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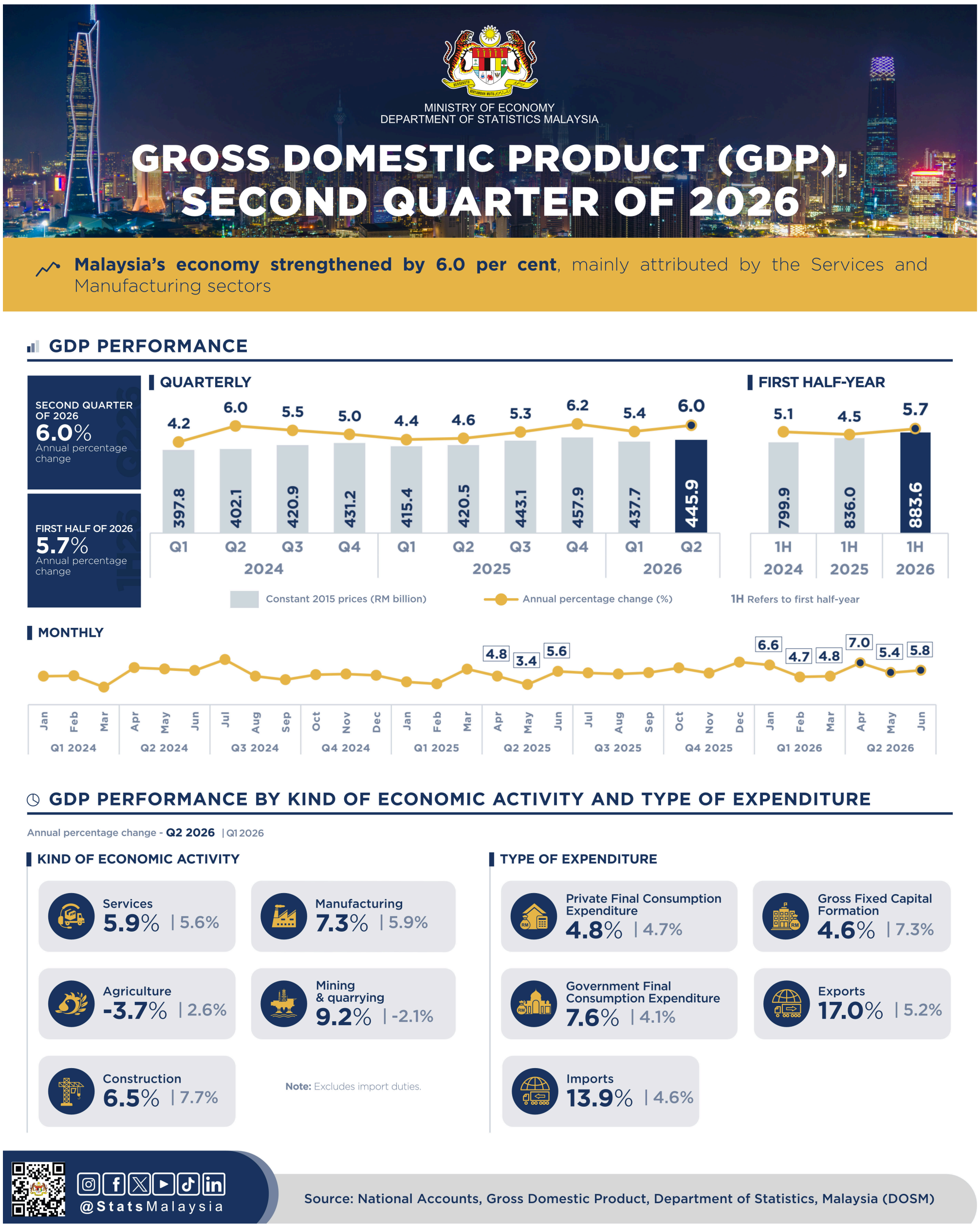
MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

GROSS DOMESTIC PRODUCT SECOND QUARTER 2026



Malaysia's economy continued to expand with a growth of 6.0 per cent in the second quarter of 2026

Malaysia’s economy continued to grow in the second quarter of 2026, expanding by 6.0 per cent as compared to 5.4 per cent in the preceding quarter. In terms of seasonally adjusted, the economy increased by 2.5 per cent (Q1 2026: -0.03%). From the supply perspective, the Services sector continued to underpin the economic growth during the quarter, with all sectors registering positive growth except for the Agriculture sector. On the expenditure side, the expansion was mainly driven by Private final consumption expenditure and Gross fixed capital formation. Malaysia’s economy recorded a value of RM544.0 billion at current prices and RM445.9 billion at constant prices in this quarter. Consequently, the economy expanded by 5.7 per cent in the first half of 2026, higher than 4.5 per cent growth in the corresponding period of 2025.

The **Services** sector rose by 5.9 per cent in the second quarter of 2026 as compared to 5.6 per cent in the previous quarter. In terms of seasonally adjusted, the sector increased by 2.0 per cent (Q1 2026: 0.4%). The better performance was supported by positive growth across all sub-sectors, led by the Wholesale and retail trade sub-sector, which grew by 4.7 per cent (Q1 2026: 4.8%). Furthermore, the Information & communication sub-sector increased by 8.3 per cent (Q1 2026: 7.2%), while the Transportation & storage sub-sector registered a growth of 7.0 per cent (Q1 2026: 8.5%). The performance of **Manufacturing** sector accelerated to 7.3 per cent in this quarter, as against 5.9 per cent in the first quarter of 2026. In terms of seasonally adjusted, this sector grew by 3.4 per cent (Q1 2026: 0.6%). The favourable performance of this sector was driven by the strong growth in all sub-sectors, particularly the Electrical, electronic and optical products, which accelerated to 14.4 per cent (Q1 2026: 12.8%). Additionally, the Petroleum, chemical, rubber and plastic products rebounded to 3.2 per cent (Q1 2026: -1.3%), followed by the Non-metallic mineral products, basic metal and fabricated metal products which rose by 5.5 per cent (Q1 2026: 5.0%). The **Agriculture** sector declined by 3.7 per cent in this quarter, from a growth of 2.6 per cent in the first quarter of 2026. In terms of seasonally adjusted, this sector decreased further by 2.6 per cent (Q1 2026: -1.5%). The downturn was mainly influenced by a contraction in Oil palm sub-sector at 9.5 per cent (Q1 2026: 5.5%), followed by Fishing (-4.4%) and Forestry & logging (-10.6%) sub-sectors. However, Livestock and Other agriculture sub-sectors posted a positive growth in this quarter. The **Mining and quarrying** sector posted significant growth in the second quarter of 2026, expanding by 9.2 per cent from a decline of 2.1 per cent in the previous quarter. In terms of seasonally adjusted, this sector accelerated to 7.0 per cent (Q1 2026: -5.3%). The enhanced performance was mainly attributed by a strong expansion in Natural gas sub-sector, which surged at 19.3 per cent (Q1 2026: -2.1%), while Other mining & quarrying and supporting services grew by 6.7 per cent (Q1 2026: 4.9%). Conversely, Crude oil and condensate declined 3.6 per cent (Q1 2026: -4.2%) in this quarter. The **Construction** sector continued to increase in the second quarter of 2026, with a growth of 6.5 per cent as compared to 7.7 per cent in the preceding quarter. In terms of seasonally adjusted, the sector increased by 3.2 per cent (Q1 2026: -1.9%). The growth in this sector was supported by the Specialised construction activities and Non-residential buildings sub-sectors, which expanded by 10.4 per cent (Q1 2026: 15.9%) and 9.6 per cent (Q1 2026: 10.1%), respectively. Furthermore, Residential buildings and Civil engineering sub-sectors showed a better growth of 4.7 per cent (Q1 2026: 3.9%) and 1.1 per cent (Q1 2026: 0.7%), respectively.

Final consumption expenditure strengthened further in this quarter to 5.2 per cent (Q1 2026: 4.6%), supported by improved growth in both Private final consumption expenditure and Government final consumption expenditure. **Private final consumption expenditure** rose by 4.8 per cent as compared to 4.7 per cent in the preceding quarter, driven mainly by spending on Restaurants & hotels, Transport, Food

& non-alcoholic beverages and Communication. The improvement was also reflected in the seasonally adjusted terms, with Private final consumption expenditure registering a faster growth of 1.7 per cent (Q1 2026: 0.6%). **Government final consumption expenditure** continued to expand during the quarter, with growth strengthening at 7.6 per cent from 4.1 per cent in the preceding quarter, supported by higher expenditure on supplies and services. In terms of seasonally adjusted, Government final consumption expenditure rebounded to 5.2 per cent (Q1 2026: -1.3%). **Gross fixed capital formation (GFCF)** increased by 4.6 per cent in the second quarter of 2026, as compared to 7.3 per cent in the previous quarter. In terms of seasonally adjusted, GFCF grew 1.8 per cent (Q1 2026: 0.3%). The growth of GFCF was mainly driven by Structure and Machinery & equipment, which grew by 4.6 per cent (Q1 2026: 7.0%) and 4.7 per cent (Q1 2026: 8.7%), respectively. Meanwhile, Other assets increased by 4.3 per cent (Q1 2026: 1.3%) in this quarter. By sector, Private which accounted for 82.9 per cent of total GFCF, grew by 4.3 per cent (Q1 2026: 7.8%). Meanwhile, Public sector increased by 6.3 per cent (Q1 2026: 5.3%). The external sector continued to strengthen in the second quarter of 2026, with both **Exports and Imports** recording double-digit growth of 17.0 per cent (Q1 2026: 5.2%) and 13.9 per cent (Q1 2026: 4.6%), respectively. The stronger performance was supported by the surge in both exports and imports of goods as well as services. In terms of seasonally adjusted, Exports expanded 12.7 per cent (Q1 2026: 0.3%), while Imports rebounded strongly by 13.3 per cent from a decline of 2.8 per cent in the preceding quarter.

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