The government anticipates private investment activities to trend higher in 2020 as well. It is expected to grow 2.1% from 1.5% this year. This comes on the back of further improvement in investor sentiment, especially with the resumption of strategic projects and higher exports, particularly in the electrical and electronics (E&E) sector.

"The payment of tax refunds is also anticipated to provide impetus to private-sector activities," says the report.

Nevertheless, the biggest year-on-year improvement in 2020 is expected to come from public investment, which is projected to see only a mild contraction of 0.6% compared with the 8.1% contraction this year. Public corporations' capital spending, which accounts for 70% of public investment, is expected to improve next year.

"Development of new projects in oil and gas industries such as the Kasawari Gas Development, coupled with ongoing projects like Floating LNG2, is projected to buoy the public investment activities," says the report.

It adds that the MRT2, LRT3, LRT line extension and East Coast Rail Link as well as the Tekai hydroelectric and Pasir Gudang combined-cycle gas turbine power plant projects will continue to underpin the capital spending in the transport and utility segments.

Public consumption growth is expected to slow in 2020 to 1.5% from 2% in 2019 as the government undertakes a rigorous expenditure optimisation exercise, emphasising minimising leakages and wastage.

Gross exports are expected to expand 1% in 2020 — quicker than the 0.1% growth estimated for 2019. This is largely on the back of a forecast improvement in global trade activities and an uptick in the E&E cycle.

Gross imports, on the other hand, are estimated to turn around — increasing by 2.7% in 2020, compared with a contraction of 2.5% in 2019, in line with higher imports of intermediate, capital and consumption goods.

On the supply side, the services sector is projected to continue expanding at 6.2%