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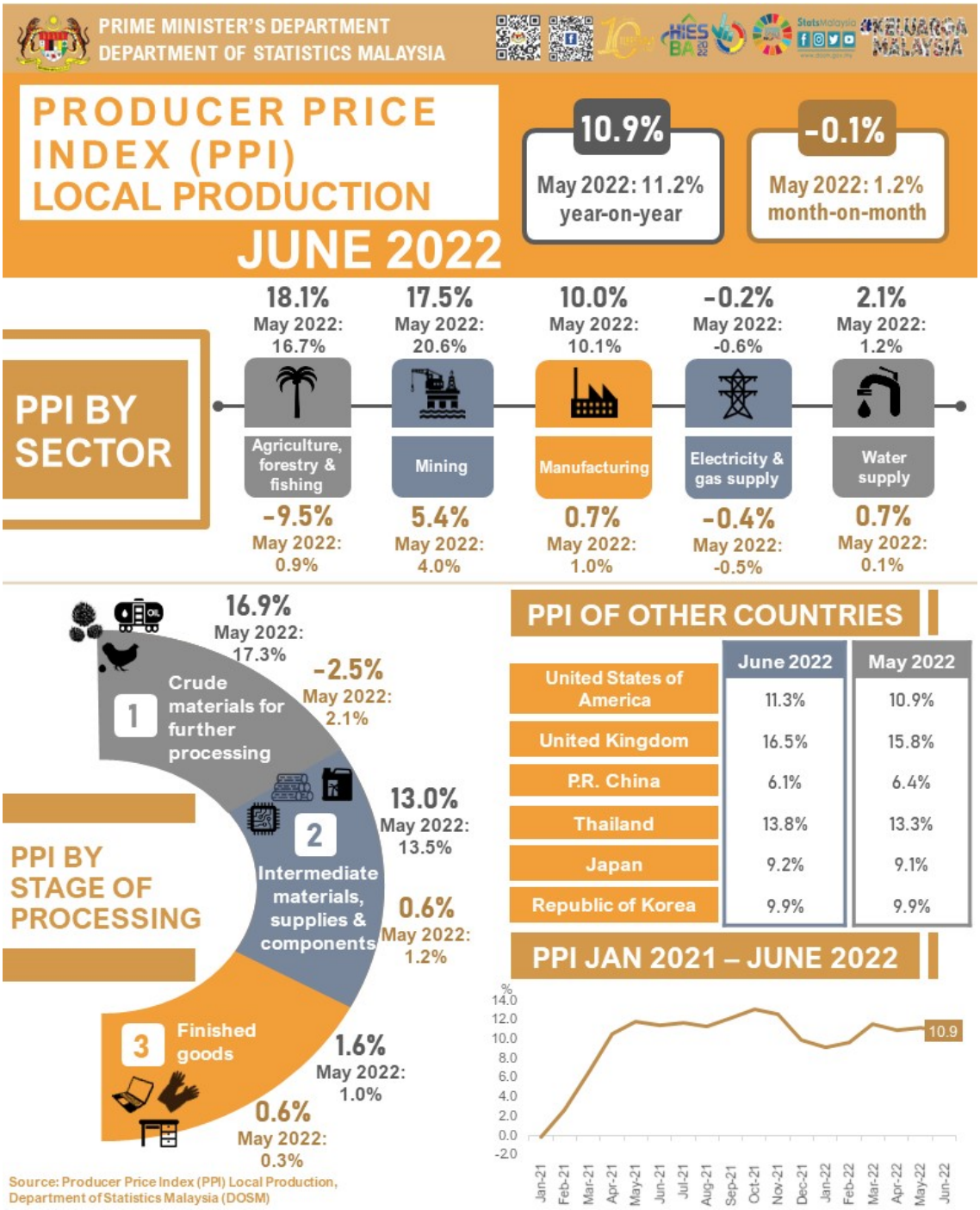
MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

PRODUCER PRICE INDEX MALAYSIA JUNE 2022



PRODUCER PRICE INDEX (2010=100) BY SECTOR (MSIC 2008)

The increase in Malaysia's Producer Price Index which measures the prices of goods at factory gate eased to record 10.9 per cent in June 2022 as compared to 11.2 per cent recorded in May 2022. All sectors recorded a double digit increase except for utility sectors. Manufacturing sector which is the highest weight in the PPI (81.6%), posted a 10.0 per cent increase in June 2022. Although the sub-sectors from this sector recorded a two-digit increase, the magnitude of increase has slowed down. Manufacture of coke & refined petroleum products recorded 22.3 per cent in June 2022, down from 22.9 per cent in May 2022. Similarly, Manufacture of food products posted a slower increase to 18.6 per cent in June 2022 from 19.3 per cent recorded in the previous month. Manufacture of chemicals & chemical products also eased from 11.4 per cent in May 2022 to 10.5 per cent in June 2022. In addition, 16 other sub-sectors posted a lower increase in the range of between 0.4 per cent and 9.5 per cent. On the other hand, two sub-sectors recorded a decline and one sub-sector remained unchanged.

Eventhough the price of Crude palm oil commodity experienced a slight decrease to RM6,106.00/tonnes in June 2022 as against a month before (RM6,873.00/tonnes), index for Agriculture, forestry & fishing sector remained recorded a slower double digit increase of 18.1 per cent as compared to 29.8 per cent in the same period a year ago. Apart from being driven by Perennial crops index, Fishing and Logging indices also contributed to the increase in this sector during June 2022. In addition, indices of Growing of non-perennial crops and Animal production increased 7.5 per cent and 6.9 per cent respectively. The increase in both indices were contributed by the incline in the indices of Tomato (34.9%), Round cabbage (22.8%), Aubergines (19.2%), Hen's eggs (9.7%) and Chicken (8.0%).

Mining sector recorded an increase of 17.5 per cent in June 2022 as opposed to 20.6 per cent posted in May 2022. The increase was mainly driven by increases in Natural gas (43.4%) and Crude oil (12.7%) indices. In terms of utility indices, an increase of 2.1 per cent was recorded in Water supply index, while, Electricity & gas supply index decreased 0.2 per cent.

In terms of month-on-month comparison, the PPI local production in June 2022 declined for the first time this year, to record a negative 0.1 per cent as against a 1.2 per cent increase posted in May 2022. The decrease was contributed by Agriculture, forestry & fishing index that registered a 9.5 per cent decline (May 2022: 0.9%), underpinned by a decrease in Oil palm fresh fruit bunches index (-14.3%). On the other hand, Mining index increased 5.4 per cent (May 2022: 4.0%) attributed by the rise in the indices of Crude oil (5.9%) and Natural gas (3.2%). Similarly, Manufacturing index increased at a slower rate of 0.7 per cent as compared to 1.0 per cent recorded in May 2022. The incline was due to the increase in indices of sub-sectors namely Manufacture of refined petroleum products (1.8%), Manufacture of electronic components & boards (1.2%) and Manufacture of basic chemicals, fertilisers & nitrogen compounds, plastics & synthetic rubber in primary forms (1.2%). However, the incline was also offset by the decline in indices of Manufacture of vegetable & animal oils & fats (-0.3%) and Manufacture of basic iron & steel (-0.2%). Water supply index increased 0.7 per cent, while, Electricity & gas supply index decreased 0.4 per cent.

In the second quarter of 2022, the PPI local production posted an increase of 11.1 per cent (Q1 2022: 10.2%). The increase was led by Mining (18.8%), Agriculture, forestry & fishing (17.6%), Manufacturing (10.0%) and Water supply (1.5%) indices. On the other hand, Electricity & gas supply index declined 0.1 per cent. Meanwhile, a quarter-on-quarter comparison showed that PPI local production increased at a slower rate of 3.3 per cent as opposed to 3.5 per cent recorded in the first quarter of 2022.

Chart 1: Percentage Change of Producer Price Index (PPI) Local Production, Malaysia

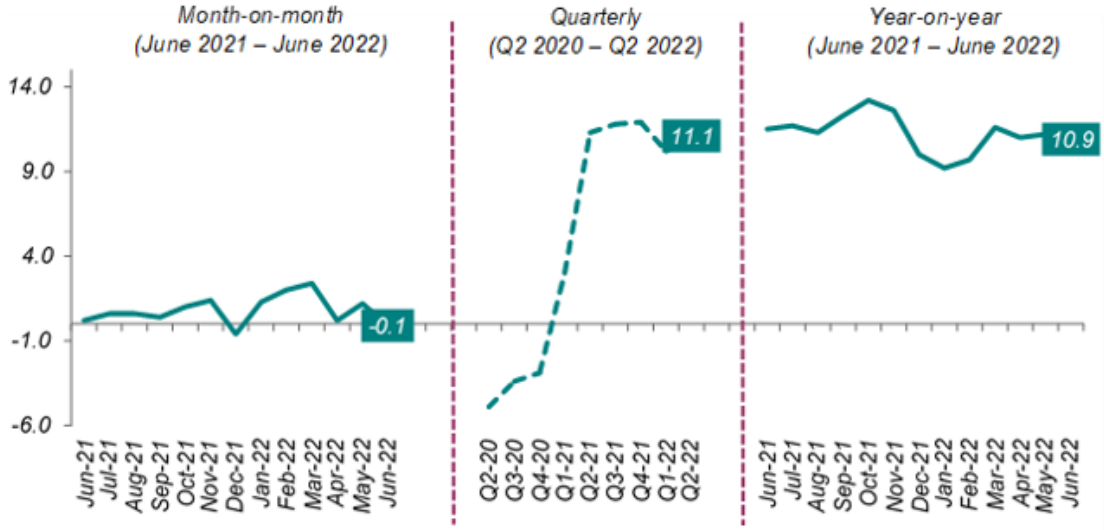
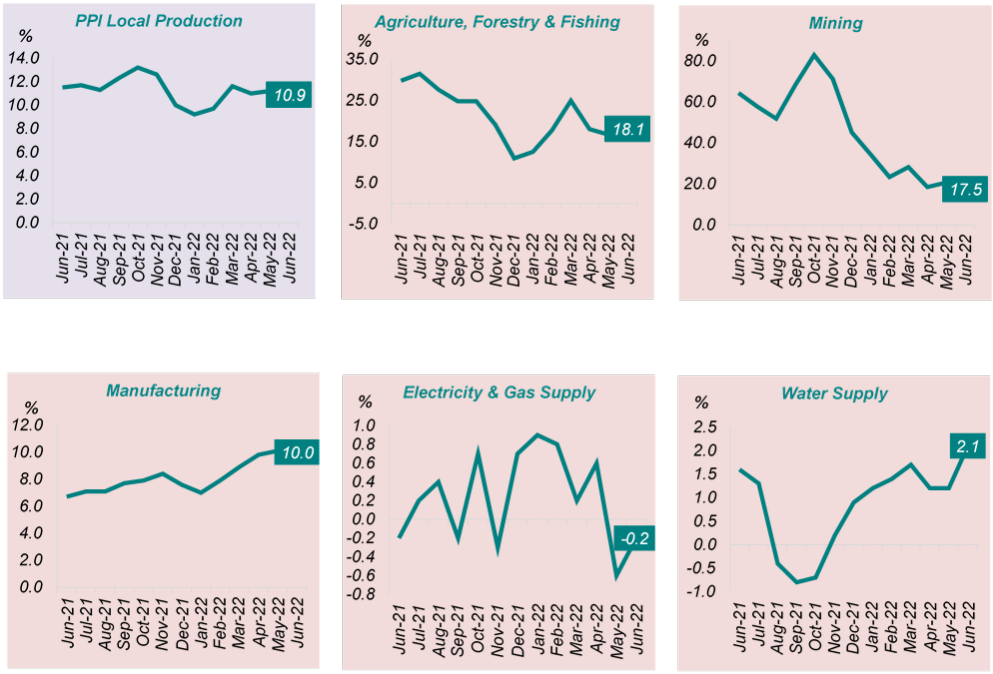


Chart 2: Percentage Change of Producer Price Index (PPI) Local Production by Sector (Year-on-Year), Malaysia



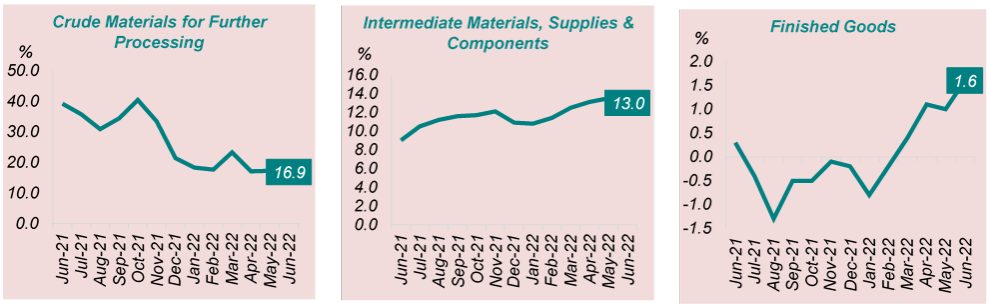
PRODUCER PRICE INDEX BY STAGE OF PROCESSING

The index of Crude materials for further processing increased at a slower rate of 16.9 per cent in June 2022 in comparison to 17.3 per cent recorded in May 2022. The increase was contributed by indices of Non-food materials (19.2%) and Foodstuffs & feedstuffs (4.8%). Similarly, index of Intermediate materials, supplies & components increased 13.0 per cent in June 2022, slightly lower than 13.5 per cent recorded in May 2022. The increase was driven by an increase in indices of Processed fuel & lubricants (18.0%), Materials & components for manufacturing (14.1%) and Supplies (6.3%). On the other hand, Finished goods index registered a higher increase in June 2022 with 1.6 per cent (May 2022: 1.0%), attributed by the increase in Finished consumer foods (6.7%) index.

For a monthly comparison, , index of Crude materials for further processing decreased 2.5 per cent as

against a 2.1 per cent incline in May 2022. Index of Intermediate materials, supplies & components increased 0.6 per cent, followed by Finished goods index that also rose 0.6 per cent.

Chart 3: Percentage Change of Producer Price Index (PPI) Local Production by Stage of Processing (Year-on-Year), Malaysia



The full publication of the Producer Price Index Malaysia, June 2022 can be downloaded from **eStatistik** portal.

Released by:

THE OFFICE OF CHIEF STATISTICIAN MALAYSIA

DEPARTMENT OF STATISTICS, MALAYSIA

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