

Malaysia's economy on track for recovery in 2021, Zafrul says



Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz being briefed by ViTrox Campus 2.0 CEO Chu Jenn Weng (right) about the 'hydroponic' plant system displayed during visiting ViTrox Campus 2.0 at Batu Kawan, Penang. - Starpic by MUSTAFA AHMAD/The Star/8 Aug 2020.

BATU KAWAN: Malaysia's economy is on the right track for recovery in 2021, said Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz.

Judging by the recent pick-up in economic performance, the minister said he was optimistic that the country's economy would rebound next year.

"Of course, the World Bank and the International Monetary Fund's (IMF) forecast for Malaysia's gross domestic product (GDP) in 2021 is very strong, between six and eight percent, but this is subject to how we Malaysia and the world address the Covid-19 health crisis.

"We are watching this closely, but I'm very optimistic after seeing the facts and figures that were presented before us, especially for June and July," he told reporters after his visit to Vitrox Technologies Sdn Bhd in Batu Kawan, Penang here on Saturday.

He said the unemployment rate's 0.4 percentage point decline to 4.9 per cent in June 2020 from a record-high of 5.3 per cent in May 2020 bodes well for the country's economy.

By comparison, in June 2020, the unemployment rate rose in the Philippines (17.7 per cent), India (11 per cent), United States (11.1 per cent) and China (5.7 per cent).

"Most European countries also recorded double digit unemployment rates, but for us, it is still under control," he said.

Commenting on the upcoming announcement by Bank Negara Malaysia (BNM) on the country's second quarter of 2020 (Q2 2020) GDP results next Friday, Tengku Zafrul said he expected the results to be affected by the implementation of Movement Control Order (MCO).

"Having said that, we are not alone as the COVID-19 is a global pandemic; more than 150 countries in the world will face an economic contraction in 2020," he said.

As for Q3 2020, Tengku Zafrul said the results would depend on how the country handles the pandemic.

"If we can sustain the growth, Q3 2020 should be better than Q2 2020, but Q4 2020 will also depend on how the global economy has improved, because, as you know, we are a very open economy and we are very much part of the global supply chain," he added. - Bernama

