

EMBARGO: Only to be published or disseminated at **12:00 hour, Friday, 2 August 2024**



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

STATE SOCIOECONOMIC REPORT, 2023



PERFORMANCE OF GROSS DOMESTIC PRODUCT (GDP) BY STATE, 2023

Malaysia's economy in 2023 amounted to RM1.6 trillion (2022: RM1.5 trillion), grew by 3.6 per cent, with all states recorded encouraging positive growth. Four (4) states outperformed the national growth rate were Selangor at 5.4 percent, Pahang 5.2 percent, Johor 4.1 per cent, and W.P. Kuala Lumpur at 3.7 percent as illustrated in **Chart 1**. Five (5) states namely Selangor, W.P. Kuala Lumpur, Johor, Sarawak, and Pulau Pinang remained the primary contributors to Malaysia's economy, accounting for 67.7 per cent of the total (2022: 67.4%). The national GDP per capita for 2023 was RM54,612. Five (5) states that recorded a GDP per capita above the national level were W.P. Kuala Lumpur (RM131,038), Labuan (RM83,596), Pulau Pinang (RM72,586), Sarawak (RM72,411), and Selangor (RM62,492).

Chart 1: Economic growth by state and economic activity, 2022 & 2023

State	 Agriculture	 Mining & Quarrying	 Manufacturing	 Construction	 Services	 GDP 2023	 GDP 2022
Selangor	-7.3	3.8	2.0	10.2	6.1	5.4	11.9
Pahang	2.5	9.6	2.1	37.1	6.0	5.2	11.4
Johor	-1.1	6.5	2.8	13.2	5.4	4.1	8.5
WPKL*	-29.8	3.3	1.8	-8.9	4.9	3.7	9.4
Malaysia	0.7	0.5	0.7	6.1	5.1	3.6	8.9
Pulau Pinang	6.5	6.8	-0.5	23.6	6.0	3.3	13.3
Melaka	6.5	6.1	0.3	5.7	4.2	3.0	8.9
Perak	1.9	8.3	2.2	-0.2	3.0	2.7	4.6
Kelantan	-0.5	8.1	-2.6	6.7	3.8	2.6	4.5
Terengganu	7.4	5.3	0.2	1.6	3.1	2.3	6.0
Perlis	4.1	5.2	-1.0	4.0	2.3	2.1	5.9
WP Labuan	3.2	-	0.4	1.8	2.2	1.9	4.1
Negeri Sembilan	-4.9	8.6	1.2	-8.4	4.5	1.8	6.6
Kedah	-2.8	6.7	-3.2	30.8	4.0	1.6	7.3
Sabah	0.8	-5.2	4.4	-1.1	4.5	1.3	3.9
Sarawak	2.0	-1.0	-3.9	8.3	5.4	1.2	6.9
SUPRA	-	3.8	-	-	-	3.8	2.3

* Includes W.P. Putrajaya

INFLATION

National inflation moderated to 2.5 per cent in 2023 (2022: 3.3%), with the index value of 130.4 from 127.2 in the previous year. Major categories experienced inflation increases, except for Communication, which decreased by 3.0 per cent. The highest increase was recorded in Restaurants & Hotels at 5.6 per cent. This was followed by Food & Beverages (4.8%), Miscellaneous Goods & Services (2.4%), Household Furnishings & Maintenance (2.3%), Health (2.2%), Education (1.9%), Housing, Water, Electricity, Gas & Other Fuels (1.7%), Recreation & Culture (1.5%), Transportation (1.1%), Alcoholic Beverages & Tobacco (0.6%), and Clothing &

Footwear (0.3%). Overall, inflation increased gradually across all states, with five (5) states exceeding the national average of 2.5 per cent including W.P. Putrajaya (3.4%), Sarawak (3.1%), Selangor (2.9%), Perak (2.8%) and Pahang (2.6%). The lowest inflation rate was registered by W.P. Labuan (1.6%), followed by Kedah and Kelantan, at 1.7 per cent respectively.

EXTERNAL TRADE STATISTICS

Malaysia recorded a total trade of RM2.6 trillion, with exports amounting to RM1.4 trillion and imports at RM1.2 trillion. Five (5) states including Pulau Pinang, Selangor, Johor, W.P. Kuala Lumpur, and Sarawak contributed 80.9 per cent of the total trade in 2023. During the same period, Malaysia's exports declined by 8.0 per cent as compared to 24.9 per cent growth in the previous year. Pulau Pinang remained the leading exporter, contributing 31.4 per cent, followed by Johor (20.3%), Selangor (17.7%), Sarawak (7.8%), and W.P. Kuala Lumpur (4.6%). The main export in Pulau Pinang and Selangor was electrical and electronic products. Refined petroleum products were the main export contributor in Johor, while liquefied natural gas (LNG) was the primary export contributor in Sarawak. Meanwhile, imports in 2023 also recorded a decline of 6.4 per cent or RM82.3 billion as compared to the previous year. Selangor dominated the country's imports with a contribution of 26.6 per cent, followed by Johor (22.4%), Pulau Pinang (20.7%), W.P. Kuala Lumpur (7.6%) and Kedah (5.4%). The main imports of Selangor and Johor was refined petroleum products while electrical and electronic products was the main imports for Pulau Pinang, Kedah and W.P. Kuala Lumpur.

LABOUR FORCE

In terms of Malaysia's labour market, the Labour Force Participation Rate (LFPR) increased by 0.8 percentage points to 70.0 per cent in 2023 (2022: 69.3%). Seven (7) states exceeded the national average, including W.P. Putrajaya (78.6%), Selangor (77.4%), and W.P. Kuala Lumpur (74.2%), Johor (71.3%), Pulau Pinang (71.3%), Sabah (70.1%), and Melaka (70.1%). Meanwhile, Kelantan and Terengganu reported the lowest LFPR with 57.3 per cent and 60.0 per cent respectively. At the same time, the unemployment rate improved, decreased 0.5 percentage points to 3.4 per cent from 3.9 cent in the

previous year. The highest unemployment rates were recorded in Sabah and W.P. Labuan at 7.5 per cent and 6.8 per cent respectively. In contrast, the lowest rates were observed in Melaka (1.6%), Pahang (2.0%), and Pulau Pinang (2.2%).

DOMESTIC TOURISM

The Malaysia's domestic tourism performance in 2023 was encouraging. The number of domestic visitors surged by 24.6 per cent, reaching 213.7 million visitors (2022: 171.6 million), with all states recorded an increase. Selangor remained the most visited state by domestic visitors with 27.6 million visitors, followed by W.P. Kuala Lumpur (22.2 million) and Sarawak (17.9 million). Meanwhile, the number of domestic tourists also increased by 22.3 per cent, from 65.1 million to 79.6 million. The top three states receiving the highest number of domestic tourists were Johor (8.9 million), Pahang (8.54 million), and Selangor (8.46 million). In line with that, the total expenditure of domestic tourism rose by 32.5 per cent in 2023, amounting to RM84.9 billion, as compared to RM64.1 billion in 2022. The impressive performance was driven by a 34.4 per cent increase in tourist spending, contributing 61.5 percent to the overall expenditure. At the same time, excursionist spending also rose by 29.7 percent.

STATE GOVERNMENT AND LOCAL AUTHORITIES' STATISTICS

The Sarawak State Government continued to record the highest revenue in 2022, amounting to RM11.9 billion (2021: RM7.6 billion), followed by the Sabah State Government (RM6.9 billion), the Selangor State Government (RM2.5 billion), and the Terengganu State Government (RM1.8 billion). Meanwhile, the Sabah State Government recorded the highest surplus (RM2.0 billion), followed by the Sarawak State Government (RM1.1 billion) and the Selangor State Government (RM137.6 million).

During the same period, ten (10) councils/city councils which recorded the highest revenue were Dewan Bandaraya Kuala Lumpur (RM2.5 billion), Majlis Bandaraya Johor Bahru (RM632.5 million), Majlis Bandaraya Shah Alam (RM546.3 million), Majlis Bandaraya Petaling Jaya (RM398.1 million), Majlis Bandaraya Ipoh (RM392.7

million), Majlis Bandaraya Pulau Pinang (RM380.8 million), Majlis Bandaraya Iskandar Puteri (RM361.3 million), Majlis Bandaraya Seremban (RM342.3 million), Majlis Bandaraya Seberang Perai (RM315.1 million), and Majlis Bandaraya Subang Jaya (RM314.7 million).

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