



PRESS RELEASE
MINISTRY OF FINANCE

MALAYSIA EXCEEDS GDP AND FISCAL DEFICIT TARGETS FOR 2024

Malaysia's Gross Domestic Product (GDP) jumped to 5.1% in 2024 (2023: 3.6%), exceeding the Government's initial forecast range of 4% to 5% announced in Budget 2024. The MADANI Government also exceeded its fiscal deficit target for 2024 at 4.1% (2023: 5%), against the target of 4.3%.

This achievement reflects the MADANI Government's confidence and determination to turn around the Malaysian economy, driven by clear and progressive policies introduced since 2023 under the Ekonomi MADANI framework and supported by political stability.

"This milestone was achieved through the concerted efforts of the MADANI Government and industries. As we move into 2025, the MADANI Government remains fully committed to deepening its economic and institutional reform agenda, elevating the country to greater heights," said Prime Minister and Finance Minister YAB Dato' Seri Anwar Ibrahim.

The economic growth in 2024 was propelled by improvements in:

- Private consumption, rising by 5.1% (2023: 4.7%);
- Investments, up by 12% (2023: 5.5%);
- Total trade, increasing by 9.2% to RM2.88 trillion;
- Net foreign direct investment inflow of RM47.4 billion (2023: RM40.4 billion).

Other supporting indicators that contributed to 2024's GDP expansion include:

- Inflation moderating to 1.8% (2023: 2.5%);
- Low unemployment rate, at 3.3% (2023: 3.4%), with the trend easing further in December 2024 to 3.1%, the lowest in 10 years.

The MADANI Government has projected the economy to grow between 4.5% and 5.5% in 2025, driven by greater spillover from technology upcycle, faster implementation of catalytic and critical infrastructure projects, and more robust tourism activities. Under Budget 2025, Government-linked Investment Companies have collectively pledged to invest RM25 billion in domestic direct investments for its inaugural year of the five-year Government-linked Enterprises Activation and Reform Programme (GEAR-uP).

Additionally, higher consumer spending pursuant to the increase in the minimum wage and civil servant salaries is expected to further stimulate economic expansion.

On the other hand, weaker external demand from key trade partners, rise of geopolitical tensions, and protectionist measures may pose risk to growth.

For the full year, the Government's net addition of borrowings decelerated to RM76.8 billion, a marked reduction from RM92.6 billion in 2023.

The Government is committed to continue implementing key reforms in various areas to solidify long-term fiscal sustainability through targeted subsidy measures, enhanced revenue collection, and stronger fiscal framework. These efforts are consistent with the target of the Public Finance and Fiscal Responsibility Act 2023 (Act 850), namely, to reduce the fiscal deficit to 3% in the medium term to ensure financial sustainability.

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