

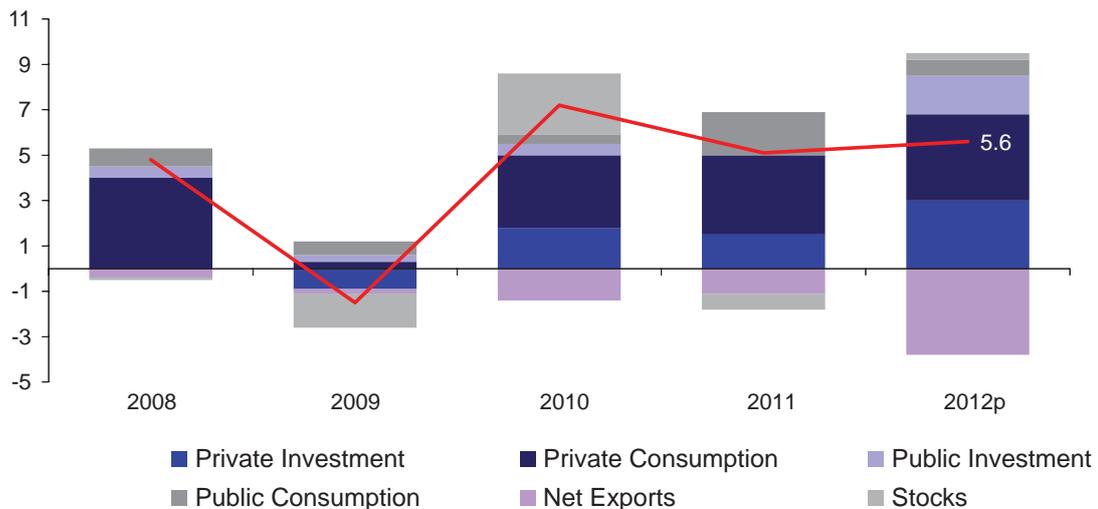


2012年 国家银行年度报告简报

Highlights on Bank Negara Malaysia Annual Report 2012

The Malaysian economy delivered faster and higher quality growth in 2012

Contribution to growth (ppt)



p preliminary

Source: Department of Statistics, Malaysia and Bank Negara Malaysia

Key highlights

- Strong growth of 5.6% amid challenging external environment
- Robust domestic demand underpinned by strong investment and consumption activity
- Low headline inflation of 1.6%
- Resilient external position
- Capital flows remain well intermediated

Global growth to be sustained in 2013

Global growth projection for 2013

	2011	2012	2013 ^f
	Annual change (%)		
World GDP	3.9	3.2	3.5
World Trade	5.9	2.8	3.8
US	1.8	2.2	2.0
Euro area	1.6	-0.6	-0.2
Japan	-0.6	2.0	1.2
Developing Asia ^{1/}	8.0	6.6	7.1
PR China	9.3	7.8	8.2
ASEAN-5 ^{2/}	4.5	5.7	5.5

Note: 2013 projections based on IMF
1/: Asia ex-NIEs
2/: Indonesia, Malaysia, Philippines, Thailand and Vietnam

• Modest upturn in 2013

- Improvements in advanced economies although overall growth remains weak
- Strong growth in emerging economies, particularly in Asia, underpinned by domestic demand and gradual recovery in exports
- Modest increase in global inflation

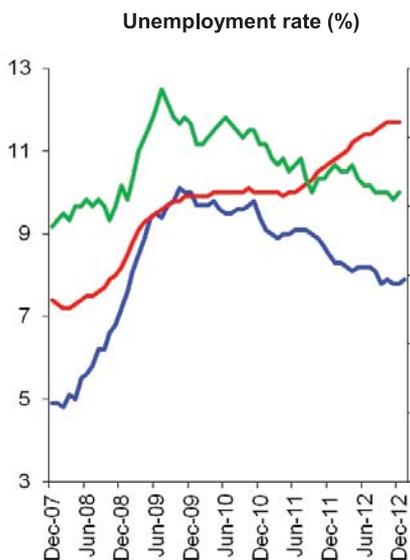
• Downside risks remain high

- Sharper-than-expected spending cuts in US
- Re-intensification of European sovereign debt crisis

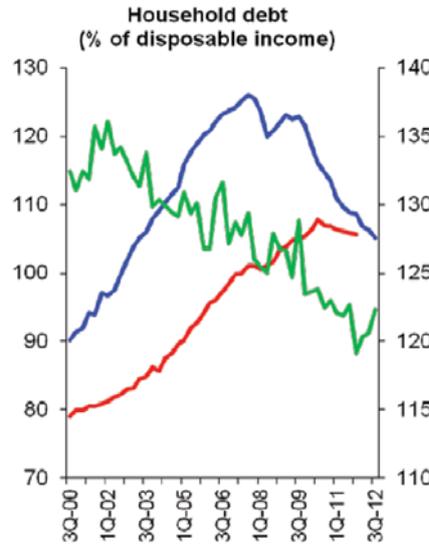
Source: National authorities and IMF World Economic Outlook (January 2013 Update)

Advanced economies: Growth prospects dependent on resolution of structural concerns

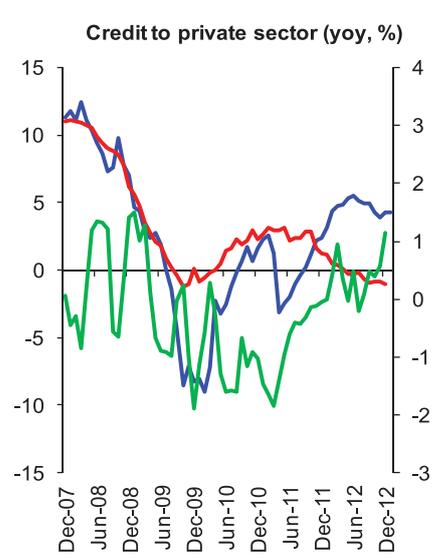
1 High unemployment rate



2 Continued deleveraging activity



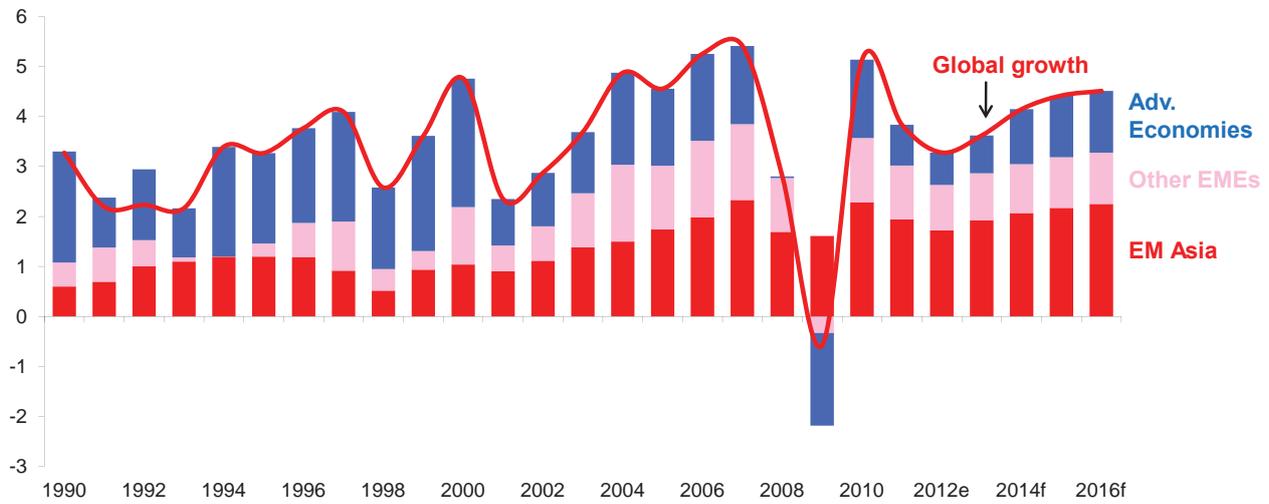
3 Mild credit conditions



Sources: National authorities, Haver and IMF

Significant contribution of EMEs to global growth

Contribution to global growth (ppt)



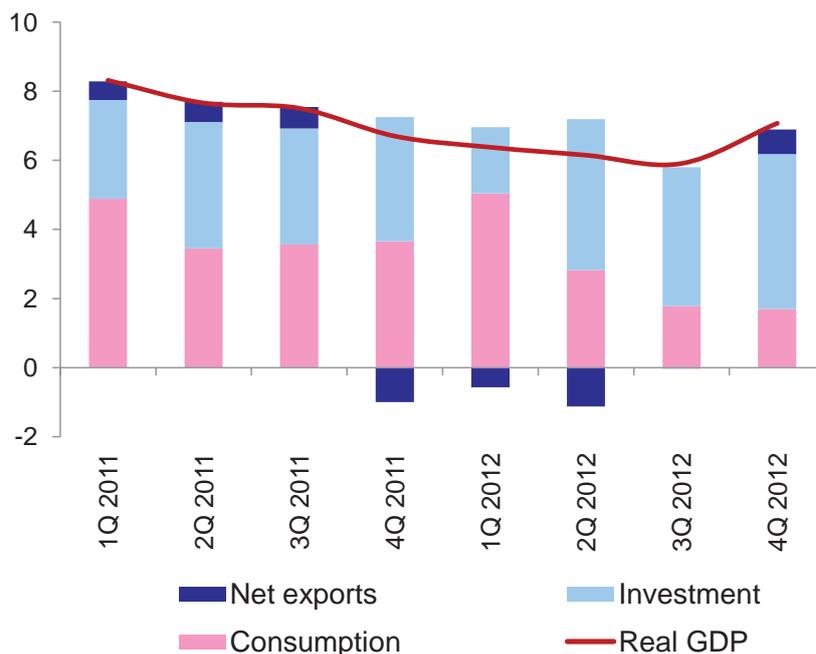
Advanced economies includes G7 economies, euro area, Australia, New Zealand, Israel and NIEs
 Developing Asia includes China, South Asia and Southeast Asia
 e estimate f forecast

Source: IMF World Economic Outlook October 2012, BNM calculations

Asia: Domestic sources of growth complemented by a gradual recovery in exports

Emerging Asia-9

Contribution to growth (ppt)

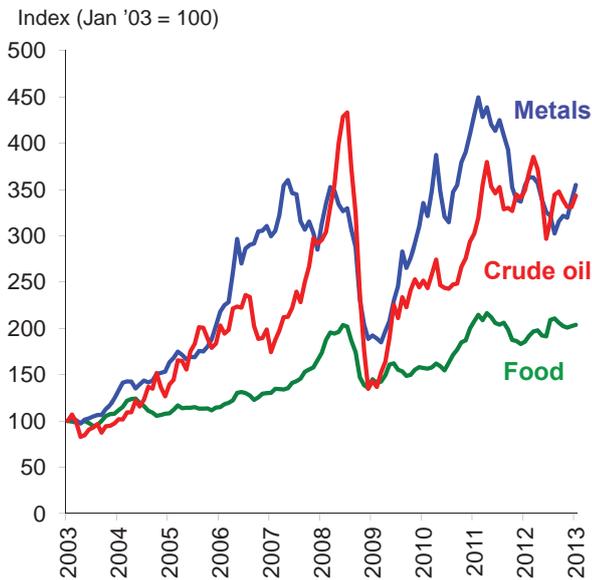


- Domestic demand remains main contributor to growth
- Investment activity supported by infrastructure projects
- Higher intra-regional demand

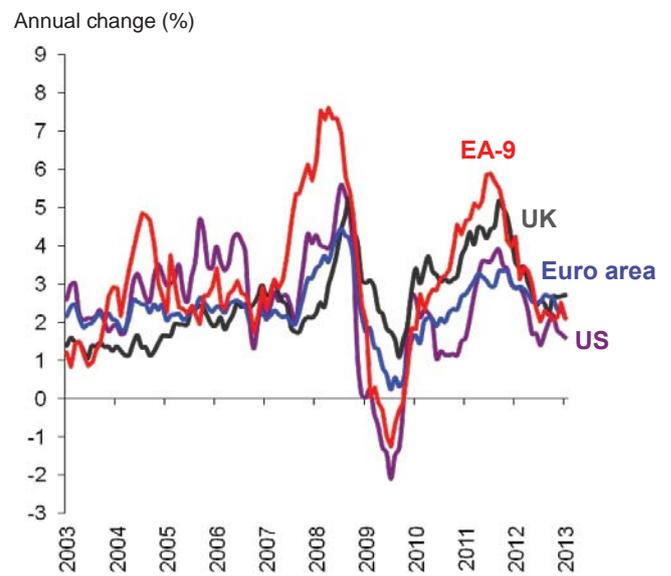
Source: National authorities and Bank Negara Malaysia calculations

Global inflation expected to remain modest

Modest increase in commodity prices



Contained inflationary pressures



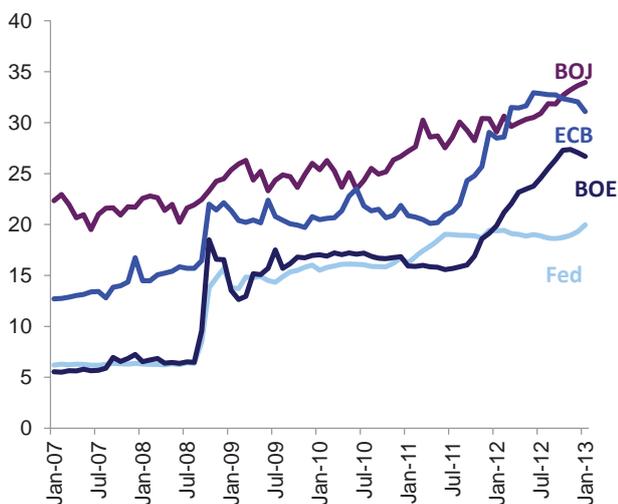
Sources: IMF and Haver

Monetary policy remains accommodative

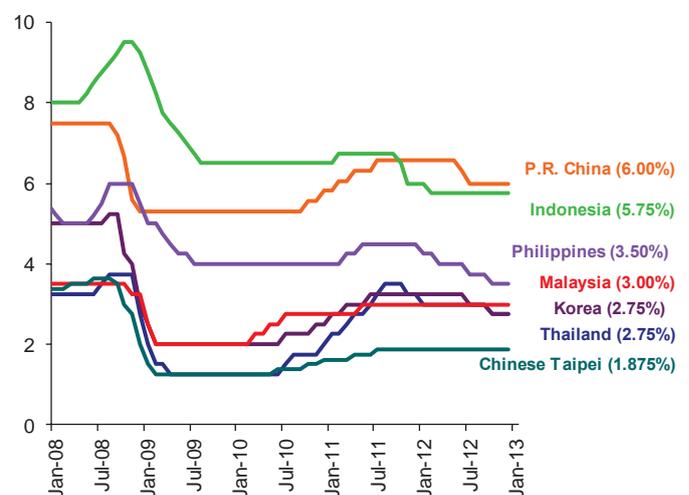
Advanced economies continued to adopt quantitative easing measures...

...while several regional economies maintain accommodative policy stance

Central bank balance sheet to GDP ratio (%)

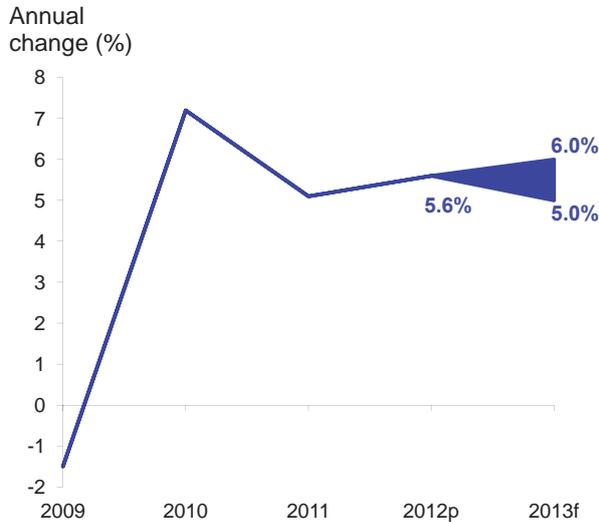


Key interest rates (%)



Source: National Authorities and BNM calculations

The Malaysian economy to remain on a steady growth trajectory of 5 – 6% in 2013



- Domestic demand will continue to anchor growth
- Private investment and consumption to remain firm
- Gradual improvement in external demand will further support growth

p preliminary f forecast

Source: Department of Statistics, Malaysia and Bank Negara Malaysia

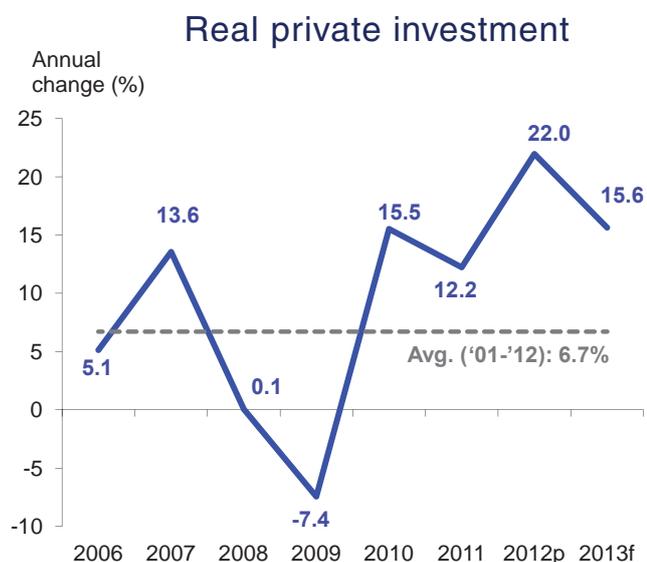
Domestic demand continues to anchor growth, driven by private sector activity

	2012 ^p	2013 ^f
	Annual change (%)	
Domestic demand (excluding stocks)	10.6	8.1
<i>Private sector</i>	<i>10.7</i>	<i>9.1</i>
Consumption	7.7	7.1
Investment	22.0	15.6
<i>Public Sector</i>	<i>10.3</i>	<i>5.4</i>
Consumption	5.0	3.6
Investment	17.1	7.5
<i>Net exports</i>	<i>-29.4</i>	<i>-19.1</i>
Exports of goods & services	0.1	1.8
Imports of goods & services	4.5	3.9
Real GDP	5.6	5.0 ~ 6.0

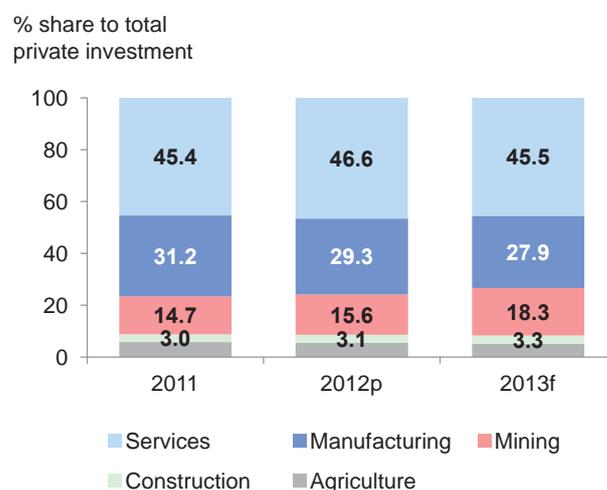
p preliminary f forecast

Source: Department of Statistics, Malaysia and Bank Negara Malaysia

Private investment to remain robust...



Real private investment by sector



p preliminary f forecast

Source: Department of Statistics, Malaysia and Bank Negara Malaysia

...driven by implementation of projects with long gestation periods

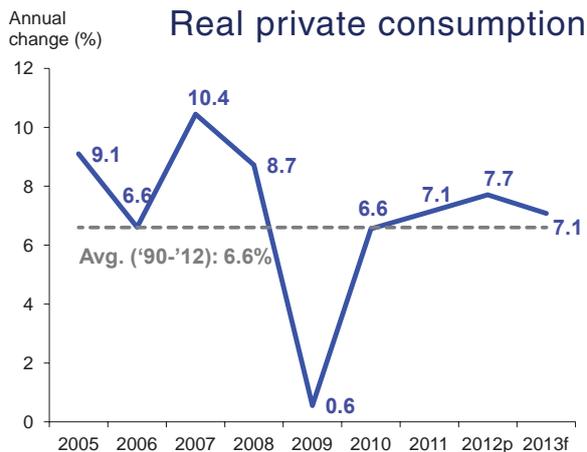
Sectors (% share pvt. inv.)	Projects	Cost (RM bn)	Years			
			'11	'12	'13	'14
Mining (16% share)	Mining¹					
	Gumusut Kakap	>5.0		2007-13		
	Malikai	>3.0		2009-15		
Manufacturing (29% share)	Kebabangan Cluster	>3.0		2008-14		
	Manufacturing					
	Polycrystalline silicon plant in Samalaju	>6.0		2009-15		
	Automotive and related components	>2.5		2012-14		
Services (47% share)	Medical devices	>2.0		2010-21		
	Services					
	Transportation - Aircraft purchase	>3.0		2011-17		
	Utilities - Tanjung Bin	>6.0		2012-16		
	Iron Ore Distribution Hub	>4.0		2012-14		
	New hospitals and expansion	>1.5		2011-15		
Broadband expansion - 4G	>5.0		2011-14			

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¹ Public and private investment projects will be separated accordingly in National Account compilation based on the respective contribution of the project partners

Source: BNM compilation and estimates based on publicly available information which is referred to at the time of publication

Private consumption to remain firm

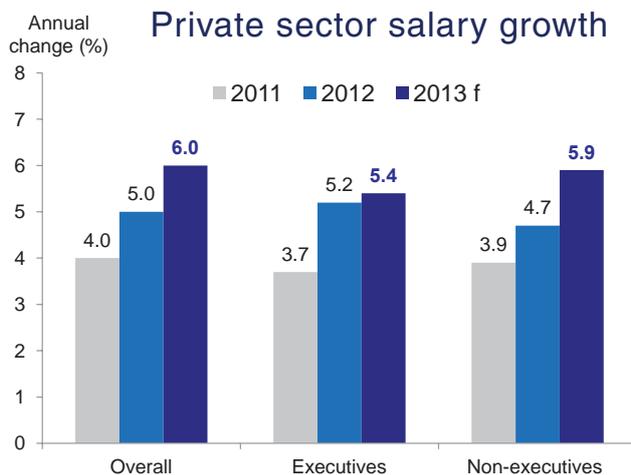


- Consumption growth underpinned by:
 - Sustained income growth
 - Stable employment prospects

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Source: Department of Statistics, Malaysia and Bank Negara Malaysia

Labour market conditions to remain favourable



f forecast

Source: BNM Annual Survey

- The minimum wage policy will contribute positively to income growth
- Unemployment rate to remain low
 - Job creation to be sustained by continued resilience in domestic demand
 - Further supported by the gradual recovery in the external sector

Continued expansion in all economic sectors...

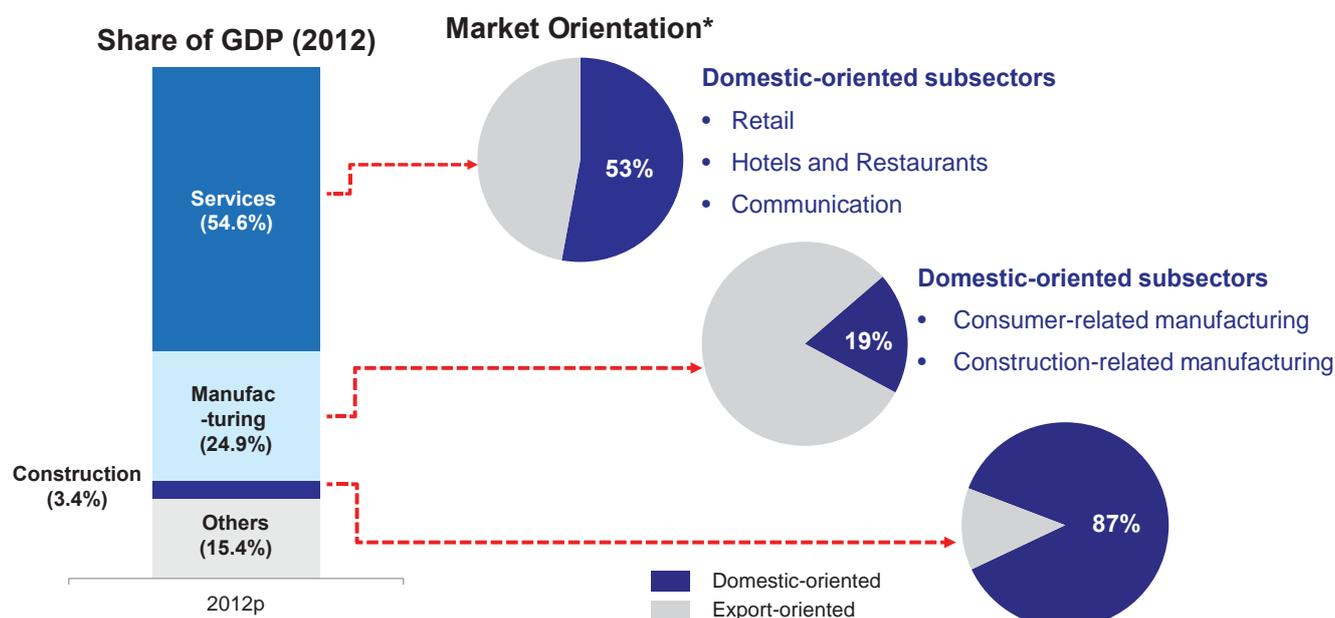
	% share of GDP (2012)	2012 ^p	2013 ^f
		Annual change (%)	
Services	54.6	6.4	5.5
Manufacturing	24.9	4.8	4.9
Mining	8.4	1.4	5.0
Agriculture	7.3	0.8	4.0
Construction	3.4	18.5	15.9
Real GDP	100	5.6	5.0 ~ 6.0

- Services and manufacturing sectors
 - Key drivers of growth
 - Supported by resilient domestic demand and recovery in the international trade activity
- Commodity sector
 - Driven by higher production of natural gas, crude oil and palm oil
- Construction sector
 - Remain strong supported by major infrastructure projects

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Source: Department of Statistics, Malaysia and Bank Negara Malaysia

...with growing significance of domestic-oriented sectors



*These estimates are based on the 2005 Input-Output Table

Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

External trade: Higher export growth amid continued expansion in imports

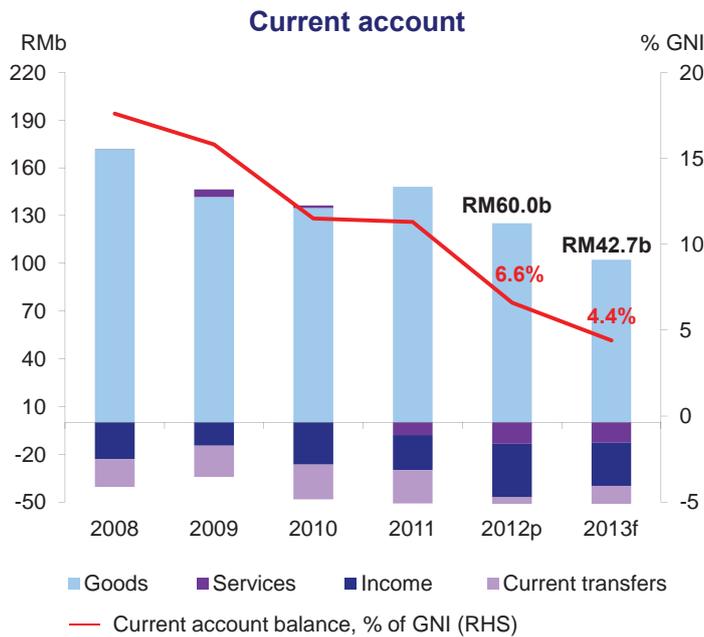
Annual change (%)	2012 ^p	2013 ^f
Gross exports	0.6	1.4
Manufactured	3.1	4.1
E&E	-1.8	-0.2
Non-E&E	8.4	8.2
Commodities	-6.7	-6.3
Agriculture	-15.3	-13.1
Minerals	1.9	-0.5
Gross Imports	5.9	5.7
Capital	20.5	18.5
Intermediate	-3.4	1.9
Consumption	11.6	9.6
Trade balance (RM bn)	94.8	70.1

- Gross exports to be supported by growth in manufactured exports in line with improvements in the global economy
- Softer prices may weigh in on commodity exports
- Gross imports driven by improvement in intermediate imports and firm growth in capital imports

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Source: Department of Statistics, Malaysia and Bank Negara Malaysia

Current account balance remains sustainable



- The current account reflects ongoing structural shifts in domestic economy
- Lower trade surplus as imports continue to outpace exports
- Export diversification and investment in growth areas will improve Malaysia's productive capacity and trade performance, ensuring sustainability of current account balance

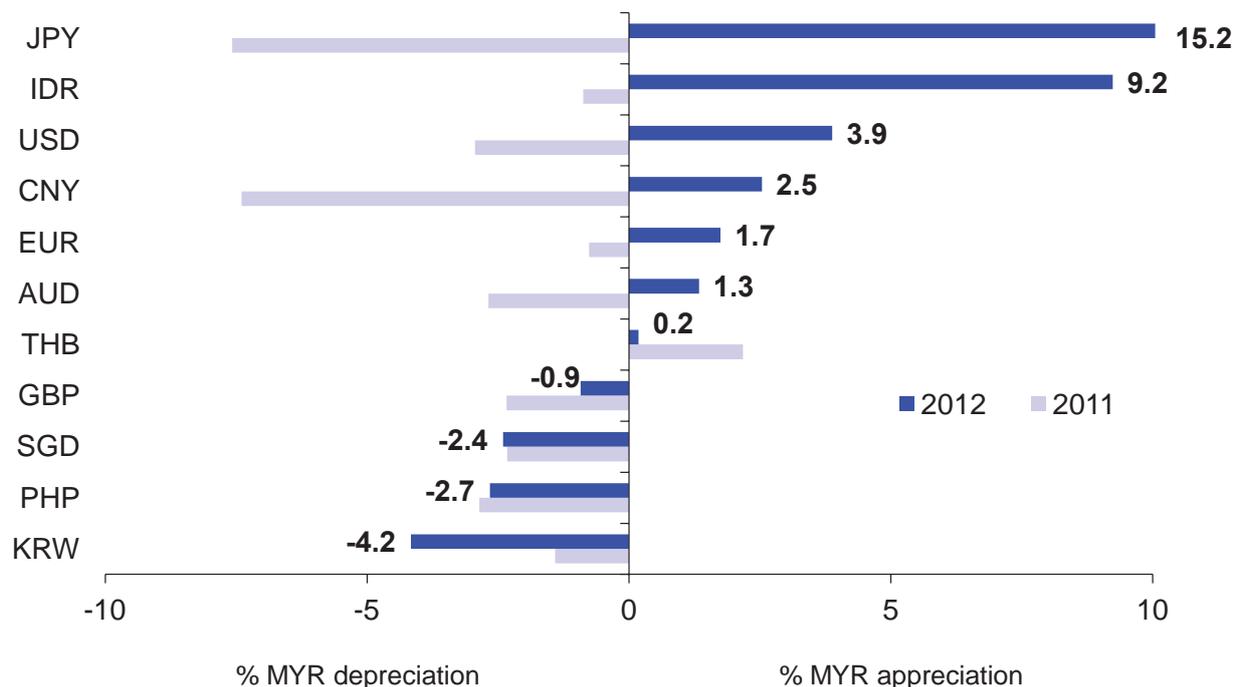
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Source: Department of Statistics, Malaysia and Bank Negara Malaysia

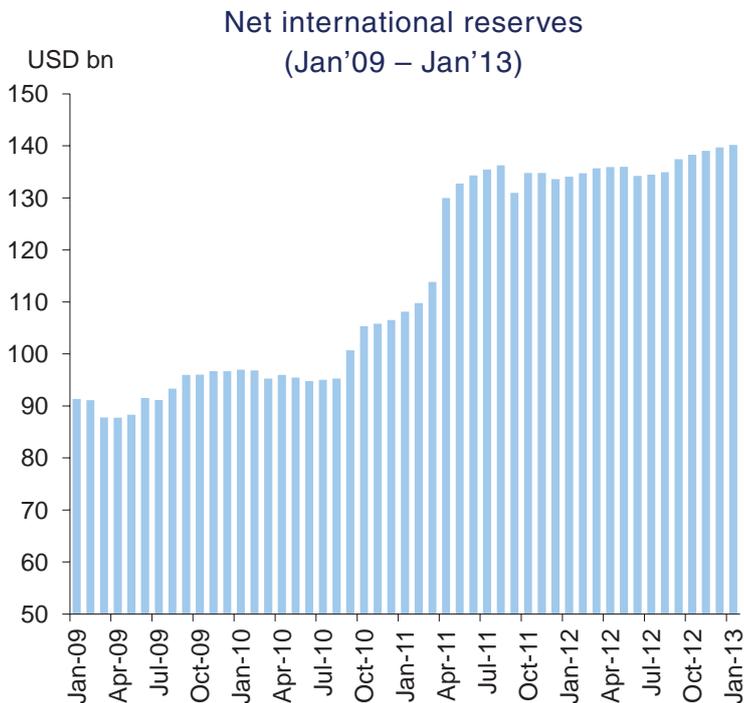
Foreign exchange market remained orderly

- Ringgit adjustments remained orderly, driven by two-way flow of funds
- Ringgit recorded a mixed performance against major and regional currencies

MYR performance against selected currencies in 2011 and 2012



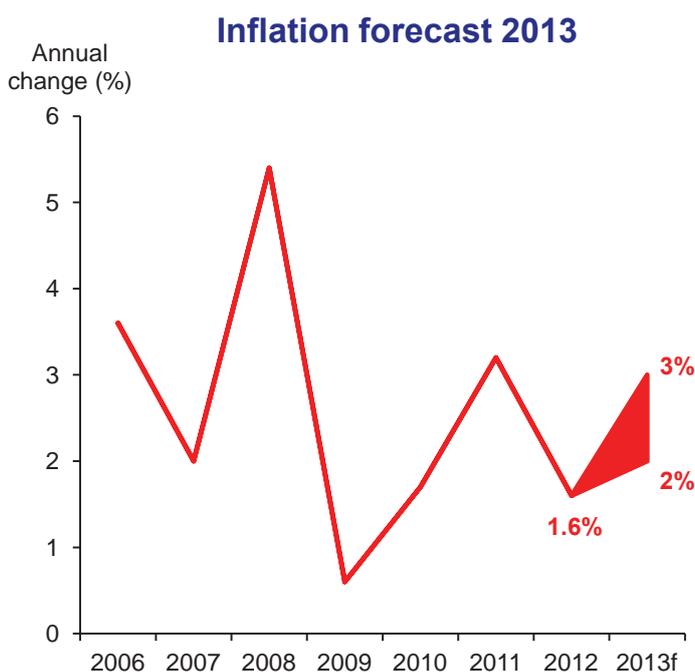
International reserves remain at healthy levels



- International reserves remain high, mainly supported by current account surplus
 - Also reflected inflows of **portfolio and foreign direct investments**
 - Partially offset by higher outflows of direct investment abroad as well as outflows of other investments

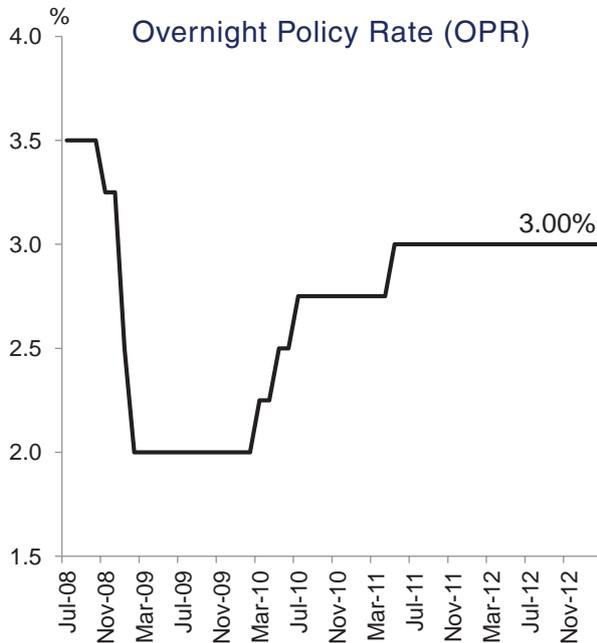
Source: Bank Negara Malaysia

Headline inflation to range between 2 – 3% in 2013



- **The inflation projection reflects:**
 - Higher global prices of selected food commodities
 - Adjustment to domestic administered prices
- **Upside risk to inflation remains**
 - Any disruption to global supply of commodities could lead to a broadbased increase in global food and energy prices

Monetary policy in 2013 will focus on addressing potential risks to inflation and growth



- The OPR was unchanged in 2012
- Monetary policy in 2013 will focus on:
 - Managing upside risks to inflation
 - Ensuring economic growth remains at sustainable levels

Bank Negara Malaysia: Annual Financial Statements 2012

Financial position remained strong in 2012:

- Total assets of BNM amounted to RM476 billion with International Reserves of RM427.2 billion (USD139.7 billion)
- Net profit of RM5.6 billion
- Dividend of RM1.5 billion to the Government

Source: Bank Negara Malaysia



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