

MALAYSIA WEEKLY ECONOMIC NEWS

(15 March 2021 – 19 March 2021)

Topics	Highlights
<p>Capital Market Masterplan 3 will be ready in the second half of 2021</p>	<p>The Securities Commission Malaysia (SC) is in the midst of drafting the Capital Market Masterplan 3, which is expected to be ready in the second half of this year (H2 2021), said chairman Datuk Syed Zaid Albar. With the conclusion of the Capital Market Masterplan 2 (CMP2), it is time to set the tone for the market's next stage of its journey. To recap, the CMP2 (2011-2020) was introduced following the completion of the first CMP in the previous decade. According to SC Annual Report 2020, the total size of the Malaysian capital market rose by 7% to RM3.4 trillion in 2020 compared with RM3.2 trillion in the preceding year despite the challenging environment. Assets under management of the fund management industry expanded by RM82.3 billion to RM905.5 billion in December 2020.</p> <p><i>(Source: The Star, 18 March 2021)</i></p>
<p>Tengku Zafrul: Fiscal deficit to reach 6.0% of GDP this year</p>	<p>Malaysia's fiscal deficit is expected to rise to 6.0% from an earlier estimate of 5.4% this year following the implementation of the PEMERKASA stimulus package announced by Prime Minister Tan Sri Muhyiddin Yassin. However, Finance Minister Tengku Datuk Seri Utama Zafrul Aziz emphasised that the country has the ability to reduce its fiscal deficit, adding that the ministry would continue to focus on its fiscal consolidation agenda. The country recorded a fiscal deficit of 6.2% of the gross domestic product (GDP) in 2020. Tengku Zafrul said the RM11 billion allocated for the PEMERKASA initiative will be funded by domestic borrowings.</p> <p><i>(Source: The Star, 18 March 2021)</i></p>
<p>World Bank: Malaysia to achieve high-income economy in 2024-2028</p>	<p>Malaysia will achieve a high-income economy between 2024 and 2028, but needs to improve its competitiveness, inclusiveness, efficiency and increase women participation in the workforce, according to the World Bank's flagship report, "Aiming High — Navigating the Next Stage of Malaysia's Development". In the report said Malaysia's GNI per capita is at US\$11,200 according to the latest estimates, only US\$1,335 short of the current threshold level that defines a high-income economy. According to the report, the development model that worked in the past is no longer enough to help Malaysia navigate the next stage of its development. It said the country needs a different set of policies and institutions that will be required to improve the quality, inclusiveness, and sustainability of economic growth in the future. Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz the Malaysian Government is committed to continually assess the quality, inclusivity, and sustainability of Malaysia's growth.</p> <p><i>(Source: The Star, 16 March 2021)</i></p>
<p>Matrade introduces new activities to enhance services exports</p>	<p>Malaysia External Trade Development Corporation (Matrade) has launched its new enhanced guidelines for Services Export Fund (SEF) to enhance capabilities of Malaysia services providers (MSPs) in gaining market access into overseas projects. The new SEF guidelines will commence on March 15. In a statement, Matrade said it has also introduced three new activities, which brought total activities to 12 from nine previously, under the SEF to enhance exports of services. It said the additional three new activities cover the participation fees in training programmes held overseas, registration fees for certification including compliance to sustainability and purchasing of software or purchasing/hire purchase/renting of machinery and equipment.</p> <p><i>(Source: The Star, 15 March 2021)</i></p>