

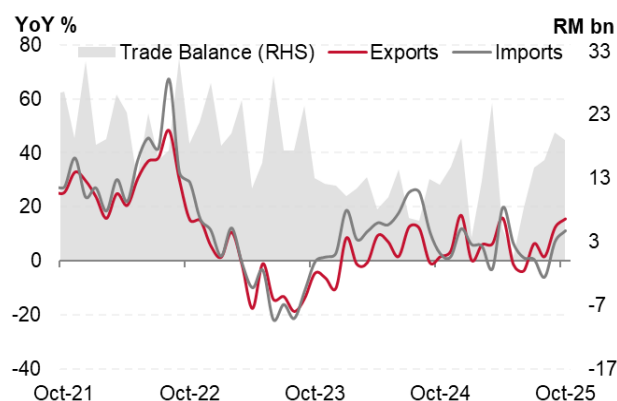
19 November 2025

Malaysia External Trade

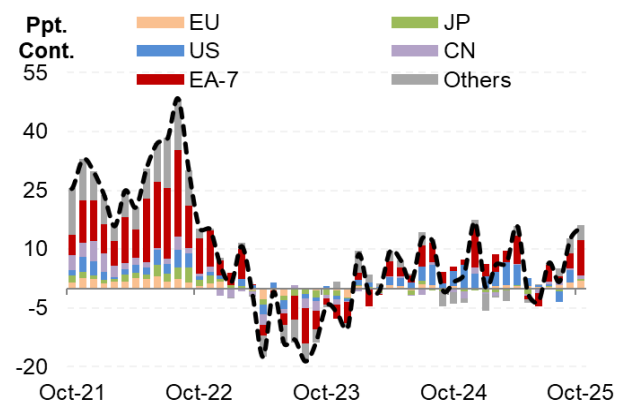
October exports hit a six-month high amid resilient E&E demand

- **Exports rose 15.7% (Sep: 12.5%), a six-month high, far above expectations (KIBB: 3.9%; consensus: 7.6%)**
 - MoM (6.7%; Sep: 5.9%): Expanded for the second straight month, showing steady momentum into 4Q25.
- **Strong shipments to East Asian countries, and solid E&E exports boosted overall growth**
 - **By destination:** Shipments to East Asian countries surged, led by Taiwan (38.7%; Sep: 8.6%), followed by Hong Kong (36.7%; Sep: -13.3%), and South Korea (16.8%; Sep: -0.7%). Among the top five export destination, shipments to Singapore (27.2%; Sep: 28.7%), and EU (23.8%; Sep: 19.7%) remained solid. Notably, exports to China (7.5%; Sep: 2.9%) and Japan (6.6%; Sep: -5.2%) also expanded. However, shipments to the US fell by 2.6% (Sep: 24.2%) after a sharp rebound in the previous month, reflecting the impact of higher US tariffs.
 - **By sector:** It was a broad-based improvement. Led by manufacturing (15.7%; Sep: 12.8%), agriculture (20.3%; Sep: 6.4%) and mining (8.0%; Sep: 4.3%).
 - **By major product:** Electrical & Electronic (E&E) exports rose sharply (26.5%; Sep: 19.5%), accounting for 52.9% of total exports for the month. A recovery and expansion in the commodities-related exports also lifted export growth, led by palm oil & palm-based products (23.8%; Sep: 8.6%) and crude petroleum (38.1%; Sep: -17.3%). However, liquified natural gas (LNG) (-17.6%; Sep: -13.2%) fell for the sixth straight month.
- **Imports expanded sharply (11.2%; Sep: 7.2%) to a six-month high, far above expectations (KIBB: 1.8%; consensus: 4.8%)**
 - **Drivers:** Re-exports (36.4%; Sep: 46.1%) slowed but remained relatively high. Similarly, retained imports (2.2%; Sep: 3.3%) also moderated.
 - **Imports by end use:** Capital goods (51.9%; Sep: 9.0%) surged to a five-month high due to higher imports of non-transport (58.3%; Sep: 6.1%). Consumption goods (3.6%; Sep: 4.9%) moderated due to weak imports of primary food and beverages for household consumption (-2.7%; Sep: -2.5%). However, intermediate goods (-7.6%; Sep: 2.7%) fell sharply due to persistently weak imports of processed fuel and lubricants (-64.7%; Sep: -64.4%).
 - MoM (8.9%; Sep: 2.9%): Expanded sharply for the second straight month, hitting a three-month high.
- **Trade surplus narrowed slightly to RM19.0b (Sep: RM20.2b), but still relatively high and beating expectations (KIBB: RM14.8b; consensus: RM16.4b)**
 - **Total trade** expanded (13.6% YoY; Sep: 10.0%) sharply to a six-month high, with MoM (7.7%; Sep: 4.5%) rose to a three-month high.
- **2025 export growth forecast revised up to 6.0% (2024: 5.8%) from 3.9% after better-than-expected October's trade performance**
 - **Outlook:** Exports have grown 6.0% in the first ten months of 2025 (versus Jan-Sep: 4.8%), outperforming our earlier projections. This defied expectations of weaker trade from the impact of higher US tariffs on the global economy. E&E demand remained resilient amid increasing adoption of AI, 5G, and EVs, firm demand from other trading partners, and new product launches, while semiconductor exports remain exempted from Trump's tariffs. Going forward, Malaysia's exports may sustain their expansion if E&E demand holds up.
 - **Risks:** Commodity-related exports remain sensitive to global economic and political uncertainties, US trade policy shifts and demand conditions in major economies (US, China, EU).
 - **GDP Outlook:** October's strong export performance and still-large trade surplus point to a relatively strong start for 4Q25 GDP. Nonetheless, we project 4Q25 GDP growth to moderate to 4.1% (3Q25: 5.2%), keeping a cautious view of the final month of 2025. This brings full year growth to 4.5% (2024: 5.1%), though a steady performance in external trade may push growth towards the upper end of MoF target range of 4.0% - 4.8%. The impact of US tariff on global economy may be delayed to next year, and we anticipate slower GDP growth of 4.2% in 2026. However, steady domestic demand, driven by private consumption, should continue to support the economy.

Graph 1: External Trade Growth



Graph 2: Exports by Destination



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Table 1: Malaysia External Trade Growth Trend

		2021	2022	2023	2024	Oct-24	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Total Trade	%YoY	24.9	27.6	-7.3	9.2	2.2	2.6	-1.3	3.6	-2.0	10.0	13.6
Trade Balance	RM bil	253.7	256.2	215.2	139.1	12.0	0.8	8.4	14.6	15.8	20.2	19.0
Exports	%YoY	26.1	24.9	-8.0	5.8	1.6	-1.2	-3.6	6.5	1.7	12.5	15.7
	%MoM					3.7	-5.2	-4.0	15.2	-6.2	5.9	6.7
Manufacturing	%YoY	25.7	22.4	-6.9	5.9	1.9	-0.3	-3.3	8.7	1.5	12.8	15.7
	Shr	86.1	84.2	85.3	85.4	85.4	86.9	87.2	87.0	86.5	86.8	85.4
Agriculture	%YoY	36.8	23.3	-21.8	11.7	8.9	8.2	17.5	-9.8	4.4	6.4	20.3
	Shr	7.9	7.8	6.6	7.0	7.6	7.7	7.4	6.5	7.3	6.9	7.9
Mining	%YoY	20.6	67.0	-10.0	-1.9	-11.3	-23.5	-30.5	-4.4	-2.4	4.3	8.0
	Shr	5.7	7.6	7.4	6.9	6.1	4.6	4.6	5.7	5.4	5.2	5.7
Others	%YoY	11.4	51.5	26.8	15.4	64.2	-19.3	3.5	12.5	0.5	42.9	-2.6
	Shr	0.4	0.5	0.6	0.7	0.9	0.7	0.8	0.8	0.8	1.1	1.0
Imports	%YoY	23.3	31.0	-6.4	13.1	2.7	6.6	1.3	0.6	-5.9	7.2	11.2
	%MoM					4.9	-2.0	-10.1	10.9	-8.0	2.9	8.9
Capital	%YoY	14.4	15.8	7.1	29.0	-3.1	63.2	20.2	20.3	10.9	9.0	51.9
	Shr	10.5	9.3	10.6	12.1	10.6	18.0	12.7	14.5	13.6	15.5	14.5
Intermediate	%YoY	27.2	29.5	-12.2	20.0	5.3	-4.3	-0.9	-17.8	-16.7	2.7	-7.6
	Shr	55.3	54.6	51.2	54.4	50.5	51.8	53.3	45.3	52.2	50.7	41.9
Consumption	%YoY	13.2	24.0	0.1	12.8	2.9	-0.8	1.6	-4.9	-8.9	4.9	3.6
	Shr	8.5	8.0	8.6	8.6	8.3	8.0	8.3	8.3	8.2	7.8	7.7

*Shr = share to total exports or imports.

Source: Dept. of Statistics preliminary release, Kenanga Research

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