TRADE PERFORMANCE FOR THE MONTH OF MAY 2018 AND THE PERIOD OF JANUARY- MAY 2018

Exports Remained High in May 2018 at RM82.11 billion

Malaysia's trade in May 2018 grew by 1.8% to reach a value of RM156.1 billion from May 2017. Expansion in trade were seen with China, Taiwan, Hong Kong SAR, the Republic of Korea (ROK), the European Union (EU), Japan and Saudi Arabia.

May 2018 exports remained above the RM80 billion mark, totalling RM82.11 billion, a 3.4% growth compared to May 2017, while imports rose by 0.1% to RM73.99 billion. Export growth continued to outpace import for 5 consecutive months since January 2018. Trade surplus was recorded at RM8.12 billion, an expansion of 47.1% from May 2017 and marked the 247th consecutive month of trade surplus since November 1997.

On a month-on-month (m-o-m) basis, imports and total trade grew by 3.9% and 0.4%, while exports and trade surplus contracted by 2.5% and 37.7%, respectively.

For the first five months of 2018, trade amounted to RM753.46 billion, rose by 4.2% compared to the same period of 2017. Exports increased by 6.9% to RM403.99 billion while imports were higher by 1.3% to RM349.48 billion. Trade surplus surged by 64.9% to RM54.51 billion compared to the corresponding period of 2017.

Manufactured Goods Continued to Drive Exports

Exports of manufactured goods in May 2018 increased by 3.2% y-o-y or RM2.14 billion to RM68.77 billion, accounting for 83.8% of Malaysia's total exports. The expansion was driven mainly by higher exports of manufactures of metal which grew by 44.7% or RM1.35 billion. Other products which contributed to the increase were electrical and electronic (E&E) products, chemicals and chemical products, optical and scientific equipment as well as palm oil-based manufactured products.

Exports of mining goods expanded by 40% to



YB Darell Leiking Minister of International Trade and Industry

RM7.09 billion, constituting 8.6% of Malaysia's total exports. The increase was attributed to higher exports of liquefied natural gas (LNG) and crude petroleum. Exports of LNG rebounded in May 2018 with a double digit growth of 61%, after registering 3 consecutive months of y-o-y decline since February 2018. This was due to higher exports volume which increased by 68.7%.

Exports of agriculture goods which accounted for 6.6% of total exports, contracted by 21.9% to RM5.44 billion mainly due to lower exports of palm oil and palm oil-based agriculture products, particularly palm oil. This was due to the decline in both exports volume and Average Unit Value (AUV).

Major exports in May 2018:

- •E&E products valued at RM29.18 billion, constituting 35.5% of total exports, increased by 2.1% from May 2017;
- •Petroleum products, RM8.09 billion, 9.9% of total exports, increased by 1.7%;
- •Chemicals and chemical products, RM4.51 billion, 5.5% of total exports, increased by 14.6%:
- •Manufactures of metal, RM4.36 billion, 5.3% of total exports, increased by 44.7%; and
- •Palm oil and palm oil-based agriculture

products, RM3.63 billion, 4.4% of total exports, decreased by 24.7%.

Compared to April 2018, exports of mining goods increased by 4.8%, while manufactured and agriculture goods declined by 2.5% and 9.5%, respectively.

In the first five months of 2018, exports of manufactured goods expanded by 8.8% to RM335.71 billion compared to the corresponding period of 2017, mainly led by higher exports of E&E products, manufactures of metal, chemicals and chemical products, transport equipment as well as optical and scientific equipment. Exports of mining goods increased by 7% to RM35.02 billion, supported mainly by higher exports of crude petroleum. Meanwhile, exports of agriculture goods contracted by 11.5% to RM29.27 billion, owing to lower exports of palm oil and palm oil-based agriculture products.

Performance of Major Markets

Stronger Trade Performance with ASEAN for the First 5 Months

Trade with ASEAN in May 2018 which accounted for 26.8% of Malaysia's total trade, slipped by 1% y-o-y to RM41.78 billion. Exports amounted to RM23.66 billion, a decline of 1.9%, due to the drop in exports of petroleum products, machinery, equipment and parts as well as E&E products. However, higher exports were recorded for crude petroleum, manufactures of metal as well as petroleum condensates and other petroleum oil. Imports from ASEAN rose by 0.1% to RM18.12 billion.

Breakdown of exports to ASEAN countries in May 2018:

•Singapore •Thailand •Viet Nam •Indonesia	RM	1.13billion, decreased by 9.8% 4.87 billion, ↑18.4% 3.09 billion, ↑41.3% 2.63 billion, ↓20.1%
Philippines	RM	1.29 billion, 14.1%
•Myanmar	RM	265.6 million, ↓41.7%
•Brunei	RM	193.4 million, 18.6%
Cambodia	RM	175.4 million, ↑31.4%
Lao PDR	RM	3.3 million, ↓39.8%

Exports to Singapore contracted by RM1.2 billion mainly due to reduced shipment of petroleum products and E&E products. Meanwhile, exports to Thailand expanded by RM757.4 million on account of higher exports of crude petroleum and E&E products, Viet Nam (†RM904.4 million, petroleum products) and Cambodia (†RM41.9 million, iron and steel products).

On a m-o-m basis, imports and total trade

grew by 3.6% and 0.9% respectively, while exports contracted by 1%.

In January-May 2018, trade with ASEAN expanded by 3.2% to RM204.23 billion compared to the same period of 2017. Exports to this region rose by 3.4% to RM115.32 billion contributed mainly by higher exports of E&E products and crude petroleum. Imports increased by 2.9% to RM88.91 billion.

Sturdy Demand From China in May

In May 2018, trade with China which absorbed 17.4% of Malaysia's total trade expanded by 7.7% y-o-y to RM27.14 billion. Exports amounted to RM11.53 billion, increased by 7.4% due to higher exports of manufactures of metal as well as chemicals and chemical products. Imports from China were up by 7.8% to RM15.61 billion.

Compared to April 2018, imports and total trade were higher by 12.6% and 3.3% while exports declined 7.1%.

Trade with China in January-May 2018 expanded by 5% to RM122.35 billion compared to the same period of 2017. Exports to China increased by 6.2% to RM53.12 billion, attributed to higher exports of E&E products, chemicals and chemical products as well as manufactures of metal. Imports from China rose by 4% to RM69.23 billion.

Manufactured Goods Drove Exports to the EU in May 2018

Malaysia's trade with the EU in May 2018 increased by 4.6% y-o-y to RM15.85 billion and accounted for 10.2% of Malaysia's total trade. Exports increased by 11.4% to RM8.92 billion, driven by higher exports of manufactured goods, particularly petroleum products, manufactures of metal as well as palm oil-based manufactured products. Imports declined by 3% to RM6.93 billion.

Among the top 10 EU markets, exports to 7 countries registered growth namely, Germany (\uparrow 34.9%), Ireland (\uparrow 205.1%), Italy (\uparrow 22.8%), Spain (\uparrow 22.9%), the Czech Republic (\uparrow 48.9%), France (\uparrow 8.5%) and Hungary (\uparrow 16.1%).

On a m-o-m basis, exports, imports and total trade contracted by 0.1%, 4% and 1.8%, respectively.

In the first five months of 2018, trade with the EU grew by 12.4% to RM77.7 billion compared to the corresponding period in 2017. Exports

increased by 9.2% to RM42.7 billion, attributed to higher exports of manufactures of metal and E&E products. Imports from the EU increased by 16.7% to RM34.99 billion.

Exports to the USA Remained Positive in the First 5 Months

Malaysia's trade with the United States of America (USA) in May 2018 recorded a contraction of 20% to RM11.56 billion or 7.4% of Malaysia's total trade. Exports totalled RM7 billion, decreasing by 5.6% y-o-y due to lower exports of E&E and petroleum products. However, higher exports were recorded for optical and scientific equipment as well as chemicals and chemical products. Imports declined by 35.1% to RM4.56 billion.

Compared to April 2018, exports, imports and total trade declined by 6.5%, 14.7% and 9.9%, respectively.

In January-May of 2018, trade with the USA amounted to RM62.02 billion, contracting by 9.1% compared to the corresponding period in 2017. Exports to the USA rose by 1.4% to RM36.61 billion on account of higher exports of transport equipment, manufactures of metal as well as optical and scientific equipment. Imports from the USA decreased by 20.8% to RM25.4 billion.

Exports to Japan Driven By Increased Shipment of LNG

Trade with Japan in May 2018 which constituted 6.7% of Malaysia's total trade or RM10.53 billion, rose by 7.1% y-o-y. Exports to Japan rebounded by 16% y-o-y growth to RM5.57 billion after registering 3 straight months of negative growth. The increase was attributed mainly to higher shipments of LNG to Japan. Imports from Japan were lower by 1.5% to RM4.96 billion.

On a m-o-m basis, exports increased by 11%, while imports and total trade contracted by 11.2% and 0.6%, respectively.

During the first five months of 2018, trade with Japan was RM55.51 billion, a decrease of 3.6% from the corresponding period a year ago. Exports to Japan which amounted to RM29.84 billion, reduced by 5.6% on account of lower exports of E&E products and LNG. Products registering higher exports were iron and steel products, manufactures of metal as well as chemicals and chemical products. Imports from Japan declined by 1.1% to RM25.67 billion.

Trade with FTA Partners

In May 2018, trade with Free Trade Agreement (FTA) partners rose by 2.1% y-o-y to RM97.68 billion and accounted for 62.6% of Malaysia's total trade. Exports to FTA partners amounted to RM50.67 billion, increased by 2.1% and imports expanded by 2% to RM47.01 billion.

Higher exports were registered to the ROK, growing by 17.1% to RM2.58 billion, attributed mainly to increase in exports of E&E products, Pakistan (\uparrow 19.6% to RM539.3 million, palm oil and palm oil-based agriculture products), Chile (\uparrow 24.8% to RM63.3 million, chemicals and chemical products) and Turkey (\uparrow 0.3% to RM853.4 million, palm oil and palm oil-based agriculture products).

Compared to April 2018, imports and total trade grew by 6% and 2.7% respectively, while exports declined marginally by 0.2%.

During January-May of 2018, total trade with FTA partners increased by 2.6% to RM468.32 billion and accounted for 62.2% of Malaysia's total trade. Exports amounted to RM246.96 billion, an increase of 3.1% while imports totalled RM221.35 billion, expanding by 2%.

Other Markets Registering Higher Exports

In May 2018, other markets with significant growth in exports were Hong Kong SAR, Taiwan and Bangladesh. Exports to Hong Kong SAR expanded by 34.8% y-o-y to RM5.24 billion, supported mainly by higher exports of E&E products, Taiwan (†21.5% to RM2.72 billion, E&E products) and Bangladesh (†41.5% to RM937.5 million, petroleum products).

Import Performance

In May 2018, imports increased by 0.1% y-o-y to RM73.99 billion. The three main categories of imports by end use were:

- •Intermediate goods, valued at RM40.06 billion or 54.1% of total imports, decreased by 5.3%, following lower imports of parts and accessories of capital goods (except transport equipment) primarily electrical machinery, equipment and parts;
- •Capital goods, valued at RM9.82 billion or 13.3% of total imports, contracted by 0.7%, led by lower imports of capital good (except transport equipment), particularly electrical machinery, equipment & parts; and
- •Consumption goods, valued at RM5.99 billion or 8.1% of total imports, reduced by 10.2%, as a result of lower imports of semi-durables goods mainly articles of plastics.

During the first five months of 2018, imports amounted to RM349.48 billion, grew by 1.3% from the corresponding period of 2017. Intermediate goods totalled RM181.27 billion, dropped by 9.6%, capital goods (RM44.71 billion, \downarrow 7.5%) and consumption goods (RM28.34 billion, \downarrow 1.4%).

Source: Ministry of International Trade and Industry

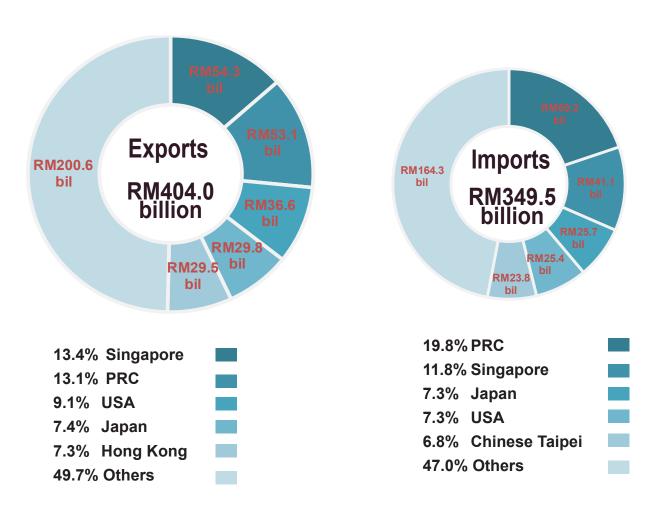
Malaysia

Trade Performance, January - May 2018



Notes: % refers to year-on-year change

Malaysia's Exports and Imports, January - May 2018



Notes: % - percentage share to total exports/imports

Source: Department of Statistics, Malaysia

Top Three Export & Import Products, January - May 2018

Exports

Singapore RM24.1 bil (16.2%)

Hong Kong SAR RM23.0 bil (15.4%)

PRC RM21.8 bil (14.6%)

RM18.3 bil (12.2%)

Thailand RM8.3 bil (5.6%)



Singapore RM8.2 bil (25.8%)

Viet Nam RM4.5 bil (14.0%)



PRC RM4.1 bil (12.7%)

Indonesia RM2.8 bil (8.7%)

Bangladesh RM2.0 bil (6.2%)



PRC RM6.2 bil (27.4%)

Indonesia RM2.7 bil (12.1%)

Thailand RM2.1 bil (9.5%)

Viet Nam RM1.6 bil (7.0%)

Singapore RM1.4 bil (6.3%)

<u>Imports</u>

PRC RM25.0 bil (24.2%)

Chinese Taipei RM16.7 bil (16.2%)

Singapore RM13.0 bil (12.6%)

RM12.2 bil (11.8%)

Japan RM7.1 bil (6.9%)



Singapore RM15.0 bil (44.1%)

RM4.5 bil (13.2%)



India RM3.9 bil (11.5%)

ROK **RM1.8** bil (5.4%)

RM1.7 bil (5.1%)



PRC RM5.9 bil (18.4%)

Singapore RM3.6 bil (11.1%)

Saudi Arabia RM2.6 bil (8.0%)

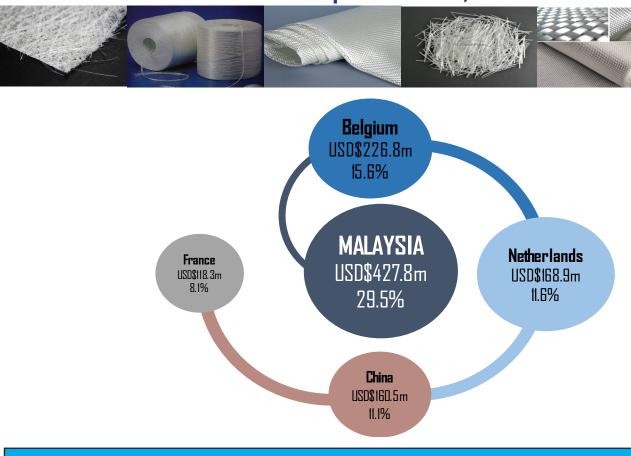
Japan RM2.3 bil (7.1%)

USA RM2.2 bil (7.0%)

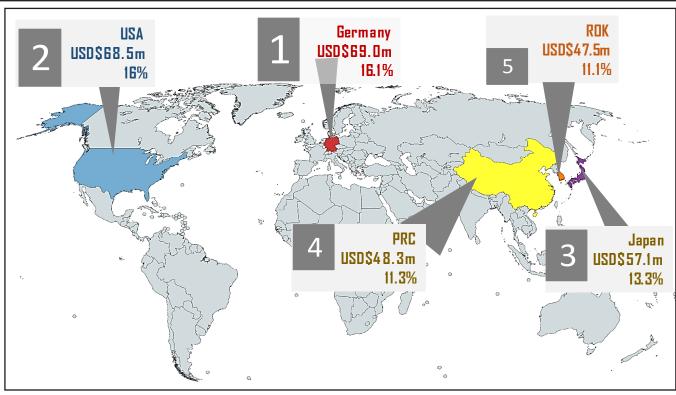
Notes: % - percentage share to total exports/imports

International Report

Malaysia was the largest exporter of glass fibre threads "chopped strands", cut into lengths less/equal 50 mm, 2017



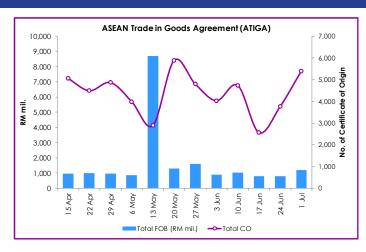
Malaysia's Top Five Export Destinations For Glass Fibre Threads "Chopped Strands", Cut Into Lengths less/equal to 50 mm, 2017

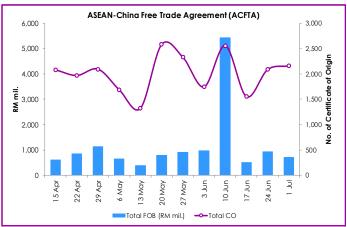


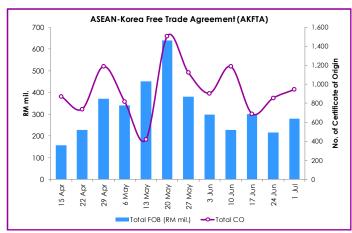
Note: Refers to HS701911

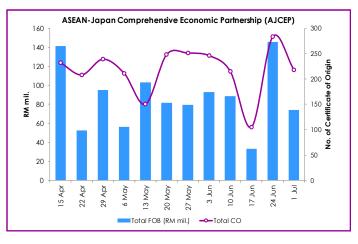
Source: http://www.trademap.org/Index.aspx

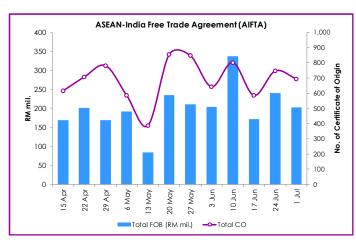
Number and Value of Preferential Certificates of Origin (PCOs)

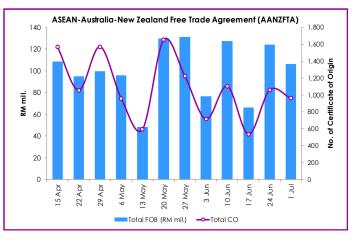


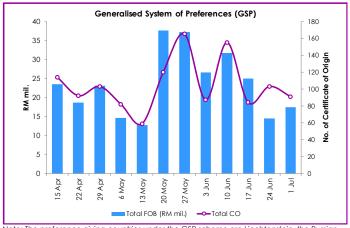








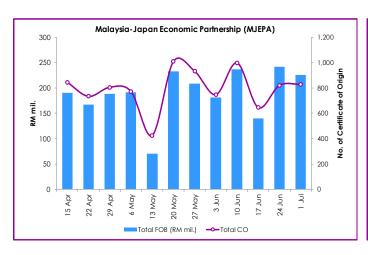


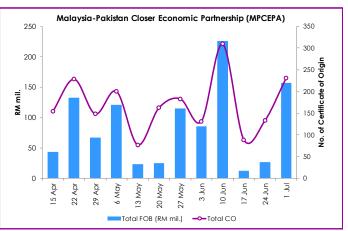


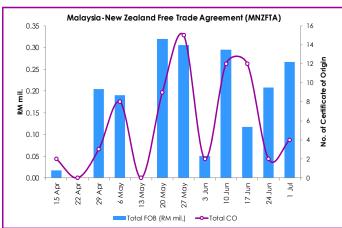
Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

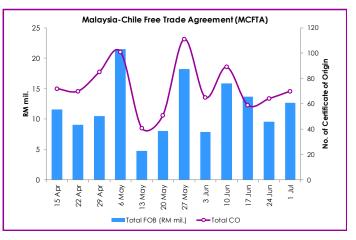
Note: *Provisional Data

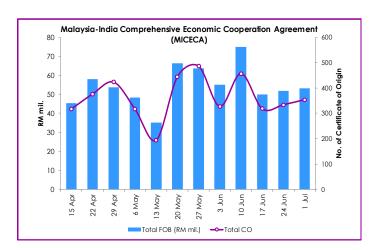
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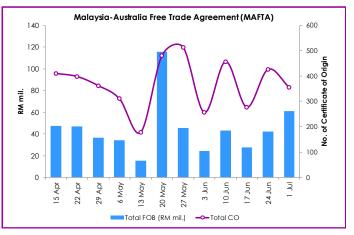


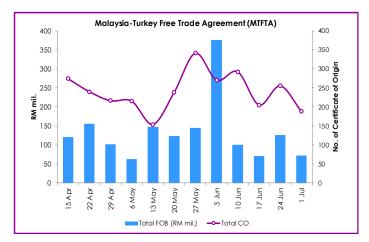










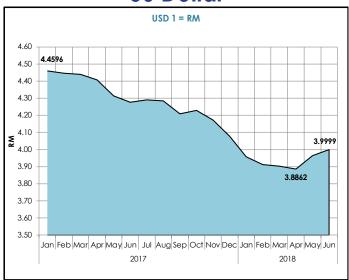


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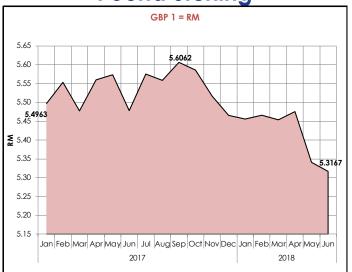
Source: Ministry of International Trade and Industry, Malaysia

Malaysian Ringgit Exchange Rate with Selected Countries, January 2017 - June 2018

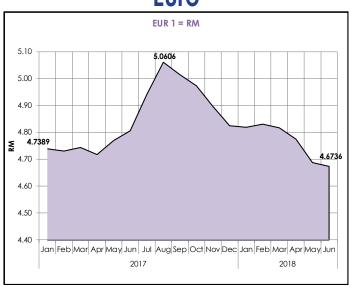
US Dollar



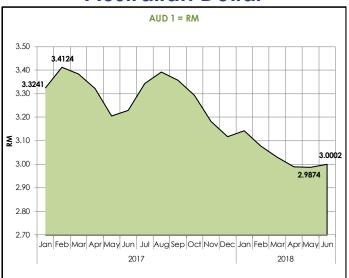
Pound Sterling



Euro



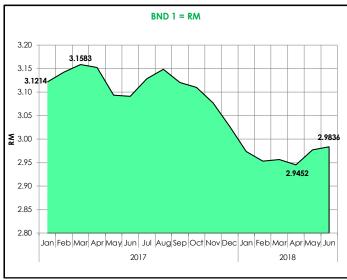
Australian Dollar



South Korean Won



Brunei Dollar



Source: Bank Negara Malaysia

Commodity Prices



CRUDE PETROLEUM (BRENT) -per bbl-

6 July 2018 : US\$77.1, **\(\sqrt{2.9}\)*** Average Priceⁱ: 2017: US\$55.0

2016: US\$45.3



CRUDE PALM OIL -per MT-

6 July 2018 : US\$610.5, \(\times\) 0.2%* **Average Price**ⁱ: 2017: US\$719.7

2016: US\$702.2



SUGAR -per lbs-

6 July 2018 :US\$11.5, \(\nspecient\) 6.0%*

Average Priceⁱ: 2017: US¢15.8

2016: US¢18.2



RUBBER SMR 20

-per MT-

6 July 2018 : US\$1,316.0, \(\nsigma 2.8\%^*\)

Average Priceⁱ: 2017: US\$1,646.6

2016: US\$1,394.5



COCOA SMC 2

-per MT-

6 July 2018 : US\$1,612.5, \(\neq 2.1\%^*\)

Average Priceⁱ: 2017: US\$1,439.0

2016: US\$1,609.8



COAL -per MT-

6 July 2018 : US\$63.8, \(\bigsep 2.3\%^* \)

Average Priceⁱ: 2017: US\$57.2

2016: US\$45.6



SCRAP IRON HMS

-per MT-

6 July 2018 :US\$390.0(high), unchanged*

US\$375.0 low), unchanged*

Average Priceⁱ: 2017: US\$314.5

2016: US\$243.2

Notes: All figures have been rounded to the nearest decimal point * Refer to % change from the previous week's price

i Average price in the year except otherwise indicated

Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

HIGHEST and LOWEST 2017/2018

Crude Petroleum (Brent) -per bbl-

Highest

29 June 2018 : US\$79.4 29 Dec 2017 : US\$66.9

Lowest 9 Feb 2018: US\$62.8 23 June 2017: US\$45.5

Crude Palm Oil -per MT-

Highest

9 Mar 2018: US\$691.5 20 Jan 2017: US\$843.0



Domestic Prices 6 July 2018

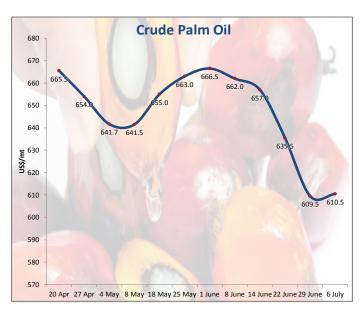


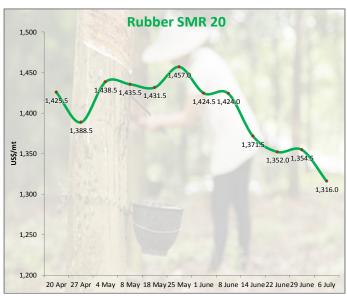
Billets (per MT) RM2250 – RM2,300

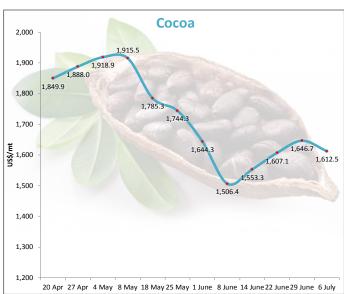
Steel Bars (per MT) RM2.400 - RM2.550

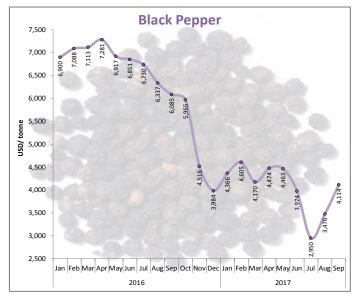
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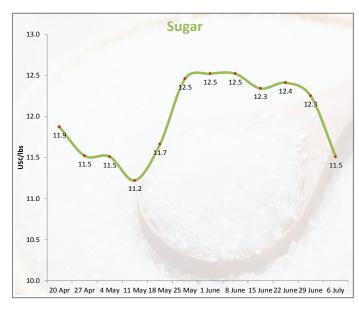
Commodity Price Trends

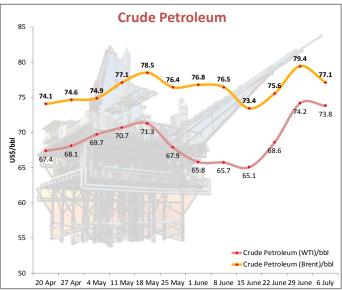






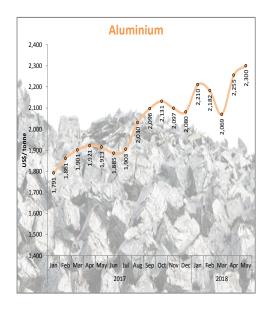


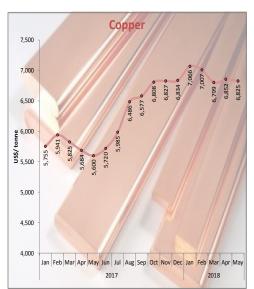


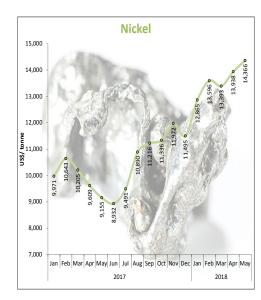


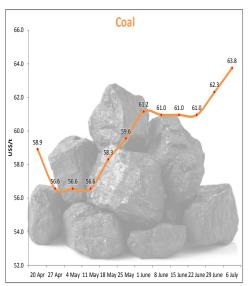
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

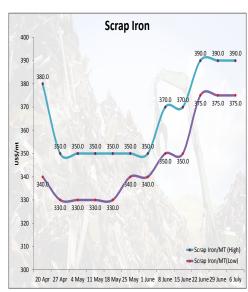
Commodity Price Trends

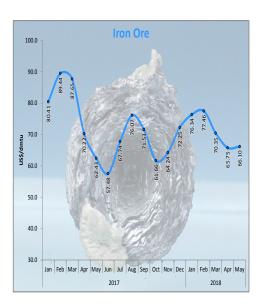


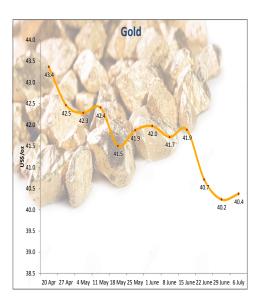


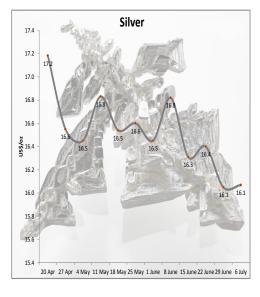


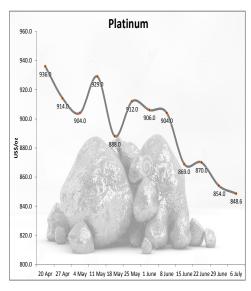












Sources: Ministry of International Trade and Industry Malaysia, , Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Material Handling Equipment

Machines for movement, handling, storage and retrieval of materials such as cranes, conveyance equipment, auto/storage/retrieval systems and material handling equipment for manufacturing processes.

MCFTA

Malaysia-Chile Free Trade Agreement

MEEPA

Malaysia-European Free Trade Association (EFTA) Economic Partnership Agreement - Iceland, Liechtenstein, Norway, Switzerland.

Member Economies

A term used for an official member of APEC. Members taking part in APEC activities do so as economic entitites rather than as sovereign states. Currently, APEC comprises 21 member economies: Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States; and Viet Nam.

MEUFTA

Malaysia-European Union Free Trade Agreement

MFN

Most-Favoured-Nation – Under the WTO agreements, countries cannot normally discriminate between their trading partners. Grant someone a special favour (such as a lower customs duty rate for one of their products) and you have to do the same for all other WTO members. This principle is known as most-favoured-nation (MFN) treatment. It is so important that it is the first article of the General Agreement on Tariffs and Trade (GATT), which governs trade in goods. MFN is also a priority in the General Agreement on Trade in Services (GATS) (Article 2) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (Article 4), although in each agreement the principle is handled slightly differently. Together, those three agreements cover all three main areas of trade handled by the WTO. Some exceptions are allowed. For example, countries can set up a free trade agreement that applies only to goods traded within the group — discriminating against goods from outside. Or they can give developing countries special access to their markets. Or a country can raise barriers against products that are considered to be traded unfairly from specific countries. And in services, countries are allowed, in limited circumstances, to discriminate. But the agreements only permit these exceptions under strict conditions. In general, MFN means that every time a country lowers a trade barrier or opens up a market, it has to do so for the same goods or services from all its trading partners — whether rich or poor, weak or strong.

MICECA

Malaysia-India Comprehensive Economic Cooperation Agreement

Minamata Convention

A global treaty to protect human health and the environment from the adverse effects of mercury.

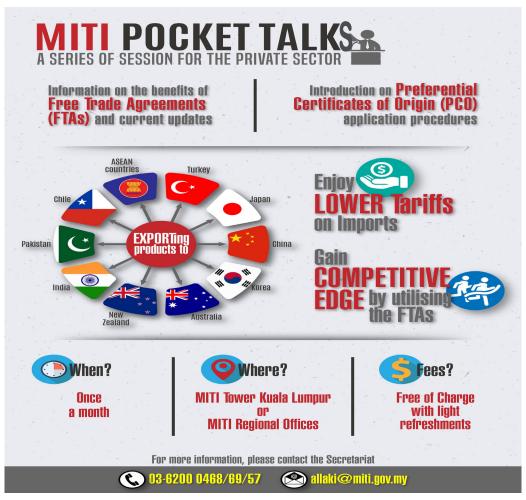
MISIF

Malaysian Iron and Steel Industry Federation - MISIF is the national industry association for manufacturers of iron and steel products. The primary function of MISIF is to assist and support members in carrying out their business efficiently and successfully.

Source: http://www.miti.gov.my/index.php/glossary



ANNOUNCEMENT



Tentative Schedule for MITI Pocket Talks 2018

No.	Date	Venue	Торіс
1	18-Jul	MITI Kelantan	Introduction to FTA & Preferential Certificate of Origin (PCO)
2	8-Aug	MITI HQ	Introduction Preferential Certificate of Origin (PCO)Updates on RCEP
3	15-Aug	MITI Perak	Introduction to FTA & Preferential Certificate of Origin (PCO)
4	19-Sep	MITI Pahang	Introduction to FTA & Preferential Certificate of Origin (PCO)
5	17-Oct	MITI HQ	Introduction to FTA & Preferential Certificate of Origin (PCO)
6	14-Nov	MITI Sabah	Introduction to FTA & Preferential Certificate of Origin (PCO)
7	5-Dec	MITI HQ	Introduction to FTA & Preferential Certificate of Origin (PCO)
8	12-Dec	MITI Sarawak	Introduction to FTA & Preferential Certificate of Origin (PCO)

Please click here to register

ANNOUNCEMENT

NEW GUIDELINE ON APPLICATION FOR CLASSIC AND VINTAGE VEHICLES IMPORT LICENSE (AP)

Please be informed effective 1 July 2018 (Sunday), a new guideline on application for classic and vintage vehicles Import License (AP) will be enforced. All application received by MITI on 1 July 2018 onward will be subjected to the terms and conditions under this new guideline.

For more information, kindly click the following links:

http://www.miti.gov.my/miti/resources/Approve%20Permit/AP%20Announcement/Lampiran GP Classic and



For more information, kindly click the following links:

http://www.miti.gov.my/index.php/pages/view/4761Vintage English.pdf

Issuance of APEC Business Travel Card is temporarily suspended

Immigration Department of Malaysia has issued a notice that due to unavoidable circumstances, the issuance of APEC Business Travel Cardistemporarily suspended and ABTC card will not be printed for approved applicants until further notice (Kindly refer: http://www.imi.gov.my/index.php/en/resources-and-archives/announcement/1784-notice-of-apec-card-production-suspended-time.html).

Industry 4.0

For more information on Industry 4.0, please visit MITI's website via this link: http://www.miti.gov.my/index.php/pages/view/industry4.0?mid=559

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

For more information on Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) please visit MITI's website via this link: http://fta.miti.gov.my/index.php/pages/view/71?mid=40

Withholding Tax

For more information on Withholding Tax, please visit LHDN's website via this link: http://www.hasil.gov.my/bt_goindex.php?bt_kump=2&bt_skum=6&bt_posi=1&bt_unit=5&bt_sequ=1&bt_lgv=2

@ Your Service **MITI Jakarta**



: Ahmad Faizal Abdul Rahman Name

Designation : Counsellor (Economy)

MITI Jakarta

: (+62) 21 522 4962 Contact No.

Email : ahmadfaizal@miti.gov.my

MITI Weekly Bulletin (MWB) Mobile Apps



MITI MWB APPs is now available for IOS, Android and Windows platforms. MWB APPs can be download from Gallery of Malaysian Government Mobile APPs (GAMMA) at the link: http://gamma.malaysia.gov.my/#/appDetails/85

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Fax: +603 - 6202 9446