

MALAYSIA WEEKLY ECONOMIC NEWS

(9 August 2021 – 13 August 2021)

Topics	Highlights
<p>Bank Negara: Economy expanded 16.1% in 2Q, above forecast</p>	<p>The Malaysian economy expanded by 16.1% in the second quarter (1Q 2021: -0.5%) as the economic performance was supported mainly by the improvement in domestic demand and continued robust exports performance. Bank Negara Malaysia said the strong growth also reflected the low base from the significant decline in activity during the second quarter of 2020. The 2Q growth exceeded economists' forecasts of between 13% and 15%. All economic sectors registered an improvement, particularly the manufacturing sector. On the expenditure side, growth was driven by higher private sector spending and strong trade activity. However, on a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 2.0% (1Q 2021: 2.7%), weighed by the tighter containment measures.</p> <p style="text-align: right;"><i>(Source: The Star, 13 August 2021)</i></p>
<p>Jobs in economic sector dipped in 2Q due to movement curbs</p>	<p>The total number of jobs in the economic sector shrank in the second quarter 2021 from a year ago as labour demand was impacted by prolonged health crisis and containment measures imposed since March 2020, according to Department of Statistics Malaysia (DOSM). Total jobs in economic sector dipped by 0.4% to 8.35 million in 2Q (Q1 2021: -1.7%) as compared to 8.38 million jobs recorded a year ago. DOSM also said the number of jobs created in 2Q20 was the lowest registered since the series began in 2015 as most of the jobs by skill category were for the semi-skilled category. In comparison with the previous quarter, total jobs decreased further by 0.9%, indicating uneven recovery momentum in labour demand following the impact of prolonged health crisis and containment measures imposed since March 2020.</p> <p style="text-align: right;"><i>(Source: The Star, 12 August 2021)</i></p>
<p>E-commerce income in 2Q jumps 23% to RM267b</p>	<p>Malaysia's e-commerce income rose by 23.3% to RM267.6bil in the second quarter ended June 30, 2021 due to strong growth in the manufacturing and services sectors, the Statistics Department said. According to its report on the performance of the services sector and e-commerce income in 2Q this year, the RM267.6bil in e-commerce income was an increase of 5.1% from the first quarter's RM254.6bil. As for the revenue of the services sector expanded by 20.5% to RM404.5bil from a year ago aided by a lower base when it shrank by 5.6%. When compared with 1Q 21, the revenue was down by 1.7%. DOSM said wholesale & retail trade, food & beverages and accommodation segment recorded an increase 21.8% to RM324.6bil. It said the information & communication and transportation & storage segment rose by 14.7% to RM59.5bil.</p> <p style="text-align: right;"><i>(Source: The Star, 11 August 2021)</i></p>
<p>Malaysian economy to rise in Q2, lockdowns dampen outlook</p>	<p>The Malaysian economy is expected to grow sharply in the second quarter from a low base in the year-ago period, but COVID-19 lockdowns will hamper growth, according to economists polled by Reuters. The economy is seen growing 14.3% year-on-year between April and June, according to the median estimate of a Reuter's poll of 20 economists. Gross domestic product shrank 17.1% a year earlier, the worst contraction in over two decades, as Malaysia introduced its first set of lockdowns to curb the spread of COVID-19. The economy recovered to a certain degree early this year, but recent restrictions due to a resurgence in coronavirus infections have impeded growth.</p> <p style="text-align: right;"><i>(Source: The Star, 11 August 2021)</i></p>