

MEDIA RELEASE

MEF URGES STRONGER MSME COMPETITIVENESS THROUGH TARGETED BARAKAT AND BERKAT FESTIVE FINANCING

Petaling Jaya: MEF welcomes the introduction of the People's Ramadan Business Financing Scheme (Barakat) and the Special Financing Programme for Chinese-Owned Micro Enterprises (Berkat), announced by the Minister of Entrepreneur Development and Cooperatives, YB Tuan Steven Sim.

MEF President Datuk Dr Syed Hussain Syed Husman said the RM80 million allocation is a decisive and timely intervention to strengthen the competitiveness and sustainability of micro and small enterprises (MSMEs), particularly during high-demand festive periods.

"MSMEs are not peripheral players, they are core economic drivers that sustain domestic demand, anchor local supply chains and support employment at the community level. Targeted and affordable financing is essential to ensure these businesses remain competitive, responsive to market demand and financially resilient," said Datuk Dr Syed Hussain.

He emphasized that festive seasons often place intense pressure on MSMEs due to rising input costs, inventory requirements and cash flow constraints, which, if unaddressed, undermine their ability to compete with larger players and imported alternatives.

"The availability of financing of up to RM30,000 at a competitive profit rate, together with simplified access under the ABCD strategy, directly addresses long-standing barriers faced by micro-entrepreneurs, particularly access to capital and excessive administrative hurdles," Datuk Dr Syed Hussain added.

MEF further noted that improving MSME competitiveness requires not only financing, but also efficient delivery mechanisms and broader market access.

“MEF views the involvement of TEKUN Nasional, SME Corp Malaysia and regulated Peer-to-Peer (P2P) platforms such as CapBay as a positive move to accelerate disbursement, expand outreach and modernize MSME financing channels while maintaining regulatory discipline,” Datuk Dr Syed Hussain said.

He stressed that sustained and well-targeted MSME support is critical to protect local businesses amid intensifying competition, rising costs and global market volatility.

“Strengthening MSME competitiveness is not a short-term agenda. It is fundamental to ensuring business continuity, job preservation and long-term economic resilience. MEF encourages continued policy focus on productivity enhancement, ease of doing business and scalable access to financing,” Datuk Dr Syed Hussain said.

MEF reaffirmed its support for policies that enhance MSME competitiveness, promote inclusive economic growth and create a more enabling business environment for enterprises across all sectors.

“MEF appreciates that the Minister of Entrepreneur Development and Cooperatives, YB Tuan Steven Sim. understands the difficulties and financial strain faced by SMEs and MSMEs, especially during peak festive periods. This recognition is important, as policies that are grounded in the realities faced by businesses on the ground are more likely to deliver meaningful and sustainable outcomes,” concluded Datuk Dr Syed Hussain.

For further information, please contact the MEF Secretariat at 03-7498 7200 or email mef-hq@mef.org.my.

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