Malaysia's Growth Outlook Remains Encouraging Amid Strong Domestic Demand and Trade Performance

Monthly Economic Review
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Economic Review

- Malaysia's growth outlook remained positive, with the Leading Index (LI) expanding stronger by +2.2%yoy in Aug-26 (Jul-26: +1.5%yoy), supported by stronger manufacturing sales expectations and steady money supply growth. Although the LI rose at a slower pace of +0.2%mom (Jul-26: +0.6%mom), the overall trend suggests continued economic expansion, underpinned by resilient domestic demand, favourable labour market conditions and sustained investments in the E&E sector, data centres and other high-value industries.
- Malaysia's economy expanded by +5.3%yoy in 3QCY26 (2QCY26: +6.0%yoy). Growth was supported by continued expansion in the services, manufacturing and construction sectors, alongside a rebound in agriculture. Given the stronger-than-expected performance in the first three quarters, we see an upside to our current 2026 GDP growth forecast of +5.1%.
- Malaysia's total trade growth accelerated to +53.7%yoy in Sep-26 (Aug-26: +43.4%yoy), extending the double-digit expansion for the sixth consecutive month. Export growth strengthened to +54.5%yoy, driven primarily by E&E products, while imports rose +52.7%yoy, reflecting stronger purchases of intermediate and consumption goods.
- Malaysia's inflation remained manageable, with headline CPI easing to +1.8%yoy in Sep-26 (Aug-26: +1.9%yoy), while core inflation moderated to +1.6%yoy. However, upstream cost pressures continued to build, with PPI accelerating to +12.0%yoy (Aug-26: +10.7%), driven mainly by higher energy and mining-related costs.
- We maintain our projection for Malaysia's 2026 GDP growth at +5.1% (2025: +5.2%), with potential upside given the resilient growth in the first three quarters of the year. Nevertheless, the outlook remains exposed to downside risks from prolonged Middle East tensions, elevated energy and input costs, persistent inflationary pressures, tighter trade policies and potentially weaker external demand.

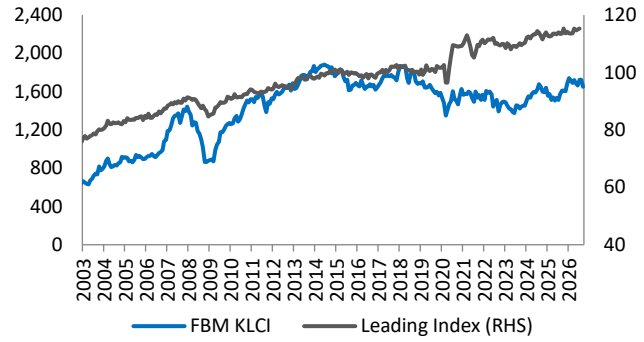
Leading index remains expansionary despite moderation in key components

Malaysia's growth outlook remained positive, with the Leading Index (LI) expanding stronger by +2.2%yoy in Aug-26 (Jul-26: +1.5%yoy), indicating economic activity will continue to grow in the coming months. The stronger annual reading was driven by improved manufacturing sales expectations and steady growth in money supply, reflecting resilient domestic demand and investment activity. However, on a monthly basis, the LI increased at a more moderate pace of +0.2%mom (Jul-26: +0.6%mom), partly due to weaker imports of semiconductors and precious metals as well as softer housing approvals. While some leading indicators showed signs of moderation, the overall trend continues to point towards sustained economic expansion. We expect Malaysia's economy to remain supported in 2HCY26 by healthy domestic demand, favourable labour market conditions and continued investments in the E&E sector, data centres and other high-value industries.

Meanwhile, the pace of growth in the Coincident Index (CI) improved to +1.9%yoy in Aug-26 (Jul-26: +1.7%yoy), supported mainly by a +9.9%yoy increase in real EPF contributions, indicating that current economic conditions remained broadly resilient. On a month-on-month basis, the CI edged lower by -0.1%mom, unchanged from Jul-26, weighed down by lower manufacturing capacity utilisation. Nevertheless, the overall level of the index

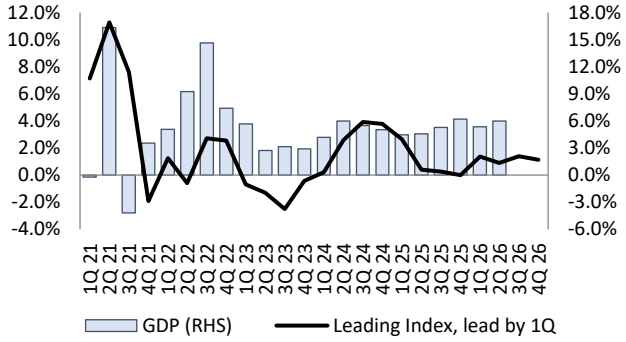
remained consistent with continued expansion in economic activity, supported by favourable labour market conditions and ongoing manufacturing activities.

Chart 1: Leading Index vs KLCI (Points)



Source: Macrobond, DOSM, MBSBR

Chart 2: Leading Index vs GDP (YoY%)



Source: Macrobond, MBSBR

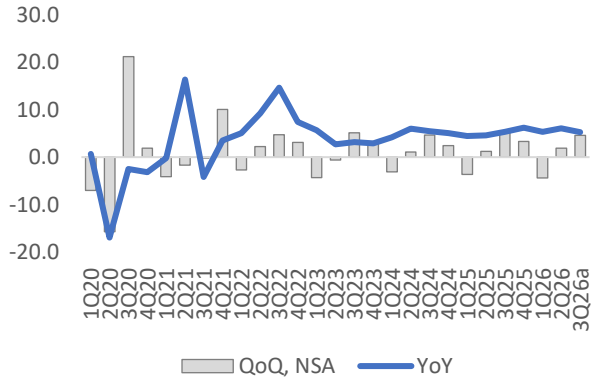
Malaysia's Economy Remains Resilient Despite GDP Growth Easing to +5.3%yoy

Malaysia's GDP growth moderated to +5.3%yoy in 3QCY26 (2QCY26: +6.0%yoy), based on the advance estimate. Despite the moderation, growth remained resilient, supported by continued expansion in the services, manufacturing and construction sectors, alongside a rebound in agriculture output, bringing cumulative 9MCY26 growth to +5.5%yoy (9MCY25: +4.8%yoy).

Manufacturing growth strengthened further to +7.5%yoy (2QCY26: +7.3%yoy), supported by export-oriented industries and sustained E&E demand, while services growth moderated to +5.4%yoy (2QCY26: +5.9%yoy) amid resilient domestic demand and healthy labour market conditions. Mining & quarrying contracted by -4.9%yoy (2QCY26: +9.2%yoy) due to lower crude oil and condensate production, but agriculture rebounded to +1.3%yoy after the previous quarter's contraction.

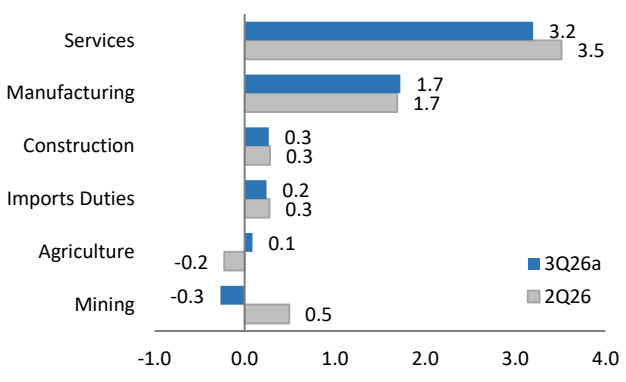
Given the stronger-than-expected performance in the first three quarters, we see upside to our existing full-year 2026 GDP growth forecast of +5.1% (2025: +5.2%), which could potentially reach +5.3–5.4%. Resilient domestic spending, continued investment activities and robust E&E demand should continue to support economic expansion. Nevertheless, the outlook remains subject to downside risks from elevated cost pressures, prolonged geopolitical tensions, tighter trade policies and higher energy-related inflation.

Chart 3: Real GDP: Year-on-Year (YoY) vs. Quarter-on-Quarter (QoQ) (%)



a Advance estimate
Source: Macrobond, MBSBR

Chart 4: Contribution to 3QCY26 GDP Growth by Major Sector (%-point)



a Advance estimate
Source: Macrobond, MBSBR

Exports Surged by +54.5%yoy in Sep-26, Driven by E&E and Mining

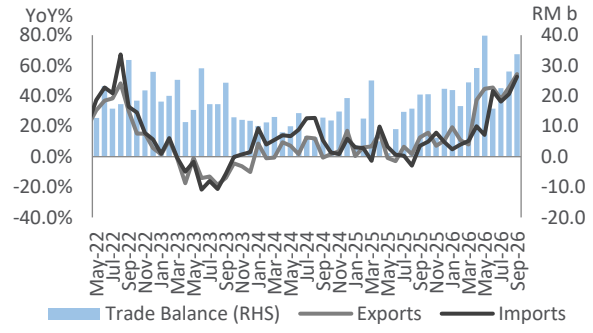
Malaysia's total trade growth accelerated to +53.7%yoy in Sep-26 (Aug-26: +43.4%yoy), growing at a double-digit pace for the sixth straight month. Export growth strengthened to +54.5%yoy (Aug-26: +45.4%yoy), driven by both domestic exports and re-exports, while imports also rose faster by +52.7%yoy (Aug-26: +41.1%yoy), supported mainly by stronger purchases of intermediate and consumption goods. The latest data indicate that Malaysia's external trade momentum remained robust amid sustained demand for E&E products and other manufactured goods.

E&E products remained the main export driver, growing by +69.2%yoy and contributing +32.4ppt, or about 59%, of overall export growth in Sep-26. Other manufactures (+10.6ppt), crude & refined petroleum products (+2.9ppt), optical & scientific equipment (+1.8ppt) and machinery, equipment & parts (+1.7ppt) also contributed positively, underscoring broad-based strength across Malaysia's manufacturing exports.

By destination, exports to Taiwan (+175.2%yoy), the US (+89.9%yoy) and Hong Kong (+86.3%yoy) remained strong, while shipments to ASEAN accelerated to +46.2%yoy (Aug-26: +40.1%yoy), supported by faster growth to Thailand and Vietnam. Exports to China (+22.1%yoy) and the EU (+24.7%yoy) continued to expand, reflecting sustained demand from Malaysia's major trading partners, particularly for E&E products.

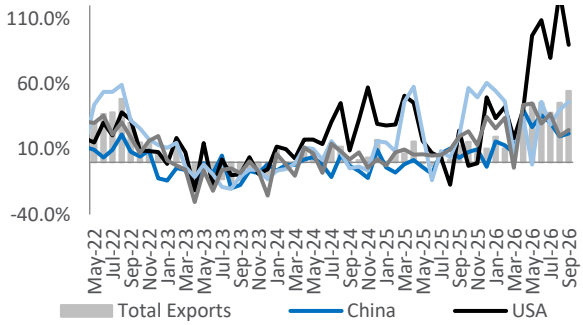
For 2026, taking into account the stronger-than-expected performance in recent months, we upgrade our growth projection for exports and imports to +32% and +26%, respectively. While sustained demand for E&E and technology-related products should continue to support trade activity, we expect growth to moderate towards year-end as favourable base effects fade. Supply disruptions, elevated input costs, weaker final demand and renewed trade tensions remain key downside risks to the outlook.

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 Rose Faster by +5.0%yoy Driven by Stronger Manufacturing Output

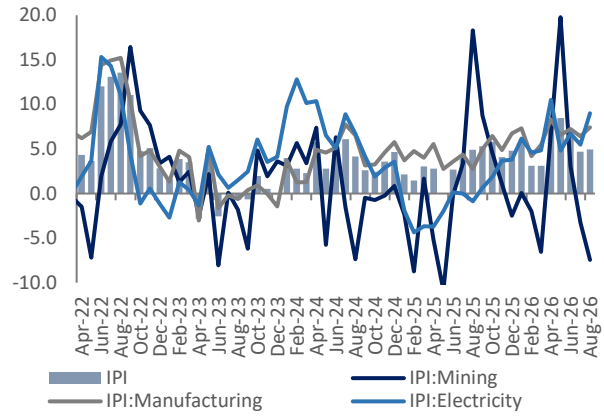
Malaysia's IPI growth improved to +5.0%yoy in Aug-26 (Jul-26: +4.7%yoy), driven by stronger manufacturing output and electricity generation. However, mining output contracted further by -7.4%yoy due to lower output of crude petroleum and LNG. For 8MCY26, IPI expanded by +5.6%yoy (8MCY25: +2.6%yoy), reflecting robust industrial activity. Manufacturing remained the key driver, with E&E production strengthening to +17.0%yoy in Aug-26.

Manufacturing sales growth accelerated to +9.9%yoy in Aug-26 (Jul-26: +9.1%yoy), with sales value reaching RM185.0b. The stronger growth was mainly supported by robust sales of E&E (+22.6%yoy), alongside continued demand for petroleum, chemical, rubber & plastic products (+5.2%yoy). Export-related manufacturing remained resilient, supported by stronger E&E exports (+66.5%yoy), highlighting continued strength in external demand.

We maintain our 2026 IPI growth forecast at +4.0% (2025: +3.4%). Robust growth in 8MCY26 and resilient exports, particularly E&E products, suggest potential upside to our forecast. Industrial activity will remain supported by external and domestic demand, although PMI readings indicate manufacturing momentum has moderated in recent months. Supply disruptions, elevated cost pressures, weaker final demand and tighter trade policies remain

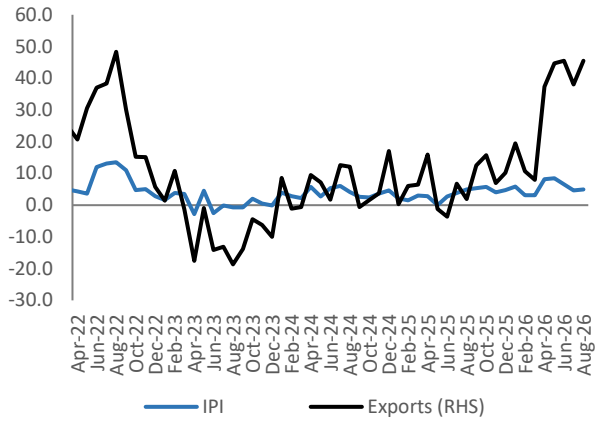
key downside risks, with re-escalation in geopolitical tensions and heightened uncertainties affecting the trade outlook.

Chart 7: IPI Performances by Sector (YoY%)



Source: Macrobond, MBSBR

Chart 8: IPI vs Exports (YoY%)



Source: Macrobond, MBSBR

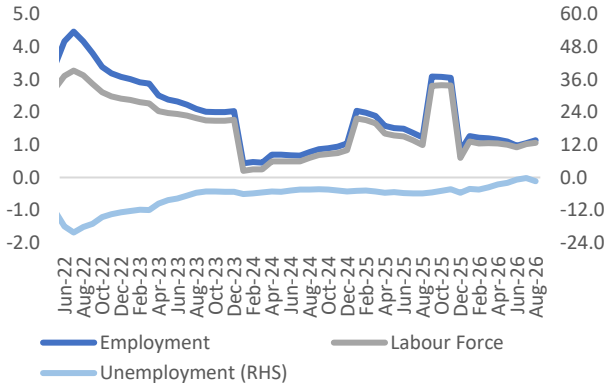
Jobless Rate Fell to 2.9% in Aug-26, Signaling Resilient Job Market

Malaysia's labour market continued to show resilience, with the unemployment rate edging down to 2.9% in Aug-26 from 3.0% in the previous four months. Labour force growth strengthened slightly to +1.1%yoy in Aug-26 (Jul-26: +1.0%yoy), while employment growth remained steady at +1.1%yoy, as more people secured employment on the back of growing economic activities. The labour force participation rate also edged higher to a record 71.0%, reflecting continued confidence in labour market conditions.

Labour demand increased strongly in Sep-26, with job vacancies rising by +170.6K to 539.2K (Aug-26: 368.6K), remaining above 200K for the third straight month and reaching the highest level since Jul-22. The increase was driven mainly by stronger hiring demand in services, particularly accommodation and food services, as well as construction, suggesting continued strength in domestic-oriented activities and household spending.

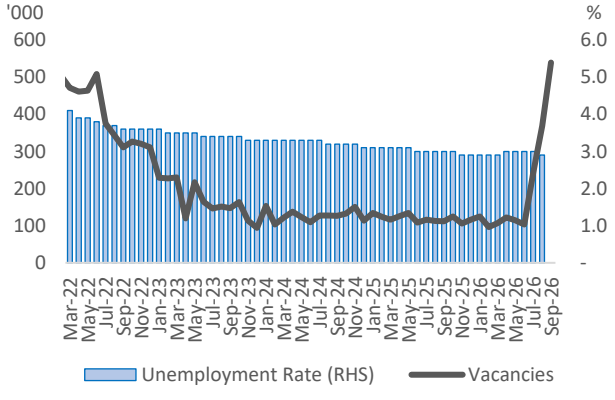
We expect the unemployment rate to remain around 3.0% in 2026, unchanged from 2025, supported by continued job growth, resilient private consumption and healthy labour demand. Strong hiring intentions in services and construction suggest domestic-oriented sectors will continue to underpin employment growth, while sustained investments in E&E, data centres and AI-related activities should support demand for skilled labour. Nevertheless, external uncertainties and softer global demand may weigh on hiring momentum in export-related industries.

Chart 9: Labour Market Performances (YoY%)



Source: Macrobond, MBSBR

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



Source: Macrobond, MBSBR

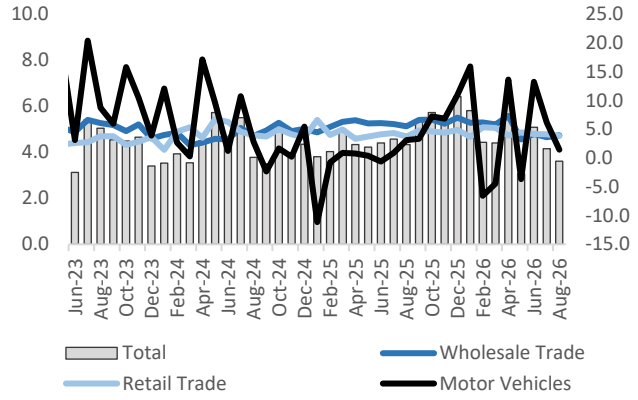
Domestic Trade Grew Faster in Aug-26, Driven by Wholesale and Retail Trade

Malaysia's distributive trade growth accelerated to +10.5%yoy in Aug-26 (Jul-26: +9.0%yoy), returning to double-digit expansion driven mainly by stronger wholesale trade (+16.5%yoy; Jul-26: +11.7%yoy) and steady retail trade growth (+6.5%yoy; Jul-26: +6.4%yoy), in contrast to a sharp moderation in motor vehicle sales growth (+2.5%yoy; Jul-26: +7.9%yoy). The stronger performance lifted the overall value of distributive trade to RM173.0b, the highest level in four months, suggesting domestic demand remained resilient amid improving labour market conditions and continued government support measures.

Retail trade growth edged slightly higher to +6.5%yoy in Aug-26 (Jul-26: +6.4%yoy), while monthly sales rebounded to +0.5%mom (Jul-26: -1.0%mom), suggesting improved consumer spending. The improvement was mainly supported by stronger sales in non-specialised stores and automotive fuel, while broad-based demand across retail segments continued to underpin the sector's resilience.

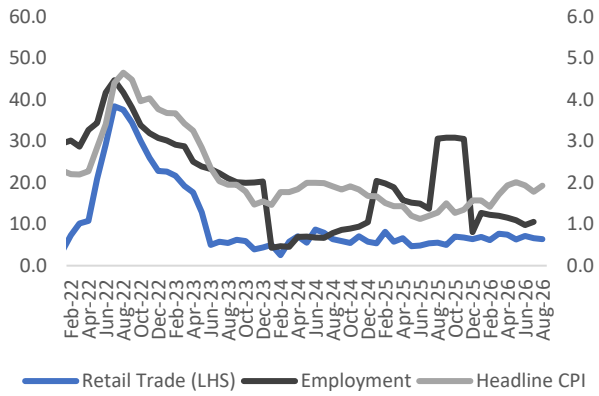
For 2026, we maintain our forecast for retail sales growth to moderate to +5.5% (2025: +6.1%). Healthy labour market conditions, sustained income growth and government support measures are expected to underpin household spending. While lingering inflationary pressures and external uncertainties remain key downside risks, resilient domestic demand and continued tourism-related activities under Visit Malaysia 2026–2027 should provide additional support to consumer spending and broader services sector activity.

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



Source: Macrobond, MBSBR

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



Source: Macrobond, MBSBR

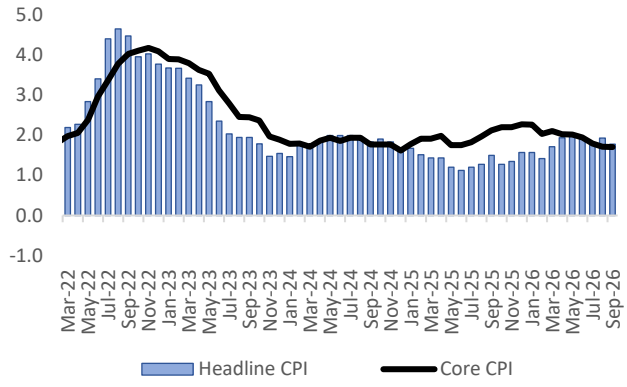
Headline and Core Inflation Moderated Despite a Spike in Transport Prices

Malaysia's headline CPI inflation eased slightly to +1.8%yoy in Sep-26 (Aug-26: +1.9%yoy). Despite the moderation, higher energy prices continued to exert upward pressure, with transport inflation accelerating to +2.5%yoy (Aug-26: +2.0%yoy). Food and beverages inflation remained steady at +1.9%yoy, while housing-related inflation moderated following measures to increase the electricity bill protection threshold.

Core inflation eased to +1.6%yoy in Sep-26 (Aug-26: +1.7%yoy), while monthly core inflation declined by -0.1%mom after a +0.3%mom increase in the previous month. This suggests that underlying demand-driven price pressures remained manageable despite elevated producer costs and volatile global energy prices.

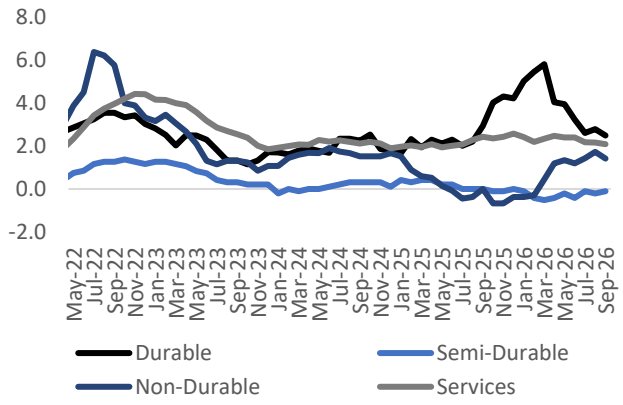
We maintain our headline inflation forecast at +2.0% for 2026 (2025: +1.4%), reflecting still-contained year-to-date inflation despite persistent upside risks. While domestic demand remains resilient and core inflation is well-anchored, elevated producer prices, volatile global energy markets, supply-chain disruptions, and higher fuel and fertiliser costs could gradually pass through to consumer prices. Government price controls and targeted fuel subsidies should help cushion some of these cost pressures, although renewed geopolitical tensions remain a key upside risk to the inflation outlook.

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



Source: Macrobond, MBSBR

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



Source: Macrobond, MBSBR

Malaysia's Producer Price Index (PPI) accelerated further to +12.0%yoy in Sep-26 (Aug-26: +10.7%), marking the seventh consecutive month of expansion and the fastest pace since Nov-21. The outturn exceeded the previous reading and reflected persistent upstream cost pressures arising from supply disruptions associated with the ongoing Middle East conflict. On a monthly basis, PPI rose +1.6%mom (Aug-26: +1.0%), indicating accelerating price momentum across the production chain.

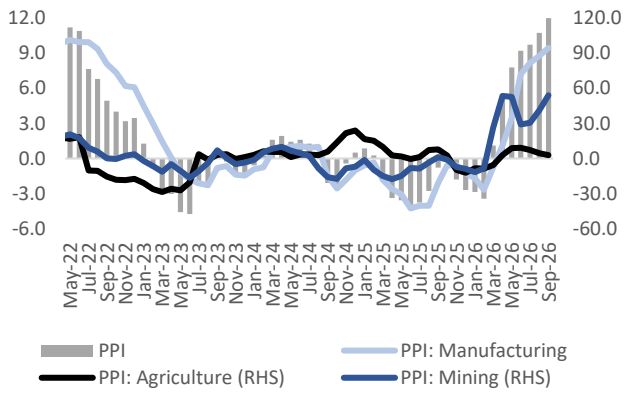
PPI inflation accelerated further amid rising energy and mining costs

Manufacturing producer prices increased by +9.4%yoy (Aug-26: +8.8%), largely driven by higher prices for coke & refined petroleum products (+35.0%) and computer, electronic & optical products (+12.9%). Mining prices surged +54.1%yoy (Aug-26: +41.2%), supported by a sharp increase in crude petroleum extraction prices (+74.2%). Meanwhile, agriculture price growth moderated to +2.9%yoy (Aug-26: +4.6%), although animal production remained elevated at +11.9%. Utility-related prices also eased, with water supply rising +5.5%yoy (Aug-26: +7.8%) and electricity & gas increasing +3.2%yoy (Aug-26: +6.4%).

The stronger-than-expected increase in producer prices signals that cost-push inflation pressures remain elevated, driven primarily by energy-related sectors amid ongoing geopolitical disruptions. The sharp rise in mining and petroleum-related prices suggests that upstream inflationary pressures could continue to feed into manufacturing costs and selected consumer prices in the coming months.

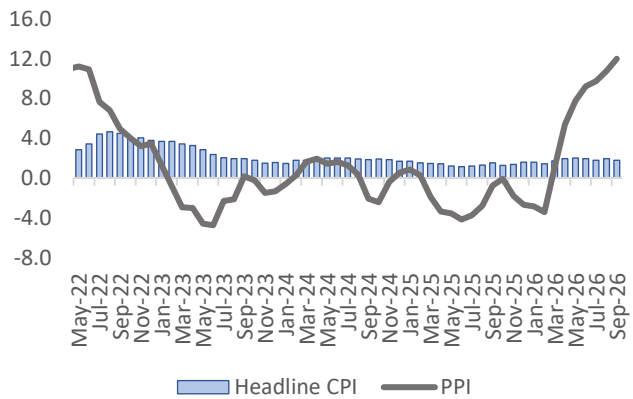
Nevertheless, the moderation in agricultural and utility price growth indicates that price pressures are not broad-based across all sectors. While the latest PPI reading warrants close monitoring, we believe the current inflation environment remains largely supply-driven.

Chart 15: PPI for Selected Sectors (YoY%)



Source: Macrobond, MBSBR

Chart 16: PPI vs CPI (YoY%)



Source: Macrobond, MBSBR

Ringgit appreciated slightly while the DXY edge higher

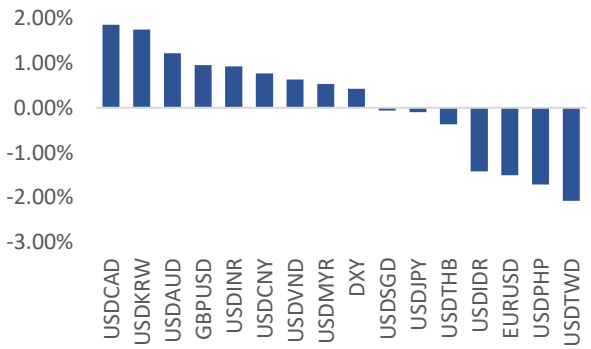
Ringgit appreciated by +0.5%mom in Oct-26, closing the month at RM4.058 (end-Oct-26: RM4.080). The ringgit's exchange rate to the dollar traded stable between RM4.05 to RM4.09 throughout the month, remaining above the RM4.00 level. Meanwhile, on average, the ringgit slightly weakened by -0.3%mom to RM4.082.

In the first two weeks of the month, the ringgit remained stable despite the strengthening in the US dollar, as oil prices were rather volatile, due to developments between the US-Iran negotiations, and the expectations for a more aggressive rate hike by the Fed. Meanwhile, the catalyst supporting the ringgit was also stemming from the positive sentiment surrounding the Budget 2027 as the government continue its fiscal consolidation plan.

Meanwhile, towards the end of the month, the ringgit was also supported by the release of the Malaysian preliminary GDP, which remained strong, recording +5.3%yoy for the 3QCY26, higher than the market consensus of +4.9%yoy, spurring positive sentiment among investors. We also see strong inflows into the MGS market nearing the end of the month, after the strong outflows were seen during the second week of Oct-26.

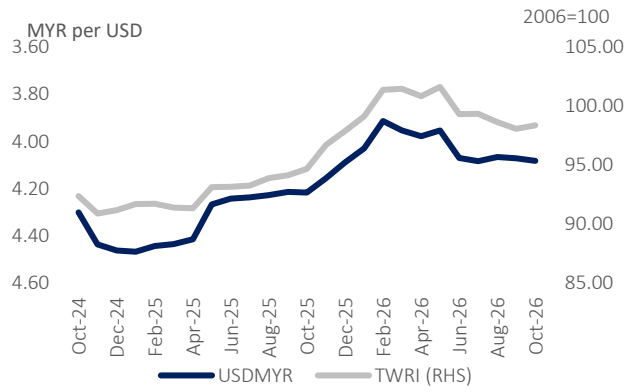
While recent pressure on the Ringgit stems directly from changing expectations around the Fed rate hikes, we still expect the Ringgit to average around RM4.01 in 2026 and settle near RM4.03 by year-end. However, a meaningful and lasting Ringgit turnaround depends on clear signs of US disinflation. Once the Fed eases away from its hawkish stance, rising global risk appetite and returning foreign portfolio inflows will provide essential structural support for both the Ringgit and regional currencies.

Chart 17: Monthly Changes for Selected Currencies Against US Dollar in Oct-26 (MoM%)



Source: Bloomberg, Macrobond, MBSBR

Chart 18: USDMYR vs. US Dollar Index vs. MBSB Trade-Weighted Index Monthly Average in Oct-26



Source: Bloomberg, MBSBR

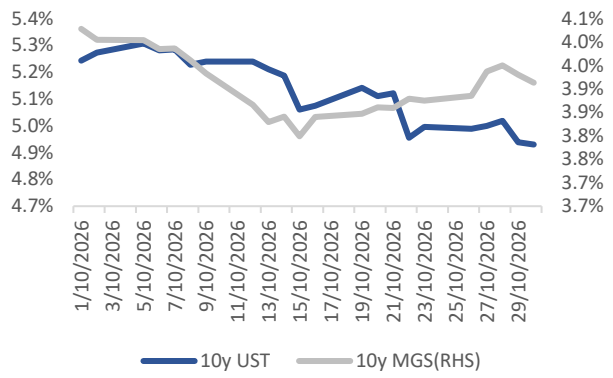
MGS10Y closed lower, tracking the movement in UST yields

The MGS yield curve closed lower in Oct-26 across all tenors. Most of the decline was towards the longer end of the curve, indicating a bull flattening of the yield curve. The yield curve initially declined during the first half of the month, but later closed higher, tracking the movement of the UST yields.

The MGS10Y yield traded between the range of 3.799% to 4.028% last month, while the UST10Y was trading lower within the range of 4.930% to 5.307%. Similarly, the MGS3Y yield also declined last month, closing at 3.402% (end-Sep-26: 3.470%). Based on the latest available data, foreign holdings of Malaysian bonds declined in Sep-26 following the strong increase in Aug-26, falling by -RM1.7b to RM318.3b (end-Aug-26: RM320.1b). As a result, the ratio of foreign holdings of Malaysian bond pushing the ratio of foreign holdings of Malaysian bonds pushed slightly higher to 23.5% (Aug-26: 23.1%). The recent data indicates a rebound in Oct-26, as foreign funds registered an inflow into the domestic debt market.

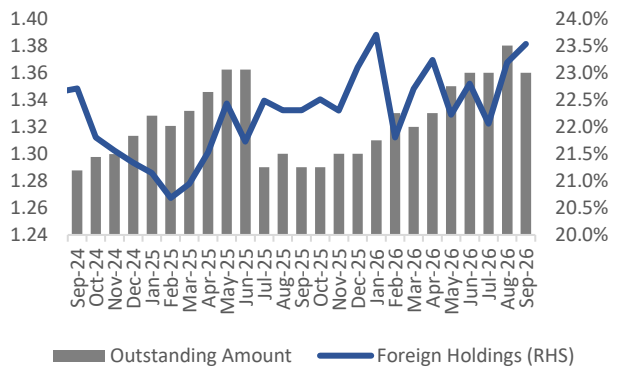
On the back of the continuous hawkish outlook for the US fed funds rate, markets continue price in a hawkish and 'higher-for-longer' policy stance. Investors anticipate the next +25bps rate hike would be at the upcoming FOMC meeting in Dec-26. On that note, we expect MGS yields will continue to mirror the movement in UST yields in the short- to medium-term, subject to inflationary risk and the Middle East conflicts, on top of the possibility of a further rate hike by the FOMC.

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



Source: Macrobond, MBSBR

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



Source: Macrobond, MBSBR

Malaysia's growth outlook remains resilient, with upside from stronger external trade

We maintain our projection that Malaysia's economy will sustain growth of around +5.1% in 2026 (2025: +5.2%), mainly underpinned by robust exports and resilient domestic demand. Malaysia continues to benefit from strong demand for E&E and other technology-related products, alongside manufactured goods and commodities. The strength in external trade has provided an important buffer against softer growth momentum in other parts of the economy. As indicated earlier, resilient growth in the first three quarters of 2026 suggests potential upside to our full-year growth projection.

Domestic demand remains supported by a healthy labour market, rising household incomes and stronger tourism spending. Government policy measures have also helped contain inflationary pressures and cushion households against rising living costs. Nevertheless, the growth outlook remains exposed to ongoing Middle East tensions, potential weakening in external demand amid elevated inflation and tighter monetary conditions, as well as persistent second-round inflationary pressures. Further trade policy tightening could also weigh on export prospects, although Malaysia's E&E sector has largely been exempted from higher tariffs, helping sustain its strong performance thus far.

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	5.2	5.2	5.1
Govt. Consumption	5.1	4.3	4.6	5.3	6.2
Private Consumption	11.3	4.6	4.8	5.3	5.0
Gross Fixed Capital Formation	6.8	5.4	12.1	9.6	6.5
Govt. Investment	5.3	8.5	11.1	10.3	7.6
Private Investment	7.2	4.5	12.4	9.4	6.2
Exports of goods & services;	14.5	(7.9)	8.6	4.9	8.9
Goods Exports	11.0	(12.5)	5.9	2.9	8.0
Services Exports	58.3	32.9	24.2	15.2	13.0
Imports of goods & services;	16.0	(6.8)	8.7	6.3	7.8
Goods Imports	14.4	(10.9)	9.6	6.6	7.9
Services Imports	25.7	16.1	5.0	5.0	7.2
Net Exports	(1.5)	(22.2)	6.7	(15.6)	31.4
Agriculture etc.	1.3	0.4	3.4	2.2	0.5
Mining & Quarrying	3.5	0.6	1.0	0.7	2.5
Manufacturing	8.2	0.7	4.2	4.5	6.2
Construction	5.1	5.9	17.7	12.2	7.2
Services	11.3	5.2	5.3	5.4	5.4
Exports of Goods (f.o.b)	24.9	(8.0)	5.7	6.0	32.0
Imports of Goods (c.i.f)	31.0	(6.4)	13.2	5.5	26.0
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	1.9
Fiscal Balance, % of GDP	(5.6)	(5.0)	(4.1)	(3.7)	(3.7)
Federal Government Debt, % of GDP	60.1	64.3	64.6	65.3	65.0
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	85-90
Crude Palm Oil (Avg), MYR per tonne	5,262	3,813	4,194	4,305	4,400
USD/MYR (Avg)	4.40	4.56	4.56	4.28	4.01
USD/MYR (End-period)	4.35	4.59	4.47	4.06	4.03
MGS 10-Yr Yield (Avg)	4.07	3.86	3.83	3.58	3.71
MGS 10-Yr Yield (End-period)	4.04	3.73	3.84	3.53	3.76
Overnight Policy Rate (%)	2.75	3.00	3.00	2.75	2.75

Source: Macrobond, Bloomberg, DOSM, MBSBR

OCTOBER 2026 KEY ECONOMIC EVENTS

1 Oct: Malaysia manufacturing PMI slips into contraction in September. Malaysia's manufacturing sector slipped into contraction in September, with the S&P Global Malaysia Manufacturing Purchasing Managers' Index (PMI) falling to 49.9 from 50.2 in August. The decline ended three consecutive months of improving operating conditions.

9 Oct: Budget 2027: Govt raises public spending and investment to record RM510 billion. Malaysia will deploy a record RM510 billion in total public spending and investment under Budget 2027, up RM40 billion from RM470 billion, as the government seeks to stimulate economic growth while bringing down the fiscal deficit.

13 Oct: Malaysia's semiconductor exports to US remain exempt from tariffs — Johari Ghani. Malaysia continues to enjoy tariff exemptions for its semiconductor exports to the US, said Investment, Trade and Industry Minister Datuk Seri Johari Abdul Ghani. He emphasised that Malaysia has yet to receive any indication that Washington will impose tariffs on the sector's exports.

15 Oct: 84 data centres approved: Malaysia's challenge is turning billions into lasting gains. Malaysia's data centre ambitions are gathering pace, with 84 projects approved nationwide as of July, including 27 flagship developments carrying an estimated investment value of RM225.97 billion and the potential to create 4,053 jobs. But as billions of ringgits pour into the sector.

18 Oct: Amir Hamzah sees Malaysia's diversified economy, fiscal buffers cushioning external shocks in 2027. Malaysia's economy expanded faster than expected in the third quarter as growth of manufacturing and services sectors offset a contraction in mining activities, official flash estimates showed. GDP rose 5.3% in the July-September quarter from a year earlier.

20 Oct: China's Q3 GDP growth set to pick up as exports power ahead. China's economy likely sped up slightly in the third quarter from a more than three-year low, helped by hot demand for the country's technological goods and fresh policy support, but further stimulus may be needed to sustain the momentum.

20 Oct: China's Q3 GDP growth set to pick up as exports power ahead. China's economy likely sped up slightly in the third quarter from a more than three-year low, helped by hot demand for the country's technological goods and fresh policy support, but further stimulus may be needed to sustain the momentum.

26 Oct: US$50 bil AI investment: Tanjung Embang identified as strategic location, says Abang Johari. The US$50 billion (RM204 billion) investment announced by Prime Minister Datuk Seri Anwar Ibrahim recently includes strategic plans by a major international company to develop an artificial intelligence (AI) data centre in Tanjung Embang.

28 Oct: Malaysia's latest haze cost RM8b in welfare losses, may have led to 1,700 deaths, report finds. Malaysia's recent haze episode carried an estimated RM8 billion in welfare losses, while short-term exposure to fine particles from fires may have contributed to about 1,700 deaths, according to a report commissioned by the Federation of Malaysian Manufacturers.

29 Oct: Govt gathering industry feedback on proposal to suspend CPO export duties. The government is gathering industry feedback on a proposal to temporarily suspend crude palm oil (CPO) export duties to ease stock pressure and boost exports, Plantation and Commodities Minister Datuk Seri Dr Noraini Ahmad said.

6 Oct: F1: Bahrain GP at SIC elevates Malaysia's international image, says PMX. The successful hosting of the Formula 1 (F1) Gulf Air Bahrain Grand Prix at the Petronas Sepang International Circuit (SIC) last Sunday (Oct 4) has elevated Malaysia's international image. Prime Minister said hosting the event allowed local fans to experience the thrill of F1 action on home soil again, while opening vast economic opportunities for local entrepreneurs.

9 Oct: Budget 2027: STR, Sara funding increased to RM16bil. The allocation for Sumbangan Tunai Rahmah (STR) and Sumbangan Asas Rahmah (Sara) will be increased to RM16bil next year, up from RM15bil this year, says Prime Minister Datuk Seri Anwar Ibrahim. He said all STR recipients would receive up to RM150 a month, or RM1,800 annually, under the Sara programme.

13 Oct: Youths aged 30 and below rack up RM5.4bil in BNPL transactions. Young people aged 30 and below recorded 65.9 million buy now, pay later (BNPL) transactions worth RM5.4bil in the first half of 2026, accounting for 37.9 per cent of total transactions nationwide. The Finance Ministry said Malaysia recorded 173.9mil BNPL transactions worth RM14.7bil during the period.

18 Oct: IMF forecasts Malaysia's GDP growth at 5.2% in 2026, moderating to 4.7% in 2027. Malaysia's gross domestic product (GDP) is expected to grow by 5.2 per cent in 2026 and 4.7 per cent in 2027, amid regional economic uncertainty, according to the International Monetary Fund (IMF). Malaysia has increased exports as one of assemblers and packagers of technology products.

19 Oct: MOF: Nearly RM11b in STR, Sara aid disbursed as of September 2026. Nearly RM11 billion in Sumbangan Tunai Rahmah (STR) and Sumbangan Asas Rahmah (Sara) assistance had been disbursed to eligible recipients as of September 2026, according to the Ministry of Finance (MOF). The MOF said that RM3.6 billion had been disbursed to STR recipients through 3w payment phases as of last month.

20 Oct: Iskandar Malaysia records RM525.26 bil in investments, shifts towards high-value growth. Iskandar Malaysia is now focusing on high-value investments and strengthening the regional economic ecosystem after recording total investments of RM525.26 billion since its establishment 20 years ago.

26 Oct: Govt to decide on nuclear power plant after four key studies, says minister. The government will decide on the direction, technology and development of a national nuclear power plant only after four key studies are completed within the next 12 months, with small modular reactors (SMRs) among the options being considered.

27 Oct: Malaysian palm oil glut swamps storage in top producer Sarawak. Malaysia's swelling palm oil inventories are straining storage capacity in the country's top-producing state, as a bumper harvest piles pressure on the government to clear excess supplies. Tanks in Sarawak are nearing capacity after a bigger-than-expected harvest and soaring freight costs slowed shipments.

28 Oct: Fed leaves rates unchanged as it awaits 'accumulation of more information'. The Federal Reserve held interest rates steady on Wednesday, as expected, opting to delay any changes to borrowing costs until after next week's US midterm elections while it awaits further data on inflation, which the central bank said "remains elevated."

29 Oct: SST retained as GST not an option amid high cost of living. The federal government will continue to implement the SST, as the GST will not be considered due to the ongoing burden of the cost of living. Finance Minister II Datuk Seri Amir Hamzah Azizan said the government would continue to improve the SST to reduce the impact of cascading taxes and simplify compliance.

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