DATE : 5 MARCH 2019 (TUESDAY)
PAPER : THE SUN/ SUNBIZ/ PG 13
TITLE : JANUARY EXPORTS UP 3.1%, TRADE SURPLUS HITS RM11.5B

THE SUN/SUNBIZ/PG 13

January exports up 3.1%, trade surplus hits RM11.5b

Forecast-beating growth due to increase in shipments to China, Thailand, S. Korea and the US

PETALING JAYA: Malaysia's exports posted an above-expectation growth of 3.1% year-on-year (y-o-y) to RM85.4 billion for January 2019 outpacing imports, which grew 1% y-o-y to RM73.9 billion.

Chief Statistician of Malaysia Datuk Seri Dr Mohd Uzir Mahidin said total trade in January 2019 grew 2.1% to reach RM159.3 billion from January 2018. The trade surplus was at RM11.5 billion, 19.2% or RM1.9 billion higher than the same month of 2018.

"The export growth was attributed to expansion in exports to China (+RM919.4 million), Thailand (+RM823.3 million), South Korea (+RM775.0 million) and the US (+RM680.8 million)."

The main products which contributed to the expansion in exports in January 2019 were electrical & electronic products (+RM2.6 billion), liquefied natural gas (+RM1.4 billion), and timber and timber-based products (+RM92.7 million).

However, declines were recorded for refined petroleum products (-RM1.6 billion), palm oil and palm oil-based products (-RM1.1 billion), crude petroleum (-RM26.6 million) and natural rubber (-RM16.4 million).

Re-exports was valued at RM17.5 billion (+0.4%) and accounted for 20.5% of total exports. Domestic exports increased RM2.5 billion or 3.9% to RM67.9 billion.

Meanwhile, higher imports were mainly from China (+RM2.7 billion), Saudi Arabia (+RM1.2 billion) and Taiwan (+RM696.0 million).

The increase in imports by end use was mainly attributed to consumption goods (+RM208.9 million). However, imports of capital goods and intermediate goods recorded a decline of RM308.2 million and RM283.7 million respectively.

MIDF Research expects Malaysia's exports to perform modestly in the first quarter this year, in line with the Malaysian Leading Index (LI) for September 2018 which recorded negative growth on both annual (-1.7%) and monthly (-0.8%) basis, suggesting the economic growth to ease in the first quarter of 2019.

"Amid higher base effects and continuous signs of easing key global indicators, we foresee exports growth to moderate further at 3.6% this year (2018: 6.7%). The moderating pace is consistent with global commodity prices, expectation of a slight slowdown in overall business performance on top of the uncertainty over Sino-US trade conflict."

A general view of a container yard at North Port in Port Klang. – *REUTERSPIX*

PAPER : **THE STAR/ STARBIZ/ NEWS/ PG 4**
TITLE : **JANUARY EXPORTS EXCEED FORECAST, BOOST FROM CHINA AND THAILAND**

THE STAR/ STARBIZ /NEWS/PG 4

January exports exceed forecast, boost from China and Thailand

KUALA LUMPUR: Malaysia's exports in January rose at a faster-than-expected pace of 3.1% year-on-year (y-o-y) to RM85.4bil, underpinned by expansion in exports to China, Thailand and South Korea, compared with a Bloomberg survey of a 0.6% contraction.

The Statistics Department announced yesterday that re-exports were valued at RM17.5bil (0.4%) and accounted for 20.5% of total exports. Domestic exports increased RM2.5bil or 3.9% to RM67.9bil.

MIDF Equities Research said the stronger performance of the domestic exports in January compared with the 2.7% increase on-year in December indicated a good start for this year as it only recorded a meagre growth of 0.8% in 2018.

"With the expected recovery in mining and agriculture goods, we expect domestic exports to continue its upward trend moving forward. Meanwhile, re-exports which have low domestic value-added grew marginally by 0.4% on-year, the lowest gain since June 17 mainly due to higher base effect.

MIDF Research said Malaysia exports growth was expected to remain steady with the increasing contribution of re-exports which established the importance of Malaysia in global value chain.

"On a month-on-month (m-o-m) basis, exports increased RM1.9bil (2.2%) from RM83.5bil. In seasonally adjusted terms, exports registered an increase of 7.9%.

"On a m-o-m basis, imports posted a growth of RM1bil (1.4%) from RM72.9bil. In seasonally adjusted terms, imports rose 2.6%," it said.

The department said on a y-o-y basis, export growth was due to higher exports to China (RM919.4mil), Thailand (RM823.3mil), South Korea (RM775mil) and the United States (RM680.8mil).

On a y-o-y basis, higher imports were mainly from China (RM2.7bil), Saudi Arabia (RM1.2bil) and Taiwan (RM696mil). palm oil, the major commodity in this group of products also decreased RM651.3mil or 16.6% due to the decrease in average unit value (20.7%) as export volume increased 5.1%.

PAPER : THE EDGE FINANCIAL DAILY/ HOME BUSINESS/ PG 3
TITLE : EXPORT GROWTH AT 3.1% IN JANUARY BUT OUTLOOK REMAINS WEAK
BY : AHMAD NAQIB IDRIS

THE EDGE FINANCIAL DAILY /HOME BUSINESS/PG 3

Export growth at 3.1% in January but outlook remains weak

BY AHMAD NAQIB IDRIS

KUALA LUMPUR: Analysts expect slower Malaysia export growth for 2019 despite the higher-than-expected growth recorded in January 2019, as leading indicators point to an easing of economic growth this year.

The Statistics Department yesterday said exports grew 3.1% year-on-year (y-o-y) to RM85.4 billion and imports growth of 1% y-o-y to RM73.9 billion in January.

Total trade for the month grew 2.1% to RM159.3 billion from a year earlier, while the trade surplus surged 19.2% to RM11.5 billion.

MIDF Research said the expansion in exports is mainly due to the 23.5% y-o-y growth in exports of mining goods, compared with its contraction of 1.5% a year earlier, as well as exports of manufactured goods which grew 2.9%.

It noted that Malaysia's trade surplus of RM11.5 billion in January was at a three-month high.

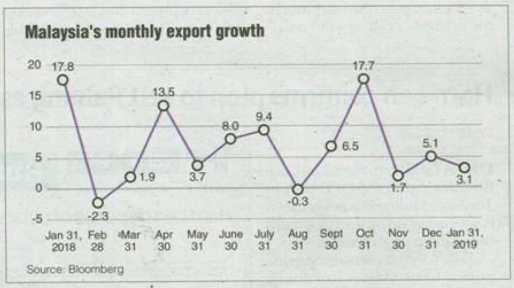
The research house said exports to China rebounded from a contraction of 0.5% y-o-y in December 2018 to 9.1% in January, supported by higher exports of liquefied natural gas (LNG), chemicals and palm oil.

Despite the decent numbers for the month, MIDF maintains a gloomy outlook for the first quarter of 2019.

"Looking ahead to the first quarter of 2019, we expect exports to perform modestly, in line with the Malaysian leading index for September 2018, which recorded negative growth on both annual (-1.7%) and monthly (-0.8%) basis, suggesting the economic growth to ease in the first quarter," it said.

MIDF also noted the slower trade performance by other countries in the region, such as Vietnam which saw moderation to 1.6% y-o-y in February from 8.9% in January, while South Korea's exports contracted 11.1% y-o-y.

Looking at manufacturing conditions, it said the global Purchasing Managers' Index (PMI) fell slightly to 50.6 in February from 50.8 a month earlier, while the PMI of emerging economies recovered to 50.6 in February from 49.5 in January.



Source: Bloomberg

"Amid higher base effects and continuous signs of easing key global indicators, we foresee exports growth to moderate further at 3.6% this year from 6.7% in 2018. The moderating pace is consistent with global commodity prices, expectation of a slight slowdown in overall business performance on top of the uncertainty over the Sino-US trade conflict," it said.

Similarly, UOB Malaysia's Julia Goh said she remains cautious about the country's exports growth prospects ahead amid slower business sentiment, as on-the-ground checks suggest that local companies remain reluctant to expand their production capacity despite receiving higher export orders.

In a note, she said there are further signs of slowing global trade activities as the year progresses, noting the cooling Chinese economy and a slower global technology cycle besides the concerns over the US-China trade dispute.

In the event that a trade deal is signed between the world's two largest economies, Goh said there are still other structural issues surrounding competition, technology transfer and intellectual property protection, on top of issues with implementation and enforcement of the deal that may slow the removal of existing tariffs on both sides.

"If tariffs are removed, the benefits to Malaysia from trade relocation and commodity substitution [from soya bean to palm oil] may dissipate. The slower global cycle and fading technology boom will continue to be felt across various supply chains and production channels.

"Hence, we maintain our cautious view on Malaysia's export outlook with a growth target of 4% to 5% for 2019," said Goh.

PAPER : THE EDGE FINANCIAL DAILY/ HOME BUSINESS/ PG 5
TITLE : MALAYSIA, CHINA SIGN PALM OIL PURCHASE DEALS WORTH RM3.64B
BY : EMIR ZAINUL

Malaysia, China sign palm oil purchase deals worth RM3.64b

Teresa Kok says the deals will provide 'a great relief' to the local palm oil industry

BY EMIR ZAINUL

KUALA LUMPUR: Primary Industries Minister Teresa Kok and China's ambassador to Malaysia Bai Tian yesterday witnessed the signing of four purchase intent documents for the export of 1.62 million tonnes of palm oil from Malaysia to China with a combined estimated worth of US$891 million (RM3.64 billion).

The deals will be a boost to Malaysia's palm oil industry, which has come under attacks and sabotage in the European Union (EU), Kok told reporters, and will help in reducing the country's stockpile.

"I must say I really appreciate China. When we are facing so much attacks and sabotage from the EU, China has, in the beginning of the year, already showed us a kind gesture by signing the agreements to buy these 1.6 million tonnes of palm oil from Malaysia. This is going to be a great relief for the palm oil industry," she said after officiating the Malaysia-China Palm Oil Business Forum.

The deals, signed between three Chinese companies and four Malaysian companies during the opening of the forum yesterday, came after a news report stated last month that Malaysia was nearing an agreement with China to revive the scrapped RM81 billion East Coast Rail Link (ECRL) project, with Foreign Minister Datuk Saifuddin Abdullah quoted as saying in a Feb 19 interview that China was willing to reduce the price tag for the project.

He also said ongoing talks on the fate of the project were "in the last mile". Subsequently, Prime Minister Tun Dr Mahathir Mohamad said last Monday that Malaysia would continue with the ECRL if the price was right.

The first of the deals signed yesterday was between China's Yantai Tianmao Edible Ltd Co and Sime Darby Plantation Bhd for the purchase of 100,000 tonnes of refined, bleached and deodorised (RBD) palm stearin.

The second document signed was between Yihai Kerry (Shanghai) International Trade Co Ltd and PGEO Marketing Sdn Bhd for the purchase of 1.3 million tonnes of RBD palm olein.

The third document, signed between China's Yizheng Fangshun Industry Ltd Co and Cacao Paramount Sdn Bhd (a subsidiary of Teck Guan Group), involves the purchase of 120,000 tonnes of RBD palm stearin. Yizheng Fangshun also inked another document with SOP Edible Oils Sdn Bhd to buy 100,000 tonnes of RBD palm olein.

In her opening remarks earlier, Kok said China was Malaysia's second biggest importer of palm oil and palm-based products in 2018, with Malaysia exporting 3.07 million tonnes of palm oil and palm products valued at RM8.38 billion to China, up 7.3% from 2.86 million tonnes (worth up to RM9.39 billion) in 2017.

Kok also urged China's businessmen to venture into projects in the promoted areas within the palm oil sub-sectors in Malaysia. "There are opportunities to explore investments in the palm oil industry in value-added downstream activities namely oleo chemicals, pharmaceuticals, processed food, specialty products and even consumer products. In this context, I would like to urge all of you here today (yesterday) to explore new areas of cooperation and enhance current business linkages in the palm oil industry," she said.

Meanwhile, Bai called for greater cooperation between Malaysian and Chinese companies, especially in the area of research and development in the palm oil industry, like developing high-value processing and biofuel products, for the benefit of both countries.

"I have repeatedly said that China imposes no ceiling on the import of Malaysian palm oil and palm oil products. So the prospects of the Chinese market for Malaysian palm oil and palm oil-related products are very bright," he said.

PAPER : BERITA HARIAN/ BISNES/ PG 25
TITLE : EKSPORT JANUARI 2019 MELEBIHI JANGKAAN

BERITA HARIAN / BISNES / PG 25

Eksport Januari 2019 melebihi jangkaan

Eksport Malaysia meningkat lebih baik daripada jangkaan pada Januari, tetapi kadar pertumbuhan lebih perlahan daripada bulan sebelumnya apabila penghantaran minyak sawit turun, menurut data Kementerian Perdagangan Antarabangsa dan Industri (MITI).

Eksport meningkat 3.1 peratus pada Januari berbanding tahun sebelumnya, lebih tinggi daripada jangkaan umum ahli ekonomi, iaitu sekitar 1.5 peratus.

Import pula meningkat satu peratus kepada RM73.89 bilion yang menyumbang kepada lebihan dagangan sebanyak RM11.52 bilion, 19.2 peratus lebih tinggi berbanding Januari 2018.

Ini adalah lebihan dagangan bagi bulan ke-255 berturut-turut sejak November 1997.

Menurut MITI, pada Disember, eksport meningkat 4.8 peratus. Pertumbuhan eksport Januari didorong sebahagian besarnya oleh penghantaran barangan perkilangan dan perlombongan yang lebih tinggi.

Eksport minyak sawit menurun

Katanya, eksport barangan perlombongan meningkat 10.5 peratus tahun ke tahun pada Januari, berikutan peningkatan volum dan harga gas asli cecair.

Penghantaran barangan perkilangan, yang menyumbang lebih 82.3 peratus daripada jumlah eksport, meningkat 2.9 peratus. Namun, eksport minyak sawit, komoditi eksport utama bagi Malaysia, turun 16.6 peratus tahun ke tahun, kata MITI.

Import meningkat satu peratus pada Januari berbanding tempoh sama tahun sebelumnya, tidak berubah dari kadar pertumbuhan yang dicatatkan pada Disember.

Lebihan dagangan Januari mencecah RM11.5 bilion, berbanding RM10.4 bilion yang didaftarkan pada bulan sebelumnya.

Eksport ke China, rakan dagang utama, meningkat semula pada Januari, meningkat 9.1 peratus tahun ke tahun, selepas penurunan tahunan sebanyak 0.5 peratus pada Disember.

Sementara itu, eksport ke Amerika Syarikat (AS) meningkat 9.4 peratus, di tengah-tengah permintaan yang kukuh untuk barangan perkilangan.