

MALAYSIA WEEKLY ECONOMIC NEWS

(31 August 2020 – 4 September 2020)

Topics	Highlights
<p>Only nearly half of allocation for govt devt projects used, Mustapa says</p>	<p>Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed said only 48.48% or RM33.4 billion of the allocation for government development projects has been spent as at Aug 26, 2020. He noted that the amount spent has yet to reach half of the year's allocation for the purpose, despite the fact that it is already September. "This has become an issue for the government as we want to revitalise the economy, but there are many factors which had affected the performance, such as the COVID-19 pandemic. However, the government, via the Works Ministry and the Public Works Department, has taken several proactive steps to accelerate the development projects," he said.</p> <p><i>(Source: The Star, 3 September 2020)</i></p>
<p>Matrade: Border closure is no barrier to business</p>	<p>Local companies should view the pandemic situation and the international border closures as an opportunity instead of a barrier to expand business overseas. Malaysia External Trade Development Corp (Matrade) deputy chief executive officer Sharimahton Mat Salleh said local companies should not be contented with the domestic market and should double their efforts to expand their market share. The companies should instead take advantage of the current challenging period, given that many of their foreign competitors are "muting" their operations, and start searching for potential buyers or partners who are still keeping their business going. "There is an abundance of opportunity (to penetrate the overseas market) as shown in our last trade figures (June and July) where exports have rebounded strongly," she said.</p> <p><i>(Source: The Star, 3 September 2020)</i></p>
<p>Manufacturing stable after rebound</p>	<p>After a sharp V-shaped rebound after the movement control order (MCO), the Malaysian manufacturing sector appears to have moved towards stabilization. The country's manufacturing Purchasing Managers' Index (PMI) has continued to moderate over the past two months but contracted slightly in August. However, economists feel the PMI number of 49.3 in August was not a major cause for concern as the worst appears to be over for the sector. MIDF Research said that while the PMI has moderated, it remained on a high note, compared to the earlier MCO phases. In the past, Malaysia's manufacturing PMI barely sustained above 50. As long as it hovers between 49 and 50, it's still considered good for Malaysia.</p> <p><i>(Source: The Star, 3 September 2020)</i></p>
<p>National finance under control despite post Covid-19 recovery plan</p>	<p>The country's financial situation is under control even though the government has overspent to address the impact of the COVID-19 pandemic on the country's economy. Deputy Finance Minister I Datuk Abd Rahim Bakri said the Prihatin Rakyat Economic Stimulus Package 2020 (PRIHATIN) and National Economic Recovery Plan (PENJANA) worth RM295 billion, as well as a fiscal injection of RM45 billion have helped spur the country's economy after experiencing a contraction. "On a monthly basis, the gross domestic product (GDP) has shown a recovery from a contraction of 28.6 per cent in April to 19.5 per cent in May and 3.2 per cent in June," he said at the Dewan Negara.</p> <p><i>(Source: The Star, 3 September 2020)</i></p>