



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT
FOR MALAYSIA'S BALANCE OF PAYMENTS STATISTICS
SECOND QUARTER OF 2023

***Malaysia's Current Account Surplus reached RM9.1 billion or 2.1% of GDP,
fueled by net exports of goods***

PUTRAJAYA, 18 August 2023 - Malaysia's Current Account Balance (CAB) recorded a higher surplus of RM9.1 billion or 2.1 per cent to Gross Domestic Product (GDP) in the second quarter of 2023, as compared to RM4.3 billion (1.0% of GDP) in the previous quarter. Meanwhile, **Financial account** posted a higher net outflow of RM11.6 billion as against RM2.4 billion in the preceding quarter. In the first half of 2023, the CAB reached a surplus of RM13.4 billion, while Financial account recorded a net outflow of RM13.9 billion. The Department of Statistics, Malaysia (DOSM) reported today in its **Balance of Payments and International Investment Position Statistics for the Second Quarter of 2023** which presents Malaysia's cross-border transactions with the rest of the world.

The continues surplus in CAB was mainly supported by net exports of Goods. **Goods account** recorded a net export of RM29.5 billion this quarter, a decrease of 26.1 per cent quarter-on-quarter. Comparison quarter-on-quarter shows that the exports of goods declined by 2.5 per cent from RM261.5 billion to RM254.9 billion in the second quarter. The main exports were Electrical & electronics (E&E), Petroleum and Chemicals products, especially to Singapore, China and the United States of America (USA). On the contrary, imports of goods increased by 1.7 per cent quarter-on-quarter from RM221.6 billion to RM225.4 billion, mainly contributed by Capital and Consumption goods. China, Singapore and Taiwan were the top sources of import.

Looking at the statistics, Dato' Sri Dr. Mohd Uzir Mahidin, the Chief Statistician Malaysia, stated, "The income accounts had contributed to the higher CAB surplus in the second quarter

of 2023. The **Primary income account** depicted a smaller deficit of RM6.3 billion as compared to RM16.9 billion in the previous quarter. This reduction was owing to higher receipts amounting to RM24.8 billion, particularly driven by higher investment income generated by Malaysian companies abroad in Direct investment. During the same period, payments decreased to RM31.1 billion, mainly from Direct investment. Simultaneously, the **Secondary income account** deficit contracted from RM5.9 billion in the preceding quarter to RM2.8 billion, due to lower workers' remittances paid abroad."

Commenting further on a positive note, "The **Services account** deficit narrowed by 12.0 per cent quarter-on-quarter to RM11.3 billion in the second quarter of 2023, propelled by a higher surplus in Travel. Services exports rose by 16.5 per cent or RM6.8 billion against the previous quarter to record RM47.8 billion. Travel, which comprises foreign visitors' expenditure in Malaysia recorded a higher export value of RM16.3 billion, reaching nearly 84.0 per cent in the second quarter of pre-pandemic level (2019). The positive trend was also seen in exports of other components, such as Transport RM7.8 billion, Construction RM2.4 billion, Telecommunication, computer and information RM4.6 billion and Other business services RM8.8 billion. Concurrently, imports of services amounted to RM59.1 billion, a surge from RM53.8 billion in the previous quarter. Similar to services exports, the increase in imports was predominately led by Travel expenditures of Malaysian abroad, grew by RM1.4 billion to RM12.5 billion. The imports of Other business services and Transport were also shown an upward trend."

The Chief Statistician of Malaysia also added, "The **Financial account** recorded a net outflow from RM2.4 billion to RM11.6 billion in the second quarter. This was mainly contributed by outflows in Other investment at RM15.1 billion attributable to higher interbank repayments by the domestic financial sector, and outflows of RM4.9 billion in Direct Investment pertaining to profit retained and equity injection by resident companies abroad. Meanwhile, Portfolio investment turned around to a net inflow of RM8.1 billion as compared to a net outflow of RM33.3 billion in the previous quarter, owing to bond issuance by residents."

The net outflow in **Direct Investment Abroad (DIA)** expanded to RM8.0 billion as compared to RM1.1 billion in the previous quarter. The major sectors contributed to the DIA were Services particularly in Financial and Information & telecommunication sub-sector, followed by Agriculture and Construction. The top three DIA destinations were Singapore, Indonesia and Norway. In the meantime, a lower net inflow of RM3.1 billion was recorded in **Foreign Direct Investment (FDI)** as compared to RM12.0 billion in the preceding quarter. The largest

recipient of FDI was Services sector, predominantly in Professional, scientific & technical and Financial sub-sectors. The main FDI sources were from Singapore, Taiwan and Germany.

In terms of the accumulated investment at the end of second quarter of 2023, **FDI** and **DIA position** posted RM900.0 billion and RM652.1 billion, respectively. **Malaysia's International Investment Position (IIP)** registered a net asset of RM160.9 billion, while Malaysia's international reserves stood at RM522.0 billion.

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.

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".

Chart 1: Current Account Balance (CAB), 2010-2022 and Q1 2019 – Q2 2023

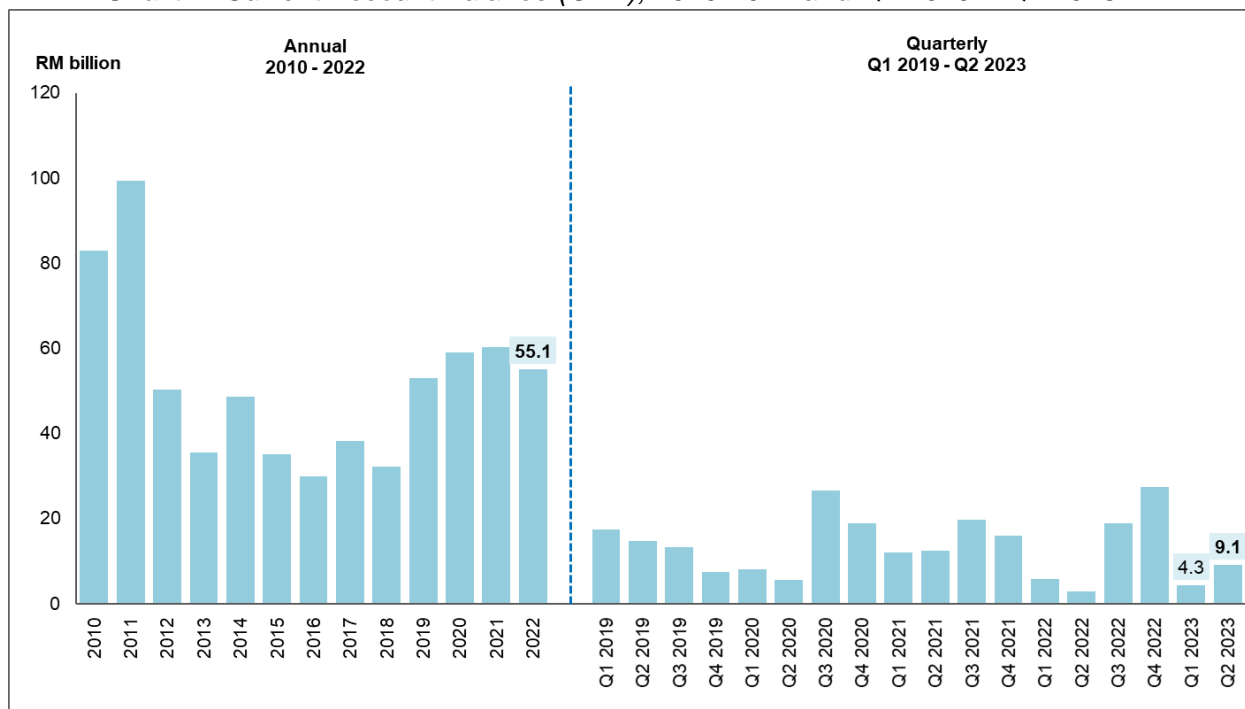


Chart 2: Percentage CAB to GDP, 2010-2022 and Q1 2019 – Q2 2023

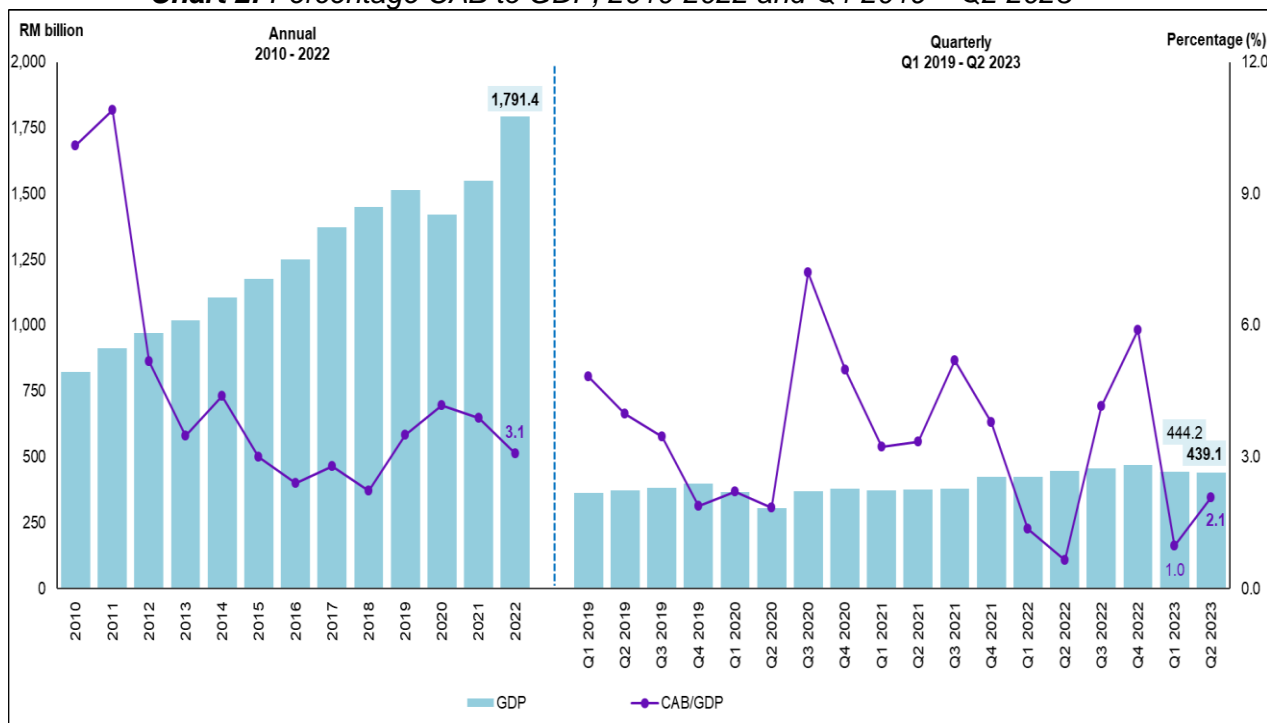


Chart 3: Exports of Services, 2010-2022 and Q1 2019 – Q2 2023

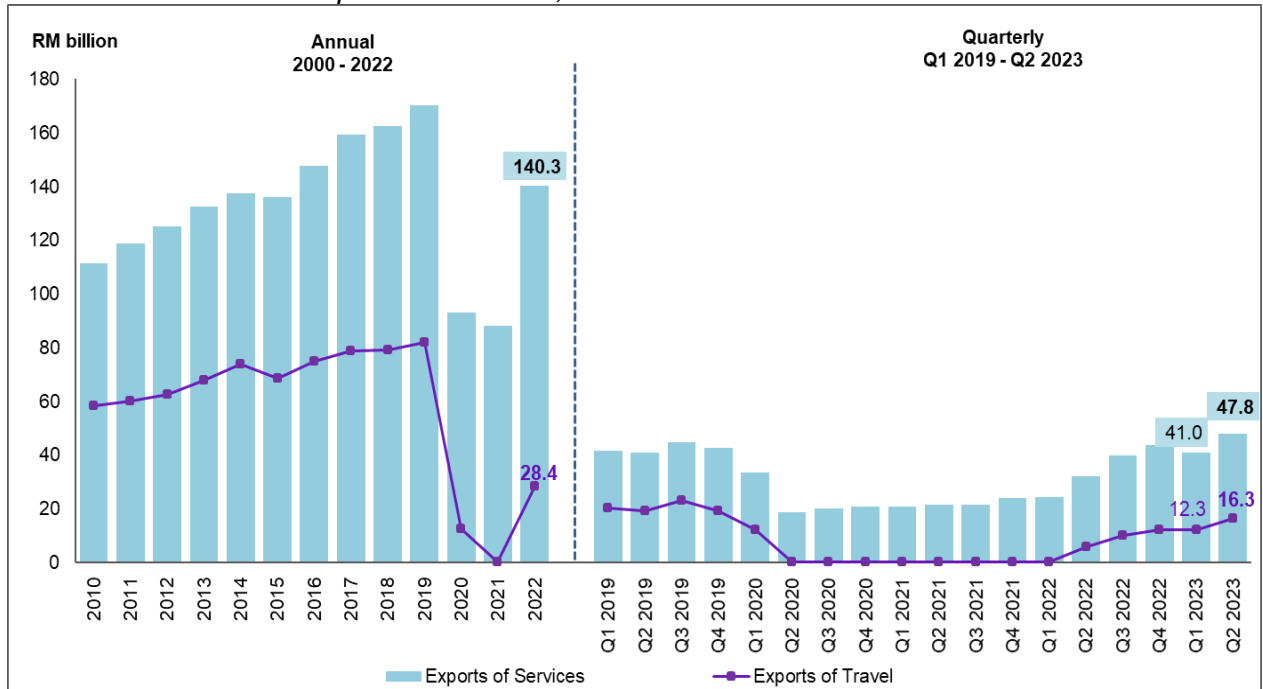


Chart 4: Expenditure of Foreign Visitors in Malaysia and Malaysian Visitors Abroad, 2010 - 2022 and Q1 2019 – Q2 2023

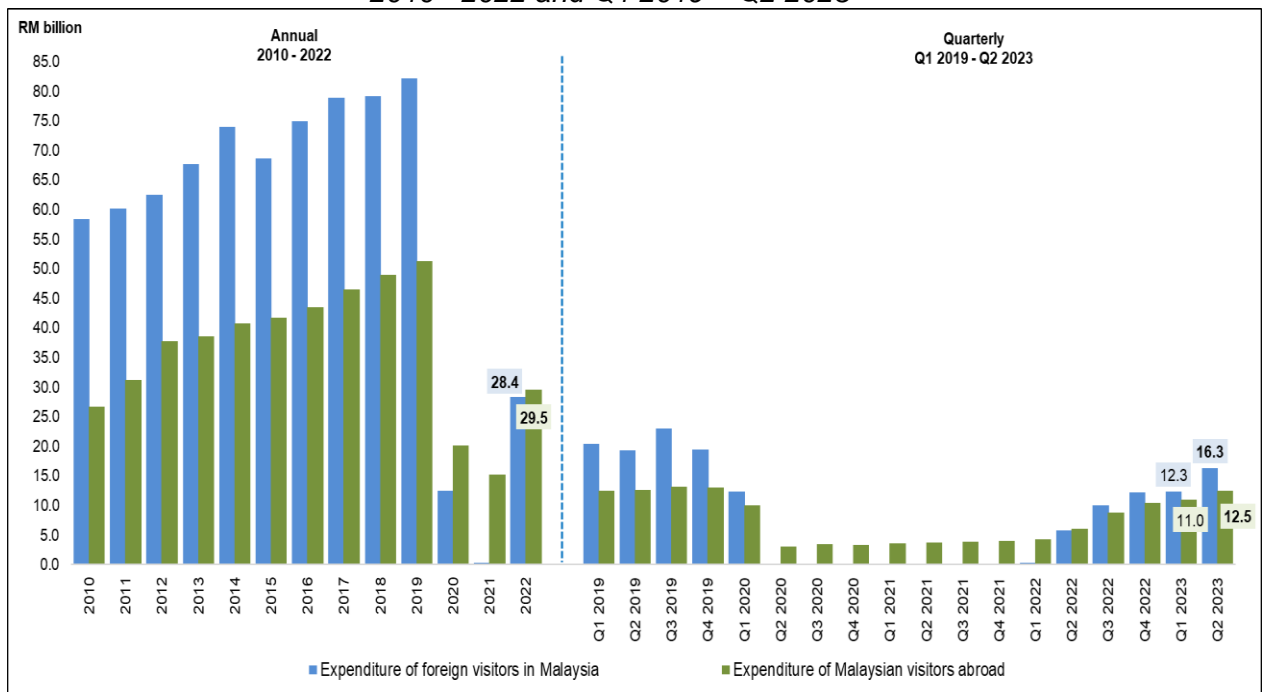


Chart 5: Direct Investment Abroad (DIA) Flows and Position, 2010 – 2022 and Q1 2019 – Q2 2023

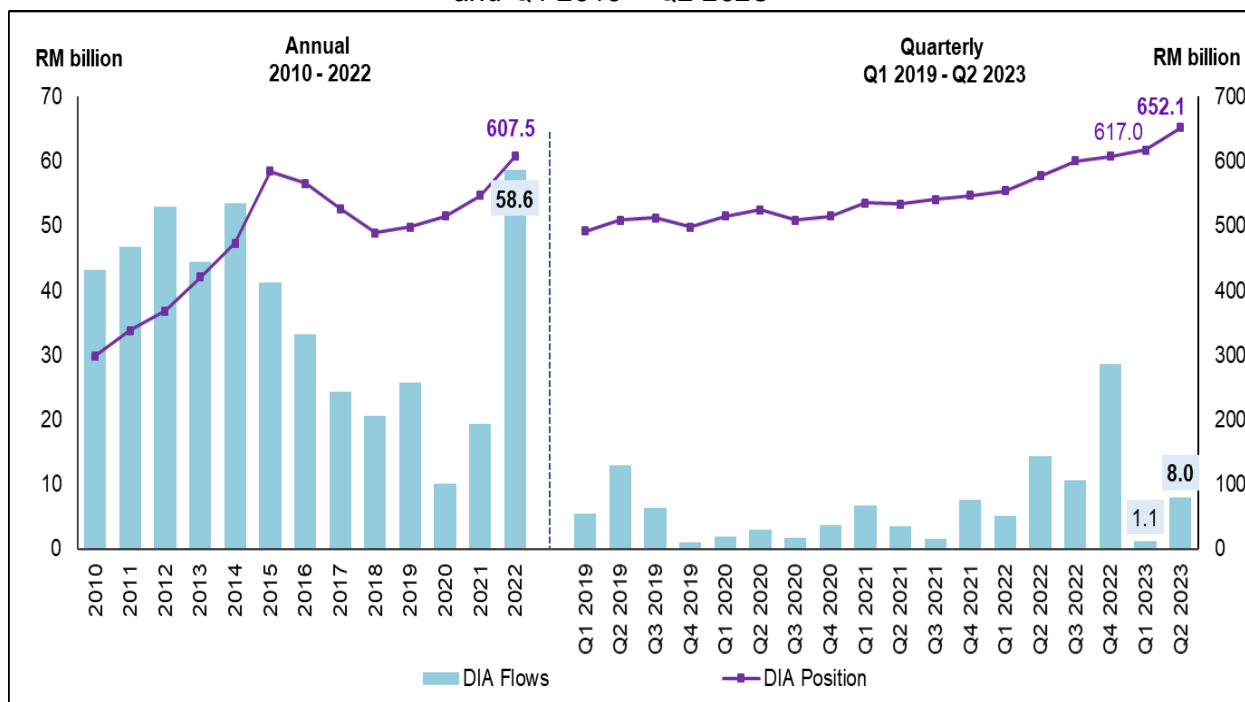


Chart 6: Foreign Direct Investment (FDI) in Malaysia Flows and Position, 2010 – 2022 and Q1 2019 – Q2 2023

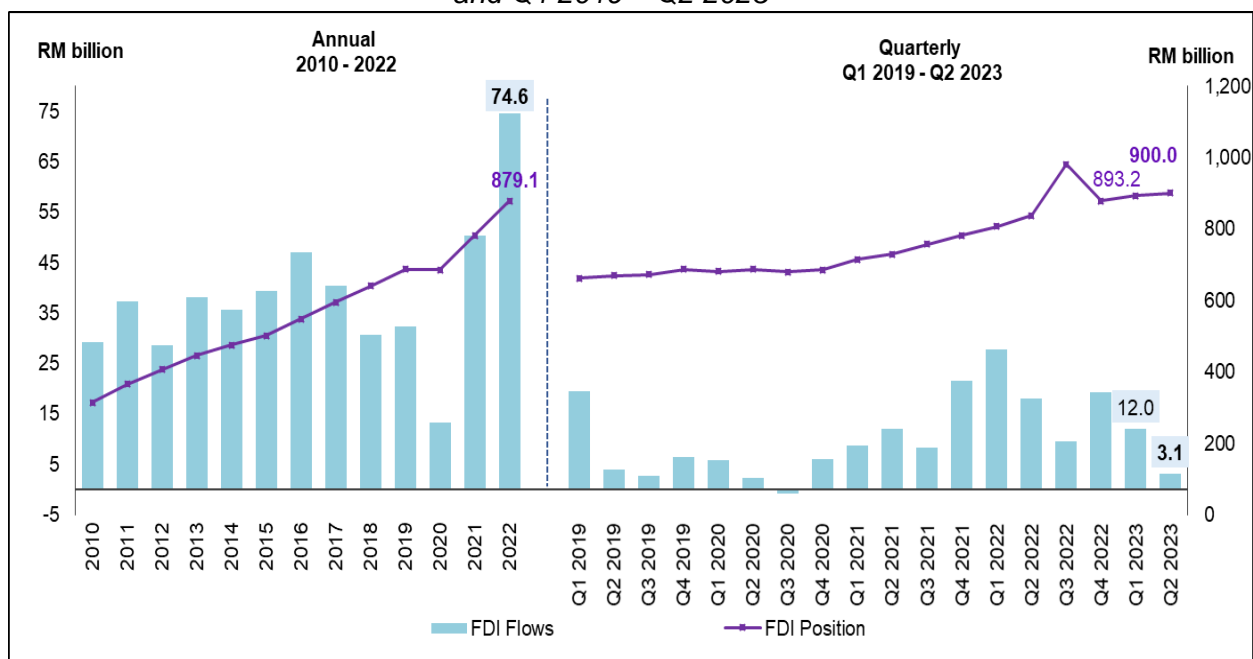


Exhibit 1: Direct Investment, Q2 2023

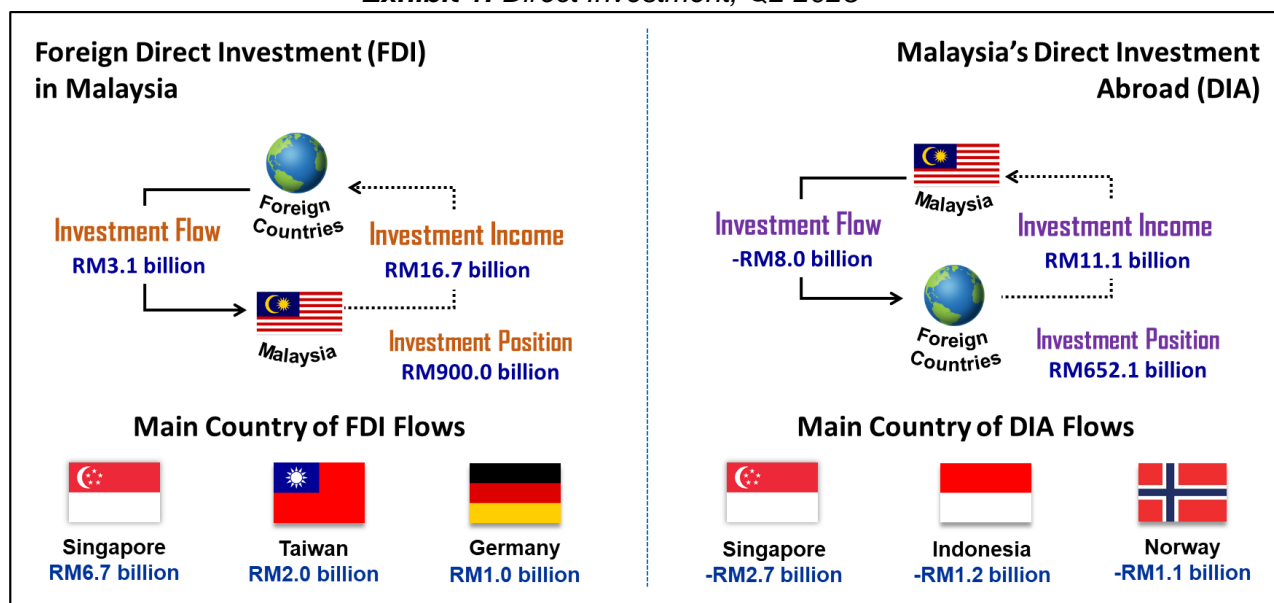
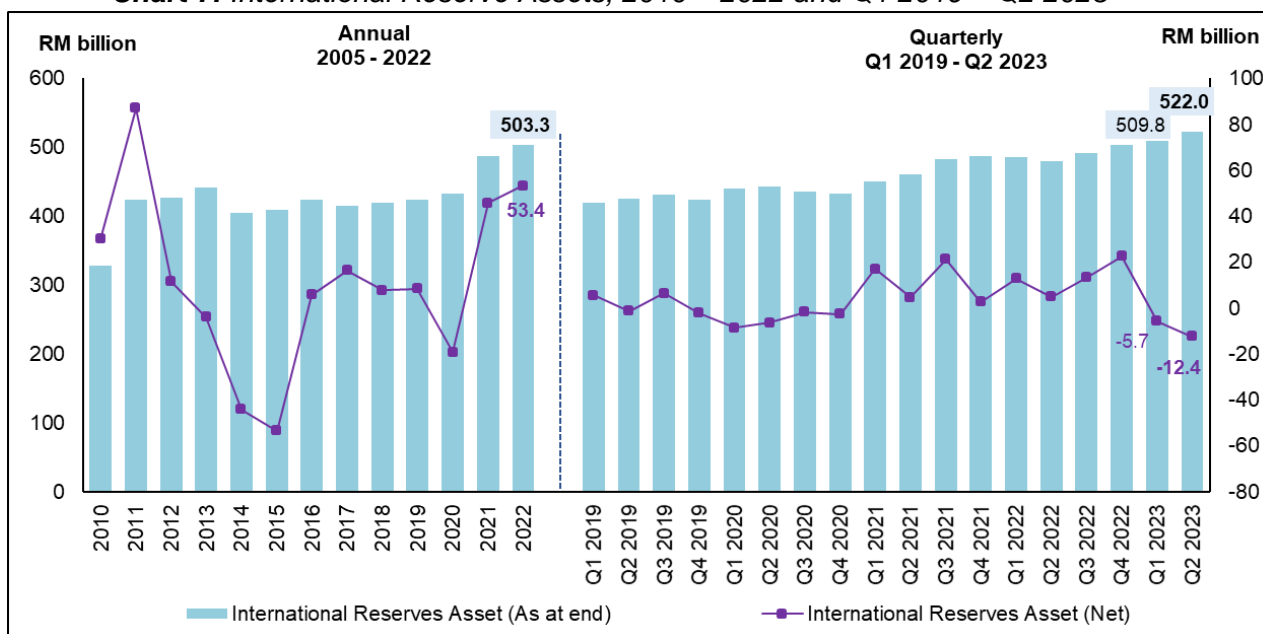


Chart 7: International Reserve Assets, 2010 – 2022 and Q1 2019 – Q2 2023



Released by:

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