



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

VOLUME 581

7 April 2020 | NO. ISSN : 2180-0448 MALAYSIA EXTERNAL TRADE STATISTICS TRADE PERFORMANCE FOR FEBRUARY 2020 AND THE PERIOD OF JANUARY- FEBRUARY 2020

February 2020 - the Fastest Export Growth y-o-y since November 2018

Malaysia's trade in February 2020 registered a double-digit growth of 11.6% to RM136.28 billion compared to February 2019. Higher

trade was recorded with the United States (US), Singapore, the Republic of Korea (ROK), China and Taiwan. Exports picked up sharply by 11.8% to RM74.45 billion, compared to a 1.5% decline in January 2020. This was the strongest year-on-year (y-o-y) growth in 16 months. Imports expanded by 11.3% to RM61.83 billion.

Trade surplus in February 2020 was valued at RM12.62 billion, grew by 14.1% compared to February 2019. This was the largest trade surplus recorded for the month of February thus far and the 268th consecutive month of surplus.

Compared to January 2020, trade, exports and imports posted a decline of 12.7%, 11.5% and 14.2%, respectively. Trade surplus increased by 4.9%.

Malaysia's trade over the past 2 months grew by 3.9% to RM292.48 billion. Higher trade was recorded with the US, Singapore, the ROK, Indonesia and India. Exports during the period registered an increase of 4.3% to RM158.57 billion and imports rose by 3.5% to RM133.91 billion.

Malaysia's trade surplus in January to February 2020 was valued at RM24.65 billion, expanded by 9.2% compared to RM22.57 billion for the same period of 2019.

Export Performance of Major Sectors

Double-Digit Growth in Exports of Manufactured and Agriculture Goods

Exports of manufactured goods in February 2020, which constituted 84.8% of total exports, expanding by 13.1% y-o-y to RM63.12 billion. Higher exports were

recorded for almost all manufactured goods except for electrical and electronic (E&E) products as well as beverages and tobacco.

The main contributors to the increase were iron and steel products, optical and scientific equipment, petroleum products, machinery, equipment and parts, wood products as well as processed food.

Exports of mining goods (7.6% share) declined by 3% to RM5.63 billion. This was mainly due to lower exports of crude petroleum. However, exports of liquefied natural gas (LNG) was higher by 7.1%.

Exports of agriculture goods (7% share) registered a double-digit growth of 15.8% to RM5.19 billion mainly due to expansion in exports of palm oil and palm oil-based agriculture products, particularly palm oil which posted an increase of 17.1% compared to February 2019.

Major exports in February 2020:

•E&E products, valued at RM25.11 billion and constituted 33.7% of total exports, decreased by 2.7% from February 2019;

Petroleum products, RM5.05 billion, 6.8% of total exports, increased by 17%;

Chemicals and chemical products, RM4.3 billion, 5.8% of total exports, increased by 9.6%;

Palm oil and palm oil-based agriculture products, RM3.56 billion, 4.8% of total exports, increased by 17.1%; and

•Machinery, equipment and parts RM3.48 billion, 4.7% of total exports, increased by 23%.

On a month-on-month (m-o-m) basis, exports of manufactured goods, mining goods and



agriculture goods contracted by 11.1%, 21.3% and 3.6%, respectively.

Over the last 2 months, exports of manufactured goods accelerated by 6.4% to RM134.15 billion compared to the same period a year ago, underpinned by higher exports of petroleum products, iron and steel products as well as optical and scientific equipment.

Exports of mining goods contracted by 13.4% to RM12.78 billion mainly due to lower exports of LNG. Exports of agriculture goods rose by 4.7% to RM10.58 billion attributed to higher exports of palm oil and palm oil-based agriculture products.

Trade Performance with Major Markets

Double-Digit Export Growth to Almost All ASEAN Countries

Trade with ASEAN in February 2020 expanded by 10% y-o-y to RM36.17 billion or accounted for 26.5% share of Malaysia's total trade. Exports to ASEAN valued at RM21.47 billion, surged by 14.6%, the fastest growth since November 2018. The expansion was contributed by higher exports of petroleum products, iron and steel products, chemicals and chemical products as well as machinery, equipment and parts. Imports from ASEAN increased by 3.9% to RM14.7 billion. Breakdown of exports to ASEAN countries:

•Singapore 22.5%	RM11.16 billion, increased	by
 Thailand 	RM3.47 billion, ↓12.3%	
•Viet Nam	RM2.36 billion, 14.5%	
 Indonesia 	RM2.34 billion, ↑21.6%	
•Philippines	RM1.59 billion, ↑34.3%	
•Myanmar	RM271.6 million, ↑63.8%	
•Brunei	RM172.2 million, ↑16.4%	
•Cambodia	RM108.1 million, ↓41.8%	
•Lao PDR	RM4.3 million, ↑72.4%	

Significant export increases were recorded to Singapore, which expanded by RM2.05 billion due to higher exports of petroleum products, Indonesia (↑RM416.6 million, chemicals and chemical products) and the Philippines (↑RM404.6 million, iron and steel products).

Compared to January 2020, trade, exports and imports posted a decrease of 9.7%, 10.5% and 8.6%, respectively.

From January to February 2020, trade with ASEAN increased by 1.9% to RM76.24 billion compared to the same period last year. Exports to this region was valued at RM45.46 billion, up by 4% owing to higher exports of petroleum products, iron and steel products as well as machinery, equipment and parts. Imports from ASEAN declined slightly by 1.2% to RM30.78

billion.

Exports to China Rebounded by 11%

In February 2020, trade with China which represented 14.1% of Malaysia's total trade or RM19.19 billion, increased by 8.6% y-o-y. Exports to China improved by 11% to RM9.44 billion, after a decline of 5.6% in January 2020. This was supported by expansion in exports of iron and steel products, optical and scientific equipment, manufactures of metal as well as palm oil and palm oil-based agriculture products. Imports from China rose by 6.5% to RM9.76 billion.

On a m-o-m basis, trade, exports and imports contracted by 27.3%, 9.3% and 39%.

Trade with China for the period of January to February 2020 stood at RM45.6 billion, decreased by 2.1% compared to the same period of 2019. Exports to China grew by 1.6% to RM19.84 billion, mainly on account of higher exports for iron and steel products, manufactures of metal as well as optical and scientific equipment. Imports from China slipped by 4.8% to RM25.76 billion.

Export to the US Grew for 11 Consecutive Months

Trade with the US in February 2020 which constituted 10.1% of Malaysia's total trade rose by 23.3% to RM13.78 billion. Exports to the US continued to grow for 11 straight months with an increase of 25.5% y-o-y to RM7.93 billion in February 2020. Higher exports of manufactured goods were recorded particularly for E&E products, wood products, optical and scientific equipment, machinery, equipment and parts as well as rubber products. Imports from the US increased by 20.4% to RM5.85 billion.

In comparison with January 2020, trade, export and imports fell by 10.5%, 8.9% and 12.6%, respectively.

During the first 2 months of 2020, trade with the US rose by 19.3% to RM29.19 billion compared to the same period last year. Exports grew by 16.6% to RM16.64 billion driven by higher exports of E&E products, wood products, optical and scientific equipment, machinery, equipment and parts as well as manufactures of metal. Imports from the US increased by 23.1% to RM12.55 billion.

Double-Digit Export Growth to 4 Major EU countries

Trade with the European Union (EU) which contributed 8.4% to Malaysia's total trade registered a decrease of 7.1% y-o-y to RM11.41

billion. Exports amounted to RM6.71 billion, contracted by 4.9%, due to lower exports of E&E products and manufactures of metal. Meanwhile, expansion in exports was seen for palm oil and palm oil-based agriculture products, optical and scientific equipment, palm oil-based manufactured products as well as rubber products. Imports from the EU totalled RM4.7 billion, lower by 10%.

Among the top 10 EU markets which accounted for 91.3% of Malaysia's total exports to the EU, exports to 7 countries recorded positive growth namely, Italy (\uparrow 17.9%),Poland (\uparrow 48.3%), Belgium (\uparrow 10.9%), France (\uparrow 6.5%), Hungary (\uparrow 13.6%), Sweden (\uparrow 5.3%) and Czech Republic (\uparrow 3.3%).

Compared to January 2020, trade, exports and imports decreased by 10.9%, 6.8% and 16.1%, respectively.

Trade with the EU for the first 2 months of 2020 decreased by 7.3% to RM24.21 billion. Exports amounted to RM13.91 billion, declined by 7.4% due to lower exports of E&E products and manufactures of metal. Higher exports however were recorded for palm oil-based manufactured products and petroleum products. Imports from the EU reduced by 7.1% to RM10.29 billion.

Exports to Japan Rebounded after 5 Consecutive Months of Decline

In February 2020, trade with Japan which absorbed 7.9% of Malaysia's total trade rose by 5.5% y-o-y to RM10.73 billion. Exports amounted to RM5.6 billion, a growth of 3.7%, the first increase since September 2019. Expansion in exports were recorded for optical and scientific equipment, petroleum products, chemicals and chemical products, palm oil and palm oil-based agriculture products as well as E&E products. These products collectively expanded by 22.1% to RM2.27 billion. Imports from Japan rose by 7.5% to RM5.13 billion.

On a m-o-m basis, imports rose by 10.7%, while trade and exports slipped by 4.1% and 14.6%.

Over the first 2 months of 2020, trade with Japan increased by 1.1% to RM21.93 billion compared to the same period of 2019. Exports increased marginally by 0.8% to RM12.16 billion, supported by higher exports of optical and scientific equipment, petroleum products, palm oil and palm oilbased agriculture products as well as E&E products. Imports from Japan were higher by 1.5% to RM9.77 billion.



Trade with FTA Partners

In February 2020, trade with Free Trade Agreement (FTA) partners which made up 64.6% of Malaysia's total trade recorded a double-digit growth of 10.3% y-o-y to RM88.05 billion. Exports to FTA partners were valued at RM50.02 billion, an increase of 11.2% and imports grew by 9.2% to RM38.03 billion.

Significant increases in exports were recorded to the ROK, by 51.6% to RM3.41 billion primarily on account of expansion in exports of LNG while Turkey (†42.7% to RM689.6 million) and Pakistan (†71.9% to RM400.5 million) due to higher exports of palm oil and palm oil-based agriculture products, respectively.

Compared to the previous month, trade, exports and imports contracted by 14.8%, 12.2% and 17.9%, respectively.

Trade with FTA partners for the first 2 months of 2020 which comprised 65.4% of Malaysia's total trade amounted to RM191.37 billion, rose by 2.1%. Exports totalled RM107.01 billion, an increase of 2.8% and imports grew by 1.2% to RM84.36 billion.

Import Performance

Total imports in February 2020 were higher by 11.3% to RM61.83 billion from February 2019. The three main categories of imports by end use which accounted for 79.1% of total imports were:

·Intermediate goods, valued at RM38.39 billion or 62.1% share of total imports, increased by 20.4%, buoyed by higher imports of parts and accessories of capital goods (except transport equipment) particularly parts of electrical machinery and equipment;

•Capital goods, valued at RM5.49 billion or 8.9% of total imports, down by 16.9%, due mainly to lower imports of capital goods (except transport equipment), particularly parts of machinery and mechanical appliances; and

•Consumption goods, valued at RM5.02 billion or 8.1% of total imports, rose by 10.1%, supported by higher imports of processed food & beverages mainly for household consumption, particularly meat.

During January to February 2020, imports amounted to RM133.91 billion, grew by 3.5% from the same period of 2019. Intermediate goods totalled RM77.24 billion, increased by 11.4%, capital goods (RM13.14 billion, \downarrow 15.7%) and consumption goods (RM11.47 billion, \uparrow 3.6%).

> Ministry Of International Trade And Industry 04 April 2020

Malaysia's External Trade, February 2020

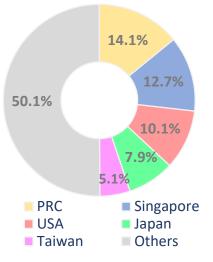


Both exports and imports posted an increase of 11.8% and 11.3% respectively

	Feb. 2020	Feb. 2019	Growth (%)
	RM Billion		
Exports	74.5	66.6	11.8
Imports	61.8	55.5	11.3
Trade Balance	12.6	11.1	14.1
Total Trade	136.3	122.1	11.6

Note: % refer to Y-o-Y Growth

Top Five Trading Partners



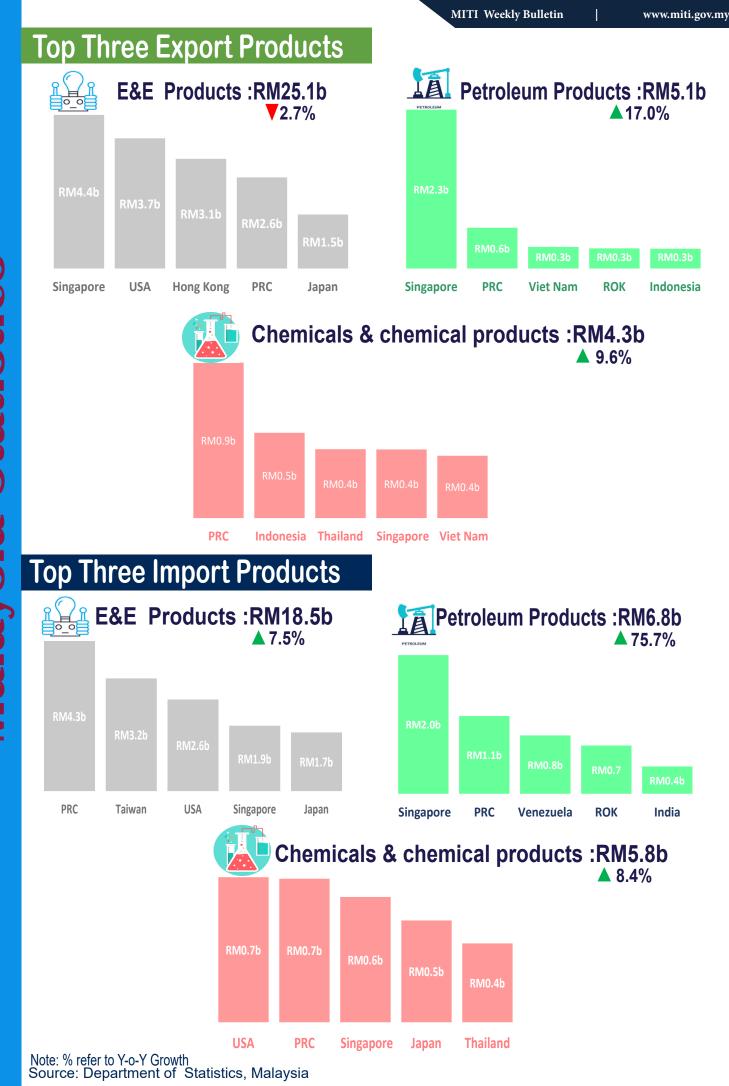
Note: % share to total Trade

PRC Singapore USA Japan Taiwan RM19.2b RM17.4b RM13.8b RM10.7b RM7.0b

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Malaysia Statistics

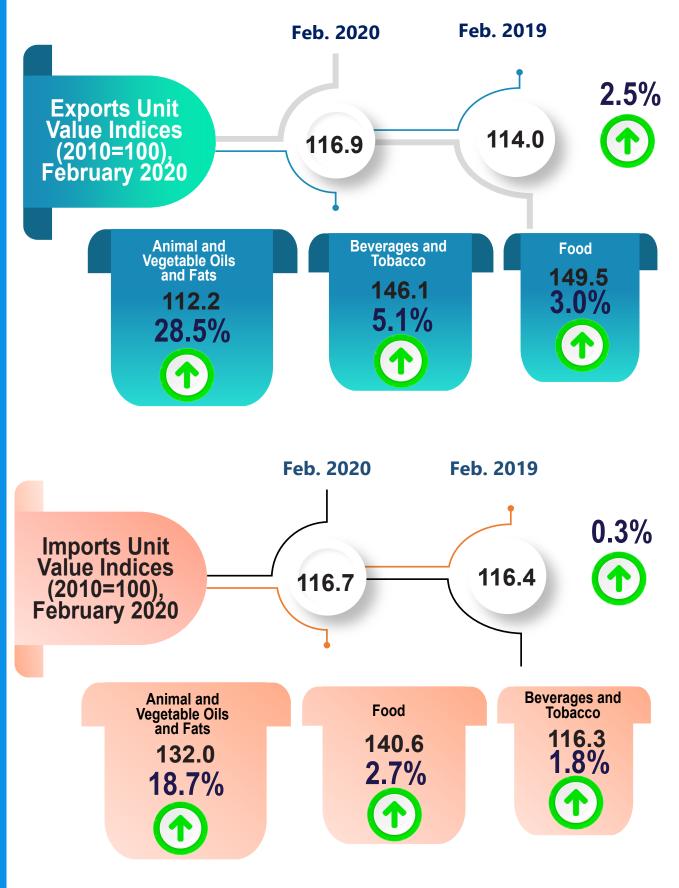
Source: Department of Statistics, Malaysia



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MALAYSIA EXTERNAL TRADE INDICES, FEBRUARY 2020

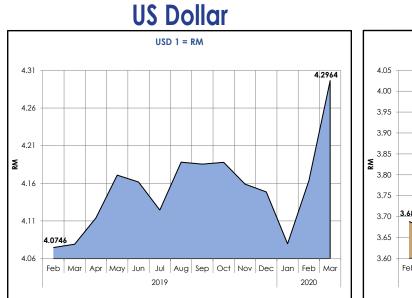
Both the exports and imports unit value indices increased 2.5% and 0.3% respectively

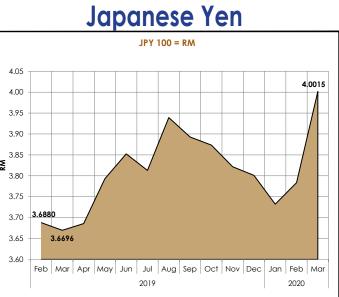


Malaysia Statistics

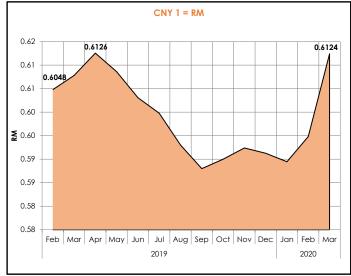
Note: % refer to Y-o-Y Growth Source: Department of Statistics, Malaysia

Malaysian Ringgit Exchange Rate with Selected Countries, February 2019 - March 2020

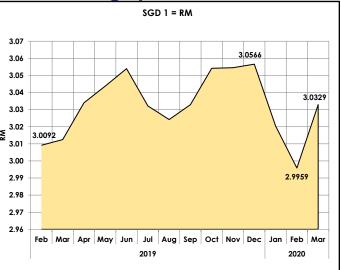




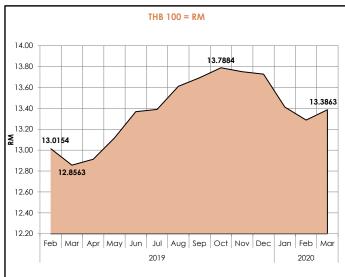
Chinese Yuan



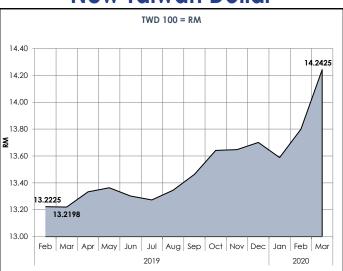
Singapore Dollar



Thai Baht



New Taiwan Dollar



Source : Bank Negara Malaysia

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Commodity Prices



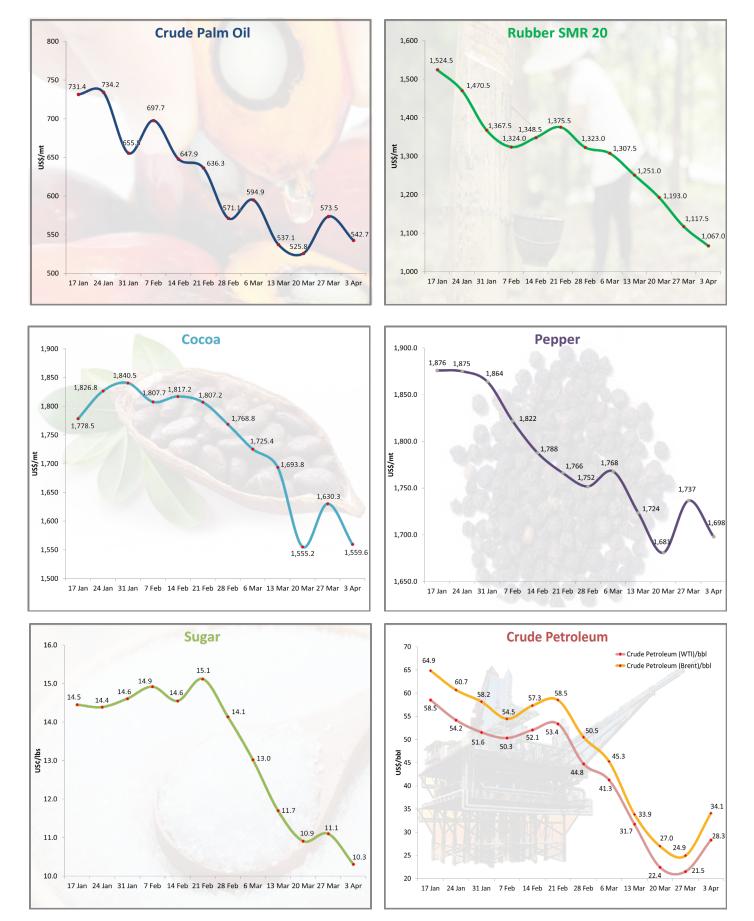
i Average price in the year except otherwise indicate

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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.

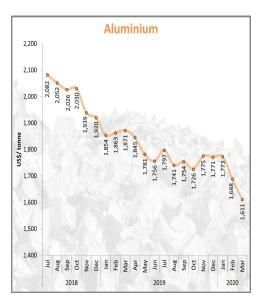
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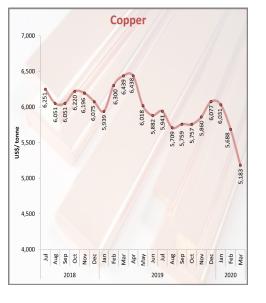
Commodity Price Trends

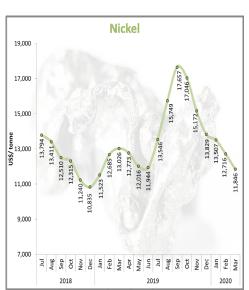


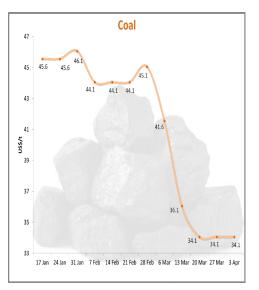
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

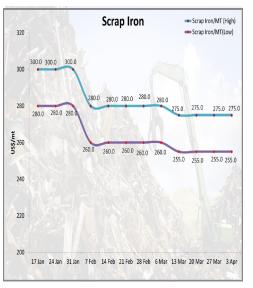
Commodity Price Trends

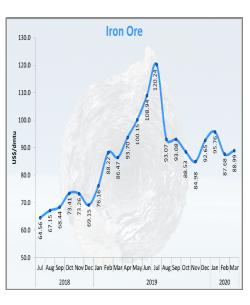


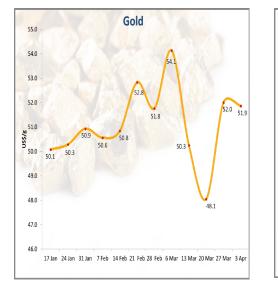


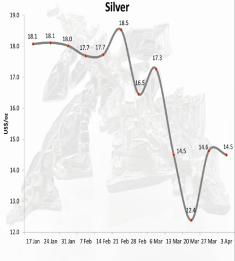


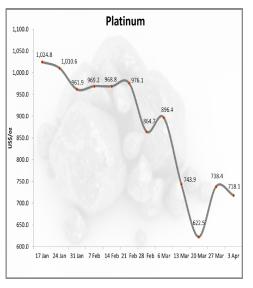












Sources: Ministry of International Trade and Industry Malaysia, , Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

MITI Weekly Bulletin

Deputy MITI Minister with Special Task Force on Food Supply and Needs under the Movement Control (CPP) Order COVID-19 visited two hand sanitizer production plants Amlion Personal Care Mfg Sdn. Bhd. and Acme Chemicals 5 April 2020 (Malaysia) Sdn. Bhd.









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Deputy MITI Minister with Special Task Force on Food Supply and Needs under the Movement Control Order (MCO) COVID-19 visited two major food manufacturers 3 April 2020

Nestle Food Malaysia Sdn. Bhd. and





Dutch Lady Milk Industries Bhd.





Monitoring visits by Special Task Force on Food Supply and Requirements under the COVID-19 MCO to 24 hand sanitizer production plants in Selangor, Negeri Sembilan, Melaka and Johor, 31 March-1 April 2020



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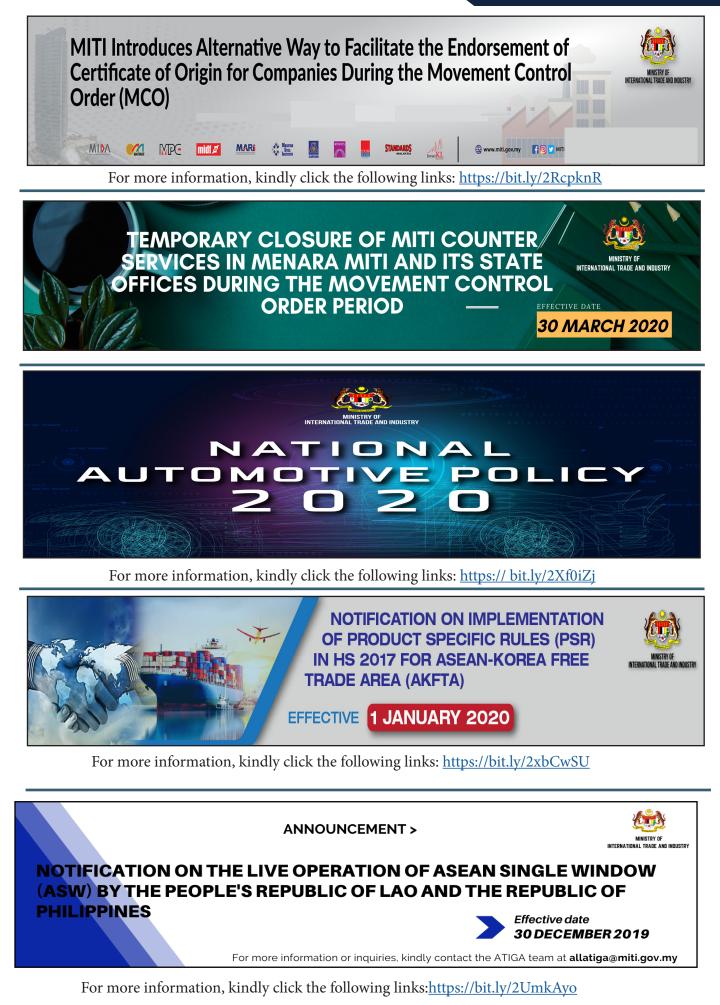
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RMK-11 HIGH VALUE ADDED AND Complex product development programme CALLING INTERESTED APPLICANTS TO APPLY FOR GRANT UNDER RMK-11 HIGH VALUE ADDED COMPLEX PRODUCT DEVELOPMENT PROGRAMME (PDP) AND MARKET DEVELOPMENT PROGRAMME (MDP)

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For more information, kindly click the following links: <u>https://bit.ly/2MyIPFt</u>



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