

Othman: Govt's focus on SMEs in Budget 2017 aimed at enhancing efficiency

KUALA LUMPUR: The Government's focus on small medium enterprises (SMEs) in the Budget 2017 is aimed at encouraging operational efficiency in the sector, says deputy Finance Minister Datuk Othman Aziz.

Othman said among the incentives introduced for the sector in the budget was a reduction in the tax rate to 18% from 19% previously for taxable income up to the first RM500,000.

Another incentive was a drop in the tax rate of between 1% and 4% for companies that see a significant increase in their taxable income for the years of assessment 2017 and 2018.

"This is another form of encouragement which can be a catalyst towards efforts to improve the sales and production of SMEs, alongside enhancing efficiency as well as cost reduction, which will ultimately increase profits," he told *Bernama*.

He said this when met before *Bernama News Channel's* "Ruang Bicara" programme on Wednesday night, in which he was the guest.

Othman said the Government's focus on SMEs was also based on the importance of the sector to key industries in the country.

"As an industry-based nation, we need support industries.

"So, we want to increase further, players in the SME sector," he pointed out.

Meanwhile, on the issue of the rise in the cost of living, Othman said the Government had taken various near term measures such as the 1Malaysia People's Aid or BR1M assistance, as well as subsidies for basic necessities such as cooking oil.

As such, he added, there is a need to improve enforcement towards ensuring the subsidies provided are not misused. — *Bernama*



More goodies: Among the incentives introduced for SMEs is a reduction in the tax rate to 18% from 19% previously for taxable income up to the first RM500,000.

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