

# Record trillion

The Star  
- 9/2/2007

Country's trade hit historic high last year, driven by exports

BY ZULKIFLI ABD RAHMAN  
newsdesk@thestar.com.my

**KUALA LUMPUR:** The country's total trade volume has surpassed the magical trillion ringgit mark. Last year, the figure reached RM1.069tril, a 10.5% rise over that in 2005.

The historic figure reflected the increased trade flow. Exports totalled RM588.949bil last year, according to a statement issued by the Prime Minister's Office. Imports stood at RM480.493bil.

> TURN TO PAGE 6

# Key factors in trade volume

## > FROM PAGE 1

"Although Malaysia faced numerous economic challenges, especially the economic crisis of 1997 and the global economic slowdown in 2001 and 2002, the country was able to cope well.

"This is seen with the average 10.8% increase in total trade between 1997 and 2006," the statement said.

The national export profile also underwent key changes, with the manufacturing sector playing an increasingly dominant role.

In 1987, the sector contributed 14% of total exports but this increased to 78.5% in 1996, illustrating the country's rapid industrialisation.

The statement cited another major factor that contributed to the improved economy – the changes in Malaysia's trading partner profile over the past decade.

The traditional trading partners had been Japan, the United States and Europe.

"Although Malaysia considers the economic

markets of the developed countries important, the country has also significantly increased its trade with Asean member countries, West Asia and China.

"The emerging economies in Latin American countries, South Asia and Eastern Europe had also contributed to Malaysia's trade," the statement added.

RAM Consultancy Services chief economist Dr Yeah Kim Leng said the record trade volume was in line with the global growing trade volume.

The rise in commodity prices such as crude palm oil and rubber also contributed to the increased trade value, he added.

Yeah said the large trade volume indicated that local exporters were able to maintain international competitiveness despite the emergence of low-cost producing countries like China and Vietnam.

It also showed that the appreciation of the ringgit did not slow down the country's export growth, he added.