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INDEX OF INDUSTRIAL PRODUCTION MALAYSIA



Industrial Production Index dipped 0.3 per cent in August 2023 as Manufacturing export-oriented industries declined while the domestic-oriented industries continued to expand

The IPI turned downward in August 2023, declining by 0.3 per cent year-on-year as against a positive 0.7 per cent recorded in the previous month. The decrease in August 2023 was attributed to contraction in the Manufacturing sector with negative 0.6 per cent as compared to the negative 0.2 per cent registered in July 2023. On the other hand, the Mining sector grew marginally by 0.1 per cent (July 2023: 4.2%) while the Electricity sector expanded by 1.9 per cent (July 2023: 1.5%). As compared to the previous month, the IPI increased by 2.8 per cent, contrasting the negative growth of 1.8 per cent recorded in July 2023.

The deterioration in Manufacturing output was primarily influenced by the continuous decline in export-oriented industries, which dropped by 2.6 per cent in August 2023 (July 2023: -2.7%). The contraction was mainly due to decreases in the Manufacture of coke & refined petroleum products (-7.5%); and the Manufacture of computer, electronics & optical products (-3.8%). These declines mirrored the country's export performance, which had been trending down since March 2023 and recorded an 18.6 per cent decrease in August 2023.

On the contrary, the domestic-oriented industries continued to expand, albeit at a moderate rate of 4.2 per cent as compared to 6.0 per cent registered in the previous month. The increase was spearheaded by the Manufacture of fabricated metal products, except machinery & equipment (7.2%); and the Manufacture of food processing products (5.7%). In comparison with the preceding month, the production of the Manufacturing sector rebounded to 5.1 per cent as against the negative 4.3 per cent registered in July 2023.

The output in the Mining sector grew marginally by 0.1 per cent in August 2023 as against 4.2 per cent recorded in July 2023. The increase was propelled by a 2.6 per cent upward momentum in Natural Gas production (July 2023: -0.8%) during the month. In contrast, Crude Oil & Condensate output declined by 3.3 per cent after a strong growth of 11.8 per cent recorded in July 2023. As compared to the previous month, the Mining index dropped by 5.4 per cent as compared to the positive 8.0 per cent registered in July 2023.

Similarly, the Electricity output advanced further by 1.9 per cent in August 2023 after registering 1.5 per cent growth in the previous month. In comparison to the preceding month, the Electricity index grew 0.3 per cent as against 1.8 per cent in July 2023.

Concluding the IPI performance for the first eight months of 2023, the IPI grew at a slower rate of 1.0 per cent as compared to the same period of the previous year which was 7.3 per cent. During the period, all sectors posted positive growth namely Manufacturing index (1.2%); Mining index (0.2%); and Electricity index (1.6%).

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

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