



MONTHLY NEWS SCAN

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HIGHLIGHTS FOCUS

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- **Jokowi hopes for Singapore investments in education, healthcare in Indonesia's new capital**
- **World Bank: Malaysia better off having trade agreements with both US, China**
- **MITI to continue safeguarding interest of SMEs, businesses while collaborating at ASEAN level**
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- **RM16.42 mln to create high quality youth leaders in Sabah**

INTERNATIONAL ANTARABANGSA

IMF says risks to financial stability have increased, calls for vigilance: International Monetary Fund chief Kristalina Georgieva said on Sunday that risks to financial stability have increased and called for continued vigilance although actions by advanced economies have calmed market stress. The IMF managing director reiterated her view that 2023 would be another challenging year, with global growth slowing to below 3% due to scarring from the pandemic, the war in Ukraine and monetary tightening. (26 March, Reuters)

Jokowi hopes for Singapore investments in education, healthcare in Indonesia's new capital: Indonesia plans to build first-class hospitals and universities in its new capital city that is being developed in Borneo, and President Joko Widodo hopes Singapore investors will partner his country on this front. Speaking to The Straits Times on Wednesday ahead of his meeting with Prime Minister Lee Hsien Loong in Singapore for their regular leaders' retreat on Thursday, Mr Widodo outlined his plans for the flagship project, known as Nusantara. (16 March, The Straits Times)

World Bank warns of 'lost decade' as potential growth slows: The

global economy's potential growth through the end of the decade has slowed to the weakest in 30 years, the World Bank said, citing fallout from the coronavirus pandemic and the conflict in Ukraine. Having started the millennium on a faster trajectory, the global economy's "speed limit" – or the highest long-term rate at which it can grow without triggering inflation – is set to slow between 2022 and 2030 to 2.2% a year, the World Bank said. (27 March, The Straits Times)

Putin looks for positives as Russia's consumer demand, industrial output slide: Russian President Vladimir Putin on Wednesday pointed to record low unemployment and marginally higher real wages as evidence of a gradual economic recovery, although data showed that consumer demand and industrial output dropped in February. Russia's export-dependent economy proved unexpectedly resilient in the face of tough Western sanctions in 2022, but a return to pre-conflict levels of prosperity may be far off as more government spending is directed towards the military. (30 March, The Straits Times)

UK-Asia trade deal to boost UK economy by 0.08%: The UK has signed a deal to join a trade pact with 11 Asia and Pacific nations, three years after it officially left the European Union. Joining the group will boost UK exports by cutting tariffs on goods such as cheese, cars, chocolate, machinery, gin and whisky, the government said. However, the government's own estimates show being in the bloc will only add 0.08% to the size of the UK's economy. (31 March, BBC News)

Asean financial authorities to step up cooperation to support recovery and growth: Finance ministers and central bank governors from Asean vowed on Friday to strengthen their coordination on policies that support economic recovery, spur growth and increase financial stability in the region. Some of the measures the ministers pledged to take include to use local currencies in cross-border trade and investments in Asean to enhance financial resilience and

expand cross-border payment connectivity among member states, Indonesian officials said after the meeting in Bali. (31 March, The Straits Times)

Germany, Japan seek cooperation on economic security amid supply chain strains: Germany and Japan agreed to cooperate closely on economic security on Saturday during their first ever high-ministerial government consultations, held amid tensions over global supply chains and economic disruptions caused by the war in Ukraine. German Chancellor Olaf Scholz, accompanied to Japan by six ministers, is looking at ways to reduce German dependence on Chinese raw materials. "The Russian invasion of Ukraine as well as the COVID-19 pandemic have made us painfully aware of the difficulties that can arise when there is too much economic dependency in critical areas," Scholz said at a news conference following the talks. (18 March, Reuters)

China's economic planning official sees risks to global growth, inflation: China is facing a more challenging global economic environment as growth slows and countries like the US struggle to contain inflation, a senior official at the nation's economic planning agency said. Global growth lacks momentum and downward pressure is rising, Zhao Chenxin, vice chairman of the National Development and Reform Commission, said at the Boao forum in Hainan on Wednesday. (29 March, Bloomberg)

Australia economy slows in Q4 as inflation squeezes consumers: Australia's economy grew at its weakest pace in a year last quarter as strength in trade was offset by rising interest rates and high inflation, and all the signs are a further slowdown lies ahead. Indeed, without the sizeable contribution from trade, the economy would actually have contracted in the December quarter as rising prices eroded consumer purchasing power and led them to save less. (1 March, Reuters)

NATIONAL NASIONAL

World Bank: Malaysia better off having trade agreements with both US, China:

Malaysia is better off having trade agreements with both China and the United States (US) rather than being left out of any agreement or being part of an exclusive trade bloc, said the World Bank Group. World Bank chief economist, East Asia and Pacific Region Aaditya Mattoo said the US economy is expected to grow at a slower rate this year, while China is expected to grow at a faster rate of 5.1% this year, up from 3% last year, with the latter's growth offsetting the negative impact of slower growth in the US. (31 March, The Star)

MITI to continue safeguarding interest of SMEs, businesses while collaborating at ASEAN level:

The Ministry of International Trade and Industry (MITI) is working smart to ensure that even as it collaborates at the Asean level, it will continue to safeguard the interests of Malaysians, small and medium enterprises (SMEs) and businesses. The people, businesses and economies of the Asean region have faced various impacts of the pandemic, International Trade and Industry Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz said today. "However, I believe the pandemic has brought closer family ties and strengthened the spirit of togetherness in Asean while dealing with problems in the region," he said after attending the 29th Asean Economic Ministers' (AEM) Retreat in Magelang, Indonesia. (22 March, Bernama)

Malaysia turns to smart farming to boost food security:

Malaysian farms could in the future be equipped with remote-controlled sensors, drones and robots to monitor, water and fertilise crops as the country looks to boost food security, according to Science, Technology and Innovation Minister Chang Lih Kang. The country aims to ramp up domestic production using technologies such as the Internet of Things (IoT) and precision farming, in order to reduce import dependency. "Farms can use IoT to control everything from the soil pH to temperature and humidity. They can even do long-distance farming. Say you're at home, you can see all the readings on your phone, so you can

control it," Mr Chang told The Straits Times. (21 March, The Straits Times)

Malaysia's currency in circulation grew by 8% to RM162.1 billion in 2022 – BNM:

Malaysia's currency in circulation (CIC) grew by 8.0% to RM162.1 billion in 2022 from RM150.1 billion in 2021, compared to a record high of 15.1% in 2021. Bank Negara Malaysia (BNM) in its Annual Report 2022 released today said that it was attributable to the public holding less cash for precautionary reasons as Malaysia transitioned out from the COVID-19 pandemic as well as the continued acceleration of digital payments, similar to the trend observed in many other countries. It said the central bank was responsible for the entire currency-issuing value chain, including planning, issuance, circulation and withdrawal of currency notes and coins. (29 March, Bernama)

Decent GDP growth expected in Q1:

Malaysia will likely post a decent economic growth in the first quarter (Q1) but the performance may moderate sharply in the second quarter to June. Despite a waning low base effect and as the economy returns to normalcy, economists believe the domestic economy will remain resilient. Research team at Kenanga Research, led by chief economist Wan Suhaimie Wan Mohd Saidie, projected the gross domestic product (GDP) to grow 5.1% before slowing to 3.5% in Q2. This would be the lowest since Q1 of 2022, as the lower base effect dissipated and the economy returned to normalcy with the absence of stimulus measures, Wan Suhaimie said. (29 March, Business Times)

Malaysia will not experience economic downturn despite global uncertainties – MoF:

The Ministry of Finance (MoF) stressed that Malaysia will not experience an economic turmoil this year although the country is faced with global economic uncertainties. Deputy Finance Minister II Steven Sim Chee Keong said the technical definition of an economic recession is when a country experiences two consecutive quarters of economic contraction. "This year, the government expects the country's economy to expand around 4.5%. This is in line with that projected by the International Monetary Fund (IMF) and World Bank, which projected Malaysia's economic growth this year at 4.4%

and 4.0% respectively. (15 March, Bernama)

Manufacturing sector's gross output up 17.4% in 2021:

Malaysia's manufacturing sector recorded a strong growth of 17.4% in gross output to RM1.61 trillion in 2021 from RM1.37 trillion in the year before, said the Department of Statistics Malaysia (DoSM). In line with the expansion of gross output, intermediate input grew by 18.2% to RM1.25 trillion in 2021 (2020: RM1.06 trillion), the agency said. "Thus, the value added turned around to (a growth of) 14.6% from negative 2.9% in the previous year by recording a value of RM355.1 billion in 2021 (2020: RM309.9 billion)," it said in its Annual Economic Statistics 2022 - Manufacturing Sector report. (23 March, The Star)

Halal industry to expand to US\$113.2bil by 2030, GDP contribution 8.1% by 2025 - Tengku Zafrul:

Malaysia's halal industry is projected to expand to US\$113.2 billion (US\$1=RM4.43) by 2030, with a gross domestic product (GDP) contribution of 8.1% by 2025 through the Halal Industry Master Plan 2030 (HIMP 2030). International Trade and Industry Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz said the ministry is fully committed to continuing to enhance all components of the halal ecosystem towards elevating Malaysia's position as a key player in the global halal market and capitalising on the two-billion-strong global Muslim population. (23 March, The Star)

Govt sets three-year strategy to study tax model for more organised taxation system – Ahmad Maslan:

The government has implemented a three-year strategy to study the country's taxation system to make it more organised in the long term, said Deputy Finance Minister I Datuk Seri Ahmad Maslan. He added that Malaysia's current taxation model is not sustainable in controlling the high national debt. This is because the six-year average revenue to gross domestic product (GDP) is only 11.55%, among the lowest in Asean. "Among the measures (to expand revenue) is implementing targeted subsidies, expanding the revenue base, improving and reviewing the tax structure and laws, and giving tax incentives," he told Parliament. (30 March, Bernama)

LOCAL TEMPATAN

State govt completes three digital hubs:

The state government has completed phase one of the Data Integration and Interchange Platform (DIIP) as well as three digital hubs, namely People Hub, Business Hub and Geo Hub. Chief Minister Datuk Seri Hajiji Noor explained that People Hub enables smooth cross-agency data integration through a single, authentic source for a more holistic and people-centered approach for government agency services. As for Business Hub, he said the state government has introduced four online services to develop its potential use. (16 March, The Borneo Post)

RM16.42 mln to create high quality youth leaders in Sabah:

The Sabah government has allocated RM16.42 million to implement the Youth Leadership Development Programme to create high quality youth leaders, said Chief Minister Datuk Seri Panglima Hajiji Noor. He said the programme that will be implemented shall cover voluntarism and social unity programmes. He said that the State government shall focus on the effort to empower the human capital so that it continues to be competent, innovative, resilient and integrity. Hajiji said that since he started to lead the state government in September 2020, various new initiatives were introduced for youths in the State. (6 March, The Borneo Post)

Sabah records RM11.5bil investments in 2022: Zafrul:

Sabah recorded investments worth RM11.5 billion in various sectors in 2022 involving 89 projects which could generate 4,566 jobs, said international trade and industry minister Tengku Zafrul Aziz. "Of the total amount, RM9.2 billion consisted of foreign direct investment (FDI) and RM2.3 billion was domestic direct investment. "The manufacturing sector was the biggest contributor with RM8.4 billion, or 72.9%, while the primary sector contributed RM1.6 billion and the services sector RM1.5 billion," he told the Dewan Negara in response to queries from Noraini Idris. Tengku Zafrul said high profile projects worth over RM100 million were mainly in petroleum products, non-metal mineral products, and transport machinery. (28 March, Daily Express)

Sabah's first Free Trade Zone in POIC Lahad Datu approved:

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Ministry of Finance (MoF) has principally approved the application of Lahad Datu Palm Oil Industrial Cluster (POIC) to be declared as a Free Trade Zone (FTZ). This was announced during the roundtable meeting co-chaired by Deputy Minister of International Trade and Industry Liew Chin Tong and Sabah Minister of Industrial Development and Entrepreneurship, Phoong Jin Zhe in the national capital on Monday. In a statement, Phoong thanked Prime Minister Datuk Seri Anwar Ibrahim for approving the application and also Chief Minister Datuk Seri Panglima Hajiji Noor for entrusting this important task to him. (20 March, The Borneo Post)

Langkon to get RM200 mln coconut processing factory:

A RM200 million integrated coconut processing factory will be built in Langkon, Kota Marudu following the signing of a memorandum of understanding (MoU) between the Linaco Group and Sawit Kinabalu at Menara Kinabalu on Thursday. The MoU signing ceremony was witnessed by Chief Minister Datuk Seri Panglima Hajiji Noor. The MoU is the second of four key components of the deal signed by the Linaco Group with the State Government on Mar 22, 2021 under the Hala Tuju Sabah Maju Jaya initiative for the setting up of an integrated coconut blueprint to catalyse socio-economic transformation in Sabah. (30 March, The Borneo Post)

ESSCom socio-economic prog improves income of residents:

The Eastern Sabah Security Command (ESSCom) has carried out various skills and training programmes to meet socioeconomic needs of residents in Eastern Sabah Security Zone (ESSZone) apart from maintaining security in the area. ESSCom Public Action Division director Mohd Dzulkhairul Shah Dzulkifli said the ESSCom socio-economic programme which was held from March 6 to 9 with the Human Resource Development Department (JPSM) could help improve the income sources of residents. "A total of 160 participants were offered to attend six types of short-term basic skills courses, namely mobile phone repair, seafood-based food manufacturing, soy product processing and basic sewing courses for baju kurung and robes. (10 March, Bernama)

Petronas solar power brings smiles to Banggi villages:

A Petronas-

funded solar-powered energy system and more in the offing is bringing smiles, comfort and pride to the people of three remote villages in Banggi Island, which is more than an hour's boat ride from the Kudat mainland. The system was installed at the suraus of the three villages, namely Kampung Dogoton, Kampung Semayan and Kampung Rahmat, which have a total of population of about 1,400 who are mostly Muslims from the Bajau Ubian community. The installation of the solar-powered energy system at the suraus of Kampung Dogoton, Kampung Semayan and Kampung Rahmat was completed last month. The villagers have been living without energy facilities for generations before the project was executed. (19 March, Daily Express)

Now, Sabah Tamus go digital:

Sabah's famed "tamu" (marketplace), popular among locals and tourists to buy and sell products on certain days in many towns and villages, is going digital – thanks to the State Government's effort to develop Sabah's digital economy which also features SabahTAMU, besides others. The Sabah Digital Economy is an initiative by the State Government to drive business growth using the digital platform. Within this Business Hub platform ecosystem features BizSABAH which is an information page portal of business and investment in Sabah; BizSABAH:VEP which is its Virtual Engagement Platform; BIZSABAH:ESG which is the web page for Sustainability Assessment for SMEs; and SabahTAMU which is the Sabah Digital Marketplace. (18 March, Daily Express)

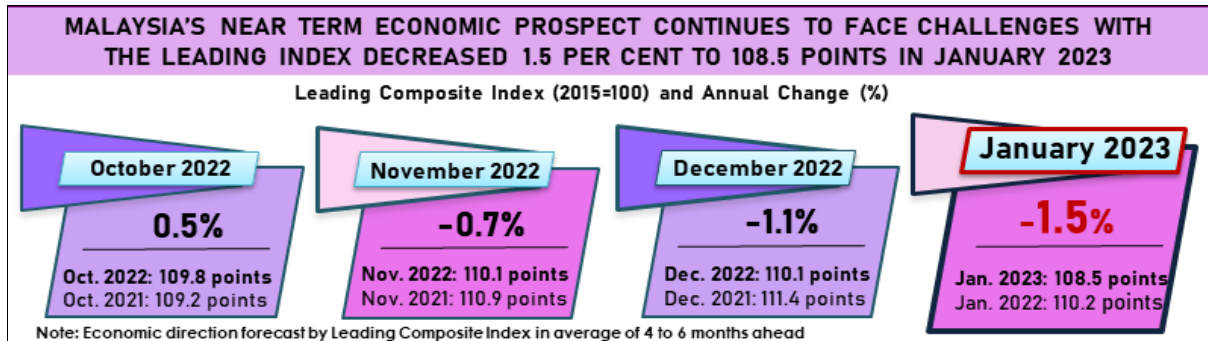
RM406 juta peruntukan bina PPR di Kampung Serusup, Tuaran:

Kerajaan negeri memperuntukan sebanyak RM406 juta untuk membina satu lagi Projek Perumahan Rakyat (PPR) di kawasan Kampung Serusup, Tuaran. Pengerusi Lembaga Pembangunan Perumahan dan Bandar (LPPB), Datuk Masiung Banah berkata projek itu akan dilaksanakan di atas tapak tanah seluas 15.61 ekar di dua lokasi berdekatan. Katanya, PPR itu nanti mempunyai lima blok jenis pangsapuri yang menyediakan sebanyak 1,853 unit rumah mampu milik untuk golongan B40. "Daripada jumlah itu, tiga blok mengandungi 1,062 unit dibina di tapak seluas 8.92 ekar, manakala dua blok lagi 792 unit dibina berdekatan di atas tanah seluas 6.69 ekar. (22 Mac, Utusan Borneo)

SELECTED FACTS AND FIGURES

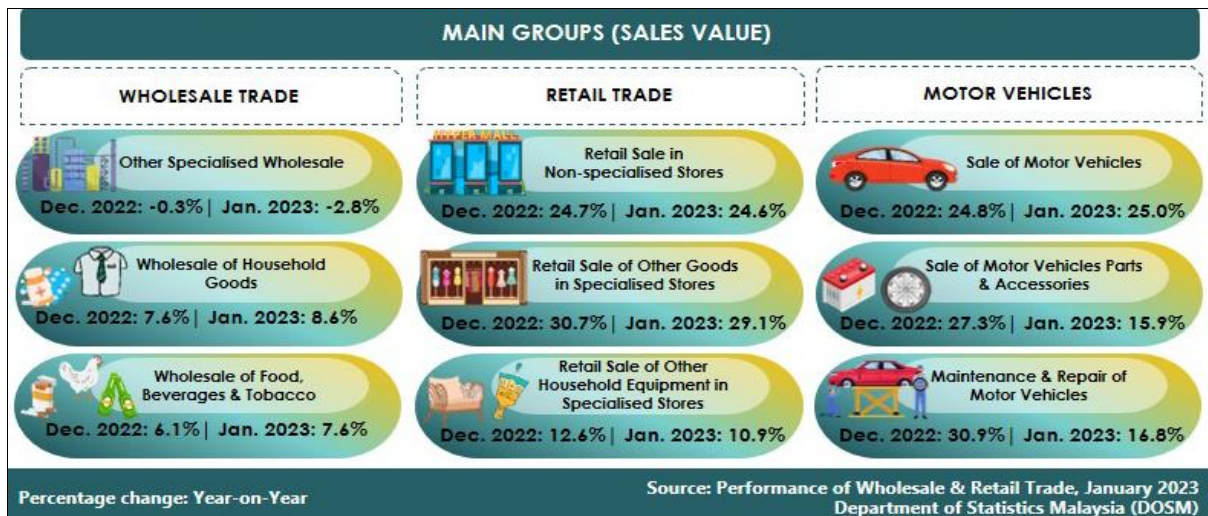
FAKTA MUTAKHIR

Malaysia's Economic Indicators: Leading, Coincident & Lagging Indexes, January 2023



(Source: 24 March, Department of Statistics Malaysia)

Malaysia's Performance of Wholesale and Retail Trade, January 2023



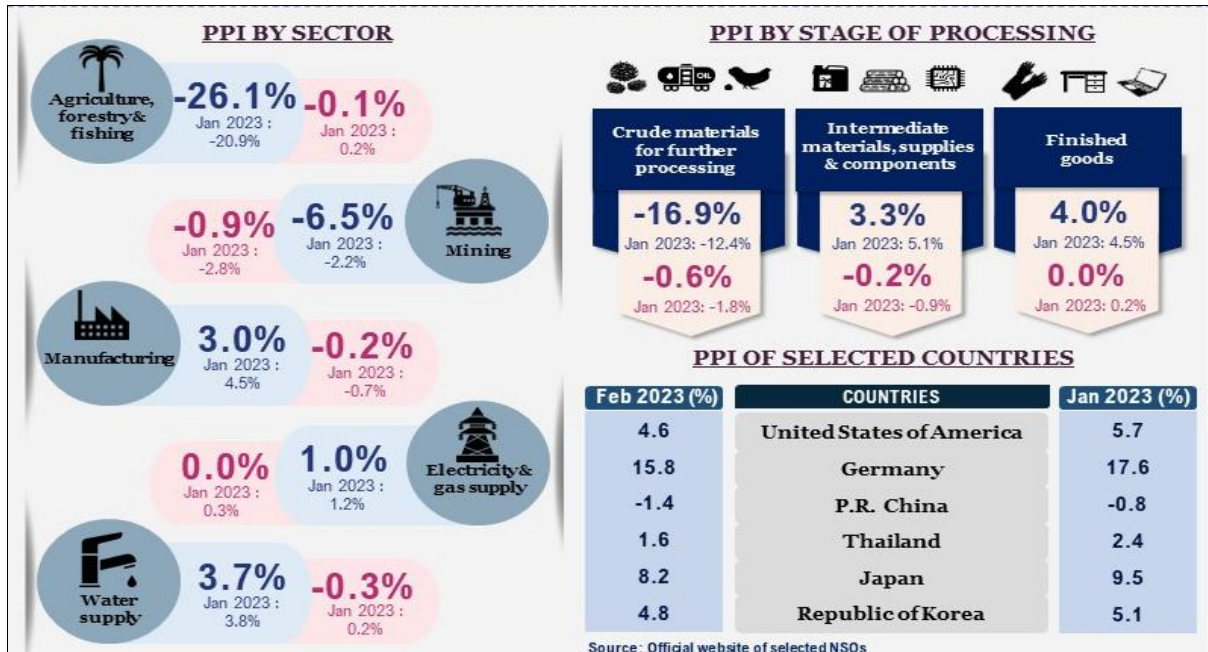
(Source: 13 March, Department of Statistics Malaysia)

Malaysia's Consumer Price Index, February 2023



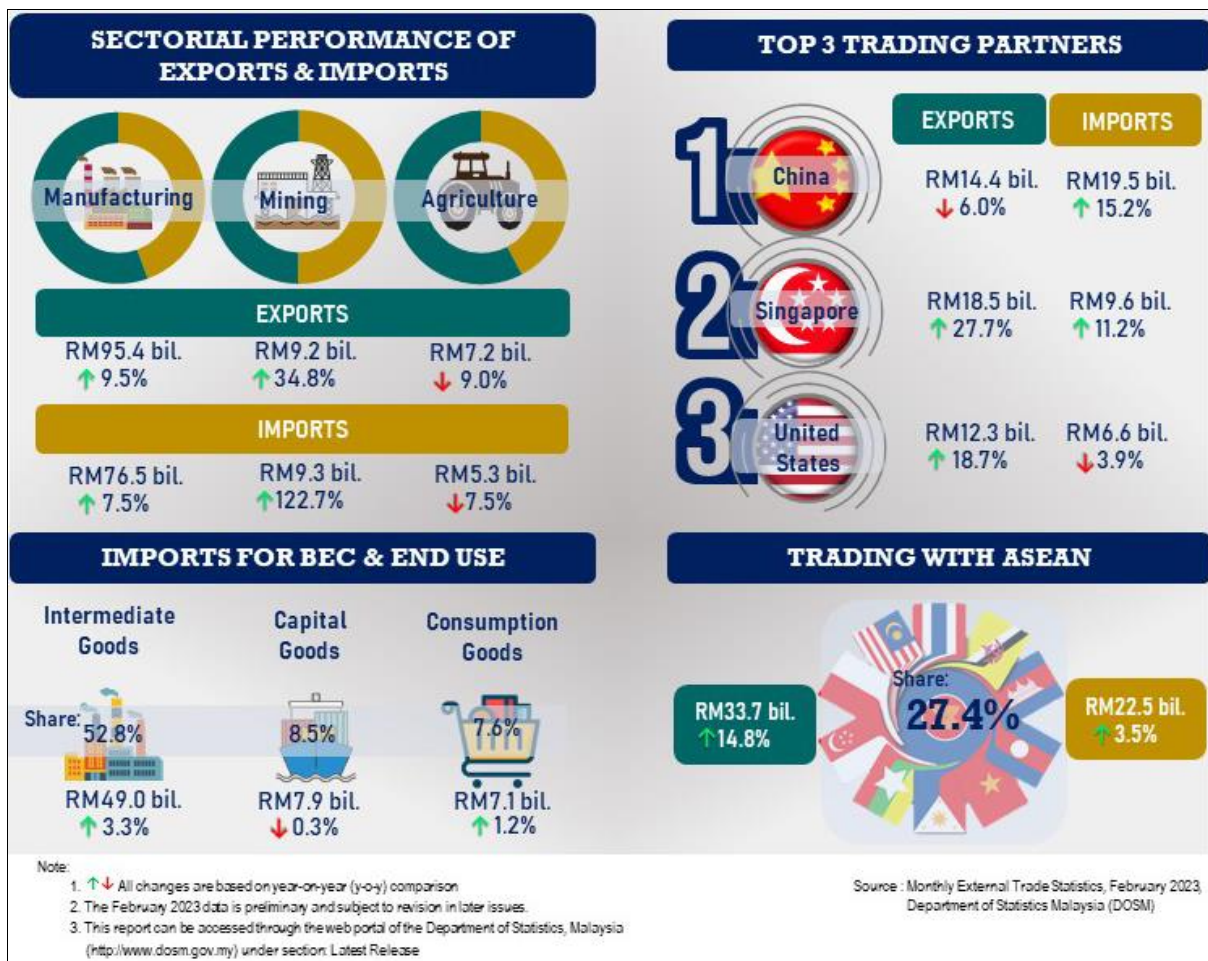
(Source: 24 March, Department of Statistics Malaysia)

Malaysia's Producer Price Index, February 2023



(Source: 27 March, Department of Statistics Malaysia)

Malaysia's External Trade Statistics Bulletin, February 2023



(Source: 20 March, Department of Statistics Malaysia)