

# MALAYSIA WEEKLY ECONOMIC NEWS

(8 March 2021 – 12 March 2021)

Topics	Highlights
<p><b>Manufacturing helps January industrial output advance 1.2</b></p>	<p>The manufacturing sector underpinned the industrial production index (IPI) in January despite declines in the mining and electricity indices. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said the IPI grew by 1.2% from a year ago, driven by the manufacturing index with an increase of 3.5%. However, the mining and electricity indices dropped 4.5% and 4.6%. The manufacturing sector output based on year-on-year comparison rose by 3.5% in January after recording a growth of 4.1% in December 2020. The mining sector output dropped 4.5% due to the decrease in crude oil &amp; condensate index (-9.4%) and natural gas index (-0.5%). The electricity sector output contracted 4.6% in January 2021 as compared to the same month of the previous year.</p> <p style="text-align: right;"><i>(Source: The Star, 12 March 2021)</i></p>
<p><b>Azmin: Govt to introduce new national investment policy</b></p>	<p>The government will introduce a new national investment policy to attract more high-quality investors as the country moves towards a high-income nation, Senior Minister cum International Trade and Industry Minister Datuk Seri Mohamed Azmin Ali said. He said a working paper on the proposed policy has been approved and endorsed by the Economic Action Council (EAC) and will be presented to the Cabinet within this month. Following deliberations between MITI, the EAC, and MIDA, Mohamed Azmin said it was decided that a proposal to introduce new incentives to attract foreign investors into Malaysia will be further discussed with the MoF.</p> <p style="text-align: right;"><i>(Source: The Star, 10 March 2021)</i></p>
<p><b>Employment scene still challenging</b></p>	<p>The unemployment rate in January rose to 4.9% from 4.8% in December due to the impact of Covid-19 on tourism-related industries and a decline in the agriculture sector, despite gains by the manufacturing and services sectors. The Statistics Department said the unemployment rate in January rose by 9,700 people to 782,500 from the 772,900 in December. The continuous increase in the number of unemployed persons was partly due to review of business strategies in tourism-related industries which consist of accommodation and food services, passenger transportation, entertainment and recreational activities. DOSM said the labour market remained in a challenging situation following the rising number of Covid-19 cases which saw the imposition of travel curbs from Jan 13 to Feb 4.</p> <p style="text-align: right;"><i>(Source: The Star, 9 March 2021)</i></p>
<p><b>Retailers see growth at 4.1% in 2021</b></p>	<p>Retail Group Malaysia (RGM) has revised downwards its 2021 retail sales growth projection to 4.1% from 4.9% previously, mainly due to the re-implementation of the movement control order (MCO) in January. The association said the latest revision is also based on other factors of consideration. "More retail businesses will be allowed to open from March 2020. Nevertheless, movement restrictions continue to affect shopping traffic throughout the country. "Interstate travel ban is expected to be enforced for a longer period of time and it has been affecting domestic tourism spending," it said in a statement. RGM said the return of foreign tourists will be slow and gradual.</p> <p style="text-align: right;"><i>(Source: The Star, 9 March 2021)</i></p>