

TRANSPORT EQUIPMENT AND OTHER MANUFACTURES

Factories keep humming in Q2

KUALA LUMPUR: Malaysia's manufacturing capacity utilisation rose to 83.7 per cent in the second quarter of 2026, up 1.2 percentage points from 82.5 per cent a year earlier.

In a statement, the Statistics Department said all manufacturing sub-sectors recorded capacity utilisation rates above 80 per cent during the quarter, with transport equipment and other manufactures posting the highest rate at 87.2 per cent, up 1.2 percentage points year-on-year.

This was followed by electrical and electronics products, which rose 2.6 percentage points to 85.3 per cent.

Capacity utilisation increased year-on-year throughout the quarter, by 1.8 percentage points to 82.9 per cent in April, 0.6 percentage points to 83.5 per cent in May and

0.9 percentage points to 84.5 per cent in June.

On a quarterly basis, manufacturing capacity utilisation increased 0.9 percentage point from 82.8 per cent in the first quarter.

The department said capacity utilisation in export-oriented industries rose 1.3 percentage points year-on-year to 82.9 per cent.

This was driven mainly by the manufacture of computer, electronics and optical products, which rose 3.5 percentage points to 84.9 per cent.

The manufacture of plastic products also rose by 0.6 percentage point to 81.5 per cent.

However, capacity utilisation remained below 80 per cent in three areas:

WOOD and wood products, except

furniture, and articles of straw and plaiting materials, at 75.3 per cent;

TEXTILES, at 79.9 per cent; **AND** vegetable and animal oils and fats at 79.8 per cent.

Meanwhile, capacity utilisation in domestic-oriented industries rose 0.8 percentage point year-on-year to 85.2 per cent.

The manufacture of motor vehicles, trailers and semi-trailers recorded the highest rate at 90.9 per cent, up 2.7 percentage points, followed by basic metals at 81.4 per cent.

The manufacture of paper and paper products recorded the lowest rate at 77.1 per cent.

Nine states and federal territories recorded capacity utilisation above the national rate, led by Labuan at 96.2 per cent.



Manufacturing capacity utilisation rose to 83.7 per cent in the second quarter of 2026. NSTP FILE PIC

This was followed by Melaka at 89.1 per cent, Selangor at 86.9 per cent, Pahang at 85.6 per cent, Terengganu at 85.5 per cent, Johor at 85.1 per cent, Kedah at 85 per cent, Negri Sembilan

at 84.6 per cent and Sabah at 84.1 per cent.

Perlis recorded the lowest capacity utilisation rate at 57.8 per cent.

The department also cited low

demand, insufficient supply of materials, and machinery and equipment repairs and maintenance as the main factors behind underutilisation.