

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

Exports Continued to Grow at a Robust Pace in April

Malaysia's exports in April 2018 registered a robust growth of 14% year-on-year (y-o-y) to RM84.24 billion. This is the second highest monthly exports value after the previous months' exports of RM84.47 billion. The expansion was supported mainly by higher exports to Hong Kong SAR, ASEAN, China, the European Union (EU), Taiwan, Bangladesh and the Republic of Korea (ROK).

Imports expanded by 9.1% y-o-y to RM71.17 billion. Total trade rebounded by 11.7% y-o-y to RM155.42 billion from a decline of 3.5% in March. Trade surplus was recorded at RM13.07 billion, the 246th consecutive month of trade surplus since November 1997.

On a month-on-month (m-o-m) basis, imports and total trade grew by 2% and 0.8%, while exports and trade surplus contracted by 0.3% and 11%, respectively.

Total trade for the first four months of 2018 amounted to RM597.3 billion, rose by 4.9% compared to the same period of 2017. Exports increased by 7.8% to RM321.87 billion while imports were higher by 1.6% to RM275.43 billion. Trade surplus surged by 68.7% to RM46.44 billion compared to the corresponding period of 2017.

Export Performance of Major Sectors

Highest Share of Manufactured Goods Since September 2017

Exports of manufactured goods in April 2018 increased by 16.8% y-o-y or RM10.16 billion to RM70.54 billion, accounting for 83.7% of Malaysia's total exports. The expansion was mainly on account of higher exports of electrical and electronic (E&E) products which increased by RM5.57 billion. Other products which contributed to the increase were manufactures of metal, transport equipment, petroleum products, chemicals and chemical products as well as machinery, equipment and parts. Exports of mining goods grew by 4.2% to RM6.76 billion, constituting 8% of Malaysia's total exports. The increase was mainly driven by higher exports of crude petroleum.

Exports of agriculture goods which accounted for 7.1% of total exports, contracted by 4.8% to RM6.01 billion mainly due to lower exports of natural rubber.

Major exports in April 2018:

• E&E products valued at RM31.84 billion, constituting 37.8% of total exports, increased by 21.2% from April 2017;

• Petroleum products, RM6.39 billion, 7.6% of total exports, increased by 16.7%;

• Manufactures of metal, RM4.71 billion,

5.6% of total exports, increased by 42.8%;
Chemicals and chemical products, RM4.58 billion, 5.4% of total exports, increased by 17.8%; and

• Palm oil and palm oil based agriculture products, RM4.19 billion, 5% of total exports, decreased by 0.8%.

Compared to March 2018, exports of manufactured goods increased by 1.1%, while mining and agriculture goods declined by 13.1% and 1.7%, respectively.

In the first four months of 2018, exports of manufactured goods expanded by 10.4% to RM266.94 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 0.9% to RM27.93 billion, supported mainly by higher exports of crude petroleum. Meanwhile, exports of agriculture goods contracted by 8.7% to RM23.83 billion, owing to lower exports of palm oil and palm oil based agriculture products as well as natural rubber.

Performance of Major Markets

Exports Growth Recorded to Almost All ASEAN Markets Trade with ASEAN in April 2018 rose by

11% y-o-y to RM41.39 billion and accounted for 26.6% of Malaysia's total trade. Exports amounted to RM23.89 billion, an increase of 13.6%, led by increase in exports of transport equipment, petroleum products and E&E products. Among the 9ASEAN markets, exports to 7 countries recorded increases. Imports from ASEAN expanded by 7.7% to RM17.49 billion.

Breakdown of exports to ASEAN countries in April 2018:

RM	10.96 billion, increased by
RM RM RM RM RM RM	5.11 billion, ↑32.4% 2.90 billion, ↑44.2% 2.76 billion, ↑2.1% 1.50 billion, ↑13.6% 272.5 million, ↓4.7% 195.1 million, ↑2.7%
RM	189.0 million,↑147% 3.0 million,↓45.8%
	RM RM RM RM RM RM

Exports to Singapore rose by RM386.1 million mainly on the back of increased exports of crude petroleum. Exports to Thailand expanded by RM1.25 billion contributed mainly by transport equipment and E&E products.

On a m-o-m basis, exports grew by 2.6%, while imports and total trade contracted by 8.1% and 2.2%, respectively.

In January-April 2018, trade with ASEAN expanded by 4.3% to RM162.45 billion compared to the same period of 2017. Exports to this region rose by 4.8% to RM91.66 billion contributed mainly by higher exports of E&E products. Imports increased by 3.6% to RM70.79 billion.

Trade with China Rebounded in April

In April 2018, trade with China which absorbed 16.9% of Malaysia's total trade expanded by 16.1% y-o-y to RM26.26 billion compared to a decline of 12.5% in the previous month. Exports amounted to RM12.4 billion, increased by 22% led by higher exports of E&E products as well as chemicals and chemical products. Imports from China were up by 11.2% to RM13.86 billion.

Compared to March 2018, exports, imports and total trade were higher by 18.8%, 15.9% and 17.2%, respectively.

Trade with China in January-April 2018

expanded by 4.2% to RM95.2 billion compared to the same period of 2017. Exports to China increased by 5.9% to RM41.59 billion, attributed to higher exports of E&E products, chemicals and chemical products, optical and scientific equipment as well as manufactures of metal. Imports from China increased by 2.9% to RM53.61 billion.

EU- Double Digit Growth for Exports, Imports and Total Trade

Malaysia's trade with the EU in April 2018 increased by 25.1% y-o-y to RM16.15 billion and accounted for 10.4% of Malaysia's total trade. Exports totalled RM8.93 billion, higher by 19.5% mainly due to increased exports of manufactures of metal as well as E&E products. Imports grew by 32.8% to RM7.22 billion.

Among the top 10 EU markets, exports to 9 countries registered growth namely, Italy (\uparrow 180.3%), Germany (\uparrow 19.2%), Spain (\uparrow 176.9%), the Netherlands (\uparrow 5.1%), Hungary (\uparrow 45.8%), the Czech Republic (\uparrow 49.7%), France (\uparrow 10.6%), Belgium (\uparrow 3.1%) and Poland (\uparrow 3.6%).

On a m-o-m basis, imports and total trade increased by 3.9% and 0.9%, respectively while exports were lower by 1.5%.

In the first four months of 2018, trade with the EU grew by 14.6% to RM61.84 billion compared to the corresponding period in 2017. Exports increased by 8.6% to RM33.78 billion, attributed to higher exports of manufactures of metal, E&E products, palm oil and palm oil based agriculture products as well as chemicals and chemical products. Imports from the EU increased by 22.8% to RM28.06 billion.

Exports to the USA Remained Positive

Malaysia's trade with the United States of America (USA) in April 2018 recorded a growth of 1.2% to RM12.79 billion or 8.2% of Malaysia's total trade. Exports totalled RM7.49 billion, increasing by 1.7% y-o-y on the back of higher exports of transport equipment, petroleum products as well as optical and scientific equipment. Imports rose marginally by 0.6% to RM5.3 billion.

Compared to March 2018, imports increased by 0.6%, while exports and total trade fell by

5.5% and 3%, respectively.

In January-April of 2018, trade with the USA amounted to RM50.42 billion, contracting by 6.2% compared to the corresponding period in 2017. Exports to the USA rose by 3.2% to RM29.61 billion on account of higher exports of transport equipment, manufactures of metal, optical and scientific equipment, chemicals and chemical products as well as machinery, equipment and parts. Imports from the USA decreased by 17% to RM20.81 billion.

Lower Exports to Japan

Trade with Japan in April 2018 which constituted 6.8% of Malaysia's total trade or RM10.6 billion, contracted by 7.6% y-o-y. Exports were lower by 21.4% to RM5.02 billion, owing mainly to lower shipments of liquefied natural gas (LNG), while imports increased by 9.6% to RM5.58 billion.

On a m-o-m basis, exports, imports and total trade contracted by 24.8%, 2.4% and 14.4%, respectively.

During the first four months of 2018, trade with Japan was RM44.98 billion, a decrease of 5.8% from the corresponding period a year ago. Exports to Japan amounted to RM24.27 billion, reduced by 9.5% on account of lower exports of LNG and E&E products. Imports from Japan declined by 1% to RM20.71 billion.

Trade with FTA Partners

In April 2018, trade with Free Trade Agreement (FTA) partners rose by 8.1% y-o-y to RM95.12 billion and accounted for 61.2% of Malaysia's total trade. Exports to FTA partners amounted to RM50.77 billion, increased by 8.4% and imports expanded by 7.8% to RM44.35 billion.

Higher exports were registered to the ROK, growing by 10% to RM2.33 billion, attributed mainly to higher exports of E&E products, Pakistan (153.3% to RM567.4 million, palm oil and palm oil based agriculture products), New Zealand (144.5% to RM527.8 million, crude petroleum) and India (14.9% to RM3 billion, crude petroleum).

0.1%, while exports and total trade declined by 0.8% and 0.4%, respectively.

During January-April of 2018, total trade with FTA partners increased by 2.7% to RM370.62 billion and accounted for 62% of Malaysia's total trade. Exports amounted to RM196.29 billion, an increase of 3.3% and imports totalled RM174.33 billion, expanding by 2%.

Other Markets Registering Higher Exports

In April 2018, other markets with significant growth in exports were Hong Kong SAR, Taiwan and Bangladesh. Exports to Hong Kong SAR expanded by 113.8% y-o-y to RM6.4 billion, supported mainly by higher exports of E&E products, Taiwan (^{70.4%} to RM2.89 billion, E&E products) and Bangladesh (157.1% to RM858.1 million, petroleum products).

Import Performance

In April 2018, imports increased by 9.1% y-o-y to RM71.17 billion. The three main categories of imports by end use were:

 Intermediate goods, valued at RM33.82 billion or 47.5% of total imports, decreased by 11.9%, following lower imports of parts and accessories of capital goods (except transport equipment) primarily electrical machinery, equipment and parts;

• Capital goods, valued at RM8.39 billion or 11.8% of total imports, rose by 4.8%, due mainly to higher imports of industrial transport equipment, particularly aircraft and parts; and

 Consumption goods, valued at RM5.57 billion or 7.8% of total imports, decreased by 1.8%, as a result of lower imports of semi-durables goods mainly articles of plastics.

During the first four months of 2018, imports amounted to RM275.43 billion, grew by 1.6% from the corresponding period of 2017. Intermediate goods totalled RM141.18billion, decreasing by 10.8%, capital goods (RM34.88 billion, 19.3%) and consumption goods (RM22.36 billion, **↑1.3%)**.

Compared to March 2018, imports grew by

Ministry of International Trade and Industry 5 June 2018

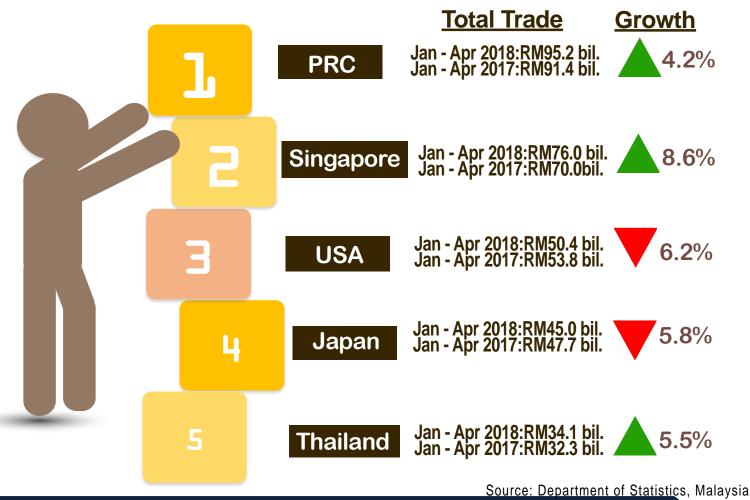
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Trade Performance, January - April 2018

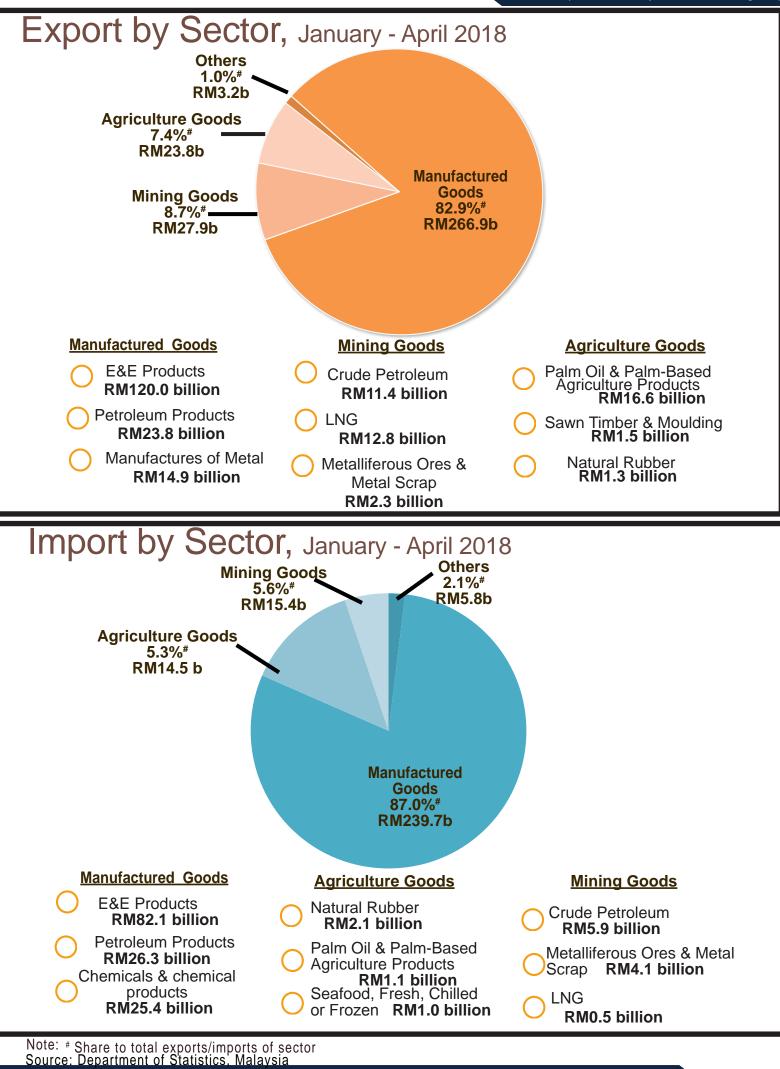


Malaysia's Top Five Trading Partners in the First Four Months 2018



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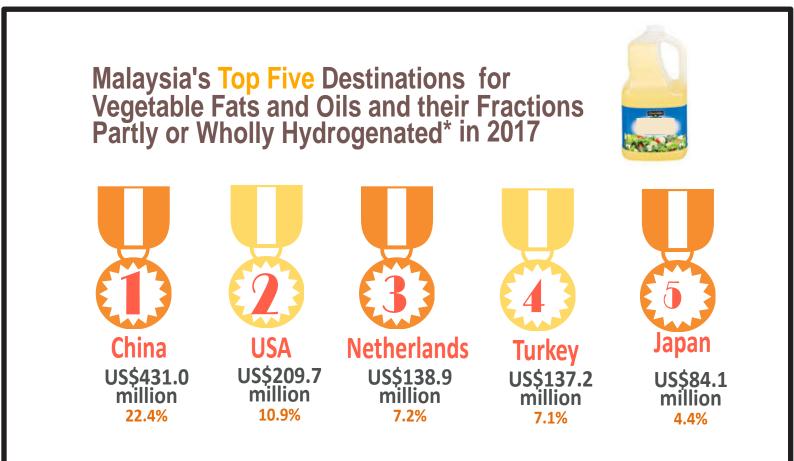
International Report

Malaysia was the largest Exporter for Vegetable Fats and Oils and their Fractions, Partly or Wholly Hydrogenated* in 2017

Malaysia	Netherlands	Indonesia	Germany	Sweden
49.1%	8.7%	8.1%	5.2%	2.8%
US\$ 1.9 Billion	US\$ 0.3 Billion	US\$ 0.3 Billion	US\$ 0.2 Billion	US\$ 0.1 Billion

NOTE:

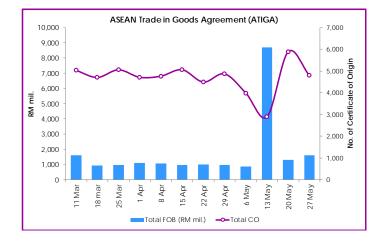
% - Share in world exports

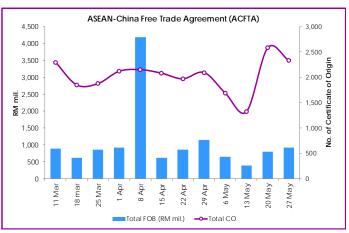


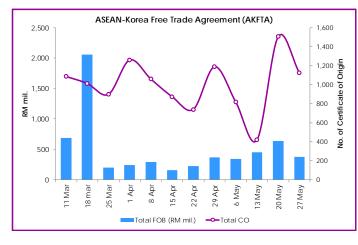
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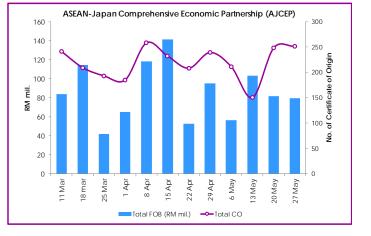
% - Share in world exports * Refers to HS 151620 ;ource : http://www.trademap.org/Index.aspx

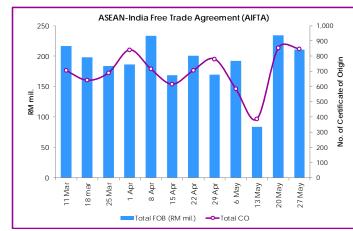
Number and Value of Preferential Certificates of Origin (PCOs)

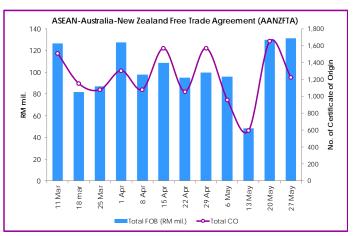


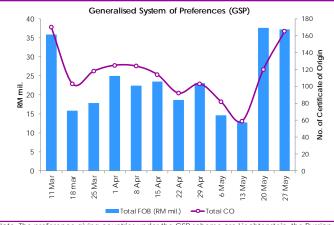








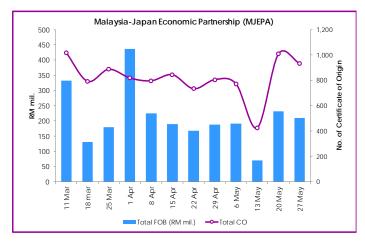


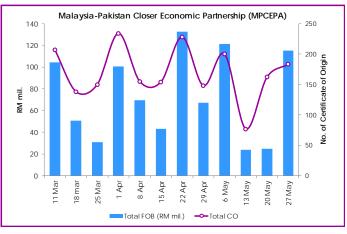


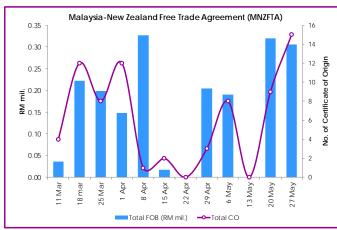
Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

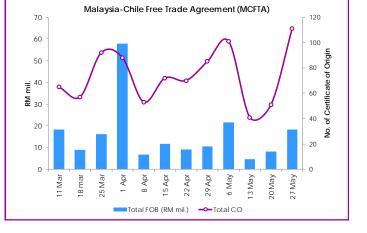
^{n and Norway.} Note: *Provisional Data Source: Ministry of International Trade and Industry, Malaysia

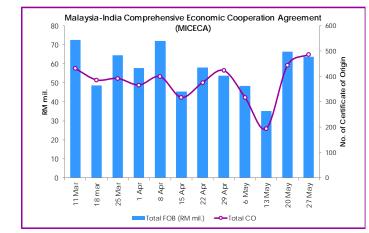
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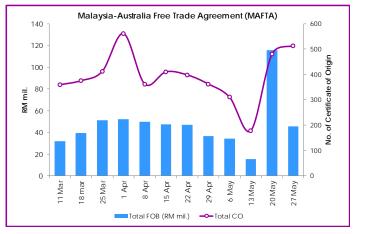


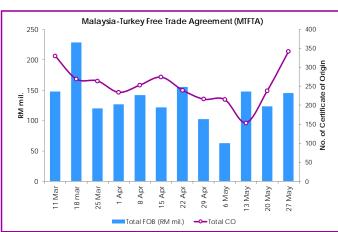








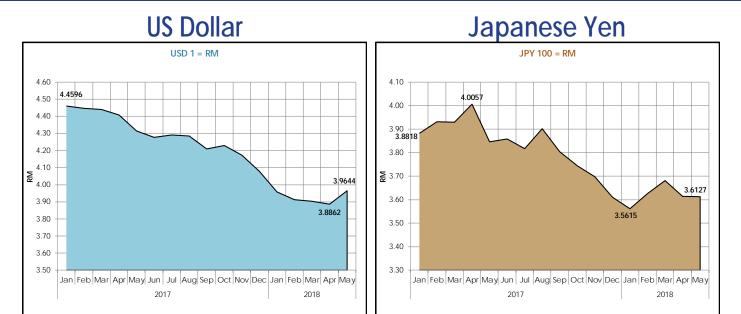




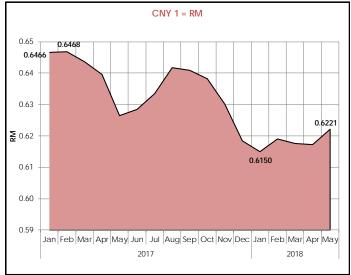
Note: *Provisional Data Source: Ministry of International Trade and Industry, Malaysia



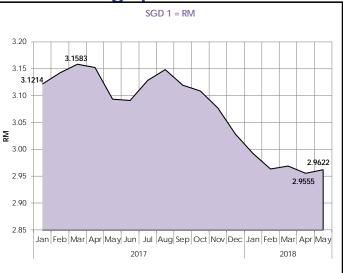
Malaysian Ringgit Exchange Rate with Selected Countries, January 2017 - May 2018

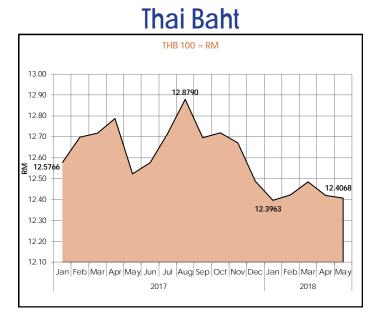


Chinese Yuan

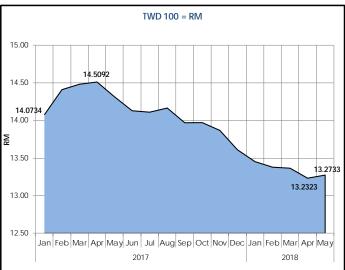


Singapore Dollar





New Taiwan Dollar



Source : Bank Negara Malaysia

Commodity Prices



CRUDE PETROLEUM (BRENT) -per bbl-1 June 2018 : US\$76.8, ▲ 0.5%* Average Priceⁱ: 2017: US\$55.0

2016: US\$45.3



CRUDE PALM OIL -per MT-1 June 2018 : US\$666.5, 0.5%* Average Priceⁱ: 2017: US\$719.7 2016: US\$702.2



SUGAR -per lbs-1 June 2018 : US¢12.5, 0.5%* Average Priceⁱ : 2017: US¢15.8 2016: US¢18.2

RUBBER SMR 20 -per MT-1 June 2018 : US\$1,424.5, ▼2.2%*

Average Priceⁱ: 2017: US\$1,646.6 2016: US\$1,394.5



COCOA SMC 2 -per MT-1 June 2018 : US\$1,644.3, ▼5.7%* Average Priceⁱ: 2017: US\$1,439.0 2016: US\$1,609.8



COAL -per MT-1 June 2018 : US\$61.2, 2.7%* Average Priceⁱ : 2017: US\$57.2 2016: US\$45.6

SCRAP IRON HMS -per MT-1 June 2018 :US\$350.0(high), unchanged* US\$340.0 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

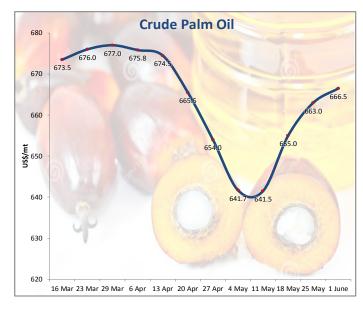
i Average price in the year except otherwise indicated

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.

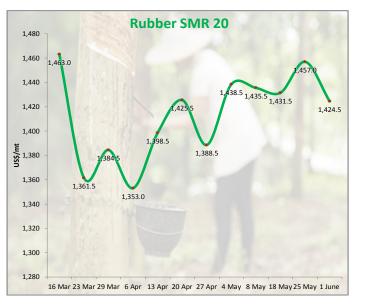


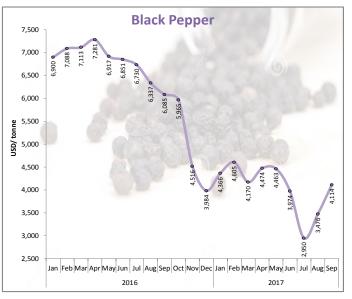
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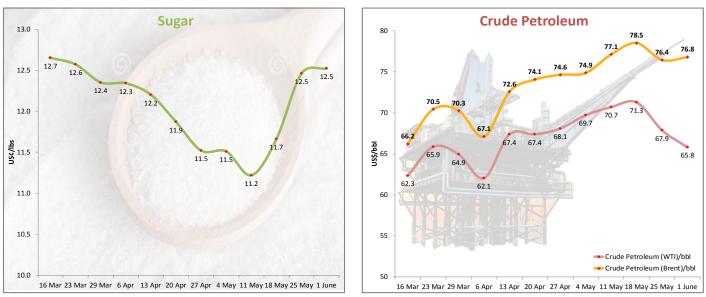
Commodity Price Trends





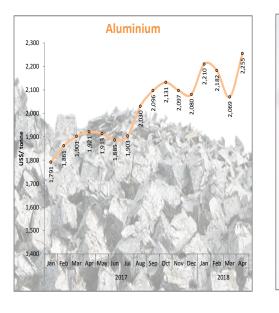


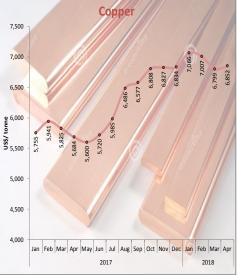


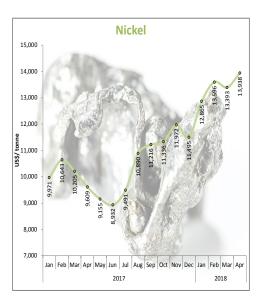


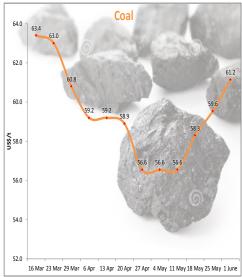
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

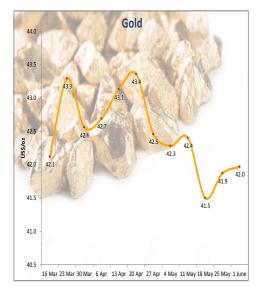
Commodity Price Trends

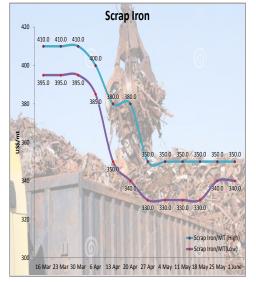


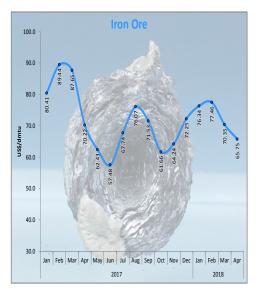


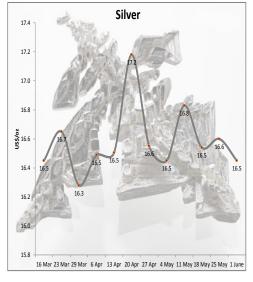


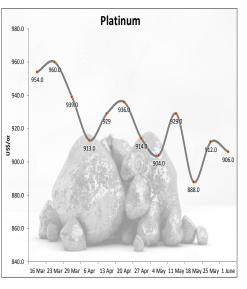












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Sources: Ministry of International Trade and Industry Malaysia, , Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Farewell to Y.Bhg Datuk Seri J. Jayasiri Secretary General of Ministry of International and Industry















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International Payment Methods Cash in Advance:

- Time of Payment : Before Shipment
- Goods Available to Buyer : After Payment

Open Account:

- Time of Payment : As agreed; e.g.: 30 days
- Goods Available to Buyer : Before Payment

Letters of Credit (L/Cs) are legal instruments issued by banks (on behalf of their customers) with the conditional obligation to make payment to the beneficiary of the L/C:

- Documentary (Trade) Letters of Credit are used to facilitate payments in import and export transactions
- Standby Letters of Credit are "standing by" for an event of default or non-performance before they can be drawn on.

Invisible trade

Exports and imports of things you cannot touch or see: services, such as banking or advertising and other intangibles, such as copyrights. Invisible trade accounts for a growing slice of the value of world trade.

ΙοΤ

Internet of Things - System of interrelated computing devices, mechanical and digital machines, objects, animals or people that are provided with unique identifiers and the ability to transfer data over a network without requiring human-tohuman or human-to-computer interaction.

IPI

Industrial Production Index - The industrial production index measures the change in output in Malaysian manufacturing, mining, construction, and electricity, gas and water. Output refers to the physical quantity of goods produced, unlike sales value, which combines quantity and price. The index covers the production of goods and power for domestic sales in Malaysia and for export. It excludes production in the agriculture, transportation, communications, trade, finance, and service industries, government, and imports.

ITA

Information Technology Agreement - Tariff liberalization arrangement negotiated in the WTO on elimination of import duties on IT products.

I-curve

The shape of the trend of a country's trade balance following a devaluation. A lower exchange rate initially means cheaper exports and more expensive imports, making the current account worse (a bigger deficit or smaller surplus). After a while, though, the volume of exports will start to rise because of their lower price to foreign buyers, and domestic consumers will buy fewer of the costlier imports. Eventually, the trade balance will improve on what it was before the devaluation. If there is a currency appreciation there may be an inverted I-curve.

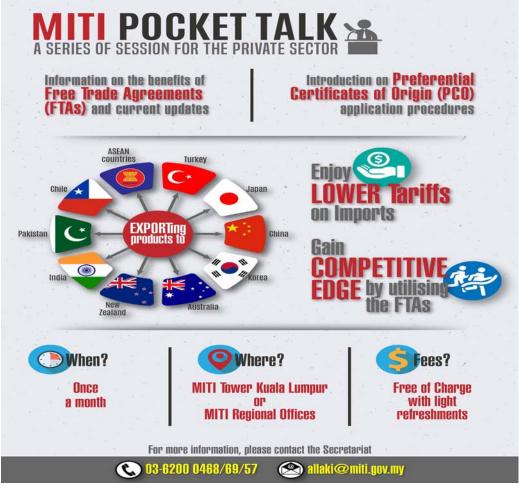
IPC 3

Jawatankuasa Pengecualian Cukai Besi Keluli - A committee chaired by MITI and representatives from MOF, MIDA and Customs that evaluates and determines import duty exemption applications for raw materials of iron and steel products.

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



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Tentative Schedule for MITI Pocket Talk 2018

No.	Date	Venue	Торіс
1	6-Jun	MITI HQ	 Introduction Preferential Certificate of Origin (PCO) Updates on RCEP
2	18-Jul	MITI Kelantan	Introduction to FTA & Preferential Certificate of Origin (PCO)
3	8-Aug	MITI HQ	 Introduction Preferential Certificate of Origin (PCO) Updates on RCEP
4	15-Aug	MITI Perak	Introduction to FTA & Preferential Certificate of Origin (PCO)
5	19-Sep	MITI Pahang	Introduction to FTA & Preferential Certificate of Origin (PCO)
6	17-Oct	MITI HQ	Introduction to FTA & Preferential Certificate of Origin (PCO)
7	14-Nov	MITI Sabah	Introduction to FTA & Preferential Certificate of Origin (PCO)
8	5-Dec	MITI HQ	Introduction to FTA & Preferential Certificate of Origin (PCO)
9	12-Dec	MITI Sarawak	Introduction to FTA & Preferential Certificate of Origin (PCO)

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IN CONJUNCTION WITH THE EID AL-FITR CELEBRATION, MITI SERVICES AS FOLLOWS WILL BE CLOSED:

THE ePCO, ePERMIT AND TFIS SYSTEMS

- > 13 JUNE 2018 (WEDNESDAY) FROM 1.00 PM
- 14 JUNE 2018 (THURSDAY) UNTIL 18 JUNE 2018 (MONDAY)

SYSTEMS WILL RESUME OPERATION ON 19 JUNE 2018 (TUESDAY, 8.00 AM)

THE BUSINESS ADVISORY CENTRE (BAC) AND CUSTOMER SERVICE COUNTER AT MITL KUALA LUMPUR

14 JUNE 2018 (THURSDAY) UNTIL 19 JUNE 2018 (TUESDAY)

BAC AND COUNTER SERVICE WILL RESUME OPERATION ON 20 JUNE 2018 (WEDNESDAY)

THANK YOU

SENIOR DIRECTOR TRADE AND INDUSTRY SUPPORT DIVISION MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY 1 JUNE 2018

Industry 4.0

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

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: <u>http://fta.miti.gov.my/index.php/pages/view/71?mid=40</u>

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

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