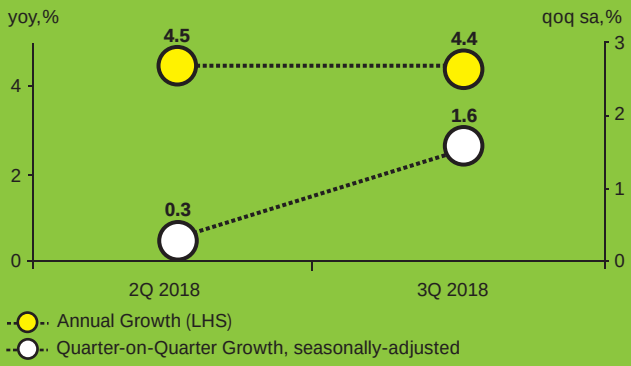
# Key Highlights on Economic and Financial Developments in 3Q 2018

## Sustained economic growth of 4.4% despite global headwinds

### Continued expansion in domestic demand amid commodity supply shocks

Real GDP Growth




**Robust household spending**
***3Q18: 9.0%***

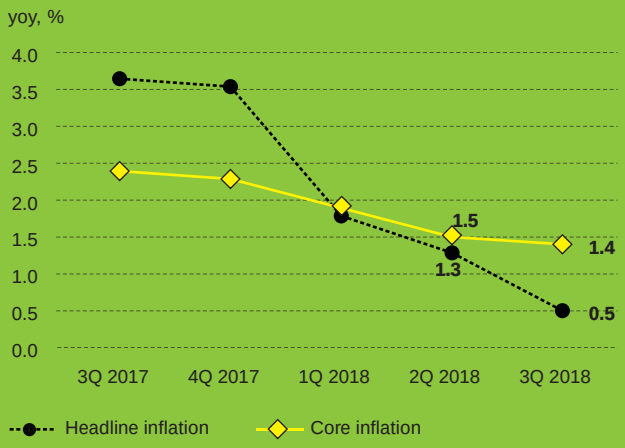
**Higher private investment to meet positive growth prospects**
***3Q18: 6.9%***

**Lingering effects of supply shocks in agriculture and mining sectors**

## Headline inflation declined in the third quarter of 2018

### Lower inflation during the quarter mainly reflected the impact from the GST zerorisation

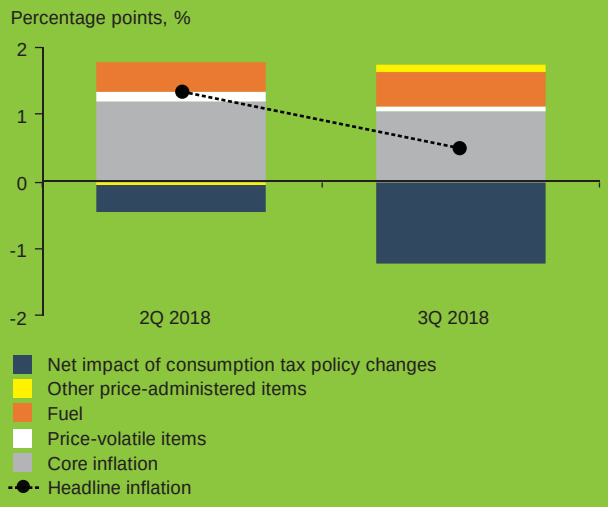
Headline and Core Inflation[1]




[1]Core inflation excludes the estimated direct impact of consumption tax policy changes

### The SST implementation had a limited impact on inflation during the quarter

Contribution to Headline Inflation by CPI Components




## Box Articles

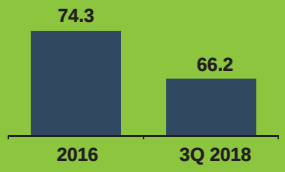
### Further escalation in trade tensions to have more significant impact on growth prospects

Impact Estimates of Trade Protectionism Measures
Annual ppt. impact



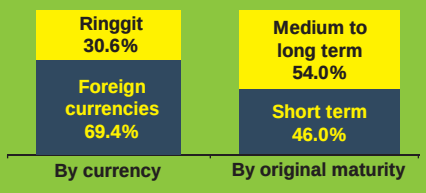

### Ringgit-denominated external debt lowers exposure to foreign currency risk, while medium- to long-term external debt reduces rollover risk

External debt to GDP (% share)




- External debt declined to 66.2% of GDP as at end-3Q 2018

External debt by currency and original maturity (% share)




- About one-third of external debt is denominated in ringgit
- More than half of external debt is medium- to long-term, limiting rollover risk

Source: Department of Statistics Malaysia, Bank Negara Malaysia unless stated otherwise
For more information, visit www.bnm.gov.my