

SME WEEKLY NEWS

(20 August 2018 – 24 August 2018)

Countries	Highlights
<p>MALAYSIA</p> <p>Going digital – rural SMEs face funding, knowledge, manpower issues</p>	<p>Funding, digitalisation knowledge, manpower shortage and insufficient product variety are among the challenges faced by Malaysian SMEs in embracing digitalisation, says the national president of SME Association of Malaysia, Datuk Michael Kang Hua Keong. He said to address these challenges, the government should conduct basic e-commerce talks, provide good and affordable infrastructure including for companies in rural areas and conduct seminars on how to leverage on the new media for digital marketing, which has lower costs. The government can also assist SMEs in providing lower cost in e-commerce on-boarding and digital advertising and promotion to promote the branding of SMEs especially for Made-in-Malaysia products, thus enable local SMEs to better promote their brands and products. In terms of infrastructure needed to support digitalisation, such as internet connectivity, the existing infrastructure is still lacking in the rural areas. Meanwhile, SME Corp. Malaysia said digitalisation has changed the way of doing business for rural SMEs, especially in the areas of global market access, improved business transactions, time saving, minimise business cost, marketing and networking.</p> <p style="text-align: right;"><i>(Source: The Sun Daily, 22 August 2018)</i></p>
<p>MALAYSIA</p> <p>UOB Malaysia signs deal with SJPP to offer loans to SMEs</p>	<p>United Overseas Bank (Malaysia) Bhd has signed an agreement with Syarikat Jaminan Pembiayaan Perniagaan Bhd (SJPP) to offer government-guaranteed financing to SMEs. Under the agreement, SMEs can obtain collateral-free loans of up to RM1mil through the SJPP-UOB BizMoney financial solution. The amount was twice the amount available to customers under the existing UOB BizMoney package. Under the agreement, SJPP will guarantee up to 70% of the loan through its Working Capital Guarantee Scheme and Services Sector Guarantee Scheme. The SJPP-UOB BizMoney financial solution provides flexible repayment tenures of 18, 24, 36, 48 or 60 months, with interest rates starting from 0.54% per month. Finance Minister, Lim Guan Eng said that SJPP has made available about RM30bil worth of financing extended by FIs through various schemes. SJPP manages govt guarantee extended to finance institutions, which in turn give financing facilities to SMEs. CEO of UOB Malaysia, Wong Kim Choong said that the partnership with SJPP will help SMEs gain access to additional financing to capitalise on more business opportunities and to meet their working capital needs.</p> <p style="text-align: right;"><i>(Source: The Star, 22 August 2018)</i></p>
<p>SINGAPORE</p> <p>SMEs to get more help in digital adoption with enhanced 99%SME website</p>	<p>SMEs that are still grappling with adoption of digital technologies can look forward to additional help with the return of the annual 99%SME campaign. Started by DBS and Singtel in 2015, the campaign aims to help local SMEs to go digital. This year, both firms will partner the Infocomm Media Development Authority (IMDA) to make enhancements to the e-marketplace on the 99%SME portal. With about 700 SMEs listed, the e-marketplace is currently powered by online retailer Lazada – a tie-up that was announced last year to help SMEs venture into e-commerce. With the enhancement, SMEs, especially those that do not know how to set up an online presence, will get instant connection to an e-commerce platform hosted by 99%SME. There will also be a new business-to-business (B2B) marketplace for SMEs to sell their goods and services to large corporate and multinational companies (MNCs). Set to be rolled out by end-2018, the B2B platform will also give SMEs access to supply chain connections, financing and payment solutions that are usually only open to large corporates or MNCs.</p> <p style="text-align: right;"><i>(Source: Channel News Asia, 21 August 2018)</i></p>

PHILIPPINES

FedEx Express supports local SMEs by making global markets accessible

FedEx Express recently organised a workshop with the theme “From Local to Global: E-commerce Solutions for SMEs”. Representatives from FedEx Express briefed their FedEx Express SME customers about ways they can leverage the thriving digital economy. The speakers shared information on the portfolio of services and solutions offered by FedEx Express including automation, website integration of shipping processes, as well as the proper use of digital tools to make it easier for them to reach potential global customers. According to a recent study by FedEx Express, revenues generated from exports equate to 89% of total revenues for Philippine SMEs, which is significantly higher than the Asia Pacific average of 71%. Additionally, new technologies are making global trade more accessible to local businesses with SMEs finding it easier to reach new customers and markets beyond the Asia Pacific region. FedEx Express encouraged SMEs to “think big,” as the rise of digital economy opens up the world as an enormous local marketplace accessible to all.

(Source: Manila Buletin, 20 August 2018)

NAVIGATING THE BUSINESS OF FABRICS

IT STARTED with a search for a comfortable shirt. Low Wei Loon did not think that it'd come down to making them himself. Low is the founder and director of local shirtmaker, Wayne Lowe. But unlike most shirtmakers, he is more interested in the fabric used to make the shirt rather than the design of the shirt itself. "I am sensitive about fabric," he offers.

Low spent good amount of money on shirts he thought were the right fit but was quickly disappointed by how they felt when worn. "I started visiting a lot of tailoring shops and shirting brands to try and learn about their products. This is where I found out that the exposure to shirting in Malaysia is very low. Most salesperson selling their shirts don't really know about shirting or fabrics and tailors, while being really good at crafting the shirt, knows nearly nothing about fabrics. I have



tailored quite a few shirts with fabrics recommended by tailors and all of them failed me," he says.

The idea of Wayne Lowe came about shortly after he started tailoring his own shirts with fabrics he sourced himself from overseas. Comfortable shirts really make a difference, he says, as he became more confident. "There are some good shirt brands out there. But most of them are international brands and their products cater to different seasons. They don't really pick out shirts that are suitable for our weather.

He left the legal practice and spent some time in Singapore to learn about fabrics. He started looking for local manufacturers who could produce his shirts, which was a challenge as he only wanted a very small order. Low sources his 100% cotton fabrics - Egyptian cotton and Giza cotton - from either small family-run Italian mills or from world class fabric mills like Thomas Mason, Tessitura Monti and Cotonificio Albini.

The fabrics are put through his own unique tests. He would put on sample shirts and go through rigorous activities in them. He wanted to know how absorbent the fabric was, which ones had minimal wrinkles and which ones felt the most comfortable after hours under the sun. Low put in about RM60,000 to RM70,000 into the company which he founded in late 2013. He figured he'd be savvy and get his business started online, like most other new entrepreneurs.



"But we had zero sales for the first six months," he says. Turns out, it wasn't the best of strategies. He needed some physical presence before he could drive traffic to his online store. So Low approached departmental stores and managed to get some of his shirts stocked. From there, Wayne Lowe started gaining some traction.

Currently, the brand sells about 100 shirts a month. To encourage more potential customers to try on his products, customers can order the shirts using the cash-on-delivery option, whereby his team would provide them with a fitting session to find the perfect fit for them. "We don't just want to sell shirts. We want to also share information about fabric," he says. He hopes with more market education, there would be a better appreciation for fabrics and not just designs and cuts.

(Source: The Star, 20 August 2018)

Economics and Policy Division
SME Corp. Malaysia
29 August 2018