



# **MEDIA RELEASE**

## **SMEs Engaged in a Dialogue Session on Budget 2019**

**Kuala Lumpur, 12 November 2018 Monday** – Amidst the challenging economic situation encountered by Malaysian SMEs today, engagement and dialogue sessions will serve as a platform to understand not only the situation on the ground but also to find ways in overcoming issues related to SMEs. Realising that sharing of best practises and networking platforms need to be consistent and ongoing, the Federation of Malaysian Manufacturers (FMM) in collaboration with SME Corp. Malaysia organised the FMM SME Conference 2018 in Kuala Lumpur today. The conference themed ‘Embrace Change, Invent the Future’ was graced by YB Datuk Seri Mohd Redzuan Yusof, Minister of Entrepreneur Development. A townhall session with the Minister on Budget 2019 initiatives and SME development programmes was also held after the launching ceremony.

Served as the opportunity for SMEs to better understand the recent situation of Malaysia’s economy and the SME industry, a line of high profile and knowledgeable panellists throughout the one day Conference discussed and analysed in depth on the Budget 2019 for SMEs, productivity, innovation, assistance and things to be prepared by SMEs in moving towards Industry 4.0 as well as giving the opportunity for participants to exchange best practices and knowledge sharing. The conference was attended by more than 100 participants consisting FMM Members, representatives from Ministries, agencies, SME associations and chambers of commerce.

Highlighting on the Budget 2019, it is clear that the Government is being committed to enhance and accelerate the development of SMEs by coming up with an inclusive and holistic budget. A total of RM17.94 billion has been allocated for SME development and will be implemented by various Ministries and Agencies. The 2019 Budget is broad-based

and very supportive of SMEs as an important growth engine for the country. Among the key initiatives include financing, Industry 4.0, export, tourism, agriculture, entrepreneurship, human capital development and incentives. Of the total allocation for SMEs, more than 90% (RM16.9 billion) can be benefitted by SMEs in the manufacturing sector. Access to financing continued to be given emphasis with a total of RM7.6 billion with bulk of the financing to be channelled through the commercial banks. In line with the alignment towards the megatrends, another RM7.12 billion has been allocated for various initiatives to support Industry 4.0 and digitalisation.

SME Corp. Malaysia as an agency under the Ministry of Entrepreneur Development will continue to implement numerous development programmes, initiatives and incentives under the 2019 Budget to help SMEs build capacity and capability, acquire financial assistance, increase productivity, intensify innovation, enhance market access, as well as strengthen their global competitiveness. This year, a total of 158 SME development programmes are being implemented for the benefit of SMEs, with total financial commitment of RM14.3 billion.

In terms of performance, SMEs recorded a higher GDP growth of 7.2% in 2017 compared to 5.2% in the previous year and continued to surpass the overall GDP growth of 5.9%. The higher SME GDP growth was supported by strong domestic demand, led by both private consumption and investment activities, sustained domestic and foreign tourist spending, partly from hosting the 2017 Southeast Asian (SEA) Games as well as higher exports demand for products and services of SMEs from ASEAN and other trading partners. Consequently, the contribution of SMEs to overall GDP increased to 37.1% in 2017 from 36.6% in 2016.

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## **About SME Corp. Malaysia**

SME Corp. Malaysia is a Central Coordinating Agency that coordinates the implementation of SME Development Programmes across all related Ministries and Agencies. It acts as the central point of reference for research and data dissemination on SMEs, as well as, provides advisory services for SMEs in Malaysia. SME Corp. Malaysia also assumes the role of the Secretariat to the National Entrepreneur and SME Development Council (NESDC) which is chaired by YAB Prime Minister of Malaysia.

## **About FMM**

The Federation of Malaysian Manufacturers (FMM) has and continues to be the voice of the Malaysian manufacturing sector since 1968. Representing the views and interests of over 2,600 manufacturing and manufacturing services companies, FMM is actively engaged with government and its key agencies at Federal, State and local levels. FMM is well-networked with international organisations, Malaysian businesses and civil society. Apart from benefitting from FMM's advocacy, FMM members enjoy value-add services, including training, business networking and trade opportunities as well as regular information updates.

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