

## INDEX OF INDUSTRIAL PRODUCTION, JANUARY 2025



## Malaysia's Industrial Production Index increased to 2.1 percent, led by growth in Manufacturing sector output

Malaysia's Industrial Production Index increased to 2.1 percent, led by growth in Manufacturing sector output. The increase in IPP was mainly contributed by output growth in the Manufacturing sector which increased at a slower rate of 3.7 per cent (December 2024: 5.8%). Conversely, the Mining and Electricity sector production recorded decrease of 3.1 per cent (December 2024: 0.9%) and 0.1 per cent (December 2024: 3.5%), respectively. In terms of month-on-month comparison, IPP still contracted at the same rate as the previous month, which was negative 0.4 percent.

The increase in Manufacturing sector production in January 2025 was supported by output from export-oriented industries, which grew at a slower pace of 5.6 per cent compared to the 6.8 per cent recorded in December 2024. This growth was mainly supported by growth in the Manufacture of computers, electronic and optical products, which recorded an increase of 7.9 per cent; followed by the Manufacture of vegetable and animal oils and fats (8.9%). Additionally, the Manufacture of coke and refined petroleum products also contributed at a rate of 3.4 per cent. Month-on-month comparison showed the export-oriented industries remained in negative territory with a slight decrease at a rate of 0.9 per cent compared to a 2.4 per cent decrease in December 2024.

Domestic-oriented industries increased at a rate of 0.2 per cent in January 2025, compared to 3.7 per cent recorded in the previous month. This increase was contributed by the Manufacture of processed food products industry (7.0%); and the Manufacture of fabricated metal products, except machinery and equipment (4.8%). Month-on-month comparison showed that domestic-oriented industries increased by 1.3 per cent after recording a slight growth of 0.4 per cent in December 2024.

The 3.1 per cent contraction in the Mining sector in January 2025 was driven by a double-digit decrease of 10.0 per cent in Crude Petroleum & Condensate output (December 2024: -6.5%), while Natural Gas production maintained stable growth of 1.4 per cent (December 2024: 5.9%). Compared to December 2024, the Mining index contracted to negative 0.5 per cent from the 4.0 per cent recorded in the previous month.

Meanwhile, the Electricity index declined at a rate of 0.1 per cent in January 2025, compared to a 3.5 per cent increase in the previous month. Month-on-month comparison showed that the Electricity index decreased by 1.9 per cent after recording a 1.0 per cent growth in December 2024.

Globally, the IPI for several other countries showed an increasing trend in January 2025, including Japan (2.6%), Thailand (-0.9%), Singapore (9.1%), and the United States of America (2.0%). Additionally, Vietnam and Taiwan showed moderate increases of 7.2 percent and 5.3 per cent, while South Korea experienced a contraction in January 2025 of 4.1 per cent.

The full publication of the Industrial Production Index, January 2025 can be downloaded through eStatistik portal.

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