

Economic activities expected to expand in 2H17: DoS

By [RUPA DAMODARAN](#) | Thursday, 24 August 2017, 10:38 AM



KUALA LUMPUR: Economic activities are expected to continue expanding in the second half of 2017, according to the Statistics Department's (DoS) leading indicators.

The Malaysian economy expanded by 5.7 per cent in the first half due to the robust growth pace in both the first and second quarters.

The first quarter expanded by 5.6 per cent while the second quarter grew by 5.8 per cent.

The Statistics Department said the June Leading Index (LI) stated the index will increase by 0.6 per cent.

Leading indicators are designed to signal turning points in economic activities to trend about six months ahead.

They are based on real money supply M1, Bursa Malaysia industrial index, real imports of semiconductors and other basic or precious and non-ferrous metal, number of housing units approved, expected sales value, manufacturing and the number of new companies registered.

It however noted that the monthly change of LI showed a negative growth of 0.6 per cent in the reference month.

This was due to a drop in real imports of semiconductors (-0.5 per cent) and expected sales value in manufacturing sector (-0.4 per cent).

The Coincident Index (CI) which measures the current economic activity, also rose 0.4 per cent in June, driven by the increase in volume index of retail trade (0.7 per cent) and Industrial Production Index (0.2 per cent).

“ The annual change of CI increased 4.0 per cent in the reference month is in line with the growth of Gross Domestic Product at constant price which expanded 5.8 per cent in the second quarter of 2017 from 5.6 per cent in the previous quarter.”

The annual change of LI and CI in June 2017, added the Statistics Department, remained favourable at a slower momentum as compared to the previous month.

Both Diffusion Indexes – as barometers of the economy, sustained above 50 per cent since January 2017.