

# MALAYSIA WEEKLY ECONOMIC NEWS

(24 August 2020 – 28 August 2020)

Topics	Highlights
<p><b>July exports at second highest on record of RM97.12b</b></p>	<p>Malaysia's exports in July 2020 rose by 3.1% to RM92.53bil from a year ago and it was the second highest export value ever registered, after RM97.12bil in October 2018. Minister of International Trade and Industry (MITI) said that China continued to be the biggest export market for the fourth consecutive month comprising iron and steel products, solid-state storage devices (SSD) and palm oil. For July, the total exports were also the highest export value ever recorded for the month of July. Exports grew by 11.7% from June's RM82.82bil. The exports also exceeded a Bloomberg survey of a 1.4% decline. Exports of manufactured goods in July 2020, which accounted for 87.5% of total exports, rose by 4.7% y-o-y to RM80.94bil.</p> <p style="text-align: right;"><i>(Source: The Star, 28 August 2020)</i></p>
<p><b>Melaka plans RM100b economic corridor</b></p>	<p>The Melaka state government is planning to create a new economic corridor to attract high-impact investments, to be known as the Melaka Waterfront Economic Zone or M-Wez worth about RM100 billion. Chief Minister Datuk Seri Sulaiman Md Ali said the state's new economic landmark is an incentive to be implemented by the private sector as well as the government, covering 20 km of reclaimed coastal land. He said M-Wez is one of the development projects under Melaka's comprehensive development plan comprising short-, medium- and long-term plans covering the period from 2020 to 2035.</p> <p style="text-align: right;"><i>(Source: The Star, 25 August 2020)</i></p>
<p><b>Firm economic recovery seen in H2 as June leading index rises at faster pace</b></p>	<p>Malaysia can expect a firm recovery in the second half of this year as economic activities pick up and provided there is no second wave of the Covid-19 pandemic outbreak, the Statistics Department said. In a statement issued yesterday, it said despite a 17.9% contraction in GDP in the second quarter, the leading index (LI) - which provides an early signal of the future economic direction - grew at a faster pace in June. The LI rose 4.5% in June 2020 (May 2020: 0.6%) based on year-on-year comparison. It shows a better signal of economic direction as the economic sectors were allowed to resume operations while adhering to the new normal starting June 10 with the implementation of the recovery movement control order (RMCO). Meanwhile, the coincident index (CI) which measures the overall current economic performance, recorded 110.0 points in June 2020 from 113.5 points in June 2019, decreased by 3.1% year-on-year.</p> <p style="text-align: right;"><i>(Source: The Star, 25 August 2020)</i></p>
<p><b>Jewellery export hit by lockdown and quarantine measures</b></p>	<p>The gold jewellery export industry in the country is expected to face its worst crisis since the past 20 years as the Covid-19 pandemic spread worldwide. Penang Goldsmith Association (PGA) adviser Joeson Khor told that the worsening scenario of the pandemic would curtail business opportunities of the industry. Gold merchants have not been able to travel overseas to deliver their products because of the lockdowns and quarantine policies. According to Malaysia External Trade Development Corp statistics, for the first six months of 2020, Malaysia's total exports of jewellery of gold, silver and platinum decreased by 52.8% to RM1.71bil as compared to RM3.63bil in the same period of 2019. Khor said gold jewellery retail sales dropped because customers have not been able to come out to shop, causing the demand to dip.</p> <p style="text-align: right;"><i>(Source: The Star, 24 August 2020)</i></p>