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PRODUCER PRICE INDEX-LOCAL PRODUCTION

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- Malaysia's Producer Price Index (PPI), which measures the prices of goods at the factory gate, contracted to negative 1.8 per cent in August 2023 as against negative 2.3 per cent in July 2023.
- The decline is contributed by the Mining sector, which decreased by negative 3.8 per cent (July 2023: -10.8 per cent). At the same time, the Manufacturing sector decreased by negative 2.3 per cent, affected by the drop in Manufacture of coke & refined petroleum products (-13.4%), Manufacture of food products (-7.6%) and Manufacture of chemicals & chemical products (-6.6%) indices. The Electricity & gas supply sector also recorded a decline of negative 0.1 percent (July 2023: 0.1%). On the other hand, the Agriculture, forestry & fishing sector increased by 2.9 per cent supported by the indices of Animal production (6.0%) and Growing of perennial crops (2.0%). The Water supply sector also rose 2.5 per cent in August 2023.
- On a monthly basis, PPI local production went up by 0.3 per cent in August 2023 (July 2023: 0.2%). The Mining sector increased by 3.9 per cent owing to the Extraction of crude petroleum (5.0%) and Extraction of natural gas (0.7%) indices. The Agriculture, forestry & fishing sector edged up by 1.9 per cent with the index of Growing of perennial crops posting an increase of 5.0 per cent. The Water supply sector also recorded an increase of 0.2 per cent in August 2023. Meanwhile, the Manufacturing sector decreased by negative 0.2 per cent. The Electricity & gas supply sector also declined by negative 0.1 per cent in August 2023.
- In terms of PPI Local Production by stage of processing, the index of Crude materials for further processing index continued to decline by negative 2.4 per cent in August 2023 (July 2023: -6.3%), with the Non-food materials index posting a negative 3.5 per cent. The Intermediate materials, supplies & components index also dropped negative 3.7 per cent due to Processed fuel & lubricants (-10.2%) and Materials & components for manufacturing (-5.6%) indices. On the other hand, the Finished goods index increased 3.2 per cent, supported by the increase of Capital equipment (4.8%) and Finished consumer goods (1.2%).
- Both index of Crude materials for further processing and Finished goods indices increased by 3.2 per cent and 0.1 per cent, respectively. Meanwhile, the Intermediate materials, supplies & components index went down by negative 0.5 per cent in August 2023.

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