

# 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.

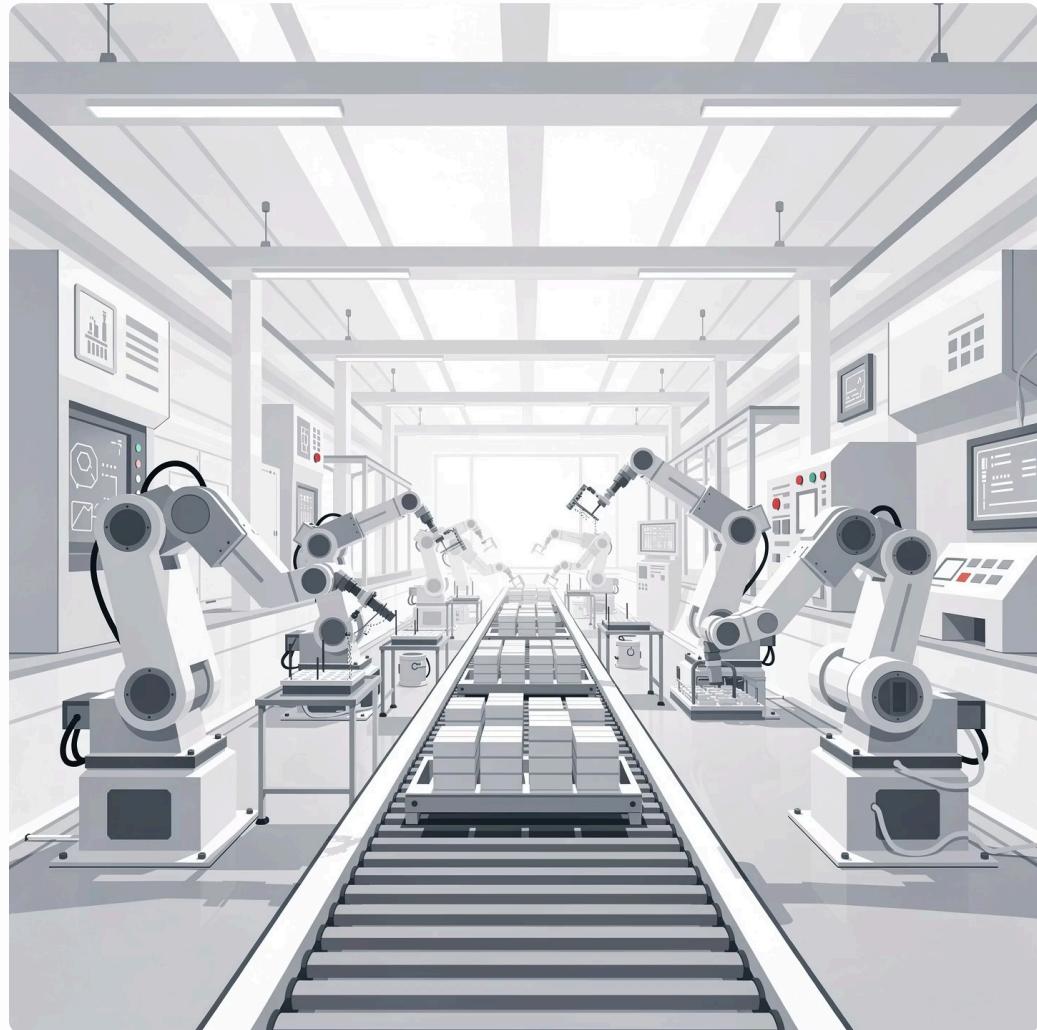


### Lean Site Productivity

Improves handovers and reduces rework across trades.

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# 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.

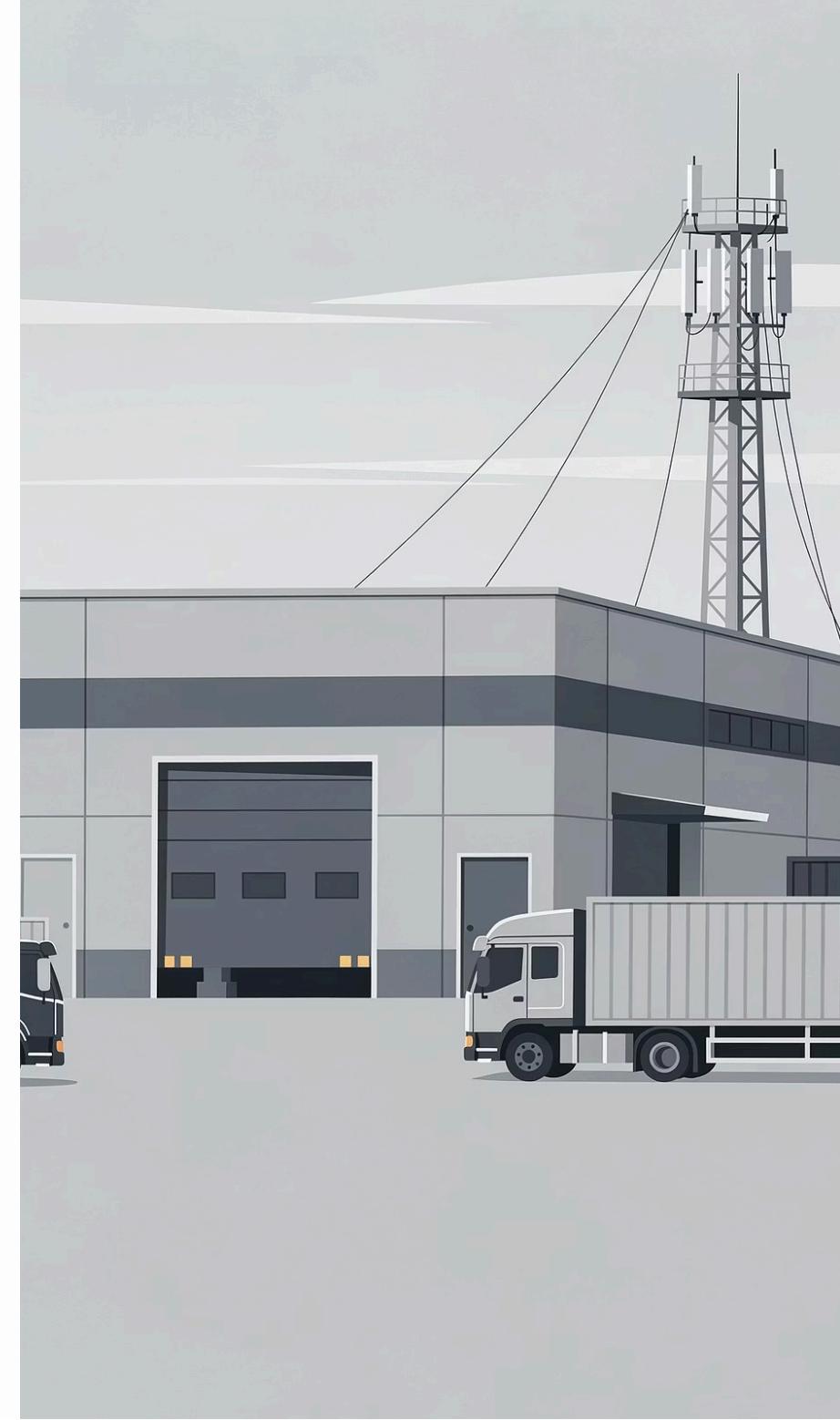
**Training:** Supply Chain Resilience, Customs Compliance, Warehouse Productivity

CAUTIOUS

Energy (Oil & Gas)

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

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



# 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.

STABLE

## Hospitality / Travel

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

1

2

3

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



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# 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

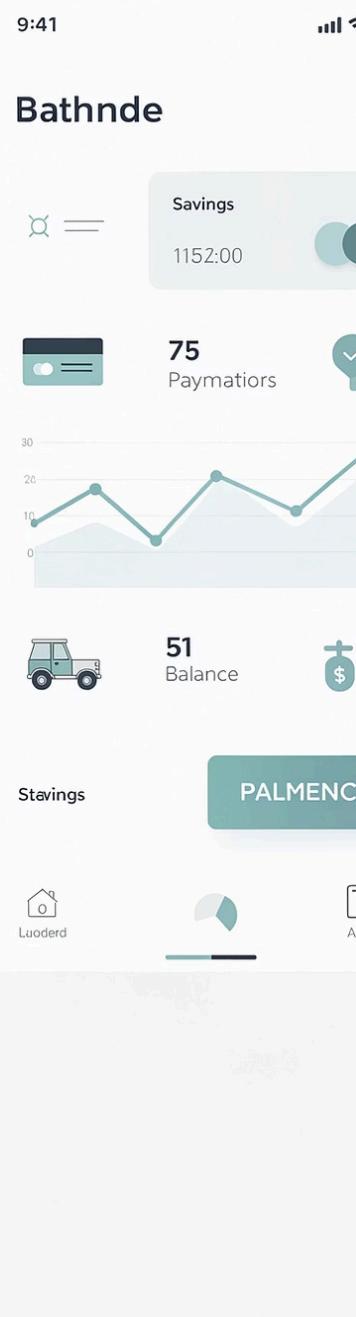
## Operational Focus

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

# 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

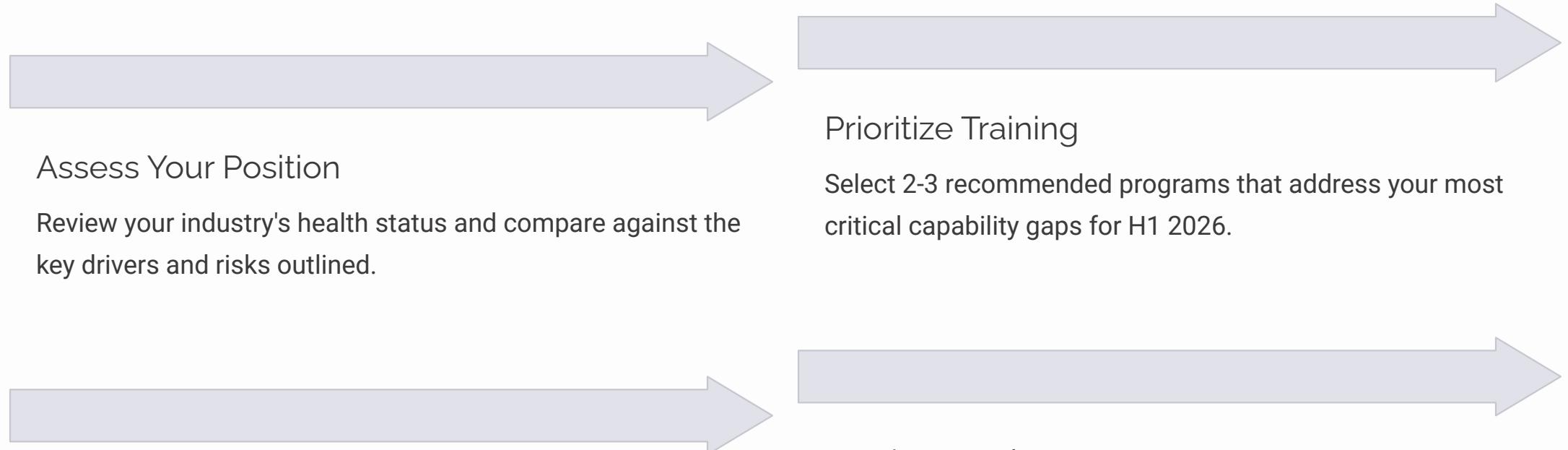
Actionable insights for Jan-Jun 2026

50+

Training Programs

Tailored recommendations by industry

# Taking Action: Your Next Steps



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