

SME WEEKLY NEWS

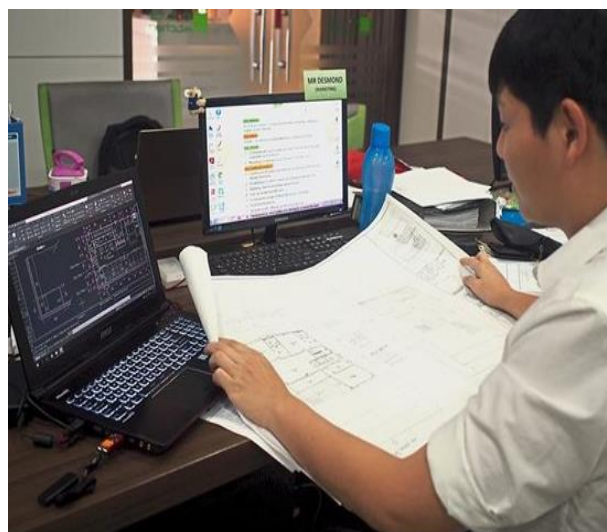
(6 February 2017 – 10 February 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>Bursa Malaysia to launch new private market for SMEs</p>	<p>Bursa Malaysia Bhd. is expected to launch a new private market on the bourse, a platform specially designed for the SMEs, in the second quarter. Chief Executive Officer, Datuk Seri Tajuddin Atan, said the new SME market would allow Malaysian SMEs to have access to capital, thus helping to achieve the target of 41% contribution to gross domestic product by 2020 set under the SME Masterplan. Similarly to ACE Market, there would be no specific criteria set for participants in the new SME Market, meaning that there would be no profit track record needed but investors who were keen to participate must be high net-worth individuals. Tajuddin said that trading activities for the SME Market would follow the 'light-tight' rules, whereby if the rules are too restrictive, maybe we should loosen it, but if it is too loose, then we will tighten it to make sure the market grows</p> <p style="text-align: right;"><i>(Source: Bernama, 8 February 2017)</i></p>
<p>SINGAPORE</p> <p>Maybank unveils payroll processing software for SMEs</p>	<p>SMEs can now enjoy greater convenience and efficiency in their payroll processing with the launch of Maybank's tie-up with Asian Business Software Solutions (ABSS). SME customers can now use ABSS' MYOB branded payroll software for payroll processing, which supports the bank's Business Internet Banking payroll file format, and companies can use it to directly credit the salaries to their employees' bank accounts. Using the payroll software, SMEs can enjoy a host of advantages such as auto-computation of salary and generation of itemised payslips. The software can also be updated so SMEs will be kept well-informed of policy changes announced by regulatory authorities such as Central Provident Fund (CPF) and Income Tax Authority of Singapore (IRAS). SMEs will benefit from greater productivity as they switch from manual computations and paper-based payments to automated payroll systems. Customers enjoy free 30 days' introductory technical support upon registration to help them started.</p> <p style="text-align: right;"><i>(Source: Singapore Business Review, 6 February 2017)</i></p>
<p>THAILAND</p> <p>SME expectations dip as local economy lags</p>	<p>SME expectations for the first quarter of 2017 fell to 50.9 (4Q 2016: 54.1), according to a quarterly survey by Thai Military Bank (TMB) Analytics, the research unit of TMB Bank. Head of Economist of TMB Analytics said that even though merchandise exports picked up in the fourth quarter of 2016, most SMEs have failed to benefit from the recovery as they rely mainly on the local economy. Strong growth in tourism will also benefit only a handful of SMEs located in few provinces which are main tourist areas. Meanwhile, the condition of SME loans remains worrisome with a high percentage of both non-performing loans and special mention loans.</p> <p>The TMB-SME Sentiment Index, surveying 1,318 SMEs nationwide fell to 40 in the 4Q 2016 (3Q 2016: 41.9), which was below 50-point threshold that separates pessimism from optimism. SME confidence dropped as overall farm income contracted due to problems in some agricultural products such as rice, corn and cassava, thus weakening the purchasing power in the North & Northeast regions. On the other hand, the confidence of SMEs in the South continued to improve on the rising price of rubber, palm and white shrimp, supporting consumption even though the massive floods late last year might drag it down a bit. SMEs that were worried about their operations said that the domestic economy and the slow recovery of purchasing power were the main risk factors.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 6 February 2017)</i></p>

<p style="text-align: center;">THAILAND</p> <p>Japan, Thailand to jointly rev up SMEs with business matching</p>	<p>Japan and Thailand agreed to expand collaboration for the development of SMEs by mutually encouraging business matching deals between firms of the two countries. A memorandum of understanding (MoU) on further synergy was inked between Japan's Organization for Small and Medium Enterprises and Regional Innovation and Thailand's Department of Industrial Promotion (DIP). Minister of Industry, Uttama Savanayana said that under the MoU, Japan will assist Thais in providing guidance on the management of SME promotion projects, the SME Rescue Center, Business Service Center and a 20 billion baht (\$580 million) SME development fund run by DIP. He added that J-Goodtech which is the online business-matching platform, is expected to be the channel that links Thai and Japanese enterprises. J-Goodtech contains information on 4,000 Japanese companies and 2,500 SMEs from other countries in the manufacturing, logistics and service sectors. Its main purpose is to help find appropriate business partners online and offline.</p> <p style="text-align: right;"><i>(Source: The Japan Times, 7 February 2017)</i></p>
<p style="text-align: center;">INDONESIA</p> <p>Indonesia Eximbank to issue \$1.55b in debt paper in 2017</p>	<p>The Indonesian Export Financing Agency (LPEI) or Indonesia Eximbank, will issue US\$1.55 billion in debt paper to support its activities in 2017. The debt paper will consist of rupiah-denominated bonds worth 14 trillion rupiahs (US\$1.05 billion) and foreign-denominated bonds worth \$500 million. In addition to the outstanding rupiah bonds, LPEI has also issued equivalent to 7.2 trillion rupiahs in foreign currency bonds. Acting executive director of LPEI, Suswijono Moegiarso said that the agency was targeting a 15.96% annual increase in its financing portfolio, rising to 102.6 trillion rupiahs in 2017. Around 10% of the financing would be disbursed to the SME sector. "The strategy is to focus financing on the main commodities and penetrate the non-traditional markets. We will also foster SMEs to expand into the export market," he said. Data from LPEI shows that its financing rose by 18.24% y-o-y to 88.48 trillion rupiahs in 2016.</p> <p style="text-align: right;"><i>(Source: The Jakarta Post, 7 February 2017)</i></p>

NO SHELVING THIS FURNITURE MAKER

There are many ingredients to achieving success, but for managing director of In Cube Customize Sdn Bhd, Tee Chee Seong, hard work is a mandatory requirement. After completing his Lower Certificate of Education in 1986, Tee was not interested to continue schooling. “I was only 16 years old, but I realised I needed to do something with my life. He chanced upon a furniture maker in his hometown in Klang and started working there with his former classmate, Lee Kim Huat, who eventually co-founded In Cube with him.



Tee worked as an apprentice for over two years and did everything from cleaning the factory to doing carpentry works. Then, an opportunity came for him. Tee left to work with the KL-based company while Lee remained in Klang to work with another furniture manufacturer that specialises in chairs and tables. After about two years, Tee wanted to look for better opportunities and stopped working with the furniture manufacturer in 1990. Tee and Lee got together to start a subcontractor business, customising furniture installations and doing carpentry works. They started with about RM2,000, purchased hand tools and went around Klang to look for business.

In early 1995, they moved to a factory in Teluk Gong, Klang and started approaching home renovation contractors. In 1998, sales started to pick up and they moved to a bigger rented factory in Kg Jawa, Klang with a staff of 50. In 2006, their hard work was rewarded when they finally moved into their own factory in Kg Jawa, Klang. Today, they have a staff of 120. To create a recognisable brand identity, we established In Cube Customize Sdn Bhd in 2007 as a marketing company while Shuang Yi Kitchen remained as a manufacturing company,” Tee explains.

They began opening showrooms in 2007 and have three today, but Tee says the manufacturing factory serves to build confidence in their clients. In 2012, In Cube also provided services to developers. The group achieved a revenue of about RM10 million in 2016, but Tee is not pausing to take a break. Instead, they are looking into providing nano-coating services to address health-conscious consumers’ concern on the existence of formaldehyde in furniture. “We will continue to grow with clients’ expectations. We already have many clients who are doctors and are interested in this product where we import the chemicals from Japan and coat onto the furniture,” Tee concludes.

(Source: The Star, 6 February 2017)

Economics and Policy Division
SME Corp. Malaysia
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