



MEDIA STATEMENT

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PRODUCER PRICE INDEX (PPI) LOCAL PRODUCTION, MALAYSIA MAY 2025

Malaysia's Producer Price Index declined by 3.6 per cent in May 2025

PUTRAJAYA, 26th June 2025 – Malaysia's Producer Price Index (PPI), which measures price changes at the producer level, declined further by 3.6 per cent in May 2025, following a 3.4 per cent decrease in the previous month. This was reported today, in the latest monthly report of **PRODUCER PRICE INDEX (PPI) LOCAL PRODUCTION, MAY 2025**, published by the Department of Statistics Malaysia.

The Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin, highlighted, "All other sectors recorded year-on-year declines in May 2025, except the Agriculture, forestry & fishing sector. The Mining sector continued to register a double-digit decline, down by 15.0 per cent (April 2025: -17.8%) due to significant decreases in the indices of Extraction of crude petroleum (-15.7%) and Extraction of natural gas (-13.1%). The Manufacturing sector declined by 3.0 per cent, after a 2.6 per cent drop in the previous month, dragged down by key subsectors such as Manufacture of coke & refined petroleum products (-15.4%) and Manufacture of computer, electronic & optical products (-6.9%). Similarly, the Electricity & gas supply sector decreased by 1.1 per cent, while the Water supply sector declined marginally by 0.2 per cent. In contrast, the Agriculture, forestry & fishing sector remained on an upward trend, albeit at a slower pace, increasing by 1.8 per cent as compared to 2.6 per cent increase in April 2025. This was mainly contributed by the Growing of perennial crops index (4.5%)."

Dato' Sri Dr. Mohd Uzir Mahidin further explained, "On a month-on-month basis, the PPI Local Production went down by 1.1 per cent in May 2025, as compared to a 1.0 per cent

decrease in April 2025. The Agriculture, forestry & fishing sector declined by 5.4 per cent, due to a significant drop in the Growing of perennial crops index (-9.1%). The Mining sector also decreased by 2.3 per cent, due to Extraction of crude petroleum index (-2.1%). Meanwhile, the Manufacturing sector decreased by 0.5 per cent, weighed down by declines in Manufacture of coke & refined petroleum products (-2.1%) and Manufacture of food products (-1.1%). However, the utility sector recorded modest increase. The Electricity & gas supply index rose by 0.6 per cent, while the Water supply index edged up by 0.2 per cent.”

Elaborating further on the PPI Local Production by stage of processing, the Chief Statistician Malaysia, explained, “Similar to the previous month, all stage of processing recorded year-on-year declines in May 2025. The Crude materials for further processing index decreased by 8.7 per cent, due to a significant decline in the Non-food materials (-10.4%). The Intermediate materials, supplies & components index down by 2.4 per cent, attributed to the Processed fuel & lubricants (-9.9%). Meanwhile, the Finished goods index recorded a decrease of 2.4 per cent due to the Capital equipment (-3.2%).”

On a month-on-month basis, the Crude materials for further processing index decreased by 3.7 per cent. Concurrently, the Intermediate materials, supplies & components and Finished goods indices both edged down by 0.6 per cent and 0.3 per cent, respectively.

A comparison of selected countries showed mixed trends in the PPI for May 2025. In the United States, the PPI increased by 2.6 per cent, slightly higher than the 2.5 per cent recorded in the previous month. Japan’s PPI rose by 3.2 per cent, moderating from a 4.1 per cent increase, largely due to lower costs in Petroleum & coal products and Production machinery. In contrast, China’s producer prices continued to decline, falling by 3.3 per cent, following a 2.7 per cent drop in the preceding month. This marked the 33rd consecutive month of producer deflation, driven by rising external risks amid uncertainty over U.S. tariffs and persistently weak domestic demand. The decline was particularly in production materials, with sharper reductions in Mining and Raw material indices. Similarly, Thailand’s PPI contracted by 3.7 per cent, as compared to the 3.2 per cent drop in April 2025. This marked the third straight month of year-on-year negative producer inflation, partly due to falling energy prices, which similar trend observed in Malaysia.

Speaking on selected Malaysia’s commodity prices, Dato’ Sri Dr. Mohd Uzir Mahidin added that, “Brent crude oil prices experienced a drop, falling from approximately USD68 per barrel in April 2025 to as low as USD64 per barrel in May 2025, marking the steepest monthly

decline since 2021. According to the International Energy Agency (IEA), this sharp decline was driven by escalating trade tensions and a larger-than-expected increase in OPEC+ production, which is projected to outpace global demand. The Commodity Markets Outlook published by the World Bank in May 2025 forecasts Brent crude to average USD64 per barrel in 2025, down sharply from USD81 per barrel in 2024 with a further decline to USD60 per barrel projected in 2026. Meanwhile, weak demand from China helped keep Asian liquefied natural gas (LNG) prices relatively stable during the same period. However, concerns about future energy demand prompted a broad decline in gas prices. According to the International Monetary Fund (IMF), natural gas prices began to reverse in May 2025, declining after a six-month period of gains.”

In addition, Malaysia’s crude palm oil prices fell sharply, hitting a 15-month low of RM3,880.50 per tonne in May 2025, and a month-on-month decline of 10.2 per cent. The drop was largely attributed to a surge in Malaysian palm oil production, which led to higher inventories, reported by the Malaysian Palm Oil Board (MPOB). At the same time, a sharp increase in Indonesian output contributed to a global oversupply, further weighing down prices.

ASEAN-Malaysia 2025 Chairmanship: The Department of Statistics Malaysia (DOSM) will chair the 15th ASEAN Community Statistical System Committee (ACSS15) which aims to strengthen the statistical cooperation towards sustainable regional development.

Malaysia, for the first time, ranked as number one (1) globally in the biennial Open Data Inventory (ODIN) 2024/25 report released by Open Data Watch (ODW), surpassing 198 other countries. This achievement marks a significant leap from its 67th position in the ODIN 2022/23 assessment.

The Government of Malaysia has declared October 20th as National Statistics Day (MyStats Day), with the theme 'Statistics is the Essence of Life'. Meanwhile, the Fourth World Statistics Day will be celebrated on 20th October 2025, with the theme 'Driving Change with Quality Statistics and Data for Everyone'.

OpenDOSM NextGen is a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through <https://open.dosm.gov.my>.

Chart 1: Percentage Change of Producer Price Index (PPI) Local Production, Malaysia

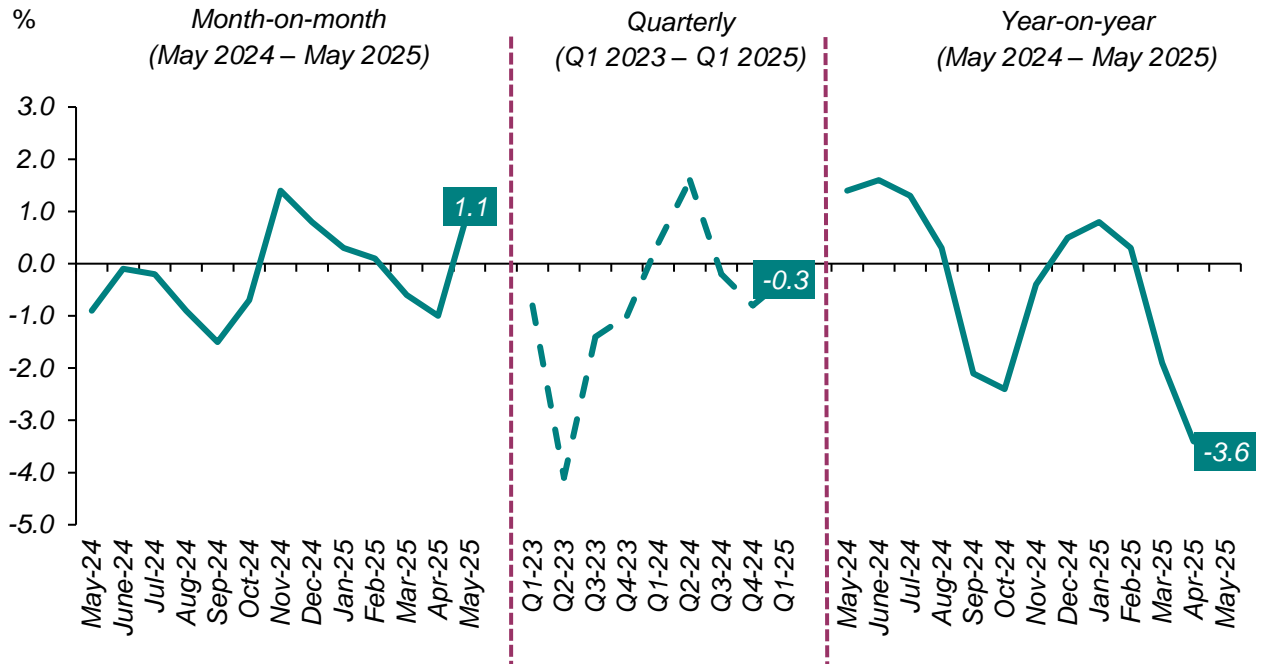


Chart 2: Percentage Change of Producer Price Index (PPI) Local Production by Sector (Year-on-Year), Malaysia

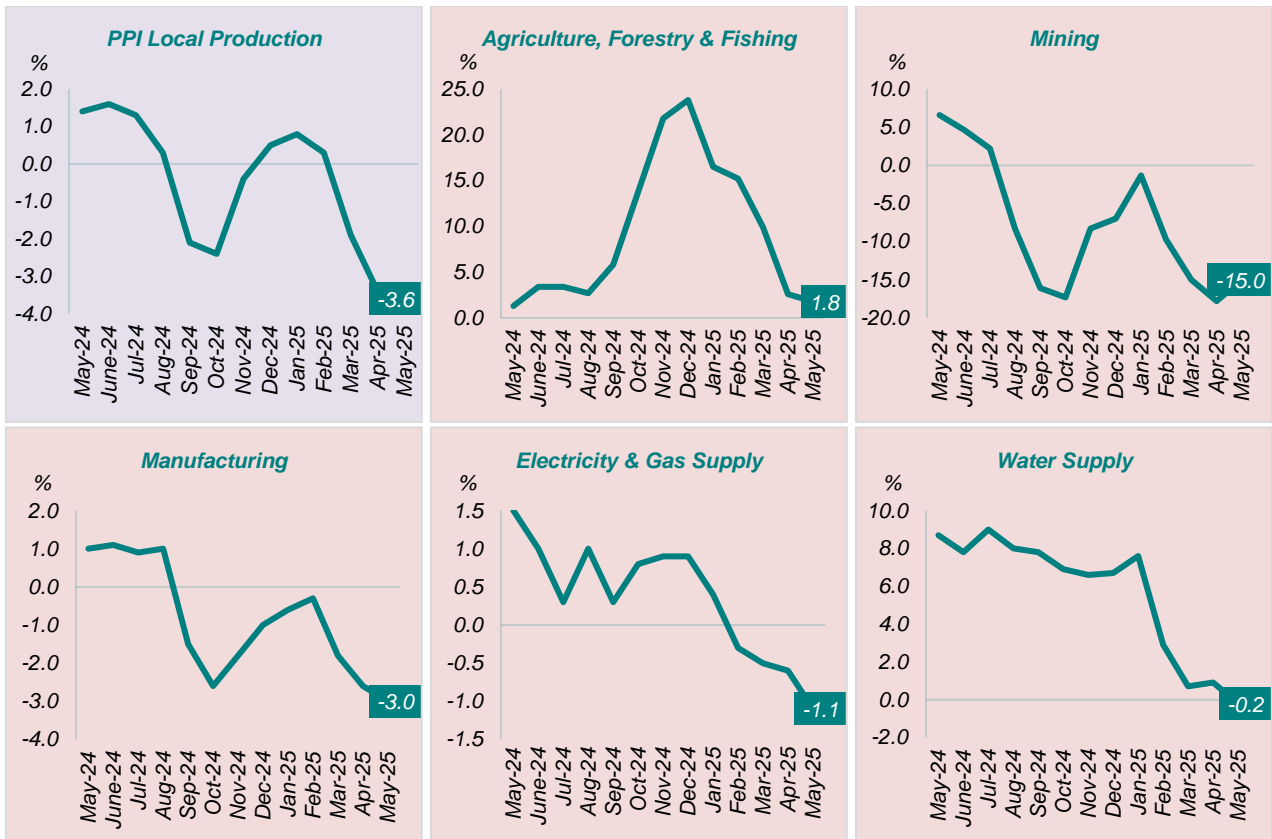


Chart 3: Percentage Change of Producer Price Index (PPI) Local Production by Stage of Processing (Year-on-Year), Malaysia

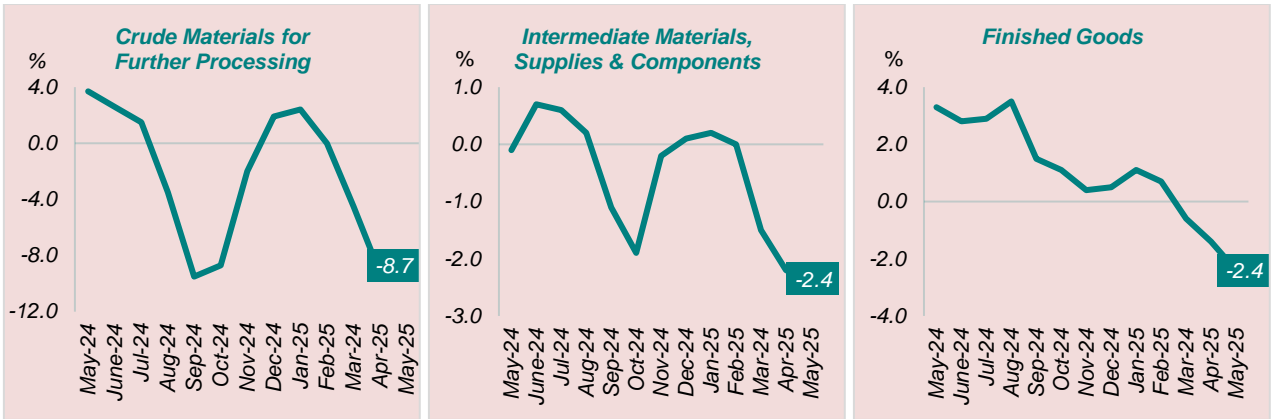
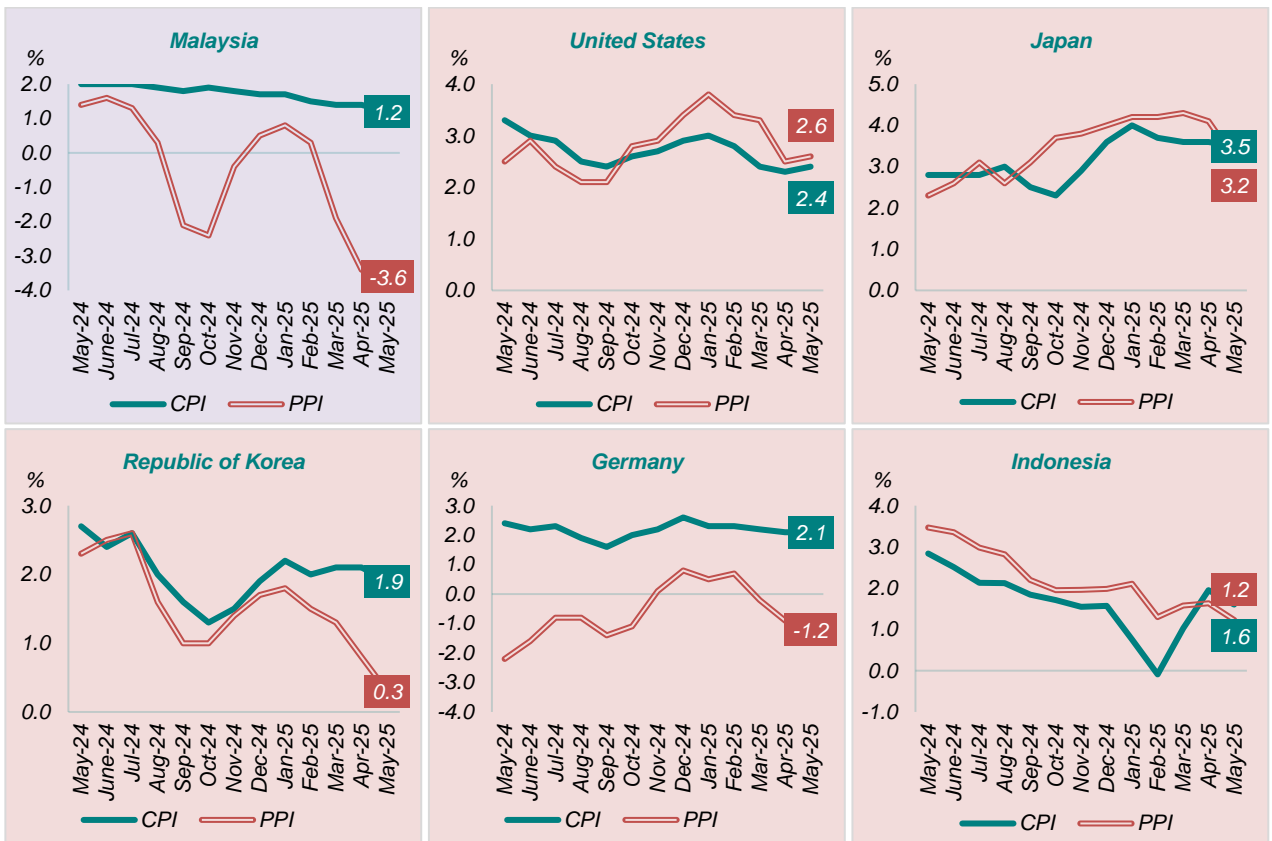
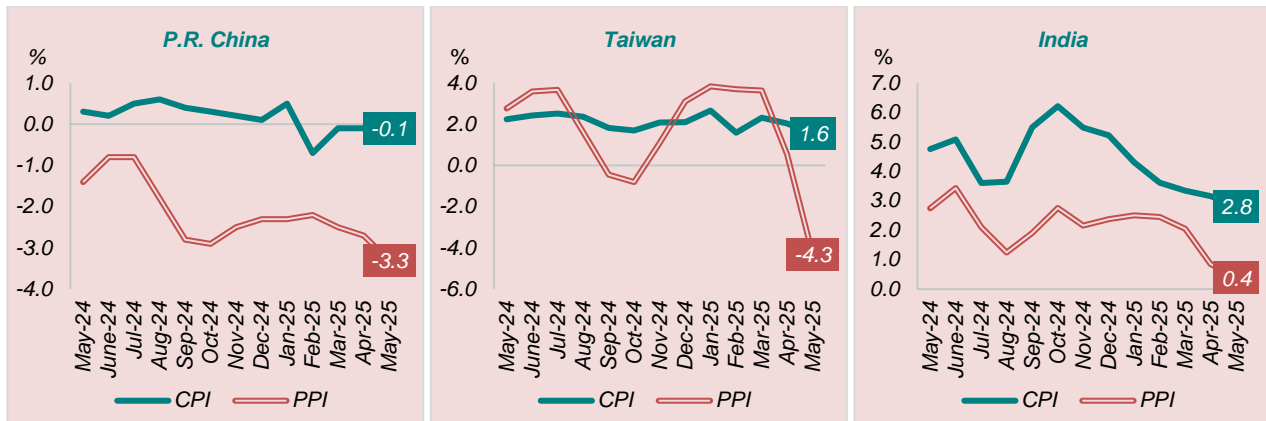


Chart 4: Percentage Change of Consumer Price Index (CPI) and Producer Price Index (PPI) of Selected Countries (Year-on-Year)





Source: Official websites of selected National Statistical Offices (NSOs)

Released by:

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DEPARTMENT OF STATISTICS MALAYSIA
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