

MALAYSIA WEEKLY ECONOMIC NEWS

(6 November 2017 –10 November 2017)

Topics	Highlights
<p>Revenue of M'sia's e-commerce sector hit RM398 billion in 2015</p>	<p>Malaysia's e-commerce sector achieved RM398.2 billion in revenue in 2015, with the local and international markets contributing RM356.9 billion and RM41.3 billion, respectively. The Statistics Department said the manufacturing sector was the main contributor, accounting for RM255.7 billion from the local market and RM20.2 billion from the international market. Income from the business-to-business e-commerce transactions accounted for RM315.2 billion (79.2%) of the total revenue, followed by business-to-consumer with RM73.8 billion (18.5%) and business-to-government with RM9.2 billion (2.3%). The information was obtained from the Economic Census it conducted in 2016 on the sector's performance in 2015, which included statistical data on the usage of information and communications technology by businesses. According to the census, only 47,556, or 5.2%, of the 920,624 establishments operating in 2015 conducted e-commerce transactions during the year.</p> <p style="text-align: right;"><i>(The Star, 6 November 2017)</i></p>
<p>Motor vehicle sector set to contribute 10% to GDP</p>	<p>Malaysia's motor vehicle sector is on track to contribute 10% to the gross domestic product (GDP) in 2020. The sector had contributed 3.6% to the GDP last year value at RM40bil. The industry has 700,000 people. Malaysia's motor vehicle industry has been recognised by the Government as the important contributor to the economy with its expected contribution of 10% to our GDP in 2020.</p> <p style="text-align: right;"><i>(The Star, 7 November 2017)</i></p>
<p>Malaysian train line part of mega S-E Asian network</p>	<p>The Gemas-Johor electrified rail double tracking in Malaysia is among major rail projects aimed to facilitate the One Belt, One Road initiative by China which would improve the Malaysian economy, productivity and connectivity at a global level. The 3,000km network of rail tracks from China's Yunnan province to Laos, Cambodia, Thailand, Malaysia and Singapore would link industrial and commodity zones with major shipping ports in various parts of the region. These train lines include the Thailand-China Railway in Thailand and the Kuala Lumpur-Singapore High Speed Rail (HSR) connecting Malaysia and Singapore. In Malaysia, 73% of RM210 billion is allotted to rail projects such as the East Coast Rail Link (ECRL) and HSR in Budget 2018. Specifically, RM9 billion has been allotted for the Gemas-Johor rail project.</p> <p style="text-align: right;"><i>(The Star, 8 November 2017)</i></p>
<p>Malaysia's total trade to reach RM1.5-RM1.6 trillion</p>	<p>International Trade and Industry Minister YBhg. Datuk Seri Ong Ka Chuan is optimistic that Malaysia's total trade could increase to between RM1.5 trillion and RM1.6 trillion this year from RM1.48 trillion last year. As of September, Malaysia has already achieved RM1.3 trillion. For January-September period, Malaysia total trade grew by 21.7% with export and import also grew by double digit, 21.3% and 22% respectively. This was largely contributed by the electric and electronic industry which made up 36.4% of exports and 30.2% of imports. On investment, he said the country continued to attract investment as reflected in the first half of this year which recorded RM65.4 billion approved investment in the services, manufacturing and primary sectors, involving 2,294 projects and would create 61,930 employment opportunities.</p> <p style="text-align: right;"><i>(The Star, 8 November 2017)</i></p>

**Bank Negara keeps
overnight policy rate
at 3%**

Bank Negara's Monetary Policy Committee (MPC) has maintained the benchmark overnight policy rate (OPR) at 3% as the current stance of monetary policy is accommodative. The central bank's call to retain the OPR was made during its meeting today based on several ongoing positive factors in the local and global fronts. At the current level of the OPR, the stance of monetary policy remains accommodative. Given the strength of the global and domestic macroeconomic conditions, the MPC may consider reviewing the current degree of monetary accommodation. This is to ensure the sustainability of the growth prospects of the Malaysian economy," it said in a statement. For Malaysia, economic growth has become more entrenched. Both the domestic and external sectors continue to register strong performance. Growth momentum has been lifted by stronger spillovers from the external sector to the domestic economy as firms invest in productive capacity, raise wages and hire more workers," Bank Negara said.

(The Star, 9 November 2017)

Economics and Policy Division
SME Corp. Malaysia
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