

External trade posts record year

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| WORLD MARKETS | FBM KLCI (Jan 28) +4.03 (1,520.02) | STI (Jan 28) -13.70 (3,246.33) | DJIA (Jan 27) -7.31 (34,160.78) | FTSE 100 (Jan 27) +84.53 (7,554.31) | Exchange rate (Jan 28) US\$1=RM4.198 | Brent Oil US\$89.90* |
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BUSINESS

ECONOMIC RECOVERY

EXTERNAL TRADE POSTS RECORD YEAR

Total exports of RM1.24tril already at 99pc of 12MP target, says Azmin

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Malaysia's total trade surpassed the RM2 trillion mark for the first time last year and recorded the fastest growth since 1994, says the International Trade and Industry Ministry. FILE PIC

Economists said Malaysia was benefiting from the global demand recovery but cautioned that export and import growths would likely moderate this year.

Bank Islam Malaysia Bhd chief economist Dr Mohd Afzanizam Abdul Rashid said the country's external sector had been the driver for the overall economic growth.

However, he said export and import growths were expected to moderate this year following last year's high base, although this did not mean that external demand was slowing as the growth only measured the rate of change.

"Judging from the Global Composite Purchasing Managers Index (PMI), it has been lingering above 50 points, which suggests businesses have remained sanguine about their outlook."

"The latest print showed that the Global Composite PMI stood at 54.3 points as of last month. I believe that exporters may need to incur capital expenditure, especially in areas relating to digitalisation and automation, in order to improve their operational efficiencies and gain higher productivity."

Afzanizam said the government's commitment to explore new markets and opportunities via multilateral trade pacts, such as the Regional Comprehensive Economic Partnership and Comprehensive and Progressive Agreement for Trans-Pacific Partnership, would ensure that Malaysia's external sector continued to be the lynchpin of the economy.

Azmin said last year's remarkable achievements were driven by a robust external demand and higher commodity prices.

He said the resilient growth was boosted by strong exports of electrical and electronics (E&E) products, petroleum products, manufactures of metal, palm oil and palm oil-based products, rubber products as well as chemicals and chemical products.

Exports to major trading partners, namely Asean, China, the United States and the European Union, recorded new highs with strong double-digit expansion.

Significant export expansion was also registered to emerging markets, such as Costa Rica, Kenya, Egypt, Nigeria, Ghana and Iraq.

Azmin said Malaysia's trade growth was anticipated to sustain its positive momentum, underpinned by continuous demand for E&E and commodity-based products.

"Global economic uncertainties due to emergence of new Covid-19 variants and disruptions in supply chain may impact trade performance," he added.