Sidang Akhbar

Prestasi Ekonomi Suku Ketiga Tahun 2026

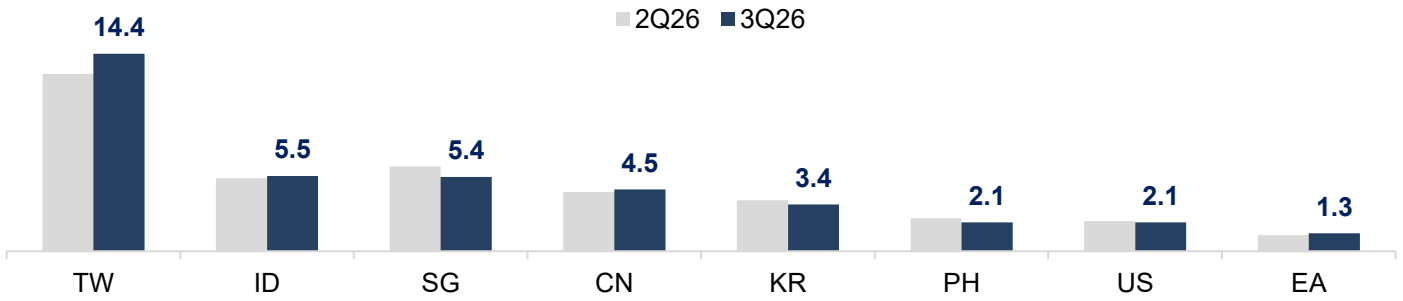
18 November 2026

BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

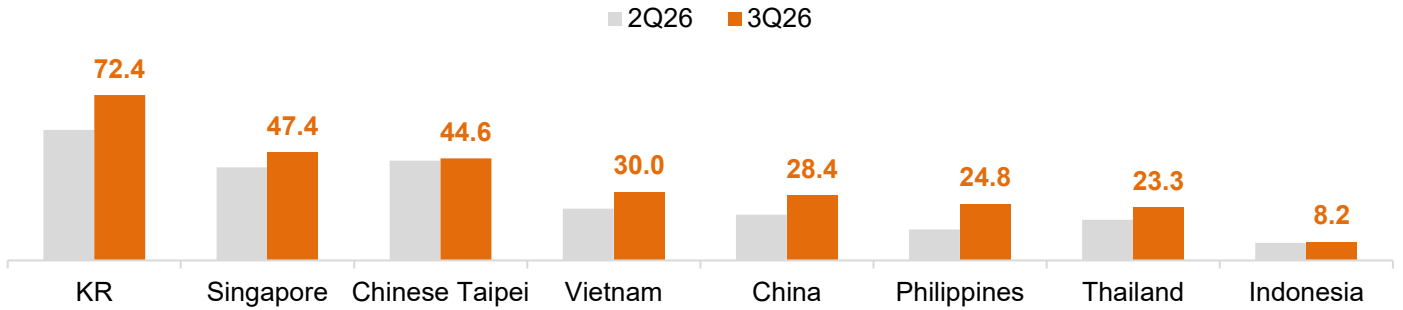
JABATAN PERANGKAAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA

Resilient global growth in 3Q 2026

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



Regional Trade Growth,
Annual change (%)



Factors Influencing Growth in 3Q 2026

- Continued AI-related demand
- Adaptation to supply disruptions
- Resilient private consumption and investment

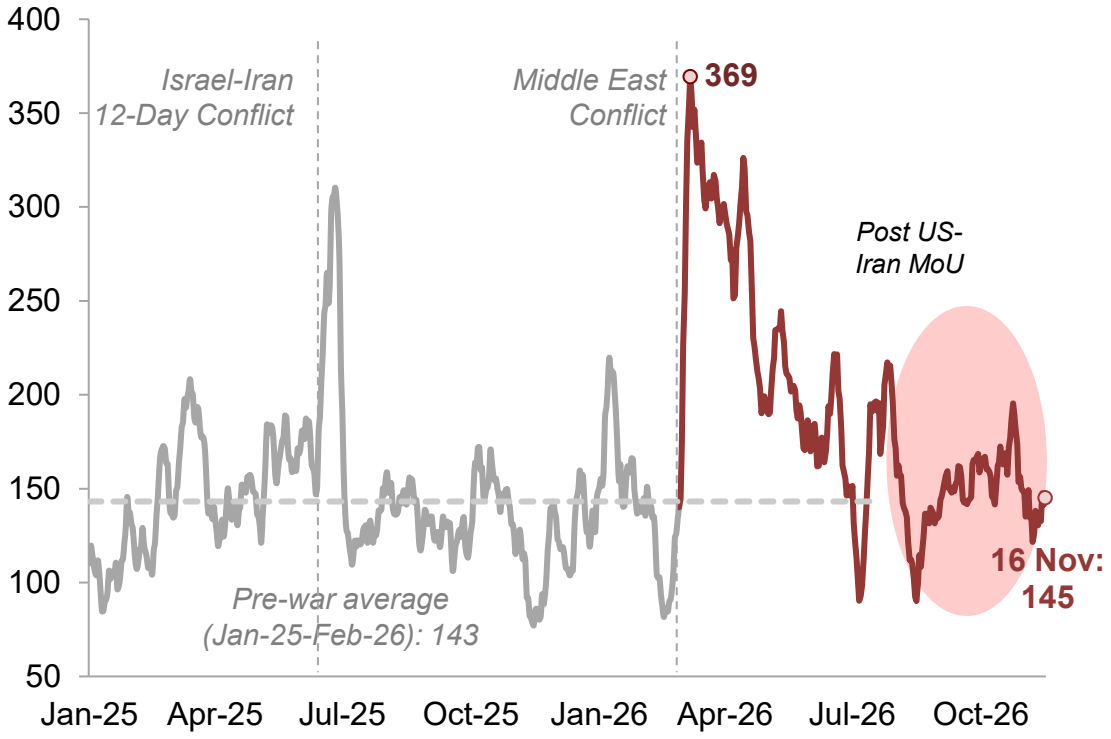
- Middle East conflict uncertainties
- Elevated price pressures

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

Middle East conflict remains a key source of geopolitical risk and oil price volatility

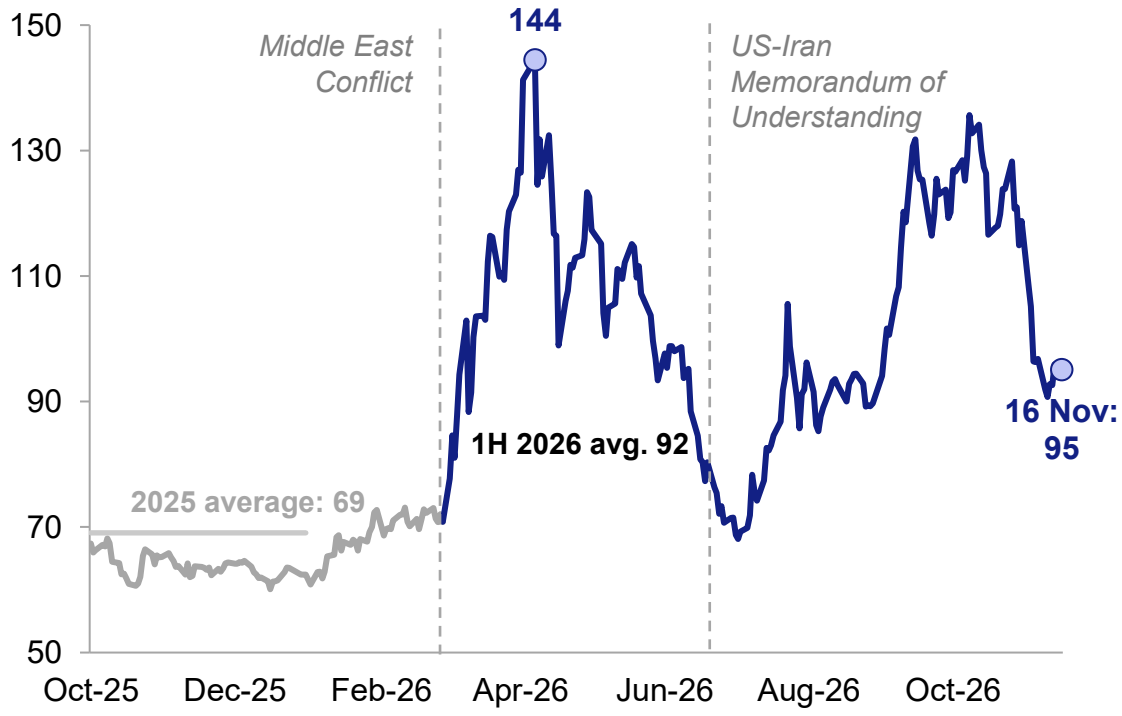
Geopolitical risks have eased from the conflict-induced spike…

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



…but oil prices remain volatile and above pre-conflict levels

Dated Brent
USD per barrel

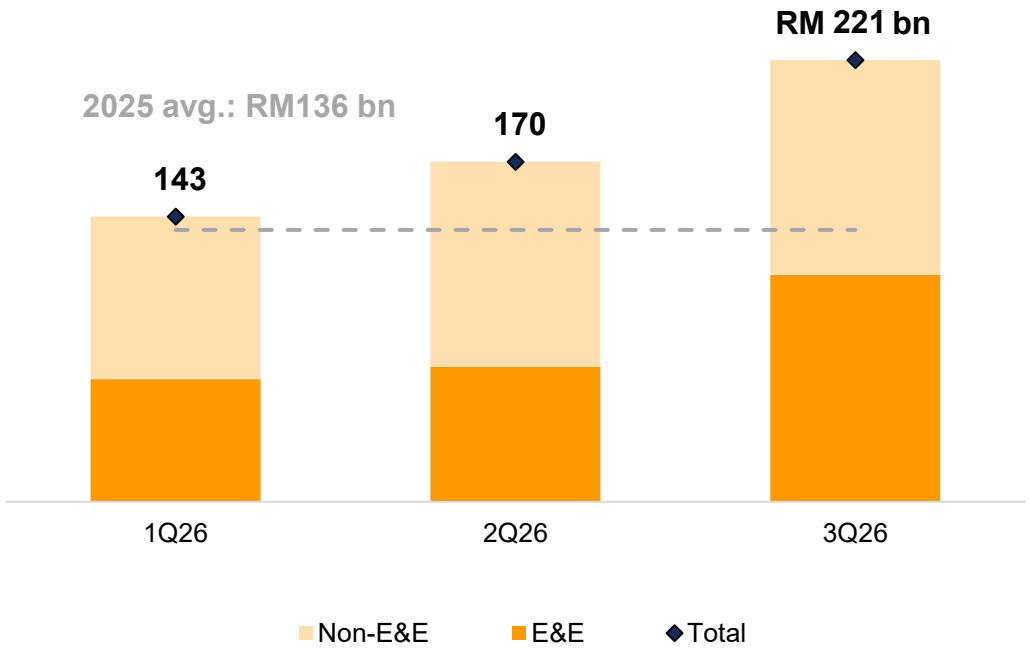


Source: Bloomberg, Caldara, Dario, and Iacoviello (2021)

Malaysia's supply chains remain resilient despite shocks

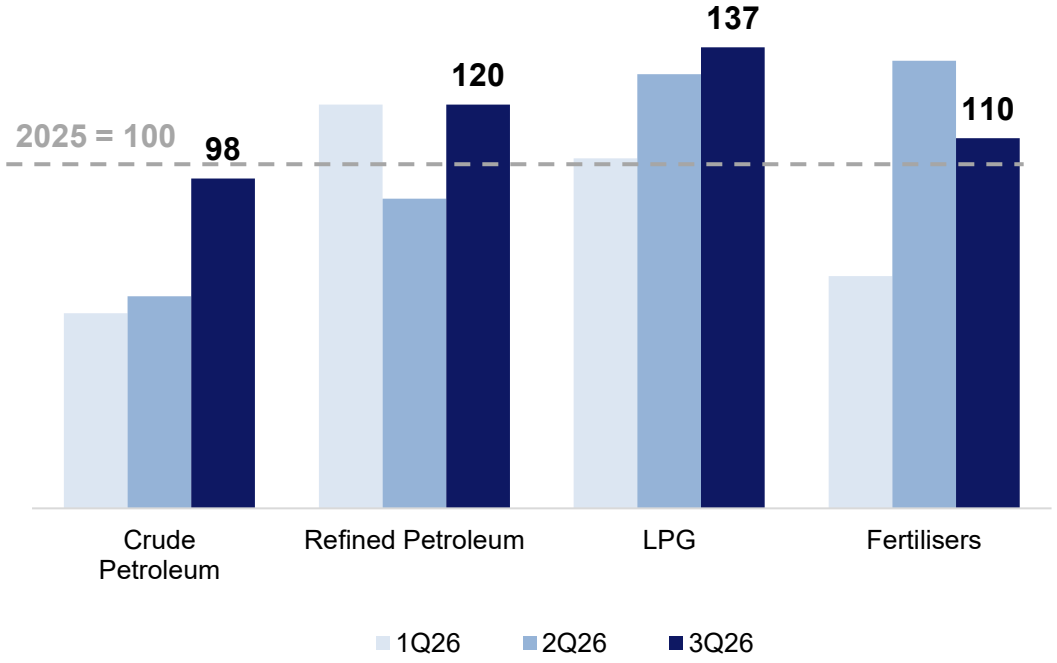
Intermediate imports strengthened further, driven by robust tech-related inputs

Intermediate Imports by Components
Value (RM billion)



Supplies of key commodities have broadly recovered to pre-conflict levels

Retained Import Volume for Selected Key Commodities
Volume Index (2025 avg. = 100)

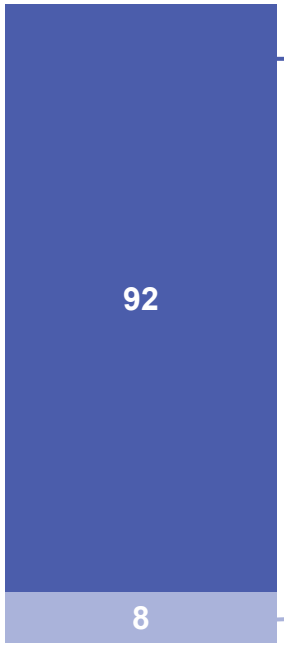


Source: Department of Statistics, Malaysia, Bank Negara Malaysia estimates

Business adaptation limits production disruptions, but costs have risen

Businesses continued to adapt to Middle East conflict shocks, with limited production disruptions…

Impact of the Middle East Conflict on Production Cuts in 3Q26
% share of respondents



Resilient production amid higher cost

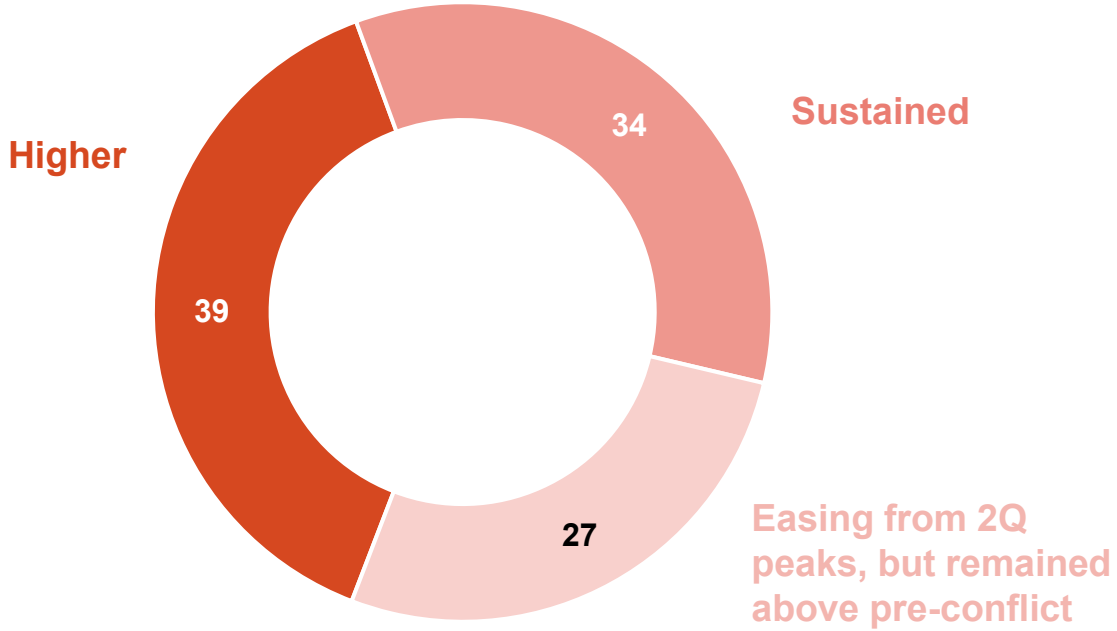
- Raw materials secured
- Firms adapted by ordering earlier, diversifying suppliers and building inventories

Production cuts remained contained

- Softer demand in selected sectors
- Elevated costs compressed margins, hence reduced output

…although firms continued to face elevated cost pressures

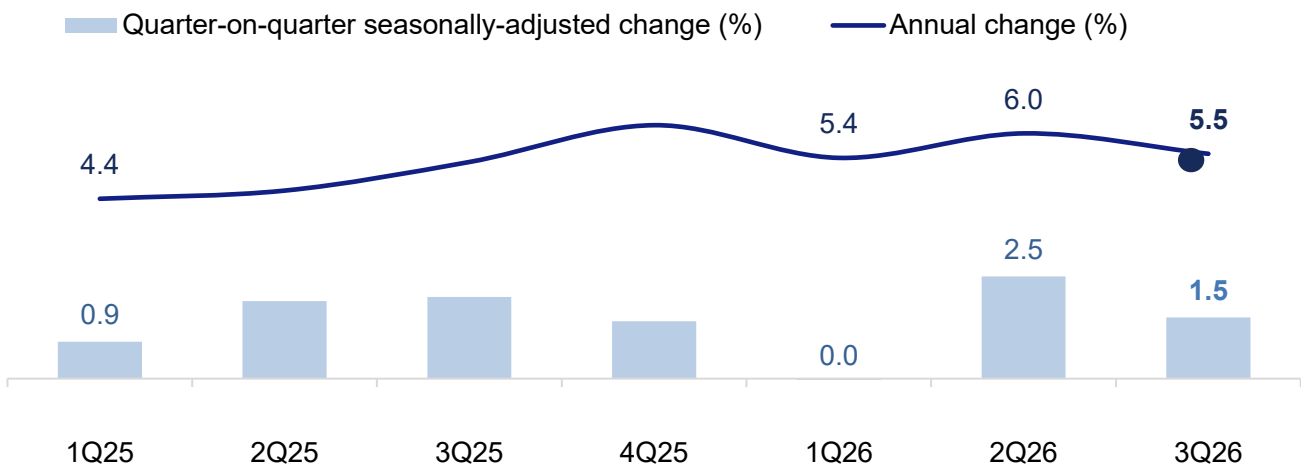
Impact of the Middle East Conflict to Cost, 3Q26 vs 2Q26
% share of respondents



Note: Findings based on firm engagements with 93 firms spanning all major economic sectors (manufacturing: 37%; services: 33%; agriculture: 13%; construction: 12%; mining: 5%).
Source: Bank Negara Malaysia Regional Economic Industrial Surveillance (REIS) Engagements (Sep-Oct 2026)

Malaysia's GDP advanced 5.5% in 3Q 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	Jul-26	Aug-26	Sep-26
6.6	4.7	4.8	7.0	5.4	5.8	4.8	4.8	6.9

Factors Influencing Growth in 3Q 2026

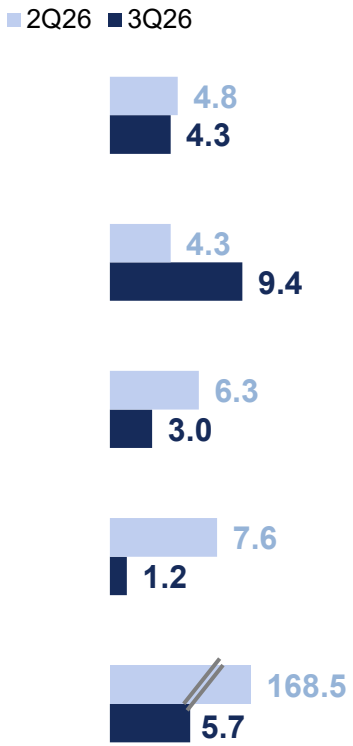
- **Continued household spending**
- **Higher investment activities**
- **Stronger export performance**
  supported by tech-related exports
- **Lower oil and gas production**
  due to scheduled maintenance activities

Source: Department of Statistics, Malaysia

Growth underpinned by continued expansion in domestic demand

Demand Side

Real GDP Growth,
Annual change (%)



Private Consumption
Supported by favourable labour market conditions, but affected by base effect from larger cash transfers in 3Q25

Private Investment
Higher investment across both machinery & equipment and structures

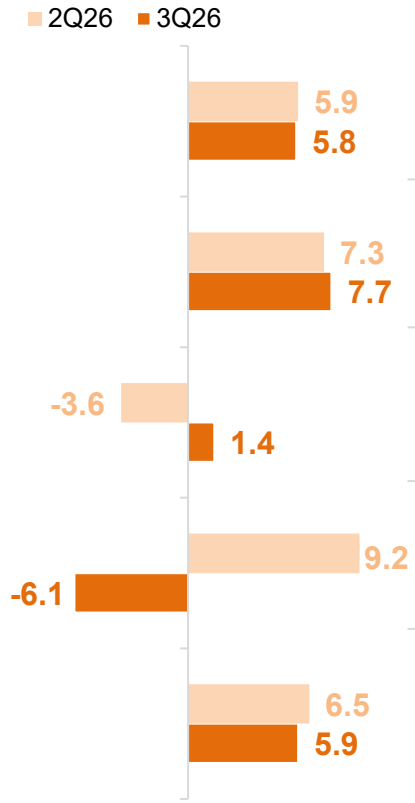
Public Investment
Weaker capital expenditures by public corporation amid completion of major projects

Public Consumption
Lower spending especially for supplies and services

Net Exports
Strong tech-related exports, partially offset by intermediate and capital imports

Supply Side

Real GDP Growth,
Annual change (%)



Services
Stronger business-related services growth

Manufacturing
Higher growth in E&E production amid strong AI-related demand

Agriculture
Stronger palm oil production as yields improved

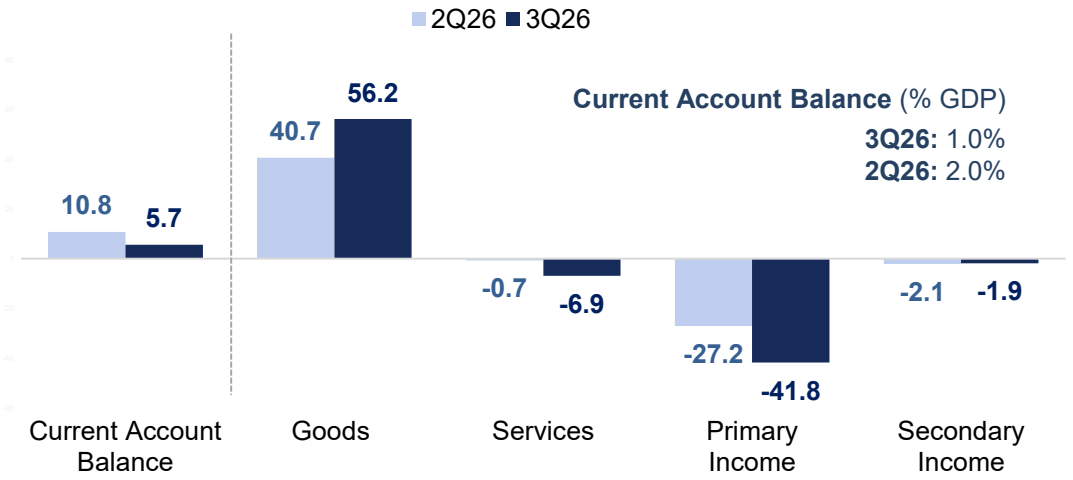
Mining
Lower oil and natural gas output due to scheduled maintenance activities

Construction
Robust non-residential activities offset by slower residential segment

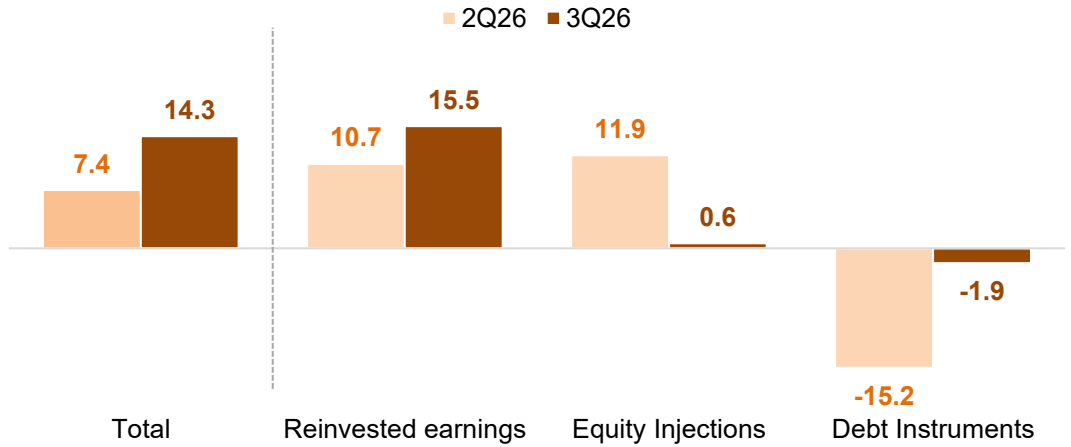
Source: Department of Statistics, Malaysia

Continued current account surplus and higher FDI inflows

Current Account Balance,
RM bil



Foreign Direct Investment,
RM bil



- **Higher goods surplus,** driven mainly by tech-related manufacturing exports.
- **Larger services deficit** due to higher imports of other business services despite stronger travel and ICT-related receipts.
- **Wider primary income deficit** due to higher profits recorded by FDI firms.

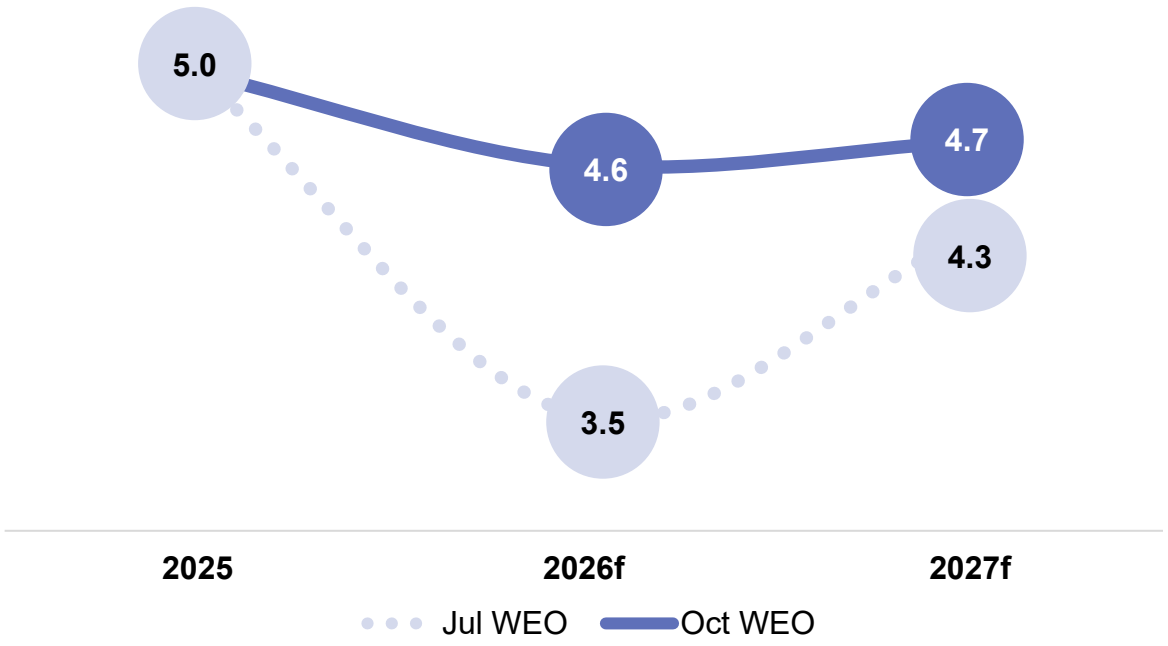
- **Net FDI inflows** supported by higher reinvested earnings amid more moderate net equity injections and slight outflows in FDI debt instruments.

Source: Department of Statistics, Malaysia

Global economy continues to be lifted by the strong tech upcycle

Global growth prospects continue to improve amid ongoing adaptation to supply disruptions…

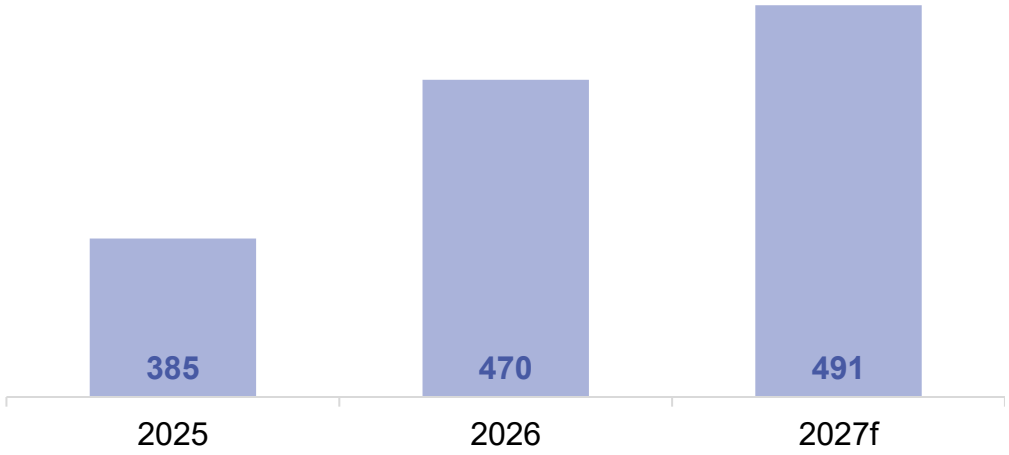
World Trade Volume Forecast,
Annual change (%)



Source: TechInsights, International Monetary Fund

…as AI expansion sustains the semiconductor upcycle

Global Semiconductor Sales Volume,
Billion units

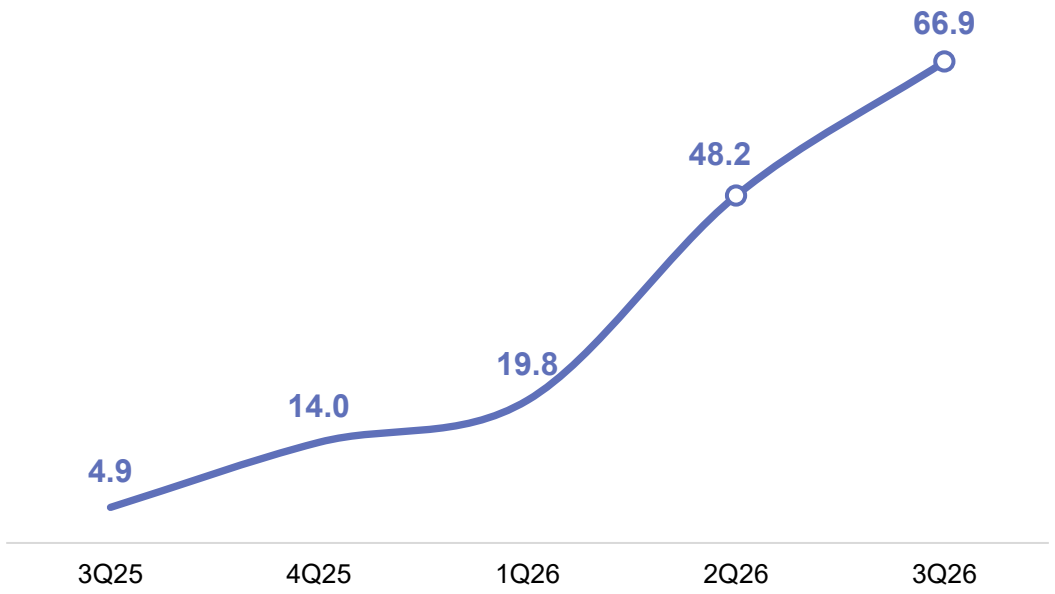


Global Semiconductor Market Value - Tech Insights Forecast, Annual change (%)		
29.4	*123.2*	*47.7*

Global tech momentum driving Malaysia's E&E strength

Malaysia's E&E firms are capable, competitive and riding on global momentum

Malaysia's Domestic Exports of E&E
Annual change (%)



Top 3 Trading Partners (3Q 2026)

China	RM204b	49% YoY *(41%)*
Singapore	RM161b	50% *(44%)*
United States	RM144b	71% *(34%)*

Top 3 E&E Goods (3Q 2026)

Semiconductors	RM136b	96% YoY *(77%)*
Electrical Machinery	RM44b	26% *(20%)*
Office & Computing Equipment	RM26b	38% *(2%)*

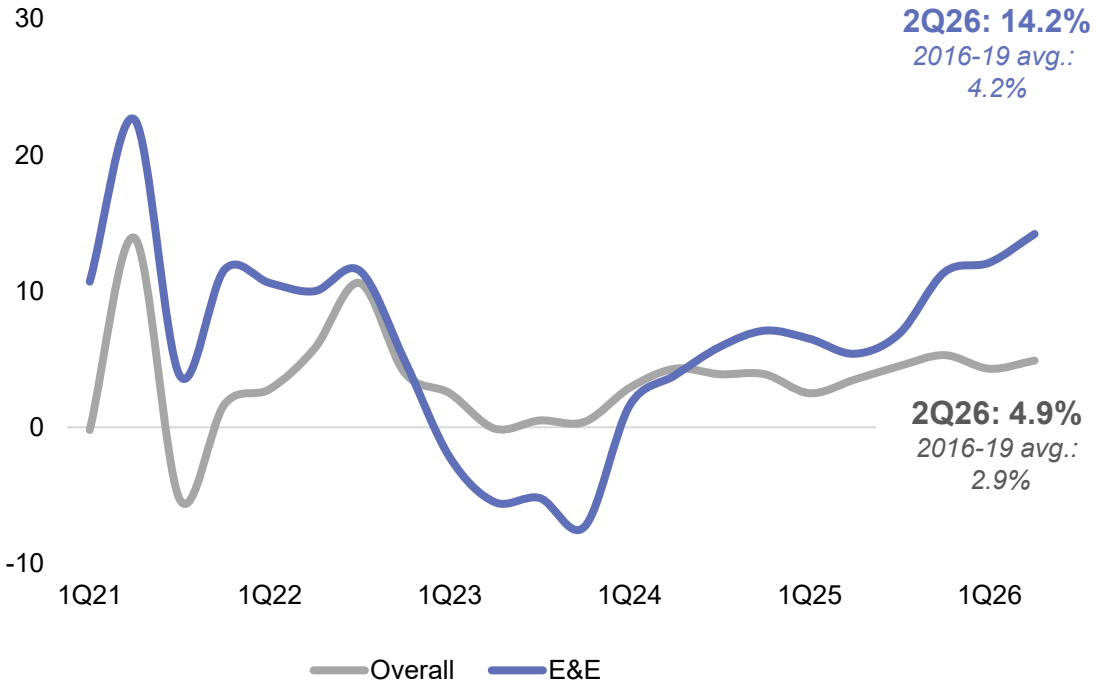
2Q 2026 figures in parentheses

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

Strong E&E performance translating into broader productivity gains and growth in skilled employment

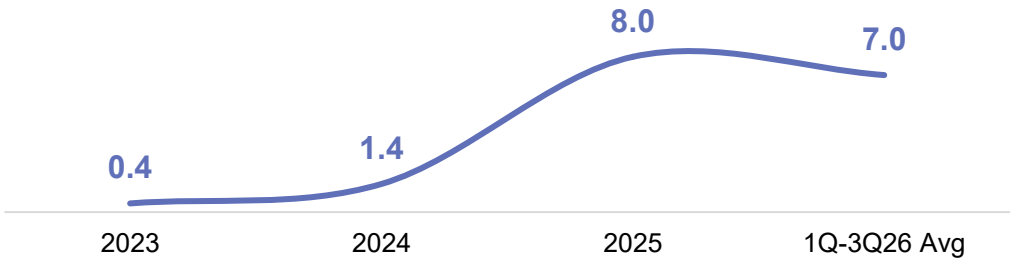
Productivity in E&E had improved amid investment in automation and technology

Labour productivity: Value added per worker
Annual change, %

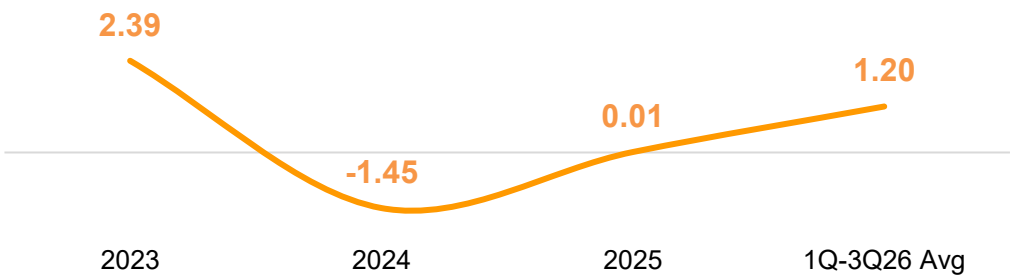


Skilled employment also expanded in E&E, although spillovers to overall wages in the sector have yet to materialise

Total E&E skilled jobs
Annual change, %



Nominal wage per E&E worker
Annual change, %



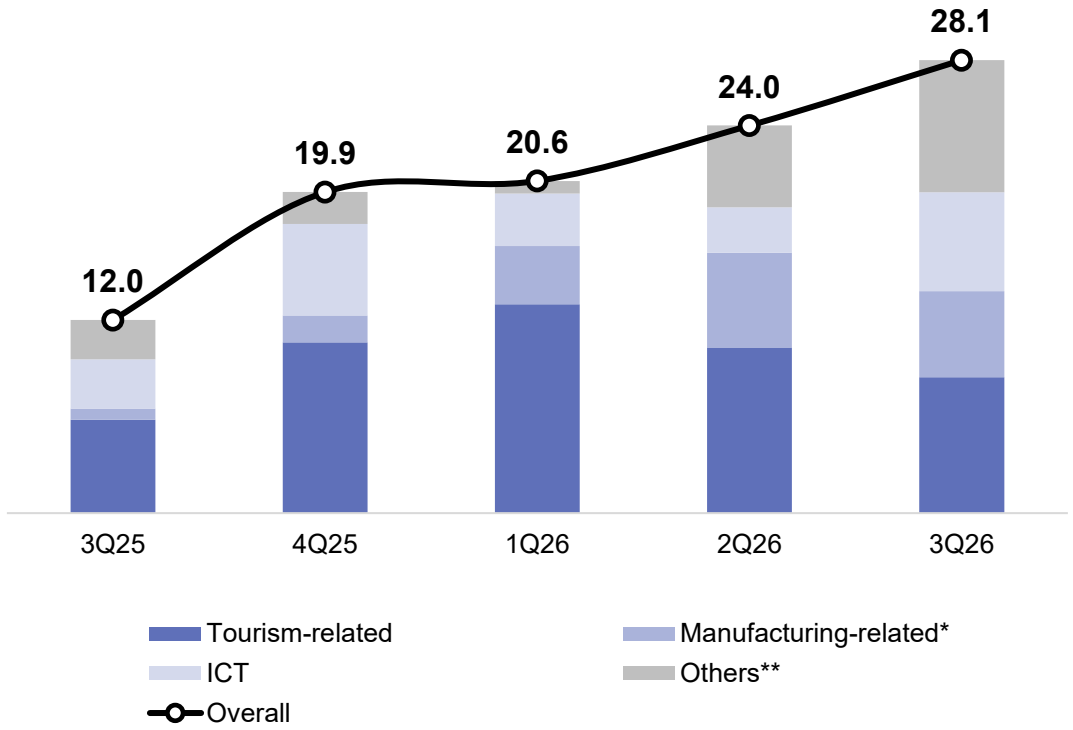
Source: Department of Statistics Malaysia, Bank Negara Malaysia estimates

Resilient services exports underpinned by diversified growth drivers

Services receipts to remain resilient, underpinned by a diversified base spanning tourism, ICT and manufacturing-related services

Services Receipts Growth

Annual change (%); ppt cont.



Growth Drivers

Strong tourism activity
with increasing travel spending in conjunction with Visit Malaysia Year 2026-2027

Improving ICT services exports
from growing data centre-related activities

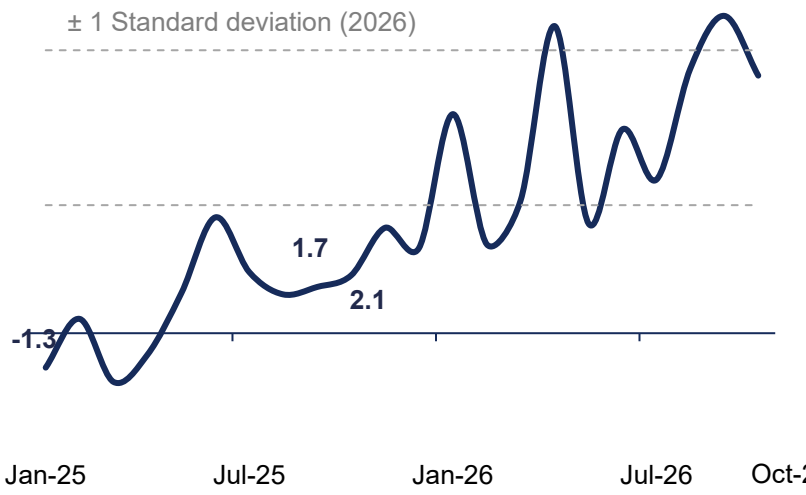
Sustained manufacturing-related services exports
amid continued expansion in AI-related tech demand

* Manufacturing-related services on physical inputs owned by others comprise processing, assembly, packing and labelling activities undertaken on goods owned by non-residents
**Others comprise the remaining services components, including transport, financial and insurance services, construction and other business services, among others
Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

High frequency payment data indicates continued resilience in domestic demand

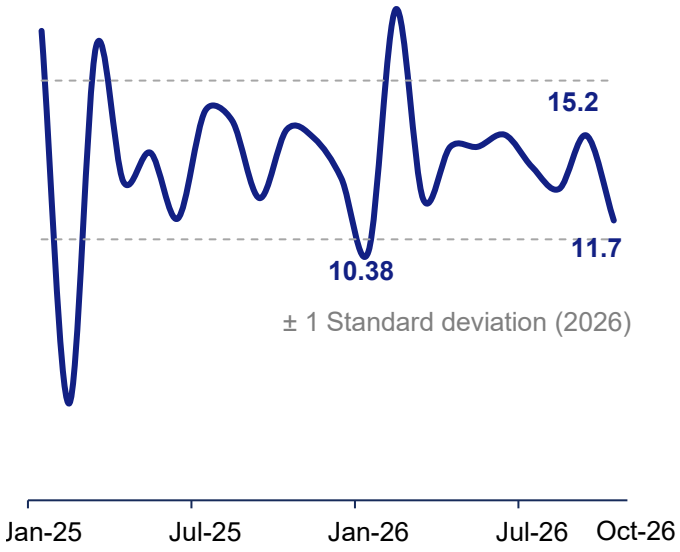
Electricity demand continued to expand, consistent with sustained economic activity

Electricity Generation*
Annual change (%)



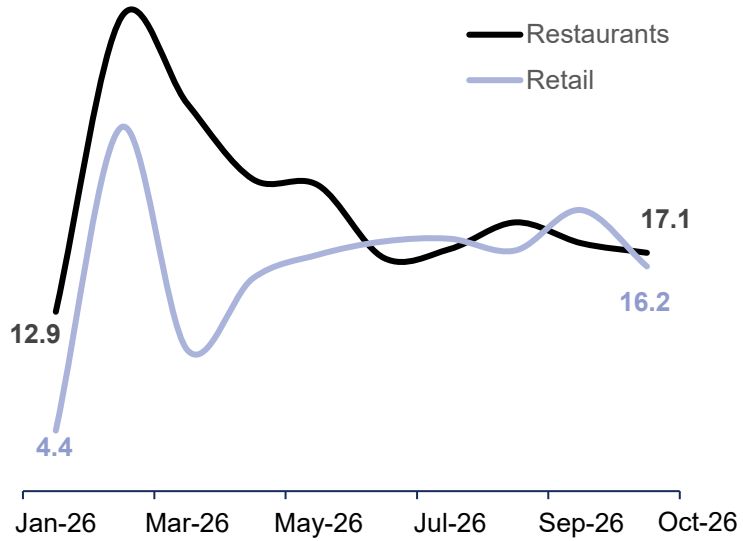
Spending activity remain strong, albeit some moderation in October…

Total Payments**
Annual change (%)



….with continued expansion in restaurant and retail spending

Total Payments of Restaurants & Retail**
Annual change (%)

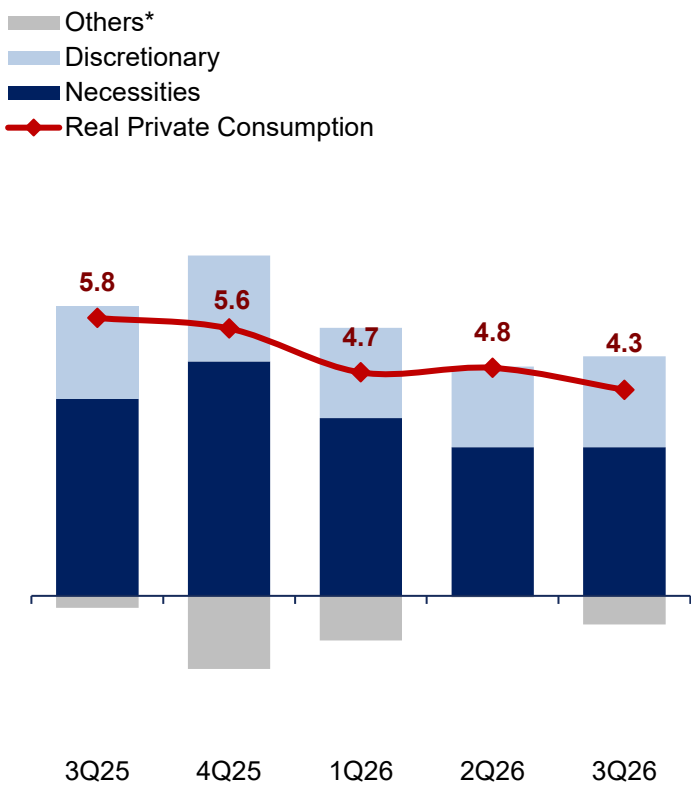


* Refers to electrical grid demand for peninsular Malaysia, excluding Sabah & Sarawak
** Refers to daily merchant acquiring sourced from the top five banks, representing 55% of the market, and cover payments made through cards, e-wallets, and DuitNow QR.
Source: Grid System Operator (GSO), Bank Negara Malaysia, Department of Statistics Malaysia

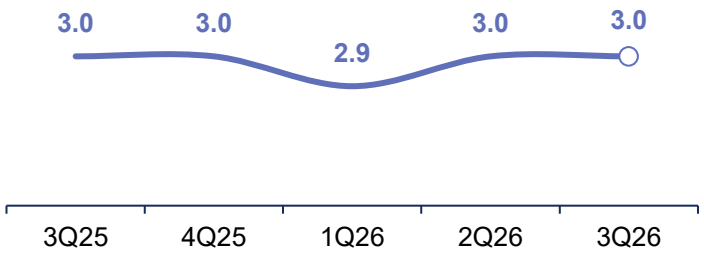
Some moderation but private consumption remains the anchor of growth

Household spending continues to expand, amidst positive labour market conditions, steady income growth…

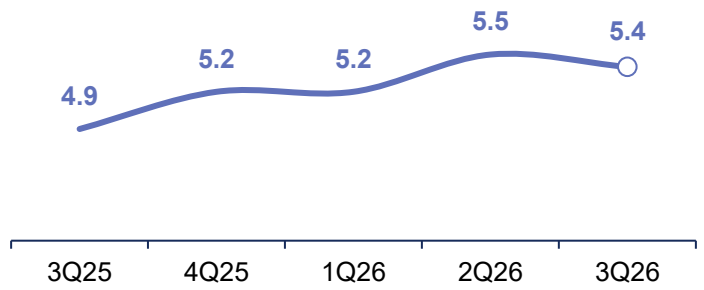
Real Private Consumption
Annual change (%) / Cont. to growth (ppt)



Unemployment rate
%



Aggregate Wages
Annual change (%)



…and continued support from policy measures

Wage-enhancing measures

Higher minimum wage and wage floors for semi-skilled workers and graduates

Expanded cash assistance

Higher STR and SARA transfers

Targeted cost-of-living support

BUDI95 and BUDI Diesel assistance together with tax measures

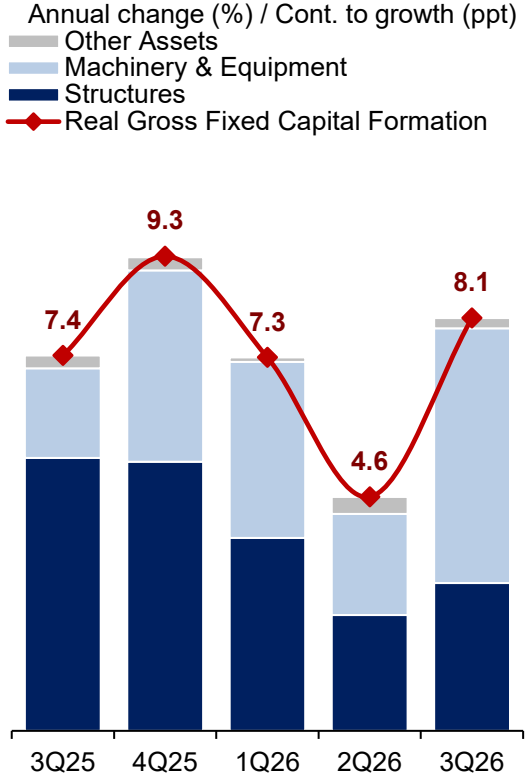
* Others include Net Non-Resident Spending Domestically and Final Consumption Expenditure of Non-Profit Institutions Serving Households
Source: Bank Negara Malaysia, Department of Statistics Malaysia

Investments continue to expand across both private and public sectors

Robust investment activity…

Real Gross Fixed Capital Formation

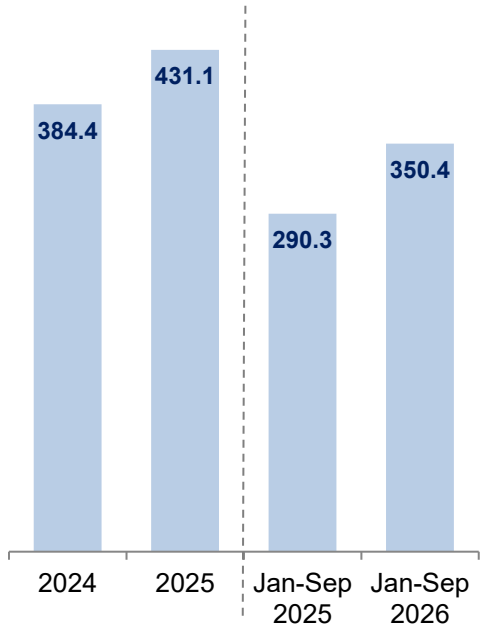
Annual change (%) / Cont. to growth (ppt)



… driven by realisation of approved private investments and ongoing public projects

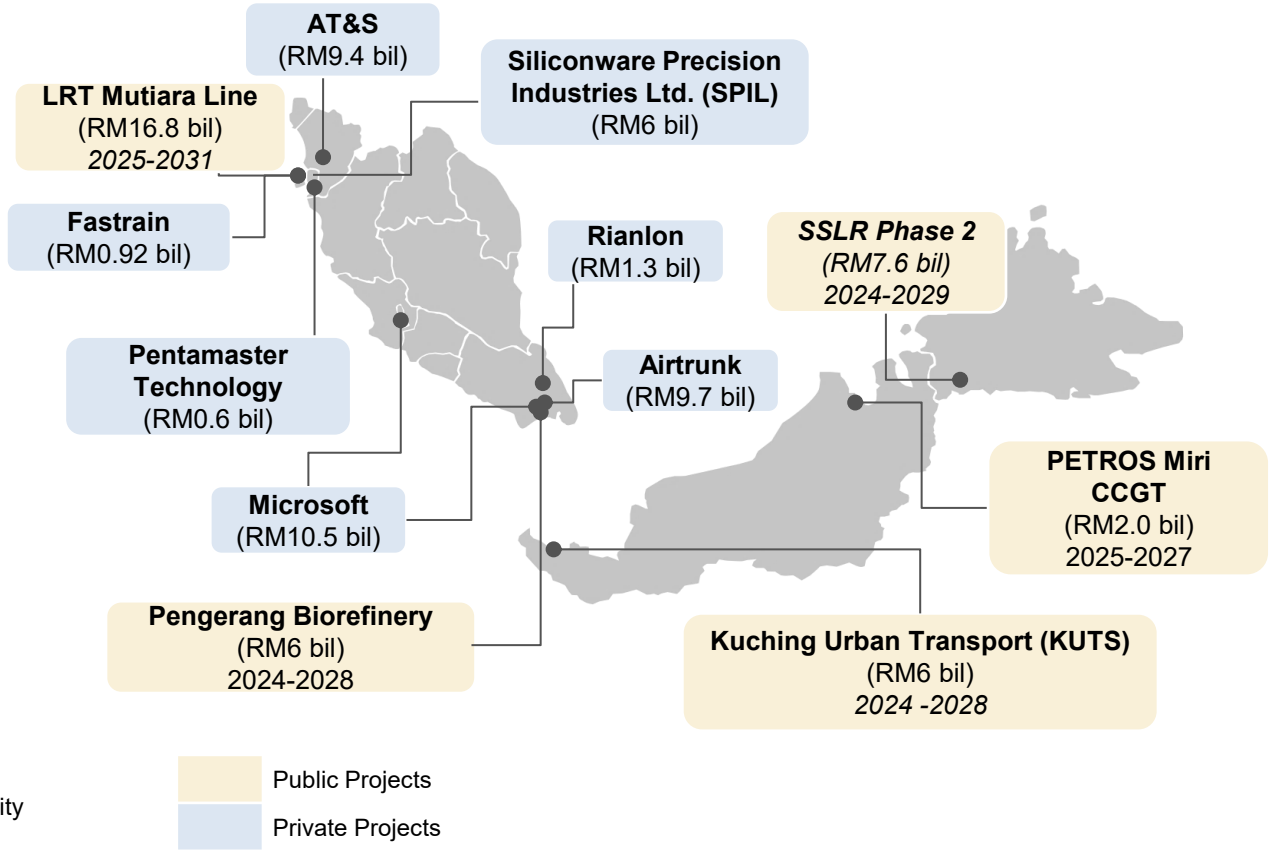
Total Approved Investments

RM bil



Major Public/Private Projects across Malaysia

RM bil

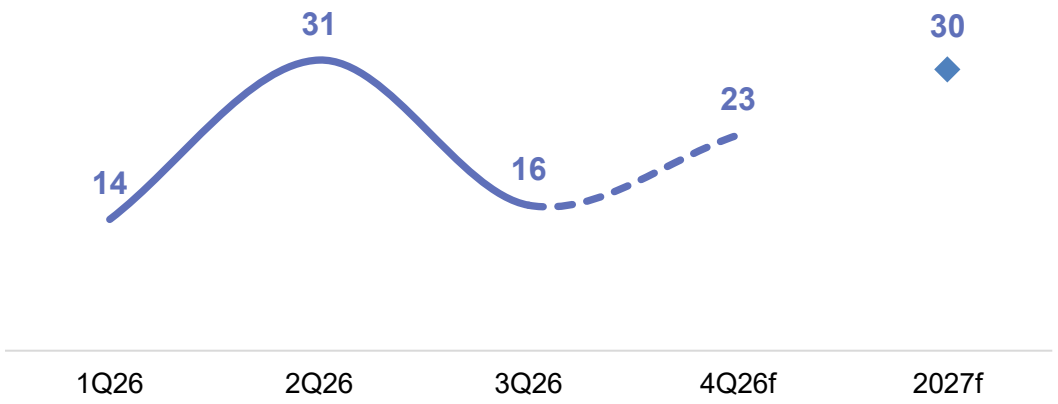


Source: Bank Negara Malaysia, Department of Statistics Malaysia, Malaysian Investment Development Authority

Firms remained optimistic on business prospects in 4Q 2026 and 2027

Stronger outlook from business expansion, tourism activities, E&E demand and commodity prices…

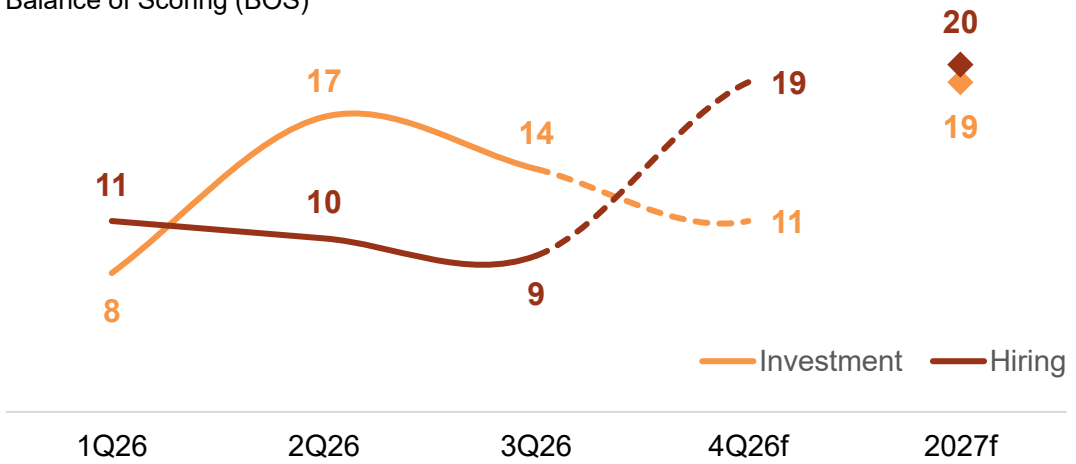
Firms' Revenue
Balance of Scoring (BOS)



Factors supporting revenue outlook	
Services	▶ Outlet expansion, new products, stronger tourism activity
Manufacturing	▶ Strong AI and E&E-related demand
Commodities	▶ Favourable prices for oil and gas, and palm oil

…supporting investment and hiring intentions

Firms' Investment and Hiring Intention
Balance of Scoring (BOS)



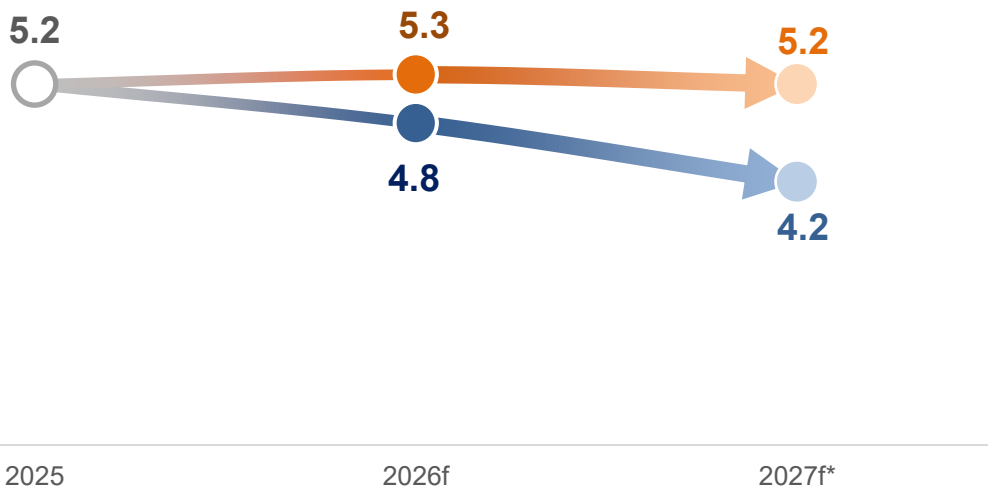
Factors supporting investment and hiring intentions
▶ AI-related investments, catering to higher demand
▶ Stronger tourism activity, driving hotel expansion
▶ Less investment delay from Middle East uncertainty

Note: Findings based on firm engagements with 116 firms across all major economic sectors (services: 38%, manufacturing: 36%, construction: 10%, agriculture: 10%, mining: 6%). Balance of scoring (BOS) refers to the difference between percentage of firms engaged citing "higher/ stronger" and percentage of firms engaged citing "lower/ weaker".

Source: Bank Negara Malaysia Regional Economic Industrial Surveillance (REIS) Engagements (Sept-Oct 2026)

Growth driven by sustained domestic demand and strong external sector

Malaysia's Real GDP Growth



Growth Drivers

Sustained household spending
Steady income growth and support from policy measures

Robust investment activities
Ongoing multi-year projects and realisation of approved investments

Strong exports growth
Improved global prospects and robust demand from tech cycle

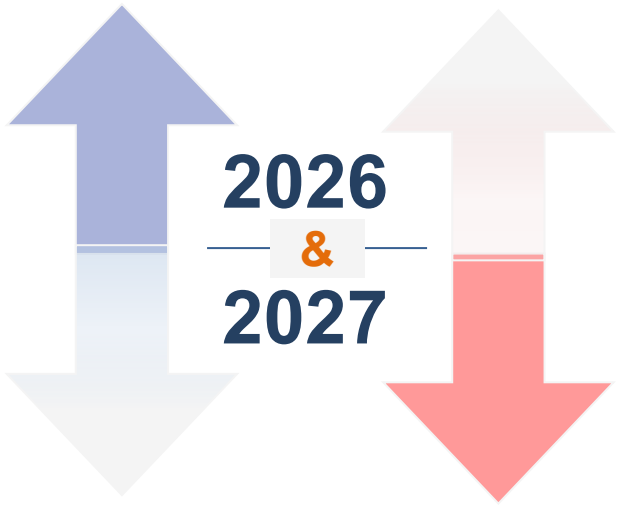
Source: Department of Statistics, Malaysia, Economic Outlook 2027 (Ministry of Finance, Malaysia)

Overall growth is subject to both upside and downside risks

UPSIDE POTENTIAL

Stronger tech-related export demand

Higher tourism activity



Prolonged Middle East conflict

Lower commodity production

DOWNSIDE RISKS

Source: Bank Negara Malaysia

Headline inflation remained stable in 3Q 2026, core inflation moderated further

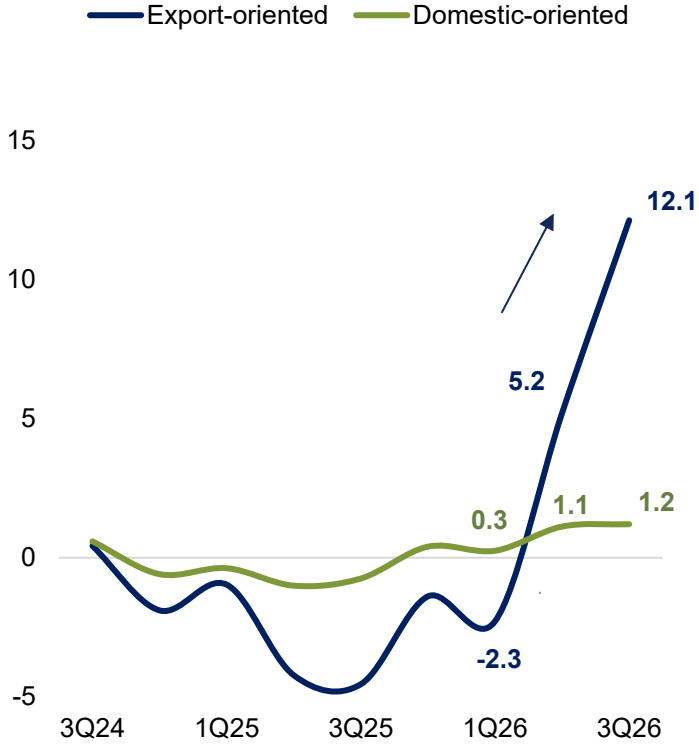
Domestic consumer price pressures remained moderate…

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



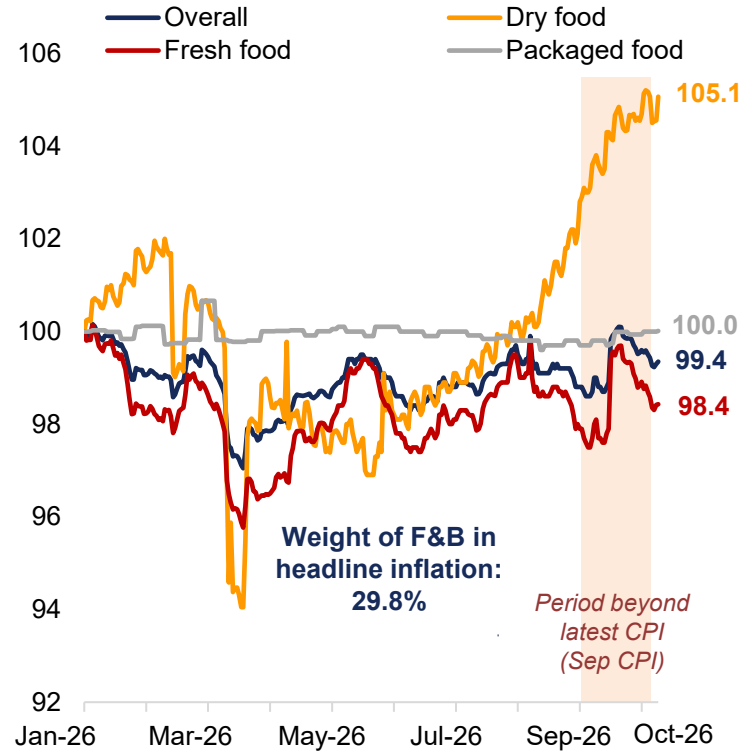
…consistent with relatively modest producer price increases in domestic-oriented industries

PPI Manufacturing by market orientation
YoY (%)



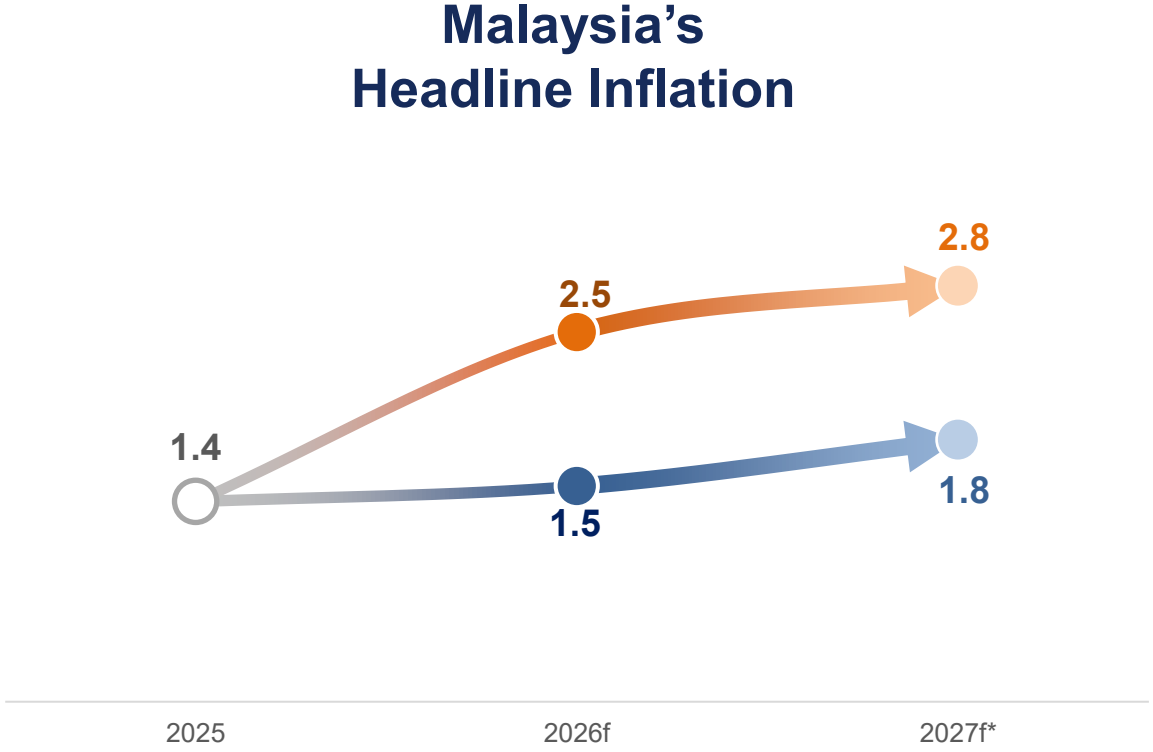
More recent indicators suggest overall food prices remained below early-2026 levels despite higher dry food prices

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



Note:
1. Manufacturing industries are classified as export-oriented if more than half of their sales come from exports.
2. Manufacturing sector accounts for 81.6% of producer price index (PPI) basket, representing the largest share among all sectors.
3. PriceCatcher data mainly tracks retail prices of fresh food and groceries, which form around a third of the overall CPI basket.
Source: Department of Statistics Malaysia, Ministry of Domestic Trade and Cost of Living, and Bank Negara Malaysia estimates

Inflation is projected to trend higher but remain contained in 2026 and 2027



UPSIDE POTENTIAL

Higher commodity prices
mainly from escalation in geopolitical tensions

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

Larger-than-expected spillovers
from demand-stimulating measures

DOWNSIDE RISKS

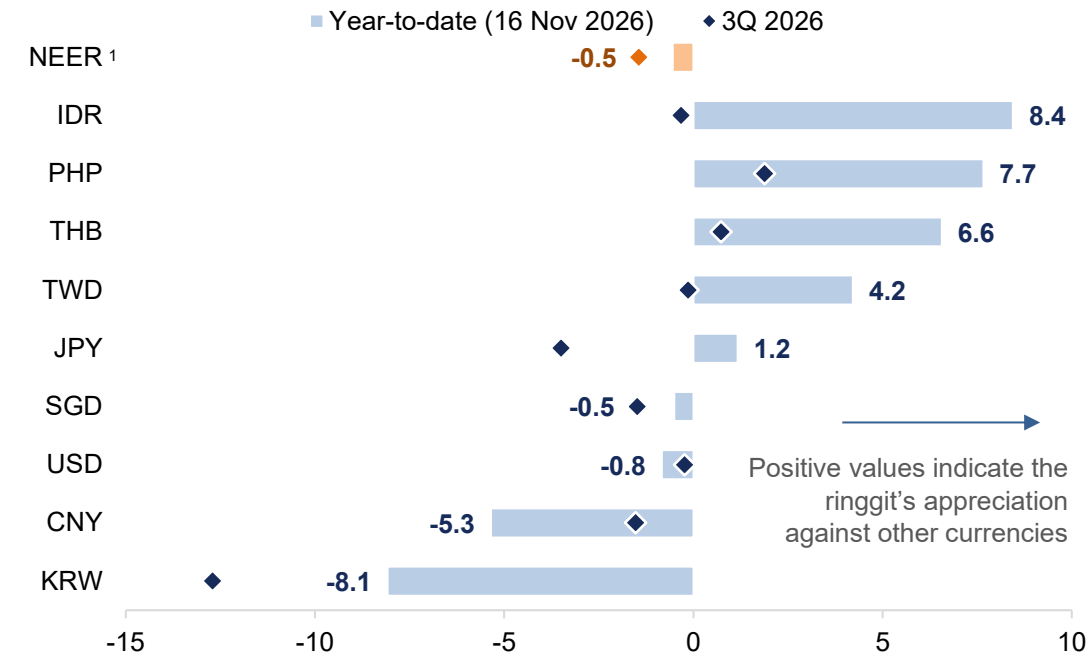
Softer global and domestic economic activity
amid weaker sentiments and production

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

Note: (*) The 2027 forecast range reflects the Ministry of Finance's projection in their Economic Outlook 2027 Report.
Source: Bank Negara Malaysia Economic and Monetary Review (EMR) 2025, Economic Outlook 2027 (Ministry of Finance, Malaysia)

Year-to-date, the ringgit continues to remain stable against currencies of major trading partners

Ringgit Movements Against Selected Currencies in 3Q 2026 and YTD,
Change (%)



Factors Affecting the Ringgit in 3Q 2026

Tighter global monetary policy

Higher global interest rates following central bank policy rate increases and expectations of further tightening amid sustained inflationary pressures

Heightened global risk aversion

In line with renewed escalation of the Middle East conflict

Positive domestic economic prospects

Underpinned by resilient economic growth alongside the Government's commitment to ongoing structural reforms

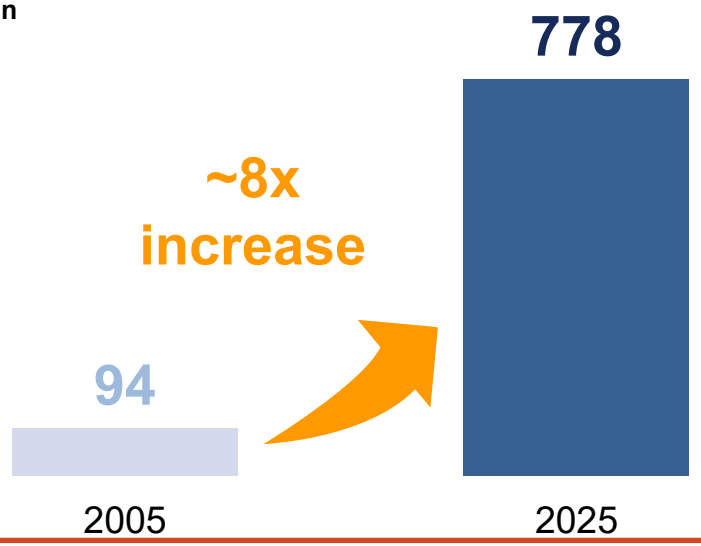
Note: The exchange rate data is the noon-rate in the Kuala Lumpur Interbank Foreign Exchange Market.
[1] Refers to the ringgit nominal effective exchange rate, which measures the ringgit's performance against a basket of currencies of Malaysia's major trading partners.
Source: Bank Negara Malaysia and Bloomberg

QRI encourages the repatriation of overseas earnings while preserving investment flexibility

Malaysia's DIA assets grew over eight-fold

Malaysia's outstanding direct invest abroad (DIA)

RM billion





Nearly half of overseas earnings remain abroad reflecting continued overseas investment needs, while **providing room for greater repatriation**

QRI supports overseas investment and earnings repatriation

Preserves investment flexibility
Eligible investors can freely reconvert funds for productive investment abroad

Structured repatriation
Return and convert overseas earnings

Broad domestic benefits
Supports more predictable inflows, onshore FX liquidity and balanced two-way capital flows

Cumulative gross inflows under the QRI programme

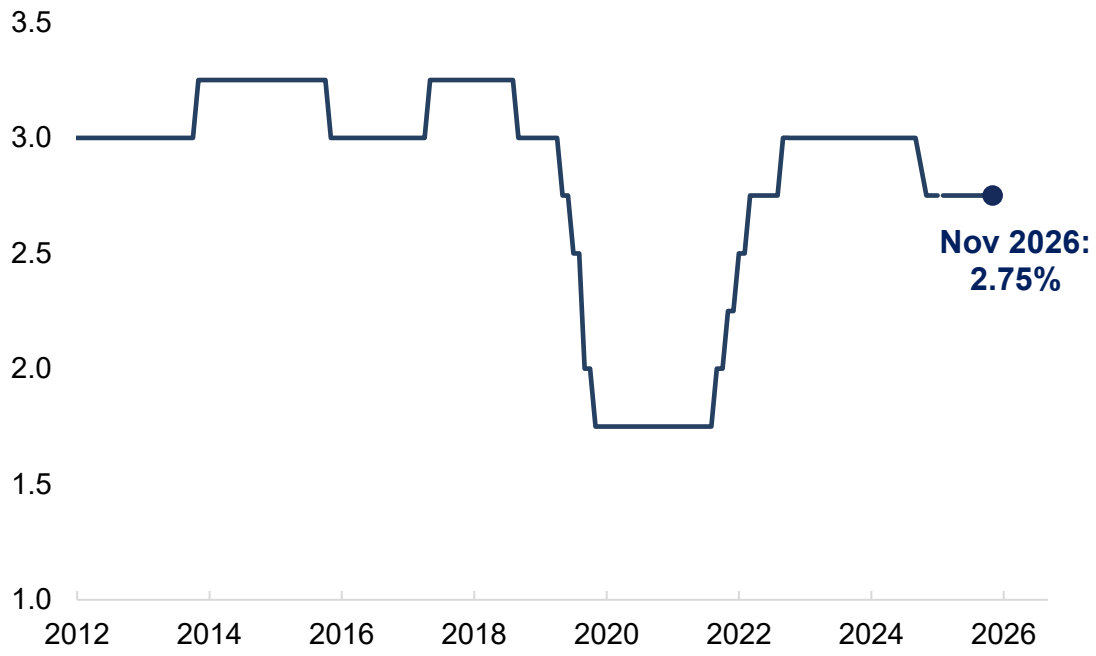
> USD2.5 billion

Equivalent to more than RM10.2 billion
(April 2024 – 1H 2026)

Source: Department of Statistics, Malaysia.Bank Negara Malaysia

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

Overnight Policy Rate (OPR),
%



OPR was maintained at 2.75%

The MPC assessed that…

1. **Inflation** is expected to edge higher in 2027, but remain contained amid domestic policy measures and stable demand conditions
2. **Growth is expected to remain resilient in 2027**, supported by the global technology upcycle, firm tourist spending and sustained domestic demand.

The MPC will remain vigilant to evolving conditions and assess their implications on the balance of risks surrounding the outlook for domestic inflation and growth

Source: Bank Negara Malaysia

Banks remain well-positioned to support financial intermediation

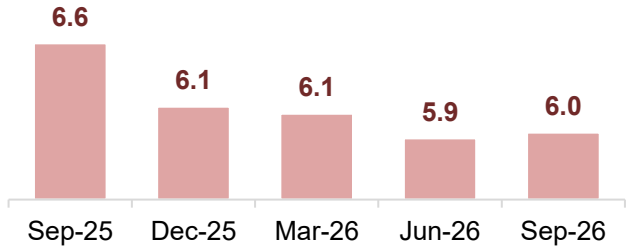
Banks continue to maintain healthy capital and liquidity buffers, ensuring resilience against potential shocks

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

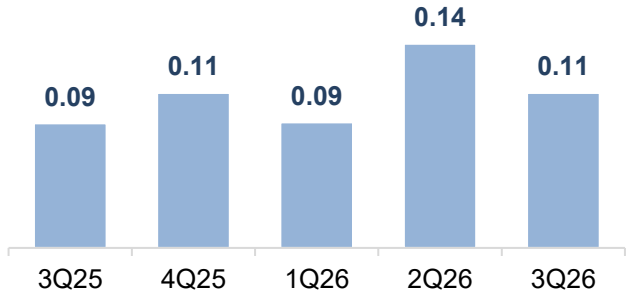
Total Capital Ratio	**17.1%**	Jun-26: 18.0%
Liquidity Coverage Ratio (LCR)	**144.8%**	Jun-26: 149.6%
Net Stable Funding Ratio (NSFR)	**113.4%**	Jun-26: 114.7%

Banks' asset quality remains sound, with limited signs of emerging credit risks

Stage 2 Loans Ratio
% of total banking system loans

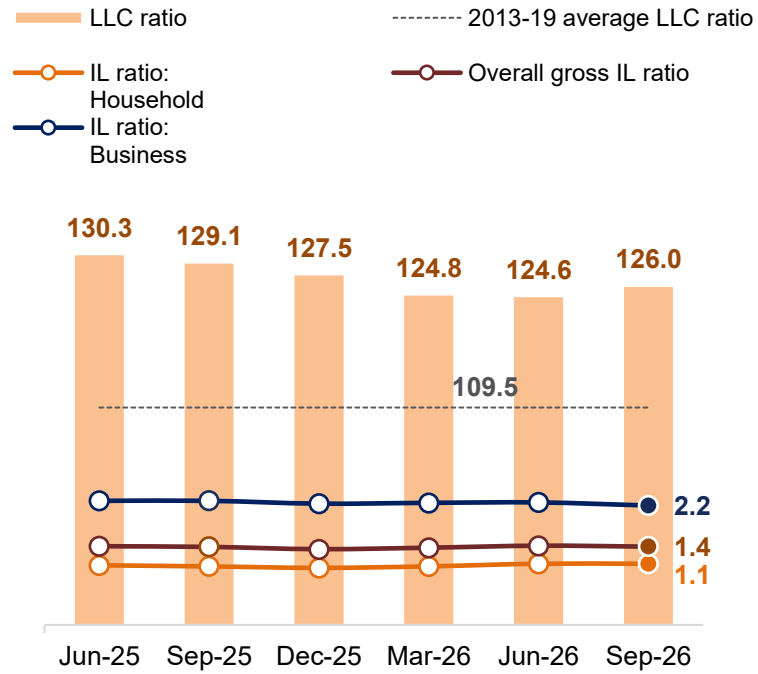


Newly Restructured and Rescheduled Loans
% of total banking system loans



Provisioning remains adequate amid stable impaired loans ratio

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

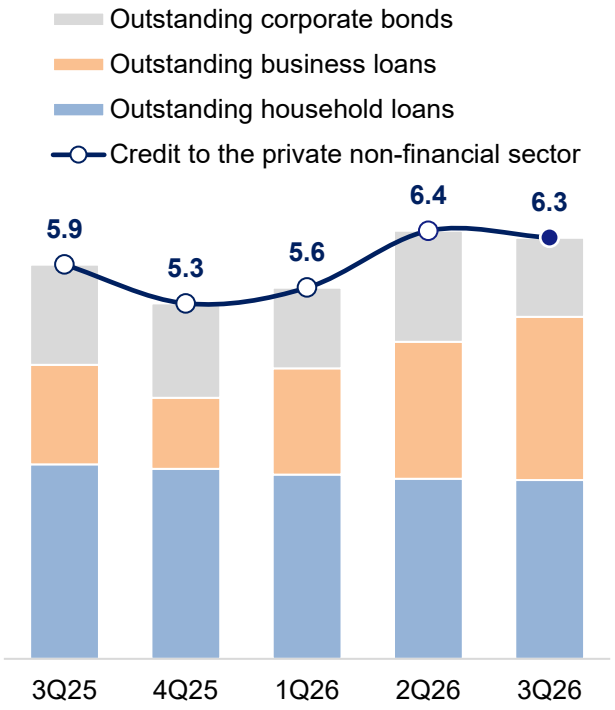


[1] Based on loans classified as Stage 3 under MFRS 9.
[2] Including regulatory reserve.
Source: Bank Negara Malaysia

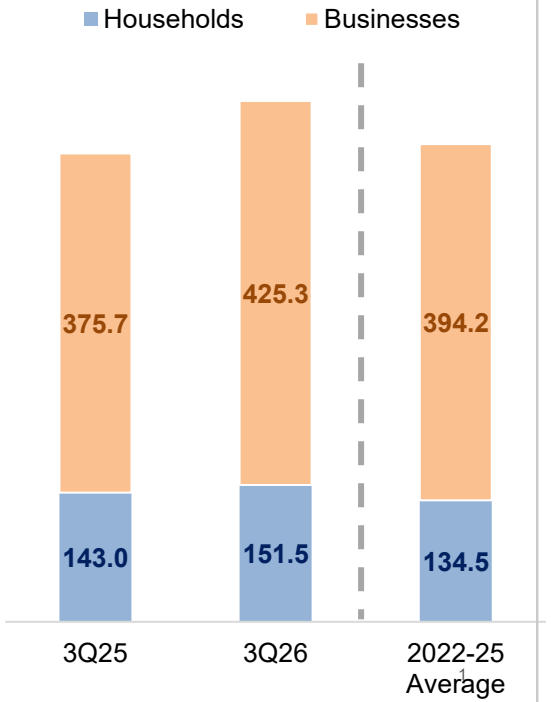
Financing conditions remained supportive

Credit growth was sustained, amid strong business financing demand, with higher loan disbursements across segments

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

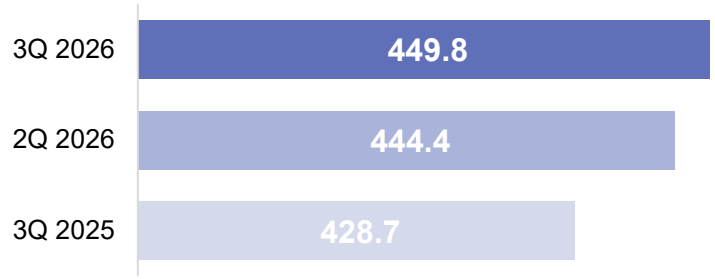


Loan Disbursements by Segment,
RM bil



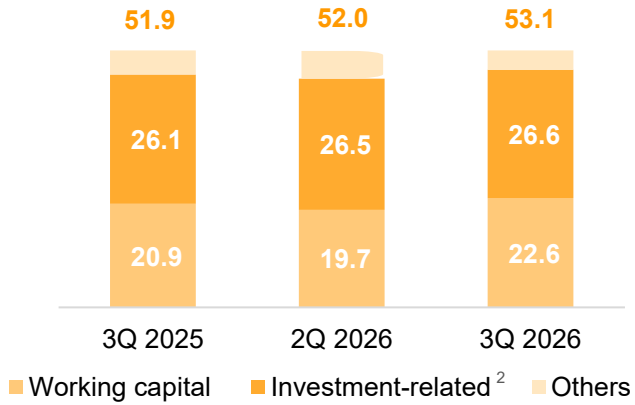
SME financing expanded amid continued credit demand and support for SMEs

SME Financing Outstanding
RM bil



Annual Growth
4.9%
2Q 2026: 5.0%
3Q 2025: 6.1%

SME Financing Approvals by Purposes
RM bil



Approval Rate
78.1%
YTD Jun-26: 78.5%
YTD Sep-25: 77.8%

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

[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).

Support for SMEs: SME SRF upsized to RM10 billion for short-term relief, while the Guarantee Scheme supports longer term resilience

Stabilising viable SMEs during external shocks

SME Stabilisation Relief Facility (SME SRF)

RM10 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 – 30 June 2027 (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

Robust growth of 5.5% in 3Q 2026. For the first nine month of 2026, the economy grew by 5.6%

GDP expected to grow between 4.2 – 5.2% in 2027

Headline inflation is expected to edge higher, but remain contained at **1.5 – 2.5% in 2026** and **1.8 – 2.8% in 2027**

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 3Q 2026 GDP

GDP Growth by Component, Annual Change (%)

Real GDP (% YoY)	Share, % (2025)	2025	2026	
		3Q	2Q	3Q
Services	**59.5**	**5.3**	**5.9**	**5.8**
Manufacturing	**23.0**	**4.1**	**7.3**	**7.7**
Agriculture	**6.1**	**0.2**	**-3.6**	**1.4**
Mining and Quarrying	**5.7**	**9.4**	**9.2**	**-6.1**
Construction	**4.3**	**11.7**	**6.5**	**5.9**
Real GDP[1]	**100.0**	**5.3**	**6.0**	**5.5**

Real GDP (% YoY)	Share, % (2025)	2025	2026	
		3Q	2Q	3Q
Domestic Demand (Excluding Stocks)	**96.0**	**6.2**	**5.1**	**4.8**
Private Sector	**77.5**	**6.2**	**4.6**	**5.5**
Consumption	60.3	5.8	4.8	4.3
Investment	17.2	7.4	4.3	9.4
Public Sector	**18.3**	**6.2**	**7.3**	**1.6**
Consumption	13.3	5.8	7.6	1.2
Investment	5.1	7.5	6.3	3.0
Net Exports of Goods and Services	**3.3**	**32.2**	**168.5**	**5.7**
Exports	68.1	4.6	17.0	25.2
Imports	64.8	3.0	13.9	26.7
Real GDP[2]	**100.0**	**5.3**	**6.0**	**5.5**

[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 inflow

Inflows in direct investment, portfolio investment and other investment accounts

RM billion	2025		2026	
	3Q	Year	2Q	3Q
Direct Investment		**53.5**	**0.4**	**6.7**
*Direct Investment Abroad (DIA)**		*-12.4*	*-7.0*	*-7.6*
*Foreign Direct Investment (FDI)**		*65.9*	*7.4*	*14.3*
Portfolio Investment		**-59.4**	**-35.2**	**2.7**
Residents		*-86.5*	*-33.3*	*-12.1*
Non-residents		*27.0*	*-1.8*	*14.8*
Financial Derivatives		**0.2**	**-1.3**	**-1.6**
Other Investment		**-10.3**	**9.0**	**11.9**
Financial Account Balance		**-16.0**	**-27.0**	**19.8**

[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 inflows in portfolio investment

driven mainly by acquisition of domestic debt securities by non-residents

Continued net FDI inflows

supported by reinvested earnings and net equity injections from abroad, partially offset by outflows in debt instruments

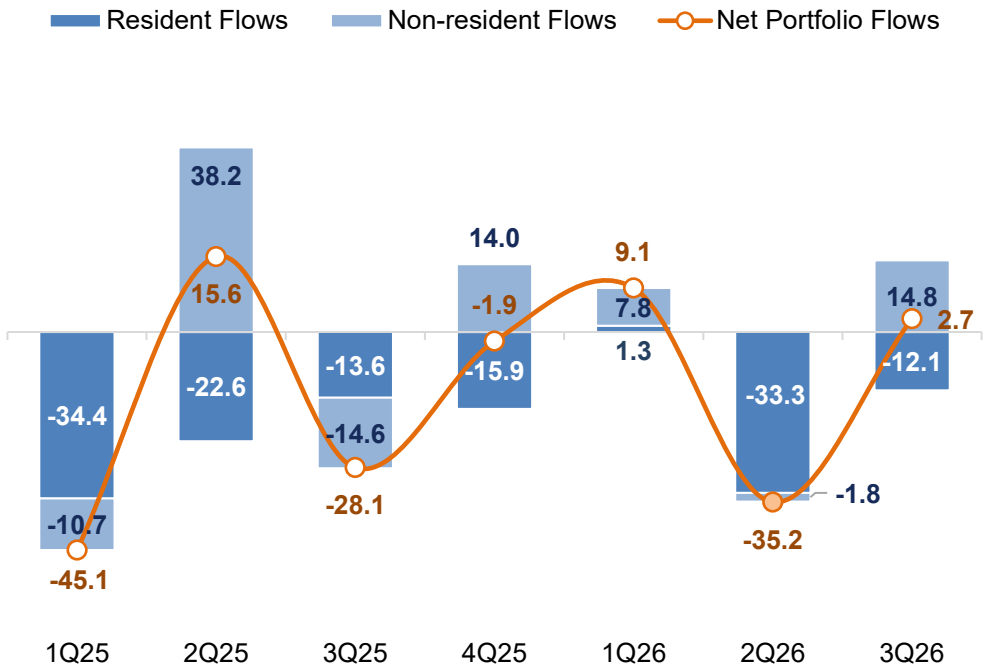
Net inflows in other investment

driven mainly by repayment of interbank loans by non-residents

Portfolio investment recorded net inflows

Net portfolio inflows in 3Q 2026 were mainly driven by net acquisition of domestic debt securities by non-residents

Portfolio Investment,
RM bil



Source: Bank Negara Malaysia

FACTORS AFFECTING PORTFOLIO INVESTMENT FLOWS

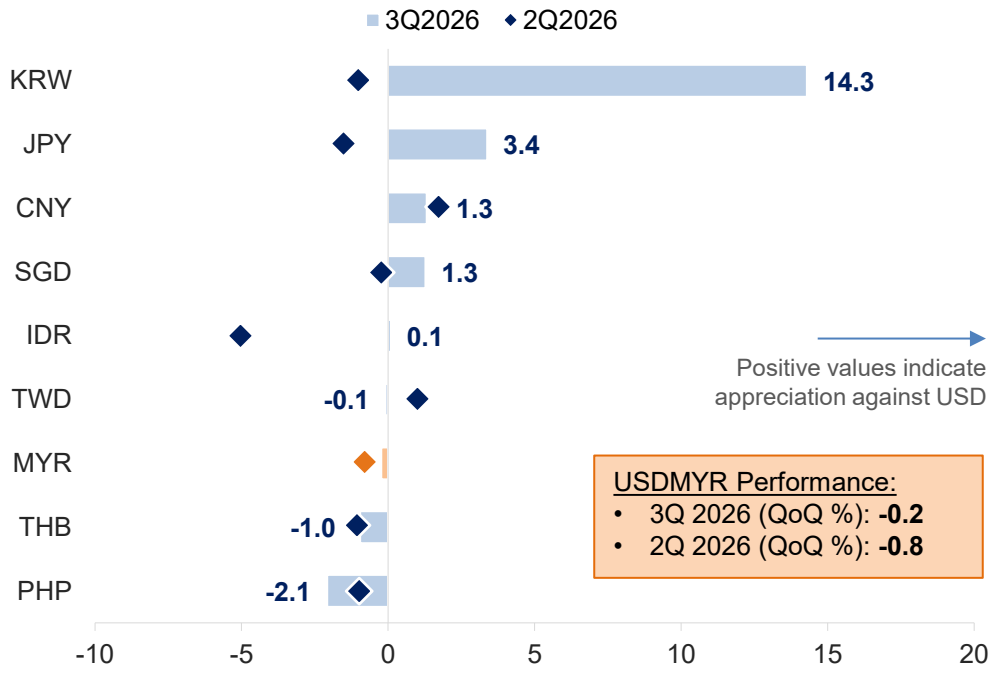
Acquisition of domestic debt securities
by non-resident investors

Acquisition of equity securities abroad
by resident investors

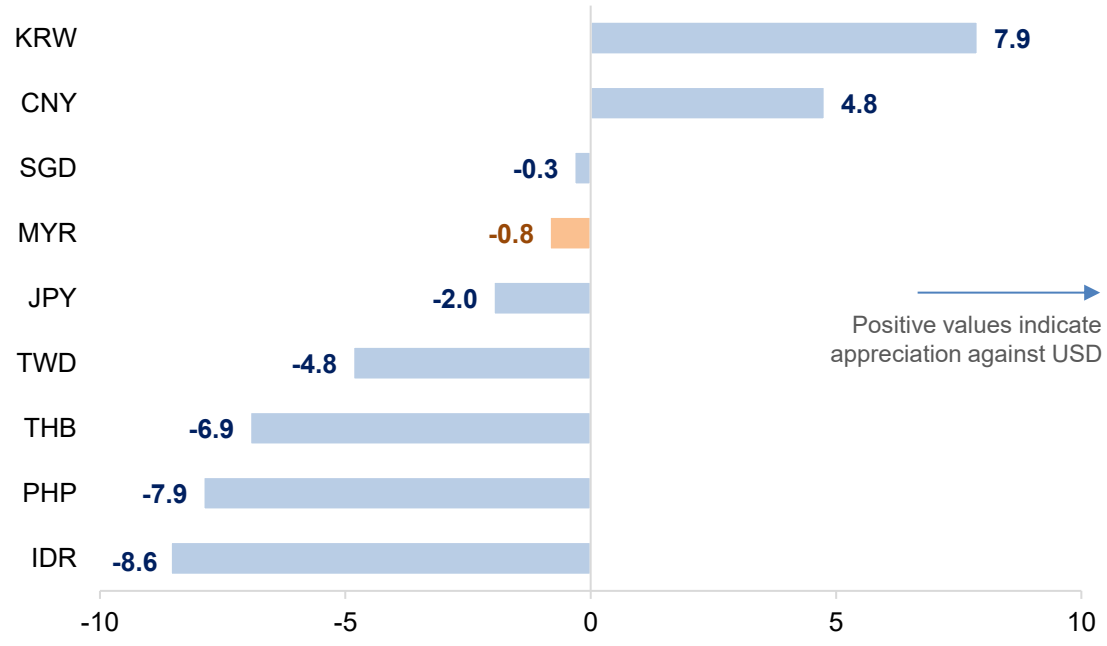
Ringgit remained stable against the US dollar in 3Q 2026 amid the US Federal Reserve's tighter monetary policy stance

Ringgit and Regional Currency Performance Against the US Dollar

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



Year-to-date as of 16 November 2026,
Change (%)



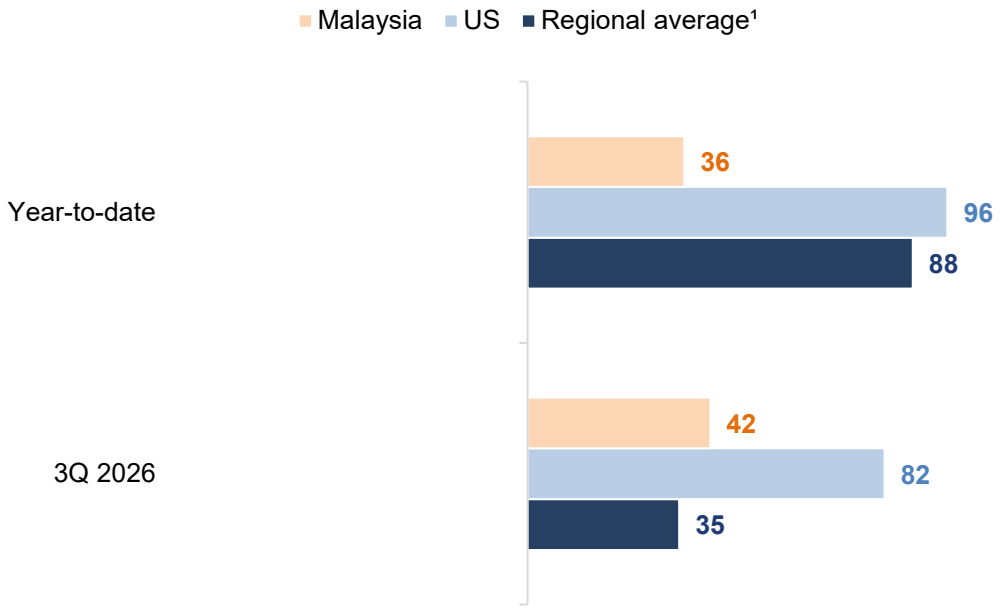
Note: The exchange rate data is the noon-rate in the Kuala Lumpur Interbank Foreign Exchange Market.
Source: Bank Negara Malaysia

Ringgit performance

Malaysian bond yields adjusted higher amid rising global yields, while equities declined slightly in 3Q 2026

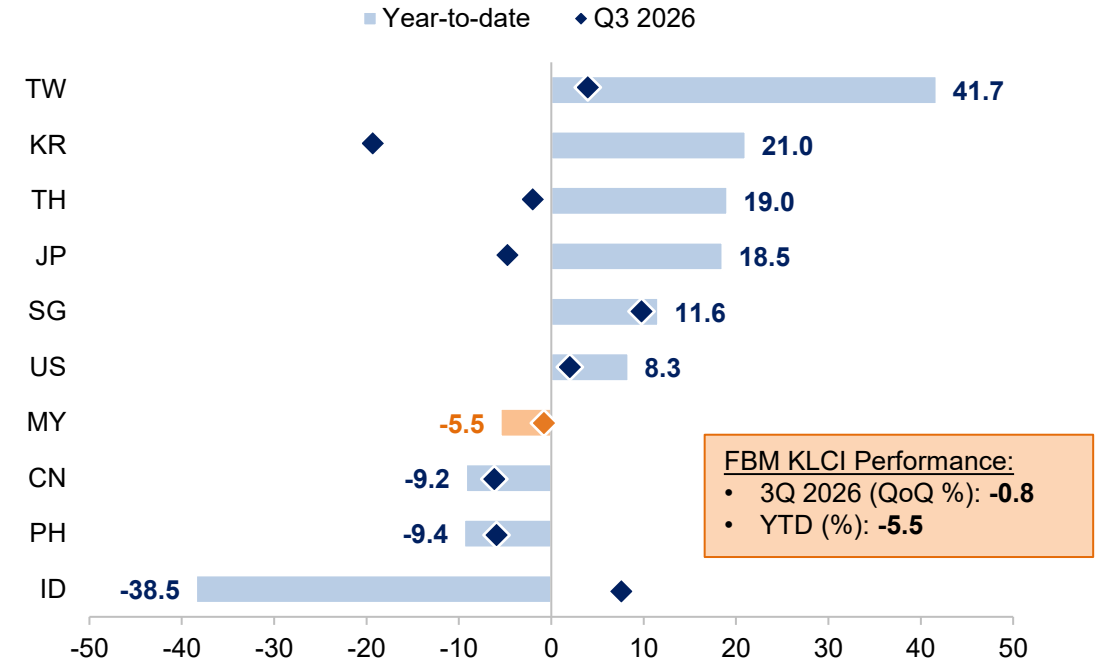
Domestic and global bond yields rose amid a broader repricing of global interest rate expectations

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



Slight decline in the equity market amid net foreign outflows

Performance of Equity Indices,
Change (%)



[1] Includes Philippines (PH), Thailand (TH), Singapore (SG), South Korea (KR), and Indonesia (ID).
Note: Year-to-date as of 16 November 2026.
Source: Bank Negara Malaysia, Bloomberg, ETP and Bursa Malaysia

Ringgit performance