



**MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA**

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Malaysia's Economic Landscape in July and August 2023 to remain moderate in the near term

PUTRAJAYA, 27th September 2023 – Today, the Department of Statistics, Malaysia (DOSM) released the ***Malaysian Economic Statistics Review (MESR) Vol. 9/2023***. This edition focuses on the recent statistics released in July 2023 and some forthcoming statistics for August 2023. This edition also features an article titled “The Study on Self-Employed Gig Workers in Food And Goods Delivery Services” which looks into basic profiles of self-employed gig workers in food and goods delivery services and outlines issues relating to labour law, corporate relations and social protection involving these services.

Chief Statistician Malaysia, Dato’ Sri Dr. Mohd Uzir Mahidin said, “Observing the country's economic situation in July 2023, Malaysia's Industrial Production Index (IPI) rebounded to 0.7 per cent in July 2023, from a negative 2.2 per cent in the previous month. The marginal increase in July 2023 was supported by the growth in Mining sector (4.2%) and the Electricity sector (1.5%). Meanwhile, the Manufacturing sector remained negative, although at a lower rate of 0.2 per cent. The value of manufacturing sales in Malaysia totalled RM144.0 billion in July 2023, down for a second consecutive month, decreasing to negative 3.0 per cent year-on-year from negative 4.0 per cent in the preceding month primarily influenced by the continuous decline in Petroleum, chemical, rubber & plastic sub-sector, reaching to negative 15.3 per cent during the month. The sales value of export-oriented industries which represented 72.1 per cent of total sales continued to decline by 7.0 per cent in July 2023 (June 2023: -7.4%). Nonetheless, the performance of domestic-oriented industries remained vigorous, reaching 9.2 per cent in July 2023 as compared to 6.8 per cent in June 2023, mitigating the impact of the deterioration in the export-oriented industries.”

Malaysia’s Wholesale & Retail Trade recorded a monthly sales value of RM139.8 billion, grew 7.2 per cent year-on-year in July 2023. The increase was attributed to the Wholesale Trade sub-sector, which increased by 5.7 per cent (+RM3.4 billion) to register

RM63.1 billion. This was followed by Retail Trade and Motor Vehicles that recorded an increase of 5.5 per cent (+RM3.1 billion) and 20.5 per cent (+RM2.9 billion), respectively.

Looking at the prices perspective, Malaysia's inflation rate moderated to 2.0 per cent in July 2023, the lowest rate for the year. This slower increase in inflation was primarily influenced by lower increases for Restaurants & Hotels (5.0%); Food & Non-Alcoholic Beverages (4.4%) and Furnishings, Household Equipment & Routine Household Maintenance (1.9%). Malaysia's inflation remained unchanged at 2.0 per cent in August 2023. Meanwhile, Malaysia's Producer Price Index (PPI) declined by negative 2.3 per cent in July 2023 as against negative 4.8 per cent in June 2023. In August 2023, PPI decreased 1.8 per cent.

On the trade front, Malaysia's merchandise trade continued to register a negative annual growth. Total trade in July 2023 declined 14.4 per cent from RM252.8 billion in the same month last year to RM216.4 billion. Exports shrank 13.1 per cent to RM116.8 billion, while imports contracted 15.9 per cent to RM99.7 billion. Meanwhile, trade surplus increased 7.9 per cent from the previous year to RM17.1 billion. In August 2023, Malaysia's total trade registered a value of RM213.0 billion, with a contraction of 19.8 per cent or RM52.7 billion. Exports and imports recorded a negative double-digit growth, 18.6 per cent and 21.2 per cent respectively, year-on-year. On the contrary, trade surplus increased marginally by 0.1 per cent to post a value of RM17.3 billion.

Commenting on the current labour force situation, he said, "Labour market situation continued to increase in the number of employed persons, reflecting a 0.2 per cent growth in July 2023. Alongside, there were an additional 27.2 thousand persons being employed with a total of 16.34 million persons (June 2023: 16.31 million). Compared to the same month of the preceding year, the number of employed persons grew by 2.2 per cent, equivalent to 356.6 thousand persons (July 2022: 15.98 million). The employment-to-population ratio serves as an indicator of the economy's capability to generate employment. In July 2023, this ratio recorded an improvement of 0.1 per cent from 67.6 per cent in June 2023 to 67.7 per cent. In comparison to the corresponding month in the previous year, this ratio rose by 0.7 percentage points from the 67.0 per cent recorded in July 2022. On an annual basis, the number of unemployed persons decreased by 6.7 per cent or 41.5 thousand persons in July 2023. Likewise, the unemployment rate during this month fell by 0.3 percentage points to stand at 3.4 per cent."

In concluding his statement, Dato' Sri Dr. Mohd Uzir Mahidin said, "The Leading Index (LI) for July 2023 recorded a better negative 0.9 per cent reaching 109.0 points as compared to negative 2.1 per cent in June 2023. In view of monthly performance, the LI recorded negative 0.7 per cent for the reference month as against a negative

0.5 per cent in the previous month. The smoothed growth rate of the LI continues below the 100.0 points trend in July 2023, reflecting Malaysia's economic prospect to remain moderate in the near term backed by challenging global outlook.”

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 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:

**THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
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