

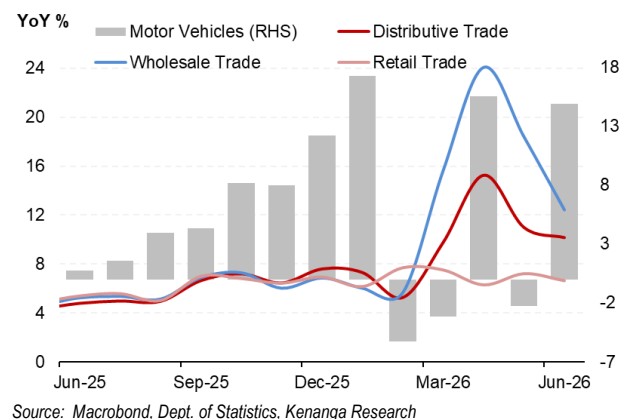
13 August 2026

Malaysia Distributive Trade (Jun-26)

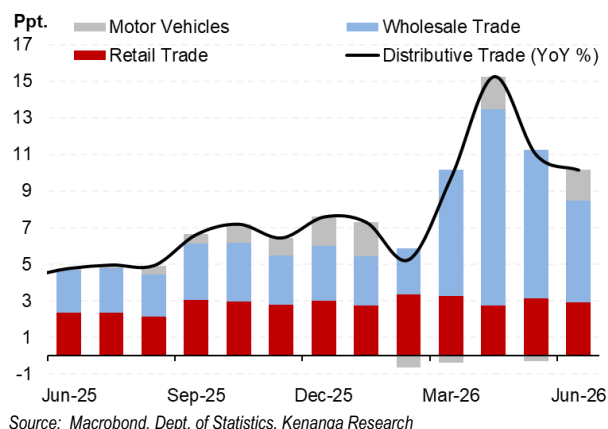
Sales growth eases as base effects fades; slower 2H26 still ahead

- Distributive trade sales eased to 10.1% YoY in June (May: 11.0%), though a favourable base effect continued to lend support. Overall, sales growth rose to 12.1% in 2Q26 (1Q26: 7.5%)**
 - MoM** (-1.6%; May: -2.0%): Contracted for a second straight month, suggesting spending is starting to normalise.
 - Sales value** (RM168.5b; May: RM171.3b): Fell to a four-month low.
- Retail and wholesale trade slowed, partly offset by a strong rebound in motor vehicle sales**
 - Retail trade** (6.6%; May: 7.2%): Moderated as sales of automotive fuel (10.8%; May: 12.8%) and non-specialised stores (7.0%; May: 8.2%) slowed. MoM growth also eased (0.2%; May: 1.3%).
 - Wholesale trade** (12.4%; May: 18.4%): Slowed sharply, led by weaker sales of other specialised goods (25.3%; May: 42.6%) and agriculture raw material & live animals (2.0%; May: 7.3%). MoM growth contracted (-4.9%; May: -3.3%) for a second straight month.
 - Motor vehicles** (14.9%; May: -2.3%): Rebounded sharply on broad-based gains across segments. Motor vehicle sales rebounded (22.3%; May: -11.4%) supported by higher unit car sales of 67.9k units (June 2025: 54.8k). MoM growth also rebounded sharply (5.7%; May: -8.5%).
- Regional retail markets gave a mixed picture**
 - SG** (4.0%; May: 2.9%): Expanded, supported by stronger sales of recreational goods, watches and jewellery, suggesting resilient consumer spending.
 - HK** (4.6%; May: 7.9%): Eased to a 10-month low amid weaker motor vehicle sales.
- We raised our 2026 distributive trade growth forecast to 8.1% (2025: 5.6%) from 6.1% following stronger-than-expected 1H26 performance, though we still expect moderation in 2H26**
 - Outlook:** Distributive trade sales growth accelerated to 9.8% in 1H26 (2H25: 6.3%), driven by festive spending, frontloading demand, wholesale inventory build-up and higher petroleum-related prices amid US-Iran tensions. A favourable base effect added further support. We expect growth to moderate in 2H26 as wholesale activity normalises, in line with the MoM sequential contraction seen in May and June. That said, retail trade still carries upside risk, as tourism activity is expected to strengthen towards year-end.
 - GDP Forecast:** High-frequency macro indicators point to resilient 2Q26 economic activity, with gains recorded across the manufacturing, mining and services sectors. Double-digit growth in distributive trade and stronger industrial production indicate robust domestic demand. We expect growth to moderate in 2H26, but the stronger-than-expected 2Q26 momentum could carry over into the coming quarters. For now, we maintain our 2026 GDP growth forecast at 4.5%-5.0% (2025: 5.2%), with scope to raise our forecast if current momentum persists.

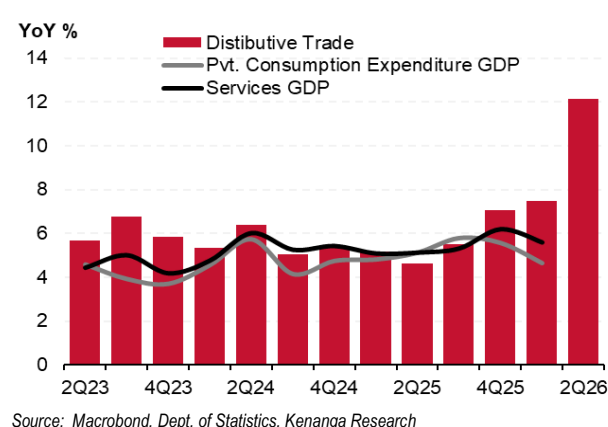
Graph 1: Sales Value Growth



Graph 2: Contribution to Overall Sales Value



Graph 3: Pvt. Consumption, Services & Distributive Trade



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Table 1: Distributive Trade Sales by Sub-sector (YoY %)

	% Share*	2024	2025	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Distributive Trade	100.0	5.5	5.6	7.3	5.3	9.8	15.3	11.0	10.1
Wholesale Trade	44.4	4.7	5.8	6.0	5.7	15.7	24.1	18.4	12.4
Other Specialised	16.3	2.6	5.1	4.3	3.7	32.0	52.0	42.6	25.3
Household Goods	9.4	5.3	8.5	9.4	9.6	7.9	8.2	3.5	6.5
Food, Beverages and Tobacco	9.0	6.4	6.7	5.8	5.7	5.4	6.9	5.0	4.5
Agricultural Raw Materials and Live Animals	4.1	7.2	3.0	6.4	4.7	5.7	11.7	7.3	2.0
Machinery, Equipment and Supplies	3.6	5.4	6.4	5.7	5.0	6.6	5.8	3.8	6.4
Non-specialised	1.3	6.3	5.5	5.6	7.6	2.9	6.5	4.8	6.0
Fee or Contract Basis	0.8	4.1	4.1	5.3	5.7	4.3	12.5	9.3	6.4
Retail Trade	43.5	6.1	6.1	6.1	7.7	7.5	6.3	7.2	6.6
Non-specialised Stores	16.9	6.9	8.7	7.9	10.4	8.1	6.1	8.2	7.0
Other Goods in Specialised Stores	9.1	8.3	5.1	5.4	7.4	8.2	6.8	6.7	7.0
Other Household Equipment in Specialised Stores	4.9	4.2	3.0	3.3	4.3	4.1	3.5	3.4	3.2
Automotive Fuel in Specialised Stores	4.0	5.5	6.7	7.0	6.2	10.6	12.5	12.8	10.8
Information and Communication Equipment in Specialised Stores	3.4	0.5	4.9	3.9	4.1	5.9	3.7	3.5	4.7
Food, Beverages and Tobacco in Specialised Stores	2.8	7.5	6.3	5.6	7.7	7.9	5.8	7.2	6.6
Cultural and Recreation Goods in Specialised Stores	1.8	4.2	4.1	4.2	3.0	2.7	3.8	4.1	3.7
Not in Stores, Stalls or Markets	0.5	6.4	7.2	9.0	8.2	8.5	8.8	9.8	10.0
Stalls and Markets	0.1	5.4	5.3	6.2	8.9	9.3	6.4	8.1	7.7
Motor Vehicles	12.1	6.5	3.2	17.3	-5.3	-3.1	15.5	-2.3	14.9
Sales of Motor Vehicles	6.2	3.3	8.9	25.9	-17.1	-12.5	18.1	-11.4	22.3
Parts and Accessories	3.4	10.7	5.9	6.2	6.6	7.6	9.2	7.8	8.3
Maintenance and Repair	1.8	10.6	8.7	9.3	9.5	9.8	9.9	6.8	7.0
Sale, Maintenance and Repair of Motorcycles Related	0.8	7.0	7.5	32.7	0.7	0.6	38.7	9.1	13.0

Source: Macrobond, Dept. of Statistics, Kenanga Research

*Average 2025

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