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INDEX OF INDUSTRIAL PRODUCTION, DECEMBER 2023



The Industrial Production Index dipped by 0.1 per cent in December 2023, weighed down by the Manufacturing sector

The Industrial Production Index slipped by 0.1 per cent in December 2023 after recording positive growth for two consecutive months (November 2023: 0.6%; October 2023: 2.4%). The decrease was attributed to a contraction in the Manufacturing sector at negative 1.4 per cent (November 2023: -0.1%). On the other hand, the Mining and Electricity sectors sustained positive momentum, registering 3.6 per cent (November 2023: 1.9%) and 4.6 per cent (November 2023: 4.3%) respectively. In comparison with the preceding month, the IPI continued to decline by 1.3 per cent as compared to the negative 0.9 per cent recorded in the previous month.

The deterioration in the Manufacturing output was influenced by the persistent decrease in export-oriented industries which dropped by 4.1 per cent (November 2023: -2.7%). The contraction was mainly attributable to the fall in the Manufacture of computer, electronics & optical products (-7.2%); Manufacture of coke & refined petroleum products (-4.6%); and the Manufacture of electrical equipment (-7.6%). This decline mirrored the country's export performance, which continuously fell to a larger negative of 10.0 per cent in December 2023. On a month-on-month comparison, the export-oriented industries weakened by 3.3 per cent.

On the contrary, the domestic-oriented industries maintained a steady performance at 4.2 per cent in December 2023 as against 5.8 per cent in the previous month. The expansion was anchored mainly by the growth of 9.7 per cent in the Manufacture of fabricated metal products, except machinery & equipment; followed by the Manufacture of food processing products at 6.2 per cent; and the Manufacture of other non-metallic mineral products by 5.3 per cent. In comparison with the preceding month, the domestic-oriented industries turned downward to a negative 1.1 per cent as opposed to the 3.7 per cent increase in November 2023.

The production in the Mining sector expanded by 3.6 per cent in December 2023 as against 1.9 per cent recorded in November 2023. The increase was propelled by a 5.0 per cent expansion in Natural Gas production (November 2023: 1.7%) and Crude Oil & Condensate which grew by 1.6 per cent (November 2023: 2.1%) during the month. As compared to November 2023, the Mining index increased by 2.8 per cent in contrast to the negative 1.8

per cent registered in the previous month.

In the meantime, the generation of Electricity grew by 4.6 per cent in December 2023 after registering an increase of 4.3 per cent in the preceding month. In comparison to the previous month, the Electricity index rebounded to 1.1 per cent from a negative 4.7 per cent recorded in November 2023.

Overall, in the fourth quarter of 2023, the IPI registered an increase of 1.0 per cent year-on-year as compared to the negative 0.05 per cent recorded in the third quarter of 2023. During the period, the Mining and Electricity sectors rose by 4.3 per cent and 4.9 per cent respectively. Conversely, the Manufacturing sector edged down marginally by 0.2 per cent in this quarter, continuing the negative trend for two consecutive quarters. In comparison with the third quarter of 2023, the IPI grew by 2.5 per cent predominantly supported by the Mining and Manufacturing sectors at 11.6 per cent and 0.6 per cent respectively.

For the year 2023, the IPI registered a marginal growth of 0.9 per cent in 2023 as compared to 6.7 per cent in 2022. All sectors posted positive growth namely Electricity index (2.5%); Mining index (0.8%); and Manufacturing index (0.7%).

The full publication of the Industrial Production Index, December 2023 can be downloaded through eStatistik portal.

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