

MALAYSIA WEEKLY ECONOMIC NEWS

(9 September 2019 – 13 September 2019)

Topics	Highlights
Malaysia's labour force participation rate falls to 68.5% in July	<p>The labour force participation rate in Malaysia dropped 0.1 percentage point to 68.5% in July as compared to the previous month, said the Department of Statistics Malaysia. Chief statistician Datuk Sri Mohd Uzir Mahidin reported that the labour force in July rose 2% against July 2018 to 15.7 million persons. He added that employed persons also increased 2% to 15.18 million persons over the same month. The unemployment rate in the country was 3.3% in July, unchanged from the previous month, while the number of unemployed increased 0.7% to 524,800 persons from June.</p> <p><i>(Source: The Star, 13 September 2019)</i></p>
World Bank: Malaysia needs fiscal buffer to face any contingency	<p>There is a need for Malaysia to create a fiscal buffer to address any contingency, said World Bank Group (WBG) representative to Malaysia and country manager, Firas Raad. He said the government was seeking to boost economic growth without eroding fiscal discipline and faces challenges in balancing both. Meanwhile, he said World Bank expects Malaysia to stick to its previous forecast fiscal deficit target of 3% of the gross domestic product next year when it announces the federal budget in October. "Many countries in South-East Asia, including Malaysia, face imbalances between labour demand and supply but fail to effectively deploy students and job seekers in a way that addresses these imbalances," he said.</p> <p><i>(Source: The Star, 13 September 2019)</i></p>
Malaysia recorded RM98.9bil in wholesale and retail trade in July this year	<p>Malaysia amassed RM98.9bil in wholesale and retail trade in July, recording a 5.7% increase compared to the same month last year. The Malaysian Statistics Department noted that the retail trade sub-sector was the main driver, recording a 7.1% increase, followed by wholesale trade (6.6%). Index of wholesale and retail rose by 6.3% to 132.9 points, as against the same month last year. Manufacturing sales also grew by 6% in July, registering RM74.2bil in value. The year-on-year growth registered in sales value in July 2019 was driven by the non-metallic mineral products, basic metal and fabricated metal products (7.4%), followed by petroleum, chemical, rubber and plastic products (5.9%), as well as the electrical and electronic products (5.8%).</p> <p><i>(Source: The Star, 11 September 2019)</i></p>
July industrial output slows down to 1.2%, below forecast	<p>Malaysia's industrial production index (IPI) expanded by 1.2% in July, which was slower than a Bloomberg forecast of a 3.1% increase. The growth in July was driven by the increase in the index of the manufacturing (4%) and electricity (2%) segments. However, the index of mining recorded a decline of 8.4%. The manufacturing sector output grew at a faster pace of 4% in July 2019 after recording a growth of 3.8% in June. The major sub-sectors contributing to the increase in July 2019 were electrical and electronics products (4.9%); petroleum, chemical, rubber and plastic products (3.4%) and non-metallic mineral products, basic metal and fabricated metal products (4.4%). However, the mining sector index fell by 8.4% in July 2019 from a year ago. The decline was due to the decrease in the crude oil and condensate index (-22.7%). The natural gas index increased by 7.3%.</p> <p><i>(Source: The Star, 11 September 2019)</i></p>