

# SME WEEKLY NEWS

(6 November 2017 – 10 November 2017)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>Wee: SMEs must stop delayed payments</b></p>	<p>SMEs must end delayed payments due to its effect on the economy, said Minister in the Prime Minister's Department, Datuk Seri Dr Wee Ka Siong. A survey by the SME Media Group and Inti International University showed that late payment was a very common problem, with 73% of business operators saying it was a Malaysian business culture. Dr Wee said it was a stumbling block for many SMEs, with some waiting up to 94 days to get paid. SMEs lacked the voice to demand what was simply owed to them, while being unable to get credit from suppliers. Meanwhile, findings from the latest RAMCI Industry Debts Turned Cash (RAMCI i-DTC) indicators showed that majority of companies granted a total of 30 days credit terms to their customers. Dr Wee hoped more companies will renew their Trade Credit Pledge to pay their SME partners on time as part of their corporate social responsibility. He also urged businesses to make full use of digital financing so that they may compete with other SMEs globally.</p> <p style="text-align: right;"><i>(Source: The Star, 10 November 2017)</i></p>
<p><b>SINGAPORE</b></p> <p><b>3 SMEs join hands to bag \$100k e-commerce deal</b></p>	<p>Three SMEs i.e. Shopmatic, Red Dot Payment and iCommerce Asia have joined forces to land their first \$100,000 e-commerce deal in South East Asia. The collaboration is part of a push by International Enterprise (IE) Singapore to bring together different SMEs with complementary solutions to secure contracts across the region. The partnership combines different strengths of the three firms - Shopmatic's e-commerce platform expertise, Red Dot's digital payment solutions and iCommerce's logistics &amp; supply chain management solutions. The new partnership allows companies to overcome individual capability gaps and tap more resources to devise a comprehensive solution that would not have been possible on their own. This enables e-commerce firms to gain an advantage and capture opportunities in a competitive market. IE Singapore wants more firms with e-commerce solutions to form different groupings to respond to the fast-changing landscape and to bag opportunities in the region.</p> <p style="text-align: right;"><i>(Source: The Straits Times, 10 November 2017)</i></p>
<p><b>THAILAND</b></p> <p><b>State banks urged to support more SMEs</b></p>	<p>Deputy Prime Minister, Somkid Jatusripitak is urging state-owned banks to improve their operations and work harder to support SMEs, including startups. These state-run banks include the SME Bank, the Government Savings Bank (GSB) and the Export-Import Bank of Thailand (EXIM Thailand). Mr. Somkid said that SME Bank needs more human resources, technology and a new management approach to access more small businesses, while GSB already helps SMEs but the number remains low when compared with the bank's overall business. In other countries, banks that best serve SME operators are local small and mid-sized banks as they cannot compete with larger operators in extending loans to corporate clients. SMEs have suffered from the sluggish economy and have gained little from the country's economic recovery and robust export growth. Thus, he said that EXIM Thailand should pay attention to help SME customers expand their business into other markets instead of extending loans to exporters. Meanwhile, Mr. Domkid said that Bank of Thailand and the Thai Bankers' Association should create comprehensive programmes to promote better management of SMEs and new entrepreneurs.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 7 November 2017)</i></p>

**VIETNAM**

**Alibaba to support  
Vietnamese SMEs,  
help create  
employment**

Alibaba said it will help nurture the e-commerce market in Vietnam to create jobs for young people in the country. Alibaba Chairman and founder, Jack Ma told that Alibaba will help Vietnam create an ecosystem to assist local SMEs. Alibaba will help young people in Vietnam to start a business and find jobs through e-commerce. Alibaba aims to ensure every SME in every country can use the Internet to achieve sales, payments and deliveries around the world. Vietnam has 94 million people and 54% use the Internet, but only 4 million people shop online and more than 90% of transactions are made in cash. Jack Ma noted that Vietnam has not built up credit card, mobile payment and logistics systems, but these are opportunities for young people. Vietnam is expected to focus initially on the establishment of e-commerce infrastructure and support the growth of the sector.

*(Source: Global Times, 7 November 2017)*

## OPPORTUNITY IN GOING ORGANIC

It started out as a lifestyle choice for Cliff Lee. But his preference for eating organic plant-based products also turned out to be good business sense. His company, Green Image Organic Enterprise Sdn Bhd. produces organic food under the Biogreen label. "I wanted to do something that can protect the environment. And I was thinking of a venture that I can go into after graduating in 1995," says the accounting graduate. In 1997, Lee started BMS Organics with his brothers to sell organic products. The company grew to over 40 outlets and carried some 1,000 different products, ranging from fresh organic produce & supplements, food & beverages, skincare products and even pet food.

But Lee realised that running a retail business was a challenge. He notes that demand for organic food in Malaysia then was not that big and most of the products were imported. Two years later, he decided to start Green Image Organic Enterprise to produce their own organic food products under the Biogreen brand. By manufacturing their own products, they'd also be able to control where the source materials come from and be able to manage costs. He was also eyeing potential in the export market.



He developed Biogreen's products under 3 categories namely children, ladies and general wellbeing. They also brought in regular products such as organic snacks and cooking materials under the Biogreen brand. While the formulation for its products are unique to Biogreen, the company outsources its manufacturing activities so that it can focus on product development and growing the business.

But growing their own brand from scratch wasn't exactly a breeze. Lee says it took about seven years for the brand to establish some kind of presence in the local market and their products moved



from BMS Organics to the shelves of other retailers as well. Eventually, the brand grew strong enough that Green Image Organic Enterprise started setting up its own Biogreen outlets that incorporated a showroom concept. To date, it has nine outlets around the Klang Valley, Penang, Johor and Malacca.

Last year, Green Image Organic Enterprise recorded revenue of RM26 mil and the company has been recorded double-digit growth every year. "We are forecasting growth for Biogreen to be at 15%- 20% every year," noting that his estimates were based on the growing awareness on healthy lifestyles and

demand for organic food. He acknowledges that the demand growth was affected by the slow market in recent years but expects to be on track once the market picks up.

In the immediate term, Lee is looking at engaging younger audiences to grow his market share. He believes younger consumers are increasingly looking at healthier options and are advocates of healthy lifestyles. He also hopes to grow Biogreen's export market. Although the company has been exporting its products since the early days, overseas contribution to revenue was only at 5%. "We hope we can achieve 20% export contribution in two years," he says.

*(Source: The Star, 6 November 2017)*

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