

'Subsidies better than grants for SMEs'

KUALA LUMPUR: Malaysia must migrate from a grant-based approach, which benefits a small group of businesses, to a subsidised financing approach to better support small- and medium-sized enterprises (SMEs) and drive a change in behaviour and expectation.

Small and Medium Enterprises Association of Malaysia (Samenta) president Datuk William Ng said this was vital for the New Industrial Master Plan 2030 (NIMP 2030) to work.

"When our SMEs become more self-aware and self-reliant, the rate of failure would be lowered and they could grow to a sufficient size to play a meaningful role in the global value chain."

Ng said as NIMP 2030 was designed with SMEs in mind, the industry must take advantage of the opportunities provided by the master plan.

This included making a transition from the "Made in Malaysia" mentality to an "Innovated in Malaysia" approach, he added.

SMEs should no longer constrain themselves to being original equipment manufacturers but must move up the value chain to be original design manufacturers and original brand manufacturers.

This, he said, meant transitioning from being mere suppliers to becoming global brand owners, partnering with global players to provide design,

as well as research and development capabilities, and developing their own best-in-class brands.

"For this to happen, we need to deepen our partnership with our neighbours, such as Indonesia, Thailand and Vietnam, where most of our more labour-intensive work could be offshored."

Ng said businesses need to "bite deeper" into the free-trade agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership, to be better plugged into the global value chain.

He described the NIMP 2030 as an exciting document that outlined the nation's aspiration to help industries scale up the value chain, deepen roles in the global supply chain and drive the competitiveness of SMEs. **Bernama**



Datuk William Ng