

DEVELOPMENTS IN THE MALAYSIAN ECONOMY

Sustained growth momentum supported by stronger exports

The Malaysian economy registered a growth of 6.3% (1Q 08: 7.1%) in the second quarter of 2008. Growth was supported by stronger export performance, while domestic demand expanded at a more moderate pace in an environment of higher prices and costs. On the supply side, growth was driven by the key sectors of the economy.

Domestic demand moderated

Domestic demand moderated to 7.8% in the second quarter (1Q 08: 10%) reflecting mainly the effects of higher prices and more cautious outlook by consumers and businesses.

	2007		2008		
	2Q	1H	1Q	2Q	1H
	Annual change (%)				
Aggregate Domestic Demand (excluding stocks)	10.2	9.1	10.0	7.8	8.9
Consumption	11.9	9.7	11.5	8.6	10.0
<i>Private sector</i>	12.3	9.9	11.7	9.0	10.3
<i>Public sector</i>	10.4	9.0	10.5	7.1	8.7
Gross Fixed Capital Formation	6.0	7.6	6.0	5.6	5.8
Net Exports	10.3	-2.1	26.4	20.0	23.1
<i>Exports of Goods and Services</i>	3.4	2.9	6.0	9.7	7.9
<i>Imports of Goods and Services</i>	2.6	3.6	3.4	8.4	5.9
GDP	5.7	5.6	7.1	6.3	6.7

Source: Department of Statistics, Malaysia

Private consumption expenditure grew by 9%. Although major consumption indicators such as credit card spending, imports of consumption goods as well as loans disbursed to households pointed to higher nominal consumer spending activities during the quarter, growth of private consumption in real terms moderated due to higher prices of consumer goods, particularly

in May and June. Concerns over rising prices following the subsidy restructuring also had affected consumer sentiments as reflected by the drop in the MIER Consumer Sentiment Index to 70.5 points during the quarter (1Q 08: 115.5 points).

Public consumption continued to record a growth of 7.1% due to higher expenditure on emoluments, defence, supplies and services.

Gross fixed capital formation was sustained at 5.6% in the second quarter (1Q 08: 6%). Investment activity was supported by the continued inflow of foreign direct investment, mainly into the services and manufacturing sectors. While indicators such as imports of capital goods pointed to continuing investment activities, the higher cost of capital goods has moderated investment spending in real terms. In addition, business sentiments as indicated by the MIER Business Conditions Index moderated slightly to 114.1 points (1Q 08: 119.9 points). Meanwhile, the development expenditure of the government was higher, channelled mainly into education, improvement of public utilities, social welfare services and transport infrastructure.

Business confidence moderated slightly while consumer sentiment declined significantly



Growth supported by the key sectors of the economy

On the sectoral front, the key sectors of the economy contributed positively to growth, except for mining. The services sector benefited from trade, finance and consumption-related activities. Strong performance in domestic-oriented industries led the growth in the manufacturing sector, while growth in the agriculture sector was underpinned by double-digit expansion in crude palm oil output. The construction sector grew at a moderate pace amidst an environment of rising cost of building materials. Meanwhile, the mining sector contracted slightly due to lower output of natural gas.

Quarterly GDP by Kind of Economic Activity at Year 2000 Prices

	2007		2008		
	2Q	1H	1Q	2Q	1H
	Annual change in (%)				
Agriculture	-1.5	1.0	6.3	5.9	6.1
Mining	7.8	3.5	3.7	-0.5	1.6
Manufacturing	1.5	1.8	7.0	5.6	6.3
Construction	4.8	4.5	5.3	3.9	4.5
Services	9.4	9.4	7.9	7.6	7.8
Real GDP (Annual Change)	5.7	5.6	7.1	6.3	6.7
Real GDP (Preceding Change)	3.1	0.0	-1.8	2.3	-0.3

Source: Department of Statistics, Malaysia

Strong performance in services sector

The **services sector** expanded by 7.6% led by strong growth in the wholesale and retail trade as well as favourable performance in the communication; transport and storage; and finance and insurance sub-sectors.

The **wholesale and retail trade** sub-sector recorded a higher growth of 12.6% (1Q 08: 11.9%), supported by continued consumption activities, especially in the motor vehicle segment as well as higher tourism activities. Similarly, growth in the **communication** sub-sector was higher, driven by strong demand for voice and data services, particularly from the broadband segment.

Meanwhile, growth in the **transport and storage** sub-sector was sustained due to strong trade-related activities. Growth in the **finance and insurance** sub-sector remained favourable (7.5%; 1Q 08: 9.9%), supported by lending activities as well growth in the fee-based and insurance segments.

Performance in the Services Sector (value added at year 2000 prices)

	Share 2007 (%)	2007		2008		
		2Q	1H	1Q	2Q	1H
		Annual change in (%)				
Intermediate Services	43.7	11.8	12.3	8.4	6.9	7.6
Finance & insurance	19.9	11.6	12.6	9.9	7.5	8.7
Real estate & business services	9.8	17.4	19.9	4.8	3.9	4.4
Transport & storage	7.0	9.0	7.3	9.9	8.1	9.0
Communication	7.0	8.1	6.7	7.5	7.9	7.7
Final Services	56.3	7.7	7.2	7.5	8.2	7.9
Electricity, gas & water	5.6	5.6	4.9	4.6	4.1	4.4
Wholesale & retail trade	22.8	12.1	10.7	11.9	12.6	12.3
Accommodation & restaurant	4.4	10.4	9.1	10.0	7.3	8.6
Government services	12.9	2.9	4.6	2.8	5.1	4.0
Other services	10.6	5.1	4.4	5.0	5.4	5.2
Total Services	100.0	9.4	9.4	7.9	7.6	7.8

Source: Department of Statistics, Malaysia

Selected Quarterly Indicators in the Services Sector

	2007				2008	
	1Q	2Q	3Q	4Q	1Q	2Q
Percentage at end-period (%)						
Cellular phone penetration rate	77.0	78.2	80.8	85.1	87.9	90.6
Internet <i>dial-up</i> subscribers penetration rate	14.0	14.2	14.3	14.3	14.5	14.4
Broadband subscribers penetration rate	3.7	4.1	4.5	5.0	5.4	5.5
Index						
MIER Consumer Sentiment Index	124.1	115.9	117.5	110.7	115.5	70.5
MIER Retail Trade Index	118.8	129.5	145.9	141.2	106.1	94.5
MIER Tourism Market Index	133.8	131.6	131.1	133.6	120.3	107.5
Annual change (%)						
Total consumption credit outstanding	7.8	7.4	7.1	7.3	7.2	9.6
Loans outstanding to the wholesale & retail trade, hotels & restaurants	1.8	-0.2	6.1	7.2	10.5	15.4
Imports of consumption goods	8.9	1.1	1.2	3.8	5.6	21.1
Total sales of motor vehicles	-15.3	-9.1	4.9	19.0	24.6	27.1
Container cargo handled (Port Klang and PTP)	18.5	12.2	9.7	14.4	9.7	9.4

Source: Various sources

Domestic-oriented industries supported the manufacturing sector

Value-added growth in the manufacturing sector expanded by 5.6% (1Q 08: 7%), supported by strong performance of the domestic-oriented industries as well as selected resource-based industries which are export-oriented.

Growth of **domestic-oriented industries** remained strong, expanding by 12.9% (1Q 08: 14.8%), driven by higher production in transport equipment, food and construction-related materials industries. The transport equipment industry benefited from the strong sales of new motor vehicles, while the construction-related materials industry was supported by strong regional demand and continued growth in the domestic construction sector.

Production of **export-oriented industries** moderated to grow by 2.1% during the quarter (1Q 08: 4.6%) on the lower output of computers and parts as demand from US slowed and production of petroleum and basic chemical products declined due to lower output of natural gas during the quarter. Nevertheless, output in electronics and electrical products (E&E) industry was sustained, driven predominantly by higher external demand for electrical products, particularly audio visual products, and semiconductors. Output of semiconductors was in line with the rising trend of global

Performance in the Manufacturing Sector

	2007		2008		
	2Q	1H	1Q	2Q	1H
Annual change (%)					
Value Added (Constant Price)	1.5	1.8	7.0	5.6	6.3
Overall Production	0.1	0.4	6.6	4.3	5.4
Export-oriented industries	-1.6	-0.9	4.6	2.1	3.3
<i>Of which:</i>					
Electronics and electrical	-5.8	-5.6	3.1	2.9	3.0
Electronics	-4.0	-4.0	3.9	2.7	3.3
Electrical	-11.1	-10.7	0.5	3.6	2.0
Chemicals and chemical products	1.3	4.2	4.3	2.0	3.2
Petroleum products ¹	11.3	8.1	8.2	-2.0	3.1
Rubber products	2.7	9.5	2.4	6.0	4.2
Off-estate processing	-12.7	-7.5	20.2	18.1	19.1
Domestic-oriented industries	6.8	5.9	14.8	12.9	13.8
<i>Of which:</i>					
Construction-related materials ²	7.2	5.3	14.6	8.4	11.3
Fabricated metal products	22.0	22.0	16.0	13.6	14.7
Transport equipment	-12.8	-17.4	25.7	28.4	27.1
Food	7.6	11.7	8.9	11.0	10.0

¹ Under the new Industrial Production Index (2000=100), LNG has been reclassified as petroleum products (previously classified as chemicals and chemical products). Consequently, petroleum products have been reclassified as export-oriented industries

² Includes iron & steel and non-ferrous metal as well as non-metallic mineral products

Source: Department of Statistics, Malaysia

semiconductor sales following continued demand for electronic products. Meanwhile, selected **resource-based industries** such as off-estate processing and rubber products continued to lend some support to the export-oriented industries. The strong growth in the off-estate processing industry was in tandem with the production of crude palm oil, while the rubber products industry was underpinned by higher external demand for rubber gloves.

The overall **capacity utilisation** in the manufacturing sector remained unchanged at 78% in the second quarter, with the export-oriented and domestic-oriented industries operating at 79% and 75% respectively (1Q 08: 79% and 74% respectively).

Strong growth in the agriculture sector

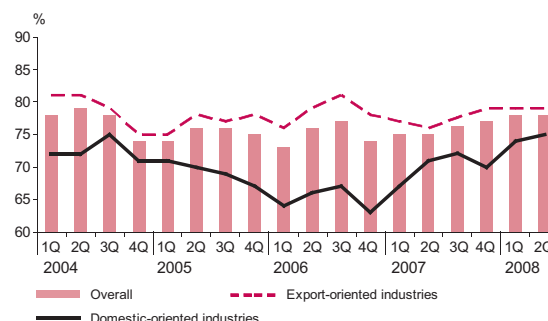
The **agriculture sector** continued to record a strong growth of 5.9% in the second quarter, driven by double-digit growth in crude palm oil production (21.8%), and further supported by better performance in paddy, livestock and fisheries sub-sectors. The **mining sector**, however, recorded a marginal decline due to lower output of natural gas. However, crude oil production (including condensates) increased by 0.7% during the quarter to 681,104 barrels per day.

Performance in the Mining Sector

	2007		2008		
	2Q	1H	1Q	2Q	1H
	Annual change (%)				
Value Added (at year 2000 prices)	7.8	3.5	3.7	-0.5	1.6
Production					
Of which:					
Crude oil and condensates	4.6	0.5	7.0	3.6	5.3
Natural gas (net)	8.5	5.8	-1.2	-6.8	-4.0
Exports (RM million)					
Of which:					
Crude oil and condensates	-6.1	-7.3	49.6	63.7	56.8
Liquefied natural gas	28.8	14.9	24.7	34.8	29.6

Source: PETRONAS
Department of Statistics, Malaysia

Capacity Utilisation Rate in the Manufacturing Sector *



* Beginning 2004, the capacity utilisation rate in the manufacturing sector has been rebased from value-add in year 2000 to value-add in year 2004

Performance in the Agriculture Sector

	2007		2008		
	2Q	1H	1Q	2Q	1H
	Annual change (%)				
Value Added (at year 2000 prices)	-1.5	1.0	6.3	5.9	6.1
Industrial Crops	-4.6	-0.7	9.1	7.2	8.1
Food Crops	3.1	3.5	2.5	4.2	3.4
Production					
Of which:					
Crude palm oil	-13.3	-8.0	23.9	21.8	22.8
Rubber	1.4	-3.3	-2.1	-6.9	-4.3
Fish	-4.5	-0.6	0.4	1.9	1.2
Livestock	12.8	15.5	0.9	4.1	2.4
Exports (RM million)					
Of which:					
Palm oil	39.5	29.4	100.9	84.5	91.5
Rubber	-18.0	-15.6	30.8	21.8	26.2
Sawn timber	-1.8	2.7	-16.5	-22.0	-19.2
Saw logs	-3.4	-7.0	-1.7	10.5	4.6

Source: Malaysian Palm Oil Board (MPOB)
Malaysian Rubber Board (MRB)
Fisheries Department Malaysia
Veterinary Services Department, Malaysia
Department of Statistics, Malaysia

Moderate growth in the construction sector

The **construction sector** expanded by 3.9% during the quarter (1Q 08: 5.3%) as the uncertainty on prices of building materials led to moderation in growth in the civil engineering sub-sector. However, the overall growth was supported by the residential sub-sector, particularly in the high-end segment. The non-residential segment continued to be supported by demand for office space, especially in Kuala Lumpur.

	2007		2008		
	2Q	1H	1Q	2Q	1H
	Annual change (%)				
New sales and advertising permits	-6.3	0.4	-6.4	10.9	2.0
Housing approvals	-24.8	-17.5	10.6	28.5	19.1
Production of construction-related materials	7.2	5.3	14.6	8.4	11.3
Loans approved for construction	103.8	94.8	74.4	-12.4	20.5
Imports of construction materials and mineral products	8.4	10.4	8.3	6.4 ¹	7.5 ²

¹April-May 2008
²January-May 2008
Source: Ministry of Housing and Local Government and Department of Statistics, Malaysia

Inflation was higher in the second quarter

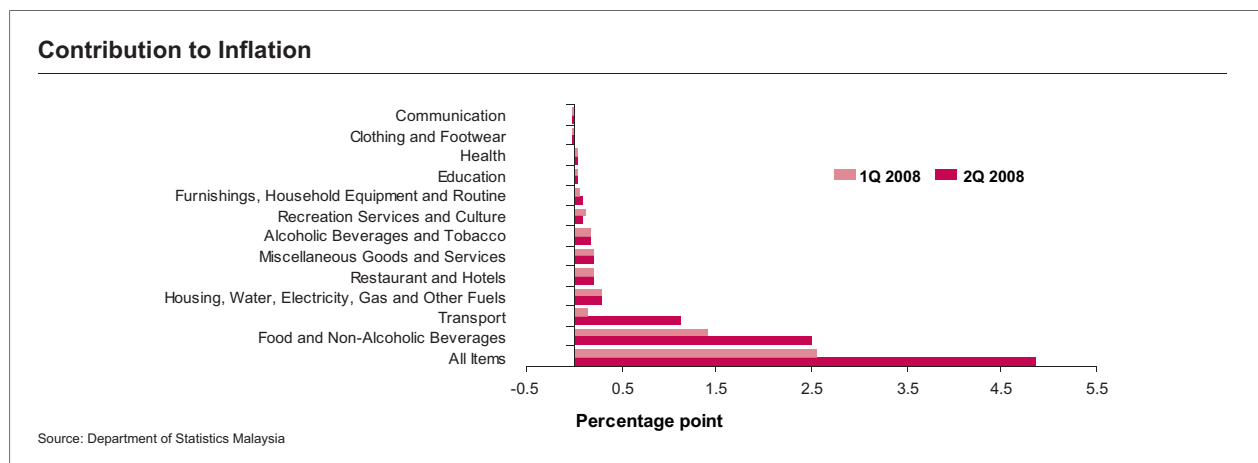
Headline inflation rose to 4.8% in the second quarter (1Q 08: 2.6%) mainly reflecting higher prices in the transport and food categories. Prices in the transport category increased by an average of 7.1% (1Q 08: 0.9%), primarily as a result of the new retail prices for petrol and diesel announced by the Government on 4 June 2008.

Prices in the food and non-alcoholic beverages category rose by 8% during the period, accounting for 52% of the overall inflation rate. High domestic rice prices, following soaring global rice prices contributed to the increase. Nevertheless, since May 2008 international rice prices have softened and are expected to limit further upward pressures on domestic rice prices. Meanwhile, price increases were also recorded in the alcoholic beverages and tobacco; restaurants and hotels; and miscellaneous goods and services categories.

In contrast, prices were lower in the communication; and clothing and footwear categories, reflecting the strong competition among producers in both markets. The price declines in these categories moderated the rise in headline inflation.

Headline inflation is expected to remain at elevated levels from June 2008, before beginning to moderate towards the middle of 2009.

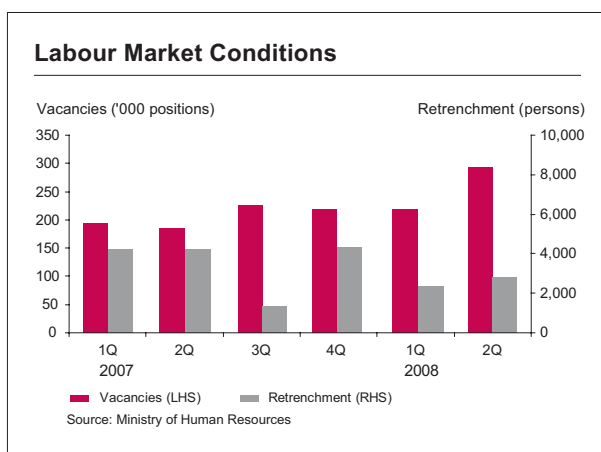
Producer price index (PPI) inflation increased to 12.3% (1Q 08: 9.7%) due to higher prices in both the commodity and non-commodity-based components of the PPI. Price increases in the commodity-based PPI components remained high due to elevated global prices for raw materials such as crude oil, rubber and crude palm oil. Meanwhile, prices in the non-commodity-based PPI components increased at a faster pace, reflecting increased cost pressures facing domestic producers.



In terms of composition, prices in the local component of the PPI increased to 15.4% (1Q 08: 11.2%). This reflected higher prices in the food and live animals; mineral fuels, lubricants and related materials; and chemical and related product categories. However, the imported component of the PPI rose at a slower rate of 6.1% (1Q 08: 6.6%) due to slower price increases mainly in the machinery and transport equipment; and manufactured goods classified chiefly by material categories.

Labour market conditions remained stable

While there was a marginal increase in retrenchments, overall labour market conditions remained stable in the second quarter, supported by firm labour demand and higher productivity growth in the manufacturing sector as a result of higher sales recorded during the quarter. Labour demand for all levels of skills continued to be strong, as reflected by the higher number of vacancies in the Electronic Labour Exchange (292,934 positions; 1Q 08: 219,366 positions). Broadly, there were more job openings in the services (33% share), manufacturing (32%) and agriculture (26%) sectors. Meanwhile, vacancies for graduates were concentrated in the financial sector.

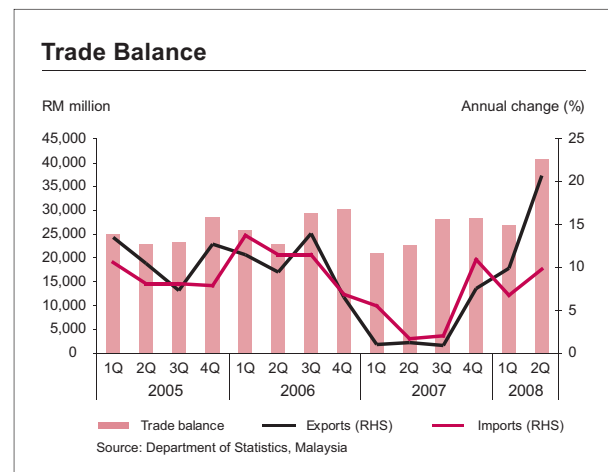


Total retrenchments increased slightly to 2,821 persons during the quarter (1Q 08: 2,397 persons), due mainly to lay-offs in the manufacturing sector (74% of retrenchments), and in the distributive trade, restaurants and hotels sub-sector (14% share). One-third of the retrenched workers were plant and machine operators and assemblers, while general workers constituted 28%.

Strong export growth, largely contributed by high commodity prices

Exports grew strongly by 20.8% in the second quarter, led by continued strong growth in commodity and resource-based manufactured exports and reinforced by recovery in exports of E&E. Import growth was also higher at 9.8%. As exports outpaced imports, the **trade surplus** increased further to RM40.8 billion.

The robust **agriculture exports** were driven mainly by higher export prices. Export earnings from palm oil rose by 84.5% due mainly to higher prices (RM3,524 per tonne) and to some extent from higher export volume. Rubber exports, benefiting from significantly higher export prices, also contributed positively to the export growth. The sharp increase in agriculture prices was spurred by strong export demand



from the regional countries, the US and Japan, and as well as the surge in oil prices. Higher crude oil prices and liquefied natural gas also partially explained the strong growth in **mineral exports**. Export price of crude oil increased by 58.1% to record an average of USD116 per barrel.

Higher **manufactured exports** were due mainly to higher prices in resource-based products and semiconductors. Exports of resource-based products such as chemicals and chemical products, rubber products and petroleum products increased further, benefiting from strong commodity prices and sustained demand. E&E exports recorded a positive growth after registering five quarters of negative growth. The improved performance in semiconductor exports was due to better global semiconductor prices and higher demand from PR China. Meanwhile, stronger exports of electrical products were attributed to higher demand from the PR China, Hong Kong SAR, Korea, Japan and US.

All categories of imports registered stronger growth in the second quarter. Growth in **intermediate imports** was in tandem with higher manufactured exports. **Capital imports** were supported by continued investment activities in the domestic economy, while strong growth in **consumption imports** reflected mainly continued consumption activities and high prices for imported consumer products such as processed food and beverages.

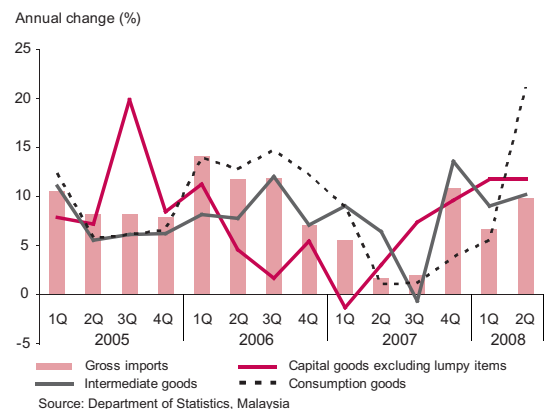
Trade Account

	2007		2008 ¹		
	2Q	1H	1Q	2Q	1H
	Annual change (%)				
Gross Exports	1.3	1.2	9.9	20.8	15.5
Manufacturing	-1.1	0.7	-1.9	12.3	5.3
E&E	-8.1	-5.9	-12.2	10.7	-0.7
Non-E&E	10.4	11.6	12.1	14.4	13.3
Agriculture	19.4	13.8	61.2	58.8	59.9
Minerals	7.2	-1.6	52.1	51.3	51.7
Gross Imports	1.7	3.6	6.8	9.8	8.3
Capital goods	-1.1	-3.2	7.8	11.7	9.9
Intermediate goods	6.5	7.7	9.0	10.2	9.6
Consumption goods	1.1	4.9	5.6	21.1	13.3
Trade balance (RM billion)	22.6	43.7	26.8	40.8	67.6

¹Malaysia's trade classification has been revised to reflect the revisions of the international trade codes i.e. Harmonised System (HS), ASEAN Harmonised Tariff Nomenclature (AHTN) and Standard International Trade Classification (SITC)

Source: Department of Statistics, Malaysia

Import Growth



Malaysia: Direction of Exports

	2007		2008			2007		2008		
	2Q	1H	1Q	2Q	1H	2Q	1H	1Q	2Q	1H
	Annual change (%)					Share of total exports (%)				
United States	-18.7	-11.5	-17.5	-0.1	-9.0	15.8	16.4	12.9	13.0	13.0
European Union (EU)¹	9.6	9.6	2.3	-3.5	-0.7	13.4	13.1	11.9	10.7	11.3
Selected ASEAN countries²	-4.8	-4.8	13.9	23.7	18.8	24.8	25.3	26.7	25.4	26.0
North East Asia	7.4	8.7	3.5	35.7	19.7	19.4	19.7	18.9	21.8	20.5
People's Republic of China	18.0	25.5	12.5	55.3	34.4	8.1	8.1	8.3	10.4	9.4
Hong Kong SAR	-10.2	-13.0	-13.7	34.9	11.1	4.5	4.6	3.6	5.1	4.4
Chinese Taipei	4.6	9.5	-4.5	6.3	1.2	2.9	2.8	2.4	2.6	2.5
Korea	14.3	9.7	9.5	17.8	13.4	3.9	4.3	4.7	3.8	4.2
West Asia	19.7	20.9	25.5	38.5	32.6	3.3	3.1	3.4	3.8	3.6
India	13.9	10.5	24.1	39.8	32.3	3.2	3.2	3.5	3.7	3.6
Total exports	1.3	1.2	9.9	20.8	15.5	100.0	100.0	100.0	100.0	100.0

¹ Refers to European Union (EU) 27 from 2007 onwards

² Singapore, Thailand, Indonesia, Philippines, Brunei Darussalam and Vietnam

Source: Department of Statistics, Malaysia

Larger FDI amidst reversal in portfolio investment

On a cash basis, gross inflows of **foreign direct investment (FDI)**² increased to RM12.2 billion (1Q 08: RM7.1 billion), due mainly to larger drawdown of inter-company loans from parent companies abroad and inflows of equity capital. The FDI inflows were channeled mainly into the services (74%), manufacturing (11%) and oil and gas (10%) sectors. FDI in the services sector reflected partly foreign acquisition of interests in two domestic banks and the commencement of operations by a new foreign takaful company, as well as continued investments in the wholesale and retail trade sub-sector. Meanwhile, FDI inflows in the manufacturing sector were channelled mainly into the E&E, solar panels, and downstream petroleum-related industries. After adjustments for gross outflows due mainly to repayments of the short-term loans, net FDI was higher at RM8.3 billion (1Q 08: RM2 billion).

Overseas investment by Malaysian companies recorded a net outflow of RM3.5 billion (1Q 08: - RM6.6 billion), mainly in the services and manufacturing sectors. In the services sector, overseas investments reflected mainly the acquisition of a strategic stake in the finance and insurance sub-sector, as well as investments in the real estate and business services sub-sector. Meanwhile, overseas investments in the manufacturing sector were mainly for the acquisition of a process equipment manufacturer, followed by investments in the E&E, automotive and chemical-related industries.

Portfolio investment registered a net outflow reflecting mainly the liquidation of both bonds and equities by foreign investors. During the quarter, investor sentiment was affected by continued volatility in the global financial markets amid concerns of slower growth in

the US and the lingering effects of the credit crisis, as well as concerns over the impact of high energy prices and rising cost of production on domestic growth prospects. These developments were also broadly experienced in other regional markets.

External debt remained manageable

As at end-June 2008, Malaysia's total external debt amounted to RM234.8 billion or USD71.2 billion (end-March 08: RM216.7 billion or USD67.1 billion), equivalent to 34.4% of GNI. The **medium- and long-term external debt** was higher at RM142.3 billion (end-March 08: RM135.1 billion), due mainly to a net drawdown by the private sector (+RM5.3 billion), largely by a non-resident controlled company to finance its investment as well as borrowings by companies in the manufacturing sector. Meanwhile, the public sector continued to record a net repayment (-RM0.4 billion) as repayment by the NFPEs more than offset a net drawdown by the Federal Government.

The total **short-term external debt** increased to RM92.5 billion or USD28.1 billion (end-March 08: RM81.6 billion or USD25.3 billion) due mainly to inter-bank borrowings arising from treasury operations. As at end-June 2008, the short-term debt remained low and accounted for 22.5% of the net international reserves.

External Debt Outstanding

	2008	
	1Q	2Q ^P
	RM billion	
Medium- and long-term debt	135.1	142.3
Public sector	75.3	75.6
Private sector	59.8	66.7
Short-term debt ¹	81.6	92.5
Total external debt	216.7	234.8
- USD billion equivalent	67.1	71.2

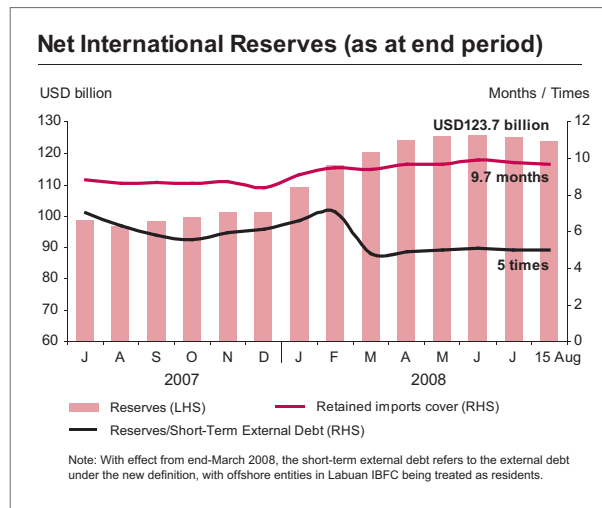
¹ Excludes currency and deposits held by non-residents with resident banking institutions
^P Preliminary

Source: Ministry of Finance, Malaysia and Bank Negara Malaysia

² The statistics for FDI on a cash basis does not include retained earnings and investment in the form of imported machinery and equipment.

International reserves

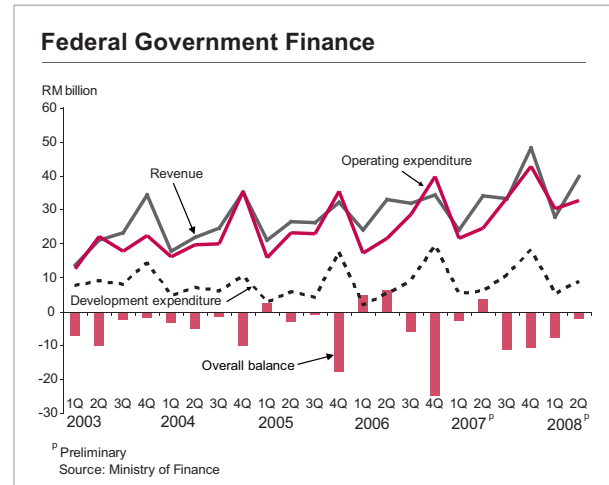
The international reserves of Bank Negara Malaysia amounted to RM410.9 billion (equivalent to USD125.8 billion) as at 30 June 2008. The reserves level as at 30 June 2008 has taken into account the quarterly adjustment of the foreign exchange revaluation gain, following the strengthening of the major currencies against ringgit during the quarter. The reserves amounted to RM403.9 billion (equivalent to USD123.7 billion) as at 15 August 2008. The reserves position is sufficient to finance 9.7 months of retained imports and is 5 times the short-term external debt.



Improved fiscal position

The Federal Government's fiscal deficit in the second quarter was lower at 1% of GDP (RM1.9 billion) as the rise in total revenue was larger than the increase in operating expenditure (1Q 08: fiscal deficit of 4.4% of GDP or RM7.7 billion). There was greater revenue collection from petroleum-based turnover and corporate income taxes. Total expenditure rose at an annual rate of 34.8% due to increases in both operating and development

expenditures. The deficit was financed mainly from domestic sources. As at end-June 2008, total outstanding debt of the Federal Government amounted to RM285.1 billion or 39.8% of GDP.



Federal Government Finance^P

	2007		2008		
	2Q	1H	1Q	2Q	1H
	RM billion				
Revenue	34.2	58.4	28.0	39.9	67.8
% growth	3.5	2.0	15.4	16.6	16.1
Operating expenditure	24.8	46.5	30.4	32.9	63.3
% growth	14.7	19.4	40.3	32.6	36.2
Current account	9.4	11.9	-2.5	7.0	4.5
% of GDP	6.1	4.0	-1.4	3.7	1.2
Gross development expenditure	6.2	11.6	5.3	9.0	14.3
% growth	19.6	57.0	-0.3	43.8	23.5
Overall balance	3.6	1.0	-7.7	-1.9	-9.6
% of GDP	2.3	0.3	-4.4	-1.0	-2.6
Memo item:					
Total gross expenditure	31.0	58.0	35.7	41.8	77.6
% growth	15.7	25.4	32.3	34.8	33.7
Total Federal Government debt (as at end-period)	260.1	260.1	275.1	285.1	285.1
% of GDP	40.5	40.5	38.4	39.8	39.8
Domestic debt	236.3	236.3	256.8	266.8	266.8
% of GDP	36.8	36.8	35.9	37.3	37.3
External debt	23.8	23.8	18.2	18.4	18.4
% of GDP	3.7	3.7	2.5	2.6	2.6

^P Preliminary
Source: Ministry of Finance