

Foreign affiliates contribute 17pct to economy, value-added of RM241b in 2020

Malaysiakini

14 September 2021

Bernama

Foreign affiliates contributed 17 percent to Malaysia's economy by registering a value-added of RM241 billion in 2020, according to the Department of Statistics Malaysia (DOSM).

In a statement today, the DOSM said in total, 2,979 foreign affiliates were operating in Malaysia, while the manufacturing sector remained as the main contributor with a value-added of RM115.8 billion and a share of 48 percent in 2020.

"The sector employed 640,434 persons with a compensation of employees worth RM33.3 billion.

"The second highest value-added was recorded by the services sector at RM65.2 billion or a share of 27 per cent," it said.

In addition, the DOSM said the number of employees engaged in this sector amounted to 176,710 workers with a paid compensation of employees of RM11.8 billion in 2020.

Chief statistician Mohd Uzir Mahidin said the global health crisis and uncertain economic situation throughout 2020 had disrupted the business activities of most companies in Malaysia, including foreign affiliates which own more than 50 percent of the equity.

"This was witnessed through the downturn trend registered by selected indicators used to measure the performance of these foreign affiliates.

"There were 2,237 Malaysian controlled affiliates (with more than fifty per cent of ownership) operating overseas in 2019, slightly increasing by 0.9 per cent in 2020," he said.

The chief statistician said the turnover of these affiliates increased by 1.3 percent to register RM335.2 billion in 2019.

He said these affiliates had employed 412,937 persons as compared to 408,807 persons in 2018.

At the same time, the increase in the number of employees resulted in higher compensation of employees, amounting to RM23.8 billion from RM23 billion in the previous year.

"In terms of turnover, the services sector remained dominant for the last 10 years and generated RM209.5 billion in 2019, with a contribution of 62.5 percent.

"Affiliates abroad in the services sector were primarily engaged in the wholesale and retail trade, and financial activities," said Uzir.

The manufacturing sector recorded the second-highest turnover, with a share of 24.2 per cent, mainly in the sub-sector of petroleum, chemicals, rubber and plastic products.

Uzir added that the affiliates located in Indonesia posted the highest turnover at RM50 billion, principally in financial activities.

The second-highest turnover was recorded by affiliates in Singapore, with a value of RM39.2 billion, largely concentrated in the wholesale and retail trade activity.

The United Kingdom, as the third-highest contributor, recorded a turnover of RM38.1 billion mainly in the utilities and wholesale and retail trade activities.

- Bernama

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <https://www.malysiakini.com/news/591317>