

MALAYSIA WEEKLY ECONOMIC NEWS

(22 February 2021 – 26 February 2021)

Topics	Highlights
<p>Moody's Analytics: MCO 2.0 will impact Malaysia's economic growth this year</p>	<p>The second movement control order (MCO2.0) in key states with bustling economic activities will pose an impact on Malaysia's economic growth this year, according to financial intelligence company Moody's Analytics. Chief Asia-Pacific economist Dr Steve Cochrane said the MCO, which is currently being implemented in key economic areas, namely Selangor, Kuala Lumpur, Penang, and Johor, accounted for 60% of Malaysia's economy. The Klang Valley alone holds 40% of Malaysia's economic activities, he noted, and stressed that Malaysia is not in a recession but the strict policies did create some risks of slowing the economy.</p> <p><i>(Source: The Star, 25 February 2021)</i></p>
<p>CPI down 0.2% in January</p>	<p>Malaysia's consumer price index recorded a year-on-year (y-o-y) decrease of 0.2% to 122.1 in January, representing a 10th straight month of declines since March last year. On a month-on-month comparison, the CPI was 1.2% higher over December. Transport prices remained the leading laggard, falling 5.1% y-o-y while other declining sectors included housing, water, electricity, gas and other fuels, clothing and footwear, and restaurants and hotels, the National Statistics Department revealed. Excluding fuel, the consumer price index increased 0.5% in January 2021 to 113.6. The cost of food and non-alcoholic beverages however rose 1.5% to 136.1 compared to the previous January while miscellaneous goods and services rose 1.8% and alcoholic beverages and tobacco gained 0.7%.</p> <p><i>(Source: The Star, 25 February 2021)</i></p>
<p>Denso Malaysia invests RM160m in advanced semicon production</p>	<p>Japan's Denso Corporation is investing RM160mil to expand the production capacity of its automotive semiconductors in Malaysia. The Malaysian Investment Development Authority (MIDA) said the investment, via its subsidiary Denso Malaysia Sdn Bhd, has been approved and it scheduled to start in April. It will be venturing into the production of automotive semiconductors, ASIC named "exposed package (Ex-PKG)", which is superior and competitive in terms of high functionality, efficient high heat dissipation, miniaturisation and cost reduction. MIDA said this project was also in line with the government's National Automotive Policy (NAP) 2020 to develop critical components within next-generation vehicles, mobility technology and autonomous driving.</p> <p><i>(Source: The Star, 24 February 2021)</i></p>
<p>MIDA, CETIM to strengthen tech ecosystem</p>	<p>The Malaysian Investment Development Authority (MIDA) is partnering with France's Technical Centre for Mechanical Industry (CETIM) to further strengthen Malaysia's technological ecosystem by attracting quality investments. In a joint statement today, MIDA and CETIM said they had inked a memorandum of understanding (MoU) to encourage, promote and facilitate cooperation in the niche engineering and manufacturing technology including emerging fields such as smart manufacturing, Industry 4.0 and circular economy. MIDA chief executive officer (CEO) Datuk Azman Mahmud welcomed CETIM's consideration to make Malaysia its regional centre by setting up its Asia-Pacific office here. He said the MoU was a direct reflection of the agency's ongoing initiative to enhance Malaysia's technological landscape in line with the national Industry 4.0 agenda.</p> <p><i>(Source: The Star, 22 February 2021)</i></p>