FAST FACTS

Export Opportunities in Malaysia

In 2017, Malaysia ranked 23rd among U.S. export destinations and 22nd among Virginia export destinations. Some of the top opportunities for U.S. exporters in Malaysia include:

- Oil and Gas Equipment
- Healthcare
- Water & Waste Water Technologies
- Agricultural Sector
- Education and Training
- Smart Cities
- Information & Communications Technology

Top Virginia Exports to Malaysia

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$162.9</td>
<td>11%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$94.3</td>
<td>42%</td>
</tr>
<tr>
<td>Fruits, Seeds, Grains</td>
<td>$12.4</td>
<td>15%</td>
</tr>
<tr>
<td>Aluminum</td>
<td>$8.0</td>
<td>25%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$5.9</td>
<td>66%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$5.7</td>
<td>50%</td>
</tr>
<tr>
<td>Fertilizers</td>
<td>$5.4</td>
<td>58%</td>
</tr>
<tr>
<td>Paper &amp; Paperboard</td>
<td>$4.5</td>
<td>-32%</td>
</tr>
<tr>
<td>Meat</td>
<td>$3.8</td>
<td>13%</td>
</tr>
<tr>
<td>Wood Products</td>
<td>$3.4</td>
<td>9%</td>
</tr>
<tr>
<td>Medical Instruments</td>
<td>$2.8</td>
<td>-7%</td>
</tr>
</tbody>
</table>

(U.S. Central Intelligence Agency)

Map of Malaysia

(U.S. Central Intelligence Agency)

U.S. Exports to Malaysia

In US$ Billions

- 2015: $12.3
- 2016: $11.8
- 2017: $13.0

(World Trade Atlas)
Opportunities for Malaysia Exporters

**Agricultural Sector**

The Malaysian domestic agricultural sector is dominated by palm oil plantations. These account for 36% of Malaysia's agricultural Gross Domestic Product, followed by rubber at 8%, livestock at 12%, other food crops at 18%, forest products at 11%, and fishing at 15%. Although Malaysia has fertile land, it remains a net importer of agricultural products. Processed dairy for infants and other powders are in high demand.

The best prospects for U.S. exporters include:
- Dairy Products
- Temperate Fresh Fruits
- Soybeans

**Oil and Gas**

While Malaysia is losing its market share of liquefied natural gas (LNG), oil production is increasing. To become a net oil product exporter, the government is encouraging greater investment in enhanced oil recovery techniques for depleted fields, greater exploration in offshore deep-water, development of marginal fields with lower production possibility and new port terminals.

Top opportunities for U.S. exporters include:
- Drilling and fishing tools
- Pressure control equipment
- Core completion products

**Information & Communications Technology**

Since 1994, the Malaysian government has focused on ICT through the Multimedia Super Corridor project, the computerization of several ministries, and matching grants for smart manufacturing facility upgrades. On average, the sector grew 6.8% annually from 2011-2015. U.S ICT exports to Malaysia topped $500 million in 2017.

The best prospects for U.S. exporters include:
- Big Data
- Cloud computing
- Internet of Things (for planned smart cities)

**Healthcare**

The Malaysian Ministry of Health manages the universal healthcare program, which has a 2018 budget of $6.8 billion and is responsible for roughly 90% of the health expenditures. One of the Government of Malaysia (GOM) goals is to transform the healthcare delivery system further to improve quality, efficiency and affordability. As per capita GDP rises, demand for private healthcare consumption also rises.

Top prospects include:
- Orthodontics
- Health monitor devices
- X-ray and 3D imaging equipment
- Clinical computer systems
**Economic Overview**

Malaysia, a middle-income country, has transformed itself since the 1970s from a producer of raw materials into a multi-sector economy. Under former Prime Minister Najib, Malaysia aimed to achieve high-income status by 2020 and move farther up the value-added production chain by attracting investments in high technology industries, biotechnology, and services.

The Mahathir administration is continuing efforts to boost domestic demand and reduce the economy’s dependence on exports, particularly to China. Nevertheless, exports - particularly of electronics, oil and gas, and rubber - remain a significant driver of the economy. Gross exports of goods and services constituted more than 73% of GDP in 2015. The oil and gas sector supplied about 22% of government revenue in 2015. Malaysia will join the revised Trans-Pacific Partnership free trade agreement and is a founding member of the ASEAN Economic Community. Infrastructure projects in the Chinese Belt and Road initiative may spur development but also arouse tensions about “new colonialism”.

(CIA World Factbook)

**GDP Growth Rate**

Malaysians rely on non-verbal communication such as body language and tone of voice.

- In a meeting, many companies will seat their team in descending rank. The most senior Malaysian will often provide a brief welcoming speech. The other party is not expected to reciprocate.
- At the first meeting between two companies, Malaysians will generally not get into in-depth discussions. They prefer to use the first meeting as an opportunity to get to know the other side and build a rapport, which is essential in this consensus-driven culture.

(United Kingdom Trade & Investment)
Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

**Additional Resources**

- **Malaysia Overview**
  - Global Edge - Michigan State University

- **Kwintessential Malaysia**
  - Kwintessential Guide to Malaysia

- **Malaysia Country Commercial Guide**
  - U.S. Commercial Service

- **Doing Business in Malaysia**
  - Export.gov

- **Ease of Doing Business Report**
  - World Bank

- **Exporting to Malaysia**
  - United Kingdom Trade & Investment