

PERDANA LEADERSHIP FOUNDATION

SME LEADERS PROGRAMME 2022

KNOWLEDGE EXCHANGE FOR ENTREPRENEURSHIP EXCELLENCE

YBHG. DATO' SURIANI BINTI DATO' AHMAD



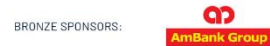
PERDANA LEADERSHIP FOUNDATION
YAYASAN KEPIMPINAN PERDANA

OPENING ADDRESS
YBhg. Dato' Suriani binti Dato' Ahmad,
Secretary General, MEDAC,
Chair, ASEAN Coordinating Committee on Micro,
Small and Medium Enterprises (ACCMSME)

DATE **25th May 2022**
TIME **8.45am**
VENUE **Perdana Leadership Foundation, Putrajaya**



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PLF SME Leaders Programme 2022: “Knowledge Exchange for Entrepreneurship Excellence”

YBhg. Dato' Suriani Binti Dato' Ahmad
Secretary-General of the Ministry of Entrepreneur Development & Cooperatives, Malaysia

Opening Address: “Business Leaders Thrive With Continuous Learning And Smart Networking”

Salutations:

Bismillahirrahmanirrahim,

YBhg. Tan Sri Azman Hashim
Chairman
Board of Trustees of Perdana Leadership Foundation;

YBhg Tan Sri Nik Mohamed Nik Yaacob
Executive Director
Perdana Leadership Foundation;

Esteemed Representatives of Affin Bank, Pernas, and AmBank;

Eminent Trustees;

Distinguished Speakers and Facilitators;

Members of the Media;

Ladies and Gentlemen;

Assalamualaikum w.b.t and warm greetings to all.

1. Alhamdulillah, let us extend our sincere gratitude to Allah S.W.T for giving us the opportunity to be here today. I wish to thank the organiser for inviting me to officiate the SME Leaders Programme “Knowledge Exchange for Entrepreneurship Excellence”.
2. We have amongst us today esteemed leaders of micro, small and medium businesses, whom I would like to especially welcome to this timely programme organised by Perdana Leadership Foundation. I believe this programme will provide industry players with a remarkable opportunity to discuss areas of common interest, share valuable experiences, strengthen various linkages and build relationships.

Ladies and gentlemen,

MSMEs Landscape

3. As you are all aware, Micro, Small and Medium enterprises (MSMEs) are the engines of growth and make diverse contributions to our country’s economic and social well-being. In Malaysia, more than 1.2 million or 97.44 percent of total businesses in various sectors are MSMEs, generating a significant number of employment at 7.2 million workers and contributing 38.2 percent to the country’s GDP.

Challenges faced by MSMEs

4. Despite being significant in number, many MSMEs still face the same common challenges in the form of:
 - i. lack of access to working capital and the inability of MSMEs to secure credit;
 - ii. poor productivity from inefficient processes in the business as well as unskilled workforce;
 - iii. low research and development expenditures;
 - iv. difficulties in adopting technological solutions; and
 - v. lack of access to global market and knowledge networks.
5. These challenges create barriers for MSMEs to grow, causing them to stagnate and in the worst-case scenario, entrepreneurs could lose everything they have worked so hard for.

COVID-19 Impact on MSMEs

6. To make matters worse, the COVID-19 pandemic has brought about compounding challenges to the Malaysian economy and exposed many weaknesses in our entrepreneurship ecosystem. MSMEs are forced to step back, reevaluate, readjust and reset the way they do businesses. Being at risk to disruption, the pandemic has caused MSMEs to suffer great losses, due to restricted movement, partial or full halt in activities and disruption of the global supply chain which brought about an economic downturn.
7. As such, MSMEs are forced to accept that this pandemic has caused changes in consumer and business cultures. The old way of doing business is no longer sufficient nor relevant. MSMEs cannot afford to be complacent, have low and outdated technology or be digitally excluded, as they risk being left behind.
8. Therefore, in order to overcome these challenges and to ensure that MSMEs recover and future-proof their businesses, they must constantly upgrade themselves in terms of skills and knowledge, embrace new technology and adapt to innovative ways of doing business for continued growth.

Prioritising New Skills and Continuous Learning

Keeping up with digitalisation

9. The Covid-19 pandemic has highlighted the importance of embracing technology and innovation for MSMEs. In the past, technology uptake amongst Malaysian MSMEs were minimal and most were satisfied operating their businesses using traditional tools and methods, being more worried about surviving and sustaining the day-to-day costs of running their business operations. In Malaysia, comparative studies show that the level of innovation of our enterprises are at par or higher compared to middle-income countries, but far below the level of high-income countries.
10. Post pandemic era, MSMEs need to face the fact that technology and digitalisation are no longer differentiators, but rather necessities, in order to remain relevant and competitive. Technology and digital adoption will help accelerate MSME development in embracing new norms in business activities, thus helping them to reduce costs, become more efficient and increase productivity.

Acquiring critical talent

11. Lack of skilled labour can be a major cause for stagnating MSME growth. Just as it is imperative for MSMEs to digitalise and innovate to stay ahead, likewise, up-to-date hard and soft skills are a key attributes for individuals to maintain a competitive edge. Encouraging continuous learning within the business establishment will further boost entrepreneurial capabilities and strengthen MSMEs participation in the economy.

Delivering on ESGs

12. Increasingly, large corporations are putting emphasis on environmental, social and governance (ESG) aspects to create more business value and ensure sustainability. Hence, I urge MSMEs to seek the opportunity to learn and emulate relevant strategies, initiatives or good practices undertaken by establishments that have been successful in inculcating sustainability principles in their own business practices.
13. This is because moving forward, MSMEs will need to seriously address the ESG aspects in their business models to meet sustainability goals, in order to remain relevant in the global value and supply chains.

Internationalizing strategically

14. Access to greater domestic and international markets provides entrepreneurs with new business opportunities and creates the potential for growth. We must acknowledge that in a globalised world, trade and commerce can go well beyond the physical geography that an MSME is located in. The government, through various G-to-G cooperation and active representation in ASEAN and APEC fora, will continue to intensify efforts to improve market access and international market opportunities for MSMEs.
15. With regional free trade agreements in effect, there are enablers in place too. Malaysian MSMEs must take advantage of the bilateral and regional agreements and cooperation that can facilitate cross-border trade, especially in ASEAN. Therefore besides focusing on technology and digitalisation, MSMEs must also ensure that they diversify import sources, export destinations and explore non-traditional markets in order to expand their business further.

Ladies and Gentlemen,

Smart Networking and Networking for Growth

16. Networking and collaborating with others is part and parcel of running a successful business. Networking with individuals and organisations provide MSMEs with support, information, insight and even opportunities for investment. Smart business

networking gives entrepreneurs the ability to collaborate with other experts to help them grow their businesses or improve their professional lives. The key to smart networking is creating value for others and helping make them more successful. For a start, I would like to encourage all entrepreneurs to network and establish contact with my Ministry, which is the Ministry of Entrepreneur Development and Cooperatives, as well as our agencies.

17. I would also like to take the opportunity to share with you today, a networking platform that can help you expand your business abroad.

ASEAN Access Match

18. In June 2021, the ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME) of which I am currently Chair, launched “**ASEAN Access**” which is a one-stop business information portal for ASEAN Small and Medium Enterprises (SMEs) with the tagline "Your Business Information Gateway to ASEAN and Beyond". This portal offers information on trade regulations, market entry, market overviews and service provider databank among others, for MSMEs intending to internationalize their business.
19. One of the key features of this platform is **ASEAN Access Match**, which is a business matching platform that aims to boost trade within and beyond the ASEAN region. I highly encourage Malaysian entrepreneurs to take advantage of the tools available within the ASEAN Access platform such as webinars and online networking activities (which are free of charge) for MSMEs in the respective ten ASEAN Member States (AMS) who wish to expand their market and trade beyond borders.
20. This platform connects enterprises across ASEAN and beyond, creating opportunities for our MSMEs to remain relevant in the global supply chain by establishing business connections from MATCH services. Activities include live market information events, 1-2-1 matchmaking meetings, and product and technologies showcasing opportunities.

Ladies and Gentlemen,

Closing

21. In closing, I believe it is important for MSMEs to equip themselves with the knowledge, skills and tools to help them recover quickly from effects of the current pandemic and to build resilience against other future forms of disruptions. As such, aside from the various forms of support provided by government, continuous learning, technological innovation and digitalisation of businesses as well as smart networking are key to growing sustainable and future-proof MSMEs.
22. Once again I thank you for inviting me to participate in this programme, and with Bismillahirrahmanirrahim, I hereby officiate the SME Leaders Programme 2022.

23. I wish you all fruitful deliberations and a successful programme.

Wabillahi Taufiq Walhidayah

Wassalamualaikum Warahmatullahi Wabarakatuh.

Thank you.