

# MALAYSIA WEEKLY ECONOMIC NEWS

(6 January 2020 – 10 January 2020)

| Topics   | Highlights  |
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| <p><b>UOB Malaysia, MIDA team up to attract more FDI</b></p>                 | <p>United Overseas Bank Malaysia Bhd and the Malaysian Investment Development Authority (MIDA) have teamed up to attract more foreign direct investments (FDI) into high value-added sectors. They said these sectors include electrical and electronics, machinery and equipment, medical devices, aerospace, renewable energy and consumer technology. To promote Malaysia as an investment destination, UOB Malaysia and MIDA will organise a series of roadshows across key focus markets such as China, Asean and Japan. UOB Malaysia and MIDA will team up to attract global companies that can contribute positively to the local economy through sustainable investments. UOB Malaysia CEO Wong Kim Choong said Malaysia has sharpened its focus on attracting quality investments in targeted sectors that will have significant benefits for the domestic economy. "Our collaboration with MIDA not only enables us to help more global companies seize investment opportunities in Malaysia, but also to contribute to industry development in the country," Wong said.</p> <p style="text-align: right;"><i>(Source: The Star, 10 January 2020)</i></p> |
| <p><b>November industrial output up 2%, nearly double forecast</b></p>       | <p>Malaysia's industrial production index (IPI) grew at a much faster pace of 2% in November 2019 from a year ago, which was nearly double a Bloomberg survey of a 1.1% increase. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said the growth in November was driven by the increase in the index of manufacturing (2.5%), electricity (1.6%) and mining (0.5%). On a year-on-year basis, the manufacturing sector output rose by 2.5% in November 2019 after recording a 2.2% growth in October 2019. The Statistics Department said the major sub-sectors contributing to the increase in November 2019 were transport equipment and other manufactures (4.3%), non-metallic mineral products, basic metal and fabricated metal products (3.7%) and petroleum, chemical, rubber and plastic products (2%). As for the mining sector, output grew 0.5% from a year ago, underpinned by the increase in natural gas index (3.7%). Crude oil and condensate index declined by 3.3%. The electricity sector output increased by 1.6% in November 2019 from a year ago.</p> <p style="text-align: right;"><i>(Source: The Star, 10 January 2020)</i></p>        |
| <p><b>Malaysia achieves 2019 fiscal deficit target of 3.4%</b></p>           | <p>The government has achieved its fiscal deficit target for 2019 of 3.4% of gross domestic product (GDP), says Finance Minister Lim Guan Eng. He announced that the government collected RM27.6bil in Sales and Service Tax (SST) revenue, surpassing the target of RM22bil in the budget. Asked if the government could afford to abolish the GST, Lim said in the last budget, the government had expected a gap of RM10bil in SST collection compared to the GST. "We are all going according to plan, and the good news is the gap is a bit smaller at between RM1.5bil and RM2bil and we are able to cover that shortfall. So, everything is according to plan fiscally," he said. Lim also announced that for this year, the government targeted to collect RM27.5bil in SST revenue, but expressed optimism that the final revenue collection could be more.</p> <p style="text-align: right;"><i>(Source: The Star, 10 January 2020)</i></p>   |
| <p><b>Putrajaya monorail system expected to be completed before 2025</b></p> | <p>The monorail transport system in Putrajaya is expected to be completed before 2025, with the line extended to Cyberjaya, Bangi and Kajang, said Federal Territories Minister Khalid Abd Samad. He said the project was one of the main focus of the government in upgrading the transportation system in Putrajaya and in attracting more visitors to the administrative centre. "After 25 years, one of the unfinished development projects in Putrajaya is the monorail project so we are focusing on reviving the project as the infrastructure including the bridge and tunnel have been left hanging," he said. "In the Putrajaya area, we will stick to the original plan but the line will be connected to Kajang, Bangi, Cyberjaya and will be integrated with the East Coast Rail Link (ECRL) project, Mass Rapid Transit (MRT) system and Kuala Lumpur-Singapore High-Speed Rail (HSR)," he said.</p> <p style="text-align: right;"><i>(Source: The Star, 9 January 2020)</i></p>  |