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Year-on-year expansion spearheaded by manufacturing sector

PETALING JAYA: The Malaysian Industrial Production Index's growth improved to 3.6% in February 2023, propelled by acceleration in the manufacturing sector.

This was disclosed yesterday by the Department of Statistics Malaysia which also presented IPI statistics for three sectors - mining, manufacturing and electricity.

Chief Statistician Malaysia Datuk Seri Dr Mohd Uzir Mahidin said, "The IPI grew by 3.6% in February after recording a modest growth of 1.8% in January. The expansion in February was spearheaded by manufacturing sector which increased by 4.9% (January: 1.3%) and electricity sector which rose by 1.1% (January: -4.3%). On the other hand, the mining sector output declined marginally by 0.5% in February, after registering positive growth for eight consecutive months.

On a month-on-month comparison, the IPI continued to decline since December 2022 by registering a negative 5.1% in February (January: -2.3%)."

He said production by export-oriented industries, which accounted for two-thirds of manufacturing output, expanded by 3.9% in February compared with 0.6% recorded in the previous month. The expansion was bolstered by the manufacture of vegetable & animal oils & fats production which soared by 21.5% (January: 8.3%); and the manufacture of computer, electronics & optical products which grew by 6.4% (January: 0.8%)."

In the meantime, the growth of domestic-oriented industries outpaced the national manufacturing growth rate by registering 7% in February (January: 2.7%). The increase was contributed by the positive momentum in all groups except for manufacture of beverages, which posted a decrease of 2.3%.

The manufacture of fabricated metal products, except machinery and equipment; and manufacture of food processing products propelled the growth of domestic-oriented industry with an expansion of 8.9% (January: 1.5%) and 8.5% (January: 0.4%) respectively.

In comparison with January, the manufacturing sector contracted for the third month with negative 3.9%.

Mohd Uzir said: "The production of mining sector in February edged down by 0.5% influenced by a slight decline in both components where crude oil & condensate index dropped by 0.3% (January: 8.0%), while natural gas index fell by 0.5% (January: 4.5%). As compared to the previous month, the mining index turned downward to negative 9.6% as compared to the positive growth of 1.7% recorded in January."

The electricity output rebounded to 1.1% in February after recording continuous contraction for four consecutive months. On a month-on-month comparison, the electricity index continued to weaken by 5.5% as compared to the negative 3.4% recorded in January.

For the January to February period, the IPI recorded an expansion of 2.7% compared with the same period in the previous year. During the period, the manufacturing and mining indices increased by 3.0% and 2.8 respectively; while the electricity index fell 1.7%.