MALAYSIA WEEKLY ECONOMIC NEWS

(1 February 2021 – 5 February 2021)

Topics	Highlights
MARC forecasts Malaysia real GDP growth at 5.6% in 2021	Malaysian Rating Corporation Bhd (MARC) expects Malaysia's real gross domestic product (GDP) growth to rebound to 5.6% year-on-year (y-o-y) in 2021 as the Movement Control Order (MCO) 2.0 is less stringent than its previous iteration. The country's GDP growth is expected to be supported by trade as exports outpace imports, albeit lower compared to pre-pandemic levels, it said. A rebound by Malaysia's major trading partners such as China and Singapore will also buttress the country's near-term growth, it added. However, MARC forecasts that Malaysia will record the sharpest contractions in both its real GDP growth and public investment since the 1998 Asian Financial Crisis (AFC) at -5.7% and -19.8%, respectively. *(Source: The Star, 5 February 2021)*
Services producer index up 0.5% in 4Q	The services producer price index (SPPI) had increased 0.5% to 110.1 in the fourth quarter of 2020 (Q4 2020) from 109.6 posted in Q4 2019, said the Department of Statistics Malaysia (DOSM). The main sub-sectors that contributed to the increase were accommodation and food and beverage service activities (1.5%), real estate activities (1.5%), health (1.3%), transportation (0.9%), and education (0.6%). However, the index for arts, entertainment and recreation, as well as information and communication decreased by 2.2% and 0.1%, respectively, while the index for professional remained unchanged. DOSM also noted that quarter-on-quarter, the SPPI declined 0.2% in Q4 2020 compared to the previous quarter. *(Source: The Star, 5 February 2021)*
Survey: Job market changing as a result of pandemic	Employers will have trouble finding the right talent, according to Randstad Malaysia's 2020 Workmonitor second edition survey. The survey which was conducted in October across 34 markets around the world, with a minimum of 400 respondents in each market showed that seven in 10 respondents believed the difficulty in finding talent was due to the changing job market as the Covid-19 pandemic raged on. Job and skills requirements, even for the same job titles, have changed significantly before and after the pandemic as a result of the accelerated digital transformation. The survey also revealed that three in five respondents said that it has been a struggle to acquire new skills in their current role to adapt to the pandemic. The sentiment is the highest among younger workers who are 18 to 24 years old. *(Source: The Star, 5 February 2021)*
Malaysia third most attractive Asean country for hotel investment, survey shows	Malaysia ranks as the third most attractive country for hotel investment in Southeast Asia, after Thailand and Singapore, according to global property consultancy Knight Frank Malaysia. Its Malaysian Hospitality Investment Intentions Survey, which analysed the investment perspectives of hotel owners, operators and owner-operators, revealed that 14% of the respondents anticipated buying hotel assets within the next two years while 16% looked to make an acquisition even sooner (within the next six months) despite the Covid-19 pandemic. Meanwhile, Knight Frank said almost half of the respondents remained positive about the hospitality sector outlook in the next 12 months with 45% respondents feeling that the sector was on its way to recovery, albeit contingent on the progressive roll-out of the vaccine and opening up of international travel restrictions. *(Source: The Star, 2 February 2021)*

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