

# **2024-2025 Economic Outlook: Insights and Trends**

## **10 Considerations for the Global Economy and Malaysian Economy**

**Lee Heng Guie**  
Executive Director  
19 September 2024



# Agenda

**1**

**Global Economy is Growing but Risks still Prevalent**

**2**

**Domestic Economy Remains on the Expansion Path**

**3**

**Seize the Moment – Catalysing Private Investment Cycle**

**4**

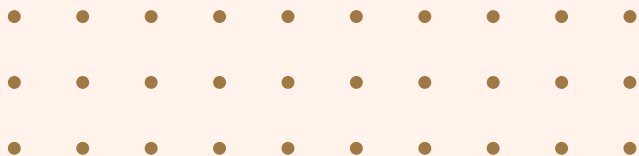
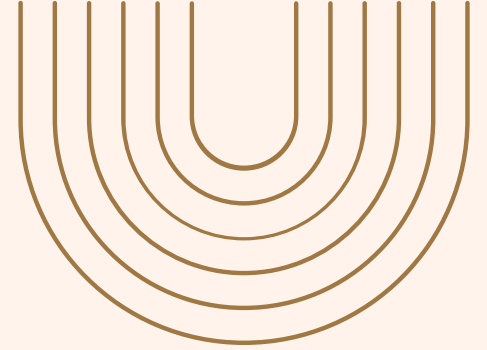
**Key Drivers of the Real Estate Market**



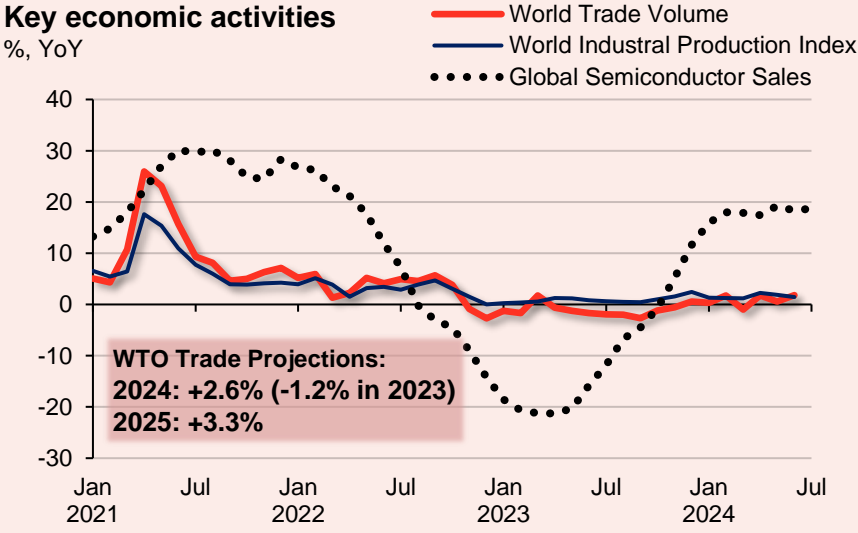
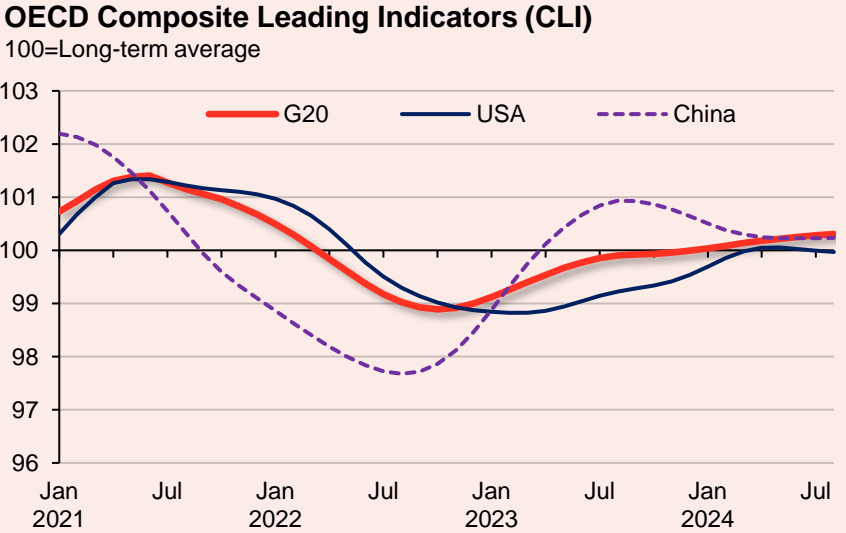
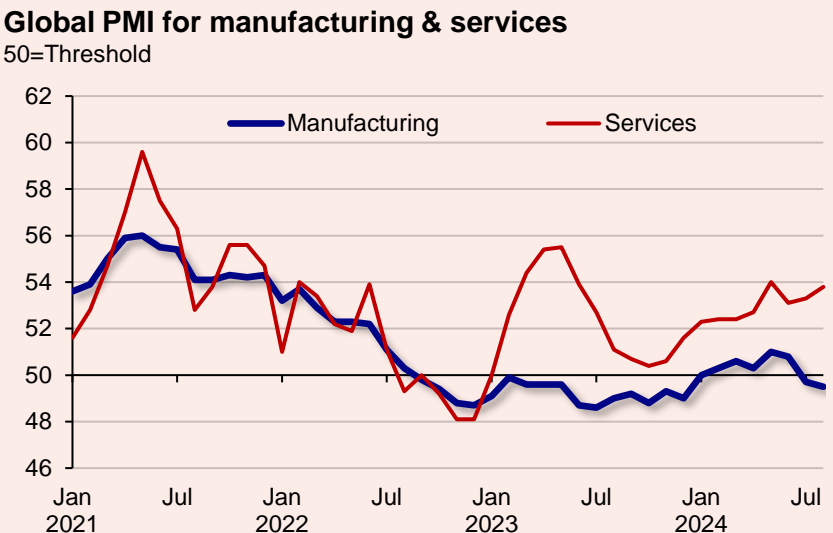
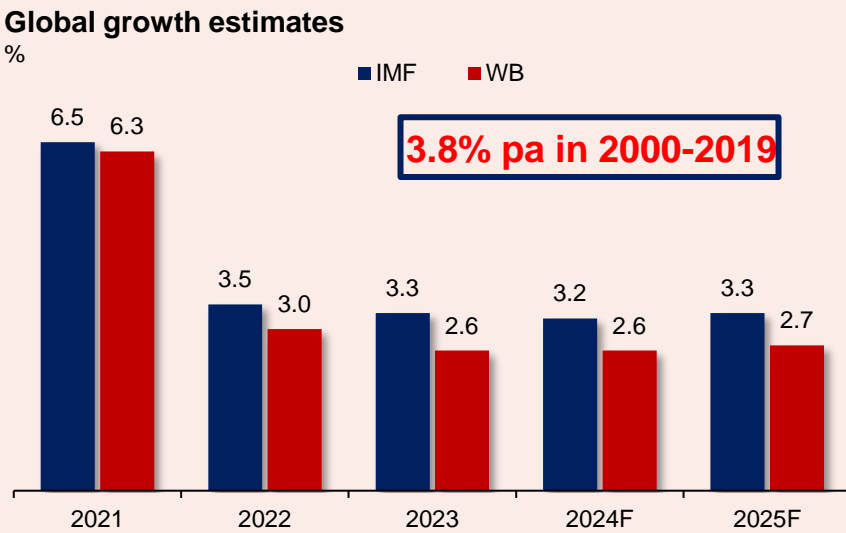
# Global Economic Outlook

## Global Economy is Growing but Risks still Prevalent

1. *Global Growth Continued amid the Challenges and Risks*
2. *The US Economy is “Cruising” Along; Can Avoid Recession*
3. *Inflation “Emergency” is Over and the Fed Rate Cuts Coming; How Much?*
4. *China Economy is Hitting the Wall*
5. *Geopolitical Risks will Remain Top of Mind*



# The global economy continues to grow at a slower pace



**Mixed indicators:**

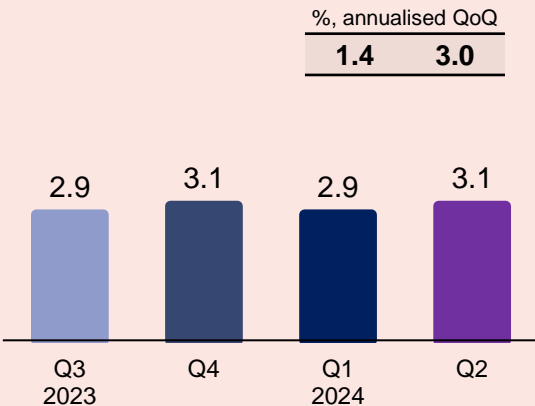
- Global Manufacturing PMI fell below threshold for two straight months (49.7 in Jul and 49.5 in Aug), after maintaining positive momentum in the first six months of 2024. Global Services PMI remains on a solid expansion.
- The OECD composite leading indicators (CLI) for G20 were pointing a stable growth ahead.
- Global semiconductor sales recorded strong double-digit growth since Dec 2023.
- World trade volume growth remained uneven.

Source: International Monetary Fund (IMF); World Bank (WB); S&P Global; Organisation for Economic Co-operation and Development (OECD); CPB Netherlands

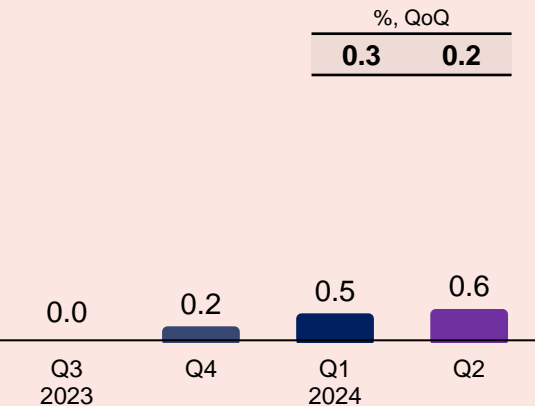
# GDP growth heatmap for advanced and emerging economies

## Key economic powerhouse

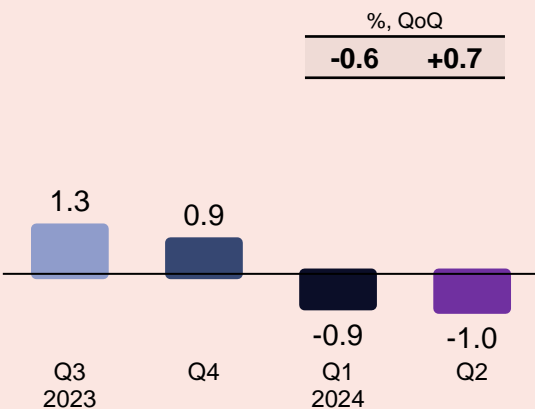
### The United States



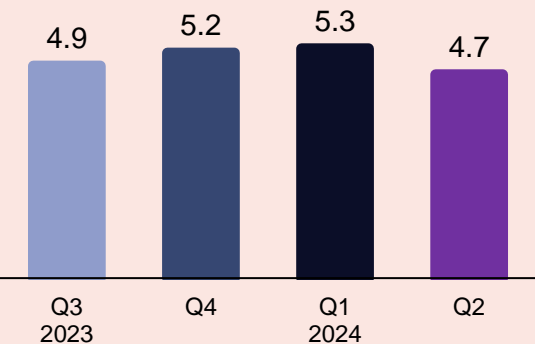
### Euro area



### Japan



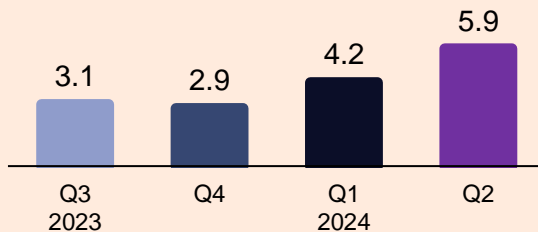
### China



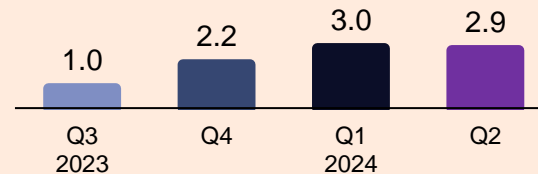
## Regional economies

% YoY

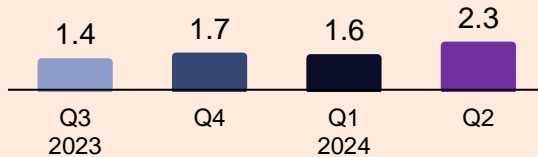
### Malaysia



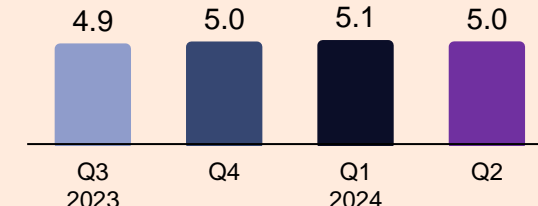
### Singapore



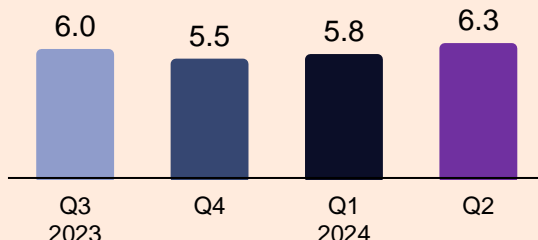
### Thailand



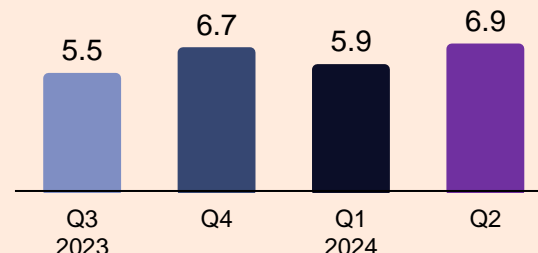
### Indonesia



### Philippines



### Vietnam



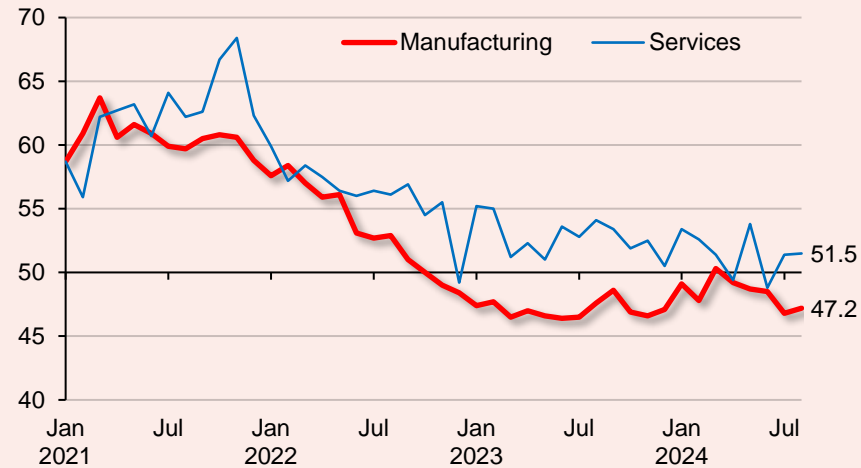
Source: Various officials (unadjusted data except for Euro Area)

# Growth divergences among major economies

## The United States

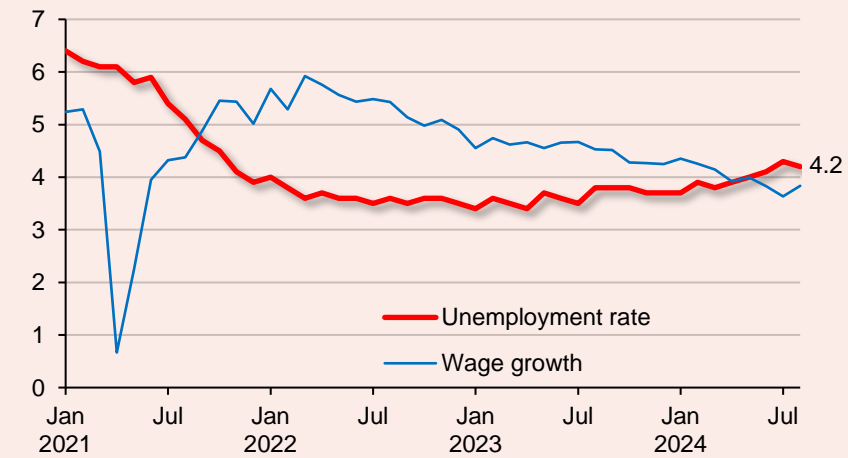
### Manufacturing and services PMI

50=Threshold



### Unemployment rate and wage growth

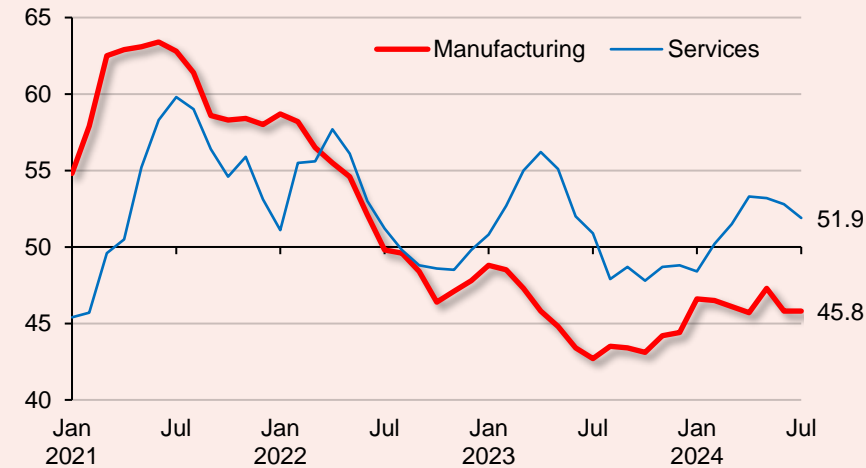
% / %, YoY



## Euro Area

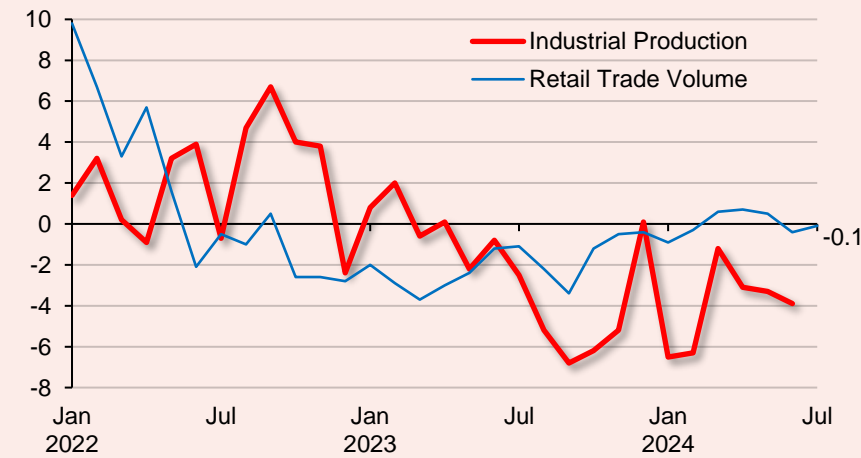
### Manufacturing and services PMI

50=Threshold



### Industrial and retail activities

%, YoY



## The United States

### Starting rate-easing cycle

- Mixed economic performance. Manufacturing PMI has persistently fallen; slowing-down job market, while the retail sector still steady; and headline inflation level held steady. Questions: How aggressive is the rate cut?

## Euro Area

### Still weak economic growth

- High-frequency economic data indicated unfavourable performance. Both retail sales and industrial production continued to contract.
- Inflation rate at three-year low (2.2% in Aug 2024).

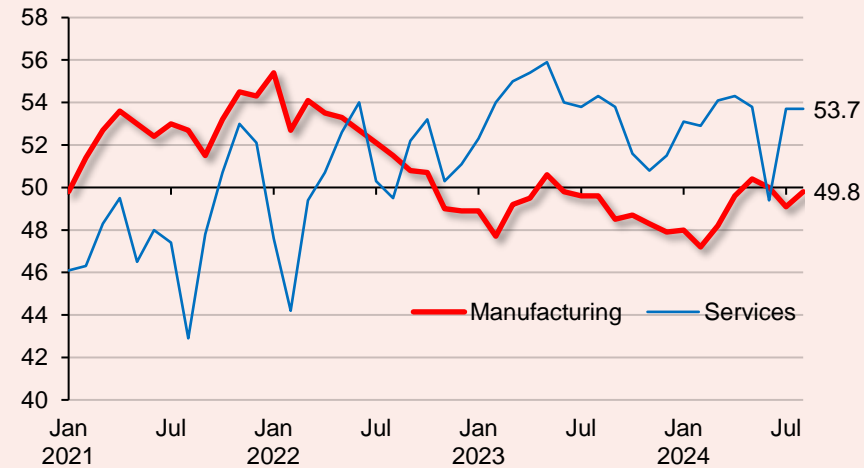
Source: Institute for Supply Management (ISM); US Bureau of Labour Statistics; S&P Global; Eurostat

# Growth divergences among major economies (cont.)

## Japan

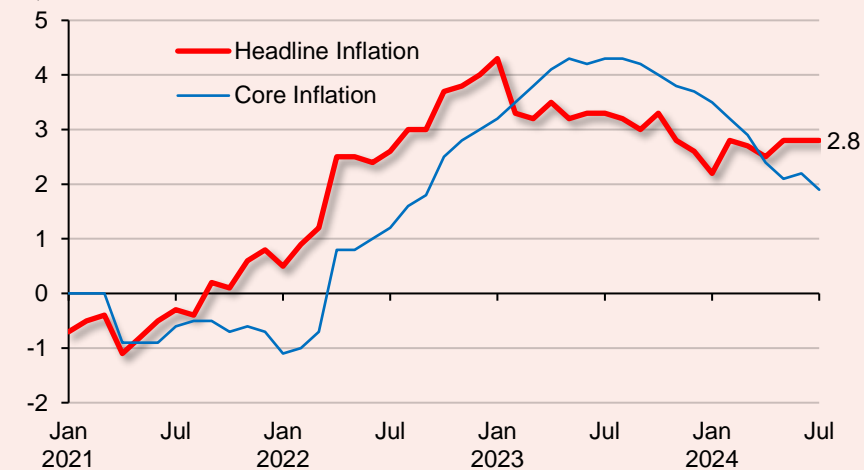
### Manufacturing and services PMI

50=Threshold



### Headline & core inflation

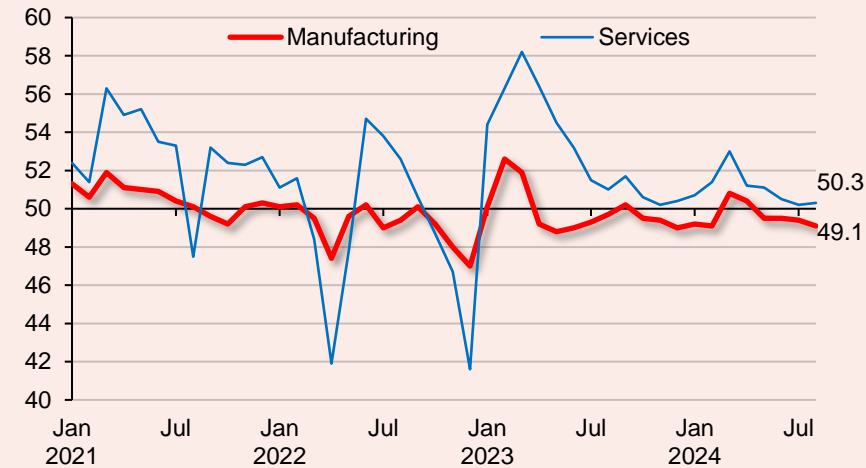
%, YoY



## China

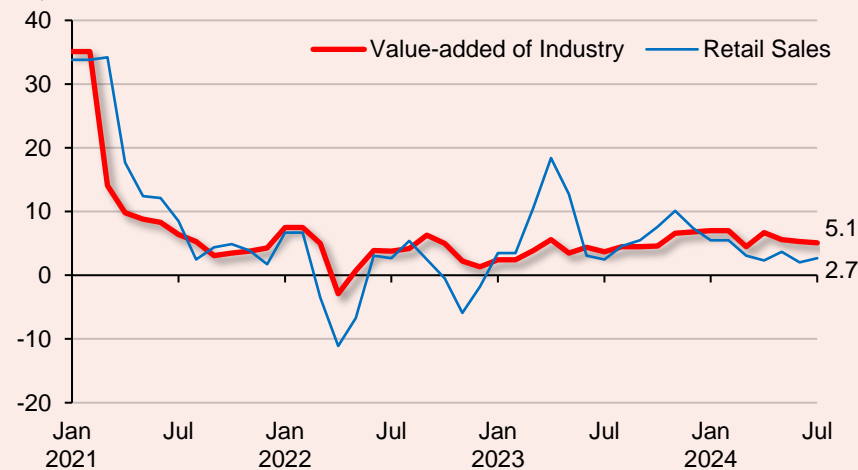
### Manufacturing and services PMI

50=Threshold



### Industrial and retail activities

%, YoY



## Japan

### A turnaround in growth?

- A modest turnaround in growth is expected in 2H 2024, driven by stronger wage growth and consumer spending, but may be partially offset by potentially aggressive rate hikes.
- Bank of Japan signals further rate hikes as long as inflation remains above its 2% target.

## China





### Searching for a breakthrough

- Manufacturing PMI has persistently below the threshold while Services PMI also slowed.
- Industrial capacity utilisation still weak. Property sector has still not found a bottom.

Source: S&P Global; Statistics Bureau of Japan; National Bureau of Statistics of China

# How will the US and China economic slowdown affect Malaysia?

## Trade and investment with selected countries

2023 % share (value)	Exports	Imports	Total Trade	Approved Foreign Investment	Approved Foreign Manufacturing Investment
	Rankings				
 <b>United States</b>	#3 <b>11.3% of total</b> (RM161.3 billion)	#4 <b>7.3%</b> (RM89.0 billion)	#3 <b>9.5%</b> (RM250.2 billion)	#3 <b>11.4%</b> (RM21.5 billion)	#2 <b>14.1%</b> (RM18.1 billion)
 <b>China</b>	#2 <b>13.5%</b> (RM192.2 billion)	#1 <b>21.3%</b> (RM258.6 billion)	#1 <b>17.1%</b> (RM450.8 billion)	#5 <b>7.7%</b> (RM14.5 billion)	#5 <b>9.3%</b> (RM12.0 billion)
 <b>Japan</b>	#6 <b>6.0%</b> (RM85.7 billion)	#6 <b>5.9%</b> (RM70.9 billion)	#5 <b>5.9%</b> (RM156.6 billion)	#6 <b>7.2%</b> (RM13.6 billion)	#6 <b>7.9%</b> (RM10.2 billion)
 <b>European Union</b>	#4 <b>7.9%</b> (RM112.9 billion)	#3 <b>7.7%</b> (RM93.8 billion)	#4 <b>7.8%</b> (RM206.7 billion)	N/A <b>27.0%</b> (RM50.9 billion)	N/A <b>35.0%</b> (RM45.0 billion)
<b>Malaysia's Overall</b>	<b>RM1,425.6 billion</b>	<b>RM1,211.5 billion</b>	<b>RM2,637.1 billion</b>	<b>RM188.4 billion</b>	<b>RM128.4 billion</b>

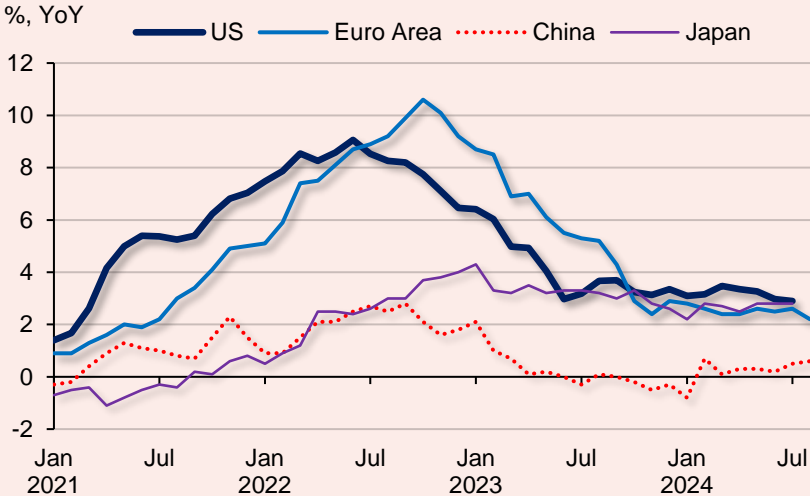
Note: The European Union excludes the United Kingdom.  
The European Union rankings in approved and manufacturing investments are excluded.

Source: BNM; DOSM

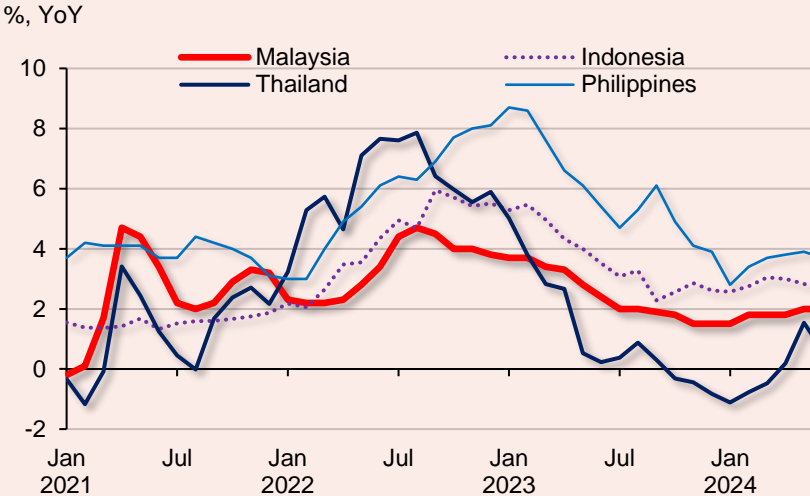


# Overall price levels are now stabilising, but no room for complacency

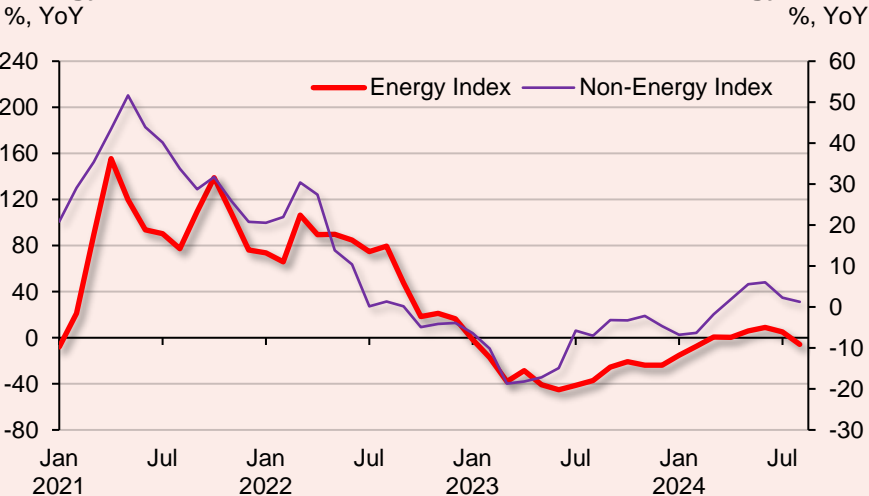
**Inflation – Major economies**



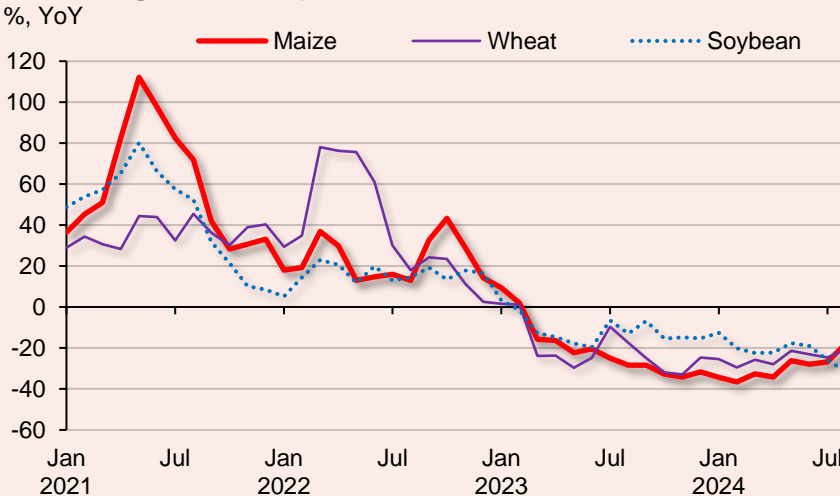
**Inflation – Selected ASEAN economies**



**Energy Index**



**Selected global food prices**

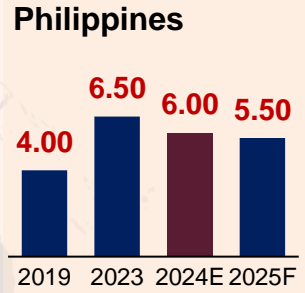
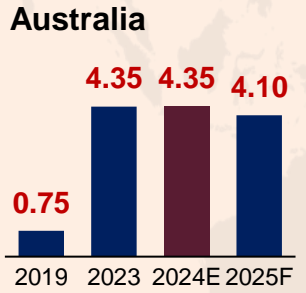
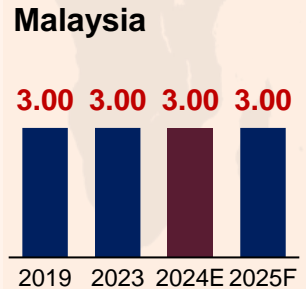
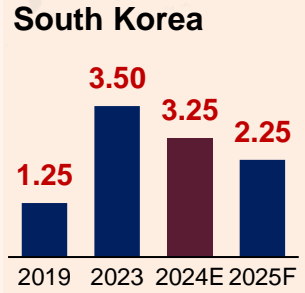
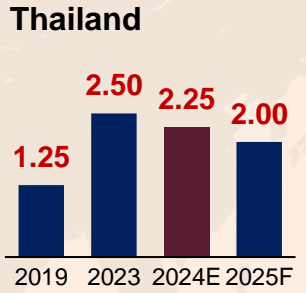
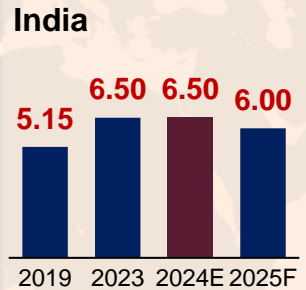
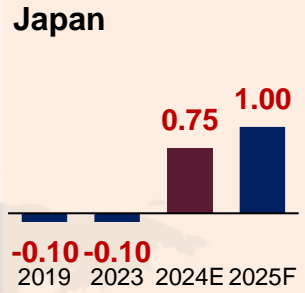
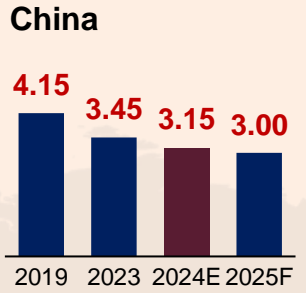
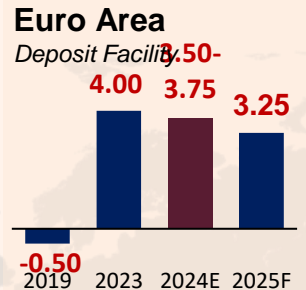
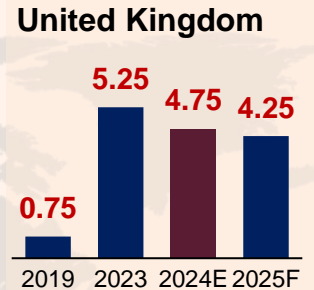
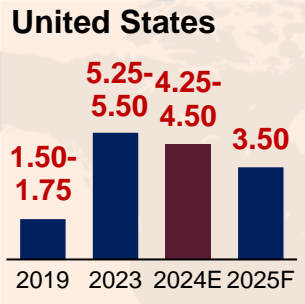


- Headline inflation has been moderating over the past few months and has started to stabilise at its current level. Overall commodities prices also have tamed.
- The Drewry World Container Index (WCI) has shown a significant increase in the price of 40ft containers, rising from USD1,342 on 26 Oct 2023 to a peak of USD5,937 (+342.6%) on 18 Jul 2024, before moderating to USD4,775 as of 5 Sep 2024. Despite this substantial increase, prices remain below their peak during the COVID-19 pandemic.

Source: World Bank; Various officials for inflation data

# Global monetary policy tracker

Policy rate (% , end-period)



*Federal Reserve Chair Jerome Powell said officials could cut interest rates at their meeting in September, moving closer to a new phase that seeks to avoid weakness in the labor market in the midst of signs inflation is heading lower.*

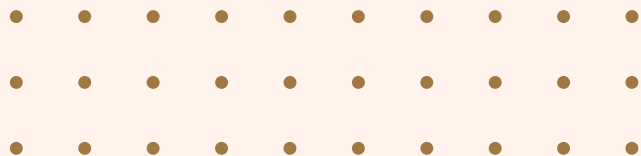
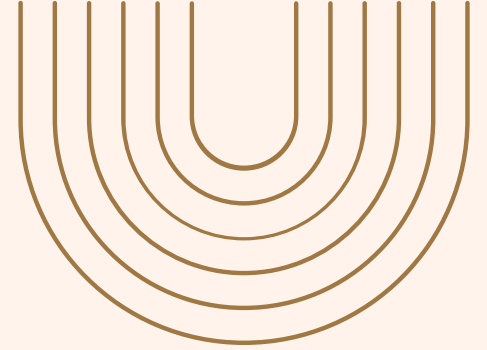
Source: Various officials; SERC's forecasts



# Malaysia Economic Outlook

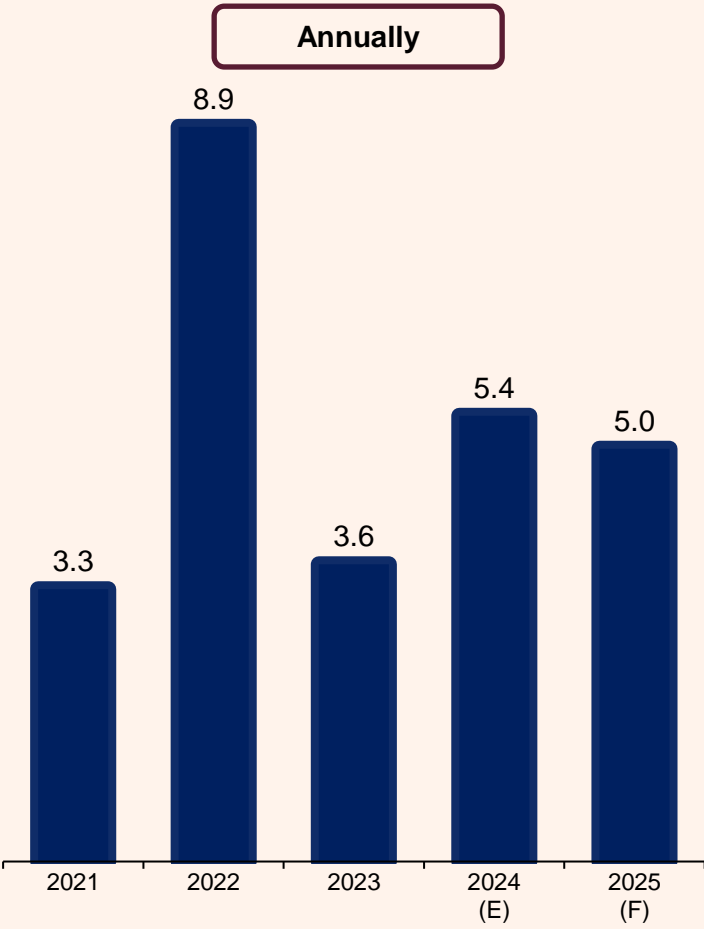
## Domestic Economy Remains on the Expansion Path

1. *The Malaysian Economy Fired on Twin Cylinders*
2. *Continued Reforms to Boost Macro-Economic Stability*
3. *Stage Set for Robust Private Investment Cycle*
4. *2025 Budget Insights*
5. *Drivers of the Real Estate Market*



# The Malaysian economy is doing better

Malaysia's real GDP growth (% YoY)



## Drivers of economic growth in 2024-2025

### Supporting drivers

- Stronger growth in domestic economy as well as an upswing in external demand.
- Investment upcycle in the technology and digital infrastructure.
- Increase in tourist arrivals in line with the visa exemption given to tourists from China and India.

### Dampening drivers

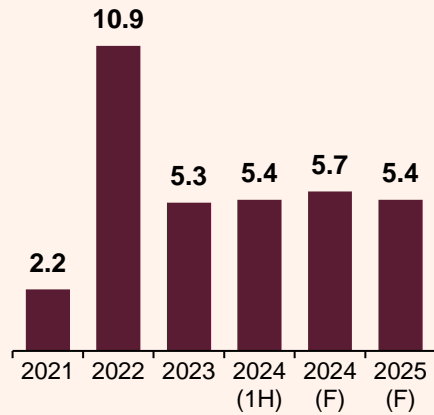
- Increased cost of living and business costs, especially with the implementation of the subsidy rationalisation for diesel.
- Businesses and households' anxieties have already built up over the petrol subsidy rationalisation will be next in line.
- Domestic economic growth outlook remains subject to downside risks, mainly from the worsening of geopolitical tensions, higher-than-anticipated inflation outturns, and volatility in global financial markets.

Source: Department of Statistics Malaysia (DOSM); SERC's forecast

# All economic sectors will register positive growth in 2024-2025

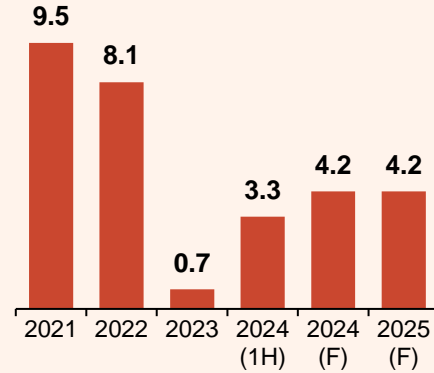
## GDP growth by economic sector (% YoY)

### Services



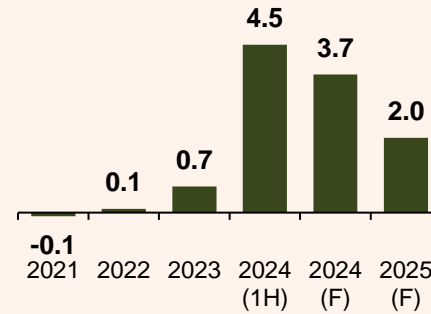
- Consumption supports retail, dining, accommodation, and communications sectors.
- Recovery in tourism activities will further bolster the consumption sector.
- Increased trade-related activities will benefit the wholesale, transportation, and warehousing sub-sectors.

### Manufacturing



- Recovery in foreign demand benefits export-oriented industries, particularly E&E products that are experiencing a technology upcycle.
- Domestic-oriented industries will be driven by sustained growth in consumption and investment.

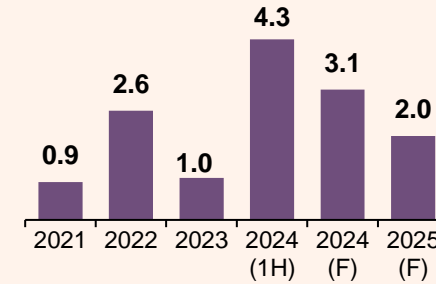
### Agriculture



- Production of crude palm oil (CPO), livestock products, and other agricultural goods is expected to increase.
- CPO: Lower-than-expected impact of El Niño, improved labour supply, an expansion of mature areas, and higher oil extraction rates.

**CPO Prices:**  
**2024F: RM3,971/tonne**  
 (2023: RM3,810/tonne)

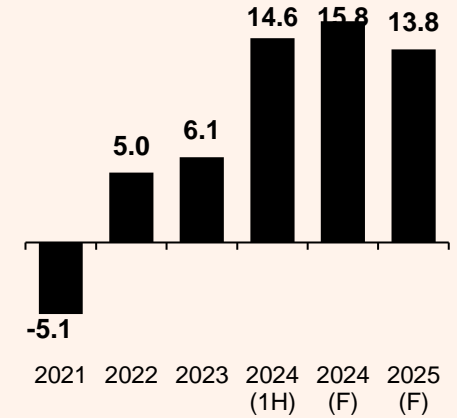
### Mining and Quarrying



- Natural gas production is recovering from new and existing gas fields, as well as from crude oil and condensate production.
- With a positive global economic outlook, demand is expected to increase.

**Crude oil prices:**  
**2024F: US\$81/barrel**  
 (2023: US\$83/barrel)

### Construction

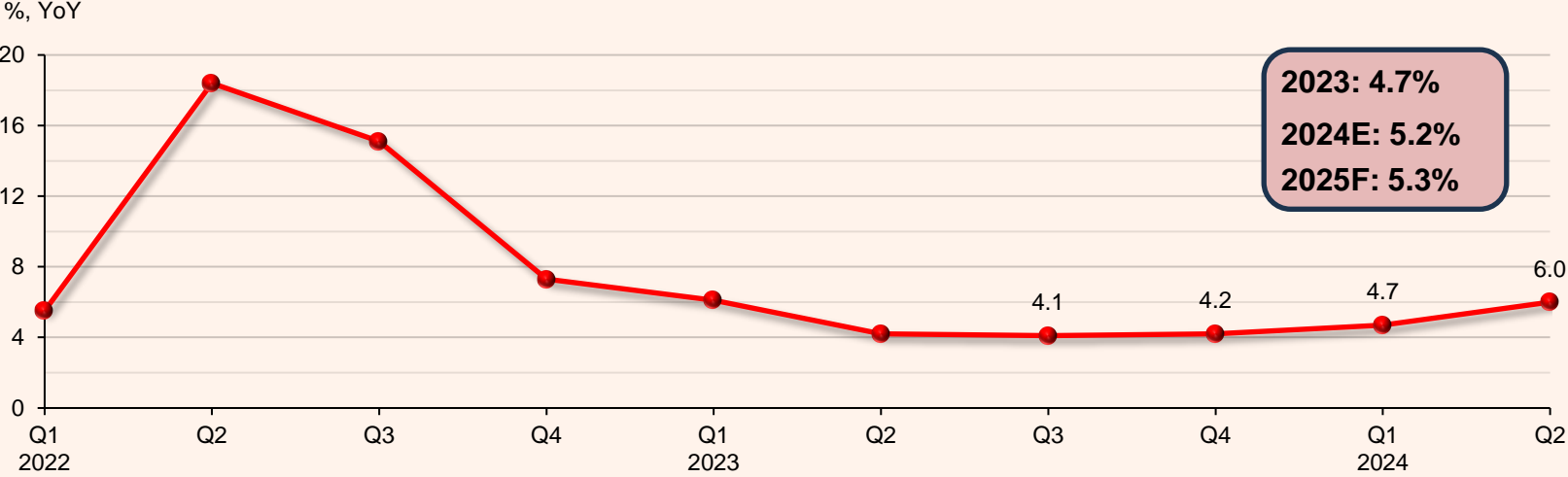


- All construction sub-sectors (residential, non-residential, and civil engineering) are expanding.
- Strategic infrastructure and utility projects, including the Central Spine Road (CSR), Pan-Borneo Highway, MRT, LRT, and East Coast Rail Link (ECRL), are contributing to this growth.

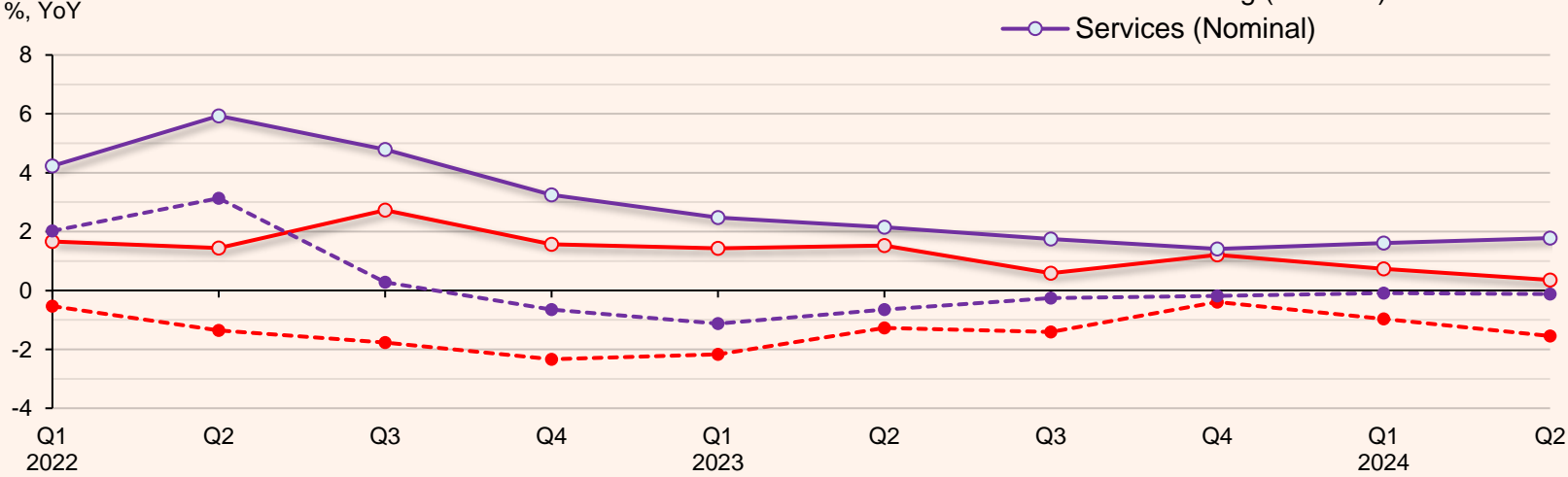
Source: Department of Statistics Malaysia (DOSM); SERC's forecast

# Sustaining private consumption

Private consumption growth (60.7% of GDP in 2023)



Real wage growth per employee



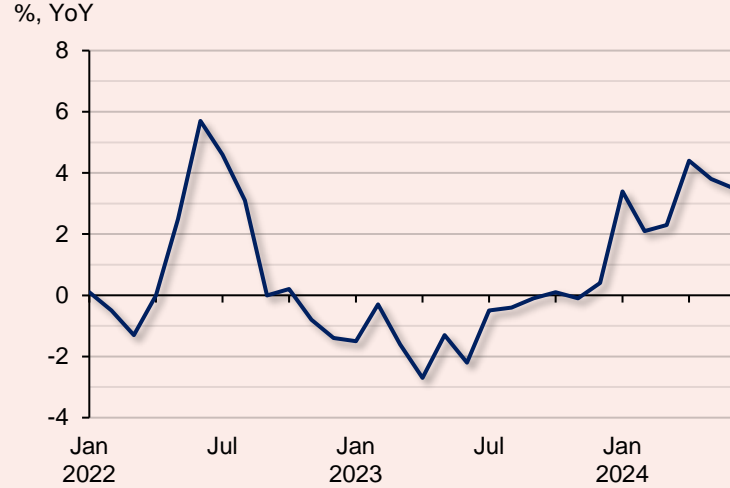
## Key focuses

- Stable labour market conditions. Rising cost of living and high prices pressure as well as anxiety about retargeting subsidies rationalisation for RON95 may lead to cautious spending.
- Higher tourist arrivals and spending are expected with the implementation of visa free for India and China. Malaysia targets 27.3 million tourist arrivals with RM102.7 billion in total tourism receipts in 2024. China and India are expected to contribute 5 million and 1 million tourist arrivals, respectively.
- The Employees Provident Fund (EPF)'s Flexible Account (Account 3) allows members to withdraw funds for life cycle needs.
- As of 19 July 2024, 3.8 million or 29.3% of total 13.1 million EPF members under the age of 55 have transferred RM12.6 billion from the Sejahtera Account (Account 2) to the Flexible Account (Account 3).
- 3.4 million or 26.2% of total EPF members under the age of 55 have withdrawn RM8.9 billion from the Flexible Account, a 27.5% increase from RM6.98 billion as of 10 June 2024.

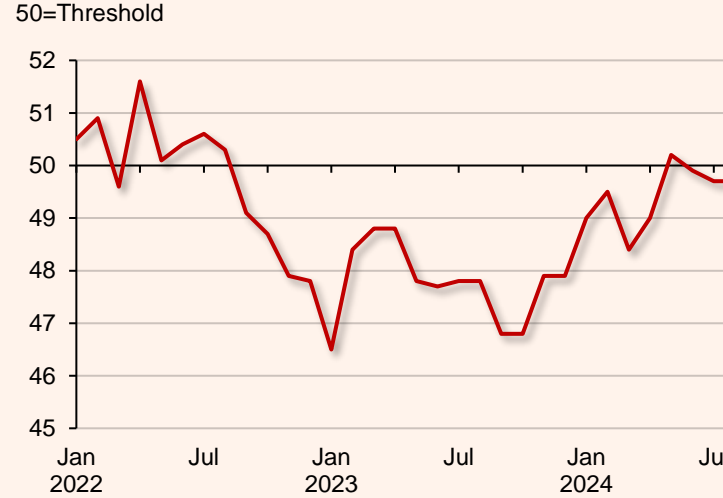
Source: DOSM

# Tracking Malaysia's economic indicators

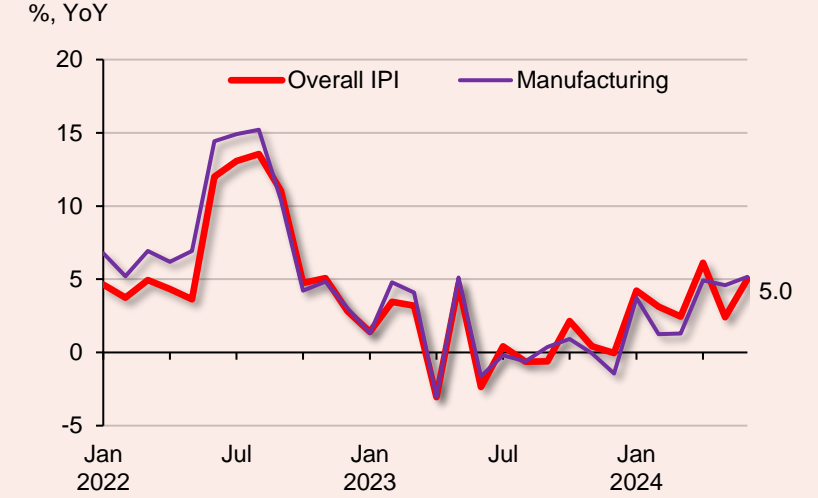
## Leading indicators



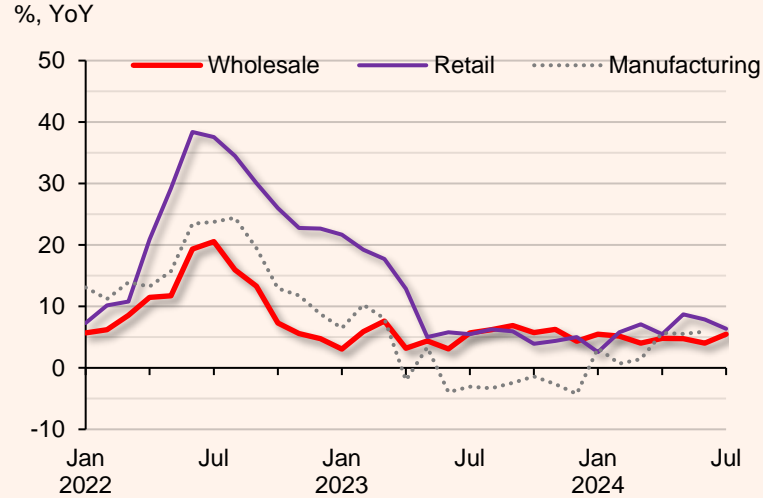
## Purchasing Managers' Index (PMI)



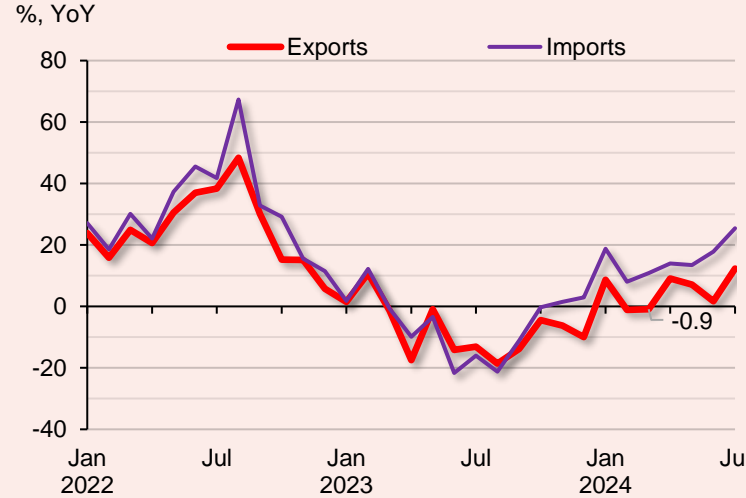
## Industrial production index (IPI)



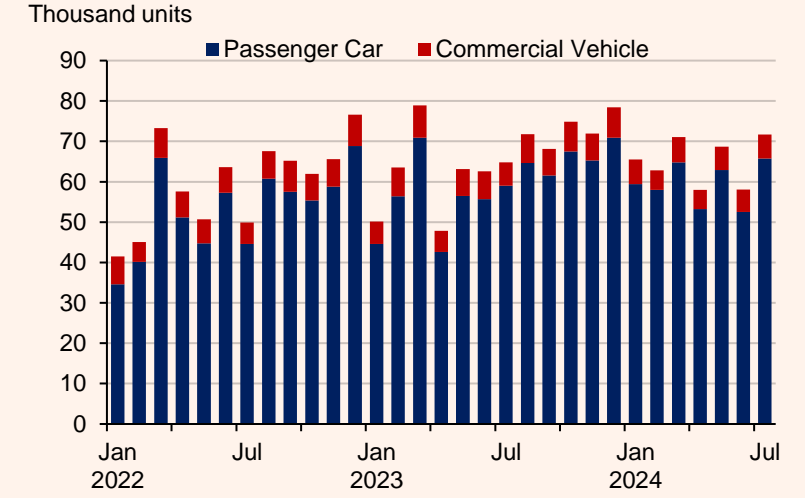
## Wholesale, retail & manufacturing sales



## External trade



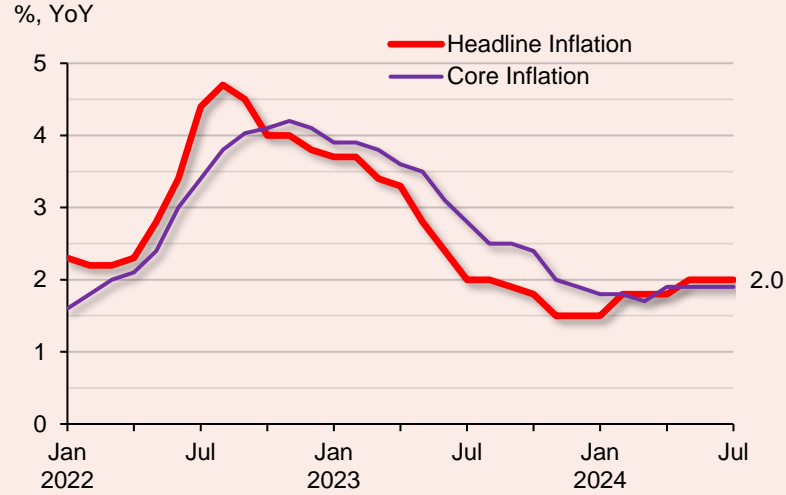
## Sales of passenger & commercial vehicles



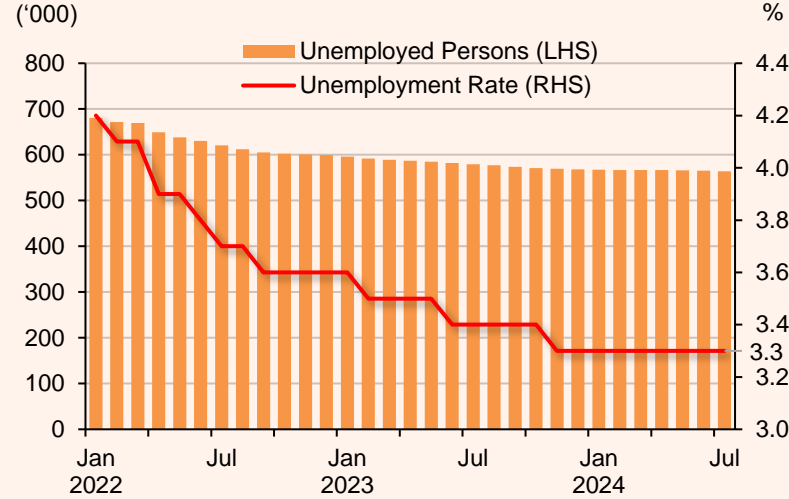
Source: S&P Global; DOSM; Malaysian Automotive Association (MAA)

# Tracking Malaysia's economic indicators (cont.)

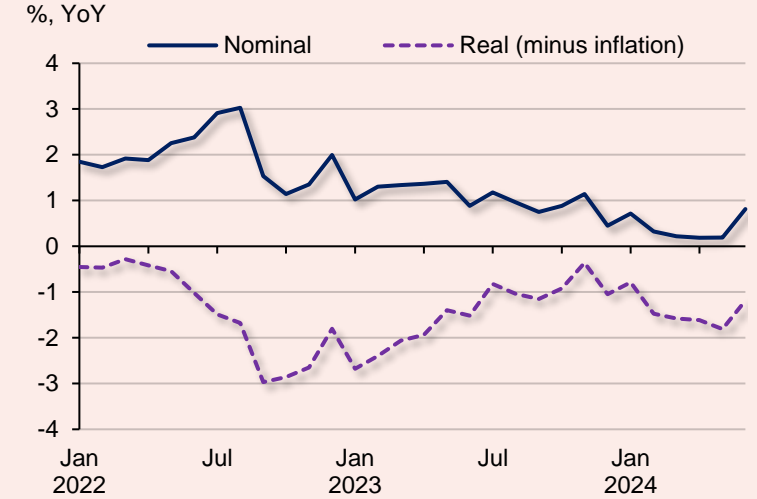
## Inflation



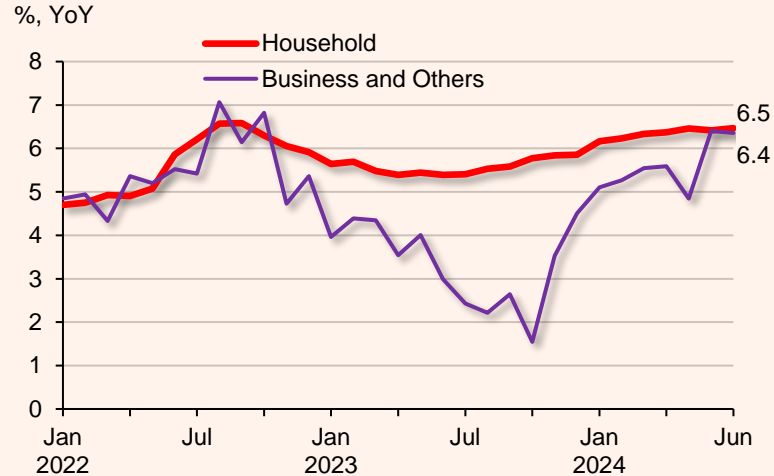
## Unemployment



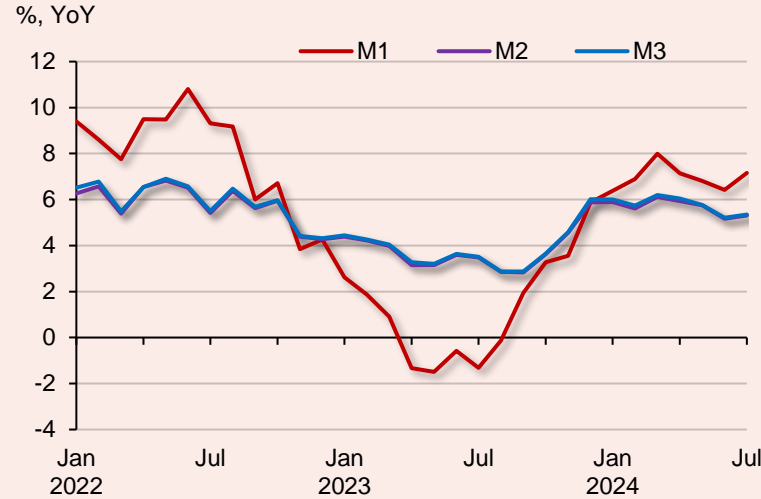
## Manufacturing wage (per employee) growth



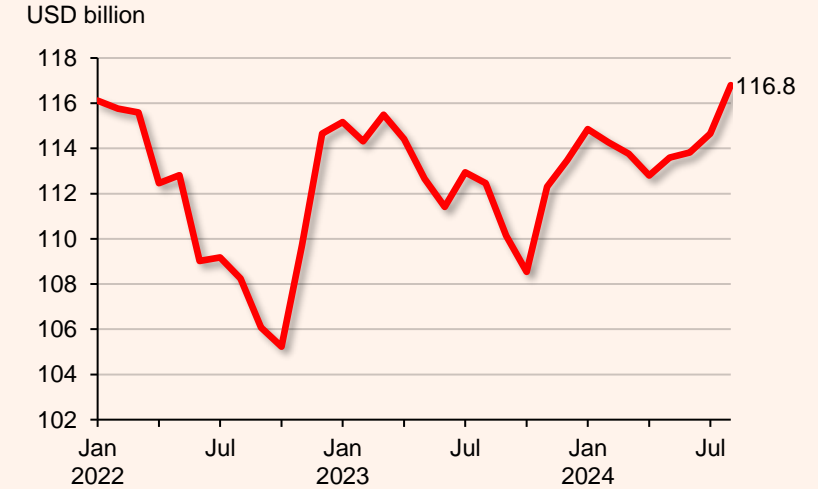
## Outstanding banking loan growth



## Money supply



## Foreign exchange reserves



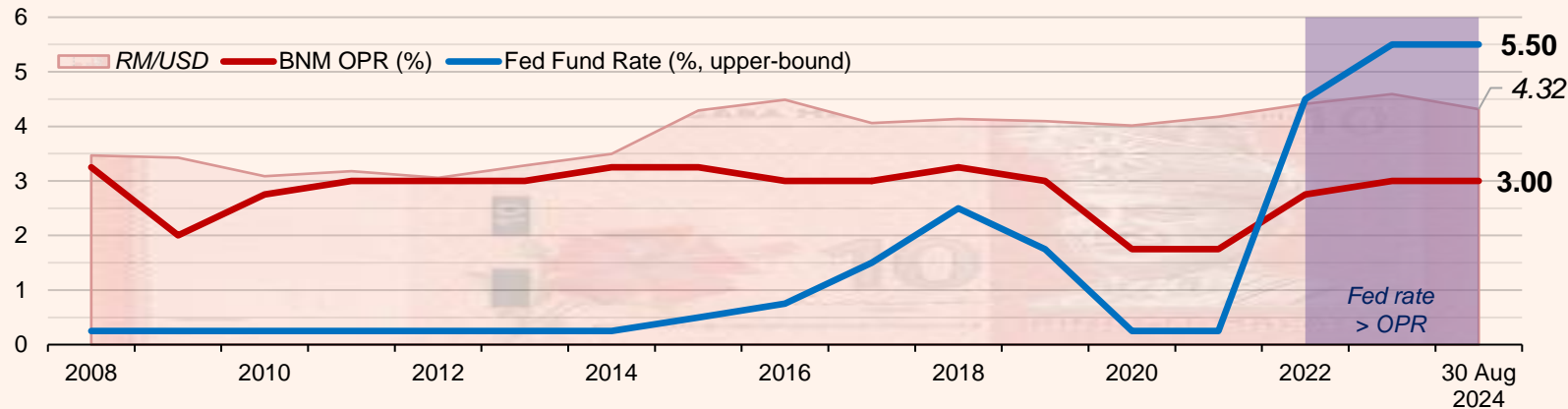
Source: DOSM; BNM; MIDA



# BNM's OPR to maintain status quo at 3.00% in 2024 and 1H 2025

## BNM OPR vs. Fed Funds Rate vs. RM/USD

Rate at end-period

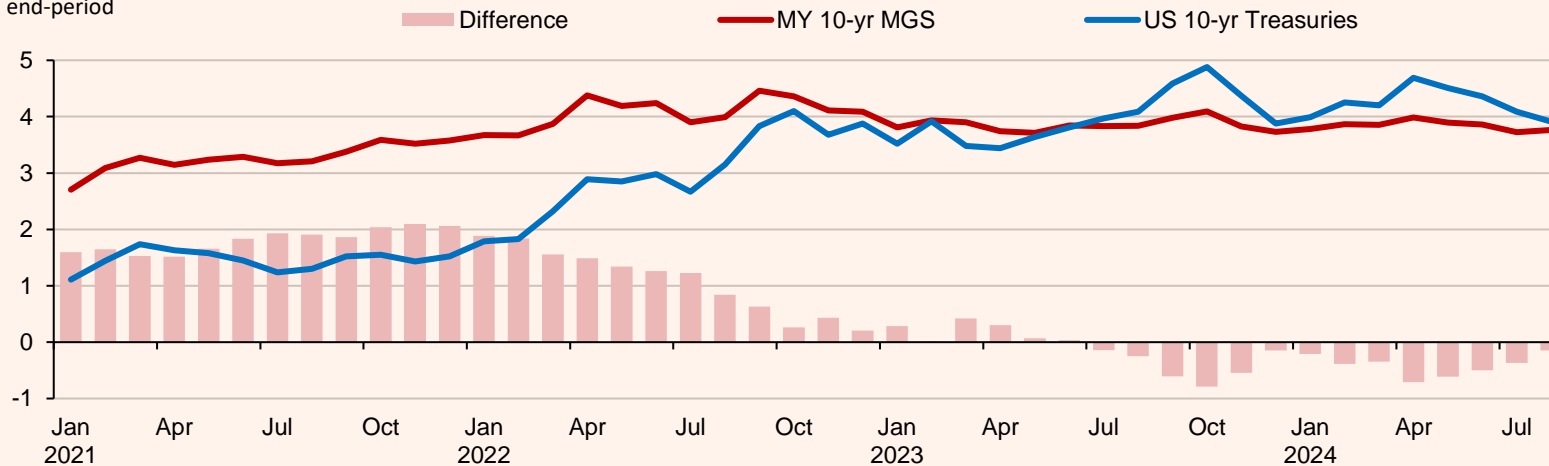


### OPR to stay put at 3.00%

- BNM will maintain the OPR at 3.00% in 2024 to support the economy while keeping domestic prices stable.
- Developments in global energy and commodities market, the implementation of subsidies rationalisation for RON95, the impending salary hike for civil servants and review of new minimum wage.

## Yields: MY 10-year MGS vs. US 10-year Treasuries

% end-period

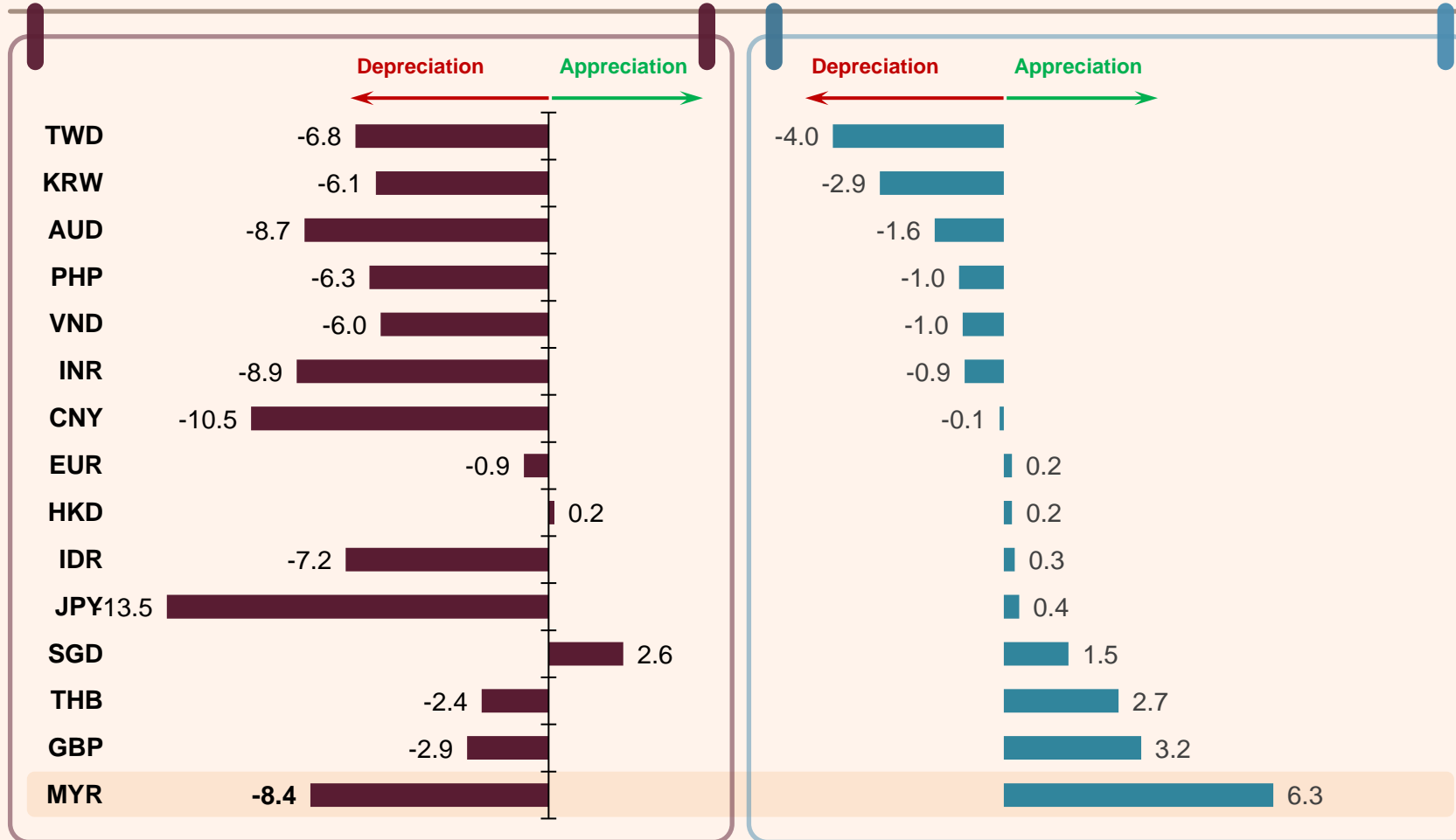


Source: Fed; BNM; US Treasury Department

# The Ringgit has recouped most of its losses

Selected major and regional currencies against the USD (%)

31 Mar 2022 → 29 Dec 2023 → 13 Sep 2024



Since 31 Mar 2022:

- **SDG** outperformed all other currencies, claiming the top spot.
- **MYR** ranked as the sixth strongest currency against the US dollar.
- **JPY** was the worst performing currency as of now.

Net Impact		
#13	TWD	-10.6
#10	KRW	-8.9
#12	AUD	-10.1
#9	PHP	-7.3
#7	VND	-6.9
#11	INR	-9.8
#14	CNY	-10.6
#5	EUR	-0.8
#2	HKD	0.4
#8	IDR	-6.9
#15	JPY	-13.2
#1	SGD	4.2
#3	THB	0.3
#4	GBP	0.3
#6	MYR	-2.6

Source: Bank Negara Malaysia (BNM)



# Catalysing Private Investment Cycle

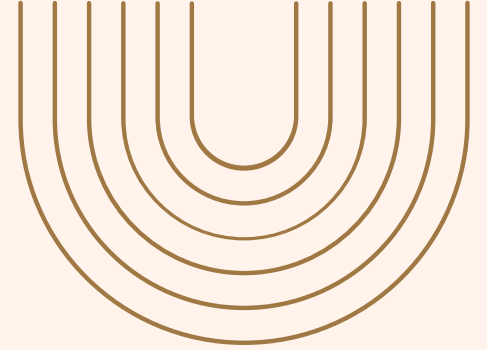
## External and Domestic Drivers

### ➤ **EXTERNAL PUSH FACTORS**

- *Deglobalisation and trade protectionism, supply chains reconfiguration, regional integration, advance technologies, decarbonisation, China Plus One strategy, Taiwan Plus One strategy*

### ➤ **DOMESTIC PULL FACTORS**

- *Investment dynamics to lift Malaysia's economic growth prospects*
- *Resetting Malaysia – MADANI Economy, New Industrial Master Plan (NIMP) 2030, National Energy Transition Roadmap (NETR), and National Semiconductor Strategy (NSS)*



# Malaysia remains an attractive destination for DDI and FDI

## Determinants



Strategic geographical location



Pro-investment policies



Good regulatory framework



Abundant land and natural resources



Access to capital and manpower



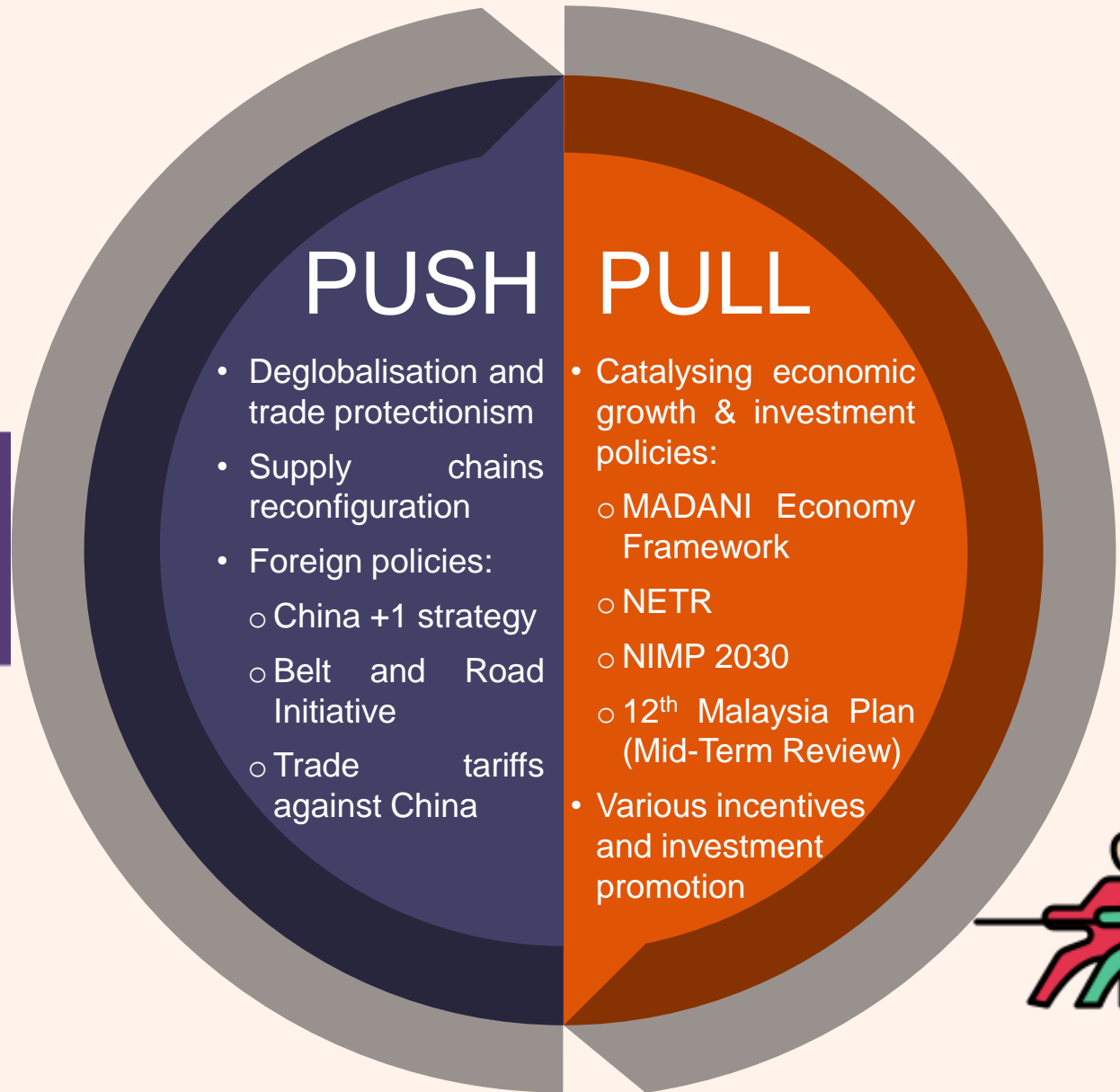
Established trade networks  
(16 FTAs - 7 bilateral FTAs and 9 multilateral)



Strong infrastructure



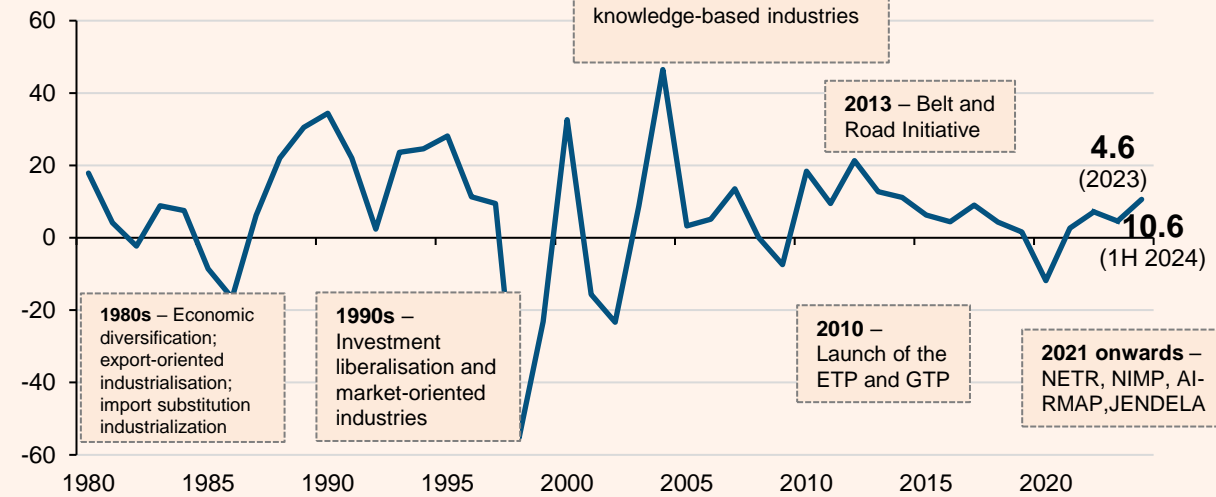
Sound financial sector



# New private investment cycle is taking shape

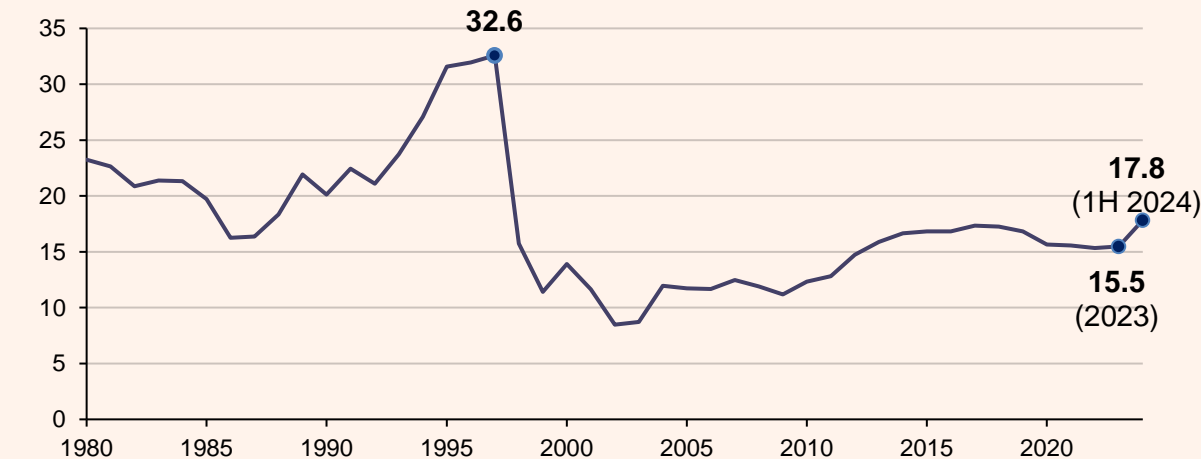
## Private investment growth

%, YoY



## Private investment to GDP ratio

%



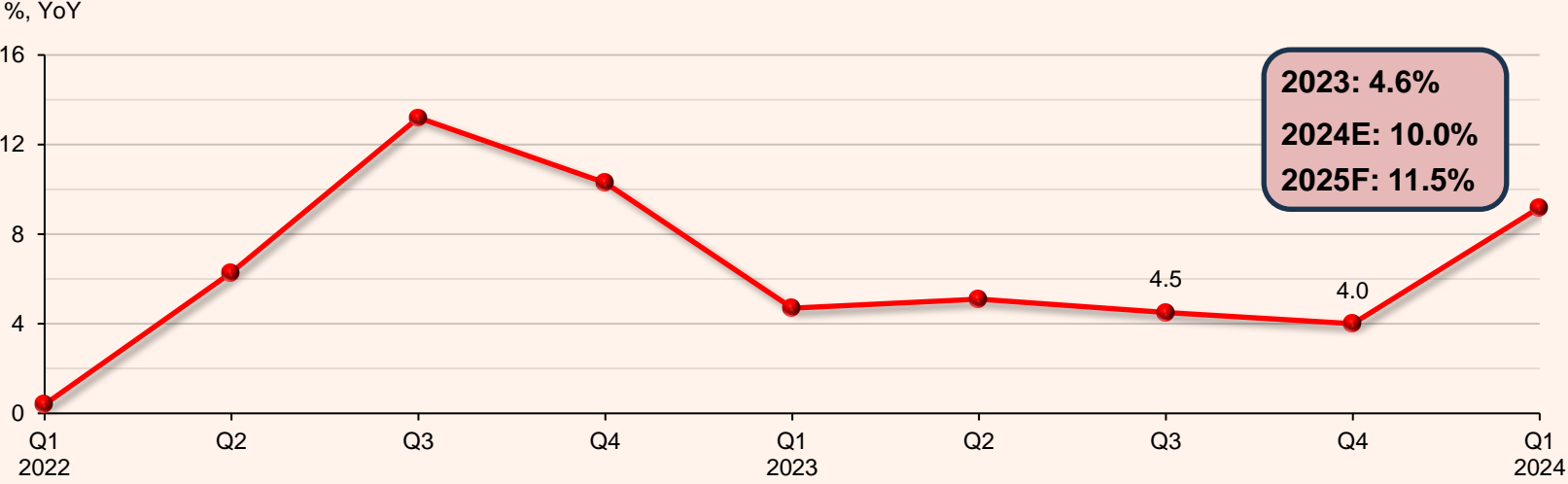
Source: DOSM

## Key points

- 5-year Malaysia Plan, Industrial Master Plans, various roadmaps and plans covering agriculture, ICT, industrialisation, manufacturing, and services.
- **1970s-1980s** – Economic diversification; export-oriented industrialisation, imports substitution industrialisation based on heavy industries (automotive; iron and steel); and the Look East policy.
- **1990s** – Investment liberalisation, including foreign equity for export-oriented industries.
- **2000s** – Manufacturing cum services, knowledge-based, ICT; digitalisation, e-commerce, advanced technology, energy transition, climate change wave.
- **2010** – The Economic Transformation Programme (ETP) to make Malaysia better and drive private investment; and Government Transformation Programme (GTP) to address the cost of living and security.
- **2013** – China's Belt and Road Initiative (BRI), which fostered closer trade and investment relations between Malaysia and China.
- **2020-2023** – Malaysia MADANI Economy Framework, New Industrial Master Plan (NIMP) 2030, National Energy Transition Roadmap (NETR), National Artificial Intelligence Roadmap (AI-RMAP); JENDELA; Malaysian Aerospace Industry Blueprint 2030.
- **2024** – Johor-Singapore Special Economic Zone (JS-SEZ); KL20 Summit to attract more investments in startups.

# Strong investment upcycle set to take off

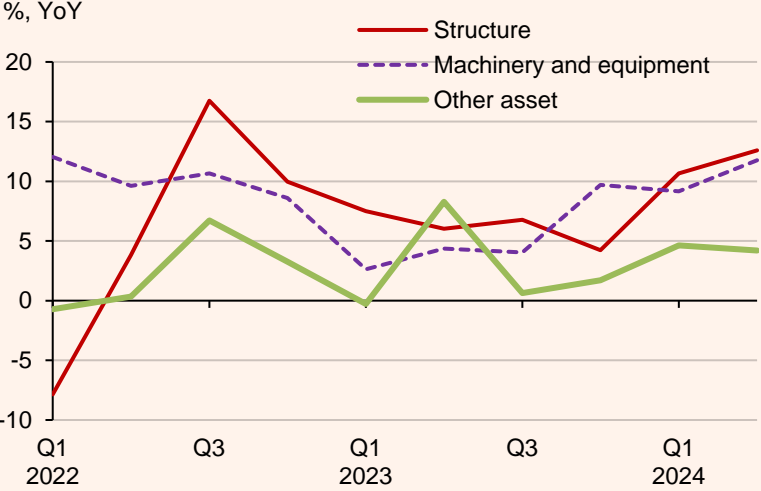
Private investment growth (15.5% of GDP in 2023)  
%, YoY



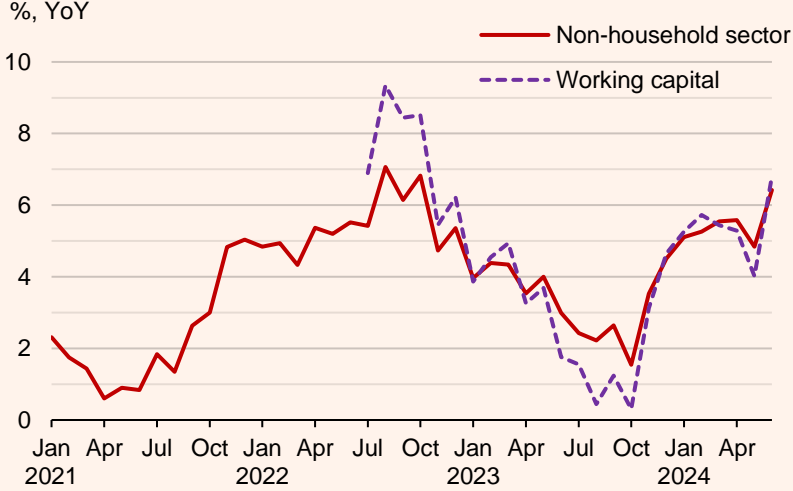
## Key focuses

- With a plethora of investments streaming in from multinationals like Google, Microsoft and Tesla, Malaysia will experience a global tech upcycle especially where digital infrastructure like Artificial Intelligence (AI), cloud computing, EVs are concerned.
- Several strategic plans, namely the New Industrial Master Plan (NIMP) 2030, National Energy Transition Roadmap (NETR), the Mid-Term Review of the 12th Malaysia Plan (2021-2025), and National Semiconductor Strategy (NSS) are gradually materialising and will be the catalyst for higher investment growth.
- Additionally, Johor-Singapore Special Economic Zone (J-S SEZ) set to be game changer.

Gross fixed capital formation by type of assets  
%, YoY



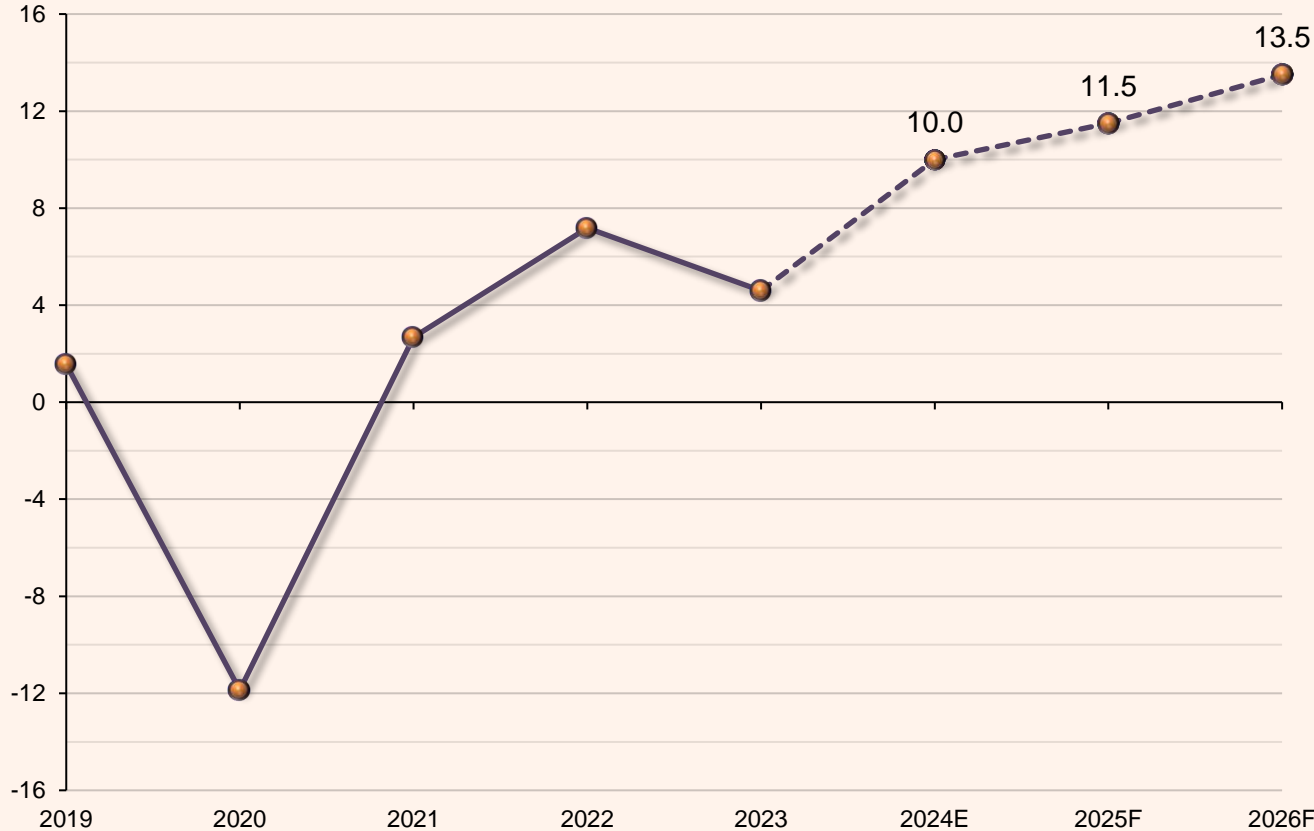
Outstanding loans to the business sector  
%, YoY



Source: DOSM; BNM

# Sustaining higher private investment prospects ahead

Private investment growth  
%, YoY



Reduce bureaucracy, red tape and gold-plating as well as address skills mismatches and encouraging the deployment of technology and innovation would bring down costs of doing business.

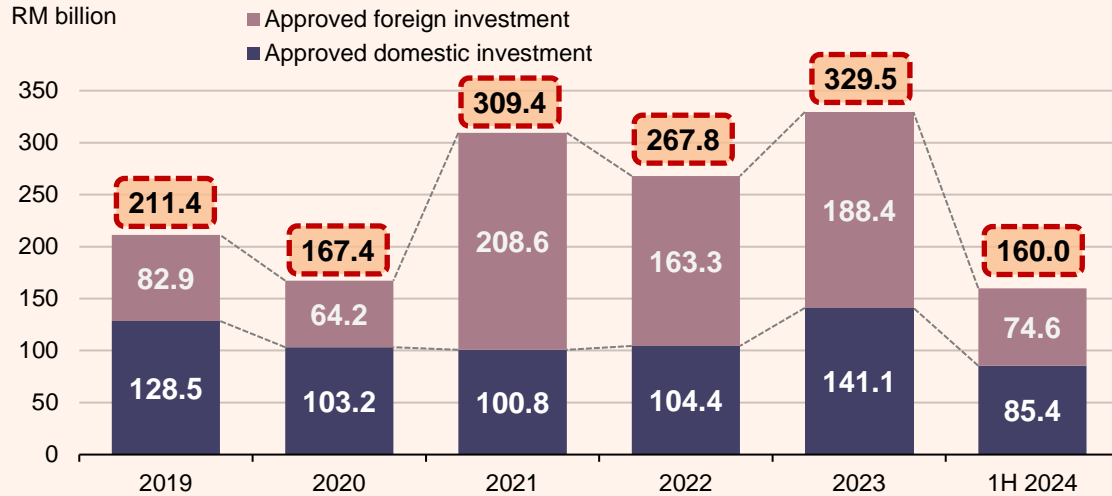
Source: DOSM

## Drivers of higher private investment growth in the medium term:

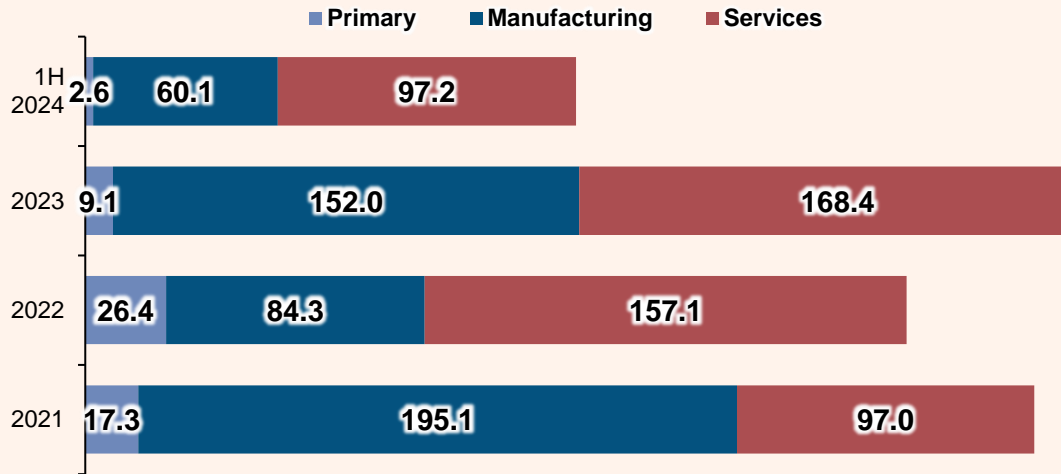
- **National Strategic Plans and Roadmaps**
  - #1 Malaysia MADANI Economy**
    - A whole-of-Malaysia approach with 7 intermediate indicators.
  - #2 12th Malaysia Mid-Term Review (2021-2025)**
    - 17 big bolds to catalyse socio-economic development
  - #3 New Industrial Master Plan 2030**
    - Key industries include E&E, chemical products, advanced materials, aerospace, and healthcare
  - #4 National Energy Transition Roadmap**
    - 6 energy transition levers and 10 flagship project that address energy efficiency, renewable energy, hydrogen, bioenergy, green mobility, and CCUS.
  - #5 National Artificial Intelligence Roadmap 2021-2025**
    - Create a thriving and sustainable AI innovation ecosystem.
  - #6 National Semiconductor Strategy**
    - Boost the semiconductor industry by enhancing research, development, and manufacturing capabilities.
- On-going implementation of multi-year infrastructure projects.
- Realisation of some approved investments in previous years (2021-2023) and in 2024.
- Continued capacity expansions in the manufacturing sector (semiconductor, transport equipment, chemical and chemical products) and services (renewable energy, ICT, data centres, technology related fields).

# Highest investment approvals ever recorded in 2023

## MIDA's approved DDI and FDI



## MIDA's approved Investment by major sector



Source: MIDA

## Major foreign investors by ranking (1H 2024)






Approved investment value

1.		Austria	RM30.1 billion (18.8%)
2.		Singapore	RM16.5 billion (10.3%)
3.		China	RM9.8 billion (6.1%)
4.		Netherlands	RM4.0 billion (2.5%)
5.		Taiwan	RM2.4 billion (1.5%)

Note: Figure in parenthesis indicates % share of total approved foreign approved investments.






# Notable flagship investment projects

United States 	Project
	Google to invest RM9.4 billion in Malaysia to establish its first data centre and Google Cloud region
	Microsoft to invest US\$2.2 billion in cloud and AI infrastructure over the next 4 years
	Amazon Web Services (AWS) RM25.5 billion (USD6 billion) by 2037 to open a Cloud Computing Infrastructure in several states
	Setting up a vast network of fast-charging and regular-charging stations; establish its state-of-the-art head office and service center; and experiencing centers

China 	Project
	Partnering with xFusion partner to invest RM1.7 billion to open new facility

United Arab Emirates 	Project
	US\$8 billion for up to 10GW of renewable energy projects

Germany 	Project
	Invest RM1.62 billion to open semiconductor backend
	An additional 5 billion euro over the next 5 years in Kulim to build world's largest 200mm SiC Power Fab in Kulim

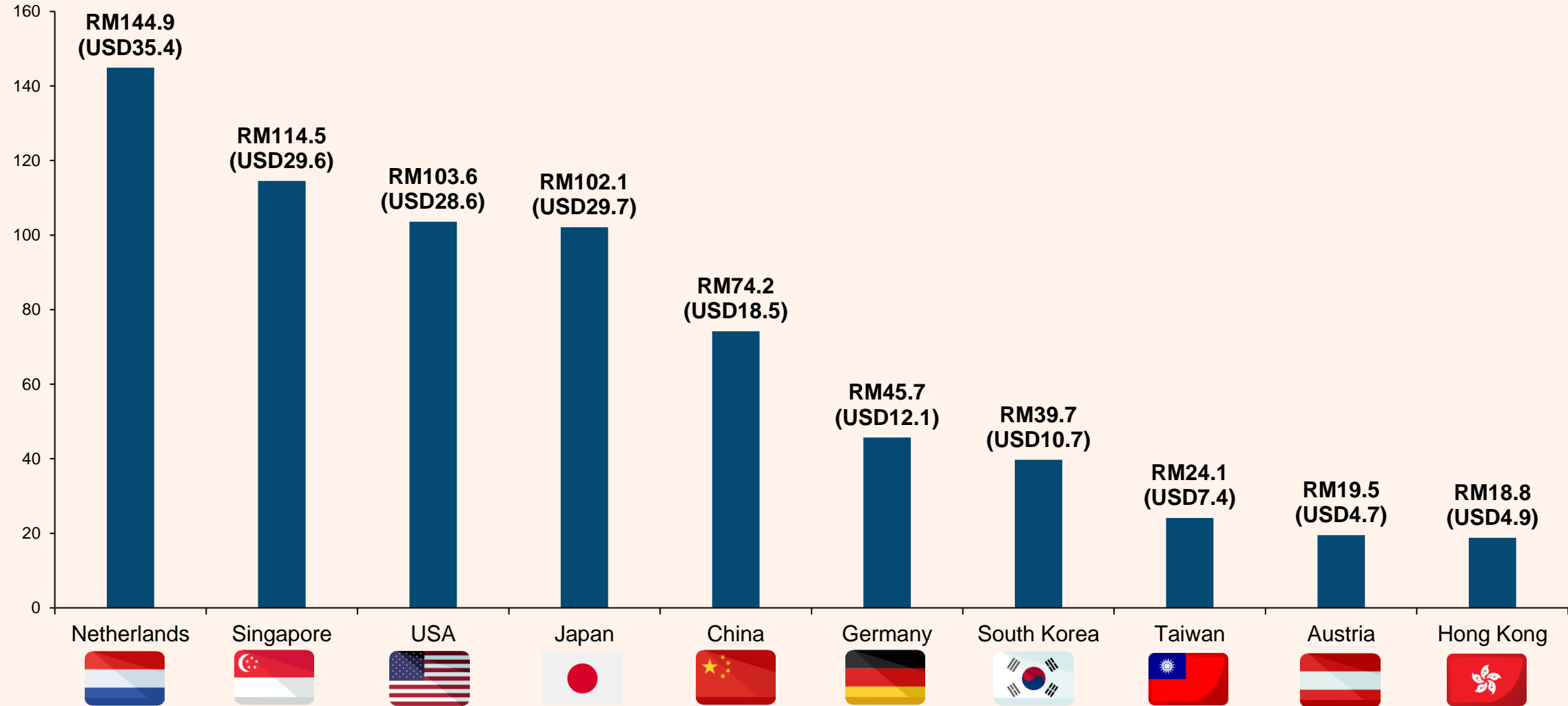
Malaysia 	Project
	Khazanah Nasional Bhd will launch a National Fund-of-Funds to invest RM1 billion in innovative high-growth Malaysian companies which was announced during the KL20 Summit
	The newly launched National Semiconductor Strategy (NSS) which will be allocated RM25 billion, is expected to attract at least RM500 million (first phase) with a focus on integrated circuit design, advanced packaging and manufacturing equipment.

Source: MIDA

# Malaysia's top foreign investors in the manufacturing sector since 1980

Since 1980, accumulated realised investments in the manufacturing sector as of 2023

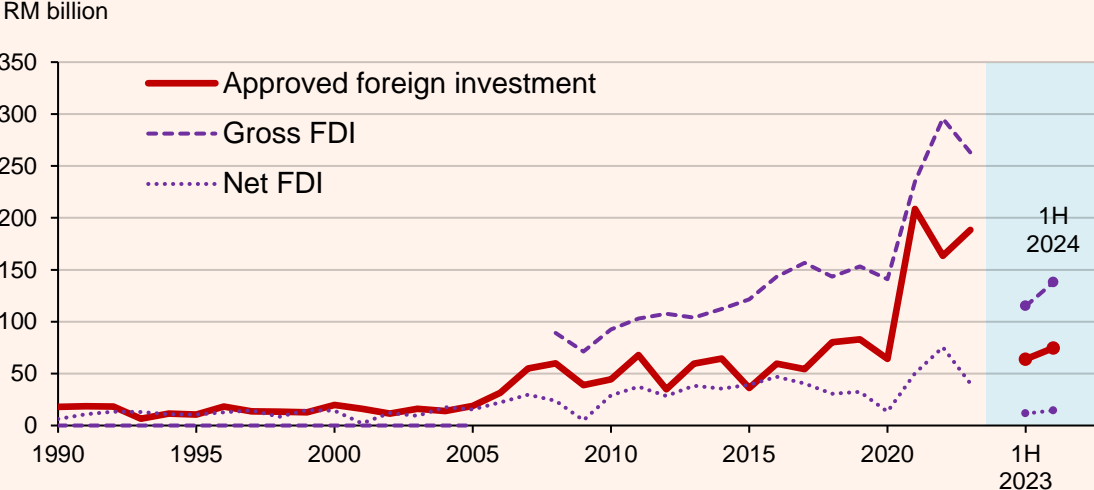
RM billion



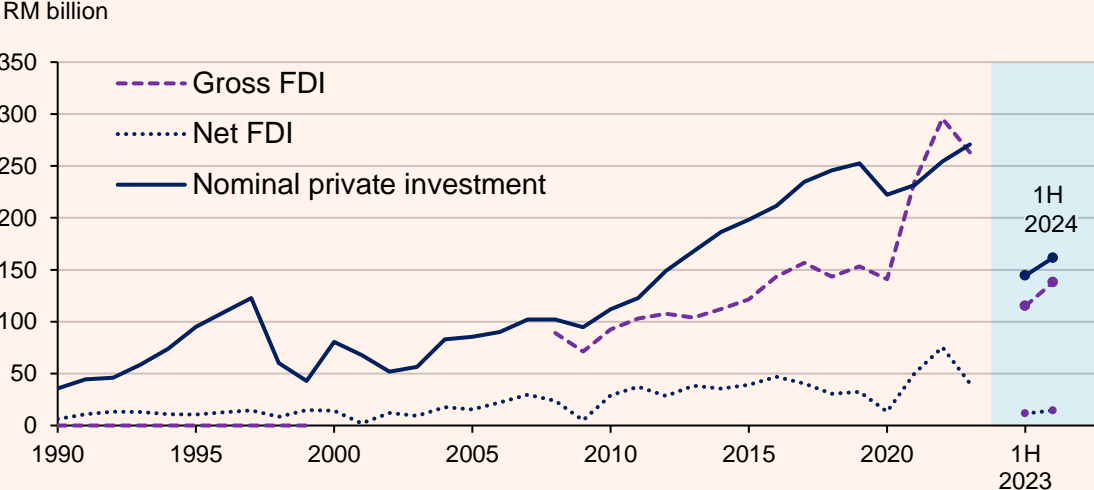
Source: MIDA

# Higher FDI inflows and private investment

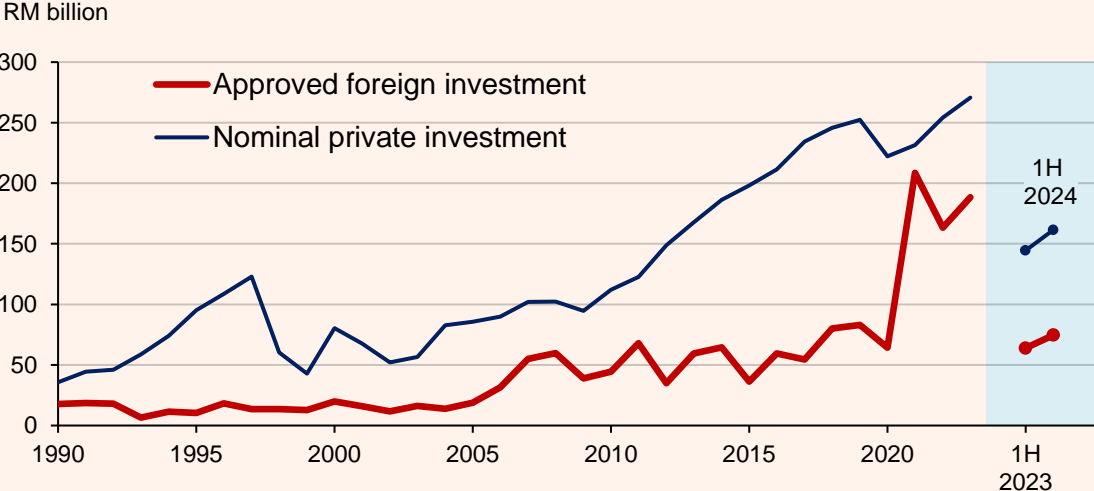
Approved foreign investment vs. FDI



FDI vs. nominal private investment



Approved foreign investment vs. nominal private investment



**Realisation of approved investment is very crucial**

Source: BNM; MIDA; DOSM

# A 2025 Budget Drives Growth with Fiscal Stability

## Skills Development

- Enhancement of Progressive Wage Model
- TVET, STEM

## Sustaining High Investment

- Reinvestment Allowance
- Facilitation Fund/Grant
- Family offices
- R&D Tax
- ESG Fund

## Managing Business Costs

- Preferential Tax Rate for SMEs
- Minimum Wage Rate and Tiered Levy – Not too Steep
- E-invoicing – Higher Exemption for SMEs

## Fiscal Consolidation

- Further reduction in deficit to GDP ratio (-3.8% in 2025 vs. -4.3% in 2024)

## Revenue Enhancement and Tax System

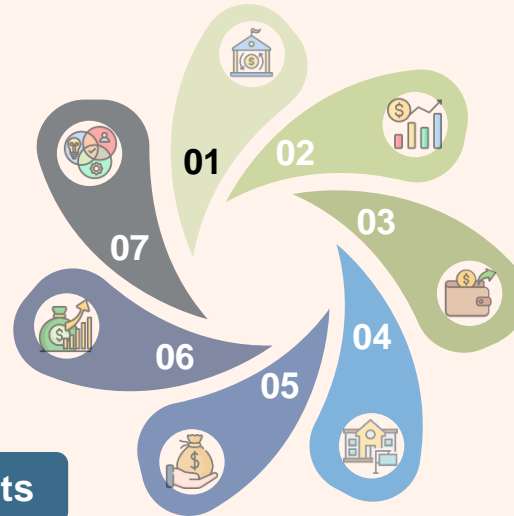
- Reintroduction of GST
- E-invoicing
- Global Minimum Tax Rate (15%) and Domestic Minimum Top Up Tax (DMTT)

## Operating Expenditure Rationalisation

- Fuel Subsidies Rationalisation
- Consolidation of departments and agencies

## Easing Cost of Living

- Sumbangan Tunai Rahmah
- Tax Rebate and Relief for Individuals
- Medical Inflation; Income Enhancement for Retirees



# Factors that drive the real estate market

## Climate Change

- **Natural disasters:** Areas prone to natural disasters, such as floods, hurricanes, or wildfires.
- **Regulations:** Sustainable building and smart cities. Climate-related regulations, energy-efficient buildings.

## Cultural and Lifestyle Trends

- **Workplace trends:** Office-based hybrid working remains the new normal; hybrid working policies.
- **Lifestyle preference:** 71% prioritised access to public transportation, 65% favoured onsite F&B, and 48% preferred sustainable building features as the most desired amenities. *Source: 2023 Asia Pacific Office Occupier Sentiment Survey (CBRE)*

- **Supply chains security lead to reshoring:** Regional conflict leads to higher costs of imported material and disruption in raw material supply.

## Demographics

- **Homeownership (76.9%) vs renting?**
- **Population growth:** Population growth ↑ housing demand; supply of housing influences population increase
- **Demographic shifts:** Aging baby boomers – currently 11% of total population (15.3% in 2030). Emerging millennial generation.

## Interest Rates

- **Mortgage rates:** Higher interest rate, higher borrowing cost.
- **Investment returns:** Lower interest rates can lead to higher property values as investors seek better returns.

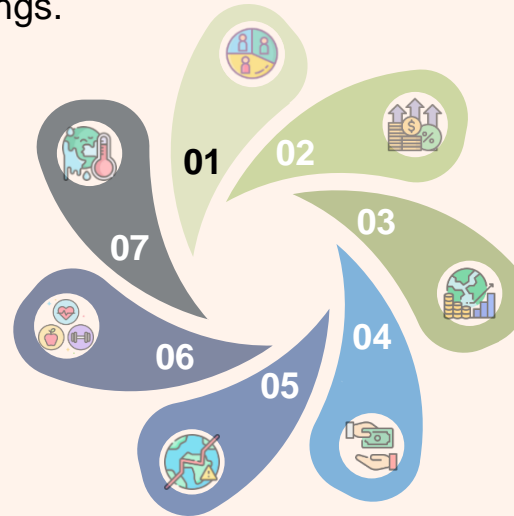
## Economic Performance

- **Economic growth:** Overall health of economy – economic cycle - economic / financial crisis.

## Geopolitics

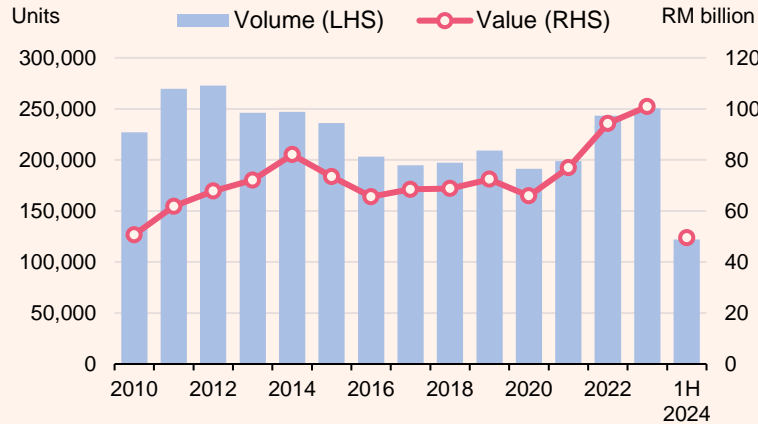
## Government Policies /Subsidies

- **Incentives:** Home Ownership Campaign (HOC), public housing projects (PPRs), MM2H etc.
- **Policy changes:** Taxes, electricity tariffs, subsidies rationalisation, etc.

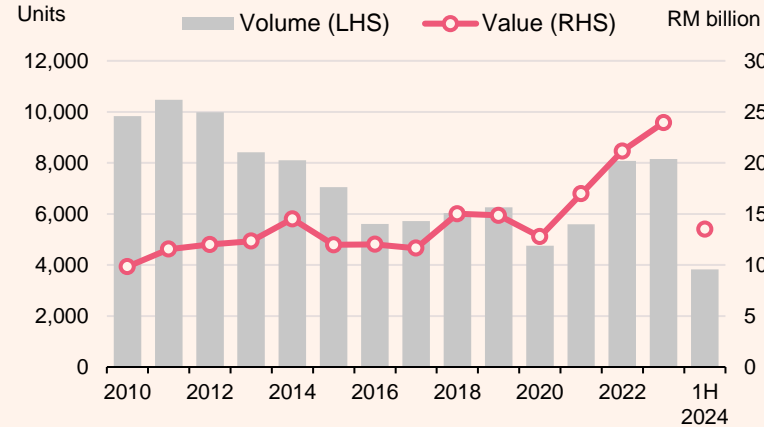


# Malaysia's key property market trends: Transactions and Unsold

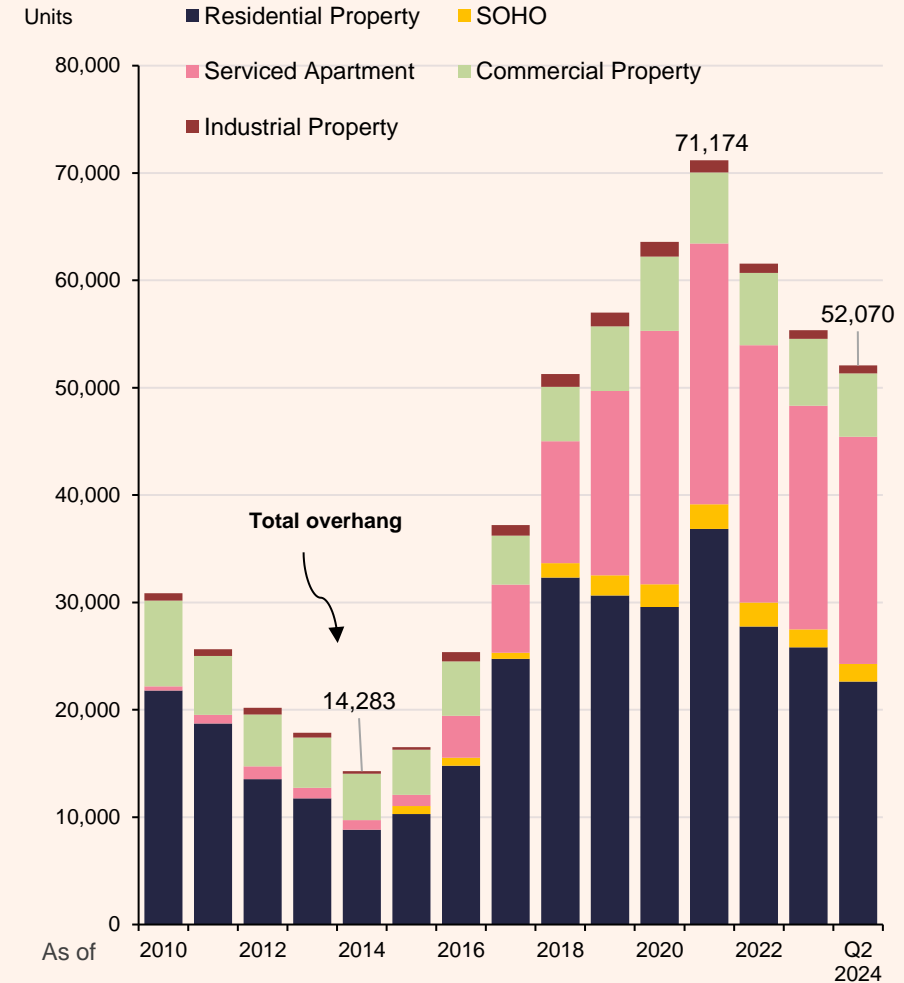
## Property Transaction: Residential



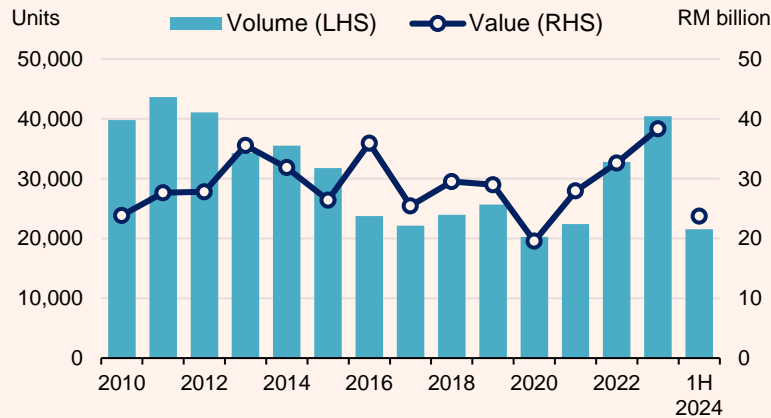
## Property Transaction: Industrial



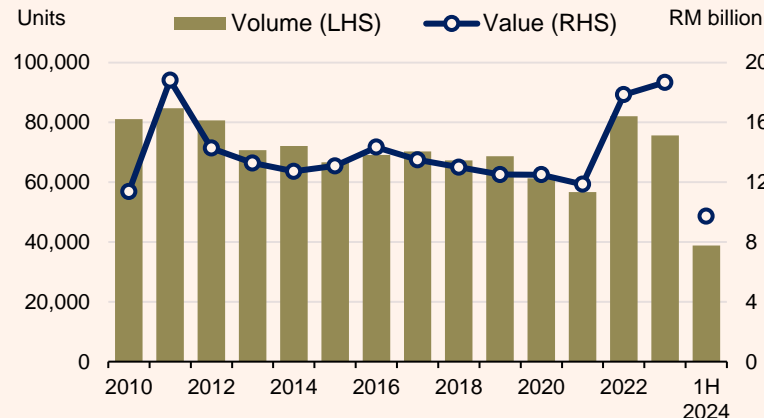
## Overhang by Sub-Sector



## Property Transaction: Commercial



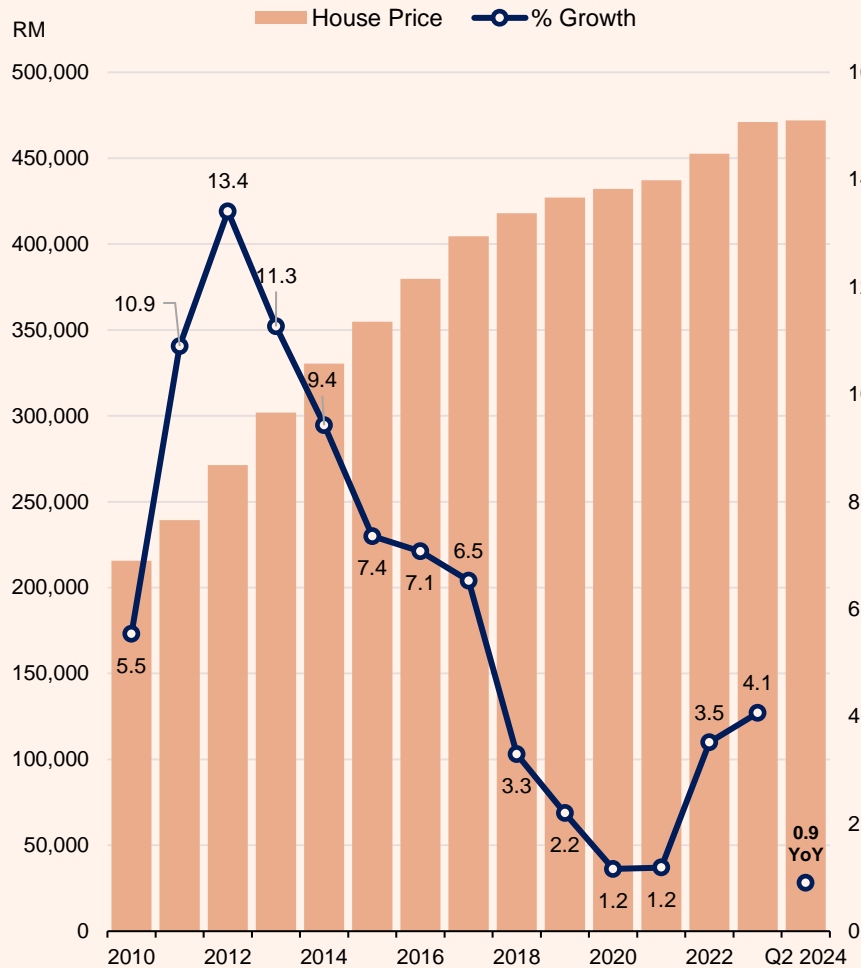
## Property Transaction: Agriculture



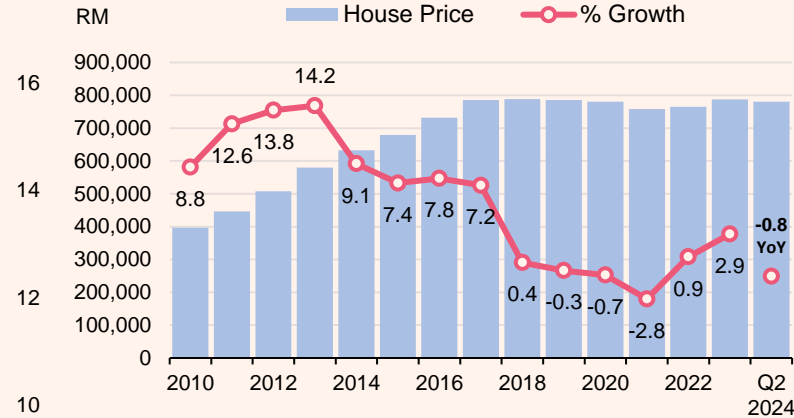
Source: National Property Information Centre (NAPIC)

# Average house prices in Malaysia and selected states

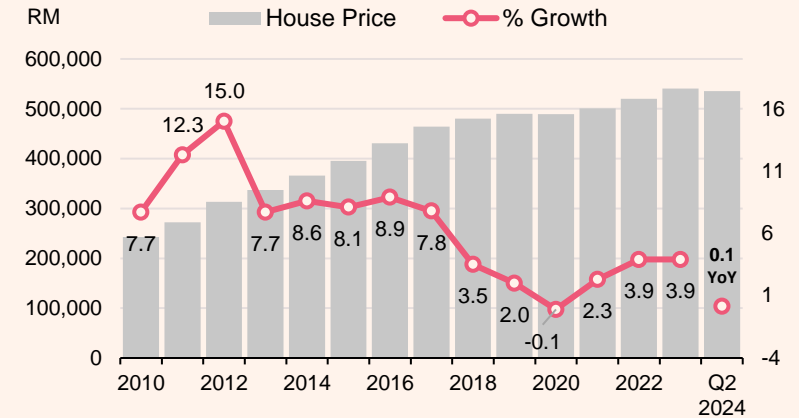
## Malaysia



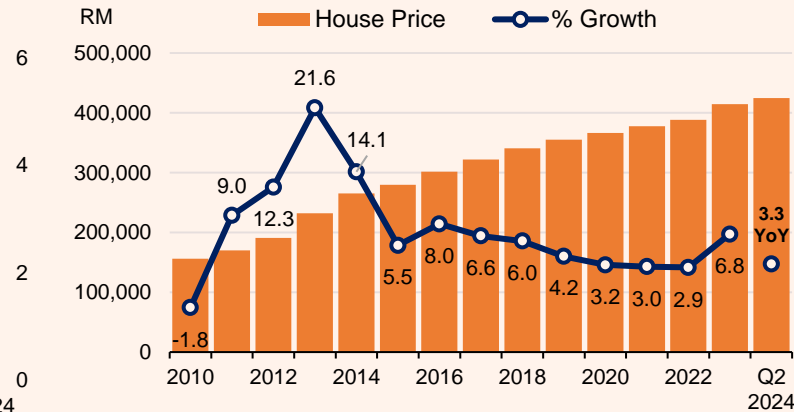
## Kuala Lumpur



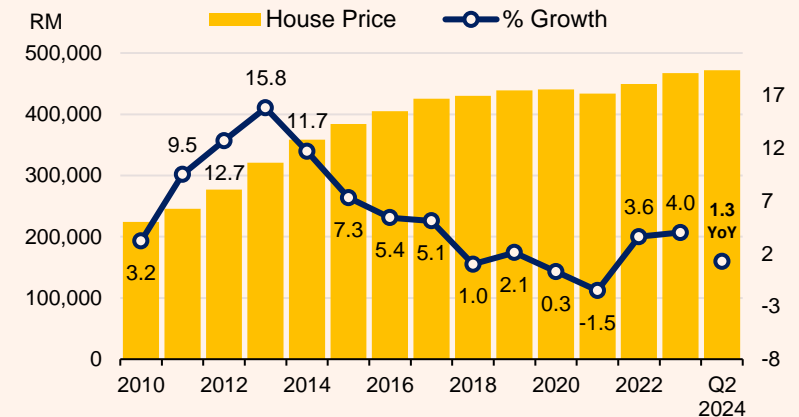
## Selangor



## Johor



## Pulau Pinang



Note: The average house price represents the mean price of terraced, high-rise, semi-detached, and detached houses. Base year = 2010

Source: National Property Information Centre (NAPIC)

# REHDA's property industry survey 1H2024




A: RM0 – RM100,000      F: RM500,001 – RM600,000  
 B: RM100,001 – RM200,000      G: RM600,001 – RM700,000  
 C: RM200,001 – RM300,000      H: RM700,001 – RM800,000  
 D: RM300,001 – RM400,000      I: RM800,001 – RM900,000  
 E: RM400,001 – RM500,000      J: RM900,001 – RM1,000,000  
 K: > RM1,000,000

## Overall Market Sentiment

- #1 56% of respondents are not planning to launch new projects in 2H 2024, mostly due to unfavourable market and business constraints.
- #2 Property developers are more optimistic in 1H 2025.

## Unsold Property

- #3 As of 30 Jun 2024, 49% of respondents reported unsold completed residential units. The top 3 reasons are:

-  23% End-financing loan rejection
-  19% Low demand or interest
-  18% Bumiputera lots

- #4 46% of respondents reported having unsold completed units priced at RM500,000 or below.
- #5 33% of unsold completed Bumiputera lots aged more than 36 months, with 47% of them priced between RM500,000 and RM700,000.

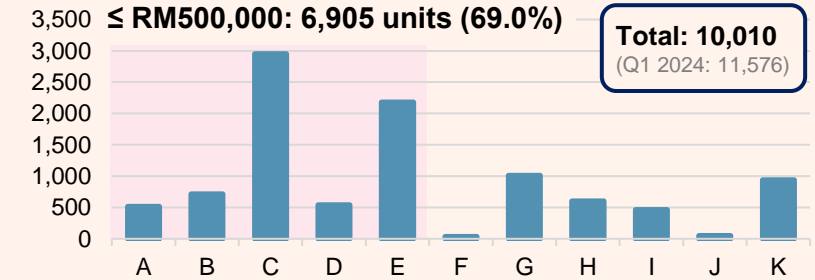
Note: Overhang refers to properties that are completed with a Certificate of Completion and Compliance (CCC) and have been on the market for over 9 months since the launch date.

Source: Real Estate and Housing Developers' Association Malaysia (REHDA); National Property Information Centre (NAPIC)

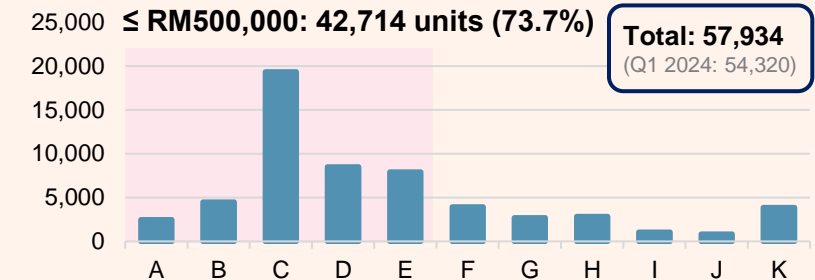
## NAPIC

As of Q2 2024 (units)

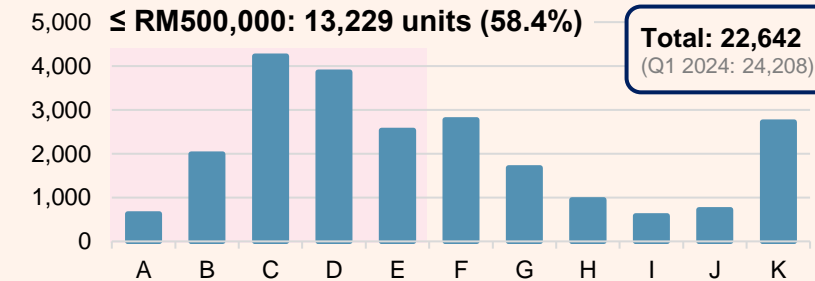
### 1 Unsold Not Constructed Residential Units



### 2 Unsold Under Constructed Residential Units



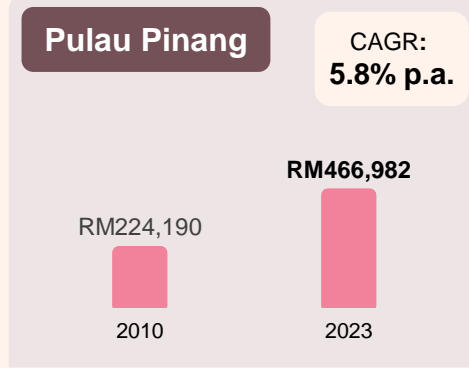
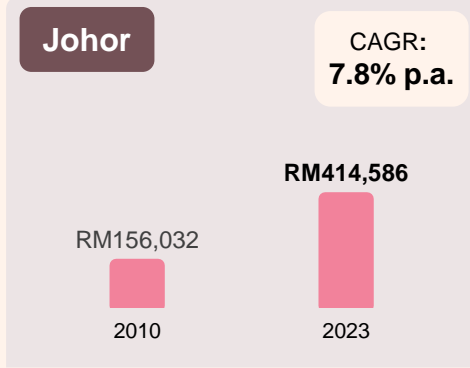
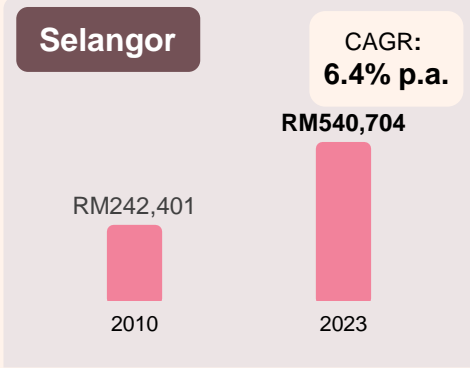
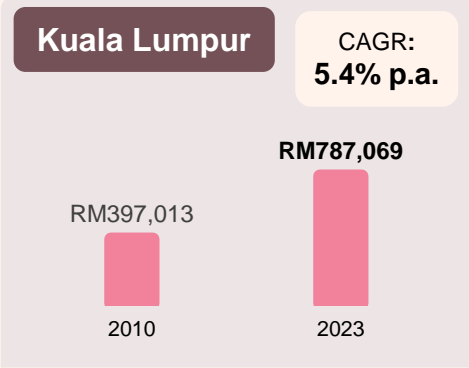
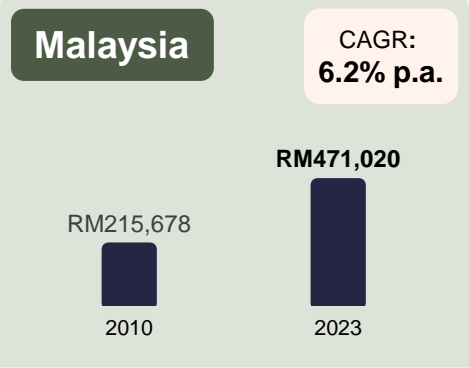
### 3 Overhang Residential Units



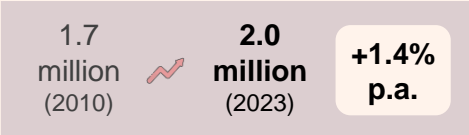
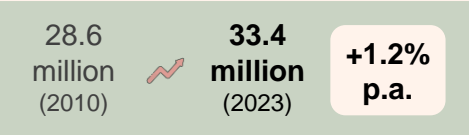


# 2010 vs. 2023: House prices growth

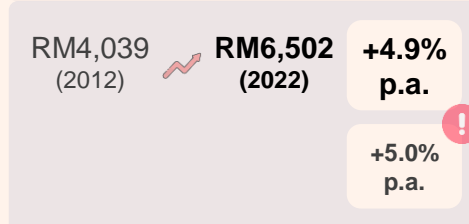
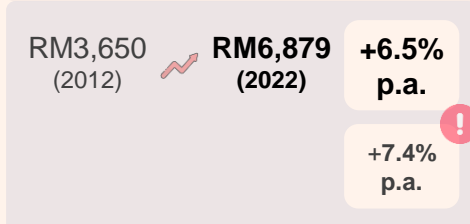
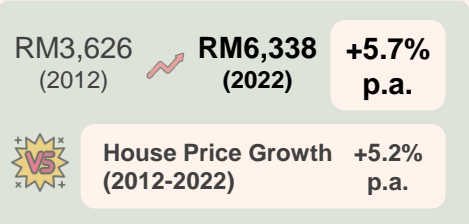
## Average House Price Growth (2010 – 2023)



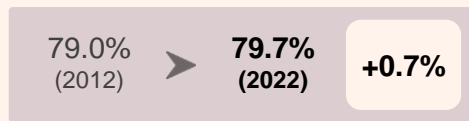
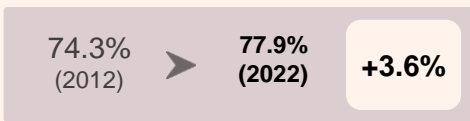
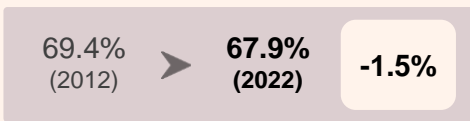
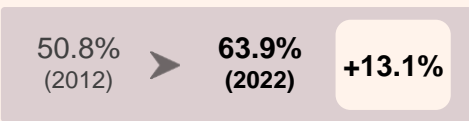
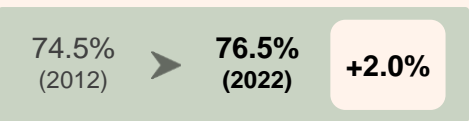
### Population



### Median Household Income



### Home Ownership by Household



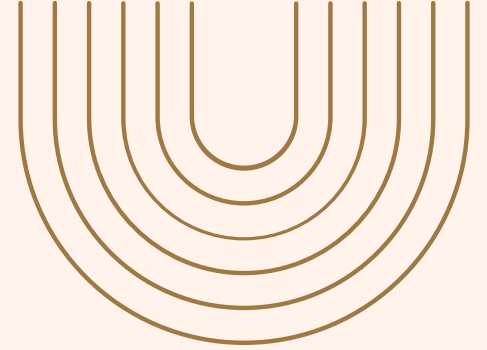
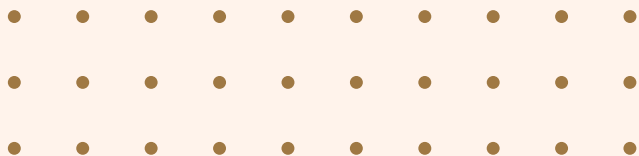
Note: The average house price represents the mean price of terraced, high-rise, semi-detached, and detached houses. Base year = 2010

Source: National Property Information Centre (NAPIC); Department of Statistics Malaysia (DOSM)



## In conclusion

- *Attracting the right kind of quality investments will transform the Malaysian economy, pushing for the next economic take-off. Our narrative is that Malaysia offers compelling growth and boundless investment opportunities in this region.*
- *In the rapidly evolving world of complexity masked by geopolitical conflicts and shifts, increasingly volatile and difficult-to-predict global setting, navigating investment opportunities in Malaysia requires both domestic and foreign investors to have a better understanding of the dynamic global and domestic market landscape.*
- *By fostering a more business-friendly environment and thriving investment ecosystem, Malaysia can unlock the full potential of its investment opportunities, entrepreneurial spirit and innovative capabilities.*
- *Malaysia has “diversity” as selling points to differentiate us from other countries in the region. These diversities are natural resources, industries, markets, products, languages, ethnicities, cultures, and markets in the region.*



# THANK YOU

**Address :** 6<sup>th</sup> Floor, Wisma Chinese Chamber,  
258, Jalan Ampang,  
50450 Kuala Lumpur, Malaysia.  
**Tel :** 603 - 4260 3116 / 3119  
**Email :** [serc@accimserc.com](mailto:serc@accimserc.com)  
**Website :** <https://www.accimserc.com>

For our website:



For our LinkedIn:

