MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT
FOR MALAYSIA ECONOMIC PERFORMANCE FIRST QUARTER OF 2023

Malaysia's economy grew at 5.6 per cent underpinned by steady domestic demand and recovery in the labour market

PUTRAJAYA, 12 May 2023 – Malaysia's Gross Domestic Product (GDP) in the first quarter of 2023 expanded 5.6 per cent after recorded a growth of 7.1 per cent in the previous quarter. In terms of quarter-on-quarter seasonally adjusted, GDP grew marginally by 0.9 per cent (Q4 2022: -1.7%) in this quarter. Correspondingly, the monthly economic performance has grown modestly in the first quarter with a growth of 4.6 per cent in January, followed by 6.6 per cent in February and 5.6 per cent in March 2023. This is reported by the Department of Statistics Malaysia (DOSM) in today's release of **Gross Domestic Product (GDP) for the First Quarter of 2023**.

According to the Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin, "The economic performance in the first quarter of 2023 on the supply side was driven by all sectors, particularly the Services, Manufacturing and Construction sectors. On the demand side, Private final consumption expenditure and Gross fixed capital formation continued to propel the growth in the economy this quarter".

He added that, "In terms of sectoral performance, the **Services** sector was the main impetus of Malaysia's economy, rose by 7.3 per cent (Q4 2022: 9.1%) in the first quarter of 2023. The favourable performance was attributed to the Wholesale & retail trade (9.4%), Transportation & storage (17.0%), Business services (16.2%) and Food & beverage and accommodation (12.0%) sub-sectors. The strong growth in Business services was attributed to travel agencies and related tourism activities, following an increase in tourist arrivals. On a quarter-on-quarter seasonally adjusted, the Services sector increased 1.7 per cent (Q4 2022: -1.5%)".

The **Manufacturing** sector grew moderately by 3.2 per cent (Q4 2022: 3.9%) in the first quarter of 2023 led by Electrical, electronic & optical products (3.8%) followed by Transport equipment, other manufacturing and repair (7.7%) and Vegetable & animal oils & fats and food processing products (7.2%). On the contrary, Wood, furniture, paper & paper products and printing recorded a decrease of 4.0 per cent (Q4 2022: -2.6%). On a quarter-on-quarter seasonally adjusted, the overall Manufacturing sector increased 0.5 per cent (Q4 2022: -2.6%).

The **Construction** sector expanded 7.4 per cent (Q4 2022: 10.1%) in the first quarter of 2023. The performance in this sector was contributed by positive growth in Civil engineering (15.9%), Specialised construction activities (8.7%) and Non-residential buildings (6.4%). Nonetheless, Residential building decreased 3.4 per cent (Q4 2022: 2.8%). On a quarter-on-quarter seasonally adjusted, the Construction sector increased 2.9 per cent (Q4 2022: -4.1%).

The **Mining & quarrying** sector rose 2.4 per cent (Q4 2022: 6.3%) supported by all activities, mainly the Crude oil & condensate sub-sector which increased 4.0 per cent (Q4 2022: 4.3%) in this quarter. Meanwhile, Natural gas grew at a slower pace of 0.6 per cent (Q4 2022: 7.3%). In terms of seasonally adjusted, this sector dropped 3.2 per cent (Q4 2022: -2.4%). In addition, the **Agriculture** sector grew marginally at 0.9 per cent (Q4 2022: 1.1%) in this quarter, induced by a better performance in the Oil palm (3.4%) and Other agriculture (2.6%) sub-sectors. The Agriculture sector recorded a decrease of 2.5 per cent (Q4 2022: 2.0%) on seasonally adjusted terms.

Commenting further on the demand side, the Chief Statistician Malaysia stated that **"Private final consumption or household expenditure**, which contributed 61.5 per cent to GDP, grew 5.9 per cent (Q4 2022: 7.3%) attributed to the higher consumption in Transport (11.2%), followed by Housing, water, electricity, gas & other fuels (8.9%) and Food & non-alcoholic beverages (3.4%) in the first quarter of 2023. On a seasonally adjusted quarter-on-quarter terms, the overall performance of Private final consumption expenditure posted an increase of 2.0 per cent (Q4 2022: -2.6%)".

Gross fixed capital formation (GFCF) or investment in fixed assets increased by 4.9 per cent (Q4 2022: 8.8%) in this quarter. The performance of GFCF was contributed by Structure (7.5%) and Machinery & equipment (2.6%), whereas Other assets contracted 0.3 per cent. Based on GFCF by sector, both Public and Private sectors recorded an increase in the first quarter of 2023. On a quarter-on-quarter seasonally adjusted, the GFCF registered a decrease of 1.4 per cent (Q4 2022: 0.1%).

Government final consumption expenditure declined by 2.2 per cent (Q4 2022: 3.0%) influenced by slower growth in spending on supplies and services. On a quarter-on-quarter seasonally adjusted, Government final consumption expenditure decreased 1.7 per cent (Q4 2022: -1.0%) in this quarter.

He also mentioned that "**Net exports** remained positive at 54.4 per cent as compared to 23.0 per cent in the fourth quarter of 2022. This momentum was influenced by a drop of 6.5 per cent (Q4 2022: 7.2%) in **Imports**, as compared to **Exports** which shrank 3.3 per cent (Q4 2022: 8.6%). This performance was attributed to the decline in both exports and imports of goods."

Globally, the world economy continues to experience greater uncertainty weighed down by inflation. In the ASEAN region, GDP grew at slower rate particularly in Viet Nam and Philippines which grew at 3.3 per cent (Q4 2022: 5.9%) and 6.4 per cent (Q4 2022: 7.1%) respectively. In addition, based on advance estimates Singapore's economy, grew marginally by 0.1 per cent (Q4 2022: 2.1%) in this quarter. Meanwhile, Indonesia's GDP remained at 5.0 per cent.

DOSM will be releasing the advance estimates of GDP starting in the second quarter of 2023. This advance estimates is an initiative carried out by DOSM to provide the insight of economic performance based on monthly data sources from surveys and administrative data.

Internationally, advance GDP estimates are developed to fulfill the demand for timely macroeconomics statistics which will benefit the private and public sectors. This has been practiced by most of developed countries namely United States, United Kingdom, South Korea, Taiwan and Singapore. As such, this effort portrays DOSM's commitments to furnish macroeconomic indicators in planning & formulation of policies, economic analysis, projections and business development planning.

DOSM is conducting the Economic Census in 2023. DOSM greatly appreciates the cooperation of respondents in providing information and ensuring the success of this census. Please visit www.dosm.gov.my for more information.

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

Please be informed that the Government of Malaysia has declared National Statistics Day (MyStats Day) on October 20 each year. MyStats Day theme is "Connecting the World with Data We Can Trust".
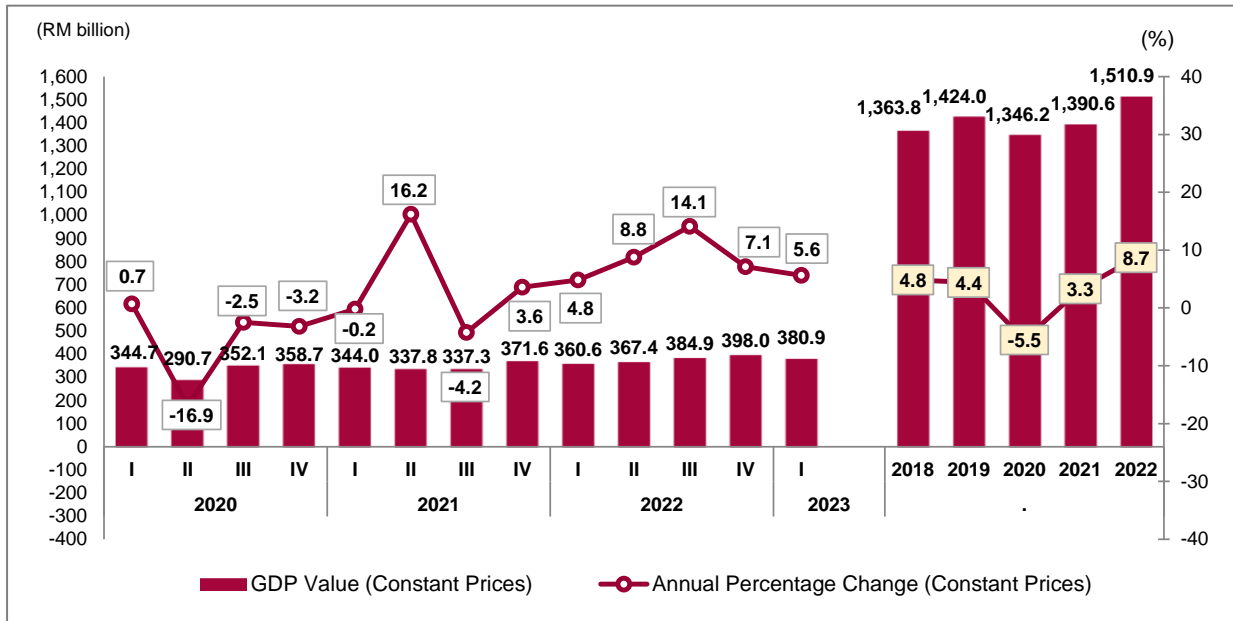
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THE OFFICE OF CHIEF STATISTICIAN MALAYSIA

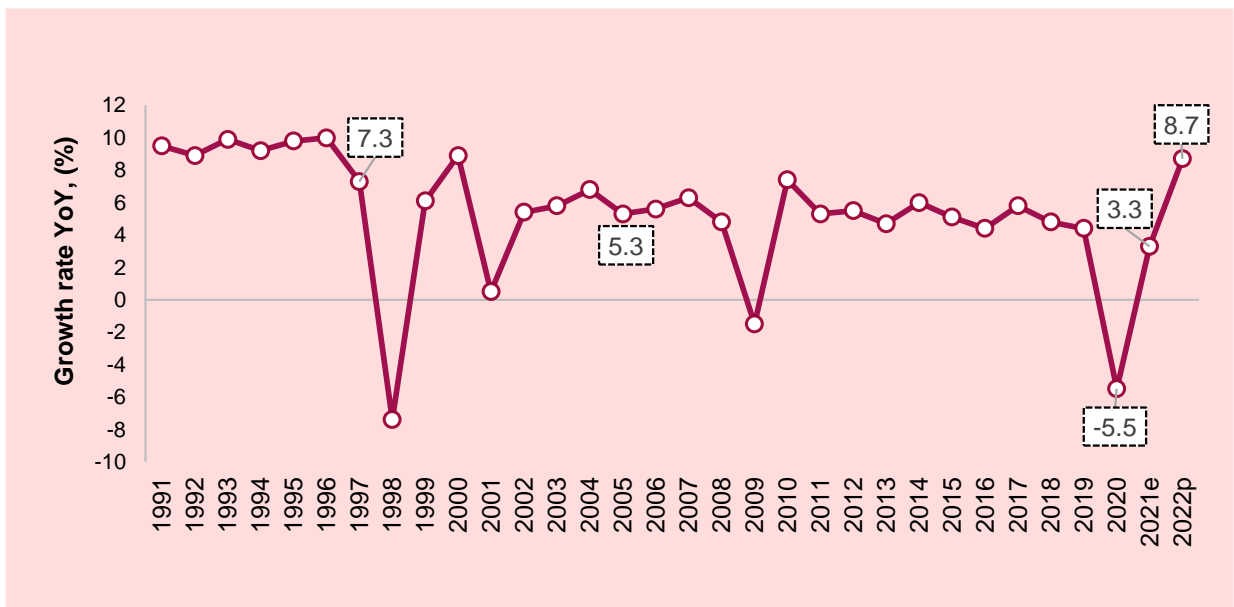**DEPARTMENT OF STATISTICS MALAYSIA**

12 MAY 2023

APPENDIX 1

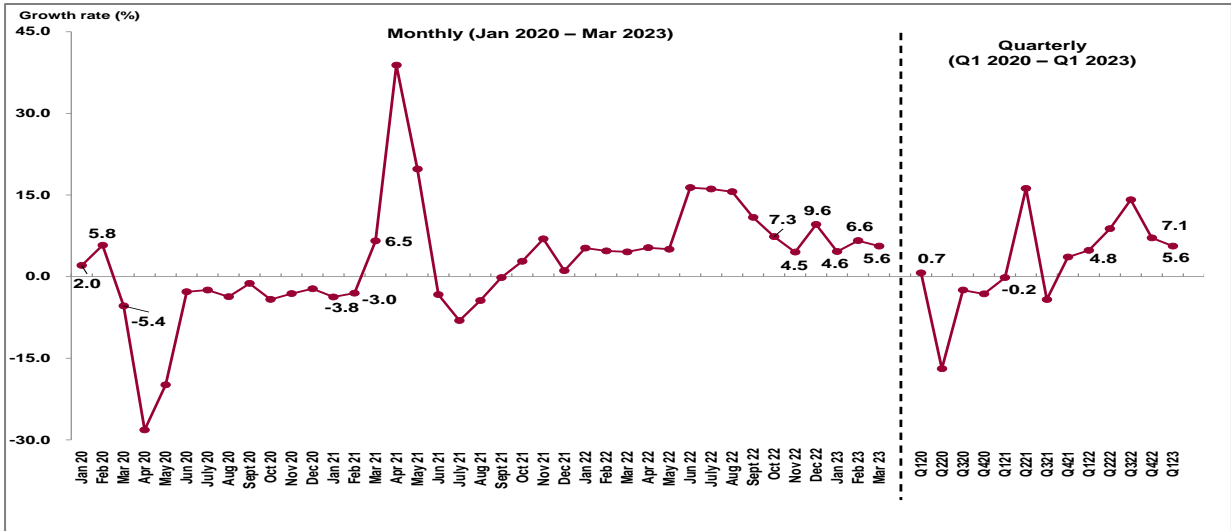*Chart 1: Gross Domestic Product (GDP), Q1 2020 – Q1 2023 and 2018 – 2022*

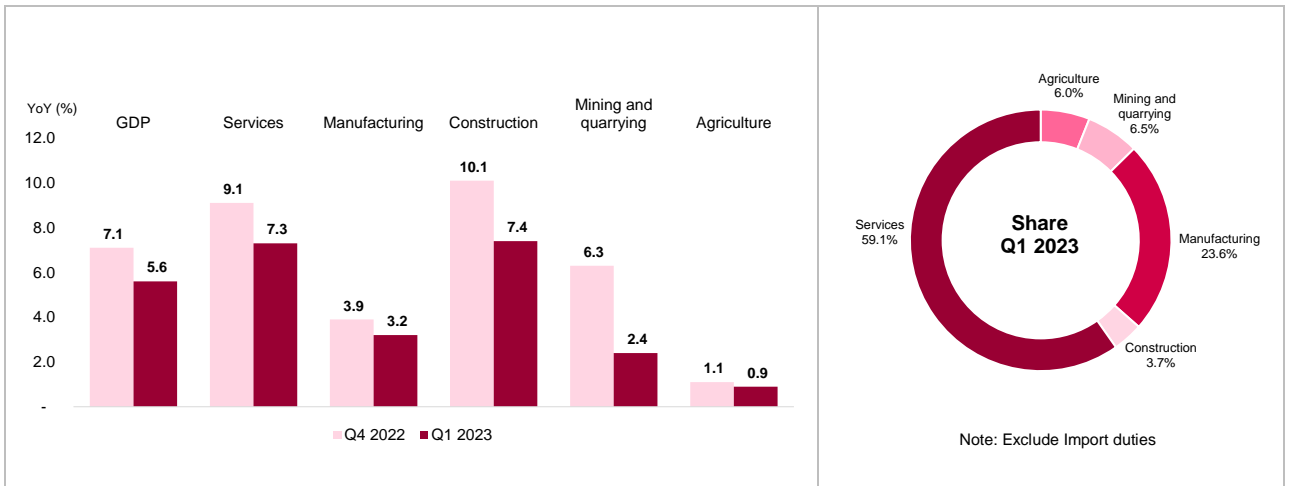*Source: Department of Statistics Malaysia*

Chart 2: Annual GDP Growth (%)

Source: Department of Statistics Malaysia

4

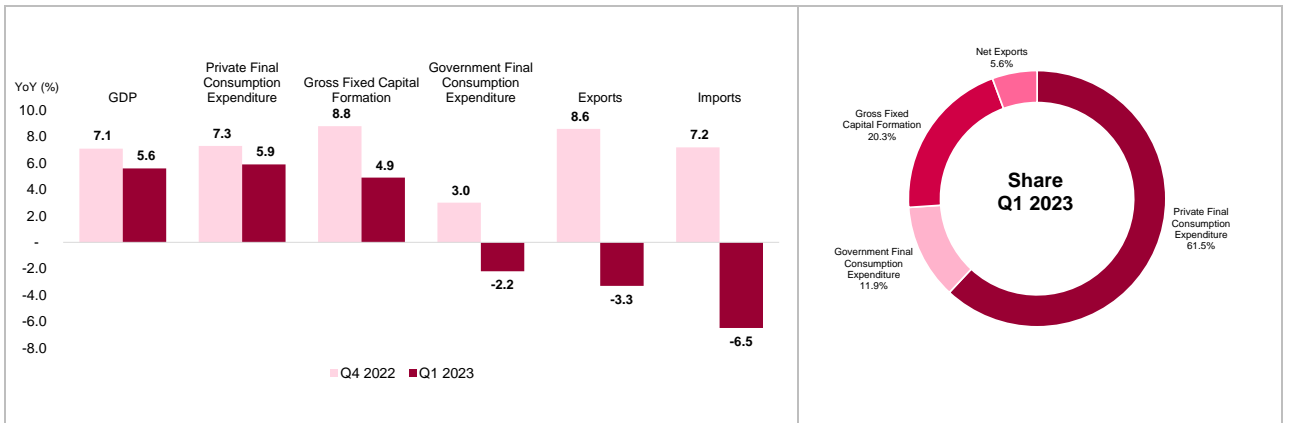## Chart 3: Monthly and Quarterly GDP Growth (%)

Source: Department of Statistics Malaysia

Chart 4: Quarterly GDP Growth by Kind of Economic Activity, Q4 2022 & Q1 2023
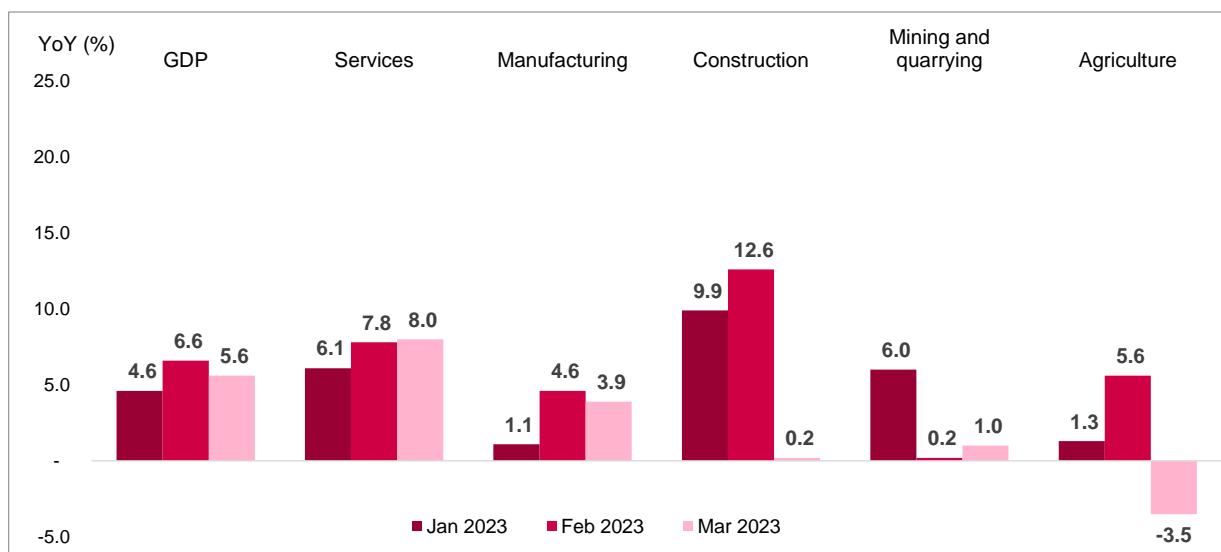

Source: Department of Statistics Malaysia

## Chart 5: Quarterly GDP Growth by Type of Expenditure, Q4 2022 & Q1 2023

Source: Department of Statistics Malaysia

5

Chart 6: Monthly GDP Growth by Kind of Economic Activity, January – March 2023

YoY (%)

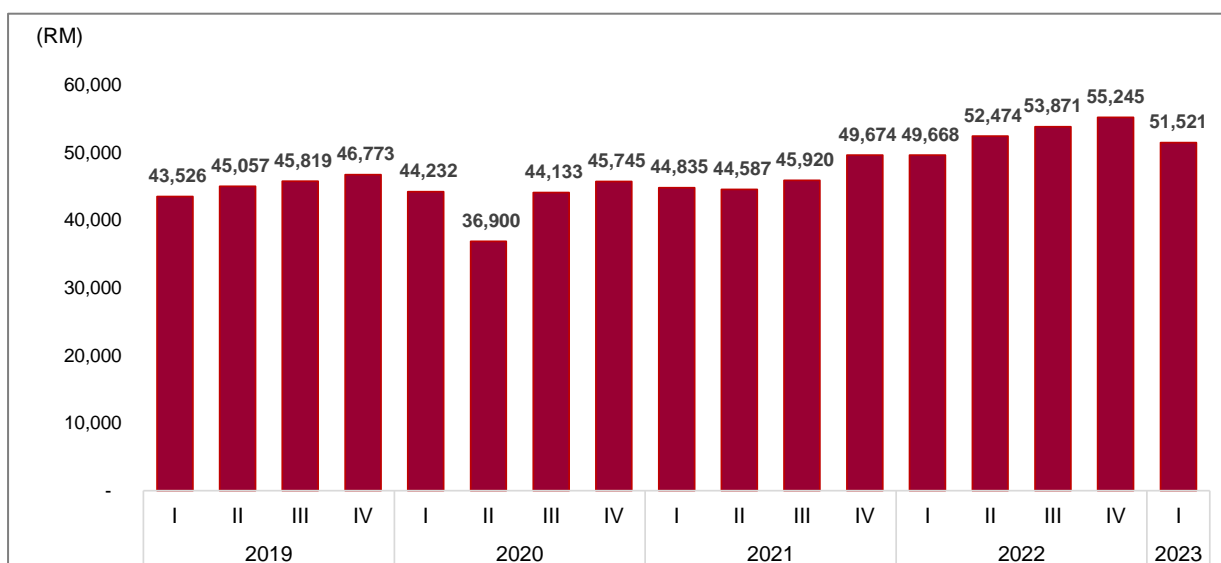|	GDP	Services	Manufacturing	Construction	Mining and quarrying	Agriculture
Jan 2023	4.6	6.1	1.1	9.9	6.0	1.3
Feb 2023	6.6	7.8	4.6	12.6	0.2	5.6
Mar 2023	5.6	8.0	3.9	0.2	1.0	-3.5

Source: Department of Statistics Malaysia

Chart 7: Seasonally Adjusted GDP (Per centage Change from Preceding Quarter), Q2 2015 – Q1 2023
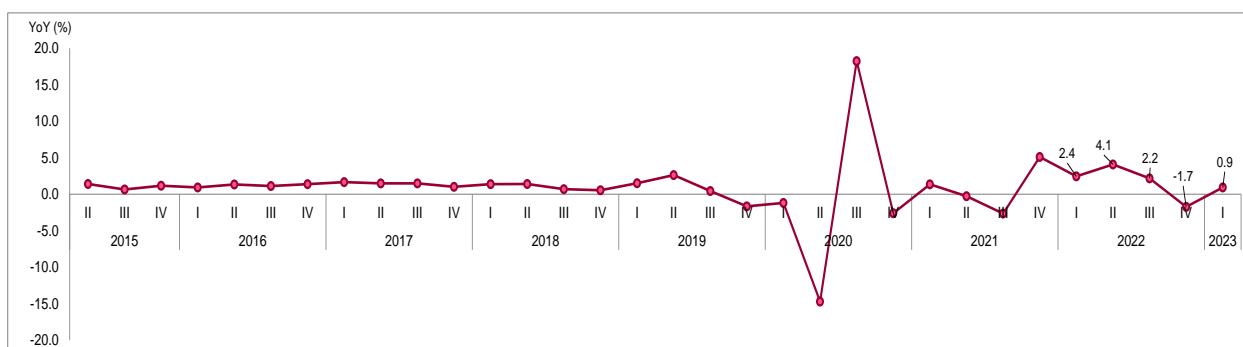
Source: Department of Statistics Malaysia

Chart 8: Gross National Income (GNI) Per Capita, Q1 2019 – Q1 2023

(RM)

	2019				2020				2021				2022				2023
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I
	43,526	45,057	45,819	46,773	44,232	36,900	44,133	45,745	44,835	44,587	45,920	49,674	49,668	52,474	53,871	55,245	51,521

Source: Department of Statistics Malaysia

Chart 9: GDP Comparison with Selected Countries (%)

GDP (Growth YoY, %)	2021	2022	2021				2022				2023
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SELECTED ASEAN COUNTRIES											
Malaysia	3.3	8.7	-0.2	16.2	-4.2	3.6	4.8	8.8	14.1	7.1	**5.6**
Singapore	8.9	3.6	3.9	17.3	8.7	6.6	4.0	4.5	4.0	2.1	**0.1**
Indonesia	3.7	5.3	-0.7	7.1	3.5	5.0	5.0	5.5	5.7	5.0	**5.0**
Philippines	5.7	7.6	-3.8	12.0	7.0	7.9	8.0	7.5	7.7	7.1	**6.4**
Viet Nam	2.6	8.0	4.7	6.7	-6.0	5.2	5.1	7.8	13.7	5.9	**3.3**
OTHER SELECTED COUNTRIES											
United States of America	5.9	2.1	1.2	12.5	5.0	5.7	3.7	1.8	1.9	0.9	**1.6**
European Union	5.4	3.5	-0.7	13.8	4.3	5.2	5.7	4.4	2.6	1.7	**1.3**
United Kingdom	7.6	4.1	-7.7	24.4	8.5	8.9	10.6	3.8	2.0	0.6	**n.a**
P.R. China	8.4	3.0	18.7	8.3	5.2	4.3	4.8	0.4	3.9	2.9	**4.5**
Republic of Korea	4.1	2.6	2.2	6.2	4.0	4.2	3.0	2.9	3.1	1.3	**0.8**

Note: n.a - not available

Source: Official website of Selected National Statistical Office