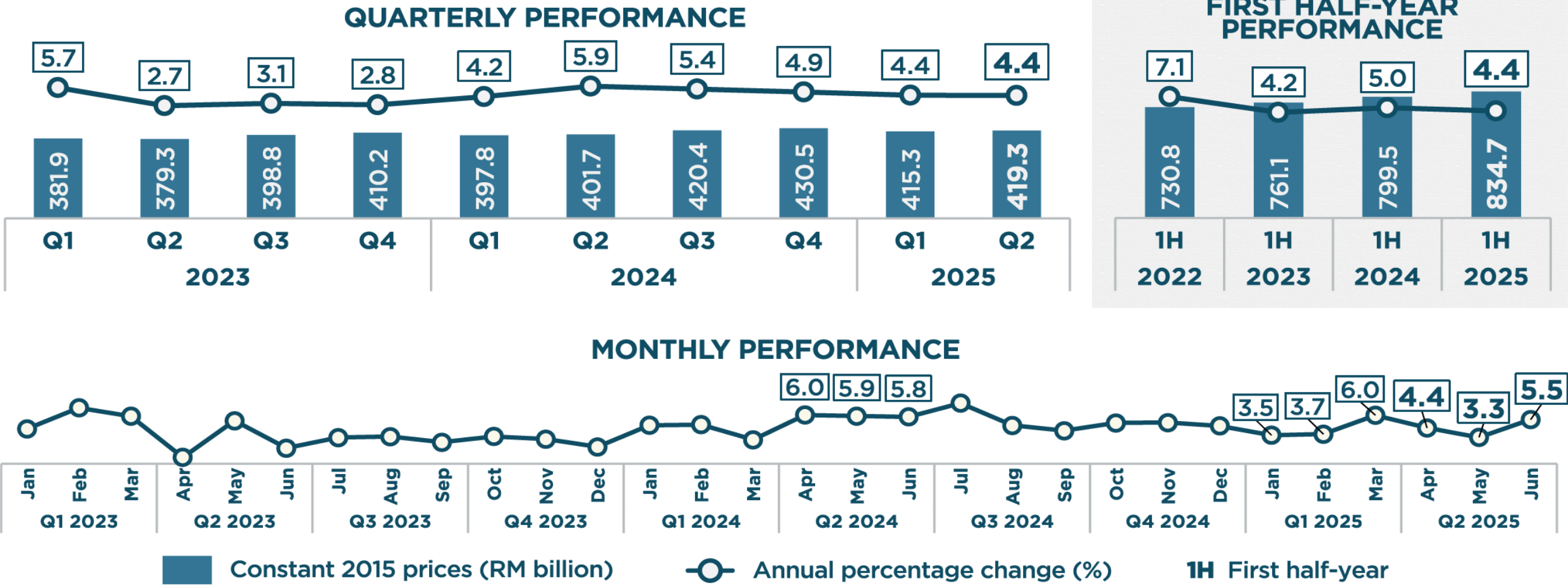




GROSS DOMESTIC PRODUCT (GDP), SECOND QUARTER OF 2025

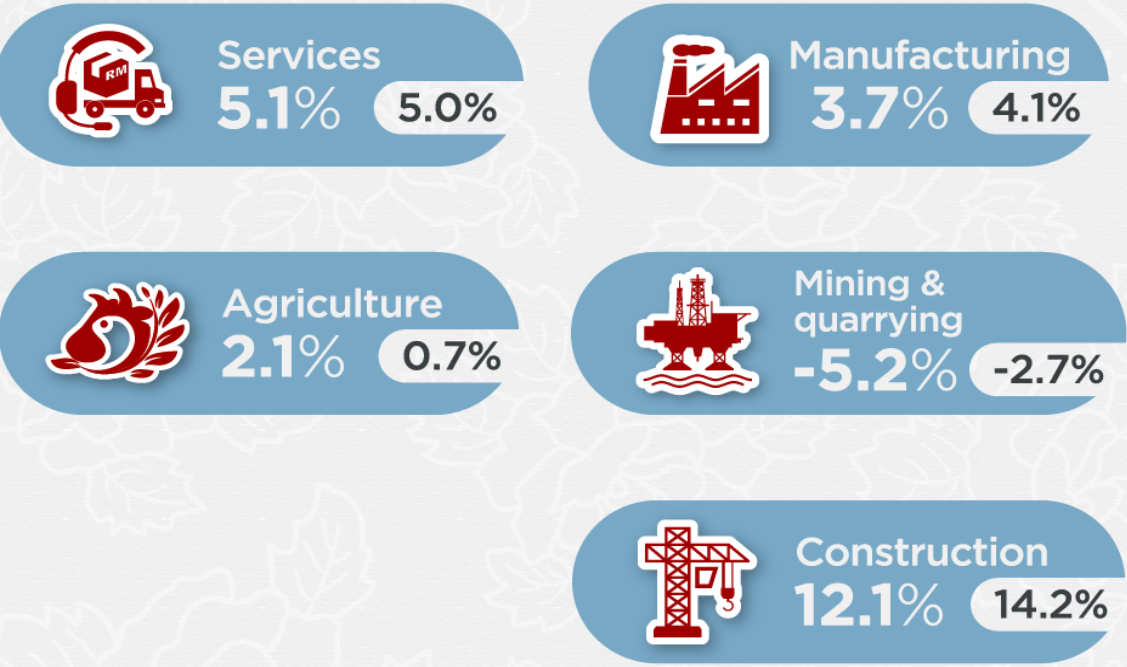
Malaysia's economic grew by 4.4 per cent, amounting to RM419.3 billion, driven mainly by the Services and Manufacturing sectors.



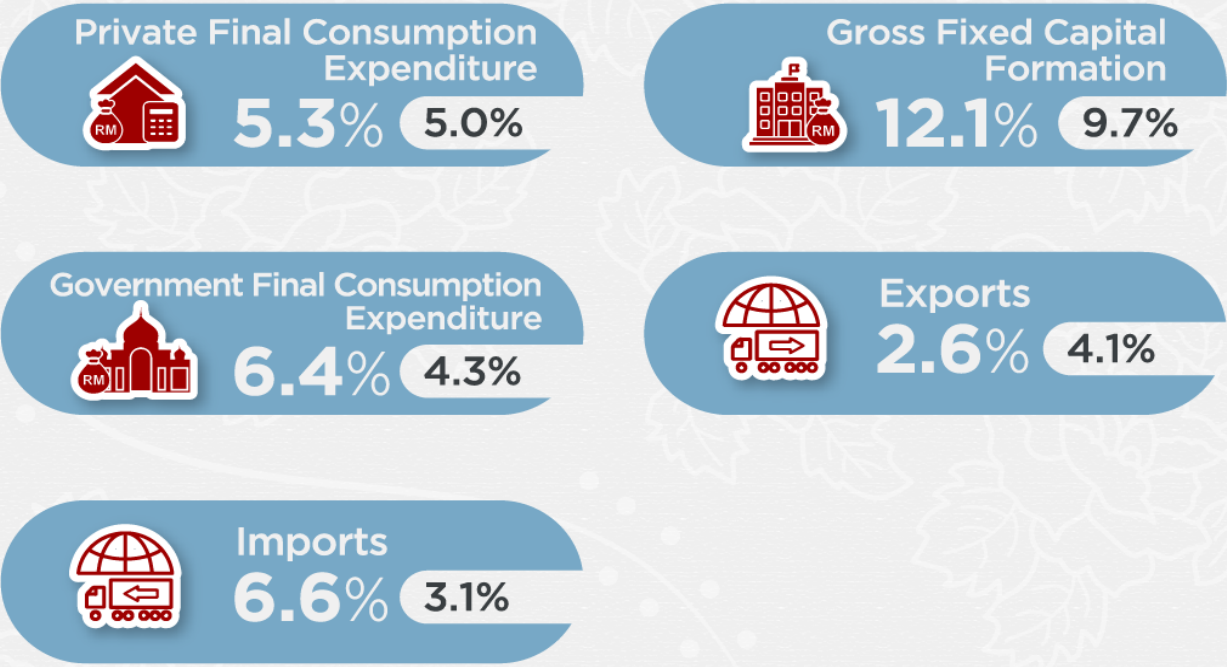
GDP PERFORMANCE BY KIND OF ECONOMIC ACTIVITY AND TYPE OF EXPENDITURE

- Annual Percentage Change Q2 2025 Q1 2025

KIND OF ECONOMIC ACTIVITY



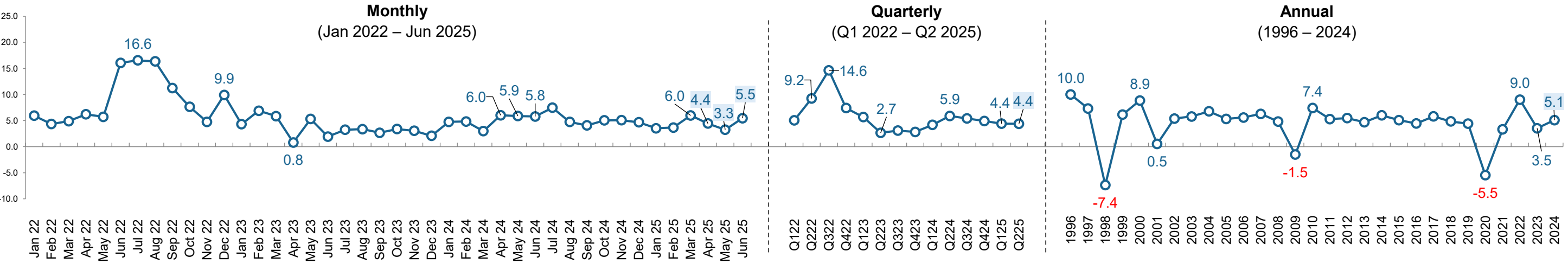
TYPE OF EXPENDITURE



Note: Excludes import duties.

Source: National Accounts, Gross Domestic Product, Department of Statistics, Malaysia (DOSM)

Malaysia's GDP Growth (%)



Malaysia recorded 4.4 per cent growth in the second quarter, sustained by domestic consumption and investment despite softer external demand

- Malaysia's Gross Domestic Product (GDP) **grew by 4.4 per cent in the second quarter of 2025**, maintaining the same growth rate recorded in the first quarter. In terms of quarter-on-quarter seasonally adjusted, GDP increased by 2.1 per cent (Q1 2025: 0.7%) in this quarter.
- The monthly economic performance grew by 4.4 per cent and 3.3 per cent in April and May, respectively, before accelerating to 5.5 per cent in June 2025.
- Hence, for the first half of 2025, the economy grew by 4.4 per cent as compared to 5.0 per cent for the same period in the previous year.

GDP by Production Approach

- The **Services** sector expanded by 5.1 per cent (Q1 2025: 5.0%) in the second quarter of 2025, driven by the Wholesale & retail trade sub-sector at 4.3 per cent.
- The **Manufacturing** sector eased to 3.7 per cent (Q1 2025: 4.1%) this quarter, driven by domestic-oriented industries, particularly in Food processing products and construction related products.
- The **Construction** sector posted a robust 12.1 per cent increase (Q1 2025: 14.2%), extending its streak to six consecutive quarters of double-digit expansion. The sector's strong performance was led by Non-residential buildings, which surged by 17.0 per cent on the back of large-scale industrial, commercial and infrastructure developments.
- The **Agriculture** sector rose 2.1 per cent (Q1 2025: 0.7%), attributed to strong performance in the Oil palm sub-sector at 5.3 per cent, supported by production of fresh fruit bunches.



- The **Mining and quarrying** sector fell by 5.2 per cent (Q1 2025: -2.7%), driven by declines in Natural gas (-8.1%) and Crude oil & condensate (-1.6%) following lower production due to scheduled maintenance.

GDP by Expenditure Approach

- **Private final consumption expenditure** grew by 5.3 per cent, picking up from 5.0 per cent in the preceding quarter. The growth was driven by spending in Restaurants & hotels (14.3%), Transport (9.4%) and Food & non-alcoholic beverages (4.2%), mirroring stronger momentum in travel, tourism and holiday-related spending.
- **Gross fixed capital formation** increased by 12.1 per cent from 9.7 per cent in the previous quarter, attributed to investments in Machinery & equipment, which grew by 16.6 per cent, following higher capital expenditure in information and communication technology.
- **Government final consumption expenditure** rose by 6.4 per cent (Q1 2025: 4.3%), backed by spending on supplies and services.
- **Imports** rose by 6.6 per cent (Q1 2025: 3.1%) due to higher demand in capital goods while **Exports** grew at slower pace of 2.6 per cent (Q1 2025: 4.1%). Hence, **Net exports** contracted sharply by -72.6 per cent.

