

Malaysia exports continue slide amid global woes

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Oleh AFP

Malaysia said today that its exports, the mainstay of the South-East Asian country's economy, continued to fall in August, hit by weak demand from Europe and China.

Overseas shipments fell 4.5 percent year on year to RM55.97 billion (US\$18.34 billion), the trade ministry said in a statement.

Imports rose 2.8 percent to RM48.88 billion mainly due to Malaysia buying more machinery and other capital goods, putting total trade at RM104.84 billion, down from RM106.17 billion the previous year.

Alan Tan, an economist at Affin Investment Bank, told AFP: "In view of the global uncertainties, the expectation is that export growth will continue to remain weak in the second half of the year."

Exports of electrical and electronic products, palm oil and other goods to Europe slumped 24.2 percent to RM4.75 billion year-on-year, the ministry said, as the region is wracked by a long-running debt crisis.

Shipments to China fell 10.6 percent to RM7.51 billion due mainly to lower manufacturing activity and domestic demand, it said. Exports to other South-East Asian countries dropped 2.9 percent to RM13.96 billion.

However, exports to the United States continued to grow slightly, expanding 4.2 percent to RM5.22 billion, and shipments to Japan, especially of liquefied natural gas, rose 15.4 percent to RM7.05 billion.

From January to August, exports increased 1.5 percent to RM465.29 billion, while imports rose 7.4 percent to RM403.5 billion.

As exports weaken, domestic demand, spurred by pre-election spending, has helped prop up Malaysia's economy, which is projected to grow about five percent this year.

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