

Malaysia Distributive Trade (January)

Sales growth eases after December surge, festive demand to cushion near term momentum

- **Distributive trade sales slowed to 7.3% YoY in January (Dec 2025: 7.6%), as retail activity began to soften despite the run up to Chinese New Year spending period.**

- **MoM** (-2.4; Dec: 3.0%): Contracted sharply to the lowest level since March 2022, on broad-based sales weakness.
- **Sales value** (RM159.8b; Dec: RM163.7b): Decreased moderately after a record high in December.

- **Broad-based slowdown across sub-sectors, offsetting solid growth in motor vehicles**

- **Wholesale trade** (6.0%; Dec: 6.9%): Declined slightly, driven by machinery, equipment & supplies (5.7%; Dec: 10.8%), food, beverages and tobacco (5.8%; Dec: 7.1%) and other specialised goods (4.3%; Dec: 5.5%). On MoM, growth slowed to 0.9% (Dec: 1.3%)

- **Retail trade** (6.1%; Dec: 6.9%): Softened significantly due to decrease by information and communication equipment in specialised stores (3.9%; Dec: 5.9%), followed by non-specialised stores (7.9%; Dec: 9.3%), and food, beverages and tobacco in specialised stores (5.6%; Dec: 6.5%). On MoM, it fell 0.5%, a six-month low.
- **Motor vehicles** (17.3%; Dec: 12.2%): Rose to an 18-month high, partly due to base effects and a sharp increase in maintenance and repair of motorcycles & related (32.7%; Dec: 10.9%) and vehicles sales (25.9%; Dec: 15.7%), although monthly unit sales moderated to 64.3k from 90.7k. On MoM, it fell 8.1%, a seven-month low.

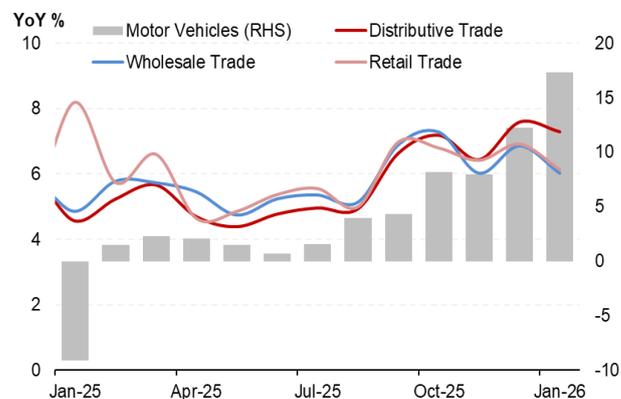
- **Weak retail sales performance across selected regional peers in January**

- SG (-0.4%; Dec: 2.5%): Declined substantially, driven by the shift in the Chinese New Year period to February.
- HK (5.5%; Dec: 6.6%): Decreased slightly, due to January's high base from an early Chinese New Year.

- **Our distributive trade forecast maintained at 6.1% in 2026, amid rising geopolitical uncertainty**

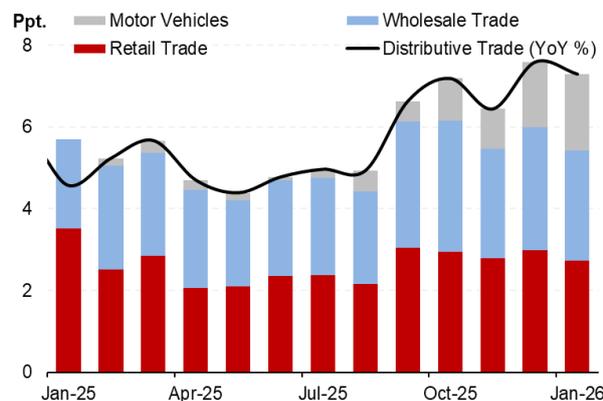
- **Outlook:** Sales momentum should stay resilient in the near term, supported by festive spending ahead of Hari Raya Aidilfitri. Fiscal support will add further lift through the one-off SARA RM100 transfers to 22.0m Malaysians, Phase 1 STR disbursements from 19 January, and the Phase 2 SSPA salary adjustments effective January 2026. The Visit Malaysia 2026 campaign should further boost tourist arrivals, supporting spending into 2H26. However, the recent escalation in US-Iran tensions may add uncertainty and slightly temper sales momentum.
- **GDP Forecast:** We maintain our 2026 GDP growth forecast at 4.5%, reflecting cautious optimism amid persistent global uncertainty and rising geopolitical tensions linked to the US-Iran war that may weigh on confidence. Even so, growth could edge closer to 5.0%. Malaysia typically benefits from higher crude oil and LNG prices as a net energy exporter. Additional upside may emerge if the global tech upcycle continues and data centre related investment accelerates in 2026.

Graph 1: Sales Value Growth



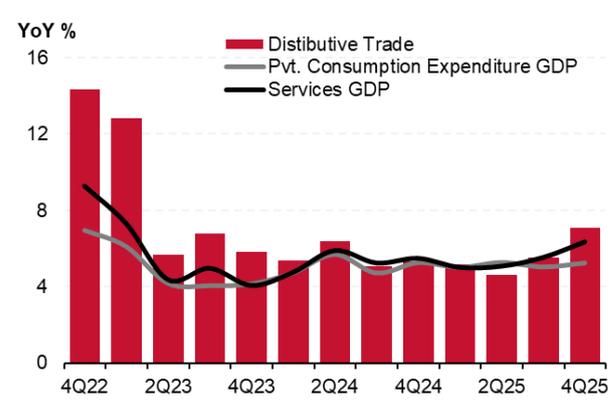
Source: Macrobond, Dept. of Statistics, Kenanga Research

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

13 March 2026

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

	% Share*	2024	2025	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Distributive Trade	100.0	5.5	5.6	4.9	6.6	7.2	6.4	7.6	7.3
Wholesale Trade	44.3	4.7	5.8	5.1	6.9	7.3	6.0	6.9	6.0
Other Specialised	16.5	2.6	4.8	4.8	5.4	4.9	5.1	5.5	4.3
Household Goods	9.2	5.3	5.4	5.4	8.2	8.4	8.5	9.2	9.4
Food, Beverages and Tobacco	8.9	6.4	5.4	5.4	7.2	9.2	6.7	7.1	5.8
Agricultural Raw Materials and Live Animals	4.1	7.2	5.2	5.2	9.3	7.5	3.0	4.6	6.4
Machinery, Equipment and Supplies	3.5	5.4	4.9	4.9	7.0	10.0	6.4	10.8	5.7
Non-specialised	1.3	6.3	6.1	6.1	7.2	9.7	5.5	5.2	5.6
Fee or Contract Basis	0.8	4.1	4.9	4.9	5.8	5.9	4.1	4.2	5.3
Retail Trade	43.3	6.1	6.1	5.0	7.0	6.8	6.4	6.9	6.1
Non-specialised Stores	16.6	6.9	5.6	5.6	9.9	9.1	8.7	9.3	7.9
Other Goods in Specialised Stores	9.1	8.3	6.0	6.0	5.8	5.2	5.1	5.6	5.4
Other Household Equipment in Specialised Stores	5.0	4.2	2.6	2.6	2.5	2.8	3.0	3.1	3.3
Automotive Fuel in Specialised Stores	4.0	5.5	5.3	5.3	7.0	7.2	6.7	7.4	7.0
Information and Communication Equipment in Specialised Stores	3.4	0.5	3.1	3.1	4.2	6.5	4.9	5.9	3.9
Food, Beverages and Tobacco in Specialised Stores	2.7	7.5	5.5	5.5	6.2	6.9	6.3	6.5	5.6
Cultural and Recreation Goods in Specialised Stores	1.9	4.2	3.1	3.1	4.6	4.3	4.1	3.9	4.2
Not in Stores, Stalls or Markets	0.4	6.4	5.0	5.0	9.2	8.6	7.2	9.1	9.0
Stalls and Markets	0.1	5.4	5.2	5.2	5.3	5.5	5.3	5.9	6.2
Motor Vehicles	12.4	6.5	3.2	4.0	4.3	8.2	8.0	12.2	17.3
Sales of Motor Vehicles	6.4	3.3	4.2	4.2	1.9	9.5	8.9	15.7	25.9
Parts and Accessories	3.4	10.7	2.0	2.0	6.7	6.2	5.9	6.6	6.2
Maintenance and Repair	1.8	10.6	5.2	5.2	9.6	9.1	8.7	9.7	9.3
Sale, Maintenance and Repair of Motorcycles Related	0.8	7.0	7.8	7.8	-0.3	3.1	7.5	10.9	32.7

Source: Macrobond, Dept. of Statistics, Kenanga Research

*Average 2024

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