

MEDIA RELEASE

MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) A PRIORITY AGENDA IN ASEAN

1. Micro, Small and Medium Enterprises (MSMEs) account for the largest number of enterprises operating in ASEAN. Some of these enterprises are already benefiting from the establishment of the ASEAN Economic Community (AEC) and from the preferential treatment obtained under the various ASEAN free trade agreements. At the same time, there are many others who are still facing many challenges in having to compete in an open trading environment.
2. Recognizing the challenges faced by these MSMEs, ASEAN Economic Ministers are now giving priority attention to their development in the region, with specific focus to micro enterprises. In Malaysia, micro enterprises represent some 70 per of all business enterprises. The aim is to enhance their competitiveness as well as to gear them to become export ready. The AEC Blueprint 2025 and the ASEAN SME Master Plan 2025 have outlined specific and focused measures to create globally competitive, resilient and innovative MSMEs. The Plan also stress the importance of implementing the strategic goals namely to promote:
 - (i) productivity, technology and innovation;
 - (ii) increase access to finance;
 - (iii) enhance market access and internationalisation;
 - (iv) enhance policy and regulatory environment and promote entrepreneurship; and
 - (v) human capital development.
3. The AEC single market opens up unprecedented opportunities for MSMEs that allows goods to flow freely and seamlessly within the region with a population of over 625 million people.
4. Ministers attending the 48th Economic Minister Meeting in Vientiane, Lao PDR have discussed extensively with ASEAN's Dialogue Partners, the US, Canada, China, Japan, Korea, India, Russia, Australia and New Zealand on specific programmes that can be implemented to develop and promote ASEAN-based MSMEs including linking them to multinational companies.
5. The current capacity building programmes implemented varies from trade and investment promotion activities, technology cooperation, product development workshop, promotion of ASEAN Women entrepreneurship exchange programmes, seminars and workshops on facilitating MSMEs understanding of the various ASEAN FTAs and the Rules of Origin. In addition the US-AID has been also assisting in training ASEAN MSMEs through the US-ASEAN Business Alliance for Competitive MSMEs. Over 3,000 MSMEs in ASEAN have been trained through this initiative. The cooperation varies from entrepreneurial mentorship, leveraging on

e-commerce to reach new markets, and workshop on improving SMEs competitiveness for access to regional and global supply chain in digital economy.

6. Similarly the other dialogue partners have been also undertaking tailor made programmes to assist ASEAN MSMEs. While welcoming the existing programmes for the MSMEs, Minister Mustapa called on these Dialogue Partners to continue to step up activities to assist ASEAN MSMEs. The Minister also called on the multinational companies in the region to have clear strategy to assist MSMEs as it will also benefit them.
7. There have recently been strong anti-global sentiments and multinational companies' inclusive approach to assist MSMEs will not only enable the MSMEs to enhance competitiveness but also counter anti-globalization sentiments. This will also lead to an inclusive approach towards strengthening the linkages between the big companies and MSMEs to be benefit from the regional integration initiatives. In addition, it will provide MSMEs the necessary expertise to develop and promote competitive and creative products.
8. The Ministers also welcomed the ASEAN-China Centre, ASEAN-Japan Centre and ASEAN-Korea Centre located in Beijing, Tokyo and Seoul that are undertaking substantive programme to assist ASEAN MSMEs to tap on the opportunities arising from the enhanced partnership between ASEAN and the 3 countries. Minister Mustapa called on ASEAN MSMEs to also contact these centres and to tap on their expertise and resources.
9. In addition, Minister Mustapa also suggested that the various ASEAN business councils in the region to also engage with the MSMEs. The business councils can play a major role in resolving the problems and overcome barriers to MSME's penetrate the regional and global market. For example, the economic ministers welcomed the proposal by ASEAN-Korea Business Council to enhance networking within MSMEs by creating sectoral board namely biotech, internet of things (IoT), food, cosmetics, retails, 3D printing and energy.
10. Malaysia through SMECORP has been actively working with these dialogue partners and centres to assist Malaysian MSMEs. Several programmes continued to be organized by SMECORP that has benefitted Malaysian MSMEs to penetrate the regional market and to go global.

Ministry of International Trade and Industry
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About MITI:

The Ministry of Commerce and Industry was established in April 1956 then was renamed as The Ministry of Trade and Industry in February 1972. On 27 October 1990, the Ministry was separated into two Ministries which are; Ministry of International Trade and Industry (MITI) and Ministry of Domestic Trade and Consumer Affairs (KPDN).

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020.