Domestic growth powers on

Statistics Dept: Resilient 2Q performance easing inflation

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NILAI: Malaysia's economy remained resilient in the second quarter despite global uncertainties, with preliminary data showing stronger economic growth and easing inflation, prompting Prime Minister Datuk Seri Anwar Ibrahim to welcome the latest figures.

When asked about the country's lower inflation rate after attending Friday prayers at Masjid Dato Penghulu Menteri Sungei Ujong here yesterday, Anwar replied: "Alhamdulillah, alhamdulillah, alhamdulillah."

The Prime Minister's remarks came after the Statistics Department (DOSM) reported that inflation eased to 1.9% in June from 2.0% in May, while the economy expanded by a preliminary 5.8% in the second quarter, up from 5.4% in the first quarter.

Economy Minister Akmal Nasrullah Mohd Nasir said the stronger growth reflected the success of targeted government interventions in mitigating the impact of global challenges, including the Middle East conflict and concerns over disruptions along the Strait of Hormuz.

"This indicates that economic activities have continued despite the many challenges we face.

"It also reflects the government's commitment to implementing targeted interventions throughout this period so that we can address issues and challenges effectively," he told reporters after a meet-the-entrepreneurs session organised by the Bumiputera Agenda Steering Unit (Teraju) in Cyberjaya yesterday.

Akmal said the government had closely monitored developments arising from the Middle East conflict and taken steps to ensure fuel supplies, production inputs and essential goods remained available and affordable.

"Malaysia should have sufficient fuel supply through to the end of the year," he said, adding that PETRONAS had secured long-term commitments from alternative sources to safeguard the country's petroleum supply.

However, he cautioned that developments in the Middle East remained unpredictable and could escalate rapidly.

Earlier in his speech, Akmal urged small businesses to strengthen their capabilities and reduce reliance on government assistance to ensure long-term sustainability.

On inflation, DOSM said the moderation was largely driven by slower price increases in the transport sector, which rose 2.8% compared with 3.8% in the previous month.

Among the categories that recorded year-on-year increases were insurance and financial services (5.2%), transport (3.6%), alcoholic beverages and tobacco (2.8%), information and communication (2.1%), housing, water, electricity, gas and other fuels (1.2%), recreation, sport and culture (1.0%), and furnishings, household equipment and routine household maintenance (0.4%).

However, slower increases in personal care, social protection and miscellaneous goods and services (4.3%), restaurant and accommodation services (2.6%), education (2.2%) and health (1.3%) helped ease overall inflation in the second quarter of 2026, DOSM said.

The department noted that seven states and federal territories recorded inflation above the national average of 1.9%: Pahang (2.6%), Johor (2.5%), Negri Sembilan (2.5%), Labuan (2.3%), Kuala Lumpur (2.2%), Kedah (2.0%) and Putrajaya (2.0%).

DOSM also reported that all states recorded increases in food and beverage inflation except Kelantan, which registered a decline of 0.7%.