PRESS RELEASE
SMALL AND MEDIUM ENTERPRISES 2015

SMALL AND MEDIUM ENTERPRISES (SMEs) IN MALAYSIA
Supporting Economic Growth

SMEs contributed higher at 36.3 per cent...
..as compared to 35.9 per cent in 2014

GROWTH RATE

PERCENTAGE SHARE OF SMEs AT CONSTANT 2010 PRICES

Note: Exclude Import Duties
**MAIN ECONOMIC SECTORS**

**CONTRIBUTION OF SMEs AT CONSTANT 2010 PRICES**

- **Agriculture**: 49.0%
- **Construction**: 47.5%
- **Services**: 39.9%
- **Manufacturing**: 34.3%
- **Mining & Quarrying**: 1.7%

**GROWTH RATE**

- **Overall GDP**: 1.2%
- **SME GDP**: 2.0%

- **Specialised Construction Activities and Non-Residential Buildings**: Stimulated by Rubber, Oil Palm, Livestock and Other Agriculture
- **Wholesale & Retail Trade, Food & Beverage and Accommodation**: Specialised Construction Activities and Non-Residential Buildings underpinned the SME’s momentum
- **Spearheaded by Petroleum, Chemical, Rubber & Plastic Products**: Wholesale & Retail Trade, Food & Beverage and Accommodation emerged as the prime mover
- **Supported by quarrying of granite and limestone**: Spearheaded by Petroleum, Chemical, Rubber & Plastic Products

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**DEFINITION OF SMEs**

**MANUFACTURING SECTOR**

- **Micro**
  - Annual Sales Turnover: ≤ RM300,000
  - Full-time Employees: < 5
- **Small**
  - Annual Sales Turnover: ≤ RM15 million
  - Full-time Employees: 5 ≤ 75
- **Medium**
  - Annual Sales Turnover: ≤ RM50 million
  - Full-time Employees: 75 ≤ 200

**NON-MANUFACTURING SECTORS**

- **Manufacturing**
  - Annual Sales Turnover: ≤ RM300,000
  - Full-time Employees: ≤ 5
- **Non-Manufacturing**
  - Annual Sales Turnover: ≤ RM3 million
  - Full-time Employees: ≤ 30

**EXCLUDE:**

- Public listed companies on the main board
- Multinational corporations (MNC)
- Government-linked companies (GLC)
- Minister of Finance Incorporated (MOF Inc.) companies
- State-owned enterprises
- Subsidiaries for all of the above entities

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Source: Department of Statistics, Malaysia

https://www.statistics.gov.my

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PERFORMANCE OF SMEs GDP

The contribution of SME GDP to the national GDP increased to 36.3 per cent as compared to 35.9 per cent recorded in 2014 (Table 1). This has reaffirmed SMEs role as substantial economic agents in supporting Malaysia’s economic growth.

In 2015, SME GDP at constant 2010 prices rose to RM385.6 billion from RM363.4 billion in the preceding year.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>VALUE ADDED (RM BILLION)</th>
<th>SHARE TO GDP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2015</td>
</tr>
<tr>
<td>SMEs</td>
<td>363.4</td>
<td>385.6</td>
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<tr>
<td>Large Enterprises</td>
<td>649.1</td>
<td>677.2</td>
</tr>
<tr>
<td>GDP</td>
<td>1,012.5</td>
<td>1,062.8</td>
</tr>
</tbody>
</table>

ANNUAL GROWTH

SME GDP advanced to 6.1 per cent from the overall GDP growth (5.0%) as portrayed in Chart 1. Services, Manufacturing and Construction were the key drivers in gearing up the performance of SMEs for the year of 2015 with a share of 86.4 per cent to total SME GDP.

Value added of SMEs for Services sector expanded by 6.6 per cent as compared to 5.1 per cent recorded in overall value added for this sector. The Wholesale & Retail Trade, Food & Beverage and Accommodation sub-sector has emerged as the prime mover of SMEs in Services. The expansion of this sector was also fuelled by the positive momentum in Finance, Insurance, Real Estate and Business Services sub-sector, mainly induced by real estate and business services.

In Manufacturing sector, value added of SMEs registered a growth of 6.0 per cent, outpacing the 4.9 per cent posted in overall value added for this sector. The growth was primarily spearheaded by Petroleum, Chemical, Rubber & Plastic products, largely backed by chemicals and chemical products. Moreover, Non-metallic Mineral Products, Basic Metal & Fabricated Metal Products also supported the performance in this sector.

Value added of SMEs in Construction sector grew 7.6 per cent as compared to 8.2 per cent registered by overall value added for this sector. Specialised Construction Activities and Non-Residential Buildings underpinned the SMEs momentum for Construction.
DISTRIBUTION BY KIND OF ECONOMIC ACTIVITY

Services, Manufacturing and Mining & Quarrying were the forefront sectors in Malaysia’s economy for the year of 2015. These three sectors contributed 85.5 per cent to the GDP as depicted in Chart 2. From the SME GDP perspective, Services (58.9%) and Manufacturing (21.7%) sectors were the anchor of SMEs economic structure. Agriculture represents as the third largest contributor to the SME GDP with a share of 12.0 per cent.

CONTRIBUTION BY KIND OF ECONOMIC ACTIVITY

Chart 3 shows the contribution of SMEs’ value added by five main economic activities. Agriculture sector continued as the
leading SMEs contributor with a share of 49.0 per cent, reflected by a substantial contribution in Rubber, Oil Palm, Livestock and Other Agriculture sub-sector. SMEs were also prominent in Fishing sub-sector, which was highly concentrated in marine fisheries activity.

Value added of SMEs in Construction sector contributed a share of 47.5 per cent led by Specialised Construction Activities and Residential Buildings sub-sectors.

SMEs for Services sector contributed a share of 39.9 per cent, which was dominated by Wholesale & Retail Trade, Food & Beverage and Accommodation. Finance, Insurance, Real Estate and Business Services also supported this sector particularly in professional services.

For Manufacturing sector, SMEs consist of 34.3 per cent towards overall value added of this sector. Petroleum, Chemical, Rubber & Plastic products have sustained its stance as the largest contributor, followed by Food, Beverages & Tobacco. In addition, Non-Metallic Mineral products, Basic Metal & Fabricated Metal products also significant towards the share of SMEs in this sector.

Meanwhile, value added of SMEs in Mining & Quarring sector accounted for 1.7 per cent, mainly in quarrying of granite and limestone.

**Table 1 - Value Added of SMEs and GDP by Kind of Economic Activity for year 2014 and 2015**

**Released By:**

THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
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**Contact person:**
Ho Mei Kei
Public Relation Officer
Corporate and User Services Division
Department of Statistics, Malaysia
Tel : +603-8885 7942
Fax : +603-8888 9248
Email : mkho[at]stats.gov.my