

MALAYSIA WEEKLY ECONOMIC NEWS

(14 September 2020 – 18 September 2020)

Topics	Highlights
<p>Construction sector lost RM11.6b a month since MCO</p>	<p>The construction industry in Malaysia has suffered up to RM11.6 billion in losses every month since the nationwide Movement Control Order (MCO) began on March 18. Master Builders Association Malaysia (MBAM) president Foo Chek Lee said that 29% of the losses was due to the unemployment of industry workers as construction projects had to be halted. While most construction work had resumed as the country entered the recovery phase, the industry could only operate at up to 80% of its capacity, he said. He added that the extension of the moratorium for another half a year could help protect one of the most important economic sectors in the country.</p> <p style="text-align: right;"><i>(Source: The Star, 18 September 2020)</i></p>
<p>Local tourists return, but only to resorts</p>	<p>The local tourists are coming back, and resort hotels are seeing a spike in occupancy rates, with some recording occupancy rates of up to 90%. Malaysia Budget Hotel Association national deputy president Sri Ganesh Michiel said budget hotels in places such as Cameron Highlands, Langkawi and Tioman are reporting very good business – at least for now. However, city-based hotels are still reeling from the impact of the Covid-19 pandemic, said Ganesh. Ganesh, however, raised concerns that business may not be so rosy for the resort budget hotels once the six-month loan moratorium ends at the end of this month. Additionally, Ganesh said four and five-star hotels have also been slashing their prices heavily, a move that has severely affected the businesses of budget hotels.</p> <p style="text-align: right;"><i>(Source: The Star, 17 September 2020)</i></p>
<p>Monthly wages up 4.4% in 2019 but weaker this year</p>	<p>The mean monthly salaries & wages rose by 4.4% to RM3,224 last year from RM3,087 from 2018 but they are expected to be weaker this year due to the impact of the Movement Control Order imposed on March 18. The Statistics Department said on Thursday the increase of salaries & wages in 2019 was in line with Malaysia's economic performance which recorded a growth of 4.4% at current price in 2019. He pointed out the value of median and mean monthly salaries and wages for employees with tertiary education remained high, increasing by 6.9% and 2% respectively. The department's data showed that in 2019, the median monthly salaries & wages of employees in urban increased by 6.2% to RM2,565 versus employees in rural areas, which increased by 5.3% to RM1,560.</p> <p style="text-align: right;"><i>(Source: The Star, 17 September 2020)</i></p>
<p>Unemployment to drop to 4.5% by year-end</p>	<p>The unemployment rate in Malaysia is expected to ease further to 4.5% by year-end, according to United Overseas Bank (M) Bhd. Its senior economist Julia Goh said Malaysia's labour market continued to improve with the unemployment rate falling for the second straight month to 4.7% in July from 4.9% in June and the peak of 5.3% in May. She said the total labour force increased by 55,000 persons (month-on-month) to 15.82 million people in July as a result of the reopening of more economic sectors under the Recovery Movement Control Order including tourism, education, entertainment and recreational activities. She said most economic sectors posted an increase in hiring in July, led by the services sector particularly accommodation; food and beverages; and transport and storage activities.</p> <p style="text-align: right;"><i>(Source: The Star, 14 September 2020)</i></p>