

MALAYSIA WEEKLY ECONOMIC NEWS

(10 February 2020 – 14 February 2020)

Topics	Highlights
<p>PM to announce economic stimulus package on Feb 27</p>	<p>Prime Minister Tun Dr Mahathir Mohamad will announce the economic stimulus package on Thursday, Feb 27 to mitigate impact of Covid-19 outbreak on companies and the rakyat. Finance Minister Lim Guan Eng said in a statement on Friday the stimulus intends to mitigate the adverse external economic impacts of the Covid-19 outbreak on Malaysia while preserving the welfare of the rakyat. "The economic stimulus package is neither a new budget nor part of Budget 2020 measures. Instead, assistance will be given to the affected sectors to allow the economy to emerge as whole as possible and benefit from the expected economic rebound post-Covid-19," he said. Lim said cashflow is the principal concern for the affected companies which had to ensure that they remained viable, operational and capable of reaping the benefits when the economic rebound takes place. The government will adopt measures to assist these companies, but emphasis should also be placed on exploring alternative revenues such as shifting towards encouraging domestic tourism, and sourcing from other markets, he said.</p> <p style="text-align: right;"><i>(Source: The Star, 14 February 2020)</i></p>
<p>MIDF: Economy to grow 4.5% in 2020</p>	<p>MIDF Research expects Malaysia's economy to grow 4.5% this year contributed by steady domestic demand and recovery in mining and construction sectors. The research house said although the mining sector remained in negative territory in the fourth quarter of 2019 but the sector has showed some improvement and is expected to continue to recover this year as the impacts from supply distribution wane. "In addition, Petrolia Nasional Bhd announced that its second floating LNG (PFLNG) unit is expected to be operational in the second quarter of this year, giving an impetus to the mining sector," it said.</p> <p style="text-align: right;"><i>(Source: The Star, 14 February 2020)</i></p>
<p>Government to allow face mask manufacturers to hire more foreign workers</p>	<p>The government will allow manufacturers of face masks to hire more foreign workers to cope with the increased demand due to the Covid-19 coronavirus crisis. Deputy Prime Minister Datuk Seri Dr Wan Azizah Wan Ismail said factory workers in the industry had been working around the clock due to the hike in demand and were understaffed. "With more workers, they could split the 24-hour workload into three shifts," said Dr Wan Azizah. Dr Wan Azizah said the Home Ministry would ensure that the additional intake of foreign workers was controlled. "This is an emergency situation, but we must also ensure it does not result in an excess of foreign workers," she said. She also said the Domestic Trade and Consumer Affairs Ministry had issued instructions for face mask sellers not to sell masks in bulk to customers. "There has to be a quota of masks sold to customers. We must ensure that there is enough supply for everyone," she said.</p> <p style="text-align: right;"><i>(Source: The Star, 14 February 2020)</i></p>
<p>Airlines see big drop in business</p>	<p>The aviation sector is among the worse hit in terms of business from the outbreak of the novel coronavirus (2019-nCoV) and this has forced airlines to seek ways to cushion the blows. Airlines are re-strategising in terms of their capacities and are also embarking on cost-cutting measures, at least until there are more clarity of the virus outbreak coming under control. A spokesman from Malaysia Airlines said it has seen weak passenger demand across its network, especially to and from China. The national carrier said it is proactively reducing capacity based on demand. As more and more countries are imposing travel restrictions, Malaysia Airlines has responded quickly to these changes. Similarly like any other companies impacted by this situation, we have initiated counter measures to manage our costs," the spokesman added. A source from Malindo Air acknowledged that the public fears travelling at the moment and this has resulted in about a 20% drop in passengers. The airline has also taken swift action to reduce its frequencies to the affected regions and shift its capacities to other regions.</p> <p style="text-align: right;"><i>(Source: The Star, 11 February 2020)</i></p>