

MALAYSIA WEEKLY ECONOMIC NEWS

(5 July 2021 – 9 July 2021)

Topics	Highlights
Unemployment rate down	<p>Malaysia's unemployment rate improved in May but the enhanced movement control order (EMCO) due to the Covid-19 pandemic could result in an uneven situation in the ensuing months. The Statistics Department said the country's unemployment in May was 4.5% or 728,100 people, an improvement from the all-time high of 5.3% or 826,100 unemployed persons a year ago. When compared with April, the unemployment rate improved from 4.6% with 742,700 unemployed then. Unemployment rate had been on a downward trend since February this year. However, due to the rise in infections, the government had in early May, put most states in conditional and recovery movement control order (MCO) phases.</p> <p style="text-align: right;"><i>(Source: The Star, 9 July 2021)</i></p>
Bank Negara maintains OPR at 1.75%	<p>In line with market predictions, Bank Negara left the overnight policy rate (OPR) unchanged at 1.75%, following the Monetary Policy Committee (MPC) meeting. This is the sixth consecutive MPC meeting in which the OPR has been retained at the record-low level. The last time the benchmark rate was revised was in July 2020, when the OPR was cut by 25 basis points from 2% to 1.75%. Bank Negara said the stance of monetary policy currently remains appropriate and accommodative, while fiscal and financial measures would continue to provide support to economic activities. The central bank pointed out that while latest economic indicators, particularly on exports, retail spending and labour market conditions, have shown better-than-expected performance, the re-imposition of nationwide Covid-19 containment measures would dampen growth momentum.</p> <p style="text-align: right;"><i>(Source: The Star, 9 July 2021)</i></p>
More critical support sectors allowed to operate in Selangor - MITI	<p>The electrical and electronics (E&E) sector and its supply chains, aerospace sector, machinery and equipment (M&E) sector for the production of healthcare and food products as well as the key food and beverage manufacturing companies are now allowed to operate in localities subject to the Enhanced Movement Control Order (EMCO) in Selangor. The Ministry of International Trade and Industry (MITI) moved swiftly to implement the decision soonest by convening further discussions with the Finance Minister and the Minister at the Prime Minister's Department (Economy) after the Cabinet meeting. As for aerospace sector, the permission is also given to the maintenance, repair and overhaul sub-sector.</p> <p style="text-align: right;"><i>(Source: The Star, 7 July 2021)</i></p>
Income from e-commerce up 30% to RM254b in 1Q 2021	<p>Income from e-commerce transactions surged 30.0% year-on-year (y-o-y) in the first quarter of 2021 (Q1 2021) to RM254.6 billion from RM195.9 billion in Q1 2020, according to the Department of Statistics Malaysia (DOSM). In 2020, income from e-commerce rose 32.7% to RM896.4 billion compared with 2019. The e-commerce income of establishments accelerated by 22.8% in 2019 to RM675.4 billion as compared with 2017. For the reference year 2019, the e-commerce income from the local market segment increased 21.7% to RM591.8 billion, while the international market increased 31.9% to RM83.5 billion. According to DOSM, e-commerce expenditure recorded an increase of 14.8% to RM301.5 billion. The local market segment increased 15.3% to RM269.6 billion, while the international market grew 10.8% to RM31.9 billion.</p> <p style="text-align: right;"><i>(Source: The Star, 6 July 2021)</i></p>