



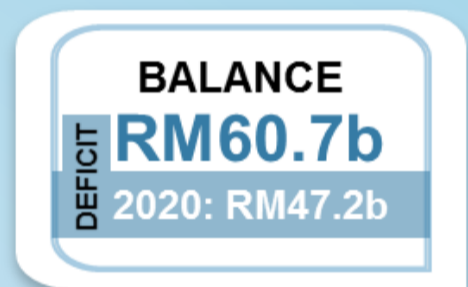
# KEY FACTS 1.0

## MALAYSIA'S INTERNATIONAL TRADE IN SERVICES 2021



### DID YOU KNOW?

- Malaysia's total trade in Services increased by **0.5 per cent** to **RM234.2 billion** in 2021, constituting 15.2 per cent of Gross Domestic Product (GDP at current prices).
- **Exports of services** were valued at **RM86.7 billion** as compared to RM93.0 billion in the previous year.
- The decline in **exports** were attributed to the negative trend in **Travel**, which was severely affected by the **COVID-19 pandemic**.
- Meanwhile, **imports of services** increased by **5.2 per cent** to **RM147.5 billion** from RM140.1 billion a year ago.
- As a result, the **deficit** in international trade in services widened to **RM60.7 billion** (2020: deficit of RM47.2 billion).



Note: b billion

Source: Statistics of International Trade in Services (SITS) 2021, Department of Statistics Malaysia (DOSM)

### WHAT IS INTERNATIONAL TRADE IN SERVICES?

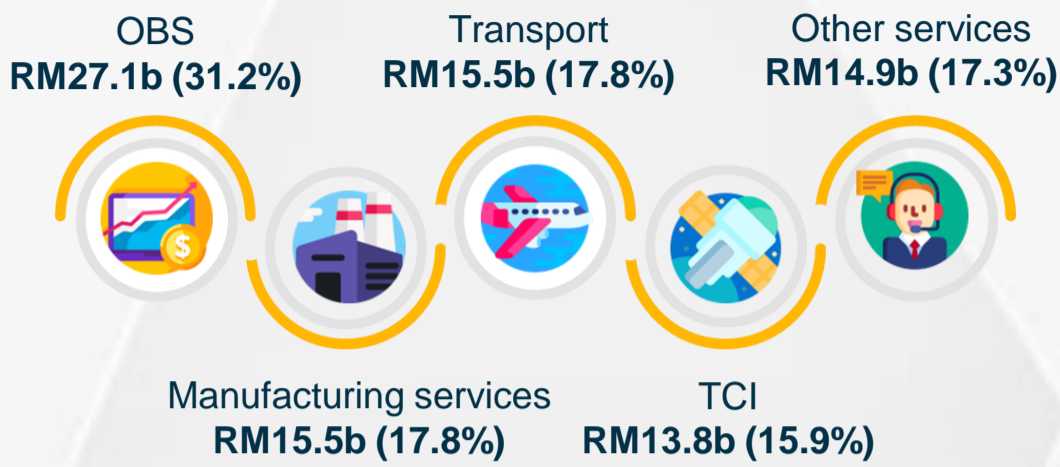
- **International Trade in Services (ITS)** refers to **cross border services transactions** between Malaysia's residents and non-residents (consistent with Balance of Payments (BOP) statistics).
- Services could be **delivered either with or without cross border physical movement** of services suppliers and consumers.
- For certain services, suppliers and consumers **may remain in their respective countries**, or else it **could involve cross border physical movement** of consumers (to consume services) or supplier (to provide services).



# MAJOR COMPONENTS

## EXPORTS

### Major Components of Exports, 2021



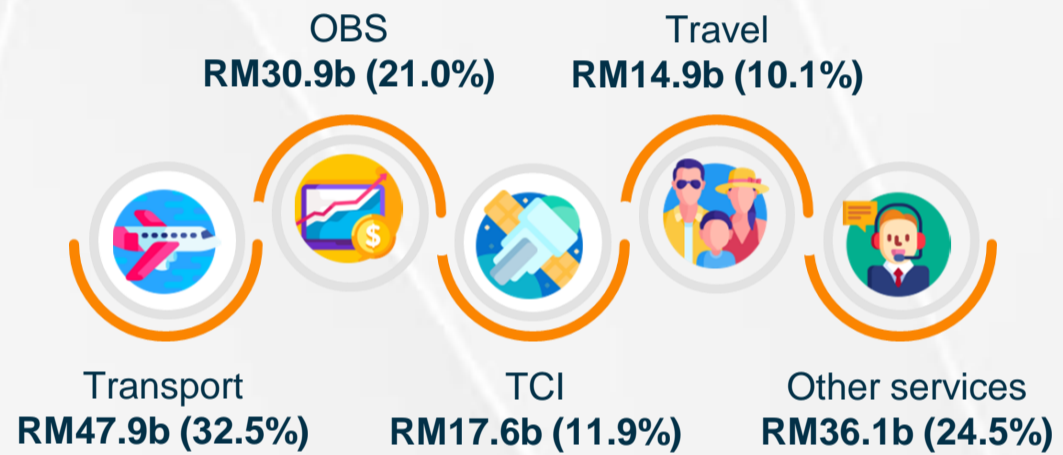
• The major components which contributed **82.8 per cent** of total services exports were **Other business services (OBS), Telecommunications, computer and information (TCI) and Transport services.**

• **Exports of OBS** were mainly in **Technical, trade-related and other services.**

• In the meantime, the **higher exports of Transport** was contributed by **freight activities**, while **computer services** led to **higher exports in TCI.**

## IMPORTS

### Major Components of Imports, 2021



• **Transport, OBS and TCI services** were the main components which accounted for **75.5 per cent** of total services imports.

• Similar to exports of services, **freight activities** led to the **higher imports in Transport**, while **Technical, trade-related and other services** attributed to the **OBS imports.**

• Meanwhile, **TCI imports** were largely in **telecommunications and computer services.**

Source: Statistics of International Trade in Services (SITS) 2021, Department of Statistics Malaysia (DOSM)

### Malaysia's Trade In Services, 2022 – 2023 (Forecast), RM billion

	2022			2023		
	EXPORTS	IMPORTS	NET	EXPORTS	IMPORTS	NET
SERVICES	118.1	177.9	-59.7	136.2	188.8	-52.6
TRANSPORT	21.4	55.8	-34.4	24.8	58.7	-33.9
TRAVEL	13.4	24.1	-10.8	23.8	29.6	-5.7
OTHER SERVICES	83.4	97.9	-14.5	87.5	100.6	-13.0

The **Malaysia's trade in services** is expected to record a **smaller deficit of RM59.7 billion** in 2022 following the **surging receipts in the travel** account albeit widening deficit in **transport and other services accounts.**

Source: Economic Outlook 2023, Ministry of Finance Malaysia

## REFERENCES

- Balance of Payments and International Investment Position Manual Sixth Edition (BPM6), International Monetary Fund (IMF)
- Manual on Statistics of International Trade in Services 2010 (MSITS), IMF

Notes: b billion, (%) share

