

KUALA LUMPUR (Oct 19): Malaysia's external trade contracted for the seventh consecutive month since March 2023, dragged by slowing global demand and lower commodity prices in September 2023.

Year-to-date, Malaysia's total trade, exports, imports and trade surplus have all demonstrated a downward trend. Total trade fell by 8.6%, consistent with a decrease in exports of 8.4% and imports of 8.9%. Concurrently, the trade surplus decreased by 5.7%, resulting in a value of RM177.3 billion.

According to the Malaysia External Trade Statistic Bulletin for September 2023, total trade contracted by 12.6% year-on-year (y-o-y) to RM224.4 billion. Exports fell 13.7% to RM124.5 billion, while imports dropped 11.1% to RM100.0 billion. Trade surplus also saw a reduction of 23.0%, amounting to RM24.5 billion in September 2023.

Chief statistician Datuk Seri Dr Mohd Uzir Mahidin explained that the decrease in the trade surplus was mainly due to a decline in trade activities with other countries such as China (decrease of RM3.5 billion), Singapore and Japan (both with a decrease of RM2.5 billion), Indonesia (RM1.9 billion), the US (RM1.5 billion), Australia (RM1.4 billion), and Hong Kong (RM1.2 billion).

Significant declines in export products include petroleum (down by RM6.6 billion), electrical and electronic products

Malaysia's external trade contracts for seventh consecutive month, down 12.6% y-o-y in Sept

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(down by RM3.1 billion), liquefied natural gas (down by RM2.5 billion), palm oil and palm oil-based agricultural products (down by RM2.2 billion) and other manufactures (down by RM1.2 billion).

On the other hand, the reduction in imports, which decreased 11.1% y-o-y to RM100 billion, was primarily contributed by the US (RM2.7 billion), Taiwan (RM2.3 billion), Indonesia and China (both with a decrease of RM2.2 billion), Saudi Arabia (RM1.8 billion) and Japan (RM1.5 billion).

In a statement on Thursday, Mohd Uzir said that imports have contracted due to a decrease in demand for electrical and electronic products (down by RM3.2 billion), crude petroleum (down by RM3.1 billion), coal, coke and briquettes (down

by RM1.1 billion), chemical and chemical products (down by RM1 billion), and palm oil and palm oil-based agricultural products (down by RM890.7 million).

He also noted that the contraction was in line with the decline in re-exports, which amounted to RM27.8 billion (a decrease of 17.9% y-o-y) and domestic exports, which dropped by 12.4% to RM96.7 billion.

Regarding the imports of end-use products, he stated that there was a decline in demand for intermediate goods, which make up 49.5% of total imports, amounting to RM49.5 billion (a decrease of 15.6% or RM9.1 billion).

Capital goods, valued at RM10.9 billion and comprising 10.9% of total imports, dropped 5.8% compared to September 2022. Consumption goods, which account for 8.8% of total imports, recorded a slight decrease of 0.6% to RM8.8 billion.

In the third quarter of 2023, Malaysia's total trade, exports and imports all saw a decrease y-o-y. Total trade fell by 15.7%, which was in line with a reduction in exports of 15.2% and imports of 16.3%. The trade surplus for this period was RM59.1 billion, a decrease of 9.1% y-o-y.

Compared to August 2023, there was an increase in the performance of exports (8.2%), imports (2.1%), total trade (5.4%) and trade balance (42.7%), said Mohd Uzir.

He added that the trade surplus contracted 23.0% to RM24.5 billion, marking the 41st consecutive month of trade surplus since May 2020.