MALAYSIA WEEKLY ECONOMIC NEWS

(9 December 2019 – 13 December 2019)

Topics	Highlights
Government approves 4 manufacturing projects worth RM5.4b	The government has approved four manufacturing projects worth RM5.4bil in Sabah, Johor, Selangor and Penang which will create over 1,000 job opportunities. One of the approved projects was an investment worth RM2bil by a multinational glass manufacturer to produce float glass and photovoltaic functional glass at the Kota Kinabalu Industrial Park. “We look forward to attract more investments in the near future. For the first nine months of 2019, Malaysia recorded RM149bil worth of approved investments in the services, manufacturing and primary sectors,” Leiking said. This was 4.4% higher than the RM142.6bil approved in the previous corresponding period. He said these investments involved 4,025 projects and will create an additional of 93,841 job opportunities. Notably, approved investments for global establishments saw an increase of 185.7% during the period. *(Source: The Star, 13 December 2019)*
Median monthly salary of graduates at RM3,936, says Stats Dept	The median monthly salaries and wages of graduates with full-time equivalent principal occupation was RM3,936 in 2018 compared with RM3,550 in 2017, according to the Statistics Department. “Employed graduates in skilled category earned RM4,684 while semi-skilled category received RM2,139, ” according to the department's salaries and wages survey 2018. The chief statistician, Datuk Seri Dr Mohd Uzir Mahidin said 4.96 million persons or 20.3% of Malaysia’s working age population in 2018 are graduates. “Employed graduates in semi-skilled category comprised of 25%, recording 998,200 persons in 2018. Looking at the distribution of employed graduates by economic activity, more than two third (79.7%) were concentrated in services sector,"the report said. Mohd Uzir said graduates are the enablers of innovation and productivity that will lead the country to achieve sustainable growth. “To realise this, it is essential that all parties assess the supply aspects and employability of graduates in Malaysia. Thus, I believe this statistical report can provide insights especially for the government to formulate related policies in line with the 2030 Shared Prosperity Vision,” he said. *(Source: The Star, 13 December 2019)*
Malaysia's IPI rises 0.3% y-o-y in October	The Industrial Production Index of Malaysia grew 0.3% in October as compared with the same month last year, underpinned by an increase in the manufacturing and electricity indices. This marked the slowest rate of expansion since February 2013, when output had fallen 4.4%, and was well below the median growth forecast of 1.6% in a Bloomberg survey of economists. The Department of Statistics Malaysia said in a statement that output in the manufacturing sector rose 2.2% year-on-year (y-o-y) in October, as compared to 2.5% in September. Output in the electricity sector was 0.5% higher y-o-y in October. Conversely, the output in the mining sector fell 5.8% y-o-y in October due to decreases in both crude oil and condensate, and natural gas indices. *(Source: The Star, 12 December 2019)*
World Bank: M’sia inflation to rise by 1.5%-2% next year	Malaysia’s headline inflation is expected to increase modestly in 2020, with consumer price inflation to average higher in the range of 1.5%-2% next year compared with 0.7% projected for 2019, said the World Bank Group. “The reintroduction of the float pricing mechanism for RON95 petrol and diesel in January 2020 is expected to result in modest increases in transportation costs at the prevailing global oil prices,” it said. The report said various downside risks in the global economy could have spillover effects on Malaysia’s economy, such as further escalation of the current US-China trade tensions could contribute to growing uncertainty and dampen investment activity. On the domestic economic front, the World Bank said risks to growth would primarily emanate from factors related to prolonged uncertainty among investors and delayed recovery in commodity-related sectors. The report noted the elevated government debt and liabilities, the continuing decline in government revenue, coupled with increased locked-in expenditures, would constrain fiscal policy space moving forward. *(Source: The Star, 10 December 2019)*

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