Key Highlights on Economic and Financial Developments in 3Q 2019

GDP expanded by 4.4% (2Q: 4.9%)

Slower growth in domestic demand and key economic sectors

Slower growth momentum across most domestic demand components and net exports

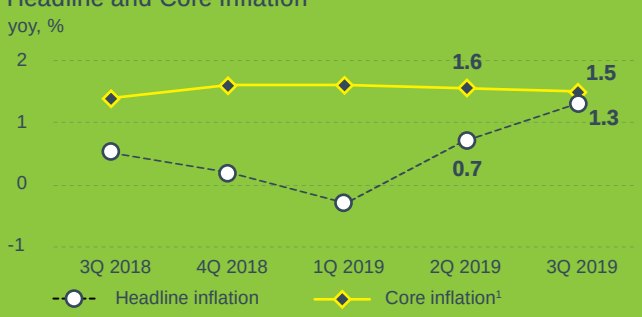
Contraction in the mining and construction sectors

Services and manufacturing sectors continued to support growth

Headline inflation rose but remained modest

Higher headline inflation due mainly to the lapse in the impact of the GST zerorisation

Headline and Core Inflation[1]



[1] Core inflation is computed by excluding price-volatile and price-administered items. It also excludes the estimated direct impact of consumption tax policy changes.

Box Article - Banking on Banks: Are They Lending Enough?

Bank financing remains forthcoming to eligible borrowers

New loans approved by banks[2]

Housing loans

RM119 bn benefitting **> 272,000** borrowers

Small and Medium Enterprises

RM50 bn benefitting **> 76,000** SMEs

Main reasons for loan rejections for SMEs and households

Applicants already highly indebted / over-leveraged

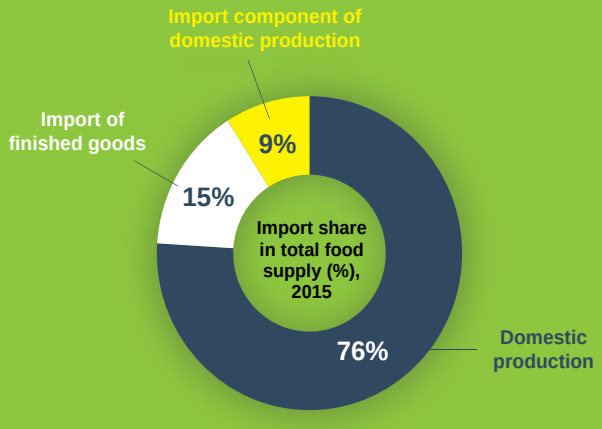
Insufficient income / cash-flow issues

Poor financial track record

[2] Refers to January - September 2019

Box Article - Food Imports and the Exchange Rate: More than Meets the Eye

Imports form 24% of Malaysia's total food supply



Exchange rate impact to food prices is limited and varying

Exchange rates explain a fraction of food price changes

Exchange rate impact varies across food items

Impact varies depending on households' consumption patterns

Source: Bank Negara Malaysia estimates based on Input-Output Tables 2010-2015, Department of Statistics, Malaysia

Source: Department of Statistics, Malaysia and Bank Negara Malaysia unless stated otherwise
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