



PRESS RELEASE

SMEs continue to outpace the overall economic growth

Kuala Lumpur, 12 July 2017 – The 22nd National SME Development Council (NSDC) Meeting chaired by Prime Minister Dato' Sri Mohd Najib Tun Haji Abdul Razak today reported that SMEs continue to outpace the overall economic growth for year 2016. The Department of Statistics Malaysia (DOSM) also presented based on the Economic Census 2016 which concluded that SMEs outperformed the national growth in terms of output, input, value-added, employment, salaries, wages and fixed assets between year 2010 to 2015. The meeting was attended by 16 Ministers.

Economic Census 2016 revealed that SMEs accounted for 98.5% (907,065) from a total 920,624 establishments in 2015, compared to 98.4% (652,495) in 2010, registering an annual growth of 6.8%. Most of the SMEs were microenterprises forming 76.5% of total SME establishments. Services sector comprised the largest sector at 89.2%, led by wholesale & retail trade (51.2%), while manufacturing sector comprised of 5.3% of the total SME establishments.

In terms of the performance of SMEs in Malaysia, SME GDP recorded a growth of 5.2% in 2016 (2015: 6.1%) and continued to outperform the national average economic growth at 4.2% in 2016 (2015: 5.0%). The SME GDP growth was underpinned by domestic demand and supportive policies by the Government despite considerable external and domestic challenges. Consequently, the contribution of SMEs to overall GDP increased to 36.6% in 2016 (2015: 36.3%) while contribution of exports by SMEs increased to 18.6% in 2016 (2015: 17.7%). This was supported by higher consumer spending and tourists arrival while SME employment contribution increased to 65.3% (2015: 64.5%).

In terms of distribution by state, Selangor had the highest number of SMEs with 179,271 establishments, followed by 133,703 establishments in Wilayah Persekutuan Kuala Lumpur and Johor, 98,190 establishments. The Census also reported that women-owned SMEs accounted for 186,930 made up 20.6% (Economic Census 2011: 19.5%) of total SME establishments with an annual growth of 8.0%. Output generated by women-owned SMEs was RM69 billion, largely driven by the services sector.

YAB Dato' Sri Mohd Najib bin Tun Abdul Razak also informed the latest development in recognising the role of SMEs at international level whereby the United Nations General Assembly (UNGA) has dedicated 27 June as the "International Micro, Small and Medium Enterprise Day".

The Meeting also discussed on ways to further enhance digitalisation of SMEs, the National E-Commerce Strategic Roadmap (NeSR) and Digital Free Trade Zone (DFTZ). Discussion also centred on new approach to SME insolvency. The new approach to restart, restore and rebuild is recommended to enhance and provide for a more equitable enabling environment for SMEs and providing a second chance for entrepreneurs to return to the business scene.

A "Meet & Greet" Session with SMEs and youth entrepreneurs also took place after the Meeting, hosted by the Prime Minister with members of NSDC. The Session provided a platform for the Government top officials to meet SMEs and young entrepreneurs to better understand their aspirations and expectations whilst sharing their success stories towards creating a better entrepreneurship ecosystem.

As one of the Government initiatives to attract participation of youth in entrepreneurship, SME Corp. Malaysia has collaborated with Suhan Movies & Trading Sdn Bhd in producing 12 mini-series called "Chor & Chah" to be featured on the YouTube channel starting 1 August 2017. The drama featured the journey of a young entrepreneur in establishing his business with the assistance and support from various Government and agencies.

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About SME Corp. Malaysia

SME Corp. Malaysia is a Central Coordinating Agency that formulates overall policies and strategies for SMEs and coordinates the implementation of SME Development Programmes across all related Ministries and Agencies. It acts as the central point of reference for research and data dissemination on SMEs, as well as, provides advisory services for SMEs in Malaysia.

SME Corp. Malaysia also assumes the role of the Secretariat to the National SME Development Council (NSDC) which is chaired by YAB Prime Minister of Malaysia.