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GROSS DOMESTIC PRODUCT SECOND QUARTER 2025

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**Malaysia recorded 4.4 per cent growth in the second quarter,  
sustained by domestic consumption and investment despite softer external demand**

Malaysia's economy recorded a growth of 4.4 per cent in the second quarter of 2025, maintaining its growth momentum from the previous quarter. In terms of seasonally adjusted, the economy grew by 2.1 per cent (Q1 2025: 0.7%). On the supply side, the Services sector remained the main driver of economic growth this quarter, with all other sectors recording positive growth except for the Mining & quarrying sector. On the demand side, the growth was driven by Private final consumption expenditure and Gross fixed capital formation. Malaysia's economy at current prices was valued at RM488.2 billion and RM419.3 billion at constant prices in this quarter. Hence, Malaysia's economy grew at 4.4 per cent for the first half of 2025 as compared to 5.0 per cent during the same period of 2024.

The **Services** sector grew 5.1 per cent as compared to 5.0 per cent recorded in the first quarter of 2025. In terms of seasonally adjusted, the Services sector increased by 2.3 per cent (Q1 2025: 0.7%). The performance of this sector was underpinned by the increase in the Wholesale & retail trade, Transportation & storage and Food & beverage and accommodation sub-sectors. The **Manufacturing** sector grew by 3.7 per cent in the second quarter of 2025 as against 4.1 per cent in the preceding quarter. In terms of seasonally adjusted, this sector increased by 2.1 per cent (Q1 2025: 1.4%). This performance was supported by Electrical, electronic and optical products, Vegetable and animal oils & fats and food processing and Non-metallic mineral products, basic metal & fabricated metal products. The **Agriculture** sector increased by 2.1 per cent from 0.7 per cent in the first quarter of 2025. Moreover, this sector registered growth of 4.0 per cent (Q1 2025: 1.2%) in terms of seasonally adjusted. The growth was led by the Oil palm, Other agriculture and Livestock sub-sectors. The **Mining and Quarrying** sector continued to decline, contracted by 5.2 per cent (Q1 2025: -2.7%). In terms of seasonally adjusted, this sector contracted by 5.5 per cent (Q1 2025: -1.9%). The weak performance in this sector was attributed to a decline in Natural Gas, Crude oil & condensate and Other mining & quarrying and supporting services. The **Construction** sector expanded by 12.1 per cent as compared to 14.2 per cent recorded in the previous quarter. In terms of seasonally adjusted, this sector increased by 5.2 per cent (Q1 2025: 1.1%). The growth in this sector was driven by the performance in Non-residential buildings, Specialised construction activities, Civil engineering and Residential buildings.

**Final consumption expenditure** increased by 5.5 per cent as compared to 4.9 per cent in the preceding quarter. **Private final consumption expenditure** increased by 5.3 per cent (Q1 2025: 5.0%) in the second quarter of 2025. The performance was driven by higher consumption in Restaurants & hotel, Transport and Food & non-alcoholic beverages. In terms of seasonally adjusted, Private final consumption expenditure increased by 2.1 per cent (Q1 2025: 1.5%). **Government final consumption expenditure** expanded by 6.4 per cent from 4.3 per cent in the first quarter of 2025, contributed by higher spending on supplies and services. In terms of seasonally adjusted, Government final consumption expenditure increased by 1.4 per cent (Q1 2025: 0.1%). **Gross fixed capital formation (GFCF)** accelerated by 12.1 per cent, compared to 9.7 per cent recorded in the previous quarter. In terms seasonally adjusted, GFCF surged by 6.5 per cent in this quarter (Q1 2025: 0.8%). The performance of GFCF was underpinned to strong investment in Machinery & Equipment and Structure. In terms of GFCF by sector, the Private sector (share: 83.1%) increased by 11.8 per cent (Q1 2025: 9.2%). Meanwhile, GFCF in the Public sector also showed a similar upward trend, recording an increase of 13.6 per cent as compared to 11.6 per cent in the previous quarter. **Exports** posted a moderated performance, with an increase of 2.6 per cent (Q1 2025: 4.1%). The performance was influenced by exports of goods and services. In terms of seasonally adjusted, Exports registered marginal growth of 0.5 per cent (Q1 2025: 1.1%) in the second quarter of 2025. **Imports** increased by 6.6 per cent (Q1 2025: 3.1%), supported by the performance in the import of goods. In terms of seasonal adjusted, Imports increased by 6.6 per cent (Q1 2025: -0.5%) in this quarter.

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