

Services sector revenue up 11.2% to RM714.7b in Q2

► Strong performance supported by resilient domestic demand and stronger trade activity

KUALA LUMPUR: The services sector expanded by 11.2% year-on-year (y-o-y) in the second quarter of 2026 (2Q 2026), with revenue reaching RM714.7 billion, according to the Department of Statistics, Malaysia (DoSM).

In a statement yesterday, DoSM said the strong performance was supported by resilient domestic demand and stronger trade activity.

“Higher household spending and mobility during festive celebrations and the mid-year school holidays translated into increased activity in wholesale and retail trade, food and beverage (F&B), accommodation, and transportation and storage, with positive spillovers to related consumer and tourism services.

“At the same time, financing and insurance activities supported transactions by businesses and households, while the expansion of data centre and telecommunications activities contributed to demand for digital services,” it said.

The wholesale and retail trade, F&B, and accommodation recorded the highest growth of 12%, with revenue hitting RM542.2 billion during the quarter, DoSM said.

“Wholesale and retail activities also benefited automotive market developments, which include new launches, sales promotions and increased deliveries of imported electric vehicles (EVs) ahead of EV-related policy changes effective July 2026.

“Increased domestic and international travel provided further support to F&B and accommodation activities,” said DoSM.

The information and communication, and transportation and storage segment, continued to register strong growth in 2Q 2026, expanding by 9.3% to record RM99.2 billion in revenue.

DoSM said within the information and communication subsector, performance was supported by telecommunications and computer services, which grew by 3.9% and 3.7%, respectively.

“Data centre activities recorded strong 43.1% y-o-y growth, alongside developments in 5G networks and telecommunications infrastructure.”

Transportation and storage subsector maintained its positive momentum, recording a 9.4% y-o-y in 2Q 2026, in line with the rise in tourism activities and domestic demand, it said.

Higher revenue was recorded across postal and courier services, land transport, and air transport, which grew by 11.5%, 11.0% and 9.3%, respectively.

On a quarterly basis, revenue in the services sector was up by 4.9% versus 1Q 2026.

Growth was driven by wholesale and retail trade, F&B and accommodation segment (5.8%), information and communication and transportation and storage segment (2.5%), the professional services, real estate and administrative and support services segment (2.1%) private health, private education, arts, entertainment and recreation and personal and other services activities segment (0.01%).

E-commerce income recorded a 2.9% y-o-y growth to RM338 billion in 2Q 2026.

DoSM said total employment in the services sector rose 2.3% y-o-y to 4.7 million persons. – Bernama