



**PRESS RELEASE  
MINISTRY OF FINANCE**

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**S&P GLOBAL RATINGS REAFFIRMS MALAYSIA'S SOVEREIGN CREDIT  
RATINGS AT 'A-'; OUTLOOK STABLE**

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S&P Global Ratings (S&P) has reaffirmed Malaysia's sovereign credit ratings at 'A-' with a Stable outlook, citing the economy's resilience and diversification, sustained growth momentum, gradual fiscal consolidation, strong monetary policy flexibility and a historically supportive external position. The Stable outlook reflects S&P's expectation that Malaysia's growth momentum and prevailing policy environment will support steady fiscal performance over the next two to three years.

In their statement, S&P expects Malaysia's economy to grow by 5.5% in 2026, after expanding by 5.2% in 2025 and 5.7% year-on-year in the first half of 2026. It forecasts average annual growth of 5.0% over 2026–2029 and estimates Malaysia's 10-year weighted-average real GDP per capita growth at 3.7%, above the global median for peers at similar income levels. This signifies the confidence and recognition of the international community in the strength and resilience of Malaysia's economy.

"Since the launch of Ekonomi MADANI, we have pursued reforms gradually and in sequence, balancing the need to strengthen our fiscal foundations with the imperative to sustain growth and protect the rakyat from external volatility," said Prime Minister and Finance Minister YAB Dato' Seri Anwar Ibrahim.

"S&P's assessment that Malaysia's 10-year weighted-average real GDP per capita growth remains above the global median for peers at similar income levels is encouraging. It shows that growth per person has remained strong, while we have continued to protect the rakyat from the impact of external inflationary pressures despite an increasingly challenging global environment," he added.

This rating reaffirmation was also attributed to the recent expansion to strong electrical and electronics (E&E) and semiconductor shipments arising from the global artificial intelligence (AI)-related investment cycle, alongside higher energy exports and buoyant household consumption. It noted that Malaysia's mature E&E ecosystem and policy initiatives including the Ekonomi MADANI framework and the New Industrial Master Plan 2030 could support longer-term economic expansion. S&P also noted that Malaysia has emerged as Southeast Asia's leading data-centre investment

destination, attracting an estimated RM386 billion in cumulative investment between 2021 and mid-2026.

On fiscal management, the Credit Rating Agency recognised Malaysia's sustained fiscal consolidation. The fiscal deficit has narrowed from 6.4% of GDP in 2021 to 3.7% in 2025, reflecting the Government's continued efforts to strengthen the country's fiscal position.

The Government remains committed to strengthening fiscal resilience, while supporting sustainable economic growth and the wellbeing of the rakyat. The Public Finance and Fiscal Responsibility Act 2023 (Act 850) provides the framework for stronger fiscal governance, transparency and risk management; S&P noted that the Act has bipartisan support and will guide Malaysia's medium-term fiscal framework.

Malaysia's external position remains an important source of resilience, supported by its large and diversified export base and a track record of current account surpluses spanning more than two decades. S&P expects the current account surplus to stabilise at around 1.8% of GDP over the next three years. It also assessed Bank Negara Malaysia as having significant independence and strong monetary policy credibility, with inflation expectations remaining well anchored.

Looking ahead, the Government will continue to advance reforms under the Ekonomi MADANI framework and the Thirteenth Malaysia Plan (13MP) 2026–2030, with continued emphasis on fiscal sustainability, productivity and competitiveness, and ensuring that stronger growth translates into better opportunities and wellbeing for the rakyat.

"Our task now is to ensure that stronger growth translates more meaningfully into higher incomes, better opportunities and improved living standards for the rakyat. Belanjawan 2027, to be tabled on 9 October 2026, will build on these reforms with further measures to achieve that objective," said YAB Dato' Seri Anwar.

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Putrajaya

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