

**Malaysia's Economy Well Placed To Continue Progress, Says Report
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KUALA LUMPUR, Dec 27 (Bernama) -- Having successfully ridden out the global financial crisis of 2008 and 2009, Malaysia's economy appears to be well placed to continue its progress into 2012 and beyond.

This is according to a report by the Oxford Business Group (OBG), a global economic intelligence publishing, research and consultancy firm.

The report also highlighted that Malaysia's foreign direct investment (FDI) is up, inflation well contained, and the financial sector steady.

With many sectors of the economy having performed solidly over the past 12 months, the report said Malaysia is hoping for more of the same in 2012.

It also said with the gross domestic product (GDP), which is expected to expand by more than 5.0 per cent in 2011, Malaysia's balance of payment figures are also positive in 2011.

Inflation in Malaysia, meanwhile, remained fairly steady with consumer prices rising by 3.4 per cent year-on-year in October.

It could ease further in the new year, dipping to between 2.5 per cent and 2.8 per cent in 2012 as the result of a slowing of demand, and a slight deceleration of growth, with commodity prices moderating.

There was also more reassuring news in a recent report from ratings agency Fitch, which said the Malaysian banking sector is in good shape as the year comes to a close, and is well placed to ride out a renewed bout of economic retreat.

Another sign of the stability and appeal of the Malaysian economy came in the form of inflows of FDI, which is likely to meet or exceed the RM10 billion forecasted by the government.

However, it is possible that Malaysia may struggle to match this total in 2012, with some indications that FDI may be drying up as eurozone economies move ever closer to recession, a move that could reduce global investor sentiment.

At least some impact from the European debt crisis is expected, with demand for exports widely predicted to ease in 2012, the report said.

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