

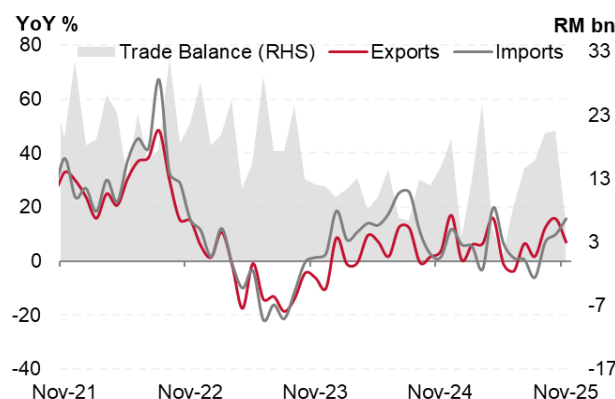
22 December 2025

# Malaysia External Trade

Exports lose steam in November; trade surplus shrinks to six-month low

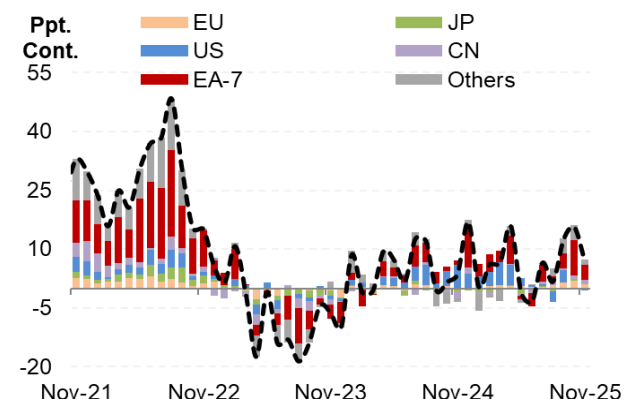
- **Exports slowed to 7.0% (Oct: 15.7%), the weakest in three months after reaching a six-month high in the previous month, and well below expectations (KIBB: 9.8%; consensus: 11.1%)**
  - MoM (-5.6%; Oct: 6.7%): Growth contracted, marking a three-month low, in line with seasonal trends as November typically records softer MoM growth.
- **Broad-based weakness across destinations and sectors**
  - **By destination:** Exports to East Asia slowed, with shipments to Japan (-4.9%; Oct: 6.0%) and South Korea (-8.2%; Oct: 17.8%) declined, while Hong Kong (17.8%; Oct: 36.7%) moderated. Taiwan (53.0%; Oct: 38.7%) bucked the trend, surging to a 11-month high. Among the top five destination, shipments to Singapore (4.1%; Oct: 27.2%) and the EU (13.2%; Oct: 23.8%) slowed sharply. Exports to the US (-0.9%; Oct: -2.6%) and Japan (-4.9%; Oct: 6.0%) contracted, while China (9.3%; Oct: 7.5%) posted a three-month high.
  - **By sector:** Manufacturing exports slowed to 7.9% (Oct: 15.7%), and agriculture contracted (-6.0%; Oct: 20.0%), while mining strengthened (9.9%; Oct: 8.4%).
  - **By major product:** Electrical & Electronic (E&E) exports slowed to 15.0% (Oct: 26.5%), though still accounted for 43.6% of total exports for the month. Commodities-related exports remained weak, particularly palm oil & palm-based products (-9.3%; Oct: 23.8%) and liquefied natural gas (LNG) (-12.5%; Oct: -17.6%). Chemical & chemical products (-14.8%; Oct: -9.9%) remained weak, marking the 11<sup>th</sup> straight month of decline.
- **Imports rose sharply (15.8%; Oct: 10.0%) to a seven-month high and far above expectations (KIBB: 7.1%; consensus: 10.1%)**
  - **Drivers:** Re-exports accelerated (40.3%; Oct: 36.4%) to a two-month high while retained imports (2.2%; Oct: 3.3%) expanded to a seven-month high.
  - **Imports by end use:** Capital goods surged 56.8% (Oct: 51.6%) to a six-month high, driven by higher imports of non-transport equipment (62.0%; Oct: 58.0%). Consumption goods fell (-1.7%; Oct: 3.7%) to a two-month low, due to weak imports of primary food and beverages for household consumption (-5.8%; Oct: -2.3%) and processed food and beverages for household (-4.2%; Oct: 10.1%). Intermediate goods (5.0%; Oct: -1.5%) rebounded after eight months of contraction, supported by strong imports of parts & accessories of transport equipment (20.8%; Oct: 17.8%) and a sharp recovery in non-transport parts & accessories (33.4%; Oct: -2.3%).
  - MoM (-5.8%; Oct: 7.7%): Fell sharply to a three-month low, consistent with MoM seasonal trend.
- **Trade surplus narrowed significantly to RM6.1b (Oct: RM20.4b), far below expectations (KIBB: RM19.3b; consensus: RM17.5b)**
  - **Total trade** moderated to 11.1% YoY (Oct: 13.0%) and MoM growth fell (-4.5%; Oct: 7.1%), ending two months of expansion.
- **2025 export growth forecast maintained at 6.0% (2024: 5.8%) and is projected to slow to 5.1% in 2026**
  - **Outlook:** Exports grew 6.1% year-to-date, supported by resilient E&E exports amid strong demand for AI, 5G, and EVs. Robust demand from other trading partners also supports Malaysia's exports. With the ongoing global tech cycle and semiconductor exports remaining exempt from US tariffs, we stay cautiously optimistic on the outlook.
  - **Risks:** Commodity-related exports remain vulnerable to global economic and political uncertainties, China's sluggish recovery and the impact of US trade policy. However, prospects for monetary easing by major global central banks may cushion the slowdown.
  - **GDP Outlook:** We have revised our 4Q25 GDP growth to 5.0% (3Q25: 5.2%), from 4.0%, lifting full-year growth to 4.8% (2024: 5.1%). While November's exports softness signals near-term weakness, we expect a rebound ahead of the Chinese New Year season. US tariff impacts may be delayed to next year, and that we project GDP growth to ease to 4.2% in 2026.

Graph 1: External Trade Growth



Source: Dept. of Statistics, Kenanga Research

Graph 2: Exports by Destination



Source: Dept. of Statistics, Kenanga Research

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**Table 1: Malaysia External Trade Growth Trend**

		2021	2022	2023	2024	Nov-24	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Total Trade	%YoY	24.9	27.6	-7.3	9.2	2.7	-1.3	3.6	-2.0	10.0	13.0	11.1
Trade Balance	RM bil	253.7	256.2	215.2	139.1	14.8	8.4	14.6	15.8	20.2	20.4	6.1
Exports	%YoY	26.1	24.9	-8.0	5.8	3.7	-3.6	6.5	1.7	12.5	15.7	7.0
	%MoM					-1.7	-4.0	15.2	-6.2	5.9	6.7	-5.6
Manufacturing	%YoY	25.7	22.4	-6.9	5.9	5.0	-3.3	8.7	1.5	12.8	15.7	7.9
	Shr	86.1	84.2	85.3	85.4	85.2	87.2	87.0	86.5	86.8	85.4	85.9
Agriculture	%YoY	36.8	23.3	-21.8	11.7	13.2	17.5	-9.8	4.4	6.4	20.0	-6.0
	Shr	7.9	7.8	6.6	7.0	7.5	7.4	6.5	7.3	6.9	7.9	6.6
Mining	%YoY	20.6	67.0	-10.0	-1.9	-19.4	-30.5	-4.4	-2.4	4.3	8.4	9.9
	Shr	5.7	7.6	7.4	6.9	6.4	4.6	5.7	5.4	5.2	5.7	6.6
Others	%YoY	11.4	51.5	26.8	15.4	-10.1	3.5	12.5	0.5	42.9	-0.9	-19.4
	Shr	0.4	0.5	0.6	0.7	0.9	0.8	0.8	0.8	1.1	1.0	0.9
Imports	%YoY	23.3	31.0	-6.4	13.1	1.6	1.3	0.6	-5.9	7.2	10.0	15.8
	%MoM					-4.3	-10.1	10.9	-8.0	2.9	7.7	-5.8
Capital	%YoY	14.4	15.8	7.1	29.0	-10.1	20.2	20.3	10.9	9.0	51.6	56.8
	Shr	10.5	9.3	10.6	12.1	11.9	12.7	14.5	13.6	15.5	14.6	16.2
Intermediate	%YoY	27.2	29.5	-12.2	20.0	12.7	-0.9	-17.8	-16.7	-7.4	-1.5	5.0
	Shr	55.3	54.6	51.2	54.4	56.9	53.3	45.3	52.2	45.7	45.2	51.5
Consumption	%YoY	13.2	24.0	0.1	12.8	3.3	1.6	-4.9	-8.9	4.9	3.7	-1.7
	Shr	8.5	8.0	8.6	8.6	9.0	8.3	8.3	8.2	7.8	7.8	7.7

\*Shr = share to total exports or imports.

Source: Dept. of Statistics preliminary release, Kenanga Research

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