

# KERATAN AKHBAR

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PETALING JAYA: Asian economies are expected to see a gloomy start in 2023, but it would not be for long with Malaysia seen to be relatively resilient among Asean countries, says the Institute of Chartered Accountants in England and Wales (ICAEW).

ICAEW noted that experts and analysts have warned of an impending recession in 2023 with inflation affecting many countries globally, along with supply chain disruptions.

"The rise in commodity prices and freight rates have since been corrected due to a sharp decline in consumer demand.

"Though there is a clear indication that a recession is due, Asia is expected to stand strong amid a gloomy outlook," ICAEW said in its Economic Insight Forum for the fourth quarter of 2022.

Although the global economy is expected to face a decline for the first two quarters of next year, the recession would be milder compared to past recessions in history, it added.

And despite a potential turn for the better in the second half of the year, Asia's export-oriented manufacturing is expected to take a hit in 2023 with Korea and Taiwan forecast to see a steep 40% drop in their merchandise export growth value while Asean countries will fare slightly better with a 20% drop.

ICAEW also highlighted that one of the key pillars of growth – tourism – is expected to face some slack in 2023 unlike the vast improvements seen in 2021 and 2022 when borders first reopened.

International travel to South-East Asia is also expected to see a slower pace of recovery in 2023 compared to the South Asia and Oceania regions.

"Due to Malaysia's gross domestic product being relatively less dependent on net trade and tourism compared to other economies in Asean, it is projected to be less impacted by exogenous factors and the global recession being forecast next year," it said. – Bernama