MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT

MALAYSIA ECONOMIC STATISTICS REVIEW, VOLUME 4/2026

Domestic Activity Continues to Support Economic Growth Amid Global Challenges

PUTRAJAYA, 30th APRIL 2026 *– Today, the Department of Statistics, Malaysia (DOSM) released the* ***Malaysian Economic Statistics Review (MESR), Volume 4/2026.*** *This edition focuses on the recent statistics released in February 2026 and some forthcoming statistics for March 2026. It also includes a special article titled "Impact of Electric Vehicles on Domestic Vehicle Production." The article examines how the rapid growth of electric vehicle (EV) registrations in Malaysia has coincided with lower domestic vehicle production and weaker factory sales performance in 2025. It also highlights changing consumer preferences towards EVs, while underscoring the opportunities for greater local manufacturing participation and the future growth of Malaysia's automotive industry.*

In the wider economic context, the world economic outlook for 2026 is expected to remain moderate and relatively stable, supported by easing inflation pressures and steady global demand conditions. In its World Economic Outlook Update (January 2026), the International Monetary Fund (IMF) projected global economic growth at 3.3 per cent in 2026, broadly unchanged from the estimated 3.3 per cent recorded in 2025. This performance is underpinned by continued fiscal and monetary policy support, a gradual recovery in services-related activity, and ongoing investment in technology-related sectors. However, the global outlook remains subject to notable downside risks, including heightened policy uncertainty, increased financial market volatility, and the potential escalation of trade tensions among major economies, which may also have implications for open economies such as Malaysia through external trade and financial linkages.

Focusing on recent economic developments, Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin stated, "Malaysia's advance Gross Domestic Product (GDP) estimates recorded a growth of 5.3 per cent in the first quarter of 2026, compared to 6.3 per cent in the preceding quarter, indicating a moderation in overall economic momentum. On a quarter-on-quarter basis, the economy

declined by 4.4 per cent, reversing the 3.3 per cent growth registered in the fourth quarter of 2025."

Reflecting ongoing industrial activity in Malaysia amid a more challenging external environment, the Industrial Production Index (IPI) remained in positive territory in February 2026, recording a year-on-year growth of 3.1 per cent, although easing from 5.9 per cent in January 2026. The expansion was mainly supported by the Manufacturing sector, which grew by 4.2 per cent, alongside a 4.6 per cent increase in Electricity output. In contrast, the Mining sector contracted by 2.0 per cent, reversing the marginal growth recorded in the previous month. On a month-on-month basis, the IPI declined by 9.2 per cent, compared with a 0.6 per cent increase in January, indicating a softer pace in overall industrial production.

Momentum in Malaysia's Manufacturing sector remained positive in February 2026, although at a more moderate pace, with total sales value increasing by 3.9 per cent year-on-year compared to 7.1 per cent in January 2026, reaching RM159.2 billion. The expansion was mainly supported by the Electrical and Electronics (E&E) sub-sector, which recorded growth of 13.8 per cent. The Non-metallic mineral, basic and fabricated metal products sub-sector, as well as the Food, beverages and tobacco sub-sector, also recorded modest increases, contributing to the overall sectoral performance. However, on a month-on-month basis, total manufacturing sales declined by 6.0 per cent from RM169.2 billion in January 2026, indicating a softer monthly performance and reflecting some short-term fluctuations in sectoral activity.

Driven by sustained domestic economic activity, Malaysia's Wholesale and retail trade sector continued to expand in February 2026, recording total sales value of RM156.3 billion, an increase of 5.3 per cent year-on-year. The growth was mainly supported by the Retail and Wholesale sub-sectors. Retail trade generated RM70.1 billion in sales, rising by RM5.0 billion and posting a strong annual growth of 7.7 per cent. Wholesale trade also recorded higher sales of RM69.5 billion, up by RM3.7 billion, reflecting a year-on-year growth of 5.7 per cent. In contrast, the Motor Vehicles sub-sector registered a decline of RM0.9 billion, bringing total sales to RM16.7 billion, indicating softer performance in this segment.

On the external front, Malaysia's trade registered year-on-year growth in February 2026, increasing by 9.5 per cent to RM245.2 billion, supported by a 10.8 per cent rise in exports and an 8.2 per cent increase in imports. Consequently, the trade surplus widened to RM16.7 billion, an increase of RM4.1 billion compared with the same period last year. However, on a month-on-month basis, exports, imports, total trade, and the trade surplus all registered declines relative to January 2026, reflecting some moderation in external trade performance for Malaysia.

From a price perspective, Malaysia's inflation moderated to 1.4 per cent year-on-year in February 2026, reflecting more contained price increases across most consumer categories. Notable increases were recorded in Insurance & Financial Services, Education, and Restaurant & Accommodation Services, while moderate rises were seen in Food & Beverages, Health, Housing-related costs, and Information & Communication. On a month-on-month basis, headline inflation edged up slightly by 0.2 per cent, mainly driven by higher Housing-related costs, Transport, and Clothing & Footwear. Meanwhile, inflation in March 2026 increased to 1.7 per cent, with the index points rising to 136.4 from 134.1 in the same month of the previous year.

On the producer price front, Malaysia's Producer Price Index (PPI) continued to decline in February 2026, contracting by 3.4 per cent year-on-year, deeper than the 2.9 per cent contraction recorded in January 2026. The decrease was mainly driven by continued price declines across key sectors, particularly Agriculture, Mining and Manufacturing. On a month-on-month basis, the PPI for local production slipped by 0.5 per cent in February, reversing the 0.1 per cent increase recorded in January. The decline was largely attributed to weaker Manufacturing prices, alongside modest reductions in Water and Electricity & Gas supply, while increases in Mining and Agriculture helped moderate the overall fall. Meanwhile, Malaysia's PPI increased by 1.1 per cent in March 2026, marking its first increase since March 2025, indicating some upward adjustment in producer prices.

Dato' Sri Dr. Mohd Uzir Mahidin further noted that Malaysia's labour market remained stable in February 2026, with the labour force edging up by 0.1 per cent month-on-month to 17.30 million persons (January 2026: 17.28 million persons). In line with this, the labour force participation rate remained unchanged at 70.9 per cent, indicating continued participation in the labour market. The number of unemployed persons declined by 0.6 per cent to 506.8 thousand persons (January 2026: 509.6 thousand persons). Consequently, the unemployment rate stayed unchanged at 2.9 per cent. Employment also recorded a marginal increase of 0.1 per cent, rising to 16.79 million persons from 16.77 million in the previous month, reflecting overall steady labour market conditions.

Looking ahead, Malaysia's economic outlook is expected to remain broadly steady, supported by the continued improvement in the Malaysia's Leading Index (LI), which rose 0.5 per cent year-on-year to 113.1 points in February 2026. However, on a month-on-month basis, the LI declined marginally by 0.3 per cent, reflecting some moderation across selected components. Overall, the near-term outlook remains measured, with signals of steady underlying momentum.

In this context, Malaysia's economic performance continues to reflect a steady but moderate growth environment, underpinned by sustained domestic demand, stable labour market conditions and contained inflationary pressures. Key sectors such as Services and Manufacturing, as well as trade continue to provide support to economic activity, despite some moderation in industrial production, external trade momentum and selected price indicators. Nevertheless, the economy remains exposed to external uncertainties, including slower global growth prospects, geopolitical tensions and fluctuations in commodity and financial markets, which may influence near-term performance. Overall, Malaysia's growth outlook is expected to remain measured, supported by domestic fundamentals while still vulnerable to external developments.

The Department of Statistics Malaysia (DOSM) is conducting the Economic Census 2026 (BE2026), themed "Data Nadi Ekonomi Rakyat". The sixth Economic Census, running from 5th January to 31st October 2026. BE2026 aims to collect comprehensive and structured data from all registered and unregistered business establishments in Malaysia to assess the nation's economic performance, structure and characteristics in an evidence-based manner.

Malaysia has, for the first time, successfully secured the top position globally in the biennial Open Data Inventory (ODIN) 2024/25 report released by Open Data Watch (ODW), surpassing 197 other countries. This achievement marks a significant leap from its 67th position in the ODIN 2022/23 assessment.

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.

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DEPARTMENT OF STATISTICS MALAYSIA
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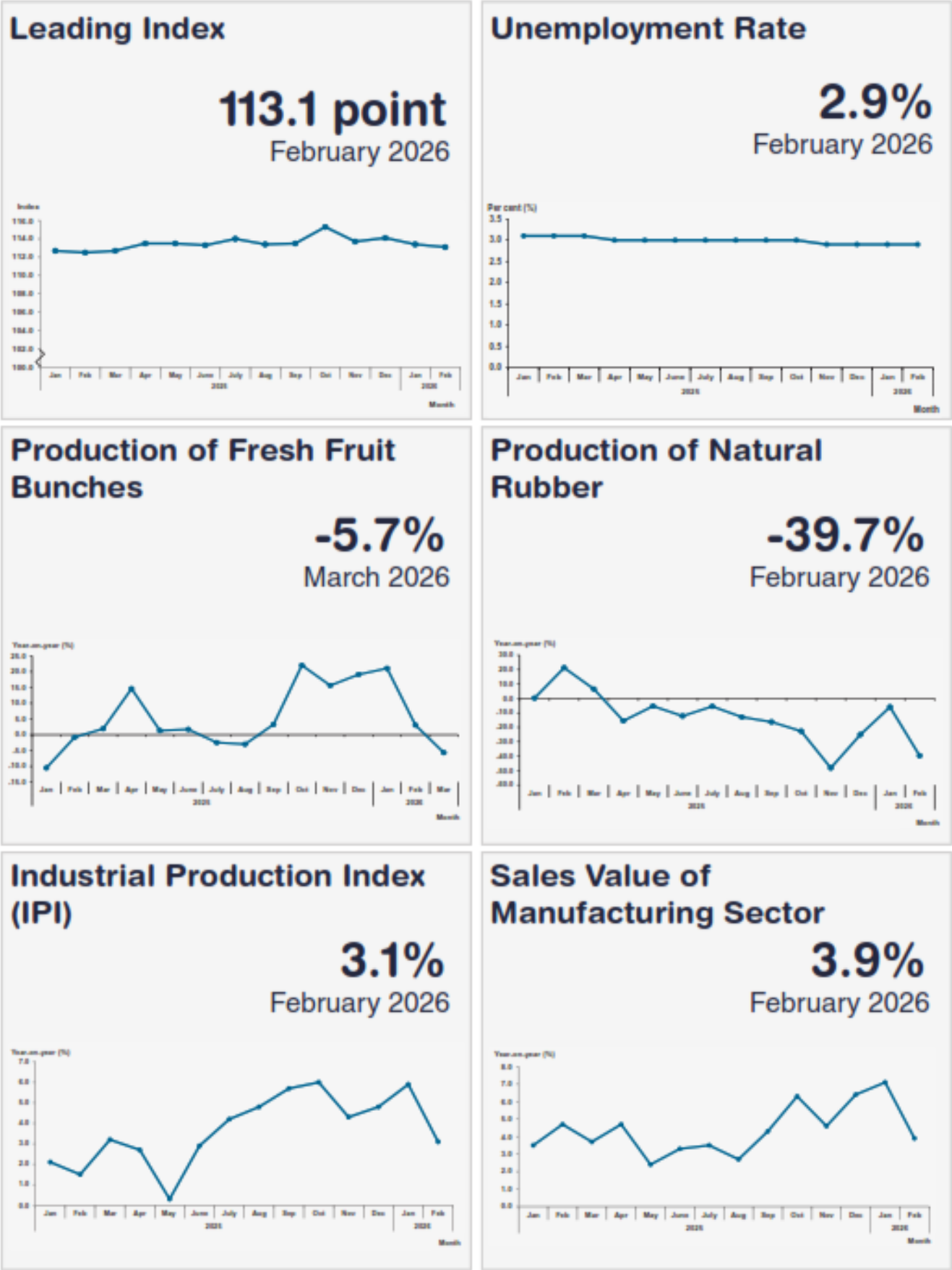
Exhibit 1: Monthly Economic Indicator



Sales Value of Wholesale & Retail Trade

5.3%

February 2026

Volume Index of Wholesale & Retail Trade

4.4%

February 2026

Exports

8.3%

March 2026

Imports

10.4%

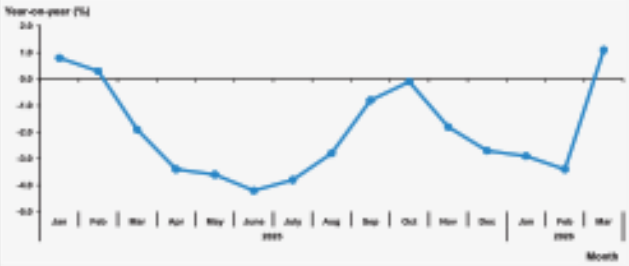
March 2026

Consumer Price Index (CPI)

1.7%

March 2026

Producer Price Index (PPI) Local Production

1.1%

March 2026