

Economic Outlook 2024

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PREFACE



**MINISTER OF FINANCE
MALAYSIA**

The global economy continues to traverse through an environment filled with challenges since the COVID-19 pandemic. Deepened geopolitical tensions and persistent tightening of monetary policies to address inflation, have increased the risk of a worldwide slowdown. The circumstances are aggravated by uncertainties in major economies, mainly impacting developing nations as well as weakening trade dynamism against a backdrop of supply chain disruptions and ongoing trade tensions.

Malaysia is not immune from these global developments, given the degree of openness in our economy and financial system. The diversified structure of the Malaysian economy and our solid fundamentals built on the blood, sweat and tears of the rakyat over the years have bolstered the economy's resilience and positioned us on a steady growth path. These positive factors, supported by firm policies and action plans anchored on the framework of Ekonomi MADANI, as well as the continuous implementation of pragmatic measures and initiatives laid by the Government, will keep our economy strong and resilient.

While the external sector remains important, growth is increasingly driven by domestic demand. The nation's manageable inflation, favourable labour market conditions, healthy foreign reserves, current account surplus and high national savings, robust financial sector and well-developed capital market, continue to sustain the economic momentum. Amid the global economic slowdown, the Malaysian economy recorded a growth of 4.2% in the first half of 2023 and is expected to expand at approximately 4% in 2023.

The success in charting our economic growth and overcoming crises would not be possible without the sacrifice and dedication of the rakyat. The Government remains resolute to ensure all Malaysians are able to enjoy the fruits of the nation's wealth and prosperity through sustainable and inclusive growth. Recognising this, the framework of

“Ekonomi MADANI: Memperkasa Rakyat” was formulated with the utmost priority to serve the rakyat. The framework will serve as a foundation to the recently announced policies, including the National Energy Transition Roadmap, the New Industrial Master Plan 2030 and the Mid-Term Review of the Twelfth Malaysia Plan. In this regard, the Government has envisaged seven targets to be achieved by the country within the next ten years. These initiatives are anticipated to drive the nation’s economy, with a projected growth rate of 4% to 5% in 2024.

The wellbeing of the rakyat remains this Government’s utmost concern and priority. The prosperity of the nation must benefit all segments of society. Thus, it is vital to ensure that the economic pie distribution is fair and equitable, prioritising excellent healthcare services and quality education for all Malaysians. In the context of employment and wages, salaries must commensurate with workers’ productivity. In addition, providing better social protection and public amenities, including transport, water and electricity supply, as well as broadband services, will create more equitable opportunities to improve the rakyat’s quality of life. An agile public service delivery supported by the digitalisation agenda is imperative to drive economic transformation. The Government will also focus on progressively enhancing Malaysia’s fiscal sustainability by mobilising revenue as well as optimising expenditure to address leakages and wastages.

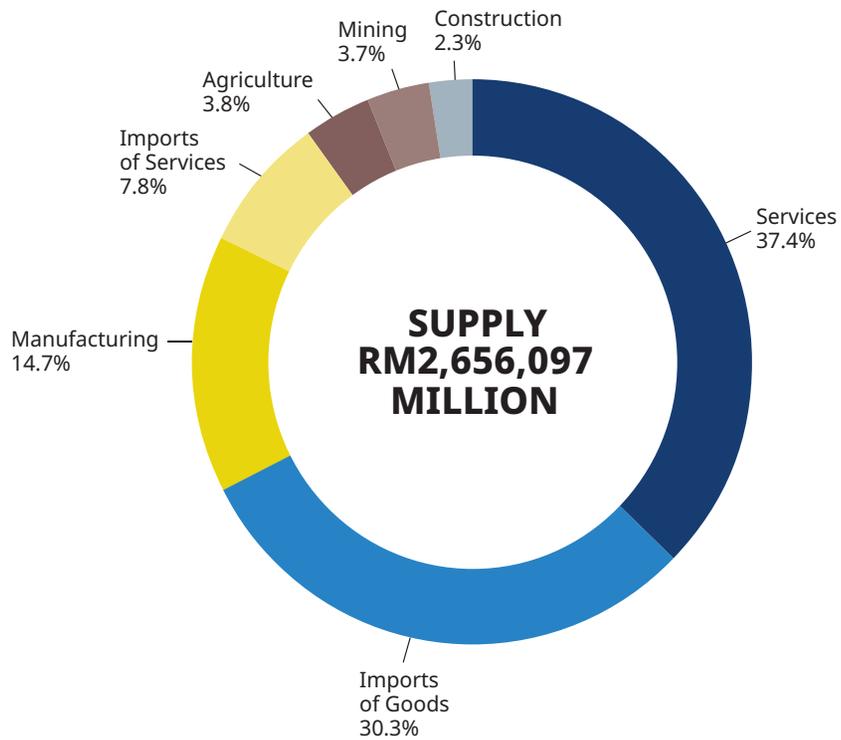
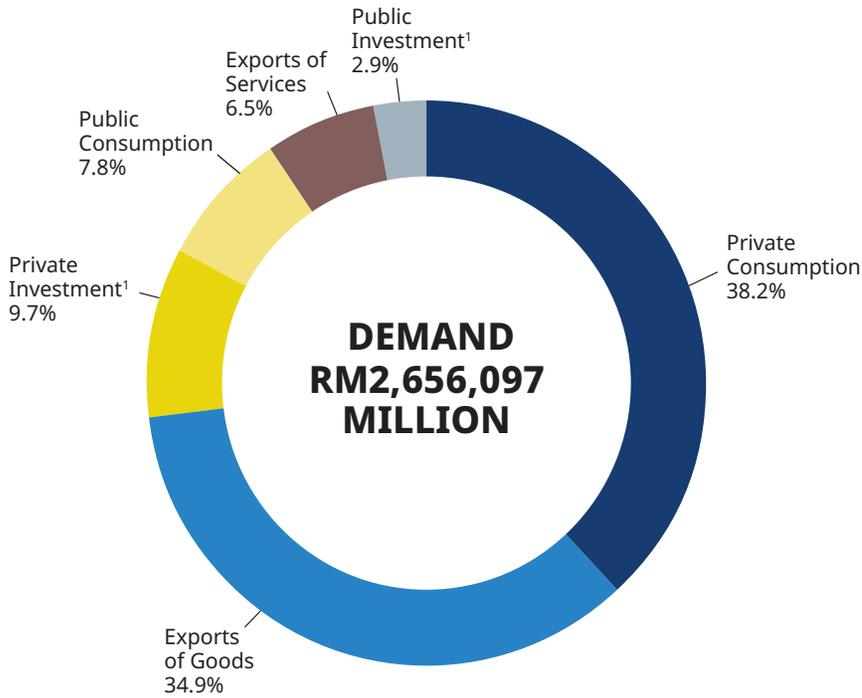
The year 2024 is envisaged to be a promising year for Malaysia. The execution of several policies announced recently, including the implementation of projects under the Mid-Term Review of the Twelfth Malaysia Plan, will solidify Malaysia’s efforts in becoming Asia’s most dynamic economy in the near future. While we may encounter challenges and structural changes, our resilience and capacity to innovate are formidable. It is a collective mission for all Malaysians to unite in harmony, embrace changes and prioritise sustainable growth strategies. Together, we shall chart a successful course ahead, that reaps equitable benefits for all and secures a brighter future for our beloved nation.



ANWAR IBRAHIM
13 October 2023

THE ECONOMY 2024

in constant 2015 prices
(share to total in %)



¹Includes change in stocks
Source: Ministry of Finance, Malaysia

