

Robust 2Q 2022 GDP

15 AUGUST 2022

- Malaysia registered a stellar economic performance in **2Q 2022**, with **GDP growth of 8.9% YoY** (1Q 2022: 5.0%; 1H 2022: 6.9%), thanks to pent-up demand, base effect factors, normalising economic activities, tight labour market, supportive policy measures, and resilient external demand. On a QoQ seasonally adjusted basis, the economy grew 3.5% (1Q: 3.9%).
- GDP performance was primarily contributed by the **services** industry, specifically **accommodation** (139.0% YoY), **motor vehicles** (66.3%), and **transportation and storage** (35.8%) sub-sectors. The economic expansion was also underpinned by the strong **manufacturing** performance and rebound in the **construction** industry, which outweighed contraction in the agriculture and mining industries.
- On the demand side, GDP expansion was largely driven by **domestic demand**, with **broad-based improvements in consumer spending and investment**. Private consumption registered a double-digit growth while public investment returned to a positive growth supported by capital expenditure in the oil and gas, and telecommunication sectors.
- With **1H economic growth at 6.9%**, there is **significant upside potential** to our full year forecast range of **5.0% - 6.0%**. For 2H, growth will be propelled by the low base effect factor (3Q 2021 lockdown), broad based improvement in income conditions (minimum wage hike in May and tight labour market), sustained policy support (e.g : fuel subsidy) and normalising economic & social activities.
- Financing to the **MSME segment** expanded at a faster pace at 7.5% YoY (1Q: 6.0%). Strong momentum was observed in the disbursement and repayments, up 22.1% YoY to RM93 bil and 17.1% to RM91 bil, respectively. Re-opening of the economy and normalisation of social activities have rejuvenated business confidence, reflecting the healthy demand for financing and repayment trend.

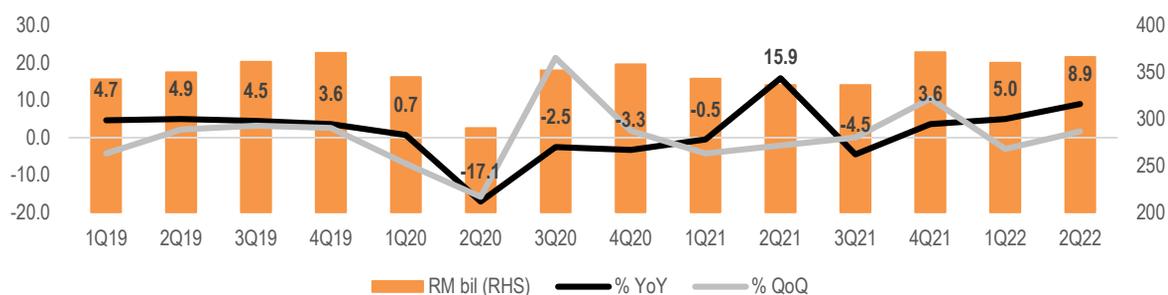
Figure 1: Quarterly Real GDP


Table 1: GDP by economic activity (2015p)	Share 2021 (%)	2021				2022	
		2Q	3Q	4Q	Year	1Q	2Q
		Annual growth (%)					
Services	57.0	13.4	(4.9)	3.2	1.9	6.5	12.0
Manufacturing	24.3	26.7	(0.8)	9.1	9.5	6.6	9.2
Agriculture	7.1	(1.5)	(2.0)	2.8	(0.2)	0.1	(2.4)
Mining	6.7	10.6	(3.2)	(0.6)	0.3	(1.1)	(0.5)
Construction	3.7	40.3	(20.6)	(12.2)	(5.2)	(6.2)	2.4
Real GDP	-	15.9	(4.5)	3.6	3.1	5.0	8.9

Sources: DOSM, CEIC, BNM, SCEA

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

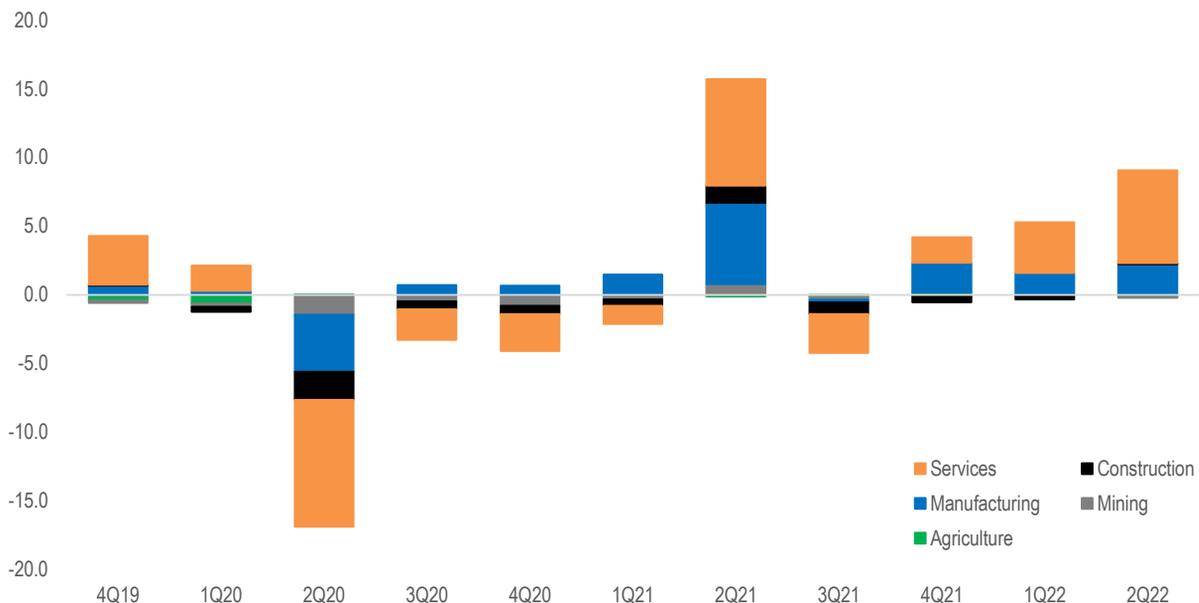
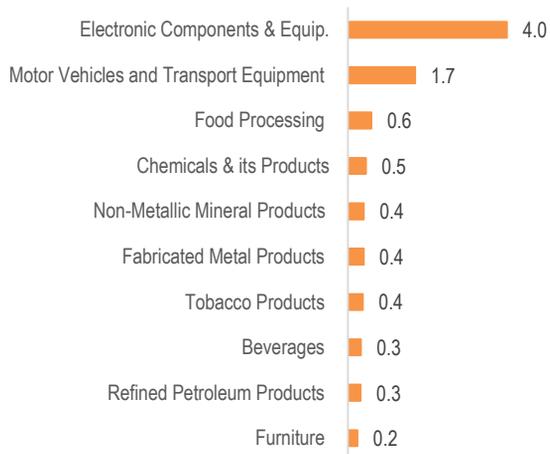


Figure 3: Top ten contributors to services GDP performance in 2Q 2022 (ppt.)



Figure 4: Top ten contributors to manufacturing GDP performance in 2Q 2022 (ppt.)



	Share 2021 (%)	2021				2022	
		2Q	3Q	4Q	Year	1Q	2Q
		Annual growth (%)					
Aggregate domestic demand	92.7	12.3	(4.2)	1.9	1.7	4.4	13.0
Private consumption	58.8	11.7	(4.2)	3.7	1.9	5.5	18.3
Private investment	15.6	17.3	(4.9)	(2.8)	2.6	0.4	6.3
Public consumption	13.8	8.2	7.1	1.6	5.3	6.7	2.6
Public investment	4.5	12.0	(28.9)	(3.4)	(11.3)	(0.9)	3.2
Net exports	6.0	57.6	(39.9)	0.8	(4.1)	(26.5)	(28.7)
Exports of goods & services	69.1	37.1	4.2	13.0	15.4	8.0	10.4
Imports of goods & services	63.1	35.5	11.4	14.5	17.7	11.1	14.0
Real GDP	-	15.9	(4.5)	3.6	3.1	5.0	8.9

Sources: DOSM, CEIC, BNM, SCEA

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