



MONTHLY NEWS SCAN

Tinjauan Berita Bulanan

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HIGHLIGHTS FOCUS

- **IMF: Economy ‘losing momentum’ amid virus second wave**
- **ASEAN states speed up economic integration through ACTS**
- **Economy, rakyat will suffer if development expenditure is cut, says Mustapa**
- **World Bank hub in Malaysia to bring together economic, financial experts - Tengku Zafrul**
- **Extra RM50m boon for Sabah Covid fight**
- **RM6.05 bln for 101 Sabah rural road projects under 11MP**

INTERNATIONAL ANTARABANGSA

IMF: Economy ‘losing momentum’ amid virus second wave: The global economic recovery may be losing momentum as coronavirus infections surge again, the International Monetary Fund has warned. Fund chief Kristalina Georgieva said more economic help is needed, and warned countries against withdrawing aid too soon. Recent progress towards a vaccine has raised hopes of a return to normal. But despite those steps, “the economic path ahead remains difficult and prone to setbacks,” she said. (19 November, BBC News)

ASEAN states speed up economic integration through ACTS: ASEAN member states are speeding up their economic integration by mitigating intra-Asian trade challenges and accelerating seamless trade in goods by roads with the new ASEAN Customs Transit System (ACTS). The ACTS was developed to streamline cross-border customs processes with the aim of accelerating land transit movements and reducing the time and expense of carrying out regional trade in goods. (30 November, Bernama)

President Xi at Apec: China pledges to open up its ‘super-sized’ economy: Chinese president Xi Jinping has said China will open up its

“super-sized” economy to import more high-quality goods and services. China will also sign free trade pacts with more countries, he said recently. Mr Xi was speaking at the Asia-Pacific Economic Cooperation (Apec) forum, which includes the US and Russia. (19 November, BBC News)

Japan leads economic ‘Zoom boom’ out of recession: Japan’s economy has bounced back from recession with growth of 5% in the third quarter of this year. It had seen its economy shrink during 2020 as lockdowns hit its manufacturing sector and consumer spending. The world’s third biggest economy is now showing signs of recovery, although some analysts cautioned that further growth is likely to be modest. (16 November, BBC News)

US jobs growth slows in October as unemployment dips below 7%: The US economy added 638,000 jobs in October, which was the slowest growth in five months but still helped to push the unemployment rate below 7%. Jobs were added in leisure and hospitality as US lockdown measures were eased, according to the US Bureau of Labor Statistics. The unemployment rate fell to 6.9% from 7.9%, with 11.1 million Americans out of work. September’s data was revised up to show that 672,000 jobs were created. (6 November, BBC News)

Singapore non-oil exports post surprise 3.1% drop in October: Singapore’s non-oil domestic exports (Nodx) shrank unexpectedly in October, snapping four straight months of growth, due to fewer shipments of non-monetary gold and electronics such as integrated circuits. Nodx fell 3.1 per cent, after expanding a revised 5.8 per cent in September, according to data from Enterprise Singapore (ESG) on Tuesday (Nov 17). Shipments also missed the 5.1 per cent growth forecast by analysts in a Bloomberg poll. (17 November, The Straits Times)

Indonesia in recession for first time in 22 years: Indonesia has fallen into its first recession in 22 years as the coronavirus pandemic continues to take its toll. South East Asia’s biggest economy saw growth fall 3.49% in the third quarter of the year, compared to the same period in 2019. Following a fall of 5.32% in the second quarter of 2020, this has pushed Indonesia into a recession. The last time this happened was during the 1998 Asian financial crisis. (5 November, BBC News)

Euro zone economy likely already in double-dip recession: Reuters poll: The euro zone is on track for its first double-dip recession in nearly a decade, according to a Reuters poll of economists which points to a more muted recovery next year despite expectations for 500 billion euros of additional monetary stimulus. As most of Europe grapples with a resurgence in coronavirus cases, forecasters who last month predicted the recovery would continue now expect the euro zone economy to shrink 2.5% this quarter after expanding a record 12.6% in Q3. (18 November, Reuters)

Vietnam economy is Asia’s shining star during Covid: Vietnam has minimised the economic damage from Covid-19 and is the only country in South East Asia on track for growth this year. Its economy is expected to grow 2.4% this year, according to latest figures from the International Monetary Fund. The IMF credited “decisive steps to contain the health and economic fallout from COVID-19” for the country’s success. Vietnam has had only 1,288 Covid-19 cases and 35 deaths. The IMF is predicting a strong economic recovery in 2021, with growth projected to strengthen to 6.5% “as normalisation of domestic and foreign economic activity continues.” (19 November, BBC News)

NATIONAL NASIONAL

Economy, rakyat will suffer if development expenditure is cut, says Mustapa: The allocation for development expenditure under Budget 2021 for construction projects cannot be cut as it will have an adverse impact on the country's economic cycle and the people, said Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed. He said more than 40 per cent of the development projects under the budget were continuation of half-completed projects such as the construction of schools, hospitals and highways. If the projects are immediately halted, the people will suffer, he said. (28 October, Bernama)

World Bank hub in Malaysia to bring together economic, financial experts - Tengku Zafrul: The World Bank Group (WBG) office in Malaysia will function as a hub that brings together local economic and financial experts, said Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz. He said the hub would also allow WBG to conduct developmental research to improve global indicators including through the World Bank's Doing Business Survey and provide technical support in selected fields, especially for low and middle-income countries. "This office will build on the existing Malaysia-WBG collaboration in various fields for Malaysia to achieve a developed and high-income nation status. (30 November, Bernama)

Business prospects forecast to improve in Q4 but remain pessimistic -- DOSM: Business prospects are forecast to improve in the fourth quarter of 2020 (Q4 2020) but remain pessimistic, according to the Business Tendency Statistics report for Q4 2020 released by the Department of Statistics Malaysia (DOSM). The statistics were based on the Business Tendency Survey conducted on a quarterly basis which presents expectations on business performance for the upcoming quarter and six months ahead. In a statement, chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the respondents' perceptions for the current quarter were mainly influenced by the reinforcement of the Conditional

Movement Control Order (CMCO). (27 October, Bernama)

Malaysia's trade surplus widens to RM22.12 bln in October 2020 - MITI: Malaysia's trade surplus in October 2020 widened to RM22.12 billion, registering a double-digit growth of 25.9 per cent year-on-year (y-o-y) and was the highest trade surplus ever recorded for the month. The Ministry of International Trade and Industry (MITI) said exports reached RM91.05 billion in October 2020, increasing by 0.2 per cent compared to October 2019 and this was the third highest export value recorded thus far. "The expansion was supported mainly by higher exports to the United States (US), China, India and the United Kingdom (UK)," it said in a recent statement. (27 October, Bernama)

Malaysia's economy to grow 6.0pct in 2021, oil & ringgit to strengthen: UOB: Malaysia's economy is expected to rebound 6.0 per cent next year from an expected contraction of 5.5 per cent this year, said United Overseas Bank (Malaysia) Bhd. senior economist Julia Goh. Commodity prices might trade higher particularly crude oil, Goh said, forecasting oil price to trade between US\$50 and US\$60 per barrel in 2021 in line with the global recovery. This will help the ringgit to strengthen against the US dollar at 4.0 by the end of next year. (30 November, Business Times)

Inflation falls for eighth month in October: Malaysia's inflation rate in October fell for the eighth month, down by 1.5% on-year due to lower fuel prices, based on the Statistics Department data. According to the statement published recently, the decline in the Consumer Price Index (CPI) was faster than a Reuters' poll of a fall of 1.4%. In September, the CPI fell by 1.4%. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said the CPI declined by 1.5% in October to 120.2 as against 122.0. The decrease in the overall index was due to the decline in transport (-10.2%); housing, water, electricity, gas & other Fuels (-3%) and clothing & footwear (-0.4%) which contributed 41.6% to overall weight, he said. (25 November, The Star)

Jobless rate improves in Q3: Malaysia's unemployment rate fell to 4.7% in the third quarter ended Sept 30 from 5.1% in the second quarter as the education sector and related industries reopened, the Statistics Department said. Chief statistician Datuk Seri Mohd Uzir Mahidin said Malaysia entered the phase of Recovery Movement Control Order (RMCO) since June 10, most of the economic sectors had gradually resumed albeit compliance to standard operating procedures. "The improvement was due to the reopening of the sectors and coupled with increased of tourism related activities as interstate travel was allowed. This has resulted in a better labour market situation for the quarter as compared to the second quarter of 2020," he said in a statement. (20 November, The Star)

IPI advanced 1% in September: Malaysia's industrial production index (IPI) rose by 1% in September from a year ago, which was below a Bloomberg survey of a 2.3% increase, due to a slowdown in mining and electricity. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said yesterday the slight increase in the IPI in September was driven by a 4.3% increase in the manufacturing index. However, the mining and electricity index recorded a decrease of 9.6% and 2.1% respectively. The manufacturing sector output based on year-on-year comparison grew by 4.3% in September after recording a growth of 2.2% in August. (10 November, The Star)

CPI declines 1.5pct Y-o-Y in October 2020: DOSM: Malaysia's Consumer Price Index (CPI) declined 1.5 per cent year-on-year (y-o-y) to 120.2 in October 2020 from 122.0 in the same month last year, said the Department of Statistics Malaysia (DOSM). Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the decrease in the overall index was attributed to the decline in transport (-10.2 per cent), housing, water, electricity, gas & other fuels (-3.0 per cent), and clothing & footwear (-0.4 per cent) which contributed 41.6 per cent to overall weight. "Out of 552 items covered in CPI, 337 items showed an increase in October 2020 compared with October 2019. On the contrary, 150 items declined while 65 items were unchanged. (25 November, Business Times)

LOCAL TEMPATAN

Extra RM50m boon for Sabah Covid fight: An additional allocation of RM50 million in Budget 2021 to combat Covid-19 in Sabah could enhance the frontliners' ability to fight the pandemic, says Sabah Local Government and Housing Minister Datuk Masidi Manjun. Masidi, who is also the official spokesman for the Sabah State Government on Covid-19, said the RM50 million allocation could be used to cover various types of expenses, including logistics and the purchase of food and medical equipment. "We are thankful for this allocation, we really need more allocation to deal with Covid-19 in Sabah. Of course, some of our tasks will be made easier and smoother. (28 November, Daily Express)

RM6.05 bln for 101 Sabah rural road projects under 11MP: A total of 101 Rural Road projects in Sabah have been approved under the 11th Malaysia Plan (11MP) involving a total cost of RM6.05 billion, the Dewan Rakyat was told recently. Rural Development Minister Datuk Dr Abdul Latiff Ahmad said this year alone, RM271.24 million has been set aside for the projects with the latest amount spent totalling RM172.48 million. "Of the 101 projects, 18 are still in the planning stage, 22 are in the stage of appointing consultant and designing, seven are in the procurement stage, 26 are under construction, and 28 have been fully completed." (13 November, The Borneo Post)

Govt agrees to build Labuan-Sabah bridge: The government has agreed to build a bridge connecting Labuan to mainland Sabah through the Private Finance Initiative (PFI), said Federal Territories Minister Tan Sri Annuar Musa. He said his ministry and Works Ministry were in the process of finalising the terms of reference for the 'Request for Proposal' (RFP) process to build the bridge. "The proposed bridge construction project will be implemented through public-private sector collaboration and via privatisation or PFI. (18 November, New Straits Times)

Bina sebuah IPP di Pantai Timur, atasi masalah bekalan elektrik: Kerajaan negeri akan membina sebuah stesen janakuasa bebas (IPP) di kawasan Pantai Timur Sabah dalam usaha mengurangkan

gangguan bekalan elektrik di kawasan Sandakan, Tawau dan Lahad Datu. Timbalan Ketua Menteri, Datuk Seri Bung Moktar Radin berkata anggaran kos keseluruhan bagi projek tersebut adalah dalam sekitar bilion ringgit yang mampu membekalkan kapasiti 1,000 Megawatt (MW). Bung yang juga Menteri Kerja Raya berkata, sementara menunggu pembinaan IPP, Kerajaan Persekutuan bersetuju untuk menyediakan bekalan 300 MW melalui sistem solar ataupun Mobile Barge bagi menampung permintaan bekalan elektrik di Pantai Timur Sabah. (14 November, Utusan Borneo)

20 projects for upgrading of dilapidated schools, involving RM98.1 million, in Kota Belud: A total of 20 projects for upgrading and rebuilding of dilapidated schools in Kota Belud, Sabah, have been approved, involving an allocation of RM98.1 million, said Deputy Education Minister I Muslimin Yahaya. He said the scope of the projects included construction of classrooms, administrative blocks, hostels, teachers' quarters, dining halls, resource centres, science rooms and toilets. So far, he said, nine projects have been completed, namely Sekolah Kebangsaan (SK) Kiau I; SK Timbang; SK Kemasang; SK Lasau Tintapon; SK Taburan; SK Rampayan Ulu; SK Taun Gusi; SK Suang Punggor; and SK Tempasuk I; while construction work is in progress for five projects, namely at SK Tempasuk II; SK Wing; SK Pituru; SK Gensurai; and SK Tarintidon. (25 November, Bernama)

Sabah rural infrastructure projects on track: Twenty-eight of the 101 rural road projects in Sabah under the 11th Malaysian Plan (2016-2020) have been completed and the rest are in various stages of implementation, the Dewan Rakyat was told. Deputy Rural Development Minister II Datuk Henry Sum Agong said 26 projects were in the construction stage; 18, planning stage; 22, appointment-of-consultant and design stage; and seven, procurement stage. He also said that 15 rural electricity supply projects have been approved at a cost of RM3.06 billion to benefit 9,588 households in various districts under the 11th plan. "Four of the projects have been completed while two are in the appointment-of-consultant stage; and nine, construction stage," he said during Question Time in the House. (25 November, Bernama)

Sabah to push local entrepreneurs' transition into digital business: The state Industrial Development Ministry is working to help local entrepreneurs step up their productivity and adapt to the new norm in business through digitalisation. Deputy Chief Minister Datuk Dr Joachim Gunsalam said his Ministry was collaborating with private sectors to promote products of Sabah small-medium enterprises (SMEs) and cottage entrepreneurs via e-commerce. Such a move would not only enable local entrepreneurs to market their goods locally but also nationwide and globally. Through the many collaborations, Gunsalam noted SMEs and home-made products would be placed on online marketplaces like E-pasar Sabah, Shopee, BorneoKaki, ShopDirect, Tamuku, My Borneoshop, and GoNet, among others. (26 November, New Straits Times)

Sabah KPD boosts income of rural residents through kelulut farming: After the successful breeding of the Apis Cerana or Pomosoon species of honey bees, the Sabah Rural Development Cooperative (KPD) is focusing on helping its participants, comprising rural residents, to increase their income through the breeding of kelulut or stingless bees. Sabah KPD deputy general manager (business and operations division) Andree Funk said so far, 22 Apis Cerana breeders who are registered with the KPD have ventured into the breeding of kelulut bees. "Of this figure, 19 farmers have started selling kelulut honey to the KPD since January this year with an average income of RM345 per month for each participant. "Kelulut bee breeding has great potential because Sabah has suitable areas or habitat for the kelulut bees," he told Bernama. (18 November, Bernama)

Ranau village (Kampung Gusi) to get broadband services: Broadband services through Very Small Aperture Terminal (VSAT) technology will be available at Kampung Gusi here by December this year. This initiative is in response to the incident where three students fell from a suspended bridge in the village recently, purportedly to gain access to Internet coverage. Installation of the VSAT would be undertaken by Common Tower Technologies Sdn Bhd (CCT), a subsidiary company of Warisan Harta Sabah Sdn Bhd, in support of the Malaysian Communication and Multimedia Commission (MCMC). (30 November, The Borneo Post)

SELECTED FACTS AND FIGURES FAKTA MUTAKHIR

Malaysia's International Investment Position, Third Quarter 2020



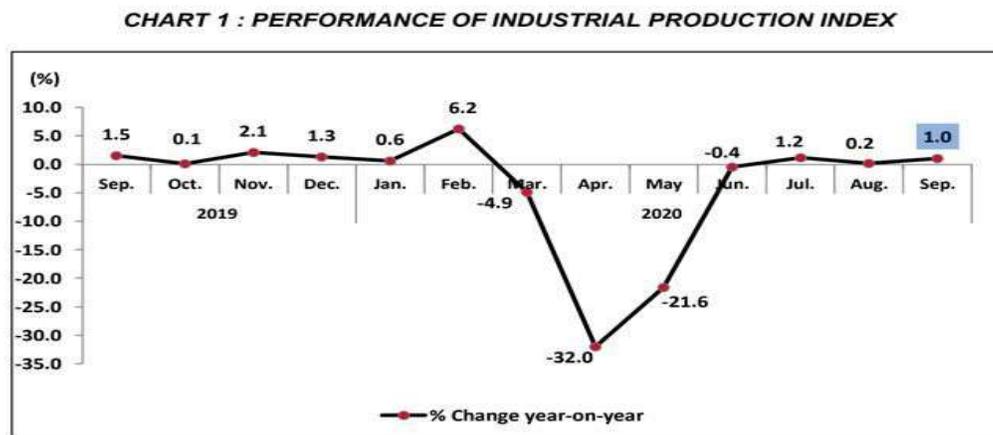
(Source: 13 November, The Star)

Malaysia's Business Tendency, Fourth Quarter 2020



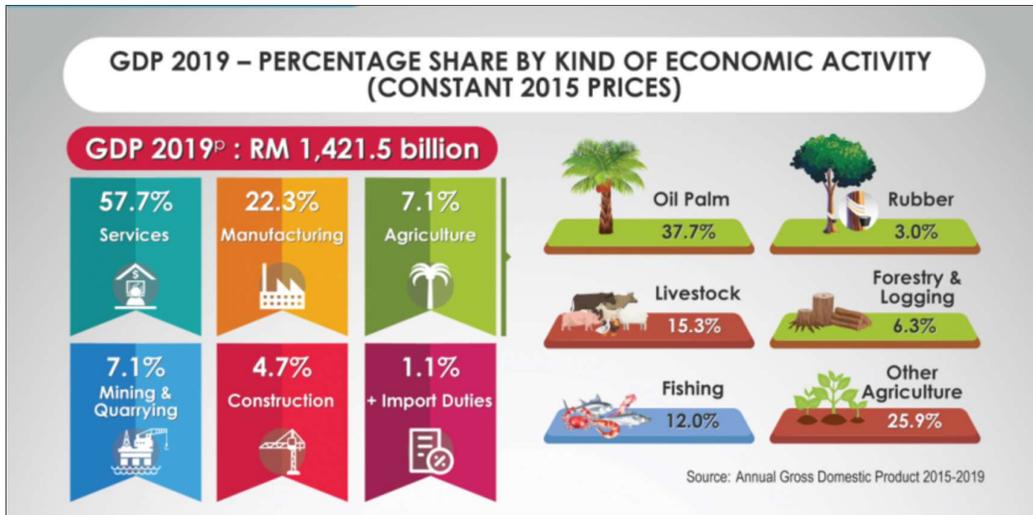
(Source: 27 November, The Star)

Malaysia's Industrial Production Index (IPI), September 2020



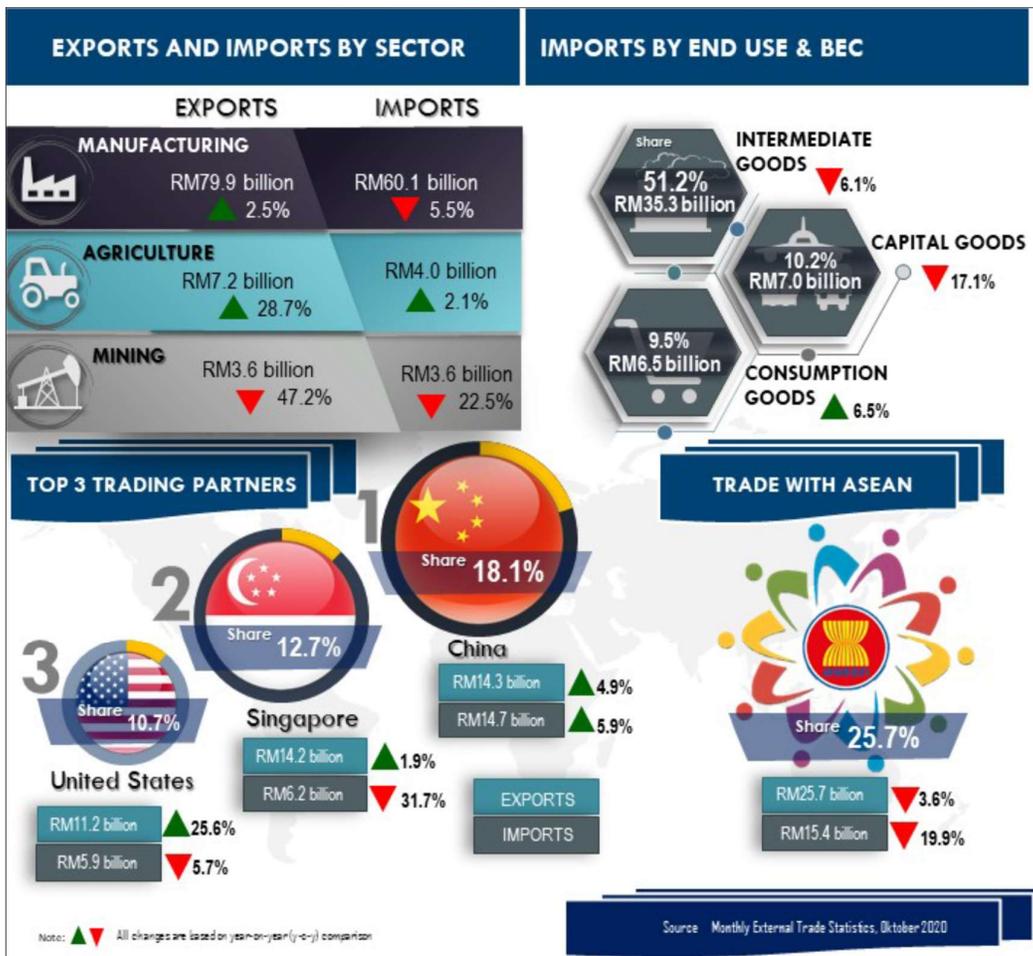
(Source: 9 November, The Star)

Malaysia's Selected Agricultural Indicators, 2020



(Source: 27 November, The Star)

Malaysia's External Trade Statistics Bulletin, October 2020



(Source: 27 November, The Star)