



MEDIA RELEASE

Policy Dialogue and Workshop by ADBI and SME Corporation Malaysia, 10-11 November 2014, Kuala Lumpur

Unleashing Asia's Growth Potential through Productivity Gains

Kuala Lumpur, 11 November – SME Corp. Malaysia in collaboration with the Asian Development Bank Institute (ADBI) organised a two-day Policy Dialogue and Workshop entitled 'SME Productivity in Asia: Getting the Policies Right'. The objective of the Workshop was to develop the capacity of government officials in the Asian region to design effective policies and programmes with the aim to raise the productivity of small and medium enterprises (SMEs). A total of 45 participants from ADB member countries, including local participants attended the Workshop. The speakers were from international institutions including ADB and the World Bank; think tanks; academia and government officials.

SMEs are an important economic agent in most countries in Asia as they account for 98% of all businesses. In the recent global financial crisis, the Asian region has been one of the main pillars of strength in supporting the global economic growth. Moving forward, Asia's growth momentum is expected to continue in the coming years supported by strong domestic demand arising from the young and fast growing middle income population. In addition, the Asia region also has abundance of untapped potential which can be further unleashed through productivity gains. To make this happen, it is important that right policies are put in place and therefore, the Workshop has brought together experts and policy makers around the region to discuss on productivity. Such initiatives to promote regional cooperation through peer learning and sharing of ideas are important for the prosperity of the region.

The workshop deliberated on many challenges relating to raising firm level productivity such human resource development; automation and adoption of technology, organisational efficiency and financing productivity. The key takeaways from the Workshop were as follows:

- SMEs play an important role in the Asia region, with significant contribution to the economy in terms of GDP and employment;
- Increasingly governments across the region acknowledge the importance of SMEs, thus striving to have good policies to support growth;

- As countries strive to attain higher incomes and standards of living, productivity is an important element. Productivity is closely linked with the competitiveness of the economy and internationalisation of companies;
- Productivity is not influenced by any one particular factor but by the various levers that affect the performance of SMEs, i.e. human capital, innovation and technology adoption, access to financing and market, regulatory framework and infrastructure and hence the entire SME ecosystem.
- Having programmes to support SME development alone is not sufficient. Of importance, there is a need for monitoring and evaluation (M&E) to ensure that the programmes are able to produce the desired impact towards enhancing SME performance.

SME Corp. Malaysia
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