



## Malaysia 3Q2025 GDP: A strong quarter, but outlook remains clouded

12 November 2025

**We anticipate 3Q2025 GDP growth to come in at 5.1%, slightly lower than the advance estimate by DOSM at 5.2%.** The official data, due this Friday, is expected to confirm robust 3Q2025 growth (2Q2025: 4.4%), supported by the frontloading of exports, resilient household spending, a healthy labour market, and higher tourist arrivals, among others.

### **Solid growth is buoyed by domestic demand despite adverse external conditions**

Should this materialise, Malaysia's growth for the first nine months of the year would be at 4.6%, which remains on track to achieve the official full-year projection range of 4% to 4.8%. The Malaysian economy has proven more resilient than expected amid external headwinds, supported by still-solid private consumption, as evidenced by a robust labour market, which saw the unemployment rate maintained at a record low of 3.0% as of September 2025. Additionally, spending was further boosted by a rise in tourism as the country saw 17.8 million foreign tourists in 8M2025 (8M2024: 16.5 million foreign tourists), marking an increase of over 8% compared to the previous year.

On the supply side, the still-strong GDP growth is supported by the services sector, albeit at a slower pace, which is anticipated to grow at 5.0% y/y in the said quarter (2Q2025: 5.1%). On the other hand, manufacturing output growth accelerated (3Q2025F: 4.0% vs. 2Q2025: 3.7%) following steady output in export-oriented segments such as electronics and electrical products amid the tech upcycle. We also foresee a sharp rebound in the mining & quarrying sector (3Q2025F: 10.4% vs. 2Q2025: -5.2%).

### **Upward revision to our 2025 full-year growth forecast**

Our latest forecast for 3Q2025 GDP growth is stronger than the assumptions underpinning our earlier full-year growth forecast of 3.9%. In light of this outperformance and factoring in additional fiscal support in 4Q2025 – particularly the one-off RM100 Sumbangan Asas Rahmah (SARA) cash handouts distributed on 31 October – we have revised our 2025 GDP growth forecast upward to 4.5%. The outlook remains supported by robust investment activity, a vibrant tourism sector, a favourable labour market, and continued fiscal support through schemes such as Sumbangan Tunai Rahmah (STR) and SARA.

However, we expect the frontloading of exports to begin fading and exports to normalise in 4Q2025, as indicated by the decline in new orders reported in the October Malaysia manufacturing Purchasing Managers' Index (PMI) report, which may exert downward pressure on growth. Looking ahead, we remain cautious on the outlook and project slightly slower growth of 4.2% in 2026. Despite a comprehensive 0% reciprocal tariff concession by the U.S., we expect the impact of higher US tariffs to manifest in the coming quarters.

### **GDP Forecast by Expenditure:**

Growth (% y/y)	2Q2025	3Q2025F*
GDP	4.4	5.1
Domestic Demand	7.0	6.4
Private Consumption	5.3	5.3
Public Consumption	6.4	4.8
Private Investment	11.8	9.9
Public Investment	13.6	12.8
Net Exports	(72.6)	83.4
- Exports	2.6	7.0
- Imports	6.6	2.1

\*Forecast by AmBank Economics

Sources: Department of Statistics Malaysia (DOSM), AmBank Economics

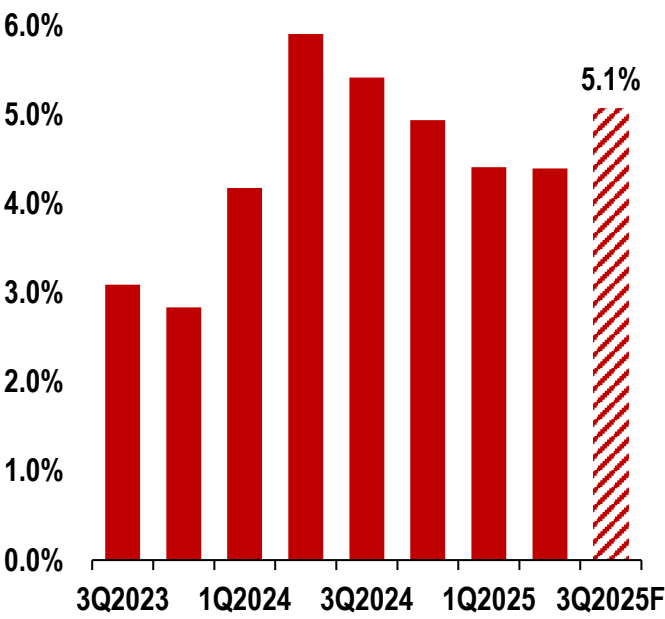
### **GDP Forecast by Production:**

Growth (% y-o-y)	2Q2025	3Q2025	
		AE	AmBank Economics Forecast
GDP	4.4	5.2	5.1
Agriculture	2.1	0.4	0.4
Mining & Quarrying	(5.2)	10.9	10.4
Manufacturing	3.7	4.0	4.0
Construction	12.1	11.2	10.2
Services	5.1	5.1	5.0

\*AE- Advance estimate by DOSM

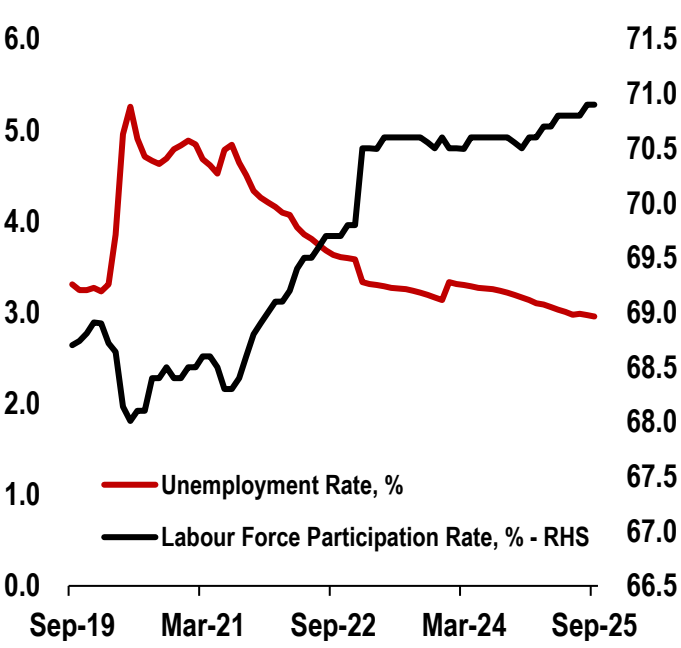
Sources: DOSM, AmBank Economics

Exhibit 1: Real GDP, 3Q2023 – 3Q2025, % y/y



\*Forecast by AmBank Economics  
Sources: DOSM, AmBank Economics

Exhibit 2: Labour Market, %



Sources: DOSM, AmBank Economics

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