
PRESS RELEASE
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AMCHAM concerned about the survival of local SMEs

KUALA LUMPUR, April 3 - AMCHAM applauds the move by the Government to set up a Special Cabinet Committee and hopes that it can quickly introduce measures that will shore up local businesses that in turn support the global supply chain.

Members of the American Malaysian Chamber of Commerce (AMCHAM) have expressed grave concerns that the typically robust and reliable ecosystem of high-quality SMEs found in Malaysia will be adversely affected. The country has been successful in progressively moving up the value chain. Multi-national companies (MNCs) either chose to set up operations in-country as they were able to tap into an increasingly skilled workforce or source directly from reliable qualified vendors.

Local SMEs have been the backbone of Malaysia's economy moving steadily up the value chain, growing, adopting new technology and embracing the Government's push for Industry 4.0. Recent large investments made by U.S. firms both new and re-investments were celebrated just a few months ago.

All this is now in jeopardy as MNCs and direct clients overseas are unable to access the much-needed products made in Malaysia. Some corporations in Malaysia are sole-sourced suppliers of critical products needed for the global supply chain. During the current crisis, MNCs may have no choice but to scale down their operations and move elsewhere. Closure of these companies will impact the local supply chain, potentially risking the closure of Malaysian SMEs and result in a shortage of essential products needed in the fields of medicine, healthcare, communications, and computing.

Companies on the ground are calling for a more balanced and workable approach to maintaining the local ecosystem. "We hope that the government will allow businesses to continue, of course with the necessary precautionary and sanitization measures in place so that local SMEs can continue to supply essential products and services to the E&E industry," said Lee Heng Lee, founder and CEO, Exis Tech.

Malaysian companies, SMEs included, might find themselves in a difficult position once the MCO is eventually lifted. Many fear the loss of jobs and key customers as the global supply chain shifts to adjust to these gaps. Recovery

AMERICAN MALAYSIAN CHAMBER OF COMMERCE (Company No. 37216-W)

Level 10, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur

Tel: (60-3) 2727 0070 Fax: (60-3) 2727 0075 e-mail: info@amcham.com.my Web: www.amcham.com.my

from the crisis will be hard but it will be stronger and faster if a balance can be struck.

“In the Economic Impact Survey 2018 that AMCHAM conducted with 27 of its E&E member companies, each company was supported by an average of 190 local vendors with contracts valued at RM 100,000 or more. Collectively, the E&E industry alone contributes to RM78 billion or 5.6% of the national GDP of RM1.4 trillion and employs 560,000 people” said Siobhan Das, CEO of AmCham Malaysia.

For more information, please contact:

Media Contact:

Yvonne Miranda

Membership & Engagement Manager

T: +603 2727 0070 | M: +6012 398 0072 | E: yvonne@amcham.com.my

ABOUT AMCHAM MALAYSIA

The American Malaysian Chamber of Commerce (AMCHAM) was founded in 1978 as an international, non-profit, private-sector business association. It comprises of more than 1000 members representing about 260 American, Malaysian and other international companies with strong ties to American business. The Chamber is a member of the AmChams of Asia Pacific.

ABOUT EXIS TECH

Exis Tech Sdn Bhd was founded in March 2002. We are an engineering company that specialises in the design and assembly of Automated Handlers for Semiconductor Back-End Test applications. Our handlers are used by large multinational companies like Inari, Broadcom, Freescale/NXP, Vishay, UTAC, Carsem, TF Group, Power Integrations and many others. With more than 3000 machines in operation all over Asia, Europe and America and more than a 100 active customers in our database, we have a large export market which accounts for roughly half of our production. We also have many customers in Malaysia – Penang, Ipoh, Kuala Lumpur, etc. as Malaysia is also a global semiconductor exporter.

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