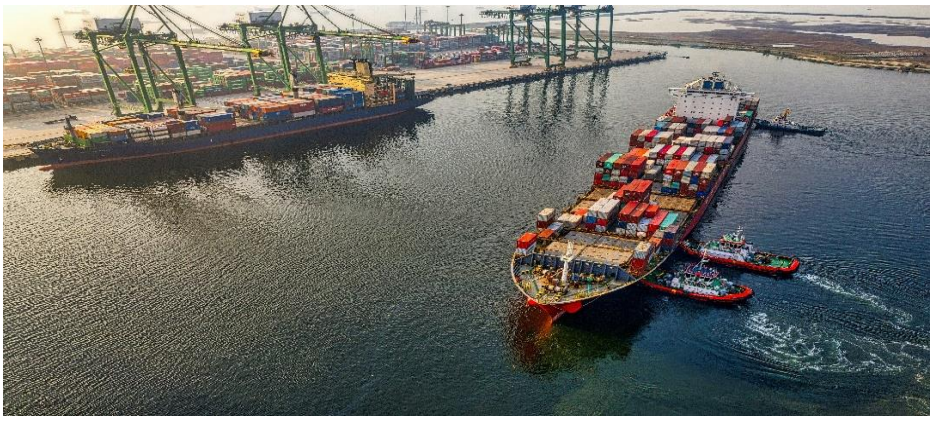
Trade Momentum Accelerates on Firm Demand; Price Effects Likely in Play

Economic Review
Apr-26 External Trade



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Economic Review

- Malaysia's total trade surged double-digits by +28.6%yoy in Apr-26 (Mar-26: +9.3%yoy). Exports spiked up by +36.9%yoy (Mar-26: +8.3%yoy), the highest reading since Aug-22. Similarly, import growth accelerated to +20.0%yoy (Mar-26: +10.4%yoy, recording two consecutive months of double-digit expansion.
- By sector, growth in manufacturing exports surged to +40.1% (Mar-26 +9.6%yoy), underpinned by the acceleration in E&E products (+46.4%yoy) and petroleum products (+70.2%yoy). Mining exports rebounded to +25.6%yoy (Mar-26: -0.4%yoy) while agriculture sector exports rose by +5.2%yoy (Mar-26: -7.8%yoy).
- By destination, exports to the US increased faster by +39.0%yoy (Mar-26: +18.3%yoy). Meanwhile, exports to Singapore rebounded to +23.2%yoy (Mar-26: -10.3%yoy) and exports to China surged by +39.2%yoy (Mar-26: +7.0%yoy).
- For 2026, we revise our export growth forecast upward to +8.8% (previous: +4.5%; 2025: +6.4%), while lifting our import growth projection to +7.5% (previous: +5.0%; 2025: +6.0%). The upward revisions for both exports and imports reflect price-driven gains supported by elevated commodity prices. For exports specifically, however, the upgrade also heavily reflects the recent surge in re-exports.

Surge in total trade particularly due to strong re-exports

Malaysia's total trade surged double-digits by +28.6%yoy in Apr-26 (Mar-26: +9.3%yoy). Exports spiked up by +36.9%yoy (Mar-26: +8.3%yoy), the highest reading since Aug-22. Similarly, import growth accelerated to +20.0%yoy (Mar-26: +10.4%yoy, recording two consecutive months of double-digit expansion. Exports' performance was mainly supported by a significant surge in re-exports (+113.5%yoy; Mar-26: +38.3%yoy), pushing the re-export share to 39.2% (2025 average: 22.7%). This outweighed the notable pickup in domestic exports in domestic exports, which grew by +11.2%yoy (Mar-26: +0.9%yoy).

Double-digit growth across key markets on robust E&E demand

Outbound shipments were driven by robust expansion in E&E products alongside notable growth in petroleum products, manufactures of metal, and optical & scientific equipment. Meanwhile, demand strengthened across major trading partners, including the US, China, ASEAN, Taiwan, and the EU, all of which registered double-digit growth. Aside from strong volume demand, we believe this month's reading was also supported by price effects amid elevated commodity costs.

Trade surplus widened further

On a monthly basis, exports surged strongly by +22.8%mom (Mar-26: +13.6%mom), while imports jumped by +23.9%mom (Mar-26: +8.7%mom). These figures reversed the declines seen in Jan-26 and Feb-26. On balance, Malaysia's trade surplus expanded further to +RM28.8b (Mar-26: to +RM24.5b), well above the surplus of +RM5.1b last year. For 4MCY26 all components improved, including total trade (+15.3%yoy; 4MCY25: +4.0%yoy), exports (+19.0%yoy; 4MCY25: +7.1%yoy), and imports (+11.1%; 4MCY25: +7.0%yoy).

Upward revision to 2026 forecast on price effects

For 2026, we revise our export growth forecast upward to +8.8% (previous: +4.5%; 2025: +6.4%), while lifting our import growth projection to +7.5% (previous: +5.0%; 2025: +6.0%). The upward revisions for both exports and imports reflect price-driven gains supported by elevated commodity prices. For exports specifically, however, the upgrade also heavily reflects the recent surge in re-exports. Looking ahead, while the sustained global tech upcycle and expanding AI infrastructure will continue to drive strong demand for E&E products, we also anticipate a potential upside boost from the front-loading of E&E shipments ahead of the US phased tariffs on semiconductor products. Nonetheless, Malaysia's export trajectory remains vulnerable to external headwinds, including escalating geopolitical tensions in the Middle East and broader US trade protectionism. Furthermore, downside risks persist as Malaysia faces scrutiny over forced labor allegations and 'structural excess capacity' in manufacturing, which could trigger new retaliatory measures. Meanwhile, looming semiconductor-specific tariffs continue to cloud the nation's industrial outlook. On the domestic front, sustained momentum in consumer and business spending will continue to anchor import growth.

Higher demand for E&E and petroleum products

By sector, growth in manufacturing exports surged to +40.1% (Mar-26 +9.6%yoy), underpinned by the acceleration in E&E products (+46.4%yoy), petroleum products (+70.2%yoy), and optical & scientific equipment (+40.9%yoy). Under E&E exports, stronger demand for semiconductors (+65.4%yoy) drove the expansion. Mining exports rebounded to +25.6%yoy (Mar-26: -0.4%yoy) with expansion registered for LNG (+4.8%yoy), metalliferous ores and metal scrap (+276.0%yoy). Meanwhile, the agriculture sector exports rose by +5.2%yoy (Mar-26: -7.8%yoy) due to growth in palm oil and palm oil-based agriculture products (-6.1%yoy) and other vegetable oil (+78.7%yoy).

Exports strengthened to major trading partners

By destination, exports to the US increased faster by +39.0%yoy (Mar-26: +18.3%yoy), extending five straight months of double-digit gains. This was mainly due to high demand for E&E products (+40.7%yoy) and optical & scientific equipment (+32.5%yoy). Exports to Singapore rebounded to +23.2%yoy (Mar-26: -10.3%yoy), supported by expansion in shipments of E&E products (+30.6%yoy) and petroleum products (+28.1%yoy). Meanwhile, exports to China surged by +39.2%yoy (Mar-26: +7.0%yoy), reflecting higher growth for E&E products (+33.0%yoy) and chemical & chemical products (+4.6%yoy). Exports to Taiwan soared to +86.0%yoy (Mar-26: +45.0%yoy), underpinned by robust demand for E&E products (+105.1%yoy), optical & scientific equipment (+73.9%yoy), and machinery (+104.6%yoy).

Exports to ASEAN and EU picked up

Shipments to ASEAN surged to +31.4%yoy (Mar-26: +2.0%yoy), with increased shipments of E&E products (+43.4%yoy) and petroleum products (50.2%yoy). This expansion was primarily driven by robust gains in Singapore, Thailand, and Vietnam. Exports to the EU rebounded by +43.5%yoy (Mar-26: -4.1%yoy) driven by the strong surge in E&E products (+86.5%yoy). Regionally, export growth was driven by the Netherlands, Germany, and Ireland, with shipments to both the Netherlands and Ireland reaching record monthly highs.

Import growth driven by higher consumption goods

Meanwhile Imports jumped to +20.0% (Mar-26: +10.4%yoy) mainly due to the expansion of consumption goods (+5.6%yoy). However, sharp double-digit declines were recorded for intermediate goods (-18.8%yoy) and capital good (-20.7%yoy). Manufacturing imports accelerated to +22.5%yoy (Mar-26: +16.4%yoy) mainly attributable to the triple-digit expansion for petroleum products (+141.0%yoy). Mining imports rebounded by +25.6%yoy (Mar-26: -25.7%yoy) due to higher purchases of metalliferous ores & metal scrap (+78.6%yoy) and other mining (+71.3%yoy). Conversely, agricultural imports continued to decline by -12.3%yoy (Mar-26: -29.5%yoy), albeit at a softer pace due to lower exports of other agriculture products (+8.8%yoy).

External trade more affected by volume change

Based on Mar-26 trade data, exports rose slower by +8.3%yoy (Feb-26: +13.6%yoy), whereby growth stemmed from a more modest gain in export volume (+5.9%yoy; Feb-26: +9.5%yoy), mainly supported by mineral fuels (+14.0%yoy) and miscellaneous manufactured articles (+15.7%yoy). Export prices increased by +2.3%yoy (Feb-26: +1.1%yoy) with growth recorded for index of foods (+9.6%yoy) and miscellaneous manufactured articles (+4.2%yoy). Meanwhile, imports grew at a faster pace of +10.4%yoy (Feb-26: +8.2%yoy), mainly supported by expansion in import volume of +12.3%yoy (Feb-26: +13.0%yoy), albeit at a slower pace. This was mainly supported by miscellaneous manufactured articles (+15.7%yoy) and mineral fuels (+14.0%yoy). Meanwhile, import prices fell softer by -1.7%yoy (Feb-26: -4.3%yoy) dragged by the decline in mineral fuels (-11.6%yoy) and chemicals (-4.4%yoy). Although volume still drives growth in Mar-26, we expect the gap between volume and price effects to narrow as sustained high prices pick up in the coming months due to elevated commodity prices.

Smaller trade surpluses for E&E products, palm oil and LNG

Trade surplus widened further to +RM28.8b in Apr-26 (Mar-26: +RM24.5b), attributable to larger monthly rise in exports (+RM34b or +22.8%mom) vis-à-vis imports (+RM29.7b or +23.9%mom). By sector, the wider surplus was recorded in trade of E&E products (Ap-26: +RM26.9b; Mar-26: +RM17.9b), and palm oil & palm oil-based products (+RM8.4b; Mar-26: +RM6.5b). On the other hand, the size of surplus was limited by the large -RM4.9b deficit in trade of petroleum (both crude and refined), underpinned by the sharper rise in oil imports, again due to the surge in crude oil prices. We expect this high oil imports may be sustained as oil prices remain elevated. In addition, other products like chemicals & chemical products and transport equipment registered larger deficits of -RM37b (Mar-26: -RM3.0b) and -RM2.9b (Mar-26: -RM2.4b), respectively. We continue to expect overall trade will remain in surplus in the coming months, largely due to the resilience in E&E exports, as well as sustained trade surpluses for trade of palm oil and LNG.

Table 1: Malaysia's External Trade Summary

	Monthly Data						Cumulative Data	
	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	4MCY25	4MCY26
Exports (RM b)	**134.9**	**152.8**	**146.8**	**131.0**	**148.8**	**182.7**	**511.9**	**609.3**
YoY%	7.0	10.2	19.6	10.7	8.3	36.9	7.1	19.0
MoM%	(9.0)	13.2	(3.9)	(10.8)	13.6	22.8		
Imports (RMb)	**128.8**	**130.7**	**124.9**	**114.2**	**124.2**	**154.0**	**465.7**	**517.4**
YoY%	15.8	9.5	4.8	8.2	10.4	20.0	7.0	11.1
MoM%	0.7	1.4	(4.5)	(8.5)	8.7	23.9		
Total Trade (RMb)	**263.8**	**283.5**	**271.7**	**245.2**	**273.0**	**336.7**	**977.5**	**1,126.7**
YoY%	11.1	9.9	12.3	9.5	9.3	28.6	7.0	15.3
MoM%	(4.5)	7.5	(4.2)	(9.8)	11.3	17.4		
Trade Balance (RMb)	**6.1**	**22.1**	**22.0**	**16.7**	**24.6**	**28.8**	**46.2**	**91.9**
YoY%	(59.0)	14.6	500.1	32.4	(0.9)	460.5	8.2	99.1
MoM%	(70.2)	262.6	(0.5)	(23.9)	47.0	23.3		

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

Table 2: Malaysia's Exports and Imports Breakdown

	Monthly Data						Cumulative Data	
	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	4MCY25	4MCY26
Exports								
Re-exports (RM b)	**29.8**	**38.2**	**38.2**	**26.6**	**37.9**	**71.6**	**107.6**	**174.3**
YoY%	40.4	35.0	51.5	7.7	38.3	113.5	13.5	62.1
MoM%	(24.0)	28.3	0.4	(4.0)	42.3	88.9		
Domestic Exports (RM b)	**105.2**	**114.8**	**108.6**	**104.3**	**110.9**	**111.1**	**404.3**	**435.0**
YoY %	0.3	4.0	11.3	24.8	0.9	11.2	5.5	7.6
MoM%	(3.7)	9.1	(5.3)	(30.2)	6.3	0.2		
Imports								
Intermediate (RM b)	**66.4**	**63.2**	**57.7**	**59.2**	**58.5**	**47.2**	**236.5**	**222.7**
YoY%	5.0	3.6	(5.1)	0.8	(1.1)	(18.8)	1.5	(5.9)
MoM%	14.9	(4.9)	(5.5)	2.5	(1.5)	(19.3)		
Capital (RM b)	**20.8**	**15.3**	**15.8**	**15.9**	**16.0**	**18.7**	**70.3**	**66.5**
YoY%	56.6	(11.8)	(20.7)	15.4	24.7	(20.7)	37.6	(5.5)
MoM%	11.4	(26.4)	4.4	1.3	2.3	15.4		
Consumption (RM b)	**9.9**	**13.1**	**11.7**	**9.2**	**9.7**	**10.3**	**38.6**	**39.7**
YoY%	(1.5)	27.6	16.7	1.5	(7.8)	5.6	1.8	2.9
MoM%	(0.8)	32.1	(5.8)	(18.3)	(2.4)	14.6		

Source: MATRADE, Macrobond, MBSBR

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

	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
China	9.8	(3.5)	16.1	13.2	7.0	39.2
US	(0.8)	48.8	33.9	42.3	18.3	39.0
Japan	(4.9)	(16.9)	(0.4)	(14.8)	(4.8)	6.4
Taiwan	53.0	34.4	79.4	65.9	45.0	86.0
India	4.7	10.7	35.7	8.5	13.3	48.4
EU	13.2	34.8	26.0	33.9	(4.1)	43.5
ASEAN	5.8	1.0	7.1	(9.4)	2.0	31.4
Singapore	4.1	(12.8)	0.4	(17.1)	(10.3)	23.2
Thailand	3.8	6.9	9.8	17.8	18.6	30.9
Indonesia	6.4	27.7	10.0	(36.0)	(4.7)	36.0
Vietnam	19.1	49.8	60.0	11.7	38.1	65.0

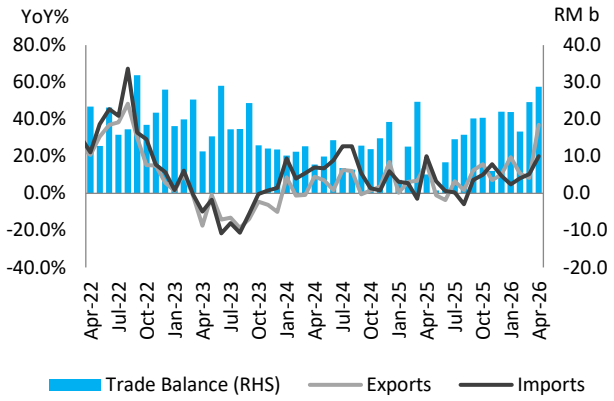
Source: Macrobond, MBSBR

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

	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
E&E	15.0	25.0	39.5	28.5	15.0	46.4
Machinery, Equipment & Parts	5.1	11.0	13.0	0.4	2.4	26.6
Optical & Scientific Equipment	33.7	20.6	36.2	42.9	29.3	40.9
Palm oil & palm oil-based products	(2.0)	(3.5)	(2.9)	(1.6)	(6.1)	4.1
Crude Petroleum	6.0	(39.0)	(39.0)	6.4	0.8	(18.4)
Petroleum Products	1.5	(18.9)	(16.7)	(49.3)	23.7	70.2
LNG	(12.5)	(24.9)	(5.2)	(27.3)	(17.5)	4.8
Rubber products	(25.1)	(16.7)	(11.7)	(24.5)	(22.1)	18.4
Transport equipment	(8.6)	(3.5)	13.8	(10.5)	5.8	(27.8)

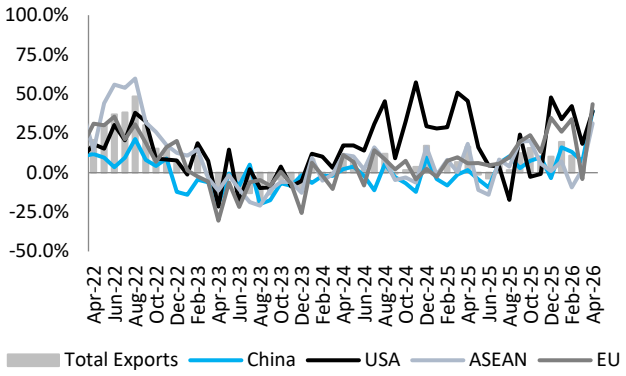
Source: Macrobond, MBSBR

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



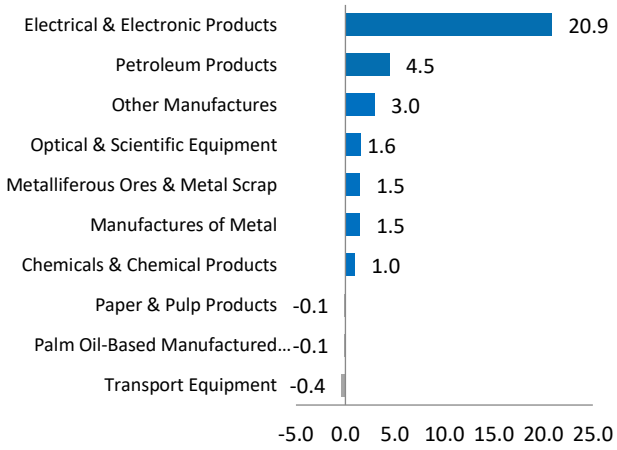
Source: MATRADE, Macrobond, MBSBR

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



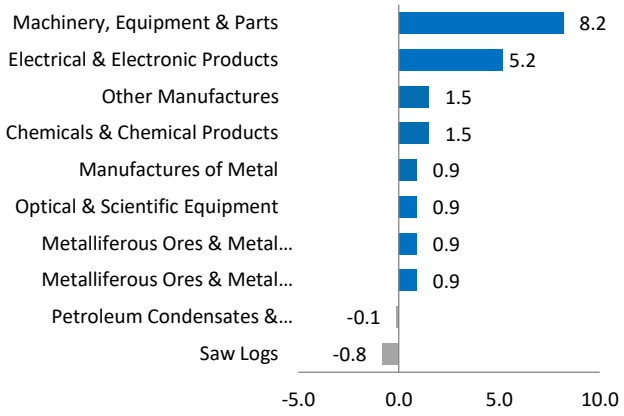
Source: MATRADE, Macrobond, MBSBR

Chart 3: Contribution to Total Exports Growth in Apr-26 by Key Products (%-points)



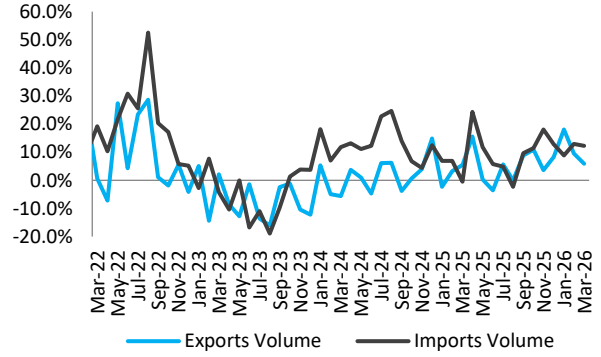
Source: MATRADE, Macrobond, MBSBR

Chart 4: Contribution to Total Imports Growth in Apr-26 by Key Products (%-points)



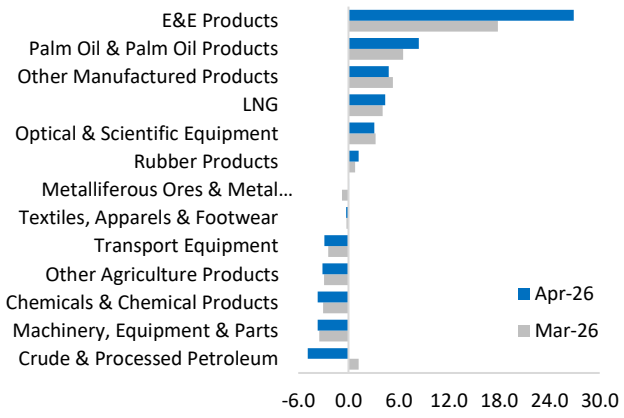
Source: MATRADE, Macrobond, MBSBR

Chart 5: Exports vs Imports Volume (YoY%)



Note: The latest available trade volume data is Mar-26
Source: MATRADE, DOSM, MBSBR

Chart 6: Apr-26 Trade Balance by Selected Products (RM b)



Source: MATRADE, Macrobond, MBSBR

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