

Eight states record better growth performance than national GDP in 2020 — DOSM

KUALA LUMPUR, June 29 — Although all 14 states, including the Federal Territories, recorded negative growth in 2020, eight states recorded better gross domestic product (GDP) rates than the national GDP contraction of 5.6 per cent.

Department of Statistics Malaysia (DOSM) chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the eight states were the Federal Territory of Labuan, which recorded a decrease of 0.5 per cent, followed by Kelantan (-1.1 per cent), Kedah (-1.7 per cent), Penang (-2.1 per cent), Perak (-2.3 per cent), Negeri Sembilan (-3.6 per cent), Johor (-4.6 per cent) and Selangor (-5.3 per cent).

Meanwhile, the Federal Territory of Kuala Lumpur recorded a decline of -7.5 per cent, Sarawak (-7.1 per cent), Sabah (-9.5 per cent), Pahang (-5.9 per cent), Melaka (-5.9 per cent), Terengganu (-5.7 per cent), and Perlis (-6.1 per cent).

“Although the Covid-19 pandemic has negatively impacted most states’ economy, six states — Selangor, Kuala Lumpur, Johor, Sarawak, Penang and Sabah — remain as major GDP contributors to the nation, with a combined contribution of 72.1 per cent,” said Mohd Uzir.

He said this during a virtual press conference on the Economic Performance by State 2020 today.

In addition, the chief statistician said Malaysia’s 2020 economic growth was the second-lowest recorded, after the 1998 financial crisis, with the national GDP amounting to a reduction of RM80.4 billion compared with 2019.

At the state level, Selangor recorded the highest GDP reduction of RM18.3 billion, followed by the Federal Territory of Kuala Lumpur (RM17.5 billion), Sarawak (RM9.6 billion) and Sabah (RM8.1 billion).

The four states had contributed 66.7 per cent to the national depreciation value, said Mohd Uzir, adding that the different components of economic activities in each state gave different impacts on economic growth.

“In general, some states are seen to have relatively deeper impacts compared with other states that have a basic economic structure to balance the magnitude of the national level decline.

“Various stimulus package programmes and initiatives have been announced by the federal and state governments to help business sustainability, reduce the stress on the business environment and accelerate the recovery of the labour market,” he explained.

In terms of GDP per capita value, 13 states and two federal territories recorded a decline in 2020 compared with 2019.

However, seven states recorded GDP per capita value above the national level of RM43,378, namely, the Federal Territory of Kuala Lumpur (RM120,600), the Federal Territory of Labuan (RM76,792), Penang (RM54,718), Selangor (RM51,966), Sarawak (RM48,597), Melaka (RM45,893) and Negeri Sembilan (RM43,859).

For the 2021 economic outlook, the chief statistician said although the implementation of the movement control order (MCO) was expected to continue, a balance between health interests and economic recovery could be achieved by opening up more business activities with stricter adherence to standard operating procedures.

Based on the Leading Index in April 2021, Malaysia's economic performance is expected to be encouraging should the pandemic subside, in line with the strengthening of global demand, he said.

In addition, the participation of the people in the National Covid-19 Immunisation Programme is also expected to increase business confidence in the production of goods and services in the country as well as to attract foreign investors, Mohd Uzir added.

— Bernama

<https://selangorjournal.my/2021/06/eight-states-record-better-growth-performance-than-national-gdp-in-2020-dosm/>