

Malaysia's GDP forecast to grow 5.5 pct in 2013

Kuala Lumpur, March 19 (Xinhua) -- Malaysia's gross domestic product (GDP) this year may rise by 5.5 percent on the strength of expansion in the manufacturing and services sectors, according to a recent forecast by Alliance Research company in Malaysia. Although the economic growth would likely slow down to 5.2 percent year on year in the first quarter following a 6.4 percent surge in the fourth quarter of last year, growth in private sector consumption and investment activities would help lift the economy from the third quarter onwards, the forecast report said. "We expect continued growth in gross investment in 2013, still rising at double digits of 11.2 percent and contributing 3 percentage points to GDP," said Alliance Research Chief Economist Manokaran Mottain. "Growth is supported by capital spending in telecommunications, real estate and aviation and the ongoing implementation of projects in the oil and gas sector." Market consensus for Malaysia's GDP growth this year remains at 5 percent, while the government Treasury has forecast GDP to grow by 5 percent to 5.5 percent. Manokaran said growth would largely be supported by higher levels of domestic consumption brought about by the various incentives from budget 2013, a healthy labor market, steady income growth as well as an accommodative monetary policy. "We expect growth to remain weak at 5.2 percent in the first half, before picking up strongly to 5.8 percent in the latter half of the year," he said, adding that the economy would bottom out by the second quarter.