

KERATAN AKHBAR

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Economy likely to grow 4-5pc next year

ECONOMY LIKELY TO GROW 4-5PC NEXT YEAR

MALAYSIA'S economy is expected to grow four to five per cent next year as global growth is projected to moderate this year and in 2024.

According to Economic Outlook 2024, this follows the slow expansion in advanced economies, volatile financial markets due to tightening monetary policy, prolonged geopolitical tensions and increasing climatic changes.

Malaysia's expected growth is forecast to be broad-based, led by the services sector, as intermediate and final services groups are anticipated to rise further, driven by sustained domestic consumption and improved export activities.

In terms of demand, growth is expected to be buoyed by strong private sector expenditure and improving global demand.

Consumer spending is expected to be robust, backed by improved labour market conditions.

The report said recovery in external demand was anticipated to boost export performance, leading to a larger trade surplus.

This surplus can be attributed to higher export receipts from the goods account, cushioning the net outflows from transport and other services accounts.

The current account is projected to post a surplus of RM62.2 billion, or 3.2 per cent of gross national income.

"The increased external uncer-

tainties will pose risks to economic growth.

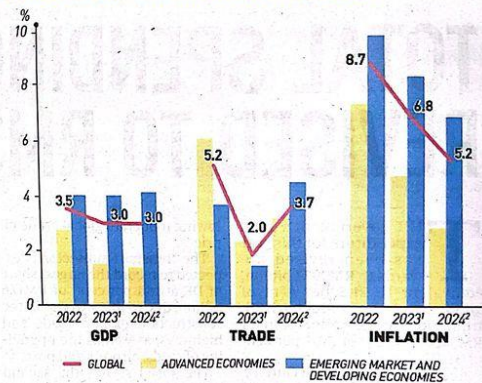
"Notwithstanding these challenges, the economy continues to reap the benefits of policies and initiatives undertaken over the years to enhance resilience and competitiveness.

"Overall, the economy is projected to expand moderately in the second half of the year as external demand is expected to remain low, with a high-base effect from the previous year," it added.

But it stressed that domestic demand would continue to drive growth.

"Hence, the gross domestic product is anticipated to register a growth of four per cent this year.

GLOBAL GROSS DOMESTIC PRODUCT, TRADE AND INFLATION GROWTH 2022-2024 (% CHANGE)



¹ Estimate ² Forecast

Note: Trade for Advanced Economies and Emerging Market and Developing Economies refers to the average volume of exports and imports of goods and services

This document was finalised before the publication of the World Economic Outlook, October 2023

Source: International Monetary Fund, World Economic Outlook Update (July 2023)

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