

Malaysia

Key indicators

Population (millions)	31.7
GDP (\$ billions)	302.7
GDP per capita (\$)	9545.5
GDP per capita (\$)	0.7
Current account surplus/deficit, share of GDP (%)	1.2
Tariff preference margin (percentage points)	1.2
Imports and exports (goods and services), share of GDP (%)	152.3
Services exports, share of total exports (%)	14.8
Geographic region	Asia
Country group	
Income group	Upper-middle income

SME Competitiveness Grid Summary

Average scores [0-100]	Compete	Connect	Change
FIRM CAPABILITIES			
Small	25.1	15.5	36.9
Medium	30.9	35.7	46.0
Large	42.7	64.3	58.1
All	28.0	20.8	45.1
BUSINESS ECOSYSTEM	52.8	94.4	56.6
NATIONAL ENVIRONMENT	72.9	78.4	62.6

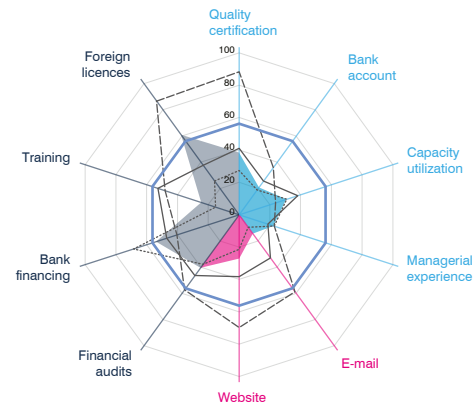
Reference level: 56.2 (a function of GDP per capita)

Weaknesses are scores below: 28.1 | **Strengths are scores above: 84.3**

SME Competitiveness Grid

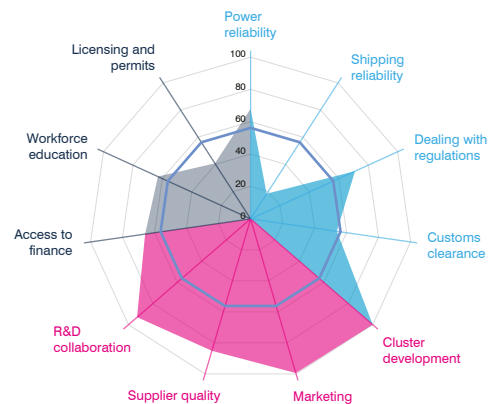
FIRM CAPABILITIES (Normalized scores)

Compete	Small	Medium	Large	All
International quality certificate	27.3	41.0	88.3	38.3
Bank account	19.0	25.7	36.0	20.8
Capacity utilization	31.0	38.2	23.7	30.7
Managerial experience	22.9	18.7	22.9	22.4
Connect				
E-mail	9.7	33.1	58.8	14.4
Firm website	21.4	38.3	69.7	27.2
Change				
Audited financial statement	37.9	46.4	57.4	40.6
Investment financed by banks	68.5	47.1	40.3	54.0
Formal training programme	15.3	52.7	48.1	24.6
Foreign technology licences	25.8	37.8	86.8	61.1



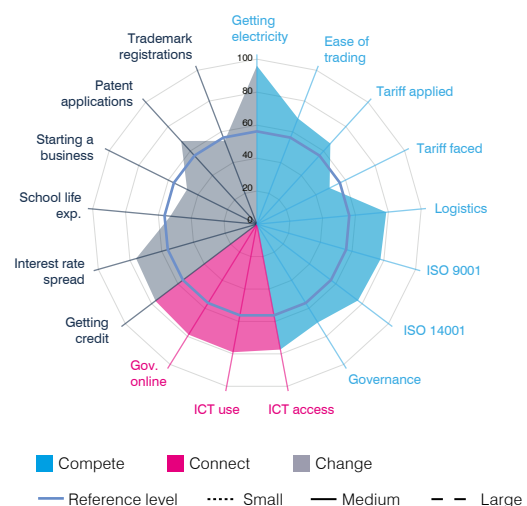
BUSINESS ECOSYSTEM (Normalized scores)

Compete	Small	Medium	Large	All
Power reliability	81.5	54.0	42.7	68.0
Domestic shipping reliability	27.7	14.6	15.7	18.5
Dealing with regulations	77.2	59.3	51.6	71.0
Customs clearance efficiency	46.8	60.4	53.0	53.9
Connect				
State of cluster development				100.0
Extent of marketing				99.4
Local supplier quality				85.1
University-industry collaboration in R&D				92.9
Change				
Access to finance	64.1	80.8	55.8	65.9
Access to educated workforce	64.2	57.0	67.2	63.0
Business licensing and permits	40.5	38.0	53.2	40.8



NATIONAL ENVIRONMENT (Normalized scores)

Compete	All
Getting electricity	96.0
Ease of trading across borders	68.8
Applied tariff, trade-weighted average	66.1
Prevalence of technical regulations	-
Faced tariff, trade-weighted average	49.2
Logistics performance index	78.8
ISO 9001 quality certificates	77.9
ISO 14001 environmental certificates	76.8
Governance index	70.1
Connect	
ICT access	77.3
ICT use	79.0
Government's online service	78.7
Change	
Ease of getting credit	77.1
Interest rate spread	76.2
School life expectancy	52.7
Ease of starting a business	47.3
Patent applications	68.2
Trademark registrations	54.1



Note: Scores range from 0 to 100, a higher score indicates a better outcome. Series with missing data are indicated as (-) in the tables and omitted from the radar charts.

Source: World Bank Enterprise Survey (2015) for firm level data; for other sources and methodology see Annex.

SME Export Potential

Malaysia is an upper-middle income country with a population of 31.7 million and GDP of \$302.7 billion. Goods and services account for 85.2% and 14.8% of exports, respectively.

The country's unrealized potential to increase existing exports lies mainly within its home region and to Europe and the Americas (see table below). *Cards incorporating one or more electronic integrated circuits* have an unrealized export potential of around \$14 billion in the home region, \$342 million to the Americas and \$2 billion to Europe. Other products with unrealized potential include *parts and accessories of printers, copying machines, facsimile machines* and *apparatus for the transmission or reception of voice*.

Regarding new export products, Malaysia has diversification opportunities in chemicals, watch manufacturing, and vehicles sectors with products such as *floating or submersible drilling or production platforms, complete watch movements, and cumene*. The production of the latter product involves a relatively strong participation of SMEs with good scores on the price stability indicator. Other products identified for diversification include *tankers* and *vinyl acetate*.

Small firms in Malaysia perform well in access to electricity. They underperform, however, in using e-mails and formal training programmes. The largest gap between small and large firms lies in owning international quality certificates and foreign technology licences. The country's national environment performs well in getting an electricity connection.

Unrealized potential: Existing export products

Product description	Product code	Exports (\$ million)	Value of unrealized potential exports by destination (\$ million)					Development indicators										
			Africa	Americas	Asia	Europe	Oceania	Price stability	SME presence	Women employed	Technology							
			0	15000	0	15000	0					15000	0	15000				
Cards incorporating one or more electronic integrated circuits "smart cards"; electronic...	85XXXd	43523																
Parts and accessories of printers, copying machines, facsimile machines and other office...	84XXXd	8648																
Palm oil and its fractions, whether or not refined (excluding chemically modified and crude)	151190	10184																
Storage units for automatic data-processing machines	847170	5569																
Apparatus for the transmission or reception of voice, images or other data, incl. apparatus for...	85XXXb	7357																
Articles of jewellery and parts thereof, of precious metal other than silver, whether or not plated or...	711319	2236																
Photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in...	854140	4408																
Reception apparatus for television	8528Xb	3607																
Transistors with a dissipation rate >= 1 W (excluding photosensitive transistors)	854129	2237																
Crude palm oil	151110	3613																

Notes: Unrealized potential table: Top 10 products in decreasing order of unrealized export potential to the world. **Exports:** Average value over 2011-2015. **Price stability, SME presence, and Women employed:** Green - performance above a country's trade-weighted mean. Red - the opposite. **Technology:** Green - transformed products exported by countries at least matching the country's per capita GDP. Red - the opposite. Blank spaces - data not available.

Source: ITC Export Potential Map, <http://exportpotential.intracen.org>