

TARIKH : 12 FEBRUARI 2020
AKHBAR : THE MALAYSIAN RESERVE
MUKA SURAT : FRONT PAGE

Malaysia's economy to expand between 4.4% and 4.5% in 2019

The moderate growth has been supported by continuing, albeit slightly weaker, performance of services and manufacturing

by ALIFAH ZAINUDDIN

MALAYSIA'S economy is forecast to expand between 4.4% and 4.5% for 2019, hurt by the slower growth in the October through December period (4Q19) as the US-China trade war erases billions in US dollar in trade.

Global growth has been dragged down by the trade tensions between the world's two largest

economies, with China posting the slowest growth in three decades last year.

It was a difficult final quarter for Malaysia's open economy as slower demand dented the country's exports. Industrial production remained challenged with factory output in December only growing 1.3% year-on-year (YoY), far below market expectations, while growth in November was at 2% and October recorded the slowest pace in more than six years.

A Bloomberg poll of 10 economists put Malaysia's 4Q19 growth at 4.1%, with estimates ranging from 3.5% to 4.7%.

Bank Negara Malaysia will release the country's economic growth report at 12pm today.

Malaysia, South-East Asia's third-largest economy, grew 4.5% in 1Q19 and 4.9% in the period of April through June, before slowing to 4.4% in 3Q19.

Economist Prof Dr Yeah Kim Leng said the country's economy is expected to post growth between 4% and 4.3% in the final three months of 2019, putting Malaysia's full-year GDP growth between 4.4% and 4.5%.

"The moderate growth has been supported by continuing, albeit slightly weaker, performance

of the services and manufacturing sectors, while the mining and construction sectors either stagnated or contracted mildly.

"On the demand side, private consumption supported by stable income and full employment continued to be the mainstay, while investment remained tepid with a slight recovery expected in 2020," Yeah told *The Malaysian Reserve*.

Private consumption was the driving force of the economy for the whole of last year. The government's move to fast-track some key projects would also have injected some zest to the economy.

SEE P4 COL1

