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Malaysia's economic growth picks up in third quarter

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➤ Advance estimate indicates GDP expanded 3.3% year-on-year compared with 2.9% in previous three-month period: Statistics Department

KUALA LUMPUR: The Malaysian economy grew at a faster pace in the third quarter this year compared with the second quarter.

The advance estimate of gross domestic product showed a year-on-year (y-o-y) growth of 3.3% in the third quarter of 2023, surpassing the 2.9% y-o-y growth recorded in the second quarter. The growth was propelled by the services sector, which remained the key driver of the overall economic performance during the quarter.

Chief Statistician Malaysia Datuk Seri Dr Mohd Uzir Mahidin said, "Assessing the country's economic landscape in August 2023, the wholesale & retail trade sector achieved a noteworthy sales value of RM142.5 billion, marking y-o-y gain of 6.7%."

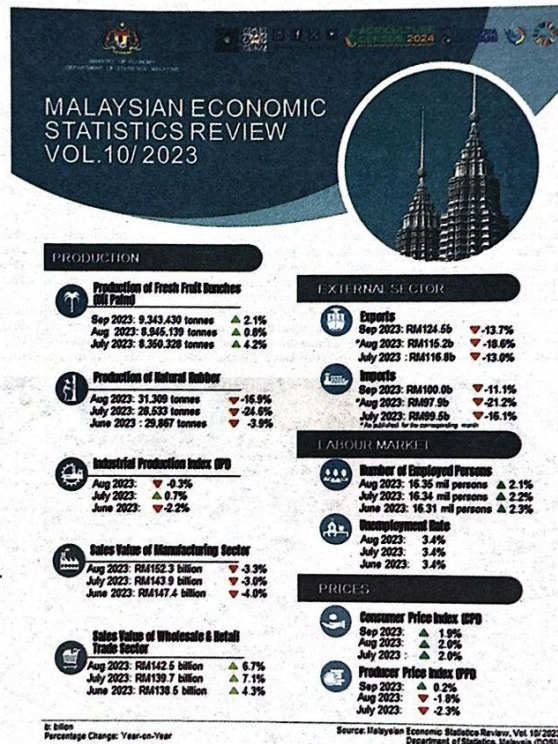
The increase, he added was attributed to wholesale trade sub-sector, which rose 6.2% or RM3.7 billion to register RM63.9 billion.

"The retail trade sector sustained the positive momentum surging by 6.3% – 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% increase – amounting to RM1.6 billion, bringing the total to RM18.1 billion," he said.

Nevertheless, the Industrial Production Index exhibited a downward trend, experiencing a 0.3% decline in August 2023, in contrast to the positive 0.7% 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%. The performance of the manufacturing output was mainly influenced by the continuous decline in export oriented industries, which decreased by 2.6% in August 2023 (July 2023: -2.7%).

On the contrary, domestic-oriented industries continued to expand, albeit at a moderate rate of 4.2% (July 2023: 6%). In the meantime, sales value of the manufacturing sector witnessed a continuous decrease of 3.3% (July 2023: -3%) backed by the petroleum chemical, rubber & plastic sub-sector, which dropped 12.1%.

Examining prices of goods and services, the inflation rate in August 2023 held steady at 2%, mirroring the rate observed in July 2023.



For September, total trade further contracted, dropping by 12.6% y-o-y to RM224.4 billion. Exports decreased by 13.7% to RM124.5 billion, while imports fell by 11.1% to RM100 billion. Consequently, the trade surplus fell by 23% as compared to the previous year, reaching RM24.5 billion.

On a positive note, the number of employed persons rose by 2.1%, reaching a total of 16.35 million in August 2023 as compared to the same period in the preceding year (Aug 2022: 16.02

million). The total labour force also experienced a 1.8% y-o-y increase, amounting to 16.93 million persons. Consequently, the unemployment rate decreased by 0.3% to reach 3.4%.

In his concluding remarks, Mohd Uzir said, "The Leading Index showed signs of improvement, with a contraction that narrowed by 0.5%, reaching 109.7 points in August 2023. This indicates a positive shift from the previous month, where it experienced a decline of 1%, resting at 108.9 points in July 2023."