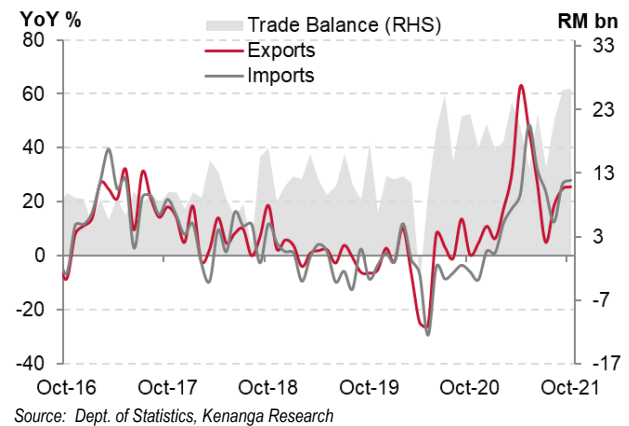


Malaysia External Trade

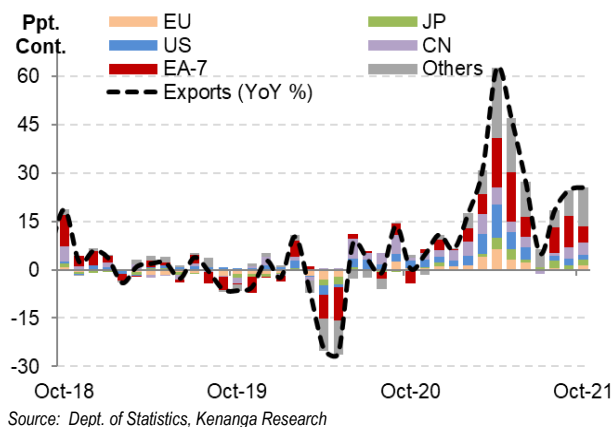
Exports expanded in October on strong demand for manufacturing & mining goods

- Exports expanded for the third straight month to 25.5% YoY in October (Sep: 24.7%), a tad above consensus (25.0%) and higher than the house forecast (15.5%)**
 - MoM (3.2%; Sep: 15.9%): growth moderated sharply.
- Exports remained supported by higher shipment to key trading partners as well as recovery in the manufacturing and mining sectors**
 - By destination: shipment to major export destinations broadly expanded on YoY basis, led by JP (29.3%; Sep: 18.3%), followed by CN (24.8%; Sep: 19.0%) and EU (16.7%; Sep: 3.0%). However, export to the US moderated (12.4%; Sep: 19.2%), partly due to high base effect, as MoM it expanded by 2.6% (Sep: 13.5%) albeit moderating.
 - By sector: higher growth attributable to strong expansion in mining (66.7%; Sep: 48.1%) and manufacturing sector (23.3%; Sep: 21.6%). However, growth was partially capped by the slowdown in agriculture shipment (28.9%; Sep: 47.7%).
- Imports expanded for the second straight month to 27.9% (Sep: 26.5%), matching consensus but lower than house forecast (39.4%), due to higher retained imports (25.6%; Sep: 23.9%)**
 - Growth was attributable to a sharp expansion in intermediate goods (35.1%; Sep: 29.7%) and a second straight month of expansion in consumption goods (10.8%; Sep: 3.7%) amid the reopening of the economy. Meanwhile, imports of capital goods slowed to 15.1% (Sep: 20.2%).
 - MoM (4.1%; Sep: 14.2%): growth moderated.
- Trade surplus inched up slightly (RM26.2b; Sep: RM26.1b)** for the third straight month, beating expectations (KIBB: RM9.3b; consensus: RM25.3b). Meanwhile, total trade slowed to 3.6% YoY (Sep: 15.2%), but it reached RM202.6b, a record high in value term.
- Exports forecast retained at 16.7% (2020: -1.1%)**
 - Year-to-date exports grew by 25.0% YoY, hitting the RM1.0t mark within just ten months and far higher than the 2020 overall export value of RM983.8b.
 - Trade activity is expected to expand in the remaining month of 2021 on the back of the vaccination progress and pent up demand, but growth would likely moderate as the high base effect dissipates. Nonetheless, we continue to remain cautious as COVID-19 resurgence in Europe and the emergence and spread of the Omicron variant could undermine growth recovery in the near term and continue to disrupt the global demand and supply chain.

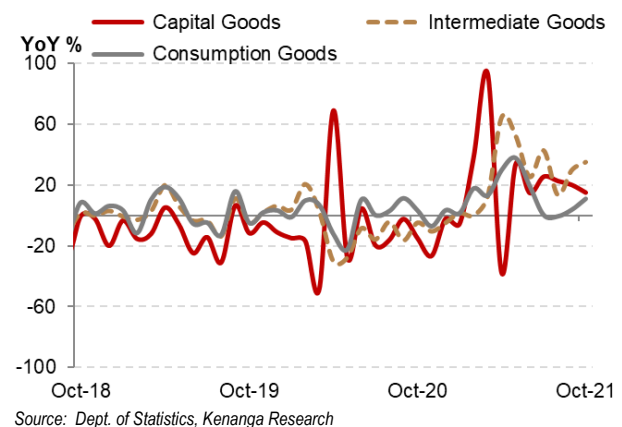
Graph 1: External Trade Growth



Graph 2: Exports by Destination



Graph 3: Imports by End Use



30 November 2021

Table 1: Malaysia External Trade Growth Trend

		2018	2019	2020	Oct-20	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
Total Trade	%YoY	6.3	-2.1	-3.3	-2.5	47.6	29.3	13.0	15.7	25.5	26.5
Trade Balance	RM bil	123.8	145.7	183.3	22.3	13.8	22.3	13.8	21.4	26.1	26.2
Exports	%YoY	7.3	-0.8	-1.1	0.4	47.0	27.2	5.0	18.4	24.7	25.5
	%MoM				2.6	-12.6	14.3	-7.7	-1.8	15.9	3.2
Manufacturing	%YoY	8.9	0.6	1.0	2.5	45.4	25.8	2.3	15.4	21.6	23.3
	Shr	83.7	84.5	86.4	87.7	85.4	86.6	85.1	84.6	85.6	86.2
Agriculture	%YoY	-14.2	-1.6	8.7	28.7	51.7	40.0	29.2	28.5	47.7	28.9
	Shr	6.7	6.6	7.3	7.9	8.1	8.3	8.7	7.7	8.7	8.1
Mining	%YoY	8.9	-7.1	-29.4	-45.7	76.0	32.9	18.3	50.6	48.1	66.7
	Shr	8.8	8.2	5.9	4.0	6.1	4.7	5.8	7.4	5.4	5.4
Others	%YoY	-12.4	-11.5	-39.4	2.3	-26.4	21.9	-15.1	2.7	1.5	19.2
	Shr	0.8	0.7	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.4
Imports	%YoY	5.2	-3.5	-5.8	-5.9	48.4	32.1	23.9	12.5	26.5	27.9
	%MoM				2.9	-7.8	5.9	0.4	-11.2	14.2	4.1
Capital	%YoY	-2.7	-10.9	-9.7	-14.9	33.9	14.9	25.6	22.8	20.2	15.1
	Shr	12.8	11.8	11.4	10.5	11.3	10.3	10.1	11.2	10.8	9.4
Intermediate	%YoY	22.3	-47.3	-107.3	-4.9	52.4	25.3	42.7	13.5	29.7	35.1
	Shr	52.5	55.0	53.1	51.8	59.7	52.5	55.8	57.2	51.0	54.7
Consumption	%YoY	2.8	1.5	-0.2	3.2	37.6	19.3	0.2	-0.7	3.7	10.8
	Shr	8.3	8.7	9.3	9.2	9.1	8.8	7.6	8.6	8.1	7.9

*Shr = share to total exports or imports.

Source: Dept. of Statistics preliminary release, CEIC, Kenanga Research

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