

**INPUTS FOR THE LAUNCHING OF i-SERVICES PORTAL
IN CONJUNCTION WITH THE
NATIONAL INVESTMENT SEMINAR 2018
30 OCTOBER 2018, INTERCONTINENTAL HOTEL, KUALA LUMPUR**

A) SERVICES TRADE DEFICIT

- Malaysia has been recording a deficit⁽¹⁾ in services trade current account for the majority of the last few years. In 2017, it currently stands at RM22.8 billion.

Year	Export of Services (RM Billion)	Import of Services (RM Billion)	Balance of International Trade in Services (RM Billion)
2010	111.5	104.9	6.6
2011	118.9	117.4	1.5
2012	125.3	133.9	(8.6)
2013	132.7	142.3	(9.6)
2014	137.6	148.3	(10.7)
2015	136.1	156.7	(20.6)
2016	147.6	166.5	(18.9)
2017	159.2	182.0	(22.8)

Source: Department of Statistics Malaysia (DOSM)

- Malaysia's major sources of services exports were travel especially on higher inbound tourist and other business services such as professional & management consultancy services, as well as telecommunications, computer and information services. Whereas, services imports were mainly derived from higher payments for travel, transport and construction.
- Although exports of services have been in the increasing momentum since 2010 (increased RM47.7 billion within the last 7 years), corresponding imports have accelerated at an even faster pace with a value of RM77.1 billion, resulting to the widening of deficit in services trade current account.

➤ 1: A trade deficit is an economic measure of international trade in which a country's imports exceeds its exports. A trade deficit represents an outflow of domestic currency to foreign markets.

- The Malaysian Institute of Economic Research (MIER) in its Malaysian Economic Outlook 2018 expected that the trend will continue to persist this year, owing to high dependency on foreign services, particularly for freights and hauling.

B) i-SERVICES PORTAL – MIDA’s LATEST INITIATIVE TO ADDRESS SERVICES TRADE DEFICIT

- Taking cognizance of the upward trend of deficit in services trade current account, MIDA as the principal investment promotion agency of the country has undertaken several initiatives to address this issue.
- These initiatives aim to leverage on the abundance of our local services providers that made up 89% of business establishments in Malaysia, with majority of them in the SME category.
- One of the initiatives undertaken by MIDA is development of the i-Services Portal, a single market place to link investors/ companies interested to source for domestic services with our local services providers.
- Key features of the i-Services Portal:
 - Objectives:
 - ✓ Assist investors who are looking for local services providers;
 - ✓ Promote and encourage the utilisation of local services providers for projects approved by MIDA; and
 - ✓ Facilitate linkages programmes by MIDA or other agencies.
 - Portal is reachable via <http://iservices.mida.gov.my>
 - It can be accessed by both:
 - ✓ Registered services providers: an avenue to showcase their companies’ profile and business offerings to potential clients
 - ✓ Registered users/ potential clients: a focal point to obtain database on local suppliers based on category of services.

- Types of services available in the i-Services portal are as follows:
 - ✓ Accounting Services
 - ✓ Architectural Services
 - ✓ Banking Services
 - ✓ Construction and Related Services
 - ✓ Distribution and Logistics Services
 - ✓ Engineering Services
 - ✓ Education Services
 - ✓ Environmental Protection Services
 - ✓ Information & Communication Technology
 - ✓ Insurance Services
 - ✓ Legal Services
 - ✓ Oil & Gas Services
 - ✓ Other Professional & Technical Services
 - ✓ Real Estate
 - ✓ Other Services
- MIDA would like to encourage more local services providers to register themselves in the portal to get connected with potential clients. The portal can act as an effective medium for the local services providers to expand their markets and further boost their business activities in today's globalised and rapidly changing business environment.
- Additionally, other domestic and international companies are also urged to use this portal as a gateway to source local services – more often than not, leads to a cost-efficient way of doing business.
- The launching of i-Services portal certainly underscores MIDA's continued efforts to reinforce the services sector as the main engine of growth for the nation and the government's unwavering commitment to reduce the services trade deficit in the country.