

**Embargo until 1200 hours,
Friday, 5th October 2018**

MALAYSIA EXTERNAL TRADE STATISTICS

TRADE PERFORMANCE FOR THE MONTH OF AUGUST 2018 AND THE PERIOD OF JANUARY- AUGUST 2018 [#]

Exports Sustained Above RM80 Billion Mark

Malaysia registered a **total trade of RM162.01 billion in August 2018, a steady increase of 5.1%** from RM154.14 billion in August 2017. Expansion in trade were seen with major trading partners, namely China, Hong Kong SAR, Taiwan, Saudi Arabia, the Republic of Korea (ROK), ASEAN, the United States of America (USA) and the European Union (EU).

Exports in August 2018 remained above RM80 billion mark, totalling RM81.81 billion, a marginal contraction of 0.3% from RM82.02 billion recorded in the same month last year. **Malaysia's imports recorded a new high of RM80.2 billion, increasing by 11.2% year-on-year (y-o-y). This resulted in a 83.7% contraction in trade surplus to RM1.61 billion.** This trade surplus marked the 250th consecutive month of trade surplus since November 1997.

On a month-on-month (m-o-m) basis, imports expanded by 3% while total trade, exports and trade surplus contracted by 1.2%, 5% and 80.7%, respectively.

For the first 8 months of 2018, total trade expanded by 6% to RM1.231 trillion compared to the same period in 2017. Exports increased by 6.3% to RM650.56 billion while imports grew at a slower pace of 5.6% to RM580.11 billion. Trade surplus for this period rose by 11.9% to RM70.45 billion compared to the same period last year.

Export Performance of Major Sectors

Manufactured & Mining Goods Led Exports in August 2018

Exports of manufactured goods which accounted for 83.7% of Malaysia's total exports increased by 1.8% y-o-y to RM68.5 billion in August 2018. The expansion was driven mainly by higher exports of electrical and electronic (E&E) products, chemicals and chemical products, iron and steel products as well as optical and scientific equipment.

Exports of mining goods which constituted 9.1% of Malaysia's total exports, rose by 5.5% to RM7.47 billion. Higher exports were recorded for crude petroleum which increased by 64.9% or RM1.3 billion, due to higher Average Unit Value (AUV) and export volume.

Exports of agriculture goods which accounted for 6.5% of total exports contracted by 20.8% to RM5.3 billion. This was due to lower exports of palm oil and palm oil-based agriculture products, particularly palm oil, which decreased by 26.8% or RM1.02 billion. This was on account of lower export volume and AUV for palm oil.

Major exports in August 2018:

- E&E products valued at RM32.04 billion, constituting 39.2% of total exports, increased by 3.2% from August 2017;
- Petroleum products, RM5.07 billion, 6.2% of total exports, decreased by 3.3%;
- Chemicals and chemical products, RM4.99 billion, 6.1% of total exports, increased by 22.6%;
- Manufactures of metal, RM3.32 billion, 4.1% of total exports, decreased by 1.8%; and
- Palm oil and palm oil-based agriculture products, RM3.31 billion, 4% of total exports, decreased by 27%.

Compared to July 2018, exports of mining goods were higher by 1.8%, while manufactured and agriculture goods were lower by 6% and 3.5%, respectively.

In the first 8 months of 2018, exports of manufactured goods which constituted 83.7% of total exports expanded by 8.9% to RM544.21 billion compared to the corresponding period of 2017. Higher exports were recorded for E&E products, manufactures of metal, chemicals and chemical products, optical and scientific equipment as well as transport equipment. Exports of mining goods increased by 3.4% to RM55.87 billion (8.6% share), supported mainly by higher exports of crude petroleum. Meanwhile, exports of agriculture goods contracted by 13.9% to RM44.92 billion (6.9% share), owing to lower exports of palm oil and palm oil-based agriculture products.

Performance of Major Markets

Steady Trade Growth With ASEAN

Trade with ASEAN constituted 26.8% of Malaysia's total trade, expanding by 1.7% y-o-y to RM43.42 billion. Exports amounted to RM23.16 billion, an increase of 0.6%, due to higher exports of E&E products, crude petroleum, iron and steel products as well as manufactures of metal. Imports from ASEAN rose by 2.9% to RM20.26 billion.

Breakdown of exports to ASEAN countries in August 2018:

- Singapore RM 11.78 billion, **decreased** by 2.2%
- Thailand RM 4.61 billion, ↑15.6%
- Viet Nam RM 2.38 billion, ↑6.9%
- Indonesia RM 2.34 billion, ↓12.5%
- Philippines RM 1.52 billion, ↑4.9%
- Myanmar RM 221.1 million, ↓21.5%
- Brunei RM 181.9 million, ↓14.4%
- Cambodia RM 118.2 million, ↓17.2%
- Lao PDR RM 6.1 million, ↓6.6%

Exports to 3 markets within ASEAN recorded expansion namely, **Thailand**, which expanded by RM620.9 million on account of higher exports of E&E products and crude petroleum, **Viet Nam** (↑RM152.5 million, E&E products) and **the Philippines** (↑RM70.8 million, crude petroleum).

On a m-o-m basis, imports were greater by 3.6%, while trade and exports were lower by 1.8% and 6%, respectively.

For the first 8 months of 2018, trade with ASEAN expanded by 3.7% to RM331.7 billion compared to the same period of 2017. Exports to this region rose by 3% to RM184.96 billion buoyed by higher exports of E&E products, crude petroleum, manufactures of metal and transport equipment. Imports increased by 4.6% to RM146.74 billion.

E&E Products Led Exports to China for the First 8 Months

In August 2018, trade with China which absorbed 17.7% of Malaysia's total trade expanded by 13.7% y-o-y to RM28.7 billion. Exports to China recorded a 4.5% growth to RM11.83 billion compared to the year before. This was attributed to higher exports of chemicals and chemical products, LNG, E&E products, crude petroleum and optical and scientific equipment. Imports from China were up by 21.1% to RM16.87 billion.

Compared to July 2018, trade and imports were higher by 1.4% and 9.6% respectively, while exports contracted by 8.5%.

Trade with China in the first 8 months of 2018 expanded by 9.6% to RM206.19 billion compared to the same period last year. Exports to China were stronger by 11% to RM89.31 billion, attributed to higher exports of E&E products, chemicals and chemical products, manufactures of metal as well as optical and scientific equipment. Imports from China rose by 8.5% to RM116.88 billion.

Exports to the EU Remained Positive for the First 8 Months

Malaysia's trade with the EU in August 2018 stood at RM15.69 billion or 9.7% of Malaysia's total trade, an increment of 4% y-o-y. Exports decreased by 8.9% to RM7.64 billion, stemming from lower exports of E&E products, palm oil and palm oil-based agriculture products as well as textiles, apparels and footwear. However, among the products which registered higher exports were manufactures of metal,

rubber products as well as iron and steel products. Imports were higher by 20.1% to RM8.05 billion.

Among the top 10 EU markets which accounted for 89.3% of Malaysia's total exports to the EU, 5 countries registered positive growth namely, **the Czech Republic** (↑69.2%), **France** (↑9.9%), **Italy** (↑7.4%), **Poland** (↑19.1%) and **Belgium** (↑0.4%).

On a m-o-m basis, trade and imports increased by 0.02% and 9.4% respectively, while exports decreased by 8.3%.

In January-August 2018, trade with the EU rose by 9.2% to RM123.61 billion compared to the same period last year. Exports increased by 5.5% to RM66.34 billion, on account of higher exports of manufactures of metal, chemicals and chemical products, iron and steel products as well as rubber products. Imports from the EU were up by 13.9% to RM52.27 billion.

Positive Trade Growth With the USA for August 2018

Malaysia's trade with the USA in August 2018 recorded a growth of 4.6% to RM13.9 billion or accounted for 8.6% of Malaysia's total trade. Exports totalled RM7.79 billion, contracted by 2%. This was underpinned by lower exports of E&E products, palm oil and palm oil-based agriculture products as well as transport equipment. However, rubber products, optical and scientific equipment, petroleum products as well as chemicals and chemical products were among the products that registered increases in exports to the USA. Imports expanded by 14.4% to RM6.11 billion.

Compared to July 2018, trade, exports and imports were stronger by 3.1%, 0.6% and 6.6%, respectively.

In January-August 2018, trade with the USA amounted to RM101.5 billion, contracting by 1.5% compared to the corresponding period in 2017. Exports to the USA were up by 1.2% to RM59.18 billion supported by higher exports of optical and scientific

equipment, manufactures of metal as well as transport equipment. Imports from the USA declined by 5% to RM42.32 billion.

Lower Exports of LNG and E&E Products to Japan

Trade with Japan in August 2018 which constituted 6.4% of Malaysia's total trade or RM10.31 billion, contracting by 11.8% y-o-y. Exports to Japan declined by 22.9% y-o-y to RM4.79 billion. The decline was attributed mainly to lower exports of LNG and E&E products. However, higher exports were recorded for chemicals and chemical products, iron and steel products, wood products, processed food as well as non-metallic mineral products. Imports from Japan increased by 0.9% to RM5.52 billion.

On a m-o-m basis, trade and exports decreased by 3.9% and 10.5%, while imports rose by 2.7%.

Trade with Japan for the first 8 months of 2018 amounted to RM87.24 billion, lower by 5.6% from the same period last year. Exports to Japan amounted to RM45.19 billion, contracted by 10.9% on account of lower exports of LNG, E&E products as well as optical and scientific equipment. Meanwhile, higher exports were registered for chemicals and chemical products, iron and steel products, manufactures of metal, petroleum products as well as non-metallic mineral products. Imports from Japan grew marginally by 0.8% to RM42.05 billion.

Trade with FTA Partners

In August 2018, trade with Free Trade Agreement (FTA) partners rose by 2.9% to RM100.22 billion and accounted for 61.9% of Malaysia's total trade. Exports to FTA partners amounted to RM50.26 billion, lower by 1.4% and imports expanded by 7.5% to RM49.96 billion.

Higher exports were registered to **the Republic of Korea (ROK)**, increasing by 30.2% to RM3.05 billion, attributed mainly to higher exports of E&E products and

petroleum products, **Australia** (↑11.4% to RM2.98 billion, crude petroleum) and **New Zealand** (↑22.4% to RM545.1 million, crude petroleum).

Compared to July 2018, imports rose by 3.1%, while trade and exports were lower by 1.9% and 6.4% respectively.

Trade with FTA partners for the first 8 months of 2018 rose by 3.6% to RM765.3 billion and accounted for 62.2% of Malaysia's total trade. Exports amounted to RM399.16 billion, an increase of 3.2% while imports totalled RM366.14 billion, expanding by 4.1%.

Other Markets Registering Higher Exports

In August 2018, **other markets with significant growth in exports were Hong Kong SAR and Taiwan**. Exports to **Hong Kong SAR** expanded by 55.8% y-o-y to RM5.9 billion, driven mainly by higher exports of E&E products. Exports to **Taiwan** rose by 18.7% to RM3.14 billion, buoyed mainly by higher exports of E&E products as well as optical and scientific equipment.

Domestic Export Performance

In August 2018, domestic exports which accounted for 83.5% of Malaysia's total exports declined by 4.1% y-o-y to RM68.33 billion. However, based on a m-o-m basis, domestic exports were higher by 1.2%. During the first 8 months of 2018, domestic exports contracted marginally by 0.7% to RM518.29 billion.

Re-export Performance

In August 2018, re-exports were valued at RM13.48 billion, an expansion of 24.7% y-o-y. On a m-o-m basis, re-exports contracted by 27.7%. For January-August 2018, re-exports expanded by 46.4% to RM132.27 billion.

Import Performance

In August 2018, **imports increased by 11.2% y-o-y to RM80.2 billion**. The three main categories of imports by end use which accounted for 79.5% of total imports were:

- **Intermediate goods**, valued at RM44.97 billion or 56.1% of total imports, increased by 4.3%, as a result of higher imports of processed industrial supplies, particularly iron and steel;
- **Capital goods**, valued at RM11.65 billion or 14.5% of total imports, expanded by 25.3%, led by higher imports of industrial transport equipment, particularly ships, boats and floating structure; and
- **Consumption goods**, valued at RM7.12 billion or 8.9% of total imports, rose by 14.2%, driven by higher imports of durable goods, particularly machinery, mechanical appliances and parts.

During January-August 2018, imports amounted to RM580.11 billion, grew by 5.6% from the corresponding period of 2017. **Intermediate goods** totalled RM305.48 billion, dropped by 5.1%, **capital goods** (RM75.41 billion, ↑2.3%) and **consumption goods** (RM48.02 billion, ↑3.1%).

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 i.e. International Merchandise Trade Statistics: Concepts and Definitions 2010 (IMTS 2010) which is different from 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, 5th October 2018 and can be downloaded through statistic at the Department of Statistics, Malaysia’s portal (<https://estatistik.dosm.gov.my>).”

- + This media release can be accessed through the portal of Malaysian External Trade Statistics, Ministry of International Trade and Industry (<http://www.miti.gov.my>) and Malaysia External Trade Development Corporation (<http://www.matrade.gov.my>).*

The August 2018 data is provisional and subject to revision in later issue.

With effect from reference month April 2018, selection of codes for exports and imports of palm oil and palm oil-based products has been reviewed and revised for better representation of the product and this has resulted in some changes to the data.

TABLE 1: SUMMARY OF MALAYSIA'S EXTERNAL TRADE

Year/ Period	<u>Total Exports</u> (RM Million)	<u>Domestic Exports</u> (RM Million)	<u>Total Imports</u> (RM Million)	<u>Total Trade</u> (RM Million)	<u>Trade Balance</u> (RM Million)
2017^f					
January	70,309.4	60,008.2	65,439.6	135,749.0	4,869.8
February	71,979.3	61,009.7	63,058.5	135,037.8	8,920.8
March	82,890.9	70,496.5	77,240.3	160,131.2	5,650.6
April	74,243.4	63,322.0	65,210.7	139,454.2	9,032.7
May	79,216.0	65,830.9	72,973.4	152,189.4	6,242.6
June	72,823.6	63,268.5	62,627.4	135,451.0	10,196.2
July	78,747.8	66,719.6	70,589.6	149,337.4	8,158.3
August	82,024.8	71,217.9	72,113.0	154,137.9	9,911.8
September	77,861.5	64,752.0	69,650.4	147,511.9	8,211.1
October	81,862.2	67,372.9	71,851.1	153,713.3	10,011.1
November	83,485.9	70,744.2	73,551.9	157,037.8	9,934.1
December	79,482.0	67,384.1	72,116.3	151,598.2	7,365.7
2017 (Jan-Dec)^f	934,926.8	792,126.5	836,422.2	1,771,349.0	98,504.6
2018^P					
January	82,820.1	65,419.1	73,152.8	155,972.8	9,667.3
February	70,342.6	55,811.6	61,325.0	131,667.5	9,017.6
March	84,467.0	68,375.8	69,778.7	154,245.7	14,688.3
April	84,246.7	64,119.8	71,225.2	155,472.0	13,021.5
May	82,110.4	65,854.6	73,993.6	156,104.0	8,116.8
June	78,610.8	62,876.2	72,609.9	151,220.7	6,000.9
July	86,154.4	67,502.1	77,827.4	163,981.8	8,327.0
August	81,809.7	68,332.4	80,198.8	162,008.5	1,610.9
2017 (Jan-Aug)^f	612,235.2	521,873.3	549,252.5	1,161,487.7	62,982.7
2018 (Jan-Aug)^P	650,561.7	518,291.5	580,111.3	1,230,673.0	70,450.3

Note: Total may not add up due to rounding

TABLE 2: MAJOR EXPORT PRODUCTS

Products	Aug 2018 ^p	Jul 2018 ^p	Aug 2017 ^f
	RM Million	RM Million	RM Million
Total Exports	81,809.7	86,154.4	82,024.8
Electrical & Electronic Products	32,037.1	34,495.7	31,051.6
Petroleum Products	5,074.3	6,204.4	5,249.9
Chemicals & Chemical Products	4,990.6	4,792.5	4,070.7
Manufactures of Metal	3,323.8	3,746.9	3,386.1
Palm Oil & Palm Oil-Based Agriculture Products	3,309.0	3,482.2	4,531.6
Crude Petroleum	3,293.6	3,821.8	1,996.9
Machinery, Equipment & Parts	3,216.8	3,515.1	3,461.4
LNG	3,162.8	2,419.2	4,081.2
Optical & Scientific Equipment	3,135.0	3,114.9	2,904.4
Rubber Products	2,295.2	2,273.2	2,229.6

TABLE 3: MAJOR EXPORT MARKETS

Markets	Aug 2018 ^p	Jul 2018 ^p	Aug 2017 ^f
	RM Million	RM Million	RM Million
Total Exports	81,809.7	86,154.4	82,024.8
China	11,828.0	12,922.4	11,314.8
Singapore	11,783.5	11,908.6	12,048.1
USA	7,792.3	7,746.1	7,949.9
Hong Kong SAR	5,900.2	6,451.3	3,788.0
Japan	4,786.8	5,351.0	6,209.0
Thailand	4,612.0	4,952.9	3,991.1
Taiwan	3,140.1	2,484.3	2,646.2
ROK	3,053.9	2,757.0	2,345.4
India	3,051.6	3,571.4	3,439.1
Australia	2,981.2	2,820.0	2,676.6

TABLE 4: MAJOR EXPORT PRODUCTS (JANUARY-AUGUST)

Products	Jan-Aug 2018 ^p	Jan-Aug 2017 ^f
	RM Million	RM Million
Total Exports	650,561.7	612,235.2
Electrical & Electronic Products	245,575.9	220,615.4
Petroleum Products	49,459.2	48,195.6
Chemicals & Chemical Products	36,769.3	30,973.6
Manufactures of Metal	30,334.6	24,198.1
Palm Oil & Palm Oil- Based Agriculture Products	30,137.7	35,753.2
Machinery, Equipment & Parts	27,532.7	27,444.4
LNG	24,243.4	27,556.1
Crude Petroleum	24,029.6	18,511.0
Optical & Scientific Equipment	23,365.6	20,923.1
Rubber Products	17,408.9	17,671.3

TABLE 5: MAJOR EXPORT MARKETS (JANUARY-AUGUST)

Markets	Jan-Aug 2018 ^p	Jan-Aug 2017 ^f
	RM Million	RM Million
Total Exports	650,561.7	612,235.2
China	89,308.4	80,434.1
Singapore	88,627.6	90,263.2
USA	59,180.8	58,491.3
Hong Kong SAR	48,032.9	27,761.2
Japan	45,191.6	50,711.4
Thailand	37,532.2	33,142.7
India	24,671.1	23,897.7
Viet Nam	22,342.6	17,808.3
ROK	21,526.8	17,275.2
Indonesia	21,156.2	22,226.2

TABLE 6: MAJOR IMPORT PRODUCTS

Products	Aug 2018 ^P	Jul 2018 ^P	Aug 2017 ^f
	RM Million	RM Million	RM Million
Total Imports	80,198.8	77,827.4	72,113.0
Electrical & Electronic Products	24,897.6	23,499.1	23,573.7
Chemicals & Chemical Products	7,347.8	7,391.8	6,609.0
Machinery, Equipment & Parts	6,924.5	6,247.7	6,646.0
Petroleum Products	5,570.3	7,309.2	6,450.6
Transport Equipment	4,760.8	3,963.1	2,867.0
Manufactures of Metal	4,007.5	4,004.2	3,801.7
Crude Petroleum	3,253.9	1,939.9	984.8
Iron & Steel Products	2,789.5	2,726.6	2,078.4
Optical & Scientific Equipment	2,183.4	1,996.5	2,153.2
Textiles, Apparels & Footwear	1,960.3	1,704.0	1,462.5

TABLE 7: MAJOR IMPORT SOURCES

Markets	Aug 2018 ^P	Jul 2018 ^P	Aug 2017 ^f
	RM Million	RM Million	RM Million
Total Imports	80,198.8	77,827.4	72,113.0
China	16,870.8	15,389.4	13,934.8
Singapore	8,743.8	8,853.5	9,586.2
USA	6,110.2	5,733.4	5,340.6
Taiwan	6,077.4	6,072.7	4,817.3
Japan	5,518.2	5,374.0	5,469.9
Thailand	4,493.4	4,048.0	3,972.2
Indonesia	3,780.6	3,796.7	2,995.2
ROK	3,158.4	3,013.8	3,126.7
Germany	2,396.3	2,261.0	2,190.1
Saudi Arabia	2,304.9	1,364.7	507.9

TABLE 8: MAJOR IMPORT PRODUCTS (JANUARY-AUGUST)

Products	Jan-Aug 2018 ^p	Jan-Aug 2017 ^f
	RM Million	RM Million
Total Imports	580,111.3	549,252.5
Electrical & Electronic Products	172,799.3	165,002.8
Chemicals & Chemical Products	53,881.0	49,340.0
Petroleum Products	53,616.8	49,764.1
Machinery, Equipment & Parts	49,796.6	51,320.6
Transport Equipment	31,671.0	25,905.3
Manufactures of Metal	30,298.4	27,904.1
Iron & Steel Products	20,946.1	18,070.7
Optical & Scientific Equipment	15,366.8	16,607.0
Crude Petroleum	15,150.1	10,680.5
Processed Food	13,002.8	13,939.6

TABLE 9: MAJOR IMPORT SOURCES (JANUARY-AUGUST)

Markets	Jan-Aug 2018 ^p	Jan-Aug 2017 ^f
	RM Million	RM Million
Total Imports	580,111.3	549,252.5
China	116,881.4	107,734.9
Singapore	66,734.0	58,484.4
USA	42,319.3	44,527.5
Japan	42,051.5	41,721.2
Taiwan	41,408.3	35,205.4
Thailand	32,275.4	31,935.8
Indonesia	26,345.4	25,511.5
ROK	25,462.7	26,793.9
Germany	17,662.3	16,829.3
India	16,530.9	17,092.1

Source: Department of Statistics, Malaysia
 Tabulated by: MATRADE

Notes:

p - provisional data

f – final data

CHART 1: MALAYSIA'S MONTHLY EXTERNAL TRADE PERFORMANCE, 2012 - August 2018

