

Government To Establish Institution To Help Businesses Step Up Productivity

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KUALA LUMPUR, March 7 (Bernama) -- The government is planning to establish an institution to help businesses, including small-and-medium enterprises (SMEs), to enhance their productivity in a move to attain greater innovation in the country, Prime Minister Datuk Seri Najib Tun Razak said.

He said the productivity growth of Malaysian businesses, in general, was slow compared with that of other countries.

"In terms of its contribution to the gross domestic product (GDP), productivity growth only stood at two per cent compared to that of other countries where the growth rate was higher.

"I think Malaysian businesses are not innovating as fast as they should, not because they do not want to but they have no idea of how to go about it.

"This will be our next focus in order to make Malaysian businesses, including SMEs, to be more competitive," he told a panel discussion at the National Economic Summit and Dialogue with the Prime Minister here Friday.

He was responding to a question from panelist, former Human Resources Minister, Tan Sri Dr Fong Chan Onn, who asked what help was given to micro and medium-scale enterprises which stood at 655,000 in 2011, to continue their contribution to the economy as many were burnt by tough measures and seemed less prepared to face challenges.

The summit themed "Moving The Malaysian Economy Forward: Getting To The Heart Of The Matter" was jointly organised by the Malaysian National News Agency, Bernama, and the Asian Strategy and Leadership Institute (ASLI).

The panel discussion moderated by ASLI chief executive officer, Tan Sri Dr Michael Yeoh, was also participated by Bank Muamalat Chairman Tan Sri Dr Munir Majid and Malaysian Institute of Economic Research chairman Tan Sri Dr Sulaiman Mahbob.

The prime minister also cited as an example an institution in Germany which specialised in helping businesses with innovation.

He said businesses go to this German institution to seek help when they want to innovate, solve business problems, to be more efficient or require new technology.

Najib said the institution would undertake innovations on behalf of the businesses, including

research and development, new business processes or develop technology to make the clients' business more productive and competitive.

"We are looking at this now, whether we can set up a similar institution in Malaysia, where Malaysian businesses can refer or go to for help.

"In a way, SIRIM Bhd is supposed to do this and they are doing it, but not to the extent that really makes a huge difference as the numbers are not that positive yet," he said.

Najib, who is also the Finance Minister, also said Malaysian SMEs with an annual taxable turnover of less than RM500,000 would be exempted from registering for the Goods and Services Tax which would be implemented on April 1, 2015.

He said the government was looking at enhancing the contribution of SMEs to the national economy by setting up a task force council, assisted by Bank Negara Malaysia and SME Corporation.

"These are some of the efforts that are being undertaken by the government to move the industry forward.

"We can see that the percentage share of SMEs to GDP is rising," he said, adding that it was the area of productivity of concern and needed to be addressed.

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