WEEKLY ECONOMIC NEWS

(23 September 2019 – 27 September 2019)

Topics	Highlights
<p><b>Malaysians set for 26% pay hike if women get fair access to work</b></p>	<p>Malaysians' income could rise 26% if women are given equal access to economic opportunities, according to the World Bank. That rise in income per capita would imply a RM9,400 (US\$2,240) annual gain for each Malaysian on average, according to a report. Three-quarters of the rise would come from closing the gap in women's participation in the labor force, which stands at 55.2%, while one-quarter would come from women becoming entrepreneurs. The Southeast Asian country's working-age population is set to start shrinking next year, increasing the urgency of bringing in more women into the labour force. In addition, Malaysia should expand child care coverage until up to 17 years of age, from as old as 6 currently, and improve access to affordable child and elderly care especially for the urban poor, said the World Bank. More than half of women cite housework as their reason for not joining the labour force, according to the report.</p> <p style="text-align: right;"><i>(Source: The Star, 27 September 2019)</i></p>
<p><b>Malaysia to cut interest rate in Dec</b></p>	<p>Malaysia's export momentum has outperformed in South-East Asia, according to the Institute of Chartered Accountants in England and Wales' (ICAEW) latest Economic Update: South-East Asia report. The momentum it said, reflected a more modest deceleration in export growth and resilient domestic demand, comparing the growth of trade-dependent economies such as Singapore, Thailand and the Philippines which have seen slower momentum in the second quarter of 2019. "However, despite the outperformance of the Malaysian economy to date, Bank Negara is expected to lower interest rates by 25 basis points (bp) in December, with a further 25 basis points cut in the first quarter of 2020. "This is provided that the government will continue to focus on fiscal consolidation in the upcoming budget announcement on Oct 11," the report said.</p> <p style="text-align: right;"><i>(Source: The Star, 24 September 2019)</i></p>
<p><b>RAM Ratings sees inflation rising to 1.5% in August</b></p>	<p>RAM Ratings expects the country's overall inflation rate to rise to 1.5% in August from 1.4% in July on higher food costs. In a statement issued on Tuesday, the rating agency said the marginally higher reading was underpinned by slightly greater inflationary pressure from the food component. Bloomberg's consensus was a 1.5% increase in inflation in August. "Looking ahead, full-year inflation is projected to come in at 1% in 2019 (2018: 1%)," it said. "This is driven by the low-base effect from the withdrawal of the GST last year and the eventual rollout of the targeted fuel price subsidy mechanism, which will raise retail fuel prices to market levels," it said.</p> <p style="text-align: right;"><i>( Source: The Star, 24 September 2019)</i></p>
<p><b>BNM's joint committee on climate change calls for transition to low-carbon economy</b></p>	<p>The newly formed Joint Committee on Climate Change (JC3) has called for an accelerated response in transitioning to a low-carbon economy. "This includes managing exposures to climate risks and facilitating businesses to transition towards sustainable practices," said Bank Negara. To take this forward, the committee agreed to form four sub-committees focusing on risk management, governance and disclosure, product and innovation and engagement and capacity building. The central bank said JC3 will be guided by three key mandates including:</p> <ul style="list-style-type: none"> <li>• building capacity through sharing of knowledge, expertise and best practices in assessing and managing climate-related risks;</li> <li>• identifying issues, challenges and priorities facing the financial sector in managing the transition towards a low carbon economy; and</li> <li>• facilitating collaboration between stakeholders in advancing coordinated solutions to address arising challenges and issues.</li> </ul> <p style="text-align: right;"><i>(Source: The Star, 16 September 2019)</i></p>