

MALAYSIA WEEKLY ECONOMIC NEWS

(29 March 2021 – 2 April 2021)

Topics	Highlights
<p>Manufacturing PMI up to 49.9 in March</p>	<p>The headline IHS Markit Malaysia Manufacturing Purchasing Managers' Index (PMI), a composite single-figure indicator of manufacturing performance, rose to 49.9 in March from 47.7 in February. IHS Markit said the latest reading pointed to a stabilisation in operating conditions, with the headline Index reaching its highest since July 2020. Chief business economist Chris Williamson said the Malaysian manufacturing sector took further welcome steps on the road to recovery in March, with rates of order book and export decline easing. He said the supply of inputs continued to deteriorate, adding to manufacturers' headwinds, but rising global trade should help alleviate some of the shortages in the coming months, driving further expansion of Malaysian production and taking some of the heat out of prices.</p> <p style="text-align: right;"><i>(Source: The Star, 2 April 2021)</i></p>
<p>EPF i-Sinar withdrawal gives positive immediate impact to real economy</p>	<p>The withdrawals under the Employees' Provident Fund's (EPF) i-Sinar scheme is seen to have a positive immediate impact on the real economy as it supported domestic consumptions. Bank Negara Malaysia (BNM) deputy governor Datuk Abdul Rasheed Ghaffour said that in terms of retirement savings, however, the buffer needed to be strengthened and rebuilt. He said the reform measure in social protection is also important, particularly with regard to the social insurance part and the private retirement scheme, as it could help in strengthening further retirement benefits. On the i-Sinar withdrawal impact to the financial market, he said BNM's focus has always been to mitigate the potential impact arising from market destruction that is to ensure sufficient liquidity onshore to support financial stability.</p> <p style="text-align: right;"><i>(Source: The Star, 1 April 2021)</i></p>
<p>Tengku Zafrul: Malaysia on track for recovery, to rebound strongly in 2021</p>	<p>Malaysia is on the right track for economic recovery and is likely to rebound strongly this year backed by various policy measures, said Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz. The Minister said key outcomes that the government aims to achieve for 2021 include herd immunity by December 2021, which is three months ahead of schedule; targeted Enhanced Movement Control Order based on data of specific localities. The government also intended to drive economic recovery by ensuring the opening of all economic sectors, and enhanced standard operating procedures (SOPs) enforcement to contain the pandemic, he said. Tengku Zafrul said the implementation of the government's 6R National Economic Recovery Strategy would further spur Malaysia's economic recovery.</p> <p style="text-align: right;"><i>(Source: The Star, 31 March 2021)</i></p>
<p>Exports rise for sixth straight month</p>	<p>Malaysia's February exports rose 17.6% year-on-year to RM87.57bil, on the back of rising global demand for semiconductors, rubber products as well as petroleum products and palm oil. According to the International Trade and Industry Ministry (Miti), this was the sixth consecutive month of export growth for Malaysia, as well as the country's highest recorded growth in 28 months. Miti said imports during the month grew 12.7% year-on-year to RM69.7bil. This brought the trade surplus in February 41.6% higher versus the same month in 2020 at RM17.9mil, while total trade rose 15.4% year-on-year to RM157.27bil. Compared to January 2021, trade surplus increased by 7.6%. Total trade, exports and imports were lower by 3.3%, 2.3% and 4.5%, respectively.</p> <p style="text-align: right;"><i>(Source: The Star, 30 March 2021)</i></p>