

CIRCULAR NO: 123/2020

DATE: 7 July 2020

MARKET DEVELOPMENT GRANT (MDG) NOW SUPPORTS VIRTUAL EXPORT INITIATIVES

Reference is made to the [GUIDELINES ON MARKET DEVELOPMENT GRANT \(MDG\) - VIRTUAL EVENTS 2020, MALAYSIA EXTERNAL TRADE DEVELOPMENT CORPORATION \(MATRADE\)](#) dated 1 July 2020 as well as [MPMA'S CIRCULAR NO. 118/2020](#) dated 15 June 2020.

A. MARKET DEVELOPMENT GRANT (MDG)

The Market Development Grant (MDG) is an export support initiative in the form of a reimbursable grant. MDG was introduced in 2002 with the objective of assisting exporters in their efforts to promote Malaysian made products or services globally. The lifetime limit of MDG is RM300,000 and it is specifically formulated for Malaysian SME Companies, Professional Service Providers, Trade and Industry Associations, Chambers of Commerce, Professional Bodies and Co-operatives.

In 2020, export initiatives under MDG was further expanded to include recognised **International Virtual Events**, including **Virtual Trade Exhibitions** and **Virtual Trade Missions**, where business-to-business (B2B) meetings are an integral part of these virtual events. [Note: MDG reimbursements are subject to the availability of the government funds].

B. VIRTUAL EVENTS

Virtual Events for the purpose of MDG is defined as an internationally recognised trade promotion activity held on a web platform, in a virtual venue that enables business interaction between people and entities, through online interactive tools. Smart phones, tablets, laptops and computer desktops are the most common tools used for this virtual interaction.

C. FEATURES OF VIRTUAL EVENTS

The features of virtual events include:

- i. Empower participants to engage within an online community via virtual platform.
- ii. Participants interact in an online avenue that is easy to navigate.
- iii. Increase participant's engagement with features such as Webinars and Chat Tools
- iv. Enable potential buyers to learn about products & services via images, videos and documents
- v. Produce a report of the event that includes buyer and seller profiles, visitor profiles, total sales reported, analysis of audience interests, feedback evaluation and analysis of business meetings.

D. ELIGIBILITY TO CLAIM FOR MDG-VIRTUAL EVENTS

Businesses and organisations that fall under the following four groups are eligible to claim for MDG-Virtual Events:

1. SMALL AND MEDIUM ENTERPRISES (SMES)
 - i. Incorporated under the Companies Act 1965 or Companies Act 2016.
 - ii. With at least 60% equity owned by Malaysians.
 - iii. Manufactures products that are made in Malaysia or provide services for export that originate from Malaysia, and
 - iv. Meet the following defining criteria:

mpma.org.my

37, Jalan 20/14, Paramount Garden
46300 Petaling Jaya, Selangor Darul Ehsan
MALAYSIA

T 603 7876 3027
F 603 7876 8352

Type of Businesses	Annual Sales or	Number of Full-Time employees
Manufacturing	Not exceeding RM50 million OR	Not exceeding 200
Trading	Not exceeding RM20 million OR	Not exceeding 75
Services	Not Exceeding RM20 million OR	Not exceeding 75

2. PROFESSIONAL SERVICE PROVIDERS (SOLE PROPRIETOR OR PARTNERSHIP)
Incorporated under the Registration of Business Act (1956) or registered under the respective statutory bodies for professional services providers, with at least 60% equity owned by Malaysians.
3. TRADE & INDUSTRY ASSOCIATIONS, CHAMBERS OF COMMERCE OR PROFESSIONAL BODIES
Registered with the Registrar of Society (ROS) or Associated Professional Authority.
4. CO-OPERATIVES
Incorporated under Co-operative Societies Act 1993, at least 60% equity owned by Malaysian.

E. REQUIREMENTS TO BE CONSIDERED FOR MDG-VIRTUAL EVENTS

1. Meet eligibility requirements as stated under item (D) Eligibility to Claim for MDG-Virtual Events above.
2. MUST be REGISTERED with MATRADE. Log on to <http://www.matrade.gov.my/en/online-applications/register-as-matrade-member>. Registration is free.
3. Details of registration must be updated from time to time. You may check the particulars of your company at: <http://www.matrade.gov.my/en/malaysian-exporters/online-services/myexport>.

F. SUBMISSION OF NEW APPLICATION OF CLAIMS OR REQUEST FOR REIMBURSEMENT OF EXPENSES

All completed applications MUST be SUBMITTED ONLINE through MATRADE's website at www.matrade.gov.my/mdg/. Submissions for reimbursements must be made within 30 calendar days from the last date of the promotion activity for:

1. Virtual International Trade Fairs held in Malaysia or Overseas
2. Business-to-Business (B2B) Meetings Related to Virtual Trade Investment Missions and Export Acceleration Missions.

G. ACTIVITIES & EXPENSES THAT ARE ELIGIBLE FOR GRANT FUNDING

1. Participation In Virtual International Trade Fairs in Malaysia or overseas
2. Participation In Business-To-Business (B2B) Meetings Related To Virtual Trade Investment Missions and Export Acceleration Missions. For items (1) & (2), please refer to the MDG Guidelines for details.

Yours sincerely,

ST GIAM

Executive Director

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