

Subsidised financing approach supports SMEs better — Samenta

KUALA LUMPUR: Malaysia must migrate from a grant-based approach, which tends to benefit a small group of businesses, to a subsidised financing approach to better support small and medium enterprises (SMEs) and drive a change in behaviour and expectation, according to the Small and Medium Enterprises Association of Malaysia (Samenta).

This is necessary for the New Industrial Master Plan 2030 (NIMP 2030) to work, said Samenta national president Datuk William Ng.

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

Ng said that as the NIMP 2030 is clearly designed with the SMEs in mind, SMEs must now do what they must to capture the opportunities provided by the master plan.

This includes making a transition from the 'Made in Malaysia' mentality to an 'Innovated in Malaysia' approach, he said.

"SMEs should no longer constrain themselves to being original equipment manufacturers (OEMs) but must move up the value chain to be original design manufacturers (ODMs) and original brand manufacturers (OBMs).



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This, he said, means transitioning from being mere suppliers to becoming global brand owners and partnering with global players to provide design as well as research and development capabilities and eventually developing own best-in-class brands.

"For this to happen, we will 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," he said.

Concurrently, Ng said, businesses need to "bite deeper" into the various free trade agreements such as the Comprehensive and Progressive

Agreement for Trans-Pacific Partnership (CPTPP) and Regional Comprehensive Economic Partnership (RCEP) to be better plugged into the global value chain.

He described the NIMP 2030 as an exciting document that outlines 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.

On Friday, Prime Minister Datuk Seri Anwar Ibrahim launched the NIMP 2030, a comprehensive policy framework that includes missions, priorities and action plans for transforming the manufacturing sector in Malaysia. — Bernama