

The pandemic has affected the economy, livelihoods of individuals, and the local industries likely. As we nearly enter the seventh month of the outbreak, things seem no different from the past. While for Asia, things have been worse. According to the [Asian Development Bank](#), the pandemic can threaten the jobs of 68 Million workers across Asia. With the highest unemployment and poverty rates, Asia is crumbling into pieces owing to the crisis, with the South- East region being the worst hit. Malaysia, one of the most "Open Economies" in the world, with a high Trade to Gross Domestic Product (GDP) is running into a total collapse. More than 40% of employment for the country comes from export-related services, and the country's openness to trade and investment has completely collapsed causing the biggest decline in its economy in decades.

Malaysia imposed its [Movement Control Order \(MCO\)](#), or a partial lockdown beginning the second half of March since then it's been extended three more times. While the number of active cases in the country is on a plunge, cascading economic scars still echo in the country. A survey conducted by the Department of Statistics reported that the rate of Job Displacement in the country's labour force, specifically in the Agriculture and Services sector has seen a lifetime high. These problems come in the backdrop of leading institutions like the [World Bank](#) and the [International Monetary Fund \(IMF\)](#) contracting the growth predictions for the country's already dipping economy. "The Covid-19 pandemic has resulted in an unprecedented crisis that requires large-scale and unconventional policy responses by governments everywhere. With the crisis severely affecting private demand and causing supply shocks, the government is tasked with the responsibility of facilitating economic recovery in the near term. Malaysia's economy remains resilient and rests on strong fundamentals. Its diversified economic structure, sound financial system, effective public health response and proactive macroeconomic policy support suggest that Malaysia will be able to ride out the storm better than many other countries," said the World Bank.



Stimulus Packages;

To curb the economic impacts of the Pandemic, like many countries Malaysia rolled out a set of [stimulus packages](#). The government announced its first stimulus package worth \$4.8 Billion in February, lion's share of which went to the hardest-hit tourism industry of the country. The second package, worth \$57 Billion was aimed at aiding the ailing business, Small and Medium enterprises, incentives to low and middle-income households and injections into the economy.

The third tranche of the stimulus package announced in April was valued at \$2.3 Billion and was used to cover wage subsidies, interest rate cuts and financial aid to businesses. The last and the fourth tranche of the stimulus was announced in June, named the [Pelan Jana Semula Ekonomi Negara \(PENJANA\)](#). Valued at \$8.1 Billion, PENJANA was primarily aimed at helping businesses recover from the pandemic's impact.

New Emergences;

With lockdowns and restrictions easing, The Malaysian Economy is expected to rise in the future. Flourishing digital ecosystems are contributing hugely to the economy during the crisis, thus leveraging the country's growth. "With its growing middle class, high mobile phone penetration rates, and strong government support for the digital economy, Malaysia is well situated to take advantage of fintech innovation", said the [IMF in a report](#). Easing travel restrictions between Malaysia and Singapore can contribute to the country's economic growth. The country's move towards RCEP for post-pandemic economic development is also strategically strong, given the country's dependence on International Trade.

Subscribe to the International Relations Updates by The Kootneeti

* indicates required

Full Name

Email Address *

Subscribe

made with  mailchimp



The views and opinions expressed in this article are those of the author and do not necessarily reflect the views of The Kootneeti Team

Facebook Comments