



MINISTRY OF ECONOMY  
DEPARTMENT OF STATISTICS MALAYSIA

## MEDIA STATEMENT

### GROSS DOMESTIC PRODUCT INCOME APPROACH

#### Malaysia's nominal GDP reached RM2.03 trillion in 2025, with Compensation of employees contributing 33.9 per cent

**PUTRAJAYA, 29 JULY 2026** – The Gross Domestic Product (GDP) Income Approach 2025 released today by the Department of Statistics Malaysia (DOSM), measures the income accruing from production in the economy. The publication presents the composition of GDP by income component namely Compensation of Employees (CE), Gross Operating Surplus (GOS) and Taxes less Subsidies on Production and Imports (Net taxes), offering insights into the distribution of income in the economy.

In a statement today, DOSM stated that Malaysia's nominal GDP expanded by 4.8 per cent to RM2.03 trillion in 2025. Of the total, CE accounted for 33.9 per cent as compared to 33.6 per cent in 2024. CE rose 5.8 per cent, outpacing the overall economic growth, resulting a higher share of employees' compensation in GDP. In the meantime, GOS which representing 62.0 per cent of GDP, recorded a growth of 2.1 per cent. Meanwhile, Net taxes surged by 53.7 per cent, lifting its contribution to 4.1 per cent of GDP.

The increase of CE in 2025 was in line with improvements in labour market performance, with employment increased by 1.3 per cent and labour productivity per employment expanding by 4.0 per cent. In addition, the revision of the minimum wage to RM1,700 and the implementation of the Public Service Remuneration System (SSPA) contributed to higher compensation of employees during the year.

By sector, CE in the Services sector rose by 6.2 per cent, with increases recorded in all sub-sectors, particularly Wholesale and retail trade, food & beverages and accommodation. The Construction sector recorded an increase of 11.4 per cent, followed by the Manufacturing sector with a growth of 2.5 per cent, mainly supported by Non-metallic mineral products, basic metal and fabricated metal products activities. Meanwhile, CE in Agriculture and Mining & quarrying sectors grew by 6.5 per cent and 3.2 per cent, respectively.

The Services sector made up the largest share of CE, accounting for 62.6 per cent of the total CE in 2025, in line with its largest share of employment. The Manufacturing and Construction sectors contributed 21.8 per cent and 9.5 per cent, respectively, while the Agriculture and Mining & quarrying sectors accounted for 3.9 per cent and 2.3 per cent, respectively.

The growth of GOS was primarily driven by the Services (5.2%), Agriculture (5.0%) and Construction (2.1%) sectors. In contrast, GOS in the Manufacturing and Mining & quarrying sectors declined by 0.5 per cent and 11.0 per cent, respectively. In terms of share, the Services sector accounted for the largest share at 55.5 per cent in 2025 and followed by the Manufacturing sector with a share of 22.6 per cent.

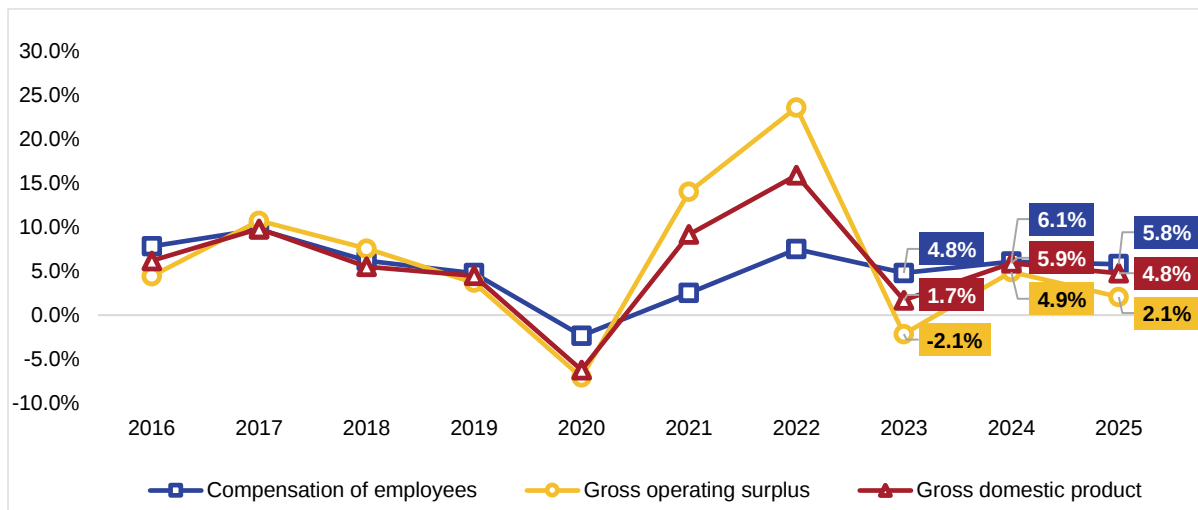
Net taxes amounted to RM83.5 billion in 2025. The increase was mainly due to higher tax revenue and lower subsidies. Taxes on production and imports expanded by 12.9 per cent, supported by higher collections from services tax and import duties. Meanwhile, subsidies declined by 36.5 per cent following the implementation of the fuel subsidy rationalisation measures.

The Department of Statistics Malaysia (DOSM) is conducting the **Economic Census 2026 (BE2026)**, with themed “**Data Nadi Ekonomi Rakyat**”. The sixth Economic Census, will be carried out from **5<sup>th</sup> January to 31<sup>st</sup> October 2026**. BE2026 aims to collect comprehensive and structured data from all registered and unregistered business establishments in Malaysia to assess the nation’s economic performance, structure and characteristics in an evidence-based manner.

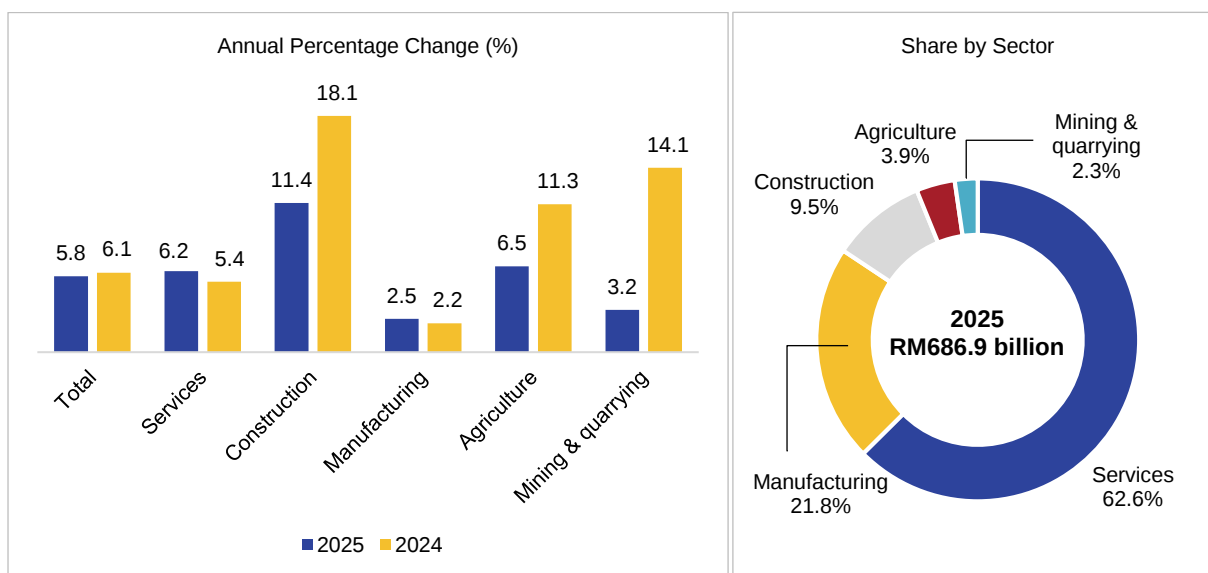
**OpenDOSM NextGen** is a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through <https://open.dosm.gov.my>.

Released by:

**THE OFFICE OF CHIEF STATISTICIAN MALAYSIA**  
**DEPARTMENT OF STATISTICS MALAYSIA**  
**29 JULY 2026**

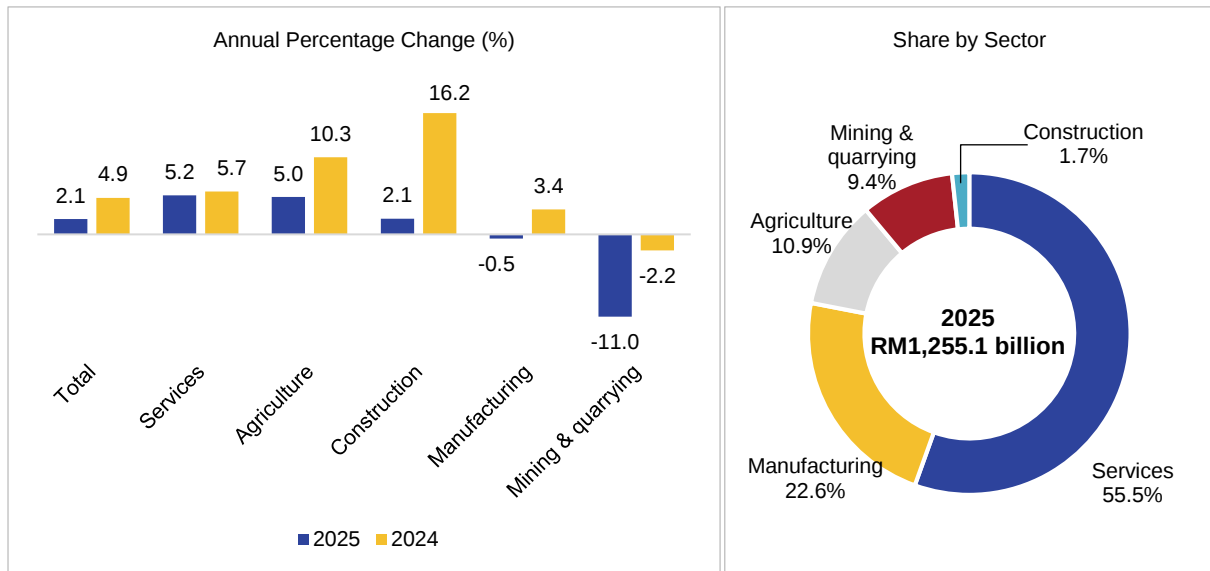
**Chart 1: Annual Percentage Change of Income Components**

Source: Department of Statistics Malaysia

**Chart 2: Annual Percentage Change of Compensation of Employees and Share by Sector**

Source: Department of Statistics Malaysia

**Chart 3: Annual Percentage Change of Gross Operating Surplus and Share by Sector**



Source: Department of Statistics Malaysia

**Chart 4: Performance of Taxes less Subsidies on Production and Imports**



Source: Department of Statistics Malaysia