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Businesses remain optimistic for 1Q 2026 with 4.0 pct confidence indicator — DOSM

KUALA LUMPUR: Business sentiment remained positive in the first quarter of 2026 (1Q 2026), supported by a Confidence Indicator (CI) of 4.0 per cent, down from 6.2 per cent in the previous quarter, the Department of Statistics Malaysia (DOSM) said.

Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said all sectors expected favourable business conditions in 1Q 2026.

"The business confidence in the services sector remains in positive territory, with a CI of 6.6 per cent compared with 10.0 per cent in the previous quarter," he said in a statement yesterday.

The industry sector also remained optimistic, registering a CI of 3.3 per cent, down from 5.8 per cent in the fourth quarter of 2025 (4Q 2025).

Meanwhile, the construction sector returned to positive territory, posting 1.4 per cent compared with -1.2 per cent in 4Q 2025.

"Sentiment in the wholesale and retail trade sector remains positive, registering 2.5 per cent, compared with 3.5 per cent in the previous quarter," he added.

At the state level, business confidence showed a mixed pattern, with several states reporting notable improvements while others continued to face pressure.

Optimism was observed in Johor (3.0 per cent), Negeri Sembilan (8.0 per cent), Pulau Pinang (4.5 per cent), Perlis (3.7 per cent), Selangor (13.1 per cent), Terengganu (10.2 per cent), Sabah (2.4 per cent), Wilayah Persekutuan (WP) Kuala Lumpur (2.0 per cent), WP Labuan (2.0 per cent) and WP Putrajaya (3.4 per cent).

Conversely, Kedah (-0.9 per cent), Kelantan (-5.3 per cent), Melaka (-1.9 per cent), Pahang (-9.8 per cent), Perak (-7.5 per cent), and Sarawak (-0.7 per cent) recorded negative readings, indicating persistent challenges in these states.

Looking ahead to the first half of 2026, Mohd Uzir said businesses remained upbeat, though at a slightly lower net balance of 10.8 per cent, down from 12.0 per cent previously.

"Positive outlook is observed across all sectors, signalling promising business conditions for the forecast period," he added. — Bernama