



SPEECH BY

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DEPUTY MINISTER
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY**

MOU SIGNING CEREMONY

- **MIDF & ACCCIM**
- **MTCD & ACCCIM**

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**YBhg. Tan Sri Abdul Rahman Mamat
Chairman of MIDF & MTDC,**

**YBhg. Tan Sri Datuk Ter Leong Yap
President of ACCCIM,**

**YBhg. Dato' Charon Wardini b. Mokhzani
Group Managing Director of MIDF,**

**YBhg. Dato' Norhalim Yunus
Chief Executive Officer of MTDC,**

**YBhg. Dato' Tan Tian Meng
Secretary-General of ACCCIM,**

Senior Management of MIDF, MTDC & ACCCIM

Members of the Media,

Distinguished Guests,

Ladies and Gentlemen,

A very good morning to everyone.

1. First and foremost, I would like to record my sincere appreciation to MIDF for inviting me to be part of this auspicious event. I am delighted to meet everyone in this hybrid event, particularly to engage with The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) as they embark on a new chapter together with MIDF and MTDC as strategic partners in a bid to help address the needs of the industry as well as opportunities that prevail along the value chains.

2. It has been a year since the pandemic swept across the globe and caused unprecedented impact on global trade. Global supply chains were disrupted and businesses were having hard times with substantial decline in sales while some barely survived. It was no exception to Malaysia where the economy plunged significantly in 2Q20, when the pandemic first hit the country. Quick inadaptability to new normal such as moving sales and services online was one of the reasons for such plunge.

3. Over time, the pandemic has witnessed the rise of digitalization among Malaysian companies which assist them to cushion the adverse impact. The Government through several economic stimulus packages such as PENJANA, PRIHATIN, PERMAI and PEMERKASA has put strong emphasis on “Digitalisation” as one of the key elements to elevate the competitiveness of Malaysian companies, including SMEs.

4. I understand that in the MoU, each party pledges to cooperate and promote the widening and improvement in economic co-

operation through commerce, trade and investment between their respective business communities. To note, MITI, MIDF and MTDC have been working hand-in-hand for the past years to drive digital transformation of local businesses to be in line with the national industrial policy, namely “Industry4WRD: National Policy on Industry 4.0.”

5. The government also provides numerous financial assistances to support the business communities for digitalisation. However, there are 50% of SMEs¹ in Malaysia have claimed funding as a key hindrance to digitalisation, while 60% of SMEs are unaware of their financing options.² Lack of technological knowledge is also another challenge for SMEs to digitalize their business.

6. As such, I hope the government agencies can be more proactive in reaching out to the businesses in need. Working together with industry associations is one of the good ways to approach business community.

7. It is hoped that today’s MoU Signing Ceremony between the three parties will open more doors, widen our network, and provide a huge boost for a robust and swift recovery of Malaysian businesses.

Ladies and Gentlemen,

8. I want to highlight the importance of today’s MoU is also about creating awareness among members of the Chambers, or even

¹ <https://blogs.lse.ac.uk/seac/2020/10/20/the-impact-of-covid-19-on-sme-digitalisation-in-malaysia/>

² <https://www.theedgemarkets.com/article/news-smes-still-not-using-digitalisation-enablers>

among the public, on the financing facilities and business advisory services provided by MIDF and the technology solutions provided by MTDC via TENTRA and Co9P. So, please allow me to take this opportunity to share more about MIDF and MTDC that will benefit the business community.

9. As I have mentioned just now, one of the challenges faced by the SMEs is difficulty in getting funding. MIDF is a Development Finance Institution, also a government agency of MITI, and it helps local companies by providing financing facilities at Government preferential rates since 1960.

10. Since its inception, MIDF has approved RM16.14 billion to over 11,537 companies. For the past 5 years, the average annual approval stands at RM616 Million which has been extended to about 260 companies annually.

11. MIDF's mission is to help clients to prosper, as well as to support our nation's economic growth. In its quests to assist businesses especially SMEs to have better access to financing, MIDF has established a Business Advisory Unit in late 2019, a one-stop advisory centre for SMEs. Apart from providing complimentary financing related services and advices, the Business Advisory also provides information on grants and other financial assistance under other government agencies. If a company is ineligible to obtain financing from MIDF, it will connect the company to other financing institutions or government agencies which offer financing schemes, grants and incentives. Since the inception of the unit in 2019, it has received 2,861 inquiries. Among them, 161 companies with a total

financing of RM507.76 Million have been assigned to the MIDF sales team and 20 companies with a total financing of RM45.14 Million have been referred to other development financial institutions.

12. The financing schemes managed by MIDF cover both manufacturing and services sectors with focus on Automation, Modernisation, Digitalisation and Technology, and soon to be launched will be on Sustainable Green. Among the financing schemes, two of them are funded by MITI, namely the Soft Financing Scheme for Automation and Modernisation (SFSAM) and Soft Financing Scheme for Digital & Technology (SFDT), while under the Ministry of Finance is the Soft Financing Scheme for Services Sectors (SFSSS).

13. As Tan Sri Rahman has just mentioned, I am glad knowing that MIDF is supporting the economic recovery, the latest being the PEMERKASA initiative by introducing the MIDF Profit Financing Rate Reduction Campaign which provides financing rates as low as 3% for related financing schemes, namely the Soft Financing Scheme for Automation and Modernisation (SFSAM) and Soft Financing Scheme for Digital & Technology (SFDT). I believe the MIDF Profit Financing Rate Reduction Campaign will benefit many companies and I urge, especially SMEs to approach MIDF and contact its Business Advisory Unit for financial assistance to grow your business.

14. I am pleased to know that as to date, MIDF has extended further moratorium assistance to close to 160 SMEs valued at over RM354 million under its existing portfolio.

Ladies and Gentlemen,

15. Knowing the availability of the government financial assistance is not enough for business digitalisation. SMEs also often wonder where to find the technology solution providers and how to do it? This is where MTDC bridges the gap through its Centre of 9 Pillars (Co9P™) and Technoprenuer Training Academy (TENTRA) by offering a complete one-stop centre for training and solutions for technology adoption.

16. The Co9P, being a dedicated centre for Industry 4.0. will enable ACCCIM members to forge closer collaboration with the communities in Co9P and leverage on the knowledge and wide networking platform that the center offers.

17. Since its establishment in 2018, Co9P has been able to develop local talents and start-up companies to scale higher by promoting them to deliver Industry 4.0 solutions that are customized to the needs of the local SMEs. There are now more than 20 solutions readily available to be offered to the industry, in particular ACCCIM members.

18. MTDC's Co9P does not only provide local and customised i4.0 solutions, but also offers various types of trainings related to the 9 pillars of Industry 4.0. such as trainings on Robotics and Robot Operating Systems, Autonomous Moving Robots, 3D Printing, Drone and IoT and Machine Retrofitting for the industry, in particular ACCCIM members.

19. Besides Co9P, ACCCIM members will have the opportunity to be trained by MTDC's Technopreneur Training Academy, TENTRA. Having trained more than 10,000 participants in 2020 consisting of graduates, students, entrepreneurs, policymakers, practitioners, researchers, ACCCIM members may partake in the various soft skill programs and contribute to achieving TENTRA's target of training a further 12,000 participants in 2021.

20. ACCCIM as an organization will be part of the growing list of agencies and ministries such as Ministry of Higher Education (MOHE), Ministry of Entrepreneur Development and Cooperatives (MEDAC) as well as Ministry of International Trade & Industry (MITI) trained by TENTRA.

21. I would also like to take this opportunity to invite ACCCIM members to apply for the National Technology and Innovation Sandbox (NTIS) as the main funding partner is MTDC.

22. Through its wide and extensive networks, I am certain that MTDC will provide linkages to other companies in its ecosystem besides marketing and networking opportunities and technology solutions to ACCCIM members. And as mentioned earlier by Tan Sri Abd Rahman, ACCCIM members must leverage on the network and expertise from the members in MTDC's Co9P and TENTRA in order to expand the reach of our local i4.0 solution providers.

23. As such, with the financial assistance, technological knowledge and other services provided by MIDF and MTDC, we hope

that it can help SMEs to digitalise their businesses and bounce back from the impact of the pandemic.

24. It is heartening to see that in spite of the tumultuous year, Malaysia's external trade in 2020 performed fairly well with exports rebounding in the second half of 2020. Malaysia's exports maintained its positive growth for six consecutive months, registering an increase of 17.6% to RM87.57 billion in February 2021 as compared to the same month last year, suggesting a good progress towards recovery.

25. The formation of the strategic partnership between MIDF, MTDC and ACCCIM is also an effort by the government to strengthen the capacity of ACCCIM's members, SMEs and local business community in view of the signing of RCEP. I would like to urge the business community to tap on the opportunities in the RCEP especially on wide market access and integration in the global supply chain.

Ladies and Gentlemen,

On final note, I would like to congratulate MIDF, MTDC and ACCCIM on the signing ceremony today and wish you every success in your new formed partnership ahead.

Thank you.