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MSMEs' GDP expands 5.7% in 2025, outpacing overall economy: DoSM

KUALA LUMPUR: Malaysia's micro, small and medium enterprises' gross domestic product (GDP) grew 5.7% in 2025, outpacing the country's overall GDP growth of 5.2%, according to the Department of Statistics Malaysia (DoSM).

In its Micro, Small and Medium Enterprises 2025 publication released yesterday, DoSM said MSMEs' value added rose to RM689.8 billion in 2025 from RM652.8 billion in 2024, accounting for 39.7% of Malaysia's GDP.

DoSM attributed the stronger performance to government ini-

tiatives under Budget 2025, including financing facilities, incentives and entrepreneur development programmes aimed at boosting productivity, accelerating digitalisation, technology adoption and innovation, and expanding market access for MSMEs.

The services and manufacturing sectors remained the largest contributors to MSMEs' GDP, accounting for a combined 84.5%, followed by agriculture (8.4%), construction (5.3%) and mining and quarrying (0.5%).

At the sectoral level, the services

sector grew 5.7% in 2025, unchanged from the previous year.

Growth in the sector was driven by wholesale and retail trade, food and beverage, and accommodation activities (5%); finance, insurance, real estate and business services (6.6%); and transportation and storage, and information and communication (7.7%).

The manufacturing sector expanded 4.8% in 2025, easing from 5% in 2024, supported by growth in food, beverages and tobacco (9.6%); other manufacturing (4.7%); and non-

metallic mineral products, basic metals and fabricated metal products (4.7%).

Meanwhile, the agriculture sector grew 1.8% in 2025, slowing from 3.1% in 2024, mainly supported by the rubber, oil palm, livestock and other agriculture sub-sectors, which expanded 2.3%.

The construction sector grew 12% in 2025, compared with 17.5% a year earlier, while mining and quarrying expanded 4.4%, against 4.8% in 2024.

MSMEs' exports rose 10.5% to

RM214.5 billion in 2025, compared with growth of 29.5% in 2024.

The increase was driven by manufacturing and services exports, which grew 8.8% (2024: 7.9%) and 14% (2024: 106.6%), respectively.

MSMEs accounted for 14.7% of Malaysia's total exports in 2025. Manufacturing remained the largest contributor, followed by services and agriculture.

Manufacturing exports by MSMEs increased to RM132.7 billion in 2025 from RM122 billion in 2024. — Bernama