



MONTHLY NEWS SCAN

Tinjauan Berita Bulanan

Compiled by IDS

Vol. 27 Issue 12

IDS Online <http://www.ids.org.my>

1 – 31 December 2022

HIGHLIGHTS FOCUS

- **Japan to make raising wages a top priority, says senior govt official**
- **India set to become world's fastest-growing economy on post-Covid spending boom**
- **MITI ready to help industries, exporters reap CPTPP's numerous benefits**
- **Aviation sector to 'fly high' in 2023**
- **Digital IoT Sandbox Centre launched in Sabah**
- **Transfer of gas supply regulatory power to Sabah a step toward realising MA63 – Hajiji**

INTERNATIONAL ANTARABANGSA

Japan to make raising wages a top priority, says senior govt official: Japan's government will make raising wages a top priority in its economic policy next year, Deputy Chief Cabinet Secretary Seiji Kihara said on Wednesday. "The biggest challenge for Japan's economy is a lack of wage growth. Unless wages rise, consumption won't pick up and companies won't increase investment," Kihara said, speaking during a television programme. (28 December, Reuters)

India set to become world's fastest-growing economy on post-Covid spending boom: India is set to be the world's fastest-growing major economy in the year ahead, as a post-pandemic retail boom and recent bank balance-sheet repairs woo new investment, fuelling hot demand for everything from cars to televisions, coal and airliners. The world's fifth-largest economy is expected to grow 6 per cent in the fiscal year ending March 31, 2024, according to a survey by the Indian central bank. (21 December, The Straits Times)

World Bank cuts China growth outlook on COVID, property woes: The World Bank has cut its China growth outlook for this year and next, citing the impact of the abrupt

loosening of strict COVID-19 containment measures and persistent property sector weakness. The Washington-based lender, in a report released on Tuesday, said it expected China's economy to grow 2.7% in 2022, before recovering to 4.3% in 2023 as it reopens following the worst of the pandemic. (20 December, Reuters)

IMF chief warns of bigger chance world growth slows below 2%: IMF chief Kristalina Georgieva warned on Thursday that the chance of global growth dropping below 2 per cent – last seen during the coronavirus outbreak and the global financial crisis of 2009 – is increasing as major economies slow. Her comments come as the world's biggest economies grapple with fallout from Russia's invasion of Ukraine, which sent food and energy prices soaring, along with a surging inflation and a slowdown in China. (2 December, The Straits Times)

WTO says Trump's US steel tariffs broke global trade rules: The World Trade Organisation (WTO) has found that tariffs on steel and aluminium imports that were imposed by the US under former President Donald Trump violate global trade rules. Mr Trump had claimed national security concerns when he announced the new border taxes in 2018, sparking a wave of trade fights around the world. The WTO rebuffed that argument, saying the duties did not come "at a time of war or other emergency". The US said it stood by the tariffs. (9 December, BBC News)

Singapore core inflation unchanged in November at 5.1%; analysts see price rises stabilising: Core consumer prices in Singapore rose in November at a pace that was unchanged from the previous month, in what analysts say could be a sign that inflation is levelling off. Core inflation, which excludes costs of private transport and accommodation and reflects the expenses of Singapore households more accurately, came in at 5.1 per cent year on year. This was in line with the 5 per cent expected by

analysts in a Bloomberg poll. (24 December, The Straits Times)

Russia could hike rates in 2023 if inflation risks have big impact - cenbank: The Bank of Russia could raise interest rates in 2023 if inflationary risks such as labour shortages and import restrictions have a meaningful impact, Deputy Governor Alexei Zabolotkin told the RBC daily in an interview. The bank held its key interest rate at 7.5% at its final meeting of the year on Dec. 16 but slightly shifted its rhetoric to acknowledge growing risks of inflation, saying a recent military mobilisation was adding to labour shortages. (27 December, Reuters)

UK economy shrank more than previously thought: The UK economy shrank by more than first thought in the three months to September, revised figures show. The economy contracted by 0.3%, compared with a previous estimate of 0.2%, as business investment performed worse than first thought, the Office for National Statistics (ONS) said. Growth figures for the first half of 2022 have also been revised down. The UK is forecast to fall into recession in the final three months of the year as soaring prices hit growth. (22 December, BBC News)

New Fed research flags rising risk of U.S. recession: Just over half of the 50 U.S. states are exhibiting signs of slowing economic activity, breaching a key threshold that often signals a recession is in the offing, new research from the St. Louis Federal Reserve Bank report said. That report, released Wednesday, followed another report from the San Francisco Fed from earlier in the week that also delved into the rising prospect that the U.S. economy may fall into recession at some point in coming months. The St. Louis Fed said in its report that if 26 states have falling activity within their borders, that offers "reasonable confidence" that the nation as a whole will fall into a recession. (31 December, Reuters)

NATIONAL NASIONAL

MITI ready to help industries, exporters reap CPTPP's numerous benefits:

The Ministry of International Trade and Industry (Miti) is prepared to assist and support Malaysian industries and exporters and help the rakyat reap the numerous benefits of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which came into effect on Nov 29, 2022 for Malaysia. The CPTPP free trade agreement (FTA) came into effect for Malaysia on Nov 29, 2022 and its comprehensive scope includes traditional market access areas as well as factors such as labour, environment, state-owned enterprises, government procurement, intellectual property, electronic commerce, and small and medium enterprises (SMEs). (23 December, Business Times)

Aviation sector to 'fly high' in 2023:

Malaysia's aviation sector will charge ahead in 2023 after 2022 has shown turnaround signs, according to analysts. They, however, are mixed on whether the sector would see a full recovery or still be a long way from matching the pre-pandemic level. The sector will benefit from the increasing air travel demand and higher availability of operating aircraft to cater for the higher demand, they added. Hong Leong Investment Bank Bhd (HLIB) outlined four main drivers of the sector's growth - strong recovery for international travel, higher availability of aircraft and workforce, easing of jet fuel prices to US\$100 a barrel and strengthening of the ringgit against the US dollar. (26 December, Business Times)

Malaysia and Japan to deepen trade linkages:

Malaysia and Japan reaffirmed their commitment to further strengthen bilateral trade, investment and industrial ties for both countries' mutual benefit, says the Ministry of International Trade and Industry (Miti). In a statement, Miti said the commitment came after International Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz hosted his counterpart Nishimura Yasutoshi and his delegation on Wednesday. The one-hour engagement covered key issues such as supply chain resiliency, embracing the environmental, social and governance concept in investments and industry, as well as possible mutual collaborations in

sectors such as the energy and aircraft industries. (30 December, The Star)

Malaysian economy to start moderating going into 2023:

DoSM: The Malaysian economy is expected to start moderating in the months ahead in 2023 impacted by global economic uncertainty, said the Department of Statistics Malaysia (DoSM). Looking at the smoothed long-term trend in October 2022, the Leading Index (LI) started trending below the 100.0 point mark, the department said in a statement today. Chief statistician Datuk Seri Mohd Uzir Mahidin said that Malaysia's LI rose 0.4 per cent to 109.6 points in October 2022 versus 109.2 points in the same month last year, a rise of 0.4 index points. "This increase was supported by the number of housing units approved and real imports of other basic precious and other non-ferrous metals," the statement said. (23 December, The Star)

Performance expected to stay solid:

Economists believe Malaysia's trade and commerce numbers will remain solid and the country's gross domestic product (GDP) to remain above 8.5-9 per cent. Juwai IQI chief economist Shan Saeed said the Ministry of Trade and Industry (MITI) and Malaysian Investment Development Authority (MIDA), both agencies has done some strategic manoeuvring especially in finding markets, maintaining policies stability - that is very important. "When MITI and MIDA are consistent in their approach and are active in selling Malaysian products and assisting local companies, then the country would have strong trade and commerce numbers, bolstering the GDP outlook for the entire year," he told The New Straits Times. (20 December, Business Times)

Malaysia attracts RM193.7 bln approved investments in January - September 2022:

Malaysia has attracted a total of RM193.7 billion approved investments in the services, manufacturing and primary sectors involving 2,786 projects from January to September 2022. In a statement today, Malaysian Investment Development Authority (MIDA) said the total approved investments are expected to create 98,414 job opportunities in the country. "This is a 2.5 per cent increase compared to the RM188.9 billion investments approved in the same period last year," it said. Minister of International Trade and Industry (MITI) Tengku Datuk Seri Zafrul Abdul Aziz said Malaysia's success in attracting almost RM194

billion of approved investments in the first nine months of the year is a testament of its established standing as a gateway to ASEAN and an investment destination of choice in Asia. (14 December, Bernama)

E&E sector to generate RM495 bln in export earnings by 2025 - MIDA:

Malaysia's electrical and electronics (E&E) sector is expected to contribute RM120 billion to the country's Gross Domestic Product (GDP) and generate RM495 billion in export earnings by 2025 as Malaysia continues to attract high-quality investments and is expected to uphold its growth trajectory. Malaysian Investment Development Authority (MIDA) deputy chief executive officer of Investment Promotion and Facilitation Sivasuriyamoorthy Sundara Raja said that for the first half of 2022 (H1 2022), the manufacturing sector attracted RM43.1 billion in investments. (7 December, Bernama)

Headline inflation stable at 4.0 pct in November 2022 - BNM:

Headline inflation continues to remain stable at 4.0 per cent in November 2022, similar to October 2022, as the increase in core inflation was offset by lower inflation in other categories, namely fuel and fresh food, said Bank Negara Malaysia (BNM). The central bank said core inflation increased slightly to 4.2 per cent during the month from 4.1 per cent recorded in October, mainly due to the increase in prices for food away from home. "The manufacturing Industrial Production Index expanded in October 2022 by 4.2 per cent, with growth driven mainly by the electrical and electronic cluster which recorded above-average growth at 8.7 per cent. (30 December, Bernama)

Malaysia's export prices down 0.7% in November:

Malaysia's export prices fell 0.7% in November while the import value index barely moved, according to the latest data from the Statistics Department. In a statement yesterday it said the export unit value index dipped to 148.7 points from 149.7 points in the preceding month, while import unit value index eased by a marginal 0.01% to 133.2 points. The country's terms of trade continued to decline by 0.7% month-on-month to 111.6 points in November 2022. Chief statistician Datuk Seri Dr Mohd Uzir Mahidin attributed the lower export unit value index to the decline in the indices of animal and vegetable oils and fats (down 6.8%), inedible crude materials (down 1.5%) and mineral fuels (down 0.6%). (29 December, The Star)

LOCAL TEMPATAN

Digital IoT Sandbox Centre launched in Sabah: The Ministry of Science, Technology and Innovation (KSTI) on Monday launched the Digital IoT Sandbox Centre at Wisma Bandaraya here (Kota Kinabalu). Its minister, Datuk Yakub Khan, said the centre will be a platform for innovators and digital entrepreneurs to create their products and test the feasibility of technology in a safe and real environment. Apart from that, they will also get access to help in terms of legal, financial, market access among others. "Our sandbox initiative received the attention of PhD students and lecturers at the University of Strathclyde, Glasgow, Scotland where they thought that this was an example of 'open innovation' that should be emulated. (12 December, The Borneo Post)

Transfer of gas supply regulatory power to Sabah a step toward realising MA63 – Hajiji: The federal government's decision to transfer the regulatory power of gas supply to Sabah is a step toward realising the Malaysia Agreement 1963 (MA63), said Chief Minister Datuk Seri Hajiji Noor. In welcoming the decision announced by Prime Minister Datuk Seri Anwar Ibrahim today, Hajiji said this has always been the aspiration of Sabah and the people. The Chief Minister said he had raised the need to fulfil the MA63 during his first meeting with Anwar after the latter's appointment as Prime Minister. "The State Government has been steadfast in our pursuit to take control of and manage the state's oil and gas resources," he said in a statement today. (21 December, Bernama)

Nearshore Sabah LNG project soon: Petroliaam Nasional Bhd (Petronas) has reached the Final Investment Decision (FID) for a nearshore liquefied natural gas (LNG) facility in Sabah. The engineering, procurement, construction and commissioning (EPCC) contract for the project was awarded to the winner of the dual Front End Engineering Design (FEED) competition in October last year. Chief Minister Datuk Seri Hajiji Noor said the LNG project is a step in the right direction as the State Government continues to pursue more deals to get additional revenue via equity participation for Sabah. (28 December, Daily Express)

Sabah beri tumpuan pembangunan IR4.0: Sebanyak RM3.1 bilion
1 –31 December 2022

diperuntukkan dalam Pelan Jalinan Digital Negara (JENDELA) bagi meningkatkan liputan internet dan telekomunikasi khususnya di kawasan pedalaman. Ketua Menteri Datuk Seri Panglima Hajiji Haji Noor berkata, pelan itu selari dengan usaha Sabah untuk memberi tumpuan kepada pembangunan Revolusi Perindustrian 4.0 (IR4.0). Katanya, IR4.0 akan memberi impak kepada cara hidup selain memacu pembangunan dalam setiap bidang termasuk pengurusan kemudahan. (12 Disember, Utusan Borneo)

Sabah, China to cooperate in three crucial areas: Sabah looks forward to renewing and sustaining cooperation with China in three crucial areas namely tourism, human capital development and harnessing natural resources. Chief Minister Datuk Seri Panglima Hajiji Haji Noor said Sabah was fortunate to be both a beneficiary and an active participant in the fruitful relationship between Malaysia and China that was established nearly half a century ago. "The large volume of our commodity exports from Sabah to China and the large number of Chinese tourists who came to visit Sabah before the pandemic is a testament to this," he said. (11 December, The Borneo Post)

RM6.6 bln revenue proves Sabah did well in 2022, says Hajiji: Sabah has done well in 2022 under the Hala Tuju Sabah Maju Jaya (SMJ) Roadmap, having garnered RM6.6 billion in revenue, said Chief Minister Datuk Seri Panglima Hajiji Noor. He said it was the best performance by the state government since independence through the formation of Malaysia in 1963. In his New Year message, Hajiji said the state government will not rest on its laurels and will continue to implement a robust policy to bring in more investments to the state and create more economic spin-offs as evidenced by the recently passed budget of RM5.138 billion for 2023. (31 December, The Borneo Post)

Sabah, Sarawak to contribute towards food security: Chan: The federal Agriculture and Food Security Ministry is committed to working closely with its Sabah and Sarawak counterparts in ensuring food security in the country. Deputy Agriculture and Food Security Minister Chan Foong Hin said Sabah and Sarawak's autonomy in the agriculture sector presents a unique situation for his Ministry in drafting integrated effort at the national level. "A closer cooperation between governments (federal and states), departments,

divisions and agencies should be established," he said after a working visit to the Sabah Federal Agriculture Marketing Authority (Fama) Marketing Complex, here, Wednesday. (29 December, Daily Express)

Kerajaan negeri komited tingkatkan kemudahan asas luar bandar: Kerajaan negeri terus komited untuk mempertingkatkan kemudahan infrastruktur khususnya kawasan luar bandar. Timbalan Ketua Menteri Datuk Seri Panglima Joachim Gunsalam berkata, kerajaan cuba terus membantu setiap kampung dan melaksanakan pembangunan mengikut keutamaan serta keperluan setempat. Beliau juga mengucapkan tahniah kepada penduduk Semuroh kerana sudah mempunyai mini dewan dan menggunakan dewan ini sebaik-baiknya. (18 Disember, Utusan Borneo)

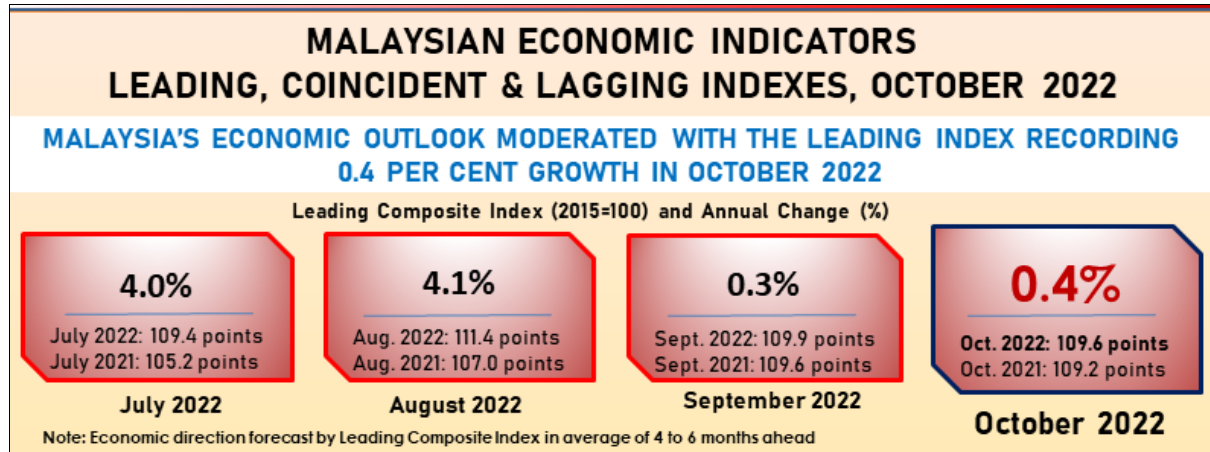
Projek Tebatan Banjir Parlimen Sepanggar, tangani masalah banjir kilat: Projek Tebatan Banjir bagi kawasan Parlimen Sepanggar dijangka siap sepenuhnya secara berperingkat. Timbalan Menteri Sumber Manusia yang juga Ahli Parlimen Sepanggar Mustapha Sakmud berkata, perkara itu dimaklumkan kepadanya dalam sesi perbincangan dengan Jabatan Pengairan dan Saliran (JPS) di sini (Kota Kinabalu) hari ini. Katanya, antara fokus utama yang diberi tumpuan adalah Projek Tebatan Banjir di Sungai Rampayan di sini yang dilihat perlu disiapkan segera. "Ia memerlukan tindakan segera bagi memastikan masalah banjir kilat di sepanjang sungai berkenaan dapat diselesaikan secepat mungkin. (28 Disember, Utusan Borneo)

Kota Belud farmers happy with increased rice harvest under the Smart SBB programme: A group of 40 farmers in Kampung Jawi-Jawi here welcomed the end of 2022 with a smile when their rice harvest increased by more than 60 per cent. The farmers under the Bernas Large-Scale Smart Paddy (Smart SBB) programme reached their target when their rice harvest for the first season in Block 3 and 4, Kampung Jawi-Jawi recorded an increase from 2.60 metric tonnes to 4.15 metric tonnes per hectare. The Smart SBB programme for the area's first season of 2022 started on May 12, 2022, which is the result of Bernas' joint venture with the Sabah Ministry of Agriculture and Fisheries. (29 December, Daily Express)

SELECTED FACTS AND FIGURES

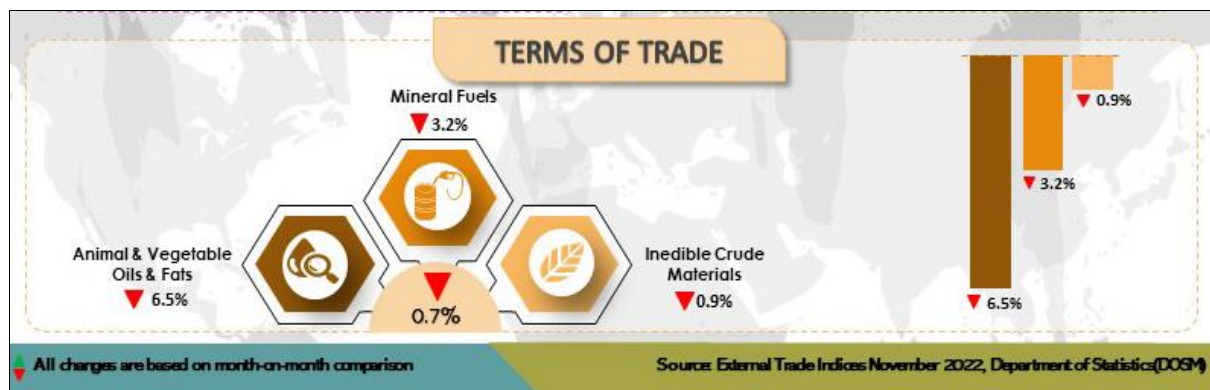
FAKTA MUTAKHIR

Malaysia's Economic Indicators: Leading, Coincident & Lagging Indexes, October 2022



(Source: 23 December, Department of Statistics Malaysia)

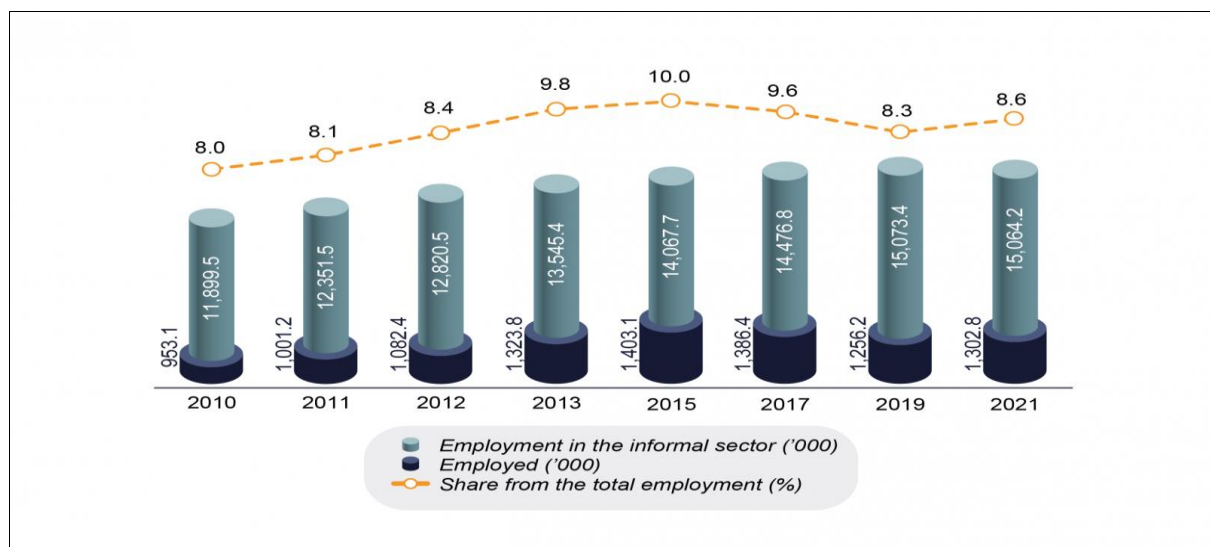
Malaysia's External Trade Indices, November 2022



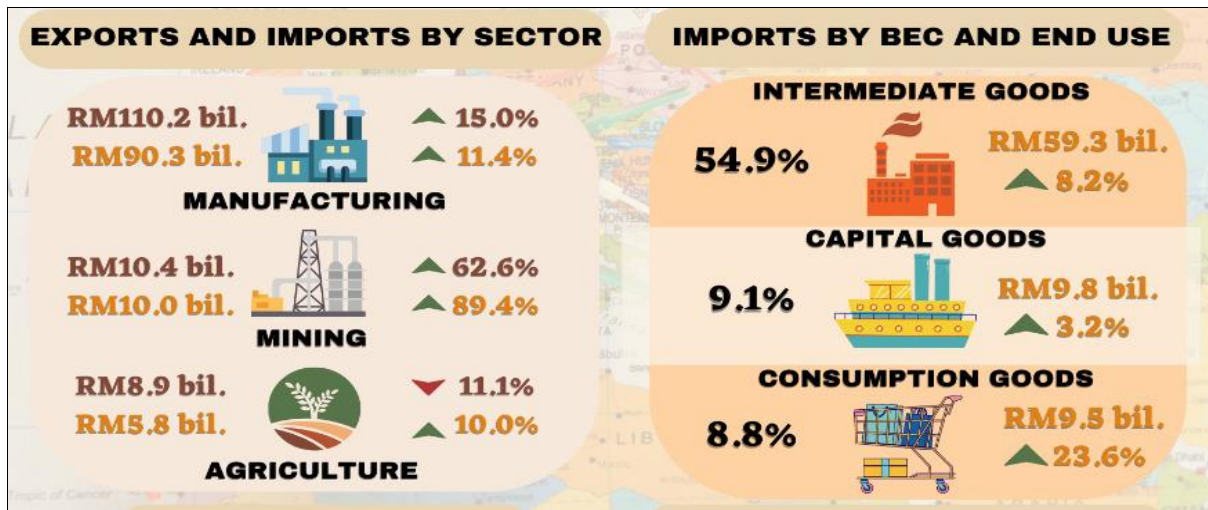
(Source: 28 December, Department of Statistics Malaysia)

Malaysia's Informal Sector and Informal Employment Survey Report, 2021

Chart 1: Number and share of informal sector employment in the labour market, Malaysia, 2010 – 2021:



(Source: 30 December, Department of Statistics Malaysia)



(Source: 19 December, Department of Statistics Malaysia)

Malaysia's Monthly Rubber Statistics, October 2022



(Source: 14 December, Department of Statistics Malaysia)