

# MALAYSIA WEEKLY ECONOMIC NEWS

(28 May 2018 – 1 June 2018)

Topics	Highlights
<p><b>Malaysia keeps deficit goal despite GST removal</b></p>	<p>Despite losing RM21 billion in government revenue by the zero-rated GST, Malaysia will maintain a fiscal deficit of 2.8% to the GDP, said Finance Minister, Lim Guan Eng. The Treasury expects to earn new revenues from several sources, including the reintroduction of the sales and services tax (SST) which takes effect on 1 Sept 2018. The zero-rated GST and the return of SST will result in savings of RM17 billion, which will be passed back to the public. The government also expects to get higher dividends totalling RM5 bil from state bodies such as sovereign wealth fund Khazanah, Bank Negara and national oil firm, Petronas. On top of this, there would be RM5.4 bil in revenue from corporate and petroleum income taxes following rising global oil prices. To curb spending, the new Malaysian government has identified RM10 billion worth of expenditure cuts, including taking steps to downsize, delay or scrap expensive projects and non-urgent spending.</p> <p style="text-align: right;"><i>(Source: The Straits Times, 1 June 2018)</i></p>
<p><b>Finance jobs to grow as the Malaysian economy stabilises in the year ahead</b></p>	<p>The boom in manufacturing and construction industries will be the key contributors to positive employment growth for Malaysia in the coming year, and fostering growth in the banking and finance sectors, said Kelly Services in its Malaysia Salary Guide for 2018/19. The report indicates that this growth will impact the increase in demand for high skilled talent as local companies seek to expand beyond home and multinationals look for a pathway into the Southeast Asian market. Withstanding the Ringgit uncertainty and regulation changes, the banking and financial services sector is expected to remain healthy for 2018, with corporate and investment bankers will be one of the most demanded positions in this sector in 2018. Meanwhile, Malaysia will need an estimated 200,000 engineers to meet the demands of employers – three times more than the 70,000 registered engineers presently in the country. The Malaysia Salary Guide identifies key sectors to spur the employment landscape as manufacturing, banking and construction sectors, which will drive employment opportunities and possibly, higher salaries.</p> <p style="text-align: right;"><i>(Source: New Straits Times, 1 June 2018)</i></p>
<p><b>Putrajaya forms public crowdfunding campaign to help Malaysian economy</b></p>	<p>The government announced the formation of public crowdfunding effort for Malaysians to donate and express their patriotism to help the country's economy. Prime Minister, Tun Dr. Mahathir Mohamad said the crowdfund, dubbed Malaysia's Hope Fund (Tabung Harapan Malaysia), was formed following concern from fellow Malaysians over the economic mismanagement by the former Barisan Nasional government. In order to ensure the donations reach the responsible party in the government, all funds would be channelled to and managed by the Ministry of Finance. All funds would be systematically and transparently managed through the said trust fund. All money collected would be audited and would only be used to reduce the federal government's debt. The contribution is also tax-deductible for individuals and companies, with no limit to the tax deduction.</p> <p style="text-align: right;"><i>(Source: Malay Mail, 30 May 2018)</i></p>