

## **Malaysia's economic recovery affected by surge in Covid-19 cases**

**Malaysiakini**

**07 June 2021**

**Bernama**

Malaysia's economic recovery is expected to be affected by the latest surge in Covid-19 infections that triggered a two-week lockdown, from June 1 to June 14.

In a research note, Moody's Analytics said its baseline forecast assumed a 5.6 percent expansion in 2021 but noted the added downside risks and heightened uncertainty.

"The lockdown will disproportionately impact domestic demand, particularly household consumption, given that only essential services are allowed to operate.

"A key concern is how much manufacturing and exports will be adversely impacted by the capacity constraints," it said.

It said manufacturing plants are only allowed to operate at 60 percent capacity

during the lockdown, which will restrict production and exports until mid-June, while Malaysia's exports have been powering ahead thanks to strong global consumer tech demand.

"Malaysia's daily Covid-19 tally has averaged between 7,000 to 8,000 since late May - Malaysia's second, but most severe, wave. The first wave was in January with daily infections averaging just over 2,500," it said.

Moody's Analytics added that Malaysia's economy navigated Covid-19 in 2020 relatively well compared with many of its Southeast Asian neighbours, as the daily Covid-19 tally stayed below the 1,000 mark through the first nine months of the year.

- Bernama

**Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd**

Source: <https://www.malaysiakini.com/news/577911>