MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT

PRODUCER PRICE INDEX (PPI) LOCAL PRODUCTION, MALAYSIA AUGUST 2026

Malaysia's Producer Price Index increased by 10.7 per cent in August 2026

PUTRAJAYA, SEPTEMBER 28, 2026 – Malaysia's Producer Price Index (PPI) Local Production rose by 10.7 per cent in August 2026, compared to a 9.7 per cent increase in July 2026. This was reported in the latest monthly report, **PRODUCER PRICE INDEX (PPI) LOCAL PRODUCTION, AUGUST 2026**, published by the Department of Statistics Malaysia (DOSM).

The Mining sector recorded an increase of 41.2 per cent in August 2026, up from 30.5 per cent in July 2026. This was largely driven by the Extraction of crude petroleum, which increased by 49.8 per cent, while the Extraction of natural gas rose by 14.7 per cent. The Manufacturing sector increased by 8.8 per cent, compared to 8.2 per cent in the preceding month, mainly driven by Manufacture of coke & refined petroleum products (33.5%) and the Manufacture of computer, electronic & optical products (12.4%). The Agriculture, forestry & fishing sector rose by 4.6 per cent, moderating from the 7.2 per cent increase recorded in July 2026, with Animal production registering an increase of 13.9 per cent. The utility-related sectors also remained on an upward trend, with Water supply and Electricity & gas supply increasing by 7.8 per cent and 6.4 per cent, respectively.

On a month-on-month basis, the PPI Local Production increased by 1.0 per cent in August 2026, compared to a 0.7 per cent increase recorded in July 2026. This was primarily driven by the Mining sector, which increased by 6.7 per cent (July 2026: 1.1%) contributed by the Extraction of natural gas (8.9%) and Extraction of crude petroleum (6.1%). Meanwhile, the Agriculture, forestry & fishing sector rose by 0.8 per cent (July 2026: 0.7%), supported by Animal production (1.9%). The Manufacturing sector moderated to 0.4 per cent (July 2026: 0.8%), with increases recorded in the Manufacture of coke & refined petroleum products (1.7%) and Manufacture of computer, electronic & optical products (1.3%). Meanwhile, Electricity & gas supply and Water supply indices each registered an increase of 0.5 per cent.

In the meantime, by stage of processing, all three stages of the PPI Local Production recorded an increase in August 2026. The Crude materials for further processing index rose by 24.8 per cent year-on-year compared to 24.1 per cent in July 2026, mainly driven by Non-food materials (28.5%). The Intermediate materials, supplies & components index increased by 9.6 per cent, from 8.4 per cent increase in the preceding month, supported by Processed fuel and lubricants (20.0%). The Finished goods index went up by 3.1 per cent, compared to 2.5 per cent in the previous month, driven by the Capital equipment (4.3%).

On a month-on-month basis, all three stages of processing also recorded increases. The Crude materials for further processing index increased by 2.3 per cent, followed by the Intermediate materials, supplies & components index at 0.9 per cent. The Finished goods index also registered a marginal increase of 0.1 per cent.

A comparison across selected economies indicated that producer prices remained increased in August 2026, although the trend varied across economies. Taiwan continued to record the highest increase among the selected economies, rising by 16.8 per cent (July 2026: 17.8%), mainly driven by higher semiconductor prices. The United States registered an increase of 5.4 per cent (July 2026: 4.8%), reflecting continued producer price pressures, partly driven by higher energy and service costs. In addition, Japan’s producer prices increased by 7.6 per cent (July 2026: 7.7%), with higher prices of non-ferrous metals, petroleum and coal products, and plastic products contributing to the increase. P.R. China recorded an increase of 3.8 per cent (July 2026: 3.5%), supported by higher prices of mining and quarrying products, raw materials and processing industry products. In Thailand, the PPI increased by 9.1 per cent (July 2026: 7.3%), driven by higher prices of mining products, petroleum-related products, rubber and plastic products, as well as elevated energy and transportation costs.

Global crude oil prices remained elevated at around USD90.90 per barrel in August 2026, rising from USD83.40 per barrel in July 2026 amid persistent geopolitical uncertainties and resilient global energy demand. Meanwhile, Malaysia’s crude palm oil (CPO) prices remained relatively high in August 2026, with prices rising to RM4,548.50 per tonne. According to Malaysian Palm Oil Board, this was supported by sustained demand, particularly from the biodiesel sector. Natural rubber prices also remained firm in August 2026, supported by supply concerns, including potential weather-related disruptions. Overall, movements in crude oil, CPO and natural rubber prices continued to influence producer prices across key commodity-related industries.

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

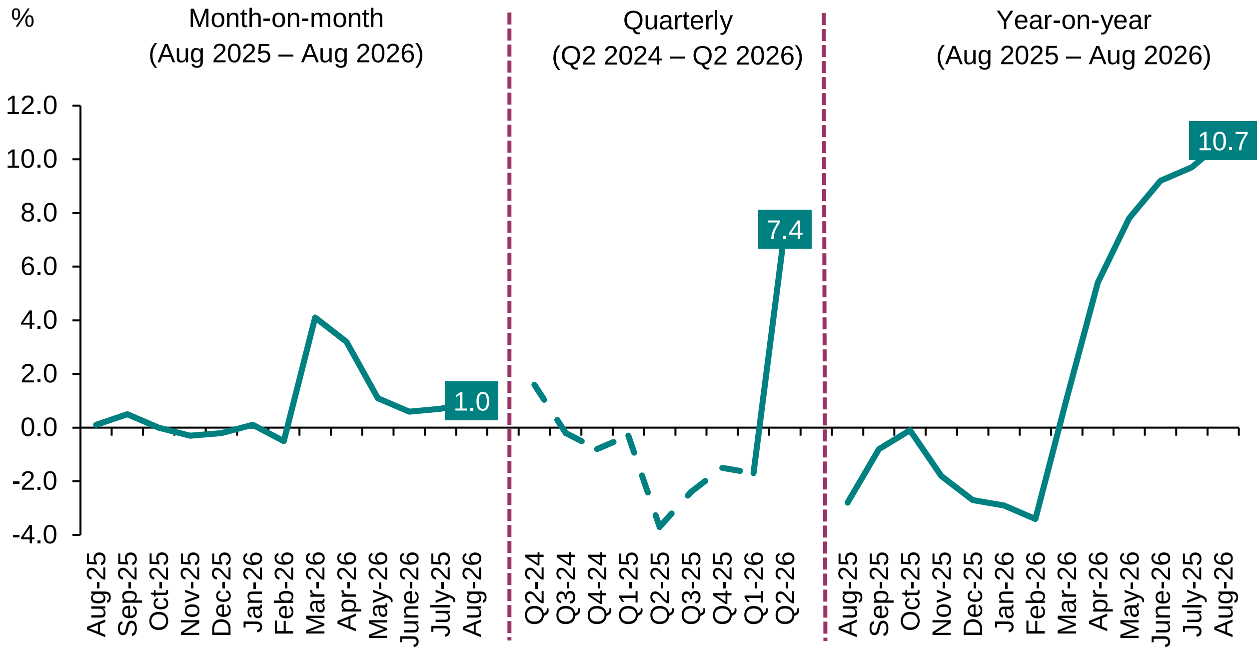

Chart 2: Percentage Change of Producer Price Index (PPI) Local Production by Sector (Year-on-Year), Malaysia

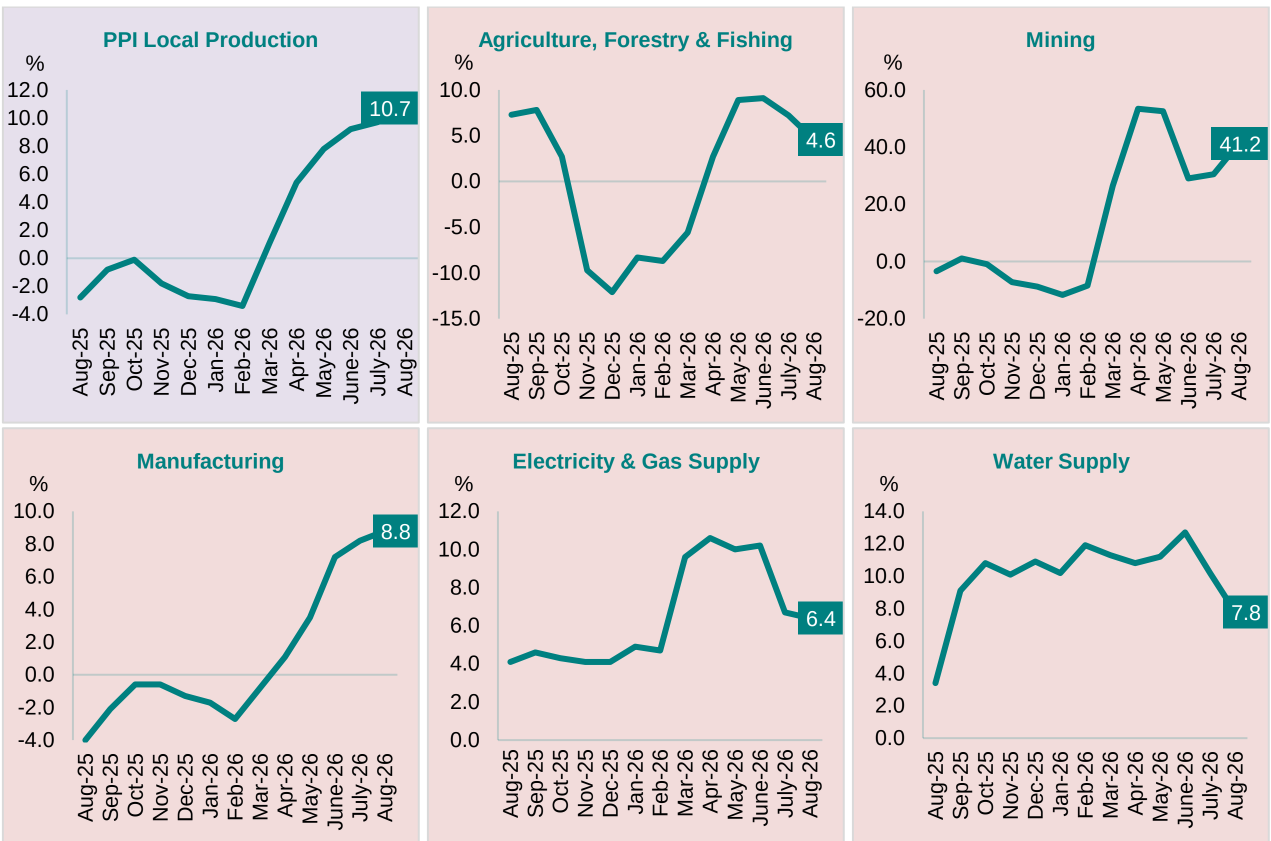

Chart 3: Percentage Change of Producer Price Index (PPI) Local Production by Stage of Processing (Year-on-Year), Malaysia

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