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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

GROSS DOMESTIC PRODUCT FOURTH QUARTER 2023

Malaysia's economy grew by 3.0 per cent in the fourth quarter of 2023 and 3.7 per cent for the overall 2023

Malaysia’s economy expanded by 3.0 per cent in the fourth quarter of 2023, as compared to 3.3 per cent in the previous quarter. In terms of seasonally adjusted, the economy shrank by 2.1 per cent (Q3 2023: 2.6%). On the supply side, the Services sector remained as the main impetus for the economic growth in this quarter, with all other sectors experienced positive growth except for the Manufacturing sector. Meanwhile, Private final consumption expenditure and Gross fixed capital formation were the main catalyst on the demand side. Overall Malaysia’s economy grew at 3.7 per cent (2022: 8.7%) in 2023, with a value of RM1.82 trillion at current prices and RM1.57 trillion at constant prices. Nonetheless, Gross national income per capita decreased by 0.02 per cent to RM52,955 from a growth of 14.5 per cent (RM52,968) in 2022.

In terms of sectoral performance, **Services** sector posted a growth of 4.2 per cent from 5.0 per cent recorded in the third quarter of 2023. In terms of seasonally adjusted, the Services sector contracted by 2.4 per cent (Q3 2023: 2.1%). The performance of Services sector was underpinned by the Wholesale & retail trade sub-sector (4.4%) mainly supported by wholesale and retail trade segments. Likewise, Transportation & storage and Business services sub-sectors sustained the growth of 12.2 per cent (Q3 2023: 12.8%) and 8.2 per cent (Q3 2023: 8.6%), respectively. Conversely, the Finance and insurance sub-sector recorded a further decline of 4.7 per cent in this quarter. **Manufacturing** sector slightly dropped 0.3 per cent (Q3 2023: -0.1%) in the fourth quarter of 2023. In terms of seasonally adjusted, the Manufacturing sector declined 2.9 per cent (Q3 2023: 1.5%). The contraction of the Manufacturing sector was attributed to Electrical, electronic and optical products, which further declined 6.0 per cent from a negative 2.5 per cent in the third quarter of 2023. Nonetheless, the better performance in Vegetable and animal oils & fats and food processing (7.2%) and Non-metallic mineral products, basic metal & fabricated metal products (6.2%) has mitigated the downturn of this sector. **Mining and quarrying** sector rebounded at 3.8 per cent from a marginal decline of 0.1 per cent in the third quarter of 2023. In terms of seasonally adjusted, this sector eased to 1.5 per cent (Q3 2023: 8.6%). The favourable performance of this sector was buoyed by the recovery in the Natural gas sub-sector, which surged 4.6 per cent (Q3 2023: -2.2%) due to higher gas production. Additionally, the Crude and condensate sub-sector increased further to 3.3 per cent (Q3 2023: 2.1%) in this quarter. **Agriculture** sector grew 1.9 per cent in the fourth quarter of 2023, as against 0.9 per cent in the preceding quarter. In terms of seasonally adjusted, this sector increased 3.5 per cent (Q3 2023: 4.6%). The encouraging growth in this sector was backed by the Oil palm sub-sector, which increased 1.6 per cent (Q3 2023: 2.2%) in tandem with higher production of fresh fruit bunches. Meanwhile, the recovery in the Fishing (4.4%) and Rubber (3.8%) sub-sectors also supported the expansion in this sector. However, Forestry & logging sub-sector dropped 10.6 per cent in this quarter. **Construction** sector moderated 3.6 per cent as compared to 7.2 per cent in the third quarter of 2023. In terms of seasonally adjusted, this sector dropped by 7.3 per cent (Q3 2023: 3.7%). The growth of Construction sector was supported by Civil engineering, which posted an impressive growth of 16.8 per cent (Q3 2023: 14.6%). Furthermore, Residential buildings and Specialised construction activities eased by 1.3 per cent (Q3 2023: 6.2%) and 0.5 per cent (Q3 2023: 10.4%), respectively. Nevertheless, Non-residential buildings declined by 4.9 per cent in this quarter.

Private final consumption expenditure grew 4.2 per cent (Q3 2023: 4.6%), impelled by the consumption of Transport, Food & non-alcoholic beverages and Housing, water, electricity, gas & other fuels. However, Private final consumption expenditure declined by 3.0 per cent (Q3 2023: -0.7%) in terms of seasonally adjusted. **Government final consumption expenditure** strengthened to 7.3 per cent from 5.8 per cent in the previous quarter, led by spending on supplies and services. In terms of seasonally adjusted, Government final consumption expenditure increased marginally to 0.6 per cent (Q3 2023: 4.6%). **Gross fixed capital formation** (GFCF) rose to 6.4 per cent in this quarter from 5.1 per cent in the preceding quarter. In terms of seasonally adjusted, GFCF grew 0.3 per cent (Q3 2023: 1.8%). The expansion of GFCF was primarily led by the growth in Structure (4.3%) and Machinery & equipment (9.7%). Furthermore, Other asset expanded 1.7 per cent from 0.6 per cent in the third quarter of 2023. In terms of GFCF by sector, the Private sector, which accounted for 65.5 per cent of GFCF increased 4.0 per cent (Q3 2023: 4.5%). Meanwhile, the Public sector registered a robust growth of 11.3 per cent from 7.5 per cent in the preceding quarters. **Exports** in this quarter registered a small contraction of 6.3 per cent as against to a decline of 12.0 per cent in the preceding quarter influenced by the performance exports of goods and services. In terms of seasonally adjusted, Exports increased by 1.0 per cent (Q3 2023: 0.6%). **Imports** shrank 2.9 per cent from a decline of 11.1 per cent in the previous quarter due to the performance of

imports of goods. Conversely, Imports rebounded to 2.6 per cent (Q3 2023: -0.8%) in terms of seasonally adjusted.

Contact person:
Baharudin Mohamad
Public Relation Officer
Strategic Communication and International Division
Department of Statistics Malaysia
Tel : +603-8090 4681
Fax : +603-8888 9248
Email : baharudin[at]dosm.gov.my

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