

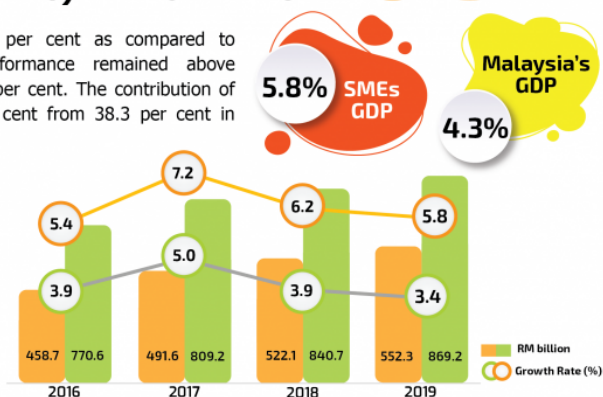
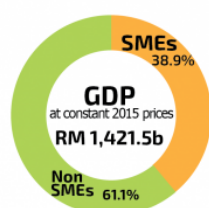


## SMALL AND MEDIUM ENTERPRISES (SMEs) PERFORMANCE 2019

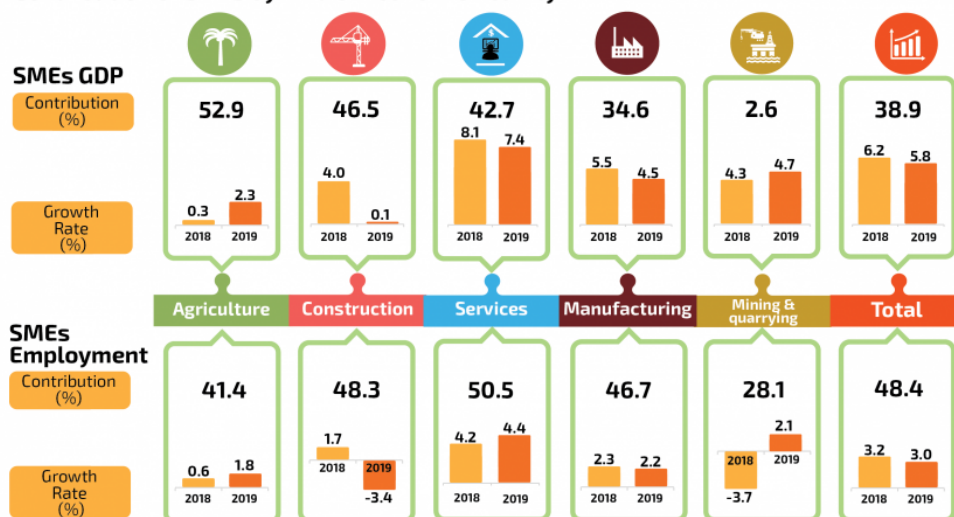


### SMALL AND MEDIUM ENTERPRISES (SMEs) PERFORMANCE 2019

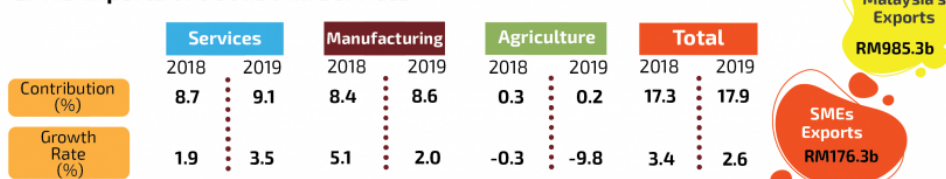
Malaysia's SMEs GDP grew at 5.8 per cent as compared to 6.2 per cent in 2018. The performance remained above Malaysia's GDP which registered 4.3 per cent. The contribution of SMEs to GDP increased to 38.9 per cent from 38.3 per cent in the previous year.



#### Contribution of SMEs by Kind of Economic Activity



#### SMEs Exports of Goods and Services

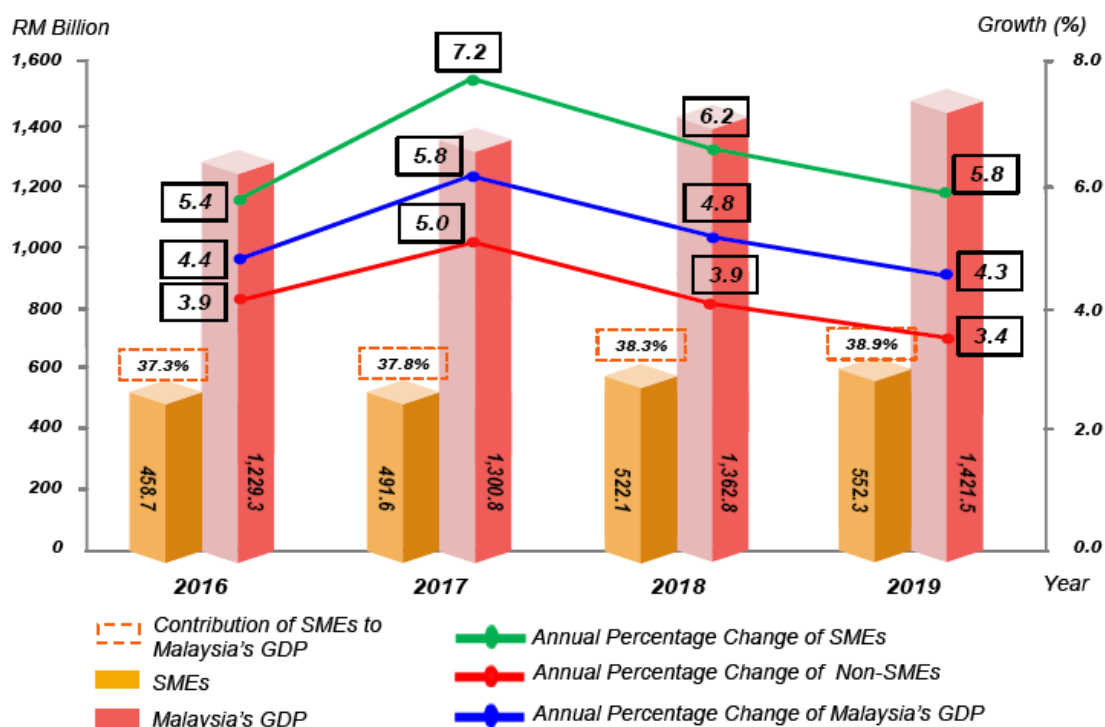


Source: National Accounts, Small and Medium Enterprises, Department of Statistics Malaysia

## PERFORMANCE OF SMEs GDP 2019

For the year 2019, Malaysia's SMEs GDP grew at 5.8 per cent as compared to 6.2 per cent in 2018. Nevertheless, the performance remained above Malaysia's GDP and Non-SMEs which registered 4.3 per cent and 3.4 per cent respectively as illustrated in **Chart 1**. The contribution of SMEs to GDP increased to 38.9 per cent from 38.3 per cent in the previous year. Value added of SMEs at constant 2015 prices was RM552.3 billion as compared to RM522.1 billion in 2018. In nominal terms, SMEs GDP recorded RM586.9 billion in 2019 (2018: RM551.8 billion).

**Chart 1** Value Added and Annual Percentage Change for 2016-2019 at Constant 2015 Prices



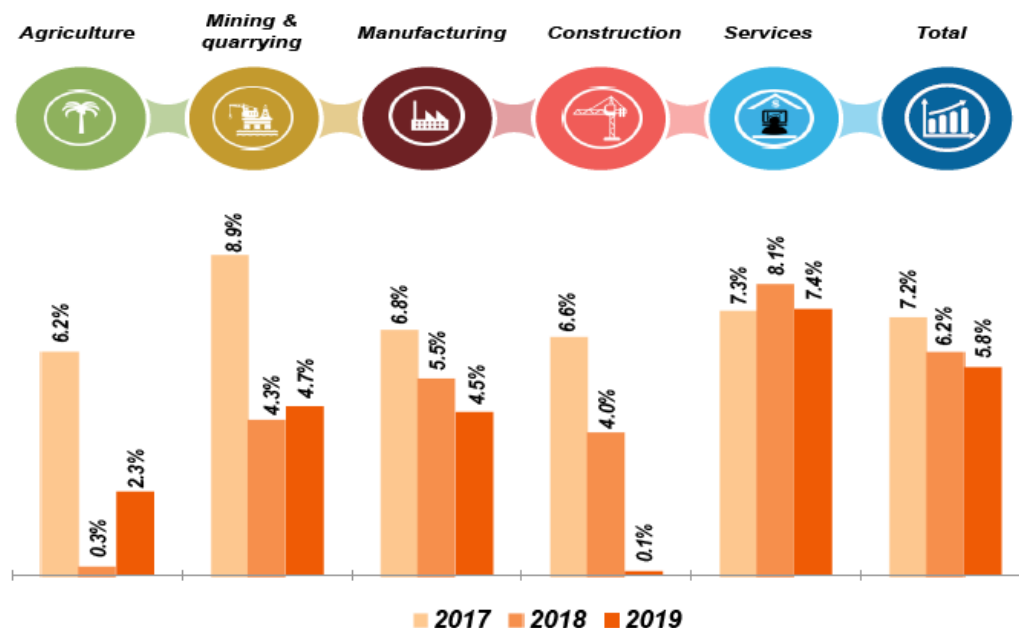
SMEs value added of Services sector recorded a growth of 7.4 per cent as compared to 8.1 per cent in 2018 as show in **Exhibit 1**. The growth momentum was spurred by Wholesale & retail trade, food & beverage and accommodation sub-sector which grew to 7.6 per cent (2018: 8.6%). Besides that, Finance, insurance, real estate and business services sub-sector expanded to 7.7 per cent (2018: 7.5%) and Transportation & storage and information & communication sub-sector which grew 6.6 per cent (2018: 6.9%) has also supported the growth momentum.

In Manufacturing sector, value added of SMEs moderated to 4.5 per cent (2018: 5.5%) led by Petroleum, chemical, rubber and plastic products with a growth of 4.3 per cent (2018: 5.9%). Furthermore, Non-metallic mineral products, basic metal & fabricated metal products and Food, beverages and tobacco sub-sector also registered a slower growth at 4.9 per cent and 3.2 per cent respectively.

SMEs value added of Agriculture sector rose to 2.3 per cent from 0.3 per cent in the preceding year. The favourable performance was attributed by Rubber, oil palm, livestock and other agriculture sub-sector with a growth of 3.5 per cent (2018: 0.7%).

SMEs in Mining & quarrying sector increased to 4.7 per cent (2018: 4.3%) while Construction moderated to 0.1 per cent (2018: 4.0%).

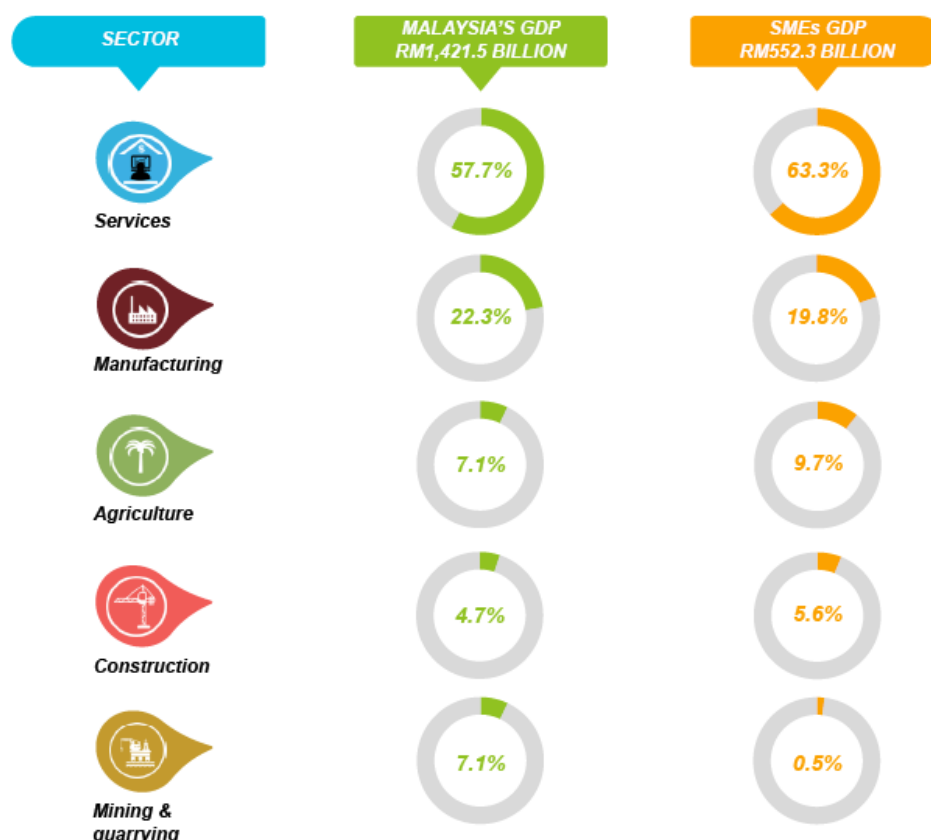
**Exhibit 1** Annual Percentage Change of SMEs GDP by Kind of Economic Activity for 2017-2019 at Constant 2015 Prices



## DISTRIBUTION BY KIND OF ECONOMIC ACTIVITY

Services sector continuously dominated SMEs activities with a contribution of 63.3 per cent followed by Manufacturing sector at 19.8 per cent as shown in **Exhibit 2**. Agriculture sector contributed 9.7 per cent to SMEs GDP. Meanwhile, Construction and Mining & quarrying sectors contributed 5.6 per cent and 0.5 per cent respectively.

## Exhibit 2 Percentage Share of Malaysia's GDP and SMEs GDP for 2019 at Constant 2015 Prices



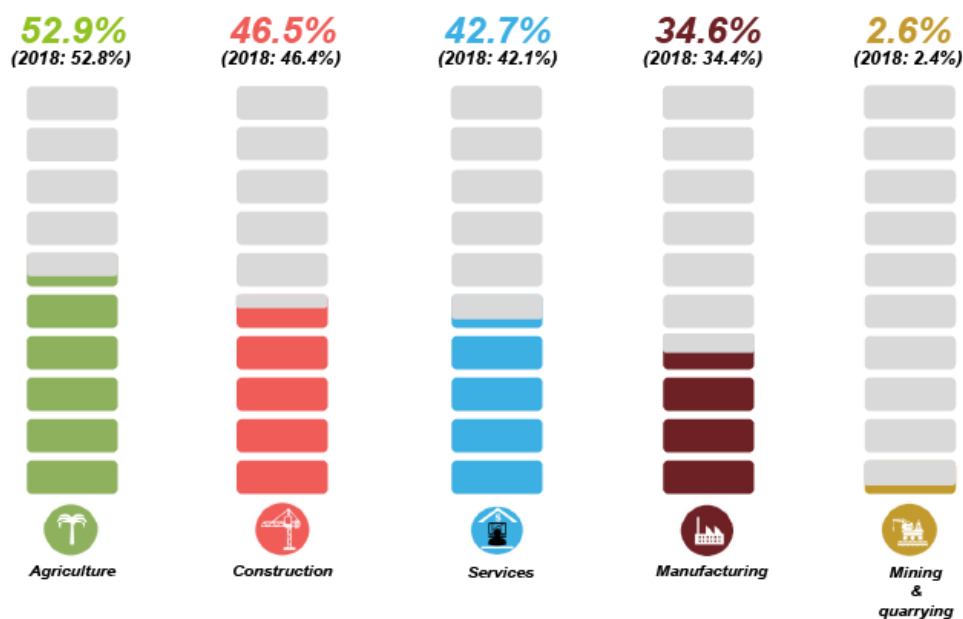
Note: Exclude Import Duties

### CONTRIBUTION BY KIND OF ECONOMIC ACTIVITY

In terms of SMEs GDP contribution by kind of economic activity, all sectors recorded an increase for 2019. SMEs GDP was led by the Agriculture sector with a share of 52.9 per cent as portrayed in **Exhibit 3**. This contribution was propelled by Rubber, oil palm, livestock and other agriculture sub-sector. As for Construction, contribution of SMEs GDP increased marginally to 46.5 per cent from 46.4 per cent in the preceding year.

SMEs GDP of Services sector augmented to 42.7 per cent as compared to 42.1 per cent in 2018 predominantly by Wholesale & retail trade, food & beverage and accommodation sub-sector. Manufacturing sector registered a share of 34.6 per cent (2018: 34.4%) to SMEs GDP impelled by Food, beverages and tobacco products. Meanwhile, the SMEs GDP in Mining & quarrying sector recorded a share of 2.6 per cent (2018: 2.4%).

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**Exhibit 3** Contribution of SMEs GDP to Malaysia's GDP for 2019 at Constant 2015 Prices

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**PERFORMANCE OF SMEs EXPORTS 2019**

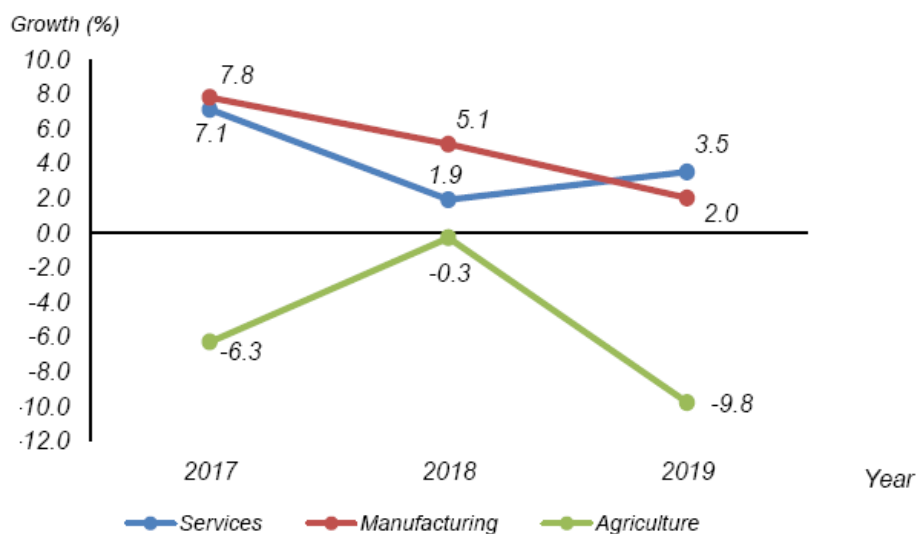
Exports of SMEs registered a growth of 2.6 per cent to RM176.3 billion in 2019 as compared to 3.4 per cent in 2018, driven by Services (3.5%) and Manufacturing (2.0%) sectors as portrayed in **Chart 2**. SMEs exports of Agriculture sector in 2019 was RM2.3 billion (2018: RM2.5 billion), recorded a negative growth of 9.8 per cent, due to the decline in SMEs exports for vegetables, fisheries, poultry, banana and other tropical fruits such as watermelon, guava and others.

Meanwhile, exports of SMEs in the Manufacturing sector which contributed 48.0 per cent of total SMEs exports in 2019, was supported by miscellaneous manufactured articles, food, crude materials inedible and manufactured goods. The main destination for SMEs exports of the Manufacturing sector was Singapore which constituted 18.4 per cent followed by China (9.3%) and the United States (7.5%). SMEs exports of Services sector increased to RM89.3 billion from RM86.3 billion in 2018. This was led by travel, other business services and transport activities.

Share of SMEs exports to total exports in 2019 was 17.9 per cent where 9.1 per cent was from the Services sector. Furthermore, Manufacturing sector contributed 8.6 per cent and Agriculture sector 0.2 per cent.

Exports of durian (includes fresh, frozen, pulp and paste) registered an increase of 32.2 per cent in 2019 to RM423.7 million as compared to RM320.5 million in 2018. The main destinations in 2019 were China (61.8%), Singapore (14.8%) and Hong Kong (8.4%).

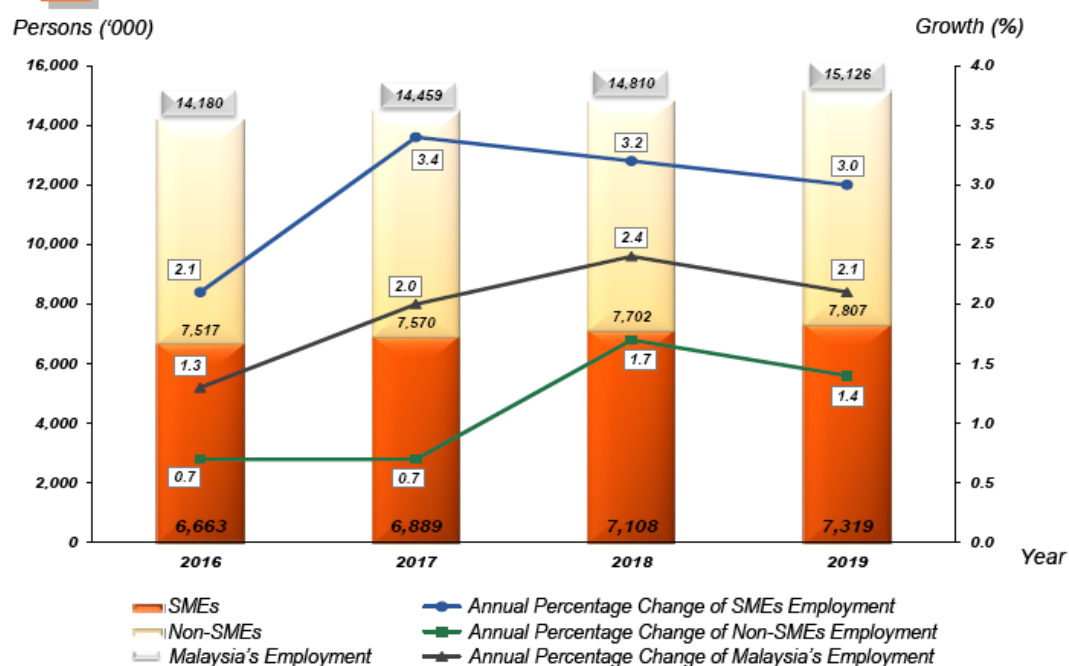
**Chart 2** Annual Percentage Change of SMEs Exports by Sector for 2017-2019



## PERFORMANCE OF SMEs EMPLOYMENT 2019

In 2019, SMEs employment in Malaysia grew at 3.0 per cent as against 3.2 per cent in 2018. In terms of growth, SMEs employment portrayed higher rate as compared to the Malaysia's employment and Non-SMEs employment which grew at 2.1 per cent and 1.4 per cent respectively. SMEs employment comprised of 48.4 per cent from Malaysia's employment, increased 0.4 percentage points from 48.0 per cent in the previous year. The number of SMEs employment was 7.3 million persons in 2019 (2018: 7.1 million persons) (**Chart 3**).

**Chart 3** Employment and Annual Percentage Change for 2016-2019



## SMEs EMPLOYMENT BY KIND OF ECONOMIC ACTIVITY 2019

Based on the contribution of SMEs employment to the Malaysia's employment by kind of economic activity, all sectors recorded an increase in 2019 except for Construction sector. The Services sector had the highest share of SMEs employment by comprising of more than 50 per cent as depicted in **Exhibit 4**.

In 2019, SMEs employment for Services sector had a total of 4.6 million persons. This accounted for 50.5 per cent of total employment in Services sector. This sector recorded the highest growth of 4.4 per cent (2018: 4.2%) supported by Wholesale & retail trade, food & beverage and accommodation sub-sector (2018: 4.9%; 2019: 5.2%).

In Manufacturing sector, there were 1.2 million employed persons in SMEs. This contributed 46.7 per cent (2018: 46.6%) to Manufacturing's total employment. The SMEs employment increased 2.2 per cent as compared to 2.3 per cent in the preceding year. It was supported by Petroleum, chemical, rubber and plastic products (2018: 2.9%; 2019: 2.4%) and Food, beverages and tobacco (2018: 1.6%; 2019: 1.4%) sub-sectors.






The contribution of SMEs employment to Agriculture's total employment was 41.4 per cent with 0.8 million persons in 2019. Employment in this sector posted a growth of 1.8 per cent from 0.6 per cent in 2018.

SMEs employment in Construction sector recorded a contribution of 48.3 per cent with 0.7 million persons. This sector posted a negative growth of 3.4 per cent (2018: 1.7%) during the year.

Meanwhile, SMEs employment for Mining & quarrying sector was 0.02 million persons with a contribution of 28.1 per cent of total employment in the sector. This sector soared up to 2.1 per cent after registering a negative growth of 3.7 per cent in 2018.

In overall, looking at the composition of SMEs employment by economic activity, Services sector was the largest contributor with a share of 63.2 per cent followed by Manufacturing sector which accounted for 16.3 per cent in 2019. Agriculture sector constituted 10.6 per cent as compared to 10.7 per cent in the previous year. In addition, Construction and Mining & quarrying sectors recorded a share of 9.7 per cent and 0.3 per cent respectively.

### Exhibit 4 SMEs Employment by Kind of Economic Activity

	2019 2018	Employment ('000)	Share (%)	Composition (%)
 Agriculture		776 (y-o-y: 1.8%)	41.4	10.6
		762 (y-o-y: 0.8%)	41.4	10.7
 Mining & quarrying		21 (y-o-y: 2.1%)	28.1	0.3
		21 (y-o-y: -3.7%)	27.4	0.3
 Manufacturing		1,192 (y-o-y: 2.2%)	46.7	16.3
		1,166 (y-o-y: 2.3%)	46.6	16.4
 Construction		707 (y-o-y: -3.4%)	48.3	9.7
		732 (y-o-y: 1.7%)	48.5	10.3
 Services		4,623 (y-o-y: 4.4%)	50.5	63.2
		4,427 (y-o-y: 4.2%)	49.9	62.3



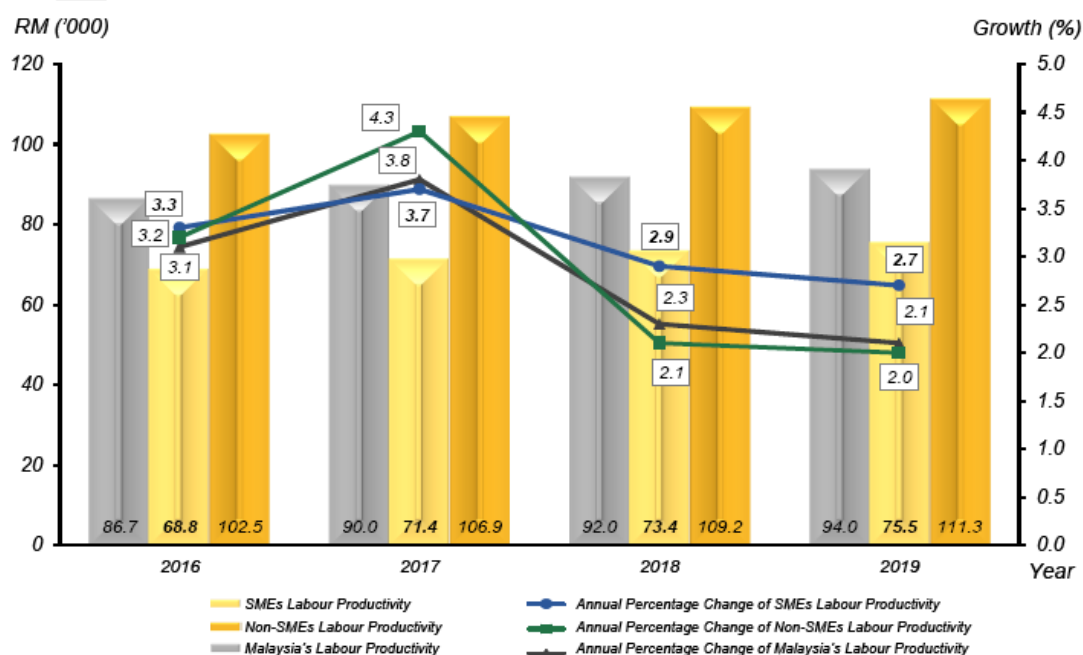


## SMEs LABOUR PRODUCTIVITY 2019

In 2019, SMEs labour productivity, as measured by value added per employment rose 2.7 per cent after registering 2.9 per cent in the previous year (**Chart 4**). SMEs GDP increased 5.8 per cent in 2019 (2018: 6.2%) while SMEs employment grew 3.0 per cent (2018: 3.2%). The SMEs labour productivity growth was faster than the Malaysia's and Non-SMEs growth in 2019 which posted a growth of 2.1 per cent and 2.0 per cent respectively.

In terms of labour productivity level, value added per employment for SMEs (RM75,457) was always lower than the Malaysia's labour productivity (RM93,973) and Non-SMEs labour productivity (RM111,332).

**Chart 4** Labour Productivity and Annual Percentage Change for 2016-2019

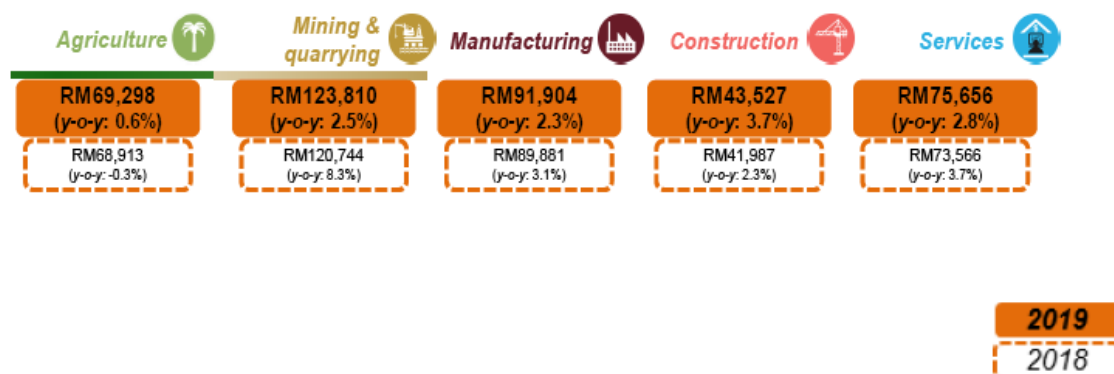


The highest growth of SMEs labour productivity in 2019 was recorded by Construction sector (3.7%), followed by Services (2.8%), Mining & quarrying (2.5%) and Manufacturing (2.3%) sectors. Meanwhile, growth of SMEs labour productivity for Agriculture sector was the lowest in 2019, however, it rebounded to 0.6 per cent in 2019 from negative 0.3 per cent in 2018 (**Exhibit 5**).

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**Exhibit 5** SMEs Labour Productivity by Kind of Economic Activity

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