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➤ Downtrend is mainly due to decline in agriculture, forestry & fishing and mining sectors: Statistics Dept

**PUTRAJAYA:** The rate of Malaysia's Producer Price Index (PPI) which measures the prices of goods at factory gate, declined further to negative 3.0% in April 2023 as against negative 2.9% in March 2023, the Department of Statistics Malaysia (DoSM) reported yesterday in its latest monthly report of the PPI Local Production, April 2023.

According to the DoSM, "The downturn trend is mainly due to the decline in agriculture, forestry & fishing and mining sectors. The agriculture, forestry & fishing sector continued to show a negative trend for ten consecutive months, recording a negative 26.0% (March 2023: -28.7%).

The oil palm fresh fruit bunches which is the largest component in this sector dropped negative 40.3% in April 2023 compared with negative 43.5% in March 2023."

The mining sector declined by 4.7% in April 2023 compared with negative 11.5% in the previous month, due to a decrease in the extraction of crude petroleum index (-12.5%).

Meanwhile, the manufacturing sector registered a marginal increase of 0.1% (March 2023: 1.4%), due to significant increase of manufacture of computer, electronic & optical products (7.2%) and manufacture of electrical equipment (4.7%) indices and counterbalanced with the decline in index of manufacture of food products (-7.3%) and manufacture of coke & refined petroleum products (-1.7%).

In the meantime, water supply and electricity & gas supply sectors went up 3.2% and 0.1%, respectively.

The DoSM explained that, "On a monthly basis, PPI local production posted a marginal increase of 0.2% in April 2023 as compared to 0.3% in the prior month. The agriculture, forestry & fishing sector went up 0.8%, attributed to the increase in the growing of perennial crops index (1.1%). The mining sector posted an increase of 0.5% (March 2023: -0.6%), in tandem with the increase of extraction of crude petroleum index (1.5%)."

The manufacturing sector inched up 0.1% (March 2023: -0.1%), due to manufacture of food products (0.9%) and manufacture of chemicals & chemical products (0.7%) indices. On the other hand, the electricity & gas sector decreased by negative 0.6% as against 0.5% in the previous month, while water supply sector remained unchanged.

Commenting on the PPI by stage of processing, "The crude materials for further processing index slipped further to negative 17.6% in April 2023 (March 2023: -21.0%) due to the decline of negative 21.3% in the non-food materials. Intermediate materials, supplies & components went down negative 0.1% in this month (March 2023: 1.5%) due to decline in materials & components for manufacturing (-4.7%) and containers (-2.0%) indices. However, finished goods rose by 3.5% (March 2023: 3.9%) with capital equipment and finished consumer goods indices increased 4.1% and 2.8%, respectively."

It is also noted that crude materials for further processing and intermediate materials, supplies & components indices increased by 0.7% and 0.2%, respectively on a monthly basis. Conversely, finished goods index inched down negative 0.1%.