



*PROMOTING WOMEN-OWNED MICRO ENTERPRISES (MEs)
AND SMALL AND MEDIUM ENTERPRISES (SMEs):
“AN EFFECTIVE MEASURE FOR POVERTY
ERADICATION AND SUSTAINABLE DEVELOPMENT”*

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Outline of Presentation

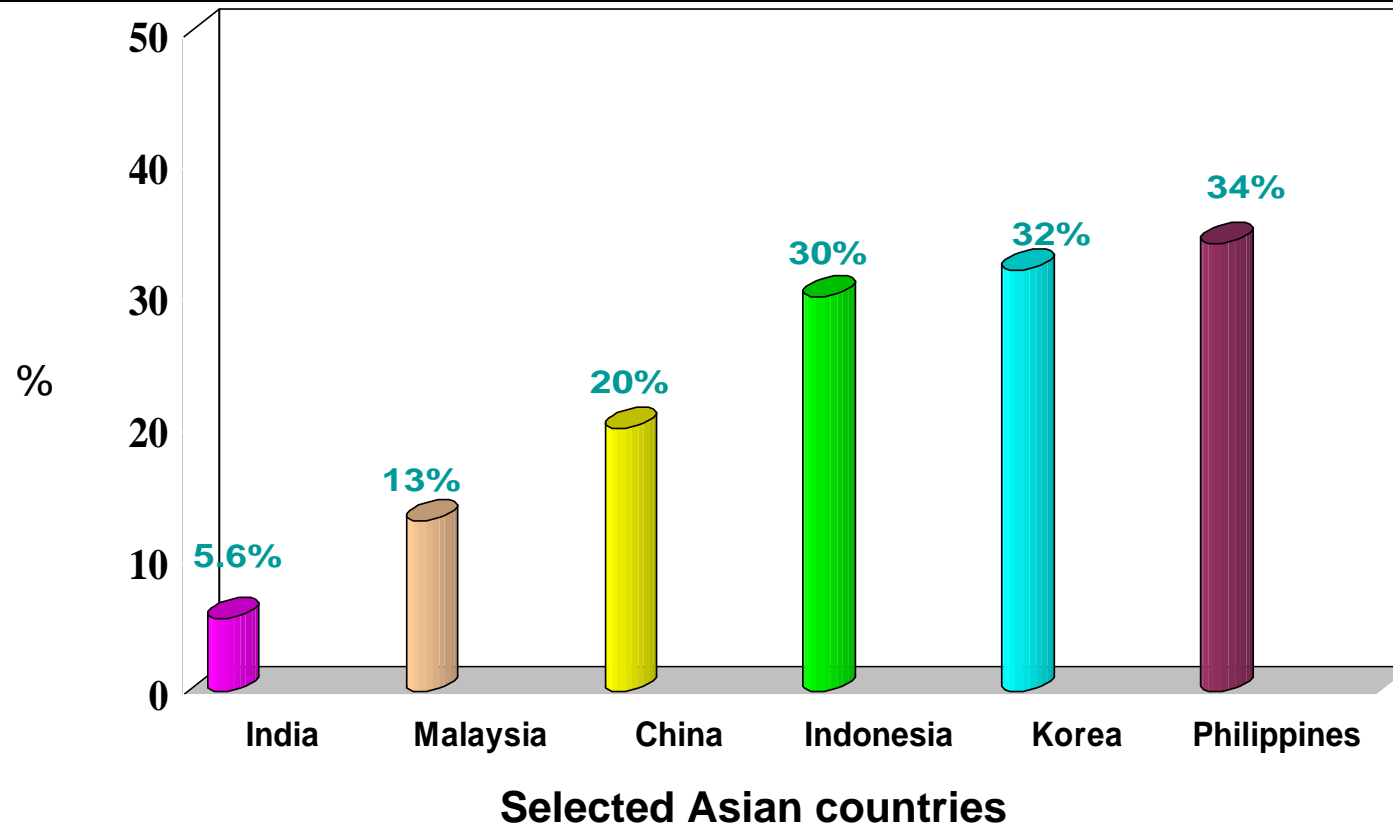
- **Introduction**
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INTRODUCTION

ROLE OF IMPORTANCE OF MEs AND SMEs AND WOMEN INVOLVEMENT

- **Micro enterprises (MEs) and small and medium enterprises (SMEs) play a pivotal role in almost all economies in the world**
- **Comprising more than 99% of total establishments**
- **Major contributor to output, value-added, and employment such as services, manufacturing, tourism, and agriculture**
- **MEs serves as an effective platform for poverty eradication**
- **SMEs as a key source for sustainable growth**
- **Women entrepreneurs becoming more prominent and making impact**

STATISTICS OF WOMEN ENTREPRENEURS IN SMEs IN SELECTED ASIAN COUNTRIES



*Source: Women Entrepreneurs in SMEs in selected Asian countries , 1999
Office of the Development Commissioner Small Scale Industries,
Ministry of SSI, India (Sample Survey 1999 – 2000)*

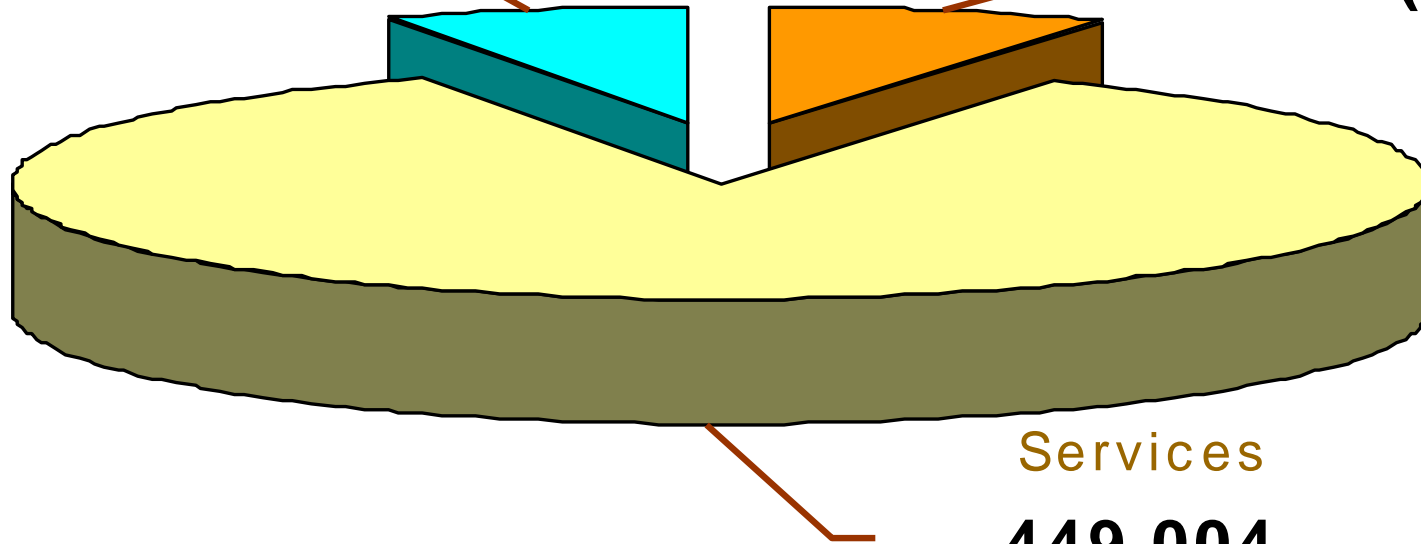
DISTRIBUTION OF SMEs BY SECTOR

Agriculture

32,126
(6.2%)

Manufacturing

37,866
(7.3%)



Services
449,004
(86.5%)

TOTAL SMEs : 518,996

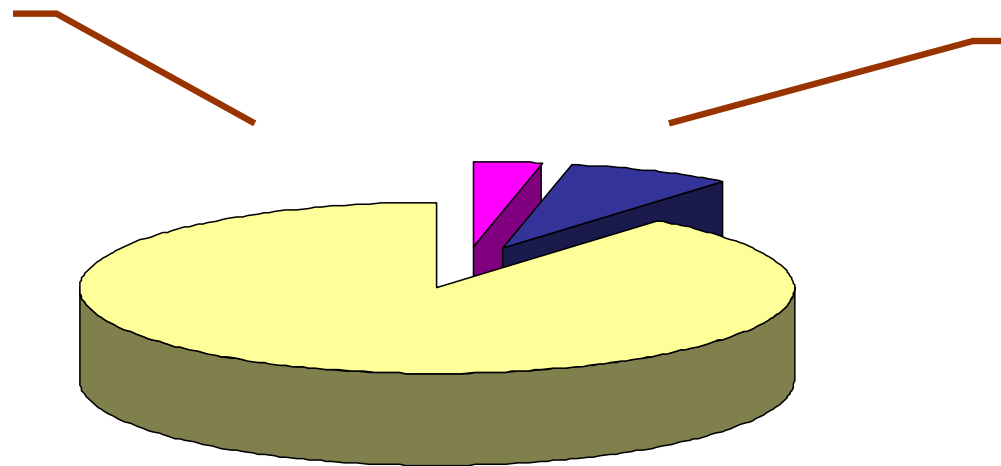
DISTRIBUTION OF WOMEN-OWNED SMEs BY SECTOR

Agriculture

2,529
(3%)

Manufacturing

6,185
(7.5%)



Services

74,179
(89.5%)

TOTAL WOMEN-OWNED SMEs : 82,893

MALAYSIA'S EXPERIENCE

- **Potential of women entrepreneurs as:**
 - **an instrument to eradicate poverty**
 - **a source for sustainable economic growth**
- **The Malaysian government is focusing on promoting the participation of more women in business and entrepreneurships in traditional and non-traditional areas**
- **The women development agenda featured strongly in:**
 - **8MP (Eight Malaysia Plan - 2001-2005)**
 - **9MP (Ninth Malaysia Plan -2006-2010)**
 - **IMP3 (Industrial master Plan – 2006-2020)**

8TH MALAYSIA PLAN

- Women continued to make tangible contributions towards social and economic development
- Female labor force participation rate increased:
 - 2000 - 44.7%
 - 2005 - 45.7%
- Women employed:
 - 2000-3.3 million
 - 2005-3.9 million
- Women employed in high-paying occupations:
 - 2000 – 4.8 %
 - 2005 – 5.4 %

- Services and sales workers category:
2000 – 13.3 %
2005 – 17.7 %
- Training – 17,328 women entrepreneurs benefited from courses implemented by various agencies and ministries through more than 154 workshops with sales amounting to RM94.1 million through their involvement in agro-based food industries
- Financial Assistance –
 - More than RM720 million (USD200 million) benefited 100,785 women entrepreneurs.
 - Technology Acquisition Fund for women was established with an allocation of RM25 million (USD7 million)

9th MALAYSIA PLAN

- Efforts will be undertaken to provide enabling environment for more effective participation of women in national development.
- Address issues confronting women to enable them to realize their potential and participate affectively as partners in development.
- Legal and institutional constraints that inhibit greater participation of women in the economy will be reviewed in order to promote their involvement and further enhancement.

Definition and Coverage of Micro Enterprises (MEs)



**Manufacturing,
Manufacturing-Related
Services and Agro-
based Industry**

Sales turnover of less
than RM250,000 OR
full time employees
less than 5



**Services, Primary
Agriculture, Information
And Communication
Technology (ICT)**

Sales turnover of less
than RM200,000 OR
full time employees
less than 5

Existing Infrastructure for Micro-Enterprises in Malaysia

SUPPORT PROGRAMME

EXISTING INFRASTRUCTURE FOR MEs IN MALAYSIA

A. *Majlis Amanah Rakyat (MARA)*

- council of trust to the Bumiputera and Credit Guarantee Corporation (CGC)
- pioneers to introduce microfinance loans

B. *Amanah Ikhtiar Malaysia (AIM)*

- objective to give out benevolent loans to finance income generating activities to the poor households and move out from the poverty group
- eradicating poverty amongst the poor households in Malaysia
- as at June 2004, these schemes benefited 554,000 borrower with loans amounting to RM1.03 billion (USD277 million)

EXISTING INFRASTRUCTURE FOR MEs IN MALAYSIA

C. *Micro Credit of Agriculture Bank of Malaysia*
- offered to small entrepreneurs in agriculture related projects in production, processing and marketing

D. *Joint Projects on Entrepreneurial Skills: Empowering Women Between United Nation Development Programme (UNDP), Malay Chambers of Commerce (MCCM) and Ministry of Entrepreneurial and Cooperative Development (MECD).*

Objective:

- To empower women by equipping them with the knowledge, tools and skills to become successful entrepreneurs

Two components of *Joint Projects on Entrepreneurial Skills* :

- i. Creating communications strategies and approaches to increase awareness, understanding and take up of microcredit and microfinance among rural and urban low income communities.
- ii. Capacity building programmes by adopting better technology, improving production and quality standards as well as effective packaging, branding and marketing strategies.

Programmes under Non-Governmental Organizations (NGOs)

- Since 2001, a sum of RM28.3 million (USD7 million) has been distributed to 235 NGOs for implementation of 577 women and family capacity building programmes
- Opportunity for low-income single mothers to participate in entrepreneurial training, ICT literacy and skills, food processing and handicraft production programmes
- As at end-June 2004, a total of RM3.3 million (USD0.9 million) was distributed to NGOs benefiting 35,000 women through various income generating programmes

Urban Poverty Programme

- **Dedicated to poor women in urban areas**
- **Special emphasis on single mothers through education and training programmes**
- **Providing easy access to financial assistance through skills enhancement programmes**

URBAN POVERTY PROGRAMMES

Name of the Programmes	Type of Activities
Inkubator Kemahiran Ibu Tunggal (I-KIT)	Skills enhancement Tailoring, handicraft, tourism, beauty therapy, business, entrepreneurship and childcare.
Program Anak Angkat	Smart partnership with private sectors where they are encourage to provide financial support for the education of children of single mothers.

Definition of SMEs



**Manufacturing,
Manufacturing-Related
Services and Agro-
based Industry**

**Companies with annual
sales turnover not
exceeding RM25 million
OR full time employees
not exceeding 150**



**Services, Primary
Agriculture, Information
And Communication
Technology (ICT)**

**Companies with annual
sales turnover not
exceeding RM5 million
OR full time employees
not exceeding 50**

**Existing Infrastructure
for Small and Medium Enterprises
in Malaysia**

Capacity Building Programmes

Benchmarking for Women Entrepreneurs

Objectives:

- **Create awareness on benchmarking and best practices through seminar and identification of Key Performance Indicators (KPIs)**
- **Measure the performance of women entrepreneurs based on the agreed KPIs through e-Benchmark system and prepare a benchmarking performance report**
- **Identify best practices and develop case studies/success stories on women entrepreneurs**

This programme is organized by SMIDEC in collaboration with National Productivity Corporation (NPC) and Federation of Women Entrepreneur Associations Malaysia (FEM)

PROGRAMMES

Agencies	Number of Women Entrepreneurs Participated	Type of Training Programmes
Yayasan Tekun Nasional (YTN)	46,000 3,000	Entrepreneurial Activities Financing
Ministry of Entrepreneur and Cooperative Development (MECD)	Not available	Business and risk management , personal development and franchise business
Malaysia External Trade Development Corporation (MATRADE)	To assist 30 women owned companies	Women Trade Outreach (WTOP) To assist women entrepreneurs to venture into export market

PROGRAMMES

Agencies	Number of Women Entrepreneurs Participated	Type of Training Programmes
National Productivity Corporation (NPC)	To assist 15 women-owned companies	Women Development Community of Practices (CoP)
<i>Majlis Amanah Rakyat</i> (MARA)	8,000 6,324 (154 training workshops)	Entrepreneurs for micro credit and upgrading business to SMEs Agriculture Entrepreneurship Development Programme/ Internet Desa and e- Industri Desa

SMIDEC'S TRAINING PROGRAMME

SKILLS UPGRADING

22 SKILLS DEVELOPMENT CENTRES APPOINTED



50% grant on training fees

ENHANCING MARKETING SKILLS OF SMEs

- Assist SMEs to enhance their employees' marketing skills through short-term courses
- Training in areas such as marketing strategies and planning, pricing, distribution, development of brand, merchandising and customer services



50% grant on training fees



Training Programmes

A. Malaysian Technical Training Programme (MTCP) for Women Entrepreneurs among Organisation of Islamic Countries (OIC)

Objectives:

Enhancing knowledge of women entrepreneurs on entrepreneurship, product development, market feasibility, product presentation and business operations

Providing a platform for discussion on the trend, prospect and challenges encountered by women entrepreneurs in business.

Through the business matching sessions, the participant garnered potential sales amounting to RM2.8 million (USD0.7 million).

Participated by 24 women entrepreneurs from OIC countries.

ii. **Networking among Women Entrepreneurs**

Annual National Convention for Women Entrepreneurs

Objectives:

- **Promoting entrepreneurship among women on Business Start-ups, Business Management, Business Strategies, Promotional Programmes and Financial Assistance Programmes**
- **Promoting networking and business alliances among women entrepreneurs and highlight business opportunities at domestic and international level.**

iii. Financial Assistance Programmes for Women Entrepreneurs

• Objectives:

- **Allow greater access to financing for women entrepreneurs**
- **Specifically package to be more flexible and accessible to women entrepreneurs**

Agencies	Women Entrepreneurs recipients	Type of Financing
Bank Simpanan Nasional	49,999	Micro Credit Scheme amounting to RM446 million (USD124 million)
Bank Pertanian Malaysia	5,600	Micro Credit Scheme
Amanah Ikhtiar Malaysia (AIM)	67,000	<i>Skim Pinjaman Ikhtiar</i>
	2,800 single mothers	<i>Skim Khas Ibu Tunggal</i>
Malaysian Technology Development Corporation (MTDC)	30 (RM15.1 million or USD 4 million has been disbursed)	Technology Acquisition Fund for Women - to improve technology and production process

SMIDEC - FINANCIAL ASSISTANCE

SME DEVELOPMENT UNDER THE 9TH MALAYSIA PLAN

- **RM2.1 billion (USD 580 M) for SME development (8MP-RM1.5 billion=USD 420 M)**
 - RM463 M= USD130 M for enhancing technology content and knowledge
 - RM220 M=USD 33M soft loan for purchase of machinery and equipment
 - venture capital financing for startups
 - funding for priority segments and new growth areas such as ICT and biotechnology
 - specific programmes to enhance entrepreneurial and technical capabilities

- **In addition**
 - RM927.5 M= USD 260 M for industrial sites
 - RM833 M= USD 230 M for business premises

- **RM1.5 billion = USD 420 M for creation of Techno-Fund**

APPROVED ALLOCATION UNDER 9TH MALAYSIA PLAN

NO.	SCHEMES	ALLOCATION (RM)	(USD)
	LOAN		
1	Soft Loan for Small & Medium Enterprises	220,000,000	61,000,000
2	Soft Loan Scheme Factory Relocation	23,000,000	64,000
3	Automation Fund	200,000,000	56,000,00
	GRANT		
1	Technology Development for SMEs	80,000,000	22,000,000
2	Business & Market Development for SMEs	85,000,000	24,000,000
3	Skill Upgrading Programme	40,000,000	11,000,000
4	SMEs Development Programme for Services Sector	15,000,000	4,100,000
	TOTAL ALLOCATION	663,000,000	178,164,000

FUTURE DIRECTION

A. Enhancing Women Participation in Business and Entrepreneurial Activities

- **Continuous development on improved financial assistance and training programmes for women entrepreneurs**
- **Enhancing the competitiveness of female-owned businesses through refinement of current programmes.**
- **Provide an enabling environment for effective participation of Malaysian women**
- **Equipping women with the necessary skills and knowledge**

FUTURE DIRECTION

B. Improvement on women employment status through:

- **Participation of women in employment by enhancing their status and well-being socially, economically and politically**
- **Equitable sharing on benefits of economic development between men and women**
- **Eliminating discriminatory practices against women employees pertaining to promotion, further training opportunities, and participation in decision-making**



THANK YOU

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