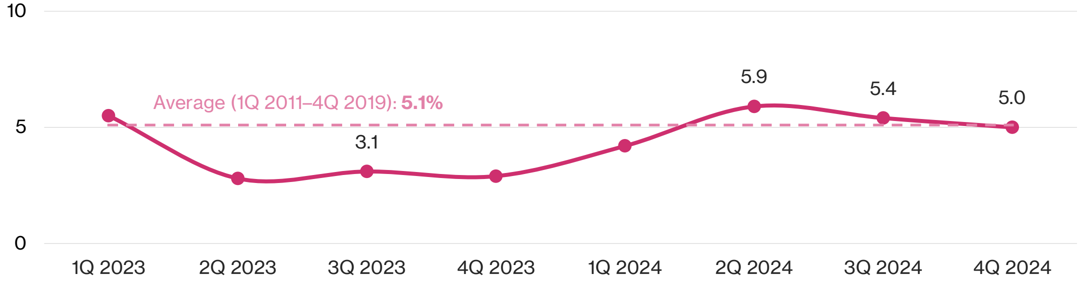
Gross Domestic Product

GDP grew by 5% in 4Q 2024 resulting in growth of 5.1% for 2024

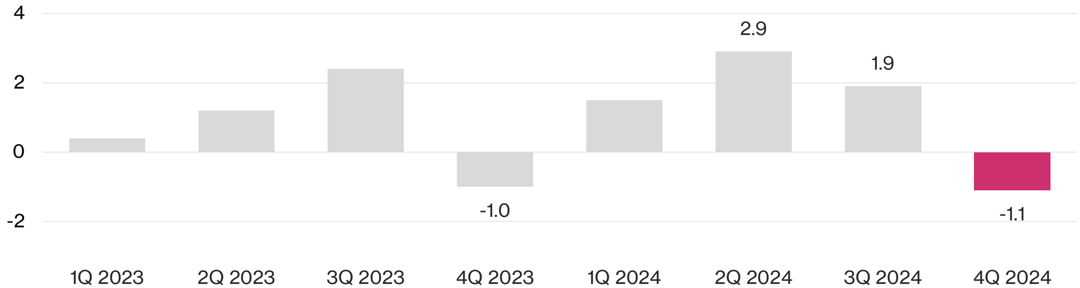
Gross domestic product,
Annual change, %



Source: Department of Statistics, Malaysia

QoQ seasonally-adjusted growth declined by 1.1%

Gross domestic product,
Quarterly change, % (seasonally adjusted)



Source: Department of Statistics, Malaysia

What are the factors supporting growth in 4Q 2024?

- Strong expansion in investment activities
- Sustained household spending amid positive labour market conditions and policy support
- Continued growth in exports of goods and services

What are the factors weighing on growth in 4Q 2024?

- Slower recovery in oil production post-maintenance activities

Malaysia's Economic Performance

Sustained domestic demand

Annual change, %

Private Consumption	Private Investment	Public Consumption	Public Investment	Net Exports
4.9% (3Q 2024: 4.8%)	**12.7%** (3Q 2024: 15.5%)	**3.3%** (3Q 2024: 4.9%)	**10%** (3Q 2024: 14.4%)	**57.6%** (3Q 2024: -8.8%)
Driven by positive labour market conditions and supportive policy measures	Strong investment growth underpinned by continued realisation of new and ongoing projects	Lower supplies and services partly offset by higher emoluments spending	Continued fixed assets spending by the Government and public corporations	Continued export growth amid moderation in capital and intermediate imports

Source: Department of Statistics, Malaysia

Growth supported mainly by services sector

Annual change, %

Services	Manufacturing	Agriculture	Mining	Construction
5.5% (3Q 2024: 5.2%)	**4.4%** (3Q 2024: 5.6%)	**-0.5%** (3Q 2024: 4.0%)	**-0.9%** (3Q 2024: -3.9%)	**20.7%** (3Q 2024: 19.9%)
Increased support from both consumer- and business-related subsectors	Continued growth in E&E and primary-related clusters amid slower transport manufacturing activities	Contraction in oil palm output amid adverse weather conditions	More moderate decline in oil production while natural gas output recovered	Continued robust growth in residential, non-residential and special trade subsectors

Source: Department of Statistics, Malaysia

Labour Market Conditions

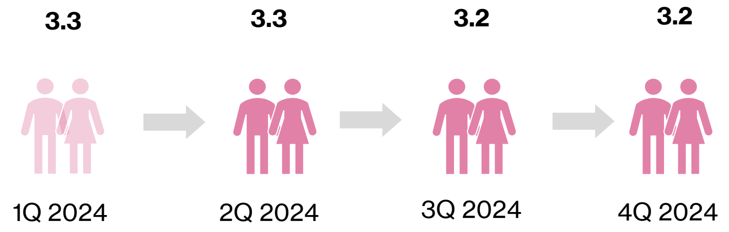
Labour market continued to improve

- The unemployment rate remained lower than its pre-pandemic level at 3.2% in 4Q 2024. (3Q 2024: 3.2% of the labour force).
- Employment improved to 16.8 million persons in 4Q 2024 (3Q 2024: 16.7 million persons) amid continued demand for labour.
- Labour supply remained forthcoming as the labour force participation rate increased further to 70.6% in 4Q 2024 (3Q 2024: 70.5%).

Source: Department of Statistics, Malaysia

Low unemployment rate

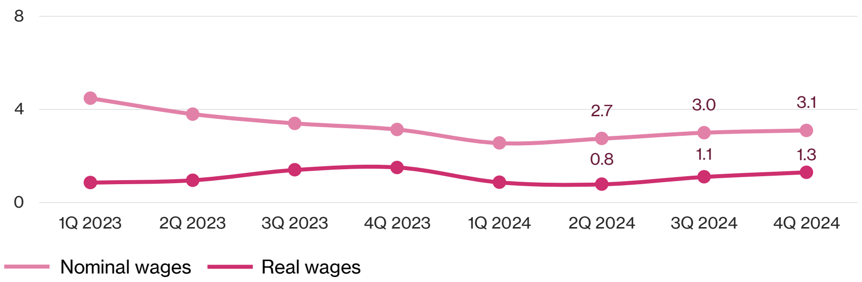
Unemployment rate, % of labour force



Source: Department of Statistics, Malaysia

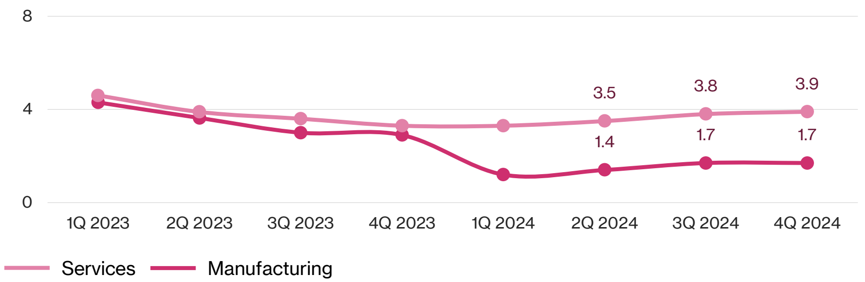
Continued growth in private sector wages

Private sector nominal and real wages,
Annual change, %



Source: Department of Statistics, Malaysia

Sectoral nominal wages,
Annual change, %



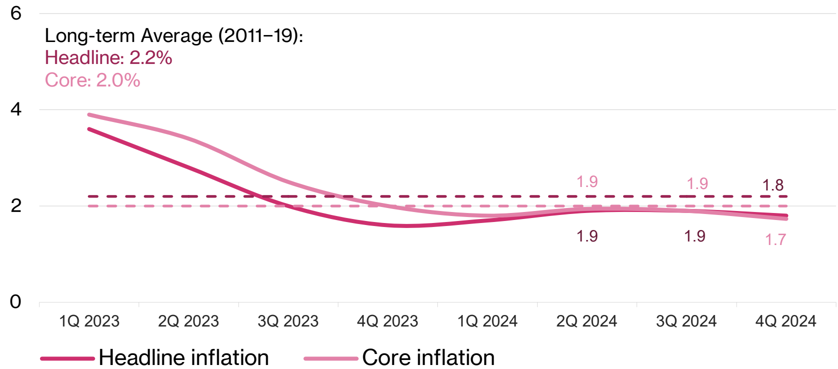
Source: Department of Statistics, Malaysia

Inflation trend

Headline and core inflation declined during the quarter

- Both headline and core inflation declined to 1.8% and 1.7%, respectively.
- Lower inflation was observed during the quarter for mobile communication services and petrol (RON97). However, these were offset by higher inflation for food and beverages.

Headline and core inflation,
Annual change, %



Selected Consumer Price Index (CPI) Items

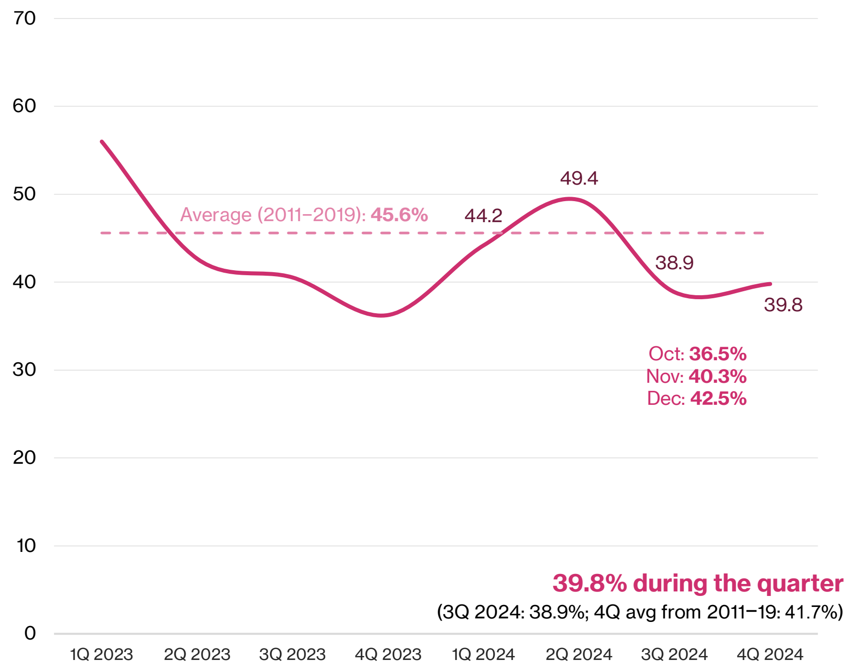
Mobile Communication Services *(Weight: 2.7%)*	Petrol (RON97) *(Weight: 5.5%[1])*	Food and beverages *(Weight: 29.8%)*
▼ -10.0% 3Q 2024: 0.0%	▼ -0.8% 3Q 2024: -0.2%	▲ 2.5% 3Q 2024: 1.6%

Note: Core inflation is computed by excluding price-volatile and price-administered items from headline inflation.
[1] Petrol CPI weight includes RON95.
Source: Department of Statistics, Malaysia and Bank Negara Malaysia Estimates

Inflation pervasiveness remained relatively stable in the fourth quarter

- While a slightly higher number of CPI items recorded price increases in the fourth quarter, this remained in line with historical norm.
- The marginal increase reflects idiosyncratic price adjustments at year-end.

CPI items recording month-on-month price increase,
Share, %



Source: Department of Statistics, Malaysia and Bank Negara Malaysia Estimates

External Sector Development

Steady growth in exports amid moderation in imports growth

Gross Exports — **7.3%** (3Q 2024: 7.7%) — Manufactured exports growth driven by E&E

Gross Imports — **5.3%** (3Q 2024: 20.8%) — Moderation in capital and intermediate imports

Source: Department of Statistics, Malaysia

Larger current account surplus

Current Account
RM 11.4 billion; 2.3% of GDP
(3Q 2024: RM2.2 bil; 0.4%)

Key driving factors
- Higher goods surplus as exports growth outpace imports.
- Narrower services deficit, reflecting improvement in insurance, manufacturing services and travel balance.

Partly offset by
- Wider deficits in primary and secondary income.

Financial Account
Net outflows RM 5.8 billion
(3Q 2024: Net outflows RM7.5 bil)

Key driving factors
- Net outflows in portfolio investment due mainly to residents' investments in equity securities abroad and non residents' redemption of domestic debt securities.

Which offset
- Net inflows in direct investment driven by higher foreign direct investment (FDI) inflows amid lower direct investment abroad (DIA).
- Net inflows in other investment mainly attributable to interbank borrowing.

Source: Department of Statistics, Malaysia and Bank Negara Malaysia

Higher external debt

RM 1.35 trillion or 69.7% of GDP
(3Q 2024: RM1.26 trillion or 66.3% of GDP)
- Exchange rate valuation effects following the weakening of ringgit against several major and regional currencies.

External debt remained manageable
% of total external debt

Currency
Ringgit-denominated: 31.3%
Unaffected by ringgit exchange rate fluctuations.
FCY-denominated: 68.7%
of which 60.8% is subject to BNM prudential & regulatory requirements and 18.4% are due to intragroup loans.

Maturity
Medium- and long-term: 57.2%
Limited rollover risks.

Net International Investment Position	**-RM6.7 billion** (3Q 2024: -RM38.6 billion)
International Reserves[1]	**USD116.4 billion** (3Q 2024: USD119.7 billion)

- **4.9 months**[2] of imports of goods and services
- **0.9 times** short term external debt

[1] As at 31 January 2025.
[2] Coverage may differ from the press statement on international reserves published on 7 February 2025, as it reflects the latest 4Q 2024 data on imports of goods and services and short-term external debt.

Source: Ministry of Finance, Malaysia, Department of Statistics, Malaysia and Bank Negara Malaysia