

2020-06-27

MSMEs Day

Keynote Speech by Mr Stanley Au

My MSME friends over the five continents and across many different time zones Good day to all of you and greetings from Macau

I thank Dr. Ayman Tarabishy, the Executive Director of ICSB, and Mr. Tammy Nguyen, the event manager, for having invited me to address this MSME day forum.

Perhaps this is an inopportune time for me to address a gathering of people who have just been hardly hit by an unprecedented virus, i. e. the Covid-19 pandemic. This pandemic's devastating power is so terrible that it has caused nearly all countries to lockdown their borders and cities and restricted their populations to house isolation, social distancing, and the unwelcome lifestyle of mask wearing. Its devastation to humankind is so tremendous that nearly 10 million people have been infected and nearly half a million people have died. It has, of course, damaged the global economies to such an extent that nearly all countries have simultaneously fallen into economic recession and inflicted hundreds of millions of people with hardship and loss of employment. Thanks to the quick reaction of the Central Banks and governments worldwide which have timely introduced many monetary and fiscal stimulus measures and plans to relieve both the big corporations and small businesses from being strained by their cash shortages, liquidity and credit problems and have saved them from collapse under such totally unexpected external forces.

Now that we are given some breathing space by the joint efforts of the governments, we, SMEs, must react quickly and devise our own survival plans. First of all, we have to adapt ourselves to the newly created social orders or the so called new normals. For instance, we need to learn to use Zoom for communications and conferences and to adjust ourselves to connect with each other by Zoom instead of face to face meetings in order to save time, travel risks and expenses. Meanwhile, employers have to adjust to the new models of allowing all or part of their staff to work from home. As a matter of fact, some companies have already empowered some of their employees to work permanently at home. Other than these, we have

to learn to find new niches in marketplaces through innovation and digitalisation in order to survive this economic turmoil and forgo some of the past stale services and business practices. Needless-to-say, one of the biggest challenges confronted the MSMEs today in the retail business is the drastic drop in the number of visiting customers, the restrictions through social distancing and the shortage of usual staff members to cater to the customers due to home quarantine and thus a consequential reduction in revenues. In order to surmount this unexpected sudden change in business environment, we have to find ways to suit the customers' needs, for instance, by letting our customers access us through on line platforms and apps, as well as home delivery services. In the case of those who are in the manufacturing sector, we are encountered with cancellation of orders and shortage of workers, we have to consider such alternatives as cutting costs and increasing productivities by introducing robots and AI automation into the manufacturing processes. Of course, we should not forget our duty of retraining our workers to cope with the newly flushed in

unorthodox business conditions. There are, in fact, numerous ways to counter the myriad new challenges we are facing every day. Please keep in mind the motto: Our fate is in our own hands and it depends on how determined we are to fight this uphill battle through innovative ideas and technological breakthroughs.

I, of course, can understand that we, SMEs, are now very much intrigued and baffled by the hardships we have suffered at the moment. However, we should not feel despaired and should stand firm to help our countries to revitalise our economies. I am confident that we can do it, because when compared with our big brothers, we have the advantage of being small, and being more flexible, and we can turn around much quicker and faster than the big corporations. To look at our past track records, we, SMEs, represented 90% of the global business population, 60 to 70% of employment, and 55% of GDP in developed economies. Therefore, collectively we are the most important community in the society and the most powerful motor to drive the world economy forward and, possibly, we will exceed these past records. Hence, we should be very proud of ourselves and continue to emanate tirelessly rays of our glory in this world of commerce.

Thanks for participation and your listening in!