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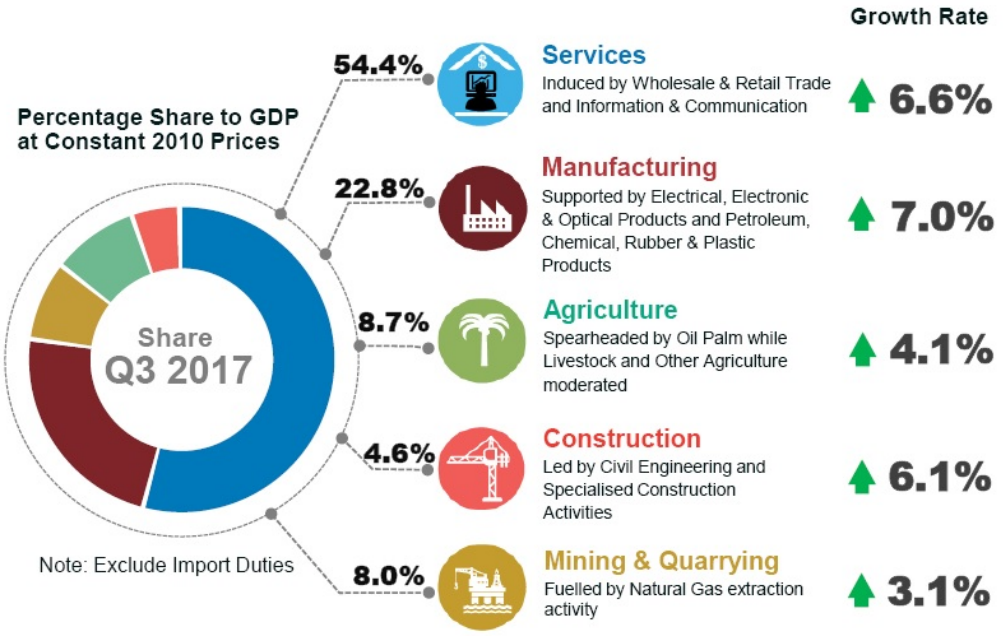
MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

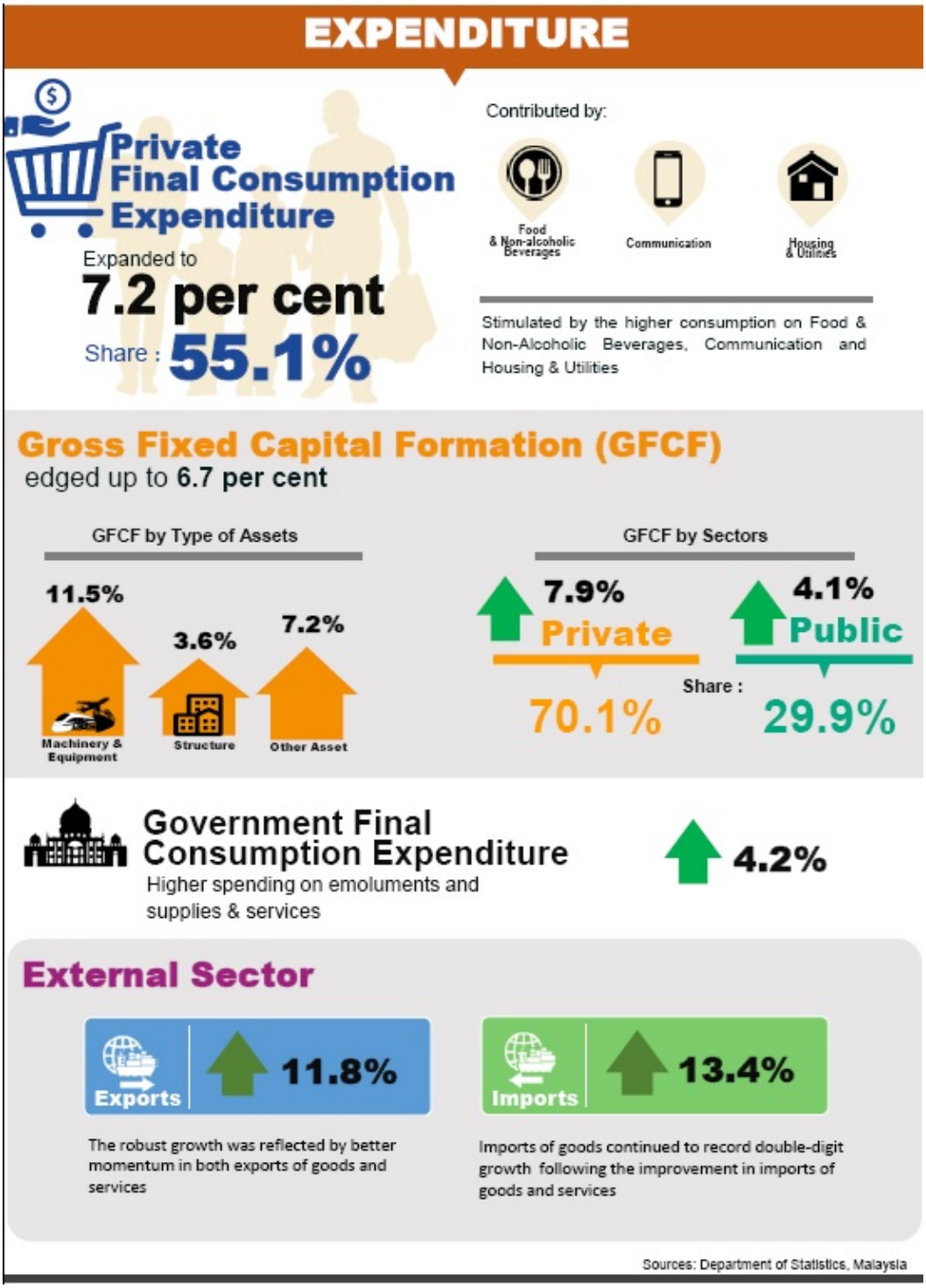
# GROSS DOMESTIC PRODUCT THIRD QUARTER 2017

# PRODUCTION

## Services and Manufacturing

the main impetus to the economy






Malaysia's economy grew stronger in the third quarter 2017 with Gross Domestic Product (GDP) surged to 6.2 per cent, higher than 5.8 per cent recorded in the previous quarter. This higher growth was the fastest rate since second quarter 2014. On a quarter-on-quarter seasonally adjusted, GDP posted a growth of 1.8 per cent against 1.3 per cent in the preceding quarter.

The favourable performance by Services and Manufacturing sectors spearheaded the production side. Meanwhile, the steady growth in Private final consumption expenditure and higher performance of Gross fixed capital formation and external trade were the main impetus for the expenditure side.

Table 1: GDP at Constant 2010 Prices

| PERCENTAGE CHANGE FROM CORRESPONDING QUARTER OF PRECEDING YEAR | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2016 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 |
| GDP | 4.2 | 4.1 | 4.0 | 4.3 | 4.5 | 5.6 | 5.8 | 6.2 |
| Seasonally Adjusted GDP | | 0.8 | 1.1 | 1.4 | 1.3 | 1.8 | 1.3 | 1.8 |

## GDP by Production Approach

**Services** sector rose to 6.6 per cent after registering 6.3 per cent in previous quarter. The performance of this sector was induced by Wholesale & retail trade which remained strong by posting 7.5 per cent in this quarter. Information & communication improved to 8.8 per cent fuelled by data communication, computer services and information services activities. Nonetheless, Finance & insurance grew to 4.2 per cent as compared to 5.1 per cent in the preceding quarter due to the moderation in Insurance sub-sector.

**Manufacturing** sector elevated further to 7.0 per cent from 6.0 per cent recorded in the second quarter of 2017. Electrical, electronic & optical products grew to 8.7 per cent supported by higher production of semiconductors, integrated circuit and communication equipment. Furthermore, Petroleum, chemical, rubber & plastic products increased to 5.0 per cent backed by a strong performance in refined petroleum product. Vegetable & animal oils & fats and food processing posted a robust growth of 11.4 per cent as compared to 10.4 per cent in the preceding quarter led by refined palm oil products.

**Agriculture** sector grew 4.1 per cent after registering a growth of 5.9 per cent in the previous quarter. The growth for this sector was spearheaded by Oil palm which remained resilient by recording a double-

digit growth of 10.0 per cent in this quarter. Meanwhile, Livestock and Other agriculture moderated to 4.5 per cent and 1.5 per cent respectively. Nevertheless, Fishing rebounded to 0.3 per cent supported by Aquaculture which accelerated to 10.1 per cent.

**GDP by Expenditure Approach**

**Private final consumption expenditure** expanded to 7.2 per cent (Q2 2017: 7.1%) which was largely impelled by the consumption on food & non-alcoholic beverages, communication and housing & utilities.

**Gross fixed capital formation (GFCF)** stepped up to 6.7 per cent in this quarter (Q217: 4.1%). The strong growth in GFCF was driven by Machinery & equipment which accelerated to 11.5 per cent and recovery in Other asset (7.2%) . On the other hand, Structure posted a modest growth of 3.6 per cent.

**Exports** surged to 11.8 per cent as compared to 9.6 per cent in the previous quarter. The robust growth was reflected by better momentum in both exports of goods and services. **Imports** increased 13.4 per cent (Q2 2017: 10.7%) following the improvement in imports of goods and services.

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