

KERATAN AKHBAR

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PETALING JAYA: Malaysia's industrial output contracted in April amid the deterioration in export-oriented industries and slower domestic economic growth.

According to the Statistics Department, the country's industrial production index (IPI) fell 3.3% year-on-year (y-o-y) in April 2023, after growing 3.2% y-o-y in the preceding month.

The decline in the April IPI was driven by contraction in all the sectors making up the index, namely manufacturing, mining and electricity, it said in a statement yesterday.

Notably, the manufacturing sector registered its first contraction since July 2021,

with a decline of 3% y-o-y in April 2023 compared with a growth of 4.1% y-o-y in March 2023.

The contraction was mainly influenced by the decline of 3.5% y-o-y in export-oriented industries.

"In addition, the contraction of export-oriented industries in April was the first recorded in 34 months, attributable to the decline in the manufacture of rubber products by 16.5% y-o-y and the manufacture of computers, electronics and optical products which posted a negative 1.8% y-o-y," it said.

Domestic-oriented industries recorded a fall of 2.1% y-o-y, particularly attributed to

the manufacture of motor vehicles, trailers and semi-trailers (down 15.5% y-o-y), manufacture of beverages (down 5.5% y-o-y), and manufacture of food processing products (down 4.9% y-o-y), it added.

As for the mining sector, output shrank 4.9% y-o-y in April 2023 as compared with a growth of 0.8% y-o-y in March, driven by the continuous downturn in the natural gas index by 7.8% y-o-y and a marginal drop of 0.9% y-o-y in the crude oil and condensate index.

The electricity sector, on the other hand, saw output decline 2% y-o-y in April 2023, as compared to a marginal growth of 0.4% y-o-y in March 2023.

In comparison with the preceding month, the overall IPI declined by 10.8% month-on-month (m-o-m) in April after registering a growth of 8.4% m-o-m in March.

The manufacturing sector shrank by 11.4% m-o-m in April after growing 7.8% m-o-m in March, while the mining sector declined 10.7% m-o-m after increasing 8.5% m-o-m, and the electricity sector weakened by 4.8% m-o-m as against a positive growth of 15.1% m-o-m in the preceding month.

On a cumulative basis, the IPI growth moderated to 1.3% y-o-y for the first four months of 2023.