

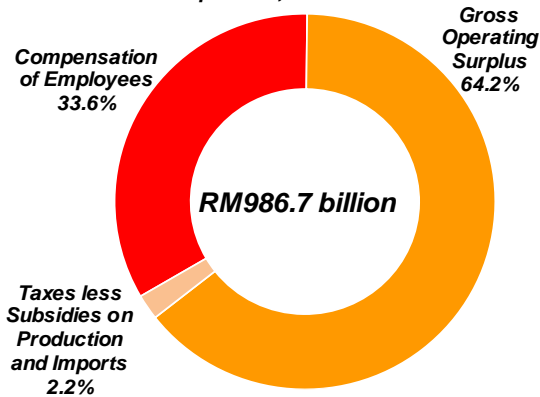


GROSS DOMESTIC PRODUCT INCOME APPROACH
2005-2013

INTRODUCTION

This report is the first attempt by the Department of Statistics, Malaysia to publish data on Gross Domestic Product (GDP) by Income Approach. The statistics are presented in current prices for the period of 2005 to 2013 which consists of income components namely Compensation of Employees (CE), Gross Operating Surplus (GOS) and Taxes less Subsidies on Production and Imports.

Chart 1 Percentage Share of Income Components, 2013

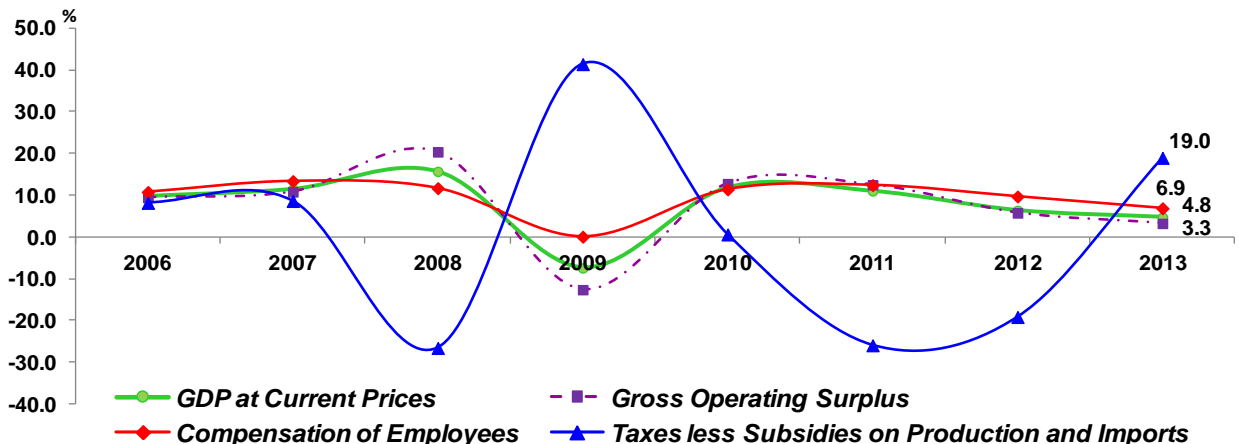


ECONOMIC PERFORMANCE 2013

Malaysia's economy in current terms recorded a value of RM986.7 billion in 2013 impelled by Services and Manufacturing. As illustrated in Chart 1, CE contributed 33.6 per cent (RM331.4 billion) while GOS accounted for 64.2 per cent (RM633.9 billion). Taxes less Subsidies on Production and Imports contributed 2.2 per cent (RM21.5 billion) to the economy.

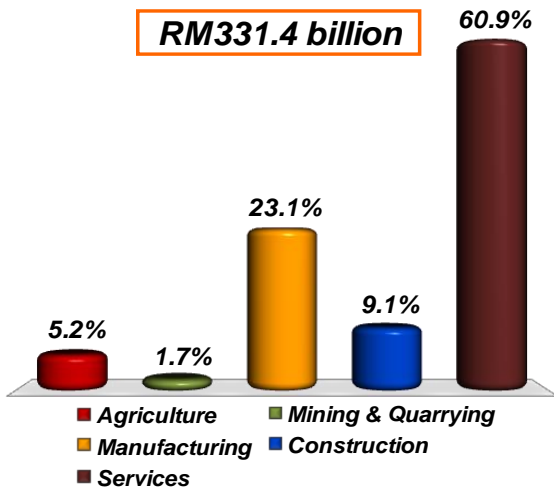
In terms of growth, GDP grew 4.8 per cent (Chart 2). All sectors registered a moderate performance except for Agriculture which remained sluggish following the lower commodity prices in 2013. As a consequence, GOS eased to 3.3 per cent while CE expanded 6.9 per cent. Nonetheless, Taxes less Subsidies on Production and Imports rebounded to 19.0 per cent from the negative 19.2 per cent in 2012.

Chart 2 Annual Percentage Change of Income Components, 2006-2013



# COMPENSATION OF EMPLOYEES BY SECTOR 2013

**Chart 3** Percentage Share of Compensation of Employees, 2013

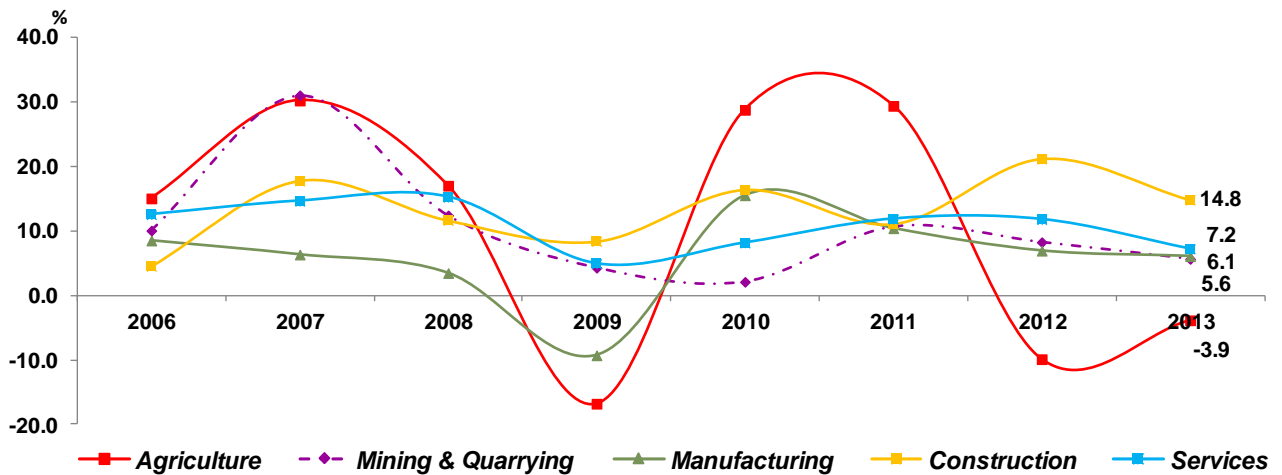


As the largest contributor to GDP, **Services** accounted for 60.9 per cent to the total CE followed by **Manufacturing** at 23.1 per cent as shown in Chart 3. **Construction** was the third largest contributor with a share of 9.1 per cent while **Agriculture** contributed 5.2 per cent. Meanwhile, the lowest share was recorded by **Mining & Quarrying** at 1.7 per cent.

In 2013, CE expanded 6.9 per cent largely supported by Services and Manufacturing sector. As depicted in Chart 4, CE of **Services** increased 7.2 per cent propelled by Wholesale & Retail Trade, Accommodation and Restaurants (9.8 per cent) as well as Finance, Insurance, Real Estate and Business Services (9.2 per cent).

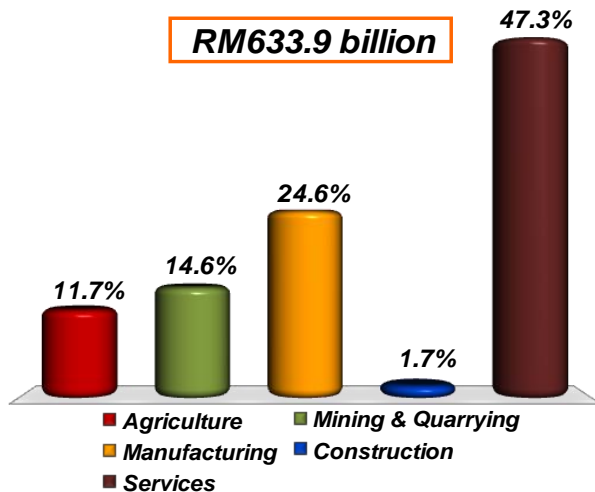
Concurrently, **Manufacturing** rose by 6.1 per cent backed by Electrical & Electronic products which registered a growth of 5.7 per cent in 2013. CE of Manufacturing was also buoyed up by the double-digit growth of 13.0 per cent in Transport Equipment & Other Manufactures precisely by motor vehicles and ship building activities.

**Chart 4** Annual Percentage Change of Compensation of Employees, 2006-2013



## GROSS OPERATING SURPLUS BY SECTOR 2013

**Chart 5** Percentage Share of Gross Operating Surplus, 2013

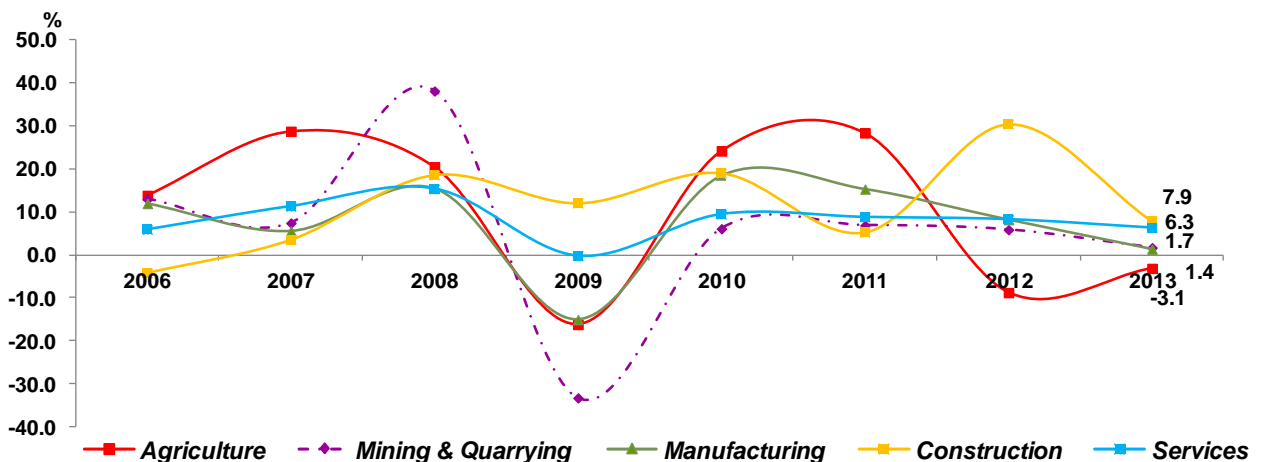


GOS accounted for 64.2 per cent to the total economy in 2013. As illustrated in Chart 5, **Services** contributed the largest share of 47.3 per cent followed by **Manufacturing** at 24.6 per cent. In addition, **Mining & Quarrying** and **Agriculture** contributed 14.6 per cent and 11.7 per cent respectively. Meanwhile, **Construction** posted the lowest contribution with a share of 1.7 per cent.

The moderation of the economy in 2013 has impacted the GOS to register a slower pace of 3.3 per cent attributed by Services and Manufacturing. GOS in **Services** increased to 6.3 per cent from 8.3 per cent in 2012 (Chart 6) supported by the expansion of 7.6 per cent in Wholesale & Retail Trade, Accommodation and Restaurants.

Moreover, **Manufacturing** grew 1.4 per cent led by the robust growth of 15.3 per cent in Transport Equipment & Other Manufactures. Nevertheless, declined in Petroleum, Chemical, Rubber & Plastic products (-0.2 per cent) has weighed down the GOS of Manufacturing in 2013.

**Chart 6** Annual Percentage Change of Gross Operating Surplus, 2006-2013



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