MONTHLY NEWS SCAN
Tinjauan Berita Bulanan

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HIGHLIGHTS FOCUS

- **World Bank warns of 'darkening skies' for global economy**
- **IMF warns trade tensions could hit growth**
- **Malaysia's economy to grow 4.7pc to RM1.48 trillion in 2019**
- **More global banks revise downwards Brent forecast; Malaysia's 2019 Budget recalibration may be imminent**
- **Sabah reserves grew over RM4 billion last year**
- **New ministry to improve Sabah education system – CM**

INTERNATIONAL
ANTARABANGSA

World Bank warns of 'darkening skies' for global economy: The World Bank is warning of increasing risks, or what it calls "darkening skies", for the world economy. In its annual assessment of global prospects the Bank predicts continued, though somewhat slower, growth this year and next. The Bank's forecast for the global economy is expansion this year of 2.9% and 2.8% in 2020. But overhanging the broadly favourable outlook are rising concerns that could mean economic performance falls short. (8 January, BBC News)

IMF warns trade tensions could hit growth: The International Monetary Fund has warned that escalating trade tensions could undermine global economic growth. In a new report on the world economic outlook, the IMF also warns of risks from a no-deal Brexit. For the world economy, the IMF is now predicting growth of 3.5% in 2019. In October, it forecast 3.7%. (21 January, BBC News)

As world economy stumbles into 2019, eyes turn to China: Ten years after China helped stave off the threat of a global depression with a huge stimulus plan, investors are looking once again toward Beijing as the world economy heads for a slowdown, or worse, in 2019. Booming China has accounted for about a third of the growth in the global economy in recent years. (11 January, Reuters)

Oil prices edge down as global growth worries threaten demand: Oil prices edged lower on Tuesday as concerns over global economic growth stoked fears over future demand. International Brent crude oil futures were down 10 cents, or 0.2 percent, at $62.64 by 0106 GMT. They closed down 0.1 percent on Monday. U.S. West Texas Intermediate (WTI) crude futures were at $53.70 per barrel, down 0.1 percent, or 4 cents. (22 January, Reuters)

China posts strongest export growth in seven years in 2018 despite trade war: China's exports rose 9.9 percent in 2018, its strongest trade performance in seven years, despite growing disruptions from an escalating trade war with the United States, customs data showed on Monday. Imports increased 15.8 percent last year, resulting in a trade surplus of $351.76 billion, the country's lowest since 2013. (14 January, Reuters)

Germany isn't floundering, despite the data: After Tuesday's disappointing industrial output data, the German economy could be headed for a technical recession — two consecutive quarters of negative growth. "Technical," however, is the operative word; the country isn't really in trouble, at least not yet, and the worrying data are driven by a single regulatory change that has wreaked havoc on the domestic car industry. The German government reported a 1.9 percent month-on-month drop in industrial production, the biggest since August 2015. (8 January, Bloomberg)

BOJ leaves stimulus unchanged, cuts inflation outlook again: The Bank of Japan left monetary policy unchanged as it cut its inflation outlook once again, underscoring how far away its price target is and how few options the central bank has for drawing closer. The BOJ maintained its yield curve-control program and asset purchases, it said in a statement Wednesday, a result predicted by all but one of 50 economists surveyed by Bloomberg. The bank lowered its inflation forecast for a fourth consecutive time in its quarterly outlook report. (23 January, Bloomberg)

Singapore's Dec exports post worst fall in 2 years: Singapore's exports recorded their worst decline in more than two years in December as shipments of electronics and pharmaceuticals plunged, official data showed on Thursday. The unexpected decline comes despite ongoing trade talks between the United States and China to defuse trade tensions. Many economists expect the dispute to hurt trade-dependent Singapore in months to come. Non-oil domestic exports in December fell 8.5 percent from a year earlier, data from the trade agency Enterprise Singapore showed, slowing further from a revised 2.8 percent decline the month before. (17 January, Reuters)

Eurozone's economic outlook darkens as growth risks increase: The clouds seem to be gathering for the eurozone's economy. At a news conference after a policymaking meeting on Thursday, European Central Bank (ECB) president Mario Draghi described an outlook that is becoming more overcast. Economic data, he said, had been weaker than expected, and the risks to growth have increased. There was a clear hint in his remarks that it will take even longer than the ECB has been suggesting before it starts to raise interest rates. (24 January, BBC News)

NATIONAL
NASIONAL

Malaysia's economy to grow 4.7pc to RM1.48 trillion in 2019: The World Bank forecasted Malaysia's RM1.41 trillion economy to grow at 4.7 per cent this year and to slow down to 4.6 per cent for next year. In its January 2019 Global Economic Prospects report titled 'Darkening Skies', the World Bank said Malaysia's lower public investment is weighing on growth, reflecting the completion of several infrastructure projects and a more prudent approach toward new ones. The bank said in contrast to the regional trend, import growth in Malaysia has been weak, reflecting weak demand for capital goods imports combined with lower imports of intermediate goods. (9 January, Business Times)

More global banks revise downwards Brent forecast; Malaysia's 2019 Budget recalibration may be imminent: More leading global banks are now following Goldman Sach's footstep to revise downwards the average Brent crude oil price forecast to US$60-US$65 a barrel for 2019. This has pushed the consensus target down to US$70 a barrel for this year from US$72 previously. The forecasters are basing this on an additional key factor, the United States' sanction against Iran, which is expiring in May and another major uncertainty in the oil industry. The industry was facing uncertainties due to the ongoing trade war between China and United States, they said. There was strong fear in the market that demand for oil may continue to be lacklustre moving forward, they added. (14 January, Business Times)

Unemployment rate in Nov unchanged at 3.3%: Malaysia's unemployment rate remained unchanged at 3.3% in November 2018 on track for the third straight month, according to the Statistics Department. Its chief statistician Datuk Seri Dr Mohd Uzir Mahidin said on Tuesday the number of unemployed persons was 516,200 which was an increase of 2.2% from a year ago. He said the labour force participation rate in November 2018 fell 0.1 percentage point to 68.4% from October but increased by 0.5 of a percentage point from a year ago which was at 67.9%. "The number of labour force in this month rose 2.5% against November 2017 to 15.46 million persons. During the same period, employed persons also increased 2.5% to 14.94 million persons," Uzir said in the statement on the labour force, employment and unemployment. (15 January, The Star)

M'sia on track to restore financial health in three years: Finance Minister Lim Guan Eng said Malaysia is on track to restore its financial health within three years after it had been damaged by the 1Malaysia Development Bhd scandal. In a statement, Lim highlighted that the major international credit rating agencies – Moody's, Fitch Ratings and S&P Global Ratings – had all affirmed the country's credit ratings in their recent reports. Lim also noted that these rating agencies had admittedly expressed concerns about the government's narrowing revenue base, following the removal of the goods and services tax (GST) that was replaced with the sales and service tax (SST). (24 January, The Star)

'Inflation remains moderate': Inflation has remained moderate since the abolition of the goods and services tax last June, despite the sales and service tax being reintroduced. Data from the Statistics Department showed that inflation, measured by the change in the consumer price index (CPI), rose at a slower-than-expected pace of 0.2% year-on-year (y-o-y) last December. The figure was lower than the 0.3% increase projected in a *Bloomberg* poll of 20 economists. On a monthly basis, the CPI increased 0.1% as compared to November 2018. For the full year of 2018, the CPI increased 1% y-o-y, which is a nine-year low. (25 January, The Star)

MITI confident FDI in 2019 will surpass last year's levels: International Trade and Industry Minister Datuk Darell Leiking is upbeat on higher inflows of foreign direct investment (FDI) into the country this year compared with 2018. "The FDI outlook is very positive. I believe that the FDI for this year would be higher than last year," he said. He was speaking to reporters on the sidelines of the launch of Grab's new office in Bandar Utama here in Petaling Jaya yesterday. (29 January, The Star)

MIER expects business conditions to improve in Q1: The Malaysian Institute of Economic Research (MIER) says business conditions are likely to improve slightly in the first quarter of this year. Executive director Dr Zakariah Abdul Rashid said although its fourth-quarter Business Condition Index, which tracks domestic manufacturing activities, dropped to below the 100-point threshold to 95.3 points, the Expected Index (EI) increased marginally on expectations of production and export sales. During the quarter, the EI stood higher at 112.5 points, up by 16 points. (31 January. The Star)

November industrial production index above forecast at 2.5%: The country's industrial output in November 2018 rose faster than expected by 2.5%, above a Bloomberg survey of 2.3%, according to the Statistics Department. Its chief statistician Datuk Seri Mohd Uzir Mahidin said on Friday the growth in November 2018 was supported by the increase in manufacturing index (3.6%) and electricity index (3.2%). The mining index declined by 0.7%."The manufacturing sector output expanded by 3.6% in November 2018 after registering a growth of 5.4% in October 2018. (11 January, The Star)

Malaysia launches 'Love my palm oil' campaign: The Ministry of Primary Industries announced a year-long "Love MY Palm Oil" campaign on Wednesday to fight anti-palm oil campaigns that are threatening the people's livelihood. Minister Teresa Kok Suh Sim said the campaign's objective was to instil national pride and greater appreciation for Malaysian palm oil, focusing on socio-economic importance, health, nutrition, and food and non-food applications. Prime Minister Tun Dr Mahathir Mohamad is scheduled to officiate at the official launch of the "Love MY Palm Oil" campaign in the first quarter of 2019. (9 January, The Star)

LOCAL TEMPATAN

Sabah reserves grew over RM4 billion last year: Sabah reserves grew over RM4 billion last year: The outlook of Sabah's finances appears to be entering positive ground after head of Sabah Treasury, Rusdin Riman revealed estimated reserves grew by over RM4 billion last year. "We are in good position; definitely there is a slight increase in Sabah's reserves," he said but declined to divulge the full figures of Sabah's financial reserves until the federal audit is completed. Speaking to reporters after his department's event yesterday, Rusdin pointed Sabah's finances registered 'slightly higher' based on the 2018 report, in comparison to the 2017 financial report which recorded RM4billion in reserves. (29 January, New Sabah Times)

New ministry to improve Sabah education system – CM: The State Government launched the new Education and Innovation Ministry to improve the education system in Sabah, said Chief Minister Datuk Seri Mohd Shafie Apdal. Shafie said however this cannot be done without the help of educational institutions, parents and the students themselves. He reiterated that one of the efforts to help the less fortunate families was the Yayasan Sabah one-off assistance for students at higher learning institutions like Universiti Malaysia Sabah (UMS) and secondary schools in Sabah. (25 January, The Borneo Post)

Mega developments at KK Port: Mega developments are on the cards in the old Kota Kinabalu Port area that will further propel the cruise and tourism industry in Sabah. With its strategic geographical location fronting the South China Sea against a backdrop of the majestic Mount Kinabalu, the entire Kota Kinabalu Port land is in the process of being re-developed into multi-billion commercial projects. These projects include the 15-acre Sabah International Convention Centre (SICC), Kota Kinabalu Convention City (8.33 acres) Jesselton Quay (16.25 acres), seven-acre One Jesselton Waterfront, the proposed International Cruise Terminal (ICT) and the proposed Ferry Terminal. (7 January, The Borneo Post)

Sabah ministry to further develop cruise ship tourism sector — DCM: The Ministry of Tourism, Culture and Environment will explore the potential of further developing the cruise ship tourism sector, said Deputy Chief Minister Datuk Christina Liew. "I will discuss with the Permanent Secretary (William Baya) and Sabah Tourism Board General Manager (Suzaini Datuk Sabdin Ghani) ways to promote the sector as another tourism frontier," she said after touring SuperStar Virgo recently. The 13-storey vessel is the flagship of the Star Cruises fleet in Asia. (10 January, The Borneo Post)

'Papar will boom with an airport in Kimanis': Papar would become a developed district within the next 15 years particularly after the relocation of the Kota Kinabalu International Airport (KKIA) to Kimanis. Minister of Laws and Native Affairs Datuk Aidi Moktar said he hoped the project would be realised within the next 10 to 15 years, adding that the existing airport would not be able to accommodate the influx of tourists by then. "KK is no longer capable of supporting the international airport; the government had planned to move it to Kimanis but perhaps for some reasons, they were not able to implement it before this. (2 January, New Sabah Times)

Pelaksanaan sistem perniagaan barter suburkan aktiviti perniagaan di Sabah: Shafie: Pelaksanaan sistem perniagaan tukar barang atau perdagangan barter antara Sabah dan negara jiran dapat menyuburkan lagi aktiviti perniagaan di negeri ini khususnya di kawasan pantai timur Sabah seperti Sandakan, Tawau dan Kudat. Ketua Menteri Sabah Datuk Seri Mohd Shafie Apdal berkata selain merancakkan aktiviti perniagaan, sistem berkenaan juga mendatangkan keuntungan kepada negeri Sabah. "Kalau kita lihat sejarah pelaksanaan sistem ini, ia banyak menguntungkan kepada Sabah kerana mereka (peniaga dari negara jiran) membeli banyak barang daripada kita berbanding kita membeli barang daripada mereka. (9 Januari, New Sabah Times)

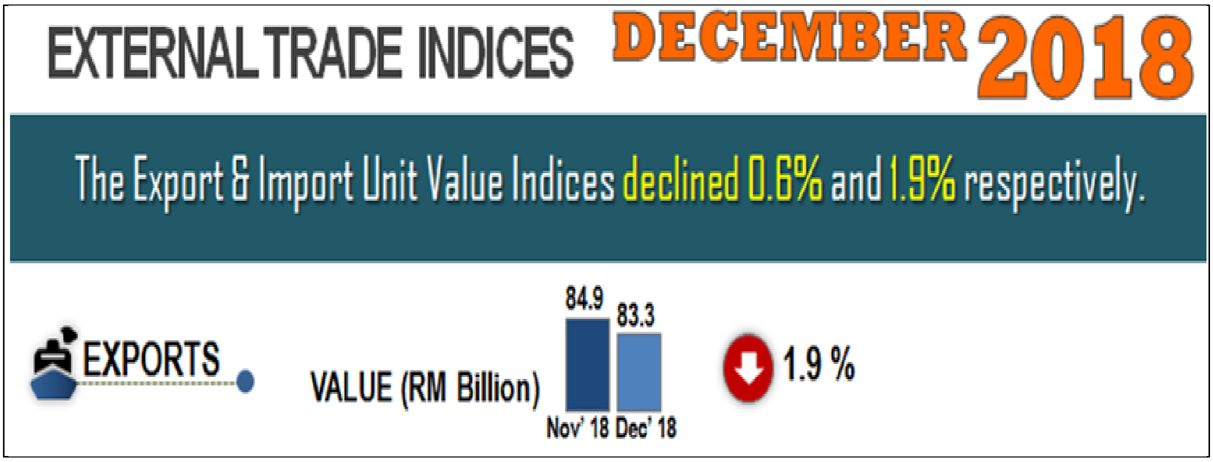
Sabah usaha pasarkan produk asas tani di pasaran tempatan, global: Sabah berusaha keras menjual produk berasaskan taninya di pasaran tempatan dan antarabangsa memandangkan kebanyakan produknya tidak dikenali pengguna, kata Menteri Pertanian dan Industri Makanan negeri Datuk Junz Wong. Sehubungan itu beliau meminta semua pihak agar bekerjasama dan menjalankan tanggung jawab masing-masing untuk mempromosikan produk tempatan, manakala jabatan dan agensi berkaitan di bawah kementerian pula perlu memainkan peranan proaktif dalam usaha pemasaran. "Bagaimanapun, usahawan industri kecil dan sederhana (IKS) berasaskan tani perlu mengambil langkah bijak dengan memanfaatkan usaha badan dan agensi ini. (10 Januari, New Sabah Times)

Sapulut getting RM500,000 Tamu: The State government and Sedco are jointly allocating a sum of RM500,000 to build a Tamu ground for Mukim Sapulut at Kg Sinsingon which includes constructing a building and trading area. Of the funding, Chief Minister Datuk Seri Mohd Shafie Apdal said the State government allotted RM300,000 while RM200,000 came from Sedco to fulfil the need of the traders and villagers involved in trading activities at the Tamu every Friday. He said this during the celebration of the Ilau Panawari Festival, Nabawan level, at Datuk Lindung Tunon hall of SMK Sapulut here in Nabawan. (14 January, Daily Express)

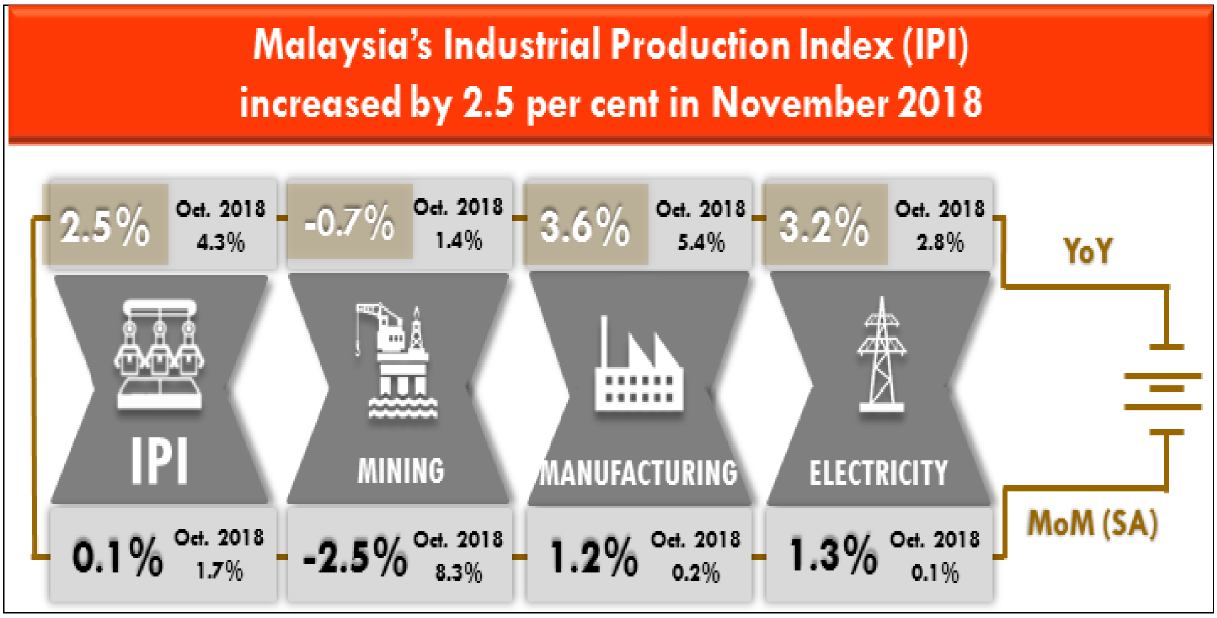
POIC Lahad Datu to cover 4,000 acres of palm oil industries: The POIC Lahad Datu, developed since 2005, will eventually cover some 4,000 acres of palm oil-based value-adding and related industries. And, its port infrastructure, located on the shores of the park near here (Lahad Datu), includes a liquid terminal, a dry bulk terminal, a barge landing and a recently commissioned container terminal. It has been described as the most comprehensive port strategically located in the BIMP-EAGA (Brunei-Indonesia-Malaysia-Philippines East Asean Growth Area) region and will in the future become a key port along the Lombok-Makassar shipping route. (29 January, New Sabah Times)

SELECTED FACTS AND FIGURES
FAKTA MUTAKHIR

(Source: 11 January, Department of Statistics Malaysia)



(Source: 30 January, Department of Statistics Malaysia)



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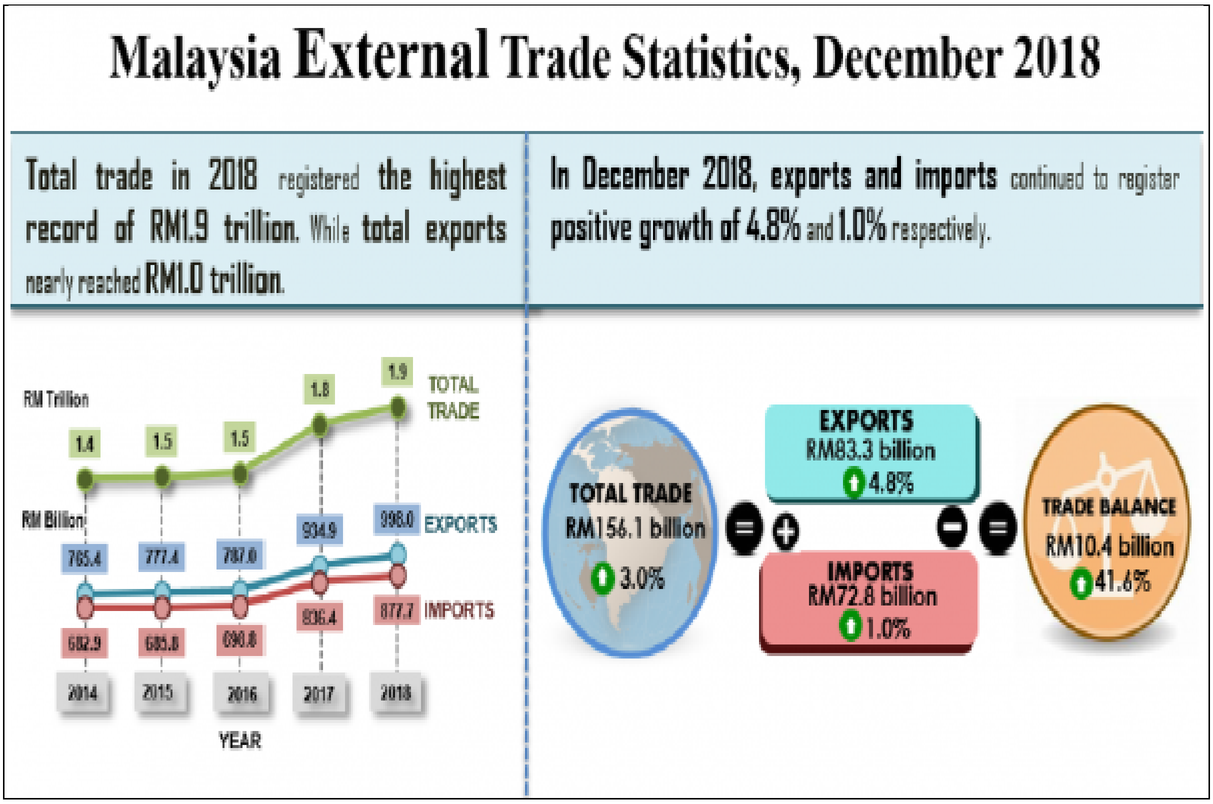

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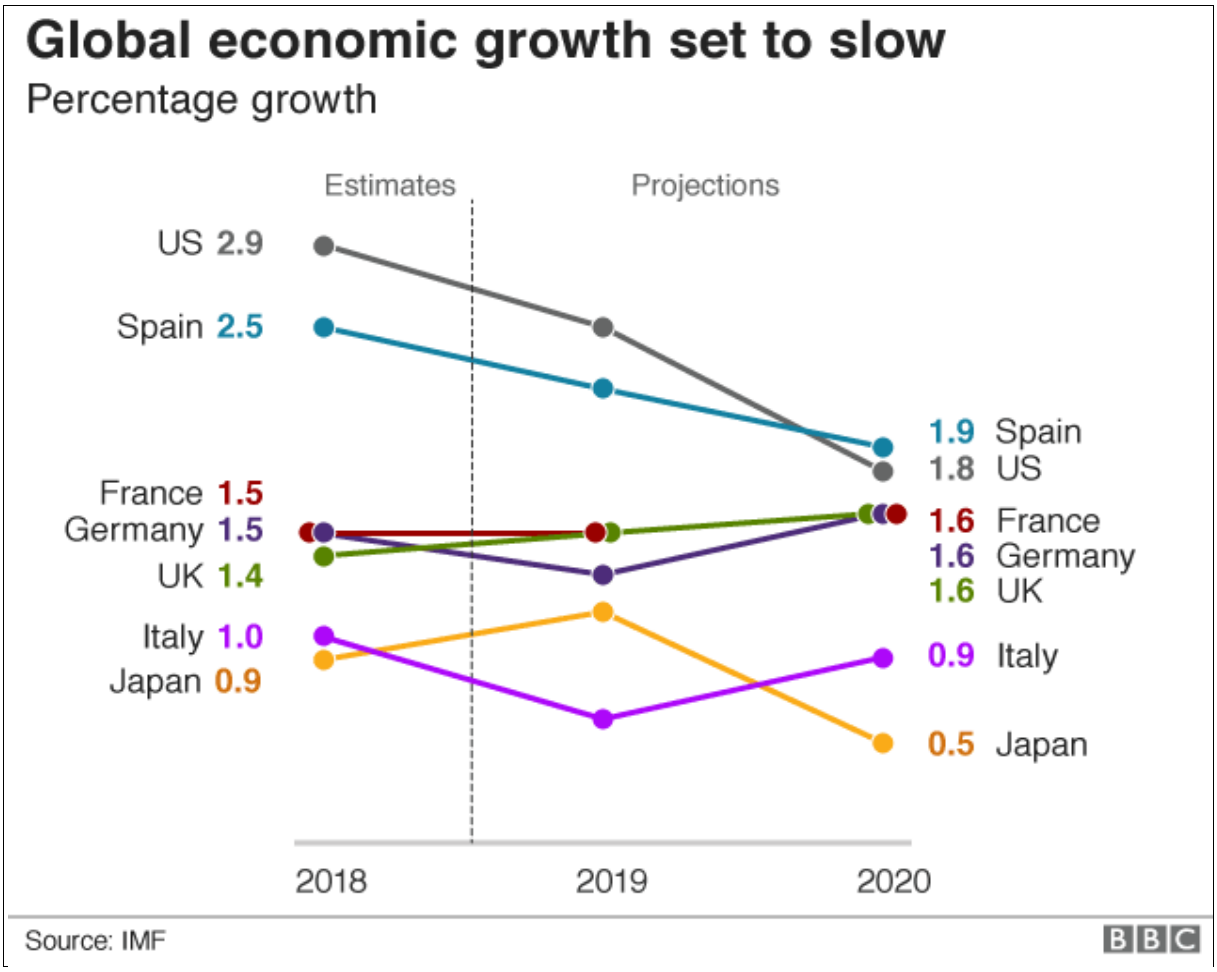

(Source: 21 January, BBC News)