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GROSS DOMESTIC PRODUCT FIRST QUARTER 2025

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## Malaysia recorded 4.4 per cent growth in first quarter, anchored by steady consumer demand and capital investment

Malaysia's economy expanded 4.4 per cent in the first quarter of 2025 as compared to 4.9 per cent in the preceding quarter. In terms of seasonally adjusted, the economy grew marginally 0.7 per cent (Q4 2024: -0.2%). On the supply side, the Services sector remained the main impetus for the economic growth in this quarter, with all other sectors recorded positive growth except for the Mining & quarrying sector. On the demand side, the growth was attributed by Private final consumption expenditure and Gross fixed capital formation.

The **Services** sector posted a growth of 5.0 per cent from 5.5 per cent recorded in the fourth quarter 2024. In terms of seasonally adjusted, the Services sector grew 0.7 per cent (Q4 2024: 0.3%). The performance of this sector was underpinned by the increase in Wholesale & retail trade sub sector, which grew 4.3 per cent (Q4 2024: 4.4%), mainly supported by wholesale and retail trade segments. Likewise, Transportation & storage and Business services sub-sectors registered a steady growth of 9.5 per cent (Q4 2024: 10.7%) and 7.7 per cent (Q4 2024: 7.8%), respectively. The **Manufacturing** sector grew 4.1 per cent in the first quarter of 2025, as against 4.2 per cent in the preceding quarter. In terms of seasonally adjusted, this sector rebounded to 1.4 per cent (Q4 2024: -1.2%). This performance was supported by Electrical, electronic and optical products which increased 7.8 per cent (Q4 2024: 7.2%), followed by Vegetable and animal oils & fats and food processing at 9.2 per cent (Q4 2024: 6.3%) and Petroleum, chemicals, rubber & plastics products at 2.6 per cent (Q4 2024: 3.1%). In contrast, Transport equipment, other manufacturing and repair decreased 8.0 per cent (Q4 2024: -3.4%) in this quarter. The **Mining and Quarrying** sector continued to decline, with a decrease of 2.7 per cent (Q4 2024: -0.7%). In terms of seasonally adjusted, this sector contracted 1.9 per cent (Q4 2024: 4.0%). The weak performance in this sector was attributed to a decrease in Crude oil & condensate and Natural Gas at 4.6 per cent (Q4 2024: -6.5%) and 2.2 per cent (Q4 2024: 3.1%), respectively. Nevertheless, Other mining & quarrying and supporting services grew 1.5 per cent (Q4 2024: 0.3%) in this quarter. The **Agriculture** sector increased marginally 0.6 per cent from a decline of 0.7 per cent in the fourth quarter of 2024. Moreover, this sector registered a growth of 1.1 per cent (Q4 2024: -2.8%) in terms of seasonally adjusted. The marginal growth was influenced by the Fishing sub-sector, which increased 7.9 per cent (Q4 2024: 3.4%) and the Other agriculture sub-sector, which grew 2.2 per cent (Q4 2024: 1.9%). Nonetheless, Forestry & logging and Oil palm sub-sectors contracted 10.5 per cent (Q4 2024: -1.5%) and 3.1 per cent (Q4 2024: -5.3%), respectively. The **Construction** sector expanded 14.2 per cent as compared to 20.7 per cent recorded in the previous quarter. In terms of seasonally adjusted, this sector increased 1.1 per cent (Q4 2024: -0.2%). The growth for this sector was impelled by the strong performance of all segments, mainly the Non-residential buildings, which recorded a double-digit growth of 21.4 per cent (Q4 2024: 23.7%), followed by Specialised construction activities, which increased 17.2 per cent (Q4 2024: 23.7%). In addition, Residential buildings also recorded a robust growth of 16.6 per cent (Q4 2024: 30.2%), while Civil engineering grew 5.2 per cent (Q4 2024: 9.1%).

**Final consumption expenditure** grew 4.9 per cent as compared to 5.0 per cent in the preceding quarter. **Private final consumption expenditure** increased 5.0 per cent (Q4 2024: 5.3%) in the first quarter of 2025. The performance was supported by higher consumption on Transport, Restaurants & hotel and Food & non-alcoholic beverages. In terms of seasonally adjusted, Private final consumption expenditure increased 1.5 per cent (Q4 2024: 0.9%). **Government final consumption expenditure** registered a growth of 4.3 per cent from 4.0 per cent in the fourth quarter of 2024, contributed by higher spending on supplies and services. In terms of seasonally adjusted, Government final consumption expenditure rebounded to 0.1 per cent (Q4 2024: -0.6%). **Gross fixed capital formation (GFCF)** eased to 9.7 per cent against 11.8 per cent. In seasonally adjusted terms, GFCF recorded a marginal increase of 0.8 per cent (Q4 2024: -0.03%). The performance of GFCF was attributed to better growth in Structure and Machinery & Equipment, which expanded to 13.4 per cent (Q4 2024: 19.5%) and 5.4 per cent (Q4 2024: 4.1%), respectively. Furthermore, Other assets rose 7.2 per cent from 5.5 per cent in the previous quarter. In terms of GFCF by sector, the Private sector (share: 79.9%) increased 9.2 per cent (Q4 2024: 12.7%), while GFCF in the Public sector expanded 11.6 per cent from 10.0 per cent in the previous quarter. **Exports** posted a moderated performance, which recorded an increase of 4.1 per cent (Q4 2024: 8.7%). The performance was influenced by exports of goods and services. In terms of seasonally adjusted, Exports rebounded to 1.1 per cent (Q4 2024: -1.5%) in the first quarter of 2025. **Imports** eased to 3.1 per cent (Q4 2024: 5.9%) due to the performance in the import of goods and services. In seasonal adjusted terms, Imports registered a decline of 0.5 per cent (Q4 2024: -2.5%).

**Contact person:**

Baharudin Mohamad

Public Relation Officer

Strategic Communication and International Division

Department of Statistics Malaysia

Tel : +603-8090 4681

Fax : +603-8888 9248

Email : baharudin[at]dosm.gov.my

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