



# **MEDIA RELEASE**

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## **Townhall Session with SMEs in Sabah**

**Kota Kinabalu, 27 August 2016** – The Minister of International Trade and Industry, YB Dato' Sri Mustapa Mohamed held a Townhall session with SMEs today to share on the Government aspiration and ensure that Sabah businesses are involved in the development process. The Townhall session conducted by MITI and SME Corp. Malaysia was attended by audience of more than 500 comprising not only SMEs in Sabah but also representatives from Ministries, agencies, associations, chambers of commerce, banks as well as universities and research institutes.

YB Dato' Mustapa briefed on the latest economic developments and its impact on Sabah SMEs. Against the backdrop of an increasingly challenging economic environment, SMEs in Malaysia continued to remain resilient, recording a GDP growth of 6.1% in 2015. Latest findings from the First Quarter 2016 Survey conducted by SME Corporation Malaysia showed that more number of respondents in Sabah (32%; 3Q 2015 Survey: 18%) were expecting their businesses to improve in the next 6 months.

Given that Sabah SMEs account for 6.3% of total SMEs in the country, he emphasised on the importance of Sabah SMEs in participating and benefiting from the various programmes undertaken by the Government. On ease of doing business, Dato' Sri Mustapa Mohamed shared his insights on how the Sabah Government is consulted in implementing the High Impact Programme 1 under the SME Masterplan. This relates to establishment of the Information Portal on Business Registration and Licensing or

MalaysiaBiz whereby full information on 1174 business activities in Sabah will be uploaded into the Portal by early 2017. Once completed, it will be easier to start a business in the state and also for existing SMEs to renew their registration and licenses.

To strengthen the long-term prospects of SMEs, Dato' Sri Mustapa Mohamed also encouraged SMEs to mechanise and automate their operations. As the economy is moving towards a digital era, SMEs should adopt technology and innovation in order to keep ahead of their competitors. He would like to see more SMEs in the state exporting their products and services by linking with the various support programmes. Internationalisation is important in order to achieve the 2020 objectives and hence, the Government has negotiated specific provisions for SMEs in the Trans-Pacific Partnership Agreement (TPPA). SMEs should take the opportunity to benefit from the TPPA and ASEAN Economic Community (AEC).

The Townhall session also discussed on the proposed content of the National SME Bill which is expected to be tabled at the Parliament by end of this year. Through the Act, the existing SME development framework will be strengthened towards achieving the 41% SME GDP contribution by 2020. Besides realising the economic impact of SMEs in generating growth, it is equally important in ensuring inclusive growth and in meeting the socio-economic agenda.

Earlier today, YB Dato' Sri Mustapa Mohamed together with YB Datuk Seri Panglima Raymond Tan Shu Kiah, Deputy Chief Minister of Sabah attended a meeting to discuss further on the current development programmes and challenges for SMEs in Sabah.

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#### About SME Corp. Malaysia

SME Corp. Malaysia is a Central Coordinating Agency that formulates overall policies and strategies for SMEs and 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 SME Development Council (NSDC) which is chaired by YAB Prime Minister of Malaysia.