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MINISTRY OF ECONOMY DEPARTMENT OF STATISTICS MALAYSIA

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PERFORMANCE OF SERVICES SECTOR AND E-COMMERCE INCOME, SECOND QUARTER 2025

The Services sector revenue increased by 5.7 per cent to record RM641.4 billion in the second quarter of 2025

PUTRAJAYA, AUGUST 8, 2025 – The Services sector increased by 5.7 per cent year-on-year in the second quarter of 2025, reaching RM641.4 billion in revenue. This is reported by Department of Statistics Malaysia (DOSM) in today's release of The Quarterly Services Statistics, Second Quarter 2025. The report presents statistics on Services sector, which encompasses the sub-sectors of Wholesale & Retail Trade; Information & Communication; Transportation & Storage; Accommodation; Food & Beverage; Professional; Private Health; Private Education; Arts, Entertainment & Recreation; Real Estate; Administrative & Support Service; Personal Services & Other Activities, and Income of e-Commerce.

Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin, reported that "The strong 5.7 per cent increase in the second quarter was supported by the positive performance of all segments within the sector. This growth reflects the stability of domestic demand and the sector's vital role in supporting overall economic expansion."

The Wholesale & Retail Trade, Food & Beverages, and Accommodation segment recorded a year-on-year revenue growth of RM22.5 billion or 4.9 per cent, reaching RM484.0 billion in the second quarter of 2025. This improvement was mainly supported by the increase in domestic travel across the country, which encouraged higher consumer spending. In addition, public holidays and festive breaks such as Hari Raya Aidilfitri, Wesak Day, Pesta Kaamatan, Hari Gawai, Labour Day, Hari Raya Aidiladha, and the school holidays encouraged more household spending. At the same time, the increase in international visitor arrivals further supported the growth of this segment.

The Information & Communication and Transportation & Storage segment also recorded commendable growth of 6.0 per cent year-on-year, reaching RM89.4 billion in the second quarter. Within this, the Transportation & Storage subsector sustained its growth with a 9.0 per cent year-on-year increase in the second quarter of 2025. Land and air transport activities rose by 8.6 per cent and 9.0 per cent, respectively, driven by a notable 10.3 per cent increase in air passenger traffic. In addition, storage and supporting services expanded by 9.7 per cent, while post and courier services registered growth of 8.4 per cent. This performance underscores the growing demand for transport and logistics services, in tandem with the expansion of domestic economic activities and e-commerce

The Information & Communication subsector expanded by 3.3 per cent, driven primarily by increasing demand in Telecommunications (+3.5%) and Computer services (+1.0%). This development highlights the steady expansion of digital services in line with changing consumer preferences and the broader shift towards technology-driven solutions in work, lifestyle, and economic activities.

The Professional, Real Estate and Administrative & Support Services segment also recorded a strong year-on-year growth of 9.9 per cent in the second quarter of 2025. The Professional Services subsector continued to see steady demand, particularly in engineering, architectural design, and surveying, in line with ongoing infrastructure and development activities. The Real Estate subsector posted double-digit growth of 11.8 per cent, largely supported by active housing development. Meanwhile, the Administrative & Support Services subsector was lifted by a 13.6 per cent increase in travel agency activities, driven by higher international tourist arrivals and more outbound travel by Malaysians, especially during the Haj season. Office administrative, support, and other business-related services rose by 19.0 per cent, reflecting the expansion of business operations and the growing need for outsourced administrative functions such as event management and meetings, incentives, conventions, and exhibitions (MICE) activities.

The Private Health, Private Education, Arts, Entertainment & Recreation, and Personal Services & Other Activities segment grew by 12.8 per cent year-on-year in the second quarter, reflecting rising consumer emphasis on health, education, and quality of life. The Private Health subsector recorded a notable 15.8 per cent increase, supported by higher demand for hospital services (+15.6%), clinic services (+16.7%), and preventive care and wellness services (+14.4%). The Private Education subsector expanded by 9.5 per cent, driven by increased activity in private higher education (+10.3%) and other education services (+6.7%). Meanwhile, the Arts, Entertainment & Recreation subsector rose by 13.1 per cent, and Personal Services & Other Activities grew by 10.3 per cent, showing that more people are spending on leisure and personal care as part of their everyday lives.

On a quarter-on-quarter basis, revenue in the Services sector rose by 1.8 per cent compared to the first quarter of 2025. This growth was primarily driven by the Wholesale & Retail Trade, Food & Beverages, and Accommodation segment, which grew by 1.7 per cent. This was followed by the Information & Communication and Transportation &

Storage segment, which increased 1.7 per cent. The Professional, Real Estate, and Administrative & Support Services segment registered a rise of 1.9 per cent, while the Private Healthcare, Private Education, Arts, Entertainment & Recreation, and Other Personal Services segment grew 3.6 per cent.

In line with this performance, e-commerce revenue for the second quarter of 2025 stood at RM313.8 billion, reflecting a year-on-year increase of 1.1 per cent. This increase was mainly driven by the Services sector (0.7%) and Manufacturing sector (1.0%). On quarterly basis, e-commerce recorded a modest growth of 0.9 per cent.

Commenting on the labour market, Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin, stated that the total number of persons engaged stood at 4.6 million, reflecting a 2.1 per cent year-on-year increase in this quarter. This growth was led by the Transport & Storage subsector with a 3.8 per cent rise, followed by the Wholesale & Retail Trade subsector which grew by 2.6 per cent. On a quarter-on-quarter basis, the number of persons engaged rose by 0.6 per cent, translating to an addition of 28.8 thousand persons.

In tandem with higher employment, total salaries and wages paid in the Services sector increased by 4.2 per cent year-on-year to RM34.0 billion. This growth was primarily contributed by the Wholesale & Retail Trade and Transportation & Storage subsectors, which rose by 3.7 per cent and 4.9 per cent, respectively. Compared to the previous quarter, salaries and wages grew by 1.1 per cent, indicating stable income growth alongside rising economic activity within the sector.

ASEAN-Malaysia 2025 Chairmanship: The Department of Statistics Malaysia (DOSM) will chair the 15th ASEAN Community Statistical System Committee (ACSS15) which aims to strengthen the statistical cooperation towards sustainable regional development.

Malaysia, for the first time, ranked as number one (1) globally in the biennial Open Data Inventory (ODIN) 2024/25 report released by Open Data Watch (ODW), surpassing 197 other countries. This achievement marks a significant leap from its 67th position in the ODIN 2022/23 assessment.

The Government of Malaysia has declared October 20th as National Statistics Day (MyStats Day), with the theme 'Statistics is the Essence of Life'. Meanwhile, the Fourth World Statistics Day will be celebrated on 20th October 2025, with the theme 'Driving Change with Quality Statistics and Data for Everyone'.

OpenDOSM NextGen is a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through https://open.dosm.gov.my.

Chart 1: Performance of Services Sector

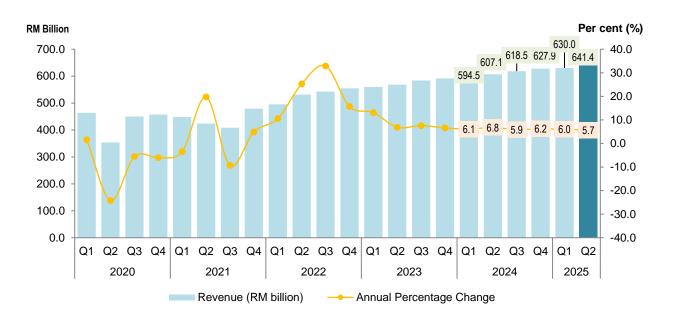


Chart 2: Performance of Wholesale & Retail Trade, Food & Beverages, and Accommodation Segment

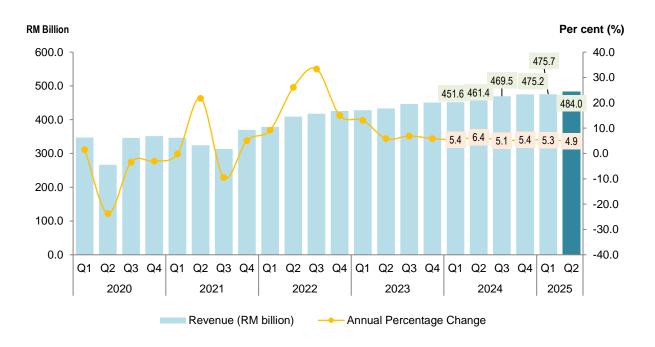


Chart 3: Performance of Information & Communication and Transportation & Storage Segment

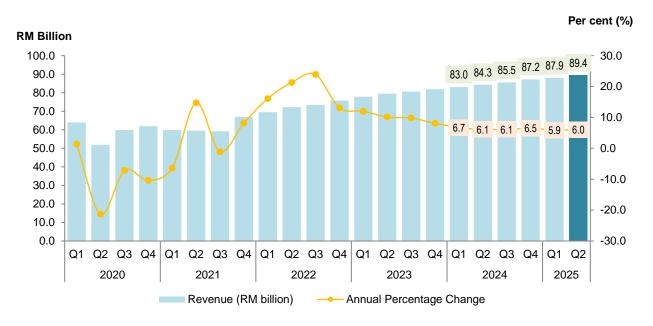


Chart 4: Performance of Private Health, Private Education, Arts, Entertainment & Recreation and Personal Services and Other Activities Segment

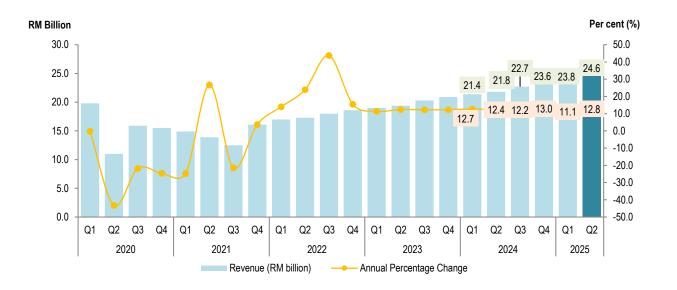


Chart 5: Performance of Professional, Real Estate and Administrative & Support Service Segment

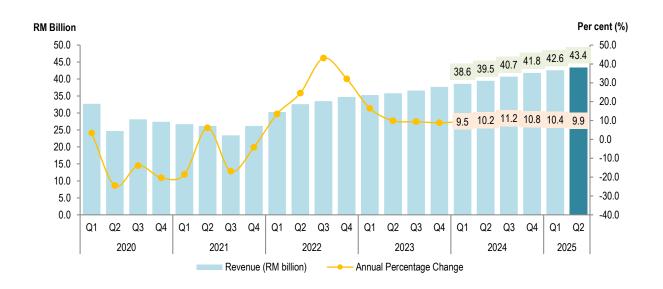
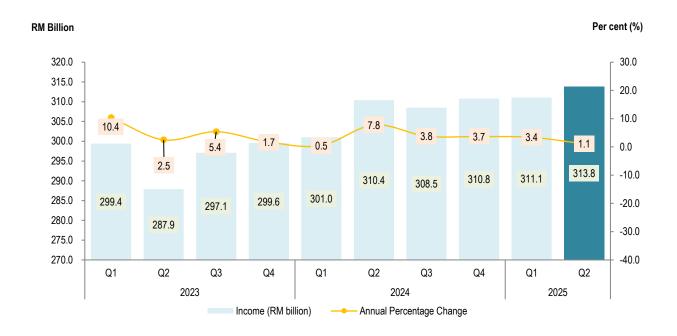


Chart 6: e-Commerce Income



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