

MEDIA RELEASE

MITI THROUGH MIDA PROVIDES SPECIALISED SERVICES DEDICATED TO HELPING LOCAL SMES TRANSFORM AND DIVERSIFY TO BE MORE RESILIENT

Deputy Minister of International Trade and Industry, YB Datuk Lim Ban Hong urges local Small and Medium Enterprises (SMEs) keen to explore ways to transform and diversify their businesses in becoming more resilient, to reach out to Domestic Investment Coordination Platform (DICP) and SME Desk under the Malaysian Investment Development Authority (MIDA), also a MITI agency, for assistance.

DICP plays significant role in providing the missing link between businesses, funding, technology and research capability. The DICP team works closely with local regulators, technology providers, financial institutions including equity and corporate advisory firms to facilitate SMEs and local companies to grow their businesses; subsequently, driving more Domestic Direct Investment (DDI) in the country. The team also engages with R&D institutions for the commercialisation of their projects. Besides business-to-business facilitation, the team also organises seminars and forums on alternative financing, in collaboration with financial institutions, equity and venture capital firms. Through DICP, local companies will be facilitated to expand and ultimately contribute to the country's domestic investments.

"DICP plays an important role in enhancing the competitiveness of local SMEs to be on par with global businesses, while motivating more local companies to have regional conceptual thinking, and encouraging local companies to leverage on the signing of Regional Comprehensive Economic Partnership (RCEP) by collaborating with partners from around the region," Lim said.



To further enhance domestic investments, MIDA has established a dedicated SME Desk in its Headquarters and all its State Offices throughout Malaysia. The Desk operates as a One-Stop-Centre for SMEs at the state level to obtain guidance and advice on the Government's initiatives and facilities. The support aims to enhance SME's business collaborations through supply chain networks locally, regionally and globally.

"SME Desk's establishment underscores the government's commitment to facilitate domestic investments and advocate the coordination of supply chains between Malaysian companies, including SMEs with multinational corporations (MNCs) and large local companies (LLCs)," Lim shared.

This initiatives by MITI through MIDA will strengthen local SME's roles as the backbone of the economy, especially as the country mitigates the impact of the COVID-19 pandemic. SMEs in Malaysia represent 98.5 per cent of businesses in Malaysia and employ about 70 per cent of the country's workforce.

"It is important to note that in the first nine months of 2020, Malaysia's DDI has been the leading investment performance in the country. Malaysia recorded a total of RM109.8 billion worth of investments in the manufacturing, services and primary sectors involving 2,935 projects that will create 64,701 jobs opportunities in Malaysia," Lim explained.

Of these, DDI accounted for 61.2 per cent of total investments, or RM67.2 billion, while Foreign Direct Investments (FDI) made up the remaining RM42.6 billion. DDI led the total approved investments in the services sector, contributing RM40.6 billion (94.9%). In contrast, DDI in the manufacturing sector saw a leap of 45.5 per cent to RM25.9 billion compared to the corresponding period last year.



Encouraging DDIs in the country will lead to strengthening Malaysian companies' capabilities in various aspects, particularly manufacturing, so in the long run, these homegrown companies will grow to be global MNCs. Focusing on building local companies' capabilities will also have a direct impact to creating a pool of high-skilled talents among Malaysians.

Ministry of International Trade and Industry (MITI)

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About MITI

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.

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