

# SME WEEKLY NEWS

(24 September 2018 – 30 September 2018)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>Facebook helping Malaysia SMEs to go global</b></p>	<p>Selling in a foreign country is one of the biggest challenges for SMEs in Malaysia. As more consumers in ASEAN shop across borders, SMEs must take advantage of e-commerce to grow their businesses beyond the country. To address the digital skills gap amongst SMEs in Malaysia, Facebook is working with MATRADE and e-commerce platform, Avana to provide SMEs in the country with training and resources to grow their businesses internationally. Named 'Made by Malaysia, Loved by the World', the programme aims to facilitate business exports for at least 2,000 businesses in the country. According to numbers from Facebook, 87 million people globally are connected to a small business in Malaysia. However, only one in 10 SMEs are exporting goods overseas. Under the partnership, SMEs can learn skills in market research, digital marketing, and building their e-commerce presence via training programmes by Facebook and Avana. Malaysia is the third in the world to implement this program, after Taiwan and South Korea. The government hopes that the initiative will help increase the contribution of SMEs to the GDP to 41% and increase SME exports to 23% by 2020.</p> <p><i>(Source: Tech Wire Asia, 26 September 2018)</i></p>
<p><b>MALAYSIA</b></p> <p><b>Businesses should leverage on SME financing from Bank Negara: Guan Eng</b></p>	<p>SMEs are urged to make use of the financing available from Bank Negara Malaysia's (BNM) Funds for Small and Medium Enterprises. Finance Minister, Lim Guan Eng said there were still RM3.9 billion of funding available and SMEs should take the opportunity to harness the financing available to grow their businesses. Responding to concerns from SMEs on the difficulties in obtaining financing, he said that businesses could directly contact BNM as the central bank was always prepared to assist SMEs in the event they face issues such as a lack of collateral. Meanwhile, Assistant Governor of BNM, Abu Hassan Alshari Yahaya said of the RM3.9 billion in available financing, RM3.3 billion was earmarked for SMEs in all sectors of the economy, followed by Bumiputera Entrepreneur Project Fund-i (RM191.4 million), Premier Agriculture Sector (RM97.9 million) and micro businesses (RM6.9 million). Abu Hassan also said that BNM will try to ensure that businesses who are competitive will obtain their loans. Bank Negara Malaysia will continue to look at the issues face by SMEs, especially when it comes to business operations and competition.</p> <p><i>(Source: Borneo Post, 25 September 2018)</i></p>
<p><b>INDONESIA</b></p> <p><b>Alami aims to help SMEs access syariah financing</b></p>	<p>PT ALAMI Teknologi Sharia (Alami), is Indonesia's first syariah financial technology aggregator startup, which enables SMEs to easily access financing from various Islamic FIs in Indonesia. Founder and CEO of Alami, Dima Djani says that even though Indonesia is a country with a Muslim majority, the penetration of Islamic banking is only 6% which makes it less competitive. Launched in December 2017, to date, Alami has served nine local SMEs with a transaction value of 20 billion rupiah (US\$ 1.34 million). With ticket sizes from 200 million rupiah to 30 billion rupiah (US\$13,400 to US\$2 million), SMEs are able to search and compare prices from various banks with syariah services such as Bank Mandiri, Bank BNI, and Bank Mega as well as various IFIs and P2P lenders with fully syariah schemes. In terms of challenges, Dima admits that he finds difficulty in increasing financial literacy in syariah, getting funds for the company, talents acquisition, and partnerships. To solve this, the company is working on developing their services and products as well as reach out to local Islamic communities.</p> <p><i>(Source: Digital News Asia, 26 September 2018)</i></p>

**MYANMAR**

**Myanma Economic Bank will lend K250B to SMEs**

State-owned Myanma Economic Bank (MEB) is planning to lend K250 billion to local SMEs in 2018-19 fiscal year. The loan however does not include loans from the Japan International Cooperation Agency (JICA). Earlier this month, JICA said they will lend 11.5 billion Japanese yen (K151.685 billion) to SMEs in 2018-19 through domestic banks. The two-step loan will be managed by MEB under its SME loan programme. The interest rate for the MEB loan will be 9% while JICA's loan will carry a lower interest rate of 8.5%, targeting entrepreneurs. Meanwhile, MEB will offer funds to more established SMEs in the manufacturing, production & trading, import substitution, recycling & energy saving as well as services sectors. SMEs that borrow from the MEB must channel at least half the funds into fixed capital and the other half as working capital. Borrowers who are able to put up property as collateral, will be eligible to a maximum of K300 million in funds. Those who do not have property will be able to get access to K20 million via the Credit Guarantee Insurance Scheme.

*(Source: Myanmar Times, 25 September 2018)*

## GROWING ON THE POTENTIAL OF DOMESTIC FOOTBALL

LOCAL ticketing app, Stubapp is optimistic that it can grow in tandem with the local football industry following ongoing plans to privatise the Malaysian football league system. But unlike other startups, its CEO, Faisal Karim says it will be a slow and steady growth. “The full transition would probably take up till 2020. But we will do our best in the meantime,” he says.

Stubapp started off in early 2015 as a ticketing platform focused on football matches. It has also expanded into entertainment and outdoor events. Faisal, along with his partner, Ridwan Rahman, founded the company to provide local football fans with the convenience of e-ticketing. “In Malaysia, tickets for football are usually only sold on match day. People will queue for hours and there will be huge traffic jams at the stadium. So we thought of doing e-ticketing for the fans,” he explains.

While the idea seemed good, their target audience was hard to reach. Faisal notes that majority of its customers are from the sub-urban areas and are usually of the middle-low educated group. They preferred paying in cash and were more comfortable handling physical tickets. “So we try to encourage them to use the app by making it very user friendly. And to make it easier, we also allow them to make cash payment at 7-Eleven stores after pre-book their tickets on the app,” he says. About 51% of its transactions are carried out in cash, while 40% are done through online banking and only 9% through credit cards.

Another challenge that Stubapp had was to convince football clubs to sell their tickets online. “Tickets are only released on match day because they worry about the duplication of tickets. But ours have security feature that is QR code,” Faisal says. In the first two years of operations, Stubapp managed to get only 2 football clubs on board. It was this year that the team managed to convince more clubs to allocate them a portion of seats to be sold through the app. “They’ll give us 20% to 30% of seats. There are about 15 to 20 matches a year. On average, we are selling more than 50% of our quota. If we hit about 80%, they’ll give us more,” he adds.



But as the industry moves to privatisation, Faisal foresees more initiative to boost revenue, including raising ticket sales and expanding into ticketing for music and entertainment events. This will be a boost for Stubapp. “We can expand into other things as well like selling merchandise and f&b. We can add on more revenue stream for the clubs,” he says. At the moment, the company makes a commission from the clubs for every ticket that it sells.

Eventually, Faisal hope to take the startup to the region. Last June, it raised a little over RM500k through an equity crowdfunding (ECF) campaign. Faisal’s team parted with 23% stake for the amount, which will be used to beef up its technology and for marketing activities. Among the investors that took part in the ECF round was an engineering company, which produces kiosks and self-operated machines. The investor took up the bulk of the stake on offer as they see a potential for the company to grow into physical ticketing.

At the moment, Stubapp has 45,000 registered users, half of them are active buyers. “Stadiums have sitting capacity for 30,000. For hot matches, it will be a full house. Otherwise, on average, it is only 30% to 50% filled. So there is a big potential for us to tackle the other 50%. We can’t control the quality of matches but we can do our part with technology, by adding more value so that more people will want to go to the stadiums. If we manage to do this, other events will not be a problem for us,” adds Faisal.

*(Source: The Star, 24 September 2018)*