

KERATAN AKHBAR

TARIKH : 28 JUN 2023
AKHBAR : THE SUN
MUKA SURAT : 3

M'sia on strong economic track

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➤ Reopening of borders boosts recovery in all sectors, particularly tourism-related industry: DOSM

KUALA LUMPUR: Malaysia remains on a strong economic trajectory, with all states recording positive growth in 2022 compared with 2021.

According to the Statistics Department (DOSM), the country's gross domestic product (GDP) by state for the year 2022 showed positive growth despite global economic uncertainties, geopolitical conflicts and disruptions in food supply chains.

It also noted that the reopening of international borders on April 1, 2022 had accelerated the recovery in all sectors, particularly the tourism-related industry, Bernama reported.

"This performance culminated in an 8.7% GDP growth in 2022, with a value-added amounting to RM1.5 trillion, surpassing the pre-pandemic value of RM1.4 trillion in 2019.

"The services sector, which dominated the national economy, strengthened by 10.9% from 2021, followed by the manufacturing sector, which rose by 8.1%," said DOSM in a report released yesterday.

The agriculture sector recovered by 0.1%, the mining and quarrying sector grew by 2.6% and the construction sector rebounded to 5.0% during the same period.

Four states that outperformed the national growth rate were Penang (13.1%), Selangor (11.9%), Pahang (10.8%) and Kuala Lumpur (9.2%).

Penang's growth was driven by the manufacturing sector, which increased by 15.9%, compared with 12.4% in 2021. This was supported by the electrical, electronic and optical products sector following increased global demand for semiconductors.

Selangor, Pahang and Kuala Lumpur were driven by the services sector, which experienced rapid growth in the tourism-related subsector, including wholesale and retail trade, food and beverage as well as accommodation.

Selangor maintained its position as the largest economy, with the manufacturing sector strengthening by 9.0%, supported by the electrical, electronic and optical products sub-sectors (13.6%) as well as transport equipment and other manufacturing and repairs sub-sectors (16.6%).

DOSM also reported that Malacca's GDP increased by 8.6%, backed by the services and manufacturing sectors.

Meanwhile, the resumption of all economic activities and the thriving tourism-

related industry further catalysed the recovery in Johor, which increased by 8.2%; followed by Kedah, with 7.2%; Negeri Sembilan, with 6.4%; and Perak, with 4.3%.

For the same period, Sabah's economy rose by 3.7%, assisted by the services sector, which expanded by 8.6%, fuelled by the wholesale and retail trade, food and beverage and accommodation sub-sectors, which recovered by 10.4%, compared with 0.4% in 2021.

Sarawak's economy strengthened to 6.5%, influenced by the 9.6% growth in the services sector.

DOSM said the country's economic outlook indicates a forecast of moderate growth, given the prevailing uncertainties in the global economic landscape.

"The leading index for April 2023 suggests a gradual growth in the upcoming months due to a downturn in all components.

"This can be observed in the GDP for the first quarter of 2023, indicating slow growth of 5.6% compared with 7.1% in the previous quarter."

In contrast, the labour market continues to strengthen despite facing an uncertain economic climate. The labour force participation rate in the first quarter of 2023 increased to 69.8%, compared with 69.5% in the fourth quarter of 2022.

Similarly, the unemployment rate dropped to 3.5% for the same period, from 3.6% in the previous quarter.