

## MALAYSIA WEEKLY ECONOMIC NEWS

(8 November 2021 – 12 November 2021)

| Topics   | Highlights   |
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| <p><b>GDP shrank 4.5% in 3Q but economy on recovery mode in 4Q and next year</b></p> | <p>Malaysia's economy shrank by 4.5% in the third quarter ended Sept 30, 2021 compared with a 16.1% expansion in the second quarter but the economy is on a recovery trajectory in the fourth quarter and extending into 2022. Bank Negara Malaysia said on Friday the Malaysian economy is expected to improve following the normalisation of economic activities. For 2021, the domestic economy is on track to expand by between 3% and 4%. "Growth will be supported by the increase in economic activities as containment measures are progressively relaxed, amid continued policy support. The various relaxations of restrictions for fully vaccinated individuals including for interstate travel would also spur tourism-related activities," it said. In addition, the strength in global demand will continue to support export growth.</p> <p><i>(Source: The Star, 12 November 2021)</i></p> |
| <p><b>FDI rose by RM4.6b in 3Q to RM12.8b, mainly from Singapore</b></p>             | <p>Foreign direct investment (FDI) increased by RM4.6bil to record a higher inflow of RM12.8bil in the third quarter this year, mostly in the form of equity and investment fund shares. Manufacturing remains as the main sector for foreign investment in Malaysia, followed by financial and wholesale &amp; retail trade. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said the main FDI sources were from Singapore, the Netherlands and the US. In the meantime, direct investment abroad (DIA) switched to net inflow of RM4.7bil from a net outflow of RM4bil in the previous quarter due to capital reduction and loans received from abroad. He said the major sectors which contributed to the inflows were financial and mining. The top three DIA inflows were from Mauritius, Switzerland and Austria.</p> <p><i>(Source: The Star, 12 November 2021)</i></p>                          |
| <p><b>Value of construction work done down 21% in Q3</b></p>                         | <p>The value of construction work done in the third quarter (Q3) of 2021 recorded a reduction of 21% year-on-year, amounting to RM24.8bil, said the Statistics Department (DOSM). DOSM said among the factors contributing to the decline were the enforcement of the enhanced movement control order as well as phase one and phase two of the National Recovery Plan, which imposed strict conditions to resume construction activities. A quarter-on-quarter comparison also showed the value of construction work done contracted by -12.2% from the previous quarter. The three major construction subsectors, namely civil engineering, residential buildings, and non-residential each contracted by -29.7%, -24.9%, and -10.4%, respectively, compared with the same quarter last year.</p> <p><i>(Source: The Star, 12 November 2021)</i></p>   |
| <p><b>Industrial Production Index up 2.5% in September</b></p>                       | <p>Malaysia's manufacturing sector output increased 4% year-on-year (y-o-y) in September 2021, after growing 0.6% in August, according to the Statistics Department. The contributing sub-sectors were electrical and electronics products (12.3%), petroleum, chemical, rubber and plastic products (6.1%) as well as food, beverages and tobacco (2.1%). The country's Industrial Production Index (IPI) which consist of three main sectors, mining, manufacturing and electricity also increased 2.5% y-o-y in September. Export-oriented industries grew 6.7% while domestic-oriented industries shrank 1.9%. The increase in export-oriented industries was mainly supported by the manufacture of computer, electronics and optical products as well as the manufacture of coke and refined petroleum products.</p> <p><i>(Source: The Star, 10 November 2021)</i></p>                              |