



MONTHLY NEWS SCAN

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HIGHLIGHTS FOCUS

- **World economy risks ‘dangerously diverging’ even as growth booms**
- **Eurozone suffers double-dip recession as pandemic impact continues**
- **Trade mission results in deals worth RM986mil**
- **Malaysia poised to maintain top position in ASEAN e-commerce market**
- **Enhancing RM1.8b Sabah-Indo trade**
- **RM235m sugar, Siakap projects**

INTERNATIONAL ANTARABANGSA

World economy risks ‘dangerously diverging’ even as growth booms:

The world economy is on course for its fastest growth in more than a half century this year, yet differences and deficiencies could hold it back from attaining its pre-pandemic heights any time soon. The US is leading the charge into this week's semi-annual virtual meeting of the International Monetary Fund, pumping out trillions of dollars of budgetary stimulus and resuming its role as guardian of the global economy following President Joe Biden's defeat of “America First” President Donald Trump. (5 April, The Straits Times)

Eurozone suffers double-dip recession as pandemic impact continues:

The eurozone's economy has fallen back into recession as the impact of the pandemic continues to hit activity. Europe's economies have been set back by a renewed surge in infections this year and Covid-related restrictions. The eurozone shrank by 0.6% in the January-to-March period - the second consecutive contraction, which is a widely-used definition of a recession. It is the second such episode, a so-called double-dip recession, since the onset of the pandemic. (30 April, BBC News)

UK exports to EU rebound partially after January's slump: Trade between the UK and EU partially recovered in February, after a steep

drop in January following Brexit. Official figures show exports to the EU jumped by 46.6%, £3.7bn, to £11.6bn, following January's 42% slump when firms struggled with new trade rules. However, the Office for National Statistics said exports were still below last year's levels and imports from the EU had seen a weaker recovery. Other figures from the ONS showed the UK economy grew by 0.4% in February. (13 April, BBC News)

China's economy grows 18.3% in post-Covid comeback:

China's economy grew a record 18.3% in the first quarter of 2021 compared to the same quarter last year. It's the biggest jump in gross domestic product (GDP) since China started keeping quarterly records in 1992. However, Friday's figures are below expectations, with a Reuters poll of economists predicting 19% growth. They are also heavily skewed, and less indicative of strong growth, as they are compared to last year's huge economic contraction. (16 April, BBC News)

U.S. goods trade deficit vaults to record high in March:

The U.S. trade deficit in goods jumped to a record high in March, suggesting trade was a drag on economic growth in the first quarter, but that was likely offset by robust domestic demand amid massive government aid. Economic activity in the United States has rebounded more quickly compared to its global rivals. The pent-up demand is drawing in imports, eclipsing a recovery in exports and keeping the overall trade deficit elevated. (28 April, Reuters)

Japan's factory activity expands at fastest pace since early 2018:

Japan's factory activity expanded in April at the fastest pace since early 2018 on a global demand recovery, a private sector survey showed recently, though new coronavirus curbs cast a shadow over the overall economic outlook. The activity expansion highlights the tailwind manufacturers

have been getting from strong external demand, particularly from China, which forms the basis for keeping intact the economic recovery from last year's steep coronavirus drop. (30 April, The Straits Times)

Brexit: UK and Australia agree ‘vast majority’ of trade deal:

The UK and Australia say they have agreed “the vast majority” of a free trade deal. After recent talks in London the two said they aim to seal a deal by June. “Both countries are confident the remaining issues will be resolved, and will now enter a sprint to agree the outstanding details with the aim of reaching agreement in principle,” a joint statement said. It is estimated a deal could add £500m (\$694m) to UK GDP over the long-term. (23 April, BBC News)

S'pore economy to grow faster than 6% in 2021, but recovery will be more uneven across sectors:

MAS: Singapore's economy has almost recovered the output lost during the first half of 2020, although its growth momentum eased in the first quarter of this year. But while the outlook for Singapore's economy has improved, projected growth outcomes across sectors have become even more lopsided than previously predicted, the Monetary Authority of Singapore (MAS) noted in its biannual macroeconomic review released recently. (28 April, The Straits Times)

South Korea economy grows faster than expected as investment, exports bounce:

South Korea's economic growth beat expectations in the first quarter, extending the country's export-led recovery as global demand surged and the government maintained support for ailing small businesses. Gross domestic product (GDP) grew a seasonally adjusted 1.6 per cent in the March quarter from three months earlier, according to the Bank of Korea, faster than the median estimate of a 1.0 per cent growth in a Reuters poll and following a 1.2 per cent expansion in the December quarter. (27 April, The Straits Times)

NATIONAL NASIONAL

Trade mission results in deals worth RM986mil: Malaysia's first trade and investment mission to South Korea and Japan amidst the pandemic and global challenges has generated export-related transactions worth RM986.15mil. During the six-day mission which ended on April 6, a series of business discussions on sourcing of products and services were held, involving premium buyers and leading companies from both countries. "About RM70mil of exports in products and services to South Korea were reported following the meetings with buyers from the country," said Malaysia External Trade Development Corp (Matrade) in a statement. (27 April, The Star)

Malaysia poised to maintain top position in ASEAN e-commerce market: Malaysia is expected to maintain its position as one of the top e-commerce markets in ASEAN, with its gross merchandise value (GMV) likely to grow 6.0 per cent to US\$11.4 billion (US\$1=RM4.09) in 2020. In a recent statement, the Malaysia Digital Economy Corp (MDEC) said the e-Economy SEA 2020 Report by technology giant Google, Singapore state-owned investor Temasek and global consultancy firm Bain & Company had projected Malaysia's GMV to rise to US\$30 billion in value by 2025. (27 April, Bernama)

Total trade expands by 25.6%: Malaysia's trade performance continued its upward trajectory in March 2021, registering the highest monthly value for trade, exports, and imports. Senior Minister Datuk Seri Mohamed Azmin Ali, who is also the International Trade and Industry Minister, said total trade expanded by 25.6% to RM185.74bil compared with March 2020. "Exports accelerated by 31%, surpassing the RM100bil mark to reach RM104.95bil. Imports increased by 19.2% to RM80.79bil and trade surplus surged by 96.1% to RM24.15bil. "(Hence) trade, exports, imports, and trade surplus recorded double-digit growth for two consecutive months," he said in a statement on the country's external trade performance for March 2021. (29 April, The Star)

Malaysia's import to rise 13 per cent, exports to surge 15 per cent in 2021 - AmBank Research:

Malaysia's import and exports are expected to grow by 13 per cent and 15 per cent, respectively, in 2021 with an upside exports growth momentum, said AmBank Research. Malaysia's total trade amounted to RM1.777 trillion in 2020, with imports totalled RM796.19 billion and exports valued at RM980.99 billion. In a research note, AmBank chief economist/head of research Anthony Dass said a low base, improved global economic and trade activities, a semiconductor upcycle, and commodity prices were the main drivers of exports in March 2021. (30 April, Bernama)

Manufacturing to spur Malaysia's industrial production: Moody's Analytics: Manufacturing sector is likely to be a key sector to buoy Malaysia's industrial production with a strong external demand cushioning the downturn, according to Moody's Analytics. In an analysis report titled 'Malaysia Industrial Production', associate economist Sonia Zhu expect Malaysia's industrial production to pick up in the coming months from robust external demand and low base effect from the previous year. Sustained growth in external demand will continue to bolster the production outlook for trade-oriented industries, given the strong demand for electrical and electronics, and rubber products and better economic prospects for major trading partners such as the US and China, said Moody's Analytics. (9 April, Business Times)

Govt to focus on selling palm oil to east and west Asian countries - Wee: The government through the Ministry of Plantation Industries and Commodities will be focusing on selling Malaysian palm oil to East and West Asian countries following high demand from those areas. Deputy Minister Datuk Seri Dr Wee Jock Seng said among the countries that have increased palm oil purchase are Saudi Arabia, Afghanistan and several countries in Southeast Asia. "Saudi Arabia that imported 300,000 tonnes Malaysian palm oil per year previously has increased its purchase to 500,000 tonnes while Afghanistan doubles its purchase to 150,000 tonnes per year," he told reporters during a recent visit to the Malaysian Palm Oil Board (MPOB) research station. (12 April, Bernama)

Creative industry has potential to generate new sources of income - Noraini: The creative industry in Malaysia has the potential to generate new sources of income and will be able to help the country build a

more dynamic economy, said Higher Education Minister Datuk Seri Dr Noraini Ahmad. Noraini said according to the Department of Statistics Malaysia, the creative industry sector had contributed about RM29.4 billion to the country's Gross Domestic Product (GDP) in 2019. "In the same year, the industry also provided employment opportunities to 859,900 individuals nationwide. On average, the creative industry in developed countries contribute between one to five per cent to the nation's GDP," she said in her speech during the signing of a memorandum of understanding (MoU) between Universiti Putra Malaysia and National Book Development Foundation (YPBN) in Kuala Lumpur recently. (8 April, Bernama)

Malaysia's aerospace industry to rebound early next year: Azmin Ali: The Malaysian aerospace industry is expected to rebound and regain pre-pandemic revenue levels as early as next year if the country can continue to capture new work packages with a positive impact on the whole ecosystem through product localisation. International Trade and Industry Minister Datuk Seri Mohamed Azmin Ali said the recovery would be expedited if the industry can further expand its air cargo services, business aviation, maintenance, repair and overhaul (MRO) as well as professional training services. He said a total of RM15 million was allocated for the industry's development programs covering the promotion of the Malaysian aerospace industry ecosystem, empowerment of the National Aerospace Centre of Excellence, competency enhancement through digital systems and Industry 4.0, and development of bio-based aerospace materials. (9 April, Business Times)

CPI up 1.7% to 122.9 in March 2021: Malaysia's Consumer Price Index (CPI) increased 1.7 per cent to 122.9 in March 2021 from 120.9 in the same month last year, said the Department of Statistics Malaysia (DoSM). Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said this was a positive increase for two consecutive months since February 2021. "The increase in the overall index was driven by the index of transport (9.8 per cent), food and non-alcoholic beverages (1.5 per cent), miscellaneous goods and services (1.0 per cent) and furnishings, household equipment and routine household maintenance (0.9 per cent). (23 April, The Star)

LOCAL TEMPATAN

Enhancing RM1.8b Sabah-Indo trade: Indonesia is expecting to build upon the solid business partnership with Malaysia, especially Sabah, once the Covid-19 pandemic is effectively contained. Consulate General of the Republic of Indonesia (KJRI) Kota Kinabalu, Renny Meirina said in terms of economic relations, the value of physical trade between Indonesia and Sabah in 2020 reached RM1.8 billion and that it is hoped that the figure will increase higher in the future. "Sabah is a very strategic and important state for Indonesia because among reasons is that only Sabah has two Indonesian consulates, one in Kota Kinabalu and other in Tawau. "In areas under the jurisdiction of the Indonesian consulate general of Kota Kinabalu, there are 163,000 registered Indonesians, while for Tawau, 150,000 Indonesians. (12 April, Daily Express)

RM235m sugar, Siakap projects: Chief Minister Datuk Seri Hajiji Noor witnessed the signing of a Memorandum of Understanding (MoU) totalling RM235 million between the Sawit Kinabalu Group and two domestic investors. They are Borneo Lestari Sdn Bhd owned by two Sabahan businessmen and Selangor-based Admuda Sugar Sdn Bhd. Both projects were investment initiatives under the five-year Halatuju Sabah Maju Jaya (SMJ) development plan. Hajiji, who is also Chairman of the Sawit Kinabalu Group, said the Halatuju SMJ, launched last month, has started to bear fruits and he congratulated all parties concerned for this collaboration, adding that he was confident Sawit would be able to maintain its position as a progressive State GLC. (20 April, Daily Express)

High-yield Sabah pineapples to become reality: The Malaysian Pineapple Industry Board (MPIB) is keen to spread its wings to expand Sabah's pineapple industry using modern technology to produce high-yield varieties for the local and international markets. Its Chairman Datuk Dr Sahrudin Jamal said MPIB has the capacity and capital to help by sharing expertise and giving incentives to Sabah's smallholders and entrepreneurs. In this endeavour, MPIB has the B40 income earners in

sight to help raise their status to higher income earners, he said when leading MPIB's board of directors and management in a courtesy call on Chief Minister Datuk Seri Hajiji Noor, in Sandakan. (11 April, Daily Express)

Govt serious on KK Sky Train: The Sabah government is committed to develop the Sky Train project to further upgrade the public transport system in Kota Kinabalu. Deputy Chief Minister Datuk Seri Bung Moktar Radin, who is also Works Minister, said it is not impossible to implement if careful planning is taken. He also said that there must be financial allocation for the project to be implemented. "Currently, there are several local investors and a few from overseas such as China who are interested to develop the project through the Private Funding Initiative (PFI)," he said after listening to the proposal from three local and foreign companies who were interested in the project at the Sembulan Public Works Department. (16 April, The Borneo Post)

Tourism boost as marina launched in Semporna: The launch of Seafest Marina will create entrepreneurship and employment opportunities to generate the economy of the people in Semporna despite the Covid-19 pandemic. Deputy Chief Minister Datuk Seri Bung Moktar Radin said he is confident the tourism industry will grow strongly in the future after the rest of the world have vaccinated their communities. "With the vaccination, the tourism industry will bounce back in Sabah," he said when launching the Seafest Marina. Bung said Semporna district is fortunate to have Seafest Group willing to develop the tourism industry in the district which is blessed with Sipadan island that is among the top tourist attractions in the world. (3 April, The Borneo Post)

RM26.9 mln allocation to boost Sabah tourism this year - Nancy Shukri: - The federal government through the Tourism, Arts and Culture Ministry (MOTAC) has allocated RM26.9 million this year to develop the tourism sector in Sabah, with an emphasis on new tourism products. Its minister Datuk Seri Nancy Shukri said the latest Sabah tourism products will be introduced soon and the government has also allocated RM3.4 million for maintenance of existing tourism

destinations and products. She said under the 12th Malaysia Plan, the ministry has also forwarded a slew of suggested new product developments for Sabah to the Economic Planning Unit (EPU), including the Sabah Cultural Village worth RM80 million and the Sabah Art Gallery worth RM3 million. (22 April, Bernama)

LD to be seafood export hub: A cold storage facility and other amenities are in the pipeline to pave way for Lahad Datu to be a seafood export hub for the east coast of Sabah. This was disclosed by POIC Sabah Sdn Bhd Chairman Datuk Yong Teck Lee. "Lahad Datu has been earmarked for the development of a seafood export hub for the east coast of Sabah under the State Government's Sabah maju Jaya (SMJ) development plan," said the former Sabah Chief Minister. He said a cold storage facility would be built to support the operations of the seafood hub. (27 April, Daily Express)

LPP spent RM62 mln to assist Sabah farmers last year: The Sabah Farmers Organisation Authority (LPP) has spent RM62 million to implement various development projects to assist farmers in the state last year, said its director Anita Misuari. She said of the total, RM47.75 million was aid managed by LPP for the Paddy Fertiliser Scheme for lowland paddy and hill paddy distributed by the Area Farmers Organisation (PPK). "RM3.51 million was spent on management, RM2.21 million for development, RM6.07 million for the Economic Stimulus Package, RM1.37 million for the B40 and RM1.07 million for a special account," she said in a recent statement. (27 April, Bernama)

Dam, drainage relief for seven K'gau villages: Farmers from seven villages in the Bingkor area can now heave a sigh of relief as the dam and drainage system had been built and improved by the Drainage and Irrigation Department (DID) through Assemblyman, Datuk Robert Tawik @ Nordin, who is State Assistant Works Minister. The villages are Kampung Baru, Bunsit, Lipasu, Berungis, Minansut, Kumawanan, Tongkungan as well as the surrounding areas. They are glad with the department's efforts to improve dams, drainage and irrigation for the flow of water to their paddy fields. (30 April, Daily Express)

SELECTED FACTS AND FIGURES FAKTA MUTAKHIR

Malaysia's External Trade Statistics Bulletin, March 2021



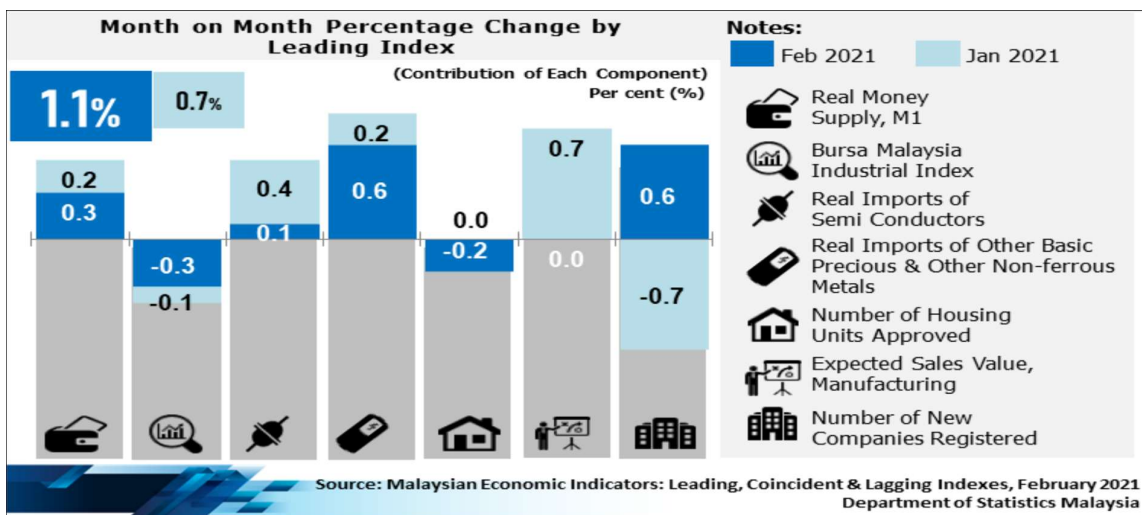
(Source: 28 April, Department of Statistics Malaysia)

Malaysia's Monthly Rubber Statistics, February 2021



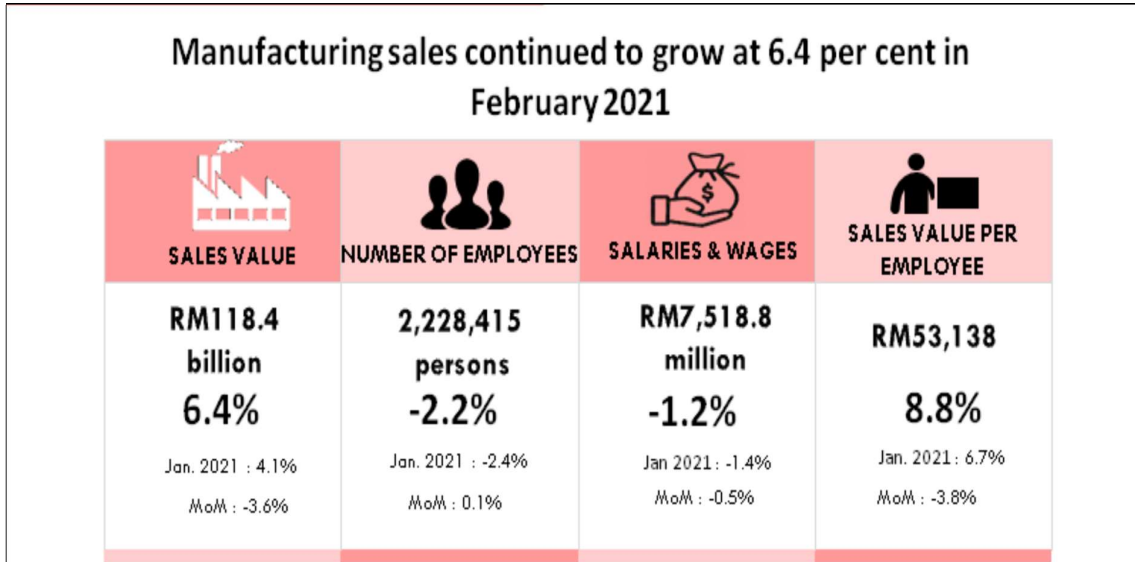
(Source: 15 April, Department of Statistics Malaysia)

Malaysia's Economic Indicators: Leading, Coincident & Lagging Indexes, February 2021



(Source: 23 April, Department of Statistics Malaysia)

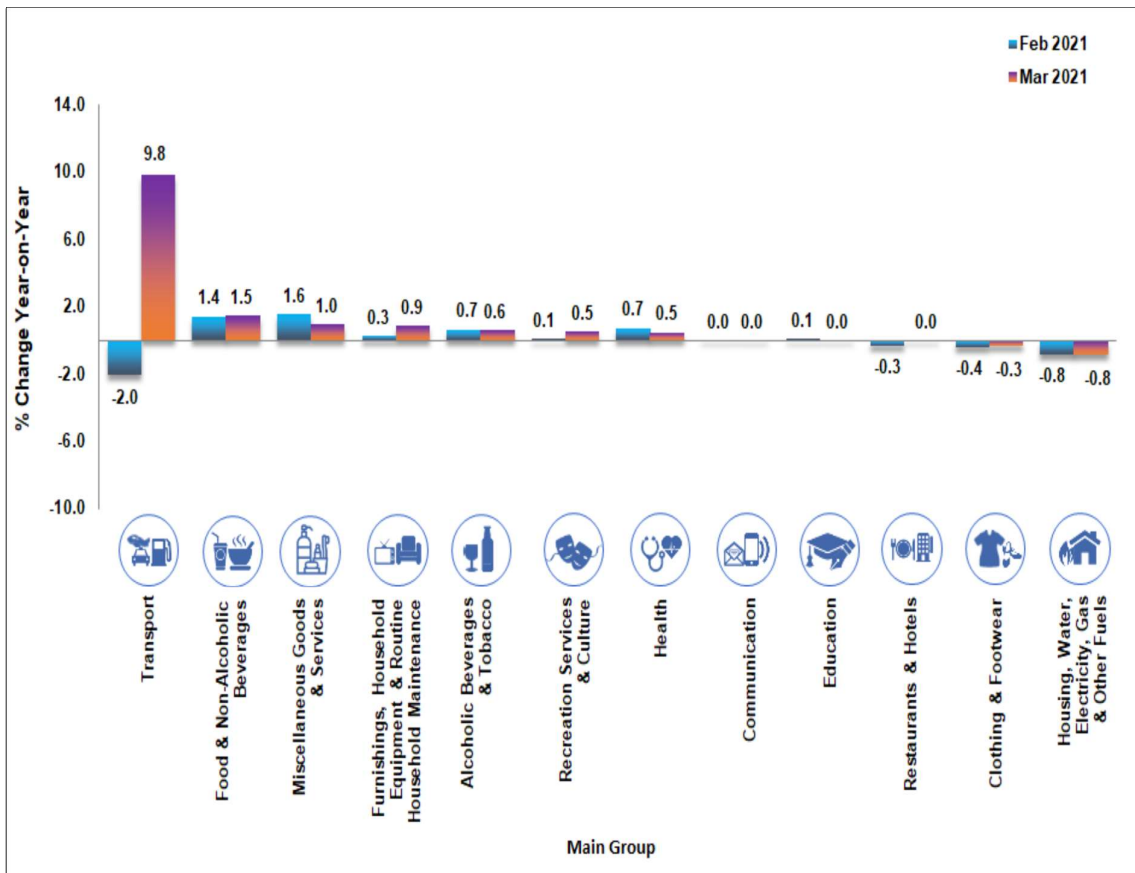
Malaysia's Monthly Manufacturing Statistics, February 2021



(Source: 9 April, Department of Statistics Malaysia)

Malaysia's Consumer Price Index, March 2021

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



(Source: 23 April, Department of Statistics Malaysia)