

MEDIA RELEASE

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SC Unveils Roadmap to Catalyse MSME and MTC Access to the Capital Market

'Whole-of nation' approach targets to provide RM40 billion financing in 2028

The Securities Commission Malaysia (SC) today unveiled a 5-year Roadmap aimed at better positioning the capital market as an attractive and robust source of financing for micro, small and medium enterprises (MSME) and mid-tier companies (MTC¹).

Secretary General of Treasury Datuk Johan Mahmood Merican launched the 93-page Roadmap entitled "*Catalysing MSME And MTC Access to the Capital Market: 5-Year Roadmap (2024-2028)*" on behalf of the Finance Minister II, YB Senator Datuk Seri Amir Hamzah Azizan, at the SC today.

About 500 people, including senior officials from several ministries, government agencies, GLICs, regulators, financial institutions, capital market industry players, foreign diplomats as well as MSME and MTC, attended the event.

In his speech, YB Senator Datuk Seri Amir Hamzah highlighted the importance of MSME and MTC to the economy and emphasised the need for strategic collaboration among key stakeholders in meeting this segment's financing needs. In line with this, he announced several new initiatives to kick start the implementation of the Roadmap.

MSME and MTC are the country's engine of growth, with MSME contributing about 38.4% of Malaysia's GDP and 48.2% of total employment in 2022. There are about 8,500 MTC, accounting for around 36% of GDP and 16% of the workforce.

The Roadmap will complement and support existing national development policies, including the Madani economy framework, the 12th Malaysia Plan, the New Industrial Master Plan 2030 (NIMP 2030) and the National Energy Transition Roadmap (NETR).

It is supported by four ministries: the Ministry of Finance, Ministry of Investment, Trade and Industry, Ministry of Economy and Ministry of Entrepreneur and Cooperatives Development.

The SC Chairman, Dato' Seri Dr. Awang Adek Hussin said the release of the Roadmap reinforces the Malaysian capital market's commitment to support the financing needs of MSME as well as MTC.

¹ MTC is defined as companies with annual revenues between RM50 million to RM500 million in the manufacturing sector, and between RM20 million to RM500 million in the services and other sectors.

“The Roadmap employed a whole-of-nation approach with extensive industry engagements, workshops, studies and benchmarking.”

“In this vein, we look forward to the successful implementation of the Roadmap’s initiatives with our initial batch of key collaborators – SME Corp, MATRADE, CGC², CGC Digital and Cradle Fund. This includes mobilising listing grants and guarantees, leveraging capital market touchpoints and boosting MSME and MTC readiness,” he said.

“The spillover benefits will be manifold, both to the capital market as well as to the country,” Dato’ Seri Dr. Awang Adek added.

Based on five guiding principles, the Roadmap sets out nine cross-cutting strategies and 36 key initiatives to be undertaken over the short-, medium- and long-term.

These initiatives can broadly be categorised into three approaches which are regulatory and product innovation, market infrastructure and capacity building. The Roadmap also benefitted from the inputs of the World Bank Group being the technical advisor.

The Roadmap envisages the capital market serving the growing financial needs of these companies, potentially up to RM40 billion in 2028, complementing conventional financing avenues.

This target is about seven times current fundraising levels and represents a 46% compound annual growth rate (CAGR) rate over the next five years. In 2023, MSME and MTC raised RM6.3 billion via the capital market.

The SC is confident that the Roadmap will be a catalyst for the growth of MSME and MTC.

The soft copy of the Roadmap is now available at <https://www.sc.com.my/resources/publications-and-research/msme-roadmap>.

SECURITIES COMMISSION MALAYSIA

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About the Securities Commission Malaysia:

The Securities Commission Malaysia (SC), a statutory body reporting to the Minister of Finance, was established under the Securities Commission Act 1993. It is the sole regulatory agency for the regulation

² CGC - Credit Guarantee Corporation Malaysia Berhad



and development of capital markets. The SC has direct responsibility for supervising and monitoring the activities of market institutions, including the exchanges and clearing houses, and regulating all persons licensed under the Capital Markets and Services Act 2007. More information about the SC is available on its website at www.sc.com.my. Follow the SC on our social media channels @SecComMalaysia for more updates.