

**Malaysia 2nd quarter GDP growth 8.9%**  
**Malaysiakini.com**  
**August 18, 2010**

Malaysia's economy expanded by 8.9 percent in the second quarter from a year ago, recording the third consecutive quarter growth.

The figures were buoyed by strong domestic and external demand, but was slightly lower than the 10.1 percent growth recorded for the first quarter.

Bank Negara governor Zeti Akhtar Aziz (left) said the second-quarter growth was "driven by sustained expansion in domestic demand and continued robust growth in external demand."

She said the stronger domestic demand was due to higher private and public sector spending, while the expansion in external demand spurred domestic production.

"Given the strong growth in the first half, we believe growth for the year will exceed 6.0 percent," Zeti added, reported AFP.

"We are seeing a pick-up in investments, consumption is strong and our domestic economy remains strong and robust."

The central bank governor said Malaysia would also benefit from trade with other Asian economies, "who have shown a high degree of resilience and who are showing strong growth."

Despite the slow growth in advanced economies, she said Malaysia's economic growth was still "favourable" because the country had strong fundamentals, low inflation and low unemployment.

2010 growth projected to exceed 6%

Domestic demand had expanded at a faster rate of 9 percent, compared to 5.3 percent during the last quarter.

Bank Negara adds that the manufacturing sector registered the highest growth at 15.9 percent, followed by the service sector at 7.3 percent.

Overall, the economy grew by 9.5 percent for the first half of 2010.

It adds that RM4.7 billion in foreign direct investment (FDI) was recorded during the second quarter while RM2.9 billion of loan payment was also recorded, putting net FDI at RM1.8 billion.

For the year-end outlook, Bank Negara said that the domestic demand was expected to increase and support growth in the second half of the year.

However, growth is expected to trend downward beginning from the first quarter, due to an increased risk of moderation in the global growth momentum due to ongoing sovereign debt crisis and the planned fiscal consolidation in several advanced economies.

Bank Negara's year-end 6 percent GDP growth projection exceeds its earlier projection of

4.5 percent.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.

Source : <http://www.malaysiakini.com/news/140455>