

H O M E

KUALA LUMPUR (Aug 27): Malaysian businesses turned more optimistic about the third quarter of 2026 (3Q2026), with confidence improving across all major sectors, according to the Department of Statistics Malaysia (DOSM).

The overall confidence indicator rose to 5.9% from negative 1.8% in the previous quarter, reflecting stronger expectations for domestic and external economic activity, DOSM said in a statement on Thursday.

Industry recorded the strongest improvement, with its confidence indicator rising to 8.2% from negative 3.7% in 2Q2026.

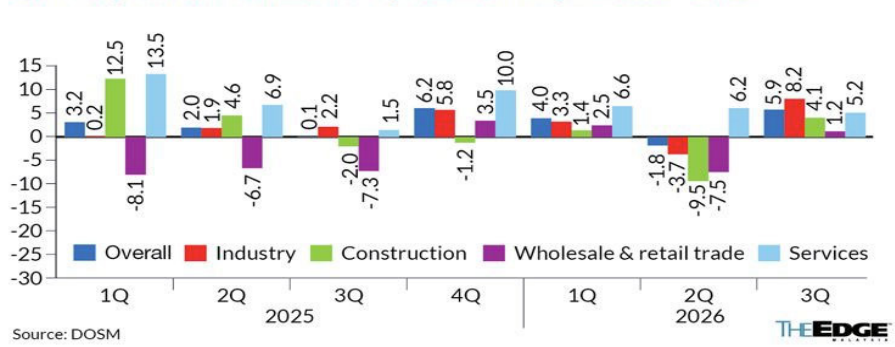
Construction also returned to positive territory at 4.1% from negative 9.5%, while wholesale and retail trade improved to 1.2% from negative 7.5%.

Services remained optimistic at 5.2%, although it eased slightly from 6.2% in the previous quarter.

Businesses were also more upbeat about conditions over the next six months, with the overall net balance rising to 12.9% from 7.9% previously.

Construction showed the strongest outlook over the period with a net balance of 23.3%, followed by industry at 14.3% and services at 13.1%. Wholesale and retail trade recorded a net balance of 5.3%.

Quarterly confidence indicator by sector, Malaysia, 2025 – 2026



Malaysia business confidence rebounds in 3Q — DOSM

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Meanwhile, 31.9% of businesses expect gross revenue to increase in 3Q2026, while 47.4% expect it to remain unchanged and 20.7% foresee a decline.

Most businesses also expect to maintain their workforce, with 78.3% anticipating no change in employment. Some 13.9% expect to increase hiring, while 7.8% foresee a reduction.

At the state level, most recorded positive confidence readings, led by Terengganu at 10.5%, Kuala Lumpur at 9.5% and Negeri Sembilan at 9.4%.

Melaka and Labuan were the only two to record negative readings, at negative 3.9% and negative 5.4% respectively.