

**YB DATO' SERI MOHAMED AZMIN BIN ALI
SENIOR MINISTER,
MINISTER OF INTERNATIONAL TRADE AND INDUSTRY (MITI)**

**STAR OUTSTANDING BUSINESS AWARDS (SOBA) 2020
GALA NIGHT**

**17 MARCH 2021
ONE WORLD HOTEL, PETALING JAYA**

Mr Alex Yeow
Group CEO of Star Media Group

Distinguished guests,

Members of the media,

Ladies and gentlemen.

It gives me great pleasure to join Star Media Group as it once again organises the prestigious Star Outstanding Business Awards in recognition of our local SMEs.

2020 proved to be an unprecedented year, with the COVID-19 pandemic affecting lives and livelihoods the world over. However, despite the arduous challenges that came about, 2020 also told the story of courage, strength and resilience.

From the man on the street, to multinational corporations and SMEs, we have seen just how adaptable and resourceful people are. They do not merely endure, they bounce back stronger than ever.

Today, I am pleased to celebrate such distinguished individuals - those who overcame all odds to make their mark in the industry. My heartiest congratulations go out to all the nominees for SOBA 2020 and I look forward to celebrating your well-deserved success this evening.

Ladies and gentlemen.

Today's celebration is a fitting testament to the continuous pursuit of innovation, creativity and productivity that drives our companies to grow, become more competitive and capable in meeting future challenges.

MITI is honoured to play its role as a key collaborator for the SOBA Awards for the fourth consecutive year, for it is our firm conviction that this initiative serves as healthy competition to encourage SMEs to excel and rise to the top in their class.

As the backbone of the nation's economy, SMEs have been the key driver of employment and economic growth. Indeed, the numbers are staggering: SMEs make up 98.5 per cent of all business establishments in Malaysia. In 2019, they contributed RM586.9 billion of the nation's GDP, increasing to 38.9 per cent compared to 38.3 per cent in 2018. Employment by SMEs comprised 48.4 per cent from Malaysia's total employment, offering jobs to 7.3 million persons in 2019.

SMEs' GDP for the year 2019 grew 5.8 per cent as compared with 6.2 per cent in the preceding year but nevertheless, its performance remained above Malaysia's GDP of 4.3 per cent.

The pandemic hit fast and hard, and the lockdown measures imposed to curb the spread of COVID-19 caused major disruptions to supply chains and saw many businesses, particularly SMEs, struggle to regain traction even after the movement control orders were lifted. The Government promptly addressed the plight of the SMEs and took the necessary steps to provide the much needed aid to revitalise the sector.

At the same time, we witnessed how the unintended economic consequences of the lockdown phenomenon have transformed crisis into opportunity, propelling the use of e-commerce to record levels throughout all sectors and value chains.

In particular, SMEs must play a central role in tandem with these game-changing realities, for we know that the disruption caused by the pandemic hit them hardest. SMEs, therefore, will stand to benefit massively if they focus their attention on adopting digitalisation measures to ensure long-term business sustainability, increase efficiencies and gain economies of scale.

At the recent ASEAN Economic Ministers' Retreat, the importance of e-commerce for SMEs at the regional level was thoroughly discussed. The general consensus was reached that as the ASEAN economy becomes more integrated, digital transformation was the way to go for member states. Hence, the sooner SMEs get on the digital bandwagon, the better it will be if they are to thrive and succeed in the post COVID-19 digital economy.

In this regard, the *MyDigital* initiative via the Malaysia Digital Economy Blueprint will be the real game changer to transform our digital ecosystem. This will provide the holistic infrastructure to enable our SMEs to enhance their capabilities, resilience and competitiveness. Apart from the plan to provide 500,000 job opportunities in the digital economy, the strategic thrust is to encourage 875,000 SMEs to accept the use of e-commerce. Initiatives will also be implemented to serve as catalysts for 5,000 start-up companies to begin their operations in the next five years, which will be the starting point to attract new investments worth RM70 billion in the digital sector.

Additionally, Industry4WRD Policy was launched to assist SMEs in manufacturing and related services in moving forward to transform their operations. As at 15 March 2021, a total of 916 companies have been approved with the Government Funded Readiness Assessment programme. Meanwhile, 96 companies have been offered Industry4WRD Intervention Fund.

Just this evening, Prime Minister Tan Sri Muhyiddin Yassin announced PEMERKASA, the latest economic stimulus package valued at RM20 billion, that will bring tremendous benefits to the SMEs. These include an additional RM500 million for micro credit financing and RM700 million to extend the wage subsidy programme for another three months.

Ladies and Gentlemen

As we know, our National Immunisation Programme has taken off and we are in the midst of the first phase of mass vaccination. We cannot overstate that this process is essential in order to accelerate and ensure effective and sustainable economic recovery. As the saying goes – ***oeconomia sana in corpore sano*** – a healthy economy in a healthy body.

Indeed, Malaysia is well poised to capitalise on the recovery efforts of the region. It is noteworthy that the World Bank has projected the Malaysian economy to grow at a rate of 6.7% this year, of course, on condition of the successful implementation of the vaccination programme. Be that as it may, we are confident that this effort will provide the necessary impetus to boost the flow of FDI into the country, opening up greater business opportunities for our SMEs.

In closing, let me assure you that we listen, and we hear you. We understand your concerns and we will do all that is necessary to advance the interests of the SMEs. As someone once said:

"In order to succeed, your desire for success should be greater than your fear of failure."

As I stand before you on this auspicious occasion, I daresay that your desire for success far exceeds your fear of failure. Therefore, just as your problems will be our problems, your success will be our success as well, because we are all in this together.

I applaud everyone here tonight for your resilience and tenacity in climbing to greater heights no matter the odds. My heartiest congratulations to all the deserving winners and those who have participated in the Star Outstanding Business Awards.

Thank you.