

SME Corp says only small percentage of SMEs invest in R&D due to lack of financial resources

By **S. BIRRUNTHA** - June 13, 2024 @ 3:04pm



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KUALA LUMPUR: SME Corp Malaysia today said only a small percentage of small and medium enterprises (SMEs) invest in research and development (R&D) due to limited financial resources.

SME Corp Malaysia deputy chief executive officer (policy and coordination) Mohd Rithauden Makip said SMEs view innovation and technology upgrades more as expenses than strategic investments.

He added that this mindset hinders their ability to innovate and stay competitive in the market.

Mohd Rithauden also pointed out that acquiring and retaining talent for R&D is a major challenge for SMEs.

"They often struggle to find skilled professionals capable of driving innovation within their organisations. "Collaborative efforts with external partners and agencies specialising in SME support are crucial in addressing this talent gap," he said at the panel session of Bank Negara Malaysia (BNM) Sasana Symposium 2024 here today.

On that note, Mohd Rithauden said SME Corp is committed to supporting SMEs and micro, small, and medium enterprises (MSMEs) in collaboration with various ministries and agencies, in terms of government assistance initiatives.

He stressed the need to support green energy companies in overcoming their challenges, advocating for government interventions to improve solutions and offer assistance.

Mohd Rithauden also said SME Corp will help businesses in terms of integrating them into the global value chain, linking local markets with international opportunities, and broadening their access to other global markets.

Apart from that, he said SME Corp will collaborate with industrial associations and SMEs to strategise for the upcoming 13th Malaysia Plan (13MP).

He noted that this year, a total of 270 programmes and RM15.1 billion have been allocated to bolster SME development across all sectors, encompassing market access and financial support.

He said these initiatives are facilitated by 16 ministries and more than 60 agencies.