

## MALAYSIA WEEKLY ECONOMIC NEWS

(23 August 2021 – 27 August 2021)

Topics	Highlights
<p><b>PPI for local production up 11.7% in July</b></p>	<p>Malaysia's Producer Price Index (PPI) for local production increased 11.7% year-on-year (y-o-y) in July 2021, mainly supported by prices of primary commodities, namely, crude oil (64.4%), fresh fruit bunches (FFB) (57.3%) and crude palm oil (42.7%). The PPI, which measures the costs of goods at the factory gate, rose 11.5% y-o-y in June 2021. The growth was mainly contributed by the mining index, which jumped 57.7% y-o-y due to higher prices of natural gas and the continuous increase in crude oil commodity prices. This was followed by the agriculture, forestry and fishing index which expanded 31.5% y-o-y (June 2021: 29.8%), attributed to the increase in prices of FFB and other commodities.</p> <p style="text-align: right;"><i>(Source: The Star, 27 August 2021)</i></p>
<p><b>Economists: Reopening of more economic sectors will improve Malaysia's external trade performance</b></p>	<p>The reopening of more economic sectors in the upcoming months is expected to gradually result in a better performance for the country's external trade, economist said. Malaysia's trade performance continued its growth momentum in July 2021 with total trade increasing by 13% year-on-year (y-o-y) to RM180.96 billion. The Ministry of International Trade and Industry said that the exports grew by 5% to RM97.32 billion while imports rose by 24% y-o-y to RM83.64 billion. On a month-on-month (m-o-m) basis, it said imports increased by 0.5% while trade, exports and trade surplus declined by 4.1%, 7.7 per cent and 38.5%, respectively. The opening of more economic sectors will determine the value of the foreign trade in the future.</p> <p style="text-align: right;"><i>(Source: Malay Mail, 27 August 2021)</i></p>
<p><b>TNB earnings surge 26% in Q2 on industrial, commercial demand</b></p>	<p>Tenaga Nasional Bhd said earnings improved by more than a quarter in the second quarter, boosted by stronger electricity demand by industrial and commercial users. Net profit in three month ended June 30 rose 26% to RM821.5mil, or 14.4 sen a share from RM653.3mil, or 11.5 sen a share made a year ago. Sales increased 14% to RM12.44bil, TNB said. TNB has declared an interim dividend payout of 22 sen a share. The higher revenue, TNB said, was mainly due to the increase in sales of electricity as a result of higher consumption from commercial and industrial customers as certain businesses are allowed to operate instead of full economic closure in the last corresponding period.</p> <p style="text-align: right;"><i>(Source: The Star, 26 August 2021)</i></p>
<p><b>July inflation rate climbs on higher fuel prices</b></p>	<p>Higher fuel prices pushed the Consumer Price Index (CPI) higher in July, a straight six-month rise but the monthly electricity bill discount given to domestic consumers helped mitigate the overall increase. The Statistics Department (DOSM) said the CPI rose by 2.2% to 122.5 from 119.9 a year ago due to the lower base effect then. DOSM said the July CPI remained positive for the sixth consecutive months since February 2021 due to the lower base effect last year. The increase was mainly driven by a double-digit increase of 11.6% in the transport group due to the setting of the RON95 petrol ceiling price to RM2.05 per litre since March as compared to the average price of RM1.69 in July 2020.</p> <p style="text-align: right;"><i>(Source: The Star, 25 August 2021)</i></p>