MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MANUFACTURING INDUSTRY CAPACITY UTILISATION STATISTICS, SECOND QUARTER 2024

The Manufacturing industry operated at a capacity utilisation of 82.1 per cent in the second quarter of 2024

The capacity utilisation of the Manufacturing industry was 82.1 per cent in the second quarter of 2024, which increased by 3.8 percentage points compared to the same quarter of the preceding year (Q2 2023: 78.3%). In this quarter, all sub-sectors posted capacity utilisation above 80 per cent, with the highest rate recorded by the Transport equipment and other manufacturers sub-sector at 86.0 per cent; followed by Textiles, wearing apparel, leather and footwear (82.8%); and Non-metallic mineral products, basic metal and fabricated metal products (82.3%). In comparison with the previous quarter, the capacity utilisation of the Manufacturing industry rose by 1.3 percentage points (Q1 2024: 80.8%). The higher capacity utilisation rate was also reflected in the expansion of the Industrial Production Index for the Manufacturing industry by 4.9 per cent as compared to a year ago.

The year-on-year increase in capacity utilisation was recorded throughout the second quarter of 2024, which was April (80.3%; +3.8 percentage points), May (82.7%; +3.5 percentage points) and June (83.2%; +4.0 percentage points) with May and June posted the highest rate since January 2023. In addition, 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.

The capacity utilisation in the export-oriented industries increased by 3.9 percentage points to 81.3 per cent (Q2 2023: 77.4%). The Manufacture of machinery and equipment n.e.c. registered the highest rate at 88.5 per cent, followed by the Manufactured of furniture (85.8%). However, two industries recorded the capacity utilisation below 80 per cent namely Manufacture of vegetable and animal oils and fats (75.4%); and Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (74.8%). In comparison with the previous quarter, the capacity utilisation rate of the export-oriented industries rose by 1.8 percentage points from 79.5 per cent.

In the meantime, the capacity utilisation in the domestic-oriented industries also expanded by 3.4 percentage points to 83.7 per cent. Three industries in this segment posted a capacity utilisation rate above 85 per cent, namely the Manufacture of tobacco products (94.7%); the Manufacture of motor vehicles, trailers and semi-trailers (88.3%); and the Manufacture of basic pharmaceutical, medicinal chemical and botanical products (85.6%). Conversely, the lowest capacity utilisation rate was posted by the Manufacture of paper and paper products industry with 77.1 per cent. As compared to the first quarter of 2024, the capacity utilisation in the domestic-oriented industries went up by 0.1 percentage points from 83.6 per cent.

The Manufacturing industry capacity utilisation for seven states surpassed the national rate in the second quarter of 2024, namely WP Labuan (94.3%), Terengganu (84.8%), Pahang (84.7%), Selangor (84.6%), Negeri Sembilan (84.4%), Melaka (83.5%), and Johor (83.3%). Nearly all states registered a year-on-year increase in the capacity utilisation rate, except for Terengganu and Kelantan.

The full publication of the Manufacturing Industry Capacity Utilisation, second quarter of 2024 can be downloaded through eStatistik portal.

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