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SME Bill would help sector achieve targets

The Small and Medium Enterprise (SME) Development Bill, expected to be tabled in Parliament in December, would help SMEs achieve their targets for exports and contribution to GDP by 2020.

Deputy Minister of International Trade and Industry Datuk Ahmad Maslan said the ministry is confident the Bill would help the SME sector raise its contribution to total exports to 23% by 2020 from 17.6% in 2015 and contribution to GDP to 41% from 36.3%.

“Sixty-five per cent of workers in Malaysia now work in SMEs, meeting the manpower requirement target for 2020, so now we want to achieve the targets for SMEs’ contribution to total exports and GDP,” said Ahmad.

He added that the Bill provides for the establishment of a special fund for SMEs as well as a National SME Development Council to promote the development of SMEs and adoption of public policies, and oversee the coordination of funds.

“The terms of payment for the private sector to SMEs are expected to be standardised to 45 days from an average of 120 days,” he said.

Ahmad said support for the Bill is important as SMEs now comprise 97.3% of the country’s total business establishments, of which 645,136 have been registered.

“Of these, 90% are involved in the services sector, followed by manufacturing (5.9%), construction (3%) and agriculture (1%).

“Of the registered business entities, only 37% are Bumiputera-owned, with 88 being micro-businesses having up to five employees and annual revenue of up to RM300,000,” he said.