



Budget 2023 wishlist : SMEs call for more automation and digitalisation grants

KUALA LUMPUR, Sept 19 (Bernama) -- Small and medium enterprises (SMEs) are hoping that the government will increase grants and facilities for automation and digitalisation in Budget 2023 to help them transition to Industrial Revolution 4.0 (IR 4.0) and rebound from the pandemic.

Datuk William Ng, chairman of the Small and Medium Enterprises Association of Malaysia (Samenta), said a cohesive and structured approach is needed to support SMEs in automation and digitalisation, and the provision of grants will help empower their business post-pandemic.

"We hope the government will increase grants for automation and digitalisation via agencies like Malaysia Digital Economy Corporation (MDEC) and SME Corp.

"Matching grants are needed to engage expertise and mentors to guide SMEs through the implementation process," he told Bernama.

Ding Hong Sing, the national president of the SME Association of Malaysia, agrees, saying that SMEs need very high-tech machinery for automation and digitalisation in order to expand and do well in the business.

"The automation facility is important to replace the shortage of foreign workers, especially in the 3D sector (dirty, dangerous, and difficult).

"Usually they need at least RM5 million financing depending on the type of machine and we propose the government to provide 100 per cent financing facility with zero interest for a tenure of eight to 10 years," he said, noting that SMEs only get up to 90 per cent financing facility with 3.5-4 per cent interest.

In Budget 2022, the government had allocated RM100 million in smart automation matching grants to 200 manufacturing and service companies while there were financing facilities provided by banks, namely the SME automation and digitalisation facility.

He said there should also be a focus on measures to ease the cash flow of SMEs when tabling the upcoming Budget 2023.

"SMEs are still facing very tight cashflow and I think the idea is to provide more financing assistance with lower interest to lessen their burden," he said.

Recently, Prime Minister Datuk Seri Ismail Sabri Yaakob said the government will discuss the proposal to offer a moratorium to SMEs soon, while Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz said he hopes banks and Bank Negara Malaysia (BNM) will continue to support SMEs that are genuinely facing difficulties.

According to the **Department of Statistics Malaysia**, SMEs' gross domestic product (GDP) growth expanded by 1 per cent in 2021, slower than Malaysia's GDP growth of 3.1 per cent. The contribution of SMEs to GDP declined to 37.4 per cent from 38.1 per cent in 2020.

Budget 2023 will be tabled in Parliament on Oct 7, 2022.

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