MALAYSIA WEEKLY ECONOMIC NEWS

(10 September 2018 –16 September 2018)

Topics	Highlights
Tourism contributes 14.9% to Malaysia's economy	The tourism industry continued its significant contribution to the country's economic growth with a share of 14.9% in 2017 (2005: 10.4%). Chief Statistician, Datuk Seri Dr Mohd Uzir Mahidin said the figure showed an upward trend since 2005 and was growing rapidly with an average annual growth rate of 11.2% over the past 12 years. The direct contribution of the tourism industry to the nation's GDP last year recorded 6.1% with value of RM82.6 billion (2016: RM76.6 billion). Foreign tourist arrivals dropped to 25.9 million in 2017 (2016: 26.8 million) while number of local visitors increased to 205.4 million in 2017 (2016: 189.3 million), with Selangor was the most visited state by number of tourists. Shopping remained as the largest component of tourism product with a value of RM26.8 billion in 2017, followed by accommodation and transportation which recorded RM20.7 billion and RM15 billion respectively. As for total employees involved in tourism sector, the number increased to 3.4 million in 2017 (2005: 1.5 million). Retail trade continued to be the largest contributor to the national economy with a share of 44.8% and posted a double digit growth of 12.4% in 2017 as compared to 10.5% in the previous year. This was followed by F&B serving service with 16.3% and accommodation with 12.8% *(Source: New Straits Times, 15 September 2018)*
Malaysia's 2018 retail sales growth forecast lowered to 4.1%, says RGM	Retail research firm, Retail Group Malaysia (RGM) has revised its 2018 retail sales growth rate forecast for Malaysia's retail industry – lower to 4.1% this time around from its 5.3% estimate released in June. In its September 2018 report released today, RGM said Malaysia's retail industry's sales growth for the second quarter of 2018 (2Q18) reported a slower rate of 2.1%, as compared to 4.9% in the previous year. Malaysia Retailers Association (MRA) members had projected the 2Q18 growth rate in June 2018 at 6%, while RGM estimated the rate at 6.3%. For the first six months of the year, the retail sales growth rate was 2.3%, against 2.6% a year ago. Despite the zero-rated GST, Hari Raya Aidilfitri celebrations, school holidays, World Cup and Father's Day that took place in June, Malaysian consumers did not go all out to spend on all kinds of retails goods, mainly because they did not have extra income to do so. With consideration of latest market performance, RGM has revised down its 3Q18 retail growth rate projection to 6.1%, taking consideration on the remaining two months of tax break before SST was reintroduced on Sept 1. Furthermore, for September, many retailers maintained their prices in order to attract shoppers to buy. *(Source: The Edge Markets, 14 September 2018)*
Malaysia's July 2018 NR output surges 36.3% to 56,397 tonnes	Malaysia's natural rubber production rose by 36.3% to 56,397 tonnes in July 2018 from 41,364 tonnes in June 2018, said the Department of Statistics, Malaysia (DOSM). The production also increased by 2.1% year-on-year, it said in a statement on "Monthly Rubber Statistics Malaysia, July 2018" released here. The average price of latex concentrate and Standard Malaysian Rubber 20 (SMR 20) were recorded at 415.39 sen per kg and 527.80 sen per kg respectively, but both declined 5.6% and 3.2% respectively as compared to the average price in June 2018. Natural rubber exports showed an increase of 7.8% to 56,490 tonnes with China remaining the main destination, accounting for 52.4% of total exports in July, followed by Germany (11.%), Iran (7.6%), Finland (4.3%) and the United States (2.5%). Domestic consumption of natural resource in July 2018 also increased by 8.3% to 44,192 tonnes against 40,820 tonnes in the previous month. *(Source: The Edge Markets, 13 September 2018)*

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