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## ***FOR IMMEDIATE RELEASE***

### **BUDGET TO BE PROUD OF! PAVING THE WAY FOR DIGITALISATION**

16 November 2020, Petaling Jaya - Budget 2021 themed focus on the Rakyat's well-being, business continuity and economic resilience sees digitalisation and technology as the opportunities for businesses to boost productivity. The budget, when implemented with the 6R approach of Resolve, Resilience, Restart, Recovery, Revitalise and Reform, will lead to a surge in business productivity.

Dato' Abdul Latif Haji Abu Seman, MPC Director General commented "COVID-19 has forced many businesses to relook at their business sustainability. 'Business as usual' no longer applies to them. To ensure business continuity, these businesses need to quickly shift to digital adoption. Digitalisation is inevitable. We have seen the welcoming impact of digitalisation in the recent months. The focus on digitalisation in Budget 2021 is a timely dose to Malaysia's economic recovery. MPC through Digital Productivity Nexus (DPN) will be assisting the Government in ensuring effective implementation of the announced budget."

Digital Productivity Nexus (DPN) as one of the nine (9) sectoral productivity nexus established under the Malaysia Productivity Blueprint (MPB) welcomes the Government's announcement on the initiatives for digital technology to boost productivity.

Dato' Wei Chuan Beng, DPN's Champion, is confident that with the allocation given to enable the adoption of digital technology and business model, the country's widespread digital transformation will be imminent. Digital Malaysia will be ready for challenges and opportunities in 2021.

DPN looks forward to the implementation of the **RM1 billion for Industrial Digitalisation Transformation** which is aimed to boost digitalisation activities. This allocation took into consideration the challenges, needs and welfare of all strata of society, industries, and businesses.

Dato' Wei also said that the **additional RM150 million for SME Digitalisation Grant Scheme** and Smart Automation Grant, will have more relaxed conditions for micro SMEs and start-ups will benefit these industry players by empowering businesses to adopt digitalisation as a necessary survival mechanism. Digitalisation is an essential component to boost productivity growth in Malaysia's long-term SME development. Highly productive economies must adapt

quickly to technological developments. This involves the willingness of SMEs to acculturate new ways of producing goods and services, resulting in innovative ways of operating business.

In terms of human resources and capital building, the **RM6.5 billion to provide access to quality education** for Bumiputera focused institutions that offer programmes such as digitalisation of TVET learning methods will assist in building a future workforce equipped with digital skills. Incentives on training and upskilling programmes will mould existing employees with the right competency to join the digital workforce.

Dato' Wei further added that it is timely for SMEs business leaders to shift mindsets, as COVID-19 crisis has upended world economies in 2020. Business leaders need to consider that digitalization of business operations will enhance the operational efficiency of their companies. The move for digitalization will lead to BIG outcomes, breakthrough performance, greater integrity of services and a force of good for all the stakeholders of the SME ecosystem.

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**About Malaysia Productivity Corporation (MPC)**

*Malaysia Productivity Corporation (MPC) is a statutory body under the Ministry of International Trade and Industry (MITI). MPC promotes productivity, quality and competitiveness to the industries and organisations in Malaysia. MPC's vision is to be the leading organisation in productivity enhancement for global competitiveness and innovation.*

**About Digital Productivity Nexus (DPN)**

*Digital Productivity Nexus (DPN) is a one-stop centre that caters to enterprises to boost productivity by increasing digitalisation and innovation and capturing growth opportunities. The Nexus' initiatives emphasise the development of a holistic ecosystem to increase adoption of technology and digitalisation and further strengthen key industry enablers.*

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