



## **MEDIA STATEMENT**

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### **GROSS DOMESTIC PRODUCT INCOME APPROACH 2024**

***Compensation of employees expanded by 6.1 per cent,  
contributing 33.6 per cent to nominal GDP in 2024***

**PUTRAJAYA, 30 JULY 2025** – The Department of Statistics Malaysia (DOSM) released the statistics of Malaysia's Gross Domestic Product (GDP) Income Approach for the year 2024. The income statistics from economic production include three key components, namely Compensation of Employees (CE), Gross Operating Surplus (GOS) and Taxes less Subsidies on Production and Imports (Net taxes).

According to the Chief Statistician of Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin, "Malaysia's nominal GDP grew by 5.9 per cent, reaching RM1.9 trillion in 2024. In tandem with this economic expansion, income distribution showed an improvement as CE registered stronger growth of 6.1 per cent as compared to 4.6 per cent in the previous year. This upward momentum reflects the economy's capacity to distribute a larger share of output to labour at 33.6 per cent (2023: 33.5%). Nevertheless, GOS remained a dominant contributor to GDP at 63.7 per cent, while Net taxes accounted for 2.7 per cent."

The better performance of CE was underpinned by positive trends across key labour indicators. The Labour Force Participation Rate (LFPR) reached a new record high of 70.6 per cent, while the number of employed persons increased by 3.5 per cent to 16.37 million persons (2023: 15.81 million persons). As employment conditions strengthened, the unemployment rate fell to 3.2 per cent from 3.4 per cent in the preceding year. Furthermore, ongoing policy measures such as the revised minimum wage of RM1,500 and the rollout of the Public Service Remuneration System (SSPA) in December 2024 are expected to contribute positively to overall wage levels and income stability, supporting broader efforts to enhance labour market outcomes.

*Looking at detailed sectoral performance, the increase in the CE component, which encompasses the remuneration received by employees for their labour was driven by the Services, Construction and Manufacturing sectors. CE in the Services sector grew by 5.5 per cent, supported by growth in all sub-sectors, particularly Wholesale and retail trade, food & beverages and accommodation. As for the Construction sector, CE demonstrated robust growth of 18.0 per cent, reflecting the sector's high reliance on labour and heightened activity during the year. Meanwhile, CE in the Manufacturing sector registered a 2.2 per cent growth, driven by the performance in Non-metallic mineral products, basic metal and fabricated metal products activities. CE in Agriculture and Mining & quarrying sectors registered double-digit growth of 11.1 per cent and 14.2 per cent, respectively.*

*The composition of CE continued to be dominated by the Services and Manufacturing sectors, which jointly accounted for 84.8 per cent of total CE, reflecting their central role in employment and wage generation within the economy. The Services sector alone contributed 62.3 per cent, followed by the Manufacturing sector with a 22.5 per cent share. The Construction sector accounted for 9.0 per cent, aligned with its project-driven labour demand, while the Agriculture sector contributed 3.8 per cent. The Mining & quarrying sector made up 2.4 per cent, highlighting its capital-intensive orientation.*

*In parallel with the improved labour income reflected in CE, capital income as measured through GOS rebounded in 2024, registering a growth of 5.0 per cent (2023: -2.1%). The recovery was attributed to positive performance across all main sectors except Mining & quarrying (-1.6%). In terms of composition, the Services sector remained the largest contributor to GOS with a 53.8 per cent share, followed by the Manufacturing sector at 23.1 per cent. The Mining & quarrying and Agriculture sectors made up 10.8 per cent and 10.6 per cent, respectively. Meanwhile, the Construction sector accounted for 1.7 per cent of GOS.*

*The third component, Net taxes which represents the source of income for the Government showed a substantial growth of 29.3 per cent or RM52.3 billion, marking the highest level recorded since 2017. The strong performance was primarily driven by higher taxation revenue as compared to subsidies. Taxes on production and imports rose by 13.8 per cent, supported by growth in services tax and import duty, in line with the expansion in domestic consumption as well as trade activity. Meanwhile, Subsidies grew marginally to 0.2 per cent influenced by higher subsidies on production such as electricity and business financing to assist companies in managing input costs.*

*In the context of international comparison, the composition of CE in the Southeast Asia region is notably lower, accounting for less than 40 per cent of GDP, while GOS represents a larger share. In contrast, advanced economies such as the United States of America, Germany and Canada posted greater share of CE exceeding GOS at 51.9 per cent, 54.7 per cent and 50.9 per cent, respectively. Meanwhile, the share of Net taxes remains comparatively small across these selected countries. Malaysia's net*

taxes is the lowest at 2.7 per cent, reflecting differences in fiscal policies among countries.

*In addition to today's release, DOSM also updated the revision of GDP by Income Approach for the year 2022 and 2023. The revision was based on the latest data from company's annual reports, the Economic Census 2023 and secondary data from relevant agencies. This revision comply with best statistical practices aligned with international standards to ensure the reliability, comparability and provide timely statistics.*

*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, for the first time, ranked as number one (1) 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.*

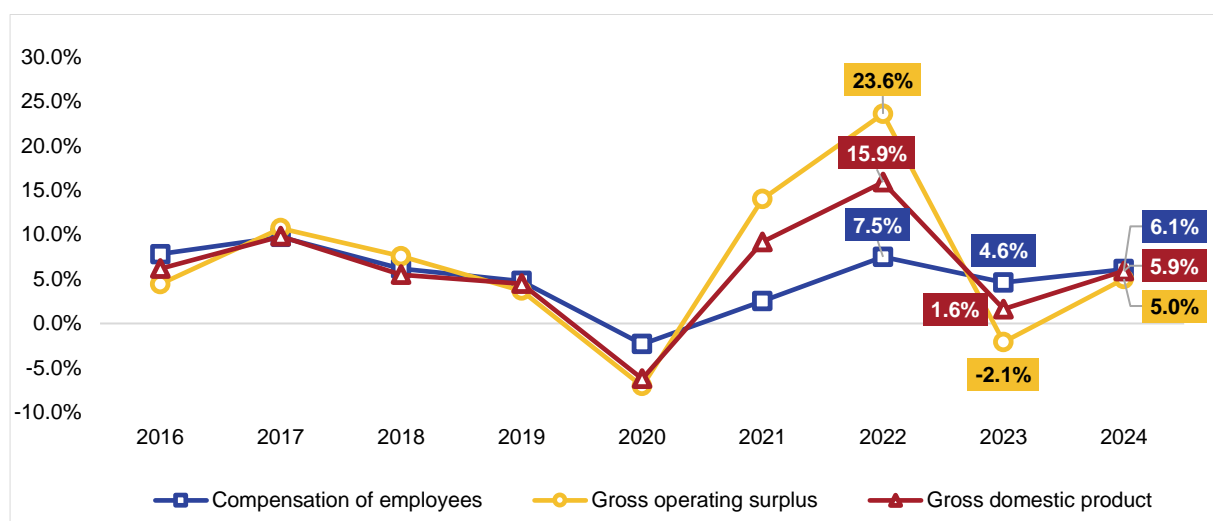
*The Government of Malaysia has declared October 20th as National Statistics Day (MyStats Day), with the theme 'Statistics is the Essence of Life'. Meanwhile, the Fourth World Statistics Day will be celebrated on 20th October 2025, with the theme 'Driving Change with Quality Statistics and Data for Everyone'.*

*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:*

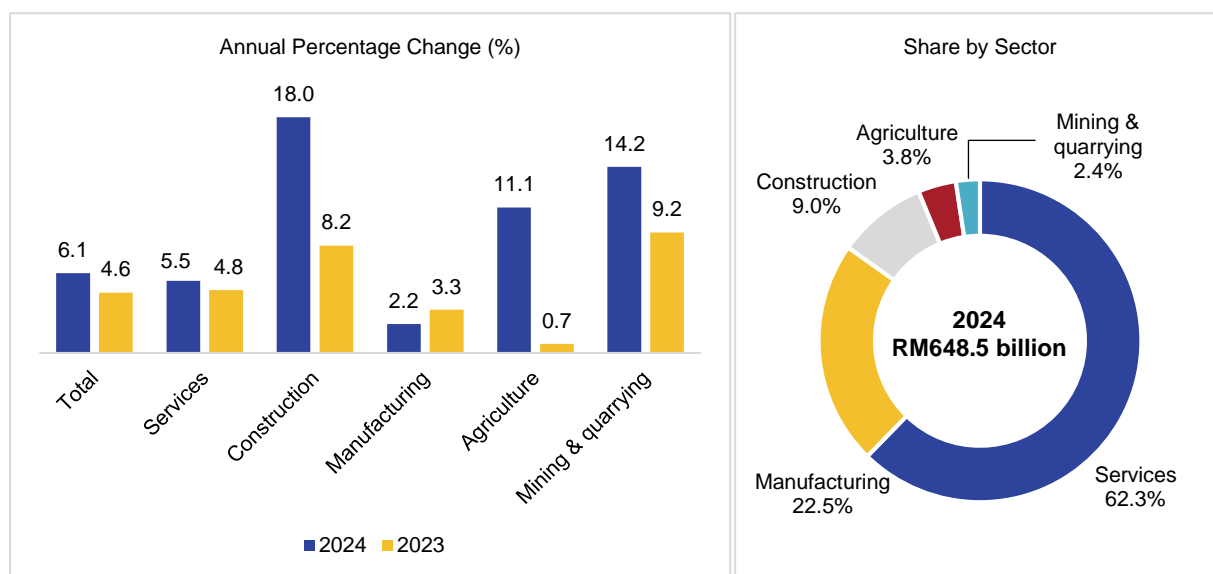
**THE OFFICE OF CHIEF STATISTICIAN MALAYSIA  
DEPARTMENT OF STATISTICS MALAYSIA  
30 JULY 2025**

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



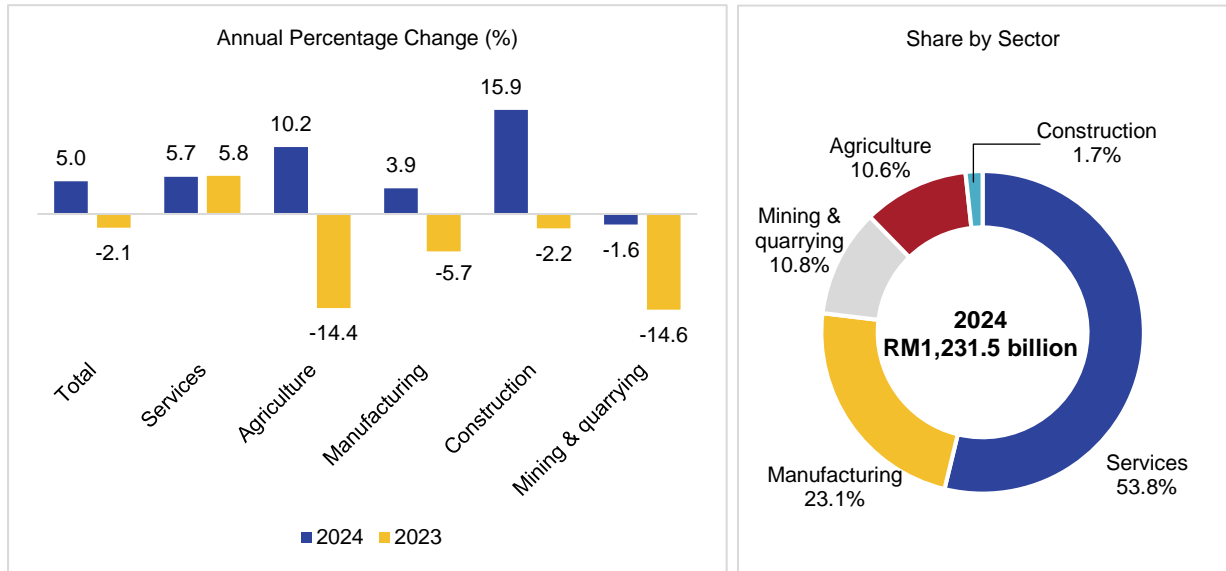
Source: Department of Statistics Malaysia

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



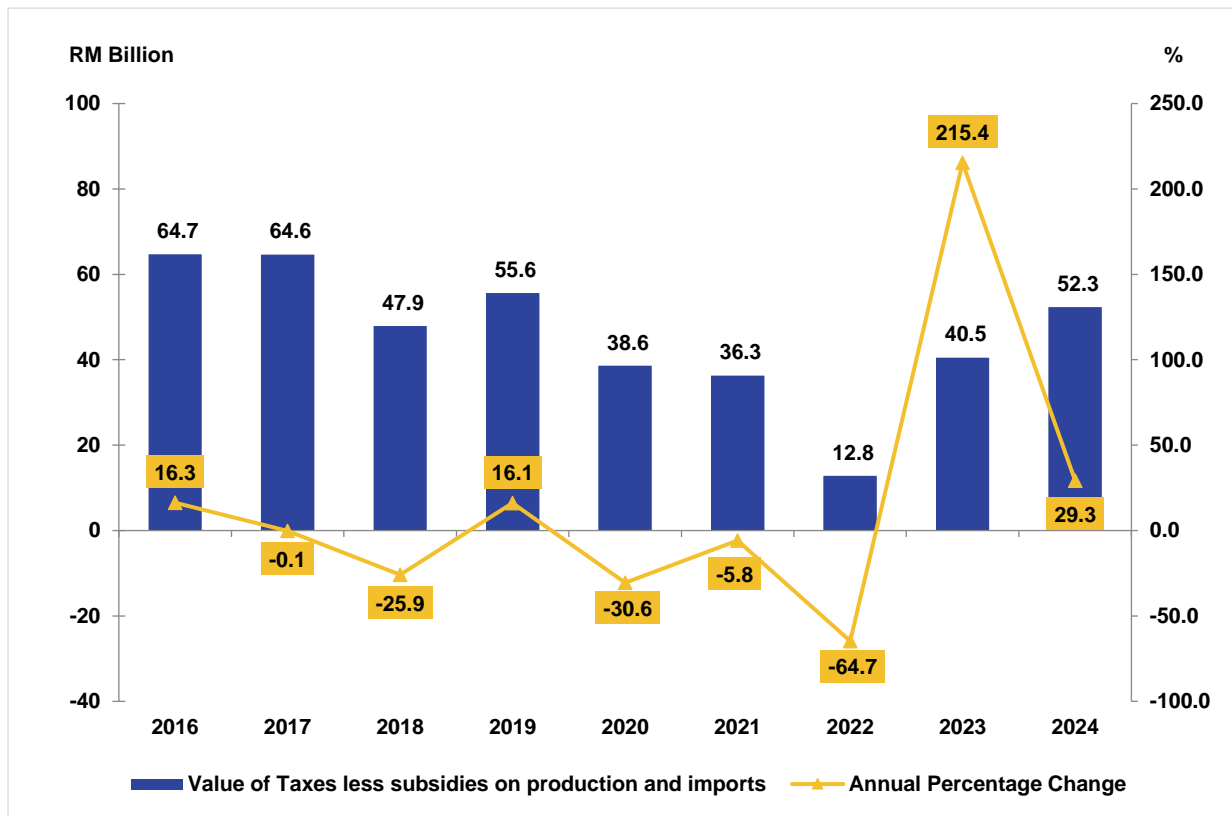
Source: Department of Statistics Malaysia

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



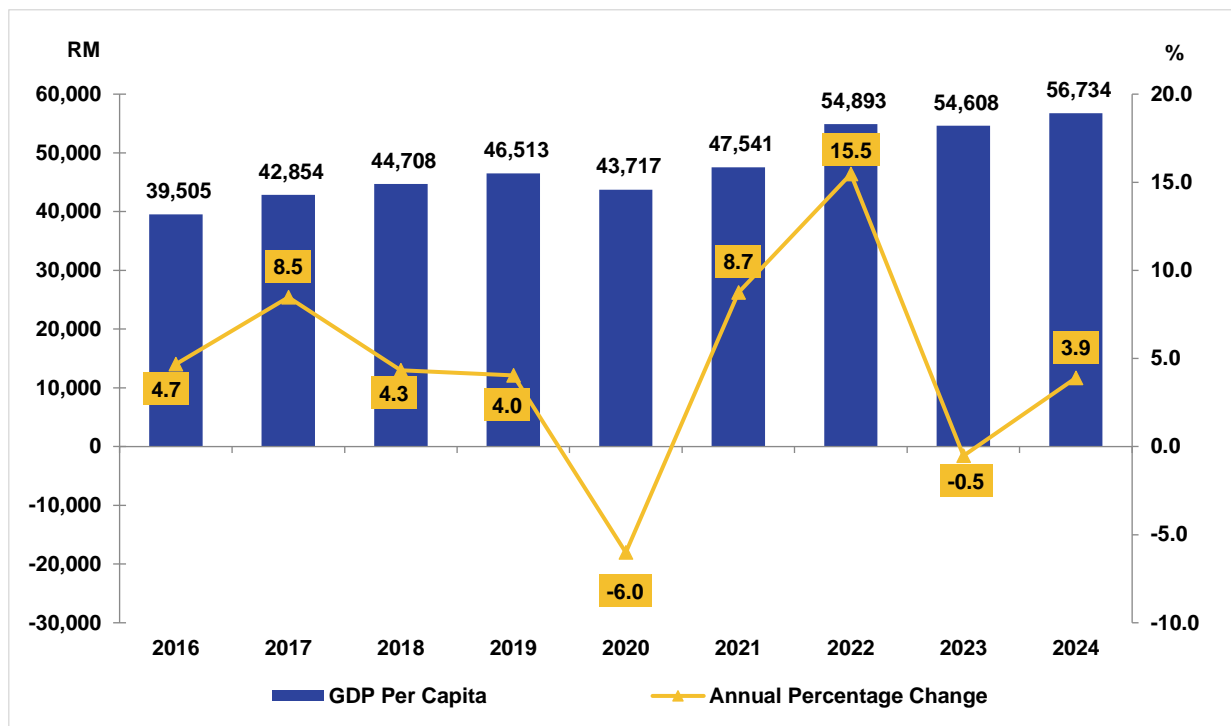
Source: Department of Statistics Malaysia

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



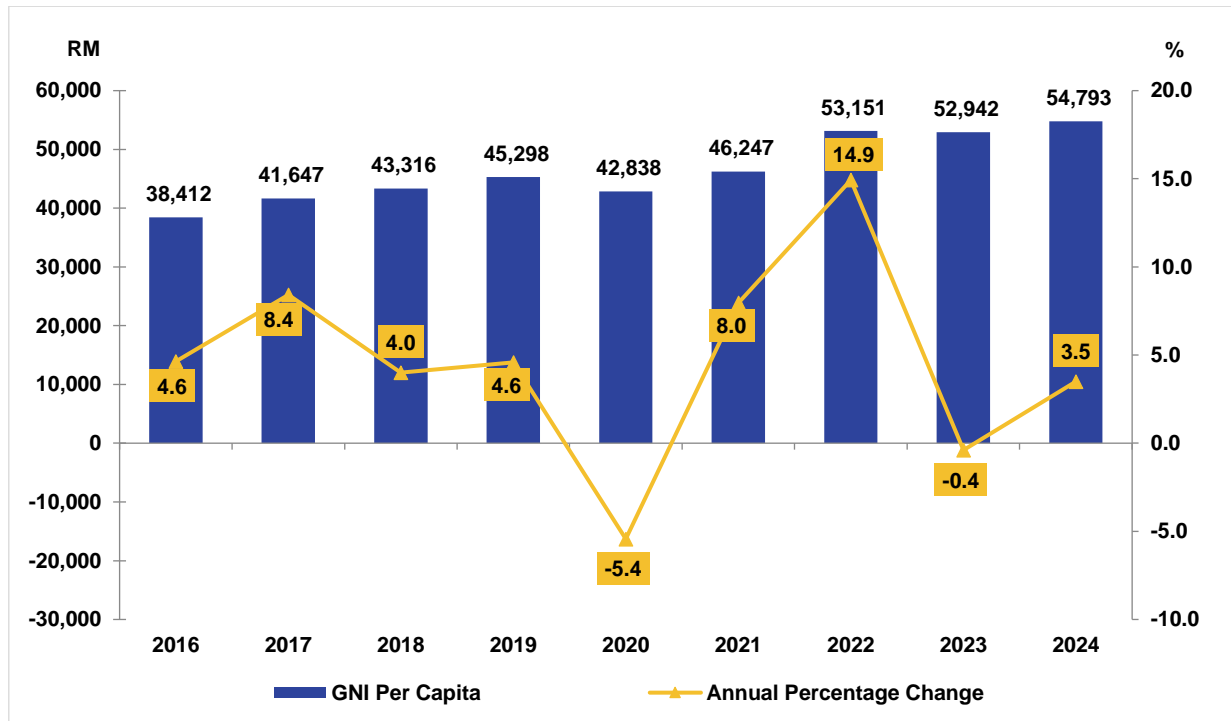
Source: Department of Statistics Malaysia

**Chart 5: Gross Domestic Product (GDP) Per Capita**



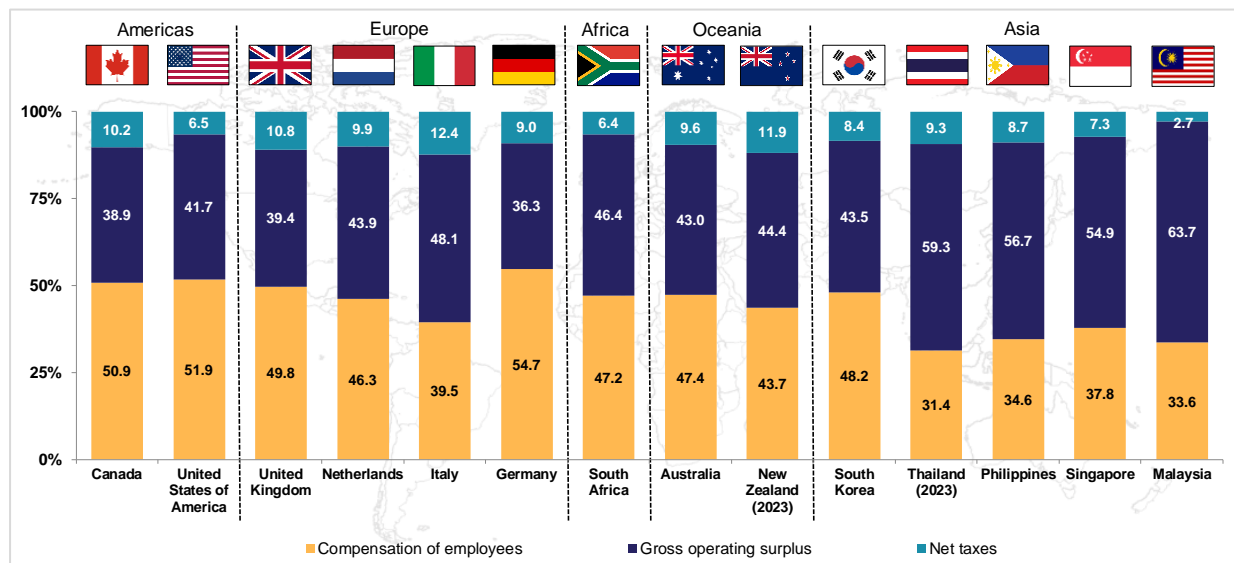
Source: Department of Statistics Malaysia

**Chart 6: Gross National Income (GNI) Per Capita**



Source: Department of Statistics Malaysia

**Chart 7: Contribution of Income Components to GDP for Selected Countries, 2024**



Source: Calculation based on official website of selected National Statistical Office