MALAYSIA'S overall balance of payments position, due to a surplus of RM23.23bil or 7.1% of GNP this year, in the current account, is expected to record a surplus for the second consecutive year at the end of 2002.

The financial account is expected to register a smaller outflow because of inflows emanating from direct investment and a relatively smaller outflow from other investments.

Despite imports outperforming exports in terms of growth rate, the goods component of the current account is forecast to register a surplus of RM68.19bil (2001:RM69.85bil).

The surplus was on account of improvements in exports of both manufactured goods and agriculture products.

Exports are envisaged to increase by 4.5% (2001: -10.6%) while imports are expected to grow at a higher rate of 6.4% (2001: -10.3%).

The services component of the balance of payments is expected to record a deficit of RM8.7bil (2001: RM8.37bil), because of higher outflows in transportation and other services.

The inflows in the transportation account is expected to increase by 1.9% in 2002 (2001: -1.9%) following efforts to promote domestic ports and shipping services, particularly Port Klang and Port of Tanjung Pelepas, as regional transshipment hubs.

Net inflow of the travel account comprising business and personal travels as well as payments for education and pilgrimage is envisaged to grow by 12.4% (2001: 44.7%).

Growth in travel receipt is estimated to increase by 9.8% (2001: 37%) mainly from the arrival of 12.5 million tourists this year (2001: 10.8 million). The travel account outflow is expected to increase at a lower rate of 5.4% to RM10.47bil (2001: 26%).

On government transactions, the account is expected to register small net inflow of RM25mil this year.

Receipts from investment income mainly returned from the external assets of Bank Negara and Malaysian investments abroad are expected to expand by 1.5% to RM5.71bil (2001: -10%, RM5.6bil).

However, the investment income account is projected to record a deficit of RM26.63bil (2001: RM24.61bil) as receipts from Malaysian investments overseas are not likely to offset repatriation of profits and dividends by foreign companies in Malaysia.

Net outflow associated with current transfers mainly remittances by foreign workers is expected to increase to RM8.48bil from RM8.18bil last year.

The financial account comprising direct investment, portfolio investment and other investments is expected to improve with net outflows reducing substantially to RM3.3bil (2001: RM14.79bil).

The direct investment account is expected to record a net inflow of RM3bil (2001: 1.09bil) while the other investment account loans, trade credits and bank deposits is expected to record a smaller deficit of RM6.3bil (2001: RM13.416bil).