



MEDIA STATEMENT

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MALAYSIA ECONOMIC STATISTICS REVIEW, VOLUME 11/2025

Steady domestic demand, rising trade, and stable prices support sustained growth across key sectors

PUTRAJAYA, 28th NOVEMBER 2025 – Today, the Department of Statistics, Malaysia (DOSM) released the **Malaysian Economic Statistics Review (MESR), Volume 11/2025**. This edition highlights the economic performance for third quarter of 2025 as well as the latest statistics released in September 2025, along with selected releases for October 2025. A key feature is the article on “An Overview of Malaysia’s Building Materials Prices and Construction Sector In 2024”, which examines Malaysia’s steel and cement markets, showing stable prices despite global pressures and supported by strong construction demand.

According to its latest global outlook, The International Monetary Fund (IMF) through its World Economic Outlook Report released in October 2025 projected global economic growth of 3.2 per cent in 2025 and 3.1 per cent in 2026. The expansion is underpinned by steady performance in advanced economies, forecasted to grow by 1.6 per cent in 2025 and 1.6 per cent in 2026, alongside sustained momentum in Emerging Markets and Developing Economies (EMDE), with growth of 4.2 per cent in 2025 and 4.0 per cent in 2026. The year 2025 has been challenging in the face of persistent trade tensions and geopolitical uncertainties. In this regard, global economic growth is projected at 3.2 per cent, signalling cautious optimism despite prevailing challenges. In this context, Malaysia must bolster its economic resilience by broadening its growth base, enhancing the strength of domestic demand, and accelerating productivity-driven reforms. These efforts are essential not only to cushion the economy against global pressure but also to ensure robust, sustainable, and competitive growth in the long term.

Emphasising Malaysia's economic trajectory, Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin stated, "Malaysia's Gross Domestic Product (GDP) grew by 5.2 per cent in the third quarter of 2025, maintaining a steady pace of expansion. Growth momentum was primarily supported by the Services sector on the supply side, while on the demand side, private consumption and investment remained the key drivers. This reflects the resilience of domestic demand in cushioning against global pressure and sustaining overall economic activity."

Malaysia's Industrial Production Index (IPI) rose 5.7 per cent year-on-year in September 2025, led by notable increases in Mining (10.2%), Manufacturing (5.0%), and Electricity (2.8%). On a month-on-month comparison, the IPI slipped by 0.02 per cent, after advancing 2.4 per cent in August 2025. In the third quarter, industrial output gained momentum, climbing 4.9 per cent (Q2 2025: 2.0%), bringing the cumulative growth over the first nine months to 3.1 per cent. These trends reflect a measured recovery in industrial activity, driven by consistent manufacturing contributions, although overall growth remains moderate compared with the previous year.

Likewise, the sales value of Malaysia's Manufacturing sector strengthened by 4.3 per cent year-on-year in September 2025 (August 2025: 2.7%), amounting to RM169.3 billion compared to RM168.3 billion in the previous month. The expansion was led by strong growth in the Food, Beverages & Tobacco sub-sector (9.1%), supported by steady gains in Electrical & Electronics products (6.4%) and Non-metallic mineral products, Basic Metal & Fabricated Metal products (2.7%). On a month-on-month basis, Manufacturing sales rose by 0.6 per cent. For the third quarter of 2025, sales recorded growth of 3.5 per cent (Q2 2025: 3.4%) to RM500.1 billion. Cumulatively, sales in the first nine months of 2025 reached RM1.5 trillion, an increase of 3.6 per cent compared to the same period in 2024. These trends underscore sustained demand in key manufacturing sub-sectors, with food-related industries providing strong impetus.

In a broader context, Malaysia's Services sector sustained its positive growth momentum in the third quarter of 2025, registering solid performance across major segments. Sectoral revenue expanded by 6.3 per cent year-on-year to RM657.7 billion, while the Services Volume Index increased by 4.8 per cent to 163.4 points, reflecting resilient demand and steady sectoral activity. On a quarter-on-quarter basis, revenue grew by 2.5 per cent, alongside a 2.2 per cent rise in the volume index. The Wholesale & Retail Trade, Food & Beverage, and Accommodation segment remained the main contributor, recording a 5.8 per cent increase in revenue to RM496.8 billion and a 5.5 per cent rise in the volume index to 164.0 points. Growth in this segment was underpinned by strong domestic travel activity, which encouraged higher consumer spending during public

holidays, festive periods and the school holidays. At the same time, the steady inflow of international visitor arrivals further reinforced expansion in the Services sector.

On the external trade front, Malaysia's Current Account Balance (CAB) rose to a higher surplus of RM12.2 billion in the third quarter of 2025, compared to RM1.8 billion in the same period last year, supported by healthy net exports of goods. Foreign Direct Investment (FDI) recorded a net inflow of RM8.5 billion (Q3 2024: RM18.1 billion), primarily directed towards the Services sector. Meanwhile, Direct Investment Abroad (DIA) showed a net outflow of RM1.7 billion, concentrated on key investments in Manufacturing and Services.

Malaysia's total merchandise trade expanded by 3.7 per cent year-on-year to RM769.8 billion in the third quarter of 2025. Exports grew 6.7 per cent to RM410.0 billion, while imports edged up 0.4 per cent to RM359.8 billion. Resulting in a 93.6 per cent larger trade surplus compared to the same quarter last year. Trade performance improved further in September 2025, with total trade surged to RM257.5 billion as exports grew 12.2 per cent and imports rose 7.3 per cent, leading to a surplus of RM19.9 billion. In October 2025, total trade continued to expand by 13.6 per cent, driven by 15.7 per cent export growth and an 11.2 per cent increase in imports, culminating in a trade surplus of RM19.0 billion.

This performance highlighted the resilience of Malaysia's external sector. While FDI inflows moderated amid global uncertainties, the current account surplus and strong export growth, particularly in key manufactured goods, supported Malaysia's external position in the first nine months of 2025. Trade activity in September and October maintained double-digit export growth, reflecting continued demand from major trading partners and reinforcing the strength of Malaysia's trade sector.

In terms of prices, Malaysia's inflation remained moderate, rising slightly to 1.5 per cent in September 2025 from 1.3 per cent in August 2025. Certain categories recorded higher increases, including Personal Care, Social Protection & Miscellaneous Goods & Services (4.8%), Food & Beverages (2.1%), Housing, Water, Electricity, Gas & Other Fuels (1.5%), Health (1.3%), and Transport (0.7%), while Restaurants & Accommodation Services (3.3%) and Alcoholic Beverages & Tobacco (0.3%) posted slower increases. For the third quarter of 2025, inflation held steady at 1.3 per cent year-on-year. In October 2025, inflation moderated to 1.3 per cent, with the Consumer Price Index standing at 135.1 points. Overall, price developments reflected a stable inflation environment, supporting domestic consumption and economic stability in the third quarter.

Meanwhile, Malaysia's Producer Price Index (PPI) for Local Production fell by 0.8 per cent in September 2025, following a sharper 2.8 per cent decrease in August 2025. The contraction was mainly driven by the Manufacturing sector (-2.1%), particularly refined petroleum and electronic products. In contrast, other sectors recorded increases, including Agriculture, Forestry & Fishing (7.8%), Electricity & Gas Supply (4.6%), Water Supply (9.1%), and a slight increase in Mining (1.1%) following a decline in August. On a month-on-month basis, the PPI rose 0.5 per cent, while for the third quarter of 2025, the PPI contracted 2.4 per cent, reflecting an improvement from the 3.7 per cent decline recorded in Q2 2025. Overall, the data indicate a gradual stabilisation in producer prices, supported by growth in key sectors.

The moderation in consumer inflation signals stable price conditions, largely supported by moderate increases in services and household-related categories. Meanwhile, declines in producer prices, particularly in Manufacturing, reflect ongoing cost adjustments in upstream industries. This divergence indicates that while consumer prices remained stable, subdued producer prices could influence future inflation trends, reflecting underlying adjustments in global commodity markets.

Dato' Sri Dr. Mohd Uzir Mahidin also highlighted that Malaysia's labour market continued to strengthen in the third quarter of 2025, Malaysia's labour force increased by 0.7 per cent year-on-year, reaching 17.49 million persons, with the labour force participation rate (LFPR) edging up to 70.9 per cent. The number of employed persons grew 3.1 per cent to 16.97 million, lifting the employment-to-population ratio to 68.8 per cent. Concurrently, the number of unemployed persons fell to 519.9 thousand, keeping the unemployment rate at 3.0 per cent.

In September 2025, the Leading Index (LI) saw marginal increased in its annual growth rate of 0.8 per cent, reaching 113.3 points from 112.4 points in the same month the year before. Meanwhile, the LI stayed below 100.0 points in the smoothed long-term trend, indicating that the economy is expected to ease in the future which is aided by a solid domestic support but hindered by external challenges.

Malaysia's economy sustained strong growth in the third quarter of 2025, driven by vibrant activity in services, manufacturing, and industry. Domestic demand remained solid, with consumption and investment supporting continued momentum, while key sectors such as food, beverages, and electronics contributed to industrial expansion. The trade sector showed resilience, with rising exports and improved external balances reflecting steady global demand. Price developments remained moderate, and producer costs stabilised. The labour market strengthened further, supporting employment and

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participation. These developments demonstrate Malaysia's resilient and well-balanced economic foundation, positioning the country to navigate global uncertainties while sustaining sustainable growth.

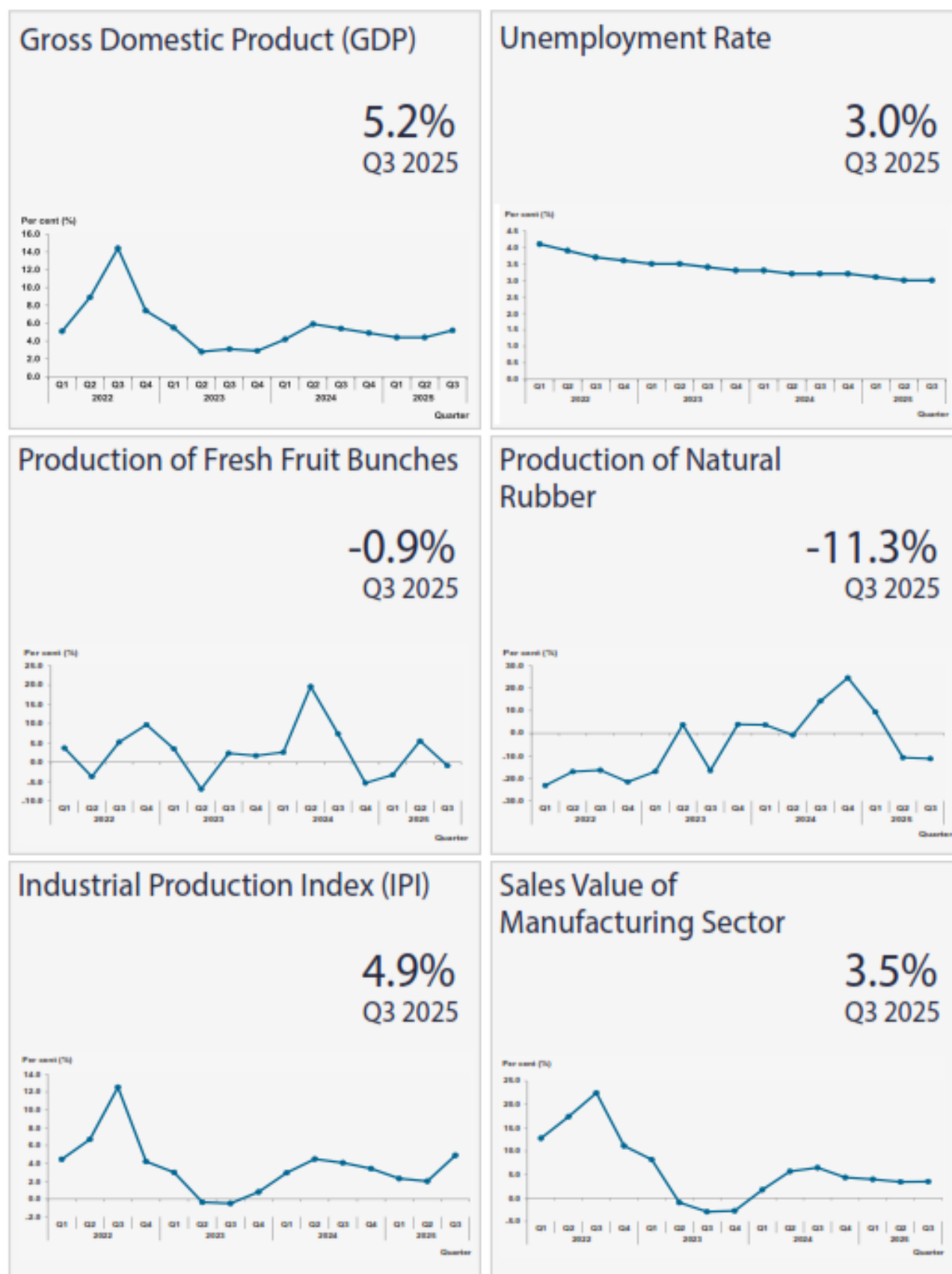
Malaysia has, for the first time, successfully secured the top position globally in the biennial Open Data Inventory (ODIN) 2024/25 report released by Open Data Watch (ODW), surpassing 197 other countries. This achievement marks a significant leap from its 67th position in the ODIN 2022/23 assessment.

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Released by:

**THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA
28 NOVEMBER 2025**

Exhibit 1: Quarterly Economic Indicator



Index of Services

4.8%
Q3 2025



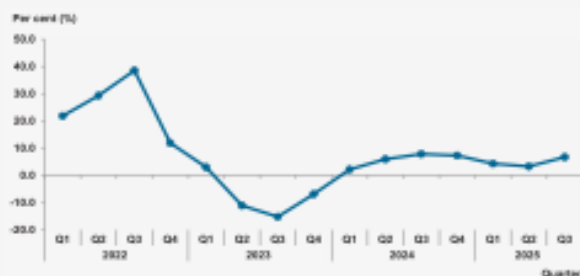
Volume Index of Wholesale & Retail Trade

4.8%
Q3 2025



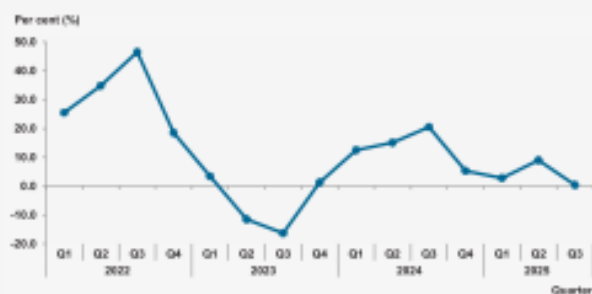
Exports

6.7%
Q3 2025



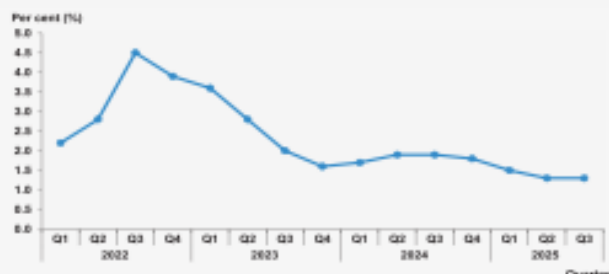
Imports

0.4%
Q3 2025



Consumer Price Index (CPI)

1.3%
Q3 2025



Producer Price Index (PPI) Local Production

-2.4%
Q3 2025

