

MEDIA RELEASE

SMEs scored high in computerisation but lacking in digital presence

Kuala Lumpur, 12 October 2018 – The Digitalisation Survey of SMEs commissioned by Huawei Technologies and SME Corp. Malaysia recently revealed that usage of ICT among SMEs predominantly comes from personal devices as opposed to back-end business processes, such as Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM). Likewise, limited usage of social media and e-Commerce also showed that SMEs have achieved high computerisation but some finding it difficult to cross the digitalisation gap which could significantly enhance business and productivity gains. Following the Survey, a 'Whitepaper on Accelerating Malaysian Digital SMEs: Escaping the Computerisation Trap' will be published and launched by SME Corp. Malaysia and Huawei Technologies in a next few months.

The Survey is one of the highlights of the SME Annual Report 2017/18 released by SME Corp. Malaysia recently with the theme: **A Connected World - Digitalising SME**. This is the 13th report issued by the National SME Development Council (NSDC) with the aim to disseminate information on the performance of SMEs, policies for SME development, programmes conducted by the government for SMEs as well as to share inspiring stories of successful SMEs. Apart from that, this year's report also revealed poor linkage between SMEs and large firms as evident from **SME Input-Output Study** commissioned by SME Corp. Malaysia. The Study on the SME Input-Output Table, being a pioneer in this field, serve as important policy-making tool, particularly in promoting the linkage between SMEs and large firms.

With regards to SME performance in 2017, the Report cited that SMEs contributed RM435.1 billion to the economy during the year with a higher GDP growth of 7.2% against 5.2% in 2016. As a result, GDP contribution of SMEs increased further to 37.1% from 36.6% in the previous year. Similarly, SME contribution to overall employment also increased to 66% from 65.3% in 2016. Despite recording an increase in the export value to reach RM167.4 billion in 2017, SME contribution to the total exports was lower at 17.3% (2016: 18.6%) due to higher export growth by large firms. During the year, a total of RM10.5 billion was spent to implement 168 SME development programmes which have benefited around 600,000 SMEs across all sectors.

The Report both in English and Bahasa Malaysia is available for download at SME Corp. Malaysia's website, <u>www.smecorp.gov.my</u> and SMEinfo portal at <u>www.smeinfo.com.my</u>. The hard copy can be obtained for RM30.00 from the SME Hub of SME Corp. Malaysia.

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Economics and Policy Division SME Corporation Malaysia 12 October 2018

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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.