MALAYSIA WEEKLY ECONOMIC NEWS

(25 January 2021 – 29 January 2021)

Topics	Highlights
MIDA identifies 240 FDI projects with RM81.9b investment value	The Malaysian Investment Development Authority (MIDA) has identified 240 high-profile foreign investment projects in the manufacturing and services sectors with a combined potential investment value of RM81.9bil. These projects are being negotiated and targeted by Malaysia this year while it also expects inflow of foreign direct investments (FDI) into Malaysia to be sustained at pre-Covid-19 level. The government acknowledged the FDI landscape has been and will likely remain challenging and highly competitive. As such, accelerating investments is a key priority in securing Malaysia's growth recovery. *(Source: The Star, 29 January 2021)*
Malaysia's exports hits record RM95.7b in December	Malaysia recorded the highest exports of RM95.7bil in December, supported by both, re-exports and domestic exports, the Statistics Department said. It said the exports in December 2020 were 10% higher from a year ago and exceeded the 6.6% rise forecast by analysts surveyed by Reuters. It was also was quicker than the 4.3% growth posted in November. The Statistics Department said re-exports totaled RM17.6bil -- which contributed 18.4% to the total exports -- surging by 22.9%. Domestic exports totaled RM78.1bil, up by 8.3% year-on-year (y-o-y). The expansion in exports was supported mainly by higher exports to Singapore (+RM2.2bil), China (+RM1.9bil), the US (+RM1.7bil), India (+RM1.62bil), Hong Kong (+RM1.60bil) and the EU (+RM988.1mil). *(Source: The Star, 29 January 2021)*
Moody's affirms Malaysia's A3 rating; maintains stable outlook	Moody's Investors Service has affirmed the Government of Malaysia's local and foreign currency long-term issuer and local currency senior unsecured debt ratings at A3. The outlook remains stable. Moody's said the rating affirmation was underpinned by Moody's expectation Malaysia's medium-term growth prospects will remain strong and its macroeconomic policymaking institutions will continue to be credible and effective, which provides resilience to the sovereign credit profile. These strengths are, under Moody's baseline assumptions, balanced against the government's relatively high and increased debt burden, which will leave the government with weakened fiscal strength for some time in the aftermath of the pandemic shock to public finances. *(Source: The Star, 28 January 2021)*
Producer prices fall at slower pace in Dec	The Producer Price Index (PPI) for local production declined at a slower rate of 2.1% year-on-year (y-o-y) in December 2020 compared with 3.0% in November 2020. The Statistics Department said the continuous increase in the index of agriculture, forestry & fishing (23.5%) and the positive change in manufacturing index (0.2%) reinforced the momentum of the overall index. On a monthly basis, the PPI local production rose 1.7% in December. The increase was supported by the index of mining which recorded a double-digit increase of 13%, followed by agriculture, forestry & fishing (up 4.2%) and manufacturing (up 0.9%). The Statistics Department also reported that the PPI local production for the fourth quarter of 2020 declined 2.9% to 103.2 compared to 106.3 in the same quarter of the previous year. *(Source: The Star, 28 January 2021)*

Economics & Policy Division
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