

**THE EXPORT PERFORMANCE OF SELECTED
ELECTRICAL AND ELECTRONIC PRODUCTS IN
MALAYSIA**

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ABSTRACT

Malaysia was one of the leading exporters in electrical and electronic products nowadays. A speech by Dato' Seri Rafidah Aziz, the Minister of International Trade and Industry, at the launching of the Malaysia International Trade and Industry (MITI) Report 2005, stated that, in 2005, the export of manufacturing products was comprised for 77.4% of total Malaysia's exports and lead by the electrical and electronic products that accounted for 64.1%. However, there is also competition from the other countries, especially from the emerging countries such as the People's Republic of China, Latin Countries, South Korea, Hong Kong as well as the European Union (EU). Moreover, due to the growing popularity of green concept in European Union (EU), these regions has adopted a number of directives for environmental protection that may have impact on the sales of electrical and electronic products. It also includes the restrictions on batteries and accumulators that contain mercury, the Directive on Waste Electrical and Electronic Equipment (WEEE) that have been implemented in August 2005, as well as the Directive on Restriction of Hazardous Substances (RoHS) in July 2006 (Profiles of Hong Kong Major Manufacturing Industries, 2007).

This study was done to analyse the trend analysis of the selected electrical and electronic products in Malaysia as well as the competitiveness of these products using the Revealed Comparative Advantage (RCA) (Fatimah Mohd. Arshad). This indicator is divided into two ratios which are Net Export/Total trade Ratio and also Export Performance Ratio. The data involved for this study was from the year 2001 until 2005.

From the results, it showed that mostly the trend analysis for seven selected electrical and electronic products were fluctuated except for the products of thermionic valves and tubes, photocells, etc., electrical apparatus for electrical circuits and printed circuits; and

CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter will explain the significant and the interest why this study, the electrical and electronic industry in Malaysia was conducted. There are also the problem statement, the research questions and objectives, the scope and the significant of this study; and the limitations in finishing this research. And at the end of this chapter there are also the definitions of terms used in this study.

1.2 Background of Study

According to **Malaysia External Trade and Development (MATRADE)** in '**Malaysia's Trade Performance in 2006**', Malaysia has made the history in external trade when Malaysia's total trade has breached the RM1 trillion marks. The Malaysian export has increased to RM588.949 billion and the total import value was at RM480.493 billion on that year. As a result, the total trade of Malaysia for the year 2006 was RM1.069 trillion, 10.5 percent higher compared to previous year.

The total export in 2006 has expanded to 10.3% due to the strong external demand from the Malaysia's major markets especially from ASEAN, United States and China. There was also the increased demand in manufactured industries that reached RM38.615 billion, particularly in electrical and electronic products, manufactures of metal, chemicals and chemical products, iron and steel products and also the rubber