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MEDIA STATEMENT



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BUSINESS DEMOGRAPHY, 2022

The enterprise birth rate in Malaysia above 6.0 per cent during the period from 2017 to 2022

PUTRAJAYA, OCTOBER 28, 2024 – “Today, Department of Statistics Malaysia (DOSM) has published ***Business Demography, 2022*** for the first time. Business demography statistics provide indicators to measure among others level of competitiveness, economic growth and the creation of new jobs resulting from formation of new enterprises. This publication presents three basic parameters, namely the number of enterprises, the number of enterprise births and deaths, as well as the survival rate of enterprises in Malaysia. The business entities covered in this publication are companies registered under the Registration of Companies with Companies Commission of Malaysia (CCM).

In a statement today, Dato’ Sri Dr. Mohd Uzir Mahidin, the Chief Statistician of Malaysia, said, “The enterprise birth rate remained above 6.0 per cent during the period from 2017 to 2022, with the highest rate recorded in 2022 at 7.0 per cent, while the lowest rate was recorded in 2020 at 6.4 per cent. The enterprise death rates had consistently exceeded the birth rates except in 2021. The highest enterprise death rate was recorded in 2017 at 11.4 per cent while the lowest was in 2021 at 4.4 per cent”.

Dato' Seri Dr. Mohd Uzir Mahidin explained "In the period 2017 to 2022, the highest number of enterprises was recorded in 2017 at 726,362. The number of enterprises showed a declining trend for a period of four consecutive years starting in 2017 with the lowest number recorded in 2020 at 681,832 enterprises. This was due to the spread of the COVID-19 pandemic, whereby the Movement Control Order (MCO) throughout Malaysia began on 18 March 2020, allowing only essential sectors to operate, which severely impacted most businesses".

During the same period, the number of enterprise births exceeded 45,000 except in 2020. The highest number was recorded in 2022 at 48,124 while the lowest was recorded in 2020 at 43,928. However, the number of enterprise deaths has always exceeded the number of enterprise births except in 2021, which also recorded the lowest number of enterprise deaths at 30,956. Meanwhile, the highest number of enterprise deaths was recorded in 2017 with 82,518.

In the context of the enterprises survival rates, the one-year survival rate for enterprises established in 2017 to 2021 was between 94.2 per cent to 97.3 per cent, with the highest in 2017 (97.3%) and the lowest in 2018 (94.2%). Meanwhile, the five-year survival rate of enterprises established in 2017 was 66.1 per cent.

Elaborating further on these statistics from the sectoral perspective, "The most dominant sector in 2022 was the Services sector which recorded the highest number of enterprises at 544,403 (79.0%) followed by Construction sector at 59,771 (8.7%). In terms of enterprise birth, the Services sector contributed to the highest number which was 39,764 (82.6%) while the Mining & quarrying sector recorded the lowest with 506 (1.1%). Regarding enterprise death, Services sector recorded the highest number at 44,064 (79.4%) whereas Mining & quarrying sector recorded the lowest with 832 (1.5%)".

The highest enterprise birth rate in 2022 was recorded by Services sector at 7.3 per cent while Manufacturing sector recorded the lowest rate at 5.3 per cent. The Mining & quarrying sector recorded the highest enterprise death rate of 11.1 per cent, while the lowest death rate was recorded by the Manufacturing sector at 7.3 per cent.

The five-year survival rate by sector for enterprises established in 2017 and survived until 2022 was between 64.2 per cent to 70.2 per cent. Five-year survival rate by sector showed that Construction sector had the highest survival rate of 70.2 per cent followed by Manufacturing sector at 66.8 per cent, both exceeding the overall five-year survival rate of 66.1 per cent.

Commenting further, Dato' Sri Dr. Mohd Uzir Mahidin mentioned, "The three states with the highest number of enterprises in 2022 were W.P. Kuala Lumpur (221,687), followed by Selangor (182,825) and Johor (66,268). In terms of enterprise births, the highest number of enterprise birth was W.P. Kuala Lumpur (15,801), followed by Selangor (13,742) and Johor (4,819). A similar trend was observed in enterprise death, the highest number of enterprise death was in W.P. Kuala Lumpur (19,924), followed by Selangor (15,773) and Johor (4,817). While the lowest number of enterprise death was in W.P. Putrajaya (27), followed by W.P. Labuan (58) and Perlis (88)".

The three states with the highest enterprise birth rate were W.P. Putrajaya (8.1%), followed by Selangor (7.5%) and Kedah (7.4%), while the three states that recorded the lowest enterprise birth rate were W.P. Labuan (2.9%), followed by Perlis (5.1%) and Perak (5.3%). As for the enterprise death rate, Perlis (11.1%), Kelantan (10.2%) and W.P. Kuala Lumpur (9.0%) recorded the highest enterprise death rate, while W.P. Putrajaya (5.1%), Melaka (5.4%) and W.P. Labuan (5.5%) were the three states with the lowest enterprise death rate.

The highest five-year survival rate for enterprises established in 2017 and survived until 2022 were recorded by Sarawak (73.8%), followed by Perak (71.9%) and W.P. Putrajaya (71.4%). There are eleven states recorded a five-year survival rate above the overall rate of 66.1 per cent.

The Department of Statistics Malaysia (DOSM) has launched OpenDOSM NextGen as a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through <https://open.dosm.gov.my>.

The Government of Malaysia has declared National Statistics Day (MyStats Day) on October 20th. MyStats Day theme is “Statistics is the Essence of Life”. DOSM commemorates its 75th Diamond Jubilee in 2024.

Chart 1: Number of Enterprise Birth and Death, 2017 - 2022

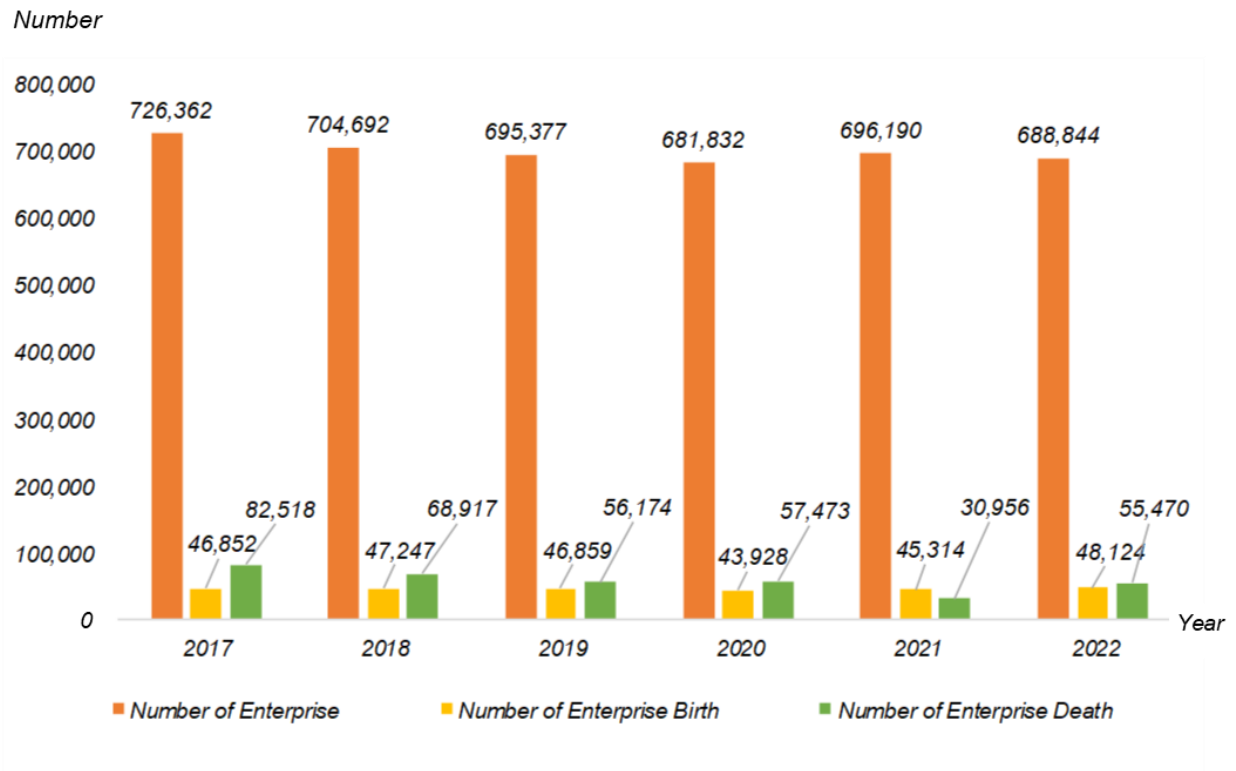


Exhibit 1: Enterprise Birth and Death Rate, 2017 - 2022

Rate	2017	2018	2019	2020	2021	2022
Birth of Enterprise (%)	6.5	6.7	6.7	6.4	6.5	7.0
Death of Enterprise (%)	11.4	9.8	8.1	8.4	4.4	8.1

Exhibit 2: Enterprise Survival Rate, 2017 - 2021

Years of Survival	Birth of Enterprise				
	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)
One	97.3	94.2	96.1	97.1	96.7
Two	90.7	88.6	90.8	91.4	
Three	85.2	84.5	85.6		
Four	77.2	73.0			
Five	66.1				

Exhibit 3: Enterprise Birth and Death Rates by Sector, 2022






Rate	 Agriculture	 Mining & quarrying	 Manufacturing	 Construction	 Services
Birth of Enterprise (%)	6.6	6.8	5.3	5.8	7.3
Death of Enterprise (%)	7.6	11.1	7.3	8.2	8.1

Exhibit 4: Enterprise Survival Rate by Sector, 2017-2021






Sector	Years of Survival	Birth of Enterprise				
		2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)
 Agriculture	One	97.6	93.9	96.7	98.0	96.2
	Two	92.0	87.1	90.6	93.6	
	Three	84.3	83.8	84.3		
	Four	75.2	70.8			
	Five	64.5				
 Mining & quarrying	One	97.0	94.8	95.4	97.5	97.4
	Two	92.1	89.9	90.9	91.5	
	Three	85.5	83.4	85.1		
	Four	75.3	70.0			
	Five	64.2				
 Manufacturing	One	97.6	94.1	95.9	96.8	96.9
	Two	92.0	88.5	91.0	90.8	
	Three	87.3	84.3	86.1		
	Four	78.6	72.6			
	Five	66.8				
 Construction	One	98.1	95.6	96.0	97.6	96.9
	Two	93.1	90.8	91.9	93.2	
	Three	88.3	87.4	87.7		
	Four	80.8	76.4			
	Five	70.2				
 Services	One	97.2	94.1	96.1	97.1	96.7
	Two	90.3	88.4	90.7	91.1	
	Three	84.6	84.2	85.4		
	Four	76.8	72.9			
	Five	65.7				

Exhibit 5: Business Demography Statistics by State, 2022


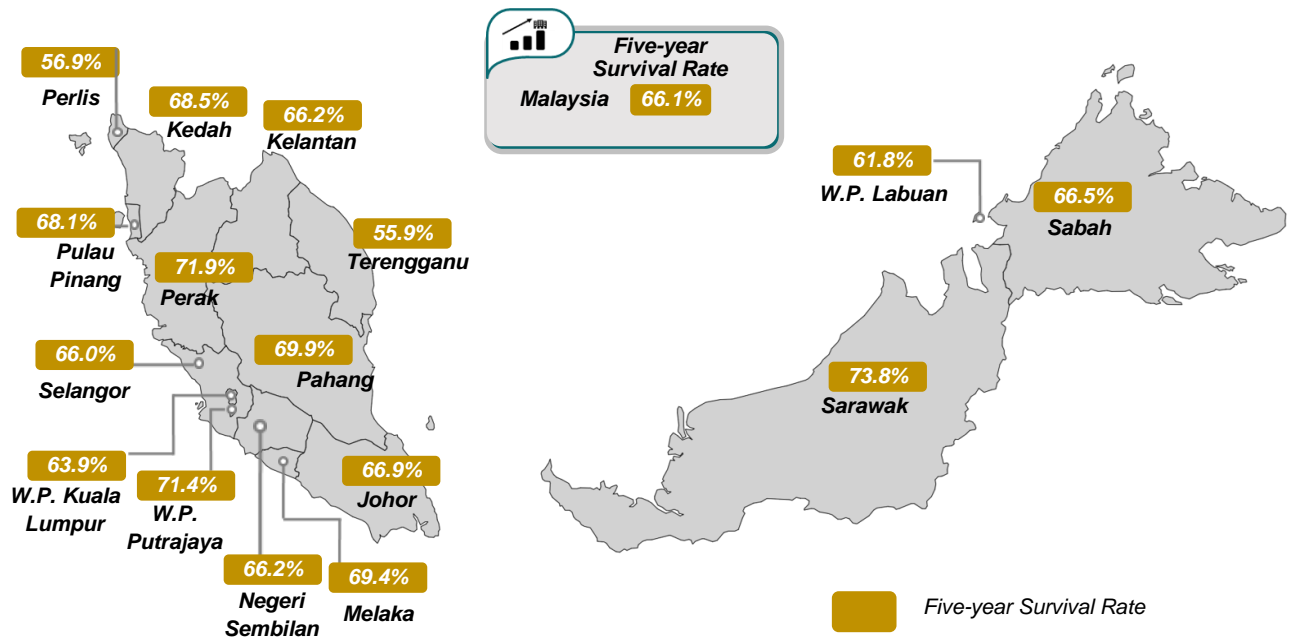
State	Number of Enterprise	Number of Enterprise Birth	Enterprise Birth Rate (%)	Number of Enterprise Death	Enterprise Death Rate (%)
 MALAYSIA	688,844	48,124	7.0	55,470	8.1
 Johor	66,268	4,819	7.3	4,817	7.3
 Kedah	15,311	1,140	7.4	1,076	7.0
 Kelantan	6,836	431	6.3	694	10.2
 Melaka	14,827	868	5.9	794	5.4
 Negeri Sembilan	11,245	797	7.1	846	7.5
 Pahang	12,658	761	6.0	1,052	8.3
 Perak	27,184	1,440	5.3	1,891	7.0
 Perlis	790	40	5.1	88	11.1
 Pulau Pinang	47,357	3,136	6.6	3,213	6.8
 Sabah	30,824	1,840	6.0	2,283	7.4
 Sarawak	43,164	2,841	6.6	2,462	5.7
 Selangor	182,825	13,742	7.5	15,773	8.6
 Terengganu	6,277	394	6.3	472	7.5
 W.P. Kuala Lumpur	221,687	15,801	7.1	19,924	9.0
 W.P. Labuan	1,059	31	2.9	58	5.5
 W.P. Putrajaya	532	43	8.1	27	5.1

Exhibit 6: Five-year Survival Rate by State, 2022



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