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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

INDEX OF INDUSTRIAL PRODUCTION MALAYSIA

Malaysia's Industrial Production Index rebounded to 0.7 per cent in July 2023, spurred by the growth momentum in Mining and Electricity sectors

The IPI returned to positive territory in July 2023, recording a 0.7 per cent year-on-year growth as against negative 2.2 per cent recorded in the previous month. The marginal increase in July 2023 was backed by the expansion in Mining sector at 4.2 per cent (June 2023: -6.4%) and Electricity sector by 1.5 per cent (June 2023: 2.8%). Meanwhile, the Manufacturing sector continued to decline, albeit with a smaller decrease of 0.2 per cent as compared to the negative 1.6 per cent registered in June 2023. On a month-on-month comparison, the IPI fell by 1.8 per cent, contrasting with the positive growth of 2.2 per cent in the previous month.

The smaller decrease in the Manufacturing output in July 2023 was supported by the expansion in the domestic-oriented industries at 6.0 per cent (June 2023: 4.1%). The growth was propelled mainly by the double-digit growth of 11.9 per cent in the Manufacture of motor vehicles, trailers & semi-trailers. In addition, the Manufacture of fabricated metal products, except machinery & equipment; and the Manufacture of food processing products also supported the growth at 6.9 per cent and 7.0 per cent respectively.

On the other hand, the export-oriented industries which encompassed about two-thirds of the Manufacturing output, remained on a downward trend with a negative 2.7 per cent (June 2023: -3.9%). The contraction was primarily influenced by the decline in the Manufacture of coke & refined petroleum products (-10.1%); Manufacture of computer, electronics & optical products (-9.0%); and the Manufacture of rubber products (-1.6%). This was in line with the country's export performance which dropped by 13.1 percent in July 2023. In comparison with the preceding month, the production of the Manufacturing sector slipped by 4.3 per cent.

The output in the Mining sector turned upward to 4.2 per cent in July 2023 as against negative 6.4 per cent recorded in June 2023. The increase was impelled by Crude Oil & Condensate which registered double-digit growth of 11.8 per cent (June 2023: -4.5%), while Natural Gas posted a smaller decline of 0.8 per cent (June 2023: -7.8%) during the month. As compared to June 2023, the Mining index accelerated by 8.0 per cent in contrast to the 7.7 per cent drop registered in the previous month.

Nonetheless, the Electricity output rose by 1.5 per cent in July 2023, following a growth of 2.8 per cent in the previous month. In comparison to the preceding month, the Electricity index grew 1.8 per cent, after registering a decline of 5.3 per cent in June 2023.

Summarising the IPI performance for the first seven months of 2023, the IPI expanded at a slower rate of 1.2 per cent as compared to the same period of the previous year (January - July 2022: 6.4%) with all sectors posting positive growth namely Manufacturing index (1.4%); Mining index (0.3%); and Electricity index (1.6%).

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

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