

Highlights

ECONOMIC PERFORMANCE AND OUTLOOK

MALAYSIA'S ECONOMIC AND FISCAL OUTLOOK

2023

Economy is Expected to Moderate

~ 4.5%

GDP AT CURRENT PRICE

RM1,888.3 BILLION

GDP AT CONSTANT 2015 PRICES

RM1,574.6 BILLION

GROSS NATIONAL INCOME AT CURRENT PRICE

RM1,825.4 BILLION



UNEMPLOYMENT RATE

3.5% - 3.7%



CONSUMER PRICE INDEX

2.8% - 3.8%



CURRENT ACCOUNT BALANCE

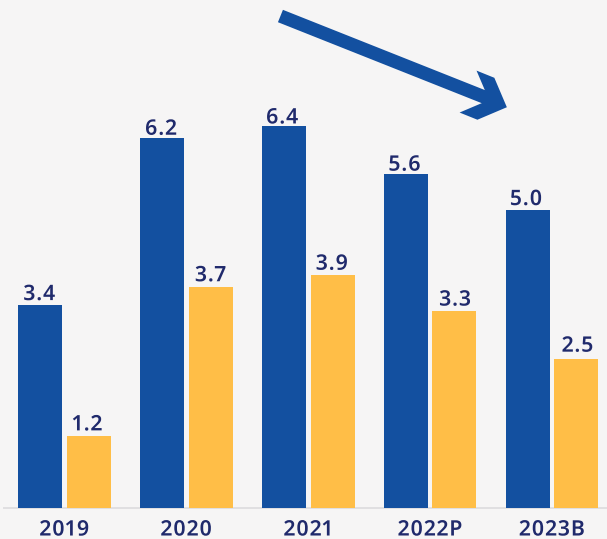
RM55.2 BILLION



Note: ~ Approximate

FISCAL CONSOLIDATION CONTINUES POST-PANDEMIC

Overall Balance (% GDP)
Primary Balance (% GDP)

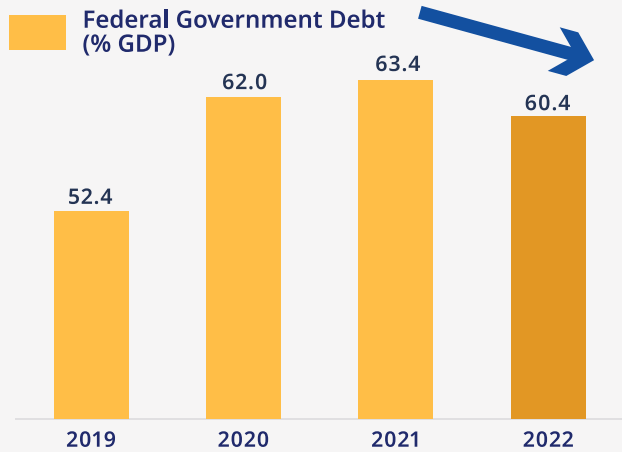


- Counter-cyclical measures and fiscal policy supporting recovery momentum as well as easing the burden of the rakyat
- Revenue as percentage of GDP rebounded to near pre-crisis level
- More prudent spending through reduction of leakages and wastages
- More disciplined fiscal management to rebuild fiscal space

2023

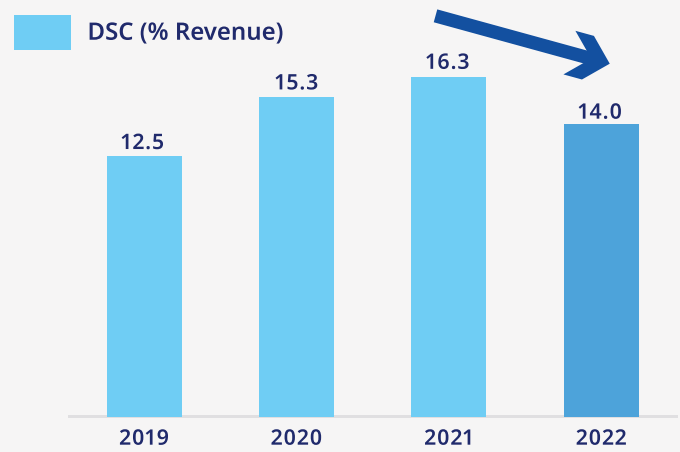
MALAYSIA'S ECONOMIC AND FISCAL OUTLOOK

FEDERAL GOVERNMENT DEBT TO GDP REMAIN MANAGEABLE



- Remain below statutory limit of 65% to GDP
- > 97% debt sourced domestically, minimise the exposure of foreign exchange risk

AMPLE CAPACITY TO MEET DEBT SERVICE CHARGES (DSC)



- The Government is constitutionally obligated to serve the DSC ahead of spending on other expenses
- Debt servicing returns to below threshold 15% of revenue

THE BUDGET 2023 STRATEGIES GUIDED BY THE MADANI POLICY FRAMEWORK

M A D A N I

Sustainability (<i>KeMampanan</i>)	<ul style="list-style-type: none"> • Prioritising food security • Mitigating climate change impact • Strengthening efforts towards net-zero GHG emissions • Preserving and conserving natural environment and biodiversity
Prosperity (<i>Kesejahteraan</i>)	<ul style="list-style-type: none"> • Empowering responsive fiscal policy • Increasing productivity and high-paying job opportunities • Realising a more decent wage • Upholding national security and defence
Innovation (<i>Daya cipta</i>)	<ul style="list-style-type: none"> • Transforming the public service delivery and governance ecosystems • Increasing MSMEs resilience and competitiveness • Promoting Malaysia as a strategic destination for quality investment • Enhancing the adoption of digitalisation and growth of strategic industries
Respect (<i>Hormat</i>)	<ul style="list-style-type: none"> • Improving the rakyat's standard of living • Empowering the Bumiputera • Minimising disparity towards a balanced regional development • Spurring socio-economic development in Sabah and Sarawak
Trust (<i>Keyakinan</i>)	<ul style="list-style-type: none"> • Strengthening good governance ecosystem and parliamentary institutions • Streamlining legislations framework • Intensifying participation of the rakyat in the development agenda
Care & Compassion (<i>Ihsan</i>)	<ul style="list-style-type: none"> • Empowering NGOs, CSOs and the volunteerism ecosystem • Streamlining social protection system • Realising universal access to affordable and quality education • Strengthening conducive environment and quality healthcare

