

Input on SME Masterplan HIP 2 – Technology Commercialisation Platform

SMEs have long been an integral part of the country's development, particularly in fostering growth, employment and income. Going forward, SMEs are expected to assume a greater role, not only as an enabler but as a key driver of growth. Therefore, as Malaysia embark on the journey to become a high income economy, there is a need for a new differentiated approach in SME development to enhance the contribution of SMEs to the economy.

For this very reason, the SME Masterplan (2012-2020) was launched in July 2012. The Masterplan revealed four key characteristics of SMEs in Malaysia which include low productivity, lower business formation, small number of firms contributes the most to the economy and high share of informal sector in the economy. These later became the four strategic goals of the Masterplan, namely:

- Increase business formation;
- Expand number of high growth and innovative firms;
- Raise productivity; and
- Intensify formalisation.

As mentioned, one of the four goals of the Masterplan is to increase the number of high growth and innovative firms. Innovation is crucial not only in addressing the low productivity issue faced by the Malaysian SMEs, but also to achieve the quantum leap growth required to enhance SMEs' contribution to the economy. Therefore, one out of the six High Impact Programmes is devoted to promoting innovation among the SMEs.

- HIP 2: Technology Commercialisation Platform (TCP) is a programme designed for Malaysian SMEs to help them seamlessly move their innovations along the complex stages of the commercialisation process by providing end-to-end facilitation. The model addresses the innovation gaps through a holistic and 'market-driven' approach in supporting innovation and industrial competitiveness. It is designed to remove market and financing barriers to innovation. The major benefits of this innovative commercialisation model will be de-risking the risks involved for SMEs to develop products and services with lower costs and faster time-to-market, leveraging on trusted technologies from across Malaysia and overseas and receiving technology transfer and commercialisation support to further develop innovations. TCP is expected to increase the number of high growth and innovative firms in the country, promote higher survival rate of firms and enhance recognition of innovative firms as being 'good deals' to venture capitalists. Agensi Inovasi Malaysia through its subsidiary PlatCOM Ventures Sdn. Bhd. as the implementer of HIP 2 has managed to assist 110 companies and commercialised 10 products to date.