

REBUILD AND EXPAND BUSINESSES

# Economist: Emphasise empowering the SMEs



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**F**OCUS has to be given towards empowering the small and medium enterprises (SMEs) ecosystem in the 2023 Budget to help entrepreneurs get back on their feet following the Covid-19 pandemic-induced economic slump.

Universiti Utara Malaysia economist Dr Irwan Shah Zainal Abidin said efforts should also be trained on empowering existing enterprises and related support institutions in the SMEs ecosystem.

He urged the government to introduce new initiatives to further assist local entrepreneurs to penetrate the international market.

"The same applies to introducing new institutions, such as a 'green bank' for SMEs, or an institution that collaborates with the Regional Comprehensive Economic Partnership (RCEP)

member countries to jointly benefit from the largest free trade agreement in the world at the moment," he added.

Irwan, who is the former director of Asean Research Institute of Banking and Finance, said the government should give due attention to resolving the labour shortage, which is deterring economic recovery.

"Wage subsidies can also be introduced, but the effect is quite limited because the issue of a labour shortage is the major issue at this point."

Irwan added that while introducing wage subsidies could be considered, its effects would be minimal due to the severe labour shortage.

He said the government should also consider targeted and focused loan moratoria to provide a



Dr Irwan Shah Zainal Abidin

safety net for struggling local SMEs.

"This time, it has to be targeted and focus on efforts to save them from bankruptcy."

"This is necessary to help those still badly affected as well as those trying to switch to new business models, such as the digital economy and export sectors," he said.

On Sept 12, Prime Minister Datuk Seri Ismail Sabri Yaakob said the government would consider a special loan moratorium for SME players still struggling to recover from the pandemic slump.

On a related matter, Irwan said pegging the ringgit at this point was inappropriate and would risk further eroding investor sentiment.

"We need to understand why the fall of the ringgit during the 1997 and 1998 crises were a dif-



A dried fish seller in Kuala Terengganu. An economist urges the government, through the 2023 Budget, to help local entrepreneurs get back on their feet following the Covid-19 pandemic-induced economic slump. PIC BY GHAZALI KODI

ferent scenario. The fundamentals of our economy today are far different from the country's economy back then," he said.

Recently, Malay Chamber of Commerce Malaysia president Dr Abd Halim Husin had urged the Finance Ministry and Bank Ne-

gara Malaysia to intervene in the ringgit's floating policy to address ringgit's depreciation.

He had urged the government to peg the ringgit by using Bank Negara's foreign currency reserves to push its value against the US dollar to 3.80.

STRATEGIC PLAN

# PDC plans a safer, progressive Penang

**GEORGE TOWN:** The Penang Development Corporation (PDC), the premier development agency for Penang, aims to spearhead socio-economic growth, create employment and improve the quality of life of its people.

Its chief executive officer, Datuk Aziz Bakar, said PDC's 5-Year Strategic Plan (2019-2023) was drawn up to ensure its own sustainability for the long-term prosperity of the state and its people.

PDC's main focus is currently on the development of Bandar Cassia, its third township, as a new growth centre.

Bandar Cassia is envisioned as a high-tech medical hub that is the focal point of medical services for Penang as well as the Indonesia-Malaysia-Thailand Growth Triangle and Asean.

Among the initiatives taken by PDC to achieve its strategic plan are:

**SMART VISION INDUSTRIAL PARK**  
Over the last five decades, Penang's economy experienced rapid growth and structured transformation due to promotion and development of the manufacturing sector.

Much of this was driven by export-oriented multinational companies,

(MNCs) including local companies located in PDC's industrial parks. PDC has successfully developed nine industrial parks comprising 2,471ha.

There are currently more than 30 MNCs at Batu Kangar Industrial Park that are estimated to provide 15,000 jobs for various sectors and levels.

PDC is also upgrading important facilities to ensure the industrial sector is able to compete at the international level.

To create an attractive and conducive ecosystem, PDC has also planned a few logistics hubs to support the growth of the industrial sector.

It will also build well-equipped foreign workers' accommodation in Bandar Cassia and Penang Science Park North with various basic facilities.

**MEDICAL HUB**

PDC plans to equip Bandar Cassia as a high-tech medical hub comprising government and private hospitals, and medical centres with international standards.

Currently, PDC has signed several memoranda of understanding with domestic and international medical industry developers, which are expected to be completed within



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**DATUK AZIZ BAKAR**  
Chief Executive Officer,  
Penang Development Corporation

the next five years.

It is also negotiating with the Health Ministry and the National Heart Institute to develop govern-

ment hospitals and a specialist centre for residents of Bandar Cassia and the northern region.

The development of this medical centre will emphasise equipment and resources needed to combat future pandemic threats.

The medical hub is expected to meet the medical needs of Bandar Cassia's population, which is expected to reach a total population of 250,000 people by 2030.

**SUSTAINABLE GREEN DEVELOPMENT**

PDC is embarking on greenery efforts to develop Bandar Cassia as an eco-city township.

It will be establishing the PDC Tree Bank as a landscape plant production centre and develop a Linear Park as a tourist attraction spot to sustain green development in Bandar Cassia.

**INTEGRATED RESIDENTIAL DEVELOPMENT**

PDC will continue the legacy of providing a better living for Penangites, especially in Bandar Cassia, which features infrastructure and basic facilities, including recreation areas such as a linear park and bicycle lanes for the public to enjoy in line with the concept of live, work, play, learn and leisure within a ra-

dus of 2.5km.

Currently, PDC has successfully developed mixed residential projects such as affordable housing and plans to develop landed properties in Bandar Cassia.

PDC will continue to introduce new components such as solar panels and high-speed Internet data to achieve Green Building Standard recognition.

To accelerate the development of Bandar Cassia, PDC has also brought business partners to participate in developing Bandar Cassia such as EcoWorld, Paramount Property Development Sdn Bhd, PE Land Sdn Bhd, Aspen Group and IKANO.

**NEW BUSINESS VENTURES**

To ensure long-term income sustainability, PDC is exploring new business ventures such as renewable energy from sources such as solar energy.

The Linear Waterfront Development, which will be an iconic development, covers an area of 60.7ha, from Queensbay to the Sultan Abdul Halim Muadzam Shah Bridge. Among the development concepts within this area include office buildings, convention centres, commercial, hotels and research and development centres.