

# Productivity jumps 3.7%

## KL does better than developed nations

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**KUALA LUMPUR:** The Malaysian economy last year recorded the highest productivity growth in the last six years at 3.7%, ahead of even developed countries such as Singapore (1.2%), Sweden (2.8%), Japan (2.5%), Germany (2.0%), and the United States (1.5%).

According to the Productivity Report 2006, which was launched yesterday, the productivity growth also contributed to strong gross domestic product (GDP), which grew 5.9% last year, driven mainly by strong public and private sector expenditure, and an impressive trade performance, which hit the RM1tril mark.

The report stated that Malaysia's productivity level increased to RM27,221 per employee, from RM26,255 per employee in 2005.

It also said Malaysia was ranked 23 out of 61 economies in the global competitiveness ranking, up five notches from 2005.

All economic sectors registered productivity growth ranging from 0.5% to 4.5%, and the productivity of the manufacturing sector grew by 4.4% to RM33,081, which was driven mainly by strong performance in the export based industries.

The report also stated that the productivity in the utilities sector grew by 4.5% to RM117,289, while both finance and transport sectors registered 4.1% growth to RM63,002 and RM43,293 respectively.

Commerce and trade sectors registered productivity growth of 2.2% to RM23,595.

International Trade and Industry Minister

» **SMEs contribute substantially to economic growth** «

DATUK SERI RAFIDAH AZIZ

Datuk Seri Rafidah Aziz said Small and Medium Enterprises (SMEs) played an important role as suppliers and service providers to the various industries, and accounted for 96.6% of total manufacturing establishments in the country.

She said about 33% of the SMEs were in food and beverage manufacturing, 6.6% in chemicals and chemical products, 5.9% in basic metals, 4.1% in the furniture industry, and 4% in the non-metallic mineral products.

"Together they account for 79% of the SMEs total output, 29.8% of total manufacturing output, 26% of total added value and 31.3% of total manufacturing employment.

"Thus, SMEs contribute substantially to economic growth through the efficient use of resources, employment creation, and the mobilisation of domestic savings and investments," she said before launching the report published by the National Productivity Corp (NPC) yesterday.