



CHAPTER 4

Number of SMEs and Associated Hiring Statistics for 2017

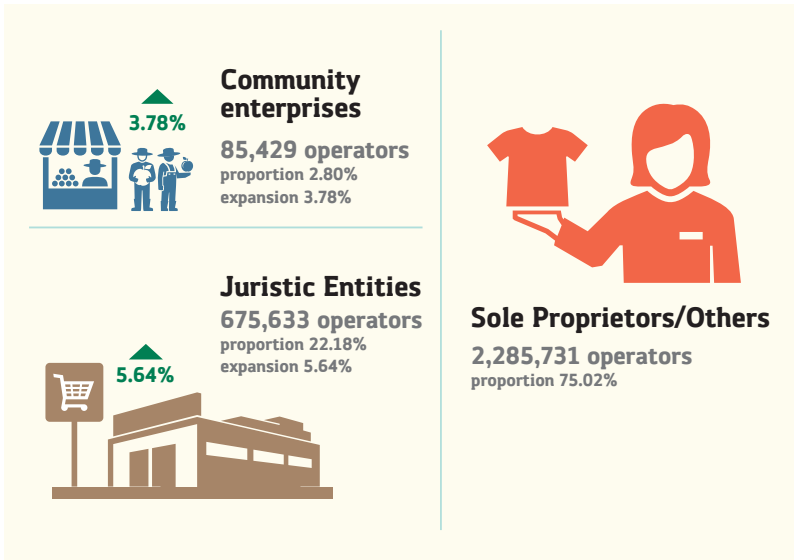
4.1 Number of SMEs

SME enterprises in Thailand as of the end of 2017 reached a total of 3,046,793 in number which represented a volume growth of 1.30%. As high as 99.78% of this entrepreneurial base was composed of small and medium enterprises or SMEs. Within this structure, the small enterprises (SE), numbering 3,028,495 operators, represented 99.40% of the whole. This very large volume of SE comprised 99.18% of the SME domain, leaving a mere 0.60% to be taken up by 18,298 medium-size enterprises (ME).

4.1.1 Composition of the SMEs

Based on the types of business registration, the SMEs established during 2017 can be grouped into three categories each with its respective number as follows: **Juristic Entities**, numbering 675,633, or 22.18% of the nation-wide total; **Sole Proprietors & Other Types** numbering 2,285,731, or 75.02% of the same total; and **Community-enterprises**, which made up the smallest portion at 85,429, or a mere 2.80% of the entire SME landscape. The proportions are shown in Figure 4.1 below, accompanied by a description of the spread of SMEs in various economic sectors.

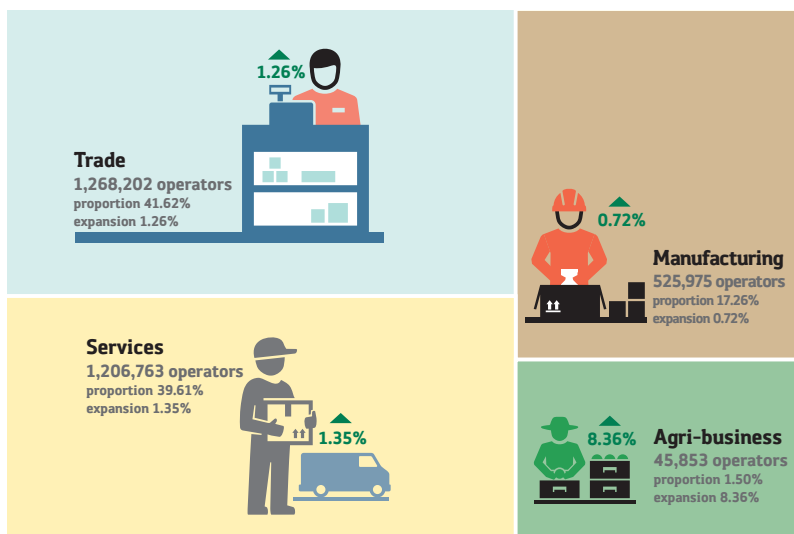
Fig 4.1 : Number of SMEs by type of business establishment, for 2017



Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

Table 4.1 below lists the number of Thai SMEs by business sector. The largest SME concentration, with 1,268,202 enterprises, was found in the Trade sector. The figure represented a year-on-year growth of 1.26%; and 41.62% of the nation-wide SME total. Next in terms of enterprise density was in the Services sector with 1,206,763 operators, representing a 1.35% growth and 39.61% of the nation's SME population. Some 525,975 SMEs were found in the Manufacturing sector, which amounted to a growth of 0.72%, and making up 17.26% of the nation-wide total. The Agri-business sector had remained relatively small having only 45,853 operators, or 1.50% of the SME population. This sector's growth over the previous year's amounted to 8.36%.

Fig 4.2 : SME populations by business sector, for 2017



Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

Table 4.1 : Breakdown of SME Population by Business Sector and Size Category, Years 2016 – 2017

Business Sector	SE		ME		SME		LE		Undefined		Total	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Total entrepreneurs	2,990,604	3,028,495	17,016	18,298	3,007,620	3,046,793	6,094	6,662	18	16	3,013,722	3,053,471
• Trades	1,247,925	1,263,567	4,461	4,635	1,252,386	1,268,202	2,435	2,572			1,254,821	1,270,774
• Services	1,183,984	1,199,171	6,680	7,592	1,190,664	1,206,763	1,444	1,791			1,192,108	1,208,554
• Manufacturing	516,581	520,177	5,639	5,798	522,220	525,975	2,167	2,246			524,387	528,221
• Agri-business	42,078	45,580	236	273	42,314	45,853	38	53			42,352	45,906
• Undefined	36				36	0			18	16	54	16
Juristic Entities	625,591	660,371	13,980	15,262	639,571	675,633	5,253	5,831	18	16	644,842	681,460
• Trades	212,072	227,638	2,602	2,776	214,674	230,414	1,675	1,812			216,349	232,226
• Services	329,005	344,148	6,095	7,007	335,100	351,155	1,402	1,749			336,502	352,904
• Manufacturing	81,424	84,996	5,047	5,206	86,471	90,202	2,138	2,217			88,609	92,419
• Agri-business	3,090	3,589	236	273	3,326	3,862	38	53			3,364	3,915
• Undefined					0	0			18	16	18	16

Business Sector	SE		ME		SME		LE		Undefined		Total	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Sole Proprietors & Others	2,282,695	2,282,695	3,036	3,036	2,285,731	2,285,731	831	831	0	0	2,286,562	2,286,562
• Trades	1,033,267	1,033,267	1,859	1,859	1,035,126	1,035,126	760	760			1,035,886	1,035,886
• Services	850,721	850,721	585	585	851,306	851,306	42	42			851,348	851,348
• Manufacturing	398,707	398,707	592	592	399,299	399,299	29	29			399,328	399,328
Community-enterprises	82,318	85,429	0	0	82,318	85,429	0	0	0	0	82,318	85,429
• Trades	2,586	2,662			2,586	2,662					2,586	2,662
• Services	4,258	4,302			4,258	4,302					4,258	4,302
• Manufacturing	36,450	36,474			36,450	36,474					36,450	36,474
• Agri-business	38,988	41,991			38,988	41,991					38,988	41,991
• Undefined	36				36	0					36	0

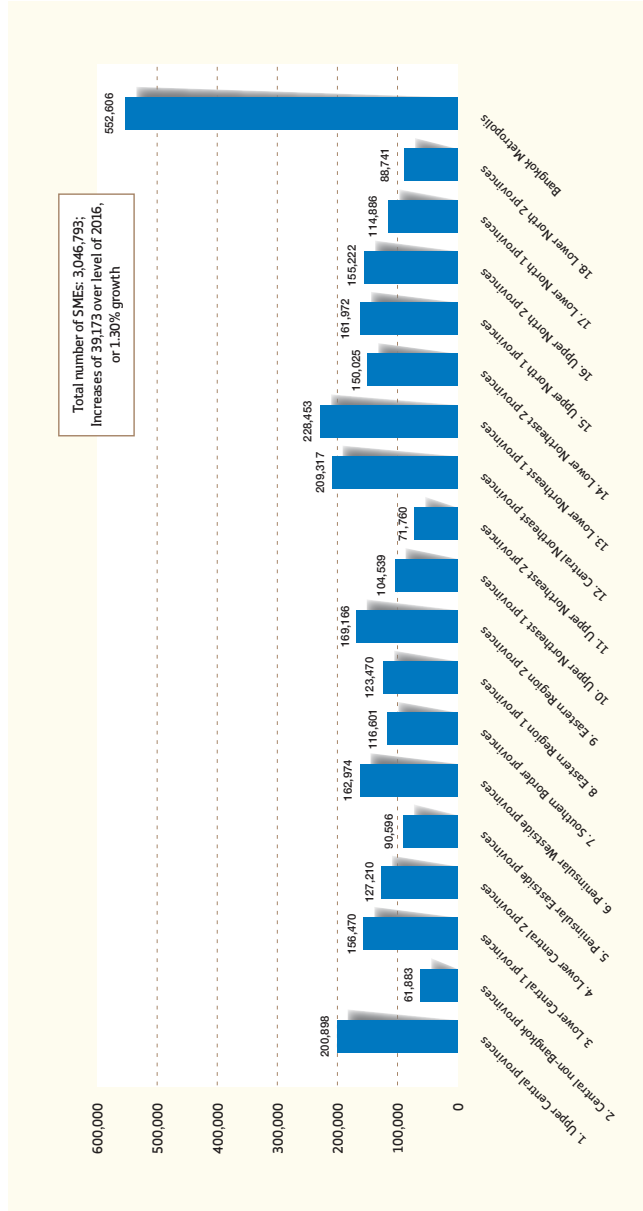
Sources : Department of Business Development, National Statistical Office, Social Security Office, Department of Agriculture Promotion

Note : Agri-business covers enterprises in business Category A (01-09). Entries are data specific to juristic-entity SMEs and community enterprises, not including Sole-Proprietor SMEs.

Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

Breakdown of SME concentration by province grouping for 2017 indicated that Bangkok Metropolis had the highest volume at 552,606 enterprises, or 18.14% of the country-wide population. For the provinces, the Lower Northeastern-1 region — consisting of Chaiyaphum, Nakhon Ratchasima, Buriram, and Surin — was home to 228,453 enterprises, the number representing 7.50% of the country's SME total, and showing a 1.13% growth above the regional figure of the year before. The next significant areas in terms of SME volume are the Central Northeastern region and Upper Central region. This breakdown is shown in Figure 4.3.

Fig 4.3 : SME concentrations by Province Grouping, Year 2017

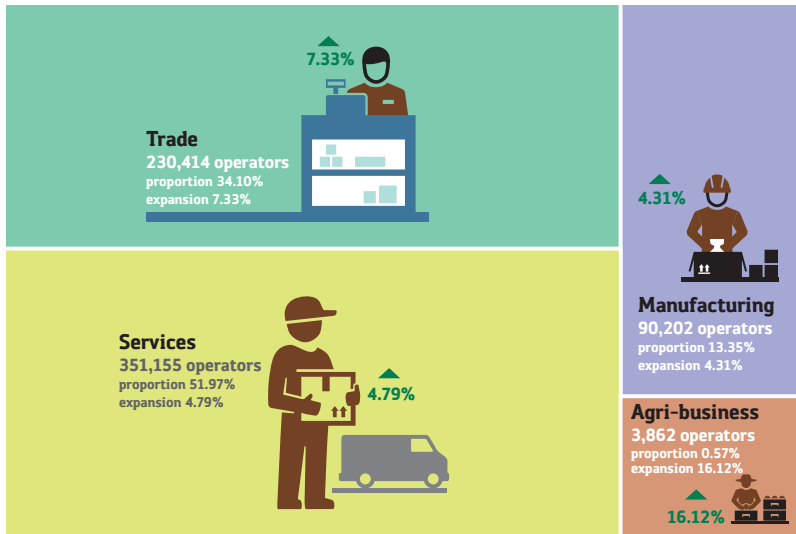


Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

4.1.1.1 Number of SME Juristic Entities

For 2017, the largest population of SMEs registered as juristic entities was found in the Services sector numbering 351,155 enterprises or 51.97% of the national juristic-entity SME volume. The figure represented a year-on-year growth of 4.79%. Operators in the Trade sector, numbering 230,414 SMEs, accounted for 34.10% and a similar growth of 7.33%. Smaller numbers of juristic entities were found in the Manufacturing sector where 90,202 SMEs made up 13.35% with a growth rate of 4.31%; and the Agri-business sector with only 3,862 juristic operators or 0.57% of the total volume. Figure 4.4 shows the sector volumes described above.

Fig 4.4 : Number of juristic-entity SMEs by business sector



Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

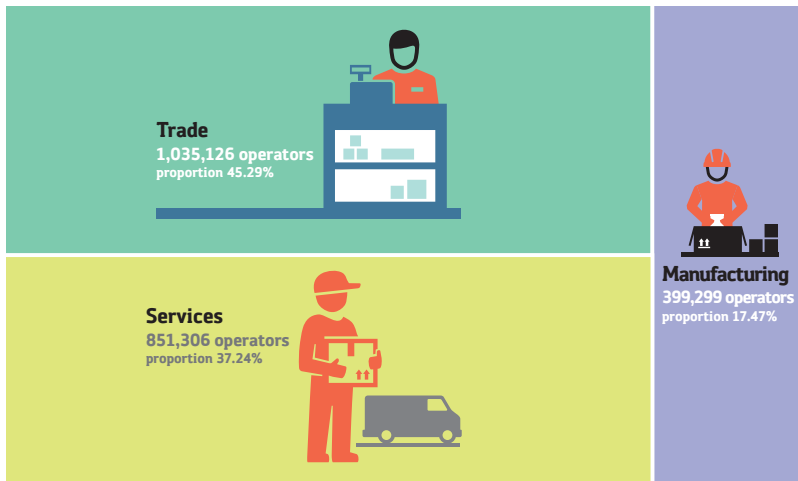
Juristic-entity SMEs operating Wholesale & Retail businesses — or Category G of the Trade sector — made up a volume of 230,414 operators. Of these, the largest proportions were found in the Wholesale sub-category — activities other than sales of automobiles and motorcycles — at 144,000

operators. Category G enterprises showed an increase of 3,371 operators which represented a category growth of 2.40% over the previous year, while the overall category size relative to the nation-wide juristic SME total was at 21.31%. Concentration of juristic-entity SMEs, found highest in Bangkok Metropolis, was at 275,036, or 40.71% of the nation-wide total. The next largest concentration was recorded for Chon Buri, while Mae Hong Son had the smallest number of juristic-entity SMEs.

4.1.1.2 SMEs in the Category of Sole Proprietors & Others

SMEs registered in the category of Sole Proprietors & Others were found in the largest number within the Trade sector with the latest count being 1,035,126, or 45.29% of the nationwide category total. The figure represented a 7.36% growth over the previous year. The next largest numbers of Sole Proprietors were recorded for the Services sector at 851,306, or 37.24%; and the Manufacturing sector at 399,299, or 17.47%. These proportions are shown in Figure 4.5 below.

Fig 4.5 : Breakdown of SME Sole Proprietors & Others by business sector



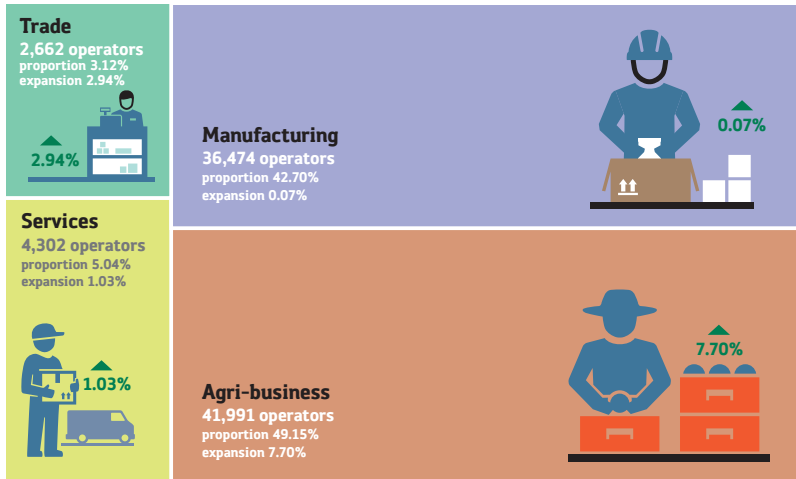
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Sole-proprietor SMEs operating Wholesale & Retail businesses — or Category G of the Trade sector — made up a volume of 1,035,126 operators. Of these, the largest proportions were found in the Wholesale sub-category — activities excepting sales of automobiles and motorcycles — at 798,587 operators. The sub-category represented 34.94% of the nationwide total for SMEs operating as sole proprietors & others. The largest concentration of these operators was found in Bangkok Metropolis with 277,374 enterprises, or 12.14% of the same nationwide total. The second largest was found in Chiang Mai, while the province with the lowest number of Sole Proprietor SMEs was Samut Songkhram.

4.1.1.3 Number of Community-based SMEs

The number of community-enterprises recorded for 2017 amounted to 85,429 all of which can be categorized as SMEs. This type of SMEs was found to have the largest concentration in the Agri-business sector with a volume count of 41,991 or 49.15% of the nationwide community-enterprise total. The number represented a volume increase of 7.70%. For the Manufacturing sector, which contained 36,474 SMEs or 42.70%, a slight volume growth of 0.07% was recorded. Much smaller concentrations were found in the Services sector with 4,302 SMEs, or 5.04% of the total; and the Trade sector with 2,662 SMEs, or 3.12%. The latter groups showed volume growths of 1.03% and 2.94% respectively. Figure 4.6 shows a percentage breakdown of the SMEs.

Fig 4.6 : Breakdown of community-enterprises by business sector, Year 2017



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The sub-category of Crop & Livestock Farming, where the largest number of community-enterprises were found, contained 39,713 SMEs — a figure with 2,978 more operators, or an 8.11% increase over the previous year. This sub-category accounts for 46.49% of all community-based SMEs across the country. Next in terms of volume were community-enterprises in the Food Items Production and Fabric Weaving sub-categories which had the largest operator base in Roi Et province numbering some 4,158 SMEs, or 5.24%. Smaller percentages of community-enterprise activity were identified for Ubon Ratcha Thani; and an insignificant number for Samut Sakhon.

4.2 Business Establishments and Dissolutions in 2017

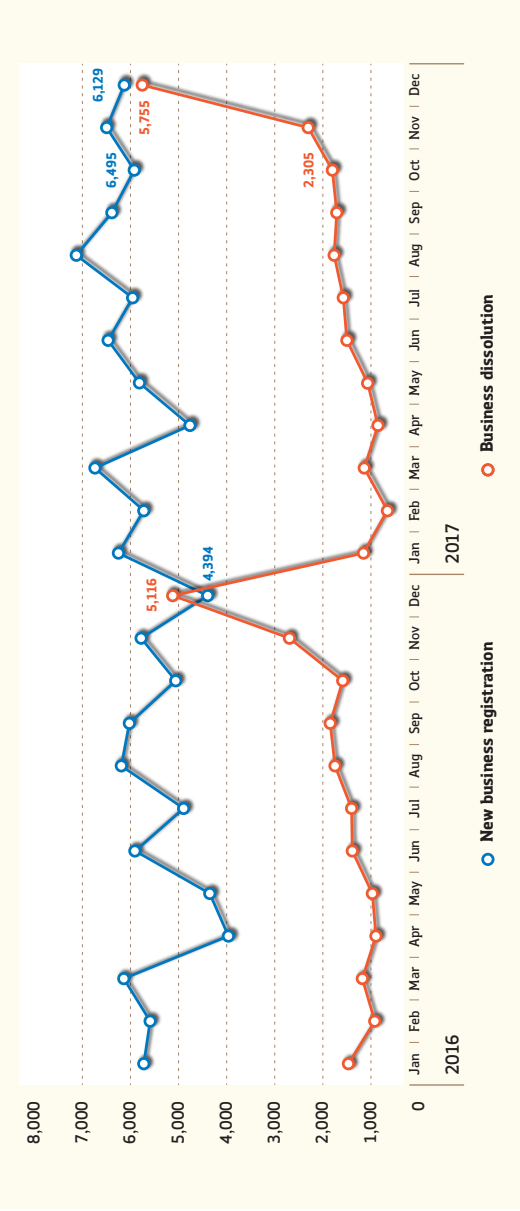
The number of new SME establishments in 2017 totaled 73,830. The figure represented an increase of 9,821 operators, or 15.34% over the level of 2016. Some 21,287 SME firms applied for business dissolution in 2017. The figure represented a decline of 371, or 1.77% reduction in business closures, from the previous year.

The top three SME categories with largest numbers of start-ups in 2017 were as follows: 1) Retail operations other than motorized vehicle and motorcycle sales, 14,060 new entries; 2) Wholesale operations other than motorized vehicle and motorcycle sales, 11,627 new entries; and 3) General Building Construction, 6,845 new operators.

Categories having business closures in the top three rankings for 2017 were: 1) Wholesale operations other than motorized vehicle and motorcycle sales, 4,833 closures; 2) General Building Construction, 1,960 closures, and 3) Retail operations other than motorized vehicle and motorcycle sales, 1,856 closures.

The top three rankings of business liquidations in 2017 were in the following sub-categories: 1) Wholesale operations other than motorized vehicle and motorcycle sales, 5,066 firms; 2) Lottery Ticket Sales, 3,300 firms; and 2) General Building Construction, 2,768 firms.

Fig 4.7 : Establishment and dissolution of SME juristic entities, year 2017



Source : Department of Business Development
 Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

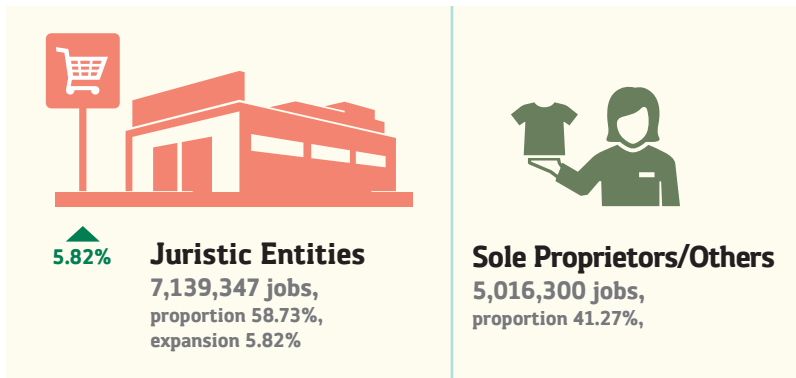
4.3 Extent of SME Hiring in 2017

4.3.1 Overview

Overall employment figure by all Thai enterprises in 2017 amounted to 14,785,172 jobs. Of these, only 2,629,525 came from the large enterprises (LE), while the SMEs accounted for a much larger portion of 12,155,647 jobs, or 82.22% of the nationwide hiring total. The largest number of job hires occurred in the Small Enterprises domain which accounted for 72.57% of the overall employment market, and equivalent to 88.26% of the SME hiring total.

SME hiring in 2017, broken down in terms of the employer's business establishment, indicated that the **Juristic-entity** SMEs were responsible for 7,139,347 jobs, or 58.73% of the nationwide SME hiring figure. The remaining portion came from the **Sole Proprietors & Other** SMEs which accounted for another 5,016,300 jobs, or 41.27% of the same SME hiring total. Figure 4.8 shows the hiring volumes discussed above.

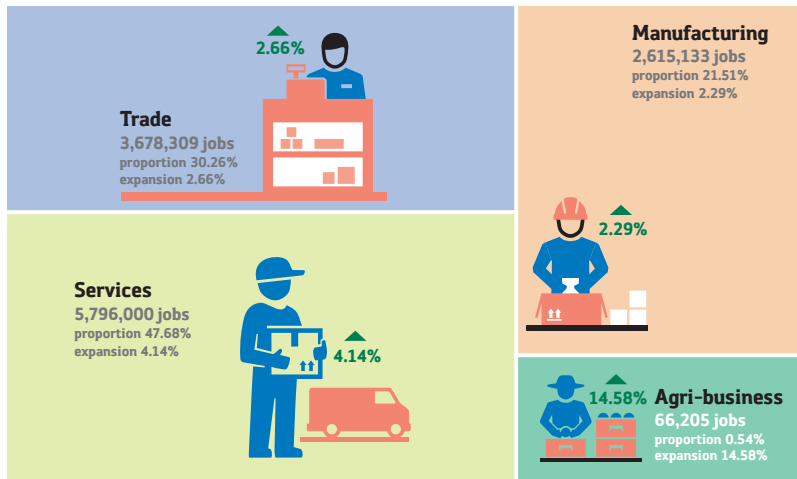
Fig 4.8 : SME hiring figures by type of business establishment, year 2017



Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

Figure 4.9 and Table 4.3 below show the extent of SME hiring in key business sectors. Hiring volume was highest in the SME Services sector with 5,796,000 jobs, or 86.70% of nationwide all-enterprises hiring figure. The number represented an increase of 4.14% for the SME Services sector over the previous year. The next hiring levels, in descending order, were in the following sectors: the Trade sector, at 3,678,309 jobs, representing 92.02% of nationwide all-enterprises total for the sector, or 30.26% of overall SME hiring with the volume signifying a 2.66% hiring increase over the previous year; the Manufacturing sector, at 2,615,133 jobs, representing 65.67% of nationwide all-enterprises total for the sector, or 21.51% of overall SME hiring with the volume signifying a 2.29% hiring expansion from the previous year; and the Agri-business sector, at 66,205 jobs which signified a hiring growth of 14.58% over the previous year.

Fig 4.9 : SME hiring figures by business sector, year 2017



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Table 4.3 : Number and proportion of job hires by business sector, for 2016 - 2017

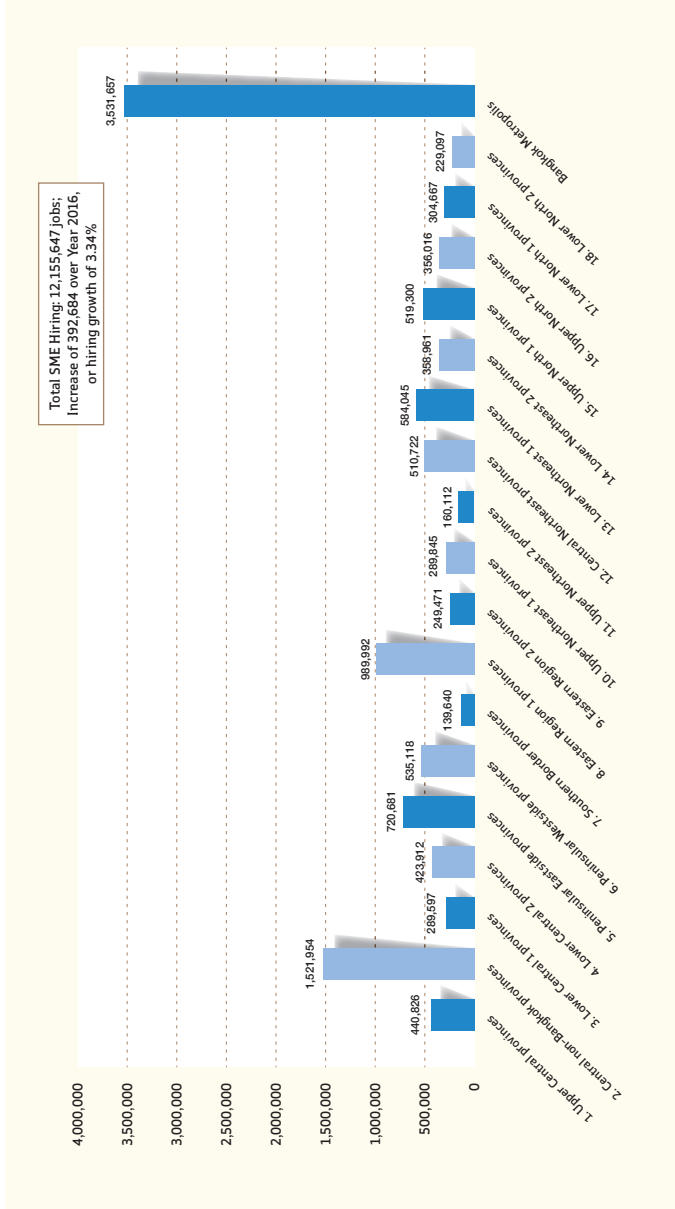
Business Sector	SE		ME		SME		LE		Total	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Total entrepreneurs	10,446,482	10,729,124	1,316,481	1,426,523	11,762,963	12,155,647	2,414,898	2,629,525	14,177,861	14,785,172
• Trades	3,462,199	3,552,225	120,849	126,084	3,583,048	3,678,309	296,289	319,058	3,879,337	3,997,367
• Services	4,937,995	5,081,988	627,441	714,012	5,565,436	5,796,000	753,261	889,401	6,318,687	6,685,401
• Manufacturing	2,010,183	2,053,205	546,514	561,928	2,556,697	2,615,133	1,329,832	1,367,090	3,886,529	3,982,223
• Agri-business	36,105	41,706	21,677	24,499	57,782	66,205	35,516	53,976	93,298	120,181
Juristic Entities	5,561,784	5,844,426	1,184,879	1,294,921	6,746,663	7,139,347	2,334,267	2,548,894	9,080,930	9,688,241
• Trades	1,422,035	1,512,061	79,221	84,456	1,501,256	1,596,517	241,864	264,633	1,743,120	1,861,150
• Services	3,068,856	3,212,849	583,597	670,168	3,652,453	3,883,017	738,606	874,746	4,391,059	4,757,763
• Manufacturing	1,034,788	1,077,810	500,384	515,798	1,535,172	1,593,608	1,318,281	1,355,539	2,853,453	2,949,147
• Agri-business	36,105	41,706	21,677	24,499	57,782	66,205	35,516	53,976	93,298	120,181
Sole Proprietors & Others	4,884,698	4,884,698	131,602	131,602	5,016,300	5,016,300	80,631	80,631	5,096,931	5,096,931
• Trades	2,040,164	2,040,164	41,628	41,628	2,081,792	2,081,792	54,425	54,425	2,136,217	2,136,217
• Services	1,869,139	1,869,139	43,844	43,844	1,912,983	1,912,983	14,655	14,655	1,927,638	1,927,638
• Manufacturing	975,395	975,395	46,130	46,130	1,021,525	1,021,525	11,551	11,551	1,033,076	1,033,076

Sources : Department of Business Development, National Statistical Office, Social Security Office, Department of Agriculture Promotion

Note : Agri-business covers enterprises in business Category A (01-03). Entries are data specific to juristic-entity SMEs and community enterprises, not including Sole-Proprietor SMEs.

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Fig 4.10 : SME hiring figures by province grouping, year 2017



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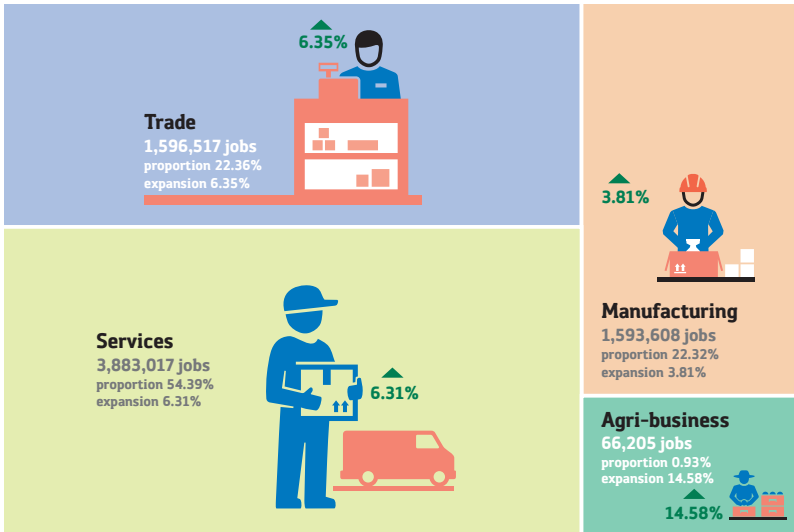
SME employment breakdown by geographic region indicated Bangkok as the top hiring locale providing 3,531,657 jobs, or 29.05% of the nationwide SME hiring. Other locales trailing Bangkok were: Central provinces surrounding the capital city, and the Eastern Region 1, as shown in Figure 4.10.

4.3.2 Job Hiring by Juristic-entity SMEs

For 2017, juristic-entity SMEs in the Services sector were responsible for the largest hiring volume offering 3,883,017 jobs, or 54.39% of the total employment available from this SME base. The job figure represented a hiring growth of 6.31% over the previous year. The next active hiring was in the Trade sector where 1,596,517 jobs were provided which represented 22.36%. This was followed by the Manufacturing sector with 1,593,608 jobs, or 22.32%; and the Agri-business sector with 66,205 jobs, or 0.93%. Figure 4.11 summarizes the levels of hiring discussed above.

Juristic-entity SMEs operating Wholesale & Retail businesses — or Category G of the Trade sector — were responsible for the creation of 1,620,060 jobs. Of these, the largest proportions were found in the Wholesale sub-category — activities other than of motorized vehicle and motorcycle sales — at 1,596,517 jobs which represented an increase of 24,671 or a hiring growth of 2.36%, while the overall category hiring size relative to the nationwide juristic SME total was at 14.97%. The next largest hiring volume was recorded for Chon Buri, while Mae Hong Son had the smallest number of juristic-entity SME job hires.

Fig 4.11 : Juristic-entity SME hiring figures by business sector

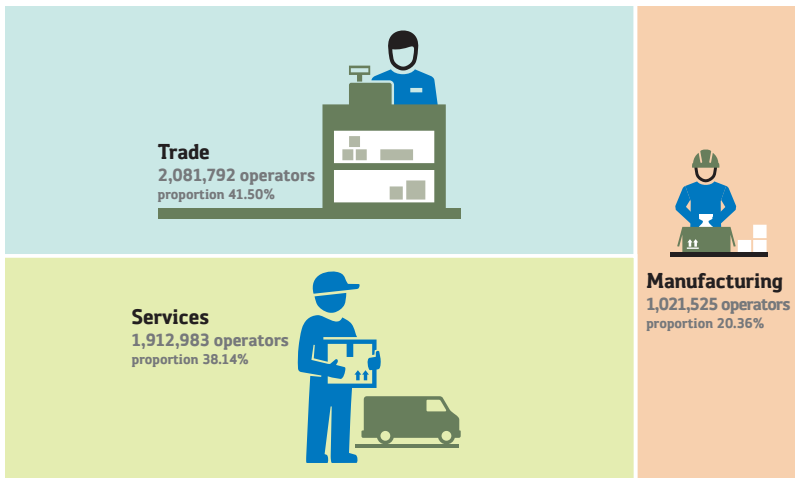


Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

4.3.3 Job Hiring by Sole-Proprietor SMEs

For 2017, the level of hiring by SMEs operating as Sole Proprietors & Others had its highest peak of 2,081,792 jobs in the Trade sector. The figure represented 41.50% of the overall hiring by this category of employers. The next peaks were in the Services sector, with 1,912,983 jobs or 38.14%, and in the Manufacturing sector, with 1,021,525 jobs or 20.36% of the hiring by the same employer base. See Figure 4.12.

Fig 4.12 : Hiring figures of Sole-Proprietor/Other SMEs, by business sector, year 2017



Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

Job hires by the sole proprietors had the highest concentration in Wholesale & Retail — or Category G of the Trade sector — at 2,081,792 jobs or 29.55% of the nationwide total by this type of entrepreneurs. The next significant concentrations were in Manufacturing (Category C) and the Hospice & Food Service business (Category I). In terms of geographical distribution, the availability of jobs with sole-proprietor enterprises was highest in Bangkok Metropolis where 701,942 jobs were provided which made up 13.99% of the overall figure. The next significant hiring locale was Chiang Mai; while the number of similar job hires was smallest in Mae Hong Son.