



MEDIA STATEMENT

**MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA**

Block C6 & C7, Complex C,
Federal Government Administrative Centre, Precinct 1,
62514 Federal Territory of Putrajaya
Telephone : 03 - 8090 4681

MALAYSIA ECONOMIC STATISTICS REVIEW, VOLUME 5/2025

Economic Momentum Continues in Early 2025 with 4.4 per cent GDP Growth and Easing Inflation

PUTRAJAYA, 30TH MAY 2025 – Today, the Department of Statistics, Malaysia (DOSM) released the **Malaysian Economic Statistics Review (MESR), Volume 5/2025**. This edition focuses on the recent statistics released in March 2025 and some forthcoming statistics for April 2025. Furthermore, this edition features an additional article titled “Unfolding the Development of Malaysia’s Wholesale and Retail Trade Sector, 1970 – 2022”, which highlights the country’s transition to a modern and consumption-driven economy, reflecting structural shifts driven by urbanisation, rising incomes and digital adoption.

The global environment remains volatile following the United States’ implementation of broad tariffs in April, which triggered widespread retaliatory measures. In response, the International Monetary Fund (IMF) revised its global growth forecast for 2025 to 2.8 per cent, softening from the earlier projection of 3.3 per cent and notably below the long-term average of 3.7 per cent.

Amid external challenges, Chief Statistician Malaysia, Dato’ Sri Dr. Mohd Uzir Mahidin mentioned, “Malaysia’s Gross Domestic Product (GDP) grew by 4.4 per cent in the first quarter of 2025, easing from the 4.9 per cent expansion recorded in the preceding quarter. This growth was mainly supported by robust supply-side performance, led by the Services sector, followed by the Manufacturing and Construction sectors. On a monthly basis, the economy expanded by 3.5 per cent in January and 3.6 per cent in February, before accelerating to 6.0 per cent in March 2025”.

Signalling steady momentum in industrial activity, Malaysia’s Industrial Production Index (IPI) expanded by 3.2 per cent year-on-year in March 2025, underpinned by

higher output in the Manufacturing and Mining sectors which rose by 4.0 per cent and 1.9 per cent, respectively. However, the Electricity sector recorded a contraction of 2.7 per cent, partly offsetting overall gains. On a month-on-month basis, the IPI posted a robust increase of 9.3 per cent, reflecting short-term recovery across key sub-sectors. For the first quarter of 2025, the IPI moderated to a growth rate of 2.3 per cent compared to 3.4 per cent in the previous quarter, with the Manufacturing sector remains as the main driver, registering a 4.2 per cent expansion.

Taking a broader view, Malaysia's Services sector generated a revenue of RM630.0 billion in the first quarter of 2025, marking a 6.0 per cent year-on-year increase, with the Services Volume Index rising 5.2 per cent to 158.3 points. Quarter-on-quarter, both revenue and volume posted modest gains of 0.3 per cent and 0.5 per cent, respectively. The Wholesale and Retail Trade, Food and Beverage, and Accommodation segment remained the main driver, contributing RM475.7 billion in revenue (up 5.3 per cent) and a 4.7 per cent increase in its Volume Index to 157.2 points.

In a climate of stable economic conditions, Malaysia's inflation eased slightly to 1.4 per cent in March 2025, compared to 1.5 per cent in February, mainly due to slower price increases in personal care (3.6 %), restaurants and accommodation (2.9 %), and housing-related costs (1.9 %). For the first quarter, inflation grew 1.5 per cent year-on-year, easing from 1.7 per cent in the same quarter of 2024, reflecting moderate cost pressures across key consumer categories. On the supply side, the Producer Price Index (PPI) declined by 1.9 per cent in March, reversing the 0.3 per cent increase recorded in February. This drop was driven by contractions in Mining (-15.0 %), Manufacturing (-1.8 %), and Electricity & gas supply (-0.5 %). For the quarter, the PPI fell 0.3 per cent, continuing the downward trend from a 0.8 per cent decline in the previous quarter, signalling softening input costs across upstream sectors. In April 2025, Malaysia's inflation increased at 1.4 per cent while PPI continued to decline by 3.4 per cent.

Malaysia's trade sector continued to show resilience in March 2025, with total trade rising by 2.2 per cent to RM249.9 billion, reflecting the nation's steady integration into global supply chains despite ongoing global uncertainties. Export performance was particularly robust, climbing 6.8 per cent to RM137.3 billion, supported by sustained external demand for key commodities and manufactured goods. In contrast, imports fell by 2.8 per cent to RM112.6 billion, a shift that significantly boosted the trade balance. As a result, the trade surplus surged by 94.4 per cent year-on-year, reaching RM24.7 billion, a strong rebound that underscores improved trade dynamics. Looking at the broader picture, total trade for the first quarter of 2025 grew by 3.6 per cent, in line with gains in both exports 4.4 per cent and imports 2.8 per cent. The cumulative

effect was a 20.1 per cent expansion in the quarterly trade surplus, which widened to RM41.0 billion, reinforcing Malaysia's position as a competitive regional trading hub amid a shifting global trade environment.

Commenting on Malaysia's labour market performance, he noted that, "Labour market conditions continued to improve in the first quarter of 2025, reinforcing the economy's steady momentum. Employment rose by 3.0 per cent year-on-year, bringing the total number of employed persons to 16.7 million. The employment-to-population ratio, which reflects the economy's capacity to generate jobs, edged up to 68.6 per cent from 68.2 per cent in the same period last year. In tandem with this positive trend, the unemployment rate declined by 0.2 percentage points to 3.1 per cent, signalling stronger labour demand across key sectors. Looking at the labour demand, it remains positive, with the number of jobs in the economic sector rising by 1.4 per cent to 9.06 million jobs, up from 8.94 million jobs in Q1 2024."

Dato' Sri Dr. Mohd Uzir Mahidin highlighted that Malaysia's Leading Index (LI) increased by 0.6 per cent year-on-year to 112.5 points in March 2025, reflecting continued economic momentum supported by robust growth in housing approvals (27.8 %) and real imports of semiconductors (22.3 %), despite a marginal monthly dip of 0.04 per cent. Although the long-term trend remained below the 100-point threshold, the index signals stable underlying conditions. This suggests Malaysia's economy is likely to sustain moderate growth, underpinned by resilient fundamentals and prudent fiscal measures.

DOSM remains committed to providing high-quality, timely, and relevant economic statistics to support the nation's development. The MESR Special Edition is now available for download on the DOSM website at www.dosm.gov.my.

ASEAN-Malaysia 2025 Chairmanship: The Department of Statistics Malaysia (DOSM) will chair the 15th ASEAN Community Statistical System Committee (ACSS15) which aims to strengthen the statistical cooperation towards sustainable regional development.

Malaysia has, for the first time, successfully recorded the top position globally in the biennial Open Data Inventory (ODIN) 2024/25 report released by Open Data Watch (ODW), surpassing 198 other countries. This achievement marks a significant leap from its 67th position in the ODIN 2022/23 assessment.

The Government of Malaysia has declared October 20th as National Statistics Day (MyStats Day), with the theme 'Statistics is the Essence of Life'. Meanwhile, the Fourth

Embargo: Only can be published or disseminated at 1200 hour, Friday 30th May 2025

World Statistics Day will be celebrated on 20th October 2025, with the theme ‘Driving Change with Quality Statistics and Data for Everyone’ .

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
30th MAY 2025**

Exhibit 1: Quaterly Economic Indicator



