

Malaysian exports up 6.7% to almost RM1 trillion last year

Trade surplus jumps 22% while total trade hits record RM1.9 trillion

BY JUSTIN LIM

KUALA LUMPUR: Malaysian exports last year grew 6.7% year-on-year (y-o-y) to RM998.01 billion, nearly reaching the RM1 trillion mark, driven by growth in manufactured goods and mining, which compensated for the lower performance of agricultural goods, according to the Ministry of International Trade and Industry (Miti).

Total imports came in at RM877.74 billion, up 4.9% y-o-y on the back of higher uptake of consumption goods.

The higher exports boosted trade surplus by 22.1% last year to RM120.27 billion, its fastest growth in a decade and the largest surplus recorded since 2012.

Total trade reached a high of RM1.88 trillion last year, up 5.9% y-o-y from RM1.77 trillion, contributed by higher trade with Hong Kong (up 45.2% or RM27.9 billion), China (up 8.1% or RM23.4 billion), Taiwan (up 22.1% or RM17.4 billion), Singapore (up 6% or RM13.6 billion) and the European Union (up 4.8% or RM8.5 billion).

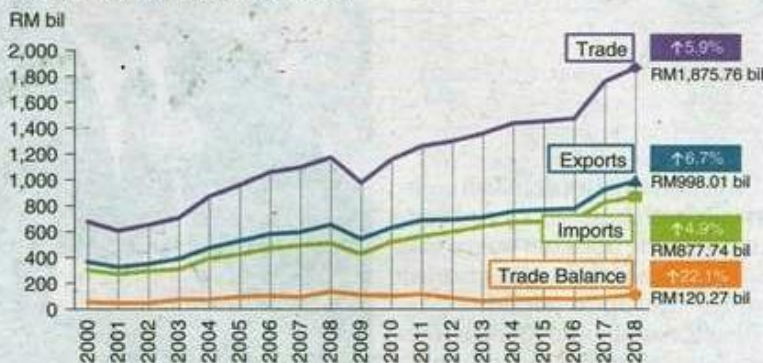
In terms of exports, shipments of manufactured goods accounted for 83.7% of the total, up 9.1% y-o-y to RM835.48 billion, driven by an 11% rise in demand for electrical and electronic (E&E) goods.

Shipments of mining goods made up 8.8% of total exports, up 7.1% y-o-y to RM87.62 billion, due to a 29.4% increase in crude petroleum. Agriculture goods, which contributed the remainder 6.7% of total exports, fell 14.2% to RM67.01 billion on lower global prices for palm oil and palm oil-based agriculture goods, despite higher volumes exported.

Among the destinations for Ma-

Malaysia's trade performance 2000-2018

Trade maintained an upward growth momentum with trade surplus recorded for over two decades (since Nov 1997)



Sources: Ministry of International Trade and Industry, MATRADE

laysian exports, Asean absorbed 28.6% or RM285.3 billion worth of Malaysian exports last year, up 5% y-o-y, supported by higher exports to Vietnam, Thailand, Singapore, the Philippines and Cambodia.

Exports to China, meanwhile, grew 10.3% to RM138.88 billion on the back of higher exports of products like chemical and chemical products, E&E and optical and scientific equipment. Exports to Europe Union and the US also improved, up 3.5% to RM98.6 billion and 2.3% to RM90.73 billion, respectively.

In terms of total trade, China remains Malaysia's largest trading partner for the 10th straight year, with the tally reaching RM313.81 billion, 16.7% of Malaysia's total trade.

The trade figures came after accounting for December's performance, where exports rose 4.8% y-o-y to RM83.27 billion — double the 2.4% growth forecast by economists in a Reuters poll earlier — on sustained demand for manufactured goods and chemicals and chemical products.

On announcing the trade figures yesterday, International Trade and Industry Minister Datuk Darrel Leiking said exports growth is expected to moderate to 5% this year, amid uncertainties in the global market, with concerns of disruptions to the global supply chain arising from the US-China trade spat, and softer commodity prices in anticipation of higher production and lower demand.

Hence, Miti expects total trade to only expand 5% this year, in tandem with the slower export growth. Imports should also only grow 5%. Still, Miti's forecast is more optimistic than most analysts', which range between 3.6% and 5%.

"Despite the uncertainties this year, we are still quite aggressive on our export growth forecast. We're confident the strategies we are putting in [to drive] trade and investment can help absorb the impact of the global challenges," said Malaysia External Trade Development Corp deputy chief executive officer Datuk Wan Latiff Wan Musa.