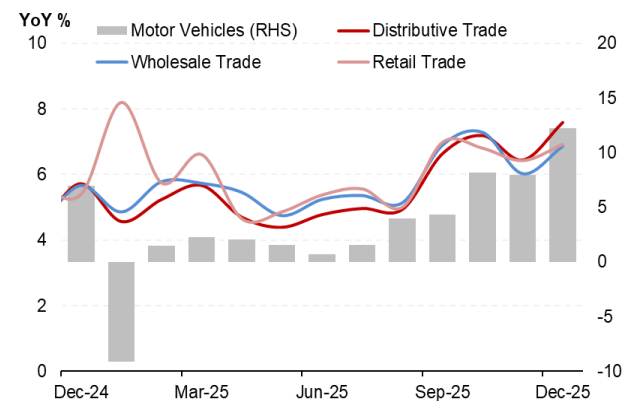


Malaysia Distributive Trade

Festive season spending spurs record sales in December, sets firmer base into early 2026

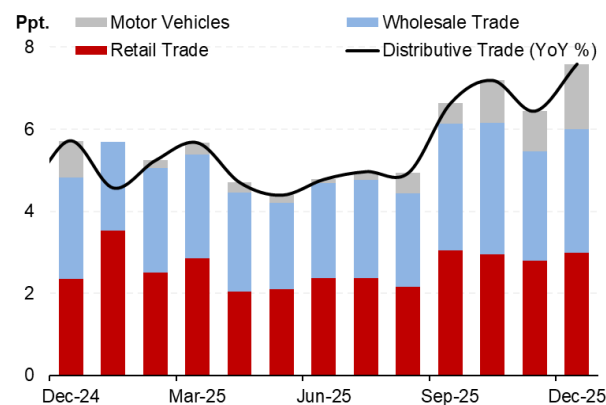
- Distributive trade sales accelerated to 7.6% YoY (Nov: 6.4%), the highest since March 2023 (11.9%). This lifted 4Q25 growth to 7.1% (3Q25: 5.5%) and brought full-year growth to 5.6% (2024: 5.5%), just a tad below our 5.7% forecast**
 - MoM** (3.0%; Nov: -1.2%): Rebounded sharply to a nine-month high, in line with seasonal trends, as December typically records stronger monthly spending.
 - Sales value** (RM163.7b: Nov: RM159.0b): Reached a record, supported by festive- and year-end purchases.
- Broad-based expansion across sub-sectors, led by double-digit growth in motor vehicles**
 - Wholesale trade** (6.9%; Nov: 6.0%): Strengthened, driven by machinery, equipment & supplies (10.8%; Nov: 6.4%), household goods (9.2%; Nov: 8.5%), and food, beverages and tobacco (7.1%; Nov: 6.7%).
 - Retail trade** (6.9%; Nov: 6.4%): Picked up, supported by non-specialised stores (9.3%; Nov: 8.7%), followed by not in stores, stalls or market (9.1%; Nov: 7.2%) and automotive fuel (7.4%; Nov: 6.7%).
 - Motor vehicles** (12.2%; Nov: 8.0%): Jumped to a 17-month high, supported by a strong rise in vehicles sales (15.7%; Nov: 8.9%), with monthly unit sales climbing to 90.7k from 72.5k..
- Mixed retail sales performance across selected regional peers in December**
 - SG** (2.7%; Nov: 6.2%): Slowed sharply amid softer sales of food and beverage (F&B) services.
 - HK** (6.6%; Nov: 6.5%): Expanded steadily, supported by strong online sales and rising visitor numbers.
- After resilient sales in 2025, we project growth to rise to 6.1% in 2026, driven mainly by Visit Malaysia 2026 and sustained domestic demand from ongoing consumption and investment trends**
 - Outlook:** Sales growth is expected to sustain near term ahead of Chinese New Year holiday in February. Government fiscal measures include the one-off SARA RM100 transfers to 22.0m Malaysian citizens worth RM2.2b, Rahmah Cash Contribution (STR) Phase 1 disbursement from 19 January, early schooling aid (BAP) benefitting 5.2m students and the Public Service Remuneration System (SSPA) Phase 2 salary adjustment effective January 2026. Visit Malaysia 2026 campaign should further lift tourist arrivals, with spending likely to strengthen in 2H26.
 - GDP Forecast:** Strong distributive trade and manufacturing output in 4Q25 should support our 4Q25 GDP growth forecast of 5.5% (3Q25: 5.2%), bringing full-year growth to 4.9% (2024: 5.1%), although mining weakness may limit the upside. Growth could surprise on the back of global tech cycle and data centre investment in 2026. However, we remain cautious given global uncertainty, geopolitical risk and the lagged effects of higher US tariffs. That said, we maintain our 2026 GDP forecast at 4.5% for now, with an upside bias that could lift growth closer to 5.0%.

Graph 1: Sales Value Growth



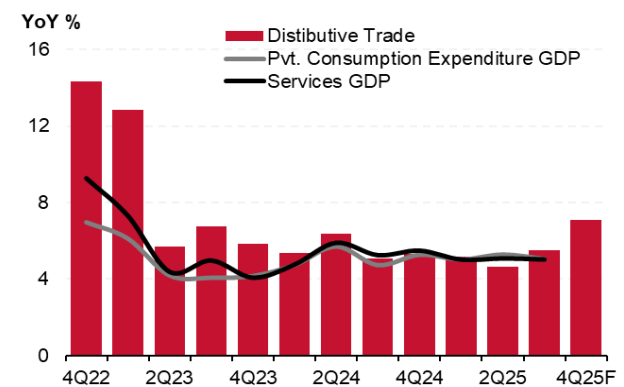
Source: Macrobond, Dept. of Statistics, Kenanga Research

Graph 2: Contribution to Overall Sales Value



Source: Macrobond, Dept. of Statistics, Kenanga Research

Graph 3: Pvt. Consumption, Services & Distributive Trade



Source: Macrobond, Dept. of Statistics, Kenanga Research

10 February 2026

Table 1: Distributive Trade Sales by Sub-sector (YoY %)

	% Share*	2024	2025	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Distributive Trade	100.0	5.5	5.6	5.0	4.9	6.6	7.2	6.4	7.6
Wholesale Trade	44.3	4.7	5.8	5.4	5.1	6.9	7.3	6.0	6.9
Other Specialised	16.5	2.6	3.9	4.0	4.8	5.4	4.9	5.1	5.5
Household Goods	9.2	5.3	7.0	6.7	5.4	8.2	8.4	8.5	9.2
Food, Beverages and Tobacco	8.9	6.4	7.0	6.6	5.4	7.2	9.2	6.7	7.1
Agricultural Raw Materials and Live Animals	4.1	7.2	6.5	4.7	5.2	9.3	7.5	3.0	4.6
Machinery, Equipment and Supplies	3.5	5.4	7.5	5.9	4.9	7.0	10.0	6.4	10.8
Non-specialised	1.3	6.3	7.2	5.8	6.1	7.2	9.7	5.5	5.2
Fee or Contract Basis	0.8	4.1	5.3	5.5	4.9	5.8	5.9	4.1	4.2
Retail Trade	43.3	6.1	6.1	5.6	5.0	7.0	6.8	6.4	6.9
Non-specialised Stores	16.6	6.9	7.0	5.5	5.6	9.9	9.1	8.7	9.3
Other Goods in Specialised Stores	9.1	8.3	6.0	7.6	6.0	5.8	5.2	5.1	5.6
Other Household Equipment in Specialised Stores	5.0	4.2	3.8	3.6	2.6	2.5	2.8	3.0	3.1
Automotive Fuel in Specialised Stores	4.0	5.5	6.6	6.6	5.3	7.0	7.2	6.7	7.4
Information and Communication Equipment in Specialised Stores	3.4	0.5	4.9	3.3	3.1	4.2	6.5	4.9	5.9
Food, Beverages and Tobacco in Specialised Stores	2.7	7.5	6.8	6.1	5.5	6.2	6.9	6.3	6.5
Cultural and Recreation Goods in Specialised Stores	1.9	4.2	4.6	3.0	3.1	4.6	4.3	4.1	3.9
Not in Stores, Stalls or Markets	0.4	6.4	7.3	5.1	5.0	9.2	8.6	7.2	9.1
Stalls and Markets	0.1	5.4	6.8	5.5	5.2	5.3	5.5	5.3	5.9
Motor Vehicles	12.4	6.5	3.2	1.6	4.0	4.3	8.2	8.0	12.2
Sales of Motor Vehicles	6.4	3.3	1.7	-1.1	4.2	1.9	9.5	8.9	15.7
Parts and Accessories	3.4	10.7	4.4	2.9	2.0	6.7	6.2	5.9	6.6
Maintenance and Repair	1.8	10.6	5.4	6.2	5.2	9.6	9.1	8.7	9.7
Sale, Maintenance and Repair of Motorcycles Related	0.8	7.0	6.0	7.5	7.8	-0.3	3.1	7.5	10.9

Source: Macrobond, Dept. of Statistics, Kenanga Research

*Average 2024

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