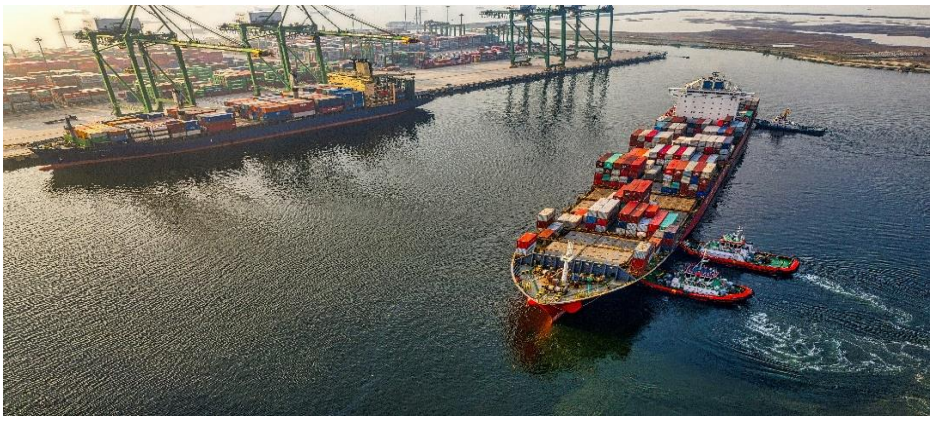
Malaysia's Exports Sustained Strong Growth on Robust E&E Shipments

Economic Review
Jun-26 External Trade



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Economic Review

- Malaysia's total trade maintained double-digit expansion in Jun-26, growing faster by +44.7%yoy (May-26: +29.8%yoy) and expanding for the 10th straight month. Export growth accelerated to near 4-year high of +45.3%yoy (Apr-26: +44.7%yoy), and imports surged sharply by +43.9%yoy (May-26: +14.1%yoy), the fastest growth since Feb-22.
- Outbound shipments continued to be driven by E&E products, which contributed +25.3ppt, or more than half, of total export growth in Jun-26. Other manufactured products (+7.2ppt), crude and refined petroleum products (+4.8ppt), LNG (+2.3ppt) and optical & scientific equipment (+1.8ppt) also provided meaningful support.
- By destination, exports to the US more than doubled (+108.6%yoy), extending the exceptionally strong growth in recent months. Exports to Singapore accelerated also to +47.6%yoy, while shipments to China strengthened to +36.1%yoy. Exports to Japan also rose faster by +45.9%yoy. Exports to Taiwan moderated but remained robust at +44.7%yoy.
- We foresee exports to grow robustly at +18.9% in 2026 (2025: +6.6%), driven mainly by stronger demand for technology products and higher demand for commodity-related products such as petroleum products and LNG. Nevertheless, exports continued to be exposed to downside risks such as supply disruptions, elevated costs and price pressures, potentially weaker demand, and risk of tighter trade rules (mainly by the US). We also upgraded our import growth forecast, projecting a stronger growth of +13% this year (2025: +6.0%) on the back of sustained rise in domestic economic activities.

Exports grew faster at +45.3%yoy, driven by stronger domestic exports

Malaysia's total trade maintained double-digit expansion in Jun-26, growing faster by +44.7%yoy (May-26: +29.8%yoy) and expanding for the 10th straight month. Export growth accelerated to +45.3%yoy (May-26: +44.7%yoy), the fastest growth since Aug-22 and exceeded our estimate (+42%yoy). The stronger export growth was driven mainly by stronger domestic exports (+44.6%yoy; May-26: +41.4%yoy) in contrast to moderation in re-exports (+48.7%yoy; May-26: +57.8%yoy). Import growth accelerated sharply to +43.9%yoy (May-26: +14.1%yoy), the fastest growth since Feb-22 and driven by higher purchases of E&E products, other manufactures and petroleum products.

E&E and petroleum products remained key drivers

Outbound shipments continued to be driven by E&E products, which contributed +25.3ppt, or more than half, of total export growth in Jun-26. Demand remained firm across major markets, led by the US, Singapore, China, Japan and Taiwan, particularly markets involved and benefited from the increased demand for technology products. Other manufactured products (+178.7%yoy), crude petroleum (+11.24%yoy), petroleum products (+55.6%yoy), LNG (+83.3%yoy) and optical & scientific equipment (+42.7%yoy) also provided meaningful support.

Trade surplus narrowed as imports rebounded

On a monthly basis, exports declined by -3.2%mom (May-26: +0.3%mom), while imports jumped by +13.2%mom (May-26: -6.5%mom). Consequently, the trade surplus narrowed sharply to RM14.9b (May-26: RM39.9b), although it remained higher than RM9.0b a year earlier. For 1HCY26, total trade grew by +22.4%yoy, with exports and imports rising by +27.5%yoy and +16.9%yoy, respectively. The cumulative trade surplus widened to RM147.1b.

Expect stronger external trade despite downside risks

For 2026, given the resilience in domestic exports, we foresee exports to grow robustly at +18.9% (2025: +6.6%), driven mainly by stronger demand for technology products and higher demand for commodity-related products such as petroleum products and LNG. In 1HCY26, the robust performance was supported by resilient global demand for technology products, inventory building, higher re-exports as well as positive price effects. We expect export growth to moderate in 2HCY26 as the favourable base effect diminishes. Risks remain tilted to the downside from supply disruptions, elevated costs and price pressures, potentially weaker demand, and risk of tighter trade rules (mainly by the US). Meanwhile, we also upgrade our import growth forecast, projecting a stronger growth of +13% this year (2025: +6.0%) supported by domestic consumption, investment activity and Malaysia's role in regional production networks.

E&E, petroleum and LNG exports remained strong

Manufactured exports remained the main growth driver in Jun-26, led by E&E products (+56.9%yoy), petroleum products (+55.6%yoy) and optical & scientific equipment (+42.7%yoy). Larger part (share: 72.5%) of total E&E exports were attributable to increased shipments of semiconductor (+87.6%yoy). Exports of machinery, equipment & parts and rubber products also expanded by +18.7%yoy and +16.7%yoy, respectively. Mining-related shipments strengthened further, with crude petroleum surging by +112.4%yoy and LNG rising by +84.1%yoy. In contrast, exports of palm oil & palm oil-based products remained marginally lower at -1.5%yoy.

Exports to the US more than doubled

By destination, exports to the US more than doubled by +108.6%yoy (May-26: +97.8%yoy), extending the exceptionally strong growth recorded in recent months. Exports to Singapore accelerated to +47.6%yoy (May-26: +41.0%yoy), while shipments to China strengthened to +36.1%yoy (May-26: +27.8%yoy). Exports to Japan also rose faster by +45.9%yoy (May-26: +34.6%yoy). Meanwhile, export growth to Taiwan moderated but remained robust at +44.7%yoy (May-26: +78.3%yoy).

Exports to ASEAN remained firm; EU growth moderated

Exports to ASEAN expanded by +21.2%yoy in Jun-26 (May-26: +21.0%yoy), supported by stronger shipments to Singapore, Thailand (+52.2%yoy), Indonesia (+53.4%yoy) and Vietnam (+43.9%yoy). Growth in exports to the Philippines moderated to +7.1%yoy. Meanwhile, exports to the EU increased by +25.4%yoy, slowing from the exceptionally high +100.3%yoy recorded in May-26 but remaining a firm contributor to overall export growth.

Imports rebounded across all end-use categories

Import growth surged to +43.9%yoy in Jun-26 (May-26: +14.4%yoy), reflecting stronger purchases across all major end-use categories. Imports of intermediate goods accelerated to +41.3%yoy (May-26: +15.1%yoy), while capital goods imports rebounded sharply by +67.4%yoy (May-26: -18.0%yoy), signaling renewed investment-related demand. Consumption goods imports also increased by +17.2%yoy (May-26: -2.4%yoy). By product, E&E products were the largest contributor to import growth, followed by crude and refined petroleum products, other manufactured goods and machinery, equipment & parts.

Volume growth remained an important driver

We observed volume growth remained an important driver of Malaysia's external trade performance, particularly for manufactured and energy-related products. The latest available data shows that volume growth for Malaysia's exports jumped to +32.7%yoy in May-26 (Apr-26: +29.7%yoy), about 73% of the overall export growth during the month particularly higher volume for mineral fuels, lubricants & related materials; manufactured articles; and machinery & transport equipment. Volume growth for imports, however, slowed to +7.4%yoy (Apr-26: +13.7%yoy) due to slower volume growth for inedible crude materials; oils & fats; and manufactured goods. Import volume for mineral fuels, lubricants & related materials even declined by -23.2%yoy, after a strong +30.2%yoy surge in Apr-26.

In May-26, export prices rose faster by +9.5%yoy (Apr-26: +5.9%yoy), largely reflected higher prices across various products mainly mineral fuels, lubricants & related materials; foods; machinery & transport equipment; and chemicals. Meanwhile, import prices also inflated faster at +6.2%yoy in May-26 (Apr-26: +5.5%yoy) primarily due to higher prices of mineral fuels, lubricants & related materials. Correction in the global crude oil and energy

prices may result in slower price increases in Jun-26, but the re-escalation of tensions in the Middle East and renewed uptrend in oil prices would keep price pressures elevated. Nevertheless, we expect volume changes will be the main factor affecting the external trade outlook as volume growth continued to surpass price inflation.

Trade surplus narrowed on stronger imports

The trade surplus narrowed sharply to +RM14.9b in Jun-26 (May-26: +RM39.9b), as the +13.2%mom rebound in imports outweighed the -3.2%mom decline in exports. The E&E trade surplus remained the largest among major product groups, although it narrowed considerably from +RM40.2b in May-26 to +RM12.3b in Jun-26 attributable to the stronger rebound in imports. Surpluses were also recorded for other manufactured products, palm oil & palm oil products, LNG and optical & scientific equipment. In contrast, deficits persisted in machinery, equipment & parts, transport equipment, chemicals & chemical products and crude & processed petroleum. Despite the monthly narrowing, Malaysia is expected to maintain overall trade surplus, supported by surpluses in E&E products, palm oil and LNG.

Table 1: Malaysia's External Trade Summary

	Monthly Data						Cumulative Data	
	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	6MCY25	6MCY26
Exports (RM b)	**146.8**	**131.0**	**148.8**	**183.3**	**183.9**	**177.9**	**761.8**	**971.6**
YoY%	19.5	10.7	8.0	37.3	44.7	45.4	25.7	27.5
MoM%	(4.2)	(10.8)	13.6	23.2	0.3	(3.2)		
Imports (RMb)	**124.9**	**114.2**	**124.3**	**154.0**	**144.0**	**163.0**	**705.1**	**824.4**
YoY%	4.8	8.1	10.3	20.0	14.4	43.9	27.4	16.9
MoM%	(4.6)	(8.5)	8.8	23.9	(6.5)	13.2		
Total Trade (RMb)	**271.7**	**245.2**	**273.1**	**337.3**	**327.8**	**340.9**	**1,466.9**	**1,796.0**
YoY%	12.3	9.5	9.0	28.8	29.6	44.7	26.5	22.4
MoM%	(4.4)	(9.8)	11.4	23.5	(2.8)	4.0		
Trade Balance (RMb)	**22.0**	**16.7**	**24.5**	**29.2**	**39.9**	**14.9**	**56.6**	**147.1**
YoY%	490.8	33.0	(2.3)	476.5	3228.4	64.9	7.5	159.8
MoM%	(1.8)	(23.9)	46.6	19.3	36.4	(62.7)		

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

Table 2: Malaysia's Exports and Imports Breakdown

	Monthly Data						Cumulative Data	
	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	6MCY25	6MCY26
Exports								
Re-exports (RM b)	**38.1**	**26.6**	**37.9**	**71.7**	**40.7**	**39.3**	**160.3**	**253.2**
YoY%	51.0	24.8	36.1	113.7	57.8	48.7	37.0	58.0
MoM%	0.0	(30.2)	42.3	89.1	(43.2)	(3.5)		
Domestic Exports (RM b)	**108.7**	**104.3**	**110.9**	**111.6**	**143.1**	**138.6**	**601.5**	**693.8**
YoY %	11.3	7.6	0.9	11.7	41.4	44.6	23.0	15.3
MoM%	(5.6)	(4.0)	6.3	0.7	28.3	(3.2)		
Imports								
Intermediate (RM b)	**57.7**	**59.2**	**58.6**	**47.2**	**75.0**	**85.4**	**362.0**	**358.8**
YoY%	(5.0)	0.8	(0.4)	(18.9)	15.1	41.3	20.2	(0.9)
MoM%	(5.7)	2.6	(1.1)	(19.4)	58.8	13.9		
Capital (RM b)	**15.7**	**15.9**	**16.2**	**18.6**	**18.6**	**24.2**	**107.6**	**100.2**
YoY%	(21.0)	14.7	23.2	(20.8)	(18.0)	67.4	65.5	(6.8)
MoM%	3.6	0.9	1.8	15.2	(0.3)	30.1		
Consumption (RM b)	**11.3**	**9.2**	**9.0**	**10.3**	**9.9**	**11.0**	**58.1**	**62.0**
YoY%	12.0	1.4	(7.8)	5.7	(2.4)	17.2	20.8	6.8
MoM%	(9.6)	(18.4)	(2.3)	14.3	(3.9)	11.7		

Source: MATRADE, Macrobond, MBSBR

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

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
China	16.1	13.2	7.1	40.5	27.8	36.1
US	33.9	42.2	18.3	40.0	97.8	108.6
Japan	(0.4)	(14.8)	(4.8)	7.3	34.6	45.9
Taiwan	79.4	66.0	45.0	86.0	78.3	44.7
India	10.7	35.7	8.5	13.3	48.8	11.3
EU	58.0	32.6	19.2	68.1	100.3	25.4
ASEAN	(22.0)	(20.9)	5.7	50.7	21.0	21.2
Singapore	0.4	(17.1)	(10.3)	23.1	41.0	47.6
Thailand	9.8	17.8	19.3	30.7	28.9	52.2
Indonesia	10.0	(36.1)	(4.7)	35.9	41.1	53.4
Vietnam	60.0	11.7	37.0	65.1	26.9	43.9
Philippines	(6.4)	9.1	1.3	30.8	29.4	7.1

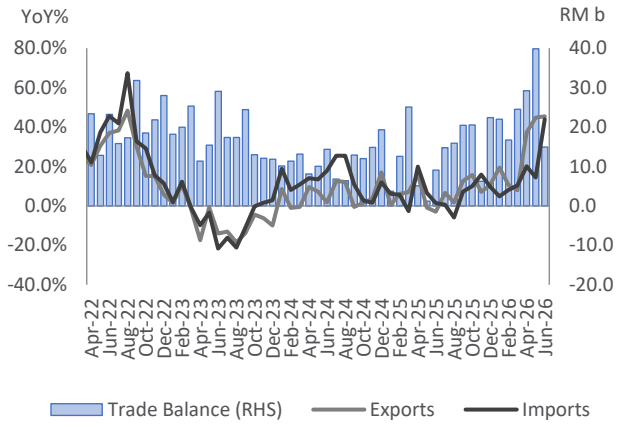
Source: Macrobond, MBSBR

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

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
E&E	39.5	28.5	15.1	46.6	70.0	56.9
Machinery, Equipment & Parts	12.7	(0.2)	2.1	26.5	15.4	18.7
Optical & Scientific Equipment	36.4	42.9	29.3	49.5	45.0	42.7
Palm oil & palm oil-based products	(2.9)	(9.7)	(5.8)	9.1	(11.8)	(1.5)
Crude Petroleum	(39.0)	6.5	4.9	(20.4)	(67.1)	112.4
Petroleum Products	(16.6)	(24.2)	32.3	74.4	76.4	55.6
LNG	(5.2)	(27.3)	(17.5)	4.8	111.5	84.1
Rubber products	(11.7)	(24.6)	(22.1)	18.4	(3.2)	16.7
Transport equipment	14.8	(9.1)	6.4	(27.1)	6.1	7.5

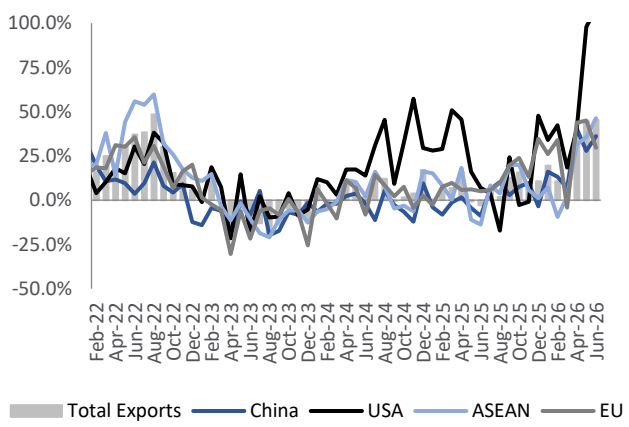
Source: Macrobond, MBSBR

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



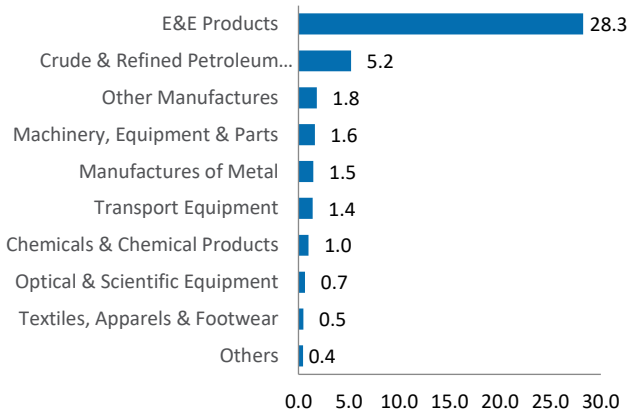
Source: MATRADE, Macrobond, MBSBR

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



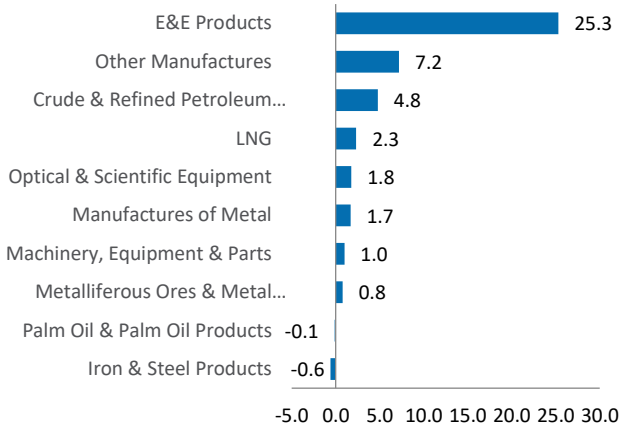
Source: MATRADE, Macrobond, MBSBR

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



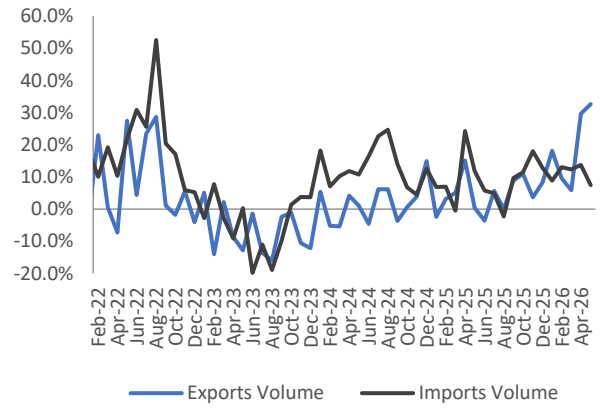
Source: MATRADE, Macrobond, MBSBR

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



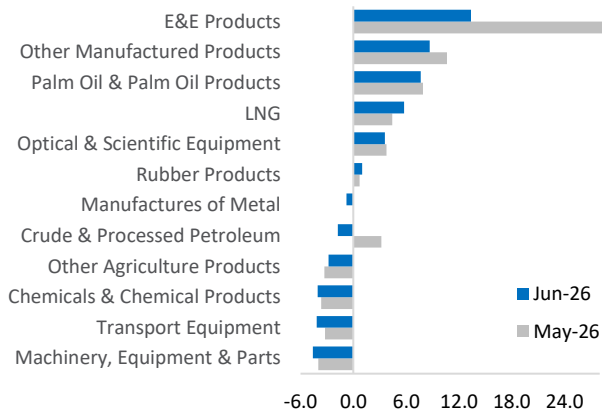
Source: MATRADE, Macrobond, MBSBR

Chart 5: Exports vs Imports Volume (YoY%)



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

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



Source: MATRADE, Macrobond, MBSBR

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