IPI Surged +8.2%yoy in Apr-26 Amid Robust Export Growth

Economic Review
Apr-26 Industrial Production



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Economic Review

- Malaysia's IPI growth accelerated to +8.2%yoy in Apr-26 (Mar-26: +4.1%yoy), far exceeding the market expectations but generally within our expectations. All major sectors recorded stronger output growth.
- Manufacturing sales growth also jumped to +9.1%yoy in Apr-26 (Mar-26: +5.3%yoy), with the monthly value reaching a new high of RM175b. The sustained growth marks the 28th month of expansion, driven by robust double-digit growth in sales of E&E components.
- We maintain our forecast for IPI growth at +3.0% in 2026 (2025: +3.4%), on the back of sustained demand for technology products and inventory restocking. Nevertheless, we remain cautious that the outlook could be constrained by elevated production costs, uncertainty surrounding global trade policies, and potential supply-chain disruptions.

IPI growth at the fastest pace in 43 months

Malaysia's IPI growth accelerated to +8.2%yoy in Apr-26 (Mar-26: +4.1%yoy), marking the fastest growth since Sep-22. While the growth far exceeded +4.0%yoy predicted by the consensus, it is slightly higher than our estimate of +8.0%yoy, taking into account more robust exports and the low base effect. All major sectors recorded stronger output growth. Mining output rebounded +6.8%yoy (Mar-26: -6.5%yoy) after 2 months of contraction, underpinned mainly by the surge in natural gas production in contrast to continued weakness in crude oil extraction. Meanwhile, manufacturing output rose faster at +8.3%yoy (Mar-26: +5.5%yoy) driven by higher production across various sub-sectors, with robust output of E&E products and stronger production of refined petroleum products. Electricity generation also grew stronger at +10.5%, the fastest since Feb-24 on the back of increased energy consumption.

Manufacturing sector gains from rising demand…

Stronger manufacturing output was the major contributor the robust IPI growth, closely tracking the surge in export growth during the month. The product breakdown was more or less similar to the stronger external demand, with continued robust production of E&E products, stronger output of refined petroleum as well as rebounds in chemicals & chemical products, rubber products, computers & peripheral equipment, and motor vehicles. As shown by the jump in Malaysia's S&P Global manufacturing PMI to 4-year high (Apr-26: 51.6, Mar-26: 50.7), this suggests Malaysia benefited from increased demand as firms in many parts of the world adopt inventory building in reaction to the global supply disruptions, triggered by the Middle East conflict. While this may present a boost to IPI growth, the prolonged disruption and higher inflation outlook could constrain demand latter part of the year. The recent upside could be short-lived as the manufacturing PMI fell to 49.9 in May-26, back to contractionary as new orders and output moderated amid subdued demand.

Stronger output in both export- and domestic-oriented sectors

Production in the export-oriented sectors grew faster by +8.5%yoy (Mar-26: +6.7%yoy), with sustained double-digit growth in computers, electronics & optical products; and higher output of other exports products such as oil & fats; electrical equipment, wood & wood products, furniture, textile, refined petroleum and rubber products. Meanwhile, output

growth in the domestic-oriented sectors also strengthened to +8.0%yoy (Mar-26: +2.8%yoy), with strong output of construction products (+6.5%yoy; Mar-26: +3.7%yoy) and consumer products (+8.9%yoy; Mar-26: +2.2%yoy). For the consumer products, increased output was seen across various products, including food products, tobacco products, paper & papers products as well as double-digit rise in output of motor vehicles and beverages.

IPI recorded stronger monthly rise in all major sectors

On month-on-month basis, Malaysia's IPI grew faster by +5.5%mom (Mar-26: +1.1%mom), based on seasonally adjusted data. All sectors recorded stronger monthly rise, with electricity generation rebounding by +5.4%mom (Mar-26: -0.4%mom) after 2 months of contraction, and manufacturing output rising faster at +4.8%mom (Mar-26: +1.1%mom). In addition, mining production also recorded faster growth (+8.0%mom; Mar-26: +4.8%mom) as output for both natural gas and crude oil improved from previous month.

Manufacturing sales also surged in Apr-26

Manufacturing sales growth also jumped to +9.1%yoy in Apr-26 (Mar-26: +5.3%yoy), with the monthly value reaching a new high of RM175b. The sustained growth marks the 28th month of expansion, driven by robust double-digit growth in sales of E&E components. Other goods such as refined petroleum, chemicals, iron & steel and motor vehicles also recorded increased sales in Apr-26. The exception was consumer electronics, where sales continued to fall sharply by -22.5%yoy (Mar-26: -26.6%yoy). On the month-on-month perspective and based on the seasonally-adjusted, manufacturing sales expanded faster by +9.5%mom (Mar-26: +4.8%mom), with double-digit growth in sales of refined petroleum, rubber gloves, computer & peripherals, and motor vehicles. In contrast, sales of E&E components, consumer electronics and iron & steel were weaker than Mar-26. Broadly, we expect manufacturing sales to continue growing, especially driven by the increased external demand and domestic consumption. However, this may be affected by rising prices and potential supply disruption.

Divergent and uneven performance as IPI growth moderated in selected countries

Looking at the trends in other economies, IPI growth remained divergent across major economies in Apr-26, despite global manufacturing PMIs continuing to signal expansion. In the US, IPI growth picked up to +1.4%yoy (Mar-26: +0.8%yoy), particularly driven by increased output in the manufacturing and utilities industries. China's IPI growth, however, slowed to +4.1%yoy (Mar-26: +5.7%yoy), the slowest growth since Jul-23 as output growth moderated in the manufacturing and mining sectors. Taiwan and South Korea also reported slower growth, but for Taiwan in particular the growth remained in double digit underpinned by still robust production of technology and semiconductors. Meanwhile, manufacturing output growth accelerated to +14.7%yoy for the Philippines, underpinned by stronger output of IPI, which also expanded faster at +17.6%yoy for Singapore, driven by increased electronics output and precision engineering.

Maintain IPI growth at +3% this year

We maintain our forecast for IPI growth at +3.0% in 2026 (2025: +3.4%). The continued growth will be supported by increased manufacturing output, particularly in the E&E sector, amid sustained demand for technology products and inventory restocking. Nevertheless, we remain cautious that the outlook could be constrained by elevated production costs, uncertainty surrounding global trade policies, and potential supply-chain disruptions arising from geopolitical tensions. Despite these headwinds, resilient demand from both domestic and external markets would keep overall IPI growth in positive territory throughout the year.

Table 1: Malaysia – Summary of Industrial Production Index

	MoM%*				YoY%			
	Jan-26	Feb-26	Mar-26	Apr-26	Jan-26	Feb-26	Mar-26	Apr-26
IPI	0.9	(2.9)	1.1	5.5	5.9	3.1	3.1	8.2
Mining	(0.1)	(5.8)	3.9	8.0	0.1	(2.0)	(6.5)	6.8
Manufacturing	1.1	(2.4)	1.1	4.8	7.3	4.2	5.5	8.3
Electricity	1.0	(1.0)	(0.4)	5.4	6.2	4.6	4.8	10.5

* MoM is seasonally adjusted
Source: Macrobond, DOSM, MBSBR

Table 2: Changes in IPI Major Industries (YoY%)

	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
IPI	**4.1**	**4.8**	**5.9**	**3.1**	**3.1**	**8.2**
Mining	**1.1**	**(2.5)**	**0.1**	**(2.0)**	**(6.5)**	**6.8**
Crude Petroleum	1.6	6.4	3.8	(4.3)	(11.3)	(6.4)
Natural Gas	0.7	(7.9)	(2.1)	(0.4)	(3.4)	16.6
Manufacturing	**4.9**	**6.7**	**7.3**	**4.2**	**5.5**	**8.3**
Food Products	8.0	12.1	13.0	5.5	9.5	8.8
Refined Petroleum Products	(2.7)	(0.8)	(4.0)	(3.4)	2.4	4.2
Chemicals & Chemicals Products	(0.7)	2.6	(0.2)	(0.1)	(1.0)	2.9
Rubber Products	(1.7)	(0.9)	(0.6)	(2.6)	(2.8)	4.5
Basic Metals	5.9	7.0	6.7	3.6	4.5	7.2
Electrical & Electronic Products	10.8	12.8	15.2	12.9	12.5	12.8
Computers & Peripheral Equipment	1.7	4.4	2.6	(3.2)	(4.8)	8.5
Machinery & Equipment	9.0	10.3	8.9	2.3	3.8	7.7
Motor Vehicles, Trailers & Semi-Trailers	1.2	1.8	2.9	(10.5)	(9.8)	13.5
Electricity	**3.7**	**3.8**	**6.2**	**4.6**	**4.8**	**10.5**

Source: Macrobond, MBSBR

Table 3: Changes in IPI for Export-Oriented Industries (YoY%)

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
IPI: Export-Oriented Industries	**7.2**	**5.0**	**7.6**	**7.8**	**4.9**	**6.7**	**8.5**
Computer, Electronic and Optical Products	14.2	10.7	13.2	17.2	15.7	14.8	14.6
Electrical Equipment	9.3	13.9	12.2	6.1	3.5	3.0	5.3
Chemicals and Chemical Products	1.5	(0.7)	(4.2)	(0.2)	(0.1)	(1.0)	2.9
Coke and Refined Petroleum Products	(2.4)	(2.7)	3.8	(4.0)	(3.4)	2.4	4.2
Vegetable & animal oils & fats	12.9	5.7	14.0	20.7	0.2	13.5	9.3
Textiles	(0.7)	(3.1)	8.1	1.9	(5.1)	(2.4)	1.2
Wearing Apparel	1.8	2.3	8.2	2.2	(0.8)	2.7	4.5
Wood and Wood Products	2.1	3.7	4.0	4.7	2.9	3.2	5.1
Furniture	9.8	7.5	3.9	7.7	3.9	3.4	5.9
Rubber Products	(1.6)	(1.7)	(8.0)	(0.6)	(2.6)	(2.8)	4.5

Source: DOSM, MBSBR

Table 4: Changes in IPI for Domestic-Oriented Industries (YoY%)

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
IPI: Domestic-Oriented Industries	**4.9**	**4.6**	**4.2**	**6.4**	**2.7**	**2.8**	**8.0**
Construction (CO)	4.8	3.7	3.9	7.0	3.5	3.7	6.5
CO: Non-Metallic Mineral	(1.1)	0.3	(4.0)	5.0	3.2	2.6	6.7
CO: Iron and Steel	8.5	5.9	15.2	6.7	3.6	4.5	7.2
CO: Fabricated Metal	7.1	5.0	3.8	8.5	3.6	4.0	5.8
Consumer (CS)	5.0	5.2	4.4	6.0	2.2	2.2	8.9
CS: Food Products	8.7	9.6	8.8	8.9	8.3	7.3	8.6
CS: Motor Vehicles, Trailers and Semi-Trailers	(3.3)	1.3	(1.8)	2.9	(10.5)	(9.8)	13.5
CS: Other Transport Equipment	4.7	3.4	12.6	5.2	4.0	3.2	4.5
CS: Beverages	15.9	10.3	3.5	11.4	11.1	9.1	12.4
CS: Tobacco Products	1.1	4.4	9.0	3.1	1.9	3.6	4.8
CS: Paper and Paper Products	(0.7)	(3.9)	(1.6)	1.3	(2.8)	(1.9)	2.2
CS: Others	2.8	3.1	6.5	1.8	2.5	1.5	2.6

Source: DOSM, MBSBR

Table 5: Manufacturing Sales (MoM% and YoY%)

	MoM%			YoY%		
	Feb-26	Mar-26	Apr-26	Feb-26	Mar-26	Apr-26
Manufacturing Sales	**(5.9)**	**8.7**	**1.1**	**3.9**	**5.3**	**9.1**
Seasonally adjusted month-on-month change (%)	*3.6*	*4.8*	*9.5*	-	-	-
Refined Petroleum Products	(14.9)	9.3	16.0	(8.3)	(2.8)	5.3
Chemicals and Chemical Products	(6.4)	3.8	2.1	(3.0)	(3.5)	2.4
Rubber Gloves	(16.8)	41.8	15.9	(11.5)	(10.9)	6.4
Iron & Steel Products	1.0	10.3	(2.9)	3.5	6.3	9.4
Diodes, Transistor & Electronic Integrated Circuits Mic	17.1	23.5	(28.6)	21.9	21.2	14.7
Electrical Capacitor Resistor, Circuit Board & Display Comp	13.9	11.5	(15.1)	27.8	27.0	27.7
Computers & Peripherals Equipment	5.1	(4.5)	53.1	(2.0)	(5.7)	7.5
Consumer Electronics	(14.4)	0.9	(9.8)	(9.0)	(26.6)	(22.5)
Motor Vehicles	(15.7)	(3.0)	36.5	(10.1)	(8.1)	18.8

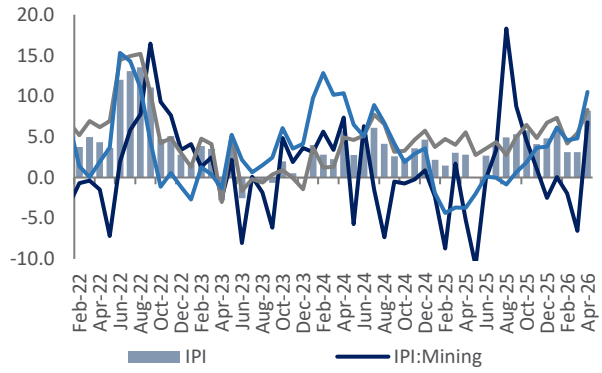
Source: Macrobond, DOSM, MBSBR

Table 6: IPI for Selected Economies (YoY%)

	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Malaysia	5.3	5.8	4.1	4.8	5.9	3.1	3.1	8.2
Philippines	0.3	2.2	(0.5)	1.0	2.6	5.1	13.1	14.7
Thailand	1.6	0.5	(3.7)	2.6	1.6	(0.2)	1.3	(0.4)
Singapore	6.0	15.0	8.2	10.9	9.9	3.6	9.2	17.6
S. Korea	14.4	(7.6)	0.0	1.6	6.8	(2.3)	3.9	1.5
Taiwan	18.2	15.9	18.4	23.1	27.9	16.6	26.1	14.2
China	6.5	4.9	4.8	5.2	6.3	6.3	5.7	4.1
India	4.6	0.5	7.2	8.0	5.1	5.1	4.1	4.9
Japan	2.2	0.1	(4.2)	0.9	0.7	0.4	2.4	2.3
Euro area	1.2	1.9	2.1	1.9	(0.6)	(0.8)	(2.1)	n.a.
USA	1.9	1.8	1.8	1.2	1.4	1.0	0.8	1.4

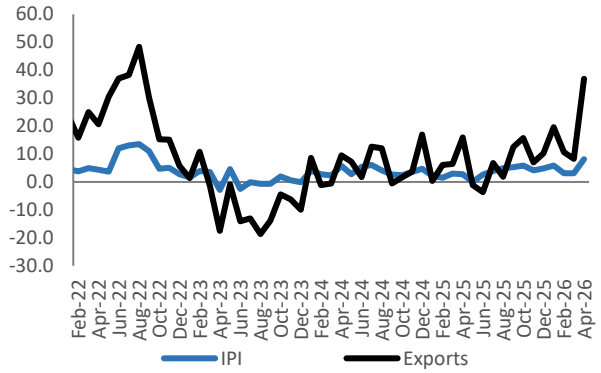
*n.a.: not available
Source: Macrobond, MBSBR

Chart 1: IPI Performance by Sector (YoY%)



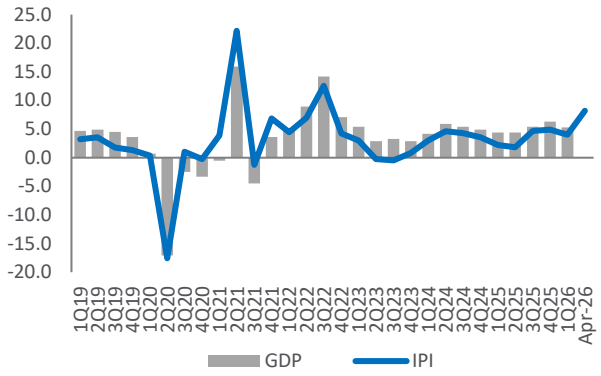
Source: Macrobond, MBSBR

Chart 2: IPI vs Exports (YoY%)



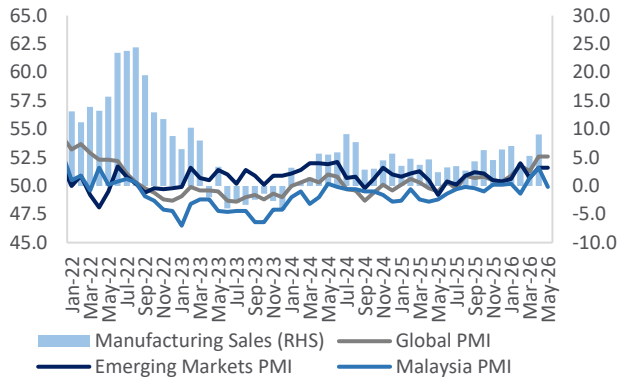
Source: Macrobond, MBSBR

Chart 3: IPI vs GDP (YoY%)



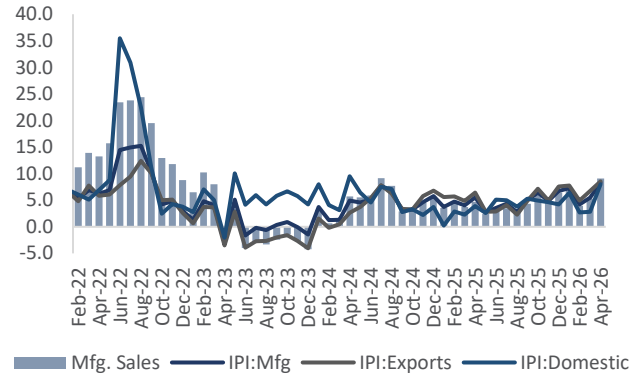
Source: Macrobond, MBSBR

Chart 4: Mfg. Sales (YoY%) vs PMI (Points)



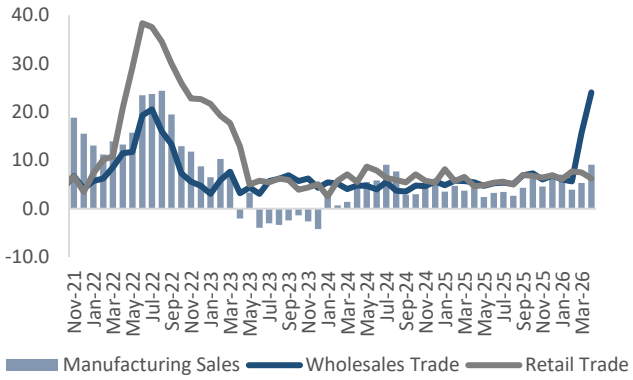
Source: Macrobond, MBSBR

Chart 5: IPI & Mfg. Sales (YoY%)



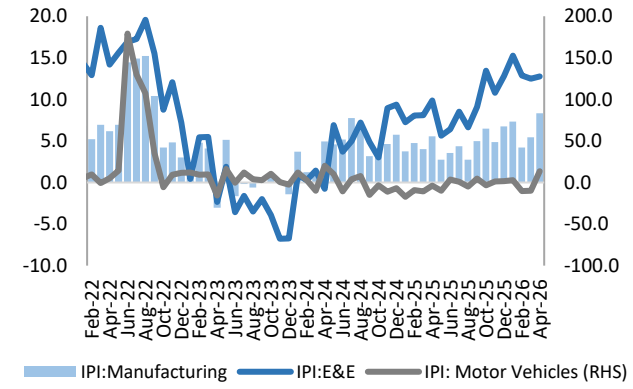
Source: DOSM, MBSBR

Chart 6: Mfg. Sales vs. Wholesale & Retail Trade (YoY%)



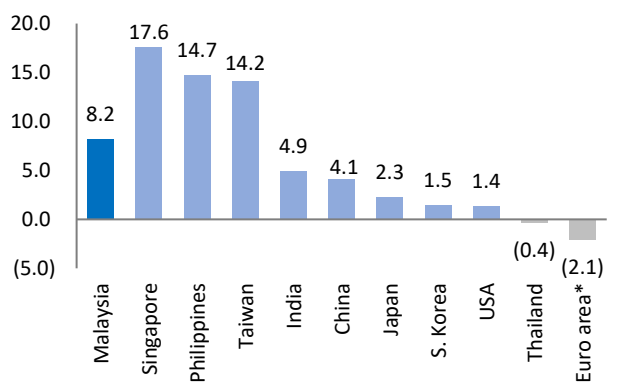
Source: DOSM, MBSBR

Chart 7: IPI: Mfg. vs IPI: Motor Vehicles & IPI: E&E (YoY%)



Source: Macrobond, MBSBR

Chart 8: Global IPI in Apr-26 (YoY%)



*Refers to the latest available data for Mar-26
Source: Macrobond, MBSBR

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