

MALAYSIA WEEKLY ECONOMIC NEWS

(3 February 2020 – 7 February 2020)

Topics	Highlights
<p>NCI approves five manufacturing and services projects worth RM4.6bil</p>	<p>The National Committee on Investment (NCI) has given approval to five approved manufacturing and services projects worth RM4.6 billion located in Penang, Kedah and Pahang. The approval was for investments in the electrical and electronics, machinery and equipment as well as automotive industries with 97.3 per cent of the investment came from Singapore, Hong Kong and the United States (US). The remaining approved investment was from a Malaysian Integrated Circuit (IC) Design company, according to the NCI in a statement today. It said this high value-added project involves IC design for application-specific integrated circuit (ASIC) products for Artificial Intelligence (AI) deep learning and high-performance computing which upon realization will create over 6,000 job opportunities for the country.</p> <p style="text-align: right;"><i>(Source: The Star, 7 February 2020)</i></p>
<p>Manufacturers told to increase production of face masks, says Saifuddin</p>	<p>Local manufacturers have been asked to increase the production of face masks by another 400,000 pieces daily to ensure sufficient supply in the wake of the novel coronavirus (2019-nCoV) outbreak. Domestic Trade and Consumer Affairs Minister Datuk Seri Saifuddin Nasution Ismail said a meeting with the manufacturers and importers of face masks was held to get the actual supply figures. He said the ministry was told that 90% of what is being produced in the country is surgical masks as well as masks for industrial use while the remaining is the production of the three-ply masks which is currently in demand. The minister said that face masks are controlled items and the price that has been set is 80 sen per unit for the three-ply masks and RM6 per unit for the N95. With the market having sufficient supply of face masks, Saifuddin called on the public not to panic buying.</p> <p style="text-align: right;"><i>(Source: The Star, 7 February 2020)</i></p>
<p>December industrial output rose at slower pace of 1.3%</p>	<p>Malaysia's industrial production index (IPI) increased at a slower pace of 1.3% in December last year compared with a Bloomberg survey of a 2% growth due to a decline in the mining output. The chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the growth in December was driven by the increase in the indices of manufacturing (3.4%) and electricity (0.9%). The mining index fell by 4.9%. The major sub-sectors contributing to the increase in December last year were non-metallic mineral products, basic metal and fabricated metal products (4.6%); petroleum, chemical, rubber and plastic products (3.6%) and electrical and electronics products (3.1%). He said the output from the electricity sector output increased by 0.9% on-year. For 2019, the IPO recorded a growth of 2.4% compared with 2018. The increase was contributed by the growth in manufacturing sector at 3.6% and electricity sector 3.3% but the mining sector declined by 1.7%.</p> <p style="text-align: right;"><i>(Source: The Star, 7 February 2020)</i></p>
<p>Malaysia's export to expand 1.5% this year, say economists</p>	<p>Malaysia is expected to achieve an export growth of 1.5% year-on-year (y-o-y) this year, underpinned by commodity-based sectors, according to economists. RHB Investment Bank Bhd economist Ahmad Nazmi Idrus said the latest figures might appear that trade could have reached its bottom and is ready for a rebound. He said the support came from better palm oil prices in recent months and demand from non-electrical and electronics, as well as non-commodity products as reflected in the December 2019 manufacturing purchasing managers' index data. However, the investment bank is still wary of certain weaknesses, especially with the expectations of modest growth in China and the United States. Malaysia's total trade recorded positive growth in December 2019 at 1.9% y-o-y, ending a six-month contraction streak as both export and import grew. Export in December 2019 expanded by 2.7% y-o-y after four consecutive months of negative growth, while import increased tepidly by 0.9% y-o-y following two months of decline.</p> <p style="text-align: right;"><i>(Source: The Star, 5 February 2020)</i></p>