



KEMENTERIAN KEWANGAN



Belanjawan 2025
**MALAYSIA
MADANI**

ECONOMIC OUTLOOK



E K O N O M I M A D A N I : M E M P E R K A S A R A K Y A T

Economic Outlook 2025

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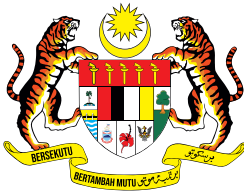
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PREFACE



**MINISTER OF FINANCE
MALAYSIA**

As we approach 2025, the global economy remains engulfed in a complex and challenging environment. While inflation is gradually receding and monetary policy begins to loosen, significant uncertainties persist. The recovery, while progressing, is fraught with risks from global instabilities and external shocks, raising concerns that underlying economic vulnerabilities may deepen, despite the emerging signs of temporary relief. Meanwhile, the world is watching with bated breath the unfolding of geopolitical uncertainties in Europe and the Middle East, which could very well threaten economic equilibrium.

Amid these global dynamics, Malaysia stands out as a beacon of stability and progress in Southeast Asia. Our nation's robust economic fundamentals and strategic reforms have not only enabled us to navigate the turbulent waters of 2024, but also showcased our resilience in the face of global challenges. The Ekonomi MADANI framework has been instrumental in guiding our journey, fostering higher value-added activities and enhancing our economic competitiveness.

In the first half of 2024, Malaysia demonstrated economic resilience with a sterling growth rate of 5.1%. This was driven by robust domestic demand, a strong recovery in exports, and a thriving tourism sector. These achievements underscore our economic dynamism and strength, with a projected steady growth rate of 4.8% to 5.3% in 2024, reaffirming the nation's resilience and potential for sustained prosperity. Looking ahead, the economy is projected to grow within the range of 4.5% to 5.5% in 2025.

We have also made significant strides in fiscal consolidation, as the fiscal deficit is anticipated to narrow to 4.3% of GDP this year and will further improve to 3% in the medium term. Our commitment to prudent debt management and the transition to targeted subsidies are central to fiscal reform, ensuring a sustainable and strong financial position for Malaysia. This provides a secure foundation for our future economic growth.

Full employment, coupled with job availabilities and opportunities, are reflective of improved labour market conditions, which instil a sense of hope and optimism in the economy. Furthermore, the Government's dedication in implementing policies that continue to support wage growth and ensure the economic pie is shared equitably among the rakyat, is testament to our commitment to a brighter future.

Henceforth, we remain resolute in fulfilling our long-term vision of sustainable and inclusive growth. The Ekonomi MADANI framework will continue to serve as our guiding blueprint for economic policies and reforms. By fostering a competitive and innovative economy, improving public sector efficiency and promoting social equity, we aim to create a prosperous future for all Malaysians. The collective efforts of the Government, private sector and rakyat are paramount towards realising this vision. With all our inherent advantages and value propositions, we welcome all investors to participate in the growth of our nation. The Government is optimistic that Budget 2025 will bring Malaysia one step closer to realising the vision of Ekonomi MADANI, anchored by a whole-of-Malaysia approach.

The year 2025 holds great promise for Malaysia as we continue to build on the foundations laid over the years. With the implementation of the Ekonomi MADANI framework, along with its policy levers, we are poised to strengthen our position as a leading economy in the region. Although challenges still abound, our collective resilience will bind us together in the spirit of unity to embrace the necessary changes, while remaining committed to sustainable and inclusive growth. Together, we will pave the way for a prosperous future, ensuring the benefits of our progress are equitably shared among all, securing a brighter tomorrow for our nation, *Insya-Allah*.

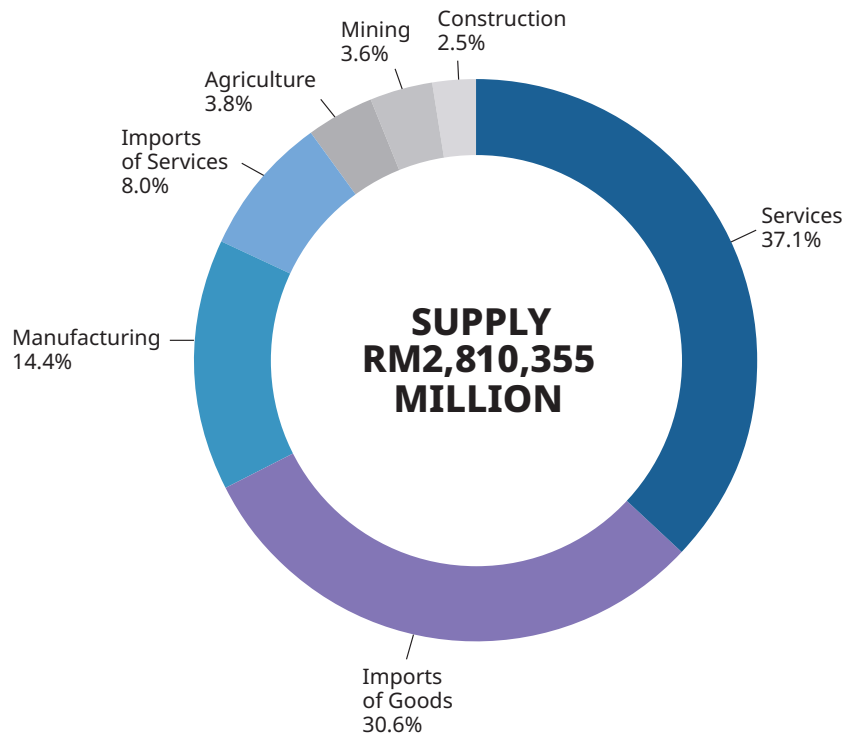
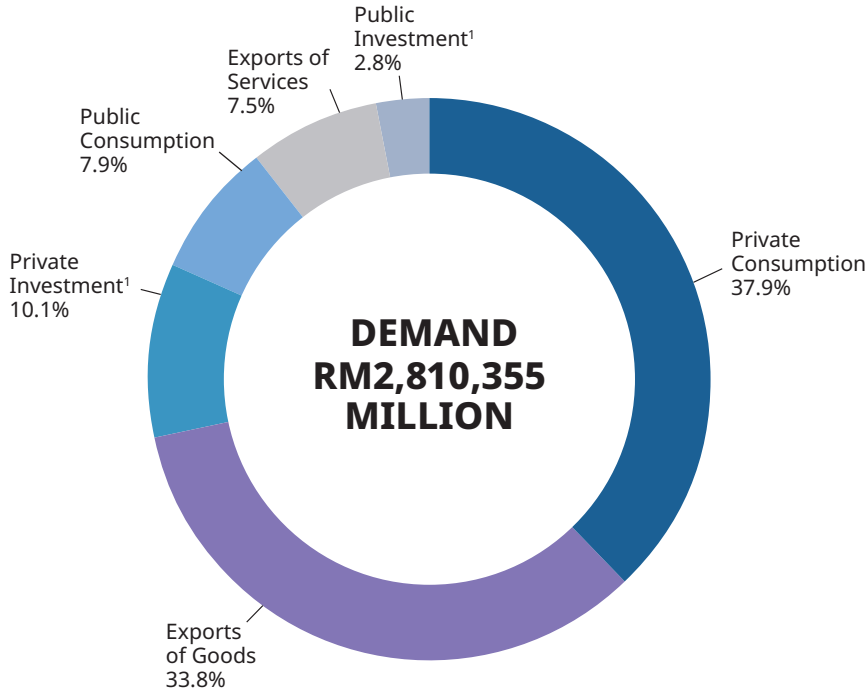


ANWAR IBRAHIM

18 October 2024

THE ECONOMY 2025

in constant 2015 prices
(share to total in %)



¹Includes change in stocks
Source: Ministry of Finance, Malaysia