

Embargo: Only to be published or disseminated at 1200 hour, Friday, November 15th 2024



MEDIA STATEMENT

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MALAYSIA'S BALANCE OF PAYMENTS STATISTICS THIRD QUARTER OF 2024

***Foreign Direct Investment (FDI) inflows surged to RM14.5 billion,
Current account recorded a surplus of RM2.2 billion in Q3 2024***

PUTRAJAYA, 15 NOVEMBER 2024 – Malaysia recorded a **Current account surplus of RM2.2 billion** in the third quarter of 2024 (Q3 2024), bringing the total to RM21.4 billion for the January to September period. Meanwhile, the **Financial account** shifted to a **net outflow of RM7.5 billion**, with a cumulative net outflow of RM9.1 billion for the first nine months of year 2024. The **Foreign Direct Investment (FDI)** inflows surged to **RM14.5 billion** while the **Direct Investment Abroad (DIA)** outflows increased to **RM18.9 billion**. The Department of Statistics, Malaysia (DOSM) reported today in its **Balance of Payments and International Investment Position Statistics for the Third Quarter of 2024** which summarises transactions between Malaysia and the rest of the world.

Dato' Sri Dr. Mohd Uzir Mahidin, the Chief Statistician of Malaysia, explained that the country's ongoing surplus in the Current account was supported by a net export of goods and a smaller deficit in services trade. The **Goods account** recorded a net export of RM23.1 billion in Q3 2024 compared to RM24.6 billion in the previous quarter. Malaysia exported goods worth RM289.6 billion, an increase of 4.1 per cent quarter-on-quarter. The key exports were Electrical and electronics, Petroleum products, and Palm oil & palm oil-based products, with strong demand from major markets like Singapore, the United States of America (USA) and China.

On the imports side, Malaysia recorded a 5.1 per cent increase from the previous quarter, totalling RM266.4 billion. This increment was driven mainly by higher imports of Intermediate goods, especially part and accessories of capital goods (except transport equipment), as well as Capital goods, with China, Singapore and the USA.

*The **Services account** deficit narrowed significantly to RM1.6 billion in Q3 2024, propelled by a stronger Travel surplus and reduced deficit in Other business services. Exports of Services rose by 8.6 per cent quarter-on-quarter to RM63.9 billion, while imports increased by 2.7 per cent to RM65.4 billion in the third quarter of 2024. Travel was the largest contributor to Services exports, reaching RM25.7 billion with a 15.0 per cent rise from the previous quarter, fuelled by an increase in tourist arrivals. With exports exceeding imports of RM14.7 billion, Travel recorded a net surplus of RM11.0 billion. Furthermore, Other business services also boosted the exports performance, notably in Professional and management consulting services, which rose 9.6 per cent quarter-on-quarter to RM10.8 billion. Accordingly, this component recorded a lower deficit of RM2.9 billion despite the higher imports of RM13.7 billion. Other components contributing to the higher exports this quarter included Transport; Personal, cultural & recreational services; Telecommunications, computer & information services; and Manufacturing services, particularly in Electrical & electronics. Meanwhile, Transport was the primary component for Services imports attributed to increased payments for freight and air passenger, followed by Manufacturing services and Travel.*

*Looking at income accounts, the **Primary Income account** showed a higher deficit of RM17.0 billion, up from RM15.5 billion last quarter. The deficit due to Malaysian companies abroad which earned a lower income of RM19.9 billion as fewer dividends were repatriated this quarter. Meanwhile, Foreign companies in Malaysia generated an income of RM34.5 billion, mostly through retained earnings. Additionally, the **Secondary Income account** registered a deficit of RM2.4 billion against RM1.1 billion in the preceding quarter. This was mainly led by foreign workers in Malaysia sending more money back to their home countries as well as higher settlements abroad.*

According to Dato' Sri Dr. Mohd Uzir Mahidin, "The **Financial account** turned around to a net outflow of RM7.5 billion from a net inflow of RM17.1 billion in the previous quarter, largely influenced by outflows in both Other investment and Direct investment. The Other investment switched from a net inflow of RM35.6 billion to a net outflow of RM6.3 billion, resulting from deposits and interbank placements with financial institutions abroad. Similarly, Direct investment shifted to a net outflow of RM4.3 billion owing to value of goods exports and extensions of loan to non-resident.

Foreign Direct Investment (FDI) registered a net inflow of RM14.5 billion in the third quarter of 2024, an increase from RM9.1 billion in the preceding quarter, thorough investments in Equity & investment fund shares and Debt instruments. Most of the FDI flowed into the Services sector, predominantly in Information & communication and Wholesale & retail trade sub-sectors. The main sources of FDI were Singapore, Hong Kong and Switzerland. Concurrently, **Direct Investment Abroad (DIA)** recorded a higher net outflow of RM18.9 billion compared to RM5.3 billion in the previous quarter, in the form of Debt instruments and Equity & investment fund shares. The outflows were mostly from the Manufacturing, Services and Mining & quarrying sectors. Notably, DIA outflows were primarily directed towards Saudi Arabia, Indonesia and Canada this quarter.

At the end of third quarter 2024, **Malaysia's International Investment Position (IIP)** posted net liabilities of RM38.6 billion. The position of financial assets was valued at RM2.33 trillion, compared to total liabilities of RM2.37 trillion. FDI and DIA positions amounted to RM945.5 billion and RM599.8 billion, respectively. Asia remained the primary region for both investments, with FDI predominantly from Singapore and Hong Kong, while DIA was directed toward Singapore and Indonesia. Furthermore, Malaysia's international reserves stood at RM491.5 billion at the end of the quarter."

The Department of Statistics Malaysia (DOSM) has launched OpenDOSM NextGen as a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through <https://open.dosm.gov.my>.

The Government of Malaysia has declared National Statistics Day (MyStats Day) on October 20th. MyStats Day theme is “Statistics is the Essence of Life”. DOSM commemorates its 75th Diamond Jubilee in 2024.

Chart 1: Current Account Balance (CAB), 2010-2023 and Q1 2019 – Q3 2024

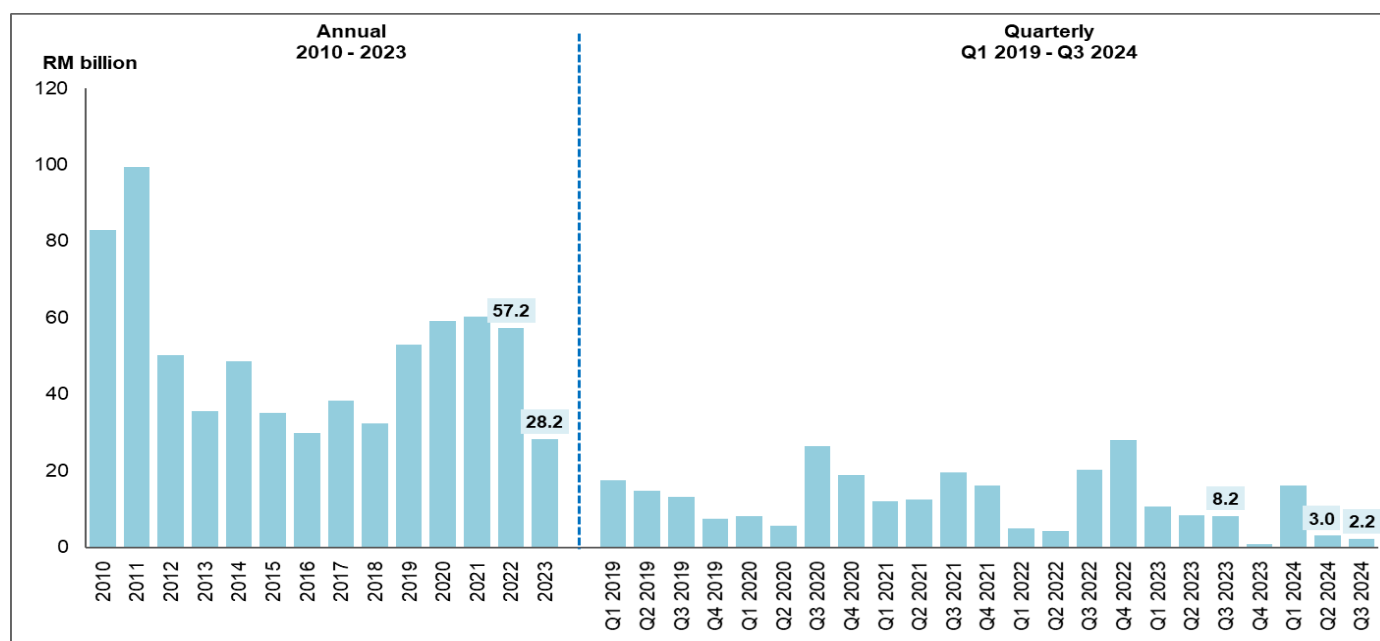


Chart 2: Percentage CAB to GDP, 2010-2023 and Q1 2019 – Q3 2024

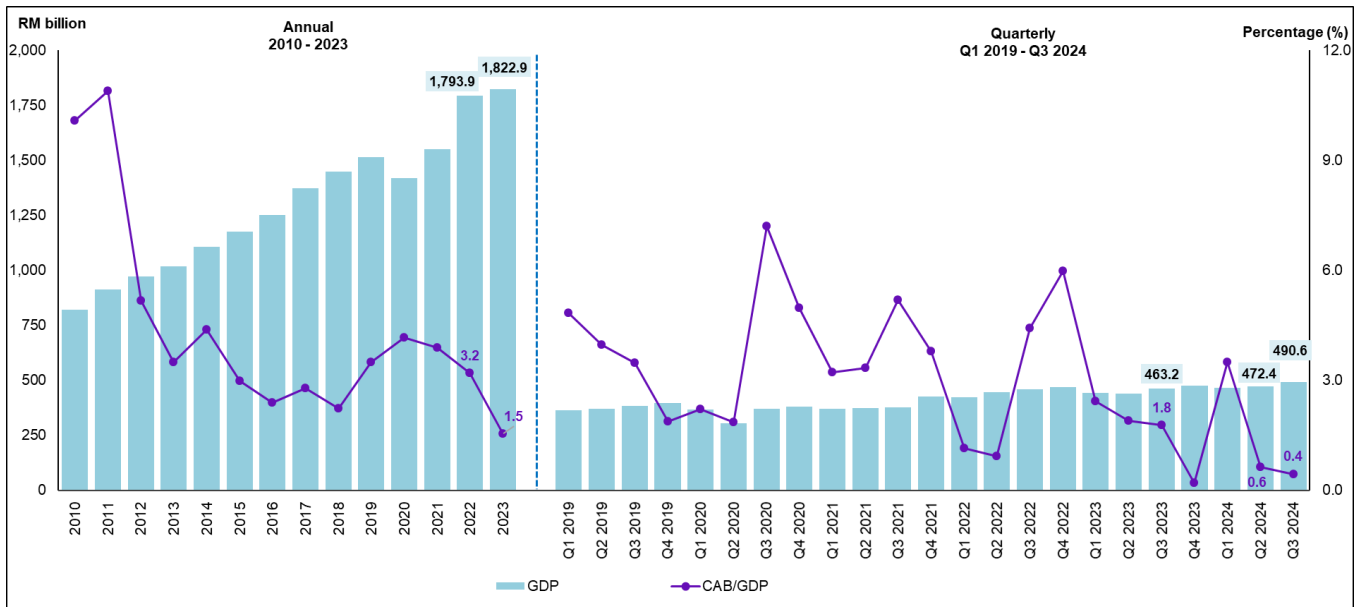


Chart 3: Exports of Services, 2010-2023 and Q1 2019 – Q3 2024

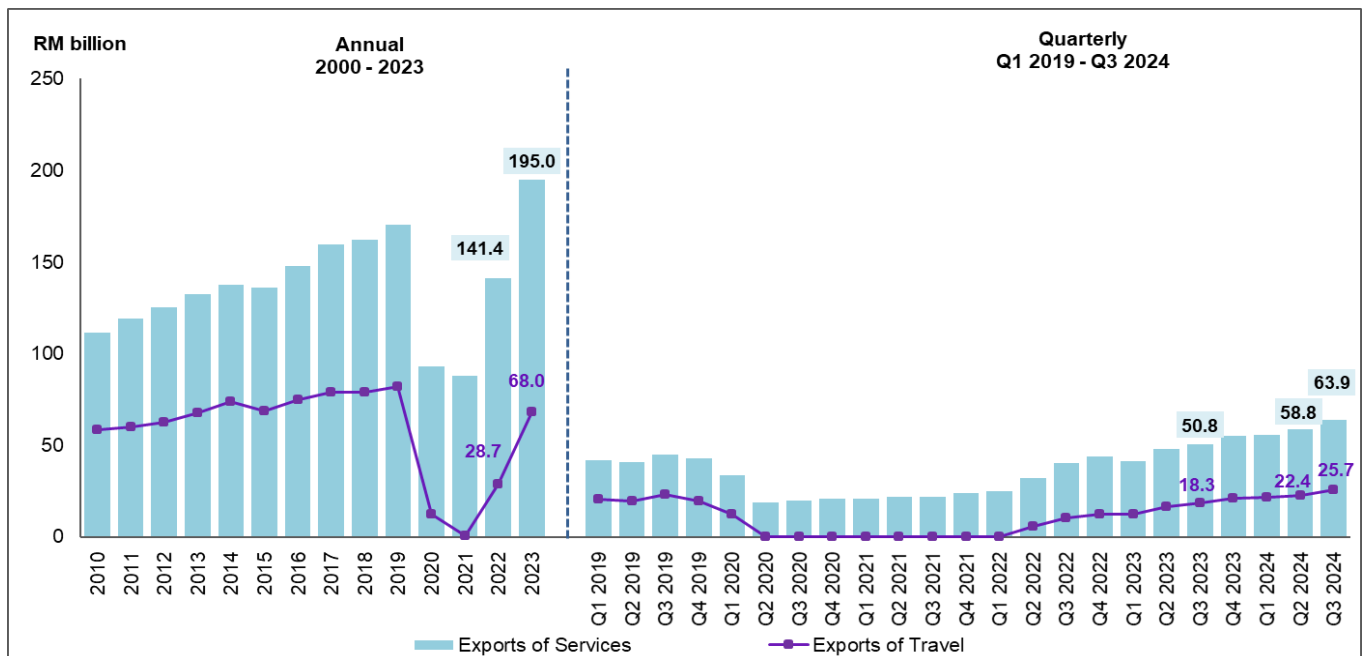


Chart 4: Expenditure of Foreign Visitors in Malaysia and Malaysian Visitors Abroad, 2010 - 2023 and Q1 2019 – Q3 2024

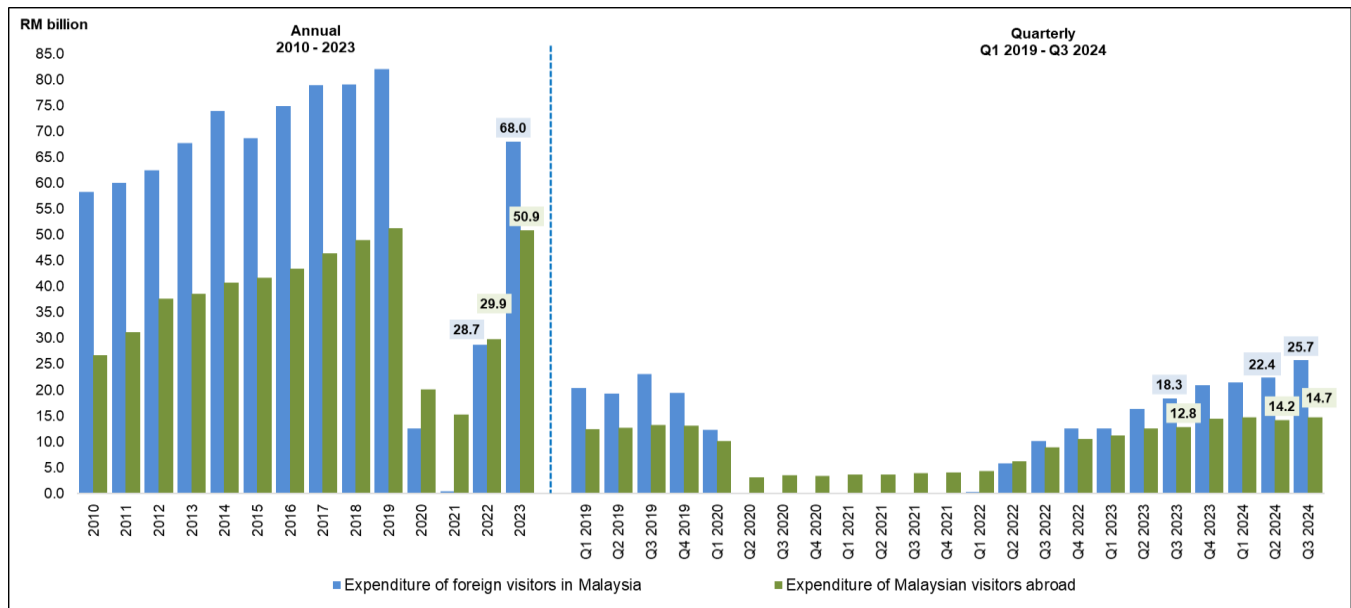


Chart 5: Direct Investment Abroad (DIA) Flows and Position, 2010 – 2023 and Q1 2019 – Q3 2024

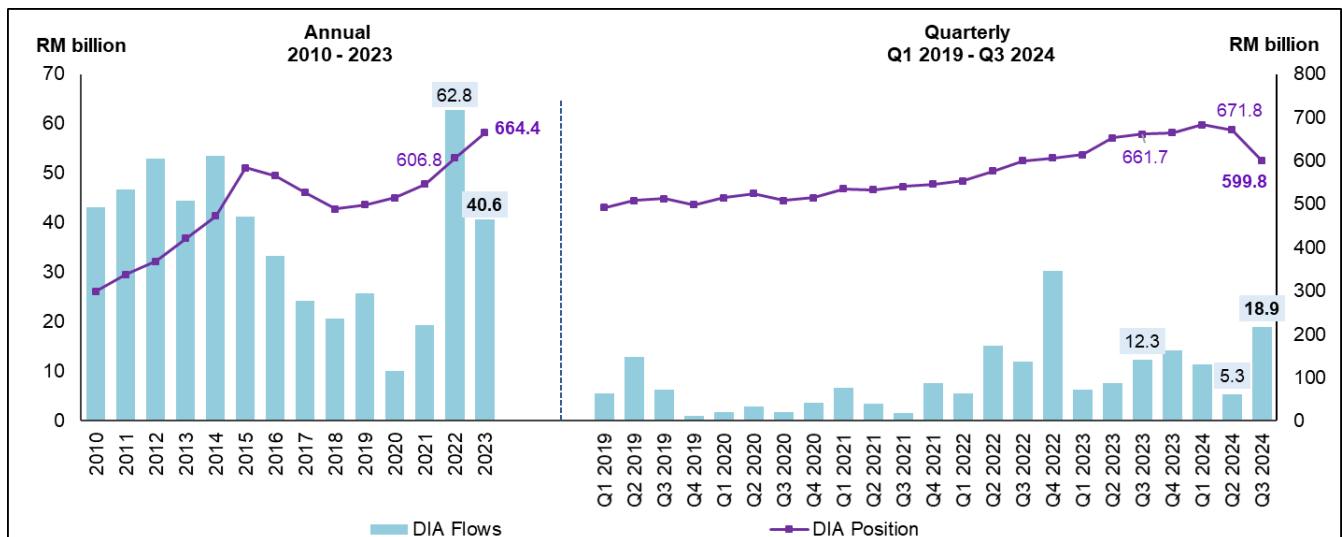


Chart 6: Foreign Direct Investment (FDI) in Malaysia Flows and Position, 2010 – 2023 and Q1 2019 – Q3 2024

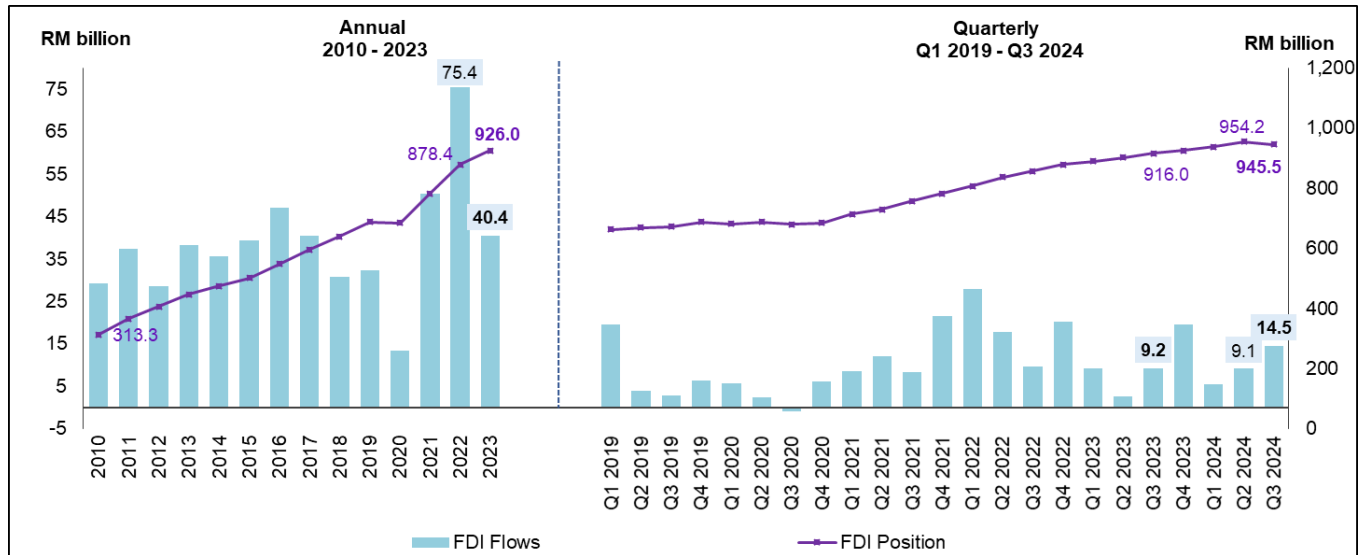


Exhibit 1: Direct Investment, Q3 2024

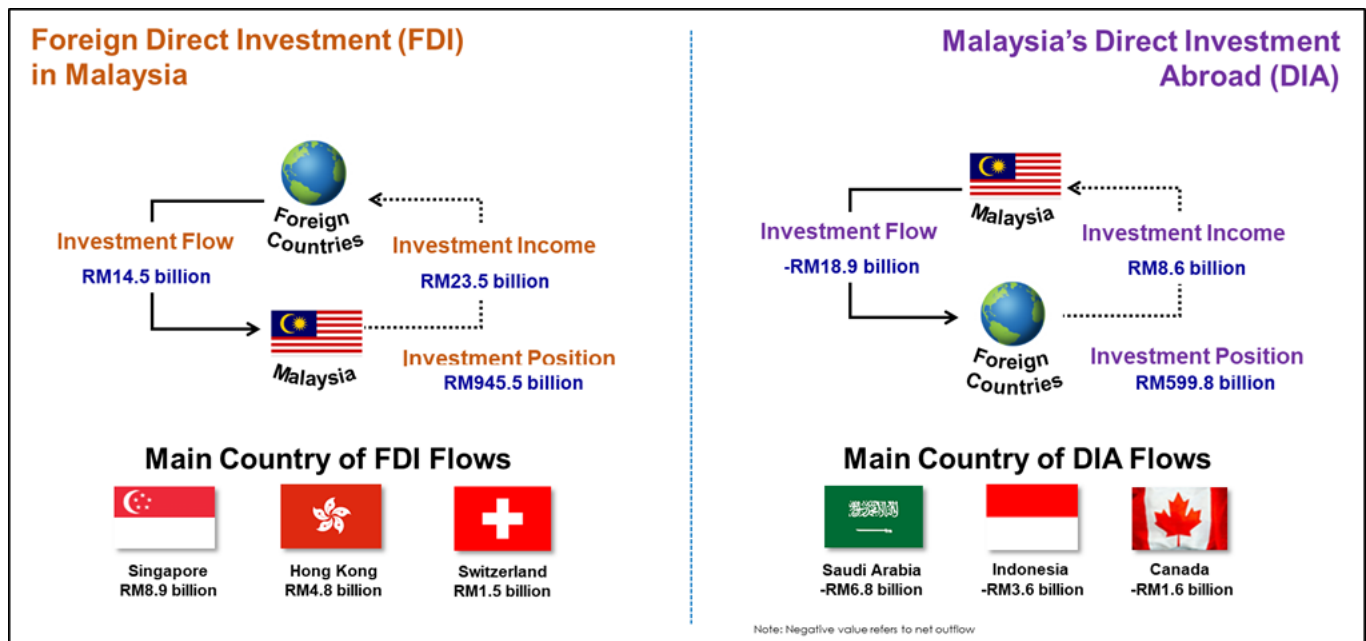


Chart 7: International Investment Position (Net), 2010 – 2023 and Q1 2019 – Q3 2024

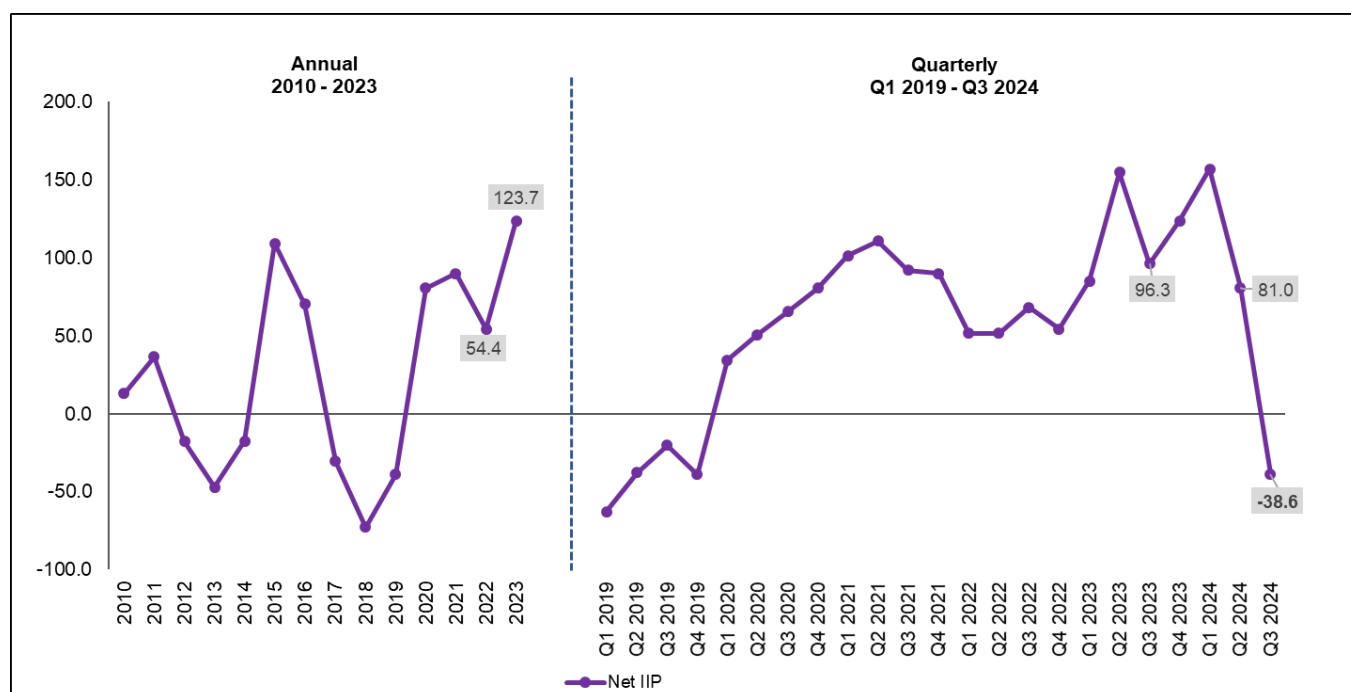


Chart 8: International Investment Position (Total Assets and Total Liabilities), 2010 – 2023 and Q1 2019 – Q3 2024

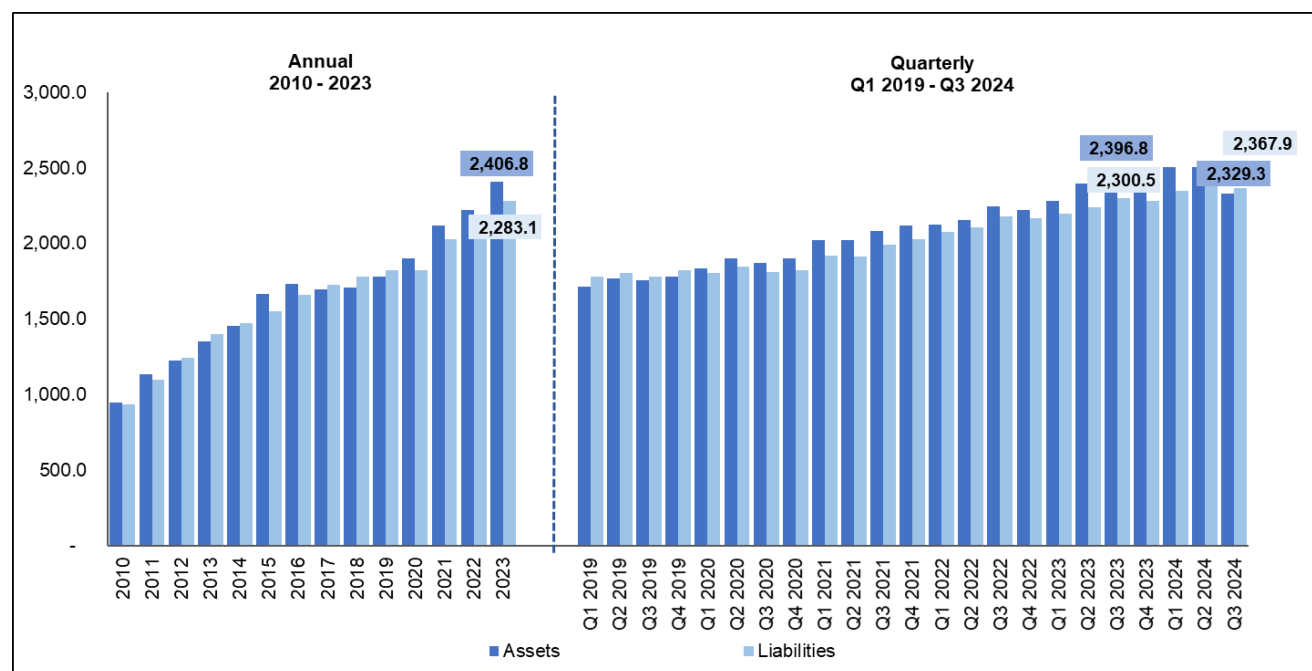


Exhibit 2: FDI and DIA Position by Regions and Main Countries, as at the end Q3 2024

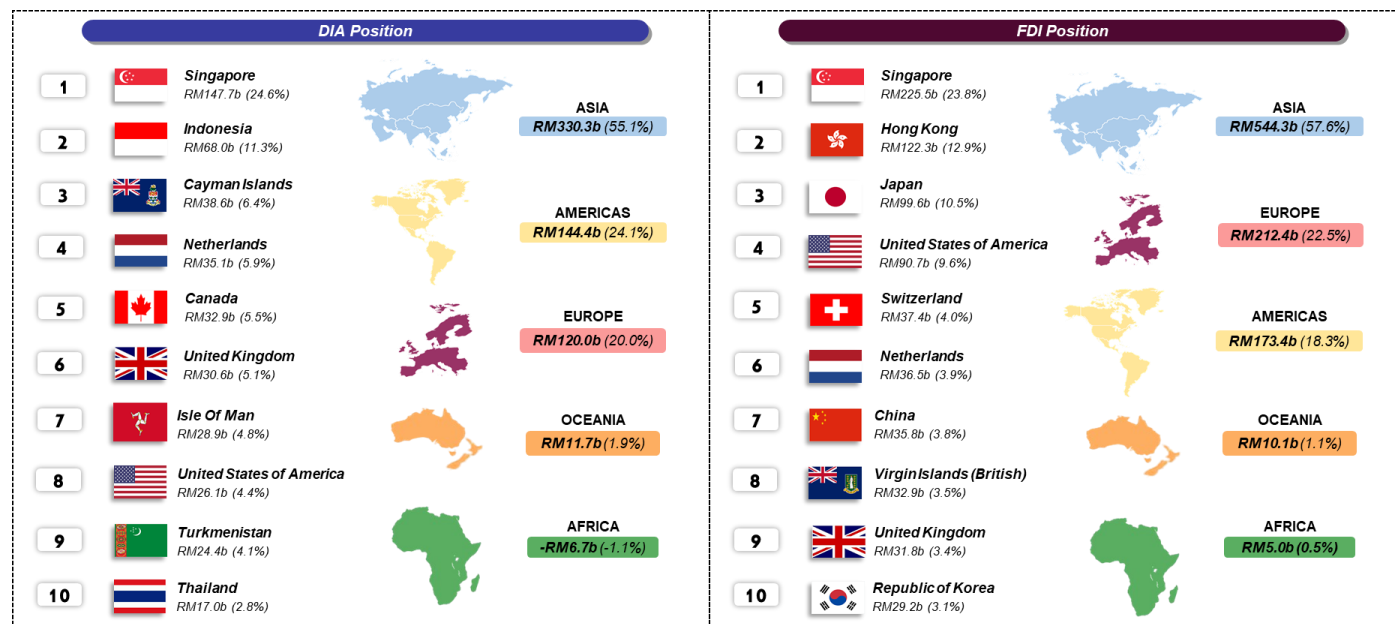


Chart 9: International Reserve Assets (Net), 2010 – 2023 and Q1 2019 – Q3 2024

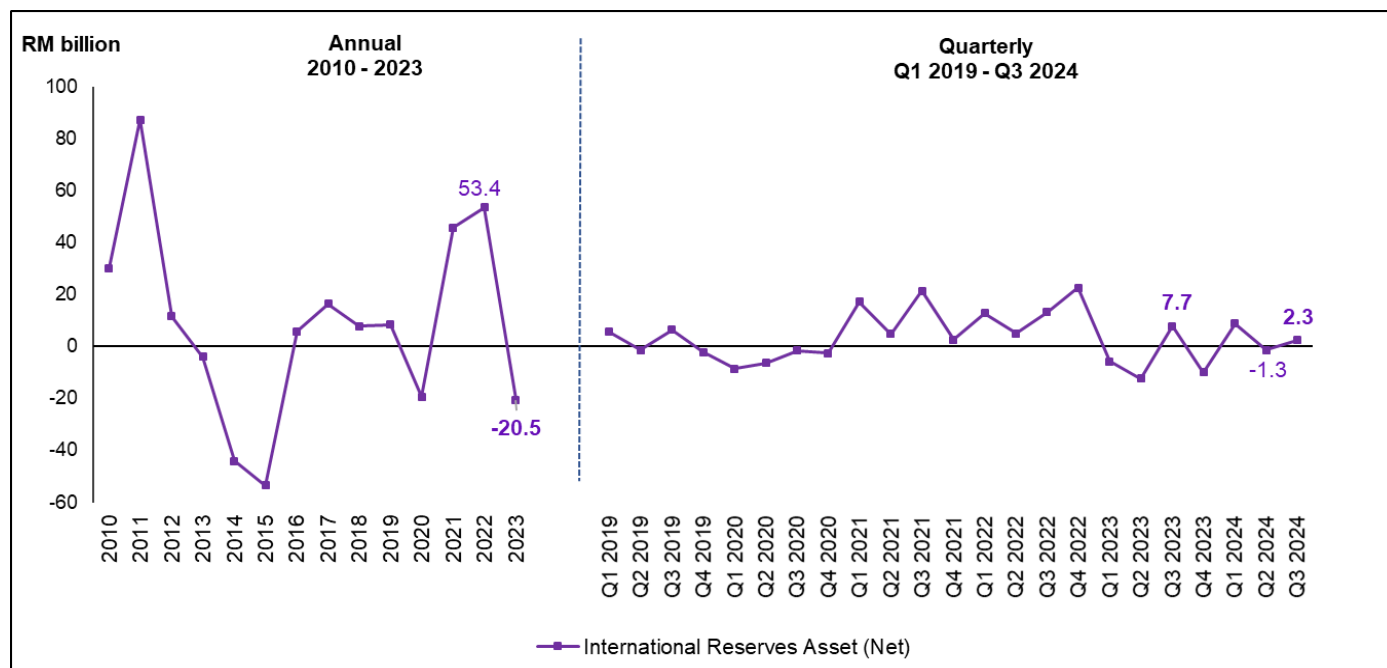
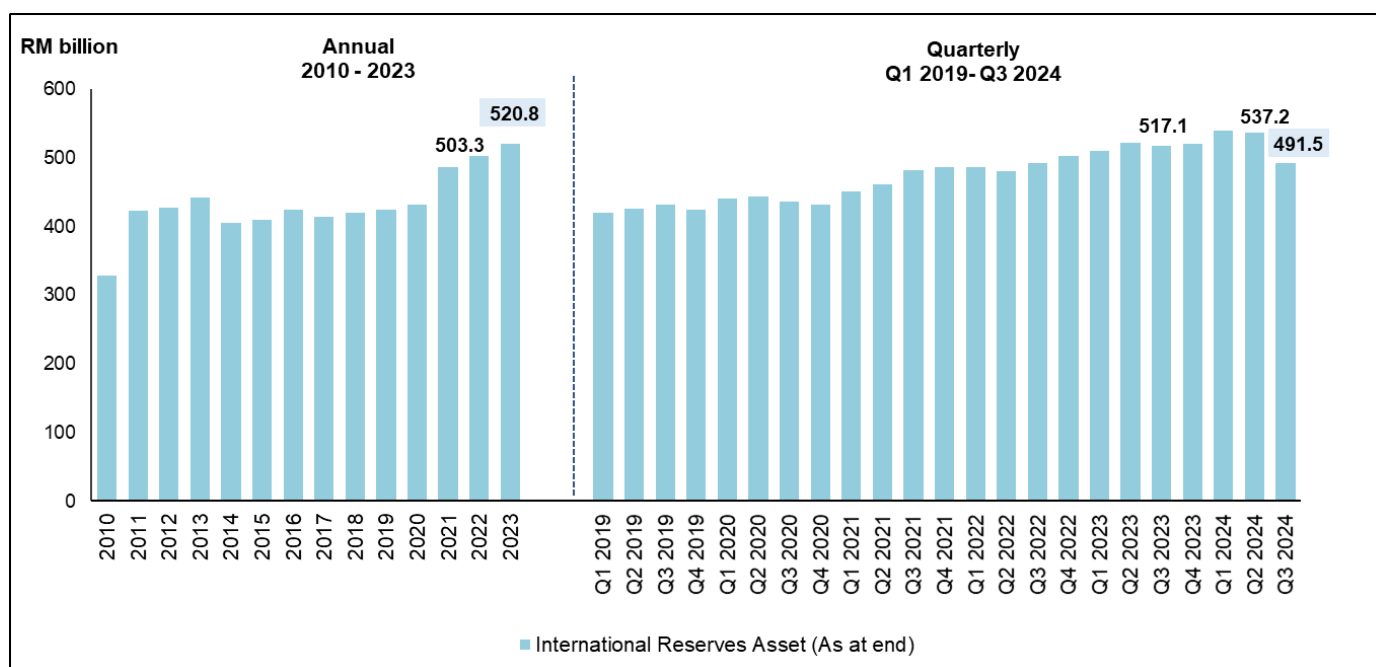


Chart 10: International Reserve Assets (as at end), 2010 – 2023 and Q1 2019 – Q3 2024



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**THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA
15 NOVEMBER 2024**