

DoSM urges caution as economy recovers

KUALA LUMPUR: Malaysia continues to be on the path to economic recovery but it should stay cautious due to global uncertainties, according to the **Department of Statistics Malaysia (DoSM)**.

Chief statistician Datuk Seri Mohd Uzir Mahidin said with the nation entering the final phase of the National Recovery Plan in January 2022, socioeconomic activities had continued to pick up.

“Nevertheless, global challenges such as climate-related disasters, ongoing geopolitical tension and supply chain disruptions are foreseen to impact Malaysia’s inflation,” he said in a statement Thursday.

Mohd Uzir said Malaysia’s economy remained on the recovery path despite the uncertainties, as indicated by the Leading Index which has consistently exceeded 100.0 points by registering 110.1 points in January 2022.

“Malaysia is on the path of reopening its international borders, which in turn will bring more positive impacts on tourism-related activities as well as the labour market to overcome issues of labour shortages in certain industries.

“While Malaysia remains optimistic for economic recovery, we should be cautious of the ongoing global uncertainties following the geopolitical instability and lockdown in cities across China,” he said.

Mohd Uzir said total trade continued to be resilient in January 2022 by recording a double-digit increase of 24.8 per cent to RM203.0 billion from RM162.6 billion a year earlier.

“Exports jumped 23.5 per cent to RM110.7 billion, (which was) higher than the imports value which increased 26.4 per cent to RM92.3 billion, leading to a trade surplus of RM18.4 billion, (an increase of) 10.9 per cent from the previous year,” he said.

In the same month, the Consumer Price Index increased by 2.3 per cent compared to the same month of the previous year mainly due to the low base effect as well as higher transport as well as food and non-alcoholic beverage costs, DoSM said.

“The rise also exceeded Malaysia’s average inflation rate of 1.9 per cent for the period 2011 to January 2022,” it noted.

Led by higher prices of the primary commodities, the Producer Price Index (PPI) for local production, which measures the costs of goods at the factory gate, surged 9.2 per cent in January 2022 compared to a 0.1 per cent decrease a year earlier, it said.

“The increase in the PPI for local production in January 2022 was mainly supported by the increase in the mining index and the agriculture, forestry and fishing index,” it explained.

DoSM said the Industrial Production Index in January 2022 increased by 4.3 per cent year-on-year driven by the manufacturing index (up 6.8 per cent) and electricity index (up 7.7 per cent),

However, it noted that the mining index recorded a decline of 5.1 per cent.

Meanwhile, the department said manufacturing sales in January 2022 stood at RM139.0 billion, expanding by 13.1 per cent on an annual basis backed by food, beverages and tobacco products, petroleum, chemical, rubber and plastic products, and electrical and electronics products.

On the unemployment scenario, DoSM said compared to January last year when the labour market was in a challenging state, the situation improved in January 2022 with the labour force rising by 346,600 people (2.2 per cent) to 16.37 million.

“The number of unemployed persons also declined further by 1.1 per cent to 680,400 persons, registering 4.2 per cent in the unemployment rate,” it added.

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