

MALAYSIA WEEKLY ECONOMIC NEWS

(6 December 2021 – 10 December 2021)

Topics	Highlights
<p>October industrial output up 5.5% on-year</p>	<p>The country's industrial production index (IPI) rose 5.5%, exceeding the forecasts by Reuters. Department of Statistics Malaysia (DOSM) said the expansion of IPI was attributed to an increment of 8% in the manufacturing index. Simultaneously, the electricity index rose 4.1%. Meanwhile, the mining index recorded a downturn of 3.5%. On a month-on-month basis, the IPI increased by 4.8% driven by manufacturing and electricity sectors. The Manufacturing sector output based on year-on-year comparison increased by 8% in October 2021 after recording a positive growth of 4% in September 2021. The main sub-sectors that contributed to the growth in the manufacturing sector in October 2021 were electrical & electronics products (13.6%), food, beverages & tobacco (9.3%), and petroleum, chemical, rubber & plastic products (6.3%).</p> <p style="text-align: right;"><i>(Source: The Star, 10 December 2021)</i></p>
<p>Building material cost index in Peninsular Malaysia increased 0.1% to 1.3% in Nov</p>	<p>The Building Material Cost Index (BCI) without steel bars increased in November 2021, rising by between 0.1% and 1.3% in Peninsula Malaysia. DOSM said the BCI also rose in Sabah between 0.1% and 1.7% for all categories of building except for timber piling and single storey (RC) piling that showed no changes while the BCI in Sarawak showed an increase between 0.1% and 1.8% in November 2021. Meanwhile, the BCI with steel bars for all regions in Peninsula Malaysia also increased 0.1% to 1.7% for almost all building categories in November 2021 compared to the preceding month.</p> <p style="text-align: right;"><i>(Source: The Star, 9 December 2021)</i></p>
<p>MIDF Amanah Investment Bank anticipates Malaysia's unemployment rate to average 4.5% in 2021</p>	<p>MIDF Amanah Investment Bank Bhd is anticipating the unemployment rate for Malaysia to average at 4.5% in 2021 underpinned by the further recovery of the domestic economy in the last two months of 2021 amid relaxations of containment measures, higher vaccination rates and improvements of the consumer as well as business sentiments. It said Malaysia's labour market improved further as the jobless rate fell to 4.2% in October 2021, the lowest since March 2020, contributed by the steady expansion of employment growth of 2.3% year-on-year (y-o-y) while the number of unemployed persons reduced by 5.8% y-o-y, the largest contraction rate in five-month. The investment bank said the strengthening of the labour market is in line with the reopening of economic activities and relaxations of containment measures which started in late September 2021.</p> <p style="text-align: right;"><i>(Source: Malay Mail, 8 December 2021)</i></p>
<p>Cooperation between BNM, Singapore's MAS on linking DuitNow and PayNow among topics discussed</p>	<p>Cooperation between both Bank Negara Malaysia (BNM) and the Monetary Authority of Singapore (MAS) to commence a phased linkage of Malaysia's DuitNow and Singapore's PayNow real-time payment systems were among the topics discussed with Singapore, said Finance Minister Datuk Seri Tengku Zafrul Abdul Aziz. The first phase of the linkage, which will be launched in the fourth quarter of 2022, allows customers of participating financial institutions to make real-time fund transfers between Malaysia and Singapore using a mobile number. Customers will be able to make retail payments by scanning QR codes displayed at merchants' storefronts. The project will enable more seamless payments for the high volume of remittances between Malaysia and Singapore, which reached RM4.2 billion in 2020.</p> <p style="text-align: right;"><i>(Source: Malay Mail, 7 December 2021)</i></p>