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PRODUCER PRICE INDEX – LOCAL PRODUCTION, DECEMBER 2025

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## **Malaysia's Producer Prices continued to decline by 2.7 per cent in December 2025**

- Malaysia's Producer Price Index (PPI), continued to decline by 2.7 per cent in December 2025, following a 1.8 per cent decrease in the previous month. The Agriculture, forestry & fishing sector decreased by 12.1 per cent (November 2025: -9.7%), mainly due to the Growing of perennial crops index (-19.6%). Similarly, the Mining sector went down by 8.8 per cent (November 2025: -7.2%), affected by declines in both Extraction of natural gas (-11.5%) and Extraction of crude petroleum (-7.8%) indices. The Manufacturing sector also contracted by 1.3 per cent (November 2025: -0.6%), due to the Manufacture of coke & refined petroleum products index (-6.2%). In contrast, the Electricity & gas supply and Water supply sectors increased by 4.1 per cent and 10.9 per cent, respectively.
- On a month-on-month basis, the PPI Local Production recorded a marginal decline of 0.2 per cent in December 2025 (November 2025: -0.3%). The Mining sector decreased by 2.0 per cent (November 2025: -0.8%), owing the contractions in both Extraction of natural gas (-2.4%) and Extraction of crude petroleum (-1.9%) indices. The Agriculture, forestry & fishing sector also declined by 1.1 per cent (November 2025: -4.6%) due to the Growing of perennial crops (-2.0%) index. Conversely, the Manufacturing sector increased marginally by 0.1 per cent (November 2025: 0.3%), supported by Manufacture of computer, electronic & optical products (0.7%) index. Meanwhile, the Water supply index increased 0.4 per cent, while the Electricity & gas supply index declined by 0.2 per cent in this month.
- All stages of processing posted negative year-on-year changes in December 2025. The Crude materials for further processing index decreased by 8.3 per cent (November 2025: -6.2%), mainly due to Non-food materials (-11.0%). Meanwhile, the Intermediate materials, supplies & components index down by 1.6 per cent (November 2025: -1.1%), due to Processed fuel & lubricants (-6.7%). At the same time, the Finished goods index declined by 0.7 per cent (November 2025: -0.2%), weighed down by Capital equipment (-1.1%).
- On a month-on-month basis, the Crude materials for further processing index decreased by 0.8 per cent, while the Finished goods index dropped by 0.2 per cent. In contrast, the Intermediate materials, supplies & components index remained unchanged in December 2025.
- The PPI Local Production continued to decline by 1.5 per cent in the fourth quarter of 2025, (Q3 2025: -2.4%). The decline was due to Agriculture, forestry & fishing (-6.7%), Mining (-5.7%) and Manufacturing (-0.8%) sectors. However, the Electricity & gas and Water supply sectors recorded increases of 4.1 per cent and 10.6 per cent, respectively. Meanwhile, on a quarter-on-quarter basis, the PPI registered a marginal increase of 0.1 per cent, rebounding from a 0.3 per cent decline in the preceding quarter supported by Manufacturing (-0.6%) and Water supply (5.2%) sectors.
- PPI declined 2.0 per cent in 2025, following an increase of 0.3 per cent in 2024

*attributed to contractions in the Mining (-8.2%) and Manufacturing (-2.1%) sectors. Meanwhile, the Agriculture, forestry and fishing increased by 3.2 per cent, and Water supply and Electricity & gas supply sectors recorded increases of 4.7 per cent and 1.9 per cent, respectively.*

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