

MEDIA STATEMENT



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MALAYSIA ECONOMIC STATISTICS REVIEW, VOLUME 2/2025

Sectoral Performance Fosters Malaysia's Economy with Services Revenue Reaches RM2.4 trillion and Manufacturing Sales Surge to RM1.9 Trillion in 2024

PUTRAJAYA, 28TH FEBRUARY 2025 – Today, the Department of Statistics, Malaysia (DOSM) released the **Malaysian Economic Statistics Review (MESR), Volume 2/2025**. This edition focuses on the recent statistics released in December 2024 and some forthcoming statistics for January 2025. Furthermore, this edition features an additional article titled “Claims For Reinstatement Under Section 20 Of Industrial Relations Act 1967: Pre- and Post-2020 Amendments” which discusses on Malaysia’s commitment to fair employment practices and worker protection.

Evaluating the recent global economic condition, the IMF's World Economic Outlook Update, released in January 2025 projects global growth at 3.3 per cent for both 2025 and 2026, slightly below the historical average of 3.7 per cent. The United States economy is set to expand robustly at 2.7 per cent, while the Euro area is foreseen to grow at 1.0 per cent in 2025, before achieving 1.4 per cent in 2026 on the back of stronger domestic demand. Meanwhile, China's growth forecast has been revised upward to 4.6 per cent for 2025, stabilising at 4.5 per cent in 2026, driven by fiscal support and easing trade uncertainties.

Focusing on Malaysia's economic scenario, Chief Statistician Malaysia, Dato’ Sri Dr. Mohd Uzir Mahidin highlighted, “Malaysia's economy grew by 5.0 per cent in the fourth quarter of 2024, from a 5.4 per cent growth recorded in the previous quarter. However, on a seasonally adjusted quarter-on-quarter basis, Gross Domestic Product (GDP) declined by 1.1 per cent (Q3 2024: 1.9%). In view of monthly economic performance, the GDP showed an increase of 4.7 per cent in October and 4.9 per cent in November, before rising further to 5.4 per cent in December 2024.”

Malaysia’s Industrial Production Index (IPI) rose by 4.6 per cent in December 2024, driven by growth in Manufacturing (5.8%), Electricity (3.5%) and Mining (0.4%).

However, on a monthly basis, the IPI declined by 0.4 per cent, reversing the 0.6 per cent growth seen in November. For Q4 2024, IPI growth moderated to 3.4 per cent as against 3.9 per cent in the previous quarter.

Sustaining growth, the Manufacturing sector's sales value reached RM1.9 trillion in 2024, marking a 4.6 per cent year-on-year (2023: 0.2%), while December 2024 sales increased by 5.7 per cent to RM158.4 billion. The growth was underpinned by Food, beverages & tobacco products (14.6%), Electrical & electronics products (8.7%), and Non-metallic mineral products, basic metal & fabricated metal products (3.2%). However, compared to November 2024, sales declined by 2.2 per cent, with November's sales recorded at RM162.0 billion. In Q4 2024, the Manufacturing sector's sales value grew by 4.4 per cent year-on-year, reaching RM481.8 billion (Q3 2024: RM483.2 billion, 6.5%).

Taking a broader view, the total revenue of the Services sector in 2024 reached RM2.4 trillion, reflecting a 6.3 per cent increase from the previous year (2023: RM2.3 trillion). This steady performance was largely underpinned by the continued recovery of tourism-related industries. With regard to the performance for the fourth quarter of 2024, Malaysia's Services sector recorded a revenue of RM627.9 billion, reflecting an annual growth of 6.2 per cent. Similarly, the Services Volume Index grew by 6.0 per cent year-on-year, reaching 157.5 points. This quarter's performance was driven by the Wholesale & Retail Trade, Food & Beverage, and Accommodation segments, which saw a 5.4 per cent increase in revenue to RM475.2 billion compared to the same quarter last year. Meanwhile, the Volume Index for this segment rose by 4.9 per cent to 157.5 points.

In terms of prices, Malaysia's inflation eased to 1.7 per cent in December 2024, compared to 1.8 per cent in November 2024. This was supported by moderate increases in key categories, including Personal care, social protection & miscellaneous goods & services (3.2%), Recreation, sport & culture (1.7%), Health (1.1%) and Furnishings, household equipment & routine household maintenance (0.4%). In the fourth quarter of 2024, inflation increased to 1.8 per cent as compared to 1.6 per cent in Q4 2023. Overall, the annual inflation rate for 2024 stood at 1.8 per cent, easing from 2.5 per cent in 2023. Meanwhile, the Producer Price Index (PPI) increased marginally by 0.5 per cent year-on-year in December 2024, led by indices for Agriculture, forestry & fishing sector (23.8%), Electricity & gas supply (0.9%) and Water supply (6.7%). The PPI registered a decline of 0.8 per cent in this quarter (Q3 2024: -0.2%) due to a decrease in the Mining and Manufacturing sectors.

On the external front, Malaysia's trade sector continued its strong momentum, with total trade growing by 14.6 per cent from RM225.1 billion in the same month last year to RM257.9 billion in December 2024. In the fourth quarter of 2024, total trade

increased by RM44.3 billion or 6.4 per cent to RM739.8 billion. Exports rose by 7.3 per cent year-on-year to RM393.0 billion, while imports grew by 5.3 per cent year-on-year to RM346.9 billion.

The Current Account Balance (CAB) recorded a surplus of RM11.4 billion in the fourth quarter of 2024, a significant increase from RM0.9 billion in the same quarter of 2023. This surplus was driven by net exports of goods and a lower deficit in services account. Meanwhile, Foreign Direct Investment (FDI) recorded a net inflow of RM18.4 billion in Q4 2024, compared to RM19.6 billion in Q4 2023. At the same time, Direct Investment Abroad (DIA) by Malaysian investors saw a lower net outflow of RM0.7 billion, a sharp decline from RM14.3 billion in the fourth quarter of 2023.

Pertaining to Malaysia's labour market trends, he emphasised that “Malaysia's labour force experienced an increase of 77.4 thousand employed persons, reaching 16.79 million in the fourth quarter of 2024 (Q3 2024: 16.72 million persons). Consequently, the employment-to-population ratio improved by 0.1 percentage points to 68.4 per cent, compared to 68.3 per cent in Q3 2024. Accordingly, the unemployment rate posted 3.1 per cent in December 2024 and remained at 3.2 per cent in Q4 2024. On the same note, the number of jobs in the economic sector expanded by 1.3 per cent to record 9.05 million jobs (Q4 2023: 8.94 million jobs). In addition, a total of 31.5 thousand new jobs were created in the fourth quarter of 2024.”

Dato' Sri Dr. Mohd Uzir Mahidin highlighted that Malaysia's Leading Index (LI) indicated positive economic growth in December 2024, with the LI rising by 3.1 per cent annually and 0.8 per cent monthly. Despite the long-term trend remaining below 100.0 points, strong domestic demand, wage adjustments, and a strengthening labour market are expected to enhance the economic resilience.

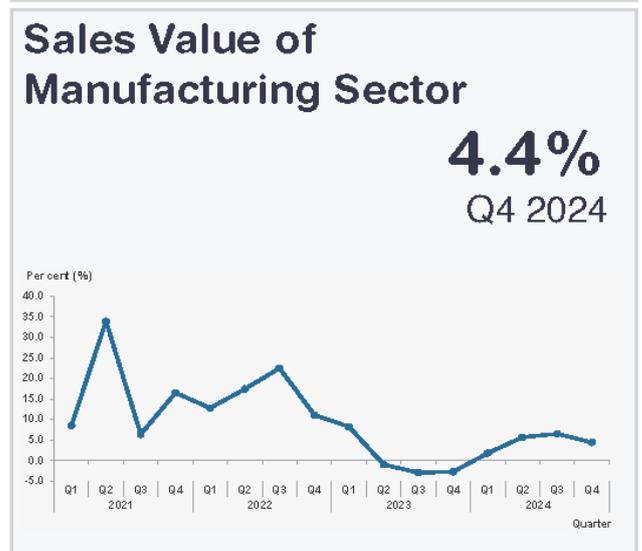
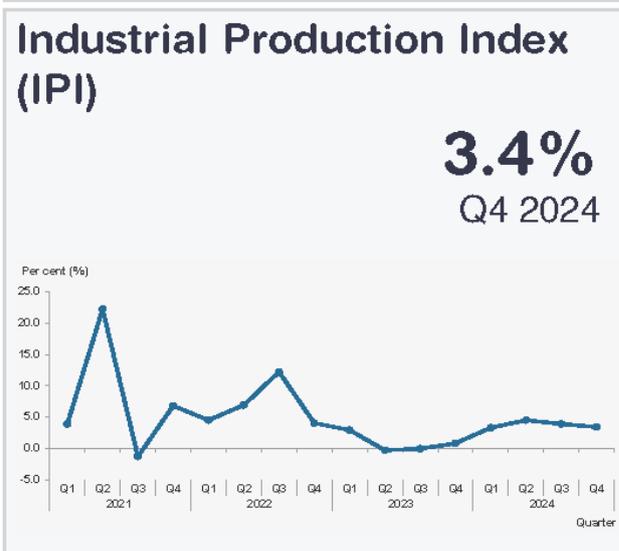
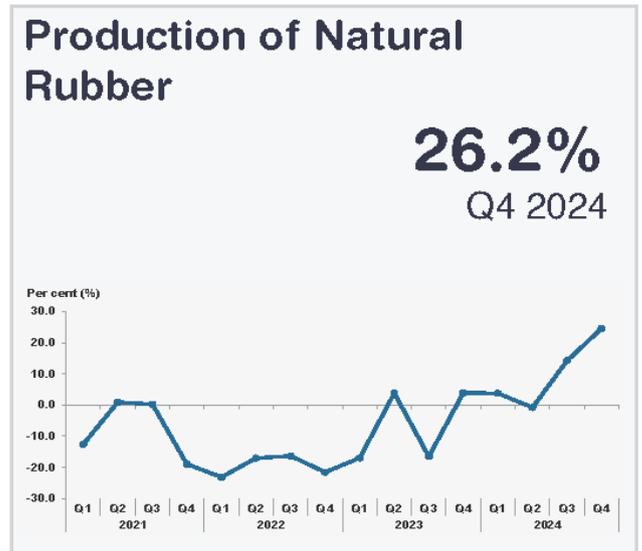
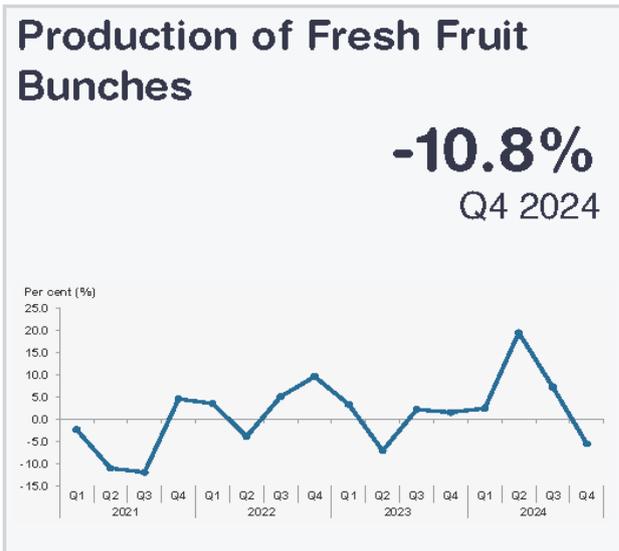
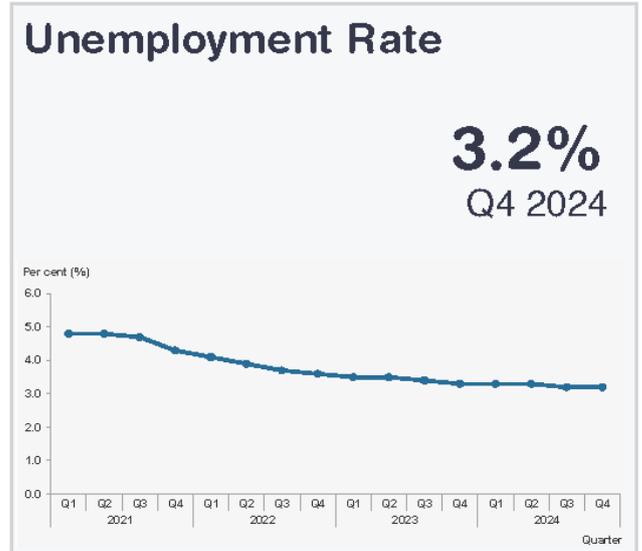
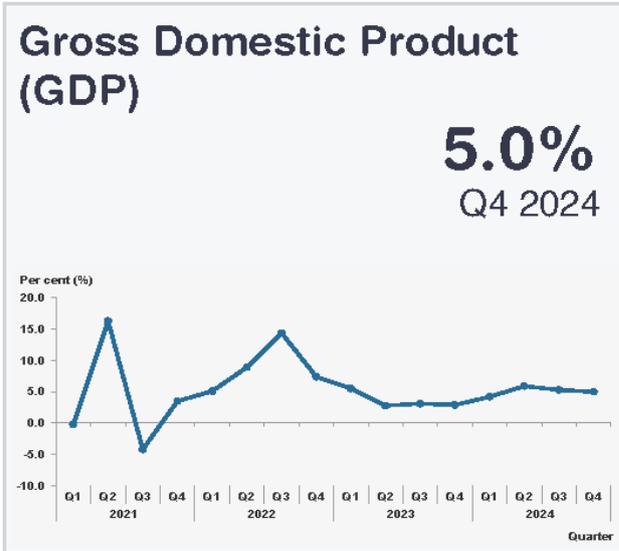
The Department of Statistics Malaysia (DOSM) has launched OpenDOSM NextGen as a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through <https://open.dosm.gov.my>.

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

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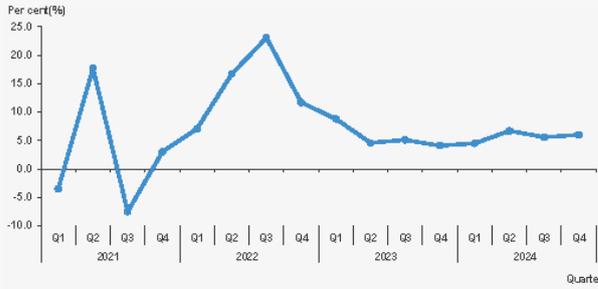
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DEPARTMENT OF STATISTICS MALAYSIA
28th FEBRUARY 2025**

Exhibit 1: Quaterly Economic Indicator



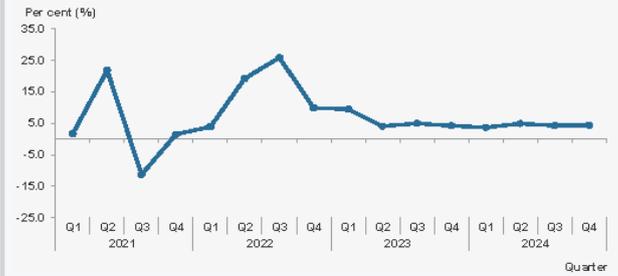
Index of Services

6.0%
Q4 2024



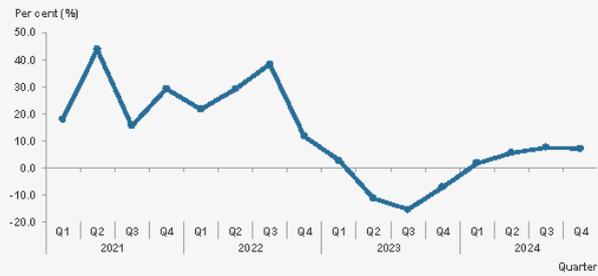
Volume Index of Wholesale & Retail Trade

4.4%
Q4 2024



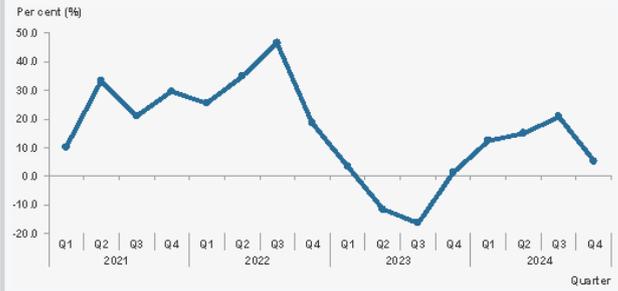
Exports

7.3%
Q4 2024



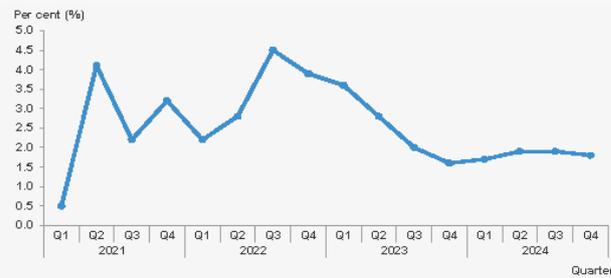
Imports

5.3%
Q4 2024



Consumer Price Index (CPI)

1.8%
Q4 2024



Producer Price Index (PPI) Local Production

-0.8%
Q4 2024

