

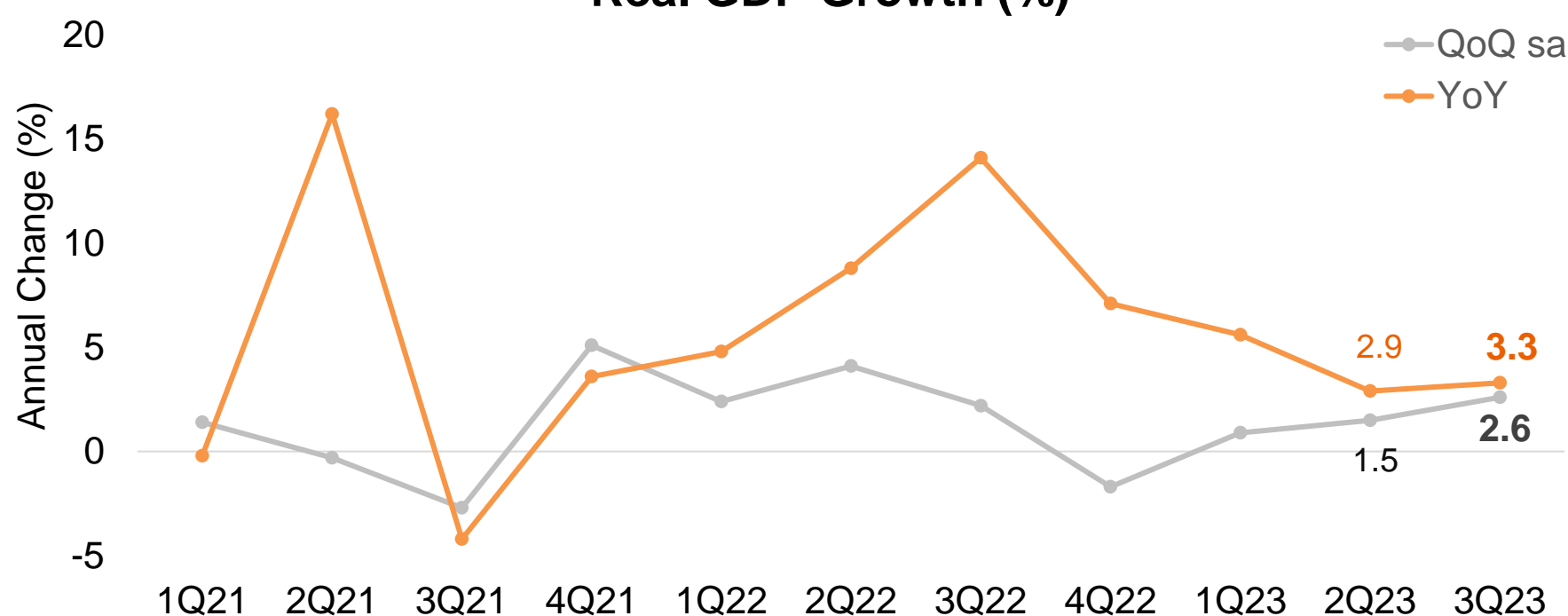
GROSS DOMESTIC PRODUCT

INCREASE BY 3.3% IN 3Q 2023

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Malaysia's GDP grew by 3.3% YoY in 3Q 2023 (2Q: 2.9%)

Real GDP Growth (%)



KEY DRIVERS



Labour market under full employment condition



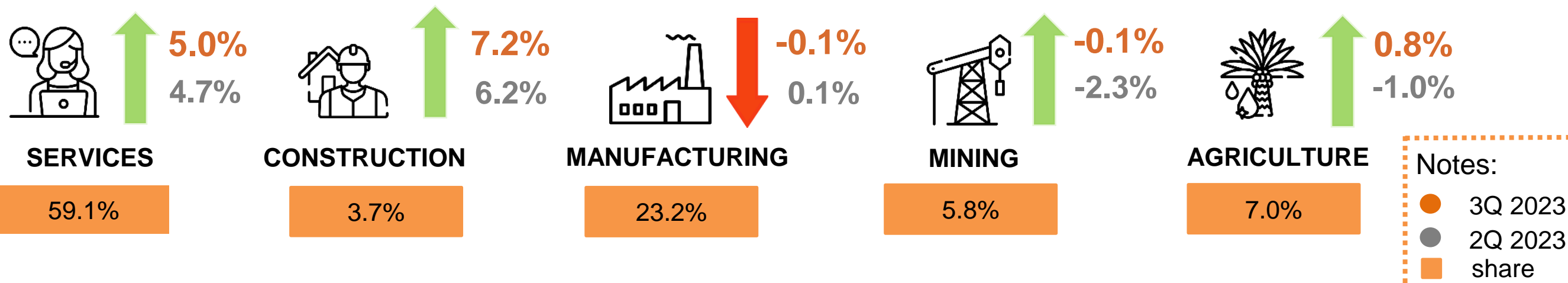
Further recovery in tourism activities



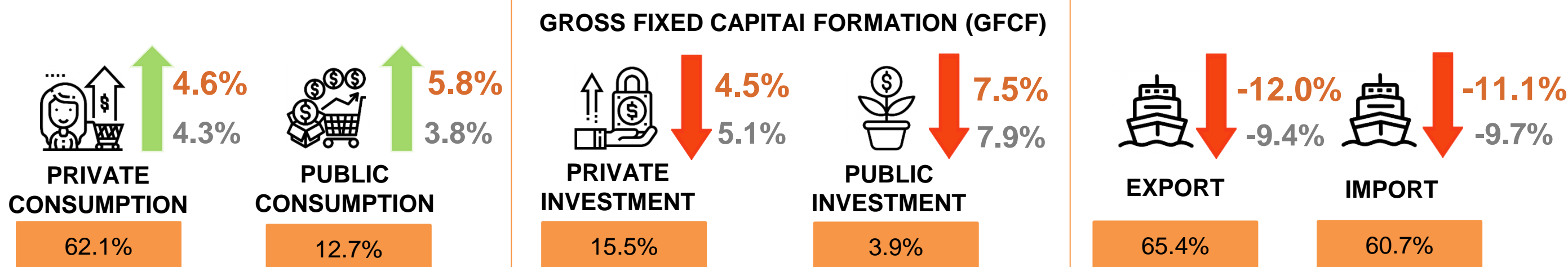
Higher construction activity

ECONOMIC PERFORMANCE (% YoY)

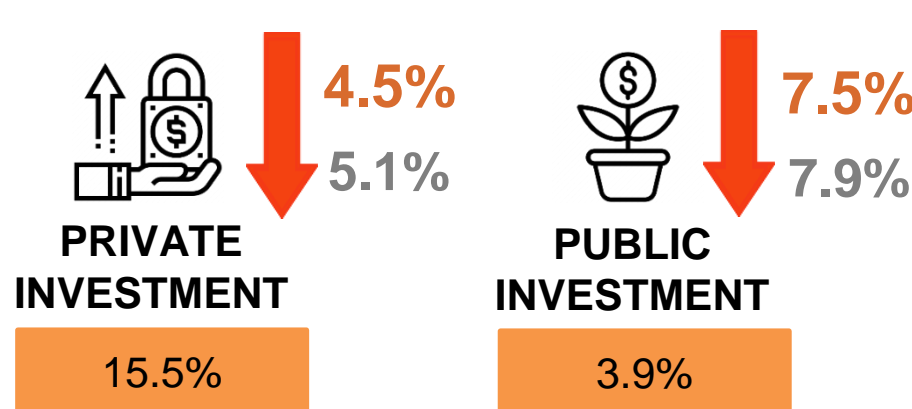
PRODUCTION



EXPENDITURE



GROSS FIXED CAPITAL FORMATION (GFCF)



HIGHLIGHTS

- The 3.3% YoY growth was slightly higher than our forecast of 3.1% as well as Bloomberg's median consensus of 3.2%.
- The expansion was fueled by the **resilience of domestic demand**. Both private (4.6% YoY) and public (5.8% YoY) consumption increased more robustly than in the 2Q (4.3% and 5.1%, respectively). Besides that, private and government investment continued growing albeit at moderating pace of at 4.5% YoY (2Q: 5.1%) and 7.5% YoY (2Q: 7.9%), respectively.
- Weaknesses at the external front became more evident** with exports and imports posted larger contraction at 12.0% YoY and 11.1% YoY (2Q: -9.4% and -9.7%) respectively. Hence, net exports declined 22.7% YoY (2Q: 3.7%).
- By production, services sector expanded by 5.0% YoY, with **significant contributions came from wholesale & retail trade, transportation & storage, and business services**, among others. Besides that, agriculture sector rebounded to 0.8% YoY from a fall in the previous quarter. In contrast, manufacturing sector saw a slight decline of 0.1% YoY. Mining sector remained in contraction however at a much softer pace.
- The labor market conditions saw continuous improvement, and higher tourism activities further supported overall growth.
- On QoQ seasonally adjusted basis, the economy rose by **2.6%**, above previous quarter's growth of 1.5%.
- For the **9M 2023**, GDP grew by 3.9% YoY. For the full year of 2023, GDP growth is expected to be at the **lower tail of in-house GDP forecast of 4.0% to 5.0%**.

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