

**By : DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK
PERDANA MENTERI MALAYSIA**

Venue : Plenary Hall, Kuala Lumpur Convention Centre

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**Title : THE OPENING CEREMONY OF SMIDEX 2014 " SMES:
CONNECTING THE DOTS..."**

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh, Good Afternoon and Salam Satu Malaysia.

Yang Berhormat Dato' Sri Mustapa Mohamed;

Minister of International Trade and Industry,

Yang Berhormat Datuk Hamim Samuri;

Deputy Minister of International Trade and Industry,

Yang Berbahagia Datuk Ir. (Dr.) Mohamed Al Amin Haji Abdul Majid;

Chairman, SME Corporation Malaysia;

Yang Berbahagia Dato' Hafsah Hashim;

Chief Executive Officer, SME Corporation Malaysia;

Your Excellencies,

Distinguished guests,

International delegates and exhibitors,

Ladies and Gentlemen.

1. To begin, I would like to congratulate the SME Corporation and the Ministry of International Trade and Industry for organising the SMIDEX 2014 SME Annual Showcase here in Kuala Lumpur.

2. I would also like to extend a very warm welcome to all distinguished guests, exhibitors and trade visitors to this Event; and a “*Selamat Datang*” to our friends who have journeyed here from afar. 2014 is Visit Malaysia Year, so I hope you have time to explore our beautiful country while you are here.

3. Every year, this exhibition generates new business ideas, and new opportunities. With representatives from 12 countries and three continents here today, I am sure SMIDEX 2014 will be no different.

Ladies and Gentleman,

4. Our theme today, “SMEs: Connecting the Dots...” is fitting. SMEs and entrepreneurs play a vital role in the world economy, connecting global supply and value chains to national economies. They also make up the vast majority of the world’s businesses, making a huge contribution to global growth.

5. In Malaysia, we have a number of policies to support our SMEs. Last year, 12 billion ringgit was spent on 157 SME development programmes, which in turned supported nearly 890,000 projects, across all economic sectors. This investment yielded increased productivity, new businesses registered, higher profits, and more job opportunities.

6. This year, spending is rising to 13 billion ringgit. These funds are not only from the Government, but the private sector as well: in fact, close to 50% of the funds for the programmes this year are from private sector sources. It is a public-private partnership that brings benefits for both partners; a more vibrant business environment, and a more competitive economy.

7. As part of an eight year SME Masterplan, SME Corporation acts as the Central Coordinating Agency for all SME development programmes.

Ladies and Gentlemen,

8. A key focus of the SME Masterplan is innovation. We want to help more entrepreneurs bridge the gap between the drawing board and the market. So in April, we launched the first of the six High Impact Programmes: the Technology Commercialisation Platform. Under this public-private partnership initiative, SME Corporation and Agensi Inovasi Malaysia established PlatCOM Ventures, a new privately-managed company to encourage innovation among SMEs, by linking them to the national innovation programmes.

9. And I am pleased to note that this year's SMIDEX will once again host the SME Innovation Award ceremony. I want to take this opportunity to congratulate the winners of the 2014 Award. Your success shows that Malaysian SMEs are unrelenting in their search for the next big thing. An innovative and open approach to business is vital, whether you are a national government or a street trader.

10. Around the world, greater market openness and trade liberalisation is increasing competition. These forces are vital for success; they have helped nations to develop and people to prosper. But they can also put pressure on sectors, especially those most exposed to global pricing or labour trends.

To secure the widest possible benefit from globalisation, governments must ensure that trade liberalisation measures account for the interests of SMEs, and that SMEs are integrated into both supply and value chains.

11. Another way to support SMEs is to incentivise mergers, which allow businesses to scale up. As most of Malaysia's SMEs are in the services sector, we have introduced the Merger and Acquisition of Small and Medium Service Providers Incentive. It aims to encourage the creation of more competitive and resilient SMEs in the services sector.

12. We must also consider the importance to promote growth and expansion of SMEs is through the capital market. Small players have found it challenging to enter the official capital market due to the various requirements and the high costs involved in listing. To make it easier, last year the Securities Commission announced the establishment of the Malaysia Unlisted Market, or MyULM, to provide both access to capital and the information to facilitate transactions.

13. The MyULM initiative will include a new trading platform. And I am pleased to announce today that SME Corp will work with the Securities Commission to establish the Malaysia Unlisted Trading Platform, which will facilitate financing opportunities for our SMEs.

Ladies and Gentlemen,

14. We also want to make Malaysia's economy more competitive, so that there are more meaningful opportunities for our citizens and our businesses. In this regard, we have embarked on a series of fiscal reforms, to shift our economy to a more sustainable footing. This includes the forthcoming Goods and Services Tax (GST).

15. I want all stakeholders, particularly businesses, to have a clear understanding of how to prepare for the GST. The Government has allocated 100 million ringgit to conduct a nationwide awareness and training programme through various channels. But we can also learn from others: 160 countries have implemented the GST, many of whom have gone through challenges in implementation and understanding this system.

16. Besides the outreach initiatives, the Government is also providing a package of incentives to ensure the transition to the GST is smooth for SMEs. This includes financial assistance and tax incentives for purchase of GST-related software and hardware, as well as other forms of tax deductions.

17. In this context, I am pleased to announce that the GST e-voucher by SME Corp, which is worth 1,000 ringgit is open for applications. This voucher is meant to be a simple, fast and effective way for SMEs to purchase or upgrade GST-compliant accounting software. All they need to do is to submit an online application for the e-voucher, which can be used to purchase software from participating vendors. I urge SMEs to come on board and take advantage of the assistance provided by the Government to ensure a smooth transition in the implementation of the GST.

Ladies and Gentlemen,

18. ASEAN is committed to the formation of a 600 million-strong economic, political-security and socio-cultural community by 2015. For Malaysian SMEs, as well as international investors, the ASEAN Economic Community promises to bring real benefits; but it will also alter the business environment, and thorough preparation is essential. There remains much to be done, but Malaysia is ahead of the curve in readying our economy for greater integration. Ultimately, we want ASEAN to be a highly-competitive, inclusive region; one that is fully-integrated into the global business environment.

Ladies and Gentlemen,

19. I began my address by acknowledging the presence of participants from across the globe. Let me once again welcome and thank all of those who have travelled – from Iran to Italy, from Kazakhstan to Korea, and many more. Welcome, and may this year's SMIDEX prove as profitable for you as it has for many other entrepreneurs. Let me conclude by congratulating SME Corporation, MITI, and the sponsors for their continued support of SMIDEX 2014.

20. And with the verse Bismillahirrahmanirrahim, it is with great pleasure that I now launch SMIDEX 2014.

Thank you very much.

Wabillahitaufik Walhidayah Wassalamualaikum Warahmatullahi
Wabarakatuh.