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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

INDEX OF INDUSTRIAL PRODUCTION MALAYSIA

Malaysia's Industrial Production Index moderated to 1.8 per cent in January 2023, weighed down by slower output growth in the Manufacturing sector

The positive growth of IPI continued in January 2023, albeit at a more moderate rate of 1.8 per cent as against 2.8 per cent recorded in the preceding month. The moderation in industrial production was attributable to lower output growth in the Manufacturing sector during the month which was 1.3 per cent (December 2022: 3.0%) as well as a decline of the Electricity output by 4.3 per cent (December 2022: -2.2%). Meanwhile, Mining production expanded by 5.9 per cent as compared to 3.9 per cent in December 2022. The year-on-year growth of IPI for January 2023 was also the lowest recorded since August 2021. A month-on-month comparison, the IPI decreased further by 2.3 per cent, after registering a marginal decline of 0.6 per cent in the previous month.
The lower output growth in the Manufacturing sector was weighed down by the export-oriented industries which slowed to 0.6 per cent from 2.7 per cent in the previous month. While the production of the manufacture of computer, electronics & optical products were the largest contributor to the Manufacturing sector, the output growth diminished to 0.8 per cent (December 2022: 7.6%), in line with the slower momentum of the external trade sector and declining trend in global semiconductor industry during the month. In the meantime, rapid expansion was observed in the manufacture of coke & refined petroleum products with the output growth of 11.0 per cent and in the manufacture of vegetable & animal oils and fats with 8.3 per cent.

The production of domestic-oriented industries which contributed to one-third of the Manufacturing output, grew by 2.7 per cent in January 2023 (December 2022: 3.8%). The increase was propelled by the manufacture of motor vehicles, trailers & semi-trailers which accelerated by 12.2 per cent (December 2022: 11.8%). The output growth was positive in almost all domestic-oriented industries products except for the manufacture of beverages; and the manufacture of basic metals which posted declines during the month. In comparison with the preceding month, the Manufacturing output declined further by 3.3 per cent after registering a decrease of 1.2 per cent a month earlier.

The expansion of 5.9 per cent in the output of the Mining sector was bolstered by the strong growth of 8.0 per cent in the Crude Oil & Condensate index (December 2022: 4.2%) and 4.5 per cent in the Natural Gas index (December 2022: 3.7%). As compared to December 2022, the Mining index grew by 1.7 per cent as against 1.1 per cent growth recorded in the previous month.

In the meantime, the Electricity index posted a decline for two consecutive months to record a negative 4.3 per cent in January 2023 after recording a fall of 2.2 per cent last month. A month-on-month comparison, the Electricity index shrank by 3.4 per cent as against the positive growth of 0.9 per cent recorded in December 2022.

The full publication of the Industrial Production Index, January 2023 can be downloaded through eStatistik portal.

*** Notes**:

> Data for January 2023 is **provisional**. The data will be updated based on the latest available figures and subsequently published in February 2023 publication.

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