



ECONOMIC/THEMATIC RESEARCH:

PERAK



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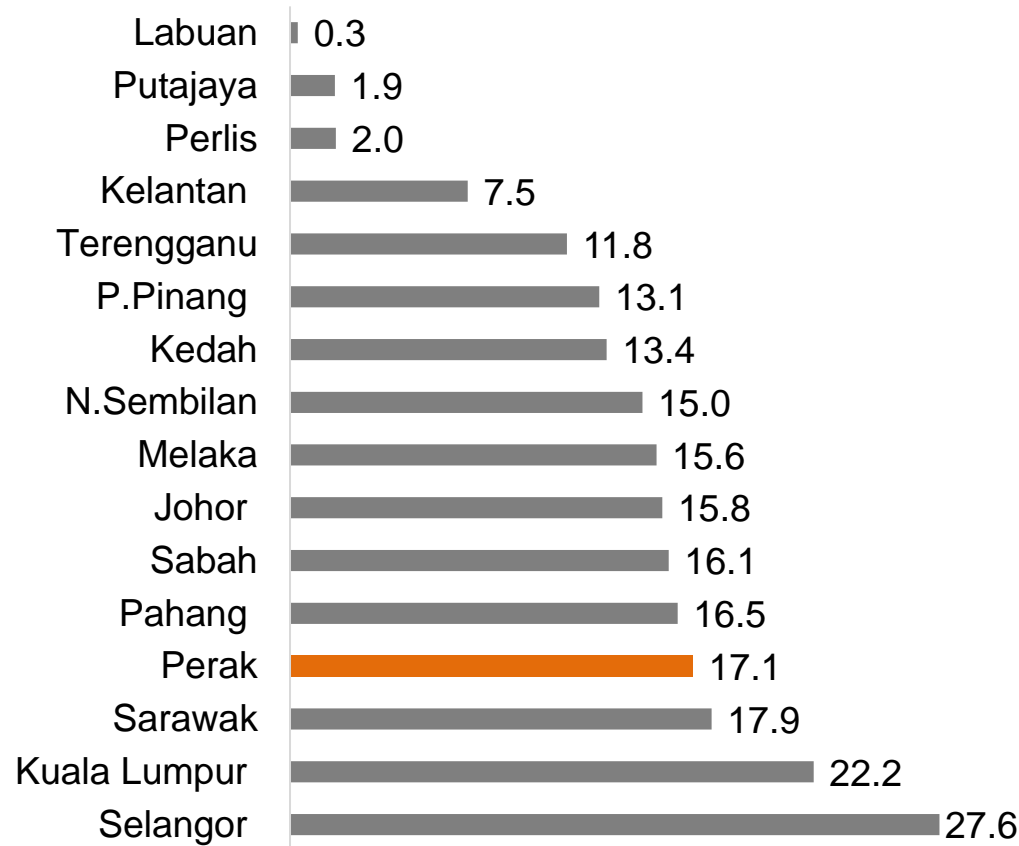
Thematic Research: Perak



Perak’s economy is mainly contributed by **services, manufacturing and agriculture sectors**, all of which have surpassed their pre-pandemic (2019)’s GDP level. **Tourism-related** and **utilities, transportation & storage and ICT** subsectors remain key services activities in Perak, with the **healthcare industry showing potential** due to an aging population trend. The state's expansion of industrial parks aims to rejuvenate the manufacturing sector, especially transport equipment. However, the State faces challenges including below historical GDP growth, low-income levels and high unsold residential properties.



Number of Domestic Visitor Arrival in 2023 (mil Person)



Aging population presents **opportunity** for the **private healthcare** sector, though **affordability remains a concern**.

Continuous recovery in domestic tourism supported by “Visit Perak” 2024

Perak’s **significant B40 population**, the highest among states, may constrain their **purchasing power** of high-end goods and services

OPPORTUNITY & CHALLENGES

New industrial parks to boost sectors in **manufacturing of electrical & electronics, and transport equipment, halal, renewable energy, data center** etc

Risk of more unsold residential property due to increase given **aging population** and **modest income growth**

Agriculture is important to national food security agenda

Manufacture of transportation equipment shows **declining trend** and **less diversifying brands**, but **Automotive High Tech Valley may help**

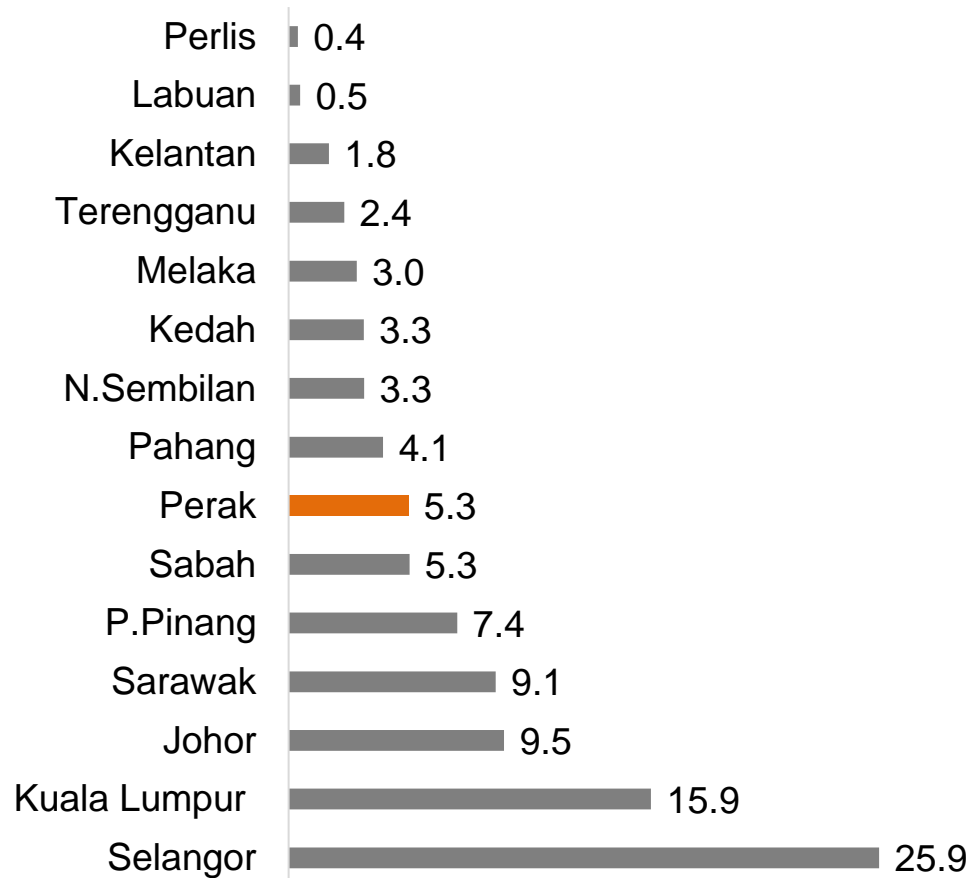
Require more semi- and high-skilled workers to fill industrial demand with upcoming industrial parks and mega projects. **Opportunities in education (i.e TVET)**



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7th largest contributor to Malaysia's GDP

% share to Malaysia GDP 2023

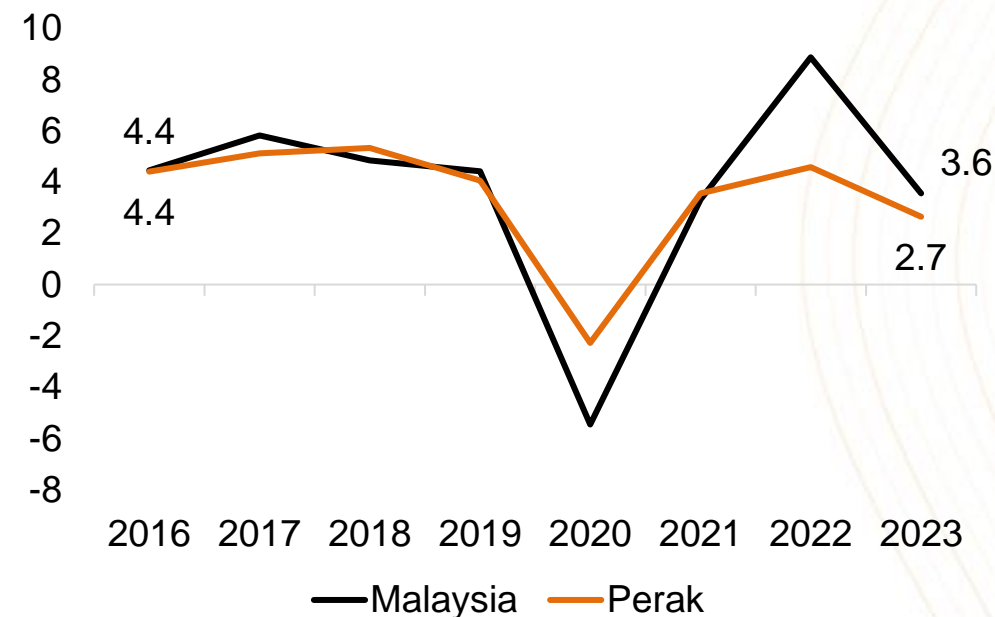


- Perak has consistently contributed around **5% to Malaysia's GDP** over the last decade (2014-2023), ranked 7th among the states and territories in 2023.

2

Modest GDP growth compared to national

GDP : Perak vs Malaysia in 2023 (% YoY)

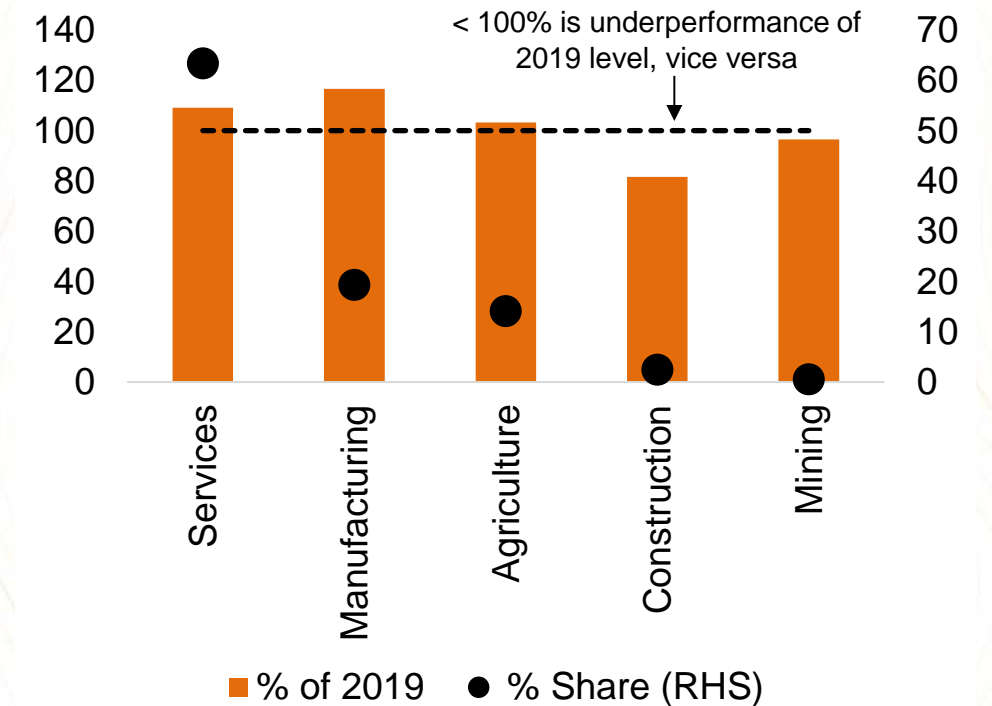


- Perak's GDP expanded by **2.7% YoY** in 2023. It was **below national** GDP of 3.6% and lower than its own growth performance of 4.6% in 2022. The growth also underperformed the state's 10-year historical trend (2013-2022) of 4.1%.
- This could be dragged by the services sector – the State's largest contributor to its economy – which only grew at 3.0% in 2023 < national at 5.1%.
- Interestingly, during Covid-19 recession in 2020, Perak's GDP had a **smaller contraction** at -2.3% YoY < -5.5% national, cushioned by manufacturing and agriculture sectors as both these sectors maintained positive growth.

3

Manufacturing and agriculture shielded from Covid-19 pandemic

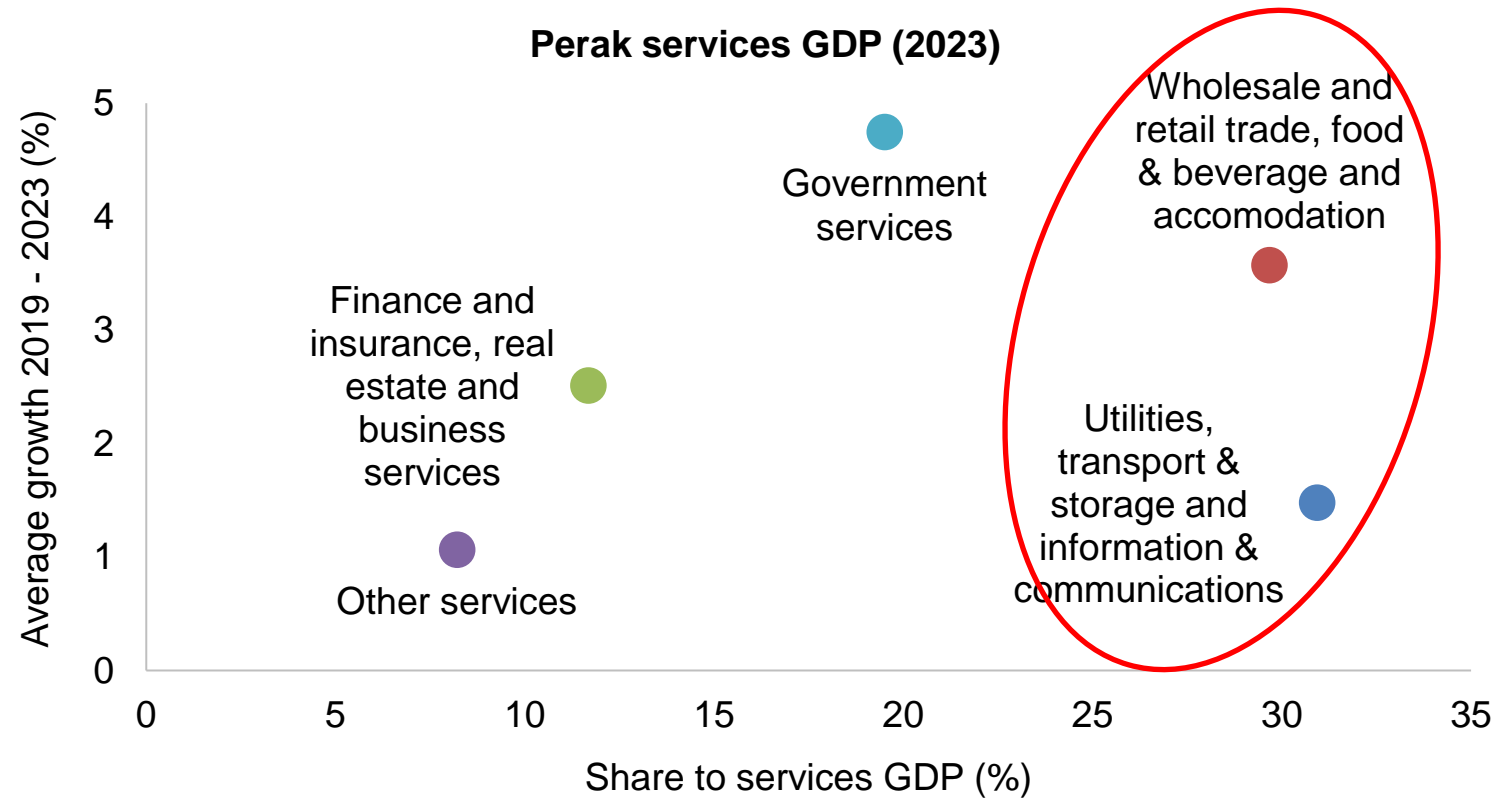
Perak's GDP by economic sector (2023)



- Perak's economic sector is dominated by **services** (63.4% share to GDP in 2023) and **manufacturing** (19.3%). This is followed by **agriculture** (14.2%), construction (2.5%), and mining (0.6%).
- In 2020, while most sectors were severely hit by Covid-19, Perak's **manufacturing (103%) and agriculture (101%) sectors were resilient** and had **outperformed**.
- Services sector took a longer time to rebound, where it only recovered to 106% of 2019's level in 2022 (2023: 109%).
- Construction sector's recovery is the slowest as it is still **sluggish** in 2023, at 82% of 2019's level. Mining & quarrying has not fully recovered too as it stood at 96% of 2019's level, as of 2023.

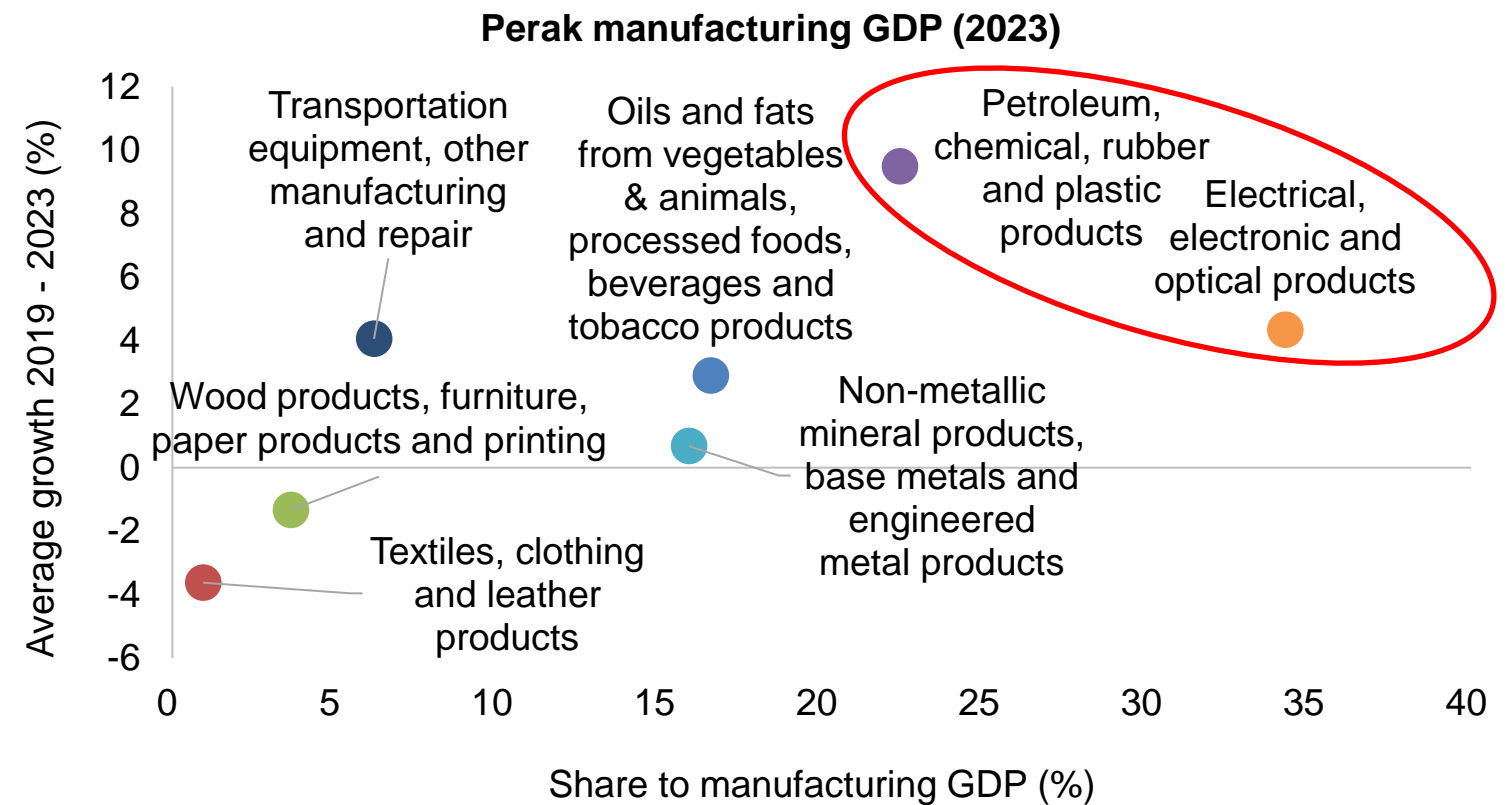


4 All services subsectors posted growth



- Service sector has **consistently held the largest share** of Perak’s GDP, hovering around 63% in the past 5 years.
- This was largely contributed by utility, transportation & storage and information & communication with total share of **30.9%** in 2023 because Perak has the largest number of major power stations in Peninsular Malaysia (9 out of 45 stations). This is followed by wholesale and retail trade, food & beverage and accommodation at **29.7%**
- In terms of growth, government services charted the highest average annual growth of **4.7%** between 2019 – 2023. The 2nd was wholesale and retail trade, food & beverage and accommodation at **3.6%**.

5 E&E dominated manufacturing sector



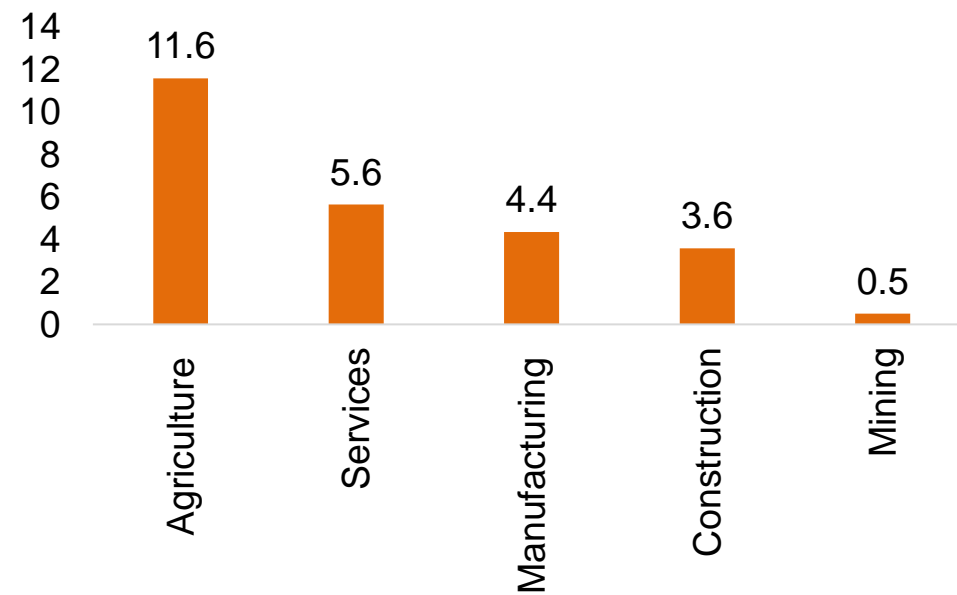
- Perak’s manufacturing sector is primarily made up of electronic and electrical products with total share of **34.3%** in 2023.
- This is followed by the petroleum, chemical, rubber and plastic products (**22.4%**) and oils and fats from vegetables & animals, processed foods, beverages and tobacco products (**16.6%**).
- In terms of growth, petroleum, chemical, rubber and plastic products recorded the highest average annual growth of **9.5%** between 2019 – 2023. The 2nd highest was electronic and electrical products at **4.3%**.



6

Agriculture, highest contribution to national level

GDP by economic sector (% of Perak to Malaysia)

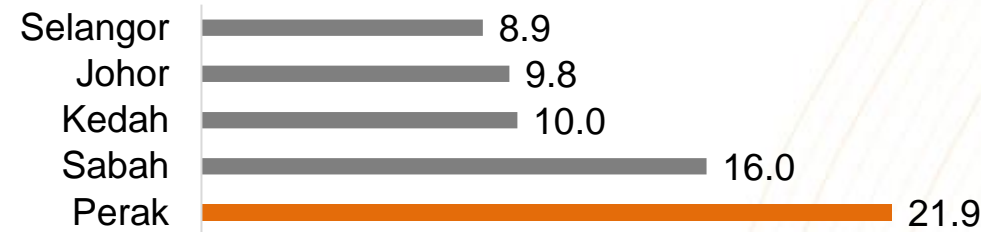


- By State, Perak (11.6%) is the 5th largest contributor to Malaysia's agriculture GDP in 2023, after Johor (17.1%), Sarawak (14.9%), Pahang (14.1%), and Sabah (12.5%).
- However, within the State by breakdown of economic sectors, Perak's agriculture sector posted the largest contribution (11.6%) to national GDP, followed by Services (5.6%) and Manufacturing (4.4%).
- Over the last 8 years, services (2023: 63.4%; 2015: 61.1%) and manufacturing sectors (2023: 19.3%; 2015: 17.7%) had **gained more share** compared to agriculture (2023: 14.2%; 2015: 16.4%)

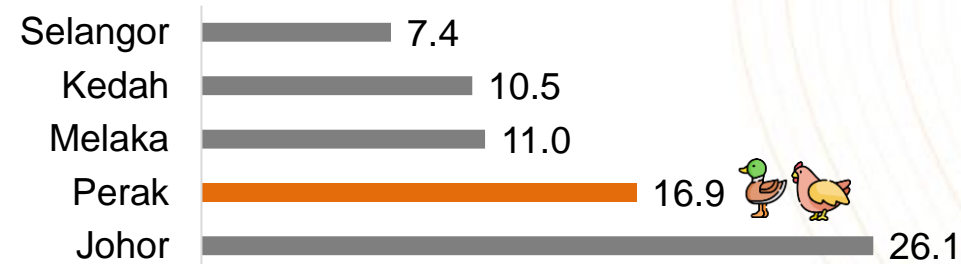
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Perak becomes important to Malaysia food security agenda

GDP share of fishery by states in 2023 (%)



GDP share of livestock by states in 2023 (%)

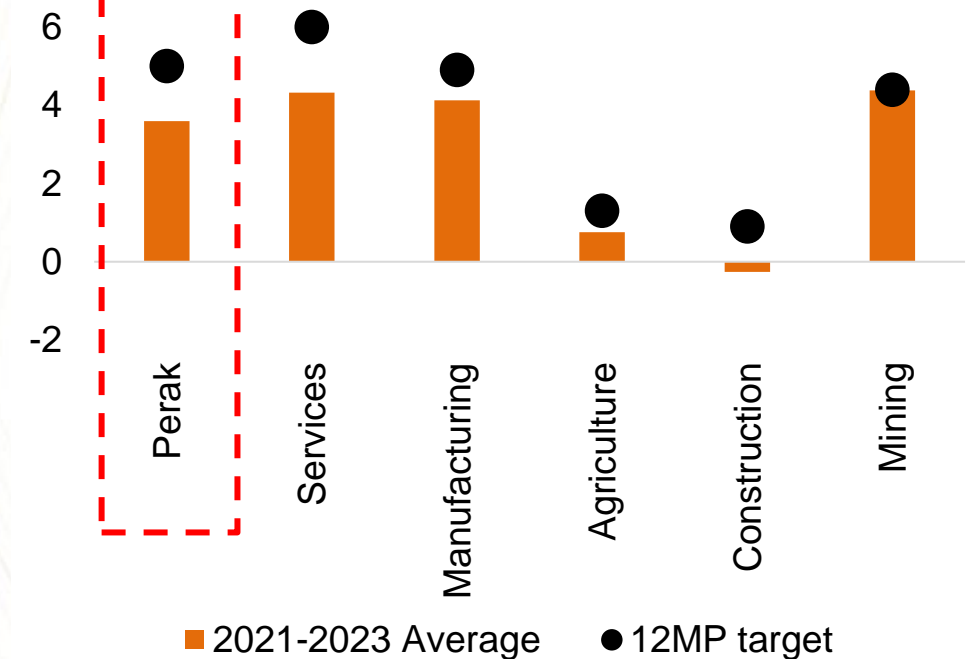


- Perak's contribution to Malaysia's **agriculture** GDP came mainly from the subsector of **fishery and livestock**.
- Perak's **fishery** share to national level stood at 21.9%, the **largest among states/territories**. This is in tandem with demand from landing fish with present QL factories in Perak (largest ASEAN Surimi manufacturer).
- Perak's **livestock** share (16.9%) is the **2nd largest in Malaysia**, after Johor. In 2023, Perak ranked **3rd in chicken** production nationwide and **led the country in duck production**.

8

Mining & quarrying, the only sector that achieved 12MP target, so far

Perak's GDP: 2021-23 average vs 12MP target (% annual growth)

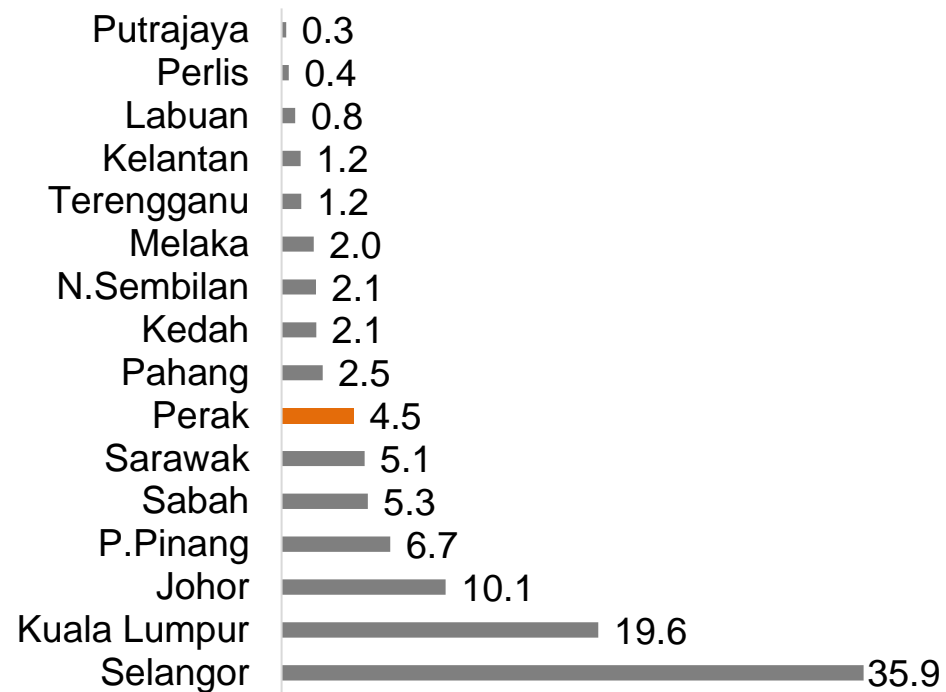


- Under the **12th Malaysian Plan (2021-2025)**, Perak's GDP growth target is 5.0%. Currently (2021 – 2023), **Perak's** average GDP growth stood at 3.6%, **below its 12MP target**.
- By breakdown of economic sectors, **only mining & quarrying sector has achieved the 12MP** GDP growth target in the first 3 years of the 5 years period.
- Nonetheless, **mining** sector is **really small** and **only contributes 0.6%** to Perak's economy, mainly driven by **sand quarrying, tin ore, limestone and granite**.



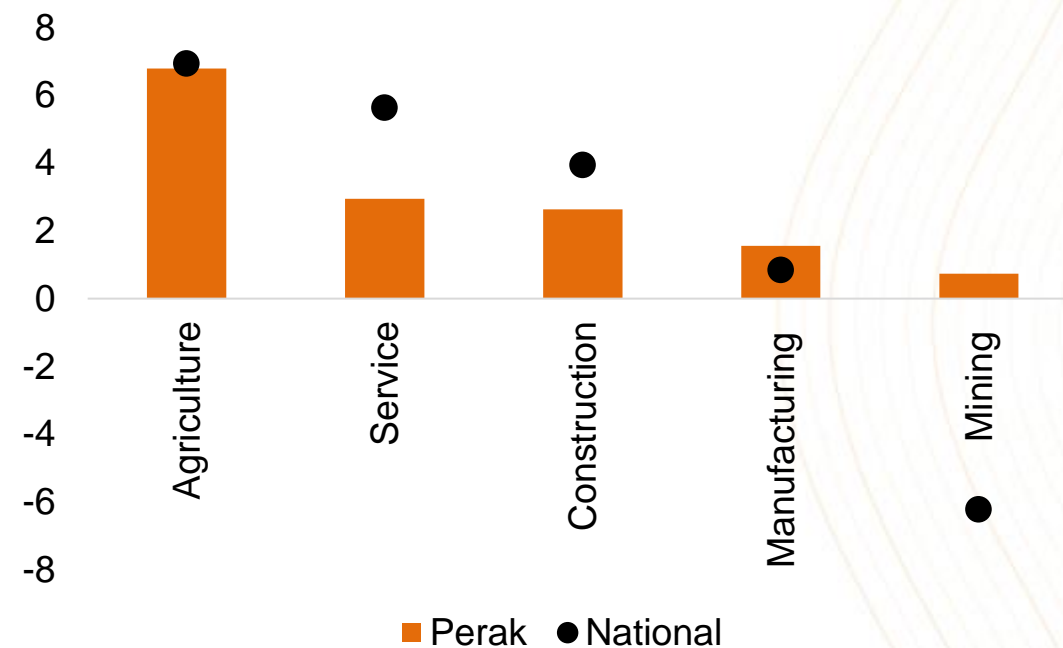
1 7th largest contributor to Malaysia's MSME

% share to Malaysia's MSME value added (2022)



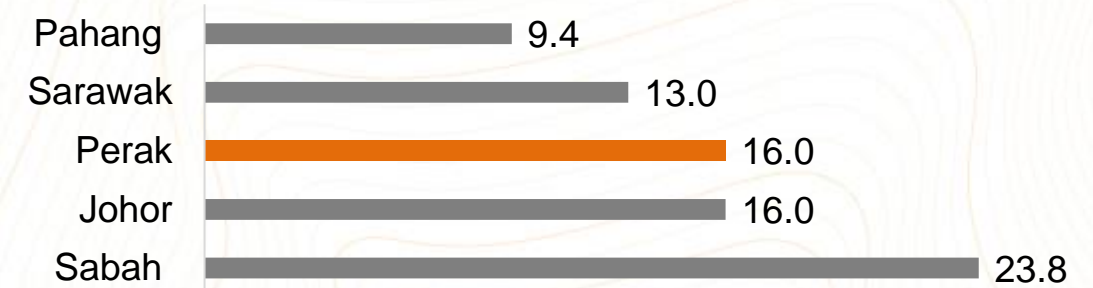
2 3 sectors below national CAGR, except manufacturing and mining

MSME CAGR in Perak vs national 2015-2022 (%)

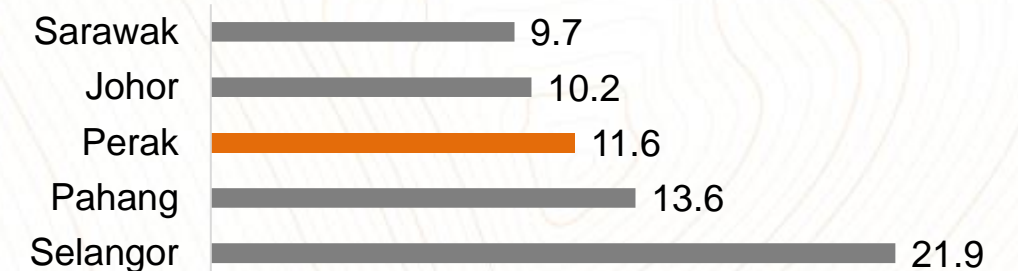


3 Perak's MSMEs top 3 in agriculture and mining sector

Share of MSME value added for agriculture by states in 2022 (%)



Share of MSME value added for mining by states in 2022 (%)



- MSMEs play a vital role in Perak's economy. MSMEs contributed **52%** to the state's value added in 2022, amounting RM25.8 bil
- At national level, Perak ranked the **7th largest** in terms of share of value added, at **4.5%**.
- MSMEs accounted for **98% or 77.4k establishment in Perak**. Perak ranked the **5th** highest number of MSMEs nationwide, with 7.2% share of total MSMEs establishment in Malaysia, behind Selangor (24.8%), Kuala Lumpur (12.4%), Johor (11.8%) and Penang (7.6%).

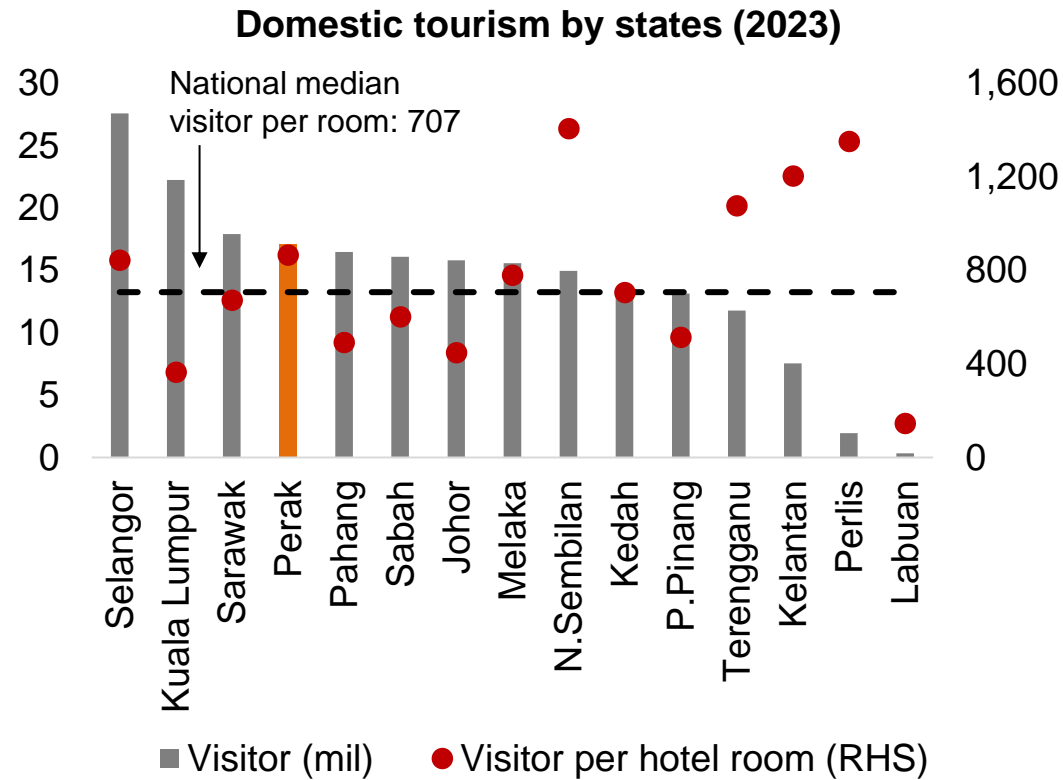
- 3 sectors** in Perak recorded MSMEs CAGR below national level, namely agriculture (6.8%), services (2.9%) and construction (2.6%) between 2015 – 2022. Nonetheless, Perak's **agriculture registered the highest CAGR of 6.8%** vis-à-vis other sectors, although it is slightly lower than national level (6.9%).
- In terms of **labour productivity** among MSMEs, **Perak ranked 10th** among states to record RM61,683 output per worker in 2022, which is far below national level's RM88,674.

- By sectors, Perak (16% share) is the **3rd largest agriculture sector among MSME in Malaysia**. This is in line with national data, where Perak emerged as one of the top national contributors for agriculture sector.
- Perak's MSME in mining (12%) is also the **largest nationwide after Selangor (22%) and Pahang (14%)**.



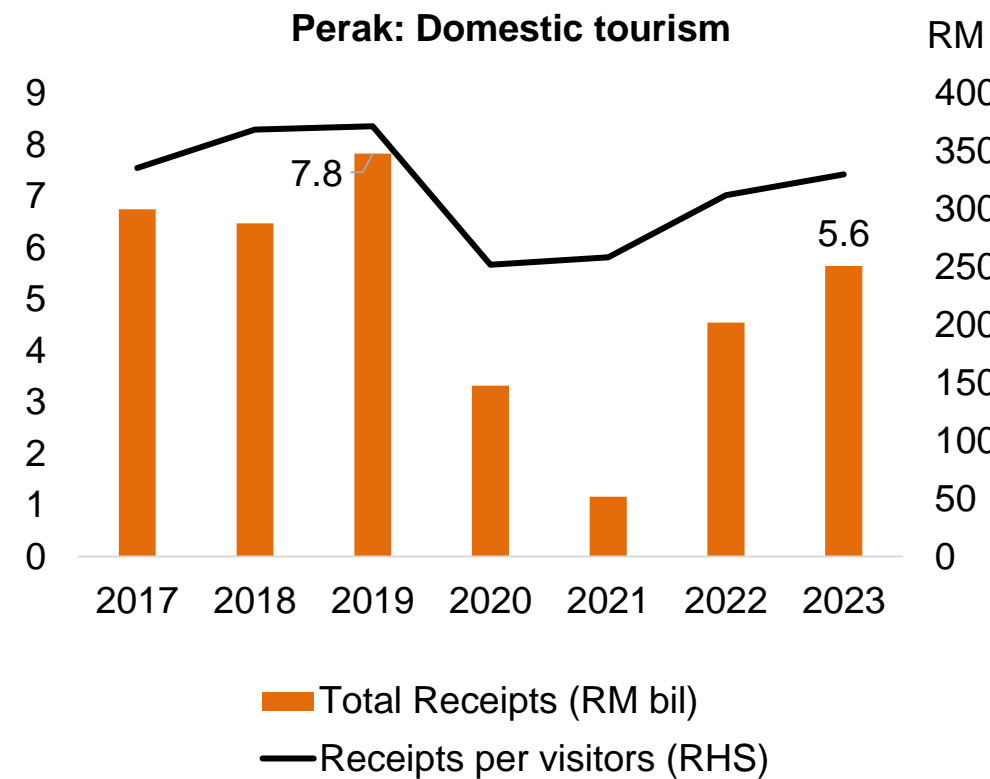
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4th largest domestic tourist arrivals in Malaysia



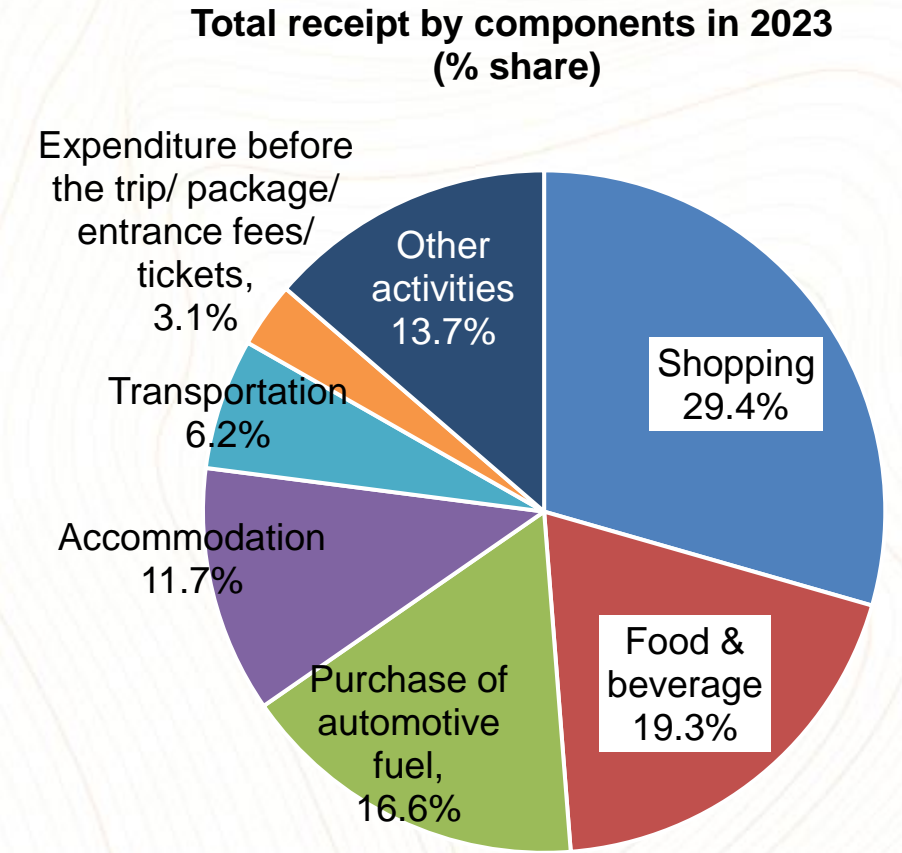
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Continuous growth but still below pre-pandemic level



3

Visitors spent ~2/3 of total receipts for shopping, F&B and fuel



- Perak ranked **no. 4** for the highest number of **visitors** in 2023, with a total of 17.1 mil visitors after Selangor, KL and Sarawak.
- **Teluk Batik, Lost World of Tambun, Pulau Pangkor, Zoo Taiping and Night Safari, and Teluk Senangin** are the top 5 tourist destinations in Perak.
- Meanwhile, Perak's visitor per hotel room stood at 866 visitors, above the median national level of 707 visitors.

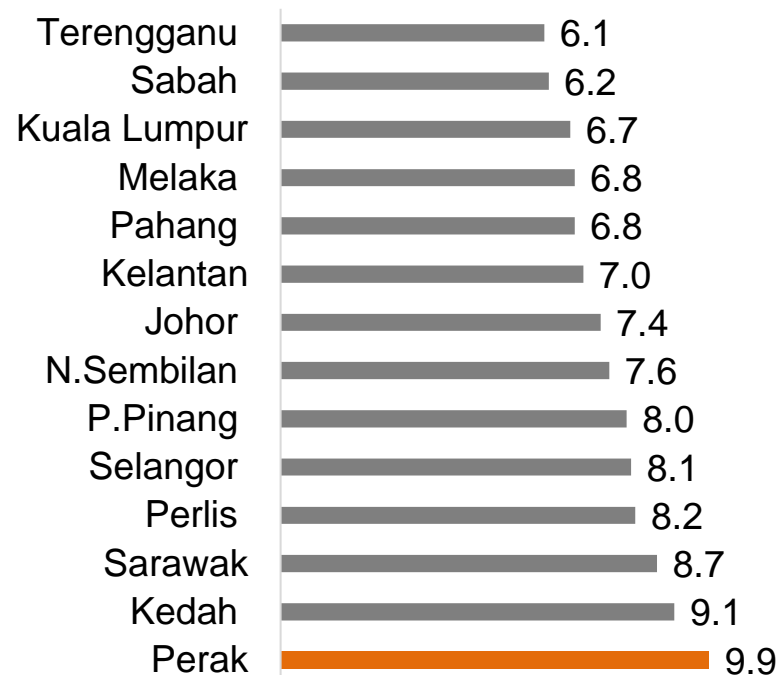
- Tourism sector in Perak **continued its recovery** in 2023, surged by 24.2% YoY to RM5.6 bil in total receipts.
- Compared to pre-pandemic (2019), total receipt in 2023 stood at 72% of 2019 level (2022: 58%).
- **Spending per capita** by visitors in Perak also showed recovery trend, up to RM330/visitor. However, it is still below 2019's at RM371/visitor.

- Based on component spending by visitors in Perak, shopping makes up the biggest share at **29.4%** of total receipt.
- This is followed by food and beverages (**19.3%**) and purchase of automotive fuel (16.6%).
- The top 3 components accounted for almost ~2/3 of visitors' spending in 2023.

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Perak has the highest % of population aged ≥65 years old

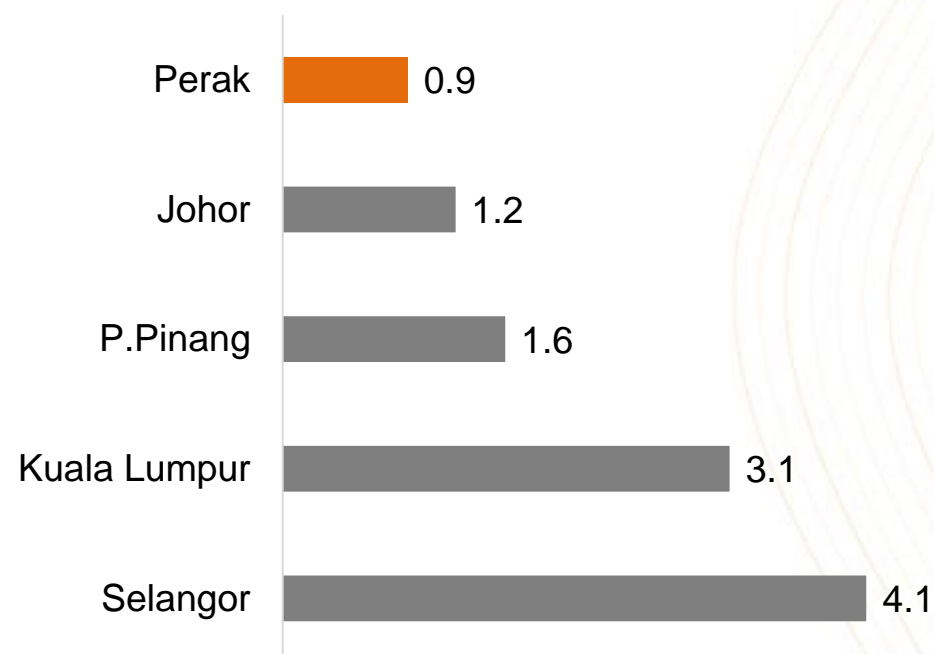
Population aged ≥ 65 years by States in 2024 %



2

Top 5 States that lead in private healthcare sector

Perak: Total Value Added for Private Health and Social Work Service in 2022 (RM Billion)



3

Hospital, general & specialised medical dominates Perak's private healthcare

Perak healthcare segments	Value added in 2022 (RM mil)	CAGR 2015-2022 (%)	Number of establishments
Hospital services	380.6	9.8	23
General medical services	219.1	9.3	476
Specialised medical services	111.9	3.6	93
Dialysis centres	36.7	2.9	46
Dental services	35.0	9.3	135
Other human health services	29.0	23.4	163
Child day-care activities	22.1	2.8	273
Medical laboratories	17.4	5.8	27
Social work activities without accommodation	7.8	46.8	38
Residential care activities	6.7	8.4	103
Acupuncture centres	1.7	11.0	24
Herbalist and homeopathy services	1.5	5.8	26

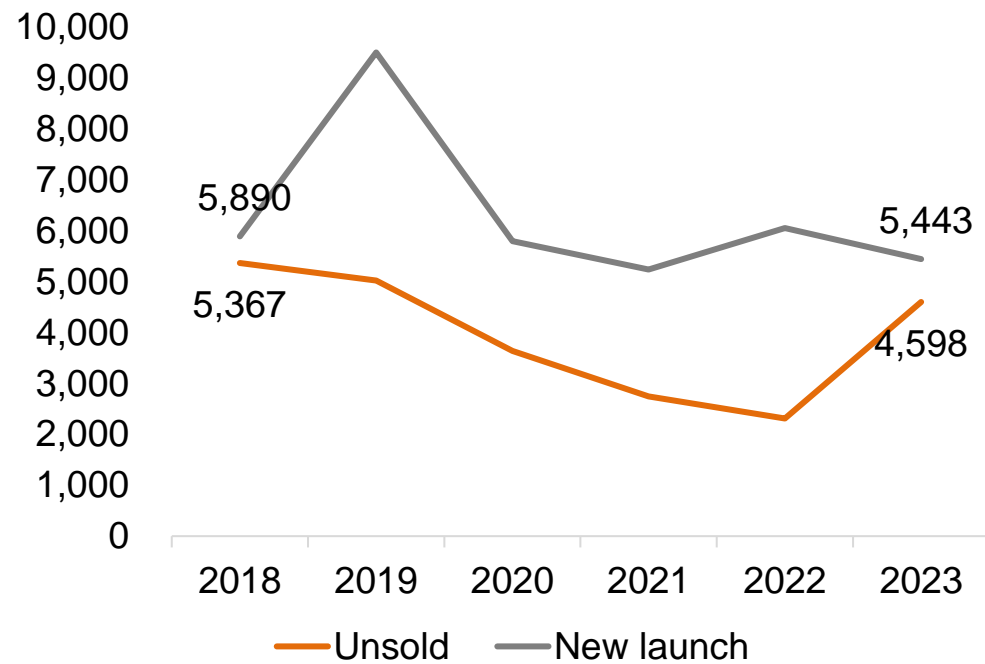
- **Ageing population** in Malaysia is rising. This year, population aged ≥65 years old reached 7.7% of total country's population (2020: 6.8%)
- Among states, **Perak has the largest share** of aged population ≥65. It represents **9.9%** share of Perak's population.
- In Malaysia, **Kampar** is the 3rd highest aging population district, while **Muallim** has been identified as the new ageing district (7.2% share of district population) in 2024.

- Perak's private health and social work service industry ranked no. 5 nationwide in total value added 2022 at RM0.9 bil (2015: RM0.5 bil). The sector posted CAGR of **7.9%** between 2015-2022.



1 Unsold residential property doubled in 2023

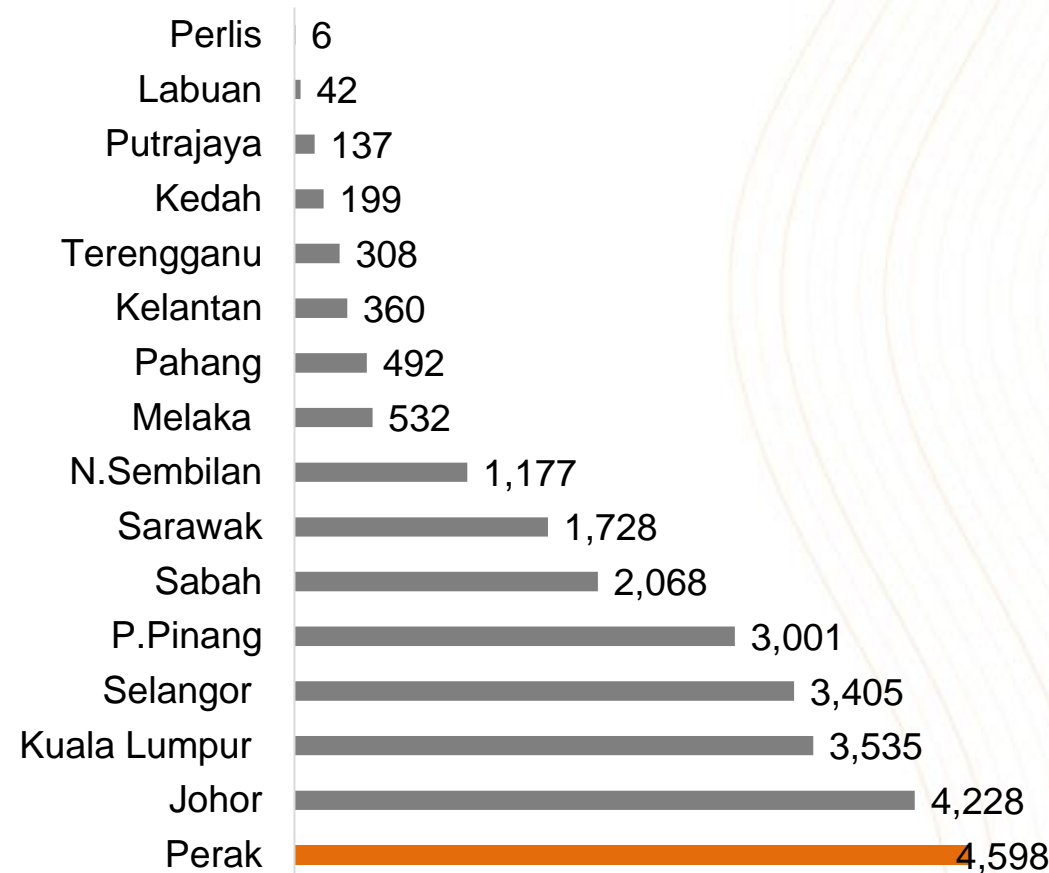
Perak launch vs Unsold Property in 2023 (units)



- While Perak’s new property launches remained **higher than unsold property** for the past years, the new launches had **reduced** in 2023 to 5.4k units (2022: 6.1k).
- The newly launched properties were dominated by 2-3 storey terrace houses with price range between RM200K-RM300K.
- The declining trend in Perak’s unsold property has reversed in 2023, where it almost doubled to 4.6k units (2022: 2.3k)

2 Perak has the highest overhang of residential property

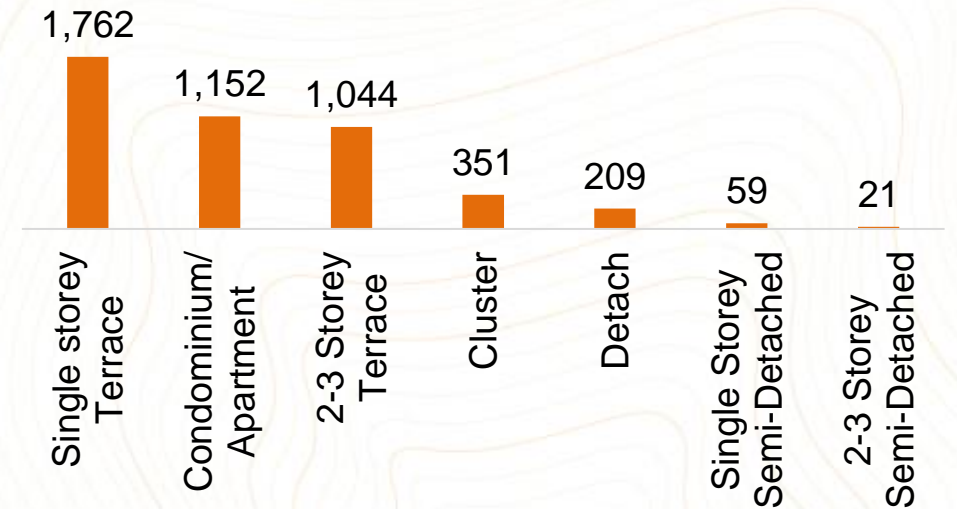
Perak : Unsold Residential Property in 2023 (Units)



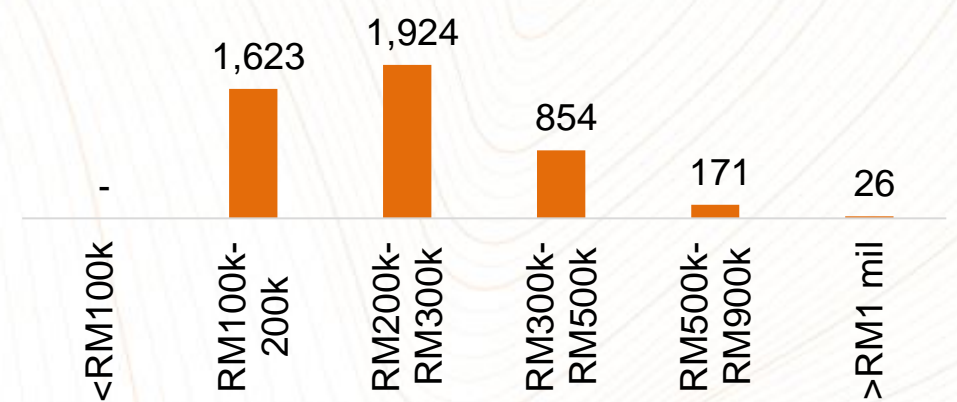
- Nationwide, there are 25,816 units of **unsold properties** in 2023, a 7% improvement from 27,746 units in 2022.
- Perak charted the **largest unsold property** in 2023 with total of 4.6k units or 17.8% share nationwide, followed by Johor (4.2k) and KL (3.5k).

3 Property below RM100k sold out

Perak Unsold Property by Types (units)



Total Unsold property by Price Range in Perak (Units)



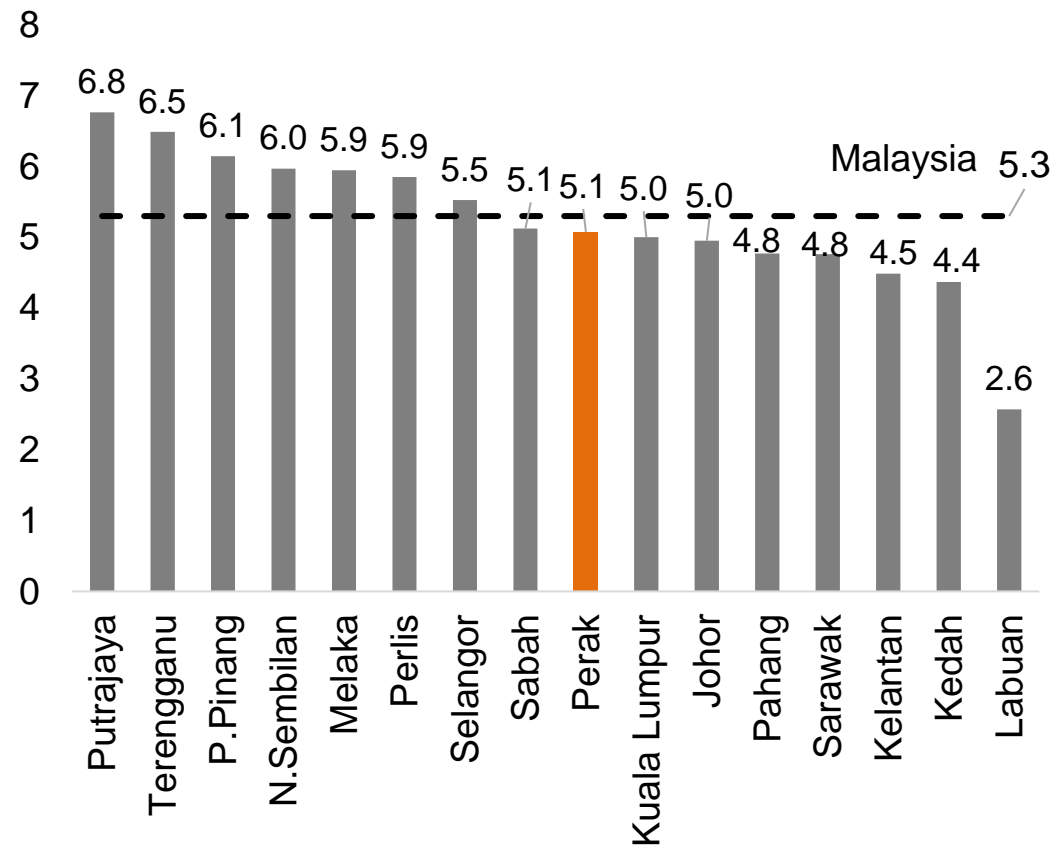
- In Perak, **single storey terrace** is the category with highest number of unsold units (1.8k).
- By price range, property between **RM200k-300k** have the highest unsold units. Conversely, property below RM100k are all sold out.



1

Household monthly average expenditure grew below national level

CAGR of Monthly Average Expenditure between 2014 - 2022 (%)

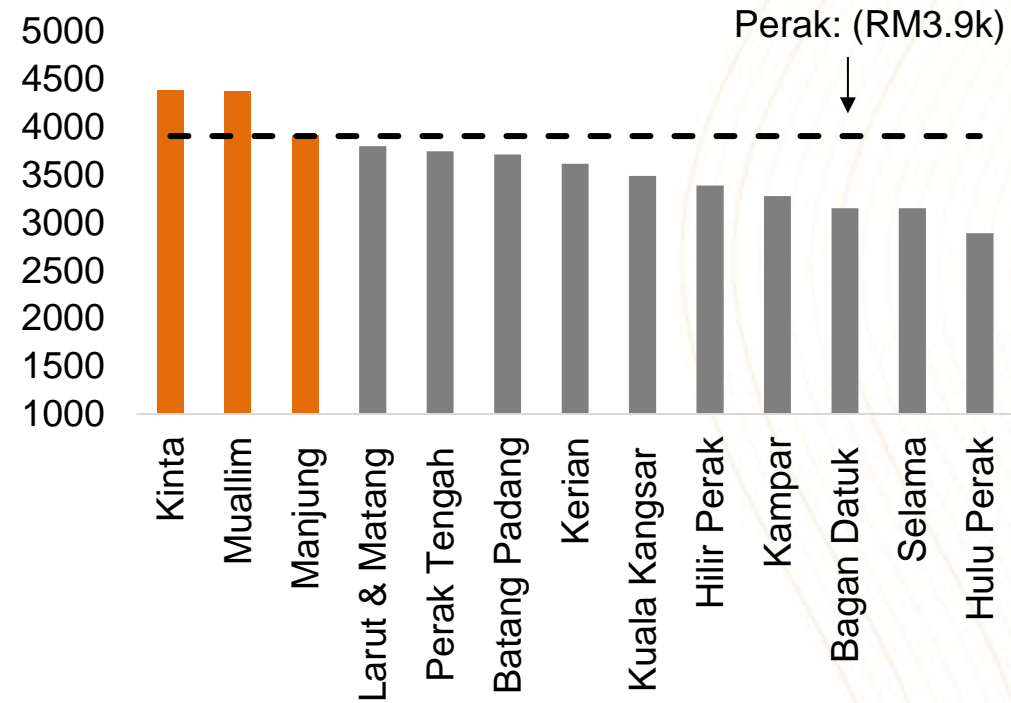


- The monthly average expenditure in Perak is rather contained, at RM3.9k. In fact, the State ranked one of the **bottom 5 for monthly average expenditure** in Malaysia, after Perlis (RM3.8k), Kedah (RM3.8k), Kelantan (RM3.5k), and Sabah (RM3.3k).
- In terms of **CAGR growth** between 2014 - 2022, Perak ranked no. 9 among states at **5.1%** < slightly below national level (5.3%).

2

Kinta, Muallim and Manjung above States level

Perak: Average Monthly Household Consumption Expenditure by District in 2022 (RM)

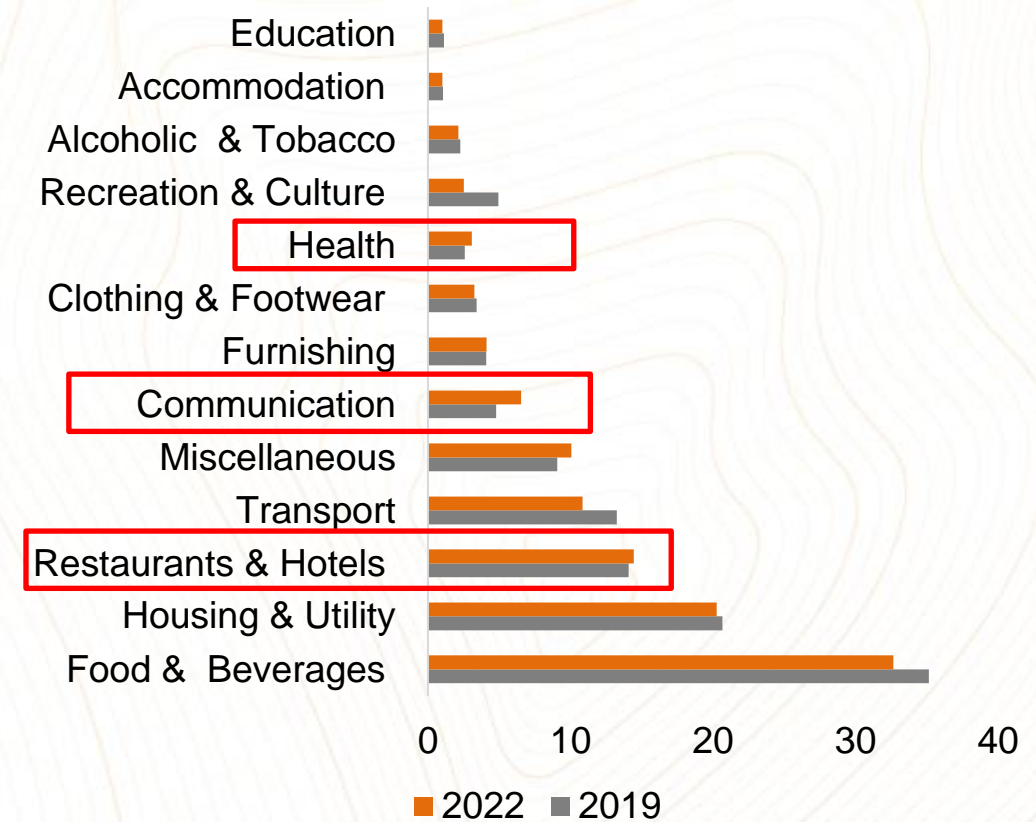


- **By district**, Kinta (Ipoh) and Muallim have the highest household spending, above the State's level of RM3.9k.
- As Tanjung Malim (Proton City) is in Muallim district, this could be one of the factors supporting higher household expenditure in the district.

3

Households mostly spend on Food and Beverages

Household Expenditure by Share in Perak (%)



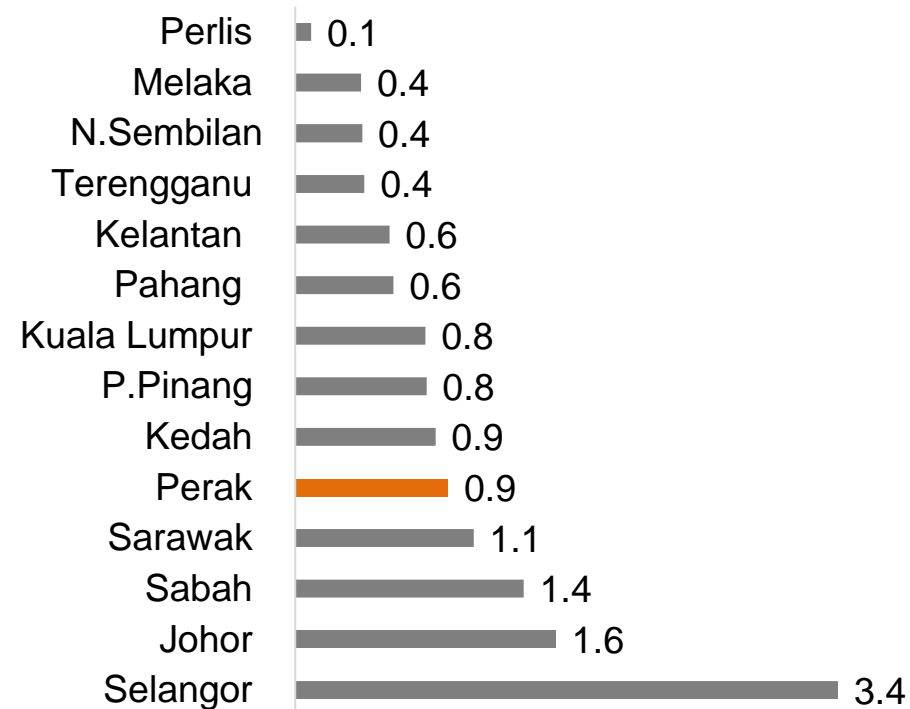
- Perak's households **mostly spend on food and beverages**, with a share of 32.7% of total expenditure in 2022 (2019: 35.15%).
- Household's share of **spending have increased** in the **restaurant and hotel, communication, and health** subsector in 2022 compared to 2019.



1

Perak ranked 5th in employing high & semi-skilled employees

High and semi-skilled employment to total (mil person)

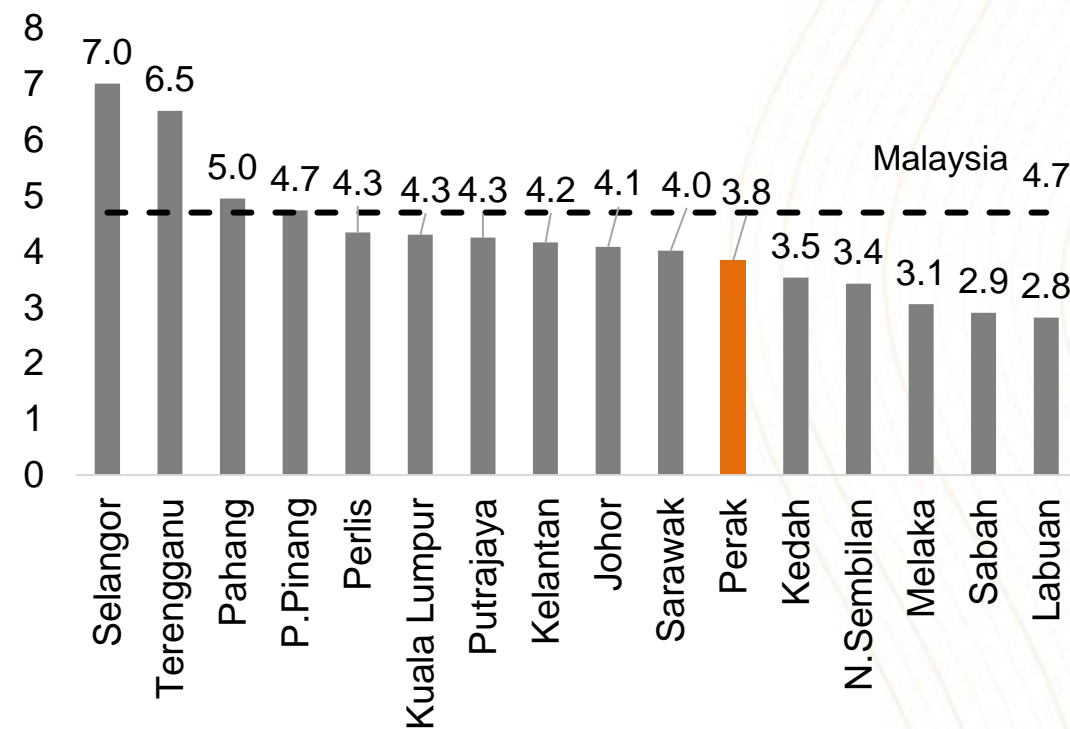


- Perak's high and semi-skilled jobs **ranked no. 5** compared to other states in Malaysia.
- The ongoing projects such as Automotive High-Tech Valley in Tanjung Malim and other mega projects could **attract high and semi-skilled workers**.
- State government plans to make **Perak as Malaysia's TVET corridor by 2030**.

2

Monthly median household income expanded below national level...

CAGR of Monthly Gross Median Income by State between 2014-2022 (%)

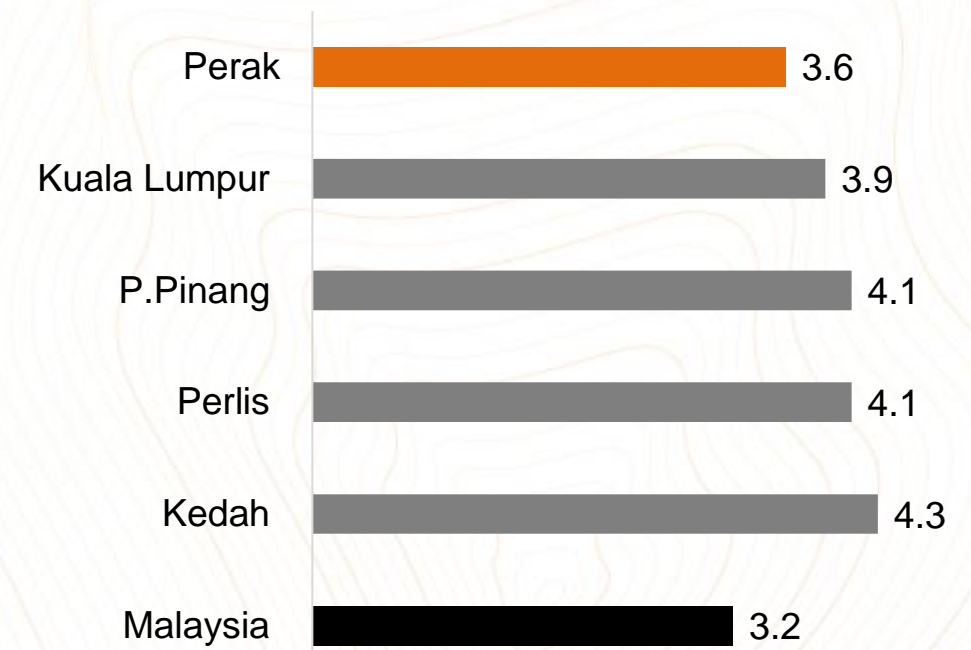


- Perak's **median monthly household income** has been among the **lowest** (bottom 5 states) in Malaysia since 2009. Historically, Perak achieved its highest median income in 2002, ranking top 8th among the states.
- The **CAGR** has been growing modestly at 3.8% between 2014 to 2022, below national level of 4.7%, while ranked no 11 nationwide.

3

High visitor could possibly contribute to Perak's inflation

Inflation YTD 2024 Restaurant & Accommodation (% YoY)



- Perak's average consumer price index (CPI) inflation Jan-Aug 2024 stood at 1.1% YoY (2023: 2.8%) driven by restaurants & accommodation (3.6% YoY), personal care (2.7%) and utilities (2.2%) segments.
- Among Perak's CPI components, **restaurants & accommodation** recorded among the highest in Malaysia (rank at top 5). This could be influenced by the **tourism sector** in tandem with high volume of visitors.



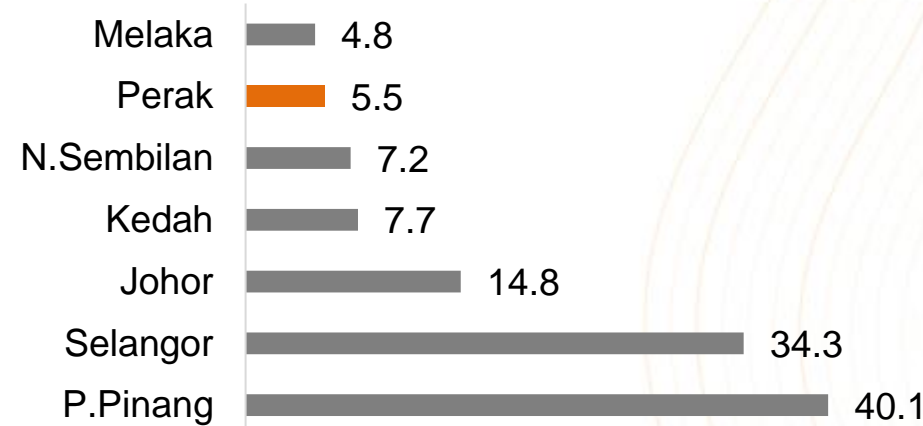
New Industrial Parks in Perak

Industrial Park	Area (Acre)	Timeline
Lahat Industrial Park	60	2023
Seri Iskandar Industrial Park	3,168	2024
Perak Halal Industrial Park	107	2025
Ipoh Raya Industrial Raya MRCB	833	2028
Silver Valley Technology Park	2,700	Ongoing
Automotive High Tech Valley	1,000	Ongoing
Kerian Integrated Green Industrial Park	1,000	Ongoing
Lumut Maritime Industrial City	NA	Ongoing

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Kerian Integrated Green Industrial Park (KIGIP)

Manufacturing GDP of Electric , Electronic and Optical in 2023 (RM bil)

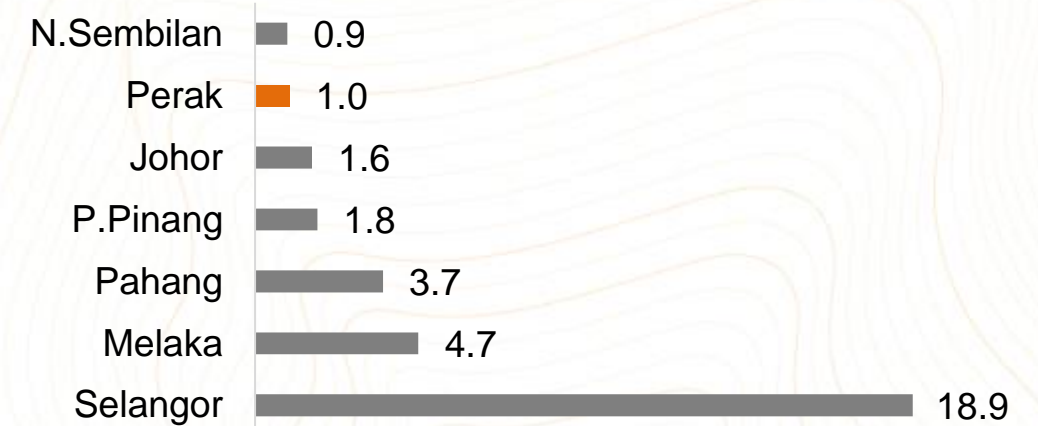


- Sime Darby Plantation (SDP) is developing the 1,000-acre Kerian Integrated Green Industrial Park (KIGIP), alongside Permodalan Nasional Bhd.
- The project aims to attract **green electrical and electronics (E&E)** investments and will feature 660 acres of **solar farms** to support the park.
- Strategically located near the North-South Expressway & Penang, KIGIP targets semiconductor and E&E sectors. SDP is also exploring **data center development** (Perak has the **largest water reserve margin in Malaysia** at 28.4%)
- Perak is the 6th largest contributor to E&E sector in Malaysia (5% share to national E&E GDP) at RM5.5 bil in 2023 .
- Some of the existing E&E players in Perak are Yamaha, Murata Electronics, Finisar, Unisem, Carsem etc.

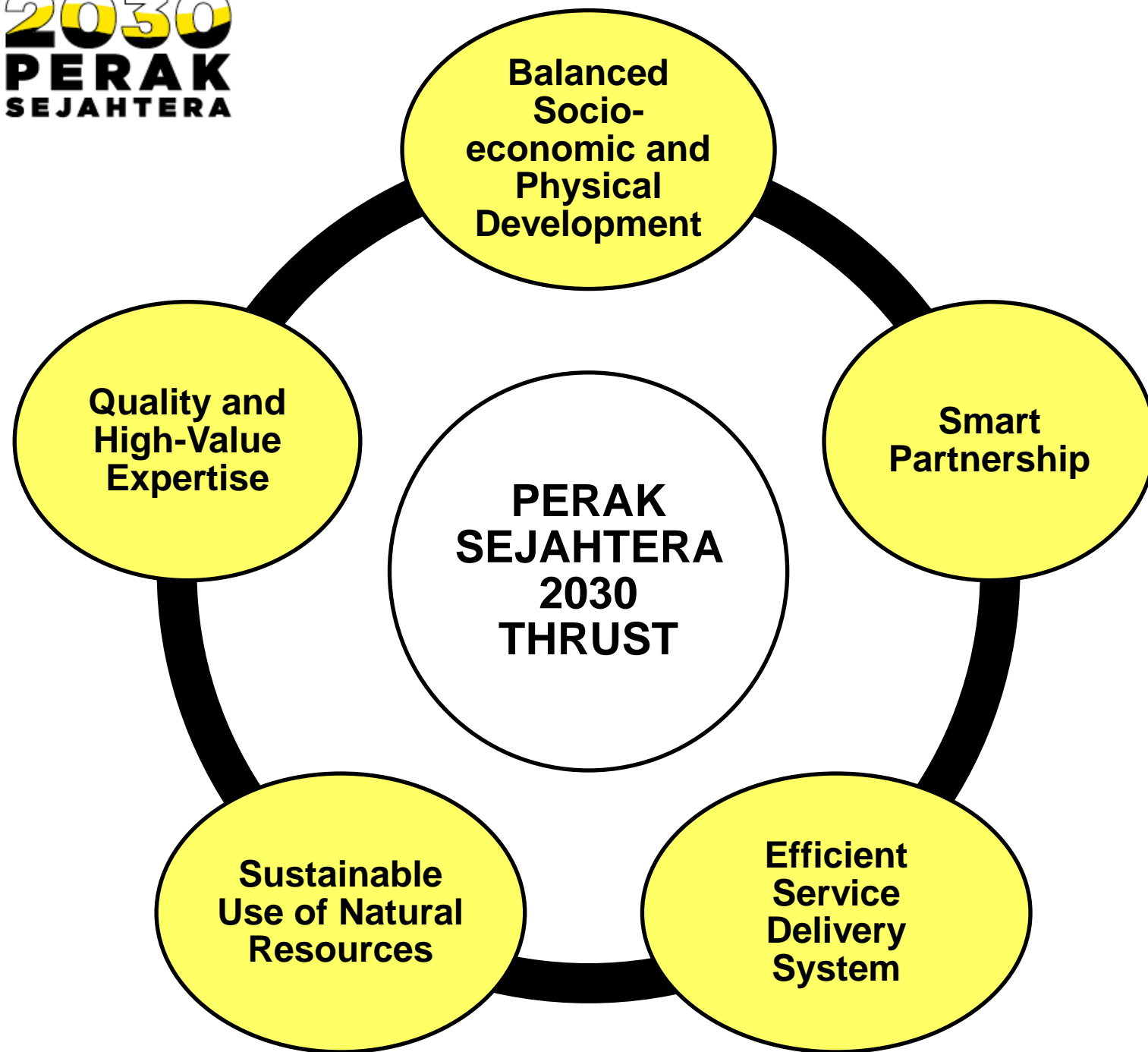
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Automotive High Tech Valley (AHTV) in Tanjung Malim

Manufacturing GDP Transportation Equipment in 2023 (RM bil)



- The Automotive High-Tech Valley (AHTV) in Tanjung Malim, Perak is **aimed at revitalizing the automotive industry** with RM32 bil in investments over the next decade. Proton, a key stakeholder, will transform its plant into a smart city and Southeast Asia's first next generation vehicle hub, focusing on R&D and attracting foreign investors.
- Perak's manufacturing transportation equipment ranked no. 6 in Malaysia.
- In terms of share to Perak's manufacturing sector, the transport equipment subsector has been gradually declining since 2015 (8.3%) to 2023 (6.2%).



VISION

“Prosperous Perak, Prosperous People”

GDP TARGET

The Perak Sejahtera 2030 development roadmap aims to increase Perak’s GDP to RM123 bil by 2030.(2023: RM82.6 bil)

Main Agenda

1. Food security
2. Digital economy
3. Data-driven decision making
4. Malaysia’s TVET corridor
5. Responsible mining
6. State-interest project management

New Agenda:

7. Social development
8. Empowerment of local authorities
9. Sustainability of nature and biodiversity

Other Focus

People needs :

1. Health & wellness
2. Quality and digital job opportunities
3. Sufficient food supply
4. Homeownership
5. Human capital & youth development



74% (1H 2024: 63%) of respondents foresee **sales to increase** in the next 6 to 12 months

- Administrative and support services
- Manufacturing of food products
- Food and beverage services

55% feel that **digital transformation** (1H 2024: 64%) **have positive impact** on their business operations

- Land transport including petrol stations
- Human health activities
- Construction

98% (1H 2024: 73%) expect **cost of doing business to go up** particularly those of **labour cost**

Currency fluctuation may pose limited risk as **87%** of respondents sell locally and **59%** source raw material locally

86% (1H 2024: 91%) prefer to **prioritise business expansion** as their **focus area** in the next 6 to 12 months

- Manufacturing of food products
- Construction
- Administrative and support services

More respondents require **cash reserves** to sustain their businesses. **65%** of **MSMEs** have **cash buffer of less than 1 year** (1H 2024: 36%)

- Construction
- Administrative and support services
- Manufacturing of food products



SME SENTIMENT INDEX 2H 2024

Status quo on hiring decisions

45% (1H 2024: 45%) wants to increase hiring, while another **45%** intend to maintain **current workforce** (1H 2024: 45%)

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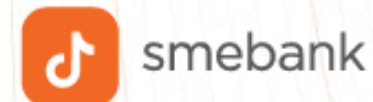
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