



MEDIA STATEMENT

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MALAYSIA ECONOMIC STATISTICS REVIEW, VOLUME 7/2025

Malaysia's economy expanded by 4.5 per cent in the second quarter 2025, supported by steady sectoral performances and resilient labour market

PUTRAJAYA, 31th JULY 2025 – Today, the Department of Statistics, Malaysia (DOSM) released the **Malaysian Economic Statistics Review (MESR), Volume 7/2025**. This edition focuses on the recent statistics released in May 2025 and some forthcoming statistics for June 2025. On top of that, this edition features an additional article titled, “Does increasing EV imports in Malaysia affect its value for long-term and local car registrations?”, which highlights the implications of growing electric vehicle (EV) imports, the sustainability of EV adoption and its relationship with domestic vehicle prices and registrations.

Global growth prospects for 2025 have been recalibrated, with the World Economic Situation and Prospects (WESP) report projecting expansion at 2.4 per cent, compared to 2.9 per cent in 2024, following a 0.4 percentage point adjustment since January. Escalating trade frictions, fuelled by retaliatory measures, have reshaped supply chains, increased costs and added uncertainty, placing further pressure on the world economy. These trends underscore the need for resilience and adaptability in navigating an increasingly complex economic landscape.

Emphasising Malaysia's economic trajectory, Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin stated, “Malaysia's advance estimates indicate that the economy expanded by 4.5 per cent in the second quarter of 2025, edging up from 4.4 per cent in the previous quarter. Growth was supported by steady performances in the Services and Manufacturing sectors, alongside notable improvements in Construction and Agriculture sectors. However, the Mining & quarrying sector remained in a declining trend. On a quarter-on-quarter basis, the economy rebounded with an 1.0 per cent

growth following a 3.5 per cent contraction in the first quarter, bringing first-half of 2025 growth to 4.4 per cent. These results reaffirm Malaysia's resilience and its steady progress towards sustainable economic expansion.

Extending its steady performance, the Manufacturing sector recorded a sales value of RM158.7 billion in May 2025, reflecting a 2.4 per cent year-on-year increase, driven by strong expansion in the Food, beverages & tobacco sub-sector (13.0%), besides solid contributions from Electrical & electronics (5.0%) and Non-metallic mineral, basic metal & fabricated metal products (3.7%). However, on a month-on-month basis, sales decline by 1.1 per cent from April's RM160.4 billion. Complementing this trend, Malaysia's Industrial Production Index (IPI) grew marginally by 0.3 per cent year-on-year, weighed down by softer Manufacturing activity, while the Electricity sector edged up 0.4 per cent. The Mining sector, however, continued to contract sharply by 10.2 per cent. On a brighter note, IPI rose 1.1 per cent month-on-month, rebounding from an 8.0 per cent drop in April, signalling early signs of recovery in industrial output.

Taking a wider view of Malaysia's Services sector, the Wholesale & retail trade segment registered total sales of RM154.3 billion in May 2025, reflecting a 4.4 per cent year-on-year growth, driven by solid performances in the Retail (4.9%) and Wholesale (4.7%) sub-sectors. Additionally, the Motor vehicles sub-sector posted a modest increase of 1.2 per cent to RM19.0 billion. Month-on-month, the sales value of Wholesale & retail trade rebounded by 1.7 per cent, supported by growth across all sub-sectors, particularly Motor vehicles, which surged by 7.9 per cent.

From the trade perspective, Malaysia's total trade in May 2025 posted a 2.6 per cent year-on-year increase to RM252.5 billion, with exports decreasing by 1.2 per cent to RM126.6 billion, while imports rose by 6.6 per cent to RM125.9 billion. Month-on-month, total trade, exports, imports and trade surplus declined by 3.6 per cent, 5.2 per cent, 2.0 per cent and 85.1 per cent, respectively.

Extending the trade momentum, Malaysia's trade performance was comparatively subdued in June 2025 with a decline of 1.2 per cent year-on-year. Imports remained a modest upward trajectory, rising by 1.2 per cent, while exports fell by 3.5 per cent. Consequently, the trade balance standing at RM8.6 billion, narrowing by 40.1 per cent compared to the same period the previous year.

From a price standpoint, Malaysia's price dynamics in May 2025 reflected continued stability at the consumer perspective. Headline inflation eased to 1.2 per cent, down from 1.4 per cent in April, marking the lowest level in 51 months. The increase was

mainly attributed to moderate rises in several groups, including Personal care, social protection & miscellaneous goods & services (3.7%), Education (2.2%), Food & beverages (2.1%), and Housing, water, electricity, gas & other fuels (1.7%), all of which recorded slower growth compared to the previous month. On a monthly basis, inflation rose by 0.1 per cent, maintaining the same pace as in April. Meanwhile, inflation in June 2025 increased slower at 1.1 per cent.

Turning to producer prices, the Producer Price Index (PPI) further declined by 3.6 per cent year-on-year in May, following a 3.4 per cent drop in April, mainly influenced by continued contractions in the Mining (-15.0%) and Manufacturing (-3.0%) sectors. Meanwhile, the Agriculture, forestry & fishing sector posted a 1.8 per cent increase. On a month-on-month basis, the PPI fell by 1.1 per cent, compared to a 1.0 per cent decrease in April 2025. Simultaneously, Malaysia's PPI down further by 4.2 per cent in June 2025.

Dato' Sri Dr. Mohd Uzir Mahidin also highlighted that Malaysia's labour market continued to improve in May 2025, with total employment rising by 2.9 per cent year-on-year to reach 16.86 million, and increasing by 0.3 per cent compared to the previous month. In line with this positive trend, the unemployment rate remained at 3.0 per cent, reflecting a 5.7 per cent decrease in the number of unemployed persons on an annual basis and a 0.7 per cent drop month-on-month. Meanwhile, the labour force expanded by 2.6 per cent year-on-year to 17.38 million, while the labour force participation rate held steady at 70.8 per cent, up 0.2 percentage points from May 2024 and unchanged from April 2025.

Malaysia's Leading Index pointed to a more cautious economic outlook with a marginal year-on-year increase of 0.04 per cent in May 2025, reaching 113.7 points and inclined 0.1 per cent as against the preceding month. Despite the long-term trend remaining below the 100.0-point threshold, Malaysia's near-term outlook is expected to stay moderate bolstered by the easing of monetary policy, which may help stimulate domestic demand and encourage private investment amid ongoing global uncertainties.

ASEAN-Malaysia 2025 Chairmanship: The Department of Statistics Malaysia (DOSM) will chair the 15th ASEAN Community Statistical System Committee (ACSS15) which aims to strengthen the statistical cooperation towards sustainable regional development.

Malaysia has, for the first time, successfully recorded the top position globally in the biennial Open Data Inventory (ODIN) 2024/25 report released by Open Data Watch

(ODW), surpassing 197 other countries. This achievement marks a significant leap from its 67th position in the ODIN 2022/23 assessment.

The Government of Malaysia has declared October 20th as National Statistics Day (MyStats Day), with the theme 'Statistics is the Essence of Life'. Meanwhile, the Fourth World Statistics Day will be celebrated on 20th October 2025, with the theme 'Driving Change with Quality Statistics and Data for Everyone'.

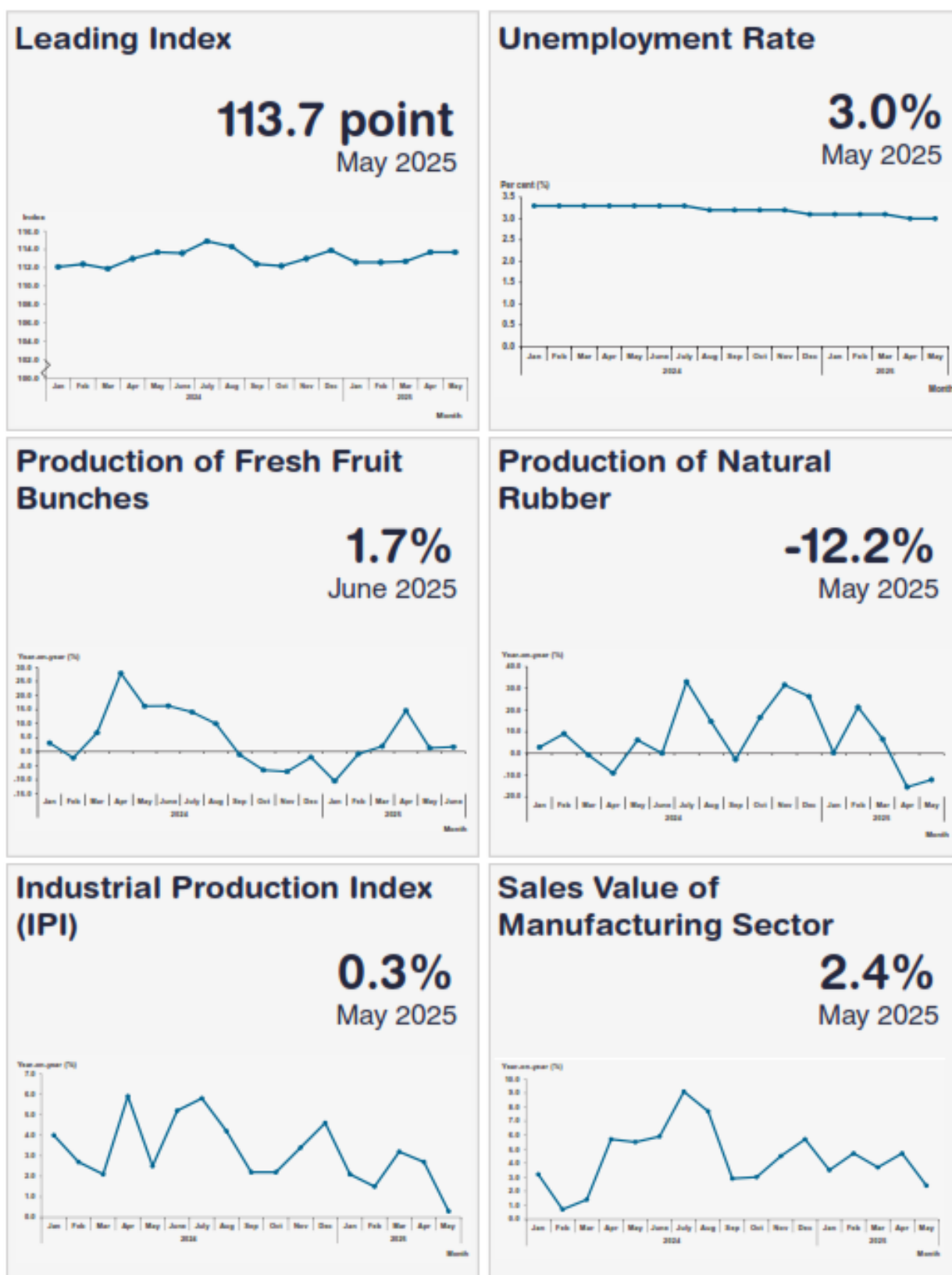
OpenDOSM NextGen is a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through <https://open.dosm.gov.my>.

Released by:

**THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA**

31st July 2025

Exhibit 1: Monthly Economic Indicator



Sales Value of Wholesale & Retail Trade

4.4%
May 2025



Volume Index of Wholesale & Retail Trade

4.1%
May 2025



Exports

-3.5%
June 2025



Imports

1.2%
June 2025



Consumer Price Index (CPI)

1.1%
June 2025



Producer Price Index (PPI) Local Production

-4.2%
June 2025

