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KEMENTERIAN KEWANGAN MALAYSIA

MEDIA STATEMENT
MINISTRY OF FINANCE MALAYSIA

THIS WESAK DAY WE ARE BLESSED WITH ECONOMIC GROWTH OF 4.5% THAT IS ABOVE MARKET EXPECTATIONS OF 4.3% AS COMPILED BY BLOOMBERG, WHILE ALSO RECORDING THE HIGHEST REALISED FDI IN MALAYSIAN HISTORY AND THE LARGEST NUMBER OF TOURIST ARRIVALS IN 2 YEARS, BUT THERE IS MORE WORK TO BE DONE TO BUILD A MORE PERFECT SOCIETY THAT IS JUST, UNITED AND PROSPEROUS

This Wesak Day is an opportunity for us to reflect on the path we have taken in the past year and chart our way towards a more harmonious, prosperous and inclusive Malaysian society. And we have been blessed to have our national purification by way of institutional reforms rewarded with encouraging results.

Policy certainty, clarity and consistency provided by a competent, accountable and transparent government has enabled the economy to grow by 4.5% in the first quarter of 2019, beating market consensus compiled by Bloomberg of growing only 4.3%. The 4.5% expansion demonstrates the resilience of our economy in the face of uncertain external challenges caused by the China-US trade war. This gives Malaysia a good start for the year.

Greater FDI, bigger current account surplus and more tourists

The results are clear: the first quarter also recorded the highest realised foreign direct investment (FDI) in Malaysian history, a large current account surplus and the largest number of tourist arrivals in 2 years (see Table 1).

Realised FDI increased by 94.8% to RM21.7 billion in the same quarter from RM11.2 billion a year ago. Realised FDI is actual foreign investment made during the period. This indicates the strength of the economy and the rising confidence foreign investors have in Malaysia and its Government.

The RM21.7 billion realised FDI in the first quarter of 2019 is the highest level ever recorded in Malaysian history for one quarter. These new investments will raise the economy's growth potential and create additional jobs for Malaysians in the near future.

A majority of the record high RM21.7 billion FDI was contributed by the RM8.4 billion investment from Japan, RM3.7 billion from Austria and RM2.8 billion from Hong Kong. The Government hopes the domestic private sector will emulate the same confidence exhibited by foreign investors in Malaysia.

Meanwhile, current account surplus in the quarter rose to RM16.4 billion, or 4.7% of gross national income (GNI) from 3.0% in the previous period, and it will remain in surplus in the foreseeable future.

Table 1: Current account surplus, realised FDI and tourist arrivals

Quarter	Current Account (% of GNI)	Realised FDI (RM billion)	Tourist arrivals (million people)
1Q18	4.0	11.2	6.520
2Q18	0.8	4.3	6.210
3Q18	0.9	4.3	6.656
4Q18	3.0	12.9	6.446
1Q19	4.7	21.7	6.696

Finally, the first quarter of 2019 also had Malaysia welcoming 6.696 million tourists, the largest since the fourth quarter of 2016. This is a 2.7% increase from a year ago when 6.520 million tourists visited Malaysia, and a 3.9% increase when compared to the 2018 fourth quarter arrivals of 6.446 million tourists.

The Shared Prosperity agenda

As we celebrate this year's Wesak Day in comfort, let us remember the teachings of Lord Buddha enjoining us to be good and compassionate, always helping each otherand never leaving the unfortunate behind.

In the same spirit, the Government will pursue inclusive growth in line with the principles of "Shared Prosperity" to ensure prosperity for all, as elaborated by the Prime Minister during his speech commemorating the first anniversary of the Pakatan Harapan administration on 9 May 2019. With this, we aspire to build a more perfect Malaysian society that is just, united and prosperous

Happy Wesak Day.

Sayangi Malaysiaku!

Lim Guan Eng
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Putrajaya
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