



MEDIA STATEMENT

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MALAYSIA ECONOMIC STATISTICS REVIEW, VOLUME 8/2025

Malaysia's economy remains resilient, underpinned by robust Services and Manufacturing activities, while improving labour market conditions continue to support domestic demand

PUTRAJAYA, 29th AUGUST 2025 – Today, the Department of Statistics, Malaysia (DOSM) released the **Malaysian Economic Statistics Review (MESR), Volume 8/2025**. This edition highlights the economic performance for second quarter of 2025 as well as the latest statistics released in June 2025, along with selected releases for July 2025. A key feature is the article on “Experimental Measurement of Sustainable Tourism in Malaysia”, which introduces pioneering estimates on the environmental impact of tourism. While tourism continues to be a significant driver of Malaysia's economic growth, it also presents challenges in balancing development with the sustainable use of natural resources.

According to its latest global outlook, The International Monetary Fund (IMF) through its World Economic Outlook Report released in July 2025 projected global economic growth of 3.0 per cent in 2025 and 3.1 per cent in 2026. The expansion is underpinned by steady performance in advanced economies, forecasted to grow by 1.5 per cent in 2025 and 1.6 per cent in 2026, alongside sustained momentum in Emerging Markets and Developing Economies (EMDE), with growth of 4.1 per cent in 2025 and 4.0 per cent in 2026. The year 2025 has been characterised by resilience in the face of persistent trade tensions and geopolitical uncertainties. In this regard, global economic growth is projected at 3.0 per cent, signalling cautious optimism despite prevailing challenges. For Malaysia, this global outlook highlights the need to reinforce economic resilience by diversifying growth drivers, strengthening domestic demand and accelerating productivity-led strategies. These measures are crucial not only to mitigate

external risks but also to secure sustainable and competitive long-term economic development.

Emphasising Malaysia's economic trajectory, Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin stated, "Malaysia's Gross Domestic Product (GDP) grew by 4.4 per cent in the second quarter of 2025, maintaining the same pace as in the previous quarter. On a seasonally adjusted basis, growth stood at 2.1 per cent. For the first half of the year, the economy grew by 4.4 per cent, moderating from 5.0 per cent in the corresponding period of 2024. Growth momentum was primarily supported by the Services sector on the supply side, while on the demand side, private consumption and investment remained the key drivers. This reflects the resilience of domestic demand in cushioning against external headwinds and sustaining overall economic activity."

Malaysia's Industrial Production Index (IPI) grew by 3.0 per cent year-on-year in June 2025, supported by stronger performance in Manufacturing (3.6%) and Electricity (4.1%), while Mining registered a marginal decline of 0.01 per cent after a sharp contraction in May. On a month-on-month basis, the IPI rebounded strongly with a 7.6 per cent increase, reflecting improved momentum across major sectors. For the second quarter of 2025, the IPI expanded by 2.0 per cent (Q1 2025: 2.3%), bringing growth for the first half of the year to 2.2 per cent, compared with 3.7 per cent in the corresponding period of 2024. These trends indicate a gradual recovery in industrial activity, underpinned by resilient manufacturing output, though overall growth remains moderate than last year.

Likewise, the sales value of Malaysia's Manufacturing sector strengthened by 3.3 per cent year-on-year in June 2025 (May 2025: 2.4%), amounting to RM161.2 billion compared to RM158.6 billion in the previous month. The expansion was led by robust double-digit growth in the Food, Beverages & Tobacco sub-sector (+14.7%), supported by steady gains in Electrical & Electronics products (+4.5%) and Non-metallic mineral products, Basic Metal & Fabricated Metal products (+3.0%). On a month-on-month basis, manufacturing sales rose by 1.6 per cent. For the second quarter of 2025, sales recorded growth of 3.4 per cent (Q1 2025: 4.0%) to RM480.2 billion. Cumulatively, sales in the first half of 2025 reached RM955.8 billion, an increase of 3.7 per cent compared to the same period in 2024. These trends underscore sustained demand in key manufacturing sub-sectors, with food-related industries providing strong impetus.

In a broader context, Malaysia's Services sector sustained its positive growth momentum in the second quarter of 2025, registering solid performance across major segments. Sectoral revenue expanded by 5.7 per cent year-on-year to RM641.4 billion, while the

Services Volume Index increased by 5.1 per cent to 159.9 points, reflecting resilient demand and steady sectoral activity. On a quarter-on-quarter basis, revenue grew by 1.8 per cent, alongside a 1.1 per cent rise in the volume index. The Wholesale & Retail Trade, Food & Beverage, and Accommodation segment remained the main contributor, recording a 4.9 per cent increase in revenue to RM484.0 billion and a 5.0 per cent rise in the volume index to 160.2 points. Growth in this segment was underpinned by strong domestic travel activity, which encouraged higher consumer spending during public holidays, festive periods and the school holidays. At the same time, the steady inflow of international visitor arrivals further reinforced expansion in the Services sector.

On the external trade front, Malaysia's Current Account Balance (CAB) recorded a smaller surplus of RM0.3 billion in the second quarter of 2025, compared to RM4.3 billion in the same period last year. The surplus was mainly supported by net exports of goods. Foreign Direct Investment (FDI) moderated to a net inflow of RM1.6 billion (Q2 2024: RM9.6 billion), channelled primarily into the Services sector. Meanwhile, Direct Investment Abroad (DIA) registered a net inflow of RM0.6 billion, reversing from a net outflow of RM0.9 billion in the corresponding quarter last year, with investments concentrated in Manufacturing and Services.

Malaysia's total merchandise trade expanded by 6.1 per cent year-on-year to RM749.2 billion in the second quarter of 2025. Exports grew 3.4 per cent to RM381.8 billion, while imports surged 9.0 per cent to RM367.4 billion. As a result, the trade surplus narrowed significantly to RM14.4 billion, a sharp decline of 55.3 per cent compared to the same quarter of 2024. However, momentum improved in July 2025, with total trade rising by 3.8 per cent year-on-year to RM265.9 billion. Exports strengthened to RM140.4 billion (+6.8%), while imports posted a modest increase of RM125.5 billion (+0.6%), leading to a trade surplus of RM15.0 billion, the highest recorded in 2025.

This performance reflects a mixed external sector outlook. While the current account surplus and FDI inflows moderated due to global uncertainties, Malaysia's trade sector continued to demonstrate resilience. The July rebound, driven by stronger export performance, suggesting improving external demand, particularly for key manufactured goods, which could provide support to Malaysia's external position in the second half of the year.

In terms of prices, Malaysia's inflation eased to 1.1 per cent in June 2025 compared to 1.2 per cent in May 2025. The inflation rate for Restaurants & Accommodation Services stood at 2.8 per cent (May 2025: 3.0%), while Food & Beverages remained at

2.1 per cent, and Furnishings, Household Equipment & Routine Household Maintenance recorded a slower increase of 0.1 per cent (May 2025: 0.2%). Meanwhile, some groups posted higher increases especially Personal Care, Social Protection & Miscellaneous Goods & Services at 4.2 per cent (May 2025: 3.7%). For the second quarter of 2025, inflation registered 1.3 per cent year-on-year, lower than the 1.5 per cent recorded in Q1 2025. For July 2025, the inflation increased slower at 1.2 per cent with the index points stood at 134.7 as against 133.1 in the same month of the previous year.

Meanwhile, Malaysia's Producer Price Index (PPI) for Local Production declined by 4.2 per cent in June 2025, following a 3.6 per cent decrease in May 2025. All major sectors recorded year-on-year declines, led by Mining (-8.0%) and Manufacturing (-4.3%). For the second quarter of 2025, the PPI contracted 3.7 per cent (Q1 2025: -0.3%), mainly due to sharp declines in Mining (-13.7%) and Manufacturing (-3.4%).

The moderation in consumer inflation signals stable price conditions, largely driven by easing pressures in services and household-related categories. However, persistent declines in producer prices, particularly in Mining and Manufacturing, highlight ongoing cost adjustments in upstream industries. This divergence suggests that while consumer prices remain stable, subdued producer prices could influence future inflation trends and reflect underlying softness in global commodity markets.

Dato' Sri Dr. Mohd Uzir Mahidin also highlighted that Malaysia's labour market continued to strengthen in the second quarter of 2025, Malaysia's labour force increased by 2.7 per cent year-on-year, reaching 17.37 million persons, with the labour force participation rate (LFPR) edging up to 70.8 per cent. The number of employed persons grew 2.9 per cent to 16.85 million, lifting the employment-to-population ratio to 68.7 per cent. Concurrently, the number of unemployed persons declined by 4.4 per cent to 520.9 thousand, bringing the unemployment rate down to 3.0 per cent.

In June 2025, the Leading Index (LI) saw a slight edge down in its annual growth rate of 0.2 per cent, reaching 113.4 points from 113.6 points in the same month the year before. Meanwhile, the LI stayed below 100.0 points in the smoothed long-term trend, indicating that the economy is expected to ease in the future which is aided by a solid domestic support but hindered by external challenges.

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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 198 other countries. This achievement marks a significant leap from its 67th position in the ODIN 2022/23 assessment.

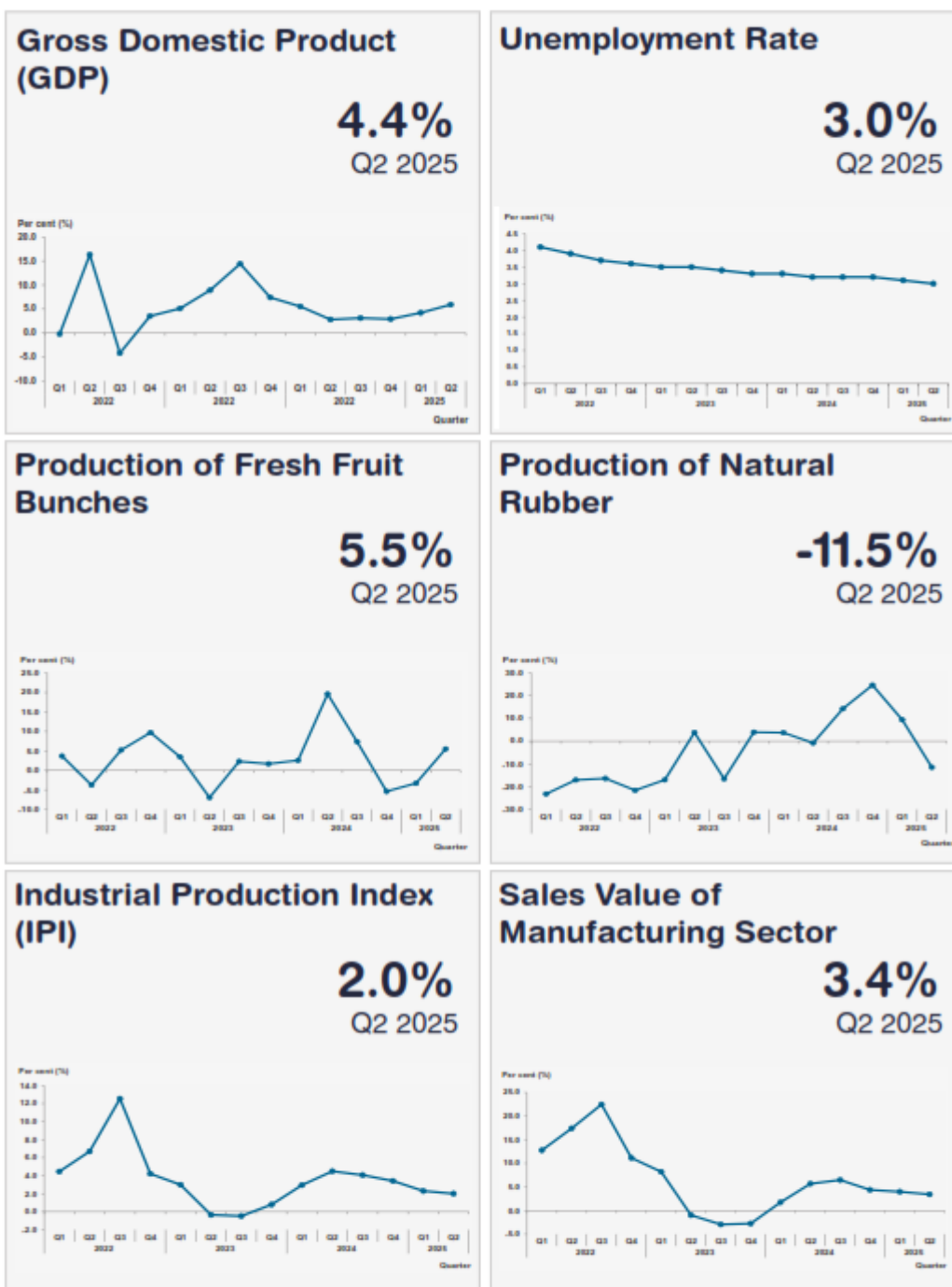
The Government of Malaysia has declared October 20th as National Statistics Day (MyStats Day), with the theme 'Statistics is the Essence of Life'. Meanwhile, the Fourth World Statistics Day will be celebrated on 20th October 2025, with the theme 'Driving Change with Quality Statistics and Data for Everyone'.

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>.

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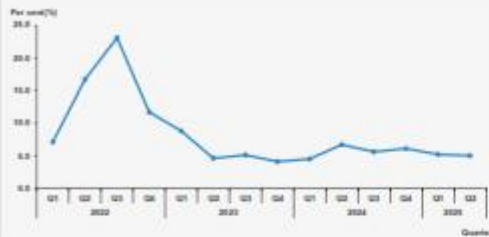
THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA
29th August 2025

Exhibit 1: Quarterly Economic Indicator



Index of Services

5.0%
Q2 2025



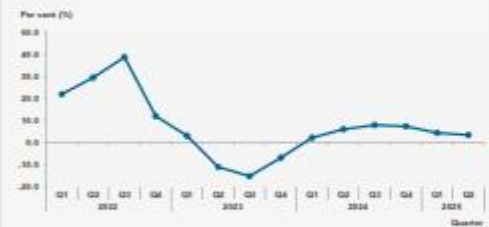
Volume Index of Wholesale & Retail Trade

4.3%
Q2 2025



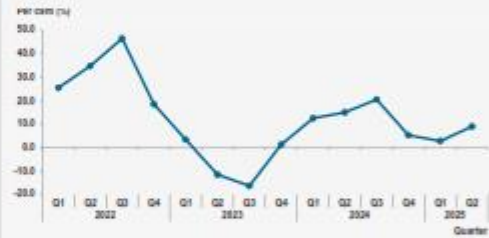
Exports

3.4%
Q2 2025



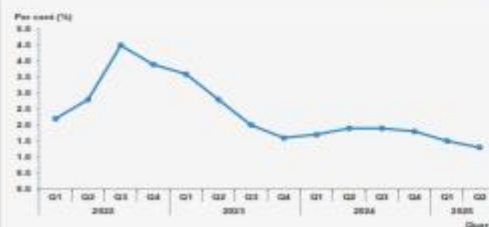
Imports

9.0%
Q2 2025



Consumer Price Index (CPI)

1.3%
Q2 2025



Producer Price Index (PPI) Local Production

-3.7%
Q2 2025

