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UNIVERSITI
TEKNOLOGI
MARA

Vol. 5

BULETIN FPN S3

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UITM CAWANGAN NEGERI SEMBILAN KAMPUS SEREMBAN



EVERY JOURNEY HAS
ITS OWN BEGINNING

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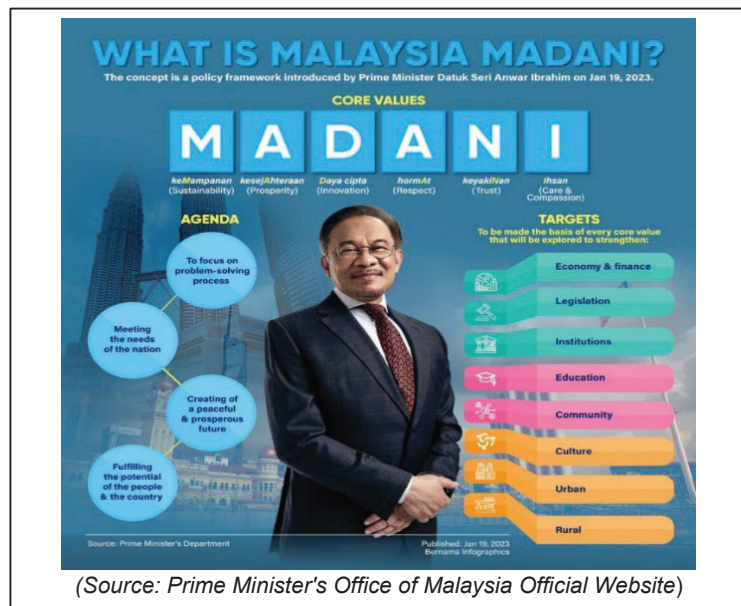
Madani Concept and Its Sustainability Initiatives for MSMEs

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Madani concept

MADANI concept was officially introduced by Anwar on 19 January 2023. MADANI is not an everyday word used by Malaysians and the word itself is Arabic. What is the new slogan “Malaysia Madani” introduced by our Prime Minister Datuk Seri Anwar Ibrahim? Is this concept relevant to Micro, Small-Medium Enterprises (MSMEs)?

The MADANI framework includes six core values namely sustainability, prosperity, innovation, respect, trust, and compassion.



The word MADANI is a Malay acronym derived from these six core values -

1. KeMampanan (Sustainability)
2. KesejAhteraan (Prosperity)
3. Daya cipta (Innovation)
4. HormAt (Respect)
5. keyakiNan (Trust)
6. and Ihsan (Compassion)

SUSTAINABILITY INITIATIVES FOR MSMEs

The government has prioritised the growth and sustainability of MSMEs in the country, as they are the major contributor to the country's economy. Sustainability should be understood as a holistic and interconnected agenda that touches every side of our lives (Anwar,2022). Datuk Seri Anwar Ibrahim criticized the running of neoliberal economic policies which only benefit large conglomerates and have failed in addressing gaps between the rich and poor and burdening the people. What the government wants is to ensure an equitable economy, to prevent corruption, financial leakages, and misuse of public funds.

With a themed “Membangun Malaysia Madani”, the revised Budget 2023 showed the government is really devoted to enhancing the micro, small and medium enterprises ecosystem which have been severely affected by the pandemic. The MADANI budget will assist the business to regain its capacity by creating a favourable business environment that will attract new investment, promote entrepreneurship, and foster economic growth.

There are several initiatives and measures to support the MSME. These include, amongst others:

- 1) MSMEs Tax rate cut – The tax rate is reduced from 17% to 15% for the first RM150,000 taxable income.
- 2) Facilities for SMEs:
 - i. To provide RM50 Million to build and upgrade 3,000 stalls and kiosks.
 - ii. To provide RM176 Million to upgrade and improve business premises and facilities (Business under MARA, DBKL, PUNB and UDA).
- 3) To provide financing and Guarantee Facilities.
 - Up to RM40 billion will be provided by government agencies.
 - Available financing fund of RM1.7 billion provided by BNM, BSN and TEKUN.
- 4) To support business automation and digitalisation.
 - To strengthen the Role of Digital Economy Centre (PEDi).
 - To allocate a total of RM100 million under the SME digitalisation Grant Scheme.
 - SMEs (including hawkers) will be given a matching grant of up to RM5,000 under the SME Digitalisation Grant Scheme to digitalise their businesses, including subscribing to digitalisation apps like point-of-sales management, accounting systems, or HR software.
 - To allocate a financing fund of RM1 billion under BNM to support the automation and digitalisation of business operations.
 - MSME Digitalisation Transformation program (RM1.2 million)

SMALL BUSINESS PERKS

1 MSME TAX RATE CUT
Reduced to 15% on the first RM150,000 of taxable income for the 2023 tax year.

2 SUPPORTING PETTY TRADERS
RM50 mil Allocated for the MyKioska KPKT scheme with stalls costing RM10,000 each.
RM28.6 mil Allocated for upgrading food courts, markets, etc.
RM30 mil Allocated for UDA's Malaysia Entrepreneur Hub programme.
RM50 mil Allocated to increase Bumiputera property ownership under PUNB.

3 FINANCING FACILITIES
RM40 bil Allocated for MSMEs via:
Direct lending, Alternative finance, Financik guarant

It encompasses:

RM1.7 bil	Micro credit schemes
RM9.7 bil	BNM's MSME fund
RM3.5 bil	SME easy loans
RM23 bil	Business loan guarantee schemes

4 BUSINESS FACILITATION
By SSM includes the:

- '1 OKU 1 Perniagaan' scheme
- Free Prihatin Business Registration Scheme (SPPP) for certain members of the B40 group

(Source: Prime Minister's Office of Malaysia Official Website)

-To Malaysians, the word MADANI and its values is not something they are familiar with especially to the non-Muslim or Malay. Yes, the root of the concept comes from Islamic thought and principles, however, Datuk Seri Anwar Ibrahim strongly assures that MADANI is comprehensive and fair to all Malaysians and not for the Muslims only. All firm actions will be taken for all, not just for Iban, Malays, Chinese or Kelantanese, or those in Tambun, he added –

All in all, the MADANI budget contains several initiatives that can boost Malaysian business and its sustainability. What is most important is that the government should take a necessary strategy and practical action towards making the MADANI concept a success. It is possible to be achieved by leveraging the synergies between the government and the private sector and the industry to operationalise the six core values, otherwise, like many slogans before, they might remain as a slogan, become only part of the history, and would be forgotten and replaced.

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