



**MINISTRY OF ECONOMY  
DEPARTMENT OF STATISTICS MALAYSIA**

***MEDIA STATEMENT***  
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***Malaysia's economy continues to grow supported by the stability in the labor market and domestic demand***

***PUTRAJAYA, 31st MAY 2023*** – Today, the Department of Statistics, Malaysia (DOSM) released the ***Malaysian Economic Statistics Review (MESR) Vol. 5/2023***. This edition focuses on the recent statistics released in March 2023, some forthcoming statistics for April 2023 and highlights on Malaysia's economic situation in the first quarter of the year. Furthermore, this edition is complemented with a box article entitled "Does the World Oil Price Have a Direct Influence on Malaysia's Exports of Refined Petroleum Products?" which studies the relationship of exports of Refined petroleum products with world average price of crude oil through correlation analysis as well as investigates the relationship between exports of Refined petroleum products with the imports of Crude petroleum and the Manufacture of Refined petroleum products index.

Viewing the situation of the global economy, the economic performance of some developed and developing countries have been encouraging with positive growth seen in the first quarter of 2023 despite inflationary pressures, the ongoing effects of geopolitical conflict, as well as the lingering effect of COVID-19. In the first quarter of 2023, the European Union's Gross Domestic Product (GDP) grew 1.3 per cent while the United States of America's GDP growth preliminary estimate was 1.6 per cent. The economies of other European nations also continued to grow, with France expanding by 0.8 per cent, Italy by 1.8 per cent and Spain by 3.8 per cent. The economic performance in the Asian region was positive in the first quarter of 2023 with China's economy rose 4.5 per cent, Singapore increased by 0.1 per cent, Thailand grew by 1.9 per cent, Viet Nam by 3.3 per cent, Indonesia by 5.0 per cent and the Philippines by 6.4 per cent.

According to the Department of Statistics Malaysia, the country's economy in the first quarter (Q1) of 2023 expanded by 5.6 per cent, a better-than-expected growth after recording a growth of 7.1 per cent in the previous quarter with the Services sector continued to drive the growth. In terms of quarter-on-quarter seasonally adjusted, GDP

rebounded to 0.9 per cent in Q1 2023 (Q4 2022: -1.7%). In overall for the year 2022, Malaysia's economy ascended to 8.7 per cent as against 3.3 per cent in the previous year.

On the nation's recent economic indicators, Malaysia's Current Account Balance (CAB) recorded a surplus of RM4.3 billion in the first quarter of 2023 as compared to RM5.7 billion in the same quarter of the previous year, mainly supported by net exports of Goods account. In terms of investment performance, Foreign Direct Investment (FDI) recorded a lower net inflow of RM12.0 billion in this quarter as compared to RM27.7 billion in the first quarter of 2022. Direct Investment Abroad (DIA) also registered a lower net outflow of RM1.1 billion in Q1 2023 as compared to RM5.2 billion recorded in the first quarter of last year. Meanwhile, Malaysia's merchandise trade maintained its positive momentum in the first quarter of 2023, albeit at a slower pace, with total trade increased by 3.2 per cent to RM644.9 billion compared to RM624.8 billion in Q1 2022. Exports rose 2.8 per cent to RM354.6 billion, while imports expanded 3.7 per cent to RM290.2 billion. The trade balance recorded a surplus of RM64.4 billion, which went down by 1.0 per cent compared to the same period last year. Looking into the performance of merchandise trade in April 2023, total trade shrank 14.5 per cent to RM198.0 billion. Exports decreased 17.4 per cent to RM105.4 billion, and imports declined 11.1 per cent to RM92.6 billion. Meanwhile, the trade surplus fell 45.3 per cent from the previous year to RM12.8 billion.

The sales value of Manufacturing sector recorded an increase of 8.2 per cent in the first quarter of 2023 to RM449.4 billion as compared to the same period in 2022. The sales value expanded by 8.0 per cent year-on-year in March 2023 to record RM156.2 billion. The expansion was boosted by the double-digit growth in Transport equipment & other manufactures (14.6%) and Electrical & Electronics Products (12.7%). The Industrial Production Index (IPI) increased by 3.1 per cent in March 2023 as compared to the same month of the preceding year, supported by the increment in Manufacturing index (4.1%) and the Mining index (0.8%). However, the Electricity index registered a negative 0.3 per cent. Meanwhile, the Services sector's total revenue registered a growth of 13.1 per cent year-on-year to record RM560.3 billion in Q1 2023. The Services volume index increased by 8.8 per cent to 143.9 points in this quarter.

On the current labour force situation, the number of employed persons rose by 3.1 per cent (487.1 thousand persons) to record 16.06 million persons in the first quarter of 2023. Subsequently, the employment-to-population ratio, which indicates the ability of an economy to create employment, increased by 1.1 percentage points to 67.3 per cent (Q1 2022: 66.2%). During this quarter, the unemployment rate posted 3.5 per cent (Q4 2022: 3.6%) which portray a better outlook for the country.

*From the prices perspective, the first quarter of 2023 showed an inflation rate of 3.6 per cent as compared to 2.2 per cent in the corresponding quarter of the previous year. Meanwhile, Malaysia's inflation in March 2023 eased to 3.4 per cent as compared to 3.7 per cent in February 2023 contributed by Restaurants & Hotels (7.2%) and Food & Non-Alcoholic Beverages (6.9%). Nevertheless, the Transport group increased at a slower rate, which to a certain extent offset Malaysia's inflation from continuing to rise higher as seen in April 2023 whereby the inflation rate increased at a slower rate with 3.3 per cent.*

*Based on these economic indicators developments, Malaysia's economy is expected to expand at a slower pace in the near future, as indicated by the Leading Index (LI) March 2023, which declined 1.2 per cent to 110.1 points from 111.4 points in March of last year. Real Semiconductor Imports and the Bursa Malaysia Industrial Index both experienced significant declines, which had a negative effect on LI's performance. Although the LI remained below the trend of 100.0 points in March 2023 at 99.3 points, it is anticipated that the economy will grow modestly in the coming months, in view of both domestic and international headwinds.*

*The Department of Statistics Malaysia (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](http://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".*

*Released by:*

**DEPARTMENT OF STATISTICS, MALAYSIA**  
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