



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT
FOR MALAYSIA ECONOMIC PERFORMANCE SECOND QUARTER OF 2023

**Malaysia's economy moderated 2.9 per cent in the
second quarter of 2023**

PUTRAJAYA, 18 August 2023 – Malaysia's Gross Domestic Product (GDP) in the second quarter of 2023 moderated to 2.9 per cent after recorded a growth of 5.6 per cent in the previous quarter. In terms of quarter-on-quarter seasonally adjusted, GDP increased by 1.5 per cent (Q1 2023: 0.9%) in this quarter. Correspondingly, the monthly economic performance grew marginally at 0.7 per cent in April, picked up 5.6 per cent in May and eased at 2.4 per cent in June 2023. The robust growth in May 2023 was attributed to a temporary pick up in global demand and household consumption. This is reported by the Department of Statistics Malaysia (DOSM) in today's release of **Gross Domestic Product (GDP) for the Second Quarter of 2023**.

According to the Chief Statistician of Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin, "The economic growth of 2.9 per cent in the second quarter of 2023 was driven largely by the Services and Construction sectors. Furthermore, Private final consumption expenditure and Gross fixed capital formation continued to propel growth in the economy in this quarter. For the first half of 2023 Malaysia's economy grew by 4.2 per cent (1H 2022: 6.8%)".

He added that, "In terms of sectoral performance, the **Services** sector rose by 4.7 per cent (Q1 2023: 7.3%) in the second quarter of 2023. The favourable performance was attributed to the Wholesale & retail trade (4.7%), Transportation & storage (13.5%), Business services (10.7%) and Accommodation (49.0%) sub-sectors. Nevertheless, several key sub-sectors namely Food & Beverages grew at a slower rate of 1.6 per cent (Q1 2023: 3.7%) while Finance and insurance showed a decrease of 4.7 per cent (Q1 2023: 1.9%). On a quarter-on-quarter seasonally adjusted, the Services sector increased 2.7 per cent (Q1 2023: 1.8%)".

The **Construction** sector grew by 6.2 per cent (Q1 2023: 7.4%) in the second quarter of 2023. The expansion was driven by positive growth in all sub-sectors, particularly in Civil engineering (10.0%), Specialised construction activities (6.4%) and Residential

buildings (6.1%). On a quarter-on-quarter seasonally adjusted, this sector increased 4.8 per cent (Q1 2023: 2.9%)”.

The **Manufacturing** sector grew marginally by 0.1 per cent (Q1 2023: 3.2%) in this quarter. The modest performance of this sector was influenced by Non-metallic mineral products, basic metal & fabricated metal products (5.4%), Beverages & tobacco products (8.8%), as well as Vegetable and animal oils & fats and food processing (2.1%). The major contributors in the Manufacturing sector which are Electrical & electronics products and Petroleum, chemical, rubber & plastic products registered a decrease of 1.5 per cent and 1.6 per cent, respectively. Meanwhile, Transport equipment, other manufacturing & repair grew moderately at 0.7 per cent. On a quarter-on-quarter seasonally adjusted, the Manufacturing sector increased 0.6 per cent (Q1 2023: 0.5%).

On the contrary, the **Agriculture** sector declined by 1.1 per cent (Q1 2023: 1.0%), attributed to the contraction in the Oil palm sub-sector (-6.9%) influenced by El Nino phenomena. Nonetheless, Livestock, Rubber and Other agriculture showed better growth in this quarter. This sector recorded a decrease of 3.6 per cent (Q1 2023: -2.5%) on a quarter-on-quarter seasonally adjusted. The **Mining & quarrying** sector decreased by 2.3 per cent (Q1 2023: 2.4%) in the second quarter of 2023, influenced by the Natural gas and Crude oil & condensate sub-sectors, which contracted by 3.6 per cent and 1.5 per cent, respectively. On quarter-on-quarter seasonally adjusted, this sector dropped 2.7 per cent (Q1 2023: -3.2%).

Commenting further, the Chief Statistician Malaysia stated that “**Private final consumption or household expenditure**, which contributed 60.7 per cent to GDP, grew 4.3 per cent (Q1 2023: 5.9%) attributed to the higher consumption in Housing, water, electricity, gas & other fuels (6.3%), followed by Communication (7.1%) and Transport (6.1%). On quarter-on-quarter seasonally adjusted, the overall performance of Private final consumption expenditure posted an increase of 5.9 per cent (Q1 2023: 2.0%)”.

Gross fixed capital formation (GFCF) or investment in fixed assets, increased by 5.5 per cent (Q1 2023: 4.9%) in this quarter. The performance of GFCF was contributed by Structure (6.0%) and Machinery & equipment (4.4%), as well as Other assets (8.3%). GFCF by sector showed that both Public and Private sectors recorded increases in the second quarter of 2023. On a quarter-on-quarter seasonally adjusted, the GFCF registered an increase of 4.7 per cent (Q1 2023: -1.4%).

Government final consumption expenditure increased by 3.8 per cent (Q1 2023: -2.2%), led by spending on supplies and services. On a quarter-on-quarter seasonally adjusted, Government final consumption expenditure increased 4.0 per cent (Q1 2023: -1.7%) in this quarter.

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He also mentioned that “Both **Exports** and **Imports** declined by 9.4 per cent (Q1 2023: -3.3%) and 9.7 per cent (Q1 2023: -6.5%), respectively, following weaker global demand on merchandise exports and imports. However, exports of services increased mainly supported by international tourist arrivals. Thus, **Net exports** declined by 3.7 per cent as compared to an increase of 54.4 per cent in the preceding quarter.”

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.

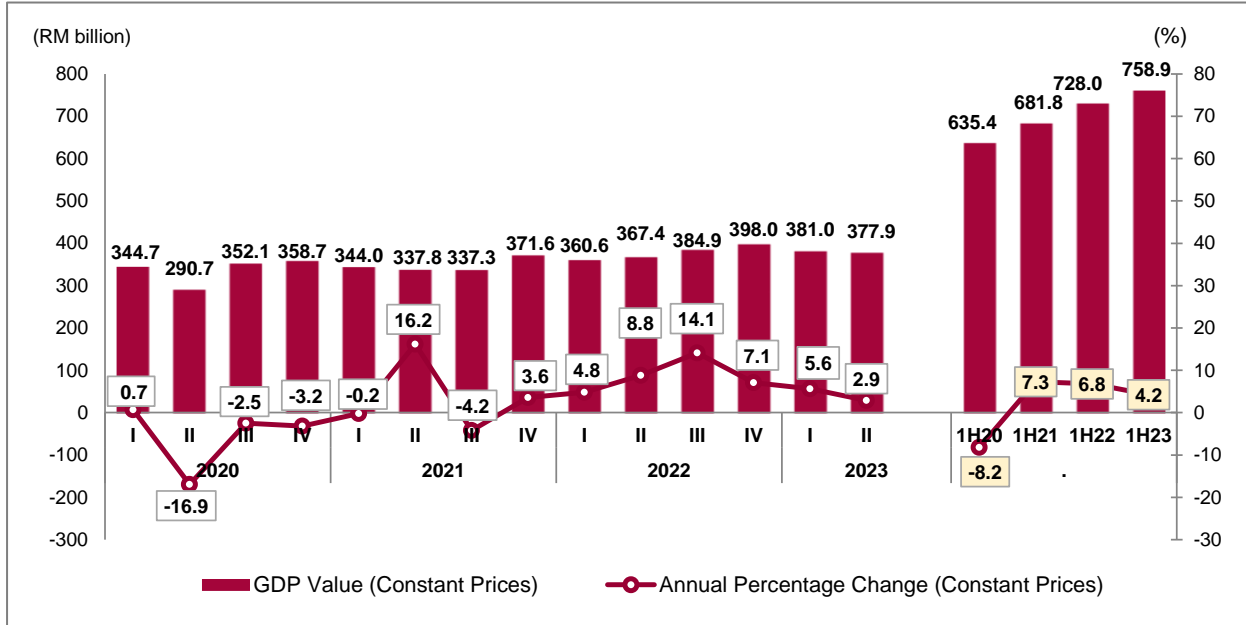
The Government of Malaysia has declared National Statistics Day (MyStats Day) on October 20 each year. MyStats Day theme is “Connecting the World with Data We Can Trust”.

Released by:

**THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA
18 AUGUST 2023**

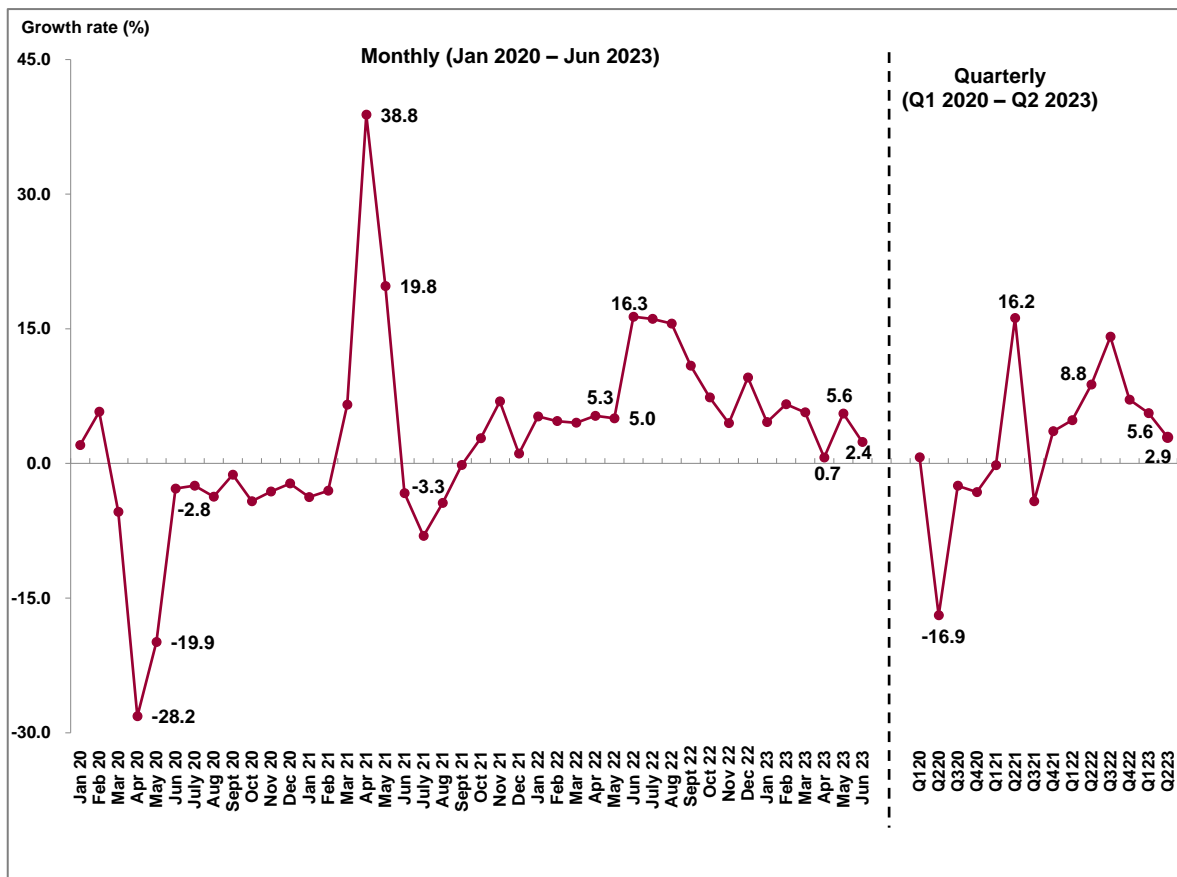
APPENDIX

Chart 1: Gross Domestic Product (GDP), Q1 2020 – Q2 2023 and 1H2020 – 1H2023



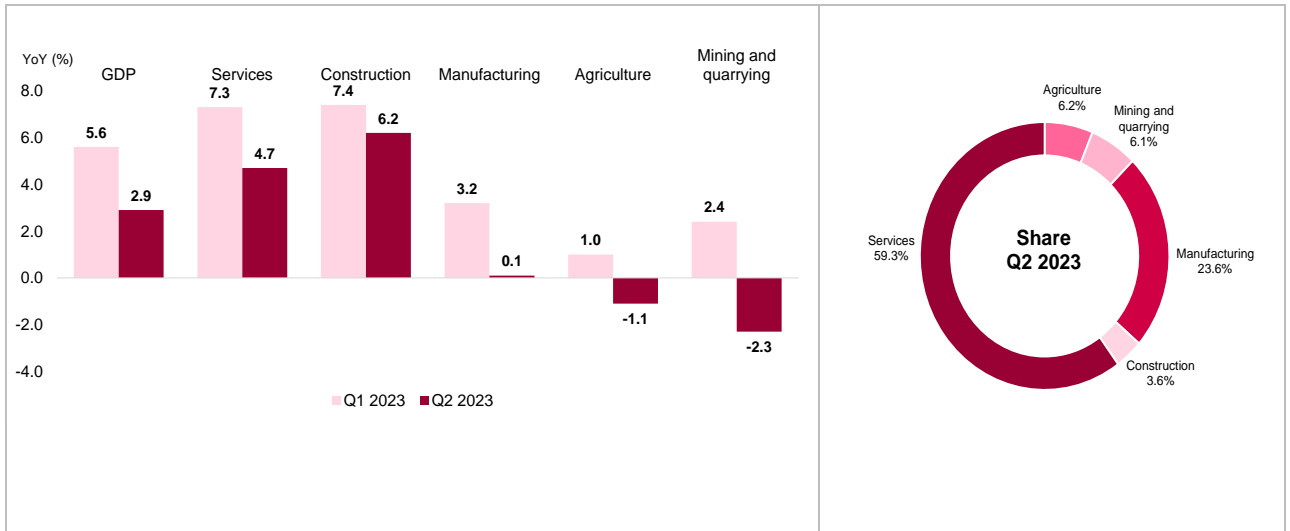
Source: Department of Statistics Malaysia

Chart 2: Monthly and Quarterly GDP Growth (%)



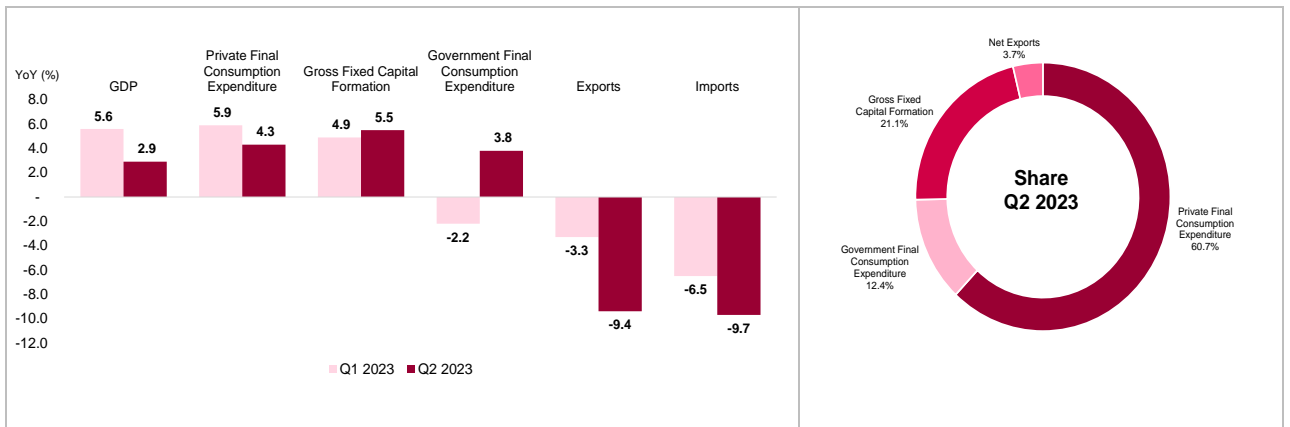
Source: Department of Statistics Malaysia

Chart 3: Quarterly GDP Growth by Kind of Economic Activity, Q1 2023 & Q2 2023



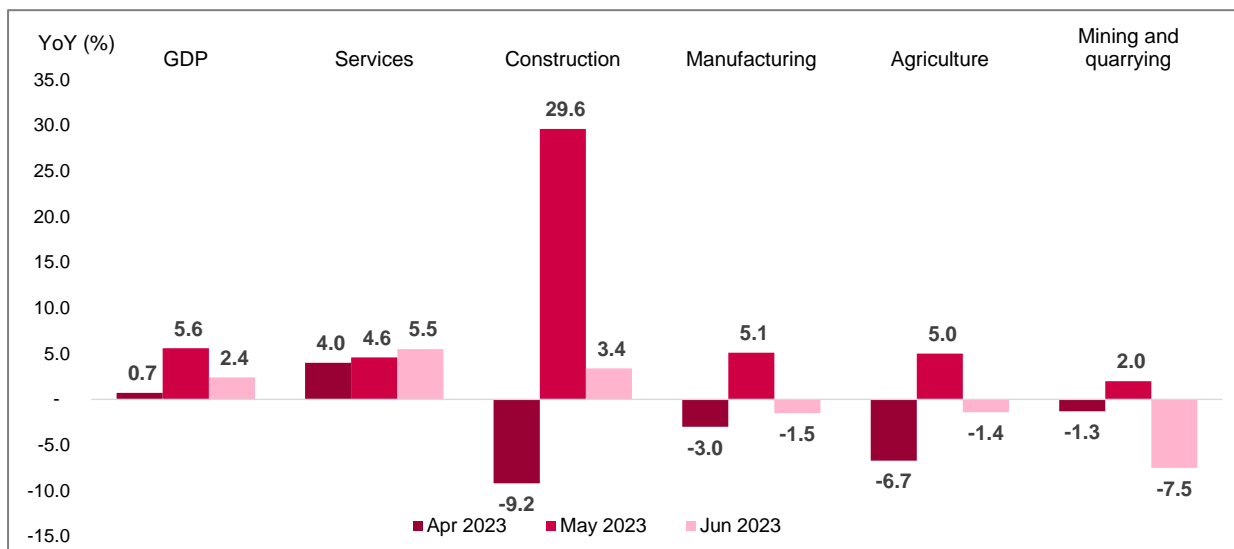
Source: Department of Statistics Malaysia

Chart 4: Quarterly GDP Growth by Type of Expenditure, Q1 2023 & Q2 2023



Source: Department of Statistics Malaysia

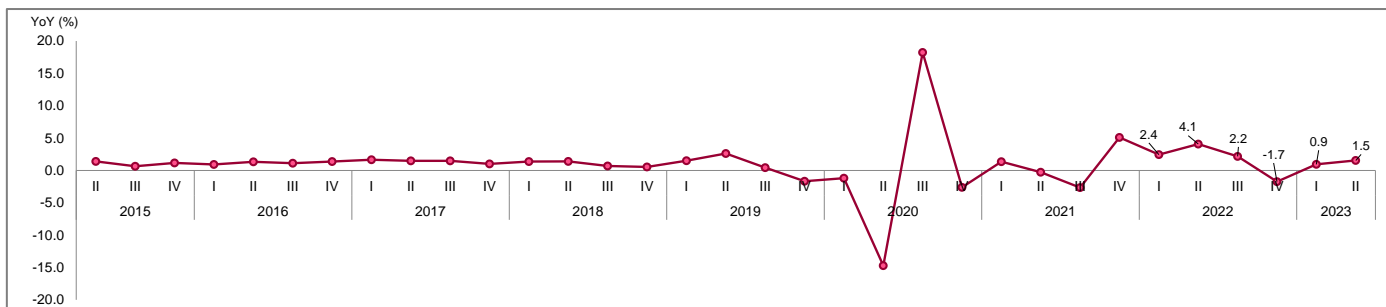
Chart 5: Monthly GDP Growth by Kind of Economic Activity, April – June 2023



Source: Department of Statistics Malaysia

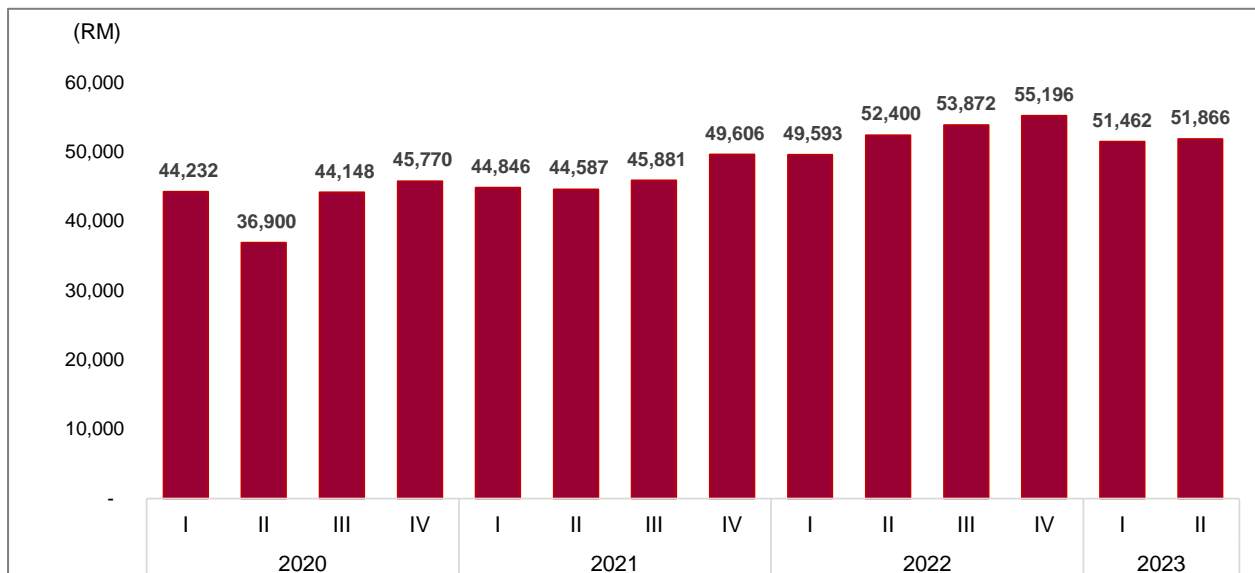
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**Chart 6: Seasonally Adjusted GDP
(Per centage Change from Preceding Quarter), Q2 2015 – Q2 2023**



Source: Department of Statistics Malaysia

Chart 7: Gross National Income (GNI) Per Capita, Q1 2020 – Q2 2023



Source: Department of Statistics Malaysia