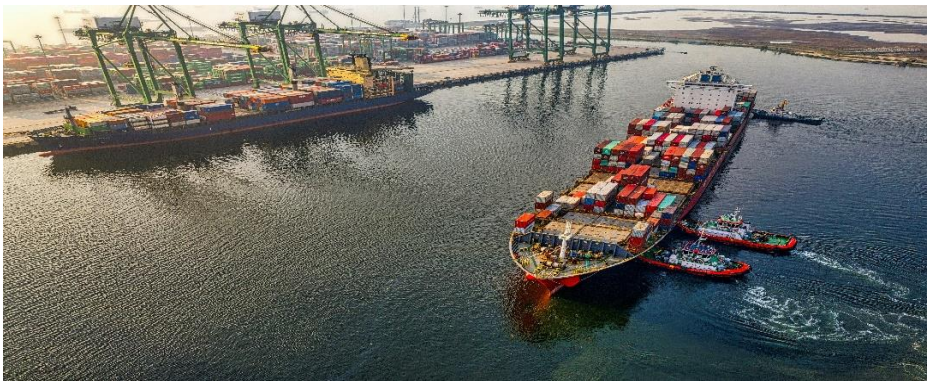
Malaysia's Apr-25 Exports Rose More than Expected on Frontloading Activities

ECONOMIC REVIEW:
Apr-25 External Trade

Economic Review



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- Exports accelerated in Apr-25 boosted by front-loading. Malaysia's total trade recorded significant expansion by +18.2%yoy in Apr-25 (Mar-25: +2.2%yoy). The growth was supported by more robust export performance, which rose by +16.4%yoy (Mar-25: +6.2%yoy), the strongest growth in 4 months. The stronger exports were driven by higher shipments of E&E products (+35.4%yoy; Mar-25: +25.4%yoy), marking six straight months of double-digit expansion with Apr-25 recording the strongest performance in the series.
- Robust E&E export growth offsets the continuous decline in LNG and petroleum performance. By sector, manufacturing exports (share: 87% of total exports) recorded a stronger double-digit growth of +19.0%yoy (Mar-25: +8.9%yoy). The surge was mainly due to stronger E&E exports, which grew +35.4%yoy in Apr-25 (Mar-25: +25.1%yoy), maintaining double-digit growth in five straight months. This was led by growth in shipments of automatic data processing equipment (+115.9%yoy) and semiconductors (+31.4%yoy).
- Imports surged double-digits. Imports accelerated by +20.0%yoy in Apr-25 (Mar-25: -2.9%yoy), marking the first double-digit growth since Dec-24. The value of monthly imports even rose to a new record high of RM128.4b. The jump in imports was mainly due to a sharp expansion in capital goods imports (+114.1%yoy; Mar-25: -19.4%yoy), driven by higher imports of data centre-related goods.
- Moderate trade growth projected for 2025, with near-term export boost from frontloading. We forecast export growth to moderate to +2.0% (2024: +5.7%) and import growth to +4.5% (2024: +13.2%) this year, reflecting a more cautious outlook amid ongoing trade tensions. Companies are likely to scale back production in anticipation of weaker demand. In the near term, exports are expected to grow over the next two to three months, supported by front loading activities during the 90-day tariff pause.

Exports accelerated in Apr-25 boosted by front-loading. Malaysia's total trade recorded significant expansion by +18.2%yoy in Apr-25 (Mar-25: +2.2%yoy). The growth was supported by more robust export performance, which rose by +16.4%yoy (Mar-25: +6.2%yoy), the strongest growth in 4 months. The stronger exports were driven by higher shipments of E&E products (+35.4%yoy; Mar-25: +25.4%yoy), marking six straight months of double-digit expansion with Apr-25 recording the strongest performance in the series. Rising E&E demand suggests ongoing front-loading activity as firms continue to take advantage of the 90-day tariff pause. In addition, the decline in exports of petroleum products slowed to -9.3%yoy (Mar-25: -32.5%yoy), whereas LNG shipment rebounded to +6.7%yoy after -11.0%yoy decline in Mar-25. Re-exports accelerated by +46.0%yoy (Mar-25: +12.1%yoy), the highest since Dec-24, while domestic exports also rose faster by +9.1%yoy (Mar-25: +5.5%yoy). Similarly, imports rebounded back to double-digit growth, rising by +20.0%yoy (Jan-25: +6.2%yoy), marking the fastest growth since Aug-24 mainly stemming from higher imports of manufactured goods such as E&E (+65.1%yoy); machinery, equipment & parts (+17.6%yoy); and transport equipment (+24.0%yoy). On a monthly basis, exports fell by -2.7%mom (Mar-25: +16.1%mom), while imports surged at double-digit pace of +14.1%mom (Mar-25: +6.5%mom), resulting in a narrower trade surplus of +RM5.2b (Mar-25: +RM24.7b), the lowest since Jan-25. Looking ahead, Malaysia's exports are expected to continue growing over the next two to three months, supported by front-loading activities during the 90-day tariff pause, in addition to the temporary relief from easing US-China trade tensions. Import growth would also stay encouraging in the short run as firms focus on stockpiling amid uncertainties surrounding the result of trade talks.

Table 1: Malaysia's External Trade Summary

	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Exports (RM b)	126.3	138.5	122.8	118.2	137.3	133.6
YoY%	3.9	16.9	0.3	6.2	6.8	16.4
MoM%	(1.4)	9.6	(11.3)	(3.7)	16.1	(2.7)
Imports	111.3	119.3	119.2	105.6	112.5	128.4
YoY%	1.6	11.9	6.2	5.5	(2.9)	20.0
MoM%	(4.3)	7.3	(0.2)	(11.4)	6.5	14.1
Total Trade	237.6	257.8	242.0	223.9	249.8	261.9
YoY%	2.8	14.5	3.1	5.9	2.2	18.2
MoM%	(2.8)	8.5	(6.1)	(7.5)	11.6	4.8
Trade Balance	15.1	19.1	3.7	12.6	24.7	5.2
Import Components						
Intermediate (RM b)	63.3	61.0	60.8	58.7	58.9	58.2
% YoY	12.7	1.5	3.4	5.7	(0.6)	(1.7)
Capital (RM b)	13.3	17.4	19.9	13.8	13.0	23.6
% YoY	(10.1)	41.3	45.6	35.3	(19.4)	114.1
Consumption (RM b)	10.1	10.3	10.1	9.1	9.7	9.7
% YoY	3.3	11.5	(2.6)	7.6	3.7	(0.7)

Note: MoM is non-seasonally adjusted figure
Source: MATRADE, Macrobond, MIDFR

Sustained robust demand from US, exports to China rebounded. By destination, exports to Singapore and the US in Mar-25 (share: 32% of total exports), expanded by +26.1%yoy (Mar-25: +9.7%yoy) and +45.6%yoy (Mar-25: +50.8%yoy), respectively. Stronger demand for E&E products was the key driver of export growth to these two markets. Meanwhile, exports to Taiwan continue to surge by +44.7%yoy in Apr-25 (Mar-25: +31.0%yoy), marking double-digit growth for two straight months. Higher shipments to Taiwan were mainly supported by increased demand for E&E products, optical and scientific instruments, and machinery-related components. Exports to other major regions showed sustained growth— shipments to the EU rose softer by +5.8%yoy in Apr-25 (Mar-25: +9.7%yoy), while export growth to ASEAN increased by +18.3%yoy (Mar-25: +0.4%yoy). Malaysia's exports to China rebounded by +2.1%yoy in Apr-25 (Mar-25: -1.3% YoY), returning to growth after three consecutive months of decline. Export growth was supported by stronger shipments of E&E products, although continued contractions in chemical and chemical products, as well as liquefied natural gas (LNG), weighed on overall export performance to China. Shipments to Japan rose by +6.8%yoy (Mar-25: -7.9%yoy), marking the first growth since Feb-24 with higher shipments of E&E products and optical & scientific equipment. Exports to key markets are expected to grow further, fueled by rising demand for E&E products from front-loading activities. That said, the threat of reciprocal tariffs amid rising trade tensions still present potential risks to Malaysia's exports to the US. We maintain a cautious view on near-term demand from China, given subdued domestic consumption driven by economic uncertainty, weak income growth, and rising concerns over potential US tariff hikes. On a positive note, efforts to diversify trade partnerships through the expansion of bilateral trade and a gradual shift away from reliance on the US market are expected to partly offset the negative impact of the tariffs on Malaysia's trade performance.

Table 2: Malaysia's Exports (YoY%)

	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Total Exports (RM b)	128.1	126.3	138.5	122.8	118.2	137.3
Re-exports (RM b)	21.2	28.3	25.3	21.3	27.4	33.5
Domestic Exports (RM b)	105.1	110.2	97.5	96.9	109.9	100.0
Exports by Key Country / Region						
China	(11.9)	9.6	(3.9)	(8.1)	(1.3)	2.1
US	57.3	29.4	28.1	28.9	50.8	45.6
Japan	(9.4)	(7.5)	(11.2)	(14.3)	(7.9)	6.8
Taiwan	70.2	66.7	26.3	6.8	31.0	44.7
India	13.4	26.8	(5.0)	(5.4)	(18.8)	6.1
Hong Kong	(2.2)	33.5	12.3	35.5	25.9	(1.9)
Australia	(8.6)	33.2	(15.8)	(14.8)	3.8	18.2
EU	(4.3)	2.5	(2.6)	7.6	9.7	5.8
ASEAN	(6.4)	16.3	(1.5)	8.2	0.4	18.3

Singapore	(1.4)	44.3	19.7	17.2	9.7	26.1
Thailand	(9.7)	17.6	3.2	14.7	5.0	19.9
Indonesia	(7.2)	(14.3)	(23.5)	6.8	(21.7)	17.2
Vietnam	(30.6)	(15.9)	(47.4)	(13.5)	(20.1)	9.7
Philippines	7.1	(7.0)	3.8	(10.4)	26.2	(8.3)

Source: Macrobond, MIDFR

Robust E&E export growth offsets continuous decline in LNG and petroleum performance. By sector, manufacturing exports (share: 87% of total exports) recorded a stronger double-digit growth of +19.0%yoy (Mar-25: +8.9%yoy). The surge was mainly due to stronger E&E exports, which grew +35.4%yoy in Apr-25 (Mar-25: +25.1%yoy), maintaining double-digit growth in five straight months. This was led by growth in shipments of automatic data processing equipment (+115.9%yoy) and semiconductors (+31.4%yoy). However, growth in agricultural exports moderated further to +3.5%yoy in Apr-25 (Mar-25: +5.4%yoy), with a slowdown in palm oil and palm oil-based agricultural products exports of +1.8%yoy (Mar-25: +3.3%yoy). However, exports of palm oil-based manufactured goods continue to grow by +22.0%yoy (Mar-25: +19.2%yoy). Mining goods recorded a softer contraction of -1.3%yoy during the month (Mar-25: -16.6%yoy) supported by higher exports of LNG (+6.7%yoy) and a more moderate decline in crude petroleum (-8.7%yoy). The ongoing weakness in crude oil prices is expected to weigh on petroleum-based exports in the near term. Although semiconductors are currently exempt, the reciprocal tariffs still pose a challenge to Malaysia's trade outlook. While the current 90-day pause offers temporary relief, a positive outcome from the negotiations with the US, particularly if certain sectors are granted tariff exemptions, could provide some respite from the ongoing external trade challenges.

Table 3: Malaysia's Exports by Major Products (YoY%)

	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
E&E	12.4	27.9	14.9	18.2	25.4	35.4
Machinery, Equipment & Parts	21.6	15.7	6.9	11.3	10.4	31.0
Optical & Scientific Equipment	6.1	4.4	(13.4)	12.7	(2.3)	14.0
Palm oil & palm oil-based products	11.7	27.7	10.5	25.5	8.3	8.2
Crude Petroleum	(46.6)	(12.1)	(11.7)	(64.3)	(43.2)	(8.7)
Petroleum Products	(33.4)	8.0	(34.1)	(11.7)	(32.5)	(9.3)
LNG	2.8	(7.4)	(13.3)	(24.5)	(11.0)	6.7
Rubber products	21.3	29.8	13.4	8.5	8.7	3.4
Transport equipment	15.3	3.8	(8.1)	11.7	(30.3)	31.3

Source: Macrobond, DOSM, MIDFR

Imports surged double-digits. Imports accelerated by +20.0%yoy in Apr-25 (Mar-25: -2.9%yoy), marking the first double-digit growth since Dec-24. The value of monthly imports even rose to a new record high of RM128.4b. The jump in imports was mainly due to a sharp expansion in capital goods imports (+114.1%yoy; Mar-25: -19.4%yoy), driven by higher imports of data centre-related goods. In addition, purchases of intermediate goods fell steeper by -1.7%yoy (Mar-25: +0.6%yoy), whereas consumption goods imports dropped marginally by -0.7%yoy (Mar-25: +3.6%yoy). By sector, imports of manufactured goods, accounting 86% of total imports, rebounded to double-digit growth of +24.9%yoy (Feb-25: -2.8%yoy), mainly driven by imports of E&E products (+65.1%yoy) and machinery, equipment & parts (+17.6%yoy). Imports of agriculture goods moderated to +10.8%yoy in Apr-25 (Mar-25: +34.9%yoy), supported by slower but sustained growth in other agricultural products (+7.5%yoy) and palm oil-related imports (+95.0%yoy). We anticipate imports will continue to rise, driven by front-loading activities ahead of the 90-day tariff pause, which may temporarily keep the trade surplus at low levels over the next few months. The positive import growth is expected to be supported by resilient domestic spending and expanding business activity.

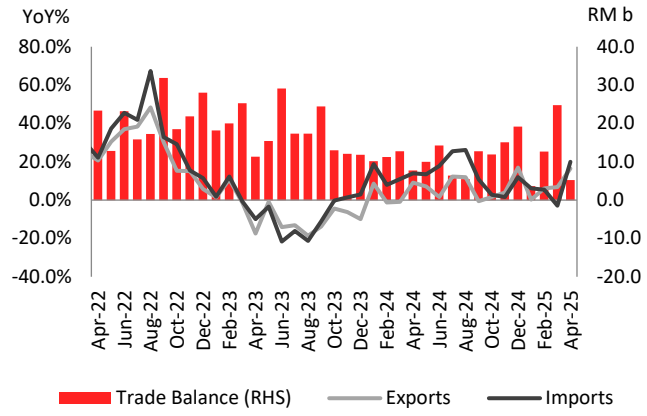
Volume changes remained the primary cause of improved export performance in Mar-25. Based on the latest data as of Mar-25, the stronger export growth of +6.8%yoy (Feb-25: +6.2%yoy) was mainly attributed to the higher export volume (+5.4%yoy; Feb-25: +3.3%yoy), mainly for products such as machinery & transport equipment and foods. However, volume declines were recorded for mineral fuels, lubricants & related materials, beverages and tobacco, and crude materials inedible. Export price inflation eased to +1.3%yoy (Feb-25: +2.8%yoy), remaining in positive for four straight months. Meanwhile, the decline in imports by -2.9%yoy (Feb-25: +5.5%yoy) was mainly due to the sharper fall in import prices (-2.4%yoy; Feb-25: -1.4%yoy). The price decline extended for seven straight months and reflecting reduced prices for various products, including chemicals, crude materials, mineral fuels, lubricants & related materials, and machinery & transport equipment. Import volume also contracted

by -0.5%yoy (Feb-25: +7.0%yoy), recording the first decline since Sep-23 with a sharper decline seen for mineral fuels, lubricants & related materials.

Trade surplus narrowed to a 3-month low. Trade surplus narrowed sharply to 3-month low of +RM5.2b (Mar-25: +RM24.8b), mainly attributable to the steep fall in the trade surplus of E&E products. Despite still limited impact on E&E exports from the US reciprocal tariffs (which has been paused for 90 days), Malaysia's E&E trade surplus narrowed significantly by -RM15b to +RM5.7b in Apr-25 (Mar-25: +RM20.7b) mainly due to the surge in E&E imports. As a result, the higher surplus in trade of palm oil and palm oil-based products, which rose to +RM8.1b (Mar-25: +RM7.1b), became the largest contributor to the monthly trade surplus. LNG remained the third largest contributor to trade surplus, although the sector's trade surplus shrank to +RM4.3b (Mar-25: +RM5.0b). In contrast, we noticed the deficit in trade of machinery, equipment & parts widened to -RM4.4b (Mar-25: -RM1.8b), underpinned by the stronger imports of machinery, equipment & parts (+17.6%yoy; Mar-25: +11.3%yoy). Nevertheless, it was offset by the smaller deficit in trade of crude & processed petroleum, which declined to -RM0.2b (Mar-25: -RM2.7b), mainly thanks to the slower fall in shipments of processed petroleum products (-17.1%yoy; Mar-25: -46.9%yoy). On another note, agriculture goods trade turned to surplus of +RM1.3b (Mar-25: -RM0.3b) due to a larger surplus in palm oil trade and smaller deficit in trade of other agriculture goods (-RM4.2b; Mar-25: -RM4.8b). We continue to expect E&E, palm oil and LNG to be major contributor to Malaysia's trade surplus, although the trade of E&E and manufactured goods will still be exposed to the changing trade rules and uncertainties given the ongoing trade talks.

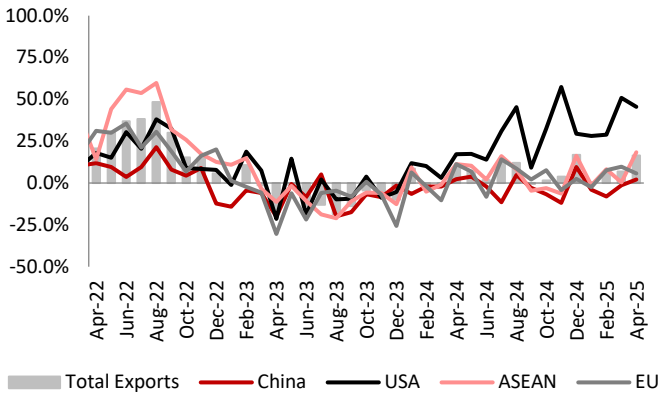
Moderate trade growth is projected for 2025, with near-term export boost from frontloading. We forecast export growth to moderate to +2.0% (2024: +5.7%) and import growth to +4.5% (2024: +13.2%) this year, reflecting a more cautious outlook amid ongoing trade tensions. Companies are likely to scale back production in anticipation of weaker demand. In the near term, exports are expected to grow over the next two to three months, supported by front loading activities during the 90-day tariff pause. Although the US and China have temporarily eased tariffs, uncertainty remains over a comprehensive trade agreement, including its scope and timeline. Malaysia's negotiations with the US administration also currently remain uncertain. While the tariff pause provides short-term relief, persistent trade tensions and potential weaker demand from key partners following the looming reciprocal tariffs continue to pose risks to Malaysia's trade outlook. Imports are also expected to rise in the near term due to frontloading, potentially narrowing the trade balance temporarily. On a positive note, expanding bilateral trade and diversifying away from reliance on the US market are expected to partly mitigate the impact of tariffs. A favorable trade negotiation outcome with the US could further ease trade challenges. Stronger trade activity boosted by the frontloading can also be an upside surprise as companies rush to deliver and fulfill demand. In view of the uncertain external trade development, we expect the ongoing domestic economic growth will continue to drive Malaysia's economy going forward.

Chart 1: Exports & Imports (YoY%) vs Trade Balance (RM b)



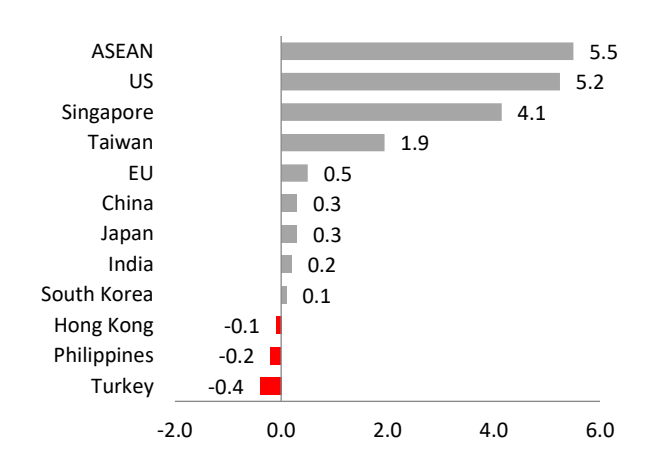
Source: MATRADE, Macrobond, MIDFR

Chart 2: Exports Growth by Major Destination (YoY%)



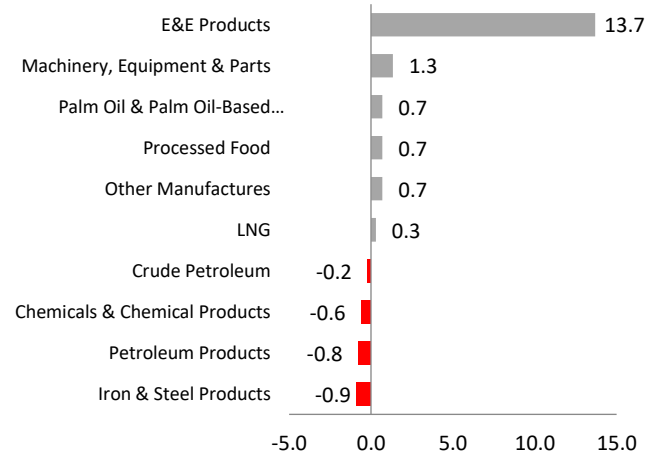
Source: MATRADE, Macrobond, MIDFR

Chart 3: Contribution to Total Exports Growth in Apr-25 by Destinations (%-points)



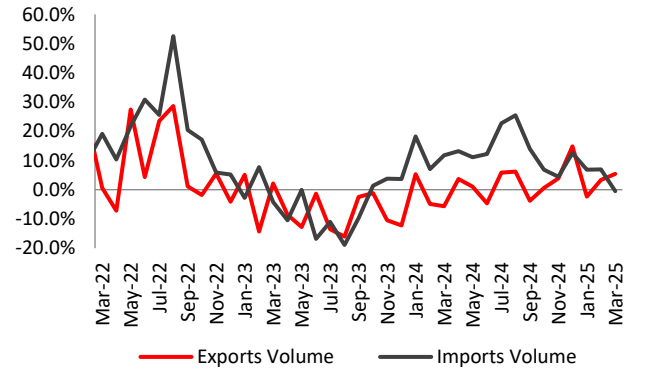
Source: MATRADE, Macrobond, MIDFR

Chart 4: Contribution to Total Exports Growth in Apr-25 by Key Products (%-points)



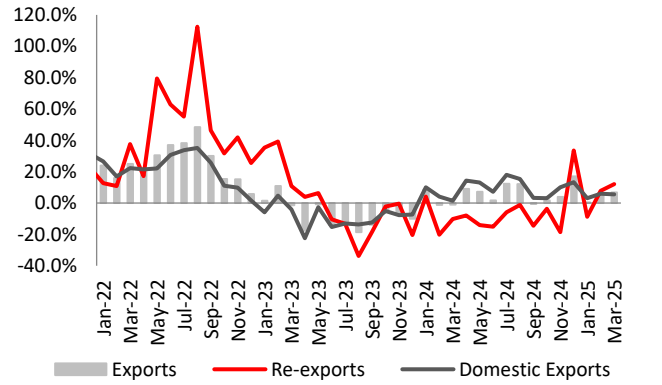
Source: MATRADE, Macrobond, MIDFR

Chart 5: Exports vs Imports Volume (YoY%)



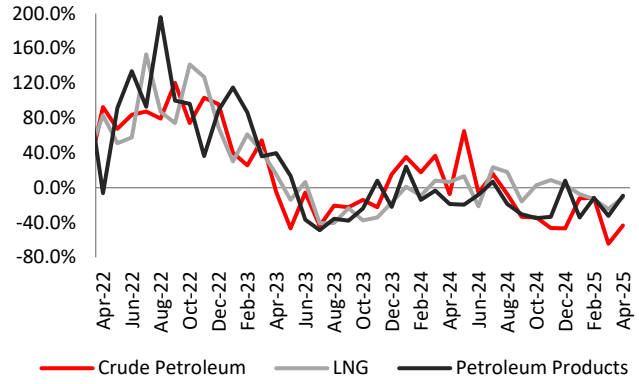
Note: The latest available trade volume data is Mar-25
Source: DOSM, Macrobond, MIDFR

Chart 6: Exports: Domestic vs Re-exports (YoY%)



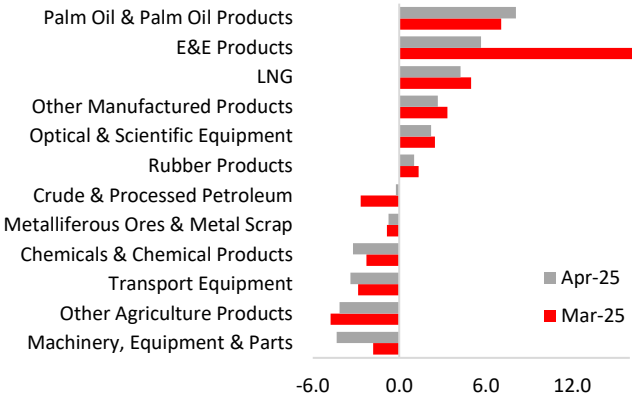
Source: MATRADE, Macrobond, MIDFR

Chart 7: Exports of Mining Goods (YoY%)



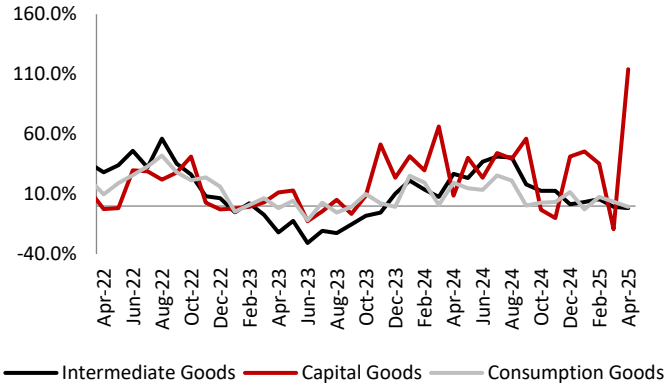
Source: MATRADE, Macrobond, MIDFR

Chart 8: Apr-25 Trade Balance by Selected Products (RM b)



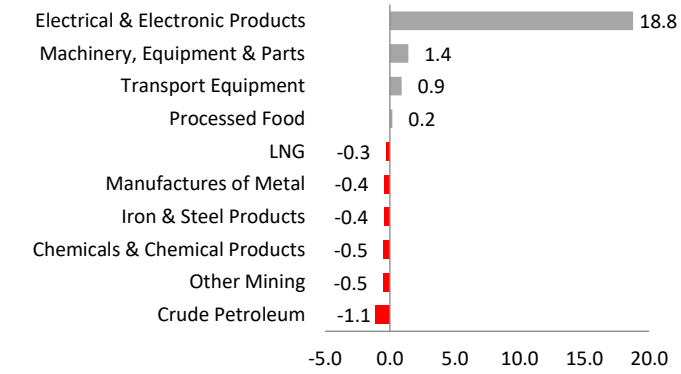
Source: MATRADE, Macrobond, MIDFR

Chart 9: Imports of Goods by End Use (YoY%)



Source: MATRADE, Macrobond, MIDFR

Chart 10: Contribution to Total Imports Growth in Apr-25 by Key Products (%-points)



Source: MATRADE, Macrobond, MIDFR

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