

Leading Index points to further moderation in M'sian economy

PETALING JAYA: The annual growth rate in the Leading Index (LI) moderated further in August 2023 by registering a marginal negative 0.5% to 109.7 points compared with negative 1.0% in the previous month, according to Chief Statistician Malaysia Datuk Seri Dr Mohd Uzir Mahidin,

He said four components contributed positively to the index, notably the number of housing units approved (245.7%), followed by Bursa Malaysia industrial index (15.2%), number of new companies registered (13.1%) and real imports of other basic precious & other non-ferrous metals (3.6%). Conversely, he added real imports of semi conductors continued to demonstrate a decline (-31.9%).

Looking at the monthly performance, the LI showed negative 0.8% in July 2023 but rebounded to 0.7% in the reference month, as a result of significant increase in real imports of other basic precious & other non-ferrous metals (0.9%).

The August 2023 smoothed LI growth rate remained below the 100-point trend, expecting that the economy will continue to moderate attributed by global economic uncertainties albeit strong domestic demand.

Referring to the current economic scenario, Mohd Uzir said the Coincident Index (CI) recorded a growth of 2.1% to 123.6 points in August 2023 as compared to 121.0 points in the same month of the previous year. The uptick was contributed by all components except the Industrial Production Index (-0.4%). The monthly change in CI registered 0.04% to reach 123.6 points as compared to 123.5 points in July 2023, primarily backed by the increase of total employment of manufacturing (0.4%).