

Experience, policy flexibility helping M'sian economy

PUTRAJAYA: Although strong external headwinds continue to dog Malaysia's economy, its experience after the Asian financial crisis and relative flexibility in policy-making are factors working in its favour, according to Minister in the Prime Minister's Department [Tan Sri Nor Mohamed Yakcop](#).

"In Greece, the immediate problems have been resolved. But unemployment remains high there as well as in Spain, especially among the youth," he said after launching the Economic Census Report 2011.

"In the United States growth is anaemic at about 1% to 2%, not strong enough to create the level of employment needed to propel the economy."

But Nor Mohamed, who is also Minister in charge of the Economic Planning Unit, stressed that Malaysia did not have overt cause for concern, despite the fact that its heavy reliance on exports made it vulnerable to a slowdown in the rest of the world.

"This is not the first time we have experienced this," he said, referring to the 1997 crisis that raised fears a financial contagion in Asia would cause a worldwide economic meltdown.

"We are a flexible economy and our policies are flexible. So we are able to adjust to the changes. Not many countries can do the same," he added.

Main findings of Economic Census 2011				
Sector	No. of establishments	No. of employees	Value added (RM bil)	Average monthly salary (RM)
Agriculture	8,829	390,708	31.1	1,059
Manufacturing	39,669	1,812,360	170.7	2,040
Construction	22,140	974,488	31.9	1,748
Mining & quarrying	418	32,216	88.7	7,772
Services	591,137	3,687,787	371.6	2,126
Water supply	601	25,313	3.5	*
Utility	145	41,101	10.0	*
Total	662,939	6,963,973	707.5	
* Will be published in upcoming report. Source: Department of Statistics Malaysia.				

Meanwhile, the census, which was compiled by the Statistics Department for the period of January to December 2010, found that 89.2% of the total 662,939 establishments undertaking business activities were in the

services sector, followed by 6% in manufacturing, 3.3% in construction, 1.3% in agriculture, and 0.06% in mining and quarrying.

The highest average monthly salary was recorded in the mining and quarrying sector at RM7,772, which was nearly quadrupled that of the rate paid out in services at RM2,126, even though the latter contributed most to value-added goods and services and was the largest employer.

The lowest average wage was in the agriculture sector which paid RM1,059 monthly.

Of the almost seven million people employed by the seven industries surveyed, 52.9% worked in the services sector, 26% in manufacturing and 14% in construction.

Nor Mohamed said that services was an increasingly crucial part of the economy, making up 54.2% of the country's gross domestic product in 2011 from 47.5% in 2006.

The companies polled generated total production of goods and services of RM707.5bil, consisting of RM371.6bil, or 52.5%, by the services sector, and 24.1% and 12.5% respectively by manufacturing and mining and quarrying.

The census also showed that 19.2%, or 127,422, of the businesses were owned by women, with the services industry having the bulk of women owners at 91.5%, followed by manufacturing (6.9%) and construction (1.1%).

The census, conducted every five years, is the official count of all business and company units located in the country and it provides a detailed picture of the structure of Malaysia's economy from the national to the district level.

It also serves as an input to the formulation of national development plans and economic policies and as the benchmark for the rebasing of GDP and other economic indicators.

The last census was conducted in 2006 with 2005 as the reference year.

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