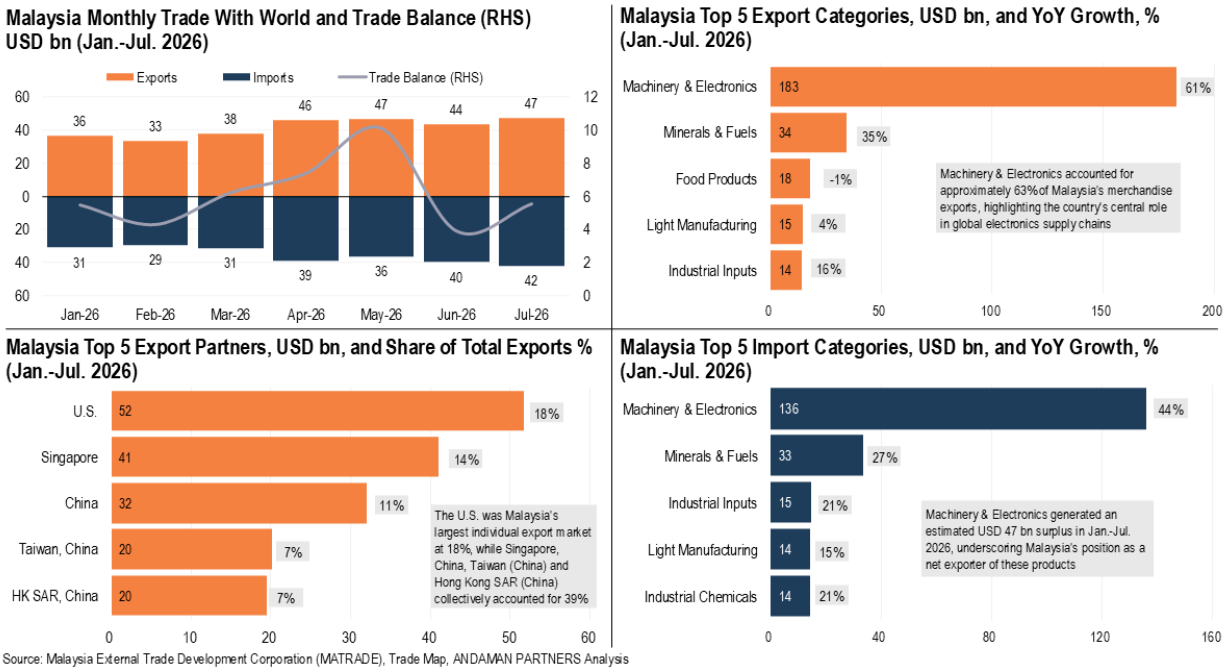
Malaysia's Trade Expands in 2026, Driven by Electronics Exports

Machinery & Electronics dominate Malaysia's trade, while the U.S. leads individual export markets and regional partners remain central to its trading relationships



Source: Malaysia External Trade Development Corporation (MATRADE), Trade Map, ANDAMAN PARTNERS Analysis

Malaysia's trade continued to expand through the first seven months of 2026, supported by strong electronics exports and deep integration into global manufacturing supply chains. Monthly exports reached USD 47 billion in both May and July, while the country maintained a trade surplus throughout the period.

Machinery & Electronics dominated the export landscape, generating USD 183 billion in shipments, approximately 63% of total exports, and recording impressive year-on-year growth of 61%. Minerals & Fuels followed at USD 34 billion, up 35%, while food products, light manufacturing and industrial inputs made smaller contributions.

The U.S. remained Malaysia's largest individual export destination, accounting for USD 52 billion or 18% of exports. However, regional trade relationships were equally significant: Singapore, China, Taiwan (China) and Hong Kong SAR (China) collectively accounted for 39% of exports. On the import side, Machinery & Electronics also dominated at USD 136 billion, up 44% year-on-year, highlighting Malaysia's reliance on imported components and equipment for its manufacturing industries. The category contributed to an estimated USD 47 billion trade surplus, illustrating the country's substantial net export position in electronics-related products.

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For global businesses, Malaysia's trade performance reinforces its importance as a manufacturing and export hub linking Asian production networks with major international markets. Strong electronics demand creates opportunities across components, equipment, logistics and supporting industries. However, the concentration of trade in electronics also leaves the economy exposed to shifts in global technology demand and trade policy.

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