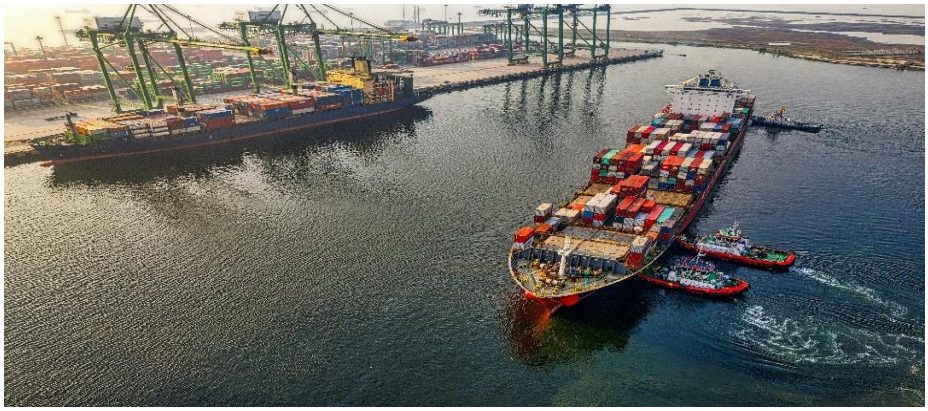
Malaysia's Exports Rebounded in Jul-25, Supported by Increased E&E Exports

Economic Review
Jul-25 External Trade



Author
MBSB Research
research@midf.com.my

Economic Review

- Malaysia's total trade rose by +3.8%yoy in Jul-25 (Jun-25: -1.3%yoy), marking the first uptrend since Mar-25. The improvement stemmed from rebound in exports (+6.8%yoy; Jun-25: -3.6%yoy), reversing the decline in the previous two months.
- By sector, manufacturing exports (share: 87% of total exports) increased by +9.0%yoy (Jun-25: -3.3%yoy), recovering from two months of decline. This stemmed from the faster growth in E&E exports (+22.5%yoy; Jun-25: +1.3%yoy), attributable to the higher shipments of semiconductors (+29.6%yoy) and automatic data processing equipment (+17.4%yoy).
- Imports growth slowed to +0.6%yoy in Jul-25 (Jun-25: +1.3%yoy), the slowest expansion since Mar-25. The growth was supported by sustained double-digit growth in capital goods imports (+20.6%yoy; Jun-25: +20.2%yoy), while purchases of intermediate goods declined steeper by -17.8%yoy (Jun-25: -0.9%yoy) and consumption goods imports fell by -5.0%yoy (Jun-25: +1.6%yoy).
- We continue to forecast export growth to moderate to +2.0% in 2025 (2024: +5.7%) and import growth to ease to +4.5% (2024: +13.2%), reflecting a more cautious outlook amid ongoing trade uncertainties.

Exports rebounded in Jul-25 after 2 months of contraction

Malaysia's total trade rose by +3.8%yoy in Jul-25 (Jun-25: -1.3%yoy), marking the first uptrend since Mar-25. The improvement stemmed from rebound in exports (+6.8%yoy; Jun-25: -3.6%yoy), reversing the decline in the previous two months. The pick-up was driven by surge in re-exports (+42.0%yoy; Jun-25: +3.4%yoy), while domestic exports recorded slower contraction (-1.9%yoy; Jun-25: -5.4%yoy). Despite the continued weakness in mining exports, being part of the global supply chain Malaysia also gained from front-loading activities and the increased global demand for E&E and technology products. Malaysia's external trade sustained growth in 7M2025, expanding by +4.7%yoy to RM1.7 trillion, though this marked a slower pace compared to the +9.9%yoy growth recorded in 7M2024. Exports slowed down during the period by +4.3%yoy (7MCY24: +5.3%yoy) to RM900.5b, while imports softened by +5.1%yoy (7MCY24: +15.5%yoy) to RM830.2b, resulting in a trade surplus of +RM70.3b (7MCY25: +RM73.8b).

Imports eased while trade surplus widens

Meanwhile, import growth eased further to +0.6%yoy in Jul-25 (Jun-25: +1.3%yoy), marking three consecutive months of slowdown. On a month-on-month basis, exports surged by +15.5% mom (Jun-25: -4.0% mom), while imports recorded a sharper rise by +10.9% mom (Jun-25: -10.9% mom), whereby both rebounded from declines seen in the previous two months. This led to a wider trade surplus of +RM15.0b (Jun-25: +RM8.4b), marking the highest reading in four months.

Table 1: Malaysia's External Trade Summary

	Monthly Data						Cumulative Data	
	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	7M2024	7M2025
Exports (RM b)	118.2	137.3	133.5	126.6	121.5	140.4	**863.6**	**900.5**
YoY%	6.2	6.8	16.4	(1.1)	(3.6)	6.8	5.3	4.3
MoM%	(3.7)	16.1	(2.8)	(5.2)	(4.0)	15.5		
Imports	**105.6**	**112.5**	**128.4**	**125.9**	**113.1**	**125.5**	**789.8**	**830.2**
YoY%	5.5	(2.9)	20.0	6.6	1.3	0.6	15.5	5.1
MoM%	(11.4)	6.5	14.1	(2.0)	(10.1)	10.9		
Total Trade	**223.9**	**249.8**	**261.9**	**252.5**	**234.7**	**265.9**	**1,653.5**	**1,730.6**
YoY%	5.9	2.2	18.1	2.6	(1.3)	3.8	9.9	4.7
MoM%	(7.5)	11.6	4.8	(3.6)	(7.0)	13.3		
Trade Balance	**12.6**	**24.7**	**5.1**	**0.8**	**8.4**	**15.0**	**73.8**	**70.3**
YoY%	12.2	94.4	(33.7)	(92.4)	(41.4)	120.7	-46.0	-4.7
MoM%	(7.5)	11.6	4.8	(3.6)	(7.0)	13.3		

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

Table 2: Malaysia's Exports and Imports Breakdown

	Monthly Data						Cumulative Data	
	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	7M2024	7M2025
Exports								
Re-exports (RM b)	**21.3**	**27.4**	**33.5**	**25.8**	**26.4**	**37.0**	**695.0**	**703.6**
YoY%	7.7	12.1	45.9	16.1	3.4	42.0	9.8	1.2
MoM%	(15.5)	28.4	22.4	(23.1)	2.5	40.1		
Domestic Exports (RM b)	**96.9**	**109.9**	**100.0**	**100.8**	**95.1**	**103.4**	**168.6**	**196.8**
YoY %	5.9	5.5	9.0	(4.7)	(5.4)	(1.9)	-10.0	16.7
MoM%	(0.7)	13.4	(9.0)	0.9	(5.7)	8.7		
Imports								
Intermediate (RM b)	**58.7**	**58.9**	**58.2**	**65.2**	**60.3**	**56.8**	**431.2**	**418.8**
YoY%	5.7	(0.6)	(1.7)	(4.3)	(0.9)	(17.8)	24.1	-2.9
MoM%	(3.4)	0.4	(1.3)	12.0	(7.5)	(5.8)		
Capital (RM b)	**13.8**	**13.0**	**23.5**	**22.7**	**14.4**	**18.2**	**92.1**	**125.6**
YoY%	35.3	(19.4)	113.9	63.2	20.2	20.6	36.5	36.4
MoM%	(30.6)	(5.7)	80.6	(3.8)	(36.3)	26.2		
Consumption (RM b)	**9.1**	**9.7**	**9.7**	**10.1**	**9.4**	**10.4**	**68.3**	**68.5**
YoY%	7.6	3.7	(0.4)	(0.8)	1.6	(5.0)	16.8	0.3
MoM%	(9.9)	7.4	(0.2)	4.0	(6.9)	10.9		

Source: MATRADE, Macrobond, MBSBR

Demand from US muted, while exports to China improved

By destination, exports to Singapore and China (share: 26.1% of total exports) rebounded to +22.2%yoy and +6.8%yoy, respectively. In contrast, exports to the US continued to increase although the pace of growth moderated to +3.8%yoy (Jun-25: +4.7%yoy), driven by demand for E&E and machinery, equipment & parts. Meanwhile, exports to Taiwan accelerated (+46.6%yoy; Jun-25: +14.2%yoy), the highest since May-25, on surging exports of E&E products. On the other hand, exports to major regions posted a mixed performance. Shipments to the EU increased by +5.7%yoy in Jul-25 (Jun-25: +4.6%yoy), while exports to ASEAN rose by +8.4%yoy (Jun-25: -14.0%yoy), primarily due to a significant jump in outbound shipments to Singapore. The rebound in exports to both the EU and ASEAN was largely underpinned by the strong shipments of E&E products.

Exports to key markets remain uncertain

Going forward, we foresee exports to key markets will record sustained growth, supported by steady demand for E&E products. That said, the recently imposed 19% tariff on Malaysia, albeit lower than our expectations, still poses a significant risk to the country's exports especially to the US. Meanwhile, China's subdued domestic demand continues to cloud the trade outlook. Ongoing efforts to expand bilateral trade ties and diversify export markets are expected to help mitigate some of the adverse impacts of the tariff measures.

Table 3: Malaysia Exports by Key Country / Region (YoY%)

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
China	(8.1)	(1.3)	2.1	(4.3)	(9.3)	6.8
US	28.9	50.8	45.6	16.1	4.7	3.8
Japan	(14.3)	(7.9)	6.8	(25.8)	(1.6)	0.2
Taiwan	6.8	31.0	44.7	41.4	14.2	46.6
India	(5.4)	(18.8)	6.1	(10.9)	4.4	(2.0)
Hong Kong	35.5	25.9	(1.9)	4.6	1.8	(11.5)
Australia	(14.8)	3.8	18.2	1.2	(9.5)	(1.5)
EU	7.6	9.7	5.8	6.0	4.6	5.7
ASEAN	8.2	0.4	18.3	(11.0)	(14.0)	8.4
Singapore	17.2	9.7	26.1	(18.0)	(16.9)	22.2
Thailand	14.7	5.0	19.9	15.9	(13.4)	4.4
Indonesia	6.8	(21.7)	17.2	(6.0)	(6.6)	(11.3)
Vietnam	(13.5)	(20.1)	9.7	1.8	(6.9)	(4.7)
Philippines	(10.4)	26.2	(8.3)	(24.2)	(2.6)	(21.8)

Source: Macrobond, MBSBR

E&E exports back to double-digit growth

By sector, manufacturing exports (share: 87% of total exports) increased by +9.0%yoy (Jun-25: -3.3%yoy), recovering from two months of decline. This stemmed from the faster growth in E&E exports (+22.5%yoy; Jun-25: +1.3%yoy), attributable to the higher shipments of semiconductors (+29.6%yoy) and automatic data processing equipment (+17.4%yoy). Mining goods contracted softer by -4.3%yoy during the month (Jun-25: -28.7%yoy), thanks to slower decline in exports of LNG (-7.2%yoy) and crude petroleum (-0.9%yoy). Meanwhile, agricultural exports fell by -8.6%yoy (Jun-25: +17.5%yoy), led by double digit decline in palm oil and related products (-12.1%yoy; Jun-25: +24.7%yoy). However, the manufactured palm oil-based products rose by +16.8%yoy, resulting the overall palm oil exports to only decline by -3.6%yoy (Jun-25: +18.5%yoy). Malaysia's E&E sector gains temporary relief from US tariff exemptions for semiconductors, but risks remain as the waiver is provisional and still subject to review. The tech sector also benefited from the ongoing upcycle in the global tech market and front-loading activities ahead of the US tariff hikes.

Table 4: Malaysia's Exports by Major Products (YoY%)

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
E&E	18.2	25.4	35.4	7.1	1.3	22.5
Machinery, Equipment & Parts	11.3	10.4	31.0	15.4	15.5	15.9
Optical & Scientific Equipment	12.7	(2.3)	14.0	(4.6)	1.4	9.6
Palm oil & palm oil-based products	25.5	8.3	8.2	8.9	18.5	(3.6)
Crude Petroleum	(64.3)	(43.2)	(8.7)	(28.5)	(49.7)	(0.9)
Petroleum Products	(11.7)	(32.5)	(9.3)	(28.6)	(28.1)	(27.2)
LNG	(24.5)	(11.0)	6.7	(42.2)	(26.5)	(7.2)
Rubber products	8.5	8.7	3.4	(6.6)	(20.6)	(4.9)
Transport equipment	11.7	(30.3)	31.3	3.9	3.2	7.6

Source: Macrobond, MBSBR

Imports grew slower despite the sustained rise in capital goods

Imports growth slowed to +0.6%yoy in Jul-25 (Jun-25: +1.3%yoy), the slowest expansion since Mar-25. The growth was supported by sustained double-digit growth in capital goods imports (+20.6%yoy; Jun-25: +20.2%yoy), while purchases of intermediate goods declined steeper by -17.8%yoy (Jun-25: -0.9%yoy) and consumption goods imports fell by -5.0%yoy (Jun-25: +1.6%yoy). By sector, the growth in imports of manufactured goods (share: 85% of total imports) softened to +1.5%yoy (Jun-25: +3.6%yoy) with declines in machinery, equipment and parts (-6.5%yoy), petroleum products (-19.4%yoy) and chemicals (-13.1%yoy). Likewise, imports of agriculture goods surged to +11.6%yoy (Jun-25: +3.5%yoy), with robust growth in palm oil & palm oil-related imports (+126.0%yoy), however other agricultures segment also declined (-20.3%yoy). Weaker imports of intermediate goods signals firms may be more cautious about the demand outlook as the US begins imposing higher tariffs on goods from Malaysia and other countries. Nonetheless, we believe the materialization of investment in Malaysia will support demand for imported capital goods in the coming months.

A sharper drop in volume contributed to the exports decline in Jun-25

Based on the latest data as of Jun-25, the fall in exports by -3.6%yoy (May-25: +1.1%yoy) was primarily weighed down by lower export volume (-3.4%yoy; May-25: +0.4%yoy), mainly for transactions & commodities, beverages & tobacco, and mineral fuels, lubricants & related materials. Export prices also moderated sharply (+0.2%yoy; May-25: +7.1%yoy). Meanwhile, imports growth moderated further to +1.3%yoy (May-25: +6.6%yoy), underpinned by the double-digit decline in import volume (-36.5%yoy; May-25: -39.3%yoy), led by chemicals, mineral, fuels & lubricant, and manufactured articles. Import prices contracted further by -4.3%yoy (May-25: -4.7%yoy), deflating for the 10th straight month as a result of falling import prices for lubricants & related materials, chemicals, and machinery & transport equipment.

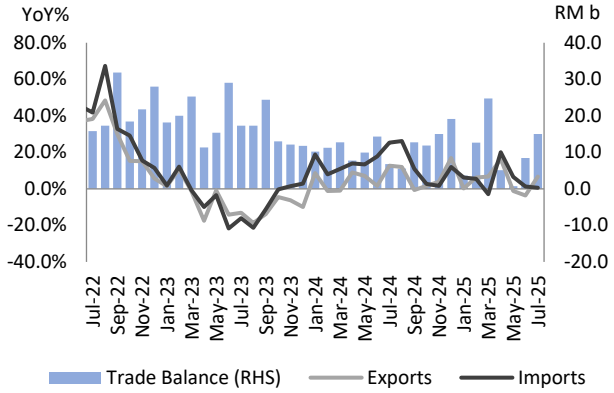
Trade surplus widened further to +RM15b

Trade surplus widened again to +RM15b in Jul-25 (Jun-25: +RM8.4b), particularly due to the stronger rebound in exports (+15.5%mom), faster than the surge in imports (+10.9%mom). By sector, wider surpluses were recorded in trade of LNG (+RM3.9b; Jun-25: +RM2.8b) and E&E (+RM14.8b; Jun-25: +RM14.2b), while deficits shrank for trade of chemicals & chemical products (-RM2.3b; Jun-25: -RM3.3b), metalliferous ores & metal scrap (-RM0.6b; Jun-25: -RM1.5b). In contrast, trade deficits widened for the trade of crude & processed petroleum products (-RM4.5b; Jun-25: -RM3.5b) and transport equipment (-RM3.1b; Jun-25: -RM2.7b). E&E, palm oil and LNG remained the 3 major products that contributed to the overall trade surplus in Jul-25. While the trade upcycles helped to support growing outbound shipments of E&E products, there is a possibility that the strong capital goods imports could weigh down on the overall trade balance in the coming months. Apart from the continued weakness in trade of petroleum products, the size of trade surplus may be constrained by weaker final demand on the back of higher US tariffs.

Maintain moderate external trade growth in 2025

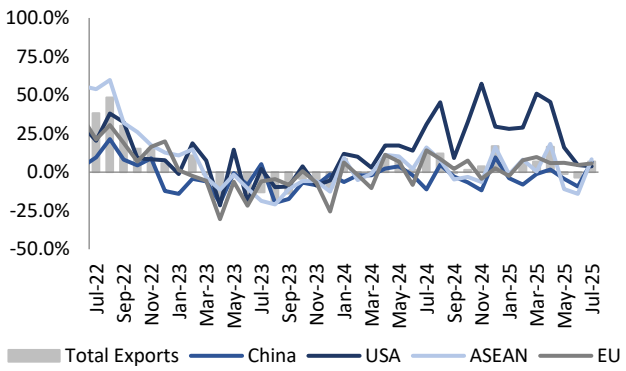
We continue to forecast export growth to moderate to +2.0% in 2025 (2024: +5.7%) and import growth to ease to +4.5% (2024: +13.2%), reflecting a more cautious outlook amid ongoing trade uncertainties. The 19% US tariff on Malaysia's exports is expected to lead to slower trade in the latter part of the year, with softer demand from key trading partners adding to the downside risks. Weaknesses in mining exports will weigh on the overall export performance, limited by resilience in the E&E exports. However, potential tariffs on semiconductors pose a significant risk going forward. Efforts to diversify markets and deepen bilateral ties should cushion the US tariff impact, while resilient domestic consumption will remain a key driver to sustain growth in Malaysia's economy amid external uncertainties.

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



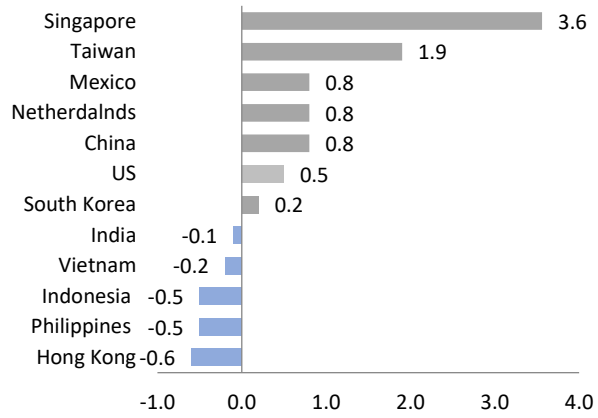
Source: MATRADE, Macrobond, MBSBR

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



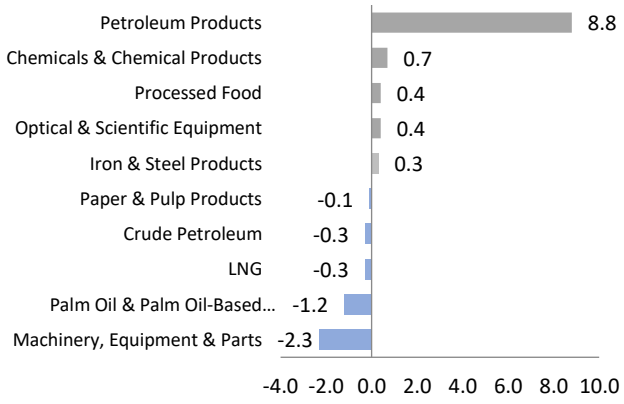
Source: MATRADE, Macrobond, MBSBR

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



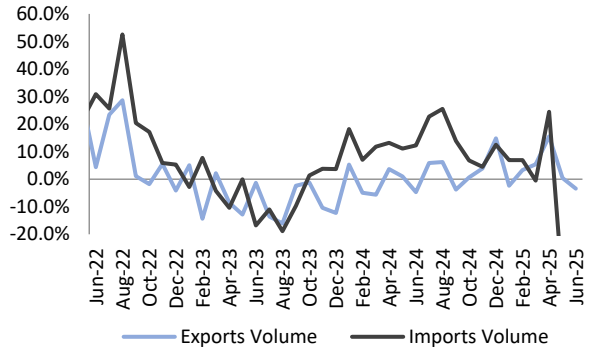
Source: MATRADE, Macrobond, MBSBR

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



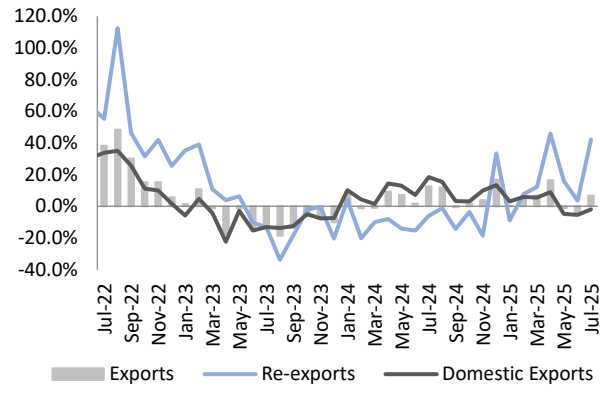
Source: MATRADE, Macrobond, MBSBR

Chart 5: Exports vs Imports Volume (YoY%)



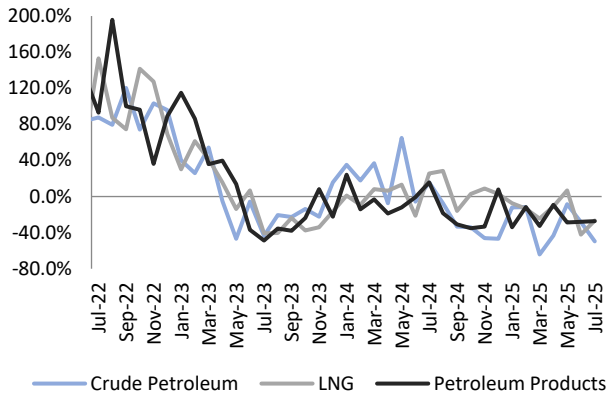
Note: The latest available trade volume data is Jun-25
Source: MATRADE, DOSM, MBSBR

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



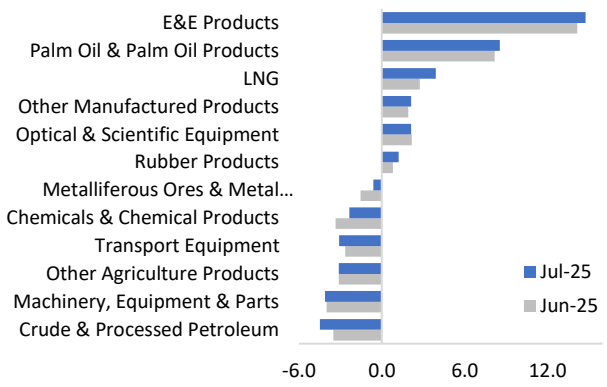
Source: MATRADE, DOSM, MBSBR

Chart 7: Exports of Mining Goods (YoY%)



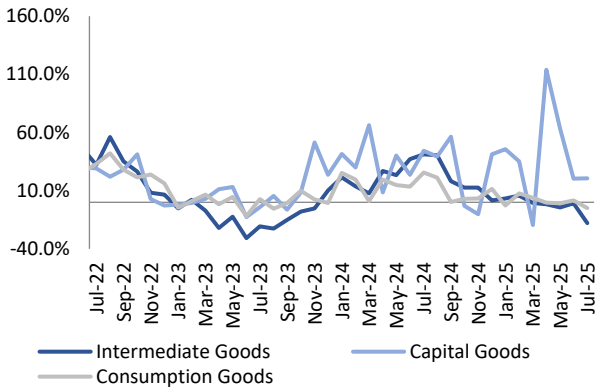
Source: MATRADE, Macrobond, MBSBR

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



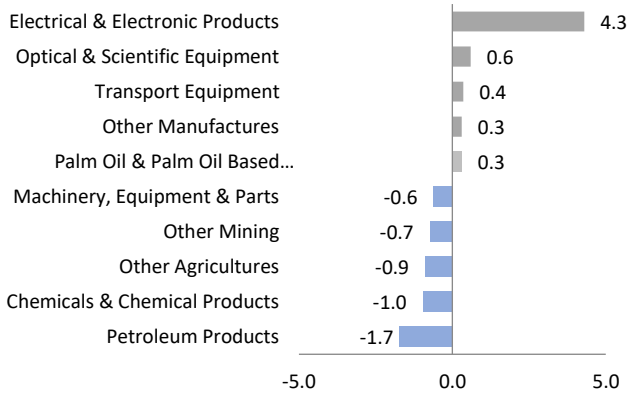
Source: MATRADE, Macrobond, MBSBR

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



Source: MATRADE, Macrobond, MBSBR

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



Source: MATRADE, Macrobond, MBSBR

MBSB RESEARCH (formerly known as MIDF Research) is part of
MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank)
(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report has been prepared by MBSB INVESTMENT BANK BERHAD (formerly known as MIDF Amanah Investment Bank Berhad) 197501002077 (24878-X).

It is for distribution only under such circumstances as may be permitted by applicable law.

Readers should be fully aware that this report is for information purposes only. The opinions contained in this report are based on information obtained or derived from sources that we believe are reliable. MBSB INVESTMENT BANK BERHAD (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD) makes no representation or warranty, expressed or implied, as to the accuracy, completeness or reliability of the information contained therein and it should not be relied upon as such.

This report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. All opinions and estimates are subject to change without notice. The research analysts will initiate, update and cease coverage solely at the discretion of MBSB INVESTMENT BANK BERHAD (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD).

The directors, employees and representatives of MBSB INVESTMENT BANK BERHAD (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD) may have an interest in any of the securities mentioned and may benefit from the information herein. Members of the MBSB Group and their affiliates may provide services to any company and affiliates of such companies whose securities are mentioned herein This document may not be reproduced, distributed or published in any form or for any purpose.