Online Training Course on ‘Basic Statistics for Diplomats’

Compilation of GDP Production and Income Approach

20 March 2023
CONTENTS

01 INTRODUCTION TO NATIONAL ACCOUNTS AND GDP

02 HOW TO MEASURE GDP?

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1. INTRODUCTION TO NATIONAL ACCOUNTS AND GDP
# WHAT IS SYSTEM OF NATIONAL ACCOUNTS?

**SYSTEM OF NATIONAL ACCOUNTS**

The System of National Accounts (SNA) is the **internationally agreed standard set of recommendations on how to compile measures of economic activity** in accordance with strict accounting conventions based on economic principles.

The recommendations are expressed in terms of a set of **concepts, definitions, classifications and accounting rules** that comprise the **internationally agreed standard for measuring such items as gross domestic product (GDP)**, the most frequently quoted indicator of economic performance.

The accounting framework of the SNA allows economic data to be compiled and presented in a format that is designed for purposes of **economic analysis, decision-taking and policymaking**.
STRENGTH OF THE SNA

Internationally comparable
in terms of classification, concept and
definition

Comprehensive

Comparable

Consistent

Integrated

Identical values are used
for the consequences of a single
economic action

All consequences of single economic
action are captured in the accounts and
balance sheets - constitute a
coherent, closed system

Contained 29 chapters with all
designated activities are covered.
718 printed pages
BASIC IDEAS OF SNA

01 Who are the players? Institutional Units

02 What do they do? Engage in Production, Consumption, Accumulation

03 How is this measured? By means of transactions and other flows explaining the evolution of stocks of assets

04 How is this information presented? In economic accounts
**OVERVIEW OF AN ECONOMY**

To understand the macro economy, we need to measure it. **Chief measure of economy is the level of production.** We need to combine the many goods produced or consumed in an economy into one measure.

Without measures of economic aggregates like GDP, policymakers would be adrift in a sea of unorganized data. The GDP and related data are like beacons that help policymakers steer the economy toward the key economic objectives.

Paul Samuelson, in Samuelson and Nordhaus (1995)
### Economic Territory
- Geographic territory administered by the government of the country within which persons, goods, and capital can circulate freely

### Residence
- An institutional unit is treated as a resident unit of a country when it has **centre of predominant economic interest** in its economic territory

### Institutional units
- The basic building blocks used to compile statistics by economic sector
  - Owning assets
  - Incurring liabilities
  - Engaging in economic activities and transportations with other economic units
  - Having a full set of accounts
DEFINITIONS & CONCEPTS

- **What is GDP?**
  - Statistics that measures the value of all goods and services produced in the country
  - The broadest and most comprehensive measure of the economy that is widely accepted

- **Uses of the GDP Statistics**
  - Monitoring the behaviour of the economy
  - Macroeconomic analysis
  - International comparisons
THE IMPORTANCE OF GDP

- Macro-economic indicators
- Yardstick for the strength of the economy
- Denominators for various indicators
- Basic data analysis & forecasting
- Answers some basic economic questions about the economy
2. HOW TO MEASURE GDP?
## HOW TO MEASURE?

### GROSS DOMESTIC PRODUCT (GDP)

<table>
<thead>
<tr>
<th>Production Approach</th>
<th>Expenditure Approach</th>
<th>Income Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What is produced?</strong></td>
<td><strong>What is spent?</strong></td>
<td><strong>What is earned?</strong></td>
</tr>
<tr>
<td>Value of total production of goods and services by resident of a country</td>
<td>+ Final Private Consumption</td>
<td>Wages, dividends, and saving</td>
</tr>
<tr>
<td></td>
<td>+ Gov. Final Consumption</td>
<td>+ Compensation of employees</td>
</tr>
<tr>
<td></td>
<td>+ GFCF</td>
<td>+ Gross Operating Surplus</td>
</tr>
<tr>
<td></td>
<td>+ Changes in Inventories</td>
<td>+ (Taxes – Subsidies)</td>
</tr>
<tr>
<td></td>
<td>+ Export – Import</td>
<td></td>
</tr>
</tbody>
</table>

Value Added = Output – Intermediate Consumption

<table>
<thead>
<tr>
<th>Changes in Output &amp; Intermediate Input Components</th>
<th>Changes in Demand Components</th>
<th>Changes in Income Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>i.e Domestic Economy as well as Rest of The World Components</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Critical Factors:
- Methods of compilation that applied, Business Reporting – accuracy and reliability of Data Sources, Change of activity of Companies / Establishment, Concept & Definition, Classification, Timeliness & Frequency of Reporting, Level of Analysis and Interpretation.
• **GDP at current prices** measures the value of output at the prices prevailing in the period during which the output is produced.

• **GDP at constant prices** or real GDP measures the value of output produced in any one period at the **price of the base year**.
1) The original motivation for the development of national accounts and the systematic measurement of employment was the need for accurate measures of aggregate economic activity.

2) 2008 SNA was prepared under the auspices of the Inter-Secretariat Working Group on National Accounts (ISWGNA).

3) ISWGNA consists of five organizations:
   i. IMF
   ii. OECD
   iii. UNSD
   iv. EUROSTAT
   v. World Bank
<table>
<thead>
<tr>
<th>MANUAL</th>
<th>CLASSIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>• SYSTEM OF NATIONAL ACCOUNTS, UNITED NATIONS (2008 SNA)</td>
<td>• PRODUCT &amp; INDUSTRY CLASSIFICATION</td>
</tr>
<tr>
<td></td>
<td>• Malaysia Standard Industrial Classification 2008 (MSIC 2008)</td>
</tr>
<tr>
<td></td>
<td>• Malaysia Classification of Products by Activity (MCPA 2009)</td>
</tr>
<tr>
<td></td>
<td>• Central Product Classification (CPC)</td>
</tr>
<tr>
<td></td>
<td>• External Trade: Harmonized System (HS); SITC; AHTN; BEC</td>
</tr>
<tr>
<td></td>
<td>• OTHER INTERNATIONAL CLASSIFICATION</td>
</tr>
<tr>
<td></td>
<td>• Household Consumption:</td>
</tr>
<tr>
<td></td>
<td>Classification of Expenditure According to Purpose (COICOP)</td>
</tr>
<tr>
<td></td>
<td>• Government Function:</td>
</tr>
<tr>
<td></td>
<td>Classification of Function of Government (COFOG)</td>
</tr>
<tr>
<td></td>
<td>• Non Profit Institutions:</td>
</tr>
<tr>
<td></td>
<td>Classification of Purpose of NPISH (COPNI)</td>
</tr>
</tbody>
</table>
HOW TO MEASURE?

HOW WE GET STARTED?

ECONOMIC CENSUS
- 662,939 establishment in 2010 and almost 921 thousands in 2015

SUPPLY AND USE TABLES
- 1174 industries x 1174 commodities
- Commodity balancing

BENCHMARK GDP
- Estimation in Current & Constant prices
- Output, Input & VA
- 1174 Industries

ANNUAL GDP

OTHER NATIONAL ACCOUNT PRODUCTS
GDP BY PRODUCTION APPROACH

<table>
<thead>
<tr>
<th>ECONOMIC ACTIVITY</th>
<th>VALUE 2021 AT CURRENT PRICES (RM Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>838.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>362.7</td>
</tr>
<tr>
<td>Mining &amp; Quarrying</td>
<td>123.6</td>
</tr>
<tr>
<td>Agriculture</td>
<td>148.2</td>
</tr>
<tr>
<td>Construction</td>
<td>55.6</td>
</tr>
<tr>
<td>plus Import duties</td>
<td>17.0</td>
</tr>
<tr>
<td>GDP</td>
<td>1,545.4</td>
</tr>
</tbody>
</table>

- **GDP**: $\Sigma$ Value Added made by individual producer, industry or sector.

- **Value Added (VA)**: is the value of output less the value of intermediate consumption (IC)

- **Output**: Goods & Services produced by establishment

- **IC**: Goods & Services consumed as input in a process of production

- Example:
  
  Output = RM 1,000  
  IC = RM 650
  
  **VA = Output – IC**
  
  = RM 1,000 – RM 650
  
  = RM 350 #

Source: DOSM
The measurement of the output of agriculture, forestry and fishing is complicated by the fact the process of production may extend over many months, or even years.

Growing crops, standing timber, and stocks of fish or livestock reared for purposes of food have to be treated as work-in-progress that is, as output which is not yet sufficiently processed to be in a form which is ready to be marketed.

When the crops are harvested, the trees felled, or the livestock slaughtered, the process of production is completed and the work-in-progress is transformed into inventories of finished products ready for sale or other use.

Output should be recorded as being produced continuously over the entire period of production and not simply at the moment of time when the process is completed, i.e., when the crops are harvested or animals slaughtered.
MINING & QUARRYING

• Mining and Quarrying includes all units mainly engaged in mining, in exploration for minerals, and in the provision of a wide variety of services to mining and mineral exploration, as well as mining units under development.

• Include extraction, dressing and beneficiating of minerals occurring naturally as solids such as coal and ores, liquids such as crude oil, or gases such as natural gas.
Manufacturing, includes the **physical or chemical transformation** of materials, substances, or components into new products, although this cannot be used as the single universal criterion for defining manufacturing. The materials, substances, or components transformed are raw materials that are products of agriculture, forestry, fishing, mining or quarrying as well as products of other manufacturing activities. Substantial alteration, renovation or reconstruction of goods is generally considered to be manufacturing….MSIC 2008

**Output** consists of those goods or services that are produced within an establishment that become available for use outside that establishment, plus any goods and services produced for own final use.

**Intermediate consumption (Input)** consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital; the goods or services may be either transformed or used up by the production process.
Construction industry activity normally required **longer time period** to complete. The estimation of output for construction industry based on SNA 2008 is as follows:

‘*The production of high value capital goods such as ships, heavy machinery, buildings and other structures may take several months of year to complete. The output from such production must usually be measured by work-in-progress and cannot be recorded simply at the moment in time when the process of production is completed*.’

The value work-in-progress also which translated into **value of work done** for specified period of time is used to measure the value of output for construction.

The value of gross **output of Services** is defined to include the following items:

- Income from services rendered
- Value of goods sold in the same condition as purchased
- Management services
- Commission and brokerage earned
- Fees earned from membership
- Rental income received except land rental
- Other operating income
- Service tax and services charges
- Value of goods purchased for resale in the same condition
- Closing stocks - Opening stocks
- Research and development expenditure (In-house)

The value of **intermediate input of Services** is defined to include the following items:

- All other input costs (including training and value of the free apparel provided for the workers)
- Purchase of goods, materials and services
- Insurance premiums
- Royalty and patent fees
- Bank charges
- Purchase of electricity and water
- Purchase of fuels, lubricants and gas
- Research and development expenditure
- Environmental compliance expenditure
- Other operating expenditure
## DATA SOURCES

<table>
<thead>
<tr>
<th>Activity</th>
<th>Primary</th>
<th>Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Primary</td>
<td>Secondary</td>
</tr>
<tr>
<td>---------------</td>
<td>-------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| CONSTRUCTION  | 1. Quarterly Construction Statistics  
2. Economic Census          | Administrative Data (MOF)                                                  |
| SERVICES       | 1. Quarterly Distributive Trade Survey  
2. Quarterly Services Survey  
3. Census of Accommodation Services  
4. Census/Survey of Transport Services  
5. Census of Communication Services  
6. Economic Census | 1. Water board, private sector producers and distributors of electricity and water  
2. Gas distribution industry  
3. Companies account statement  
4. Port authorities, toll and airport operation  
5. Government agencies  
6. Financial statement from companies  
7. Central Bank of Malaysia  
8. Royal Malaysian Customs Department  
9. PDRM |
### GDP BY INCOME APPROACH

#### CONCEPTS & DEFINITION

<table>
<thead>
<tr>
<th>Compensation of Employees (CE)</th>
<th>Gross Operating Surplus (GOS)</th>
<th>Taxes less Subsidies on Production &amp; Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Wages &amp; salaries</td>
<td>• Profit/Loss</td>
<td>• Taxes on products (export duties, import duties, sales taxes, services taxes, excise duties, CESS)</td>
</tr>
<tr>
<td>• Gratuity, retirement/ retrenchment benefits</td>
<td>• Property, rental and investment income</td>
<td>• Other taxes on production (quit rent, road tax, business licenses)</td>
</tr>
<tr>
<td>• Payments in kind to paid employees (free medical attention, free food, free accommodation etc.)</td>
<td>• Mixed income (earnings of the owners and family members of unincorporated enterprises are partly compensation for their labour and partly operating surplus)</td>
<td>• Subsidies on products (fertilizer, pesticides, diesel)</td>
</tr>
<tr>
<td>• Employer's social contribution (EPF, SOCSO, worker's compensation insurance, etc)</td>
<td>• Consumption of fixed capital</td>
<td>• Other subsidies on production</td>
</tr>
</tbody>
</table>
COMPENSATION OF EMPLOYEES

• **Wages and salaries** include the value of remuneration in cash and in kind before any deductions are done for income taxes paid by the employees, payments on loans, personal social contributions, etc.
  
  i. Wages and Salaries **in cash**
  
  ii. Wages and Salaries **in kind**

• **Employers’ social contributions**
  
  i. Employers’ **actual** social contributions
  
  ii. Employers’ **imputed** social contributions

• Employers’ actual social contributions consist of the payments made by employers for the benefit of their employees to insurers (social security funds and private funded schemes).

• Employers’ imputed social contributions represent counterpart to unfunded social benefits which paid directly by employers to their employees or former employees and other eligible persons. (Do not involve an insurance enterprise or autonomous pension fund)
GROSS OPERATING SURPLUS (GOS) AND MIXED INCOME

Operating Surplus

- GOS is a measure of surplus accruing from process of production.
- ‘left-over’ from gross value added once labor and governments have received their shares.
- Gross operating surplus has two components:
  i. consumption of fixed capital (CoFC); and
  ii. net operating surplus (OS).
- CoFC represents the decline in the value of the gross capital stock due to normal damage and obsolescence, and wear and tear from the use of the assets in production.
- CoFC is calculated for all fixed assets (not for valuables and depletion/degradation of non-produced assets).
- Preferably compiled by using Perpetual inventory method

Mixed income

- Received by the unincorporated enterprises in the households sector
- Implicitly contains an element corresponding to remuneration for work done by the owner or members of his family which cannot be distinguished from his profits as entrepreneur
TAXES ON PRODUCTION AND IMPORTS

• Consist of compulsory, unrequited payments, in cash or in kind which are levied by general government in respect of the production and importation of goods and services, the employment of labor, the ownership or use of land, buildings or other assets used in production

• Taxes on production and imports are divided into:
  i. taxes on products
  ii. other taxes on production

Taxes in the SNA

- Taxes on production and imports
  - Taxes on products: e.g. export duties, import duties, sales taxes, services taxes, excise duties, CESS
  - Other taxes on production: e.g. quit rent, road tax, business licenses
**SUBSIDIES**

- Current unrequited payments which **government makes to resident producers**, on the basis of the levels of their production activities or the quantities or values of the goods or services that they produce, sell, or import.

- Subsidies may be designed to **influence their levels of production**, their **prices** or the **remuneration** of the **factors of production**

- Subsidies are classified into:
  1. **subsidies on products**
  2. **other subsidies on production**

  e.g.:
  - Subsidies on payroll or workforce
  - Agricultural products
  - Petrol, Diesel
  - Flour, sugar
DATA SOURCES

GROSS DOMESTIC PRODUCT BY INCOME APPROACH

COMPENSATION OF EMPLOYEES
- Wages and salaries
- Employers’ social contribution

GROSS OPERATING SURPLUS
- Operating surplus
- Mixed income
- Consumption of fixed capital

TAXES LESS SUBSIDIES

TAXES
- Taxes on product
- Other taxes on production

SUBSIDIES
- Subsidies on products
- Other subsidies on production

PRIMARY DATA SOURCES
- Economic census or survey
- Labour Force Survey
- Household Income Survey
- Salaries & Wages Survey
- Monthly Manufacturing Survey
- Quarterly Survey of Services
- Supply and Use Tables

SECONDARY DATA SOURCES
- Employees Provident Fund (EPF)
- Social Security Organisation (SOCSO)
- Inland Revenue Board of Malaysia (IRBM)

SECONDARY DATA SOURCES
- Annual Report of Companies

SECONDARY DATA SOURCE
- Accountant General’s Department of Malaysia
## GDP MEASUREMENT: SNA 2008

### COMPARISON OF 3 APPROACHES

<table>
<thead>
<tr>
<th>GDP at current prices, 2021 (RM billion)</th>
<th>Production Approach</th>
<th>Expenditure Approach</th>
<th>Income Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+ 148.2</td>
<td>+ 894.9</td>
<td>+ 537.9</td>
</tr>
<tr>
<td></td>
<td>(Agriculture)</td>
<td>(Private Final Consumption)</td>
<td>(Compensation of Emly.)</td>
</tr>
<tr>
<td></td>
<td>+ 123.6</td>
<td>+ 196.5</td>
<td>+ 971.7</td>
</tr>
<tr>
<td></td>
<td>(Mining &amp; quarrying)</td>
<td>(Government Final Consumption)</td>
<td>(Gross Operating Surplus)</td>
</tr>
<tr>
<td></td>
<td>+ 362.7</td>
<td>+ 298.1</td>
<td>+ 35.7</td>
</tr>
<tr>
<td></td>
<td>(Manufacturing)</td>
<td>(Gross Fixed Capital Formation)</td>
<td>(Taxes - Subsidies)</td>
</tr>
<tr>
<td></td>
<td>+ 55.6</td>
<td>+ 46.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Construction)</td>
<td>(Changes in inventories and valuables)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ 838.3</td>
<td>+ 1063.8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Services)</td>
<td>(net Export)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ 17.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Import duties)</td>
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<td></td>
</tr>
<tr>
<td></td>
<td><strong>1,545.4</strong></td>
<td><strong>1,545.4</strong></td>
<td><strong>1,545.4</strong></td>
</tr>
</tbody>
</table>

Production = Expenditure = Income
3. Malaysia’s Economic Performance
Global growth is projected to grow at **3.4 per cent in 2022** to **2.9 per cent in 2023**. The projection for 2022 is 0.2 percentage point higher than the October 2022 forecast reflecting the resilient demand in the United States and Europe, easing energy costs and the full reopening of China's economy.

Malaysian economy is expected to register a higher growth in the range of **6.5 to 7.0 per cent in 2022**. The economy is projected to grow between **4.0 to 5.0 per cent in 2023**, supported by:

1. **Steady domestic demand**
2. **Vibrant services sector**
3. **Implementation of new and ongoing high multiplier infrastructure project**
4. **Sustained exports**

### WORLD ECONOMY

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022e</th>
<th>2023f</th>
<th>2024f</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>World</strong></td>
<td>6.2</td>
<td>3.4</td>
<td>2.9</td>
<td>3.1</td>
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<tr>
<td><strong>Advanced economies</strong></td>
<td>5.4</td>
<td>2.7</td>
<td>1.2</td>
<td>1.4</td>
</tr>
<tr>
<td>United States</td>
<td>5.9</td>
<td>2.0</td>
<td>1.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Euro area</td>
<td>5.3</td>
<td>3.5</td>
<td>0.7</td>
<td>1.6</td>
</tr>
<tr>
<td>Japan</td>
<td>2.1</td>
<td>1.4</td>
<td>1.8</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Emerging market and developing economies</strong></td>
<td>6.7</td>
<td>3.9</td>
<td>4.0</td>
<td>4.2</td>
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<tr>
<td>China</td>
<td>8.4</td>
<td>3.0</td>
<td>5.2</td>
<td>4.5</td>
</tr>
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<td>Indonesia</td>
<td>3.7</td>
<td>5.3</td>
<td>4.8</td>
<td>5.1</td>
</tr>
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<td>Thailand</td>
<td>1.5</td>
<td>3.2</td>
<td>3.7</td>
<td>3.6</td>
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<tr>
<td>Malaysia</td>
<td>3.1</td>
<td>6.7</td>
<td>4.4</td>
<td>4.9</td>
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<td>Philippines</td>
<td>5.7</td>
<td>7.0</td>
<td>5.0</td>
<td>6.0</td>
</tr>
<tr>
<td>India</td>
<td>8.7</td>
<td>6.8</td>
<td>6.1</td>
<td>6.8</td>
</tr>
</tbody>
</table>

**Source**: World Economic Outlook Update, January 2023
International Monetary Fund (IMF)

**Notes**: e - estimate  
f - forecast

**Source**: Economic Outlook 2023, October 2022  
Ministry of Finance, Malaysia
### MALAYSIA’S GDP (2015 = 100)

#### PRODUCTION APPROACH

Note: Import Duty not included

#### Annual Growth of Main Economic Activities (YoY%)

<table>
<thead>
<tr>
<th>Type of Economic Activity</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2021 Q1</th>
<th>2021 Q2</th>
<th>2021 Q3</th>
<th>2021 Q4</th>
<th>2022 Q1</th>
<th>2022 Q2</th>
<th>2022 Q3</th>
<th>2022 Q4</th>
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</thead>
<tbody>
<tr>
<td>GDP</td>
<td>-5.5</td>
<td>3.1</td>
<td>8.7</td>
<td>-0.5</td>
<td>15.9</td>
<td>-4.5</td>
<td>3.6</td>
<td>5.0</td>
<td>8.9</td>
<td>14.2</td>
<td>7.0</td>
</tr>
<tr>
<td>Services</td>
<td>-5.4</td>
<td>1.9</td>
<td>10.9</td>
<td>-2.3</td>
<td>13.4</td>
<td>-4.9</td>
<td>3.2</td>
<td>6.5</td>
<td>12.0</td>
<td>16.7</td>
<td>8.9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-2.7</td>
<td>9.5</td>
<td>8.1</td>
<td>6.7</td>
<td>26.7</td>
<td>-0.8</td>
<td>9.1</td>
<td>6.6</td>
<td>9.2</td>
<td>13.2</td>
<td>3.9</td>
</tr>
<tr>
<td>Mining &amp; quarrying</td>
<td>-9.7</td>
<td>0.3</td>
<td>3.4</td>
<td>-4.4</td>
<td>10.6</td>
<td>-3.2</td>
<td>-0.6</td>
<td>-1.1</td>
<td>-0.5</td>
<td>9.2</td>
<td>6.8</td>
</tr>
<tr>
<td>Construction</td>
<td>-19.3</td>
<td>-5.2</td>
<td>5.0</td>
<td>-10.4</td>
<td>40.3</td>
<td>-20.6</td>
<td>-12.2</td>
<td>-6.2</td>
<td>2.4</td>
<td>15.3</td>
<td>10.1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>-2.4</td>
<td>-0.2</td>
<td>0.1</td>
<td>0.1</td>
<td>-1.5</td>
<td>-2.0</td>
<td>2.8</td>
<td>0.1</td>
<td>-2.4</td>
<td>1.2</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Malaysia’s GDP grew moderately driven by the Services, Manufacturing and Mining & Quarrying sectors.

#### Contribution Q4 2022

- Services: 58.6%
- Manufacturing: 24.0%
- Construction: 3.5%
- Agriculture: 6.3%
- Mining and quarrying: 6.4%

Note: Import Duty not included
PERFORMANCE OF MALAYSIA’S ECONOMY
FOURTH QUARTER 2022

Malaysia’s economic performance increased

Performance in terms of production is driven by the **Services** and **Manufacturing** sectors.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q322 (%)</th>
<th>Q321 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Services</strong></td>
<td>8.9</td>
<td>16.7</td>
</tr>
<tr>
<td><strong>Manufacturing</strong></td>
<td>3.9</td>
<td>13.2</td>
</tr>
<tr>
<td><strong>Mining &amp; Quarrying</strong></td>
<td>6.8</td>
<td>9.2</td>
</tr>
<tr>
<td><strong>Agriculture</strong></td>
<td>1.1</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>10.1</td>
<td>15.3</td>
</tr>
</tbody>
</table>

Performance on the expenditure side was driven by **Private Final Consumption Expenditure**.

<table>
<thead>
<tr>
<th>Expenditure Type</th>
<th>Q322 (%)</th>
<th>Q321 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Private Final Consumption Expenditure</strong></td>
<td>7.4</td>
<td>15.1</td>
</tr>
<tr>
<td><strong>Gross Fixed Capital Formation</strong></td>
<td>8.8</td>
<td>13.1</td>
</tr>
<tr>
<td><strong>Government Final Consumption Expenditure</strong></td>
<td>2.4</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
<td>9.6</td>
<td>23.9</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td>8.1</td>
<td>24.4</td>
</tr>
</tbody>
</table>

Note: **Q422** | **Q322**

- **GDP at Current Prices**: RM467.3 billion (Q322: RM455.8 billion)
- **GDP at Constant Prices**: RM397.2 billion (Q322: RM383.8 billion)
- **Gross National Income (GNI)**: RM455.8 billion (Q322: RM438.7 billion)
- **GNI per capita**: RM55,232 (Q322: RM53,383)
In 2021, the Malaysia’s economy recorded a value added of RM1,545.4 billion.
Manufacturing, Services and Agriculture are the main contributors for the Compensation of employees to GDP.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Value Added</th>
<th>CE</th>
<th>Share of Compensation of Employess to Value Added (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANUFACTURING</td>
<td>3.9</td>
<td>-2.6</td>
<td>14.9</td>
</tr>
<tr>
<td>SERVICES</td>
<td>6.8</td>
<td>-5.0</td>
<td>2.6</td>
</tr>
<tr>
<td>AGRICULTURE</td>
<td>0.7</td>
<td>5.7</td>
<td>27.9</td>
</tr>
<tr>
<td>MINING AND QUARRYING</td>
<td>-2.8</td>
<td>-26.6</td>
<td>28.5</td>
</tr>
<tr>
<td>CONSTRUCTION</td>
<td>1.5</td>
<td>-18.9</td>
<td>-3.5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4.5</td>
<td>-6.3</td>
<td>9.0</td>
</tr>
</tbody>
</table>

Composition by Sector:

- **CE**: 2.2%
- **GOS**: 13.8%

**2021**

- **RM 537.9b**
- **RM 970.6b**
“STATISTICS BLOOM IN HARMONY”

Doesn’t matter far or near
Strength in numbers
we don’t live in fear

Birds of feather flock together
Statistics our form of adour
We, will always live it up

So let us live in solidarity
And in the world arena we’ll succeed
It is statistics that will come to be
The reason we will bloom in harmony

Everybody undivided
Data’s where our hearts reside in
There will always be a bind

Just like fire that ignites
That’s how brightly lit our dreams are
We’ll reach higher than the stars

Sending love to one another
Leaving no one in a slumber
We will stand with unity

Muster our courage while
Embracing our disparities
We’ll achieve our victory

One dream with unity
One love with harmony