

# SME WEEKLY NEWS

(18 June 2018 – 22 June 2018)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>SMEs must transform: Shafie</b></p>	<p>Chief Minister of Sabah, Datuk Seri Mohd Shafie Apdal said that SMEs to consider re-modelling their business and find new markets and avenues of growth in the face of evolving economic environment. Digital Economy has brought unprecedented opportunities and challenges to Malaysia economy, especially to SMEs which forms nearly 99% of the businesses in the country. SMEs are strategically placed to take the most advantage of digital disruption, as they are more agile and flexible in meeting the needs of the new economy. Unfortunately, only a small number of SMEs have seriously embarked on the path of transformation. Many of the SMEs are facing tremendous constraints on the journey of transformation. They lack entrepreneurial skills, low capability in adopting high-end technology, limited funding, lack of knowledge and skills in management and marketing under the new economy. Shafie said he, however, believed that these challenges can be overcome when the Government and SMEs community come together and work hand-in-hand to transform SMEs into competent, innovative and technological driven enterprises. There is no short-cut but to develop the culture of learning, to strengthen capacity building of SMEs in order to embrace disruptive change and catalyse success.</p> <p><i>(Source: Daily Express, 22 June 2018)</i></p>
<p><b>SINGAPORE</b></p> <p><b>SMEs still upbeat for rest of 2018, but caution has crept in due to trade tensions</b></p>	<p>Singapore SMEs remain upbeat about their prospects for the second half of this year, but caution has crept in as a result of the ongoing US-China trade disputes. The latest Singapore Business Federation–DP Info (SBF-DP) SME Index dipped marginally from 51.8 to 51.5, even as it remained in positive territory, while the outlook for SME turnover and profits was stable. The largest improvement in outlook came from the F&amp;B sector. Last quarter, F&amp;B SMEs were the most bullish about their business expansion and hiring expectations, a combination that indicated an intention to expand their operations. Sentiment was however affected by the ongoing trade disputes between the US and China. With both countries ratcheting up measures to impose additional tariffs on imports and possible investment restrictions, this certainly could have the potential to tip over the positive sentiment of SMEs. Despite the looming uncertainties, SMEs should continue to think long-term, leverage the supportive government economic policies and continue with to transform their companies to be more innovative and competitive.</p> <p><i>(Source: The Business Times, 19 June 2018)</i></p>
<p><b>SINGAPORE</b></p> <p><b>2 in 5 cyberattacks hit SMEs in 2017</b></p>	<p>Cyber Security Agency of Singapore (CSA) revealed that nearly 40% of the 146 cases of reported cyberattacks involved businesses, particularly SME, related to phishing attacks and ransomware. Cyberattacks also hit Singapore's Critical Information Infrastructure (CII) sectors, such as Banking &amp; Finance and Government remain prime targets for cyber-attacks, because of the sensitive information held by organisations in these sectors. Overall, cyber threats in Singapore continued to grow in frequency and impact. Singapore's cyber landscape mirrored global trends that shifted from profit-motivated attacks towards those aimed at causing massive disruptions. CSA also reaches out to businesses and individuals to raise cybersecurity awareness and adoption through campaigns and platforms such as GoSafeOnline, SingCERT website and social media channels," the agency said. Other efforts include the push for cybersecurity R&amp;D to accelerate the growth of the industry to support Smart Nation initiatives. CSA also collaborates with international partners to build cyber capacity and drive the adoption of voluntary cyber norms for a 'rules-based' international order in cyberspace.</p> <p><i>(Source: Singapore Business Review, 19 June 2018)</i></p>

<p style="text-align: center;"><b>THAILAND</b></p> <p><b>SME Bank offers 58 billion baht in loans</b></p>	<p>The state-owned SME Bank of Thailand is offering low-rate loans worth a combined 58 billion baht to family-owned business operators turned juristic persons, farm processing entrepreneurs and innovative small-business operators. Of the 58 billion baht in loans, 8 billion is set to be extended to small SMEs that sign up to become juristic entities, with the remainder to SMEs in the agricultural processing industry, community-based tourism, community enterprises and businesses that use innovation. For the 8-billion-baht loan scheme, the bank charges borrowers 1% throughout a 7-year loan term, with a 3-year grace period on the principal. Borrowers do not need collateral, and those who have failed to repay bank loans once are still eligible for the loan. The bank is also imposing a fixed 3% interest rate for three years for the 50-billion-baht seven-year term loans. If borrowers lack collateral, they can ask to use the credit guarantee service from Thai Credit Guarantee Corporation (TCG), which also offers an annual fee exemption for the first four years.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 22 June 2018)</i></p>
<p style="text-align: center;"><b>CAMBODIA</b></p> <p><b>FASMEC brings in website for SMEs</b></p>	<p>Cambodian entrepreneurs who are members of the Federation of Association for Small and Medium Enterprises of Cambodia (FASMEC), can soon display and sell their products on a new shopping website, following partnership with London-based Sram &amp; Mram Resources Ltd. The federation signed MoU with the conglomerate to develop smexasean.com, which will serve as a platform linking Cambodian products to the regional market. Both parties will soon finalise the agreement to jointly operate the site while a technical team will conduct a road show to educate FASMEC's 300 members on the benefits of the new platform and how to use it. Its members will soon be having a platform to display and sell their products that will make it easier and cheaper to reach international customers. The objective of the project is to place the SMEs under one roof by providing them the avenue to conduct business activities without worrying about the fundamentals of finding a buyer or seller.</p> <p style="text-align: right;"><i>(Source: The Phnom Penh Post, 18 News 2018)</i></p>

## GREASED THE KLEEN WAY

RESEARCH, test, repeat. And after six years, Marizan Nor Basirun, Managing Director of MN Fuel Solutions Sdn Bhd finally got the formula he was looking for. He established the company early this year after successfully producing his magic formula for water-in-diesel emulsion. The emulsified diesel, sold under its Kleen Diesel brand, is a greener and cheaper alternative to the Euro 2 diesel which is widely used in vehicles such as trucks, buses and ships, as well as for industrial usage.

An engineer by training, he came across the opportunity to produce water-in-diesel emulsion by chance. Having built up his own capital and with years of experience in the field, Marizan thought this was an opportunity that he could embark on his own. So, he acquired the technology for about RM3.5 mil, and in 2010, set up his own company to sell homogeniser technology to the shipping industry. However, the local shipping boys barely gave it a glance and Marizan had to venture into the regional market instead.

Through market observation and some stroke of genius, Marizan realised that his homogenizer technology could be further developed and used to produce water-in-diesel emulsion. But there was no jumping the gun. It took time to research and develop a suitable formula into a commercially



viable product. “You have to do it step by step. Every step, we are making improvements. We know that it was getting so close, so we just had to persevere,” he says. It took Marizan and his team of engineers more than three years. About six years, to be more precise. And a total investment of about RM6 mil-RM7 mil.

In 2014, after his team discovered the basic formula, he approached MOSTI and managed to get its technofund grant to keep his research going. The grant enabled them to upscale the production plant from its lab size to a commercial one. Kleen Diesel is marginally cheaper than

standard diesel fuel, which saves companies on logistics cost. Now that he has a product, Marizan is eyeing the transportation sector as its target market.

However, Marizan notes that there are challenges to getting Kleen Diesel accepted by the market. One of them is the lack of awareness among policy-making bodies on the existence and benefits of water-in-diesel emulsion. Increased industrialisation is a growing concern as it adds more trucks on the roads. This would lead to increased air pollution as diesel engines are noted to be a major emission contributor to the environment. Another challenge is overcoming perception of locally-developed technology whereby locals are more inclined to think that imported products are superior to those produced locally. “It was the same issue when we started selling our homogenisers. We tried it here but we did not get as much acceptance from local companies, so we went out. And we managed to sell our products in the Philippines, Indonesia, Pakistan, Sri Lanka and Cambodia.

MN Fuel currently supplies to small companies with consumption of less than 1,000 litres per month but Marizan hopes larger firms will start giving their products a try. He adds that Indonesian state-owned oil company, Pertamina has shown interest in its blending unit. At the moment, MN Fuel has a production capacity of 24,000 litres a day. He is hopeful that larger companies will engage MN Fuel and tap onto its experience to develop more advanced emulsified diesel. Currently, apart from its Kleen Diesel, the company also sells its production technology as well as its production plant set-up. It has also packaged its fuel in smaller containers for the fogging industry.

*(Source: The Star, 18 June 2018)*

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