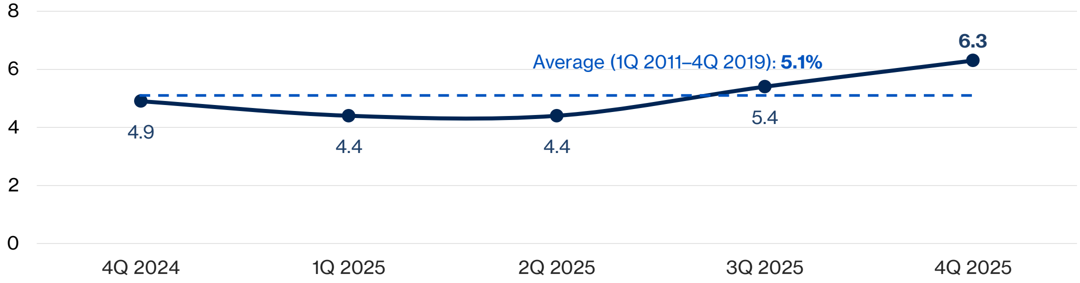
Gross Domestic Product

GDP recorded a strong growth of 6.3% in 4Q 2025

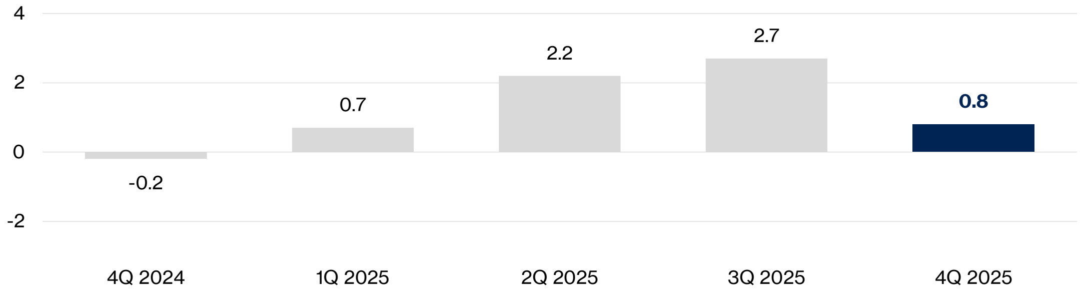
Gross domestic product,
Annual change, %



Source: Department of Statistics, Malaysia

On a QoQ seasonally-adjusted basis, the economy expanded by 0.8%

Gross domestic product,
Quarterly change, % (seasonally adjusted)



Source: Department of Statistics, Malaysia

What are the factors supporting growth in 4Q 2025?

Higher growth in household spending supported by positive labour market conditions and policy measures

Higher growth in private investment attributed to stronger machinery and equipment spending, especially for data centre

Stronger exports driven by robust E&E demand, higher travel receipts and growing exports of information and communication technology (ICT)-related services

Malaysia's Economic Performance

Sustained domestic demand amid weaker net exports

Annual change, %

Private Consumption

5.3%
(3Q 2025: 5%)

Higher household spending on transport and housing & utilities, supported by positive labour market conditions and policy measures

Private Investment

9.2%
(3Q 2025: 7.3%)

Stronger machinery and equipment spending (particularly for data centres) and continued structures investment

Public Consumption

8.0%
(3Q 2025: 7.1%)

Higher emolument and supplies & services spending

Public Investment

9.5%
(3Q 2025: 7.4%)

Stronger fixed asset spending by the Government and public corporations

Net Exports

-45.8%
(3Q 2025: 18.7%)

Continued export growth, supported by E&E, tourism and ICT-related services, offset by stronger imports of intermediate & capital goods

Source: Department of Statistics, Malaysia

Higher growth for most sectors, except for mining sector

Annual change, %

Services

6.3%
(3Q 2025: 5.5%)

Stronger growth driven mainly by consumer-related subsectors, government services and ICT subsector following the operationalisation of data centres

Manufacturing

6.1%
(3Q 2025: 4.1%)

Stronger production in E&E following higher demand from the global technology expansion as well as higher production of consumer-related goods

Agriculture

5.4%
(3Q 2025: 0.1%)

Higher growth for oil palm due to less severe flood compared to last year

Mining

2.0%
(3Q 2025: 9.7%)

Slower oil production combined with a decline in gas production growth

Construction

11.0%
(3Q 2025: 11.8%)

Robust growth supported by non-residential and special trade activities

Source: Department of Statistics, Malaysia

Labour Market Conditions

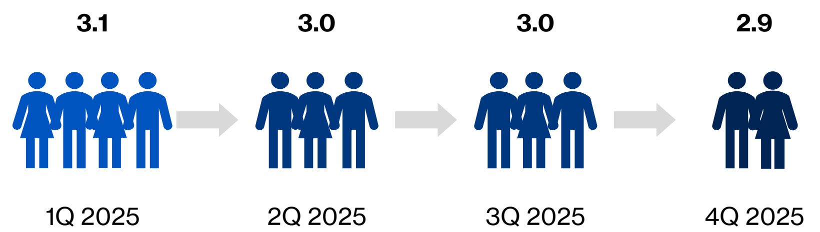
Labour market remains positive

- The unemployment rate declined further to 2.9% in 4Q 2025 (3Q 2025: 3% of the labour force).
- Employment improved to 17.1 million persons in 4Q 2025 (3Q 2025: 16.97 million persons) amid continued demand for labour.
- Labour supply remained forthcoming as the labour force participation rate was unchanged at 70.9% in 4Q 2025 (3Q 2025: 70.9%).

Source: Department of Statistics, Malaysia

Low unemployment rate

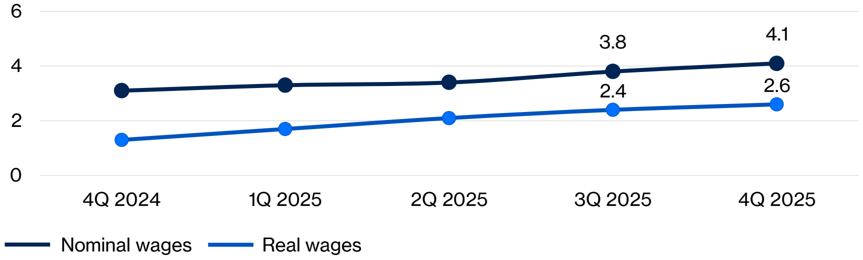
Unemployment rate, % of labour force



Source: Department of Statistics, Malaysia

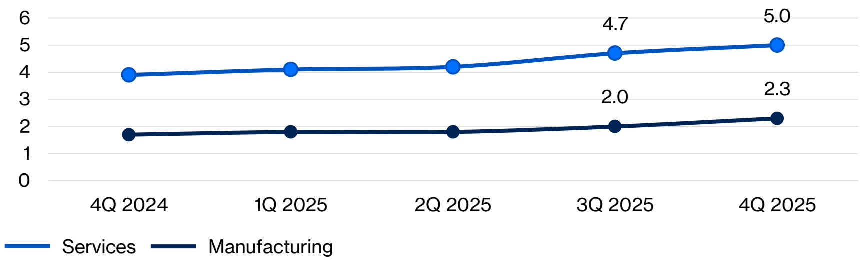
Continued growth in private sector wages

Private sector nominal and real wages,
Annual change, %



Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

Sectoral nominal wages,
Annual change, %



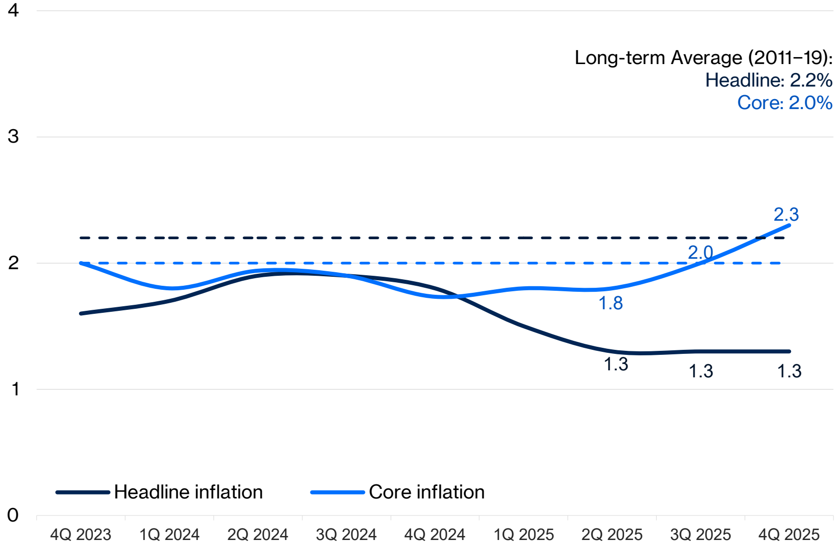
Source: Department of Statistics, Malaysia

Inflation Trend

Headline inflation remained stable and low while core inflation increased during the quarter

- Headline inflation remained stable at 1.3%, while core inflation increased to 2.3% in 4Q 2025
- The increase in core inflation was mainly driven by higher prices for jewellery and watches, and base effects from mobile communication services inflation.[2] However, headline inflation remained stable as lower administered prices, particularly for electricity and petrol, largely offset these increases.

Headline and core inflation,
Annual change, %



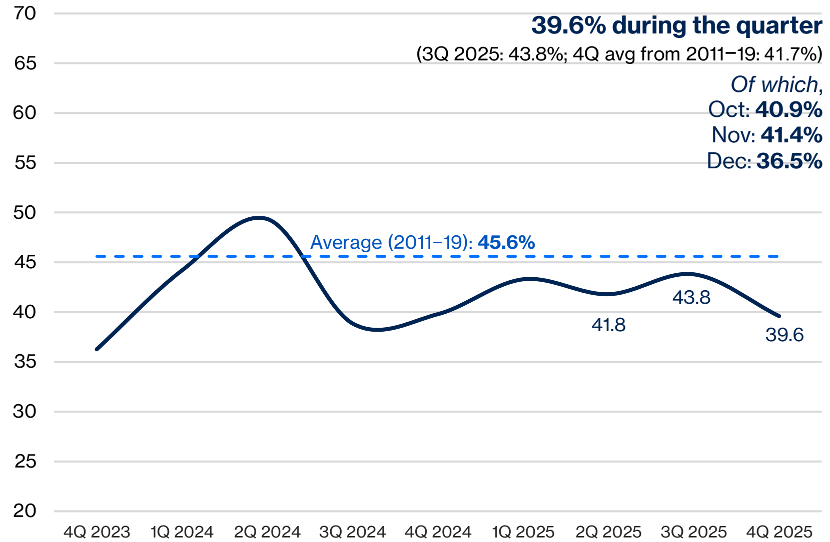
[2] Promotional discounts for mobile postpaid plans significantly reduced prices beginning Oct 2024. The resulting base effects diminished in 4Q 2025 as the earlier declines dropped out of the year-on-year comparison.

Note: Core inflation is computed by excluding price-volatile and price-administered items from headline inflation.
Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

Inflation pervasiveness declined in the fourth quarter

- A smaller share of CPI items recorded month-on-month price increases in the fourth quarter, remaining below the historical average.
- The lower pervasiveness is consistent with the continued moderation in global cost conditions.

CPI items recording month-on-month price increase,
Share, %



Note: The data for 2024 onwards reflect the additional new items in the CPI basket, based on the HIES 2022.
Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

External Sector Development

Higher exports and imports growth

Gross Exports **11.0%** 3Q 2025: 6.8% — Strong growth in E&E exports, improvement in commodities exports

Gross Imports **12.6%** 3Q 2025: 0.4% — Rebound in intermediate imports, and higher capital imports amid strong investment activities

Source: Department of Statistics, Malaysia

Lower current account surplus amid inflows into the financial account

Current Account
RM2 billion; 0.4% of GDP
(3Q 2025: RM12.8 billion; 2.5%[3])

Lower surplus due to
- Increase in goods imports driven by higher capital imports, outpacing higher exports.
- Wider primary income deficit due to higher profits recorded by FDI firms.
- Higher secondary income deficit due to remittance.

Which was partially offset by
- Higher services surplus driven by higher travel receipts and ICT-related exports.

Financial Account
Net inflows RM12.3 billion
(3Q 2025: Net outflows RM11.2 billion)

Net inflows into direct investments
- Driven by higher net foreign direct investment (FDI) inflows.

Which more than offset
- Lower net portfolio outflows, as non-resident purchases of domestic debt securities partly offset continued resident outflows.
- Net outflows in other investments, driven by interbank lending to non-resident banks.

[3] Reflects the upward revision to ICT-related services exports (previously RM12.2 billion or 2.4% of GDP) by the Department of Statistics, Malaysia.
Source: Department of Statistics, Malaysia and Bank Negara Malaysia

Higher external debt

RM1.39 trillion or 68.9% of GDP
(3Q 2025: RM1.38 trillion or 69.4% of GDP)
- Non-resident purchases of Government debt securities.
- Higher intercompany loans by corporates.

External debt remained manageable
% of total external debt

Currency

Ringgit-denominated: 32.8%
Unaffected by ringgit exchange rate fluctuations.
FCY-denominated: 67.2%
of which 59.6% is subject to BNM's prudential and regulatory requirements and 19.2% are due to intercompany loans.

Maturity

Medium- and long-term: 57.3%
Limited rollover risks.

Net International Investment Position	**-RM9.6 billion** (3Q 2025: RM77.3 billion)
International Reserves[4]	**USD126.9 billion** (3Q 2025: USD123.6 billion)

- **4.7 months[5]** of imports of goods and services
- **0.9 times** short-term external debt

[4] As of 30 January 2026
[5] Coverage may differ from the press statement on international reserves published on 9 February 2026, as it reflects the latest 4Q 2025 data on imports of goods and services and short-term external debt.
Source: Ministry of Finance, Malaysia, Department of Statistics, Malaysia and Bank Negara Malaysia