

MALAYSIA WEEKLY ECONOMIC NEWS

(23 October 2017 – 27 October 2017)

Topics	Highlights
<p>August's stronger Leading Index points to positive GDP growth</p>	<p>Malaysia's economy is expected to continue growing positively in the near term based on as the Leading Index (LI), which monitors the economic performance in advance, increased in August 2017. The LI rose 1.9% to 120.3 points in August from 118.1 points in July. The firmer growth was underpinned by the increase in the number of housing units approved (0.7%), number of new companies registered (0.6%) and real imports of semiconductors (0.5%).</p> <p style="text-align: right;"><i>(The Star, 24 October 2017)</i></p>
<p>RAM Ratings: Bank loan growth to remain flat in 2018</p>	<p>RAM Ratings expects overall loan growth for the banking sector to remain flat at about 5% to 6% in 2018. Against this backdrop, it said competition for loans and deposits will be keen, leaving banks' earnings under pressure although liquidity positions should remain intact; all domestic banks' liquidity coverage ratios exceed 100%. The rating house projects that Malaysia's real GDP growth will maintain a steady clip of 5.2% in 2018, following the expected 5.4% expansion this year. Positive signs vis-à-vis hiring and investment activities suggest that the rebound in the country's 1H 2017 GDP performance is not just transitory, but promises a sustainable growth momentum.</p> <p style="text-align: right;"><i>(The Star, 25 October 2017)</i></p>
<p>Big infrastructure projects to boost economy</p>	<p>The rapid infrastructure development across the country at present has sent clear signals that the Government remains focused on preparing for the future well-being of the rakyat. Core infrastructure projects that the Government is currently undertaking include the Mass Rapid Transit (MRT), Pan Borneo Highway, East Coast Rail Link (ECRL) and the Kuala Lumpur-Singapore High-Speed Rail (HSR). For example, the construction of the Pan Borneo Highway will provide good access to the rural areas, thus stimulating the economy in those places while encouraging the relocation of factories from urban to rural areas where land cost is cheaper. The project also provides jobs for the people and reduces migration to cities which are already plagued by issues related to the urban poor.</p> <p style="text-align: right;"><i>(The Star, 26 October 2017)</i></p>
<p>Budget 2018: Reactions from property sector</p>	<p>The property industry will benefit from an economic boost, resulting from various initiatives in Budget 2018, said Mah Sing Group managing director. He cited the Government's initiatives that focus on lower and middle income segments, address the cost of living, affordable housing issues and new technology as beneficial to economic growth. Mah Sing aims to be the leading property developer in the affordable segment and will be launching more affordably priced projects in line with the market needs. Mah Sing believes the Government's incentives for first-time home buyers such as Pr1MA Skim Pembiayaan and MyDeposit programme will assist them with their deposits and instalment when purchasing a home. A 50% tax exemption for rental income amounting to up to RM2,000 a month would also be encouraging to property investment.</p> <p style="text-align: right;"><i>(The Star, 27 October 2017)</i></p>