

MALAYSIA WEEKLY ECONOMIC NEWS

(25 November 2019 – 29 November 2019)

Topics	Highlights
<p>Chinese investments in Malaysia halve, US inflow soars</p>	<p>Chinese investments into Malaysia halved to US\$1.7bil in the first nine months of the year from a year ago, though US investments soared seven times to US\$5.9bil - reflecting a diversion of funds due to the Beijing-Washington trade clashes. Foreign direct investment (FDI) from Japan jumped more than four times to RM11.81bil (US\$2.83bil) in the January-September period. Total approved FDI into Malaysia rose 6.5% to US\$66.3bil. Trade hostilities between the world's biggest two economies have pushed mostly U.S. companies to look for factories outside China to escape tit-for-tat tariffs. For Malaysia, the biggest investments have come in the electrical and electronics industry, with one of the driving factors being that many semiconductor and other electronics products from the country do not attract U.S. tariffs, unlike the 25% rate for China.</p> <p style="text-align: right;"><i>(Source: The Star, 29 November 2019)</i></p>
<p>Emulate South Korea to develop Malaysian export industry</p>	<p>Malaysia should emulate South Korea in applying global thinking to further develop the export industry, and not merely depend on the domestic market, says Tun Dr Mahathir Mohamad. The Prime Minister also urged local market players to give attention to the manufacturing of goods that had high export value, thus yielding high returns, and that local companies would no longer depend on the support from the government like before. Dr Mahathir cited how the South Korean vehicle export industry started with only one brand, Hyundai, and expressed confidence that Proton too could achieve similar success. He added that South Korea had started with the construction industry to the extent that it had reached the desert, besides taking part in Malaysia's development through the construction of the Penang Bridge and the KLCC Twin Towers.</p> <p style="text-align: right;"><i>(Source: The Star, 28 November 2019)</i></p>
<p>M'sians spent 13% more on Singles Day this year</p>	<p>Malaysian consumers spent an average of RM277 on each online order during Singles Day (Nov 11, 2019), 113% more than the average household spending in a single day. Data from iPrice revealed a 13% increase in consumer spending when compared with previous years, from RM245 (average in 2018 and 2017) to RM277 on Nov 11 this year. Secondly, consumers spent the most money on electronics and automotive items. They spent an average of RM422 on electronics, and RM228 on automotive products on Nov 11. "This is remarkable, as automotive products were not always considered a popular category when it comes to online shopping. Looking into automotive sub-categories, shoppers spent the most on car care and care accessory items," said iPrice in a statement. In electronics, Malaysians spent the most on items such as lighting and electronics for home or office usage.</p> <p style="text-align: right;"><i>(Source: The Star, 28 November 2019)</i></p>
<p>Furniture exports to rise 1% this year</p>	<p>Malaysia's furniture exports are expected to rise 1% this year against RM7.79bil recorded in 2018 on the back of continued demand from customers despite global economic uncertainties, said Teresa Kok, the Primary Industries Ministry. As of August 2019, the country's exports of timber-based furniture jumped to RM5.6bil and this represents an increase of 13.5% compared to RM4.9bil during the same period last year. The increase in exports indicated that industry players have begun to focus on high value-added products, especially furniture rather than primary products such as timber, plywood and others. Nevertheless, she expressed concern over the low participation of bumiputra entrepreneurs in the country's timber industry. Presently, bumiputera entrepreneurs who owned about 370 out of an estimated 3,500 timber factories in Malaysia only contributed about 1% of the country's exports of timber and timber products, said Kok.</p> <p style="text-align: right;"><i>(Source: The Star, 26 November 2019)</i></p>