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CYBERJAYA: Malaysia's economy is proving more resilient than expected despite global geopolitical tensions, concerns over energy supplies and trade disruptions.

Economy Minister Datuk Seri Akmal Nasrullah Mohd Nasir said advance estimates showed Malaysia's gross domestic product (GDP) growth accelerated to 5.8% in the second quarter of 2026, from 5.4% in the preceding quarter.

The stronger performance, according to advance estimates released by the Department of Statistics Malaysia yesterday, came against the backdrop of the prolonged conflict involving the United States, Israel and Iran, concerns over disruptions in the Strait of Hormuz and rising energy prices that threatened global supply chains and industrial activity.

"Based on the advance estimates, because the official figures can only be released in August, the GDP estimate that we have for the second quarter stands at 5.8%," Akmal

Malaysia's economy more resilient than expected

➤ Advance estimates show Q2 GDP growth picks up to 5.8% from 5.4% in previous quarter despite global geopolitical tensions and disruptions

Nasrullah told reporters after the Teraju Startup Ecosystem Engagement Session here yesterday.

"That gives us confidence that economic activity is still taking place despite all the challenges, and it also demonstrates the government's commitment to carrying out specific interventions throughout this crisis so that we are able to overcome these problems and challenges together."

Akmal Nasrullah said the latest figures showed Malaysia's economy remained resilient, with domestic economic activity continuing largely uninterrupted despite the challenging external environment.

"Certainly we welcome the fact that growth reached 5.8% on top of the 5.4% recorded in the first quarter because economic growth builds upon the previous quarter's base. So

this shows that the economy remains strong and resilient."

The stronger growth trajectory suggested that government intervention measures introduced throughout the crisis had helped cushion the economy from external shocks and minimise disruptions to businesses and consumers, the minister said.

"At the same time, it also gives the impression that the interventions we carried out managed to reduce concerns and very significant disruptions to economic activities."

Akmal Nasrullah said the government has been closely monitoring developments arising from the conflict through weekly meetings of the National Geo-Economic Action Centre (MTEN), allowing policymakers to respond quickly to emerging risks.

"From the beginning of the conflict until throughout the duration of the conflict, as is known, the government evaluates the situation through MTEN on a weekly basis. "It is through MTEN that we make several decisions to ensure matters are managed, whether in terms of guaranteeing fuel supply and ensuring that critical sectors continue to operate," he added.

Among the government's priorities, Akmal Nasrullah said, is ensuring uninterrupted fuel supplies and preventing excessive price increases from spilling over to households and businesses. "Up until today there has been no disruption in fuel supply at the national level. In terms of prices, we have had to manage the situation and ensure that it does not place an excessive burden on the rakyat."

Authorities have also intervened to prevent manufacturing and industrial activities from being disrupted by shortages of production inputs and raw materials. "We also looked at interventions to prevent any industries from being forced to shut down because of disruptions in

the supply of inputs. We have managed to overcome the more severe impacts of these disruptions," Akmal Nasrullah said.

Nevertheless, he cautioned that the government could not afford to become complacent as geopolitical risks remained elevated and the conflict in West Asia had yet to show signs of a clear resolution.

"At the same time, this also shows that we cannot become too comfortable because we know that the conflict has not shown any clear signs of ending. Tensions can arise at any time and escalate very quickly. That is why we must continue to remain vigilant regarding whatever challenges may arise," he added.

Despite the uncertainties, Akmal Nasrullah said, the latest GDP estimate suggested that domestic demand and economic activities remained healthy and continued to support growth momentum. "So far, growth reflects that economic activities are still taking place in a healthy manner."

The minister said sustaining the country's economic momentum remained a key priority for the government as continued expansion would reinforce investor confidence and create further opportunities for businesses and workers.

"At the highest level, we need to continue maintaining momentum in terms of economic growth because through economic growth, confidence will continue to increase and further expand the opportunities that are available," he said.

However, Akmal Nasrullah stressed that the benefits arising from economic expansion must be more broadly shared across society, particularly among smaller businesses and entrepreneurs.

"At the same time, that space must also be looked at in terms of how opportunities and benefits can also be enjoyed and seized by small businesses and entrepreneurs," he said.



Akmal Nasrullah (second, left) visiting an exhibition booth after officiating the launch of the Teraju Startup Ecosystem Engagement Session. On the left is Teraju CEO Junady Nawawi. — BERNAMAPIC