

# MALAYSIA CONSUMER CONFIDENCE REPORT

Q2 2018

# MALAYSIAN CONSUMER CONFIDENCE SURGES IN Q2 2018

## CONSUMER CONFIDENCE REPORT Q2 2018

The Malaysia consumer confidence index continued its surge in the second quarter of 2018 to 117 percentage points (pp), up 13 points from the previous quarter and up 23 points versus Q2 2017, according to the latest The Conference Board Global Consumer Confidence Survey, in collaboration with Nielsen.

This is the highest recorded confidence score in Malaysia since the turn of the decade, which can be attributed to post-election optimism, as well as the 'zerorisation' of the goods and services tax (GST) on 1 June 2018. The high score propelled Malaysia to become the seventh most confident country in the quarter, up eight spots from the previous quarter.

"In the weeks following the election, there has been a sense of optimism, amplified by the government's move to stabilise the price of fuel and withdraw the GST," says Raphael Pereda, Managing Director of Nielsen Malaysia. "The overall positive sentiment has translated into significant improvements in recessionary sentiment, economic outlook and job prospects compared to the second quarter of 2017."



# 117

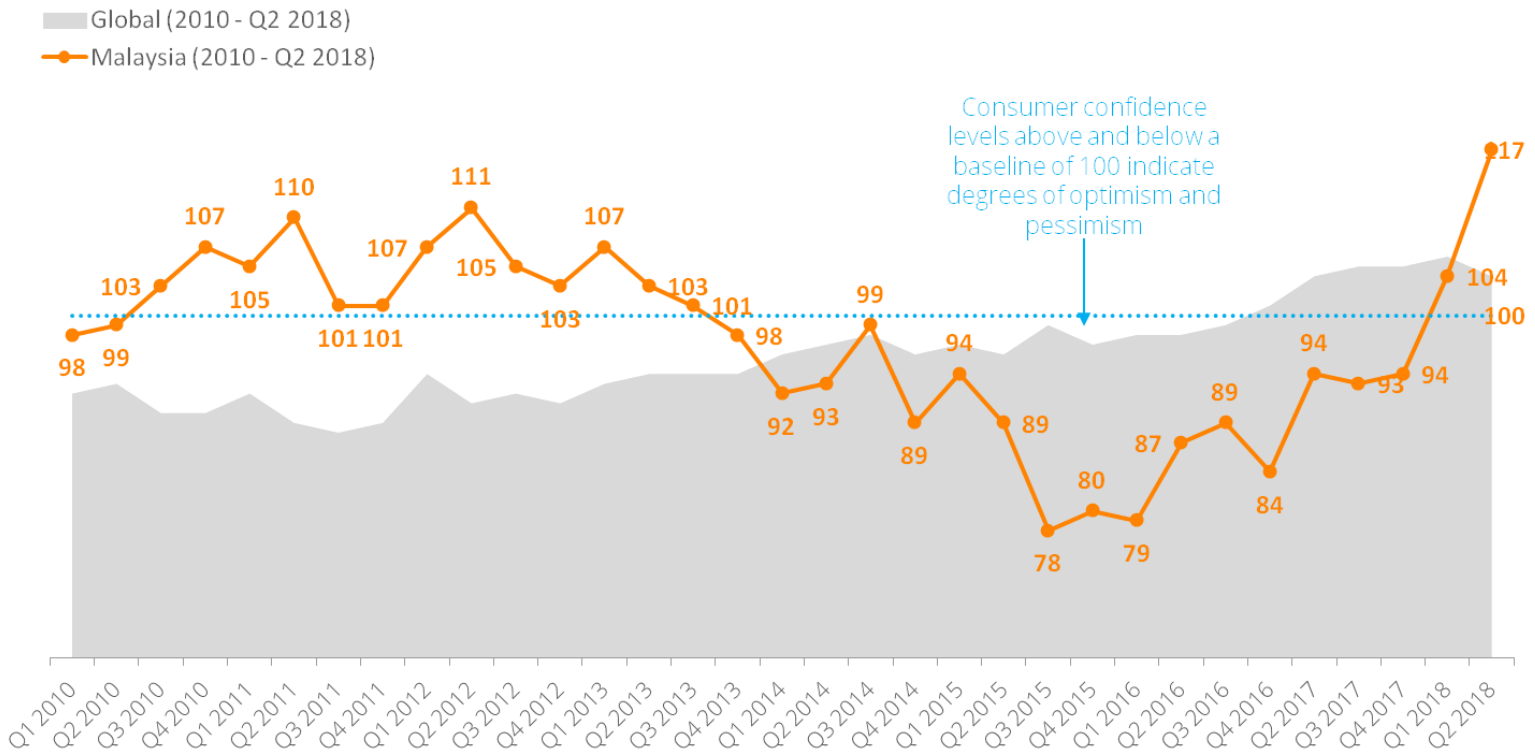
MALAYSIAN CONSUMER CONFIDENCE REACHES 117 POINTS IN Q1 2018, THE HIGHEST SINCE 2010

# 7

MALAYSIA THE 7<sup>th</sup> MOST CONFIDENT COUNTRY ON THE CONSUMER CONFIDENCE INDEX

# MALAYSIA CONSUMER CONFIDENCE AGAINST GLOBAL INDEX

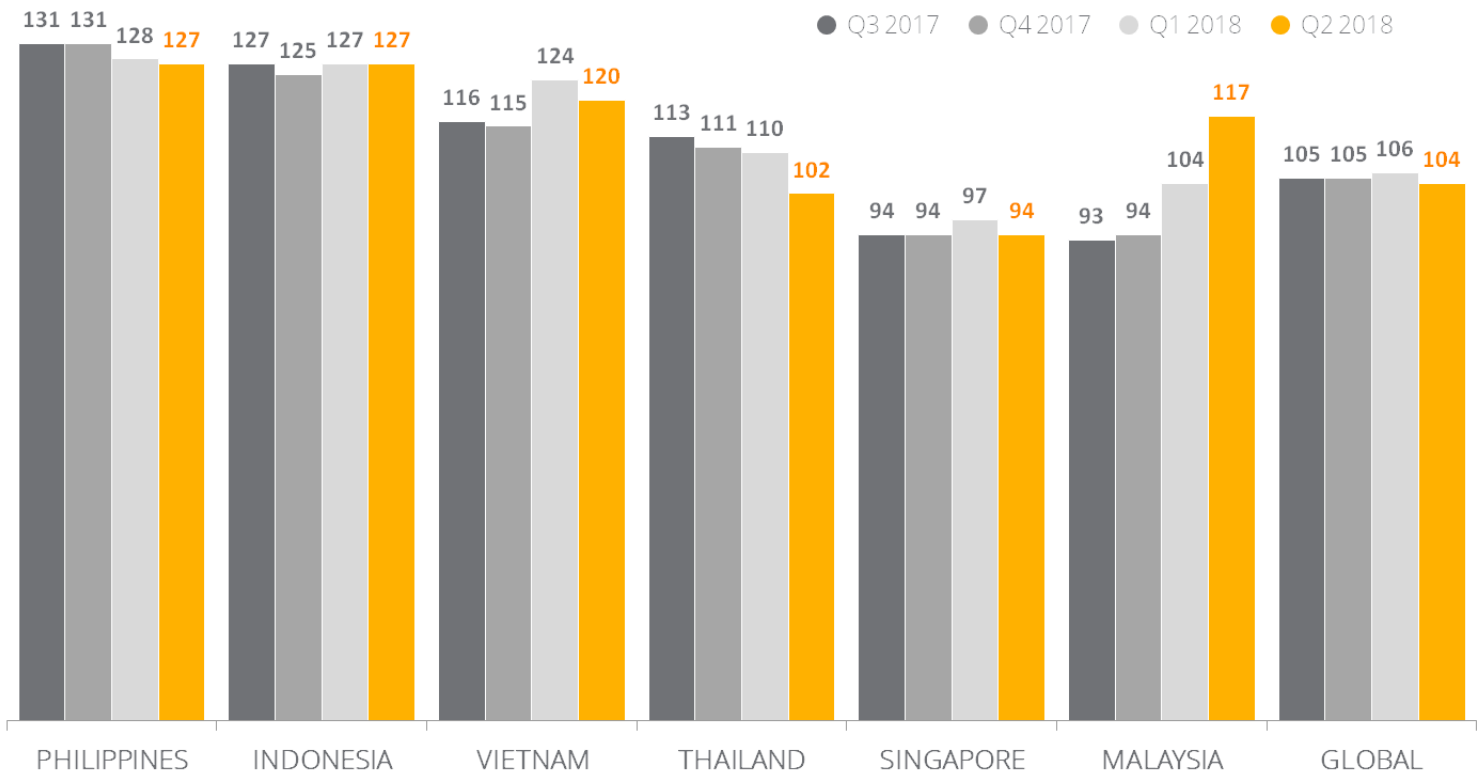
Q1 2010 – Q2 2018



Source: The Conference Board Global Consumer Confidence Report, in collaboration with Nielsen (Q2 2018)

# MALAYSIA CONSUMER CONFIDENCE AGAINST SOUTH EAST ASIA

Q2 2017 – Q2 2018

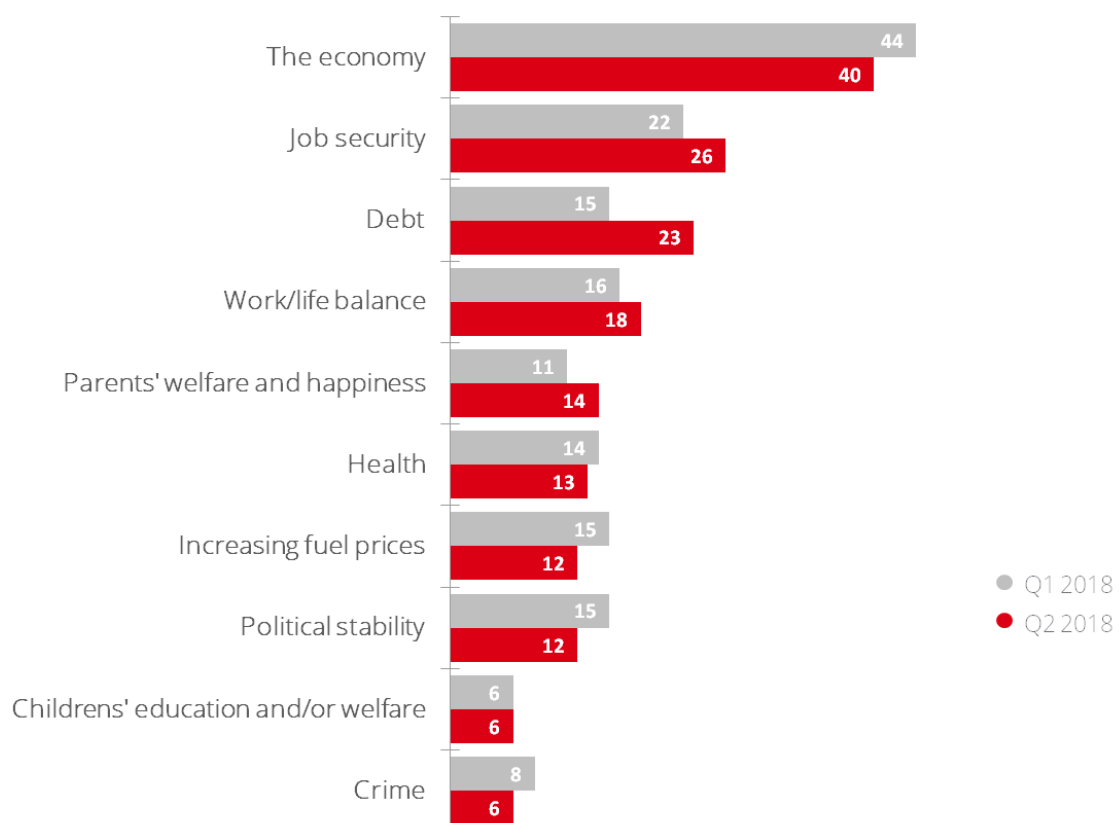


Source: The Conference Board Global Consumer Confidence Report, in collaboration with Nielsen (Q2 2018)

# ECONOMY STILL MALAYSIANS' TOP CONCERN

## CONCERNS ON JOB SECURITY AND DEBT ON THE RISE

While concerns about the economy have reduced compared to a year ago (40%, vs 47% in Q2 2017), it still remains the top worry among consumers. However, there now appears to be a rise in concerns about job security (26% vs 22% in Q2 2017) and debt (23% vs 15% in Q2 2017).



Source: The Conference Board Global Consumer Confidence Report, in collaboration with Nielsen (Q1 2018)



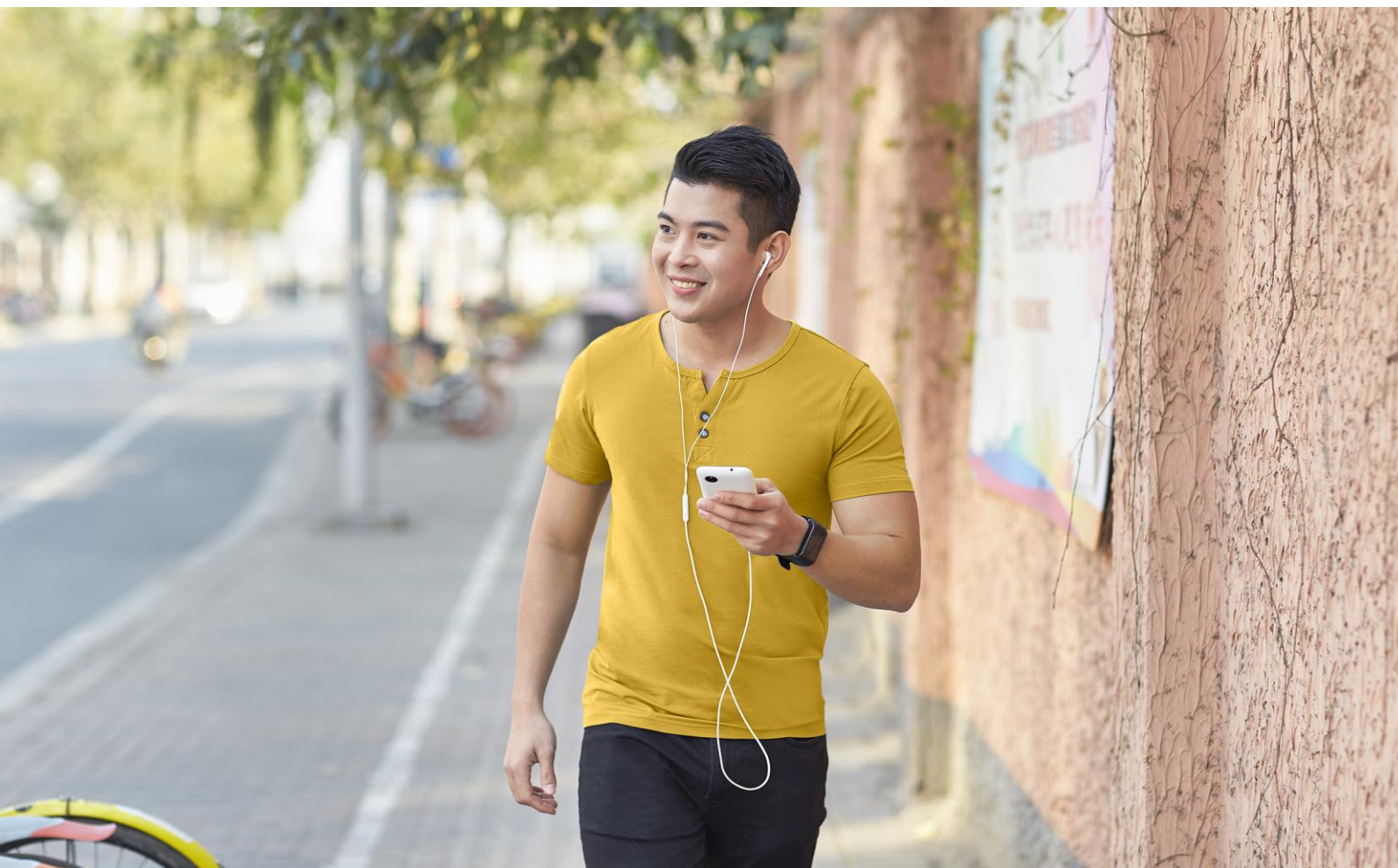
# MALAYSIANS OPTIMISTIC ABOUT THE FUTURE

## MORE THAN HALF CONFIDENT COUNTRY WILL RECOVER FROM PERCEIVED RECESSION IN THE NEXT 12 MONTHS

Approximately two thirds (65%) of Malaysians believe that the country is currently experiencing a recession (a significant decrease compared to 72% in Q1 2018 and 83% in Q2 2017), of which more than half (57%) expressed confidence that Malaysia will recover from the recession in 12 months (32% in Q1 2018, 25% in Q2 2017).

“While Malaysians are optimistic about the future, they are still grounded in reality and continue to express concerns on bread and butter issues such as job security and debt,” says Pereda. “However, they are significantly more optimistic about the future than they were a year ago”.

Indeed in Q2 2018, close to 70% believe that the state of their personal finances (69%) and job prospects (73%) in the next 12 months will be excellent or good – a material improvement compared to 52% and 44%, respectively, in Q2 2017.



# MALAYSIANS CONTINUE TO PRIORITISE SAVINGS

## ASIANS THE WORLD'S MOST AVID SAVERS

Asian consumers are the world's most avid savers in the quarter – Hong Kong (72%) and the Philippines (71%) edged out Vietnam (70%) as the top two countries where consumers are most likely to save their spare cash. Singapore (69%), Indonesia (66%), India (65%), Taiwan (65%), China (64%), Malaysia (64%) and Thailand (64%) rounded up the top 10. Globally, an average of 53% of consumers says that they save extra cash that they have after spending on essential living expenses.

Forty three percent of Malaysian consumers also say that they spend their spare cash on holidays or vacations – up 2% compared to respondents in Q1 2018; the same percentage of respondents also intend to use the money to pay off their debts (up 6% from last quarter).

When asked if they have changed their spending habits in the last 12 months to save on household expenses, 84% of Malaysian consumers said yes (unchanged from the previous quarter), with 54% spending less on new clothes (vs. 56% in Q4 2017), 50% cutting down on out-of-home entertainment (unchanged from the previous quarter) and 47% switching to cheaper grocery brands (vs. 51%).



**64%** of Malaysians save their spare cash



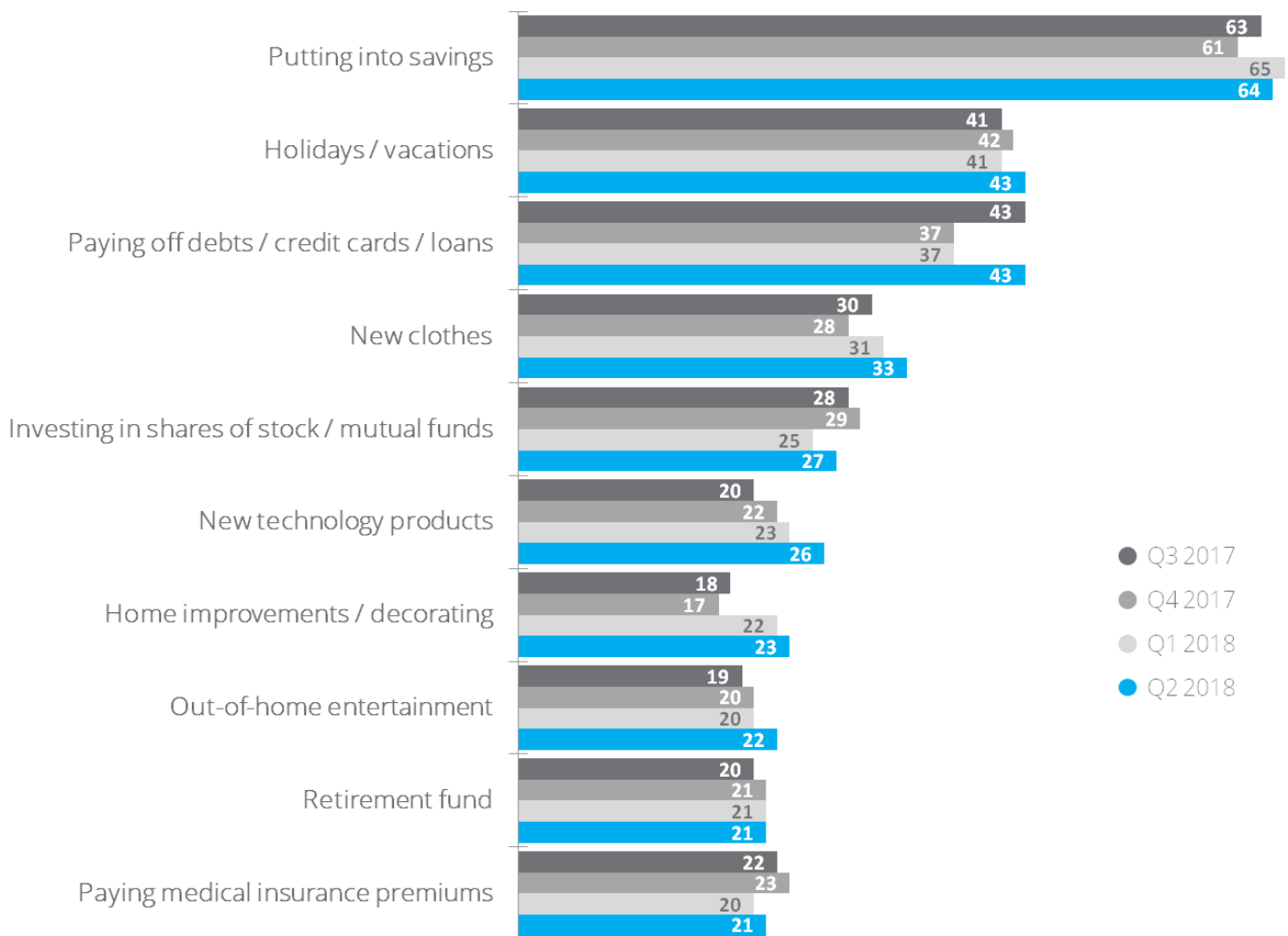
**43%** use spare cash for holidays/travel



**43%** pay off debt using spare cash

# HOW MALAYSIANS SPEND THEIR SPARE CASH

Q3 2017 – Q2 2018

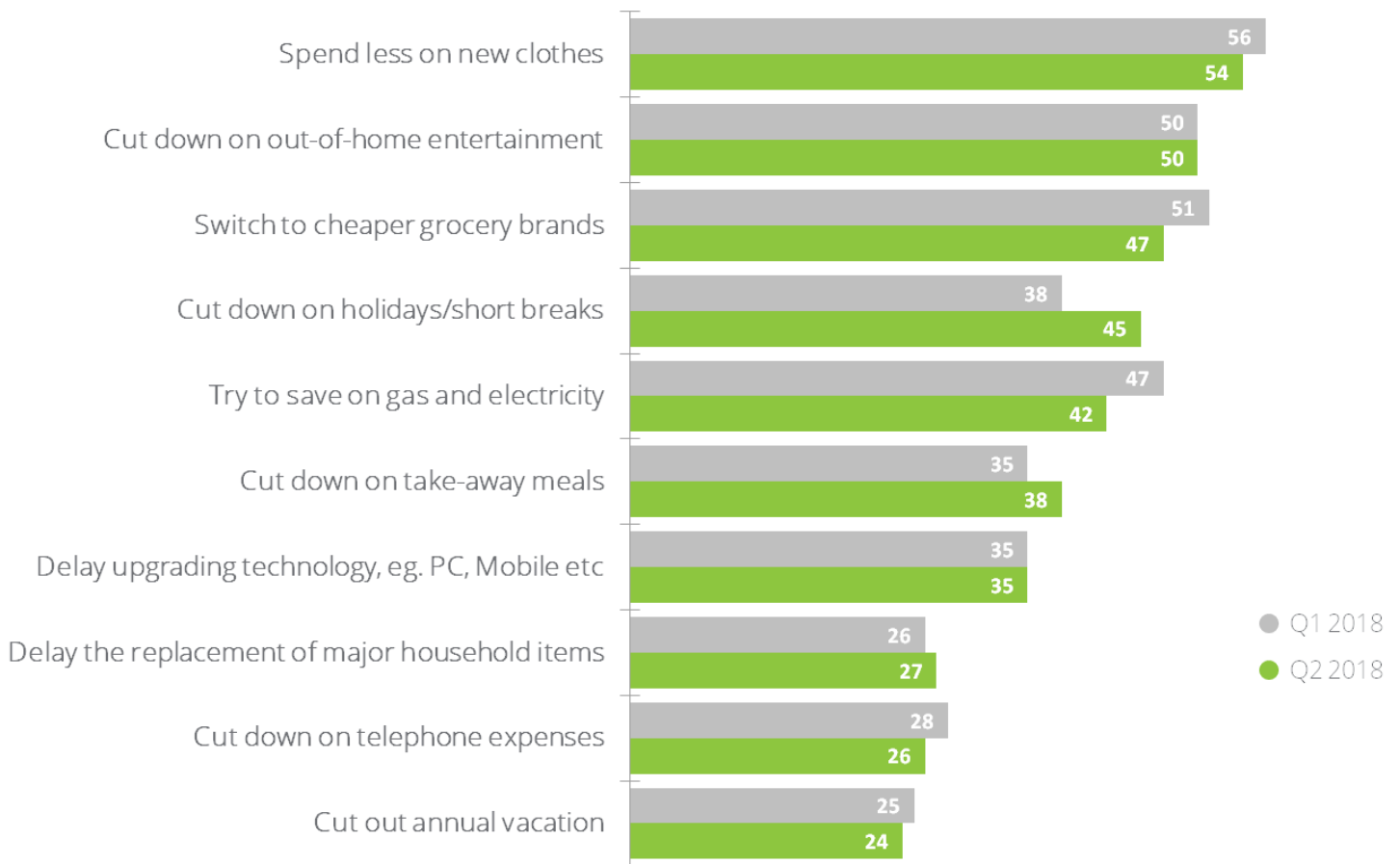


Source: The Conference Board Global Consumer Confidence Report, in collaboration with Nielsen (Q2 2018)



# ACTIONS TAKEN TO SAVE ON HOUSEHOLD EXPENSES IN THE LAST 12 MONTHS

Q1 2018 – Q2 2018



Source: The Conference Board Global Consumer Confidence Report, in collaboration with Nielsen (Q2 2018)

The Conference Board Global Consumer Confidence Survey, in collaboration with Nielsen, measures perceptions of local job prospects, personal finances and immediate spending intentions among more than 32,000 respondents with Internet access in 64 countries. Consumer confidence levels above and below a baseline of 100 indicate degrees of optimism and pessimism.

## ABOUT NIELSEN

*Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next, and how to best act on this knowledge. For more than 90 years Nielsen has provided data and analytics based on scientific rigor and innovation, continually developing new ways to answer the most important questions facing the media, advertising, retail and fast-moving consumer goods industries. An S&P 500 company, Nielsen has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit [www.nielsen.com](http://www.nielsen.com).*

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