

MALAYSIA WEEKLY ECONOMIC NEWS

(16 November 2020 – 20 November 2020)

Topics	Highlights
Jobless rate improves in Q3	<p>Malaysia's unemployment rate fell to 4.7% in the third quarter ended Sept 30 from 5.1% in the second quarter as the education sector and related industries reopened, the Statistics Department said. DOSM said Malaysia entered the phase of Recovery Movement Control Order (RMCO) since June 10, most of the economic sectors had gradually resumed albeit compliance to standard operating procedures. The improvement was due to the reopening of the sectors and coupled with increased of tourism related activities as interstate travel was allowed. This has resulted in a better labour market situation for the quarter as compared to the second quarter of 2020. In Q3, employed persons rose by 1.4% to 15.10 million, mostly in services, manufacturing and construction sectors.</p> <p><i>(Source: The Star, 20 November 2020)</i></p>
RCEP will boost economic revival, says MEF	<p>The Malaysian Employers Federation (MEF) believes that the recent signing of the Regional Comprehensive Economic Partnership (RCEP) provides a much-needed boost to revive Malaysia's economy impacted by the Covid-19 pandemic. President Datuk Dr Syed Hussain Syed Husman said the trade pact made between 15 countries in the Asia-Pacific region would provide Malaysian companies access to more than a third of the world's market. The RCEP agreement would also provide small and medium enterprises (SMEs) with a more level playing field between developed and less developed economies, strengthen the supply chain, and facilitate ventures into new opportunities, he added.</p> <p><i>(Source: The Star, 19 November 2020)</i></p>
Fitch Solution lowers Malaysia GDP forecast	<p>Fitch Solutions has downgraded its growth forecast for Malaysia this year to -5% from -4.5% previously, according to its client note. "Downward revision was prompted by the worsening third wave of coronavirus infections, posing risks to the ongoing growth recovery," it said. Domestic demand and investment are likely to remain subdued given the persistence of heightened economic uncertainty. Net exports will remain as the key positive growth contributor, mainly through depressed import demand. Raises growth forecast for 2021 to 11.5% from 6.3% previously, mainly due to low base effects in 2020, especially in the second quarter.</p> <p><i>(Source: The Star, 17 November 2020)</i></p>
Economy will keep getting better	<p>Malaysia's economy will continue to improve, albeit at a gradual pace, towards the end of the year and into 2021, after seeing a stronger-than-expected rebound in the third quarter. Economists said the gradual resumption of economic activities following the easing of the movement control order, as well as recovery in international trade, would help support the country's recovery path. The improvement of third quarter gross domestic product (GDP) performance, reflected by a smaller contraction, was partly due to the relaxation of restrictive health measures to contain the spread of Covid-19. At the same time, the RM305bil stimulus measures have provided a positive impetus to the improvement of the economy. The country's GDP contracted 2.7% in the third quarter, better than the consensus expectation of a 3.7% contraction. This also represented a strong rebound from the 17.1% plunge in the second quarter.</p> <p><i>(Source: The Star, 16 November 2020)</i></p>