

MALAYSIA WEEKLY ECONOMIC NEWS

(13 July 2020 – 17 July 2020)

Topics	Highlights
<p>May unemployment rose 5.3% to 826,100 persons</p>	<p>Malaysia's unemployment rate increased further to 5.3% in May to record 826,100 unemployed persons, the Department of Statistics Malaysia (DOSM) reported. DOSM said the unemployment rate had increased as the number of unemployed went up by 47,300. The data showed the number of employed persons who were temporarily not working had reduced by more than half to 2.27 million persons (April 2020: 4.87 million persons). Of the total labour force in May 2020, employed persons recorded a marginal decline of 0.3 per cent (April 2020: -2.0%) month-on-month to 14.89 million persons. In line with this, employment-to-population ratio which provides information on the ability of an economy to create employment dropped further by 0.4 percentage points to post 64.4%.</p> <p style="text-align: right;"><i>(Source: The Star, 14 July 2020)</i></p>
<p>Economy seen rebounding next year</p>	<p>With the economy expected to show some recovery in the second half of the year, economists said there could be headwinds next year that could impact the revival of the country's economic growth. The resurgence and fears of the outbreak of Covid-19, another round of US-China trade spat, lingering uncertainties and geopolitical tension may put a dampener on Malaysia's gross domestic product (GDP) growth next year. Nonetheless, economists are projecting a GDP growth of between 3.5% and 6.5% growth for next year. This compares with a contraction of between 1% and 3% in 2020. Based on Bank Negara's estimate, the economy is expected to be between 2% contraction and 0.5% growth this year.</p> <p style="text-align: right;"><i>(Source: The Star, 13 July 2020)</i></p>
<p>OCBC lowers rates by 25bps on Monday</p>	<p>OCBC Bank (Malaysia) Bhd and its subsidiary, OCBC Al-Amin Bank Bhd lowered their base rate (BR), base lending rate (BLR) and base financing rate (BFR) by 0.25% effective on Monday. All loans and financing rates based on BR, BLR and BFR will correspondingly decrease by the same rate. Similarly, all conventional fixed deposit and Islamic time deposit board rates would also fall by 0.25% on the same day, the group said. With the above, OCBC Malaysia's BR is reduced from 2.83% to 2.58%, and it's BLR/BFR from 5.76% to 5.51%.</p> <p style="text-align: right;"><i>(Source: The Star, 13 July 2020)</i></p>
<p>Lower volume of cargo handled by Penang forwarders</p>	<p>The volume of outbound and inbound cargo handled by the Penang Freight Forwarders Association (PFFA) dipped by 10.25% and 9% respectively for the January to May period compared to the same period a year ago. PFFA honorary secretary-general Ali Ahmad said that from January to May, the volume of outbound cargo contracted to 13,816 tonnes from 15,395 tonnes achieved in the corresponding period of 2019. The volume of inbound cargo contracted to 24,803 to 27,246 tonnes. "In view of the drop, we don't think the earlier forecast of 68,872 tonnes and 45,922 tonnes for the respective outbound and inbound cargo handled is achievable. "We need to wait until September to see whether the electronic companies here will further cut production," Ali said.</p> <p style="text-align: right;"><i>(Source: The Star, 13 July 2020)</i></p>