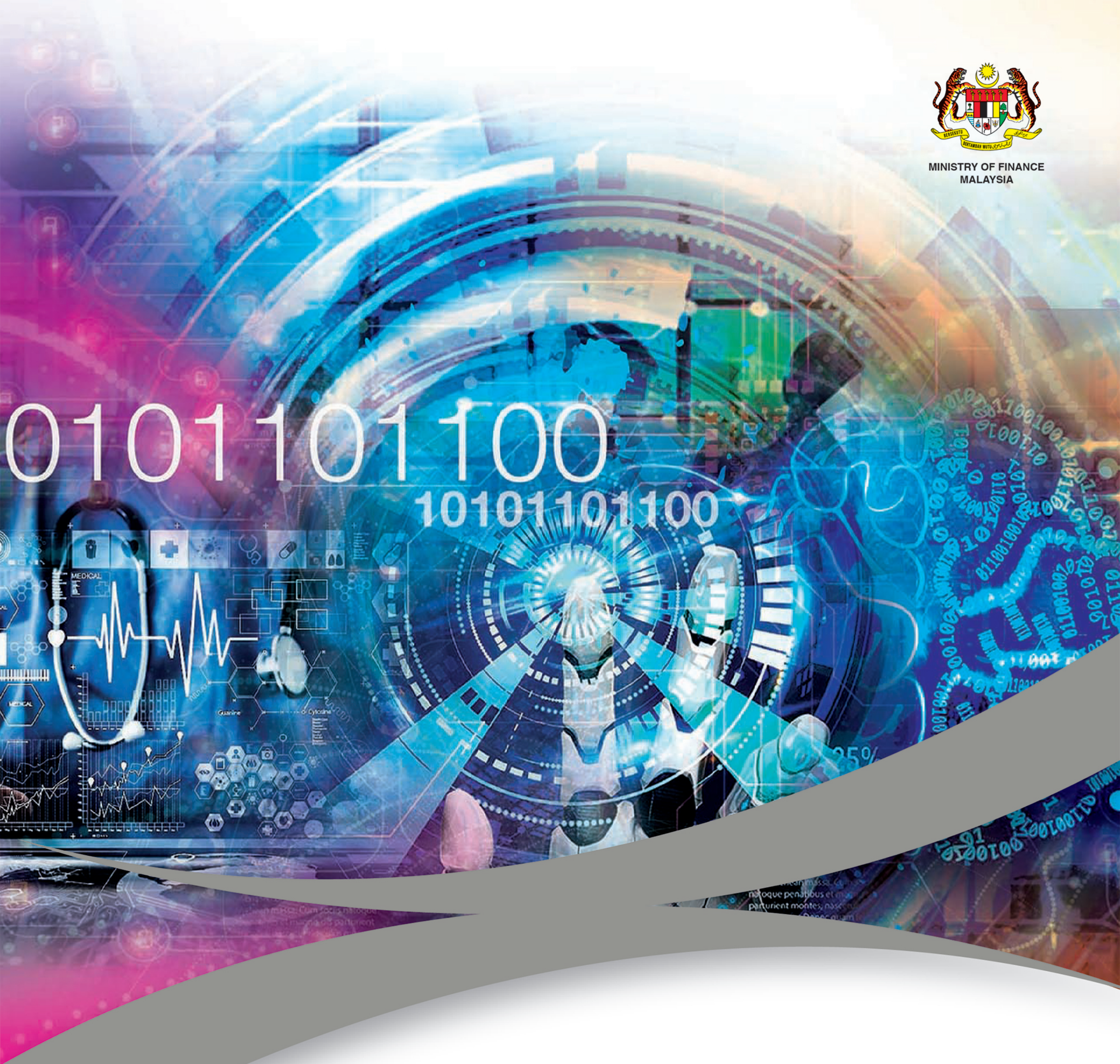


MINISTRY OF FINANCE
MALAYSIA

MALAYSIAN ECONOMY
FOURTH QUARTER 2020

FOURTH QUARTER 2020: AN UPDATE

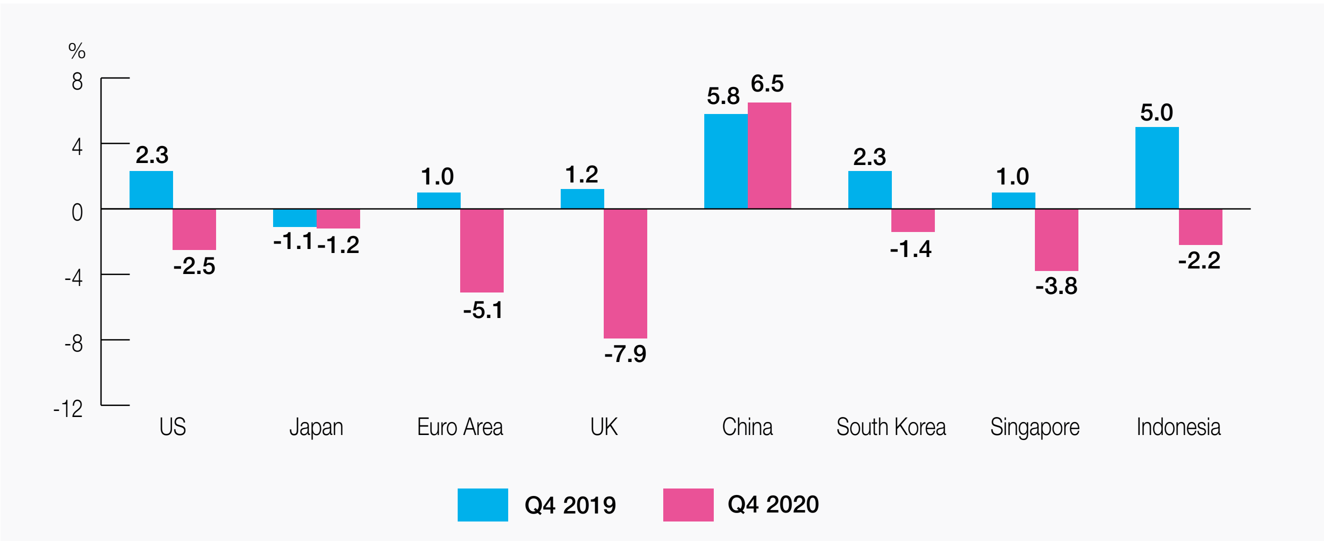
Highlights

- **Malaysian economy contracted amid the COVID-19 pandemic**
- **Public consumption cushioned the overall decline in domestic demand**
- **Manufacturing sector softened overall economic contraction**
- **Net exports improved following higher demand for manufactured and agriculture goods**

International Performance

1. Global economy is forecast to contract by 4.7% in Q4 2020 (Q4 2019: 3.0%) due to the prolonged impact of the COVID-19 pandemic which triggered global recession. This prompted governments to implement various lockdown measures to curb the infection rates as well as roll-out unprecedented monetary and fiscal measures to boost growth and ensure people safety through appropriate pandemic management and effective vaccination. In advanced economies, the preliminary contraction was less severe than estimated, but the subsequent recovery was subdued by a huge resurgence of COVID-19 cases. Except for China, the disruptions caused by the pandemic in most of the emerging market and developing economies (EMDEs) were more acute than anticipated, resulting in severe recessions and hampered recoveries.

Real Gross Domestic Product for Selected Countries (% annual change)



Source: National Sources.

Demand

2. The Malaysian economy contracted by 3.4% in the fourth quarter of 2020, mainly due to weak domestic demand following strict measures to contain the outbreak of COVID-19 pandemic. During the period, the monthly GDP declined 4.7% and 4% in October and November, respectively. Subsequently, the monthly GDP contraction narrowed further to 1.7% in December 2020.

- **Private consumption** declined by 3.4% as consumer sentiment remained low due to re-instatement of Conditional MCO.
- **Private investment** shrank by 7% mainly due to lower capital outlays, especially in the services and manufacturing sectors.
- **Public consumption** grew by 2.7% on account of expenditure on emoluments as well as stimulus spending.
- **Public investment** dropped by 19.8% mainly due to lower capital spending by public corporations, particularly in O&G and utilities segments.

3. For the year, the Malaysian economy contracted by 5.6% following the impact of unprecedented COVID-19 pandemic, which has disrupted the global trade and domestic economic activities due to imposition of containment measures worldwide. Moving forward, the growth momentum is expected to be driven by the recovery in economic activities following the roll-out of COVID-19 vaccination, the implementation of Budget 2021 measures, PERMAI assistance and ongoing stimulus packages as well as improvement in the external trade.

Real Gross Domestic Product (% annual change)

	2019	2020	2019				2020				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4 Share (%)
Real GDP	**4.3**	**-5.6**	**4.5**	**4.8**	**4.4**	**3.6**	**0.7**	**-17.1**	**-2.6**	**-3.4**	**100.0**
DEMAND											
Domestic Demand	4.3	-5.7	4.5	4.5	3.5	4.8	3.7	-18.7	-3.3	-4.4	93.5
Private Consumption	7.6	-4.3	7.7	7.8	7.0	8.1	6.7	-18.5	-2.1	-3.4	58.0
Private Investment	1.6	-11.9	0.6	1.5	0.5	4.3	-2.3	-26.4	-9.3	-7.0	12.9
Public Consumption	2.0	4.1	6.3	0.3	1.0	1.3	5.0	2.3	6.9	2.7	15.7
Public Investment	-10.8	-21.4	-13.7	-7.8	-14.6	-8.0	-11.3	-38.7	-18.6	-19.8	6.9
Exports	-1.3	-8.8	0.1	0.5	-2.1	-3.4	-7.1	-21.7	-4.7	-1.8	63.3
Imports	-2.5	-8.3	-1.6	-2.3	-3.5	-2.4	-2.5	-19.7	-7.8	-3.3	56.3

Note : Total may not add up due to rounding and excluding change in stocks.
Source: Department of Statistics, Malaysia.

Supply

4. On the **production side**, all sectors in the economy recorded sluggish performance except for manufacturing.

- The **services** sector contracted by 4.9% due to the significant decline in food & beverages and accommodation (-35.4%); transportation and storage (-23.1%); real estate and business services (-21.5%); as well as wholesale and retail trade (-1.5%) subsectors. Nonetheless, better performance in information and communication (7.1%) as well as finance and insurance (5.8%) subsectors continued to cushion the overall decline.
- The **manufacturing** sector grew 3% supported by the increase in electrical, electronic and optical products (7.9%); transport equipment, other manufacturing and repair (7%); as well as petroleum, chemical, rubber and plastic products (3.1%) subsectors. However, non-metallic mineral products, basic metals and fabricated metal products; as well as vegetable and animal oils & fats and food processing subsectors contracted 2% and 6.6%, respectively.
- The **agriculture** sector posted a marginal contraction of 0.7% weighed down by low production in oil palm (-2.4%), fishing (-5.2%), forestry and logging (-9.2%) as well as rubber (-10.4%) subsectors. However, livestock and other agriculture subsectors grew by 2.9% and 4.7%, respectively.
- The **mining** sector continued to decline by 10.6% on account of lower production of crude oil and condensate (-12.7%) as well as natural gas (-9.2%).
- The **construction** sector dropped 13.9% following contraction in civil engineering (-32.7%); residential buildings (-11%); and non-residential buildings (-6.6%). Meanwhile, special trade activities grew 9.4%.

Real Gross Domestic Product (% annual change)

	2019	2020	2019				2020				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4 Share (%)
Real GDP	**4.3**	**-5.6**	**4.5**	**4.8**	**4.4**	**3.6**	**0.7**	**-17.1**	**-2.6**	**-3.4**	**100.0**
SUPPLY											
Services	6.1	-5.5	6.4	6.1	5.8	6.2	3.1	-16.2	-4.0	-4.9	57.8
Manufacturing	3.8	-2.6	4.1	4.3	3.6	3.0	1.5	-18.3	3.3	3.0	23.6
Mining	-2.0	-10.0	-1.5	0.9	-4.1	-3.4	-2.0	-20.0	-6.8	-10.6	6.6
Agriculture	2.0	-2.2	5.8	4.3	4.0	-5.7	-8.7	1.0	-0.5	-0.7	6.8
Construction	0.1	-19.4	0.4	0.5	-1.4	1.0	-7.9	-44.5	-12.4	-13.9	4.0

Note : Total may not add up due to rounding and excluding import duties components.

Source: Department of Statistics, Malaysia.

External Sector

5. **Total trade** increased 0.7% to RM483 billion supported by higher-than-expected external demand. **Gross exports** expanded 5.1% driven by higher exports of manufactured and agriculture goods. **Gross imports** declined 4.5% due to lower imports of intermediate, capital and consumption goods. **Trade surplus** increased 62.7% to RM59.9 billion.

External Trade (% annual change)

	2019	2020[p]	2019				2020[p]			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Trade	-2.1	-3.6	-1.0	-0.4	-3.2	-3.5	0.3	-15.1	-0.5	0.7
Gross Exports	-0.8	-1.4	0.4	0.5	-0.9	-3.2	-0.4	-15.1	4.4	5.1
Gross Imports	-3.5	-6.3	-2.6	-1.4	-5.7	-3.9	1.3	-15.1	-6.3	-4.5
Trade Balance	17.7	26.9	18.7	15.2	42.5	1.4	-8.8	-15.0	68.4	62.7

[p] Preliminary

Source: Department of Statistics, Malaysia and MATRADE.

6. The **current account** surplus widened to RM19 billion or 5.1% of gross national income (GNI) supported by higher surplus in goods account as well as lower deficit in income account.

Current Account Balance (Net) (RM billion)

	2019	2020[p]	2019				2020[p]			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Current Account	50.9	62.1	16.9	14.3	12.1	7.5	9.5	7.6	26.1	19.0
% of GNI	***3.5***	***4.5***	***4.8***	***3.9***	***3.3***	***2.0***	***2.6***	***2.5***	***7.3***	***5.1***
Goods	123.3	139.1	33.4	28.3	29.4	32.3	28.9	25.9	41.5	42.9
Services	-10.9	-48.0	-1.7	-3.4	-1.8	-4.0	-8.0	-12.5	-13.3	-14.2
Primary Income	-40.3	-26.2	-9.2	-5.9	-9.9	-15.2	-6.0	-4.0	-9.2	-7.1
Secondary Income	-21.3	-2.8	-5.6	-4.7	-5.5	-5.5	-5.4	-1.9	7.1	-2.5

[p] Preliminary

Source : Department of Statistics, Malaysia.

International Reserves

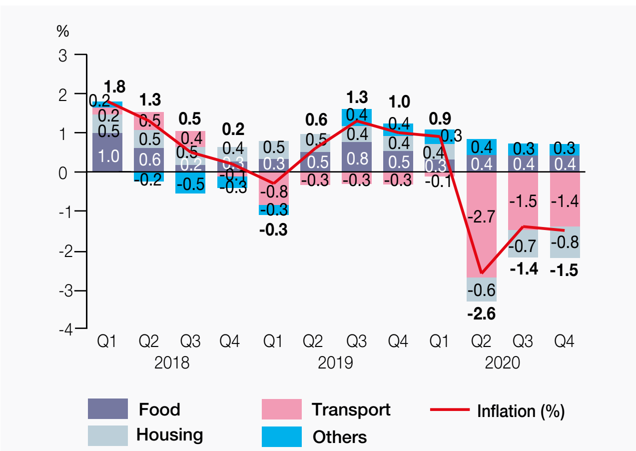
7. As at 31 December 2020, Malaysia's international reserves stood at RM432.2 billion (USD107.6 billion), sufficient to finance 8.6 months of retained imports and is 1.2 times total short-term external debt.

Prices

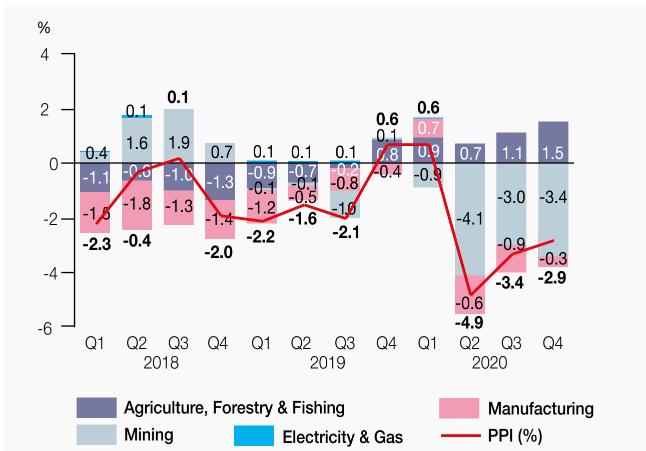
8. The **Consumer Price Index (CPI)** contracted by 1.5% during the fourth quarter of 2020 (Q4 2019: 1.0%) mainly attributed to the transport group (-9.9%) following lower average pump prices of RON 97, RON 95 and diesel. Likewise, housing, water, electricity, gas & other fuels group (-3.2%) contracted due to the discount on the electricity bill given as part of the economic stimulus package. Nevertheless, prices of miscellaneous goods & services (2.4%), food & non-alcoholic beverages (1.4%), health (1.0%) and education (0.6%) increased. Similarly, recreation services & culture (0.1%) and alcoholic beverages & tobacco (0.5%) also expanded albeit at a slower pace. On the contrary, core inflation remained in positive territory, recording a growth of 0.7% during the quarter (Q4 2019: 1.4%) due to miscellaneous goods & services (2.4%), health (1.0%), housing, water, electricity, gas & other fuels (0.7%) and education (0.6%).

9. The **Producer Price Index (PPI)** for local production by sector contracted by 2.9% in the fourth quarter of 2020 (Q4 2019: 0.6%) dragged down by mining (-43.1%), electricity & gas supply (-1.0%) and manufacturing (-0.4%). On the contrary, agriculture, forestry & fishing as well as water supply sectors increased by 22% and 0.8%, respectively. In terms of PPI by stage of processing, the crude materials for further processing declined by 11.8% followed by intermediate materials, supplies & components (-0.8%) and finished goods (-0.6%).

Consumer Price Index (CPI)



Producer Price Index (PPI)

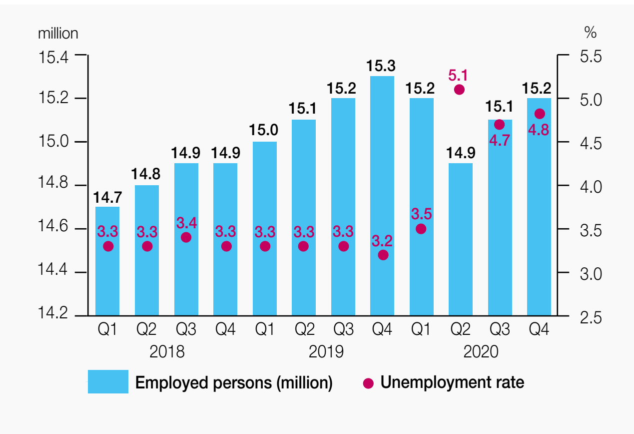


Source: Department of Statistics, Malaysia.

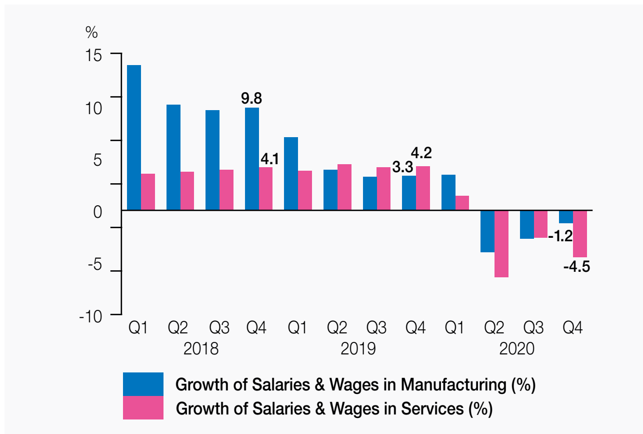
Labour Market

10. Despite the continuation of various employment stabilisation initiatives, the labour market recovery continued to be uneven in the fourth quarter of 2020 due to several restrictive measures imposed to contain the spike of the new COVID-19 cases. Total employment increased to 15.2 million persons while unemployment rate rose to 4.8% or 760,700 persons (Q3 2020: 4.7% or 745,000 persons) due to higher increase of the labour force looking for jobs as compared to job opportunities in the market. The services sector remained as the major source of employment at 65.4%, followed by manufacturing (16.6%) and agriculture (10%) sectors. Salaries and wages in the services sector contracted by 4.5%, mainly contributed by information & communication and transportation & storage; as well as professional and real estate agent segments. Likewise, salaries and wages in the manufacturing sector shrank by 1.2%, attributed to textiles, wearing apparel, leather products & footwear; as well as transport equipment & other manufactures subsectors.

Employment



Salaries and Wages



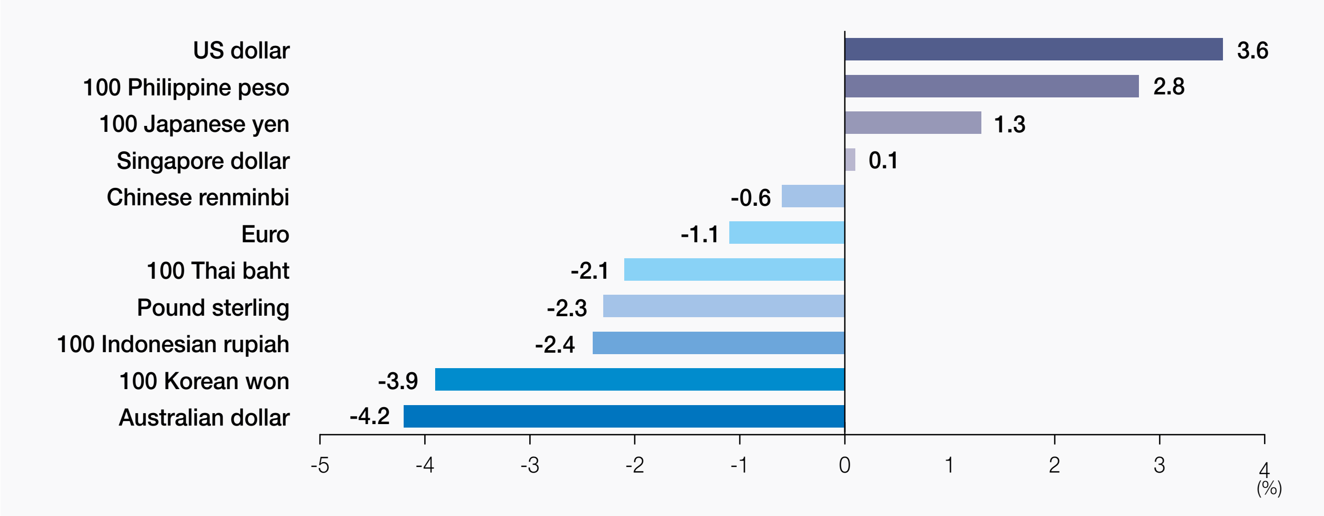
Source: Department of Statistics, Malaysia.

Monetary Aggregates

11. [Money supply] grew by 4% attributed to higher net claims on the Government. Meanwhile, the Overnight Policy Rate (OPR) was maintained at 1.75% after a cumulative reduction of 125 basis points (bps) during the first seven months of 2020. The monetary settings were deemed appropriate and accommodative for a sustained economic recovery amid the downside risks posed to the encouraging outlook.

12. During the quarter, **ringgit** appreciated by 3.6% against the US dollar. The ringgit also rose against the Philippine peso (2.8%), Japanese yen (1.3%) and Singapore dollar (0.1%). The appreciation of the ringgit was in tandem with the recovery in commodities prices and continued non-resident portfolio inflows. Nevertheless, the local note depreciated against other major and regional currencies within the range of 0.6% to 4.2%.

Performance of Ringgit against Selected Currencies End-September 2020 – End-December 2020

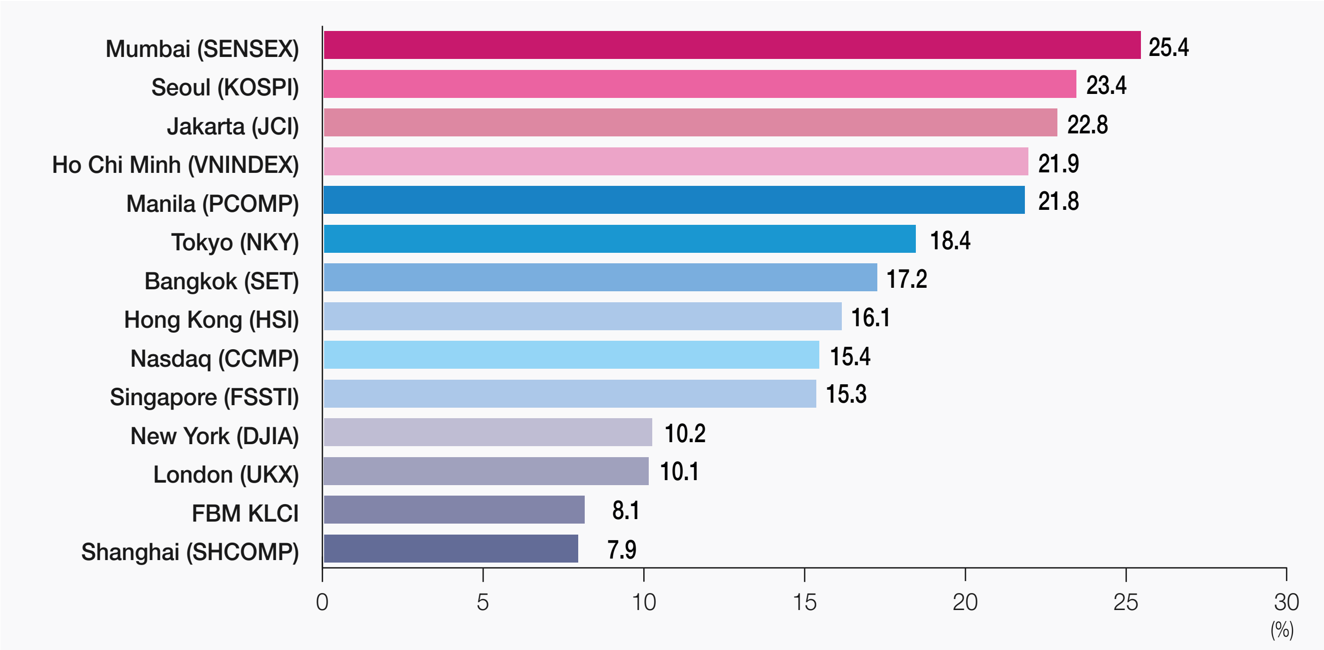


Source: Bank Negara Malaysia.

Equity Market

13. The FBM KLCI continued to gain traction in the fourth quarter of 2020 to close at 1,627.21 points at end-December 2020 (end-December 2019: 1,588.76 points). Improvement in the local bourse was due to better-than-expected performance of rubber gloves, electronics and petrochemical related-companies coupled with the recovery in global crude oil prices. Throughout December, the FBM KLCI was on a positive note following stronger corporate earnings and better economic growth outlook on the back of vaccine discovery, which is expected to facilitate economic recovery.

Performance of Selected Indices End-September 2020 – End-December 2020



Source: Bloomberg.

Federal Government Finance

14. The **Federal Government revenue** in the fourth quarter of 2020 increased by 10.2% to RM77 billion (Q4 2019: 4%; RM69.9 billion) due to higher tax revenue collection.

- Tax revenue increased by 18.7% to RM58.5 billion (Q4 2019: 3.6%; RM49.3 billion) on account of higher collection from direct tax and indirect tax;
- Direct tax collection increased substantially by 23% to RM46 billion (Q4 2019: -6.1%, RM37.4 billion) mainly due to higher income tax collection as companies begun paying their tax instalments following a deferment granted by the Government to assist the companies during the pandemic crisis. Meanwhile, petroleum income tax stood at RM8.1 billion (Q4 2019: RM8.0 billion) as a result of higher tax instalments from petroleum companies.
- Indirect tax collection increased by 4.2% to RM12.4 billion (Q4 2019: 77%; RM11.9 billion) particularly from sales tax and service tax of RM8 billion (Q4 2019: RM7.3 billion) in line with better performance of automotive, telecommunication and insurance sectors. In addition, excise duties increased by 11.5% to RM2.9 billion in line with higher demand on motor vehicles which increased by 12.5%; and
- Non-tax revenue decreased by 10.7% to RM18.4 billion (Q4 2019: -0.1%; RM20.6 billion) as a result of lower investment income.

15. The Federal Government total expenditure, including COVID-19 Fund declined by 5.9% to RM84.6 billion (Q4 2019: 3.9%; RM89.9 billion) due to contraction in OE.

16. Operating expenditure (OE) contracted by 23% to RM53.7 billion (Q4 2019: 20.1%; RM69.8 billion) mainly due to lower supplies and services as well as grants to statutory bodies.

- Outlays for supplies and services contracted by 32.4% to RM8.1 billion on account of lower spending mainly in repairs and maintenance, travel expenses, professional services components as well as other materials supplies.
- Grants to statutory bodies declined by 73.2% to RM1 billion (Q4 2019: 25.6%; RM3.7 billion).
- Meanwhile, outlays for emoluments and retirement charges increased to RM20.9 billion and RM6.5 billion (Q4 2019: RM20.8 billion; RM6.3 billion), respectively.
- Debt service charges was sustained at RM8.6 billion, of which 97.3% were domestic coupon payments.

17. **Development expenditure (DE)** recorded an increase by 1.8% to RM20.5 billion during the fourth quarter due to higher outlays in the social and security sectors. Social and security sectors expenditures increased by 5.9% and 35.9%, respectively to RM6 billion and RM2.9 billion. The bulk of outlays under the social sector was for health subsector while spending for the security sector was channelled mainly for defense with a share of 77.3%. Meanwhile, the economic sector which is the largest recipient of DE decreased by 6.4% due to lower spending mainly in transport and agriculture subsectors. Additionally, DE in the general administration sector reduced by 2.2% during the quarter.

18. Expenditure under **COVID-19 Fund** recorded RM10.4 billion during the quarter mainly for PRIHATIN Assistance Programme, Wage Subsidy Programme and small-scale projects.

19. Overall, **Federal Government financial position** recorded a deficit of RM7.3 billion during the quarter.

Federal Government Financial Position (RM billion)

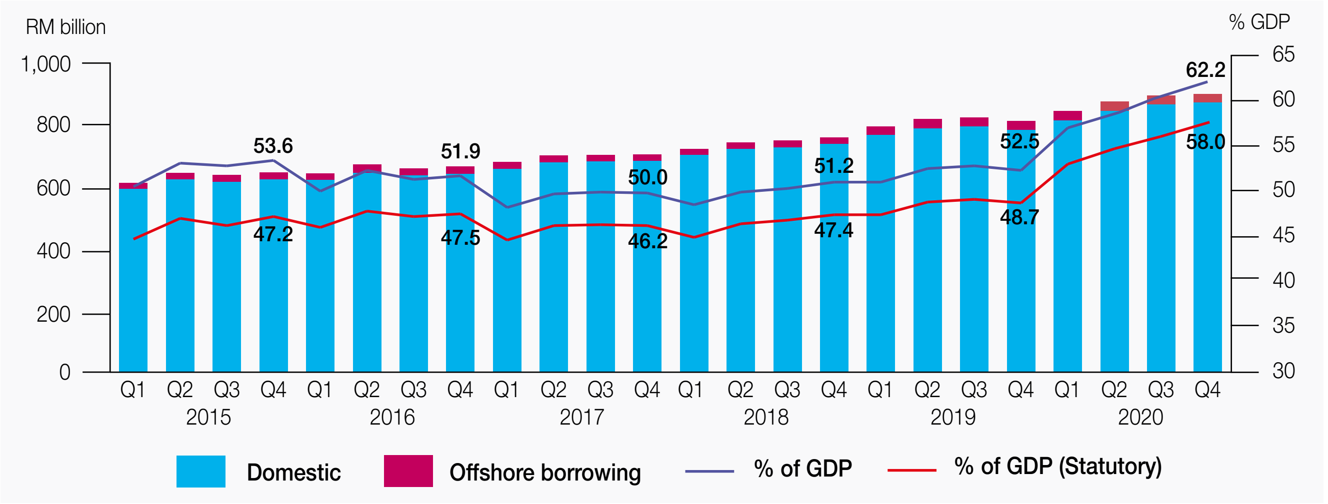
	2019	2020[2]	2019				2020[2]			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	264.4	225.1	63.7	62.0	68.8	69.9	45.3	56.4	46.4	77.0
Operating expenditure	263.3	224.6	59.4	65.3	68.8	69.8	62.1	51.9	56.9	53.7
Current balance	1.1	0.5	4.3	-3.3	0.0	0.1	-16.8	4.5	-10.5	23.3
Gross development exp.	54.2	51.4	11.5	12.3	10.3	20.1	11.5	7.1	12.3	20.5
Less: Loan recoveries	1.6	1.3	0.2	0.4	0.5	0.5	0.7	0.1	0.2	0.3
Net development exp.	52.6	50.1	11.3	11.9	9.8	19.6	10.8	7.0	12.1	20.2
COVID-19 Fund[1]	-	38.0	-	-	-	-	0.5	22.1	5.0	10.4
Overall balance	-51.5	-87.6	-7.0	-15.2	-9.8	-19.5	-28.1	-24.6	-27.6	-7.3
% to GDP	*-3.4%*	*-6.2%*								

[1] A specific trust fund established under Temporary Measures for Government Financing (Coronavirus Disease 2019 (COVID-19)) Act 2020 to finance economic stimulus packages and recovery plan.
[2] Preliminary
Source: Ministry of Finance, Malaysia.

20. During the quarter, **Federal Government gross borrowings** recorded RM31.5 billion comprising Malaysian Government Securities (RM11.5 billion), Malaysian Government Investment Issues (RM18 billion) and Treasury bills (RM2 billion). The bulk of borrowings were utilised for principal repayment amounting to RM25.3 billion while the balance were for deficit financing. In 2020, total Federal Government gross borrowings and redemptions totalled RM181.5 billion and RM94.7 billion, respectively.

21. The **Federal Government debt** recorded RM879.6 billion or 62.2% of GDP as at end-December 2020. However, statutory debt, which comprises outstanding MGS, MGII and Malaysia Islamic Treasury Bills (MITB), stood at 58% of GDP, still below the statutory limit of 60%. The temporary increase in statutory debt ceiling from 55% to 60% of GDP is to provide additional borrowing space to be utilised to fund for stimulus and economic recovery packages.

Federal Government Debt



Source: Ministry of Finance, Malaysia.

Key Data

	Q4 2019		Q3 2020		Q4 2020	
POPULATION (thousand)	32,590		32,692		32,727	
	RM million	**% change**	**RM million**	**% change**	**RM million**	**% change**
DOMESTIC PRODUCTION						
Gross Domestic Product (constant 2015 prices)	**370,128**	***3.6***	**351,085**	***-2.6***	**357,365**	***-3.4***
Agriculture	24,572	*-5.7*	27,901	*-0.5*	24,399	*-0.7*
Mining and quarrying	26,365	*-3.4*	21,618	*-6.8*	23,578	*-10.6*
Manufacturing	81,740	*3.0*	82,567	*3.3*	84,229	*3.0*
Construction	16,575	*1.0*	14,861	*-12.4*	14,278	*-13.9*
Services	216,950	*6.2*	200,077	*-4.0*	206,418	*-4.9*
Gross Domestic Product (current prices)	**395,823**	***4.4***	**367,996**	***-3.7***	**378,172**	***-4.5***
Final consumption expenditure: Public	55,395	*1.5*	44,189	*7.0*	56,927	*2.8*
Private	232,147	*9.2*	229,680	*-2.8*	221,686	*-4.5*
Gross fixed capital formation: Public	33,389	*-6.9*	17,358	*-17.9*	26,775	*-19.8*
Private	50,782	*5.5*	59,965	*-8.4*	47,191	*-7.1*
Exports of goods and services	253,117	*-3.2*	224,629	*-9.5*	237,984	*-6.0*
Imports of goods and services	224,845	*-3.6*	196,459	*-10.9*	209,369	*-6.9*
NATIONAL INCOME AND EXPENDITURE						
Gross National Income (constant 2015 prices)	360,142	*2.7*	346,058	*-2.6*	353,864	*-1.7*
Gross National Income (current prices)	380,585	*3.7*	358,836	*-3.5*	371,050	*-2.5*
Gross National Savings (current prices)	87,508	*-7.5*	92,052	*3.6*	89,909	*2.7*
Per Capita Income (current prices, RM)	46,712	*3.2*	43,905	*-3.9*	45,351	*-2.9*

	2019		2020[1]		2021[2]	
	RM million	**% change**	**RM million**	**% change**	**RM million**	**% change**
FEDERAL GOVERNMENT FINANCE						
Revenue	264,415	*13.5*	225,075	*-14.9*	236,900	*5.3*
Operating expenditure	263,343	*14.0*	224,600	*-14.7*	236,540	*5.3*
Current balance	1,072	–	475	–	360	–
Development expenditure (net)	52,570	*-4.9*	50,101	*-4.7*	68,200	*36.1*
COVID-19 Fund[3]	–		38,019	–	17,000	-55.3
Overall deficit/surplus	**-51,498**		**-87,645**		**-84,840**	
% to GDP	*-3.4*		*-6.2*		*-5.4*	
Domestic borrowing (net)	44,755		86,921		–	
Foreign borrowing (net)	6,977		-331		–	
Change in assets	-234		1,055		–	
	RM million	**% GDP**	**RM million**	**% GDP**	**RM million**	**% GDP**
Federal Government debt[4]						
Domestic debt	764,233	*50.6*	851,284	*60.2*	–	–
Offshore borrowing	28,765	*1.9*	28,276	*2.0*	–	–
Memorandum item:					–	–
Non-residents holdings of ringgit-denominated Government debt securities	186,493		208,190		–	–

	Q4 2019	Q3 2020	Q4 2020
	RM million	RM million	RM million
BALANCE OF PAYMENTS (NET)			
Balance on current account	**7,500**	**26,095**	**18,965**
Goods	32,277	41,489	42,864
Services	-4,005	-13,319	-14,248
Primary income	-15,238	-9,160	-7,122
Secondary income	-5,534	7,086	-2,528
Balance on capital and financial accounts	223	-35,406	-10,887
Net errors and omissions	-9,887	7,668	-10,810
Reserve assets	2,164	1,643	2,732

	Q4 2019 RM million	Q4 2019 % change	Q4 2019 % share	Q3 2020 RM million	Q3 2020 % change	Q3 2020 % share	Q4 2020 RM million	Q4 2020 % change	Q4 2020 % share
EXTERNAL TRADE									
Gross exports	**258,244**	***-3.2***		**260,594**	***4.4***		**271,454**	***5.1***	
Manufactured goods	219,700	*-1.0*	*85.1*	227,519	*6.8*	*87.3*	236,314	*7.6*	*87.1*
Agriculture goods	16,576	*0.8*	*6.4*	18,829	*16.3*	*7.2*	21,170	*27.7*	*7.8*
Mining goods	20,400	*-23.0*	*7.9*	13,247	*-27.9*	*5.1*	12,913	*-36.7*	*4.8*
Gross imports	**221,430**	***-3.9***		**200,254**	***-6.3***		**211,573**	***-4.5***	
Intermediate goods	120,472	*1.0*	*54.4*	101,906	*-13.5*	*50.9*	111,767	*-7.2*	*52.8*
Capital goods	26,858	*-8.9*	*12.1*	21,157	*-12.8*	*10.6*	22,830	*-15.0*	*10.8*
Consumption goods	19,707	*0.1*	*8.9*	19,401	*4.6*	*9.7*	19,639	*-0.3*	*9.3*
Total trade	479,674	*-3.5*		460,848	*-0.5*		483,027	*0.7*	
Trade balance	36,814	*1.4*		60,340	*68.4*		59,881	*62.7*	
Trading partners (% share to total trade)									
ASEAN	128,537	*-5.7*	*26.8*	115,398	*-5.0*	*25.0*	122,693	*-4.5*	*25.4*
European Union	38,245	*-16.6*	*8.0*	37,857	*-2.1*	*8.2*	37,689	*-1.5*	*7.8*
China	86,295	*2.7*	*18.0*	87,989	*8.9*	*19.1*	92,624	*7.3*	*19.2*
United States	44,257	*8.1*	*9.2*	48,844	*14.1*	*10.6*	48,923	*10.5*	*10.1*
Japan	33,427	*-5.3*	*7.0*	29,277	*-7.5*	*6.4*	33,824	*1.2*	*7.0*
Others	148,913	*-3.8*	*31.0*	141,484	*-4.2*	*30.7*	147,274	*-1.1*	*30.5*

	Q4 2019	Q3 2020	Q4 2020
Gross international reserves			
RM billion	424.1	436.5	432.2
USD billion	103.6	105.0	107.6
Months of retained imports	7.5	8.4	8.6
Short-term external debt (times)	1.1	1.1	1.2

PRICES	Q4 2019 Index	Q4 2019 % change	Q3 2020 Index	Q3 2020 % change	Q4 2020 Index	Q4 2020 % change
Consumer Price Index (2010=100)	122.1	*1.0*	120.0	*-1.4*	120.3	*-1.5*
Producer Price Index (2010=100)	106.3	*0.6*	101.2	*-3.4*	103.2	*-2.9*

LABOUR FORCE	Q4 2019 Thousands	Q4 2019 % change	Q3 2020 Thousands	Q3 2020 % change	Q4 2020 Thousands	Q4 2020 % change
Labour force	15,766.7	*2.1*	15,840.6	*1.1*	15,922.3	*1.0*
Unemployed	512.2	*-0.8*	745.0	*45.5*	760.7	*48.5*
Unemployment rate		*3.2*		*4.7*		*4.8*

	Dec 2019		Nov 2020		Dec 2020	
	RM million	% change	RM million	% change	RM million	% change
MONEY AND BANKING (end period)						
Money supply M1	452,560	*5.8*	525,825	*20.0*	523,663	*15.7*
M2	1,950,568	*3.5*	2,031,849	*5.6*	2,037,481	*4.5*
M3	1,961,554	*3.5*	2,035,492	*5.2*	2,040,994	*4.0*
Banking system						
Fund	2,013,307	*4.0*	2,084,212	*4.2*	2,086,005	*3.6*
Loan	1,675,511	*4.2*	1,717,064	*3.3*	1,721,506	*2.7*
Loan-to-fund[5] ratio	*83.2*		*82.4*		*82.5*	
Interest rates (average rates at end of period, %)						
3-month interbank	*3.29*		*1.87*		*1.91*	
Commercial banks						
Fixed deposits: 3-month	*2.90*		*1.63*		*1.58*	
12-month	*3.09*		*1.78*		*1.75*	
Savings deposit	*0.97*		*0.48*		*0.48*	
Weighted base rate (BR)	*3.68*		*2.42*		*2.43*	
Base lending rate	*6.71*		*5.49*		*5.49*	
Treasury bills (3-month)	–		–		–	
Malaysian Government securities: 1-year	*2.96*		*1.66*		*1.73*	
5-year	*3.18*		*2.20*		*2.12*	
	Jan 2020		**Dec 2020**		**Jan 2021**	
Movement of ringgit[6] (% annual change)						
RM per SDR	5.6254	*1.6*	5.7798	*-2.1*	5.8323	*-3.5*
RM per US dollar	4.0885	*0.0*	4.0130	*2.0*	4.0540	*0.9*
RM per euro	4.5074	*4.3*	4.9324	*-7.0*	4.9041	*-8.1*
RM per 100 Japanese yen	3.7483	*0.2*	3.8891	*-3.2*	3.8800	*-3.4*
RM per Chinese renminbi	0.5894	*3.5*	0.6143	*-4.5*	0.6273	*-6.0*
RM per Singapore dollar	3.0019	*1.2*	3.0354	*0.1*	3.0451	*-1.4*
RM per 100 Indonesian rupiah	0.0299	*-2.7*	0.0286	*3.1*	0.0288	*3.8*
Bursa Malaysia						
FBM KLCI	1,531.06		1,627.21		1,566.40	
Market capitalisation (RM billion)	1,646.36		1,817.29		1,756.01	
	2018		**2019**		**2020**	
SOCIAL INDICATORS						
Life expectancy at birth: Male (years)	72.3		72.4		72.6	
Female (years)	77.2		77.4		77.6	
Infant mortality rate (per 1000 live births)	7.2		6.4		n.a.	
Literacy rate	95.9		95.9		96.0	
Tourist arrivals (million arrivals)	25.8		26.1		4.3[7]	

1 Preliminary
2 Budget estimate, excluding 2021 Budget measures
3 A specific trust fund established under Temporary Measures for Government Financing (Coronavirus Disease 2019 (COVID-19)) Act 2020 to finance economic stimulus packages and recovery plan
4 For 2020, data is at end-December 2020
5 Funds comprises deposits (exclude deposits accepted from banking institutions) and all debt instruments issued (including subordinated debt, debt certificates/sukuk, commercial papers and structured notes)
6 Annual rate of appreciation (+) or depreciation (-)
7 For the period of January - September 2020

Source : Department of Statistics, Malaysia; Ministry of Finance, Malaysia; Bank Negara Malaysia; and Tourism Malaysia

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