

# BNM: Export outlook remains negative

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WHILE Malaysia sees a robust growth in terms of domestic demands — with the performance of private consumption and investment activity by the private and public sectors, the export business is still looking bleak as the world economic environment remained unfavourable in the third quarter of 2012, said Bank Negara Malaysia (BNM) governor Tan

Sri Zeti Akhtar Aziz.

Zeti said growth in the advanced economies was uneven with the US economy experiencing an improvement while several major advanced economies continues to experience weak growth constrained by fiscal adjustments, sluggish labour markets and impaired financial intermediation.

“Amid the challenging global economic conditions, the Malaysian economy recorded a growth of 5.2% as compared to 5.6% in the second quarter — where it

slowed due to slower external demand, which resulted in a further decline in net real exports of goods and services.”

She added the economy is more domestic-oriented and it will continue to be the anchor of growth for Malaysia. “Private sector investment was driven by capital spending in the services sector particularly in transportation where we see the Mass Rapid Transit and the Second Penang Bridge continue to contribute to the construction growth sector.

“The federal government’s expenditure was mainly channelled into the transportation education and public utilities sector where there were bonus payments for civil servants.

“The second payout of RM5,000 to Felda settlers contributed positively to consumer spending as well as the addition of many other assistance provided to households, pensioners and students.”

Zeti remains confident in business ties between Malaysia and its biggest trading

partner China.

Malaysia is expected to achieve full-year gross domestic product (GDP) growth of at least 5% or better in line with positive economic performance in the first three quarters of 2012, said Zeti.

She said the GDP in the first three quarters of the year was better than expected and the fourth quarter is likely to continue the momentum. “We are not insulated, but the anchor to our growth is from domestic demand and we expect this will continue to be strong.”