



From the Desk
of the
Chief Economist

BANK ISLAM

EXPORTS REMAINED RESILIENT IN NOVEMBER

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ECONOMIC RESEARCH

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Exports

November
32.4%
October
25.5%



Imports

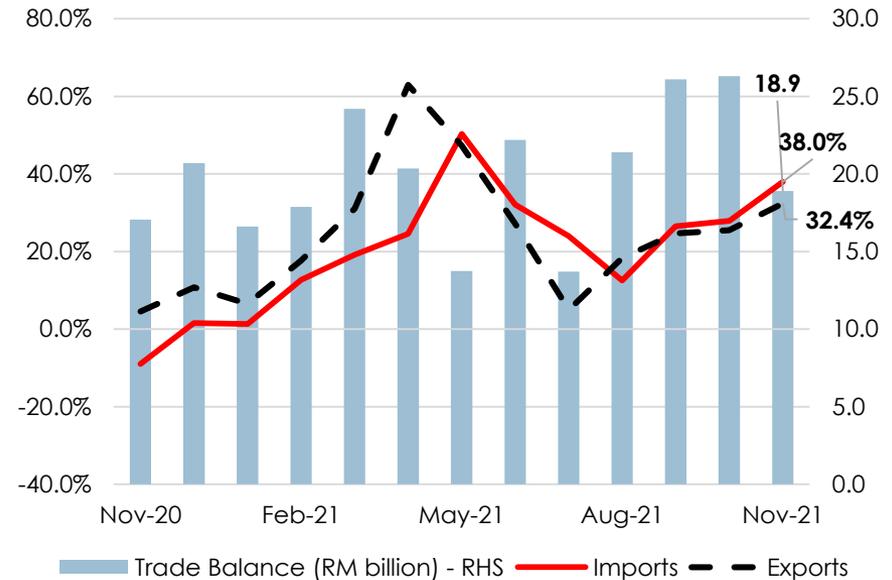
November
38.0%
October
27.9%



Trade Balance

November
RM18.9 billion
October
RM26.3 billion

External Trade Performance

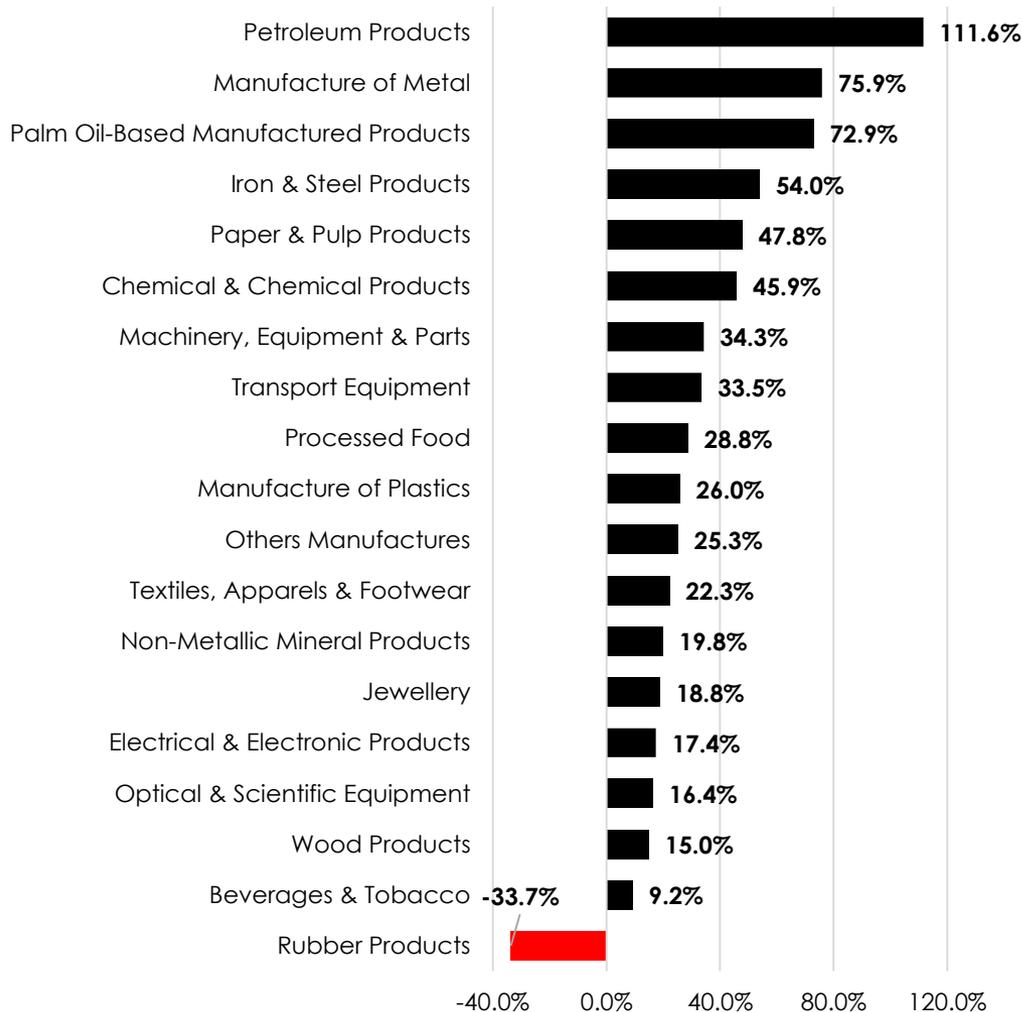


Source: CEIC

- ✓ Malaysia's exports maintained its upward trend in November, expanding by 32.4% following a gain of 25.5% in the preceding month amid further recovery in global demand and surging commodity prices (**Consensus: 30.0%, Bank Islam: 35.0%**).
- ✓ This marked the fourth consecutive month of double-digit growth since August.
- ✓ The strong growth in exports was supported by expansion seen in the Manufacturing sector (November: 28.2% vs. October: 23.3%), as well as Agriculture sector (November: 76.8% vs. October: 28.9%) during the month.
- ✓ Meanwhile, Mining sector grew by 45.2% in November which was softer compared to a 66.7% increase in the previous month.

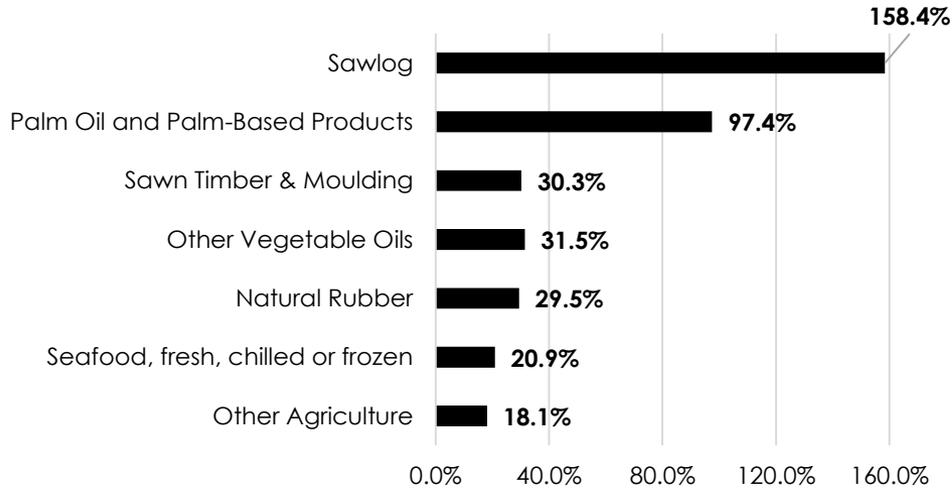
MANUFACTURING ACTIVITIES ARE PICKING UP ON THE BACK OF A STRONGER EXTERNAL DEMAND

Manufacturing Sub-sector, y-o-y

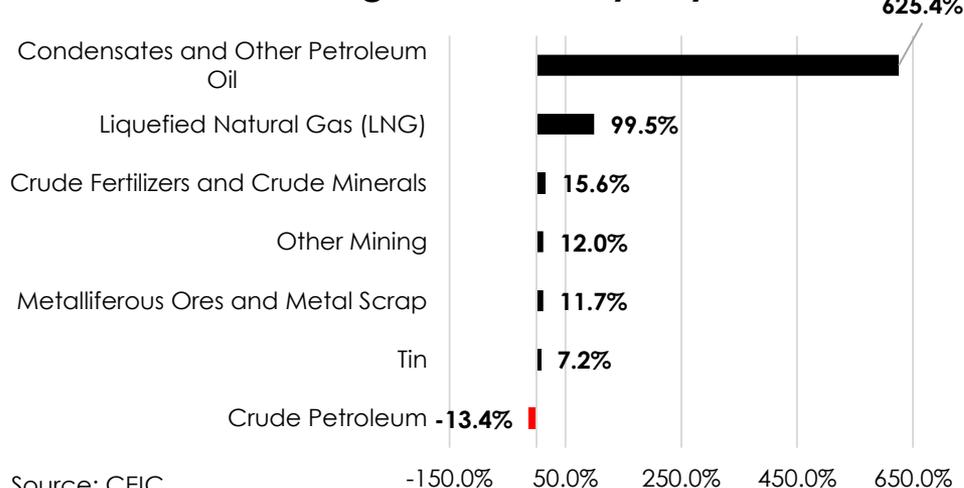


- ✓ Within the Manufacturing sector, almost all of the sub-sectors recorded a positive growth during November which led by Petroleum Products (November: 111.6% vs. October: 126.0%), Manufacture of Metal (November: 75.9% vs. October: 146.9%), as well as Palm Oil-Based Manufactured Products (November: 72.9% vs. October: 78.5%) albeit at a slower pace compared to previous month.
- ✓ In addition, Electrical & Electronic (E&E) Products which formed a sizeable share of 42.0% of the Manufacturing sector has increased by double-digit at 17.4% in November from 8.8% in October.
- ✓ Meanwhile, Rubber Products was the only decliner during the month, contracting by 33.7% (October: 33.4%) due to progressive vaccination that allow the Covid-19 cases to subside.

Agriculture Sub-sector, y-o-y



Mining Sub-sector, y-o-y



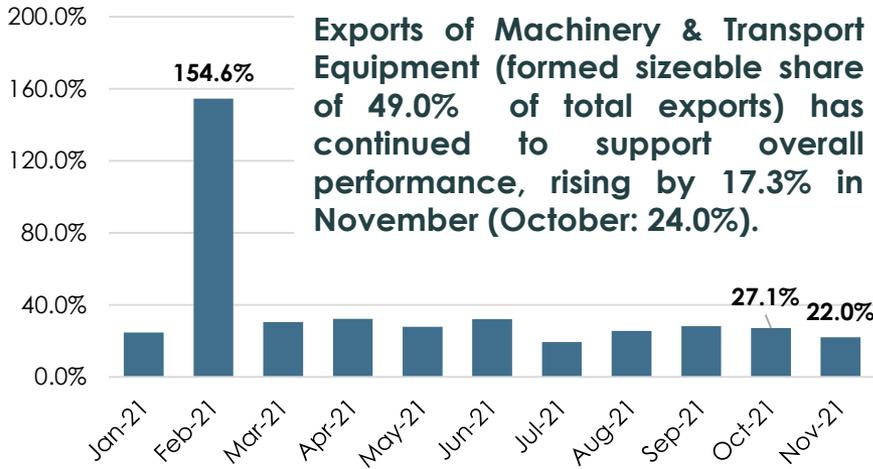
- ✓ Looking at the Agriculture sector, the higher growth was in accordance with Sawlog which rose by 158.4% in November (October: 52.1%).
- ✓ This was followed by Palm Oil and Palm-Based Products, growing further by 97.4% (October: 78.5%) during the month.
- ✓ As for the Mining sector, Condensates and Other Petroleum sustained its triple-digit growth of 625.4% (October: 714.7%) in November.
- ✓ Meanwhile, imports increased significantly by 38.0% in November (October: 27.9%), underpinned by expansion in Intermediate Goods (November: 47.4% vs. October: 34.9%), Capital Goods (November: 32.1% vs. 15.0%), as well as Consumption Goods (November: 22.8% vs. October: 10.8%).
- ✓ Consequently, the trade balance narrowed to RM18.9 billion in November from RM26.3 billion in the previous month.
- ✓ On a cumulative basis, both exports and imports rebounded by 25.7% (11M2020: -2.3%) and 23.3% (11M2020: -6.5%) respectively during 11M2021. As such, the trade balance widened further to RM221.5 billion (11M2020: RM162.6 billion) during the said period.

EXTERNAL TRADE PERFORMANCE

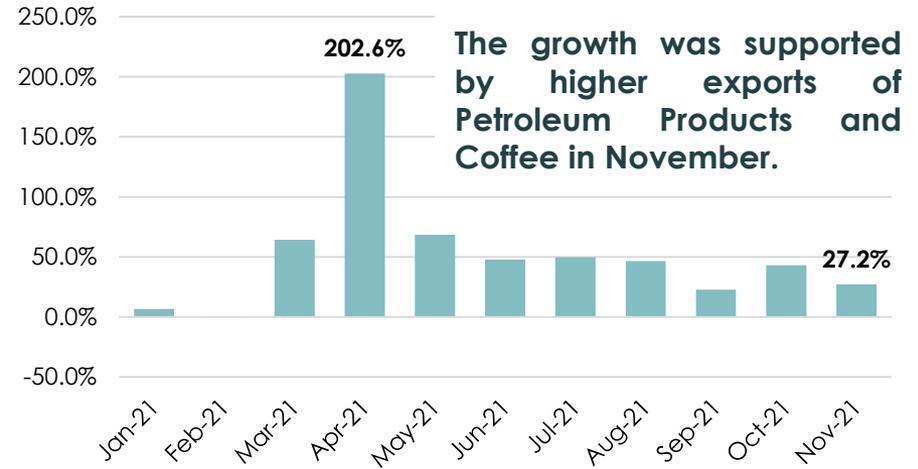
Y-o-Y%	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	11M2020	11M2021
Exports	6.3%	17.4%	30.9%	62.7%	47.0%	27.2%	5.0%	18.4%	24.7%	25.5%	32.4%	-2.3%	25.7%
Imports	1.1%	12.1%	17.5%	22.9%	48.4%	32.1%	24.0%	12.5%	26.5%	27.9%	38.0%	-6.5%	23.3%
Trade balance (RM billion)	16.6	17.9	24.2	20.4	13.8	22.2	13.7	21.4	26.1	26.3	18.9	162.6	221.5
Export by sector													
Manufacturing	11.7%	20.9%	35.9%	65.4%	45.4%	25.8%	2.3%	15.4%	21.6%	23.3%	28.2%	0.0%	25.3%
Electrical & Electronic Products	13.1%	25.5%	48.0%	43.1%	34.3%	14.1%	-12.1%	6.8%	5.6%	8.8%	17.4%	2.2%	16.1%
Chemical & Chemical Products	10.6%	20.3%	32.3%	39.4%	42.5%	53.3%	40.3%	59.1%	38.7%	58.9%	45.9%	-12.9%	39.6%
Machinery, Equipment & Parts	-1.5%	-0.4%	49.7%	172.7%	36.8%	-1.4%	-8.8%	27.9%	21.1%	33.5%	34.3%	-5.9%	24.5%
Petroleum Products	-32.4%	32.1%	-38.3%	87.8%	75.1%	113.6%	72.7%	56.5%	148.0%	126.0%	111.6%	-12.6%	57.4%
Manufacture of Metal	19.9%	27.0%	88.4%	180.7%	81.6%	34.0%	19.6%	69.8%	115.1%	146.9%	75.9%	-15.0%	72.5%
Transport Equipment	4.9%	-8.7%	-55.2%	-19.4%	38.5%	-26.9%	-21.2%	-22.3%	-6.0%	-3.8%	33.5%	-0.6%	-15.7%
Optical & Scientific Equipment	9.9%	-0.2%	30.8%	85.6%	29.2%	7.6%	-9.7%	-17.7%	-7.4%	9.7%	16.4%	5.9%	9.7%
Processed Food	9.2%	1.5%	29.5%	33.4%	14.2%	5.5%	1.8%	13.9%	15.1%	16.2%	28.8%	-2.7%	14.7%
Textiles, Apparels & Footwear	-5.9%	-0.5%	30.4%	102.7%	51.1%	9.2%	-6.7%	4.8%	5.3%	1.4%	22.3%	-11.7%	14.0%
Iron & Steel Products	3.9%	-20.4%	34.6%	18.3%	35.4%	3.9%	-0.2%	17.4%	57.4%	50.3%	54.0%	7.7%	22.1%
Manufacture of Plastics	7.5%	-1.1%	29.6%	57.3%	33.0%	18.7%	8.1%	24.7%	25.9%	20.8%	26.0%	-13.4%	21.6%
Paper & Pulp Products	16.3%	9.5%	21.4%	57.1%	40.6%	20.4%	33.0%	44.9%	48.0%	35.9%	47.8%	-1.4%	32.9%
Rubber Products	187.4%	188.7%	210.6%	207.2%	133.2%	103.5%	13.3%	4.0%	-14.3%	-33.4%	-33.7%	65.8%	57.7%
Palm Oil-Based Manufactured Products	6.0%	9.8%	42.0%	51.5%	32.8%	71.1%	78.9%	68.8%	69.1%	78.5%	72.9%	-11.4%	52.1%
Non-Metallic Mineral Products	14.2%	-0.4%	46.5%	116.8%	85.1%	26.9%	20.8%	19.8%	24.2%	20.5%	19.8%	-9.9%	29.7%
Beverages & Tobacco	-8.2%	-31.6%	48.3%	43.7%	8.6%	-27.0%	-37.6%	2.5%	-17.7%	-4.7%	9.2%	-28.0%	-3.7%
Jewellery	-6.5%	-22.3%	90.3%	544.6%	434.0%	140.6%	10.4%	-2.3%	27.7%	29.0%	18.8%	-43.2%	42.5%
Wood Products	2.2%	-3.7%	64.6%	147.2%	53.4%	-29.1%	-45.4%	-31.4%	-24.4%	-6.5%	15.0%	1.0%	1.8%
Others Manufactures	8.0%	-7.5%	25.9%	59.8%	22.4%	2.0%	-8.9%	0.9%	33.9%	-8.5%	25.3%	25.0%	12.0%
Agriculture	-7.3%	9.7%	43.8%	66.9%	51.7%	40.0%	29.2%	28.5%	47.7%	28.9%	76.8%	5.1%	37.3%
Natural Rubber	9.6%	14.5%	43.9%	58.6%	71.3%	60.8%	42.0%	84.9%	64.7%	43.7%	29.5%	-16.4%	45.2%
Saw log	-62.8%	2.6%	-50.8%	202.9%	-45.1%	85.7%	9.6%	-25.7%	-16.5%	52.1%	158.4%	-38.1%	13.1%
Sawn Timber & Mouldings	-15.6%	-25.2%	15.8%	255.0%	57.2%	-47.6%	-36.5%	-19.0%	1.3%	8.9%	30.3%	-27.7%	2.3%
Mining	-31.0%	-7.8%	-24.1%	24.5%	76.0%	32.9%	18.3%	50.6%	48.1%	66.7%	45.2%	-28.2%	17.8%
Tin	78.2%	50.1%	206.2%	88.5%	59.9%	40.5%	29.8%	-15.9%	69.9%	44.3%	7.2%	-19.4%	52.3%
Crude Petroleum	-31.9%	-24.3%	-27.2%	37.1%	141.0%	109.5%	-6.8%	-3.9%	9.1%	60.5%	-13.4%	-27.0%	6.8%
Liquefied Natural Gas	-40.0%	-17.0%	-24.3%	-1.3%	45.2%	12.4%	69.9%	110.2%	73.0%	88.7%	99.5%	-30.5%	19.3%
Others	-38.1%	-30.2%	-7.3%	202.0%	17.2%	39.4%	6.3%	15.3%	3.2%	20.6%	59.0%	-40.8%	11.3%
Import by End-Use													
Capital Goods	-5.4%	38.3%	93.3%	-38.2%	33.9%	14.9%	25.6%	22.8%	20.2%	15.0%	32.1%	-10.1%	13.8%
Intermediate Goods	1.4%	-0.1%	12.4%	64.4%	52.4%	25.3%	42.7%	13.5%	29.7%	34.9%	47.4%	-8.5%	26.9%
Consumption Goods	1.3%	17.6%	13.0%	29.9%	37.6%	19.3%	0.2%	-0.7%	3.7%	10.8%	22.8%	-0.4%	13.2%

REGIONAL PEERS ALSO RECORDED STELLAR PERFORMANCE DURING NOVEMBER

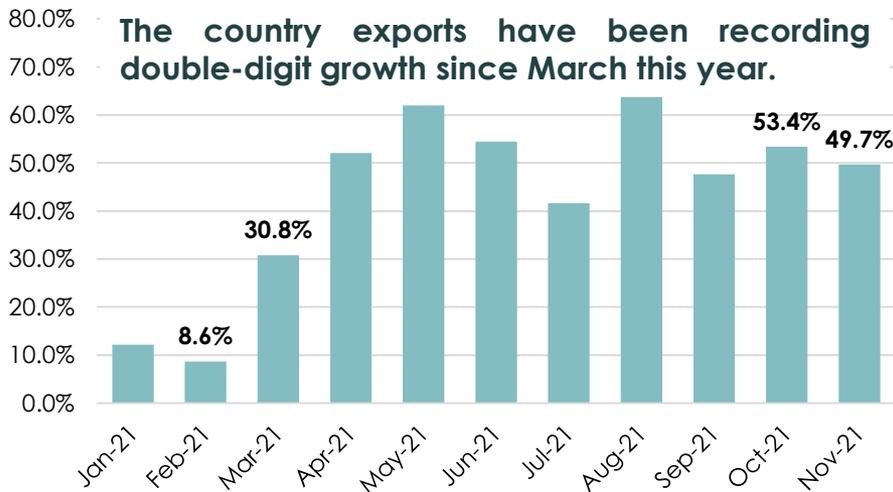
China's Exports, y-o-y%



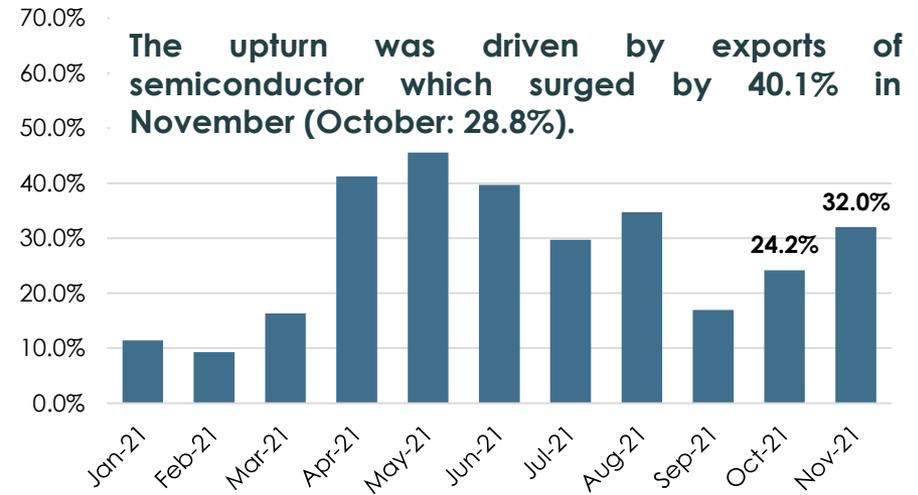
India's Exports, y-o-y%



Indonesia's Exports, y-o-y%



South Korea's Exports, y-o-y%



Source: CEIC

- ✓ **Exports of E&E products would remain as anchor of growth next year-** A higher adoption of technology worldwide is expected to provide support for Malaysia's semiconductor industry. This was in tandem with the World Semiconductor Trade Statistics (WSTS) which is projecting the semiconductor sales to record a positive growth of 8.8% next year (2021E: 25.6%).
- ✓ **Stronger external demand-** As the world reopens and economic activity resumes, the recovery is seen across sectors particularly manufacturing and mining. Additionally, a pervasive roll-out of vaccines in 2021 has resulted in pent-up traveling demand as restriction measures were lifted.
- ✓ **Brace for a bumpy ride in 2022-** Global economic recovery is poised for a bumpy road next year in view of soaring inflationary pressure as the economy continued to reopen. Apart from that, the ongoing global supply shortages could weigh on the economic growth and intensify price pressure. Furthermore, the recent discovery of the Omicron variant presents some downside risks to international trade activity whereby lockdowns could be reinstated. Be that as it may, the latest news signaled that the new Omicron variant is deemed to be less lethal compared to its predecessors. Hence, this would allow return of global mobility and stronger consumption activities next year.
- ✓ **All in all, we are maintaining our exports growth forecast 24.5% for 2021 following a 1.1% contraction in 2020.**

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An aerial photograph of a city skyline at sunset, with a prominent pink bar at the bottom. The sky is filled with soft, golden light and scattered clouds. The city features numerous high-rise buildings, with a particularly tall, slender skyscraper on the left. A highway with traffic is visible in the foreground, winding through the city. The overall mood is warm and serene.

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