Embargo: Only to be published or disseminated at 1200 hour, Wednesday, 28 October 2026

MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT

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

Malaysia's Producer Price Index increased by 12.0 per cent in September 2026

PUTRAJAYA, OCTOBER 28, 2026 – Malaysia's Producer Price Index (PPI) Local Production increased by 12.0 per cent in September 2026, compared with 10.7 per cent in August 2026. This was reported in the latest monthly report, **PRODUCER PRICE INDEX (PPI) LOCAL PRODUCTION, SEPTEMBER 2026**, released by the Department of Statistics Malaysia (DOSM).

On an annual basis, among the main sectors in PPI, Mining recorded a substantial increase of 54.1 per cent in September 2026, compared with 41.2 per cent in the previous month. This was primarily driven by the Extraction of crude petroleum, which increased by 74.2 per cent. The Manufacturing sector increased by 9.4 per cent, compared with 8.8 per cent in August 2026, mainly contributed by the Manufacture of coke & refined petroleum products (35.0%) and the Manufacture of computer, electronic & optical products (12.9%). The Agriculture, forestry & fishing sector recorded a moderate increase of 2.9 per cent, from 4.6 per cent in the preceding month, with Animal production up by 11.9 per cent. The utility sectors also recorded increases, with Electricity & gas supply and Water supply rising by 5.5 per cent and 3.2 per cent, respectively.

On a month-on-month basis, the PPI Local Production rose by 1.6 per cent in September 2026, compared with 1.0 per cent in August 2026. The Mining sector recorded a 10.3 per cent increase (August 2026: 6.7%), driven by the Extraction of crude petroleum index (13.6%). The Manufacturing sector increased by 0.9 per cent (August 2026: 0.4%), supported by the Manufacture of coke & refined petroleum products (2.9%) and Manufacture of food products (0.8%). Meanwhile, the Agriculture, forestry & fishing sector rose by 0.5 per cent (August 2026: 0.8%), supported by Animal production (0.8%) and Growing of perennial crops (0.5%). For the utility sectors, the Water supply index increased by 0.4 per cent, while the Electricity & gas supply index declined by 0.8 per cent.

In the meantime, by stage of processing, all three stages registered increases in September 2026. The Crude materials for further processing index rose by 30.3 per cent (August 2026: 24.8%), largely driven by Non-food materials (35.8%). The Intermediate materials, supplies & components index increased by 9.7 per cent (August 2026: 9.6%), with Processed fuel and lubricants increasing by 19.2 per cent. The Finished goods index grew by 3.6 per cent (August 2026: 3.1%), supported by Capital equipment (5.0%).

On a month-on-month basis, the Crude materials for further processing index increased by 5.0 per cent. The Intermediate materials, supplies & components index rose by 0.9 per cent, while the Finished goods index increased by 0.4 per cent.

The PPI Local Production increased by 10.8 per cent in the third quarter of 2026, compared with a 7.4 per cent increase in the previous quarter. The increase was contributed by all sectors, particularly in the Mining (41.9%) and Manufacturing (8.8%) sectors. On a quarter-on-quarter basis, the PPI increased by 2.8 per cent, slower than a 6.8 per cent increase in the second quarter of 2026, mainly supported by the Manufacturing sector (3.6%).

A comparison across selected economies indicated that producer prices continued to increase in September 2026. Taiwan continued to record the highest increase among the selected economies, at 18.1 per cent (August 2026: 16.8%), amid sustained price pressures in the technology and electronics sectors. The United States recorded an increase of 6.3 per cent (August 2026: 5.6%), primarily reflecting by higher energy prices, particularly gasoline and diesel. Meanwhile, producer prices in P.R. China increased by 5.0 per cent (August 2026: 3.8%), primarily driven by higher prices of production materials, notably mining and quarrying products and raw materials. Japan's producer prices moderated to 6.8 per cent (August 2026: 7.6%), supported by prices of chemicals, plastic products and non-ferrous metals. Within the region, Thailand's PPI rose by 10.5 per cent (August 2026: 9.1%), indicating a further acceleration in producer price inflation amid pressures from energy, petroleum-related products and other industrial input costs.

Global crude oil prices rose sharply to USD116.80 per barrel in September 2026, compared with USD90.90 per barrel in August 2026, amid heightened geopolitical tensions and concerns over potential disruptions to global oil supplies. In addition, crude palm oil (CPO) prices remained elevated, increasing to RM4,614.50 per tonne in September 2026 from RM4,548.50 per tonne in August 2026. The increase was supported by stronger energy prices, sustained biodiesel demand and concerns over potential weather-related supply disruptions. Overall, these developments in crude oil and CPO prices continued to exert price pressures on key commodity-related industries.

Embargo: Only to be published or disseminated at 1200 hour, Wednesday, 28 October 2026

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

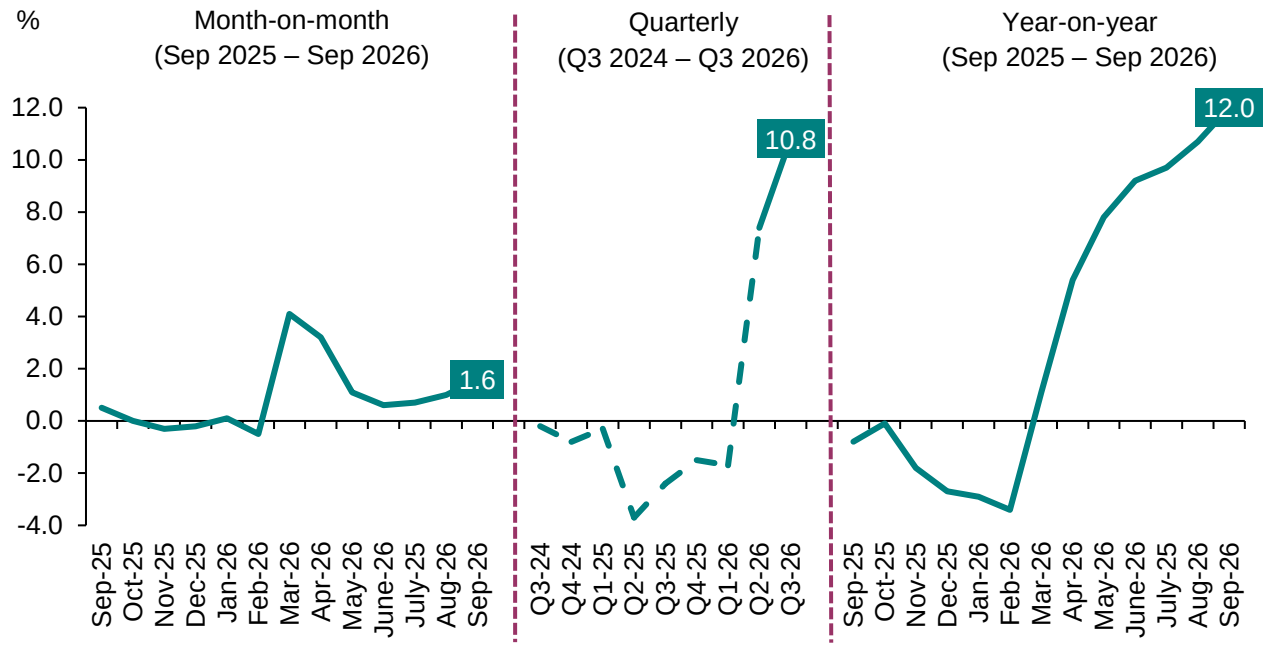


Chart 2: Percentage Change of Producer Price Index (PPI) Local Production by Sector (Year-on-Year), Malaysia

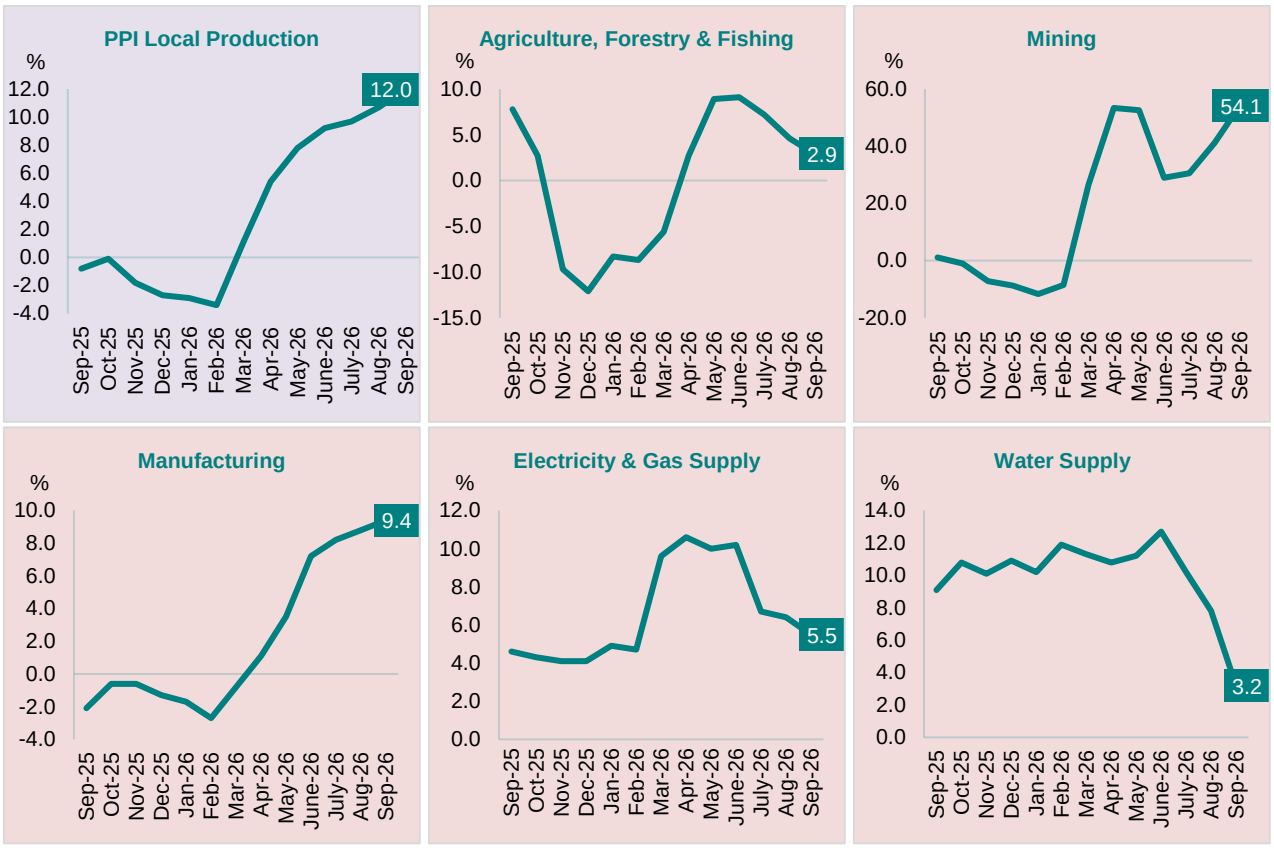


Chart 3: Percentage Change of Producer Price Index (PPI) Local Production by Stage of Processing (Year-on-Year), Malaysia



Released by:

THE OFFICE OF CHIEF STATISTICIAN
DEPARTMENT OF STATISTICS MALAYSIA
28 OCTOBER 2026