

Malaysia's PPI up 0.2% in September

KUALA LUMPUR: Malaysia's producer price index (PPI) rose 0.2% in September compared with the negative 2.2% in August, according to the Statistics Department.

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 Datuk Seri Dr Mohd Uzir Mahidin said yesterday the marginal increase was contributed by all sectors except the manufacturing sector.

"The agriculture, forestry and fishing sector increased by 3.2% 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%)," he said in a statement.

The electricity and gas supply sector increased 0.5% and the water supply increased by 0.9%.

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

On a monthly basis, PPI local production rose 0.9% in September 2023 after no changes recorded in August 2023.

For PPI local production by stage of processing, Mohd Uzir said the index of crude materials for further processing index continued to decrease by 5.4% in September (August 2023: negative 4%) with non-food materials and foodstuffs and 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 and components index dropped by

negative 2.7% (August 2023: negative 3.7%) due to processed fuel and lubricants (negative 8.2%) and materials and components for manufacturing (negative 4.3%) indices.

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

Mohd Uzir also explained that the PPI local production continued to decline by negative 1.4% in the third quarter of 2023 (2Q23: negative 4.1%) due to the mining (negative 2.8%) and manufacturing (negative 1.7%) sectors.

In comparison, the agriculture, forestry and fishing increased by 2%, and both water supply and electricity and gas supply sectors recorded increases of 2.3% and 0.2%, respectively.

However, a quarter-on-quarter comparison showed that PPI local production marginally declined by 0.2% (2Q23: negative 0.1%).