

# SME DEVELOPMENT:

## POVERTY REDUCTION APPROACH ASEAN+3 Village Leader Exchange Programme (VLEP)

Mr. Abu Bakar Md Nor  
Mr. Md Nazori Hashim  
Mr. Adam Mohd  
Mr. Rizikin Annuar

**Disclaimer:**

The views expressed in this document are those of the author, and do not necessarily reflect the views and policies of the Asian Development Bank (ADB), its Board of Directors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this document, and accept no responsibility for any consequence of their use. By making any designation or reference to a particular territory or geographical area, or by using the term "country" in this document, ADB does not intend to make any judgments as to the legal or other status of any territory or area.



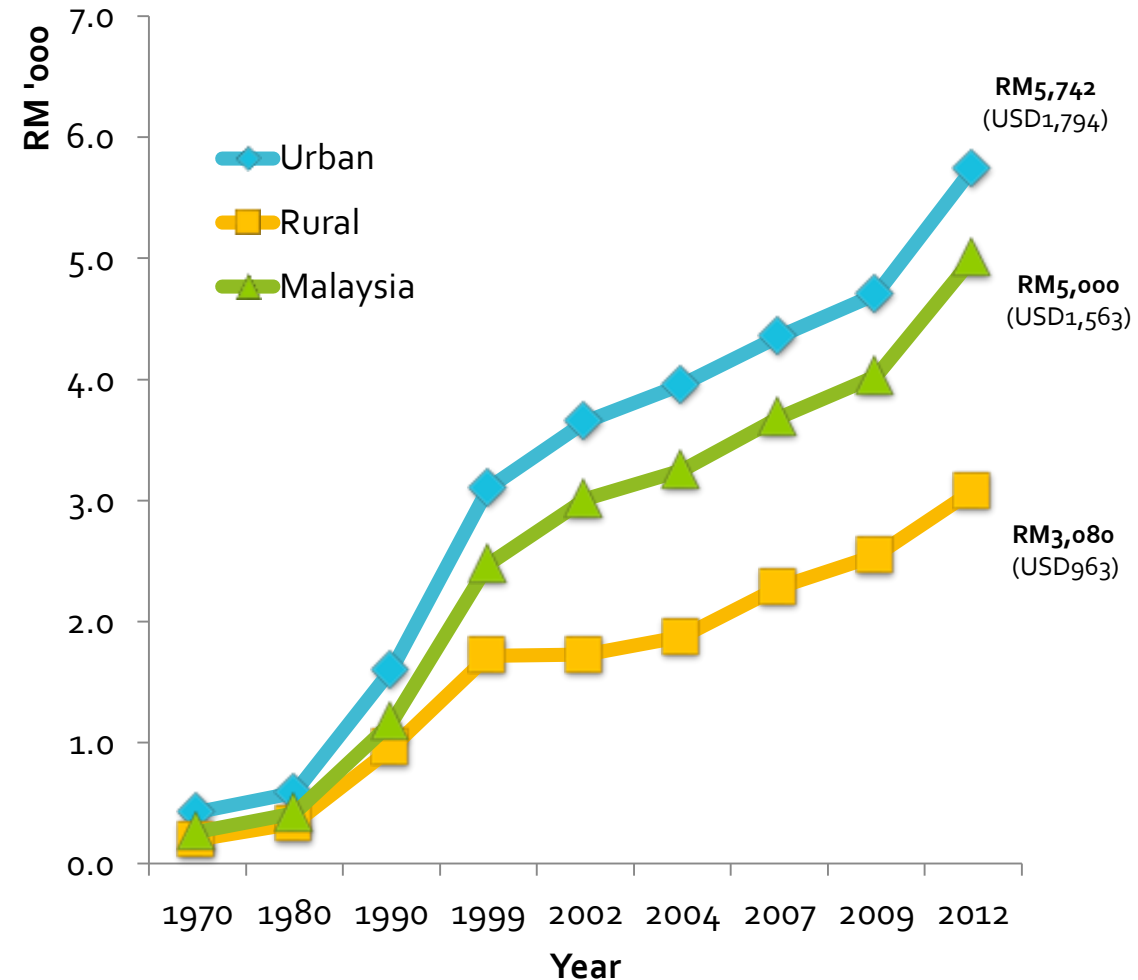
How does Malaysia define its rural area?

An area of less than 10,000 residents outside of local authority zones

Malaysia's rural area comprises of **70%** of its total size (231,180km<sup>2</sup> / 23 mil ha) including agriculture areas, forests, villages, coastal areas and islands

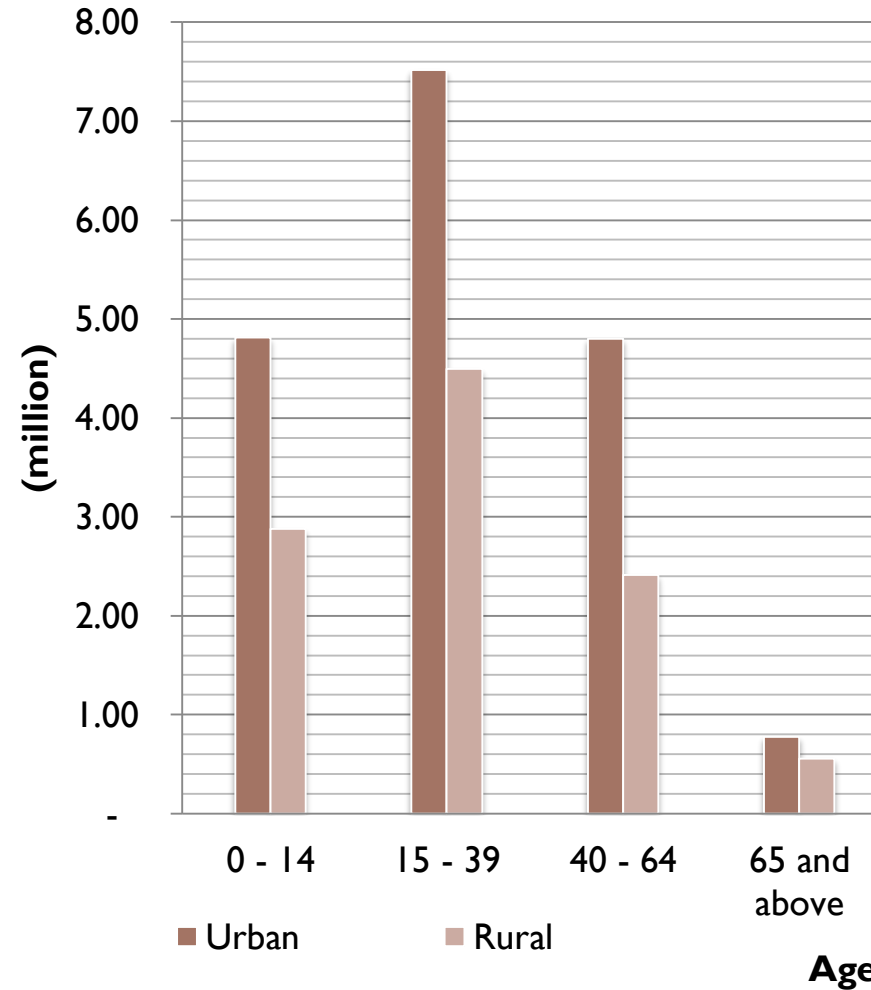
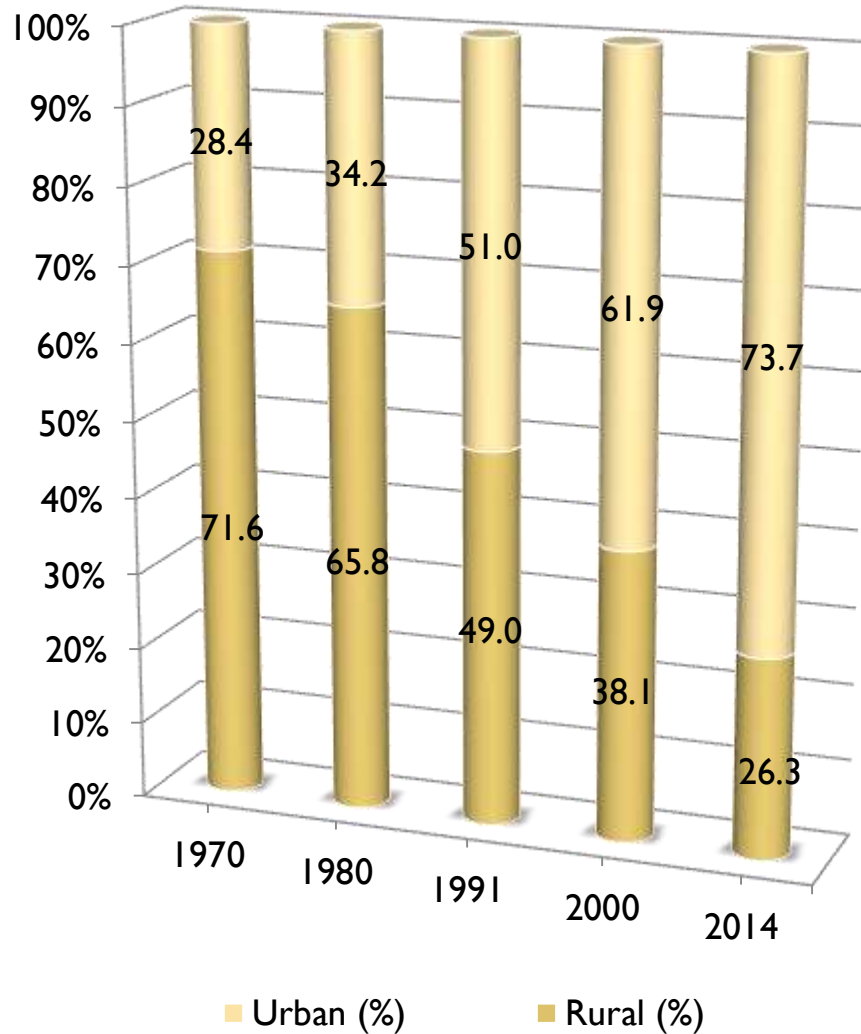
Source: DOS, JPBD

Average household income has significantly increased from 1970s, whilst the income disparity between urban and rural population now stands at approx 1.86:1



Percentage of rural population has been decreasing since 1970, from 71.6% to only 26.3% of Malaysia's total population

Age demographic shows the biggest group is between 15 – 39 years old, similar between rural and urban population



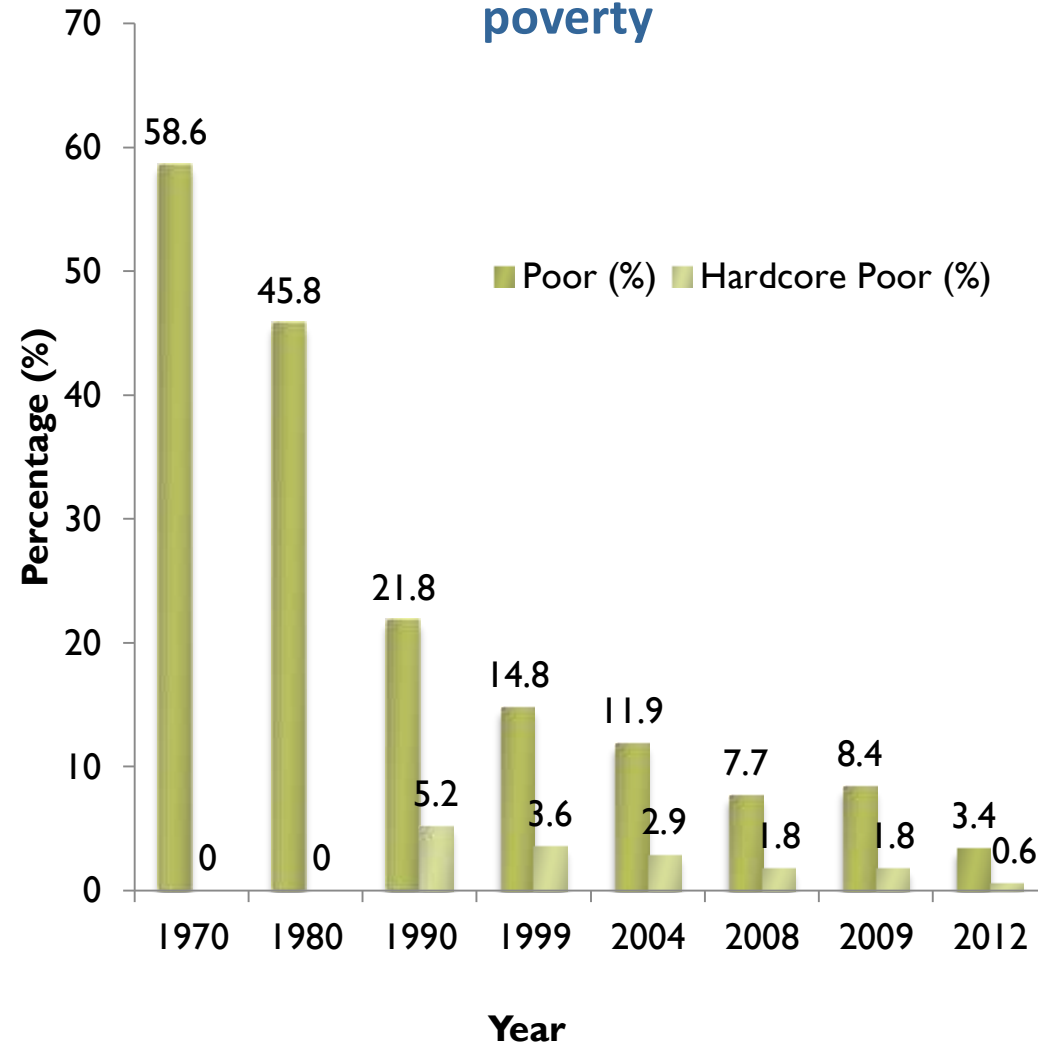
## Malaysia Poverty Line Index for a 5 member household is separated into 3 categories according to territories

Since 1970s, Malaysia's incidence of poverty at rural area has been on the decline, wherein the focus has now shifted to pockets of poverty

Territory	Poverty		Hardcore Poverty	
	USD	RM	USD	RM
Peninsular	259	1,010	163	635
Urban	263	1,025	159	620
<b>Rural</b>	<b>247</b>	<b>963</b>	<b>166</b>	<b>647</b>
Sabah	341	1,329	206	803
Urban	338	1,318	197	768
<b>Rural</b>	<b>350</b>	<b>1,365</b>	<b>222</b>	<b>865</b>
Sarawak	288	1,123	188	733
Urban	300	1,170	197	768
<b>Rural</b>	<b>272</b>	<b>1,060</b>	<b>178</b>	<b>694</b>

Exchange Rate: USD1 = RM3.90

Source: DOS, EPU





# NBOS

## NATIONAL BLUE OCEAN STRATEGY

- Focus on rapidly delivery high impact on both capital and people economies
- A unique and dynamic national strategy platform which bring together ministry, agencies, all level of government and the private sector on voluntary basic to develop initiatives are high impact, low cost and rapidly executed





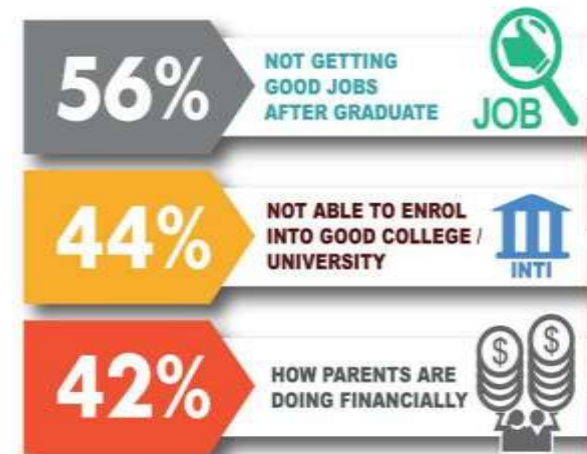
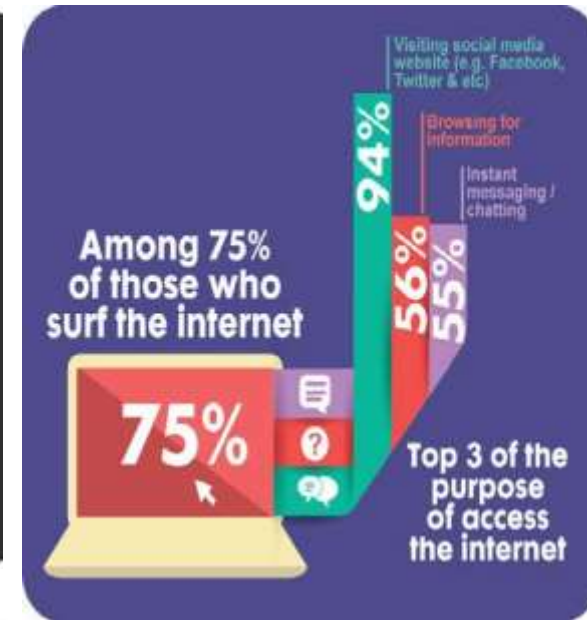
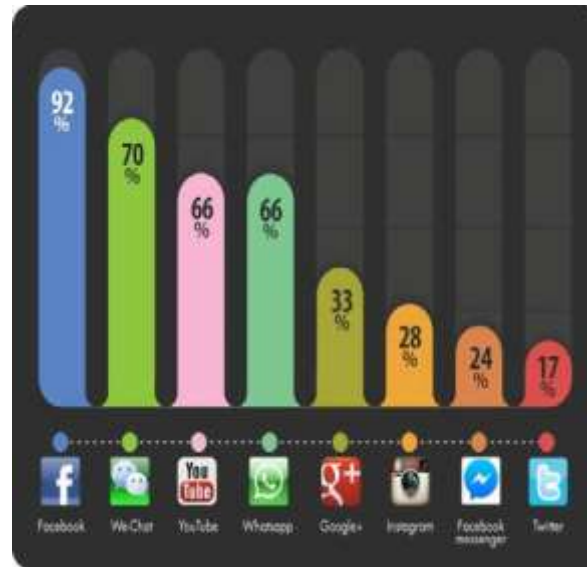
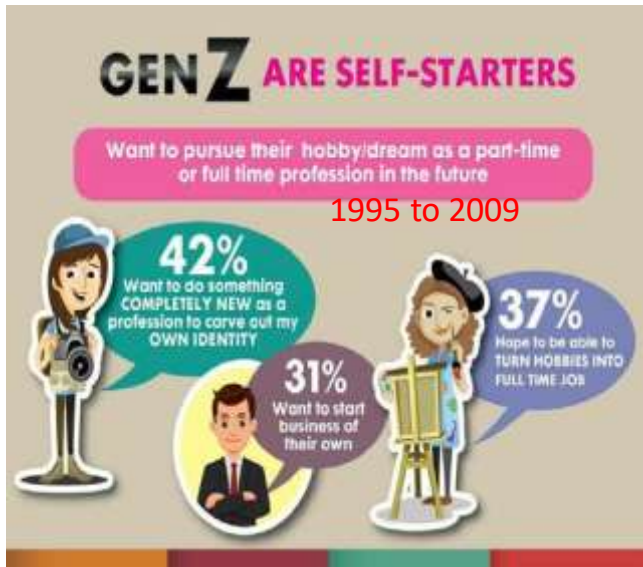
*Empowering  
Innovation &  
Entrepreneurship*

## **NURTURING SMALL INDUSTRIES AND RURAL ENTREPRENEURS IN PRACTICES**





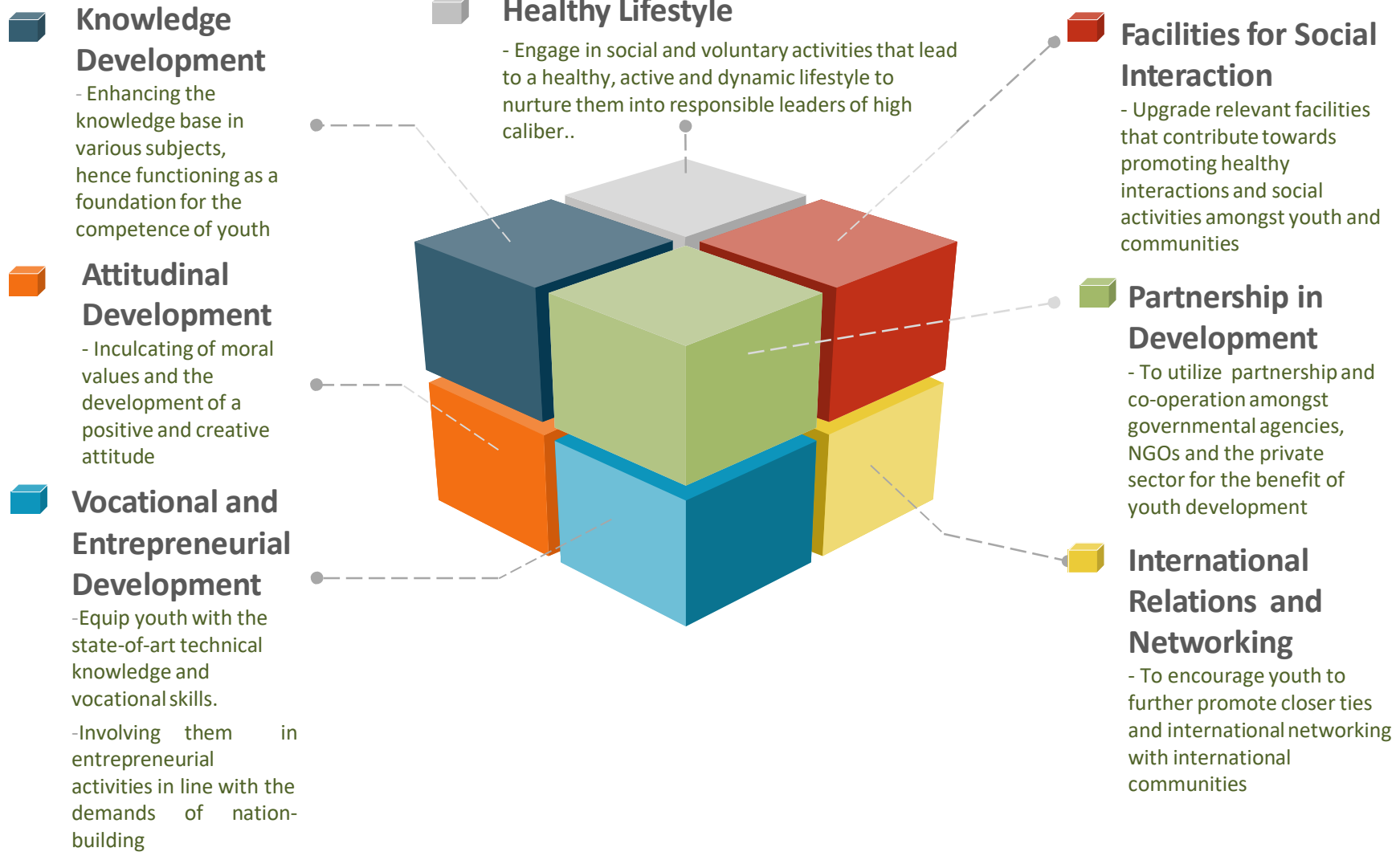
# OUR FOCUS SME



Source: Annabelle Ong (2015)



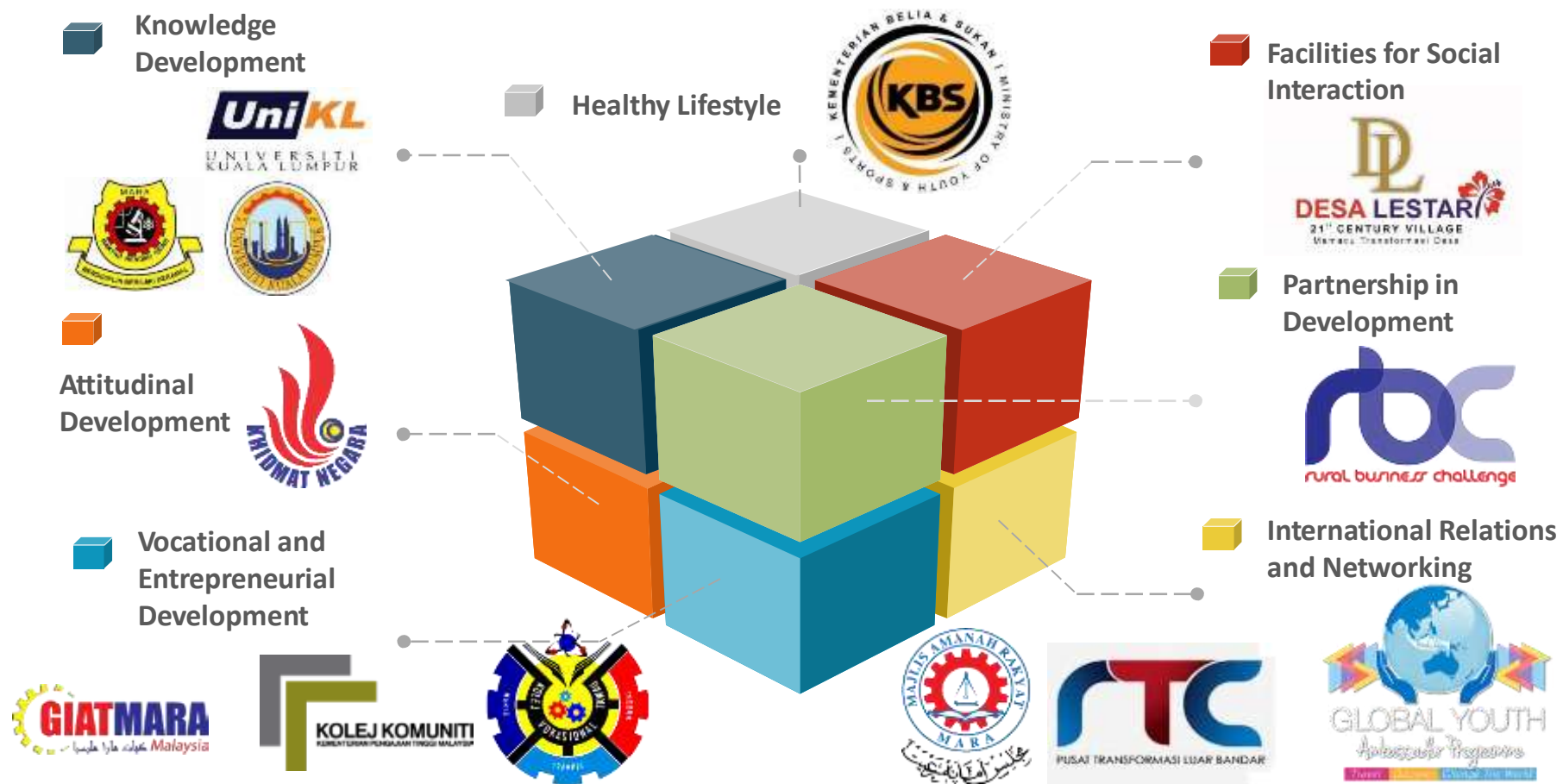
# STRATEGIC THRUSTS







# PROGRAM SME





## PROGRAMS AND INITIATIVES FOR SME

- Business Advisory Services @ORC
- Branding & Packaging Mobile Gallery
- Access to Financing
- Human Capital Development
- Infrastructure
- Innovation & Technology Adoption
- Market Access



## CHALLENGES IN FUTURE DEVELOPMENT

- ❑ Less Job Opportunity because to many postgraduate (urban & rural)
- ❑ Land Owner (Rural Community) is minority
- ❑ Foreign Migration

THANK YOU

