



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

BUSINESS TENDENCY STATISTICS, THIRD QUARTER 2026

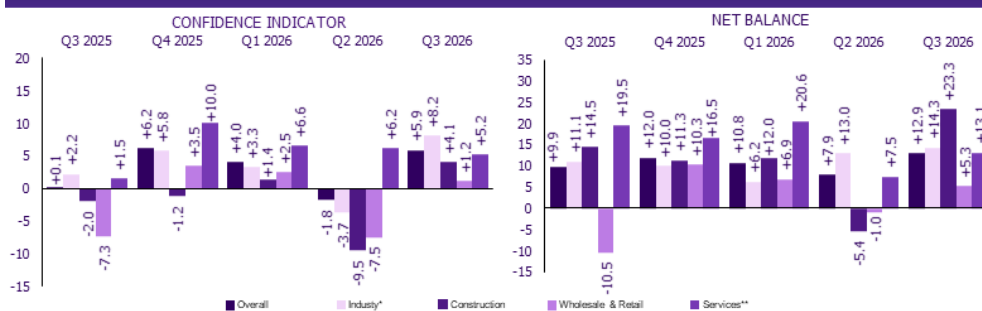


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BUSINESS TENDENCY STATISTICS

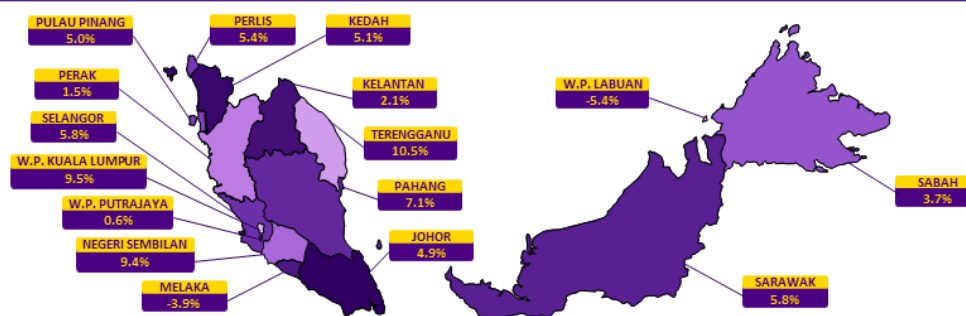


BUSINESS OUTLOOK REBOUNDS IN Q3 2026, WITH THE CONFIDENCE INDICATOR RISING TO 5.9 PER CENT



*Agriculture, Mining, Manufacturing and Electricity & Water
**Accommodation, Transportation & Storage, Communication, Finance, Insurance, Real Estate, Information Technology & Communication, Food & Beverage, Administrative & Support Services, Professional, Health, Education and Other Services

CONFIDENCE INDICATOR BY STATE Q3 2026



Source: Business Tendency Statistics Third Quarter 2026, Department of Statistics Malaysia (DOSM)

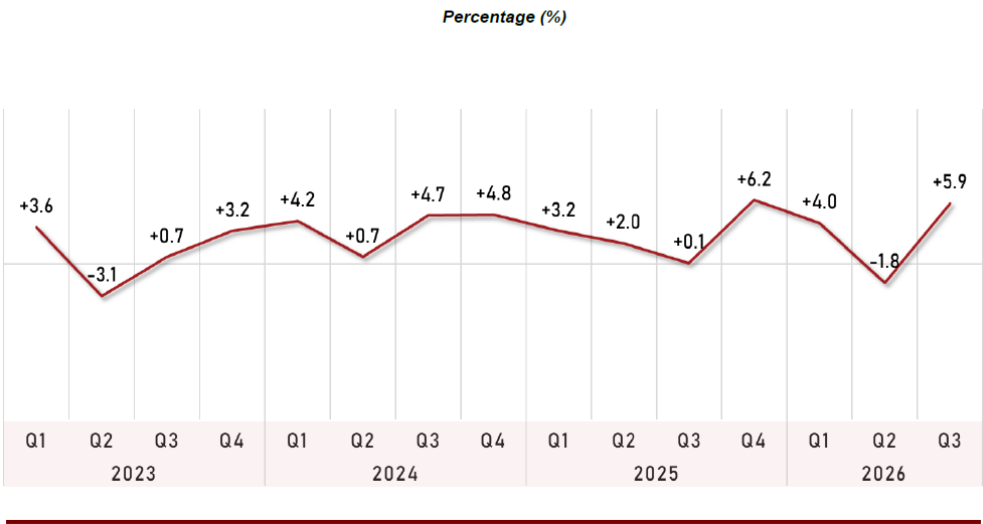


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FORECAST OF BUSINESS PERFORMANCE FOR THE THIRD QUARTER 2026

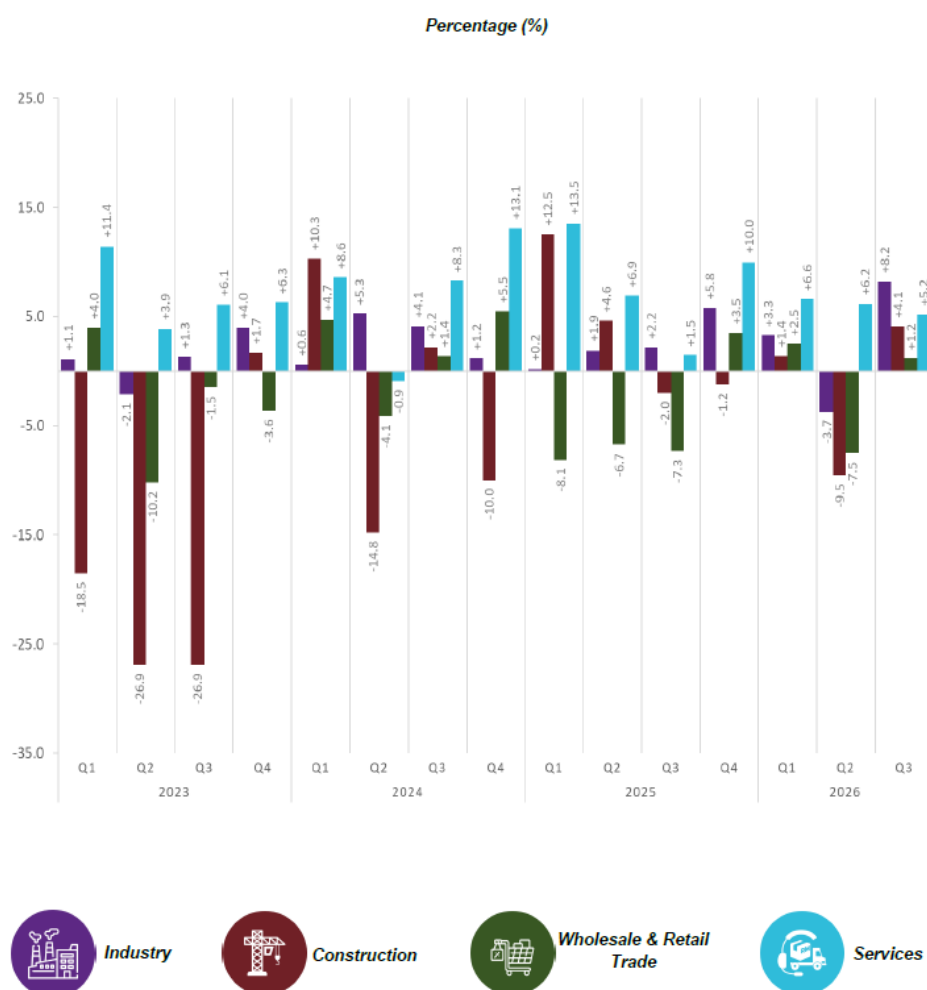
Businesses foresee an improving business situation for the third quarter 2026 with positive confidence indicator of 5.9 per cent as compared to -1.8 per cent in the second quarter 2026 (Exhibit I).

Exhibit I: Quarterly Confidence Indicator, Malaysia, 2023-2026



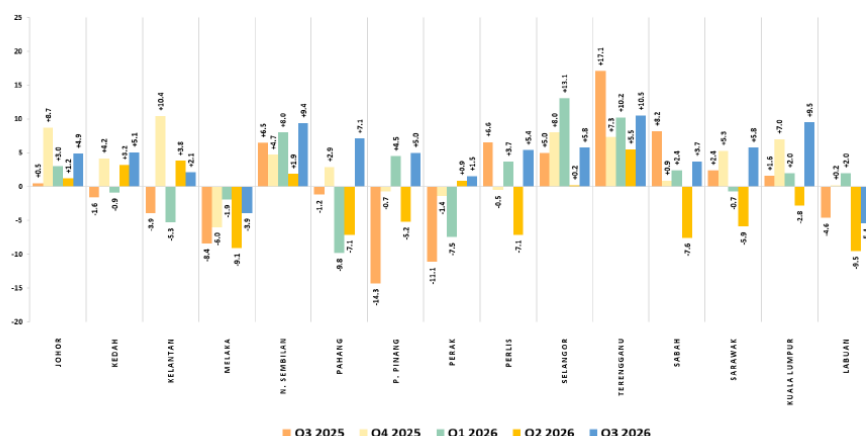
Industry sector turns optimistic with the confidence indicator registering +8.2 per cent in the third quarter of 2026 as compared to -3.7 per cent in the previous quarter. The confidence indicator for Construction sector climbs to +4.1 per cent in the reference quarter (Q2 2026: -9.5%). Besides, Wholesale & Retail Trade sector also predicts encouraging performance with a confidence indicator of +1.2 per cent as against -7.5 per cent recorded in the second quarter of 2026. Whereas, Services sector expects their business performance to remain optimistic with a confidence indicator of +5.2 per cent as compared to +6.2 per cent in the previous quarter (Exhibit II).

Exhibit II: Quarterly Confidence Indicator by Sector, Malaysia, 2023-2026



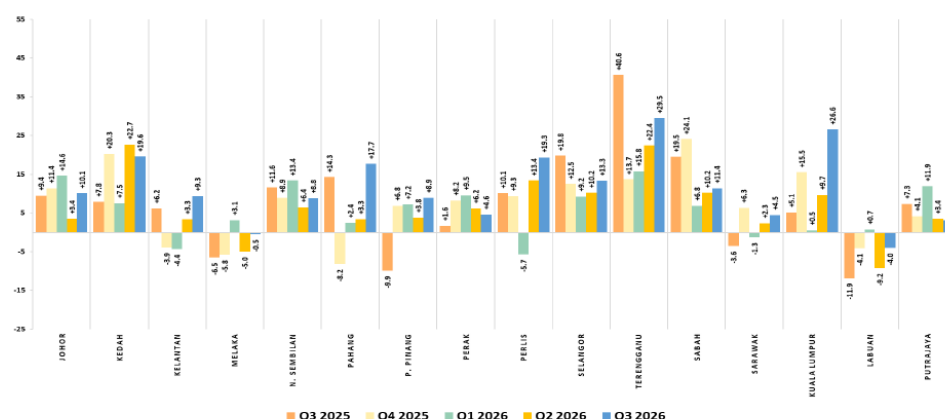
The confidence indicator at the state level showed varied levels of business confidence, with most states recording positive readings, namely Johor (+4.9%), Kedah (+5.1%), Kelantan (+2.1%), Negeri Sembilan (+9.4%), Pahang (+7.1%), Pulau Pinang (+5.0%), Perak (+1.5%), Perlis (+5.4%), Selangor (+5.8%), Terengganu (+10.5%), Sabah (+3.7%), Sarawak (+5.8%), W.P. Kuala Lumpur (+9.5%) and W.P. Putrajaya (+0.6%). Meanwhile, Melaka (-3.9%) and W.P. Labuan (-5.4%) recorded pessimistic confidence indicators (Exhibit III).

Exhibit III: Quarterly Confidence Indicator by State, Malaysia 2026



The Net Balance at the state level indicates that most states recorded improvement, with only a few states showing a less favourable movement. Positive Net Balance was recorded in Johor (+10.1%), Kedah (+19.6%), Kelantan (+9.3%), Negeri Sembilan (+8.8%), Pahang (+17.7%), Pulau Pinang (+8.9%), Perak (+4.6%), Perlis (+19.3%), Selangor (+13.3%), Terengganu (+29.5%), Sabah (+11.4%), Sarawak (+4.5%), W.P. Kuala Lumpur (+26.6%) and W.P. Putrajaya (+3.1%). Meanwhile, Melaka (-0.5%) and W.P. Labuan (-4.0%) recorded weaker readings, reflecting variations in business expectations across states (Exhibit IV).

Exhibit IV: Quarterly Net Balance by State, Malaysia 2026



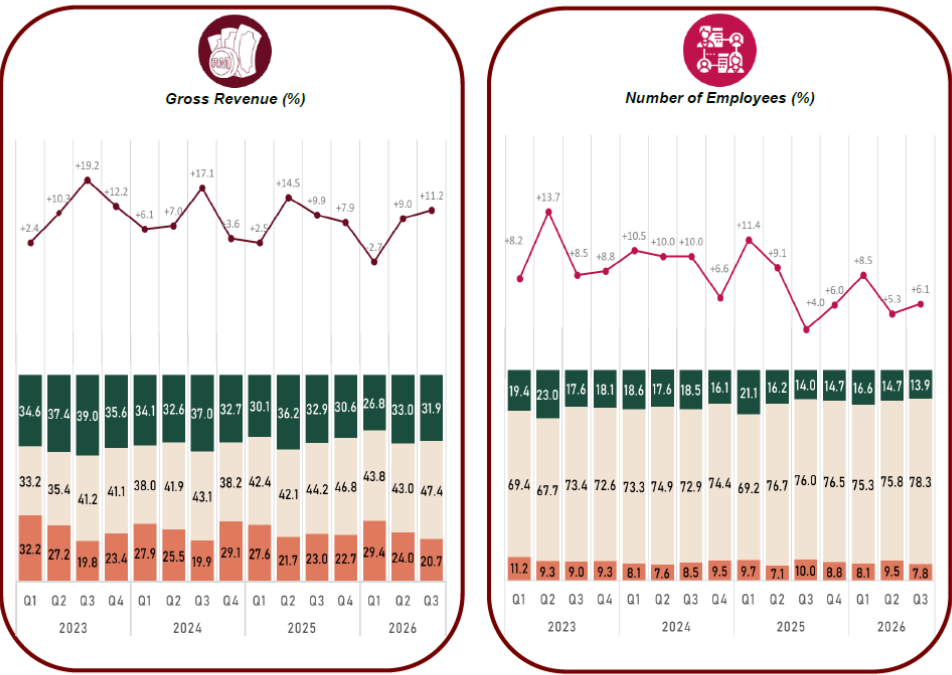
EXPECTATIONS OF GROSS REVENUE AND NUMBER OF EMPLOYEES

A total of 31.9 per cent of respondents expect their gross revenue to rise in the third quarter of 2026, while 20.7 per cent expect it to drop, resulting in a net balance of +11.2 per cent. Also, 47.4 per cent of respondents predict a standstill in their gross revenue.

In terms of employment, 78.3 per cent of businesses are expecting to retain their staff throughout the third quarter of 2026. Approximately 13.9 per cent of respondents anticipate to hire more, while 7.8 per

cent expect to reduce their personnel, resulting in a net balance of +6.1 per cent for the reference quarter (Exhibit V).

Exhibit V: Expected of Net Balance Gross Revenue and Number of Employees, 2023-2026



Net Balance

Higher

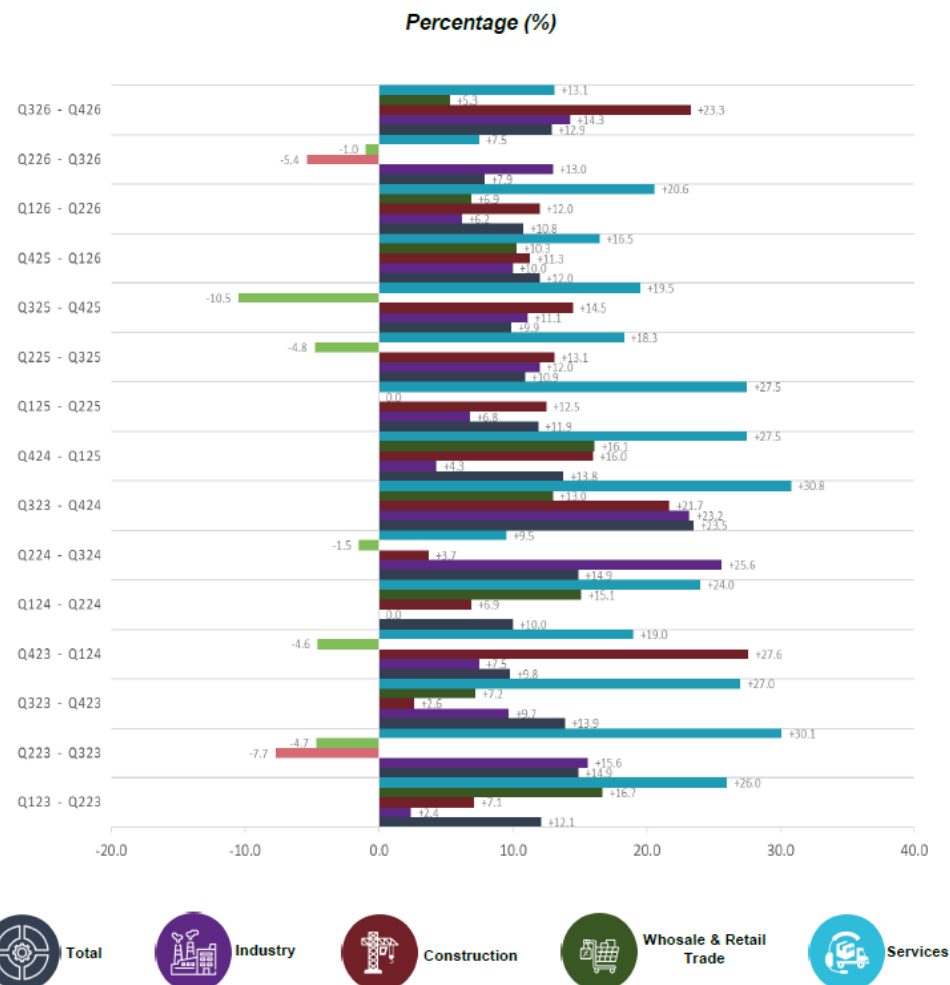
Same

Lower

EXPECTATIONS OF BUSINESS PERFORMANCE IN JULY TO DECEMBER 2026

Looking at the business sentiment for the second half of 2026, businesses remain optimistic, with the net balance rising to +12.9 per cent from +7.9 per cent recorded for the period of April to September 2026. The positive outlook across all sectors indicates favourable business conditions in the forecast period. Construction sector anticipates a favourable business situation over the forthcoming six months, with a net balance of +23.3 per cent, compared with -5.4 per cent recorded in the reference period. Industry sector foresees positive business conditions, with a net balance of +14.3 per cent. Sentiment in Services sector also shows optimism, with a net balance of +13.1 per cent. Similarly, Wholesale & Retail Trade sector expects an improved business situation, with a net balance of +5.3 per cent (Exhibit VI).

Exhibit VI: Malaysia, 2023-2026 *Net Balance of Business Performance Expectation for Upcoming Six Month by Sector,*



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