



5th Malaysia Statistics Conference

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Sasana Kijang, Bank Negara Malaysia

2017

From Data to Knowledge : The Journey

Statistics for Economic Development and Growth

Predictions of economic growth prospects

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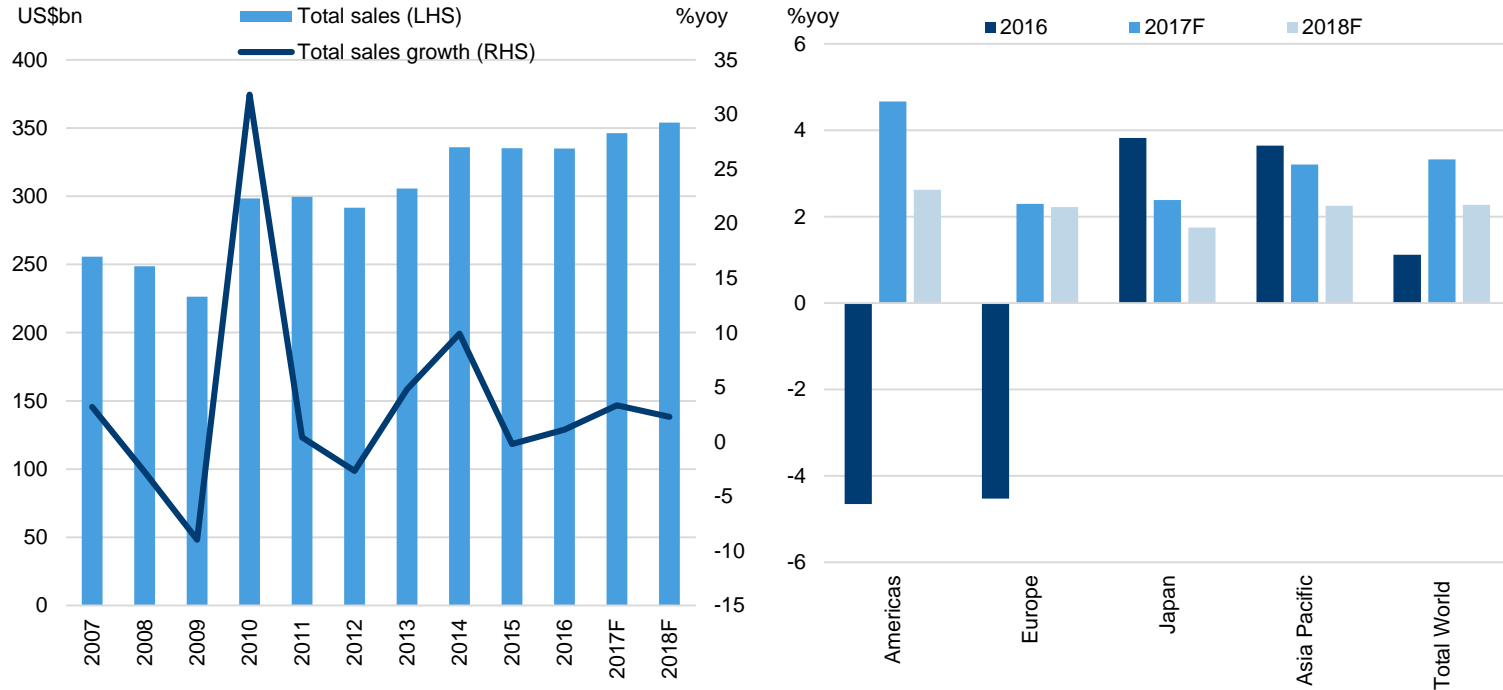
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2018 Global GDP Projection

	IMF				World Bank				ADB			
	Forecasts		*Change		Forecasts		*Change		Forecasts		*Change	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Global	3.6	3.7	0.1	0.1	2.7	2.9	0.0	0.0	-	-	-	-
Advanced economies	2.2	2.0	0.2	0.1	1.9	1.8	0.1	0.0	2.0	2.0	0.1	0.1
US	2.2	2.3	0.1	0.2	2.1	2.2	-0.1	0.1	2.2	2.4	-0.2	0.0
Euro Area	2.1	1.9	0.2	0.2	1.7	1.5	0.2	0.1	2.0	1.8	0.4	0.2
Japan	1.5	0.7	0.2	0.1	1.5	1.0	0.6	0.2	1.5	1.1	0.5	0.2
Developing economies	4.6	4.9	0.0	0.1	4.1	4.5	-0.1	-0.1	5.9	5.8	0.2	0.1
China	6.8	6.5	0.1	0.1	6.5	6.3	0.0	0.0	6.7	6.4	0.2	0.2
India	6.7	7.4	-0.5	-0.3	7.2	7.5	-0.4	-0.2	7.0	7.4	-0.4	-0.2
Asean-5	5.2	5.2	0.1	0.0	5.1	5.2	0.1	0.0	5.0	5.1	0.2	0.1
Indonesia	5.2	5.3	0.1	0.0	5.2	5.3	-0.1	-0.2	5.1	5.3	0.0	0.0
Malaysia	5.4	4.8	0.9	0.1	4.9	4.9	0.6	0.4	5.4	5.4	1.0	0.8
Philippines	6.6	6.7	-0.2	-0.2	6.9	6.9	0.0	-0.1	6.5	6.7	0.1	0.1
Singapore	2.5	2.6	0.3	0.0	-	-	-	-	2.7	2.7	0.5	0.4
Thailand	3.7	3.5	0.7	0.2	3.2	3.3	0.0	0.0	3.5	3.6	0.0	0.0

Source: International Monetary Fund (IMF), World Bank, Asian Development Bank (ADB)

2018 Global Semiconductor Sales Projection



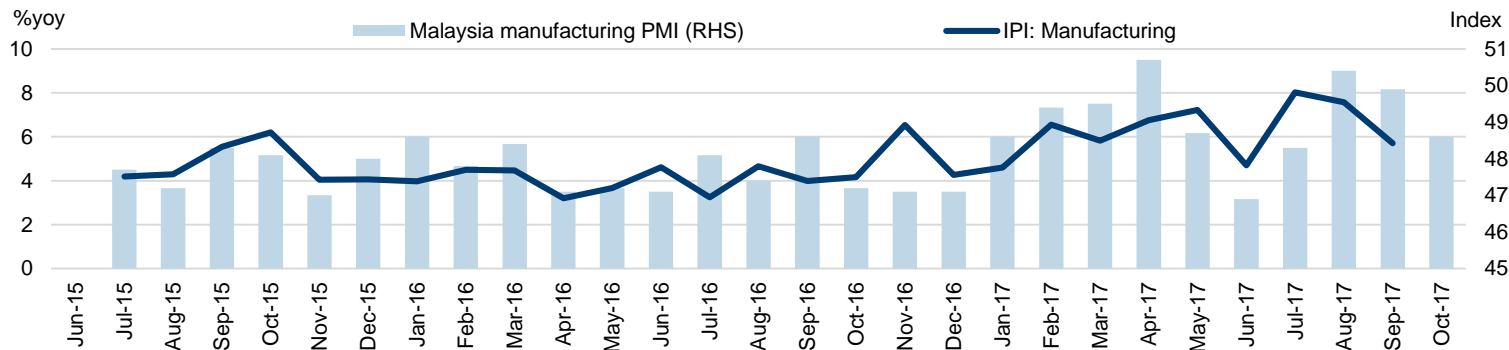
Source: Semiconductor Industry Association (SIA)

Malaysia: diverging trend between survey and actual performance

MIER Business Conditions Survey

Indicator	Current (Compared to 6 months ago)				Looking forward (Next 6 months)			
	2H15	1H16	2H16	1H17	1H16	2H16	1H17	2H17
Business conditions	83	90	102	101	94	107	100	110
Local sales	72	80	87	87	84	99	87	102
Export sales	95	99	109	109	106	112	111	117
Production volume	88	93	106	105	104	114	106	117
Capacity utilisation	90	94	107	103	100	111	106	111
Capital investment	104	110	110	113	107	108	116	120
Number of employees	91	106	104	109	106	111	110	114
Cost of production	154	154	167	165	157	150	165	153

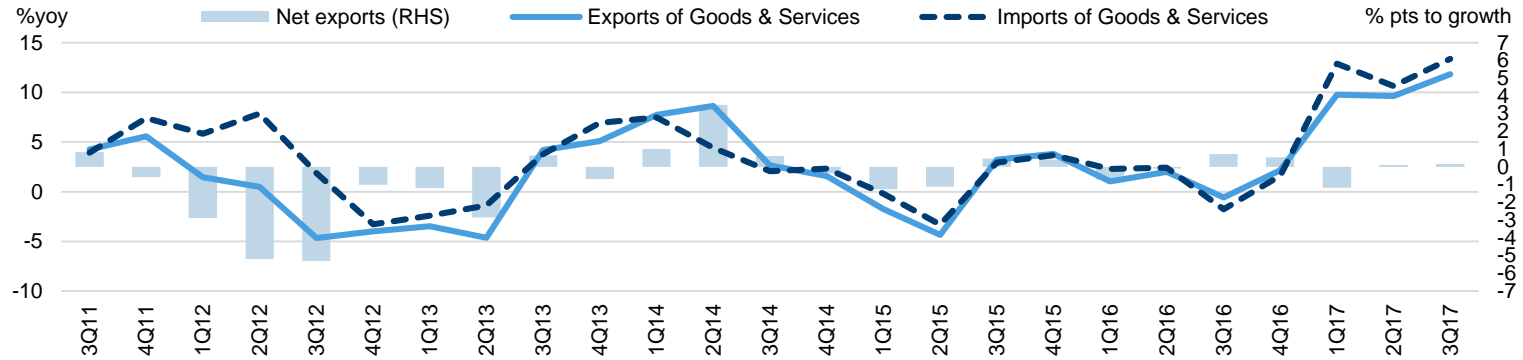
Diverging trend: Malaysia's IPI manufacturing holds up although Malaysia's PMI reading weak



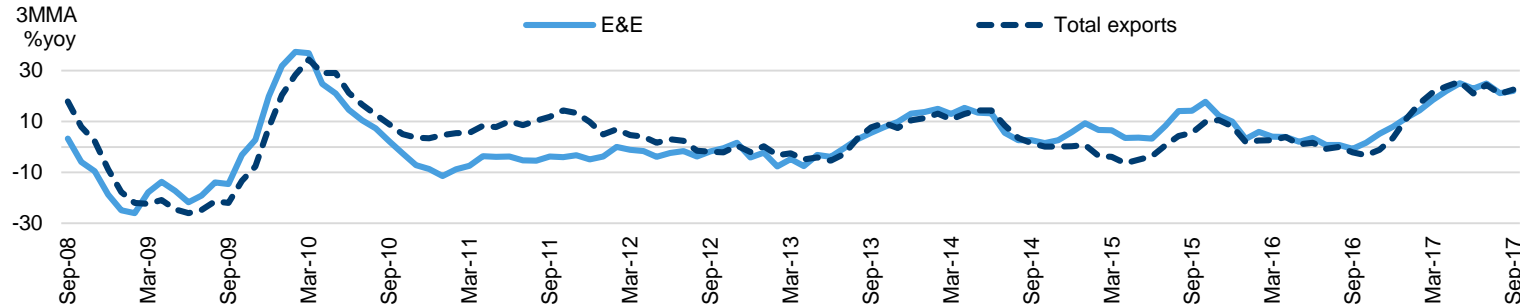
Source: MIER, CEIC, Markit

GDP supported by strong exports growth

Exports posted double digit growth in third quarter



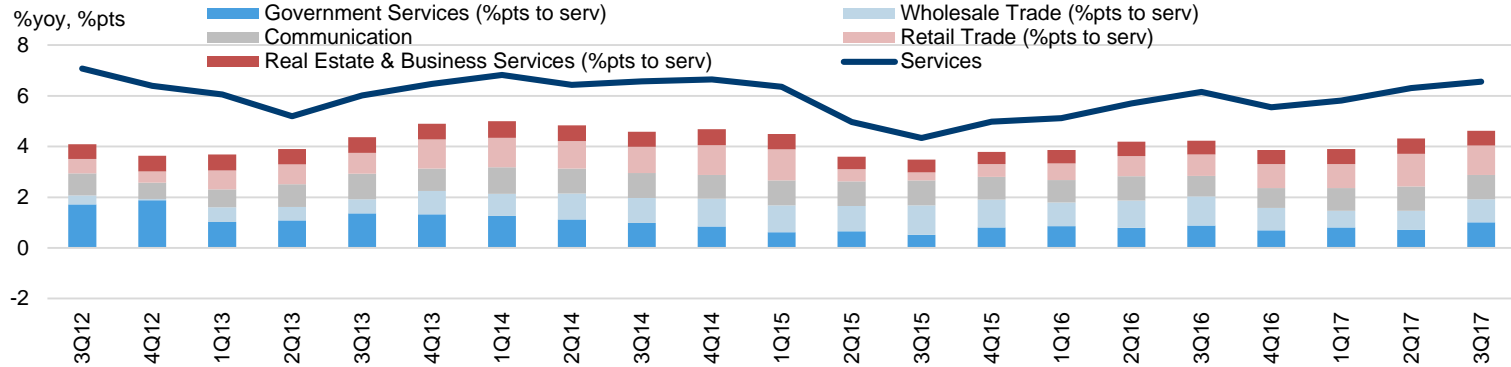
Exports was driven by higher demand on E&E products



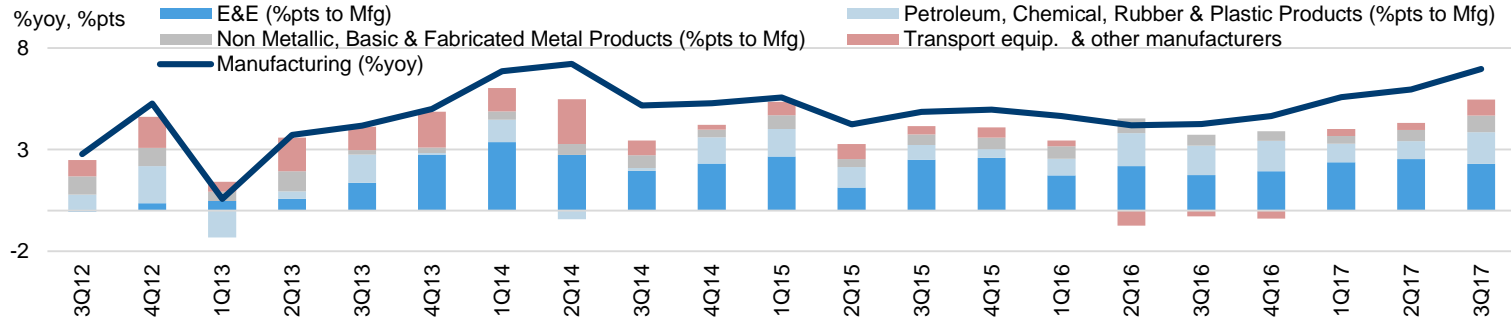
Source: CEIC

GDP supported by services and manufacturing sectors

Services sector supported by consumption-driven segments, such as wholesale and retail trade



Manufacturing sector growth expanded on improvement in almost across the board



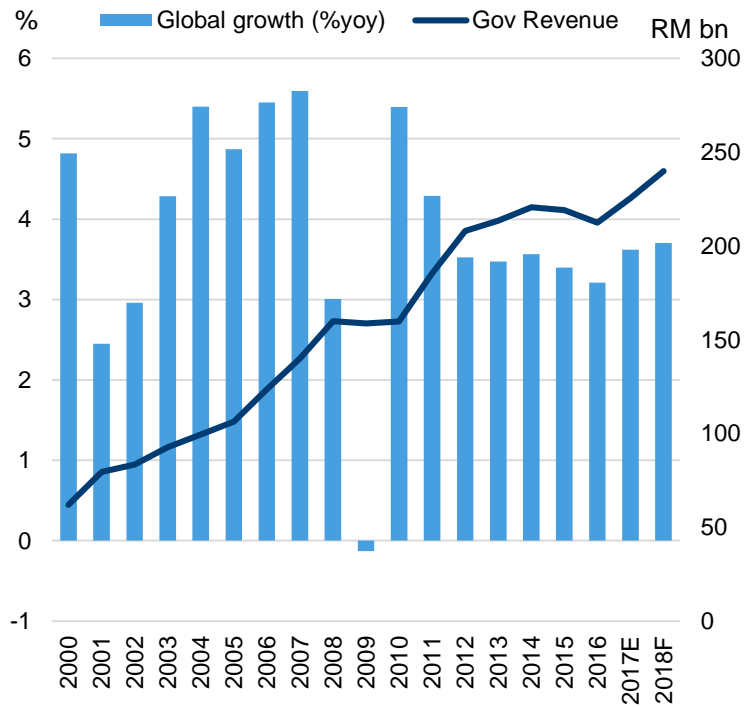
Source: CEIC

2018 GDP Projection

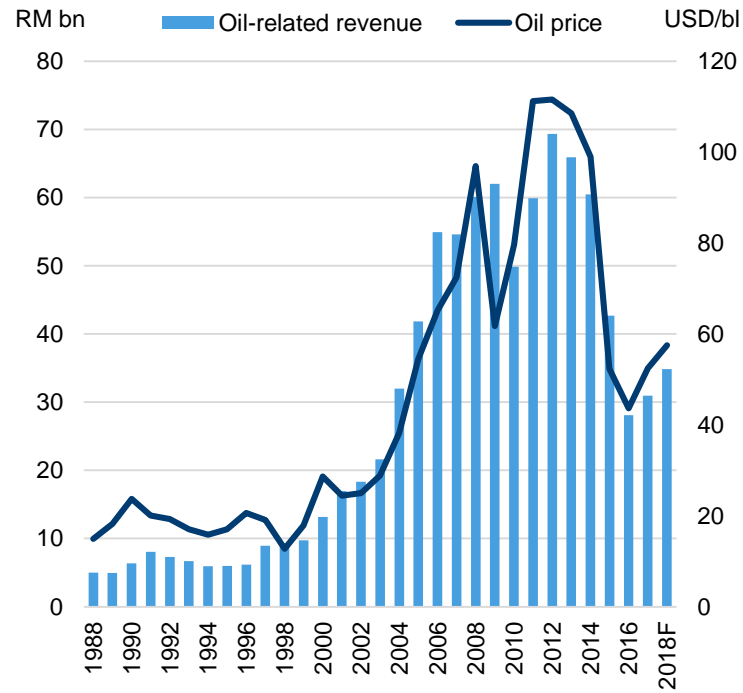
	Change (%)			Share (% of GDP)			%ppt contribution to GDP growth		
	2016	2017E	2018F	2016	2017E	2018F	2016	2017E	2018F
Nominal GDP	6.3	9.3	7.6	-	-	-	-	-	-
Real GDP	4.2	5.2-5.7	5.0-5.5	100.0	100.0	100.0	4.2	5.2-5.7	5.0-5.5
Real GDP by aggregate demand									
Private Expenditure	5.6	7.4	7.3	70.1	71.4	72.9	3.8	5.2	5.2
Consumption	6.0	6.9	6.8	53.2	53.9	54.8	3.1	3.6	3.7
Investment	4.3	9.3	8.9	16.9	17.5	18.1	0.7	1.6	1.6
Public Expenditure	0.4	3.1	-0.4	21.5	21.1	19.9	0.1	0.7	-0.1
Consumption	0.9	2.7	1.3	13.1	12.7	12.2	0.1	0.4	0.2
Investment	-0.5	3.7	-3.1	8.5	8.4	7.7	0.0	0.3	-0.3
Domestic Demand	4.3	6.4	5.5	91.6	92.5	92.8	3.9	5.9	5.1
Change in Stocks	-118.8	342.9	-34.4	0.0	0.1	0.1	0.2	0.1	0.0
Net External Demand	1.5	-6.3	1.0	8.4	7.4	7.1	0.1	-0.5	0.1
Exports	1.1	8.0	2.3	70.4	72.2	70.2	0.8	5.6	1.7
Imports	1.1	9.9	2.5	62.1	64.7	63.1	0.7	6.2	1.6
Real GDP by Sector									
Agriculture	-5.1	5.6	2.4	8.1	8.1	7.9	-0.4	0.5	0.2
Mining	2.2	0.5	0.9	8.8	8.4	8.1	0.2	0.0	0.1
Manufacturing	4.4	5.5	5.3	23.0	23.0	23.0	1.0	1.3	1.2
Construction	7.4	7.6	7.5	4.5	4.6	4.7	0.3	0.3	0.3
Services	5.6	5.9	5.8	54.3	54.5	54.8	3.0	3.2	3.2
(-) Undistributed FISIM	-	-	-	-	-	-	-	-	-
(+) Import duties	8.8	9.0	9.1	1.4	1.4	1.5	0.1	0.1	0.1

Source: MOF

Global Growth and Government Revenue



Source: IMF, CEIC, MOF

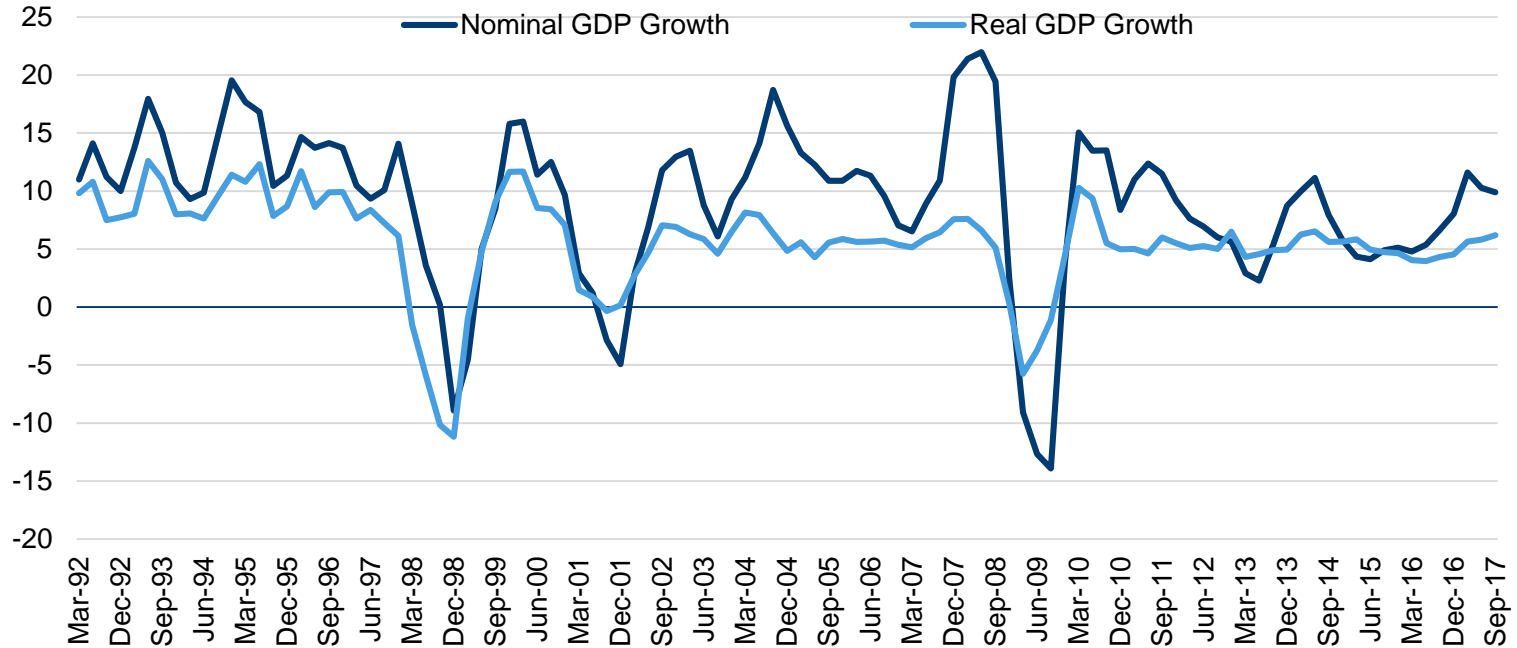


Government Budget - Revenue

	Unit	2016	2017E*	2017E**	2018F
Oil price	US\$/bbl	45.0	45.0	50.0	52.0
Total revenue	RMbn	212.4	219.7	225.3	239.9
Operating expenditure	RMbn	210.2	214.8	219.9	234.3
Operating balance	RMbn	2.2	4.9	5.4	5.6
Gross development expenditure	RMbn	42.0	46.0	46.0	46.0
Loan recoveries	RMbn	1.3	-0.7	0.6	0.6
Net development expenditure	RMbn	40.6	45.2	45.3	45.4
Fiscal balance	RMbn	-38.4	-40.3	-39.9	-39.8
	% of GDP	-3.1	-3.0	-3.0	-2.8

Source: MOF

GDP Growth



Source: CEIC

Equity rating structure and disclaimer

Equity Rating Structure and Definitions

BUY	Total return is expected to exceed +10% over a 12-month period
HOLD	Total return is expected to be between -5% and +10% over a 12-month period
SELL	Total return is expected to be below -5% over a 12-month period
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The total expected return is defined as the percentage upside/downside to our target price plus the net dividend yield over the next 12 months.

OVERWEIGHT	Industry, as defined by the analyst's coverage universe, is expected to outperform the KLCI benchmark over the next 12 months
NEUTRAL	Industry, as defined by the analyst's coverage universe, is expected to perform inline with the KLCI benchmark over the next 12 months
UNDERWEIGHT	Industry, as defined by the analyst's coverage universe is expected to under-perform the KLCI benchmark over the next 12 months

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