



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MALAYSIA ECONOMIC PERFORMANCE THIRD QUARTER 2018



MALAYSIA'S ECONOMY Q3 2018



Malaysia's economy grew **4.4 per cent** in the third quarter of 2018. **Services** and **Manufacturing** sectors were the key drivers for this growth. Meanwhile, on the expenditure side **Private final consumption expenditure** and **Gross fixed capital formation** also spearheaded the economy.

GDP BY ECONOMIC ACTIVITY

ECONOMIC ACTIVITY	SHARE	GROWTH RATE
Services	56.0%	Q318: 7.2% Q218: 6.5%
Manufacturing	23.0%	Q318: 5.0% Q218: 4.9%
Construction	4.7%	Q318: 4.6% Q218: 4.7%
Agriculture	8.2%	-1.4% -2.5% Q318: Q218
Mining & Quarrying	7.3%	-4.6% -2.2% Q318: Q218

Note: Exclude Import Duties

GDP BY TYPES OF EXPENDITURE



Source: Department of Statistics, Malaysia

Malaysia's economy grew 4.4 per cent in the third quarter of 2018 (Q2 2018: 4.5%). On a quarter-on-quarter seasonally adjusted, GDP rose 1.6 per cent against 0.3 per cent in the preceding quarter.

Services and Manufacturing sectors were the key drivers for this growth. Meanwhile, on the expenditure side Private final consumption expenditure and Gross fixed capital formation also spearheaded the economy. Nevertheless, the negative growth in Mining & quarrying and Agriculture sectors influenced the overall performance of GDP.

For the first three quarters of 2018, Malaysia's GDP moderated to 4.7 per cent with a value of RM907.2 billion at constant prices and RM1,055.2 billion at current prices.

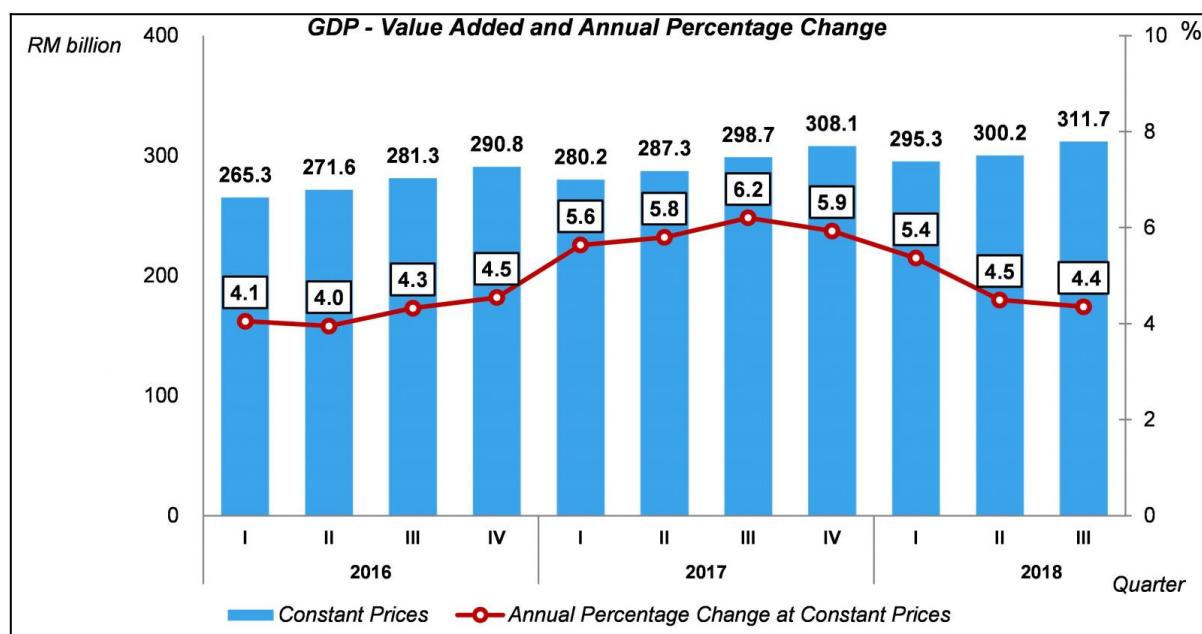
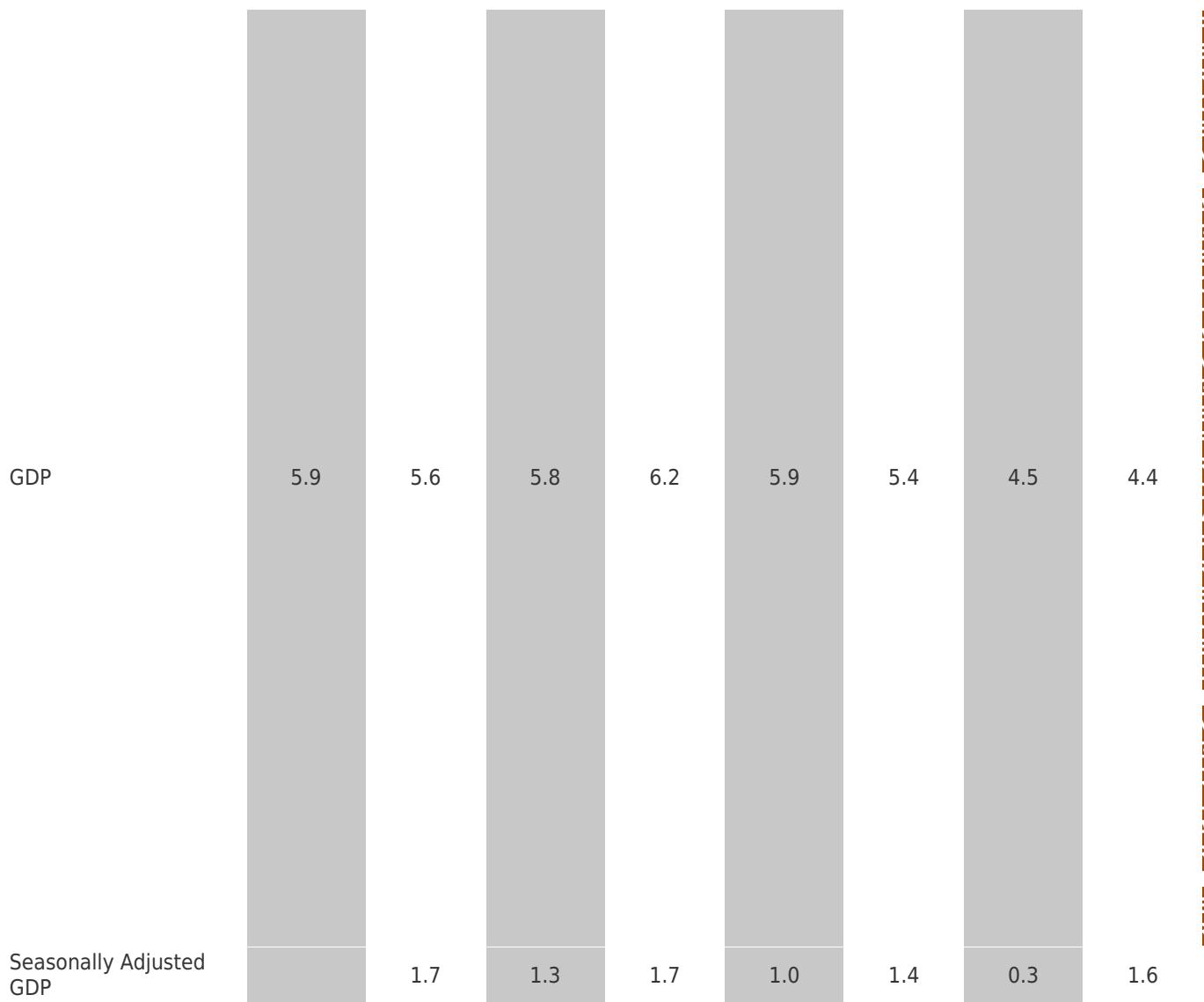


Table 1: GDP at Constant 2010 Prices

PERCENTAGE CHANGE FROM CORRESPONDING QUARTER OF PRECEDING YEAR								
2017	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	



GDP by Kind of Economic Activity

Services sector elevated further to 7.2 per cent and remained as the largest contributor to the economy. The expansion of this sector was fuelled by the strong momentum in Wholesale & retail trade and Information & communication. Wholesale & retail trade registered a higher growth of 9.5 per cent reflecting the outstanding performance in retail and motor vehicle. Furthermore, Information & communication posted a growth of 8.4 per cent contributed by communication and computer services activities. Meanwhile, Finance & insurance rose to 6.3 per cent from 4.9 per cent following a better growth performance in Finance and continued double digit growth in Insurance.

Manufacturing sector increased 5.0 per cent from 4.9 per cent in the previous quarter. The growth was mainly contributed by Electrical, electronic & optical products which strengthened to 6.4 per cent. Petroleum, chemical, rubber & plastic products registered a growth of 3.9 per cent supported by refined petroleum, rubber and plastic products. In addition, the overall performance of Manufacturing sector was also spurred by Transport equipment, other manufacturing & repair which increased to 8.0 per cent.

GDP by Expenditure Approach

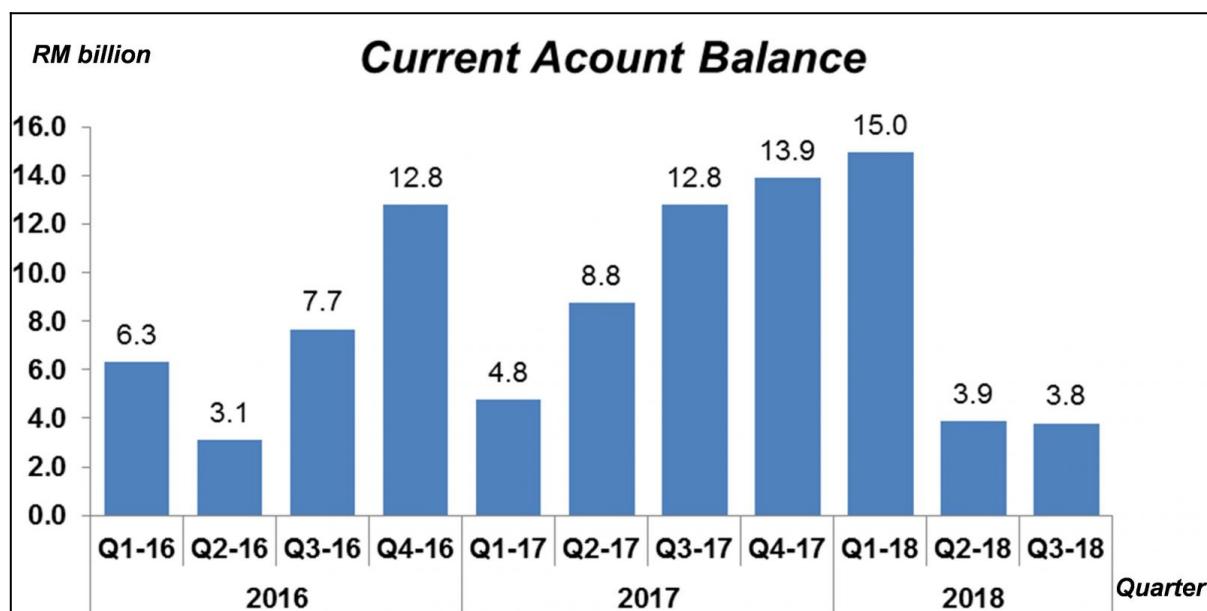
Private final consumption expenditure (PFCE) surged to 9.0 per cent due to higher consumption on food & non alcoholic beverages, communication, transport and restaurant & hotel. A few key events such as tax

holiday, Hari Raya Aidiladha, Sukan Malaysia (SUKMA) and long holidays have influenced the expansion of PFCE.

Gross Fixed Capital Formation (GFCF) increased 3.2 per cent as compared to 2.2 per cent in the previous quarter. The main contributor was Machinery & equipment which recorded a growth of 5.9 per cent in this quarter. Meanwhile, Other asset posted a marginal growth of 0.1 per cent after registering a negative momentum for three consecutive quarters. In overall, GFCF was mainly supported by Private sector.

External Sector

Malaysia's current account surplus recorded RM3.8 billion as compared to RM3.9 billion in the previous quarter. The slightly lower surplus was largely attributable to the widening deficit in net primary income due to higher retained earnings by the foreign investors.



The performance of financial account in the current quarter, the financial account recorded a lower net inflow of RM0.2 billion from RM9.2 billion in second quarter 2018. Portfolio investment, financial derivatives and direct investment registered net inflows, while other investment turned around to net outflow of RM0.8 billion.

In terms of investment with the rest of the world, Foreign Direct Investment (FDI) increased to RM3.9 billion from RM2.8 billion in the previous quarter. The FDI were mainly from United States of America, United Kingdom and Japan. Malaysia's Direct Investment Abroad (DIA) also improved to RM3.9 billion from RM3.6 billion in the second quarter with the main destinations to Singapore, Luxembourg and United Kingdom.

The financial liabilities position in this quarter increased to RM1,811.0 billion against RM1,762.7 billion in the previous quarter. Meanwhile, total assets recorded RM1,698.9 billion from RM1,683.0 billion in the second quarter. This translated to the higher net liabilities of RM112.2 billion as at end of third quarter 2018.

The international reserves of Bank Negara Malaysia stood at RM426.9 billion as compared to RM423.3 billion in the previous quarter.

Exports

Exports of goods in the third quarter of 2018 were valued at RM251.0 billion recording a growth of 5.2 per cent. The main products which contributed to the increase were electrical and electronic products which advanced 10.7 per cent or RM9.6 billion to RM99.4 billion followed by crude petroleum which rose strongly 70.6 per cent and refined petroleum products increased 2.8 per cent.

Meanwhile, two other major export products declined namely palm-oil & palm-oil based products 16.1 per cent and LNG 21.4 per cent.

Imports

In the third quarter of 2018, imports also registered an increase of 6.3 per cent to RM225.8 billion. Both consumption goods and capital goods increased while intermediate goods decreased.

Consumption goods which accounted for 8.4 per cent of total imports expanded by RM980.1 million to RM18.9 billion. The expansion was mainly attributed to durables, semi-durables and non-durables.

Capital Goods which representing 12.6 per cent of total imports, rose RM302.2 million or 1.1 per cent to RM28.5 billion due to the increase in both industrial transport equipment and capital goods (except transport equipment).

Intermediate Goods which constituted 53.4 per cent of total imports dropped RM1.8 billion to RM120.6 billion. The decrease was mainly attributed to parts & accessories of capital goods.

Prices

Consumer Price Index in third quarter eased to 0.5 per cent as compared to 1.3 per cent in second quarter 2018. Food & Non-Alcoholic beverages recorded a marginal increase of 0.5 per cent due to the tax holiday in this quarter.

In the third quarter of 2018, the Producer Price Index increased 0.1 per cent as compared to negative 0.4 per cent in second quarter 2018. The increase was mainly attributed to the higher prices received by producers for goods transacted in Mining (30.1%) and Electricity and gas supply (0.9%).

Labour Market Condition

The employed persons recorded an increase of 2.6 per cent in third quarter 2018 to 14.9 million persons based on the Labour Force Survey.

The employment in Manufacturing sector increased 1.9 per cent while the salaries & wages for this sector increased 9.6 per cent after registering 10.1 per cent in the previous quarter. Simultaneously, employment in the Services sector grew 2.7 per cent and salaries & wages grew 3.9 per cent. During this quarter, the unemployment rate was 3.4 per cent.

Leading Index on Economic Prospect

The Leading Index indicates the direction of our economy in average of four to six months ahead has already given us the sign to expect that Malaysia's GDP for the third quarter of 2018 to grow slower than the second quarter 2018.

Released By:

DATO' SRI DR. MOHD UZIR MAHIDIN
CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS, MALAYSIA

 DrUzir_Mahidin   Dr_Uzir

#myHariBulan# #myBulan# #myTahun#

Contact person:

Ho Mei Kei
Public Relation Officer
Strategic Communication and International Division
Department of Statistics, Malaysia
Tel : +603-8885 7942
Fax : +603-8888 9248
Email : mkho[at]dosm.gov.my

Contact person:

Baharudin Mohamad
Public Relation Officer
Strategic Communication and International Division
Department of Statistics Malaysia
Tel : +603-8090 4681
Fax : +603-8888 9248
Email : baharudin[at]dosm.gov.my

Copyright ©2026 Department of Statistics Malaysia Official Portal. All Rights Reserved.