

MALAYSIA WEEKLY ECONOMIC NEWS

(21 May 2018 – 25 May 2018)

Topics	Highlights
<p>Malaysia's April 2018 inflation at 1.4% on year</p>	<p>Malaysia's inflation, as measured by consumer price index (CPI), increased by 1.4% in April 2018 from a year earlier, on costlier food & non-alcoholic beverages, besides higher expenses at restaurants & hotels. Chief Statistician of Statistics Department, Datuk Seri Dr. Mohd Uzir Mahidin said that among major groups which recorded increases were the indices for food & non-alcoholic beverages (+2.6%), restaurants and hotels (+2.2%), health (+2.1%), housing, water, electricity, gas & other fuels (+2.0%), furnishings, household equipment & routine household maintenance (+1.8%) and education (+1.1%). Meanwhile, the CPI for the period January-April 2018 increased 1.7%, as compared to the same month last year. In March 2018, the CPI increased by 1.3% from a year earlier.</p> <p style="text-align: right;"><i>(Source: The Edge Market, 23 May 2018)</i></p>
<p>Malaysia rises two spots on world competitiveness list</p>	<p>Malaysia moved up two notches to 22nd place in the latest IMD World Competitiveness Rankings. Malaysia is the only economy in Southeast Asia to register an improvement of two positions, driven by a strong rebound in economic performance, especially in international trade. The top five most competitive economies in the world remain the same as in 2017, but their order changed i.e. the US, followed by Hong Kong, Singapore, the Netherlands and Switzerland. Besides Malaysia, Japan (ranked 25th), South Korea (27th), and India (44th) saw slight improvements. Asian countries that dropped a few rungs are Taiwan (17th), Thailand (30th) and Indonesia (43rd). The Philippines experienced the most significant decline in the region, from 9th to 50th due to a decline in tourism and employment, the worsening of public finances and a surge in concerns over the education system.</p> <p style="text-align: right;"><i>(Source: New Straits Times, 24 May 2018)</i></p>
<p>Malaysia's economic leading index up 0.3% in March</p>	<p>The momentum of Malaysia's economy is expected to continue growing in the third quarter of 2018. In a statement highlighting the performance of Malaysian Economic Indicators, the annual change of Leading Index (LI) increased by 0.3% against 1.8% in the previous month. The LI indicators are designed to monitor the economic performance in average of four to six months ahead. However, the monthly change of LI showed a negative growth of 0.5% in the reference month, mainly due to the deceleration of the Number of Housing Units Approved to negative 0.7% (February 2018: 0.3%). Meanwhile, the Coincident Index (CI) which examines the current economic activity, rose 0.6% in March 2018, driven by the increase in Real Contribution to EPF (0.4%), Volume Index of Retail Trade (0.3%), Total Employment in Manufacturing sector (0.2%), and Real Salaries & Wages in Manufacturing sector (0.1%). The annual change of CI stepped up to 3.4% in the reference month, as compared to 3.1% in February 2018.</p> <p style="text-align: right;"><i>(Source: The Edge Market, 25 May 2018)</i></p>

Economics and Policy Division
SME Corp. Malaysia
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