

GROSS DOMESTIC PRODUCT

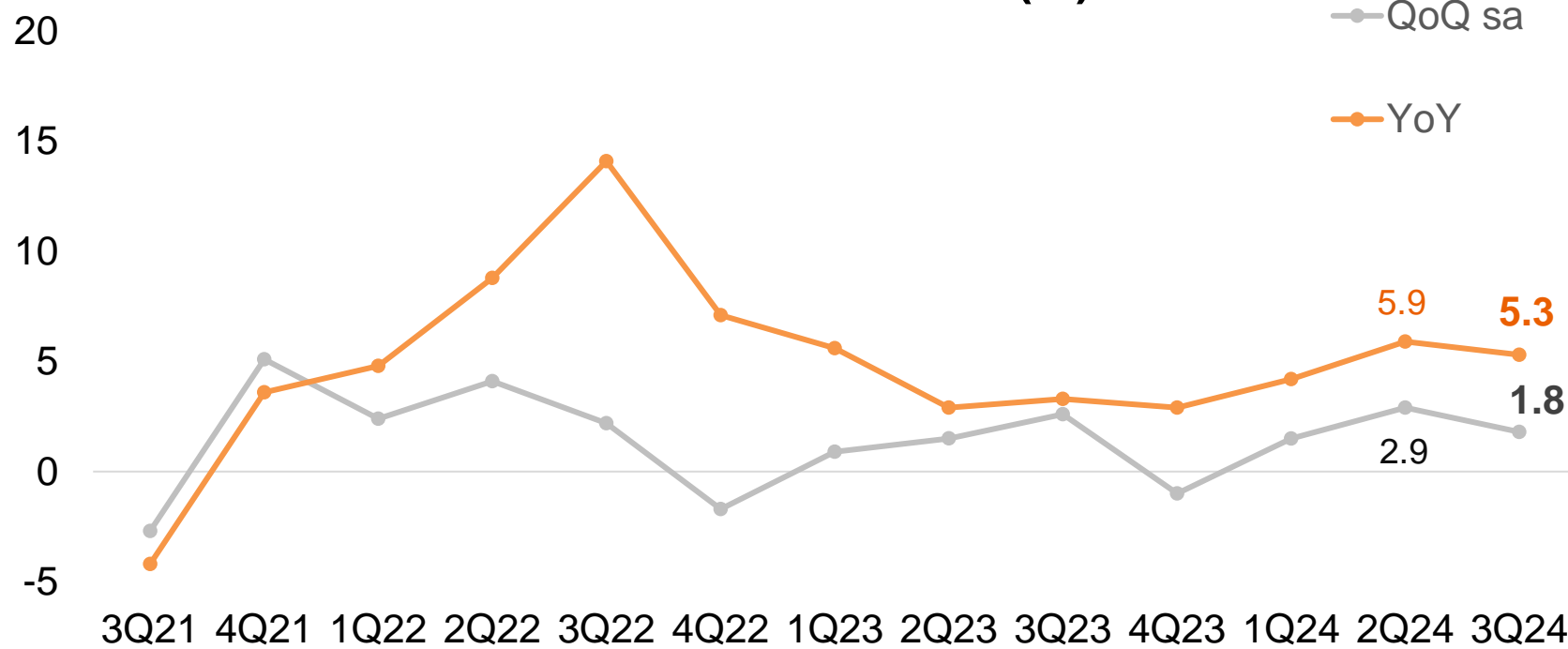
EXPANDED BY 5.3% IN 3Q 2024 (2Q: 5.9%)

Malaysia's GDP matches advance estimate of 5.3%

Prepared by:

- Lynette Lee
- Mazlina Abdul Rahman
- Uswatun Hasanah Zaini

Real GDP Growth (%)



KEY DRIVERS



Positive labour market and supportive policies



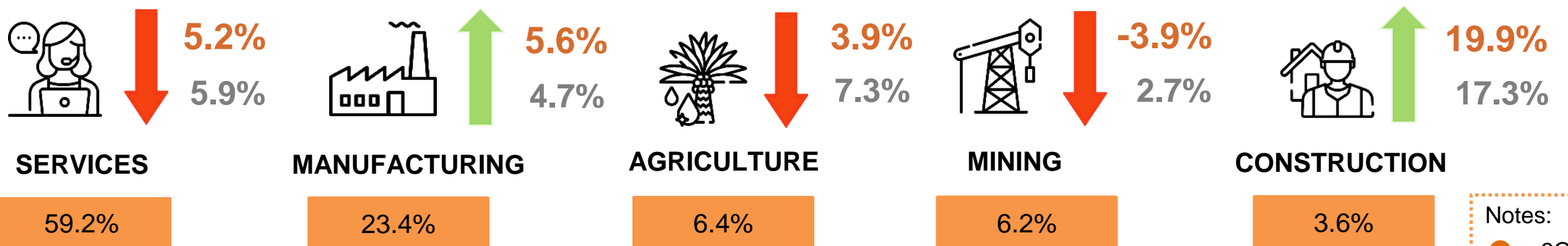
Higher exports of goods and services



Stronger investment activities

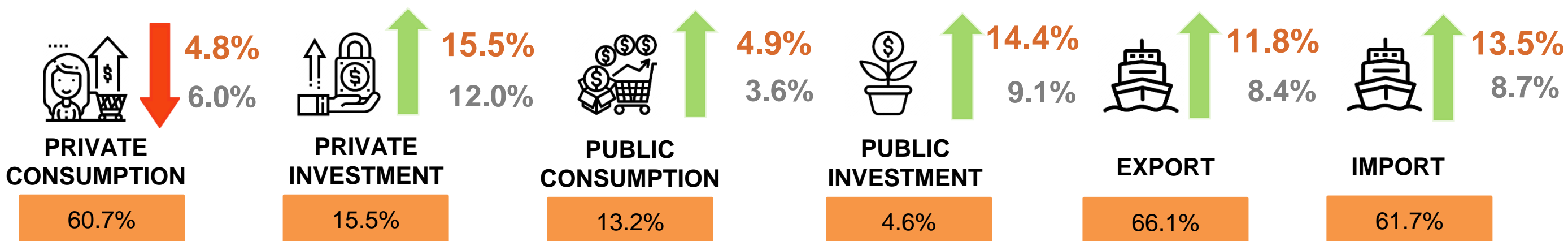
ECONOMIC PERFORMANCE (% YoY)

PRODUCTION



Notes:
● 3Q 2024
● 2Q 204
■ Share 2023

EXPENDITURE



HIGHLIGHTS

- Malaysia's economy **expanded by 5.3% YoY (1Q: 5.9%) in line with consensus** (Bloomberg: 5.3%; SME Bank: 5.2%).
- In line with our expectation, services (5.2% YoY) and agriculture (3.9% YoY) **expanded at a slower pace** while **mining fell** (-3.9%) after three consecutive quarters of growth, due to **maintenance activities**. The moderation in services was mainly dragged by key subsectors such as retail trade (3Q: 4.0% vs 2Q: 5.6%), motor vehicles (3Q: 3.5% vs 2Q: 8.2%) and finance (3Q: 3.6% vs 2Q: 6.2%).
- On the other hand, construction and manufacturing sector **continued growing at a higher pace, propelled by expansion in all subsectors except for the manufacturing of electrical equipment** (-0.4%).
- By expenditure, **investment growth has been robust** with double digit growth from both private (15.5%) and public investment (14.4%). Public consumption also grew at a faster pace of 4.9%. However, these were **insufficient to fully offset the moderation in private consumption** (4.8%) as it accounted for the largest share of GDP at 60.7%.
- Moreover, as the **gap between import** (3Q: 13.5% vs 2Q: 8.7%) **and export** (3Q: 11.8% vs 2Q: 8.4%) **became more pronounced** in 3Q, net exports declined -8.8% (2Q 3.4%). Nonetheless, stronger import growth was driven by **high demand for capital and intermediate goods**.
- On QoQ seasonally adjusted basis, the GDP growth eased to 1.8% (2Q: 2.9%).
- YTD, GDP grew by 5.2% YoY, on track to land within our in-house GDP forecast range of 4.3% - 5.3% (MOF: 4.8% - 5.3%) for 2024.

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