
Malaysia Business Sentiment Turns Negative in Q2 2026



Published on May 26, 2026

Document Date: Wed, Jun 10 2026 11:56:10 pm

Category: ,English,International - ,Snippets

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KUALA LUMPUR: Malaysia's business sentiment turned negative in the second quarter of 2026, reflecting caution among firms amid economic uncertainty, according to an official survey released Tuesday.

The confidence indicator slipped to -1.8 percent in Q2 2026 from +4 percent in the previous

quarter, the Department of Statistics Malaysia said.

Construction, wholesale and retail trade, and industrial sectors reported weaker expectations for business conditions, pointing to a more challenging operating environment and uneven global recovery.

Officials said businesses remain cautious due to external pressures and slower demand trends affecting investment and operational outlooks across key sectors.

However, the services sector maintained a relatively positive outlook, supported by government measures to strengthen consumer purchasing power and domestic activity.

Despite this resilience, overall sentiment declined, reflecting concerns over global demand and financial conditions.

Analysts said firms are balancing cautious optimism with risk awareness as they navigate volatile international markets.