

# MALAYSIA WEEKLY ECONOMIC NEWS

(4 October 2021 – 8 October 2021)

Topics	Highlights
<p><b>Consumer spending on steady recovery</b></p>	<p>Consumer spending and sentiments are on a steady recovery path as the vaccination programme progresses across the nation. Footfall has picked up in most places and the impact of the lockdown in the third quarter (Q3) of this year would not be as severe as seen during the first mandatory control order (MCO 1.0) in 2020. Consumer sentiment will also see a sharp rebound due to pent-up demand, said RHB Research in its report. The research house said while it expects there to be some near-term weakness due to business disruptions, particularly in Q3 of 2021, as movement restrictions only began easing in September, it will be a “more palpable recovery in Q4 of 2021.” Vaccination for 90% of the adult population, interstate travel and the year-end festivities should also spur pending patterns, it said.</p> <p><i>(Source: The Star, 7 October 2021)</i></p>
<p><b>More than RM330bil stimulus packages utilised</b></p>	<p>More than RM330bil or 62% of the RM530bil allocated by the government under eight economic stimulus and aid packages have been utilised, benefiting 20 million Malaysians and 2.4 million businesses as of Sept 24, 2021. Finance Minister Tengku Datuk Seri Zafrul Aziz said the government had implemented proactive and immediate measures to address the Covid-19 crisis, especially in fulfilling the needs of the public health system, assisting affected citizens and supporting business continuity. As the Covid-19 situation is dynamic in nature, the government has remained vigilant with regards to the current developments. “Based on Budget 2021, the deficit is projected to be at 5.4%,” he said on the amount that has been spent under the economic stimulus and aid packages since the Covid-19 pandemic hit Malaysia.</p> <p><i>(Source: The Star, 6 October 2021)</i></p>
<p><b>Mustapa: More than half of 12MP allocation of RM400b for development</b></p>	<p>More than half of the RM400 billion allocation under the 12th Malaysia Plan (12MP) will go to basic development expenditure, said Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed. Basic development expenditure includes conventional, social, and economic infrastructures. “There is also a portion for the rehabilitation of government agencies such as Lembaga Tabung Haji (LTH) and the Federal Land Development Authority (FELDA) as well as the public-private finance initiative projects,” he said. The new plan, which has been delayed by more than a year due to the COVID-19 crisis, aims to turn Malaysia into a high-income economy by 2025, eradicate abject poverty and increase the contribution of small businesses to the total economic output.</p> <p><i>(Source: The Star, 4 October 2021)</i></p>
<p><b>Malaysia records increase in external trade unit values in August</b></p>	<p>Malaysia's export and import unit value in August rose 1.4% and 0.9% respectively from the previous month, the Department of Statistics Malaysia. National chief statistician Datuk Sri Dr Mohd Uzir Mahidin said the export unit value rose on the back of an increase in the index of mineral fuels, animal and vegetable oils and fats, and machinery and transport equipment. However, the export volume index declined 3.2% in August due to decreases in the volume index of the same export products. Meanwhile, the increase in the import unit value index was owing to the growth in the index of mineral fuels, animal and vegetable oils and fats and manufactured good. The import volume index decreased 12 % in August from the preceding month, underpinned by a contraction in the index of the import goods.</p> <p><i>(Source: The Star, 4 October 2021)</i></p>