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Deficit in services trade narrows to RM56.4b last year

STATISTICS DEPARTMENT DATA

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KUALA LUMPUR: The deficit in services trade narrowed to RM56.4 billion last year, supported by the resilience of travel services, said the Statistics Department.

"However, it was still higher than the pre-Covid-19 pandemic level of RM10.9 billion in 2019.

"Exports of services grew faster than imports to RM140.3 billion last year from RM88.1 billion in 2021," it said in its "Statistics of International Trade in Services 2022" report yesterday.

Imports of services rose to RM196.7 billion last year from RM153.7 billion in 2021.

Malaysia's total trade in services totalled RM336.9 billion last year, contributing 18.8 per cent to the national gross domestic product at current prices, it added.

Travel, which served as the cornerstone of Malaysia's exports in the services sector before the pandemic, rebounded to RM28.4 billion last year from RM0.3 billion in 2021.

Similarly, imports of travel also showed an upward trend, reaching RM29.5 billion last year from RM15.2 billion in 2021.

However, despite the positive growth, the values of exports and imports remained considerably lower than the 2019 pre-pandemic peak of RM82.1 billion and RM51.3 billion, respectively.

"As the growth of exports was faster than imports, travel recorded a lower deficit of RM1.2 billion from RM14.9 billion in

2021," it added.

Furthermore, the department said the manufacturing services on physical inputs owned by others also contributed to the narrowing deficit in Malaysia's service trade.

It added that this component achieved a surplus of RM16.3 billion, marking the highest surplus in 10 years.

Exports of this component were valued at RM20.1 billion while imports stood at RM3.9 billion.

The United States, Singapore and Hong Kong were the top three export destinations for Malaysia's services trade last year.

Exports to the US was worth RM36.7 billion, while it was RM34.6 billion for Singapore and RM8.1 billion for Hong Kong.

As for imports, the top three destinations were the US with RM56.6 billion, Singapore (RM26.9 billion) and China (RM16.6 billion).