

SME WEEKLY NEWS

(19 February 2018 – 23 February 2018)

Countries	Highlights
<p>MALAYSIA</p> <p>Government will look out for Chinese community, says Najib</p>	<p>The government will continue paying attention and tending to the needs of the Chinese community to ensure that they will prosper together with the country. The prime minister said that the Chinese community had played an important roles in terms of economic and business development. The government had always ensured that the enacted policies were inclusive of the needs of every citizen, regardless of their race. Under the Budget 2018, SME entrepreneurs from the Chinese community had also been given special access to a RM50 million allocation through KOJADI (Koperasi Jayadiri Malaysia Berhad), besides an allocation of RM30 million for the 1Malaysia Hawkers and Petty Traders Foundation to provide loans to hawkers from the Chinese community. Meanwhile, in order to ensure that policies drafted met the needs of the Chinese community, Najib said that the government had actively engaged in discussions with groups and associations such as the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) and Hua Zong.</p> <p style="text-align: right;"><i>(Source: The Malay Mail Online, 20 February 2018)</i></p>
<p>MALAYSIA</p> <p>SME redefinition does not affect MTDC's funds disbursement</p>	<p>Malaysian Technology Development Corp (MTDC) said the SME redefinition has not affected the fund provider's assessment in disbursing funds to local companies. As at Jan 31 2018, MTDC has approved RM10 million worth of funds to four companies in 2018 under its Commercialisation Research Development Fund (CDRF) and Halal Technology Development Fund (HTDF). Between 2016 and 2017, the fund provider has approved RM330 million to 116 companies. MTDC funds are disbursed through six channels, namely CRDF, Technology Acquisition Fund, HTDF, Business Start-up Fund, Business Growth Fund and Business Expansion Fund. MTDC has no plan to abandon grassroot-level innovations as it may hold the key to the sustainability issue. As IR4.0 is fuelling vast majority of local industries, it is imperative to develop an innovative nation through a balanced funding of cutting-edge machinery and sustainability-focused products. Moving forward, MTDC plans to engage with companies within the digitalisation space in order to spur the country's IR4.0. MTDC is also planning to allocate RM150 million to fund technology adoption among local companies.</p> <p style="text-align: right;"><i>(Source: The Malaysian Reserve, 22 February 2018)</i></p>
<p>THAILAND</p> <p>Alibaba hears EEC park plea</p>	<p>The government has urged Chinese e-commerce giant, Alibaba to expand its park project planned for the Eastern Economic Corridor (EEC) to cover other provinces in Thailand, says the Industry Minister, Uttama Savanayana. The expansion is aimed at helping local business operators, particularly SMEs. The e-commerce park will be a one-of-a-kind facility in the region, including a distribution centre, logistics hub, production plant and training centre for Thailand's SME business and processing centres. Alibaba confirmed the purchase of EEC areas to develop the e-commerce park and serve the booming e-commerce market in ASEAN countries. Alibaba expects the entire e-commerce park to be completed in 2018. Uttama said the government wants local SMEs to access the online market, which in turn enables them to access farm products in rural areas. Alibaba also wants to include Thai SMEs in its supply chain, using Thailand as a base to ship products to Cambodia, Laos, Myanmar and Vietnam, as well as other global markets.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 23 February 2018)</i></p>

<p style="text-align: center;">INDONESIA</p> <p>Indonesia mulls tax incentives for venture capital firms, to boost startup investments</p>	<p>Indonesia is looking at offering tax incentives to venture capital firms as part of its efforts to boost investments in digital and e-commerce startups. Its Finance Minister, Sri Mulyani Indrawati said that the revenue gained by venture capital firms from their investment in startups will be exempted from income tax so that investment in the SME sector and financing for startups can be increased. The minister also revealed that the government will also revise the regulated sales threshold for SMEs that can qualify as venture capital partners. The current regulation states that SMEs that can be partners of venture capital firms are those whose net sales do not exceed 5 billion rupiah a year. Revision will be made in order to meet the needs of many startup companies which mobilise capital from venture VCs to grow fast. This will also come with a reduction in final income tax for SMEs from the current 1% to 0.5%. The Indonesian government has been determined to support the startup ecosystem in the country. In 2016, the government launched 1,000 Digital Startup National Movement programme, aims at stimulating the creation of 1,000 startups by 2020.</p> <p style="text-align: right;"><i>(Source: Deal Street Asia, 22 February 2018)</i></p>
<p style="text-align: center;">MYANMAR</p> <p>Mandalay chamber to focus on SME loan and Chinese investment</p>	<p>U Kyaw Min, the Chairman of the Mandalay Region Chamber of Commerce and Industry (MRCCI), sees big potential for the region to draw Chinese investments and tap local talent for growth and development. Mandalay is Myanmar's second largest city and hailed as the country's northern economic powerhouse. MRCCI has drawn up a one-year plan to help SMEs gain access to funding for growth and facilitate foreign direct investments from China, which is the biggest investor in Mandalay. They are in talks with the banks on ways to help SMEs gain access to loans without the need for collateral. One of the potential solutions is for banks to disburse loans to borrowers with the MRCCI acting as a third party guarantor in accordance with the law. The next step is to communicate more regularly with the regional government and build connections with foreign investors. This will help us improve and become more effective in our role as a bridge between the go ernment, investors and local firms.</p> <p style="text-align: right;"><i>(Source: Myanmar Times, 19 February 2018)</i></p>

GOT HIMSELF A GOOD CATCH

MOST students of culinary schools go in with a dream of running their own restaurant someday, including Aaron Lim, the Managing Director of Fishbowl Ventures Sdn Bhd. After he graduated from culinary school, he tried to work his way up in the kitchen. He worked in F&B outlets and spent some time learning in the kitchens of France. But not long after, he found that he could not take the kitchen anymore.

In 2016, he was introduced to poke dish. Poke, pronounced poh-kay, is a Hawaiian dish that refers to the cuts of raw fish that top a typical poke bowl of hot rice and a variety of sides. “Initially, I didn’t like the concept. Hot and cold food served together was a no-no for me. But I found that I really like the taste. It was healthy and I liked it,” he says.



Lim figured this could be his opportunity to finally run his own restaurant and decided to build a venture around the poke dish. Lim and his friends then put in a total of RM160,000 to set up their first outlet in Sunway. The big student population in the area seemed a natural market to tap into for something as hipster-ish as the poke. The first The Fish Bowl outlet opened in August 2016.

“We struggled the first few months as no one knew what poke was. We had to educate people about what poke was all about. Then it got worse. When November came rolling around, the surrounding universities were closed for holidays. The area was dead quiet and the lull lasted till the Chinese New Year period. “It was tough, but we still had to go on with the business because we had already put in so much effort into this shop,” states Lim.

Fortunately, things started to look up after the festive season. Lim also implemented several changes to its menu and food presentation based on feedback from some of their customers, which helped grow their customer base. “From the time we started, I learned a lot about consumer behaviour and

tastebuds. What surprised Lim once there was an uptick in the business was its weekend crowd – they mainly consist of families. That meant The Fish Bowl’s offerings appealed to a wider market than just its weekday student crowd.

Subsequently, he decided to explore expansion opportunities in shopping malls. The Fish Bowl opened its second outlet in 1 Utama Shopping Centre in April 2017 followed by another two more, in Pavilion KL and Plaza Arkadia, later in the year. It opened its fifth outlet this month and the company is looking to add another four more stores this year.

One of his challenges in growing the business is the uncertainty in the ringgit as most of its materials are imported. “You need to have a good connection with your suppliers. I work very closely with them to control the stock that we get because we can’t pass the cost on to our customers,” he says.

“There’s a lot of potential for poke because Malaysians like Japanese food and that helps a lot because the poke has similarity to Japanese food,” he says. Last year, Fishbowl Ventures turned in revenue of about RM1mil. With his line-up of store openings, Lim is expecting revenue to double by the end of the year. He is also eyeing the market outside of Klang Valley, with plans to open outlets in other states like Penang and Johor by next year.

(Source: The Star, 19 February 2018)

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