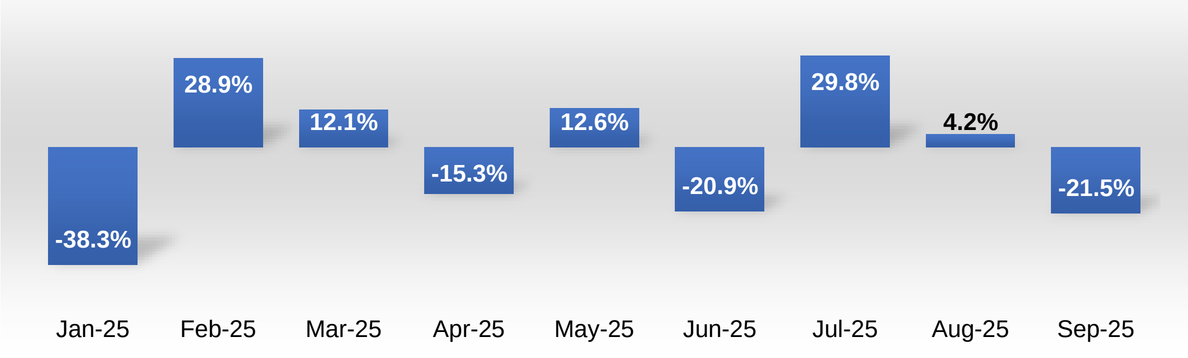
Dr Mohd Afzanizam Abdul Rashid – Chief Economist
Muhammad Hafiz Bin Tajuddin – Sector Analyst

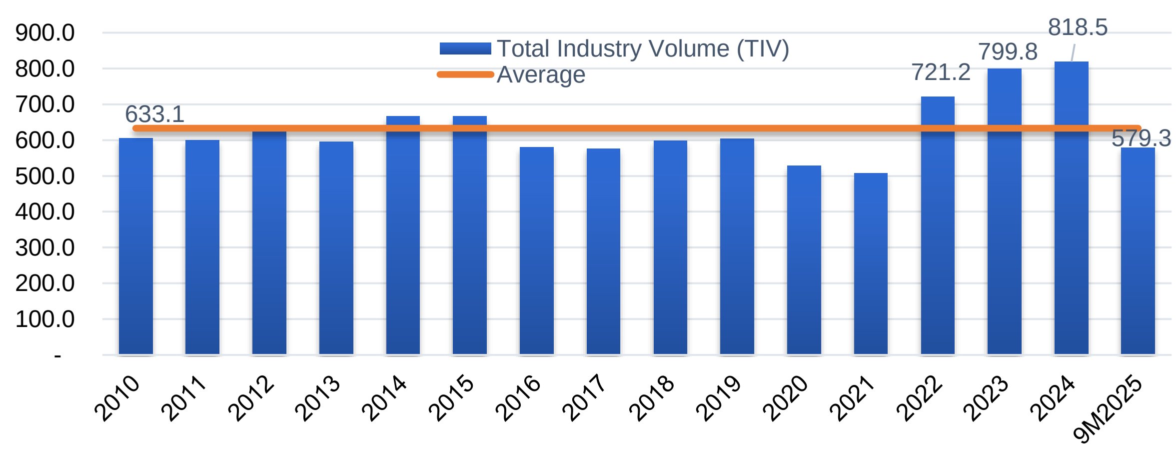
23 OCTOBER 2025

Automotive Industry: TIV fell in September due to seasonal factor

Total Industry Volume (TIV) month-on-month



Total Industry Volume (TIV) in '000



Sources: Malaysia Automotive Association (MAA) & CEIC

September's TIV fell 21.5% (m-o-m)

The automotive sector saw a notable slowdown in September 2025, with Total Industry Volume (TIV) contracting by 21.5% month-on-month (m-o-m) to 58,490 units (Aug-25: 74,479 units). The decline was primarily driven by a sharper drop in Passenger Vehicles (PV), which fell 22.4% to 53,352 units (Aug-25: 68,740 units), while Commercial Vehicles (CV) slipped 10.5% to 5,138 units (Aug-25: 5,739 units).

The softer performance was largely attributed to fewer working days during the month, given four public holidays, alongside a cautious sentiment among buyers ahead of the Budget 2026 announcement on 10 October 2025. Cumulatively, TIV for the first nine months of 2025 (9M2025) reached 579,336 units — a marginal 2.8% decline year-on-year. Nonetheless, the level remains broadly healthy, hovering close to the long-term average of 633,114 units. On an annualised basis, this translates to around 772,448 units for 2025, which we consider respectable by historical standards.

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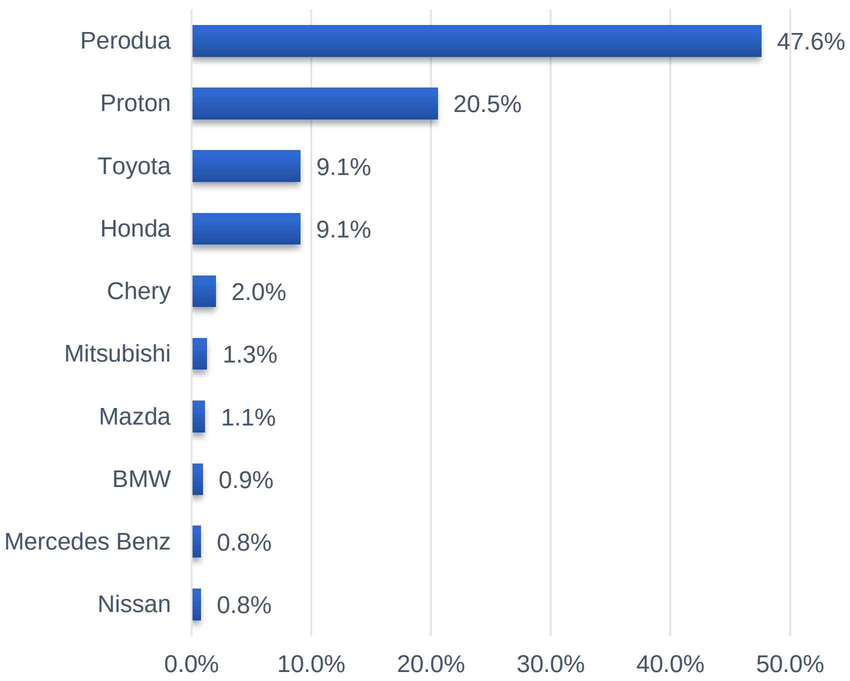
Top 10 TIV by market share in 9M2025

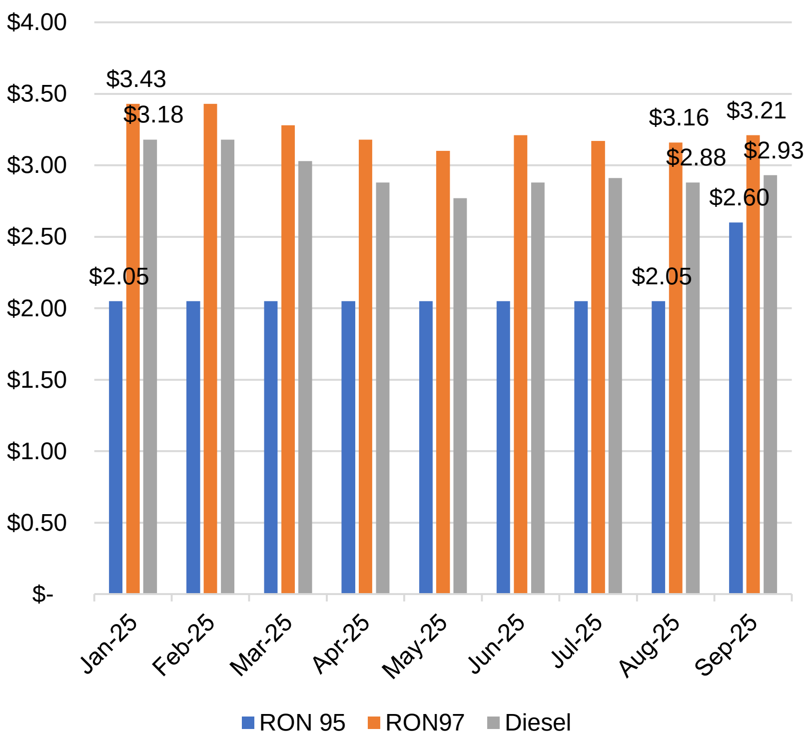


Sources: Malaysia Automotive Association (MAA) , paultan.org, & CEIC

Top 20 selling brand in Sep-25

No	Model	Units
1	Perodua	23,394.00
2	Proton	12,572.00
3	Toyota	10,380.00
4	Honda	4,564.00
5	Chery	1,122.00
6	Mitsubishi	1,073.00
7	Omoda / Jaecoo	1,063.00
8	BYD	1,028.00
9	Tesla	685.00
10	Mazda	678.00
11	Isuzu	579.00
12	Mercedez-Benz	574.00
13	BMW	567.00
14	Great Wall Motor	551.00
15	Nissan	498.00
16	Lexus	479.00
17	Jetour	322.00
18	Ford	316.00
19	Zeekr	293.00
20	Porsche	251.00

Retail Fuel Prices (RM per liter)



National marques, namely Perodua and Proton, continued to dominate Malaysia's TIV. Perodua recorded sales of 23,394 units in September, marking a 27% month-on-month decline. On a year-to-date basis, Perodua sold 255,094 units in the first nine months of 2025 (9M2025), down marginally by 1.0% compared to the same period last year. Its top-selling models — the Bezza (6,733 units), Axia (5,689 units), and Myvi (4,521 units) — remained the most popular choices among consumers. Meanwhile, Proton's total sales reached 12,572 units in September, driven mainly by the Proton Saga (5,717 units) and Proton X50 (3,103 units). The recent implementation of the RON95 fuel subsidy rationalisation on 27 September 2025 — which maintains a subsidised price of RM1.99 per litre for all Malaysian citizens with valid driving licences — is expected to sustain consumer confidence and keep overall vehicle demand resilient in the coming months.

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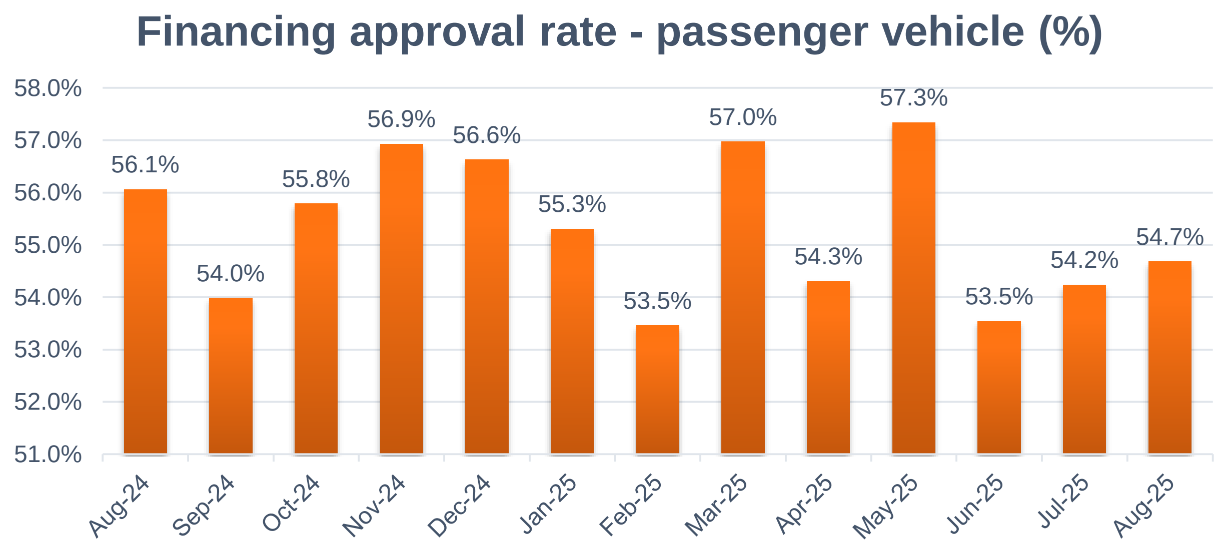

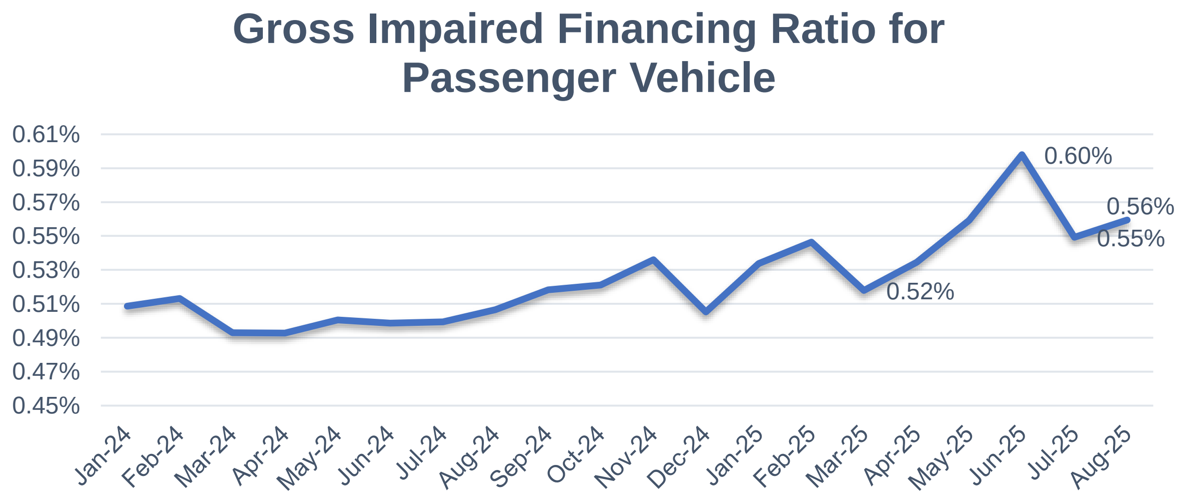

Sources: BNM & CEIC

Buying interest remains intact, though banks may turn more selective

Based on recent banking system data, demand for vehicle financing remains solid. Total financing applications for all vehicle types rose by 1.0% year-on-year in August, albeit moderating from 4.2% growth in the preceding month. Notably, financing applications for passenger vehicles — which account for 92.5% of total TIV — accelerated sharply by 9.1% in August (Jul-25: +4.2%). Correspondingly, total approved financing for vehicles and passenger vehicles increased by 4.9% (Jul-25: +0.7%) and 6.5% (Jul-25: +1.8%) respectively.

This led to a slightly higher approval rate of 54.7% in August compared to 54.2% a month earlier. Nonetheless, the Gross Impaired Financing (GIF) ratio for passenger vehicle loans edged up marginally to 0.56% from 0.55%, suggesting that banks may adopt a more cautious and selective approach in extending automotive credit.

That said, the impairment level remains benign by historical standards — well below the 0.83% recorded in August 2021. Hence, **we project TIV for 2025 to reach around 760,000 units**, slightly lower than the record 818,486 units in 2024. This moderation should not be viewed negatively; rather, it reflects a healthy normalisation of the industry following the strong post-pandemic rebound.