Leading Index Signals Growth to Moderate but Steady in the Near Term

Monthly Economic Review
May 2026



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Economic Review

- Malaysia's economic momentum is expected to remain expansionary, though at a more moderate pace as the Leading Index (LI) growth eased to +0.5%yoy in Mar-26 (Feb-26: +0.8%yoy). This increase was driven by expansion in three of the seven components, led by a +32.3%yoy surge in the Number of Housing Units Approved. However, growth was dragged by the contraction in Real Import of Semi-Conductors (-22.6%yoy) due to softer external demand.
- Malaysia's GDP growth moderated to +5.4%yoy in the 1QCY26 (4QCY26: +6.2%yoy), marginally higher than the advance estimate (+5.3%yoy) as well as market and our expectations. The moderation was seen across all sectors and type of expenditures, but domestic demand remained the major contributor to economic growth.
- Malaysia's total trade surged double-digits by +28.6%yoy in Apr-26 (Mar-26: +9.3%yoy). Exports spiked up by +36.9%yoy (Mar-26: +8.3%yoy), the highest reading since Aug-22. Similarly, import growth accelerated to +20.0%yoy (Mar-26: +10.4%yoy, recording two consecutive months of double-digit expansion.
- Malaysia's distributive trade surged by +9.8%yoy in Mar-26 (Feb-26: +5.3%yoy), mainly driven by the double-digit growth in wholesale trade (+15.7%yoy; Feb-26: +5.7%yoy). While retail trade remained resilient at +7.5%yoy (Feb-26: +7.7%yoy), motor vehicles continued to drag on overall performance with a -3.1%yoy contraction (Feb-26: -5.3%yoy), albeit at a slower pace.
- We maintain our projection for 2026 GDP growth at +4.2% (2025: +5.2%). Although the sustained growth will be underpinned by continued expansion in domestic economic activities alongside still resilient exports, the outlook could be constrained by downside risks, namely higher inflation and possibility of weaker external demand.

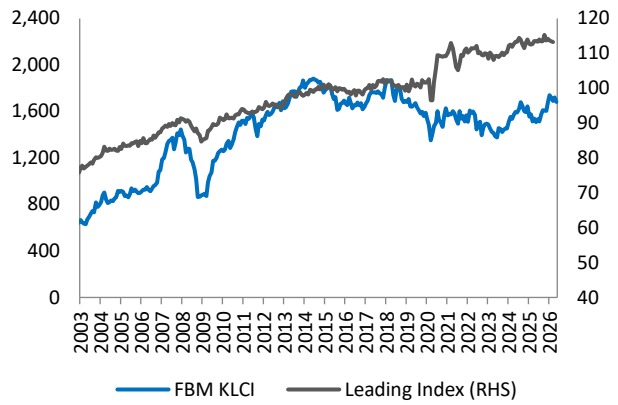
Leading index moderated

Malaysia's economic momentum is expected to remain expansionary, though at a more moderate pace as the Leading Index (LI) growth eased to +0.5%yoy in Mar-26 (Feb-26: +0.8%yoy). This increase was driven by expansion in three of the seven components, led by a +32.3%yoy surge in the Number of Housing Units Approved. However, growth was dragged by the contraction in Real Import of Semi-Conductors (-22.6%yoy) due to softer external demand.

On a monthly basis, the LI contracted by –0.1%mom (Feb-26: -0.3%mom), falling for the third straight month. This was due to declines in Real Semiconductor Imports (-0.9%mom%) and Registered Companies (-0.1%mom). Conversely, monthly gains were recorded for Real Money Supply M1 (+0.3%mom), Real Imports of Other Basic Precious and Non-ferrous Metals (+0.3%mom), and Approved Housing (+0.3% mom).

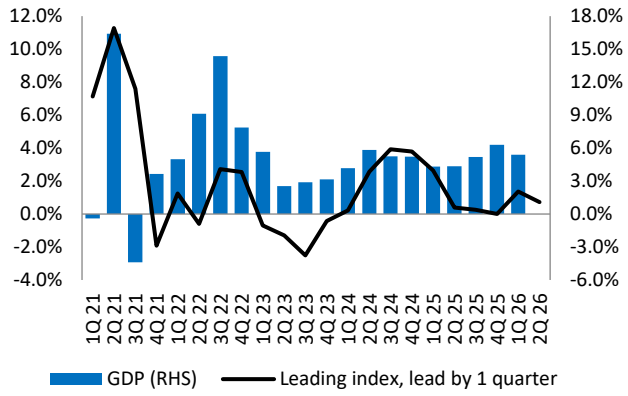
On the other hand, the coincident index (CI), which gauges current economic conditions, rose by +2.0%yoy in Mar-26 (Feb-26: +1.6%yoy). This was primarily driven by Real Contributions to the EPF (+16.4%yoy) and Volume Index of Retail Trade (+5.0%yoy). Similarly, monthly, the CI grew by +0.8%mom (Feb-26: -1.4%mom), mainly attributed to the expansion in Real Contributions to the EPF (+0.9%mom).

Chart 1: Leading Index vs KLCI (Points)



Source: Macrobond, MBSBR

Chart 2: Leading Index vs GDP (YoY%)



Source: Macrobond, MBSBR

GDP growth eased in 1QCY26, though still driven by increased domestic demand

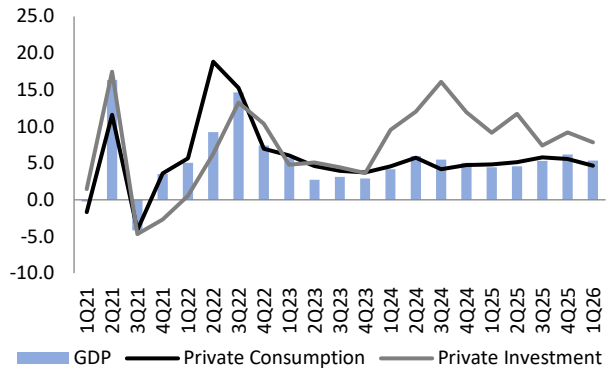
Malaysia's GDP growth moderated to +5.4%yoy in the 1QCY26 (4QCY26: +6.2%yoy), marginally higher than the advance estimate (+5.3%yoy) as well as market and our expectations. The moderation was seen across all sectors and type of expenditures, but domestic demand remained the major contributor to economic growth.

On the demand side, private consumption grew slower at +4.6%yoy (4QCY25: +5.8%yoy) and government spending also increased moderately at +4.1%yoy (4QCY25: +9.3%yoy). The expansion in gross fixed capital formation also eased to +7.3%yoy (4QCY25: +9.3%yoy) but still points to encouraging investment activities.

On the supply side, services growth slowed to +5.6%yoy (4QCY25: +6.2%yoy) and construction sector growth moderated further to +7.7%yoy (4QCY25: +10.9%yoy). Manufacturing sector experienced only a marginal easing to +5.9%yoy (4QCY25: +6.0%yoy). Meanwhile, growth for the agriculture sector slowed to +2.6%yoy (4QCY25: +5.7%yoy), while mining sector contracted by -2.1%yoy (4QCY25: +1.4 %yoy).

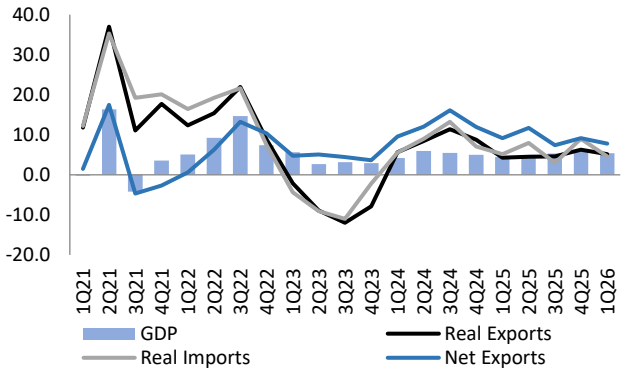
We maintain our projection for 2026 GDP growth at +4.2% (2025: +5.2%). Although the sustained growth will be underpinned by continued expansion in domestic economic activities alongside still resilient exports, the outlook could be constrained by downside risks, namely higher inflation and possibility of weaker external demand. External trade could slow as final demand may be affected by the global energy price shocks and slower production disrupted by higher input costs and shortages of petroleum-related products, amid ongoing tensions in the Middle East. In addition, tighter US trade policies, particularly widening of new tariffs on the semiconductor industry, also pose downside risks to Malaysia's E&E exports. On the domestic front, growth prospects may also face headwinds from softer consumer and business sentiment, as well as higher inflation (due to increased cost pressures) and supply disruptions. On the other hand, potential upside risks to our growth forecast could come from resilience in exports —particularly driven by higher demand for technology products— and domestic spending activity.

Chart 1: GDP vs Private Sector (YoY%)



Source: Macrobond, MBSBR

Chart 2: GDP vs External Trade (YoY%)



Source: Macrobond, MBSBR

Trade momentum accelerates on firm demand; price effects are likely in play

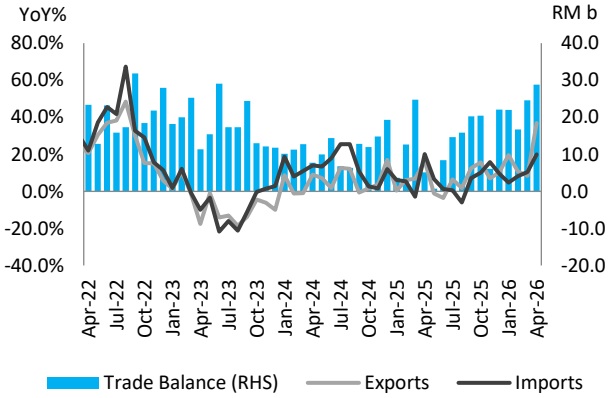
Malaysia's total trade surged double-digits by +28.6%yoy in Apr-26 (Mar-26: +9.3%yoy). Exports spiked up by +36.9%yoy (Mar-26: +8.3%yoy), the highest reading since Aug-22. Similarly, import growth accelerated to +20.0%yoy (Mar-26: +10.4%yoy, recording two consecutive months of double-digit expansion.

By sector, growth in manufacturing exports surged to +40.1% (Mar-26 +9.6%yoy), underpinned by the acceleration in E&E products (+46.4%yoy) and petroleum products (+70.2%yoy). Mining exports rebounded to +25.6%yoy (Mar-26: -0.4%yoy) while agriculture sector exports rose by +5.2%yoy (Mar-26: -7.8%yoy).

By destination, exports to the US increased faster by +39.0%yoy (Mar-26: +18.3%yoy). Meanwhile, exports to Singapore rebounded to +23.2%yoy (Mar-26: -10.3%yoy) and exports to China surged by +39.2%yoy (Mar-26: +7.0%yoy).

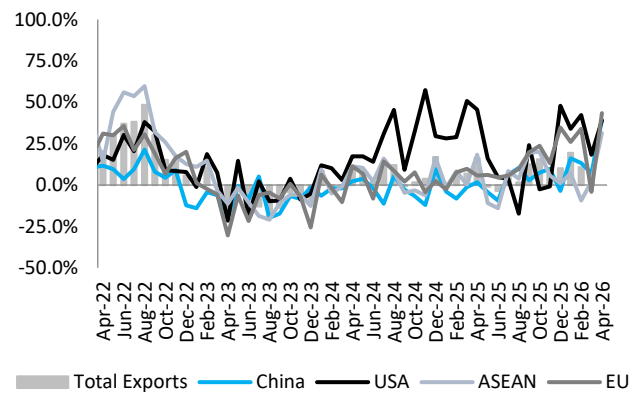
For 2026, export growth is projected to accelerate to +8.8% (2025: +6.4%), with imports rising to +7.5% (2025: +6.0%). Both will benefit from price-driven gains supported by elevated commodity prices. Export momentum will be driven by a surge in re-exports, a sustained global tech upcycles and expanding AI infrastructure fueling strong E&E demand. Additionally, a potential upside boost is expected from the front-loading of E&E shipments ahead of phased US semiconductor tariffs.

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



Source: Macrobond, MBSBR

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



Source: Macrobond, MBSBR

IPI posted steady growth driven by

Malaysia's IPI growth was unchanged at +3.1%yoy in Mar-26, largely in line with ours and market expectations. The sustained growth was driven by stronger manufacturing output

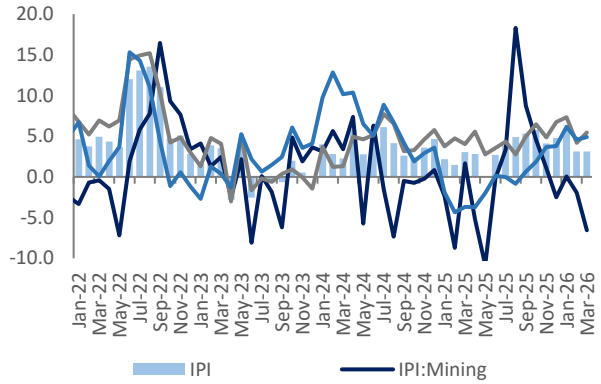
manufacturing and electricity output

(+5.5%yoy; Feb-26: +4.2%yoy) and electricity generation (+4.9%yoy; Feb-26: +4.6%yoy), in contrast to a sharper fall in mining output (-6.5%yoy; Feb-26: -2.0%yoy).

Manufacturing sales grew stronger at +5.3%yoy in Mar-26 (Feb-26: +3.9%yoy), with the monthly value reaching a new high of RM173.1b. The increase in Mar-26 marks the 27th month of expansion, primarily driven by higher sales of E&E components and iron & steel.

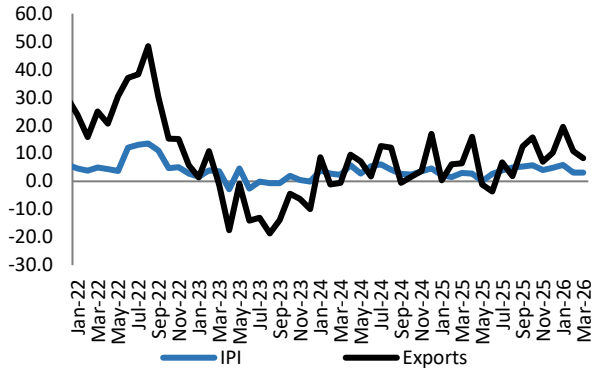
We maintain our forecast for IPI growth at +3.0% this year (2025: +3.4%). Nonetheless, we remain cautious that the production outlook may be constrained by rising production costs, weaker global demand, and potential supply disruptions stemming from the West Asia conflict.

Chart 7: IPI Performances by Sector (YoY%)



Source: Macrobond, MBSBR

Chart 8: IPI vs Exports (YoY%)



Source: Macrobond, MBSBR

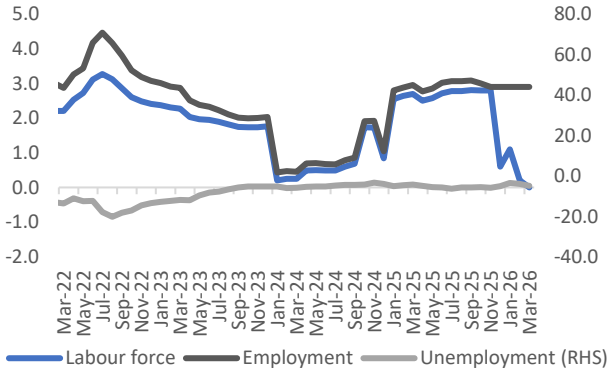
Malaysia's unemployment rate remains stable

Malaysia's labour market continued to remain robust in Mar-26, as the unemployment rate was unchanged at 2.9%. The Jobless rate continued to remain below 3.0% for the fifth straight month, and the lowest level in a decade.

Labour demand increased in Apr-26, with job vacancies increased by +15K to 122.0K (Mar-26: +107K), going above the 120K level. By sector, vacancies in the services sector rose by 5.1K to 63.7K, primarily attributable to increases recorded in the administrative and support service activities and professional, scientific and technical activities.

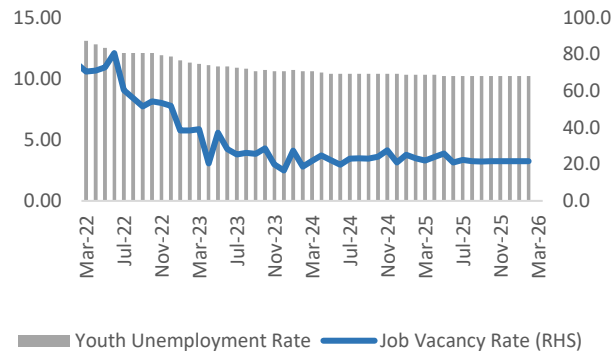
For 2026, we maintain our forecast for the unemployment rate to hold steady at 3.0%, matching the 2025 average. Economic stability is anchored by consistent employment growth and a high volume of opportunities within domestic-oriented services, further bolstered by resilient private consumption.

Chart 9: Labour Market Performances (YoY%)



Source: Macrobond, MBSBR

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



Source: Macrobond, MBSBR

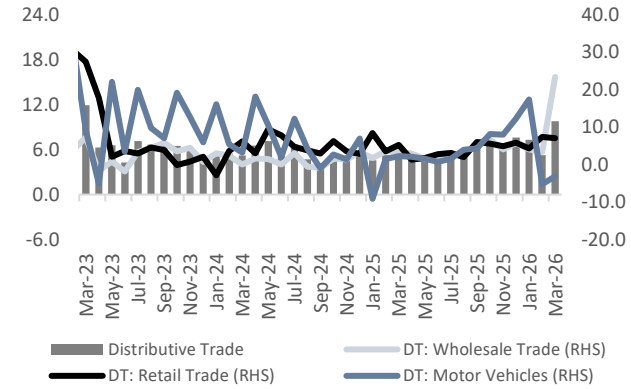
Retail momentum supported by festive demand amid middle east tensions

Malaysia's distributive trade surged by +9.8%yoy in Mar-26 (Feb-26: +5.3%yoy), mainly driven by the double-digit growth in wholesale trade (+15.7%yoy; Feb-26: +5.7%yoy). While retail trade remained resilient at +7.5%yoy (Feb-26: +7.7%yoy), motor vehicles, continued to drag on overall performance with a -3.1%yoy contraction (Feb-26: -5.3%yoy), albeit at a slower pace.

Retail trade rose by +7.5%yoy (Feb-26: +7.7%yoy) with expansion recorded in retail sales of automotive fuel in specialised stores (+10.6%yoy), via stalls & markets (+9.3%yoy), and not in stores, stalls or markets (+8.5%yoy). Firm retail trade performance was supported by Ramadan and Hari Raya festive demand. Phase 2 STR cash handouts also provided a critical liquidity boost.

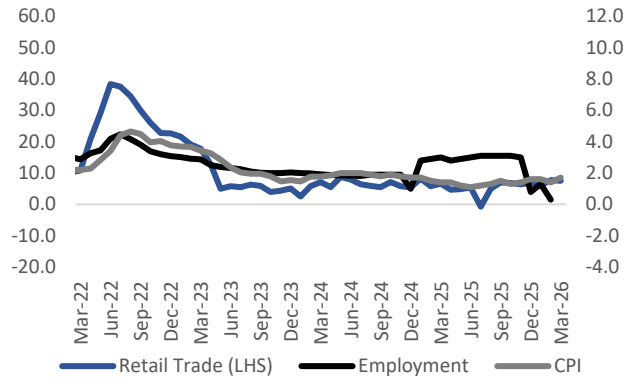
For 2026, we anticipate retail sales to moderate to +5.5% (2025: +6.1%). In 1QCY26. Over the longer term, a healthy labour market and the maturation of the Progressive Wage Policy are expected to establish a stable consumption floor. This should ensure that domestic tourism remains resilient, serving as a critical buffer against potential volatility in inbound travel stemming from Middle Eastern geopolitical tensions. However, the consumption outlook remains subject to a more challenging inflationary environment as the year progresses.

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



Source: Macrobond, MBSBR

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



Source: Macrobond, MBSBR

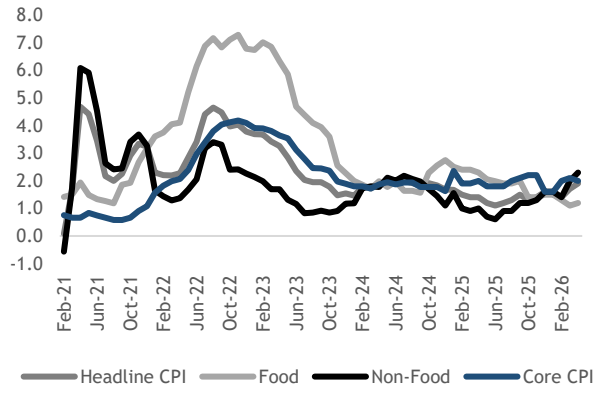
Inflation accelerated amid elevated energy risks

Malaysia's headline CPI inflation accelerated further to +1.9%yoy in Apr-26, the fastest inflation since Jul-24 and within our and market expectations. This Apr-26 data continues to capture global energy inflation due to intensified conflicts in the Middle East as well as higher inflation for non-food items, which increased to +2.3%yoy (Mar-26: +2.0%yoy).

However, core inflation eased to +2.0%yoy in Apr-26 (Mar-26: +2.1%yoy), with the monthly core inflation also moderated to +0.1%mom (Mar-26: +0.2%mom), indicating some easing in underlying price pressures.

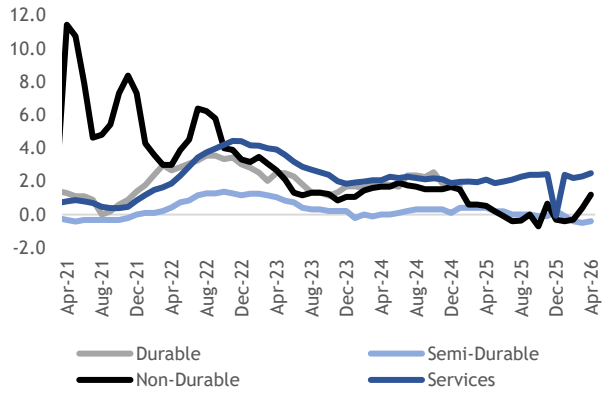
We keep our forecast that the headline inflation rate will increase to +2.0% this year (2025: +1.4%). Demand conditions are expected to remain resilient, supported by higher consumer spending, stable labour market, and supportive fiscal measures. Nevertheless, price pressures are expected to be predominantly supply-driven.

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



Source: Macrobond, MBSBR

Chart 14: CPI by Type of Product (YoY%)



Source: Macrobond, MBSBR

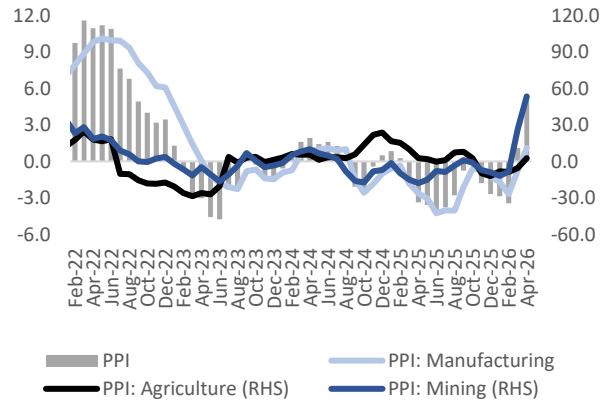
PPI accelerated, highest in four years

Malaysia's PPI surged by +5.4%yoy in Apr-26 (Mar-26: +1.1%yoy), marking two consecutive months of inflation and the highest reading since Aug-22. Iran conflict disruptions intensified producer cost pressures. Mining jumped to +53.4%yoy, reversing previous month's decline of -26.5%yoy, propelled by a +74.5%yoy spike in PPI for crude oil extraction.

Manufacturing prices rebounded by +1.1%yoy (Mar-26: -0.8%yoy), driven by a +3.8%yoy spike in electronics and optical products. Agriculture also bounced back to +2.7%yoy (from -5.6%yoy), led by fishing and perennial crops. Meanwhile, utilities remained strong: water supply stayed elevated at +10.8%yoy, and electricity and gas accelerated to +10.6%yoy. On a monthly basis, producer prices rose +3.2%mom, slowing from +4.1%mom in Mar-26.

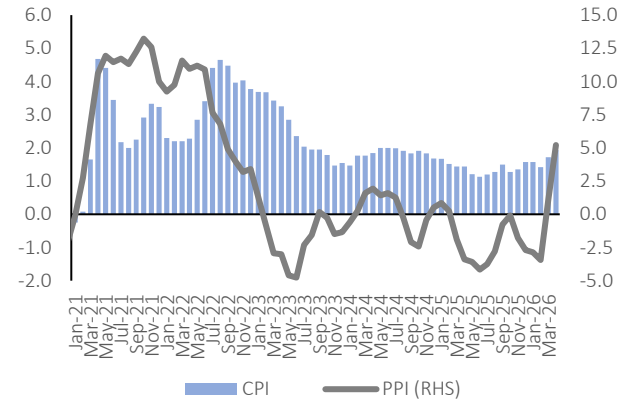
With PPI outpacing CPI (+1.9% YoY), near-term consumer price pressures are likely to intensify. Businesses face a critical choice: absorb the increased input costs and compress their margins, or pass them on to consumers, potentially triggering a sharper uptick in inflation.

Chart 15: PPI for Selected Sectors (YoY%)



Source: Macrobond, MBSBR

Chart 16: PPI vs CPI (YoY%)



Source: Macrobond, MBSBR

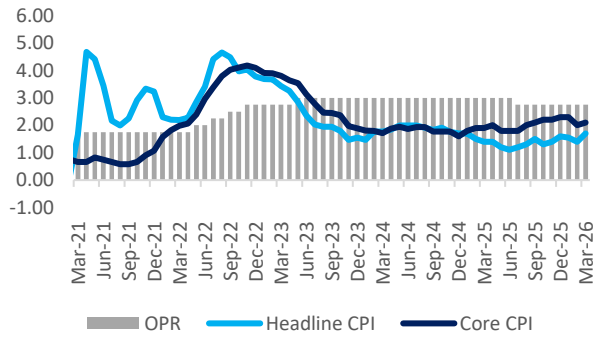
OPR Held at 2.75% Amid Lingering Inflationary Risks

As expected, BNM left the Overnight Policy Rate (OPR) unchanged at 2.75% at its May-26 Monetary Policy Meeting. This decision reflects steady global growth and resilient domestic economic conditions, alongside manageable inflationary pressures. At present, the current rate is deemed "appropriate and consistent" with the economic outlook.

At the domestic level, BNM highlighted that recent data suggest a continued growth trajectory in 1QCY26, supported by steady domestic demand and strong external trade performance. Looking ahead, domestic conditions are expected to remain resilient on the back of healthy labour market conditions, progress of multi-year projects, the rollout of new smaller-scale public projects, high realisation of approved investment, ongoing execution of national master plans, and stronger external demand for E&E.

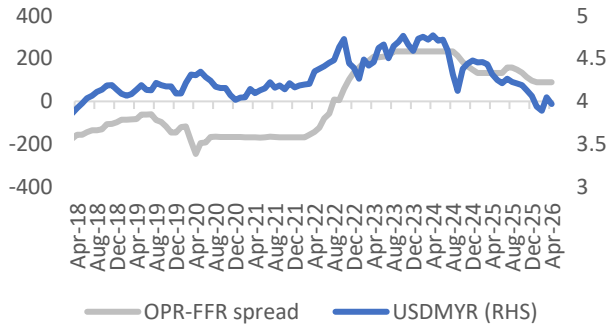
We reiterate our expectation of an extended OPR pause in 2026, underpinned by resilient economic growth. In 2026, we expect Malaysia's economy will grow at +4.2%, underpinned by continued expansion in domestic economic activities alongside still-resilient external demand. Nonetheless, the domestic growth trajectory remains susceptible to the longevity and scale of the Middle East conflict and the subsequent impact of higher energy prices on global inflationary pressures and consumer sentiment.

Chart 15: Monetary Policy (%) vs Inflation (YoY%)



Source: Macrobond, MBSBR

Chart 16: OPR-FFR Differentials (bps) & USDMYR



Source: Macrobond, MBSBR

Ringgit resumed its appreciating trend in May-26

The ringgit strengthened by +0.2%mom in May-26, closing the month at RM3.965 (end-of-Apr-26: RM3.972). Throughout the month, the ringgit was trading between RM3.90 to RM3.97, continuing to trade below the RM4.00 level.

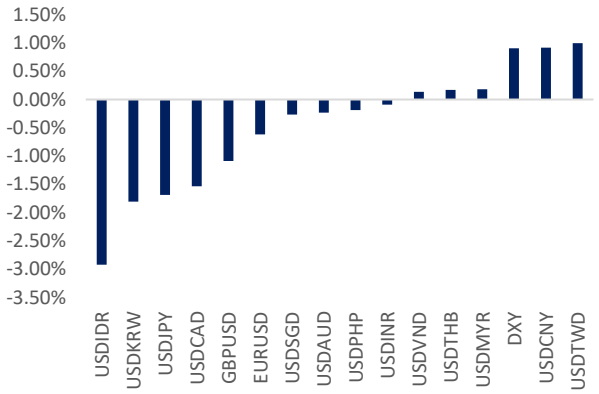
While Malaysia's domestic growth fundamentals remained firm, changes in the ringgit exchange rate continued to be influenced by movement in the US dollar. This can be reflected in a rather limited upside to the ringgit performance despite Malaysia's final 1QCY26 GDP figure being stronger than expected, while external trade activities also remained strong.

Meanwhile, a more hawkish view by investors on the trajectory of the fed funds rate supported the US dollar strength. Demand for safe assets also picked up due to the heightened geopolitical uncertainty and its spillover effect towards the global economy, with final demand to be also constrained by tighter borrowing costs and higher prices.

Looking ahead, we still expect the ringgit to strengthen this year on the back of still growth fundamentals. However, there are growing downside risks as the outlook faces uncertainty from the possible strength of the US dollar, as the possibility of a rate hike by the Fed may weaken the potential strengthening of the EM currencies, including the ringgit. On top of that, the persistent oil price shocks and escalating geopolitical tensions in the Middle East may continue to keep inflation risk on the upside.

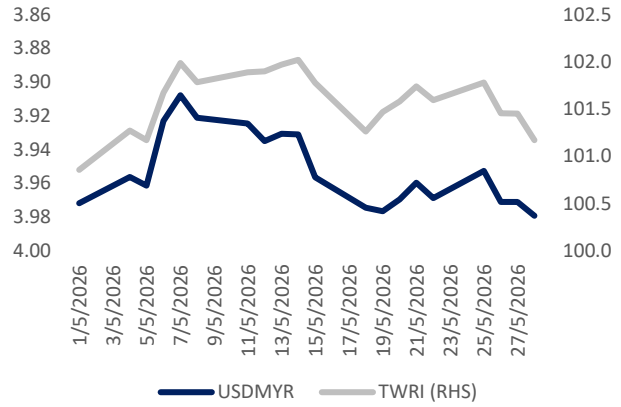
On that note, we keep our 2026 ringgit forecast, anticipating the ringgit to average stronger at RM3.92 (2025: RM4.28) and end the year towards RM3.85 (end-2025: RM4.06).

Chart 19: Monthly Changes for Selected Currencies Against US Dollar (%) in May-26



Source: Bloomberg, Macrobond, MBSBR

Chart 20: USDMYR vs. US Dollar Index vs. MBSB Trade-Weighted Index Monthly Average in May-26



Source: Bloomberg, MBSBR

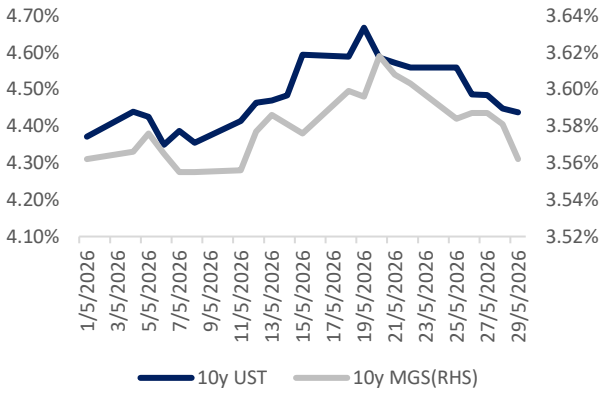
MGS10Y closed higher tracking the movement of the UST

MGS yield curve generally closed higher in May-26, across all tenors. The MGS10Y yield curve closed the month higher by +14bps at +4.44% (end-Apr-26: +4.37%). The yield curve experienced gradual upward pressure during the month and closed higher, tracking the movement in the UST yields.

The MGS10Y yield traded between the range 3.46% to 3.62% last month, while the UST10Y was trading at a tighter range of 4.35% to 4.66%. Similarly, the MGS3Y yield also increased last month, closing at 3.22% (end-Apr-26: 3.20%). Based on the latest available data, foreign holdings of Malaysian bonds increased by +RM3.8b to RM309.1 in Apr-26 (Mar-26: 305.3b), pushing the ratio of foreign holdings of Malaysian bonds higher at 23.7% (Mar-26: 22.7%). However, the latest weekly foreign holdings are signalling outflows from the domestic debt market.

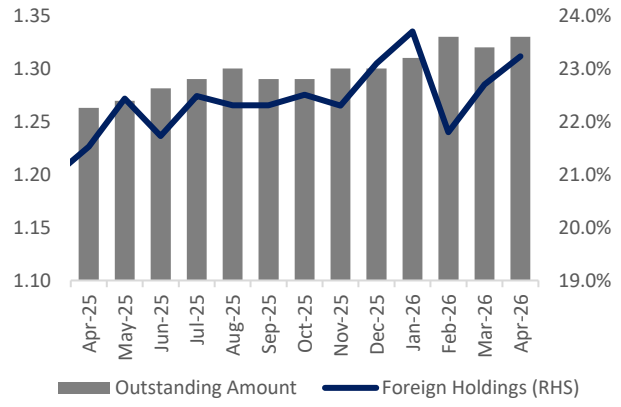
In the first week of the month, we saw strong inflows into the debt market for both government and corporate debts. However, there were two consecutive weeks of outflows during the month, which were cumulatively larger compared to the inflows during the first week. Conversely, given the recent development in the US market, investors' expectations for the FFR are currently on a more hawkish trajectory for the year, given a possible hike scenario towards the end of the 4QCY26. However, investors' hawkish stance eased lower towards end of May-26, causing both MGS and UST to ease lower. Based on the recent trend, we expect the MGS yields will continue to mirror the movement in UST yields in the short to medium-term, subject to the inflationary risk and the Middle East conflicts.

Chart 21: 10y MGS vs 10y UST Yields (%)



Source: Macrobond, MBSBR

Chart 22: Share of Foreign Holding (%) vs Outstanding MGS/MGII (RM t)



Source: Macrobond, MBSBR

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

(YoY %) Unless Stated Otherwise	2022	2023	2024	2025	2026F
Real GDP	8.9	3.6	5.1	5.2	4.2
Govt. Consumption	5.1	3.3	4.7	6.6	6.2
Private Consumption	11.3	4.7	5.1	5.2	4.8
Gross Fixed Capital Formation	6.8	5.5	12	9.1	10
Govt. Investment	5.3	8.6	11.1	10.3	8.3
Private Investment	7.2	4.6	12.3	9.4	6.5
Exports of goods & services;	14.5	-7.9	8.3	3.1	3.6
Goods Exports	11.0	-12.5	5.3	1.3	3.2
Services Exports	58.3	32.9	25.5	11.6	5.5
Imports of goods & services;	16	-6.8	8.2	4.6	6.2
Goods Imports	14.4	-10.9	8.9	4.7	6.3
Services Imports	25.7	16.1	5.7	3.7	5.8
Net Exports	-1.5	-22.2	9.2	-19.3	-45.8
Agriculture etc.	1.3	0.7	3.1	2.2	1.0
Mining & Quarrying	3.5	0.5	0.9	0.7	1.5
Manufacturing	8.2	0.7	4.2	4.5	4.2
Construction	5.1	6.1	17.5	12.2	9.0
Services	11.3	5.1	5.3	5.5	4.7
Exports of Goods (f.o.b)	24.9	-8.0	5.7	6.0	4.6
Imports of Goods (c.i.f)	31.0	-6.4	13.2	5.5	5.6
Headline CPI Inflation (%)	3.4	2.5	1.8	1.4	2.0
Current Account, % of GDP	3.2	1.1	1.4	1.6	1.5
Fiscal Balance, % of GDP	-5.6	-5.0	-4.1	-3.8	-3.8
Federal Government Debt, % of GDP	60.1	64.3	64.6	65.3	64.8
Unemployment Rate (%)	3.8	3.4	3.3	3.0	3.0
Brent Crude Oil (Avg), USD per barrel	102	82.2	79.9	68.2	80 - 90
Crude Palm Oil (Avg), MYR per tonne	5,262	3,813	4,194	4,305	4,300
USD/MYR (Avg)	4.4	4.56	4.56	4.28	3.92
USD/MYR (End-period)	4.35	4.59	4.47	4.06	3.85
MGS 10-Yr Yield (Avg)	4.07	3.86	3.83	3.58	3.53
MGS 10-Yr Yield (End-period)	4.04	3.73	3.84	3.53	3.50
Overnight Policy Rate (%)	2.75	3.00	3.00	2.75	2.75

Source: Macrobond, National Sources, MBSBR

MAY 2026 KEY ECONOMIC EVENTS

5 May: Anwar expands Jualan Rahmah, cuts rents and boosts paddy incentives amid global supply pressures. The government will expand subsidised sales initiatives offering essential goods at discounts of up to 30%, alongside reducing rental rates at government-linked premises and increasing incentives for paddy farmers to cushion the impact of global supply pressures.

7 May: Johari: Malaysia not selling oil to ASEAN members as it still imports 400,000 barrels daily. Malaysia does not sell oil to other ASEAN member states as the country is still importing about 400,000 barrels of crude oil per day, said Investment, Trade and Industry Minister Datuk Seri Johari Abdul Ghani.

8 May: Manufacturers feel mounting pressure as West Asia crisis deepens. MALAYSIA'S manufacturing sector is facing growing strain as the ongoing West Asia conflict continues to disrupt supply chains, drive up logistics costs and squeeze company cash flows, according to the Federation of Malaysian Manufacturing's (FMM) latest industry survey.

14 May: Govt allocates RM5b microfinancing for small traders, micro entrepreneurs. The Madani government has allocated more than RM5 billion in microfinancing facilities for 2026 to support small traders and micro entrepreneurs, with financing of up to RM100,000 available under various schemes.

16 May: Mohamad: Malaysia bolsters position in BRICS Foreign Ministers' Meeting. Malaysia's participation in the BRICS Foreign Ministers' Meeting has strengthened the country's position in the intergovernmental organisation, says Foreign Minister Datuk Seri Mohamad Hasan

20 May: MAG expects jet fuel prices to hover at US$120-US$130 over the next one year. Malaysia Aviation Group (MAG) expects jet fuel prices to hover between US$120 and US$130 per barrel over the next one year, based on current forward market indications, as airlines continue navigating geopolitical tensions and fuel supply disruptions affecting the aviation industry.

21 May: MITI rolls out multi-billion-ringgit support package to SMEs to cushion global supply pressure. MITI is prioritising the stability and competitiveness of Malaysian industries amid global supply chain disruptions and geopolitical tensions in West Asia. To help businesses, especially small and medium enterprises (SMEs), MITI has mobilised a broad range of financing support to ease cash flow pressures and strengthen resilience.

26 May: Sim: Malaysia's trade with major partners hits records RM1.127t in Jan-Apr 2026. Malaysia's total trade with its major trading partners reached a record high of RM1.127 trillion from January to April 2026, surpassing the RM1 trillion mark within the first four months of the year.

29 May: BNM: Malaysia's Official Reserve Assets at US$129.73 bln at End-April 2026. Malaysia's official reserve assets amounted to US$129.73 billion at the end of March 2026, compared with US$126.61 billion at end-March 2026.

30 May: Akmal Nasrullah: Govt strengthens economic activity to safeguard jobs. The government is focusing on keeping economic activity strong to safeguard jobs for the people amid a global supply crisis, said Economy Minister Akmal Nasrullah Mohd Nasir.

6 May: Shanghai investment mission: Johor attracts 36 global investors, RM10b in initial commitments. The Johor state government's recent investment mission to Shanghai, China, successfully attracted the interest of 36 international companies, with potential initial investment commitments estimated to reach RM10 billion, a clear sign of confidence in the Johor-Singapore Special Economic Zone (JS-SEZ).

8 May: Penang continues to drive national economy, records investments totalling RM63.96b in 2025. Penang continued to serve as a driver of the nation's industry and sustained its growth momentum by recording RM63.96 billion in approved investments last year, according to Penang Governor Tun Ramli Ngah Talib.

11 May: Malaysia targets made-by-Malaysia chips within 3 years under ARM push. Malaysia is targeting the production of made-by-Malaysia semiconductor chips within three years as Putrajaya pushes deeper into chip design and intellectual property development through its collaboration with UK-based ARM Ltd.

15 May: Govt launches real-time dashboard to monitor global supply crisis. The public can now monitor the Global Supply Crisis developments more easily through a new dashboard developed by the Department of Statistics Malaysia (DOSM) in collaboration with the Ministry of Economy.

17 May: Amir Hamzah: No new T20 classification under discussion, focus on BUDI Diesel. The government has not discussed any proposal to introduce a new classification for the top 20 per cent income group (T20), Finance Minister II Datuk Seri Amir Hamzah Azizan said. He said the government is instead focused on improving the existing BUDI Diesel initiative, which he described as comprehensive and fair to all groups.

21 May: DOSM: Labour productivity up 4.8% in 1Q26. Malaysia's labour productivity stood at RM45.5 per hour worked in the first quarter of 2026, growing by 4.8 per cent compared with 5.8 per cent in the same quarter last year.

26 May: WFH initiative saves RM4.22mil in RON95 subsidies The work-from-home (WFH) initiative has helped the government save RM4.22 million in RON95 petrol subsidies, equivalent to 2.14 million litres, as of May 25, according to the government's chief secretary Tan Sri Shamsul Azri Abu Bakar.

26 May: DOSM: Businesses expect softer outlook in 2Q26. Businesses anticipate a softer second quarter 2026 (2Q 2026) outlook with the confidence indicator easing to negative 1.8 per cent from 4 per cent in the previous quarter, according to the Statistics Department Malaysia (DOSM).

29 May: PM Anwar Signals Greater Emphasis on Cost Savings in Budget 2027. Prime Minister Datuk Seri Anwar Ibrahim has hinted that Budget 2027 will be crafted with greater emphasis on cost-saving measures amid mounting global economic pressures affecting the country's fiscal position.

31 May: MOTAC shifts part of VM2026 promotional focus to markets unaffected by conflict. The Tourism, Arts and Culture Ministry (MOTAC) is shifting part of its promotional and marketing focus for the Visit Malaysia 2026 (VM2026) campaign to markets that are not affected by ongoing conflicts and wars.

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