# Producer Price Index rises in March, first increase in a year

**Jump of 1.1% last month a turnaround from 3.4% decline in February**

**PETALING JAYA:** Malaysia's Producer Price Index (PPI) increased by 1.1% in March 2026, compared to a 3.4% decline in the previous month, the first increase since March 2025, the Department of Statistics Malaysia reported.

Chief Statistician Malaysia Datuk Seri Dr Mohd Uzir Mahidin said, "The mining sector recorded a double-digit increase of 26.5% (February 2026: -8.5%), largely due to the extraction of crude petroleum (38.5%). In the utilities sector, the water supply index rose by 11.3%, while the electricity & gas supply index increased by 9.6%. Conversely, the agriculture, forestry & fishing sector contracted by 5.6% (February 2026: -8.7%), due to an 11% decline in the growing of perennial crops index."

Meanwhile, the manufacturing sector declined slightly by 0.8% (February 2026: -2.7%), mainly due to decreases in manufacture of coke & refined petroleum products (-3.8%) and manufacture of food products (-2.8%) indices.

On a month-on-month basis, the PPI local production increased 4.1%, compared to a 0.5% decrease in the previous month.

Apart from the water supply index which declined by 0.6%, all other sectors recorded increases. The mining sector surged by 32.9% (February 2026: 0.4%), fuelled by the increase in the extraction of crude petroleum index, which rose by 43.5%. The agriculture, forestry & fishing sector increased by 2.8% (February 2026: 1%), supported by the growing of perennial crops (4.4%) index. At the same time, the manufacturing sector rose by 1.7% (February 2026: -0.8%), attributed to increases in manufacture of coke & refined petroleum products (7.1%) and manufacture of food products (2.7%) indices.

Meanwhile, the electricity & gas supply index increased by 4.9%.

On the PPI local production by stage of processing, Mohd Uzir said, "The intermediate materials, supplies & component index edged down by 1.3% (February 2026: -3.1%), mainly due to a decline in processed fuel & lubricants (-4.8%). The finished goods index marginally declined by 0.1% (February 2026: -1.1%), affected by a decline in capital equipment (-0.6%). However, the crude materials for further processing index increased by 9.8% (February 2026: -7.0%), supported by non-food materials (10.7%) and foodstuffs & feedstuffs (5.5%)."

On a month-on-month basis, all stages of processing recorded increases in March 2026. The crude materials for further processing index increased by 16.4%. Similarly, intermediate materials, supplies & components and finished goods index rose by 1.7% and 0.7% in this month, respectively.

Mohd Uzir said, "The PPI local production continued to decline by 1.7% in the first quarter of 2026, following a 1.5% decrease in the fourth quarter of 2025. The decline was attributed to the agriculture, forestry & fishing (-7.5%) and manufacturing (-1.7%) sectors. However, water supply, electricity & gas and mining sectors recorded increases of 11.1%, 6.5% and 1.6%, respectively."

Meanwhile, on a quarter-on-quarter basis, the PPI registered a marginal increase of 0.9%, from a 0.1% increase in the preceding quarter mainly supported by mining (11.5%) and the utilities sector.