

13 October 2026

Malaysia Distributive Trade (Aug-26)

Sales gain is price-led, lifting its growth forecast higher to 9.0%

- **Distributive trade sales growth accelerated to 10.5% YoY in August (Jul: 9.0%), a three-month high, led by wholesale trade**

- **MoM** (1.5%; Jul: 1.2%): Grew for a second straight month to a four-month high, signalling firmer near-term momentum.
- **Sales value** (RM173.0b; Jul: RM170.5b): Hit a four-month high, above the year-to-date monthly average of RM167.9b but still below April's peak of RM174.9b.

- **Wholesale trade drove the acceleration, retail held steady and motor vehicles slowed**

- **Wholesale trade** (16.5%; Jul: 11.7%): Jumped to a three-month high, led by other specialised goods (35.6%; Jul: 22.8%) and household goods (5.9%; Jul: 5.2%). MoM growth rose to a four-month high (3.6%; Jul: 2.1%).
- **Retail trade** (6.5%; Jul: 6.4%): Edged up as automotive fuel sales accelerated (8.9%; Jul: 7.5%), offsetting slower growth in other goods in specialised stores (6.9%; Jul: 7.6%) and sales not in stores, stalls or markets (7.9%; Jul: 9.3%). However, stronger fuel sales say little about discretionary demand, given elevated fuel prices. MoM growth turned positive (0.5%; Jul: -1.0%).
- **Motor vehicles** (2.5%; Jul: 7.9%): Slowed sharply to a three-month low as vehicle sales contracted (-1.3%; Jul: 8.3%), in line with lower car sales of 71.4k units (August 2025: 73.0k). MoM contracted (-3.3%; Jul: 5.7%), ending two straight months of growth.

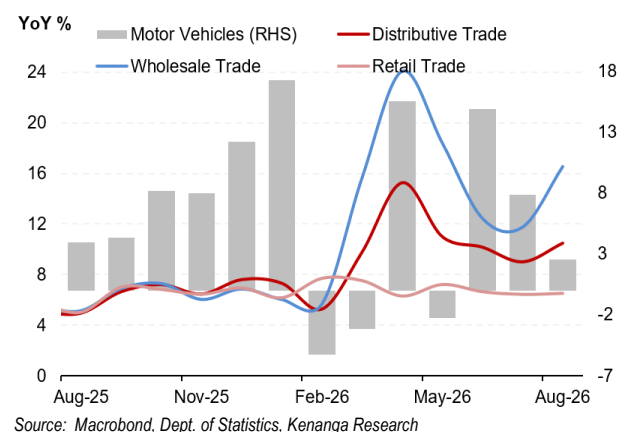
- **Regional retail diverged as tourism lifted Hong Kong while Singapore softened**

- **SG** (0.7%; Jul: 1.3%): Eased to a seven-month low, dragged by weaker sales of motor vehicles, parts and accessories, and watches and jewellery.
- **HK** (5.6%; Jul: 4.5%): Rose to a three-month high on broad-based gains led by online sales. Tourist arrivals of 5.5m, the highest since the COVID-19 pandemic, also helped.

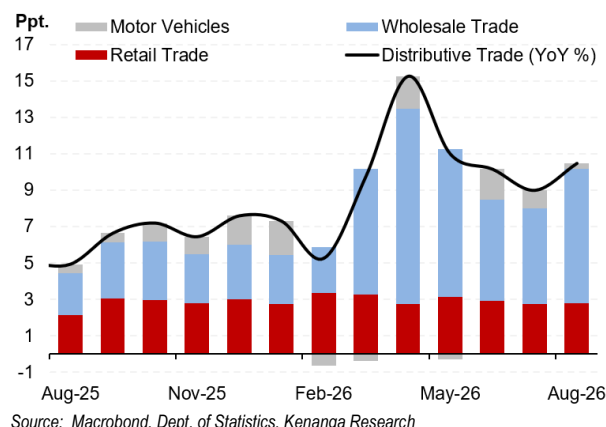
- **We raise our 2026 distributive trade growth forecast to 9.0% (2025: 5.6%) from 8.1% on stronger wholesale sales**

- **Outlook:** Sales grew 9.8% year-to-date (Jan-Jul: 9.7%), beating our earlier view that growth would slow in 2H26 as spending normalised and temporary support faded. Wholesale trade has posted double-digit growth since March, while tourism-related spending continues to support retail. However, the sales volume index eased to 3.6% YoY in August (Jul: 4.1%) even as sales value growth accelerated. This suggests prices and sales mix, not real volumes, drove the acceleration, which tempers the signal for real consumption. Our revised forecast still assumes slower growth ahead, implying roughly 7.5% over Sep-Dec.
- **GDP Forecast:** Recent indicators point to resilient 3Q26 activity on strong manufacturing output, though mining weakness is likely to weigh on overall growth. On balance, we retain our 2026 GDP growth forecast at 5.3% (2025: 5.2%).

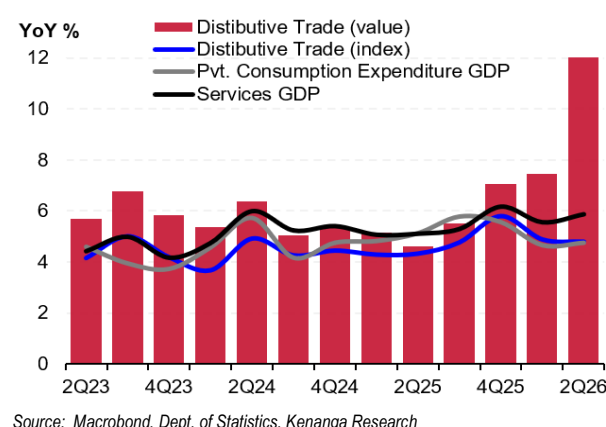
Graph 1: Sales Value Growth



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	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Distributive Trade	100.0	5.5	5.6	9.8	15.3	11.0	10.1	9.0	10.5
Wholesale Trade	44.4	4.7	5.8	15.7	24.1	18.4	12.4	11.7	16.5
Other Specialised	16.3	2.6	5.1	32.0	52.0	42.6	25.3	22.8	35.6
Household Goods	9.4	5.3	8.5	7.9	8.2	3.5	6.5	5.2	5.9
Food, Beverages and Tobacco	9.0	6.4	6.7	5.4	6.9	5.0	4.5	3.9	4.0
Agricultural Raw Materials and Live Animals	4.1	7.2	3.0	5.7	11.7	7.3	2.0	9.0	6.8
Machinery, Equipment and Supplies	3.6	5.4	6.4	6.6	5.8	3.8	6.4	3.1	3.3
Non-specialised	1.3	6.3	5.5	2.9	6.5	4.8	6.0	8.8	9.2
Fee or Contract Basis	0.8	4.1	4.1	4.3	12.5	9.3	6.4	7.7	7.4
Retail Trade	43.5	6.1	6.1	7.5	6.3	7.2	6.6	6.4	6.5
Non-specialised Stores	16.9	6.9	8.7	8.1	6.1	8.2	7.0	7.2	7.5
Other Goods in Specialised Stores	9.1	8.3	5.1	8.2	6.8	6.7	7.0	7.6	6.9
Other Household Equipment in Specialised Stores	4.9	4.2	3.0	4.1	3.5	3.4	3.2	3.1	3.5
Automotive Fuel in Specialised Stores	4.0	5.5	6.7	10.6	12.5	12.8	10.8	7.5	8.9
Information and Communication Equipment in Specialised Stores	3.4	0.5	4.9	5.9	3.7	3.5	4.7	4.3	4.0
Food, Beverages and Tobacco in Specialised Stores	2.8	7.5	6.3	7.9	5.8	7.2	6.6	6.4	6.1
Cultural and Recreation Goods in Specialised Stores	1.8	4.2	4.1	2.7	3.8	4.1	3.7	3.3	3.0
Not in Stores, Stalls or Markets	0.5	6.4	7.2	8.5	8.8	9.8	10.0	9.3	7.9
Stalls and Markets	0.1	5.4	5.3	9.3	6.4	8.1	7.7	7.8	7.0
Motor Vehicles	12.1	6.5	3.2	-3.1	15.5	-2.3	14.9	7.9	2.5
Sales of Motor Vehicles	6.2	3.3	8.9	-12.5	18.1	-11.4	22.3	8.3	-1.3
Parts and Accessories	3.4	10.7	5.9	7.6	9.2	7.8	8.3	7.1	6.7
Maintenance and Repair	1.8	10.6	8.7	9.8	9.9	6.8	7.0	6.8	5.3
Sale, Maintenance and Repair of Motorcycles Related	0.8	7.0	7.5	0.6	38.7	9.1	13.0	10.1	9.9

Source: Macrobond, Dept. of Statistics, Kenanga Research

*Average 2025

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