



MALAYSIAN ECONOMY

First Quarter 2010



Quarterly Update on the Malaysian Economy – 1st Quarter 2010

Highlights

- ❑ Big leap in Malaysia's competitiveness ranking – 18th to 10th position
- ❑ Malaysian economy registered strong growth of 10.1%
- ❑ Broad-based growth with robust domestic and external demand
- ❑ Growth momentum to continue in the coming quarters

International Performance

Global recovery better than expected...

Global recovery continued to strengthen in the first quarter of 2010, albeit unevenly across and within regions. Advanced economies grew at a slow pace while emerging and developing economies, particularly in Asia, rebounded strongly. The recovery was supported by improving financial conditions, pick-up in global trade, rising capital flows and most importantly, growth stimulus measures.

The United States (US) continued to record positive growth with gross domestic product (GDP) expanding at 2.5% (Q4 2009: 0.1%). Growth was contributed by higher consumer spending, private investment in capital goods and inventories as well as exports. In addition, rising private demand led to robust growth in manufacturing output. This was reflected in the Institute of Supply Management Manufacturing Index which averaged 61.9 points, the highest quarterly average in almost six years. The housing industry performance on the other hand, was mixed. Although houses under construction plunged 34%, building permits and housing

starts rose 22.1% and 16.9%, respectively while sales of new houses increased 5.7%. Inflation edged up slightly to 2.3% (Q4 2009: 1.4%) due to higher fruit and vegetable prices with harvests affected by unusually cold weather in February. Unemployment remained high, albeit marginally lower at 9.7% (Q4 2009: 10.0%). The weak labour market and tepid inflation led the Federal Reserve Board to maintain its main policy rate at 0 – 0.25% during the quarter.

	2008	2008				2009	2009				2010
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	Q1
Developed Economies											
United States	0.4	2.0	1.6	0.0	-1.9	-2.4	-3.3	-3.8	-2.6	0.1	2.5
Japan	-1.2	1.2	-0.4	-1.4	-4.1	-5.2	-8.9	-5.7	-5.2	-1.1	4.6
UK	0.5	2.5	1.8	0.5	-1.8	-4.9	-5.2	-5.9	-5.3	-3.1	-0.3
Euro Area	0.6	2.1	1.4	0.5	-1.7	-4.1	-5.0	-4.9	-4.1	-2.2	0.5
Asia											
China	9.0	10.6	10.1	9.0	6.8	8.7	6.2	7.9	9.1	10.7	11.9
South Korea	2.2	5.5	4.3	3.1	-3.4	0.2	-4.2	-2.2	1.0	6.0	7.8
India ¹	7.1	8.6	7.6	7.5	6.2	6.7	5.8	6.1	7.9	6.0	n.a.
ASEAN 5											
Indonesia	6.1	6.3	6.4	6.4	5.2	4.5	4.4	4.0	4.2	5.4	5.7
Philippines	3.8	3.9	4.2	4.6	2.9	0.9	0.6	0.8	0.4	1.8	n.a.
Singapore	1.8	7.4	2.7	0.0	-2.5	-1.3	-8.9	-1.7	1.8	3.8	15.5
Thailand	2.5	6.4	5.2	2.9	-4.2	-2.3	-7.1	-4.9	-2.7	5.8	n.a.
Malaysia	4.7	7.6	6.5	4.9	0.1	-1.7	-6.2	-3.9	-1.2	4.4	10.1

¹ India: Fiscal year April - March
Source: National Sources/IMF.

In the first quarter of 2010, GDP in the euro area increased 0.5% (Q4 2009: -2.2%).

Growth was contributed by the two biggest economies, Germany and France. Germany's GDP grew 1.5% (Q4 2009: -2.2%), as rising exports and private investment outweighed the effects of the severe winter on construction and consumer spending. Growth in France recorded 1.2% (Q4 2009: -0.4%), mainly due to improved exports. Consumer spending remained unchanged after rising 0.9% in the final quarter of 2009.

In Asia, China's economy grew 11.9% (Q4 2009: 10.7%), the fastest pace since 2007, largely on account of exports, which jumped 28.7%, as well as government stimulus and consumer spending. This is reflected in the industrial output which increased 19.6% and retail sales which rose 17.9% mainly due to an increase in sales of cars and home appliances. Consumer prices rose 2.2%, following increases in food prices by 5.1% and housing 2.9%. As investment in real estate development rose sharply by 35.1%, the People's Bank of China raised the deposit reserve requirement ratio twice for large financial institutions by half a percentage point to 16.5% to restrain bank lending.

Japan's GDP grew 4.6% (Q4 2009: -1.1%) on account of brisk exports to Asian markets and a pick-up in exports to the US and European Union. Deflation continued to plague Japan with the Consumer Price Index (CPI) declining 1.1% in March, mainly due to a fall in food prices as well as fuel, electricity and water charges. The Bank of Japan retained the key policy rate at 0.1% to sustain economic recovery. In addition, unemployment remained high at 5.1% (Q4 2009: 5.0%).

Korea's GDP expanded 7.8% (Q4 2009: 6.0%), the highest rate in seven years, largely due to a surge in exports of 35.1% and stronger domestic demand. Manufacturing output increased significantly by 20.0%, while capital investment grew 28.8%. The CPI rose marginally by 2.3% in March, easing market concern over inflationary pressures, particularly in agriculture, dairy and fishery products. As a result, the Bank of Korea retained the key policy rate at a record low of 2% for the 13th

consecutive month to maintain economic recovery. The unemployment rate fell to 3.8% in March, after recording a 10-year high of 4.8% in January, as government efforts to create public sector jobs produced results.

Major economies in the ASEAN region continued to register positive growth. Singapore's GDP expanded strongly by 15.5% (Q4 2009: 3.8%), the fastest pace since 1975, largely led by growth in the manufacturing sector. The improved performance is attributed to the sharp increase in electronics and biomedical output. Indonesia's GDP increased 5.7% (Q4 2009: 5.4%), largely due to a surge in exports, sustained consumption and faster private investment growth. Bank Indonesia continued to maintain its benchmark interest rate at 6.5%, which was set in August 2009, to boost bank intermediation and economic growth.

Malaysian Economy

Robust growth...

[Malaysia recorded significant improvement in the IMD World Competitiveness Yearbook 2010 rankings. It is now the tenth most competitive economy in the world compared with its 18th position in 2009. The big leap was mainly due to the Government's efficiency in policy implementation and economic transformation programmes]

The Malaysian economy accelerated further to record double-digit growth of 10.1% in the first quarter of 2010 (Q4 2009: 4.4%), the highest pace since Q1 2000 (11.7%). Growth was well-entrenched and broad-based, driven by external demand and significant pick-up in aggregate domestic demand.

On the supply side, all sectors in the economy recorded positive growth. The manufacturing sector recorded double-digit growth of 16.9%

(Q4 2009: 5.0%). The expansion of the sector is broad-based and driven by buoyant external demand and continued improvement in output of domestic-oriented industries. The services sector posted stronger growth of 8.5% (Q4 2009: 5.2%), spurred by strong expansion in all services sub-sectors, especially utilities, real estate and business services and wholesale and retail trade as well as transport and storage sub-sectors. The agriculture sector expanded 6.8% (Q4 2009: 5.9%), driven by strong increase in the production of rubber, saw logs and livestock. The construction sector grew further by 8.7% (Q4 2009: 9.3%), following higher construction activities in the civil engineering and non-residential sub-sectors. Despite lower production of crude oil, the mining sector posted positive growth of 2.1% (Q4 2009: -2.8%), following higher production of natural gas, especially from Sabah.

On the demand side, growth during the quarter was underpinned by strong domestic expenditure, following continued expansion in private and public consumption as well as investment.

REAL GROSS DOMESTIC PRODUCT (% annual change) Supply Side											
	2008	2008				2009	2009				2010
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	Q1
GDP	4.7	7.6	6.5	4.9	0.1	-1.7	-6.2	-3.9	-1.2	4.4	10.1
Agriculture	4.3	6.8	6.6	3.6	0.7	0.4	-4.4	0.4	-0.4	5.9	6.8
Mining	-2.4	1.7	-3.1	-1.2	-7.0	-3.8	-5.2	-3.5	-3.6	-2.8	2.1
Manufacturing	1.3	7.0	5.6	1.8	-8.9	-9.4	-17.9	-14.5	-8.6	5.0	16.9
Construction	4.2	6.6	3.3	6.2	0.9	5.8	1.2	4.5	7.9	9.3	8.7
Services	7.4	8.9	8.2	7.1	5.5	2.6	-0.2	1.7	3.4	5.2	8.5

Source: Department of Statistics, Malaysia.

Domestic demand expanded strongly...

The robust performance of the first quarter was also supported by strong domestic demand, which expanded 5.4% (Q4 2009: 2.8%) and reinforced further by the continued revival in the global economy.

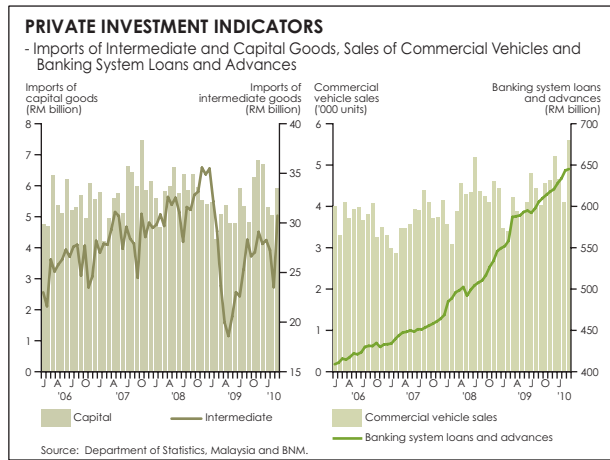
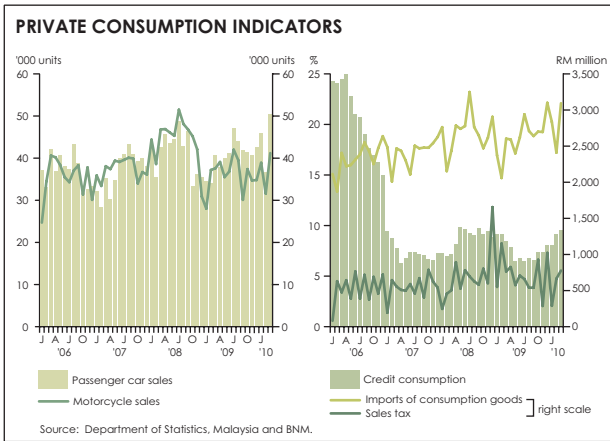
Private consumption posted strong growth of 5.1% (Q4 2009: 1.6%) on account of higher disposable income arising from strong commodity prices and stable labour market conditions. The Consumer Sentiments Index (CSI) surged to an eighth quarter high to 114.2 points (Q4 2009: 109.6 points), indicating households' optimism on income expectations and employment prospects. Reflecting the favourable sentiment, major consumption indicators such as sales of passenger cars and imports of consumption goods increased 21.9% and 18.5% (Q4 2009: 18.5%; 6.3%), respectively. Meanwhile, public consumption grew strongly at 6.3% (Q4 2009: 0.7%), boosted by higher expenditure on supplies and services.

REAL GROSS DOMESTIC PRODUCT (% annual change) Demand Side											
	2008	2008				2009	2009				2010
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	Q1
GDP	4.7	7.6	6.5	4.9	0.1	-1.7	-6.2	-3.9	-1.2	4.4	10.1
Dom. demand ¹	6.8	9.8	8.3	6.7	2.9	-0.5	-3.1	-2.2	0.1	2.8	5.4
Consumption	9.0	11.8	9.6	7.9	7.1	1.2	-0.3	0.6	2.9	1.4	5.4
Investment	0.7	4.6	5.2	3.3	-10.2	-5.6	-11.2	-9.6	-7.9	8.2	5.4
Exports	1.6	5.2	8.7	4.2	-10.6	-10.4	-15.5	-17.9	-12.9	6.0	19.3
Imports	2.2	2.7	7.8	8.2	-9.1	-12.3	-23.0	-19.4	-13.2	7.0	27.5

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

Investment activities continued to expand 5.4% (Q4 2009: 8.2%) as industries resumed investment activities due to the improvement in external demand and continued public investment activities, in particular, construction projects under the stimulus packages. Major investment indicators such as imports of capital goods grew 9.6% (Q4 2009: 17.4%), while imports of intermediate goods, production of iron and steel as well as sales of commercial vehicles expanded significantly at 37.9%, 55.0% and 29.5% (Q4 2009: 0.1%; 49.9%; 9.7%), respectively, reflecting higher growth in investment activities. In addition, manufacture of hydraulic cement turned around to register 4.0% (Q4 2009: -1.7%). Meanwhile, manufacturing capacity utilisation rate also improved to 81.7% (Q4 2009: 81.4%)

as firms embarked on capacity expansion. Signs of confidence among business entities improved further as reflected by the Business Confidence Index (BCI), which soared above the 100-point threshold to 124.0 points (Q4 2009: 118.8 points).



Strong services sector...

The services sector recorded sterling growth of 8.5% (Q4 2009: 5.2%) driven by robust consumption, tourism and business-related activities. Performance of the sector was supported by the intermediate and final services groups, which increased 8.6% (Q4 2009: 8.0%; 4.2%), respectively. Strong growth was registered across all sub-sectors, with double-digit expansion in real estate and business services as well as utilities sub-sectors. The

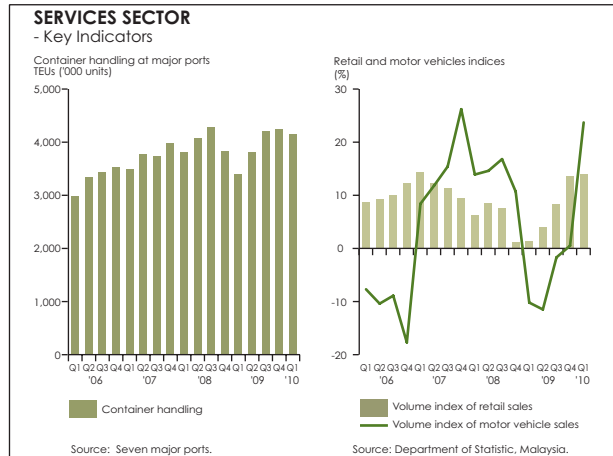
sector contributed 4.9 percentage points to growth and accounted for 57.1% of total GDP (Q4 2009: 3.0 percentage points; 57.8%).

SERVICES SECTOR
(% annual change)

	2008		2008		2009		2009		2010		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
Intermediate services	6.4	8.6	7.1	6.7	3.1	3.4	-0.4	2.5	3.4	8.0	8.6
Transport and storage	6.1	9.9	8.0	5.9	1.0	-2.8	-4.0	-6.4	-3.5	2.6	9.2
Communication	7.3	7.5	7.9	7.4	6.3	6.0	4.9	5.8	6.1	7.1	6.8
Finance and insurance	8.3	10.5	8.1	10.7	4.1	5.1	1.9	3.9	4.1	10.5	6.4
Real estate and business services	2.1	4.7	4.1	-0.9	0.4	2.4	-6.2	3.9	4.9	7.2	14.2
Final services	7.5	10.0	9.4	6.6	4.2	2.0	-0.6	1.3	2.8	4.2	8.6
Utilities	2.1	4.7	4.1	2.2	-2.4	0.4	-8.1	-1.1	1.9	9.1	16.6
Wholesale and retail trade	9.8	13.9	13.2	8.6	4.6	1.2	-1.9	0.1	2.4	3.6	9.6
Accommodation and restaurant	7.3	9.9	7.3	4.7	7.4	2.8	2.1	2.9	3.8	2.2	4.9
Other services	5.3	5.0	5.4	5.4	5.3	4.4	5.1	4.4	3.9	4.2	4.4
Government services	10.8	6.7	7.6	10.2	17.9	2.0	1.9	0.3	5.7	0.4	8.1
Total services	7.4	8.9	8.2	7.1	5.5	2.6	-0.2	1.7	3.4	5.2	8.5

Source: Department of Statistics, Malaysia.

Growth in the real estate and business services sub-sector was markedly higher at 14.2% (Q4 2009: 7.2%), mainly contributed by the buoyant stock market performance and higher property transactions. As at end-March 2010, the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) increased 3.8% to 1,320.57 points (end-December 2009: 5.9%; 1,272.78 points). Total volume of property transactions expanded 16.4% to 92,001 units (Q4 2009: 29.1%; 98,263 units), with higher growth in the non-residential segment. Similarly, the finance and insurance sub-sector grew 6.4% (Q4 2009: 10.5%) on account of higher fee-based and insurance premium income.



The wholesale and retail trade sub-sector grew strongly by 9.6% (Q4 2009: 3.6%) due to higher retail trade activities, mainly from motor vehicle sales. This was also reflected by the retail and motor vehicle sales volume indices, which increased 13.9% and 23.7% (Q4 2009: 13.6%; 0.5%), respectively. Meanwhile, the accommodation and restaurant sub-sector rose 4.9% (Q4 2009: 2.2%). Growth of these sub-sectors was supported by better consumer sentiment and higher tourism-related activities, in line with the Tourism Market Index (TMI), which increased 54.3% to 120.5 points (Q4 2009: 21.4%; 114.1 points).

The transport and storage sub-sector registered a significant expansion of 9.2% (Q4 2009: 2.6%). Growth emanated mainly from higher travel and trade-related activities, following improved global demand. Container handling at seven major ports accelerated 21.9% to 4.2 million TEUs (Q4 2009: 10.9%; 4.2 million TEUs), largely attributed to strong external demand and robust performance in the manufacturing sector.

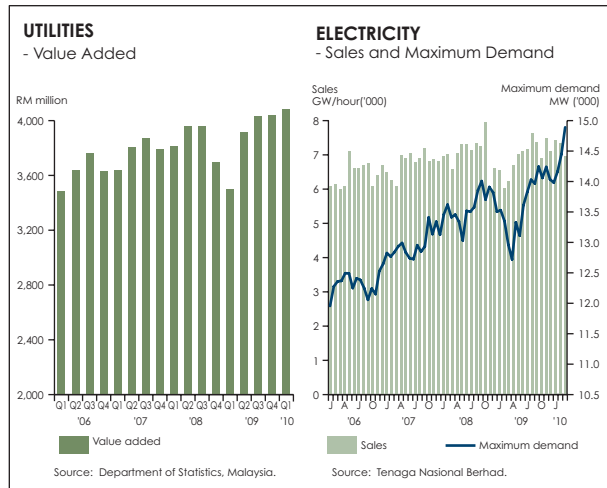
The air transport segment improved further on account of rising demand for air travel, in particular among budget travellers. Total passenger volume at all airports registered higher growth of 20.3% to 13.8 million (Q4 2009: 15.8%; 14.9 million). Likewise, total number of passengers on MAS and AirAsia rose 21.2% to 6.8 million (Q4 2009: 16.4%; 7.4 million) on account of continuous aggressive promotional activities, coupled with increased connectivity and frequency by airlines. Meanwhile, growth in the air cargo segment picked up strongly. Cargo handling by both carriers surged 30.7% to 124.1 million tonnes (Q4 2009: 8.2%; 134.7 million tonnes), largely attributed to higher exports of electrical and electronics (E&E) products as well as network expansion by airlines. Similarly, total air cargo handled at all airports strengthened further by 19.1% to 210.0 million tonnes (Q4 2009: 9.6%; 228.7 million tonnes).

The land transport segment performed favourably on account of higher demand

during festivities as well as offerings of attractive travel packages by service providers. Traffic volume on tolled highways expanded 5.3% to 324.5 million vehicles (Q4 2009: 11.2%; 348.7 million), while the KTMB intercity train passenger revenue grew 4.5% to RM21.1 million (Q4 2009: 3.6%; RM23.4 million). Similarly, the KTMB cargo revenue increased 12.3% to RM28.9 million (Q4 2009: 16.9%; RM31.0 million), largely due to rising volume of construction-related freight.

The communication sub-sector continued to expand strongly by 6.8% (Q4 2009: 7.1%) driven by wider customer base and increased demand for cellular, 3G and broadband services. As at end-March 2010, growth in the cellular segment strengthened further by 9.2% to reach 30.8 million subscriptions with a penetration rate of 107.1% (end-December 2009: 9.6%; 30.4 million; 106.2%). The continuous uptrend in the segment was largely supported by attractive subscription plans and increasing usage of smartphones. Additionally, widespread usage of SMS as an alternative mode of communication contributed to the progress of the cellular segment. During the quarter, SMS traffic increased 14.7% to record 23.4 billion messages (Q4 2009: 18.5%; 24.3 billion). The 3G segment grew 35.5% to 7.4 million subscriptions (end-December 2009: 68.3%; 7.3 million), largely due to the utilisation of 3G services as a tool for internet access.

The broadband subscriber base recorded impressive growth of 54.4% to reach 2.9 million subscriptions, with a household penetration rate of 34.5% (end-December 2009: 52.9%; 2.6 million; 31.7%). Growth in the segment was largely attributed to the expansion and modernisation of network infrastructure as well as the introduction of tax relief on broadband subscriptions. As at end-March 2010, total number of Wi-Fi hotspots increased to 2,870 locations nationwide (end-December 2009: 2,846). Meanwhile, the number of fixed line subscribers remained at 4.3 million, with a household penetration rate of 43.9% (end-December 2009: 4.3 million; 44.0%).



The utilities sub-sector recorded double-digit growth of 16.6% (Q4 2009: 9.1%), in line with the robust performance of the manufacturing sector. Growth in the sub-sector was supported by higher electricity consumption, particularly in the industrial and commercial segments. Electricity sales rose sharply by 15.3% (Q4 2009: 4.8%), while maximum demand for electricity peaked at 14,890 megawatts (MW) in March 2010 (Q4 2009: 14,239 MW; October 2009).

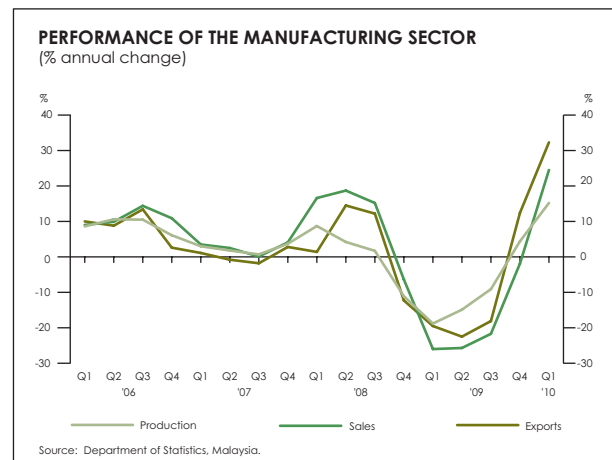
The other services sub-sector expanded 4.4% (Q4 2009: 4.2%), mainly attributed to higher activities in private health and education. Meanwhile, the government services sub-sector expanded 8.1% (Q4 2009: 0.4%), following the initiative to recruit contract employees under the second stimulus package.

Manufacturing recorded double-digit growth...

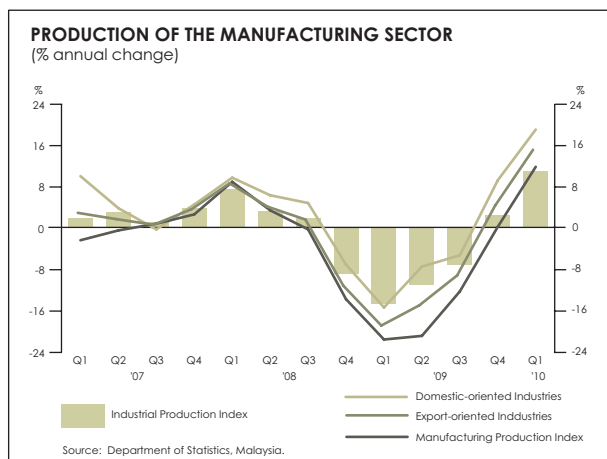
Value-added of the manufacturing sector recorded double-digit growth of 16.9% (Q4 2009: 5.0%), the highest in ten years, following global economic recovery, which led to stronger external demand. Production increased almost four-fold at 15.2% (Q4 2009: 4.4%), with positive growth recorded in the major sub-sectors. Similarly, sales of manufacturing products rose further by 24.5% to RM130.1 billion (Q4 2009: -1.9%; RM126.7 billion) during the same period. The overall

capacity utilisation rate in the sector increased further to 81.7% (Q4 2009: 81.4%).

Production in domestic-oriented industries exhibited a sterling performance by registering 19.1% (Q4 2009: 9.3%), following increased consumer and business confidence. The remarkable performance was registered in almost all sub-sectors except for tobacco products, which contracted 1.6% (Q4 2009: 0.8%). Chemicals and chemical products increased further to 27.4% (Q4 2009: 23.9%). Transport equipment rebounded strongly by 37.3% (Q4 2009: -8.3%), brought about by an increase in income and introduction of affordable new passenger car models. Other sub-sectors which registered a turnaround in production included non-metallic mineral and other related products, as well as paper and paper-related products at 22.0% (Q4 2009: -8.3%) and 31.6% (Q4 2009: -2.5%), respectively.



Output of export-oriented industries rebounded sharply at 11.9% (Q4 2009: -0.2%) during the period, driven by strong global demand for E&E products, especially for semiconductors as well as audio visual and communication equipment. Besides E&E, all major sub-sectors recorded strong growth, except petroleum products, which contracted further by 22.1% (Q4 2009: -6.9%) on account of lower crude oil production.



MANUFACTURING PRODUCTION INDEX
(2005 = 100)
(% annual change)

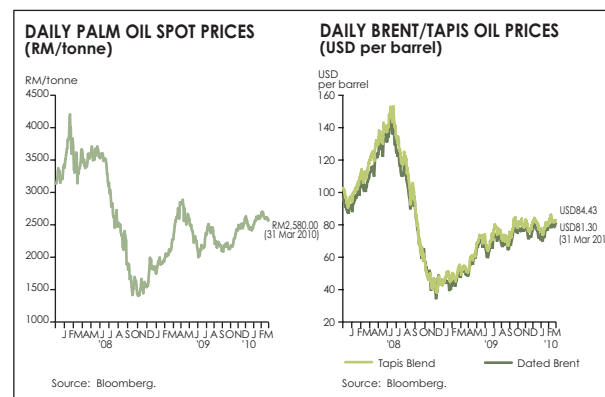
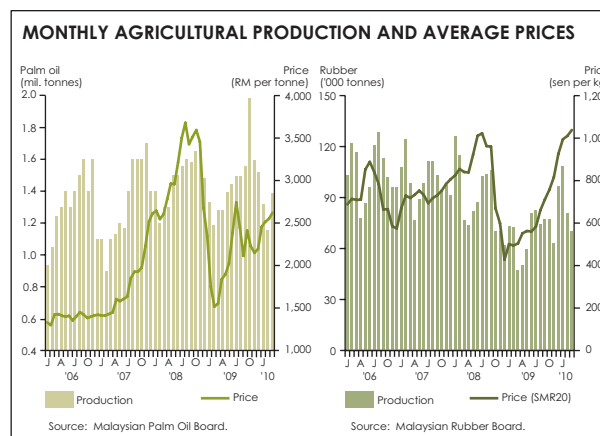
	2008				2009	2009				2010	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1
Overall Manufacturing	0.6	8.7	4.2	1.7	-11.1	-10.0	-18.8	-14.9	-9.1	4.4	15.2
Export-oriented industries	-0.7	9.0	3.5	-0.3	-13.3	-13.9	-21.5	-20.8	-12.1	-0.2	11.9
Electrical and electronics products	-4.0	6.6	4.6	-1.4	-23.1	-22.9	-35.8	-31.4	-22.6	1.9	38.5
Petroleum products	5.9	17.2	4.0	1.0	2.0	-0.8	2.9	-5.4	6.5	-4.9	-22.1
Textiles, apparel and footwear	0.0	2.8	2.1	3.1	-7.6	-19.8	-25.2	-19.2	-18.7	-16.0	2.7
Wood and wood products	-4.7	-2.1	-2.8	-1.1	-8.4	-16.6	-26.4	-23.5	-16.1	-3.6	30.0
Rubber products	4.7	6.2	7.8	2.0	2.1	3.0	-2.2	-7.5	2.4	16.2	36.1
Machinery and equipment	2.5	9.8	4.5	7.9	-13.1	-21.3	-31.4	-25.9	-22.7	0.5	21.8
Medical, optical and scientific instruments	-7.9	9.8	-14.9	-8.0	-15.3	27.0	10.1	18.1	31.0	50.1	16.6
Domestic-oriented industries	3.4	9.8	6.4	4.9	-7.0	-5.0	-15.3	-7.4	-5.2	9.3	19.1
Chemical and chemical products	-4.9	2.4	-2.8	-2.5	-17.4	-0.6	-16.6	-4.9	0.8	23.9	27.4
Non-metallic minerals	9.1	21.1	4.1	7.1	5.3	-13.6	-21.0	-12.6	-12.4	-8.3	22.0
Plastic products	1.3	9.2	-0.5	4.5	-7.3	-5.1	-21.3	4.5	-9.7	7.2	11.5
Food products	9.9	14.7	15.8	10.0	-0.3	3.2	-2.4	-0.9	4.3	12.3	0.2
Transport equipment	23.4	22.9	21.9	30.3	18.4	-12.4	-10.7	-13.5	-16.2	-8.3	37.3
Off-estate processing	9.4	22.1	18.0	3.0	-0.2	-2.1	-8.0	-4.5	-5.1	8.5	4.3
Fabricated metal products	6.1	5.3	15.3	8.2	-4.4	-1.1	-7.6	-6.8	1.0	10.1	13.8
Basic metals	-2.9	10.4	9.5	-2.6	-27.6	-23.3	-36.7	-33.1	-18.4	6.4	35.0
Paper and paper products	-3.4	2.7	-2.4	-0.1	-15.3	-17.9	-34.1	-21.2	-12.5	-2.5	31.6
Printing and services activities related to printing	7.5	7.6	20.3	3.7	-1.1	-2.7	-3.5	-8.1	-1.8	3.1	8.0
Beverages	2.6	8.3	2.9	6.7	-6.8	-2.3	-10.0	-1.4	-9.7	13.3	8.6
Tobacco products	-5.6	12.1	-19.7	-4.3	-10.7	-6.4	-15.1	14.8	-19.6	0.8	-1.6

Source: Department of Statistics, Malaysia.

Agriculture posted stronger growth...

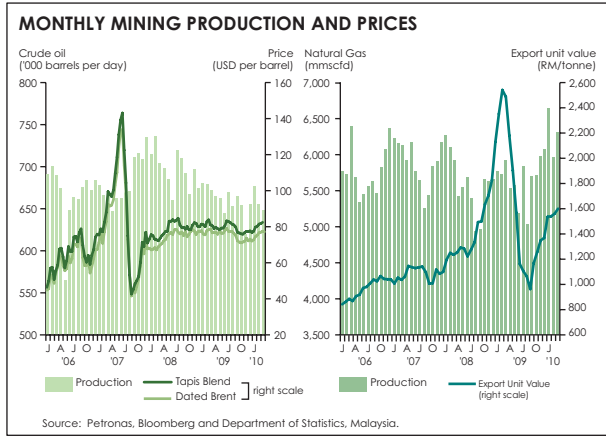
The agriculture sector grew further by 6.8% (Q4 2009: 5.9%), supported by higher production of rubber, saw logs and livestock. Value-added of the rubber sub-sector expanded strongly by 34.7% (Q4 2009: 19.6%), driven by higher prices, which boosted output. Value-added of oil palm moderated to 1.4% (Q4 2009: 6.0%) on account of unfavourable weather conditions. However, the forestry and logging sub-sector strengthened further by 12.9% (Q4 2009: 1.4%) following higher production of saw logs from Peninsular Malaysia as well as Sabah and Sarawak. The livestock sub-sector continued to expand 10.0% (Q4 2009: 8.9%) on account of higher output of poultry and cattle, while the fishing sub-sector increased 3.0% (Q4 2009: 3.6%) backed by

higher aquaculture produce. Value-added of the other agriculture sub-sector increased 5.4% (Q4 2009: 8.1%) due to higher output of vegetables and fruits.



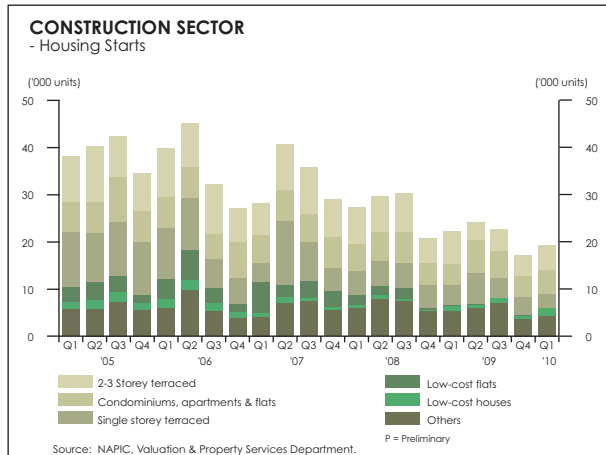
Mining growth rebounded...

The mining sector turned around to grow 2.1% (Q4 2009: -2.8%). Production of natural gas increased 8.8% (Q4 2009: 0.4%), thereby offsetting the impact of lower production of crude oil. The higher production of natural gas was driven by increased domestic demand, especially from the chemical industry as well as external demand, particularly from Japan and Korea. Crude oil production (including condensates) declined 2.5% (Q4 2009: -5.0%). Value-added of the other mining sub-sectors, especially quarrying remained strong at 7.5% (Q4 2009: 7.8%) reflecting an increased construction-related activities.



Stimulus package spurred construction...

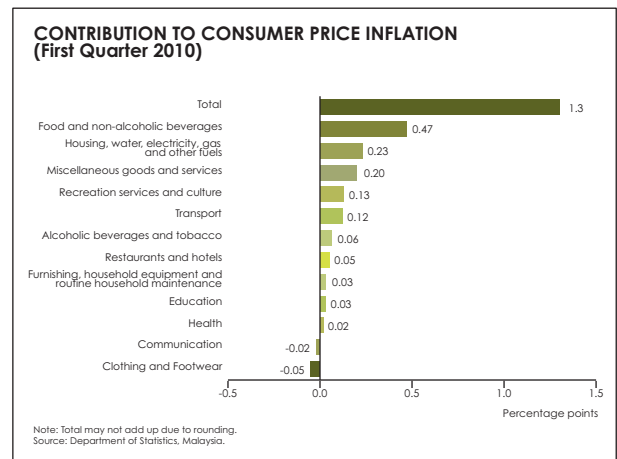
Value-added of the construction sector expanded 8.7% (Q4 2009: 9.3%), supported by on-going civil engineering and non-residential construction projects under the second stimulus package and Ninth Malaysia Plan. During the quarter, a total of 569 second stimulus package construction projects with value of RM1.3 billion had been implemented. These include rural infrastructure projects as well as upgrading, repair and maintenance of schools, clinics, hospitals, roads and public flats. Other major construction projects such as the Second Penang Bridge and Iskandar Corridor infrastructure projects as well as the new Low-Cost Carrier Terminal (LCCT) also contributed to the growth of the sector. Meanwhile, construction activities in the residential sub-sector continued to grow, supported by improved household income and low interest rates.



Prices

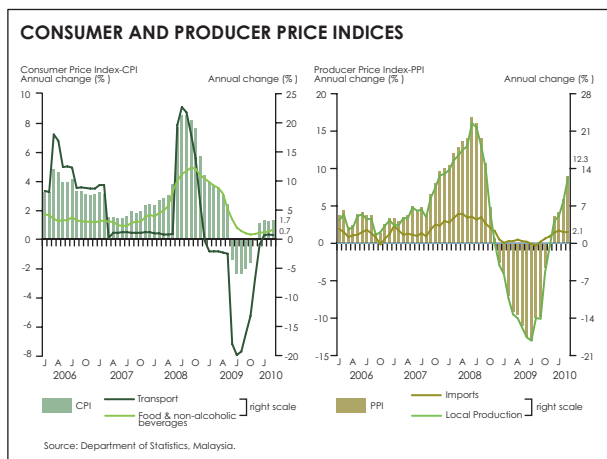
Inflation remained benign...

Headline inflation, as measured by the annual change in the Consumer Price Index (CPI), edged up modestly by 1.3% in the first quarter of 2010 (Q4 2009: -0.2%). Firmer food and commodity prices did not affect the CPI significantly. Prices of food and non-alcoholic beverages rose 1.4%, contributing 0.5 percentage point to the CPI (Q4 2009: 0.9%; 0.7 percentage point), following stronger demand during the Chinese New Year celebration and school holidays. With adjustments to subsidies, prices of food items namely sugar and bread increased during the period. Prices in the housing, water, electricity, gas and other fuels as well as miscellaneous goods and services groups rose 1.0% and 3.1% (Q4 2009: 1.1%; 4.4%), respectively. Meanwhile, the transport group recorded a price increase of 0.7% (Q4 2009: -7.2%). Inflation was moderated by declining prices in clothing and footwear as well as communication of 1.5% and 0.4% (Q4 2009: -1.3%; -0.4%), respectively due to intense competition.



The Producer Price Index (PPI), a measure of changes in the prices of commodities charged by domestic producers and those paid by importers, reversed its negative trend in the past four quarters to increase 6.3% in the first quarter of 2010 (Q4 2009: 0.0%). The PPI

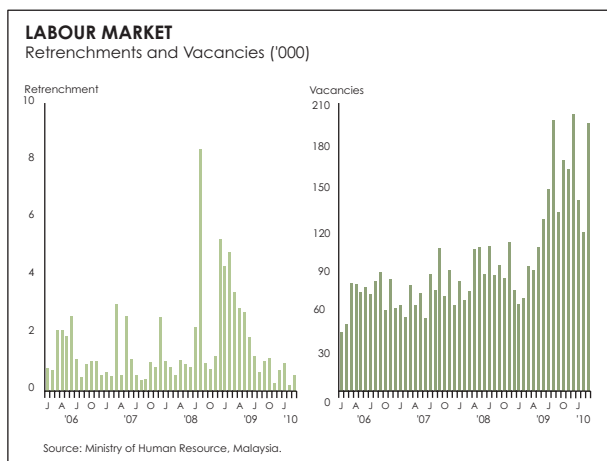
component for local production increased at a faster pace of 8.4% (Q4 2009: -0.7%) due to higher prices of crude materials, inedible (30.3%) as well as animal and vegetable oils and fats (23.4%). The PPI for imports rose 2.2% (Q4 2009: 1.4%) on account of a 2.1% increase in prices of machinery and transport equipment.



Employment

Improved labour market conditions...

The unemployment rate improved to 3.5% in the fourth quarter of 2009 (Q3 2009: 3.6%) in line with economic recovery. Total employment increased 1.9% to 11.02 million (Q3 2009: 0.4%; 11.03 million), while the labour force registered an increase of 2.2% to 11.42 million (Q3 2009: 11.44 million).



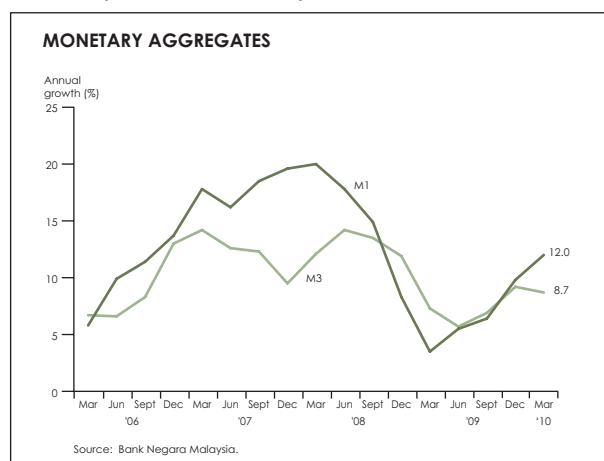
Vacancies reported via *JobsMalaysia* decreased to 450,042 in the first quarter of 2010 (Q4 2009: 531,694). The manufacturing sector registered the highest vacancies at 180,081, followed by the services (140,884) as well as agriculture, forestry and fishing (74,474) sectors. The number of active jobseekers increased further to 377,967 as at end-March 2010 (end-December 2009: 369,799).

Total retrenchments declined 19.3% quarter-on-quarter, affecting a total of 1,714 workers (Q4 2009: 2,125). The bulk of retrenchments numbering 639 workers were from the manufacturing sector, followed by the agriculture, forestry and fishing sector with 568.

Monetary and Financial Developments

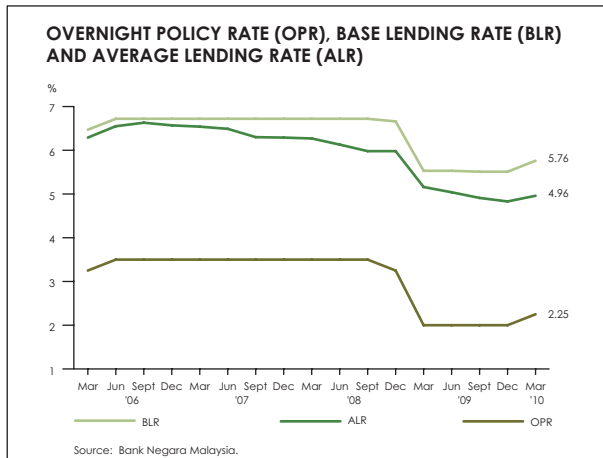
Money supply expanded steadily...

Money supply increased at a steady pace in the first quarter of 2010. M1 or narrow money expanded strongly and recorded double-digit growth of 12.0% as at end-March 2010 (end-December 2009: 9.8%), reflecting higher demand for transactional balances and demand deposits in line with the improving economy. M3 or broad money rose 8.7% to RM1,032.3 billion as at end-March 2010, (end-December 2009: RM1,017.2 billion) attributed to higher bank lending to the private sector (RM16.9 billion) and increase in net foreign assets (RM11.3 billion).



Interest rates edged up...

The overnight policy rate (OPR) was raised 25 basis points (bps) to 2.25% in March 2010, after being held at a historic low of 2.00% since February 2009. Following the global recovery and strong domestic growth, the hike in the OPR was a normalisation of interest rate to avert financial imbalances. The OPR remained supportive of growth.



Lending rates of commercial banks were adjusted upwards accordingly. The base lending rate of commercial banks rose 25 bps to 5.76% as at end-March (end-December 2009: 5.51%), while the average lending rate edged up 13 bps to 4.96% (end-December 2009: 4.83%). The savings rate remained unchanged at 0.87%, while the average

INTEREST RATES OF COMMERCIAL BANKS (%)

	End-Dec 2009	End-Mar 2010
Base lending	5.51	5.76
Average lending	4.83	4.96
Savings deposit	0.87	0.87
Fixed deposit		
1 - month	2.00	2.25
3 - month	2.03	2.28
6 - month	2.04	2.31
9 - month	2.05	2.33
12 - month	2.50	2.67

Source: Bank Negara Malaysia.

fixed deposit rates of all maturities increased between 17 bps and 28 bps to 2.25% and 2.67% (end-December 2009: 2.00%; 2.50%), respectively. The real returns on fixed deposits remained positive as inflation was benign at 1.3% in March 2010.

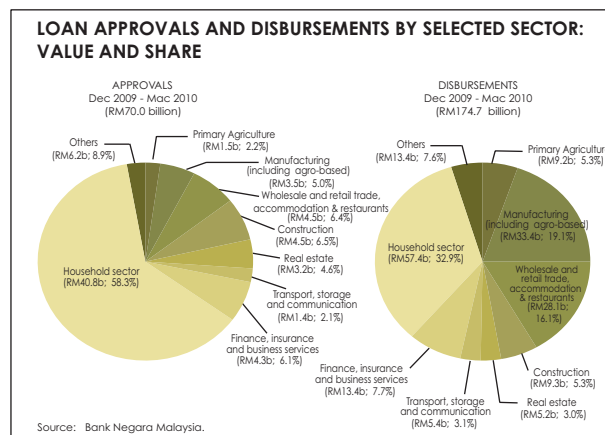
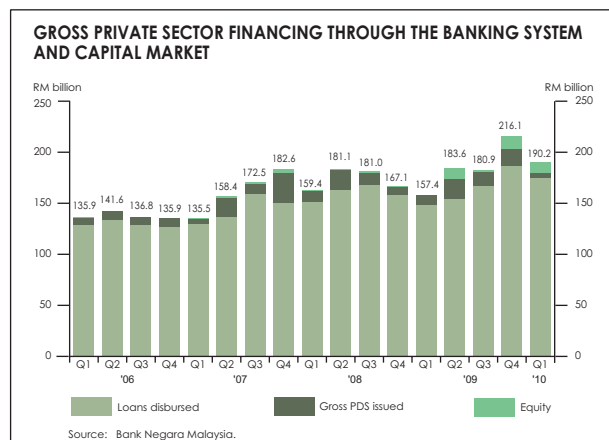
[On 13 May 2010, Bank Negara Malaysia increased the OPR by another 25 bps to 2.50%]

Strong private sector financing...

Gross private sector financing through the banking system and capital market expanded 20.8% to RM190.2 billion during the first quarter of 2010 (Q4 2009: 29.3%; RM216.1 billion). This was attributed to strong loan disbursements of the banking system, which increased 17.9% to RM174.7 billion (Q4 2009: 18.1%; RM186.4 billion) and high equity issuance of RM11.0 billion (Q4 2009: RM13.2 billion). The issuance of private debt securities (PDS), however, fell by half to RM4.4 billion compared to the same period in 2009 (Q4 2009: 83.7%; RM16.4 billion).

Bank lending activities remained strong with loan applications, approvals and disbursements increasing at double-digit rates of 20.8%, 20.6% and 17.9% (Q4 2009: 36.5%; 32.0%; 18.1%), respectively to RM130.0 billion, RM70.0 billion and RM174.7 billion in the first quarter (Q4 2009: RM138.6 billion; RM80.4 billion; RM186.4 billion). Loans outstanding of the banking system rose 9.8% to RM805.9 billion as at end-March 2010 (end-December 2009: 7.8%; RM783.5 billion) due to faster growth of business and household loans at 4.7% and 11.8% (end-December 2009: 2.7%; 9.8%), respectively.

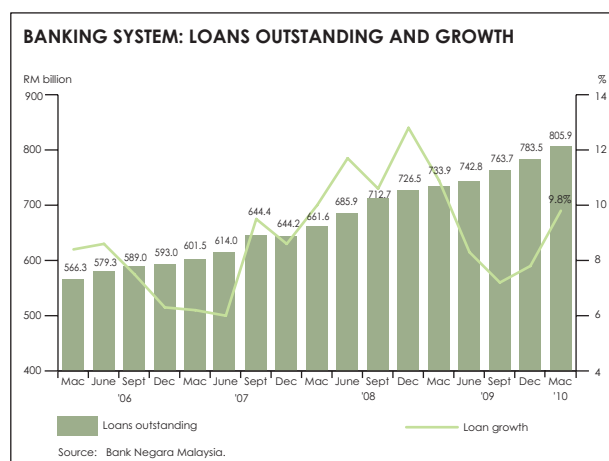
Loan disbursements to the business sector were largely for working capital and mainly channelled to the manufacturing; wholesale and retail trade, accommodation and restaurants; and finance, insurance and



business services sectors, accounting for RM74.9 billion or 42.9% of total loans disbursed. Loans disbursed to SMEs turned positive with growth of 2.4% to RM35.5 billion, accounting for 30.3% of business loan disbursements (Q4 2009: -3.2%; RM38.3 billion; 30.4%). The household sector accounted for RM57.4 billion or 32.9% of total loans disbursed, mainly for purchase of residential properties (RM15.0 billion) and consumption credit (RM33.6 billion). Loan demand for passenger cars grew strongly during the first quarter, as buyers sought to lock in interest rates, in anticipation of a hike. This was reflected in the robust increase in loan approvals and disbursements for cars at 26.2% and 20.2% (Q4 2009: 22.4%; 16.2%), respectively.

Fund raising remained strong...

There was strong fund raising activity in the capital market during the first quarter of 2010 in tandem with robust economic growth. Net funds raised in the capital market rose 94.1% year-on-year (y-o-y) to RM22.6 billion (Q4 2009: RM29.6 billion). The public sector accounted for RM15.5 billion or 68.6% of total funds raised (Q4 2009: RM5.6 billion; 19.0%). Net funds raised by the private sector increased 7.4 times y-o-y to RM7.1 billion (Q4 2009: RM24.0 billion). The equity market dominated fund raising activities by the private sector, accounting for RM11.0 billion or 70.2% of total gross funds (Q4 2009: RM13.2 billion; 44.4%). The PDS market, however, witnessed higher redemptions at RM8.6 billion (Q4 2009: RM5.6 billion) due to substantial redemption by a telecommunication firm.



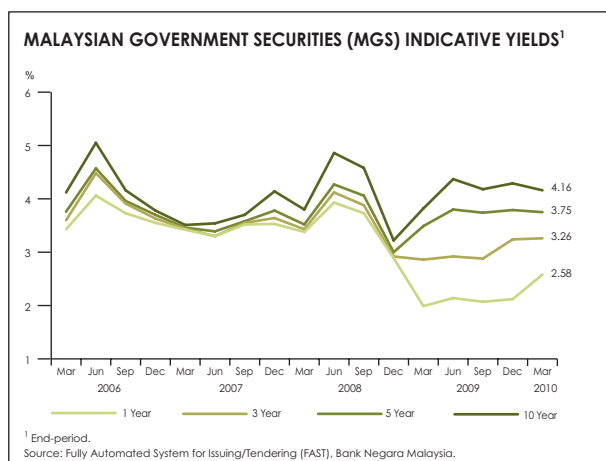
FUNDS RAISED IN THE CAPITAL MARKET
(RM million)

	2009				2010
	Q1	Q2	Q3	Q4	Q1
BY PUBLIC SECTOR	10,806	24,713	16,636	5,611	15,513
Government Securities (net)	8,811	19,730	19,050	5,672	15,565
Malaysia Government Securities	20,477	12,730	14,550	13,537	12,565
Government Investment Issues	6,000	10,500	8,500	3,500	6,500
Less: Redemptions	17,666	3,500	4,000	11,365	3,500
Khazanah Bonds (net)	-	-	(2,350)	-	-
Saving Bonds (net)	1,995	4,983	(65)	(61)	(52)
BY PRIVATE SECTOR	842	21,015	6,743	23,981	7,099
Shares/Warrants	144	11,511	1,234	13,156	11,025
Debt Securities (net)	698	9,504	5,509	10,825	-3,926
Private Debt Securities ¹	9,257	19,343	13,527	16,448	4,676
Less: Redemptions	8,559	9,839	8,019	5,623	8,602
TOTAL	11,649	45,728	23,378	29,592	22,612

Source: Bank Negara Malaysia.
¹ Including Cigamas

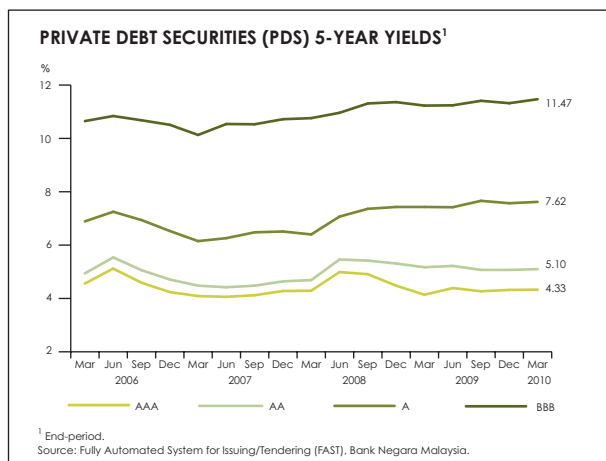
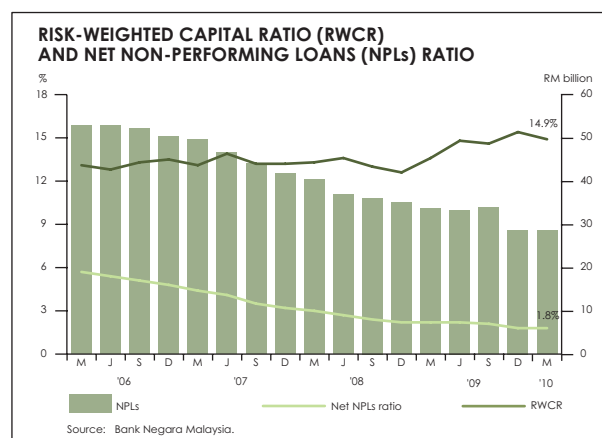
The first quarter of 2010 saw an increase in Malaysian Government Securities (MGS) yields of shorter tenures. The 1-year MGS rose 45.8 bps, while 3-year MGS increased 1.7 bps on expectation of a hike in the OPR. In contrast, yields on 5-year and 10-year MGS tenures declined 4.0 bps and 12.7 bps (Q4 2009: 5.1 bps; 11.1 bps), respectively. This was attributed to moderate inflationary expectations, while increased foreign demand for long-term MGS resulted in yields trending down.

Yields on 5-year PDS rose marginally in the first quarter on improved credit conditions, following stronger economic growth. This saw PDS of triple-A rating edging up 1.1 bps, while BBB PDS increased 15.2 bps (Q4 2009: 4.4 bps; -8.8 bps). The PDS yields were in the range of 4.33% and 11.47% (Q4 2009: 4.32%; 11.32%).



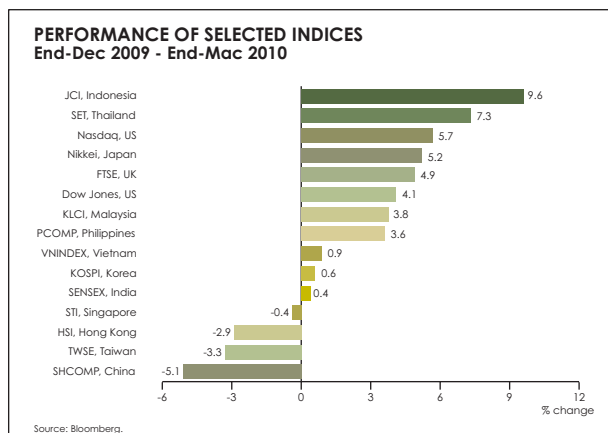
Banking system remained resilient...

The banking sector remained resilient, underpinned by strong capitalisation and stable asset quality. The banking system was well-capitalised with the risk-weighted capital ratio (RWCR) and core capital ratio (CCR) at 14.9% and 13.2% as at end-March 2010 (end-December 2009: 15.4%; 13.8%), respectively. Pre-tax profits of the banking system grew 6.7% y-o-y to RM5.1 billion (Q4 2009: RM5.2 billion), supported by increased net interest income from higher financing. The net non-performing loans (NPLs) ratio remained stable at 1.8% as at end-March 2010 (end-December 2009: 1.8%). This was attributed to active management in collection and recovery of NPLs. The quality of SME and household loans improved, contributing to the stable NPL ratio.



Vibrant stock market...

The benchmark FBM KLCI rose 3.8% to 1,320.57 points as at end-March 2010 (end-December 2009: 5.9%; 1,272.78 points), following stronger economic growth, a firmer ringgit and higher commodity prices. Market capitalisation increased RM61.6 billion or 5.8% to RM1,061.1 billion as at end-March (end-December 2009: RM999.5 billion). Total turnover rose 7.1% to 61.7 billion units, valued at RM90.4 billion during the first quarter (Q4 2009: 2.5%; 57.7 billion units; RM76.2 billion).



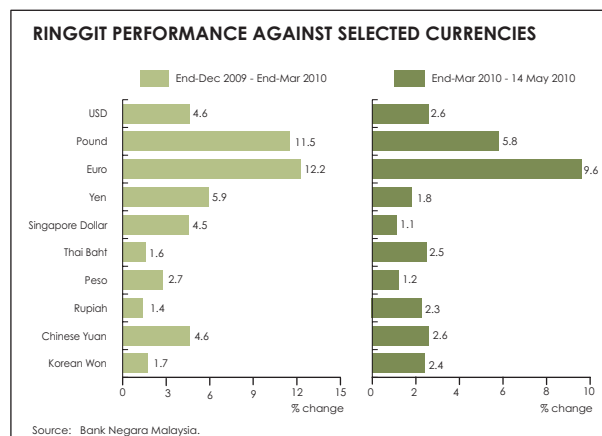
[The FBM KLCI closed at a new high of 1,346.92 points on 13 May 2010. Investor sentiment was boosted by the strong first quarter growth of 10.1% and market anticipation of better corporate earnings]

Ringgit strengthened...

The ringgit strengthened against major and regional currencies in the first quarter of 2010. Against the US dollar, the ringgit appreciated 4.6%, making it the best performing regional currency. The ringgit was supported by improving economic prospects, which encouraged investor interest in emerging market assets, as well as market expectation of an appreciation of the yuan. The ringgit rose 5.9%, 11.5% and 12.2%, respectively against the yen, pound and euro. The euro was weighed down by the sovereign debt crisis in Greece, while the pound was affected by concerns over economic and political developments. The ringgit also appreciated in the range of 1.4% and 4.6% against regional currencies.

[From end-March 2010 to 14 May 2010, the ringgit continued to appreciate against major and regional currencies.

The ringgit rose 2.6% against the US dollar, supported by trade and capital flows. The euro weakened 9.6% against the ringgit on investor concerns whether the USD1 trillion package was sufficient to help debt-ridden European nations. The ringgit also strengthened against regional currencies in the range of 1.1% and 2.6%]



Federal Government Finance

Stable indirect tax collection...

Federal Government revenue declined 19.9% to RM28.7 billion (Q4 2009: -8.0%; RM42.6 billion) in the first quarter of 2010, mainly due to a contraction in the collection of tax and non-tax revenue.

Tax revenue, accounting for 75.6% of total revenue, declined 13.6% to RM21.7 billion (Q4 2009: -21.0%; RM23.6 billion) on account of lower collection in direct taxes. However, receipts from indirect taxes saw a marginal growth of 1.2% (Q4 2009: -9.1%).

Collection of direct taxes fell 18.8% to RM15.1 billion (Q4 2009: -26.0%; RM15.7 billion) as all major components, including company and individual taxes as well as petroleum income tax (PITA) recorded negative growth. Lower receipts from PITA were mainly due to the

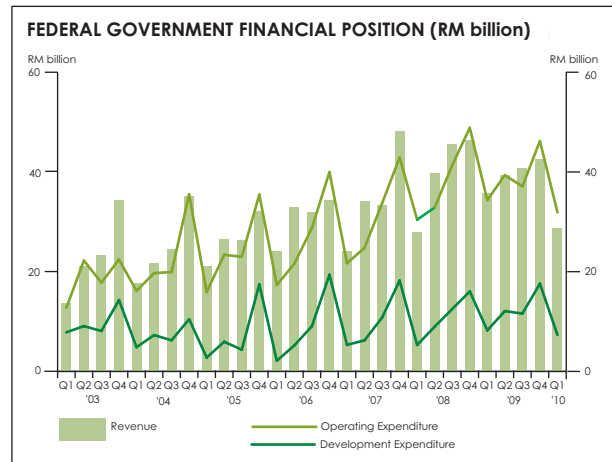
change in the basis of assessment from preceding year to current year introduced in Budget 2010. Collection in stamp duties, however, increased 59.2% following higher business transactions. Similarly, the increase in external trade and services as well as private spending during the quarter resulted in higher proceeds from indirect taxes at RM6.7 billion (Q4 2009: RM7.9 billion). Export duties rose 44.1% contributed largely by higher export volume and value of crude oil, the main component. The increase in receipts from import duties (1.1%) and excise duties on imports (75.5%) as well as locally manufactured goods (22.3%) was in tandem with the expansion in consumer spending, manufacturing and business activities. Higher sales of motor vehicles, food and beverages, cigarettes, fuel and lubricants as well as industrial supplies were the major contributors. Receipts from service tax also recorded strong growth of 22.2% in line with improved business activities and consumer spending.

Meanwhile, non-tax revenue which contributed 24.4% of total revenue, declined 34.6% to RM7.0 billion (Q4 2009: 15.7%; RM19.0 billion) on account of lower returns from investment income as well as receipts from licences and permits. Likewise, receipts from petroleum royalties fell 18.6% due to lower production of crude oil.

	2008				2009 ¹				2010 ²	2010		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1			
Revenue	159.8	28.0	39.9	45.7	46.3	158.6	35.9	39.4	40.8	42.6	161.7	28.7
Operating expenditure	153.5	30.4	32.9	41.4	48.9	157.1	34.4	39.4	37.1	46.2	147.6	31.9
Current balance	6.3	-2.5	7.0	4.3	-2.6	1.6	1.5	0.0	3.7	-3.6	14.1	-3.2
Gross development exp.	42.8	5.3	9.0	12.5	16.0	49.5	8.2	12.1	11.6	17.6	54.2	7.3
Loan recoveries	1.0	0.1	0.0	0.4	0.4	0.5	0.1	0.0	0.1	0.3	0.6	0.3
Net development exp.	41.9	5.2	9.0	12.1	15.6	49.0	8.2	12.1	11.5	17.3	53.6	7.0
Overall balance	-35.6	-7.7	-1.9	-7.8	-18.2	-47.4	-6.7	-12.1	-7.8	-20.9	-39.5	-10.2
% to GDP	-4.8					-7.0					-5.4	
Memo Item:												
Total Fed. Govt. Debt. (end of period)	306.4	275.1	285.1	288.1	306.4	362.4	317.1	335.7	354.3	362.4		378.3
% to GDP	41.4	37.1	38.5	38.9	41.4	53.3	46.7	49.4	52.1	53.3		51.4

¹ Preliminary

² Revised Budget in March 2010



Lower expenditure....

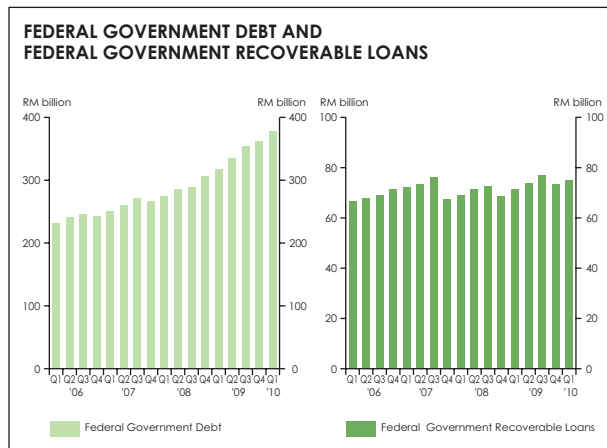
Federal Government total expenditure declined 8.0% to RM39.2 billion (Q4 2009: -1.7%; RM63.8 billion) in the first quarter of 2010, partly due to the high base effect in 2009. It accounted for 19.4% of the 2010 revised budget of RM201.7 billion. The expenditure included RM1.4 billion spent under the on-going stimulus measures announced in November 2008 and March 2009.

Operating expenditure declined 7.1% to RM31.9 billion (Q4 2009: 5.4%; RM46.2 billion). The bulk of operating expenditure was expended on emoluments (33.5%), subsidies (11.8%), pension and gratuities (10.6%) as well as debt service charges (10.3%). Expenditure on subsidies rose 6.1% mainly on account of higher crude oil prices (WTI) which averaged USD78.67 per barrel during the quarter as compared with USD42.96 in the corresponding quarter of 2009. Fuel subsidies, the largest component, amounted to RM923.0 million (Q4 2009: RM3.0 billion).

Development expenditure contracted 11.4% to RM7.3 billion or 13.5% of the revised expenditure (Q4 2009: RM17.6 billion; 9.5%). The education (26.4%), transport (20.0%), agriculture and rural development (9.9%) as well as defence sub-sectors (9.1%) accounted for 65.5% of the expenditure. During the quarter, the Federal

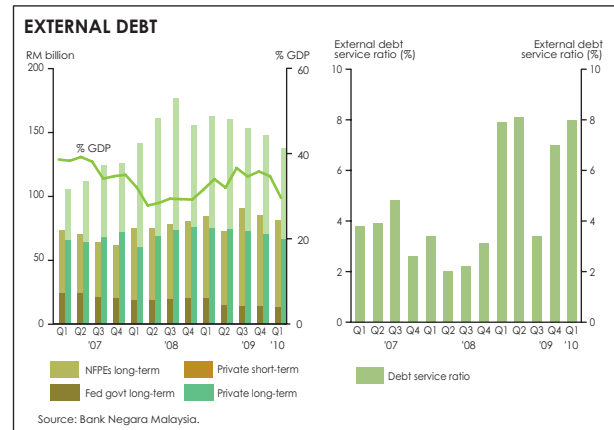
Government overall balance registered a lower deficit of RM10.2 billion (Q4 2009: RM20.9 billion) as expenditure continued to outpace revenue collection.

As at end-March 2010, Federal Government gross borrowings amounted to RM19.1 billion, of which issuance of MGS and GIs were RM12.5 billion and RM6.5 billion, respectively. With ample liquidity in the financial system, the bulk of the financing requirements were met through non-inflationary domestic sources. Thus, Federal Government debt as at end-March 2010, after netting out repayments, stood at RM378.3 billion or 51.4% of GDP (end-December 2009: RM362.4 billion or 53.3% of GDP). Of this, domestic debt amounted to RM365.6 billion or 96.6% of total debt. Debt service charges declined 8.4% to RM3.3 billion (Q4 2009: 22.6%; RM3.9 billion).



National or external debt declined to RM218.0 billion as at end-March 2010 (end-December 2009: RM233.1 billion) largely due to net repayments by the public and private sectors as well as exchange rate gains. The medium-and-long-term debt, mainly denominated in US dollars and comprising 67.5% of total national debt, declined to RM147.3 billion (end-December 2009: RM155.4 billion). Of this, the NFPEs, private sector and the Federal Government accounted for 46.3%, 45.1% and 8.6%, respectively. Likewise, total short-term debt, accounting for 32.5% of total external

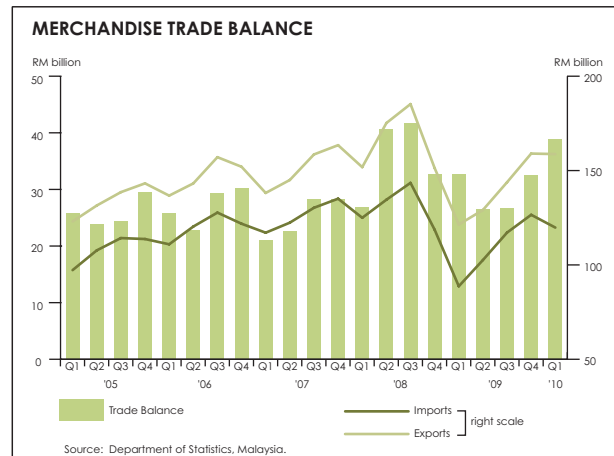
debt, declined 9.0% to RM70.8 billion (end-December 2009: -3.5%; RM77.8 billion) as at end-March 2010, in part due to the stronger ringgit during the period.



External Trade

Trade surplus strengthened...

Exports posted robust growth of 30.8% (Q4 2009: 6.6%), supported mainly by the strong performance in the manufacturing and commodity sectors. Imports also surged 35.1% (Q4 2009: 6.9%). With export value outpacing imports, the trade account recorded a larger surplus of RM39.0 billion (Q4 2009: RM32.4 billion). Total trade increased 32.6% (Q4 2009: 6.7%) during the first quarter of 2010.



Exports of manufactured goods rose sharply by 32.3% (Q4 2009: 12.4%), following robust performance in both E&E and non-E&E sectors.

E&E exports expanded 34.6% (Q4 2009: 19.2%) during the period on account of strong demand as well as inventory restocking activities from major markets. Exports of semiconductors rose 35.0% (Q4 2009: 40.3%) as demand for cell phones and personal computers from China and other developing countries strengthened further. Exports of electronic equipment and parts as well as electronics also surged 38.5% and 36.8% (Q4 2009: 9.2%; 23.3%), respectively.

The non-E&E sector registered double-digit export growth of 29.5% (Q4 2009: 4.0%), reflecting continue recovery in the global

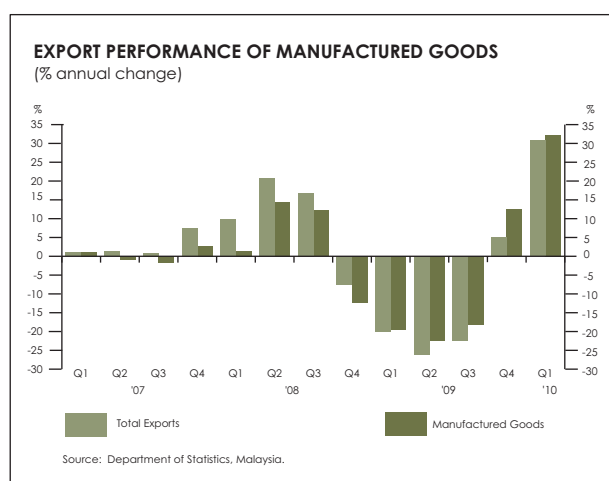
economy. Receipts from chemicals, chemical and plastic products as well as petroleum products increased 50.0% and 29.6% (Q4 2009: 15.0%; 22.6%), respectively while export earnings from iron, steel and metal products as well as wood products rebounded 26.3% and 21.0% (Q4 2009: -10.1%; -8.2%), respectively.

Agriculture exports expanded significantly by 50.5% (Q4 2009: 7.5%), supported by higher earnings from palm oil exports (44.1%), amounting to RM11.3 billion. This was largely due to the substantial increase in prices (31.0%) to RM2,557 per tonne while volume increased 10.0%. Rubber exports also contributed positively to the overall commodity export growth. Exports of rubber rose sharply by 143.4% on account of higher export price of RM9.58/kg (Q4 2009: RM7.50/kg), while volume increased 44.1%. Exports of the mining commodities rebounded 13.2% (Q4 2009: -27.0%), following higher prices and shipment of crude oil by 63.9% and 3.3%, respectively. However, exports of liquefied natural gas contracted 13.7% (Q4 2009: -43.0%) due to lower export price, despite rising volume.

All categories of imports registered stronger growth in the first quarter of 2010. Gross imports rose 35.1% (Q4 2009: 6.9%) reflecting robust recovery in the domestic economy. Imports of intermediate goods surged 37.9% (Q4 2009: 0.0%), driven by higher imports of primary and processed materials to meet increasing demand from the manufacturing sector. Meanwhile, as household income strengthened, imports of consumption goods rose 18.5% (Q4 2009: 6.7%), supported by higher demand for primary and processed food as well as beverages. Imports of capital goods rose 9.6% (Q4 2009: 20.0%) driven by improved domestic investment activities.

International reserves remained stable...

As at end-March 2010, Malaysia's international reserves remained stable at RM311.7 billion (USD95.3 billion) on account of sustained trade surplus, gross inflows of foreign direct investment (FDI) and portfolio investments.



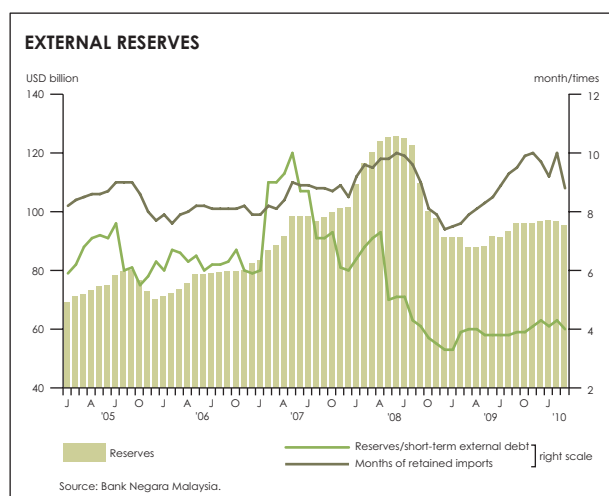
EXPORTS OF MANUFACTURED GOODS
(% annual change)

	2008	2008				2009	2009				2010
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	Q1
Total manufacturing exports	3.7	1.4	14.5	12.2	-12.3	-12.7	-19.5	-22.5	-18.1	12.4	32.3
Electronics, electrical machinery and appliances	-3.8	-9.4	9.2	4.0	-18.6	-11.0	-19.1	-22.8	-16.7	19.2	34.6
Chemicals, chemical and plastic products	9.5	6.2	27.2	22.8	-15.4	-16.0	-28.9	-24.4	-19.6	15.0	50.0
Iron, steel and metal products	10.9	27.9	8.7	18.3	-8.8	-22.6	-29.9	-22.0	-25.9	-10.1	26.3
Transport equipment	13.7	0.3	40.3	13.0	3.8	8.6	21.9	-16.9	14.6	20.1	36.8
Petroleum products	38.3	91.3	53.0	58.6	-22.5	-31.1	-42.2	-49.8	-34.9	22.6	29.6
Rubber products	21.0	22.8	26.9	33.9	2.2	-2.6	-5.3	-5.1	-11.8	14.2	36.6
Wood products	3.9	-5.2	-1.4	15.4	14.7	-14.9	-18.1	-18.6	-20.5	-8.2	21.0
Food, beverages and tobacco	36.9	32.8	47.8	52.0	17.5	-15.3	-1.3	-14.8	-30.1	-10.6	4.7
Textiles, apparel and footwear	2.6	3.4	5.7	3.1	-1.5	-14.1	-9.3	-15.2	-21.4	-8.6	-0.7
Non-metallic mineral products	34.0	11.0	42.0	55.1	29.1	-1.2	14.3	6.1	-10.4	-9.6	-2.1
Other manufactured goods	4.1	-3.1	2.5	4.3	12.6	-3.6	-6.0	-5.2	-4.8	1.1	36.0

Source: Department of Statistics, Malaysia.

The reserves level remained useable and unencumbered, adequate to finance 8.8 months of retained imports and was 4 times the short-term external debt.

[As at end-April 2010, international reserves strengthened further to RM313.9 billion (USD96.0 billion), sufficient to finance 8.5 months of retained imports and was 4.4 times the short-term external debt]

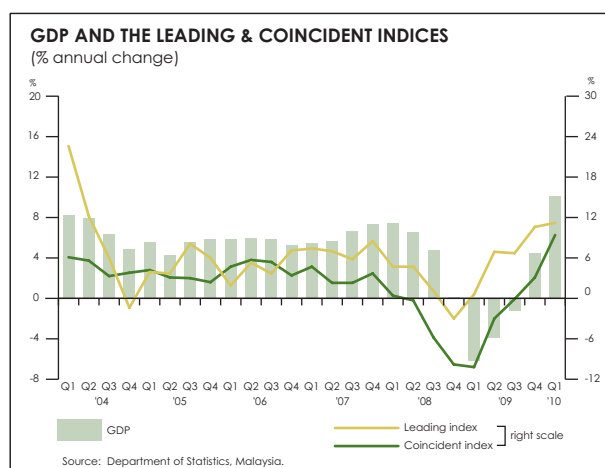


Outlook

More positive prospects...

World growth is projected higher at 4.2% for 2010 (2009: -0.6%). Advanced economies are expected to grow moderately at 2.3%, while emerging and developing economies

are anticipated to record strong growth of 6.3%. However, weak bank credit, rising public deficits and debt in a number of advanced economies, particularly in Europe, coupled with high unemployment remain downside risks. On the other hand, strong performance in the Asian region and emerging economies is expected to cushion the downside risks.



On the domestic front, the Malaysian economy will continue on its expansion path in the second and third quarters of 2010. This is reflected by the Leading Index, which increased from 170.6 points in October 2009 to 177.5 points in March 2010. On the demand side, growth is expected to emanate from private consumption and higher investment activities, supported by favourable developments in the external sector. On the supply side, growth will be supported by continued expansion in the services and manufacturing sectors.

Key Data

<http://www.treasury.gov.my>

KEY DATA

AREA (Square kilometres) 330,252

	2008 ¹		2009 ¹		2010 ²	
POPULATION (million)	27.73		28.31		28.88	
	RM million	% growth	RM million	% growth	RM million	% growth
DOMESTIC PRODUCTION:						
Gross Domestic Product (2000 real prices)	530,181	4.7	521,095	-1.7	543,380	4.5 - 5.5
<i>USD million</i>	159,057		147,845		160,992	
Agriculture	39,828	4.3	39,992	0.4	41,175	3.1
Mining and quarrying	41,831	-2.4	40,246	-3.8	41,933	2.5
Manufacturing	153,171	1.3	138,809	-9.4	148,455	6.5
Construction	16,366	4.2	17,321	5.8	17,157	3.7
Services	292,555	7.4	300,153	2.6	312,565	4.9
Gross Domestic Product (current prices)	740,907	15.4	679,687	-8.3	747,654	11.0
<i>USD million</i>	222,276		192,840		221,514	
NATIONAL INCOME AND EXPENDITURE:						
Gross National Product (current prices)	717,200	12.9	667,098	-7.0	727,735	10.0
<i>USD million</i>	184,726		205,164		215,306	
Consumption expenditure: Public	92,531	18.0	95,918	3.7	94,773	-2.7
Private	334,712	14.2	338,894	1.2	359,771	3.8
Gross fixed capital formation: Public ^o	64,417	4.4	74,850	16.2	83,872	9.3
Private ^o	80,217	-4.0	61,974	-22.7	65,430	0.7
Exports of goods and non-factor services	765,370	8.4	655,336	-14.4	717,468	9.8
Imports of goods and non-factor services	594,655	3.6	508,927	-14.4	576,625	13.4
Gross National Product (2000 real prices)	493,400	2.1	499,297	1.2	515,292	3.6
<i>USD million</i>	148,023		141,660		152,670	
Gross National Savings (current prices)	272,500	13.2	212,800	-21.0	256,100	21.0
Per Capita Income (current prices) RM	25,865	10.7	23,567	-8.9	25,180	7.7
<i>USD</i>	7,760		6,686		7,416	
Purchasing Power Parity <i>USD</i>	13,740	3.9	11,295	-17.8	12,475	10.4
FEDERAL GOVERNMENT FINANCE³:						
Revenue	159,793	14.2	158,639	-0.7	161,675	1.9
Direct taxes	82,138	18.4	78,375	-4.6	82,296	5.0
Indirect taxes	30,760	19.4	28,129	-8.6	29,381	4.5
Non-tax revenue	46,896	4.9	52,135	11.2	49,998	-4.1
Operating expenditure	153,499	24.7	157,067	2.3	147,564	-6.1
Current account surplus/deficit	6,294		1,573		14,111	
Development expenditure (net)	41,889	11.8	48,996	17.0	53,589	9.4
Overall deficit/surplus	-35,594		-47,424		-39,478	
% to GDP	-4.8		-7.0		-5.4	
Domestic borrowing (net)	35,654		56,879		-	
Foreign borrowing (net)	-473		-6,286		-	
Change in assets	414		-3,169		-	
PUBLIC SECTOR FINANCE²:						
Current balance	82,684	-21.8	92,145	11.4	101,745	10.4
Development expenditure	124,369	29.1	118,034	-5.1	109,699	-7.1
Overall balance	-41,685		-25,889		-7,954	
% to GDP	-5.6		-3.8		-1.1	

KEY DATA

	2008		2009 ¹		2010 ²				
	RM million	% growth	RM million	% growth	RM million	% growth			
National debt	236,181	26.0	233,136	-1.3	—	—			
<i>USD million</i>	67,380		67,445		—	—			
Medium and long-term debt	156,546	17.7	155,377	-0.7	—	—			
Federal Government	20,316	3.6	13,787	-32.1	—	—			
NFPEs	63,146	50.9	71,600	13.4	—	—			
Private sector	73,084	2.2	69,990	-4.2	—	—			
Short-term debt	79,635	46.2	77,760	-2.4	—	—			
Debt to GDP (%)	31.9		34.3		—				
Debt service ratio (%)	2.6		7.0		—				
	RM million		RM million		RM million				
BALANCE OF PAYMENTS¹:									
Current Account	129,513		112,703		103,815				
<i>USD million</i>	38,776		31,927		30,534				
Goods	170,552		141,512		141,555				
Services	163		3,219		-711				
Income	-23,707		-12,589		-19,918				
Transfers	-17,495		-19,439		-17,110				
Financial account	-118,501		-82,948		—				
Overall balance	-18,250		13,832		—				
	RM million	% growth	% share	RM million	% growth	% share	RM million	% growth	% share
EXTERNAL TRADE:									
Total Exports (f.o.b.)	663,014	9.7		553,295	-16.6		158,731⁴	30.8	
<i>USD million</i>	199,051			156,980			46,686		
Manufactured goods	495,337	3.7	74.7	432,244	-12.7	78.1	119,930	32.3	75.6
Palm oil (crude and processed)	47,051	44.1	7.1	36,795	-21.8	6.7	11,350	44.1	7.2
Crude petroleum	43,198	31.8	6.6	25,360	-41.3	4.6	8,864	69.3	5.6
Liquefied natural gas	40,732	55.7	6.1	31,195	-23.4	5.6	10,038	-13.7	6.3
Total Imports (c.i.f.)	519,804	3.5		434,940	-16.6		119,777⁴	35.1	
<i>USD million</i>	156,485			123,401			126,301		
Intermediate goods	379,136	5.3	72.9	297,342	-21.6	68.4	81,515	37.9	68.1
Capital goods	69,913	3.2	13.4	65,767	-5.9	15.1	16,274	9.6	13.6
Consumption goods	32,304	13.1	6.2	31,427	-2.7	7.2	8,337	18.5	7.0
Balance of Trade	143,209			118,355			38,954⁴		
Gross international reserves	317,468			331,342			313,916 ⁵		
<i>USD million</i>	91,356			96,713			95,984 ⁵		
Months of retained imports	7.6			9.7			8.5 ⁵		
Multiples of short term debt	4.0			4.3			4.4 ⁵		
Trading Partners: (% to total trade)									
ASEAN	25.5			25.6			26.6 ⁴		
European Union	11.5			11.2			10.5 ⁴		
USA	11.7			11.1			10.1 ⁴		
Japan	11.6			11.0			11.3 ⁴		
North East Asia (excludes Japan)	22.3			24.5			25.1 ⁴		
Others	17.4			16.6			16.4 ⁴		
	Index	% growth		Index	% growth		Index	% growth	
Consumer Price Index (2005=100)	111.4	5.4		112.1	0.6		113.2 ⁴	1.3	
Producer Price Index (2005=100)	119.9	10.2		111.1	-7.3		116.4 ⁴	6.3	
	Thousands	% growth		Thousands	% growth		Thousands	% growth	
LABOUR:									
Labour force ⁶	11,967.5	1.6		12,061.1	0.8		12,216.8	1.3	
Unemployment rate ⁶ (% of labour force)	391.0	3.3		476.1	3.7		477.8	3.6	

KEY DATA

	2008		2009		2010		
	End-March		End-March		End-March		
	RM million	% growth	RM million	% growth	RM million	% growth	
MONEY AND BANKING:							
Money Supply	(M1)	173,552.6	20.0	179,679.4	3.5	201,178.9	12.0
	(M2)	843,244.4	11.8	921,854.3	9.3	1,003,153.7	8.8
	(M3)	884,372.9	12.1	949,308.9	7.3	1,032,296.9	8.7
Banking system:							
	Deposits	912,889.2	8.4	985,855.3	8.0	1,068,799.9	8.4
	Loans	661,587.1	10.0	733,873.5	10.9	805,903.6	9.8
		End-March (%)		End-March (%)		End-March (%)	
	Loan-deposit ratio (end of period)	70.8		73.7		79.2	
		End-March (%)		End-March (%)		End-March (%)	
Interest rates (average rates at end of period):							
	3-month interbank	–		2.08		2.50	
	Commercial banks:						
	Fixed deposits: 3-month	3.14		2.04		2.28	
	12-month	3.70		2.52		2.67	
	Savings deposit	1.43		0.95		0.87	
	Base lending rate (BLR)	6.72		5.53		5.76	
	Treasury bill (3-month)	3.44		1.94		2.14	
	Malaysian Government securities (1-year)	3.38		1.99		2.58	
	Malaysian Government securities (5-year)	3.52		3.49		3.75	
		End-April		End-April		End-April	
Movement of Ringgit (end-period)⁷:							
	RM per SDR; % change	5.1333	1.7	5.3354	-3.8	4.8122	10.9
	RM per USD; % change	3.1580	8.4	3.5610	-11.3	3.1905	11.6
	RM per Euro; % change	4.9183	-5.0	4.7404	3.8	4.2284	12.1
	RM per 100 Yen; % change	3.0338	-5.6	3.6570	-17.0	3.3951	7.7
		End-April		End-April		End-April	
Bursa Malaysia (end-period):							
	KLCI / FBM KLCI	1,279.90		990.74		1,346.38	
	Market capitalisation (RM billion)	976.70		754.20		1,076.19	
SOCIAL INDICATORS:							
	Life expectancy ¹ : Male (years)	71.6		n.a.		n.a.	
	Female (years)	76.4		n.a.		n.a.	
	Infant mortality ¹ (per '000 live births)	6.4		n.a.		n.a.	
	Literacy rate ¹	92.1		n.a.		n.a.	
	Water coverage ⁶ (% of population)	90.9		n.a.		n.a.	
	Electricity coverage ⁶ (% of rural housing units)	94.3		n.a.		n.a.	
	Fixed line telephone subscribers (per 100 households)	15.3		44.0		43.9 ⁸	
	Cellular phone subscribers (per 100 population)	98.9		106.2		107.1 ⁸	
	Broadband subscribers (per 100 households)	21.1		31.7		34.5 ⁸	
	Tourist arrivals (million)	22.1		23.6		1.9 ⁹	

^p preliminary¹ Department of Statistics, Malaysia.² BNM Annual Report 2009.³ Revised Budget in March 2010.⁴ For the period of January - March 2010.⁵ As at 30 April 2010.⁶ Based on estimates by Economic Planning Unit.⁷ Annual rate of appreciation (+) or depreciation (-).⁸ As at end - March 2010 - Data from Malaysia & Multimedia Commission (MCMC).⁹ As at January 2010.

Key Economic Indicators

I. CONSUMPTION INDICATORS

Indicator / Month	2009												2010		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Sales of new passenger cars (units)	34,583	33,981	40,629	37,780	40,118	41,109	47,126	44,099	42,039	41,520	40,569	42,465	45,973	36,551	50,533
Production of vehicles (units)	35,448	39,757	36,708	38,932	35,782	38,472	45,798	37,887	41,150	42,300	41,200	43,568	39,996	38,242	54,570
Sales of motorcycles (units)	28,031	37,155	37,635	39,112	35,501	36,811	42,007	39,488	30,078	37,390	34,690	34,783	38,860	31,619	41,165
Production of motorcycles (units)	26,757	36,034	37,868	39,844	36,410	37,809	40,641	39,328	31,893	39,697	35,462	34,687	36,096	28,841	42,490
Imports of consumption goods (RM million)	2,373	2,058	2,603	2,591	2,399	2,622	2,941	2,709	2,635	2,701	2,695	3,100	2,834	2,409	3,094
Bursa Malaysia (end-period)															
Kuala Lumpur Composite Index (KLCI) ¹	884.45	890.67	872.55	990.74	1,044.11	1,075.24	1,174.90	1,171.28	1,202.08	1,243.23	1,259.11	1,272.78	1,259.16	1,270.78	1,320.57
Market capitalisation (RM billion)	667.87	667.42	662.07	754.20	797.81	817.94	885.83	893.86	910.52	936.49	986.29	999.45	1,001.73	1,015.71	1,061.06
Prices (Annual % change)															
Consumer Price Index (2005=100)	3.9	3.7	3.5	3.0	2.4	-1.4	-2.4	-2.4	-2.0	-1.5	-0.1	1.1	1.3	1.2	1.3
Producer Price Index (2005=100) - Domestic	-4.0	-7.0	-9.2	-9.6	-11.0	-12.5	-13.0	-9.9	-9.8	-3.3	0.0	3.6	4.2	5.9	9.0
Labour market															
Retrenchment (no.)	4,325	4,821	3,444	2,871	2,739	1,860	1,209	641	1,029	1,146	256	723	952	204	558
Vacancies (no.)	62,939	67,886	91,051	87,945	104,543	125,508	146,868	197,697	130,216	168,510	161,656	201,528	139,196	115,372	195,474

Note:

1 - Effective 6 July 2009, FTSE Bursa Malaysia KLCI (FBM KLCI) replaced the KLCI. KLCI declined to its lowest level on 1 September 1998 at 262.7 points and market capitalisation of RM181.5 billion.

II. INVESTMENT INDICATORS

Indicator / Month	2010														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Sales of new commercial vehicles (units)	3,478	3,394	4,216	3,876	3,826	4,102	4,802	4,439	4,030	4,572	4,631	5,203	4,649	4,103	5,606
Imports (RM million)	5,480	4,276	5,092	5,384	4,789	4,782	5,912	5,331	4,920	6,434	6,820	6,708	5,319	5,049	5,906
Capital goods	19,942	18,602	20,572	23,005	22,613	25,363	28,305	26,644	27,047	28,967	27,889	28,267	27,260	23,521	30,734
Intermediate goods	2,688	2,055	3,214	966	805	7,082	1,620	1,493	839	2,356	1,435	8,083	2,169	2,042	990
Manufacturing projects	2,024	1,408	994	599	324	6,399	970	991	433	907	1,001	6,002	376	1,289	552
MIT Approvals (RM million)	664	647	2,221	367	481	683	650	502	406	1,449	434	2,081	1,793	743	438
New investment	6.38	5.89	5.53	5.53	5.53	5.53	5.53	5.51	5.51	5.51	5.51	5.51	5.51	5.51	5.76
Re-investment	4.6	3.9	3.5	7.4	9.3	5.5	6.0	7.8	6.4	10.5	13.6	9.8	10.8	15.3	12.0
Base lending rate (%)¹	9.0	7.8	7.3	6.1	4.9	5.7	5.3	7.5	6.9	9.2	10.0	9.2	7.9	8.2	8.7
Money supply (Annual % change)	13.1	13.2	13.6	14.2	14.2	14.8	14.6	14.6	14.6	14.6	14.6	14.7	14.9	15.1	14.9
M1	1.7	1.6	1.6	1.7	1.6	1.6	1.5	1.6	1.6	1.5	1.4	1.3	1.7	1.9	1.8
M3	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	1.9	1.8	1.7	1.9	1.8
Risk-Weighted Capital Ratio (RWCR), %	16.511	17.696	23.842	23.793	25.162	26.748	26.788	22.414	23.418	25.025	28.788	26.566	23.363	19.781	26.652
Non-performing loans of banking system (%)²	766	574	667	612	543	963	462	483	567	725	559	828	236	479	800
6 months classification	120	43	1,398	1,103	22	578	124	48	99	320	89	195	71	791	174
3 months classification	919	894	6,022	6,001	2,046	1,359	2,036	1,516	1,687	1,581	1,260	1,503	1,167	812	1,500
Banking System:	3,196	4,530	10,955	10,099	6,638	6,474	5,635	3,542	3,051	4,684	7,462	5,901	4,061	4,444	5,075
Primary agriculture	976	1,026	1,214	1,387	1,140	1,246	1,272	1,276	1,775	1,588	1,689	2,035	1,602	1,120	1,704
Mining and quarrying	717	528	1,384	824	1,119	1,496	1,872	690	1,752	934	1,085	2,091	1,186	632	1,428
Manufacturing (including agro-based)	9,567	9,673	12,713	13,628	13,200	14,077	14,963	14,302	13,747	14,780	14,887	13,505	14,186	11,165	15,265
Services	251	397	400	372	484	595	624	257	740	453	2,018	528	624	347	620
Construction	49,080	43,675	55,467	51,811	47,112	55,076	60,999	51,877	54,232	57,879	63,778	64,691	56,518	56,437	61,784
Real Estate	1,181	1,277	1,735	1,315	1,110	2,033	2,258	1,319	1,598	1,705	1,717	3,565	2,809	3,250	3,146
Household sector*	205	167	301	275	200	182	148	156	157	166	129	204	191	229	344
Other sector n.e.c.	9,760	9,526	10,955	10,099	9,402	11,518	11,397	9,933	10,986	12,049	10,484	12,317	11,047	10,239	12,065
Loans Disbursed by Purpose and Sectors (RM million)	15,470	13,084	18,231	15,927	12,754	16,482	18,787	13,966	15,792	15,714	21,523	19,069	16,890	18,285	16,883
Primary agriculture	3,322	2,289	3,052	2,463	2,874	3,828	3,910	3,247	3,455	3,623	4,287	4,269	3,011	3,025	3,220
Mining and quarrying	1,365	1,182	2,673	1,342	1,452	1,965	1,616	1,553	1,000	1,980	2,135	2,088	1,623	1,813	1,760
Manufacturing (including agro-based)	16,219	14,412	16,715	16,862	17,328	16,824	19,639	18,868	18,879	20,575	20,183	19,908	19,456	17,539	20,032
Services	1,559	1,759	1,804	3,528	1,992	2,145	3,337	2,834	2,366	2,068	3,021	3,271	1,482	2,077	4,204
Construction	2,682	2,658	3,542	3,659	3,451	3,758	4,116	3,562	3,182	3,752	3,633	3,583	3,834	2,647	-
Real Estate	517	835	554	1,016	427	613	903	677	425	1,434	1,080	2,815	1,489	850	-
Household sector*			28,747			27,121			26,355			28,498			-
Other sector n.e.c.			-2.2			-9.2			-4.6			-9.5			-
Registration of new local companies (no.)			5,518			5,273			5,319			5,832			-
Liquidation of companies (no.)			-0.9			-9.1			-7.1			-6.7			-
Property Overhang (end period)³															
Total (units)															
% Change (preceeding)															
Total (RM million)															
% Change (preceeding)															

Note:

- Commercial bank rate.
- Effective January 2010, loans are reported based on Financial Reporting Standards (FRS) 139. The adoption of FRS 139 requirement is based on the financial year of the banks. For banks that have adopted FRS 139, the figures from January onwards reflect the collective impairment provisions.
- Household sector = total loans by purpose to households. n.e.c. not elsewhere classified.

3 - Quarterly data.

III. PRODUCTION INDICATORS

Indicator / Month	2010															
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Agriculture Sector																
Palm Oil ('000 tonnes)	1,330	1,187	1,276	1,282	1,395	1,448	1,493	1,496	1,558	1,984	1,596	1,520	1,321	1,157	1,387	
Price (RM / tonne)	1,839	1,895	2,023	2,387	2,743	2,446	2,114	2,410	2,227	2,150	2,195	2,456	2,515	2,549	2,624	
Rubber ('000 tonnes)	73	81	72	50	60	81	83	75	77	78	63	97	109	81	70	
Price (sen / kg)	501	494	504	552	562	560	563	661	712	757	817	926	994	1,010	1,038	
Cocoa, export unit value (RM / tonne)	8,137	8,533	7,709	8,616	8,430	9,103	9,711	9,168	9,372	9,673	9,418	11,602	12,832	12,495	11,979	
Fish landing ('000 tonnes)	102	108	122	118	133	130	125	114	120	131	98	94	104	101	120	
Livestock :																
Chicken ('000)	9,560	8,350	9,210	9,262	8,780	8,855	9,807	8,678	8,451	8,355	8,618	11,446	10,317	9,542	10,766	
Cattle	1,649	1,332	1,718	1,522	1,674	1,923	1,822	2,545	3,646	2,144	2,517	1,488	1,730	1,300	2,085	
Goats	569	531	535	454	608	509	596	628	968	1,586	835	556	438	620	611	
Construction Sector																
No. of houses approved	6,739	7,651	7,434	9,656	7,320	10,537	6,798	8,838	4,777	8,449	9,309	10,018	6,924	5,757	12,349	
New advertising & sales permits (no.)	57	62	56	78	66	95	61	61	62	79	80	102	76	61	94	
Transport Sector																
Highway (million / vehicles)	104	96	108	105	108	110	115	111	107	117	108	124	110	101	114	
Rail (RM million)	7.6	6.4	7.6	6.9	6.8	6.8	7.5	7.2	6.7	6.5	6.4	6.9	7.0	6.0	6.8	
KTMB Commuter revenue	7.7	8.5	9.6	8.4	8.7	9.2	11.3	10.0	9.3	10.5	10.4	10.1	9.8	9.0	10.1	
KTMB Cargo revenue	5.0	5.1	6.3	5.8	5.2	5.7	6.1	6.1	5.7	6.5	6.1	6.0	5.9	5.6	6.6	
KLIA Express and Transit revenue																
Air (MAS):																
No. of passengers ('000)	836	733	896	890	907	1,027	1,112	1,104	1,045	1,104	1,078	1,215	1,006	1,007	1,102	
Domestic	328	302	372	359	381	438	438	434	427	443	438	476	344	388	426	
International	508	431	524	531	526	589	674	670	619	661	640	739	662	619	676	
Cargo (million kg)	29.2	26.7	32.1	29.5	31.6	26.0	43.1	36.2	34.7	40.5	41.8	40.5	35.0	33.8	43.0	
Air (Air Asia):																
No. of passengers ('000)	1,048	921	1,178	1,112	1,155	1,253	1,280	1,215	1,096	1,219	1,301	1,475	1,248	1,155	1,282	
Cargo ('000 kg)	2.3	1.9	2.7	2.5	2.6	2.8	3.5	3.7	3.4	4.1	4.0	3.8	3.7	3.7	5.0	
Port (Container TEUs) ²	1,124,580	1,035,929	1,243,605	1,227,308	1,287,970	1,296,166	1,419,902	1,431,489	1,354,981	1,405,595	1,404,397	1,439,375	1,421,661	1,274,249	1,454,943	
Tourism Sector																
Tourist arrivals ('000)	1,871	1,613	1,976	1,884	1,894	2,108	2,004	2,030	1,988	2,078	2,049	2,141	1,897	-	-	
Communication Sector (Subscribers '000)³																
as at end period:																
Fixed Line																
Cellular																
3G																
Broadband (includes wireless LAN)																
Mobile																
Cellular																
Broadband (includes wireless LAN)																
Industrial Production Index (Annual % change)	-16.0	-12.7	-13.0	-11.9	-11.0	-9.7	-7.9	-6.9	-6.1	0.8	-0.8	7.5	13.8	4.9	14.2	
Mining Sector																
Production Index (Annual % change)	-6.2	-7.8	-4.4	-3.3	-2.0	-4.3	-1.8	-7.8	-3.1	-2.6	-7.3	-0.2	4.1	-1.4	-0.6	
Crude Oil & Condensates ('000 barrels)	21,071	19,016	20,832	19,953	20,544	19,323	20,758	20,246	19,923	20,277	18,576	20,324	20,978	18,332	20,091	
Crude Oil & Condensates (1000 bpd) ⁴	680	679	672	665	663	644	670	653	664	654	619	656	677	655	648	
Taps Blend (USD/barrel)	45.1	48.3	50.1	52.4	60.1	71.3	69.0	76.9	70.9	78.3	80.4	79.3	80.7	77.6	82.8	
Dated Brent (USD/barrel)	44.9	43.2	46.8	50.9	57.9	68.6	64.9	72.5	67.7	73.2	77.0	74.7	76.4	74.3	79.3	
Natural Gas (mmscfd) ⁵	5,763	5,726	5,923	5,533	5,580	5,184	5,832	5,027	5,688	5,709	5,970	6,069	6,637	5,964	6,310	
Tn (tonnes)	182	209	189	209	188	210	204	196	187	193	215	230	-	-	-	
Electricity Sector																
Production Index (Annual % change)	-12.5	-5.5	-6.9	-2.9	-2.1	2.5	3.1	4.1	2.4	11.0	5.9	14.2	19.8	11.4	24.9	
Maximum demand (MW)	12,720	13,330	13,111	13,611	13,826	14,029	13,966	14,245	14,058	14,239	14,034	13,981	14,165	14,446	14,890	
Sales (GW hour)	6,566	6,040	6,240	6,704	7,016	7,121	7,162	7,648	7,362	6,894	7,487	7,113	7,431	7,331	6,966	
Manufacturing Sector																
Production Index (Annual % change)	-23.4	-15.4	-17.1	-16.0	-15.6	-13.0	-11.3	-7.7	-8.1	1.6	1.7	10.8	18.1	7.2	20.3	
Sales (Annual % change)	-25.2	-22.9	-25.6	-26.3	-25.6	-25.3	-23.2	-20.5	-21.2	-3.7	-3.6	15.9	28.9	16.8	27.7	

Note:

- Total slaughtered.
- Covers only Klang, Penang, Johor, Kuantan, Tanjung Pelepas, Bintulu and Kuching (TEUs: Twenty-foot equivalent units).
- Quarterly data.
- Barrels per day.
- Million standard cubic foot per day.

IV. EXTERNAL SECTOR

Indicator / Month	2009												2010			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
RM (million)																
Gross exports	38,270	39,557	43,572	41,105	42,919	45,074	48,824	47,786	47,196	54,256	50,066	54,673	52,447	46,841	59,443	
Gross imports	30,161	27,499	31,026	33,717	32,905	35,952	40,980	38,229	37,923	42,788	41,186	42,575	39,516	35,169	45,092	
Trade balance	8,109	12,058	12,545	7,388	10,014	9,122	7,844	9,557	9,272	11,468	8,881	12,098	12,932	11,672	14,351	
Total trade	68,430	67,056	74,598	74,822	75,823	81,026	89,804	86,015	85,119	97,045	91,252	97,248	91,963	82,010	104,535	
USD (million)																
Gross exports	10,714	10,882	11,863	11,386	12,184	12,812	13,763	13,584	13,502	15,940	14,771	16,025	15,539	13,713	17,875	
Gross imports	8,444	7,565	8,447	9,340	9,342	10,219	11,552	10,867	10,849	12,571	12,151	12,479	11,708	10,296	13,559	
Trade balance	2,270	3,317	3,416	2,047	2,843	2,593	2,211	2,717	2,653	3,369	2,620	3,546	3,831	3,417	4,315	
Total trade	19,159	18,447	20,310	20,726	21,526	23,030	25,315	24,451	24,352	28,511	26,922	28,504	27,247	24,010	31,434	
External reserves (end of period)																
RM billion	316.8	315.9	320.7	320.4	318.4	322.9	322.2	329.1	334.3	334.6	334.9	331.3	332.2	331.8	311.7	
USD billion	91.3	91.1	87.8	87.7	87.1	91.5	91.4	93.3	95.9	96.0	96.1	96.7	96.9	96.8	95.3	
Months of retained imports	7.5	7.6	7.9	8.1	8.4	8.5	9.0	9.3	9.5	9.9	10.0	9.8	9.2	10.0	8.8	
Multiples of short term debt	3.3	4.0	4.0	4.0	3.8	3.8	3.8	3.8	3.9	3.9	4.1	4.1	4.1	4.3	4.0	



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