

MALAYSIA WEEKLY ECONOMIC NEWS

(24 May 2021 – 28 May 2021)

Topics	Highlights
<p>Malaysia's trade performance breaks record in April</p>	<p>Malaysia's recorded strong trade performance in April as exports and imports once again broke the record to reach RM105.6bil and RM85.1bil, the Statistics Department said. Malaysia's exports soaring by 63% year-on-year to RM105.6bil in April 2021 compared to an increase of 31.1% in March 2021. The expansion was driven by both domestic exports and re-exports. Domestic exports stood at RM85bil – which contributed 80.5% to the total exports -- rose significantly by 84%. Re-exports which were valued at RM20.6bil, grew by 11%. Meanwhile, imports in April 2021 amounted to RM85.1bil, an increase of 24.4% year-on-year.</p> <p style="text-align: right;"><i>(Source: The Star, 28 May 2021)</i></p>
<p>Govt raises fiscal deficit target to 6% of GDP for 2021</p>	<p>The government has raised the 2021 fiscal deficit target to 6% from 5.4% of gross domestic product (GDP) previously. This comes after factoring in the continuing measures from 2020 economic stimulus packages, as well as the Permai and Perneraka packages launched in the first quarter of this year. Consequently, the federal government's statutory debt is also estimated to increase to 58.5% by end-2021 from 58% in 2020. "The country's debt profile remains favourable with more than 90% of government debt denominated in ringgit, supported by ample domestic liquidity and long maturity issuances which supported funding flexibility," the Finance Ministry (MoF) said.</p> <p style="text-align: right;"><i>(Source: The Star, 28 May 2021)</i></p>
<p>Economic outlook improves but challenges remain</p>	<p>Malaysia's economic outlook has improved, with the Statistics Department describing March indicators as encouraging in the near term, but it expects prevailing challenges to continue to persist until the Covid-19 pandemic is brought under control. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said Malaysia's leading index (LI) in March showed a significant increase with a double-digit growth, which was a 17.3% year-on-year increase to 113.3 points from 96.6 points in March 2020. This is an inaugural highest annual growth recorded following a significant economic contraction in March 2020 due to the containment of outbreak. Mohd Uzir said when compared with the previous month, the LI observed a similar trend by registering 1.8% in March versus 1.1% in February. Despite expecting uncertainty continuing to persist, the Statistics Department was upbeat on the economic outlook in the near future.</p> <p style="text-align: right;"><i>(Source: The Star, 25 May 2021)</i></p>
<p>Alliance Bank extends RM7b under loan modification, moratorium</p>	<p>Alliance Bank Malaysia Bhd has extended over RM7bil in loan modifications and moratoria, with an approval rate of over 95%. The bank has also disbursed more than RM600mil in special relief fund and RM120mil in targeted relief and recovery facility provided by Bank Negara Malaysia. Alliance Bank said it will continue to extend its payment relief assistance (PRA) packages to help individuals and businesses facing cash-flow constraints due to the COVID-19 pandemic. The bank said Individuals, who have lost their jobs or whose income have been affected by the pandemic, may apply for the PRA while similar support are extended to businesses experiencing reduced business revenue .</p> <p style="text-align: right;"><i>(Source: The Star, 24 May 2021)</i></p>