A REVIEW OF RURAL MSMEs AFFIRMATIVE POLICY POST 2024 BUMIPUTERA ECONOMIC CONGRESS: CHALLENGES AND POLICY RECOMMENDATIONS

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ABSTRACT

Bumiputera Micro Small Medium Enterprises (MSMEs) contribute to the growth of Malaysia's economy. Affirmative policies were suggested in the Bumiputera Economic Congress to accelerate the growth of Bumiputera entrepreneurs in Malaysia. Despite various policies and business supports being introduced and implemented, the performance of Bumiputera Micro Small Medium Enterprises is still lagging behind other ethnic groups. In addition, there is limited evidence about the progress of rural Bumiputera Micro Small Medium Enterprises particularly in the FELDA scheme. Hence, this paper intends to review the progress and challenges faced by rural Micro Small Medium Enterprises, particularly in the FELDA scheme and affirmative actions designed to assist rural Micro Small Medium Enterprises. This paper used content analysis to review past literature related to challenges faced by rural Micro Small Medium Enterprises in the FELDA scheme and the outcomes of the Bumiputra Economic Congress between 1970 to 2024. The paper found that access to finance and entrepreneurial characteristics remained the main hindering factors for the success of rural Micro Small Medium Enterprises Bumiputera. In addition, limited programs are directly targeted to rural Micro Small Medium Enterprises in the FELDA scheme. Overall, the paper suggests several affirmative actions to improve the performance of rural Micro Small Medium Enterprises including focusing on scaleup program on financial and market access, and capacity building of talented rural Bumiputera entrepreneurs through collaboration with selected agencies such as Ministry of Agriculture and Food Securities; FAMA, HALAL Development Corporation, INSKENS, Malaysia Digital Economic Corporation (MDEC), TEKUN, SME Bank, and FGV Berhad.

Keywords*:* Micro Small Medium Enterprises, Performance, Rural Bumiputra, Bumiputra Economic Congress, and FELDA.

INTRODUCTION

Micro, small, and medium enterprises (MSMEs) are the pillars for the employment creation, innovation, and wealth creation of a country. In Malaysia, MSMEs accounted for around 1.2 million or 97.4 percent of the total business establishments which contributed 38.4 percent of gross domestic product (GDP), 10.5 percent of total exports, and 48.2 percent of total employment (National Entrepreneur and SME Development Council, 2024). Despite significant MSMEs' contribution to the national economy, the performance of Bumiputera MSMEs is still becoming one of the concerned areas. According to the 2024 Bumiputra Economic Report, in 2021 there are 1,226,494 registered MSMEs with 1.6 percent medium enterprises, 19.8 percent small enterprises, and 78.6 percent micro-enterprises. However, the participation of Bumiputera in business is not encouraging, as of January 2024 there are 357,863 (29.8 percent) numbers of enterprises owned by Bumiputera, of which 108,456 (30.3 percent) are owned by women entrepreneurs (Kementerian Ekonomi, 2024). Major concerns noted in the Bumiputera Economic Congress are the involvement of Bumiputra in business and the income gap between races. As of 2022, medium income Bumiputera: RM 5,793, Chinese: RM 8,167, and India: RM 6,627; and in terms of absolute poverty gap between races Bumiputera: 85.2 percent, Chinese 3.9 percent dan Indian 9.4 percent.

Issue of Bumiputera MSMEs achievement and economy disparity among the important issues that need to be addressed in Malaysian economics since independence. The Bumiputera economic share did significantly improve despite many initiatives planned by the government. The magnitude of economic imbalance among major ethnic groups can be mitigated through affirmative action policies through the Economic Bumiputera Congress and continuous government economic plan. Despite the introduction of the New Economic Policy and pro-Bumiputera policies, the achievement of Bumiputera MSMEs is lagging compared to other ethnic groups (Othman et al., 2021; Shamsul, 1997). Hence, formulating the right affirmative actions are important in addressing economic disparity among ethnic groups

Bumiputera Economic Congress has been the focal point to turn around the Bumiputera MSMEs since 1965. Over the decades, the government has consistently played pertinent roles as promoter in nurturing Bumiputera entrepreneurs' progress and development. The congress become the platform to counterbalance of the weak economic position of Bumiputera MSMEs. The congress serves as the platform to raise the Bumiputera economic status. Past Congress has led to the introduction of affirmative actions such as the New Economic Policy and pro-Bumiputera policies that have shown long-lasting impact until today (Sabiu et al., 2018; Shamsul, 1997). Many public policy economists have divided opinions on the affirmative actions of Bumiputera MSMEs such as on the issue of Bumiputera 30 percent equity which is perceived as long overdue (Lee,2023; Gomez, 2012). The affirmative actions from Bumiputera Congress Economic lay the foundation of the future Bumiputera economic framework by focusing on talented Bumiputera entrepreneurs and growing the mid-sized companies under micro and small enterprises companies.

Though much has been written on MSMEs, however not much is known about the affirmative policies taken to improve rural Bumiputera MSMEs' performance, particularly in the FELDA scheme. FELDA scheme MSMEs contributed about RM1.5 billion annually through their active involvement in various businesses. There are 15,779 rural MSME entrepreneurs in the FELDA scheme (FELDA, 2018; FELDA, 2020). Realizing the importance of rural MSMEs' contribution as one of the backbones of the national economy the primary aims of this paper are to review affirmative actions taken in Bumiputera Economic Congress from 1970 to 2024 and challenges faced by rural Bumiputera MSMEs in the FELDA scheme. The findings are expected to shed some

light on new affirmative actions and identify concerned areas that need to be given attention in rural Bumiputera MSME's entrepreneurial development, particularly in the FELDA scheme. The content analysis method is used as the methodology to meet the objectives of this paper. The selected document and paper are reviewed for the 2024 Bumiputera Economic Congress Report, FELDA Annual Reports, FELDA White Paper, 12th Malaysia Plan, and finally main papers on past Bumiputera Economic Congress, Malaysia Plan, and FELDA studies. The organization of this paper is divided into several sections. It starts with an introduction and methodology of this paper followed with Section 2 on MSMEs outlook, a review of the Bumiputra Economy Congress 1965 – 2024; and the current state of MSMEs Development in the FELDA Scheme. The last section focuses on the discussion on the 2024 Bumiputra Economic Congress affirmative actions and its implication to rural MSMEs; and ends with conclusion and recommendations.

REVIEW OF MSMEs IN MALAYSIA'S CURRENT OUTLOOK

Under the National Entrepreneurship Policy 2030, the Malaysian government aims to ingrain entrepreneurship that can drive Malaysian economic through 50 percent contribution to the nation's Gross Domestic Product (GDP) by 2030. As of 2022, there are about 1.2 million MSMEs, which constitute 97.4 percent of total enterprises and account for 38 percent of GDP, 48 percent of employment, and 10.5 percent of exports (National Entrepreneur and SME Development Council, 2024). In addition, the Department of Statistics Malaysia (Department of Statistics Malaysia, 2022) highlighted that the informal sector in Malaysia is relatively small in comparison to other countries in the region, with informal employment at 8.6 percent (13.3 percent including agriculture). In Malaysia, MSMEs are classified into two specified criteria, namely sales turnover or full-time employees, whichever is lower.

i. Manufacturing: Sales turnover not exceeding RM50 million OR full-time employees not exceeding 200 workers
ii. Services and other sectors: Sales turnover not exceeding RM20 million OR full-time employees not exceeding 75 workers.

Details of the MSMEs definition are as follows:

Table 1: MSMEs Definition and Classification

	Micro	Small	Medium
Manufacturing	Sales turnover of less than RM300,000 OR less than 5 full-time employees*	Sales turnover from RM300,000 to less than RM15 million OR full-time employees from 5 to less than 75	Sales turnover from RM15 million to not exceeding RM50 million OR full-time employees from 75 to not exceeding 200
Services & Other Sectors	*Same as the manufacturing sector	Sales turnover from RM300,000 to less than RM3 million OR full-time employees from 5 to less than 30	Sales turnover from RM3 million to not exceeding RM20 million OR full-time employees from 30 to not exceeding 75

Source: SME (2020)

Under the 2023 budget (National Entrepreneur and SME Development Council, 2024), the government has allocated a total allocation of RM10.6 billion under 225 programs which will benefit 644,731 MSMEs. The programs include access to financing, a total of 96 programs (30.5 percent) with an expenditure of RM10.4 billion and benefitting 361,419 MSMEs. The funding programs comprise mainly soft loans including microfinancing (44.1 percent), guarantee scheme (39.3 percent), venture capital (13.2 percent), grant scheme (2.2 percent), equity & debt financing (0.7 percent), and others (0.5 percent).

Table 2: Summary Of Government Support Programs In 2022

Focus Area	Number of Programs		Financial Expenditure		Number of MSME Beneficiaries	
	Total	Share (%)	RM million	Share (%)	Total	Share (%)
Human Capital Development	95	29.0	3,880.0	18.3	213,539	21.4
Access to finance	90	27.4	16,490	77.9	540,248	54.1
Market Access	57	17.4	116.4	0.6	72,685	7.3
Innovation and Technology	45	13.7	575.2	2.7	63,935	6.4
Infrastructure	41	12.5	100.8	0.5	107,920	10.8

Source: National Entrepreneur and SME Development Council (2024)

Likewise in 2022, the government had implemented 231 programmes with financial expenditure amounting to RM17.8 billion. These government support programs used a total of RM3.9 billion to assist 213,539 MSMEs. The main bulk (78 percent) of the government support programs is allocated to access to finance amounting to RM16.5 billion that benefitted 540,248 MSMEs. The next support is to facilitate MSME access to markets, where the government has initiated 57 programs (17.4 percent) with an expenditure of RM116.4 million and benefitted 72,685 MSMEs. Other programs that accounted for 26.2 percent of the allocation were in other focus areas namely innovation & technology adoption and infrastructure as summarized in the above table. In

summary, in terms of government business support, a reasonable amount of funds is allocated to nurture MSMEs business success. In the next section, we will look at efforts to increase the involvement of Bumiputra MSMEs.

REVIEW OF BUMIPUTRA ECONOMY CONGRESS 1965 – 2024 AND 12TH. MALAYSIA PLAN

Shamsul (1997) has conducted a comprehensive review of the development of rural Bumiputera entrepreneurs since independence. According to the review, efforts to uplift the Bumiputera entrepreneurs were started in June 1965 through the 1st. Bumiputra Economic Congress (BEC) and 2nd BEC in 1968. From this congress resolution, RIDA and FELDA were formed to improve the economic status of the Bumiputera particularly Malay. After an ethnic riot in 1969, NEP Economic Policy (NEP 1971 -1990) was introduced with two aims to eradicate poverty and restructure society. In 1970, the performance of Bumiputera MSMEs was not encouraging as shown in Table 3. The introduction of the New Economic Policy (NEP) supported by the Five-year Malaysia Plan able to produce a new middle-class Malay and a new breed of Malay entrepreneurs.

Table 3: Ownership of Share Capital of Listed Companies, by Ethnic Groups and Sectors, Peninsular Malaysia, 1970

Sector	Ethic Group				Total
	Malay (%)	Chinese (%)	Indian (%)	Foreigners (%)	(RM000)
Agriculture, forestry, and fisheries	0.9	22.4	0.1	75.3	1,432,400
Mining and quarrying	0.7	1.8	0.4	72.4	543,497
Manufacturing	2.5	22.0	0.7	59.6	1,348,245
Construction	2.2	52.8	0.8	24.1	58,419
Transportation and communication	2.5	43.4	2.3	12.0	81,887
Commerce	2.2	30.4	0.7	63.5	605,164
Banking and insurance	3.3	24.3	0.6	52.2	636,850
Others	2.3	37.8	2.3	31.4	5288,516
Total	1.9	22.5	1.0	60.7	5,288,978

Source: Malaysia (1973, p.83)

A review of the past literature on the outcome of the Bumiputera Economic Congress showed initiatives taken by the government. For instance, for the education sector, the government opened MARA Junior College and ITM to ensure access to quality education for the Bumiputera community. FELDA was established in 1969 to reduce rural poverty help landless Malay and improve the well-being of rural Bumiputera. Other initiatives from the Bumiputera Economic Congress are the establishment of the first Bumiputera commercial bank, Bank Bumiputera in 1965 and the government taking control of Malayan Banking Berhad to provide opportunities for young Bumiputera professionals to run the bank. Perbadanan Nasional Berhad or PERNAS and the State Economic Development were established to provide more opportunities for Bumiputera to venture into business. Under the premiership of Prime Minister Mahathir Mohamad, more opportunities were given to Bumiputera entrepreneurs along with the Malaysia Incorporated, Look East Policy, Privatization, and Heavy Industrialization policies.

The introduction of the New Economic Policy (NEP) was able to promote a new group of Bumiputera capitalists and professional managers who worked in the state economic development and public enterprises. During these periods, the emergence of a new breed of Bumiputera entrepreneurs emerged for instance Syed Mokhtar Shah Syed Nor Albukhary, Daim Zainuddin, Halim Saad, and Yahya Ahmad who controlled main board companies in Bursa Malaysia. However, in the middle of the 1990s, the Asian Financial crisis hit Malaysia resulting in many Bumiputra entrepreneurs being badly hit by this crisis, and some were bailed out through Danaharta and Danamodal to rescue the ailing companies.

In the last ten years, various developments have happened in Malaysia for example Covid-19, and changes in premiership have changed the landscape of Bumiputera MSMEs. To date, the entrepreneurial development programs are implemented by 12 Ministries, four sole agencies, 52 agencies, and seven State Governments. The government has taken various initiatives to relook on programs to improve the status of Bumiputera development and progress. Hence, the 2024 Bumiputera Economic Congress (BEC) was organized from 29 February 2024 to 3 March 2024. The BEC Congress has received 74 resolutions and 150 programs outlined which focus on three goals: socio-economic justice, national sustainability and prosperity, and the people's welfare. Among the suggested initiatives are the Bumiputera Land Corporation, the Tabung Waqaf MARA Madani, the Bumiputera Entrepreneur Generation, and Malay Reserve Land Development. The Congress noted that the Bumiputera has yet to reach the equity 30 percent quota even after 50 years of various plans implemented.

Despite not achieving the 30 percent target, the Congress acknowledged that from the past Congress resolutions, the Malaysian government has successfully produced professional Bumiputera who currently work in various sectors including government-linked companies (GLCs). The Congress received several suggestions including that the government agencies must short-list Bumiputera enterprises that have big potential to contribute to gross domestic product (GDP) growth and help other start-up companies. In addition, the selection of talent in Bumiputera development agencies or statutory bodies must be scrutinized to ensure they can effectively develop the Bumiputra economy. Another suggestion is the government must enact a law that prohibits any form of "Ali Baba" element in contracts and tenders awarded to Bumiputera companies. The next suggestion is to ensure all Bumiputera agencies, financial institutions, and entities must share data on grant and aid recipients through a single platform to prevent cronies' companies from enraged from one grant to another. This platform can be the centre can ease the business supporting process and for monitoring purposes.

REVIEW OF RURAL BUMIPUTERA MSMEs DEVELOPMENT IN THE FELDA SCHEME

FELDA is one of the agencies that played a pivotal role in poverty eradication and rural entrepreneurial development in Malaysia since 1 July 1969. FELDA has 112,638 settlers with a total land size of more than 850,000 hectares, of which 450,632 hectares belong to FELDA settlers and another 350,733 hectares are leased to FGV Berhad. The huge land area which is planted with palm oil and rubber offers huge business opportunities and a good business ecosystem. In the beginning, most of the FELDA schemes are located at a remote location. FELDA created business centres at each FELDA scheme and encouraged the young FELDA settlers to start their business venture either through business ventures or joining cooperatives to cater to the needs of FELDA settlers' communities that seek essential items for their growing families. There are 15,779 entrepreneurs involved in various business activities as summarized in Tables 4 and 5.

Table 4: Number of Entrepreneurs in the FELDA Scheme

Region	State	No of Entrepreneurs
Johor Bahru	Johor	2,578
Segamat	Johor	1,360
Raja Alias	Negeri Sembilan	2,418
Mempaga	Pahang	2,205
Jengka	Pahang	2,022
Kuantan	Pahang	1,443
Trolak	Perak	1,165
Terengganu	Terengganu	1,092
Gua Musang	Kelantan	710
Alor Setar	Kedah	404
Sahabat	Sabah	382
Total		15,779

Source: FELDA (2018, 2020)

A review by Sauh et al. (2021) showed that since FELDA's inception, the agency has initiated various initiatives to develop SMEs in the FELDA scheme. For instance, FELDA has formed an Entrepreneurial Development Unit under the FELDA Community Development Department to plan and develop entrepreneurs in the FELDA scheme. Among the programs organized by this unit are Program Outlet SAWARI, Initiative Program Pembangunan Peneroka (PPP) or [Settler Development Program Initiatives].

Table 5: Breakdown in terms of Business Activities

Business	No of Entrepreneurs	Percentage
Trading	5,332	33.1
Livestock	2,782	17.3
Business Industry	1,015	6.3
Craft	714	4.4
Agriculture	585	3.63
Aquaculture	259	1.6
Online Business	12	0.07
Total	15,779	100%

Source: FELDA (2018, 2020)

In addition, FELDA introduced Tabung SIUF, and Pembiayaan TUBF (Tabung Usahawan Belia FELDA) to assist startup entrepreneurs in expanding their businesses. However, the progress of entrepreneurial development programs in the FELDA scheme is depending on the financial position of the agency (The Edge, 2024; Malaysia, 2019).

DISCUSSION

The original aim of this paper is to address two questions, the first of which is to review affirmative action taken in Bumiputera Economic Congress and identify the challenges faced by rural Bumiputera MSMEs in the FELDA scheme. The first objective of this paper, the review of Bumiputera Economic Congress affirmative actions taken from 1970 to 2024 has demonstrated the affirmative actions taken by the government have given some light in eradicating hardcore poverty and the creation of a new group of Bumiputera middle-class group and entrepreneurs (Lee,2023; Othman et al., 2021; Gomez, 2012; Shamsul, 1997). The review surmised that the New Economic Policy and pro-Bumiputera policies have served as the catalyst in contributing to the growth of Bumiputera MSMEs development which brought to economy stability. However, the imperfection of polices needs alignment from time to time which can be done through Bumiputera Economic Congress. The affirmative actions are important to address inequality and disparity of poverty between ethnic groups.

Secondly, this paper evaluates the challenges of rural Bumiputera MSMEs. In identifying the challenges, the 2024 Bumiputera Committee examined the MSME's Bumiputera performance in various areas by conducting four (4) engagement sessions with 970 MSMEs entrepreneurs nationwide. The Congress identified the following challenges faced by MSMEs in Malaysia as summarized below:

Table 6: Issues Faced by Bumiputera MSMEs in Malaysia

Scope	Issues
Scope 1: Entrepreneurial Eco-system & Nonfiscal Incentive	Transformation of Bumiputera Entrepreneur - Over-reliance on "Konsep Payung" / Umbrella Concept - Limited funds to access for global market Access to information and capacity building Existence of cartel and monopoly groups in the system
Scope 2: Access to Funding and Support	Difficulties in accessing funding with commercial banks and getting government grants and financial support
Scope 3: Access to Market	Penetration to mass market and hypermarket outlets Limited access for internationalization Limited opportunities to expand and scale in the agribusiness sector and competition with local importers
Scope 4: Digitalization and Adaptation to New Technology	A mismatch between academic research and commercial needs Limited dashboard platform for information sharing Limited internet access in the east coast states of West Malaysia Moderate adaptation to the latest technologies such as AI, and blockchain due to various reasons
Scope 5: Entrepreneurial Development	Focus and exposure should be given to young entrepreneurs starting from the school to the university level.

Source: Kementerian Ekonomi (2024)

When comparing the challenges faced by rural Bumiputera MSMEs, a study by Mahmood and Mohamad (2011) on Malay MSMEs Dilemma: Determinants of business success found that entrepreneurial characteristics, management practices, education level, family business orientation, experience, government support, and religious values are the elements of business success. The findings of the study are supported the results of the study conducted by Sauh et al., (2021) on the effect of entrepreneur characteristics and access to finance on business performance among 368 MSME entrepreneurs conducted at 114 FELDA schemes in Pahang. The study found that Bumiputera MSMEs could not access to finance due to various reasons. Moha Asri and Manan (2011) asserted that MSMEs are difficult to access to finance due to three factors, namely, information asymmetry, adverse selection, and moral hazard. The findings showed that in terms of innovativeness and proactiveness do not have any significant implication on the business performance of SMEs in the FELDA scheme. In term of entrepreneurial characteristics, the study showed that the rural MSMEs in the FELDA scheme lack the propensity skills to introduce new ideas or innovate their business. The MSMEs in the FELDA scheme are plodding in grabbing business opportunities. Noteworthily, the findings of the above study showed that the MSME entrepreneurs in the FELDA scheme are willing to calculate business risk and take brave move in their business ventures.

That study revealed that government business support mediated the relationship between access to finance and entrepreneurial characteristics on business performance. The findings contended that the presence of government business support is important in mediating the relationships between access to finance, innovativeness, and risk-taking on business performance. The study revealed that government business support plays a pertinent role in mediating the rural Bumiputera MSME's business success, particularly in the FELDA scheme.

In addition, Sauh et al., (2021) found that among the major hindrances of MSME's business success are fluctuation of commodity prices, low income during the replanting, and aging FELDA settlers. Other factors include the MSMEs market limited to the FELDA scheme, poor accounting and management practices resulting in difficulties in applying for funding, limited startup funding, a gazetted area for business taken up for residential areas, and lack of scaleup and capacity building at the FELDA scheme.

When comparing to the findings from the 2024 Bumiputera Economic Congress with the results of the past studies conducted on rural Bumiputera MSME entrepreneurs. The outcomes of the studies revealed similarities in terms of challenges faced by the Bumiputera entrepreneurs. For instance, common problems highlighted in the studies and congress are access to finance, access to the market, scale-up, and capacity building. These are the main areas that need to be given more concentration in terms of the action plan post-2024 Bumiputera Economic Congress.

In summary, the issues raised by Bumiputera Economic Congress are consistently highlighted in various studies (Ratnasingam et al., 2024; Sauh et al., 2021; Sauh MS et al., 2019; Omar & Azmi, 2015; Mahmod & Mohamad, 2011) which noted that rural MSMEs are weak in the area of management and marketing, difficulties in access to funding and managing cash flow, difficulties to access to market resulted in lower revenue and customer. These are issues that need to be given special attention and affirmative actions should be taken to fix the problems. In general, the rural Malay Bumiputera MSMEs are not born in the family business community as compared to other races.

CONCLUSION AND RECOMMENDATIONS

Overall, through the review of previous reports and past studies, this paper concluded that the Bumiputera Economic Congress become an important platform in formulating affirmative actions in developing successful Bumiputera MSMEs. Undoubtedly, the review highlighted that the government has been very consistent in developing Bumiputera MSMEs through pro-Bumiputera affirmative policies. Given the importance of the Bumiputera MSMEs is one of the MSMEs groups that contribute to the country 's economic stability, affirmative actions should be seen as a tool to ensure economic imbalance among ethnic groups.

Secondly, the challenges faced by the rural MSMEs entrepreneurs and issues that need to be addressed are repeated issues. Issues such as access to finance, market access, and scaleup entrepreneur development programs are consistently highlighted

in every Bumiputera Economic Congress. This paper revealed that the Malaysian government has been very consistent in supporting and nurturing MSMEs both in the rural and urban areas through various programs and plans including nurturing Bumiputera MSMEs entrepreneurs, particularly in the FELDA scheme. Empirical evidence asserts the mediating role of government business support on rural Bumiputera MSMEs' business success. A selected area in the FELDA scheme can be the best starting block as the hub for rural MSMEs centers. The ecosystem in the FELDA scheme can resuscitate the rural Bumiputera MSMEs' performance by the FELDA as an organized agency with a huge landbank with strong support systems. For instance, FELDA schemes in Jengka, Keratong, Chini, and Lepar regions are large FELDA scheme region that can be turned into a new economic hub by nature of land bank and population size, particularly for the food industry, agriculture, and agribusiness.

This paper has shed light on identifying affirmative actions taken in Bumiputera Economic Congress from 1970 to 2024 and challenges faced by rural Bumiputera MSMEs in the FELDA scheme. This paper revealed the government in taking affirmative actions to improve Bumiputera MSMEs through Bumiputera Economic Transformation Plan, Budget and Malaysia 5 years Plan. In term of challenges faced by rural Bumiputera MSMEs in the FELDA scheme, this paper has revealed that three issues raised in the Bumiputera Economic Congress include access to finance, market access, and scaleup programs for talented entrepreneurs. The issues identified in the Bumiputera Economic Congress are consistent with the academic studies. This paper presents the challenges faced by the rural Bumiputera MSMEs and expose various affirmative actions taken by the government to help Bumiputera MSMEs. Entrepreneurs. Overall, this paper provides a general overview of the current state of Bumiputera MSMEs progress, and affirmative actions taken by the government based on the Bumiputera Economic Congress resolutions. From the Bumiputera Economic Congress resolutions, there is a lot of windows of opportunity to overcome the challenges faced by rural Bumiputera MSMEs particularly in the FELDA scheme.

On recommendation, this paper suggests that affirmative actions should be taken to improve the performance of rural Bumiputera MSMEs. First, the government should focus on scaleup program and capacity building of talented rural Bumiputera MSMEs entrepreneurs. This can be done by collaborating with selected agencies such Ministry of Agriculture and Food Securities; Ministry of Plantation Industries and Commodities, FAMA, HALAL Development Corporation, INSKENS, Malaysia Digital Economic Corporation (MDEC), TERAJU, ANGKASA, TEKUN, SME Bank, selected commercial banks and FGV Berhad. A 5-years comprehensive development plan is needed particularly in nurturing nascent MSMEs rural Bumiputera entrepreneurs, particularly in FELDA scheme. Secondly, the plan must address access to finance among rural Bumiputera MSMEs to assist them to grow their business and educate them on the importance of proper accounting systems and management skills. Lastly, the government should assist rural Bumiputera MSMEs to scaleup their market access by widening their market coverage. The distribution of rural MSMEs products or services should be extended beyond the FELDA region, it can be done through the SAWARI program and reintroduce the vendor scheme with leading retailers such as Mydin Hypermarket, 99SpeedMart, and AEON hypermarket chains by making mandatory for modern trade outlets to carry and market the rural Bumiputera MSMEs products. Through these affirmative actions, more promising results and exciting performances can be showcased in the next Bumiputera Economic Congress.

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