

KUALA LUMPUR (Nov 7): Malaysia's industrial production index (IPI) declined marginally by 0.5% year-on-year in September 2023, weighed mostly by the mining sector's oil and gas activities, after a 0.3% decline in August.

The IPI's mining sector dropped by 5.2% in September, while the manufacturing sector returned to a marginal growth of 0.4%, after experiencing a declining trend for three consecutive months, according to data from the Department of Statistics Malaysia on Tuesday.

The department's chief statistician Datuk Seri Mohd Uzir Mahidin said output in the mining sector edged downward by 5.2% year-on-year in September, versus a 0.1% growth in August.

"The downward trend was influenced by natural gas production, which returned to negative territory, with a decline of 7.8%, as opposed to the 2.6% increase in August 2023.

"Additionally, crude oil & condensate output continued its declining trend, registering a negative 1.4% in September 2023 (August 2023: -3.3%). In comparison with the preceding month, the mining index decreased by 1.6%, as compared to the negative 5.4% recorded in

Malaysia's industrial production index slips 0.5% in September, mainly dragged by mining sector

BY CHESTER TAY
theedgemalaysia.com

August 2023," he said in a statement.

Mohd Uzir said expansion in manufacturing output was fuelled by the steady performance of domestic-oriented industries, which accelerated by 5.9% in September, from 4.2% in August.

"This upturn was underpinned by the manufacture of fabricated metal products, except machinery & equipment (9.6%); manufacture of food processing products (8.2%); and manufacture of other non-metallic mineral products (8.0%)," he said.

Export-oriented industries, which constituted about two-thirds of the manufacturing output, remained on a downward

trend, albeit with a smaller negative growth of 2.0% in September 2023, compared to a 2.6% decline in August.

"The decrease was mainly attributed to the manufacture of coke & refined petroleum products (-7.7%); manufacture of machinery & equipment not elsewhere classified (-4.9%); and the manufacture of computer, electronics & optical products (-1.9%)," he said.

Mohd Uzir said this trend aligns with the country's export performance, which fell by 13.7% in September, showing improvement from the negative 18.7% registered in August.

Nonetheless, Mohd Uzir noted that Malaysia's IPI has expanded on a monthly basis by 1.1%, after a growth of 2.8% in August.

For the third quarter of this year (3Q2023), the IPI had registered a marginal decline of 0.04% year on year, versus a 0.3% drop in 2Q2023.

Cumulatively for the nine-month period this year (9M2023), the IPI had expanded at a slower rate of 0.8%, as compared to 7.7% in previous corresponding period, when industrial production rebounded from 2021's intermittent lockdown disruptions.