



# NEWSLETTER

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## MALAYSIA WHOLESALE & RETAIL TRADE LANDSCAPE

GDP of Wholesale & Retail Trade,  
1987-2018 (RM Billion)

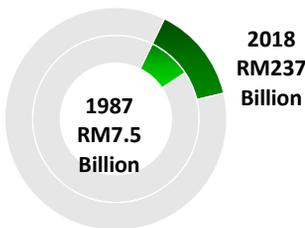


Amounted to **RM237 billion** after 3 decades, recorded annual growth rate of **11.8%** in 31 years period

### The Growing Importance of Wholesale & Retail in Malaysia

Contribution to Total GDP

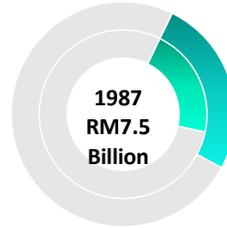
**2018: 16.4%**  
**1987: 9.2%**



2018  
RM237  
Billion

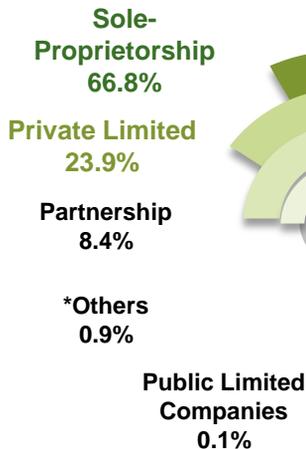
Contribution to Services GDP

**2018: 34.5%**  
**1987: 26.9%**



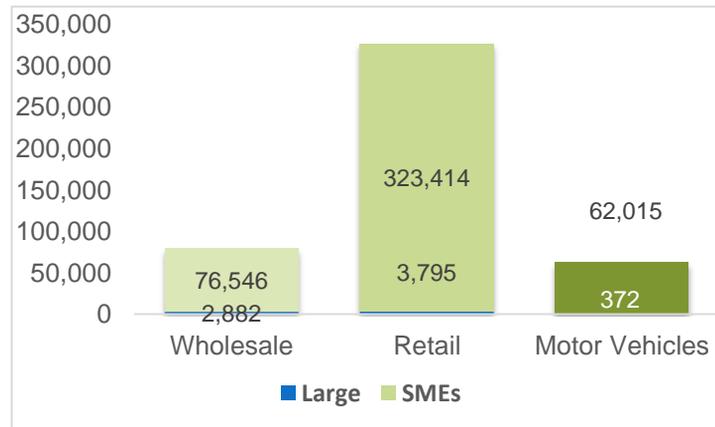
### Establishment Number by Legal Status, 2018

Majority of **67%** were **Sole-Proprietorship** followed by Private Limited Companies, 24%



### Establishment Number by Sub-sector, 2018

**98.5%** were SMEs, majority of **70%** involved in **Retail Trade**



Total **469,024** SMEs **461,975**

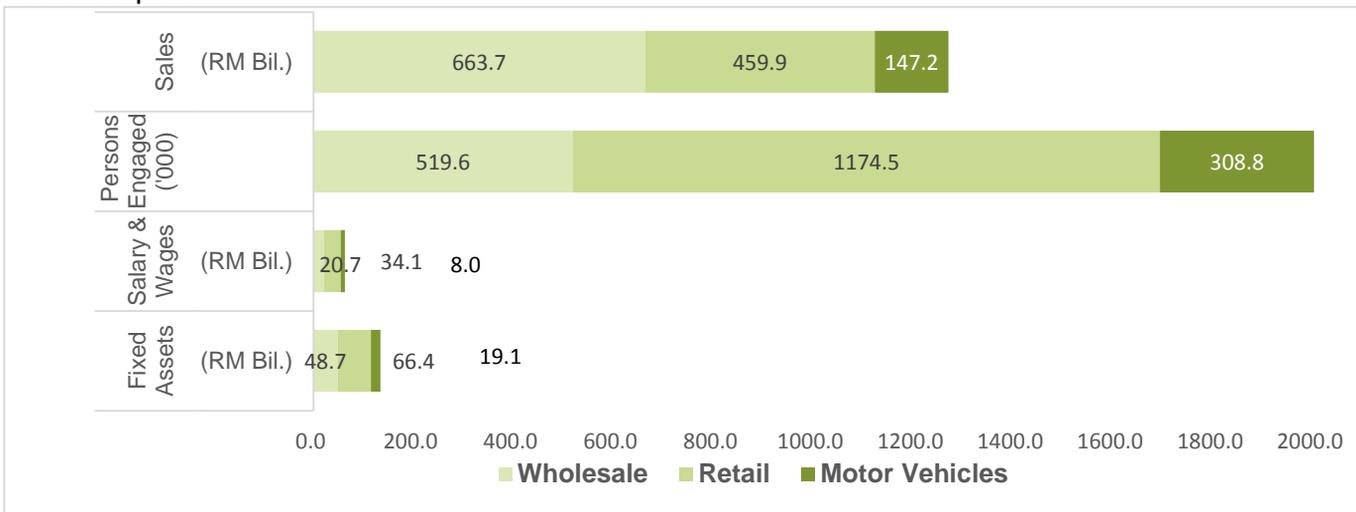
Note. \*Limited liabilities partnership, Co-operative and Public Corporation

Note. \*SME: Small & Medium Enterprise



# Performance by Sub-sector, 2018

**Wholesale Trade** contributed the **largest sales value and fixed assets** while Retail Trade which is more labour-intensive sector dominated the number of persons engaged and salaries paid.



## Who Paid the Most?

**Wholesale** paid the highest monthly salary of **RM3,683** followed by **Retail** of **RM3,260**

### Average Monthly Salary & Wages



#### Wholesale Trade

**RM3,683**



#### Retail Trade

**RM3,260**



#### Motor Vehicles

**RM2,674**

### Top-3 Highest Paid Industry

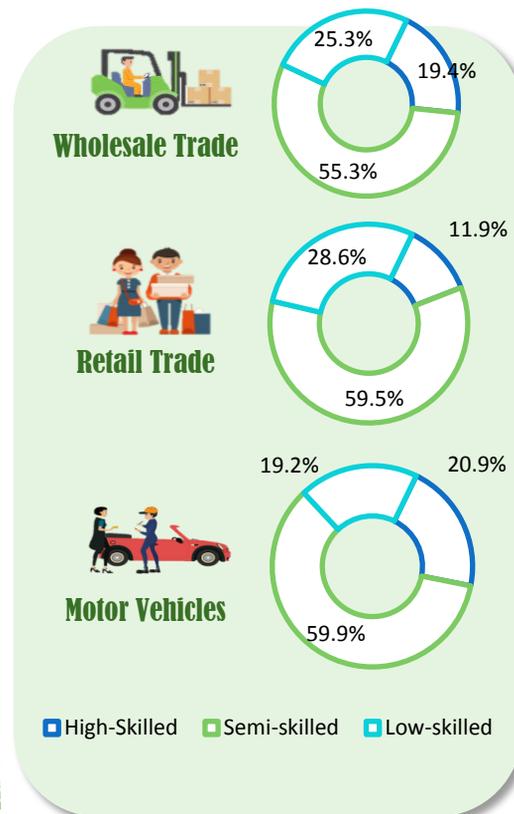
- Wholesale of petrol, diesel & lubricants
- Wholesale of construction materials
- Wholesale of office machinery and business equipment

- Internet retail auctions
- Retail sale of pharmaceutical, medical and orthopedic goods
- Retail sale of glasses and other optical goods

- Sale of new motor vehicles
- Sale of new industrial, commercial and agriculture vehicles
- Car auctions

## Which Sector Hired Who?

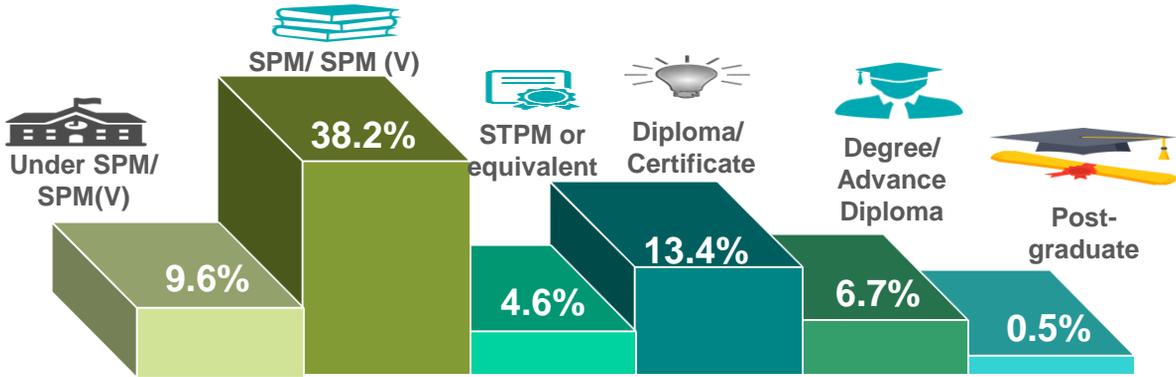
The highest number of employees were **Semi-skilled** category



# Qualification of Employees, 2018

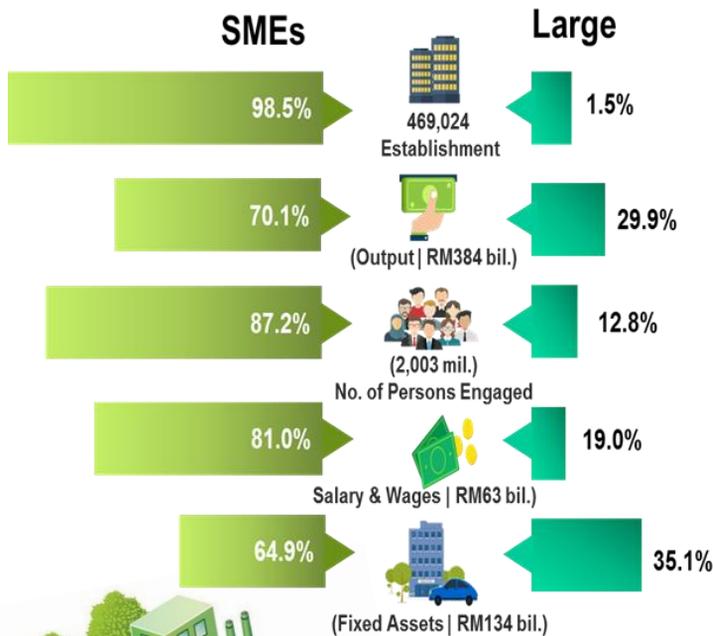


Most of the employees have **SPM or equivalent**

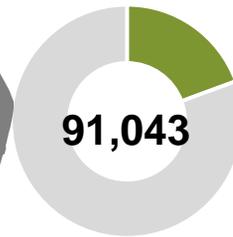


## SMEs Profile, 2018

SMEs made up of **98.5%** of all establishments, contributed **more than 60%** to output, persons engaged, salaries & wages and fixed assets.



## Women Participation, 2018

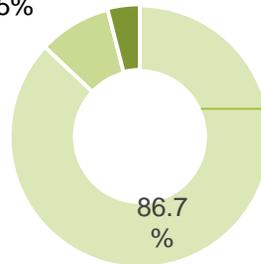


**91,043** establishments or **19%** were owned by women



Contributed **6.3%** to the total output

Wholesale 8.5%  
Motor Vehicles 4.8%



**87%** engaged in **Retail Sector**

Business owned by women provided **267,947** jobs, comprised **13.4%** of total employment in Wholesale & Retail



### Do you know?

Top Industries Dominated by Women are "Retail sale of any kind of product by mail order and over the Internet, Wholesale of clothing accessories, Wholesale of cut flowers and plants & Retail sale of bakery products and sugar confectionery"



# How Covid-19 Affect Malaysia Retail Sector

- The affect of COVID-19 virus in Malaysia began since January 2020 whereby tourist arrival to Malaysia decreased to 1.4 per cent and further drop to 35.5 per cent in February, 2020 compared to the same month of the previous year. This was attributed to the jump in tourist mainly from China: -76.2%; South Korea: -52.3%; Singapore: -39.2% and Brunei: -34.2%.
- This has greatly affected the tourism sector, including shopping expenditure especially for those retailers who were dependent on foreign tourists. Retail Group Malaysia (RGM) has reported that quite a number of retailers which operated at tourist spot such as at KLCC, Bukit Bintang and “Chinatown” as well as island area reported that their sales has dropped about 80 per cent since January 2020.
- Persatuan Peruncit-Peruncit Malaysia (MRA), Persatuan Rangkaian Runcit Malaysia (MRCA), Pertubuhan Peruncit Bumiputera (BRO), Persekutuan Rangkaian Runcit & Francais Asean (ARFF) and Persatuan Penjenamaan Malaysia (BAM) also informed their association members have reported that sales have dropped by as high as 50% with some expecting revenue to further drop by more than 80% over the next three months. The outbreak has not only affected the tourism industry but has led to shoppers shying away from malls. It said retail outlets also had to incur additional costs by hiring more cleaners to wipe down public areas, administration staff to take temperature and providing more hand sanitisers at strategic locations.
- The impact to the retailers in Malaysia was more severe with the implementation of Movement Control Order (MCO) starting from 18 March to 28 April 2020. RGM estimated that the retail sales in the first quarter of 2020 will experience double digit negative growth. This is due to the closing of some retails premises which falls under Non-Essential services. Tough supermarkets, convenient stores, departmental stores and markets which fall under Essential services are still allowed to operate, it is limited to groceries, food and pharmaceutical sections.

## Impact to Non-Essential Services

Non-Essential Services includes:

- Retail Sale of ICT Equipment
- Retail Sale of Household Goods
- Retail Sale of Arts and Recreation Goods
- Retail Sale of Other Goods in Specialist Stores

Sales value of this industries amounted to **RM26.7 billion** in January 2020, contributed **57.0 per cent** to the total retail sales. Sales are expected to drop in the first quarter of 2020 compared to the same quarter a year ago due to the closing of the outlets for 42 days within the MCO period.



### Retail Sale in Specialist Stores

Sales are expected to increase at a strong growth in first quarter, 2020 compared to first quarter a year ago, particularly for groceries, food and pharmaceutical products attributed by panic buying before MCO (based on New Straits Times's observations for supermarkets in Lembah Kelang, Ipoh and Kuantan which showed unusually big crowds with long queues and basic needs stocks were flying off the shelves<sup>1</sup>. As for other segments, sales are expected to record negative growth.

### Retail Sale of Food, Beverages & Tobacco

The outlets are operating as usual. Thus, sales value are expected to increase at double-digit growth due to the panic buying among Malaysians especially before the MCO Phase 1 is announced.

### Retail Sale of Automotive Fuel

Tough petrol stations are operated, most of them has shortened their operating hours. Thus, sales are expected to grow at a slower pace due to the less vehicles on the road as being informed by Bukit Aman Traffic Investigation and Enforcement Department director, Datuk Azisman Alias that the total number of vehicles are expected to decline up to 75 per cent during MCO implementation compared to normal days<sup>2</sup>.

### Retail Sale of Pharmaceutical, Medical and Orthopaedic Goods

Sales are expected to register strong double-digit growth in first quarter 2020 compared to the same period in 2019. This was based on the statement made by Presiden Farmasi Komuniti Malaysia that the sale of face mask increased three times due to high demand<sup>3</sup>. This was confirmed by Pengurus Utama Farmasi Intan, Sayed Mohd Saufi Sayed Abdul Kadir that the panic buying was among the reasons that disrupt the supply of the face mask in the market. He further elaborated that daily demand for the face mask in Malaysia has reached 500 million units per day, yet capacity of production is only 100 million per day<sup>4</sup>.

### Retail Sale in Stalls or Markets

Sales for this industry is expected to grow strong in the first quarter of 2020 compared to the previous year, mainly contributed by groceries and food.

### Retail Sale not in Stalls or Markets (Online sales)

Annual growth rate for retail sales not in stalls or markets is expected to rise at a strong pace in the first quarter of this year as against the corresponding quarter of the previous year. This is attributed to the customers preference to shop online due to MCO, especially for groceries and food. The spike in orders caused a few local supermarkets to temporarily suspend their online delivery services until further notice (Jaya Grocer, MyGroser, Happy Fresh Malaysia dan Lazada Malaysia)<sup>5</sup>.

#### Note.

<sup>1</sup> New Straits Times: "COVID-19: Panic buying at supermarkets nationwide": 17 Mac 2020

<sup>2</sup> Mymetro.com: "Jumlah Kemalangan Turun": 21 Mac 2020

<sup>3</sup> Free Malaysia Today: "Persatuan farmasi gesa Kerajaan hapus harga siling, larang eksport penutup hidung dan mulut": 8 Mac 2020

<sup>4</sup> Sinar Harian: "Pembelian panik, pentingkan diri punca topeng muka habis stok": 22 Mac 2020

<sup>5</sup> The Sun Daily: "Panic buying causes temporary suspension of online grocery deliveries": 22 Mac 2020

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