

Industry 4.0



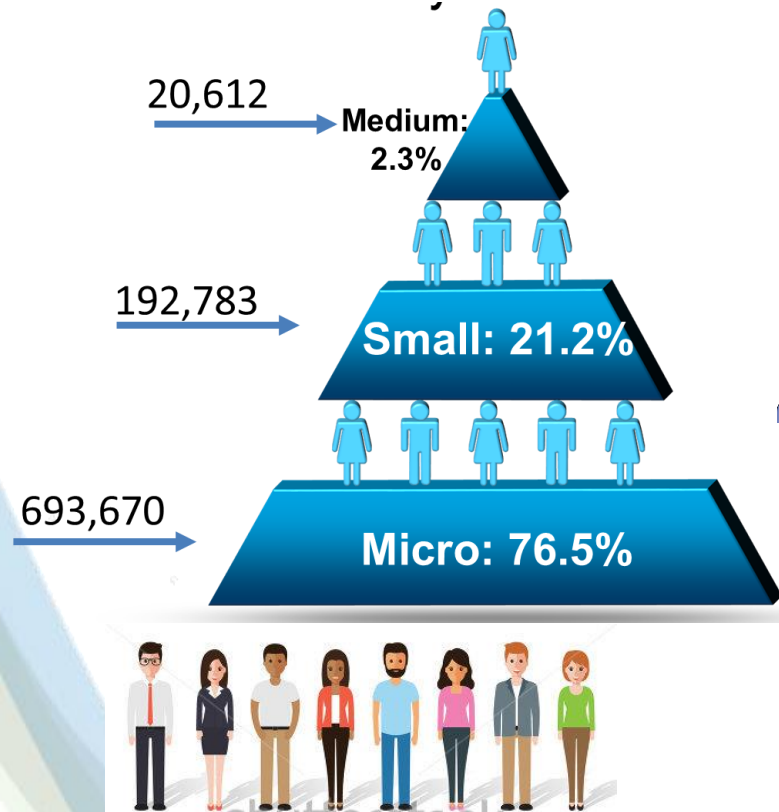
Ministry of International Trade and Industry



NEGARAKU

SMEs are the **backbone** of Malaysian Economy...

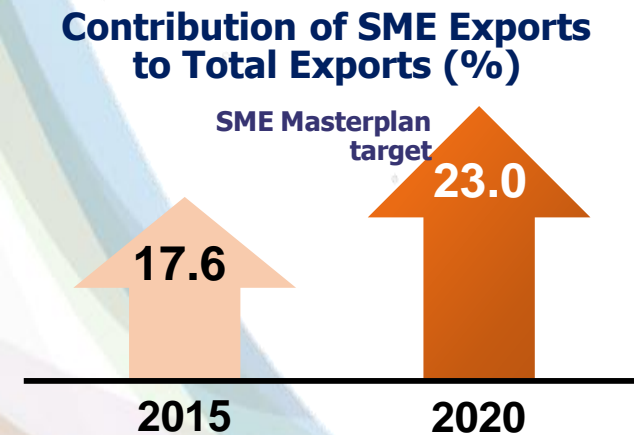
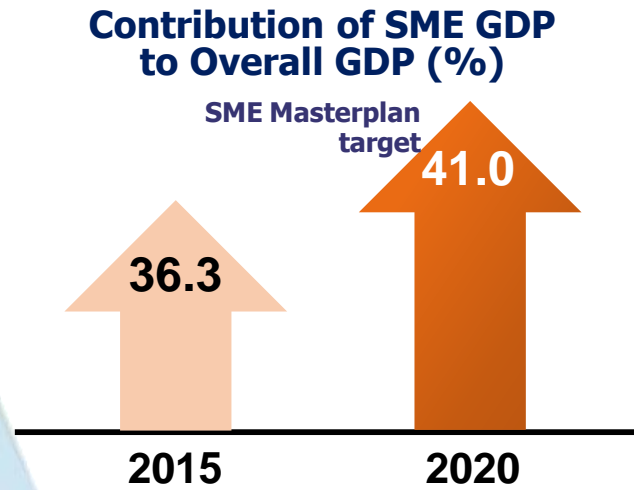
98.5% (907,065)
business establishments in
the country are SMEs



SMEs cut across **all sectors** of
the economy



Aligning SMEs with the **new trends** will accelerate SME Masterplan



New **trends** will facilitate achievement of the targets in the **SME Masterplan**



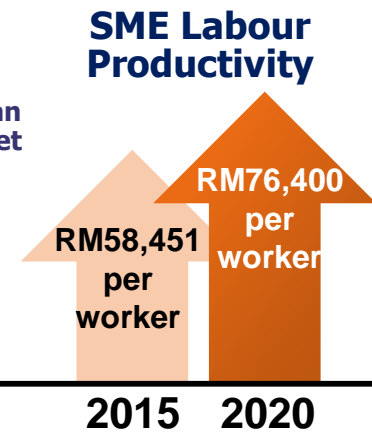
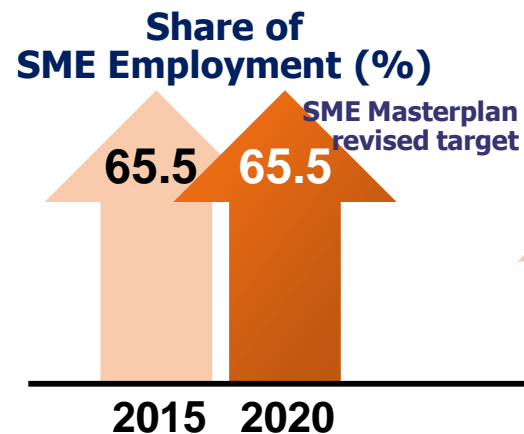
Megatrends



Industrial Revolution 4.0



E-Commerce



Global growth is projected to strengthen while Malaysia GDP growth to improve supported by domestic demand

SME Masterplan

GOALS

MACRO TARGETS

Vision

Globally competitive SMEs across all sectors that enhance wealth creation and contribute to the social well-being

SME Development Framework

Goals

Increase Business Formation

Expand number of high growth and innovative firms

Raise Productivity

Intensify formalisation

Focus Areas

Innovation & Technology

Access to Financing

Human Capital

Market Access

Legal & Regulatory Environment

Infrastructure

Action Plans

Realign with Industrial 4.0 (IR4.0)

Institutional Support

Reliable database

Monitoring & Evaluation

Effective Coordination

Effective Business Services

Increase business formation

Average per year **6%**

Increase no of high growth & innovative firms

10% a year

Raise productivity

2020: **RM76,400** per worker

Intensify formalisation

2020: **15%** of GNI

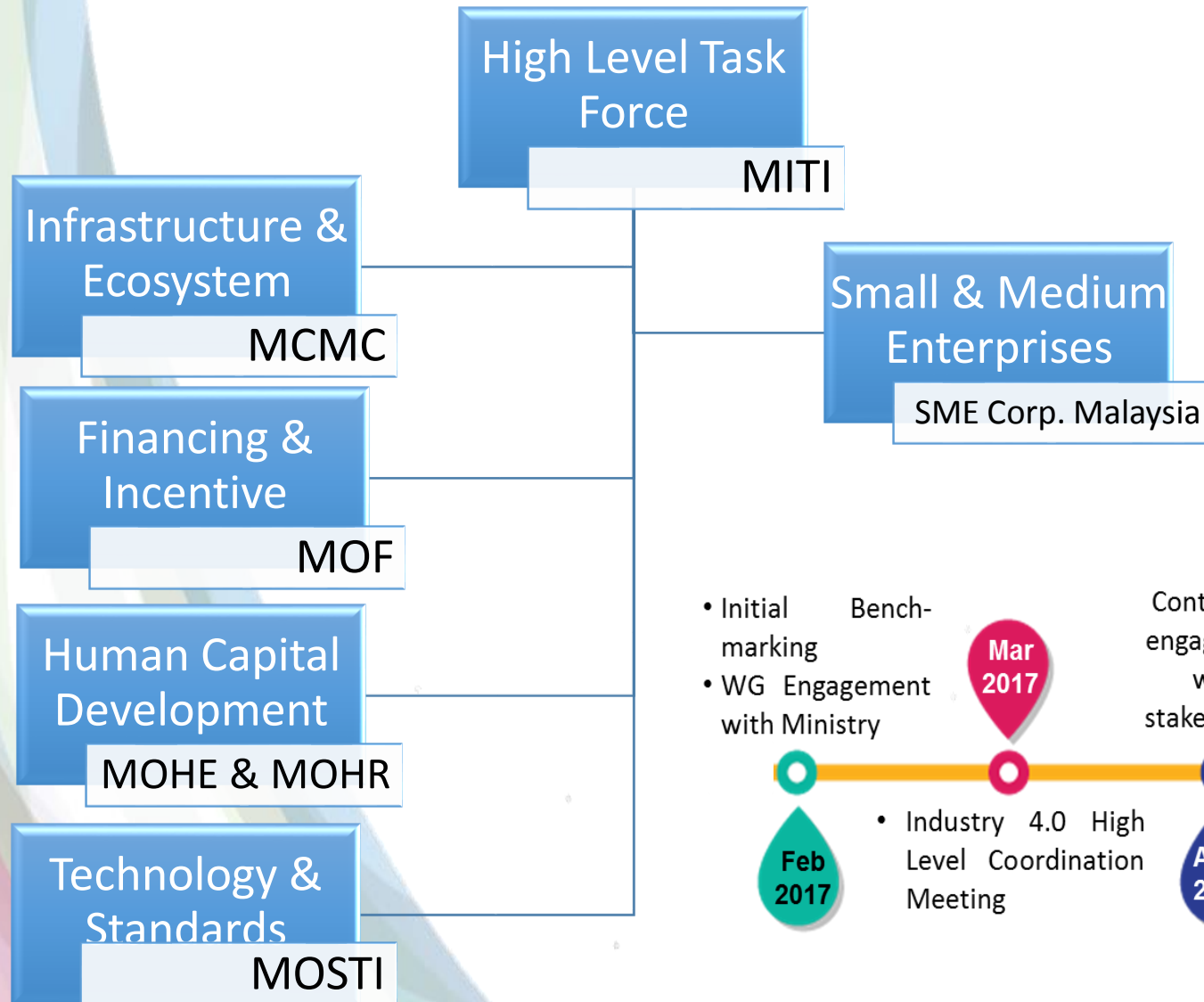
8% New SME growth path

41% GDP Contribution

65% Employment

23% Export

National Policy Framework for Industry 4.0



- FMM
- MIDA
- MATRADE
- PSDC
- MDEC
- MAI
- Nano Malaysia
- And many more..



- ① **Develop a comprehensive National level strategy on Industry 4.0 via NBOS principle**
- ② **Improve telecommunication infrastructure & ecosystem**
- ③ **Provide targeted funding and incentives particularly for SMEs**
- ④ **Ensure adequate supply of human capital and skills**
- ⑤ **Facilitate development of standards and technology supply**
- ⑥ **Increase overall awareness on Industry 4.0**



Business Accelerator Program (BAP 2.0)





THRESHOLD

- **Manufacturing:** Sales turnover \leq RM50 million (USD12 mil) OR full-time employees \leq 200 workers
- **Services & other sectors:** Sales turnover \leq RM20 million (USD5 mil) OR full-time employees \leq 75 workers



REGISTRATION

- **Locally incorporated** under Companies Act 1965; or
- Registered under Registration of Business Act (1956) or LLP Act 2012; or
- **Registered** under authorities or district offices in Sabah and Sarawak; or
- Registered under statutory bodies for professional service providers.



EQUITY STRUCTURE

- **Not public-listed** in main board in Malaysia or other countries.
- **Not a subsidiary** of large firms, MNCs, GLCs, Ministry of Finance Incorporated and State-owned enterprises.
- Not a subsidiary of public-listed company in main board in Malaysia or other countries.

Business Accelerator Program

- Business Accelerator Programme (BAP) 2.0 is an **integrated assistance programme** to **enhance capabilities** of small and medium enterprises (SMEs) **through business advisory and financial support.**
- The Programme supports a wide range of capacity building initiatives to assist SMEs to grow their businesses locally and abroad.

Incentives

FINANCING

Two types of financing available under the Business Accelerator Programme (BAP) :

- 1. Matching Assistance**
- 2. Soft Loan**



1 Business Registration

- Companies Commission of Malaysia either under the Registration of Business Act (1965) or Registration of Company Act (1965) or Limited Liability Partnerships (LLP) Act 2012; or
- Respective authorities or district offices in Sabah and Sarawak; or
- Respective statutory bodies for professional service providers
- **Within the definition of SMEs**

2 Equity

- **60% equity held by Malaysians**

3 License

- **Have a valid business license from the local authority**
- **Registered with the Professional Bodies (For Professional Services)**
- **Business license from the relevant authorities**

4 Other Criteria

- **Has been in operation for at least 6 months**
- **Committed to undergo SCORE within 3 months from the date approval**

Business Accelerator Programme 2.0 (BAP 2.0)



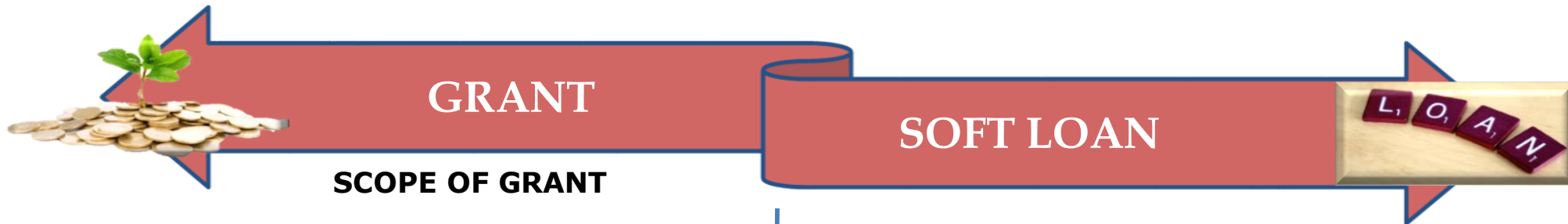
Enhance capabilities of SMEs through business advisory & support



Programme supports a wide range of capacity building initiatives



Two types of financing available namely Grant & Soft Loan



SCOPE OF GRANT

SCOPE OF FINANCING

- **50%** of total approved cost
- Eligibility is based on single business entity
- Tenure: up to 12 months

- Certification & Quality Management System
- Packaging
- **Productivity & Automation**
- Branding & Promotion
- **Innovation & Product Development**
- **Purchase of Machinery**
- Online apps, E-Commerce & ICT apps and **Software (inc Subscription based)**

FINANCING LIMIT

- SME Bank : RM50k – RM1 mil
- MIDF : RM50K – RM5mil
- Up to 90% margin of financing
- Interest rate at 4%
- Tenure up to 10 years

- **Purchase of machineries & equipment**
- Working capital

SCOPE OF FINANCING

SME Bank

In collaboration with



- Diagnostic tool to assess performance and capabilities which is used to rate and enhance competitive-ness of SMEs.
- Developed in August 2007.

What is SCORE?

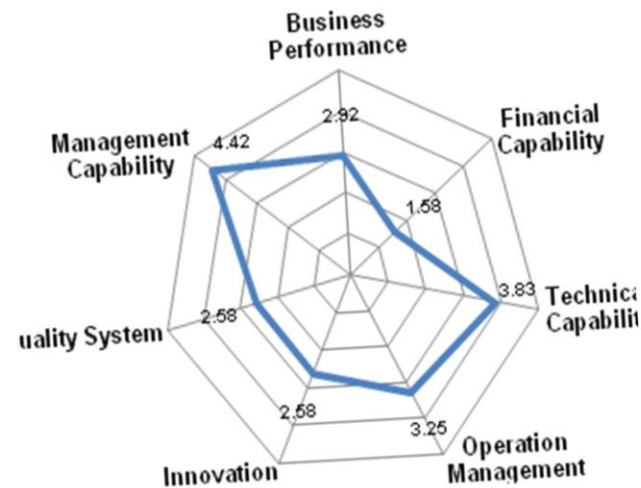
Radar Diagram with 7 Parameters

- Identify strengths and weaknesses for improvements.
- Selection criteria for potential business linkages.

Functions

- 0 – 2 : Very basic business operation
- 3 – 5 : Competitive and export-ready

Characteristics



Analysis:

Weak in financial capability

Assistance:

Requires training in financial management & improvement in quality management





Business Advisory Services (BAS)



INFOLINE
1-300-30-6000



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