



# MEDIA RELEASE

## SME Annual Report 2015/16

**Kuala Lumpur, 30 September Friday 2016** – SME Corp. Malaysia released the SME Annual Report 2015/16 today. The Report marks the 11<sup>th</sup> publication since its inception in 2005. In the last one decade, Malaysian SMEs have performed remarkably well, with growth exceeding that of the overall economy. In the recent period of 2011 - 2015, SMEs grew at an average annual rate of 6.7% versus the overall average GDP growth of 5.3%. As a result, SME contribution to GDP increased from 32.2% in 2010 to 36.3% in 2015, supported by growth of SMEs across all economic sectors.

Looking ahead for 2016, SME businesses are likely to face a more challenging year, given the continued weakness in the global economy and the high degree of uncertainty as well as the expected moderating economic growth of the Malaysian economy. Hence, SME GDP growth is projected to expand by 5.0 – 5.5% in 2016 (2015: 6.1%). The growth is premised on barring any sharp deterioration in external demand, volatility in financial markets due to uncertainty in the policy direction of developed markets and also unexpected fall in domestic demand.

Based on the The First Quarter 2016 SME Survey (sample size of 2,176 SMEs) undertaken by SME Corp. Malaysia, SME business performance showed a gradual improvement. More respondents experienced an increase in sales and profits as compared to the findings in the Third Quarter 2015 SME Survey. Going forward, SMEs were expecting a gradual improvement in business performance as reflected in a better near-term outlook and higher orders or bookings received by the survey respondents.

The SME Annual Report also covers the SME development and entrepreneurship programmes implemented in 2015 and being undertaken in 2016. The Report covers special highlights of SME-related initiatives, opportunities and benefits to SMEs as well as stories of successful SMEs. In 2015, the Government had implemented a total of 150 SME development and entrepreneurship programmes amounting to RM5 billion which had benefited more than 580,000 SMEs. These programmes were mainly in five focus areas under the SME Masterplan (2012-2020), namely innovation and technology adoption, human capital & entrepreneurship development, market access, access to

financing and infrastructure. In 2016, a total of 125 SME development and entrepreneurship programmes are being implemented by various Ministries and agencies, with a financial commitment of RM4.4 billion.

The Report is a collective effort by both Federal Government's Ministries and agencies as well as from the State Governments. About 19 Ministries and more than 60 agencies, including Sabah and Sarawak State Governments, are members of the National SME Development Council (NSDC), which is chaired by YAB Prime Minister.

The Annual Report this year is also made available in the form of a bilingual info graphic summary booklet for quick and easy reference. The Report both in English and Bahasa Malaysia is available for download at SME Corp. Malaysia's website, [www.smecorp.gov.my](http://www.smecorp.gov.my). The hard copy can be obtained for RM30.00 from the One Referral Centre of SME Corp. Malaysia.

For any enquiry on the Annual Report, please contact:

Puan Maizatulliza Zakaria  
03-27756257 or email [maiza@smecorp.gov.my](mailto:maiza@smecorp.gov.my)

Cik Alida Adam  
03-27756292 or email [alida@smecorp.gov.my](mailto:alida@smecorp.gov.my)

Economics and Policy Planning Division  
SME Corporation Malaysia  
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