DEVELOPMENTS IN THE ECONOMY

International Economic Environment

Global growth strengthened and more broad-based. Stronger-than-expected growth in the US. Upturn in business sentiment positive for recovery in Europe.

The global economy gained strength in the fourth quarter. Growth was also more broad-based, led by the United States with stronger growth in Japan and recovery in the Euro area. The Asian region and, specifically, People's Republic of China (P.R. China) also contributed to the robust upturn in the global economy.

In the fourth quarter, growth in the **US** economy was sustained at a relatively strong pace of 4% (3Q 2003: 8.2%), resulting in a stronger-than-expected growth of 3.1% (2.2% in 2002) for the whole of 2003. Growth was well supported with positive contribution from consumption, investment, exports and inventory increases. In the **euro area**, the upturn in business sentiment and improving net exports provided positive indications of recovery in growth. Meanwhile, the **Japanese** economy expanded strongly from rising exports and capital expenditure amidst improvement in the unemployment rate. Reflecting the broader improvements in the economic outlook, the global financial markets rallied with higher corporate earnings and more positive business expectations underpinning increases in equity markets. Prospects of stronger sustainable demand and lower cost of capital have led to the revival in the investment cycle in the global economy.

In the foreign exchange market, the depreciation of the US dollar since November continued but remained orderly. The balance of global adjustment has however, been increased supported by the greater rebalancing of growth in Japan, Europe and the Asian countries. Going forward, the sustainability of the global economic expansion will be driven by the strength of expansion in the investment cycle in the industrialised countries, as well as greater rebalancing of growth between the US and the other major and regional economies and thereby reduce the potential risks emanating from the prevailing structural imbalances in the global economy.

Industrial Countries:
Real GDP growth showed improved performance

	Quarterly			
	2Q '03	3Q '03	4Q '03	Contributing factors
US[1/]	3.1	8.2	4.0	Growth in consumer spending, exports, inventory build-up, expenditure in residential fixed investment as well as equipment and software
UK	2.0	2.1	2.5	Strength in consumer spending and the services sector
Germany	-0.7	-0.2	0.3	Sluggish domestic demand but increase in net exports and public consumption
Japan[1/]	3.5	2.2	7.2	Economic recovery continued to be sustained by exports and capital spending. Household spending began to turn around

[1/] annualised basis

In the **Asian** region, faster growth was recorded in the fourth quarter after strengthening in the third quarter. While the main impetus emanated from stronger export performance, growth was also supported by a sustained rise in private consumption and a pick up in investment activity. The favourable export performance in all the regional countries reflected the seasonally high year-end demand amidst the more robust global upturn. Overall regional growth for 2003 is estimated to be

sustained at 6.1% (2002: 6.1%), led by real GDP growth of 9.1% in P. R. China.

Regional Countries: Faster real GDP growth in the fourth quarter (Annual Growth, %)

	Yearly		Quarterly		Key contributing factors for 4Q growth
	2002	2003e/	3Q '03	4Q '03e/	
P. R. China	8.2	9.1	9.6	9.9	Significant export expansion and robust domestic demand, particularly investment
Korea	6.3	2.9	2.3	3.6	Strong export performance more than offset weak private consumption
Singapore	2.2	0.8	1.8	3.7	Improved performances of both the manufacturing and services industries
Philippines	4.4	4.5	5.1	4.5	Robust private consumption and increased investments in selected sectors
Indonesia	3.7	4.1	3.9	4.4	Strong government expenditure and pick up in exports
C. Taipei	3.6	3.2	4.2	5.2	Strong exports performance

e/ Estimate

The inflation environment in the region remained benign. The P. R. China recorded consumer price increases, due mainly to higher food prices. In contrast, deflationary pressures abated in Hong Kong China and Chinese Taipei, consonant with improvements in domestic demand conditions. During the quarter, interest rate movements were mixed, but continued to remain at relatively low levels. Similarly, exchange rate movements were mixed, while international reserves positions strengthened further.

Development in the Malaysian Economy

Diversified growth across sectors

The stronger growth in the Malaysian economy was supported by expansion across all the major sectors of the economy, with the main impetus emanating from the manufacturing sector which contributed 3.5 percentage points to GDP. The more robust manufacturing sector further reinforced the recovery in the services sector.

Quarterly GDP by Kind of Economic Activity at 1987 Prices

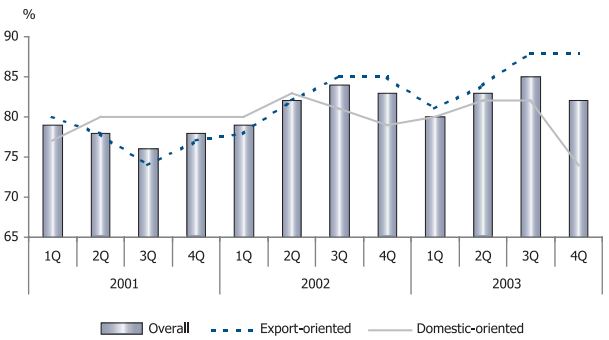
	2002		2003		
	4Q	Year	3Q	4Q	Year
	Annual change in %				
Agriculture	5.5	3.0	6.1	2.2	5.5
Mining	7.1	3.7	1.1	3.0	4.8
Manufacturing	5.7	4.0	8.3	12.0	8.2
Construction	0.5	2.3	2.4	2.7	1.9
Services	4.6	4.1	4.4	4.5	4.1
Real GDP (Annual chg.)	**5.4**	**4.1**	**5.2**	**6.4**	**5.2**
Real GDP (Preceding chg.)	**0.7**	**4.1**	**4.3**	**1.9**	**5.2**

Source: Department of Statistics, Malaysia

... manufacturing sector the main driver

Growth in the **manufacturing sector** accelerated to record a double-digit expansion of 12% during the quarter, driven by stronger exports and strengthening domestic demand. The higher growth emanated from stronger expansion in the export and domestic-oriented industries (17.2% and 8.3% respectively; 3Q 2003: 11.5% and 6% respectively). The capacity utilisation rate for the export-oriented sectors remained high at 88% (3Q 2003: 88%), while that of the domestic-oriented sectors declined to 74% (3Q 2003: 82%),

Capacity Utilisation in the Manufacturing Sector



due mainly to the lower production in the transport equipment industries. The overall manufacturing capacity utilisation rate remains high at 82% in the fourth quarter (3Q 2003: 85%).

The strong performance of the export-oriented industries reflected expansion in the electronics, chemicals and rubber products industries. Of significance, production of electronics increased markedly following rising global demand across all markets and product segments. The spillover effects from the strong electronics performance as well as the improved external demand for resins and plastic products underpinned the growth in the chemical products industry. The strong expansion in the rubber products industry was attributed mainly to higher external demand for rubber gloves. In the domestic-oriented industries, the higher growth was supported by expansion in the construction-related industries and food and beverages, while the performance of the transport equipment industry was affected by the slower demand for new cars.

Performance in the Manufacturing Sector

	2002		2003		
	4Q	Year	3Q	4Q	Year
	Annual change in %				
Value Added (Constant Price)	**5.7**	**4.0**	**8.3**	**12.0**	**8.2**
Overall Production	**6.7**	**4.5**	**10.1**	**15.2**	**10.3**
Export-oriented industries	**8.9**	**5.0**	**11.5**	**17.2**	**11.8**
of which :					
- Electronics	12.5	13.4	14.0	29.0	14.8
- Electrical	-4.2	-5.1	-11.9	-3.0	-6.9
- Textiles & wearing apparel	4.4	-6.2	0.4	-12.0	-2.4
- Chemicals and chemical products	13.1	2.7	20.2	22.6	20.7
- Off-estate processing	12.0	7.1	17.1	0.0	11.8
- Rubber products	5.5	2.0	26.2	23.7	18.7
- Wood and wood products[1/]	1.0	-6.0	1.1	-1.2	0.9
Domestic-oriented industries	**0.6**	**3.4**	**6.0**	**8.3**	**6.0**
of which :					
- Transport equipment	-7.9	6.2	-3.8	-0.3	-6.3
- Fabricated metal products	-1.9	0.8	0.5	17.2	7.3
- Iron & steel and non-ferrous metal	4.7	2.4	13.7	15.2	11.3
- Non-metallic mineral products	1.3	5.1	9.2	7.7	9.6
- Petroleum products	-6.0	-4.1	-6.5	-1.8	2.2
- Food	10.3	8.7	15.5	7.7	8.9

[1/] Output of furniture and parts are not captured in the wood production data.

Reinforced by continued recovery of the services sector

The recovery in the services sector continued, with growth strengthening further to 4.5% in the fourth quarter (3Q 2003: 4.4%), underpinned by improved consumer sentiment, higher trade activity and resumption in tourist arrivals to pre-SARs levels of above one million since November. Of significance, the wholesale and retail trade, hotels and restaurants sub-sector recorded a significant improvement during the quarter due to a pick-up in spending during the Mega sales and year-end festivities.

Growth in the transport, storage and communications sub-sector picked up strongly led mainly by the strong growth in the telecommunications sector. In particular, the cellular segment was underpinned by expansion in both the subscriber base as well as higher usage of mobile data such as the Short Messaging System (SMS) and Multimedia Messaging System (MMS). This was further supported by increased port

Performance in the Services Sector (Value Added)

	2002		2003		
	4Q	Year	3Q	4Q	Year
	Annual change in %				
Intermediate Services	**3.8**	**4.3**	**6.2**	**5.9**	**5.2**
Transport, storage and communications	3.3	2.6	5.5	7.7	5.6
Finance, insurance, real estate and business services	4.0	5.3	6.6	4.9	4.9
Final Services	**5.2**	**4.1**	**3.2**	**3.6**	**3.4**
Electricity, gas and water	4.3	3.9	5.2	5.0	6.2
Wholesale and retail trade, hotels and restaurants	2.6	2.6	1.7	3.1	1.5
Government services	9.3	6.7	4.1	5.7	5.6
Other services	6.9	4.6	4.3	2.1	3.2
Total Services	**4.6**	**4.1**	**4.4**	**4.5**	**4.1**

Source: Department of Statistics, Malaysia

Selected Quarterly Indicators in the Services Sector

Indicators	2003				
	2Q	3Q	4Q	3Q	4Q
	Levels			Preceding chg. (levels)	
Electricity Production Index	244.4	246.9	244.5	2.5	-2.4
KLSE CI (end-period)	691.96	733.45	793.94	41.5	60.5
MIER Retail Survey Index	96.3	125.0	114.0	28.7	-11.0
MIER Hotel Operators Index	81.0	139.0	133.6	58.0	-5.4
MIER Travel Agencies Index	73.0	122.0	138.1	49.0	16.1
	Annual change (%)			Preceding chg. (%)	
Tourist arrivals	-51.6	-24.2	3.8	46.7	37.1
Import of consumption goods	-1.6	-12.0	8.4	-6.6	27.6
Consumption credit disbursed	1.9	7.4	4.2	9.2	-0.1
Total passenger traffic in all airports in Malaysia	-15.9	3.4	8.1	31.4	6.7
Total indigenous TEUs handled 1/	7.0	8.4	12.8	7.7	3.2
Total loan outstanding (end-period)	4.2	5.1	4.8	1.9	0.3
Total property transactions (value)	-1.3	3.2	51.3	11.9	3.7

1/ For PTP and Port Klang
Source: Various sources

activity and the gradual return in air travel following the abatement of SARs. Similarly, the finance, insurance, real estate and business services sub-sector remained strong, reflecting the increased bank lending, strong insurance activities and a pick-up in the stock market activity. The Government services sub-sector expanded further as a result of bonus payments to civil servants in November, while the increasing demand for electricity from both commercial and industrial users supported growth in the utilities sub-sector.

Continued impetus from the primary commodity sector

The agriculture sector expanded further by 2.2% during the quarter, attributable to increases in crude palm oil and rubber production. Higher palm oil production was due to increased mature acreage coming into production and favourable weather conditions, while production of rubber from smallholders remained strong, motivated by the high prices during the quarter. Meanwhile, the mining sector posted a stronger performance, driven mainly by higher crude oil production.

Crude palm oil production continued to expand by 5.4% as monthly output remained above one million tonnes throughout the quarter. Despite the lower yields due to seasonal factors (4.74 tonnes of fresh fruit bunches per mature hectare, 3Q 2003: 5.49 tonnes), production during the quarter increased on account of expansion in mature area. Meanwhile, rubber output continued to register a double-digit increase due to intensive tapping activity, especially among smallholders, amidst higher rubber prices of 486 sen per kilogram during the quarter (annual growth of 55%). In the mining sector, production of crude oil, including condensates, rose further by 5.8% to record the highest quarterly production for the year of 758,700 barrels per day. Gas production declined during the quarter, following the shutdown of a few gas plants for maintenance purposes.

Performance of the Agriculture Sector

	2002		2003		
	4Q	Year	3Q	4Q	Year
	Annual change in %				
Value Added (at 1987 prices)	**5.5**	**3.0**	**6.1**	**2.2**	**5.5**
Production 1/					
Of which:					
Crude palm oil	1.6	0.9	15.2	5.4	12.1
Crude palm kernel oil	0.9	-3.9	20.6	3.4	11.5
Rubber	17.8	7.7	17.4	18.8	18.4
Saw logs	22.8	9.1	-2.2	-6.8	3.5
Cocoa	35.2	-17.4	-56.5	-42.2	-24.0

1 In '000 tonnes, except for saw logs in '000 cubic metres

Performance of the Mining Sector

	2002		2003		
	4Q	Year	3Q	4Q	Year
	Annual change in %				
Value Added (at 1987 prices)	**7.1**	**3.7**	**1.1**	**3.0**	**4.8**
Production					
Of which:					
Crude oil and condensates ('000 barrels)	7.4	4.9	2.2	5.8	5.4
Natural gas (net) (million standard cubic feet)	9.3	2.9	-1.1	-2.2	5.2

Sustained growth in the construction sector

In the **construction** sector, growth was sustained at 2.7%, supported by both the civil engineering and residential sub-sectors. In the residential sub-sector, activity was supported by new housing starts as well as ongoing works on housing projects from previous launches. The incentives in the Economic Package, low interest rates and attractive financing packages supported the demand for houses. In the civil engineering sub-sector, a higher amount was expended by the Government on construction activity.

Construction Indicators

	2002		2003		
	4Q	Year	3Q	4Q	Year
	Annual change in %				
New sales and advertising permits	-11.4	11.8	14.9	21.5	-2.7
Housing approvals	-32.3	-12.4	19.3	26.7	3.3
Production of construction-related materials	2.8	3.8	11.2	11.1	10.3
Loans approved for construction	69.6	32.0	16.6	15.9	-5.0
Imports of construction materials & mineral products	8.7	10.7	-23.2	15.4*	-8.8**

* *Oct.-Nov. '03*
** *Jan.-Nov. '03*

Source: Ministry of Housing and Local Government
Department of Statistics, Malaysia

Stronger domestic growth supported by higher private sector activities

On the demand side, growth in domestic demand was led by the private sector, with household consumption gaining greater strength. Higher consumption spending was supported by improving consumer confidence, rising disposable incomes, higher commodity prices, low interest rates, increased access to financing and the positive wealth effect of higher equity prices. Stronger external performance further increased business confidence during the quarter. For the first time since August 2002, sales of passenger cars turned around in December, reflecting in part some pent-up demand. The higher propensity to consume was encouraged by the annual year-end bonus payments amidst more favourable employment prospects, the seasonal festivities and higher export earnings. Consequently, private consumption recorded a stronger growth of 6.9% during the quarter. Public consumption was also higher, increasing by 11.1% due mainly to higher expenditure on supplies and services.

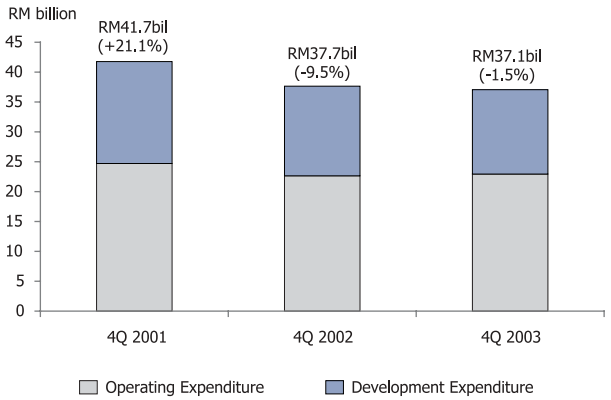
GDP by Expenditure Components (at Constant 1987 prices)

	2002		2003			
	3Q	4Q	1Q	2Q	3Q	4Q
	Annual change in %					
Aggregate domestic demand (excluding stocks)	6.1	6.6	5.9	3.0	3.4	6.7
Consumption	7.8	5.1	6.9	4.3	3.5	8.0
Private sector	*4.2*	*4.6*	*4.3*	*3.4*	*5.4*	*6.9*
Public sector	*19.2*	*6.5*	*18.9*	*7.2*	*-1.7*	*11.1*
Gross Fixed Capital Formation	2.8	10.0	3.8	0.4	3.2	3.6
Exports of Goods and Services	11.2	10.9	5.5	4.4	4.4	10.9
Imports of Goods and Services	15.6	8.7	2.8	-0.5	1.5	15.9
GDP	**5.8**	**5.4**	**4.6**	**4.5**	**5.2**	**6.4**

Source: Department of Statistics, Malaysia

An important development is the stronger growth in investment during the quarter with gross fixed capital formation rising by 3.6%. Private investment in machinery and equipment strengthened as business sentiment improved and

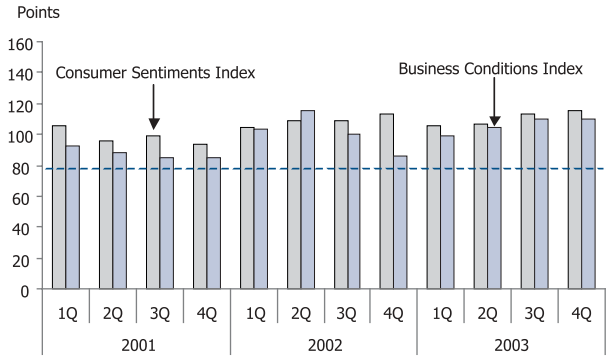
Sustained Federal Government Spending



capacity utilization remained high, especially for the export-oriented industries in the manufacturing sector. Meanwhile, development expenditure of the Federal Government, though lower than in the corresponding quarter of 2002, remained high in the fourth quarter due mainly to continued high expenditure on transportation and health facilities. The fiscal deficit, however, narrowed in the fourth quarter.

Revisions to the trade data (following the changeover to the Electronic Data Interchange System) show strong contribution of the export sector to expansion in output and improved overall business sentiments. As the trade data is still being reviewed, further statistical revisions in the demand components is expected. Accordingly, the demand components in the national accounts, in particular, the items "change in stocks" and "net exports", will also be adjusted when the revisions to the trade data have been finalised.

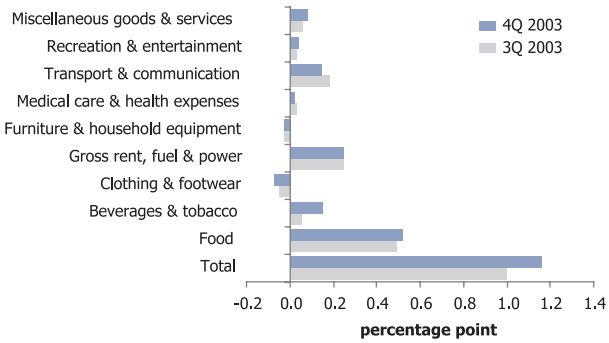
Stronger consumer and business confidence



Inflation continued to remain low

While growth was more robust, inflation (as measured by the change in the consumer price index (CPI), remained low at 1.2% (1.0% in 3Q 2003). Higher price increases for selected food items were mainly due to stronger demand during the festive season. Higher prices of beverage and tobacco products reflected the imposition of higher import and excise duties in the 2004 Budget. Price pressures for other items remained subdued.

Contribution to Inflation

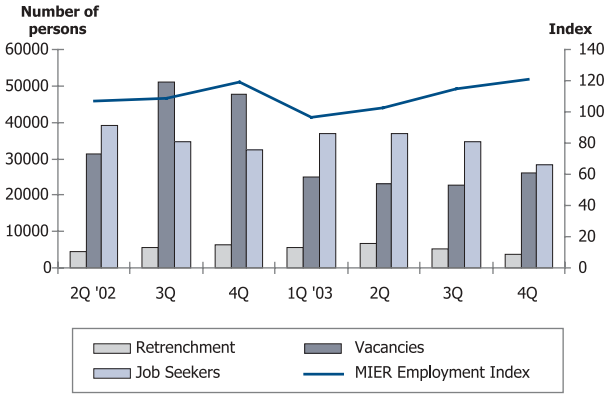


Labour market conditions more favourable

Supported by growth in productivity, labour market conditions improved. In the manufacturing sector, in the fourth quarter, labour productivity, as measured by real sales value of products per employee, rose by 9.7%, exceeding the 2.9% increase in real wage per employee. Retrenchment

during the quarter was lower (3,757 persons; 3Q 2003: 5,328 persons).

Stable Labour Market Conditions



Larger trade surplus in the fourth quarter

In the external sector, revised data indicate that the trade surplus in the fourth quarter was larger at RM19.8 billion (3Q 2003: RM19.4 billion). Gross exports expanded strongly by 14.9% while imports increased at a faster rate of 16% (3Q 2003: 1.9%). The expansion in gross exports was due to the significant increases in exports of manufactures and continued strong growth in exports of primary commodities. In the manufacturing sector, higher exports was due mainly to the upswing in the electronics cycle. Exports of agriculture and minerals remained strong, supported by high prices and export volume of palm oil, LNG and crude oil.

Trade Account

	2002		2003					
	3Q	4Q	Year	1Q	2Q	3Q	4Q	Year
	Annual change in %							
Gross Exports	14.3	14.0	7.0	12.3	11.1	7.9	14.9	11.5
Gross Imports	19.6	9.7	8.3	4.0	-2.0	1.9	16.0	4.9
Trade balance (RM bil)	13.5	17.9	54.3	20.2	21.2	19.4	19.8	80.5

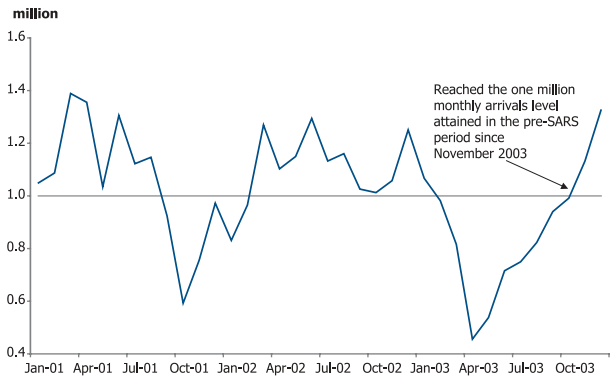
Source: Department of Statistics, Malaysia

The significant rise in imports reflects strong expansion in all categories of imports. In line with the pick-up in electronics exports, imports of intermediate goods, which are inputs for manufactured goods, recorded a strong growth. Imports of consumption goods expanded due mainly to higher demand during the festive season reinforced by the general improvement in consumer sentiment. Imports of capital goods grew at a robust rate, reflecting continued improvement in investor confidence.

Sustained improvement in tourist arrivals

Tourist arrivals increased significantly to 3.5 million in the fourth quarter of 2003 from 2.5 million in the third quarter, mainly from Singapore, China and Indonesia. Higher arrivals was also due to the launch of direct flights from London to Penang and Langkawi while tourism promotion was conducted in new markets such as Iran. Major events like the Langkawi International Maritime and Aerospace (LIMA) Exhibition and Organisation of the Islamic Conference (OIC) Summit were also contributory factors. For the year as a whole, tourist arrivals reached 10.6 million.

Monthly Tourist Arrivals



Larger inflows of investment funds

On a cash basis, gross inflows of long-term investments (FDI) were higher during the fourth quarter (RM5.1 billion; 3Q 2003: RM4 billion). Inflows for equity investments doubled, accounting for more than half of the FDI flows. The bulk of the FDI inflows were channelled into the manufacturing sector, in particular electrical and electronics and petroleum related activities and the oil and gas sector. The services sub-sectors which received significant FDI were the financing, insurance and business services and wholesale and retail trade sub-sectors. After adjusting for outflows due mainly to loan repayment by related companies, FDI recorded a net inflow of RM2.1 billion (3Q 2003: RM 1.2 billion).

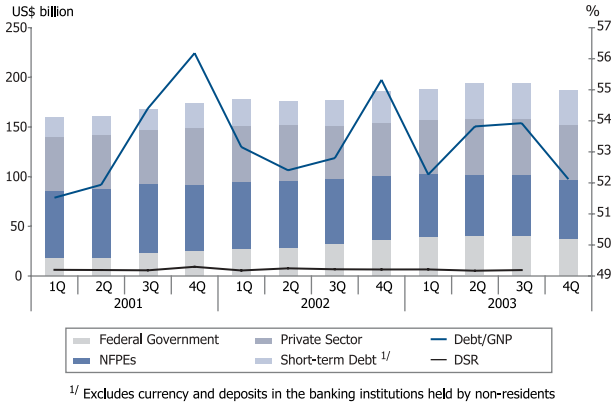
Gross outflows for overseas investment moderated (RM2 billion; 3Q 2003: RM2.4 billion), reflecting lower extension of loans by parent companies in Malaysia to their related companies abroad. About one third of the investments were by companies in the manufacturing sector, investing mainly in the electrical and electronics industries in Thailand, Hong Kong and the US. Investment by companies in the oil and gas sector was sustained, while the bulk of the investments by companies in the financing, insurance and business services sub-sector were channelled to Singapore and Indonesia. Overseas investment, after adjusting for inflows for the repayment of inter-company loans, recorded a lower net outflow of RM1.1 billion during the quarter (3Q 2003: -RM1.6 billion).

Portfolio investment recorded the highest net quarterly inflow since the third quarter of 1994, amounting to RM6.8 billion (3Q 2003: RM 3.6 billion). Investor sentiment improved in the equity market, especially following the strong set of reported corporate earnings and the upgrade of Malaysia's sovereign rating in October.

External debt declined

Malaysia's total external debt declined to RM187.2 billion or US$49.3 billion as at end-2003 (3Q 2003: RM193.7 billion), equivalent to 52.1% of GNP. The **medium and long-term external debt** recorded a higher net repayment of RM6.4 billion during the quarter. Notably, the bulk of the repayment was effected by the public sector, particularly, the Federal Government. The large repayments, including the settlement of a term loan amounting to RM2.6 billion and prepayments of some loans, coupled with no new borrowing by the Federal Government reflected the authorities' commitment to a prudent external debt management policy. Consequently, the share of the Federal Government's external loan to total external debt declined to 19.9% (3Q 2003: 20.7%). The non-financial public enterprises (NFPEs) continued to record a higher net repayment in the quarter, reflecting mainly a redemption of yen bond and some prepayments of foreign borrowings. Similarly, the private sector recorded a small net repayment,

External Debt



1/ Excludes currency and deposits in the banking institutions held by non-residents

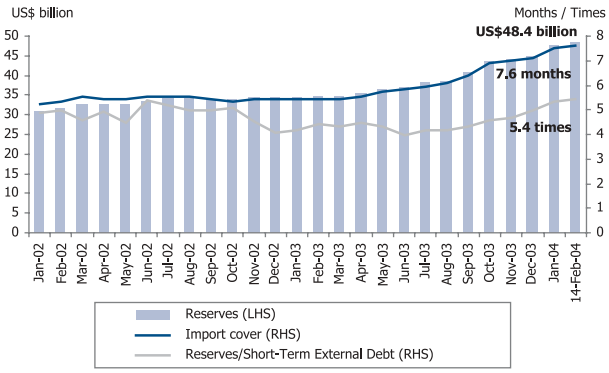
External Debt Outstanding

	2002	2003	
	4Q	3Q	4Q
	RM billion		
Medium & Long-term debt	153.6	157.6	152.8
Public sector	100.6	101.5	96.8
Private sector	53.0	56.2	55.9
Short-term debt [1]	32.1	36.1	34.5
Total external debt	185.6	193.7	187.2
- US$ billion equivalent	48.9	51.0	49.3

[1] Excludes currency and deposits held by non-residents with banking institutions.

Source: Ministry of Finance, Malaysia and Bank Negara Malaysia

Net International Reserves (as at end period)



attributed mainly to a lower drawdown, while repayment was sustained. After taking into account the exchange revaluation loss following the appreciation of yen and euro, the medium and long-term debt declined by 3.1% to RM152.8 billion or US$40.2 billion (3Q 2003: RM157.6 billion).

The total **short-term external debt** was lower at RM34.5 billion or US$9.1 billion (3Q 2003: RM36.1 billion) due mainly to the winding down of interbank foreign borrowings as there were higher foreign currency deposits at commercial banks during the quarter. As at end-2003, the short-term debt accounted for only 18.4% of total external debt, and is about 20.2% of net international reserves.

International reserves increased further

The international reserves of Bank Negara Malaysia increased further during the fourth quarter of 2003. Reserves increased by RM15.8 billion or US$4.2 billion since end-September to stand at RM170.6 billion or US$44.9 billion as at 31 December 2003. The increase in reserves during the quarter was attributed mainly to sustained repatriation of export earnings, higher foreign direct investment and larger inflows of portfolio funds in line with the more robust economic activity and improved investor sentiment. The reserves level at the end of December has also taken into account the quarterly adjustment of the foreign exchange revaluation gain amounting to US$1.8 billion, mainly as a result of the appreciation of the major currencies against the US dollar during the quarter.

The international reserves increased further to RM183.9 billion or US$48.4 billion as at 14 February 2004, reflecting mainly higher repatriation of export earnings. There was also an inflow of portfolio funds. The current level of reserves is adequate to finance 7.6 months of retained imports and is 5.4 times the short-term external debt.

Lower Fiscal Deficit

The Federal Government recorded a lower deficit of RM2.4 billion in the fourth quarter. The improvement in its fiscal position reflected mainly higher revenue receipts. Stronger revenue performance recorded in the fourth quarter was due mainly to higher investment income. Development expenditure remained high due to stage

implementation of projects in progress. The deficit was financed largely through non-inflationary domestic sources in the form of Malaysian Government Securities (MGS). Total outstanding debt of the Federal Government remained within prudent levels (48.2% of GDP) as at end-2003. The Federal Government external debt was contained at 19.9% of the nation's external debt. The preliminary data for the year 2003 showed a deficit of 5.4% of GDP.

Federal Government Finance [p]

	2002		2003		
	4Q	Jan.-Dec.	3Q	4Q	Jan.-Dec.
	RM billion				
Revenue	27.3	83.5	23.3	34.4	92.6
% growth	*6.3*	*5.0*	*19.9*	*25.8*	*10.9*
Operating expenditure	22.5	68.7	19.4	22.8	75.2
% growth	*-9.0*	*7.8*	*22.9*	*1.2*	*9.5*
Current account	***4.8***	***14.8***	***3.9***	***11.6***	***17.4***
% of GDP	***5.0***	***4.1***	***3.9***	***11.2***	***4.4***
Gross development expenditure	15.2	36.0	8.1	14.3	39.4
% growth	*-10.3*	*2.1*	*-8.5*	*-5.5*	*9.4*
Loan recoveries	0.5	0.9	0.3	0.4	0.8
Overall balance	***-9.8***	***-20.3***	***-4.0***	***-2.4***	***-21.1***
% of GDP	***-10.2***	***-5.6***	***-4.0***	***-2.3***	***-5.4***
Memo item:					
Total gross expenditure	***37.7***	***104.7***	***27.5***	***37.1***	***114.6***
% growth	*-9.5*	*5.7*	*11.6*	*-1.5*	*9.5*
Total Federal Government debt (as at end period)	165.0	165.0	188.6	188.8	188.8
% of GDP	45.7	45.7	48.1	48.2	48.2
Domestic	*128.7*	*128.7*	*148.4*	*151.5*	*151.5*
External	*36.3*	*36.3*	*40.2*	*37.3*	*37.3*

[p] Preliminary

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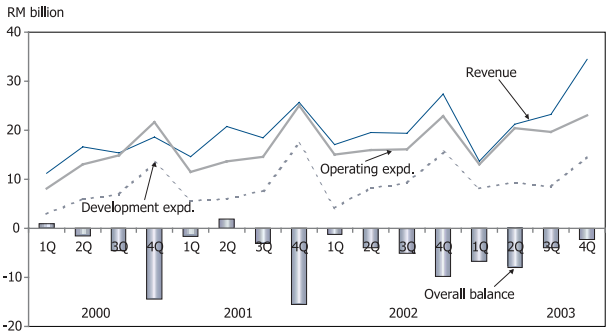

[p/] Preliminary