

## MALAYSIA WEEKLY ECONOMIC NEWS

(21 June 2021 – 25 June 2021)

Topics	Highlights
<p><b>NCER draws RM16b investments in 2021</b></p>	<p>The Northern Corridor Implementation Authority (NCIA) has secured investments worth over RM16 billion for 2021, generating more than 19,000 jobs for the Northern Corridor Economic Region (NCER). NCIA chief executive Datuk Seri Jebasingam Isaace John said these are signs that an economic rebound is set to take place soon. He also revealed that two pioneer investors have agreed to cumulatively inject RM1.55 billion into the Kedah Rubber City (KRC), the first dedicated rubber industrial park in the country, which is slated to begin operations in the fourth quarter of 2021. The investors are Hong Seng Industries Sdn Bhd (RM1.5 billion) and LTS Logistics Sdn Bhd (RM55 million). Jointly, they are expected to create 2,630 jobs.</p> <p><i>(Source: The Star, 25 June 2021)</i></p>
<p><b>May CPI rises 4.4% on-year, Terengganu highest in country</b></p>	<p>Malaysia's consumer price index (CPI) rose by 4.4% in May from a year ago, mainly due to higher transport costs caused by the rebound in oil prices, according to the Statistics Department. Economists surveyed by Reuters had expected the index to increase 4.7% year-on-year, unchanged from April, when it grew at its fastest pace in four years. Eight states recorded higher CPI in May with Terengganu the highest at 6.2%, Kelantan (5.6%), Pahang (5.1%), Kedah &amp; Perlis (4.8%), Negeri Sembilan (4.7%), Johor (4.6%), Selangor &amp; Putrajaya (4.5%) and Perak (4.5%). The higher CPI was due to a significant increase in transport (26.0%); housing, water, electricity, gas &amp; other fuels (3.2%); furnishings, household equipment &amp; routine household maintenance (2.1%) and food &amp; non-alcoholic beverages (1.5%).</p> <p><i>(Source: The Star, 25 June 2021)</i></p>
<p><b>World Bank cuts 2021 GDP projection to 4.5%</b></p>	<p>The sudden surge in Covid-19 cases over the past months and the movement restrictions that were reintroduced are expected to weigh on Malaysia's economy, slowing the recovery compared with what was initially expected. Against this backdrop, the World Bank has lowered its projection on Malaysia's economic growth by 1.5 percentage points to 4.5% in 2021 from an earlier forecast of 6%. The international financial institution said the revision reflected a slower pathway towards suppressing the pandemic and the slower-than-expected vaccine rollout. The trajectory and pace of growth will depend on the duration and severity of movement restrictions, the containment of the pandemic, and the pace of the vaccine rollout. Under this baseline scenario, growth can be attributed to a marked rebound from a low base in 2020 and to continued improvements in exports.</p> <p><i>(Source: The Star, 24 June 2021)</i></p>
<p><b>Industries spent more on environ protection, Johor leads among states</b></p>	<p>Industry players increased their spending for environmental protection by 7% to RM2.89bil in 2019 with Johor spending the largest amount among the states, according to the Statistics Department. In its Environmental Protection Survey Report 2020 issued on Wednesday, it said the spending was higher than in 2018 driven by higher capital expenditure (capex) which rose by 18% and operating expenditure (opex) increased by 3%. DOSM said that pollution management dominated the environmental protection expenditure at RM2.02bil or 70.1%. Industries spent RM751.70mil (26.1%) on waste management while and environmental assessment and charges accounted for RM64.90mil (2.3%).</p> <p><i>(Source: The Star, 23 June 2021)</i></p>