

**PRESS RELEASE
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UNDP, in collaboration with Development Bank of Malaysia, organises a four-week workshop to train African banking professionals in credit and risk analysis and development finance, launches publication on Malaysia's SMEs

Kuala Lumpur, 4 December 2006 – Governments must continuously develop a robust SME sector, in order to boost economic growth in their countries, as SMEs form the backbone of most of their economies.

UNDP in collaboration with the Development Bank of Malaysia organised a rigorous four-week training programme for African banking professionals, which opened here today.

The programme specifically aims to boost the capacity of African banking professionals in modern techniques of credit and risk analysis and development finance, with the aim that they will later launch similar training programmes in their respective countries.

“A lack of sufficient finance and access to credit is often cited as a major handicap to the development of SMEs, particularly in their early stages of growth. The overwhelming majority of SMEs tend to rely on the personal resources of their owners, and/or loans from friends and relatives, to finance their enterprises,” Dr Richard Leete, United Nations Development Programme (UNDP) Resident Representative for Malaysia, Singapore and Brunei Darussalam, said at the opening ceremony of the programme.

“The training programmes under Project Credit Analysis and Development Finance have been specially designed to respond to the problems of Development Finance Institutions in Sub-Saharan Africa,” he said.

He stressed it was important that governments continue to develop a robust SME sector including promoting the use of ICT with e-commerce that is able to contribute significantly to their countries' economies.

“Special attention should be given to support SMEs run by women, as it is women who often face most difficulty in obtaining finance and credit,” he added.

Participants from Ethiopia, Ghana, Malawi, Uganda, Zimbabwe, Cameroon, Nigeria, Tanzania and Mozambique are attending the course.

During the opening ceremony, UNDP also launched its publication on Malaysia's Small and Medium Enterprises – Building an Enabling Environment, This 36-page publication outlines Malaysia's success in developing SMEs. It is hoped that it will provide insights and ideas that will help participants when they look at SME development in their own countries.

The publication provides some basic background on Malaysian SMEs, the challenges they face in the light of globalisation and technological change and how these challenges are being supported by the government. It also provides a summary of current policy on SMEs, where the Ninth Malaysia Plan (9MP) 2006-2010 strategises for the development of a competitive, innovative and technologically strong SME base.

UNDP plans to use the UN networks to disseminate the information contained in the publication, as well as distribute the publication to the 169 UNDP country offices and other relevant UN agencies worldwide.

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NOTE TO EDITOR

UNDP is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners. Its current priority is to help all countries achieve the Millennium Development Goals (MDGs) by 2015.

To read more about the work of UNDP in Malaysia, please visit our website at www.undp.org.my

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