Weaker LI Reading in Jun-25 Suggests More Modest Growth Ahead

Monthly Economic Review
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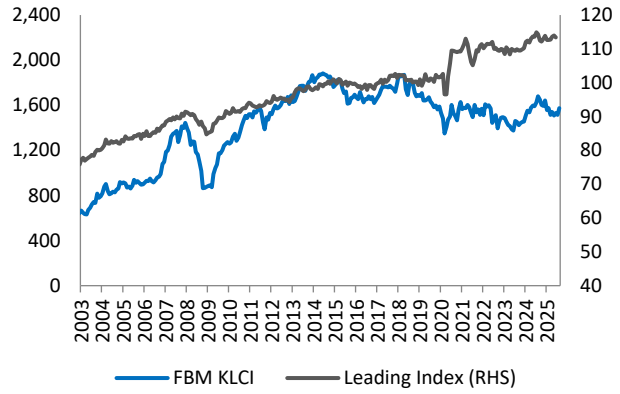
Economic Review

- Malaysia's leading index (LI) declined by -0.2%yoy in Jun-25 (May-25: +0.3%yoy), led by a sharp fall in Real Imports of Other Basic Precious and Non-Ferrous Metals (-27.4%yoy).
- Malaysia's GDP growth rose by +4.4%yoy in 2QCY25, unchanged from the previous quarter but marginally lower than the advance estimate of +4.5%yoy.
- Malaysia's total trade rose by +3.8%yoy in Jul-25 (Jun-25: -1.3%yoy), marking the first uptrend since Mar-25. The improvement stemmed from rebound in exports (+6.8%yoy; Jun-25: -3.6%yoy), reversing the decline in the previous two months.
- Malaysia's IPI increased faster by +3.0%yoy in Jun-25 (May-25: +0.3%yoy), surpassing market consensus (+1.0%yoy). The stronger expansion was in contrast to our expectations for a weaker IPI growth (-0.5%yoy) in view of the steeper fall in exports during the month.
- Malaysia's distributive trade rose at a faster pace of +4.8%yoy in Jun-25 (May-25: +4.4%yoy), supported by the stronger expansion seen in retail trade (+5.4%yoy) and wholesale trade (+5.2%yoy).
- We continue to expect Malaysia's growth to moderate this year to +4.3% in 2025 (2024: +5.1%). We tweak our 2025 GDP growth projection somewhat higher (from the previous forecast of +4.0%), given the stronger-than-expected rise in domestic demand and resilience in the external trade on the back of front-loading activities and stronger re-exports.

Weaker LI signals softer growth momentum

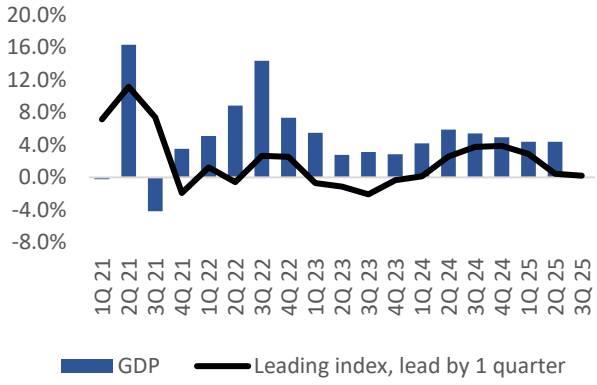
Malaysia's leading index (LI) declined by -0.2%yoy in Jun-25 (May-25: +0.3%yoy), led by a sharp fall in Real Imports of Other Basic Precious and Non-Ferrous Metals (-27.4%yoy). On a monthly basis, the LI fell by -0.5%mom (May-25: +0.4%mom), the first decline since Jan-25, due to contractions in Real Imports of Other Basic Precious and Non-Ferrous Metals (-1.0%mom) and Real Imports of Semiconductors (-0.5%mom). The smoothed long-term trend shows that the LI in Jun-25 remained below 100.0 points, suggesting a slower growth momentum ahead. Despite external trade headwinds, we expect Malaysia's economic growth will be supported by resilient domestic consumption, aided by a strong labour market, stable inflation, and accommodative monetary policy that will boost purchasing power and credit growth. On the other hand, the coincident index (CI) recorded a faster growth of +1.7%yoy in Jun-25 (May-25: +1.3%yoy), underpinned mainly by the increase in Real Contributions to EPF (+6.1%yoy). On a monthly basis, the CI rebounded by +0.4%mom (May-25: -0.1%mom), driven by the expansion in Industrial Production (+0.3%mom).

Chart 1: Leading Index vs KLCI (Points)



Source: MATRADE, Macrobond, MBSBR

Chart 2: Leading Index vs GDP (YoY%)

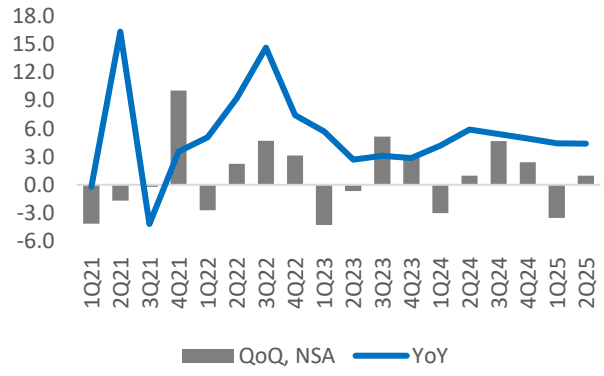


Source: MATRADE, Macrobond, MBSBR

Malaysia's economy grew by +4.4%yoy in 2QCY25

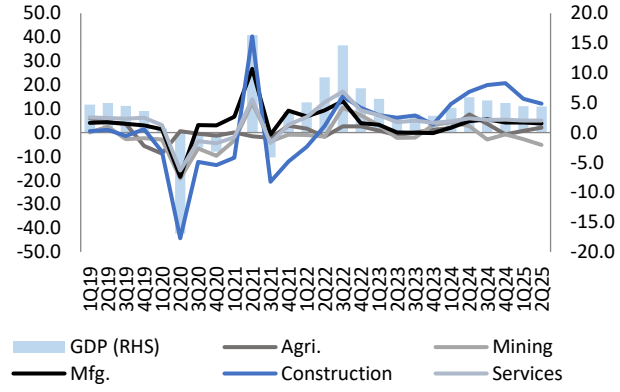
Malaysia's GDP growth rose by +4.4%yoy in 2QCY25, unchanged from the previous quarter but marginally lower than the advance estimate of +4.5%yoy. The growth was somewhat higher than our estimate (+4.3%yoy), but slightly below market expectations of +4.5%yoy. During the quarter, domestic demand showed resilience, growing faster at +7.2%yoy (1QCY25: +3.7%yoy). This was driven by higher growth in private final consumption, which grew by +5.3%yoy (1QCY25: +5.0%yoy), on the back of healthy labour market conditions as well as low and stable inflation. Meanwhile, government spending also expanded faster at +6.4%yoy (1QCY25: +4.3%yoy). Gross fixed capital investment surged double-digits by +12.1%yoy (1QCY25: +9.7%yoy) due to stronger investment by both private (+11.8%yoy; 1QCY25: +9.2%yoy) and public (+13.6%yoy; 1QCY25: +11.6%yoy) sectors. Investment activity will be supported by ongoing multi-year projects, catalytic national initiatives, and faster realisation of approved investments, while robust domestic demand and a recovering tourism sector are set to drive growth. However, external headwinds persist, with weakening global trade and escalating US tariffs—particularly the threat of 100% tariffs on semiconductors—posing significant risks to Malaysia's outlook.

Chart 3: Real GDP Growth: YoY vs. QoQ (%)



Source: MATRADE, Macrobond, MBSBR

Chart 4: Real GDP Growth by Major Sector (YoY%)

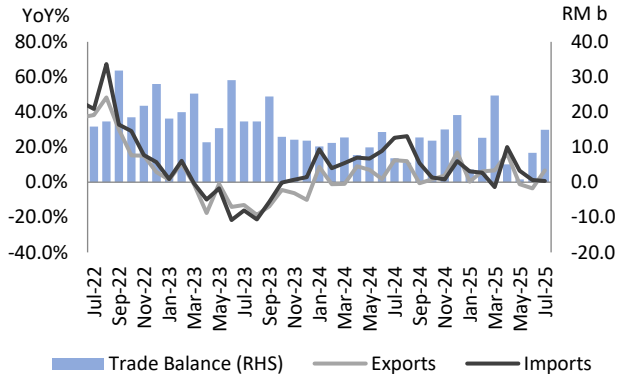


Source: MATRADE, Macrobond, MBSBR

Exports rebounded in Jul-25 after 2 months of contraction

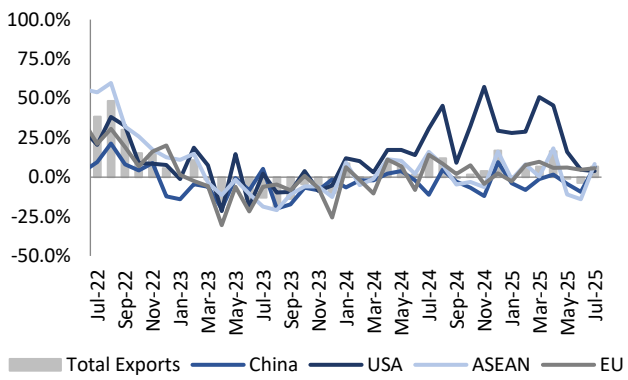
Malaysia's total trade rose by +3.8%yoy in Jul-25 (Jun-25: -1.3%yoy), marking the first uptrend since Mar-25. The improvement stemmed from rebound in exports (+6.8%yoy; Jun-25: -3.6%yoy), reversing the decline in the previous two months. The pick-up was driven by surge in re-exports (+42.0%yoy; Jun-25: +3.4%yoy), while domestic exports recorded slower contraction (-1.9%yoy; Jun-25: -5.4%yoy). Despite the continued weakness in mining exports, being part of the global supply chain Malaysia also gained from front-loading activities and the increased global demand for E&E and technology products. Malaysia's external trade sustained growth in 7M2025, expanding by +4.7%yoy to RM1.7 trillion, though this marked a slower pace compared to the +9.9%yoy growth recorded in 7M2024. Exports slowed down during the period by +4.3%yoy (7MCY24: +5.3%yoy) to RM900.5b, while imports softened by +5.1%yoy (7MCY24: +15.5%yoy) to RM830.2b, resulting in a trade surplus of +RM70.3b (7MCY25: +RM73.8b). The 19% US tariff is expected to dampen Malaysia's trade in the latter part of the year, with weaker mining exports adding pressure despite some resilience in E&E. Potential semiconductor tariffs remain a key risk, though market diversification, stronger bilateral ties, and resilient domestic consumption should help cushion the impact and sustain growth.

Chart 5: Exports & Imports (YoY%) vs Trade Balance (RM b)



Source: MATRADE, Macrobond, MBSBR

Chart 6: Exports Growth by Major Destination (YoY%)

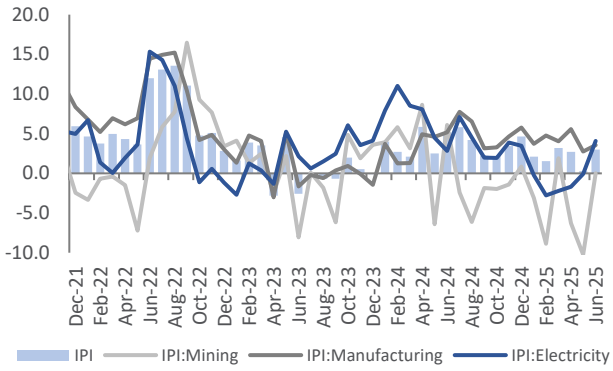


Source: MATRADE, Macrobond, MBSBR

IPI growth accelerated to +3.0%yoy in Jun-25

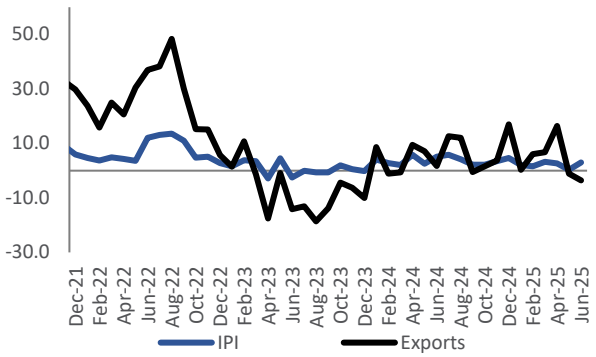
Malaysia's IPI increased faster by +3.0%yoy in Jun-25 (May-25: +0.3%yoy), surpassing market consensus (+1.0%yoy). The stronger expansion contrasted with our expectations for a weaker IPI growth (-0.5%yoy) in view of the steeper fall in exports during the month. Nevertheless, the higher production in Jun-25 was mainly underpinned by the stronger manufacturing output (+3.6%yoy; May-25: +2.8%yoy) as well as rebound in the electricity generation. Among manufactured products which recorded stronger output growth are E&E, machinery & equipment, basic metals, food & beverages and motor vehicles. Meanwhile, mining output growth was flat in Jun-25, an improvement from sharp -10.2%yoy contraction in May-25, driven by the rebound in LNG production which offset the continued decline in crude oil output. Despite the stronger reading in Jun-25, IPI growth moderated to +2.0%yoy in 2QCY25 (1QCY25: +2.3%yoy), weighed down by sharper fall in mining output (2QCY25: -5.5%yoy; 1QCY25: -3.3%yoy) and moderation in manufacturing output (+3.9%yoy; 1QCY25: +4.2%yoy). Although moderation in the quarterly IPI growth signals slightly slower economic growth especially for the goods-producing industries, the faster expansion in the services sector on the back of growing domestic spending will likely sustain Malaysia's GDP growth above +4.0%yoy in 2QCY25 as shown by the advance GDP estimate.

Chart 7: IPI Performances by Sector (YoY%)



Source: MATRADE, Macrobond, MBSBR

Chart 8: IPI vs Exports (YoY%)

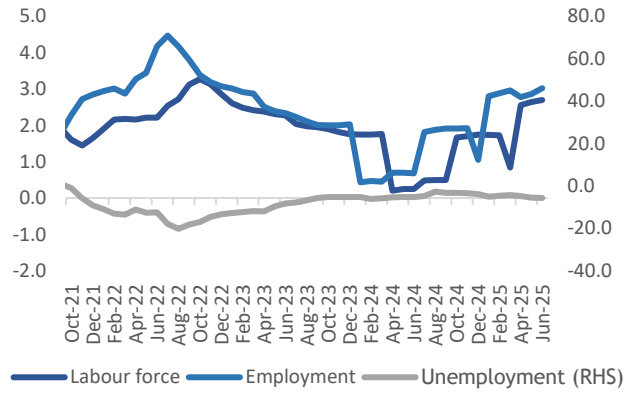


Source: MATRADE, Macrobond, MBSBR

Unemployment rates remain at 10-year low

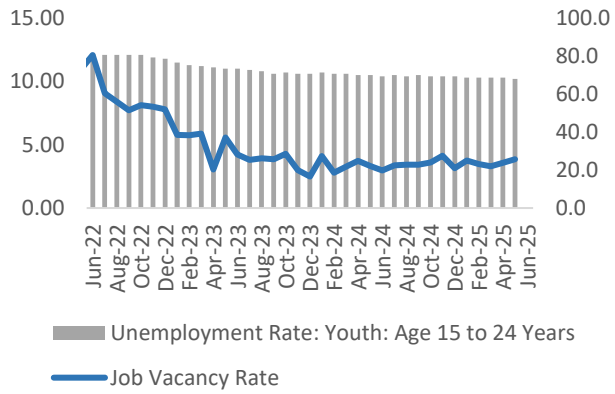
Malaysia's labour market remained firm and healthy in Jun-25 as the unemployment rate was sustained at 3.0%, maintaining the lowest rate in ten years. This resilience was supported by the stronger employment growth (+3.0%yoy; May-25: +2.9%yoy), which continued to outpace labour force growth (+2.7%yoy; May-25: +2.6%yoy) for the 47th consecutive month since Aug-21. The number of unemployed individuals dropped further to 519K (May-25: 522K), the lowest level since Feb-20. Compared to a year ago, the unemployment rate fell by -6.3%yoy (May-25: -5.7%yoy), the sharpest drop since Aug-23. The unemployment rate among youths aged 15 to 24 was unchanged at 10.2% during the month but remained elevated, which reflects persistent challenges faced by graduates and young job seekers in securing jobs and entering the labour market. Favourable labour market conditions will continue to support domestic consumption, a key buffer against global trade challenges. However, higher US tariffs could weigh on export-oriented sectors, though targeted government measures may help sustain hiring and wage growth

Chart 9: Labour Market Performances (YoY%)



Source: MATRADE, Macrobond, MBSBR

Chart 10: Jobless Rate vs. Job Vacancies Rate (%)



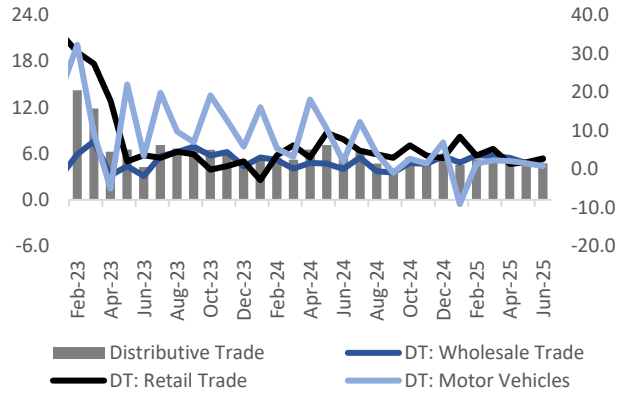
Source: MATRADE, Macrobond, MBSBR

Resilient domestic demand

Malaysia's distributive trade rose at a faster pace of +4.8%yoy in Jun-25 (May-25: +4.4%yoy), supported by the stronger expansion seen in retail trade (+5.4%yoy) and wholesale trade (+5.2%yoy). However, motor vehicles sales slowed down by +0.7%yoy, marking the lowest reading since Jan-25. Meanwhile, there was a higher volume change; where distributive trade volume increased by +4.3%yoy (May-25: +3.1%yoy), stemming from the higher volume growth for wholesale trade (+5.9%yoy) and retail trade (+4.1%yoy). Volume of motor vehicle sales recorded a slower decline by -1.3%yoy, recovering from previous month's double-digit plunge (May-25: -13.0%yoy). Overall, the reading during the month points to sustained consumer spending, underscoring resilient domestic demand — a key growth pillar this year amid external uncertainties. In 1HCY25, Malaysia's distributive trade

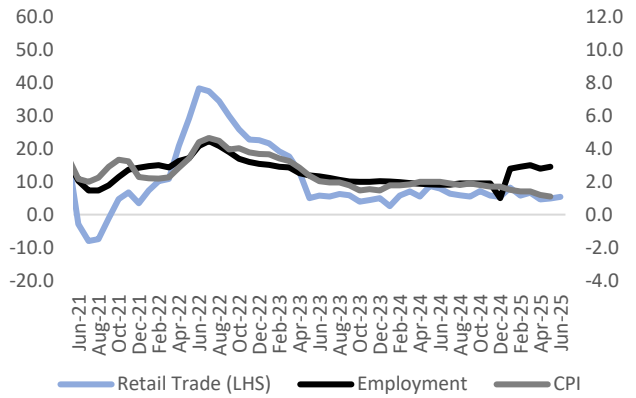
rose at a softer pace by +4.9%yoy (1HCY24: +5.9%yoy), due to the slight decline in motor vehicles sales (-0.1%yoy; 1HCY24: +8.8%yoy) and the moderation in retail trade (+5.9%yoy; 1HCY24: +6.3%yoy). Nonetheless, wholesale trade accelerated by +5.3%yoy (1HCY24: +4.7%yoy). Consumption will remain a key growth drive, supported by a healthy labour market, stable inflation, lower OPR, and recovering tourism, which continue to boost household spending and services activity. While fuel subsidy rationalisation and US tariffs may pose some pressure, the overall impact on household consumption is expected to stay contained.

Chart 11: Distributive Trade (DT) Growth (YoY%)



Source: MATRADE, Macrobond, MBSBR

Chart 12: DT vs. CPI Inflation vs. Employment (YoY%)

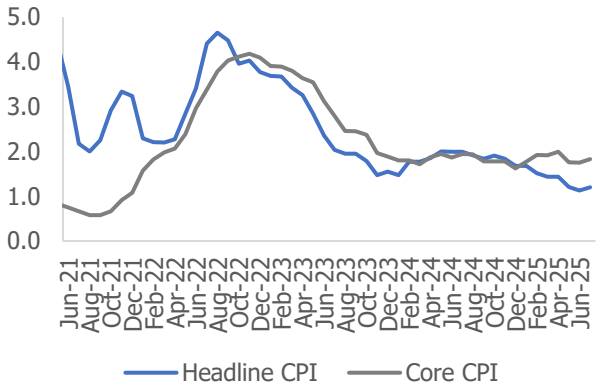


Source: MATRADE, Macrobond, MBSBR

Headline inflation edged slightly higher to +1.2%yoy in Jul-25

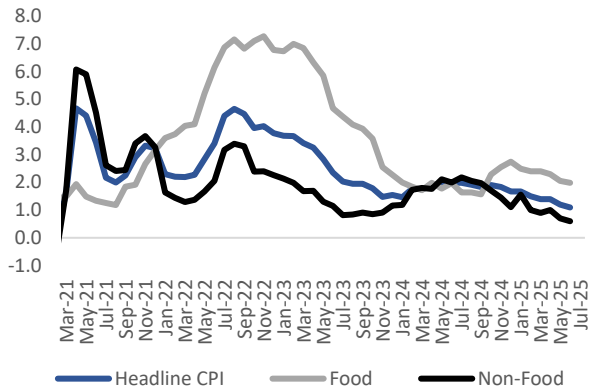
Malaysia's headline CPI inflation increased to +1.2%yoy in Jul-25 (Jun-25: +1.1%yoy), within our estimate, a slight acceleration from the lowest print since Mar-21. The inflation for food away from home eased to +4.3%yoy (Jun-25: +4.7%yoy), in contrast, to lower prices of foods at home which contracted by -0.3%yoy (Jun-25: -0.4%yoy) due to the lower prices of vegetables (-6.6%yoy; Jun-25: -7.2%yoy) and milk, other dairy products & eggs (-1.1%yoy; Jun-25: -1.8%yoy). Meanwhile, prices for fish & other seafood (+1.8%yoy; Jun-25: +1.6%yoy), and oils & fats (+1.5%yoy; Jun-25: +1.7%yoy) grew faster. On the other hand, non-food inflation slightly picked up to +0.8%yoy in Jul-25 (Jun-25: +0.7%yoy) driven by the increase in restaurants & accommodation services (+3.1%yoy; Jun-25: +2.8%yoy) and insurance & financial services (+1.5%yoy; Jun-25: +5.5%yoy). Meanwhile, core CPI remained flat at +1.8%yoy, still signaling mild underlying price pressures. The modest price pressures seen across food, non-food, and core inflation categories indicate that the combined effect of last year's government policy changes, including the shift to targeted subsidies, higher utility tariffs, and the SST rate increase, has been less impactful on overall inflation than originally expected. Given the latest announcement by the government, we forecast that moderate inflation will likely extend into the early part of the 2HCY25; but we continue to expect inflation to accelerate, but potentially not as fast as we expected previously. Additionally, the broadened SST scope is projected to contribute to higher prices although the impact has been rather muted in Jul-25, which suggests the overall inflationary impact is expected to be contained. The moderating effect of the recent crude oil price trends, which remain below last year, also helps to limit upward price pressures this year.

Chart 13: Headline vs. Core CPI (YoY%)



Source: MATRADE, Macrobond, MBSBR

Chart 14: Key CPI Data (YoY%)

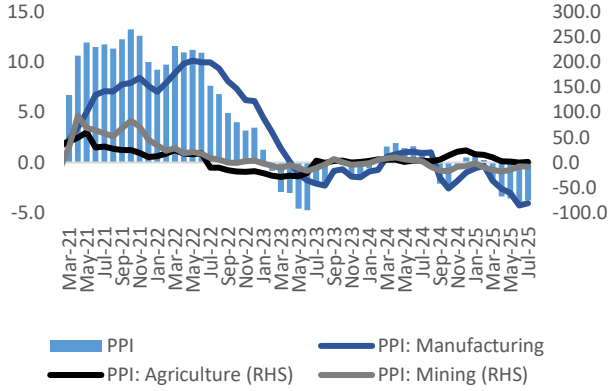


Source: MATRADE, Macrobond, MBSBR

PPI deflated for the fifth consecutive month albeit at slower pace

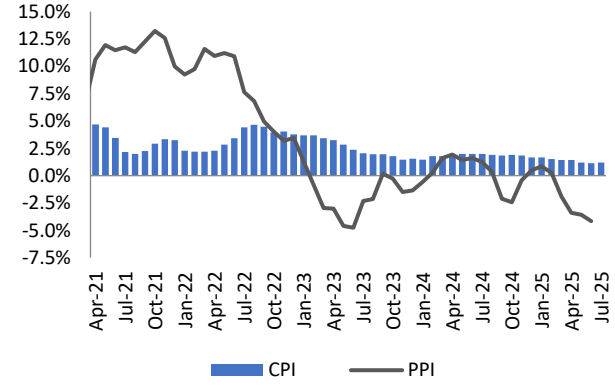
The downward pressure in Malaysia's producer prices persists with a slower deflation of -3.8%yoy in Jul-25 (Jun-25: -4.2%yoy), marking the fifth consecutive month of contraction. The continued deflation was due to broad-based declines across all major sectors, with persistent price weakness in the mining sector (-8.7%yoy; Jun-25: -8.0%yoy), reflecting lower crude petroleum (-9.8%yoy) and natural gas (-4.7%yoy) output. PPI for the manufacturing sector also contracted at a softer rate (-4.0%yoy; Jun-25: -4.3%yoy), weighed down by coke & refined petroleum products (-15.7%yoy) and computer, electronic & optical products (-7.6%yoy). In contrast, agriculture, forestry & fishing rebounded (+1.1%yoy; Jun-25: -0.3%yoy), supported by perennial crops (+3.1%yoy), while electricity & gas supply expanded faster (+4.0%yoy; Jun-25: -0.2%yoy) and water supply dipped slightly (-0.1%yoy). On a monthly basis, producer prices rebounded by +0.3%mom in Jul-25 (Jun-25: -0.7%mom), with price gains in agriculture (+2.5%mom), electricity & gas (+3.4%mom), and water (+0.9%mom) industries offsetting a price fall in the manufacturing industry (-0.1%mom) and flat reading for the mining sector. PPI declined for all stages of processing, including crude materials for further processing (-5.8%yoy), intermediate materials, supplies & components (-3.7%yoy), and finished goods (-2.4%yoy). The wide gap between PPI deflation and CPI inflation persisted in Jul-25, as the CPI inflation accelerated slightly to +1.2%yoy (Jun-25: +1.1%yoy). Looking ahead, we expect inflation to trend higher in the final 5 months of the year, driven by rising cost pressures and policy measures such as the expanded SST coverage. Stronger demand from the recent OPR cut and cash handouts could also add to price pressures, though the petrol price hike— which will largely affect non-citizens and high-income groups—should be partly offset by a lower subsidised RON95 price.

Chart 15: PPI for Selected Sectors (YoY%)



Source: MATRADE, Macrobond, MBSBR

Chart 16: PPI vs CPI (YoY%)



Source: MATRADE, Macrobond, MBSBR

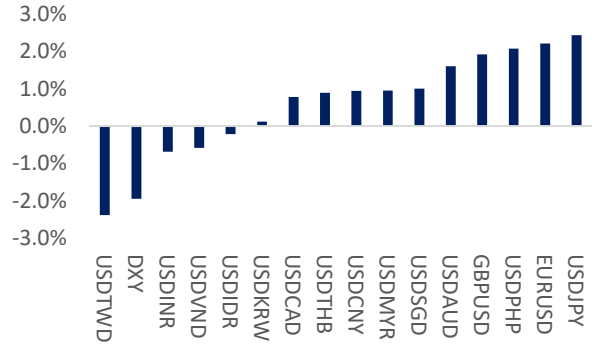
Ringgit reversed course and resumed the appreciating trend in the past 7 months excluding Jul-25

The ringgit appreciated by +1.0%mom in Aug-25, closing at RM4.225 by the end of month (end-Jul-25: RM 4.265). In the first 8 months this year, the ringgit has strengthened by +5.9%ytd (Jul-25: +4.9%ytd). Like other currencies, the ringgit gained against the weakening of the US dollar. On the domestic front, the ringgit's appreciation last month was backed by reduced demand for the US dollars following the positive reaction stemming from the the US decision to impose a relatively lower import tariff on Malaysian exports at 19%, keeping Malaysia to remain competitive among its peers. On top of that, the latest data release continued to indicate still robust domestic economic activities, such as stronger industrial production and distributive trade, on the back of healthy labour market. On top of that, Malaysia's domestic consumption is expected to be supported by a recent mini fiscal measure and the recent pre-emptive OPR cut. In addition, ongoing fiscal reforms, including the expansion of the Sales and Service Tax (SST) coverage and further subsidy rationalisation are anticipated to bolster investor confidence in the ringgit outlook.

Ringgit also slightly appreciated the value of major trading partner currencies.

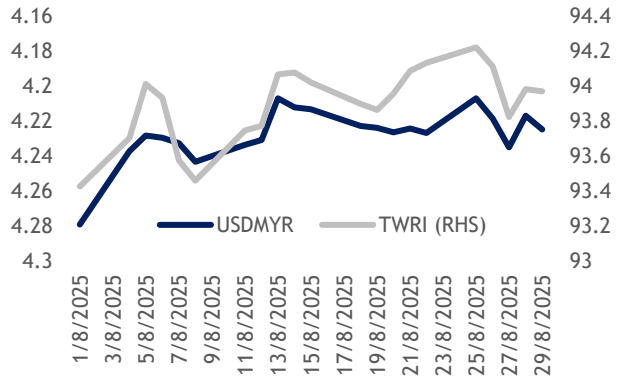
The ringgit strengthened against currencies of Malaysia's major trading partners as our MBSB Trade-Weighted Ringgit Index (TWRI) increased by +0.5%mom to 93.97 (Jul-25: 93.54). The appreciation was recorded mainly against the Taiwan dollar (+3.3%mom), Turkish lira (+2.2%mom), and Nepalese rupee (+1.6%mom). We opine the nominal appreciation of the ringgit against a basket of currencies signals Malaysia's improved growth fundamentals vis-à-vis its major trading partners.

Chart 17: Monthly FX Rate Changes for Selected Currencies Against US Dollar (%)



Source: MATRADE, Macrobond, MBSBR

Chart 18: USDMYR vs. US Dollar Index vs. MBSB Trade-Weighted Index Monthly Average

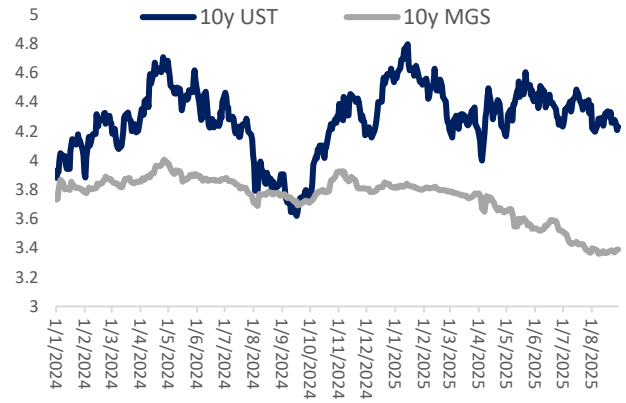


Source: MATRADE, Macrobond, MBSBR

10y MGS yield increased last month.

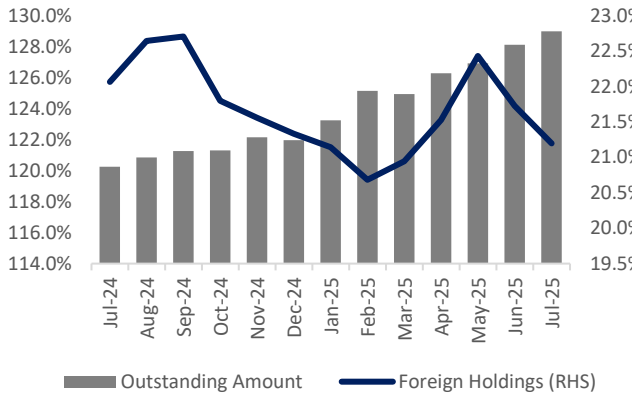
The MGS yield curve moved higher last month, again seeing a decoupling trend contrary to the downward shift in the UST yield curve. The 10-year MGS yield increased by +1.6bps to 3.38% in Aug-25; gradually moved lower to around 3.36% in the first week of the month before rebounding higher towards 3.40% by the end of the month. The recovery in the MGS which moved slightly higher in the second half of the month was on the back of easing market expectations for another OPR cut by BNM after the pre-emptive reduction by -25bps to 2.75% in Jul-25. Based on the latest available data, foreign holdings of Malaysian bonds decreased by -RM5.5b to RM291.1b in Jul-25 (Jun-25: 296.6b), and as a result the ratio of foreign holding dropped to 21.3% (Jun-25: 21.7%) of total outstanding government bonds. We expect foreign funds to have returned to the domestic debt market given the slight appreciation of ringgit and the continued foreign net selling in the equity market last month.

Chart 19: 10y MGS vs 10y UST Yields (%)



Source: MATRADE, Macrobond, MBSBR

Chart 20: Share of Foreign Holding (%) vs Outstanding MGS/MGII (RM t)



Source: MATRADE, Macrobond, MBSBR

Malaysia's economic growth to moderate to +4.3% in 2025

We continue to expect Malaysia's growth to moderate this year to +4.3% in 2025 (2024: +5.1%). We tweak our 2025 GDP growth projection somewhat higher (from the previous forecast of +4.0%). Firstly, the 1HCY25 growth is still better than our earlier calculations, although the 2QCY25 GDP was marginally lower than the advance estimate of +4.5%yoy. On another note, despite the persistent weakness in the commodity exports, external trade also showed resilience due to the front-loading effects and stronger pick-up in re-exports. We also anticipate there will be more support to 2H growth from the pre-emptive OPR cut and the additional fiscal measures. Nevertheless, we maintain that higher tariffs, albeit lower than previously announced and what we factored in our projection previously, would adversely affect external demand, particularly from the US. While domestic demand will ensure sustained growth going forward, downside risks remain, especially from the external uncertainties (e.g. escalating trade and geopolitical tensions), weaker demand from major markets and the possibility of higher price pressures from policy changes (e.g. the rollout of targeted RON95 subsidy). For the trade outlook, uncertainties remain as the US may introduce additional tariffs on the semiconductor industry, which accounts for the largest share of Malaysia's exports to the US.

Table 1: Selected Macroeconomic Data: Past Performance and Latest Projection (%)

(YoY %) Unless Stated Otherwise	2021	2022	2023	2024	2025F
Real GDP	3.3	8.9	3.6	5.1	4.3
Govt. Consumption	5.8	5.1	3.3	4.7	5.1
Private Consumption	1.8	11.3	4.7	5.1	4.8
Gross Fixed Capital Formation	(0.7)	6.8	5.5	12.0	6.1
Govt. Investment	(11.0)	5.3	8.6	11.1	6.6
Private Investment	2.8	7.2	4.6	12.3	9.6
Exports of goods & services;	18.5	14.5	(7.9)	8.3	3.7
Goods Exports	21.4	11.0	(12.5)	5.3	1.9
Services Exports	(8.2)	58.3	32.9	25.5	12.4
Imports of goods & services;	21.2	16.0	(6.8)	8.2	4.3
Goods Imports	23.8	14.4	(10.9)	8.9	2.1
Services Imports	7.7	25.7	16.1	5.7	4.5
Net Exports	(4.0)	(1.5)	(22.2)	9.2	(4.7)
Agriculture etc.	(0.3)	1.3	0.7	3.1	1.2
Mining & Quarrying	0.9	3.5	0.5	0.9	(3.5)
Manufacturing	9.5	8.2	0.7	4.2	3.5
Construction	(5.2)	5.1	6.1	17.5	12.2
Services	2.2	11.3	5.1	5.3	4.9
Exports of Goods (f.o.b)	26.1	24.9	(8.0)	5.7	2.0
Imports of Goods (c.i.f)	23.3	31.0	(6.4)	13.2	1.6
Headline CPI Inflation (%)	2.5	3.4	2.5	1.8	1.8
Current Account, % of GDP	3.9	3.2	1.1	1.4	1.4
Fiscal Balance, % of GDP	(6.4)	(5.6)	(5.0)	(4.1)	(3.5)
Federal Government Debt, % of GDP	63.2	60.3	64.3	64.6	62.9
Unemployment Rate (%)	4.6	3.8	3.4	3.3	3.0
Brent Crude Oil (Avg), USD per barrel	71.5	102.0	82.2	79.9	63.0 - 70.0
Crude Palm Oil (Avg), MYR per tonne	4,486	5,262	3,813	4,194	4,100
USD/MYR (Avg)	4.14	4.40	4.56	4.56	4.30
USD/MYR (End-period)	4.17	4.35	4.59	4.47	4.25
MGS 10-Yr Yield (Avg)	3.23	4.07	3.86	3.83	3.68
MGS 10-Yr Yield (End-period)	3.59	4.04	3.73	3.84	3.60
Overnight Policy Rate (%)	1.75	2.75	3.00	3.00	2.75

Source: Macrobond, National Sources, MBSBR

AUGUST 2025 KEY ECONOMIC EVENTS

1 August: KESUMA: Minimum wage extended to contract apprentices as amended act takes effect. The National Wages Consultative Council (Amendment) Act 2025 came into effect today, extending the current minimum wage to apprenticeship contract workers.

5 August: MITI To Maximise RM227 Billion Allocation for Economic Transformation under 13MP. The Ministry of Investment, Trade and Industry (MITI) has pledged to ensure the RM227 billion allocation for the economic sector under the 13th Malaysia Plan (13MP) will be fully utilised to drive the country's economic transformation.

6 August: Malaysia Plans Specific Water Tariff for Data Centres, Pushes Use of Recycled Water. The Malaysian government is working with state regulators to introduce a specific water tariff for data centres and heavy industrial users, while encouraging the adoption of recycled water and district cooling systems to reduce the strain on clean water resources.

6 August: InvestKL secures 1H investments of RM2.8b, anchors five regional hubs in Greater KL InvestKL has secured RM2.8 billion in committed investments in the first half of 2025 (1H2025), establishing five new regional hubs in Greater Kuala Lumpur, and creating 1,197 high-skilled jobs with average executive salaries exceeding RM11,700.

7 August: Over 160,000 'buy now, pay later' users have RM121.8m in overdue debt, Parliament hears. A total of 168,967 'buy now, pay later' (BNPL) account holders, or 2.6% of the total 6.5 million users, had overdue balances as of June 30, said Deputy Finance Minister Lim Hui Ying. She said the outstanding BNPL loan balance for the same period stood at RM3.8 billion, representing 0.2% of Malaysia's total household debt.

11 August: Plantation Ministry aims to expand cocoa cultivation to 10,000 hectares by 2030 The Ministry of Plantation and Commodities (KPK) aims to expand the country's cocoa cultivation area to 10,000 hectares (ha) by 2030, from the current 5,985ha, to meet the growing demand for high-quality Malaysian cocoa.

11 August: China tourist arrivals to Malaysia hit 1.8 million in first five months of 2025, says deputy minister. Nearly 1.8 million tourists from China visited Malaysia between January and May this year, following the introduction of a visa waiver for Chinese travellers. Deputy Tourism, Arts and Culture Minister Khairul Firdaus Akbar Khan said that after the policy took effect in 2024, Chinese tourist arrivals rose significantly, from 1.6 million in 2023 to 3.4 million last year.

11 August: Gobind: Malaysia records RM3.29b approved investments in AI for January-June 2025. Malaysia has successfully drawn approved investments totalling RM3.29 billion for the artificial intelligence (AI) sector under the Digital Malaysia initiative for the period from January to June this year, with the potential to create approximately 6,920 job opportunities.

12 August: Malaysia, Bangladesh Sign Eight Deals to Boost Cooperation. Malaysia and Bangladesh have signed eight memoranda of understanding (MoUs) and agreements covering defence, energy, education, diplomacy, halal development and private sector collaboration.

12 August: Govt Keeps LPG Subsidies for MSMEs. Micro and small food and beverage businesses will still be allowed to use subsidised liquefied petroleum gas (LPG) even if their monthly consumption exceeds 42 kilogrammes, the government confirmed today.

12 August: Loss of oil palm land costs Malaysia RM1.7b annually. MALAYSIA is losing an estimated RM1.7 billion in annual palm oil export revenue following a sharp decline in smallholder-owned plantation areas over the past four years. Malaysian Palm Oil Board (MPOB) data showed the area had contracted by 137,133ha, from 955,811ha in 2020 to 818,678ha in 2024. The reduction is equivalent to 192,035 football fields.

13 August: Task force for sick, abandoned projects revived over RM113b worth of homes, says deputy housing minister. A total of 1,171 private housing projects with a gross development value (GDV) of RM113.55 billion have been revived by the Task Force for Sick and Abandoned Private Housing Projects under the Ministry of Housing and Local Government.

13 August: Aid totalling RM3.6b reached over 204,000 MSME entrepreneurs, cooperatives in first half of year, says minister. A total of 204,429 micro, small and medium enterprise (MSME) entrepreneurs and cooperatives nationwide received RM3.59 billion in financing assistance in the first six months of this year.

20 August: Divided Fed worried about tariffs, inflation and the labor market, minutes show. Federal Reserve officials worried at their July meeting about the state of the labor market and inflation, though most agreed that it was too soon to lower interest rates, minutes released Wednesday showed.

22 August: Powell says Fed may need to cut rates, will proceed carefully. Federal Reserve Chair Jerome Powell on Friday signalled a possible interest rate cut at the U.S. central bank's meeting next month, saying that risks to the job market were rising but also noting inflation remained a threat and that a decision wasn't set in stone.

22 August: MP13 Passed, Explanation by Ministers on Various Issues During Fifth Week Sitting of Dewan Rakyat. The fifth week of the Dewan Rakyat sitting saw the 13th Malaysia Plan (MP13), which serves as the direction of the country's development for the period 2026 to 2030, passed by the august House.

25 August: Gig Workers Bill Tabled for First Reading in Dewan Rakyat. The Gig Workers Bill 2025, aimed at safeguarding the welfare of 1.2 million gig workers in the country, was tabled for its first reading in the Dewan Rakyat today.

28 August: Dewan Rakyat Passes Government Procurement Bill 2025. The Dewan Rakyat today passed the Government Procurement Bill 2025, a landmark legislation aimed at strengthening obligations, responsibilities, governance and transparency in public procurement.

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