



MIDF remains cautious on Malaysia's external trade on slowdown in China , Ukraine war

KUALA LUMPUR, April 18 (Bernama) -- MIDF Research has maintained its cautious outlook on Malaysia's external trade going forward, given the extended lockdown and slowdown in China, as well as the ongoing war in Ukraine.

The near-term outlook for production and trade could be constrained by prolonged disruption in global supply chains and increased inflationary pressures, it said.

Nevertheless, the research house views that the continued expansion in global demand for electric and electronic (E&E) products, as well as commodities, would support the overall exports outlook.

"Moreover, the reopening of economies will facilitate growing trade activity this year," it said in a research note today.

Given the concerns over the near-term outlook, MIDF Research has maintained its growth forecast for exports and imports at 7.8 per cent and 9.6 per cent, respectively.

According to data released by the **Department of Statistics Malaysia (DAOSM)** today, Malaysia's total trade recorded double-digit growth of 27.3 per cent year-on-year in March 2022 to reach a new high of RM236.6 billion. Export and import values in March once again broke records at RM131.6 billion and RM104.9 billion, respectively.

MIDF Research noted that the external trade numbers continued to surprise on the upside in March 2022, driven by the jump in mining exports on top of stronger E&E exports.

"This shows Malaysia, as a commodity-exporting country, stands to benefit from higher commodity prices," it said.

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