

S&P Global Malaysia Manufacturing PMI[®]

Confidence in the outlook surges as new orders return to growth

November 2025

Business optimism reaches highest since July 2013

Growth in new orders at 43-month high

Strongest rise in output charges since August 2024

November saw business optimism strengthen markedly in the Malaysian manufacturing sector alongside a renewed expansion in new business.

New order inflows rose for the third time in four months, with the pace of increase reaching the fastest since April 2022. Firms also saw the rate of moderation in new export sales soften on the month. As a result, goods producers noted that the moderation in production volumes eased from that seen in October. Improving demand conditions encouraged firms to raise input purchases at a stronger rate, while employment levels rose for the first time in five months. Moreover, confidence regarding the year ahead reached the highest since July 2013.

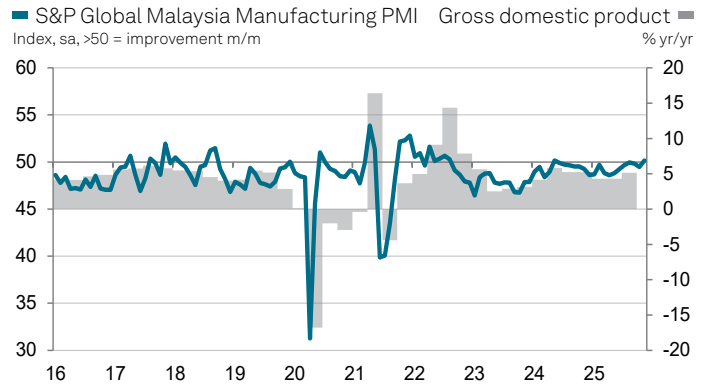
The seasonally adjusted S&P Global Malaysia Manufacturing Purchasing Managers' Index™ (PMI[®]) rose from 49.5 in October to 50.1 in November. The reading signalled a fractional improvement in the health of the sector that was nonetheless the first since May 2024.

The historical relationship between the PMI and official GDP statistics suggests that the final quarter of the year saw solid economic growth, while also being consistent with a further expansion in official manufacturing production on an annual basis.

Driving the improvement in business conditions was a renewed uptick in new orders. The respective seasonally adjusted index was above the 50.0 no-change mark for only the fourth time in 2025 so far, and reached the highest for just over three-and-a-half years. Stronger client confidence and new product launches were cited as key factors behind the increase. Foreign demand for Malaysian manufactured goods meanwhile moved towards neutrality in the penultimate month of the year, as the rate of moderation was only fractional overall.

Despite positive demand movements, output volumes continued to be scaled back, though the rate of reduction was only mild having softened from a month prior. Some companies noted that they had opted to replenish stocks of finished goods as well as supporting current order requirements. Post-production inventories rose for the first time in 41 months, albeit only marginally.

Improving order intakes were central to stronger optimism regarding output over the coming year during November.



Data were collected 12-24 November 2025.
Sources: S&P Global PMI, Department of Statistics Malaysia via S&P Global Market Intelligence. ©2025 S&P Global.

Comment

Usamah Bhatti, Economist at S&P Global Market Intelligence, said:

"Malaysian manufacturers saw operating conditions move back into positive territory in the penultimate month of 2025, albeit only fractionally. New orders were the key point of improvement in November, rising to the greatest extent since April 2022. This encouraged a stronger rise in purchasing activity and a renewed uplift in staffing levels that was the strongest since September 2022.

"Despite this, firms held back on raising production levels amid reports of raw material shortages, higher competition and a rising tax burden.

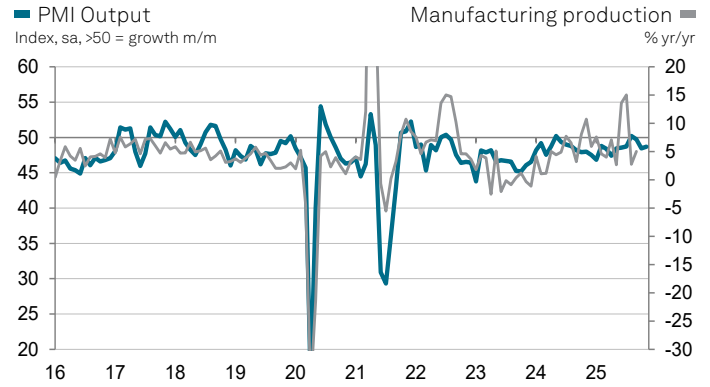
"Nonetheless, confidence regarding activity in the manufacturing economy surged on the month following positive demand movements. The degree of optimism was at the highest since July 2013, underpinned by hopes of business expansions, new product launches and higher customer numbers."

Business confidence rose markedly on the month to reach the highest since July 2013. Companies were hopeful that new product launches, business expansions and higher customer numbers would help to drive output growth over the next 12 months. Moreover, confidence in the outlook encouraged manufacturers to raise employment levels at the strongest rate since September 2022, ending a four-month sequence of falling staffing levels.

Firms also looked to raise purchasing activity on the back of the improved outlook and demand conditions, taking the current sequence of accumulation to five months. This coincided with a renewed improvement in vendor performance in November, the first since May. On the other hand, holdings of pre-production inventories were lowered for the fifth consecutive month amid reports that inventories were generally used in the production process.

Despite the renewed increase in sales, firms still had sufficient capacity to complete existing. As a result, backlogs of work were depleted to the largest extent since October 2023.

The rate of input cost inflation accelerated for the second successive month in November to reach a four-month high amid higher raw material prices and tax burdens. This contributed to a renewed rise in output charges, and one that was the most prominent in 15 months as firms looked to protect profit margins by passing higher cost burdens to clients.



Sources: S&P Global PMI, Department of Statistics Malaysia via S&P Global Market Intelligence. ©2025 S&P Global.

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Methodology

The S&P Global Malaysia Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in July 2012.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

PMI by S&P Global

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi

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