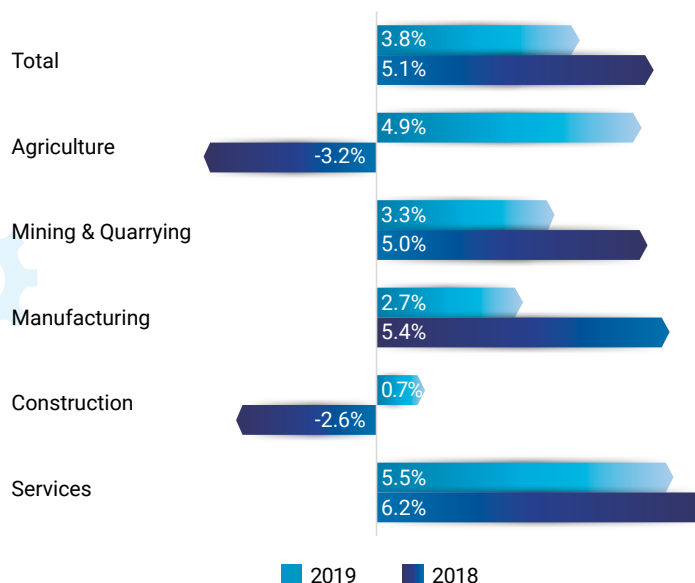


## Penang's Key Economic Highlights

### GDP recorded a moderate growth

- GDP growth held back by slower growth in the manufacturing and services sectors
- Growth in manufacturing activities affected by reduced inflow of investment in previous year.
- Services sector spearheaded by a surge in tourism

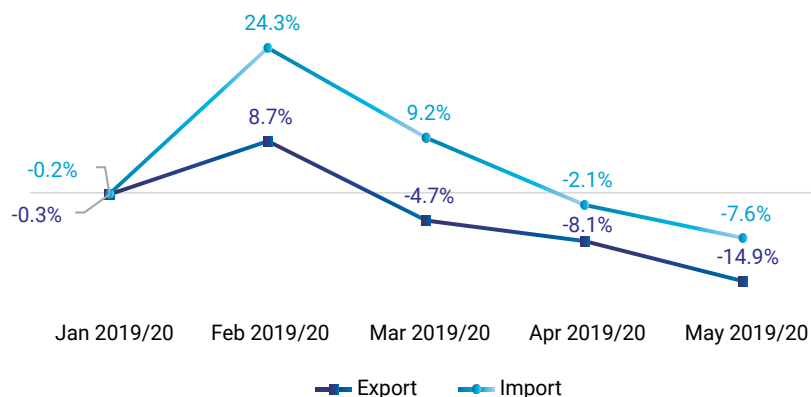


Source: Department of Statistics, Malaysia.

### Huge hits to export and import

Severe decline in commodities trade performance due to:

- Border closure and forced quarantines
- Supply chain disruptions
- Lower disposable household income
- Greater economic uncertainty
- Shift of spending away from durables to non-durables

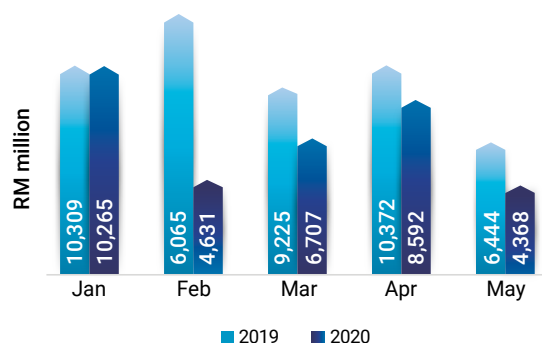


Source: Department of Statistics, Malaysia.

### Net Exports Remain Positive Albeit Lower

Penang's balance of trade remains positive despite the disruption caused by the COVID-19 pandemic.

Balance of trade (January to May, 2019-2020)

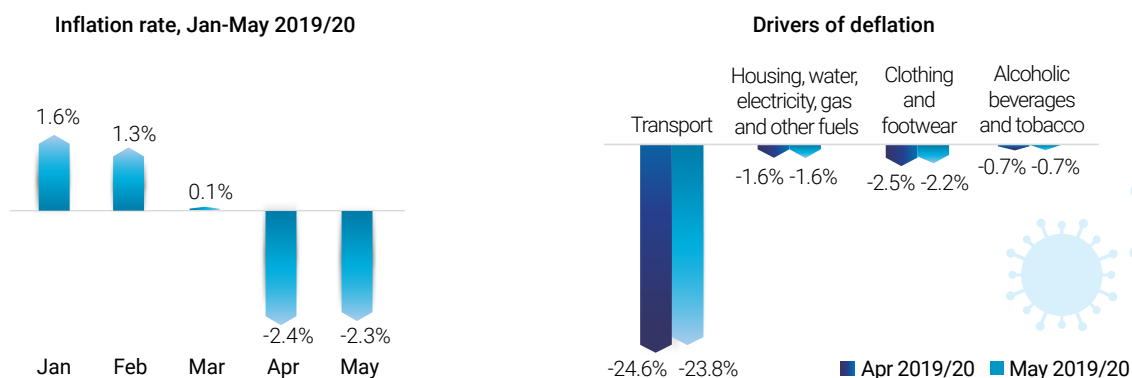


Source: Department of Statistics, Malaysia.

## CPI dropped primarily due to the MCO

Spending opportunities and the purchasing power of the consumers greatly reduced during the period of MCO.

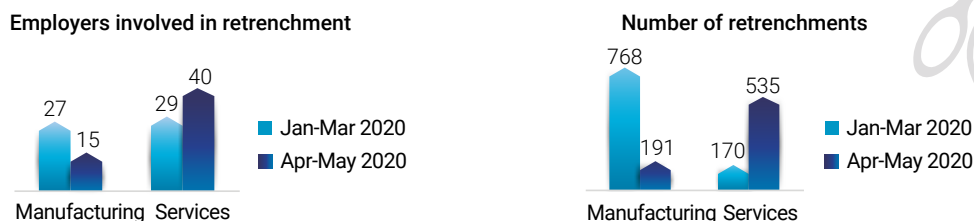
The main attributer of deflation was lower transport prices coupled with the price war over fuel early 2020.



Source: Department of Statistics, Malaysia.

## Increased retrenchments

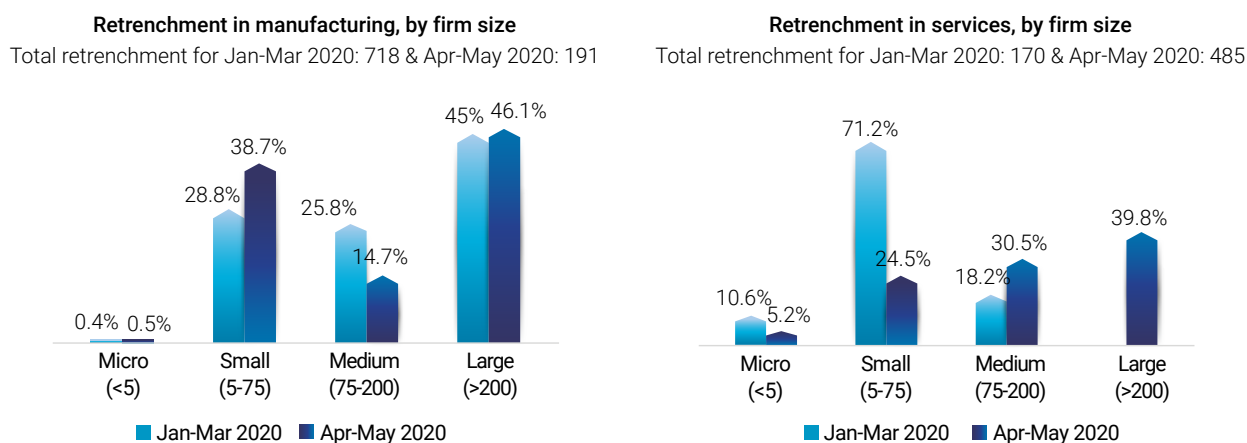
- More retrenchments in services sector than manufacturing sector after MCO
- Supply chain disruptions due to border closures and lockdowns
- Weak global demand
- Steep decline in revenue for the tourism sector



Source: State Labour Department, Penang.

## MSMEs bear the brunt of recession

- The bulk of retrenchments in manufacturing and services sectors are contributed by MSMEs
- Retrenchments in large firms from services sector are an anomaly because of the unprecedented MCO



Note: Discrepancy in total retrenchment may be due to the unavailable information related to firm size.

Source: State Labour Department, Penang.