MALAYSIA WEEKLY ECONOMIC NEWS

(2 April 2018 – 6 April 2018)

Topics	Highlights
Govt to eventually impose more foreign worker levies	The Government will eventually impose even more levies to reduce foreign worker count in selected industries. At this moment, the levies are already high, so Government will give them time to manage this because Government needs to manage local reliance on foreign workers. This move was necessary in light of the Bank Negara report which indicated that wages were too low in Malaysia. According to Second Finance Minister Datuk Seri Johari Abdul Ghani, "If we want to ensure the country can afford the minimum wage indicated by Bank Negara, we need to pay more attention to automating our industries. We have to start using artificial intelligence and so on. We cannot (solely) rely on foreign workers". *(The Star, 3 April 2018)*
Employment in Malaysia grew 2.1% in 2017	Labour market conditions in Malaysia improved in 2017 with an employment growth of 2.1% or net employment gains of 295,000 persons, three times higher than in 2016 or 96,000 persons. Earlier, the Ministry of Human Resources revealed that almost 35,000 Malaysians lost their jobs in 2017, while another 1,065 were laid off in January of the year. According to Bank Negara Malaysia's Factwatch.my website, the retrenchment of 35,000 persons in 2017 was still above the long-run average of 30,000 persons. The long-run average is the average annual layoffs from 2000-2016, excluding the period of the Global Financial Crisis which took place between 2008 and 2009. Net employment change (gain or loss) refers to the difference between employment levels in one period compared to the preceding period. *(The Star, 3 April 2018)*
PwC: Malaysia to be 24th largest economy in the world by 2050	Malaysia, a medium-sized economy, is expected to improve its ranking to be the 24th largest in the world by 2050. PwC Malaysia Nair said Malaysia, already in the 27th position in terms of gross domestic product (GDP) contribution to the global economy, needed to invest in technology and education to further improve its ranking. Malaysia would be on a steady growth path over the next 20 years, it would still do well despite some short-term ups and downs, as would be expected from a growing and emerging economy. Malaysia has always been a trade and investment-friendly country with ease of doing business. However, Malaysia needs to tackle the issue of wage increase in tandem with the higher economic growth in order to benefit the people. *(The Star, 5 April 2018)*
February exports, imports way below forecast	Malaysia's exports for February fell 2% to RM70.3 billion due to lower exports of palm oil products and liquefied natural gas (LNG), which was in sharp contrast with Bloomberg's survey of an 8% increase. According to the Statistics Department, Febuary imports fell 2.8% to RM61.3 billion due to lower imports of intermediate goods used in the electrical and electronic (E&E) products. The decline in imports were below the survey of a 7.1% increase. *(The Star, 5 April 2018)*

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