

**SPEECH BY**  
**YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI**  
**AT THE OFFICIAL OPENING CEREMONY OF S.M.I. ONE-STOP SOLUTIONS**  
**2003, AT PUTRA WORLD TRADE CENTRE, KUALA LUMPUR**  
**5 JUNE 2003**

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1. I would like to thank the S.M.I. Association of Malaysia for inviting me, once again, to open this annual gathering of S.M.I.'s and S.M.E.'s. It is heartening to see the Association working hand in hand with the various Chambers of Commerce and related bodies to put together this solutions provider showcase aimed at benefiting the small-and medium-sized industries and enterprises in the country.

2. The Government regards the role of S.M.I.'s and S.M.E.'s as crucial to the nation's economy. Manufacturers in the country depend heavily on the products and services offered by S.M.E.'s to complete their own products for eventual export or for use in the local economy. I understand that the manufacturing sector, which accounts for roughly one third of the country's Gross Domestic Product, is dominated by the S.M.E.'s - in fact, more than 90 per cent of the companies within the manufacturing sector are S.M.E.'s.

3. S.M.E.'s are also significant in their own right. They are an important source of wealth and employment for the nation; they are producers of many intermediate and final goods; and they are essential consumers of local goods and services. By their nature, S.M.E.'s are also the primary vehicle for new entrepreneurs to venture into business. As such, S.M.E.'s continuously provide the economy with new ideas, skills and innovation.

4. Not surprisingly, the government sees the development of S.M.E.'s as critical in the promotion of domestic growth and investment, as well as in strengthening Malaysia's continuing broad-based development. We want to enhance our dynamism and resilience as an economy, and the role of S.M.E.'s is absolutely vital in this regard. As such, there have been many measures initiated by the government to promote S.M.E. development in the country. Recently, on 21st May 2003, the Prime Minister unveiled new strategies towards stimulating the nation's economic growth. The first five measures announced were in fact targeted at "developing S.M.E.'s as the catalyst of growth", including the strengthening of micro credit and improving the access and cost of S.M.E. financing. These measures should act as a means for S.M.E.'s to revitalise the manufacturing sector.

5. S.M.E.'s should respond and take full advantage of the incentives and measures offered. For example, the waiver of the collateral requirement, long a sore point for entrepreneurs before this, should be a major boost to the setting up of new enterprises. In addition, entrepreneurs should no longer depend on loan sharks or illegal money lenders for funds. Instead, S.M.E.'s should look to the agencies (such as the S.M.E. special unit in Bank Negara) for help.

6. However, beyond government assistance, S.M.E.'s should also help themselves. They should upgrade all parts of their business. The forces of globalisation, liberalisation and technological innovation require nothing less. Competitiveness and excellence must therefore become the hallmark of S.M.E.'s in Malaysia. Indeed, the days of inconsistent product or service quality - sometimes good, sometimes bad -

as well as the inexcusable delays and poor customer handling for S.M.E.'s, must be left behind. Standards must never be allowed to slip at any time. Meanwhile, if resources allow, you must also invest in research and development, as well as employ the latest technology, such as information and communications technology (I.C.T.), to pull away from the competition. The bottom line is this: you must continuously improve your business or risk losing it all. Do not expect favours or any mercy from the market.

7. All this requires much from the owners and managers of S.M.E.'s. Certainly, Financial aid alone, while important, is not enough for an S.M.E. to grow and progress. Hard work, dedication, commitment, honesty and integrity - these values must be inculcated and practised regularly and consistently. There are no shortcuts to success.

Ladies and gentlemen

8. S.M.I.'s and S.M.E.'s are without doubt the backbone of the manufacturing sector. Their contribution is key to economic growth, prosperity and stability. S.M.E.'s should therefore always be on the lookout for new ways of doing things, for best practices, for the latest technology, and for innovative partners, to improve their companies and their products. It is hoped that this event, which brings together all S.M.I.'s and S.M.E.'s under one roof, to learn new things and to explore new opportunities, will be useful and beneficial to all concerned.

9. On that note, it is my pleasure to officially declare open the S.M.I. one-stop solutions 2003.

Thank you.