



PRESS RELEASE

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**CGC Recognises Financial Partners and SME Customers
at its 26th FI/DFI & SME Awards 2020**

KELANA JAYA, 10 November 2021 – Credit Guarantee Corporation Malaysia Berhad (CGC) held its 26th FI/DFI & SME Awards 2020 virtually today. The awards ceremony was officiated by Yang Berhormat Senator Tengku Datuk Seri Utama Zafrul bin Tengku Abdul Aziz, Minister of Finance, and attended by senior management of Financial Institutions (FIs) and Development Financial Institutions (DFIs).

The annual awards ceremony recognises CGC's exemplary Micro, Small and Medium Enterprises (MSME) customers with excellent credit track records and business success. FIs and DFIs, being CGC's strategic partners, were also recognised for their significant role in providing a valuable contribution towards MSME financing and development in Malaysia.

CGC presented **31 awards** consisting of 13 awards for leading FIs and DFIs and 18 awards for SMEs, which includes 9 Special Merdeka Awards at the virtual ceremony.

For the SME category, the following awards were presented to the deserving winners:

1. **TPUB-i Exemplary Customer Award** for CGC Tabung Projek Usahawan Bumiputera-i (TPUB-i) customers with the highest number of contracts completed.
2. **Top Rebate Customer Award** is given to SMEs who have been exemplary in managing their financing and prompt in meeting their financial obligations.



3. **Top Graduate Customer Award** recognises SMEs whose credit standings have improved and are now able to secure financing from FIs on their own without guarantees from CGC.

For the FIs and DFIs category, 13 awards were given away to recognise CGC's outstanding partners for their commitment and support in providing MSMEs not only with better access to financing but also in assisting its MSMEs to recover their businesses, making their businesses more resilient, and implementing digitalisation.

This year, CGC has a special category, the **Merdeka Awards** which recognises its MSME customers with multi-racial partners, reflecting the strength of Malaysia's diversity and unity.

Tengku Zafrul in his Special Message pointed out the importance of entrepreneurship. "It is for this reason that our policies in Budget 2022 are aimed at creating the right ecosystem for MSMEs to thrive – not only in terms of financing but also from initiatives that support, for example, the development of Technical and Vocational Education and Training (or TVET) skills. In Budget 2022, we have set aside 6.6 billion ringgits for TVET alone. Even our allocations for sectors such as tourism, agro-industry, and the creative industries are centered on nurturing entrepreneurship."

In addition, Tengku Zafrul also emphasised the need to create an enabling environment for enterprises and small businesses to thrive. He said, "This includes digital capacity building, for which the SME Digitalisation Grant Scheme has been allocated 200 million Ringgit in Budget 2022; as well as financing guarantees under CGC and the Business Financing Guarantee Scheme (or SJPP). Under Budget 2022, CGC is to be enhanced through guarantees for scheduled and restructured financing with an additional guarantee limit of RM10 billion."

CGC Chairman Dato' Mohammed Hussein in his welcome speech, highlighted that new growth sectors for MSMEs will emerge, such as the gig economy, under the National Recovery Plan, and CGC and the FIs must enhance their operational readiness to



support them. He said, “One particular skill gap that we, and maybe some FIs as well, need to work on is in respect of the gig economy i.e. how good are we in supporting the gig economy – in terms of evaluating new proposals and in offering financial products which meet their needs? Whilst some FIs are further ahead in the learning curve than others, I think it is fair to say that there is still some learning to do. But going forward, the gig economy will be a major growth sector, especially for the younger entrepreneurs. So, we have to be able to do this well, otherwise not only would we miss out on the growth but we could see some loss of brainpower if the budding entrepreneurs in this sector feel that they are not able to obtain funding for their ventures because the financial sector doesn’t fully understand how to evaluate the gig economy.”

In addition, Dato’ Mohammed Hussein shared the philosophy behind the Merdeka Awards for SMEs. He said that the clear lesson from the Covid-19 pandemic is that businesses must strive to be resilient. In recent months, the Government and particularly the Minister of Finance has been emphasising this message, particularly to the Bumiputera companies. CGC believes the key to building resilience is not only having a sound and viable business model but the partners must also be competent in managing the key aspects of their business. And competency can only be acquired by way of experience through active participation.

“Focusing on joint ventures between the races, what we are trying to do is to recognise and encourage more substantive and active partnerships between the various races, in the supply chain. **Bumiputera participation based on equity-sharing alone, even if majority-owned, will not be sustainable in the long term unless it is backed by competency.** I emphasise the word ‘trying’ because our efforts and strategies are still very much work in progress,” said Dato’ Mohammed Hussein.

CGC remains focused on its role of assisting viable MSMEs in gaining access to financing with the financial inclusion agenda remaining a top priority. As a financial institution committed to promoting the development of MSMEs, CGC will continue to support its MSMEs in their recovery phase and subsequent phases of reinventing their business model as they adjust to the new normal.



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ABOUT CGC

Credit Guarantee Corporation Malaysia Berhad (CGC) was established on 5 July 1972. It is 78.65% owned by Bank Negara Malaysia and 21.35% by the commercial banks in Malaysia. CGC aims to assist Micro, Small and Medium-Sized Enterprises (MSMEs) with inadequate or without collateral and track record to obtain credit facilities from financial institutions by providing guarantee cover on such facilities. CGC has availed over 491,000 guarantees and financing to MSMEs valued over RM82 billion since its establishment.

On 9 February 2018, CGC introduced imSME, Malaysia's first SME online financing/loan referral platform. The imSME serves as an alternative channel for MSMEs to source for financing products, saving them both the time and the hassle of going through time-consuming processes. From the time of its inception to the end of September 2021, the imSME portal had received more than 2.1 million visits with more than 47,000 registered MSMEs under the portal. In August 2020, imSME won "The Asset Triple A Islamic Finance Awards for Best Digital Banking Solution", a recognition of its innovative solution to provide MSMEs with convenient online access to apply for financing products, anywhere, anytime.

For more information, please visit www.cgc.com.my and www.imsme.com.my

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