

Economy continues to recover as September industrial output expands

KUALA LUMPUR: Malaysia's economy continued to recover in September as the industrial production index (IPI) increased by 2.5% from a year ago, underpinned by the exported-based manufacturing sector, the Statistics Department said.

Reuters reported the expansion was above forecast as a survey showed it was expected to rise 1.9%, according to 14 economists surveyed in a Reuters poll.

Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said on Tuesday the IPI was supported by the 4% growth in manufacturing index and 0.4% in electricity index. However, the mining index contracted by 3%.

"On month-on-month basis, the IPI increased by 3.7% driven by manufacturing and electricity sectors," he said.

Mohd Uzir added the manufacturing sector output increased by 4% in September 2021 after expanding by 0.6% in August.

The main subsectors contributed to the growth in manufacturing sector in September 2021 were electrical & electronics products (12.3%), petroleum, chemical, rubber & plastic products (6.1%) and food, beverages & tobacco (2.1%).

The manufacturing sector's growth was underpinned by export-oriented industries, which grew 6.7% while domestic-oriented industries shrank by 1.9%. The increase in export-oriented industries was mainly supported by the manufacture of computer, electronics & optical products and manufacture of coke & refined petroleum products.

Mohd Uzir added the performance of the manufacturing sector was also in line with the encouraging growth of exports.

However, the decline in the domestic-based industries was impacted by the manufacture of motor vehicles, trailers & semi-trailers and manufacture of other non-metallic mineral products.

On the performance of the manufacturing sector, it expanded by 5.5% as compared to August 2021 due to higher capacity utilisation.

There was especially in the food, beverages & tobacco, electrical & electronic products and petroleum, chemical, rubber & plastic products subsectors.

However, the mining sector output shrank 3% in September 2021 on-year due to the 7.7% decline in crude oil & condensate index. As for natural gas index augmented by 1%, he said.

On the mining index, it declined 2.9% as compared to the previous month.

Mohd Uzir said the electricity sector output rose 0.4% in September 2021 on-year. The electricity index grew 1.6%.

Third quarter -- The IPI for the 3Q 2021 deteriorated 1.1% from a year ago due to the decline in all electricity, mining and manufacturing indices, 3.1%, 2.2% and 0.7% respectively.

January-September: For the nine months, the IPI expanded 7.6% from the previous corresponding period due to the increase in all components; manufacturing index (9.6%), mining index (2.3%) and electricity index (1.6%).

<https://www.thestar.com.my/business/business-news/2021/11/09/economy-continues-to-recover-as-september-industrial-output-expands>