

SME WEEKLY NEWS

(22 July 2019 – 26 July 2019)

Countries	Highlights
<p>MALAYSIA</p> <p>SME Corp targets the digitalisation of all SMEs by 2024</p>	<p>SME Corp, Malaysia expects all SMEs in the country to embrace digitalisation in their business operations within five years compared with the current 32%. Its CEO, Noor Azmi Mat Said said the agency is intensifying efforts to assemble service providers to assist the SMEs in adopting digital technologies. Ten service providers who can assist the SMEs in digitalisation have been identified. In this digital era, SMEs need to embark on using digital technologies, at least a cloud-based service or point-of-sale system, which would enable them to store customer data and do analyses. Currently 907,065 or 98.5% of business establishments in the country are SMEs. Meanwhile, SME Corp. Malaysia is targeting sales of RM5 million and potential sales of RM25 million (through business matching) during the Entrepreneurship and SME Week 2019, which is being held in five zones nationwide from 12 July to 2 Sept 2019. With the theme "Mula Berdikit - Azam Melangit" ('Start Small - Lofty Ambitions'), the Entrepreneurship and SME Week 2019 is projected to attract some 300,000 visitors and participants.</p> <p style="text-align: right;"><i>(Source: The Star, 22 July 2019)</i></p>
<p>PHILIPPINES</p> <p>OneConnect partners with UBX to co-create Philippines' first blockchain-enabled platform for MSMEs</p>	<p>OneConnect Financial Technology Co. Ltd. (OneConnect), an associate company of China's insurance giant has partnered with UBX Philippines Corporation, the wholly-owned fintech subsidiary of Union Bank of the Philippines (UnionBank), to build the country's first blockchain-enabled platform to meet the banking needs of MSMEs. The partnership underpins their commitment in the Philippine financial services industry to better serve the unbanked and underbanked communities. In Philippines, SMEs get only 9.2% of loans and financing from the country's major banks. The blockchain-enabled digital platform is an end-to-end platform that leverages OneConnect's facial recognition, micro-expression interview technology and big data-enabled AI. It covers a wide range of business finance needs, such as multi-channel loan applications, credit assessment, loan disbursement, and anti-fraud checking. It significantly reduces approval time while providing more accurate risk assessment. The platform will be operational by end-2019, and will be made available to a progressively larger community of MSMEs by 2020.</p> <p style="text-align: right;"><i>(Source: PR Newswire, 22 July 2019)</i></p>
<p>VIETNAM</p> <p>Finaxar announces partnership to support SME financing in Vietnam</p>	<p>Singapore-based fintech company, Finaxar formed a partnership with Vietnam's Indovina Bank (IVB) and Taiwan's Cathay Financial Holdings to improve financial access for SMEs in Vietnam. The partnership is expected to leverage IVB's and Cathay Financial Holdings' data analytics modeling and tools as well as Finaxar's SME credit solutions to streamline the process for businesses seeking to apply for credit in Vietnam. Previously, Vietnam Chamber of Commerce & Industry reported that about 70% of SMEs in Vietnam, or nearly 400,000 businesses, have little or no access to credit capital. With the partnership, small businesses in Vietnam can use Finaxar Credit Line (FCL) through IVB, which is an online and automated credit financing solution specifically tailored for Vietnam SMEs. Business owners can access funds up to 500 million VND (USD 22,000) through FCL. In contrast to traditional financing, FCL uses a simple model, charging a single percentage fee upfront on the loan amount, with no hidden or processing charges, with credit approval can be granted within 30 minutes of an online application.</p> <p style="text-align: right;"><i>(Source: KrAsia, 22 July 2019)</i></p>

MODERNISING THE REAL ESTATE SECTOR

EVERYBODY wants to be a property owner, but few enjoy the process of acquiring one. From securing a bank loan to signing legal agreements, a property sales cycle involves multiple parties and manual processes that require months to complete. What if that lead time could be significantly reduced and the transactions painlessly performed on your smartphone?

After an unpleasant experience in property purchase, Quek Wee Siong banded with friends Jason Ding and Joshua Ong to develop a solution that could do precisely that. They formed TRB Ventures Sdn Bhd and in 2017, launched a suite of apps called MHub. To date, MHub has generated over 12,500 property bookings worth RM8 billion. It currently has RM50 billion's worth of properties on the platform with 40 major developers, including IJM, MKH and Perbadanan PR1MA Malaysia.

As further proof of their positive street buzz, MHub raised RM2.5million in just eight days when their equity crowdfunding (ECF) deal went live on pitchIN early this month. Leveraging on AI technology, MHub digitises manual and inefficient processes and brings all the stakeholders within a property transaction ecosystem onto a single platform where they can interact and communicate with ease. In return, the entire sales & purchase lead time can be reduced to days – even minutes – in future.



“The real estate industry is long overdue for modernization. From Grab to Netflix to Tinder, every other industry has been revolutionised by digitalisation. But in real estate, we’re still using stickers on the wall and manual booking forms,” says its CEO, Quek. MHub uses a Software as a Service (SaaS) licensing model, whereby

a subscriber pays an annual fee for user rights to MHub’s suite of apps whose tools include live sales charts, report generation and digital booking forms, among others.

“With MHub, developers can now make data-driven decisions based on real-time information,” adds Ding. “In fact, some of them become our champions and give us ideas on how to improve the app,” says chief technology officer Jon Saw, who joined TRB in May 2016. MHub’s ECF campaign is ongoing till the end of the month. It hopes to hit its maximum limit of RM3mil.

Capital raised from the exercise will be used for marketing and to grow its team. A portion of the funds will also be used to finance its fifth and newest app, MHub Buyer. Targeted to roll out in the third quarter of 2019, it will enable prospective buyers to conduct their own credit check, calculate their borrowing capacity and receive loan offers from banks. The team believes that when its suite of apps is completed, TRB Ventures will be uniquely positioned to become the platform of choice for end-to-end property transactions.

“Our next big move is to go into secondary or sub-sale market. It is valued at four to five times more than the primary market, which makes it even more valuable for the banks,” says Ding. Clearly, data drives dollars in the digital age. But making money is not the only thing on the founders’ minds. “We’d like to think that we’ve created an enabler that helps businesses run better. Ultimately, by promoting a sharing economy, we want to democratise the property market,” says Ong.

(Source: The Star, 22 July 2019)

Knowledge Management & Strategy Division
SME Corp. Malaysia
31 July 2019