

MALAYSIA WEEKLY ECONOMIC NEWS

(29 January 2018 – 2 February 2018)

Topics	Highlights
<p>Business leaders in Malaysia most optimistic since 2014</p>	<p>Malaysian business leaders' overall optimism surged to 6% in the fourth quarter of 2017, a sharp rebound from a negative 36% a year ago, according to Grant Thornton's quarterly business survey. Confidence has boomed in Malaysia. The optimism level is at the highest since 2014, despite being the lowest level among ASEAN countries. In Malaysia, signs of confidence can be seen as the survey revealed that 62% business owners are expecting an increase in revenues, up 22% from Q3 of 2017. Also 44% of business owners are expecting an increase in exports for the year ahead, up 10% from Q3 2017 and this is the highest in ASEAN. The International Business Report (IBR) survey, which covered 2,500 businesses in 36 economies, showed the ASEAN region's optimism level was performing at its best at 58%, the highest since 2011.</p> <p style="text-align: right;"><i>(The Star, 29 January 2018)</i></p>
<p>Opportunities for Malaysia to develop maritime economy</p>	<p>Malaysia has the opportunities to further develop its maritime economy, with the support of numerous shipyards, ports and terminals, in addition to a prime geographic location. Even though the maritime industry in Malaysia continued to be in rough waters owing to overcapacity and tight financing, opportunities were still aplenty. More players are also looking at building new vessels that are more energy efficient and environment friendly due to tighter environmental regulations in the shipping industry. With the Government lending stronger support to the industry with the recent launch of the Malaysia Shipping Master Plan, the country is set to become a self-sufficient and internationally competitive nation that can benefit players along the maritime industry supply chain.</p> <p style="text-align: right;"><i>(The Star, 2 February 2018)</i></p>
<p>Market turns cautious</p>	<p>Investors are cautious towards the second quarter of 2018 and this may be what is keeping the equity markets in check after the recent highs achieved since the beginning of the year. But moving forward, analysts do not discount a possible Chinese New Year rally on the cards should risk appetite perk up. The 14th General Election is also around the corner and stocks might get a further boost from improving fundamentals and a low base for sentiment. Traditionally, the days leading up to the Chinese New Year is a good excuse to buy stocks as well, so stocks in general might post more gains across the board.</p> <p style="text-align: right;"><i>(The Star, 2 February 2018)</i></p>
<p>Malaysia is vibrant and stable, says China's envoy</p>	<p>Malaysia's economy is vibrant and stable, with sufficient foreign currency reserve, said Chinese Ambassador Bai Tian. The increasingly stronger ringgit and a 14.8% growth of foreign trade in 2017 had resulted in different international finance agencies adjusting the forecast of Malaysia's growth rate as China believed in its potential. On tourism, over two million Chinese tourists travelled to Malaysia annually, bringing with them local consumption of over 4,000 yuan (RM2,476) per capita.</p> <p style="text-align: right;"><i>(The Star, 2 February 2018)</i></p>

Economics and Policy Division
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