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ADVANCE ESTIMATES

5.8pc GDP GROWTH IN Q2?

This will be best performance since Q4 of 2022, says Statistics Dept

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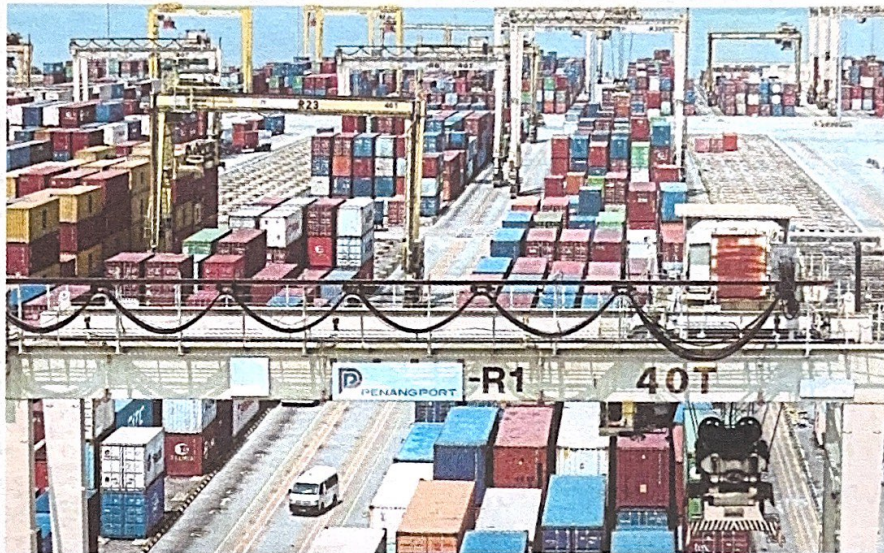
THE economy may have expanded at its fastest pace in six quarters in the April-June period, recording an expected 5.8 per cent gross domestic product (GDP) growth, advance estimates released by the Statistics Department showed.

This would be the highest growth rate since the 7.4 per cent recorded in the fourth quarter of 2022.

Bank Muamalat Malaysia Bhd chief economist Dr Mohd Afzanizam Abdul Rashid said the 5.8 per cent estimate was beyond market expectations.

The highest estimation among economists was around 5.0 per cent, while Bank Muamalat expected it to come in at 4.5 per cent, he added.

"The improvement in external demand is a key growth driver," he told the *Business Times*.



The Statistics Department says it expects the economy to continue its growth momentum, backed by domestic and export-driven factors. FILE PIC

UOB said the sharp GDP growth spike in the second quarter was partly aided by low base effects, along with all five major economic sectors posting robust expansions during the quarter.

"The outturn beat our estimate (4.6 per cent) and Bloomberg consensus (4.7 per cent)."

Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the second quarter growth estimate was in line with improvements seen in the Industrial Production Index, wholesale and retail sales

value and trade, among others.

It was also supported by the increase in tourist arrivals, palm oil production and progress of mega infrastructure projects.

Uzir said growth in the quarter was driven by a 5.6 per cent expansion in the services sector, 4.7 per cent in the manufacturing sector and 17.2 per cent in the construction sector.

The agriculture sector rose 7.1 per cent during the quarter, contributed by remarkable growth in the palm oil sub-sector.

The mining and quarrying sector contracted 3.3 per cent due to a moderation in the natural gas sub-sector.

The Statistics Department will release the preliminary GDP report for the second quarter on Aug 16.

It said the economy was expected to continue its growth momentum, supported by domestic and export-driven factors.

"The positive outlook will remain for the rest of the year," it added.