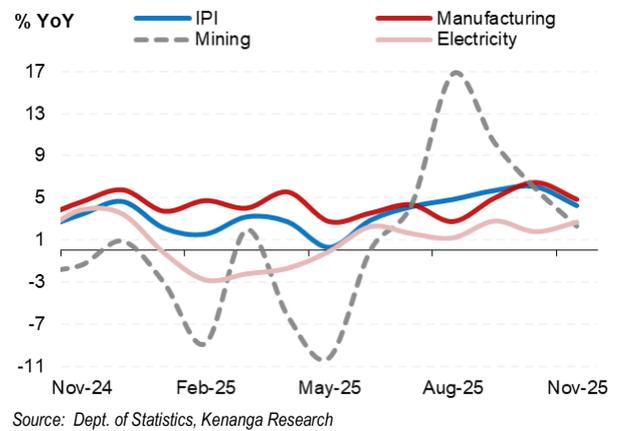


Malaysia Industrial Production

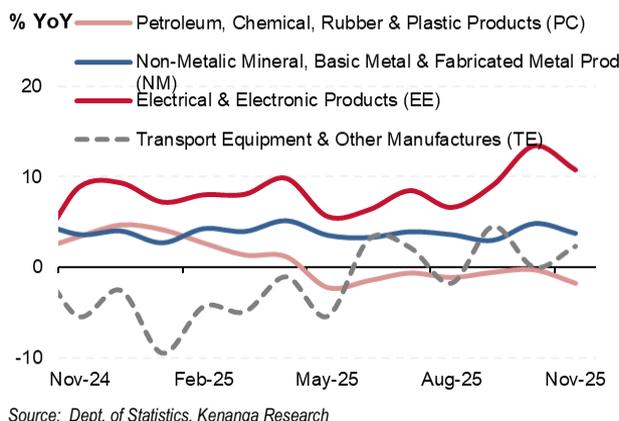
IPI growth slows in November as key sectors lose steam

- Industrial Production Index (IPI) slowed sharply to 4.3% YoY (Oct: 6.0%), a four-month low and below expectations (KIBB: 4.9%; consensus: 5.3%)**
 - Moderation was driven by weaker manufacturing and mining output, partly offset by higher electricity production.
 - MoM (-1.1%; Oct: 2.1%): Fell sharply, in line with seasonal trends as November typically records weaker growth.
- Manufacturing index eased to 4.9% YoY (Oct: 6.5%), a three-month low, as growth in Electrical & Electronic (E&E) output slowed (10.8%; Oct: 13.4%), though it remained at double digits levels**
 - Domestic-oriented** (4.6%; Oct: 4.9%): Edged down slightly due to sharp moderation in beverages (10.3%; Oct: 15.9%), and basic pharmaceuticals products (9.2%; Oct: 13.7%). This was partly offset by stronger food processing (9.5%; Oct: 8.7%), tobacco (4.3%; Oct: 1.2%), and a rebound in motor vehicles, trailers & semi-trailers (1.2%; Oct: -3.3%) helped cushion the slowdown.
 - Export-oriented** (5.0%; Oct: 7.2%): Growth moderated, weighed by slower output of vegetable & animal oils & fats (5.7%; Oct: 12.9%) and computer, electronics & optical products (10.7%; Oct: 14.2%). Notably, several sub-sectors contracted, including chemicals & chemical products (-0.7%; Oct: 1.5%) and plastic products (-3.2%; Oct: 0.9%). Commodities-related manufacturing remained weak, with coke & refined petroleum (-2.7%; Oct: -2.3%) and rubber products (-1.7%; Oct: -1.5%), staying in contraction since February and May 2025, respectively.
 - MoM (-0.5%; Oct: 0.2%): Momentum fell to a four-month low after three consecutive months of expansion.
- Mining index slowed sharply (2.3%; Oct: 5.8%), a five-month low, though supported by last year's low base**
 - Weighed by weaker natural gas (1.0%; Oct: 3.9%) and crude petroleum (4.3%; Oct: 8.8%) output.
 - MoM (-3.1%; Oct: 10.1%): Contracted to a six-month low, after a strong October surge.
- Electricity index expanded (2.7%; Oct: 1.8%), benefitting from a lower base effect last year**
 - MoM (-3.0%; Oct: 4.5%): Fell to a two-month low but remained above the long-term average decline of -4.2%.
- 2025 manufacturing growth may settle around 4.3% above our current projection of 3.9% (2024: 4.3%), supported by better-than-expected 4Q25 performance**
 - Outlook:** Manufacturing output grew 4.3% in the first 11 months of the year (Jan-Oct: 4.3%), underscoring resilience despite global uncertainty from higher US tariffs and ongoing geopolitical tensions. Momentum should hold in the near term, though at a slower pace, as high-frequency indicators remain stable. December's Manufacturing PMI stayed at 50.1 (Nov: 50.1), signalling expansion for the second straight month, likely reflecting frontloading ahead of the festive holidays.
 - GDP Forecast:** We maintained our 4Q25 GDP growth forecast at 5.0% (3Q25: 5.2%), bringing full-year GDP growth to 4.8% (2024: 5.1%). **For 2026, we keep our projection at 4.2% given global uncertainty and lingering geopolitical risks. However, there is some upside risks if the global tech cycle strengthens.**

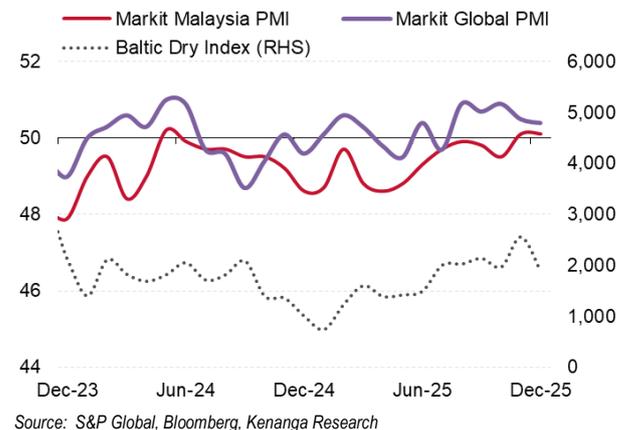
Graph 1: Industrial Production Growth Trend



Graph 2: Manufacturing Growth Trend by Sub-Sector



Graph 3: Manufacturing PMI Trend



12 January 2026

Table 1: Malaysia Industrial Production Trend (2015=100)

	Weight		2022	2023	2024	Nov-24	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
IPI	100.0	% YoY	6.9	0.7	3.7	3.4	2.9	4.2	4.8	5.7	6.0	4.3
		% YoY SA	6.9	0.7	3.7	3.4	2.7	4.1	4.9	5.6	6.1	4.2
		% MoM				0.6	7.5	-0.3	2.4	0.0	2.1	-1.1
		3mma				2.6	2.0	2.5	4.0	4.9	5.5	5.3
Manufacturing	68.3	% YoY	8.2	0.7	4.3	4.6	3.6	4.4	2.8	5.0	6.5	4.9
		% MoM				1.0	6.9	-1.3	2.4	1.0	0.2	-0.5
		3mma				3.7	3.9	3.6	3.6	4.0	4.7	5.4
Domestic-Oriented		% YoY	10.9	4.9	5.1	2.2	5.1	5.0	3.8	5.3	4.9	4.6
		% MoM				2.6	-3.1	1.0	4.9	1.5	-1.2	2.3
Export-Oriented		% YoY	7.0	-1.1	4.0	5.8	2.9	4.1	2.3	4.8	7.2	5.0
		% MoM				0.3	11.9	-2.2	1.2	0.8	0.9	-1.8
Mining	25.1	% YoY	2.9	0.2	0.7	-1.4	0.0	4.3	16.8	10.2	5.8	2.3
		% MoM				0.2	15.8	2.2	4.2	-2.9	10.1	-3.1
Electricity	6.6	% YoY	4.5	2.0	5.4	3.9	2.3	1.6	1.2	2.8	1.8	2.7
		% MoM				-3.9	-4.6	5.5	-2.1	-4.4	4.5	-3.0

Source: Dept. of Statistics, Kenanga Research, 3mma = 3-month moving average (YoY growth)

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