

BUSINESS CONDITIONS SURVEY (BCS)

Q3 / Outlook Q4 2025

Prepared by:
Investment Statistics Division
Malaysian Investment Development Authority (MIDA)

About BCS

The MIDA Business Conditions Survey (BCS) aims to provide timely insights into the economic outlook of Malaysia's manufacturing sector.

By assessing key indicators such as sales, production levels, and investment activities, the report serves as a vital tool for stakeholders to monitor industry performance, anticipate trends, and make informed decisions.

The survey's findings reflect the sentiment of the business community, offering a comprehensive view of the sector's resilience, potential challenges, and future growth prospects.

Each BCS provides a snapshot of the sector's current state, while the 3-month forward outlook projects potential trends, enabling policymakers and industry players to take proactive steps for sustainable economic development.

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Executive Summary

Malaysia's economic performance in 2017 was strong, driven by a combination of factors including a recovery in exports, higher production volumes, and steady domestic demand. The GDP growth continued to be a key highlight for the country's manufacturing industry.

Key Highlights

- Value & Production Growth**
Manufacturing value added (MVA) increased by 7.1% in 2017, supported by higher production volumes, particularly in mining, electrical and electronic.
- Export & Import Performance**
Exports of manufactured goods grew by 10.1% in 2017, while imports grew by 10.2%. The trade surplus widened to RM10.1 billion.
- Manufacturing Output**
Manufacturing output increased by 7.1% in 2017, reflecting higher production volumes across various sectors.
- Value Added in Manufacturing**
Value added in manufacturing grew by 7.1% in 2017, indicating a strong performance in the manufacturing sector.
- Key Sectors**
The electrical and electronic sector, as well as the mining sector, showed strong growth in 2017.
- Export Growth**
Exports of manufactured goods grew by 10.1% in 2017, supported by higher production volumes and steady demand in a growing global market.
- Value Added in Manufacturing**
Value added in manufacturing grew by 7.1% in 2017, indicating a strong performance in the manufacturing sector.

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Malaysia's Manufacturing Pulse: Q3 Performance & Q4 Outlook 2025

The Malaysian manufacturing sector demonstrated robust performance in Q3 2025, with positive growth across key sectors. The sector's resilience is evident, supported by a stable economic environment.

Q3 Performance



Q4 Outlook



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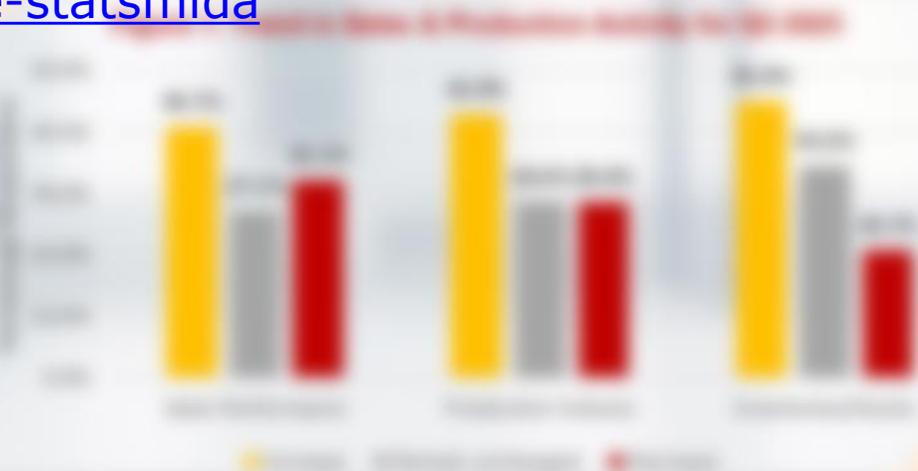
A. SALES & PRODUCTION ACTIVITY

Overall Sales Performance in 2022 shows a steady increase across all sectors, reflecting the government's commitment to economic growth. The manufacturing sector, in particular, has shown significant growth, driven by increased demand for industrial goods and services. This growth is supported by the government's policies aimed at enhancing the competitiveness of the manufacturing industry.

- 1. Production Value: Shows the value of goods and services produced within the country, indicating the overall health of the manufacturing sector.
- 2. Export Value: Reflects the value of goods and services sold to other countries, highlighting the country's trade performance.
- 3. Import Value: Represents the value of goods and services purchased from other countries, providing insight into the country's trade balance.

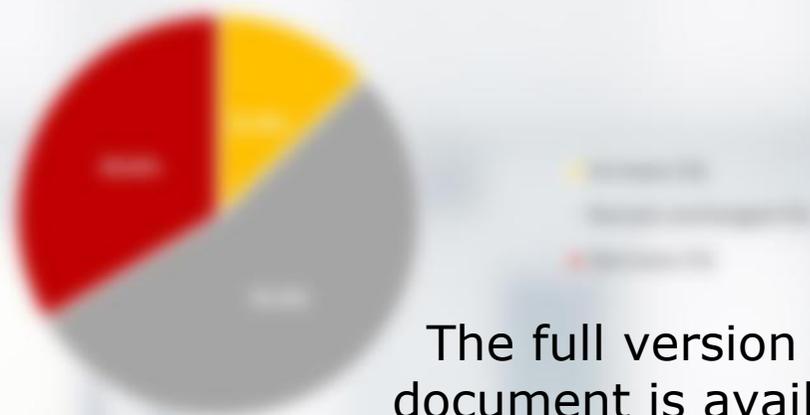
MIDA recorded the strongest sales performance ahead of Fabricated Metal Products, Machinery & Equipment, and Transport Equipment.

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A. SALES & PRODUCTION ACTIVITY (CONT'D)

Figure 2: Trade & Marketing Performance for Q1 2023



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- 1. Wholesale: The largest segment of sales, accounting for 45% of total sales, driven by the strong performance of the manufacturing sector and the services sector.
- 2. Retail: The second largest segment, accounting for 35% of total sales, driven by the strong performance of the services sector and the manufacturing sector.
- 3. Other: The smallest segment, accounting for 20% of total sales, driven by the strong performance of the services sector and the manufacturing sector.
- 4. The performance of the services sector is the primary driver of growth in total sales, accounting for 45% of total sales, followed by the manufacturing sector, which accounts for 35% of total sales.

- 1. Wholesale: The largest segment of sales, accounting for 45% of total sales, driven by the strong performance of the manufacturing sector and the services sector.
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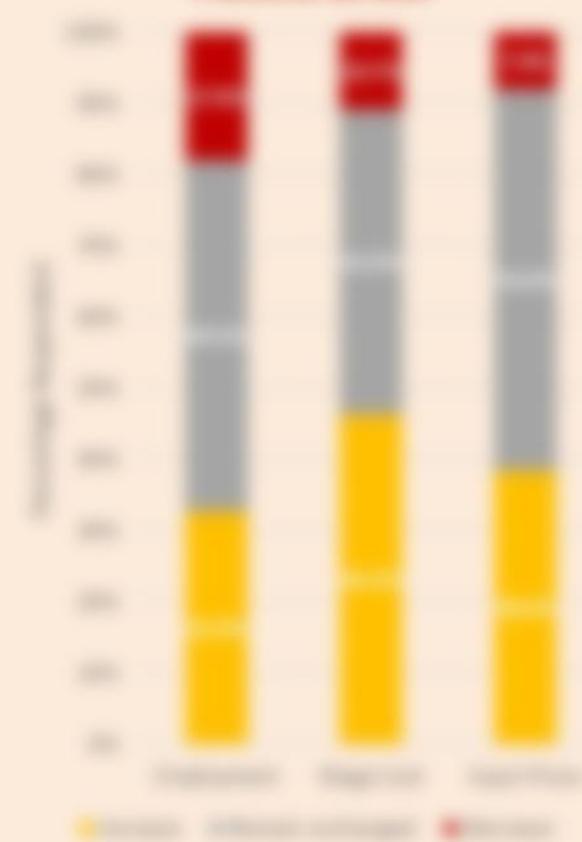
B. EMPLOYMENT & COST PRESSURES

The impact of the... (text is blurred)

- 1. Employment... (text is blurred)
- 2. ... (text is blurred)
- 3. ... (text is blurred)
- 4. ... (text is blurred)
- 5. ... (text is blurred)
- 6. ... (text is blurred)
- 7. ... (text is blurred)
- 8. ... (text is blurred)

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Figure 1: ... (text is blurred)



B. EMPLOYMENT & COST PRESSURES (CONT'D)

1. Higher wages: 100% (100% of 2014) (100% of 2014) (100% of 2014) (100% of 2014)
2. Higher wages: 100% (100% of 2014) (100% of 2014) (100% of 2014) (100% of 2014)
3. Higher wages: 100% (100% of 2014) (100% of 2014) (100% of 2014) (100% of 2014)
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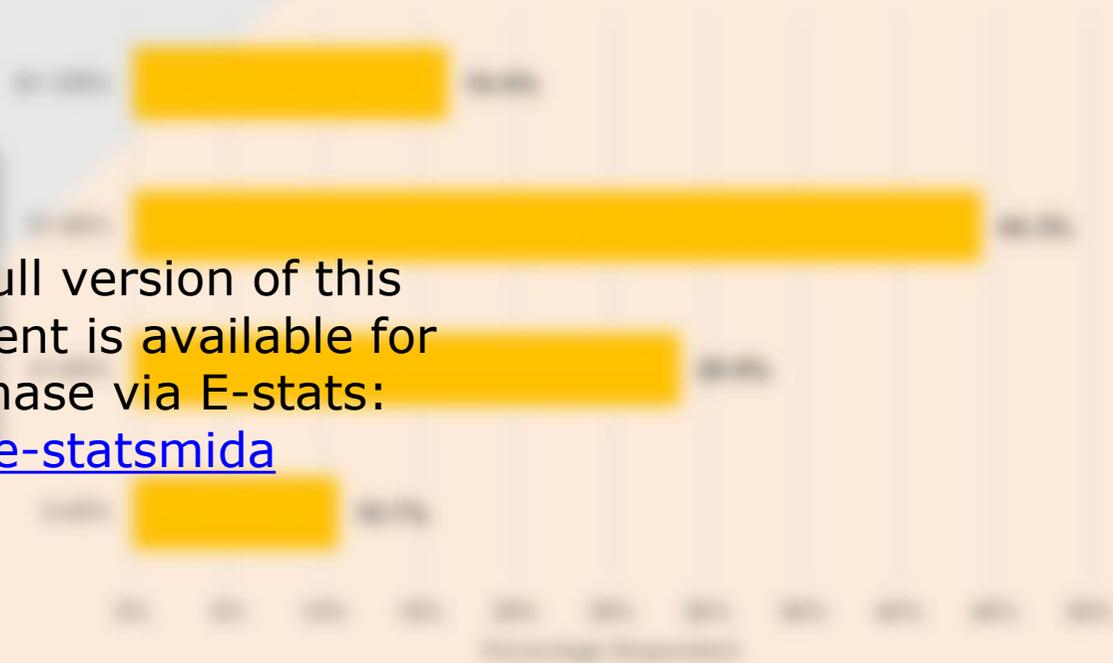


C. DOMESTIC SUPPLY CHAIN

Domestic supply chain... (faded text)

1. Supply chain... (faded text)
2. Supply chain... (faded text)
3. Supply chain... (faded text)
4. Supply chain... (faded text)
5. Supply chain... (faded text)
6. Supply chain... (faded text)

Figure 3: Value of Exports (Million US\$)



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C. DOMESTIC SUPPLY CHAIN (CONT'D)

- 1. Major supply chains are those that are... (text is blurry)
- 2. ... (text is blurry)
- 3. ... (text is blurry)
- 4. ... (text is blurry)

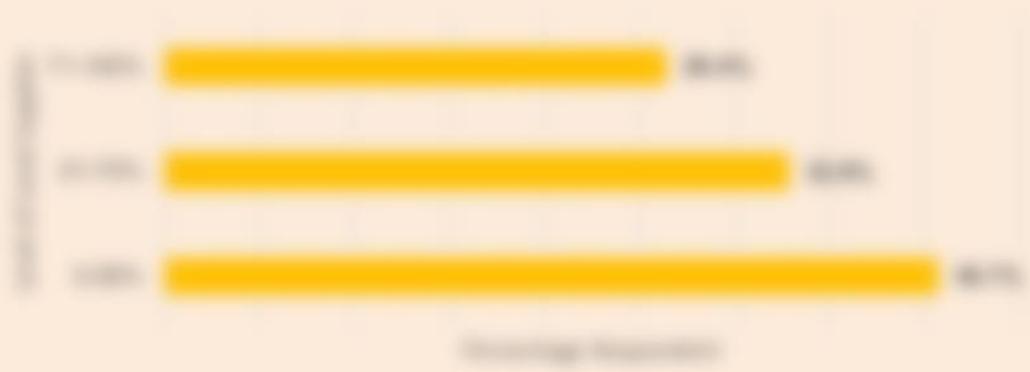
- 1. ... (text is blurry)
- 2. ... (text is blurry)
- 3. ... (text is blurry)

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Figure 1: Supply Chain Status (2018)



Figure 2: Supply Chain Status (2019)



D. GLOBAL SUPPLY CHAIN & MNCs

MNCs play a significant role in the global supply chain, contributing to economic growth and job creation. They are often the backbone of many industries, providing a wide range of products and services to consumers worldwide. MNCs also play a key role in technology transfer and innovation, driving the development of new products and processes.

- 1. **Global Supply Chain & MNC Engagement:** MNCs are increasingly engaged in global supply chains, sourcing raw materials and components from various countries. This engagement is driven by the need to reduce costs, improve efficiency, and access a wider range of talent and expertise.
- 2. **Local Sourcing:** MNCs are also increasingly sourcing locally, particularly in emerging markets. This is driven by the need to reduce transportation costs, improve lead times, and support local economies.
- 3. **Regional Hubs:** MNCs are establishing regional hubs to serve local markets more effectively. These hubs often serve as distribution centers, manufacturing plants, and service centers for the region.

These hubs often serve as regional distribution centers, providing a wide range of products and services to consumers in the region. MNCs also play a key role in technology transfer and innovation, driving the development of new products and processes.

Overall, MNCs are playing an increasingly important role in the global supply chain. Their engagement is driving economic growth and job creation, while their local sourcing and regional hubs are supporting local economies and improving efficiency.

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Investment in Global Supply Chain / Engagement with MNCs



D. GLOBAL SUPPLY CHAIN & MNCs (CONT'D)

1. **MNCs in Global Supply Chains:** The role of MNCs in global supply chains is to provide high-value manufacturing capabilities to their global networks.
2. **Foreign Direct Investment (FDI):** The total value of FDI in the world is estimated to be \$1.5 trillion, with MNCs accounting for 70% of the total FDI and 80% of the jobs.
3. **The Global Trade:** MNCs account for 80% of the world's trade, with MNCs accounting for 80% of the world's trade and 80% of the world's trade.
4. **The Global Supply Chain:** MNCs account for 80% of the world's supply chain, with MNCs accounting for 80% of the world's supply chain and 80% of the world's supply chain.

Table 1: Top 10 Global Firms by Revenue (2022)

Rank	Company Name	Revenue (USD Billion)
1	Walmart	648.1
2	Amazon	514.0
3	Microsoft	474.3
4	Alphabet	425.0
5	Apple	394.3
6	Meta	330.0
7	Google	280.0
8	Facebook	270.0
9	IBM	260.0
10	Oracle	250.0

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Note: The information in this table is for informational purposes only and should not be used for investment decisions.

The data in this table is based on the latest available information and is subject to change. MIDA is not responsible for any errors or omissions in this table. For more information, please contact MIDA.

E. THE NATIONAL BUDGET 2026

- 1. **Revenue Impact of the National Budget 2026** Revenue continues to grow. Budget 2026 expects total tax revenues to rise by 1.7% to RM160.7 billion, supported by 1.8% increase in 2026 tax revenue (mainly, Corporation Tax and Income Tax), 0.8% increase in 2026 non-tax revenues (mainly, 2026 Lottery Proceeds) and 0.1% increase in 2026 other revenues (mainly, 2026 Grants and Contributions).
- 2. **Expenditure Impact of the National Budget 2026** Expenditure continues to grow. Budget 2026 expects total expenditure to rise by 1.7% to RM160.7 billion, supported by 1.8% increase in 2026 operating expenditure (mainly, 2026 Grants and Contributions), 0.8% increase in 2026 capital expenditure (mainly, 2026 Lottery Proceeds) and 0.1% increase in 2026 other expenditure (mainly, 2026 Grants and Contributions).
- 3. **Impact of the Budget on Investment and Employment** Budget 2026 expects total investment to rise by 1.7% to RM160.7 billion, supported by 1.8% increase in 2026 operating expenditure (mainly, 2026 Grants and Contributions), 0.8% increase in 2026 capital expenditure (mainly, 2026 Lottery Proceeds) and 0.1% increase in 2026 other expenditure (mainly, 2026 Grants and Contributions).
- 4. **Other Impact of the Budget** Budget 2026 expects total other revenue to rise by 1.7% to RM160.7 billion, supported by 1.8% increase in 2026 tax revenue (mainly, Corporation Tax and Income Tax), 0.8% increase in 2026 non-tax revenues (mainly, 2026 Lottery Proceeds) and 0.1% increase in 2026 other revenues (mainly, 2026 Grants and Contributions).

- 5. **Revenue Impact of the National Budget 2026** Revenue continues to grow. Budget 2026 expects total tax revenues to rise by 1.7% to RM160.7 billion, supported by 1.8% increase in 2026 tax revenue (mainly, Corporation Tax and Income Tax), 0.8% increase in 2026 non-tax revenues (mainly, 2026 Lottery Proceeds) and 0.1% increase in 2026 other revenues (mainly, 2026 Grants and Contributions).
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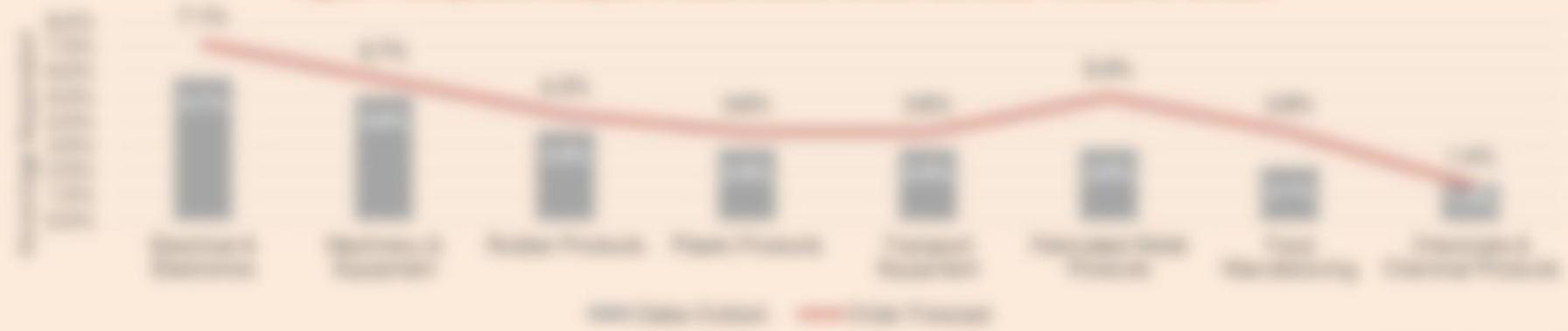
F. QUARTERLY FORECASTS

The quarterly performance forecast is set by MIDA in consultation with the relevant industry bodies and is based on the best available information and is subject to change without notice.

MIDA has issued quarterly performance forecasts for the following sectors:

1. **Auto Sector:** MIDA has issued a forecast for the auto sector for 2024, which is based on the best available information and is subject to change without notice.
 2. **Electronics Sector:** MIDA has issued a forecast for the electronics sector for 2024, which is based on the best available information and is subject to change without notice.
 3. **Food & Beverage Sector:** MIDA has issued a forecast for the food & beverage sector for 2024, which is based on the best available information and is subject to change without notice.
 4. **Logistics Sector:** MIDA has issued a forecast for the logistics sector for 2024, which is based on the best available information and is subject to change without notice.
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Figure 1: Quarterly Performance Forecast of the Auto Sector (2024) (in %)



G. OVERALL BUSINESS SENTIMENT

- 1. **Confidence in Business Growth** (See 1.1.1.1) Business confidence is measured by a range of factors, all of which are reported relative to the previous period. The following table shows the confidence in business growth.
 - 2. **Business Outlook** The following table shows the business outlook, all of which are reported relative to the confidence in business growth. The following table shows the business outlook.
 - 3. **Business Outlook** (Change in confidence in growth) (See 1.1.1.1) The following table shows the change in confidence in growth.
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 - 8. **Business Outlook** The following table shows the business outlook, all of which are reported relative to the confidence in business growth.
 - 9. **Business Outlook** (Change in confidence in growth) (See 1.1.1.1) The following table shows the change in confidence in growth.

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