

# January exports up 3.1%, trade surplus hits RM11.5b

➤ Forecast-beating growth due to increase in shipments to China, Thailand, S. Korea and the US

**PETALING JAYA:** Malaysia's exports posted an above-expectation growth of 3.1% year-on-year (y-o-y) to RM85.4 billion for January 2019 outpacing imports, which grew 1% y-o-y to RM73.9 billion.

Chief Statistician of Malaysia Datuk Seri Dr Mohd Uzir Mahidin said total trade in January 2019 grew 2.1% to reach RM159.3 billion from January 2018. The trade surplus was at RM11.5 billion, 19.2% or RM1.9 billion higher than the same month of 2018.

"The export growth was attributed to expansion in exports to China (+RM919.4 million), Thailand (+RM823.3 million), South Korea (+RM775.0 million) and the US (+RM680.8 million)."

The main products which contributed to the expansion in exports in January 2019 were electrical & electronic products (+RM2.6 billion), liquefied natural gas (+RM1.4 billion), and timber and timber-based products (+RM92.7 million).

However, declines were recorded for refined petroleum products (-RM1.6 billion), palm oil and palm oil-based products (-RM1.1 billion), crude petroleum (-RM26.6 million) and natural rubber (-RM16.4 million).

Re-exports was valued at RM17.5 billion (+0.4%) and accounted for 20.5% of total exports. Domestic exports increased RM2.5 billion or 3.9% to RM67.9 billion.

Meanwhile, higher imports were mainly from China (+RM2.7 billion), Saudi Arabia (+RM1.2 billion) and Taiwan (+RM696.0 million).

The increase in imports by end use was mainly attributed to consumption goods (+RM208.9 million). However, imports of capital goods and intermediate goods



A general view of a container yard at North Port in Port Klang. — REUTERSPIX

recorded a decline of RM308.2 million and RM283.7 million respectively.

MIDF Research expects Malaysia's exports to perform modestly in the first quarter this year, in line with the Malaysian Leading Index (LI) for September

2018 which recorded negative growth on both annual (-1.7%) and monthly (-0.8%) basis, suggesting the economic growth to ease in the first quarter of 2019.

"Amid higher base effects and continuous signs of easing key global indicators, we foresee exports

growth to moderate further at 3.6% this year (2018: 6.7%). The moderating pace is consistent with global commodity prices, expectation of a slight slowdown in overall business performance on top of the uncertainty over Sino-US trade conflict."