

MALAYSIA WEEKLY ECONOMIC NEWS

(25 April 2016 – 29 April 2016)

Topics	Highlights
<p>NAPIC: Performance of retail and offices softened in KL for 2015</p>	<p>There was a drop in occupancy rates for retail spaces in Kuala Lumpur by 2.4% to 87.4%, and 2.1% to 81.2% for purpose-built offices in 2015 compared to 2014. According to the Property Market Report 2015 released by the National Property Information Centre (NAPIC), the newly completed Wangsa 118 in Jalan Cheras and Ikea Cheras injected a total of 46,212 sq. m. of space into the market, while the office sector saw nine completed office buildings, which are Green Building Index-certified, contributing 339,315 sq. m. to the market. The nine office buildings were the Naza Tower and TH Tower at Platinum Park, Ilham Tower, Menara Bangkok Bank, Menara MBRM, Q Sentral, KL Trillion, Menara MITI and Kompleks Kerja Raya 2. Rentals for ground floor shops were generally stable with increases recorded in selected areas. Moving forward, Kuala Lumpur's property market as a whole is expected to remain on a positive path with transport infrastructure developments, such as the proposed Kuala Lumpur-Singapore High Speed Rail (HSR) set to completed post 2020. The cross-border HSR project is expected to boost investment, improve trade and business opportunities as well as promote tourism.</p> <p>(Source: The Edge Financial Daily, 25 April 2016)</p>
<p>Jewellers facing labour shortage</p>	<p>The country's Indian goldsmiths and jewellers are facing a tough time getting and keeping skilled workers. Datuk Abdul Rasul (President of Federal Territory & Selangor Indian Goldsmith Association) said the association's 120 members had collectively lost 250 workers over the last two years. The workers who are mostly from India had to return home due to problems in renewing their work permits. Getting new staff to replace them has been difficult because of the freeze on the hiring of foreign worker. He added that many of the shops are barely getting by with their remaining workers and might have to close shop if the situation does not improve.</p> <p>(Source: The Star, 26 April 2016)</p>
<p>NTP achieved 99% of NKRA's KPI</p>	<p>The National Transformation Programme (NTP) has registered 99% for the Government Transformation Programme (GTP)'s National Key Result Areas (NKRA) key performance indicator (KPI). Based on the NTP Annual Report 2015 launched on 26 April 2016, Economic Transformation Programme's (ETP) NKEA and Strategic Reform Initiatives (SRI) registered 109% and 108% respectively. The GTP has exceeded its Phase 1 and 2 and now entering the next phase with the 11th Malaysian Plan for Malaysia to become a developed nation. Meanwhile, ETP will continue to be pushed to meet the set targets. The growth of the private sector will continue to be the country's main economic driver, supported by investment and consumption, creating as many as 1.8 million new job opportunities between 2010 and 2015. In 2015, the private sector investments contributed to 65% of investments (target to achieve 90% by 2020).</p> <p>(Source: The Edge Financial Daily, 27 April 2016)</p>
<p>E&E industry still key driver of Malaysia's industrial development</p>	<p>The electrical and electronics (E&E) industry continues to be a key driver of Malaysia's industrial development and contributes significantly to its gross domestic product (GDP) growth, export earnings, investment and employment. PEMANDU in its NTP Annual Report 2015 said that 93 E&E projects with investments worth RM8.9 billion were approved in 2015. Of this, 26 projects were new projects with investments of RM2.1 billion while 67 were expansion/diversification projects with investments amounting to RM6.8 billion. PEMANDU said major E&E export destinations with significant increase (exceeding RM1 billion) for 2015 included Singapore, US, Thailand, South Korea,</p>

	<p>Germany, Japan and India, whereby total exports for E&E products was RM277.92 billion. It said the E&E industry as a whole would benefit from the signing of the TPPA, particularly SMEs as it would provide the opportunities to export to TPPA member countries, which collectively account for 40% of global GDP.</p> <p>(Source: The Star, 27 April 2016)</p>
<p>Banking stocks, ringgit rise on new BNM governor appointment</p>	<p>Banking stocks and the ringgit rose in early trade today after Wednesday's announcement on the appointment of Datuk Muhammad Ibrahim as the next Bank Negara governor. The ringgit strengthened against the US dollar at 3.9085 and Bursa Malaysia strengthened to 14,724.72 points from 14,690.87 points recorded yesterday. On 27 April 2016, Muhammad Ibrahim was announced as the successor to outgoing Bank Negara Malaysia (BNM) Governor Tan Sri Zeti Akhtar Aziz, who had helmed the post for 16 years.</p> <p>(Source: NST, 28 April 2016)</p>
<p>Government likely to meet its fiscal target this year, says MIDF Research</p>	<p>The Government is likely to meet its fiscal target in 2016 on the probability of higher average crude oil prices, according to MIDF Research. The research house said Brent reached as high as US\$47 (about RM183) per barrel on intraday trading yesterday and averaged US\$37 per barrel for the first quarter of 2016. It said that as of 28 April 2016, the oil price averaged at US\$42 per barrel. This level was higher than the optimistic scenario projected in the recalibrated Budget 2016 of US\$35 per barrel, giving rise to better probability for oil price to average higher than projected for the year. Thus, MIDF Research viewed this as a positive development of which the Government is likely to meet its fiscal target in 2016 despite moderating overall economic growth projection.</p> <p>(Source: The Edge Financial Daily, 29 April 2016)</p>

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