

# SME WEEKLY NEWS

(7 November 2016 – 11 November 2016)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>RHB Bank expects SMEs e-retail solution to get 5,000 users</b></p>	<p>RHB Banking Group expects its SMEs e-Retail solution to garner 5,000 registrations in two years, driven by the introduction of RHB's Merchant Mobile Point of Sale (MPOS) and SAGE One cloud accounting software. RHB's e-Retail solution is affordable for SMEs as SAGE One cloud accounting software costs less than RM50. Among the solutions clients would get include Business Current Account for transactional needs, REFLEX Online Cash Management system that enables low-cost internet banking and cloud-based electronic point of sale (ePOS) system. With the expanded SME e-Retail solution to include the pocket-sized wireless MPOS and SAGE One cloud accounting software, SME retailers would be able to start up their business as early as seven days.</p> <p style="text-align: right;"><i>(Source: The Star, 9 November 2016)</i></p>
<p><b>MALAYSIA</b></p> <p><b>British Airways launches loyalty programme for local SMEs</b></p>	<p>British Airways launched 'On Business' loyalty programme targeted for Malaysian SMEs with Malaysia is the 9<sup>th</sup> country in the region to activate the programme after Australia, China, Hong Kong, India, Japan, South Korea, Singapore and Thailand. The new programme will enable them to maximise their travel budget by earning points when travelling with British Airways, Iberia and American Airlines. The programme has helped companies worldwide to save RM47 million in travel expenses last year. To be eligible, SMEs must be registered companies, with no limitations on the number of employees and financial performance. New members from Malaysia could also enjoy a welcome bonus of triple On Business Points on the first six eligible flights within the first 12 months of a new membership.</p> <p style="text-align: right;"><i>(Source: The Star, 10 November 2016)</i></p>
<p><b>THAILAND</b></p> <p><b>Alibaba, UTCC team up for ecommerce</b></p>	<p>Alibaba appointed the University of Thai Chamber of Commerce (UTCC) as its first authorised e-commerce training centre in Thailand. Both organisations collaborate to accelerate e-commerce growth in Thailand and help SMEs position themselves in global market. Under a programme called 'Training the Trainers, the UTCC faculty members will be coached by Alibaba to become certified trainers. The UTCC will have the ability to train more than 5,000 people a year, helping to create more e-commerce entrepreneurs and equipping more SMEs to expand internationally. In addition to the programme, UTCC and Alibaba are working together to offer SMEs the 'Alibaba Dream Trips' to Hangzhou, China, where the company is based. Participants get to spend four days at Alibaba, learning about the company's corporate culture, online trading, importing and exporting.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 7 November 2016)</i></p>

<p style="text-align: center;"><b>SINGAPORE</b></p> <p><b>SMEs facing financial woes soared 22%</b></p>	<p>According to the 2016 SME Development (SMED) Survey conducted by DP Information Group (DP Info), a significant new challenge has emerged for SMEs i.e. access to financing and the cost of funds. The percentage of SMEs facing financing issues rose from 14% in 2015 to 22% in 2016. Financing is now the fourth biggest cost issue facing SMEs after manpower, raw materials and rent. Among SMEs with financing issues, 46% cited higher bank interest rates as the biggest problem while 19% have to provide more collateral to maintain their loans. SMEs are also being squeezed harder by their suppliers with 34% indicated tighter access to supplier credit, thus resulting in cash flow issue. Cash flow problems are now the top business concern of 7% SMEs, which is twice as many when it was just at 3% in 2015.</p> <p style="text-align: right;"><i>(Source: Singapore Business Review, 7 November 2016)</i></p>
<p style="text-align: center;"><b>VIETNAM</b></p> <p><b>Credit still an obstacle for SMEs</b></p>	<p>Survey conducted by Central Institute for Economic Management (CIEM) showed that lack of capital and access to credit remain the most serious obstacles to the success of Vietnam SMEs. With more than 2,600 SMEs took part in the survey, findings revealed that 83% of businesses faced obstacles in business development, including lack of capital and land for business and production, fierce competition and limits on consumption of products. This figure remains unchanged when compared with the survey in 2013. However, the rate of businesses facing difficulty accessing credit has reduced, from 45% in 2011 to 24% in 2015. The figures are good signals as the business conditions seem to have been improved a little, but barriers are still there and need to be solved.</p> <p style="text-align: right;"><i>(Source: Vietnam News, 10 November 2016)</i></p>

## CRUISING AFTER A BRUISING



Education may give a head start in life, but it sure does not guarantee you success as an entrepreneur, says the founder of Goldtex Exim, Ramesh Kodammal. Despite aspiring to become a lawyer, he had to stop schooling as his father passed away when he was still young. As such, Ramesh had to assume the role of breadwinner early and take care of his mother. "I remember the last exam was on a Friday, and I started working at a textile wholesaler's at Jalan Tuanku Abdul Rahman, Kuala Lumpur. I started by doing odd jobs, including cleaning the shop," recalls Ramesh.

Wanting to give his family a better life, the young man worked hard and multi-tasked at his job. This included doing sales, where he would take the textile products to offer to the various sundry shops and supermarkets. As he believed he could do better, Ramesh decided to strike out on his own. He set up Goldtex as a sole proprietorship in 1976, selling children's

clothes as a wholesaler for a garment manufacturer. When he first started out, Ramesh had to make new friends in the business world, many of whom were 10 to 15 years his senior. He was still very young then, and most of his friends had travelled overseas to further their studies.

In 1980, he hired two workers and became a wholesaler for a variety of garments. He even dabbled in the fruit business. But the business started to drop with half of his 80 clients were not paying him for the stocks. "I had to explain to my suppliers, and in 1994, I decided to get other funding sources to keep the business afloat — by becoming an employee!" he says. As it happened, a friend who was running a real estate valuation company asked Ramesh to revive his dormant real estate sales division. Three years later in 1997, when the property market began to slow down due to the Asian financial crisis, he quit the job and focused on his business.

Today, Goldtex operates from an office in Sentul Raya Boulevard, Kuala Lumpur with 50 workers. The company has become a manufacturer of textile-based home furnishing products with a partner in India that takes care of the manufacturing activities. They serve as an original equipment manufacturer (OEM) to some of the local hypermarkets, while also having their own brand of products which are sold at their five retail stores in the Klang Valley. And with the arrival of the digital era, Ramesh says they are also looking at the e-commerce space to sell their products.

*(Source: The Star, 7 November 2016)*

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14 November 2016