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## **MEDIA STATEMENT**



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### **MALAYSIA'S BALANCE OF PAYMENTS STATISTICS SECOND QUARTER OF 2024**

***Malaysia's Current Account Balance recorded a surplus of RM3.0 billion in Q2 2024, driven by goods and improving services accounts***

***PUTRAJAYA, 16 AUGUST 2024 – Malaysia's Current Account Balance (CAB) in the second quarter of 2024 recorded a surplus of RM3.0 billion and made up RM19.2 billion in the first half of 2024. Meanwhile, the Financial account turned around to a net inflow of RM17.1 billion, mainly driven by a higher inflow in Other investment. The Department of Statistics, Malaysia (DOSM) reported today in its Balance of Payments and International Investment Position Statistics for the Second Quarter of 2024 which summarises transactions between Malaysia and the rest of the world.***

*Dato' Sri Dr. Mohd Uzir Mahidin, the Chief Statistician Malaysia noted that the country's continuous surplus in the CAB was largely driven by net exports of goods. Goods account recorded a net export of RM24.6 billion in Q2 2024 compared to RM32.0 billion in the previous quarter. Exports of goods increased by 2.2 per cent quarter-on-quarter to record RM278.1 billion, with the main exports were Electrical & electronics (E&E), Petroleum products and Palm oil and palm oil-based products. These goods were in high demand, particularly from major markets like Singapore, China, and the United States of America (USA). On the imports side, Malaysia recorded a 5.5 per cent rise from the previous quarter, amounting to RM253.5 billion. This increase was mainly due to higher imports of Intermediate, especially in industrial supplies and*

parts & accessories, as well as Consumption goods. The imports were mostly from China, Singapore, and the USA.

Concurrently, the **Services account** signalled a favourable performance this quarter with a lower deficit of RM4.9 billion compared to RM7.3 billion in the previous quarter. This improvement was fuelled by a higher surplus in Travel with increased foreign tourist spending in Malaysia, coupled with lower expenditures by Malaysians abroad. Furthermore, a higher surplus in Manufacturing services, and a smaller deficit in Telecommunications, computer and information also supported the overall performance. Exports of Services increased by 5.5 per cent quarter-on-quarter to record RM58.8 billion, mostly contributed by higher receipts in Travel, Manufacturing services mainly in Electrical & electronics, and Transport particularly for air passenger. Similarly, Services import edged up 1.1 per cent to RM63.7 billion in the second quarter of 2024, led by higher payments in Construction followed by Charges for the use of intellectual property and Transport.

On the incomes front, the **Primary Income account** recorded a higher deficit of RM15.5 billion as compared to RM8.8 billion in the previous quarter. This increase was mainly owing to higher earnings by foreign companies in Malaysia with RM35.3 billion, primarily through dividends paid to parent companies. Conversely, Malaysian companies abroad generated a lower income of RM22.2 billion in this quarter due to reduced reinvested earnings as more dividend were repatriated. Meanwhile, the **Secondary Income account** registered a deficit of RM1.1 billion in this quarter, against a surplus of RM0.3 billion in the preceding quarter as lower settlement received from abroad.

Dato' Sri Dr. Mohd Uzir Mahidin also highlighted a notable shift in Malaysia's financial landscape in the second quarter of 2024. The **Financial account** recorded a net inflow of RM17.1 billion, a turnaround from a net outflow of RM18.7 billion in the previous quarter. The inflows were mainly propelled by higher inflows of RM35.6 billion in Other investments, resulting from interbank borrowings with financial institutional abroad. Additionally, the Direct investment switched to register a net inflow of RM3.8 billion in this quarter. In the first half of 2024, the Financial account posted a net outflow of RM1.6 billion.

**Foreign Direct Investment (FDI)** registered a net inflow of RM9.1 billion in the second quarter of 2024, an increase from RM5.5 billion in the previous quarter, principally inflows in Debt instruments. Most of the FDI flowed into the Manufacturing sector followed by Services,

predominantly in Information & communication and Wholesale & retail trade activities. The major FDI sources were Japan, Singapore and Hong Kong. Concurrently, **Direct Investment Abroad (DIA)** recorded a net outflow of RM5.3 billion compared to RM11.5 billion in the previous quarter, mainly in Equity & investment fund shares and Debt instruments. The largest outflows were from the Services sector, particularly in Financial activities and Electricity sub-sector, followed by the Mining & quarrying and Construction. Notably, DIA flows were primarily directed towards Canada, the Cayman Islands, and the USA.

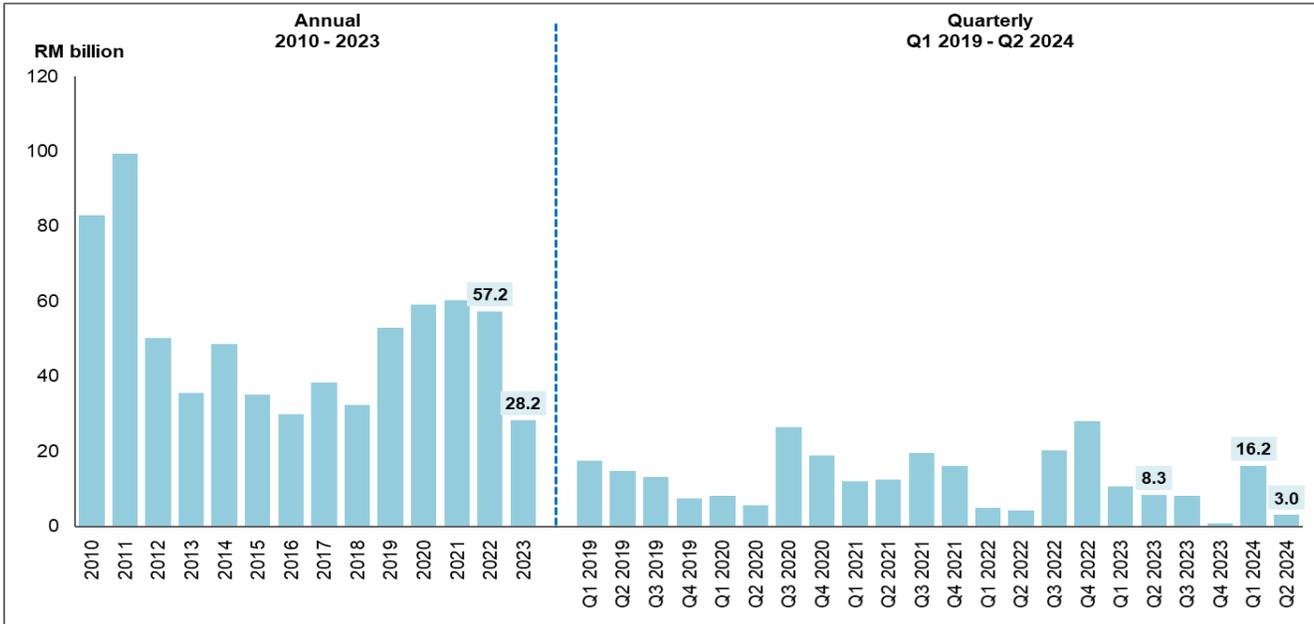
At the end of second quarter 2024, **Malaysia's International Investment Position (IIP)** posted a lower net asset of RM81.0 billion. The total financial assets position valued at RM2.50 trillion, while total liabilities was RM2.42 trillion. The cumulative investments for **FDI** and **DIA** were RM954.2 billion and RM671.8 billion, respectively. Asia was the top region for both investments, with FDI largely from Singapore and Hong Kong while DIA significantly invested in Singapore and Indonesia. In addition, **Malaysia's International Reserves** stood at RM537.2 billion at the end of this 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>.

DOSM is conducting the Agriculture Census 2024. Please visit <https://www.myagricensus.gov.my/> for more information. The theme is “Agriculture Census, Key to Agricultural Development.”

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

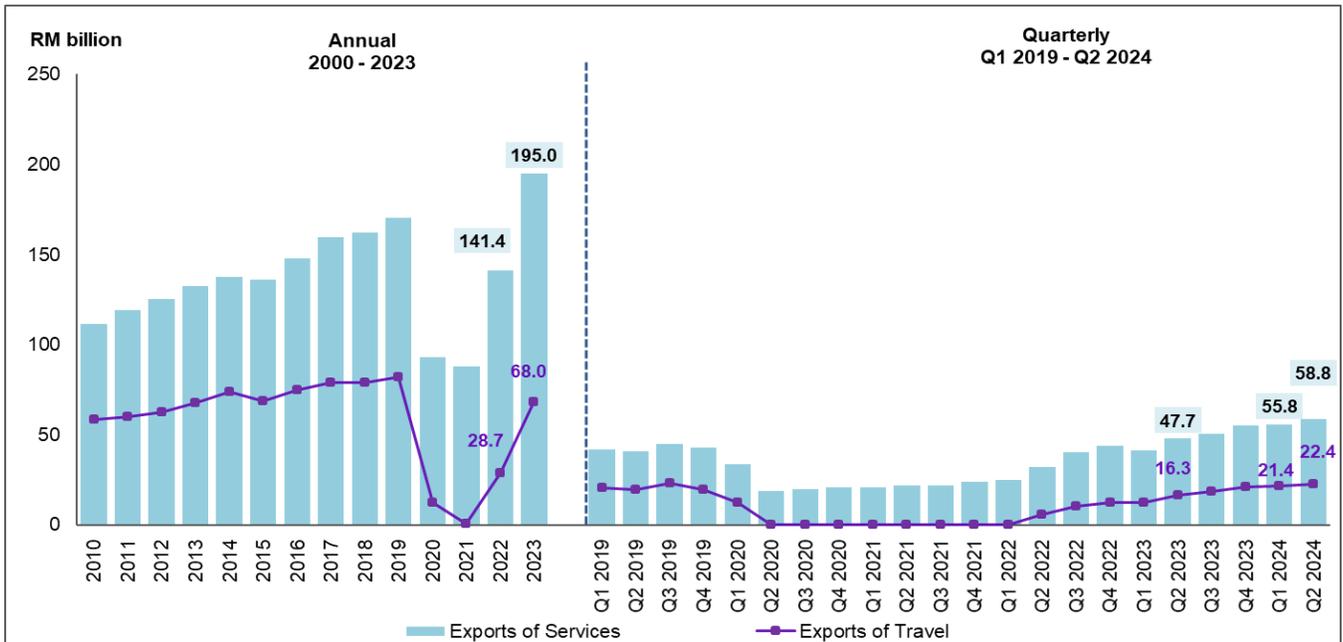
**Chart 1: Current Account Balance (CAB), 2010-2023 and Q1 2019 – Q2 2024**



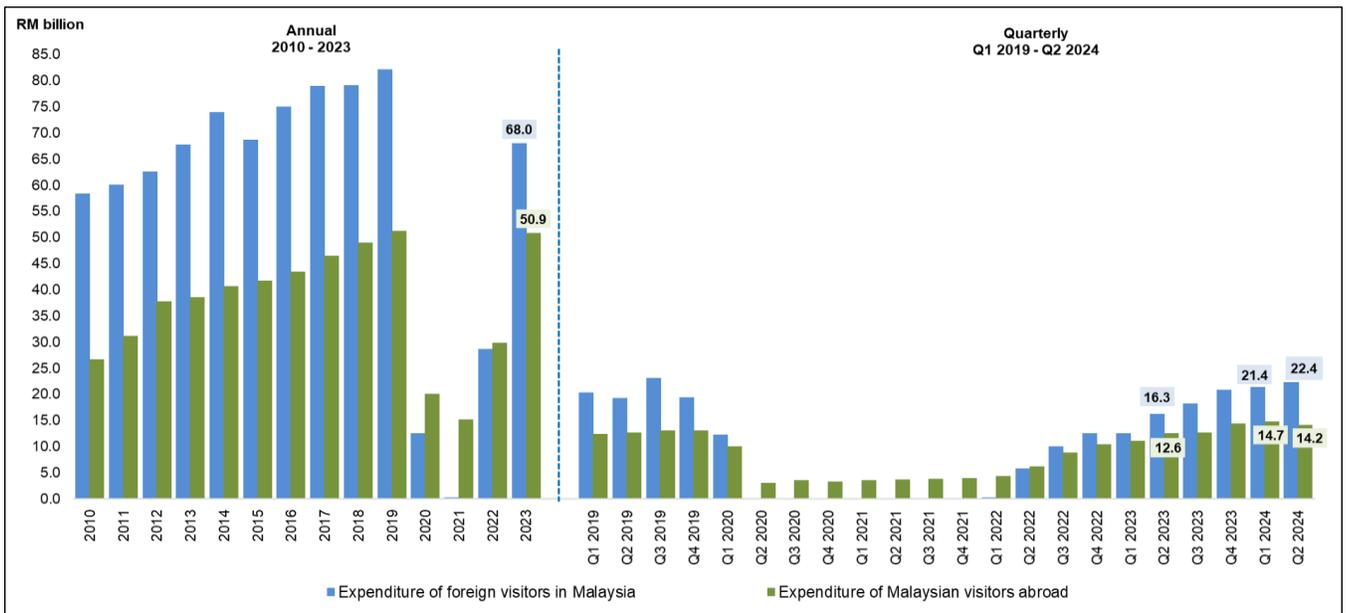
**Chart 2: Percentage CAB to GDP, 2010-2023 and Q1 2019 – Q2 2024**



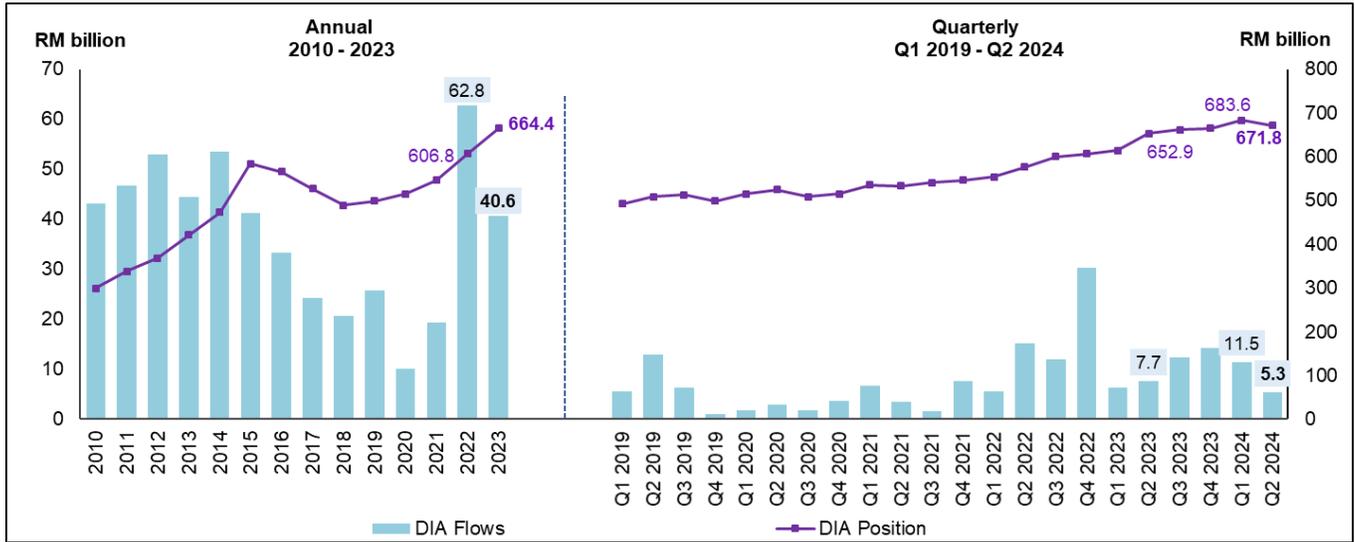
**Chart 3: Exports of Services, 2010-2023 and Q1 2019 – Q2 2024**



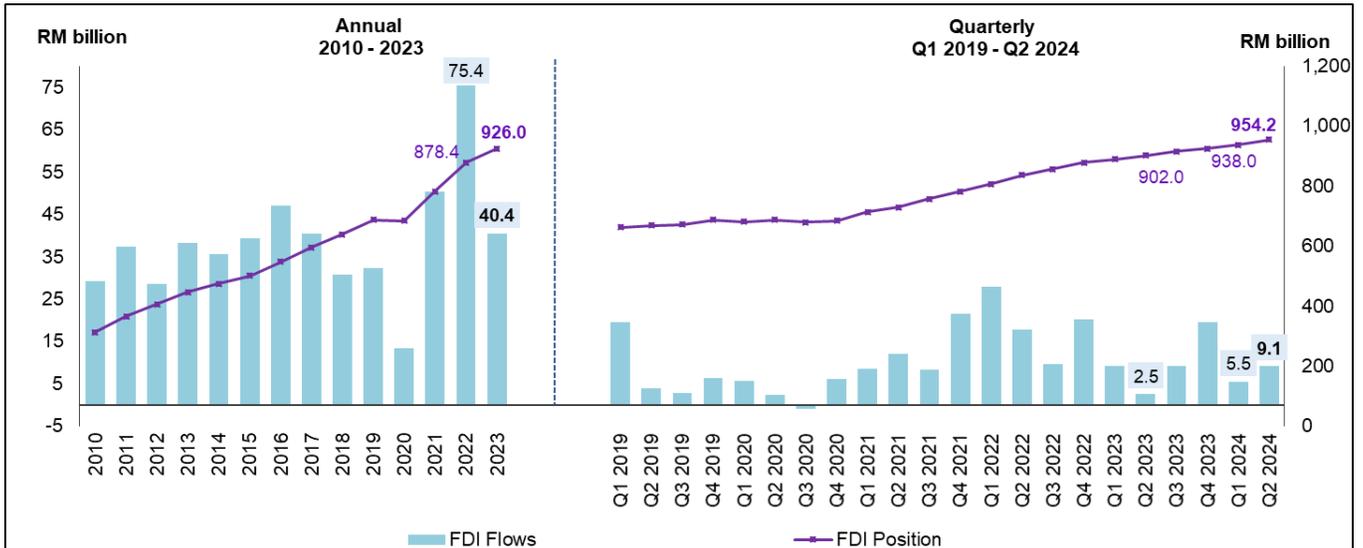
**Chart 4: Expenditure of Foreign Visitors in Malaysia and Malaysian Visitors Abroad, 2010 - 2023 and Q1 2019 – Q2 2024**



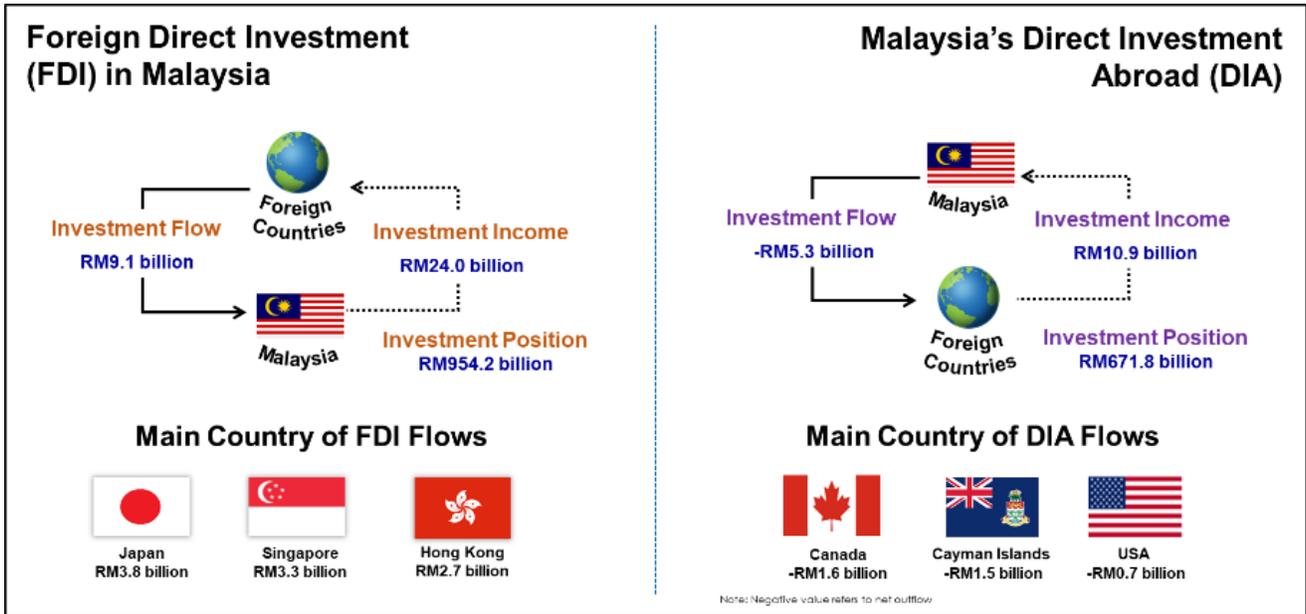
**Chart 5: Direct Investment Abroad (DIA) Flows and Position, 2010 – 2023 and Q1 2019 – Q2 2024**



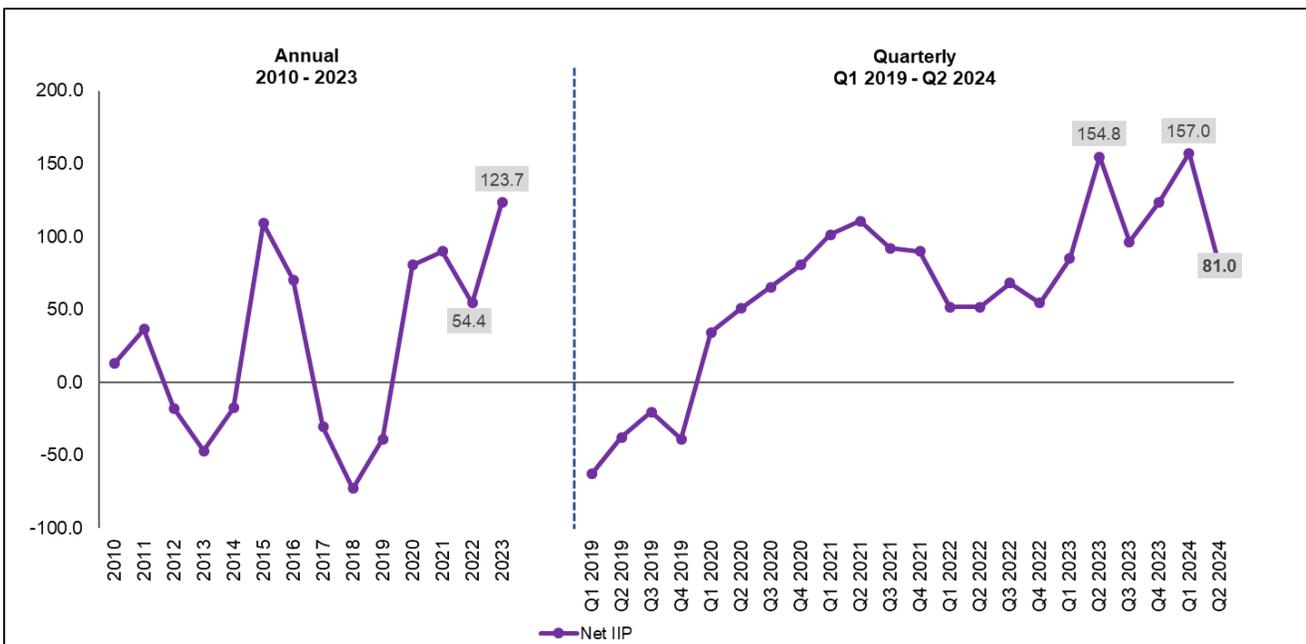
**Chart 6: Foreign Direct Investment (FDI) in Malaysia Flows and Position, 2010 – 2023 and Q1 2019 – Q2 2024**



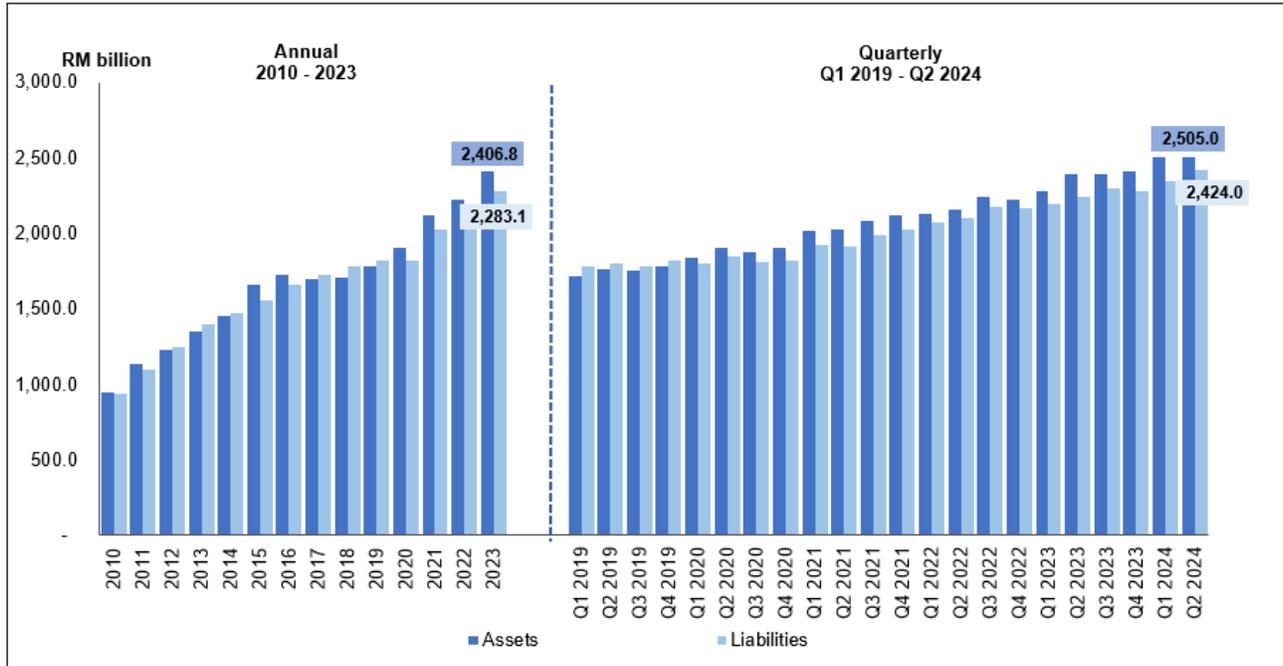
**Exhibit 1: Direct Investment, Q2 2024**



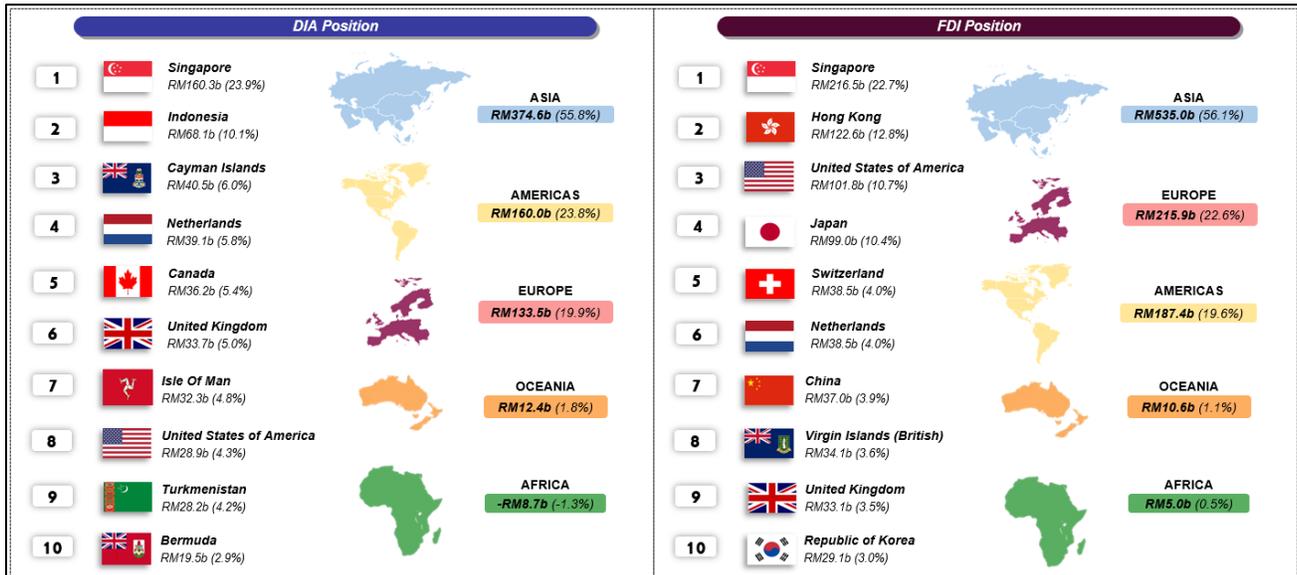
**Chart 7: International Investment Position (Net), 2010 – 2023 and Q1 2019 – Q2 2024**



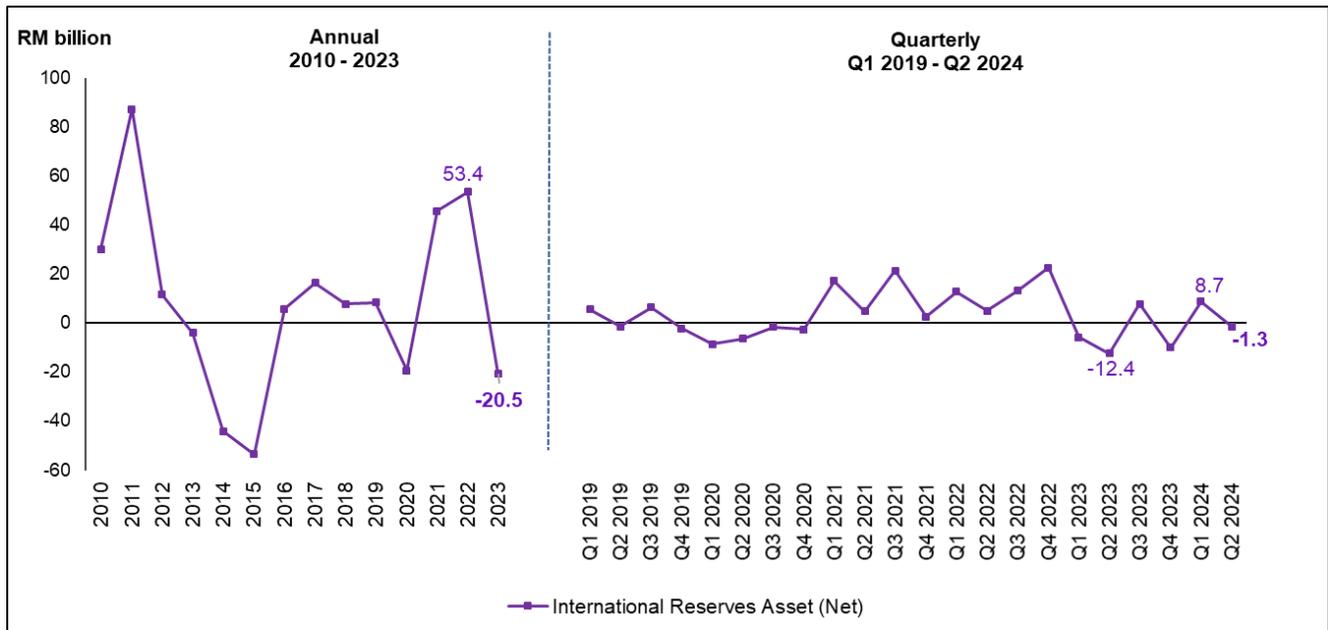
**Chart 8: International Investment Position (Total Assets and Total Liabilities), 2010 – 2023 and Q1 2019 – Q2 2024**



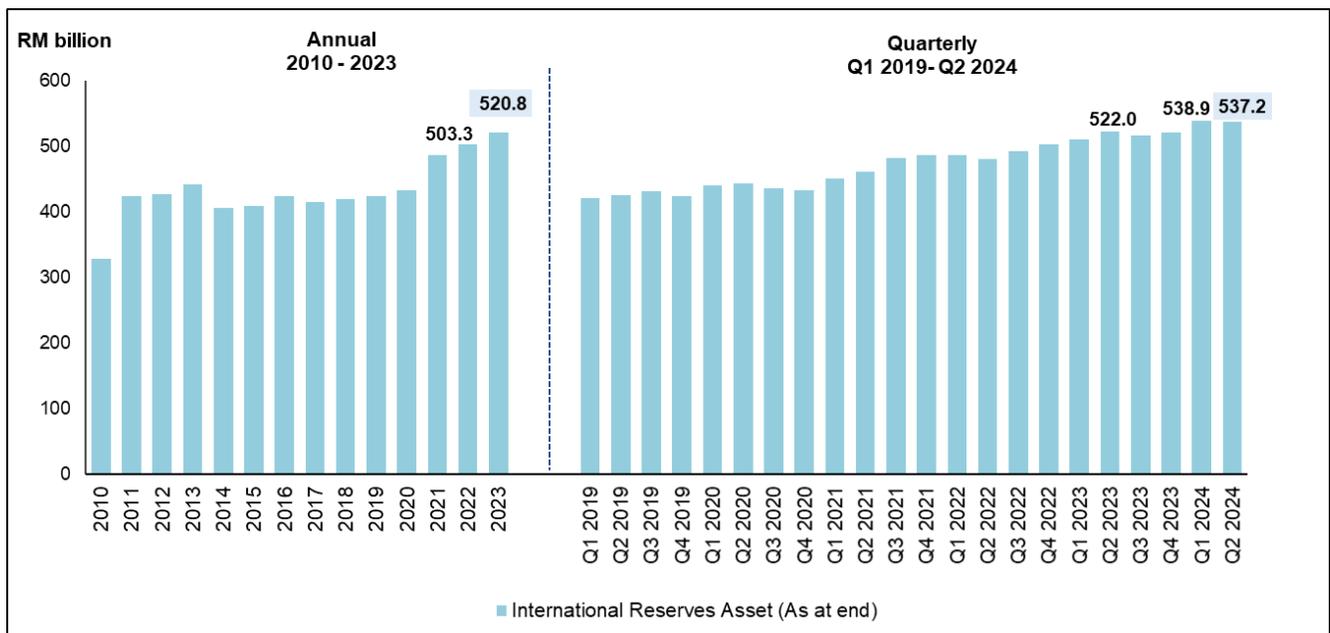
**Exhibit 2: FDI and DIA Position by Regions and Main Countries, as at the end Q2 2024**



**Chart 9: International Reserve Assets (Net), 2010 – 2023 and Q1 2019 – Q2 2024**



**Chart 10: International Reserve Assets (as at end), 2010 – 2023 and Q1 2019 – Q2 2024**



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