

Malaysia's Exports To Accelerate This Year
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KUALA LUMPUR, March 25 (Bernama) -- Malaysia's exports are forecast to accelerate this year, underpinned by firm demand in the main markets and higher commodity exports, according to according to HSBC's latest trade forecast.

Business people are upbeat about Malaysia's business prospects and the trade outlook remained steady over the past six months with the Trade Confidence Index (TCI) slipping just a point to 113 in the second half of 2013.

"The TCI indicates a fairly stable and modest trade outlook," HSBC Bank Malaysia Head of Global Trade and Receivables Finance, Vincent Sugianto, said at a media briefing here Monday.

Also present was HSBC Bank Malaysia Head of Commercial Banking, Andy Grisdale.

The report also indicated that Singapore, which is currently the top destination for Malaysia's exports of goods, was likely to be replaced by China in the long term.

He said Malaysia enjoyed a comparative advantage in information and communications technology (ICT) exports and the outlook was positive.

"Given the country's strong foothold in the global ICT sector, high-tech exports are likely to outpace overall goods exports by almost one percentage point a year in 2013-2030," he said.

More broadly, Malaysia's strengths in industrial machinery, coupled with the government's aim to expand technology-intensive sectors such as the high-end engineering, automotive and aerospace, meant that higher value-added exports were likely to become increasingly important, he said.

More capital good-intensive sectors like chemicals were expected to replace natural resource intensive sectors, like petroleum products and gas too, he said.

Sugianto said while comparative advantage in the industrial machinery and ICT sectors would allow the country to benefit from investment in high-tech goods across the world, export growth in this sector was still likely to be outpaced by import growth of high-tech goods over the long term.

HSBC Trade Confidence Index is the largest trade confidence survey globally.

It gauges sentiment and expectations on trade activity and business growth in Malaysia over the next six months.

The survey comprises six-month views of 5,550 exporters, importers and traders from small and mid-market enterprises.

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