



After the Covid-19 Pandemic: Thriving in the Next 3-5 years

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The Global Stage

- Covid-19 response differentiations
- De-globalisation
 - Decoupling between biggest economies (zero-sum thinking working against win-win ideology in trade)
 - US-China tensions (sanctions, semi-conductor war)
 - Ukraine conflict (hindering European proactiveness)
- Worldwide inflation
- Currency declines vis-à-vis the USD
- Global economic depression on the way (energy crisis)

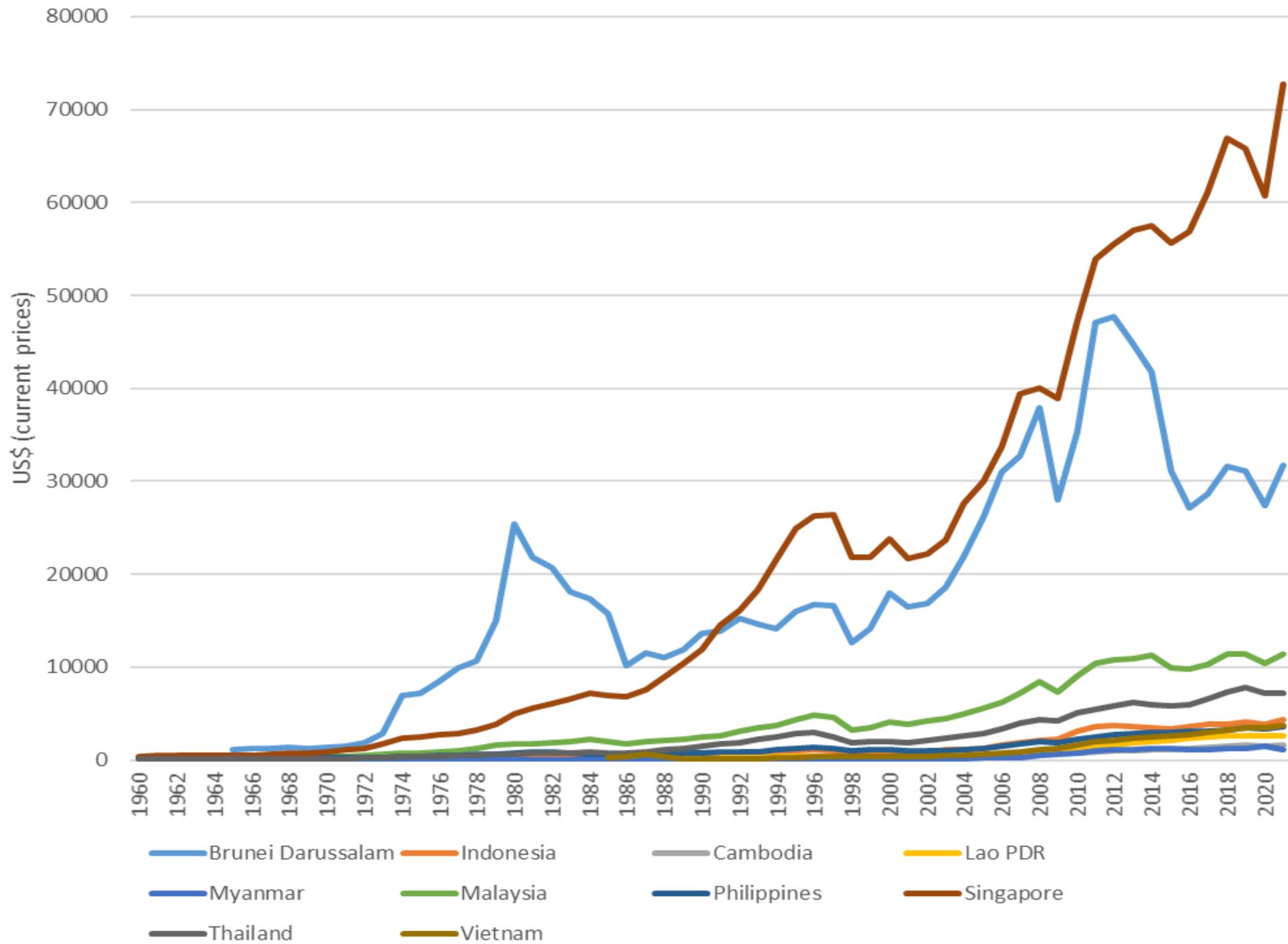


Southeast Asia

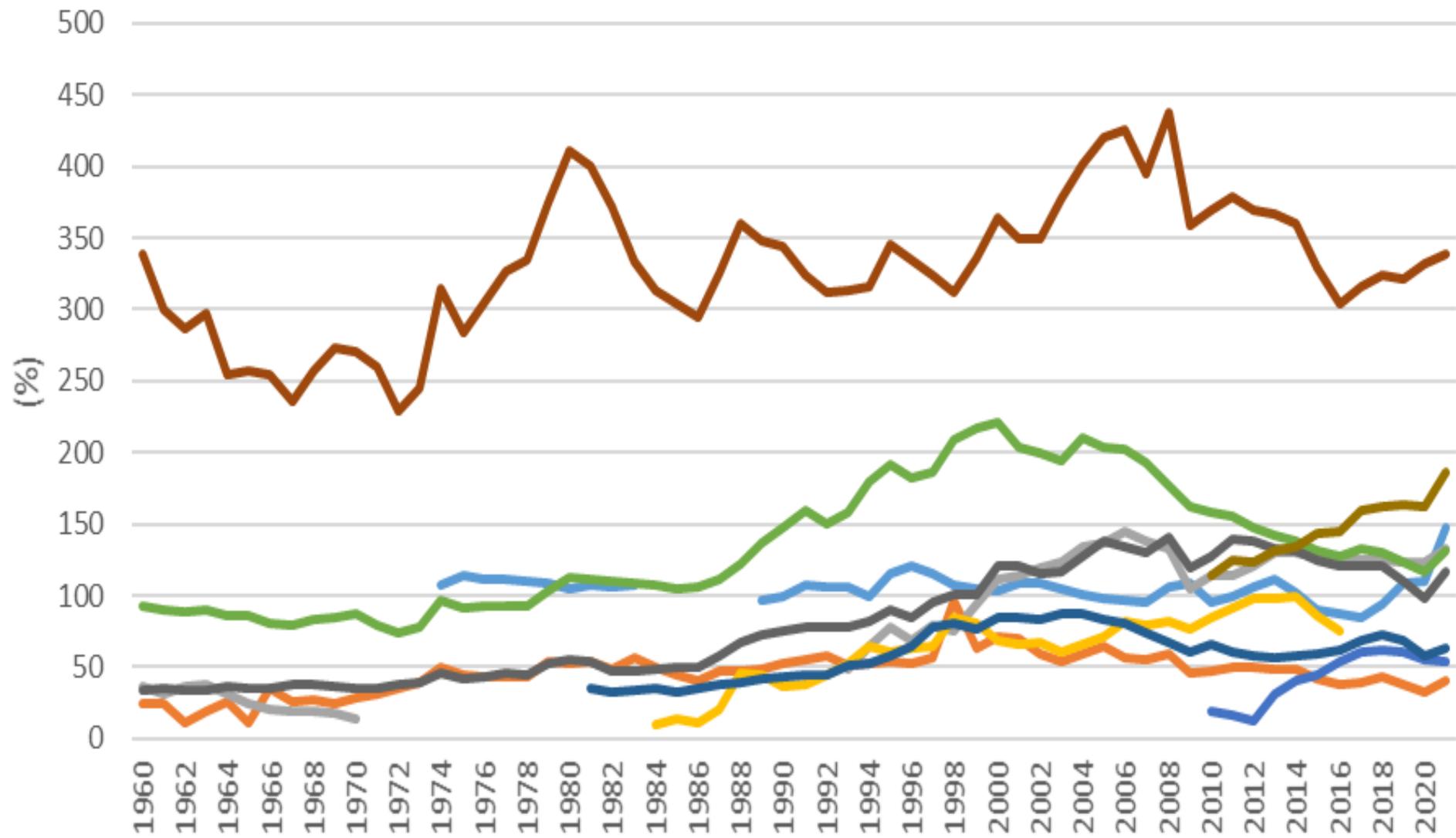
- Singapore and Brunei lead
- Malaysia & Thailand in upper middle-income tier
- Indonesia, Vietnam, the Philippines and Lao in middle-income tier
- Cambodia and Myanmar in least-developed tier



Trajectory of
Growth for GDP
per capita
(nominal)
in Southeast
Asian countries
1960-2020



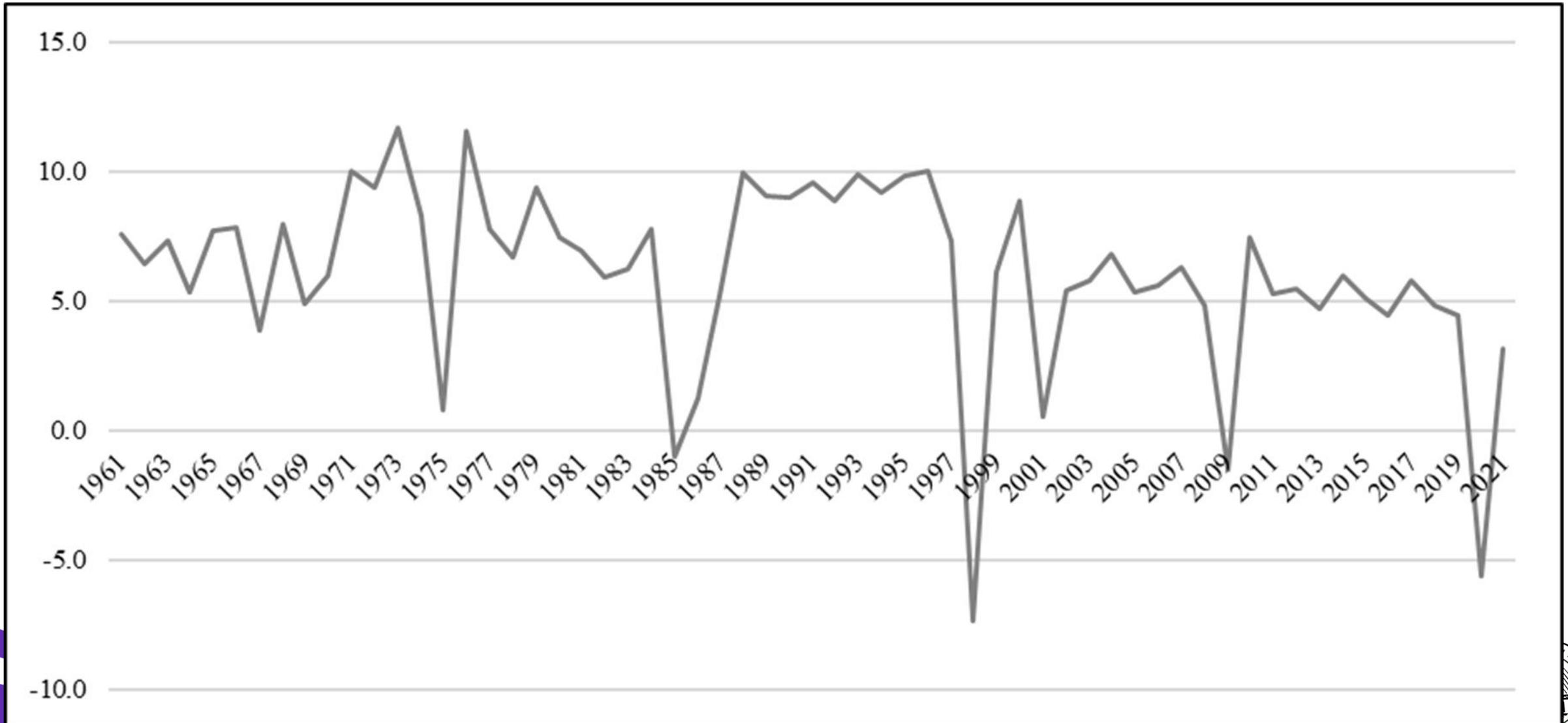
Trade as share
of GDP
among
Southeast
Asian countries
1960-2020



- Brunei Darussalam
- Indonesia
- Cambodia
- Lao PDR
- Malaysia
- Philippines
- Thailand
- Vietnam
- Myanmar
- Singapore

The MALAYSIAN ECONOMY

Annual Growth Rate 1961-2021



THREE CHALLENGES FOR MALAYSIA

- Investment and domestication of Malaysia's economy
- Income inequality
- Sovereign and fiscal risks



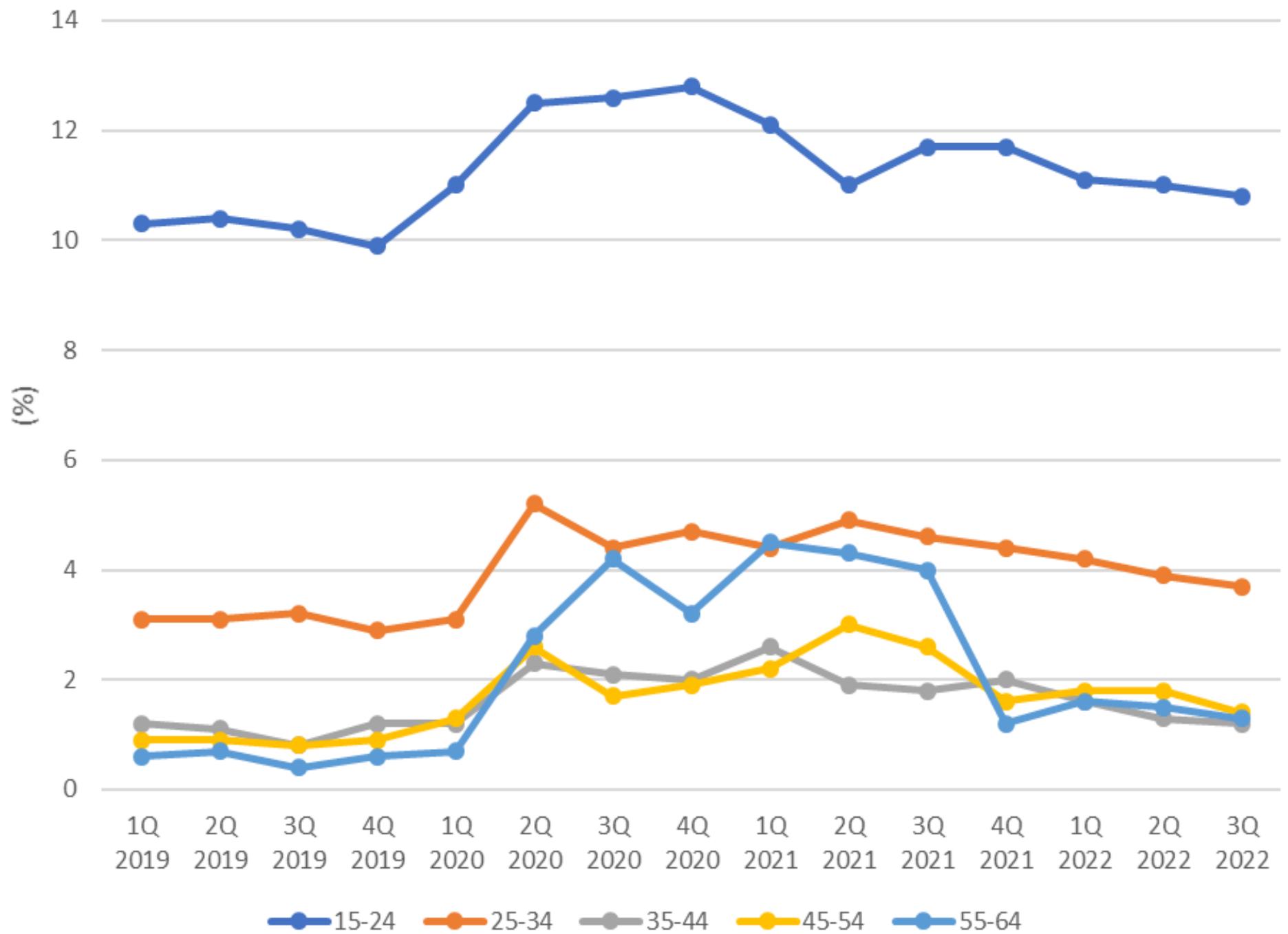
Unemployment

Rate in

Malaysia by

Age Group

2019-2022

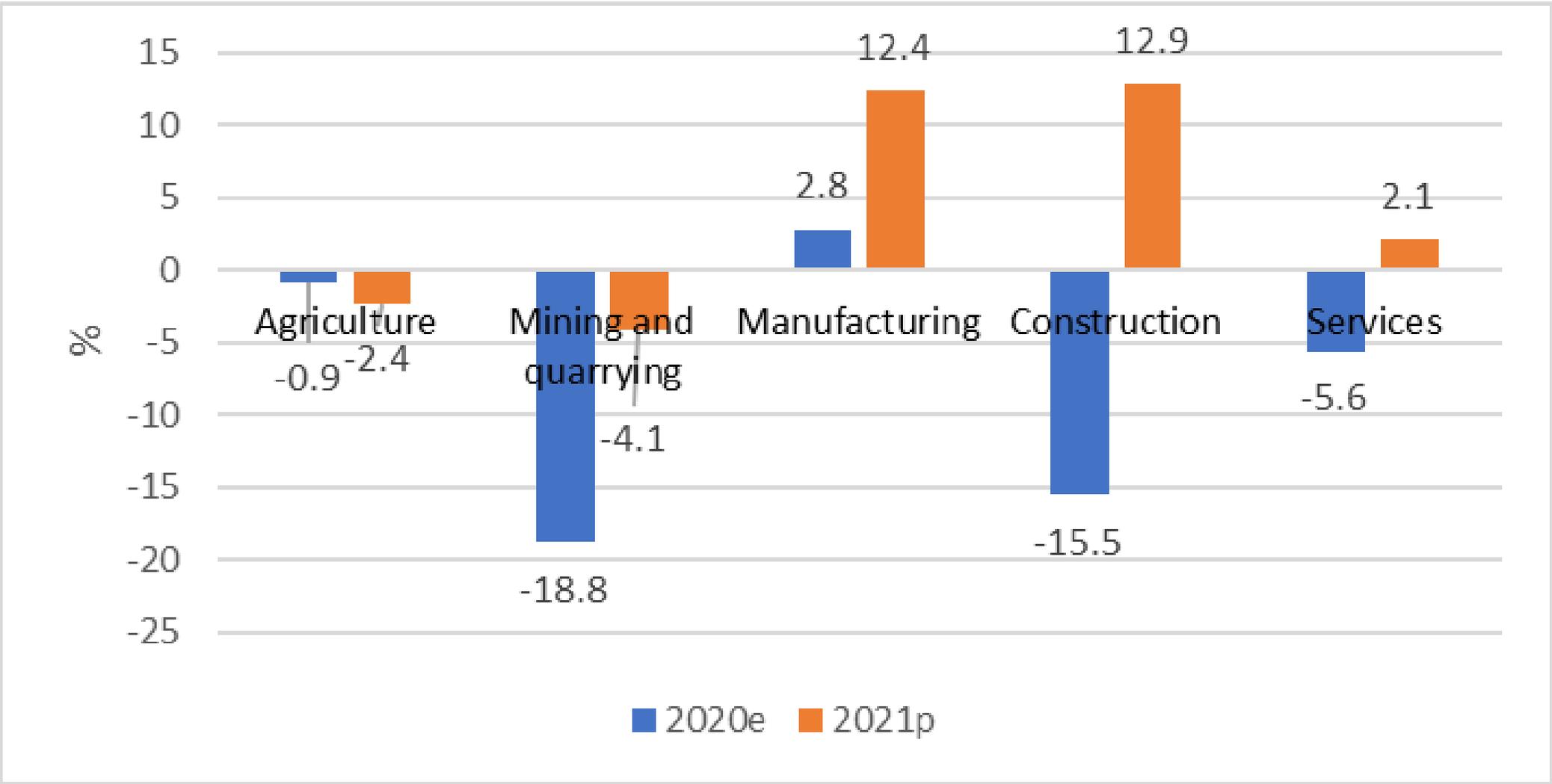


Penang's Economy Today (1)

- Penang's economy based on Manufacturing (47.3%) and Services (47.4%) – largely Tourism. Construction makes up 2.5%, and Agriculture 2%
- FDI for first half of 2022, was a record RM7.85b
- Unemployment is falling (down to 2.9%)
- GDP per capita rose 7% in 2021 (to RM59,685)
- Economic growth for Penang hit 6.8% in 2021 (Malaysia on the whole hit 3.1%)
- Strong growth in Construction at 12.9%, and in Manufacturing at 12.4%, esp E&E Industry at 16.5% thus contributing 33.6% of state GDP



GDP Growth Rate by Sector in Penang, 2020-2021 (%)



Penang's Economy Today (2)

- In 2021, Imports grew by 19%, exports by 7.3%
- For first half of 2022, Malaysia's imports grew by 34.5% and exports by 28%. Penang's exports made up 29.2% of Malaysia's total.
- For the whole of 2022, the export figure for Malaysia and for Penang are expected to be higher.
- Inflation – CPI rose 4.3% in July yoy, both in Penang and Malaysia. Food and non-alcoholic beverages rose the most, at 7.7%, followed by hotels and restaurants (6.5% and transport (6.2%
- Tourism recovering, arrivals increasing at PIA



Going Forward

- Steady recovery expected for Manufacturing and Tourism.
- Effective supply of labour – short term, medium term, long term. This involves educational options (LLL etc), reform of national education system, reskilling opportunities, employee wellbeing, and general livability to attract and retain talents.
- Supporting SMEs' regional ambitions
- Federal efficacy in economic policymaking
- Fighting inflation and helping B40 most affected by Covid-19

