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MALAYSIA ECONOMIC STATISTICS REVIEW, VOLUME 12/2025

Moderate inflation, robust labour market, and steady performance across key sectors sustain Malaysia's positive economic momentum.

PUTRAJAYA, 31st DECEMBER 2025 *– Today, the Department of Statistics, Malaysia (DOSM) released the* ***Malaysian Economic Statistics Review (MESR), Volume 12/2025.*** *This edition focuses on the recent statistics released in October 2025 and some forthcoming statistics for November 2025. On top of that, this edition features an additional article titled, "Performance of Malaysia's Agrofood Sector from a Production Perspective" highlights that Malaysia's agrofood subsector demonstrated strong growth across key commodities, with vegetables leading the expansion, followed by spices, fruits, and industrial crops. This positive momentum, alongside steady gains in livestock and fisheries production, underscores the sector's resilience and its critical role in ensuring national food security.*

Amid a gradually stabilising global economy, the OECD Economic Outlook (Volume 2025 Issue 2) projects global GDP growth at 3.2 per cent in 2025, before moderating to 2.9 per cent in 2026 as fiscal conditions tighten and global trade remains subdued. Growth is expected to edge up to 3.1 per cent in 2027, supported by easing inflation and more accommodative financial conditions. Nevertheless, lingering trade weakness and constrained fiscal space continue to pose downside risks, tempering the momentum of the global recovery.

Highlighting recent economic performance, Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin stated, "Supported by resilient domestic demand, Malaysia's economy recorded a cumulative growth of 4.7 per cent in the first three quarters of 2025, moderating from 5.2 per cent in the corresponding period last year. The Services sector remained the main driver, underpinned by steady domestic demand, while Manufacturing expanded moderately and Construction continued to record strong *growth. Agriculture and Mining & Quarrying exhibited mixed performance, reflecting the effects of weather conditions and changes in commodity prices."*

Following Malaysia's steady economic performance, the Industrial Production Index (IPI) strengthened further in October 2025, rising by 6.0 per cent year-on-year from 5.7 per cent in September. The Manufacturing sector led the expansion with a growth of 6.5 per cent, supported by continued expansion in Mining sector at 5.8 per cent, while the Electricity sector recorded a more moderate increase of 1.2 per cent. On a month-on-month basis, overall industrial production rebounded by 2.1 per cent, recovering from a marginal decline of 0.02 per cent in the previous month.

Momentum in the Manufacturing sector strengthened in October 2025, with total sales value rising 6.3 per cent year-on-year to RM171.7 billion (September: 4.3%), reflecting robust industrial activity and export-oriented production. At the forefront of growth, the Electrical & Electronics products sub-sector expanded 11.5 per cent, supported by higher output in export-driven industries. Growth was further underpinned by broader industrial demand across other manufacturing sub-sectors. On a month-on-month basis, manufacturing sales value increased 1.4 per cent compared with September 2025, indicating sustained domestic and international market momentum.

Taking a broader view of Malaysia's Services sector, total sales in Wholesale & retail trade reached RM160.9 billion in October 2025, marking a 7.2 per cent year-on-year increase. Leading the momentum, Wholesale trade recorded RM71.2 billion in sales, up RM4.8 billion or 7.3 per cent from the previous year, reflecting robust commercial activity. Meanwhile, Retail trade contributed strongly with RM69.3 billion in sales, rising RM4.4 billion or 6.8 per cent year-on-year, supported by steady consumer demand. The Motor Vehicles sub-sector also performed well, posting RM20.4 billion in sales, up RM1.5 billion or 8.2 per cent compared to October 2024. On a month-on-month basis, overall sales increased 1.8 per cent, driven mainly by the Motor Vehicles sub-sector. The combined performance of these sub-sectors underscores the resilience and continued expansion of Malaysia's Services sector.

Focusing on Malaysia's external trade trends, Malaysia's merchandise trade increased by 13.6 per cent year-on-year to RM277.6 billion in October 2025, supported by robust export performance. Exports rose 15.7 per cent to RM148.3 billion, while imports increased 11.2 per cent to RM129.3 billion. On a month-on-month basis, total trade grew 7.7 per cent, driven by higher exports (+6.7%) and imports (+8.9%). Consequently, the trade balance remained in surplus at RM19.0 billion, although it narrowed by 6.1 per cent compared with September 2025. The positive momentum continued in November 2025, with total trade rising 11.1 per cent year-on-year to RM263.8 billion, supported by gains in both exports and imports, while the trade surplus narrowed by 58.8 per cent to RM6.1 billion.

From a price perspective, Malaysia's inflation moderated to 1.3 per cent year-on-year in October 2025, down from 1.5 per cent in September. The moderation was largely influenced by slower increases in Food & Beverages (1.5%) and Housing, Water, Electricity, Gas & Other Fuels (1.1%), while higher price increases were recorded in Personal Care, Social Protection & Miscellaneous Goods & Services (6.0%), Restaurants & Accommodation Services (3.4%), and Health (1.5%). On a month-on-month basis, headline inflation declined by 0.1 per cent, mainly due to lower prices in Transport and housing-related groups. Meanwhile, in November 2025, Malaysia's inflation edged up slightly to 1.4 per cent, reflecting modest price pressures across selected categories.

Looking at producer prices, Malaysia's Producer Price Index (PPI) for Local Production declined marginally by 0.1 per cent year-on-year in October 2025, easing from a larger contraction of 0.8 per cent in September. The decrease was mainly driven by lower prices in Manufacturing (-0.6%) and Mining (-1.0%), while increases were observed in Agriculture, Forestry & Fishing (+2.7%), Electricity & Gas Supply (+4.3%), and Water Supply (+10.8%). On a month-on-month basis, the overall PPI fell by 1.8 per cent in November, following a modest 0.1 per cent decline in October, reflecting continued fluctuations in producer prices.

On the labour market front, Dato' Sri Dr. Mohd Uzir Mahidin emphasised that Malaysia's labour force grew 2.8 per cent year-on-year to 17.06 million persons in October 2025 (October 2024: 17.10 million), while the number of employed persons increased 0.2 per cent month-on-month. The Labour Force Participation Rate (LFPR) remained steady at 70.9 per cent, marking a 0.3 percentage point rise from a year earlier. Meanwhile, the unemployment rate stayed at 3.0 per cent on a monthly basis, declining 0.2 percentage points year-on-year, reflecting continued resilience in Malaysia's labour market.

As reflected in Malaysia's Leading Index, the index advanced by 3.6 per cent year-on-year to 116.2 points in October 2025 (October 2024: 112.2), supported mainly by higher approvals of housing units, as well as notable increases in real imports of Semi Conductors and Other Basic Precious and Non-ferrous Metals. On a month-to-month basis, the index rose 2.6 per cent, with its smoothed long-term trend remaining above the 100.0-point level, signalling a more positive economic trajectory ahead.

Malaysia's economy remained resilient in the first ten months of 2025, underpinned by steady growth in Manufacturing, Services, and Construction, which supported sustained industrial production and manufacturing sales. This expansion was complemented by robust Wholesale & Retail trade and rising exports, helping to maintain a positive trade surplus. Despite these gains, inflation and producer prices remained moderate, *preserving household purchasing power. Stable employment and labour force participation further reinforced economic strength, while the Leading Index suggests a favourable short-term outlook, indicating that Malaysia is on track to maintain steady growth.*

Malaysia has, for the first time, successfully secured 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 67th position in the ODIN 2022/23 assessment.

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.

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THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA
31st December 2025

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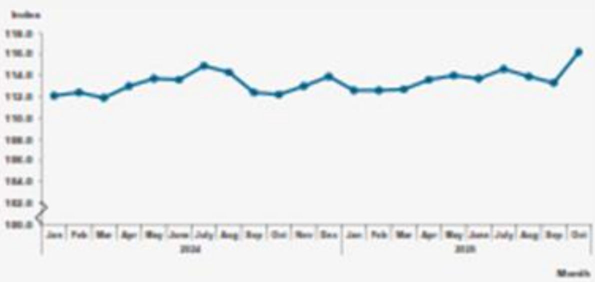
Exhibit 1: Monthly Economic Indicator

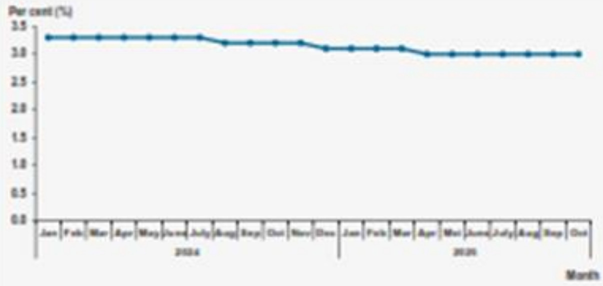
Leading Index

116.2 point
October 2025



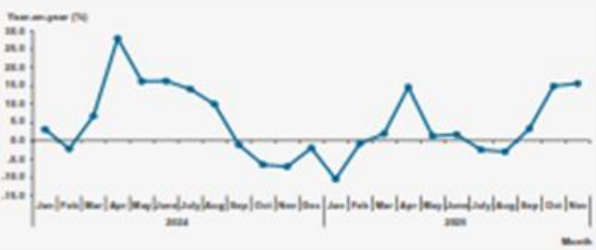
Unemployment Rate

3.0%
October 2025



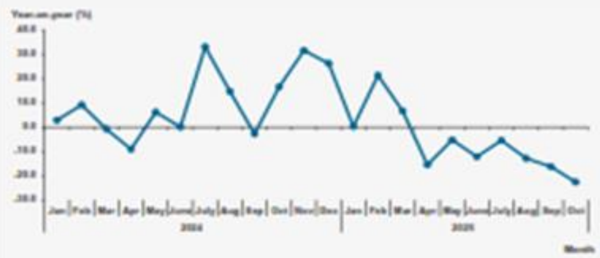
Production of Fresh Fruit Bunches

15.6%
November 2025



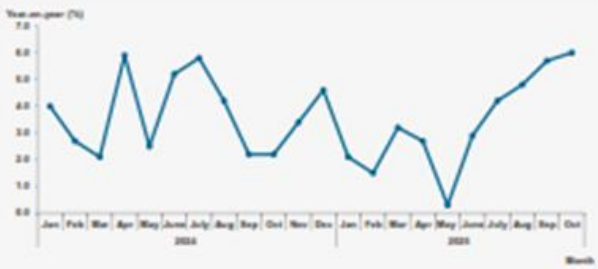
Production of Natural Rubber

-22.7%
October 2025



Industrial Production Index (IPI)

6.0%
October 2025



Sales Value of Manufacturing Sector

6.3%
October 2025

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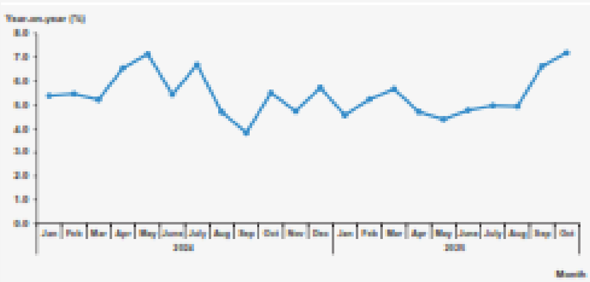
Sales Value of Wholesale & Retail Trade

7.2%

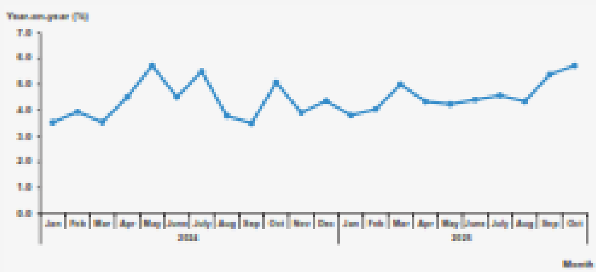
October 2025



Volume Index of Wholesale & Retail Trade

5.7%

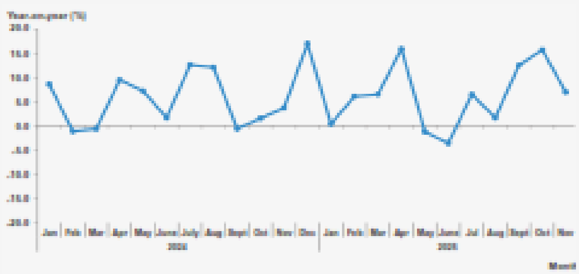
October 2025



Exports

7.0%

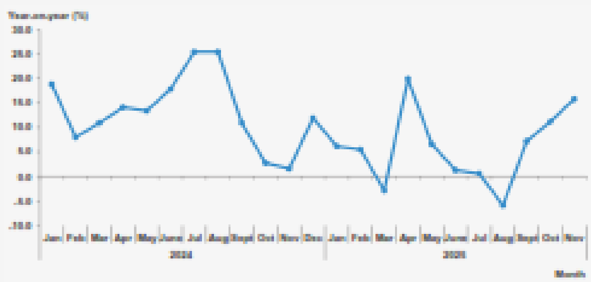
November 2025



Imports

15.8%

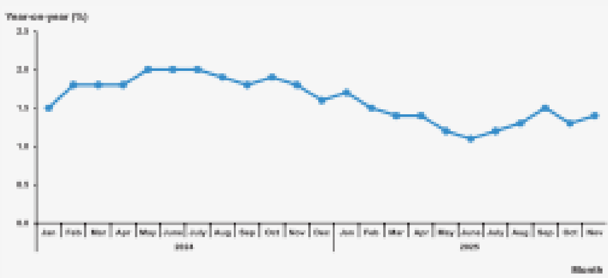
November 2025



Consumer Price Index (CPI)

1.4%

November 2025



Producer Price Index (PPI) Local Production

-1.8%

November 2025