



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT
FOR STATISTICS OF INTERNATIONAL TRADE IN SERVICES (SITS) 2022

Malaysia's exports of services grew 59.3 per cent year-on-year to record RM140.3 billion in 2022, supported by travel

PUTRAJAYA, 22 June 2023 – Malaysia's total trade in services accounted for RM336.9 billion in 2022, contributing 18.8 per cent to the Gross Domestic Product (GDP at current prices). The deficit in services trade narrowed to RM56.4 billion as against the previous year supported by the resilient performance of Travel, reported by the Department of Statistics, Malaysia (DOSM) today in **Statistics of International Trade in Services (SITS) 2022**.

According to the Department of Statistics Malaysia, "The lower deficit in Malaysia's services trade as compared to the previous year was still higher than the pre-pandemic level of RM10.9 billion deficits in 2019. It was notable that exports of services grew faster than imports growth in 2022, a significant increase from RM88.1 billion in the previous year to RM140.3 billion. Meanwhile, imports of services rose from RM153.7 billion to RM196.7 billion in 2022."

"Travel, which served as the cornerstone of Malaysia's services sector before the pandemic, resurged in 2022 by playing a vital role in driving the country's trade in services performance. Exports of this component exhibited favourable signs of recovery registering RM28.4 billion, a significant increase from RM0.3 billion in the previous year. Similarly, Imports of Travel also showed an upward trend, reaching RM29.5 billion as compared to RM15.2 billion in the previous year. However, despite the positive growth, the value of exports and imports remains considerably lower than the pre-pandemic peak of RM82.1 billion and RM51.3 billion in 2019, respectively. As the growth of exports was faster than imports, Travel improved to record a lower deficit of RM1.2 billion as against RM14.9 billion in 2021." cited the Department of Statistics Malaysia.

In addition, the Manufacturing services on physical inputs owned by others also contributed to the narrowing deficit in Malaysia's service trade. This component achieved a surplus of RM16.3 billion, marking the highest surplus recorded in the past ten years. Exports of this component valued at RM20.1 billion, while imports was RM3.9 billion.

Remarking further on the major components of trade in services, DOSM explained that the Other business services surpassed Travel since 2019 by dominating exports of services in 2022. This component recorded an export value of RM31.4 billion and imports of RM46.0 billion, resulting a higher deficit of RM14.6 billion in 2022.

Transport recorded a deficit of RM34.0 billion in 2022 attributed to higher payments made across all mode of transport, especially for freight activities. Exports of Transport surged by 55.4 per cent year-on-year to reach RM25.6 billion. This was resulting from the reopening of Malaysia's border to all international visitors from 1st April 2022, which has stimulated the growth of air passenger transport exports throughout the year 2022. In the meantime, imports of Transport accelerated by 23.4 per cent from RM48.3 billion in the previous year to RM59.6 billion.

DOSM also highlighted that the adaptation of digital is becoming crucial for business development, which was exhibited by Telecommunications, computer and information services statistics. Both exports and imports of this component showed an upward trend over the five years period. The exports reached RM15.9 billion and imports worth RM18.3 billion in 2022. As a result, this component logged a lower deficit of RM2.3 billion in 2022 as compared to a deficit of RM3.8 billion in the previous year.

Commenting on Malaysia's services trade with countries around the world in 2022, DOSM said, "the United States of America (USA) has emerged as the leading destination for Malaysia's services trade. Exports to the USA valued at RM36.7 billion and imports was RM56.6 billion, with a 34.9 per cent and 55.8 per cent year-on-year increases, respectively. Malaysia primarily exported Manufacturing services and Other business services to the USA, whereas mostly imported Travel and Other business services. Singapore was the second ranked country for both exports and imports at RM34.6 billion and RM26.9 billion, respectively. The third trading partner for exports was the Hong Kong with RM8.1 billion, while for imports was China at RM16.6 billion."

The Department of Statistics Malaysia concluded, “Overall, Malaysia's services trade demonstrated resilience and progress in 2022. The Travel sector plays integral role in driving positive growth and narrowing the trade deficit. With full reopening of borders by countries worldwide in 2022, there were high expectations for a swift recovery in Travel exports, leading to a return to near pre-pandemic levels. This resurgence in the Travel sector is anticipated to reestablish it as the primary driver of Malaysia's Services sector, consequently contributing to the mitigation of the services trade deficit. The Ministry of Finance (MoF) has outlined in the Updates on Economic & Fiscal Outlook and Revenue Estimates 2023 that the trade in services sector is expected to reduce its deficit and reach a smaller value of RM31.3 billion in 2023. Nevertheless, considering potential external risks such as geo-economics fragmentation, geopolitical tensions, and global inflation, Malaysia's trade in services is projected to experience moderate growth throughout 2023.”

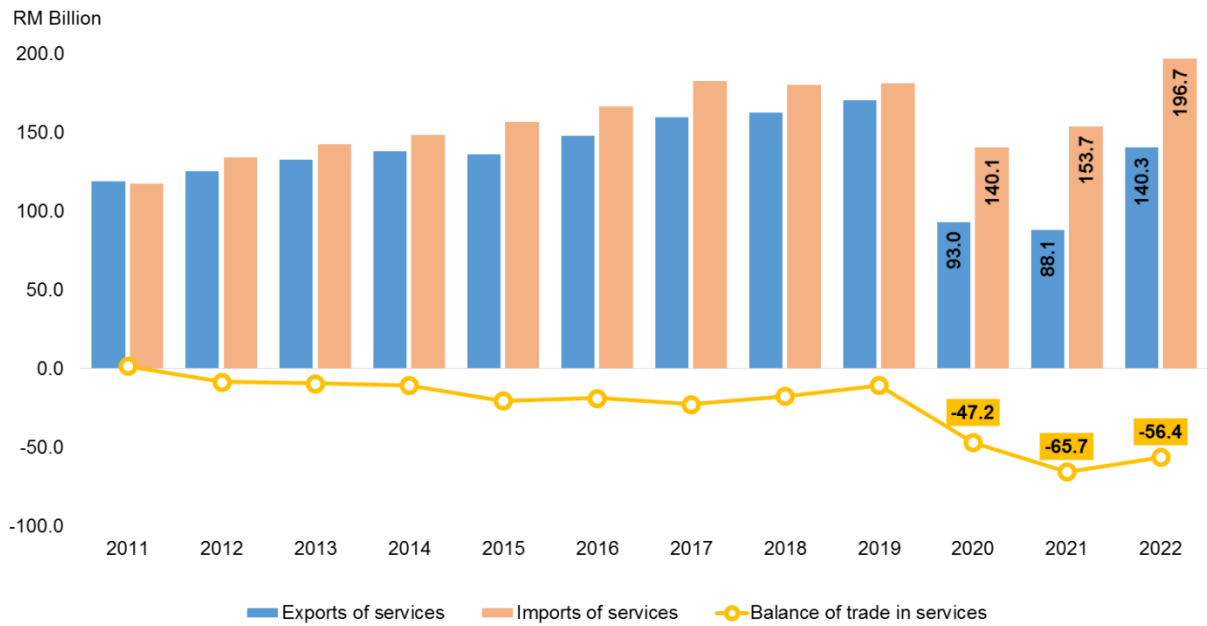
The Department of Statistics Malaysia (DOSM) is conducting the Economic Census in 2023. DOSM greatly appreciates the cooperation of respondents in providing information and ensuring the success of this census. Please visit www.dosm.gov.my for more information.

DOSM has launched OpenDOSM NextGen as a medium that provides a catalogue of data and visualisation to facilitate users in analysing various data. OpenDOSM NextGen is an open source data sharing platform and accessible through <https://open.dosm.gov.my> portal.

Please be informed that the Government of Malaysia has declared National Statistics Day (MyStats Day) on October 20 each year. MyStats Day theme is “Connecting the World with Data We Can Trust”.

DOSM will release Preliminary GDP Estimates commencing the second quarter of 2023. This preliminary estimate is an initiative by DOSM to provide an overview of the economic performance four (4) weeks in advance before the Quarterly GDP is released.

Chart 1: Malaysia's International Trade in Services, 2011-2022



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