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MINISTRY OF ECONOMY  
DEPARTMENT OF STATISTICS MALAYSIA

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## PRODUCER PRICE INDEX-LOCAL PRODUCTION

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- The rate of Malaysia's Producer Price Index which measures the prices of goods at factory gate declined further to negative 2.9 per cent in March 2023 as against negative 0.8 per cent in February 2023.
- The contraction was mainly due to the decline in Agriculture, forestry & fishing and Mining sectors which continued to record negative changes for three consecutive months in 2023. Agriculture, forestry and fishing index decreased by double digit negative 28.7 per cent (February 2023: -26.1%) while Mining index decreased to negative 11.5 per cent (February 2023: -6.5%). Meanwhile, Manufacturing index went up 1.4 per cent (February 2023: 3.0%). Whereas for utility sector, Water supply and Electricity & gas supply indices edged up by 3.3 per cent and 1.4 per cent, respectively.
- On a monthly basis, PPI local production inched up 0.3 per cent in March 2023 as compared to negative 0.2 per cent drop in the previous month. Agriculture, forestry & fishing sector increased 4.8 per cent, in tandem with Growing of perennial crops index which went up by 6.5 per cent. Electricity & gas supply sector also recorded an increase of 0.5 per cent in this month. Conversely, Mining sector shrank to negative 0.6 per cent and Manufacturing index dropped negative 0.1 per cent. Water supply index also decreased negative 0.3 per cent, similar to the previous month.
- In terms of PPI Local Production by stage of processing, index of Crude materials for further processing slipped to negative 21.0 per cent in March 2023 (February 2023: -16.9%). However, Intermediate materials, supplies & components increased 1.5 per cent in March 2023 (February 2023: 3.3%) and Finished goods rose by 3.9 per cent (February 2023: 4.0%).
- Month on month, Intermediate materials, supplies & components index remained unchanged in March 2023. Meanwhile, both Crude materials for further processing and Finished goods indices recorded an increase of 1.5 per cent and 0.2 per cent, respectively.
- In the first quarter of 2023, the PPI local production posted a decrease of negative 0.8 per cent (Q4 2022: 3.5%). The decline was due to indices of Agriculture, forestry & fishing (-25.4%) and Mining (-6.8%). On the contrary, increases were recorded for Manufacturing (2.9%), Electricity & gas supply (1.2%) and Water supply (3.6%) indices. Meanwhile, a quarter-on-quarter comparison showed a decline of negative 0.8 per cent (Q4 2022: -0.7%).

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