

SMEs Need To Increase Contribution To GDP By 8 Pct - Najib

BERNAMA

16/11/2017

KUALA LUMPUR, Nov 16 (Bernama) -- Small and medium enterprises (SMEs) need to increase their productivity and share to the economy by at least eight per cent in order to achieve the target of 41 per cent contribution to the nation's gross domestic product (GDP) by 2020, Datuk Seri Najib Tun Razak said.

The Prime Minister said the government aimed to transform the SME sector into the driving force of the economy in terms of wealth creation and employment generation.

To date, the SME sector contribution to the economy stood at 36.9 per cent.

"I don't want the SMEs to be caught in the old trap. We want the SMEs to be transformed and that is why we've set aside the largest ever allocation of RM22.2 billion (in Budget 2018).

"I want the SMEs to use it for expansion, start-ups, exports and automation for industrial 4.0 revolution," he said during a town hall session in conjunction with the opening of the SME Annual Showcase and SME Conference 2017 here today.

The session was moderated by SME Corporation Malaysia Chief Executive Officer Datuk Dr Hafsah Hashim.

Also present was International Trade and Industry Minister Datuk Seri Mustapa Mohamed. "I am not quite happy with the productivity. Productivity must increase at a steeper rate.

So, I hope the SME community will avail themselves of this opportunity and really transform themselves and make a difference (in order) to achieve the 41 per cent contribution to the economy by 2020," said Najib.

The Prime Minister said the government would continue to give and customise incentives to attract more multinational companies to set up their offices in the country.

"But we are becoming more concern on deliverables now. I don't think that we want to just give incentives but we want to specify certain deliverables such as progressively increasing local content," he added.

Najib was responding to a question from the floor on Malaysia's strategies to make the country an attractive investment destination for multinational companies.

"If we give them incentives without deliverables, I don't think we will gain much from their presence in the country. Moving forward, that will be our approach and I am confident that our SMEs will be up to the task to be able to measure up to the quality and to the standards they expect from us," he added.

On the Digital Free Trade Zone (DFTZ), Najib invited more SMEs to get onboard the DTFZ platform from the 1,972 to date.

"DFTZ is a world-class initiative. Jack Ma could have done it anywhere (as) it is demanded by so many countries but he chose Malaysia as the first DFTZ outside China,\" he added.

Najib also projected that the country's digital economy to record a double-digit growth in 2018, benefiting from the transactions using the DFTZ platform during the Singles Day shopping festival sales.

SME players will be exposed to the global market using the Ali Baba online platform.

Next year Jack Ma is going to promote Malaysia on China online for one week, he said, adding that, Singles Day in China this year recorded US\$24 billion sales compared to US\$18 billion last year."

-- BERNAMA

© 2017 BERNAMA. All Rights Reserved. [Disclaimer](#) | [Privacy Policy](#) | [Security Policy](#)

Source: <http://www.bernama.com/bernama/v8/newsindex.php?id=1411051>