

1. SCOPE AND COVERAGE

This publication used data from Economic Census 2023 (reference year 2022). This survey collected information from registered establishments in Agriculture, Mining & quarrying, Manufacturing, Construction and Services sectors. The classifications of activities were referring to Malaysia Standard Industrial Classification (MSIC) 2008 Ver. 1.0, in accordance with the International Standard Industrial Classification of All Economic Activities (ISIC), Rev. 4, United Nations. The coverage for all sectors encompasses 1,174 activities as shown in Table 1.

Table 1: Number of activities by sector

Sector	Category of industries
<i>Agriculture*</i>	142
<i>Mining & quarrying</i>	56
<i>Manufacturing</i>	259
<i>Construction</i>	72
<i>Services</i>	645
Total	1,174

Notes: Entrepreneurs in the Agriculture sector which registered with relevant government agencies for the purpose of receiving aid were NOT covered except palm oil's entrepreneurs*

2. SOURCE OF STATISTICAL FRAME

The main source of the establishment statistical frame is from the Malaysia Statistical Business Register (MSBR). MSBR is a list of organisations/ enterprises operating in Malaysia that includes the Register of Companies (ROC), Register of Business (ROB) and Limited Liability Partnership (LLP) registered with the Companies Commission of Malaysia (CCM) as well as organisations registered with local authorities (LA) and professional bodies. The list in MSBR is updated regularly based on surveys and censuses conducted by the Department of Statistics Malaysia (DOSM) and administrative data sources from various agencies. The main source of administrative data is from CCM.

In addition, DOSM also works together to obtain the latest information from other agencies such as the Employees' Provident Fund (EPF), the Royal Malaysian Customs Department, the Inland Revenue Board (IRB), Social Security Organization (SOCSO), LA and professional bodies. The frame is updated to consider new establishments and to record any changes in the status of the establishments such as closed down, not in operation, change in activity and location/ correspondence address to ensure the frame is at the most current status.

3. TYPE OF BUSINESS ACTIVITY

Type of business activity refers to both principal and secondary activities. The principal activity refers to the activity to which the establishment devoted most of its resources or activity which derived most of its income. Secondary activities are defined as those incidental or ancillary to the principal activity. The classification of industry for the establishment is based on the principal activity and is in accordance with the Malaysia Standard Industrial Classification (MSIC) 2008 Ver. 1.0 which conforms to the International Standard Industrial Classification of All Economic Activities (ISIC), Rev. 4, United Nations, with modifications to suit local conditions.

4. CONCEPT AND DEFINITIONS

The industries are categorised into five (5) main sectors namely Agriculture, Mining & quarrying, Manufacturing, Construction and Services. The sectoral definitions include the following activities:

4.1 Agriculture

Agriculture comprising the activities of growing, breeding and rearing of animals and production of animal products, felling of trees and other plants, as well as capture fishery and aquaculture includes the use/ utilisation of plants/ vegetal and animals natural resources. There are four sub-sectors; crops, livestock, forestry & logging and fisheries:

4.1.1 Crops refer to production of crops products including organic farming. Crops also include the growing of non-perennial and perennial crops for the purpose of seed production;

4.1.2 Livestocks refer to animals or bird that preserved for commercial and breeding purposes. Livestock production includes raising (farming) and breeding of all animals, also production of livestock products such as eggs, milk, honey, etc;

4.1.3 Forestry and logging include the production of round wood for the forest-based manufacturing industries as well as the extraction and gathering of wild growing non-wood forest product. Besides the production of timber, forestry activities which produce the product through the minimum process, such as fire wood, charcoal, wood chips and round wood used in unprocessed form. These activities can be carried out in natural and forests plantation. This also includes part of the forestry operation based on fee or contract basis; and

4.1.4 **Fisheries** comprise of fishing and aquaculture, covering the use of fishery resources from marine, brackish or freshwater, with the purpose of capturing and gathering fish, crustaceans, molluscs and other marine organisms & products. Aquaculture refer to the production process involving the culturing or farming (including harvesting) of aquatic organisms using techniques designed to increase the production of the organisms beyond the natural capacity of the environment.

4.2 **Mining & quarrying**

Mining & quarrying include the extraction of minerals occurring naturally as solids (coal and ores), liquids (petroleum) or gases (natural gas). Extraction can be achieved by different methods such as underground or surface mining, well operation, seabed mining, etc. However, Mineral mining & quarrying sub-sectors were not covered in this publication.

4.3 **Manufacturing**

The physical or chemical transformation of materials or components into new products, whether the work is performed by power-driven machines or by hand, whether it is done in a factory or in the worker's home, and whether the products are sold at wholesale or retail.

The classification of eight (8) sub-sectors according to 24 divisions as follows:

Division	Description
Food products	
10	Vegetable and animal oils & fats and food processing
Beverages and tobacco products	
11	Manufacture of beverages
12	Manufacture of tobacco products
Textiles, wearing apparel and leather products	
13	Manufacture of textiles
14	Manufacture of wearing apparel
15	Manufacture of leather and retailed products
Wood products, furniture, paper products and printing	
16	Manufacture of wood products of wood and cork, except furniture;
	Manufacture of articles of straw and plaiting materials
17	Manufacture of paper and paper products
18	Printing and reproduction of recorded media
31	Manufacture of furniture
Petroleum, chemical, rubber and plastic products	
19	Manufacture of coke and refined petroleum products
20	Manufacture of chemicals and chemical products

21	<i>Manufacture of basic pharmaceutical products and pharmaceutical preparations and botany</i>
22	<i>Manufacture of rubber and plastic products</i>
<i>Non-metallic mineral products, basic metal & fabricated metal products</i>	
23	<i>Manufacture of other non-metallic mineral products</i>
24	<i>Manufacture of basic metals</i>
25	<i>Manufacture of fabricated metal products, except machinery and equipment</i>
<i>Electrical, electronic and optical products</i>	
26	<i>Manufacture of computer, electronic and optical products</i>
27	<i>Manufacture of electrical equipment</i>
28	<i>Manufacture of machinery and equipment n.e.c</i>
<i>Transport equipment, other manufacturing and repair</i>	
29	<i>Manufacture of motor vehicles, trailer and semitrailers</i>
30	<i>Manufacture of other transport equipment</i>
32	<i>Other manufacturing</i>
33	<i>Repair and installation of machinery and equipment</i>

4.4 **Construction**

Defined as new construction, alteration, repair and demolition. Installation of any machinery or equipment which built-in at the time of the original construction is included, as well as installation of machinery or equipment after the original construction but which requires structural alteration in order to install.

4.5 **Services**

Services related to Electricity, gas, steam and air conditioning supply; Water supply; sewerage, waste management and remediation activities; Wholesale and retail trade; Transportation and storage; Accommodation, Food and beverage; Information and communication; Finance; Real estate; Professional, scientific and technical; Administrative and support services; Private education; Private health and social work; Art; entertainment and recreation and Personal services and other activities.

4.5.1 *Electricity, gas, steam and air conditioning supply are defined as an activity of providing electric power, natural gas, steam, hot water and the like through a permanent infrastructure (network) of lines, mains and pipes. The dimension of the network is not decisive; also included are the distribution of electricity, gas, steam, hot water and the like in industrial parks or residential buildings. This section therefore includes the operation of electric and gas utilities, which generate, control and distribute electric power or gas. Also included is the provision of steam dan air-conditioning supply;*

- 4.5.2 *Water supply; sewerage, waste management and remediation activities comprised of activities related to waste management includes collection, treatment & disposal such as scheduled waste, solid waste & waste water from industrial and household, including recovery materials & contaminated sites. The waste from the treatment process can be disposed of or used as input for other production process. Related activities in water treatment and supply are also included in this sector;*
- 4.5.3 *Wholesale and retail trade encompass of wholesale and retail trades, sales, and repair of motor vehicles & motorcycles;*
- 4.5.4 *Transportation and storage include all establishment provides land transport freight transport by road, other land transport, water transport, warehousing & supporting activities such as terminal operations, car parking services, highway operations, port operations, cargo handling/ stevedoring, shipping agencies & forwarding of freight and other supporting activities for transportation services;*
- 4.5.5 *Accommodation refer to the provision on a fee of short-term lodging, whether open to the general public or restricted to members of a particular organisation. It excludes rental of long term furnished accommodation which is classified in Real Estate;*
- 4.5.6 *Food and beverages include food & beverage serving activities providing complete meals or drinks fit for immediate consumption, whether in traditional restaurants, self-service or take-away restaurants, whether as permanent or temporary stands with or without seating;*
- 4.5.7 *Information and communication comprised activities of publishing, motion picture, video & television programme production, sound recording & music publishing, programming & broadcasting, telecommunication services, computer programming, consultancy & related activities and information services;*
- 4.5.8 *Finance include monetary intermediation activities; other financial service activities and activities auxiliary to financial services; insurance/ takaful, reinsurance/ retakaful and pension & provident funding activities; and activities auxiliary to insurance/ takaful and pension funding;*
- 4.5.9 *Real estate include acting as lessors, agents and/ or brokers in one or more of the following: selling or buying real estate, renting real state, providing other real estate services such as appraising real estate, property management or acting as real estate escrow agents. Activities in this division may be carried out on own or leased property*



and may be done on a fee or contract basis. Also included is the building of structures, combined with maintaining ownership or leasing of such structures;

- 4.5.10 Professional, scientific & technical includes specialised professional, scientific & technical activities which require a high degree of expertise and training, and specialised knowledge and skills available to users. Activities performed include legal & accounting activities, activities of head offices, management consultancy activities, architecture & engineering activities, technical testing & analysis, scientific research & development, advertising & market research, other professional, scientific & technical activities and veterinary activities;*
- 4.5.11 Administrative and support activities include a variety of activities that support general business operations including rental & leasing activities, employment activities, travel agency, tour operator & other reservation service activities, security & investigation activities, services to building & landscape activities and office administrative, office support & other business support activities;*
- 4.5.12 Private education refer to establishments registered with the Ministry of Education, Malaysia and the Ministry of Higher Education that provides academic, pre-primary & primary education, secondary education, higher education, other education and educational support activities;*
- 4.5.13 Private health and social work include hospital services, medical & dental practice activities, other human health activities, residential care activities and social work activities without accommodation;*
- 4.5.14 Arts, entertainment and recreation include a wide range of activities to meet varied cultural, entertainment and recreational interests of the general public, including live performances, operation of museum sites, gambling, sport and recreation activities; and*
- 4.5.15 Personal services and other activities include activities of membership organisations, activities of business, employers and professional membership organisations, activities of trade unions, activities of others membership organisations, repair of computers and personal and household goods and others personal services activities such as washing and dry-cleaning of textiles and fur products; hairdressing and other beauty treatment; and funeral and other services activities.*

5. CENSUS YEAR

Refers to the year in which a census was conducted.

6. REFERENCE YEAR

The reference year of the survey was the calendar year 2022. Establishments whose accounting year differed from calendar year were requested to report according to the accounting year or financial year covering at least six (6) months in the reference year.

7. METHOD OF COLLECTION

This census was generally conducted through three (3) methods of data collection, namely:

7.1 **Online method through the e-BE portal**

This method targets respondents who have used this method for previous routine surveys.

7.2 **Data collection method via e-mail, post, fax and telephone**

This method targets respondents who have used this method for previous routine surveys. Respondents were given a period of one month to complete and return the questionnaire to the DOSM.

7.3 **Face-to-face data collection**

Field work operation is carried out to get feedback from establishments that have not yet given answers from the two methods above and this method also targets establishments that have never been involved in a routine survey of DOSM.

8. REPORTING UNIT

The reporting unit used in the Economic Census 2023 was the establishment. An establishment is defined as “an economic unit engaged in one activity, under a single legal entity and operating in a single physical location”. Each establishment is assigned an industry classification based on its principal activity and not according to the activities of the parent company.

Each branch of a multi-branch organisation at a different location is conceptually treated as a different establishment. The establishment is requested to give separate returns for each activity in terms of value. However, if in practice, the accounts are centrally kept such that it is not possible to obtain separate data for each individual unit or branch, the entity or enterprise is treated as a single



reporting unit and allowed to submit a consolidated questionnaire covering all the units or branches.

9. LEGAL STATUS

The legal status of an establishment is defined as follows:

9.1 Individual proprietorship

Refer to a business, owned and operated by one person for his own profit. The owner has the exclusive right to control the operation of the establishment.

9.2 Partnership

Refer to a group of individuals who agree to contract and to carry out a business with the objective of profit making. All shareholders or an one could manage the business for all parties. A trading partnership must comprise of at least two members and should not exceed a maximum of twenty members.

9.3 Limited liabilities partnership

Refer to business entity regulated under the Limited Liability Partnerships Act 2012. It is featured with the protection of limited liability to its partners similar to the limited liability enjoyed by shareholders of a company coupled with flexibility of internal business regulation through partnership arrangement similar to a conventional partnership; and

9.4 Private limited company

A private company established to undertake a business with the objective of making a profit. The shares are closely held by the shareholders of the company who have control over its operation.

Characteristics:

- *Regulated under the Companies Act 1965 and is a legal entity separate from the owners;*
- *Number of its shareholders between 2 - 50 members;*
- *Company owners have limited liability;*
- *Shareholders who own 51 per cent or more of the total shares shall be entitled to manage the company. The company's shares can be traded but not in the open market;*
- *Trading of share must be with the consent of the other shareholders;*
- *Not listed on the Bursa Malaysia; and*

- Business life expectancy is longer and can be identified by the words “Sendirian Berhad” (Sdn. Bhd.) at the end of the company name.

9.5 **Public limited company**

A public limited company is a company established with limited liability, by a minimum of two persons to operate the business with the objective of making a profit. The shares in a public limited company are openly held and in the case of company listed on the Bursa Malaysia, the shares are freely transferable.

Characteristics:

- Regulated under the Companies Act 1965 and is a legal entity separate from the owner;
- Owned by the shareholders and there is no limit to the shareholder;
- Management of the company is under the board of director responsibilities as appointed by shareholders; and
- Listed on Bursa Malaysia.

9.6 **Co-operative**

This refers to a voluntary association with unrestricted number of members and registered under the Co-operatives Act 1993. Funds are collectively owned to meet the needs of members.

9.7 **Public corporation**

This refers to an undertaking set up under a Special Act Parliament or by the State Legislature.

9.8 **Private non-profit making organisation**

This is non-stock company set up with limited liability. It comprises mainly welfare, religious, educational, health, cultural, recreational and other organisations providing social and community services to households. These services are provided free of charge or at prices, which do not necessarily or fully cover the cost of providing such services (subsidy). Any profit made is reinvested in the organisation.

10. **OWNERSHIP**

The ownership of an establishment is classified by the residential status of the owner (s) of the majority (more than 50%) of the paid-up capital and not by their citizenship status. In instances where each party (Malaysian Resident and Non-Malaysian Resident) held equal shares in the business, the establishments were classified as “Joint Ownership”.



A Malaysian Resident is any individual, company or other organisation ordinarily domiciled in Malaysia for a period of at least one year. Malaysian registered branches and incorporated subsidiaries of foreign based/ origins are also regarded as Residents.

A Non-Malaysian Resident is any individual, company or other organisation ordinarily domiciled in a country other than Malaysia. Foreign branches and subsidiaries abroad owned by Malaysian Residents are also regarded as Non-Residents.

11. VALUF OF GROSS OUTPUT

11.1 The value of gross output of Agriculture (crops, livestock, forestry and logging, and fisheries) is defined to include the following items:

Sales of Agriculture product

+	Stocks of agricultural products (closing)
+	Goods in progress and stocks of finished goods (owned manufactured) (closing)
+	Sales of agricultural products
+	Income from agricultural work done for others
+	Income from products processed from agricultural
+	Value of sales from goods/ materials/ products related to agricultural activity that is purchased for resale without further processing
+	Other income related to agriculture
+	Income from other agricultural activities
+	Forestry area sub-contracted to contractors (Forestry and logging only)
+	Royalties, copyrights, licensing and franchise fees
+	Rental income received
+	Income from agro tourism (Crops/ Livestock/ Fisheries)
+	Value of sales from non-agricultural goods/ materials that is purchased for resale without further processing
+	All other income: Output
+	Research and development expenditure: In-house
-	Rental income received: Land
-	Stocks of agricultural products (opening)
-	Goods in progress and stocks of finished goods (owned manufacturing) (opening)
-	Cost of goods/ materials/ products related to planting activity, purchased for resale without undergoing further processing
-	Cost of goods/ materials sold (non-agricultural goods/ materials that is purchased for resale without undergoing further processing)

11.2 The value of gross output of Manufacturing and are defined to include the following items:

Sale of mineral/ quarry products/ manufactured products and construction work done

+	<i>Values of goods sold in the same condition as purchased</i>
-	<i>Cost of goods sold in the same condition as purchased</i>
+	<i>Capital expenditure on own construction</i>
+	<i>Income from industrial services rendered to others</i>
+	<i>Income from industrial work done</i>
+	<i>Receipt from scrap, electricity, waste product, etc. sold to others</i>
+	<i>Receipt from commission and brokerage earned</i>
+	<i>All other output (such as receipts of non-industrial services, e.g., payment of management rental of property, etc.)</i>
+	<i>Closing stock of finished goods</i>
-	<i>Opening stock of finished goods</i>
+	<i>Closing stock of goods being processed</i>
-	<i>Opening stock of goods being processed</i>
+	<i>Research and development expenditure (In-house)</i>

11.3 The value of gross output of Services is defined to include the following items:

+	<i>Value of goods sold in the same condition as purchased</i>
+	<i>Management services</i>
+	<i>Commission and brokerage earned</i>
+	<i>Fees earned from membership</i>
+	<i>Rental income received except land rental</i>
+	<i>Other operating income</i>
+	<i>Service tax and services charges</i>
-	<i>Value of goods purchased for resale in the same condition as purchased</i>
+	<i>Closing stocks</i>
-	<i>Opening stocks</i>
+	<i>Research and development expenditure (In-house)</i>

12. VALUE OF INTERMEDIATE INPUT

12.1 Value of intermediate input of Agriculture (crops, livestock, forestry & logging and fisheries) is defined to include the following items:

Cost of direct materials consumed in Agricultural activities

+	<i>Total payment on agricultural work done by other establishments</i>
+	<i>Cost of non-perennial crops seeds/ non-breeder livestock and fisheries</i>
+	<i>Expenditure for other agricultural activities</i>
+	<i>Packing materials consumed</i>
+	<i>Materials used for repairs and maintenance</i>
+	<i>Stationery and office supplies consumed</i>
+	<i>Water purchased</i>

+	<i>Electricity purchased</i>
+	<i>Fuel, lubricants and gas</i>
+	<i>Payments for current repairs and maintenance work done by others on this establishment's fixed assets</i>
+	<i>Transportation of goods (carriage outwards)</i>
+	<i>Travelling expenses</i>
+	<i>Accounting, secretarial and auditing fees</i>
+	<i>Advertising and promotional expenses</i>
+	<i>Legal fees</i>
+	<i>Payment for other professional services</i>
+	<i>Management fees</i>
+	<i>Commissions and agency fees</i>
+	<i>Telecommunication fees</i>
+	<i>Postage (include courier services)</i>
+	<i>Bank charges</i>
+	<i>Insurance premium on building, machinery, transport equipment and goods</i>
+	<i>Payment for security services</i>
+	<i>Payment for data processing and other services related to information technology</i>
+	<i>Rental payment (excludes for rent on land)</i>
+	<i>Expenses on agro tourism</i>
+	<i>Royalties paid to: Non-government organisations/ corporate sponsorship</i>
+	<i>GST on net purchasers are not claimable as input tax</i>
+	<i>Fees paid to non-working directors for their attendance at Board of Directors' meetings</i>
+	<i>Other expenses: Input</i>
+	<i>Value of free wearing apparel provided</i>
+	<i>Staff training cos</i>

12.2 The value of intermediate input of Manufacturing are defined to include the following items:

Value of materials and supplies consumed

+	<i>Cost of industrial work done by others include stripping overburden (earth removal) and internal transport in mines/ quarries site</i>
+	<i>Electricity and water purchased</i>
+	<i>Value of fuels, lubricants and gas consumed</i>
+	<i>Cost of materials used for repairs and maintenance of assets (including payments to others for this work)</i>
+	<i>Payments for non-industrial services such as toll, ferry, pilotage, towage and harbour fees and charges (including payments for carriage outwards, travelling, management fees, legal services, information technology, advertising, bank chargers, postage, telecommunication, etc</i>
+	<i>All other input costs (including training and value of the free apparel provided for the workers)</i>

12.3 The value of intermediate input of Services is defined to include the following items:

Purchase of goods, materials and services

+	<i>Insurance premiums</i>
+	<i>Royalty and patent fees</i>
+	<i>Bank charges</i>
+	<i>Purchase of electricity and water</i>
+	<i>Purchase of fuels, lubricants and gas</i>
+	<i>Research and development expenditure</i>
+	<i>Environmental compliance expenditure</i>
+	<i>Other operating expenditure</i>

13. VALUE ADDED

Value added is the difference between the value of gross output with intermediate input. It is approximately equivalent to commercial profit, salary and wages, depreciation and indirect taxes; plus, interest paid less interest received.

14. NUMBER OF PERSONS ENGAGED

Labour force statistics employ various terminologies to explain the labour market, depending on the definition, scope and coverage of the published statistics.

The term number of employed persons in the statistics published by DOSM through the Labour Force Survey (LFS) refers to all persons aged 15 to 64 years who, at any time during the reference week, worked at least one hour for pay, profit or family gain (as an employer, employee, own-account worker or unpaid family worker).

On the other hand, the number of filled jobs in the Employment Statistics refers to the persons employed at the end of each reference quarter, including full-time and part-time employees; permanent, short-term or seasonal employees; employees paid with monthly salaries or based on hours worked; employees on short vacation such as sick leave or annual leave; and newly hired employees to fill the vacancy in the current quarter. These statistics exclude proprietors and partners of unincorporated businesses; unpaid family workers; employees on strike during the quarter; employees on unpaid leave during the entire quarter; and employees provided by other agencies such as subcontractors and consultants.

Meanwhile, the number of formal employees in Employee Wages Statistics is refer to the person who works under a contract of service or apprenticeship with the employer and receives remuneration for the work completed. Formal employees do not include those who fall under non-standard

employment, including self-employed, gig-workers, own-account workers, unpaid family workers, etc.

In the Economic Census 2023 publication, the number of persons engaged refers to all working persons who worked for the establishments which has been censused; in December or the last pay period of the reference year.

14.1 Working owners and unpaid family workers

The number of employees refers to the number of persons working in December or during the last salary payment period for the reference year. The number of persons working is categorised as follows:

i. Working proprietors and active business partners

This category refers to all individual proprietors and partners (full-time or part-time who are actively engaged in the work of the establishment. It therefore, excludes silent and inactive partners; and

ii. Unpaid family workers

Include all household members (full-time or part-time) to the owners of the establishment who perform a specified job and work for a minimum of one third of the normal working time for the establishment, but do not receive regular payment either in cash or in kind for the work done.

Such workers generally receive food, shelter and other support as part of the household of an owner but this would continue whether they worked in the establishment or not.

14.2 Paid full-time employees

Refer to all paid workers (full-time) who work for at least six hours a day and/ or 20 days a month. All such employees are to be categorised according to Malaysia Standard Classification of Occupations 2020 (MASCO) as follows:

i. Manager, professional and researcher included:

a. Manager

Refer to those who devise, analyse, formulate, direct and advise on government policy and make, amend and repeal laws, public rules and regulations and represent and act on behalf of the government and oversee the interpretation and implementation of policies and government legislation or carry out similar tasks on behalf of special interest organisations or plan, organise, lead, control and coordinate the policies and activities of enterprises, organisations, departments or the internal section; and

b. Professional

Refer to those responsible for increase the existing stock of knowledge, apply scientific or artistic concepts and theories, teach

about the foregoing in a systematic manner or engage in any combination of these three activities.

ii. **Technicians and associate professionals**

Refer to those who perform technical and related tasks connected with research and the application of scientific or artistic concepts and operational methods and government or business regulations.

iii. **Clerical, services & sales workers, craft workers, plant & machine operators** and related occupations includes:

a. **Clerical support workers**

Refer to those who record, organise, store and retrieve related information and perform clerical duties especially in connection with administrative operations, handling of money, travel arrangements and requests for information and appointments;

b. **Service and sales workers**

Refer to those who provide personal services related to travel, housekeeping, catering, personal care or protection against fire and unlawful acts or demonstrate and sell goods in wholesale or retail shops and similar establishments as well as at stalls and markets;

c. **Skilled agricultural, forestry, livestock and fishery workers**

Refer to those who grow and harvest field or tree and shrub crops, gather wild fruit, herbs and vegetables; breed, tend or hunt animals; produce a variety of animal husbandry products; cultivate, conserve and gather forest products; breed or catch fish and cultivate or gather other forms of aquatic life;

d. **Craft and related trades workers**

Refer to those who apply their specific knowledge and skills in the fields of mining and construction, metal forming and erect metal structures; make, fit, maintain and repair machinery, equipment or tools; carry out printing work as well as produce or process foodstuffs, textiles or wooden, metal and other articles including handicraft goods; and

e. **Plant & machine operators and assemblers**

Refer to those who operate and monitor industrial and agricultural machinery and equipment; drive and operate trains, motor vehicles and mobile machinery and equipment; or assemble product component parts according to strict specifications and procedures.

iv. **Elementary Workers**

Refer to those who perform simple, routine and non-systematic tasks which mainly require the use of handheld tools or with the assistance of simple machines and in some cases considerable physical effort.



14.3 Part-Time Paid Employees

Refer to all paid workers (part-time) who work less than six hours a day and/ or 20 days a month.

15. VALUE OF FIXED ASSETS

Fixed assets cover all goods, new or used, tangible or intangible, which have a normal economics life span of more than one year. For instance, land, building and structure, transport equipment, computer, machinery and equipment, furniture and fittings and other assets. Other assets also include biological assets namely trees/ crops (except for logging trees that intended for logging), livestock and aquaculture fisheries which can produce products repeatedly and have a life expectancy of more than one year.

Value of assets as at the beginning and end of 2022 was based on net book value. Purchases alterations and major repairs or capital expenditure during the year were valued at actual costs incurred. Value of assets sold during the year refers to the actual value.

16. ROUNDING

The sum of the component figures may not tally with the sub-total or total figures due to rounding.

17. SUPRA STATE

Based on the System of National Accounts (SNA) 2008, categorisation of institutional units based on their economic interest and geographical activities can be as follows; (1) most activities are within a single region; (2) multi-provincial units with centres of interest in multiple provinces or regions but do not operate on a nationwide scale; and (3) units operating at the national level, with their centre of interests not confined to any specific geographical position (e.g. Supra State). Supra State at the state level is equivalent to an overseas organisation at the national level.

In Malaysia, Supra State covers production activities beyond the centre for the key economic interest of any state.

18. MICRO, SMALL AND MEDIUM ENTERPRISE

Classification of Micro, Small and Medium Enterprise was based on the new definition of MSMEs which came into effect on 1 January, 2014:

Sector	Size	Annual Turnover	Number of Full-time Employees
Manufacturing	Micro	Less than RM300,000	Less than 5 employees
	Small	Between RM300,000 to less than RM15 million	From 5 to less than 75 employees
	Medium	Between RM15 million to not exceeding RM50 million	From 75 to not exceeding 200 employees
Agriculture, Mining & quarrying, Construction, and Services	Micro	Less than RM300,000	Less than 5 employees
	Small	Between RM300,000 to less than RM3 million	From 5 to less than 30 employees
	Medium	Between RM3 million to not exceeding RM20 million	From 30 to not exceeding 75 employees

Source: Guideline for New MSME Definition, SME Corp. Malaysia, October 2013

19. COMPOUND ANNUAL GROWTH RATE (CAGR)

The calculations of compound annual growth rate (r) is based on the following formula:

$$y_t = y_0 (1+r)^t$$

where r ,

$$r = \left[e^{\frac{1}{t} \ln\left(\frac{y_t}{y_0}\right)} - 1 \right] \times 100$$

where,

y_t	=	Value of current year
y_0	=	Value of previous year
t	=	Number of years, $y_t - y_0$
r	=	Annual growth rate

20. SYMBOL AND ABBREVIATIONS

-	:	<i>nill</i>
0	:	<i>rounded value is less than predetermined scale</i>
&	:	<i>and</i>
%	:	<i>per cent</i>
etc.	:	<i>et cetera</i>
e.g	:	<i>example</i>
CAGR	:	<i>compound annual growth rate</i>
RM	:	<i>Ringgit Malaysia</i>
n.e.c	:	<i>not elsewhere classified</i>
Ver.	:	<i>version</i>
W.P.	:	<i>Federal Territory</i>
MSME	:	<i>Micro, Small and Medium Enterprises</i>

21. COMPILATION OF EXTERNAL TRADE STATISTICS

21.1 Objective

The main objective of compiling Malaysia's external trade statistics is to provide information on Malaysia's trade performance vis-a-vis the rest of the world in terms of volume and value of merchandise goods. The trade statistics, therefore, serve as a tool in assisting the government in formulating policies and monitoring economic performance as well as for development planning. The data can also be used by the private sector and individuals for specific purposes such as for economic projection and analysis.

21.2 Scope and Coverage

21.2.1 The general trade system of recording is adopted in compiling Malaysian external trade statistics. Under this system, the national boundary of the country is used as the statistical frontier. All goods entering or leaving the country are recorded, whether or not such goods are subject to clearance. Accordingly, goods entering or leaving customs bonded warehouses, Free Zones are recorded in the statistics.

21.2.2 Details of commercial and private ships and aircraft are also included in these statistics if they were imported or exported as goods purchased, sold or leased (financial) whether or not they arrived or departed under their own power.

21.3 **Source of Data**

- 21.3.1 *Import and export declarations (hard/ soft copy) approved by the Royal Malaysian Customs Department (RMCD) and Free Zone Authorities.*
- 21.3.2 *Particulars on postal/ courier packages are provided by Pos Malaysia Berhad.*
- 21.3.3 *Statements and export declarations on bunkers and stores supplied to ships and aircraft issued/ approved by the RMCD, Malaysia Airlines Berhad (MAB) and petroleum companies.*
- 21.3.4 *Statements on goods sold are supplied by the operators of duty-free shops.*
- 21.3.5 *Statements on the sale and purchase of electricity issued by 'power producer company'.*

21.4 **Concepts and Definitions**

- 21.4.1 *With effect from reference month **January 2012**, concepts and definitions used for the purpose of compiling these statistics are based on **International Merchandise Trade Statistics: Concepts and Definitions 2010** (IMTS 2010) published by the United Nations.*
- 21.4.2 **Imports**
Goods are regarded as imports when they are brought into the country either directly or into bonded warehouses, irrespective of whether such goods are for consumption, to be processed, use in manufacturing or subsequent re-exports to other countries.
- 21.4.3 **Exports**
Goods (locally produced or manufactured or imported for subsequent re-exports) are regarded as exports when they are taken out of the country.
- 21.4.4 **Domestic Exports**
Goods (locally produced or manufactured) are regarded as domestic exports when they are taken out of the country.
- 21.4.5 **Re-exports**
Goods are regarded as re-exports when they are taken out of the country in the same form as they were imported without any transformation. Re packing, sorting or grading processes are not considered as part of the transformation process.

21.4.6 **Balance of Trade**

The balance of trade is the difference between the value of exports and imports. When exports exceed imports it is recorded as a surplus while a deficit is registered when imports exceed exports.

21.5 **Basis of Valuation**

21.5.1 **The WTO Agreement on Valuation** is used as the basis of valuation for all transactions of goods.

21.5.2 **Values** are shown in **million** Malaysian Ringgit except for Tables on Exports and Imports of Major and Selected Commodities.

21.5.3 **Imports** are valued on a **c.i.f. (cost, insurance and freight)** basis, that is, the value of the goods in the market at the statistical/ customs frontier of the importing country, including all charges for transport and insurance whilst in transit **but excluding** the cost of unloading from the carrier unless it is borne by the carrier.

21.5.4 **Exports** are valued on a **f.o.b. (free on board)** basis, that is, the value of the goods in the market at the statistical/ customs frontier of the exporting country, including all costs of transporting the goods to the statistical/ customs frontier, export and other duties payable as well as the cost of loading the goods onto the carrier **unless** the latter cost is borne by the carrier.

21.6 **Classification of Commodities**

21.6.1 Harmonised Commodity Description and Coding System 2017 (HS2017) also known as Customs Duties Order 2017 (PDK2017) was implemented from reference month April 2017 for the processing of external trade statistics (merchandise). This single coding classification replaced the dual classification of commodities; Harmonised Commodity Description and Coding System 2012 (HS2012) and ASEAN Harmonised Tariff Nomenclature 2012 (AHTN2012) which were in use from January 2013 to March 2017. However, for Standard International Trade Classification (S.I.T.C.), S.I.T.C. Rev. 4 with some revisions/ updates is still in use.

21.6.2 After discussion and consultation with Malaysian Palm Oil Board (MPOB), the selection of codes for palm oil and palm oil-based products is based on pure palm oil and palm oil-based products as well as those codes which are predominantly palm oil and palm oil-based products (more than 50%).

21.6.3 Selection of codes for timber & timber-based products has been updated following the discussion with The Malaysian Timber Industry Board (MTIB) in February 2017.

21.7 Country of Origin and Destination

21.7.1 **Imports** are classified according to the country of origin of the goods, that is the country where the goods are given the final form in which they are imported into the country. For goods imported via Singapore, if information regarding the country of origin cannot be ascertained, such imports are included under the value of imports from Singapore, that is under the same category as goods manufactured in Singapore.

21.7.2 **Imports of second-hand** goods are treated as originating from the country of consignment where the country of origin is not ascertainable.

21.7.3 **Exports** are classified according to the country of destination, that is the country where it is expected that the goods will be consumed insofar as this can be ascertained at the time of export. In the case of goods shipped on an optional bill of lading, the country of the first port declared is taken as the country of destination. For goods exported via Singapore, if information regarding the country of destination of goods is not known, such exports are included under the value of exports to Singapore that is under the same category as goods consumed in Singapore.

21.7.4 **For bunkers and stores supplied to ships and aircraft**, the country of destination is determined according to the country of residence of the operator of the ship or aircraft.

22. HALAL STATISTICS

22.1 Concept

Halal statistics terms in report refer to halal establishments which have recognized halal products from Department of Islamic Development Malaysia (JAKIM).

The compilation of halal statistics is derived from the integration of data from the Economic Census 2023 (reference year 2022) and 2015, as well as external trade databases (source: Customs Information System), matched against the list of halal-certified establishments provided by JAKIM. The matching process is based on the name and registration number of the establishments.

22.2 Definition

The term **halal** is derived from the Arabic words halla, yahillu, hillan, wahalalan, which mean "permissible" or "lawful" under Islamic law (Shariah). This is consistent with the definition outlined in the Trade

Descriptions (Definition of Halal) Order 2011 and its Amendment in 2012. The definition encompasses food, goods or services that are permissible for consumption or use by Muslims without any religious doubt.

A Halal Certification is an official document that verifies the halal status of a product or service. It is issued by a competent authority under the Malaysian Halal Certification Scheme or by foreign halal certification bodies that are recognized and endorsed by JAKIM.

Halal statistics refer to quantitative and qualitative data related to the halal sector, including aspects such as production, export, import and consumption of halal products and services. These statistics also reflect the number of certified entities, the growth rate of the halal market and the sector's contribution to the national economy (**Figure 1**).

22.3 Certification Scheme

22.3.1 Malaysian Halal Certification is open to applications for the following schemes:

- i. Food and beverage products;
- ii. Cosmetic products;
- iii. Pharmaceutical products;
- iv. Food premises;
- v. Consumer goods;
- vi. Logistics services;
- vii. Slaughterhouses;
- viii. Contract manufacturing/ OEM; and
- ix. Medical device products.

22.3.2 The differences between the certification scheme by JAKIM and the promoted sectors by HDC.

No.	Certification Scheme	JAKIM	HDC
1.	Food & Beverage Products	✓	✓
2.	Cosmetic Products	✓	✓
3.	Pharmaceutical Products	✓	✓
4.	Medical Device Products	✓	✓
5.	Consumer Goods	✓	✓
6.	Logistics Services	✓	✓
7.	Slaughterhouses	✓	
8.	Contract Manufacturing/ OEM	✓	
9.	Food Premises	✓	
10.	Modest Fashion	✓	
11.	Medical Tourism	✓	
12.	Muslim-Friendly Hospitality		✓
13.	Islam Finance		✓

22.4 Requirements and Criteria for Application

Every application must meet the following requirements and criteria:

- 22.4.1 Possess a valid Business Registration Certificate from the Companies Commission of Malaysia or a Cooperative Registration Certificate under the Malaysian Cooperative Commission or a Founding Document under the Act of Parliament or respective Ministries and other government agencies (whichever is applicable).*
- 22.4.2 Possess a valid license or approval from the Local Authority (PBT) or a valid confirmation letter or support letter from any government agency.*
- 22.4.3 Possess a valid Food Premises Registration Certificate from the Ministry of Health (BKMM), if applicable.*
- 22.4.4 Possess a valid Veterinary Certification Scheme or a valid certificate or support letter from the Department of Veterinary Services (JPV), if applicable;*
- 22.4.5 Possess a valid Manufacturer's License from National Pharmaceutical Regulatory Agency (NPRA), if applicable;*
- 22.4.6 Possess a valid Establishment License from the Malaysian Device Authority (MDA), if applicable;*
- 22.4.7 Fully operational for at least three (3) months prior to applying for Sijil Pengesahan Halal Malaysia (SPHM) for new applications;*
- 22.4.8 Fully operational for at least one (1) month at the new premises for companies that have relocated;*
- 22.4.9 Produce and/ or handle only halal products, including trading products, and comply with established halal standards;*
- 22.4.10 Apply for SPHM for all types of products or menus currently produced at the respective premises;*
- 22.4.11 Submit recognized and valid halal certificates for repackaging applications or provide clear supporting documents stating the source of materials (for natural ingredients only), and*
- 22.4.12 The company name, product, menu, ingredients, and brand applied for must not use any halal statement or any representation or be described in any other way that implies it is permissible for use by Muslims.*

22.5 **Not Eligible to Apply**

The following applications are NOT ELIGIBLE:

- 22.5.1 *Non-halal products and menus;*
- 22.5.2 *Companies that produce and/ or distribute both halal and non-halal products (including food delivery services);*
- 22.5.3 *Using the same brand for halal and non-halal products or services (subject to enforcement in Malaysia);*
- 22.5.4 *Products or services without standards or guidelines for reference;*
- 22.5.5 *Products or food premises that have negative religious and social implications, such as drugs, shisha, cigarettes, hair dye, nail polish, karaoke centres, entertainment centres, etc;*
- 22.5.6 *Natural, unprocessed products that have not been modified and lack packaging and labelling, such as fresh fish, fresh vegetables, fresh eggs, and similar items;*
- 22.5.7 *Company names, products, menus, and brands that refer to or are synonymous with non-halal products or resemble non-halal products or use misleading terms such as ham, bak kut teh, bacon, beer, rum, hot dog, char siew, and the like;*
- 22.5.8 *Ready-made products from domestic and foreign sources that are relabelled without undergoing any processing in Malaysia;*
- 22.5.9 *Food premises that offer non-halal menus;*
- 22.5.10 *Products in the early stages of research and development (R&D) that are not yet ready for commercialisation;*
- 22.5.11 *Products, menus and services that may lead to religious deviance, superstitious practices and fraud;*
- 22.5.12 *Hotels with kitchens that prepare or serve pork-based menus; and*
- 22.5.13 *Products that do not need to be halal certified and/ or may cause confusion if certified halal, such as fertilizers, paper, cement, tiles, insecticides, carpets, etc.*

22.6 General Certification Requirements

SPHM applicants must comply with the following general requirements:

22.6.1 Raw Materials

- i. All raw materials must be ensured to be halal, safe, and uncontaminated;*
- ii. Animal-based raw materials must be certified halal by a recognized authority;*
- iii. Imported animal-based raw materials must be sourced from JPV-approved slaughterhouses or processing plants;*
- iv. Raw materials certified halal by unrecognized bodies must have complete supporting documentation;*
- v. The origin of all raw materials must be identifiable.*
- vi. Raw materials processed by third parties must have valid halal certification;*
- vii. Raw materials must be declared in the MYeHALAL application form;*
- viii. Raw materials must have clear, legible, and understandable labels;*
- ix. Raw materials must comply with current laws and regulations; and*
- x. Water quality analysis reports must be submitted if the water source is not from the Water Supply Department.*

22.6.2 Processing

- i. All activities related to the preparation and processing of raw materials, products, menus, or services must comply with Shariah law and legal regulations;*
- ii. Processing areas must be free from non-halal materials or products;*
- iii. The processing area must not be used for purposes other than halal-certified processing;*
- iv. The processing area must be free from activities with negative religious implications, such as producing religious oils;*

- v. *Processing and handling must comply with good hygiene practices like Good Hygiene Practices (GHP) and Good Manufacturing Practice (GMP);*
- vi. *Processing areas must remain clean and orderly at all times; and*
- vii. *Hazardous chemicals, detergents, and unrelated items must not be stored in the processing area.*

22.6.3 Packaging, Labelling, and Advertising

- i. *Packaging and labelling materials must be halal, non-contaminating, and safe for human use;*
- ii. *Packaging, labelling, and advertising shall not contravene the principles of Shariah law, shall refrain from displaying any indecent elements that are morally inappropriate, and shall not give rise to negative implications on the integrity of the Malaysian Halal Certification;*
- iii. *Labelling and advertising of products and services shall not employ statements, symbols, terms, or names that contain religious or divine elements, such as the names of Allah, references to sunnah foods, deities, or any similar representations;*
- iv. *Any form of diagram or illustration depicting animals classified as **najis mughallazah** (severe impurities), containing religious elements, or that may have negative implications on the Malaysian Halal Certification shall not be used;*
- v. *Labelling must match the product name declared in the MYeHALAL form;*
- vi. *Labels must be printed clearly and not easily erased;*
- vii. *Label claims must comply with laws and regulations;*
- viii. *Labelling, packaging, and advertising must comply with relevant standards and laws;*
- ix. *Labels for products processed and packaged locally must be in Malay; and*

- x. *The following information must be displayed on the label:*
- Product name,*
 - Name and address of SPHM holder, and*
 - Malaysian Halal logo with MS and file reference number (last 10 digits)*

Example:



MS 1500
1 059-02/2008

THE RECOGNISED FOREIGN HALAL CERTIFICATION

BODIES & AUTHORITIES BY JAKIM

(As at 20th February 2025)



created by UNITI Halal Centre (UHAC) | unitihalalcentre.com

Rajah 1: Sumber JAKIM
Figure 1: Source JAKIM