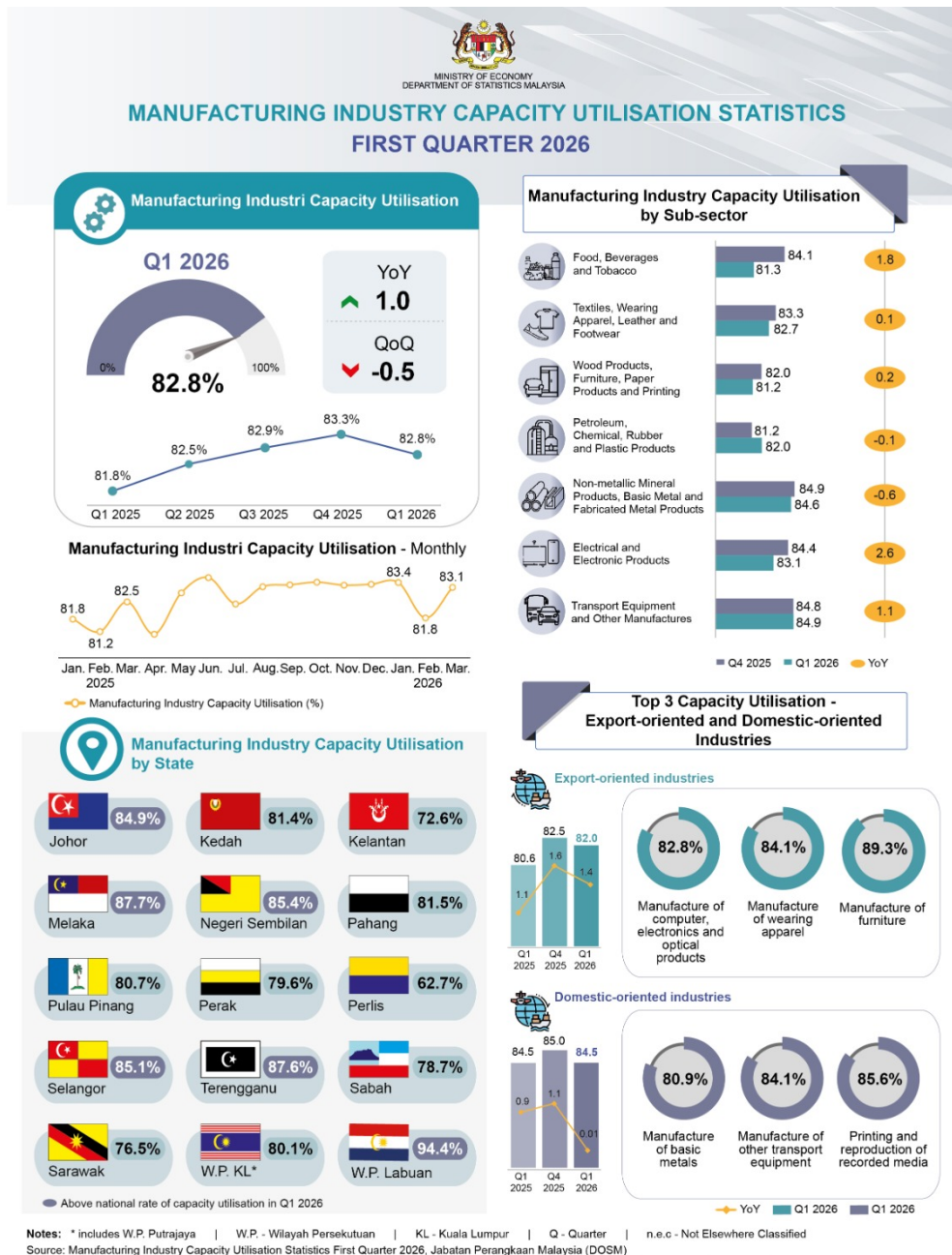




MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MANUFACTURING INDUSTRY CAPACITY UTILISATION STATISTICS, FIRST QUARTER 2026



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BANI 26
BANKI EKONOMI 2026
DATA NADI EKONOMI RAKYAT

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IN THE WORLD

20 October

2016 - 2030

The Manufacturing industry stood at a capacity utilisation of 82.8 per cent rate in the first quarter of 2026

The Manufacturing industry was recorded at 82.8 per cent rate of capacity utilisation in the first quarter of 2026, increased by 1.0 percentage points compared to the same quarter of the preceding year (Q1 2025: 81.8%). In this quarter, all sub-sectors posted capacity utilisation above 80 per cent, with the highest rate recorded by the Electrical and Electronics Products at 83.1 per cent, increased by 2.6 percentage points. This was followed by the rise 1.8 percentage points in the Food, Beverages and Tobacco with a rate of 81.3 per cent. The year-on-year increase in monthly capacity utilisation performance was recorded throughout the first quarter of 2026, which was January 2026 (83.4%; +1.6 percentage points); February 2026 (81.8%; +0.6 percentage points); and March 2026 (83.1%; +0.6 percentage points). In comparison with the previous quarter, the capacity utilisation of the Manufacturing industry decreased by 0.5 percentage points (Q4 2025: 83.3%).

In the first quarter of 2026, the capacity utilisation in the export-oriented industries increased by 1.4 percentage points year-on-year to 82.0 per cent (Q1 2025: 80.6%). The highest percentage points resulted in the Manufacture of computer, electronics & optical products; and Manufacture of wearing apparel, which up by 3.6 percentage points to 82.8 per cent and rise by 3.4 percentage points to 84.1 per cent respectively. Nonetheless, industries recorded capacity utilisation below 80 per cent, namely the Manufacture of wood & products of wood & cork, except furniture, manufacture of articles of straw & plaiting materials (75.6%). As compared to the fourth quarter of 2025, the capacity utilisation rate of the export-oriented industries declined by 0.5 percentage points from 82.5 per cent in the preceding quarter.

Furthermore, the domestic-oriented industries capacity utilisation grew by 0.01 percentage points to 84.5 per cent in first quarter of 2026. Most of the industries in this segment posted high capacity utilisation rates, particularly in the Manufacture of basic pharmaceuticals, medicinal chemical & botanical

products (87.0%; +0.1 percentage points); and followed by the Manufacture of basic metals (80.9%; +0.6 percentage points). Meanwhile, the lowest capacity utilisation rate was posted by the Manufacture of paper & paper products industry with 77.4 per cent. Factors such as low demand; insufficient supply of materials; and the repair & maintenance of machinery & equipment remained as the main cause of the under-utilisation of capacity in the Manufacturing industry. As compared to the last quarter, the capacity utilisation in the domestic-oriented industries were decreased by 0.5 percentage points from 85.0 per cent.

The Manufacturing industry capacity utilisation for six states surpassed the national rate in the first quarter of 2026, namely WP Labuan (94.4%); Melaka (87.7%); Terengganu (87.6%); Negeri Sembilan (85.4%); Selangor (85.1%); and Johor (84.9%). Whereas, the lowest capacity utilisation rate posted by Perlis with 62.7 per cent as compared to the same quarter last year.

The full publication of the Manufacturing Industry Capacity Utilisation Statistics, First Quarter 2026 can be downloaded through eStatistik portal.

Released by:

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