



MINISTRY OF  
INTERNATIONAL TRADE AND INDUSTRY

## MEDIA RELEASE

### **SMEs ENCOURAGED TO UTILISE MATRADE'S MARKET DEVELOPMENT GRANT TO BOOST THEIR EXPORT SALES**

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Local Small and Medium Enterprises (SMEs) planning to enhance their global presence are highly encouraged to utilise the Market Development Grant (MDG) by Malaysia External Trade Development Corporation (MATRADE), an agency under Ministry of International Trade & Industry (MITI). This is to help boost their sales in markets beyond Malaysia against the backdrop of the COVID-19 pandemic, according to Deputy Minister of International Trade and Industry Datuk Lim Ban Hong.

The MDG, which was introduced in 2002, is a facilitation by MATRADE aimed at supporting the promotional activities by local companies for their export business. The grant has for many years, become a catalyst to increase the access of Malaysian-made products globally. Through the reimbursable grant, applicants are able to claim up to RM300,000 (per company) for their expenses in promoting their Malaysian brands overseas.

In light of the COVID-19 pandemic and the challenges faced by local SMEs in adapting to the new normal, MDG has now introduced a value-added criteria – to allow applications for reimbursements of expenditures for participation in **virtual** international trade exhibitions as well as business meetings done through virtual trade missions.

“While the pandemic has affected various trade exhibitions held globally, local businesses should not miss out on the opportunities to sell their products or services abroad, and they can still do so via digital means. This will definitely make them more agile in responding to global markets situations,” said Lim.

Lim gave an example that the world-renowned Canton Fair, which is dubbed the gateway into China’s market has now transformed their event into a virtual interactive platform due to the COVID-19 pandemic. Similarly, Lim noted that other trade exhibitions globally are also gaining wider audience reach by moving towards virtual trade exhibitions. These virtual trade fairs utilise state-of-the-art video conferencing, live streaming and interactive multimedia-rich platforms to facilitate engagement of the participants.



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To lessen the burden faced by local SMEs, MATRADE also announced that local SMEs can also leverage on the MDG to reimburse the expenses incurred due to cancellations or postponements of trade events. This particular facilitation covers the cost borne by SMEs such as non-refundable participation fees, airfares and accommodations of up to RM25,000 per claim.

Another support introduced through the MDG is the reimbursement of logistic costs incurred by the SMEs due to the global shutdown. This temporary relief is allowed for reimbursement of up to 30 per cent of logistic cost **or** up to RM15,000 per shipment, and this includes the cost of transportation, warehousing and freight.

To date, the MDG has successfully assisted 23,937 Malaysian exporters to promote local products and services globally and a total of RM388.7 million has been disbursed to support these SMEs. In addition, based on data compiled for the past five years, the SMEs that benefited from the grant have reported an accumulative export sales of RM8.72 billion. Up to September this year, 1,173 companies have benefited from the MDG, with a total of RM19.7 million disbursed.

A survey conducted by MATRADE in 2019 showed that more than 92 per cent of SMEs agreed that the MDG plays a significant role in their export business, while 90 per cent said the MDG helped increased in their export sales.

“The MDG will undoubtedly support the country’s economic recovery by ensuring local SMEs can continue to export in the current economic climate. I hope more companies will utilise the grant to ramp up their exports during this challenging time,” Lim said.

Malaysian SMEs keen to use the MDG facilitation must first register as a MATRADE member via [www.matrade.gov.my](http://www.matrade.gov.my) and all applications for the MDG can be made online via MATRADE’s website too. For more information, SMEs can contact the MDG hotline at 03-62077593 or email to [mdg@matrade.gov.my](mailto:mdg@matrade.gov.my).

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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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