

Malaysia Industry Outlook

JAN-JUN 2026

Health status, drivers, risks, and training recommendations for 17 industries.
Prepared 30 Dec 2025.



Key Forces Shaping H1 2026

Growth Outlook

Mid-single digit GDP growth supported by domestic demand (MOF/BNM).

Budget 2026

Reforms continue: targeted subsidies, stronger compliance, focus on semiconductors and AI R&D.

Trade Risks

High-tariff world persists; US tariffs remain elevated with frequent changes expected.

Political Stability

Late-2025 developments raise noise; stability matters for confidence and policy execution.

How to Read Industry Health



Challenged

Higher risk; cash discipline, compliance, and turnaround capabilities needed.



Cautious

Mixed outlook; protect margins, tighten operations, build resilience skills.



Stable

Steady baseline; focus on execution quality, productivity, and customer experience.



Strong

Demand + policy tailwinds outweigh risks; focus on scaling and talent.



CAUTIOUS

Retail / Wholesale / Trading

H1 2026 Outlook

Domestic spending supports demand, but cost pressures (wages, subsidy changes, SST) squeeze margins. Winners have strong loyalty, omni-channel, and inventory discipline.

Key Drivers

- Domestic demand remains growth driver; moderate inflation projected
- Tariff volatility affects imported goods and consumer sentiment

Key Risks

- Profit pressure from input costs and high-tariff environment
- Political noise may slow reforms or spending execution

Best-Fit Training

Service Excellence + Complaint Recovery:

Improves retention when consumers are price-sensitive.

Omni-channel Retail Ops: Plan promos and stock using data.

Supply Chain & Cost Control: Reduce shrinkage and wastage.

STABLE

Construction / Engineering / Infrastructure

1

Outlook

Public and private projects keep activity steady. Bursa construction sector performed well in 2025. Execution quality is the differentiator.

2

Drivers

Budget 2026 expansionary with development spending. Construction index up YTD 2025.

3

Risks

Imported material costs swing with tariffs/FX. Tighter compliance raises admin burden.



Project Management

Cuts delays, improves margins through better planning and change control.



Safety Leadership

Reduces incidents and downtime; improves contractor discipline.

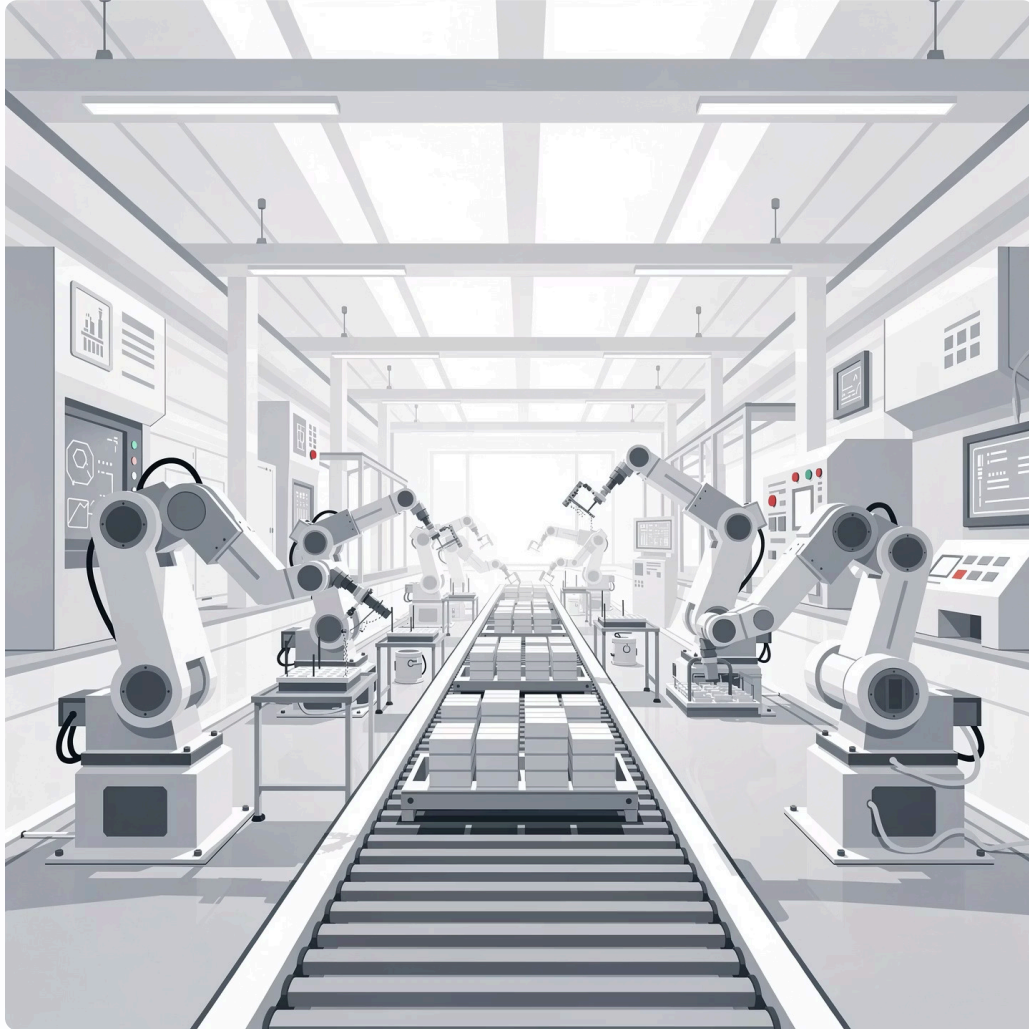


Lean Site Productivity

Improves handovers and reduces rework across trades.

CAUTIOUS

Manufacturing / Industrial



H1 2026 Snapshot

Activity expanding, but external demand vulnerable to tariffs and uncertainty. Winners improve productivity, quality, and compliance.

Critical Training

- **Lean Manufacturing + Kaizen:** Fast productivity gains without heavy capex
- **Quality Systems (8D/5-Why):** Meet audits, reduce returns
- **Trade Compliance:** Prevent shipment holds in high-tariff environment

STRONG

IT / Technology / Software



National Focus

Budget 2026 emphasizes semiconductors, digital, and AI R&D funding.



Enterprise Demand

Global firms invest in AI and automation; tech is key 2026 theme.



Talent Constraint

Key gap: cybersecurity, data, AI, product, and delivery capability.

Priority Training Programs



Cybersecurity Awareness

Reduces breaches, builds safer products



AI for Business

Turns spending into productivity while managing risk



Agile Delivery

Improves speed, quality, stakeholder alignment

Telecom, Logistics & Energy

STABLE

Telecommunications / ISP

Steady demand; growth from enterprise services and network quality. Competition keeps pricing pressure.

Training: Customer Experience, B2B Sales Enablement, Field Team Excellence

CAUTIOUS

Logistics / Transportation

Supply chain re-routing creates opportunities, but tariffs and compliance raise complexity.

Training: Supply Chain Resilience, Customs Compliance, Warehouse Productivity

CAUTIOUS

Energy (Oil & Gas)

Depends on global prices and capex. Energy transition creates adjacent opportunities.

Training: Process Safety, ESG & Carbon Readiness, Project Controls



STABLE

Education / Training



The AI Transformation

Demand remains steady. Biggest shift: AI-enabled learning and skills-based credentialing. Providers must redesign delivery and assessment.

Critical Capabilities

1. **AI Literacy for Educators:** Use AI safely for planning, feedback, content
2. **Instructional Design:** Improve training outcomes and retention
3. **Facilitation Mastery:** Build engagement in hybrid delivery

Consumer-Facing Industries

CAUTIOUS

Food & Beverage

Resilient demand, but margins depend on controlling ingredient costs, labour productivity, and food safety compliance.

1

2

3

STABLE

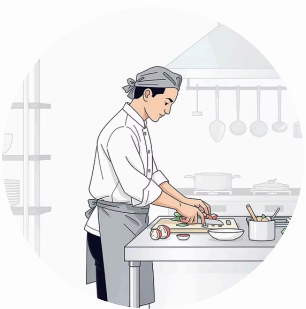
Hospitality / Travel

Tourism and business travel support performance. Cost control and service quality drive profitability.

CAUTIOUS

Automotive

Steady demand, but supply chains reshape around EVs and tariffs. After-sales excellence critical.



F&B Training: Food Safety (HACCP), Cost Control, Service Excellence



Automotive Training: EV Fundamentals, After-Sales Service, Inventory Planning



Hospitality Training: Service Culture, Revenue Management, Supervisor Coaching

STABLE

Property Development / Real Estate

01

Market Context

Activity steady with pockets of demand. Buyers remain rate-sensitive. OPR/inflation expected moderate into 2026.

02

Success Factors

Strong product-market fit, financing partnerships, faster sales execution.

03

Key Risks

Political uncertainty could slow confidence and approvals. Higher-for-longer rates tighten affordability.

Consultative Sales

Improves conversion, reduces discounting

Customer Experience

Reduces complaints, protects brand

Project Risk Management

Improves delivery, reduces disputes



STRONG

Healthcare / Medical

Structural Demand
Ageing population and ongoing
healthcare needs underpin steady
growth

Compliance Pressure
Regulatory audits and data security
requirements increasing



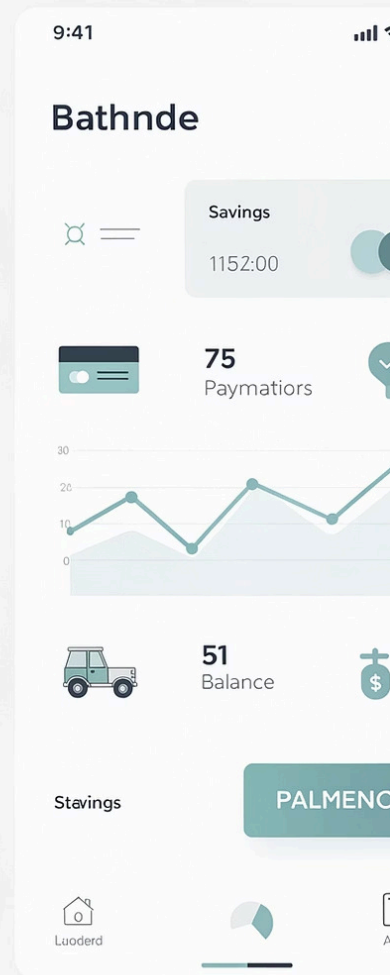
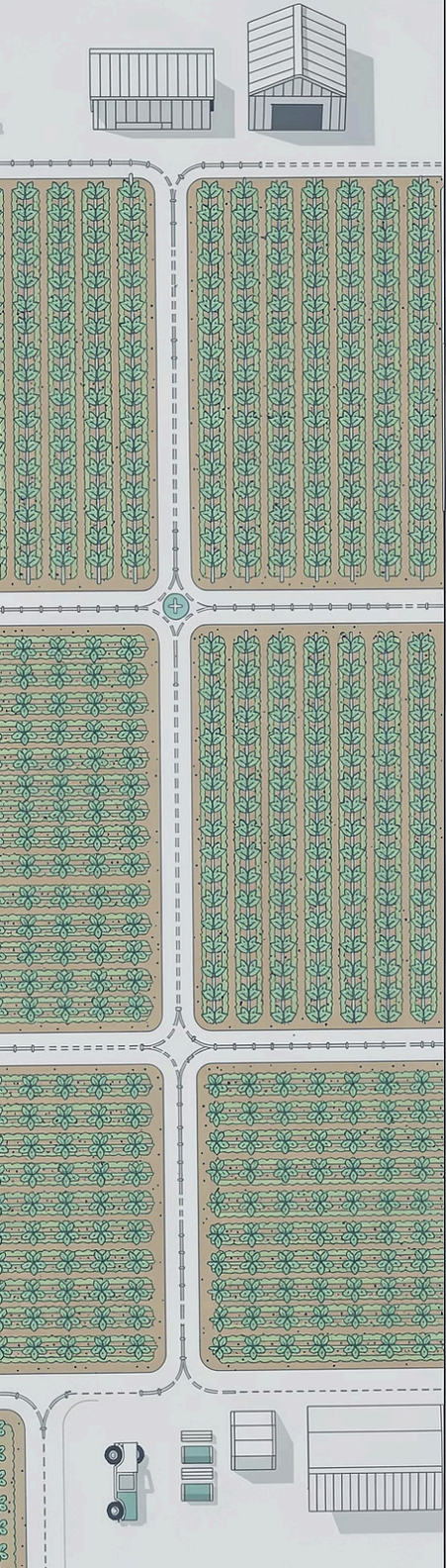
Supply Continuity

China tariff reductions on medical
products may ease import costs

Operational Focus

Efficiency, patient experience, data
protection are priorities

📋 **Critical Training:** Patient Experience & Communication, Clinical Process Improvement (Lean), Data Privacy & Cyber Hygiene



Agriculture & Finance Sectors

STABLE

Agriculture / Plantation

Performance depends on commodity prices and labour availability. Efficiency, compliance, and tech adoption improve resilience.

Key Challenges

- Weather and climate variability
- Labour constraints
- Sustainability compliance and audit scrutiny

Training Focus

Operational Excellence,
Sustainability & Traceability,
Supervisor Leadership

STABLE

Finance / Insurance

Banks and insurers benefit from steady domestic activity. Watch credit quality and regulatory compliance.

Key Differentiators

- Digital service capabilities
- Risk management quality
- Fraud and cyber threat prevention

Training Focus

Risk & Credit Conversations,
AML/CFT Refresher, Digital Service
& Empathy

STABLE

HR Services & Conglomerates

HR Services (Recruitment/Manpower)

Hiring demand mixed by sector. Higher-value recruitment (tech, engineering, healthcare) remains active. Agencies need better matching quality and advisory skills.

Training: Consultative Selling for Recruiters, Structured Interviewing, Client Account Management

Conglomerate (Multi-sector)

Diversified groups balance cycles across property, construction, services, and consumer. Key is execution discipline and governance across portfolios.

Training: Enterprise Leadership & Strategy Execution (OKR/KPI), Governance Risk & Compliance, Change Management

17

Industries Covered

Comprehensive outlook across Malaysia's key sectors

6

Month Horizon

Actionable insights for Jan-Jun 2026

50+

Training Programs

Tailored recommendations by industry

Taking Action: Your Next Steps



Assess Your Position

Review your industry's health status and compare against the key drivers and risks outlined.



Prioritize Training

Select 2-3 recommended programs that address your most critical capability gaps for H1 2026.



Build Resilience

Focus on execution quality, compliance readiness, and talent development to navigate uncertainty.



Monitor & Adapt

Track macro developments (tariffs, policy, political stability) and adjust plans quarterly.

"In a high-tariff, high-uncertainty world, the winners will be those who invest in their people's capabilities and operational excellence."