

MALAYSIA WEEKLY ECONOMIC NEWS

(20 July 2020 – 24 July 2020)

Topics	Highlights
<p>Zafrul: Economy recovering, 83.5% of employees back to work</p>	<p>The Department of Statistics Malaysia (DoSM) Report which says that about 12.7 million or 83.5% of employees as of June 2 have returned to work, evidently shows that economic activities and services are recovering, said Tengku Datuk Seri Zafrul Tengku Abdul Aziz. The Finance Minister noted that the figure on May 17, 2020 was 10.2 million or 67.2%. He said the DoSM data also showed that wholesale and retail trade for May 2020, increased by RM17.5bil or 26.3% to RM84.4bil, compared to April 2020. Zafrul also stated that besides Thailand, Malaysia is acknowledged as among the countries that have implemented extraordinary economic support packages.</p> <p style="text-align: right;"><i>(Source: The Star, 23 July 2020)</i></p>
<p>Penang records RM7.1bil manufacturing investments in 1Q20</p>	<p>Penang recorded a promising RM7.1 billion in approved manufacturing investments in the first quarter of 2020 (Q1 2020), despite the challenging global economic environment. Chief Minister Chow Kon Yeow said the amount was equivalent to 42 per cent of Penang's 2019 full-year approved manufacturing investments that was underpinned by both new investments and reinvestments. He said machinery, scientific and measuring equipment (which includes medical devices), as well as electronics and electrical industries collectively made up about 95 per cent of Penang's total approved manufacturing investments in January-March 2020. Despite the satisfactory performance in the first quarter, Chow said the state expects the investment inflow for 2020 to be lower than 2019's all-time-high of RM16.9 billion.</p> <p style="text-align: right;"><i>(Source: The Star, 22 July 2020)</i></p>
<p>June inflation down 1.9% on-year as fuel price fell</p>	<p>The Consumer Price Index (CPI) fell 1.9% in June from a year ago due to a fall in transport costs as fuel prices dropped but the decline was more than the Bloomberg survey of 1.8%. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said the CPI declined 1.9% in June to 119.1 from 121.4 a year ago. Food & non-alcoholic beverages continued to increase in June 2020 by 1.6% to 134.9 from 132.8 a year ago. This group contributes 29.5% of CPI weight. He said miscellaneous goods & services rose by 3%, followed by communication (1.6%), health (1.1%) and education (0.8%). Meanwhile, CPI in 2Q of 2020 decreased 2.6% to 118.2 as compared to 121.3 a year ago. On a quarterly basis, the CPI fell 3% as compared to the first quarter of 2020. The index for all states decreased between -1.3% and -2.7% in June 2020 as compared to June 2019.</p> <p style="text-align: right;"><i>(Source: The Star, 22 July 2020)</i></p>
<p>Medical tourism revenue target revised downward</p>	<p>The Malaysian Healthcare Travel Council (MHTC) has revised downward the revenue target for medical tourism this year by 75% from its original target amid the fallout from the Covid-19 pandemic. It now expects medical tourism revenue for 2020 to reach RM500mil, with RM2bil in estimated economic impact. The original target set for medical tourism this year was RM2bil in revenue, with RM10bil in total contribution to the economy. The revised target was due to a decline in medical tourists forecast for the year on the back of border closures implemented as part the movement control order (MCO) and recovery MCO phases.</p> <p style="text-align: right;"><i>(Source: The Star, 22 July 2020)</i></p>