

Trade, Exports, Imports and Trade Surplus Reached a New High for the Month of February

Malaysia's trade continued its positive growth momentum in February 2021, registering a double-digit growth of 15.4% to RM157.27 billion compared to the same month last year. Exports accelerated by 17.6% to RM87.57 billion and imports rose by 12.7% to RM69.7 billion. Trade surplus surged by 41.6% to RM17.86 billion. Trade, exports, imports and trade surplus posted a new high for the month of February.

Exports maintained its year-on-year (y-o-y) positive growth for six consecutive months. This expansion was also the fastest since October 2018. Export growth was supported by increase in global demand notably for electrical and electronic (E&E) products mainly semiconductor, rubber products as well as commodity-based products particularly petroleum products and palm oil. Higher exports were seen to most major markets namely ASEAN, China, the United States (US), the European Union (EU), Japan and Hong Kong SAR. Compared to January 2021, trade surplus increased by 7.6%. Total trade, exports and imports were lower by 3.3%, 2.3% and 4.5%, respectively.

In January to February 2021, exports recorded a double-digit growth of 11.7% to RM177.19 billion compared to the same period of 2020. Imports rose by 6.6% to RM142.73 billion and total trade expanded by 9.4% to RM319.92 billion. Trade surplus surged by 39.8% to RM34.47 billion.

Export Performance of Major Sectors

Manufactured and Agriculture Goods Sustained Strong Export Growth

Exports of manufactured goods in February 2021 which contributed 86.6% to total exports, registering a double-digit growth of 20.1% y-o-y to RM75.83 billion. The expansion was mainly due to higher exports of E&E products, rubber products and petroleum products. This was contributed mainly by higher demand of semiconductors for smart devices, 5G network as well as automotive industry as the global economic activities continued to recover.

Exports of agriculture goods (6.5% share) rose by 9.7% to RM5.69 billion compared to February 2020 buoyed mainly by higher shipments of palm oil and palm oil-based agriculture products.

Exports of mining goods (5.9% share) recorded a softer y-o-y contraction of 7.8% in February 2021 to RM5.19 billion compared to a decline of 31% in January 2021. The decline was due to lower exports of liquefied natural gas (LNG) and crude petroleum.

Major exports in February 2021:

E&E products, valued at RM31.22 billion and constituted 35.7% of total exports, increased by 24.4% from February 2020;

□ Rubber products, RM6.68 billion, 7.6% of total exports, surged by 188.7%;

□ Petroleum products, RM6.68 billion, 7.6% of total exports, increased by 32.1%;

□ Chemicals and chemical products, RM5.18 billion, 5.9% of total exports, increased by 20.3%; and

□ Palm oil and palm oil-based agriculture products, RM3.94 billion, 4.5% of total exports, increased by 10.7%.

On a month-on-month (m-o-m) basis, exports of agriculture and mining goods increased by 14% and 5.3%, respectively while manufactured goods decreased by 3.7%. During the first two months of 2021, exports of manufactured goods registered a strong export performance with a double-digit growth of 15.3% to RM154.61 billion compared to the same period of 2020 boosted by higher exports of E&E products, rubber products, manufactures of metal as well as chemicals and chemical products.

Exports of agriculture goods rose by 1.1% to RM10.69 billion attributed to higher exports of other vegetable oil. Exports of mining goods fell by 20.8% to RM10.13 billion due to lower exports of LNG and crude petroleum.

Trade Performance with Major Markets

ASEAN - E&E and Petroleum Products Drove Exports

Trade with ASEAN in February 2021 which constituted RM40.95 billion or 26% of Malaysia's total trade, increased by 13.2% compared to February 2020. Exports recorded a double-digit expansion of 13.7% to RM24.42 billion owing to higher exports of E&E products and petroleum products. Imports from ASEAN expanded by 12.4% to RM16.52 billion.

Breakdown of exports to ASEAN countries:

- □ Singapore RM12.65 billion, increased by 13.3%
- □ Thailand RM3.53 billion, ↑1.8%
- □ Viet Nam RM3.15 billion, ↑33.4%
- □ Indonesia RM2.70 billion, ↑15.4%
- \Box Philippines RM1.55 billion, $\downarrow 2.3\%$
- □ Myanmar RM460.2 million, ↑69.4%
- □ Brunei RM271.4 million, ↑57.6%
- □ Cambodia RM109.4 million, ↑1.2%
- □ Lao PDR RM3.0 million, ↓29.7%

Exports to ASEAN major markets that recorded growth were Singapore, which increased by RM1.48 billion attributed to higher exports of E&E products, Thailand (↑RM63.5 million, other manufactures especially solid-state storage devices (SSD)), Viet Nam (↑RM790.2 million, E&E products) and Indonesia (↑RM359.4 million, petroleum products).

On a m-o-m basis, trade, exports and imports were down by 4.8%, 5.1% and 4.4%, respectively.

In January to February 2021, trade with ASEAN grew by 10.1% to RM83.97 billion, compared to the same period of 2020. Exports to this region grew by 10.3% to RM50.15 billion due to higher exports of E&E products. Imports from ASEAN increased by 9.9% to RM33.82 billion.

China – Exports Remained Resilient

Trade with China in February 2021 surged by 49.8% y-o-y to RM28.76 billion, representing 18.3% of Malaysia's total trade. Exports to China recorded a double-digit growth of 35.8% to RM12.82 billion underpinned by higher exports of E&E products, petroleum products and LNG. Imports from China rose by 63.4% to RM15.94 billion.

Compared to January 2021, trade, exports and imports decreased by 3.8%, 2.2% and 5.1%, respectively. Trade with China during the period of January to February 2021 expanded by 28.7% to RM58.66 billion compared to the same period of 2020. Exports increased by 30.7% to RM25.92 billion, driven by higher exports of E&E products as well as petroleumproducts. Imports from China was higher by 27.1% to RM32.74 billion.

The US - Exports Posted a Double-Digit Growth In February 2021

Trade with the US accounted for 9.6% of Malaysia's total trade, registering a growth of 9.3% y-o-y to RM15.06 billion. Exports to the US recorded a double-digit growth of 26% to RM9.99 billion as a result of higher exports of rubber products. Imports from the US contracted by 13.3% to RM5.07 billion.

Compared to January 2021, trade, exports and imports declined by 5.5%, 3.1% and 9.8%, respectively. In the first two months of 2021, trade with the US was up by 6.2% to RM31 billion compared to the same period of 2020. Exports expanded by 22% to RM20.3 billion led by higher exports of rubber products. Imports from the US dropped by 14.8% to RM10.7 billion.

The EU - Rubber Products Continued to Boost Exports

Total trade with the EU in February 2021 rose by 11.8% y-o-y to RM12.75 billion and accounted for 8.1% of Malaysia's total trade. Exports continued its upward momentum since September 2020, expanding by 15.3% to RM7.74 billion underpinned mainly by higher exports of rubber products. Imports from the EU rose by 6.7% to RM5.01 billion.

Among the top 10 EU markets which accounted for 88.8% of Malaysia's total exports to the EU, exports to nine countries recorded increases namely, Germany (\uparrow 13.1%),the Netherlands (\uparrow 6.8%), Italy (\uparrow 28.9%), Belgium (\uparrow 37%), Spain (\uparrow 21.8%), Poland (\uparrow 58.4%), the Czech Republic (\uparrow 35.9%), Slovenia (\uparrow 84.8%) and Sweden (\uparrow 43%).

Compared to January 2021, trade, exports and imports, all slipped by 3.5%. For the first two months of 2021, trade with the EU expanded by 7.3% to RM25.97 billion compared to the same period of 2020. Exports rose by 13.3% to RM15.76 billion on the back of higher exports of rubber products. Imports from the EU amounted to RM10.21 billion, declined marginally by 0.8%.

Japan – Exports Rebounded

In February 2021, trade with Japan which made up 7.3% of Malaysia's total trade grew by 6.3% y-o-y to RM11.41 billion. Exports picked up by 2.4% to RM5.74 billion from a negative y-o-y growth in January 2021, contributed mainly by higher exports of rubber products, manufactures of metal and E&E products. Imports from Japan grew by 10.6% to RM5.68 billion. On a m-o-m basis, trade and exports contracted by 2.1% and 11.5%, respectively while imports expanded by 9.7%.

For the period of January to February 2021, trade with Japan expanded by 5.2% to RM23.07 billion compared to the same period of 2020. Exports increased by 0.5% to RM12.22 billion on account of higher exports of E&E products, rubber products, manufactures of metal and crude petroleum. Imports from Japan expanded by 11.1% to RM10.85 billion.

Trade with FTA Partners

In February 2021, trade with Free Trade Agreement (FTA) partners which constituted 67.1% of Malaysia's total trade was valued at RM105.47 billion, registering a double digit

growth of 19.8% y-o-y. Exports to FTA partners increased by 16.7% to RM58.37 billion while imports expanded by 23.8% to RM47.1 billion. Increase in exports was recorded to Hong Kong SAR, by 33.3% to RM5.36 billion driven by higher exports of E&E products, India (†25.1% to RM3.03 billion, palm oil and palm oil-based agriculture products), Australia (†17.2% to RM2.49 billion, petroleum products), Turkey (†9.6% to RM756 million, rubber products) and Chile (†50.3% to RM61.9 million, rubber products). Compared to January 2021, trade, exports and imports declined by 3.7%, 3.8% and 3.5%, respectively.

Trade with FTA partners for the first two months of 2021 which accounted for 67.2% of Malaysia's total trade grew by 12.3% to RM214.96 billion. Exports expanded by 11.2% to RM119.04 billion while imports rose by 13.7% to RM95.92 billion.

Import Performance

Total imports in February 2021 grew by 12.7% y-o-y to RM69.7 billion from February 2020. The three main categories of imports by end use which accounted for 74.4% of total imports were:

□ Intermediate goods, valued at RM38.32 billion or 55% share of total imports, decreased by 0.2%, following lower imports of parts and accessories of capital goods (except transport equipment), particularly electrical machinery, equipment and parts;

□ Capital goods, valued at RM7.63 billion or 10.9% of total imports, increased by 39%, due mainly to higher imports of capital goods (except transport equipment), primarily parts of machinery and mechanical appliances; and

□ Consumption goods, valued at RM5.9 billion or 8.5% of total imports, expanded by 17.6%, as a result of higher imports of durables, especially furniture.

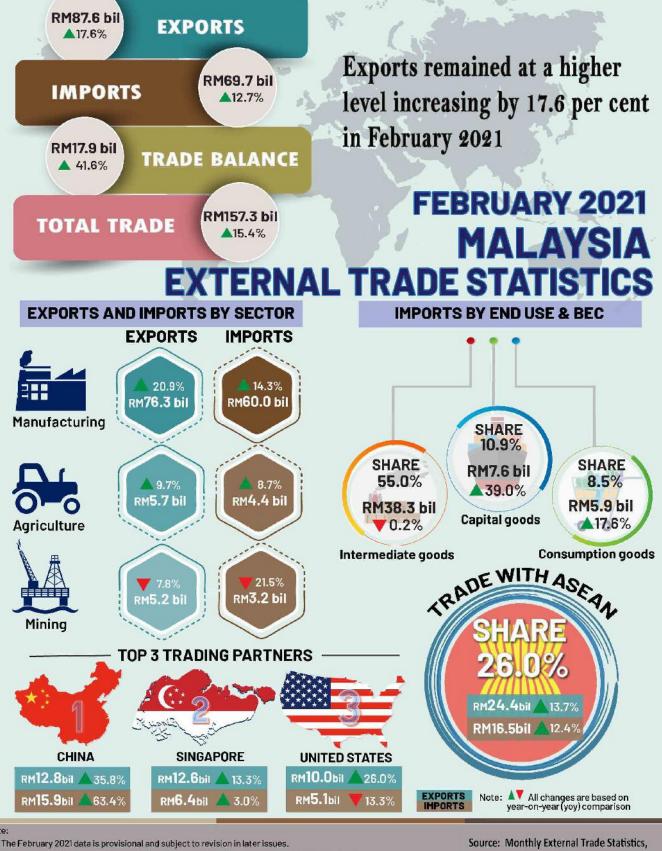
During January to February 2021, imports amounted to RM142.73 billion, grew by 6.6% from the same period of 2020. Imports of intermediate goods totalled RM77.7 billion, increased by 0.6%, capital goods (RM14.87 billion, †13.1%) and consumption goods (RM12.44 billion,

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EXTERNAL TRADE, FEB 2021

Malaysia's exports remained at a higher level, picked up sharply by 17.6 per cent to RM87.6 billion in February 2021. This was the highest year-on-year (y-o-y) growth in 28 months.





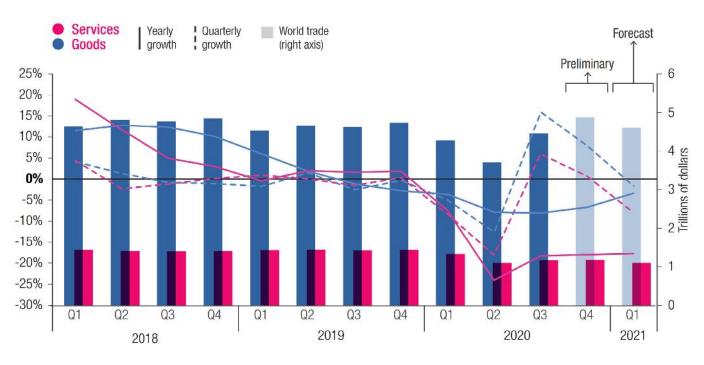
This report can be accessed through the web portal of the Department of Statistics, Malavsia http://www.dosm.gov.my)under section: Latest Release

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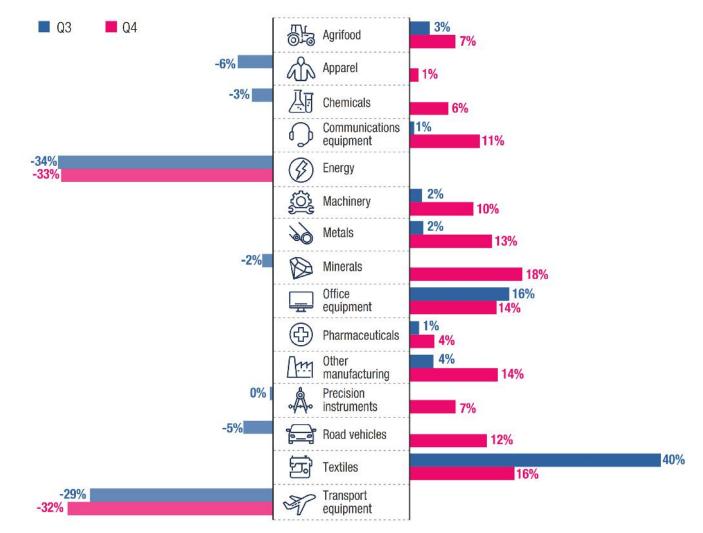
Note:

TRADE UNDER COVID-19

WORLD TRADE IN GOODS RECOVERS IN THE SECOND HALF OF 2020, BUT TRADE IN SERVICES LAGS

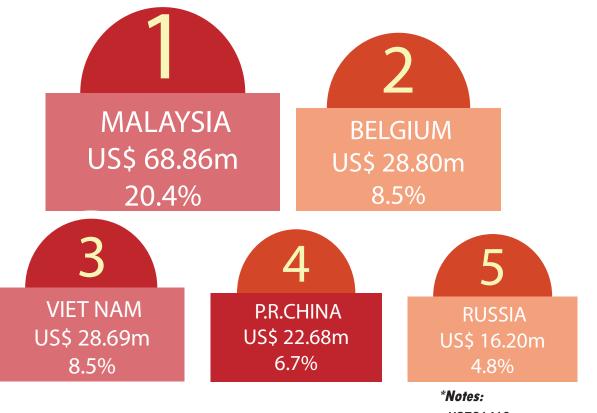


A BROAD-BASED TRADE RECOVERY FOR Q4 2020



WORLD LARGEST EXPORTER OF *BARS AND RODS, OF IRON OR NON-ALLOY STEEL, NOT FURTHER WORKED THAN FORGED (EXCLUDING IN IRREGULARLY WOUND COILS)

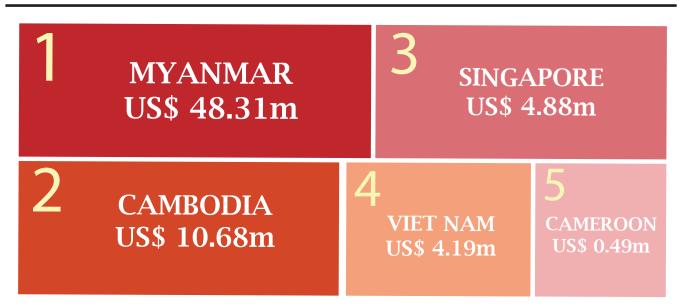
In 2019, Malaysia's export of Bars and rods, of iron or non-alloy steel, not further worked than forged (excluding in irregularly wound coils) recorded US\$68.86 million which was 20.4% share of the world exports.



- HS721410

- % refer to share in world exports

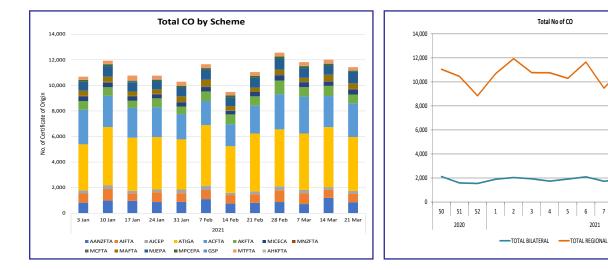
MALAYSIA'S TOP FIVE EXPORT DESTINATION



Number of PCO as at 21 March 2021 Weekly / Monthly/ Annually

Weekly Total <u>Scheme</u>

Weekly

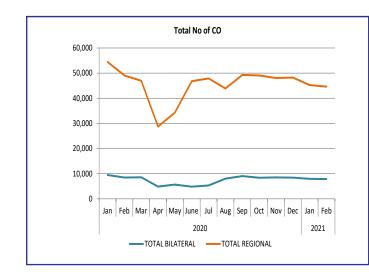


Annually

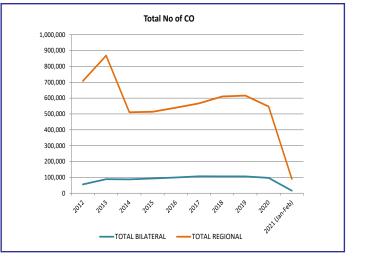
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2021

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Monthly



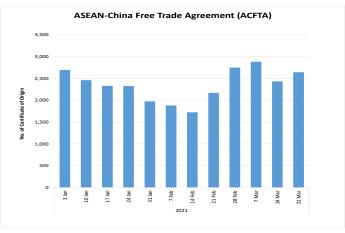
Regional FTA Number and Value of Preferential Certificates of Origin (PCOs)



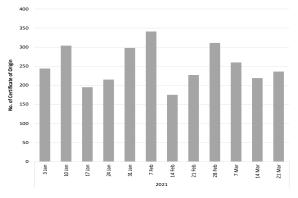
ASEAN-Korea Free Trade Agreement (AKFTA) 1,200 1 000 800 No. of Certificate of Origin 600 400 200 0



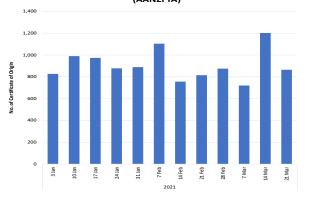
ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA) to. of Certificate of Origin 0 3 Jan 10 Jan 17 Jan 24 Jan 31 Jan 7 Feb 14 Feb 21 Feb 28 Feb 7 Mar 14 Mar 21 Mar 2021



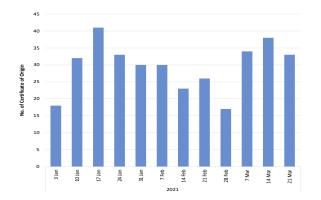
ASEAN-Japan Comprehensive Economic Partnership (AJCEP)



ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)



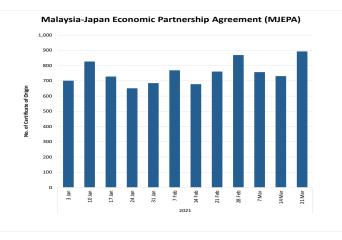
Generalised System of Preferences (GSP)



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

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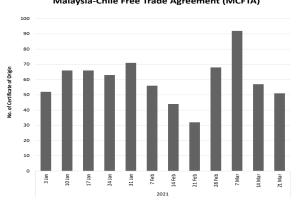
Bilateral FTA Number and Value of Preferential Certificates of Origin (PCOs)

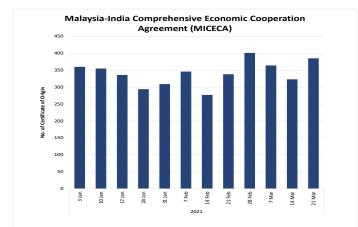


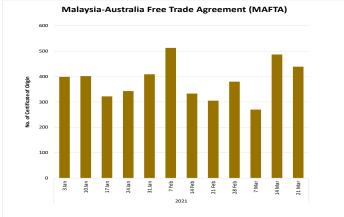




Malaysia-Chile Free Trade Agreement (MCFTA)







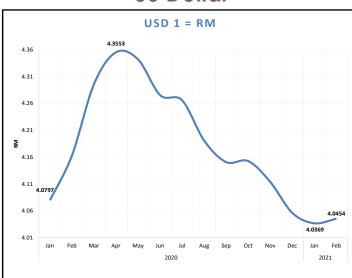
Malaysia-Turkey Free Trade Agreement (MTFTA)



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

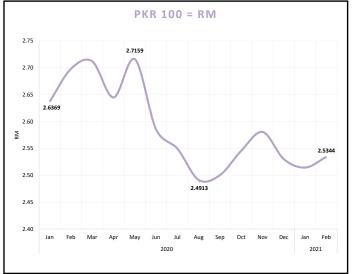
Malaysian Ringgit Exchange Rate with Selected Countries, January 2020 - February 2021

US Dollar

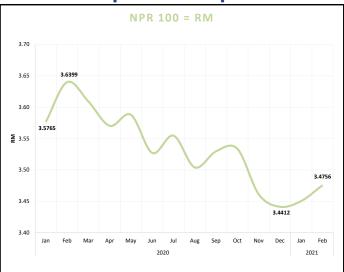


Cambodian Riel KHR 100 = RM 0.109 0 1078 0.107 0.105 **₽** 0.103 0.101 0.100 0.099 0.097 Jan Feb Feb Ma Oct 2020 2021

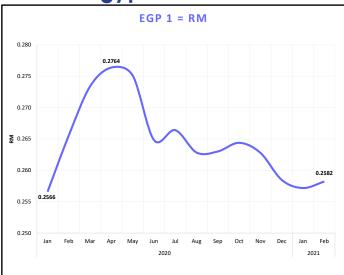
Pakistani Rupee



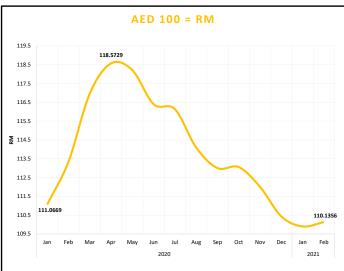
Nepalese Rupee



Egyptian Pound



United Arab Emirates Dirham



Source : Bank Negara Malaysia

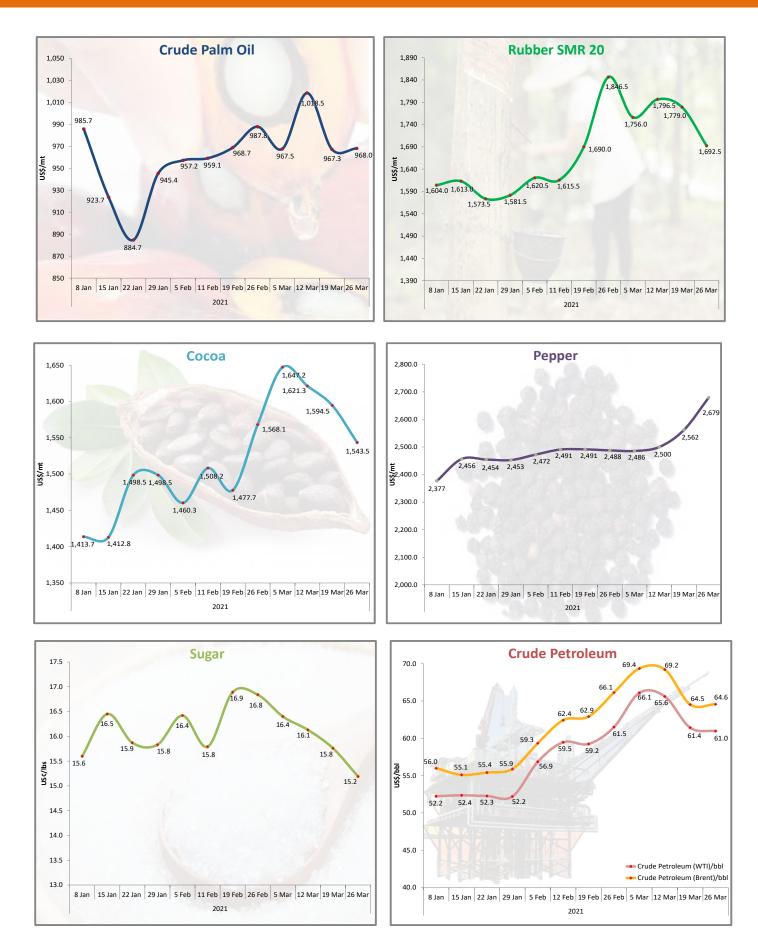
Commodity Prices

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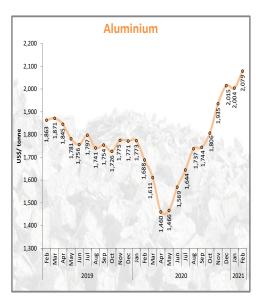
- * Refer to % change from the previous week's price
- i Average price in the year except otherwise indicated
- Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

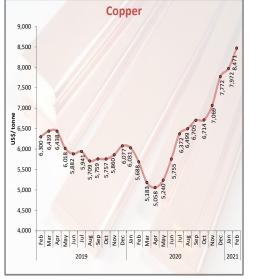
Commodity Price Trends

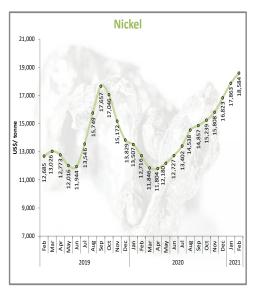


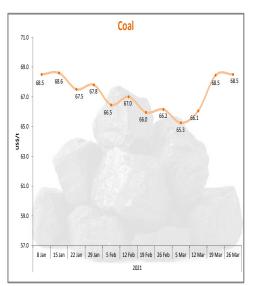
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

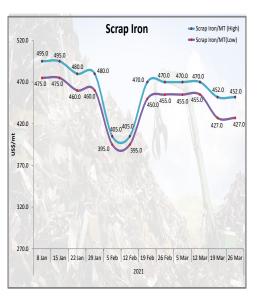
Commodity Price Trends

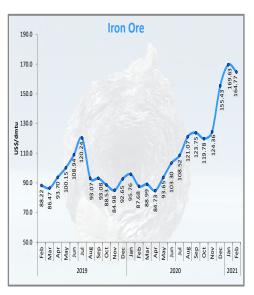


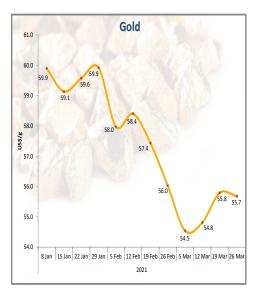


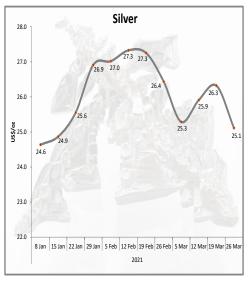


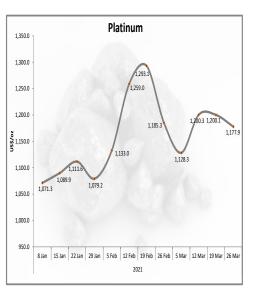












Sources: Ministry of International Trade and Industry Malaysia, , Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

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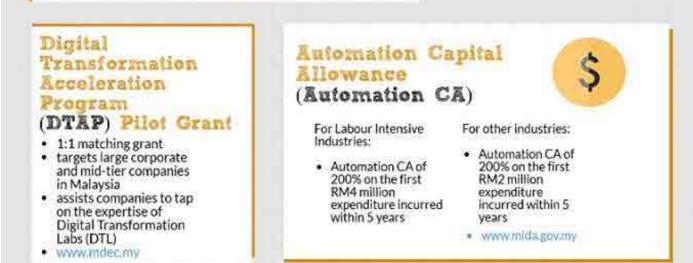
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- · 60:40 matching grant

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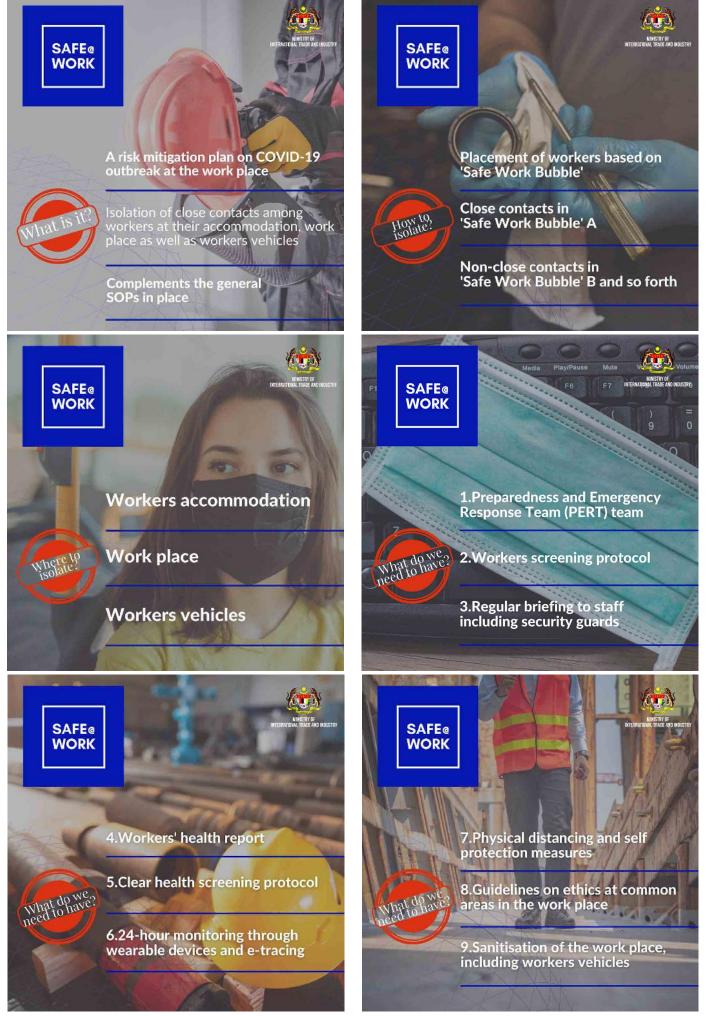
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