



**MINISTRY OF ECONOMY  
DEPARTMENT OF STATISTICS MALAYSIA**

***MEDIA STATEMENT***  
***FOR MALAYSIAN ECONOMIC STATISTICS REVIEW VOL. 10/2023***

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***Malaysia's Economy Grows Moderately Despite Global Uncertainties***

**PUTRAJAYA, 31<sup>st</sup> October 2023** – Today, the Department of Statistics, Malaysia (DOSM) released the **Malaysian Economic Statistics Review (MESR) Vol. 10/2023**. This edition focuses on the recent statistics released in August 2023 and some forthcoming statistics for September 2023. The featured article titled “Producer Price Index and Consumer Price Index: Relationship between Food at Home and Finished Consumer Foods in Malaysia” in this edition explores the correlation between the Producer Price Index (PPI) and Consumer Price Index (CPI) in Malaysia, specifically focusing on the relationship between two components: “Food at Home” and “Finished Consumer Foods”.

The Advance Estimate of Malaysia's Gross Domestic Product (GDP) showed a year-on-year (y-o-y) growth of 3.3 per cent in the third quarter of 2023, surpassing the 2.9 per cent y-o-y growth recorded in the second quarter of 2023. The growth was propelled by the Services sector, which remained the key driver of the overall economic performance during the quarter.

Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin said, “Assessing the country's economic landscape in August 2023, Malaysia's Wholesale & Retail Trade sector achieved a noteworthy sales value of RM142.5 billion, marking year-on-year growth of 6.7 per cent. The increase was attributed to Wholesale Trade sub-sector, which rose 6.2 per cent or RM3.7 billion to register RM63.9 billion. The Retail Trade sector sustain the positive momentum, surging by 6.3 per cent, equivalent to an impressive RM3.6 billion, reaching a total of RM60.5 billion. Similarly, the Motor Vehicle industry experienced a notable upswing, with a 9.7 per cent increase, amounting to RM1.6 billion, bringing the total to RM18.1 billion.

Nevertheless, Malaysia's Industrial Production Index (IPI) exhibited a downward trend, experiencing a 0.3 per cent decline, in contrast to the positive 0.7 per cent growth observed in the preceding month. This decline was primarily attributed to a contraction within the Manufacturing sector, which saw a decrease of 0.6 per cent. The performance

*of Manufacturing output was mainly influenced by the continuous decline in export-oriented industries, which decreased by 2.6 per cent in August 2023 (July 2023: -2.7%). On the contrary, domestic-oriented industries continued to expand, albeit at a moderate rate of 4.2 per cent (July 2023: 6.0%). In the meantime, sales value of the Manufacturing sector witnessed a continuous decrease of 3.3 per cent (July 2023: -3.0%) backed by the Petroleum chemical, rubber & plastic sub-sector, which dropped 12.1 per cent.*

*Examining the prices standpoint, Malaysia's inflation rate in August 2023 held steady at 2.0 per cent, mirroring the growth rate observed in July 2023. This was primarily attributed to the decline in the Restaurants & Hotels, decreasing from 5.0 per cent in July to 4.7 per cent. Additionally, there was a slight decline in the inflation rates for Food & Non-Alcoholic Beverages (4.1% compared to 4.4% in July 2023), as well as Miscellaneous Goods and Services, which moderated to 2.4 per cent. Malaysia's inflation slower further to 1.9 per cent in September 2023 with the index points recorded at 130.8 from 128.3 in the same month of the previous year. Meanwhile, Malaysia's Producer Price Index (PPI) contracted 1.8 per cent in August 2023, narrowing its contraction of 2.3 per cent in July 2023. Nevertheless, there was a modest uptick in the PPI by 0.2 per cent in September 2023.*

*Malaysia's trade performance saw a significant downturn in August 2023. Total trade plummeted by 19.8 per cent, decreasing from RM265.8 billion in the previous year to RM213.0 billion. Exports experienced an 18.6 per cent decline, amounting to RM115.2 billion, while imports dropped 21.2 per cent, totalling RM97.9 billion. Despite this, the trade surplus saw a slight increase of 0.1 per cent from the previous year, reaching RM17.3 billion. Moving into September 2023, total trade further contracted, dropping by 12.6 per cent year-on-year to RM224.4 billion. Exports decreased by 13.7 per cent to RM124.5 billion, while imports fell by 11.1 per cent to RM100.0 billion. Consequently, the trade surplus fell by 23.0 per cent as compared to the previous year, reaching RM24.5 billion.*

*On a positive note of the labour situation in Malaysia, the number of employed persons rose by 2.1 per cent, reaching a total of 16.35 million in August 2023 as compared to the same period in the preceding year (August 2022: 16.02 million persons). The total labour force also experienced a 1.8 per cent year-on-year increase, amounting to 16.93 million persons. Consequently, the labour force participation rate (LFPR) showed improvement, rising by 0.4 percentage points y-o-y to 70.1 per cent, while the unemployment rate decreased by 0.3 percentage points to reach 3.4 per cent.*

*In his concluding remarks, Dato' Sri Dr. Mohd Uzir Mahidin said "The Leading Index (LI) showed signs of improvement, with a contraction that narrowed by 0.5 per cent, reaching 109.7 points in August 2023. This indicates a positive shift from the previous month, where it experienced a decline of 1.0 per cent, resting at 108.9 points in July 2023". Analysing the monthly trends, the LI exhibited a negative 0.8 per cent performance in July*

2023. However, it rebounded by registering a positive 0.7 per cent in the reference month. As of August 2023, the smoothed LI continued to trail below the 100.0 points trend, anticipating that the Malaysian economy will remain moderate following global economic uncertainties albeit strong domestic demand.”

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 Department of Statistics Malaysia (DOSM) will conduct the Agricultural Census in 2024. Please visit <https://www.myagricensus.gov.my/> for more information. “Agriculture Census, Key to Agriculture Development.”

The Government of Malaysia has declared National Statistics Day (MyStats Day) on October 20 each year. MyStats Day theme is “Statistics is the Essence of Life”.

Released by:

**THE OFFICE OF CHIEF STATISTICIAN MALAYSIA  
DEPARTMENT OF STATISTICS, MALAYSIA  
31<sup>st</sup> OCTOBER 2023**