



DEPARTMENT OF STATISTICS MALAYSIA

PRESS RELEASE

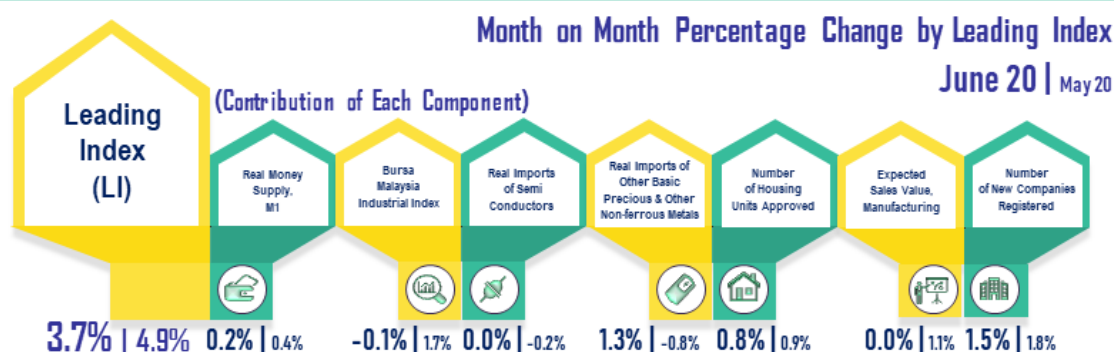
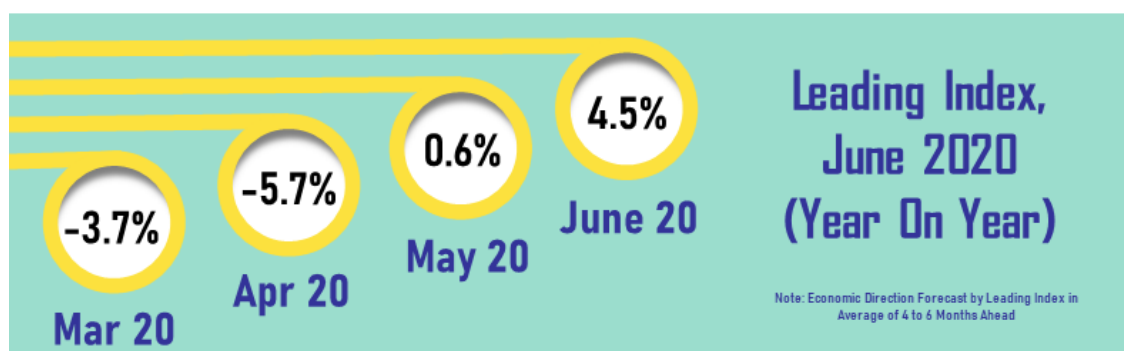
MALAYSIAN ECONOMIC INDICATORS: LEADING, COINCIDENT & LAGGING INDEXES JUNE 2020



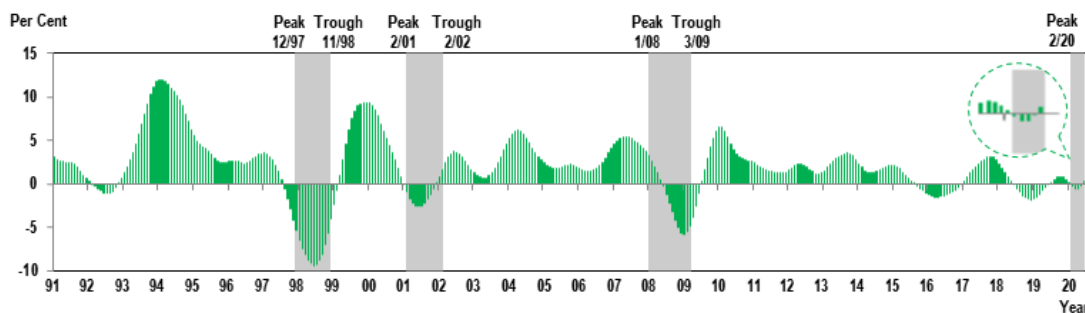
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LI IS EXPECTING AN ECONOMIC RECOVERY IN THE SECOND HALF OF 2020 IF NO SECOND WAVE OF OUTBREAK



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





## **LI is expecting an economic recovery in the second half of 2020 if no second wave of outbreak**

The Leading Index (LI) is compiled to anticipate advance signal on economic direction in the near future. The LI grew at a faster pace to reach 4.5 per cent in June 2020 (May 2020: 0.6%) based on year-on-year comparison. Meanwhile, the LI recorded 3.7 per cent in June 2020 as against the previous month. The month-on-month growth of LI was contributed mainly by the Number of New Companies Registered (1.5%) and Real Imports of Other Basic Precious & Other Non-ferrous Metals (1.3%). The LI shows a better signal of economic direction as the economic sectors were allowed to resume operations while adhering new normal starting 10 June 2020 with the implementation of Recovery Movement Control Order (RMCO). Despite a deep contraction of Gross Domestic Products in the second quarter of 2020, the LI is expecting an economic recovery in the second half of 2020 in line with the open up of more economic activities and no second wave of outbreak in mind.




The Coincident Index (CI) which measures the overall current economic performance, recorded 110.0 points in June 2020 from 113.5 points in June 2019, decreased 3.1 per cent year-on-year. On a monthly basis, the CI rose 8.7 per cent primarily driven by Capacity Utilisation in Manufacturing sector (3.2%) and Industrial Production Index (2.5%).

The Diffusion Index for LI recorded 42.9 per cent in June 2020, same percentage points as in the previous month. At the same time, the Diffusion Index for CI remained at 0.0 per cent since April 2020 indicating that all the CI components decreased as against the past six months.

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

### **Released By:**

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**24 August 2020**

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