

## **Ringkasan Penemuan**

### *Summary Findings*



## SUMMARY FINDINGS

### 1. Introduction

This report contains statistics compiled from the Annual Survey of Manufacturing Industries conducted in 2008 for reference year 2007. A total of 16,775 manufacturing establishments were selected in this survey out of 36,870 establishments' frame. After the survey, 32,584 active establishments were identified. Key data on the performance of the manufacturing sector in 2007 are presented in this report.

### 2. Overall performance

Major indicators of the manufacturing sector as shown in Table 2a refer to the year 2006 and 2007. Gross output was RM742.9 billion in 2007, an increase of RM32.7 billion, with an average annual growth of 4.6 per cent. The increase in intermediate input was RM20.4 billion with an average annual growth of 3.5 per cent. Value added, which is derived by deducting intermediate input from gross output, increased by RM12.3 billion with an average annual growth of 9.5 per cent. Employment recorded an average annual growth of 4.7 per cent. The value of assets in this sector registered a decrease of 5.6 per cent average annual growth, or a drop of RM10.8 billion. The share of the manufacturing sector to Gross Domestic Product for the reference year was 27.9 per cent<sup>1</sup>.

**Table 2a : Gross output, intermediate input, value added, employment and value of assets, 2006 & 2007**

	Year 2006	Year 2007	Average annual growth (%)
Gross output (RM billion)	710.2	742.9	4.6
Intermediate input (RM billion)	580.4	600.8	3.5
Value added (RM billion)	129.8	142.1	9.5
Employment (million persons)	1.72	1.80	4.7
Value of assets (RM billion)	193.4	182.6	(5.6)

In 2007, the total number of workers engaged by the manufacturing industries were 1.80 million persons. Out of this number, 97.9 per cent or 1.76 million persons were paid full-time employees, while paid part-time employees and others which includes unpaid family workers, working proprietors and active business partners were 37,821 persons or 2.1 per cent of total employment as shown in Table 2b. In terms of paid full-time employees, the percentage of males employed was higher as compared to females which was 60.9 per cent and 39.1 per cent respectively.

**Table 2b : Employment by category and gender, 2007**

Category	Total	Male	%	Female	%
Paid full-time employees	1,762,532	1,074,041	60.9	688,491	39.1
Paid part-time employees	16,063	8,454	52.6	7,609	47.4
Others	21,758	13,803	63.4	7,955	36.6
<b>Total</b>	<b>1,800,353</b>	<b>1,096,298</b>	<b>60.9</b>	<b>704,055</b>	<b>39.1</b>

<sup>1</sup> Referred to publication of National Accounts Gross Domestic Product (GDP), Third Quarter 2009, Department of Statistics, Malaysia.

## 3. Performance of manufacturing groups

As indicated in Table 3a, the manufacturing groups of Refined petroleum products, Electronic valves and tubes and other electronic components and Production, processing and preservation of meat, fish, fruits, vegetables, oils and fats were the main contributors to gross output of the manufacturing sector in 2007. Collectively, these three groups accounted for more than one-third or RM252.3 billion to gross output. Besides, the contribution of these groups to value added and total employment were 29.9 per cent and 13.7 per cent respectively.

**Table 3a : Contribution to gross output by group, 2006 & 2007**

Group code	Description	Gross output (RM billion)		% Share	
		2006	2007	2006	2007
232	Manufacture of refined petroleum products	90.4	89.1	12.7	12.0
321	Manufacture of electronic valves and tubes and other electronic components	92.8	87.8	13.1	11.8
151	Production, processing and preservation of meat, fish, fruits, vegetables, oils and fats	61.0	75.4	8.6	10.1
300	Manufacture of office, accounting and computing machinery	64.5	73.9	9.1	9.9
241	Manufacture of basic chemicals	51.7	50.2	7.3	6.8
271	Manufacture of basic iron and steel	18.9	28.9	2.6	3.9
323	Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods	31.7	27.9	4.5	3.8
251	Manufacture of rubber products	24.7	22.6	3.5	3.0
252	Manufacture of plastic products	20.5	22.0	2.9	3.0
322	Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy	17.1	17.1	2.4	2.3
	Others	236.9	248.0	33.3	33.4
<b>Total</b>		<b>710.2</b>	<b>742.9</b>	<b>100.0</b>	<b>100.0</b>

Table 3a also shows that Refined petroleum products were the leading group in terms of percentage share and value of gross output in 2007 as compared to year 2006 where Electronic valves and tubes and other electronic components was the highest contributor. The percentage share of Refined petroleum products to the total gross output in 2007 was 12.0 per cent (RM89.1 billion), while Electronic valves and tubes and other electronic components was 11.8 per cent (RM87.8 billion). Meanwhile, the contribution of Production, processing and preservation of meat, fish, fruits, vegetables, oils and fats has increased from RM61.0 billion (8.6 per cent) in 2006 to RM75.4 billion (10.1 per cent) in 2007.

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The Electronic valves and tubes and other electronic components group, employed the highest number of workers, 177,175 persons (9.8 per cent) in 2007 as shown in Table 3b. Meanwhile, another 28.2 per cent was engaged in five manufacturing groups, namely Plastic products (130,434 persons); Office, accounting and computing machinery (105,439 persons); Furniture (104,484 persons); Products of wood, cork, straw and plaiting materials (88,868 persons); and Manufacture of wearing apparel except fur apparel (79,253 persons). These six groups cumulatively accounted for 38.0 per cent of total employment in 2007 compared to 38.8 per cent in 2006.

**Table 3b : Contribution to total employment by group, 2006 & 2007**

Group code	Description	Total employment		% Share	
		2006	2007	2006	2007
321	Manufacture of electronic valves and tubes and other electronic components	204,509	177,175	11.9	9.8
252	Manufacture of plastic products	123,984	130,434	7.2	7.2
300	Manufacture of office, accounting and computing machinery	83,145	105,439	4.8	5.9
361	Manufacture of furniture	90,708	104,484	5.3	5.8
202	Manufacture of products of wood, cork, straw and plaiting materials	92,286	88,868	5.3	4.9
181	Manufacture of wearing apparel except fur apparel	73,713	79,253	4.3	4.4
251	Manufacture of rubber products	85,957	78,591	5.0	4.4
289	Manufacture of other fabricated metal products; metal working service activities	62,011	72,919	3.6	4.1
154	Manufacture of other food products	63,665	72,136	3.7	4.0
151	Production, processing and preservation of meat, fish, fruits, vegetables, oils and fats	67,103	65,337	3.9	3.6
	Others	774,352	825,717	45.0	45.9
<b>Total</b>		<b>1,721,433</b>	<b>1,800,353</b>	<b>100.0</b>	<b>100.0</b>

## 4. Employment

### 4.1 Employment size group

There were 26,763 establishments (82.1 per cent) employed less than 50 workers but they contributed only 8.5 per cent to gross output and 15.8 per cent to employment as shown in Table 4.1a. On the contrary, only 2,192 large establishments engaged 150 workers and above employed 66.9 per cent of total workers and contributed 76.8 per cent to gross output.

**Table 4.1a : Number of establishments, gross output and total employment by employment size group, 2007**

Employment size group	No. of establishments		Gross output		Total employment	
	Number	% Share	RM billion	% Share	Number	% Share
<b>Total</b>	<b>32,584</b>	<b>100.0</b>	<b>742.9</b>	<b>100.0</b>	<b>1,800,353</b>	<b>100.0</b>
< 50	26,763	82.1	63.1	8.5	285,056	15.8
50 - 149	3,629	11.2	109.5	14.7	311,503	17.3
150 and above	2,192	6.7	570.3	76.8	1,203,794	66.9

## 4.2 Qualification of employees

Table 4.2a shows that the number of workers engaged in the manufacturing sector with qualification below SPM / SPMV level was the highest, with 863,332 persons or 47.9 per cent of total employment in 2007. Workers with SPM / SPMV or equivalent qualification were the second highest which was 627,662 persons (34.9 per cent) followed by Diploma holder or equivalent, 120,751 persons (6.7 per cent) and University degree holders or equivalent, 100,417 persons (5.6 per cent). It can be summarised that 1.5 million workers or 82.8 per cent possess SPM / SPMV qualification and below.

**Table 4.2a : Persons engaged by qualification, 2007**

<b>Qualification</b>	<b>Total</b>	<b>%</b>
a. Post-graduate	7,311	0.4
b. University degree or equivalent	100,417	5.6
c. Diploma or equivalent	120,751	6.7
d. STPM or equivalent	80,880	4.5
e. SPM / SPMV or equivalent	627,662	34.9
f. Below SPM / SPMV	863,332	47.9
<b>Total</b>	<b>1,800,353</b>	<b>100.0</b>

In terms of gender distribution, male employees accounted for 60.9 per cent of total employment and the remaining 39.1 per cent were female employees. An analysis of the employment structure in terms of academic qualifications in Table 4.2b indicated the existence of gender gaps between male and female employees at every level of qualification. Male employees with Post-graduate and University degree or equivalent were the highest, 72.5 per cent and 66.6 per cent respectively, compared with 27.5 per cent and 33.4 per cent for female employees.

**Table 4.2b : Number of persons engaged by gender and qualification, 2007**

<b>Qualification</b>	<b>Number of persons engaged by gender</b>				
	<b>Total</b>	<b>Male</b>	<b>%</b>	<b>Female</b>	<b>%</b>
a. Post-graduates	7,311	5,298	72.5	2,013	27.5
b. University degree or equivalent	100,417	66,865	66.6	33,552	33.4
c. Diploma or equivalent	120,751	81,525	67.5	39,226	32.5
d. STPM or equivalent	80,880	49,675	61.4	31,205	38.6
e. SPM / SPMV or equivalent	627,662	333,161	53.1	294,501	46.9
f. Below SPM / SPMV	863,332	559,774	64.8	303,558	35.2
<b>Total</b>	<b>1,800,353</b>	<b>1,096,298</b>	<b>60.9</b>	<b>704,055</b>	<b>39.1</b>

## 4.3 Salaries & wages

Table 4.3a shows the distribution of salaries & wages of paid full-time employees by category of workers. There were 1.24 million persons (70.5 per cent) employed as Plant and machine operators and assemblers<sup>2</sup> which received RM17.1 billion (44.6 per cent) of salaries & wages. Even though, Managers, professionals and executives contributed only 148,002 persons (8.4 per cent) of total paid full-time employees, the salaries & wages they received was RM11.5 billion (29.9 per cent).

**Table 4.3a : Salaries & wages of paid full-time employees by category of workers, 2007**

Category of workers	Paid full-time employees		Salaries & wages		Average salaries & wages received per annum (RM)
	Number	%	(RM million)	%	
Managers, professionals and executives	148,002	8.4	11,451.3	29.9	77,372
Technicians and associate professionals	187,988	10.7	6,251.8	16.3	33,257
Clerical and related occupations	114,565	6.5	2,456.4	6.4	21,441
Elementary workers	68,567	3.9	1,059.9	2.8	15,458
Plant & machine operators and assemblers	1,243,410	70.5	17,055.7	44.6	13,717
<b>Total</b>	<b>1,762,532</b>	<b>100.0</b>	<b>38,275.1</b>	<b>100.0</b>	<b>21,716</b>

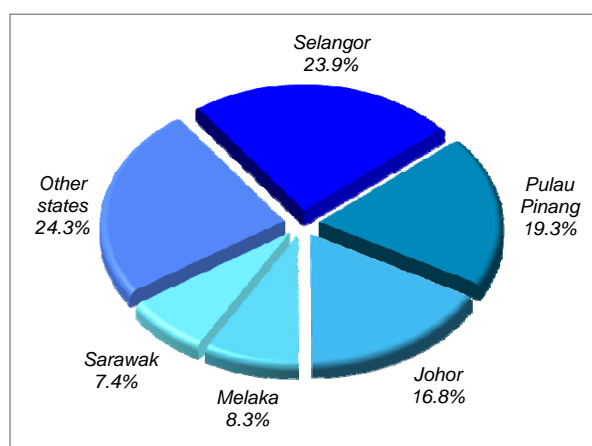
The average salaries & wages per annum for Managers, professionals and executives category was RM77,372. This was followed by Technicians and associate professionals (RM33,257); Clerical and related occupations (RM21,441); Elementary workers (RM15,458); and Plant & machine operators and assemblers (RM13,717).

## 5. Performance by state

### 5.1 Gross output and employment

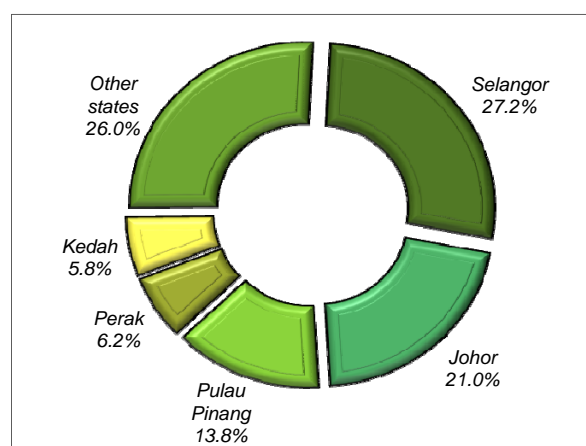
Selangor remained the top contributor in 2007, accounted for 23.9 per cent of gross output and 27.2 per cent of total employment in the manufacturing sector. The next highest contributor were Pulau Pinang and Johor with 19.3 per cent and 16.8 per cent of the gross output respectively as shown in Chart 5a. In terms of employment, these three states together accounted for more than one-half of total employment as shown in Chart 5b.

**Chart 5a : Gross output by state, 2007**



Value of gross output RM742.9 billion

**Chart 5b : Employment by state, 2007**



Total number of persons engaged 1,800,353 persons

<sup>2</sup> Directly employed and employed through labour contractors

## 5.2 Distribution of manufacturing subsectors with the highest gross output by state

Table 5a shows manufacturing industry subsectors with the highest gross output by state. In 2007, Radio, television & communication equipment subsector was the highest manufacturing subsector in Johor, Kedah, Pulau Pinang and Selangor which recorded 22.2 per cent, 20.3 per cent, 37.3 per cent and 16.6 per cent respectively of their states output. The highest gross output for Kelantan was from Rubber & plastic products subsector which accounted for 38.8 per cent.

As for the gross output of Coke & refined petroleum products, Melaka (58.5 per cent), Negeri Sembilan (42.8 per cent) and Sarawak (61.0 per cent) were the highest contributors. While, the Chemical products subsector was the highest gross output contributor for Pahang (34.2 per cent), Terengganu (76.3 per cent) and W.P. Kuala Lumpur (21.2 per cent). Meanwhile, Food & beverages products subsector was the highest in Perak, Perlis and Sabah which accounted for 36.3 per cent, 35.8 per cent and 76.4 per cent, based on their states gross output respectively. As for W.P. Labuan, the Basic metals subsector contributed the most to the gross output which was 53.3 per cent.

**Table 5a : Distribution of manufacturing subsectors with the highest gross output by states, 2007**

State	Sub sector code	Subsector based on highest gross output	Gross output of the highest subsector (RM million)	Per cent (%)
<b>Johor</b>		<b>Total gross output</b>	<b>124,952.5</b>	<b>100.0</b>
	32	1. Radio, television & communication apparatus	27,718.3	22.2
	15	2. Food & beverages products	20,633.0	16.5
	24	3. Chemical products	14,989.6	12.0
<b>Kedah</b>		<b>Total gross output</b>	<b>23,660.9</b>	<b>100.0</b>
	32	1. Radio, television & communication apparatus	4,811.3	20.3
	25	2. Rubber & plastics products	4,339.5	18.3
	30	3. Office, accounting & computing machinery	3,305.7	14.0
<b>Kelantan</b>		<b>Total gross output</b>	<b>1,952.1</b>	<b>100.0</b>
	25	1. Rubber & plastics products	758.3	38.8
	15	2. Food & beverages products	398.9	20.4
<b>Melaka</b>		<b>Total gross output</b>	<b>61,996.8</b>	<b>100.0</b>
	23	1. Coke & refined petroleum products	36,279.3	58.5
<b>Negeri Sembilan</b>		<b>Total gross output</b>	<b>43,771.8</b>	<b>100.0</b>
	23	1. Coke & refined petroleum products	18,746.8	42.8
	25	2. Rubber & plastics products	4,564.1	10.4
<b>Pahang</b>		<b>Total gross output</b>	<b>26,662.7</b>	<b>100.0</b>
	24	1. Chemical products	9,112.3	34.2
	15	2. Food & beverages products	8,909.7	33.4

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**Table 5a : Distribution of manufacturing subsectors with the highest gross output by states, 2007 (cont'd)**

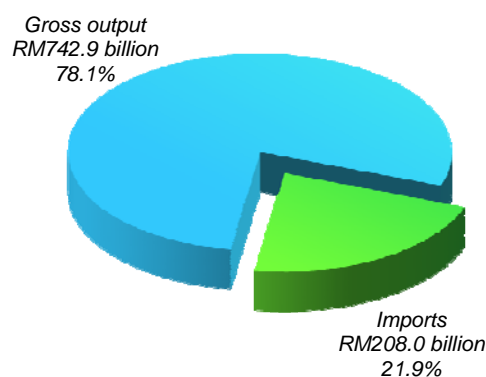
State	Sub sector code	Subsector based on highest gross output	Gross output of the highest subsector (RM million)	Per cent (%)
<b>Perak</b>		<b>Total gross output</b>	<b>22,525.9</b>	<b>100.0</b>
	15	1. Food & beverages products	8,176.2	36.3
	25	2. Rubber & plastics products	4,807.0	21.3
<b>Perlis</b>		<b>Total gross output</b>	<b>960.0</b>	<b>100.0</b>
	15	1. Food & beverages products	343.5	35.8
	25	2. Rubber & plastics products	303.7	31.6
<b>Pulau Pinang</b>		<b>Total gross output</b>	<b>143,002.6</b>	<b>100.0</b>
	32	1. Radio, television & communication apparatus	53,404.5	37.3
	30	2. Office, accounting & computing machinery	43,662.9	30.5
<b>Sabah</b>		<b>Total gross output</b>	<b>27,792.5</b>	<b>100.0</b>
	15	1. Food & beverages products	21,235.0	76.4
<b>Sarawak</b>		<b>Total gross output</b>	<b>55,053.3</b>	<b>100.0</b>
	23	1. Coke & refined petroleum products	33,597.9	61.0
<b>Selangor</b>		<b>Total gross output</b>	<b>177,187.4</b>	<b>100.0</b>
	32	1. Radio, television & communication apparatus	29,424.5	16.6
	15	2. Food & beverages products	24,034.9	13.6
	27	3. Basic metal	17,948.0	10.1
	34	4. Motor vehicles, trailers & semi-trailers	15,282.9	8.6
	29	5. Machinery & equipment n.e.c.	13,385.5	7.6
<b>Terengganu</b>		<b>Total gross output</b>	<b>17,412.8</b>	<b>100.0</b>
	24	1. Chemical products	13,285.1	76.3
<b>W.P. Kuala Lumpur</b>		<b>Total gross output</b>	<b>13,770.8</b>	<b>100.0</b>
	24	1. Chemical products	2,925.8	21.2
	15	2. Food & beverages products	1,954.7	14.2
	22	3. Publishing, printing & reproduction of recorded media	1,817.6	13.2
	26	4. Other non-metallic mineral products	1,228.0	8.9
<b>W.P. Labuan</b>		<b>Total gross output</b>	<b>2,220.6</b>	<b>100.0</b>
	27	1. Basic metal	1,184.3	53.3



## 6. Composition of gross output, intermediate input and value added

Total supply of manufactured goods in 2007 amounted to RM950.9 billion. This amount comprised of RM742.9 billion of gross output (78.1 per cent of the total supply of goods) produced by local manufacturers and RM208.0 billion of imported goods (21.9 per cent) as shown in Chart 6a.

**Chart 6a : Total supply, gross output and imports, 2007**



**Total supply of goods RM950.9 billion**

An amount of RM600.8 billion or 80.9 per cent of the total gross output (RM742.9 billion) was used by the manufacturing industries as intermediate input to generate RM142.1 billion of the industries' value added as shown in Table 6a.

**Table 6a : Gross output, intermediate input and value added, 2007**

	Gross output	Intermediate input	Value added
Value (RM billion)	742.9	600.8	142.1
%	100.0	80.9	19.1

From a total of RM600.8 billion of intermediate input, 85.3 per cent (RM512.4 billion) comprised of direct raw materials and only 14.7 per cent (RM88.4 billion) constituted the remaining inputs of packing materials, consumable stores, materials for repairs and maintenance, non-industrial services, research and development and other related inputs as shown in Table 6b.

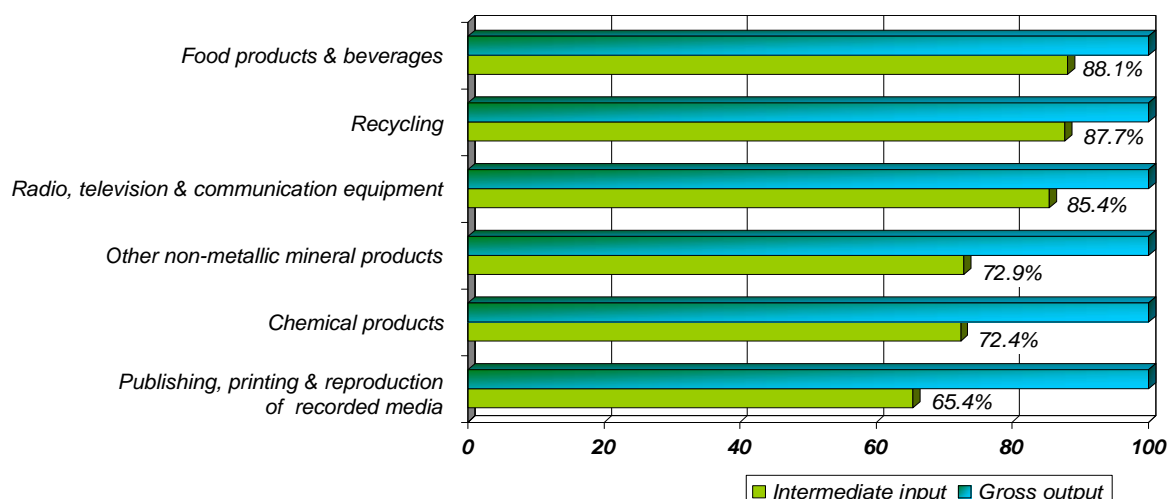
**Table 6b : Composition of intermediate input, 2007**

	Value (RM billion)	%
<b>Intermediate input</b>	<b>600.8</b>	<b>100.0</b>
a. Direct raw materials	512.4	85.3
b. Others	88.4	14.7

## 7. Intermediate input consumed against gross output

Chart 7a shows the percentage of intermediate input consumed by selected subsectors. The top three subsectors which recorded the highest ratio of intermediate input to gross output were Food products & beverages (88.1 per cent); Recycling (87.7 per cent); and Radio, television & communication equipment (85.4 per cent). The three subsectors that had the lowest ratio of intermediate input to gross output were Other non-metallic mineral products (72.9 per cent); Chemical products (72.4 per cent); and Publishing, printing & reproduction of recorded media (65.4 per cent).

**Chart 7a : Percentage of intermediate input consumed to gross output, 2007**



## 8. Exports by manufacturing subsectors

The Office, accounting & computing machinery which includes ICT products such as computers & computer peripherals and other industrial electronic products of office equipment, had the largest number of establishments (53.0 per cent) involved in exports activities. This was followed by the Radio, television & communication equipment with 34.6 per cent; Coke & refined petroleum products, 33.3 per cent; Rubber & plastic products, 26.4 per cent; and Electrical machinery & apparatus n.e.c., 24.8 per cent as shown in Table 8a.

**Table 8a : Percentage of establishments involved in exports, 2007**

Subsector code	Subsector	Establishments involved in exports (%)
30	Office, accounting & computing machinery	53.0
32	Radio, television & communication equipment	34.6
23	Coke & refined petroleum products	33.3
25	Rubber & plastic products	26.4
31	Electrical machinery & apparatus n.e.c.	24.8
24	Chemicals products	22.3
19	Tanning / dressing of leather & footwear	18.2
20	Wood products, except furniture	16.2
21	Paper & paper products	16.0
33	Medical, precision & optical instruments, watches & clocks	16.1

## 9. Research and development expenditure by subsectors

The results obtained from the survey showed that expenditure on research and development (R&D) in the manufacturing sector was RM2.4 billion as indicated in Table 9a. Four subsectors which had the highest expenditure in R&D were Office, accounting & computing machinery (RM1,014.4 million); Radio, television & communication equipment (RM735.4 million); Electrical machinery & apparatus n.e.c. (RM173.7 million); and Machinery & equipment n.e.c. (RM148.5 million). The total expenditure incurred by these four subsectors was RM2.1 billion (85.2 per cent). The remaining subsectors spent RM0.3 billion (14.8 per cent).

In reference to the number of establishments, only 2,526 establishments (7.8 per cent), out of 32,584 establishments invested in R&D. Food products & beverages subsector had the highest number of establishments involved in R&D which was 319 establishments (12.6 per cent). This was followed by Rubber plastic products, 305 establishments (12.1 per cent); Chemical products, 223 establishments (8.8 per cent); and Other non-metallic mineral products, 184 establishments (7.3 per cent).

**Table 9a : Research and development (R&D) expenditure by subsectors, 2007**

Subsector code	Subsector	Expenditure on research & development (R&D)		Total establishments	Establishment involved in R&D	
		(RM million)	%		Numbers	%
30	Office, accounting & computing machinery	1,014.4	41.7	66	20	0.8
32	Radio, television & communication equipment	735.4	30.3	538	112	4.4
31	Electrical machinery & apparatus n.e.c.	173.7	7.1	504	73	2.9
29	Machinery & equipment n.e.c.	148.5	6.1	1,274	92	3.6
25	Rubber & plastic products	104.6	4.3	2,146	305	12.1
15	Food products & beverages	70.3	2.9	4,603	319	12.6
24	Chemical products	48.0	2.0	1,024	223	8.8
34	Motor vehicles, trailers & semi trailers	29.7	1.2	328	71	2.8
26	Other non-metallic mineral products	23.0	0.9	1,411	184	7.3
35	Other transport equipment	21.0	0.9	255	24	1.0
	Others	62.1	2.6	20,435	1,103	43.7
<b>Total</b>		<b>2,430.7</b>	<b>100.0</b>	<b>32,584</b>	<b>2,526</b>	<b>100.0</b>

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As mentioned before, total intermediate input consumed by manufacturing industries in 2007 was RM600.8 billion. Out of this, expenditure on R&D, Advertisement & Promotion and Information Technology was only 0.79 per cent. By comparison, the percentage spent on R&D was the highest, at 0.40 per cent, compared to 0.32 per cent spent on Advertisement & Promotion and 0.07 per cent on Information Technology as shown in Table 9b. Two subsectors which recorded the highest percentages R&D expenditures as compared to other subsectors were Office, accounting & computing machinery (1.65 per cent) and Radio, television & communication equipment (1.03 per cent).

**Table 9b : Percentages of expenses on research & development (R&D), advertisement & promotion and information technology to intermediate input of selected subsectors, 2007**

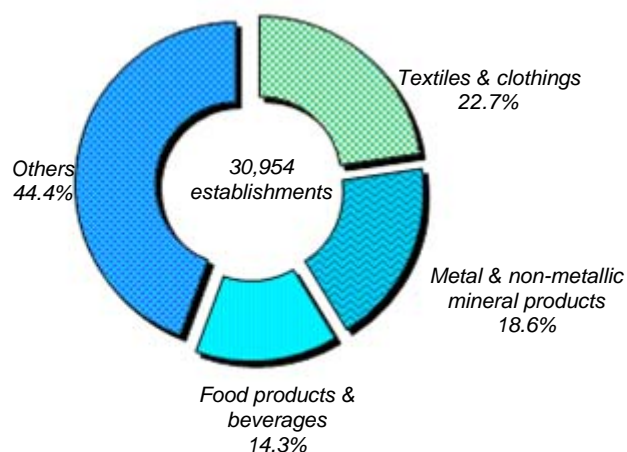
<b>Subsector code</b>	<b>Subsector</b>	<b>R&amp;D (%)</b>	<b>Advertisement &amp; promotion (%)</b>	<b>Information technology (%)</b>	<b>Total (%)</b>
29	Machinery & equipment n.e.c.	0.93	1.70	0.09	2.72
30	Office, accounting & computing machinery	1.65	0.73	0.02	2.40
19	Tanning / dressing of leather & footwear	0.04	1.30	0.07	1.41
22	Publishing, printing & reproduction of recorded media	0.03	1.10	0.21	1.34
31	Electrical machinery & apparatus n.e.c.	1.03	0.14	0.07	1.24
34	Motor vehicles, trailers & semi trailers	0.17	0.61	0.15	0.93
32	Radio, television & communication equipment	0.65	0.16	0.10	0.91
24	Chemical products	0.11	0.37	0.14	0.62
35	Other transport equipment	0.24	0.33	0.04	0.61
36	Furniture; Manufacturing n.e.c.	0.10	0.46	0.02	0.58
	Others	0.08	0.17	0.04	0.29
<b>Total</b>		<b>0.40</b>	<b>0.32</b>	<b>0.07</b>	<b>0.79</b>

## 10. Profile of SMEs in manufacturing sector

### 10.1 Number of SMEs

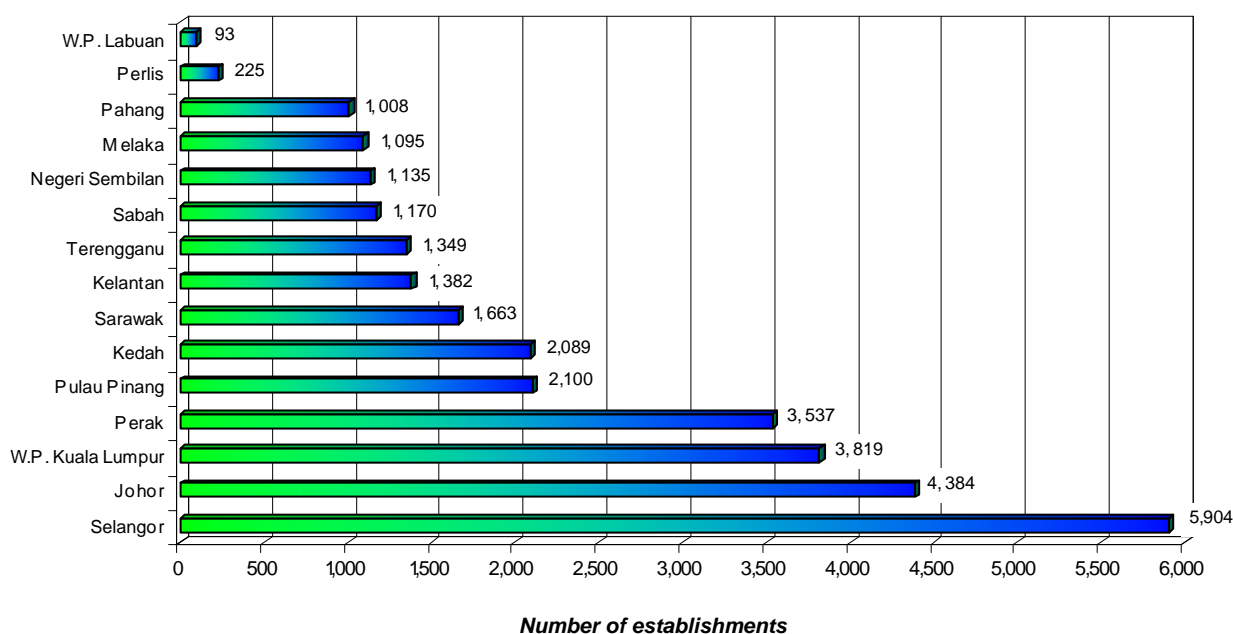
The survey results showed that there were 30,954 SMEs, representing 95.0 per cent of total establishments in manufacturing sector, while large establishments numbering 1,630 made up the remaining. The Textiles & clothings subsector ranked the highest in terms of establishment number (22.7 per cent), followed by Metal & non-metallic mineral products (18.6 per cent) and Food products & beverages (14.3 per cent) as shown in Chart 10.1a.

**Chart 10.1a : Share of SMEs in the manufacturing sector, 2007**



In terms of geographical distribution, 19.1 per cent of SMEs in manufacturing sector concentrated in Selangor. This was followed by Johor (14.2 per cent) and W.P. Kuala Lumpur (12.3 per cent). These three states cumulatively accounted for 45.6 per cent of SMEs in manufacturing sector as depicted in Chart 10.1b.

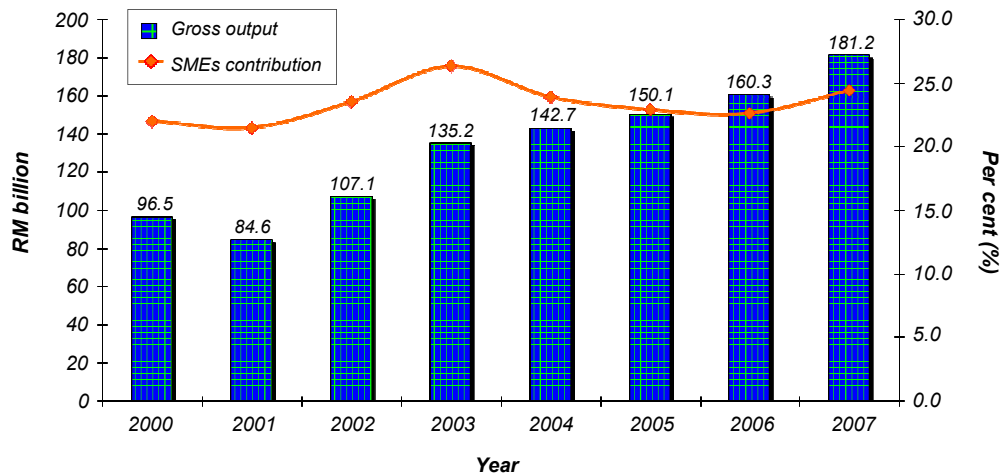
**Chart 10.1b : SMEs by state, 2007**



## 10.2 SMEs output and value added

During 2007, output by SMEs registered RM181.2 billion or 24.4 per cent of the total manufacturing output which increased from RM96.5 billion or 22.0 per cent of the total manufacturing output in 2000 as shown in Chart 10.2a. In 2007, SMEs registered RM39.6 billion or 27.9 percent of value added in manufacturing. The three subsectors which posted the highest in terms of value added were the Petroleum products with 26.1 per cent, Food products & beverages with 15.0 per cent and Metal and non-metallic mineral products at 14.7 per cent .

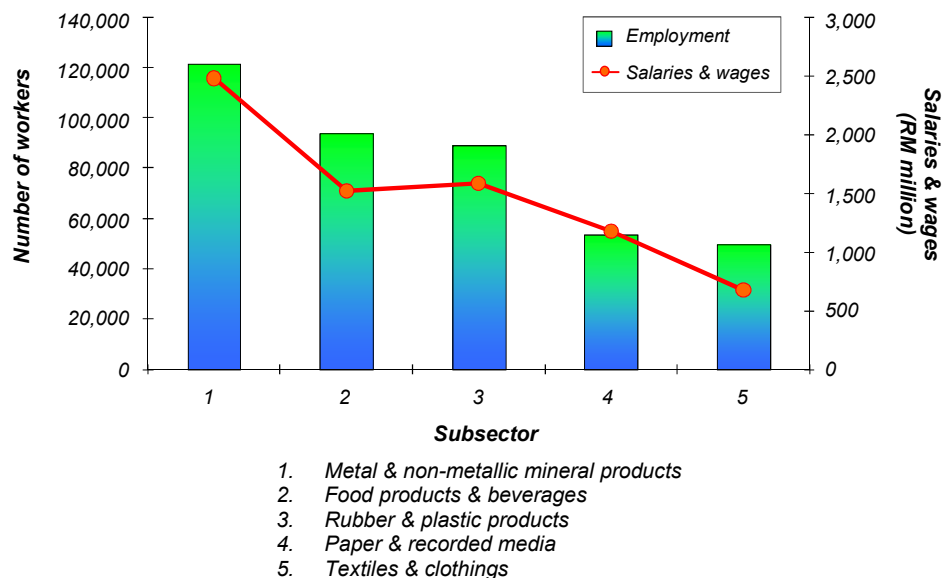
**Chart 10.2a : Contribution of SMEs to the total manufacturing output, 2000 - 2007**



## 10.3 Employment in SMEs

SMEs employed over 721.4 thousand workers, accounting for 40.1 per cent of the total employment of 1.80 million in manufacturing sector. Of this total, 133,205 persons or 18.5 per cent workers were employed in the Metal & non-metallic mineral products subsector which ranked as the highest employer. This was followed by Food products & beverages, 101,188 persons or 14.0 per cent and Rubber & plastic products, 89,180 persons or 12.4 per cent. In terms of salaries & wages, the highest subsector was Metal & non-metallic mineral products, RM2.5 billion, followed by Rubber & plastic products, RM1.6 billion and Food products & beverages, RM1.5 billion as shown in Chart 10.3a.

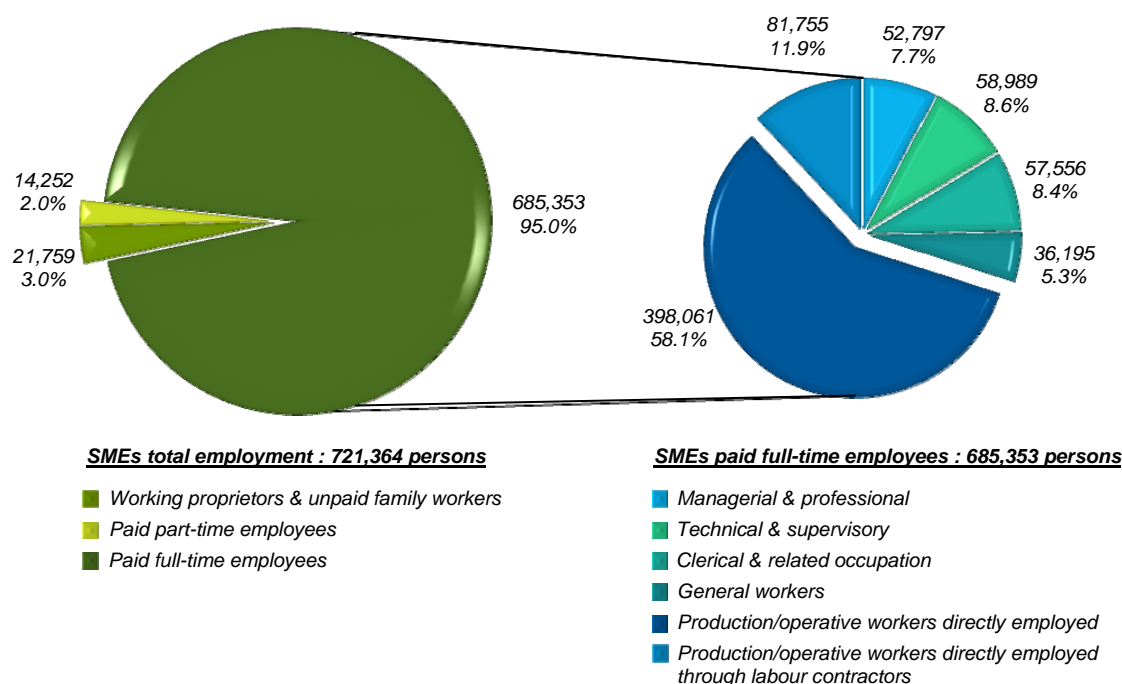
**Chart 10.3a : Employment and salaries & wages of SMEs, 2007**



## SUMMARY FINDINGS

Employment created by SMEs comprised of self-employed (working proprietors, active business partners and unpaid family workers) as well as paid full-time employees and paid part-time employees. In terms of percentage, the largest share of employment in manufacturing SMEs was paid full-time employees accounted for 95.0 per cent (685,353 persons) while 3.0 per cent (21,759 persons) represented by working proprietors and unpaid family workers while another 2.0 per cent (14,252 persons) were paid part-time employees as shown in Chart 10.2a. Production / operative workers directly employed contributed the highest share, accounted for 58.1 per cent (398,061 persons) of the SMEs total paid full-time employees.

**Chart 10.2b : SMEs employment by category of workers, 2007**



### 10.4 Legal status of SMEs

Among the SMEs, the three most leading legal status in 2007, were (in order of importance) : Private limited company, Individual proprietorship and Partnership. Private limited company accounted for 45.1 per cent of all SMEs, Individual proprietorship for 44.0 per cent and Partnership for 10.5 per cent as shown in Chart 10.4a.

**Chart 10.4a : Legal status of SMEs in manufacturing sector, 2007**

