

## MALAYSIA WEEKLY ECONOMIC NEWS

(18 October 2021 – 22 October 2021)

Topics	Highlights
<p><b>MIER forecasts real GDP growth for 2021 at 4%</b></p>	<p>Malaysia's real gross domestic product (GDP) growth for 2021 is estimated at 4.0%, below the average 4.9% during the pre-COVID-19 period, but the economy is clearly on the path of a V-shaped recovery, said the Malaysian Institute of Economic Research (MIER). In its latest Malaysian Economic Outlook, Third Quarter 2021 report, MIER said the estimated GDP is determined based on this year's macroeconomic performance, unfavourable developments and challenges which have affected the Malaysian economy. Nevertheless, real GDP growth is expected to pick up strongly to record between 5.5% and 6.5% in 2022, indicating that all resources are likely to be fully utilised, especially towards the latter part of next year.</p> <p style="text-align: right;"><i>(Source: The Star, 22 October 2021)</i></p>
<p><b>September inflation above forecast</b></p>	<p>Malaysia's inflation rate in September rose 2.2% from a year earlier, the eighth straight month of increase due to the base effect last year and the rise in the rate was slightly above Reuters' forecast of 2.1%. The Statistics Department reported the Consumer Price Index (CPI) increased by 2.2% in September 2021 to 122.8 from 120.1 a year ago. The transport group continued to record a double-digit increase since March and edged up by 11% in September 2021 as compared to a year ago. The food &amp; non-alcoholic beverages increased 1.9% and the highest increase was recorded by meat (5.8%) mainly due to the increase in the average price of chicken in September 2021 to RM9.35 per kilogram as compared to RM8.50 a year ago.</p> <p style="text-align: right;"><i>(Source: The Star, 22 October 2021)</i></p>
<p><b>Malaysia coming out of weak Q3</b></p>	<p>The Asia-Pacific economy, including Malaysia, is coming out of an extremely weak third quarter, according to Moody's Analytics. The global research outfit said the third quarter was weighed down by the combined effects of mobility restrictions to contain the Delta variant of Covid-19 and the resulting supply-chain disruptions and weak domestic demand. Nevertheless, it pointed out that the Delta variant wave has subsided significantly across all of Asia, and most importantly in South-East Asia, except for Singapore. In the case of Malaysia, local mobility has been improving since early June, based on the Google Mobility Index data. Currently, the index reading is back to its mid-April levels prior to the arrival of the Delta variant.</p> <p style="text-align: right;"><i>(Source: The Star, 21 October 2021)</i></p>
<p><b>Mida forms partnership to deepen French connection</b></p>	<p>The Malaysian Investment Development Authority (Mida) and French private business network, Medef International, have inked a strategic partnership to promote and facilitate potential investments and business cooperation between France and Malaysia. The signing of the memorandum of understanding was witnessed by Senior Minister and International Trade and Industry Minister Datuk Seri Mohamed Azmin Ali yesterday. Azmin said he was confident that there would be more French investors undertaking investments in the high value and high technology fields in the country. As of December 2020, a total of 126 manufacturing projects with French participation had been implemented in Malaysia, with total investments worth RM4.36bil, creating more than 10,900 jobs.</p> <p style="text-align: right;"><i>(Source: The Star, 19 October 2021)</i></p>