

# SME WEEKLY NEWS

(5 February 2018 – 9 February 2018)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>Fintech start-ups to offer solutions to SMEs</b></p>	<p>SMEs can seek an alternative channel to finance their working capital following the strategic partnership between Funding Societies and Money Match. Funding Societies will act as the financing platform while Money Match will become the cross-border money transfer platform. Based on estimates by SC, local SMEs have a financing gap of more than RM80 billion. SMEs can obtain working capital financing with no collateral requirements from Funding Societies to fund the purchase, while also executing remittance payments with lower fees and better exchange rates through Money Match. The partnership is also in line with the government's initiative to digitise financial solutions. Funding Societies will connect investors and SMEs through an online marketplace, and added that investors for SMEs could earn up to 14% in returns per annum. Meanwhile, SMEs could obtain up to RM500,000 in working capital financing to expand their business. Funding Societies, the largest peer-to-peer platform in South-East Asia has disbursed over RM300 million in working capital to SMEs. Money Match, since its launch in October 2017, has processed transactions totaling up to RM38 million.</p> <p><i>(Source: The Malaysian Reserve, 6 February 2018)</i></p>
<p><b>MALAYSIA</b></p> <p><b>MITI eyes 10000 e-commerce companies joining DFTZ</b></p>	<p>MITI is targeting to increase the number of companies coming onboard the DFTZ e-commerce platform to about 10,000 by the end of the year. They will work towards ensuring the sustainability of the SMEs that are already DFTZ-listed, and assist more SMEs to list on the platform to ensure that they are well-equipped to venture into cross-border eCommerce. The last two years had been exciting for e-commerce, with the official statistics stated that the digital economy accounted for 18.2% of the country's economy in 2016, while share of e-commerce to the overall GDP increased to 6.1% (2015: 5.9%). Meanwhile, CEO of MDEC, Datuk Yasmin Mahmood said it planned to expand DFTZ this year beyond just the Alibaba platform and it was looking at Lazada, 11Street and Aladdin Street to focus on exporting into Southeast Asian markets. The DFTZ initiative was a game changer for our digital economy that would focus on providing a state-of-the-art platform for the convenience of SMEs to conduct their businesses and services.</p> <p><i>(Source: News Straits Times Online, 8 February 2018)</i></p>
<p><b>INDONESIA</b></p> <p><b>Elven Digital launches web-builder service for SMEs</b></p>	<p>Digital agency company, PT Elven Digital Indonesia has launched a new service called Djaring, that is a web-builder aimed at assisting SMEs wanting to construct their own websites and digital platforms. Aiming to get 1,000 clients this year, Djaring stated that SMEs needed a special price to build digital platforms because construction of such infrastructure was too costly for small businesses. The company offered a web-building fee of between 300,000 rupiah to 700,000 rupiah monthly, with a free starter package for trial. Djaring also offered integrated payment and shipping services for its clients' customers. Djaring had also partnered with Midtrans, an online-payment gateway company, to facilitate customer payments via bank transfer and credit card on Djaring's client's websites. The company will cooperate with expedition services such as Tiki JNE, Si Cepat and J&amp;T for shipment of its clients' goods to their customers. Meanwhile, to promote Djaring to SME owners, it will hold various events, including roadshows and seminars for SME communities.</p> <p><i>(Source: The Jakarta Post, 6 February 2018)</i></p>

<p style="text-align: center;"><b>SINGAPORE</b></p> <p><b>New funding to get SME staff better prepared for terror threat</b></p>	<p>Ministry of Manpower (MOM) is in talks with their industry associations to fund the efforts to help SMEs in five higher-risk sectors i.e. F&amp;B, retail, entertainment, hotels and transport. Industry associations will receive between \$25,000 and \$55,000, to get SMEs to appoint MOM-registered representatives for SGSecure - the national push to involve Singaporeans in the fight against terror, and to train employees in basic first-aid skills, as well as to raise awareness about terrorism threats at the workplace. The funding initiative comes after bizSafe was enhanced in September to incorporate elements of SGSecure. Under the enhanced programme, workers will also learn how to respond to terror threats and incidents at their workplaces. They will learn about security considerations in risk management plans and workplace safety and health policies. BizSafe is a five-step programme launched in 2007 to improve safety at the workplace, with almost 30,000 companies have joined the programme.</p> <p style="text-align: right;"><i>(Source: Straits Times, 8 February 2018)</i></p>
<p style="text-align: center;"><b>PHILIPPINES</b></p> <p><b>DBP introduces new initiatives to further support MSMEs</b></p>	<p>State-owned Development Bank of the Philippines (DBP) launched two new initiatives i.e. Small Business Puhunan Loan Program (SBPLG) and Broiler Contract Growing Program (BCGP), to further support MSMEs in the country. These programs aim at liberalizing credit access of small business and poultry owners. The SBPLP provides permanent working capital from as low as 300,000 pesos to 1 million pesos to micro and small-sized enterprises with existing account either with DBP or other banks. Meanwhile, the BCGP is designed to encourage contract growers to expand their businesses by facilitating the financing of poultry broiler contract growing projects through faster loan processing. Eligible projects under the program include farm acquisition, development, expansion or rehabilitation. Loanable amount is up to 80% of the total project cost with repayment term of up to 10 years. These two initiatives reflect the bank's commitment to empower small entrepreneurs in the country and spur entrepreneurial vigor among the citizens.</p> <p style="text-align: right;"><i>(Source: Philippine Information Agency, 8 February 2018)</i></p>

## GETTING HIS HANDS DIRTY

NOT many would like to work under the sun or dust in this day and age. And compared to the enticing and comfortable working environment that startups typically get, it seems unlikely that one would start a company that requires you to work in such harsh conditions.

But construction works have always run through the Executive Director of Hin Construction Sdn Bhd, Seow Kent Von's blood. And when he struck out on his own in 2011 after working about two years with a developer as an assistant project manager, it seemed natural to start a construction and renovation firm. "I am used to the dusty and noisy environment. Since young, I have followed my father around when he was doing renovations works," Seow says.

While he could have done all that as an employee, Seow believes that entrepreneurship is one of the ways to raise the standard of living for society, be it from creating good living spaces or by generating jobs and income for the people. This was the main driving force for him to start the business even though he was offered other job opportunities. "We also hire ex-convicts and believe that they deserve a second chance. We train them in various traits, from carpentry works to piping, tiling and other renovation related works," he says.

Hin Construction started off with a capital of RM20,000 and a staff of 10. His first challenge was to get jobs for the company when people were unaware of who he was or of his services. Seow offers a one-stop-solution to his clients as he knows that home owners have varied problems and it can be stressful dealing with multiple sub-contractors to rectify an issue. This has helped the business grow over time.

Today, they have a staff of 40 and have completed thousands of small jobs that include repairing leaks to installing air-conditioning. They have also completed larger jobs that are valued from RM80,000 to RM200,000. They turn in an average revenue of about RM5mil.



"The higher value jobs involve renovation works. It is very personal and we work well with home owners to realise their dream home. We always advise them to come every two days to look at the progress and to check if it is up to their satisfaction because any changes that is done early will save a lot of cost and headaches later on," he says.

To further differentiate his company, Seow increased the visibility of the company through the Internet, which enables potential clients to reach out to them easily. His team would then follow up to provide more information before commencing work. Seow believes that the demand for home repair and renovation services will continue to go up as there are more home owners in the market and he hopes to list the company in the next 10 years.

*(Source: The Star, 5 February 2018)*

Economics and Policy Division  
SME Corp. Malaysia  
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