

SME WEEKLY NEWS

(13 November 2017 – 17 November 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>Najib cracks the whip on SMEs, urges transformation for rapid growth</p>	<p>Datuk Seri Najib Razak said he was “not happy” with the performance of SMEs and urged the sector to strive harder, after his administration allocated RM22.2 billion to help spur them under the Budget 2018. “We need to push because SMEs will be the driving force of the economy. I don’t want SMEs to be caught in the old trap, they need to transform,” Najib said. The budget allocation were meant to make SMEs competitive globally and to encourage movement up the value chain into areas such as automation, technology startups and exports. Only a fraction of companies in the industry are involved in high-end products. Export contribution from such firms also remains low despite their huge number. The government has initiated several programmes to train and upgrade SMEs over the years. Najib said the funds allocated for the sector under Budget 2018 will help complement those programmes.</p> <p><i>(Source: Malay Mail Online, 16 November 2017)</i></p>
<p>MALAYSIA</p> <p>SMIDEX 2017 achieves RM557.5m combined sales</p>	<p>SME Annual Showcase & Conference (SMIDEX) 2017 has achieved RM557.5 million in business matching, surpassing SME Corp’s target of RM555 million, said Deputy Minister of MITI, Datuk Ahmad Maslan. SMIDEX 2017 saw the participation of 11,195 trade visitors and 316 exhibitors, both local and international. In total, 109 SMEs and 38 anchor companies participated in 377 sessions throughout three days of business linkages. Local SMEs were also linked with international counterparts from Brunei, Hong Kong, South Korea and Mauritius. Last year, RM529 million worth of sales recorded during business matching at SMIDEX 2016. Meanwhile, in the Enterprise 50 Award which recognizes the achievements of top 50 Malaysian SMEs, Harta Maintenance Sdn Bhd was announced as the number one winner while Builtech Project Management Sdn Bhd as the first runner up. Also, the Managing Director of Ever Delicious Food Industries Sdn Bhd, Yo Bee Keow was named as the E50 Women Entrepreneur Award 2017 for her excellence and outstanding performance in managing her business.</p> <p><i>(Source: New Straits Times, 17 November 2017)</i></p>
<p>SINGAPORE</p> <p>Singapore to launch first digital trade platform for SMEs using blockchain technology</p>	<p>Singapore's first blockchain-based digital trade platform for SMEs will be ready by the first quarter of 2018. Called the Fasttrack Trade (FTT), the platform is a partnership between Prudential Singapore and Starhub, being developed by fintech startup Cites Gestion with funding from Prudential. Under this collaboration, StarHub will offer its enterprise customers access to FTT's services while Prudential will offer insurance to help them mitigate business risks. The FTT will allow SMEs to seek business partners, buy and sell goods, and buy insurance via a single platform. In addition, every transaction on the FTT is recorded and traceable, making it safer and cheaper for SMEs to conduct trade transactions and access financing. The tie-up between Prudential and Starhub is also part of a broader plan to create a digital business to business marketplace that will bring together service providers across multiple industries to support the growth of SMEs.</p> <p><i>(Source: Business Times, 15 November 2017)</i></p>

THAILAND

Small firms 'must adapt to new era'

Thai SMEs are being urged to brace themselves for disruptive technology and integrate technology in their business models to keep them ahead of the curve. According to the Governor of Bank of Thailand, Veerathai Santiprabhob, disruptive technology is presenting a strong challenge to SMEs. Compared with big businesses, the SME sector which has limited resources, is slower to adapt to changes and the gap in competitiveness continues to widen. Increasing non-performing loans in SMEs engaged in construction, wholesale and retail businesses are climbing, reflecting that they are losing competitiveness. Mr Veerathai said information and risk management are also important for SMEs, suggesting that the sector may need to focus more on big data analytics and risks from foreign exchanges. Also, the ageing society is posing a challenge to SMEs because consumer behaviour will change. The elderly tend to spend more carefully, particularly on health and tourism. Labour issue will also become scarce with workers being replaced by artificial intelligence.

(Source: Bangkok Post, 17 November 2017)

A MEATY KIND OF VENTURE

The co-founder of the halal meat products manufacturer, Ahmad Fuad Abdullah had spent much of his growing years in the UK and when he discovered that high-quality halal sausages were not as easily available in Malaysia, he figured it could be a market gap for him to fill. Former banker Fuad and his rugby buddies, Denis Rawlins and Iskandar Paul Igor then started Victoria Crest. After establishing the company, the trio tried to obtain halal industry development grants from the government to help kickstart their operations.

“Most of the mass market generally can’t tell what good quality sausages are. We focus on premium cuts, so that serves a premium, niche market,” says its CEO, Mohd Nazri Md Akim. And with more people returning home after a stint overseas or as more Malaysians travel abroad, Nazri says demand for good quality sausages is increasing. The company rolled out its first line of products in mid-2010 and targeted hotels for its primary business.

However, after six months of visiting hoteliers and pitching their products, Fuad realised that this strategy was not working. So they brought their products to the retail market. Currently, sausages make up the company’s core offerings, contributing about 30% of its sales. Victoria Crest also produces patties, pies and streaky chicken.

The company has been eyeing the export market for a few years now and Victoria Crest will finally be taking that leap next year. “From day one, we’ve always been top-notch in our technology and certifications. And next year, we want to go big on export,” Nazri says. However, he notes that most countries are strict about the import of meat and meat products. It is currently waiting for the go-ahead from Singapore to start exporting across the straits early next year. Victoria Crest has also approached interested parties in Brunei, Taiwan and Iran to explore potential partnerships in these countries and Nazri is hopeful of establishing contact in China and the Middle East to export there. The aim, he adds, is for sales overseas to eventually make up half of the company’s turnover.

The company has been doing fairly well over the last seven years. Last year, Victoria Crest turned in revenue of about RM1.6 mil. Nazri is aiming to do RM4 mil next year and RM10 mil by 2019. He notes that its facility is currently underutilised. Victoria Crest has the capability to produce one tonne of products a day but is only doing 20% of that at the moment. “So there is a lot of room to play with,” he says. Victoria Crest has allocated RM500,000 over the next year to boost marketing. Although there are not many local competitors in the premium meat products segment, Nazri says there is a need to reach out to the wider market.

Moving forward, he is also looking into other possible products which it could add to its range that would appeal to the tastebuds and pockets of the mass market. Another area that Nazri is giving attention to is the hotels, restaurants and cafe (horeca) market. The horeca and retail segments of the business are almost equal and Nazri thinks this is a good balance to keep. Victoria Crest is also exploring the possibility of going into petrol stations.



(Source: The Star, 13 November 2017)

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