MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT

MALAYSIA ECONOMIC STATISTICS REVIEW, VOLUME 7/2026

Malaysia Sustains Growth Trajectory with Robust Industrial and External Sector Performance

***PUTRAJAYA, 31st JULY 2026** – Department of Statistics, Malaysia (DOSM) released the Malaysian Economic Statistics Review (MESR), Volume 7/2026, which presents an overview of recent economic developments based on key statistics released in May 2026, together with selected forthcoming statistics for June 2026. This edition also features a special article entitled "**Projection of WTI Crude Oil Price Trends Up to December 2026**". The article analyses the historical movement of WTI crude oil prices in USD from April 2020 to May 2026 and provides insights into the observed price trends and their potential implications for economic planning and policy decision-making. The analysis is intended to support a better understanding on the developments in global crude oil prices and their relevance to the broader economic landscape, particularly in informing economic assessment, planning and policy formulation.*

In the broader economic landscape, according to the International Monetary Fund (IMF) World Economic Outlook (WEO), July 2026, the global economy is projected to expand by 3.0 per cent in 2026, before strengthening to 3.4 per cent in 2027. Despite the resilience of global economic activity, the outlook remains subject to downside risks, including geopolitical tensions, trade fragmentation and elevated energy prices. Meanwhile, technology-related investment, particularly in artificial intelligence (AI) and digitalisation, continues to support global economic activity and contribute to the evolving dynamics of the global economy.

Commenting on Malaysia's latest economic performance, DOSM, highlighted that, "Malaysia's economy expanded by 5.8 per cent in the second quarter of 2026, up from 5.4 per cent in the preceding quarter. Overall, the Malaysian economy grew by 5.6 per cent in the first half of 2026, compared with 4.5 per cent during the same period in 2025. The growth was supported by the Services and Manufacturing sectors, alongside the recovery in the Mining & Quarrying sector and the continued expansion of the Construction sector. In contrast, the Agriculture sector contracted due to lower production of palm oil and fisheries."

Malaysia's industrial activity continued to demonstrate resilience amid a more challenging external environment, the Industrial Production Index (IPI) increased by 8.4 per cent in May 2026, following a growth of 8.2 per cent in April 2026. The expansion was primarily driven by the Manufacturing sector, which grew by 6.6 per cent (April 2026: 8.3%), and the Mining sector, which recorded a stronger growth of 19.8 per cent (April 2026: 6.8%). Meanwhile, the Electricity sector also registered a growth of 4.2 per cent, albeit at a slower pace compared to 10.5 per cent in the preceding month. On a month-on-month basis, the IPI rebounded by 1.3 per cent in May 2026, reversing the 3.4 per cent decline recorded in April 2026.

On the same note, the sales in Manufacturing sector grew by 8.9 per cent year-on-year, reaching a total of RM172.7 billion sales in May 2026, easing from 9.1 per cent in April 2026. The performance was driven by the Electrical & electronics products sub-sector, which surged 26.4 per cent, supported by Petroleum, chemical, rubber & plastic products (4.9%) and Non-metallic mineral products, basic metal & fabricated metal products (6.4%). On the contrary, month-on-month basis recorded a decline of 1.4 per cent in sales from RM175.1 billion in April 2026.

Underpinned by resilient domestic economic activity, Malaysia's Wholesale & Retail Trade recorded total sales of RM171.3 billion in May 2026, increasing 11.0 per cent year-on-year, while the volume index rose 3.1 per cent. The growth was mainly driven by Wholesale trade, which expanded by 18.4 per cent to RM80.8 billion, followed by Retail trade at 7.2 per cent (RM71.9 billion). In contrast, the Motor vehicles sub-sector declined 2.3 per cent to RM18.6 billion.

Malaysia's trade performance remained strong in May 2026, with total trade increasing 29.8 per cent (year-on-year) to RM327.6 billion. The growth was driven by exports, which surged 45.3 per cent to RM184.0 billion, while imports rose 14.1 per cent to RM143.6 billion. As a result, the trade surplus widened significantly to RM40.4 billion. Compared with April 2026, exports and the trade surplus increased by 0.4 per cent and 38.2 per cent, respectively, while imports and total trade declined by 6.8 per cent and 2.9 per cent. The positive momentum continued in June 2026, supported by robust year-on-year growth in exports (+45.4%) and imports (+43.9%). As of June 2026, total trade increased by RM105.3 billion or 44.7 per cent, reaching RM340.9 billion.

On the price front, Malaysia's inflation rose 2.0 per cent in May 2026, with the CPI increasing to 137.1 from 134.4 a year earlier. Higher inflation was recorded in Information & Communication (2.1%), Food & Beverages (1.4%), Housing, Water, Electricity, Gas & Other Fuels (1.2%), and Recreation, Sport & Culture (1.1%). On a month-on-month basis, headline inflation edged up by 0.1 per cent, slower than 0.4 per cent in April 2026, with six of 13 groups registering increases, led by Housing, Water, Electricity, Gas & Other Fuels (0.5%) and Food & Beverages (0.3%). As of June 2026, inflation eased, recording an increase of 1.9 per cent, down from 2.0 per cent in May 2026.

In terms of producer price, Malaysia's Producer Price Index (PPI) rose 7.8 per cent year-on-year in May 2026, extending the 5.4 per cent increase recorded in April. All *sectors posted gains during the month, with Mining once again leading the way, climbing 52.6 per cent following a 53.4 per cent rise in April. This continued double-digit growth was driven largely by the Extraction of Crude Petroleum index, which surged 74.5 per cent. On a month-on-month basis, PPI Local Production edged up 1.1 per cent, moderating from the 3.2 per cent increase seen in April. In addition, Malaysia's PPI growth strengthened to 9.2 per cent in June 2026*

DOSM informed that, Malaysia's labour market remained stable in May 2026, with the labour force continued its upward momentum in May 2026, increased by 0.1 per cent to 17.34 million persons (April 2026: 17.33 million persons), while employment rose marginally to 16.82 million persons, maintaining a labour force participation rate of 70.9 per cent. Although unemployment increased slightly to 513.4 thousand persons (April 2026: 511.8 thousand persons), the unemployment rate remained unchanged at 3.0 per cent.

Looking ahead, Malaysia's economic outlook is expected to remain broadly steady, supported by Malaysia's Leading Index (LI) which rose 0.8 per cent year-on-year in May 2026, reaching 114.4 points as against 113.5 points in May 2025. On a month-on-month basis, however, the LI declined 0.5 per cent, driven by a decrease in Real Imports of Other Basic Precious and Non-ferrous Metals (-0.6%). Despite remaining below 100.0 points in its smoothed long-term trend, Malaysia's economy is expected to stay resilient, supported by stable domestic demand and adaptability to global changes and technological advancements.

The Department of Statistics Malaysia (DOSM) is conducting the **Economic Census 2026 (BE2026)**, with themed **"*Data Nadi Ekonomi Rakyat*"**. The sixth Economic Census, will be carried out 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.

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.

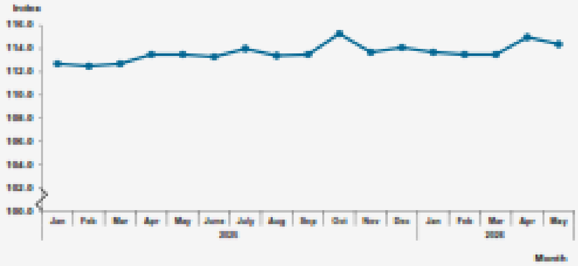
Released by:

THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA
31 JULY 2026

Appendix 1: Key Economic Indicators

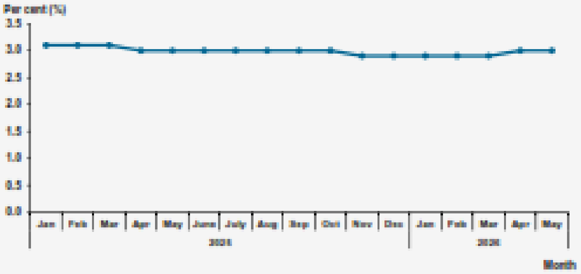
Leading Index

114.4 point
May 2026



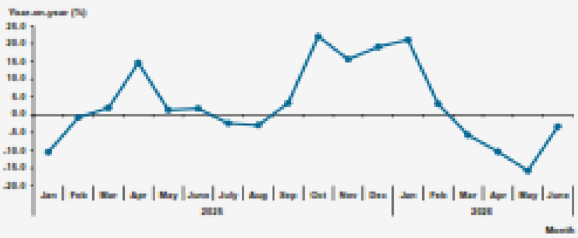
Unemployment Rate

3.0%
May 2026



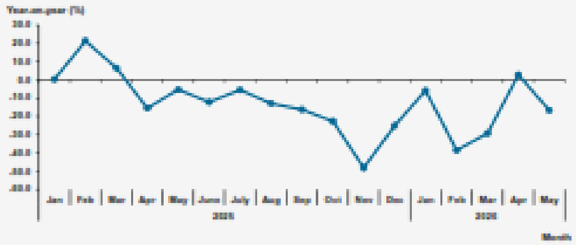
Production of Fresh Fruit Bunches

-3.3%
June 2026



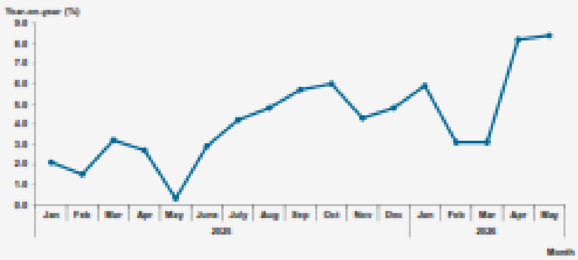
Production of Natural Rubber

-16.7%
May 2026



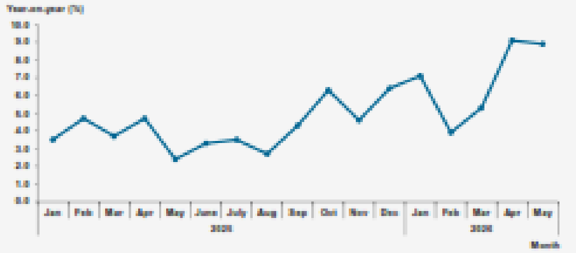
Industrial Production Index (IPI)

8.4%
May 2026



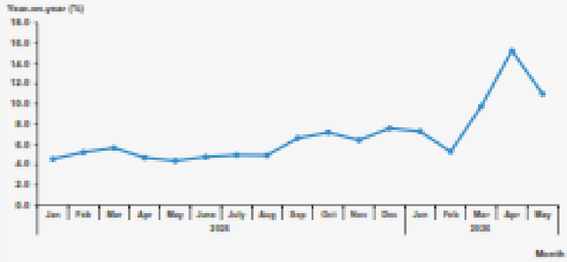
Sales Value of Manufacturing Sector

8.9%
May 2026



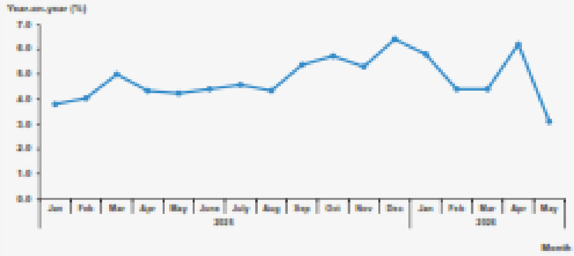
Sales Value of Wholesale & Retail Trade

11.0%
May 2026



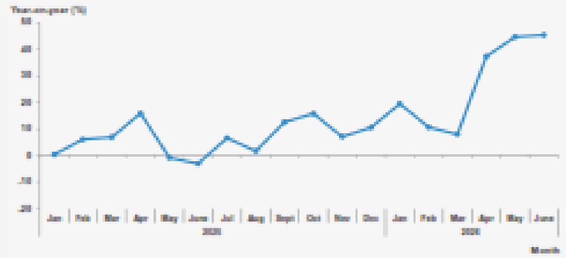
Volume Index of Wholesale & Retail Trade

3.1%
May 2026



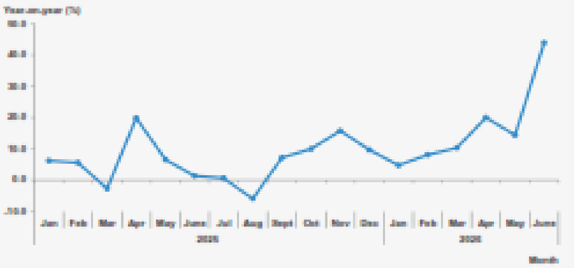
Exports

45.4%
June 2026



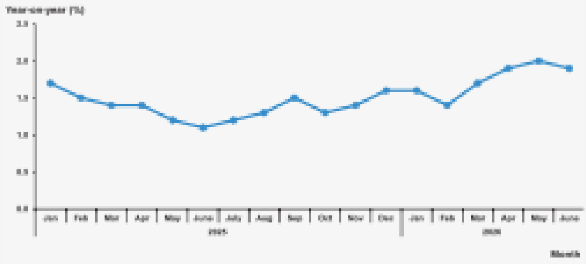
Imports

43.9%
June 2026



Consumer Price Index (CPI)

1.9%
June 2026



Producer Price Index (PPI) Local Production

9.2%
June 2026