



**MINISTER OF INTERNATIONAL TRADE AND INDUSTRY
MALAYSIA**

**Embargo until 1200 hours,
Friday, 6th October 2017**

MALAYSIA EXTERNAL TRADE STATISTICS

MEDIA STATEMENT

Trade Remains Robust in 2017

The first eight months of 2017 have seen unprecedented growth in Malaysia's trade. Growth has exceeded 20% every single month of the year, except for January and June. Last year total trade breached the RM1 trillion mark in September but this year total trade reached RM1 trillion earlier, in July. In 2016, total trade increased by 1.5%. We had earlier estimated total trade in 2017 to grow by about 3%. Although we expect some slight deceleration at the end of this year, partly because of the base effect, Malaysia is likely to record a total trade growth exceeding 10%, given the strong performance in the first eight months.

The trade surplus has also been healthy, increasing to RM60.84 billion for the first eight months of 2017. In the same period last year, it stood at RM52.47 billion. This year we are likely to see a slight increase in the trade surplus compared to RM88.15 billion in the whole of last year.

A very important feature of this year trade is that there has been strong growth in most sectors and key markets. Increases in exports have been across the board.

Manufactured goods have performed well, particular electrical and electronics products. E&E exports amounted to RM220.56 billion (January to August 2017), growing 21.4% compared to the same period in 2016. We expect the E&E sector to continue to grow given the improvement in global semiconductor sales and strong projections from the smart devices, automotive, storage and healthcare markets. Another area showing strong performance is mining goods, driven by crude petroleum and LNG, which collectively surged by 34% to RM45.16 billion during the same period. This is due mostly to higher and more stable global energy prices.

Trade with China strengthened to 26% in the first eight months of 2017 to RM188.26 billion compared to the previous period. This was driven by exports which surged 36.5% to RM80.47 billion. Trade with our key markets, ASEAN, EU, United States and Japan remained strong with growth of 23.9%, 18.3%, 19.7% and 17.7% respectively in the first eight months.

Malaysia's trade remains resilient driven by diversification in exports. E&E accounted for 36% of exports in January-August 2017, while Petroleum, LNG and Chemical products account for 22.7% of exports. Agriculture including palm oil & palm oil based products is also an important component of Malaysian exports, amounting to 8.5% of total exports.

The World Trade Organization recently raised their 2017 growth forecast in world merchandise trade volume to 3.6% from a previous estimate of 2.4%. This is attributed to a resurgence of Asian trade flows as intra-regional shipments picked up and as demand in North America recovered after stalling in 2016. We foresee that Malaysia will benefit from the increase in global trade with our trade remaining robust for the rest of 2017.

Dato' Sri Mustapa Mohamed
Minister of International Trade and Industry

TRADE PERFORMANCE FOR THE MONTH OF AUGUST 2017 AND THE PERIOD OF JANUARY- AUGUST 2017

Exports Continued to Grow at a Robust Pace in August

Malaysia's exports in August 2017 rose significantly by 21.5% compared with the year before to RM82.23 billion, **exceeding RM80 billion mark for the second time in 2017**. Total trade expanded by 22% to RM154.59 billion. Higher trade was seen with ASEAN, China, the European Union (EU), Taiwan, the United States of America (USA), Japan and Australia. Imports rose by 22.6% to RM72.36 billion. Trade surplus widened to RM9.87 billion, making it the 238th consecutive month of trade surplus since November 1997.

Total trade for the first eight months of 2017 was valued at RM1.163 trillion, grew by 22.6% compared with the same period of 2016. Exports totalled RM611.92 billion, an increase of 22.2% while imports amounted to RM551.07 billion, rose by 23%. Trade surplus of RM60.84 billion was recorded for the period.

On a month-on-month (m-o-m) basis, total trade, exports and imports grew by 3.6%, 4.6% and 2.5%, respectively.

Export Performance of Major Sectors

Exports of Manufactured Goods led the Growth Momentum

The upward trend of **manufactured goods exports** continued in August 2017 with an expansion of 22.3% year-on-year (y-o-y) to RM67.65 billion, bolstered by higher exports of all products in the manufacturing sector. The share of manufactured goods increased to 82.3% from 81.8% in August 2016. **Electrical and electronic (E&E) exports hit a record high of RM31.04 billion**, increasing by 20.1% or RM5.2 billion

in August. This was the eight straight month where exports of E&E products recorded a double-digit growth.

Exports of **mining goods** in August 2017 surged by 38.8% to RM6.9 billion, accounting for 8.4% of Malaysia's total exports. The higher growth was driven by increased exports of liquefied natural gas (LNG), underpinned by both higher Average Unit Value (AUV) and volume.

Exports of **agriculture goods** decreased marginally by 1.8% to RM6.68 billion, the first y-o-y decline since August 2016. This sector constituted 8.1% of Malaysia's total exports. The decline was due to lower exports of palm oil.

Major exports in **August 2017** were:

- E&E products valued at RM31.04 billion, constituting 37.8% of total exports, increased by 20.1% from August 2016;
- Chemicals and chemical products, RM5.93 billion, 7.2% of total exports, increased by 15.7%;
- Petroleum products, RM5.26 billion, 6.4% of total exports, increased by 33.6%;
- Palm oil and palm oil-based agriculture products, RM4.51 billion, 5.5% of total exports, declined by 8.9%; and
- LNG, RM3.97 billion, 4.8% of total exports, increased by 101.8%.

Compared to July 2017, exports of manufactured goods rose by 4.6%, agriculture goods (↑4.1%) and mining goods (↑2.8%).

In the first eight months of 2017, exports of manufactured goods expanded by 21.1% to RM500.45 billion compared with January-August 2016, on account of higher exports of E&E products, petroleum products, chemicals and chemical products, rubber products as well as iron and steel products. Exports of mining goods rose by 32.7% to RM53.14 billion, mainly due to increased exports of LNG and crude petroleum, underpinned by higher AUV. Exports of agriculture goods rose by 18.5% to RM52.09 billion, with higher exports of palm oil and natural rubber, due to higher AUV.

Performance of Major Markets

Trade with ASEAN Up by 25.9% Backed by Strong Exports

Trade with ASEAN grew by 25.9% y-o-y to RM43.08 billion, accounting for 27.9% of Malaysia's total trade in August 2017. Exports to this region continued to register a double-digit growth, up 16.4% to RM23.33 billion. **This was contributed mainly by higher exports of almost all products in the manufacturing sector**, particularly, E&E products, petroleum products, transport equipment, chemicals and chemical products, optical and scientific equipment as well as machinery, equipment and parts. The share of manufactured goods improved to 91.4% from 89.1% in August 2016. Imports rose by 39.1% to RM19.75 billion.

Breakdown of exports to ASEAN countries in August 2017 is as follows:

- Singapore RM 12.07 billion, **increased** by 20.5%
- Thailand RM 3.99 billion, ↑7.4%
- Indonesia RM 2.96 billion, ↑18.4%
- Viet Nam RM 2.22 billion, ↑15.8%
- Philippines RM 1.45 billion, ↑17.7%
- Myanmar RM 281.5 million, ↓25.9%
- Brunei RM 212.6 million, ↑14.9%
- Cambodia RM 142.8 million, ↑67.6%
- Lao PDR RM 6.6 million, ↑10.0%

Exports to **Singapore** soared by RM2.05 billion, contributed largely by higher exports of E&E products. Exports to **Indonesia** increased by RM458.6 million, owing to higher exports of transport equipment. Exports to **Viet Nam** grew by RM303.7 million due to higher exports of petroleum products and E&E products.

On a m-o-m basis, exports declined by 4.1% while imports and total trade, rose by 8.1% and 1.1%, respectively.

In January-August 2017, trade with ASEAN expanded by 23.9% to RM319.96 billion with exports rising by 21.1% to RM179.61 billion from the same period of 2016. Higher

exports were registered for E&E products, petroleum products, chemicals and chemical products, machinery, equipment and parts as well as crude petroleum. Imports from ASEAN increased by 27.6% to RM140.35 billion.

Exports to China Hit a Record High

Trade with China in August 2017 rose by 16.1% y-o-y to RM25.24 billion, constituting 16.3% of Malaysia's total trade. **Exports to China reached RM11.3 billion, the highest monthly value ever recorded thus far**, growing by 21.2% or RM1.98 billion. This was due to higher uptake of petroleum products, manufactures of metal, chemicals and chemical products, E&E products and rubber products. Imports from China increased by 12.3% to RM13.93 billion.

Compared to July 2017, exports and total trade were higher by 20.5% and 6.5%, respectively, while imports contracted by 2.7%.

Trade with China in January-August 2017 expanded by 26% to RM188.26 billion compared with the previous period of 2016. Exports to China surged by 36.5% to RM80.47 billion, due to higher exports of E&E products, petroleum products, chemicals and chemical products as well as rubber products. Imports from China increased by 19.2% to RM107.79 billion.

EU – Manufactured Goods Drove Export Growth

Malaysia's trade with the EU in August 2017 amounted to RM15.26 billion or 9.9% of Malaysia's total trade, an increase of 25.8% from August 2016. Exports to the EU sustained a double-digit growth since the start of the year, expanding by 21.6% to RM8.39 billion. **This was driven mainly by higher exports of manufactured goods, in particular, E&E products which cushioned the contraction in exports of both agriculture and mining goods.** Exports of E&E products grew significantly by 33.4% or RM1.08 billion in August 2017. Imports rose by 31.2% to RM6.88 billion.

Among the top 10 EU markets, exports to 9 markets registered increases, with 7 recording double-digit growth, namely, **Germany** (↑23.9%), **the Netherlands** (↑16.8%), **the United Kingdom** (↑27.7%), **Spain** (↑91.1%), **Hungary** (↑77%), **Belgium** (↑15.9%) and **Poland** (↑13.1%).

On a m-o-m basis, exports increased by 2.8% while imports and total trade, declined by 9.5% and 3.1%, respectively.

In the first eight months of 2017, trade with the EU recorded a growth of 18.3% to RM113.37 billion compared with the corresponding period of 2016. Exports increased by 23.4% to RM62.91 billion while imports grew by 12.5% to RM50.46 billion. Products that contributed to the increase in exports were E&E products, palm oil and palm oil-based agriculture products, iron and steel products, rubber products, chemicals and chemical products as well as optical and scientific equipment.

USA – Almost All Products Registered Increases in Exports

In August 2017, Malaysia's trade with the USA rose by 15.4% y-o-y to RM13.29 billion and accounted for 8.6% of Malaysia's total trade. **Exports to the USA grew by 14.5% to RM7.95 billion, buoyed by higher exports of all products** except for beverages and tobacco as well as jewellery. Imports were higher by 16.8% to RM5.34 billion.

Compared to July 2017, exports, imports and total trade increased by 9.5%, 0.2% and 5.5%, respectively.

In January-August of 2017, trade with the USA expanded by 19.7% to RM107.06 billion from the same period of 2016. Exports to the USA rose by 11.6% to RM58.49 billion supported by higher shipments of E&E products, rubber products, machinery, equipment and parts as well as iron and steel products. Imports from the USA surged by 31.1% to RM48.57 billion.

Japan – Double Digit Export Growth in All Major Sectors

On a y-o-y basis, trade with Japan in August 2017 expanded by 16.2% to RM11.63 billion and accounted for 7.5% of Malaysia's total trade. Exports to Japan increased by 18% to RM6.16 billion. **Double-digit export growth was seen across all key sectors, led by the mining and manufacturing sector.** This was due to increased exports of LNG, E&E products, petroleum products and rubber products which collectively accounted for 62.7% Malaysia's total exports to the country. Imports were up by 14.3% to RM5.47 billion.

On a m-o-m basis, exports and total trade were lower by 2.6% and 1.1%, respectively while imports increased by 0.6%.

During the first eight months of 2017, trade with Japan amounted to RM91.91 billion, grew by 17.7% from the corresponding period a year ago. Exports to Japan were valued at RM50.19 billion, jumped by 21.9% due to higher exports of E&E products, LNG, chemicals and chemical products, textiles, apparels and footwear, petroleum products as well as optical and scientific equipment. Imports from Japan expanded by 12.9% to RM41.72 billion.

Trade with FTA Partners

In August 2017, trade with Free Trade Agreement (FTA) partners soared by 22% y-o-y to RM97.7 billion and accounted for 63.2% of Malaysia's total trade. Exports to FTA partners amounted to RM51.18 billion, up by 20.2% while imports totalled RM46.52 billion, up by 24%.

Exports to **the Republic of Korea (ROK)** surged by 46.9% to RM2.34 billion, underpinned by higher exports of E&E products, **Australia** (↑37.1% to RM2.68 billion, crude petroleum), **Turkey** (↑107.7% to RM1.02 billion, E&E products), **New Zealand** (↑113.4% to RM445.3 million, crude petroleum), **India** (↑4.9% to RM3.43 billion, E&E products) and **Chile** (↑62.3% to RM90.3 million, chemicals and chemical products).

Compared to July 2017, total trade, exports and imports increased by 2.7%, 2.8% and 2.5%, respectively.

During January-August of 2017, total trade with FTA partners was valued at RM735.82 billion, a rise of 23.7%, accounting for 63.3% of Malaysia's total trade. Exports amounted to RM386.75 billion, grew by 24.7% and imports totalled RM349.08 billion, expanded by 22.6%. Higher exports were recorded to China, Singapore, Japan, Thailand, Indonesia, India and Turkey.

Imports

In August 2017, imports increased by 22.6% to RM72.36 billion. The three main categories of imports by end use were:

- **Intermediate goods**, valued at RM43.21 billion or 59.7% of total imports, increased by 25.5%, underpinned by higher imports of parts and accessories of capital goods (except transport equipment), particularly electrical machinery and equipment;
- **Capital goods**, amounted to RM9.09 billion or 12.6% of total imports, expanded by 12.7%, due mainly to higher imports of capital good (except transport equipment), particularly machinery and mechanical appliances; and
- **Consumption goods**, totalled RM6.23 billion or 8.6% of total imports, increased by 17.8%, as a result of higher imports of processed food and beverages mainly for household consumption especially cereals.

During the first eight months of 2017, imports were valued at RM551.07 billion, an increase of 23% from the corresponding period of 2016. **Intermediate goods** were valued at RM321.92 billion, increased by 25.6%, **capital goods** (RM74.88 billion, ↑15.3%) and **consumption goods** (RM46.59 billion, ↑6.7%).

Note:

It should be noted that, conceptually, the export and import figures in the external trade statistics are different from that in the goods account of the balance of payments compilation. The compilation of international merchandise trade statistics is usually based on customs records, which essentially reflect the physical movement of goods across borders, and follow international guidelines on concepts and definitions i.e. International Merchandise Trade Statistics: Concepts and Definitions 2010 (IMTS 2010) which is different from the principles of the System of National Accounts (SNA) and the Balance of Payments Compilation. Goods are defined in the SNA as “physical objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets”.

This is a preliminary release, full details would be published in the “MONTHLY EXTERNAL TRADE STATISTICS” report by the Department of Statistics, Malaysia, to be disseminated at 1200 hours, Friday, 6th October 2017 and can be downloaded through eStatistik at the Department of Statistics, Malaysia’s portal (<https://newss.statistics.gov.my/newss-portalx/ep/epLogin.seam>).

+ *This media release can be accessed through the portal of Malaysian External Trade Statistics, Ministry of International Trade and Industry (<http://www.miti.gov.my>) and Malaysia External Trade Development Corporation (<http://www.matrade.gov.my>).*

The August 2017 data is provisional and subject to revision in later issue.

With effect from reference month September 2015, there are some minor changes to the selection of codes for exports and imports of major and selected products/commodities by sectors.

TABLE 1: SUMMARY OF MALAYSIA'S EXTERNAL TRADE

Year/ Period	<u>Total Exports</u> (RM Million)	<u>Total Imports</u> (RM Million)	<u>Trade Balance</u> (RM Million)	<u>Total Trade</u> (RM Million)
2016^f				
January	61,850.8	56,455.2	5,395.6	118,306.0
February	56,716.7	49,365.9	7,350.7	106,082.6
March	66,555.0	55,391.0	11,164.0	121,946.0
April	61,319.2	52,285.6	9,033.6	113,604.8
May	59,990.4	56,772.6	3,217.8	116,763.1
June	66,508.3	60,926.5	5,581.8	127,434.8
July	60,067.3	57,967.6	2,099.7	118,034.9
August	67,667.6	59,044.7	8,622.9	126,712.3
September	68,182.1	60,468.8	7,713.3	128,650.9
October	69,334.2	59,452.0	9,882.2	128,786.3
November	72,971.0	63,857.6	9,113.5	136,828.6
December	75,801.5	66,831.1	8,970.4	142,632.6
2016 (Jan-Dec)^f	786,964.2	698,818.7	88,145.5	1,485,782.8
2017^p				
January	70,269.8	65,529.6	4,740.2	135,799.5
February	71,793.4	63,061.0	8,732.4	134,854.5
March	82,624.8	77,224.6	5,400.2	159,849.4
April	73,871.7	65,213.5	8,658.2	139,085.2
May	79,418.1	73,901.0	5,517.1	153,319.2
June	73,083.1	63,191.4	9,891.7	136,274.4
July	78,628.4	70,591.7	8,036.8	149,220.1
August	82,226.1	72,360.8	9,865.3	154,586.9
2016 (Jan-Aug)^f	500,675.3	448,209.2	52,466.1	948,884.5
2017 (Jan-Aug)^p	611,915.5	551,073.6	60,841.9	1,162,989.2

Note: Total may not add up due to rounding.

TABLE 2: MAJOR EXPORT PRODUCTS

Products	Aug 2017 ^p	Jul 2017 ^p	Aug 2016 ^f
	RM Million	RM Million	RM Million
Total Exports	82,226.1	78,628.4	67,667.6
Electrical & Electronic Products	31,041.3	27,912.0	25,846.0
Chemicals & Chemical Products	5,932.4	5,716.2	5,126.9
Petroleum Products	5,264.8	7,100.0	3,939.8
Palm Oil & Palm-oil Based Agriculture Products	4,507.3	4,460.6	4,945.5
LNG	3,971.5	3,793.3	1,967.7
Machinery, Equipment & Parts	3,490.7	3,447.7	3,235.1
Manufactures of Metal	3,385.5	3,038.0	2,714.6
Optical & Scientific Equipment	2,903.9	2,855.5	2,257.0
Rubber Products	2,229.6	2,258.4	1,739.5
Crude Petroleum	1,928.5	2,010.0	1,927.6

TABLE 3: MAJOR EXPORT MARKETS

Markets	Aug 2017 ^p	Jul 2017 ^p	Aug 2016 ^f
	RM Million	RM Million	RM Million
Total Exports	82,226.1	78,628.4	67,667.6
Singapore	12,066.2	12,115.1	10,012.7
China	11,301.6	9,382.4	9,322.1
USA	7,949.9	7,262.4	6,942.3
Japan	6,160.3	6,324.9	5,222.1
Thailand	3,991.1	4,679.6	3,717.6
Hong Kong SAR	3,788.0	3,568.1	3,100.0
India	3,432.5	3,071.5	3,272.9
Indonesia	2,955.1	2,747.3	2,496.5
Australia	2,676.6	2,652.0	1,952.3
Taiwan	2,616.0	1,852.4	1,587.2

TABLE 4: MAJOR EXPORT PRODUCTS (JANUARY- AUGUST)

Products	Jan-Aug 2017 ^p	Jan-Aug 2016 ^f
	RM Million	RM Million
Total Exports	611,915.5	500,675.3
Electrical & Electronic Products	220,564.3	181,732.9
Petroleum Products	48,384.5	33,694.4
Chemicals & Chemical Products	45,079.6	38,113.9
Palm Oil & Palm Oil-Based Agriculture products	35,620.5	29,766.9
Machinery, Equipment & Parts	27,521.4	25,735.0
LNG	26,930.1	20,014.6
Manufactures of Metal	24,262.7	22,340.5
Optical & Scientific Equipment	20,918.8	18,639.1
Crude Petroleum	18,226.3	13,681.9
Rubber Products	17,671.3	13,031.3

TABLE 5: MAJOR EXPORT MARKETS (JANUARY- AUGUST)

Markets	Jan-Aug 2017 ^p	Jan-Aug 2016 ^f
	RM Million	RM Million
Total Exports	611,915.5	500,675.3
Singapore	90,239.5	72,924.3
China	80,472.4	58,946.1
USA	58,491.3	52,415.2
Japan	50,189.0	41,179.6
Thailand	33,159.3	28,648.8
Hong Kong SAR	27,760.8	24,227.7
India	23,921.9	20,723.1
Indonesia	22,309.1	17,807.0
Australia	21,542.9	17,137.7
Viet Nam	17,820.4	15,278.8

TABLE 6: MAJOR IMPORT PRODUCTS

Products	Aug 2017 ^p	Jul 2017 ^p	Aug 2016 ^f
	RM Million	RM Million	RM Million
Total Imports	72,360.8	70,591.7	59,044.7
Electrical & Electronic Products	23,575.4	21,246.4	18,033.2
Chemicals & Chemical Products	7,049.5	6,583.3	5,931.1
Machinery, Equipment & Parts	6,713.4	6,518.1	5,454.4
Petroleum Products	6,450.6	7,734.3	3,769.6
Manufactures of Metal	3,800.8	3,650.4	3,579.6
Transport Equipment	3,044.1	3,257.6	3,082.8
Optical & Scientific Equipment	2,152.9	2,193.1	1,807.8
Iron & Steel Products	2,078.3	2,302.3	2,110.5
Processed Food	1,875.8	1,645.2	1,585.5
Textiles, Apparels & Footwear	1,462.3	1,411.2	1,415.0

TABLE 7: MAJOR IMPORT SOURCES

Markets	Aug 2017 ^p	Jul 2017 ^p	Aug 2016 ^f
	RM Million	RM Million	RM Million
Total Imports	72,360.8	70,591.7	59,044.7
China	13,934.9	14,320.9	12,406.4
Singapore	9,654.1	8,210.6	5,904.1
Japan	5,470.2	5,438.7	4,784.0
USA	5,340.8	5,332.1	4,573.8
Taiwan	4,817.3	4,890.7	3,787.2
Thailand	3,975.3	4,058.8	3,436.5
ROK	3,126.7	3,211.2	3,000.2
Indonesia	2,995.2	2,875.0	2,313.9
Germany	2,189.9	2,349.9	2,036.9
India	2,178.3	1,797.9	1,603.6

TABLE 8: MAJOR IMPORT PRODUCTS (JANUARY- AUGUST)

Products	Jan-Aug 2017 ^p	Jan-Aug 2016 ^f
	RM Million	RM Million
Total Imports	551,073.6	448,209.2
Electrical & Electronic Products	164,995.2	135,821.3
Chemicals & Chemical Products	52,856.3	44,962.7
Machinery, Equipment & Parts	51,423.1	41,172.4
Petroleum Products	49,919.9	32,169.4
Manufactures of Metal	27,894.8	25,123.4
Transport Equipment	27,481.8	27,732.0
Iron & Steel Products	18,063.4	14,396.1
Optical & Scientific Equipment	16,598.9	14,147.9
Processed Food	13,962.4	11,721.4
Textiles, Apparels & Footwear	11,782.0	11,994.3

TABLE 9: MAJOR IMPORT SOURCES (JANUARY- AUGUST)

Markets	Jan-Aug 2017 ^p	Jan-Aug 2016 ^f
	RM Million	RM Million
Total Imports	551,073.6	448,209.2
China	107,786.1	90,407.2
Singapore	58,546.1	47,041.4
USA	48,573.7	37,051.2
Japan	41,718.5	36,938.9
Taiwan	35,205.6	26,546.9
Thailand	31,953.9	27,432.2
Indonesia	25,514.6	18,357.9
ROK	24,117.7	24,504.0
India	17,125.5	10,001.6
Germany	16,813.1	15,674.8

Source: Department of Statistics, Malaysia
Tabulated By: MATRADE

Notes:

f - final data

p - provisional data

CHART 1: MALAYSIA'S MONTHLY EXTERNAL TRADE PERFORMANCE, 2011-2017

