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Malaysia's industrial production rebounds in July

PETALING JAYA: The Industrial Production Index (IPI) rebounded in July on an annual basis, spurred by the growth momentum in mining and electricity sectors, the Department of Statistics Malaysia (DoSM) said yesterday.

Chief Statistician Danuk Seri Dr Mohd Uzir Mahidin said, "The IPI returned to positive territory in July 2023, recording a 0.7% year-on-year growth as against negative 2.2% recorded in the previous month. The marginal increase in July 2023 was backed by the expansion in mining sector at 4.2% (June 2023: -6.4%) and electricity sector by 1.5% (June 2023: 2.8%)."

Meanwhile, the manufacturing sector continued to decline, albeit with a smaller decrease of 0.2% compared to the negative 1.6% registered in June.

Month-on-month, the IPI fell by 1.8%, contrasting with the positive growth of 2.2% in June.

Mohd Uzir said the smaller decrease in the manufacturing

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► Index up 0.7% from a year ago, lifted by mining and electricity sectors

output in July 2023 was supported by the expansion in the domestic-oriented industries at 6.0% (June 2023: 4.1%).

"The growth was propelled mainly by the double-digit growth of 11.9% in the manufacture of motor vehicles, trailers and semi-trailers. In addition, the manufacture of fabricated metal products, except machinery and

equipment; and the manufacture of food processing products also supported the growth at 6.9% and 7.0% respectively," he said.

Export-oriented industries which encompass about two-thirds of the manufacturing output, remained on a downward trend with a negative 2.7% (June 2023: -3.9%). The contraction was primarily influenced

by the decline in the manufacture of coke & refined petroleum products (-10.1%); manufacture of computer, electronics & optical products (-9.0%); and the manufacture of rubber products (-1.6%). This was in line with the country's export performance which dropped by 13.1% in July 2023.

In comparison with the preceding month, the production of the manufacturing sector slipped by 4.3%.

Mohd Uzir said, "The output in the mining sector turned upward to 4.2% in July 2023 as against negative 6.4% recorded in June 2023. The increase was impelled by crude oil

and condensate which registered double-digit growth of 11.8% (June 2023: -4.5%), while natural gas posted a smaller decline of 0.8% (June 2023: -7.8%) during the month. As compared to June 2023, the mining index accelerated by 8.0% in contrast to the 7.7% drop registered in the previous month."

Nonetheless, the electricity output rose by 1.5% in July 2023, following a growth of 2.8% in the previous month. In comparison to the preceding month, the electricity index grew 1.8%, after registering a decline of 5.3% in June 2023.