



## BUSINESS TENDENCY STATISTICS

+4.7%

Q4 2024

Q3 2024

+4.8%

+3.2%

Q1 2025

Q2 2025

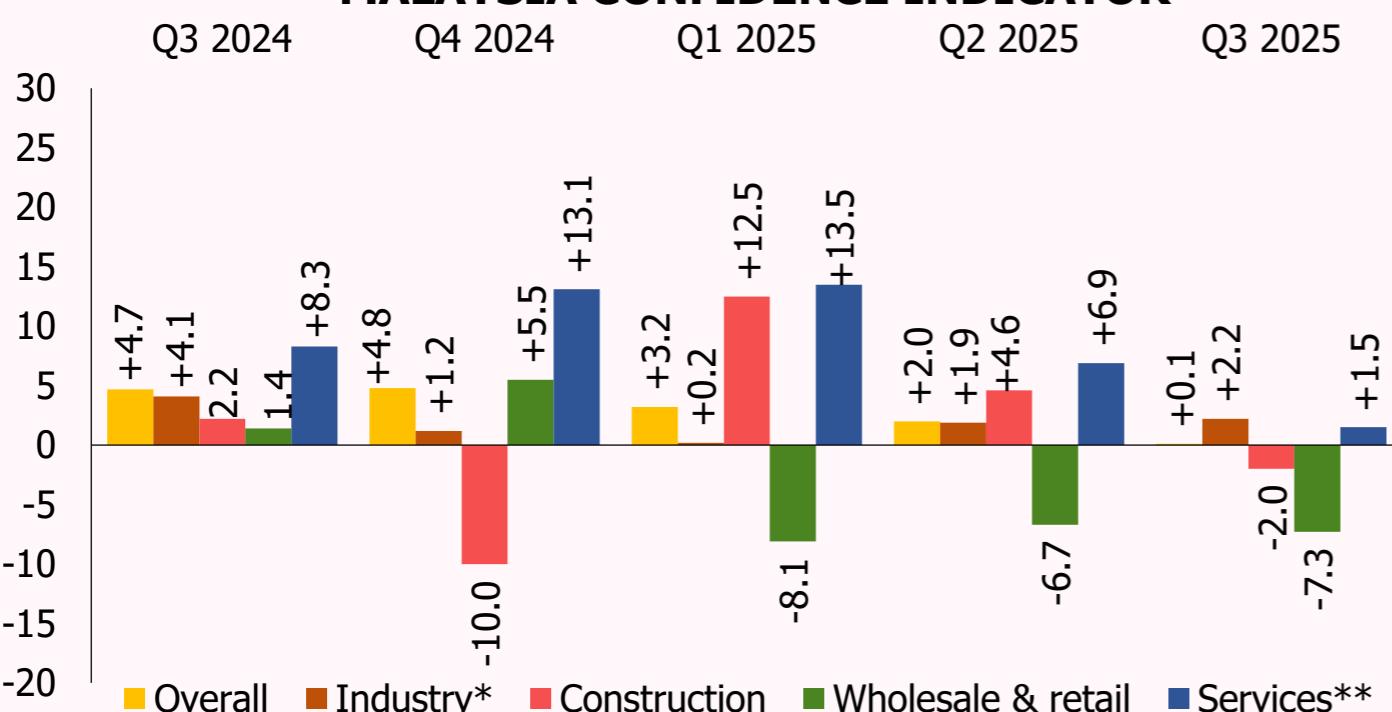
+2.0%

+0.1%

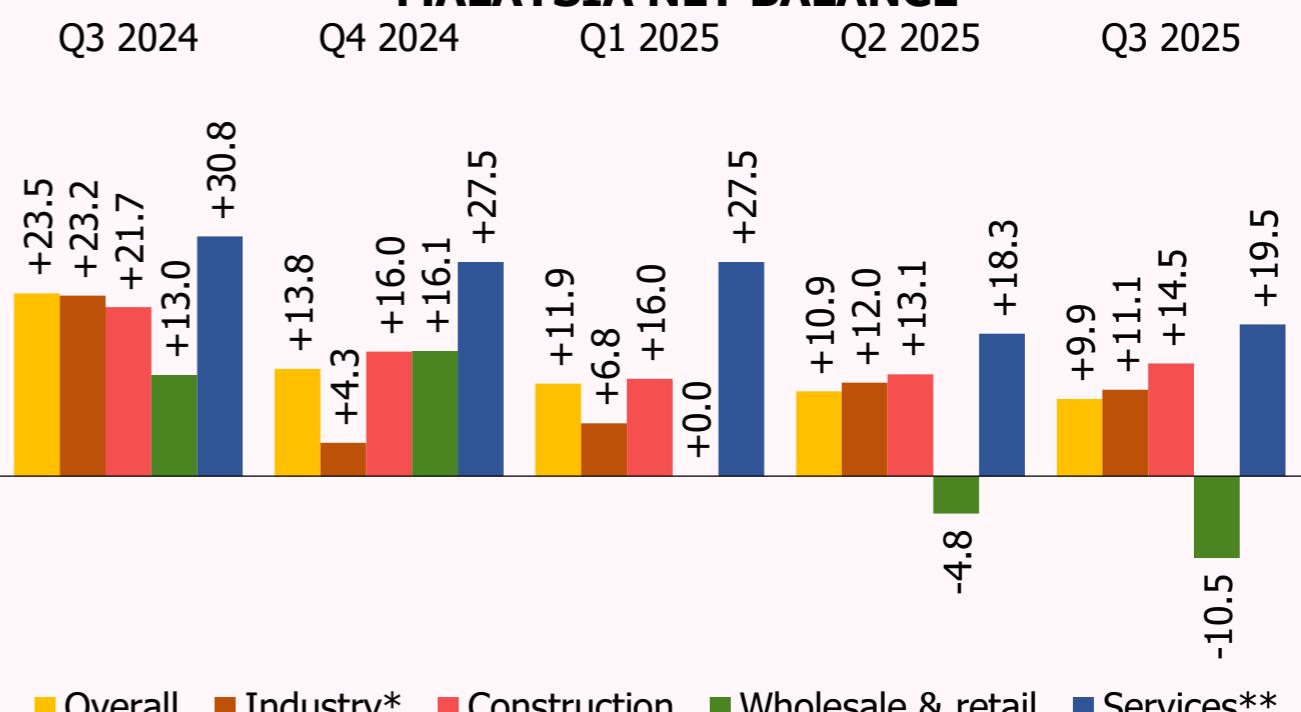
Q3 2025

BUSINESS SENTIMENT EASES IN THE THIRD QUARTER OF 2025, REFLECTED BY A POSITIVE CONFIDENCE INDICATOR OF +0.1 PER CENT

**MALAYSIA CONFIDENCE INDICATOR**



**MALAYSIA NET BALANCE**

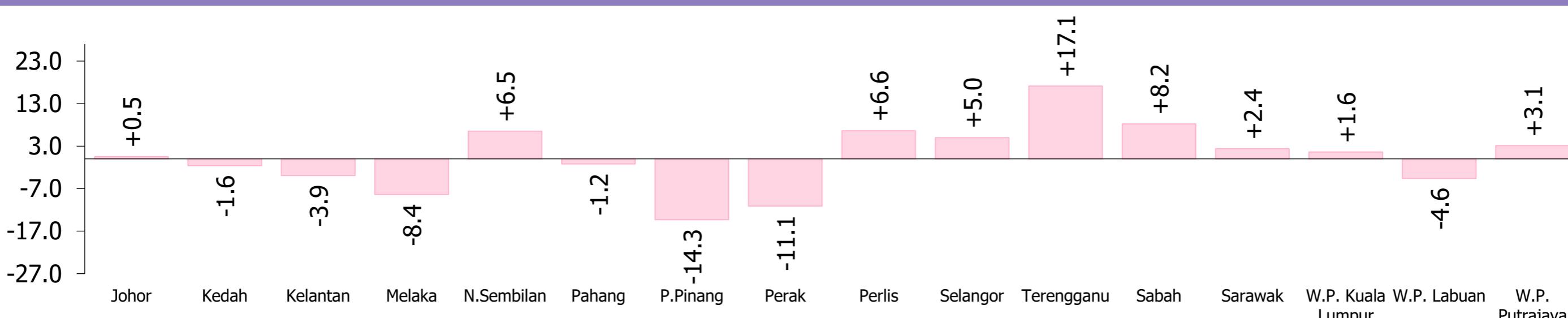


Note:

\*Agriculture, Mining, Manufacturing and Electricity & Water

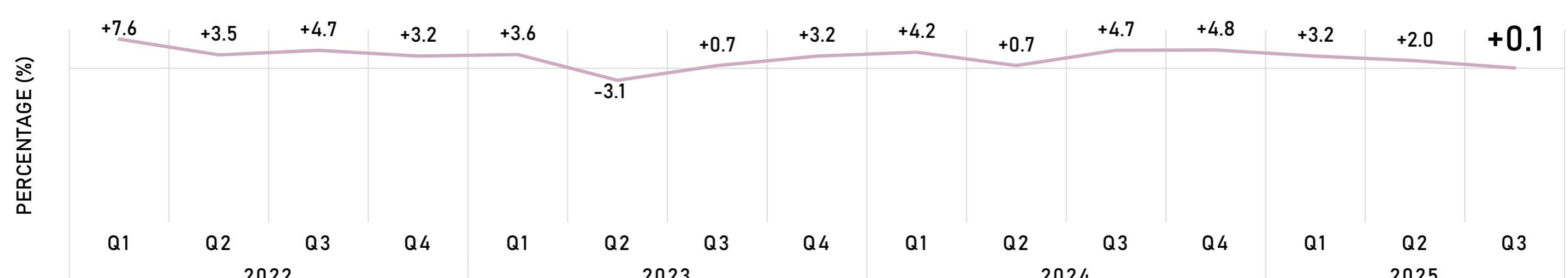
\*\* Accommodations, Transportation & Storage, Communication, Finance, Insurance, Real Estate, Information Technology & Communication, Food & Beverage, Administrative & Support Services, Professional, Health, Education and Other Services

## CONFIDENCE INDICATOR BY STATE Q3 2025



Source: Business Tendency Statistics Third Quarter 2025, Department of Statistics Malaysia (DOSM)

## QUARTERLY CONFIDENCE INDICATOR, MALAYSIA 2022-2025



# **Business sentiment eases in the third quarter of 2025, reflected by a positive confidence indicator of +0.1 per cent**

- Businesses anticipate a moderation in the business environment in the third quarter of 2025, supported by a positive confidence indicator of +0.1 per cent, which reflects prevailing optimism from the previous quarter's +2.0 per cent.
- Services remains optimistic in the third quarter of 2025, recording a confidence indicator of +1.5 per cent compared to +6.9 per cent in the previous quarter, showing steady confidence despite the moderation. Construction sector records a confidence indicator of -2.0 per cent in the third quarter of 2025, compared to +4.6 per cent in the preceding quarter, indicating a shift to a more cautious outlook. Meanwhile, Industry sector continues to show steady optimism with a slight increase in confidence to +2.2 per cent from +1.9 per cent in the second quarter of 2025. Turning to Wholesale and Retail Trade sector, the confidence indicator posts -7.3 per cent in the third quarter of 2025, marginally lower than -6.7 per cent in the second quarter of 2025, reflecting persisting caution in the sector. Nevertheless, Retail Trade subsector's confidence indicator rebounds to a positive trajectory, recording +1.9 per cent compared to -8.4 per cent previously.
- In the third quarter of 2025, state-level business confidence indicators highlight encouraging resilience, with several states showing notable improvements despite others adapt to short-term challenges. Optimistic sentiment was seen in Johor (+0.5%), Negeri Sembilan (+6.5%), Perlis (+6.6%), Selangor (+5.0%), Terengganu (+17.1%), Sabah (+8.2%), Sarawak (+2.4%), W.P. Kuala Lumpur (+1.6%) and W.P. Putrajaya (+3.1%). Meanwhile, Kedah (-1.6%), Kelantan (-3.9%), Melaka (-8.4%), Pahang (-1.2%), Penang (-14.3%), Perak (-11.1%) and Labuan (-4.6%) posted negative readings, underscoring rising pressures in their business climate
- Looking ahead to the July until December 2025 period, the overall business outlook remains positive, posting a net balance of +9.9 per cent compared to +10.9 per cent in the previous half-year. Services sector shows steady resilience, improving marginally to a net balance of +19.5 per cent from +18.3 per cent. Construction sector's outlook brightens, with the net balance at +14.5 per cent as against +13.1 per cent. Similarly, Industry sector projects a favourable business environment, with the net balance at +11.1 per cent compared to +12.0 per cent in the preceding period. Meanwhile, Wholesale and Retail Trade sector records a net balance of -10.5 per cent from -4.8 per cent in the previous period.

