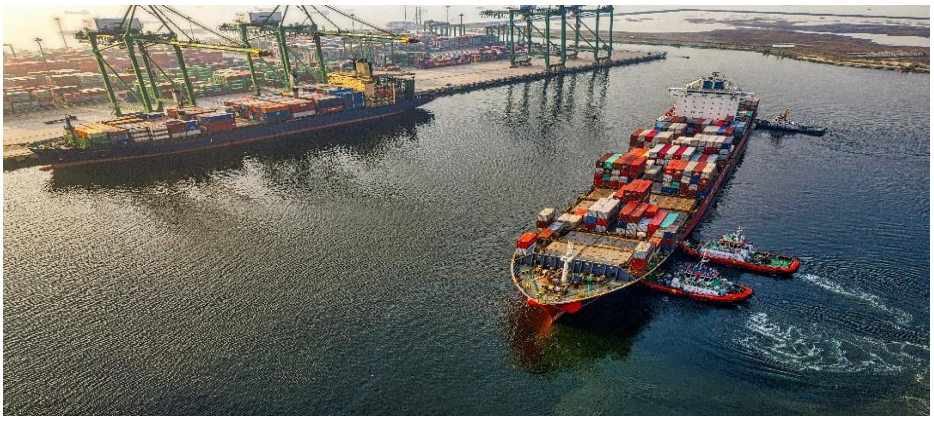
Total Trade Hits RM3.1t in 2025, Challenging 2026 Ahead

Economic Review
Dec-25 External Trade



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Economic Review

- In 2025, total trade for the whole year reached RM3.1t mark (2024: RM2.8t), the highest on record, though the rate of growth was softer at +6.3% (2024: +9.2%). The higher trade was underpinned by stronger exports (+6.5%; 2024: +5.8%).
- Malaysia's total trade continued to grow by +11.1%yoy in Dec-25, marking four consecutive months of double-digit growth. Exports surged by +10.4%yoy (Nov-25: +7.0%yoy), whereas imports remained resilient (and relatively faster), albeit recording a moderation to +12.0%yoy (Nov-25: +15.8%yoy).
- By sector, growth in manufacturing exports expanded by + 13.6%yoy (Nov-25: +7.9%yoy), attributable to expansion for E&E products (+25.3%yoy), machinery (+11.3%), and optical and scientific products (+20.8%yoy).
- For 2026, we still anticipate moderation in external trade but adjusting our forecasts for export to +4.5% (previously +6.0%; 2025: +6.5%) and for imports to +5.0% (previously +5.5%; 2025: +6.2%). The downward revisions in export growth reflects fading front-loading effects, high base and the impact of US tariff measures on final demand.

Total trade reached an all-time high in 2025

In 2025, total trade for the whole year reached RM3.1t mark (2024: RM2.8t), the highest on record, though the rate of growth was softer at +6.3% (2024: +9.2%). The higher trade was underpinned by stronger exports (+6.5%; 2024: +5.8%) mainly due to the surge in re-exports (+24.9%; 2024: -7.0%), in contrast to slower rise in domestic exports (+2.0%; 2024: +9.4%). The stronger exports performance partly reflected front-loading in anticipation of tighter US tariff pressures rather than robust underlying domestic production. Meanwhile, import growth moderated to +6.2% from double-digit growth in 2024 of +13.1%, suggesting softer domestic consumption. Consequently, the trade surplus widened to +RM151.8b (2024: +RM139.1b).

Exports picked up supported by E&E products

Malaysia's total trade continued to grow by +11.1%yoy in Dec-25, marking four consecutive months of double-digit growth. Exports surged by +10.4%yoy (Nov-25: +7.0%yoy), whereas imports remained resilient (and relatively faster), albeit recording a moderation to +12.0%yoy (Nov-25: +15.8%yoy). Export performance was underpinned by robust re-exports (+35.0%yoy; Nov25: +40.3%yoy), while domestic exports' growth remained sluggish (+4.0%yoy; Nov-25: +0.3%yoy). Sector-wise, there was a stronger pick-up in E&E products and machinery parts, while optical and scientific products moderated. Contraction was recorded in exports of palm oil, crude petroleum, and LNG.

Trade surplus widened sharply

On a month-on-month basis, exports rose by +13.4%mom in Dec-25 (Nov-25: -9.0%mom), marking the highest reading since Jul-25, whereas imports grew by +3.7%mom (Nov-25: +0.7%mom) The faster rise in exports led to a wider monthly trade surplus of +RM19.3b (Nov-25: +RM6.1b; Dec-24: +RM19.3b). Malaysia's stronger trade surplus was supported by higher demand for E&E products and machineries. This offset the decline in demand for commodities such as crude petroleum, and LNG.

Outbound shipment for E&E products surged

By sector, growth in manufacturing exports expanded by + 13.6%yoy (Nov-25: +7.9%yoy), attributable to expansion for E&E products (+25.3%yoy), machinery (+11.3%), and optical and scientific products (+20.8%yoy). The rise in E&E exports was driven by higher gains in semiconductors (+20.0%yoy; Nov-25: +18.6%yoy). The recently announced 25% tariff on certain semiconductor products could weigh on Malaysia's economy and technology sector, given that semiconductors account for around 66% of E&E exports and nearly 63% of exports to the US in 2025. However, the tariffs are narrowly targeted, sparing key end-markets such as data centres, startups, and civil applications, while continued global tech demand and the Agreement on Reciprocal Trade with the US should help cushion the impact.

Mining and agricultural exports contracted

Mining exports plunged by -15.2%yoy (Nov-25: +9.9%yoy), dragged by the weal exports of LNG (-24.9%yoy), crude petroleum (-38.8%yoy). However, metalliferous ores and metal scrap continue to record triple digit growth of +123.9%yoy, underpinned by resilient copper demand from China's rapidly expanding EV sector, with NEV sales rising +1%yoy to 1.7m units in Dec-25, easing slightly from 1.8m units in Nov-25. Meanwhile, agricultural exports fell sharper by -7.4%yoy (Nov-25: -6.0%yoy), led by the decline in palm oil and palm oil-based agriculture products (-8.4%yoy) and natural rubber (-36.9%yoy). Looking ahead, palm oil exports to India are expected to remain resilient, while demand from China and Europe may soften. Rising competition from soy oil could also temper India's import appetite for palm oil.

US-led surge in E&E offsets demand weakness in China and Singapore

By destination, exports to the US accelerated by +48.8%yoy (Nov-25: -0.9%yoy), reversing contraction recorded in the previous two months. E&E products surged by +73.2%yoy and optical and scientific increased by +47.7%yoy. Exports to Singapore contracted by -12.8%yoy (Nov-25: +4.1%yoy), dragged by the sharp decline in E&E shipments (-17.7%yoy). Meanwhile, exports to China fell slightly by -3.5%yoy (Nov-25: +9.8%yoy) with contraction in E&E products (-4.3%yoy), chemicals (-25.3%yoy), and manufactures of metal (-31.4%yoy). Malaysia's exports rose at a softer pace to Taiwan (+34.4%yoy; Nov-25: +53.0%yoy), with growth supported by outbound shipments of E&E exports and optical & scientific equipment. The overall strong performance of E&E exports was mainly due to resilient demand from the US and Taiwan. Outbound shipments elsewhere remain relatively strong to Mexico, the Netherlands, Ireland and Czech Republic, reflecting the ongoing market diversification strategy amid US tariff pressures.

Slower exports to ASEAN, but picked up to EU

Shipments to ASEAN in Dec-25 slowed down by +1.0%yoy (Nov-25: +5.8%yoy), dragged by a decline in exports to Singapore. By sector, E&E shipments slowed sharply by +0.3%yoy, while exports declined for petroleum products (-3.2%yoy), machinery (-6.3%yoy), chemicals (-8.1%yoy). However, exports to the EU rose at a faster pace of +34.8%yoy (Nov-25: +13.2%yoy) driven by the acceleration for E&E products (+58.7%yoy), optical & scientific equipment (+41.8%yoy), and manufactures of metal (+54.3%yoy). Nonetheless, exports fell for palm oil agriculture products (-10.4%yoy).

Imports growth moderates, supported by consumption goods

Imports remained steady, albeit recording softer expansion of +12.0%yoy (Nov-25: +15.8%yoy). Growth was supported by higher consumption goods (+27.6%yoy), offsetting the decline in capital goods (-11.8%yoy). Meanwhile, intermediate goods moderate by +3.6%yoy, marking the two consecutive months of expansion. By sector, imports of manufactured goods, rose slower by +14.8%yoy (Nov-25: +18.6%yoy) with double-digit growth in E&E products (+44.4%yoy) and transport equipment (+23.5%yoy). Imports of agricultural goods contracted slower by -7.1%yoy (Nov-25: -18.1%yoy), mainly attributable to the decline in natural rubber (-37.1%yoy) and palm oil products (-25.4%yoy). Meanwhile, imports of mining goods declined sharper by -10.8%yoy (Nov-25: +4.7%yoy), weighed by the fall in purchases of crude petroleum (-45.2%yoy).

Export growth cools amid volume weakness

Based on Nov-25 trade data, export growth slowed down to +7.0%yoy (Oct-25: +15.7%yoy), driven by lower export volumes of +3.7%yoy, dragged by beverages and tobacco, animal and vegetable oils, and chemicals Export prices moderated by +3.3%yoy (Oct-25: +4.3%yoy) with lower prices seen for inedible crude materials, animal and vegetable oils and persistent deflation recorded for mineral fuels and lubricants. Meanwhile, imports accelerated by +15.8%yoy (Oct-25: +10.0%yoy), with volumes up by +18.5%yoy, remaining the strongest since Apr-25, led by machinery & transport equipment, inedible crude materials, and miscellaneous manufactured articles. Import prices continued to decline for the 15th consecutive month, at a faster pace of -1.9%yoy (Oct-25: -1.3%yoy).

Larger surplus in E&E contributed to wider surplus in Dec-25

Trade surplus widened to +RM19.3b in Dec-25 (Nov-25: +RM6.1b), attributable to the sharp +13.4%mom monthly surge in exports in contrast to +3.7%mom expansion in imports. By sector, the larger surplus was primarily due to higher surplus in E&E trade (+RM22.1b; Nov-25: +RM1.9b) and lower deficit in trade of crude petroleum (-RM0.8b; Nov-25: -RM2.8b). On the contrary, trade of petroleum products turned back to deficit of -RM0.5b (Nov-25: +RM1.4b), while trade of other manufactured products recorded a smaller surplus of +RM2.3b (Nov-25: +RM3.7b). For 2025, Malaysia's trade surplus widened to +RM151.8b (2024: +RM139.1b), underpinned by larger surpluses in trade of machinery, equipment & parts (+RM6.9b; 2024: -RM1.2b) and palm oil-based products (+RM103.4b; 2024: +RM99.1b), offsetting the lower surplus in E&E trade (+RM143.9b; 2024: +RM145.8b). Meanwhile, transport equipment recorded a larger deficit of -RM41.1b (2024: -RM33.7b), while surplus in LNG trade narrowed to +RM45.4b (2024: +RM51.9b). Although we foresee a sustained rise in imports could limit trade surplus from widening, we expect Malaysia's overall trade balance will remain in surplus, especially for E&E, LNG and palm oil.

Trade outlook moderates in 2026 amid US tariff pressures

For 2026, we still anticipate moderation in external trade but adjusting our forecasts for export to +4.5% (previously +6.0%; 2025: +6.5%) and for imports to +5.0% (previously +5.5%; 2025: +6.2%). The downward revisions in export growth reflects fading front-loading effects, high base and the impact of US tariff measures on final demand. The E&E sector faces additional pressure from the recently announced 25% tariff on certain semiconductor products, which could dampen Malaysia's broader economy and technology industry. Import growth is expected to moderate, partly due to a high base effect, but the growth will be relatively stronger on strong demand for E&E products. On the upside, E&E exports are expected to remain resilient amid the ongoing global tech upcycle, while the oversupply condition in the commodity market may result in the exports of mining goods to constrain overall growth. The Agreement on Reciprocal Trade (ART) with the US is anticipated to enhance market access in 2026 because of reduced uncertainties. Meanwhile, the government pursuit to broaden and diversify export markets and strengthened bilateral ties should help mitigate external headwinds and heightened geopolitical uncertainties.

Table 1: Malaysia's External Trade Summary

	Monthly Data						Cumulative Data	
	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	2024	2025
Exports (RM b)	**140.1**	**131.3**	**139.0**	**148.3**	**134.9**	**153.0**	**1509.3**	**1606.7**
YoY%	6.5	1.7	12.5	15.7	7.0	10.4	5.8	6.5
MoM%	15.2	(6.2)	5.9	6.7	(9.0)	13.4		
Imports (RMb)	**125.5**	**115.5**	**118.8**	**118.8**	**128.8**	**133.7**	**1370.2**	**1454.8**
YoY%	0.6	(5.9)	7.2	10.0	15.8	12.0	13.1	6.2
MoM%	10.9	(8.0)	2.9	7.7	0.7	3.7		
Total Trade (RMb)	**265.5**	**246.8**	**257.8**	**276.2**	**263.8**	**286.6**	**2879.5**	**3061.5**
YoY%	3.6	(2.0)	10.0	13.0	11.1	11.1	9.2	6.3
MoM%	13.1	(7.1)	4.5	7.1	(4.5)	8.7		
Trade Balance (RMb)	**14.6**	**15.8**	**20.2**	**20.4**	**6.1**	**19.3**	**139.1**	**151.8**
YoY%	115.2	149.4	57.6	70.8	(59.0)	0.1	(35.4)	9.2
MoM%	73.8	8.5	27.6	0.9	(70.2)	216.8		

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

Table 2: Malaysia's Exports and Imports Breakdown

	Monthly Data						Cumulative Data	
	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	2024	2025
Exports								
Re-exports (RM b)	**37.0**	**28.0**	**34.5**	**39.2**	**29.8**	**38.2**	**293.2**	**366.4**
YoY%	41.9	22.6	46.1	36.4	40.4	35.0	(7.0)	24.9
MoM%	40.0	(24.5)	23.5	13.4	(24.0)	28.3		
Domestic Exports (RM b)	**103.0**	**103.4**	**104.5**	**109.2**	**105.2**	**114.8**	**1216.1**	**1240.3**
YoY %	(2.3)	(2.8)	4.5	9.7	0.3	4.0	9.4	2.0
MoM%	8.4	0.3	1.1	4.5	(3.7)	9.1		
Imports								
Intermediate (RM b)	**56.8**	**60.2**	**54.3**	**57.8**	**66.4**	**63.2**	**749.2**	**720.8**
YoY%	(17.8)	(16.7)	(7.4)	(7.9)	5.0	3.6	20.7	(3.8)
MoM%	(5.7)	6.0	(9.8)	6.4	14.9	(4.9)		
Capital (RM b)	**18.2**	**15.7**	**18.5**	**18.7**	**20.8**	**15.3**	**166.1**	**214.5**
YoY%	20.3	10.9	9.0	51.6	56.6	(11.8)	29.0	29.1
MoM%	25.9	(13.5)	17.5	1.1	11.4	(26.4)		
Consumption (RM b)	**10.4**	**9.4**	**9.2**	**10.0**	**9.9**	**13.1**	**117.4**	**120.2**
YoY%	(4.9)	(8.9)	4.9	3.7	(1.5)	27.6	12.8	2.3
MoM%	10.9	(9.7)	(2.0)	8.2	(0.8)	32.1		

Source: MATRADE, Macrobond, MBSBR

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

	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
China	6.1	10.4	2.9	7.5	9.8	(3.5)
US	3.8	(17.2)	24.2	(2.6)	(0.8)	48.8
Japan	0.1	(15.4)	(5.2)	6.6	(4.9)	(16.9)
Taiwan	46.6	32.7	8.6	38.7	53.0	34.4
India	(2.0)	12.7	28.7	(8.6)	4.7	10.7
EU	5.7	9.7	19.7	23.8	13.2	34.8
ASEAN	8.4	3.8	19.2	20.1	5.8	1.0
Singapore	22.2	2.7	28.0	27.2	4.1	(12.8)
Thailand	4.4	20.7	13.2	18.3	3.8	6.9
Indonesia	(11.0)	(23.2)	(9.0)	(9.7)	6.4	27.7
Vietnam	(4.7)	31.3	25.5	29.4	19.1	49.8

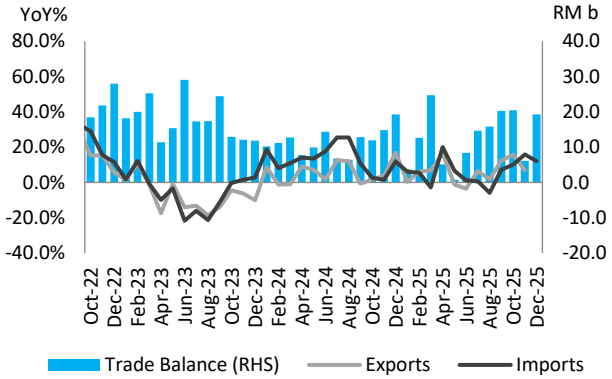
Source: Macrobond, MBSBR

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

	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
E&E	22.5	10.1	19.5	26.5	15.0	25.3
Machinery, Equipment & Parts	15.6	12.1	14.1	17.2	5.1	11.3
Optical & Scientific Equipment	8.9	14.7	16.7	31.6	33.7	20.8
Palm oil & palm oil-based products	(3.6)	9.1	14.0	24.0	(2.0)	(3.5)
Crude Petroleum	(1.2)	(29.0)	(17.3)	37.8	6.0	(38.8)
Petroleum Products	(27.2)	(17.6)	11.6	(8.1)	1.5	(18.9)
LNG	(7.2)	(2.6)	(13.2)	(17.6)	(12.5)	(24.9)
Rubber products	(4.8)	(18.5)	(4.3)	(10.1)	(25.1)	(16.7)
Transport equipment	8.7	2.8	(12.2)	(0.4)	(8.6)	(5.1)

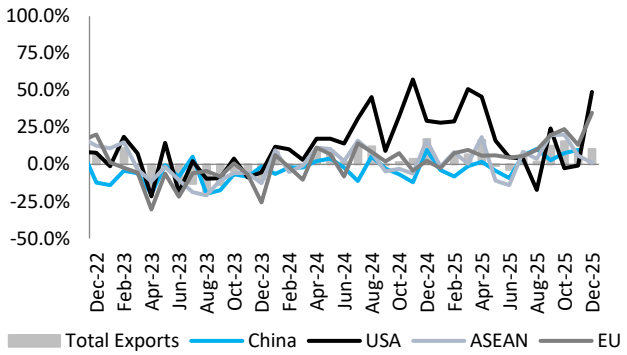
Source: Macrobond, MBSBR

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



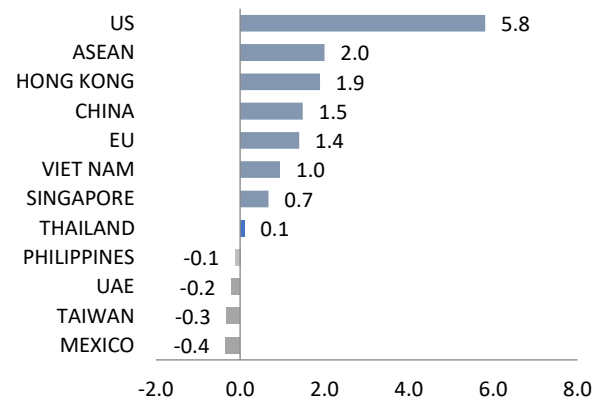
Source: MATRADE, Macrobond, MBSBR

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



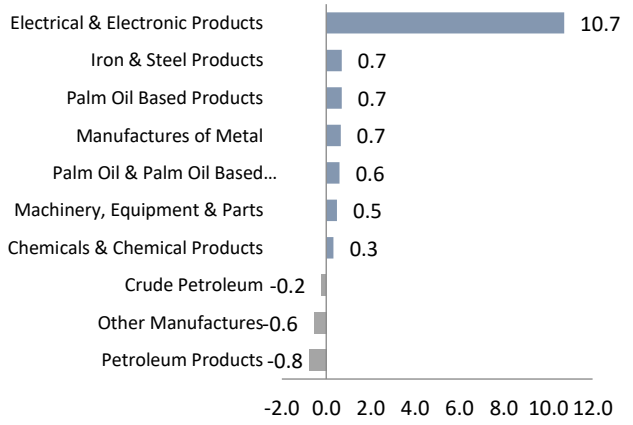
Source: MATRADE, Macrobond, MBSBR

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



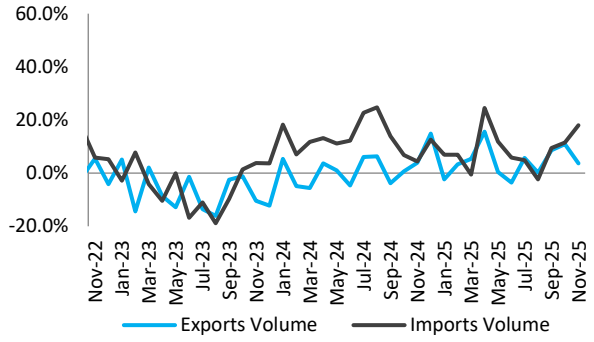
Source: MATRADE, Macrobond, MBSB

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



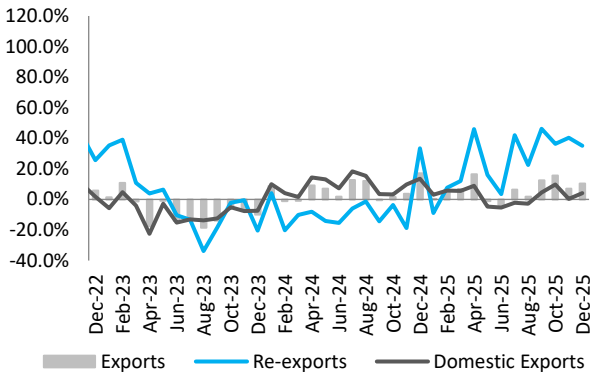
Source: MATRADE, Macrobond, MBSBR

Chart 5: Exports vs Imports Volume (YoY%)



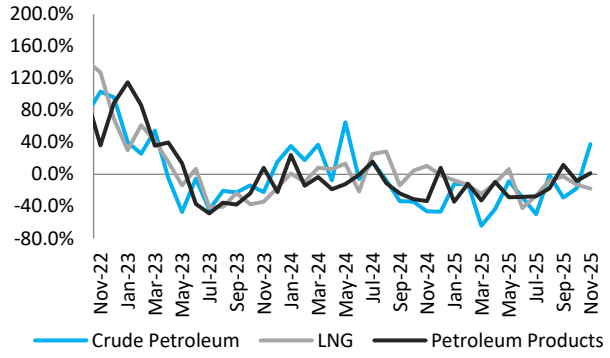
Note: The latest available trade volume data is Nov-25
Source: MATRADE, DOSM, MBSBR

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



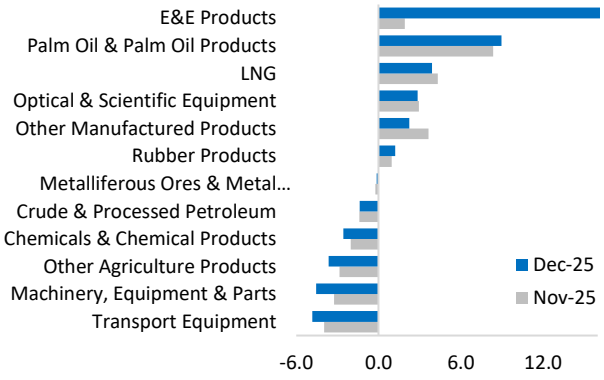
Source: MATRADE, DOSM, MBSBR

Chart 7: Exports of Mining Goods (YoY%)



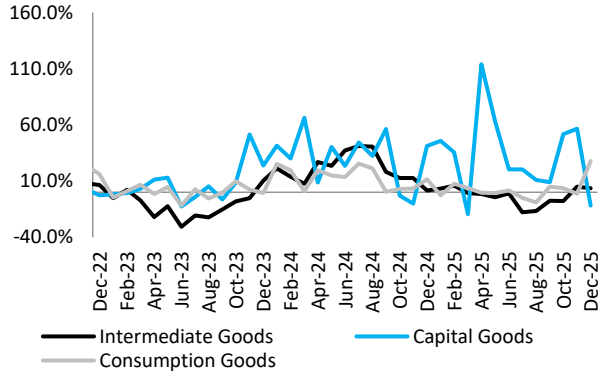
Source: MATRADE, Macrobond, MBSBR

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



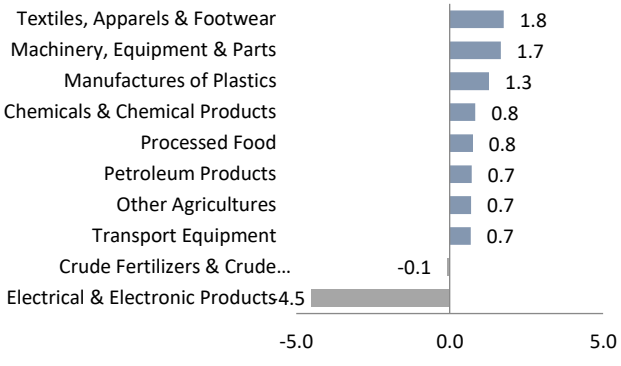
Source: MATRADE, Macrobond, MBSBR

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



Source: MATRADE, Macrobond, MBSBR

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



Source: MATRADE, Macrobond, MBSBR

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