Quarterly Update on the Malaysian Economy – 4th Quarter 2015

Highlights

- **Global growth moderates**
- **Malaysian economy remains on a steady growth trajectory**
- **Growth spurred by domestic economic activities**
- **Growth momentum to continue in 2016**

International Performance

Modest global expansion

Global economic activity expanded at a modest pace in the fourth quarter of 2015, attributed to slower growth in advanced economies and moderate performance in emerging markets. The US recorded a moderate growth supported by slower expansion in personal consumption and business investment. Growth in the euro area was sustained by domestic demand, supported by better labour market conditions and an expansionary monetary policy.

Japan's economy grew at a slower pace due to weak private consumption as well as slower manufacturing and investment activities. Among the emerging economies, growth in China moderated marginally due to a slowdown in manufacturing and construction activities. Meanwhile, ASEAN economies expanded at a steady pace during the quarter mainly driven by domestic demand.

The US economy expanded at a slower pace of 1.8% during the fourth quarter of 2015 (Q3 2015: 2.1%), supported by moderate growth in personal consumption and business investment. Personal consumption grew moderately by 2.6% (Q3 2015: 3.1%), following weaker demand for heating due to unseasonably warm weather. Private investment growth slowed to 2.5% (Q3 2015: 3.7%) due to a decline in energy investment amid very low oil prices despite sustained residential investment at 8.9% (Q3 2015: 9.4%). Export growth contracted by 7.1% (Q3 2015: -5.1%) while imports declined further by 5.5% (Q3 2015: -3.1%) mainly due to the impact of the stronger dollar. On the supply side, industrial production growth was weak at 0.4% (Q3 2015: 2.7%) as a result of cutbacks in utilities and mining. This was reflected in the Institute for Supply Management manufacturing index which recorded an average of 49 points (Q3 2015: 51.3 points) as well as the non-manufacturing index at 56.8 points (Q3 2015: 58.7). Retail sales were slower at 0.9% (Q3 2015: 1.1%) due to lower sales at gasoline stations. Meanwhile, inflation rose to 0.5% (Q3 2015: 0.1%) due to higher prices of shelter. The unemployment rate improved to 5% (Q3 2015: 5.2%) mainly attributed to additional jobs created in the construction and healthcare sectors.

REAL GROSS DOMESTIC PRODUCT FOR SELECTED COUNTRIES
(% annual change)

	2014	2014				2015	2015			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Developed Economies										
United States	2.4	1.7	2.6	2.9	2.5	2.4	2.9	2.7	2.1	1.8
Japan	-0.1	2.4	-0.4	-1.4	-0.9	0.6	-0.8	1.0	1.7	0.5
UK	2.9	2.8	3.0	2.8	2.8	2.2	2.5	2.3	2.1	1.9
Euro Area	0.9	1.1	0.8	0.8	0.9	1.5	1.3	1.6	1.6	1.5
Asia										
China	7.3	7.3	7.4	7.2	7.2	6.9	7.0	7.0	6.9	6.8
South Korea	3.3	3.9	3.4	3.3	2.7	2.6	2.5	2.2	2.7	3.0
ASEAN 5										
Indonesia	5.0	5.1	5.0	5.0	5.0	4.8	4.7	4.7	4.7	5.0
Philippines	6.1	5.6	6.7	5.5	6.6	5.8	5.0	5.8	6.1	6.3
Singapore	3.3	4.6	2.6	3.1	2.8	2.0	2.7	1.7	1.8	1.8
Thailand	0.8	-0.5	0.8	0.9	2.1	2.8	3.0	2.7	2.9	2.8
Malaysia	**6.0**	**6.3**	**6.5**	**5.6**	**5.7**	**5.0**	**5.6**	**4.9**	**4.7**	**4.5**

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Source: National sources and International Monetery Fund (IMF)

The UK economy grew at a modest pace of 1.9% (Q3 2015: 2.1%) attributed to the expansion in the services sector while manufacturing activity contracted. The services sector increased by 2.2% (Q3 2015: 2.4%) supported mainly by the business service and finance subsector. The manufacturing sector contracted by 1% (Q3 2015: 0.9%) due to weak domestic and external demand as well as a strong pound. Meanwhile, inflation increased by 0.1% (Q3 2015: 0%) mainly due to an increase in transportation service cost. The Bank of England has maintained an accommodative monetary policy stance and kept the policy rate unchanged at 0.5% since 2009.

During the fourth quarter of 2015, economic activity in the euro area expanded at a moderate pace of 1.5% (Q3 2015: 1.6%). Private consumption continued to spearhead growth, supported by lower oil prices, an expansionary monetary policy and better labour market conditions. The unemployment rate trended downwards to 10.5% (Q3 2015: 10.8%). However, industrial production recorded a slower growth of 0.7% (Q3 2015: 1.8%) following weak external demand. Meanwhile, inflation was persistently low at 0.1% (Q3 2015: 0.1%) as a result of falling energy, transport and food prices. In an effort to boost inflation, the ECB lowered its interest rate on deposit facility further, by 10 basis points to -0.30% beginning 9 December 2015 as well as extended the monthly asset purchase programme of 60 billion euros from end-September 2016 to end-March 2017.

In Germany, GDP growth slowed down to 1.3% (Q3 2015: 1.7%), mainly due to a contraction in industrial production and lower exports. Industrial production shrank by 0.6% (Q3 2015: 1.6%), largely on account of lower output in the manufacturing sector following weaker external demand, especially from China and other emerging markets. Likewise, export growth was also lower at 4.7% (Q3 2015: 5.7%), and imports at 4% (Q3 2015: 5.1%). However, steady private consumption coupled with low oil prices and improved labour market conditions continued to support growth. The labour market remained the strongest in the region with the unemployment rate lower at 4.5% (Q3 2015: 4.6%). Meanwhile, inflation increased marginally to 0.2% (Q3 2015: 0%), mainly due to rising food and rental costs.

Economic activity in France expanded by 1.3% (Q3 2015: 1.1%), mainly driven by growth in the manufacturing sector. Manufacturing output increased by 1.7% (Q3 2015: 0.6%), particularly due to higher production of transport equipment as well as coke and refined petroleum products. On the demand side, household consumption expenditure on goods moderated to 1.1% (Q3 2015: 2.2%) due to lower spending on energy and clothing following a mild winter. Meanwhile, labour market conditions improved slightly as reflected by the lower unemployment rate of 10.2% (Q3 2015: 10.6%). The improvement was due to the increase in employment of temporary workers, particularly in the manufacturing sector. Inflation rose marginally to 0.2% (Q3 2015: 0.1%), partly due to the seasonal increase in prices of some products.

Japan's economy grew at a slower pace of 0.5% (Q3 2015: 1.7%), while on a quarter-on-quarter basis it contracted by 0.4% (Q3 2015: 0.3%). The modest expansion was mainly attributed to the stable growth in private residential investment and capital expenditure which rose by 4.7% and 3.7%, respectively (Q3 2015: 5.8%, 2.2%). Meanwhile, private consumption, which accounts for 60% of Japan's GDP, contracted by 1.1% (Q3 2015: 0.4%), mainly affected by weak consumer spending.

China's economic growth moderated to 6.8% (Q3 2015: 6.9%), weighed down by weak exports, slowing investment and a cooling property market. Exports contracted by 4.9% (Q3 2015: -5.9%) due to weak demand from Europe and Japan. Investment in fixed assets grew by 8.9% (Q3 2015: 8.5%), attributed to the government's efforts to support the housing market, increase property sales and accelerate infrastructure investment. On the supply side, the real estate construction slump and weak exports impacted manufacturing activity, particularly output of heavy industries. This was reflected in a lower Purchasing Managers' Index (PMI) at 49.7 points (Q3 2015: 49.8 points). However, the economy gained from strong expansion of 8.2% (Q3 2015: 8.6%) in the services sector, which was mainly supported by robust consumption. Meanwhile, inflation eased to 1.5% (Q3 2015: 1.7%) due to lower prices of food and housing. The People's Bank of China cut its one-year lending rate and one-year deposit rate in October by 25 basis points to 4.35% and 1.50%, respectively and lowered further the banks' reserve requirement ratios by 50 basis points, with an additional 50 basis points reduction for some institutions to support economic activity as well as to manage deflationary pressures.

Korea's economy grew at a higher pace of 3% during the fourth quarter of 2015 (Q3 2015: 2.7%), mainly supported by robust private consumption and fixed investment. Private consumption rose by 3.2% (Q3 2015: 2.1%) driven by higher expenditures on services and durable goods. Exports increased by 1.9% (Q3 2015: 0.3%), attributed to higher demand for chemical products and automobiles. The services sector grew by 2.7% (Q3 2015: 2.6%), mainly contributed by the expansion in wholesale and retail trade, transportation and storage as well as restaurants and hotels. The Bank of Korea maintained its key interest rate at 1.50% due to the uncertainties in global financial markets despite weak signs of recovery in the Korean economy.

Among the major economies in ASEAN, Indonesia's GDP expanded by 5% (Q3 2015: 4.7%) primarily driven by the continued strength in government spending as well as household consumption expenditure. Government spending rose by 7.3% (Q3 2015: 7.1%) following increased public works, while household consumption expenditure grew by 4.9% (Q3 2015: 5%). On the supply side, growth was mainly contributed by robust finance and insurance, information and communication as well as construction activities. Inflation eased to 4.8% (Q3 2015: 7.1%), the lowest level since Q3 2014, due to subsidised fuel price reforms. Bank Indonesia (BI) has maintained its policy interest rate at 7.50% since February 2015 as part of measures to contain inflation and stimulate economic activity.

The Philippines economy grew by 6.3% (Q3 2015: 6.1%), the highest quarterly growth for the year. Growth was mainly contributed by stronger government consumption and investment. Government consumption remained high with a double-digit growth of 17.4% (Q3 2015: 17.4%), while investment increased by 13.5% (Q3 2015: 12.4%). The economy also benefited from continued high growth of 7.4% (Q3 2015: 7.2%) in the services sector supported by the robust performance of the transport, storage and communication as well as real estate, renting, and business subsectors. However, the agriculture, hunting, forestry and fishing industry contracted by 0.3% (Q3 2015: 0.3%) due to weak performance of the fishing industry. Meanwhile, inflation increased to 1% (Q3 2015: 0.6%) due to higher prices of agriculture produce as the El Nino weather conditions affected supplies. The Bangko Sentral ng Pilipinas has kept its policy rate unchanged at 4.00% since September 2014 to stimulate economic growth.

Thailand's economy grew at a slower pace of 2.8% (Q3 2015: 2.9%) largely supported by the expansion in investment, government spending and private consumption expenditure. Investment expanded by 9.4% (Q3 2015: -2.6%) attributed to the relatively strong public investment. Meanwhile, government spending rose by 4.8% (Q3 2015: 2.3%) attributed to the increase in compensation of employees and purchase of goods and services. Private consumption grew by 2.5% (Q3 2015: 1.8%) mainly due to the higher spending on durable and semi-durable goods together with the increase in service expenses. However, exports contracted by 3.5% (Q3 2015: 1.7%) due to the slowdown in global demand. On the supply side, non-agricultural activity expanded by 4.2% (Q3 2015: 3.2%), while the agricultural sector shrank by 3.4% (Q3 2015: -5.5%) affected by the prolonged drought. Deflation recorded 0.9% (Q3 2015: -1.1%) due to a sharp fall in global oil prices. The Bank of Thailand has kept its policy rate unchanged at 1.50% since April 2015 to support the ongoing economic recovery.

Singapore's GDP growth remained stable at 1.8% (Q3 2015: 1.8%), supported by the construction and services sectors. The construction sector increased by 4.9% (Q3 2015: 3%), largely contributed by public sector construction activities, while the services sector grew by 2.8% (Q3 2015: 3.4%). Growth in the services sector was underpinned by expansion in wholesale and retail trade as well as information and communications subsectors. However, the manufacturing sector contracted further by 6.7% (Q3 2015: -6.0%) due to a decline in output of the transport engineering and electronics clusters. Deflation was registered at 0.7% (Q3 2015: -0.6%), following lower cost of private transport, housing and utilities.

Malaysian Economy

Economy remains resilient

The Malaysian economy grew by 4.5% during the fourth quarter of 2015 (Q3 2015: 4.7%) supported by domestic activities and a better export performance, despite increasing external uncertainties. For the whole year, the Malaysian economy registered a growth of 5% (2014: 6%). On the supply side, all sectors of the economy recorded a positive growth during the fourth quarter of 2015 except mining and quarrying. The services sector expanded by 5% (Q3 2015: 4.4%) spurred by wholesale and retail trade activity and transportation and storage services. The manufacturing sector also increased by 5% (Q3 2015: 4.8%), on account of higher demand for electric and electronic (E&E) products. The construction sector moderated to 7.4% (Q3 2015: 9.9%) supported by higher activity in civil engineering. Meanwhile, the agriculture sector grew by 1.3% (Q3 2015: 2.4%) following higher output of natural rubber while crude palm oil (CPO) production moderated. In contrast, the mining and quarrying sector posted a negative growth of 1.4% (Q3 2015: 5.3%) amid lower production of natural gas.

REAL GROSS DOMESTIC PRODUCT
(% annual change)
Supply Side

	2014	2014				2015	2015			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
GDP	6.0	6.3	6.5	5.6	5.7	5.0	5.6	4.9	4.7	4.5
Agriculture	2.1	2.6	6.7	3.4	-3.7	1.0	-4.7	4.6	2.4	1.3
Mining	3.3	-0.1	2.1	1.4	9.5	4.7	9.6	6.0	5.3	-1.4
Manufacturing	6.2	7.0	7.3	5.3	5.4	4.9	5.6	4.2	4.8	5.0
Construction	11.8	19.3	10.0	9.7	8.8	8.2	9.7	5.6	9.9	7.4
Services	6.5	6.7	6.4	6.5	6.6	5.1	6.4	5.0	4.4	5.0

Source: Department of Statistics, Malaysia.

Resilient domestic demand drives growth

Private consumption increased by 4.9% (Q3 2015: 4.1%) especially in transport, food and beverage as well as communication subsectors, as a result of higher spending during the festive season and school holidays. Major consumption indicators improved further such as imports of consumption goods which increased significantly by 38.5%, while sales of passenger cars and consumption credit expanded by 5.2% and 3.1%, respectively. Meanwhile, public consumption continued to support growth, albeit at a moderate rate of 3.3% (Q3 2015: 3.5%).

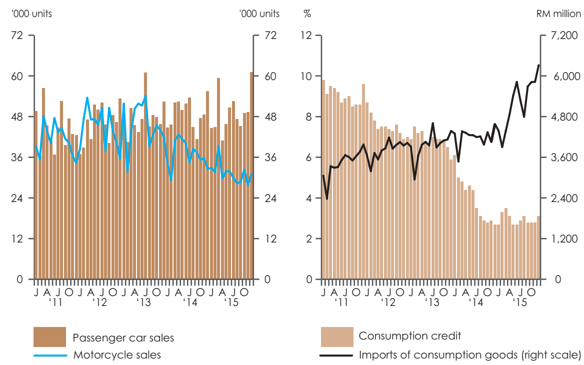
REAL GROSS DOMESTIC PRODUCT
(% annual change)
Demand Side

	2014	2014				2015	2015			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
GDP	6.0	6.3	6.5	5.6	5.7	5.0	5.6	4.9	4.7	4.5
Dom. demand[1]	5.9	7.6	5.6	5.0	5.7	5.1	7.9	4.6	4.0	4.0
Consumption	6.4	8.0	5.1	6.4	6.3	5.6	7.9	6.5	3.9	4.5
Investment	4.8	6.7	6.9	1.3	4.3	3.7	7.9	0.5	4.2	2.8
Exports	5.1	7.9	8.7	2.6	1.9	0.7	-0.6	-3.7	3.2	3.7
Imports	4.2	7.8	4.5	2.0	2.6	1.3	1.0	-2.8	3.2	3.6

[1] Excluding change in stocks.
Source: Department of Statistics, Malaysia.

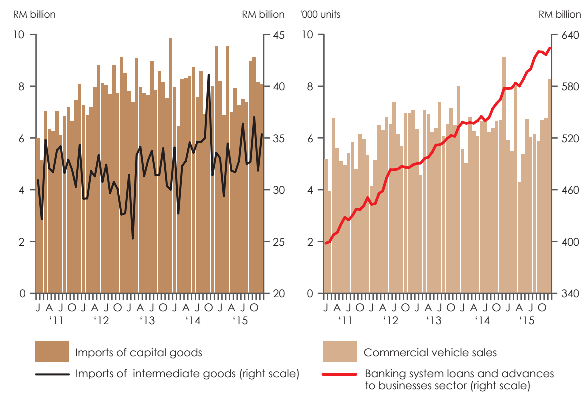
Gross fixed capital formation moderated to 2.8% during the quarter affected by cautious business sentiment, particularly in the oil and gas industry due to continued decline in crude oil prices. Private investment grew by 5% (Q3 2015: 5.5%) supported mainly by investment in the manufacturing and services sectors. Slower private investment activity was reflected by various indicators such as loans disbursed to businesses, imports of capital goods and sales of commercial vehicles. This was in line with MIER's fourth quarter Business Confidence Index (BCI) of 87.1 points which was below the 100-point confidence threshold. Meanwhile, public investment grew by 0.4% (Q3 2015: 1.8%)due to completion of several development projects.

PRIVATE CONSUMPTION INDICATORS



Source: Malaysian Automotive Association (MAA), Motorcycle and Scooter Assemblers and Distributors Association of Malaysia (MASAAM), Department of Statistics, Malaysia and Bank Negara Malaysia.

PRIVATE INVESTMENT INDICATORS



Source: Malaysian Automotive Association (MAA), Department of Statistics, Malaysia and Bank Negara Malaysia.

Services sector grew at a stronger pace

The services sector expanded further by 5% during the fourth quarter of 2015 (Q3 2015: 4.4%). All subsectors continued to grow, except for finance and insurance which contracted at a slower pace. The final services group increased further to 5.7% (Q3 2015: 5.3%) driven by wholesale and retail trade as well as food & beverage and accommodation subsectors. Meanwhile the intermediate services group rose by 4.2% (Q3 2015: 3.7%) led by information and communication, real estate and business services as well as transport and storage subsectors.

The wholesale and retail trade subsector grew by 6.5% (Q3 2015: 5.7%), supported by wholesale, retail and motor vehicle sales. The wholesale trade segment increased by 9.2% (Q3 2015: 9.6%) driven by other specialised wholesale and wholesale on fee or contract basis as well as agricultural raw materials and live animals. The retail trade segment expanded at a faster pace of 4.2% (Q3 2015: 2.8%) following stronger sales especially of automotive fuel at specialised stores.

SERVICES SECTOR
(% annual change)

	2014	2014				2015	2015			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Intermediate services	5.9	6.1	5.2	6.1	6.1	4.6	5.7	4.8	3.7	4.2
Transport and storage	5.2	4.8	4.8	5.2	6.0	5.7	5.7	5.4	5.6	6.0
Information and communication	9.7	10.1	9.5	9.5	9.7	9.4	9.6	9.3	9.5	9.2
Finance and insurance	2.3	2.7	0.9	3.2	2.4	(0.7)	1.9	0.2	(3.1)	(1.5)
Real estate and business services	8.0	8.2	7.6	7.8	8.3	6.6	7.6	6.2	6.5	6.2
Final services	7.3	7.0	7.2	7.1	7.7	6.1	7.8	5.5	5.3	5.7
Utilities	3.8	3.2	2.9	5.0	3.9	3.5	3.7	3.9	3.1	3.2
Wholesale and retail trade	8.9	8.5	9.3	8.4	9.4	6.9	9.8	5.9	5.7	6.5
Food & Beverages and accommodation	6.5	6.3	5.9	6.1	7.5	6.4	7.3	6.6	5.8	5.9
Other services	4.8	5.3	4.3	4.7	4.7	4.7	4.6	4.7	4.8	4.6
Government services	6.1	7.6	6.8	5.8	4.7	4.0	3.9	4.1	3.2	4.6
Total services	6.5	6.7	6.4	6.5	6.6	5.1	6.4	5.0	4.4	5.0

Source: Department of Statistics, Malaysia.

Meanwhile, motor vehicles increased by 5% (Q3 2015: 2.2%) following higher sales of motor vehicles as well as parts and accessories. This was attributed to major automobile companies announcing higher prices on certain models starting in January 2016 as well as aggressive year-end promotion campaigns which included discounts and rebates. Likewise, the food & beverage and accommodation subsector expanded further by 5.9% (Q3 2015: 5.8%) owing to stronger performance in the accommodation segment at 3.5% (Q3 2015: 3.2%) and food & beverage segment at 6.5% (Q3 2015: 6.6%).

The finance and insurance subsector continued to decline, albeit at a slower pace of 1.5% (Q3 2015: -3.1%), with the finance and insurance segment contracting by 1.3% and 2%, respectively (Q3 2015: 2.9%; 3.7%). The finance segment was affected by lower growth in fee-based income, while the insurance segment was pulled down by higher claims in life and medical insurance compared to premium income. The real estate and business services subsector expanded by 6.2% (Q3 2015: 6.5%). The real estate segment increased by 4.1% (Q3 2015: 4.2%) contributed by civil engineering activities. Meanwhile, the business services segment grew by 7.2% (Q3 2015: 7.6%) due to lower demand for professional services particularly accounting services.

The information and communication subsector expanded by 9.2% (Q3 2015: 9.5%) driven by steady demand for cellular services, amid attractive promotions by industry players. This was reflected by the strong growth of the communication segment at 10.5% (Q3 2015: 10.3%).

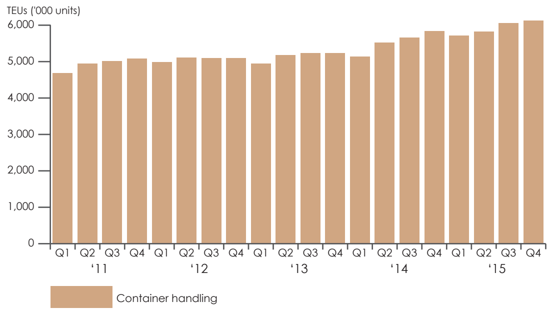
The transport and storage subsector grew by 6% (Q3 2015: 5.6%) mainly supported by higher freight activities, particularly from the land segment. External trade activity by domestic land transport rose by 20.8% (Q3 2015: 16.2%), with trade by land transport at Tanjung Kupang and Bukit Kayu Hitam increasing by 26.6% and 20.4%, respectively. Furthermore, Keretapi Tanah Melayu Berhad (KTMB) cargo revenue rose to 5.7% (Q3 2015: 8.2%), despite the slight decline in cargo volume of 0.6% (Q3 2015: -10.3%). Meanwhile, KTM Intercity Services passenger ridership continued to record a double-digit growth of 17.6% to 634,859 passengers (Q3 2015: 12.5%; 567,885) following the rescheduling of train services which improved efficiency and frequency. Similarly, the Electric Train Service (ETS) ridership surged by 48.4% to 670,306 passengers (Q3 2015: 39.4%; 585,268) following the introduction of six new routes. However, the total ridership on urban rail services in the Klang Valley declined by 2.5% to 57.3 million passengers (Q3 2015: 3.6%; 58.2 million). Traffic volume on tolled highways increased by 2.3% to 454.6 million vehicles (Q3 2015: 5.3%; 459.8 million).

The air transport segment increased at a slower pace of 2.4% (Q3 2015: 3.2%) due to flight cancellations caused by the haze in October 2015 as well as route and flight frequency rationalisation by a major airline. The total passenger traffic at airports nationwide contracted by 3.3% to 22 million (Q3 2015: 6.1%; 21.7 million). Similarly, total air cargo handled at all airports declined by 9.5% to 246,648 tonnes (Q3 2015: -4.9%; 243,261 tonnes).

The water transport segment increased by 2.1% (Q3 2015: 1.6%) supported by higher port activity. The total volume of containers handled at seven major ports rose by 4.9% to 6.1 million twenty-foot equivalent units (TEUs) (Q3 2015: 7.1%; 6.1 million TEUs). This was largely contributed by Port Klang, with an increase of 7.4% to 3.1 million TEUs (Q3 2015: 7.9%; 3 million TEUs) accounting for 50.4% of total volume.

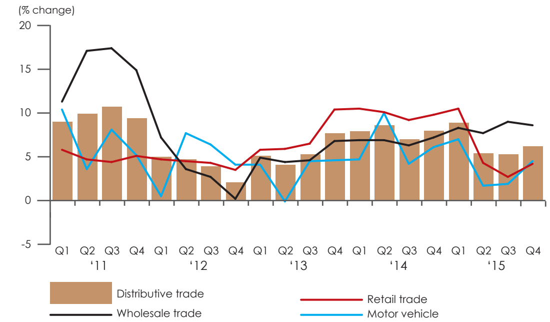
SELECTED SERVICES SECTOR INDICATORS

PORT ACTIVITY
- Container Handling at Major Ports



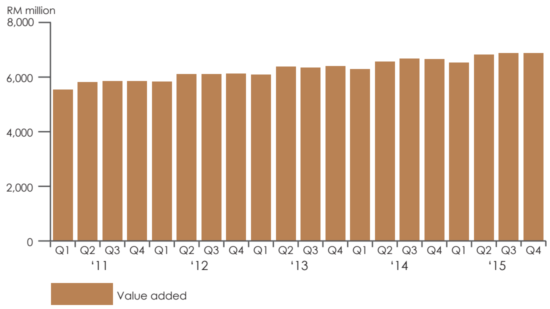
Source: Seven major ports (Klang, Johor, Penang, Kuantan, Tanjung Pelepas, Bintulu and Kuching).

DISTRIBUTIVE TRADE
- Volume Index by Subsector



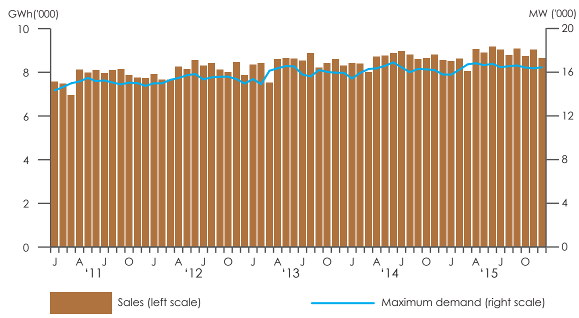
Source: Department of Statistics, Malaysia.

UTILITIES
- Value Added



Source: Department of Statistics, Malaysia.

- Electricity Sales and Maximum Demand



Source: Tenaga Nasional Berhad.

The utilities subsector increased by 3.2% during the fourth quarter of 2015 (Q3 2015: 3.1%). This was driven by higher growth in the water and sewerage segment at 5.7% (Q3 2015: 5.3%). Meanwhile, growth in the electricity and gas segment was sustained at 2.5% (Q3 2015: 2.5%). This was reflected by the increase in electricity sales of 1.6% to 26,408 gigawatt hours (Q3 2015: 2.1%; 26,889 gigawatt hours), with maximum demand for electricity peaking at 16,449 megawatts in December 2015 (Q3 2015: 16,614 megawatts in September 2015).

The other services subsector grew by 4.6% (Q3 2015: 4.8%) due to higher health activities, which increased by 5.6% (Q3 2015: 5.2%) while private education rose by 6.8% (Q3 2015: 7.1%). Meanwhile, government services expanded further by 4.6% (Q3 2015: 3.2%) mainly driven by the increase in emoluments.

Manufacturing sector continues to expand

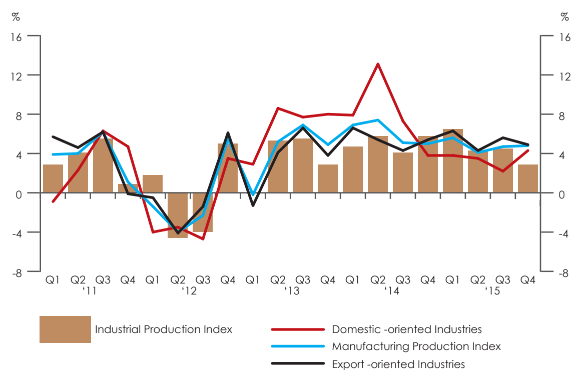
Value-added of the manufacturing sector grew by 5% during the fourth quarter of 2015 (Q3 2015: 4.8%), supported by the steady performance of export and domestic-oriented industries. Output increased by 4.8% (Q3 2015: 4.7%) while sales of manufacturing products expanded by 2.7% to RM170 billion (Q3 2015: 1.8%; RM169 billion). The capacity utilisation rate of the sector rose to 78% (Q3 2015: 75.5%).

PERFORMANCE OF THE MANUFACTURING SECTOR
(% annual change)

Source: Department of Statistics, Malaysia.

Output of export-oriented industries increased by 4.9% (Q3 2015: 5.6%) on improving external demand especially from the US, EU and Singapore. Production of the E&E subsector was sustained at 10.3% (Q3 2015: 10.4%) mainly supported by the manufacture of electronic components and boards, consumer electronics as well as machinery and equipment which increased by 7.8%, 55% and 9.8%, respectively (Q3 2015: 1.5%; 60.9%; 10.3%). Output of wood products rose by 6.2% (Q3 2015: 7.4%) attributed to higher demand with production of sawmilling and planing of wood increasing by 28.5%, manufacture of builders' carpentry (27.9%) and wooden containers (23.5%).

PRODUCTION OF THE MANUFACTURING SECTOR
(% annual change)



Source: Department of Statistics, Malaysia.

Meanwhile, the resource-based subsectors such as rubber and paper products recorded growth of 7% and 4.1%, respectively (Q3 2015: 6.9%; 2.5%). Production of off-estate processing (CPO, palm kernel oil, rubber remilling and latex processing) as well as textile, wearing apparel, leather products and footwear grew at a slower pace of 2.2% and 7.2%, respectively (Q3 2015: 3.5%; 8.1%). However, manufacture of refined petroleum contracted by 0.2% (Q3 2015: 2.1%) due to slowing external demand.

MANUFACTURING PRODUCTION INDEX
(2010 = 100)
(% annual change)

	2014	2014				2015	2015			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Overall Manufacturing	6.1	6.9	7.4	5.1	5.0	4.8	5.6	4.1	4.7	4.8
Export-oriented industries	5.4	6.6	5.4	4.3	5.4	5.3	6.3	4.3	5.6	4.9
Electrical and electronic products	12.1	14.6	13.9	10.1	10.2	9.2	11.3	4.9	10.4	10.3
Chemicals and chemical products	3.6	1.1	-2.1	7.4	7.9	4.6	9.9	5.5	1.6	1.9
Petroleum products	0.6	6.5	-0.5	-5.4	1.8	1.2	2.1	0.9	2.1	-0.2
Wood products	7.8	0.3	9.1	10.6	11.1	7.1	10.7	4.3	7.4	6.2
Off-estate processing	1.5	0.8	12.2	4.3	-9.0	1.0	-12.2	8.8	3.5	2.2
Rubber products	-1.3	1.3	-1.6	-4.0	-0.8	5.1	-1.3	7.6	6.9	7.0
Paper products	-1.1	-5.8	3.0	2.1	-3.3	3.0	0.3	4.9	2.5	4.1
Textiles, apparel, and leather and footwear	10.8	6.9	15.2	14.8	6.6	7.5	9.7	5.1	8.1	7.2
Domestic-oriented industries	7.9	7.9	13.1	7.3	3.8	3.4	3.8	3.5	2.2	4.3
Non-metallic minerals	6.9	3.8	7.6	9.1	7.1	6.8	10.3	5.0	5.3	7.1
Fabricated metal products	2.8	6.9	0.9	3.2	0.6	4.6	4.7	2.8	4.2	6.9
Basic metals	3.0	-1.2	6.3	4.6	1.8	1.6	5.4	0.4	1.7	-1.1
Transport equipment	14.4	19.0	29.8	11.4	1.1	5.2	9.2	6.0	2.2	3.7
Food products	7.9	6.4	15.1	5.2	5.8	-2.6	-9.0	0.8	-3.6	0.9
Beverages	17.5	16.4	26.3	15.6	12.8	11.9	17.1	11.9	9.0	10.6
Tobacco products	4.8	-17.7	-4.3	16.1	36.5	9.1	13.8	4.4	9.3	9.8
Others	3.1	16.5	0.8	1.5	-4.3	4.6	-6.2	-0.8	8.2	17.5

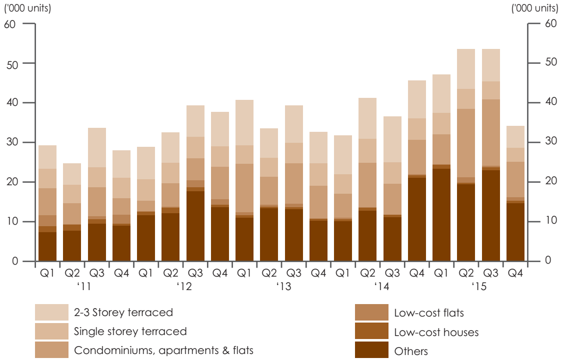
Source: Department of Statistics, Malaysia.

Production of domestic-oriented industries increased at a faster pace of 4.3% (Q3 2015: 2.2%). The construction-related cluster expanded by 4.8% (Q3 2015: 3.9%) with higher output of non-metallic mineral and fabricated metal products at 7.1% and 6.9%, respectively (Q3 2015: 5.3%; 4.2%). The transport equipment subsector rose by 3.7% (Q3 2015: 2.2%) supported by manufacture of parts and accessories for motor vehicles (31%) as well as building of ships and boats (10%). However, the subsector was weighed down by the contraction in manufacture of motor vehicles and motorcycles at 12.4% and 7.2%, respectively (Q3 2015: -9.3%; -12.2%). Production of beverage grew further by 10.6% (Q3 2015: 9%), amid higher consumption during the year-end school holidays and festivities. Output of other manufactured products grew significantly by 17.5% (Q3 2015: 8.2%) on account of higher manufacture of irradiation, electromedical and electrotherapeutic equipment (34.8%) as well as measuring, testing, navigating and control equipment (15%).

Construction sector remains resilient

The construction sector held steady with a growth of 7.4% during the fourth quarter of 2015 (Q3 2015: 9.9%). Growth was driven by strong civil engineering and sustained non-residential activities. The civil engineering subsector grew significantly by 20.4% (Q3 2015: 11%) on account of commencement of new projects particularly in Johor. The residential subsector grew by 5.7% (Q3 2015: 5.2%) on account of higher activities in high-end projects mainly in Kuala Lumpur, Johor and Selangor. The specialised construction activities subsector posted a marginal growth of 4.6% (Q3 2015: 15.5%) following the near completion of earthworks of major projects such as RAPID in Johor and Mukah airport. The non-residential subsector grew at a slower pace of 0.5% (Q3 2015: 10.1%) due to the completion of several factory projects mainly in Sarawak, Negeri Sembilan, Pahang and Kedah. During the quarter, the total value of construction work completed increased by 11.2% year-on-year to RM30.1 billion with 10,230 projects registered (Q3 2015: 14%; RM28.8 billion; 9,883 projects). The highest share was contributed by the civil engineering subsector with 33.9% or RM10.2 billion, followed by non-residential buildings (32.3%; RM9.7 billion), and residential buildings (29.1%; RM8.8 billion). The private sector continued to dominate construction activity with a share of 67.9% during the quarter.

CONSTRUCTION SECTOR
- Housing Starts



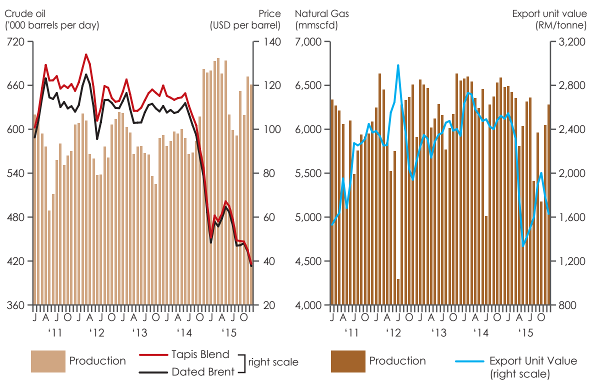
Source: NAPIC, Valuation & Property Services Department.

P = Preliminary

Lower production of natural gas

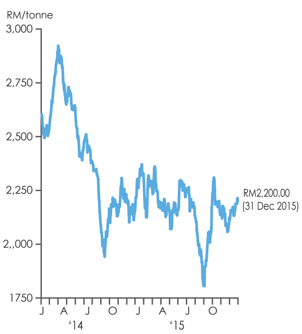
The mining sector declined by 1.4% during the fourth quarter of 2015 due to lower production of natural gas, while output of crude oil increased marginally amid declining prices. Production of natural gas declined further by 5.6%, while output of crude oil registered a slower growth of 0.4%. During the quarter, prices of Dated Brent continued to fall to average USD43.4 per barrel (Q3 2015: USD50.03 per barrel).

MONTHLY MINING PRODUCTION AND PRICES



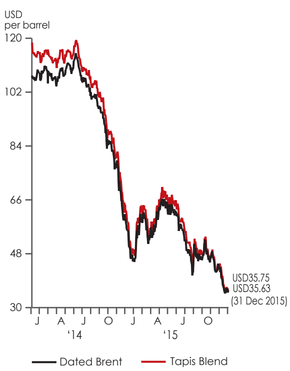
Source: Petronas, Bloomberg and Department of Statistics, Malaysia.

DAILY PALM OIL SPOT PRICES
(RM/tonne)



Source: Bloomberg.

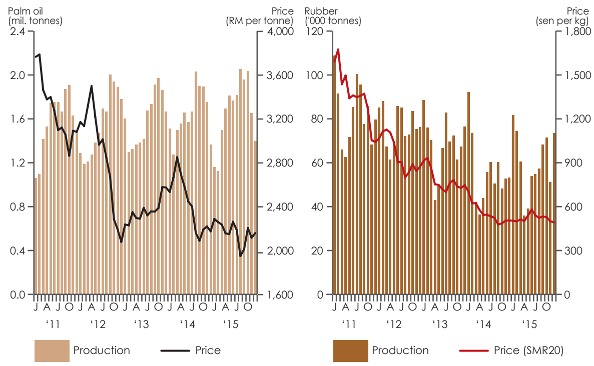
DAILY BRENT/TAPIS OIL PRICES
(USD per barrel)



Higher output of rubber

The agriculture sector grew marginally by 1.3% during the fourth quarter of 2015 with all subsectors registering positive growth except forestry and logging. The value-added of the oil palm subsector increased moderately by 1.3% (Q3 2015: 4.1%) following slower production of CPO at 1.6% to 5.1 million tonnes due to lower yields of fresh fruit bunches. Meanwhile, the value-added of the rubber subsector rose significantly by 22.2% (Q3 2015: 5.3%) on account of higher output of natural rubber mainly due to stronger demand for rubber gloves. The other agriculture subsector grew by 1.1% (Q3 2015: 2.1%) supported by higher production of fruits (3.2%) and vegetables (2.7%). Meanwhile, the fishing subsector rebounded with a growth of 2.5% (Q3 2015: -3.2%) supported by higher production of the marine and aquaculture segments. In contrast, value-added of forestry and logging declined significantly by 15% (Q3 2015: -1.3%) due to slower logging activity.

MONTHLY AGRICULTURAL PRODUCTION AND AVERAGE PRICES



Source: Bloomberg and Department of Statistics, Malaysia.

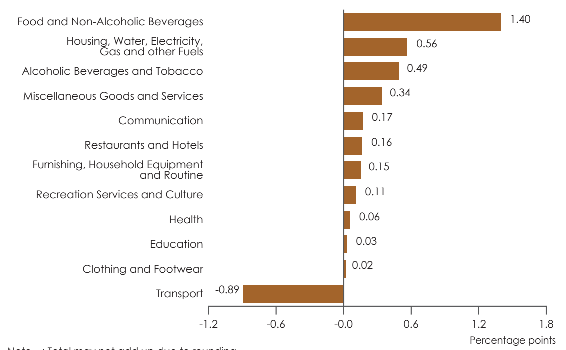
Prices

Inflation remains benign

Headline inflation, as measured by the annual change in the Consumer Price Index (CPI), increased at a slower pace of 2.6% in the last quarter of 2015 (Q3 2015: 3%). The CPI increase was mainly contributed by higher prices recorded in three major groups, namely the food and non-alcoholic beverage; housing, water, electricity, gas and other fuels groups; as well as alcoholic beverage and tobacco, which accounted for 2.45 percentage points of the total increase. However, this was cushioned by the lower prices recorded in the transport group, reducing the total CPI by 0.89 percentage point. For 2015, inflation remained manageable at 2.1%.

For the fourth quarter of 2015, prices in the food and non-alcoholic beverage group rose significantly by 4.5% (Q3 2015: 4.1%) and contributed 1.4 percentage points to the total CPI increase. This was attributed to the price increase in the food at home category (4.5%), mainly the vegetables (11.2%), fish and seafood (6.1%), as well as fruits (6.1%) subgroups. This was on account of stronger demand for food and beverage during the school holidays and seasonal celebrations. Prices in the housing, water, electricity, gas and other fuels were sustained at 2.5 % (Q3 2015: 2.6%), contributed by actual rental paid by tenants (3.6%) sub-group, while prices of alcoholic beverage and tobacco increased by 19.1% (Q3 2015: 12.1%) following the 40% price increase of cigarettes in November.

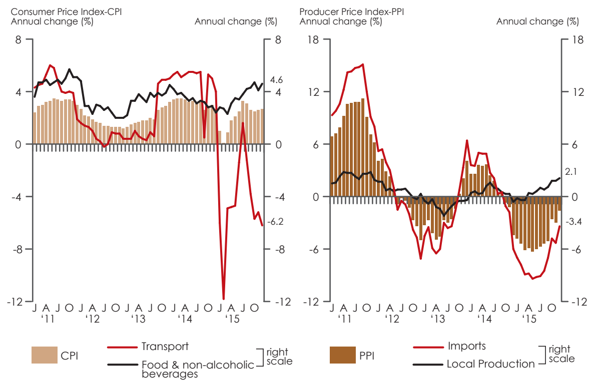
CONTRIBUTION TO INFLATION
(Fourth Quarter 2015)



Note : Total may not add up due to rounding.
Source: Department of Statistics, Malaysia.

Prices in the transport group registered a fourth quarterly decline of 5.7% (Q3 2015: -1.1%) due to lower crude oil prices. This was reflected in the lower pump prices of petrol and diesel which subsequently dragged down the prices of fuels and lubricants for personal and transport equipment subgroup by 11.2% (Q3 2015: -3.5%).

CONSUMER AND PRODUCER PRICE INDICES

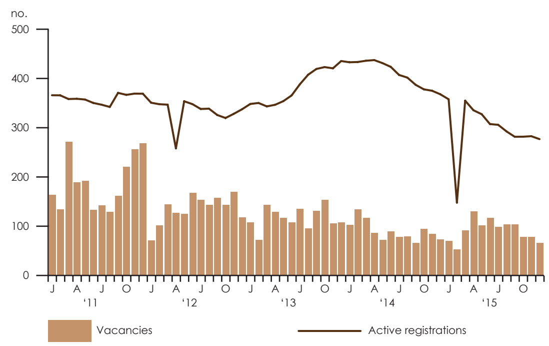


Source: Department of Statistics, Malaysia.

The Producer Price Index (PPI), which measures changes in the prices of commodities charged by domestic producers and those paid by importers, decreased further by 2.4% during the last quarter of 2015 (Q3 2015: -5.4%) as commodity prices remained low. The lower PPI was contributed by price declines in local production at 4.5%, while the import components increased by 1.9% (Q3 2015: -8.1%; 1%).

The decline in the PPI for local production was driven by further price decrease of 18.5% in the mineral fuels, lubricant and others group (Q3 2015: -27.2%) as well as animal and vegetable oils and fats group at 2.8% (Q3 2015: -7.1%). Together they contributed 4.7 percentage points to the total PPI decline. Similarly, the PPI for local production by stage of processing indicated that prices of crude materials for further processing declined by 9.6% (Q3 2015: -21.4%), followed by intermediate materials, supplies and components by 5.5% (Q3 2015: -5.9%). However, processing of finished goods increased by 1.5% (Q3 2015: 1.3%). Meanwhile, the increase in the PPI for imports was mainly due to the increase in the price of machinery and transport equipment group by 3.3% as well as chemicals group by 3.1% (Q3 2015: 2.7%; 2.9%), contributing 2.28 percentage points to the overall PPI. The PPI for imports by stage of processing also registered a price drop in crude materials for further processing at 5.2%. However, this was offset by price increase of intermediate materials, supplies and components (3.1%) and finished goods (1.6%).

LABOUR MARKET
Vacancies and Active registrations[1] ('000)



[1] Also includes those who are already employed.
Source: Ministry of Human Resources, Malaysia.

Employment

Labour market remains stable

The labour market remained stable in the fourth quarter of 2015 with the unemployment rate at 3.2% (Q3 2015: 3.2%). The total labour force rose marginally by 0.4% to 14.3 million persons (Q3 2015: 1.6%; 14.2 million). Meanwhile, total employment recorded 13.8 million with the services sector recording the largest share at 8.3 million, mainly in the wholesale and retail trade subsector, followed by the manufacturing (2.3 million) and agriculture (1.6 million) sectors.

Total job vacancies registered via JobsMalaysia amounted to 221,353 (Q3 2015: 305,241). The manufacturing sector contributed the bulk of vacancies at 30.2% or 66,779, followed by services (25%; 55,241) and agriculture (23.4%; 51,690). By occupational category, elementary occupations such as domestic cleaners and helpers comprised 66.3% or 146,790 of total job vacancies, followed by plant and machine operators (9.3%; 20,575) as well as service and sales workers (7.8%; 17,277). Meanwhile, the number of active job seekers was lower at 276,851 as at end-December 2015 (end-September 2015: 281,583).

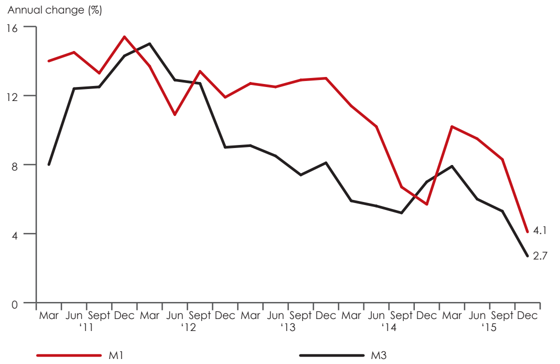
From January till October 2015, retrenchments recorded 18,674 persons. The retrenchments were mainly due to merger and acquisition exercises as well as restructuring of businesses, which led to the downsizing of the workforce as part of cost-cutting measures. The highest retrenchments were recorded in the manufacturing sector, which accounted for 42.1% of total retrenchments, followed by wholesale and retail trade; repair of motor vehicles and motorcycles (11.6%) as well as mining and quarrying (7%).

Monetary and Financial Developments

Money supply continues to increase

Money supply increased further in the fourth quarter of 2015. M1 or narrow money grew by 4.1% to RM360.5 billion as at end-December 2015 (end-September 2015: 8.3%; RM358 billion). Meanwhile, M3 or broad money continued to register positive growth, albeit at a more moderate pace of 2.7% to RM1,595.3 billion as at end-December 2015 (end-September 2015: 5.2%; RM1,583 billion) due to continued extension of credit to the private sector by the banking system.

MONETARY AGGREGATES



Source: Bank Negara Malaysia.

Stable interest rates

The Overnight Policy Rate (OPR) was unchanged at 3.25% during the quarter and remained supportive of economic activity. The base lending rate (BLR) of commercial banks remained at 6.79%, while the base rate (BR) increased slightly to 3.86% as at end-December 2015 (end-September 2015: 3.85%). Consequently, the weighted average lending rate (ALR) of commercial banks increased two basis points to 5.40% during the same period (as at end-September 2015: 5.38%). However, the savings deposit rate fell by two basis points to 1.04% (end-September 2015: 1.06%). During the quarter, interest rates on fixed deposits for 1-month and 12-month maturities were maintained at 3.08% and 3.31%. Meanwhile, interest rates for 3-month, 6-month and 9-month fixed deposits dropped by one basis point each to 3.13%, 3.18% and 3.22%, respectively. The real return for all fixed deposits tenures remained positive with inflation at 2.6% in the fourth quarter of 2015.

[At the Monetary Policy Committee meeting on 21 January 2016, the OPR was left unchanged at 3.25%. This is on the assessment that the Malaysian economy will remain on a steady growth path with benign inflation]

Strong private sector financing

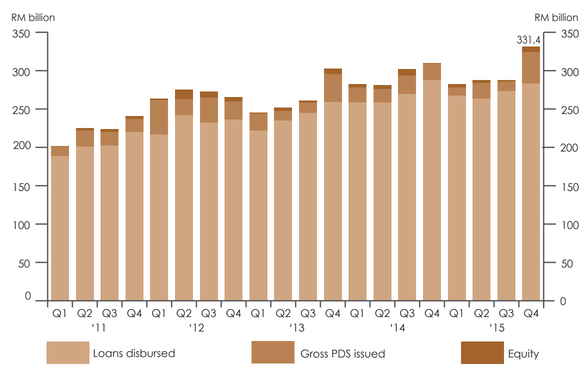
Credit conditions in Malaysia remained orderly despite continued uncertainties in the global economic environment. Overall gross private sector financing raised through the banking system and capital market recorded a total of RM331.4 billion during the quarter (Q3 2015: RM287.9 billion). The significant increase was mainly due to higher private debt securities (PDS) issuances, excluding Cagamas at 91.4% to RM40.6 billion (Q3 2015: -49.8%; RM11.8 billion) as well as large equity issuances amounting to RM7.5 billion (Q3 2015: RM2.5 billion). Likewise, loan disbursements in the banking system amounting to RM283.3 billion (Q3 2015: RM273.6 billion) also contributed to the overall growth.

INTEREST RATES OF COMMERCIAL BANKS
(%)

	End-Sept 2015	End-Dec 2015
Base lending	6.79	6.79
Base rate	3.85	3.86
Weighted average lending	5.38	5.40
Savings deposit	1.06	1.04
Fixed deposit		
1 - month	3.08	3.08
3 - month	3.14	3.13
6 - month	3.19	3.18
9 - month	3.23	3.22
12 - month	3.31	3.31

Source: Bank Negara Malaysia.

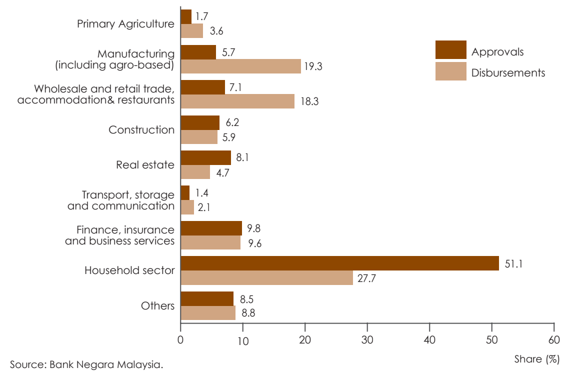
GROSS PRIVATE SECTOR FINANCING THROUGH THE BANKING SYSTEM AND CAPITAL MARKET



Source: Bank Negara Malaysia.

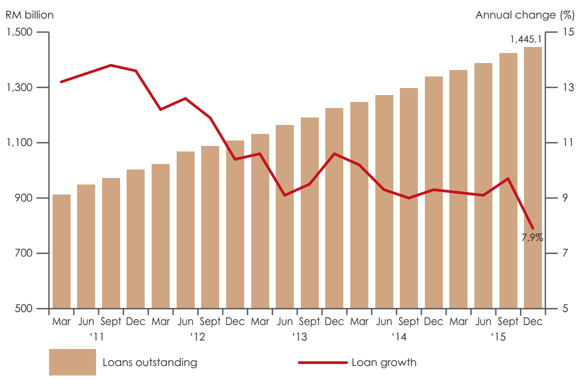
During the fourth quarter of 2015, loan indicators remained firm with loan applications increasing by 2.6% to RM215.6 billion (Q3 2015: 2.6%; RM224.8 billion) on account of higher demand from business and household sectors. However, loan approvals eased to 5.8% to RM100.2 billion (Q3 2015: -8.7%; RM96.5 billion) following lower loan approvals in November 2015. Loan disbursements also declined by 1.5% to RM283.3 billion (Q3 2015: 1.5%; RM273.6 billion). Loans for businesses, which accounted for the bulk of total loans disbursed, were mainly channelled to the manufacturing sector (19.3%) as well as the wholesale and retail trade, accommodation and restaurant sector (18.3%). The household sector accounted for a significant share at 27.7% or RM76.8 billion of total loans disbursed by the banking system.

LOAN APPROVALS AND DISBURSEMENTS BY SELECTED SECTORS
(Fourth Quarter 2015)



Source: Bank Negara Malaysia.

BANKING SYSTEM: LOANS OUTSTANDING AND GROWTH



Source: Bank Negara Malaysia.

As at end-December 2015, total loans outstanding in the banking system continued to grow by 7.9% to RM1,445.1 billion (end-September 2015: 9.7%; RM1,424 billion). The household sector represented the largest share of loans outstanding in the banking system totalling 56.8% or RM820.9 billion (end-September 2015: 56.5%; RM804 billion).

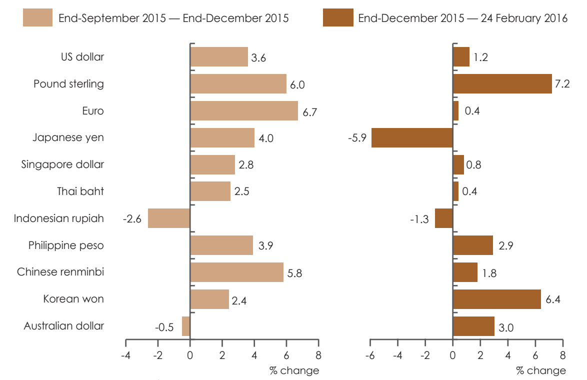
Sound banking system

In the fourth quarter of 2015, the banking sector continued to remain strong and well-capitalised. As at end-December 2015, the common equity tier 1 capital ratio, tier 1 capital ratio and the total capital ratio recorded 12.8%, 13.8% and 16.1%, respectively, all above the minimum regulatory levels (end-September 2015: 12.1%; 12.8%; 14.8%). Pre-tax profit of the banking system was marginally lower at RM7.2 billion during the quarter (Q3 2015: RM7.3 billion) due to higher staff cost and overhead expenses which partly offset the growth in interest and fee-income and lower provisioning. As at end-December 2015, the quality of banking loan portfolio was maintained with the net impaired loans ratio remaining at 1.2% of net total loans (end-September 2015: 1.2%).

The ringgit strengthens

The ringgit appreciated by 3.6% against the US dollar during the fourth quarter of 2015. The ringgit also strengthened against most major and regional currencies in the range of 2.4% to 6.7%, but depreciated against the Australian dollar and the rupiah by 0.5% and 2.6%, respectively. The strengthening of the ringgit was due to increased risk appetite amid improved market sentiment following Malaysia's higher-than-expected export growth in the fourth quarter of 2015. Furthermore, the long awaited interest rate hike by the Fed in December 2015 has removed the uncertainty among investors.

PERFORMANCE OF RINGGIT AGAINST SELECTED CURRENCIES



Source: Bank Negara Malaysia.

[From end-December 2015 to 24 February 2016, the ringgit appreciated by 1.2% against the US dollar as well as other major and regional currencies within the range of 0.4% to 7.2%. However, the ringgit eased against the yen and the rupiah by 5.9% and 1.3%, respectively. The upward trend of the ringgit was due to the strong performance of emerging Asian currencies at the beginning of the year coupled with BNM's decision to raise liquidity in the banking system by reducing the statutory reserve requirement (SRR) ratio to 3.5% from 4%, which led to renewed buying interest in the stock and bond markets. Investors also reacted positively towards the recalibrated 2016 Budget in January 2016]

Higher net funds raised

Net funds raised in the capital market recorded a very strong increase amounting to RM51.4 billion in the fourth quarter of 2015 (Q3 2015: net redemptions of RM2.6 billion). The increase was largely due to higher funds raised by the private sector, in particular the new issuances of PDS which totalled RM40.6 billion (Q3 2015: RM13.1 billion), mainly via medium-term notes. Meanwhile, funds raised through equity issuances amounted to RM7.5 billion (Q3 2015: RM2.5 billion). Funds raised were mainly in the finance, insurance, real estate, and business services as well as electricity, gas and water sectors. After adjusting for redemptions, net funds raised by the private sector amounted to RM37.9 billion (Q3 2015: RM7.4 billion).

FUNDS RAISED IN THE CAPITAL MARKET
(RM million)

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
BY PUBLIC SECTOR	24,012	8,523	2,101	15,258	13,183	30,136	(9,996)	13,497
Government securities (net)	20,012	5,923	601	11,858	9,183	26,636	(10,496)	13,497
Malaysia Government Securities	14,493	11,916	12,279	12,729	13,479	12,491	14,510	10,852
Malaysia Government Investment Issues	9,019	10,050	8,222	6,629	9,500	14,145	6,529	10,883
Less: Redemptions	3,500	16,043	19,900	7,500	13,797	-	31,535	8,238
Government Housing Sukuk (net)	4,000	2,600	1,500	3,400	4,000	3,500	500	-
BY PRIVATE SECTOR	15,365	8,660	15,009	11,162	7,803	9,116	7,442	37,936
Shares/Warrants	4,211	5,163	8,832	957	4,685	3,281	2,471	7,481
Debt Securities (net)	11,154	3,497	6,177	10,205	3,118	5,835	4,971	30,455
Private Debt Securities[1]	20,547	18,513	24,859	21,583	10,941	20,509	13,141	40,550
Less: Redemptions	9,393	15,016	18,682	11,378	7,824	14,674	8,170	10,095
TOTAL	39,377	17,183	17,110	26,420	20,986	39,252	(2,555)	51,433

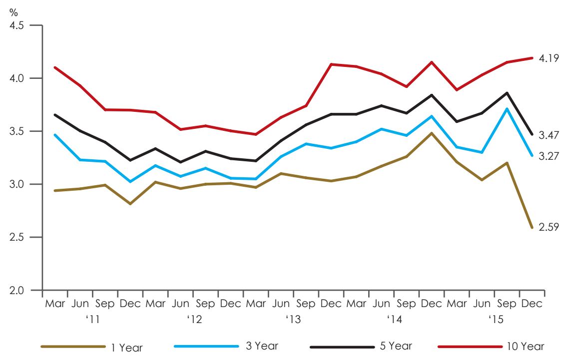
[1] including Cagamas.
Note: Total may not add up due to rounding.
Source: Bank Negara Malaysia.

Net funds raised by the public sector also posted a significant quarterly growth totalling RM13.5 billion (Q3 2015: net redemptions of RM10 billion). Funds were raised through a new issuance of a 20-year Malaysian Government Investment Issues (MGII) and a number of re-openings of both Malaysian Government Securities (MGS) and MGII papers. For the year as a whole, total net funds raised in the capital market amounted to RM109.6 billion (2014: RM100.1 billion).

The MGS yields were mixed in the fourth quarter of 2015 with the yields of short and medium-term tenure issues moving lower, while longer-term tenure issues increased slightly higher. Overall, the 3-year and 5-year MGS yields dropped by 44 basis points and 39 basis points to close at 3.27% and 3.47%, respectively. However, the 10-year MGS yields rose by four basis points to close at 4.19% during the same period. The yields held steady as a result of stable foreign holdings despite monetary policy normalisation in the US as well as the economic slowdown in China.

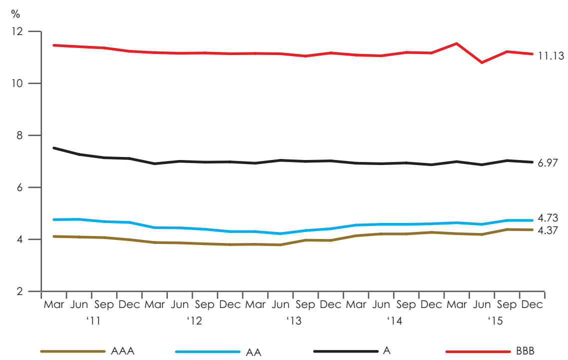
The yields also closed lower on account of an improving ringgit. Meanwhile, corporate bond yields also recorded a decline in the fourth quarter of 2015. The 5-year AAA-rated and A-rated yields decreased by one basis point and six basis points to 4.37% and 6.97%, respectively, while AA-rated yield increased by just one basis point to 4.73%.

MALAYSIAN GOVERNMENT SECURITIES (MGS) INDICATIVE YIELDS[1]



[1] End-period.
Source: Fully Automated System for Issuing/Tendering (FAST), Bank Negara Malaysia.

PRIVATE DEBT SECURITIES (PDS) 5-YEAR YIELDS[1]



[1] End-period.
Source: Fully Automated System for Issuing/Tendering (FAST), Bank Negara Malaysia.

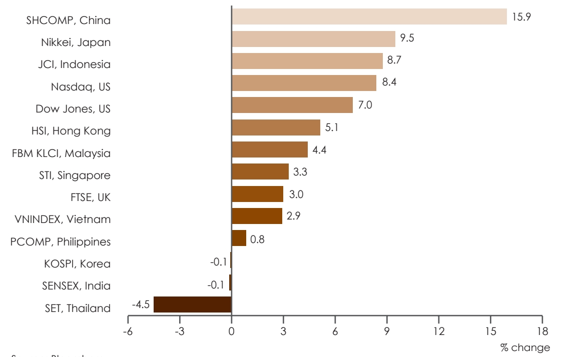
Steady stock market performance

Shares on Bursa Malaysia recovered in the fourth quarter of 2015, showing solid gains to close at 1,692.51 points. The FBM KLCI increased in the beginning of the quarter and the trend continued until early November following higher risk appetite among investors in small-capitalised stocks as well as a recovery in crude oil prices. However, the market turned cautious in mid-November amid the uncertainty surrounding the impending increase in US interest rate as well as over the Paris terrorist attack. The market posted a small monthly growth in November driven by anticipation of an interest rate hike following the US Fed's monetary policy meeting and mounting speculation of a further stimulus by the European Central Bank (ECB).

The FBM KLCI also closed lower in mid-December tracking other regional peers as investors were cautious ahead of the Fed's decision on the direction of US interest rates during a two-day Federal Open Market Committee (FOMC) meeting starting 15 December 2015. The local bourse also eased as crude oil prices continued plunging following concerns over the supply glut due to the failure of Organization of the Petroleum Exporting Countries (OPEC) to reach an agreement to reduce production levels. However, towards the end of the year, the market edged up slightly on renewed buying momentum due to year-end window dressing activities. The market extended gains, tracking regional and the US markets after a slight improvement in crude oil prices. The market sentiment was also boosted by the Fed's decision to finally increase its interest rate, coupled with China's policy move to support its economy to keep growth within a targeted range.

The market closed at 1,692.51 points on the last trading day of 2015, increasing by 4.4% quarter-on-quarter (end-September 2015: 1,621.04 points; -5%). Similarly, market capitalisation posted a positive growth of 6.1% to RM1,695.17 billion (end-September 2015: -3.7%; RM1,597.35 billion), while trading activity was also higher, registering 138.5 billion units valued at RM133.3 billion during the fourth quarter (Q3 2015: 117.8 billion units; RM124.3 billion).

PERFORMANCE OF SELECTED INDICES
End-September 2015 – End-December 2015



Source: Bloomberg.

[The market edged lower in January due to a confluence of factors, particularly a trading halt in China's stock market coupled with the continuous slide in crude oil prices. However, the market recovered towards end-January 2016 as investors reacted positively towards the recalibrated 2016 Budget. The FBM KLCI was at 1,664.17 points on 24 February 2016 amid persistent uncertainty over the global growth outlook after China's economic slowdown which had further dampened investor sentiment]

Federal Government Finance

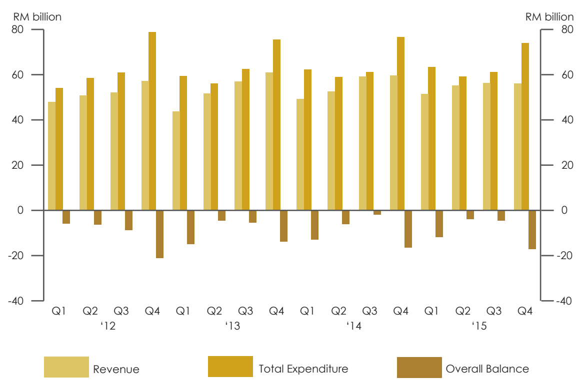
Promising revenue collection

Federal Government revenue registered RM56 billion in the fourth quarter of 2015, declining by 6% (Q3 2015: RM56.3 billion; -4.9%) compared to the corresponding quarter in 2014 due to lower collection from direct tax and non-tax revenue.

Tax revenue constituting 78.8% of total revenue, decreased by 6.8% to RM44.1 billion (Q3 2015: 75.1%; 0.8%; RM42.3 billion) due to lower collection from direct tax. Direct tax collection dropped by 23.8% to RM28.4 billion (Q3 2015: -10.3%; RM28.5 billion) mainly due to lower collection of income tax from corporate and petroleum income tax in tandem with lower global crude oil price. Meanwhile, individual income tax increased by 42.1% to RM6.7 billion (Q3 2015: RM6.1 billion). Other direct tax collection declined by 4.7% to RM2.6 billion (Q3 2015: -13.1%; RM2.5 billion) due to slower growth in the property market which affected stamp duty collection.

Indirect tax collection increased by 56.2% to RM15.7 billion (Q3 2015: 35.3%; RM13.8 billion) mainly contributed by the Goods and Services Tax (GST) collection of RM10.5 billion (Q3 2015: RM8.9 billion). Similarly, import duty collection was 5% higher at RM0.8 billion contributed by higher demand of alcoholic beverage, machinery and spare parts as well as resins and plastic materials. However, excise duty collection declined by 3.1% to RM3.3 billion (Q3 2015: -18.4%; RM2.9 billion) due to lower demand for passenger vehicles. Likewise, export duty collection on petroleum dropped by 37% (Q3 2015: -50.1%) on account of lower crude oil prices.

FEDERAL GOVERNMENT FINANCIAL POSITION (RM billion)



FEDERAL GOVERNMENT FINANCIAL POSITION (RM billion)

	2014	2014				2015[1]	2015			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Revenue	220.6	49.2	52.7	59.1	59.6	219.1	51.5	55.3	56.3	56.0
Operating expenditure	219.6	55.2	51.7	52.9	59.7	217.0	55.4	51.8	52.3	57.5
Current balance	1.0	-6.0	0.9	6.2	-0.1	2.1	-3.9	3.4	4.0	-1.4
Gross development exp.	39.5	7.1	7.2	8.2	17.0	40.8	8.0	7.3	8.8	16.6
Loan recoveries	1.1	0.2	0.2	0.1	0.6	1.5	0.1	0.1	0.4	0.9
Net development exp.	38.5	7.0	7.0	8.1	16.4	39.3	7.9	7.3	8.4	15.7
Overall balance	**-37.4**	**-13.0**	**-6.1**	**-1.9**	**-16.5**	**-37.2**	**-11.8**	**-3.8**	**-4.5**	**-17.1**
% to GDP	**-3.4**					**-3.2**				
Memo Item:										
Total Fed. Govt. Debt. (end of period)	582.8	560.6	568.9	569.3	582.8	630.5	596.8	627.5	623.3	630.5
% to GDP	52.7	50.7	51.4	51.4	52.7	54.5	51.6	54.2	53.9	54.5

[1] Preliminary

In contrast, proceeds from non-tax revenue, comprising 21.2% of total revenue, decreased by 3.1% to RM11.9 billion (Q3 2015: -18.7%; RM14 billion) due to lower investment income, licences and permits as well as non-revenue receipts.

Lower expenditure outlays

Federal Government total expenditure declined by 3.4% to RM74.1 billion in the fourth quarter of 2015 compared to RM76.7 billion during the corresponding quarter in 2014 (Q3 2015: -0.1%; RM61.1 billion). Operating expenditure, which accounted for 77.6% of total expenditure, recorded a decrease of 3.8% to RM57.5 billion (Q3 2015: 85.5%; -1.2%; RM52.3 billion) mainly due to lower spending on subsidies, transfers to statutory bodies as well as asset acquisition.

Emoluments, the largest component of operating expenditure, registered a growth of 4.9% to RM17.4 billion (Q3 2015: RM17 billion). Subsidies continued to record a substantial reduction of 36.5% to RM7.2 billion (Q3 2015: RM6 billion), particularly due to the implementation of the managed float fuel pricing mechanism beginning December 2014. In addition, the outlay on asset acquisition declined by 22% to RM1.1 billion (Q3 2015: RM0.3 billion) in tandem with prudent measures to rein in discretionary expenditure.

Development expenditure contracted by 2.1% to RM16.6 billion (Q3 2015: 7.4%; RM8.8 billion), an increase of 87.9% compared to the preceding quarter. In terms of share of total development expenditure, the defence subsector was the largest component with 13.1%, followed by transport (12.9%) and education (11.4%). Despite lower spending in the economic services sector, the trade and industry as well as public utilities subsectors registered an increase of 43% and 13.8%, respectively.

During the fourth quarter, with total expenditure exceeding total revenue collection, the Federal Government fiscal balance registered a deficit of RM17.1 billion (Q3 2015: -RM4.5 billion).

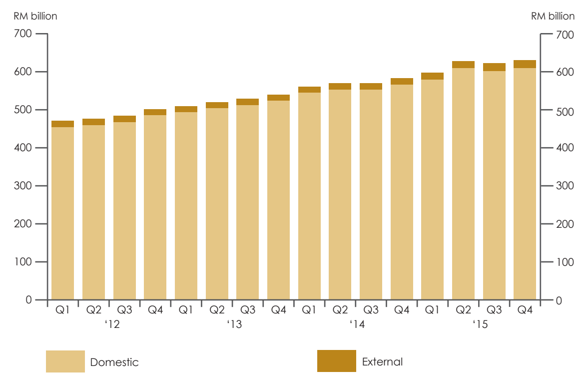
For the whole of 2015, Federal Government total revenue declined by 0.7% to RM219.1 billion while total expenditure declined slightly by 0.5% to RM257.8 billion (2014: RM220.6 billion; RM259.1 billion). Operating expenditure declined by 1.2% to RM217 billion (2014: 3.9%; RM219.6 billion), while development expenditure increased by 3.2% to RM40.8 billion (2014: -6.4%; RM39.5 billion). Thus, the annual fiscal deficit as a percentage of GDP narrowed further from 3.4% in 2014 to 3.2% in consonance with the Government's firm commitment towards fiscal consolidation.

Financing from domestic sources

Federal Government gross borrowing during the fourth quarter of 2015 was RM22 billion, comprising mainly MGS (RM11 billion) and MGII (RM11 billion). During the quarter, total repayments amounted to RM10.4 billion, including RM2.2 billion for the repayment of the Housing Loan Fund. Federal Government gross borrowing for 2015 amounted to RM99.1 billion while total redemption registered RM60.8 billion. The Federal Government debt as at end-December 2015 stood at RM630.5 billion or 54.5% of GDP (end-September 2015:

RM623.3 billion; 53.9%). Of this, domestic debt accounted for 96.6% of total Federal Government debt. Debt service charges for the year amounted to RM24.3 billion or 11.2% of total operating expenditure, remaining within the 15% prudent limit.

FEDERAL GOVERNMENT DEBT



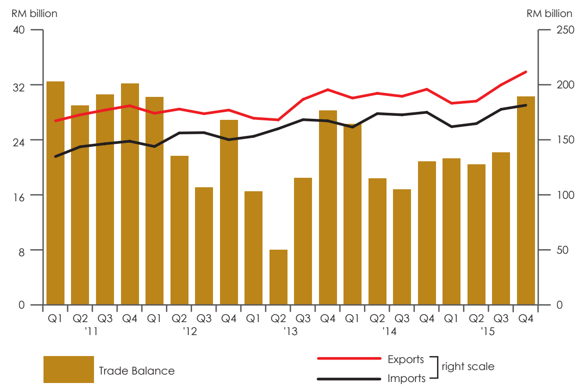
External Position

Stronger trade

Malaysia's total trade remained robust, expanding by 6% to RM393.1 billion in the fourth quarter of 2015 (Q3 2015: 4.2%; RM377.5 billion) despite continued challenges in the external environment. Aided in part by a softer ringgit, gross exports grew by 8.1% to RM211.7 billion (Q3 2015: 5.5%; RM199.9 billion) led by double-digit growth in manufactured goods. Gross imports increased by 3.7% to RM181.4 billion (Q3 2015: 2.9%; RM177.7 billion) largely driven by strong demand for consumption goods. As export growth outpaced imports, the trade surplus rose to RM30.4 billion (Q3 2015: RM22.2 billion), the highest since the first quarter of 2010.

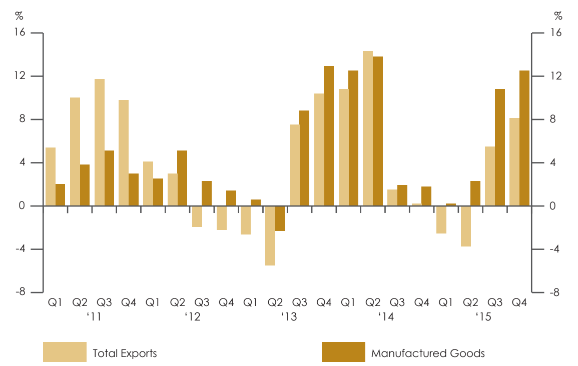
Manufactured exports surged by 12.5% (Q3 2015: 10.8%) driven by strong growth across major subsectors. E&E exports rose by 9.6% spurred by steady demand for semiconductor devices (3.6%) as well as telecommunication equipment and parts (15.4%). Similarly, non-E&E exports increased significantly by 14.8% (Q3 2015: 8.1%), led by higher demand for manufacture of metal; machinery, appliances and parts; optical and scientific equipment; as well as chemicals and chemical products.

MERCHANDISE TRADE BALANCE



Source: Department of Statistics, Malaysia.

EXPORTS PERFORMANCE OF MANUFACTURED GOODS
(% annual change)



Source: Department of Statistics, Malaysia.

Agriculture exports grew by 3.8% to RM17.6 billion (Q3 2015: 3.5%, RM18.6 billion) supported by a turnaround in receipts of palm oil products which had declined since the fourth quarter of 2014. Export receipts of palm oil rose to RM10.4 billion contributed by an increase in volume (3.8%), although the average unit value (AUV) declined by 3.4%. India remained the largest market for palm oil with a share of 21.3%. Meanwhile, export receipts of natural rubber contracted by 2.2% on account of lower shipments (-9.2%) despite an increase in the AUV by 7.8%.

EXPORTS OF MANUFACTURED GOODS
(% annual change)

	2014	2014				2015	2015			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Total manufacturing exports	7.1	12.5	13.8	1.9	1.8	6.5	0.2	2.3	10.8	12.5
Electronics & electrical products (E&E)	8.1	12.5	13.0	2.6	5.5	8.5	6.8	3.1	14.2	9.6
Petroleum products	2.9	14.5	32.5	-3.8	-19.1	-22.5	-33.8	-23.5	-18.9	-12.2
Chemicals and chemical products	8.4	8.1	7.4	5.8	12.1	7.2	3.3	5.2	12.4	7.8
Machinery, appliances and parts	10.8	15.0	19.3	7.4	2.7	20.5	14.1	12.6	23.2	32.2
Optical and scientific equipment	13.6	9.9	25.1	18.2	2.4	10.4	11.8	-3.1	4.1	30.1
Manufactures of metal	-6.1	24.4	0.2	-29.5	-8.7	31.9	-14.4	33.8	54.3	58.0
Rubber products	-5.0	-9.5	-7.7	0.6	-2.9	12.1	2.1	17.0	10.9	18.2
Processed food	16.3	16.1	18.2	19.8	11.4	8.8	6.4	2.2	8.5	17.7
Wood products	3.8	6.4	7.6	0.1	1.3	5.0	-1.2	-0.3	10.0	11.3
Textiles, clothings and footwear	13.0	19.6	24.4	0.3	10.2	9.1	6.2	2.6	16.0	11.8
Manufactures of plastics	11.6	15.8	15.9	6.9	8.5	8.5	3.9	2.7	9.1	17.6
Iron and steel products	28.2	15.5	42.0	26.8	28.0	-9.9	27.6	-4.0	-33.6	-26.4
Transport equipment	10.0	21.4	4.5	9.8	5.1	13.4	-3.1	10.4	17.5	30.3
Jewellery	-11.9	14.1	-26.4	-23.8	-2.6	13.7	-11.3	14.9	39.2	17.1
Non-metallic mineral products	6.8	7.0	5.7	10.8	4.0	5.1	1.8	10.7	3.1	4.8
Beverages and tobacco	5.2	7.3	11.3	2.1	1.1	10.2	15.7	-0.9	11.3	15.3
Paper and pulp products	1.8	4.9	7.7	-1.2	-3.8	14.0	5.8	2.6	14.0	34.8
Other manufactures	19.8	19.5	22.5	18.9	18.7	16.1	13.2	5.2	17.2	27.0

Source: Department of Statistics, Malaysia.

Export earnings of the mining sector continued to fall, contracting by 14.4% to RM22.5 billion (Q3 2015: -24.8%; RM18.1 billion). Although export volume increased by 3.7%, LNG receipts contracted by 24.9% due to lower AUV (-27.6%). LNG exports to Japan and Korea declined by 25.1% and 35.2%, respectively during the quarter. Likewise, export receipts of crude petroleum declined by 5.7% due to the price factor despite higher shipments. Thailand, Australia and India are the major buyers of Malaysian crude oil.

Gross imports increased by 3.7% to RM181.4 billion (Q3 2015: 2.9%; RM177.7 billion) primarily due to strong demand for consumption goods which grew 38.5% (Q3 2015: 27.2%). Major imported items included food and beverage such as rice and meat as well as consumer durables, in particular, medicaments, garments and plastic articles. Imports of capital goods remained flat at RM25.3 billion weighed down mainly by a decline in imports of transport equipment (-29.5%). Meanwhile, lower demand for fuel and lubricants (-41.1%) as well as industrial supplies (-2.5%) saw imports of intermediate goods contract by 1.5%.

In 2015, Malaysia's total trade remained resilient growing by 1.2% to RM1.5 trillion (2014: 5.8%; RM1.4 trillion) amid slower global trade. Gross exports grew by 1.9% to RM779.9 billion (2014: 6.3%; RM765.4 billion) rebounding in the second half of the year. Growth was supported by higher exports of manufactured goods (6.5%), which cushioned the decline in commodity exports (-13.4%). Meanwhile, gross imports were valued at RM685.7 billion (2014: RM682.9 billion) contributed by the double-digit growth in imports of consumption goods (24.2%). The trade surplus for the year increased to RM94.3 billion (2014: RM82.5 billion).

Higher current account surplus

The current account balance rose to RM11.4 billion or 3.9% of Gross National Income (GNI) in the fourth quarter of 2015 (Q3 2015: RM5.1 billion; 1.8%) driven by a higher surplus in the goods and services account as well as an improved deficit in the income account. The surplus in the goods and services account amounting to RM24.6 billion, was mainly supported by a strong trade performance despite tepid growth in global trade, lower commodity prices and a soft ringgit.

The services account recorded a larger deficit of RM6.2 billion (Q3 2015: -RM5.9 billion). This was mainly due to higher net payments for transport, construction, telecommunications as well as professional and technical services. Nevertheless, the travel account remained in surplus, albeit smaller.

During the quarter, the deficit in the primary income account was smaller at RM8.2 billion (Q3 2015: -RM10.3 billion). This was primarily due to higher repatriation of investment income by Malaysian companies abroad mainly in oil and gas as well as finance and insurance subsectors. Nevertheless, investment income accrued to foreign investors in Malaysia remained high at RM18.2 billion (Q3 2015:

RM16.4 billion), mainly in the manufacturing as well as finance and insurance subsectors. The secondary income account registered a lower net outflow of RM5 billion (Q3 2015: -RM5.9 billion) mainly due to lower remittances by foreign workers in Malaysia.

BALANCE OF PAYMENTS (Net)[1]
(RM billion)

	2014	2014				2015	2015			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Current Account	47.3	19.5	15.0	7.1	5.7	34.0	10.0	7.6	5.1	11.4
% of GNI	*4.4*	*7.5*	*5.7*	*2.6*	*2.1*	*3.0*	*3.7*	*2.7*	*1.8*	*3.9*
Goods	113.4	31.2	27.3	25.5	29.4	108.9	27.5	23.3	27.1	30.9
Service	-11.2	-0.5	-1.6	-3.6	-5.5	-20.5	-3.8	-4.6	-5.9	-6.2
Goods and Services	102.2	30.7	25.7	22.0	23.8	88.4	23.8	18.7	21.3	24.6
Primary Income	-37.3	-6.6	-8.0	-9.6	-13.2	-32.2	-8.5	-5.1	-10.3	-8.2
Secondary Income	-17.6	-4.6	-2.8	-5.2	-5.0	-22.2	-5.3	-6.0	-5.9	-5.0
Financial Account	-81.6	-38.2	-11.0	-5.8	-26.6	-53.3	-29.7	2.3	-31.2	5.3
Direct Investment	-18.5	-14.4	-3.8	2.3	-2.5	0.2	-1.2	-3.9	-0.3	5.7
Asset	-53.1	-20.6	-16.5	-6.1	-9.9	-37.4	-9.8	-17.8	-7.0	-2.8
Liabilities	34.6	6.1	12.7	8.3	7.5	37.6	8.6	13.9	6.7	8.5
Portfolio Investment	-38.5	-14.2	7.2	-11.2	-20.3	-28.2	-7.9	-11.8	-24.4	15.9
Financial Derivatives	-1.0	-1.5	0.2	0.1	0.2	-0.5	0.0	-0.4	-0.1	0.1
Other Investment	-23.6	-8.1	-14.5	3.0	-4.0	-24.9	-20.6	18.4	-6.4	-16.4
Net Errors and Omissions[2]	-2.5	1.4	-5.0	-8.0	9.1	24.1	4.0	-0.3	43.1	-22.7
Overall balance	-36.5	-17.3	-1.0	-6.7	-11.5	3.7	-15.7	8.5	17.0	-6.0

Assets: (-) denotes outflows due to the acquisition of assets abroad by residents.
Liabilities: (+) denotes inflows due to the incurrence of foreign liabilities.

[1] In accordance with the Sixth Edition of The Balance of Payments and International Investment Position Manual (BPM6) by the International Monetary Fund (IMF).

[2] Includes unrealised exchange revaluation foreign gains/losses on international reserves.

Source: Department of Statistics, Malaysia.

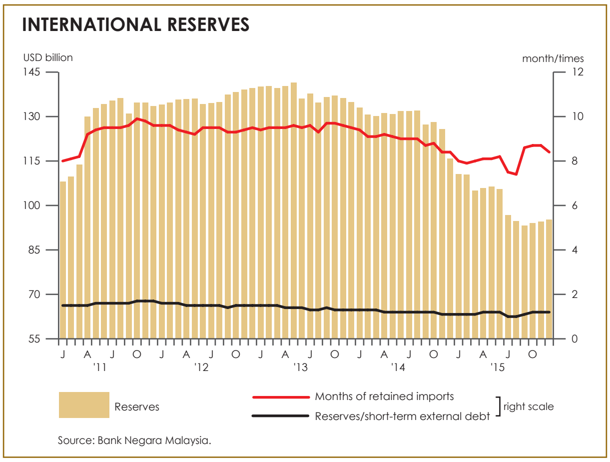
The financial account turned around to record a net inflow of RM5.3 billion (Q3 2015: -RM31.2 billion) following higher acquisition of portfolio instruments by non-residents and a reversal in net direct investment flows. Portfolio investment turned positive to record a higher net inflow of RM15.9 billion (Q3 2015: -RM24.4 billion) mainly due to purchase of domestic debt securities by non-residents. Meanwhile, the direct investment account surged to register a net inflow of RM5.7 billion (Q3 2015: -RM0.3 billion) due to lower investments as well as divestments by Malaysian companies abroad. On the assets side, outward direct investment was lower at RM2.8 billion (Q3 2015: -RM7 billion). This was due to lower injections of equity capital and extension of intercompany loans to subsidiaries of Malaysian companies abroad. In contrast, on the liabilities side, inward direct investment increased to RM8.5 billion (Q3 2015: RM6.7 billion) due to higher extension of intercompany loans by foreign companies to their subsidiaries in Malaysia as well as equity injection by multinational companies (MNCs). Investments, mainly from Singapore, Japan and the UK, were primarily channelled into the manufacturing as well as the finance and insurance sectors.

Other investment recorded a significantly larger net outflow of RM16.4 billion (Q3 2015: -RM6.4 billion), particularly due to lower placement of deposits by foreign financial institutions in domestic banks. In addition, the outflows in the other investment account were due to higher extension of trade credits by Malaysian exporters in line with strong export growth during the quarter. Consequently, Malaysia's overall balance of payments (BOP) recorded a deficit of RM6 billion with net errors and omissions (E&O) at RM22.7 billion (Q3 2015: +RM17 billion; +RM43.1 billion).

In 2015, Malaysia's overall BOP registered a surplus of RM3.7 billion (2014: -RM36.5 billion) despite a challenging operating environment. This was attributed to a strong current account surplus of RM34 billion or 3% of GNI (2014: RM47.3 billion; 4.4%) amid lower net outflows in the financial account amounting to RM53.3 billion. Net E&O amounted to RM24.1 billion, partly reflecting foreign exchange revaluation gains as the ringgit depreciated against selected major currencies during the year.

Adequate international reserves

As at end-December 2015, Malaysia's international reserves remained ample at RM409.1 billion equivalent to USD95.3 billion (end-September 2015: RM415.1 billion; USD93.3 billion). The reserves level has already taken into account the quarterly adjustment for foreign exchange revaluation changes. The reserves position is sufficient to finance 8.4 months of retained imports and is 1.2 times the short-term external debt.



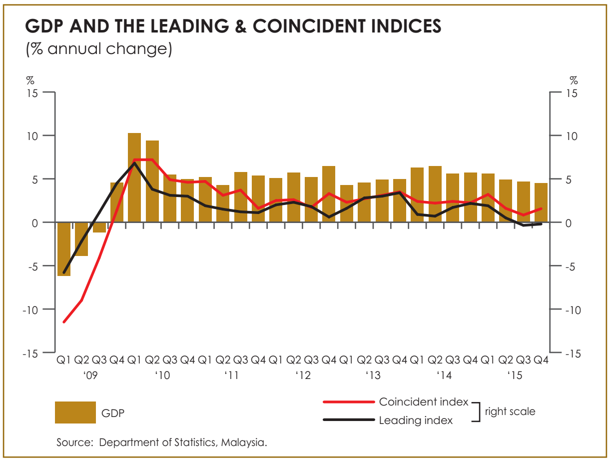
Source: Bank Negara Malaysia.

[The international reserves amounted to RM410.2 billion (equivalent to USD95.6 billion) as at 15 February 2016. The reserves position is sufficient to finance 8.2 months of retained imports and is 1.2 times the short-term external debt]

Outlook

Global growth to gain momentum

Global economic activity is projected to gain momentum in 2016, albeit gradually and remain uneven across regions. Growth in advanced economies is expected to strengthen modestly. Meanwhile, emerging market and developing economies like India, and countries currently in economic distress, particularly Brazil, Russia and some countries in the Middle East, are projected to improve and offset the expected gradual slowdown in China. The US growth is anticipated to remain moderate supported by accommodative financial conditions as well as a steady pace of expansion in the housing and labour markets. Lower commodity prices are forecast to generate manufacturing activities and private consumption, supported by an expansionary monetary policy in the euro area and Japan. However, downside risks are anticipated to continue, driven by declining commodity prices, particularly a sharp decline in oil prices, slowdown and rebalancing of the Chinese economy, depreciating emerging market currencies and increasing financial market volatility.



Source: Department of Statistics, Malaysia.

On the domestic front, the Malaysian economy is expected to sustain a steady growth momentum in 2016. This is underpinned by strong macroeconomic fundamentals as well as pro-growth fiscal and accommodative monetary policies. The favourable outlook is reflected by the Leading Index which grew by 0.1% from 118.4 points in October 2015 to 118.5 points in November 2015.

Domestic demand will continue to be the main engine of growth supported by private sector activity. On the supply side, the services and manufacturing sectors will remain the key drivers of growth. The economy will continue to operate under conditions of full employment while inflation is expected to remain manageable.

Key Data

http://www.treasury.gov.my

KEY DATA

AREA (Square kilometres) 330,396

	2014[1]		2015[1]		2016[2]	
POPULATION (million)	30.6		31.0		31.4	
	RM million	% growth	RM million	% growth	RM million	% growth
DOMESTIC PRODUCTION						
Gross Domestic Product (constant 2010 prices)	**1,012,506**	***6.0***	**1,062,647**	***5.0***	**1,114,797**	***4.0 –5.0***
USD million	*309,364*		*272,090*		*295,021*	
Agriculture	92,979	*2.1*	93,904	*1.0*	95,483	*1.3*
Mining and quarrying	90,645	*3.3*	94,917	*4.7*	97,573	*4.0*
Manufacturing	232,868	*6.2*	244,247	4.9	253,941	*4.3*
Construction	43,190	*11.8*	46,728	*8.2*	50,939	*8.4*
Services	541,185	*6.5*	569,046	*5.1*	602,406	*5.4*
Gross Domestic Product (current prices)	**1,106,580**	***8.6***	**1,156,881**	***4.5***	**1,240,622**	**-**
USD million	*338,108*		*296,219*		*328,320*	
NATIONAL INCOME AND EXPENDITURE						
Gross National Income (current prices)	**1,069,258**	***8.6***	**1,124,688**	***5.2***	**1,206,926**	***7.0***
USD million	*326,704*		*287,976*		*319,402*	
Consumption expenditure: Public	147,646	*5.6*	152,139	*3.0*	158,106	*4.5*
Consumption expenditure: Private	579,908	*9.9*	626,037	*8.0*	687,482	*8.9*
Gross fixed capital formation: Public	103,595	*-3.2*	104,175	*0.6*	112,199	*4.5*
Gross fixed capital formation: Private	183,902	*13.0*	198,747	*8.1*	218,569	*8.8*
Exports of goods and services	817,176	*6.1*	821,420	*0.5*	818,816	*1.6*
Imports of goods and services	714,950	*4.6*	733,007	*2.5*	755,095	*3.3*
Gross National Income (constant 2010 prices)	**971,916**	***6.0***	**1,038,115**	***6.8***	**1,079,794**	***4.5***
USD million	*296,962*		*265,809*		*285,758*	
Gross National Savings (current prices)	**324,118**	***8.1***	**324,317**	***0.1***	**342,603**	***4.7***
Per Capita Income (current prices) RM	**34,945**	***7.2***	**36,285**	***3.8***	**38,438**	***5.6***
USD	*10,677*		*9,291*		*10,172*	
FEDERAL GOVERNMENT FINANCE[3]						
Oil Price (USD per barrel)	99		52		35[5]	30[5]
Revenue	220,626	*3.4*	219,089	*-0.7*	217,964	216,284
Operating expenditure	219,589	*3.9*	216,998	*-1.2*	211,224	210,724
Current account surplus	1,037		2,091		6,740	5,560
Development expenditure (net)	38,451	*-5.5*	39,285	*2.2*	45,215	44,215
Overall deficit/surplus	**-37,414**		**-37,194**		**-38,475**	**-38,655**
% to GDP	*-3.4*		*-3.2*		*-3.1*	*-3.1*
Domestic borrowing (net)	37,557		36,931		–	–
Foreign borrowing (net)	-356		1,384		–	–
Change in assets	213		-1,120		–	–
	RM million	% GDP	RM million	% GDP	RM million	% GDP
Federal Government debt[4]	**582,828**	***52.7***	**630,540**	***54.5***	–	–
Domestic debt	566,052	*51.2*	609,063	*52.6*	–	–
Offshore borrowing	16,776	*1.5*	21,477	*1.9*	–	–
Memorandum item: Non-residents holdings of ringgit-denominated Government debt securities	151,377	*13.7*	177,114	*15.3*	–	–

KEY DATA

	2014[1]	2015[1]	2016[2]
	RM million	RM million	RM million
BALANCE OF PAYMENTS (NET)			
Balance on current account	**47,317**	**34,026**	**11,289**
USD million			
Goods	113,414	108,891	75,131
Services	-11,188	-20,478	-11,410
Primary income	-37,322	-32,192	-33,696
Secondary income	-17,586	-22,195	-18,736
Balance on capital and financial accounts	**-81,325**	**-54,428**	–
Net errors and omissions	**-2,500**	**24,143**	–
Overall balance	**-36,507**	**3,741**	–

	RM million	% growth	% share	RM million	% growth	% share	RM million	% growth	% share
EXTERNAL TRADE									
Gross exports	**765,417**	***6.3***		**779,947**	***1.9***		**770,426**	***1.4***	
USD million	*233,868*			*199,705*			*203,887*		
Manufactured	587,175	*7.1*	*76.7*	625,463	*6.5*	*80.2*	619,423	*2.0*	*80.4*
Agriculture	69,175	*0.5*	*9.0*	67,271	*-2.8*	*8.6*	67,027	*5.0*	*8.7*
Mining	104,051	*6.2*	*13.6*	82,686	*-20.5*	*10.6*	75,502	*-4.5*	*9.8*
Gross imports	**682,937**	***5.3***		**685,652**	***0.4***		**697,230**	***3.3***	
USD million	*208,667*			*175,561*			*184,516*		
Intermediate goods	408,181	*7.6*	*59.8*	399,018	*-2.2*	*58.2*	415,549	*3.5*	*59.6*
Capital goods	95,882	*-2.4*	*14.0*	95,938	*0.1*	*14.0*	99,076	*5.6*	*14.2*
Consumption goods	50,309	*5.7*	*7.4*	62,476	*24.2*	*9.1*	57,173	*-1.5*	*8.2*
Total trade		**1,448,354**			**1,465,599**			**1,467,656**	
Trade balance		**82,480**			**94,295**			**73,197**	
Trading partners (% share to total trade)									
ASEAN		*26.9*			*27.4*			–	
European Union		*9.9*			*10.1*			–	
USA		*8.1*			*8.8*			–	
Japan		*9.5*			*8.7*			–	
China		*14.3*			*15.8*			–	
Others		*31.3*			*29.2*			–	
Gross international reserves[6] (RM billion)		405.3			409.1			410.1	
USD billion		*116.0*			*95.3*			*95.5*	
Months of retained imports		8.3			8.4			8.4	
Short-term external debt (times)		1.1			1.2			1.2	

PRICES	Index	% growth	Index	% growth	Index	% growth
Consumer Price Index (2010=100)	110.5	*3.2*	112.8	*2.1*	–	*2.0 - 3.0*
Producer Price Index (2010=100)	109.3	*1.4*	103.6	*-1.6*	–	–

LABOUR[7]	Thousands	% growth	Thousands	% growth	Thousands	% growth
Labour force	13,931.6	*2.2*	14,287.3	*1.5*	–	–
Unemployed *(Unemployment rate)*	399.5	*(2.9)*	452.2	*(3.2)*	–	*(2.9)*[8]

KEY DATA

	2014		2015	
	End-December		End-December	
	RM million	% annual change	RM million	% annual change
MONEY AND BANKING[4]				
Money supply M1	346,415.9	*5.7*	360,458.3	*4.1*
M2	1,544,657.4	*7.5*	1,589,204.2	*2.9*
M3	1,553,807.4	*7.0*	1,595,263.7	2.7
Banking system				
Deposits	1,641,605.1	*7.6*	1,671,071.2	*1.8*
Loans	1,339,718.0	*9.3*	1,445,139.3	*7.9*
Loan-deposits ratio[9] (end of period)	*86.7*		*88.7*	
Interest rates (average rates at end of period, %)				
3-month interbank	*3.86*		*3.85*	
Commercial banks				
Fixed deposits: 3-month	*3.13*		*3.13*	
12-month	*3.31*		*3.31*	
Savings deposit	*1.07*		*1.04*	
Base lending rate (BLR)	*6.79*		*6.79*	
Base rate (BR)	–		*3.86*	
Treasury bills (3-month)	*3.37*		–	
Malaysian Government securities: 1-year	*3.48*		*2.59*	
5-year	*3.84*		*3.47*	
	End-January 2015		**End-January 2016**	
Movement of ringgit[10] (end-period)				
RM per SDR; % annual change	5.1053	*0.9*	5.7335	*-11.0*
RM per USD; % annual change	3.6235	*-7.7*	4.1475	*-12.6*
RM per Euro; % annual change	4.1042	*11.3*	4.5336	*-9.4*
RM per 100 Yen; % annual change	3.0701	*6.5*	3.4473	*-11.0*
Bursa Malaysia (end-period)				
FBM KLCI	1,781.26		1,667.80	
Market capitalisation (RM billion)	1,687.84		1,660.62	

SOCIAL INDICATORS	**2014**	**2015**
Life expectancy at birth[1]: Male (years)	72.5	72.5
Female (years)	77.2	77.4
Infant mortality rate[1] (per 1000 live births)	6.2	6.5
Literacy rate[1]	95.7	n.a
Water coverage[11] (% of population)	95.3	n.a
Rural electricity coverage[12] (% of housing unit)	97.6	98.2
Tourist arrivals[13] (million arrivals)	27.44	23.14[14]

1 Department of Statistics, Malaysia.
2 Economic Report 2015/2016.
3 Ministry of Finance, Malaysia.
4 Bank Negara Malaysia.
5 2016 Budget Recalibration on 28th January 2016.
6 For 2016: As at 29 January 2016.
7 For 2015: Preliminary data for the fourth quarter of 2015.
8 Eleventh Malaysia Plan.
9 Excludes transactions by financial institutions.
10 Annual rate of appreciation (+) or depreciation (-).
11 Ministry of Energy, Green Technology and Water, and National Water Services Commission.
12 Ministry of Rural and Regional Development.
13 Tourism Malaysia.
14 For the period of January to November 2015.
Note : Urban electricty coverage has reached 100%.

Key Economic Indicators

CONSUMPTION INDICATORS

Indicator / Month	2014												2015											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales of new passenger cars (units)	44,702	45,704	52,127	52,496	49,865	51,898	53,576	44,898	41,397	47,543	48,622	55,523	44,697	44,917	59,318	40,902	45,874	50,695	52,636	47,302	45,245	49,063	49,348	61,132
Production of vehicles (units)	59,929	61,330	67,658	79,207	79,162	69,530	48,527	48,476	52,346	47,524	49,347	51,746	56,452	48,526	59,933	62,173	56,866	53,018	41,826	49,858	46,839	56,495	51,485	46,693
Sales of motorcycles (units)	34,230	29,278	40,946	42,652	41,482	40,056	34,587	38,486	37,473	35,297	35,666	32,596	32,876	31,611	39,361	29,699	31,849	31,870	29,982	28,312	28,658	32,318	27,819	31,047
Production of motorcycles (units)	35,384	26,004	38,188	41,889	39,800	41,320	35,757	39,473	35,734	38,095	36,275	32,238	37,468	29,390	39,593	34,454	31,751	35,582	29,205	29,070	24,526	31,620	28,534	31,025
Imports of consumption goods (RM million)	4,299	3,476	4,365	4,321	4,253	4,251	4,194	4,217	3,973	4,336	4,049	4,583	4,385	3,902	4,382	4,857	5,411	5,820	5,273	4,795	5,691	5,816	5,827	6,318
Bursa Malaysia (end-period)																								
FBM KLCI	1,804.03	1,835.66	1,849.21	1,871.52	1,873.38	1,882.71	1,871.36	1,866.11	1,846.31	1,855.15	1,820.89	1,761.25	1,781.26	1,821.21	1,830.78	1,818.27	1,747.52	1,706.64	1,723.14	1,612.74	1,621.04	1,665.71	1,672.16	1,692.51
Market capitalisation (RM billion)	1,668.56	1,698.52	1,719.11	1,738.23	1,736.50	1,770.42	1,783.69	1,776.28	1,774.09	1,775.51	1,731.43	1,651.17	1,687.84	1,733.14	1,737.52	1,738.53	1,694.81	1,659.02	1,680.90	1,555.89	1,597.35	1,653.75	1,668.89	1,694.78
Prices (2010=100) (Annual change,%)																								
Consumer Price Index	*3.4*	*3.5*	*3.5*	*3.4*	*3.2*	*3.3*	*3.2*	*3.3*	*2.6*	*2.8*	*3.0*	*2.7*	*1.0*	*0.1*	*0.9*	*1.8*	*2.1*	*2.5*	*3.3*	*3.1*	*2.6*	*2.5*	*2.6*	*2.7*
Producer Price Index (Domestic)	*3.0*	*2.8*	*3.9*	*4.0*	*4.1*	*3.0*	*2.1*	*0.7*	*0.0*	*-0.7*	*-1.6*	*-4.6*	*-4.8*	*-5.4*	*-6.1*	*-5.9*	*-6.3*	*-6.0*	*-5.7*	*-5.4*	*-5.1*	*-2.6*	*-3.0*	*-1.6*
Labour Market																								
Retrenchment (no.)	740	831	866	532	949	570	1,883	440	705	817	551	1,547	1,800	1,376	2,259	1,216	2,175	2,853	1,368	1,754	2,168	1,705	n.a.	n.a.
Vacancies (no.)	102,363	133,543	117,124	86,322	71,837	88,725	78,331	78,786	66,011	94,026	83,763	73,187	69,988	52,741	91,743	129,840	101,097	116,753	98,380	103,341	103,520	77,845	78,065	65,443

INVESTMENT INDICATORS

Indicator / Month	2014												2015											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales of new commercial vehicles (units)	5,571	5,014	6,797	6,245	6,076	6,663	6,693	6,228	6,375	6,648	6,692	9,137	5,905	5,473	7,996	4,285	5,380	6,742	6,010	6,150	5,861	6,691	6,744	8,269
Imports (RM million)																								
Capital goods	7,972	6,463	8,260	8,318	8,367	8,716	7,283	8,588	6,911	7,740	7,998	9,526	8,189	6,878	9,538	6,992	7,925	7,261	7,504	7,383	8,927	9,138	8,138	8,066
Intermediate goods	34,072	27,711	32,279	32,808	34,567	33,568	34,690	37,624	34,989	41,092	31,408	33,574	33,063	29,366	34,467	31,853	31,680	32,783	36,386	32,490	32,718	37,001	31,852	35,357
Manufacturing projects																								
MITI Approvals (RM mil.)	3,421	6,681	3,183	5,502	19,096	5,198	8,704	7,877	3,604	4,578	2,948	1,062	2,850	3,469	37,791	1,648	6,743	7,519	3,873	2,867	946	n.a.	n.a.	n.a.
New investment	2,149	588	2,505	1,707	18,218	3,480	6,904	1,740	742	2,729	2,408	301	1,230	593	36,470	1,114	5,774	5,991	2,614	2,524	210	n.a.	n.a.	n.a.
Re-investment	1,272	6,094	677	3,795	878	1,718	1,800	6,137	2,862	1,849	540	761	1,620	2,876	1321	534	969	1,529	1,260	342	735	n.a.	n.a.	n.a.
Base lending rate (%)[1]	*6.53*	*6.53*	*6.53*	*6.53*	*6.53*	*6.53*	*6.78*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*	*6.79*
Money supply (% y-o-y)																								
M1	*11.6*	*10.7*	*11.4*	*11.3*	*9.6*	*10.2*	*9.1*	*7.7*	*6.7*	*6.0*	*6.3*	*5.7*	*4.3*	*7.8*	*10.2*	*8.1*	*8.7*	*9.5*	*4.6*	*8.8*	*8.3*	*7.2*	*6.5*	*4.1*
M3	*6.4*	*5.9*	*5.9*	*6.0*	*5.5*	*5.6*	*5.7*	*4.8*	*5.2*	*5.4*	*7.1*	*7.0*	*6.1*	*6.9*	*7.9*	*6.5*	*5.7*	*6.0*	*3.8*	*4.6*	*5.2*	*4.0*	*3.7*	*2.7*
Total Capital Ratio (%)	*14.5*	*14.5*	*14.5*	*14.6*	*14.6*	*15.3*	*15.3*	*15.5*	*15.6*	*15.6*	*15.3*	*15.9*	*15.5*	*15.5*	*15.2*	*15.1*	*15.1*	*15.4*	*15.6*	*14.8*	*14.9*	*15.4*	*15.5*	*16.1*
Net impaired loans ratio (%)	*1.3*	*1.3*	*1.3*	*1.3*	*1.3*	*1.3*	*1.3*	*1.3*	*1.3*	*1.3*	*1.3*	*1.2*	*1.2*	*1.3*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*
Banking System :																								
Loans Approved by Sectors (RM million)	28,354	27,139	35,657	33,534	31,130	33,452	33,147	34,575	38,023	37,387	35,234	33,794	30,992	26,746	36,262	32,721	31,302	38,500	32,856	31,418	32,225	35,241	31,366	33,596
Primary agriculture	422	333	340	392	214	1,163	914	604	624	906	755	256	1,180	282	2,455	331	869	2,427	907	603	396	705	492	498
Mining and quarrying	650	1,537	127	182	299	392	179	167	101	1,239	1,081	282	332	1,016	158	36	52	158	117	122	67	106	233	2,149
Manufacturing (incl. agro-based)	1,579	1,682	2,172	1,257	1,587	1,622	2,195	2,399	2,373	1,646	1,521	1,654	2,144	1,261	2,417	1,940	2,115	2,513	2,008	1,710	2,795	2,028	2,165	1,840
Services	3,454	3,657	7,590	4,784	4,236	3,943	4,550	4,846	5,690	7,622	6,444	6,305	3,857	4,957	7,161	5,478	5,569	9,098	7,164	6,096	5,908	8,211	8,334	7,534
Construction	1,309	1,234	1,309	2,190	1,332	1,591	1,657	2,694	3,661	1,958	1,882	2,774	1,956	1,020	1,704	2,557	2,401	2,504	2,144	1,891	2,058	2,102	1,527	2,621
Real Estate	1,740	1,975	3,173	2,682	2,175	3,751	2,859	2,301	2,439	2,735	3,717	2,615	1,785	2,664	2,617	3,023	2,896	2,172	2,759	3,275	3,239	3,142	1,948	3,005
Household sector[2]	19,073	16,535	20,719	21,468	20,714	20,816	20,647	20,579	20,561	21,037	19,725	19,535	19,521	15,290	19,321	19,121	17,026	19,373	17,557	17,449	17,477	18,859	16,598	15,765
Other sector n.e.c.	127	186	227	579	573	175	145	985	2,575	245	110	373	217	257	428	236	374	254	200	270	285	87	70	183
Loans Disbursed by Sectors (RM million)	94,407	73,820	90,170	89,394	81,732	87,021	84,615	90,263	94,816	96,907	87,792	102,995	91,513	77,131	98,778	82,708	82,826	98,224	86,653	88,138	98,813	89,638	85,299	108,397
Primary agriculture	3,771	2,380	2,565	2,730	1,957	2,541	1,980	2,475	2,505	2,493	2,750	3,141	2,706	2,251	3,865	2,470	3,779	4,433	3,138	3,130	3,878	3,111	2,924	4,167
Mining and quarrying	599	1,397	1,515	1,601	707	1,563	608	567	670	647	708	1,582	3,892	1,968	1,179	794	1,478	1,617	544	2,320	777	1,348	750	3,759
Manufacturing (incl. agro-based)	19,357	16,291	18,741	18,404	17,267	17,101	16,776	16,536	18,217	19,592	16,292	18,790	16,915	14,457	19,075	16,428	16,541	18,784	16,959	17,700	19,702	17,048	15,805	20,493
Services	30,138	22,692	30,905	28,114	27,427	30,287	28,820	34,259	35,049	35,303	30,764	36,239	31,073	24,882	29,960	26,075	26,618	34,459	27,930	27,005	31,732	29,212	28,877	37,651
Construction	7,473	3,880	5,462	5,537	4,444	4,543	5,147	4,771	5,040	6,943	5,513	6,789	5,633	5,050	6,673	5,145	4,546	5,659	5,677	4,408	5,675	5,387	5,002	6,274
Real Estate	4,748	4,020	4,171	3,959	3,745	4,019	3,554	4,382	4,716	3,805	4,931	5,567	4,117	4,168	4,989	3,529	4,664	3,859	4,206	5,906	4,641	4,591	3,775	4,903
Household sector[2]	27,008	22,257	25,139	26,422	25,079	25,788	24,946	24,225	25,002	25,685	24,446	27,637	26,375	23,333	28,702	25,217	23,447	24,837	24,780	23,288	24,122	25,423	24,705	26,667
Other sector n.e.c.	1,312	903	1,670	2,628	1,106	1,179	2,785	3,048	3,616	2,440	2,388	3,250	801	1,021	4,334	3,050	1,753	4,577	3,419	4,381	8,286	3,518	3,460	4,482
Registration of new local companies (no.)	3,534	3,313	4,097	4,694	4,132	3,852	3,557	3,865	4,189	4,549	4,452	4,910	4,629	3,193	4,958	4,812	3,624	3,861	4,409	3,528	3,264	3,687	3,231	3,346
Companies dissolved / struck off (no.)	1,384	1,546	1,454	1,582	609	1,012	858	691	367	617	494	488	11,102	395	146	1,107	566	427	1,117	635	819	287	1,360	100
Property Overhang (end period)[3]																								
Total (units)			17,776			16,643			14,585			14,283			14,807			13,824			14,943			16,531
% Change (preceeding)			*-0.4*			*-6.4*			*-12.4*			*-2.1*			*3.7*			*-6.6*			*8.1*			*10.6*
Total (RM million)			6,235			5,679			4,864			5,363			6,348			5,404			6,995			8,387
% Change (preceeding)			*2.7*			*-8.9*			*-14.4*			*10.3*			*18.4*			*-14.9*			*29.4*			*19.9*

Note:

[1] Commercial bank rate.
[2] Household sector = total loans by purpose to households.
[3] Quarterly data.
n.e.c - not elsewhere classified.

PRODUCTION INDICATORS

Indicator / Month	2014												2015											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Agriculture Sector																								
Palm Oil ('000 tonnes)	1,509	1,276	1,497	1,556	1,657	1,570	1,666	2,032	1,897	1,893	1,751	1,365	1,161	1,122	1,495	1,693	1,811	1,764	1,816	2,051	1,959	2,037	1,654	1,399
Price (RM/tonne)	2,529	2,632	2,855	2,690	2,593	2,435	2,400	2,174	2,056	2,172	2,219	2,144	2,294	2,265	2,240	2,160	2,162	2,265	2,190	1,970	1,986	2,212	2,121	2,151
Rubber (tonnes)	92,217	73,428	41,966	36,353	43,899	55,574	60,331	50,535	60,327	48,052	52,733	53,198	81,754	74,469	60,511	35,850	39,016	53,772	54,728	57,366	68,260	71,389	50,940	73,571
Price (sen/kg)	703.16	623.32	623.55	578.21	544.13	543.88	534.35	523.26	485.65	485.74	503.55	505.27	503.64	499.80	512.93	500.33	540.50	580.52	540.57	522.98	532.08	529.07	500.15	491.88
Cocoa, export (RM/tonne)	9,457	9,987	9,938	10,008	9,675	10,007	10,475	10,743	10,381	10,828	10,859	11,254	11,191	10,192	10,931	11,329	11,241	11,662	12,214	12,591	14,021	14,301	14,280	14,186
Fish landing ('000 tonnes)	100	110	122	133	129	121	132	141	141	142	114	99	106	107	124	131	128	127	129	140	128	139	121	110
Livestock[1] :																								
Poultry ('000)	16,974	12,959	15,437	15,947	15,939	15,018	13,556	18,567	15,099	34,565	14,710	16,480	16,374	14,294	16,369	16,093	15,207	16,118	15,590	16,180	16,596	21,378	21,572	22,144
Cattle	3,059	1,558	1,743	2,017	1,905	3,460	4,340	4,545	3,349	3,834	2,532	3,188	1,621	1,785	1,798	1,623	1,625	2,153	3,927	3,574	3,929	3,510	3,714	3,731
Goats	1,197	1,621	1,683	1,876	1,813	2,759	2,842	2,667	2,627	7,005	1,631	1,824	1,155	1,470	1,659	1,709	1,651	1,699	2,853	2,604	3,096	6,993	2,175	2,087
Construction Sector																								
No. of houses approved	11,258	15,769	15,540	18,119	18,327	22,096	18,857	13,633	11,812	13,981	11,605	14,024	11,511	2,374	18,387	13,520	21,117	14,525	13,765	3,978	6,828	9,384	n.a.	n.a.
New advertising & sales permits (no.)	105	82	95	131	111	91	145	123	99	101	106	83	61	15	92	84	127	87	64	27	69	45	n.a.	n.a.
Transport Sector (no. of passengers '000)																								
Highway (no. of vehicles '000)	137,709	127,704	145,056	140,892	145,883	146,192	141,374	149,882	145,369	147,329	145,818	151,247	140,684	126,568	157,497	150,367	154,356	151,902	153,509	156,687	149,593	152,674	147,307	154,577
Urban Rail																								
Ampang Line	5,006	4,793	5,573	5,461	5,387	5,336	5,508	5,253	5,088	5,239	5,129	5,498	5,265	4,490	5,446	5,383	5,236	5,371	5,411	5,558	5,029	5,223	5,229	5,169
Kelana Jaya Line	6,338	6,102	6,938	6,965	6,839	6,790	6,978	7,030	6,766	7,066	6,925	7,234	6,978	5,915	7,149	7,009	6,713	7,095	7,011	7,229	6,510	7,050	6,787	6,698
KTM Komuter	3,916	3,379	3,984	3,890	3,871	3,969	3,855	3,757	3,904	4,103	3,996	4,333	4,109	3,891	4,376	4,077	4,098	4,197	4,131	4,260	4,208	3,929	4,014	4,401
KL Monorail	2,160	1,875	2,152	1,871	2,085	2,085	1,408	2,058	2,021	2,132	2,086	2,371	2,202	1,934	2,152	2,022	2,049	2,070	2,106	2,200	2,003	2,090	2,062	2,178
KLIA Ekspres & Transit	552	530	629	596	833	859	791	869	860	897	878	945	787	731	869	853	873	821	808	887	832	848	843	816
KTM Intercity Train	204	196	233	186	175	185	160	173	172	185	172	183	140	118	141	132	139	142	187	192	189	179	204	252
Electric Train Service	126	118	142	132	144	158	141	140	139	146	139	167	119	108	148	132	145	151	174	237	174	192	223	256
KTM Cargo Tonnage ('000)	460	463	554	697	670	789	585	611	562	549	599	597	550	472	505	478	479	410	487	559	531	698	521	516
Air (MAHB and Senai)	7,159	6,694	7,350	6,856	6,924	7,454	6,560	7,088	6,775	7,030	7,230	8,548	6,825	6,678	7,530	7,006	7,343	7,217	7,423	7,387	6,862	6,627	7,088	8,329
Cargo (tonnes)	77,244	63,516	90,649	84,036	85,217	83,575	83,124	86,362	86,244	88,160	93,702	90,568	81,691	73,771	91,576	84,422	84,193	82,604	83,225	81,682	78,355	80,696	78,319	87,632
Port - Container TEUs ('000)[2]	1,728	1,571	1,837	1,780	1,876	1,862	1,876	1,899	1,885	1,899	1,973	1,969	1,979	1,764	1,976	1,884	1,966	1,973	1,974	2,065	2,022	2,057	2,000	2,071
Tourism Sector																								
Tourist arrivals ('000)	2,447	2,119	2,525	2,175	2,266	2,342	2,230	2,273	2,234	2,248	2,130	2,448	2,292	1,949	2,242	2,072	2,119	1,894	2,216	2,183	2,084	2,083	2,005	n.a
Industrial Production Index (% y-o-y)	*3.1*	*6.7*	*4.3*	*4.7*	*5.9*	*7.0*	*0.6*	*6.5*	*5.4*	*5.1*	*4.8*	*7.4*	*7.0*	*5.2*	*7.1*	*4.0*	*4.5*	*4.3*	*6.1*	*2.3*	*5.1*	*4.2*	*1.8*	*2.7*
Mining Sector																								
Production Index (% y-o-y)	*-0.6*	*-1.6*	*-0.8*	*3.9*	*0.4*	*1.4*	*-7.8*	*3.6*	*7.1*	*11.5*	*7.6*	*6.9*	*8.3*	*9.2*	*9.9*	*3.9*	*9.0*	*4.0*	*14.0*	*-3.4*	*4.4*	*-1.4*	*-4.1*	*-1.5*
Crude Oil & Condensates ('000 bpd)[3]	577	584	597	594	600	587	566	569	584	618	682	677	680	693	697	676	694	620	599	591	652	619	672	n.a
Tapis Blend (USD/barrel)	115.24	114.41	113.40	114.21	116.49	116.42	110.68	106.03	101.81	91.07	82.27	65.91	50.66	60.73	58.13	61.59	67.25	64.96	58.76	49.45	49.08	48.95	45.09	38.72
Dated Brent (USD/barrel)	107.57	108.81	107.41	107.88	109.68	111.87	106.98	101.92	97.34	87.27	78.44	62.16	48.42	57.93	55.79	59.39	64.56	62.35	55.87	46.99	47.23	48.15	44.37	37.72
Natural Gas (mmscfd)[4]	6,574	6,596	6,541	6,353	6,241	6,454	5,009	6,282	6,372	6,528	6,585	6,477	6,493	6,423	6,356	5,810	6,033	6,317	6,361	5,408	5,960	6,172	6,045	n.a
Tin (tonnes)	288	286	319	274	320	345	314	327	348	296	305	335	286	308	334	314	353	344	362	346	360	n.a	n.a	n.a
Electricity Sector																								
Production Index (% y-o-y)	*0.2*	*8.7*	*4.6*	*3.9*	*4.6*	*5.8*	*4.9*	*8.4*	*6.2*	*3.4*	*3.3*	*3.0*	*6.3*	*1.9*	*3.8*	*3.0*	*1.2*	*-2.3*	*-1.2*	*2.3*	*2.6*	*4.3*	*2.0*	*5.6*
Maximum demand (MW)	15,416	15,937	16,294	16,354	16,583	16,901	16,443	15,998	16,299	16,260	16,194	15,793	15,772	16,220	16,719	16,822	16,644	16,767	16,460	16,552	16,614	16,424	16,357	16,449
Sales (GW hour)	8,400	8,393	8,003	8,711	8,746	8,869	8,963	8,792	8,584	8,638	8,806	8,548	8,492	8,627	8,034	9,058	8,897	9,157	9,034	8,783	9,072	8,737	9,039	8,633
Manufacturing Sector																								
Production Index (% y-o-y)	*4.9*	*9.9*	*6.4*	*5.0*	*8.0*	*9.2*	*3.2*	*7.4*	*4.7*	*3.2*	*3.9*	*7.9*	*6.6*	*4.0*	*6.3*	*4.2*	*3.2*	*4.9*	*4.2*	*4.3*	*5.6*	*6.2*	*4.1*	*4.0*
Sales (% y-o-y)	*11.4*	*16.1*	*8.9*	*7.8*	*5.5*	*3.8*	*1.6*	*5.0*	*4.2*	*2.5*	*2.6*	*2.2*	*2.8*	*-2.6*	*4.4*	*-0.6*	*-4.2*	*1.7*	*-1.3*	*0.8*	*5.4*	*6.5*	*2.2*	*-1.2*

Note:
[1] Total slaughtered.
[2] Covers only Klang, Penang, Johor, Kuantan, Tanjung Pelepas, Bintulu and Kuching (TEUs: Twenty-foot equivalent units).
[3] Barrels per day.
[4] Million standard cubic foot per day.

EXTERNAL SECTOR

Indicator / Month	2014												2015											
	Jan	Feb	Mac	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mac	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
RM (million)																								
Gross exports	64,053	58,928	64,893	66,198	64,750	61,202	61,063	63,890	64,503	64,986	63,591	67,360	63,605	53,169	66,466	60,382	60,454	64,258	63,217	66,499	70,161	75,810	67,628	68,298
Gross imports	57,610	48,478	55,428	57,488	59,163	57,120	57,477	60,020	55,194	63,904	52,599	58,457	54,648	48,614	58,645	53,517	54,941	56,280	60,850	56,337	60,471	63,646	57,393	60,312
Trade balance	6,444	10,450	9,464	8,709	5,588	4,082	3,586	3,870	9,309	1,083	10,992	8,903	8,957	4,555	7,822	6,865	5,513	7,978	2,366	10,162	9,690	12,165	10,234	7,986
Total trade	121,663	107,406	120,321	123,686	123,913	118,323	118,539	123,910	119,696	128,890	116,190	125,817	118,253	101,782	125,111	113,898	115,395	120,538	124,067	122,836	130,632	139,456	125,021	128,609
USD (million)																								
Gross exports	19,571	18,005	19,828	20,226	19,784	18,700	18,657	19,521	19,708	19,856	19,430	20,581	16,286	13,614	17,019	15,461	15,479	16,453	16,187	17,027	17,965	19,411	17,316	17,488
Gross imports	17,602	14,812	16,936	17,565	18,077	17,453	17,562	18,339	16,864	19,525	16,071	17,861	13,993	12,448	15,016	13,703	14,068	14,410	15,581	14,425	15,484	16,297	14,695	15,443
Trade balance	1,969	3,193	2,892	2,661	1,707	1,247	1,096	1,182	2,844	331	3,359	2,720	2,293	1,166	2,003	1,758	1,412	2,043	606	2,602	2,481	3,115	2,620	2,045
Total trade	37,173	32,817	36,763	37,791	37,861	36,153	36,219	37,860	36,572	39,381	35,501	38,443	30,279	26,061	32,035	29,164	29,547	30,864	31,767	31,452	33,448	35,708	32,012	32,930
Gross International Reserves (end of period)																								
RM billion	436.0	427.6	424.6	427.8	427.0	423.6	423.5	424.2	416.9	419.7	411.7	405.4	386.5	386.0	389.7	392.4	394.3	398.1	364.7	357.7	415.1	417.9	420.1	409.1
USD billion	133.1	130.6	130.2	131.2	130.9	131.9	131.8	132.0	127.3	128.1	125.7	115.9	110.6	110.5	105.1	105.8	106.4	105.5	96.7	94.6	93.3	94.0	94.6	95.3
Months of retained imports	9.4	9.1	9.1	9.2	9.1	9.0	9.0	9.0	8.7	8.8	8.4	8.3	8.0	7.9	8.0	8.1	8.1	8.2	7.5	7.4	8.6	8.7	8.7	8.4
Short-term External debt (Times)	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.0	1.0	1.1	1.2	1.2	1.2

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PRINTED BY
PERCETAKAN NASIONAL MALAYSIA BERHAD
KUALA LUMPUR, 2016
www.printnasional.com.my
email: cservice@printnasional.com.my
Tel.: 03-92366895 Fax: 03-92224773
WJD007116