

A STUDY OF THE TRADE PERFORMANCE OF MALAYSIA AND ITS MAJOR TRADING PARTNERS

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Abstract

This paper aims to study the trade performance of Malaysia and its major trading partners for the period 1997 to 2007. The statistical techniques applied to analyse the trade performance consist of growth rate of exports, growth rate of imports, normalised trade balance and export/import coverage. In 2007, Malaysia's major trading partners were the United States of America (US), Singapore, Japan, the People's Republic of China (PRC), Thailand, the Republic of Korea, Taiwan, Hong Kong SAR, Indonesia and the Federal Republic of (FDR) Germany. The findings showed that Malaysia and its trading partners experienced positive average growth rate for exports and imports during the period. As for normalised trade balance, Malaysia recorded trade surplus except in 1997 while the US was the only country that registered trade deficit throughout the period. On the other hand, the export/import coverage for Malaysia was more than 1 which showed a surplus except in 1997 and less than 1 for the USA which indicated a deficit.

Keywords: Trade performance, growth rate of exports, growth rate of imports, normalised trade balance, export/import coverage.

Introduction

Malaysia is an open economy which depends on external trade to achieve its economic growth (Yusoff, 2005). External trade has been a catalyst in the development of the Malaysian economy contributing significantly to the Gross Domestic Product (GDP) where in 1971, the total merchandise trade to the GDP was 73 per cent. It increased further by 187 per cent in 2000 and recorded 142 per cent in 2009.

Malaysia's total trade (import plus export) has been increasing steadily from RM9.5 billion in 1970 to RM684.7 billion in 2000 and RM1.07 trillion in 2006. Malaysia continued to record strong trade position with total trade exceeding RM1 trillion in 2007 (RM1.11 trillion) and 2008 (RM1.2 trillion). However, total trade in the year 2009 was valued at RM988.2 billion due to the global economic crisis. The crisis was triggered by United States housing bubble.

Japan, the United States, the Association of South East Asian Nations (ASEAN) and the European Union (EU) were Malaysia's major trading partners which accounted for more than 70 per cent of Malaysia's total trade flows during the 1970-2009 period. In recent years, East Asia comprising of the Republic of Korea, Hong Kong SAR, Taiwan and the

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PRC have become increasingly important as Malaysia's trading partners while that of the EU has declined.

As an export-oriented country, Malaysia's external trade highly depends on the major trading partners. This paper will study the trade performance of Malaysia and its major trading partners from 1997 to 2007. The major trading partners were the United States of America (US), Singapore, Japan, PRC, Thailand, the Republic of Korea, Taiwan, Hong Kong SAR, Indonesia and the Federal Republic of (FDR) Germany. The countries were selected based on the 2007 annual data where these countries contributed 72.5 per cent of Malaysia's total trade.

Literature review

Since the mid-1980s, Malaysia has been growing very rapidly with a widely held view that such growth is export-led (Al-Yousif, 1999). The study of Al-Yousif showed that in the short run, the economic growth in Malaysia was driven by export (export-led growth) which meant that export played an important role to Malaysian Economy. Choong *et al.* (2003) also implied that export-led growth hypothesis was valid in the Malaysian economy in both short and long run. The hypothesis implied that an increase in exports would lead to an increase in economic growth.

Exports have played a substantial role in promoting economic growth (Ghatak et al, 1997) – by earning foreign exchange and achieving economies of scale. The direction of exports was the same for the past two decades. The United States, Singapore and Japan were the main importers of exports of Malaysia.

Abdul Rahman (1997) mentioned that bilateral trade between Malaysia and Japan is largely complementary based on compatible bilateral input-output 1985 tables for Japan and Malaysia. Japan exports to Malaysia manufactured goods which Malaysia cannot produce and imports raw materials which it does not possess. Although the value of Japan's exports to Malaysia in recent years has been substantially higher than imports, Japan's industries whether measured in terms of production output or value added generated has insignificant impact by Malaysia's final demand. But Malaysia's industries especially forestry and logging, crude petroleum and metal mining are highly dependent on Japan's demand structure.

Malaysia is highly dependent on trade for growth (Abdul Rahman Hasan et al, 2011). The dependency to the external trade demand was very strong and become a key factor to induce the economic growth. Almost two third of the growth (value added) were geared by the external demand compared with one third of domestic final demand inducement. As a result, Malaysian economy can be considered to be too sensitive with any external shocks. During the period of 2000 and 2005, the US relatively played an important role to induce domestic production and value added for Malaysian economy. However, Japan was the country most benefited by imports inducement effect of Malaysian external demand. The higher the demand for exports of Malaysian products,

the more imports were required from Japan. Thus, findings show that the bilateral trade between Malaysia and Japan has strengthened over the 1985 to 2005 period.

Yusoff (2005) found that the structure of Malaysia's trade has changed fairly significantly over the last three decades but the direction of Malaysia's trade remains more or less the same. ASEAN, the EU, East Asia, the US and Japan continue to be Malaysia's major trading partners. Trade with the US and East Asia have strengthened, leading to their rising market shares in Malaysia's external trade.

Methodology²

This paper includes information on the following indicators, which provide analysis and information on the trade performance of an economy or region study:

- Growth rate of exports (imports);
- Normalised trade balance; and
- Export/import coverage.

a. Trade Indicators Techniques

i. Growth Rate of Exports (Imports)

Growth rate of exports (imports) is the annual compound percentage change in the value of exports (imports) between two periods. The value ranges between -100 per cent (if trade ceases) and $+\infty$. A value of zero indicates that the value of trade has remained constant and the formula is as below:

$$\text{Growth rate of exports} = \left(\left(\frac{\sum_{sw} X_{sw}^1}{\sum_{sw} X_{sw}^0} \right)^{\frac{1}{n}} - 1 \right) \times 100$$

Where s is the set of countries in the source, w is the set of countries in the world, X^0 is the bilateral total export flow in the beginning period, X^1 is the bilateral total export flow at the end period, and n is the number of periods (not including the beginning).

$$\text{Growth rate of imports} = \left(\left(\frac{\sum_{sw} M_{sw}^1}{\sum_{sw} M_{sw}^0} \right)^{\frac{1}{n}} - 1 \right) \times 100$$

Where s is the set of countries in the source, w is the set of countries in the world, M^0 is the bilateral total imports flow in the beginning period, M^1 is the bilateral total imports flow at the end period, and n is the number of periods (not including the beginning).

The limitation for the growth rate of exports (imports) is that it does not explain the source of growth. When evaluating for long periods, changes in measurement and

² Methodology is based on Mia Mikic and John Gilbert (2007). *Trade Statistics in Policymaking – A handbook of commonly used trade indices and indicators*, United Nations ESCAP. Available as the 2009 (2 revision) at <http://www.unescap.org/tid/publication/tipub2559.pdf>

methods need to be considered. Growth rates assessed on nominal trade figures may be distorted by exchange rate movements and other factors in the short run.

ii. Normalised Trade Balance

Normalised trade balance is the trade balance (total exports less total imports) as fraction of total trade (exports plus imports). The index ranges between -1 and $+1$, which allows unbiased comparisons across time, countries and sectors. A value of zero indicates trade balance and the formula is as below:

$$\text{Normalised trade balance} = \frac{\sum_{sW} X_{sW} - \sum_{wS} M_{wS}}{\sum_{sW} X_{sW} + \sum_{wS} M_{wS}}$$

Where s is the set of countries in the source, w is the set of countries in the world, X is the bilateral total export flow, and M is the bilateral total import flow at the end period. In the words, we take total exports from the source region less total imports to the source region, and divide by the total trade of the source region.

Limitation for the normalised trade balance is the economic reasons for a complex trade surplus/deficit, and the index cannot be used directly to explain the cause of surplus/deficit or make them clearer. The potential for misuse is high, especially with respect to bilateral balances.

iii. Export/Import Coverage

Export/import coverage is an alternative to the normalised trade balance. Export/import coverage is the ratio of total exports to total imports. The values for this index range from 0 when there are no exports to $+\infty$ when there are no imports. A ratio of 1 signals full coverage of imports with exports (trade balance) and the formula is as below:

Export/import coverage=

$$\frac{\sum_{sW} X_{sW}}{\sum_{wS} M_{wS}}$$

Where s is the set of countries in the source, w is the set of countries in the world, X is the bilateral total export flow, and M is the bilateral total import flow at the end period. In words, the total exports from the source region are divided by the total imports of the source region.

The export/import coverage has the same limitation with the normalised trade balance as it is an alternative to the normalised trade balance. The potential for misusing this index is high as the economic reasons for a trade surplus/deficit are complex, and the index cannot directly explain the cause of surplus/deficit or make them clearer.

b. Source of data

The merchandise trade data from 1997 to 2007 are in US Dollar and was obtained from the World Trade Organization³ database on annual basis. The imports and exports data are obtained from the same source to avoid discrepancy which is due to the different method of currency conversion. Imports are valued at c.i.f. (cost, insurance and freight) basis whereas exports are valued at f.o.b. (free on board).

The collection of data on international merchandise trade is mostly derived directly from customs declarations. The customs declaration indicates the customs procedures, under which goods enter, move within or leave the country. Concepts and definitions used for the purpose of compiling these statistics are based on the United Nations' International Merchandise Trade Statistics: Concepts and Definitions (IMTS, Rev.2) 1998.

Findings

The findings of the trade performance of Malaysia and its trading partners from 1997 to 2007 and 2007 are as below.

i) Growth rate of exports and imports

The growth rate of either exports or imports is one of the most common indicators used when assessing the progress of an economy in any area of economic activity. Often the rate is calculated at total exports or total imports level of each country to identify 'dynamic trade performance'. Comparison of such indicators over many countries might be of interest to producer or exporter associations, investors, policymakers and trade negotiators.

Figure 1 shows that the overall exports performance was very dynamic for PRC, Republic of Korea, Thailand, Singapore and Germany. During the period, PRC had an average growth rate of 21.5 per cent, followed by Republic of Korea (11.2 per cent), Thailand (10.7 per cent), Singapore (10.4 per cent) and Germany (10.2 per cent). Meanwhile, Malaysia experienced moderate average growth of 8.8 per cent, higher than Hong Kong SAR, Indonesia, Japan, Taiwan and the US.

The main increases in exports growth of China during the period of 1997-2007 were contributed by manufactured goods which contributed 91.2 per cent of total exports. In terms of goods composition, machinery & transport equipment made up the largest proportion with a share of 46.9 per cent and followed by clothing and textiles which accounted for 12.3 per cent and 6.1 per cent respectively for the same period.

³ WTO website: www.wto.org

Germany is the only western country which had dynamic exports performance. The 10.2 per cent average growth rate in Germany's exports was contributed mostly by larger exports of manufactured goods, accounted for 87.0 per cent of total exports during the corresponding period. The machinery and transport equipment contributed for the largest amount with a share of 59.2 per cent.

As for Malaysia, the major export products were electrical & electronic products, palm oil & palm-based products, crude petroleum, liquefied natural gas and timber & timber-based products during the period of 1997-2007. These goods accounted for 73 per cent in average of Malaysia's export during the period.

Figure 1: Exports Growth Rates for Malaysia and its Major Trading Partners (1997 - 2007)

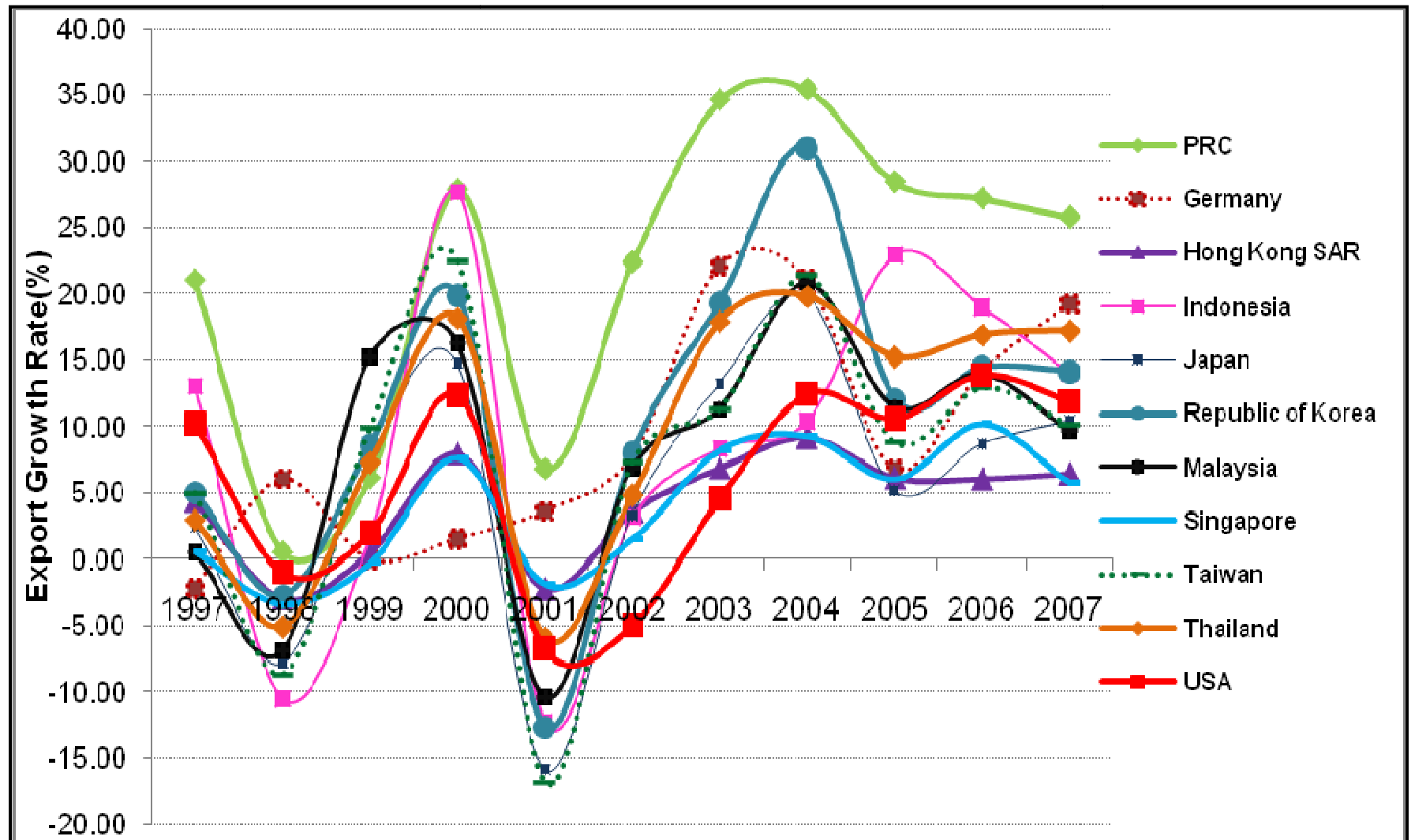


Figure 2: Imports Growth Rates for Malaysia and its Major Trading Partners (1997 - 2007)

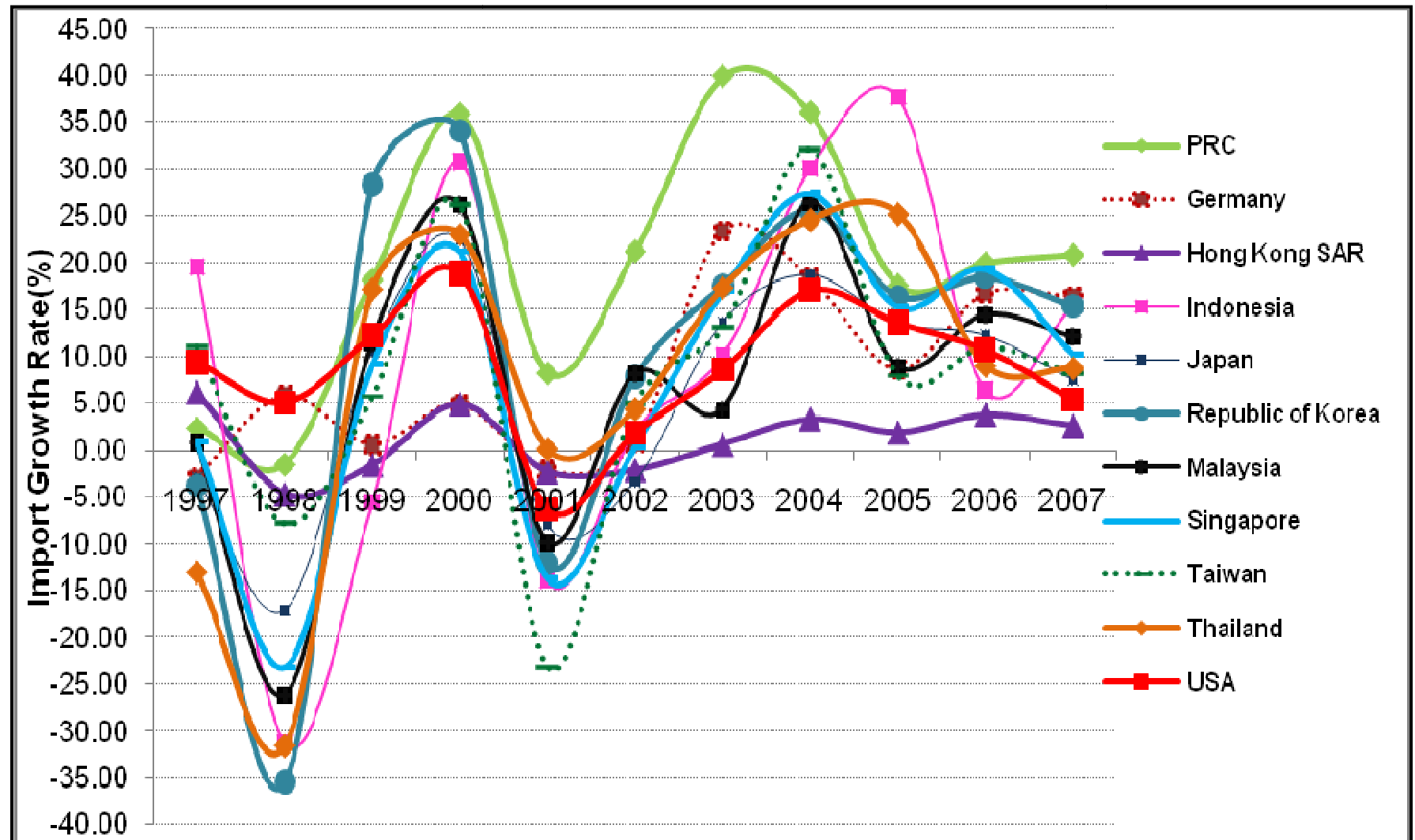


Figure 2 illustrates that the overall imports performance was very dynamic for PRC and Republic of Korea. During the period, PRC had an average growth rate of 19.9 per cent and Republic of Korea 10.2 per cent. Malaysia's average growth rate of imports was 7.0 per cent which was slightly lower than exports (8.8 percent).

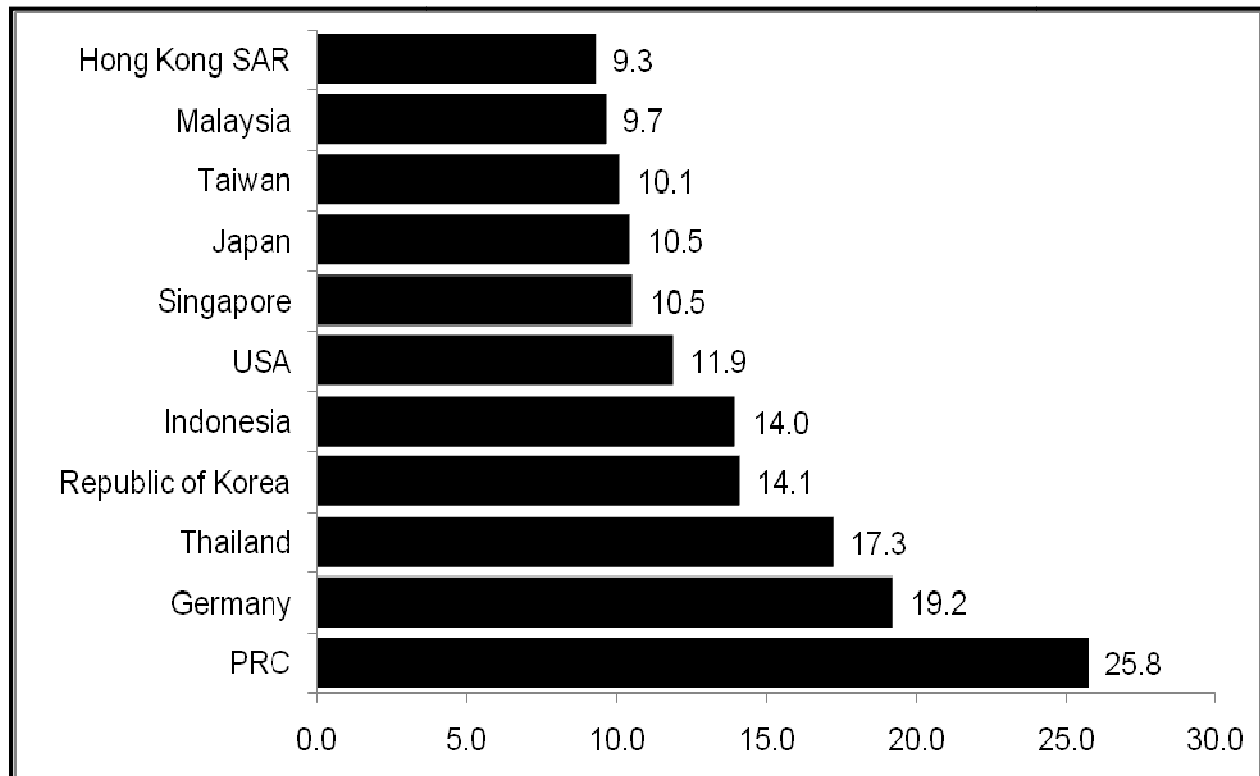
China continued to register the highest imports growth rates as compared with other countries during 1997-2007. The growth was attributed mainly to higher imports of manufactured goods, which contributed 75.3 per cent of total imports. The compositions of imported goods were machinery & transport equipment (58.4 per cent), chemicals (15.9 per cent) and Iron & steel (5.0 per cent).

During 1997-2007, Malaysia's major import products were machinery and transport equipment, manufactured goods, mineral fuels, lubricants & etc, chemical and miscellaneous manufactured articles. The contribution of these products was 73 percent in average of total imports.

The economic downturn during the period of 1997 to 1998 and 2001 to 2002, had strong impact on both exports and imports to most of the major trading partners such as Hong Kong SAR, Indonesia, Japan, the Republic of Korea, Singapore, Taiwan, Thailand, US as well as Malaysia.

Nevertheless, several countries like the PRC and Germany showed a positive growth of exports for the period. For imports, PRC, Germany and USA were still able to register positive growth during the recession. The Asian financial contagion was a period of financial crisis that gripped most of Asian countries beginning July 1997. Malaysia was also affected by the crisis where its overall exports and imports dropped, particularly in the manufacturing sector. This sector contributed 76.1 per cent of the total exports and 79.9 per cent of total imports during the period.

Figure 3: Exports Growth Rates for Malaysia and its Major Trading Partners (2007)



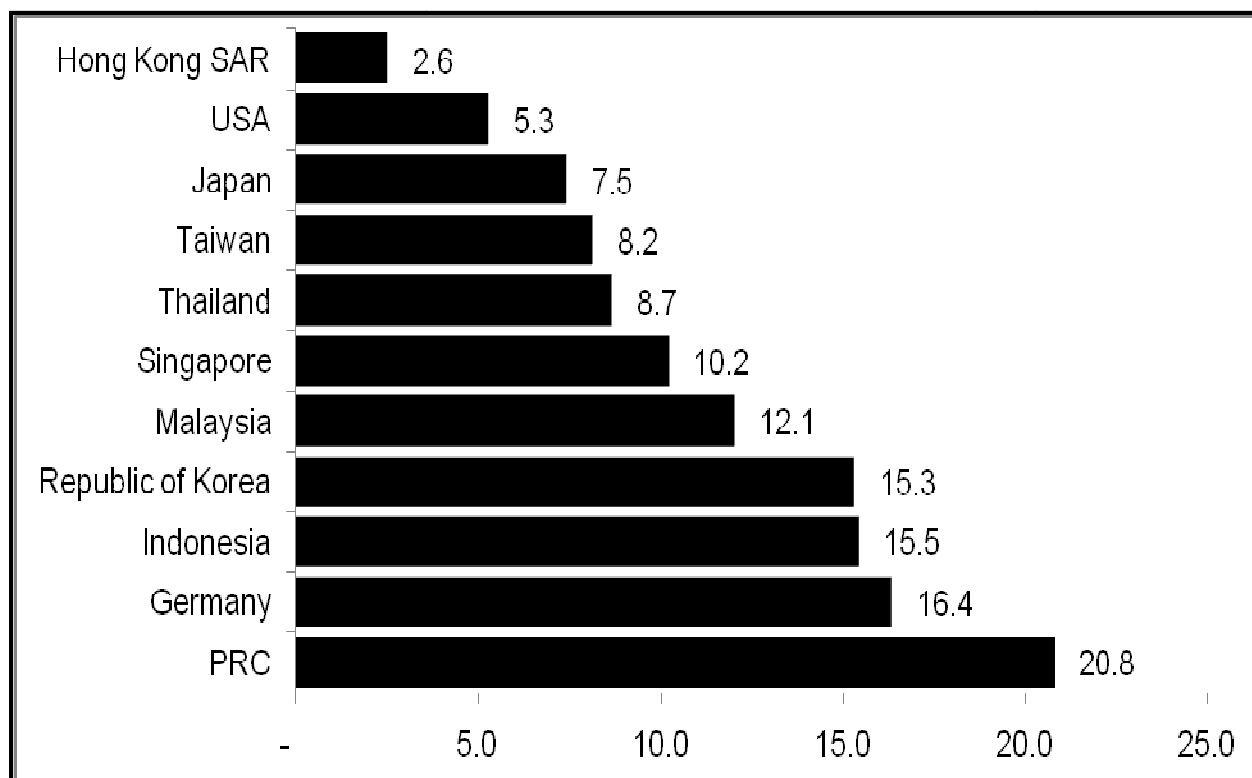
In 2007, the export growth rate for PRC was outstanding compared to other countries as it recorded 25.8 per cent growth rate of exports which was the highest among the countries (Figure 3). This was followed by Germany (19.2 per cent) and Thailand (17.3 per cent). Hong Kong SAR recorded the lowest export growth which was 9.3 per cent.

Though Malaysia's exports has picked up, its 9.7 per cent growth rate was still lower compared to other ASEAN countries like Thailand (17.3 per cent), Indonesia (14.0 per cent) and Singapore (10.5 per cent).

The increase in exports of Thailand was largely contributed by higher export of manufactured goods with the export share of 76.6 per cent. Meanwhile, exports of manufactured goods and fuels & mining products were the main products that contributed to the Indonesia's exports growth, accounted for 40.9 per cent and 35.1 per cent respectively.

The major product which contributed to the increase in Malaysia's exports was electrical and electronics (E&E). The overall performance of Malaysia in 2007 was better due to the robust global economic recovery and government's effort in sending trade missions overseas to look for new markets.

Figure 4: Imports Growth Rates for Malaysia and its Major Trading Partners (2007)



In 2007, the PRC posted the highest growth rate of imports (20.8 per cent) as compared to other countries. Germany and Indonesia also registered a strong growth with 16.4 and 15.5 per cent respectively. In the meantime, Malaysia recorded a growth of 12.1 per cent which was the fifth highest among its major trading partners, while Hong Kong SAR registered the lowest growth rate of 2.6 per cent.

As for imports, the Malaysian economy recorded stronger growth than Singapore (10.2 per cent) and Thailand (8.7 per cent) in 2007. The increase was contributed by higher imports of intermediate goods such as parts & accessories of capital goods (excluding transport equipment), primary industrial supplies and primary fuel & lubricants.

ii) Normalised trade balance

The normalised trade balance represents a record of a country's trade transactions with the rest of the world on its own total trade. In general, economists expect that the trade balance will be zero in the long run, thus imports are financed by exports, but it may vary considerably over shorter periods.

Figure 5: Normalised trade balance for Malaysia and its Major Trading Partners (1997 - 2007)

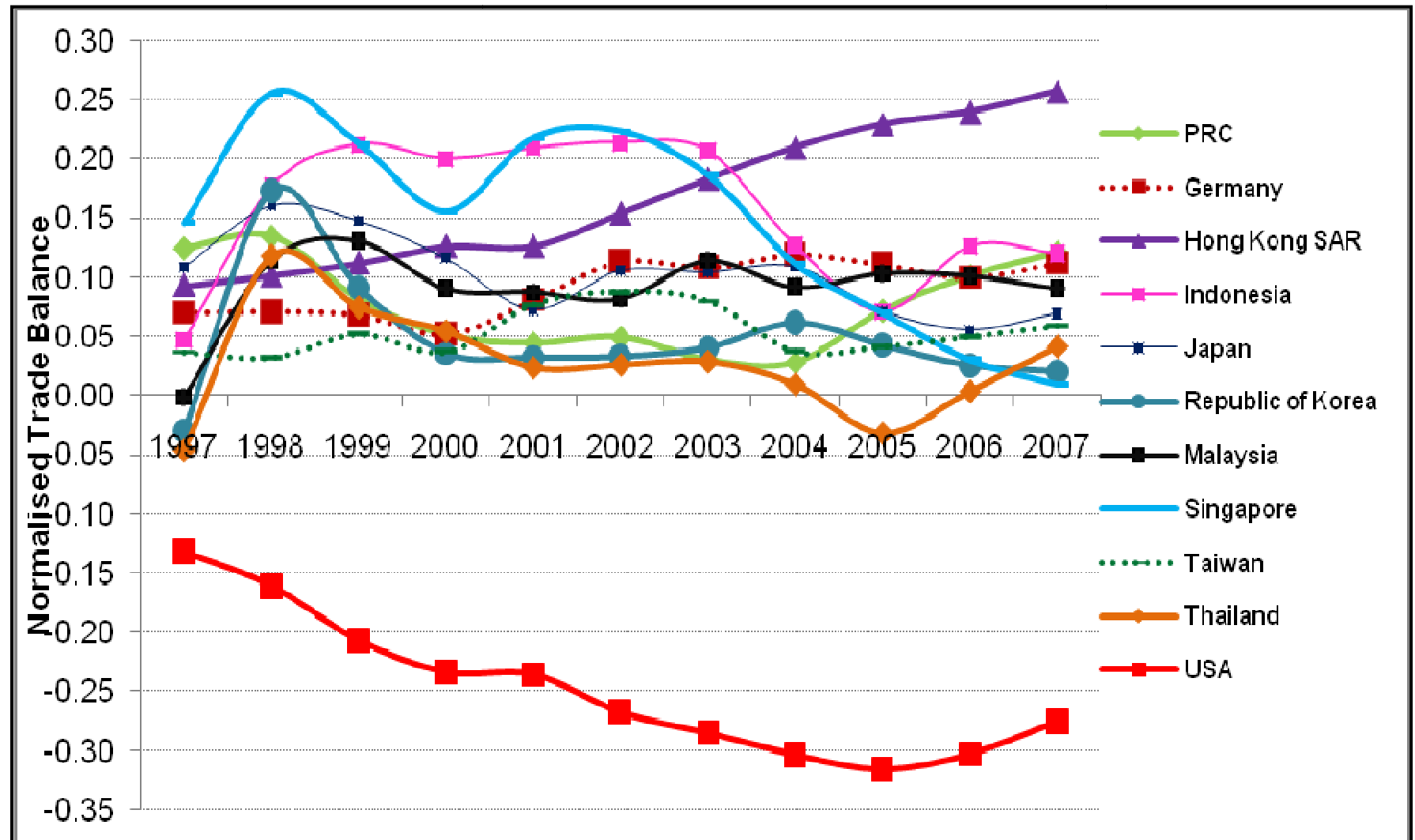


Figure 5 illustrates that the overall normalised trade balance during the period of 1997-2007. Most of the countries had positive figures of normalised trade balance which meant that their imports were paid by exports as positive figures indicated a trade surplus. The US was the only country which recorded a negative normalised trade balance and its imports were not financed by exports which meant that the US imports was higher than exports.

Among Malaysia's major trading partners, Hong Kong SAR's normalised trade balance recorded surpluses from 1997 until 2007 with the highest surplus of 0.26 in 2007. The surpluses were attributed mainly to higher exports of manufactured products, which accounted for 95.9 per cent of total exports during that period. The main manufactured products were machinery & transport equipment (48.9 per cent), clothing (9.6 per cent) and textiles (6.0 per cent).

The highest normalised trade balance for Malaysia was recorded at 0.13 in 1999 but a trade deficit was recorded in 1997 with normalised trade balance of -0.0007. However, the Malaysia's normalised trade balance registered at 0.09 in 2007, a decrease of 30.7 per cent from 1999.

The US is the most significant nation in the world when it comes to international trade. For decades, it has led the world in terms of imports while simultaneously remain as one of the top three exporters of the world. The US economy was growing faster than the economies of its major trading partners. Consequently, the Americans consumed foreign goods at a faster pace as compared with people in other countries which bought Americans goods. Furthermore, the financial crisis in Asia resulted in the currencies in this region plummeting, making their goods relatively much cheaper than the American goods. As a result, negative figures were observed for the US during the period which denotes trade deficits. On the other hand, Hong Kong SAR, Singapore, PRC, Indonesia, Malaysia, Japan, Taiwan and the Republic of Korea recorded substantial surpluses starting from 1998.

Figure 6: Normalised trade balance for Malaysia and its Major Trading Partners (2007)

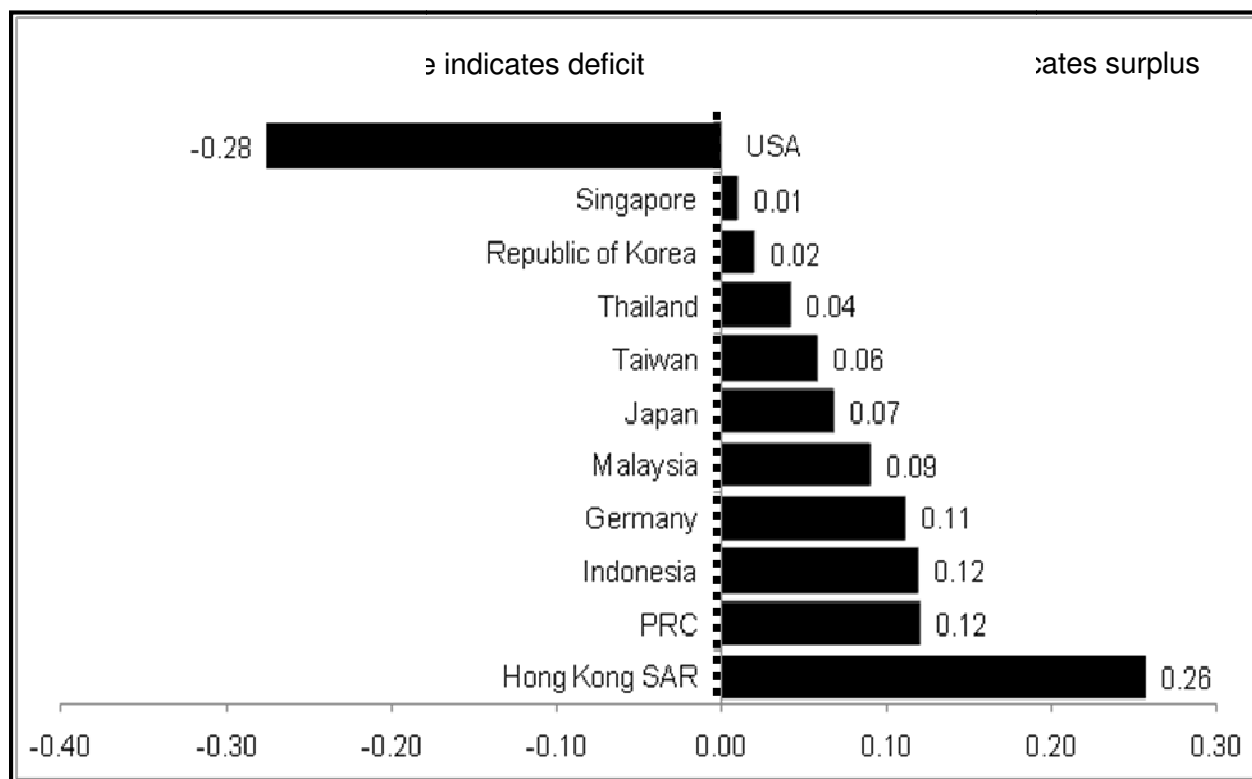


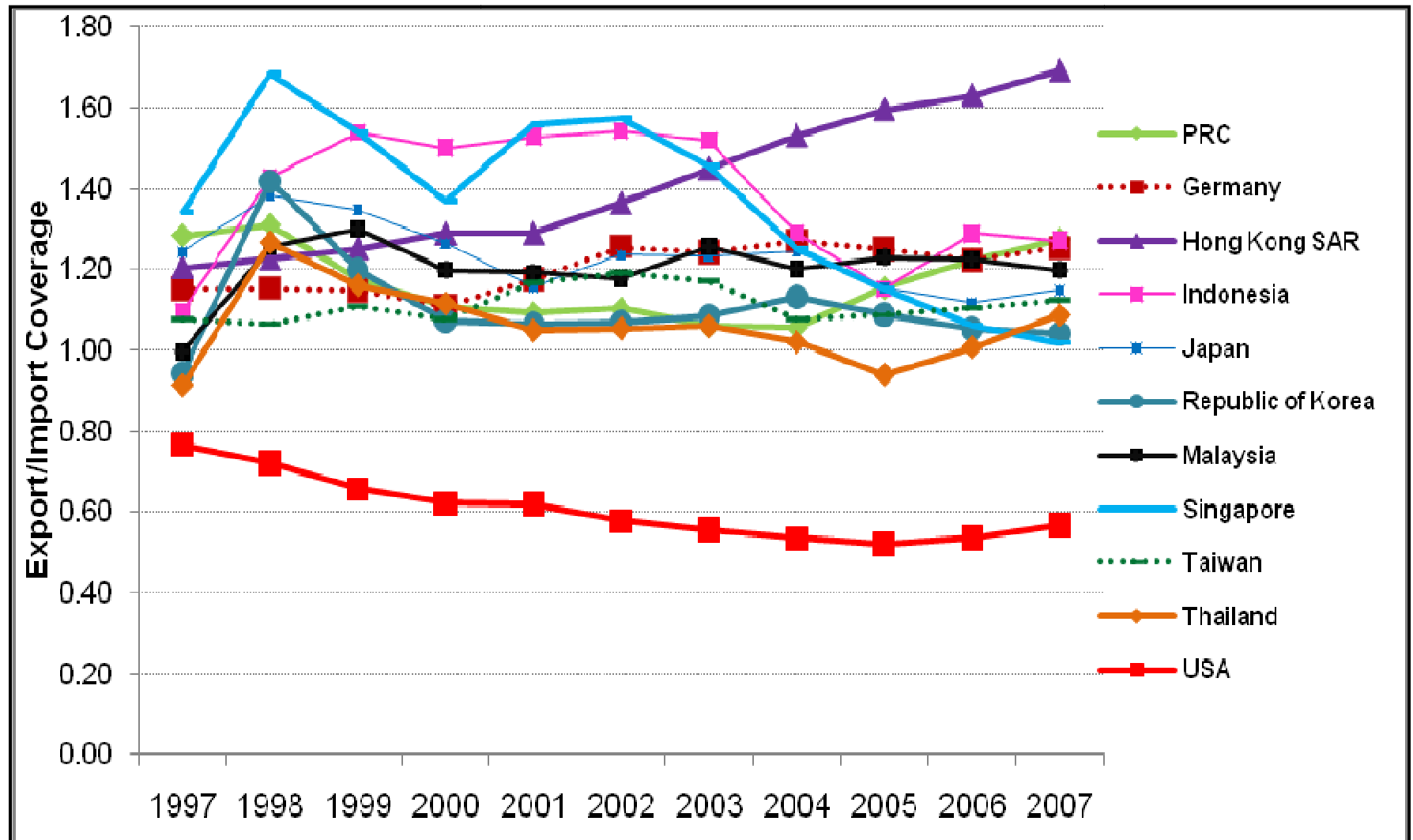
Figure 6 shows the normalised trade balance in 2007. Hong Kong SAR's normalised trade balance was the highest which was 0.26 although it recorded the lowest export growth of 9.3 per cent. It was followed by the PRC (0.12), Indonesia (0.12) and Germany (0.11). The US was the only country which recorded a deficit of 0.28 in year 2007.

As for Malaysia, its normalised trade balance was 0.09. The positive normalised trade balance was mainly attributed to exports in the manufacturing sector which approximately accounted for 75 per cent of total exports. The expansion of exports to the markets was contributed significantly by electrical and electronic products (E&E); chemicals and chemical products; machinery, appliances and parts; iron and steel products; palm oil; and sawn timber and logs. Compared with other ASEAN countries, Malaysia's normalised trade balance was lower than Indonesia but higher than Thailand and Singapore.

iii) Export/import coverage

In analysing the trade performance, export/import coverage is another alternative indicator other than normalised trade balance. It signifies whether a country's imports are fully paid for by exports in a given year. Likewise, figure that is less than one denotes deficit.

Figure 7: Export/Import Coverage for Malaysia and its Major trading Partners (1997-2007)



From 1997 to 2007, substantial surpluses were observed in Hong Kong SAR, Singapore, PRC and Indonesia with figures between 1.06 to 1.69 (figure 7).

Malaysia registered a trade deficit in 1997 with export/import coverage of 0.996. This was due to the financial crisis that gripped much of Asia beginning July 1997. The crisis started in Thailand with the financial collapsed of the Thai Baht. As the crisis spread, most of Southeast Asia including Malaysia saw slumping currencies, devalued stock markets and other asset prices.

Thus on 1st September 1998, Malaysia implemented the system of exchange control (including fixed exchange rate of ringgit at 3.80 to one US dollar) to lessen the impact of the crisis. The success of exchange control system contributed to the recovery from the financial crisis. From 1998 to 2007, Malaysia recorded surpluses as evidenced by the export/import coverage of 1.18 to 1.30.

On the contrary, the US was the only country which recorded deficits continuously during the same period as shown by the export/import coverage which was between 0.52 to 0.77. The trade deficit of the US was about 6.1 trillion dollar in the period of 1997-2007. From 1997 to 2007, the main imports entering the US were manufactured goods (74.7 per cent), fuels & mining products (15.6 per cent) and agricultural products (5.8 per cent). The manufactured goods were mainly machinery & transport equipment (55.2 per cent), chemicals (9.6 per cent) and clothing (6.8 per cent).

Figure 8: Exports/Imports Coverage for Malaysia and its Major Trading Partners in 2007

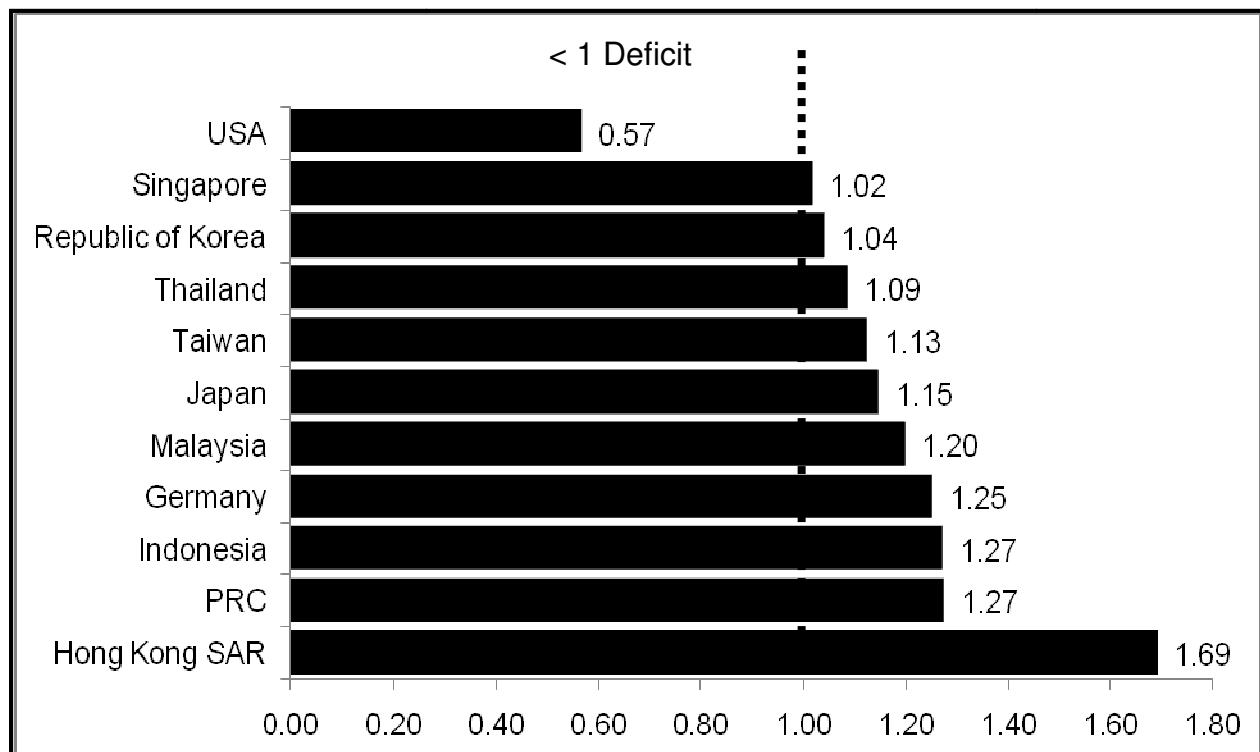


Figure 8 shows that in 2007, all the countries recorded surpluses except the US. Compared to other countries, the US registered the lowest export/import coverage of 0.57, while Hong Kong SAR had the highest export/import coverage which was 1.69.

As for Malaysia, the export/import coverage showed a surplus of 1.20 which was lower than Indonesia (1.27) but higher than Singapore (1.02) and Thailand (1.09). It showed that Malaysia's ratio of total export to total import was higher than Singapore and Thailand but less than Indonesia. Using the normalised trade balance, the findings showed similar scenario where all the countries had trade surpluses except the US.

Conclusion

From 1997 to 2007, the growth rate of exports and imports for Malaysia and its trading partners registered average rates of 5.5 to 21.5 per cent and 1.1 per cent to 19.9 per cent respectively. However, there was a strong dip experienced by most of Malaysia's major trading partners during 1997-1998 Asian financial crisis and 2001-2002 the South American economic crisis. In 2007, Malaysia's export picked up with 9.7 per cent growth but it was lower as compared to PRC (25.8 per cent), Germany (19.2 per cent) and Thailand (17.3 per cent). On the other hand, Malaysia's imports registered a growth rate of 12.1 per cent which was higher than Singapore (10.2 per cent) and Thailand (8.7 per cent).

During the same period, for the normalised trade balance, Malaysia recorded positive figures of 0.08 to 0.11 which indicated a surplus except in 1997 whereas the US was the only country which recorded negative figures which indicated deficits. In 2007, Hong Kong SAR's normalised trade balance was the highest which was 0.26 and the lowest normalised trade balance of -0.28 was recorded by the US.

Similarly, the export/import coverage for Malaysia was in between 1.18 to 1.30 which indicated a surplus except in 1997 unlike the US which recorded a deficit throughout the period. The exports/imports coverage is an alternative method to the normalised trade balance and the findings of both methods showed that Malaysia recorded a surplus from 1997 to 2007 except in 1997.

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Appendix 1

Table 1: Total value of exports, imports, exports growth rate, imports growth rate, trade balance, normalised trade balance and export/import coverage for Malaysia and its Major Trading Partners (1997 to 2007)

Country	Flow	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
China, People's Republic of	Exports, USD million	182,792	183,712	194,931	249,203	266,098	325,596	438,228	593,326	761,953	968,978	1,218,623
	Imports, USD million	142,370	140,237	165,699	225,094	243,553	295,170	412,760	561,229	659,953	791,461	956,139
	Trade Balance, USD million	40,422	43,475	29,232	24,109	22,545	30,426	25,468	32,097	102,000	177,517	262,484
	Exports Growth Rate (%)	21.02	0.5	6.11	27.84	6.78	22.36	34.59	35.39	28.42	27.17	25.76
	Imports Growth Rate (%)	2.55	-1.50	18.16	35.85	8.20	21.19	39.84	35.97	17.59	19.93	20.81
	Normalised Trade Balance	0.12	0.13	0.08	0.05	0.04	0.05	0.03	0.03	0.07	0.10	0.12
	Export/Import Coverage	1.28	1.31	1.18	1.11	1.09	1.10	1.06	1.06	1.15	1.22	1.27
Germany, Federal Republic of	Exports, USD million	512,891	543,752	543,539	551,810	571,645	615,831	751,560	909,887	970,914	1,108,107	1,321,214
	Imports, USD million	445,731	471,474	474,047	497,197	486,119	490,283	604,612	715,742	777,073	906,684	1,054,983
	Trade Balance, USD million	67,160	72,278	69,492	54,613	85,526	125,548	146,948	194,145	193,841	201,423	266,231
	Exports Growth Rate (%)	-2.24	6.02	-0.04	1.52	3.59	7.73	22.04	21.07	6.71	14.13	19.23
	Imports Growth Rate (%)	-2.91	5.78	0.55	4.88	-2.23	0.86	23.32	18.38	8.57	16.68	16.36
	Normalised Trade Balance	0.07	0.07	0.07	0.05	0.08	0.11	0.11	0.12	0.11	0.10	0.11
	Export/Import Coverage	1.15	1.15	1.15	1.11	1.18	1.26	1.24	1.27	1.25	1.22	1.25
Hong Kong, SAR	Exports, USD million	349,084	338,471	340,217	367,342	358,988	371,795	397,312	433,760	460,264	488,099	519,471
	Imports, USD million	289,772	276,130	271,761	285,160	278,548	272,649	274,315	283,341	288,566	299,394	307,088
	Trade Balance, USD million	59,312	62,341	68,456	82,182	80,440	99,146	122,997	150,419	171,698	188,705	212,383
	Exports Growth Rate (%)	4.39	(6.86)	0.4	16.97	(5.23)	6.54	13.57	16.74	10.39	10.35	9.33
	Imports Growth Rate (%)	6.13	-4.71	-1.58	4.93	-2.32	-2.12	0.61	3.29	1.84	3.75	2.57
	Normalised Trade Balance	0.09	0.10	0.11	0.13	0.13	0.15	0.18	0.21	0.23	0.24	0.26
	Export/Import Coverage	1.20	1.23	1.25	1.29	1.29	1.36	1.45	1.53	1.60	1.63	1.69
Indonesia, Republic of	Exports, USD million	56,298	50,370	51,243	65,403	57,361	59,166	64,108	70,767	86,996	103,527	118,014
	Imports, USD million	51,304	35,280	33,321	43,595	37,534	38,340	42,196	54,877	75,533	80,346	92,778
	Trade Balance, USD million	4,994	15,090	17,922	21,808	19,827	20,826	21,912	15,890	11,463	23,181	25,236
	Exports Growth Rate (%)	13.02	(10.53)	1.73	27.63	(12.3)	3.15	8.35	10.39	22.93	19	13.99
	Imports Growth Rate (%)	19.51	-31.23	-5.55	30.83	-13.90	2.15	10.06	30.05	37.64	6.37	15.47
	Normalised Trade Balance	0.05	0.18	0.21	0.20	0.21	0.21	0.21	0.13	0.07	0.13	0.12
	Export/Import Coverage	1.10	1.43	1.54	1.50	1.53	1.54	1.52	1.29	1.15	1.29	1.27

A Study of the Trade Performance of Malaysia
and Its Major Trading Partners

Table 1, continued.

Country	Flow	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Japan	Exports, USD million	420,957	387,927	417,610	479,249	403,496	416,726	471,817	565,675	594,941	646,725	714,327
	Imports, USD million	338,754	280,484	309,995	379,511	349,089	337,194	382,930	454,542	515,866	579,064	622,243
	Trade Balance, USD million	82,203	107,443	107,615	99,738	54,407	79,532	88,887	111,133	79,075	67,661	92,084
	Exports Growth Rate (%)	2.45	(7.85)	7.65	14.76	(15.81)	3.28	13.22	19.89	5.17	8.7	10.45
	Imports Growth Rate (%)	-2.98	-17.20	10.52	22.42	-8.02	-3.41	13.56	18.70	13.49	12.25	7.46
	Normalised Trade Balance	0.11	0.16	0.15	0.12	0.07	0.11	0.10	0.11	0.07	0.06	0.07
	Export/Import Coverage	1.24	1.38	1.35	1.26	1.16	1.24	1.23	1.24	1.15	1.12	1.15
Korea, Republic of	Exports, USD million	136,164	132,313	143,686	172,267	150,439	162,471	193,817	253,845	284,419	325,465	371,489
	Imports, USD million	144,616	93,282	119,752	160,481	141,098	152,126	178,827	224,463	261,238	309,383	356,846
	Trade Balance, USD million	(8,452)	39,031	23,934	11,786	9,341	10,345	14,990	29,382	23,181	16,082	14,643
	Exports Growth Rate (%)	4.97	(2.83)	8.6	19.89	(12.67)	8	19.29	30.97	12.04	14.43	14.14
	Imports Growth Rate (%)	-3.81	-35.50	28.38	34.01	-12.08	7.82	17.55	25.52	16.38	18.43	15.34
	Normalised Trade Balance	-0.03	0.17	0.09	0.04	0.03	0.03	0.04	0.06	0.04	0.03	0.02
	Export/Import Coverage	0.94	1.42	1.20	1.07	1.07	1.07	1.08	1.13	1.09	1.05	1.04
Malaysia	Exports, USD million	78,740	73,305	84,455	98,229	88,005	94,058	104,705	126,511	140,980	160,676	176,211
	Imports, USD million	79,030	58,319	64,966	81,963	73,866	79,869	83,300	105,283	114,625	131,152	146,982
	Trade Balance, USD million	(290)	14,986	19,489	16,266	14,139	14,189	21,405	21,228	26,355	29,524	29,229
	Exports Growth Rate (%)	0.53	(6.9)	15.21	16.31	(10.41)	6.88	11.32	20.83	11.44	13.97	9.67
	Imports Growth Rate (%)	0.78	-26.21	11.40	26.16	-9.88	8.13	4.30	26.39	8.87	14.42	12.07
	Normalised Trade Balance	-0.0007	0.11	0.13	0.09	0.09	0.08	0.11	0.09	0.10	0.10	0.09
	Export/Import Coverage	0.9963	1.26	1.30	1.20	1.19	1.18	1.26	1.20	1.23	1.23	1.20
Singapore, Republic of	Exports, USD million	177,569	171,499	170,983	184,086	180,564	183,326	198,468	216,959	230,088	253,616	268,255
	Imports, USD million	132,437	101,732	111,060	134,545	116,000	116,441	136,218	173,599	200,047	238,710	263,155
	Trade Balance, USD million	45,132	69,767	59,923	49,541	64,564	66,885	62,250	43,360	30,041	14,906	5,100
	Exports Growth Rate (%)	0.57	(11.92)	2.73	22.55	(9.94)	3.49	27.17	24.52	15.19	19.62	10.52
	Imports Growth Rate (%)	0.84	-23.18	9.17	21.15	-13.78	0.38	16.98	27.44	15.24	19.33	10.24
	Normalised Trade Balance	0.15	0.26	0.21	0.16	0.22	0.22	0.19	0.11	0.07	0.03	0.01
	Export/Import Coverage	1.34	1.69	1.54	1.37	1.56	1.57	1.46	1.25	1.15	1.06	1.02
Taiwan	Exports, USD million	123,159	112,467	123,626	151,357	125,900	135,080	150,298	182,432	198,432	224,017	246,677
	Imports, USD million	114,446	105,442	111,449	140,642	107,944	113,331	128,130	169,250	182,614	202,698	219,252
	Trade Balance, USD million	8,713	7,025	12,177	10,715	17,956	21,749	22,168	13,182	15,818	21,319	27,425
	Exports Growth Rate (%)	4.97	(8.68)	9.92	22.43	(16.82)	7.29	11.27	21.38	8.77	12.89	10.12
	Imports Growth Rate (%)	11.03	-7.87	5.70	26.19	-23.25	4.99	13.06	32.09	7.90	11.00	8.17
	Normalised Trade Balance	0.04	0.03	0.05	0.04	0.08	0.09	0.08	0.04	0.04	0.05	0.06
	Export/Import Coverage	1.08	1.07	1.11	1.08	1.17	1.19	1.17	1.08	1.09	1.11	1.13

Table 1, continued.

Country	Flow	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Thailand	Exports, USD million	57,374	54,456	58,440	69,057	64,968	68,108	80,324	96,248	110,936	129,722	152,098
	Imports, USD million	62,854	42,971	50,342	61,924	61,962	64,645	75,824	94,410	118,178	128,773	139,966
	Trade Balance, USD million	(5,480)	11,485	8,098	7,133	3,006	3,463	4,500	1,838	(7,242)	949	12,132
	Exports Growth Rate (%)	2.97	(5.09)	7.32	18.17	(5.92)	4.83	17.94	19.82	15.26	16.93	17.25
	Imports Growth Rate (%)	-13.10	-31.63	17.15	23.01	0.06	4.33	17.29	24.51	25.18	8.97	8.69
	Normalised Trade Balance	-0.05	0.12	0.07	0.05	0.02	0.03	0.03	0.01	-0.03	0.00	0.04
	Export/Import Coverage	0.91	1.27	1.16	1.12	1.05	1.05	1.06	1.02	0.94	1.01	1.09
United States of America	Exports, USD million	689,182	682,138	695,797	781,918	729,100	693,103	724,771	814,875	901,082	1,025,967	1,148,199
	Imports, USD million	899,020	944,353	1,059,440	1,259,300	1,179,180	1,200,230	1,303,050	1,525,680	1,732,706	1,918,077	2,020,403
	Trade Balance, USD million	(209,838)	(262,215)	(363,643)	(477,382)	(450,080)	(507,127)	(578,279)	(710,805)	(831,624)	(892,110)	(872,204)
	Exports Growth Rate (%)	10.26	(1.02)	2	12.38	(6.75)	-4.94	4.57	12.43	10.58	13.86	11.91
	Imports Growth Rate (%)	9.37	5.04	12.19	18.86	-6.36	1.79	8.57	17.09	13.57	10.70	5.33
	Normalised Trade Balance	-0.13	-0.16	-0.21	-0.23	-0.24	-0.27	-0.29	-0.30	-0.32	-0.30	-0.28
	Export/Import Coverage	0.77	0.72	0.66	0.62	0.62	0.58	0.56	0.53	0.52	0.53	0.57

Source: World Trade Organisation, Statistics Database, Time Series.