

# E&E industry a major driver of Malaysia's economy

Malaysia plays a crucial role in the global semiconductor industry, accounting for 7% of total global semiconductor trade. Additionally, it boasts a 13% global market share in chip testing and packaging.

A collaborative survey conducted by the Malaysia Semiconductor Industry Association (MSIA) and Deloitte between February and June 2022, and a refresher survey later in December, found that over 70% of electrical and electronics (E&E) companies are expanding their activities beyond manufacturing. They are now

engaging in services such as research, design and development, as well as global business services.

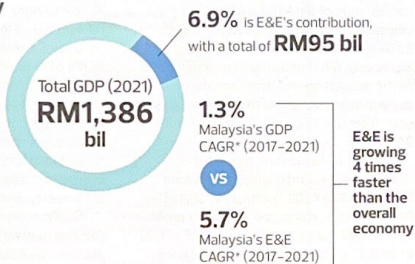
Moreover, despite declining orders amid the semiconductor downturn, 65% of E&E companies are still pushing ahead with capital expenditures and investments as planned.

Notably, E&E companies in Malaysia generate multiplier effects in the local economy, with RM23.7 billion spent on more than 12,000 suppliers.

This infographic examines the significance of their economic contributions.



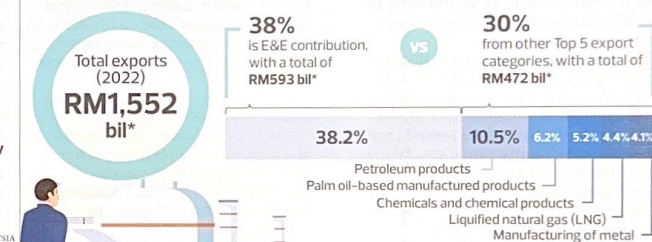
The E&E industry is a major driver of Malaysia's economy, accounting for nearly 7% of gross domestic product (GDP), and is growing at a faster pace than overall economic growth



\* Compound annual growth rate, includes contraction due to Covid-19

SOURCE: DEPARTMENT OF STATISTICS MALAYSIA

The E&E industry contributed total exports of RM593 billion, larger than the next five top export categories combined, and accounted for 78% of Malaysia's trade surplus



**E&E's contribution is more than 3 times that of petroleum products**  
The E&E industry makes up 78% of the country's RM255 billion trade surplus

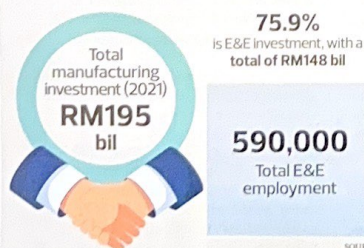
\* Provisional data

SOURCE: DEPARTMENT OF STATISTICS MALAYSIA AND MATRADE

**TODAY, THE E&E INDUSTRY IS A MAJOR CONTRIBUTOR TO MALAYSIA'S ECONOMY. THIS IS WHY I REFER TO THE E&E INDUSTRY AS THE GOLDEN GOOSE OF MALAYSIA. IT MUST BE CONSTANTLY NURTURED SO THAT IT REMAINS RELEVANT AND COMPETITIVE.**

— MSIA president  
Datuk Seri Wong Siew Hai

The E&E industry accounts for more than three-quarters of Malaysia's manufacturing investments and employs a significant number of Malaysians

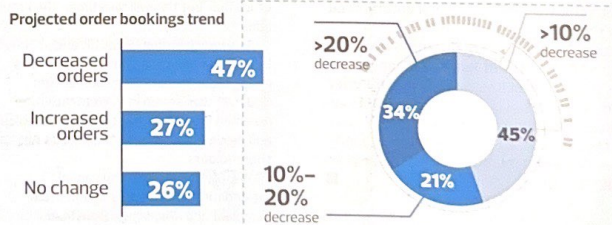


**94** currently approved projects in the E&E industry

- The E&E industry has a labour productivity that is double that of national productivity and employs roughly 4% of Malaysia's workforce
- Based on SIA research, the global E&E industry creates an employment multiplier of between 6.7 times and 12.2 times

SOURCE: DEPARTMENT OF STATISTICS MALAYSIA, MIDA, MALAYSIA ELECTRICAL & ELECTRONICS SUBSECTOR PRODUCTIVITY REPORT (2022) AND SEMICONDUCTOR INDUSTRY ASSOCIATION'S REPORT 'CHIPPING IN' (2021)

Heading into 2023, half of the respondents expected a decline in orders; owing to the wide variety of E&E product segments, however, a quarter of the respondents still expect an increase in orders



Despite the expected global slowdown, two-thirds of respondents indicated that they were still pushing ahead with capital expenditures and investments as planned

Projected capital expenditure and investment plans

