



**KEMENTERIAN PEMBANGUNAN
USAHAWAN DAN KOPERASI**
MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES

MEDIA STATEMENT

MEDAC COMMITTED TO HELP ENTREPRENEURS FACE THE CHALLENGES OF 2021

The Ministry of Entrepreneur Development and Cooperative (MEDAC) will continue to focus on assisting micro and informal traders as well as entrepreneurs affected by the COVID-19 pandemic.

YB Dato Sri Dr. Haji Wan Junaidi bin Tuanku Jaafar said, "Although there are various assistance / stimulus packages that have been channelled by the government, entrepreneurs especially those involved in the micro and informal sector are still unable to fully restore their businesses. This statement is based on the findings of a study conducted by MEDAC".

Despite the variety of incentives offered, the fact is that this group is still suffering because they do not have sufficient financial capacity. In fact, many of them do not have a business continuity plan and do not know how to apply for assistance provided by the Government.

In addition, MEDAC also found that there was a mismatch between the assistance provided by the Government and the actual needs of entrepreneurs. For example, the cost of adapting to digitalization by micro-entrepreneurs does not require an excessive amount of financing compared to what is being offered to them. The assistance provided by the Government through Commercial Banks is difficult to be utilised by most entrepreneurs, especially micro entrepreneurs.

"We need to make the necessary changes based on the current situation and needs. Be willing to change towards improving, simplifying and streamlining existing processes in ministries and agencies to become more effective, efficient and customer friendly. We need to be closer to the people so that we can understand their situation and offer help immediately", said YB. Dato Sri Dr. Haji Wan Junaidi bin Tuanku Jaafar in delivering his New Year message during the launch of MEDAC's direction for 2021 in Putrajaya today.

Acknowledging the huge implications of COVID-19 on entrepreneurs, MEDAC has developed a special Entrepreneur and Cooperative Recovery Plan to ensure the sustainability and recovery of business operations of entrepreneurs, including micro enterprises, SMEs, cooperatives, Social Entrepreneurs, start-ups and informal entrepreneurs. For the implementation of the First Phase from May to December 2020, a total of 20 programs have been implemented with an allocation of RM171 million for 12,138 beneficiaries of which 96.52% are Bumiputeras. The second phase will start in January until May 2021 with an allocation of RM17.1 million.

As of December 2020, MEDAC has also offered financial assistance to affected entrepreneurs amounting to RM1.48 billion through agencies such as SME Bank, Bank Rakyat, TEKUN Nasional and The Cooperative Commission of Malaysia (SKM) to 53,449 beneficiaries.

In line with the National Entrepreneurship Policy (DKN 2030), MEDAC has formulated a new direction in the development of holistic entrepreneurship to ensure that entrepreneurship remains a major contributor in driving the country's economic growth.

The five main approaches to the direction for 2021 is based on the concept of **FIVE E (5E)** namely **ENCULTURE, ENABLE, EMPOWER, ENERGIZE and ENGAGE**:

a) **ENCULTURE** – efforts to cultivate entrepreneurial thinking and values among new entrepreneurs who are creative, innovative, resilient and knowledge-based, especially among the youth by applying technology advancement to be more competitive in exploring domestic and international markets.

b) **ENABLE** – Seeking informal entrepreneurs as registered formal entrepreneurs.

c) **EMPOWER** – Focus on empowering Micro, Small and Medium Enterprises (PMKS) in restoring their businesses affected by the impact of COVID-19 as well as strengthen their drive to continue to thrive and be more resilient and competitive.

d) **ENERGIZE** – focusing on efforts to transform or inject new energy into the Cooperative Movement as a catalyst for the country's economic growth which is balanced, inclusive, progressive and sustainable.

e) **ENGAGE** – Enhance engagement sessions either online or face-to-face to ensure MEDAC entrepreneurship programs can be achieved and understood by society from all walks of life.

MEDAC remains committed to all efforts and plans made to help restore and enhance the confidence of all entrepreneurs at various levels to rise together to empower themselves in facing the challenges ahead.

MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES (MEDAC)

4 JANUARY 2021