

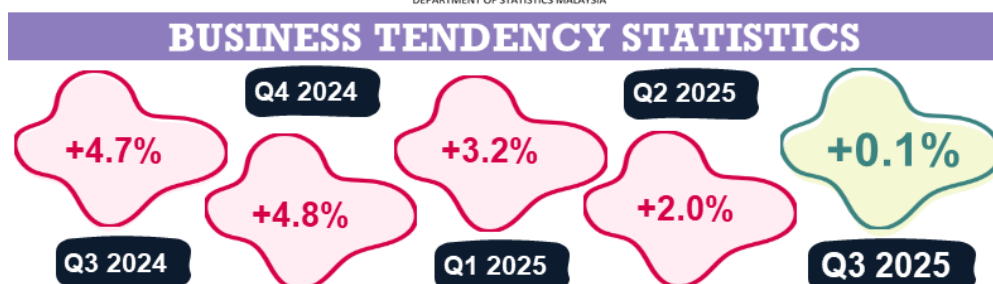


MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

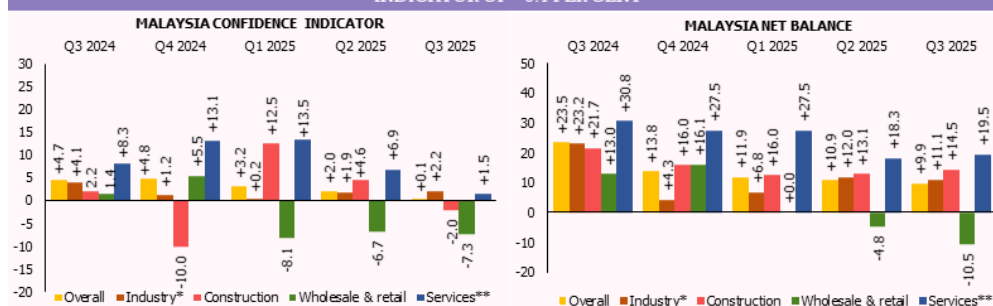
BUSINESS TENDENCY STATISTICS, THIRD QUARTER 2025



MINISTRY OF ECONOMY
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BUSINESS SENTIMENT EASES IN THE THIRD QUARTER OF 2025, REFLECTED BY A POSITIVE CONFIDENCE INDICATOR OF +0.1 PER CENT



Note:
*Agriculture, Mining, Manufacturing and Electricity & Water
** Accommodations, 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 2025



Source: Business Tendency Statistics Third Quarter 2025, Department of Statistics Malaysia (DOSM)



@StatsMalaysia

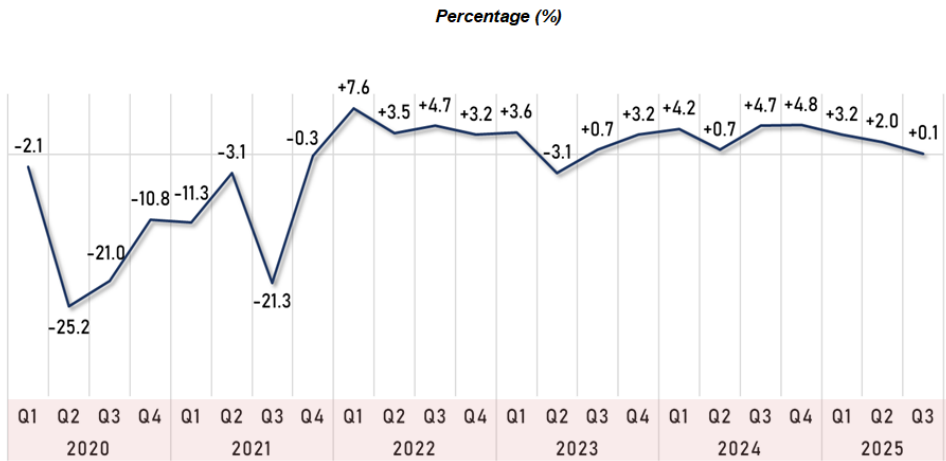


20 October 2016 - 2030

FORECAST OF BUSINESS PERFORMANCE FOR THE THIRD QUARTER 2025

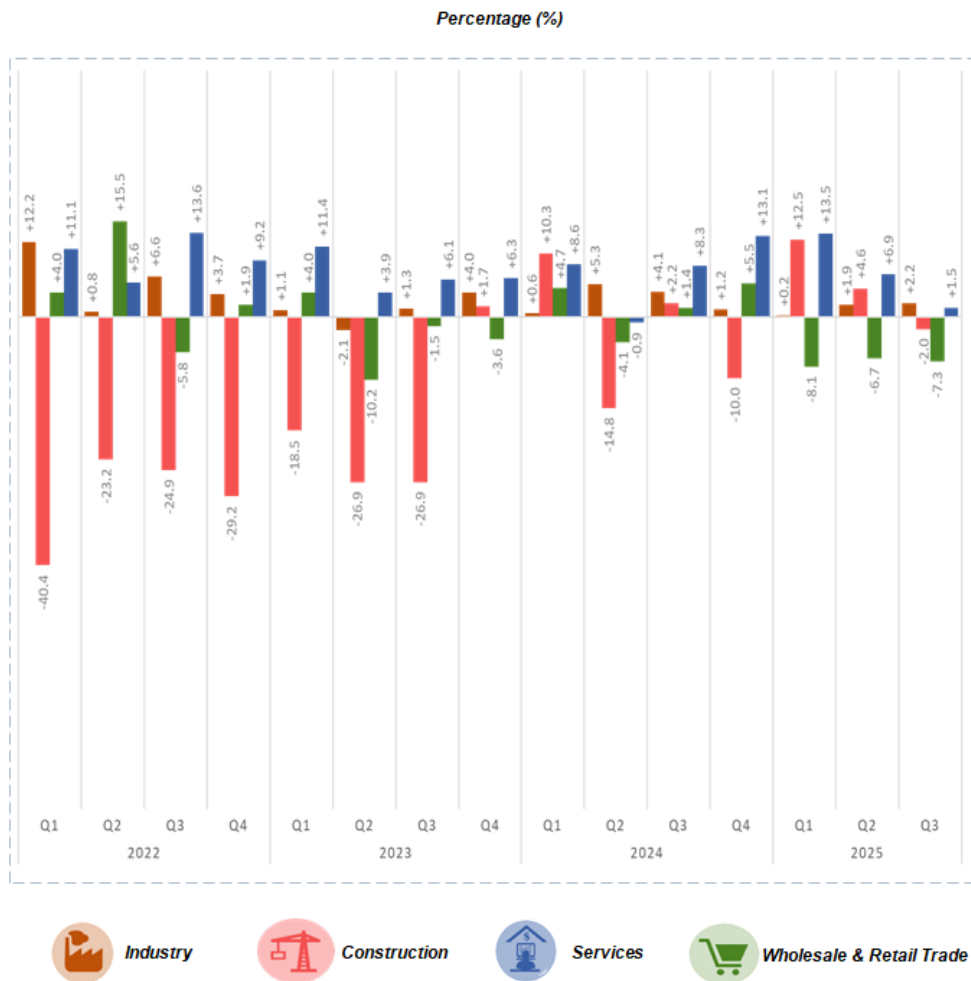
Businesses anticipate a moderation in the business environment in the third quarter of 2025, supported by a positive confidence indicator of +0.1 per cent, which reflects prevailing optimism from the previous quarter’s +2.0 per cent (Exhibit I).

Exhibit I: Quarterly Confidence Indicator, Malaysia, 2020-2025



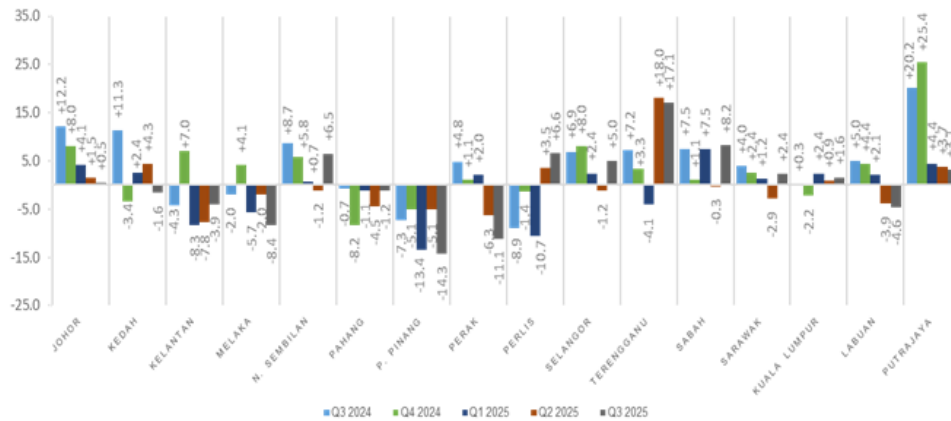
Among all the surveyed sectors, Services remains optimistic in the third quarter of 2025, recording a confidence indicator of +1.5 per cent compared to +6.9 per cent in the previous quarter, showing steady confidence despite the moderation. Construction sector records a confidence indicator of -2.0 per cent in the third quarter of 2025, compared to +4.6 per cent in the preceding quarter, indicating a shift to a more cautious outlook. Meanwhile, Industry sector continues to show steady optimism with a slight increase in confidence to +2.2 per cent from +1.9 per cent in the second quarter of 2025. Turning to Wholesale and Retail Trade sector, the confidence indicator posts -7.3 per cent in the third quarter of 2025, marginally lower than -6.7 per cent in the second quarter of 2025, reflecting persisting caution in the sector. Nevertheless, Retail Trade subsector’s confidence indicator rebounds to a positive trajectory, recording +1.9 per cent compared to ?8.4 per cent previously (Exhibit II).

Exhibit II: Quarterly Confidence Indicator by Sector, Malaysia, 2022-2025



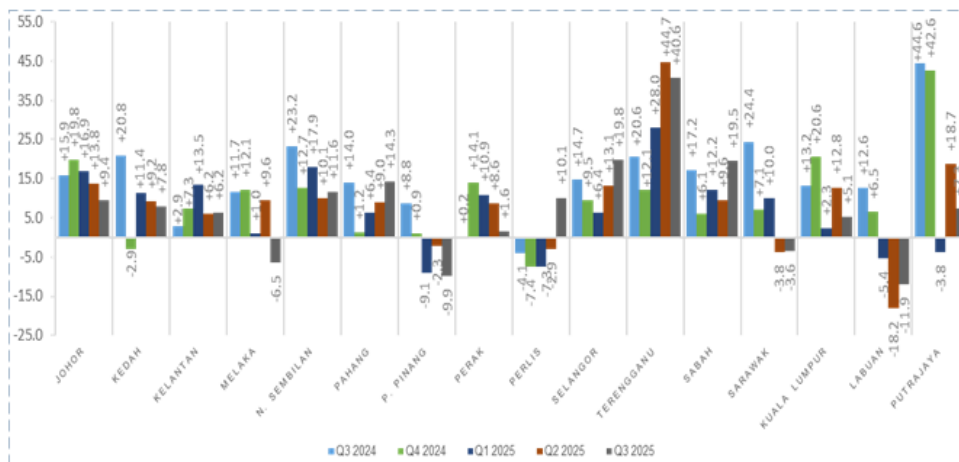
In the third quarter of 2025, state-level business confidence indicators highlight encouraging resilience, with several states showing notable improvements despite others adapt to short-term challenges. Optimistic sentiment was seen in Johor (+0.5%), Negeri Sembilan (+6.5%), Perlis (+6.6%), Selangor (+5.0%), Terengganu (+17.1%), Sabah (+8.2%), Sarawak (+2.4%), W.P. Kuala Lumpur (+1.6%) and W.P. Putrajaya (+3.1%). Meanwhile, Kedah (-1.6%), Kelantan (-3.9%), Melaka (-8.4%), Pahang (-1.2%), Penang (-14.3%), Perak (-11.1%) and Labuan (-4.6%) posted negative readings, underscoring rising pressures in their business climate as illustrated in Exhibit III.

Exhibit III: Quarterly Confidence Indicator by State, Malaysia, 2024-2025



In the third quarter of 2025, net balance by state reflect a broadly optimistic outlook, but with signs of softening in certain states. Strong optimism was recorded in Johor (+9.4%), Kedah (+7.8%), Kelantan (+6.2%), Negeri Sembilan (+11.6%), Pahang (+14.3%), Perak (+1.6%), Perlis (+10.1%), Selangor (+19.8%), Terengganu (+40.6%), Sabah (+19.5%) and W.P. Kuala Lumpur (+5.1%). In contrast, Melaka (-6.5%), Penang (-9.9%), Sarawak (-3.6%), W.P. Labuan (-11.9%) and W.P. Putrajaya (+7.3%) showed weaker or negative readings as illustrated in Exhibit IV.

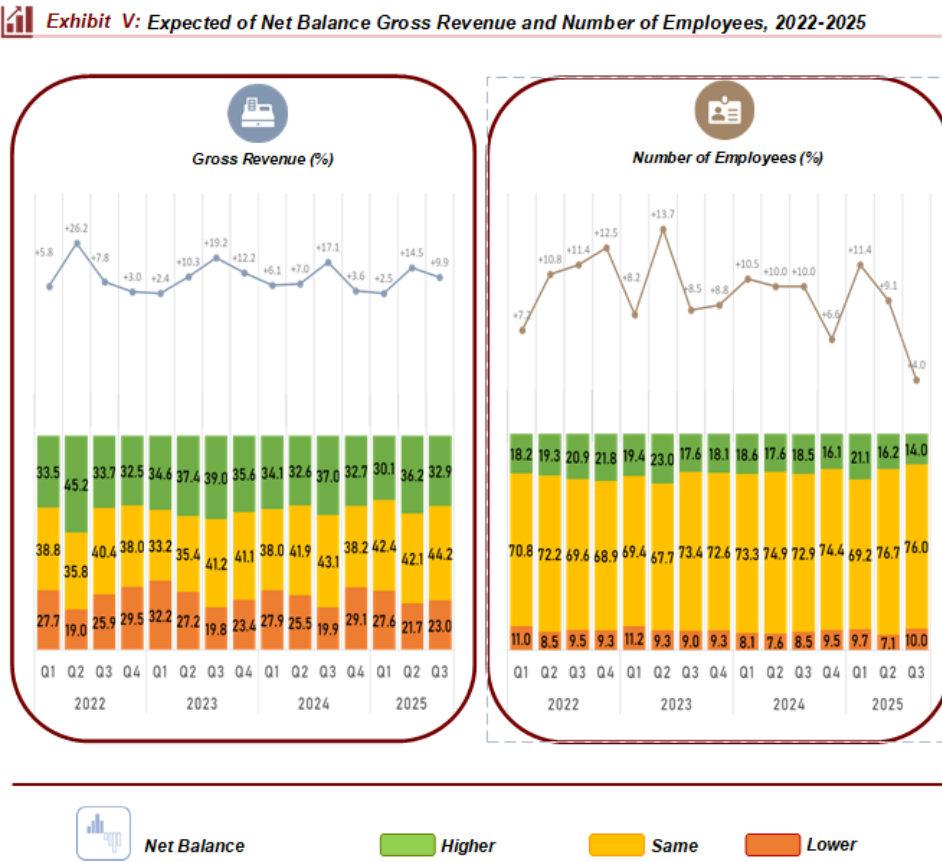
Exhibit IV: Quarterly Net Balance by State, Malaysia, 2024-2025



EXPECTATIONS OF GROSS REVENUE AND NUMBER OF EMPLOYEES

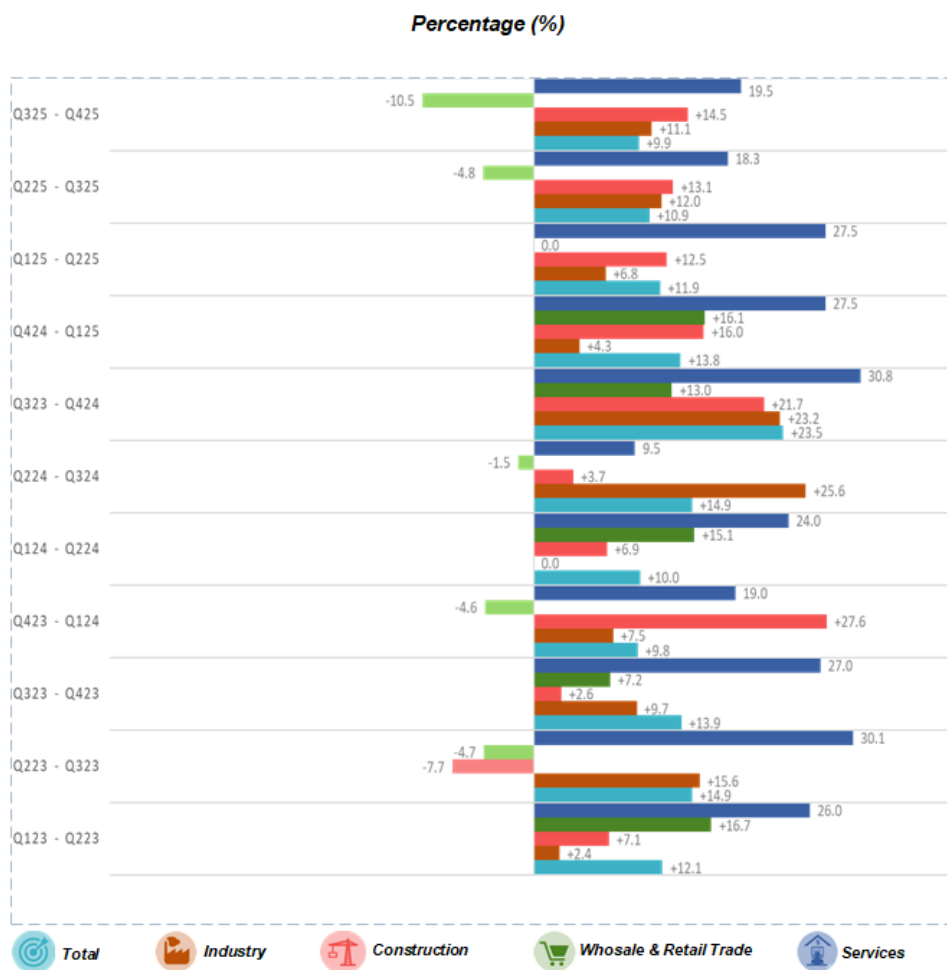
A total of 32.9 per cent of respondents expect their gross revenue to rise in the third quarter of 2025, while 23.0 per cent expect it to drop, resulting in a net balance of +9.9 per cent. Also, 44.2 per cent of respondents predict a standstill in their gross revenue.

In terms of employment, 76.0 per cent of businesses are expecting to retain their staff throughout the thirdquarter of 2025. Approximately 14.0 per cent of respondents anticipate to hire more, while 10.0 per cent expect to reduce their personnel, resulting in a net balance of +4.0 per cent for the reference quarter (Exhibit V).



EXPECTATIONS OF BUSINESS PERFORMANCE IN JULY TO DECEMBER 2025

Looking ahead to the July until December 2025 period, the overall business outlook remains positive, posting a net balance of +9.9 per cent compared to +10.9 per cent in the previous half-year. Services sector shows steady resilience, improving marginally to a net balance of +19.5 per cent from +18.3 per cent. Construction sector’s outlook brightens, with the net balance at +14.5 per cent as against +13.1 per cent. Similarly, Industry sector projects a favourable business environment, with the net balance at +11.1 per cent compared to +12.0 per cent in the preceding period. Meanwhile, Wholesale and Retail Trade sector records a net balance of -10.5 per cent from -4.8 per cent in the previous period (Exhibit VI).



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