



**MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA**

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Country's key economic indicators continue to grow modestly in January 2023, despite the ongoing geopolitical conflicts and ratcheting up of inflation in the global economy

PUTRAJAYA, 31st March 2023 – Today, the Department of Statistics, Malaysia (DOSM) released the ***Malaysian Economic Statistics Review (MESR) Vol. 3/2023***. This edition focuses on the recent statistics released in January 2023 and some forthcoming statistics for February 2023. Furthermore, this edition is complemented with a box article entitled “Effect of Pandemic COVID-19 On Transportation and Storage Services” which study the nation’s transportation and storage services performance before, during, and after the COVID-19 pandemic period.

Viewing at the global economic scenario, the World Bank estimated in its Global Economic Prospects report for January 2023, that the world's Gross Domestic Product (GDP) to grow by 1.7 per cent in 2023. This estimation would be the third lowest rate following the 2009 financial crisis and 2020 COVID 19 pandemic, due to ongoing geopolitical tensions, market volatility caused by rising energy prices and inflation, and supply chain disruption.

The Chief Statistician commented on the recent economic indicators, “Malaysia's total trade noted a slower increase of 1.9 per cent in January 2023 to RM207.5 billion from RM203.6 billion in January 2022. Exports rose by 1.6 per cent to RM112.8 billion, while imports grew 2.3 per cent to RM94.7 billion. Meanwhile, the trade surplus shrank 2.1 per cent from the previous year to RM18.2 billion. On the other hand, the Malaysia's trade performance in February 2023 grew 11.0 per cent or RM20.3 billion as against February 2022 to RM205.0 billion. Exports rose 9.8 per cent to RM112.3 billion, and imports growth continued to outpace exports growth, increasing by 12.4 per cent to

RM92.7 billion. The trade balance remained in surplus at RM19.6 billion, despite a decline of 1.3 per cent from the previous year.”

He also stated that “Malaysia’s manufacturing sector’s sales value rose modestly by 6.5 per cent to RM148.0 billion in January 2023 compared to 8.8 per cent in the preceding month. The continuous positive momentum was backed by the double-digit growth in Transport equipment and other manufactures (14%) as well as the Petroleum, chemical, rubber and plastic products (10.1%) sub-sectors. Malaysia’s Industrial Production Index (IPI) growth moderated to 1.8 per cent in January 2023 against 2.9 per cent in the preceding month, weighed down partly by slower growth in Manufacturing sector output and a decline of the Electricity output by 4.3 per cent. Meanwhile, the Mining production expanded by 5.9 per cent.”

He also added, "The sales value of Wholesale and retail trade in Malaysia was RM135.1 billion in January 2023, with a growth of 12.4 per cent. The increase was attributed to Retail trade sub-sector which rose RM10.6 billion or 21.7 per cent to record RM59.6 billion. Motor Vehicles and Wholesale Trade also grew 20.1 per cent (+RM2.5 billion) to RM15.2 billion and 3.1 per cent (+RM1.8 billion) to RM60.4 billion, respectively."

Commenting on the current labour force situation, he said, “The number of employed persons in January 2023 increased by 473.2 thousand, or 3.0 per cent higher on a year-on-year basis to 16.16 million persons (January 2022: 15.69 million persons). Subsequently, the employment-to-population ratio, which indicates the ability of an economy to create employment increased by 0.5 percentage points (January 2022: 66.2%), indicating a convincing labour market recovery following the reopening of the economy and benefiting from the revival of social and business activities. While the unemployment rate remained unchanged at 3.6 per cent and the number of unemployed persons edged down by 12.4 per cent or 84.3 thousand persons registering 596.1 thousand persons (January 2022: 680.4 thousand persons).”

From the prices perspective, Malaysia's inflation in January 2023 recorded a slower increase of 3.7 per cent as compared to 3.8 per cent in December 2022. The growth in inflation was still driven by three main groups, namely Restaurants & Hotels (6.8%), Food & Non-Alcoholic Beverages (6.7%), and Transport (4.0%). For February 2023, Malaysia's inflation remained at 3.7 per cent. Meanwhile, Malaysia’s Producer Price Index (PPI) inched up to 1.3 per cent in January 2023 against 3.5 per cent in

December 2022. The index of Manufacturing sector increased by 4.5 per cent (December 2022: 6.1%), followed by Water supply and Electricity & gas supply indices which increased by 3.8 per cent and 1.2 per cent, respectively. On the contrary, Agriculture, forestry & fishing sectors recorded a double-digit decrease of a negative 20.9 per cent in January 2023 (December 2022: -17.5%), trailed by Mining index with a negative 2.2 per cent decline (December 2022: 3.7%). In February 2023, PPI slides 0.8 per cent.

In concluding his statement, Dato' Sri Dr. Mohd Uzir Mahidin said, "The recovery momentum is expected to continue in the following months albeit at a slower rate, stemming from the impact on Malaysia's tourism following China reopening its borders as well as continuous improvement in labour market. Based on the Bank Negara Malaysia's Economic and Monetary Review 2022 report, the country's GDP is projected to ease to between 4.0 per cent to 5.0 per cent in 2023, as slowing global growth is anticipated to have an adverse effect on exports as well as concern on the cost of living and input costs which are expected to affect households and businesses spending. Adding to this, the Leading Index (LI) in January 2023 recorded 108.5 points, a decrease of 1.5 per cent as compared to 110.2 points in January 2022. The same trend was also noticeable in the monthly LI which decreased by 1.5 per cent compared to 0.1 per cent in December 2022. Furthermore, the smoothed LI in January 2023 still below the 100.0 points trend, indicating that the near term economic prospect will be challenging."

DOSM has launched OpenDOSM NextGen as a platform that provides a catalogue of data and visualisation that facilitates users in analysing various types of data. OpenDOSM NextGen is an open source data sharing medium and accessible through <https://open.dosm.gov.my> portal.

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