



MONTHLY NEWS SCAN

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HIGHLIGHTS FOCUS

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INTERNATIONAL ANTARABANGSA

Biden administration threatens tariffs on UK goods in 'tech tax' row: The US has warned it could put tariffs of up to 25% on a host of UK exports in retaliation for a UK tax on tech firms. Ceramics, make-up, overcoats, games consoles and furniture could all be hit, according to a list published by the Biden administration. The duties are designed to raise \$325m (£235.8m), the amount the US believes the UK will raise from US tech firms. (29 March, BBC News)

OECD hikes world economic forecast on vaccines, US stimulus: The OECD sharply raised its 2021 global growth forecast as the deployment of vaccines and a huge US stimulus programme have greatly improved economic prospects. The Paris-based Organisation for Economic Co-operation and Development (OECD) says it now expects the global economy to grow by 5.6 per cent, an increase of 1.4 percentage points from its December forecast. (10 March, The Straits Times)

Half-hearted approach to digitalisation risks Asean business recovery: South-east Asia's prominence within global manufacturing, trade and supply chains has been fuelled by a large and low-cost workforce, shifts in production and the region's booming consumer base. However, these favourable demographics will not be enough to sustain growth, particularly as other Asian markets - including India and western provinces in China - emerge as strong competition. (1 March, The Straits Times)

Japan factory output falls in February in worrying sign for recovery: Japan's industrial output fell in February due to declines in the production of cars and electrical machinery, in a worrying sign for an economy struggling to recover from the deep impact of the coronavirus pandemic. The world's third-largest economy is expected to contract in the current quarter due to a second coronavirus-related state of emergency that was imposed from early January for Tokyo and some neighbouring prefectures. (31 March, The Straits Times)

UK exports to European Union drop 40% in January: UK goods exports to the European Union fell 40.7% in January, according to the Office for National Statistics (ONS), while imports tumbled 28.8%. The figures show the biggest drop since records began in 1997, and are the first since new trading rules between the UK and the EU came into force. The ONS said temporary factors were likely to be behind much of the falls. Meanwhile, new data showed the UK economy shrank by 2.9% in January amid the third lockdown. (12 March, BBC News)

China factory growth accelerates the most in 3 months, bolsters economic recovery: China's manufacturing activity expanded at the fastest pace in three months in March as factories cranked up production after a brief lull during the Chinese New Year holidays, with improving global demand adding further momentum to a solid economic recovery. The official manufacturing Purchasing Manager's Index (PMI) rose to 51.9 in March from 50.6 in February, recent data from the National Bureau of Statistics (NBS) showed, remaining above the 50-point mark that separates growth from contraction for the 13th straight month. (31 March, The Straits Times)

S'pore inflation turns positive for first time in a year on higher food, services costs: Singapore's core inflation turned positive in February for the first time in a year as the costs of food and services rose, according to recently released data. Core inflation,

which excludes accommodation and private road transport costs, rose to 0.2 per cent compared with the same month last year. This was a leap from the minus 0.2 per cent in January. Overall inflation also picked up, to 0.7 per cent last month, from 0.2 per cent in January. (23 March, The Straits Times)

Double-dip recession beckons for star Covid-19 performer New Zealand: New Zealand, a star performer in the battle against Covid-19, is facing the prospect of a double-dip recession as the impact of its closed border on the vital tourism industry hits home. The economy contracted 1 per cent in the final three months of 2020, recent data showed, and some economists are tipping it will shrink further in the current quarter. The wobble follows a V-shaped recovery from a first-half slump as the nation successfully eliminated community transmission of the virus. (18 March, The Straits Times)

Most Asia-Pac economies should hit pre-pandemic levels in 2021: Moody's Analytics: The Asia-Pacific region continues to lead global growth, with all economies tipped to rebound this year, according to a Moody's Analytics report. In addition, all Asia-Pacific economies - except the Philippines, Thailand and Malaysia - are expected to recover past their pre-pandemic levels by end-2021. Already, the Asia-Pacific region's gross domestic product (GDP) has edged above its pre-pandemic peak in the final quarter of 2020. (16 March, The Straits Times)

Euro zone inflation continued to surge in March: Euro zone inflation jumped in March, taking another step higher in what is likely to be a temporary but sharp climb that may put consumer price growth above the European Central Bank's near 2% target later this year. Inflation in the 19 countries sharing the euro accelerated to 1.3% in March from 0.9% a month earlier, up from a string of negative readings late last year but in line with analysts' expectations, a flash estimate from Eurostat, the European Union's statistics office. (31 March, Reuters)

NATIONAL NASIONAL

Malaysia to achieve a transition to high-income economy in 2024-2028 - World Bank: -- Malaysia is likely to achieve a transition to a high-income economy between 2024 and 2028, a reflection of the country's economic transformation development trajectory over past decades, according to the World Bank Group. However, it said further reforms are required to successfully join the ranks of other leading and developed economies. It said this in its latest report, "Aiming High -- Navigating the Next Stage of Malaysia's Development" which was launched online recently. (16 March, Bernama)

Malaysia increases palm oil exports to Saudi Arabia: Malaysia will increase its palm oil exports to Saudi Arabia from 300,000 tonnes to 500,000 tonnes worth approximately RM1 billion. Plantation Industries and Commodities Minister Datuk Dr Mohd Khairuddin Aman Razali said the volume was increased following Prime Minister Tan Sri Muhyiddin Yassin's visit to Saudi Arabia recently. "It is among the accomplishments following the prime minister's visit to Saudi Arabia other than the growth in demand for palm oil in that country throughout the COVID-19 pandemic," he told a press conference in conjunction with the National Immunisation Programme registration campaign for the plantation sector. (12 March, Bernama)

Govt to introduce new national investment policy – Azmin: The government will introduce a new national investment policy to attract more high-quality investors as the country moves towards a high-income nation, Senior Minister cum International Trade and Industry Minister Datuk Seri Mohamed Azmin Ali said. He said a working paper on the proposed policy has been approved and endorsed by the Economic Action Council (EAC) and will be presented to the Cabinet within this month. "After long deliberations and engagement with Bank Negara Malaysia, the Ministry of Finance (MoF) and the Malaysian Investment Development Authority (MIDA), we thought it is timely for us to introduce this new investment policy. (10 March, Bernama)

Exports rise for sixth straight month in Feb to RM87.57bil: Malaysia's February exports rose 17.6% year-on-year (y-o-y) to RM87.57bil, backed by rising global demand for semiconductors, rubber products as well as petroleum products and palm oil. According to the International Trade and Industry Ministry (Miti), this was a sixth consecutive month of export growth for the country and its highest recorded growth in 28 months. Miti said imports during the month grew 12.7% y-o-y to RM69.7bil. This brought the trade surplus in February 41.6% higher versus the same month in 2020 at RM17.9mil while total trade rose 15.4% y-o-y to RM157.27bil. (29 March, The Star)

Malaysia's GDP to grow up to 7.5pct in 2021: Bank Negara: Malaysia's economy is expected to expand between six per cent and 7.5 per cent this year, Bank Negara Malaysia governor Datuk Nor Shamsiah Mohd Yunus said. This is against a 5.6 per cent gross domestic product (GDP) contraction in 2020. Nor Shamsiah said the GDP was likely to return to pre-Covid-19 levels by mid-2021. She said this would be supported by the improving external demand amid technology upcycle, less stringent containment measures and Covid-19 vaccine rollout, gradual improvement in labour market conditions, as well as continued policy support for households and businesses during the year. (31 March, Business Times)

Industrial production to pick up pace: Malaysia's manufacturing sector expanded for the second month in a row in January 2021, despite the domestic movement control (MCO) and Moody's Analytics expect it to pick up in coming months. "We expect industrial production to pick up in the coming months from robust external demand for electronics, and from a rise in oil prices," its economist Denise Cheok said. She said although restrictions were not as strict as the first round last March, strong export growth more than offset any decline in domestic demand. "Malaysia has benefited from the global shortage of semiconductors in the automobile sector, together with other manufacturing powerhouses in the region. (12 March, The Star)

February inflation up 0.1%: Malaysia's Consumer Price Index (CPI) for February rose 0.1% from a year ago due to increases in goods and services as well as food and non-alcoholic beverages. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said that the CPI rose to 122.5 from 122.4. On a monthly basis, the CPI increased 0.3% from January's decline. "The CPI without fuel increased 0.4% in February 2021 to 113.6 as compared to 113.1 in the same month of the preceding year," he said. The CPI without fuel covers all goods and services except unleaded petrol RON 95, unleaded petrol RON 97 and diesel. (25 March, The Star)

Malaysia to create 500,000 jobs this year: Tengku Zafrul: The government is set to generate 500,000 job opportunities this year through the National Employment Council (NEC), despite the highly challenging environment. Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz said the government had helped to save 2.7 million jobs through the wage subsidy program worth RM14.4 billion. The government also managed to reduce the unemployment rate from 5.3 per cent in May 2020 to 4.8 per cent in December 2020, said Tengku Zafrul. "Moving forward, the main focus throughout 2021 will be prioritising direct and indirect assistance to alleviate the burden faced by the people. The welfare of the people needs to be better protected, especially those in the informal economy. (11 March, Business Times)

Malaysia's February 2021 PPI increases 2.7 pct, the rst positive shift since March 2020 – DOSM: The Producer Price Index (PPI) local production increased 2.7 per cent in February 2021 compared with -0.1 per cent in January 2021, the rst positive shift after experiencing negative growth for 11 consecutive months since March 2020. "The Index of Agriculture, forestry & shing continued to increase 35.0 per cent compared to 22.6 per cent in the previous month. The Index of Manufacturing and Water supply increased 1.5 per cent and 0.8 per cent, respectively,". (31 March, Bernama)

LOCAL TEMPATAN

PM: Sabah should take bold steps on development projects via PFI:

The time has come for the Sabah state government to take bold steps to forge more cooperation with foreign investors in implementing development projects through private financing initiative (PFI) widely, said Prime Minister Tan Sri Muhyiddin Yassin. He said Sabah had great potential in enabling its land and resources, and this could be evidenced by the confidence of local and foreign investors to invest in the state. "The federal government will always give support and attention to development plans like this," he said when officiating at the launch of the Lok Kawi Resort City Development at the Sabah International Convention Centre. (23 March, The Borneo Post)

Sabah Maju Jaya development plan outlines three main thrusts:

Sabah Maju Jaya (SMJ) development plan has outlined three main thrusts to develop the state from 2021 to 2025, said Chief Minister Datuk Hajiji Noor. He said the three thrusts were based on the SMJ slogan where S refers to the three main economic sectors covering agriculture, industry and tourism; the letter M refers to human capital and the well-being of the people; while the letter J refers to green infrastructure and sustainability networks. (30 March, The Borneo Post)

Hajiji envisages Sogip as region's petrochemical gas and petroleum downstream hub:

Sabah Chief Minister Datuk Hajiji Noor wants Sipitang Oil and Gas Industrial Park (SOGIP) to be developed into its full potential as a premier petrochemical gas and petroleum downstream activity hub in Southeast Asia (SEA). Nevertheless, he acknowledged that infrastructure and land readiness were among the important issues that must be addressed by the Sabah Oil and Gas Development Corporation (SOGDC), as the promoter of SOGIP, to attract investors. Hence, in regard to infrastructure in SOGIP, the chief minister said the state government will play its part by providing funds under Sabah Maju Jaya Halatuju and through federal allocation under the 12th Malaysia Plan. (8 March, Daily Express)

Sabah set for border growth: Sabah Economic Development and Investment Authority (Sedia) has been directed to take the lead in developing Sabah's side of the Malaysia-Indonesia regional border development. Chief Minister Datuk Seri Hajiji Noor, who gave the directive, said this involves a road construction connecting the borders of Serudong in Kalabakan, Tawau to Simanggaris, in Indonesia following the Federal Government's nod to Sabah's proposal to build a road into Kalimantan. The approval was conveyed to him by Economic Affairs Minister Datuk Seri Mustapa Mohamed during a video-conference discussion early this month, said Hajiji, who is also State Finance Minister, when chairing the Sedia Board of Directors meeting at the State Administration Centre (PPNS) in Kota Kinabalu. (12 March, Daily Express)

Investors keen on sky train project in KK – Bung:

The State Works Ministry has identified several investors who are interested in the ministry's sky train project, said its minister Datuk Seri Bung Moktar Radin. He said that the ministry has set out various goals to help develop and modernise the railway services in Sabah and the sky train project is part of that plan. The Deputy Chief Minister said the sky train project will connect the Kota Kinabalu International Airport (KKIA) to Jesselton Centre in the city centre, and then from Jesselton Centre to Alam Mesra. (11 March, The Borneo Post)

Three Sabah districts to benefit from Indonesian capital relocation:

Indonesian President Joko Widodo's proposed move of capital from Jakarta to Kalimantan is expected to benefit Sabah after 2024 if road connectivity is linked with the new city. This was reiterated by Deputy Minister (Economy) in the Prime Minister Department, Datuk Arthur Joseph Kurup, who hoped that the Sabah districts of Pensiangan, Nabawan and Kalabakan located next or near the Kalimantan border would reap benefits from the Indonesian economy and market. Arthur reiterated the importance of Sabah's human resource for Sabah's development. (18 March, Daily Express)

Temporary VSAT internet solution:

The State Government through the Science, Technology and Innovation Ministry will carry out installation for the Very Small Aperture Terminal (VSAT) to temporarily address the connectivity issues faced in rural areas. Its Minister Datuk Yakub Khan said Sabahans have been plagued with internet connection issues which have negatively impacted students and pupils in the State particularly during the Covid-19 pandemic. He said the government is aware of the matter and will be carrying out large scale improvement known as the National Digital Network (Jendela) for the connectivity throughout the nation, particularly for Sabah which will take place later this year and expected to be completed by Dec 2022. (9 March, Daily Express)

Freshwater lobster farming promising in Tuaran:

Lobster farming through the Green Aquaponics Perennial System (Gaps) will be a source of income for the B40 group in Kampung Bantayan, Tamparuli, when the project site becomes fully operational. Minister in the Prime Minister's Department (Special Duties) Datuk Seri Mohd Redzuan Yusof said the field of freshwater aquaculture through the aquaponics system is one of the sectors with high potential to increase the income of rural residents who are interested in becoming entrepreneurs. (24 March, Daily Express)

RM10m allocation for Keningau road upgrade:

The 2.2-kilometre of unpaved road which serves as the main route for residents in Kampung Bunga Raya will be upgraded immediately, said Deputy Chief Minister Datuk Seri Bung Moktar Radin. He said the allocation to upgrade the road was estimated at RM10 million. "The allocation includes the cost of building three bridges along the road as well as other related works. This project will be implemented as soon as possible because this road is important for the residents, especially students," he told reporters after visiting several roads in need of upgrading in the Keningau district recently. (14 March, Daily Express)

SELECTED FACTS AND FIGURES FAKTA MUTAKHIR

Malaysia's Monthly Manufacturing Statistics, January 2021



(12 March, Department of Statistics Malaysia)

Malaysia's External Trade Statistics Bulletin, February 2021



(29 March, Department of Statistics Malaysia)

Malaysia's Monthly Rubber Statistics, January 2021



(15 March, Department of Statistics Malaysia)

Malaysia's Producer Price Index, February 2021

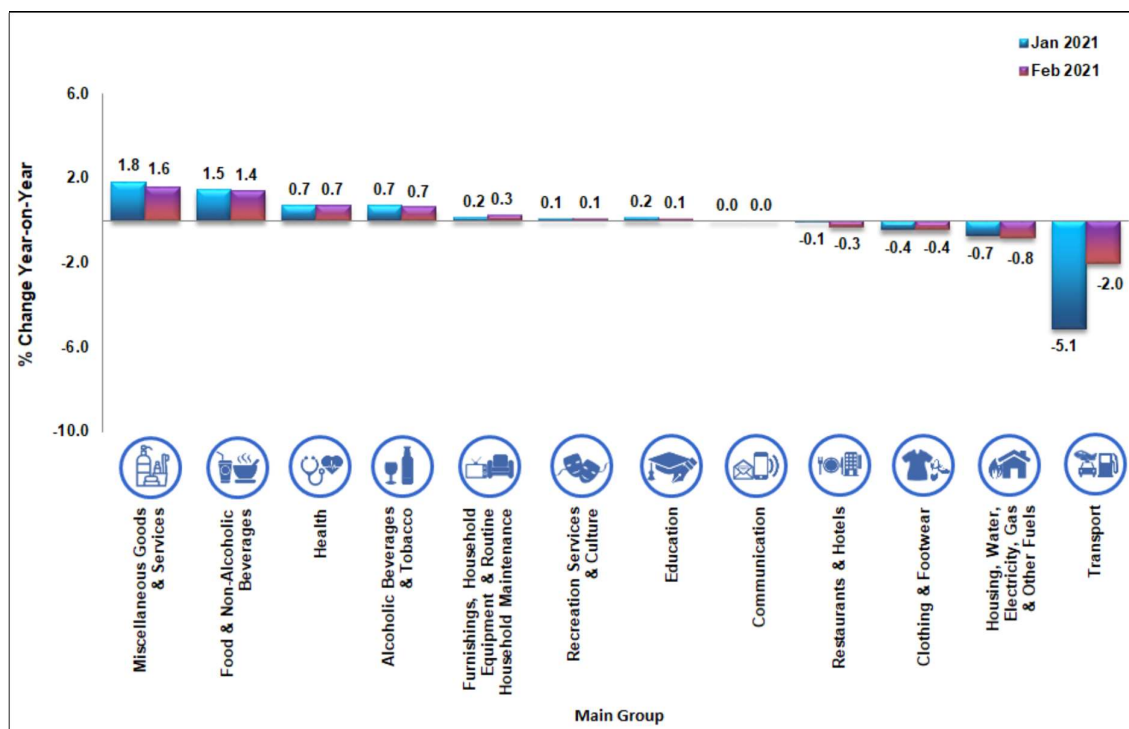
Table 1: Producer Price Index (2010=100) Local Production by Sector (MSIC 2008), Malaysia:

Sector	Code	Weight	Index		Percentage Change				
			Feb 2021	Dec 2020/ Dec 2019	Jan 2021/ Jan 2020	Feb 2021/ Feb 2020	Dec 2020/ Nov 2020	Jan 2021/ Dec 2020	Feb 2021/ Jan 2021
Total		100.000	108.8	-2.1	-0.1	2.7	1.7	2.0	1.5
Agriculture, forestry & fishing	A	6.730	139.9	23.5	22.6	35.0	4.2	3.0	2.2
Mining	B	7.927	84.2	-40.0	-28.3	-11.0	13.0	11.3	12.9
Manufacturing	C	81.571	108.6	0.2	1.1	1.5	0.9	1.3	0.5
Electricity & gas supply	D	3.442	115.9	-1.7	-1.9	-1.9	-0.9	-0.1	0.3
Water supply	E	0.330	111.9	0.7	0.5	0.8	-0.2	-0.2	-0.4

(31 March, Department of Statistics Malaysia)

Malaysia's Consumer Price Index, February 2021

Chart 1: Percentage Change of Consumer Price Index by Main Group:



(24 March, Department of Statistics Malaysia)