

# Malaysia's PPI turns positive in September

➤ Producer Price Index up 0.2% from August, first increase after seven months of decline

**PUTRAJAYA:** Malaysia's Producer Price Index (PPI), which measures the prices of goods at the factory gate, increased by 0.2% in September 2023 compared with negative 2.2% in August 2023, the Department of Statistics Malaysia reported yesterday.

This is the first increase after seven consecutive months of decline since February 2023, due to the base effect and higher prices of primary commodities.

Chief Statistician Malaysia, Datuk Seri Dr Mohd Uzir Mahidin said, "The marginal increase was contributed by all sectors except the manufacturing sector. The agriculture, forestry & fishing sector increased by 3.2% (August 2023: -1.0%) due to the increase in animal production (5.7%) and growing of perennial crops (3.3%).

"At the same time, the mining sector increased by 6.9% after recording a negative 3.8% in the previous month supported by extraction of crude petroleum (8.1%) and extraction of natural gas (2.7%). Both utility sectors recorded incline, with the electricity & gas supply sector increased 0.5% and the water supply increased by 0.9%."

He added that the manufacturing sector remained negative for five consecutive months recording a negative 0.8% (August 2023: -2.3%), affected by manufacture of coke & refined petroleum products (-7.1%) and manufacture of food products (-5.3%).

On a monthly basis, PPI local production went up by 0.9% in September 2023 after no changes recorded in August 2023. The mining sector increased by 5.6% owing to extraction of crude petroleum (6.6%) and extraction of natural gas (1.9%) indices. The manufacturing sector increased slightly by 0.8% after recording negative changes since May 2023, attributed to manufacture of refined petroleum products (6.1%) and manufacture of computers & peripheral equipment (2.8%).

Similarly, the electricity & gas supply sector also inched up 0.4%. However, the agriculture, forestry & fishing sector declined by negative 1.4% with the index of growing of perennial crops posting a decrease of negative 2.3%. The water supply sector also recorded a decrease of negative 0.4% in this month.

Mohd Uzir said, "The crude materials for further processing index increased by 5.4% in September 2023 (August 2023: -4.0%), with non-food materials and foodstuffs & feedstuffs indices posting an increase of 5.9% and 3.0%, respectively. The finished goods index remained positive to post 3.1%, due to the increase in capital equipment (4.4%) and

finished consumer goods (1.2%).

"On the other hand, the intermediate materials, supplies & components index dropped by negative 2.7% (August 2023: -3.7%) due to processed fuel & lubricants (-8.2%) and materials & components for manufacturing (-4.3%) indices."

On a monthly basis, crude materials for further processing, intermediate materials, supplies & components and finished goods indices increased by 3.9%, 0.2% and 0.1%, respectively in September 2023.

Overall, Malaysia's PPI decreased by 2.1%

in the first nine months of 2023 as compared to last year due to the volatility of Malaysia's main commodities, particularly palm oil products and crude oil.

Oil prices averaged US\$94 (RM441) per barrel in September 2023, an increase from US\$75 in June, and is expected to rise further in the fourth quarter based on trading economics.

Looking ahead 12 months, oil prices are projected to average US\$98 per barrel after Opec members extended their voluntary supply cut of crude oil.

