MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT

PERFORMANCE OF SERVICES SECTOR AND E-COMMERCE INCOME, FIRST QUARTER 2026

Malaysia's Services sector hits RM682.0 billion in the first quarter of 2026, growing 8.1 per cent on resilient consumption and digital growth

PUTRAJAYA, 11TH MAY 2026 – The Services sector **expanded by 8.1 per cent year-on-year** in the first quarter of 2026, with **revenue reaching RM682.0 billion**, according to the Department of Statistics Malaysia (DOSM) in today's release of the *Quarterly Services Statistics, First Quarter 2026*. The Services sector comprises a broad range of activities, including Wholesale & Retail Trade; Information & Communication; Transportation & Storage; Accommodation; Food & Beverage; Professional Services; Real Estate; Private Healthcare; Private Education; Arts, Entertainment & Recreation; Administrative & Support Services; Personal & Other Services Activities; as well as e-commerce income.

Malaysia's Services sector grew by 8.1 per cent in the first quarter of 2026, reflecting broad-based expansion across all segments of the sector. Chief Statistician of Malaysia Mohd Uzir Mahidin highlighted that the encouraging performance was underpinned by continuous domestic economic activities throughout the quarter. Consumer spending remained resilient amid a festive-packed period covering Chinese New Year, Ramadan and Hari Raya Aidilfitri, while stronger domestic mobility, vibrant tourism activities as well as various events and festivals held nationwide further supported the sector's momentum.

He also highlighted the increasing contribution of digital-related activities, particularly e-commerce and technology-based services, which continued to reinforce the sector's expansion in line with Malaysia's ongoing transition towards higher value-added and digital-driven economic activities.

Among the major services segments, **Wholesale & Retail Trade, Food & Beverage, and Accommodation** recorded **the highest growth of 7.7 per cent**, with **revenue reaching RM512.3 billion** during the quarter. The strong performance was largely driven by steady household spending and festive-related demand, supported by higher travel activities and continued tourism momentum.

Improved income conditions also contributed positively to consumer spending. The implementation of the Public Service Remuneration System (SSPA) salary adjustment alongside the increase in the national minimum wage helped strengthen household purchasing power, leading to higher spending across retail trade, dining, accommodation and transportation-related services.

In addition, assistance programmes such as Sumbangan Asas Rahmah (SARA) and the Special Financial Aid for Hari Raya Aidilfitri provided additional support to households, particularly for spending on food, beverages and essential goods. Festive-related activities, including the vibrant Ramadan bazaars across the country, further stimulated consumer and trading activities during the quarter. Tourism-related activities also continued to lend support to the sector. The launch of the Visit Malaysia 2026 campaign contributed positively to the accommodation subsector, as stronger domestic and international tourist arrivals during the festive and holiday season translated into higher demand for hotels and accommodation services throughout the first quarter of 2026.

The **Information & Communication and Transportation & Storage** segment continued to register strong growth in the first quarter of 2026, **expanding by 9.5 per cent** to record **revenue of RM97.3 billion**. The performance reflected sustained demand for digital connectivity, logistics and transportation services amid improving domestic economic activities, stronger mobility and continued tourism-related movements during the quarter.

The Information & Communication subsector's revenue grew by 8.7 per cent year-on-year. Malaysia's digital landscape continued to gain momentum with the expansion of large-scale data centres, driven by rising requirements for cloud computing, artificial intelligence applications, cybersecurity systems and high-capacity digital infrastructure. The growing presence of data centres has increasingly positioned Malaysia as an emerging regional digital hub, while the wider rollout of 5G technology further strengthened digital connectivity and service delivery across industries and households.

At the same time, the communications and digital services industry continued to benefit from shifting consumer and business preferences towards online platforms and digital-based solutions. Although parts of the traditional entertainment and media segment continued to undergo structural transition, including the gradual decline of conventional cinema operations amid stronger streaming adoption, demand for internet services, digital content and communication-related activities remained supportive to the sector's overall growth in the first quarter of 2026.

Aligned with the increase in tourism activities and domestic demand, the Transportation & Storage subsector maintained its positive momentum, recording a year-on-year growth of 10.3 per cent in the first quarter of 2026. Higher revenue was recorded across land transport, postal and courier services and air transport, which grew by 11.1 per cent, 11.8 per cent and 12.0 per cent respectively.

This performance was further driven by continued growth in e-commerce as well as rising demand for express delivery services, particularly during festive seasons and school holidays. Overall, this trend reflects the important role of the subsector in strengthening supply chain efficiency and supporting the needs of a more consumer-oriented digital economy.

The **Professional Services, Real Estate, and Administrative & Support Services** segment recorded a **year-on-year growth of 7.9 per cent**. The Professional Services subsector expanded by 7.3 per cent, supported by sustained demand for engineering, architectural and surveying services, in line with ongoing development and infrastructure projects. Meanwhile, the Real Estate subsector also recorded growth of 7.3 per cent, driven mainly by continued domestic demand as well as various government initiatives aimed at improving housing affordability. Collectively, these factors contributed to a more active property market, reflecting broader economic resilience and stable consumer confidence.

The Administrative & Support Services subsector recorded a stronger growth of 9.7 per cent in the first quarter of 2026, driven by higher travel-related activities, particularly the increase in Umrah journeys during peak seasonal periods. The subsector's performance was further supported by improving business sentiment and recent government measures, including the reduction in service tax rates for selected rental and leasing activities to between 6 and 8 per cent, which helped ease operational costs and encourage greater utilisation of related administrative and support services.

The **Private Health, Private Education, Arts, Entertainment & Recreation, and Personal & Other Services Activities** segment recorded a **year-on-year growth of 11.2 per cent** in the first quarter of 2026, supported by rising demand for healthcare and education services, alongside higher consumer spending on recreational activities and personal care. This growth was driven by the strong expansion of the Personal & Other Services Activities subsector, which grew by 14.1 per cent, in line with increasing demand for personal care and lifestyle-related services, reflecting a broader shift in consumer preferences towards enhanced quality of life and wellbeing.

The Private Education subsector expanded by 10.1 per cent in the first quarter of 2026, supported by higher enrolment in private higher education institutions and continued demand for skill-based learning programmes. The subsector also benefited from recent government initiatives, particularly the one-year exemption of education levies effective January 2026, covering institutions from preschool to higher education and training centres, which helped improve accessibility and support the growth of private education services.

Meanwhile, the Private Health subsector registered a strong growth of 13.5 per cent in the first quarter of 2026, reflecting sustained demand for quality healthcare services, specialised treatments and wellness-related activities. The Arts, Entertainment & Recreation subsector also expanded by 7.8 per cent, supported by stable consumer spending on leisure, lifestyle and recreational activities amid improving household income and stronger domestic mobility. Growing awareness of healthy living and wellness trends continued to encourage participation in fitness and sports-related activities such as pickleball, running, golf and gym memberships, further contributing to the subsector's positive performance during the quarter.

On a **quarter-on-quarter** basis, the Services sector maintained its momentum, with **revenue increasing by 0.6 per cent** compared to the fourth quarter of 2025. This growth was driven by the Wholesale & Retail Trade, Food & Beverage and Accommodation segment (0.4%), followed by the Information & Communication and Transportation & Storage segment (1.6%), the Professional Services, Real Estate and Administrative & Support Services segment (1.5%), and the Private Health, Private Education, Arts, Entertainment & Recreation and Personal & Other Services Activities segment (0.1%).

Chief Statistician Malaysia also reported that **e-Commerce income** in the first quarter of 2026 amounted to **RM319.7 billion**, recording a **year-on-year growth of 2.8 per cent**. On a quarter-on-quarter basis, e-Commerce income increased by **1.1 per cent**.

Commenting on labour market developments, the Chief Statistician noted that total employment in the Services sector **rose to 4.6 million persons**, reflecting a **year-on-year growth of 2.7 per cent**. This expansion was primarily driven by the Transportation & Storage subsector, which grew by 4.4 per cent, followed by the Personal & Other Services Activities subsector, which recorded a growth of 4.0 per cent. On a **quarter-on-quarter** basis, employment increased by **0.4 per cent**, equivalent to an additional **19.9 thousand persons**.

In line with employment growth, total salaries and wages in the Services sector also increased. In the first quarter of 2026, salaries and wages **rose by 5.0 per cent year-on-year to RM35.3 billion**, supported mainly by the Food & Beverage and Real Estate subsectors, which registered growth of 10.0 per cent and 9.4 per cent respectively. On a **quarter-on-quarter** basis, total salaries and wages increased by **0.9 per cent**.

Overall, in the First Quarter of 2026, the Services sector **continued to maintain positive growth momentum**, supported by strengthening domestic economic activity, improving household income, increased consumer mobility and continued expansion in the tourism, logistics, and consumer-related services. This growth was further reinforced by rising e-commerce activity, digital services and stable household spending, reflecting the sector's resilience in navigating a dynamic economic environment.

The Department of Statistics Malaysia (DOSM) is conducting the **Economic Census 2026 (BE2026)**, with themed **"*Data Nadi Ekonomi Rakyat*"**. The sixth Economic Census, will be carried out from **5th January to 31st October 2026**. BE2026 aims to collect comprehensive and structured data from all registered and unregistered business establishments in Malaysia to assess the nation's economic performance, structure and characteristics in an evidence-based manner.

Malaysia has, for the first time, successfully secured the **top position** 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.

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, Q1 2020 to Q1 2026

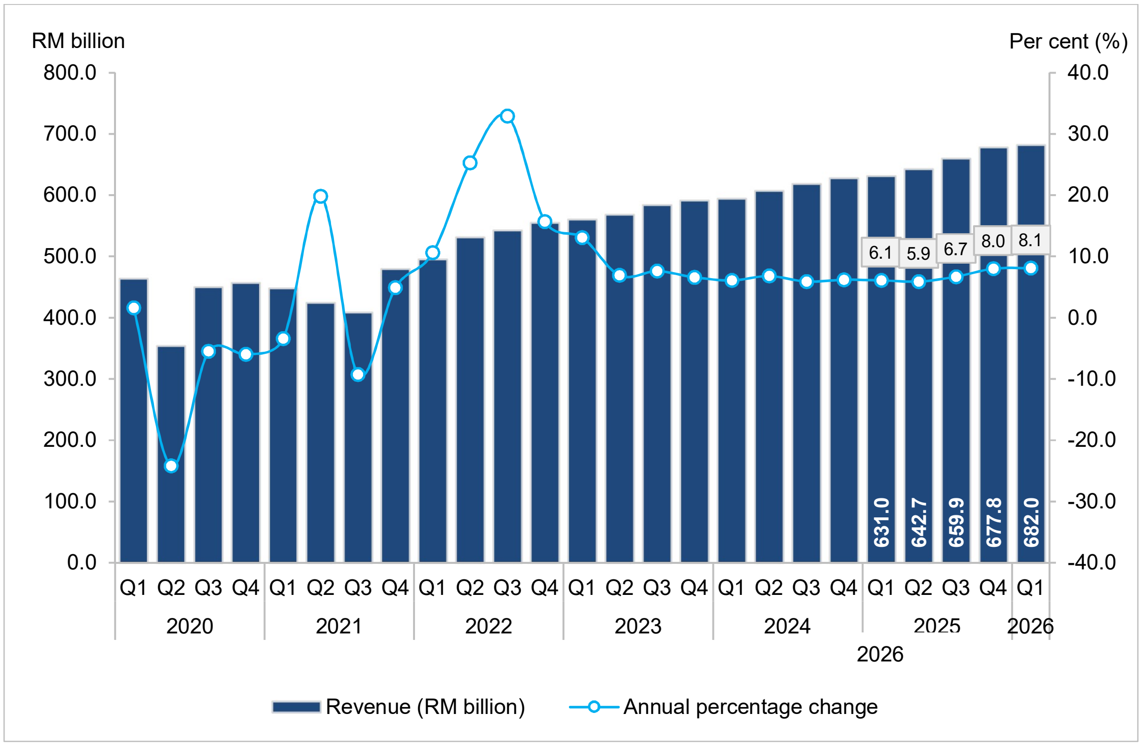


Chart 2: Performance of Wholesale & Retail Trade, Food & Beverages, and Accommodation Segment, Q1 2020 to Q1 2026

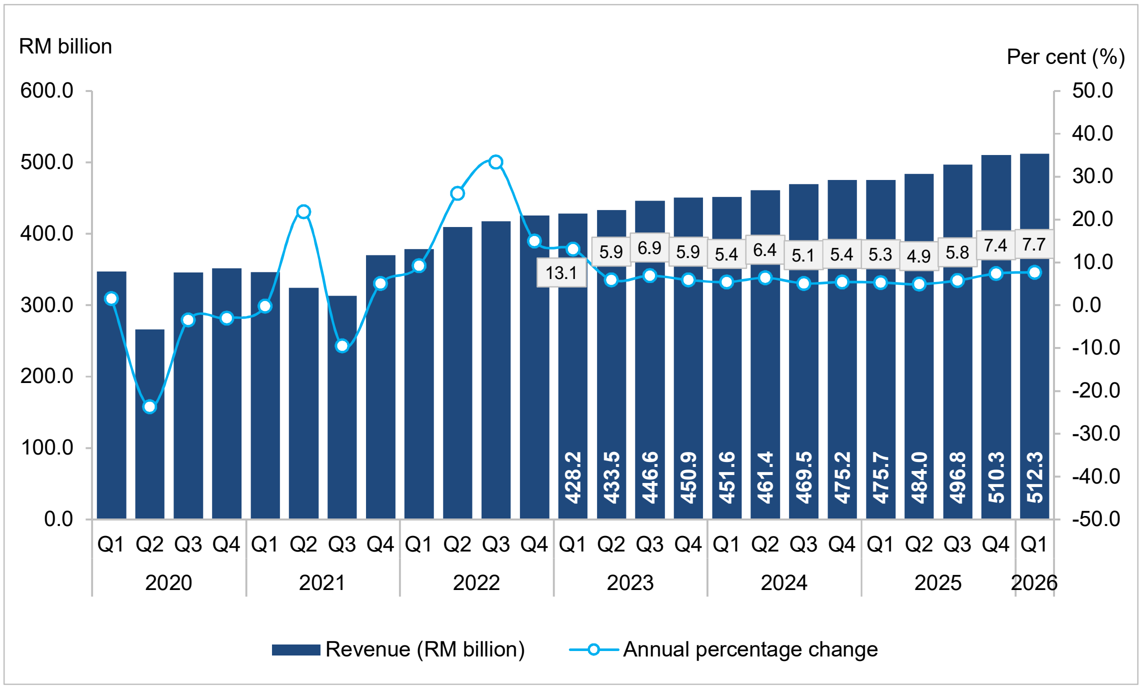


Chart 3: Performance of Information & Communication and Transportation & Storage Segment, Q1 2020 to Q1 2026

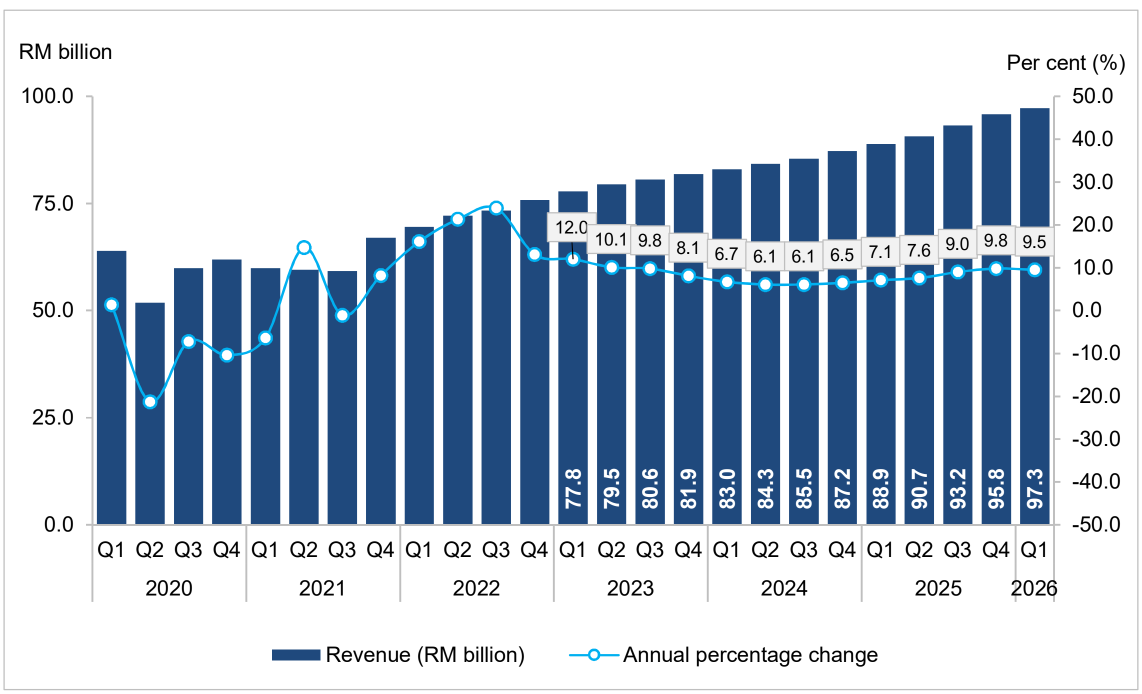


Chart 4: Performance of Private Health, Private Education, Arts, Entertainment & Recreation and Personal Services and Other Activities Segment, Q1 2020 to Q1 2026

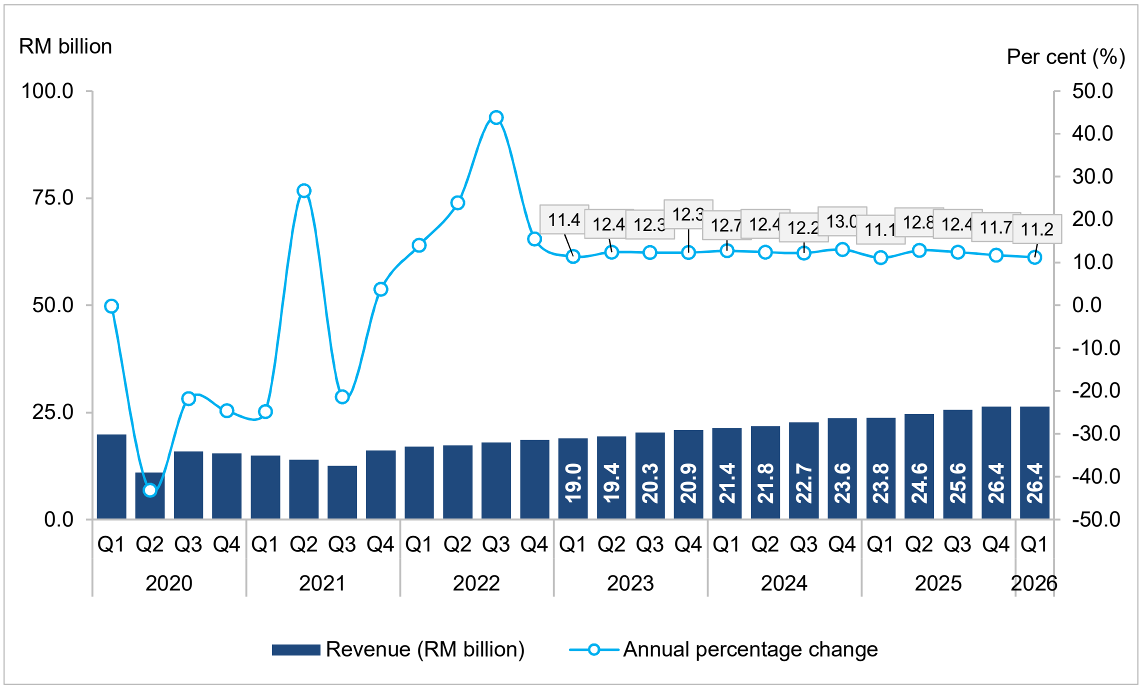


Chart 5: Performance of Professional, Real Estate and Administrative & Support Service Segment, Q1 2020 to Q1 2026

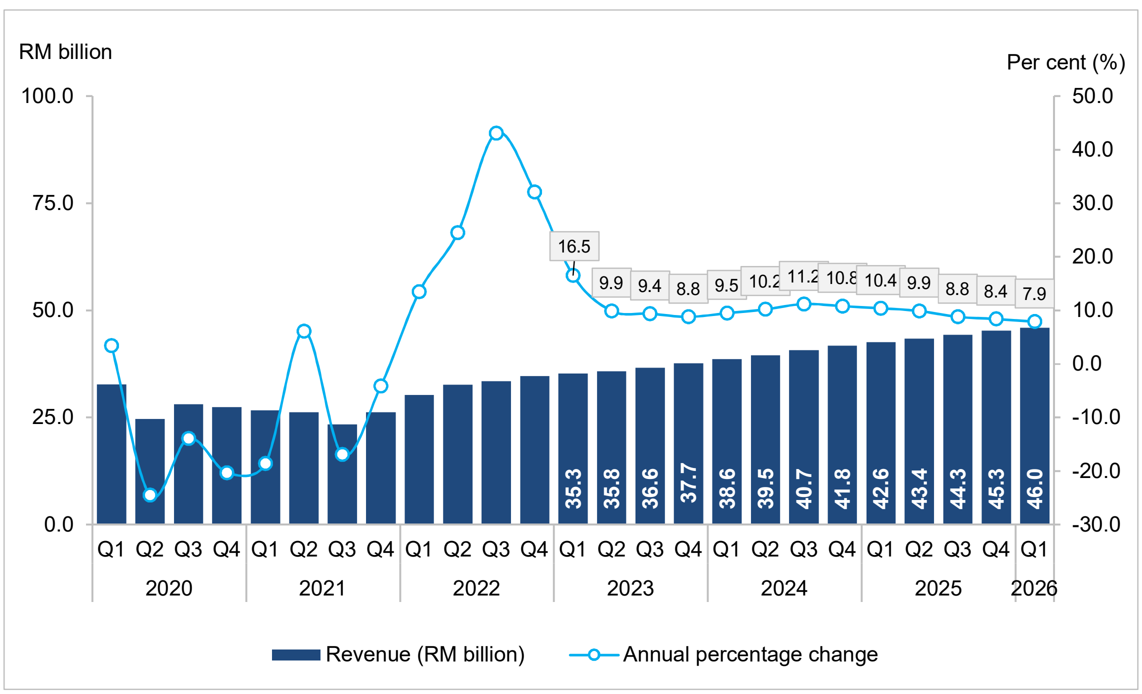
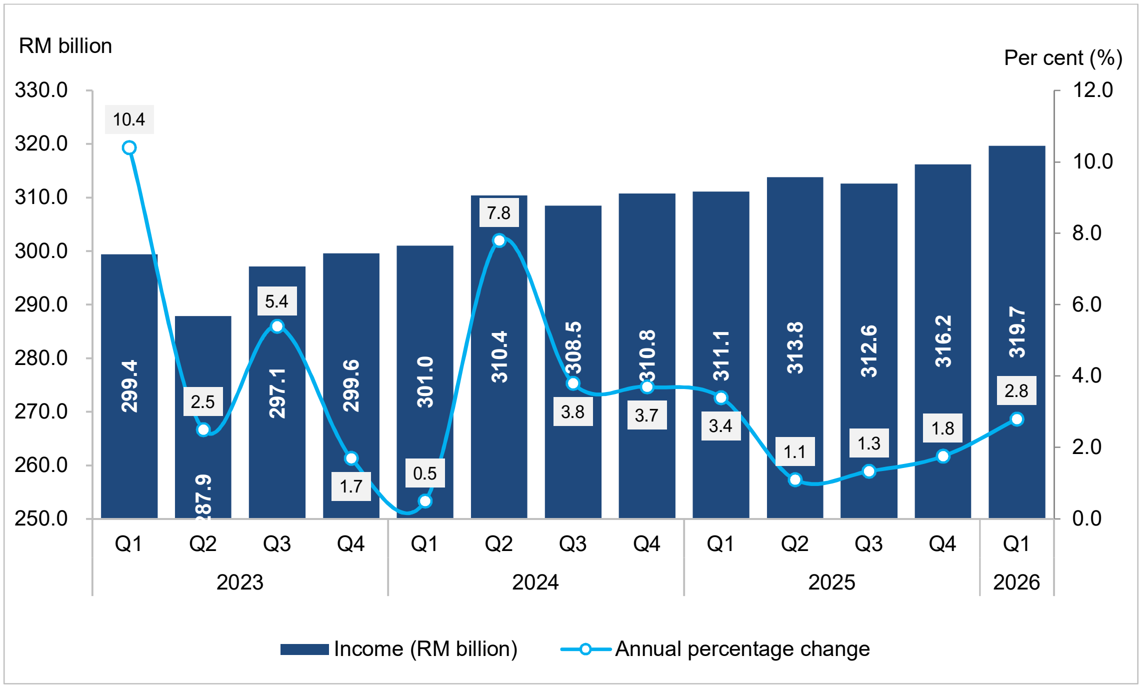


Chart 6: e-Commerce Income, Q1 2023 to Q1 2026



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THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA
11 MAY 2026