



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI)



In 2019, despite growth moderating marginally to 6.1% (2018: 6.8%), the services sector remained the leading economic growth engine, with a 57.7% or RM819.22 billion contribution to GDP (2018: RM771.86 billion).



GDP Growth of Services Sector by Supply-Side Approach Performance (%)

	2018 ^p	2019 ^p
Services	6.8	6.1
Utilities	4.9	6.0
Wholesale and Retail Trade	8.2	6.7
Food and Beverage and Accommodation	9.0	9.6
Transportation and Storage	6.4	6.8
Information and Communication	8.3	6.6
Finance	3.9	4.5
Insurance	9.9	5.0
Real Estate	4.6	4.7
Business Services	9.0	9.2
Owner Occupied Dwelling	4.6	4.6
Community, Social and Personal Services	6.4	6.5
Government Services	4.5	3.7
Non-profit Institutions Serving Households	3.8	4.4
Domestic Household Services	2.3	3.4

Note: p - preliminary, base year 2015=100

Source: Department of Statistics Malaysia (DOSM)



Malaysia's labour productivity - as measured by real added value per person employed – improved 2.2% to RM93,909 in 2019^p compared with RM91,932 in 2018.

Productivity Growth of Main Economic Sectors 2018-2019



Note: p - preliminary

Source: 4th Quarter 2019 - Labour Productivity, Department of Statistics Malaysia (DOSM)

MITI closely monitors Malaysia's competitiveness ranking in three international reports to gauge Malaysia's standing in the global economy. Malaysia is ranked 12th among 190 economies in the Doing Business 2020 Report, an improvement over its 15th position in 2019. In the Global Competitiveness Report 2019, Malaysia scored 74.6 and was ranked 27th out of 141 economies. In World Competitiveness Yearbook 2019, Malaysia was ranked 22nd for a second consecutive year.



Chapter 5: Economic Outlook



Amidst a string of challenges emerging primarily from the COVID-19 outbreak, the Malaysian economy is projected to contract by -2.1% compared to the 4.3% growth in 2019.

MIDF Research Macro-Economic Forecast Figures for 2020 (%)

(YoY%) Unless Stated Otherwise	2016	2017	2018	2019	2020 ^f
Real GDP	4.4	5.7	4.7	4.3	(2.1)
Public Consumption	1.6	5.5	3.2	2.0	4.7
Private Consumption	5.8	6.8	7.9	7.6	(0.5)
Public Investment	(0.8)	0.5	(5.0)	(10.9)	(9.0)
Private Investment	4.4	9.1	4.4	1.6	(6.5)
Exports of Goods and Services	1.3	8.8	2.2	(1.3)	(10.2)
Imports of Goods and Services	1.5	10.3	1.3	(1.5)	(8.7)
Net Exports	0.3	(3.9)	14.6	9.7	(22.4)
Agriculture, etc.	(3.6)	5.8	0.2	2.0	1.0
Mining and Quarrying	2.3	0.5	(2.6)	(2.0)	(3.0)
Manufacturing	4.4	6.1	5.0	3.8	(4.2)
Construction	7.5	6.8	4.3	0.1	(0.5)
Services	5.7	6.2	6.8	6.1	(1.6)
Exports of Goods (Free on Board)	1.2	18.8	7.3	(1.7)	(8.3)
Imports of Goods (Cost, Insurance and Freight)	1.9	19.7	5.2	(3.5)	(7.8)
Trade Balance	88.1	98.5	123.8	137.3	121.7
Consumer Price Index	2.1	3.8	1.0	0.7	0.5
Current Account - % of GDP	2.4	2.8	2.1	3.6	2.0
Fiscal Balance - % of GDP	(3.2)	(3.1)	(3.7)	(3.5)	(5.9)
Federal Government Debt - % of GDP	51.9	50.1	51.2	52.5	56.1
End of Unless States Otherwise	2016	2017	2018	2019	2020 ^f
Brent Crude Oil (Average)	46.0	55.7	70.0	64.3	41.0
Crude Palm Oil (Average)	2,630	2,690	2,320	2,079	2,450
USD/RM (Average)	4.14	4.30	4.00	4.14	4.22
USD/RM	4.46	4.08	4.10	4.09	4.25
Overnight Policy Rate (%)	3.00	3.00	3.25	3.00	1.75

Note: f - forecast; YoY- Year- on- Year

Source: MIDF Research (MIDFR); Department of Statistics Malaysia (DOSM); Bloomberg



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY



MITI REPORT 2019

Chapter 1: Economic Performance 2019

Gross domestic product (GDP) growth in 2019 was recorded at 4.3% compared with 4.7% in 2018.



Summary of GDP by Expenditure

	Quarterly Basis				Year-on-Year				2019
	1Q19	2Q19	3Q19	4Q19	1Q19	2Q19	3Q19	4Q19	
GDP	(4.3)	2.1	3.3	2.7	4.5	4.9	4.4	3.6	4.3
Private Consumption	0.1	2.3	7.1	(1.5)	7.6	7.8	7.0	8.1	7.6
Public Consumption	(28.1)	2.2	2.7	34.2	6.3	0.3	1.0	1.3	2.2
Investments	(1.6)	8.4	(4.8)	(2.2)	(3.5)	(0.6)	(3.7)	(0.7)	(2.1)
Private Investment	24.7	15.8	(9.7)	(20.1)	0.4	1.8	0.3	4.2	1.7
Public Investment	(38.8)	(12.9)	14.0	52.0	(13.2)	(9.0)	(14.1)	(7.7)	(11.0)
Domestic Demand	(5.8)	4.1	2.8	3.8	3.9	3.8	3.6	4.6	4.0
Real Exports	(6.2)	0.1	2.4	0.7	0.1	0.1	(1.4)	(3.1)	(1.1)
Real Imports	(8.7)	3.0	1.6	2.3	(1.4)	(2.1)	(3.3)	(2.3)	(2.3)
Net Exports	14.7	(18.8)	8.9	(11.1)	10.9	22.9	15.9	(9.8)	10.0

Source: CEIC Data (CEIC); MIDF Research (MIDFR)

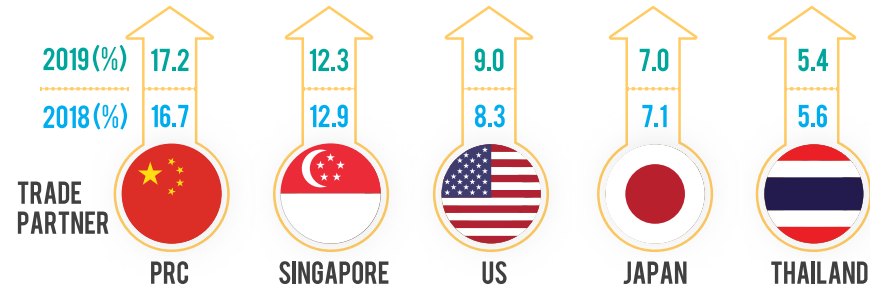


Malaysia's trade down 2.1% to RM1.84 trillion in 2019 from RM1.88 trillion in 2018. Malaysia's trade surplus, however, continued its double digit growth for a third consecutive year, widening by 11% to RM137.39 billion (2018: RM123.78 billion), the largest since 2009.

Malaysia's top five trading partners - the People's Republic of China (PRC), Singapore, the United States of America (US), Japan and Thailand - collectively accounted for 50.9% or RM934.89 billion of total trade.



Malaysia's Top Five Trading Partners 2018 - 2019



Source: Department of Statistics Malaysia (DOSM)

Chapter 2: Trade Performance

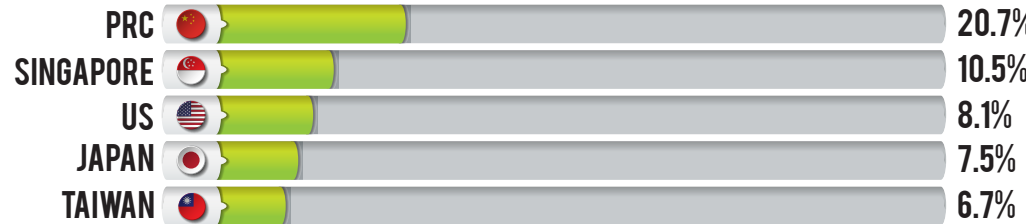
The top five export destinations - comprising the PRC, Singapore, US, Hong Kong and Japan - accounted for 51.1% or RM504.07 billion of Malaysia's export trade. The top five sources of imports were the PRC, Singapore, US, Japan and Taiwan, which collectively accounted for 53.5% or RM454.42 billion of Malaysia's total imports.



TOP FIVE EXPORT DESTINATIONS (51.1%)



TOP FIVE IMPORT SOURCES (53.5%)



Source: Department of Statistics (DOSM)

Exports declined by 1.7% to RM986.4 billion (2018: RM998.01 billion) while imports were lower by 3.5% to RM849 billion (2018: RM877.7 billion).



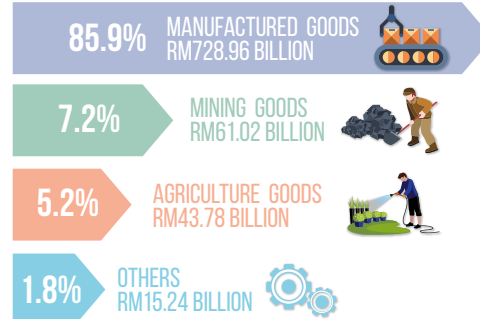
Composition of Malaysian Exports and Imports

EXPORTS



Source: Department of Statistics Malaysia (DOSM)

IMPORTS



Chapter 3: Investment Performance

In 2019, Malaysia secured a total of 5,140 private investment projects amounting to RM207.9 billion (2018: RM204.4 billion).



Approved Private Investments in Various Economic Sectors, 2018 and 2019

Sector	Number		Potential Job Creation		Domestic Investment (RM billion)		Foreign Investment (RM billion)		Total Investment (RM billion)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Services	4,087	4,234	44,811	68,792	93.4	89.9	24.7	16.1	118.1	106.0
Manufacturing	988	721	78,606	59,294	28.8	29.4	53.9	58.0	82.7	87.4
Primary	65	63	1,026	1,648	3.3	4.9	3.8	6.0	7.0	10.9
Total	5,140	5,018	124,443	129,734	125.5	124.2	82.4	80.1	207.9	204.4

Source: Malaysian Investment Development Authority (MIDA)



In 2019, a total of 988 projects with investments valued at RM82.7 billion (2018: 721 projects/ RM87.4 billion) were approved for the manufacturing sector.

Approved Projects in the Manufacturing Sector, 2019 and 2018

	2019			2018		
	New	Expansion / Diversification	Total	New	Expansion / Diversification	Total
Number	535	453	988	386	335	721
Potential Job Creation	47,000	31,606	78,606	36,455	22,839	59,294
Total Capital Investment (RM billion)	45.2	37.5	82.7	61.8	25.6	87.4
Domestic (RM billion)	17.9	10.9	28.8	21.5	7.9	29.4
Foreign (RM billion)	27.2	26.7	53.9	40.3	17.7	58.0

Source: Malaysian Investment Development Authority (MIDA)

Chapter 4: Industry Performance: Productivity and Competitiveness

In 2019, the manufacturing sector contributed 22.3% to gross domestic product (GDP) albeit at a slower pace of growth at 3.8% compared to the 5% recorded in 2018.



GDP Growth of Manufacturing Sector by Supply-Side Approach Performance (%)

	2018 ^p	2019 ^p
Manufacturing	5.0	3.8
Vegetable and Animal Oils and Fats	-0.1	-1.0
Food Processing	7.0	7.1
Beverages	3.2	3.1
Tobacco Products	1.8	5.9
Textile and Apparels	4.4	5.6
Leather and Related Products	3.3	5.0
Wood Products	5.5	5.1
Paper and Paper Products	4.3	4.6
Printing and Reproduction of Recorded Media	3.9	4.2
Refined Petroleum Products	3.3	2.9
Chemicals and Chemical Products and Pharmaceutical Products	4.6	2.2
Rubber Products	5.1	6.9
Plastic Products	4.0	2.7
Non-metallic Mineral Products	5.5	4.3
Basic Metals	3.9	4.2
Fabricated Metal Products	5.0	3.6
Machinery and Equipment	5.3	4.0
Computers and Peripheral Equipment	4.1	4.8
Electrical Equipment	1.1	2.9
Electronic Components and Boards, Communication Equipment and Consumer Electronics	7.1	3.4
Manufacture of Medical, Precision, and Optical Instruments, Watches, and Clocks	7.5	0.7
Motor Vehicles and Transport Equipment	6.4	6.0
Furniture	4.2	8.2
Other Manufacturing and Repair and Installation of Machinery and Equipment	6.6	4.3

Note: p - preliminary
Source: Department of Statistics Malaysia (DOSM)