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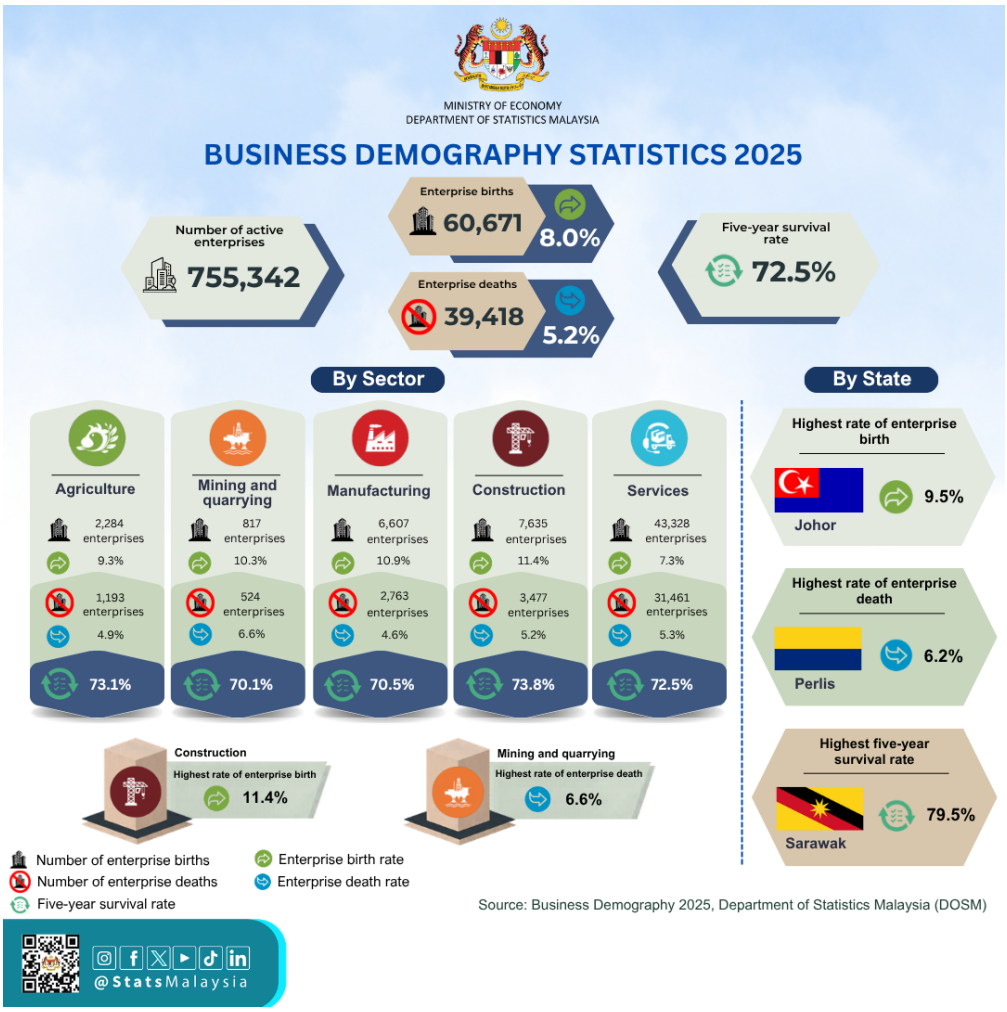
MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

BUSINESS DEMOGRAPHY



The number of active enterprises increased by 2.9 per cent from 734,089 in 2024 to 755,342 in 2025. The Services sector remained the largest contributor, recording 595,137 enterprises and accounting for 78.8 per cent of the total active enterprises. This was followed by the Construction and Manufacturing sectors, with 67,145 and 60,564 active enterprises, respectively. W.P. Kuala Lumpur recorded the highest number of active enterprises at 244,406, followed by Selangor (201,111) and Johor (75,661).

Meanwhile, enterprise births increased by 9.6 per cent to 60,671 in 2025, resulting in the enterprise birth rate rising from 7.5 per cent in 2024 to 8.0 per cent. The Construction sector recorded the highest birth rate at 11.4 per cent, equivalent to 7,635 newly established enterprises. At the same time, the Services sector registered the highest number of enterprise births at 43,328, accounting for more than two-thirds of total enterprise births. Four states exceeded the national birth rate of 8.0 per cent, namely Johor (9.5%), W.P. Putrajaya (9.0%), W.P. Kuala Lumpur (8.5%) and Selangor (8.4%).

The enterprise death rate increased from 3.9 per cent in 2024 to 5.2 per cent in 2025, in line with the rise in the number of enterprise deaths from 28,924 in the previous year to 39,418. The Services sector accounted for the largest share of enterprise deaths, recording 31,461 enterprise or 79.8 per cent of the total, with a death rate of 5.3 per cent. In contrast, the Manufacturing sector recorded the lowest death rate at 4.6 per cent, equivalent to 2,763 enterprise deaths. Perlis recorded the highest death rate at 6.2 per cent, followed by Selangor (5.6%), W.P. Kuala Lumpur (5.5%) and W.P. Labuan (5.5%).

Looking at longer-term business sustainability, the five-year survival rate for enterprises established in 2020 and surviving until 2025 stood at 72.5 per cent. The Construction sector recorded the highest survival rate among all sectors at 73.8 per cent, while the Agriculture and Services sectors registered survival rates of 73.1 per cent and 72.5 per cent, respectively. Sarawak recorded the highest five-year survival rate at 79.5 per cent, while seven other states also exceeded the national rate.

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