



DEPARTMENT OF STATISTICS MALAYSIA

PRESS RELEASE

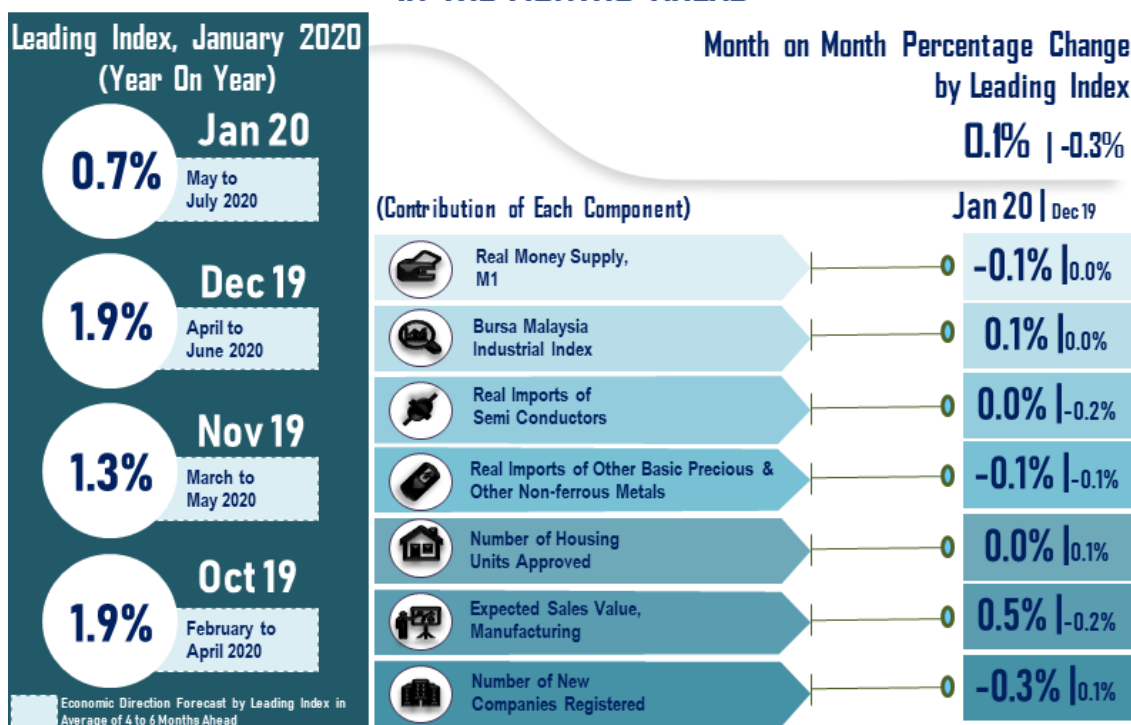
MALAYSIAN ECONOMIC INDICATORS: LEADING, COINCIDENT & LAGGING INDEXES JANUARY 2020



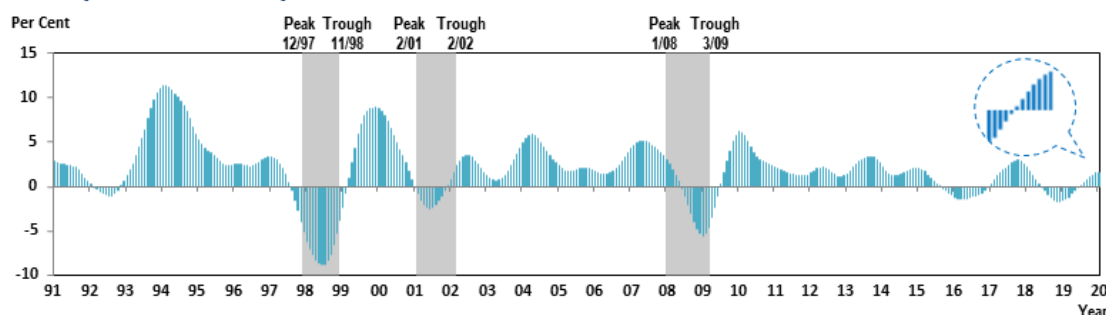
Department of Statistics Malaysia



ANTICIPATING A SLOWER ECONOMIC GROWTH IN THE MONTHS AHEAD



Annual Growth Rate of Leading Index (Smoothed) and Business Cycle (Grey Shaded Areas), January 1991 to January 2020





Anticipating a slower economic growth in the months ahead

The Leading Index (LI) is a gauge of the economic direction in a few months ahead. The index for reference month January 2020 has not taken into account the internal shocks that have a direct impact on the economy especially the COVID-19 pandemic that plagues Malaysia from 23 January 2020 to date. These pandemic effects are expected to be reflected in the index of subsequent month. The LI increased 0.1 per cent, month on month, in January 2020 from a negative 0.3 per cent in the previous month. Among seven components of LI, two posted rises namely Expected Sales Value in Manufacturing sector (0.5%) and Bursa Malaysia Industrial Index (0.1%). The LI year on year change showed a slower growth by registering 0.7 per cent in the first month of 2020 as compared to 1.9 per cent in December 2019. Therefore, a slower economic growth is anticipated in the months ahead.

The Coincident Index (CI) which measures the overall current economic performance, virtually unchanged (0.2%) in January 2020 as against December 2019. Total Employment in Manufacturing sector (0.2%) was the main contributor to the increase. However, the CI showed a lower annual growth rate at 2.0 per cent in January 2020 as compared to 2.4 per cent recorded in the previous month.




The Diffusion Index for LI and CI remained above 50.0 per cent with downward trend. The Diffusion Index for LI posted 57.1 per cent in January 2020 (December 2019: 71.4%). Meanwhile, the Diffusion Index for CI registered 83.3 per cent in the reference month (December 2019: 100.0%).

The Malaysian Economic Indicators consisting Leading, Coincident and Lagging Indexes were rebased to year 2015 from 2005. This rebasing was implemented to improve compilation concepts and methodologies in line with international best practices.

(The complete indicators on Leading, Coincident and Lagging Indexes are shown in the following Table 4  .)

Released By:

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