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Households income in Malaysia on the rise, says DOSM



The median household income of Malaysians increased by 2.5 per cent in 2022 to RM6,338. - NSTP/ASWADI ALIAS.

PUTRAJAYA: The median household income of Malaysians increased by 2.5 per cent in 2022 to RM6,338.

The Household Income and Expenditure Survey released by the Department of Statistics Malaysia (DOSM) also showed that the mean household income also grew 2.4 per cent to RM8,479 the same year.

Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said six states reached median income above the national level, namely, Kuala Lumpur (RM10,234); Putrajaya (RM10,056); Selangor (RM9,983); Labuan (RM6,904); Johor (RM6,879) and Penang (RM6,502).

"The income value takes into consideration the mean household size of 3.8 persons, with an average of 1.8 income earners.

"This household income comprises paid employment, self-employment, income from investment and current transfers received.

"Selangor recorded the highest median income growth of 6.5 per cent per year for the period of 2019 and 2022.

"Meanwhile, Kuala Lumpur recorded a decline in monthly gross median household income of 1.0 per cent for the same period," he said at the presentation of the survey here, today.

States recording median household incomes lower than the national average were Kelantan (RM3,614), Kedah (RM4,402), Perak (RM4,494), Sabah (RM4,577), Perlis (RM4,713), Pahang (RM4,753), and Sarawak (RM4,978).

Negeri Sembilan, Terengganu, and Melaka had a median household income of RM5,226, RM5,878, and RM6,210 respectively.

DOSM found that of the 10 lowest median household gross income by district, three were in Sabah, four in Sarawak, and three others were in Kelantan.

The district which reported the lowest median household income was in Pitas, Sabah at RM2,329, while the top earning district was Sepang, Selangor with RM12,608.

Uzir said Putrajaya recorded the highest the monthly mean gross household income at RM13,473, followed by Kuala Lumpur (RM13,325), Selangor (RM12,233) and Johor (RM8,517), higher than the national average of RM8,479.

The mean monthly disposable income also increased by 1.7 per cent last year, at RM7,111 as compared to RM6,764 in 2019.

On income distribution pattern, the bottom 40 (B40) income threshold of 3.16 million households is RM5,249, while the middle 40 (M40) group recorded an income average between RM5,250 and RM11,819.

"As many as 1.58 million households are in the top 20 (T20) group with income exceeding RM11,820.

"The T20 group comprised 46.3 per cent of the total distribution of income household, down slightly from 46.8 per cent in 2019.

"Meanwhile, the M40 group comprised 37.6 per cent while the B40 only represented 16.1 per cent of the total income."

The survey also revealed that the income inequality gap in the country has narrowed by 0.3 per cent in 2022, as compared to 2019.

Uzir said the Gini coefficient in urban areas had decreased to 0.393 last year from 0.398 in 2019, and also decreased in rural areas to 0.351 from 0.367.

Gini Coefficient is a measure of statistical dispersion of income or wealth distribution of a nation's residents and most commonly used measure of inequality.

Uzir said the Gini Coefficient by ethnicity also decreased for all ethnicities, with Bumiputera at 0.387 from 0.389, Chinese at 0.412 from 0.417 and Indians at 0.406 from 0.411.

However, he noted that despite the increase in household income in Malaysia, the income gap between ethnic groups was still significant.

"The income gap between Chinese and Bumiputera ethnic groups is at a ratio of 1:0.71 in 2022, compared to 1:0.72 in 2019, while the income gap between ethnic Chinese and ethnic Indians was 1:0.85 in 2022, a marginal improvement as compared to 1:0.83 in 2019."

Meanwhile, the value of the poverty line income (PLI) has increased from RM2,208 in 2019 to RM2,589 in 2022, with the PLI value of food is also up by RM29 from RM1,169 (2019) to RM1,198 (2022).

He said while the Covid-19 global health crisis had impacted the incidence of poverty, the absolute poverty incidence in 2022 showed a decrease to 6.2 per cent from 8.2 per cent in 2021.