

World Bank: GDP to grow 4.6%

KUALA LUMPUR: Malaysia's gross domestic product (GDP) growth is expected to slow down but remain at a healthy 4.6% this year, and assuming the global economic recovery picks up, to rise to an estimated 5.1% in 2013, according to World Bank senior economist for Malaysia Frederico Gil Sander.

Last year, the economy expanded by 5.1%.

"Private consumption faces both headwinds and tailwinds, with the new measures by Bank Negara Malaysia to rein in household debt restraining private consumption to some extent," he said.

He added that while public consumption is still expected to remain robust this year, it

cannot be expected to continue growing at last year's 17% pace.

On the other hand, stricter rules on household credit and stable commodity prices and production (especially of palm oil) may dampen growth.

Sander said the main driver for 2012 will be private consumption, with private investment expected to grow faster than last year.

"Investment growth is expected to come from both public and private, such as the acceleration of the MRT projects and in areas such as oil and gas," he told a press conference yesterday after the launch of The Malaysia Economic Monitor: Modern Jobs.