

Malaysia's growth to slow to 4.7 pct in 2016

KUALA LUMPUR: Malaysia's growth is expected to slow to 4.7 per cent in 2016 and pick up mildly towards five per cent in 2017, helped by strengthening exports.

The Deloitte's report 'Malaysia Economic Outlook: Winning in a Changing World', highlighted the negative impact of China's continuing economic slowdown on the Malaysian economy, accounting for over nine per cent of total domestic exports.

In a statement yesterday, Deloitte Malaysia Country Managing Partner, Tan Theng Hooi, said the Malaysian economy faced a challenging environment due to a continued plunge in commodity export prices, foreign exchange market turbulence, commodity-currency shocks and a slowdown in China's economy.

"On the domestic front, the depreciation of the ringgit, increased federal government and household debts, and rising probability of default present a cloudy economic outlook," Tan said.

Malaysia's private consumption was expected to face sustained headwinds from lagging consumer confidence, tax on goods and services, declining growth in credit to households and signs of softening in the labour market, he said.

"This year, business sentiment has been hurt by dampening prospects for exports, a sharp depreciation of the ringgit, slide in stock prices and spare manufacturing capacity.

"A rebound in export activity in 2016 will bring much cheer to investors," Tan said. — Bernama