

MALAYSIA RESERVED

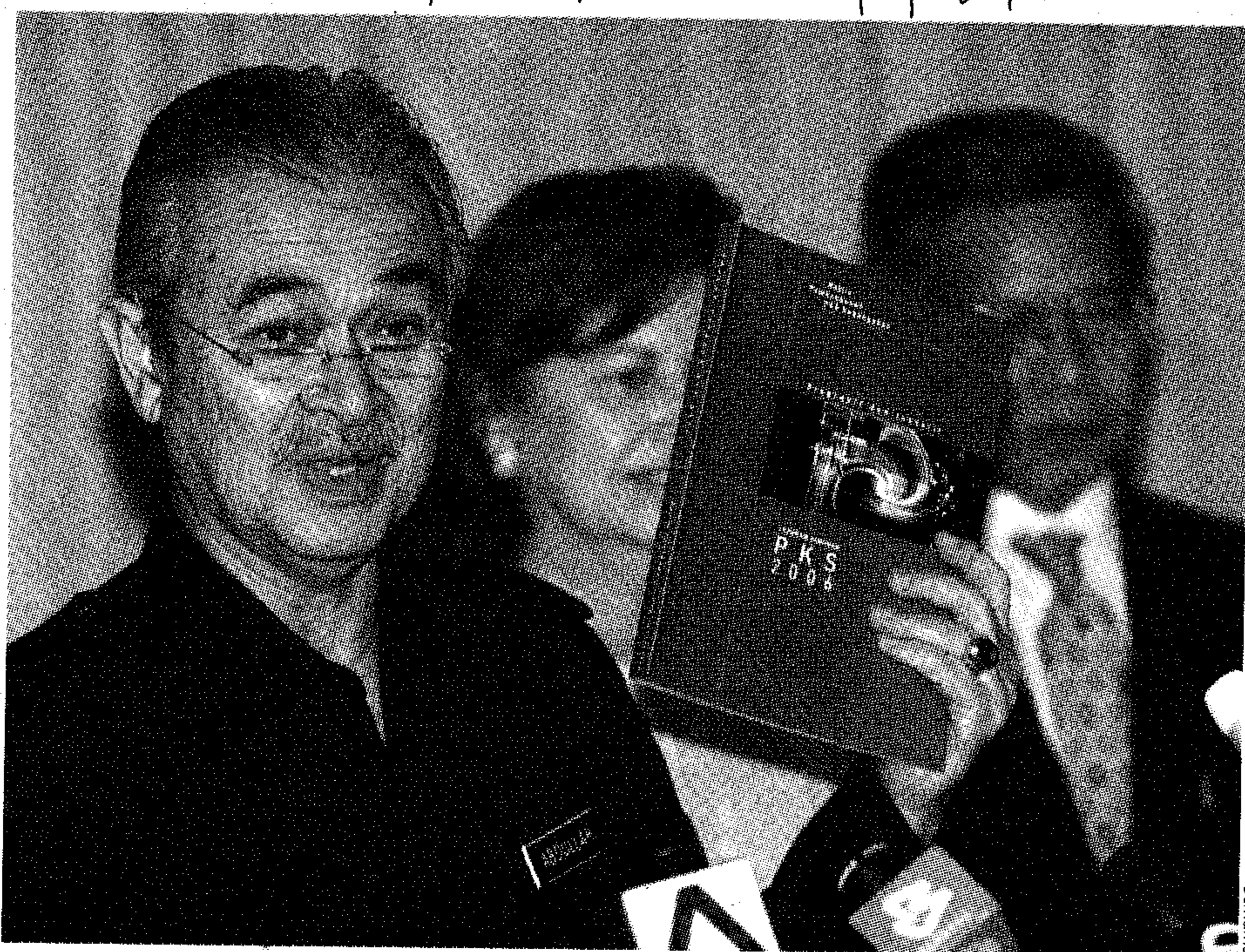
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# SMEs key economic driver, says Abdullah

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*A total of 189 programmes are being implemented with a financial commitment of RM3.7b this year*

**The Prime Minister with a copy of the 'SME Annual Report'. Looking on are Bank Negara Malaysia governor, Tan Sri Dr Zeti Akhtar Aziz and Minister of Higher Education, Datuk Mustapa Mohamed.**



**THE** government will continue to play a facilitative role in creating a conducive business environment to ensure small and medium enterprises (SMEs) develop to their fullest potential as a prime driver of economic growth, the Prime Minister said.

"In my view, the advent of globalisation and trade liberalisation will bring with it both greater competition and a wealth of opportunities," Datuk Seri Abdullah Ahmad Badawi said in his message in the "SME Annual Report 2006" released by the National SME Development Council on Wednesday.

To reap the benefits, he adds, it is important that SMEs strive to compete with other global players offering high quality products and services at competitive prices.

"Hence, it is my wish that SMEs fully utilise the programmes and incentives being offered to enhance their capacities and capabilities through continu-

ous product development, knowledge and technology acquisition," Abdullah said.

The Prime Minister said development of a competitive and resilient SME sector is a key component of the government's economic growth strategy.

As the SME sector comprises 99.2% of total business establishments and employs more than 5.6 million workers, promoting entrepreneurship and SMEs is an important thrust to support the government's aim of achieving balanced economic development and higher standards of living at all levels of society, he said.

Given the large number of SMEs, he believed there is ample opportunity to increase the contribution of SMEs in the domestic economy.

In this regard, the National SME Development Council has set a number of performance targets for SME development, and these targets are to increase

SMEs' contribution to gross domestic product (GDP) to 37% and its share of total exports to 22%, and for SMEs to employ over 6.2 million workers by 2010.

The government's programmes and initiatives for SME development will therefore be focused on achieving these targets, Abdullah said.

On the council's National SME Development Blueprint, he said the annual action plan provides a clear statement of the government's strategic intent and the list of major programmes, with expected outcomes, to be implemented to promote SME development in a particular year.

By actively monitoring and tracking the effectiveness of these programmes in meeting the set targets, Abdullah expected a marked improvement in the delivery and impact of these programmes to the benefit of the SMEs.

— Bernama