

# KERATAN AKHBAR

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## Fitch Solutions retains 4pc GDP growth forecast for Malaysia

**FULL-YEAR 2023 EXPANSION**

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**KUALA LUMPUR:** Fitch Solutions Country Risk and Industry Research has reiterated its forecast for Malaysia's real gross domestic product (GDP) to slow to a four per cent growth this year from 8.7 per cent last year.

It said this followed the softer seven per cent year-on-year growth in the fourth quarter of last year, as compared to the 14.2 per cent year-on-year expansion in the third quarter.

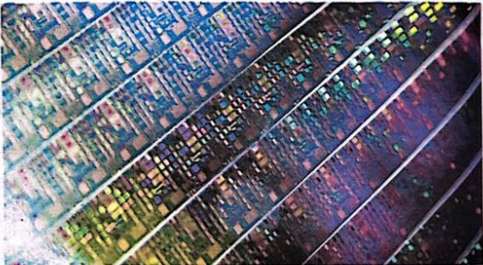
"While we expect the economy to return to growth over the coming quarters (on a quarter-on-quarter basis), we believe that the pace of economic expansion will moderate significantly going forward as credit conditions tighten further and pent-up demand fades.

"Moreover, the export outlook will likely weaken further on the back of a slowing global economy and as the semiconductor industry continues to be in a down-cycle," it said in a statement yesterday.

Fitch Solutions said private consumption growth was expected to slow to five per cent this year from 11.5 per cent last year while gross fixed investment growth would slow to two per cent versus 6.8 per cent last year.

On outlook, it said should the Ukraine-Russia war escalates and sanctions against Russia tighten, these could lead to upside commodity price volatility and exacerbate the global shortage of key commodities such as oil and palm oil, of which Malaysia was a net exporter.

On the downside, a global recession would lead to a further slowdown in trade activity and with exports accounting for close to 74 per cent of Malaysia's GDP, this would have an adverse impact on headline growth, it added. **Bernama**



*Fitch Solutions Country Risk and Industry Research says it expects the semiconductor industry to remain in a downcycle. EPA PIC*