Sidang Akhbar

Prestasi Ekonomi Suku Kedua Tahun 2026

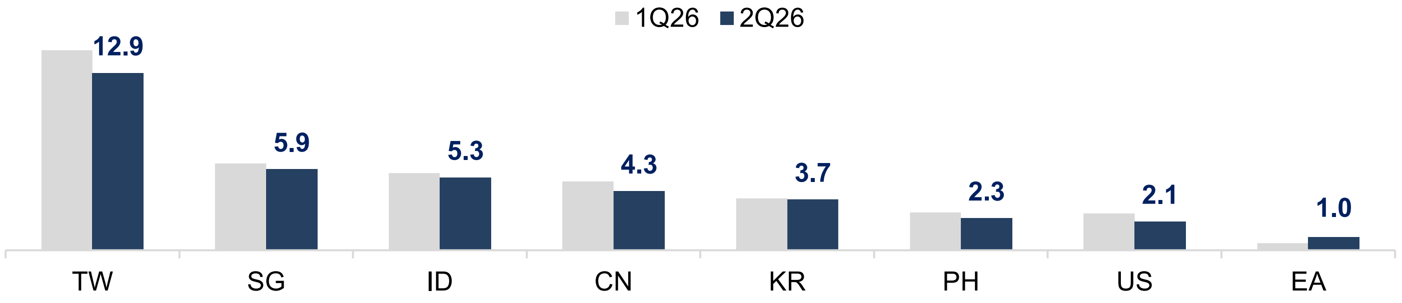
14 Ogos 2026

BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

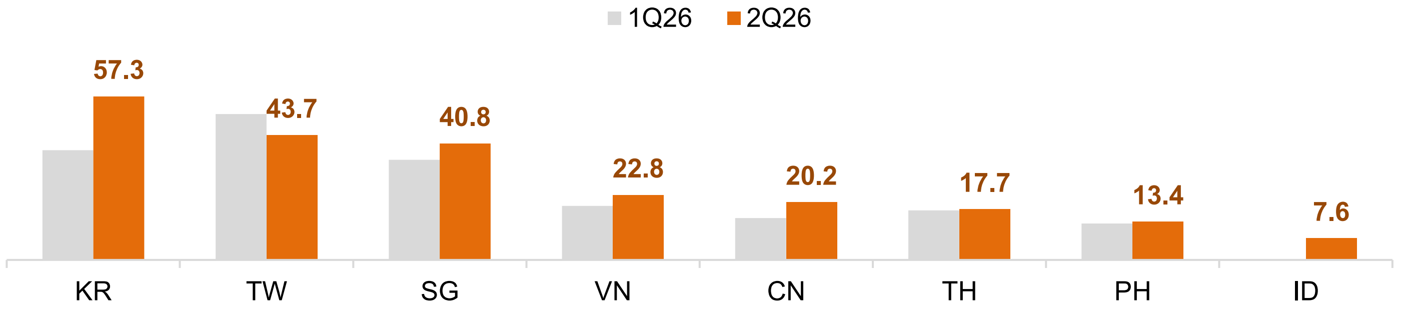
JABATAN PERANGKAAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA

Broadly resilient global growth in 2Q 2026

Real GDP Growth[1],
Annual change (%)



Regional Trade Growth,
Annual change (%)



[1] GDP for the second quarter of 2026 are advanced or preliminary estimates except for China, Singapore, Indonesia and Philippines
Source: National authorities

Global Growth Developments

Continued economic growth

supported by strong global tech expansion and adaptation to supply disruptions

Robust regional trade activity

supported by continued AI-related demand for tech products alongside higher fuel-related exports

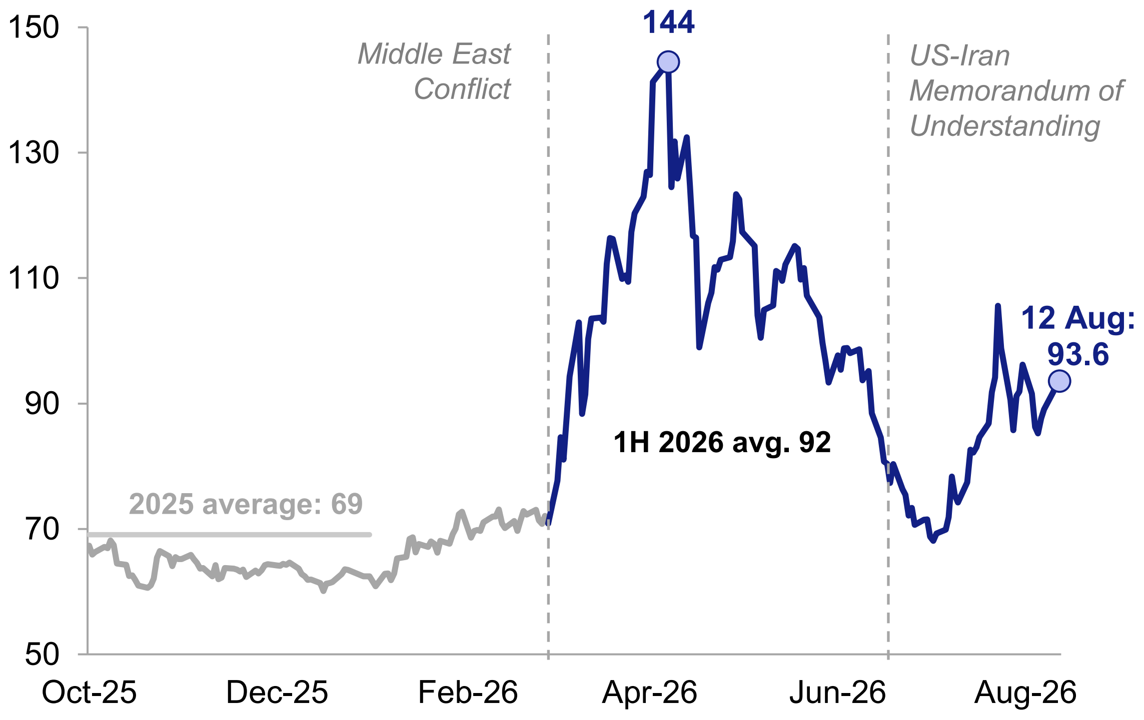
Rising inflation

as higher key commodity prices raised producer costs and consumer prices

Interim peace talks eased Middle East tensions, but renewed clashes have revived geopolitical uncertainty

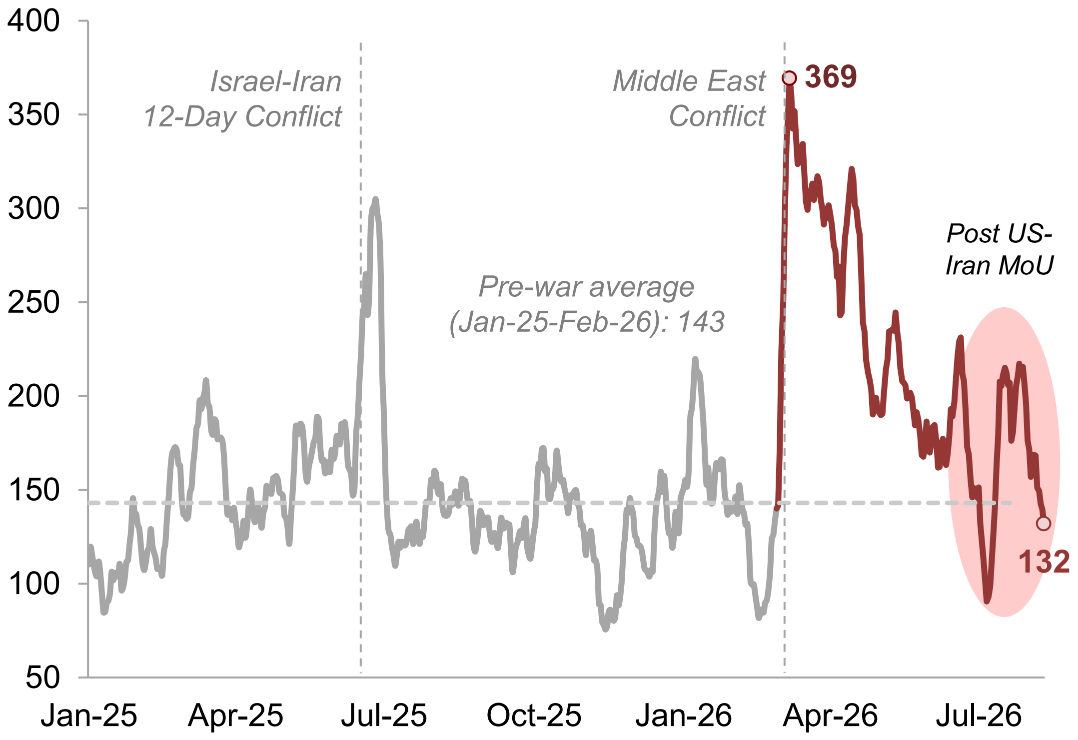
Oil prices jumped…

Dated Brent
USD per barrel



…as geopolitical risks reignited

Daily Geopolitical Risk Index
Index (1985-2019=100)

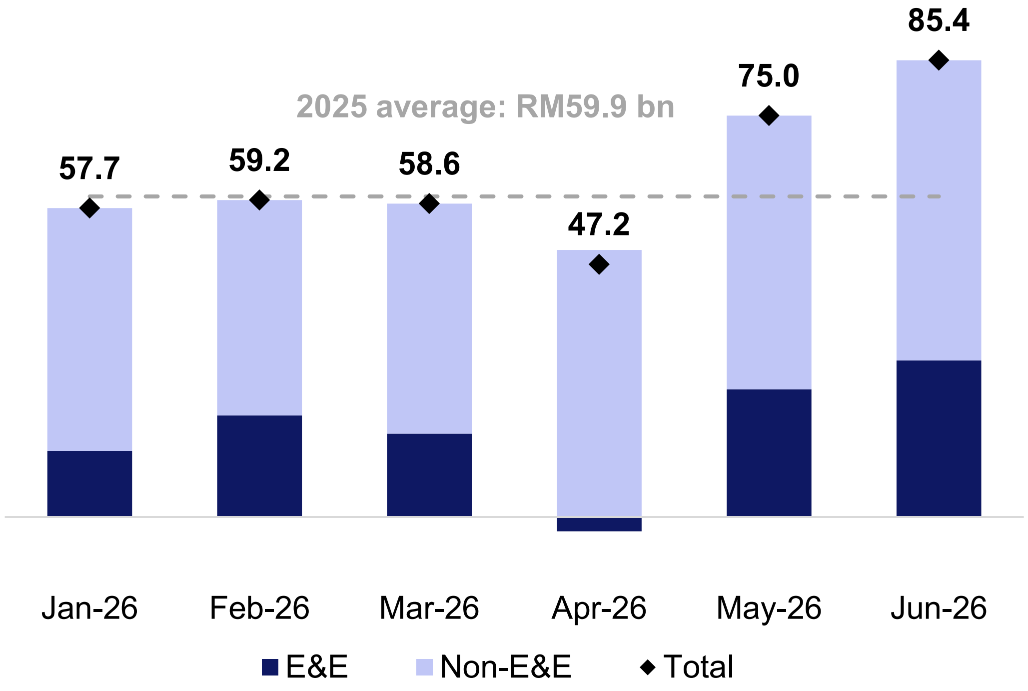


Source: Bloomberg, Caldara, Dario, and Iacoviello (2021)

Malaysia's supply chains remain resilient albeit at higher prices

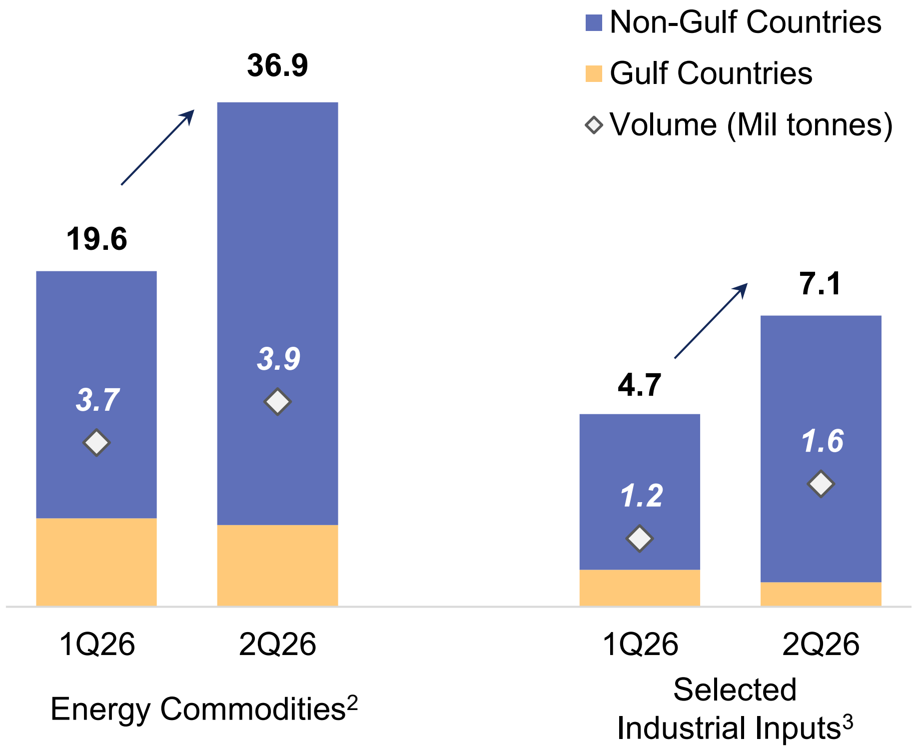
Supply of key inputs from abroad have remained broadly forthcoming, supporting domestic production activities

Intermediate Imports by Components
Value (RM billion)



Alternative sourcing from other countries have eased input pressures from the Middle East

Imports of Key Inputs by Source Region[1]
Value (RM billion)



Note: [1] Gulf countries refer to Iran, Iraq, Saudi Arabia, United Arab Emirates, Kuwait, Qatar and Bahrain; [2] Refers to crude petroleum, liquefied petroleum gas (LPG), petroleum coke, bitumen, diesel and fuel oil; [3] Refers to include plastics, methanol, primary aluminium, helium and fertilisers.
Source: Department of Statistics, Malaysia, Bank Negara Malaysia estimates

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Businesses adjusting to shocks from the Middle East conflict

Most firms were still able to secure materials and have not faced production disruptions due to Middle East conflict…

- Still **able to source from regular suppliers**, both overseas and locally but at higher prices
- **Able to source from alternative suppliers**, despite at higher prices
- **Some signs of frontloading and stockpiling** to build inventory

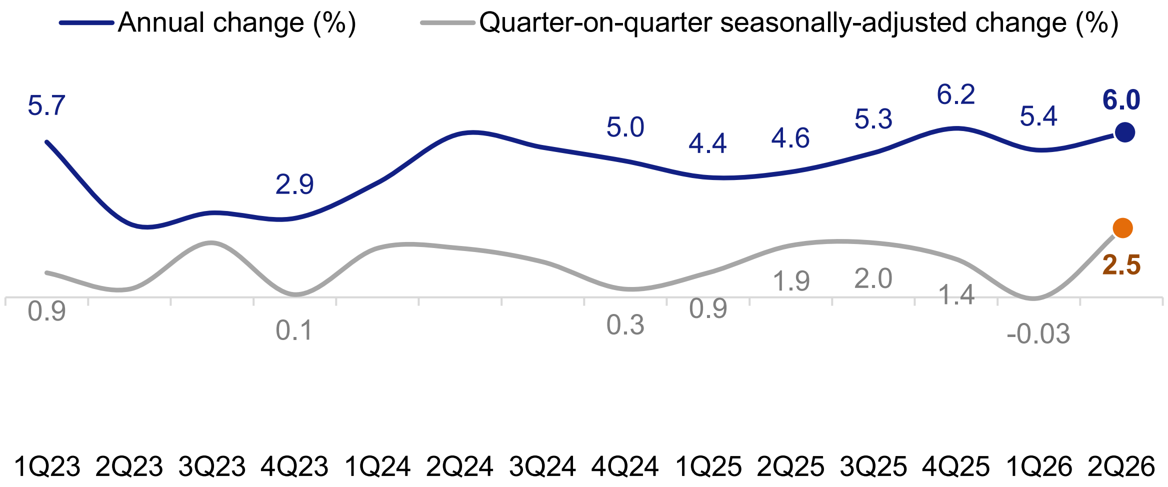
… though SMEs could face larger challenges

- **Weak bargaining power** led suppliers to prioritise larger clients
- **High holding costs,** as larger inventories tie up capital and increase storage risks
- **Operate with lean inventories** and rely on spot or short-term contracts

Note: Findings based on firm engagements between April and June 2026
Source: Bank Negara Malaysia Regional Economic Industrial Surveillance Industry Engagements & SME Credit Risk Surveillance Engagements

Malaysia's GDP advanced 6.0% in 2Q 2026

Quarterly Real GDP Growth,
Annual change (%)



Monthly Real GDP Growth,
Annual change (%)

Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
6.6	4.7	4.8	7.0	5.4	5.8

Factors Influencing Growth in 2Q 2026

- **Stronger export performance**
  supported by E&E and improvement in O&G exports
- **Steady household spending**
- **Continued investment activities**

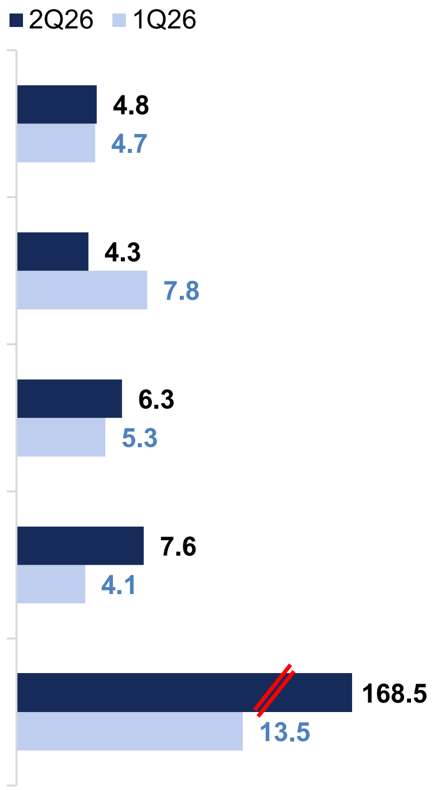
- **Weaker agriculture sector growth**

Source: Department of Statistics, Malaysia

Growth underpinned by external demand and expansion in most economic sectors

Demand Side

Real GDP Growth,
Annual change (%)



Private Consumption
Favourable labour market, steady income growth and continued policy support

Private Investment
Continued spending in both structures and machinery & equipment investments

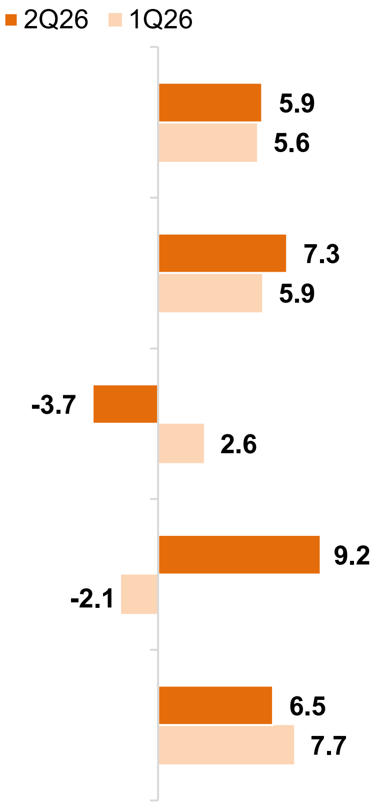
Public Investment
Higher fixed asset spending by Federal Government and public corporations

Public Consumption
Higher supplies and services along with emoluments spending

Net Exports
Robust E&E demand amid global tech expansion, coupled with base effects

Supply Side

Real GDP Growth,
Annual change (%)



Services
Higher growth driven by business-related services, led by ICT subsector as well as finance and insurance subsector

Manufacturing
Robust growth driven by export-oriented clusters, particularly in E&E following strong AI-related demand

Agriculture
Lower growth as oil palm production normalised following strong yield in 2025

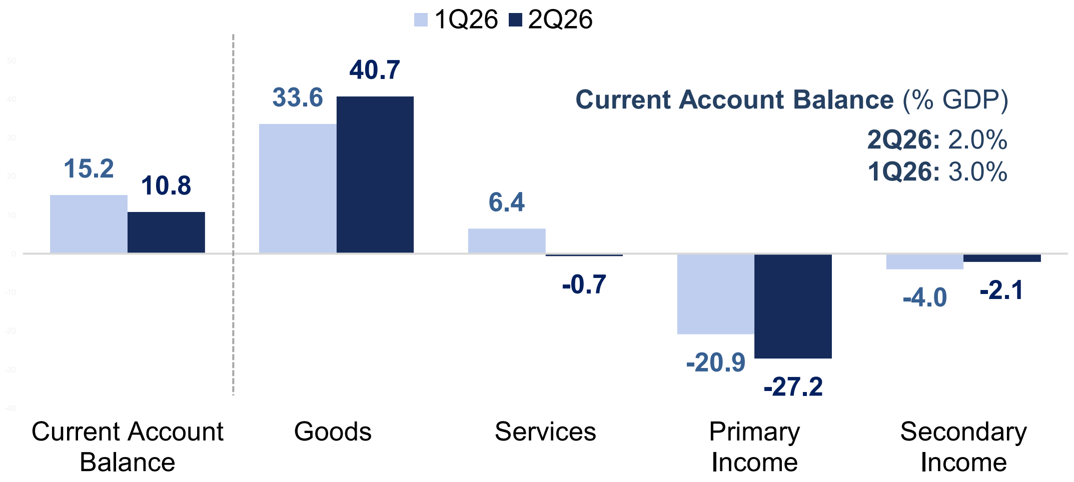
Mining
Higher growth driven mainly by stronger natural gas production following recovery from earlier maintenance activities

Construction
Modest growth supported primarily by continued special trade and non-residential activities

Source: Department of Statistics, Malaysia

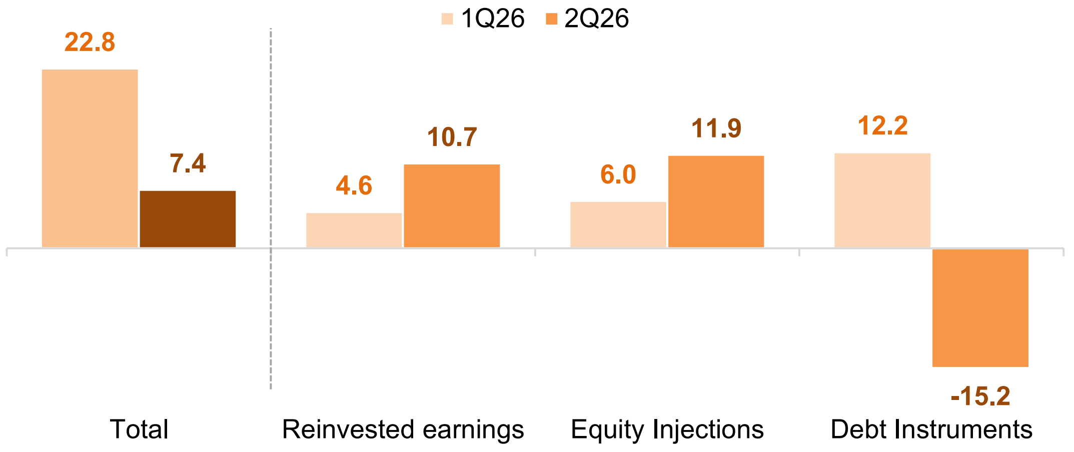
Continued current account surplus and FDI inflows

Current Account Balance,
RM bil



- **Higher goods surplus** driven by larger manufacturing exports compared to imports.
- **Marginal services deficit** due to higher imports of other business services amid steady travel and ICT-related receipts.
- **Wider primary income deficit** due to higher profits recorded by FDI firms.

Foreign Direct Investment,
RM bil



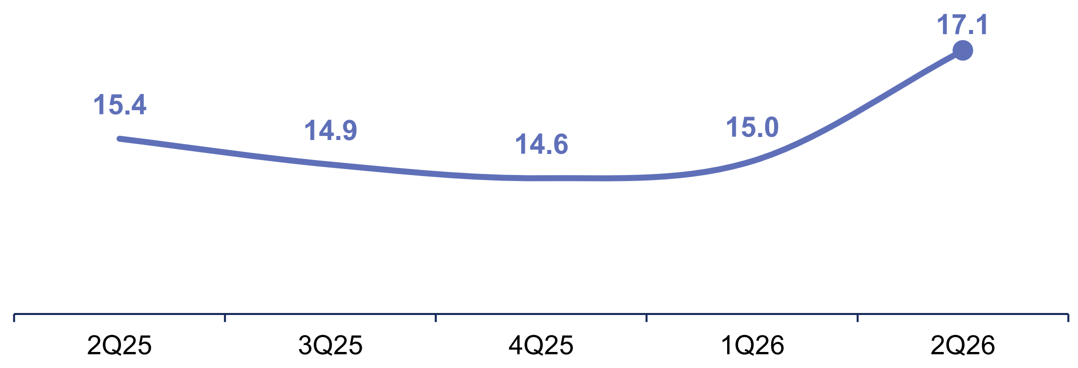
- **Net FDI inflows** supported by higher reinvested earnings and equity injections.
- **Partially offset by outflows in FDI debt instruments**, reflecting higher intercompany loans and trade credit extended by FDI firms to parent companies abroad.

Source: Department of Statistics, Malaysia

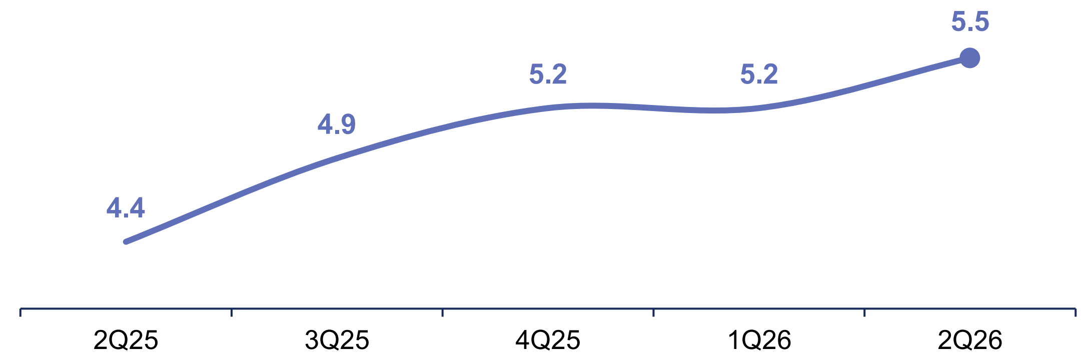
Domestic demand remains resilient, impact from the Middle East conflict generally contained

Household spending continues to anchor growth, supported by steady income growth

Credit Card, Debit Card and E-Money Spending[1]
Annual change (%)



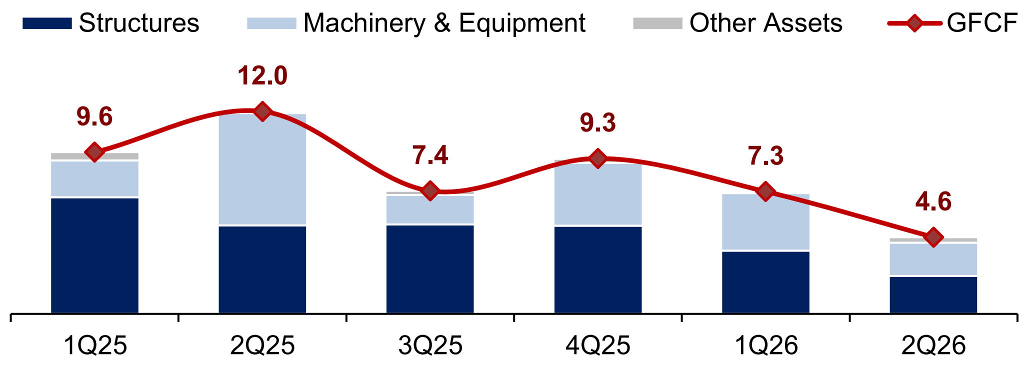
Aggregate Wages
Annual change (%)



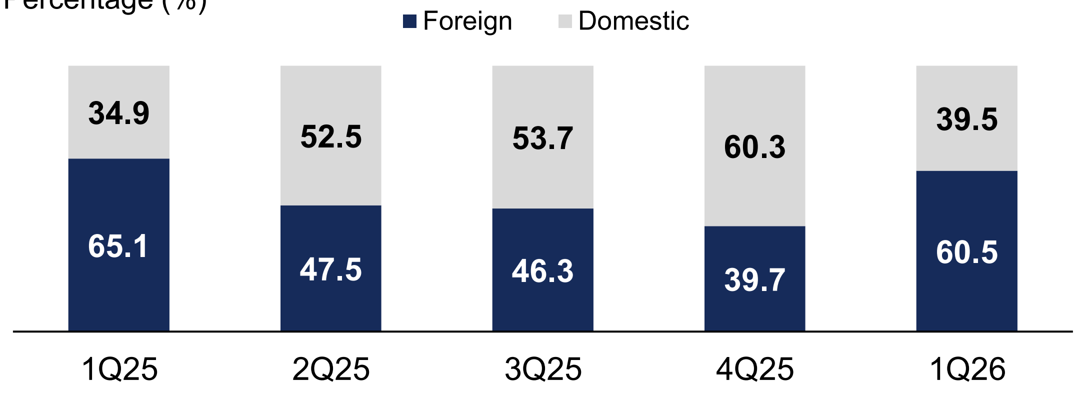
[1] Value of transactions includes overseas transactions by local cardholders but excludes debit card cash advances.
Source: Bank Negara Malaysia, Department of Statistics Malaysia, Malaysian Investment Development Authority

Investment projects pipeline remains forthcoming, supported by continued foreign investments and new projects

Real Gross Fixed Capital Formation
Annual change (%) / Cont. to growth (ppt)



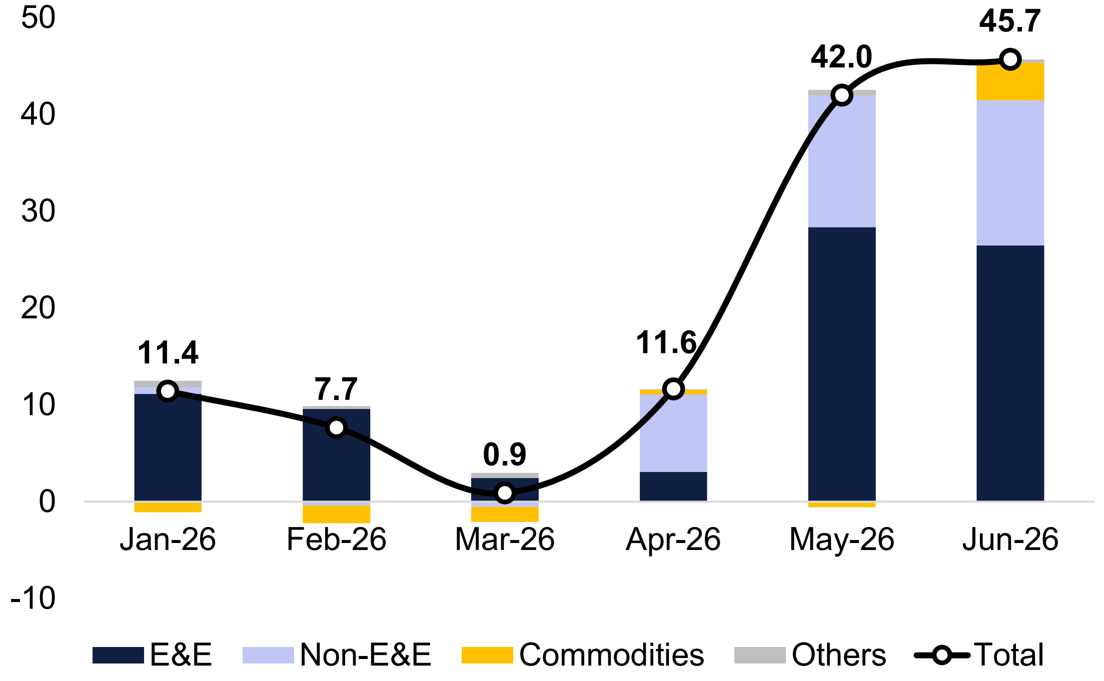
MIDA Total Approved Investment: By Origin
Percentage (%)



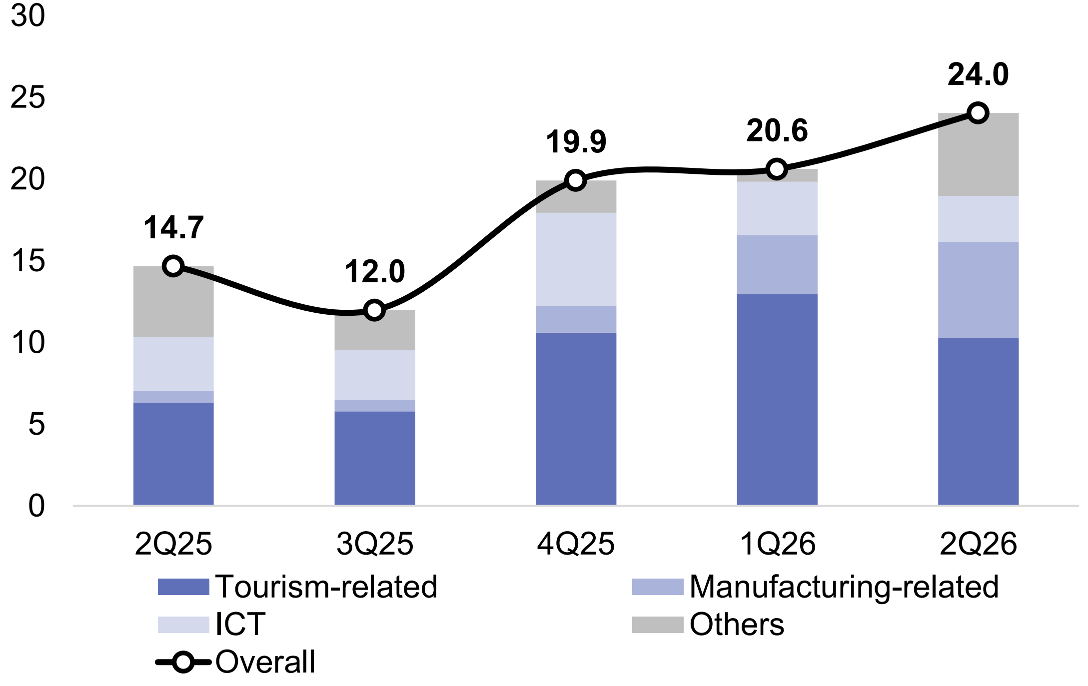
Diverse export base helps cushion external headwinds

Strength across key export segments is expected to support export growth despite heightened external uncertainties

Domestic Exports by Components
Annual change (%); ppt cont.



Services Receipts Growth
Annual change (%); ppt cont.

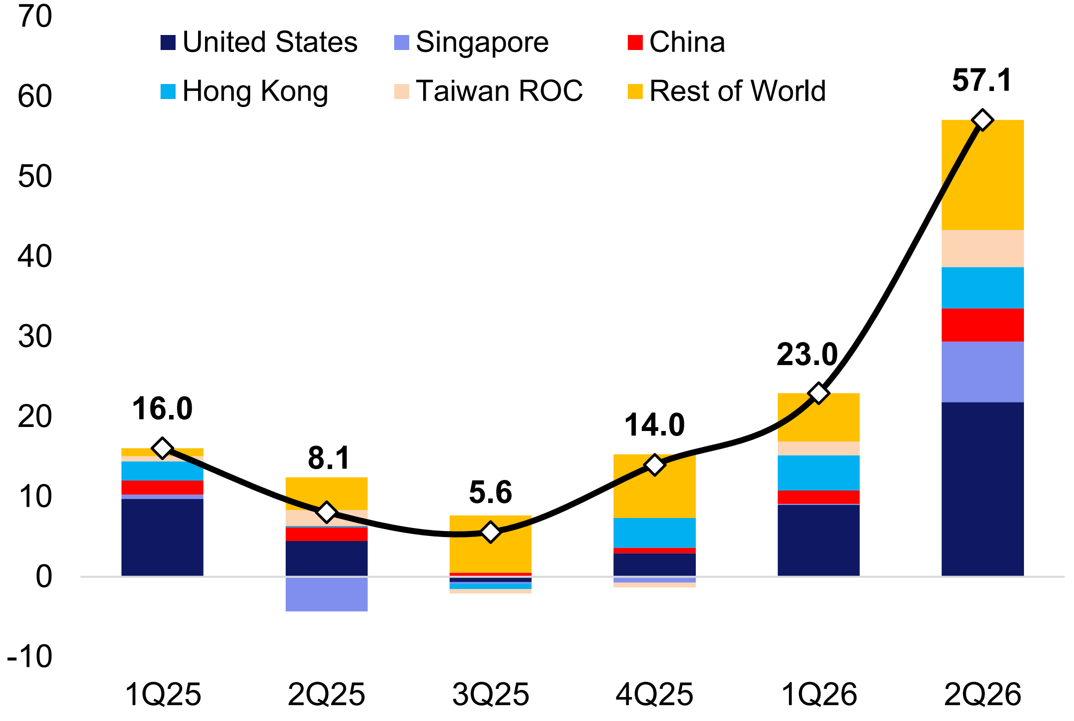


Note: Others include gold (unwrought, or in semi-manufactured forms, or in powder forms), waste and scrap of precious metal, etc
Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

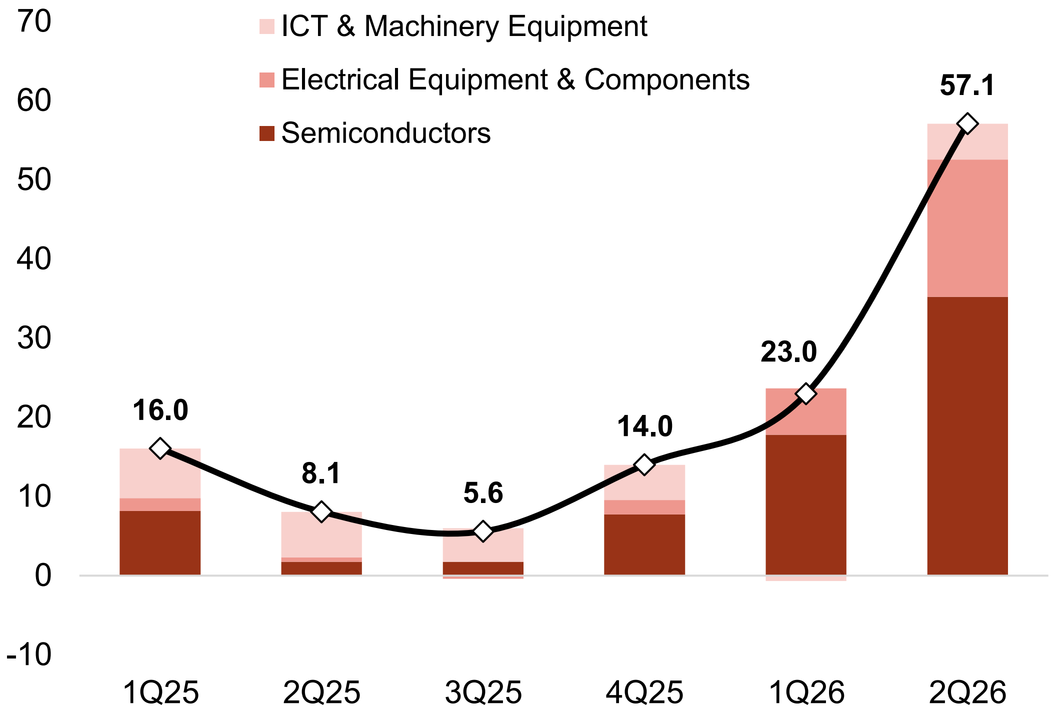
E&E exports recorded strong growth

E&E export growth is driven primarily by semiconductors and equipment, reflecting strong external demand amid global AI tech cycle

E&E Domestic Exports by Market,
Annual change (%); ppt cont.



E&E Domestic Exports by Major Categories,
Annual change (%); ppt cont.



Note: Rest of World mainly includes contribution from Thailand, Vietnam, Netherlands, Mexico, South Korea, Japan
Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

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Malaysia: Growth will be driven by domestic spending and strong external demand

Malaysia's Real GDP Growth

4.0 – 5.0%

2026 forecast

GROWTH DRIVERS

Resilient domestic demand

Supported by sustained household spending and investment activities

Higher export growth

Improved global prospects and robust demand for E&E

GROWTH CONSTRAINTS

Lingering impact of Middle East conflict

affecting commodity-related exports volume and inbound tourism growth

Weaker global growth and sentiments

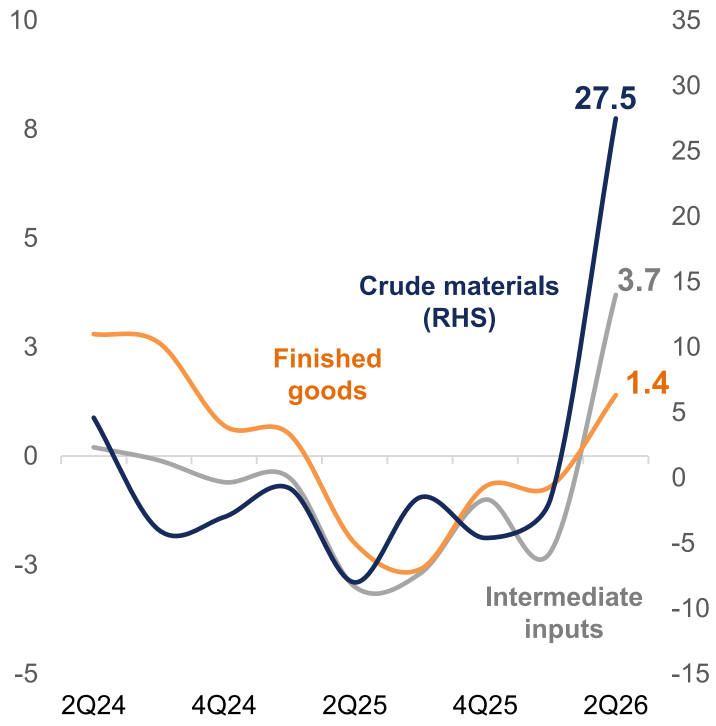
from continued uncertainties and tighter global financial conditions

Source: Bank Negara Malaysia Economic and Monetary Review (EMR) 2025

Headline inflation increased during the quarter, while underlying inflation remained contained

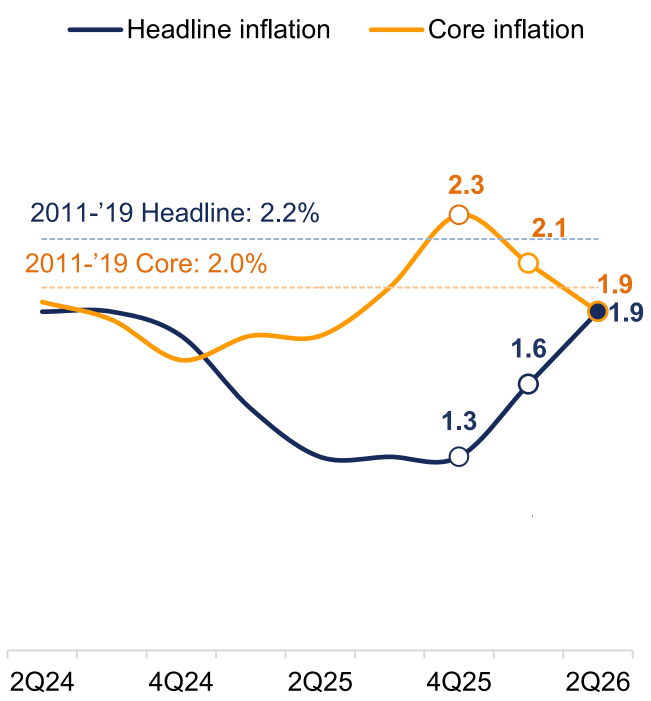
Producer cost pressures were most evident in the early stages of production...

PPI Local Production by Stage of Processing
Annual change (%)



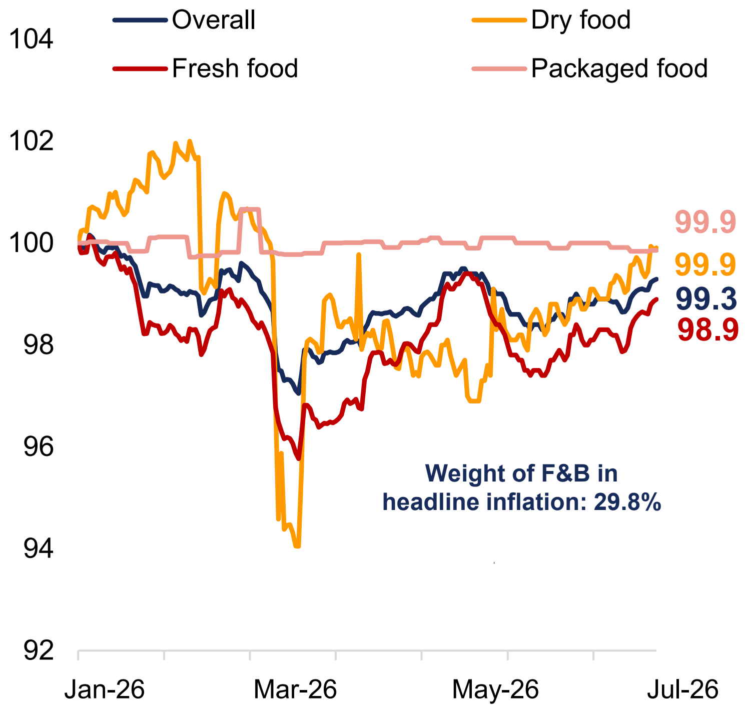
...with pass-through to consumer prices remaining limited thus far

Malaysia's Headline and Core Inflation,
Annual change (%)



High-frequency indicators suggest food prices rebounded from earlier declines and are approaching pre-conflict levels

PriceCatcher Daily Prices for Selected Food Items
Index (Jan-26=100)



Note: PriceCatcher data mainly tracks retail prices of fresh food and groceries, which form around a third of the overall CPI basket.
Source: World Bank, Department of Statistics Malaysia, Ministry of Domestic Trade and Cost of Living, and Bank Negara Malaysia estimates

Inflation is projected to remain moderate in 2026

Malaysia's Headline Inflation

1.5 – 2.5%

2026 forecast

UPSIDE RISKS

Higher commodity prices
mainly from escalations in geopolitical tensions

Stronger and more persistent input cost pressures
amid broader supply chain disruptions (e.g. adverse weather conditions)

DOWNSIDE RISKS

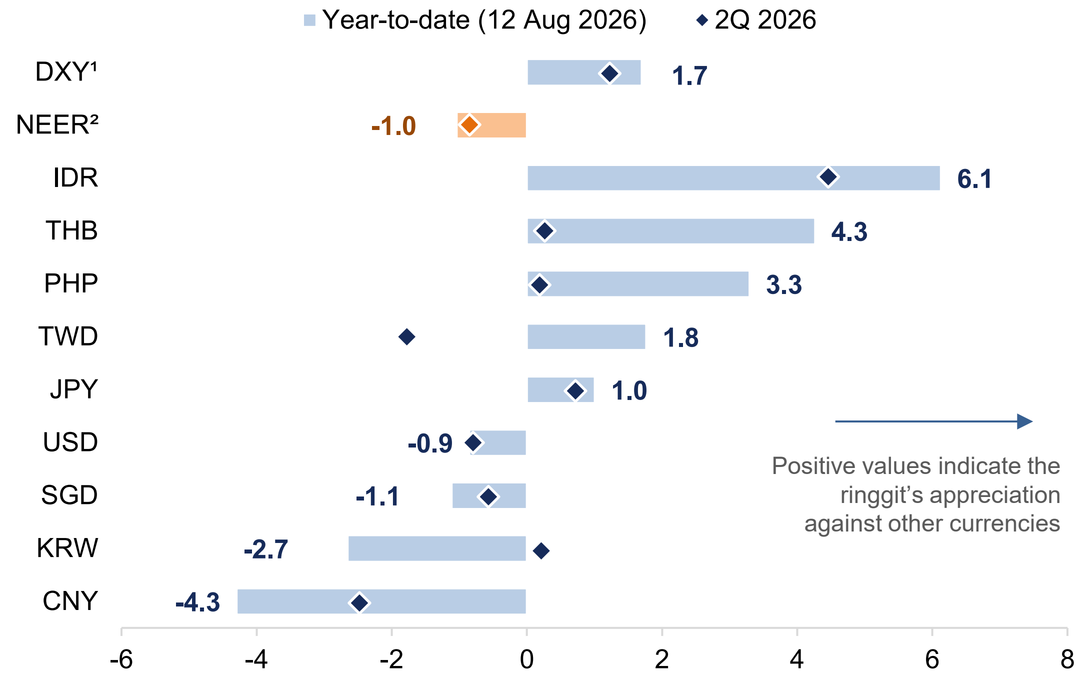
Softer global and domestic economic activity
amid weaker sentiments and production

Stronger moderation in input costs
amid further improvements in global supply conditions

Source: Bank Negara Malaysia Economic and Monetary Review (EMR) 2025

Overall, the ringgit remained broadly stable against currencies of major trading partners during the quarter

Ringgit Movements Against Selected Currencies in 2Q 2026 and YTD,
Change (%)



Factors Affecting the Ringgit in 2Q 2026

Direction of US monetary policy

Shift in market expectations regarding the direction of US monetary policy amid evolving outlook on inflation and labour market conditions in the US

Ease in global investor risk aversion

Improvement in sentiment amid optimism surrounding the potential de-escalation of the Middle East conflict

Strong domestic fundamentals

Underpinned by firm economic prospects and ongoing structural reforms

[1] The US Dollar Index (DXY) measures the value of the US dollar against a basket of major foreign currencies: EUR (57.6%), JPY (13.6%), GBP (11.9%), CAD (9.1%), SEK (4.2%), and CHF (3.6%).
[2] Refers to the ringgit nominal effective exchange rate, which measures the ringgit's performance against a basket of currencies of Malaysia's major trading partners.
Source: Bank Negara Malaysia and Bloomberg

Add. Info
Ringgit and others against USD performance

Overall growth is subject to both upside and downside risks

UPSIDE RISKS

De-escalation of the Middle East conflict

Stronger demand for E&E goods

Higher tourism activities & ICT services

2026

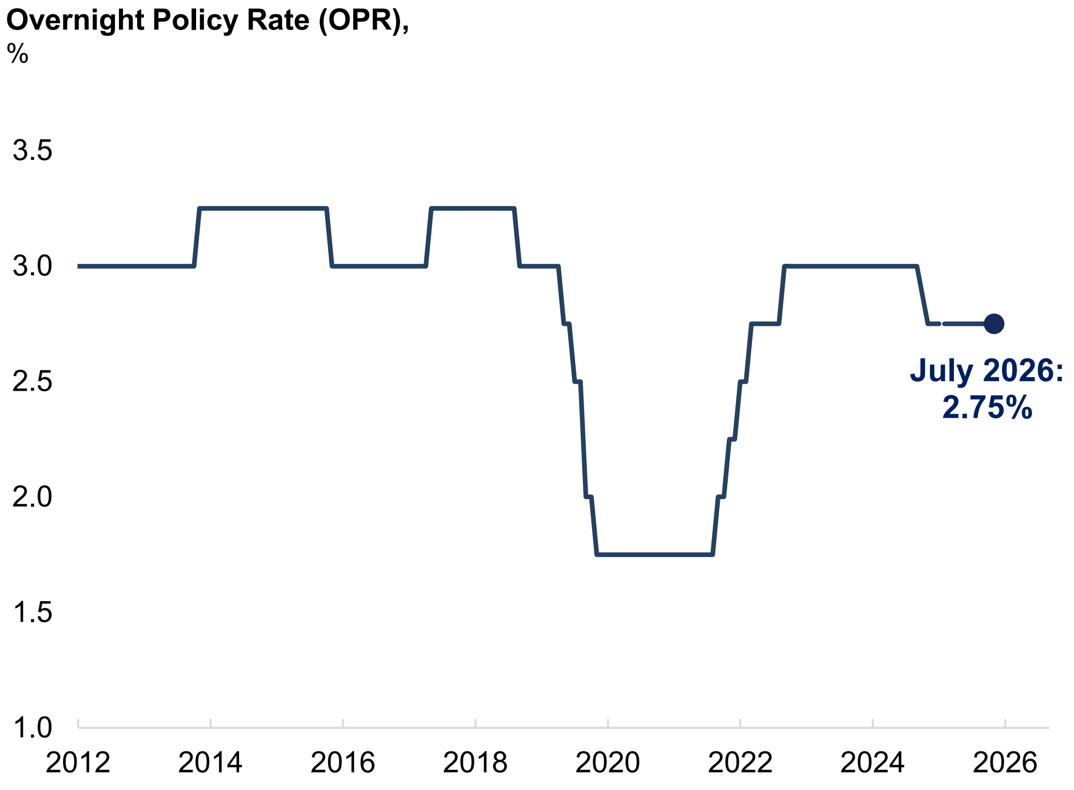
Prolonged conflict in the Middle East

Lower-than-expected commodity production

DOWNSIDE RISKS

Source: Bank Negara Malaysia

The OPR was maintained at 2.75% at the July 2026 MPC meeting



Source: Bank Negara Malaysia

OPR was maintained at 2.75%

The MPC assessed that…

1. **Inflation** is expected to remain moderate in 2026, notwithstanding elevated global commodity prices.
2. Resilient **domestic demand and a strong external sector** are expected to support economic growth
3. The **outlook for domestic inflation and growth** remains subject to uncertainties.

The MPC will remain vigilant to ongoing developments and assess the balance of risks surrounding the outlook for domestic inflation and growth.

Banks remain well-positioned to support financial intermediation

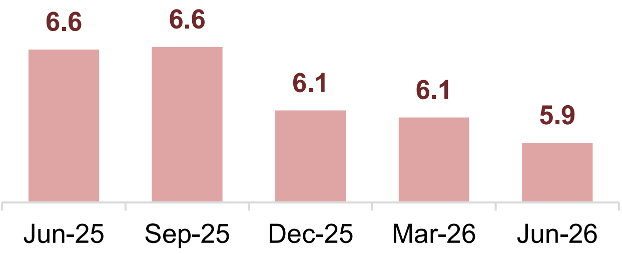
Banks continue to maintain healthy capital and liquidity buffers, ensuring resilience against potential shocks

Banking System: Key Indicators
(as at Jun-26)

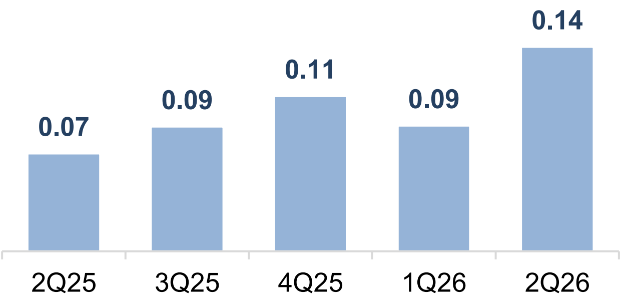
Total Capital Ratio	**17.4%** Mar-26: 17.7%
Liquidity Coverage Ratio (LCR)	**149.7%** Mar-26: 144.6%
Net Stable Funding Ratio (NSFR)	**114.7%** Mar-26: 113.9%

Banks' asset quality remains sound, supported by improvements in credit risk

Stage 2 Loans Ratio
% of total banking system loans

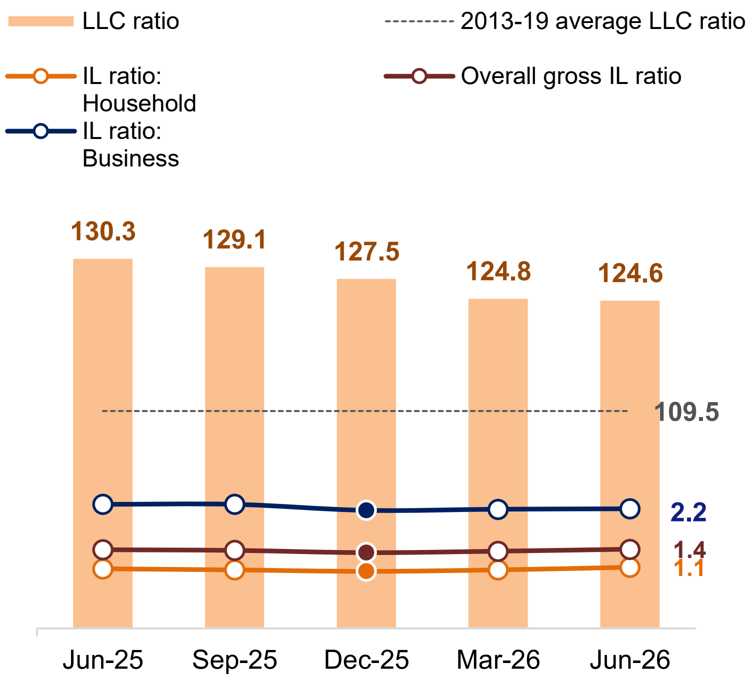


Newly Restructured and Rescheduled Loans
% of total banking system loans



Provisioning remains adequate to absorb potential losses

Impaired Loans (IL) Ratio[1] & Loan Loss Coverage (LLC) Ratio[2]
%

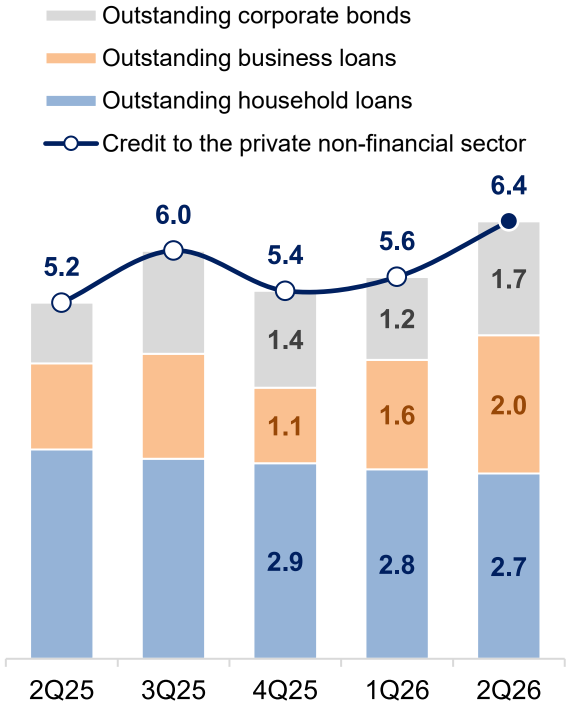


[1] Based on loans classified as Stage 3 under MFRS 9.
[2] Including regulatory reserve.
Source: Bank Negara Malaysia

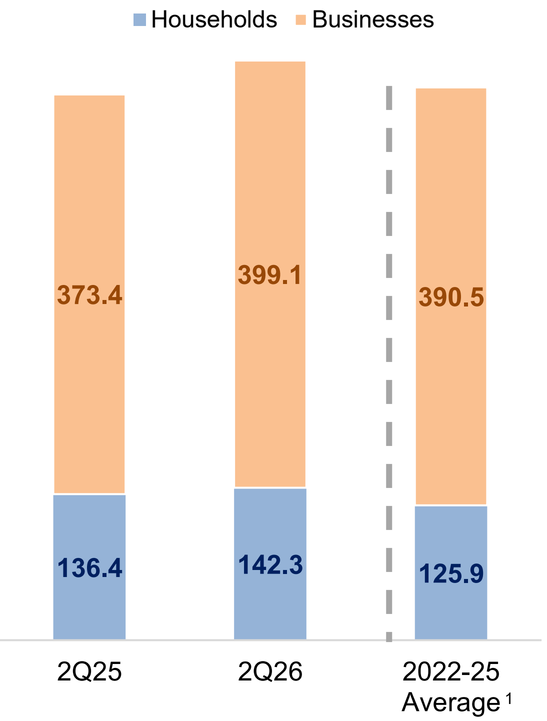
Financing conditions remain supportive

Credit growth increased amid higher growth in business financing, with sustained loan disbursements across segments

Credit to the Private Non-Financial Sector,
Annual change (%) / Cont. to growth (ppt)



Loan Disbursements by Segment,
RM bil

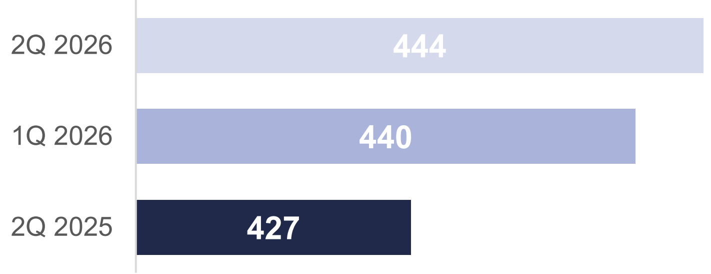


[1] Refers to average disbursements in the second quarter of 2022 to 2025.
Note: Figures may not add up due to rounding.
Source: Bank Negara Malaysia

Continued growth in financing reflects sustained demand for SME's working capital needs

SME Financing Outstanding

RM bil

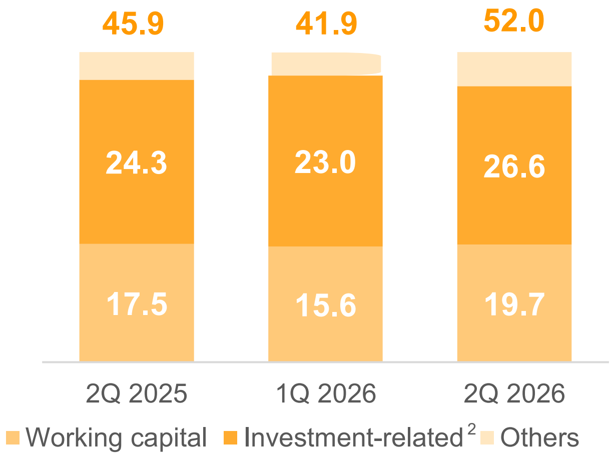


Annual Growth

4.2%
(2Q 2025: 6.0%)

SME Financing Approvals by Purposes

RM bil



Approval Rate

78.5%
(YTD June-25: 78.3%)

[2] Investment-related purpose includes financing for the purchase of non-residential properties, residential properties for business use, fixed assets (incl. cars), and construction activity.
Note: Reflects loan/financing from the banking system and development financial institutions (DFIs)

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Support for SMEs: Stabilising short-term shocks, while maintaining focus on long-term resilience

Stabilising viable SMEs during external shocks

SME Stabilisation Relief Facility (SME SRF)

RM5 billion
financing facility

- Working capital support for viable SMEs facing temporary stress, amid the Middle East Conflict

Key features

Financing size	**Up to RM750,000**
Financing tenure	**Up to 5 years**
Financing rate	**Up to 3.75% p.a. (inclusive of guarantee fee)**
Guarantee	**Up to 80% by CGC or SJPP**
Availability	**15 May 2026 - 31 December 2026 (or full utilisation)**

Strengthening SMEs for long-term resilience

BNM-CGC* Guarantee Scheme

RM10 billion
guaranteed financing

- Unlock productivity, innovation & structural transformation
- Enable sustainable financing via risk-sharing arrangement

Focus areas

- **Financial Inclusion**
- **Climate & Sustainability**
- **Productivity**
- **Resilience**

Key design principles

- **Sharper targeting**
- **Affordable access**
- **Impact & graduation**

*Credit Guarantee Corporation Malaysia Berhad

Summary of Malaysia's Economic Performance

Strong growth of 6.0% in 2Q 2026

GDP expected to grow 4.0 – 5.0% in 2026

Headline inflation is projected to **remain moderate within 1.5 – 2.5% in 2026**

Balance of risk to the growth outlook is **subject to both upside and downside risks**

Malaysia's **strong initial conditions, sound fundamentals, policy measures, and business dynamism** will continue to buffer the economy against external shocks

Additional Information

Breakdown of 2Q 2026 GDP

GDP Growth by Component, Annual Change (%)

Real GDP (% YoY)	Share, % (2025)	2025		2026	
		1Q	2Q	1Q	2Q
Services	**59.5**	**5.1**	**5.1**	**5.6**	**5.9**
Manufacturing	**23.0**	**4.2**	**3.7**	**5.9**	**7.3**
Agriculture	**6.1**	**0.7**	**2.5**	**2.6**	**-3.7**
Mining and Quarrying	**5.7**	**-2.6**	**-5.2**	**-2.1**	**9.2**
Construction	**4.3**	**14.2**	**12.1**	**7.7**	**6.5**
Real GDP[1]	**100.0**	**4.4**	**4.6**	**5.4**	**6.0**

Real GDP (% YoY)	Share, % (2025)	2025		2026	
		1Q	2Q	1Q	2Q
Domestic Demand (Excluding Stocks)	**96.0**	**5.6**	**6.8**	**5.2**	**5.1**
Private Sector	**77.5**	**5.8**	**6.7**	**5.4**	**4.6**
Consumption	60.3	4.8	5.1	4.7	4.8
Investment	17.2	9.1	11.7	7.8	4.3
Public Sector	**18.3**	**4.9**	**7.5**	**4.4**	**7.3**
Consumption	13.3	2.7	5.7	4.1	7.6
Investment	5.1	11.6	13.5	5.3	6.3
Net Exports of Goods and Services	**3.3**	**-7.9**	**-58.3**	**13.5**	**168.5**
Exports	68.1	4.3	4.5	5.2	17.0
Imports	64.8	5.2	7.9	4.6	13.9
Real GDP[2]	**100.0**	**4.4**	**4.6**	**5.4**	**6.0**

[1] Figures may not add up due to rounding and exclusion of import duties component.
[2] Figures may not add up due to rounding and exclusion of stocks.
Source: Department of Statistics, Malaysia

Financial account recorded a net outflow

Outflows in portfolio investment account more than offsets inflows from direct and other investment accounts

RM billion	2025		2026		
	4Q	Year	1Q	2Q	1H
Direct Investment	**22.5**	**53.5**	**14.7**	**0.4**	**15.2**
*Direct Investment Abroad (DIA)**	*-4.1*	*-12.4*	*-8.1*	*-7.0*	*-15.0*
*Foreign Direct Investment (FDI)**	*26.6*	*65.9*	*22.8*	*7.4*	*30.2*
Portfolio Investment	**-1.9**	**-59.4**	**9.1**	**-35.2**	**-26.1**
Residents	*-15.9*	*-86.5*	*1.3*	*-33.3*	*-32.1*
Non-residents	*14.0*	*27.0*	*7.8*	*-1.8*	*6.0*
Financial Derivatives	**1.5**	**0.2**	**0.8**	**-1.3**	**-0.4**
Other Investment	**-12.8**	**-10.3**	**2.7**	**9.0**	**11.7**
Financial Account Balance	**9.4**	**-16.0**	**27.4**	**-27.0**	**0.4**

[1] As per the IMF's BPM5 classifications (i.e. directional basis).
Note: Figures may not add up due to rounding.
Source: Department of Statistics, Malaysia and Bank Negara Malaysia

Net outflows in portfolio investment

driven by net acquisition of equity securities abroad by residents and non-residents' liquidation of domestic equity securities

Continued net FDI inflows

supported by higher reinvested earnings and equity injections, partially offset by outflows in debt instruments

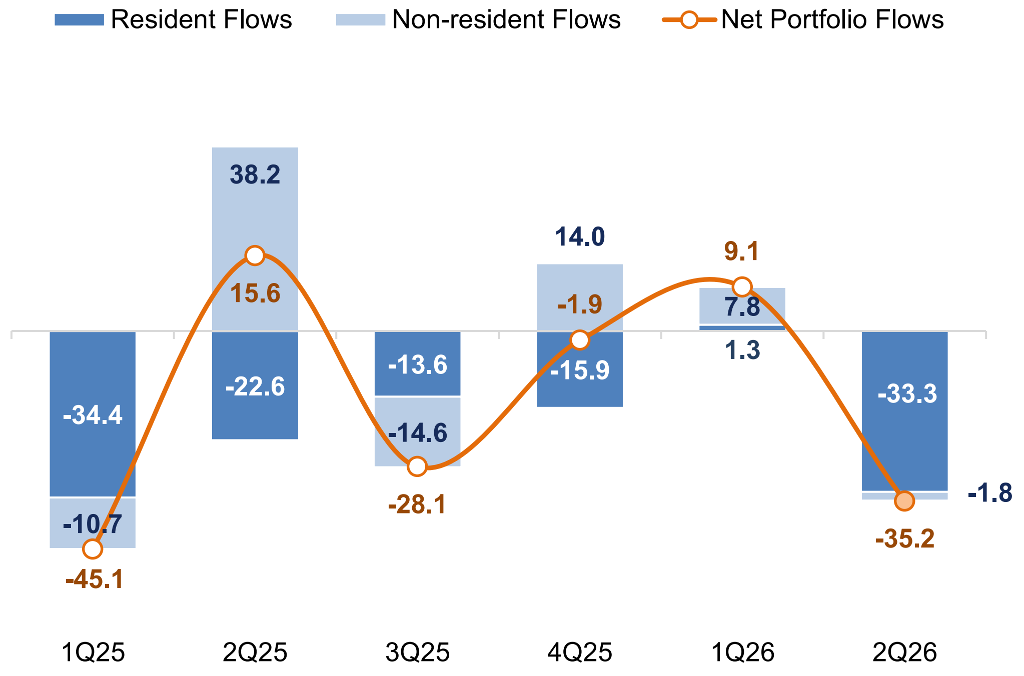
Net inflows in other investment

driven mainly by higher interbank borrowing by residents

Portfolio investment recorded net outflows

Net portfolio outflows in 2Q 2026 were mainly driven by the net acquisition of equity securities abroad by residents

Portfolio Investment,
RM bil



Source: Bank Negara Malaysia

FACTORS AFFECTING THE PORTFOLIO INVESTMENT FLOW

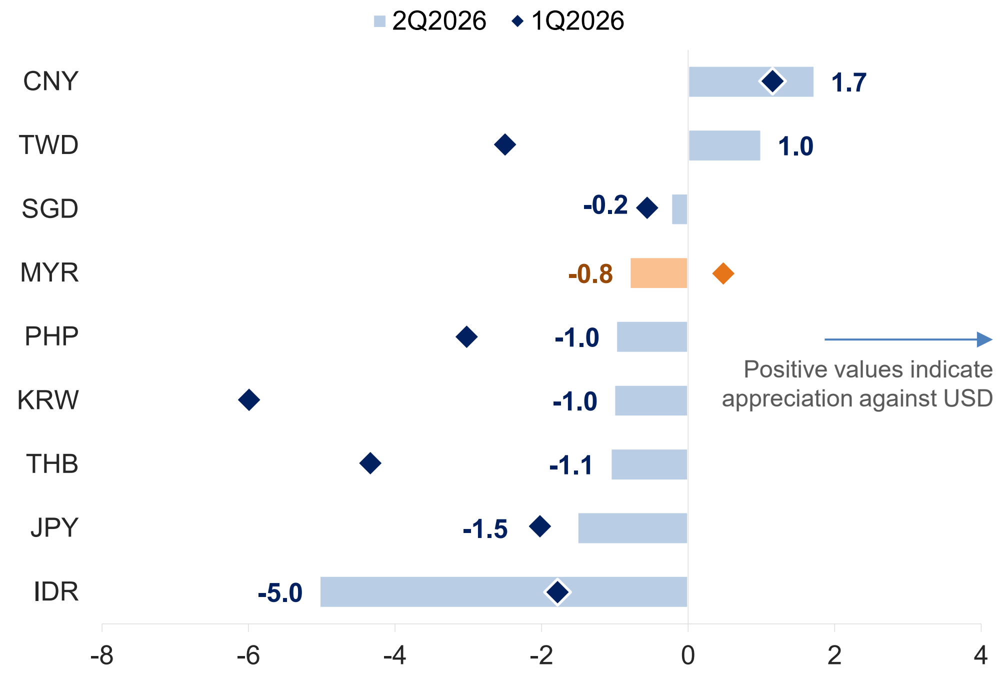
Acquisition of equity securities abroad
by resident investors

Liquidation of domestic equities due to portfolio rebalancing by non-resident investors

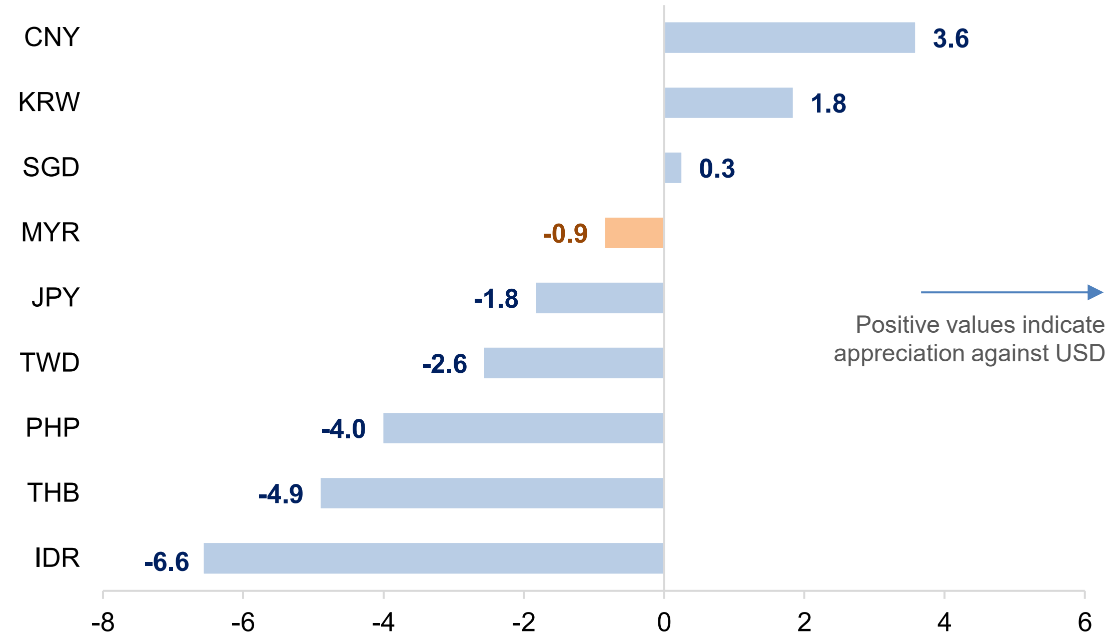
Ringgit eased slightly against the US dollar in 2Q 2026, in line with most regional currencies

Ringgit and Regional Currency Performance Against the US Dollar

First Quarter of 2026 and Second Quarter of 2026,
Change (%)



Year-to-date as of 12 Aug 2026,
Change (%)



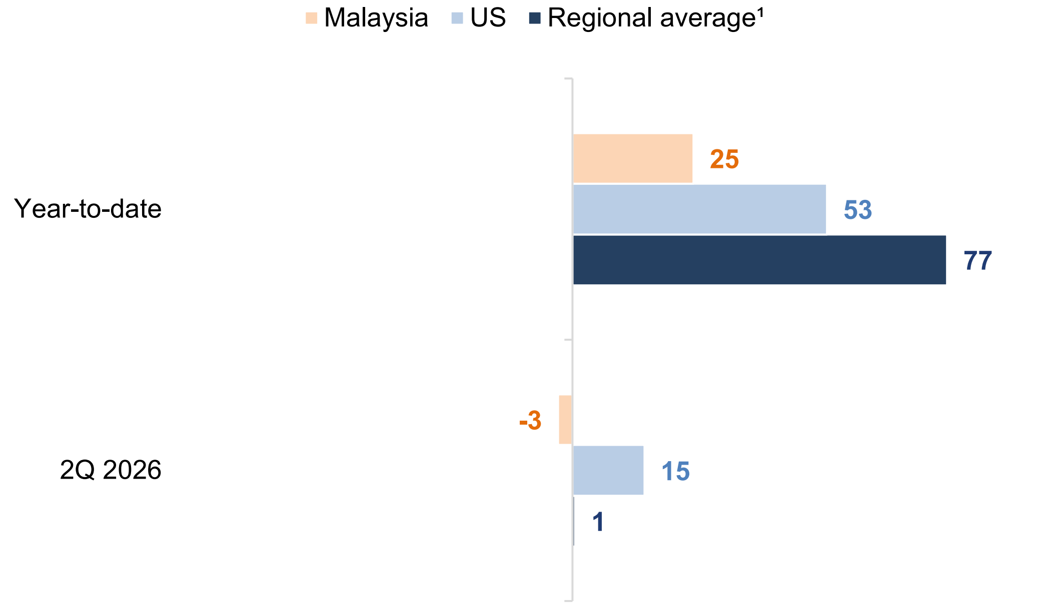
Source: Bank Negara Malaysia

Ringgit performance

Malaysian bond yields decreased marginally amid non-resident inflows, while equities declined slightly in 2Q 2026

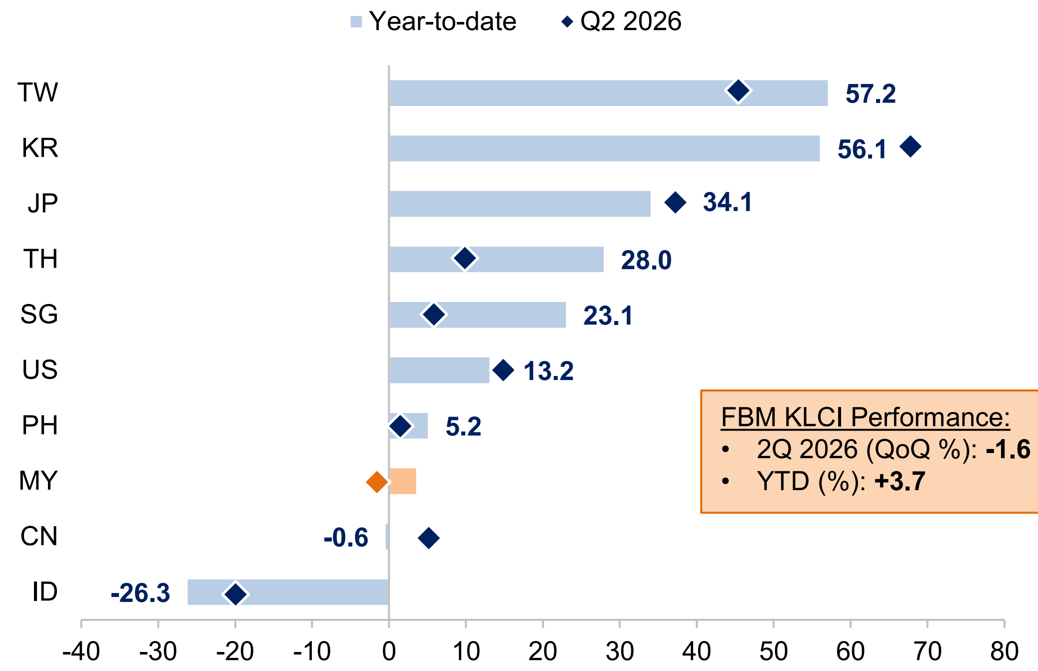
Domestic bond yields declined, supported by continued non-resident demand for domestic bonds

Movement of 10-Year Local Currency Sovereign Bond Yields,
Basis points (bps)



Slight decline in the equity market amid net foreign outflows, primarily due to portfolio rebalancing following the MSCI[2] index review

Performance of Equity Indices,
Change (%)



FBM KLCI Performance:
- 2Q 2026 (QoQ %): **-1.6**
- YTD (%): **+3.7**

[1] Includes Philippines (PH), Thailand (TH), Singapore (SG), South Korea (KR), and Indonesia (ID).
[2] MSCI refers to Morgan Stanley Capital International
Note: Year-to-date as of 12 August 2026.
Source: Bank Negara Malaysia, Bloomberg, ETP and Bursa Malaysia

Ringgit performance