

World Bank Maintains Economic Growth Forecast 5.5 percent

The World Bank on Monday maintained Malaysia's economic growth forecast this year at 5.5 per cent driven by a robust rebound in consumption demand.

According to the Washington-based bank, Malaysia's private consumption growth is forecast to reach 8.5 per cent this year — its fastest pace since 2008, Xinhua reported.

The strong recovery in household spending is premised on further dissipation of public health concerns in absence of a severe resurgence of Covid-19 caseloads, as well as continued policy support and gradual improvements to employment and income prospects, it added.

The World Bank also projected Malaysia's economy to grow at 4.5 per cent in 2023 and 4.4 per cent in 2024.

The Malaysian economy had contracted by 5.6 per cent in 2020 but on the back of an expedited vaccination mandate, and easing mobility barriers, it grew at 3.1 per cent last year.

The country's economic recovery continues this year, expanding by a healthy 5 per cent in the first quarter of 2022.

The growth was largely driven by an increase in domestic demand following the resumption of most economic activity as pandemic-related containment measures were further eased

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