



**MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA**

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Malaysia's Economy Shows Positive Signs in October 2023, Led by Industrial Production and Retail Sales

PUTRAJAYA, 29th December 2023 – Today, the Department of Statistics, Malaysia (DOSM) released the **Malaysian Economic Statistics Review (MESR) Vol. 12/2023**. This edition focuses on the recent statistics released in October 2023 and some forthcoming statistics for November 2023. Additionally, this version is enhanced with an accompanying article entitled “Assessment of Sustainable Development Goals (SDG) Performance Indicators in Malaysia 2022: Are We On Track Towards 2030 Agenda?” which outlines the availability and performance of SDG indicators in Malaysia, aiming to gauge the nation's commitment and advancement towards the 2030 Sustainable Development Agenda.

Examining the scenario at the forefront of Asia's economy whilst considering the prevailing challenges of inflation and a cautious global growth outlook, the Asian Development Bank (ADB) forecasted a 4.9 per cent Gross Domestic Product (GDP) growth in 2023 for developing Asia countries and an anticipated growth rate of 4.8 per cent in 2024. Additionally, the ADB foresees Malaysia's economic expansion at 4.2 per cent and 4.6 per cent for the years 2023 and 2024, respectively.

Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin said, “Assessing the country's economic landscape in October 2023, Malaysia's Industrial Production Index (IPI) upsurged to 2.7 per cent year-on-year growth, a substantial improvement from the preceding month's negative 0.5 per cent. This marked the most significant upswing since May 2023, predominantly driven by the robust performance in the Mining sector, which saw an 8.7 growth. Simultaneously, the Electricity and Manufacturing sectors sustained its positive trends, recording increases of 5.8 per cent and 0.9 per cent, respectively. The Manufacturing sector registered a 1.4 per cent decline in sales value in October 2023, indicating a smaller contraction as compared to the 2.4 per cent drop in the preceding month. This downturn was influenced by a continued decrease in the Petroleum, chemical, rubber & plastic products sub-sector, witnessing a 9.5 per cent decline.

Furthermore, the Electrical & electronics products sub-sector experienced a 2.7 per cent reduction.”

In view of Wholesale & Retail Trade sector, the monthly sales value in October 2023 reached RM142.3 billion, indicating a 6.5 per cent year-on-year increase. The noteworthy growth was primarily driven by the Wholesale Trade sub-sector, which expanded by 5.7 per cent or RM3.4 billion, reaching a total of RM63.3 billion. Subsequently, the Motor Vehicles saw a growth rate of 19.1 per cent (+RM3.0 billion) and Retail Trade sub-sector rose 3.9 per cent (+RM2.3 billion).

Looking at prices perspective, Malaysia experienced an 1.8 per cent increase in inflation in October 2023, with the index points recorded 130.9 as against 128.6 in the same month of the previous year. This uptick in inflation was driven by Restaurants & Hotels, which increased by 4.6 per cent (September 2023: 4.4%); Food & Non-Alcoholic Beverages, rising by 3.6 per cent; and Furnishings, Household Equipment & Routine Household Maintenance, showing an 1.4 per cent increase. In November 2023, Malaysia's inflation persists in its gradual ascent, registering a slower growth of 1.5 per cent, with the index points noted at 130.9 compared to 129.0 in the corresponding month of the preceeding year. Malaysia's Producer Price Index (PPI) slipped 0.3 per cent in October 2023. In November 2023, PPI recorded a negative of 1.5 per cent.

On the trade front, Malaysia's total trade contracted by 2.4 per cent on a yearly basis, totalling to RM239.5 billion in October 2023. Exports witnessed a 4.4 per cent decline, reaching RM126.2 billion, while imports experienced a marginal decrease of 0.2 per cent, settling at RM113.3 billion. Consequently, the trade surplus persisted at RM12.9 billion, reflecting a 30.3 per cent decrease from the previous year.

Pertaining the labour scenario, Malaysia's labour market exhibited a 2.0 per cent annual increase in the numbers of employed persons, reaching 16.40 million in October 2023. The labor force participation rate (LFPR) for October stood at 70.1 per cent, marking a 0.4 percentage point increase from the 69.7 per cent recorded in October 2022. Concurrently, the unemployment rate decreased by 0.2 percentage points as compared to the same month in the previous year, settling at 3.4 per cent.

In his concluding remarks, Dato' Sri Dr. Mohd Uzir Mahidin said “The Leading Index (LI) witnessed a year-on-year decrease of 0.2 per cent in October 2023, declining from 109.4 points in the previous year to 109.2 points. This drop was primarily attributed to the contraction in Real Imports of Semi-Conductor (-33.6%), which has consistently shown negative trends for ten consecutive months. On the flip side, there was a significant positive trend in the Number of Housing Units Approved, indicating substantial growth of 40.0 per cent. Analysing the LI's smoothed growth rate for October 2023 which remained below the 100.0 points trend, the LI signals a modest growth outlook in the upcoming months. This is supported by a positive private consumption and a favourable labour

market. In essence, the country's economic outlook in 2023 highlights distinct growth trends in various sectors, challenges in external trade, and a combination of positive and cautionary signals. These factors collectively suggest a resilient but nuance economic environment.

The Department of Statistics Malaysia (DOSM) has launched OpenDOSM NextGen as a medium that provides a catalog of data and visualisations to facilitate users' analysis of various data and can be accessed through <https://open.dosm.gov.my>.

DOSM will conduct the Agricultural Census in 2024. Please visit <https://www.myagricensus.gov.my/> for more information. The theme is "Agriculture Census, Key to Agricultural Development."

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

Released by:

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