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Title: THE GOLDEN BULL 2004 - MALAYSIA 100 OUTSTANDING
SMES AWARD DINNER CEREMONY
HELD IN CONJUNCTION WITH THE 5TH INTERNATIONAL
STRATEGIC PARTNERSHIP & BUSINESS
NETWORKING TRADE FAIR FOR SMES

YB Dato' Seri Ong Ka Ting
Minister of Housing & Local Government

YBhg Dato' Syed Amin Aljeffri
President of Malay Chamber of Commerce Kuala Lumpur &
Organizing Chairman of SMEs 2004

Mr. Lee Peck Hoo
Director & CEO of Nanyang Siang Pau and Adviser of The
Golden Bull Awards 2004

Mr. Michael Ho Chai Hok
Organising Chairman of Golden Bull Award 2004

Distinguished guests,

Ladies and gentlemen,

First and foremost allow me to express my appreciation at having been invited to this 2004 Golden Bull Awards, held in conjunction with the 5th International Strategic Partnership & Business Networking Trade Fair for Small & Medium-scale enterprises (SMEs), to celebrate the achievement of outstanding SMEs in Malaysia. I am delighted to be a part of this event which recognizes the achievements of Malaysia's SMEs.

This Award is indeed timely, and is very much in line with the government's move to put greater emphasis on the development of SMEs as one of the catalysts of economic growth. I am certain that awards such as this, would not only give due recognition to outstanding SMEs who are being celebrated tonight, but it would also serve as a strong encouragement for SMEs across the nation to continue to strive for excellence.

Ladies and gentlemen,

For a rapidly developing nation such as Malaysia, SMEs play a pivotal role in the industrial sector by providing ancillary and supporting services to larger companies and multi-national corporations. Over the years, it has been heartening to witness the growth of our SMEs, many of which have grown well past their modest beginnings to become strong and respected corporations, with well established brand names for their products. Some are even listed on the Kuala Lumpur Stock Exchange. Yet, while such is the case for a number of SMEs, many more still struggle to stay afloat amidst a deluge of challenges that have emerged in recent times.

Globalization has brought forth a host of new issues and complications in the realm of business that enterprises have little choice but to come up with new game plans and strategies in order to survive. Among other things, SMEs face the challenge of intensified global competition. Multilateral and regional trade and investment liberalization policies have made markets more accessible and competition among local producers more intense.

While in the past SMEs could have been contented with the opportunities that are available to them in the domestic market, current realities suggest that they risk serious consequences if they continue to do so. The impact of globalisation and trade liberalization on the world economy underscores the need for SMEs to become more resilient and competitive. SMEs must look beyond their traditional roles as suppliers only for domestic industries. Instead, it is imperative that they remain competitive by achieving economies of scale, which they can and should do by supplying to international markets.

SMEs must seize the opportunities that are now available to them as nations across the region and in other parts of the world lift barriers to trade and allow access to their markets. More importantly, SMEs must understand that failure to acquire the capacity to compete on a global scale may have adverse consequences on their long term prospects.

In this regard, SMEs must spare no effort in strengthening

their operations by way of adapting and applying new technologies to remain competitive. They must embrace new technologies and best practices in business in order to increase efficiency and enhance productivity, while at the same time they must ensure that there is no compromise on quality and standards, and that their products meet the requirements of global markets. This must be done if Malaysian SMEs aspire to become part of the global supply chain.

Naturally overcoming the new issues and challenges will not be easy. There is bound to be some problems in terms of capacity building, mastery of technology and quality control. Financial limitations too may pose a serious hindrance to SMEs in their effort to modernize. Nevertheless, SMEs must persist in this effort for the sake of their longevity and survival.

Ladies and gentlemen,

The Government is well aware of these challenges faced by SMEs, and is therefore extremely committed to provide as much assistance as possible to them. The government places great importance in ensuring the continued growth and development of SMEs. To this end we have formulated industrial policies, strategies and programme to promote the resilience and long-term competitiveness of SMEs. This includes further streamlining of administrative procedures and providing a conducive environment for investments, in order to create new opportunities for SMEs.

We have formulated the The Small and Medium Industry Development Plan (SMIDP) which is specifically targeted at preparing SMEs for the challenges and opportunities arising from globalization and the technology revolution that the world is now experiencing. Complementary to the Second Industrial Masterplan, the SMIDP provides the development focus for each of the industrial clusters and an action plan to implement the strategies and meet the specified targets.

Under the 8th Malaysia Plan, RM 2.6 Billion had been allocated for industrial development of which more than half was specifically allocated for the development of SMEs. This is in the form of financial assistance, infrastructure facilities and support services to this sector. This amount will likely see a substantial increase in the 9th Malaysia plan as the government continues its

sustained effort to drive domestic investment and strengthen local industries.

At the same time the government has implemented several other measures over the years to address the financing needs of SMEs to develop them as the catalyst in boosting domestic investment and economic growth. This includes the establishment of one-stop centers to process investments as well as special SME windows in Banks to assist SMEs with their investment ventures and access to credit. Under the Package of New Strategies introduced in 2003, a RM1 Billion Micro credit scheme was introduced to further improve accessibility of SMEs to loans.

These measures reflect the firm commitment of the government to continue to provide strong support for the growth of Malaysian SMEs. Hopefully, a strong partnership between the public and private sectors would lead to a positive environment that would enable the continued robust growth of SMEs across all sectors.

Ladies and Gentlemen,

This Golden Bull Award 2004 held in conjunction with the SMEs 2004 - The 5th International Strategic Partnership & Business Networking Trade Fair for SMEs is a most commendable effort in recognizing outstanding SMEs in the country. I would like to congratulate Nanyang Siang Pau, the Malay Chamber of Commerce Kuala Lumpur and Expomal Network Sdn Bhd for their initiatives in providing such a platform to encourage SMEs to strive for excellence. I am confident that the Golden Bull Award will provide a superior benchmark of achievement to all local SMEs and if not already so, this award will soon be a much coveted symbol of excellence not only for domestic SMEs but also for those around the region.

I would also like to take this opportunity to welcome all the foreign delegates from China, Vietnam, Myanmar and Taiwan who are here tonight. I hope that you will be able to build strong business relationships and partnerships with your Malaysian counterparts during your stay here. I'm sure many Malaysian SMEs too are most eager to know more about the business environment in your countries and to establish ties with you. Hopefully the ties that are established here will lead to stronger and closer business relationships amongst our countries.

Finally, I would like to congratulate the Winners of the Golden Bull Award 2004. I sincerely hope that their victory here tonight not only signals for them the beginning of better times a brighter future ahead but also encourages them to keep reaching for the stars and to keep striving for bigger and better goals always.

Thank you.