

# MALAYSIA WEEKLY ECONOMIC NEWS

(2 August 2021 – 6 August 2021)

Topics	Highlights
<p><b>Stats Dept: Pandemic forced more households into poverty in 2020</b></p>	<p>Covid-19 pandemic pushed more households in Malaysia into poverty last year with Sabah, Kelantan and Terengganu the most impacted in terms of absolute poverty as incomes shrunk due to pay cuts or job losses. The Statistics Department said the number of poor households increased to 639,800 households in 2020 as compared to 405,400 households in 2019. The Household Income Estimates and Incidence of Poverty Report showed the incidence of absolute poverty also increased from 5.6% to 8.4%. The incidence of hardcore poverty is estimated to increase from 0.4% to 1% which involved 78,000 households. The incidence of absolute poverty by state shows that Sabah recorded the highest percentage of 25.3%. Kelantan recorded a significant increase in poverty by 8.8 percentage points to 21.2% from 12.4%, followed by Terengganu by 5.9 percentage points to 12% from 6.1%.</p> <p><i>(Source: The Star, 6 August 2021)</i></p>
<p><b>Stats Dept: Services PPI for 2Q inched up slightly</b></p>	<p>The services producer price index (PPI) to measure the average changes in the prices of services charged by the local services industry in Malaysia edged up slightly in the second quarter of this year, the Statistics Department said. It said the services PPI rose by 0.3% to 110.3 as compared to 110.0 a year ago. The main sub-sectors that showed an increase were accommodation and food &amp; beverage service activities (1.6%), real estate activities (1.5%), education (0.5%), health (0.3%) and professional (0.1%). However, the index for transportation slipped by 0.3% while for arts, entertainment &amp; recreation, it dipped 0.1%. The index for information &amp; communication remained unchanged.</p> <p><i>(Source: The Star, 6 August 2021)</i></p>
<p><b>National Employment Council creates 320,000 jobs</b></p>	<p>The government has created 320,000 jobs so far through the National Employment Council (NEC) initiative, said Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz. He said in an effort to help the target groups find jobs, RM2bil was allocated for the PenjanaKerjaya programme under Budget 2021, for which PenjanaKerjaya 2.0 has helped more than 141,000 people secured jobs. Meanwhile, PenjanaKerjaya 3.0 has been introduced under the People's Well-being and Economic Recovery Package (Pemulihan), with several improvements incorporated. Among them are reducing the salary eligibility limit under the Malaysianisation programme and easing the employment contract period for workers aged 50 and above, the disabled and ex-prisoners.</p> <p><i>(Source: The Star, 6 August 2021)</i></p>
<p><b>Eight states do better than national GDP</b></p>	<p>Malaysia's socio-economic landscape was devastated in 2020, as every state in the country posted negative economic growth as a result of the Covid-19 outbreak. Nevertheless, eight states still managed to perform better than the 5.6% gross domestic product (GDP) contraction recorded at the national level. These states are Labuan, which recorded a decrease of 0.5%, followed by Kelantan (-1.1%), Kedah (-1.7%), Penang (-2.1%), Perak (-2.3%), Negri Sembilan (-3.6%), Johor (-4.6%) and Selangor (-5.3%). Meanwhile, six states, Selangor, Kuala Lumpur, Johor, Sarawak, Penang and Sabah remained the largest contributors to the national GDP with a total contribution of 72.1%. Malaysia's GDP contracted by 5.6% in 2020, the second lowest after the 1998 downturn. The implementation of various phases of the movement control order (MCO) and cross-state restrictions, as well as the closure of the international borders have hampered the country's economic growth.</p> <p><i>(Source: The Star, 6 August 2021)</i></p>