

MALAYSIA WEEKLY ECONOMIC NEWS

(13 September 2021 – 17 September 2021)

Topics	Highlights
<p>Zafrul: Wage subsidies worth RM15.7bil approved</p>	<p>The government has approved wage subsidy applications worth over RM15.7bil under the various wage subsidy programmes. Under Wage Subsidy Programme 1.0 (PSU 1.0) up to Sept 3, 2021, a total of RM12.936bil had been approved, benefitting 322,177 employers and 2.64 million workers, according to Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz. For PSU 2.0, up to Sept 3, a total of RM1.373bil had been distributed to 79,703 employers for them to continue operating, sustaining 701,161 jobs. Under PSU 3.0, up to Aug 29, a sum of RM1.051bil had been distributed to 70,676 employers, helping to keep the jobs of 697,872 workers. For PSU 4.0, a total of RM382.37mil had been distributed to 58,988 employers, helping them to sustain operations and keep 637,107 jobs up to Aug 29.</p> <p style="text-align: right;"><i>(Source: The Star, 16 September 2021)</i></p>
<p>Sarawak plans to double development by 2030</p>	<p>The Sarawak state government has launched a holistic post-Covid-19 development strategy (PCDS) to double its 2019 gross domestic product (GDP) contribution of RM136bil to RM282bil by 2030. Of this, GDP contribution from private investment is expected to rise from RM21bil in 2020 to RM61bil by 2030, representing a 10-year compounded annual growth rate of 11.2%. Following a fireside chat with Sarawak's policy makers and industry captains, RHB Investment Bank said the PCDS is expected to create 200,000 high-paying jobs, bringing Sarawak's total employment size to 1.5 million. RHB Investment Bank said the PCDS is based on the estimation that Sarawak's economy will continue to grow at an average of 6% to 8% per year until 2030. The research house added that the state's forward-looking initiatives include its bid for a digital banking licence, with support from its own development bank and multimedia authority.</p> <p style="text-align: right;"><i>(Source: The Star, 16 September 2021)</i></p>
<p>RAM Rating: Global rate hikes still some way off</p>	<p>Foreign investors have charted a surprise return and turned net buyers in August despite heightened political uncertainties in Malaysia, says RAM Rating Services Bhd (RAM Ratings). The bond market registered a robust net foreign inflow of RM6.6bil (July: outflow of RM3.6bil), mainly driven by Malaysian Government Securities (MGS) and Government Investment Issues (GII) of RM6.2bil. The market may have taken comfort in the swift resolution of the political quagmire as the 10-year MGS yield fell four basis points (bps) while the ringgit appreciated sharply against the United States dollar from RM4.24 to RM4.17 towards the end of August.</p> <p style="text-align: right;"><i>(Source: The Star, 16 September 2021)</i></p>
<p>Malaysia's approved FDI leaps 223.1% in 1H2021</p>	<p>An increase in approved foreign direct investment (FDI) in the first half of 2021, which leapt 223.1% year-on-year, signals the confidence of foreign investors in the country's stable and conducive economic climate and business ecosystem, said senior minister Datuk Seri Azmin Ali. FDI was the main driver of the manufacturing sector during this period with a contribution of RM58.2bil in approved investments while domestic sources of investment came to RM8.7bil. In terms of total approved investment, Malaysia recorded RM107.5bil of FDI and domestic direct investments (DDI) in the manufacturing, services and primary sectors, representing a jump of 69.8% compared to the same period last year. The investments involved 2,110 projects and are expected to generate 44,994 job opportunities in the country.</p> <p style="text-align: right;"><i>(Source: The Star, 13 September 2021)</i></p>