



Malaysia's economy is foreseen to be encouraging in the near term, says the Statistics Department. FILE PIC

PULLED DOWN BY IMPORTS

Malaysia's economic activity gauge down 1.1pc

KUALA LUMPUR: Malaysia's leading index (LI), a gauge for future economic activity, recorded a smaller contraction of 1.1 per cent to 110.3 points in May compared with a contraction of 2.7 per cent in April, pulled down by real imports of semi conductors, and of other basic precious and non-ferrous metals.

Nevertheless, monthly performance grew by 1.8 per cent, as a result of growth in five components except expected sales value in manufacturing (-0.8 per cent) and real money supply (-0.3 per cent).

"Despite improvements in both indices for this reference month, the smoothed LI growth rate remained below the 100-points trend.

"Accordingly, Malaysia's economy is foreseen to be encouraging in the near term.

"However, heightened global challenges should be taken into consideration," said the Statistics Department in a note.

It added that for the economic situation, the coincident index (CI) has maintained a positive annual growth momentum since September 2021 by registering 3.1

per cent to 124.3 points in May, compared with 120.6 points in the same month of the previous year, contributed by the good performance of all components.

Simultaneously, the monthly change in CI also increased by 2.5 per cent, with capacity utilisation in manufacturing of 1.2 per cent contributing significantly to the rise.

The diffusion index for LI remained at 57.1 per cent in the reference month.

Meanwhile, the diffusion index for CI increased to 100 per cent for the first time this year.