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## Mustapa: Indicators show signs of economic recovery

**KUALA LUMPUR:** Malaysia's economic growth is expected to improve in the second half of this year and recover next year, said Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed.

He said even though analysts generally said that the economic performance in the second half of the year would experience a contraction due to the Covid-19 impact, however the economic indicators issued by the Statistics Department had shown signs of recovery in stages.

In fact, this was supported by a better labour market in June 2020 which registered an unemployment rate of 4.9%, down from 5.3% in May 2020.

The number of unemployment had declined from 826,000 persons in May 2020 to 773,000 persons in June 2020, according to the Statistics Department.

"The International Monetary Fund and the World Bank have forecast Malaysia's gross domestic product (GDP) to record a growth of 6.3% and 6.9% respectively for 2021.

"The expectation of a V-shaped recovery is following the moves by the government which has reopened all economic sectors and implement the Prihatin Rakyat Economic Stimulus Package (Prihatin) as well as the National Economic Recovery Plan (Penjana)," he said.

Mustapa said this in his winding-up speech on the debate on the motion of thanks for the Yang di-Pertuan Agong's royal address for his ministry in the Dewan Rakyat here.

Mustapa explained that taking into account the global economic environment which is very challenging, the country's economic growth would be more focused on the domestic economic activities.

The contribution of domestic consumption to the economy in the first quarter of 2020 was 74%, he said.

"The domestic consumption indicator shows that household consumption is improving in line with the better performance for retail trade volume and motor vehicles," he said. — Bernama