

**Embargo until 1200 hours,
Friday, 4th March 2016**

MALAYSIA EXTERNAL TRADE STATISTICS

TRADE PERFORMANCE FOR THE MONTH OF JANUARY 2016 #

Exports of Manufactured Goods Help Boost Malaysia's Trade in January

Exports of manufactured goods for January 2016 grew by RM1.95 billion to RM50.59 billion, **accounting for 81.8% of Malaysia's total exports**. The increase was supported mainly by higher exports of machinery, equipment and parts by RM588.7 million, electrical and electronic (E&E) products (up RM566 million), manufactures of metal (up RM496 million) as well as optical and scientific equipment (up RM407.1 million).

The performance of this sector helped **Malaysia register total trade of RM118.31 billion** in January 2016, a marginal increase from the RM118.25 billion recorded in January 2015. The higher trade numbers serve to underline Malaysia's resilience despite the challenging global economic environment.

Higher trade was recorded with **ASEAN** which grew by RM1.6 billion, **China** (up RM827.2 million), **the United States of America (USA)** (up RM727 million), **India** (up RM600 million), **Germany** (up RM353.1 million), **Switzerland** (up RM350.8 million) and **Turkey** (up RM317.9 million).

Exports decreased by 2.8% to RM61.85 billion and **imports** expanded by 3.3% to RM56.46 billion. Positive **trade balance** of RM5.39 billion recorded in January 2016, made it the **219th consecutive month of trade surpluses** since November 1997.

Major exports in January 2016 were:

- E&E products **valued at RM22.35 billion**, an **increase of 2.6%** from January 2015. They constituted 36.1% of total exports;
- Chemicals and chemical products (RM4.35 billion) an increase of 3.4% and constituting 7% of total exports;
- Palm oil and palm-based products (RM3.45 billion), up by 9.2%;
- Petroleum products (RM3.35 billion); and
- Machinery, equipment and parts (RM3.28 billion), an increase of 21.9%.

Performance of Major Sectors

Overall, **export performance in January 2016** was affected by **contraction in exports of mining goods** which **declined by 40.9%**. This was partly cushioned by higher exports of both manufactured and agricultural goods which increased by 4% and 5.7%, respectively.

Exports of **agricultural goods** expanded by RM286.2 million to RM5.28 billion, contributed mainly by higher exports of palm oil and palm-based products. Exports of palm oil in January 2016 amounted to RM2.97 billion, an increase of 6.2% or RM172.7 million, contributed mainly by higher export volume. Agricultural goods accounted for 8.5% of Malaysia's total exports.

Exports of **mining goods contracted by RM3.88 billion** to RM5.62 billion due mainly to lower exports of liquefied natural gas (LNG) and crude petroleum. Lower exports of both LNG and crude petroleum were caused by contraction in export volume and the Average Unit Value (AUV). Mining goods contributed 9.1% to Malaysia's total exports in January 2016.

Performance of Major Markets

ASEAN - Resilient Growth

Exports to ASEAN in January 2016 were valued at RM18.38 billion, accounting for 29.7% share of Malaysia's total exports. Total exports to the region **grew by 4.8%** or RM849.5 million, attributed mainly to higher exports of E&E products (electronic integrated circuits), machinery, equipment and parts (air conditioners), manufactures of metal (aluminium-based products), chemicals and chemical products (alcohol, phenol and their derivatives) as well as processed food.

Imports from ASEAN were **higher by 5.5%** to RM14.47 billion, consisting largely of higher imports of E&E products, chemicals and chemical products as well as apparel and clothing accessories. **Trade** with ASEAN **expanded by 5.1%** to RM32.85 billion compared to January 2015.

Breakdown of exports to **ASEAN countries** as follows:

- Singapore RM 9.00 billion, an **increase of 3.5%**
- Thailand RM 4.05 billion, up by 6%
- Indonesia RM 2.29 billion, down by 5.2%
- Viet Nam RM 1.29 billion, up 5.4%
- Philippines RM 1.14 billion, up 19.1%
- Myanmar RM 228.1 million, up 25.4%
- Cambodia RM 191.1 million, up 175.5%
- Brunei RM 183.7 million, up 12.3%
- Lao PDR RM 10.0 million, up 49.9%

Trade with China Remained Strong

In January 2016, **trade with China rose 4.8%** to RM18.2 billion compared with January 2015. Exports were valued at RM6.51 billion while imports totalled RM11.69 billion.

Exports grew marginally by RM61.6 million with higher exports of metalliferous ores, petroleum products as well as manufactures of metal (nickel-based products). **Imports** increased by 7%.

The European Union (EU) - Strong Manufactured Exports

Exports to the EU grew by 6.4% or RM394.8 million, to RM6.57 billion in January 2016. Among the top 10 EU markets, growth in exports were registered to **Germany, France, Italy, Belgium, Spain and Sweden.**

In terms of products, the higher exports came mainly from palm oil and palm-based products, machinery, equipment and parts (air conditioners), petroleum products as well as rubber gloves. **Exports of manufactured goods to the EU** rose 4.5% to RM5.79 billion.

Imports from the EU declined by 9.5% to RM5.17 billion while **total trade** contracted by 1.2% to RM11.73 billion.

The USA - Double Digit Growth in Manufactured Exports

Exports to the USA increased by 7.9%, or RM462 million, to reach RM6.33 billion, supported mainly by higher exports of manufactured goods particularly, photosensitive semiconductor devices, wooden bedroom furniture, chemicals and chemical products (manufactured fertilisers), transport equipment (parts for aircrafts), optical and scientific equipment (parts and accessories for oscilloscopes and spectrum analysers), rubber gloves as well as processed food. Continuous demand from the USA has led to an **increase of manufactured exports** to the country by 11.1% to RM6.06 billion, accounting for 95.7% of total exports.

Imports from the USA rose 6.3% to RM4.46 billion, resulting in a **total trade** of RM10.79 billion, an increase of 7.2%.

Exports to Japan Declined

Exports to Japan recorded a **negative growth of 26%**, or RM1.94 billion, to RM5.52 billion, due largely to **contraction in exports of LNG** by RM1.67 billion. In January 2016, LNG accounted for 38.3% of total exports to Japan. Lower exports were also recorded for E&E products, machinery, equipment and parts, crude petroleum as well as palm oil and palm-based products.

Imports from Japan were lower by 3.7% to RM4.15 billion while **total trade** declined by 17.8% to RM9.66 billion.

Promising Markets with Higher Exports

In January 2016, **expansion in exports** were recorded to **several other markets** including **Turkey, India, Pakistan, Mexico, Chile, the United Arab Emirates** and **Nigeria**. Products that contributed to the growth in exports were palm oil and palm-based products, E&E products, optical and scientific equipment as well as petroleum products.

Imports

Total imports in January 2016 increased by 3.3% from RM54.65 billion to RM56.46 billion. The three main categories of imports by end use were:

- **Intermediate goods**, valued at RM34.74 billion or 61.5% **share** of total imports, **increased by 5.1%**, due mainly to higher imports of petroleum products;
- **Capital goods** (RM7.11 billion, 12.6% share, down 13.2%), due mainly to lower imports of cellular phones; and
- **Consumption goods** (RM5.84 billion, 10.3% share, up 33.1%) with higher imports of food products and garments.

Note:

It should be noted that, conceptually, the export and import figures in the external trade statistics are different from that in the goods account of the balance of payments compilation. The compilation of international merchandise trade statistics is usually based on customs records, which essentially reflect the physical movement of goods across borders, and follow international guidelines on concepts and definitions, which do not fully conform to the principles of the System of National Accounts (SNA) and the Balance of Payments Compilation. Goods are defined in the SNA as “physical objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets”.

*This is a preliminary release, full details would be published in the “MONTHLY EXTERNAL TRADE STATISTICS” report by the Department of Statistics, Malaysia, to be disseminated at **1200 hours, Friday, 4th March 2016.***

+ *This report can be accessed through the homepages of the Ministry of International Trade and Industry (<http://www.miti.gov.my>) and Malaysia External Trade Development Corporation (<http://www.matrade.gov.my>).*

The January 2016 data is provisional and subject to revision in later issue.

With effect from reference month September 2015, there are some minor changes to the selection of codes for exports and imports of major and selected products/commodities.

TABLE 1: SUMMARY OF MALAYSIA'S EXTERNAL TRADE

<u>Year/ Period</u>	<u>Total Exports (RM Million)</u>	<u>Total Imports (RM Million)</u>	<u>Trade Balance (RM Million)</u>	<u>Total Trade (RM Million)</u>
2015^P				
January	63,604.8	54,647.7	8,957.1	118,252.5
February	53,168.7	48,613.6	4,555.1	101,782.3
March	66,466.4	58,644.6	7,821.8	125,111.1
April	60,381.7	53,516.6	6,865.1	113,898.3
May	60,453.9	54,941.0	5,512.9	115,395.0
June	64,258.4	56,280.1	7,978.3	120,538.5
July	63,216.7	60,850.3	2,366.3	124,067.0
August	66,499.0	56,336.9	10,162.1	122,835.9
September	70,161.3	60,470.9	9,690.4	130,632.2
October	75,810.2	63,645.6	12,164.6	139,455.7
November	67,627.6	57,393.1	10,234.5	125,020.6
December	68,297.9	60,050.2	8,247.6	128,348.1
2015 (Jan-Dec)^P	779,946.6	685,390.7	94,555.9	1,465,337.3
2016^P				
January	61,851.8	56,460.1	5,391.7	118,311.9

TABLE 2: MAJOR EXPORT PRODUCTS

Products	Jan 2016 ^p	Dec 2015 ^p	Jan 2015 ^p
	RM Million	RM Million	RM Million
Total Exports	61,851.8	68,297.9	63,604.8
Electrical & Electronic Products	22,350.5	24,804.2	21,784.5
Chemicals & Chemical Products	4,347.2	4,690.5	4,202.5
Palm Oil & Palm-Based Products	3,450.7	3,685.7	3,161.1
Petroleum Products	3,353.6	3,603.9	3,972.4
Machinery, Equipment & Parts	3,276.3	3,408.0	2,687.6
LNG	3,204.9	3,799.9	6,183.5
Manufactures of Metal	2,519.8	3,276.2	2,023.8
Optical & Scientific Equipment	2,428.7	2,612.8	2,021.6
Crude Petroleum	1,679.4	2,151.1	2,717.4
Rubber Products	1,658.4	1,792.8	1,486.6

TABLE 3: MAJOR EXPORT MARKETS

Markets	Jan 2016 ^p	Dec 2015 ^p	Jan 2015 ^p
	RM Million	RM Million	RM Million
Total Exports	61,851.8	68,297.9	63,604.8
Singapore	9,001.5	9,640.9	8,695.7
China	6,510.6	8,362.1	6,448.9
USA	6,334.4	7,056.7	5,872.4
Japan	5,515.2	6,462.2	7,453.5
Thailand	4,046.0	3,844.1	3,817.1
Hong Kong	2,893.0	3,392.5	3,239.9
India	2,562.8	2,602.9	2,319.7
Indonesia	2,289.6	2,545.2	2,415.8
Australia	2,174.7	2,160.3	2,629.1
ROK	2,004.8	2,151.7	2,756.8

TABLE 4: MAJOR IMPORT PRODUCTS

Products	Jan 2016 ^p	Dec 2015 ^p	Jan 2015 ^p
	RM Million	RM Million	RM Million
Total Imports	56,460.1	60,050.2	54,647.7
Electrical and Electronic Products	17,546.2	17,690.6	16,263.8
Chemicals & Chemical Products	5,374.7	5,800.3	4,984.4
Machinery, Equipment & Parts	5,215.7	5,092.8	4,845.4
Petroleum Products	3,971.6	5,077.1	3,640.0
Manufactures of Metal	3,383.1	3,499.6	4,684.7
Transport Equipment	2,436.3	2,972.7	2,964.4
Iron & Steel Products	1,719.8	1,510.9	2,072.0
Optical & Scientific Equipment	1,718.3	2,146.0	1,708.3
Textiles, Apparel & Footwear	1,616.8	1,770.3	923.3
Processed Food	1,588.3	1,771.1	1,581.3

TABLE 5: MAJOR IMPORT SOURCES

Markets	Jan 2016 ^p	Dec 2015 ^p	Jan 2015 ^p
	RM Million	RM Million	RM Million
Total Imports	56,460.1	60,050.2	54,647.7
China	11,688.8	11,901.5	10,923.2
Singapore	6,554.5	7,092.6	5,849.3
USA	4,455.6	4,894.6	4,190.6
Japan	4,148.3	4,559.8	4,306.2
Thailand	3,429.2	3,944.2	3,242.9
Taiwan	3,033.1	3,034.6	3,182.6
ROK	2,847.6	2,631.7	2,468.2
Indonesia	2,355.9	3,016.4	2,217.4
Germany	1,948.1	1,984.0	1,840.5
India	1,588.5	1,510.3	1,231.7

Source: Department of Statistics, Malaysia
 Tabulated by: MATRADE

Notes:
 p - provisional data

CHART 1: MALAYSIA'S MONTHLY EXTERNAL TRADE PERFORMANCE, 2009-2016

