Drivers of Malaysia's Current Account of the Balance of Payments in the Post-COVID-19 Period

Introduction

Malaysia's current account balance has been resilient over the past two decades. It has consistently been in a surplus as goods exports exceeds imports, offsetting services and income deficits. The surplus, however, has gradually narrowed over the last decade due to cyclical and structural factors. While Malaysia is expected to continue registering a current account surplus, uncertainties in global trade prospects could pose risks to this outlook. Short- and medium-term policies to strengthen goods and services exports competitiveness are therefore crucial to sustain the current account resilience. This article examines the key drivers of Malaysia's current account balance and explores future opportunities and challenges amid the evolving global and domestic economic landscape.

Current Account of the Balance of Payments

The current account of the balance of payments[1] captures the flows of goods, services and income between Malaysian residents and the rest of the world. Three components make up the current account (Table A).

Table A: Components of the Current Account

	Current Account
Trade balance	The value of goods and services Malaysian residents export less imports
Primary income balance	Employee compensation and investment income Malaysian residents receive from the rest of the world, less the payment they made
Secondary income balance	Transfers between Malaysian residents and the rest of the world (e.g. remittances, aid), and income Malaysian Government and residents receive from the rest of the world (e.g. taxes and refunds) less the payments they made

Source: Department of Statistics, Malaysia and International Monetary Fund

A current account surplus occurs when a country exports more goods and services than it imports and when it earns more income (and transfers) than it pays out. This net surplus can then be used to meet the country's international financial obligations, build international reserves and invest in foreign assets to generate returns. And, as the country receives more foreign exchange inflows than outflows, this can ensure a sustained demand for the country's currency.

The current account balance also reflects the level of savings and investments within the domestic economy.[2] A current account surplus occurs when a country saves more than it invests, allowing it to lend the surplus savings abroad and becomes a net lender to the world. Conversely, a current account deficit occurs when a country invests more than it saves, requiring it to borrow foreign funds and become a net borrower from the rest of the world.

[1] The balance of payments (BOP) is a record of transaction between residents of a country and the rest of the world. While the current account captures net monetary flows from international trade activities, the financial and capital accounts capture the net changes in assets and liabilities.
[2] See box on Malaysia's Savings and Investment (S–I) Gap in this article.

The sustainability of a current account balance depends on its drivers. Surpluses help countries build buffers to withstand economic shocks. However, an excessively large surplus may signal inefficient resource allocation that could otherwise be used for investments to enhance domestic growth. Conversely, deficits may reflect periods of high spending or domestic capacity expansion. If these deficits are small, driven mainly by productive investments and financed by stable sources such as foreign direct investment, the deficit may not necessarily indicate an unsustainable macro-financial development. Furthermore, these investments would contribute to higher productivity and generate future income, thus supporting the current account balance in the longer run. However, if the deficit is large and persistent, it could reflect risks of macro-financial imbalances. Such imbalances could stem from rapid credit growth to support over-consumption, significant increase of asset prices and the excessive external borrowing of short-term debts.

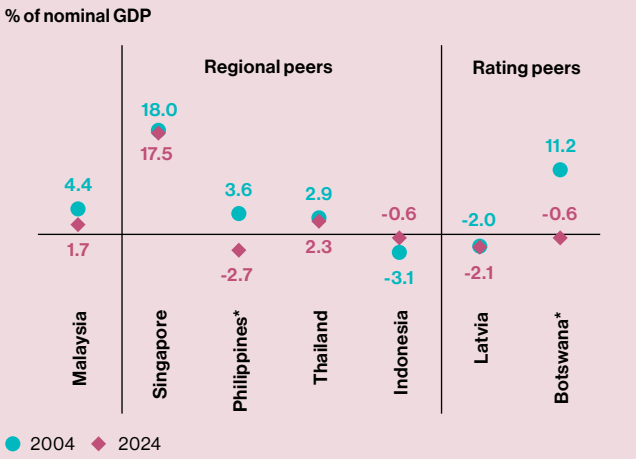
Two decades of current account strength

Malaysia has consistently maintained a current account surplus over the last two decades. This surplus was primarily supported by continuous net exports of goods, which has offset deficits in the services and income accounts (Chart 1). This consistent surplus distinguishes Malaysia from its regional peers and countries with similar credit ratings,[3] many of which have experienced intermittent or even prolonged current account deficits during the same period (Chart 2).

Chart 1: Malaysia's Current Account Balance by Components

Source: Department of Statistics Malaysia

Chart 2: Current Account Balance by Countries



* Based on 2023 annual data.

Source: Department of Statistics, Malaysia, CEIC and Bank Negara Malaysia estimates

The strength of Malaysia's current account is attributed to several factors:

i. Robust E&E trade surplus and emerging strength of selected non-E&E sectors

Malaysia's continued trade surplus has been driven mainly by the strength of its manufacturing sector. This reflected Malaysia's transformative journey through the dynamism of its private sector and the execution of its industrial plans since the late 1990s (Diagram 1). These industrial policies have strengthened Malaysia's position in global value chains by fostering the development of high value-added activities and enhancing the competitiveness of key industries. The rising competitive edge, particularly in the electrical and electronic (E&E) sector, has contributed significantly to Malaysia's exports, and in turn, the trade and goods surplus (Chart 3).

[3] Rating peers include Botswana and Latvia. These countries have similar S&P, Fitch or Moody's credit rating with Malaysia.

Over time, Malaysia also bolstered its capabilities to export selected non-E&E manufactured products, becoming a net exporter of commodity-based products such as palm oil and rubber products, chemical products as well as optical and scientific equipment. Malaysia also diversified its exports to produce high-value manufactured goods such as machinery, some of which benefitted from the strength of the E&E sector (e.g. machines for semiconductor production). However, machinery and transport imports were higher than exports, leading to a trade deficit for the non-E&E sector. This net import position reflects Malaysia's needs for high-tech and advanced equipment as it continues to develop its industrial capabilities amid limited domestic supplies for some of these goods.

Diagram 1: Various Malaysia Plans to Boost Export and Trade Surplus

Industrial Master Plan II (1996 – 2005)
- Focused on building up manufacturing, especially in electronics.

Industrial Master Plan III (2005 – 2020)
- Fostered innovation and competitiveness in the manufacturing sector.
- Encouraged development of high value-added industries.

9th Malaysia Plan (2006 – 2010)
- Focused on enhancing human capital to support export-oriented industries.

10th Malaysia Plan (2011 – 2015)
- Encouraged innovation and creativity, fostering the development of new industries such as green technology, biotechnology and advanced manufacturing.

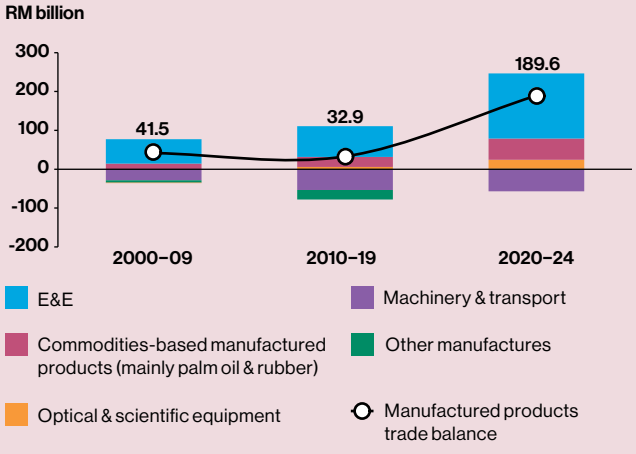
11th Malaysia Plan (2016 – 2020)
- Drive productivity and innovation to maintain export competitiveness.
- Promoting high-tech industries and encouraging research and development.

12th Malaysia Plan (2021–25) (2021 – present)
- Accelerate development of strategic & high-impact industries (e.g. E&E, aerospace, global services, tourism).
- Enhance market efficiency, empower competition and strengthen trade facilitation.

New Industrial Master Plan 2023
- Advance economic complexity
- Tech-up for a digitally vibrant nation
- Push for Net Zero
- Safeguard economic security and inclusivity

Source: Various Malaysia Plans

Chart 3: Manufactured Products Trade Balance by Components

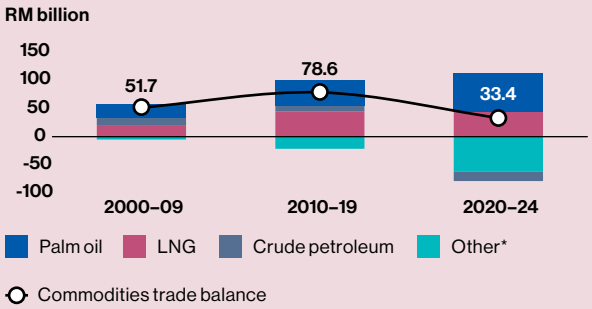


Source: Department of Statistics, Malaysia, Global Trade Atlas, CEIC, and Bank Negara Malaysia estimates

ii. Continued importance of commodity trade surplus

While Malaysia has transitioned away from relying on commodities as primary sources of exports, it remains a significant player in the commodities market. Malaysia is one of the major producers of crude palm oil in the world. Exports of this commodity has benefitted from higher global demand as palm oil is widely used in consumer food products and as a biofuel. Meanwhile, the share of liquified natural gas (LNG) in Malaysia's energy exports has increased relative to crude petroleum. This was underpinned by the growing contribution of LNG in the global energy mix, driven by higher demand to reduce carbon emissions. The exports of palm oil and LNG was higher than imports for domestic production and use, leading to a continued trade surplus of these commodities (Chart 4).

Chart 4: Commodities Trade Balance by Components



* Mainly other agriculture (e.g. food items) and other mining (e.g. coal).

Source: Department of Statistics, Malaysia, Global Trade Atlas and Bank Negara Malaysia estimates

On the other hand, Malaysia's crude petroleum exports has steadily declined amid maturing oil fields and increasingly displaced by higher exports of petroleum-based manufactured products (e.g. refined petroleum).[4] This was supported by robust downstream petroleum refining infrastructure, including the Pengerang Integrated Complex (PIC).[5] In addition, the expansion in domestic industrial activities alongside rising fuel consumption led to higher demand for petroleum domestically.[6] These, in turn, led to higher reliance on petroleum imports. As a result, Malaysia imported more crude petroleum to support these refining and domestic activities, contributing to the deficit position in petroleum trade.

Meanwhile, the trade deficit of other commodity-related primary goods, particularly food items has widened.[7] This trend was partly attributable to slower growth of agriculture and food production in tandem with the lower land availability for farming. This was also driven by the increasing demand for land space for residential, manufacturing, retail and other economic developments.

iii. Diversity in exports market

Malaysia's export market has become increasingly diverse over the decades. Between 1999 and 2024, average annual growth rate of exports to East Asia, Middle East and Latin America was 8.2%, 7.9% and 9.1%[8] respectively. In comparison, growth of exports to other countries in the same period was more modest at 6.7%. The increase in exports to these three regions reflected their growing prominence in global trade and stronger trade ties with Malaysia. The diversification helped in part to maintain the current account surplus as Malaysia was able to weather external volatility from country- or region-specific shocks. For example, the economic slowdown of advanced economies during the global financial crisis of 2008–09 weighed on Malaysia's exports to the North America and Europe regions. However, this slack was partly

4 Crude petroleum exports share has declined from an average of 4.7% of total exports in 2000s to 1.8% in 2020s. In the same period, exports share of petroleum-based products has increased from an average of 3.1% to 8.6% during the same period.
5 Malaysia operates several major refining facilities with a combined capacity close to 1 million barrels per day, positioning it as a key regional player in the refined petroleum products landscape.
6 Between 2014–19 and 2022–24, the annual growth of fuel sales increased from an average of 10.6% to 17.3%. This, in part, contributed to rising expenditures on fuel subsidies (average 2022–24: RM38.2 billion; average 2015–19: RM4.4 billion).
7 On average, Malaysia recorded food net imports of RM29.9 billion in 2020–24 (average 2010s: RM16.5 billion; average 2000s: RM7.2 billion).
8 Robust growth to Middle East and Latin America was partly due to low base (<RM6 billion in 1999).

offset by higher exports to the East Asian countries, particularly China. In 2024, subdued domestic demand in China led to slower exports from Malaysia to East Asia but this was then offset by stronger exports to North America and regional countries in Southeast Asia such as Singapore, Indonesia and the Philippines (Table 1).

Table 1: Malaysia's Exports to Selected Regions, Average Annual Growth (%)

	GFC 2008–09	COVID-19 in 2020	Post-COVID-19 in 2024
Total exports	**-3.5**	**-1.1**	**5.7**
North America	-19.1	13	24
European Union	-11.7	-3.9	2.6
Northeast Asia	3.3	4	2.7
Southeast Asia	-3.1	-4.7	4.2

Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

iv. Growing potential in key services activities to reduce the deficit

Over the past two decades, Malaysia's services trade balance has generally ran a deficit, primarily due to the net import of trade-related services such as transportation, intellectual property charges and business services.[9] As trade expands, payments for these services increased, reflecting the country's reliance on foreign service providers.

Nevertheless, the overall services deficit has been narrowing, supported by the improving net surplus of travel and manufacturing-related services. Between the 2000 and 2019, net travel surplus expanded from RM11.2 billion to RM30.8 billion.[10] This growth was driven by the expansion of inbound tourism amid higher travel connectivity and strategic promotions (e.g. Visit Malaysia Years). After the pandemic, visa exemptions for key emerging markets such as China and India also accelerated the tourism recovery.[11] In 2024, tourist arrivals reached 96% of its 2019 level, while travel receipt has exceeded 2019 level by 19%.

In addition, the net surplus of manufacturing-related services has increased from RM8.2 billion in 2010 to RM16.4 billion in 2024. This sector encompasses various activities that support and complement core manufacturing activities, including processing, assembly, labelling and packing of goods. The growth of this sector is closely related to Malaysia's strong manufacturing sector, notably in E&E.

v. Pick-up in income accrued to domestic investment abroad and transfers into Malaysia

The income account has remained persistently in deficit, primarily due to continued outflows from investment earnings accrued to foreign investors in Malaysia (in the primary income) and remittances by foreign workers (in the secondary income). However, this was partly offset by the increasing inflows from earnings gained by Malaysia's direct investments abroad (DIA) as well as remittances from Malaysians abroad. Between 2010 and 2024, outstanding DIA doubled from RM299 billion to RM618 billion as Malaysian firms expanded and diversified their investments and sources of income. Notable growth during this period was in finance and insurance services as Malaysian financial institutions expanded their business outreach to the region. Overall, these investments abroad then generated higher primary income accrued to Malaysia over the years, from RM18.8 billion in 2010 to RM39.7 billion in 2024. Additionally, transfers from Malaysian working abroad provided some support to the current account. Between 2010 and 2024, inflows in the secondary income account increased from RM1.9 billion to RM39.1 billion.[12]

[9] Business services refer to research & development (R&D), professional & management and technical services.
[10] Average for 1990s refers to 1990–99, while average for 2000s refers to 2000–19.
[11] In 2024, Chinese (Indian) tourists were 106% (154%) of its 2019 level.
[12] Specifically, remittances from Malaysians working abroad amounted to RM25.5 billion in 2024. This was lower than the remittances by foreign workers in Malaysia of RM32.6 billion in the same year.

Post-COVID-19 developments of the current account

Despite the continued surplus, the current account balance has gradually moderated, from its peak at 17.1% of GDP (RM131.4 billion) in 2008[13] to 3.5% in 2019 (RM52.9 billion). Post-COVID-19, the current account surplus moderated further to 1.7% of GDP (RM32.8 billion) in 2024. This moderation was underpinned by several external and domestic factors:

i. Narrower goods surplus as exports recovery was partly offset by faster imports growth

In 2020, both exports and imports contracted due to the COVID-19 pandemic. However, the current account remained in surplus as exports contracted less than imports. Post-COVID-19, exports rebounded in 2021–22, in tandem with the recovery in global growth. Moreover, E&E demand grew robustly due to the higher adoption of technology devices since the pandemic. Amid rising global demand, commodity prices also improved during this recovery phase, which supported Malaysia's commodities and commodities-related manufactured exports. These provided an additional lift to the country's exports growth. However, global technology trade went through a downcycle in 2023 and affected Malaysia's exports. This trend, however, rebounded again in 2024 and supported Malaysia's export recovery (Table 2).

Table 2: Merchandise Exports and its Major Drivers, Annual Growth (%)

	Malaysia's exports	Global GDP	Global semiconductor sales	Brent prices (USD per barrel)
2020	-1.1	-2.7	6.8	-33.9 (USD42)
2021–22	25.5	5.1	14.8	60.6 (USD85)
2023	-8	3.3	-8.2	-15.7 (USD82)
2024	5.7	3.2	19	-2.8 (USD80)

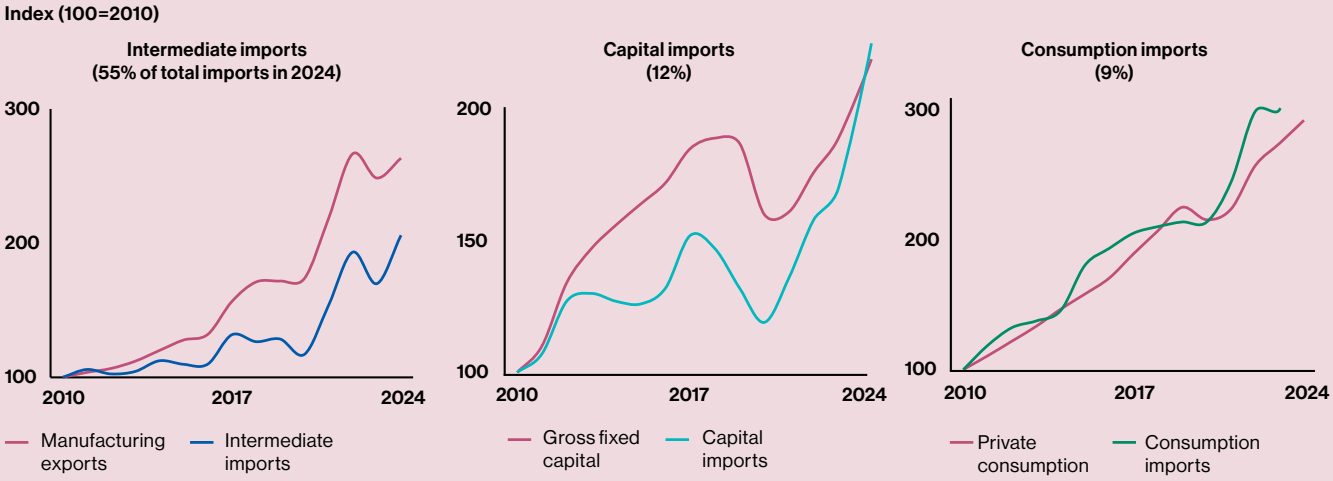
Source: Department of Statistics, Malaysia, International Monetary Fund, World Semiconductor Trade Statistics and Bank Negara Malaysia estimates

Malaysia's goods surplus was also influenced by the changing global trade environment and global value chain reconfiguration prior to and after the pandemic. Increased trade protectionism led to a slowdown in overall external demand between 2017 and 2019. However, Malaysia partly benefitted from the trade and investment diversions by multinational companies who have increased their production capacity in the country.[14]

Despite the recovery registered by exports, faster growth of imports has exerted some pressure on the current account surplus. The robust growth of imports was driven by three key factors. First, as part of the global supply chain, Malaysia imports intermediate goods as inputs for production and exports of manufactured goods. The import intensity edged higher to 58% in 2024 compared to its pre-pandemic level of 56% in 2019.[15] Second, the surge in global demand for E&E components, coupled with trade and investment diversions towards Malaysia, resulted in a sharp increase in capital imports. Between 2021 and 2024, as businesses scaled up their investments and operations in Malaysia, average annual growth of capital imports surged by 16.7%, significantly exceeding the historical average growth rate of 3.8% (average 2011–19). Third, rising households' income has led to higher spending and contributed to the increase in imported consumption goods (Chart 5).

[13] In 2008, Malaysia's current account was supported by a significantly larger trade surplus following the stronger growth in both commodities and resource-based manufacturing exports amidst higher commodity production and prices, notably for oil & gas and palm oil as well as their related products.
[14] Based on Nomura (2024). In 2023, exports to both the US and China were higher by 82% and 52% of their respective levels in 2017. Meanwhile, foreign direct investments from the US and China were higher by 191% and 96% in the same period, respectively.
[15] Import intensity is proxied by the share of intermediate imports to manufactured exports. Despite the pick-up after the pandemic, this intensity in 2024 is lower than long-term average of 66% (2010–19 average).

Chart 5: Malaysia's Imports



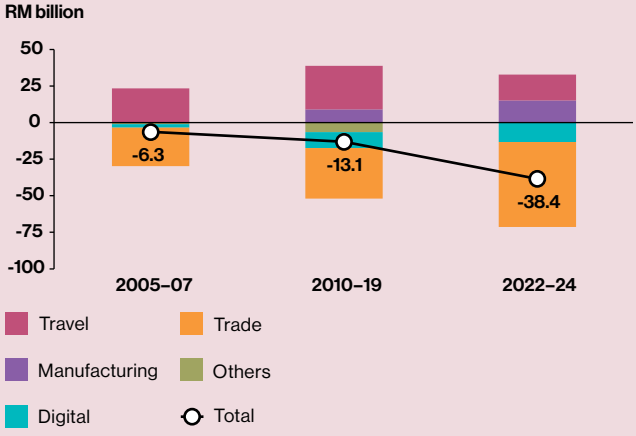
Source: Department of Statistics, Malaysia, Haver Analytics and Bank Negara Malaysia estimates

While the rising imports led to lower goods surplus, the bulk of these imports are mainly inputs for exports or for productive purposes. In particular, the higher capital imports comprise of complex, technological products such as computers, industrial motor vehicles and machinery. They are purchased for various services and E&E manufacturing investments, including semiconductor industry and data centres. Furthermore, these investments are expected to generate future export income, supporting the current account in the medium term.[16]

ii. Continued services deficits amid high participation in global value chains and digitalisation

The services deficit has widened further during post-COVID-19 periods. While the surplus of travel and manufacturing services increased gradually, they were insufficient to offset the larger deficits in other services components, particularly trade-related services (Chart 6). The higher trade-related services deficit was driven mainly by high imports of R&D by the E&E sector, followed by imports of freight transportation (Chart 7(a)). This reflects Malaysia's continued reliance on services imports, which are primarily sourced from countries with better capabilities and economies of scale, typically in more advanced economies. Meanwhile, domestic capacities to provide these services are still at the nascent stage of development. As the country's capacity and competitiveness grow, this would gradually reduce the economy's dependence on these imports.

Chart 6: Services Account Balance



Source: Department of Statistics, Malaysia, Haver Analytics and Bank Negara Malaysia estimates

[16] See box article on Deciphering Investment Cycles in Malaysia.

Another notable development during this period was the higher imports of digitally delivered services such as cloud computing and storage facility, video conference software and online games and entertainment.[17] Since the pandemic, imports of these services grew by 10.7% in 2022–24 (2010–19 : 7.5%) in tandem with more widespread use of internet and online interactions (Chart 7(b)). These services imports remained higher than exports and contributed to the widening of the net deficit of digital services in the current account.

Chart 7(a): Trade-related Services Imports and Goods Exports

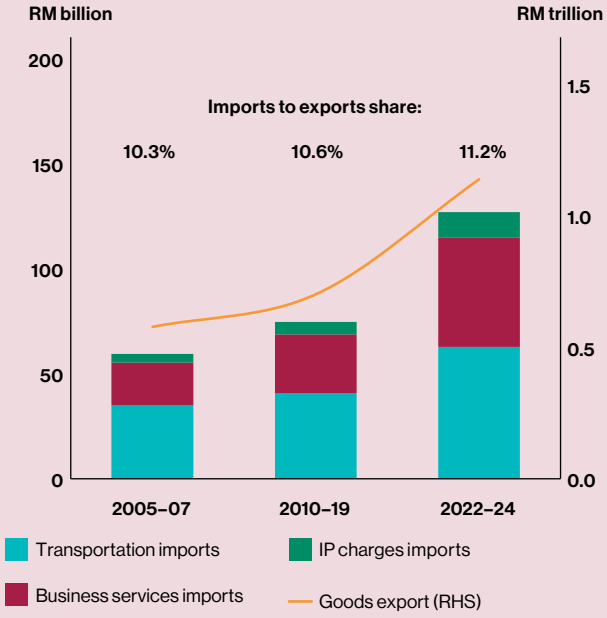
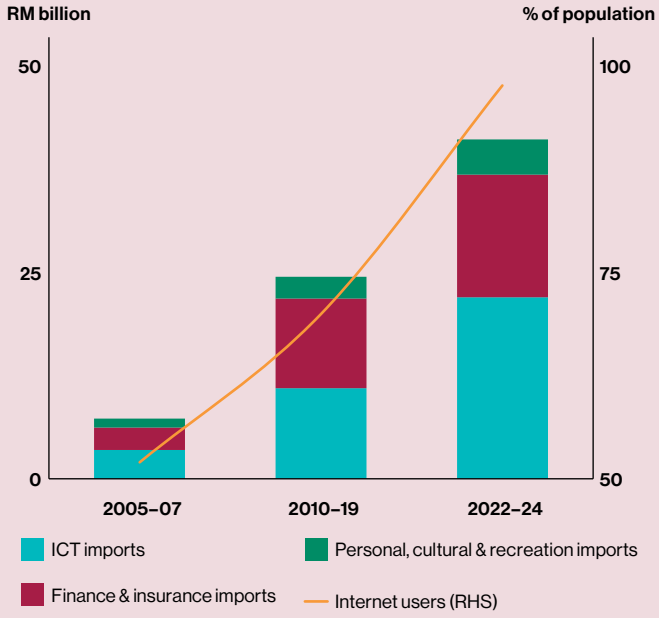


Chart 7(b): Digitally Delivered Services Imports and Internet Users



Source: Department of Statistics, Malaysia, Haver Analytics and Bank Negara Malaysia estimates

iii. Higher profits accrued to foreign investors & transfers by foreign workers in the income account

The deficit in the income account has also increased after the pandemic, driven mainly by the primary income account. While foreign direct investment (FDI) plays a critical role in Malaysia's economic expansion and advancement, they have also yielded considerable returns to the FDI investors. Profits accrued to these foreign firms, in turn, contributed to primary income outflows in the current account.[18] This offset the primary income inflows from Malaysia's DIA, leading to a higher net deficit in the primary income balance (Chart 8).

Chart 8: Income Account Balance

Source: Department of Statistics, Malaysia, Haver Analytics and Bank Negara Malaysia estimates

[17] Digitally delivered services refer to services which can be purchased and delivered digitally. It includes transactions related to technology, information and communications, finance, insurance as well as personal, recreational and cultural services.

[18] Between 2010–24, 66% of primary income debit or payments consist of income accrued due to direct investments, 18% due to portfolio investments and 4% due to other investments. Wages paid to non-resident workers is also part of the primary income debit, accounting for 12% of the total debit.

Larger net deficit in the primary income account is driven by outflows of direct investment income due to three primary factors. First, the total cumulative FDI stock in Malaysia is larger than that of Malaysia's DIA. This has led to higher levels of profits accrued to foreign investors in Malaysia (Chart 9(a)). Second, profits generated by FDI are also higher than DIA due to different sector concentrations (Chart 9(b)). Broadly, both FDI and DIA are mainly channelled to the services sector, but FDI is also concentrated in the manufacturing sector, which generated relatively higher returns.[19] Meanwhile, the relatively higher share of mining in DIA, which could be more exposed to the volatility in prices and productions, could result in a lower returns from DIA. Third, sizeable incentives for FDI, which lowered costs and improved the profit margins for these investments, could also help to boost the returns on FDI, leading to higher income outflows. Amid Malaysia's continued reliance on FDI to help support economic expansion, the large deficit in the primary income is expected to continue in the foreseeable future.

Chart 9(a): Stock and Income from Direct Investments

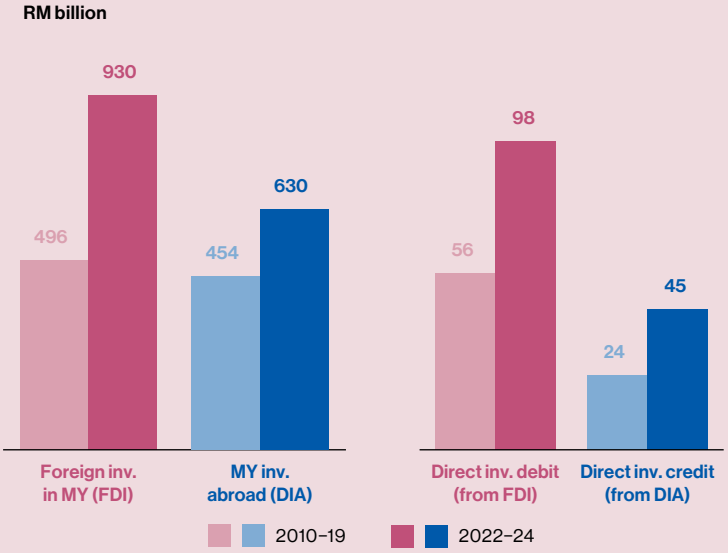
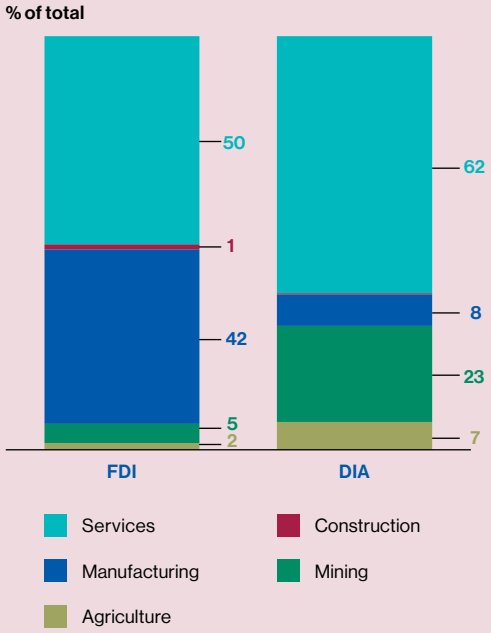


Chart 9(b): Direct Investments by Sector



Note: FDI refers to foreign direct investment in Malaysia, DIA refers to Malaysia's domestic investment abroad.

Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

Meanwhile, the secondary income account has improved significantly post-COVID-19 and recorded a sizeable decline in the deficit from RM21.4 billion in 2019 to RM8.9 billion in 2024. This improvement was driven mainly by a significant increase in inward transfers from Malaysians working abroad (2024: RM25.5 billion; 2019: RM8.9 billion). Nevertheless, the deficit in the secondary income account persisted amid continued remittances outflows from foreign workers. There were approximately 2.5 million active foreign workers employed in the country[20] who remitted RM32.6 billion back to their home countries in 2024 (2019: RM31.4 billion).

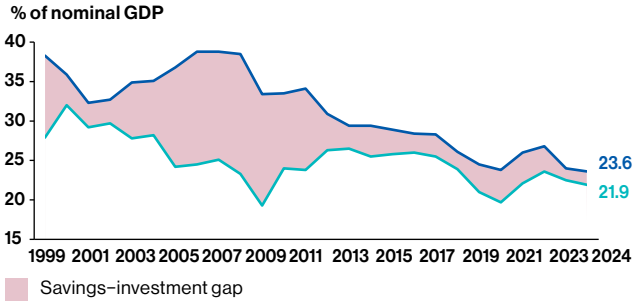
[19] Between 2011–24, the average return to FDI manufacturing investments is 14.4% (non-manufacturing: 10.3%), while DIA manufacturing investment is 8.8% (non-manufacturing: 6.2%). Returns are estimated as primary income payments (receipts) in the current year divided by FDI (DIA) stock in the previous year.

[20] Data as at end-August 2024. These workers are employed in both formal and informal sectors in the economy. Estimated figure in 2024 is also higher than 2019 (2.0 million). Source: Immigration Department under Ministry of Home Affairs

Malaysia's Savings and Investment (S–I) Gap

The current account surplus is also a reflection of the gap between savings and investments in Malaysia. After the Asian financial crisis, higher savings (as a share of nominal GDP) relative to investment have kept the surplus high (Chart A). However, after the 2008–09 global financial crisis, savings declined due to more modest business profits and continued household spending.[21] Investments also picked up in the early 2010s in tandem with the Economic Transformation Programme, the booming oil and gas industry, and significant growth in the property market.[22]

Chart A: Gross National Savings and Investment



Source: Department of Statistics, Malaysia, Haver Analytics, CEIC and Bank Negara Malaysia estimates

Post-COVID-19, savings level picked up notably in 2021–22 due to higher profits generated during the post-pandemic recovery before moderating again as earnings dipped during the global tech downcycle in 2023. Investments also moved in tandem with savings trend during this period. Going forward, further increase in investments might reduce the current account surplus in the short term. However, these investments should boost productivity and income, which will enhance savings and the current account surplus in the medium term. Continued fiscal consolidation would also further improve the current account surplus.

[21] See box article on Understanding the Changing Dynamics of the Current Account of the Balance of Payments in Malaysia in BNM's 2016 Annual Report. See box on Malaysia's Savings and Investment (S–I) Gap in this article.
[22] See box article on Deciphering Investment Cycles in Malaysia.

Outlook and policy imperatives

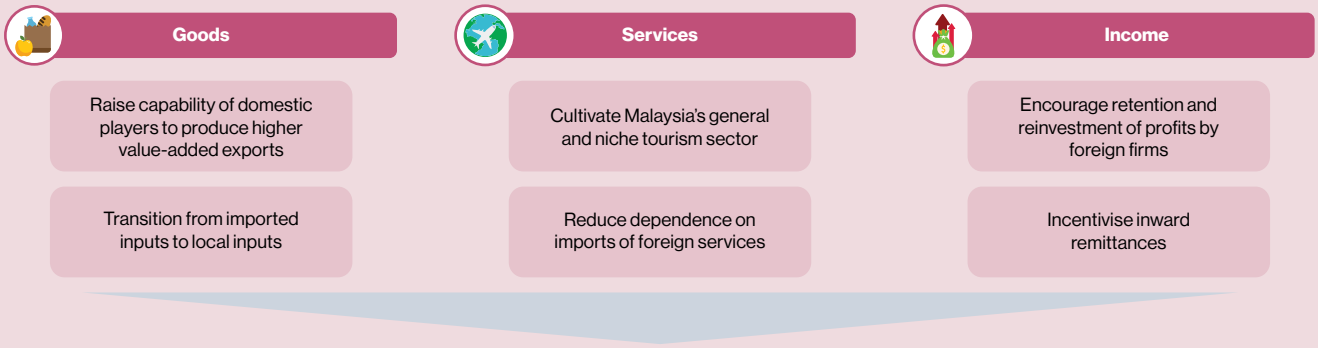
Despite the narrowing trend, the current account is expected to remain resilient over the medium term. The IMF projects Malaysia's current account balance to register surpluses between 2.8% and 3.0% in 2025-29.[23] This resilience will be underpinned by Malaysia's continued strength in the manufacturing exports. Malaysia's E&E exports are poised to benefit from the expansion in the global tech cycle, supported by the underlying demand for technology devices and applications. The continued improvement in global travel demand is also expected to boost the travel surplus. This is further supported by domestic policies leading up to the upcoming Visit Malaysia 2026. Malaysia is also in a favourable position as a strategic location for new investments by companies that seek to diversify their operations amid the ongoing global trade reconfiguration. Moreover, gains from the domestic investment upcycle across a wide range of manufacturing and services activities could lift exports of goods and services in the medium term. Nonetheless, challenges remain for Malaysia's current account balance, particularly from uncertainties surrounding global trade. Hence, policy imperatives should focus on efforts to enhance Malaysia's exports and boost the tourism sector to strengthen the current account surplus.

[23] Source: Malaysia: 2024 Article IV Consultation-Staff report, 10 March 2024

In the medium term, the effective implementation of structural policies is essential to secure a sustainable current account balance. Increasing the complexity and value-added of our export products can support the surplus. Enhancing the productivity and capabilities of domestic players could also increase our competitiveness and reduce reliance on imported materials and services. In the services account, Malaysia should continue to enhance tourism offerings to cater for more diverse markets to remain attractive. Moreover, policies should further enable the growth and development of domestic capacity and expertise in digital services. For example, strategic expansions of the data centre industry in Malaysia can help to advance the country local manufacturers' capabilities in manufacturing equipment such as cooling systems and server racks. Moreover, the data centre industry can generate forward linkages, for instance, by uplifting local independent software vendors and fostering the development of local cloud computing, enabling them to serve both domestic and international markets. This development provides opportunities for Malaysia to create more services exports as our new sources of income, and at the same time reduce the country's reliance on imported digital service. In the income accounts, policies should seek to encourage reinvestment of profits by foreign firms, for example, through effective investment facilitation efforts throughout the investor journey.[24]

These policy imperatives are embedded in existing masterplans (Diagram 2). Their successful implementation, along with ongoing fiscal consolidation efforts, are key to support a sustainable current account surplus. In addition, these policies can generate high-skilled job opportunities and higher income levels for Malaysians.

Diagram 2: Policy Priorities to Support Current Account Surplus



Source: Bank Negara Malaysia

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[24] For more information on investment facilitation efforts, please refer to box article on Deciphering Investment Cycles in Malaysia.

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