



SMALL AND MEDIUM ENTERPRISES (SMES) PERFORMANCE 2017



Department of Statistics, Malaysia
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SMALL AND MEDIUM ENTERPRISES (SMEs) PERFORMANCE 2017

“ Malaysia’s SMEs GDP recorded a strong growth at **7.2 per cent** exceeded Malaysia’s GDP which registered at 5.9 per cent in 2017 ”

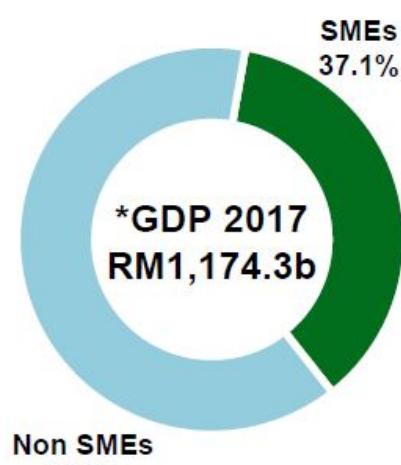
7.2%

SMEs GDP

5.9%

MALAYSIA’S GDP

“ SMEs GDP contribution increased to **37.1 per cent** as compared to 36.6 per cent in 2016 ”



* at constant 2010 prices █ SMEs █ Non SMEs

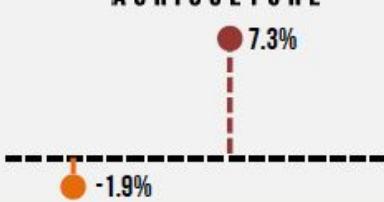
CONTRIBUTION OF SMEs

GROWTH RATE



50.7%

AGRICULTURE

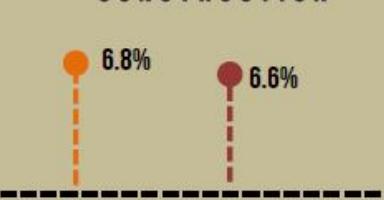


Agriculture sector rebounded which attributed by Rubber, Oil Palm, Livestock & Other Agriculture



47.1%

CONSTRUCTION

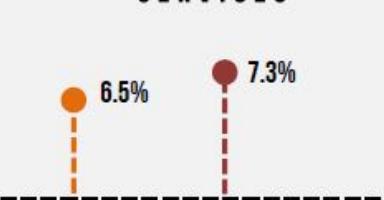


The momentum of Construction sector was influenced by the moderation in Specialised Construction Activities and Civil Engineering



40.6%

SERVICES

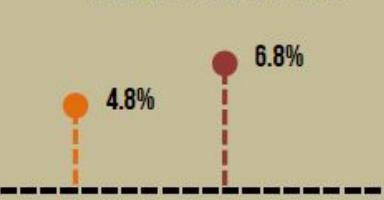


The expansion in Services was accelerated by Wholesale & Retail Trade, Food & Beverage and Accommodation



34.6%

MANUFACTURING

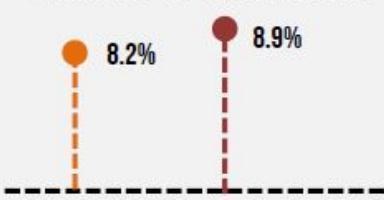


Food, Beverages and Tobacco led the growth of Manufacturing sector



1.9%

MINING & QUARRYING



Quarrying of Granite, Sand and Stone drove the momentum of Mining & Quarrying sector

2016 2017

PERFORMANCE OF SMEs GDP

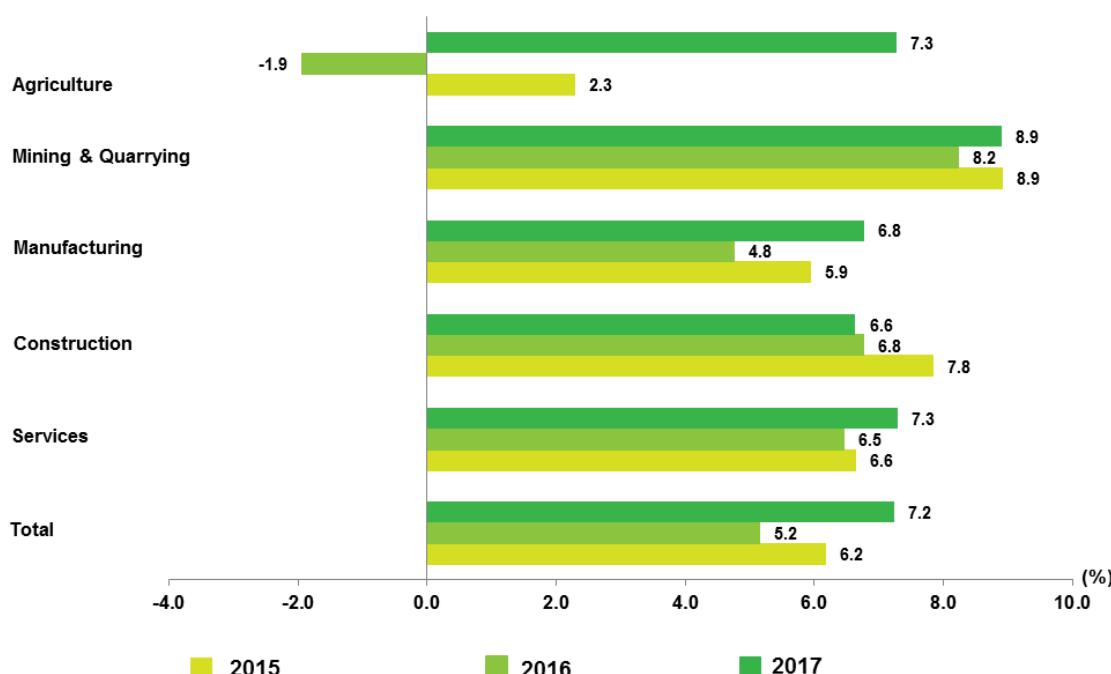
Malaysia's SMEs GDP recorded a strong growth for 2017 at 7.2 per cent as compared to 5.2 per cent recorded in 2016. This performance exceeded Malaysia's GDP and Non SMEs which registered 5.9 per cent and 5.1 per cent respectively as shown in **Exhibit 1**. The contribution of SMEs GDP to Malaysia's GDP increased to 37.1 per cent from 36.6 per cent in the previous year.

Value added of SMEs at constant prices 2010 was RM435.1 billion as compared to RM405.8 billion in 2016. In nominal terms, SMEs GDP recorded RM512.8 billion in 2017 (2016: RM463.5 billion).

Exhibit 1 Value Added by Category 2016-2017, Percentage Share to Malaysia's GDP and Annual Percentage Change at Constant 2010 Prices

CATEGORY	VALUE ADDED (RM BILLION)		SHARE TO MALAYSIA'S GDP (%)		ANNUAL PERCENTAGE CHANGE (%)	
	2016	2017	2016	2017	2016	2017
SMEs	405.8	435.1	36.6	37.1	5.2	7.2
NON SMEs	703.2	739.2	63.4	62.9	3.7	5.1
MALAYSIA GDP	1,108.9	1,174.3	100.0	100.0	4.2	5.9

Chart 1 Growth of SMEs GDP by Kind of Economic Activity for 2015-2017 at Constant 2010 Prices



SMEs value added for **Services** sector registered a growth of 7.3 per cent as compared to 6.5 per cent in 2016 as shown in **Chart 1**. The growth momentum was accelerated by Wholesale & retail trade, food & beverage and accommodation subsector which grew to 7.5 per cent (2016: 6.8%) attributed by retail and motor vehicle segments. Moreover, the growth of Finance, insurance, real estate and business services subsector increased at 7.4 per cent (2016: 5.9%) and Transportation & storage and information & communication subsector which expanded to 6.8 per cent (2016: 5.9%) has supported the growth momentum.

In **Manufacturing** sector, value added of SMEs rose to 6.8 per cent (2016: 4.8%) led by Food, beverages and tobacco subsector which registered a double-digit growth of 11.0 per cent (2016: 2.9%). Furthermore, Non-metallic mineral products, basic metal & fabricated metal products grew 6.1 per cent from 6.2 per cent in previous year driven by Basic metal. Meanwhile, Petroleum, chemical, rubber & plastic products recorded a slower growth at 4.3 per cent (2016: 5.4%).

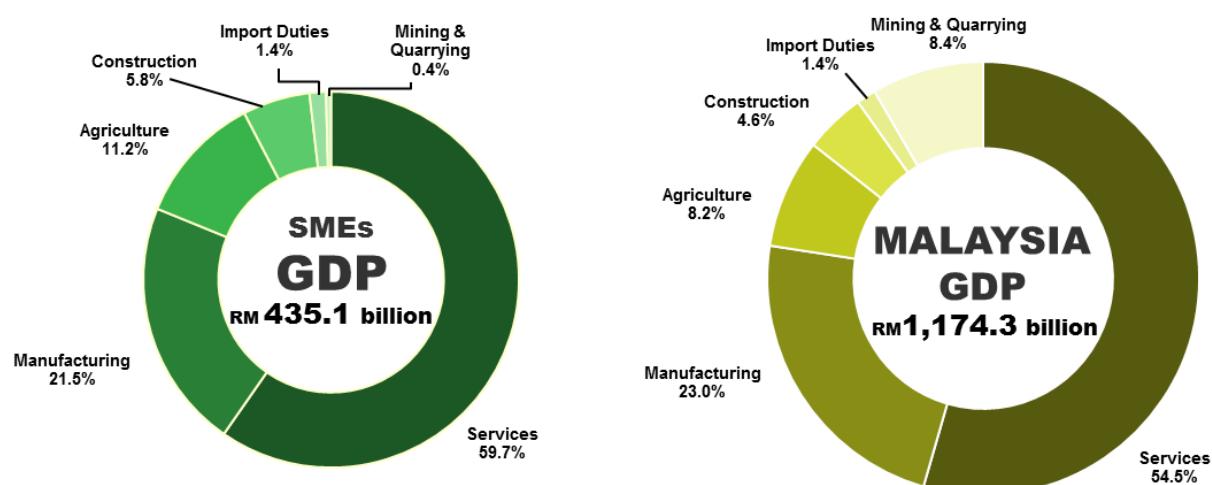
The value added of SMEs **Agriculture** sector rebounded to 7.3 per cent from a negative 1.9 per cent in the previous year. This was attributed by Rubber, oil palm, livestock & other agriculture subsector which expanded to 10.3 per cent (2016: -2.6%) following an increase in production of rubber and oil palm.

SMEs in **Construction** sector recorded a slower growth of 6.6 per cent (2016: 6.8%) with a value added of RM25.3 billion in 2017. This was due to the moderation in Specialised construction activities and Civil engineering. In addition, slower growth in Residential buildings has pulled down the overall performance of this sector. Meanwhile, value added of SMEs in **Mining & quarrying** sector grew 8.9 per cent from 8.2 per cent in 2016.

COMPOSITION BY KIND OF ECONOMIC ACTIVITY

SMEs activities are dominated by **Services** which contributed 59.7 per cent and **Manufacturing** sectors with a share of 21.5 per cent as depicted in **Chart 2**. The **Agriculture** sector contributed 11.2 per cent to SMEs GDP followed by the **Construction** and **Mining & quarrying** sectors which contributed 5.8 per cent and 0.4 per cent respectively.

Chart 2 Percentage Share of SMEs GDP and Malaysia's GDP for 2017 at Constant 2010 Prices



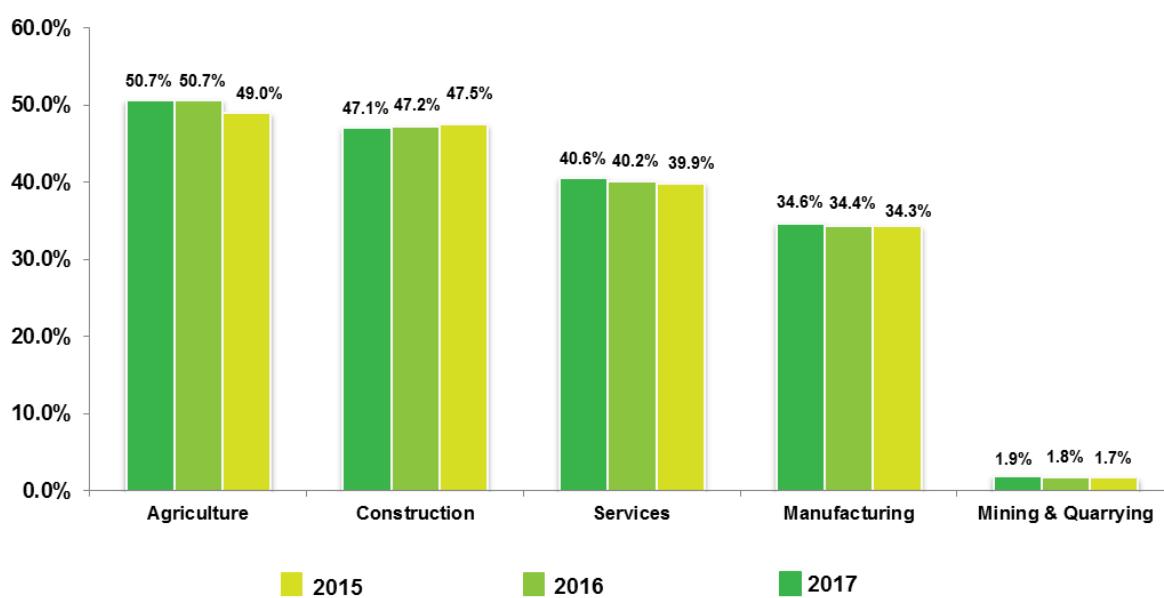
CONTRIBUTION OF SMEs GDP BY KIND OF ECONOMIC ACTIVITY

From the perspective of SMEs GDP contribution by kind of economic activity, all sectors recorded a higher contribution in 2017 except for Construction sector. SMEs GDP led by the **Agriculture** sector with a share of 50.7 per cent sustained from 2016 as portrayed in **Chart 3**. This contribution was impelled by Rubber, oil palm, livestock and other agriculture subsector.

The contribution of SMEs GDP in **Construction** sector posted 47.1 per cent from 47.2 per cent in the preceding year. This was reflected by the lower contribution in Civil engineering activities.

SMEs GDP of **Services** sector expanded to 40.6 per cent as compared to 40.2 per cent in 2016 which was dominated by Wholesale & retail trade, food & beverage and accommodation subsector. Subsequently, Finance, insurance, real estate and business services subsector has also supported the Services sector.

Chart 3 Contribution of SMEs GDP for 2015-2017 at Constant 2010 Prices



SMEs GDP in **Manufacturing** sector recorded a marginal increase to 34.6 per cent (2016: 34.4%) attributed by Food, beverages and tobacco products. In addition, Non-metallic mineral products, basic metal & fabricated metal products also contributed towards the increment of SMEs GDP contribution in this sector. Meanwhile, the SMEs GDP in **Mining & quarrying** sector recorded a share of 1.9 per cent (2016: 1.8%) mainly in quarrying of granite, sand and stone.

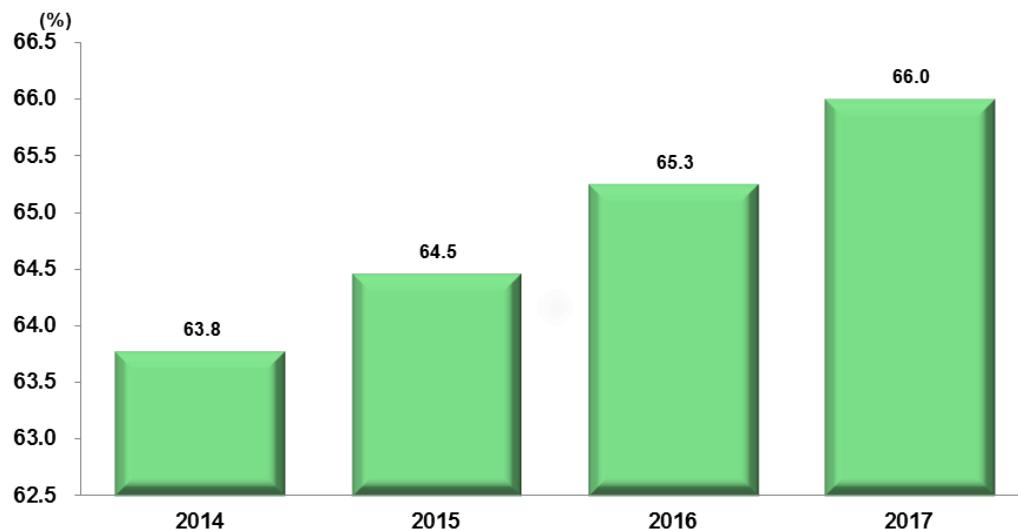
SMEs EXPORTS

SMEs exports increased RM12.3 billion (2017: 7.9%) to RM167.4 billion in 2017 which was supported by expansion in **Services** (2017: 6.7%), **Manufacturing** (2017: 7.8%) and **Agriculture** (2017: 48.1%) sectors. In terms of contribution, the share of SMEs exports to total exports registered 17.3 per cent in 2017 (Share 2016: 18.6%) where 8.7 per cent was from the Services sector, 8.2 per cent Manufacturing sector and 0.4 per cent Agriculture sector.

SMEs EMPLOYMENT

The contribution of SMEs employment to total employment increased from 65.3 per cent in 2016 to 66.0 per cent in 2017 (**Chart 4**). The expansion was propelled by the higher performance of SMEs employment which outpaced the momentum of national employment.

Chart 4 Contribution of SMEs Employment for 2014-2017



The largest contributor to the SMEs employment was the **Services** sector. **Manufacturing** was the second largest contributor followed by **Agriculture, Construction** and **Mining & quarrying**.

Statistics on SMEs are important in measuring the performance of small and medium scale firms for assisting the government in future developments on SMEs. Furthermore, these statistics are relevant since SMEs formed as the backbone in supporting the overall economy.

SMEs 2017 TABLES

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