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MALAYSIAN
TIN PRODUCTS

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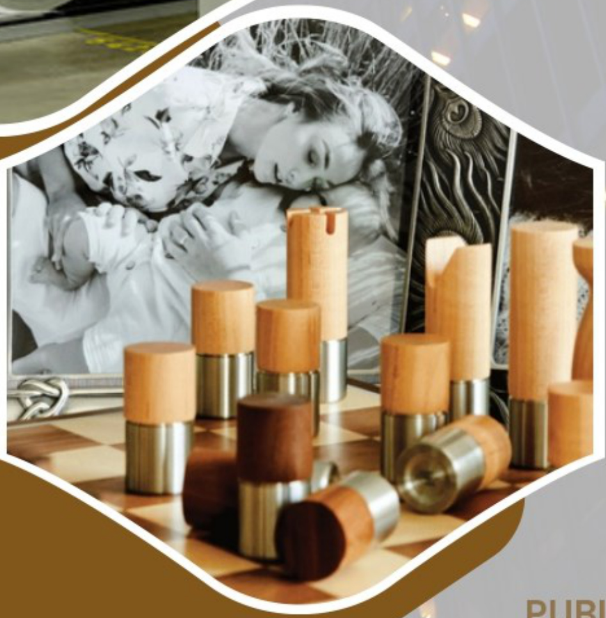

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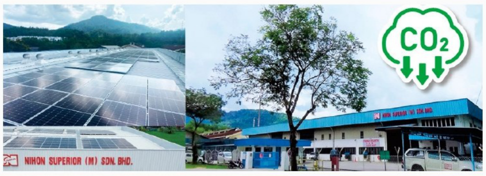

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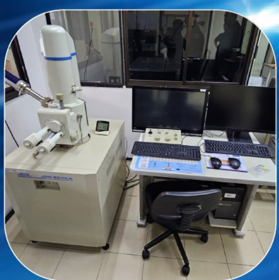

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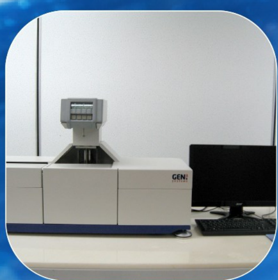

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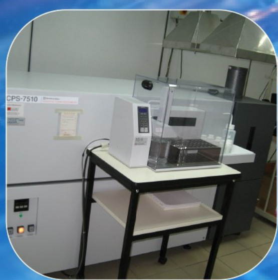

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THE MALAYSIAN TIN PRODUCTS NEWSLETTER

QUARTERLY | APRIL - JUNE 2026

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The Malaysian Tin Products Newsletter is published quarterly by the Malaysian Tin Products Manufacturers' Association (MTPMA). The opinions and statements expressed in the Newsletter are not necessarily those of the MTPMA or the Editorial Sub-Committee and neither endorsement nor confirmation are intended or implied.

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PRESIDENT'S NOTE

DAVID TAN

PRESIDENT

THE MALAYSIAN TIN PRODUCTS MANUFACTURERS' ASSOCIATION (MTPMA)

Dear Members,

The global and domestic economic landscape continued to evolve amid persistent uncertainties, technological transformation and shifting market dynamics throughout the second half of 2026. On a positive note, Malaysia's industrial sector continued to demonstrate resilience, supported by steady domestic fundamentals, strategic investments and ongoing efforts to strengthen the nation's position within the global supply chain.

The semiconductor industry continued to benefit from growing demand for artificial intelligence (AI), high-performance computing, electric vehicles and advanced digital technologies. Supported by the National Semiconductor Strategy (NSS), Malaysia remained well-positioned within the global semiconductor value chain, creating further opportunities for the country's manufacturing sector. Likewise, the electrical and electronics (E&E) industry continued to demonstrate resilience despite rising operating costs and global uncertainties, supported by greater adoption of automation, digitalisation and sustainable manufacturing practices.

The pewter sector is well positioned to benefit from the anticipated increase in tourism activities under Visit Malaysia Year 2026, particularly through stronger demand for premium giftware and souvenir products, as the tourism sector continued to generate positive spillover effects across the retail economy. Meanwhile, the tinplate sector continued to navigate a challenging operating environment amid global market volatility. Nevertheless, demand from the food and beverage packaging industry continued to provide an important source of stability for the sector over the longer term.

Against this backdrop, MTPMA members continued to operate steadily throughout the second quarter despite a challenging business environment. Companies remained focused on enhancing productivity, strengthening technical capabilities and embracing Environmental, Social and Governance (ESG) practices to meet evolving customer expectations and international standards. These efforts will become increasingly important as sustainability and responsible manufacturing become key expectations across global supply chains.

The Association has also continued to encourage greater knowledge sharing and closer collaboration among members to enhance industry capabilities and promote the adoption of best practices. Such collective efforts will be instrumental in ensuring that Malaysian tin product manufacturers remain competitive, innovative and responsive to the evolving needs of both domestic and international markets.

I am deeply honoured by the confidence placed in me during the Association's Annual General Meeting (AGM) held in June 2026, where I was re-elected to serve as President of MTPMA for another one-year term. I sincerely thank all members for their continued trust and support. Together with the Management Committee, we remain committed to strengthening industry collaboration, advocating matters affecting our members and ensuring that MTPMA continues to be a strong and relevant voice for the industry.

Looking ahead to the second half of 2026, I remain optimistic that our industry will continue to adapt and grow despite global uncertainties. By embracing innovation, technological advancement and stronger collaboration among industry players, government agencies and strategic partners, we can further strengthen Malaysia's competitiveness while creating sustainable growth for the industry.

On behalf of the Management Committee, I would like to express my sincere appreciation to all members for your continued trust, participation and unwavering support. Together, we will continue to strengthen our Association, enhance the competitiveness of our industry and build a more resilient and sustainable future for Malaysia's tin products manufacturing sector.

DAVID TAN
President

NEWS ON ECONOMY

'Extended Oil Supply Shock Poses Risk to Economic Outlook'

Bank Negara Malaysia said prolonged oil supply disruptions over the next six months could impact the country's economic outlook. Governor Datuk Seri Abdul Rasheed Ghaffour said higher oil prices and shipping costs could increase production and logistics expenses worldwide, driving inflation and affecting trade flows. He said financial markets may respond with heightened risk aversion, potentially tightening credit conditions and weighing on growth. "The negative impact on the global economy could also be amplified by weaker sentiments. But we must also recognise that global energy sources are more diversified now and that strategic reserves are sizeable. These ought to help mitigate some of the impact from the conflict," he said at a press of Bank Negara's flagship publications yesterday.

"Our baseline scenario considers a conflict lasting one to two months, a likely scenario of three to six months, and a tier-risk scenario exceeding six months. We are also assessing the severity of damage to infrastructure, which remains uncertain."

On oil prices, the central bank expects the baseline to range between US$70 and US$90 per barrel, with the year-to-date average at US$77 per barrel. The likely scenario sees prices between US$90 and US$110 per barrel, while the tier risk scenario could push prices above US$110 per barrel. Rasheed said Bank Negara's current growth forecasts already incorporate baseline and part of the likely scenario.

However, the central bank would revise forecasts if the situation escalates under the tier scenario. "Forecasting requires seeing through the noise and understanding underlying changes, giving us time to gather more data." He said the government's fiscal reforms, including subsidy rationalisation for electricity, water, diesel and RON95, have created fiscal space to manage rising costs.

Source: New Straits Times, 1 April 2026

Domestic Strength Shields Ringgit

Strong domestic fundamentals and reform efforts will continue to cushion the ringgit amid global currency volatility, Bank Negara Malaysia said. Governor Datuk Seri Abdul Rasheed Ghaffour said the ringgit is influenced by a mix of external and domestic factors, including global market sentiment, US dollar strength and broader geopolitical developments. He said conflicts may affect market sentiment, but their impact on the ringgit is largely subjective and does not reflect structural weakness in Malaysia's economy. Rasheed said Malaysia's sound economic position is supported by sustained capital inflows, a resilient financial system and investor confidence. "We have a strong current account surplus which continues to support the ringgit," he said, adding that structural reforms will provide further long-term support to the currency.

On US dollar movements and flows into safe-haven assets such as gold, Rasheed said these may influence short-term currency behaviour, but Malaysia's financial markets have remained orderly and liquid, with strong trading activity. Deputy governor Datuk Seri Adnan Zaylani Mohamad Zahid said the ringgit's trajectory reflects improvements built over the past two to three years. "Foreign exchange market activity remains robust, with high transaction volumes indicating strong liquidity and smooth market functioning. This enables businesses to continue hedging and conducting cross-border transactions efficiently," he said.

The central bank also highlighted initiatives to strengthen the role of the ringgit in trade and investment flows. Market sentiment towards Malaysia remains broadly positive compared with regional peers. Rasheed said external shocks may lead to short-term fluctuations, but the ringgit's outlook remains anchored by resilient capital flows and ongoing structural reforms.

Source: New Straits Times, 1 April 2026

Economy Seen to Expand 4_{pc}-5_{pc} This Year

Malaysia's diversified economy and strong regional linkages provide a buffer against global uncertainties, supporting its growth in 2026, said economists. Bank Negara Malaysia expects the economy to grow between four and five per cent this year, moderating from the 5.2 per cent expansion in 2025. This will be supported by household spending, expansion in investments, sustained global demand, particularly for electrical and electronics (E&E) exports and steady tourism during Visit Malaysia 2026. Inflation is expected to remain moderate at between 1.5 and 2.5 per cent. Governor Datuk Seri Abdul Rasheed Ghaffour said Malaysia entered 2026 from a position of strength, citing four pillars: diversified growth drivers, healthy household and corporate balance sheets, a strong financial sector and sufficient macroeconomic policy space.

He said household consumption remains a key growth anchor, driven by rising income prospects and a resilient labour market, with unemployment expected to stay near a decade low of 2.9 per cent. Rasheed said tourism remains another source of strength. The sector helped turn a 14-year deficit in the services account into a surplus last year, and momentum is expected to continue under Visit Malaysia 2026. However, he cautioned that Middle East developments could pose downside risks.

On Malaysia's financial system, Rasheed said it remains robust and well-positioned to support the economy despite global uncertainties. He said banks and insurers continue to operate with strong capital positions and ample liquidity. He said stress tests conducted by the central bank indicate that the banking system can withstand scenarios more severe than the global financial crisis and the 2020 pandemic. Universiti Teknologi Mara Business Management Faculty senior lecturer Dr Mohamad Idham Md Razak said the growth projection is achievable, supported by private consumption and supportive macro policies and investment in E&E and data centres. "While global conflicts and trade uncertainties pose downside risks, Malaysia's diversified economy and strong regional linkages provide a buffer. Growth may fluctuate but the baseline outlook remains cautiously optimistic."

Idham said headline inflation figures may not fully capture cost-of-living pressures, particularly for essentials such as food, rent and services. He urged policymakers to focus on targeted measures to support income growth and ensure efficient price monitoring rather than relying solely on aggregate inflation rates. In the E&E sector, Idham said it is moderately exposed too global supply chain disruptions and benefits from strong demand driven by artificial intelligence, cloud computing and data centre expansion. He said strategies such as diversifying supply sources, moving up the value chain, and deepening regional partnerships are seen as key to mitigating risks. Idham said risks to the financial systems are manageable.

He said key concerns include external shocks such as sharp capital flow reversals, elevated global interest rates and pockets of household or corporate leverage. "Nevertheless, Malaysia's banking system remains well-capitalised and well-regulated, providing a strong buffer against moderate stress scenarios," he said. Meanwhile, Universiti Kuala Lumpur Business School economic analyst Assoc Prof Dr Aimi Zulhazmi Abdul Rashid said Malaysia's strong 2025 performance, which exceeded expectations amid trade disruptions such as tariffs, underscores the economy's resilience. He said developments in the Middle East could affect inflation in the second quarter. "The pressure of higher energy prices will be reflected in the second quarter of 2026. The government is expected to implement fiscal stimulus should the cost of living increase in the coming months."

Source: New Straits Times, 1 April 2026

BNM Turns Wary but Keeps the Faith in Growth

Expansion Forecast Unchanged on Domestic Demand

Bank Negara Malaysia (BNM) has struck a cautiously optimistic tone on the economy by keeping the country's growth forecast unchanged for now. Analysts broadly echo the central bank's view that resilient domestic demand and continued export activity will anchor growth. BNM expects the economy to expand by 4% to 5% year-on-year (y-o-y) in 2026, a touch more upbeat than the Finance Ministry's narrower 4% to 4.5% projection. The forecast is seen as within reach, as long as the Middle East conflict does not deteriorate further and unleash wider knock-on effects.

On March 31, US president Donald Trump said that American forces would leave Iran within "two to three weeks". Post-briefing with BNM, CGS International (CGSI) Research said the central bank presented various oil price scenarios. It also repeatedly admitted that the fluidity of the present situation could alter its forecasts. "However, we see the core message for 2026 remains consistent – that domestic demand is anchoring growth – with a more constructive view on the ringgit and Malaysia's export strength. We keep our 2026 gross domestic product (GDP) forecast of 4.8% y-o-y, which is at the higher end of BNM's forecast range. We think there is still a possibility that Malaysia could weather the crisis better than the market expected, even as the US-Iran war prolongs, amid its favourable fiscal space and robust export momentum," said CGSI Research. Meanwhile, Hong Leong Investment Bank (HLIB) Research said BNM anticipates the economy to remain close to its potential, with a marginally positive output gap.

In the near term, potential output will remain supported by capital accumulation and productivity gains amid higher investments in information, communication and technology, as well as the electrical and electronic (E&E) sectors. It added that the central bank highlighted downside risks from geopolitical uncertainties and US tariffs, as well as potential deceleration in the global artificial intelligence momentum. On the flip side, upside risks to growth include stronger-than-expected global growth and robust demand for E&E products, coupled with improved tourism activity. "Following the impact of the Iran war, we are revising our 2026 GDP forecast to 4.5% from 4.7%, while raising our inflation forecast to 2% (previously: 1.7%) and maintaining our expectation for BNM to hold the overnight policy rate at 2.75%. We expect some upward pressure on RON97 and unsubsidised diesel prices as well as food prices from higher commodity costs amid unfavourable weather conditions," HLIB Research said.

Despite the cautiousness amid uncertainties, BIMB Securities Research thinks there is "scope for upside" to the economic outlook. This would materialise particularly if primary sectors such as agriculture and mining outperform expectations and return to a firmer growth trajectory, underpinned by sustained strength in global commodity prices. Elevated crude oil and crude palm oil prices would enhance income generation, strengthen production incentives and boost export earnings, thereby reinforcing the contribution from these sectors. "At the same time, a less severe-than-anticipated implementation of US tariff measures could provide an additional lift to external demand and trade activity. Taken together, these factors point to a potential skew of growth outcomes toward the upper bound of BNM's forecast range," stated BIMB Securities Research.

Source: The Star, 2 April 2026

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FMM Calls for Immediate Government Action

The Federation of Malaysian Manufacturing (FMM) has called for immediate government intervention to address supply chain disruptions caused by the closure of the Strait of Hormuz. A survey by FMM found that nine in 10 respondents are already affected or expect to be affected within four weeks. It said raw material shortages, rising logistics costs and tightening diesel supply are threatening production continuity across sectors producing food, household goods, packaging, chemicals and consumer products. "Government intervention is required now, not when conditions deteriorate further," FMM president Jacob Lee said in a statement. He said even if the conflict ends immediately, lagging effects on freight rates, raw material restocking cycles, insurance pricing and contract renegotiations would continue to weigh on operations for months.

FMM flagged production halts as the most immediate risk due to a lack of critical inputs. Its survey showed that 69.5 per cent of companies expect raw material shortages within four weeks, while 8.2 per cent have less than two weeks of stock for critical minerals. FMM 67.3 per cent of companies expect production disruptions within one month. Energy costs have also risen sharply across sectors. About 48.6 per cent of companies reported increases of between 10 per cent and 30 per cent and also 50 per cent. The most affected sectors are those with high industrial diesel intensity. "Some 52.7 per cent of companies reported freight and logistics cost increases of between 20 per cent and 50 per cent, while a further 17.7 per cent reported increases exceeding 50 per cent," FMM said. It added that 48.2 per cent of companies have already reduced output or suspended product lines.

FMM proposed several measures, including tax deductions under the Income Tax Act 1967 for freight surcharges, war risk insurance premiums, vessel rerouting charges, demurrage fees and storage costs linked to the disruption. It also urged the Domestic Trade and Cost of Living Ministry to expand the Sistem Kawalan Diesel Bersubsidi to include fuel-intensive industrial users. In addition, FMM called for Petroliam Nasional Bhd to prioritise domestic allocation of naphtha, liquefied natural gas and Sulphur for downstream manufacturers during the crisis period.

Source: New Straits Times, 8 April 2026

Steady Economic Growth Forecast

Favourable Labour Market Dynamics, Continued Government Support Augur Well for Country's Growth, says the World Bank

The World Bank raised Malaysia's economic growth forecast for 2026 to 4.4% from 4.1%, citing resilient domestic demand despite escalating geopolitical tensions in the Middle East. "Malaysia enters this crisis period from a position of strength. We expect domestic demand to be strong this year because of favourable labour market dynamics, as well as continued government support where required," World Bank lead economist for Malaysia Apurva Sanghi said at a briefing for the Malaysia Economic Monitor (MEM) April 2026. He also noted the situation in the Middle East remains very fluid and can change from one moment to the next and as such, this cannot be fully accounted for in any projection. "In 2025, especially the last two quarters, all the metrics point towards Malaysia doing well. This year, we expect some spillover momentum. Look at bond yields for example, the country is quite robust here. And as of now Malaysia is doing quite well," he said.

The latest gross domestic product outlook by the World Bank is broadly in line and close to projections from Bank Negara Ma-

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laysia and the government. Malaysia's economy had outperformed expectations in 2025, expanding by 5.2%. On inflation, Apurva said this remains contained at near 1.6% although this would also be predicted upon how the global geopolitical situation moves along. Meanwhile, the World Bank said there is a need for Malaysia to focus on enhancing its economic complexity as its ranking in the region has declined in the last four years. According to the Harvard Atlas Economic Complexity, Malaysia's Economic Com-plexity Index ranking has fallen from its 2021 peak of 23rd placing to 32nd, which is a level similar to 2016. This reflects limited diversification of export products over the period, the findings showed.

By contrast, the World Bank highlighted the same index showed Vietnam, with more scope to diversify from a lower starting point, has climbed 20 places over the past decade by actively entering new and more complex product markets. This shift is evident when comparing the 2024 export structures with those from 10 years ago: whereby Vietnam's has shifted markedly, with significant increases in electrical and machinery products, while Malaysia's structure remained largely similar, the World Bank said in the MEM April 2026 bulletin. "Nonetheless, at current income levels, Malaysia's economic complexity is associated with projected annual growth of around 4.5% through 2034, broadly aligned with the lower-bound target under the 13th Malaysia Plan. Against this backdrop, renewed progress in export diversification and upgrading will be critical to rebuilding economic complexity and supporting growth beyond baseline projections," it said. "Over the past decade, Vietnam's export structure has evolved more rapidly than Malaysia's," it noted.

Apurva said economic complexity is an important gauge of being able to drive long term growth. "The more complex an economy is, the better is it for growth and per capita outcomes here. If a hypothetical country Q only exports the most basic products, it will be subject to the ups and downs of raw material prices. So the more complex set of goods and services an economy uses, the better off the country's citizens are in terms of its developmental outcomes," Apurva said.

Apurva said some of the areas the country could improve on this front include complex machinery such as lenses and optical elements and complex chemical products. "These are more complex, feasible and closest to the country's set of capabilities for Malaysia to consider improving on in their supply chain," he said.

The World Bank report elaborated further on these sectors and products: machines for working materials by laser and similar means; chemical preparations for photographic uses; lenses and other optical elements; and parts of radios, telephones and televisions. "Our findings also show Malaysia has done remarkably well in moving from basic commodity oil producer and exporter decades ago into more higher value added and more complex refined goods – this is something to be lauded. "But Malaysia can learn from its own experiences where it moved up in economic complexity within the commodity sector," he said. "How was this done? - by importing technology, learning from the best, building capabilities and these can be applied to the other sectors as well," Apurva added.

The objective is not merely to export more complex goods, but to ensure that the associated capabilities are built domestically, enabling greater value capture and long-term upgrading, it said. Having the know-how to produce sophisticated products enables Malaysia to capture higher value, generate quality jobs, and create broader economic impact, the World Bank noted. "For example, while the manufacture of computer, electronic, and optical products dominates Malaysia's gross exports, only around 54% of the value is captured domestically (in contrast to manufacture of chemicals which captures 61% of the domestic value added or DVA). Developing domestic capabilities in high-value stages ensures that participation in these global value chains translates into deeper productive know-how, higher economic complexity, and sustained growth," it said.

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However, it also noted that moving to high value-added activities does not imply that Malaysia should artificially raise DVA through import substitution, which could be inefficient. Malaysia has the highest gross exports in computer, electronics, and optical products, but a relatively low share of domestic value added in their exports, it said. Meanwhile, commenting on the country's fiscal deficits, Apurva said part of the reason why this had come down last year and beaten expectations is the bigger than expected revenues from the Sales and Service Tax (SST). "This may continue, but we don't know for how long. But relying on SST and commodity related revenues are not a sustainable long term strategy to bring down the fiscal deficit. Malaysia needs to pivot away from expenditure only fiscal deficit reduction measures to better revenue mobilisation," he said.

Source: The Star, 10 April 2026

Akmal: Govt Bracing for Downstream Inflationary Pressures

Despite a robust 5.3% economic growth in the first quarter, the government is bracing for downstream inflationary pressures as global geopolitical tensions begin to disrupt supply chains. Economy Minister Akmal Nasrullah Mohd Nasir said while Malaysia's economy remains resilient, the country cannot afford to be complacent. "Rising input costs will have a knock-on effect on the prices of everyday goods. Inflationary pressures extend far beyond fuel prices. For example, if there are issues with the cost of fertilisers, it will impact the overall production costs," he said. To cushion the blow and delay the impact on consumers, Akmal Nasrullah said the government has put strategic buffers in place. "We provide incentives for planters to ensure that agricultural activities can continue seamlessly. At present, we have strong inventories and supplies. However, when there is an increase in input costs like energy or raw materials, there will be downstream implications," he said.

The minister was asked to comment on the broader economic outlook following the recent uptick in inflation, which rose slightly from 1.4% in February to 1.7% in March. He said that the rate remains manageable compared to global standards due to policies implemented by the government. "Inflation must be evaluated based on the basket of goods. Global geopolitical tensions are beginning to impact energy supplies. So we are seeing early signs of disruptions spilling over into other supply chains," he said, adding that the government would monitor and evaluate the situation closely so that early preparations can be made.

On the country's overall economic performance, Akmal Nasrullah said the government remains positive on the outlook. "Malaysia has better resilience compared to others. The process of improvement must be continuous." Citing the energy sector, he said the government is taking a highly practical approach to upgrade the biodiesel mandate from B10 to B15 by focusing on operational capabilities rather than just relying on long-term facility development plans. Last week, the Department of Statistics Malaysia released its advanced estimates, projecting the economy to grow by 5.3% in the first quarter of this year. Chief statistician Datuk Seri Mohd Uzir Mahidin said the manufacturing sector maintained positive momentum in the first two months of the year with output expanding by 7.3% and 4.2% respectively, largely driven by export-oriented industries.

Source: The Star, 21 April 2026

Manufacturers Feeling the Pressure as Operating Costs Surge

Malaysia's manufacturers are under mounting pressure, with over two-thirds reporting that production and operating costs have surged by at least 10%, says the Federation of Malaysian Manufacturers (FMM). The group said it has raised these concerns with the government, which has agreed to grant an interim exemption on import duty and sales tax until Dec 31 for Malaysian-made goods that are returned after failing to complete export due to disruptions. FMM president Jacob Lee said an April survey found that 90.5% of manufacturers are already affected by ongoing disruptions in the Middle East or expect to be within the next four weeks. "Working capital and cash flow pressures were reported by 74.5% of companies, with 18.2% saying the strain is severe enough to affect their ability to fulfil orders or pay suppliers," he said.

To ease supply constraints, the Health Ministry, through the Medical Device Authority, has concluded a strategic arrangement with Chinese authorities to boost the supply of key inputs such as resin and naphtha for Malaysia's medical device sector. FMM is advocating similar arrangements for other critical materials such as sulphur, ammonia and selected polymer grades. Lee urged the government to go further by setting up a "Business Resilience Fund" to help manufacturers manage rising costs and working capital pressures driven by the Iran conflict, disruptions in the Strait of Hormuz and instability in Red Sea shipping routes. Targeted financial support can be channelled through Bank Pembangunan Malaysia Berhad and SME Bank, with policy support from Bank Negara Malaysia," he suggested. He said the proposal draws on measures taken during the Covid-19 pandemic, including Bank Neg-ara's Special Relief Facility and other targeted financing schemes.

FMM has also proposed a working capital guarantee mechanism via agencies such as Syarikat Jaminan Pembiayaan Perniagaan Berhad and Credit Guarantee Corporation Malaysia Berhad. Lee also called for enhanced tax relief to help businesses absorb rising logistics costs. "We are requesting further tax deductions for crisis-related freight and insurance costs, including double deductions for war-risk surcharges, rerouting costs, and higher marine cargo insurance premiums, as well as detention, demurrage and port storage charges directly linked to the Middle East conflict," he said. He said temporary import duty exemptions are also needed for critical raw materials sourced from alternative markets. "When supply chains in the Middle East are closed, manufacturers are forced to source from alternative suppliers in Kazakh•stan, Canada and other countries, often at premium prices," he said.

Source: The Star, 30 April 2026

Inflation Eases in 2025

Firmer Ringgit, Govt Initiatives support Moderation

Malaysia's inflation moderated to 1.4% in 2025 as compared to 1.8% in the previous year, supported by the firmer ringgit, sustained household spending and initiatives by the government. According to the Statistics Department, government initiatives to distribute Ron95 petrol subsidies to Malaysians, to a certain extent, helped to curb further increases in Malaysia's inflation. "This rate is within the inflation range projected by Bank Negara Malaysia and the Finance Ministry, between 1% and 2% for 2025," it said in a statement regarding the analysis of consumer price index (CPI) 2025. Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the country's inflation in 2025 was contributed by the inflation of housing, water, electricity, gas and other fuels (1.6%); health (1.2%); recreation, sports and culture (1.1%); transport (0.4%) and furnishings, household equipment and routine household maintenance (0.2%).

He said personal care, social protection and miscellaneous goods and services recorded a higher increase at 4.4% compared to 2024's 3%, followed by insurance and financial services (3.4%), restaurants and accommodation services (3.2%), education (2.3%), and food and beverages (2.1%). In contrast, he said information and communication and clothing and footwear recorded declines of negative 4.3% and negative 0.2% in 2025, respectively. "The highest inflation throughout 2025 was recorded in January 2025 at 1.7% and edged down to 1.1% in June 2025, contributed by a slower trend in the inflation of food and beverages, and housing, water, electricity, gas and other fuels. Nevertheless, the inflation trend picked up in the second half of financial year 2025," he further said.

Mohd Uzir noted that the core inflation rose 2% in 2025 as compared to 1.8% in 2024, contributed by the personal care, social protection and miscellaneous goods and services (4.4%), food and beverages (3.4%), insurance and financial services (3.4%), and restaurant and accommodation services (3.2%). Meanwhile, he said most states registered slower inflation, with four states exceeding the national inflation rate of 1.4% in 2025, namely Johor (2%), Selangor (1.7%), Negri Sembilan (1.7%) and Melaka (1.5%). "Kelantan recorded the lowest increase at 0.3%," he said. Mohd Uzir said that compared with inflation in other selected countries, the inflation rate in Asean countries ranged from negative 0.3% to 7.7% in 2025. "Laos recorded the highest inflation at 7.7%, while Brunei recorded the lowest inflation at negative 0.3%," he added. — *Bernama*

Source: The Star, 30 April 2026

Latest Job Stats Point to a Resilient Economy

Labour Market at Full Employment at

Malaysia's economy remains resilient despite external headwinds, with the labour market at full employment at the end of March. While Social Security Organisation or Socso, reported loss of employment cases of 5,900 cases in March (April: 7,900), data from the Statistics Department showed the unemployment rate in the country remained unchanged at 2.9% at the end of March – for the fifth consecutive month. Labour force participation rate also remained firm at 70.9% in March, supported by continued employment growth in sectors like services and manufacturing. The labour force continued to expand In March, rising by 0.03% year-on-year (y-o-y) to 17.3 million persons. Hence, economists remain confident in the local economy providing sustained jobs opportunities on the back of firm domestic demand. "We continue to expect Malaysia's labour market will remain relatively insulated from the global energy supply risk, buffered by resilient domestic eco-

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nomic activity and sustained global appetite for electrical and electronics exports. That said, downside risks, stemming from elevated global energy prices and some production disruption could weigh on employment outlook. We remain cautious and maintain our gross domestic product growth projection of 4.5% year-on-year in 2026," Hong Leong Investment Bank (HLIB) Research noted in a report .

BIMB Research warned that despite the jobless rate being at the lowest since 2014, it foresees a softening in the job market in the second half of the year due to the ongoing global energy crisis, supply disruptions and modest global demand. Hence, the research house has projected the average unemployment rate for 2026 to stand at 3.1%. The Statistics Department's noted total employment in March had increased by 0.2% y-o-y, underpinned by broad-based job creation across most major economic sectors. This led to unemployed persons declining by 3.9% y-o-y to 509,000 persons in March, according to a TA Research report recently. The services sector remained the largest contributor to total employment in March 2026, particularly in accommodation and food and beverage services, information and communication activities, as well as transportation and storage activities, reflecting continued strength in domestic demand, tourism-related activities and digitalisation trends. The manufacturing, construction and agriculture sectors also recorded increases in employment, supported by ongoing investment activities, infrastructure projects and steady commodity-related demand.

Employment in the mining and quarrying sector registered a slight decline in March likely reflecting cautious hiring sentiment amid external geopolitical tensions, oil price volatility and temporary disruptions in global energy-related activities. TA Research added the moderation in mining employment may also be linked to maintenance activities and slower production adjustments within the crude oil and natural gas segments. It believes steady domestic demand, improving tourism activity, continued investment expansion, and structural shifts towards higher-value industries will support household spending and broader economic growth in 2026. This will ensure the unemployment rate remains low which the research house projected to improve further to 2.8% by end-2026.

Source: The Star, 14 May 2026

Trade Expands to RM789.5$_B$ in Q1

Malaysia's trade expanded 10.4 per cent year-on-year to RM789.85 billion in the first quarter of 2026, but the performance reflects late-cycle strength rather than a sustained upswing, economists said. Exports rose 12.7 per cent to RM 426.53 billion during the quarter, marking the second-highest level on record, while imports increased 7.7 per cent to RM363.31 billion, resulting in a trade surplus of RM63.22 billion. The Investment, Trade and Industry Ministry said these were the highest first-quarter figures ever recorded for trade, exports and imports. Export growth was driven by stronger demand for manufactured goods, led in particular by electrical and electronic (E&E) products, as well as optical and scientific equipment, alongside mining-related goods. The ministry said E&E products remained the main driver of export growth, rising by more than RM40 billion, supported by sustained global demand and ongoing technological adoption in key markets. "These products each attained their highest quarterly export values to date," it added.

IPPFA Sdn Bhd director of investment strategy and country economist Mohd Sedek Jantan told *Business Times* that headline figures remain solid, with March exports rising 8.3 per cent and total trade expanding 9.3 per cent. However, he noted that the underlying composition is less encouraging, as re-exports surged 38.3 per cent to account for 25.5 per cent of total exports, while domestic exports grew just 0.9 per cent, sug-

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gesting the bulk of growth is not driven by core production strength. "This scale of divergence is not typical of normal trade patterns and points to a temporary, cycle-driven uplift rather than a broad-based recovery. It reflects Malaysia's role as a regional trade hub amid suppkly chain rerouting and strong demand in artificial intelligence (AI)-related electronics, rather than a sustained improvement in domestic export capacity."

At the same time, export concentration remains elevated, with E&E accounting for nearly half of total exports and closely linked to the global technology investment cycle. With global trade growth projected to ease to 1.9 per cent in 2026, Sedek said Malaysia's current strength reflects residual global momentum rather than forward-looking demand. Sedek said the main risk that could derail Malaysia's momentum is a slowdown in global demand. "For Malaysia, the exposure is amplified by export concentration in E&E, where demand remains closely tied to the AI investment cycle. Any normalisation in that cycle would translate quickly into softer export growth," he added. Sedek said the second key risk is rising costs and supply chain disruptions given by geopolitical tensions.

"At the same time, Malaysia's recent trade strength is increasingly reliant on re-exports, making overall performance more sensitive to shifts in global supply chains." Sedek said the key catalyst for Malaysia is the continued strength of the AI and semiconductor cycle, which has been a major driver of global trade. "A second upside comes from ongoing supply chain reconfiguration. As companies continue to diversify production and routing across Asia, Malaysia can benefit as a regional hub. This is already visible, with re-exports rising 38.3 per cent and making up 25.5 per cent of total exports. If trade diversion and multi-country supply chains continue, Malaysia's role in regional trade flows could extend the current momentum."

Source: New Straits Times, 21 April 2026

Malaysia's Economy Seen to Grow 4.4pc This Year

The World Bank projects Malaysia's economy to record a solid growth of 4.4 per cent this year, with domestic demand continuing to anchor activity. Its division director for the Philippines, Malaysia and Brunei, Zafer Mustafaoglu, said the near-term outlook was subject to considerable uncertainty as risks were tilted to the downside. "Geopolitical conflict and trade tensions, weaker global growth, financial market volatility and policy uncertainty in major economies could weigh on trade and confidence," he said at the launch of the World Bank's Malaysia Economic Monitor April report here yesterday. He said as a highly open economy, Malaysia remained exposed especially through trade and financial channels. Malaysia's growth outperformed expectations in the second half of last year even in a profoundly uncertain global environment, he noted.

"That lifted full-year growth to a robust 5.2 per cent, driven by strong domestic demand and export performance. This remarkable outcome reflects the economy's underlying strength and resilience." He added. Mustafaoglu said Malaysia was facing a major challenge: while employment remained strong, productivity growth is modest. "The result is underemployment, with

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many graduated in roles that do not utilise their skills. This is not only a labour market issue but the underutilisation of human capital is a business dynamism issue. When the business environment is hampered by insufficient market contestability, uncompetitive regulations and cumbersome approval processes, uneven access to finance and slow insolvency processes, business innovation is limited, weakening productivity and wage growth. He said Malaysia's jobs challenge is fundamentally a productivity challenge and if productivity growth does not increase, wages cannot sustainably rise.

"Addressing this challenge requires shifting from job quantity to job quality. The report highlights three priorities, namely unlocking a more dynamic business environment, to ignite innovation and channel finance to productivity, and to equip workers with the right skills and build future-ready human capital."

Source: New Straits Times, 15 May 2026

Malaysia's Trade Breaks RM1T

Achievement Hit in 4 Months, Fastest Pace on Record

Malaysia's external trade has surged past the RM1 trillion mark in just four months of 2026, the fastest pace on record. Malaysia External Trade Development Corporation (Matrade) said total trade rose 15.3 per cent to RM1.13 trillion from RM977.54 billion in the same period last year. This was driven by strong demand for high-growth, high-value (HGHV) products and broader market diversification amid ongoing geopolitical uncertainty in Middle East. Exports jumped 19 per cent to RM609.31 billion from RM511.86 billion, while imports rose 11.1 per cent to RM517.4 billion from RM465.68 billion. This resulted in a record trade surplus of RM91.92 billion, up 99.1 per cent from RM46.17 billion a year earlier.

In April alone, exports jumped 36.9 per cent to RM182.74 billion and the trade surplus expanded 460.5 per cent to RM28.75 billion - the highest values ever recorded in the country's trade history. The export expansion was anchored by robust demand for electrical and electronics (E&E) products, which grew RM71 billion or 32.1 per cent. This was fueled by a global semiconductor boom due to artificial intelligence (AI) adoption, cloud computing and data centre expansion. Matrade said Malaysia has cemented its position in the global AI value chain, with exports of AI-enabling products surging 42.9 per cent to RM319 billion, now commanding over half (52.4 per cent) of the nation's total exports. Pharmaceutical and automotive products added further dimension to the HGHV narrative, posting double-digit growth of 21.9 per cent and 10.3 per cent respectively.

Matrade chief executive officer Abu Bakar Yusof said Malaysia's competitiveness is increasingly driven by value-added exports rather than volume. "Our edge lies in the value we export, not merely the quantity. The surge in AI-enabling products and semiconductor exports affirms that out industries are deeply embedded in the technology supply chains shaping the global economy. "Matrade remains committed to guiding Malaysian exporters and small and medium enterprises up the value chain, ensuring we capture not just markets, but the highest-value opportunities within them."

According to Matrade, export performance was supported by broad-based demand across both traditional partners and emerging markets. Growth was led by Taiwan (RM68.9 per cent), Hong Kong (43 per cent), the United States (32.5 per cent), the European Union (23.9 per cent), China (18.7 per cent) and Asean (8.6 per cent), largely supported by strong E&E shipments. Exports to

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free trade agreement partners rose 14.2 per cent to RM390 billion, with 17 of 24 markets posting gains including Korea, India, Mexico, the United Kingdom, Australia and New Zealand. Malaysia's trade diversification also gained momentum, with sharp growth in emerging markets such as Congo (196.6 per cent), Sudan (220.5 per cent), Bulgaria (141.6 per cent), Haiti (103.5 per cent), Ethiopia (88.1 per cent) and Uzbekistan (29.7 per cent).

In contrast, exports to the Middle East fell 15.8 per cent to RM14.08 billion due to regional tensions, with key markets including the United Arab Emirates, Saudi Arabia, Iran, Iraq and Qatar affected. However, losses were partly offset by growth in Bahrain (131.5 per cent), Syria (74.3 per cent), Jordan (11.2 per cent) and Cyprus (230.7 per cent), as trade was redirected to alternative markets. "In an era of global trade uncertainty, this geographical resilience is not just strategic prudence. We are moving beyond traditional markets to ensure Malaysia remains indispensable to the global supply chain," Abu Bakar said.

Matrade said Malaysia's trade outlook for the year remains resilient, supported by high-growth, high-value sectors, market diversification and adaptability amid global uncertainty. "Malaysia's trade trajectory for this year remains robust. The convergence of the HGHV sector momentum, targeted market diversification and strategic adaptability in the face of geopolitical uncertainty positions Malaysia as a confident and resilient player in the global trade landscape."

Source: New Straits Times, 22 May 2026

M'sia Set for GDP Growth

Strong Foreign and Domestic Investments Driving Economy

Malaysia is on track for healthy gross domestic product (GDP) growth this year, driven by strong foreign and domestic investments, says Datuk Seri Amir Hamzah Azizan. The Finance Minister II said the projected growth is also supported by sustained demand for artificial intelligence, data centres and semiconductors. He noted that the nation's economy remained resilient, with GDP expanding 5.4% in the first quarter of the year. "We see foreign direct investment flowing in. Domestic direct investment remains strong and public spending is robust," he said after visiting the Intel Pelican Project in Bayan Lepas yesterday. Amir Hamzah said the government is working to ensure that key economic sectors continue to attract investors. He said Putrajaya wants to encourage more domestic investments, particularly from government-linked companies. "There are many opportunities to further strengthen Malaysia's prospects. We already have a strong ecosystem, especially in the northern region, and that gives investors confidence. Our focus is to strengthen the ecosystem further, attract investment, create jobs and ensure Malaysia continues to grow," he added.

Amir Hamzah said the government is focused on raising incomes, including moving towards a living wage and increasing civil servants' salaries. He added that higher incomes will result in greater purchasing power and support domestic spending. On the technology sector, he said demand for AI, data centres and semiconductors remained strong, especially in the northern region. "Malaysia remains a preferred destination for global investors because we have a mature supply chain and the ability to support digital and high-tech industries. The government will continue building an ecosystem that helps investors set up and grow here, strengthening Malaysia's position as a regional semiconductor hub."

Source: The Star, 19 May 2026

M'sia on Stable Footing Now

Akmal Nasrullah: 3q 2026 Global Supply Pressures Loom

Global supply pressures are expected to have a greater impact in the third quarter of 2026, particularly on prices, industrial operating costs and employment, says Akmal Nasrullah Mohd Nasir. The Economy Minister said the impact of global supply pressures in 1Q this year remained contained, supported by strong gross domestic product (GDP) growth and resilient domestic economic fundamentals. Malaysia's GDP expanded by 5.4% in 1Q this year, exceeding advance estimates of 5.3%. "The country's economy remains on a strong footing and continues to demonstrate resilience in facing an increasingly challenging global environment. The global supply pressures are being closely monitored as the impact does not occur immediately but may be transmitted gradually to goods prices, industrial operating costs, employment and household spending," he told a press conference yesterday. He also said the government would continue to implement targeted interventions and ensure the people receive the appropriate support. "This includes maintaining the Budi Madani Diesel aid of RM300 per month, as well as an additional interim assistance of RM100 for eligible recipients.

For padi farmers, the Ploughing Incentive for Padi Farmers of RM300 per hectare has begun disbursement. "These measures are important as fuel and agricultural operating costs have a direct impact on the food supply chain," he said. Akmal Nasrullah added that Malaysia's GDP growth is also better compared with several other major global economies, including Singapore. "Domestic economic fundamentals remain stable despite the increasingly challenging global environment," he said. He added that Malaysia's financial markets remained stable and manageable with only slight movements recorded in Bursa Malaysia's index. The minister also said global energy conditions remained relatively stable with gas prices rising slightly while coal prices eased. "The average price of liquefied natural gas increased slightly by 1.7% from US$17.41 to US$17.71 per million BTU. This increase indicates that the global gas market remains under control with sufficient inventories available across major markets worldwide. In the energy sector, coal prices recorded a drop of 1.3%, indicating that global supply and demand remain balanced, particularly for the electricity generation sector in Asia," he said, adding that the average price of Brent crude increased moderately by 3.5%.

Akmal Nasrullah said the government is seeking to further refine the Subsidised Diesel Control System (SKDS) to ensure subsidies are more targeted. "The proposal to improve SKDS will be implemented in a balanced manner to tighten controls against leakage while safeguarding business operations and supply chains," he said. On inflation, he said although it went up to 1.9% in April from 1.7% in March, the rate remains moderate and under control. "The rate is lower than several regional economies, including the Philippines at 7.2%, Vietnam (5.5%), Indonesia (2.4%) and Korea (2.6%).
"The main factor is the increase in the average diesel price in Peninsular Malaysia," he said. Akmal Nasrullah said the trend in goods prices, particularly food items, also remains stable.

Source: The Star, 20 May 2026

Malaysia-US Trade Ties Stay Strong

Malaysia and the United States trade relations are expected to remain strong, despite global headwinds such as tariffs, geopolitical conflicts and economic uncertainties, says American Malaysian Chamber of Commerce (Amcham) chief executive officer Datuk Siobhan M Das. Siobhan said the cooperation between the two countries is in a "good place" and the outlook is "very bright for Malaysia". "Malaysia is one of the most competitive places to be, supported by strong institutions and the rule of law," she told the media on the sidelines of Amcham's 49th AGM luncheon yesterday.

On concerns over the impact of tariffs and ongoing tensions in the Middle East, Siobhan said such headwinds are not unique to Malaysia and that the country should continue focusing on producing quality products, fostering innovation and remaining open to all industries. "While everyone should be concerned and pay attention to these issues, we should also be working towards a better future for Malaysia. Malaysia's exports to the United States are very strong," she said. I do not have a crystal ball to tell whether that momentum will continue this year, but as far as we are concerned, the relationship between the two countries is good."

Investment, Trade and Industry Minister Datuk Seri Johari Abdul Ghani said in his keynote address at the luncheon that Malaysia's trade surplus with the United States was about US$22bil. That said, Johari said the United States enjoys a larger surplus than Malaysia when taking into account the operations of American companies in the country, as well as trade, services and primary income flows. Johari said countries have the right to impose unilateral tariffs, but Malaysian companies must continue improving their competitiveness by enhancing product quality and efficiency. "Any country in the world will want to buy from us because we have those elements. Even if unilateral tariffs are imposed by the United States, for instance, those tariffs are ultimately paid by the Americans. What we need to do is ensure that every sector and industry operating in Malaysia remains competitive," he said.

Johari noted that Malaysia does not have forced labour and has laws protecting against the practice. He said the US Trade Representative's (USTR) proposed 10% duty under Section 301 is linked to concerns involving raw materials and semi-finished goods sourced from third countries, which are subsequently processed in Malaysia and exported to the United States. "This is subject to forced labour, even though they are not in our country, but they are among the many suppliers from whom we buy products, which are then processed and exported to the United States. Currently, we do not have a mechanism to evaluate whether a third country engages in forced labour. That is the missing link. Moreover, we also do not have a specific law to restrict the import of raw materials, finished products or semi-finished products produced using forced labour. That is why we are subject to the proposed 10% tariff," he said during the event.

On what specific mechanism Malaysia could implement to address forced labour risks in imports from third countries, Johari said the country could source from compliant suppliers even if others in the same country fail to meet forced labour regulations. He cited the cases of FGV and Sime Darby, whose products were allowed into the United States after labour-related concerns were resolved. Earlier this week, the USTR said a tariff rate of at least 10% would apply to imports from 60 trading partners as part of Washington's attempts to rebuild its tariff wall. Countries like Canada, Mexico, the European Union, Taiwan and the United Kingdom, among other places, were subjected to a 10% rate, while products from other countries, including China, India, Japan, South Korea, Brazil and Switzerland, would be subject to a 12.5% levy instead.

According to the USTR, economies that impose prohibitions on forced labour imports, or pledged to do so, were subject to the lower tariff rate, while those that failed to implement and effectively enforce such measures faced a higher rate. To this end, Johari said: "Some countries are imposed a 12.5% rate because perhaps some of them

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do not have measures against forced labour both locally and in relation to imports from third countries, and may not have signed the Agreement on Reciprocal Trade." "The US' Section 301 tariff proposal comes as the 10% tariff imposed under Section 122 of the Trade Act of 1974 — later raised to 15%, the maximum rate allowed under the provision — is set to expire on July 24, 2026, after its 150-day validity period. Section 122 came into force this year after the US Supreme Court, in February, struck down US President Donald Trump's sweeping 2025 tariffs imposed under the International Emergency Economic Powers Act (IEEPA). While tariffs under IEEPA have been overruled, Trump has maintained that those imposed under Sections 301 and 232 remain intact, with the former targeting unfair trade practices and the latter allowing sector-specific tariffs on national security grounds.

Apart from forced labour, the US' Section 301 review also examines excess capacity, the environment and state subsidies. Johari said the investigation involving Malaysia is currently focused on two areas — excess capacity and forced labour. On excess capacity, Johari said the country has no excess capacity. "However, if another country has excess capacity and sells its products to Malaysia, and that product is used to produce another product in the country, which is then exported to the United States, maybe that is an issue. We do not know," he said. The proposed 10% tariff under Section 301 has yet to be formally approved by the United States and communicated to Malaysia and therefore is not yet an official tariff. The levies are subject to a public comment and review period before implementation, which may result in changes before any duties are codified. According to the USTR, written submissions must be filed by July 6, and a Section 301 panel is expected to convene public hearings beginning on July 7.

Commenting on whether Malaysia has forced labour, Siobhan of Amcham said "every company needs to be aware of what is in its supply chain". "Companies need to establish their own mechanisms to determine whether forced labour exists within their supply chains and they must be conscious of and responsible for their own supply chains," she said.

Source: The Star, 5 June 2026

Malaysian Corporates Well-Placed to Withstand Strong US Dollar

Malaysia's corporate sector is relatively well placed to withstand the impact of a stronger US dollar. Moody's Ratings said the ringgit has appreciated against the greenback, supported by strong commodity exports and manufacturing-related capital inflows. In a report yesterday, Moody's said overall credit quality across South and Southeast Asia is expected to remain stable over 12 to 18 months despite heightened currency volatility, geopolitical tensions and external economic pressures. The rating agency said currency depreciation has intensified across much of the region in 2025 and 2026, driven by the Middle East conflict, higher oil prices, US tariffs and foreign capital outflows. Indonesia's rupiah, India's rupee and the Philippine peso have weakened by 10 to 12 per cent against the US dollar over the past year, with the rupiah and rupee falling to record lows. In contrast, the ringgit and Thailand's baht have strengthened, supported by favourable trade and investment flows. Moody's said most rated companies in the region remain resilient. Of the 41 rated issuers in Indonesia, India and the Philippines, the three countries experiencing the sharpest currency depreciation, only seven companies, or 17 per cent, face meaningful exposure to currency mismatches that could affect their credit profiles.

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The remaining 83 per cent either have limited foreign exchange exposure or possess sufficient financial buffers to absorb further currency weakness. As a result, Moody's does not expect a significant deterioration in cash flow generation or overall credit quality among rated corporates across the region over the medium term.

Source: New Straits Times, 9 June 2026

'Supply Crisis More than just Oil'

Broader Physical Disruption Could Gradually Affect Households through Rising Costs of Living

The global supply and demand crisis should not be viewed solely as an oil price issue but a broader physical disruption that could gradually affect households through rising costs of living, according to Tan Sri Mohd Hassan Marican. The National Economic Action Council's Crisis Management Task Force chairman said the impact would likely be felt in stages, beginning with fuel and logistics before spreading to petrochemical feedstocks, plastics, fertilisers, manufacturing and construction. "Eventually, it will reach households through broader cost-of-living pressures," he said in an interview recently. He added that it was "fundamentally a physical supply crisis", noting that in such situations, financial resources alone cannot resolve the issue if the supply is disrupted.

Malaysia Remains Exposed

According to Hassan, Malaysia is in a relatively stronger position than many countries due to its established oil and gas ecosystem, domestic refining capacity, and experienced industry players and institutions like Petroliam Nasional Bhd (Petronas), which can play a stabilising role during periods of disruption. However, he said the country is not immune to external disruptions as it remains exposed to external shocks as an open economy. He pointed out that the government has put in place a range of measures that have helped stabilise conditions during the initial phase of the global supply crisis. These included targeted fuel subsidy mechanisms under Budi Madani and Subsidied Diesel Control System, expanded cash assistance through Sumbangan Tunai Rahmah and Sumbangan Asas Rahmah, as well as strategic food supply interventions through Jualan Rahmah Madani and Agro Madani.

Additional financing support for micro, small and medium enterprises (MSMEs) launched recently, he said, would also help businesses manage rising operating costs.

Coordinated National Response

Hassan said Prime Minister Datuk Seri Anwar Ibrahim has consistently reaffirmed his commitment to safeguard the welfare of the rakyat, particularly lower-income groups and MSMEs. While Malaysia has strong fundamentals and institutional strength to weather these challenges, he stressed that managing the crisis requires national discipline and coordination across the government, industry and the public. "This is not a challenge any single institution can manage alone, as it requires a whole-of-nation approach."

Balancing Relief Measures and Fiscal Pressure

Hassan said the government faces a delicate balancing act in protecting the people while maintaining long-term fiscal sustainability. He said subsidies and targeted support measures remained important in the short term to cushion households and businesses from the impact of inflation, logistics costs and the broader cost of living. However, he said if global energy prices continue to rise for an extended period, there could be fiscal consequences for other national priorities - including healthcare, education, infrastructure and economic development.

He noted that many countries, including Malaysia, are gradually shifting towards a more targeted subsidy mechanisms rather than broad-based blanket subsidies to improve efficiency and reduce leakages. "Fiscal resilience is also part of national resilience. We must support the rakyat during

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periods of crisis, but we must do so in a way that remains sustainable and does not excessively burden future generations by weakening public finances or reducing development capacity. When public finances are too stretched and become unsustainable, countries become more vulnerable to future shocks," he explained.

Outlook and Public Assurance

When asked what assurance could be given to the public that the overall situation remains under control despite rising geopolitical and economic uncertainty, he said the global situation was serious and highly unpredictable, and it was important to be upfront with the public about the challenges ahead. However, he said Malaysia was not entering the period from a position of weakness, citing strong institutions, domestic energy capabilities, experienced leadership and close coordination between the government and industry. "Crucially, we have weathered severe crises before, and the lessons learned from the past significantly fortify our response capacity today."

Hassan said government priorities remained focused on maintaining national stability, securing vital supply lines, shielding vulnerable communities and ensuring that our critical economic sectors continue to run smoothly. He said policy direction would continue to emphasise resilience, targeted assistance, fiscal discipline and strengthening strategic capabilities in areas including energy, food security, logistics and industrial supply chains. "The key now is to remain calm, informed and prepared as we navigate a more uncertain global environment."

Source: New Straits Times, 9 June 2026

NEWS ON SEMICONDUCTOR INDUSTRY

Boosting Cooperation in Semiconductor Sector

Malaysia is deepening industrial cooperation with Japan, with a strong focus on the semiconductor sector, said Deputy Investment, Trade and Industry Minister Sim Tze Tzin. This is as the country seeks to position itself as a stable and neutral base in Asean for supply chain diversification. "Malaysia has signed 17 free trade agreements, making Malaysia a neutral ground to access a wide market in the world for Japanese companies," he said at the New Japan-Malaysia Industrial Cooperation Seminar yesterday. Sim said Malaysia-Japan economic ties continue to strengthen, with 2,872 manufacturing projects implemented as of December 2025, involving RM107.9 billion in investments.

Bilateral trade between both countries reached RM142.9 billion in 2025, while total trade rose 2.3 per cent to RM12.8 billion in January 2026, reflecting sustained momentum despite global uncertainty. He added that Malaysia's industrial direction is closely aligned with Japan's strategic priorities across 17 key sectors. He said Malaysia is opening up opportunities across high-growth sectors, including speciality chemicals, advanced materials, medical devices, electric vehicles, carbon capture, aerospace and critical minerals.

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Malaysia, he said, aims to establish 3,000 smart factories by 2030, driving demand for industrial Internet of Things, artificial intelligence-enabled systems and advanced automation technologies. Meanwhile, Malaysian Investment Development Authority (Mida) chairman Tengku Datuk Seri Zafrul Abdul Aziz said Malaysia-Japan ties remained one of the region's most established economic partnerships. Tengku Zafrul added that more than 2,800 projects have been implemented, reflecting Japanese companies' long-term commitment to Malaysia. "We bring policy stability, institutional backing and hands-on facilitation. Mida stands as a full life-cycle partner for every Japanese investor." He also said that conflict in West Asia has sent energy prices soaring, affecting chemicals and metals used in semiconductor production as well as regional supply chains.

"For Japanese companies, this is a moment that demands absolute clarity on where their regional supply chain anchors must be. Malaysia and Japan already have the links, the alignment and the history. Malaysia is not asking Japanese companies to gamble on potential, but to bank on proof," he added, citing five decades of industrial cooperation between both countries.

Source: New Straits Times, 1 April 2026

Malaysia Augments Chip Ecosystem amid Uncertainty

Malaysia is strengthening its semiconductor ecosystem amid geopolitical uncertainties, with semiconductors now increasingly viewed as a matter of national interest. Deputy Minister of Science, Technology and Innovation Datuk Mohammad Yusof Apdal said that the global environment is rapidly evolving, with value increasingly concentrated at the front-end of the supply chain rather than back-end activities. “Countries that build strength in these areas will not only capture greater value, but also shape the future of industry. That is why moving further up the value chain is no longer optional; it is central to Malaysia’s long-term competitiveness, resilience, and economic relevance in this sector,” he said in his speech at the SemiconStart Malaysia pre-launch ceremony held at the World Trade Centre here yesterday.

In addition, he said that the National Semiconductor Strategy or NSS, reinforced by Budget 2026, showed that the country is taking deliberate steps to strengthen its position in higher-value segments of the ecosystem, including integrated circuit or IC design, advanced packaging and other upstream capabilities for long-term competitiveness. “This reflects a national commitment, not only to participate in the semiconductor industry, but also to build impactful capabilities in the areas that will shape its future. However, policy alone is not sufficient. What matters is execution, whether we can translate intent into real companies, real technologies and real capabilities,” he said.

Hence, Mohammad Yusof said SemiconStart Malaysia represents a structured and deliberate effort to build something Malaysia has long needed – a consistent and credible pipeline of semiconductor ventures. “This is not just about supporting startups, it is about building Malaysia’s capability to develop semiconductor technologies at the highest level. It is about building companies that can develop technology, generate intellectual property, create high-value talent and contribute meaningfully to Malaysia’s long-term industrial strength,” he said.

The programme is implemented by Malaysian Technology Development Corp in collaboration with Silicon Catalyst UK via a 260-day incubation track, providing participating companies with access to grants of up to RM1mil per firm.

Source: The Star, 16 April 2026

'No Waiting on Semicon Wafer Fabs'

Foreign Investments Welcomed as Country aims to Move Higher up the Semiconductor Value Chain, says Miti Minister

Putrajaya is prepared to court foreign players to build semiconductor wafer fabrication facilities in Malaysia if local companies are not yet ready to make the leap. Calling for more foreign investments into the space, Investment, Trade and Industry Minister Datuk Seri Johari Abdul Ghani cited Infineon Technologies as a key example. Infineon Technologies has invested about £7bil (over RM30bil) in its Kulim Hi-Tech Park facility in Kedah to build the world's largest 200mm silicon carbide power semiconductor fab, producing chips for electric vehicles, renewable energy and industrial applications.

The project, which includes a completed first phase and a planned but currently postponed second expansion phase, elevates Malaysia's role in the global semiconductor supply chain by shifting the focus toward high-value front-end wafer fabrication. Johari said Malaysia is now determined to move higher up the semiconductor value chain, after decades of strong footprint in the back-end space.

"We are accelerating our push into integrated circuit design, advanced packaging, and research and development. We are investing into our domestic ecosystem to provide a conducive environment that can support and encourage growth of our local companies across the value chain," he said during the Semicon South-East Asia (Semicon SEA) 2026 event yesterday. Johari noted that Malaysia's semiconductor sector continues to draw foreign investment interest, as global firms look to diversify supply chains amid geopolitical tensions and capitalise on the industry's rapid expansion worldwide, now projected to surpass US$1 trillion in value. "Many companies are keen to proceed with their investment into Malaysia, notwithstanding geopolitical uncertainty." Johari added that his ministry will continue to engage with investors who are taking a wait-and-see attitude following the Middle East conflict.

In his opening speech, Johari said Malaysia provides manufacturing depth, a skilled and dependable workforce, and importantly, a position of neutrality. When asked about developments related to the deal that Malaysia has with Arm Inc, in which the government has paid RM1.11bil to licence its high-end chip design blueprints and compute subsystems (CSS), Johari confirmed that domestic companies have already received the tokens. "Three CSS tokens out of seven that we have licensed have been given to some of the industry players, on condition they cooperate with the local companies," he said

Johari added that about five companies have been allocated another set of basic Arm tools.

It is understood that a major signing ceremony related to the Arm CSS tokens is expected to take place in a week's time. Meanwhile, Malaysian Investment Development Authority (Mida) noted a steady increase in enquiries since last year, particularly from semiconductor companies based in Singapore and China. "The country's neutral geopolitical positioning, coupled with its established manufacturing base, has made it an attractive destination for semiconductor investments as companies seek greater supply chain resilience. The China Plus One strategy remains highly relevant," Mida investment development deputy chief executive officer Zuaida Abdullah told StarBiz on the sidelines of the event.

Mida's chief executive officer Datuk Sikh Shamsul Ibrahim added in a statement that the semiconductor industry is at an inflection point, and Malaysia intends to be at the centre of what comes next. "Malaysia is not simply maintaining our position in the global semiconductor supply chain, we are deliberately reshaping it. The New Industrial Master Plan 2030 sets a clear direction for the electrical and electronics (E&E) sector to move beyond assembly and test into design, advanced packaging and innovation-driven manufacturing, and Mida is here to make that transition real. The RM28.5bil secured by the E&E sector in 2025 is proof that

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global confidence in Malaysia has not wavered. What we are now building is the ecosystem to match that confidence, through supply chain integration, local capability development and the kind of high-value partnerships that platforms like Semicon SEA are uniquely placed to catalyse," he said.
Global industry association Semi president and chief executive Ajit Manocha said when he pointed out in 2017 that the industry would reach US$1 trillion in revenue by 2030, people had questioned his projection. "Fast forward to today, and we are already talking about a multi-trillion-dollar future. In 2025, the industry closed at about US$780bil in revenue. When we initially projected US$1 trillion by 2030, it seemed ambitious — but we now expect to reach that milestone as early as 2026, four years ahead of schedule. This growth is being driven by multiple waves—first was the Internet of Things, now artificial intelligence (AI), and eventually quantum computing. AI infrastructure alone could represent a US$5 trillion opportunity by 2030, with compute demand expected to increase five-fold. This is fuelling investment across the entire semiconductor ecosystem," he said.
Ajit added that by 2029, there are expected to be 89 new wafer fabrication plants, with around 70 already in various stages of construction or production. "Regionally, 16 of these wafer fabs are expected to be built in the United States, nine in Europe, and 64 in Asia. However, South-East Asia accounts for only six fabs," he said. To this end, Ajit said South-East Asia has an opportunity to capture a larger share of the next wave of semiconductor investments, particularly as more fabs are expected to be built by 2035.

Semiconductor Sector Surges Ahead

Malaysia Pushing for Transformation of Back-end Dominated Industry into Full-Spectrum Technology Owner, says Johari

The semiconductor sector generated an estimated RM400 billion in 2025, reflecting five decades of strong industry expansion, said Investment, Trade and Industry Minister Datuk Seri Johari Abdul Ghani. "As demand surges for more powerful data centres, servers and network equipment, we need more of this technology to help the development of massive data traffic. At the same time, the automotive sector will also be a significant engine of growth. The global transition from internal combustion engine vehicles to electric vehicles, combined with the rise of autonomous driving technologies, means that semiconductor content per vehicle will continue to increase significantly," he said at the opening of semicon Southeast Asia 2026 at the Malaysia International Trade and Exhibition Centre yesterday. He said the broader electrical and electronics (E&E) sector encompassed some 6,300 companies employing over 630,000 people.

Johari said Malaysia is pushing to transform its semiconductor industry from a back-end dominated sector into a full-spectrum technology owner, as the global semiconductor market races towards US$2 trillion by 2035. The current climate of geopolitical tensions and supply chain realignment are working in Malaysia's favour, he said. He pointed to the Asean Federated Integrated semiconductor Supply Chain initiative, advanced during Malaysia's Asean chairmanship in 2025, as a regional effort to position Asean as a globally competitive and resilient semiconductor hub. Investors are no longer seeking value alone but prioritising stability and trust, qualities that Malaysia and the broader Asean region could offer, he added.

"Malaysia, together with the broader Asean region, offers manufacturing depth, a skilled and dependable workforce, and importantly, a position of neutrality." However, Johari was candid about structural weaknesses that need urgent attention. He said Malaysia remains heavily concentrated in back-end operations, which includes assembly, testing and packaging, with limited integrated circuit (IC) design and wafer fabrication capacity. Semiconductor imports stood at RM308 billion in 2025, while re-exports amounted to RM187 billion, representing 40

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per cent of total semiconductor exports. We import all this IC into our licensed manufacturing warehouse and then re-export it from there. That alone, under the E&E sector, gives us re-export figures of approximately RM230 billion. Over time, we must grow and build the front-end here and become one of the major suppliers to the world."

Johari also said the National Semiconductor Strategy is the roadmap to transition from being a primarily a service provider to becoming a true technology owner. The strategy focuses on attracting high-quality investment in wafer fabrication, IC design and advanced packaging. He cited Infineon's expansion to build a wafer fabrication facility in Kulim and commitments from AMD and Intel to establish advanced packaging operations in Malaysia as early evidence of the strategy bearing fruit.

Source: New Straits Times, 6 May 2026

AI Spending Surge Lifts Nvidia Revenue

Firm Bets on New Data Centre Chips for Growth

Nvidia chief executive officer Jensen Huang on Wednesday sought to reassure investors that the world's most valuable company can sustain its rapid growth with the help of a broad base of customers. He also said new products will help it beat the US$1 trillion in sales it has forecast for its flagship artificial intelligence (AI) chips. Shares fell 1.6 per cent in extended trading, however, a sign that investors believe Nvidia will face tougher competition even though it forecast second-quarter revenue above Wall Street estimates and announced a US$80 billion share repurchase programme. Nvidia expects revenue of US$91 billion, plus or minus 2.0 per cent, compared with estimates of US$86.84 billion, according to data compiled by LSEG. The company's results are largely considered a barometer for the AI market's health, as its chips are used in virtually every major data centre in the world, powering the largest and most advanced AI models. "Nvidia delivered another beat, but at this point that's essentially priced in as it keeps beating quarter after quarter," said eMarketer analyst Jacob Bourne. The lingering question is whether it can convince investors that AI buildout has durability into 2027 and 2028, especially as the narrative shifts toward inference workloads and competing silicon from Google, Amazon, AMD and Intel."

The company also said it would increase its quarterly cash dividend to 25 cents per share from 1 cent. Spending on AI infrastructure continues to grow rapidly, with United States tech giants, including Alphabet, Amazon and Microsoft, expected to spend more than US$700 billion on AI this year, a sharp jump from around US$400 billion in 2025. Huang told analysts on a conference call that he believes Nvidia will grow faster than those "hyperscale" customers, pointing to a new sub-segment of customers in its data centre business that includes AI-specific cloud firms. While heavily relying on Nvidia's expensive processors, many of Nvidia's biggest customers are also pouring funds into developing their own custom chips to run models, posing a risk to Nvidia's long-held dominance over the chip industry.

Nvidia is facing competition not only from big tech but also from other chip rivals, including Intel and Advanced Micro Devices, which have touted a large revenue opportunity from selling central processing units to serve the inference market. It has made moves to defend its position. It unveiled a new central processor and AI system built on technology from Gorq - a chip startup specialising in inference - in March. During the conference call, Huang said Nvidia's new "Vera" central processors give it access

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to a new US$200 billion market. Nvidia expects US$20 billion in revenue from Vera chip sales by the end of this fiscal year, which Huang confirmed was not included in the company's earlier US$1 trillion estimate of "Blackwell" and "Rubin" AI chips between 2025 and 2027.

Nvidia is spending heavily to ensure it does not hit supply-chain snags during a global memory chip crunch. The firm reported first-quarter revenue of US$81.62 billion, beating analysts' average estimate of US$78.86 billion, according to data compiled by LSEG. Nvidia also disclosed US$30 billion worth of cloud computing agreements, up sequentially from US$27 billion, which it said were to help its research and developments efforts.

Source: New Straits Times, 22 May 2026

Confidence in Malaysia's Tech Push

Government Aims to Leverage Momentum to Speed up Economic Restructuring Move Country Up Value Chain

Malaysia has attracted RM250 billion in approved digital investments over the past two years, with the projects expected to create around 80,000 skilled jobs. Economy Minister Akmal Nasrullah Mohd Nasir said the investments reflected strong investor confidence in Malaysia's economic prospects and its push into high-growth sectors such as artificial intelligence (AI), semiconductors and data centres. The government aims to leverage the momentum to accelerate economic restructuring and move Malaysia further up the value chain, he said. The government is also seeking to maximise the benefits of private sector investments by ensuring they contribute to talent development, technology transfer and long-term competitiveness.

"We have to take advantage of the investment momentum and ensure that these private investments contribute to improving our competitiveness. We have to ensure that incoming investments support the upskilling of our workforce and provide greater access to advance technologies. This will be key to helping Malaysia navigate the challenges and concerns we are facing," he said during a ministerial dialogue at the Energy Transition Conference 2026 yesterday. Akmal said Malaysia must move beyond traditional sector-based development and adopt a more integrated approach linking energy, digitalisation and economic growth. According to him, energy infrastructure has become a critical enabler of economic activity, particularly as emerging technologies such as AI and data centres require substantial electricity and water resources. "Energy leads to digitalisation because today's digital economy is energy intensive. Digitalisation then uplifts productivity, and from productivity we should aim for greater economic complexity and better incomes for our citizens." He said the energy transition agenda should not be viewed solely through the lens of decarbonisation but also as a catalyst for economic transformation.

Malaysia, he said, is focusing on sectors with strong growth potential, including semiconductors, AI and data centres, while seeking to deepen participation in higher value activities. In the semiconductor industry, Akmal said the government's objective is to move beyond traditional packaging and testing

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activities into advanced packaging and integrated circuit (IC) design. He cited Malaysia's partnership with British semiconductor intellectual property firm Arm Ltd as part of efforts to strengthen domestic capabilities and position the country higher in the global semiconductor value chain. "The government decided to enter into a partnership with Arm to move beyond semiconductor packaging and testing. While we are still advancing into more sophisticated packaging and technologies, our ambition goes further towards IC design. It is now up to us to take this opportunity to uplift the standard," he said.

Source: New Straits Times, 5 June 2026

Rise of the Semiconductor

The semiconductor industry, long a mainstay in Malaysia, is now entering its most transformative decade. Artificial intelligence (AI) infrastructure demands are driving unprecedented capital deployment, geopolitical divergence is forcing supply chain recalibration, and technological complexity is creating new bottlenecks at every layer. Amid this upheaval, Malaysia – long perceived as a back-end services provider – is emerging as a more strategic player within the value chain.

The Quiet Giant

In 2025, Malaysia's electronic integrated circuit (IC) exports jumped 24.3% year-on-year to RM389.15bil, driven by strong global adoption of advanced chips and accelerating digitalisation trends, particularly AI and automation. Malaysia's role as the world's sixth-largest semiconductor exporter underscores its critical importance within the global supply chain, even if it receives limited attention.

In his bestselling book Chip War, Chris Miller noted that over 13% of global semiconductor assembly, testing and packaging (ATP) capacity is concentrated in Malaysia. Without this ecosystem, he argues, the global semiconductor supply chain would be materially disrupted. Every advanced chip requires packaging, testing and integration before it functions. Penang, the 'Silicon Valley of the East', anchors Malaysia's semiconductor ecosystem with five decades of electronics and semiconductor heritage and more than 4,000 local suppliers. The suppliers span the electrical and electronics value chain, particularly in outsourced semiconductor assembly and test services, as well as automated test equipment.

Three Global Shifts Reshaping Value Chain

The World Semiconductor Trade Statistics forecasts the global semiconductor market reaching US$975bil by 2026, driven by AI demand for advanced packaging and test/inspection equipment – precisely Malaysia's established strengths. Changes in how chips are designed, produced and distributed are reshaping where value sits across the semiconductor chain and, in turn, Malaysia's role within it. Three structural shifts, in particular, are contributing to this repositioning. First, technology advancement is rewarding Malaysia's strengths. The AI boom is fundamentally changing back-end requirements. Advanced AI chips demand high-bandwidth memory integration, sophisticated thermal management, and chiplet architectures that make packaging as technically challenging as fabrication.

Companies like Inari Amertron are expanding into photonics packaging for data centres. ViTrox is experiencing surging demand for inspection tools, and Tenasic is expanding its systems-on-chip design capabilities.

Second, geopolitics is creating structural opportunities. Malaysia's neutral stance amid global trade tensions has become a strategic asset. As part of China+1 diversification strategies, Taiwanese original design manufacturers began shifting production to South-East Asia from 2018, with expansion accelerating significantly after 2020 as geopolitical and supply chain risks intensified. Intel's RM12bil advanced packaging facility in Penang, Infineon's silicon carbide expansion, and commitments from NXP, Plexus and Carsem reflect Malaysia's strategic position as mitigation against concentration risk.

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Third, government policy is providing unprecedented support. The National Semiconductor Strategy (NSS), backed by RM25bil across three phases, targets attracting RM500bil in investments, training 60,000 engineers by 2030, and establishing at least 10 local design and advanced packaging companies with revenues between RM1bil and RM4.7bil. Programmes like Engineering Talent For Semiconductor Industry target specific skill gaps, while platforms like Collaborative Research in Engineering, Science & Technology or Crest and Advanced Semiconductor Academy of Malaysia align academic curricula with industry needs. The New Industrial Master Plan 2030 complements the NSS by positioning semiconductors alongside AI/robotics and electric vehicles (EVs), focusing explicitly on value addition rather than volume growth. The intersection creates powerful synergies: EV adoption drives demand for power semiconductors, while AI adoption in manufacturing increases demand for automation and test equipment that Malaysian companies provide.

From Assembly Hub to End-to-End Semiconductor Capabilities

The ambition to deliver "Made by Malaysia" chips by 2030 is translating into tangible progress, with Bursa Malaysia playing a role in enabling this shift by enhancing visibility for emerging champions and providing access to capital. Bursa Malaysia offers investors a comprehensive semiconductor investment thesis within a single, liquid market, reflected in the diversity of semiconductor listings – from large-cap anchors such as Inari Amertron, Frontken and ViTrox, to mid-tier specialists like Pentamaster, and emerging design innovators like Oppstar. In specialised machinery, companies like MI Technovation, Pentamaster, Frontken, and JF Tech deliver smart automation platforms and automated optical inspection systems.

In chip design, firms such as Oppstar, Infinecs, SkyeChip and Experior are expanding beyond Malaysia's traditional strengths in assembly, testing and automation into higher-value intellectual property creation. Early movers in this part of the value chain are gaining traction with public market access providing capital for IP licensing and talent acquisition. For example, SkyeChip's Main Market listing on May 20, 2026, supports its strategic push into AI-driven silicon and advanced chip design, building on a portfolio of over 100 patents. In terms of market outcomes, semiconductor-related companies led the Bursa Malaysia Technology Index rally, driving the index up by approximately 49.5% over the past 12 months amid sustained demand and earnings growth. For businesses, Bursa Malaysia remains an important avenue for capital formation. Since 2020, 35 technology companies have listed on the exchange, collectively raising RM3bil.

Over the same period, 70 listed technology firms have also accessed the secondary market, securing more than RM6.9bil in additional funding. Next phase of Malaysia's semiconductor journey. The next five years will be crucial. Medium-term momentum from 2026-2027 should broaden as the design ecosystem matures. Success will ultimately be measured by ecosystem resilience – sustaining capability building across economic cycles and retaining trained engineers against global competition.
The country Chris Miller described as indispensable for packaging is systematically building capabilities across design, advanced packaging, equipment manufacturing and specialised fabrication.

Malaysia is carving out a differentiated position leveraging neutrality, established back-end dominance, and strategic focus on segments where AI and geopolitics create new opportunities. Malaysia has been a global stronghold in the back-end of chip manufacturing. The more compelling narrative is Malaysia's continued evolution from an indispensable service provider into a comprehensive ecosystem spanning design, manufacturing and innovation. The global semiconductor industry is being rewritten by AI and geopolitics, and Malaysia is positioning itself as a central player rather than a peripheral participant. With the opportunity identified and strategy defined, disciplined execution can ensure success over the next five years.

Source: The Star, 6 June 2026

High-stakes Chip War

The US government's move to further restrict advanced chips such as Nvidia's Blackwell processors from being acquired by subsidiaries of Chinese businesses operating overseas will have implications for South-East Asia, where countries like Singapore, Malaysia and Thailand are vying to be the region's data centre (DC) hubs. Last weekend, Reuters reported that the US government issued unexpected guidance notifying that it will start enforcing licensing requirements for advanced chips for entities headquartered in China that have operations outside the country. These requirements are not new and have been in place since 2023, with access to these chips a point of contention in the US-China trade war. The enforcement comes in the wake of the US government closing a loophole exploited by non-US businesses, particularly Chinese businesses operating outside China, to buy these advanced chips without a licence. These chips, housed in DCs, are prized for their computing power, especially in generative artificial intelligence (AI). Malaysia is home to a number of hyperscale DCs owned by Chinese companies such as Alibaba and GDS, but the picture is more complicated due to the interlinked supply chains in which even DCs not owned or operated by Chinese entities may still have Chinese involvement. Also, many Chinese businesses use DCs in the region to store data and other AI-powered cloud computing applications. As the technology race between the United States and China becomes ever more contentious, several actions have been taken, including a case involving Singapore-based Megaspeed International Pte Ltd, a company that was split off 7Road Holdings Ltd, which has ties to Beijing. Megaspeed's Malaysian subsidiary was used to purchase US$2bil worth of advanced Nvidia chips for use in DCs in Malaysia and Indonesia serving Chinese businesses, with investigations ongoing over whether these chips were also being illegally shipped to China.

Source: The Star, 6 June 2026

NEWS ON
ELECTRICAL AND ELECTRONICS INDUSTRY

Factory Sales Hit RM159.2m, Lifted by E&E

The manufacturing sector posted sales of RM159.2 million in February, up 3.9 per cent year-on-year, driven by the electrical and electronics (E&E) sub-sector. Chief statistician Datuk Seri Mohd Uzir Mahidin said the E&E sub-sector rose 13.8 per cent in February. "The growth was further supported by the non-metallic mineral products, basic metal and fabricated metal products sub-sector and food, beverages and tobacco sub-sector, which increased by 3.2 per cent and 2.8 per cent, respectively. In comparison by month-on-month, sales value declined six per cent, from RM169.2 billion recorded in January," he said.

Export-oriented industries, which accounted for 70.4 per cent of total sales, grew 4.5 per cent in February, led by the rise in the E&E sub-sector. Manufacture of electrical equipment also registered and increment at 1.3 per cent while manufacture of machinery and equipment grew 1.5 per cent. Compared to the sales value in the preceding month, the export-oriented industries dropped 5.6 per cent. Domestic-oriented industries rose 2.7 per cent in February after registering 6.9 per cent in the previous month. The performance was mainly supported by the growth in the manufacture of food processing products industry at 6.3 per cent in February as well as in the manufacture of other non-metallic mineral products

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and manufacture of fabricated metal products, except machinery and equipment.

The salaries and wages paid in the manufacturing sector also posted and an expansion of two per cent, amounting to RM8.58 billion in February. Compared to the amount recoded in the prior month, the salaries and wages paid dropped 1.5 per cent. The sales value per employee stood at RM65,870, while the average salaries and wages per employee was RM3,550, which increased by 1.1 per cent year-on-year.

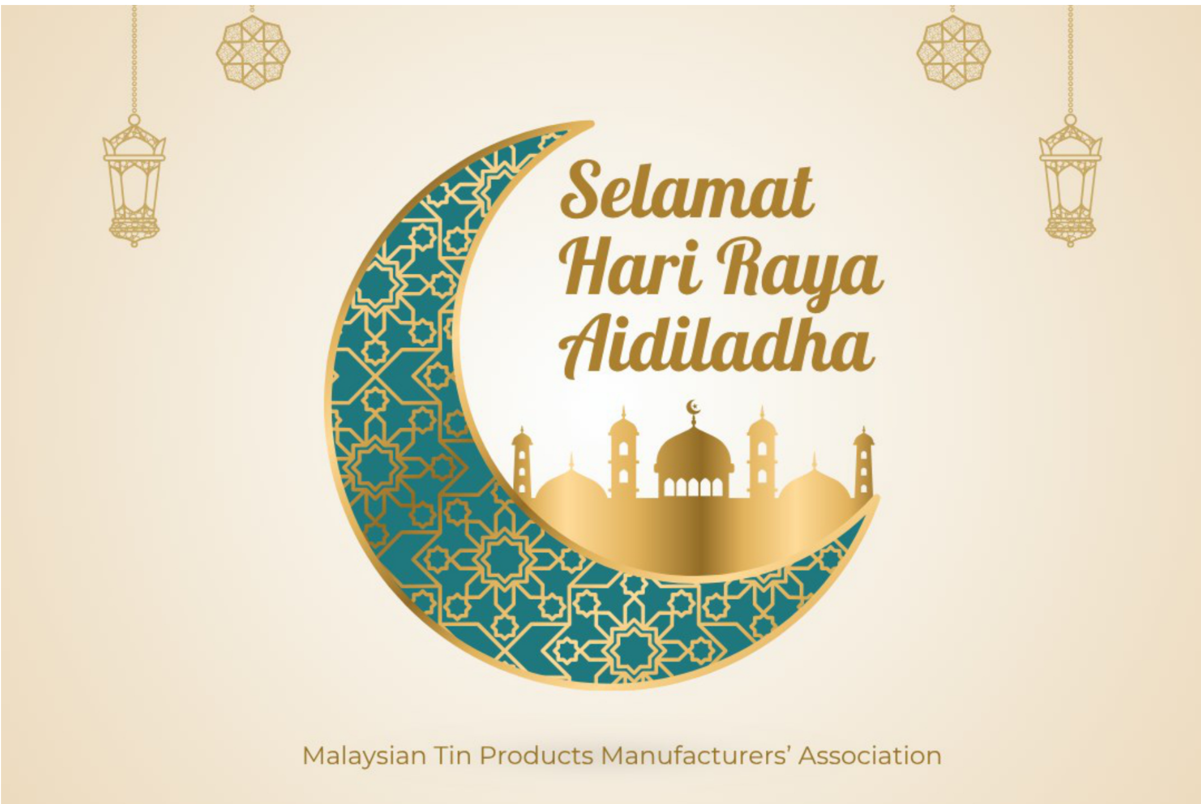
Source: New Straits Times, 10 April 2026

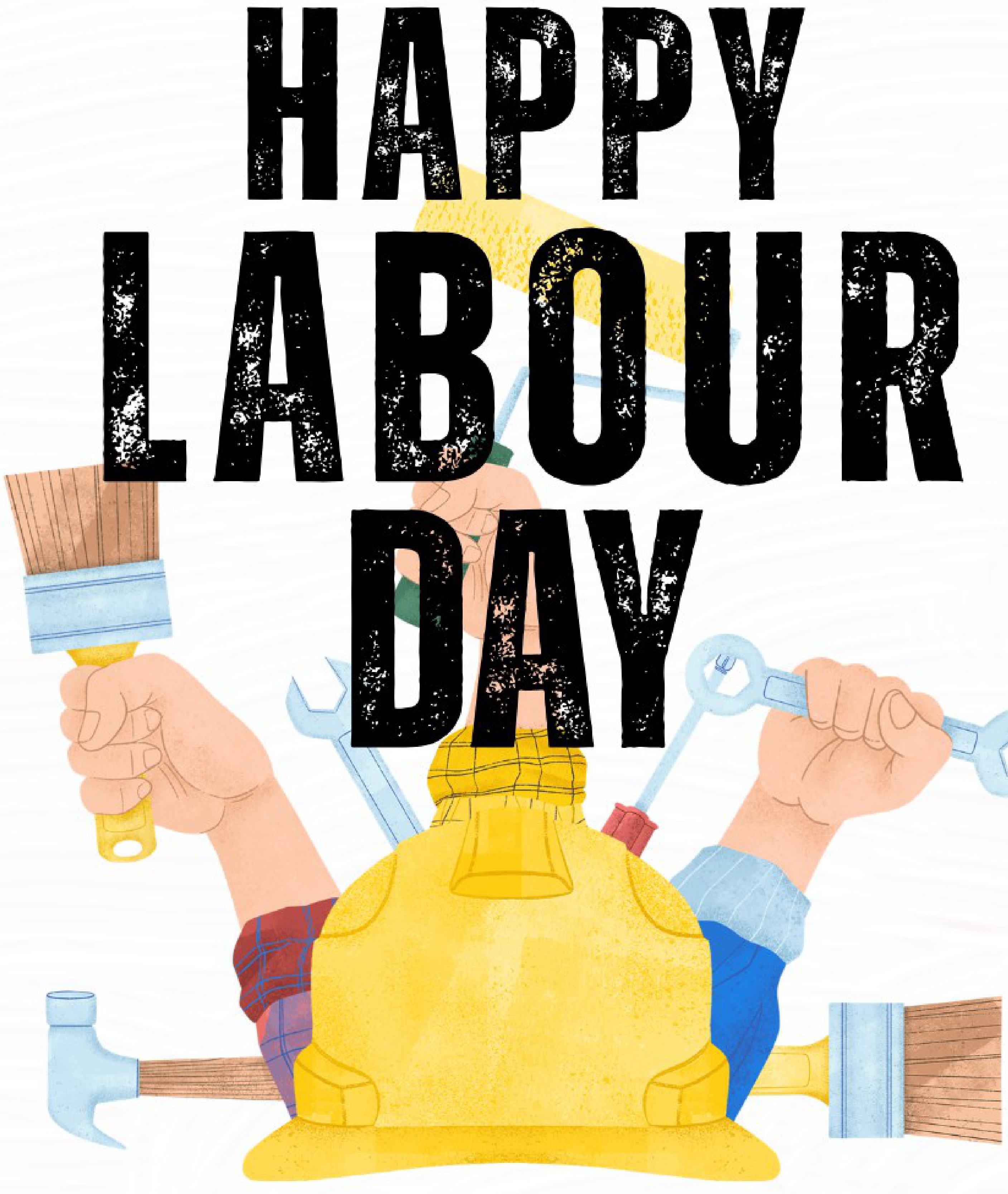
April Trade Hits Record RM337bil on Strong E&E Exports

Malaysia's trade rose 28.6% year-on-year (y-o-y) to a record RM336.73bil in April 2026, driven mainly by strong exports of electrical and electronic (E&E) products, according to the Investment, Trade and Industry Ministry (Miti). In a statement yesterday, Miti said Malaysia's trade maintained strong momentum in April 2026 despite heightened global uncertainties, including geopolitical tensions in West Asia that led to higher logistics costs, supply chain disruptions and commodity price volatility, with exports and imports reaching record highs.

Miti, the ministry overseeing the Malaysia External Trade Development Corp or Matrade, said exports extended their growth momentum for the 10th consecutive month, surging 36.9% to a record RM182.74bil. This surpassed the previous high of RM152.77bil recorded in December 2025 by RM30bil, while imports rose 20% to RM153.99bil. Miti also said this resulted in a trade surplus of RM28.75bil, marking the 72nd consecutive month of surplus since May 2020.

Source: The Star, 21 May 2026





MALAYSIAN TIN PRODUCTS MANUFACTURERS' ASSOCIATION

MALAYSIAN TIN STATISTICS

(In Tonnes)

Period	Production of Tin-In-Concentrates	Imports of Tin-In-Concentrates	Refined Tin Production	Local Consumption	Exports of Tin Metal
2023	3,953	19,598	20,797	1,161	20,834
2024	3,969	9,099	16,373	2,420	16,526
2025*	4,532	7,717	13,438	4,510	12,550
2024					
Jan.	293	922	1,273	137	1,612
Feb.	281	609	1,389	169	1,418
Mar.	346	688	2,852	116	1,543
Apr.	337	706	1,351	210	1,112
May	364	903	1,171	154	1,500
Jun.	353	888	1,203	201	1,032
Jul.	410	711	1,520	164	1,465
Aug.	350	822	1,576	223	1,763
Sep.	265	1,020	1,387	280	1,337
Oct.	273	517	369	289	1,318
Nov.	263	763	1,298	215	1,183
Dec.	259	550	984	260	1,243
2025*					
Jan.	368	502	1,255	228	1,017
Feb.	355	627	902	251	1,181
Mar.	383	573	1,345	187	1,191
Apr.	377	796	580	707	792
May	356	551	1,040	453	1,053
Jun.	355	941	1,148	294	1,187
Jul.	421	723	1,289	221	474
Aug.	424	592	1,204	396	826
Sep.	404	416	1,099	529	852
Oct.	456	732	1,245	374	1,671
Nov.	231	602	1,223	310	972
Dec.	402	662	1,138	560	1,334
2026*					
Jan.	n.y.a	595	1,127	163	1,174
Feb.	n.y.a	580	1,012	369	917
Mar.	n.y.a	861	1,230	227	993
Apr.	n.y.a	891	1,611	165	1,609
May	n.y.a	873	1,294	509	1,383
Jun.	n.y.a	886	1,392	575	193

Sources : Department of Mineral and Geoscience Malaysia

Malaysia Smelting Corporation Bhd.

* : Preliminary

n.y.a : not yet available

MALAYSIA'S DOMESTIC TIN CONSUMPTION

(In Tonnes)

PERIOD	TOTAL CON-SUMPTION	SOLDER *	TINPLATE	PEWTER	OTHERS *
2023	1,161	555	485	5	116
2024	2,420	698	492	4	1,226
2025*	4,511	528	748	95	3,140
2024					
Jan.	137	61	49	0.2	27
Feb.	169	79	42	0.2	48
Mar.	116	59	35	0.1	22
Apr.	210	74	41	0.1	95
May.	154	50	34	2.3	68
Jun.	201	50	26	0.1	125
Jul.	164	44	44	0.2	76
Aug.	223	24	40	0.3	159
Sep.	280	89	37	0.3	154
Oct.	289	57	43	0.3	189
Nov.	215	45	54	0.1	116
Dec.	260	66	47	0.1	147
2025					
Jan.	228	40	49	0	139
Feb.	251	50	42	0.3	159
Mar.	187	45	55	0.1	87
Apr.	707	48	62	0.1	597
May.	453	40	72	0.1	341
Jun.	294	55	53	0.1	186
Jul.	221	20	67	0.1	134
Aug.	396	40	79	0.1	277
Sep.	529	45	67	90	327
Oct.	374	50	72	1	251
Nov.	310	50	63	0.1	197
Dec.	560	45	67	3	445
2026					
Jan.	163	15	79	0.15	69
Feb.	369	50	54	0	265
Mar.	227	35	25	0.09	167
Apr.	165	45	41	0.0	79
May.	509	39	30	0.0	440
Jun.	575	80	51	0.0	444

Sources : Malaysia Smelting Corporation Bhd

Perstima Bhd

* : The figures include high-grade tin (99.9% Sn) imported for consumption.

Note : Local consumption of tin metal refers to the use of tin in a particular application.

Sales to manufacturing industries have been used as proxy for consumption except

in the case of manufacture of tinplate which are actual tin consumption data.

LME CASH TIN PRICE AND STOCK

PERIOD		LME Cash Average Price (US$/Tonne)	LME Stock (Tonnes)
2023		25,973	7,685
2024		30,172	4,800
2025		34,112	5,420
2024	Jan.	25,211	6,605
	Feb.	26,157	5,910
	Mar.	27,446	4,570
	Apr.	31,845	4,805
	May.	33,153	4,995
	Jun.	32,229	4,770
	Jul.	32,004	4,600
	Aug.	31,512	4,630
	Sep.	31,644	4,660
	Oct.	32,217	4,670
	Nov.	29,768	4,815
	Dec.	28,878	4,800
2025	Jan.	29,618	4,295
	Feb.	31,876	3,725
	Mar.	34,026	3,050
	Apr.	32,691	2,755
	May.	32,144	2,680
	Jun.	32,475	2,175
	Jul.	33,693	1,945
	Aug.	33,870	2,010
	Sep.	34,540	2,750
	Oct.	36,046	2,875
	Nov.	37,016	3,160
	Dec.	41,352	5,420
2026	Jan.	49,904	7,095
	Feb.	48,675	7,550
	Mar.	47,515	8,700
	Apr.	48,942	8,590
	May.	53,687	8,830
	Jun.	53,358	8,575

Sources : London Metal Exchange
www.westmetall.com

LEAD

LME PRICES & STOCKS

Period	Cash Settle-ment (US$ / Tonne)	Stocks Period End (Tonnes)
2021	2,305	54,375
2022	2,212	24,283
2023	2,036	130,743
2024		
Jan	2,088	118,223
Feb	2,084	160,155
Mar	2,057	217,749
Apr	2,130	271,623
May	2,221	222,531
Jun	2,148	204,520
Jul.	2,114	224,834
Aug.	2,002	202,063
Sep.	2,007	189,092
Oct.	2,036	194,501
Nov.	1,988	226,962
Dec.	1,994	260,104
2025		
Jan	1,922	229,352
Feb	1,955	220,928
Mar	2,034	217,937
Apr	1,909	256,403
May	1,958	266,606
Jun	1,973	278,199
Jul.	1,995	265,041
Aug.	1,945	269,085
Sep.	1,954	232,476
Oct.	1,968	237,833
Nov.	2,002	239,640
Dec.	1,942	249,608
2026		
Jan	1,998	218,811
Feb	1,916	255,599
Mar	1,880	284,402
Apr	1,923	284,916
May	1,991	276,226
Jun	1,951	305,066

Source : London Metal Exchange

COPPER

LME PRICES & STOCKS

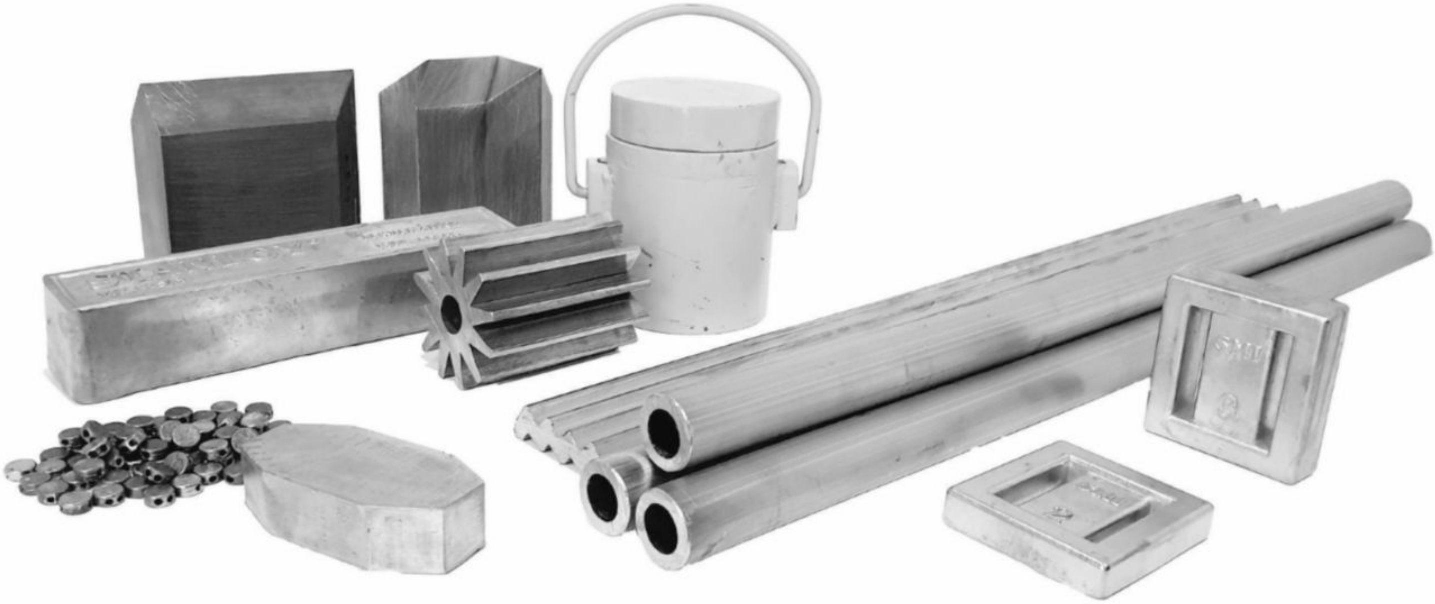
Period	Cash Settle-ment (US$ / Tonne)	Stocks Period End (Tonnes)
2021	9,550	88,725
2022	8,367	84,804
2023	8,394	174,247
2024		
Jan	8,344	157,193
Feb	8,311	131,904
Mar	8,676	112,513
Apr	9,482	119,761
May	10,129	109,394
Jun	9,642	144,969
Jul.	9,394	214,539
Aug.	8,964	298,340
Sep.	9,255	309,726
Oct.	9,539	287,728
Nov.	9,075	271,785
Dec.	8,920	270,928
2025		
Jan	8,978	261,651
Feb	9,329	256,653
Mar	9,731	235,107
Apr	9,192	209,021
May	9,530	178,225
Jun	9,834	113,399
Jul.	9,778	114,715
Aug.	9,646	154,438
Sep.	9,953	151,270
Oct.	10,696	137,894
Nov.	10,801	144,266
Dec.	11,804	161,171
2026		
Jan	13,089	153,964
Feb	12,968	211,006
Mar	12,499	320,078
Apr	12,891	391,826
May	13,507	394,892
Jun	13,574	360,019

SILVER

LONDON SPOT PRICES

Period	London Spot (US Cents / Troy Oz)
2021	2,247
2022	2,318
2023	2,421
2024	
Jan	2,295
Feb	2,269
Mar	2,445
Apr	2,758
May	2,907
Jun	2,959
Jul.	2,975
Aug.	2,852
Sep.	3,001
Oct.	3,242
Nov.	3,118
Dec.	3,060
2025	
Jan	3,037
Feb	3,219
Mar	3,319
Apr	3,227
May	3,271
Jun	3,593
Jul.	3,761
Aug.	3,730
Sep.	4,214
Oct.	4,948
Nov.	5,100
Dec.	6,311
2026	
Jan	9,113
Feb	8,114
Mar	7,891
Apr	7,519
May	7,701
Jun	6,701

STANLOY®



Specialty anodes in lead and tin

- ► Extruded wave anodes
- ► Extruded solid round anodes
- ► Extruded hollow round lead anodes
- ► Cored anodes
- ► 12-point extruded solid star anodes
- ► 12-point extruded hollow star anodes
- ► Extruded octagonal section anodes

Small parts in lead and tin

- ► Metering and security seals
- ► Diving weights

Pewter alloys

Chemical service

- ► Extruded lead coils and pipes
- ► Bearing / anti-friction metals

Lead acid battery components

- ► Battery terminals
- ► Lead oxides
- ► Lead burning sticks
- ► Extruded cooling coils
- ► Busbars
- ► 12-point extruded hollow star anodes
- ► Extruded octagonal section anodes

Radiation containment

- ► Radioactive isotope containers
- ► Lead bricks
- ► Radiation protection doors and mobile shields

Sailboat / yacht accessories

- ► Boat keels / bulbs

MATERIAL AVAILABILITY

All our casting and extruded products are produced from high purity materials and are available in the following chemical composition: -

- ► Pure lead of 99.97% minimum
- ► Antimonial lead alloys of up to 6% antimony content
- ► Pure tin of 99.85% and its alloys

SELAYANG METAL INDUSTRIES SDN BHD

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Tel: +603-6263 5589 / +603-6263 3199
email: cslim@selayang-metal.com

ASSOCIATION MEMBERS

Currently, membership of the Association comprises one associate and 11 ordinary members covering the three main sectors of Malaysia's tin-based products manufacturing industry, namely the tinplate, solder and pewter sectors, as listed below:

ORDINARY MEMBERS:

TINPLATE
Perusahaan Sadur Timah Malaysia Bhd (PERSTIMA)

SOLDER
Nihon Superior (M) Sdn Bhd
Premium Metal Sdn Bhd
RedRing Solder (M) Sdn Bhd
Rian Resources Sdn Bhd
Selayang Metal Industries Sdn Bhd
Selayang Solder Sdn Bhd

PEWTER
Oriental Pewter Sdn Bhd
Royal Selangor International Sdn Bhd
Selwin Pewter Sdn Bhd
Tumasek Pewter Sdn Bhd

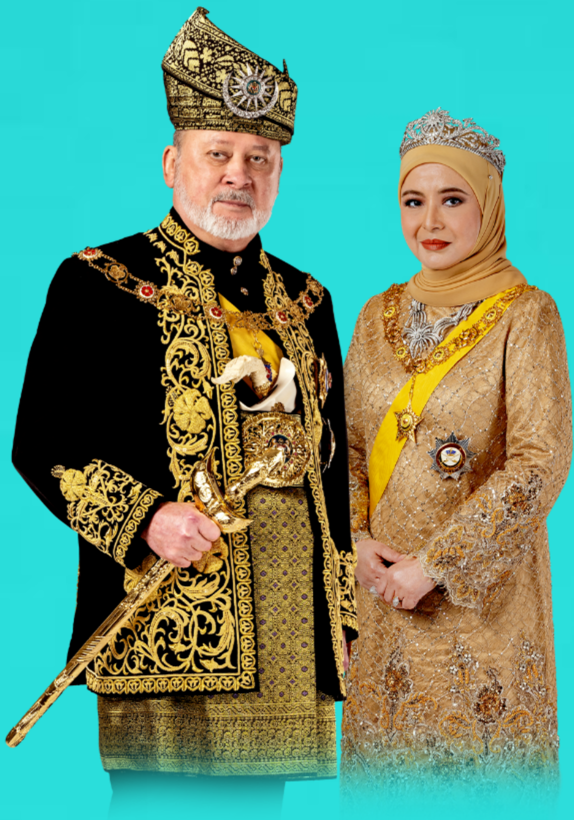
ASSOCIATE MEMBERS:

Malaysia Smelting Corporation Bhd

DIRGAHAYU TUANKU

Salutations

and Heartiest Congratulations



HIS MAJESTY SULTAN IBRAHIM

KING OF MALAYSIA

on the Occasion of

His Majesty's Official Birthday

On

1st June 2026 (15 Zulhijjah 1447H)

with sincerest reverence from:

Malaysian Tin Products Manufacturers' Association

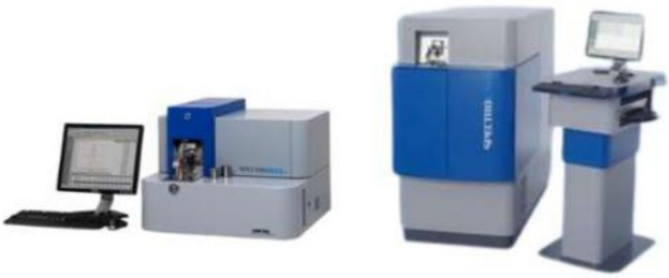
PREMIUM METAL SDN. BHD.

TIN ALLOY INGOT AVAILABLE :

- Tin / Lead Ingot
- Tin / Copper Ingot
- Tin / Copper / Silver Ingot
- Tin / Silver Ingot

OUR SERVICES:

- *Collection of tin scrap and secondary waste*
- *In-house facilities for elemental analysis and quality control*
- *Recycling and refining of tin waste into reusable tin alloy ingots*
- *Refining processes to remove impurities and enhance quality*
- *Re-melting of materials into solid metal form*



Registered to ISO 9001:2015

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