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FMM: Build More RM100 Million Companies, Not More Lifelong SMEs

Kuala Lumpur, 8 October 2026 – The Federation of Malaysian Manufacturing (FMM) today called for a new growth agenda to help more Malaysian businesses scale into stronger Small and Medium Industries (SMEs), mid-tier companies and future national champions.

Speaking at the FMM SMI Conference (SMIC) 2026, themed **“Road to RM100 Million Revenue: Frameworks, Talent & Capital for the Next Stage of Business Growth”**, FMM President, Mr Jacob Lee said Malaysia's focus should shift from helping businesses remain SMEs to enabling them to grow beyond the SMI stage.

“Malaysia needs more companies that successfully scale beyond the SME stage and become strong SMEs, mid-tier companies and eventually national champions. The goal should not be for businesses to remain SMEs indefinitely, but to support them through the critical growth phase where they can create greater economic value, quality jobs and stronger industrial capabilities.”

The FMM President also reiterated FMM's proposal to revise the manufacturing SME threshold to annual sales turnover of up to RM100 million and up to 300 full-time employees, better reflecting current business realities and supporting companies during their most challenging stage of expansion.

“This proposal is not simply about changing numbers. It is about recognising economic realities and providing growing companies with continued access to support mechanisms during the most challenging stage of their journey. Ultimately, it is about helping more companies move from RM10 million to RM50 million, and from RM50 million to RM100 million in annual revenue.”

The FMM has also called for a review of the SME corporate tax threshold, guided by a simple principle: leave more capital in the hands of businesses so they can invest, innovate and grow. He added that every ringgit retained and reinvested in industry helps create stronger businesses, better jobs and more sustainable wage growth.

The FMM President also emphasised the importance of strengthening cash flow for SMEs.

“For many SMEs, cash flow is the difference between growth and survival. Strong sales mean little when payments are delayed or invoices remain unpaid. We need stronger payment discipline, better protection for suppliers and more effective debt recovery mechanisms. At the same time, SMEs must strengthen their credit management practices. Sustainable growth depends not just on making sales, but on turning sales into cash.”

The conference was officiated by YB Steven Sim Chee Keong, Minister of Entrepreneur and Cooperatives Development (KUSKOP), who delivered the keynote address, while YBhg Datuk Teng Chang Khim, Chairman of SME Corp. Malaysia, presented a plenary session on “*Shaping the Future of Malaysia's SMEs.*”

The event attracted over 300 business leaders, entrepreneurs, policymakers and industry stakeholders committed to advancing Malaysia's growth agenda.

Through its four pillars of Frameworks, Talent, Capital and Technology, the conference featured practical discussions on scaling businesses, financing growth, digital transformation and workforce development.

Highlights included a CEO dialogue on scaling companies to RM100 million revenue and beyond, featuring representatives from SME Corp. Malaysia, Bursa Malaysia, Trapo Asia and Bubbles O2; a technology panel with speakers from Malaysia Productivity Corporation (MPC), HH Automation, Yonyou Network and Huawei Cloud; a discussion on alternative financing for manufacturers involving COPE Private Equity, Capital Markets Malaysia and Siti Khadijah Dagang; and a talent-focused session featuring insights from Hiredly Malaysia, Aunty HR and K.H.H. Double Lion Fruit Juice Manufacturing.



Mr Jacob Lee Chor Kok
President, Federation of Malaysian Manufacturing

FMM Advocates Transparency, Integrity, Accountability and No Corruption

About FMM

The Federation of Malaysian Manufacturing (FMM) has been the voice of the Malaysian manufacturing sector since 1968, advocating policies and initiatives that drive industrial growth, competitiveness and workforce development. Representing over 13,540 member companies (4,270 direct and 9,270 indirect) from the manufacturing supply chain, FMM is actively engaged with government and its key agencies at Federal, State and local levels. FMM is also well-linked with international organisations, Malaysian businesses and civil society. Apart from benefitting from FMM's advocacy, FMM members enjoy value-added services including training, business networking and trade opportunities as well as regular information updates.

Media Enquiries:

Han Mong Ying, Senior Manager, Corporate Affairs
Tel : 03-6286 7200 | Email: webmaster@fmm.org.my