

# SME WEEKLY NEWS

(19 September 2016 – 23 September 2016)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>Standard Chartered, ADB inks RM80m SCF agreement</b></p>	<p>Standard Chartered Bank (M) Bhd and the Asian Development Bank (ADB) have inked a RM80 million Supply Chain Finance (SCF). The ADB-Standard Chartered partnership will enable SMEs to gain better access to working capital through this programme. Supply chain financing provides SMEs with working capital at affordable rates. This helps them grow and facilitates the acquisition of raw materials for the production of goods that are sold to their corporate clients. SME bank loans make up an average of 11.6% of GDP and 18.7% of total bank lending in most of developing Asia and this indicates poor ongoing access to bank credit, which is a major barrier to the survival and growth of SMEs.</p> <p style="text-align: right;"><i>(Source: Daily Express, 20 September 2016)</i></p>
<p><b>SINGAPORE</b></p> <p><b>SME survey shows Singapore firms having lowest profit expectations in 7 years</b></p>	<p>SMEs here are feeling downbeat about the next six months, especially their level of profitability, a survey found. The index measures the business outlook of SMEs for the next six months (Q4 of 2016 and Q1 of 2017) and is a joint initiative of the Singapore Business Federation (SBF) and DP Information Group (DP Info). In part, this reflects the constraints of operating in Singapore where costs are high. With excess capacity and sluggish demand, it has become tougher for our smaller businesses. Brexit in June, which jolted financial markets initially, may have contributed partly to businesses' weak sentiment for this round of the survey. More than 3,600 SMEs were surveyed between July and August. All six industries recorded a decline in their overall index score. Transport/Storage registered the largest decline at 4.2%, followed by Business Services at 4.0%. Three other sectors - Commerce/Trading (49.9), Manufacturing (49.2) and Transport/Storage (49.7) - had scores below 50 this quarter, indicating they expect worse trading conditions during the coming six months than they are experiencing now.</p> <p style="text-align: right;"><i>(Source: The Straits Time, 22 September 2016)</i></p>
<p><b>SINGAPORE</b></p> <p><b>More SMEs join ranks of fastest-growing companies</b></p>	<p>Despite a weakening economy and challenging business conditions, the number of SMEs among Singapore's 50 fastest-growing companies has reached its highest number in the past five years. Going up from eight SMEs last year to 13 this year, they make up a quarter of the 2016 Fastest Growing 50 (FG50) Awards list. The FG50, compiled by DP Information Group, identifies companies that achieved a minimum of 10% turnover growth every year for the last three years while remaining profitable each year. The qualifying companies are then ranked by their three-year compounded annual growth rate (CAGR), with the top 50 receiving an FG50 Award. But while the SMEs are growing quickly, their profit margins are well behind the larger companies in the list. The average profit margin of the SME is 20%, while larger companies have an average profit margin of 52%.</p> <p style="text-align: right;"><i>(Source: Business Time, 21 September 2016)</i></p>

<p style="text-align: center;"><b>THAILAND</b></p> <p style="text-align: center;"><b>Korean platform launches '11street Campus' in Bangkok</b></p>	<p>South Korean e-commerce platform 11street, which was launched in Thailand help Thai businesses increase their online sales with the opening of the "11street Campus". The Campus is separated into various zones with a wide range of services for small and medium-sized enterprises. It is equipped with photo studios with state-of-the-art technology capable of 360-degree product shots with which businesses can showcase their products. The dedicated on-ground support for sellers at our 11street Campus will not only bring us closer to our local partners, but will also allow 11street to share and educate Thai SMEs on the latest resources we have from our global expertise in creating leading online e-commerce platforms around the world, and help Thai sellers profile their products better online. Right now they have more than 2,000 sellers registered to their platform, and they are anticipating increasing that to nearly 20,000 sellers by the end of 2017.</p> <p style="text-align: right;"><i>(Source: The Nation, 21 September 2016)</i></p>
<p style="text-align: center;"><b>PHILIPINES</b></p> <p style="text-align: center;"><b>DTI sees brighter future of mat industry in Samar town</b></p>	<p>The Department of Trade and Industry (DTI) is optimistic of further promoting the mat industry in this town with the operation of Negosyo Center and Tindahan Pinoy. The Trade department is confident that mat weavers and traders will benefit from these two projects. The town, a neighboring area of Tacloban City, is currently the record holder in the Guinness Book of World Records for the world's longest mat, locally known as banig. Negosyo Centers will be responsible in promoting ease of doing business and facilitating access to services for SMEs (small and medium enterprises), especially those who are into mat weaving and trading. The center will not only ease the process for acquisition of government-issued permits and certificates, but will also serve as an advisory entity and provide access to financial institutions for loan applications. An SME Development Council, composed of public and private sector, will be formed to oversee the operations of the Negosyo Center and ensure that it fulfills its mandate to the people, according to Macabare. The DTI also opened One Town One Product (OTOP) Tindahan Pinoy, which aims to promote Philippine world-class products to tourists and also domestic buyers.</p> <p style="text-align: right;"><i>(Source: The Nation, 21 September 2016)</i></p>

## A BIZ TO SINK YOUR TEETH INTO

In the 1980s, Koek was involved in a family-run trading business. However, the company was badly affected by the recession, so he decided to leave that business to the care of his family while he ventured out on his own in search of that coveted, recession-proof product. He approached his suppliers for help, and they connected him to a toothpaste manufacturer in the US. Then, he stayed in the US for three years to learn all there was to know about making toothpaste. When he came back to Malaysia in 1992, Koek was all ready to put his experience into action.



By 1994, Koek had set up his company with a capital of about RM100,000 to produce toothpaste as a contract manufacturer. He named the company American Lion, before shortening it to AmLion in 2010. Koek found his footing in the direct-selling market, which supported AmLion's business in the early days. The company also manufactured toothpaste for other toothpaste brands, retailers who wanted their own house brands, and hotels. As AmLion increased its exports, the manufacturer moved to a bigger facility, its current home, in Kota Damansara, Selangor in 2004 to accommodate the increase in production.

Joereen his child, now the general manager of operations, joined the fray in 2005, she noted that AmLion was on a growth path and there were higher expectations from customers for credible products. She helped the company to obtain relevant accreditations to comply with international standards, including the HACCP, British Retailer Consortium and halal certifications, and this put them on better standing with customers. By the time Yee Chuan his child came in a few years later, the company had garnered a stronger customer base with larger orders. "So I had to look into increasing production capacity while keeping the cost low. The cost has to be well spent. This means we have to look at efficiency, including production flow, implementing ERP systems and things like that," he explains.

Today, the group turns in average revenue of about RM50million a year. Toothpaste still makes up the bulk of sales, contributing 80% to turnover. Having established what the family feels is a firm foundation. The Koeks are looking to expand even more in the international markets next year. At the moment, exports make up about half of sales. AmLion has been introducing new products into the market over the years such as *ashalal* toothpaste and toothpaste with sugi extracts.

(Source: *The Star*, 19 September 2016)

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