

# SME Corporation Malaysia

28 August 2018





# ABOUT US

# Corporate Vision and Mission



## VISION

**PREMIER**  
organisation for  
development of  
progressive SMEs  
to enhance wealth  
creation and  
social well-being  
of nation

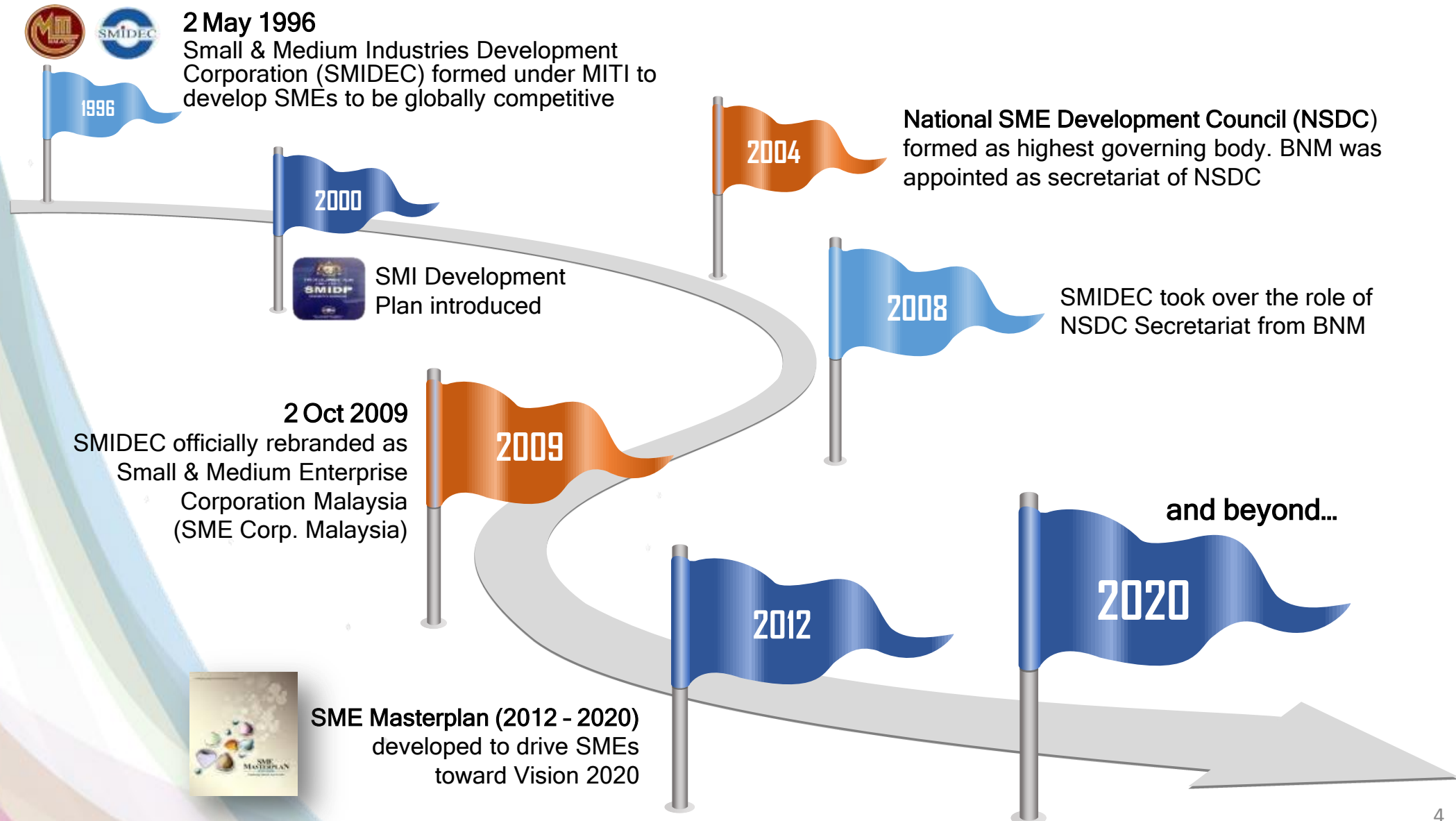
## MISSION

Promote  
development of  
**COMPETITIVE,  
INNOVATION &  
RESILIENT SMEs**  
through effective  
coordination of  
business support

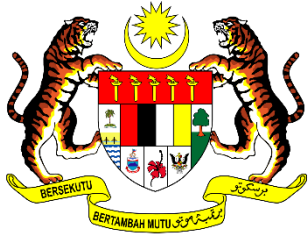


established under Small Medium Enterprises Act 1995 (ACT 593) as the **single dedicated agency** to formulate overall **policies & strategies** for SMEs and to **coordinate programmes** across all related Ministries & Agencies

# The **journey** of SME Corp. Malaysia...



# Reporting structure of SME Corp. Malaysia



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Policy & Coordination

Administrative





## THRESHOLD

- **Manufacturing:** Sales turnover  $\leq$  RM50 million (USD12 mil) OR full-time employees  $\leq$  200 workers
- **Services & other sectors:** Sales turnover  $\leq$  RM20 million (USD5 mil) OR full-time employees  $\leq$  75 workers



## REGISTRATION

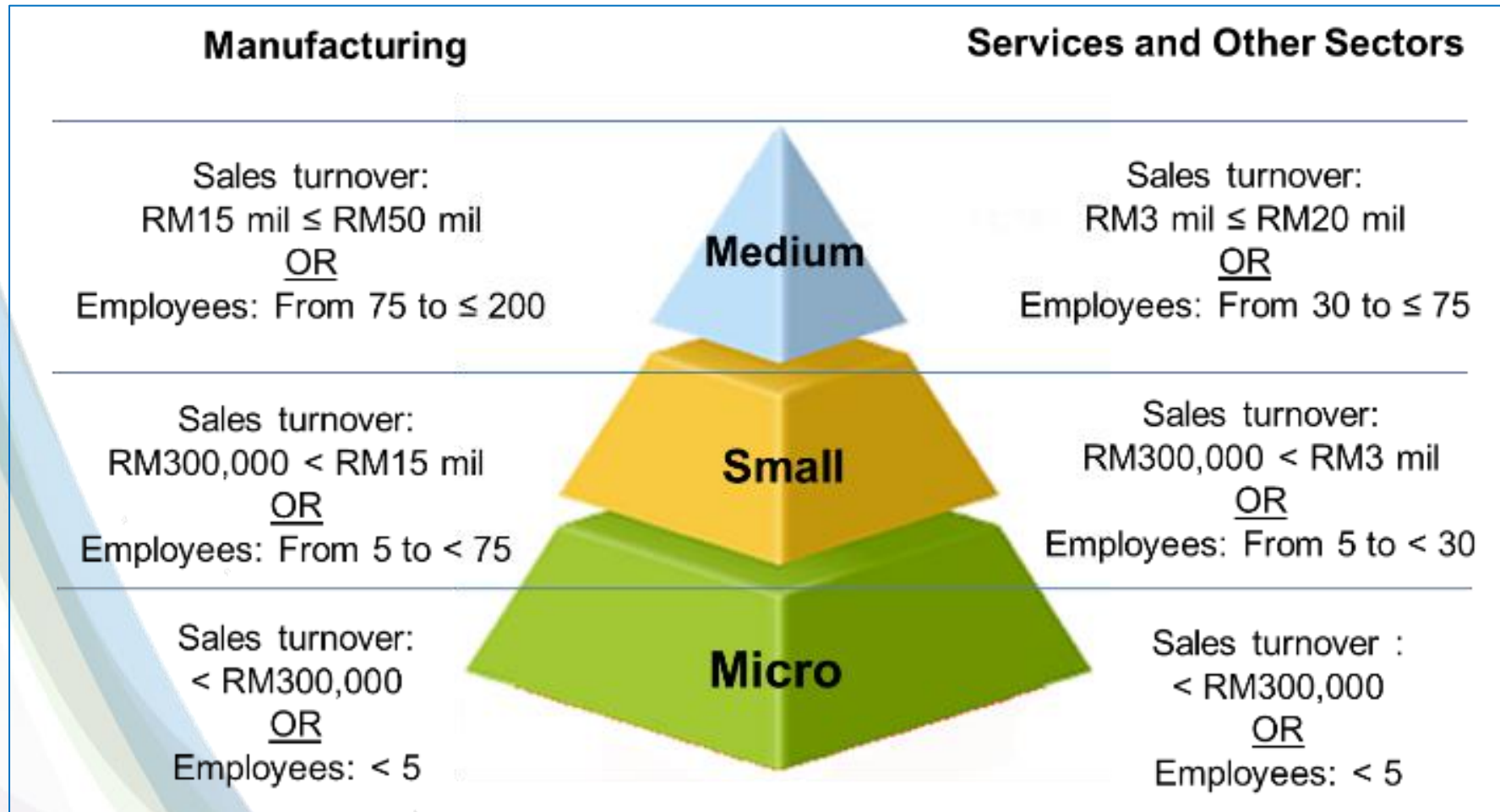
- **Locally incorporated** under Companies Act 1965; or
- Registered under Registration of Business Act (1956) or LLP Act 2012; or
- **Registered** under authorities or district offices in Sabah and Sarawak; or
- Registered under statutory bodies for professional service providers.



## EQUITY STRUCTURE

- **Not public-listed** in main board in Malaysia or other countries.
- **Not a subsidiary** of large firms, MNCs, GLCs, Ministry of Finance Incorporated and State-owned enterprises.
- Not a subsidiary of public-listed company in main board in Malaysia or other countries.

# Breakdown of SME Definition



## 117 Programmes Implemented in 2016

 117 programmes
  Allocation : USD 1.12 billion
  SMEs to benefit: 435,172

31 programmes  
USD979 mil



30 programmes  
USD21 mil



28 programmes  
USD25 mil



20 programmes  
USD66 mil



10 programmes  
USD24 mil



ACCESS TO FINANCING

HUMAN CAPITAL DEVELOPMENT

MARKET ACCESS

INNOVATION & TECHNOLOGY ADOPTION

INFRASTRUCTURE

## 169 Programmes Were Planned in 2017

 169 programmes
  Allocation : RM 5.848 billion
  SMEs to benefit: 80,860

44 programmes  
RM5.27 b



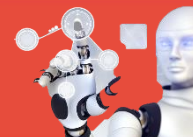
47 programmes  
RM139.16 mil



34 programmes  
RM129.50 mil



29 programmes  
RM 239.73 mil



14 programmes  
RM61.67 mil







# Diagnostic tool: SME Competitive Rating for Enhancement (SCORE)



SME Competitiveness Rating For Enhancement (SCORE)

A diagnostic tool to rate and enhance competitiveness of SMEs based on their performances and capabilities

## 7 Models

- 1 Manufacturing & Manufacturing Related Services
- 2 Retail & Distributive Trade
- 3 Construction
- 4 ICT
- 5 Maintenance, Repair & Overhaul
- 6 Professional Services
- 7 M-CORE for Micro Enterprises

## 7 Parameters

Example from MFG Model

- 1 Business Performance
- 2 Financial Capability
- 3 Management Capability
- 4 Production Capability
- 5 Technical capability
- 6 Quality System
- 7 Innovation

Acquire baseline data on SMEs



Facilitate Linkages

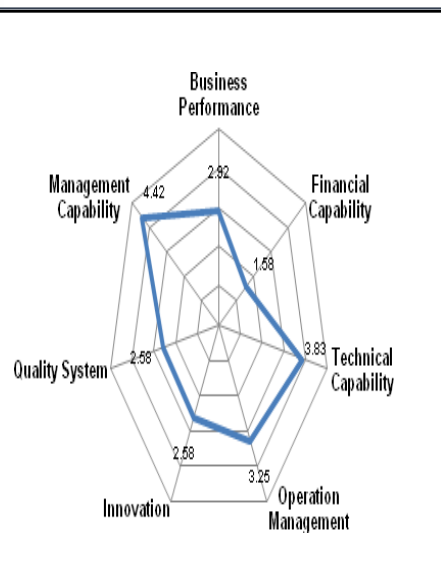


## FUNCTIONS

Evaluate & track SMEs capabilities & performance



Effective fund utilization & focus of resources



**Analysis:**  
Weak in financial capability

**Assistance:**  
Requires training in financial management & improvement in quality management

## 20 SCORE STRATEGIC PARTNERS

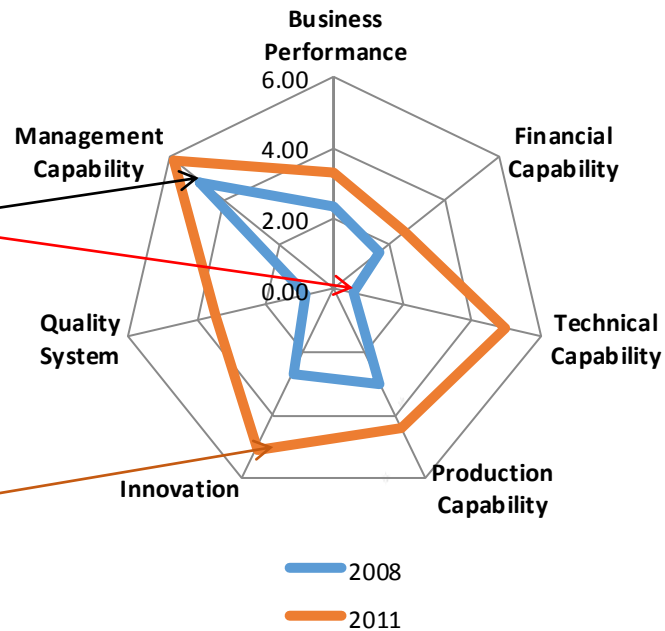


# Why SCORE a company ...



identify strengths & weaknesses

Re-SCORE after improvements



- Facilitate access to financing
- Link to innovation and technology to increase productivity
- Connect with investors
- Business matching
- Market access

“What you can’t **measure**, you can’t **plan**, what you can’t **plan** you can’t **manage**”



# DEVELOPMENT & IMPLEMENTATION FUNCTION

## Business Accelerator Programme 2.0 (BAP 2.0)



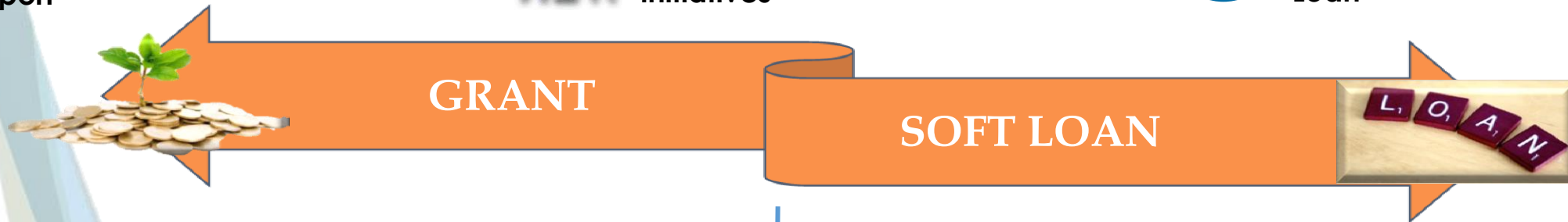
Enhance capabilities of SMEs through business advisory & support



Programme supports a wide range of capacity building initiatives



Two types of financing available namely Grant & Soft Loan



### SCOPE OF GRANT

- 50% of total approved cost
- Eligibility is based on single business entity
- Project Duration: up to 12 months

- Certification & Quality Management System
- Packaging
- Productivity & Automation
- Branding & Promotion
- Innovation & Product Development
- Purchase of Machinery
- Online apps, E-Commerce & ICT apps

### SCOPE OF FINANCING

### FINANCING LIMIT

- Up to RM50k (Bank Rakyat)
- RM50k – RM1 mil (SME Bank)
- Up to 90% margin of financing
- Interest rate at 4%
- Tenure up to 10 years

- Purchase of machineries & equipment
- Working capital

### SCOPE OF FINANCING






In collaboration with





&



## SOFT LOAN SCHEME FOR SME (SLSME)

-  **Assists existing** as well as **newly start-up enterprises** in project, fixed assets and working capital financing
-  Maximum **financing** of USD384.6 k(RM1.5 mil) & Minimum Financing of USD12.8k(RM50k)
-  Interest at **4%** per annum

## SME EMERGENCY FUND (SMEEF)

-  **Assists** SMEs that are adversely affected by **natural disasters**
-  Covers working capital, purchase of machineries, equipment, raw material and refurbishment of premises



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## 15 FINANCIAL INSTITUTIONS

## SHARI'AH COMPLIANT SME FINANCING SCHEME (SSFS)

Financing assistance whereby the Government pays **2%** of the profit rate charged on the financing provided by participating Financial Institutions



Shariah-Compliant S.M.E. Financing Scheme

In collaboration with



Association of Islamic Banking Institutions Malaysia (AIBIM)

14 Islamic Banks with  
> 2,000 branches nationwide





# OUTREACH & AWARENESS

# Hub for information related to SMEs



## On Wheels



## Online

<http://www.smecorp.gov.my>



## Apps



 Resource Centre

 Business Advisory Services

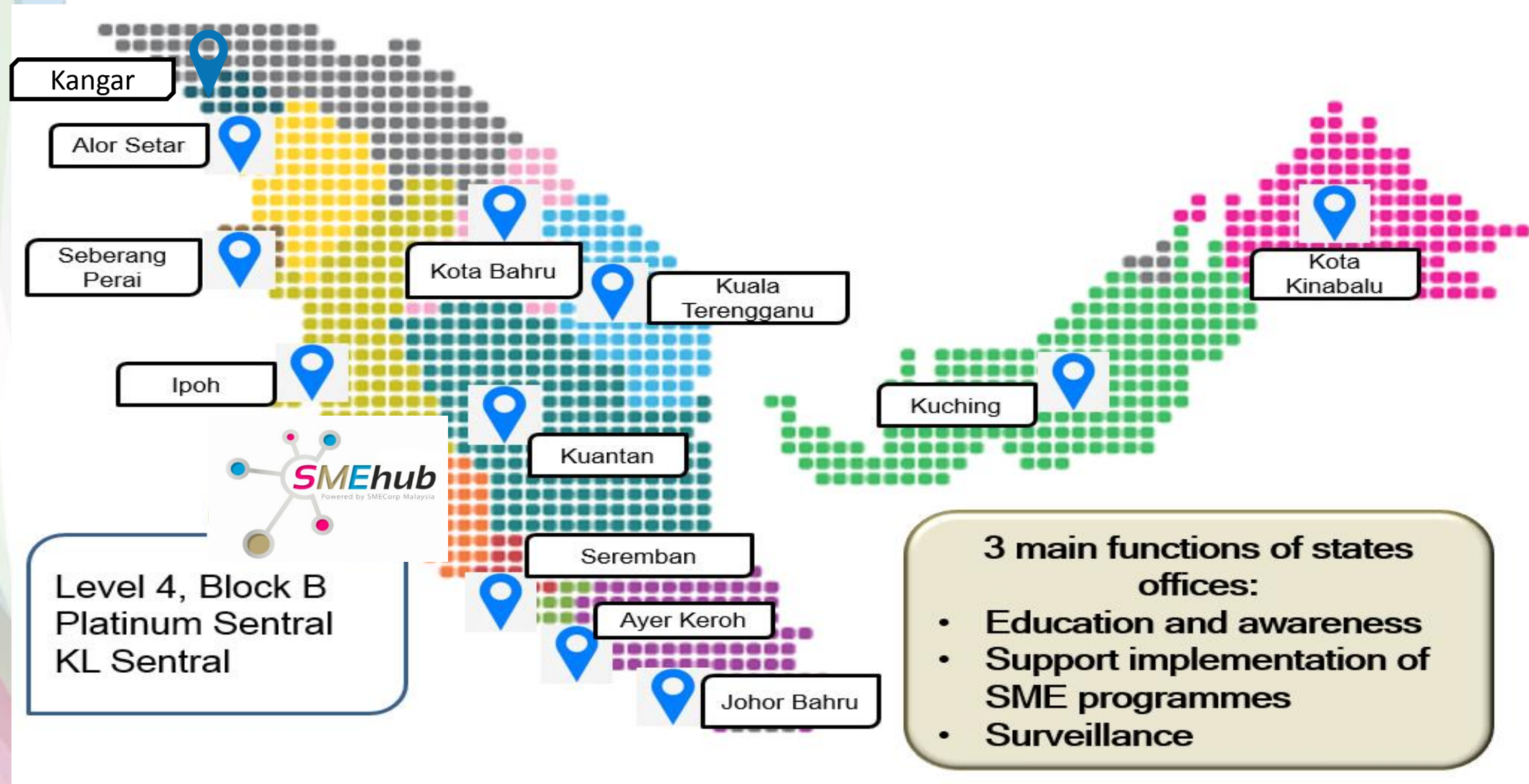
 SME Hub Links collaboration Government Agencies and other parties

 Pocket Talk

 Info Centre - Info Line (1-300-30-6000) and Info Email (info@smecorp.gov.my)



# Outreach and hand holding at 12 state offices...



# Additional information through SME Corp. Malaysia's Publications



SME Annual Report



SME Corp. Malaysia's Annual Report



SME Masterplan

## Start-Up Kit for Microenterprises



SME Initiatives 2017



Financing Schemes for SMEs



Tax Incentives for SMEs





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