

2018 TRADE PERFORMANCE

MIDF: 7.3pc export growth likely following September expansion

KUALA LUMPUR: Malaysia's exports may grow more than seven per cent this year, after expanding 6.7 per cent year-on-year in September, say analysts.

September exports rose to RM83.05 billion compared with the same month last year, while imports declined 2.7 per cent to RM67.78 billion, according to the International Trade and Industry Ministry.

As a result, there was a double-digit increase of 85.9 per cent in trade surplus to RM15.26 billion, the largest surplus since October 2008.

This also marked the 251st consecutive month of trade surplus since November 1997, said the ministry.

MIDF Research said September export growth rebounded on both annually and monthly basis at 6.7 and 1.5 per cent, respectively, sustaining above monthly value of RM80 billion despite fewer working days.

The improvement was mainly due to better sectoral performances, it said, adding that manufactured goods — the largest contributor to exports — grew further by 7.9 per cent year-on-



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year versus 1.8 per cent in August.

"Amid higher base effects and signs of easing in key global indicators, we foresee exports to expand 7.3 per cent this year (compared with 18.9 per cent last year).

This is due to lower export growth of 6.5 per cent in the first nine months, compared with double-digit growth of 21.6 per cent in the same period last year," said MIDF Research.

The ministry said Malaysia registered total trade worth

RM150.83 billion in September, an increase of 2.3 per cent from RM147.51 billion in the same month last year.

This was helped by expanded trade with major trading partners, namely Hong Kong, Asean countries, Taiwan, Australia,

Saudi Arabia and the United States.

The improved export performance was driven mainly by higher shipments of electrical and electronics, chemicals and chemical-based, and iron and steel products, as well as optical and scientific equipment, the ministry added.

On a month-on-month basis, exports and trade surplus expanded 1.5 and 846.3 per cent, respectively. Total trade and imports, however, contracted 6.9 and 15.5 per cent, respectively.

The increase in exports was mainly driven by manufactured goods shipments, which rose 7.9 per cent year-on-year to RM70.32 billion and accounted for 84.7 per cent of Malaysia's total exports.

For the first nine months, total trade expanded 5.5 per cent to RM1.38 trillion compared with the same period last year.

Exports increased 6.3 per cent to RM733.61 billion while imports grew at a slower pace of 4.7 per cent to RM647.89 billion.

Trade surplus for this period rose 20.4 per cent to RM85.72 billion year-on-year.