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ABDULLAH-SMES

TAKE FULL ADVANTAGE OF INCENTIVES IN PACKAGE, ABDULLAH TELLS SMES

KUALA LUMPUR, June 5 (Bernama) -- Small and medium scale enterprises (SMEs), which account for over 90 percent of companies within the manufacturing sector, should take full advantage of the incentives offered by the government in the economic package, Deputy Prime Minister, Datuk Seri Abdullah Ahmad Badawi, said.

"These measures should act as a means for SMEs to revitalise the manufacturing sector," he said at the "SMI One-Stop Solutions Exhibition and Conference 2003 here today.

Also present at the opening was Health Minister, Datuk Chua Jui Meng.

The RM7.3 billion economic package announced on May 21, 2003, by Prime Minister, Datuk Seri Dr Mahathir Mohamad, includes offering a RM1 billion micro credit facility to small businesses which would be cheaper and easier to obtain.

He said the waiver of the collateral requirement which was also contained in the package and long a sore point for entrepreneurs, should be a major boost to the creation of new players.

The government, which sees the development of SMEs as critical in the promotion of domestic growth and investment, does not want to see entrepreneurs being dependent on loan sharks or illegal money lenders for funds.

Abdullah said that SMEs should turn to the agencies like the SMEs Special Unit at Bank Negara for help.

Later at a press conference, he said the government regarded loan sharks as a very serious problem.

That is why there was an emphasis on strategies and incentives to help SMEs and small and medium scale industries (SMIs) in the package.

Abdullah said the government felt that it was worthwhile to give SMIs and SMEs encouragement and assistance as many multinational companies today started as SMIs and SMEs.

He said these groups were among that sectors which had shown resilience from the negative repercussion of the recent outbreak of the Severe Acute Respiratory Syndrome (SARS) and the recent war in Iraq.

Despite the pneumonia-like disease and the war, the SMIs and SMEs, which form the backbone of the manufacturing sector, had not lost their role in generating economic growth.

In his speech, the Deputy Prime Minister called on the SMEs to improve on their product and service quality in order to compete in a more liberal market condition.

"Indeed, the days of inconsistent product or service quality - sometimes good, sometimes bad - as well as the inexcusable delays and poor customer handling for SMEs must be left behind," he added.

To stay competitive, he said SMEs should invest in research and development and employ the latest technology.

"The bottom line is this: You must continuously improve your business or risk losing it all. Do not expect favours or any mercy from the market," Abdullah said. -- BERNAMA

MAD KTC