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МАКРОЭКОНОМИЧЕСКОЕ РАЗВИТИЕ МАЛАЙЗИИ

Аннотация: целью данной статьи является изучение макроэкономических показателей Малайзии и влияния пандемии Covid-19 на экономику Малайзии.

Ключевые слова: макроэкономические показатели, Малайзия.

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MACROECONOMIC DEVELOPMENT OF MALAYSIA

Abstract: The goal of this paper is to study macroeconomic indicators of Malaysia and to clarify how the recent pandemic Covid-19 had impacted the Malaysian economy.

Key words: macroeconomic indicators, Malaysia

According to verified information from the World Bank, Malaysia's GDP was worth 372.70 billion US dollars in 2021. Malaysia's GDP accounts for 0.03 percent of the global economy. Based on an analysis on GDP growth rate in Malaysia since 1961-2022 Malaysia had the highest decline rate in 1997 which was -7.36% and increased back 6.17% in 2000. Research has been conducted regarding the tragedy and academics claim that the widespread implementation of financial deregulation in the banking industry and capital accounts was the primary cause of it. One of the factors affecting GDP is the construction sector's growth in national income. The degree of investment in the sector determines the output of the construction industry. It changes depending on the economy's investment in construction. In comparison to average GDP growth of 5.92% with a standard deviation of 4.34% throughout the period of 1991 to 2010, the construction sector experienced average growth of 4.74% with a standard deviation of 9.60%. The construction industry experienced its highest growth of 21% in 1995 and its highest decline of 23% in 1998. While the largest GDP growth of 10% occurred in 1996, the highest economic recession of -7% occurred in 1998. In contrast to the second decade, the first decade of Vision 2020's construction industry and GDP growth were significantly higher (2001-2010). In comparison to the 7.2% average GDP growth between 1991 and 2000, the average growth in construction was 7.22%. In contrast, it was 2.27% compared to the 4.64% average economic growth between 2001 and 2010 [2].

Malaysia's unemployment rate is steady at about 3%, which indicates that the country's population is almost entirely employed. With a rate of 2.85 percent, the nation's unemployment rate was at its lowest ever in 2014. Malaysia has been sustaining such a low unemployment rate and good growth rates each year, along with years of political stability. Nevertheless, despite these encouraging numbers, news reports claim that the three percent of job searchers and unemployed are primarily young people, both graduates and non-graduates, who have had difficulty breaking into the employment market. This is proven due to the fact that in a study

the highest rate of youth unemployment, at 10.9 percent, was experienced in Malaysia. Although Malaysia has the third-highest youth unemployment rate in ASEAN behind the Philippines and Indonesia, it is still lower than the region's 12.2 percent average. The threat posed by youth unemployment to the slower structure of economic growth rates is being acknowledged more and more. Malaysia has faced a danger from youth unemployment since it can have a long-term detrimental impact on young job searchers' lifetime earnings and well-being. It will have a significant influence on the overall economy, pulling down productivity and weakening the development of human capital among the workers. The issue of young unemployment in Malaysia has numerous facets, depending on factors including age, income, and location. Over the past ten years, Malaysia's youth unemployment rate has increased; as of 2018, there are 504,000 people without jobs, with young people making up 60% of the total. In addition, the Ministry of Education reported that 57,000 of the 173,000 2018 graduates were still looking for work after searching for positions for almost six months. The primary cause of this situation's occurrence is the mismatch between graduates' educational backgrounds and the requirements of the nation's labor force. Additionally, it demonstrates that 86.9% of the 1.47 million open positions are for low-skilled positions. It also demonstrates that only 4.7% of young graduates who are unemployed actually need postsecondary education [3].

As for the main income, Malaysia's leading sectors include light manufacturing, petroleum and natural gas, rubber and oil palm processing and manufacturing, and pharmaceuticals.

It is undeniable that, Covid 19 has a detrimental effect on the economy of Malaysia. The sources of harm to the Malaysian economy are twofold: the first is permanent and results from the effects of the coronavirus overseas, while the second is locally produced and is attributable to earlier restrictions on national movement [8].

Global GDP growth and inflation were impacted by COVID-19, and Malaysia was no exception [12].

With a high unemployment rate and a decline in the value of the Malaysian Ringgit relative to the US dollar, COVID-19's effects on Malaysia's economy may be noticed. There are 508,200 unemployed people in Malaysia as of 2019, according to the country's 3.3% unemployment rate. The COVID-19 pandemic has had a significant negative impact on Malaysia's economy. By contrasting the unemployment rate in Malaysia, this may be demonstrated. The unemployment rate is 3.2% in January 2020, but it rises steadily until May 2020, when it hits 5.3% [6].

On the other hand, the foreign exchange rate can be used to estimate the relative level of economic health. This is so because a country's level of trade is greatly influenced by the foreign exchange rate. The exchange rate for Malaysia is RM4.08 for 1 USD in March 2019 and has fallen to RM4.26 for 1 USD in July 2020. As evidence, look at Figure 2 below. The cost of imported raw materials is growing, which will cause cost-push inflation as exchange rates weaken. Due to the fact that most manufacturing equipment in Malaysia is imported from China and Japan, this will have an influence on practically all sectors. The purchasing power of Malaysian Ringgit is negatively impacted by a weaker currency since more Malaysian Ringgit are needed to trade for US Dollars. This indicates that as purchasing power declines, Malaysian individuals' living conditions decline as well [9].

The tourism industry is one of the areas in Malaysia that has been negatively impacted by the COVID-19 outbreak. According to data gathered, there has been a sharp decline in the number of tourists visiting Malaysia. The overall number of visitors to Malaysia in 2019 was 26,100,784, however by the middle of 2020, that number had dropped by 21,847,787 to 4,252,997. Since it is widely known that Malaysia's tourist industry contributes significantly to economic growth by encouraging foreign spending on goods and services there. A portion of the tourism business will be compelled to close down if the number of visitors continues to decline because of unconscionable losses and the inability to cover employee salaries. Other non-essential sectors were also compelled to halt operations during

the MCO at the same time. To stop the spread of COVID-19 in Malaysia, for example, economic activity in the manufacturing and construction sectors was suspended. It is crucial that the government provide the impacted sectors with financial support because of this. This is consistent with Keynesian thinking towards government simulations during a recession [1].

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