

SME WEEKLY NEWS

(18 December 2017 – 22 December 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>Alibaba concludes B2B e-commerce training for Malaysian SMEs</p>	<p>Alibaba Group concluded its two-week B2B e-commerce training programme in Malaysia, conducted by the B2B platform Alibaba.com and supported by MDEC and MATRADE. More than 330 Malaysian SMEs participated in the training programme which aimed to provide them with the knowledge and tools to succeed in global trade. The training programme was the latest showcase in the realisation of the Electronic World Trade Platform (eWTP) pilot at the Digital Free Trade Zone in Malaysia. The programme provided capacity building on e-commerce, from effective ways to market their products on the online platform, logistics and payment systems management, to how to best capture consumer preferences. The programme was another key step in enhancing the global competitiveness of Malaysian SMEs, building on the one-stop solution platform recently launched in Malaysia under the eWTP initiative to allow easier trade for SMEs between China and Malaysia as well as globally. The training on ways to leverage this platform will enable more SMEs to buy and sell globally in a more cost-efficient way.</p> <p style="text-align: right;"><i>(Source: The Star Online, 18 December 2017)</i></p>
<p>VIETNAM</p> <p>IFC announces \$150m financing package for Vietnam's ABBANK</p>	<p>International Finance Corporation (IFC), the private lending arm of the World Bank Group, and Goldman Sachs 10,000 Women have announced a syndicated senior loan of \$110 million to An Binh Commercial Joint Stock Bank (ABBANK) to boost lending to SMEs. The loan is part of an up to \$150-million financing package by IFC for the bank. The Goldman Sachs 10,000 Women initiative is a campaign to foster greater shared economy by providing 10,000 underserved women around the world with a business and management education. At least one-third of the funding, or \$45 million, will be used to support women-owned enterprises. With this funding, ABBANK aims to triple its SME portfolio and quadruple the size of its lending to women-owned SMEs over a five-year period. In Vietnam, only 30% of the registered SMEs have access to formal financial services. According to IFC study, it is even more difficult for women-owned SMEs to obtain bank loans, with an estimated credit gap of \$1.2 billion per annum.</p> <p style="text-align: right;"><i>(Source: Deal Street Asia, 19 December 2017)</i></p>
<p>CAMBODIA</p> <p>Local SMEs are urged to digitise payments</p>	<p>Cambodian businesses need to adapt and digitise their financial operations if they want to remain competitive regionally and around the world. Over 200 SMEs attended the first annual Tech Startup and SME Forum, which encouraged SMEs in the country to streamline online payments, promote their products and improve consumer experience. According to Minister of Posts and Telecommunications, Tram Iv Tek, the adoption of technology by startups and entrepreneurs could mean the difference between success and failure in a competitive market. We want to encourage SMEs to take advantage of the technology available to them, and create digital applications that will help promote business operations. High smartphone usage in the country has provided opportunities for business owners to access a wider user base. Thus, SMEs have to catch up with the growth of technology. If they can't, they will not be able to compete with others in the regional and international markets.</p> <p style="text-align: right;"><i>(Source: The Phnom Penh Post, 20 December 2017)</i></p>
<p>INDONESIA</p> <p>Indonesia relaxes import regulations for 6 commodities</p>	<p>Trade Minister, Enggartiasto Lukita said he had signed six regulation drafts to relax import procedures and requirements for 6 types of commodities in a bid to help SMEs procure raw materials. The drafts will be passed to the Law and Human Rights Ministry for validation and are expected to be applicable early next year. The 6 categories are (1) used machinery or capital goods of up to 5 units per shipment; (2) F&B of up to 500 kilograms except confectioneries per delivery, traditional medicine and health supplements up to 500 kilograms per delivery and electronics of up to 10 pieces per delivery; (3) forestry products that do not require recommendation letters from the Environment and Forestry Ministry; (4) raw materials for plastics of up to 5 tons per delivery; glasses of up to 50 pieces per delivery without a surveyor report; (5) raw materials for medicine, food and cosmetics with less certification requirements; and (6) certain meat products.</p> <p style="text-align: right;"><i>(Source: The Jakarta Post, 21 December 2017)</i></p>

PUTTING HIS BEST FOOT FORWARD

Datuk Lewre Lew Fong Voon shows that with a lot of passion and perseverance, it is possible to teach oneself to be creative. Lew is perhaps better known as the mastermind behind international shoe brand, Lewre. But his upbringing has nothing to do with fancy shoes and colourful fashion.



“Those days, we were poor and relied on rubber tapping, and everyone had to work.”

He tried his hand at various jobs before he settled into sales. He was so good that an ex-colleague spent two months hunting him down to persuade Lew to join his shoemaking operations in Johor. Lew wasn't interested but after much persuasion, Lew gave in. When he was given a tour of the factory, Lew found himself captivated by the process of making shoes. He was particularly drawn to the R&D department. As Lew puts it, “I fell in love with making shoes.”

Although Lew was hired to do sales for the shoemaking company, he spent most of his time observing others making footwear. He taught himself to sketch and design shoes. Three years later, his customer sought him out to start a shoe trading company. He then sold his car to raise RM25,000 as his share of capital for the new company. In 1987, they founded Roondy (M) Sdn Bhd and Lew was left to run the business.

Six months in, he decided to look at the export market. We went to Germany and came back with zero business. No one knew Malaysia yet. We were more like tourist ambassadors promoting Malaysia,” says Lew. It was on this fourth trip that Lew finally secured two customers – one from Lebanon and one from Japan. After that, he slowly moved from trading to contract manufacturing and then to original design manufacturing. After few years, he sold his shoes to more than 40 countries under other people's labels. By 1997, he decided that it was time to start his own brand.

After 20 years, Lew has, no doubt, established Lewre as an international footwear brand. But his ambitions are much bigger than that. “I want to build a fashion lifestyle brand!” he declares. Thus, he ventured into gourmet segment in 2015 with restaurant chain, Nicsmann 1940s by Lewre. There are currently two outlets. There is interest from China to expand the restaurant chain there and Lew is excited about its potential growth. He is also looking at rolling out other fashion products like jewellery as he progresses on his plans to build a fashion house.



Last year, Lewre's operations underwent a restructuring exercise to better focus on its growth plans. Lew now focuses on the new entity, Lewre Holdings Sdn Bhd, which houses its three core businesses: bespoke, gourmet and licensing. With its strategies in place, Lewre Holdings is expecting to post profit before tax of RM3.7mil on the back of revenue of RM12.1mil for 2018. The following year, the group is expecting profit before tax of RM12.4mil over revenue of RM28.1mil. In the pipeline is also plan to list the company sometime in 2021 or the year after.

“In the future, we will have robots greeting customers at our outlets. They would already have your data, get the measurements for your shoes and help you customise them. And the data can be immediately sent to our factory in Italy!” he shares excitedly. By 2021, Lew thinks Lewre will be a high-tech global brand.

(Source: The Star, 18 December 2017)