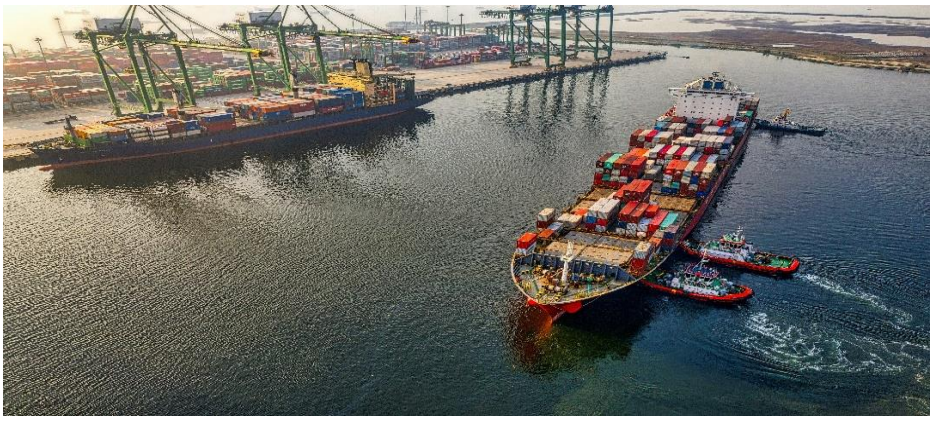
Malaysia's Exports Remained Robust in Jul-26, Led by Strong E&E Demand

Economic Review
Jul-26 External Trade



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Economic Review

- Malaysia's total trade sustained double-digit growth in Jul-26, expanding by +37.3%yoy (Jun-26: +44.3%yoy) and extending the expansion to the 11th straight month. Export growth moderated but remained robust at +38.0%yoy (Jun-26: +45.5%yoy), while imports increased by +36.4%yoy (Jun-26: +43.1%yoy).
- E&E products remained the main export driver, rising by +51.0%yoy and contributing +23.0ppt, or about 61%, of total export growth in Jul-26. Other manufactured products (+7.5ppt), machinery, equipment & parts (+2.0ppt), petroleum products (+1.6ppt) and optical & scientific equipment (+1.4ppt) also contributed positively.
- By destination, exports to the US remained strong at +79.8%yoy despite moderating from Jun-26. Shipments to Taiwan (+96.0%yoy) and Vietnam (+77.3%yoy) accelerated sharply, while exports to China (+30.2%yoy), ASEAN (+28.8%yoy) and the EU (+37.0%yoy) continued to register firm growth.
- We upgrade our 2026 export growth forecast to +22% (previous: +18.9%; 2025: +6.6%) and import growth to +16% (previous: +13%; 2025: +6.0%). The revision takes into account the still robust trade performance in Jul-26, particularly driven by strong E&E demand, while still anticipating moderate growth in 2HCY26 as base effects normalise and external risks remain elevated.

Exports remained robust despite moderation in Jul-26

Malaysia's total trade expanded by +37.3%yoy in Jul-26 (Jun-26: +44.3%yoy), extending the double-digit expansion to 11th straight month. Export growth moderated to +38%yoy (Jun-26: +45.5%yoy) but remained strong, supported by both re-exports (+41.2%yoy) and domestic exports (+36.9%yoy). Slightly more than 94% of re-exports comprised manufactured goods; mainly E&E products (share: 64.2% of total re-exports) and petroleum products (share: 12.7%). Imports also remained strong, growing at +36.4%yoy (Jun-26: +43.1%yoy), led mainly by purchases of E&E products, machinery and petroleum products. Growth for both exports and imports in Jul-26 exceeded our and market expectations.

E&E contributed about 61% of export growth

Outbound shipments continued to be driven by E&E products, which rose by +51%yoy and contributed +23ppt, or about 61%, of total export growth in Jul-26. Other manufactured products (+216.0%yoy; +7.5ppt), machinery, equipment & parts (+41.6%yoy; +2.0ppt), petroleum products (+26.9%yoy; +1.6ppt), optical & scientific equipment (+36.2%yoy; +1.4ppt) and metalliferous ores & metal scrap (+115.2%yoy; +1.0ppt) also supported the expansion. Crude petroleum exports, however, fell sharply by -79.4%yoy and dragged down overall growth by about -1.1ppt.

Trade surplus widened to +RM22.5b

On a monthly basis, exports rebounded by +8.8%mom (Jun-26: -3.2%mom), while imports increased further by +5.5%mom (Jun-26: +12.6%mom). As export growth outpaced imports in value terms, the trade surplus widened to +RM22.5b (Jun-26: +RM15.8b). For 7MCY26, total trade expanded by +24.7%yoy, with exports and imports rising by +29.2%yoy and +19.8%yoy, respectively. The cumulative trade surplus widened to RM170.5b.

Adjust 2026 export and import forecasts higher

For 2026, we upgrade our export growth forecast to +22% (previous: +18.9%; 2025: +6.6%) and import growth to +16% (previous: +13%; 2025: +6.0%). The revision is warranted by the

still robust performance in Jul-26, with exports already up +29.2%yoy and imports +19.8%yoy in the first 7 months this year. Our revised forecasts still assume a marked moderation in the latter part of the year as favourable base effects diminish. E&E and technology demand would remain key supports, while risks include supply disruptions, elevated input costs, weaker final demand and tighter trade rules.

E&E and machinery led manufactured exports

Manufactured exports remained the main growth driver in Jul-26, rising by +42.6%yoy and accounting for almost all of the increase in total exports. E&E products expanded by +51.0%yoy, while machinery, equipment & parts (+41.6%yoy), optical & scientific equipment (+36.2%yoy), petroleum products (+26.9%yoy) and other manufactured products (+216.0%yoy) also recorded strong gains. Palm oil & palm oil-based products returned to growth at +13.6%yoy. Mining exports rose by +9.6%yoy as higher LNG (+14.1%yoy) and metalliferous ores & metal scrap (+115.2%yoy) offset the sharp decline in crude petroleum (-79.4%yoy).

US exports remained strong despite moderation

By destination, exports to the US remained exceptionally strong at +79.8%yoy in Jul-26 (Jun-26: +108.7%yoy), although growth moderated from the previous month. Exports to the US continued to be led by E&E products (+77%yoy). Shipments to Taiwan accelerated to +96.0%yoy (Jun-26: +44.8%yoy) and exports to Vietnam surged by +77.3%yoy (Jun-26: +43.9%yoy). Exports to China remained firm at +30.2%yoy, while shipments to Japan moderated to +21.9%yoy but continued to grow steadily. E&E products remained the main contributor to higher exports across most major markets, while metalliferous ores & metal scrap also supported higher shipments to China last month.

ASEAN and EU demand remained firm

Exports to ASEAN expanded by +29%yoy in Jul-26 (Jun-26: +46.1%yoy), supported by stronger shipments to Vietnam (+77.3%yoy), while exports to other ASEAN countries, namely Thailand, Indonesia, the Philippines and Singapore, moderated but continued to record double-digit growth. Increased exports to ASEAN were supported by shipments of E&E products, followed by machinery, equipment & parts and petroleum products. Exports to the EU also strengthened by +37.0%yoy, indicating that external demand remained broad-based across key regional markets, largely underpinned by demand for E&E products.

Imports led by E&E and intermediate goods

Import growth remained strong, albeit moderating to +36.4%yoy in Jul-26 (Jun-26: +43.1%yoy), supported by higher purchases across major end-use categories. Intermediate goods imports rose by +40.8%yoy, capital goods by +24.0%yoy and consumption goods by +5.2%yoy. By product, E&E imports surged by +58.1%yoy, followed by petroleum products (+51.5%yoy), machinery, equipment & parts (+32.5%yoy) and other manufactured products (+58.2%yoy).

Trade growth remained volume-driven

Volume growth remained an important driver of Malaysia's external trade performance. The latest available data for Jun-26 show export volume increasing by +36.1%yoy (May-26: +32.6%yoy), while import volume accelerated sharply to +36.9%yoy (May-26: +7.7%yoy). The strength in trade volumes reinforces the view that recent gains reflect stronger underlying demand and production flows rather than price effects alone.

Price effects nevertheless remained supportive. Export prices increased by +7.6%yoy in Jun-26 (May-26: +9.5%yoy), while import prices rose by +5.2%yoy (May-26: +6.2%yoy). With volume growth considerably outpacing price increases, we expect trade volumes to remain the key driver of Malaysia's external trade outlook, although commodity-price volatility and supply disruptions could still add to nominal trade values.

Trade surplus widened on stronger exports

The trade surplus widened to +RM22.5b in Jul-26 (Jun-26: +RM15.8b), as the +8.8%mom increase in exports outpaced the +5.5%mom rise in imports. In particular, the E&E trade surplus jumped to +RM18.9b (Jun-26: +RM13.4b), while larger surpluses were also recorded for palm oil & palm oil products (+RM9.7b), other manufactured products (+RM10.6b) and rubber products (+RM1.5b). In contrast, deficits persisted in petroleum products and crude petroleum, machinery, equipment & parts, transport equipment and chemicals & chemical products. Despite these sectoral deficits, Malaysia is expected to maintain a sizeable overall

trade surplus, supported mainly by continued surpluses in E&E products, palm oil-related products and selected manufactured goods.

Table 1: Malaysia's External Trade Summary

	Monthly Data						Cumulative Data	
	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	7MCY25	7MCY26
Exports (RM b)	**131.0**	**148.8**	**183.3**	**183.9**	**177.9**	**193.6**	**902.0**	**1,165.2**
YoY%	10.7	8.0	37.3	44.7	45.5	38.0	48.8	29.2
MoM%	(10.8)	13.6	23.2	0.3	(3.2)	8.8		
Imports (RMb)	**114.2**	**124.3**	**154.0**	**144.0**	**162.1**	**171.1**	**830.6**	**994.7**
YoY%	8.1	10.3	20.0	14.4	43.1	36.4	50.1	19.8
MoM%	(8.5)	8.8	23.9	(6.5)	12.6	5.5		
Total Trade (RMb)	**245.2**	**273.1**	**337.3**	**327.8**	**340.1**	**364.7**	**1,732.6**	**2,159.9**
YoY%	9.5	9.0	28.8	29.6	44.3	37.3	49.4	24.7
MoM%	(9.8)	11.4	23.5	(2.8)	3.7	7.3		
Trade Balance (RMb)	**16.7**	**24.5**	**29.2**	**39.9**	**15.8**	**22.5**	**71.4**	**170.5**
YoY%	33.0	(2.3)	476.5	3228.4	74.8	51.9	35.6	138.7
MoM%	(23.9)	46.6	19.3	36.4	(60.4)	42.4		

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

Table 2: Malaysia's Exports and Imports Breakdown

	Monthly Data						Cumulative Data	
	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	7MCY25	7MCY26
Exports								
Re-Exports (RM b)	**26.6**	**37.9**	**71.7**	**40.7**	**39.3**	**52.3**	**197.3**	**306.7**
YoY%	24.8	36.1	113.7	57.8	48.7	41.2	68.6	55.4
MoM%	(30.2)	42.3	89.1	(43.2)	(3.4)	32.9		
Domestic Exports (RM b)	**104.3**	**110.9**	**111.6**	**143.1**	**138.6**	**141.3**	**704.7**	**858.6**
YoY %	7.6	0.9	11.7	41.4	44.6	36.9	44.1	21.8
MoM%	(4.0)	6.3	0.7	28.3	(3.2)	2.0		
Imports	**59.2**	**58.6**	**47.2**	**75.0**	**85.3**	**80.0**	**418.9**	**463.0**
Intermediate (RM b)	0.8	(0.4)	(18.9)	15.1	41.2	40.8	39.1	10.5
YoY%	2.6	(1.1)	(19.4)	58.8	13.8	(6.2)		
MoM%	**15.9**	**16.2**	**18.6**	**18.6**	**23.4**	**22.5**	**125.7**	**130.9**
Capital (RM b)	14.7	23.2	(20.8)	(18.0)	61.9	24.0	93.5	4.1
YoY%	0.9	1.8	15.2	(0.3)	25.8	(3.6)		
MoM%	**9.2**	**9.0**	**10.3**	**9.9**	**11.0**	**11.0**	**68.5**	**71.5**
Consumption (RM b)	1.4	(7.8)	5.7	(2.4)	17.2	5.2	42.5	4.4
YoY%	(18.4)	(2.3)	14.3	(3.9)	11.7	(0.4)		
MoM%	**26.6**	**37.9**	**71.7**	**40.7**	**39.3**	**52.3**	**197.3**	**306.7**

Source: MATRADE, Macrobond, MBSBR

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

	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
China	13.2	7.1	40.5	27.8	36.1	30.2
US	42.2	18.3	40.0	97.8	108.7	79.8
Japan	(14.8)	(4.8)	7.3	34.6	45.8	21.9
Taiwan	66.0	45.0	86.9	78.3	44.8	96.0
India	8.5	13.3	48.8	11.3	20.5	45.0
EU	33.9	(4.1)	43.8	45.0	29.7	37.0
ASEAN	(9.5)	1.9	31.4	35.3	46.1	29.0
Singapore	(17.1)	(10.3)	23.1	41.0	47.7	16.7
Thailand	17.8	19.3	30.7	28.9	51.8	37.5
Indonesia	(36.1)	(4.7)	35.9	41.1	53.6	35.0
Vietnam	11.7	37.0	65.1	26.9	43.9	77.3
Philippines	9.1	1.3	30.8	29.4	7.1	25.6

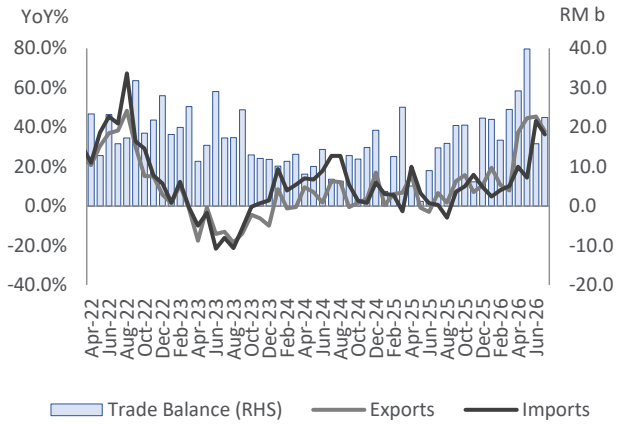
Source: Macrobond, MBSBR

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

	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
E&E	28.5	15.1	46.6	70.0	57.0	51.0
Machinery, Equipment & Parts	(0.2)	2.1	26.5	15.4	18.4	41.6
Optical & Scientific Equipment	42.9	29.3	49.5	45.0	42.8	36.2
Palm oil & palm oil-based products	(9.7)	(5.8)	9.1	(11.8)	(1.5)	13.6
Crude Petroleum	6.5	4.9	(20.4)	(67.1)	110.2	(79.4)
Petroleum Products	(24.2)	32.3	74.4	63.8	55.6	26.9
LNG	(27.3)	(17.5)	4.8	111.5	83.3	14.1
Rubber products	(24.6)	(22.1)	18.4	(3.2)	16.7	18.7
Transport equipment	(9.1)	6.4	(27.1)	6.1	8.7	15.1

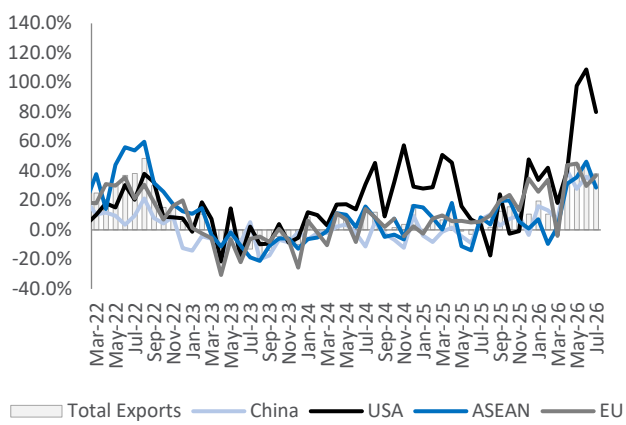
Source: Macrobond, MBSBR

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



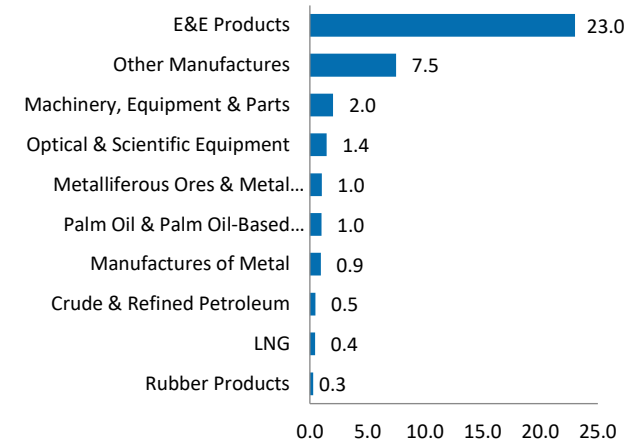
Source: MATRADE, Macrobond, MBSBR

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



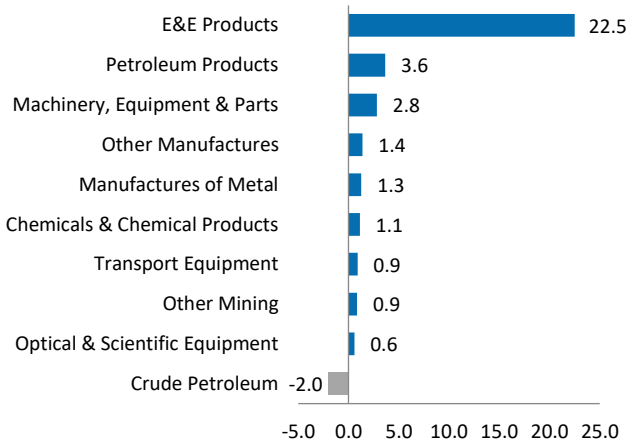
Source: MATRADE, Macrobond, MBSBR

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



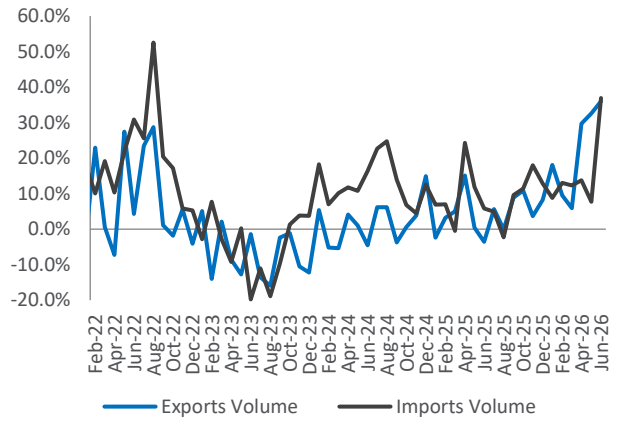
Source: MATRADE, Macrobond, MBSBR

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



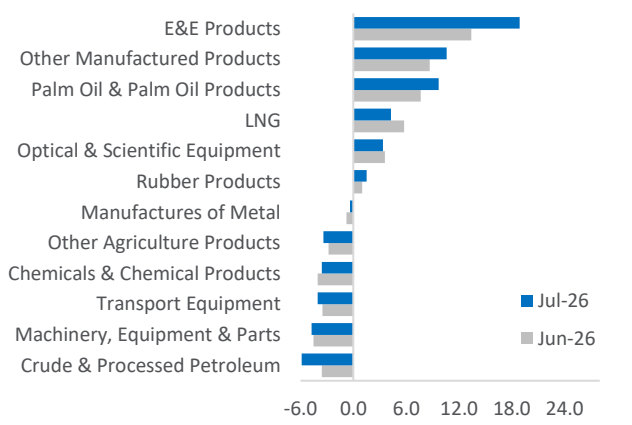
Source: MATRADE, Macrobond, MBSBR

Chart 5: Exports vs Imports Volume (YoY%)



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

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



Source: MATRADE, Macrobond, MBSBR

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