

SNAPSHOT

17 MAY 2022

1Q22 GDP

- Malaysia's economic recovery momentum continues, with **GDP growth of 5.0% YoY in 1Q22** (4Q21: 3.6%), on the back of easing restrictions, continued improvement in the labor market, supportive policy measures and still-solid external demand. On a QoQ sa basis, the economy grew 3.9% (4Q21: 4.6%).
- GDP performance was primarily contributed by the **services and manufacturing sectors**, specifically **transportation & storage** (25.8% YoY), **retail trade** (5.4%) and **ICT** (6.3%) sub-sectors. Construction (-6.2%) and mining (-1.1%) sectors contracted and remain laggards to the economy.
- On the demand side, GDP expansion was mainly driven by consumption as the economy re-opens. Resilient external demand, notably robust demand for **semiconductors** amid the continued upcycle in global technology, provided a further lift to growth. Private investment turned around to register a marginal positive growth supported by capital spending in ICT-related equipment and machinery for manufacturing.
- While this is a good start for the year, we remain **cautious moving forward amid rising headwinds, mainly from the external-side**: (1) weaker-than-expected global growth, dampened by escalation of geopolitical conflicts and renewed lockdowns in China, (2) prolonged supply chain disruptions that leads to higher cost pressures, and (3) heightened financial market volatility.
- Financing to the **MSME segment** expanded at a higher rate of 6.0% YoY (4Q21: 4.9%). Strong momentum was observed in the disbursement (RM88 bil) and repayments (RM85 bil), above the 2017-19 quarterly average. SME financing disbursements were broad-based across all major sectors. This signals a healthy demand for financing and repayment trend given good recovery prospects.

Figure 1: Quarterly Real GDP

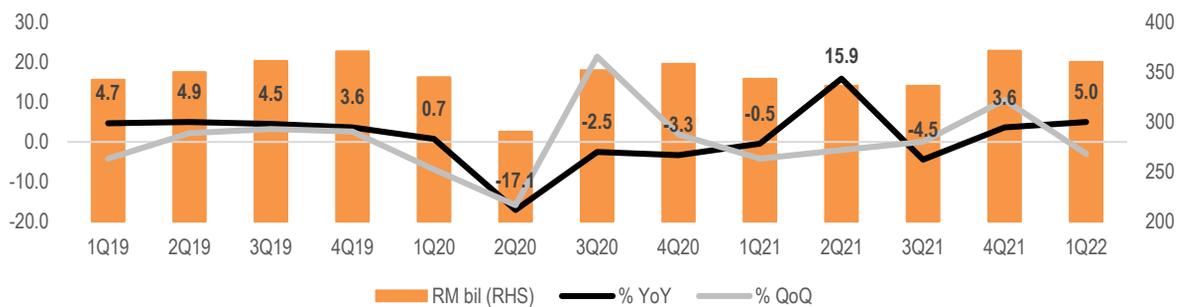


Table 1: GDP by economic activity (2015p)	Share 2021 (%)	2021					2022
		1Q	2Q	3Q	4Q	Year	1Q
		Annual growth (%)					
Services	57.0	(2.3)	13.4	(4.9)	3.2	1.9	6.5
Manufacturing	24.3	6.7	26.7	(0.8)	9.1	9.5	6.6
Agriculture	7.1	0.1	(1.5)	(2.0)	2.8	(0.2)	0.2
Mining	6.7	(4.4)	10.6	(3.2)	(0.6)	0.3	(1.1)
Construction	3.7	(10.4)	40.3	(20.6)	(12.2)	(5.2)	(6.2)
Real GDP	-	(0.5)	16.1	(4.5)	3.6	3.1	5.0

Sources: DOSM, CEIC, BNM, SCEA

Figure 2: Percentage point (ppt.) contribution to GDP by economic activities

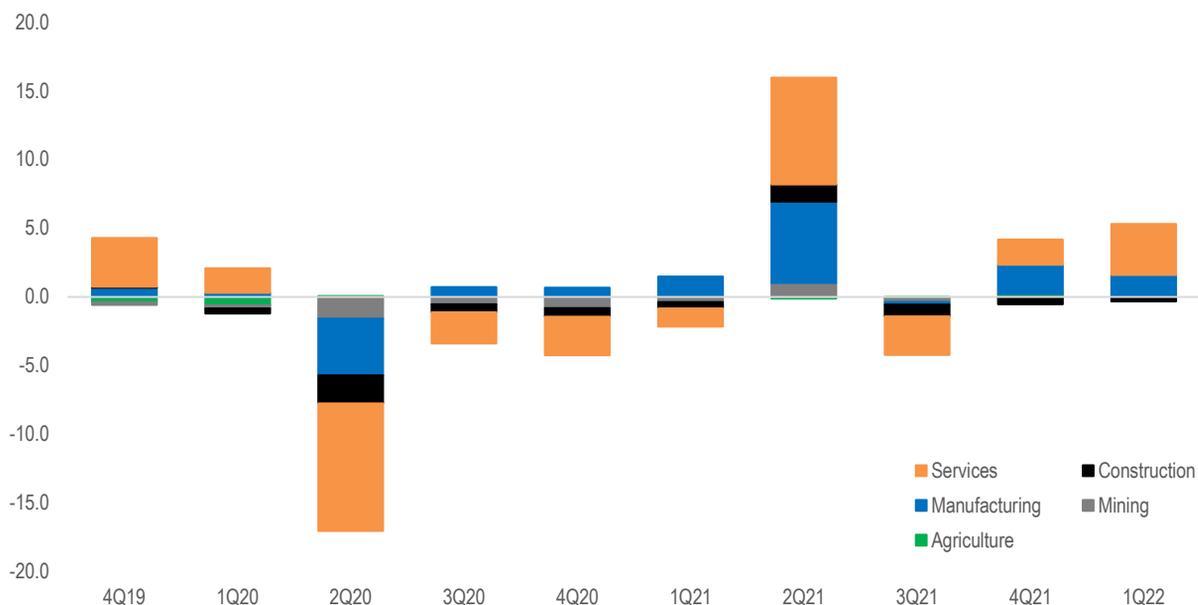


Figure 3: Top ten contributors to services GDP performance in 1Q22 (ppt.)

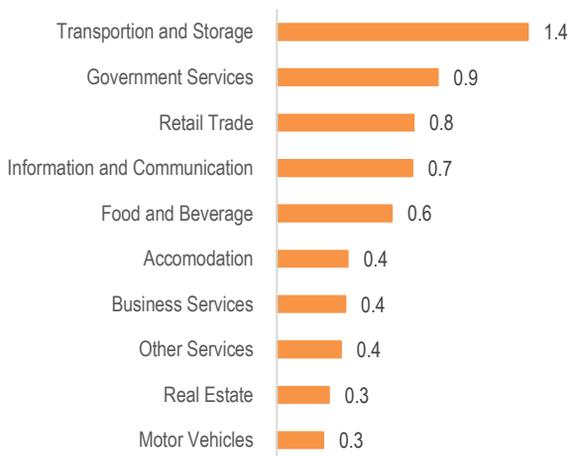
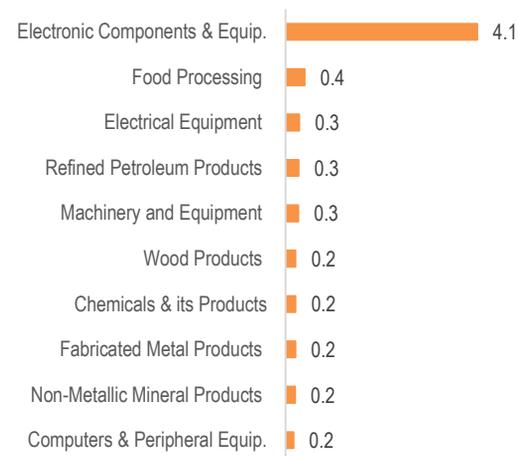


Figure 4: Top ten contributors to manufacturing GDP performance in 1Q22 (ppt.)



	Share 2021 (%)	2021					2022
		1Q	2Q	3Q	4Q	Year	1Q
		Annual growth (%)					
Aggregate domestic demand	92.7	(1.0)	12.3	(4.1)	2.3	1.9	4.4
Private consumption	58.8	(1.5)	11.7	(4.2)	3.7	1.9	5.5
Private investment	15.6	1.3	17.3	(4.8)	(3.0)	2.6	0.4
Public consumption	13.8	5.6	8.2	8.1	4.3	6.6	6.7
Public investment	4.5	(18.5)	12.0	(28.9)	(3.8)	(11.4)	(0.9)
Net exports	6.0	6.6	57.6	(37.5)	2.6	(5.8)	(26.5)
Exports of goods & services	69.1	11.7	37.4	5.1	13.3	15.9	8.0
Imports of goods & services	63.1	12.2	37.6	11.7	14.6	18.5	11.1
Real GDP	-	(0.5)	15.9	(4.5)	3.6	3.1	5.0

Sources: DOSM, CEIC, BNM, SCEA

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