

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

October Exports Reached a New High, Breaching RM90 billion

Malaysia's trade continued its positive growth momentum in October 2018, expanding by 14.8% to RM176.43 billion compared to the same month last year. Higher trade was seen with ASEAN, China, Taiwan, Hong Kong SAR, Australia, the Republic of Korea (ROK), Saudi Arabia, the United States of America (USA), India and the European Union (EU).

Exports in October 2018 recorded a new milestone, breaching RM90 billion for the first time. Exports recorded the highest monthly value of RM96.38 billion, an increase of 17.7% year-on-year (y-o-y), outpacing import growth for two consecutive months. Imports rebounded by 11.4% to RM80.05 billion from a decline of 2.8% in September 2018.

Trade surplus widened by 63.1% to RM16.32 billion, the largest trade surplus ever recorded thus far. This surplus marked the 252nd consecutive month of trade surplus since November 1997.

On a month-on-month (m-o-m) basis, exports, imports and total trade recorded a double-digit growth of 16.2%, 18.2% and 17.1%, respectively. Trade surplus increased by 7.2%.

For the first 10 months of 2018, total trade expanded by 6.5% to RM1.558 trillion compared to the same period in 2017. Exports soared by 7.5% to RM829.89 billion while imports grew by 5.4% to RM727.88 billion. Trade surplus for this period rose by 25.6% to RM102.01 billion compared to the same period last year.

Export Performance of Major Sectors

Double-Digit Growth in Exports of Manufactured & Mining Goods

In October 2018, exports of manufactured goods registered a strong growth of 19.9% y-o-y to RM80.99 billion and accounted for 84% of Malaysia's total exports. The expansion was driven mainly by higher exports of electrical and electronic (E&E) products, petroleum products, chemicals and chemical products as well as manufactures of metal.

Exports of mining goods rose by 29.6% to RM8.69 billion, accounting for 9% of total exports in October 2018. Higher exports were recorded for liquefied natural gas (LNG) and crude petroleum due mainly to higher Average Unit Value (AUV).

Exports of agriculture goods which accounted for 6.3% of total exports contracted by 12.3% to RM6.11 billion. This was mainly due to lower exports of



palm oil and palm oil-based agriculture products, particularly palm oil, on account of lower AUV.

Major exports in October 2018:

- E&E products valued at RM38.38 billion, constituting 39.8% of total exports, increased by 23.3% from October 2017;
- Petroleum products, RM8.13 billion, 8.4% of total exports, increased by 31.2%;
- Chemicals and chemical products, RM5.68 billion, 5.9% of total exports, increased by 36.5%;
- Manufactures of metal, RM4.38 billion, 4.5% of total exports, increased by 29%; and
- Palm oil and palm oil-based agriculture products, RM4.12 billion, 4.3% of total exports, decreased by 17.3%.

Compared to September 2018, exports of manufactured goods accelerated by 15.3%, mining goods by 33.1% and agriculture goods by 8.4%.

In the first 10 months of 2018, exports of manufactured goods which constituted 83.8% of total exports expanded by 9.9% to RM695.43 billion compared to the corresponding period of 2017. Higher exports were recorded for E&E products, chemicals and chemical products, manufactures of metal, petroleum products as well as optical and scientific equipment. Exports of mining goods (8.6% share) increased by 7.2% to RM71.09 billion, mainly led by higher exports of crude petroleum. Meanwhile, exports of agriculture goods (6.8% share) recorded a decline of 13.4% to RM56.67 billion, owing to lower exports of palm oil and palm oil-based agriculture products.

Performance of Major Markets

Exports to ASEAN Up by 16% - the Fastest Growth since December 2017

Trade with ASEAN in October 2018 soared by 13.8% y-o-y to RM48.82 billion and constituted 27.7% of Malaysia's total trade. The upward trend of exports continued in October with an expansion of 16% to RM27.29 billion, buoyed by higher exports of E&E products, petroleum products, chemicals and chemical products, manufactures of metal as well as machinery, equipment and parts. Imports from ASEAN were up by 11.1% to RM21.53 billion.

Breakdown of exports to ASEAN countries in October 2018:

- Singapore RM 13.37 billion, ↑18.3%
- Thailand RM 5.89 billion, ↑20.8%
- Viet Nam RM 3.09 billion, ↑36.3%
- Indonesia RM 2.73 billion, ↓3.6%
- Philippines RM 1.65 billion, ↑9.8%
- Myanmar RM 229.6 million, ↓46.9%
- Brunei RM 198.2 million, ↓0.6%
- Cambodia RM 121.0 million, ↑23.9%
- Lao PDR RM 2.5 million, ↓22.7%

Exports to major markets in ASEAN that recorded significant increases were Singapore, which expanded by RM2.07 billion, Thailand (↑RM1.01 billion) and Viet Nam (↑RM824.1 million), due to higher E&E shipments.

On a m-o-m basis, exports, imports and trade recorded a double-digit expansion of 15.9%, 17.9% and 16.8%, respectively.

For the first 10 months of 2018, trade with ASEAN expanded by 4.7% to RM422.33 billion compared to the same period of 2017. Exports to this region rose by 4.7% to RM235.79 billion driven by higher exports of E&E products, crude petroleum, transport equipment, manufactures of metal as well as chemicals and chemical products. Imports increased by 4.7% to RM186.53 billion.

Exports to China Rebounded Strongly in October 2018

Trade with China which absorbed 16.8% of Malaysia's total trade expanded by 19.1% y-o-y to RM29.71 billion. Exports to China picked up strongly in October 2018, rising by 33% to RM15.12 billion from a decline of 0.6% in September 2018. This was on the back of significant increases in exports of E&E products, petroleum products, chemicals and chemical products as well as LNG. Imports from China were higher by 7.6% to RM14.59 billion.

Compared to September 2018, exports, imports and trade surged by 33.5%, 11.2% and 21.5%, respectively.

Trade with China in the first 10 months of 2018 expanded by 9.5% to RM260.35 billion compared to the same period last year. For this period, exports to China recorded a growth of 12.2% to RM115.75 billion, attributed to higher exports of E&E products, chemicals and chemical products as well as manufactures of metal. Imports from China rose by 7.4% to RM144.61 billion.

EU - Manufactured Goods Drove Export Growth

Malaysia's trade with the EU in October 2018 stood at RM15.77 billion or 8.9% of Malaysia's total trade, an increase of 5.6% compared to October 2017. Exports grew by 8.5% to RM8.56 billion, led by stronger exports of manufactured goods which increased by 11.7%. Higher exports were recorded for manufactures of metal, E&E products, rubber products, palm-oil based manufactured products as well as optical and scientific equipment. Imports from the EU were up by 2.4% to RM7.22 billion.

Among the top 10 EU markets which accounted for 91% of Malaysia's total exports to the EU, 8 countries recorded expansion namely, Germany (↑8.7%), Italy (↑39.9%), Netherlands (↑4.6%), Belgium (↑24.1%), Spain (↑28.9%), France (↑5.4%), Hungary (↑10.7%) and Poland (↑10.1%).

On a m-o-m basis, exports, imports and trade registered a rise of 3.8%, 27% and 13.3%, respectively.

In January-October 2018, trade with the EU recorded an expansion of 7.8% to RM153.31 billion compared to the same period last year. Exports grew by 5.5% to RM83.14 billion, driven by higher exports of manufactures of metal, chemicals and trade with China which absorbed 16.8% of Malaysia's total trade expanded by 19.1% y-o-y to RM29.71 billion. Exports to China picked up strongly in October 2018, rising by 33% to RM15.12 billion from a decline of 0.6% in September 2018. This was on the back of significant increases in exports of E&E products, petroleum products, chemical products, rubber products as well as iron and steel products. Imports from the EU rose by 10.7% to RM70.17 billion.

Exports to the USA - the Highest Value in 11 Years

Malaysia's trade with the USA in October 2018 recorded a growth of 8.2% to RM14.45 billion and accounted for 8.2% of Malaysia's total trade. Exports to the USA rose by 7.6% to RM8.63 billion, the highest monthly value since October 2007. This was supported by higher exports of E&E products, rubber products, optical and scientific equipment as well as machinery, equipment and parts. Imports grew by 9% to RM5.82 billion.

Compared to September 2018, exports, imports and trade soared by 12.3%, 4.7% and 9.1%, respectively.

In January-October 2018, trade with the USA

amounted to RM129.2 billion, a marginal increase of RM4.5 million compared to the corresponding period in 2017. Exports to the USA were up by 1.8% to RM75.5 billion supported by higher exports of optical and scientific equipment, transport equipment as well as manufactures of metal. Imports from the USA declined by 2.4% to RM53.7 billion.

Exports to Japan Improved in October 2018

In October 2018, trade with Japan which constituted 6.9% of Malaysia's total trade posted an expansion of 4.3% y-o-y to RM12.09 billion. After four consecutive months of decline, exports to Japan rebounded by 10.2% to RM6.61 billion driven by higher exports of LNG, manufactures of metal, wood products, chemicals and chemical products as well as E&E products. Imports from Japan decreased by 2.1% to RM5.48 billion.

On a m-o-m basis, exports, imports and trade increased by 25.7%, 6.7% and 16.3%, respectively.

For the first 10 months of 2018, trade with Japan amounted to RM109.72 billion, lower by 4.8% from the same period last year. Exports to Japan valued at RM57.07 billion, contracting by 8.8% on account of lower exports of LNG and E&E products. However, higher exports were registered for chemicals and chemical products, manufactures of metal, iron and steel products as well as petroleum products. Imports from Japan grew marginally to RM52.66 billion.

Trade with FTA Partners

In October 2018, trade with Free Trade Agreement (FTA) partners which accounted for 63.2% of Malaysia's total trade registered a double-digit increase of 14.8% to RM111.52 billion. Exports to FTA partners amounted to RM60.48 billion, an increment of 19.3% and imports expanded by 9.9% to RM51.03 billion.

Exports to Australia surged by 47% to RM3.94 billion, attributed mainly to higher exports of petroleum products, the ROK (↑28.4% to RM2.99 billion, LNG) and India (↑17.4% to RM3.04 billion, crude petroleum).

Compared to September 2018, trade, exports and imports rose by 19.6%, 21.6% and 17.2%, respectively.

Trade with FTA partners for the first 10 months of 2018 which accounted for 62.3% of Malaysia's total trade rose by 4.4% to RM970.09 billion. Exports for this period amounted to RM509.37 billion, an increase of 4.8% while imports totalled RM460.72 billion, growing by 3.9%.

Other Markets Registering Higher Exports

In October 2018, other markets with significant growth in exports were Hong Kong SAR and Taiwan. Exports to Hong Kong SAR expanded by 42.1% y-o-y to RM7.32 billion, mainly driven by higher exports of E&E products. Exports to Taiwan surged by 63% to RM3.74 billion, on account of higher exports of E&E products as well as petroleum products.

Domestic Export Performance

In October 2018, domestic exports which accounted for 78.4% of Malaysia's total exports increased by 12.1% to RM75.55 billion, registering the fastest y-o-y growth since December 2017. On a m-o-m basis, domestic exports were higher by 13.7%.

During the first 10 months of 2018, domestic exports rose by 1% to RM660.25 billion.

Re-export Performance

In October 2018, re-exports were valued at RM20.83 billion, a growth of 43.8% y-o-y.

On a m-o-m basis, re-exports increased by 26%. For January-October 2018, re-exports expanded by 43.8% to RM169.64 billion.

Import Performance

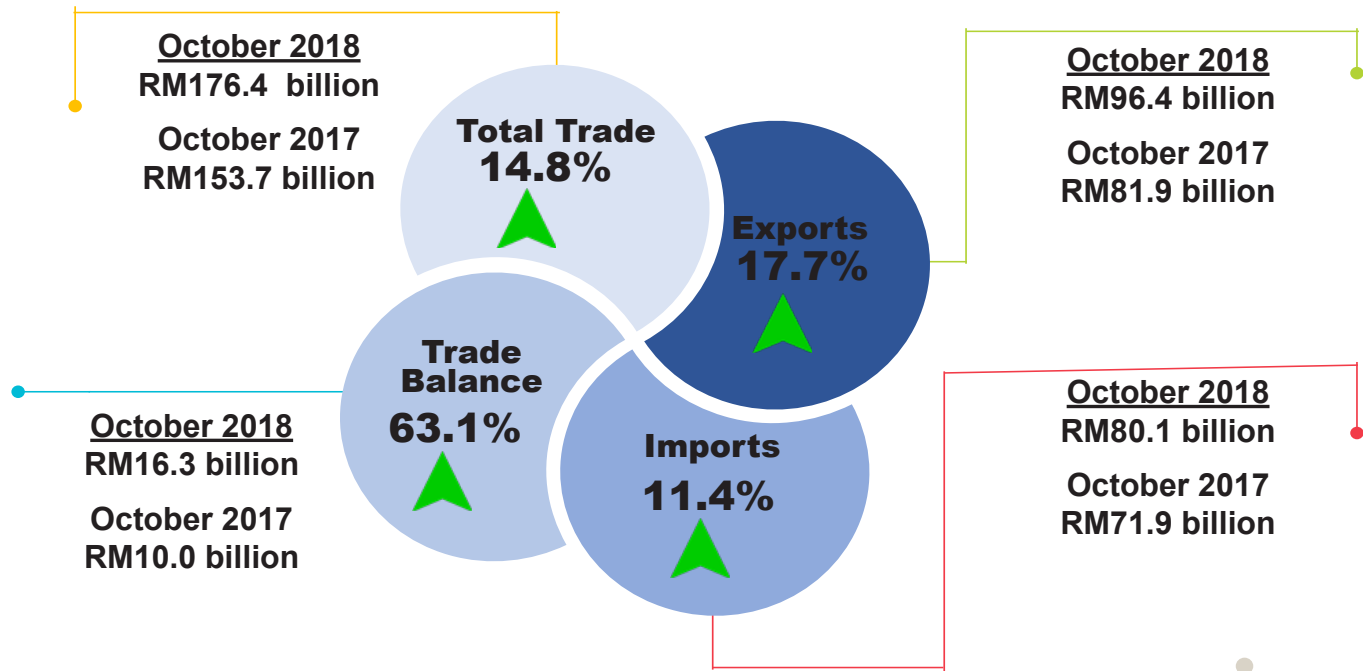
In October 2018, imports increased by 11.4% y-o-y to RM80.05 billion. The three main categories of imports by end use which accounted for 68.9% of total imports were:

- Intermediate goods, valued at RM39.31 billion or 49.1% of total imports, increased by 1%, as a result of higher imports of primary fuel and lubricants, particularly mineral fuels, oils and distillation products, bituminous substances and mineral waxes;
- Capital goods, valued at RM9.44 billion or 11.8% of total imports, declined by 1.6%, led by lower imports of capital goods (except transport equipment), particularly parts for machinery and mechanical appliances; and
- Consumption goods, valued at RM6.4 billion or 8% of total imports, up by 7.6%, on account of higher imports of non durable goods, particularly pharmaceutical products.

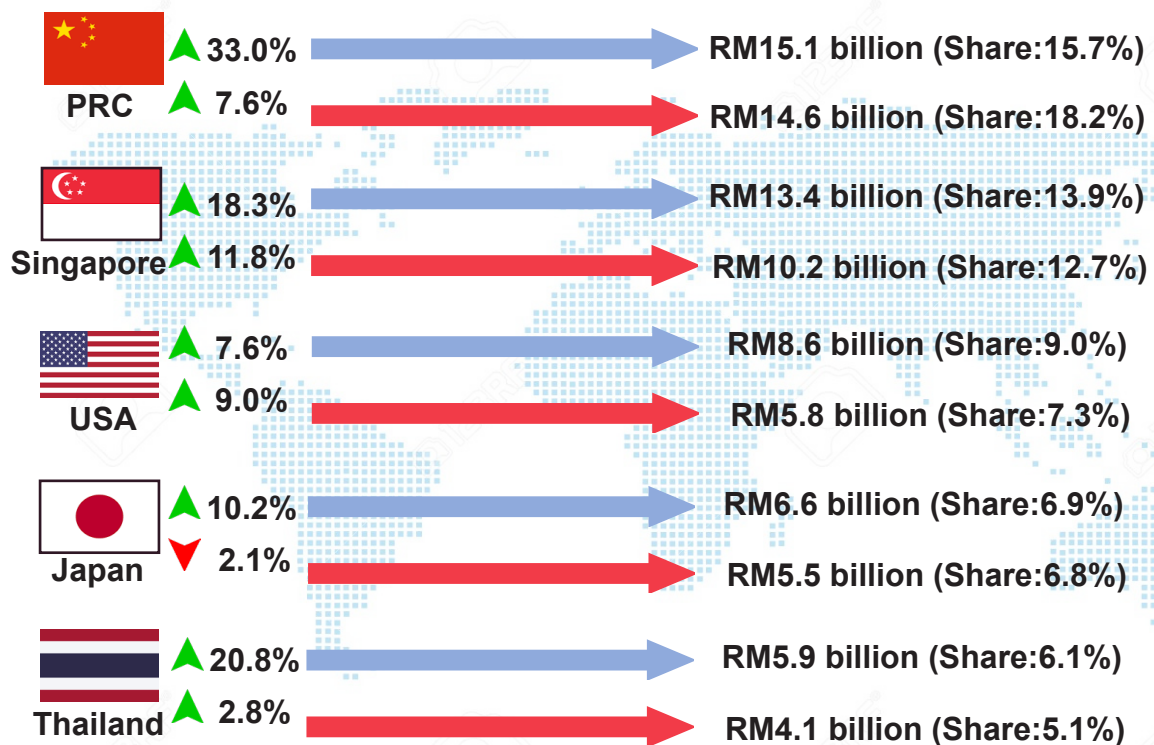
During January-October 2018, imports amounted to RM727.88 billion, grew by 5.4% from the corresponding period of 2017. Intermediate goods totalled RM380.52 billion, dropped by 4.9%, capital goods (RM92.14 billion, ↓1%) and consumption goods (RM59.57 billion, ↑2.3%).

Trade Performance

Exports hit record high of **RM96.4b** in October



Major Trading Partners



Exports
 Imports

Notes: % refers to year-on-year change
Source: Department of Statistics, Malaysia

Major Export / Import Products, October 2018

Major Exports



Electrical & Electronic Products
 Oct 2018 : RM38.3 bil
 Oct 2017 : RM31.1 bil
 Change : 23.3%



Petroleum Products
 Oct 2018 : RM8.1 bil
 Oct 2017 : RM6.2 bil
 Change : 31.2%



Chemicals & Chemical Products
 Oct 2018 : RM5.7 bil
 Oct 2017 : RM4.2 bil
 Change : 36.5%



Manufactures of Metal
 Oct 2018 : RM4.4 bil
 Oct 2017 : RM3.4 bil
 Change : 29.0%



Palm Oil & Palm Oil-Based Agriculture Products
 Oct 2018 : RM4.1bil
 Oct 2017 : RM5.0 bil
 Change : -17.3%

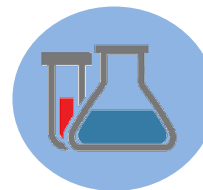
Major Imports



Electrical & Electronic Products
 Oct 2018 : RM23.6 bil
 Oct 2017 : RM21.8 bil
 Change : 8.6%



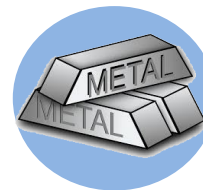
Petroleum Products
 Oct 2018 : RM9.4 bil
 Oct 2017 : RM7.2 bil
 Change : 30.3%



Chemicals & Chemical Products
 Oct 2018 : RM7.7 bil
 Oct 2017 : RM6.3 bil
 Change : 23.4%



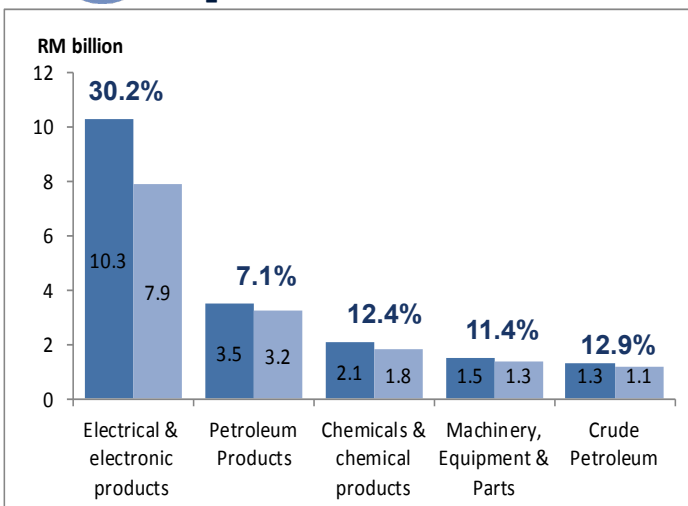
Machinery, Equipment & Parts
 Oct 2018 : RM6.2 bil
 Oct 2017 : RM6.9 bil
 Change : -9.5%



Manufactures of Metal
 Oct 2018 : RM4.3 bil
 Oct 2017 : RM3.8 bil
 Change : 11.3%

Major Export / Import Products to ASEAN countries, October 2018

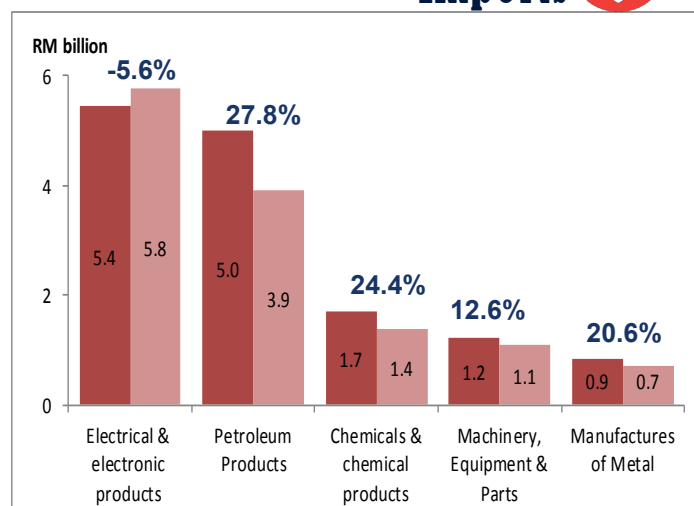
Exports



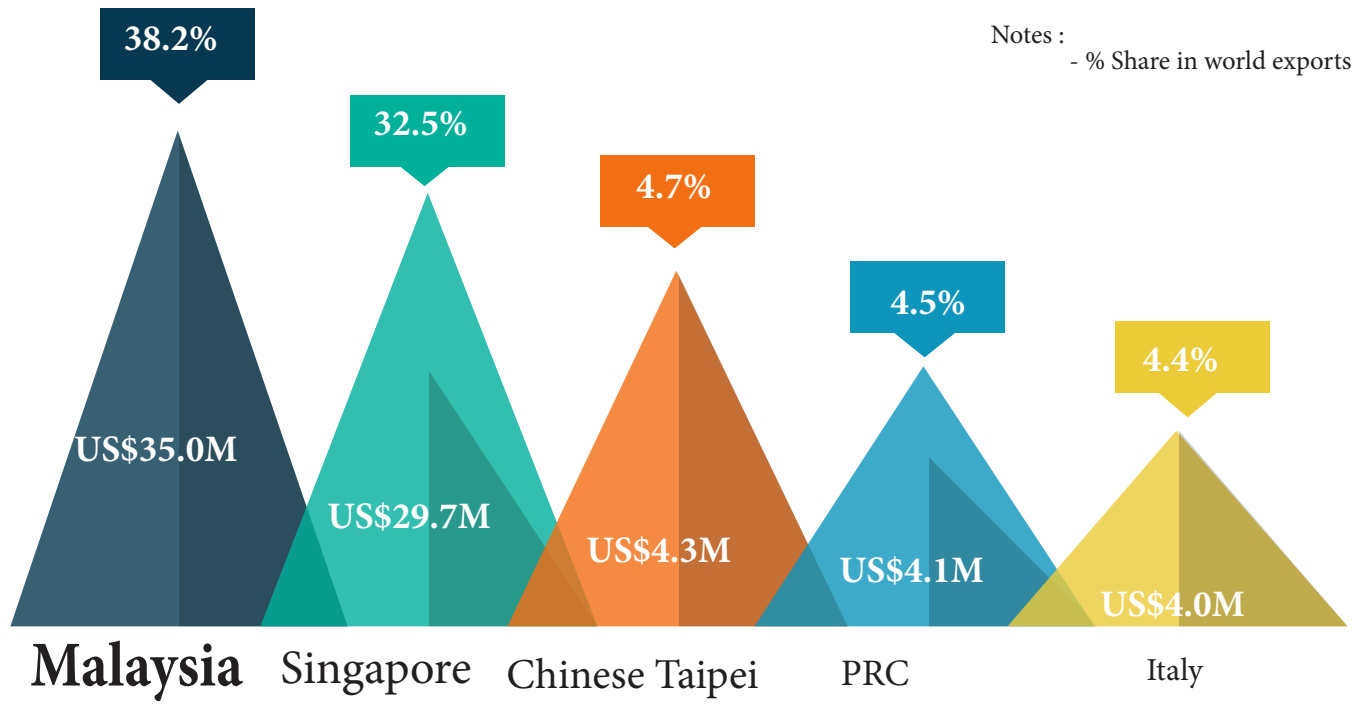
Note:
 % Y-o-Y Growth

Source: Department of Statistics, Malaysia

Imports

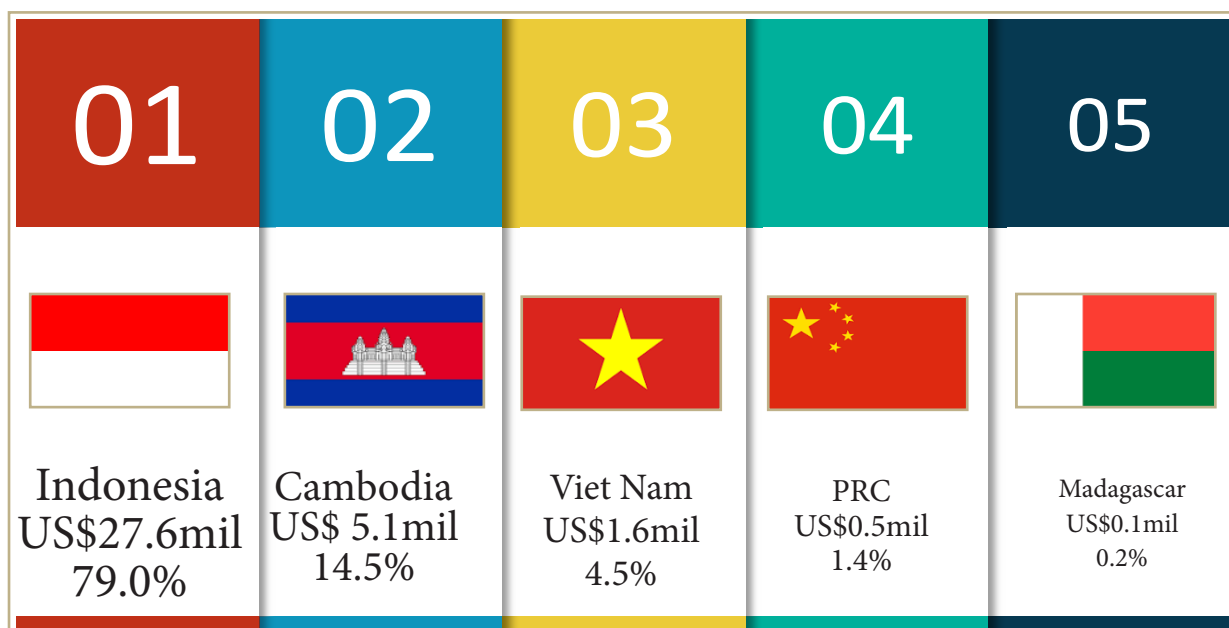


Malaysia was ranked number one exporter for looped pile fabrics, knitted or crocheted (excluding of cotton or man-made fibres)*, in 2017



Notes :
- % Share in world exports

Malaysia's top five export destinations for looped pile fabrics, knitted or crocheted (excluding of cotton or man-made fibres)* in 2017



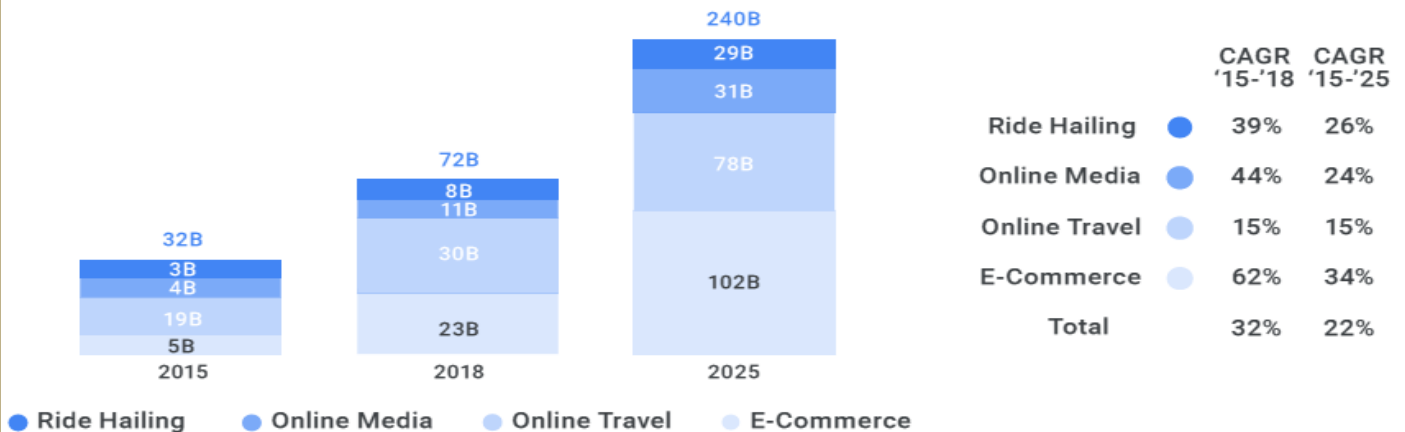
Notes :
- % Share in Malaysia's export
- *Refers to HS 600129

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

Southeast Asia's internet economy hits an inflection point

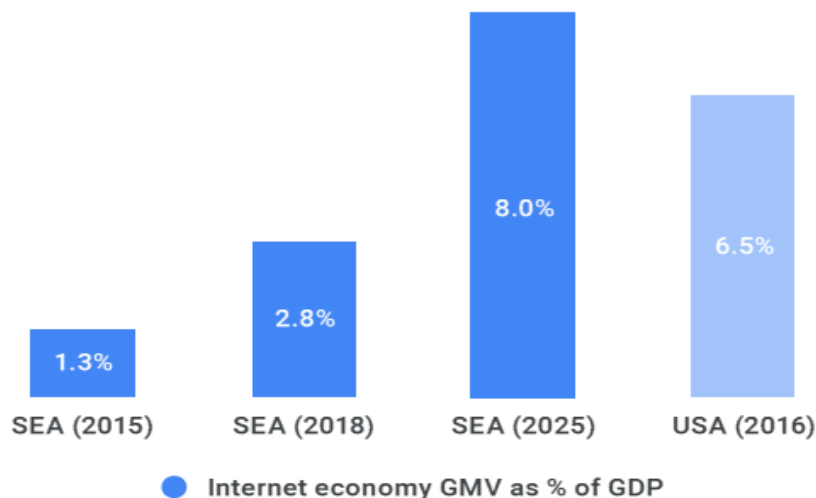
Southeast Asia's internet economy reached \$72 billion in 2018 and is on track to exceed \$240 billion by 2025, \$40 billion higher than previously estimated.

SEA internet economy market size (GMV, \$B)



With the addition of the new sectors of Online Vacation Rentals, Online Food Delivery, and Subscription Music & Video on Demand, and amid the accelerated growth observed across all sectors, the internet economy in the region is on track to exceed \$240 billion by 2025 - \$40 billion higher than previously estimated.

Internet economy GMV as % of GDP



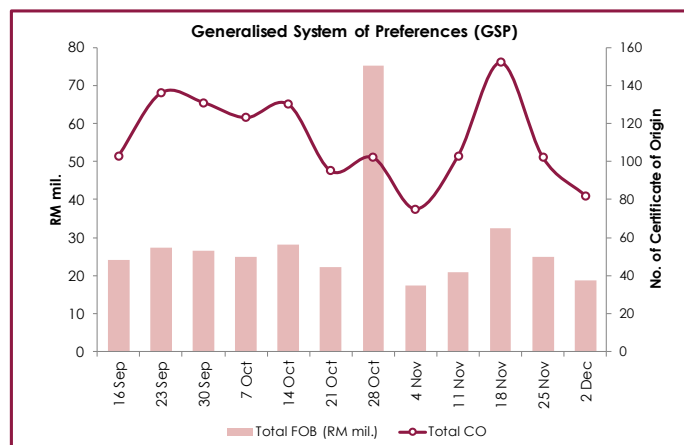
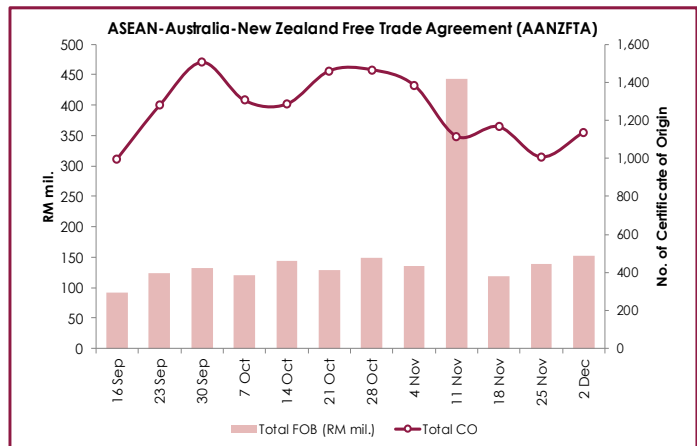
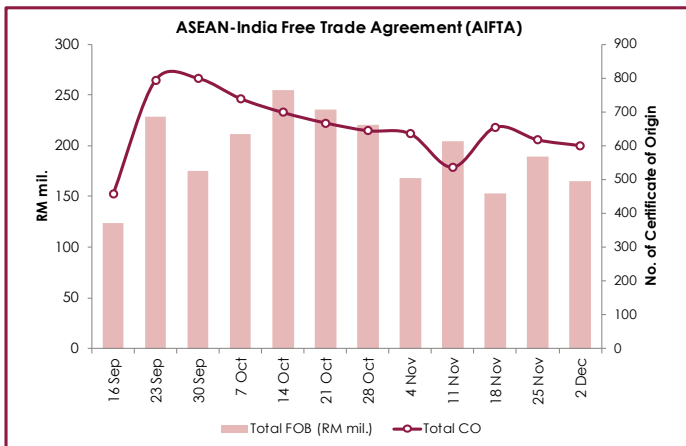
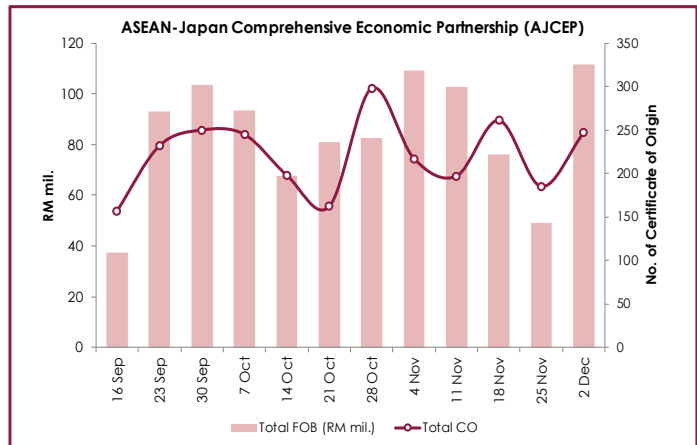
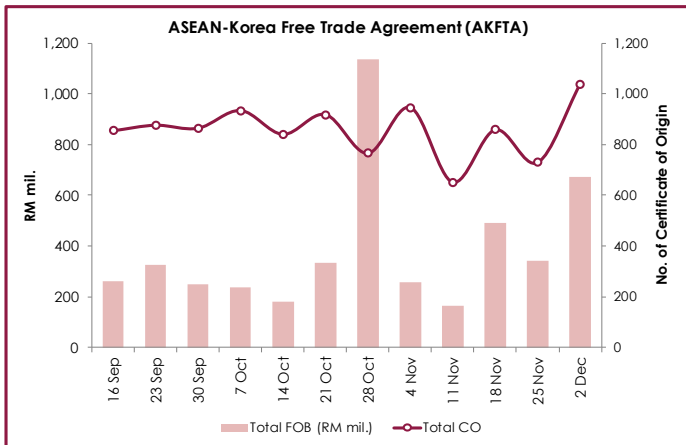
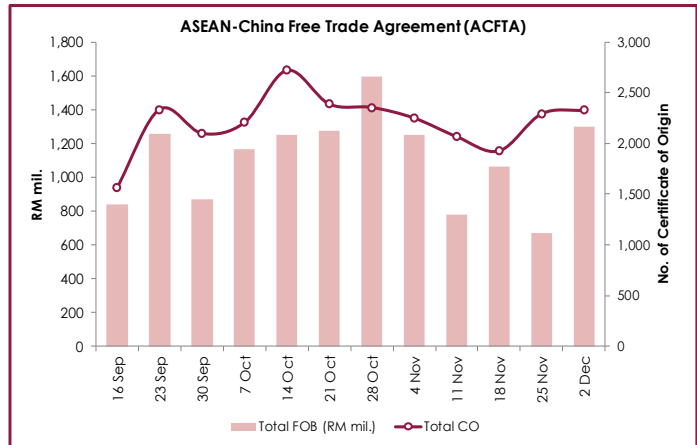
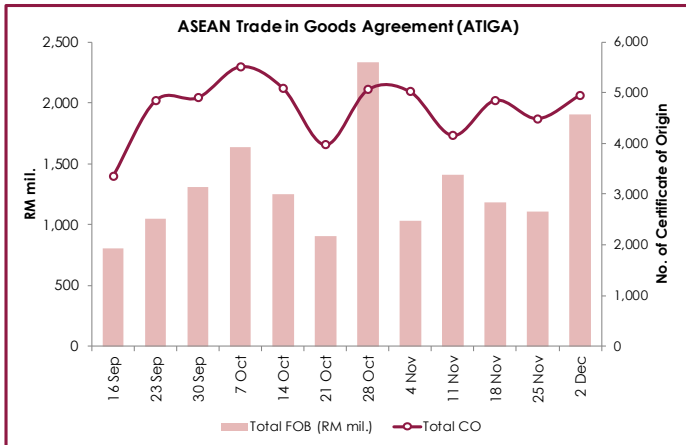
The GMV of the internet economy stands at 2.8% of Southeast Asia's gross domestic product (GDP) in 2018 - up from 1.3% in 2015 - and is projected to exceed 8% by 2025. To put that into perspective, Southeast Asia is still trailing almost 10 years behind the U.S., where the GMV of the internet economy already accounted for 6.5% of GDP back in 2016. The gap, however, has started to narrow.

Note:

GMV : gross merchandise value

Source: Report e-Economy SEA 2018

Number and Value of Preferential Certificates of Origin (PCOs)

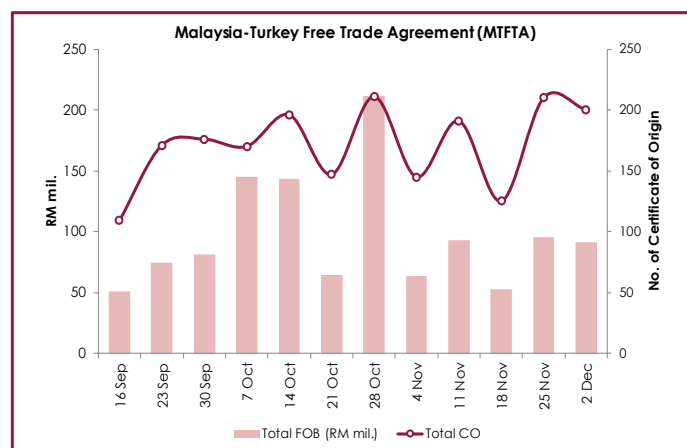
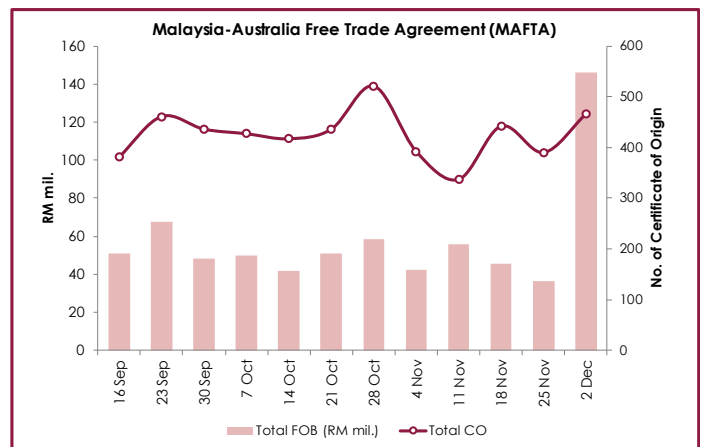
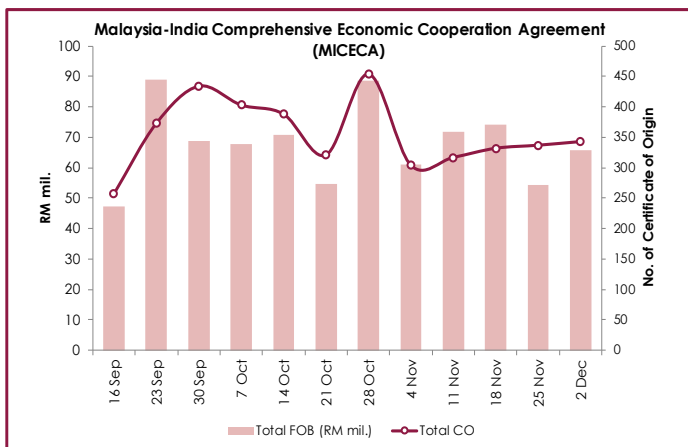
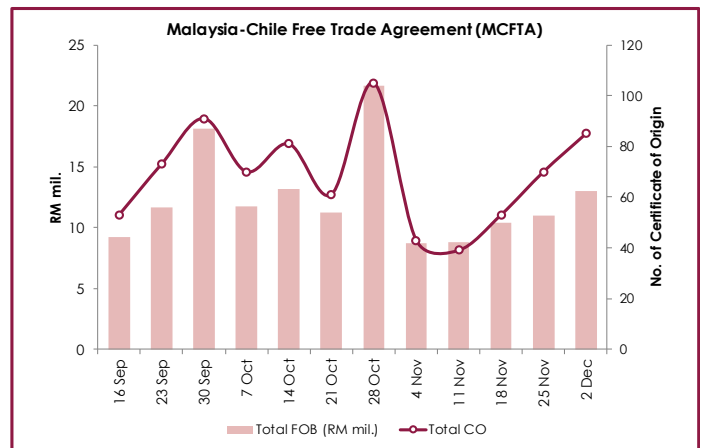
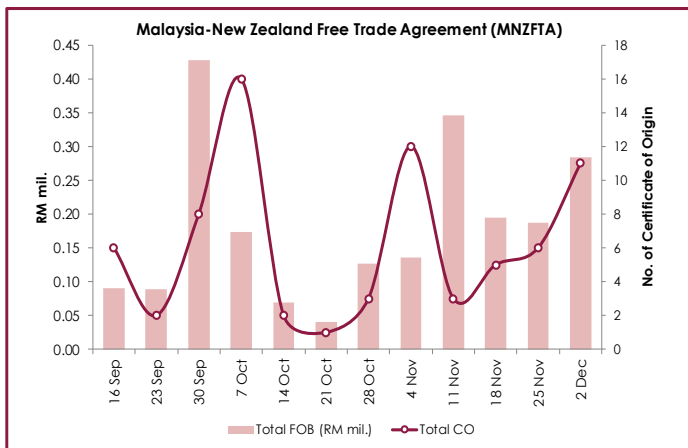
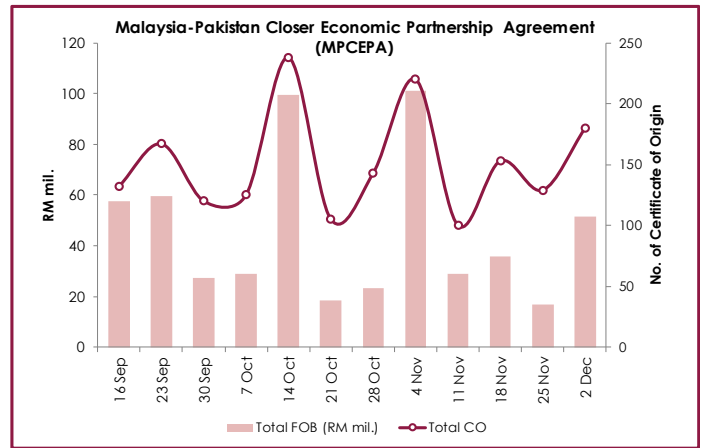
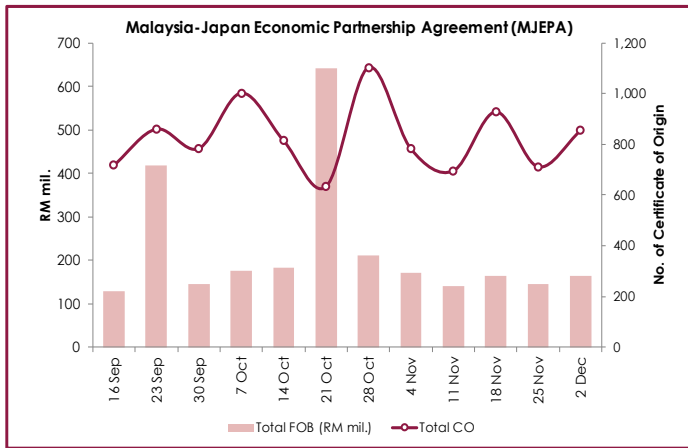


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

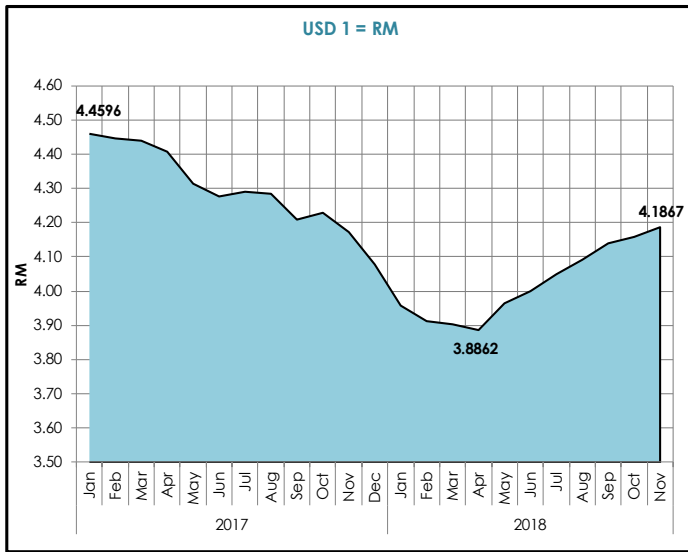
Number and Value of Preferential Certificates of Origin (PCOs)



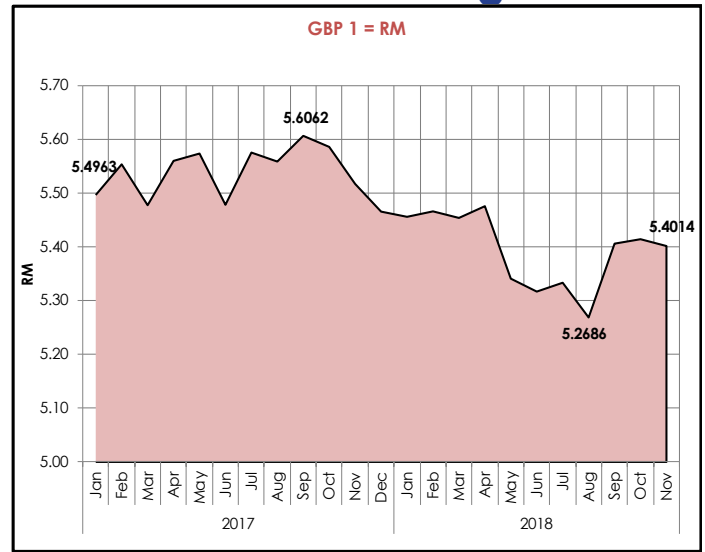
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

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

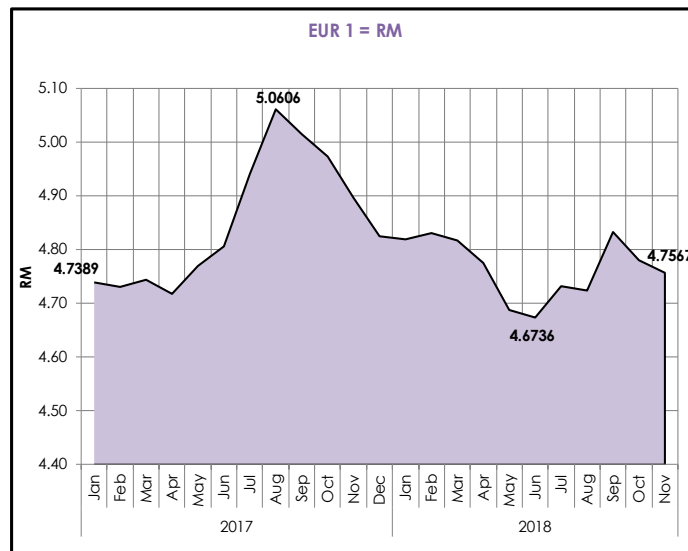
US Dollar



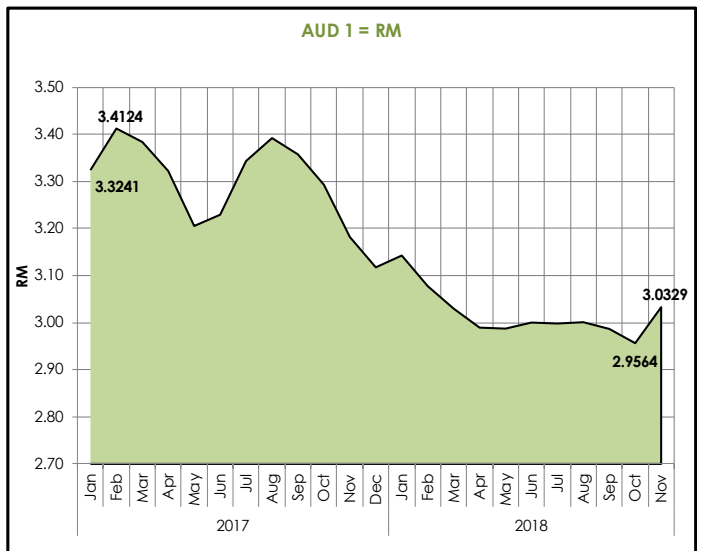
Pound Sterling



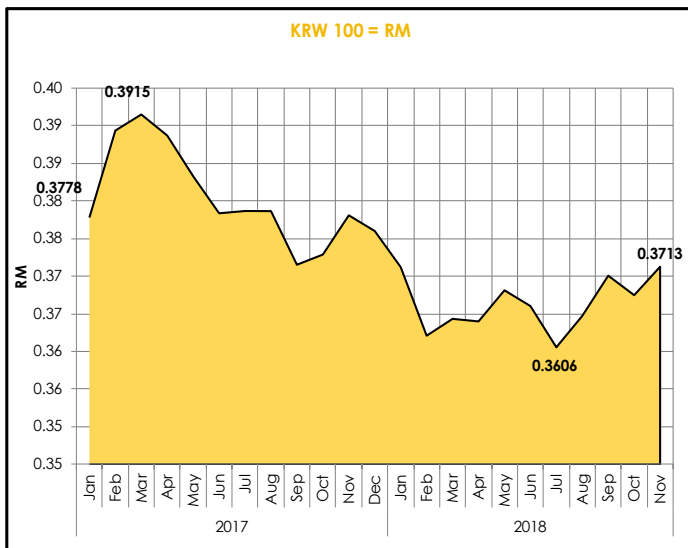
Euro



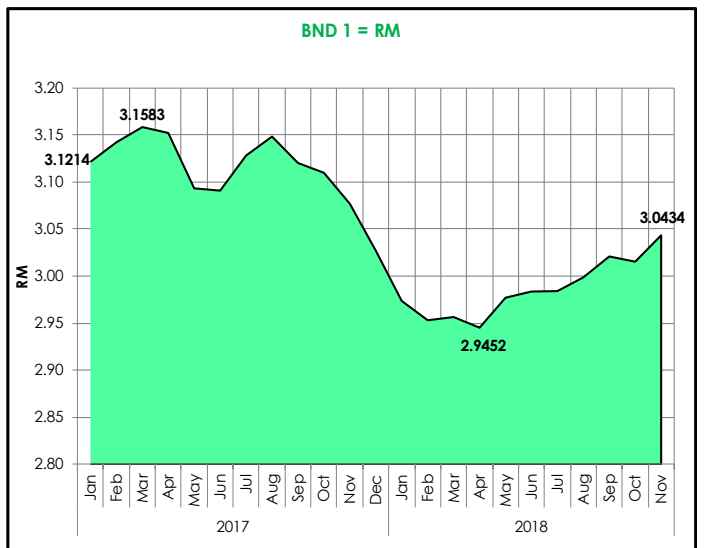
Australian Dollar



South Korean Won



Brunei Dollar



Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▲ **5.0%***
US\$61.7
7 Dec 2018

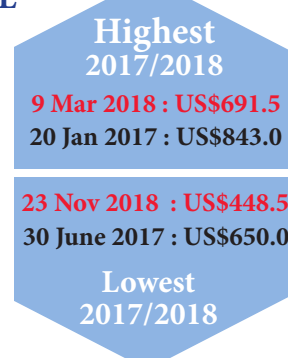


Average Price 2017ⁱ: US\$55.0

CRUDE PALM OIL -per MT-



▲ **1.5%***
US\$468.0
7 Dec 2018



Average Price 2017ⁱ: US\$719.7

RUBBER SMR 20 -per MT-



▲ **1.3%***
US\$1,252.0
7 Dec 2018

Average Price 2017ⁱ: US\$1,646.6

COCOA SMC 2 -per MT-



▼ **3.6%***
US\$1,369.5
7 Dec 2018

Average Price 2017ⁱ: US\$1,439.0

SUGAR -per lbs-

▲ **0.2%***
US¢12.9
7 Dec 2018



Average Price 2017ⁱ: US¢15.8

COAL -per MT-



▲ **1.5%***
US\$74.7
7 Dec 2018

Average Price 2017ⁱ: US\$57.2

SCRAP IRON HMS -per MT-



▼ **7.9%*** : ▼ **8.6%***
US\$350.0 : US\$320.0
(high) : (low)
7 Dec 2018

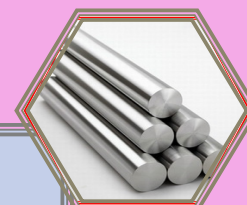
Average Price 2017ⁱ: US\$314.5

Domestic Prices

7 Dec 2018



Billets
(per MT)
RM2,100 - RM2,200



Steel Bars
(per MT)
RM2,200 - RM2,350

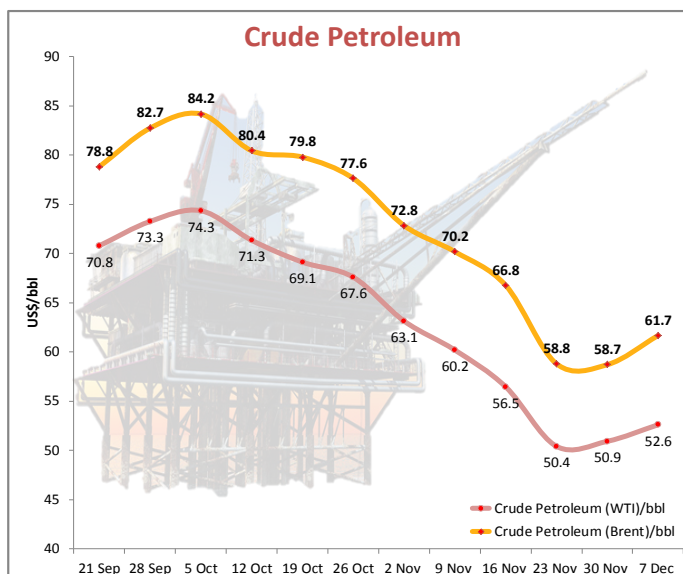
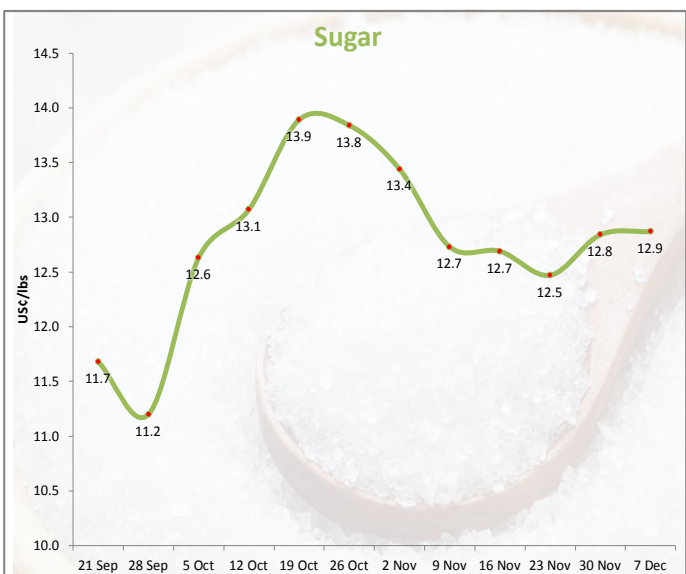
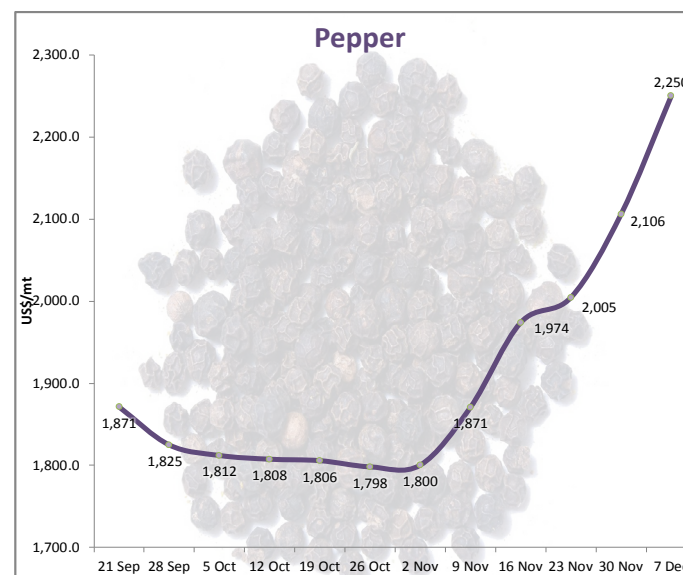
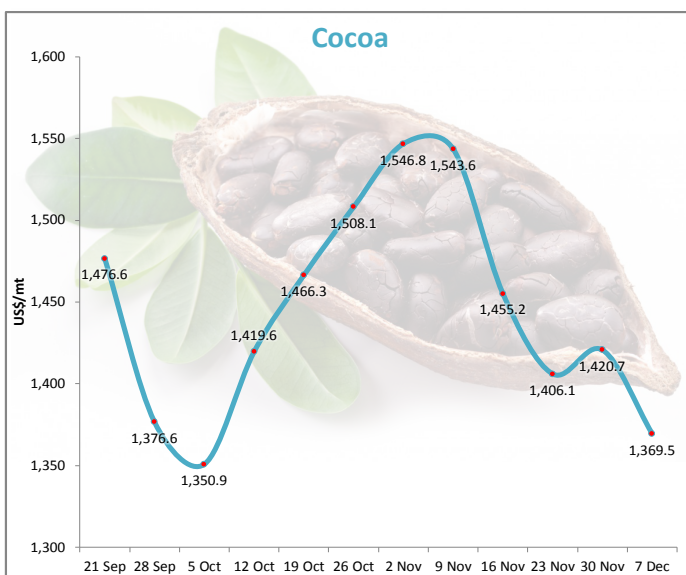
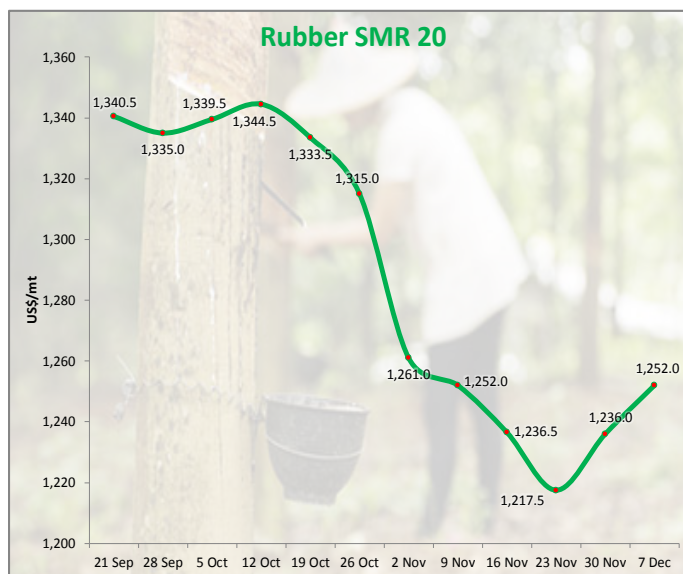
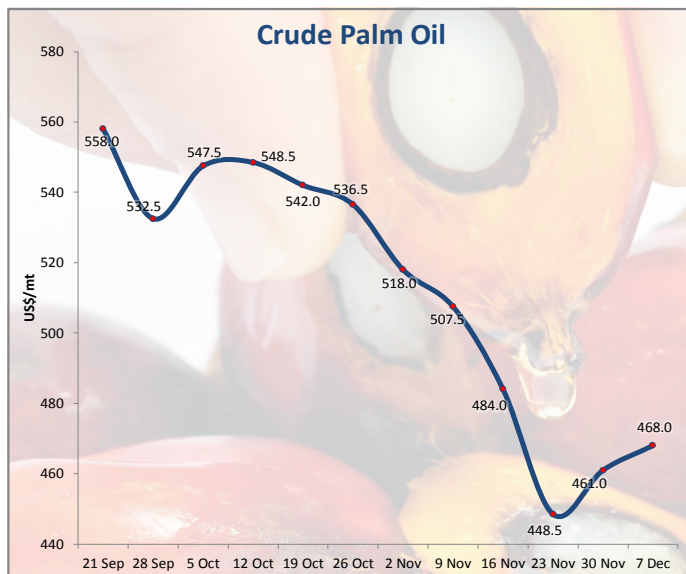
Notes: All figures have been rounded to the nearest decimal point

* Refer to % change from the previous week's price

ⁱ Average price in the year except otherwise indicated

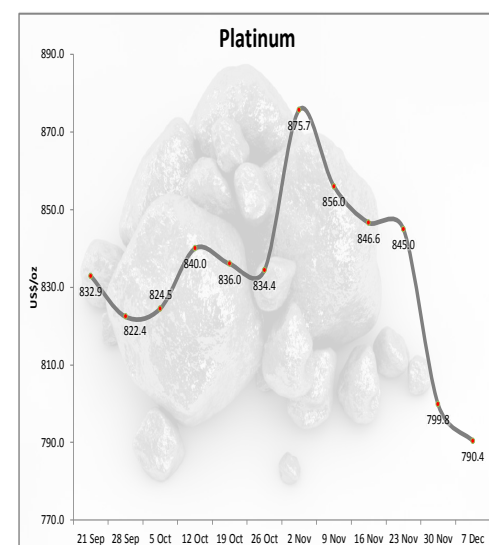
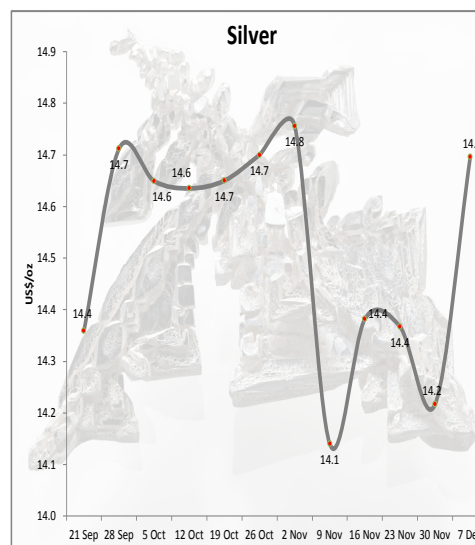
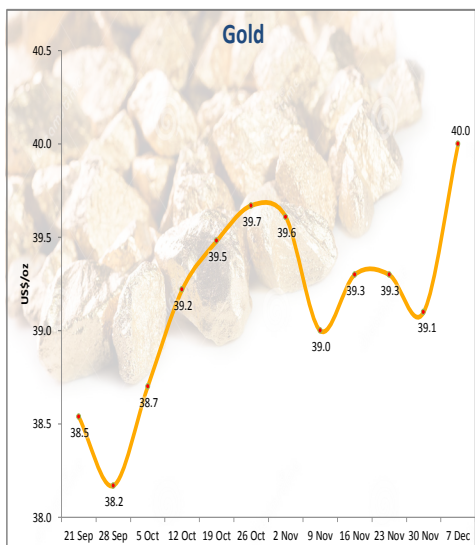
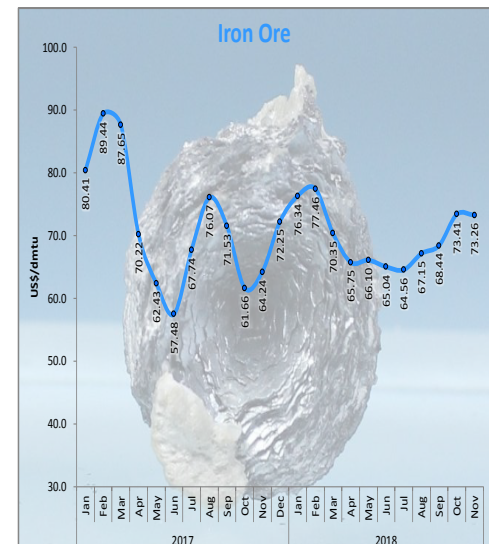
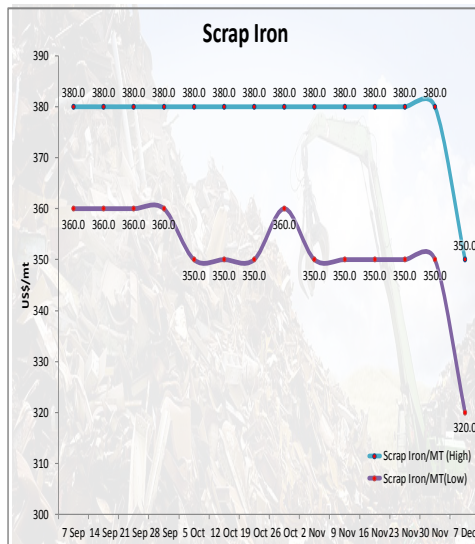
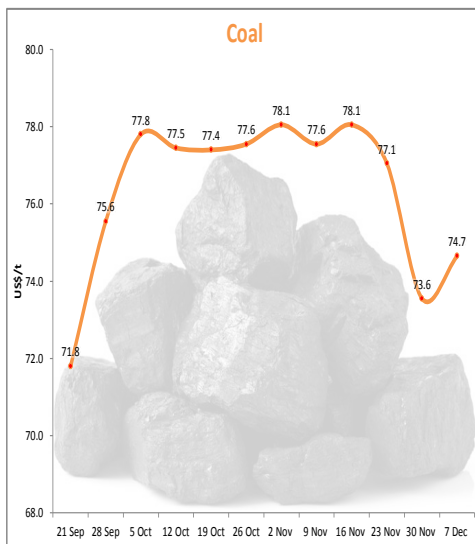
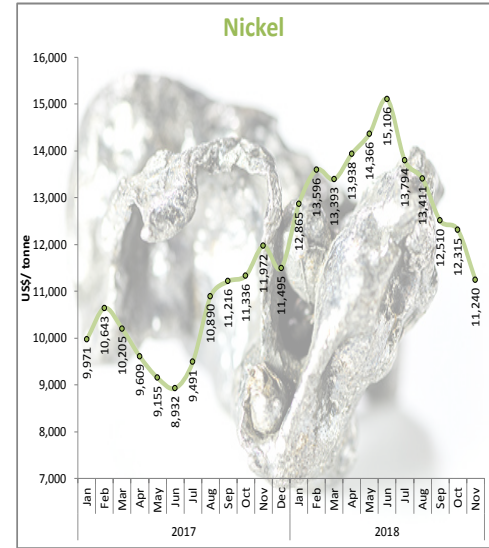
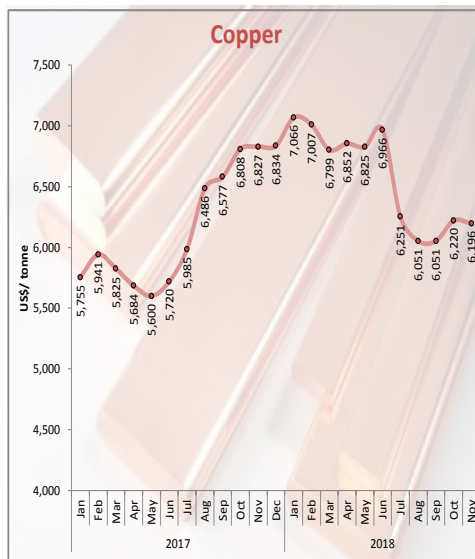
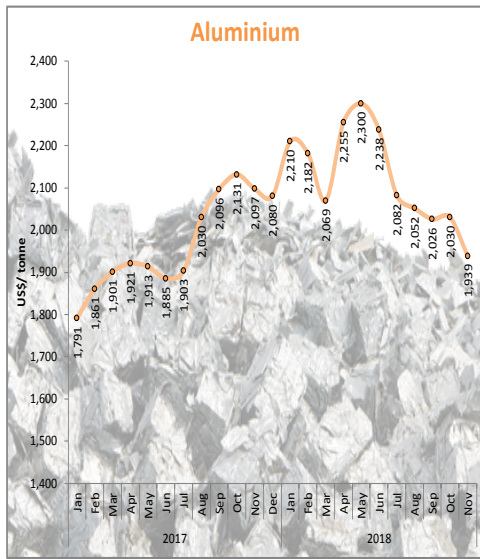
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

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.

Minister at the Exchange of Artificial Intelligence Development MOU Between MIMOS and Microsoft 10 December 2018

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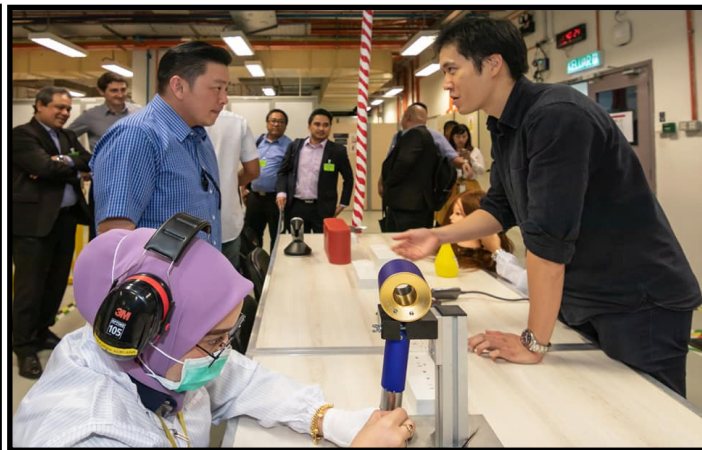


Minister at Youth Export Day 8 December 2018



MITI PROGRAMMES

Minister working visit to Iskandar Regional Development Authority, Johor 5 December 2018



MITI PROGRAMMES

ANNOUNCEMENTS

MITI POCKET TALK

A SERIES OF SESSION FOR THE PRIVATE SECTOR

Information on the benefits of **Free Trade Agreements (FTAs)** and current updates

Introduction on **Preferential Certificates of Origin (PCO)** application procedures



Enjoy **LOWER Tariffs** on Imports

Gain **COMPETITIVE EDGE** by utilising the FTAs



When?
Once a month



Where?
MITI Tower Kuala Lumpur
or
MITI Regional Offices



Fees?
Free of Charge
with light refreshments

For more information, please contact the Secretariat



03-6200 0488/89/57



allaki@miti.gov.my

Tentative Schedule for MITI Pocket Talks 2018

No	Date	Venue	Topic
1	12-Dec	MITI Sarawak	Introduction to FTA & Preferential Certificate of Origin (PCO)

Please click [here](#) to register



For more information, kindly click the following links:

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

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_Vintage_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 Card is temporarily 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>

Heartiest Congratulations

YBHG. DATO' SRI NORAZMAN BIN AYOB
Deputy Secretary General (Trade), MITI

on being conferred the state award of

'DARJAH KEBESARAN NEGERI PAHANG, SRI SULTAN AHMAD SHAH PAHANG (SSAP)'
Which carries the title of

"Dato' Sri"

8 December 2018



@ Your Service MITI Geneva



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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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