

# KERATAN AKHBAR

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Malaysia's 2023 nominal GDP rises to RM1.8 trillion

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► Growth moderates to 1.6% from 15.8% in the previous year

**PUTRAJAYA:** Malaysia's nominal gross domestic product (GDP) amounted to RM1.8 trillion in 2023, growing 1.6% compared to 15.8% in the previous year, Chief Statistician Malaysia, Datuk Seri Dr Mohd Uzir Mahidin said yesterday.

Despite the moderated performance, he said, the economy remained resilient particularly, through private final consumption expenditure that increased 6.7%.

The growth, he added, was propelled by ongoing enhancement in employment and wage through the implementation of a new minimum wage of RM1,500 a month which started in May 2023.

Given the improvements in the labour market, compensation of employees (CE) recorded a steady growth of 4.2% while gross operating surplus (GOS) declined by 1.8%.

The performance of the income distribution showed a shift towards a better share of CE at 33.1% compared to 32.3% in 2022, Mohd Uzir said.

Nevertheless, GOS still contributed substantially to GDP at 64.8% although it was 2.3% lower than the previous year.

The remaining component was taxes less subsidies on production and imports (net taxes), which accounted for 2.1%.

Looking at detailed sectoral performance, the increase in the CE component, encompassing the remuneration received by employees for their labour, was driven by the services, manufacturing and construction sectors. CE in the services sector grew 4.3%, supported by growth in all sub-sectors, particularly wholesale and retail trade, food & beverages and accommodation.

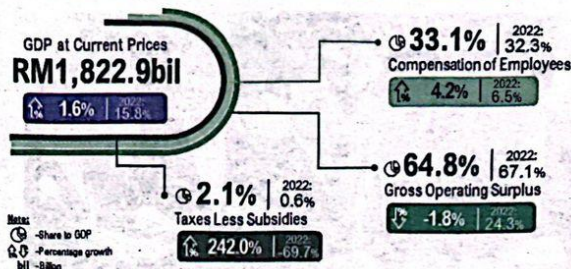
The manufacturing sector CE registered 3.3% growth, led by the moderation in electrical, electronic and optical products.

Furthermore, CE in construction and mining & quarrying sectors rose 6.8% and 9.2%, respectively, while CE in agriculture sector showed a marginal increase of 0.7% in 2023.

The services sector was the largest contributor to the CE, representing 62.5%, followed by the manufacturing sector with a 23.6% share. Collectively, these sectors made up



### GROSS DOMESTIC PRODUCT (GDP) INCOME APPROACH 2023



Source: National Accounts, Gross Domestic Product (Income Approach), Department of Statistics Malaysia (DOSM)

86.1% of overall CE, reflecting a significant role in the economy.

While, the construction and agriculture sectors accounted for 8.1% and 3.5%, respectively. The mining & quarrying sector contributed the smallest share, 2.2% of total CE.

Mohd Uzir said the decline in GOS was primarily influenced by a sharp downturn in mining & quarrying (-12.1%), agriculture (-13.2%) and manufacturing (-5.6%) sectors.

The fall of commodity prices in 2023 has lowered profitability across these sectors, leading to a marked decrease in overall GOS. Nevertheless, the contraction was partially alleviated by the growth in the services and construction sectors at 5.3% and 1.3%, respectively.

In terms of the composition of GOS, the services sector led with a 52.9% share, followed by the manufacturing sector at 23.3%.