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M'sian 2022 GDP growth seen at 8.4%

Full-year performance set to be the best among Asean countries, says Bank Islam

KUALA LUMPUR: Malaysia's gross domestic product (GDP) growth is projected to hit 8.4% in 2022 compared with 3.1% in 2021, making it the highest rate among Asean countries, said Bank Islam Malaysia.

Additionally, GDP growth for the fourth quarter of 2022 (Q4'22) is expected to reach 5.7%.

Bank Islam chief economist Firdaos Rosli said this will be a better-than-expected forecast despite the political turmoil which began in early 2020 and subsided after the 15th general election in November last year, which culminated in the formation of a multi-coalition government.

"Furthermore, the ringgit reached a historical high of RM4.746 in early November 2022, pressured by the widening interest rates and bond yield differentials.

"We posit that such compelling growth was bolstered by the continued expansion in the domestic demand and a firmer recovery in the labour market, aside from the low-base effect factor," he said in a note yesterday.

He said private consumption will continue to be the primary driver of economic growth, in addition to China's reopening prospect that could help limit the decline.

Firdaos also said private investment will remain contentious despite the overnight policy rate being lower than during the pre-pandemic levels.

"That said, we project our economy to grow by 4.5% in 2023 sans the impact of China's economic reopening and subsidy rationalisation. For the record, the latest multilateral development banks' (forecasts) project Malaysia to grow between 4.0% and 4.4% in 2023."

Firdaos opined that sustaining Malaysia's post-pandemic growth rates will be key amid the global slowdown and impending state elections to ensure the government gains ample fiscal headroom to undertake reforms in the future.

Hence, he said the short-term policy goals will be more prominent than long-term ones in the coming weeks.

"The government is expected to outline some of these goals when retabling Budget 2023, and the remaining ones in the review of the 12th Malaysia Plan in Q3'23."

On another note, Maybank Investment Bank has estimated real gross domestic product (GDP) to grow at 6.0% in Q4'22, giving the full-year 2022 growth at 8.5%, but it will decelerate to 4.0%this year.

The bank said that single-digit GDP growth persisted in January 2023, taking the cue from the downtrend in the manufacturing purchasing managers' index.

This is also based on indicators suggesting slower growth in Q4'22, including the industrial production index, volume of services index and the value of construction works, it said.

Hong Leong Investment Bank (HLIB) in its note revised its Q4'22 GDP growth estimate upwards to 6.8% from its preliminary estimate of 5.5% following the release of the latest indicators, adding that the estimate would still point to a slowdown from the preceding quarter.

"In line with the revision, we see upside bias to our 2022 GDP forecast of 8.2%, pending the release of actual 4Q 2022 print," it said.

December unemployment rate at 3.6%: DoSM

PUTRAJAYA: December's unemployment dropped further to 599.6 thousand persons, recording a 3.6% unemployment rate, the Department of Statistics Malaysia (DoSM) said in its Statistics of Labour Force, Malaysia, Fourth Quarter and December 2022 report yesterday.

The statistics are based on the Labour Force Survey conducted by the DoSM.

According to Chief Statistician Malaysia, Datuk Sri Dr. Mohd Uzir Mahidin, "In the final month of 2022, various festive celebrations along with the year-end school break surged the traffic in malls and shopping outlets, signalling continuous improvement in Malaysia's economy."

He added the holiday season led businesses to pick up, especially for consumption of goods and services.

Furthermore, he said the government's initiatives to increase employment opportunities and strengthen the labour market steered to a better performance in the labour market during the month.

Therefore, he added the number of labour force in December increased by 0.1% to record 16.73 million persons (November 2022: 16.71 million persons), while the labour force participation rate (LFPR) was at 69.8% as compared to the previous month.

Mohd Uzir said, "The number of employed persons remained on a positive trend, with a month-on-month increase of 0.1% to record 16.13 million persons in December 2022 (November 2022: 16.11 million persons).

"Meanwhile, the unemployment rate remained at 3.6% as in the previous month (November 2022: 3.6%) with the number of unemployed persons continued to fall, registering a negative growth of 0.2% to 599.6 thousand persons in December 2022, which was below the level of 600 thousand persons for the first time since March 2020 (November 2022: 600.9 thousand persons)."

Elaborating further on the employment situation, the Chief Statistician said, "In December 2022, the employees' category made up the largest percentage of the total employed persons, contributing 75.8% to register 12.23 million persons (November 2022: 12.21 million persons). Likewise, the own-account workers category continued to increase, recording 2.86 million persons (+0.4%) in December 2022 (November 2022: 2.85 million persons)."

Looking at the employed persons by economic sector, the services sector continued to record a positive growth in employment, largely in wholesales & retail trade, food & beverage services activities, and information & communication activities.

Agriculture, manufacturing, construction and mining & quarrying sectors also maintained their positive trend in the number of employed persons.

Mohd Uzir said, "The actively unemployed or those who were available for work and actively seeking jobs, comprised 80.8% of the total unemployed persons in December 2022. This category decreased by 0.8% to record 484.2 thousand persons compared to the prior month."

The unemployment rate for youth aged 15 to 24 years fell to 11.8% in December 2022, registering 331.0 thousand(November 2022: 11.9%; 329.3 thousand persons).



From left: KAB director/COO (SES Division) Jonathan Wu Jo-Han, Lai, KAB chairman Datuk Dr Ong Peng Su, PGB managing director/CEO Abdul Aziz Othman, RGTLD director Hisham B Maaulot, PGB CFO Shahrul Azham B Sukaiman and PGB legal head Tengku Mazura Tengku Ismit at the signing ceremony.

KAB, Petronas Gas seal joint venture for RM230m Sabah power plant

KUALA LUMPUR: Engineering and energy solutions provider Kejuruteraan Asastera Bhd (KAB) and Malaysia's leading gas infrastructure and utilities company Petronas Gas Bhd (PGB) yesterday entered into a joint venture to co-own and undertake an earlier announced RM230 million power plant project in Sabah, which will be the sole energy supplier to Petroliam Nasional Bhd's (Petronas) nearshore floating liquified natural gas facility.

KAB's wholly owned subsidiary KAB Energy Holdings Sdn Bhd (KABEH) signed a share purchase agreement with PGB to acquire a 10% stake in PGB's subsidiary Regas Terminal (Lahad Datu) Sdn Bhd (RGTLD), which is responsible for owning and undertaking the power plant project. KABEH also signed a shareholders' agreement with PGB to assume the role of technical partner in the joint venture.

KAB group managing director Datuk Lai Keng Onn said: "Jointly owning and undertaking this major clean energy project with a leading partner like PGB highlights our capabilities in the sustainable energy solutions space. We would like to thank PGB for the vote of confidence in attaining this milestone."

He added that they looked forward to sharing their expertise with PGB to make this power plant a success and contribute to the country's energy goals as it will also serve as a model development as they pursue more projects in Malaysia and Southeast Asia.

RGTLD will have ownership of the asset upon its targeted completion in the first quarter of 2026. RGTLD will enter into a power purchase agreement for the supply of power to the upcoming nearshore floating liquified natural gas facility in Sipitang, Sabah over a 20-year concession period.

Pending commencement of the power plant, KAB will recognise revenue from its role as an EPCC contractor from the financial year ending Dec 31, 2023 onwards.

Silverlake Axis in MoU with Forward School to develop tech talent

GEORGE TOWN: Singapore Exchange Mainboard-listed Silverlake Axis Ltd (SAL), a leading enterprise technology, software and services company, yesterday signed a memorandum of understanding (MoU) with Forward School, a new technology and future skills school based in Penang.

The MoU is to foster the next generation of technical talent, and build a sustainable and fresh talent pipeline translating into job opportunities within the SAL Group. The MoU was signed at a ceremony attended by SAL group managing director Andrew Tan, and Forward School founder and CEO, Howie Chang.

The partnership with Forward School will involve the establishment of the SAL Sponsorship Programme, which is strategically planned to hire deserving students, creating a funnel of talent and a succession plan designed to offer the best value to both students and the group.

Sponsored students will have an opportunity to pursue internship opportunities with SAL before potentially securing permanent employment offers upon completion of a minimum of two years of study at Forward School. Permanent employment offers will be subject to academic performance. Eligibility criteria require Malaysian candidates, between 18-30 years of age, on track to achieve a CGPA of 3.30 in their academic results.

Tan said, "People have always been at the core of our business strategy, and this partnership helps us take that vision forward. We are delighted to partner with Forward School, and we hope to develop the Malaysian talent pool together. This is the perfect opportunity for us to help Forward School improve its already impressive base of enthusiastic young minds."

Malaysia's population at about 33m in Q4'22

PUTRAJAYA: Malaysia's population in the fourth quarter of 2022 was estimated at 33 million, an increase of 1.3% compared with 32.6 million recorded in the same period of 2021, according to the latest demographic statistics released by the Department of Statistics Malaysia.

Chief Statistician Datuk Seri Mohd Uzir Mahidin in a statement yesterday said the total population comprised 90.2% or 30.4 million citizens and 8% or 2.6 million were non-citizens.

The gender ratio was 111 males per 100 females.

Three states with the highest population in the fourth quarter of 2022 were Selangor with 21.6%, followed by Johor at 12.3% and Sabah at 10.4%, he said.

He said the number of live births in the fourth quarter of 2022 recorded a decrease of 2.1% or 109,842 births compared with 112,205 births recorded in the same period of the previous year.