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MANUFACTURING INDUSTRY CAPACITY UTILISATION STATISTICS, THIRD QUARTER 2025



The Manufacturing industry capacity utilisation stood at 82.9 per cent rate in the third quarter of 2025

The Manufacturing industry was recorded at 82.9 per cent rate of capacity utilisation in the third quarter of 2025, rose by 0.5 percentage points compared to the same quarter of the preceding year (Q3 2024: 82.4%). In this quarter, all sub-sectors posted capacity utilisation above 80 per cent, with the highest rate recorded by the Transport equipment & other manufactures at 85.5 per cent, increased by 1.7 percentage points. This was followed by the increased 1.2 percentage points in the Food, beverages & tobacco sub-sector with a rate of 83.7 per cent. In comparison with the previous quarter, the capacity utilisation of the Manufacturing industry grew by 0.4 percentage points (Q2 2025: 82.5%).

The year-on-year increase in monthly capacity utilisation performance was recorded throughout the third quarter of 2025, which was July 2025 (82.4%; +0.2 percentage points); August 2025 (83.2%; +0.4 percentage points); and September 2025 (83.3%; +1.0 percentage points).

In the third quarter of 2025, the capacity utilisation in the export-oriented industries grew by 0.2 percentage points year-on-year to 82.0 per cent (Q3 2024: 81.8%). The highest rate resulted in the Manufacture of electrical equipment sub-sectors; and Manufacture of furniture sub-sectors, which rise by 2.4 percentage points to 85.1 per cent and up by 1.6 percentage points to 85.2 per cent respectively. Nonetheless, industries recorded the capacity utilisation below 80 per cent namely was the Manufacture of wood & products of wood & cork, except furniture, manufacture of articles of straw & plaiting materials (77.2%). As compared to the second quarter of 2025, the capacity utilisation rate of the export-oriented industries rose by 0.4 percentage points from 81.6 per cent in the preceding quarter.

Furthermore, the domestic-oriented industries capacity utilisation increased by 1.1 percentage points to 84.9 per cent in third quarter of 2025. Most of the industries in this segment posted the higher utilisation rates, particularly in the

Manufacture of basic pharmaceuticals, medicinal chemical and botanical products (88.8%; +2.6 percentage points); and followed by the Manufacture of food processing products (86.8%; +1.7 percentage points). Meanwhile, the lowest capacity utilisation rate was posted by the Manufacture of paper and paper products industry with 77.9 per cent. Factors such as low demand; insufficient supply of materials; and the repair & maintenance of machinery & equipment remained as the main cause of the under-utilisation of capacity in the Manufacturing industry. As compared to the last quarter, the capacity utilisation in the domestic-oriented industries were turn upward by 0.5 percentage points from 84.4 per cent.

The Manufacturing industry capacity utilisation for seven states surpassed the national rate in the third quarter of 2025, namely WP Labuan (98.0%); Terengganu (88.5%); Negeri Sembilan (86.9%); Pahang (86.8%); Melaka (86.1%); Johor (85.5%); and Selangor (85.4%). Whereas, the lowest capacity utilisation rate posted by Kelantan with 70.6 per cent as compared to the same quarter last year.

The full publication of the Manufacturing Industry Capacity Utilisation Statistics, Third Quarter 2025 can be downloaded through eStatistik portal.

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