

MALAYSIA WEEKLY ECONOMIC NEWS

(18 January 2021 – 22 January 2021)

Topics	Highlights
GDP forecast maintained at 6.5-7.5% for 2021, says Zafrul	<p>Malaysia is maintaining its Gross Domestic Product (GDP) growth target of between 6.5% and 7.5% for 2021 despite the emergency declaration and the second round of the Movement Control Order (MCO 2.0) enforcement, said Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz. Tengku Zafrul said the stability and persistency of policies were crucial in controlling COVID-19 and enabling the country to be on this economic recovery path. The government is committed to supporting businesses and the people as well, and ready to deploy more resources to combat the deadly virus if needed, he said.</p> <p><i>(Source: The Star, 22 January 2021)</i></p>
December inflation fell 1.4% on-year, up 0.5% on-month	<p>The inflation rate or Consumer Price Index (CPI) for December last year fell by 1.4% due mainly to a decline in transport and housing, water, electricity, gas and other fuels, according to the Statistics Department. The December CPI was at 120.6 compared with 122.3 in December 2019. The decrease in the overall index was attributed by the decline in transport (-8.4%); housing, water, electricity, gas & other fuels (-3.3%); clothing & footwear (-0.4%). Restaurants & hotels (- 0.2%) and furnishings, household equipment & routine household maintenance (- 0.1%) which contributed 48.6% to overall weight. Food & non-alcoholic beverages increased by 1.4% to 135.8 from 133.9 a year ago. This group contributes 29.5% of CPI weight. However, the CPI without fuel fell 0.1% in December last year to 112.8 as compared to 112.9 in December 2019.</p> <p><i>(Source: The Star, 22 January 2021)</i></p>
Tenaga: 10,768 commercial customers to benefit from 10% Permai discount	<p>A total of 10,768 of Tenaga Nasional's commercial customers in six selected sectors will benefit from a 10% discount on their electricity consumption from Jan 1 to March 31 under the Pakej Bantuan PERMAI 2021. According to a statement posted on its website, these six sectors which previously received the 15% discount under the Economic Stimulus Package 2020, are automatically eligible for the discount. They are hotel operators, theme parks, convention centres, shopping malls, local airline offices as well as travel and tour agencies which have been severely affected due to the Covid-19 pandemic. Tenaga also said customers from the six sectors who have not been included in the initial approved list by the government may submit their appeal by filling up the 10% discount application form.</p> <p><i>(Source: The Star, 21 January 2021)</i></p>
Bank Negara maintains OPR at 1.75%	<p>Bank Negara Malaysia's Monetary Policy Committee (MPC) kept the Overnight Policy Rate (OPR) unchanged at 1.75% during its meeting. The resurgence in Covid-19 cases and the introduction of targeted containment measures had affected the recovery momentum in the fourth quarter of 2020. For 2021, while near-term growth will be affected by the re-introduction of stricter containment measures, the impact will be less severe than that experienced in 2020. However, Bank Negara said the growth trajectory was projected to improve from the second quarter onwards. The improvement, it said, will be driven by the recovery in global demand, turnaround in public and private sector expenditure amid continued support from policy measures, and higher production from existing and new manufacturing and mining facilities. The roll-out of vaccines in the coming months will also lift sentiments.</p> <p><i>(Source: The Star, 20 January 2021)</i></p>