

KERATAN AKHBAR

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RAM forecasts 2022 GDP growth of 8.2pc

GLOBAL RECESSION RISK

RAM FORECASTS 2022 GDP GROWTH OF 8.2PC

Economic expansion projected to slow to 4pc-5pc next year

KUALA LUMPUR

MALAYSIA'S stellar growth this year should provide a sturdy base for a challenging 2023, said RAM Rating Services Bhd economic research head Woon Khai Jhek.

The economy expanded 9.3 per cent year-on-year in the first nine months of this year.

RAM estimates full-year growth to reach 8.2 per cent.

Woon said due to the looming threat of a global recession, Malaysia's economy would inevitably face downside risks next year.

"Malaysia cannot escape the ripple effects from slower global growth next year, which will directly soften external demand and dampen the country's export performance.

"Malaysia's broad and diversified domestic economy, however, should help to prop up and mitigate the impact of weaker exports," he said during RAM's webinar on "Economic Outlook 2023: Choppy Waters Ahead?" recently.

For 2023, RAM expects Malaysia's gross domestic product (GDP) growth to come in slower at 4.0 to 5.0 per cent.

"Domestic demand will remain

the key driver for growth next year, supported by the continued recovery in the labour market and existing policy support measures. That said, notable price pressures and tightening of monetary policy will likely dampen consumer spending."

It added that headline inflation is anticipated to stay elevated at 2.7 per cent in 2023 (2022: 3.3 per cent), although this is still subject to policy changes in domestic subsidies and global commodity prices next year.

RAM also expects another 25 basis points hike in the Overnight Policy Rate in 2023 to the pre-pandemic level of 3.0 per cent.