



MEDIA RELEASE

MSMEs RECORDED DOUBLE-DIGIT GROWTH, CONTRIBUTION TO ECONOMY INCREASED TO RM580.4 BILLION

BANGI, 1 August 2023 – Micro, Small and Medium Enterprises (MSMEs) recorded a remarkable Gross Domestic Product (GDP) growth in 2022 with a double-digit growth of 11.6%, a significant increase compared to 1.3% in 2021. Contribution of MSMEs to national GDP also increased to 38.4% compared to 37.4% in 2021.

Based on data released by the Department of Statistics, Malaysia (DOSM), growth of MSMEs also outpaced the overall GDP growth at 8.7% (2021: 3.3%). As a result, MSME contribution to the national economy increased from RM520.0 billion in 2021 to RM580.4 billion in 2022. The performance was announced during the Press Conference on MSME Performance 2022 by YB Datuk Ewon Benedick, Minister of Entrepreneur and Cooperatives Development at Bangi Resort Hotel today.

MSME exports continued to soar with an increase of RM20.2 billion to RM144.5 billion compared to RM124.3 billion in 2021. However, the contribution of MSMEs to total exports decreased to 10.5% in 2022 compared to 11.4% in 2021 as exports by large companies and multinationals grew at a faster rate.

In terms of labour market, MSMEs employed a total of 7.59 million workers in 2022 which is an increase of 3.8% with contribution of MSMEs to total employment rose to 48.2% in 2022 (2021: 47.8%). Meanwhile, MSME labour productivity has also improved with a value of RM76,433 per employee compared to RM71,089 per employee in the previous year.

According to YB Datuk Ewon Benedick, "In an effort to increase the growth of MSMEs to be more resilient and sustainable, the Ministry of Entrepreneur and Cooperatives Development (MECD) through its agency SME Corp. Malaysia will stay committed to strengthen the implementation of MSME development programmes in a targeted manner. To date, there are 225 MSME development programmes that are being implemented by 12 Ministries, 56 Agencies and 7 State Governments with an allocation of RM10.6 billion."

He added that "KUSKOP will stay committed to empower MSMEs to remain competitive to enable them to penetrate broader market at the international level. This goal is in line with the aspirations of the Malaysia MADANI Economic Framework announced by the Prime Minister recently. Hence, MSMEs needs to start thinking in a global manner to ensure that the product and service offerings achieve quality, standard, production capacity and delivery timeline that fulfil the market needs and future trends.

"Government policies and initiatives that are structured and supportive of MSME development, in addition to the provision of various stimulus packages have helped MSMEs recover from the impacts of COVID-19 pandemic. The recovery momentum and MSME development is expected to be further strengthened in 2023 in line with the emphasis given by the Government to MSMEs under the Malaysia MADANI Economic Framework. Among the strategies and initiatives involving MSMEs are the internationalisation of local MSMEs, attracting more investors to finance MSMEs, increase the digitalisation matching grant of RM100 million to facilitate digitalisation of MSMEs and an increased allocation of RM400 million for micro financing under agencies including SME Corp. Malaysia and TEKUN Nasional which are agencies under KUSKOP."

Collaboration with various Ministries, Agencies and industry groups will continue to enable KUSKOP to carry out its responsibility of developing a comprehensive entrepreneurial ecosystem more effectively in supporting the development of MSMEs to be more progressive and sustainable. KUSKOP through SME Corp. Malaysia will focus on programmes related to internationalisation of MSMEs in an effort to increase MSME contribution to the country's GDP and export value.

Also present during the Media Conference on MSME Performance 2022 were YBhg. Dato' Sri Suriani binti Dato' Ahmad, Secretary General of KUSKOP, YBhg. Tan Sri Datuk Seri Panglima Bernard Giluk Dompok, Chairman of SME Corp. Malaysia, YBhg. Dato' Sri Dr. Mohd Uzir bin Mahidin, Chief Statistician of DOSM and YBrs. Encik Rizal bin Nainy, Chief Executive Officer of SME Corp. Malaysia.

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About SME Corp. Malaysia

SME Corporation Malaysia (SME Corp. Malaysia) is the central coordinating agency (CCA) under the Ministry of Entrepreneur Development and Cooperatives (MECD) that coordinates the implementation of development programmes for small and medium enterprises (SMEs) across all related Ministries and agencies. It acts as the central point of reference for research and data dissemination on SMEs and entrepreneurs, as well as provides business advisory services for SMEs and entrepreneurs throughout the country.

Beginning on May 2, 1996, SME Corp. Malaysia was formerly known as the Small and Medium Industry Development Corporation (SMIDEC), which aims to develop the Industry Malaysian Small and Mediums (SMEs) that are capable and resilient to be able to compete in the global market. In 2007, SMIDEC was mandated by the National SME Development Council chaired by the YAB Prime Minister to formulate comprehensive policies and strategies for SMEs and drive SME programs across Ministries and Agencies. Accordingly, SMIDEC has been officially rebranded as SME Corp. Malaysia on 2 October 2009.

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