

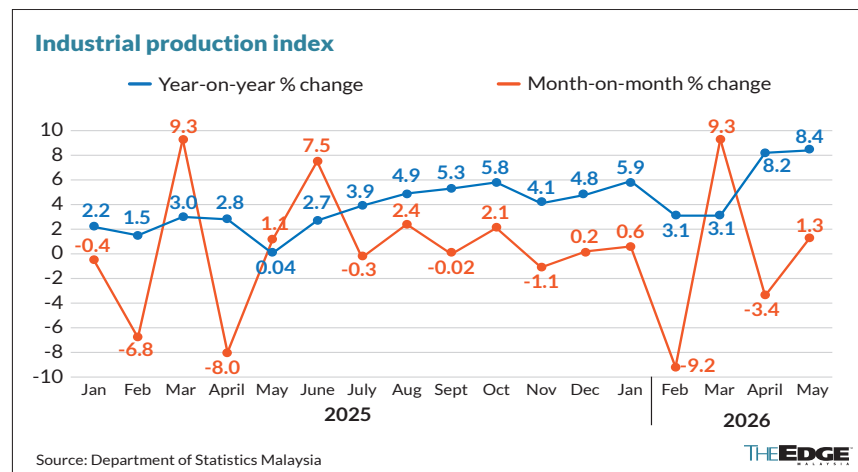
Malaysia's industrial activity picks up in May on surging output of natural gas, electronics

BY DEEPALAKSHMI MANICKAM
theedgemalaysia.com

KUALA LUMPUR (July 9): Malaysia's industrial output picked up in May thanks to a sharp rise in natural gas extraction while factories churned out more electrical and electronics products.

The industrial production index — which measures output from factories, power plants and mines — rose 8.4% in May from a year earlier, the Department of Statistics Malaysia said in a statement. The rate was below Bloomberg's consensus estimate of 9.4% but was tad above April's 8.2% year-on-year gain.

On a month-on-month basis, the index rebounded 1.3% in May, after contracting 3.4% in April.



Manufacturing output rose 6.6% in May, slower than the 8.3% expansion recorded in April. Export-oriented industries accelerated, driven mainly by a 17% increase in computer, electronics and optical products.

Domestic-oriented industries, however, expanded at a much slower pace in May with growth supported by manufacturing of fabricated metal products as well as basic metals.

The mining sector jumped nearly 20% in May compared with 6.8% in April. Natural gas output surged 37% and offset a slight decline in production of crude oil and condensate.

Electricity generation grew 4.2% year-on-year in May, slower than the 10.5% increase recorded in April.

The data dovetails with a steep rise in industrial activities in Singapore and Taiwan. Industrial output in China, the US and Vietnam also expanded while Thailand, Japan and South Korea recorded declines in May.

Read also: Malaysia's May manufacturing sales up 8.9% on growth in electrical and electronics products