



# MEDIA STATEMENT

MINISTRY OF ECONOMY  
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## **MALAYSIA ECONOMIC STATISTICS REVIEW, VOLUME 9/2025**

### ***Stable Domestic Demand and Sectoral Resilience Drive Malaysia's Economic Growth, Amid Global Challenges and Continued External Trade Fluctuations***

**PUTRAJAYA, 30<sup>th</sup> SEPTEMBER 2025** – Today, the Department of Statistics, Malaysia (DOSM) released the **Malaysian Economic Statistics Review (MESR), Volume 9/2025**. This edition focuses on the recent statistics released in July 2025 and some forthcoming statistics for August 2025. On top of that, this edition features an article titled, “*Uncovering Hidden Labour Market Gaps in Malaysia: Insights from Experimental Measure of Labour Underutilisation*”, which highlights that labour underutilisation extends beyond unemployment, encompassing underemployment and participation barriers. Strengthening Labour Force Survey (LFS)-based indicators provides crucial insights to guide targeted policies and optimise workforce potential.

The July 2025 World Economic Outlook projects global growth to hold at 3.0 per cent in 2025, edging up to 3.1 per cent in 2026, underscoring the economy's resilience amid challenges. With price pressures in focus, inflation is expected to ease to 3.6 per cent by 2026, though the U.S. continues to face tariff-driven price pressures. Nevertheless, escalating trade tensions, weaker investment, and geopolitical uncertainties threaten to cloud the outlook, with tariffs alone projected to shave 0.2 percentage points off global output in 2026.

Focusing on recent economic developments, Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin stated, “Driven by steady domestic activity, Malaysia's economy expanded by 4.4 per cent in the first half of 2025 (1H 2024: 5.0%), aligning with the government's forecast of 4.0 to 4.8 per cent for the year. Supported by key sectors, Malaysia's growth was underpinned by Services and Manufacturing, while on the demand side, private consumption and gross fixed capital formation (GFCF) were the main drivers.”

Following Malaysia's steady GDP growth, the Industrial Production Index (IPI) rose by 4.2 per cent in July 2025, up from 2.9 per cent in June. The Manufacturing sector led the expansion at 4.4 per cent (June: 3.6%), supported by a rebound in the Mining sector at 4.3 per cent (June: -0.01%), while the Electricity sector recorded a slower increase of 1.6 per cent (June: 2.3%). On a month-on-month basis, however, the IPI contracted by 0.3 per cent, offsetting the strong 7.5 per cent growth observed in June.

Momentum in the Manufacturing sector continues, with total sales value rising 3.5 per cent year-on-year in July 2025 (June: 3.3%), reaching RM162.5 billion, reflecting sustained domestic demand and gradual industrial recovery. At the forefront of growth, the Food, Beverages & Tobacco sub-sector expanded 8.9 per cent (June: 14.7%), driven by strong consumer demand for essential goods. Growth was also supported by Electrical & Electronics products which increased 6.9 per cent (June: 4.5%), reflecting both domestic and export market strength, and Non-metallic mineral, basic metal & fabricated metal products at 3.8 per cent (June: 3.0%), highlighting steady industrial production. Reflecting steady demand, on a month-on-month basis, overall sales edged up 0.8 per cent from RM161.2 billion in June 2025, signalling stable consumption patterns.

Taking a broader view of Malaysia's Services sector, total sales in Wholesale & Retail trade reached RM156.4 billion in July 2025, marking a 5.0 per cent year-on-year increase. Leading the momentum, Wholesale trade recorded RM70.1 billion in sales, up RM3.6 billion from the previous year, reflecting 5.4 per cent growth. Meanwhile, Retail trade contributed strongly, with total sales of RM67.0 billion, an increase of RM3.5 billion, or 5.6 per cent year-on-year. Supporting overall growth, the Motor vehicles sub-sector posted RM19.3 billion in sales, rising RM0.3 billion, representing 1.6 per cent growth compared to July 2024. The combined performance of these sub-sectors highlights the resilience and steady expansion of Malaysia's Services sector, underpinned by consumer demand and sustained commercial activity.

Highlighting Malaysia's external trade trends, Malaysia's trade performance rebounded in July 2025, underpinned by strong exports, which grew 6.8 per cent year-on-year. Correspondingly, imports also rose, albeit at a slower pace, increasing 0.6 per cent annually. As a result, total trade climbed to RM265.9 billion in July 2025, compared to RM256.2 billion in July 2024. On a month-on-month basis, exports, imports, total trade, and trade surplus recorded encouraging growth of 15.5 per cent, 10.9 per cent, 13.3 per cent, and 78.2 per cent, respectively.

Turning to August 2025, the trade performance of Malaysia declined by 1.9 per cent year-on-year. Nevertheless, exports remained on an upward trajectory, increasing 1.9 per cent, while imports fell 5.9 per cent. Consequently, the trade balance recorded a substantial surplus of RM16.1 billion, up 153.8 per cent from the same period last year.

*On a month-on-month comparison, exports contracted 6.3 per cent, imports decreased 8.0 per cent, and total trade declined 7.1 per cent, while the trade surplus expanded by 7.7 per cent, reflecting continued resilience amid external market fluctuations.*

*From a price perspective, Malaysia's inflation edged up to 1.2 per cent year-on-year in July 2025 (June: 1.1%), driven mainly by higher costs in Insurance & Financial Services (5.5%), Restaurants & Accommodation Services (3.1%), and Transport (0.4%), while Food & Beverages recorded a slower rise at 1.9 per cent (June: 2.1%). On a month-on-month basis, headline inflation rose 0.1 per cent, maintaining the same rate as in June. Meanwhile, in August 2025, Malaysia's inflation increased 1.3 per cent, with the index standing at 134.9 points.*

*Looking at producer prices, Malaysia's Producer Price Index (PPI) for Local Production fell 3.8 per cent year-on-year in July 2025, slightly easing from a 4.2 per cent decline in June. The contraction was led by Mining (-8.7%) and Manufacturing (-4.0%), while Agriculture, Forestry & Fishing (1.1%) and Electricity & Gas Supply (4.0%) recorded increases. On a month-on-month basis, the PPI improved 0.3 per cent, reversing June's 0.7 per cent decline, reflecting a modest stabilisation in producer prices. Malaysia's PPI recorded a 2.8 per cent decline in August 2025.*

*On the labour market front, Dato' Sri Dr. Mohd Uzir Mahidin highlighted that Malaysia's labour force grew 2.8 per cent year-on-year to 17.47 million persons (July 2024: 17.00 million), while the Labour Force Participation Rate (LFPR) remained steady at 70.8 per cent. Employment continued to rise, with the number of employed persons increasing 3.1 per cent to 16.95 million, lifting the employment-to-population ratio to 68.7 per cent. Meanwhile, unemployment declined with 521.6 thousand persons unemployed, down 5.7 per cent year-on-year, bringing the unemployment rate to 3.0 per cent. On a month-on-month basis, the labour force expanded 0.2 per cent (June 2025: 17.43 million), while employment also increased 0.2 per cent (June 2025: 16.92 million), indicating continued stability in Malaysia's labour market.*

*As reflected in Malaysia's Leading Index (LI), the index moderated in July 2025, recording a 0.5 per cent year-on-year decline to 114.3 points (July 2024: 114.9). In view of month-on-month, the LI rebounded 0.5 per cent, following a contraction in June, supported by stronger semiconductor imports. Although remaining below the 100-point long-term trend, Malaysia's near-term economic outlook is expected to remain moderate, underpinned by sectoral resilience and steady domestic demand. Overall, the Leading Index signals stability in the economy, highlighting that while challenges persist, Malaysia is positioned to maintain steady growth in the coming months.*

**Embargo: Only can be published or disseminated at 1200 hour, Thursday 30<sup>th</sup> September 2025**

*ASEAN-Malaysia 2025 Chairmanship: The Department of Statistics Malaysia (DOSM) will chair the 15<sup>th</sup> ASEAN Community Statistical System Committee (ACSS15) which aims to strengthen the statistical cooperation towards sustainable regional development.*

*Malaysia has, for the first time, successfully recorded the top position globally in the biennial Open Data Inventory (ODIN) 2024/25 report released by Open Data Watch (ODW), surpassing 197 other countries. This achievement marks a significant leap from its 67<sup>th</sup> position in the ODIN 2022/23 assessment.*

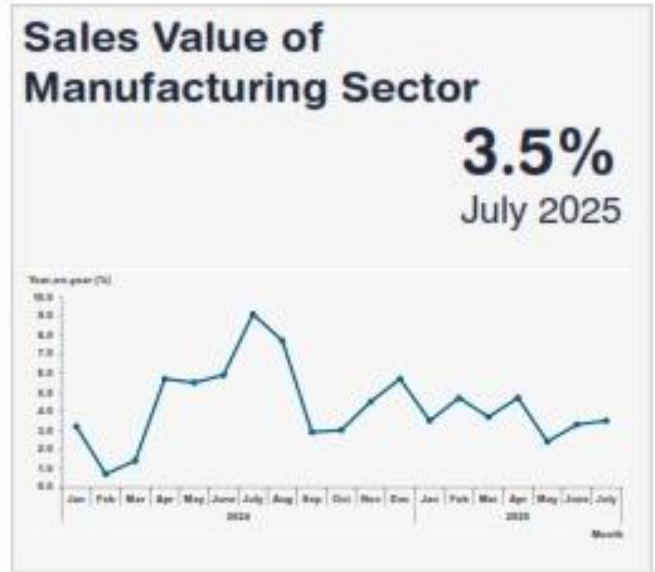
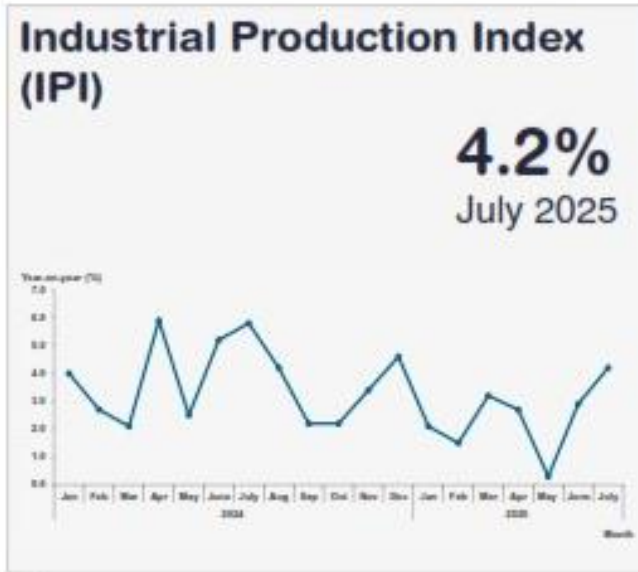
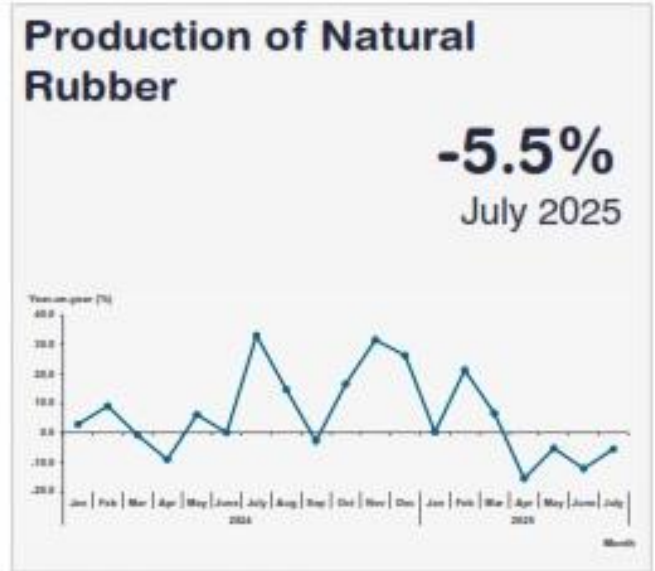
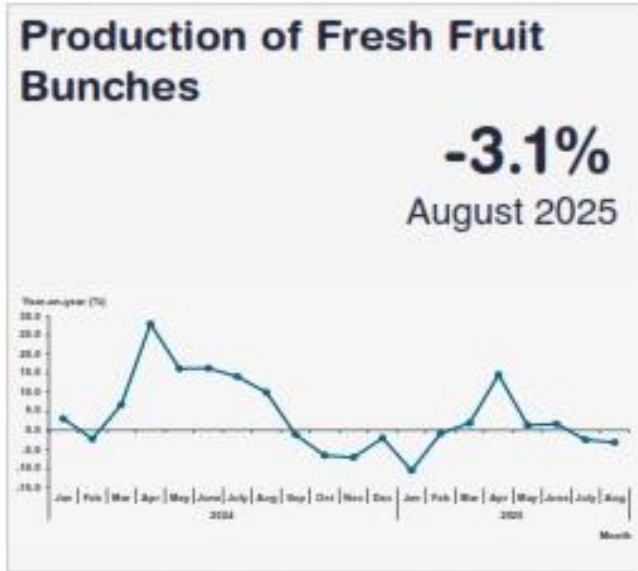
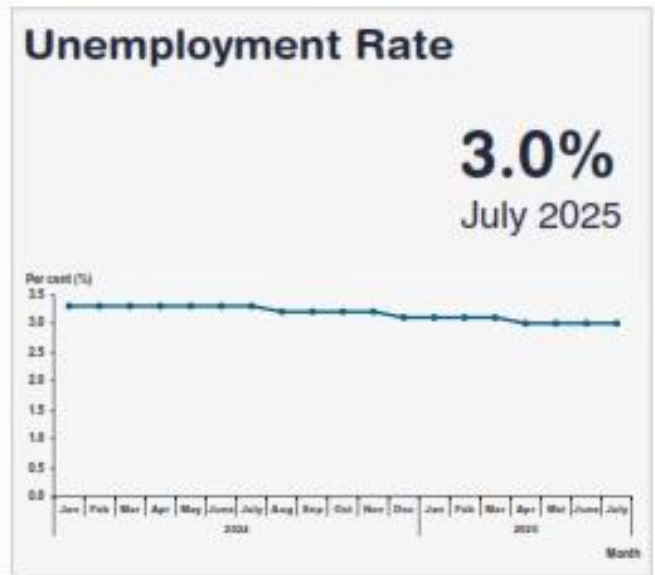
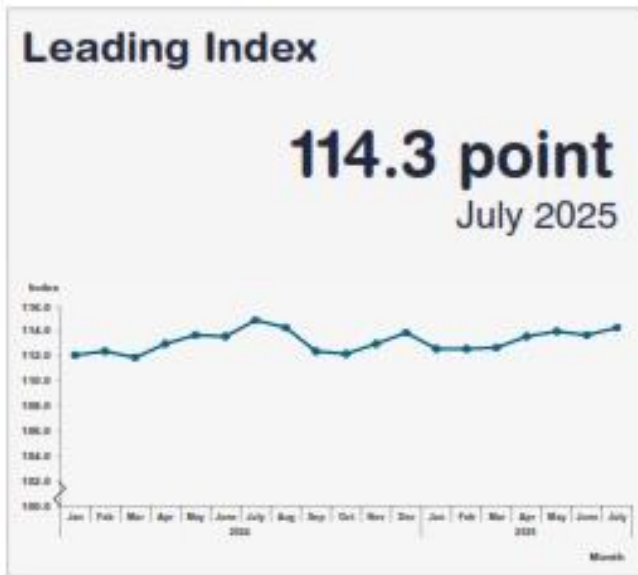
*The Government of Malaysia has declared October 20<sup>th</sup> as National Statistics Day (MyStats Day), with the theme 'Statistics is the Essence of Life'. Meanwhile, the Fourth World Statistics Day will be celebrated on 20<sup>th</sup> October 2025, with the theme 'Driving Change with Quality Statistics and Data for Everyone'.*

*OpenDOSM NextGen is a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through <https://open.dosm.gov.my>.*

*Released by:*

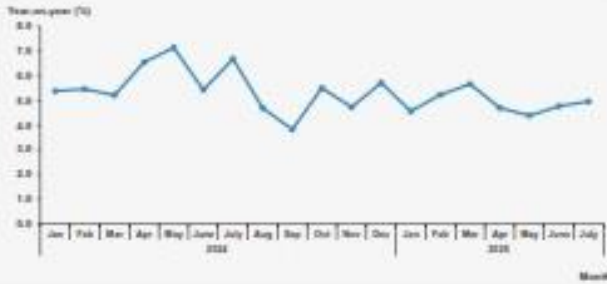
**THE OFFICE OF CHIEF STATISTICIAN MALAYSIA  
DEPARTMENT OF STATISTICS MALAYSIA  
30<sup>th</sup> September 2025**

**Exhibit 1: Monthly Economic Indicator**



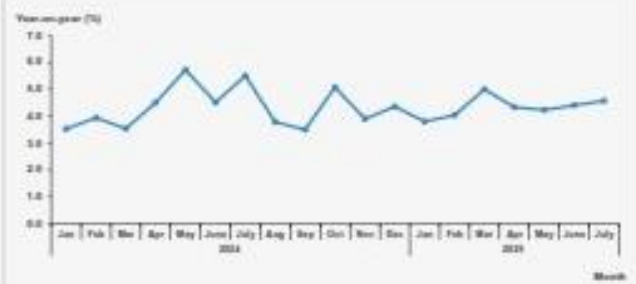
### Sales Value of Wholesale & Retail Trade

**5.0%**  
July 2025



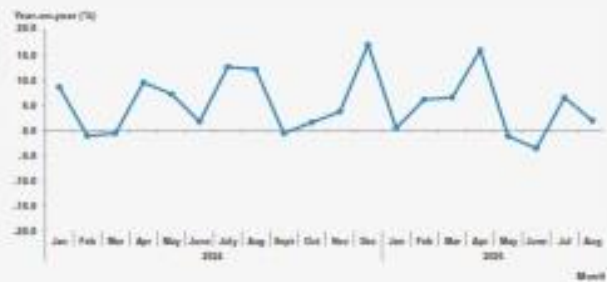
### Volume Index of Wholesale & Retail Trade

**4.6%**  
July 2025



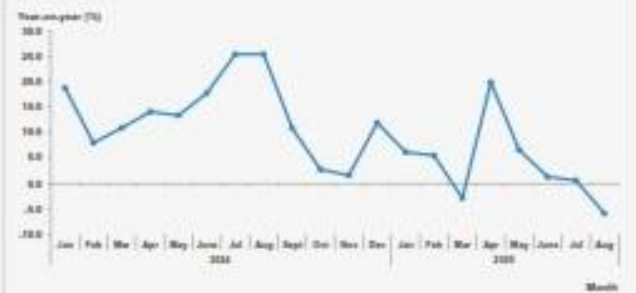
### Exports

**1.9%**  
August 2025



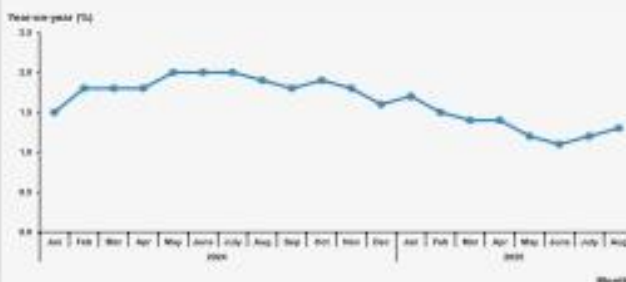
### Imports

**-5.9%**  
August 2025



### Consumer Price Index (CPI)

**1.3%**  
August 2025



### Producer Price Index (PPI) Local Production

**-2.8%**  
August 2025

